



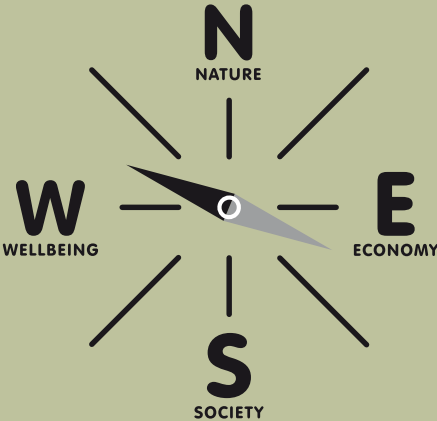
FENIX OUTDOOR

CSR REPORT 2023



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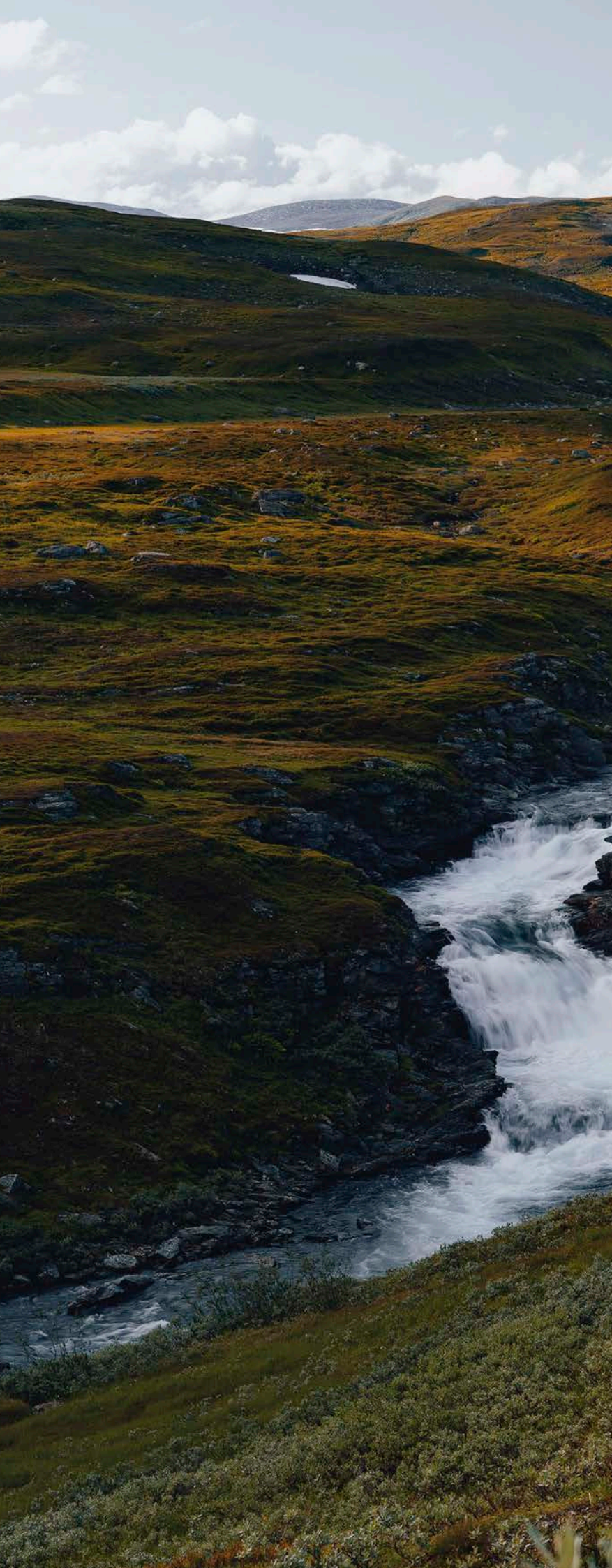
With the help of our management compass, this report takes us on a journey through the sustainable business update of FENIX Outdoor and gives insights into our visions, aims and further steps.

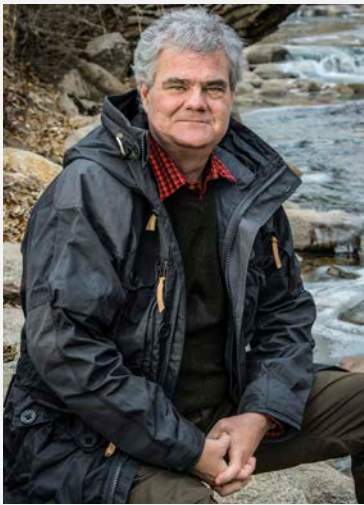
N = Nature:
As an outdoor company, we believe that business activities should contribute to resilient and well-functioning natural systems.

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 friends,

2023 was a strange year. We were finally looking at what we thought would be a more 'normal' year, following Covid-19, the energy crisis, all the supply chain challenges and everything else that was going on in the world. Our teams were energized and ready to taggle all the great CSR initiatives that we had in the pipeline. However, things did not turn out exactly as planned.

2023 ended up being a year shaped by a challenging retail environment, continued supply chain issues and warm weather, to name a few things. All of this has a rather acute impact on our business. Our retailers were struggling with overstock which led to heavy discounts and a decrease in pre-orders for coming seasons. Collectively, these business challenges had an impact on our ability to carry on with certain planned CSR initiatives.

It is important to note that this does not mean that we are compromising our day-to-day sustainability work. We are still doing our utmost to ensure our products are produced, shipped, and sold with as little impact on our environment as possible. But it had consequences on our ability to make extraordinary

investments, for example in our planned solar power setup at our central warehouse in Ludwigslust, Germany. This project has now been postponed to a later point in time.

Furthermore, we re-focused our internal resources to become even better prepared for the future. We have continued our work to professionalize and structure our sustainability work even further.

Thus, we also had reasons to celebrate throughout the year. Here I want to highlight our German retailer, Globetrotter, finally receiving the German Sustainability Award after many years of hard work in their sustainability journey. A notable project from Globetrotter, that possibly played its part in this win, was the opening of our new Globetrotter Bonn Re:Think store, where our retail team have completely rethought every aspect of how to open and operate a retail store from a sustainability perspective.

ANOTHER THING THAT I am very pleased with is our improvement in communicating our sustainability achievements, especially within Fjällräven. Throughout the history of Fjällräven we have always had a culture of not talking about our sustainability efforts. We have always said this is something we do because it is the right thing to do, and not as a marketing opportunity. While that is still true, we have however decided to become a bit more proactive, and thereby more transparent, in our sustainability communication. An example of this was the condensed Fjällräven CSR report that presented our key metrics in a less technical and easier to understand format. We aim for higher transparency and to make it easier for everyone to assess our development year over year.

I could continue listing things to be proud of, even in a challenging year. But this letter also needs to come to an end at some point. I still have a few closing remarks though. First of all, I want to remind everyone about our continued commitment to the UN Global Compact, espe-

cially focusing on the six SDG's that we have identified internally as to where we can have the biggest impact with our work and business. [SDG 3 (Good Health), SDG 4 (Quality Education), SDG 8 (Decent work and economic growth), SDG 10 (Reducing Inequalities), SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Change)].

FURTHERMORE, AS YOU are aware we are looking at many new reporting requirements coming from authorities globally, and we welcome this! We have been on our CSR reporting journey for more than 10 years, and have had many learnings already, but more standardization and equal requirements to businesses and industries is only going to increase comparability and transparency between brands and companies. As of 2025 Fenix Outdoor will need to report in accordance with the European CSRD and already as of 2024 we need to formally respond to the German Supply Chain Due Diligence Act for our German business. Because of this, we have modified our report already this year, and I hope you will find the structure more in line with the legal requirements to come.

After a strange 2023, and still an uncertain outlook on 2024, I think it suits the situation to share a quote from Peter Drucker, a renowned economist and author:

"The best way to predict the future is to create it."

In unpredictable, unstable and at times difficult times, this is the spirit we have at Fenix Outdoor. We change the world to make it the place we want it to be.

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



Preparing for the future: The new normal

1. OVERVIEW – Our sustainability management approach

Summary of governance, structure and strategic positioning

Fenix 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. Fenix Outdoor International AG, Corporate Identity Number CHE-206.390.054, with its registered offices in Zug, Switzerland, is listed in Sweden (Stockholm Stock Exchange – large cap) and originates from Örnsköldsvik, the town where Fjällräven was founded. The chairman and CEO of the group is Martin Nordin, eldest son of Åke Nordin, the founder of Fjällräven. The total number of shares in the company is 35,060,000, of which 24,000,000 are Class A shares, nominal value 0.1 CHF/share, and 11,060,000 are Class B shares, nominal value 1.0 CHF/share. The company's largest shareholders are listed in the chapter "Economy."

Acquisition of Exist AS

In June 2023 Naturkompaniet AS, a subsidiary within the Fenix Outdoor group, acquired the Norwegian e-commerce site Exist Internet AS and its two subsidiaries Fjellshop AS and Fjellshop Tromsø AS, including two stores, one in Lillehammer and one in Tromsø. The consideration was in NOK and recalculated to EUR it amounted to TEUR 2,032 and net cash acquired of TEUR 322 resulted in a cash outflow of TEUR 1,710. The provisional acquisition resulted in a preliminary goodwill position of TEUR 1,135 and is not expected to be tax deductible. The acquisition has a limited effect on the total financial figures of the Group.

As of 31 December 2023 the company

held 132,337 B-shares in its own books (at 2022-12-31 the company held 132,337 B-shares). There are 66,000 personnel options outstanding as of 2023-12-31 (at 2022-12-31 22,000 personnel options). Fenix Outdoor International AG had 8,742 (9,284) shareholders in 2023. The ten largest shareholders held 81.2 % of the capital and 92.8 % of the votes. A list of the major shareholders can be found in the Chapter Economy. The business model is grouped in three segments: Brands, Global Sales and Friluftss Retail.

The corporate foundation for our sustainability work is reflected in "The Fenix Way," a document that maps the four cardinal directions of our ethical Fenix Management Compass®, which are Nature, Economy, Society and Wellbeing. Embedded in our Fenix Way is the Code of Conduct for our employees and management (signed by 92% of all employees as reported in 2023) as well as the Code of Conduct for our Suppliers. In the annex of the Fenix Way, we have mapped our five-year plan regarding the material topics we address under each cardinal direction, including the fields and areas currently representing the double-materiality topics for our business. The "Sustainability Agenda" in the Fenix Way sets overall goals and targets. An update is latest due in 2025.

Despite the decentralized structure of the organization, some central service functions are shared by all operational units. Sustainability (or CSR, as we commonly say) is the central function that directly reports to the CEO and Chairman of Fenix Outdoor International. The department is headed by the Chief Sustainability Officer

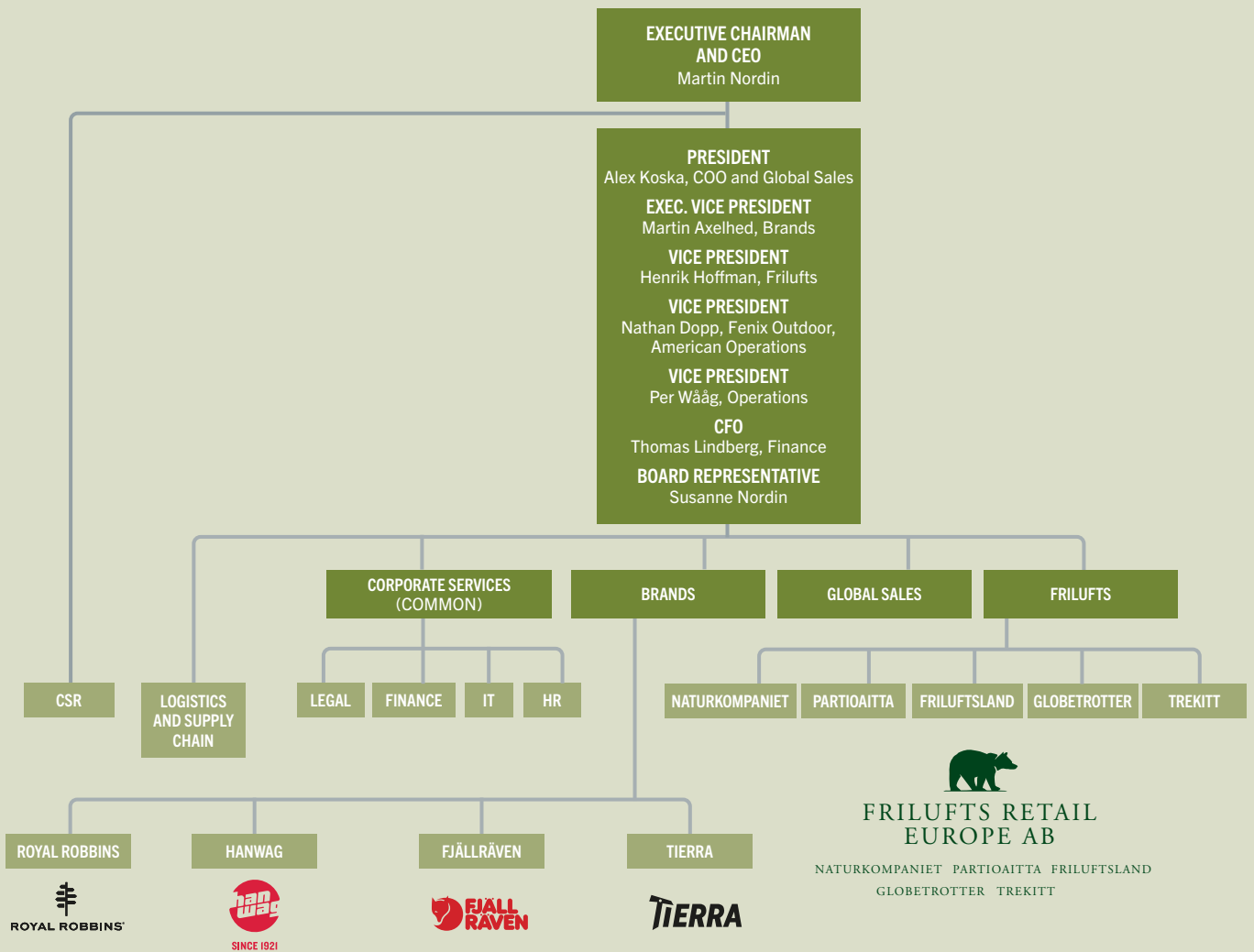
(CSO). To best service the operations, the Global Sustainability Director, the Regional Sustainability Manager North America and the Senior Sustainability Manager Friluftss Retail lead the activities in their respective areas of responsibility and are accountable to the CSO.

Fenix Outdoor International AG is a group of outdoor retailers, brands and wholesale/B2B entities which act independently in their respective markets. The brands Royal Robbins, Tierra, Hanwag and Fjällräven form one business segment. The second large business segment is Friluftss Retail Europe, comprising Naturkompaniet, Partioaitta, Friluftssland, Globetrotter and Trekitt. They are multi-brand retailers in the outdoor sector. The Global Sales organization is a network of sales offices around the globe, mainly for the B2B business but in some cases also service B2C.

In order to fulfill our legal as well as voluntary obligations, Fenix Outdoor has engaged in a network of organizations and developed a set of internal policies and guidelines that focus on sustainability and compliance. At Fenix Outdoor Compliance, Sustainability and Data Protection are grouped together in the "CSR Department" since 2012. The managerial foresight to organize the topics in this manner enables the company to quickly adapt to new legislative challenges and adopt new routines and demands in an efficient way.

Recent policy developments in Switzerland and the EU require additional information on non-financial topics. While this may leverage the pathway to a more level playing field, it will strain resources and require diverting investments from "posi-

ORGANIZATIONAL STRUCTURE



tive impacts” to “documentation and internal auditing.” That is why, for the first time, we pick up policy developments as a risk and opportunity in our materiality matrix. However, in general our material impacts on the environment, the people working for us in our supply chains and those who receive and use our products and the communities we are directly or indirectly operating in are those described in our double-materiality matrix. We are aware that any type of human action in a developed and developing society has negative and positive impacts on all aspects of life: We use physical resources which need to be extracted, created or grown in nature; we change or convert them and add value; we combine them, transport them, pack and finally sell them. The user then uses them and initiates all that comes with them including washing or other care services, but also the legacy those products leave

behind. Therefore, we apply the precautionary principle when assessing the functionality of a piece of gear, the used material or introduced chemicals.

We regularly assess, evaluate and strive to mitigate or minimize our negative impacts and foster the positive ones as described in this report.

In April 2023, we sadly said good-bye to our dear colleagues and friends at Primus. The group now consists of four brands and five retail organizations.

The organizational structure changed slightly. A new Vice President, Per Wååg, was appointed to head of the Logistics and the Sourcing and Production Unit. President Alex Koska is responsible for Global Sales, Executive Vice President Martin Axelhed heads the brand unit, Vice President Henrik Hoffman heads the Frilufts Retail organization and Vice President Nathan Dopp is responsible for the Americas.

STRATEGIC FOCUS AND MATERIALITY

As in previous years, we consider climate change and the associated extreme and unpredictable weather events as strategic risks and a priority for action. We also think that most of our environmental endeavors are directly or indirectly linked to prevent or mitigate the negative climate effects and help to achieve the 1.5° Paris Agreement goal. In 2023, we continued projects in our own operation and in our supply chain to help foster a more sustainable, independent and CO₂e-reduced energy supply. The year 2023 is characterized by instability, economic downturn and disruption. The war in the Ukraine, the inflation and extraordinary budgetary spending of many governments with unknown side- and long-term effects led to a general notion of insecurity, fear and enhanced polarization. In addition, more and more legal demands and restric-

tions concerning products, their packaging and disclosure requirements from more and more companies apply. This leads to increased bureaucracy and so far has not yet even remotely reaped the fruits of an economic “level playing field.” In fact, the European markets are falling behind in comparison to China and in part also the US.

The pressure on companies to publicly subscribe to the Science-based Targets is mounting.

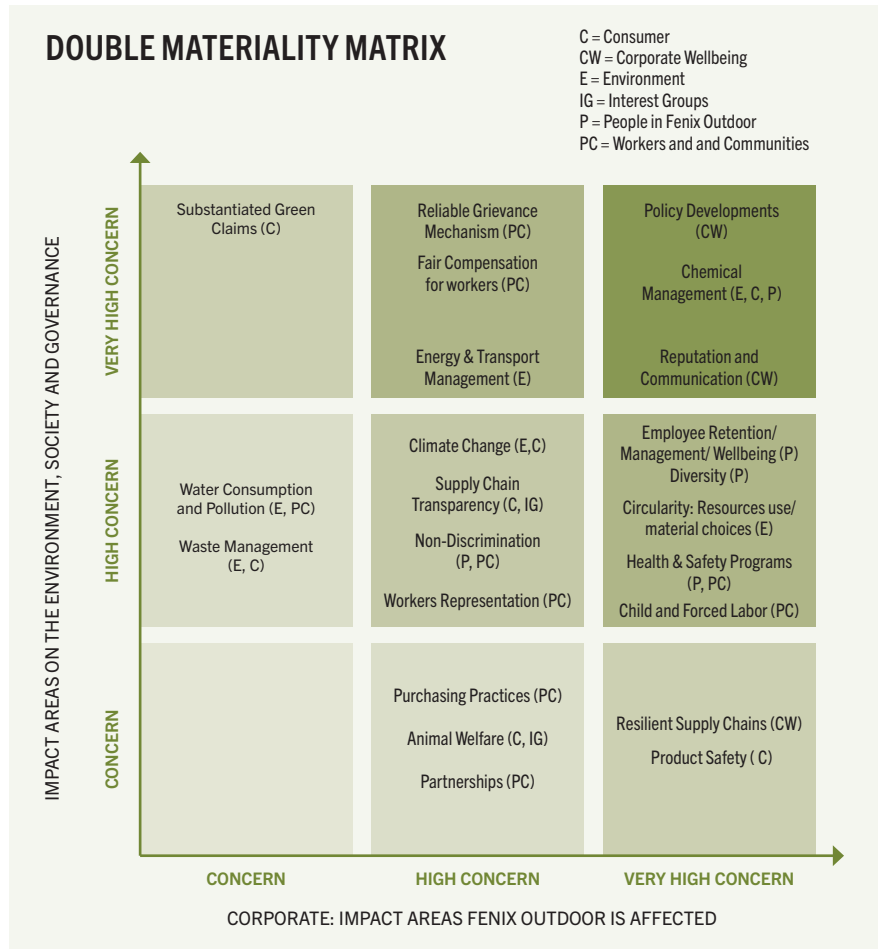
We are skeptical if these subscriptions, declarations of intent and associated consulting and certification requirements will do any good for the planet, but we are further committed to do our share to keep it inhabitable, rich in biodiversity and adventurous. We want to move on and achieve true results.

Subsequently, we continue our path on our Fenix Way. We want and we 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 implementing energy efficiency measures.

In the Materiality Matrix 2022 we presented 47 topics that fell into 11 cluster areas. These were:

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

Those topical clusters were relevant and material to us as a company on the one hand and material to our stakeholders. The new legal double-materiality is going a step back by looking at the impact the company has on the Environmental, Social and Governance areas and what impact those areas in turn have on the corporate wellbeing and finances. In the new Materiality Matrix, we clustered and reflected the old topical areas but rephrased some of them in order to meet the goals of double materiality. The result is the current aggregated model.



COMMUNICATION

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 update all participating employees on the progress made toward our sustainability goals. In 2023 this was done both in person and digitally. The hybrid version of the kick-off enables us to virtually engage with the whole Fenix Outdoor organization, allowing for a 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 e-mails, an internal Sustainability site as information resource, podcasts, as well as series of internal online trainings. Twice a year we dedicate a whole month to Sustainability in our internal communication channels. We have also introduced a little interview nugget, called “A Cup of CSR,” which features an approximately ten-minute sustainability interview monthly with various representatives from

the whole organization. The CSR reporting software, introduced in 2018, has been further developed in 2023 and updated with regard to the Swiss Ordinance Art. 964ff and the EU CSRD/ESRS requirements and we are on track to optimize the system of data collection and analysis.

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 2023. Fenix Outdoor has been a reliable and constant signatory to and supporter of the UN Global Compact since 2012 and continues at participants level for its further engagement. We actively take part in 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 Climate Action Corps. We continued our involvement in the Sustainable Apparel Coalition (SAC) and furthered the rollout of the Higg modules such as applying the Brands and Retail Module (BRM).

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. A Headquarters visit by FLA staff was due in early 2024.

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.

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

CERTIFICATIONS

When it comes to certification schemes, we do not aim for formalized certifications of any type of management systems. We believe that as Fenix Outdoor our responsibility is to do things right and to communicate only what we have evaluated ourselves and can stand for with our own name. However, in many operations ISO 9000 and ISO 14000 principles are applied in a non-formal manner. Several of our suppliers carry certifications or deliver materials which often carry significant and reputable signs of conformity to industry standards, such as GOTS, RCS, bluesign or others. Those certifications and labels are appreciated by us. However, only for production purposes do we demand certifications of materials and the chain of custody in order to make qualifying statements on our material use. The information is stored internally and not necessarily communicated to our constituency except in generic terms (such as “recycled” or “organic”).

STAKEHOLDER INVOLVEMENT

Fenix Outdoor engages in open dialogues 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.

Fenix Outdoor Brands Unit

By the end of 2023, approximately 95% of our business partners representing suppliers had signed our Code of Conduct (CoC). There are no significant changes over 2022. As we have four brands and five retail chains, the subscription rate to our CoC has

SUBSCRIPTION TO OUR CoC BY SUPPLIER TYPE

Business Partner Level	Bandwidth	Average	Representing production & values
Intermediary	100 %	100 %	< 20 %
Tier 1	80–100 %	94 %	> 80 %
Tier 2	77 %	77 %	N.d.
Tier 3	0–1 %	< 0.5 %	N.d.

a considerable bandwidth. This will improve over time, but every new acquisition may blur the picture.

Each Fenix Outdoor brand has developed its own individual sustainability agenda with distinct sustainability goals and implementation plans. The sustainability plans for 2025 are well underway. In 2023 we held a two-day workshop for the upcoming 2025 to 2030 sustainability strategy. In 2024 we strive to hold several individual sessions with brands, retailers, significant operational units and the Top Management. 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 across the organization.

To improve our supplier management, all brands worked much closer together and offered training and educational events under the roof of the central CSR Department 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, a more thorough tracing and tracking of materials, emissions and the scores of our supply chain partners, as well as certificates on material level is possible but has not yet materialized.

Frilufts Retail Unit

In response to the new German Supply Chain Due Diligence Act, we have also required our brand suppliers to sign a Code of Conduct as a sign of goodwill and ethical commitment to decent supply chain and human rights management.

752 reputable brands, representing 98% of the purchase value, have signed our Brands Code of Conduct for Frilufts Retail, representing annual sales of about 332 million euros. This exceeds the level of the previous year by more than 21.2%. In light of our risk exposure, we have decided that brands that do not commit to ethical behavior will be put on hold or delisted from our assortment in 2024, depending on the overall sustainability risk assessment score.

CORE MANAGEMENT ISSUES FOR OUR VARIOUS ENTITIES

As in all previous years, economically 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 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 avoid focusing only on growth or turnover.

RECOGNITIONS

Also in 2023, our sustainability efforts received international attention and recognition. Fjällräven and Naturkompaniet were voted and perceived as the most sustainable brands in Sweden. Partioaitta was voted and perceived to be among the top sustainable brands in Finland. On the Swedish second-hand platform “Tradera” Fjällräven was voted the most wanted brand, evidencing the timelessness and durability of our goods. In 2023, we were also ranked in the Fashion Transparency Index and achieved a better rating than ever before. We are now on eyes-height with our peers and will continue to improve even we may no longer fall into the rating scope. We also received a B score in the Carbon Disclosure Project (CDP) assessment, which is part of a mandatory requirement from investors and the UN FCCC Fashion Charter on Climate Action Initiative.

For its in-store repair stations, rental service, secondhand and A Greener Choice, Globetrotter received the German Sustainability Award 2024. The German Sustainability Award is one of the most prestigious awards in Europe for social and environmental sustainability.

FOCUS AREAS

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

Various significant impacts and negative

side effects occur in different stages of our services and products' lives. From raw material sourcing, spinning, dyeing or other processing steps, through the transport, to sale, 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 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. We have reorganized the Human Rights responsibilities to meet the Corporate Sustainability Due Diligence regulation. The CSO is also taking 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 suppliers.

As climate change is a global challenge, we address the importance of climate mitigation and positive climate action. In 2023 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, the Manufacturing Restricted Substances List). We update our chemical guidelines on a yearly basis, reflecting the latest scientific research and following our own precautionary, proactive approach which goes beyond the current and upcoming legal requirements. The Fenix Outdoor Chemical Guideline promotes the phase-out of hazardous substances and acts as a guide to less hazardous alternatives. The Fenix Outdoor RSL Guideline also includes a testing matrix supporting the supplier in what substances might pose risks in different types of materials.

During 2023 we hosted a supplier webinar linked to the launch of the updated 2023 ver-

sion of the Chemicals Guideline. Our purpose was to share background information regarding the added substances and support the chemicals management carried out by our suppliers. During the past year we have been sharing chemical topics, such as substances of concern, potential new regulations and other chemical-related topics of interest in the Fenix Outdoor sustainability newsletters for suppliers. These communication instruments have helped to lift the transparency and made sure that both our business partners and our organization are able to proactively work toward safer and more sustainable products. A focus area of work in 2023 was the intense and deep understanding of the use and occurrence of per- and polyfluorinated chemicals (PFCs, nowadays called PFAS) in products and often-times unknown applications. In May 2023 we learned that product components sold to us were labeled as PFAS-free, while tests showed their occurrence of PTFE in paint on the sliders of zippers. Our supplier had to rework their product offering and provide us with truly PFAS-free versions of their

zippers by the end of 2023. This will allow us to deliver products in accordance with our own chemical requirements in fall 2024.

We have also consolidated and streamlined the testing process for all textile brands under the Fenix Outdoor umbrella, including microfiber shedding tests according to the standard developed by The Microfibre Consortium (TMC) with a new third-party partner. The CSR team has also held several internal trainings on chemical-related topics such as the newly implemented or updated test standards and future potential challenges. The latest version of the RSL can be accessed here: https://www.fenixoutdoor.com/wp-content/uploads/2023/05/Chemicals-Guideline_EN_FIN-2023-Rev-6.0-Fenix-Outdoor_FIN.pdf

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

COMPLIANCE CASES 2023

Case Description (no. of cases)	Handling Procedure
Product Safety (1)	Case of production mistake in a product (mistake rectified; insurance claim); claims because of hydrolysis in shoes – soles come off after 7 years (information and repair offers are given with each product)
Revocatory actions (var)	Insolvency proceedings in various countries; corporate/financial risks are under control
Labeling (0)	-
Infringements of Trademarks (1)	Trademark name needed to be changed
Data Safety (var)	- 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's handling of personal data internally -> access rights changed - wrong shipments/labels/invoices in eCom -> all technical adaptations made; human errors still possible.
Labor Laws (10)	Var. complaints about works council, staffing and internal recruitment processes
Communication/Marketing (3)	Online communication of products and price reductions in Sweden and Finland (resolved in Sweden, pending in Finland); revocation phrases online: changed according to authorities' requirements
Harassment (3)	Internal bullying in warehouse and store (HR & management and an external consultant involved -> measures taken and matter rectified)
Corruption (3)	Bribery attempts (employees immediately reported to CCO)
Health & Safety (0)	No case reported
Other (1)	Copyright infringement (pending)

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, namely IDW PS 980 and ISO 19 600. In 2023 we continued to operate the whistleblowing hotline in accordance with EU Directive 2019/1937. Through the “Ethicspoint hotline” anyone can raise concerns about and to Fenix Outdoor without disclosing their own name or contact information. 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. We are also compliant with the national provisions in Sweden and Germany, for example, and encourage our employees to also use the governmental whistleblowing provisions if they feel they are not getting appropriate attention through internal channels when it comes to breaches of laws.

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 2023. 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 2023 a total of 31 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, it reflects also the owners’ will to systematize the handling of ethical and legal matters. In 2023, the number of cases directly reported to the CSO slightly increased over 2022. In particular, the Whistleblowing Hotline was used more frequently. The number of reports received grew from 14 in 2022 to 19 in 2023. 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 have not received any complaints or hints through this tool from our supply chain and business

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

partners. The cases we received are given in the overview table.

When it comes to compliance risks embedded in our products, we use the precautionary approach and adhere to the legal frameworks governing the respective products. Our risk management approach includes, among other things, the key requirements given in the table “Product Compliance.”

OPPORTUNITY AND RISK ASSESSMENT

Following the new requirement to specify the risks and opportunities and setting up a double-materiality matrix, we have adapted our presentation in this section accordingly.

Environmental Risks and Opportunities

Fenix Outdoor contributes to environmental damage using resources in creating products, finishing, transporting, selling, purchasing, using, maintaining and disposing of them. We benefit from this in receiving revenues and profit from sales. We also profit from the externalization of costs, borne by societies or direct and indirect subsidies of various national governments or regional entities.

We mitigate our negative impacts by selecting materials cautiously and having a preferred materials policy. While maintaining our standards of quality, durability and timelessness, we prefer, e.g., the use of recycled material over virgin fossil-fuel-based materials. We are also sourcing preferably organic or environmentally preferred natural materials over those grown or derived in

a conventional manner (e.g., highly industrialized agricultural practices).

The transport of goods around the globe contributes to greenhouse gas emissions. Our aim is to avoid air freight to the utmost possible extent and to be very cautious when it comes to business travel. However, a group of global companies with various local head offices requires business travel even by air to some extent, notwithstanding online and video conferencing options.

Climate change remained a serious issue and the catching up from the pandemic-related stalled personal interactions in business relations led to a growth of air travel. Climate-related changes affect our operations directly (for example through the extremely mild but wet winter weather, reducing the demand for warm clothing, or in a foreseeable future also through the interruption of transportation and communication infrastructure and the impact on owned or contracted production sites). Although no legal requirements are in place for the time being for our industry 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 continue to be more frequently 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 and destroyed buildings or homes, creating 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 the Asian ones) might not be accessible due to floods or heavy storms. These risks impact the whole industry, so we do not solely see a company-specific risk but a greater one.

Social and Societal Risks and Opportunities

In light of the new Swiss legislation regarding child and forced labor, we are

aware that the risks from our mainly Asian supply chain are evident. Through adequate managerial measures such as social auditing, long-term partnerships and collaborative efforts with our suppliers, we are confident that these risks are managed, and we do not have any serious human rights violations in our supply chain. However, matters may look different deeper in the chain, without our social compliance set-up and where neither a business relationship nor a system of controls and binding conducts exist.

A recent study by the ILO shows that large swaths of apparel-producing areas in Asia will be underwater by 2030. This may also affect our suppliers in the Ho Chi Minh area in Vietnam. The EiQ Assessment tool from LRQA-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 adaption strategies (e.g., more air-conditioning, rainwater retention systems, etc.) as well as higher insurance costs are expected but cannot be quantified yet. Reduced performance of employees due to extreme heat periods may also be an effect of climate change.

Governance and Business Risks and Opportunities

In 2023 the pathway to more digitalization continued. However, bigger investments and evaluations were needed to move ahead but coincided with the economic slowdown. In light of the latter, we needed to restructure and refocus our efforts. All eyes are now focusing on a new business system that shall be designed to embrace economic and sustainability needs. In addition, currency devaluation in certain countries and inflation led us to re-evaluate speed and direction in some projects. 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.

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, but probability is assessed as high. This development is being anticipated by Fenix Outdoor's work on sustainability. 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

ESG RISK OVERVIEW 2023

	Topic	Risk	Mitigation	Opportunity
Environmental	Resource Depletion	Reduction in available resources -> increased prices -> loss of future opportunities and biodiversity	Preferred Fiber Policy and shift to low-impact materials;	Application of Design Guideline -> products built with simplicity, repairability, durability, recyclability and timelessness in mind -> longevity
	Transportation	Increased CO ₂ e emission and high costs due to global shipments and intense business travel	CO ₂ e offsets; car policy, climate strategy	Deliveries around the globe in a timely manner -> preferred brand
	Climate Change	Contributing to climate change through the above and energy use and consumption patterns in own operation and supply chain	Purchase of green energy; engaging in projects in supply chain to phase-out coal etc.	New product ranges – less heavy, more light weight due to warmer climates
	Water	Water scarcity in production countries -> interruption of business	Water recycling, rainwater capture, less water-intensive processes	-
	Circularity	Less sales; fiber blends hinder recyclability; high costs	Design and circularity tools for product teams	Innovative materials and products
Social	Global Supply Chain	Lack of transparency; no legal contract beyond Tier 1; information flows beyond Tier 1 and 2	Social Auditing with own and external auditors according to FLA standards; risk assessment and evaluation using EiQ from LRQA	Diverse sourcing strategy; risk spread; pricing models adaptable
	Child Labor	Risk Countries are sourcing countries	Country Risk Policy	Community engagement
	Forced Labor	Risk Countries are sourcing countries	Country Risk Policy	Supplier trainings and engagement
	Diversity	Low awareness in diversity matters in suppliers and own operations	Diversity strategy	Enhanced productivity and risk reduction; error mitigation
	Training	No priority in own and external work force	Local activities by HR are very heterogeneous	Enabling employees, long-term retention
Governance	Sales Focus	Lack of diversity; risk for corruption and non-compliance	Compliance guideline and policy; trainings	Lean organization with economic focus
	Board Composition	Lack of diversity, lack of innovation, risk of "business as usual" solutions	Enhanced awareness in Executive Management	-
	Brands	Damage of reputation due to misconduct	Sustainability & Compliance Governance	Brand leaders in the industry with regard to sustainability
	Retailers	Diversity, lack of collaboration	Creation of Frilufuts Retail	Direct consumer (user) communication

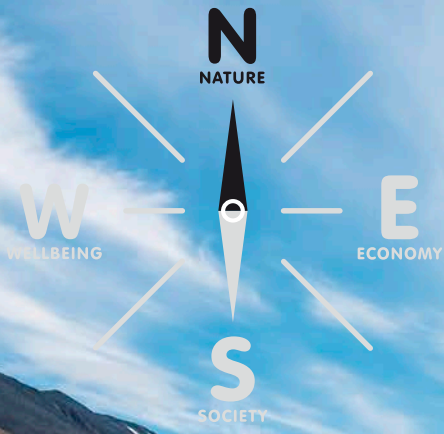
items in the Frilufuts Retail assortment. Therefore, changing consumer behavior is considered an opportunity.

Another aspect of the changed 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. Consequently, there is a probability that sales of new products will decrease. A counteracting factor is that sales of quality products with high repairability increases. How the two factors will go against each other is not yet possible to assess in the medium to long term. Frilufuts Retail has begun to sell secondhand products. Another is that we also do offer prod-

uct 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 either seen as a risk if no action is taken or as lost business opportunity. We believe that in most societies people will increasingly strive for being outdoors, spending time in nature, and thus we anticipate a higher demand for outdoor and trekking clothing. Changes in climatic conditions in today's more temperate regions may lead to a higher demand for protective clothing (against vector-borne diseases, sunlight, rainfall, etc.). Opportunities may also rest in different outdoor behavior, requiring different and more groups to protect against "regular" weather patterns. The chance is an enhanced production of slightly different and specialized products.

Overall, the political situation of global instability and tension, the war in the Ukraine, inflation, tensions around Taiwan, the war in the Middle East as well as the upcoming elections in the USA makes the outlook for 2024 gloomy.

Immediate threats are active cyberattacks on western companies and infrastructure as well as the ability of some countries to dominate or interrupt economies and production. Even though most scientists do not foresee a real global recession at this point, we foresee instability and an economic slowdown in our industry. While the costs of living will probably stabilize in the industrialized world, we anticipate that industrial actions, strikes and political unrest will challenge the economies in most parts of the world. ●



2. NATURE – A changing climate changes the environment: a need to act now

It has been another demanding year for our planet. 2023 was the warmest on record, continuing the trend of record-breaking mean temperatures year after year during the last nine years. Nature and biodiversity are at risk, threatened by climate change, pollution, invasive species, pressure on natural resources, and land use change. Airborne pollution is the biggest environmental health risk of our time. Amid these sobering developments, in 2023 some uplifting actions showed their first positive results: the ozone layer is on track to recover; the COP28 in Dubai agreed on transitioning away from fossil fuels; deforestation in the Amazon decreased by over 55%; and certain species have been reintroduced into the wild. In addition, many nations committed to global frameworks and collective action – the future alone will show how these will turn out in practice. We started to prepare our upcoming new Sustainability Strategy until 2030 to be as relevant and aligned as possible with this global development and upcoming regulatory obligations.

Fenix Outdoor and its entities jointly base their actions on the following key aspects:

- Sustainable material solutions: Increasing our share of “more 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 LRQA to extend our reach and deepen our knowledge of the full array of supply chain matters with environmental impacts; 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: CO₂ emissions accounting and reduction

in line with our Fenix Outdoor Climate Strategy (see CSR Report 2021, p. 20 and first draft of our Transition Plan); 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)

- Continue eliminating hazardous chemicals and updating the group-wide Chemicals Guideline in light of new regulations
- Enabling consumers to identify the best suitable and most sustainable product for their needs by expanding our internal labeling/scoring models and enforcing supply chain compliance with transparency and traceability demands.

We at Fenix Outdoor make our products consciously, to last for generations and leverage the emotional longevity. We call it timelessness, durability and sustainability. If one can wear a garment for generations, then we believe it is as it is meant to be: a lifelong story of a product, rather than a short-lived product used 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 they end 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. Science and industry are rapidly evolving and consequently, once new research results become public, they may call for adjustments and changes in direction on our part. We do not want to stand still, but rather support the industry in moving forward. We are eager to apply new methods to better assess our products’ environmental impact along the whole value chain and pilot different solutions. While working toward a more sustainable business is anchored in our Fenix Way, adverse impacts on nature remain.

Adverse environmental impacts from Fenix Outdoor’s Business

Most of our impacts occur in the supply chain. We have our own production facilities in Europe and carefully select European supplies and ingredients for our products. However, we also have a global supply chain for our textiles and hard goods and source from various countries in the global south. This comes with the downside of weak or unenforced environmental laws, which pose a risk to our own environmental ambitions. Our most significant impact areas are freshwater consumption and land use at farm level to derive plant-based and animal-derived materials, water pollution during fabric dyeing or tanning and finishing through dyestuff and chemical use, waste generation from cutting spill and over-all packaging, and energy consumption in our supply chain as well as in our distribution centers and stores. While we design and sell our products with care, adverse impacts from our business can also be caused by microfiber shedding during washing, as well as the use of excessive detergents, washing at too high temperatures, and end-of-life pollution. Since these impacts are closely interlinked, together they make up our impact on climate and biodiversity. The financial impacts from these adverse impacts on Fenix Outdoor’s company value have not been quantified yet.

To manage our adverse impacts, we have a multi-level approach. As early as 2012 we strategically decided that we would do “our homework.” Subsequently in our own operations we did (and do) regular assessments and decide how we can improve our environmental profile. A key element in our own operations is energy use and consumption. Where possible, we have switched to the purchase of “green” electricity and retrofitted lighting systems to LED. The process is still ongoing. We also invested in alternatives to energy supplies, be it the use of dis-

strict heating or investment in a near-distance neat supply from a biogas plant of an organic farm in our Bavarian production facility. Since 2015, regular energy audits take place in our main operations in Germany and Sweden. Based on the recommendation from the audits, we draw up improvement plans to make further adjustments. As a sales organization we depend on traveling sales managers. To control the emissions from that, clear CO₂e targets have been set and we have switched to hybrid and electric cars where possible. In addition, we look into optimizing travel routes. Similarly, we act upon optimization and emission-reduction measures related to our shipments. For our own retail operation, we apply an energy and environmental due diligence protocol and an internal design guideline which stipulates the use of recycled or recyclable and preferably natural material usage.

Our own production sites are based in Europe and source their materials from surrounding suppliers, mainly within the EU.

To understand and track our adverse environmental impacts in the 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 LRQA and our own audit firm Leadertek. In 2023 we had 80 factories participate in the GRI Questionnaire and 41 Tier 1 (incl. 2 vertical suppliers) factories report their electricity consumption, of which 9 reported through FEM 2023. In 2023, 40 FEM 2022 were shared with us (2022: 72) from our Tier 1 and Tier 2 supply chain partner. 68% of them have been verified (2022: 83%). In total, our suppliers remain slightly above the industry benchmark. The biggest improvement potentials are in cooling equipment maintenance and in the air emissions section. Since we could not see an increase in data quality or quantity, matching the data sets from GRI and latest FEM is not appropriate. We engage with our suppliers in impact-area-specific training and implementation projects and track overall sustainability performance and progress year-over-year in our Sustainability Supplier Scorecard (see chapter Society).

Together with our supply chain partners and other brands, we again invested in a couple of environmental supply chain programs for energy and water efficiency as well as climate action. 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 intensified the follow-up from the programs (e.g., EOG Carbon

MATERIAL USAGE (ALL PRODUCTS) 2023 – TABLE N1

Materials	Amount conventional (kg)	Amount more Sustainable (kg)	Amount recycled (kg)	Total CO ₂ e (t)
PLANT-BASED FIBERS AND MATERIALS				
Coconut	110			<1
Cork	478			<1
Cotton	13,355	382,837	35	3,118
Hemp	21,269			285
Nuts (Corozo)	516			1
Wood		1,508		2
Other plant-based fibers and materials				
ANIMAL MATERIALS				
Alpaca	856			69
Bees Wax	491			2
Down		23,976		38
Leather	121,182	71,377		4,317
Silk	276			25
Wool	4,838	112,747	12,378	4,088
Other animal materials				
MAN-MADE CELLULOSIC FIBERS				
Lyocell (e.g. Tencel)		3,393		34
Modal	56	14,428		141
Viscose	884			15
Other man-made cellulosic fibers	3,073			42
SYNTHETICS FIBERS AND MATERIALS				
Acrylic	7,643		482	118
Elastane (e.g. Lycra, Spandex)	23,894			192
Polyamide (Nylon, etc.)	198,238	41	250,829	4,875
Polyester	330,402		672,427	8,146
Polyethylene		152	449	3
Polypropylene	120,922			479
Polyurethane	19,925			221
Polyvinyl chloride	164			1
Thermoplastic Elastomere	15			<1
Thermoplastic Polyurethane	4,427			35
Tritan	867			7
Other synthetics fibers	24,541			146

MATERIAL USAGE – TABLE CONT. (ALL PRODUCTS) 2023

Materials	Amount conventional (kg)	Amount more Sustainable (kg)	Amount recycled (kg)	Total CO ₂ e (t)
METALS AND INORGANIC COMPOUNDS				
Aluminum	27,312			250
Brass	61,239			56
Copper	59			<1
Emaïlle	297			1
Glass	351			<1
Stainl. Steel	61,689			236
Steel	85,483			208
Titanium	64			2
Other Metals and inorganic compounds	57,300			147
FOAMS				
Polyurethane foam	43,824			209
Other foams				
RUBBER				
Butyl rubber	428			2
Other rubber	179,698			744
OTHER MATERIALS AND SUBSTANCES				
Acetate	476			8
ePTFE and bicomponent laminates	1,243			15
Glue	85,757			429
LPG Gas	86,462			290
Paraffine	4,420			14
Pentane/Heptane	5,328			22
Silica Gel	80,385			<1
Silicone	465			4
Vinylon F	196,820			4,019
Other materials and substances	64,522			232

Reduction Project and Coal Phase Out) and prepared for supporting identified reduction measures in 2024. We see a challenge to scale up these types of programs on our own and see a risk that suppliers will be run down by individual brand requests, which is why we will continue to support collective action. Among others, our suppliers took part in AII’s Carbon Leadership Program as well as in GIZ programs such as Climate Action Training, Coal Phase Out and FEM To The Finish Line 2023.

Biodiversity loss – an impact area that needs more attention in 2024

We started to map our biodiversity risks with the WWF biodiversity risk filter with

regard to our own operations and production sites and will continue to conduct a detailed analysis in 2024. Our business model mainly depends on the input of raw materials (natural and synthetic fibers), freshwater for fabric manufacturing and energy for all production stages. Main impacts on biodiversity are pollution and freshwater usage/wastewater discharge as well as the impacts of our hiking events. At the same time, our business purpose as an outdoor company depends heavily on the intactness of (wild) nature and the great outdoors, so we might be affected more than other companies by biodiversity loss.

The first analysis assumes that our severest impact on biodiversity and deforesta-

tion derives from our raw material purchases. Main animal-based materials are leather, wool and down, whereas cotton accounts for most plant-based fibers, followed by man-made cellulosic fibers. Metals and other inorganics make up most of our trim materials. As in the years before, we deliberately use recycled, organic and recyclable materials. The main guidance is our publicly available Animal Welfare Policy. Hanwag sources leather from well-known and traceable sources, and the hides come from inside Europe or known farms. The impact on deforestation is assessed as low risk. All brands have brand-specific material targets that are aligned with our Preferred Fiber List (PFL).

We have classified the main textile fibers we use into our own 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, which is for example GOTS certified cotton, regenerative wool or FSC certified man-made cellulosic fibers. Based on the 2023 fiber consumption for the Fenix Outdoor textile brands (Fjällräven, Frilufts – private label, Royal Robbins, Tierra) we are at a level of 71% of preferred textile fibers from the fiber types we have classified (2022: 60%). The main driver behind the increase is better data collection but most importantly the shift toward recycled materials in the synthetics category.

Have a closer look at our product material and materials consumption (which includes office supplies and the like) in Table N1 and N2.

Ongoing and completed mitigation measures in 2023 include:

- On group level: increased share of certified and traceable wool by 9% and increased share of recycled polyamide by 28% compared to 2022.
- Frilufts (private label) successfully certified according to the Responsible Down Standard (RDS)
- Royal Robbins brand certification according to the responsible wool standard (RWS) and Global Recycling Standard (GRS)
- Royal Robbins met their goal of 80% recycled polyester by 2025, sourcing 82% recycled polyester in 2023.
- Royal Robbins exceeded their goal of 50% certified, traceable wool by 19%, RWS certified wool accounted for 69% of wool used.
- Fjällräven, Royal Robbins and Frilufts (private label) participated in the Textile Exchange’s Corporate Fiber & Materials Benchmark survey.

MATERIAL USAGE 2023 – TABLE N2

MATERIALS	Sum of Amount conventional [kg]	Sum of Amount More Sustainable	Sum of Amount recycled	Amount compensated marketing material (kg)
Cardboard	318,879	102,950	38,931	
Glass	0	0	43	
Glue	1,423	9	611	2
Ink	11,195	885	0	39
Labels	820	576	0	
Metals	458	33	3	
Paper	478,498	820,988	549,571	484,422
Plastics (Non Spec.)	2,941	1,640	2,873	
Polyester	5	5	0	
Polyethylene	7,324	140	16,990	
Polypropylene (e.g. straps, tapes)	8,102	68	125	
PVC (e.g. tapes)	792	1	257	10
Steel	75	0	0	45
Toner/Ink	154	51	27	
Wood	3,405	0	0	629
Fabric/Textiles	1,690	10	494	16
Other Materials	12,725	1,968	125	35

Additional analysis needs to be conducted further down the supply chain for other tiers, especially fiber origin on farm level. The risks also need to be evaluated more closely and accounted for in the biodiversity strategy.

In general, we see an opportunity to reach more people through our business model and bring them out in nature. This will inspire them to value and protect nature. On the other hand, we can support biodiversity restoration by sourcing regenerative fibers, which will in addition increase our resilience against pests compared to common agricultural practices (conventional or organic).

Climate change – Mitigation measures show first effects

Our main climate impact stems from the production of our products (brands business) and products sold (retail business). Thus, emissions from raw material consumption and transportation make up the biggest share of our overall emissions followed by energy consumption of our owned and operated locations. To mitigate our effect on climate change, we established our climate strategy in 2020 (see CSR Report 2021, p.20). Based on the strategy, we assess our climate impact annually on a group and brand level and follow up on action items on a quarterly basis. Table N3 shows our total

GHG emissions, disaggregated by Scope and significant category.

Our overall carbon dioxide equivalents (t CO₂e) amounted to 97,974 t CO₂e (2022: 130,976 t). These data include Scope 1 and 2 emissions as well as a range of our indirect emissions from shipments (up- and downstream), waste generation, business travel, commutes (including homeworking emissions) and purchased goods and services (raw materials, energy use from Tier 1 suppliers, consumables, packaging, shopping bags, external and internal events). It also includes end-of-life emissions for the first time. The commuting and working from home data were obtained anonymously through a group-wide commuting survey. Our data and methodology undergo spot analysis from the Swedish Textile Initiative for Climate Action (STICA). More methodological details are published in Chapter 6 of this report. 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 ancil-

lary cost invoices), emission factors are updated or misstatements are obvious, we correct our figures in the upcoming report for the past years. In any event, again, 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, energy consumption).

For our long-term goals, we have set up a first edition of our transition plan, outlining strategic and potential climate change mitigation actions for our own operations and the value chain. Our long-term targets will be formalized in the upcoming strategy cycle. To achieve our current climate goals, we see a couple of potential mitigation actions, that are presented in Figure N1. Because of our memberships in the UN Fashion Charter and STICA, we have decided not to officially commit to the SBTi in addition so far. Both initiatives require members set science-based and aligned targets and also check and verify our data to a certain extend. We target an additional verification of our emission's data and targets in 2024 in course of our CSRD readiness check. However, we follow the activities of the SBTi and our peer groups closely and regularly evaluate whether we should change anything in this approach.

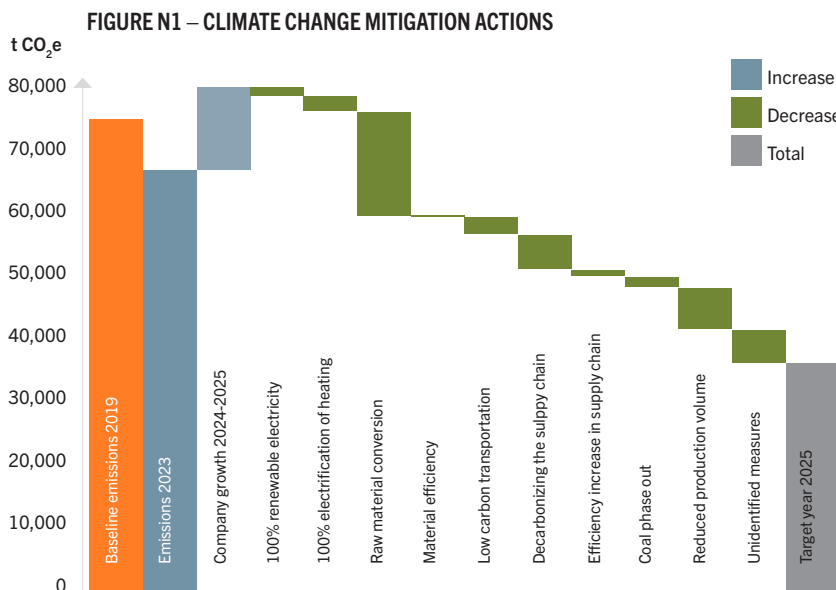
Ongoing and completed mitigation measures in 2023 include:

- Extended 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 99.99%. The systematic purchase of green electricity is having a significant impact and our scope 2 emissions from electricity, which decreased by 80% compared to the baseline year 2019.
- For the first time, we developed a methodology to calculate Friluft's Retail's emissions from the assortment. The methodology will be refined over time and will finally help us to develop a strategy for the assortment in the future (see details below).
- For our distribution center in Germany, we extended the feasibility study from solar panels to alternative heating solutions, investigating in heat pumps and excess heating of a neighboring industry. For our distribution center in the Netherlands, we conducted a feasibility study for solar pan-

TOTAL GHG EMISSIONS – TABLE N3

	Base year (2019)	2022	2023	% YoY	Explanation	2025 target
Scope 1 GHG emissions						
Gross Scope 1 GHG emissions (tCO ₂ e)	1,328	1,078	1,139	6		- 40% reduction absolute
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0	0	0		
Scope 2 GHG Emissions						
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	14,372	11,797	11,147	-6	Incl. CO ₂ e from other GHGs; assumption: emission factors for electricity cover only CO ₂	- 40% reduction absolute
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	6,436	2,628	714	-73	Decrease due to 99.99% renewable electricity sourcing, residuals from district heating	
Significant scope 3 GHG emissions						
Purchased Goods and Services	63,707	78,546	53,475	-32	Decrease due to divestment in Primus and decrease in produced products in general.	- 50% reduction per product produced
Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2	914	931	741	-19		
Upstream Transportation and Distribution	5,013	7,148	4,116	-42	Less products have been moved via airfreight, decreased shipments of carbon intensive goods due to divestment of Primus	
Waste Generation in Operations	20	58	89	53	Increase due to better additional estimations.	
Business Travel	3,898	3,256	2,597	-20	Due to increase in electric and hybrid cars	
Employee Commuting	1,353	1,529	1,476	-3	Survey participants in 2023: 674 (2022: 285)	
Downstream Transportation and Distribution			129		Before, emissions from downstream T&D have been included in upstream due to lack of transparency.	
Use of Sold Products	NA	NA	NA		No baseline calculation; first estimates see CDP 2023	
End-of-Life Treatment of Sold Products	30,216	35,798	33,499	-6		

Emissions are calculated in line with the Greenhouse Gas Protocol and reporting requirements from STICA. Please find detailed information on emission factors, data impairments and caveats in the Methodology Appendix 2023. CO₂ emissions from biomass outside of scopes: 63t CO₂e.



els, but amortization time was not economically viable under the current circumstances.

- Due to better production planning, fewer supply chain disruptions both at the production of our products as well as in transportation industry, we have been able to reduce the number of products we move via airfreight, both in absolute and in relative terms. The divestment from Primus also led to a decrease in emissions from transportation, due to the impact of their product weights on transport emissions, although freight emissions have been accounted for the first four months of the year. Reducing air freight even further has been appointed as strategic topic for the brands in 2024.
- By end of 2023, 24 of our Tier 1 and Tier 2 suppliers conducted solar panel feasibility studies according to their declaration

ENERGY CONSUMPTION AND MIX – TABLE N4

Energy consumption and mix	2022	2023
(1) Fuel consumption from coal and coal products (MWh)	0	0
(2) Fuel consumption from crude oil and petroleum products (MWh)	45	54
(3) Fuel consumption from natural gas (MWh)	5,384	5,289
(4) Fuel consumption from other non-renewable sources (MWh)	0	0
(5) Consumption from nuclear products (MWh)	0	0
(6) Consumption of purchased or acquired electricity, heat, steam, and cooling from non-renewable sources (MWh)	7,172	5,210
(7) Total non-renewable energy consumption (MWh) (calculated as the sum of lines 1 to 6)	12,601	10,553
Share of non-renewable sources in total energy consumption (%)	45	38
(8) Fuel consumption for renewable sources (including biomass, biogas, non-fossil fuel waste, renewable hydrogen, etc.) (MWh)	0	318
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	15,411	16,735
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	15,411	17,053
Share of renewable sources in total energy consumption (%)	55	62
Total energy consumption (MWh) (calculated as the sum of lines 7 and 11)	28,091	27,606

in our GRI survey; 11 of them installed the panels and 5 are planning to do so by 2025. As far as we are aware, the share of suppliers sourcing renewable electricity remains similar compared to last year, covering 13% (2022: 10.5%) of our share of electricity reported through our GRI survey. Again, we sponsored I-RECs for our share of electricity consumption for a Vietnamese supplier.

In total, business development and mitigation efforts lead to a decrease in our Scope 1 and 2 emissions of 63% and of our Scope 3 emissions per product produced by approx. 8% compared to baseyear.

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 for them through investments in carbon reduction projects outside our value chain. The projects we have invested in can be identified below.¹⁾ The total amount we compensated for was 20,472 t CO₂e (2022: 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 homeworking 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,

¹⁾ <https://app.ceezer.earth/share/portfolio/clucnwkd49>

marketing materials such as catalogues and flyers were partially offset as part of the purchase agreement, which amounted to an offset of about 485 t CO₂e (2022: 640 t). Leather for Hanwag was compensated too: 70 t CO₂e were compensated in an African afforestation project. Learn more about our carbon offset management on page 23.

Fossil fuel depletion – Energy efficiency measures show effect

Our energy consumption is mainly driven by electricity used for store operations (lighting, air conditioning and in some cases for heating) and distribution centers, followed by gas consumption for heating and warm water generation. A more detailed breakdown is provided in table N4. Compared to 2019, energy consumption dropped by 7%.

In general, energy sourcing is decentralized. Most of our locations are rented and thus energy supply for heating is most often included in the rental agreement. Our influence on the energy sources is therefore limited. For stores located in shopping malls we most often depend on the shopping mall operator even for electricity. To steer renewable energy procurement, we established a guideline on renewable energy sourcing that outlines targets and definitions. Energy Attribute Certificates are secured centrally for the whole group for those locations where we are not able to choose green tariffs.

We depend even more on landlords and shopping mall providers when it comes to implementing energy efficiency measures. We are only able to implement energy effi-

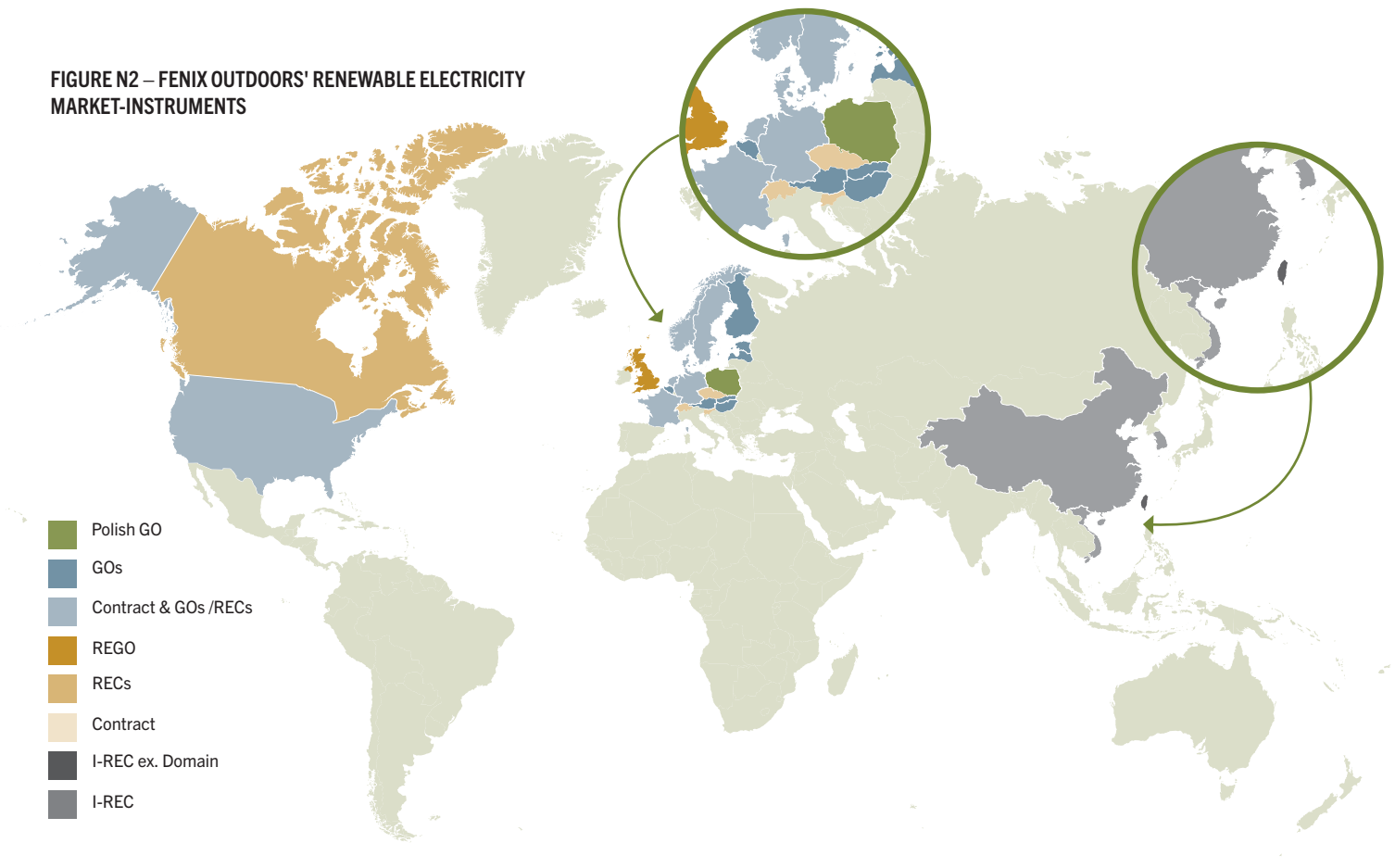
ciency measures in certain areas, for example installation of efficient lighting or room temperature settings.

However, we have been able to implement or start with the mitigation measures below in 2023, among others:

- Retrofitting and installing energy efficiency measures in our stores, distribution centers and in Hanwag’s production in Hungary: adjustment of indoor temperatures, more efficient kitchen equipment, installation of motion detectors for lighting and escalators, adjusting and limiting shop window lighting, new window installment and exchange of air con equipment
- At Frilufts Retail, a “Checklist: Energy-Saving Tips” was circulated among retail staff. As a result, we can record at least the following saving measures: In four stores the lighting was changed to LED, which will approximately save around 300,000 kWh of electricity annually. In one store the escalator received a motion detector. In one store the maximum temperature in the server room was raised, requiring less energy to cool down the room temperature
- Continue our transition path to LED when lighting needs to be repaired in existing locations
- Decrease of company cars and exchange of fossil fuel cars to hybrid or electric vehicles.

For Globetrotter it was again the time to conduct the legally required energy audit. The report gives advice about potential energy efficiency measures for five stores, in which an on-site audit was conducted, and it is now necessary to follow up on these

FIGURE N2 – FENIX OUTDOORS' RENEWABLE ELECTRICITY MARKET-INSTRUMENTS

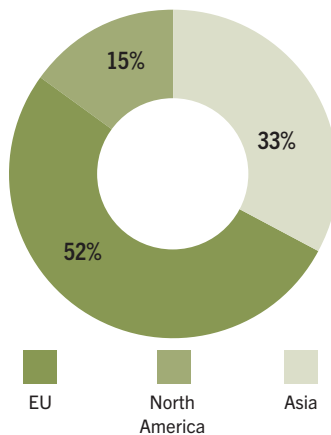


recommendations. Another duty stems from the German Energie-Effizienzgesetz (EnEfG), which requires companies with more than 7.5 GWh energy consumption, besides other obligations, to implement an environmental and energy management system. The law was passed by the German Parliament in November 2023. Energy data is subject to change due to constant incoming data updates during the year, e.g. from ancillary invoices (all past data corrected).

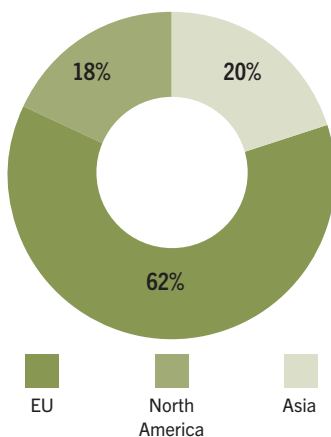
Freshwater withdrawal and wastewater pollution – an impact area still hard to quantify for us

We are aware that the garment industry has a major impact on the planet's water basins, water quality and water scarcity, and we assume that our biggest adverse impact comes from cultivation of natural fibers and fabric production (area of production and dyeing methods as well as finishing processes). An analysis we conducted from 2022 showed that part of our Asian fabric supply will most likely be affected by water stress in 2030 if climate change proceeds unmitigated. Knowing that our own operations only account for a very small share of our overall water footprint, we estimated the amount of water withdrawn from our own and operated locations was 62,256 m³

FRESHWATER USAGE (m³)



WASTEWATER DISCHARGE (m³)



(2022: 70,898 m³; see regional breakdown in the graphic). The main purpose is for drinking, cooking and household use, although some operations have a vast green space they take care of and some of our mega stores carry pools and diving tubes for equipment testing. The water we withdraw is mainly drawn from the community supply (groundwater and surface water, e.g., in northern Finland, South Korea, China and the Czech Republic). Since the datasets for our operations were still fragmented in 2023, 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 CO₂ dyeing.

Except for two Asian locations (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 discharges amount was not safely determined. We estimate that about 51,319 m³ (2022: 70,892 m³) were released by our operations (toilets, washing, kitchens). In our

own operations, we do not discharge any wastewater that requires a Chemical Oxygen Demand (COD) monitoring, nor do we handle or use halogenated absorbing organic compounds requiring an AOX demand monitoring. Our wastewater is normal household wastewater.

Ongoing and completed mitigation measures in 2023 include:

- A not systematic but encouraged reuse of water and rainwater capture
- The search for new technologies with lower water impacts, e.g., in dyeing or tanning processes
- Exploring new projects in conjunction with renewable energy providers who offer hydroelectric power and at the same time restore fragile ecosystems and water bodies.

Pollution and waste generation – an impact area that runs through the entire value chain, from production to customer

As of today, we are not able to quantify our adverse impacts coming from pollution. We see our potential impacts coming from microfiber release during fabric manufacturing and washing at home, textile scrap ending up in landfills or being burned during assembly, fossil fuel consumption for transportation, waste generation in our own operations and during end of life for unwanted, worn or dysfunctional clothes. To understand and manage the number of microfibers released from our products, we are a member of The Microfiber Consortium and conduct shedding tests according to their standard. In addition, we do not add releasable microplastics intentionally to our products. We established a mandatory microfiber test for newly developed fleece fabrics and submit our test results to the Microfiber Consortium database.

Cutting spill is generated during the assembly of our products. Depending on the country the textile waste goes to down-cycling or landfill. Improper landfilling can cause textile waste spill into the surrounding nature or leakage of landfill gas. Paper and plastics from packaging are most often recycled in our production countries as well, while hazardous waste handling falls under legal national requirements. Impacts created by third-party waste handling companies are not investigated yet. To prevent textile scrap ending up in landfill or being burned, we conduct waste management trainings with our suppliers and involve them in training and implementation projects whenever possible, to achieve a beyond compliance and closed loop waste management.

TOTAL WASTE 2023

Waste composition	Waste generated (t)	Waste diverted from disposal	Waste directed to disposal
Biodegradable waste	5	5	1
Chemicals (hazardous)	1	1	0
Chemicals (non-hazardous)	0	0	0
Glass	0	0	0
Metal	7	7	
Mixed commercial waste	204	4	199
Other	15	15	0
Other Hazardous (Batteries, WEEE, ...)	7	0	7
Paper and Cardboard	1,352	1,285	8
Plastic	61	57	4
Residual waste	471	125	345
Wood	384	384	0

Local standards are used for metric conversion. Although data quality is improving, the data set does not show the full picture.

Most of our waste is generated by inbound shipments and results in our warehouses and stores. In those locations, we work with local waste disposal companies to recover and dispose of the waste. In smaller rented locations and shopping centers, we are usually not able to determine the disposal company or obtain the amount of waste generated. Thus, a fair number of the datasets are based on estimates. Onsite we reuse cardboard and shoeboxes as well as paper filling to a fair share in our warehouses in Germany and the US, our stores in the US, Denmark, Sweden and Finland and in some of our showrooms. Main repurpose is shipments and store fitting (e.g., backpack filling). In 2023 we have been able to divert about 75% of our waste from disposal. Approximately two-thirds of our diverted waste is paper and cardboard. Of this, nearly 100% is prepared for recycling offsite. The main waste fraction for offsite disposed-of waste is mixed commercial waste and residual waste, which is most often incinerated (95%). Waste data in general is poor, since data is not commonly available, especially for rented locations. However, waste data from distribution centers and stores is considered (actual and estimated).

Ongoing and completed mitigation measures on waste generation in 2023 include, among others:

- In the United States, 1.74 tons of soft plastics, mostly polybags and shrink wrap from our stores and warehouse, was diverted from the landfill to responsible recycling through EcoCycle. EcoCycle is a local recycler in Boulder County, Colorado, USA, specializing in hard to recycle items. They

work with Trex to recycle soft plastics into composite decking.

- We scaled up our polybag-free packaging program and shipped about 40,000 items from Fjällräven and Tierra to the Netherlands and North America (bulk products and SMS) without polybags. Although not all products have arrived yet, the upscaling already revealed operational challenges with regard to storage, handling, packaging quality and wholesale packaging requirements. We found that Frilufts (private label) already shipped socks and hard goods (about 118,000 items) without individual polybags to Ludwigslust. Royal Robbins continued to ship select styles sold in Europe without individual polybags. The program expanded from 6 to 14 styles shipping roll-packed (15,700 items).
- 14 factories in Vietnam were trained on good waste management practices by our Social Compliance Auditor (2022: 7), representing 60% of our Vietnamese factories in 2023. To deepen the understanding of the local context and foster implementation, a group of facilities will join the GIZ “Waste No More Program” in Vietnam in 2024. We will also broaden the conversation with our suppliers outside Vietnam.

To help customers to take care of unwanted or dysfunctional clothes or to prolong a product’s lifetime whenever possible, we established a couple of circular business models. We offer repair and care services through all major Frilufts Retail companies in our own repair centers in Sweden, Germany and increasingly in our North American brand stores. In other

regions we partner with external repair specialists. Since 2021 Globetrotter has been buying and selling used equipment in all stores, and since 2022 another important milestone has been reached: Globetrotter customers can now buy and sell used outdoor equipment online at secondhand.globetrotter.de.

In addition, in 2023 the Frilufts Retailers (except Trekitt) offered customers the rental of outdoor products through their store network. However, Globetrotter still is the only one so far to allow customers to also rent products directly online.

Ongoing and completed mitigation measures in 2023 include:

- Around 17,818 pairs of Hanwag shoes were resoled in 2023 (2022: 19,631) in our factory in Vierkirchen and our partner factory in Croatia.
- At Frilufts Retail the total amount of products cared or repaired almost doubled compared with the year before and reached 48,493 (+43% from the previous year). The increase is mainly due to Globetrotter, where 32,389 products alone were serviced.
- Another record year especially at Globetrotter. Via secondhand.globetrotter.de and through the 21 branches customers can sell and buy used outdoor gear and apparel. In total 23,679 secondhand products were sold, another significant increase compared to the previous year. At Naturkompaniet in three stores, two in Stockholm and one in Malmö, a secondhand segment was introduced. With this, the secondhand segment within Frilufts Retail expands further.

Our final product and end of life solution is I:Collect (Frilufts Retail). I:Collect follows the waste hierarchy approach. The aim is to uphold a high level of reuse and to increase textile-to-textile recycling. In 2023, we visited the headquarters of I:Collect and their shoe recycling plant to ensure the partnership is aligned with our values and targets; a total of 4.2 t (+50% compared to previous year) 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. Of all eCom shipments, 5.5% were returned (8% in 2022, corr.) for reasons of fit, double-order and the like (this refers to all brands and products sold in our online stores, based on physical 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.

Carbon Offsets

In 2023, a couple of studies revealed the overestimation of the effectiveness of certain carbon credit types. In the past, offsetting our unavoidable emissions was a strategic pillar of our climate strategy and it will remain as such. However, we will adapt our sourcing strategy to a more impact-driven instead of volume-driven approach in the upcoming years. To get a good understanding of our carbon credit portfolio, we partnered up with Ceezer, a science-driven carbon credit platform, having a thorough project due diligence process in place.

1. Why should companies include the voluntary carbon market (credits) in their sustainability strategy, despite studies questioning the effectiveness of the projects?

Carbon credits are an important piece of the puzzle to achieve corporate climate action targets, emphasized by leading frameworks for climate action. By engaging with the voluntary carbon market, companies can take responsibility now in addressing unavoidable or residual emissions along the decarbonization journey.

Many climate leaders are already actively involved in the market and support projects that deliver positive impact to climate, biodiversity and communities. Financing impactful carbon reduction and removal activities beyond their own value chain is an important pathway to achieving global climate targets.

Just like with most products and services that can be bought in the market, no carbon credit is entirely risk-free. Carbon credits are based on methodological assumptions, estimates and probabilities that can lead to overestimating a project's effectiveness.

Companies can effectively mitigate risks and select high-impact projects by adopting a set of strategies such as prioritizing credits by reputable project developers with a track record of high-quality projects, seeking multiple perspectives on quality for a holistic view of a project's potential and risks, and investing in a diversified credit portfolio to spread risk across different projects, geographies and project types.

2. How does CEEZER ensure the quality of projects?

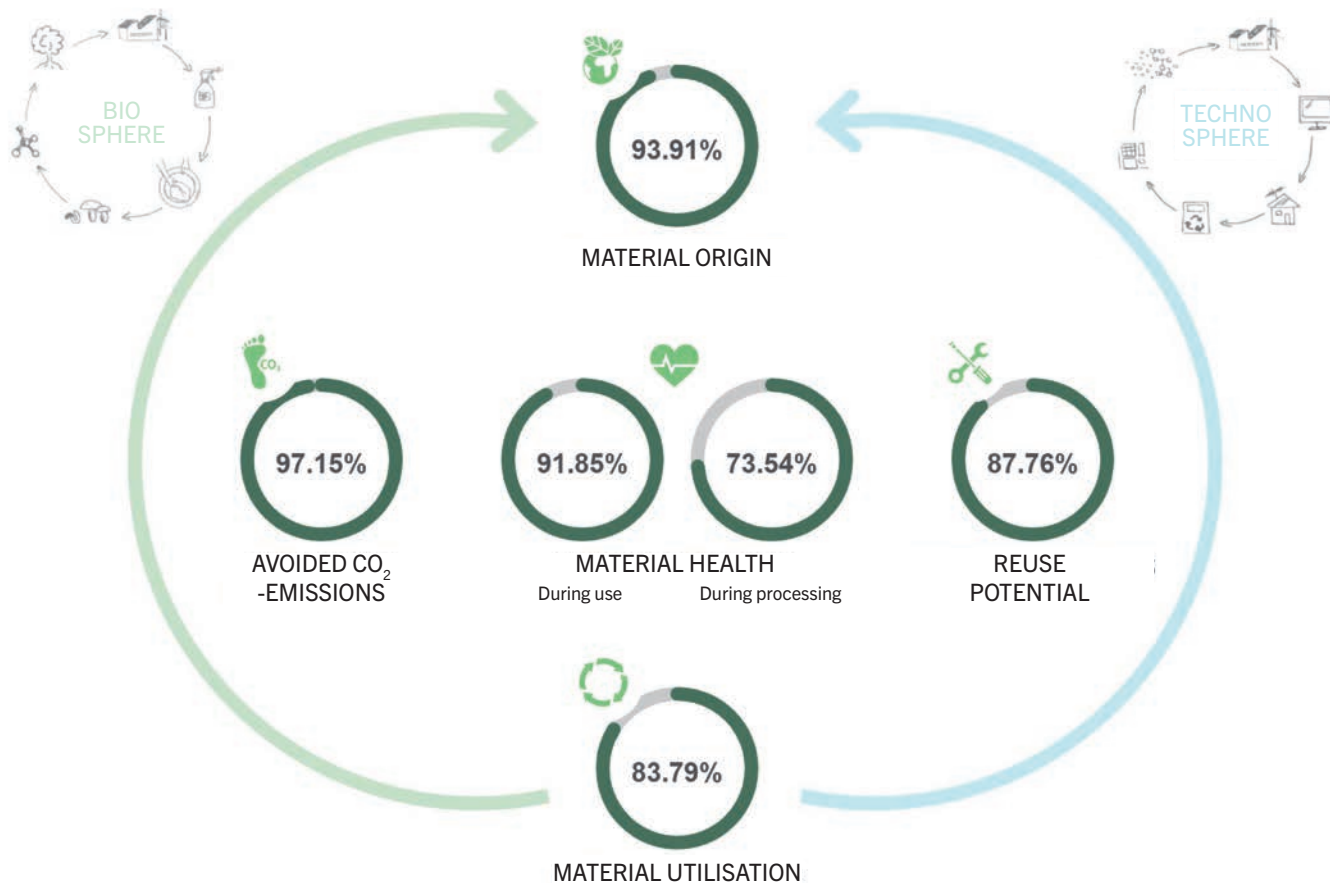
Diligence and transparency on project quality risks is at the core of CEEZER's value proposition. As part of the project onboarding, we screen and evaluate all building blocks of a project – expertise and reputation of the project developer, transparency and rigor of the certification standard, geopolitical and carbon trading risks of the project's host country, as well as scientific credibility of carbon accounting and project design.

Our proprietary screening process is based on a multi-layer approach, leveraging multiple data and quality sources, for a holistic screening of project quality beyond the requirements of certification standards. Our team evaluates publicly accessible project documentation such as monitoring and verification reports, considers external quality ratings and quality data providers, leverages technical expertise provided through our expert science advisory board and partnerships with research institutions, and benchmarks quality data points against those of similar projects, for comparability between project types and across the market.

3. How does CEEZER ensure that quality is maintained over time (monitoring)?

After the quality screening is before the quality screening. At CEEZER, we are aware that projects evolve over time, and quality risks may increase or decrease over the project's lifetime.

To ensure that project quality is maintained at all times, we invest in long-lasting relationships with project developers to receive firsthand updates about project developments and strategy changes that may impact quality. Our team continuously monitors current events, threats or trends that could affect project quality. On a regular basis and ad-hoc in cases of identified threats, every project on CEEZER is subject to re-evaluation according to the screening criteria.



Own operations

Re:Think Store

In 2023 Globetrotter's first Re:Think store was realized in Bonn. The entire inventory of the previous tenant Conrad Electronic as well as other existing furnishings and materials from the Globetrotter inventory was creatively reused, saving large amounts of CO₂ and material. 94% of all materials were reused, and compared to a conventional store design the creation of this store required 97% less CO₂-emissions.

As a pioneering project in the circular economy in the retail sector, the store concept has also served as a catalyst and model for the "Circularity Passport Interiors" by EPEA, which demonstrates the concrete positive impact of Globetrotter's reuse approach in figures.

This digital resource passport not only provides evidence of the store's sustainability performance in the main impact areas but at the same time gives full transparency about the ecological properties of the materials used. With this passport, all the necessary information also becomes available for future generations. This makes it possible to control the reuse and recycling of materials and to plan future dismantling and reuse. In addition, valuable raw materials can also be resold in the future, as their properties are known and documented. This gives the otherwise "anonymous" material an identity and therefore also a value.



PROJECTS AND INITIATIVES

Next to our approach to manage adverse environmental impacts, we initiate additional projects and initiatives that go beyond standard processes. Below you can find a selected range of projects along our value chain.

Own operations

Green Business Benchmark

We utilized the tools provided by Green Business Benchmark (formerly known as Green Business Bureau – GBB) to track sustainability progress across all Fjällräven and Royal Robbins brand stores in the US and Canada in 2023. GBB is a third-party sustainability certification and management system that allows store teams to select and track completion of sustainability initiatives relevant to them. Stores earn points by completing initiatives and earn Bronze, Silver, Gold or Platinum-level certifications. In 2023, stores' GBB scores increased by an average of 28 points and 18 stores (44%) achieved Platinum-level certification. Additionally, the North American sustainability team conducted 23 in-store audits to verify the scores' accuracy.

Supply chain:

Coal phase out project in Vietnam

As the breakdown of our emissions shows, the biggest share of emissions stems from our downstream value chain. Raw materials are followed by energy consumption of our direct Tier 1 facilities. In Vietnam, facilities use different energy sources: electricity to run sewing machines, natural gas, biomass or coal to produce steam for heating processes, e.g., ironing. Indeed, finding more sustainable and decarbonized solutions for heating processes is one of the most challenging for the textile industry. Thus, we joined the GIZ Coal Phase Out Program with one out of three Tier 1 suppliers using coal. The chosen supplier is a strategic partner for Fenix Outdoor and uses coal for cooking and to produce steam for ironing. The program was facilitated by the local GIZ team of experts and a specialized local energy consultancy firm. A feasibility study was conducted on-site, and based on heating demand, technological alternatives and availability of biomass, a solutions portfolio was presented. Keeping in mind life cycle emissions and financial feasibility, the chosen solution will replace one of the coal-fired boilers with a biomass boiler and lead to a potential saving of about 770t CO₂e per year. Implementation will follow in the first half of 2024.

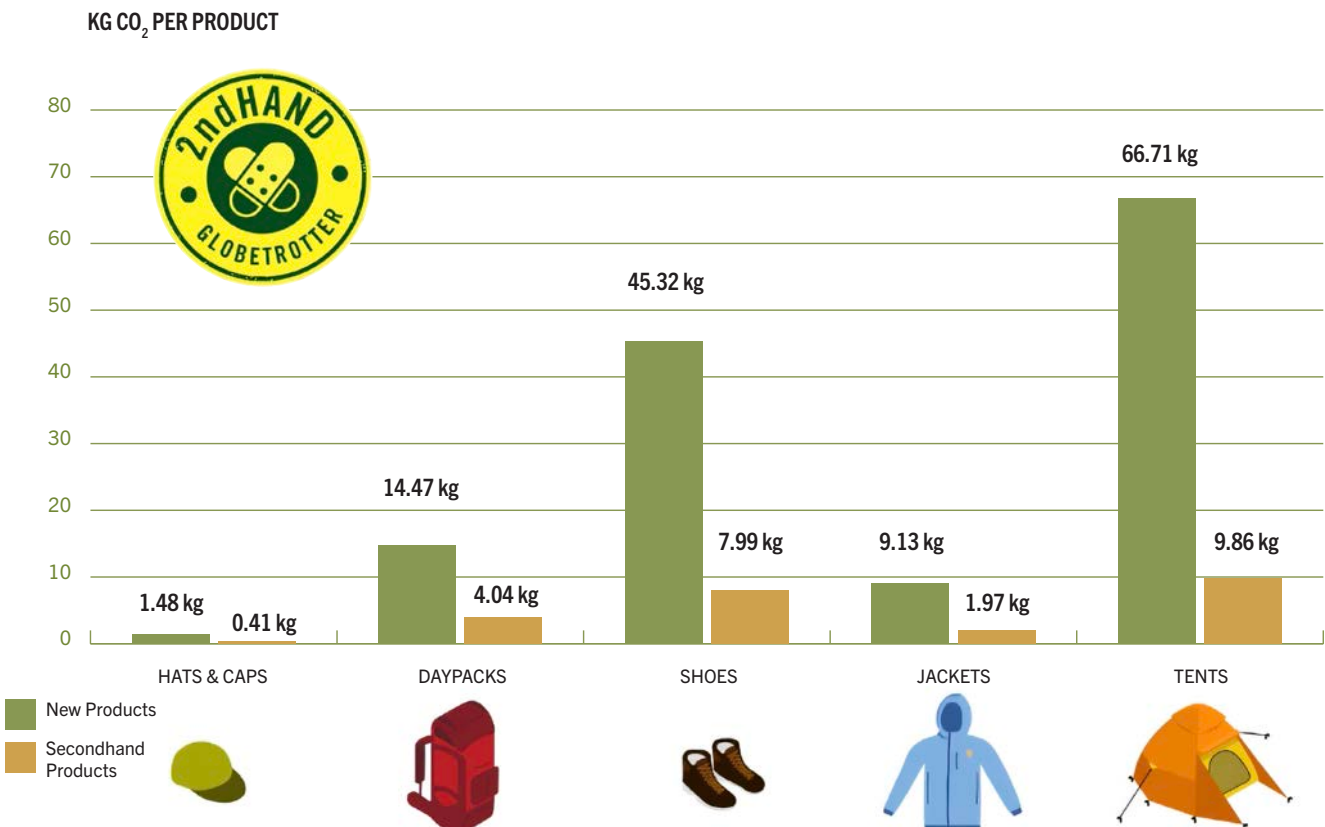
Calculating emissions from Friluft's Retail's assortment

Accounting for and addressing Scope 3 emissions from upstream and downstream processes in the supply chain poses a challenge for many companies and in particular for retailers.

In a pioneering project, with myclimate the leading international climate protection organization, in 2023 we have therefore taken a first step to shed light on this dark spot and calculated the greenhouse gas emissions of 40 product categories of our assortment, including backpacks, hiking boots and rain jackets.

This data shall be the starting point to find ways to tackle Scope 3 emissions in the supply chain. However, this is only possible together with the brand partners. Most of them are already making their own calculations and have set reduction targets and implemented GHG-reduction measures.

Part of this project was also to calculate the average CO₂ savings of secondhand per product category. According to our calculation, a secondhand product saves approximately 80% of greenhouse gases compared to a new product, which of course is a strong argument to expand Retail's secondhand assortment.





Maturation Model Pilot with Textile Exchange

Fjällräven and Royal Robbins participated in the Textile Exchange’s Maturation Model Pilot Program in 2023. This pilot included a select group of brands and focused on implementing lower-impact materials strategies. Each brand selected a fiber type to focus on through the pilot. Then current actions were mapped, gaps and challenges were identified, and plans were created for the short (1-4 years) and long (5-10 years) term. The program followed this process for five strategic areas: Impact Measurement and Reporting, Business Model Transformation, Supply Network Traceability and Verification, Partnerships and Programs, and Circularity. Brands met with Textile Exchange team members and other industry experts to discuss their individual responses for each strategic topic area, further identifying opportunities for improvement. This holistic exercise allowed the brands to consider all aspects of their preferred materials strategy and tie outcomes back to GHG reduction and biodiversity strategies. Upon the conclusion of the pilot, Textile Exchange collected feedback from participants to refine the program with the aim to launch the Acceleration Toolkit Pilot, as an action-oriented framework designed to help members achieve the 100% preferred fiber and materials portfolios necessary to reach their Climate+ goals by 2030.

OIA: Climate Action Corps

As members of the Outdoor Industry Association’s Climate Action Corps Fenix brands, Royal Robbins and Fjällräven support the organization’s goal to become the first climate positive industry by 2030. This includes participation in working groups like the Clean Chemistry and Materials Coalition and Low Impact Aluminum CoLab. Additionally, Fenix presented learnings and best practices on climate target setting as part of the member-led fireside chat education series. The Cli-

mate Action Corps is an important initiative for industry collaboration in the North American market.

Customer facing:

Classic/Events

Bringing people out into nature is Fjällräven’s mission. One tool in realizing it is to organize events such as the Fjällräven Classic series around the world – an offer for everyone who wants to explore the great Outdoors. The events are included in our Climate Action strategy, and in 2023 we were able to calculate our impact for the first time and develop the ability to reward climate-smart transportation and reducing waste by using resources wisely. For our original Classic in Sweden, we emitted in 2023 in total 727.66 CO₂ tons, meaning 0.49 CO₂ tons per person (calculation by using Atmoz’s event calculation model). Transportation was the highest impact area with 89% of the events carbon footprint. From that measure, we will continue to rethink the ways of transportation in, for example, offering more train solutions where possible.

Transportation and waste are the biggest challenges for the United States Classic as well. In 2023, 46% of Classic USA participants took a flight to attend the event. Although a larger portion than expected drove or car-pooled to the event, we will continue to look at ways to reward less-intensive methods of travel in the future. To mitigate the impact of the waste created from the event, the North American sustainability team was on-site all five days to ensure waste was sorted properly into recycling, mixed waste and hard-to-recycle streams. Additionally, participants were encouraged to pick up trail trash left by other trekkers in line with Leave No Trace principles, with participants bringing back an average of 1 kg of trash from the trail.

A Greener Choice (AGC) product evaluation

With A Greener Choice product evaluation, we assess the sustainability of products in our Friluftss Retail assortment. The standard con-

sists of the ten most important sustainability areas we have in the outdoor industry. Additionally, “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 the A Greener Choice standard in order to:

- 1) push sustainable product innovation forward
- 2) improve the sustainability performance of our assortment continuously
- 3) support our customers in their sustainable lifestyles and help them to consider sustainability in their purchasing decisions.






A Greener Choice in figures: In 2023 we sold 1,938,176 (2022: 1,797,998) A Greener Choice products (single pieces). This is now the sixth subsequent year the number of A Greener Choice products sold has grown. Therefore, A Greener Choice continues to make a substantial share of total net sales. However, when it comes to the share of products examined as well as products labelled AGC we see a stagnation. This is due to the fact that some brands with higher sales volume in 2023 have refused to provide data relevant to conduct the AGC evaluation and that we, also in the light of the substantiating green claims directive, have required more detailed evidence in form of certificates and the like. In 2023 the trend for “trust is good, but proof is even better” continued. In order to reduce the multiple and diverse sustainability data requests that currently exist within our industry and therefore to reduce the burden for brands to provide product related sustainability data to their different retail partners, we have engaged in the Sustainability Data Exchange Project which is led by the European Outdoor Group (EOG) and the “Bundesverband Deutsche Sportartikelindustrie (BSI)”. The project aims to facilitate a harmonized product level sustainability communication between brands and retailers. ●

FACTSHEET ENVIRONMENT 2023






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

INDICATOR	2022	2023	2023 CO ₂ e (t)	Supplier data 2022 (kWh)	Supplier data 2023 (kWh)	Supplier CO ₂ e (t)
Primary Energy (kWh)	4,632,071	5,660,707	1,064	405,014 (n=16)	1,440,114 (n=31)	327
Primary Energy (MJ)	16,675,456	20,378,545		1,458,500	5,184,410	
Electricity (kWh)	17,402,218	16,737,434	2	5,500,024 (n=44)	4,989,000 (n=42)	2,218
Electricity (MJ)	62,647,985	60,254,762		19,800,086	17,960,400	
District Heating (kWh)	4,279,349	5,207,736	712	41,923 (n=3)	15,070 (n=2)	3
District Heating (MJ)	15,405,656	18,747,850		150,923	54,252	

CO₂e FROM BUSINESS TRAVEL BY MODE OF TRANSPORT (t) (INCL. RFI 2.7)

MODE	2022	2023
 Car	238.36	378
 Train	12.8	17.1
 Boat	0.095	0.443
 Air	3,004	2,202
 Other (Bus, etc., ...)	0.141	0.741

CO₂e FROM SHIPMENTS BY MODE OF TRANSPORT (t)

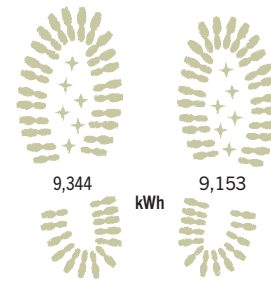
MODE	2022	2023
 Trucks	1,513	1,559
 Sea	568	619
 Air (w/o RFI 2.7)	3,844	509
 Air (with RFI 2.7)	10,379	1,374
 Other (train + multimodal)	31	232

OUR FOOTPRINTS PER CAPITA

2022 2023



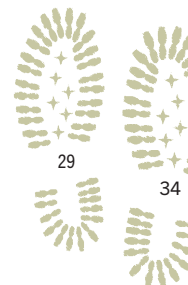
CO₂e (t)*
*includes emissions from Scope 1 and 2, commuting and business travel



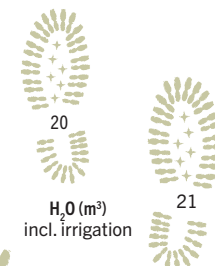
kWh



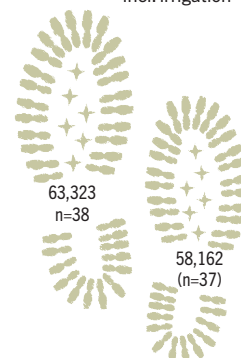
Travel (km, excl. commutes)



Paper Consumption (kg)**
** paper as reported "consumed" for office purposes



H₂O (m³)
incl. irrigation



H₂O (m³)
supply chain ***
***since 2020 data is reported in relation to production volume, since 2021 only Tier 1 considered

OTHER EMISSIONS IN KG *

EMISSION	2022	2023
NO _x	33,850	14,728
N ₂ O	n/a	7,547
SO _x	6,213	10,564
CH ₄	NA	1,775
NMHC	2,743	1,292
PM ₁₀	1,057	1,044

*N₂O and CH₄ only for commuting; all others only for transport



3. ECONOMY – A robust setup in challenging times

We are a corporation and embedded in the economic undertakings of the global markets. We have a heterogeneous upstream supply chain with production sites under own control (own production in Europe) and various supplying partners in Asia (mainly China and Vietnam), North Africa and Europe (mainly EU-based). Our downstream supply chain corresponds to the main markets we are operating in. Fenix Outdoor's major operations are located in Sweden, Germany, the USA, Norway, Finland, Denmark, Switzerland, the Netherlands, the United Kingdom and China. Our goal for the group is to achieve a minimum growth rate of 10% per annum, keeping a consistent profit before tax of at least 10%. 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.

Locations, reflected in this report, normally would have 50+ employees in the respective country. We deviate from this when grouping countries or regions under one roof (e.g., Fenix Outdoor Emerging Markets) or the failure of the entity would pose a serious risk to the economic development of the company. In addition, and in contrast to the annual report, the Joint Venture operations in China are integrated to the utmost possible extent.

In 2023, no subsidies were received and taxes in the amount of EUR 15,605,000 were paid.

Economic Risks and Opportunities

We group the economic risks as follows:

- Cyclical risks. Historically, upswings and downturns in the economy have not had any significant impact on the group's sales or earnings trend, even though the risk may have increased by the larger

retail share of the operations, including the changing retail environment.

- Weather-related and seasonal risks. Certain parts of the group's product range and sales are affected by weather conditions. Portions of the winter collection, mainly available in the markets with a colder climate, are negatively affected by warm and late winters.
- Climate risks. We expect a change in weather patterns and therefore in addition to the above, we also see a risk of business interruption of certain vendors; the risks, however, are mitigated by a diverse supply chain and a regional spread. Nonetheless, the accumulation of relevant suppliers in one region is not yet mitigated and therefore a matter of concern.
- Trend risks. The group does not consider itself to be a group of fashion products, but the business is affected by long-term trends such as the positive active and outdoor life trend. Some markets in warmer climates which have a different product mix are still more impacted by single product trends compared to other more traditional outdoor markets.
- Pandemic risks. The group has shown that it is well prepared to handle crises like this.
- Currency risks. Currency fluctuations and changing exchange rates may seriously impact the financial results of the company. The main currencies we strictly monitor are SEK, EUR, and USD. A major portion of the Brand segment's purchases take place in USD, even though certain brands make a large share of purchases in EUR. The Friluft and Global Sales companies mainly buy in local currency. The group's policy is to hedge its short USD position from purchase orders, through forward contracts lasting up to a year. Further information regarding the group's risk management can be found in the section Accounting Principles and in Notes 3 and 28 of the annual report.
- Vendor risk. The group is not totally dependent on any major single vendor even though some brands are more

exposed in the short run (see also climate risks).

- Water-related risks. We do not see any major water-related risks at this point in time. Dye houses and tanneries are regionally spread. However, a water shortage in Asia would impact Fenix Outdoor and have moderate effects.
- Political risks. To avoid exposure to high political risks, we have a strict regime to approve countries and regions for sales and production. Certain countries and regions are currently not approved and are considered "no-go-areas." However, transportation of goods from Asia to Europe or the US is affected by hostilities in the Near and Middle East and therefore eventually needs to be compensated for by using air freight. This is in conflict with our climate strategy and therefore needs individual approval by the Chairman of the Board.

While the above describes several risks, we also see some opportunities from those possible risks.

- Being agile and able to respond quickly to economic or other challenges, Fenix Outdoor can serve market needs in a very fast and appropriate manner. This allows us to be ahead of competition in various undertakings.
- In adapting to climate and weather-related changes, certain policies and strategies need to be revised but allowing us also to serve warmer climates and a customer base that has different spending opportunities.
- The two leading brands in Fenix Outdoor (Fjällräven and Hanwag) deliver timeless, durable and emotional longevity products. This allows us to operate independently from fashion trends. We offer repair and care services and gradually add rental and secondhand options where needed and possible. By that we open new customer groups and broaden our business model.



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.

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.

The Brand segment of Fenix Outdoor operates 48 stores globally as brand retail stores.

Friluft's Retail

Friluft's Europe Retail AB is the holding umbrella for five retail chains: Naturkompaniet with stores in attractive locations in Sweden and Norway; Partioaitta, located in Finland; Globetrotter Ausrüstung in Germany (distributor of the private label Friluft's), Friluft'sland in Denmark, and Trekitt in the United Kingdom with two locations. In total the group operates 106 stores.

Global Sales

The Global Sales segment is the overarching distribution channel for global sales operations. These are focusing on B2B but also have expanded by integrating and purchasing certain distribution channels which are operated as B2C. A total of 36 stores are operated under the umbrella of Global Sales all located in Asia. ●

FACT SHEET ECONOMY 2023

CONSOLIDATED INCOME STATEMENT

Amounts in TEUR	2023	2022
Net sales	739,444	759,237
Other operating income	10,720	10,905
Income	750,164	770,142
Cost of goods	-318,592	-322,556
Other external expenses	-164,719	-163,739
Personnel expenses	-154,401	-145,648
Depreciation/amortisation	-58,696	-55,154
Result from investments in joint ventures	1,224	427
Operating profit	54,981	83,472
Financial income	1,014	2,104
Financial expenses	-8,420	-2,804
Profit/loss before tax	47,574	82,772
Income tax	-15,604	-21,846
Net profit for the year	31,970	60,926
Net profit for the year attributable to:		
Parent Company's shareholders	31,572	60,585
Non-controlling interests	398	341
Earnings per share after tax attributable to the Parent Company's shareholders during the year after dilution and before dilution in EUR		
A shares	0.240	0.457
B shares	2.4	4.57
Weighted average of outstanding shares, A	24,000,000	24,000,000
Weighted average of outstanding shares, B	10,927,663	10,932,956
Proposed dividend per share (EUR) - A shares	0.135	0.135
Proposed dividend per share (EUR) - B shares	1.352	1.349

STATEMENT OF OTHER COMPREHENSIVE INCOME

Amounts in TEUR	2023	2022
Net profit for the year after tax	31,970	60,926
Not to be reclassified in the income statement in the future:		
Re-measurements of post employment benefit obligations	-62	347
Taxes	3	-76
To be reclassified in the income statement in the future:		
Change in translation reserve during the period	-1,049	-8,978
Cash flow hedges	-762	3,983
Taxes	168	-876
Total other comprehensive income for the year:	-1,703	-5,600
Total comprehensive income for the year	30,268	55,326
Total comprehensive income attributable to:		
Parent Company's shareholders	29,870	55,113
Non-controlling interests	398	213



EXTERNAL SALES PER MARKET. MEUR

	BRANDS		FRILUFTS		GLOBAL SALES		TOTAL	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2023	2022	2023	2022	2023	2022	2023	2022
Switzerland	0.7	0	0	0	10.7	11.2	11.4	11.2
Sweden	11.4	18.3	73.9	74.7	0	0	85.3	93
Other Nordic countries	2.4	2.1	60.9	59.5	34.1	40.6	97.4	102.2
Germany	64.1	67.4	197.1	193.8	0	0	261.2	261.2
Benelux	17	18.4	0.3	0.4	10.8	11.6	28.1	30.4
Other Europe	20	17.3	20.3	19.3	42.2	45.4	82.5	82
Americas	80.3	79.9	0	0	54.8	55.9	135.1	135.8
Other World	2.4	2.6	0	0	36.8	40.7	39.2	43.3
Total	198.3	206	352.5	347.7	188.5	205.5	739.3	759.2

FACT SHEET
ECONOMY 2023

KEY FINANCIAL INDICATORS (EUR)

Total income	750,165,000
Net sales	739,444,000
Debt	71,609
Equity	417,200,000
EBITDA	113,675,000
Operating profit	54,978,000
Profit margin, %	7.4 %
Profit before tax	47,574,000
Net profit for the period	31,970,000
Total other operating income	10,720,000
Spending on Suppliers & serv.	483,313,000
Result of associated companies	1,224,000
Interest income	981,000

TAXES (EUR)

Total Tax Expenditure (net):	15,605,000
Korea	1,309,000
Nordics	1,663,000
Sweden	9,823,000
Benelux	884,000
Switzerland	211,000
Germany	4,330,000
Other Europe	701,000

THE MAJOR SHAREHOLDERS 2023–12–31

Shareholder	Number of A-shares	Number of B-shares	Percentage of capital, %	Percentage of votes, %
NORDIN, MARTIN	18,300,000	242,568	15.4%	52.9%
HAK HOLDINGS	1,900,000	1,948,767	15.9%	11.0%
LISELORE AB	1,900,000	1,663,767	13.8%	10.2%
PINKERTON HOLDING AB	1,900,000	1,628,767	13.5%	10.1%
NORDEA NORDIC SMALL CAP FUND	-	959,930	7.1%	2.7%
BESTSELLER UNITED A/S	-	814,345	6.0%	2.3%
VERDIPAPIRFONDET ODIN SVERIGE	-	722,000	5.4%	2.1%
VON DER ESCH, STINA	-	200,000	1.5%	0.6%
NORDEA SMABOLAGSFOND SVERIGE	-	191,322	1.4%	0.5%
PICTET AND CIE (EUROPE) AG, SUCCURS, ALE DE LUX	-	164,696	1.2%	0.5%
NORDIN FORSMAN, ANNA	-	149,452	1.1%	0.4%
NORDEA INSTITUTIONELLA SMABOLAGSFON	-	97,419	0.7%	0.3%
NORDEA 1 SICAV	-	84,822	0.6%	0.2%
WALL, KARL JOHAN	-	70,000	0.5%	0.2%
STIFTELSE, MÄRTA	-	60,000	0.5%	0.2%
Other	-	1,929,768	15.4%	5.9%
TOTAL	24,000,000	10,927,623	100.0%	100.0%
OWNED BY FENIX OUTDOOR INTERNATIONAL AG	-	132,337		

FIVE-YEAR SUMMARY, GROUP

MEUR	2023	2022	2021	2020	2019
INCOME STATEMENT					
Net sales	739.4	759.2	649.9	563.0	607.1
Depreciation/amortisation	-58.7	-55.2	-51.5	-48.9	-43.1
EBITDA	113.6	138.7	135.4	110.0	128.0
Operating profit	54.9	83.5	83.9	61.1	84.9
Net financial income	-7.4	-0.7	-2.1	-7.6	-0.6
Profit/loss after financial items	47.5	82.8	81.7	53.5	84.4
Income tax	-15.6	-21.8	-25.1	-19.6	-23.1
Net profit for the year	31.9	61.0	56.7	33.9	61.3
BALANCE SHEET					
Fixed assets	290.6	265.0	265.4	255.0	250.4
Inventories	272.6	246.5	152.6	153.8	159.7
Accounts receivable - trade	51.6	55.8	60.9	38.2	45.1
Other current assets	9.3	12.9	8.2	13.7	10.3
Cash and cash equivalents, current investments	119.1	81.0	181.9	191.1	88.9
Assets held for sale	-	13.3	-	-	-
Total assets	743.2	674.6	668.9	651.7	554.4
Equity attributable to the Parent Company's shareholders	417.2	405.0	381.4	353.7	319.1
Minority shareholdings	0.0	0.0	0.0	0.1	0.1
Provisions etc	11.5	13.5	15.4	16.1	15.9
Non-current liabilities, interest-bearing	138.4	109.3	126.3	138.8	100.4
Other non-current liabilities	0.2	0.3	0.2	0.7	1.4
Current liabilities					
Interest-bearing	67.0	40.4	37.7	56.5	47.8
Non-interest-bearing	108.8	103.9	107.9	85.8	69.7
Liabilities directly associated with the assets held for sale	-	2.2	-	-	-
Total equity and liabilities	743.2	674.6	668.9	651.7	554.4
CASH FLOW					
Cash flow from operating activities	75.9	-7.0	118.7	110.0	61.4
Cash flow from investments activities	-24.8	-27.0	-34.4	-21.6	-23.1
Cash flow after investments	51.1	-34.1	84.3	88.4	38.3
KEY RATIOS					
Change in sales, %	-2.6	16.8	15.4	-7.3	6.1
Profit margin, %	6.4	10.9	12.6	9.5	13.9
Return on total assets, %	7.8	12.7	12.8	9.3	18.3
Return on equity, %	7.6	15.5	15.4	10.1	20.3
Equity/assets ratio, %	56.1	60.0	57.0	54.3	57.6
Average number of FTE employees	2,972	2,837	2,446	2,439	2,476
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	8.29	10.62	8.11	6.21	7.76
Earnings per B-share, EUR	2.92	5.58	4.25	2.54	4.55
Equity per B-share, EUR	38.18	37.02	28.59	26.51	23.71
Market value as of December 31, EUR	102	102	120	102	112
P/E ratio	35	18	28	40	25
Dividend per B-share ¹⁾	1.35	1.35	1.95	2.38	-

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.

¹⁾ To be approved by the AGM



4. SOCIETY – Intensify the endeavors by moving toward a more interconnected path between different parties

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

As a responsible outdoor company, we are committed to sourcing and purchasing responsibly, respecting human rights and the environment we operate in, promoting the dignity of all those who contribute to our business and, most importantly, reducing the negative impact we created through our business. We believe that we cannot tackle these challenges alone. Therefore, we collaborate across industries, with non-governmental and multi-stakeholder organizations around the globe (listed in chapter “General”) to help combat risks including but not limited to forced and child labor, unsafe working conditions, restricted freedom of association, violence, harassment and discrimination.

The commitment through our internal management instruments – the Fenix Way Management Compass® – and our alignment with international principles such as the UN Global Compact (UNGC), the United Nations Guiding Principles on Business and Human Rights (UNGPs), the OECD Guidelines for Multinational Enterprises, as well as the UN Sustainable Development Goals (SDG) which embody our human rights understanding, extends to all individuals who are impacted by Fenix Outdoor including colleagues, customers, suppliers, workers within our supply chains, and the communities in which we operate.

For our producing brands, Fjällräven, Tierra, Hanwag, Friluft (private label) and Royal Robbins, we have identified our global supply chain, especially the workers in the value chain, as a key area of focus to drive change and reduce negative impact by promoting fair labor, decent work (supporting our defined SDGs No. 5, 8, and 19) and enhance workers’ rights (SDG No. 4). The governance of our positive and/or negative impact on our value chain is supported

by several tools, internal and external policies, monitored by the social compliance staff, the human rights coordinator and the Human Rights Officer of the Fenix Outdoor brands. It is actively embedded and driven by the Sourcing and Material team of Fenix Outdoor centralized brands unit as the purchasing and product development teams of each brand.

We at Fenix Outdoor strongly agree that fair labor conditions shall be the standard, not the exception. That is why we became a member of the multi-stakeholder organization Fair Labor Association (FLA) in 2013 and have been an accredited member since 2018.

Our supply chain human rights management is yearly monitored by the 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.

The FLA Accreditation is a rigorous, multi-year process, based on five milestones, that evaluates a company’s systems to improve labor conditions in its Tier One and owned manufacturers. Each milestone represents key building blocks of an effective social compliance program that improves working conditions and worker well-being. Member companies are expected to maintain and update social compliance programs as FLA standards are updated.

When reaching the fifth milestone, the most mature one, FLA-accredited companies like Fenix Outdoor are evaluated annually to verify that they are maintaining alignment with FLA Sourcing and Production

Principles. Milestone five evaluations follow a three-year cycle, with three principles evaluated each year. In 2023, Principle four: Training for Suppliers and Production Staff, Principle five: Monitoring, and Principle six: Functioning Grievance Mechanisms were verified. The results of this assessment will be published for the first time on www.fairlabor.org in 2024. Fenix Outdoor will be among the first member companies sharing the results transparently. In addition, the FLA conducted one audit of our shared direct supply chain base. The decision as to which factory is audited is the responsibility of the FLA. After the result of the audit is shared with us, we work closely with the affected facility on the remediation of the findings. After a defined time, the FLA shares the audit result publicly.

Our membership in the FLA supports the advancement of our Human Rights and Environmental Due Diligence (HREDD) risk management approach constantly to (new and upcoming) requirements such as the German Supply Chain Due Diligence Act (“Lieferkettensorgfaltspflichtengesetz / LkSG”), the Ordinance on the due diligence and transparency duties of Swiss companies with respect to minerals and metals from conflict zones and child labor (DDTrO) and/or the discussed EU Corporate Sustainability Due Diligence Directive (CSDDD). In order to be compliant and go beyond, we constantly adapt our HREDD risk management according to new requirements.

Our way to manage HREDD risks:

1. Respect for human rights and decent working conditions are embedded into prevention policies and ensure due diligence.

Fenix Outdoor brands are obliged to use one aligned due diligence process when it comes to protecting human rights, and responsibil-

ities for the environment in the supply chain are determined in the internal Corporate Fenix Outdoor Due Diligence Policy.

First, all our suppliers must sign our publicly shared Code of Conduct (CoC) which is well aligned with the benchmark of the FLA. In 2023, our updated CoC according to the envisioned HREDD Directives was sent to and signed by all our direct and nominated indirect suppliers. With that, we also offered webinars to learn about the changes made.

Second, Fenix Outdoor has a strict internal policy about its production countries. Meaning, before entering a new country, we investigate different parameters around corruption, human rights (including forced and/or child labor, minimum wages, etc.), political and environmental risks as well as business opportunities. Annually we re-evaluate the production countries we are in by doing ESG-driven risk analysis. This internal guidance 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 guideline next to our internal responsible purchasing and production policy, and these are mandatory for our brands operations to follow. With that, new direct suppliers are required to sign our compliance documents and must have an up-to-date social audit with a reasonable result. Only if these parameters are met the facility will be approved in our internal Product Lifecycle Management (PLM) system and the brand can place the order.

Lastly, we have clustered our impact areas in our double-materiality matrix (chapter "General") and therefore put a focus on topics which have a (very) high importance to our stakeholders and have a (very) high ESG concern such as in the area of value chain "child and forced labor," "fair compensation for workers," "reliable grievance mechanism" and "health and safety programs in the supply chain."

2. Risk management by implementing processes to identify and prevent human rights violations and/or environmental risks to then prioritize and take measures to address adverse impacts.

Early identification and management of risks are our main goals. For that, we use a variety of tools to cease, prevent or mitigate possible ESG risks. One instrument is the execution of supply chain audits. Herewith, we regularly assess our direct (Tier 1) and have in 2023 widened the scope by adding indirect (Tier 2) supply chain partners according to the Fenix Outdoor / FLA workplace

standards. The social compliance audits are conducted by our own team of three social auditors which is complemented outside of China and Vietnam by a third-party service partner, LRQA (former company name: ELEVATE). Last year we conducted 95 verification assessments of production sites. 76 were conducted according to the FLA audit protocol (in 2023 Tier 1: 91; Tier 2: 4; in 2022 only Tier 1: 76). 15 were verified SLCP reports (self-assessments powered by Social Labor Convergence Project), which we transferred into our own grading logic and added all those to our PLM system, waived audits with acceptable SLCP assessment results. Three of those were verified by our own SLCP-trained social compliance staff. The verified assessment / audit coverage of direct suppliers in 2023 was approximately 45%.

All social compliance audits are being followed up and remediated by our own team. Therefore, we can track improvements of former results and support our supply chain partners in improving identified weaknesses. In 2023, we have decided to take the next step in building further capacity and started a collaboration with the WE, <https://we-program.community/>, program – using a dialogue-based approach to go beyond auditing, to help improve working conditions and understanding systematic root causes which might be reflected in recurring audit findings. The goal is to grow slowly and steadily with WE to support selected strategic supply chain partners by preventing potential negative effects related to human rights and environmental risks.

Asking our direct and indirect suppliers in our annual survey, we learned that additional capacity building programs are being used such as Better Work or the workplace education program provided by the Fair Wear Foundation (FWF). But we do see that there is potential to increase such approaches – also requested by our suppliers – especially in the environmental area (see chapter "Environment").

In the survey, our direct and indirect suppliers shared further ways to prevent possible negative HREDD impacts such as child labor by setting up clear policies like CoCs including hiring practices, by checking personal IDs and verifying ages, by setting up employee trainings, etc.

As mentioned in previous reports, we support the approach of the mentioned SLCP to share social audits by using a common framework for the industry which reduces audit fatigue and costs by working in collaboration with other brands. The SLCP was established within the context of the UNGPs and OECD

Guideline for Multinational Enterprises to respect human rights. It therefore covers the key human right risks as outlined in the OECD Guidance.

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 for one year. With this approach, we intend to collect more HREDD insights (next to the Higg FEM) also from our upstream suppliers – one of our targets in the currently updated CSR strategy 2030.

Overall results of our assessments in 2023 are:

- Women remain the main workforce in the factories (women: 71%; men: 29%).
- There are 2.58% foreign migrant workers.
- The youngest worker was 18 years old.
- The main topics of findings in audits are reflected in the areas of labor (overtime and benefits) and health and safety (machine safety, electrical, ergonomics, PPE, certificates and warehouse topics in general).
- There was no identified child labor.
- There was no sign of forced labor in our direct supply chain base, but a suspicion was raised during an audit of a potential new indirect supplier which immediately was flagged, discussed and mitigated with the affected supplier.

Next to audits and self-assessments, we use the service of LRQAs system "EiQ" (<https://www.lrq.com/en/eiq/>) a so-called end-to-end supply chain ESG due diligence platform, which allows us to map HREDD issues on country level and even zoom in on provinces and specific product categories. This system gives us the possibility to screen the severity of risks on a country level and therefore the most negative impacts for the workers. The database is updated annually. In 2023, we have not only risk-mapped direct suppliers but included our known indirect suppliers to the platform.

When it comes to our main direct manufacturing countries, China, Vietnam and Indonesia are currently the most severe ones (regarding FOB) for our textile brands. Our shoe brand Hanwag's main production countries are Germany, Hungary (both sites are owned), Croatia and Bosnia and Herzegovina. The main indirect purchasing countries of our partners, based on the answers of our annual survey, are China but also South Korea and Taiwan.

Identified ESG extreme risks in our main production countries, based on data of EiQ

IDENTIFIED ESG EXTREME RISKS IN OUR MAIN PRODUCTION COUNTRIES, BASED ON DATA OF EIQ (NO EXTREME RISKS IN THE OTHER PRODUCTION COUNTRIES DEFINED AS FOR NOW):

ESG risk area	Overall topic	Countries where ESG risks can generally occur	Confirmed risks due to assessment findings in 2023
Wages	Labor	China; Vietnam; Indonesia	-
Domestic Migrant Workers	Labor	China; Vietnam	-
Working Hours	Labor	China; Vietnam	56x China, 31x Vietnam, 2x Taiwan; 1x Indonesia
Freedom of Association	Labor	China; Vietnam; South Korea; Indonesia	26x China, 12x Vietnam; 1x Indonesia
Child Labor	Labor	China; Vietnam	-
Workers' Rights	Labor	China; Indonesia	-
Humane Treatment	Labor	Indonesia	4x China; 2x Vietnam
Forced Labor	Labor	Indonesia	2x Taiwan*
Air Emission	Environment	China; Vietnam; Indonesia	-
Flood Risk	Environment	China; Vietnam; Indonesia	-
Storm Risk	Environment	China; Vietnam	-
Air Quality	Environment	China; Indonesia	-
Carbon Intensity	Environment	Vietnam; Indonesia	-
Tree Cover Loss	Environment	Vietnam; Indonesia	-
Wastewater	Environment	Vietnam; Indonesia	-
Environment Permits	Environment	Vietnam; Indonesia	-
Building Safety	Health and Safety	Indonesia	-
Injuries	Health and Safety	Indonesia	-
Fire Safety	Health and Safety	Vietnam	-
Technological Disasters	Health and Safety	Indonesia	-

* Forced labour is ranked as high risk in Taiwan, not extreme risk based on EiQ, therefore not listed here.

(no extreme risks in the other production countries defined as for now) are:

As mentioned earlier, we utilize the assessment tool of EiQ which helps us to track publicly available news nearly in real time regarding our indirect and direct suppliers during the year. The highlighted incidents, alerts and sanctions associated with suppliers in a specific country and industry form part of our risk scoring. In 2023, 18 cases were drawn to our attention featuring different topics such as health and safety, labor, business ethics or environmental issues. These are shared with our internal stakeholders to help address the issues directly with the supply chain partners.

Furthermore, sustainability criteria such as social compliance audit results, wage indi-

cators like meeting the Global Living Wage (GLWC) benchmark, environmental compliance performance, etc., are embedded into the annual evaluation of direct suppliers and are part of the internal PLM system. In 2023, we have successfully gathered all relevant data and conducted an initial assessment of this year's results. This preliminary assessment provides an insightful representation of the sustainability performance of 124 evaluated supply chain partners. Our analysis reveals that 24% of our strategic partners have achieved a score surpassing 50%, while 59% of all strategic partners within the range of 30% to 50%. It is noteworthy that lower scores may often correlate with less information regarding the sustainability efforts of some partners. Furthermore, reaching the

target of 100% is notably challenging. This ambitious target is not equally attainable for all partners, as it contains evaluations of various factors including country-specific risks. Looking ahead, our focus for 2024 will be to enhance data collection efforts and facilitate comprehensive comparisons. We expect the scorecard to not only support us to track and analyze the development of sustainability practices among our partners over time but also to measure the performance of suppliers against our strategic goals.

However, if we do face any high-risk violations of HREDD obligations, we will not stop discussing the topics until we find acceptable solutions with our suppliers or, in the worst case, we will have to end our relationship. When this step needs to be taken, we follow a fair retrenchment process aligned with the FLA principles.

3. Establishing a complaints procedure

Fenix Outdoor has set up a global grievance mechanism and established several channels which 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. The process description can be found online. Next to these company channels, we also promote the use of the public FLA-complaint channel. If we receive a grievance from one of our supply chain partner workers, we will handle it with care and make sure to include it into our risk assessment.

Creating awareness of ways to report grievances should be a priority. That is why we keep communicating about the different opportunities, e.g., through internal and external webinars but also by tracking trainings on these and other existing mechanisms through our audits. The FLA has just assessed our current setup in the last evaluation.

During our audits, 23 questions regarding Freedom of Association and grievances are being reviewed. Among those, the auditors examine if the facility does not discriminate against union members, if employees are free to join legal employee organizations and if employee representatives are allowed regular access to employees, management and the workplace to carry out their representative function.

To gain more knowledge, we have asked our Tier 1 and Tier 2 suppliers about the setup of grievance mechanisms in their own and their purchasing partners' facilities, and the results are:

Example of the annual risk assessment analysis of direct manufacturing suppliers for Frilufts, a private label of Frilufts Retail which is subject to the German LkSG in 2024

In 2023, Frilufts produced goods in 52 factories in 11 different countries. The three main production countries per net purchase volume are China (58%), Vietnam (19%) and Lithuania (12%). The production volume in Europe is currently at 22%.

By doing the annual risk assessment, we have identified 20 factories which are very important to Frilufts due to a high net purchased volume (risk scale overall: Low = 1; Medium = 2; High = 3; Extreme = 4; purchased volume on factory level ≥ 3 : risk exposure high).

Next to this criterion, we additionally mapped the country risks through the supply chain ESG due diligence and assurance platform EiQ by LRQA and screened the latest social compliance audit / assessment result. These results are being weighed higher, with the factor 1.5, than the other factors due to the actual identified and verified risks on site.

Calculating the overall risks by taking all three risk factors into account, 17 factories from the 20 identified important factories feature a higher risk score (≥ 3). The other factories did not fall into scope due to a good human rights audit result.

Again, three of these 17 factories show an extreme high risk score based on the ESG country risk score on EiQ (≥ 3) and the last audit/assessment result (≥ 4.5).

The identified extreme high-risk suppliers are in China (2x) and Vietnam (1x).

We have also monitored which production sites have grievance mechanisms in place: 44.2% have a mechanism in place, 9.6% seem not to have one yet, and 46.2% have not shared this information mechanism with us yet. Only one of the high-risk factories in China seems to have a grievance mechanism in place.

Based on the remedial measures taken, the monitoring of the effectiveness of such, we conclude to work intensively with two suppliers on remediation of identified violations and if no improvement takes place to exit them responsibly. When it comes to the third factory, which is in Vietnam, we see that the remediation of audit results shows already effectiveness, therefore we want to improve through a dialogue or the offer of specific trainings.



From 80 suppliers 59% shared that there is a suggestion and complaint box in their facility, 19% answered that they use hot-lines, e.g., on-site anonymous mailboxes, 13% said they trust their trade unions with their grievances, some (12%) use the provided third-party organizations such as FLA or FWF.

To create awareness, 73% of the participating suppliers offer trainings toward their grievance mechanism system.

For 2023, 81% of surveyed suppliers state that they did not have any grievances in 2023, while 10% stated they did have grievances in their facility.

We also asked how the grievances have been addressed. Different ways were shared. In most cases it starts with an investigation and a meeting with all relevant parties,

e.g., unions, to discuss the issues. Solutions are being proposed, systematic changes are being made (depending on the grievance) and the outcome is openly shared with the teams. The whistleblower, though, is always well protected.

We also asked if our direct or indirect suppliers are aware if their further supply chain partners have grievance mechanisms in place: 46% answered yes, while 34% answered “do not know.” We assume that it will take time to build awareness of the importance of a functioning grievance mechanism, but first successes can already be seen.

4. Documenting and reporting

All actions of our impacts are being reported on a yearly basis in the CSR Report of Fenix Outdoor as well as with internal stakehold-

ers like the management teams during ongoing internal reports. In 2023, we started to write an excerpt of the holistic CSR report for the brand Fjällräven and will continue on this path.

Monthly, current social compliance audit results, CAP statuses, upcoming audit dates, sentinels, etc. are being shared with dedicated colleagues. We use internal systems like the PLM to share assessed data within the company. These also have access to the mentioned EiQ system.

When it comes to preparing our partners (indirect and direct) for HREDD, we use annual questionnaires, webinars and our own sustainability newsletter to share knowledge. In doing so, we want to support our partners to continuously reflect on their own actions and support them to become compliant.

For our private label Frilufts, we have started to set up a process to be aligned with the German LkSG which will be part of the overall report of Globetrotter Ausrüstung published in late spring 2024.

Policies are good but we need to know our sources.

This message is trending in the sustainability bubble right now, but also “Traceability will be key!” and “No data – no compliance – no business in Europe.” Indeed, the HREDD management approach can only be strengthened and improved if we achieve further traceability and therefore transparency in our supply chain, and this is obviously one of the biggest challenges in the industry.

After running a first project with a traceability system provider in recent years, we decided to turn toward a different approach. Instead of tracing from product level on manufacturing level, we decided to start tracing directly from fiber level with a different system provider which has a close relationship with Textile Exchange, the standard holder of different sustainable certificates (e.g., Responsible Down Standard, according to which Frilufts is certified). This decision toward the system was made end of 2023 and the project will be kicked off in 2024. The goal is to run a pilot and to scale up the traceability endeavors slowly but steadily to more fibers.

When it comes to a consumer-facing transparency communication regarding our supply chain, we disclose our active Tier 1 suppliers on the platform OpenSupplyHub. Our brands have individual ways to share more information of their supply chain, e.g., Hanwag or Tierra. For Fjällräven, we have again voluntarily participated in the Fashion Transparency Index and increased the

result by 10% from the previous year. Since this assessment takes up a lot of internal resources answering more than 400 questions and Fjällräven does not fulfill the criteria to be among the world's largest fashion brands, we will stop our participation but are open to continuing the dialogue. This information was shared with Fashion Revolution, the owner of the Fashion Transparency Index. We will make sure to embrace key learnings from the provided feedback and drive changes from within.

One of the challenges of creating transparency in supply chains is that suppliers sometimes do not understand why brands need to access further information beyond a contracted partnership. Here we see the opportunity to educate our partners about upcoming HREDDD but also other legislations emerging from the EU Green Deal. The usage of traceability systems will have to increase to stay compliant. When we asked our partners if other customers have already asked to share supply chain data, 28% said yes.

Transparency has become a part, though still small, of our sustainability area within the annual scorecard evaluation of our direct supply chain partners. This allows us to incentivize suppliers if they agree to support our traceability journey.

Fair compensation

We publicly commit to a fair compensation strategy. Paying decent wages is one of our key values also drafted in our Fenix Way. It will play a crucial role in our updated CSR strategy 2030, which is planned to be finalized in 2024.

For a couple of years now we have collected data on wages of workers in our value chain not only during regular audits by screening if the national minimum wage is being met (100% in 2023), but also by using the wage data sheet established by the FLA to collect information from our Tier 1 suppliers (focus Vietnam and China). These data sheets are uploaded into the FLA fair compensation dashboard (which is currently updated into becoming a digital solution and will be relaunched in 2024) and are further analyzed using available wage benchmarks such as our preferred one, GLWC. In 2023, we gathered 62 data sheets, of which 18 contain 2023 data and 44 contain 2022 data.

In our supplier survey, we asked the recipients if they have been part of any supply chain programs regarding wages. Interestingly, 9% of the surveyed suppliers took part in a wage benchmarking and living wage conversation with us or other brands. A challenge in this complex matter is to

2022 wage benchmarking of partnering Vietnamese Tier 1 factories

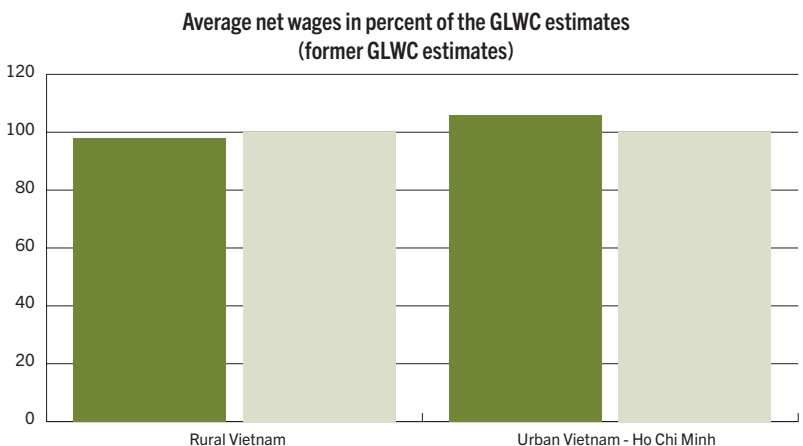
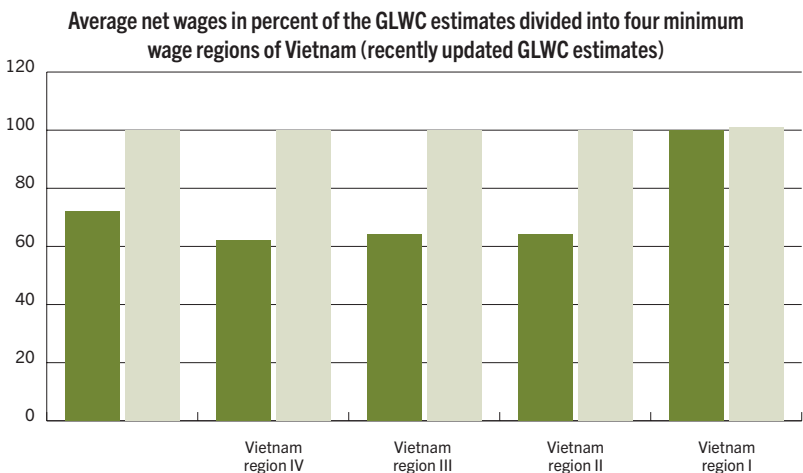
In our further evaluation of wage data we received from our direct supply chain partners, we have not only utilized data gathered in the previous year but also incorporate 27 wage data sheets collected during the 2022 period, totaling 72 data sheets for the year. Of these, 66% originate from Chinese suppliers, 30% from Vietnamese suppliers, and 4% from suppliers in other production countries.

Deploying the FLA Fair Compensation Dashboard, we analyzed 15 wage data sets from Vietnam, excluding data deemed unevaluable, and compared aggregated and anonymized data against the GLWC estimates. These 15 factories represent factories which are defined as strategic and further to develop and grow with. In general, all analyzed factories pay their workers above the legal minimum wage. Because we committed to work toward living wages in our supply chain, we gain more profound insights into wages with the help of the FLA Fair Compensation tool.

Our initial wage evaluation was based on only two GLWC estimates: Urban Vietnam (Ho Chi Minh City) and Rural Vietnam. Benchmarking against these estimates showed that 7 out of 15 factories meeting the living wage benchmarks (and further 4 factories were very close to meeting the benchmark), result-

ing in an average net wage of 98% of the estimate for Rural Vietnam (106% in the Ho Chi Minh City area). In the beginning of 2024, the GLWC and Anker Research Institute published new Living Wage reports for all four minimum wage regions in Vietnam. Benchmarking wages against the newly published estimates gives us different insight. In accordance with these estimates 2 out of the 15 factories paid, on average, a living wage. The average factory net wage across all analyzed factories accounts for 72% of the average GLWC estimate for all four regions. Upon closer examination of the four regions, we find that the living wage gap is most pronounced in minimum wage regions two, three and four, whereas the average net wage of factories in region one slightly surpasses the GLWC estimate.

This emphasizes the importance of a granular and detailed analysis, acknowledging that different methodologies can yield varied results. As we believe the new estimates better account for region-specific differences and rising inflation in Vietnam, we are committed to collecting and analyzing 2023 wage data to monitor wage development and initiate conversations with our strategic suppliers and work toward our goal of all workers in our supply chain receiving a living wage.



AUDIT FINDINGS OF THE FLA AUDIT

SUMMARY	
FLA Code Element	Number of Violations
Compensation	1
Employment Relationship	13
Health, Safety and Environment	14

verify the collected data. When we asked our suppliers how many of their customers verified their wage data, only 8% answered yes.

To screen our activities regarding the topic “living wage” and see where we stand among peers, we used the UN Global Compact living wage analysis tool. It is a self-assessment for corporations to provide a better understanding of where you are in the living wage journey. Here we achieved 33% and are scored as “intermediate – investigate further where progress can be made.” In this place we see room for improvement, and we will embrace the challenge by creating opportunities.

FRILUFTS RETAIL Human Rights and Environmental Due Diligence Program

In the Retail operations we have a strong commitment to human rights and environmental protection. Social justice, environmental protection and ethics are the foundation of the Fenix Outdoor constitution, the so called “Fenix Way,” and the specific Retail-related versions.

As mentioned earlier, this ethical foundation is a key factor for our internal but also our business relationships, and we strive to align behind the values we have set forth in those documents.

To bring our commitment toward human rights and environmental protection into action, Frilufts Retail applies the Group’s internal Code of Conduct (CoC) for employees, and a Retail-specific Supplier Code of Conduct (CoC) toward its direct business partners, e.g., a brand and/or an intermediary. Both are important elements to prevent risks of human rights violations and environmental damage.

We expect written confirmation to comply with the requirements set forth in the CoC from our vending partners. After we

updated the Supplier CoC in 2022, a key focus in 2023 was to inform our suppliers about the changes and to collect their confirmation. This process was supported by the Frilufts Retail Supplier CoC Implementation Policy, which clearly maps out the compliance requirements in connection with the CoC and mandatory routines. Due to missing confirmation, we decided to not order any products from 25 brands for the season fall-winter 2024.

We identify human rights and environmental risks, set priorities and take action. Prior to 2018, Fenix Outdoor had already implemented a group-wide risk framework to facilitate the identification, assessment and management of environmental, political, reputational and social risks arising from any form of business relationship. This is an ongoing effort and continuous process. Frilufts Retail is part of this group-wide system.

In addition, there are two Retail-specific instruments in place to manage risks, which provide insights and give an account of the status and progress Frilufts Retail made so far:

The Higg Brand & Retail Module (BRM) of the Sustainable Apparel Coalition is a holistic framework that creates an industry-specific method for brands and retailers to evaluate and improve ESG performance along their global value chains. We used the BRM to evaluate and improve our own performance, and we request the BRM from brands that are part of the coalition. One assessment showed a critical issue, which we have followed up but have not received any feedback on yet. We will circle back to the respective brand for clarification and to work toward prevention and mitigation.

As part of our prevention measures and risk analysis we developed an internal Environmental and Human Rights Due Diligence Assessment for our vending partners. We will determine whether and to what degree this

assessment tool can form part of the legally required risk analysis.

2024 will be the first year the German Supply Chain Due Diligence Act (LkSG) applies to Globetrotter Ausrüstung GmbH. In this context, the Senior Sustainability Manager for Retail is a member of the Sustainable Supply Chain Management Committee of the German Retail Federation (HDE e.V.) and is in close dialogue with other retailers about best practices from a retail perspective. For 2023 we decided to continue to focus on the Group’s brands as well as on the Globetrotter private label “Frilufts” due to the possibility of influence and contribution to cause.

Community

Every other year we hold a Fenix Outdoor stakeholder roundtable event with relevant stakeholder groups ranging from business partners, industry representatives, NGOs, journalists, policy makers and scientists. The stakeholder dialogue is a valuable tool for us to identify risks at an early stage and to develop and apply risk mitigation strategies. In 2023 no stakeholder roundtable took place. However, the Frilufts Retail sustainability manager has been in dialogue with several stakeholders throughout the year on several occasions like the Outdoor by ISPO, which is one of the largest industry gatherings. Another channel is via the Sustainability Podcast New Horizons. Here, CEOs, sustainability managers, NGO representatives and others are invited to speak about the most pressing topics in the outdoor industry.

CHARITY HIGHLIGHTS

Nature Bonus

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 2023 we donated 470,000 euros to local non-governmental environmental groups. Globetrotter also in 2023 sponsored 1.5% of the total turnover from the joint customer card to the German Trekkers Association (DAV).

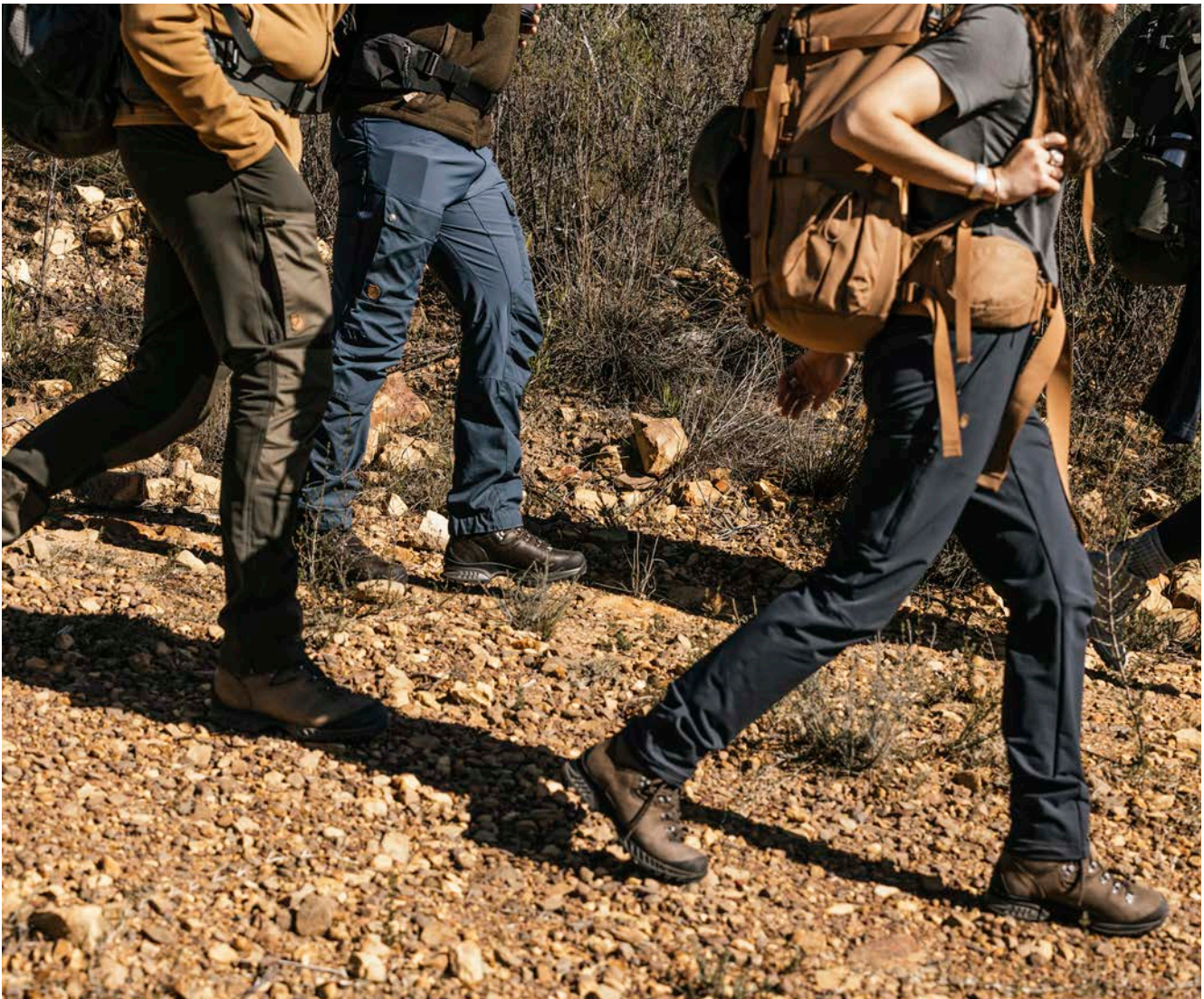
Rainbow Foundation

”Nature is naturally diverse...” With that claim Helena Westin, representing the Regnbåsfonden, or Rainbow Fund, opened the workshop series introducing and widening the partnership between Fjällräven and the Rainbow Fund. The partnership will educate our teams about diversity, inclusion, prejudice and how to avoid it, but will also support projects of the Rainbow Fund. The

sponsorship is also connected to the rainbow products of Fjällräven, of which 1% of proceeds is donated to projects within their Arctic Fox Initiative.

Royal Robbins partners with the Yosemite Climbing Association to Expand Facelift

In 2023 Royal Robbins partnered with the Yosemite Climbing Association to sponsor Facelift events across the United States. Facelift began as a clean-up event in Yosemite National Park, and the Royal Robbins team has participated for many years. The multi-day event collected 4,730 kilograms of waste from the park which sees millions of visitors each year. Facelift events were expanded in 2023 to 19 locations in other park and national recreation areas to encourage more folks to get out and spend time taking care of beautiful places. ●



The offerings of Fenix Outdoor: sustainable products 2024



FJÄLLRÄVEN: Samlaren Packbags

The Samlaren packbags are a set of light-weight bags made to organize gear in backpacks. Samlaren, Swedish for “gatherer,” is a limited collection of clothes and equipment made with fabrics left over from Fjällräven production. While the team works to optimize efficiency and avoid excess fabric each season, occasionally there are some leftover

materials. Fjällräven partners up with their mills and factories to collect leftover fabric and uses the pieces to make unique items, like the packbags. Ultimately, Fjällräven aims to become so efficient that there are no leftover materials at all. Until then, the Samlaren collection is a way to ensure any excess materials are used.



FRILUFTS: Arvika

The Friluftss Arvika is a daypack that combines recycled ripstop nylon and production site leftover fabrics for a lower material impact compared to conventional materials. The recycled ripstop nylon utilizes a DWR made without PFCs, providing functionality in wet conditions without introducing harmful forever chemicals. By choosing leftover materials, the Friluftss team partners with its suppliers to create a new product from what would have been considered waste. The Arvika pack also qualifies as A Greener Choice Product by using over 30% recycled materials, responsible chemical management, improved ecological footprint through use of over 50% lower-impact materials, and production in a factory with a high social audit rating.



HANWAG: Terracare® leather

For HANWAG, leather is one of the most important materials. From sourcing hides to tanning and production, their entire leather supply chain is based in Europe. For decades, HANWAG has worked closely with the Heinen leather factory in Wegberg, Germany. HANWAG strives to use the most sustainable and socially responsible manufacturing processes for its products. This is why the brand chooses Heinen terracare® leather for many products, including the NAZCAT II. Terracare® leather has out-

standing technical properties, transparent material origins and environmentally respectful production. It uses over 40% less water during manufacturing compared to traditional practices. Additionally, every single liter is cleaned before it is returned to the natural water cycle. It generates over 30% less CO2 during production than the industry average. Over 97% of by-products generated during the manufacturing process are reused, and only REACH-certified auxiliary materials are employed in its production.



Royal Robbins: Responsible Wool Standard

Royal Robbins set a target to source 50% of the wool fibers used in their products from certified, traceable sources by 2025. Royal Robbins' first step was to ensure all material suppliers adhered to the Fenix Animal Welfare Policy. Next, they became brand certified in the Responsible Wool Standard (RWS) in 2023 to maintain the chain of custody of wool from fiber to finished good. Royal Robbins then worked closely with their material suppliers to develop and use yarns made with RWS fibers in styles like Westlands Crew. As a result of their efforts, the brand achieved their goal in 2023, with approximately 69% of wool fibers sourced being certified and traceable.



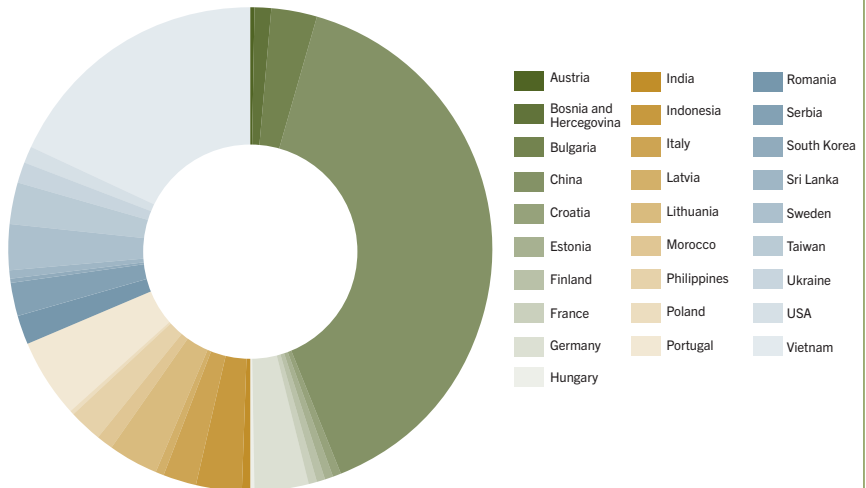
TIERRA: Introducing fluorocarbon-free Gore-Tex

Tierra develops technical outdoor apparel for life above the tree line. This puts a high demand on material performance and durability. To meet waterproofing demands, Tierra works exclusively with Gore fabrics. In 2023 Tierra was among the first to introduce completely fluorocarbon-free Gore-Tex ePE products. The Östra jacket is among the new fluorocarbon-free Gore-Tex styles. Currently, 7 out of 10 shell styles in the Tierra range are entirely fluorocarbon-free, and the remaining three styles will become made without PFCs in 2025 when Gore-Tex Pro ePE becomes available in the required fabrics. Apart from these three styles, Tierra's range has been free of fluorocarbons for several years.

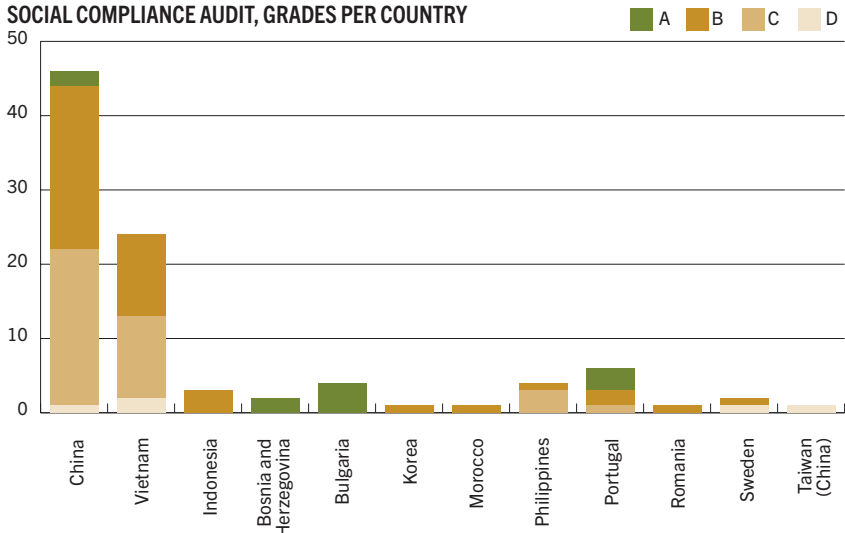
FACT SHEET SOCIETY 2023

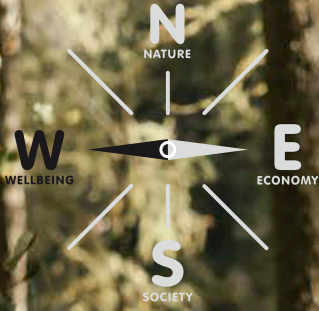
Indicator	2023	2022
Stakeholder Engagement	Individual interaction, issue based	Individual interaction, issue based
Human Rights (HR) assessments	45%	40%
Product Labels/ Violation of Safety Regulations	0	0
Training re: Cases of Corruption	Not specific	Not specific
Cases of Corruption	0, see page 9	0

OVERVIEW OF SUPPLIERS BY SOURCING COUNTRY



SOCIAL COMPLIANCE AUDIT, GRADES PER COUNTRY





5. WELL-BEING: Working together – being a team

OUR OWN WORKFORCE: Characteristics, Risks and Opportunities

In 2023, Fenix Outdoor employed 2,972 FTEs in our various entities. This is an increase of about 4.8 % (based on 2,837 FTEs in 2022). Most of our employees are permanently employed, but we employ seasonal workers in retail and warehouse operations during peak seasons.

We also hired 37 female and 60 male apprentices in 2023. 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' education and are afterward well equipped for the global job markets.

Fenix Outdoor's main operations are based in Europe, namely the EU, Switzerland, Norway and the United Kingdom, representing about 80% of the workforce. More than 90% of those are operating under collective bargaining agreements or are represented by a works council. The legal frameworks in the region are tight, and compliance is frequently controlled by authorities and union representatives. Against this background, own corporate policies are rare and find their main expression in corporate agreements with unions or local workers' councils. In the regions outside of Europe we operate according to law and follow local advice or rules including the observance of OSHA provisions in our US operations in San Francisco and Colorado.

The main risks regarding our own workforce are related to possible health and safety risks, stemming from the day-to-day operations (like back pain, vision impairment, risk

of stumbling over ill-secured cables and the like). Fenix Outdoor must therefore adhere to a mix of international, national and industry health and safety regulations. We conduct risk assessments, implement preventive measures and train employees, especially designated safety representatives. State labor safety bodies enforce compliance by imposing fines. Continuous monitoring, procedure updates and employee involvement are vital for successful risk awareness and management. Another corporate risk we realized is resulting from the post-Covid office policy (we define ourselves as an "in office" company with three days of office presence per week) where in particular young and female employees feel too restricted in their work/life balance options and tend to resign faster than other employees. For 2023, however, we cannot see this being a general trend in our company. We also see a risk in the lack of diversity in certain operations including national but also managerial contexts, leading to decisions that do not reflect the scope of our workforce and do not utilize internal know-how appropriately.

In terms of opportunities, we trust that our global reach with several locations around the world forms a good basis to develop employees and enable them to practice and improve skills and widen their view when eventually returning to their home-base office. Our events such as the Fjällräven Classic enable our employees to truly experience the outdoors and use our own products and gear. This way we collect user experiences which in turn will influence the construction and functionality of the next generation of products.

As stated in previous reports, the use of non-regular staff is not a group-wide policy, but it is a flexible response to seasonal

demands and local specifics. Collective bargaining agreements throughout the Fenix Group do not exist. The notice period for organizational changes is at least one month; different rules may apply based on collective or locally negotiated agreements.

In Sweden, Norway, Austria, Finland and the Netherlands we are following a scheme that is built on national agreements between unions, the government and companies. In Germany, most staff are represented by workers' councils and by those collective agreements. In other locations local and national schemes exist, which often follow the respective 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 proportional and similar to last year (2022: 44%). Our definition of Top Management has been revised (now: only Executive Management and CEOs). Consequently, the proportion of women in top-management positions dropped to zero (2022: 30% with old definition). Our board is 17% female.

The staff turnover rate in 2023 (defined as all employees left versus total number of employees) over all operations including the retail business is 17.5% (2022: 21.4%). The ratio between females and males leaving Fenix Outdoor dropped to 0.99:1 F/M (2022: ratio F/M 1.3:1), meaning that roughly 50% of staff members leaving were females (56% in 2022). We define significant fluctuation as 25% or more employees leaving. We have disinvested from Primus, but no significant fluctuation of own employees was reported. When it comes to temporary and seasonal workers, significant fluctuations can be

detected. We see peak and low seasons in warehouses and stores and therefore have more or less temporary non-employees in our operations. A concrete figure is difficult to establish. A possible alarming signal or operational risk does not stem from this fact.

All eligible staff members are entitled to parental leave (i.e., parents with children under a certain age); the definition differs from country to country, so an overall percentage value cannot be established. For our biggest operations we have established that of 909 eligible employees, 88 took parental leave (2022: 216). 45 of those were females and 43 were males. 192 returned to work after parental leave (reference is the 2022 figure of 216 leaving parents; 2022 returns were 123), of which 69 were females and 123 were males. After 12 months, 186 were still employed. Since parental leave is regulated differently in various countries, the figures are not comparable to any specific time frame as, particularly in Europe, prolongations or shifts in time off are commonly agreed upon between the individual and the employer. Therefore, we are unable to assess how many of those who did not return after 12 months or do not show in the statistics prolonged their leave or left Fenix Outdoor.

Training and skills enhancement

Training hours for all employees are not logged centrally, nor do we own a systematic according to which reliable data can be achieved. This has been a problem in the past and therefore the figures given cannot be compared. However, in an unweighted and very rough estimation (number of hours given on average per person per reported entity) we can establish that about 21.9 hours in training were given to female and 23.9 hours were given to male employees in 2023 (2022 18.8 hours). In detail, the figures vary dramatically not so much between genders but more so because the overall numbers of employees in each job category or region are very different and not all categories are present in all markets. Therefore, a high variability in training data is pertinent. These trainings include professional trainings, e.g., product and skills training for sales staff but also trainings on sustainability, compliance and the like. We also offer employee development programs, such as our Graduate Program to enable and equip employees with the needed skills and experience to further their professional careers. But not only that. In many locations we offer trainings and individual personal development opportunities, depending on the legal framework and business needs.

Performance reviews are part of our

development assessment process but vary widely from country to country. No group-wide data-processing protocol exists. However, as a general recommendation, all managers and employees should meet once a year to discuss the goals and tasks and the achievement levels of the past year, the development needs for the year ahead and the overall way of working together, including the review of the managers' performance in leadership, communication and inter-team and interpersonal relationships. These files are logged and shall serve as the basis for the review of the coming year. In addition, new tools like Perdo for OKRs and KPI tracking are introduced to facilitate the review and become less driven by individual assessments or assumptions rather than measurable facts. Due to the lack of systematic support, there is no reliable data on the percentage of performance reviews that took place. An educated guess for the main operations would be 75 to 85% coverage.

Working hours, wages and benefits

We adhere to the laws when it comes to working hours. At a minimum we adhere to the International Labor Organization conventions regarding rights at work and apply them to both internal and external service providers. In 2023 a total of 33,372,943 hours were worked by own employees (n = 1,972) and 68,715 hours were worked by non-employees (n = 119). Both figures are based on reported data. Our wage levels are competitive, and we offer several benefits to our staff. In various locations we offer different benefits, such as health club memberships, subsidized tickets for public transportation, pensions and retirement insurance schemes (covering various entities in all regions to different degrees), external advice on psychological and physical health, life insurance, health care or health insurance (where not legally required), invalidity coverage, child daycare or financial support to parents with children, free or subsidized meals, staff discounts, employee clothing and the like. These differ from entity to entity and depend on legal or negotiated frameworks.

A good outdoor spirit and understanding of what to do and what not to do in the wilderness are important to Fenix Outdoor, and on a case-by-case basis we encourage our employees to participate in outdoor activities such as educational outdoor trainings or the Fjällräven Classic event. In most locations, business operations permitting, we offer flexible working hours. However, we see ourselves as an "in office company" with three mandatory days in the office in 2023

and two flex/home office days per week in accordance with the team's needs. In addition, and in special cases, we let people to work from a remote location, and we will formalize this in 2024. Fenix Outdoor strives to take a non-discriminatory approach by paying equal wages to men and women, and by exceeding the minimum wage levels where possible. This also applies to employees not employed by Fenix Outdoor but working for us on our premises. We hire local managers for the operations in the respective countries.

BOARD ROLE AND COMPENSATION Duties of the board

The board of Fenix Outdoor International AG consists of six members elected individually at the Annual General Meeting. Information about the board and the Managing Director can be found on the website and in the compensation report. The board has held six minutes meetings, all except one held on a digital basis. At the board meeting following the election, resolutions are adopted regarding the formal work plan of the board and the Managing Director, aiming to ensure that the board has the information required. An economic and financial report is submitted at each regular meeting. The board convenes annually with the company's auditors to review the audit and the activities undertaken during the year. As there are no special committees, except for the Compensation Committee, within Fenix Outdoor International AG, the board in its entirety addresses all matters except for matters relating to remuneration. The members of the remuneration committee are Ulf Gustafsson and Susanne Nordin. Total remuneration to members of the board is determined by the Annual General Meeting according to the proposals submitted by the company's largest shareholders. Over the course of the year, the board has monitored the company's financial reporting, as well as its systems for internal control, to ensure that the operations are efficient and in line with laws and regulations, and that the financial reporting is reliable. The board has examined and evaluated the accounting and financial reporting procedures, and has followed up and evaluated the work, qualifications and independence of the external auditors.

Risk assessment

The board and management work continuously with risk assessment and risk management to ensure that the risks to which the company is exposed are taken care of within the framework ultimately established by the board.

COMPENSATION BOARD OF DIRECTORS 2023 TEUR	Base salary	Benefits and other remuneration	Consultant fee	Pension contributions	Social costs	Variable compensation related to and accrued in 2023, incl. soc. cost	Total	Total in TCHF EUR/CHF 0,9711551
Martin Nordin, Executive Chairman	721	36	-	7	70	-	833	809
Susanne Nordin	200	13	-	7	20	-	240	233
Ulf Gustafsson	-	27	46	-	-	-	72	70
Mats Olsson	-	26	-	-	-	-	26	25
Sebastian Von Wallwitz	-	26	-	-	-	-	26	25
Rolf Schmid	-	26	59	-	-	-	86	83
Total	921	153	104	13	90	-	1,282	1,245
Total fixed compensation	921	153	104	13	90	-	1,282	1,245

COMPENSATION BOARD OF DIRECTORS 2022 TEUR	Base salary	Benefits and other remuneration	Consultant fee	Pension contributions	Social costs	Variable compensation related to and accrued in 2021, incl. soc. cost	Total	Total in TCHF EUR/CHF 1,0794
Martin Nordin, Executive Chairman	500	30	-	6	86	485	1,107	1,107
Susanne Nordin	194	10	-	6	45	318	574	574
Ulf Gustafsson	-	25	48	-	-	-	73	73
Mats Olsson	-	25	-	-	-	-	25	25
Sebastian Von Wallwitz	-	25	-	-	-	-	25	25
Rolf Schmid	-	25	64	-	-	-	89	89
Total	694	140	112	12	131	803	1,892	1,893
Total fixed compensation	694	140	112	12	131	-	1,089	1,090

COMPENSATION SENIOR EXECUTIVES 2023 TEUR	Base salary	Benefits and other remuneration	Pension contributions	Social costs	Variable compensation related to and accrued in 2023, incl. soc. cost	Value of options at grant date	Total	Total in TCHF EUR/CHF 0,9711551
President	432	64	-	-	-	345	841	817
Senior Executives	1,304	174	261	291	-	1,037	3,066	2,978
Total	1,736	237	261	291	-	1,382	3,907	3,795
Total fixed compensation	1,736	237	261	291	-	-	2,525	2,452

COMPENSATION SENIOR EXECUTIVES 2022 TEUR	Base salary	Benefits and other remuneration	Pension contributions	Social costs	Variable compensation related to and accrued in 2021, incl. soc. cost	Value of options at grant date	Total	Total in TCHF EUR/CHF 1,0006
President	420	62	-	-	140	142	764	764
Senior Executives	1,172	34	267	254	306	424	2,457	2,458
Total	1,592	96	267	254	446	566	3,220	3,222
Total fixed compensation	1,592	96	267	254	-	-	2,208	2,210

OPTION PROGRAM

In 2022 and 2023 Alex Koska, Martin Axelhed, Henrik Hoffman and Nathan Dopp were granted a personnel option program as below. The option program is valid as long as these persons are employed. There are no other vesting conditions to be met.

OPTION PROGRAM	Grant date	Exercise rate	Number of * options	Value grant date	Exercise period 1	Exercise period 2	Exercise period 3
Option program 1	2022-11-02	SEK 845	20,000	566	2025 11	2026 11	2027 11
Senior Exec.					6,666	6,667	6,667
Option program 2	2023-02-27	SEK 953	20,000	706	2027 02	2028 02	2029 02
Senior Exec.					6,666	6,667	6,667
Option program 3	2023-03-20	SEK 834	20,000	676	2028 03	2029 03	2030 03
Senior Exec.					6,666	6,667	6,668

*each giving a right to purchasing 1 B-share of Fenix Outdoor International AG

Control activities

The board and management have determined a set of control activities for operational processes. These are based on risk assessments and on ensuring that there is a satisfactory process for monitoring the company's compliance with laws and other regulations relevant to its operations, as well as the application of internal guidelines. Included in the control structure are such measures as the authorization hierarchy, the delegation of responsibilities and the company management's review of financial information. The controls are also there to ensure that any material errors are rectified.

COMPENSATION REPORT (EXCERPTS)

The Compensation Report 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, the Annual General Meeting of Shareholders votes to approve the compensation of the members of the Board of Directors and the Senior Executives.

Principles

The Board of Directors of Fenix Outdoor International AG determines guidelines for remuneration to Senior Executives at market terms, enabling the company to recruit, develop and retain Senior Executives. The remuneration consists of fixed salary, pension and other benefits. Total remuneration is to be at market rate and competitive and is also to reflect the areas of responsibility of the Senior Executive and the complexity of his or her role. In addition to the fixed salary component, Senior Executives are eligible to receive variable compensation, which is related to the achievement of sales and profitability targets. For Senior Executives, variable remuneration normally is a maximum of 50% of base annual salary.

The basic compensation to the members of the Board of Directors is the Board Remuneration. Martin Nordin and Susanne Nordin get no Board remuneration but a fixed salary. The basic compensation to the Senior Executives comprises an annual fixed salary, pension and other benefits. The total fixed compensation is decided by the Annual General Meeting (AGM).

Variable Compensation

In addition to the fixed compensation, the Senior Executives are also eligible to receive variable compensation, which is based on

sales and profitability targets. For Senior Executives, variable remuneration normally is a maximum of 50% of the basic annual salary. The Directors of the Board who are getting Board remuneration get no variable compensation. The AGM is asked to vote on the total variable compensation retrospectively for the Senior Executives and the executive chairman, i.e., variable compensation proposed by the Board of Directors to be payable for 2023 is subsequently confirmed by the annual general meeting in April 2024.

The compensation system is confirmed by the Compensation Committee before being submitted to the Board of Directors for approval. Individual members of the Board of Directors are not present when decisions are made on their respective compensation awards.

Compensation for the Reporting Year

At the AGM held in April 2023 the AGM approved a maximum total compensation for 2023 to the Board of Directors of TEUR 1,600 (TEUR 1,400).

Fixed compensation

The compensation paid in 2023 totaled TEUR 1,282, compared with TEUR 1,089 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

In 2023 there was no variable compensation paid to the Board of Directors. In 2022 executive chairman Martin Nordin received a bonus of TEUR 167.

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 six monthly salaries. In 2023 the average repo rate was 3.3%.

The return on total assets in year 2023 was 8.6%. For 2023 the Executive Chairman is entitled a bonus of four months of salary. Total assets are defined as total assets excluding effects from IFRS 16 adjustments.

SENIOR EXECUTIVES

Fixed compensation

The AGM held in April 2022 approved a maximum total fixed compensation for 2023 to the Senior Executives of TEUR 2,500. A total of TEUR 2,525 was paid out in fixed compensation in 2023, compared with TEUR 2,208 the previous year.

Variable compensation

In 2023 a total variable compensation of 0.0 TEUR was given to the Senior Executives. The variable compensation paid for 2023 needs to be confirmed by the Annual General Meeting in May 2024. In 2022 a variable compensation of TEUR 446 was given. In November 2022 an option program to four defined Senior Executives was released. 20,000 options, each giving a right to buy one B-share in Fenix Outdoor International AG, were granted to them. The exercise price was set to SEK 845 and was equal to the market price of the shares on the day of grant. The exercise period starts in November 2025 and ends in November 2027. The options vest if the person is still employed on such date. If this is not met, the options lapse.

Highest Compensation

The highest total individual compensation was given to Martin Nordin.

Board of Directors as of December 31, 2023

Martin Nordin	18,300,000 A-shares
	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, 2023

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
Per Wååg, Vice President	0 B-Shares

The base salaries in the relevant markets vary. In some locations in Asia the base salary is the legal minimum wage. However, there is no or little difference between

the genders in pay. In other locations where minimum wages are higher or even not legally set, pay gaps can be as high as 35% (Germany). Often this is due to time spent in the company and not 1:1 comparable job tasks but similar or same managerial levels.

While the salary of the President will drop in 2023 by 35%, the average salary increase in the Group was 4%. The highest-paid individual in Fenix Outdoor is the CEO of the Group. His annual salary is about 1,107 TEUR. The ratio between the highest-paid individual and the lowest-paid individual (excluding the JV, interns and apprentices) is 54.3 to 1.

The ratio between the highest-paid individual in the company and the median to the annual median compensation of all employees is 40:1 (according to reported data, no weighing of larger entities).

HEALTH AND SAFETY IN THE WORKPLACE

We apply the locally regulated health and safety requirements in our offices. We do not accept hazardous equipment, unbearable surroundings or unsafe premises. Most of our staff members operate under German, Swedish, Dutch, US and Finnish legislation, and the companies in our Group comply with national laws. A safe and hygienic workplace, in particular in the post-Covid time, is essential to overcome resistance and too cautious distancing. We take effective steps to prevent potential accidents and to minimize health risks as much as possible, particularly in our factories and logistical operations. Safety awareness is always a priority, and safe working procedures should be understood and implemented daily by everyone working in the factory, stores or warehouses. We ensure there are safety and handling instructions for operational equipment. As legally required, we do have formal or informal internal health and safety committees, in which employee representatives are elected representatives. However, due to staff turnover and shifts in responsibility, in some locations these committees or health and safety appointees were dormant. This will be rectified during the course of 2024 in alignment with workers' councils and unions.

In many locations, where there are no formalized processes and structures, external advice is sought and many different schemes exist around the globe. The external services provider has to be certified or governmentally authorized. Employees are informed and trained if an external services provider is in place and told how to reach them. We offer voluntary health promotions in various ways, including backbone strength train-

ings, gyms, medical precautions such as vaccinations or eye examinations, smoking cessation, dietary advice, healthy canteen food, stress-reducing programs, HIV prevention, sanitation programs, Covid-19-related programs (prevention and/or mitigation) and the like. Health and safety trainings are given according to law and differ at various locations. These may include occupational health and safety instructions for relevant employees, partially e-learning on those topics for certain target groups, externally provided first aid courses and classes which qualify for the role as fire protection assistant, to name a few.

MANAGEMENT SYSTEM

There is no group-wide unified management system for Health and Safety at the Workplace in Fenix Outdoor. However, various entities work with different tools, and a few should be described here.

The Nordics

All units work with a Health and Safety yearly clock to support their routines, trainings, legal and non-legal updates and analyses of Human Resources KPIs. This tool guides all managers to take care of their routines, and a checklist was created to follow up on the work.

An occupational health action plan is revised once a year, together with HR, Health and Safety Representatives, occupational health and safety managers, Head of Retail and the CEO. All insurance and health care related information needs to be available for all staff, either in social rooms or digitally (for remote workers). Depending on the topic, the communication goes usually through managers (store managers/head of department), or through our intranet.

Company health care performs regular audits (including surveys) and the results are communicated to each unit's staff, as well as HR, occupational health and safety managers and the Health and Safety Representative. The regional State Administrative Agency performs random as well as planned audits.

Risk assessments, both physical and psychosocial, are made every January in all stores and offices.

For work well-being, we have started with work well-being workshops in all units. This is a mandatory yearly workshop, where all teams gather to discuss what work well-being means to them, how it is showing in their workplaces and what can be done to improve it. In 2023, we gathered all action plans from the stores and office, for better follow-up.

North America

No official OSHA team exists; however, we comply with federal OSHA standards and any state-specific standards.

Germany

The operating instructions are drawn up by the coordinator for occupational health and safety after consultation with the department heads. Employees can contact their managers or the coordinator at any time if they have any questions.

Occupational health and safety instructions are provided annually. These are structured in three parts:

- inspection of the premises and information on local conditions
- occupational safety instruction via the Globetrotter learning world
- occupational safety webinar with the coordinator with the opportunity to ask questions directly.

Asia

There is no real system for occupational health and safety in place as most operations are offices with low risks or the number of employees is small. At larger operations (such as Korea), employees in the warehouse are under control of governmentally administered occupational health and safety protocols. Therefore, management and training for occupational health and safety are mainly given to workers in warehouses. Where needed, we receive consulting for occupational health and safety, including occupational safety and fire safety, from an authorized institution and let employees who are related to these issues take educational trainings for that (quarterly training for three hours). In general, workers are educated and guided before they begin to work. Workers who are in a dangerous working environment should report any issue to their superior in order to secure safety. All employees are trained for emergency measures and rescue for about three hours once a year.

GROUP HEALTH AND SAFETY

The main potential hazards identified at our workplaces were:

- noise from machines in the production
- mechanical hazard of equipment (cutting, bruises)
- falling objects from overstocked shelves
- lack of use of PPE
- breathing problems from working with adhesives
- electrical hazard from cables
- hazardous or allergenic substances (food, solvents, volatile organic substances)



- fire hazard (where open flames are used, e.g., Primus)
- thermal hazard (hot machines, kitchens)
- sharp edges, wrong sitting position in offices, heavy lifting of goods.

These hazards were identified, and appropriate warnings or handling instruction as well as personal protective equipment are provided to mitigate the risks from the hazards. In addition, trainings and handling operations are given in person to instruct on the mitigation of the risks on-site.

Nonetheless, there were 104 work-related injuries and 47 work-related accidents (including bicycle accidents on the way to/ from the workplace and other minor in-office cases) reported (2022: 44). Most injuries were stumbling in the office or staircase and cutting injuries when opening boxes and letters with knives or scissors. Due to injuries and accidents, 447 days were lost (= 0.23 days per FTE). No fatalities or work-related diseases were reported. In 2023 we had 19 reported cases of work-related illness including 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. A total of 187 days (= 0.09 days per FTE) were lost. No injuries or ill health cases were reported with regard to staff not being employed by Fenix Outdoor. Reported sick days were 3,469.9 (= 1.8 days per FTE) but the figure is not complete and therefore should be taken with a pinch of salt.

REACHING OUT TO OUR CONSTITUENCY

Most of our entities have a Customer Service (CS) department. They are the eyes and ears of the company, being the first to receive any feedback from our customers, the general public and prospective customers across various mediums. This includes Google reviews, shopper approved reviews, customer emails, phone calls, direct message systems and our own feedback system.

Our company tracks the satisfaction scores, and those lie between 87% and 97.3% satisfaction rating for 2023, which meets internal targets of 97%.

The CS team are trained to relay any feedback (negative or positive alike) to the department manager, which is then fed to the relevant departments and staff directly to answer any immediate questions promptly. There is also good communication via our regular management meetings for bigger topics or actions that are needed.

Customers who enter a bad rating will get an individual answer after we have figured out what caused the bad rating. Most cases are due to human errors, system fails and problems with delivery and we try to learn/improve from each case.

Directly comparing week 49 YOY between 2022 and 2023 in one market, we were pleased to see some very positive results based on the improvements in our customer service. We saw a remarkable increase in the use of self-help options, resulting in a 54% reduction in phone calls, a 31% reduction in ticket vol-

umes, a 1,364% increase in live chats (a CS employee can manage up to three live chats at a time, so it's a much more efficient service channel, and the increase in customer adoption leads to potential AI options in the future) and a 48% decrease in reply times.

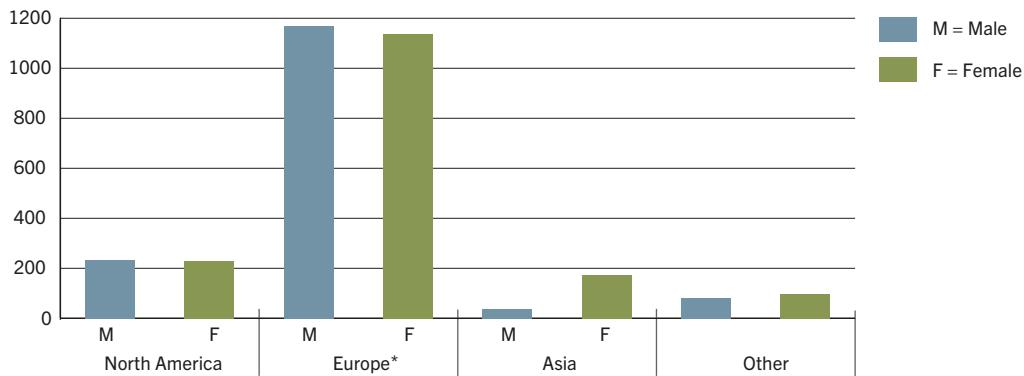
Feedback from review comments varied in 2023. Customers are sensitized and complain when the response time is too long, or they receive several packages for one order (split orders) because the goods are not all available at the central warehouse. From the customer's point of view, this is often not necessary and sometimes even longer waiting times would be accepted in order to receive only a complete shipment. As a second example, one can state that there is similarly little understanding for oversized packages (measured by the size of the items) on the part of customers. In conclusion, one can say that with the help of our systems one can work on the optimization of business processes and actively engage in customer loyalty and customer retention.

Apart from systematically engaging with customers, we also engage with our stakeholders in the events we conduct, whether the Fjällräven Classics event series (hiking events around the globe to experience the true outdoors) or the Fjällräven Polar. We strive to educate our constituency in the use of our outdoor gear but also to sensitize them for the precious and often fragile ecosystems and the threats these face. Overall, we aim at helping our stakeholders to act more responsible toward nature. ●

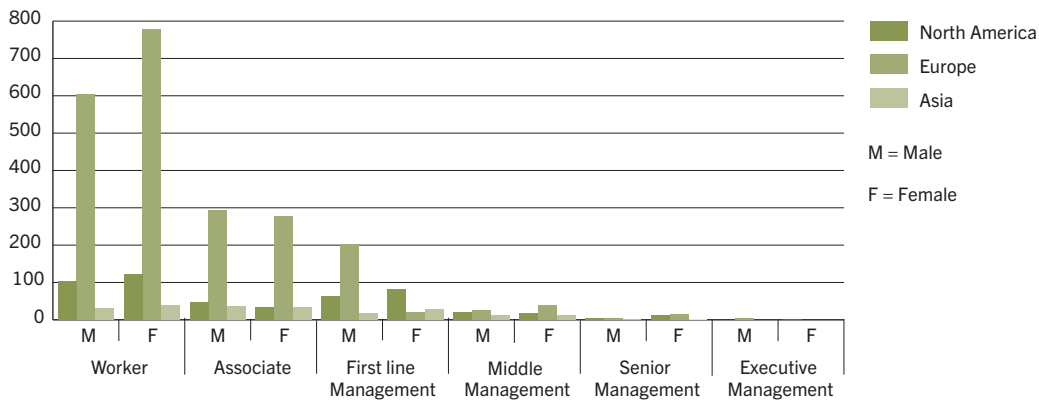
FACT SHEET
WELL-BEING 2023

Indicator	2023	2022
Child Labor	0	0
Health and Safety	various	various
Health and Safety audits in suppliers	76 total: 95 verified assessments	76
Training and education	100+	100+
Staff Member Survey	two engagement surveys	N/A

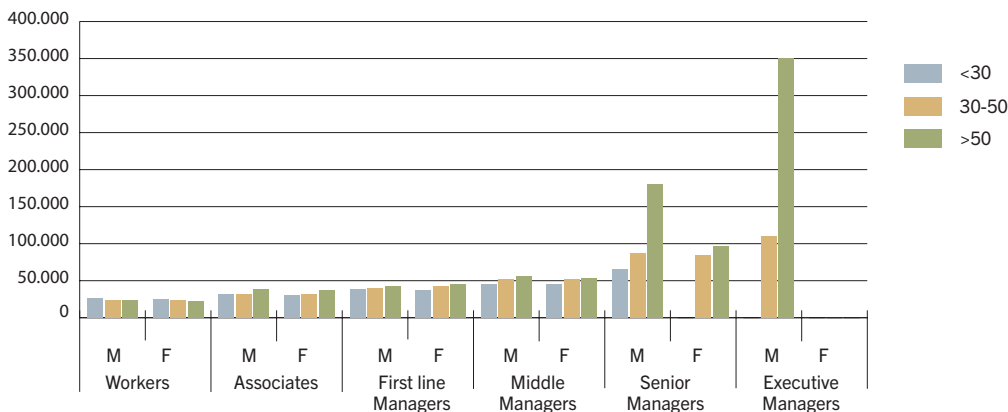
STAFF DISTRIBUTION BY GENDER



DISTRIBUTION OF STAFF BY GENDER AND CATEGORY PER REGION

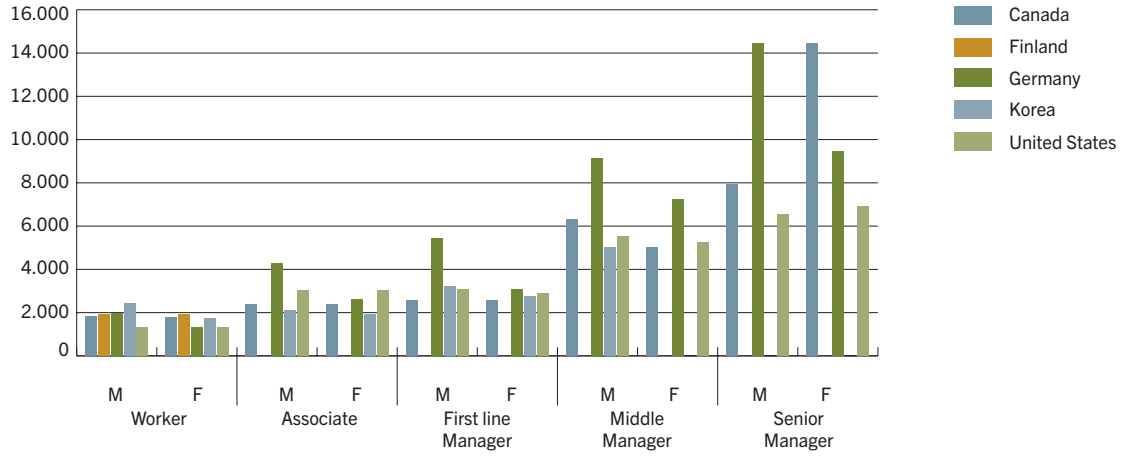


AVERAGE INCOME LEVELS PER AGE GROUP, GENDER AND STAFF CATEGORY (2022)

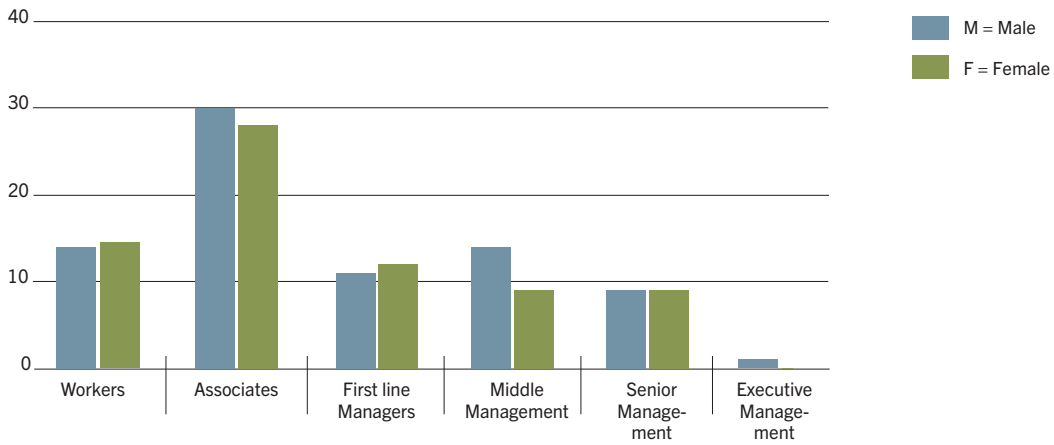


FACT SHEET WELL-BEING 2023 (CONT.)

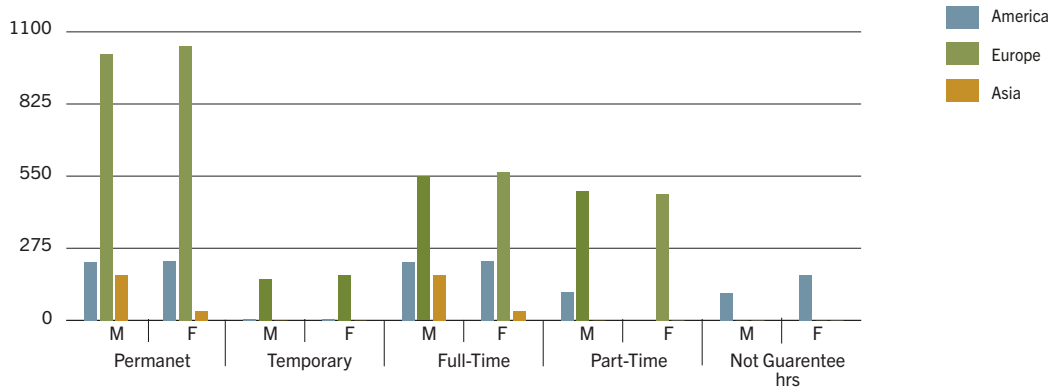
BASE SALARIES PER COUNTRY AND JOB CATEGORY



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



DISTRIBUTION OF STAFF BY CONTRACT



**TOTAL TRAINING HOURS INVESTED:
CA. 51,713 HOURS
(REPORTED DATA)**

6. REPORTING: Transparency and Compliance

Global Reporting Initiative

Fenix Outdoor is pleased to present its 2023 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 sought external verification yet. We also aligned our reporting according to the CSRD ESRS set and the Swiss Ordinance 964a through 964c.

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 2022. In light of the ESRS requirements, we streamlined it to be compliant with respect to the double-materiality requirements. The respective indices are easy to find with page references, and there are further comments for those in need of clarification. The previous Sustainability Report was published in April 2023, and we will continue to publish on an annual basis for the foreseeable future.

Report methodology

The reporting period is the business year 2023. 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 2023 were not yet available, comparable annual figures for 2022 or a comparable time range of 12 months (e.g., October 2022 to October 2023) have been used as the basis for calculation. Certain data sets are constantly used with a year's delay (e.g., water and heating figures for stores in Germany). These are marked accordingly in the report wherever possible. 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 portion 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 datasets were used, preferably from publicly available scientific or governmental sources. However, the most recent conversion factors are used. 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., a report is for 2023 while data sets are for 2022 or 2021). This is mainly the case for Globetrotter Ausrüstung GmbH. 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 exclusively are working for Fenix Outdoor. Subsequently, personnel data sets are on a different basis than in the annual report. Relevant CO₂e emissions from some exclusive suppliers have been included in the offsetting data. Gas consumption data for 2023 for Hanwag (Germany) are based on the period between May 2022 and April 2023. Some emission factors were calculated internally. Some data have been extrapolated and estimates 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% of the corporate value generation and 99% 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% 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 CO₂e emission data were supplied by travel agencies, shipping companies and external service providers, as well as suppliers. 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 datasets, which are available through our IT system. The calculation of emissions data was based on the Greenhouse Gas Protocol wherever possible; German and Swedish locations showed the actual energy mix on the invoices or the information was directly communicated by the supplier (reference year: 2021). 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%. However, data on seasonal staff and interns are only available in an overview list, so no analysis of this staff group was possible. ●

Methodology on Environmental KPIs

CSR Report 2023

The following is a description and a more in-depth explanation of the methodologies we applied for the 2023 CSR Report of Fenix Outdoor International AG. We will focus on specific climate- and emissions-related information but also explain other aspects as we deem necessary.

Scope 1 and 2 emissions

Primary energy for Globetrotter in 2023 is based on 2022 invoices. Gas consumption for Friluftslund in 2022 was corrected.

Ozone depleting substances (ODS) can occur in air conditioners and refrigerators. We continue to switch from refrigerants with higher Greenhouse Warming Potential (GWP) to refrigerants with lower GWP (e.g. R32, Water) during the regular maintenance process; as per legal demands equipment is maintained and reported refrigerants do not deplete ozone; reported refrigerant leakages are accounted for under scope 1 (2023: 67 t CO₂e; 2022: 14.9 t CO₂e).

District heating data from Globetrotter is always based on the year before except for one location. For Naturkompaniet and Partioaitta data is partially or fully estimated based on m².

Renewable energy accounting methodology changed for renewable energy purchase. Before 2022, life-cycle emissions from renewable energy consumption were accounted for in Scope 2. From 2022 onward, LC emissions are accounted for in Scope 3, category **Fuel- and Energy-Related Activities Not Included in Scope 1 or Scope 2**. For target tracking this was adjusted for all years back to 2019 but is not corrected in the past CSR Reports.

Franchise stores (currently one store) are included in Scope 1 and 2 emissions due to internal accounting system.

Other GHGs (CH₄ and N₂O) are calculated

explicitly for the first time in 2023 for past years up to 2019 based on DEFRA emission factors for the respective years. Emission factors used to calculate emissions from gas and district heating have been based on CO₂e. For electricity, we assume that provided emission factors are only based on CO₂, so we added the CO₂e from CH₄ and N₂O to get CO₂e from electricity. Renewable electricity is accounted for as zero for all three GHGs (CO₂, CH₄ and N₂O). CO₂ emissions **Outside of Scopes** from bio-energy are calculated for biogas usage and based on DEFRA emission factors. CO₂e emissions from biogas stem from CH₄ and N₂O, which are not absorbed during growth (unlike CO₂).

Scope 3 emissions

Category 1: Purchased goods and services
Supply chain emissions resulting from energy consumption during manufacturing of our products are collected through an annual supply chain survey at the beginning of the year from all known suppliers (all tiers) as well as from completed FEM/vFEM for the past year. For calculations, only data from Tier 1 and vertical suppliers is used. Actual data is extrapolated to the total of all Tier 1 suppliers. However, emissions vary depending on the suppliers taking part in the survey. Number of suppliers is based on data received for the calendar year 2023 (cutoff December 31, 2023).

Emissions from raw materials are calculated with the Higg MSI and with specific LCA data. In case a material is from recycled or more sustainable resources but not certified by a third-party standard, (GRS, OCS), conventional emission factors have been used. Material consumption from Hanwag excludes material usage for direct-on products.

Latest **packaging** data from Almere is from 2023 (in contrast to 2022 report) but the underlying recalculation formula was not transparent, so the figures have to be taken with caution. Data does not include

transport carton packaging from Fjällräven.

Activity data for toner/ink as part of **office supply** is available, but due to missing emission factors we did not calculate them in our reporting scope (<1% of weight of all reported office supply).

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 mineral water, etc.) do not apply for an outdoor event entirely.

Categories 4 and 9: Upstream and downstream transport and distribution
Inbound and outbound transportation CO₂e emissions have been calculated and determined as per the latest GLEC-framework. Depending on the modality type used and applicable geography, the GLEC standard could be used. Out of the 48 data providers, many transport partners have also adopted the GLEC framework for their emissions reporting, which is an increase compared to 2022. In those cases, the emissions as reported by our partners have been copied.

The **GLEC framework** itself lists numerous shortcomings for the emission factors per modality type. Please refer to the actual framework at: <https://www.smartfreightcentre.org/en/our-programs/global-logistics-emissions-council/calculate-report-glec-framework/>

Emission factors for the **non-GHG emissions** have been determined via EcoTransIT based on the top three routes in terms of ton-kilometers per modality. These emission factors have been considered as representative and are applied to all other routes outside of the top three, in case these non-ghg emissions have not been provided by our transport partners. For inbound these emissions often have been provided; for outbound transportation we calculated it ourselves more often.

We did not report non-GHG emissions for e-com parcels as we could not find reliable emission factors. In case we had visibility on the ton-kilometers for outbound B2B parcel shipments, we calculated it ourselves.

But there is a gap here, so non-GHG emissions are most likely an understatement of the reality.

It was the first time for 2022 that we calculated other non-ghg emissions on our own in case they were not reported by service providers. This explains the deviation from prior reporting years.

Well-to-well emission factors have been used for all modalities. Distances between origin and destination for each transport have been determined based on point-to-point distances, whereas in reality many of the transport flows have been moved via hubs. Currently we do not have sufficient visibility on the full trajectory of each shipment. The latter implies that the reported emissions will most likely be an understatement of the actual transportation emissions.

Only the emissions have been reported for transportation where Fenix Outdoor was responsible for according to the INCOTERM 2020 applicable for each transport (Inbound: Ex Works and FOB, Outbound: DAP and DDP).

Year breaks and inclusion of data have been based on date of arrival in 2023.

In terms of the **allocation of emissions to the different brands** in the Fenix Outdoor group, in case it could not be derived from the data itself, transportation emissions have been allocated to each brand relative to the number of shipments.

In cases where **distances have not been provided** by road hauliers, average destination distances to each delivery country have been calculated based on the weighted average distance to that country where the weight has been determined by the actual weight of the goods transport (one distance in km for each delivery country in those cases based on a weighted average).

Primus transport data was considered for all shipments during the months of January to April 2023.

Sea shipments have been calculated via the EcoTransit tool (which is also compliant with the GLEC framework). Emission fac-

tors from the GLEC framework could not be applied due to reported units, so they have been calculated based on the results from EcoTransit. It has shown that the emission factor equals the one used in the past for sea freight shipments.

E-Com data for Trekitt is neither included nor estimated.

Category 5: Waste generation and water withdrawal

Waste generation from Naturkompaniet, Partioaitta and Globetrotter was based on reported waste for one store location from Partioaitta and extrapolated based on units sold in 2023. Data is missing for a handful of smaller brand stores and offices in Norway and the Netherlands.

Water withdrawal and discharge data is partially available. Missing data has not been estimated until 2022. For 2023 we estimated the water consumption for Naturkompaniet and Partioaitta based on an average value per employee derived from data from Friluftsland. For locations that reported water consumption in past reports but are missing data in the current reporting period, the past year's data was used. Some data have been corrected for 2022.

Category 6: Business travel

For 2023 we streamlined the usage of our emissions factors. Air travel includes RFI as per the data set from DEFRA.

Category 7: Employee commuting

We designed our own survey to collect **commuting data** from our employees. Since we are working in a hybrid model, emissions are calculated based on the survey and extrapolated to all employees. The total number of employees is not reduced by a certain share of employees working from home anymore, since most working days have been spent in the office and working-from-home emissions have been calculated separately. CH₄ and N₂O greenhouse gases have been calculated based on DEFRA emission factors and are shown on the fact sheet Nature.

Emission factor used for commuting represents CO₂e.

Category 12: End-of-life treatment of sold products

Emissions from **end-of-life treatment** of our products have been calculated based on an average emission factor derived from a project with MyClimate. During the project, a methodology was developed to calculate Globetrotter's Scope 3 emissions from the assortment. Although the emission factor is global and not specific to a certain disposal method but rather worst-case scenario (incineration), we deem it appropriate to get a first understanding of the impact of our products after use.

The number presented in the report is based on sold products and represents the total for Friluftsland Retail (including external brands) and Fenix Outdoor brands. The baseline 2019 was recalculated. However, improvements with regard to textile or shoe recycling technologies can't be shown as of today. Different emission factors were applied for Primus and Brunton (metals and plastics).

Unaccounted and excluded Scope 3 categories

The following **Scope 3 emissions are assumed to be relevant**. However, during 2023 emissions couldn't be calculated as of today, for various reasons (missing data, lack of industry specific methodology and emission factors).

- 3.11 Use of sold products
































The following **Scope 3 categories have been excluded** from our inventory because they are not relevant, not material or not applicable for our business operations:

- 3.2 Capital goods
- 3.8. Upstream leased assets
- 3.10 Processing of sold products
- 3.13 Downstream leased assets
- 3.15 Investments ●

GRI STANDARD CONTENT INDEX 2023

Indicators		Reference Page or Comment	Status
GRI	The organization and its reporting practices		
2-1	Organizational details	page 5	■
2-2; ESRs 2 BP-1	Entities included in the organization's sustainability reporting	pages 5, 29	■
2-3	Reporting period, frequency and contact point	pages 54, 59	■
2-4; ESRs 2 BP-2	Restatements of information	pages 54–55	■
2-5	External assurance	none	■
GRI	Activities and workers		
2-6; ESRs 2 SBM-1	Activities, value chain and other business relationships	pages 5, 6, 35ff	■
2-7; ESRs 2 SBM-1; ESRs S1-6	Employees	pages 45–52	■ ■
2-8; ESRs S1-7	Workers who are not employees	pages 35–52	■
GRI	Governance		
2-9; ESRs 2 GOV-1; ESRs G1-5	Governance structure and composition	pages 5, 6, 46–48	■ ■
2-10	Nomination and selection of the highest governance body	pages 46–48, Annual Report	■
2-11	Chair of the highest governance body	pages 6, 46–48	■
2-12; ESRs 2 GOV-1, ESRs 2 GOV-2	Role of the highest governance body in overseeing the management of impacts	pages 6, 46–48	■ ■
2-13; ESRs 2 GOV-1; ESRs 2 GOV-2; ESRs G1-3	Delegation of responsibility for managing impacts	pages 5–13	■
2-14; ESRs 2 GOV-1, ESRs 2 GOV-5, ESRs 2 IRO-1	Role of the highest governance body in sustainability reporting	pages 5–13	■
2-15	Conflicts of interest	none	■
2-16; ESRs G1-1, ESRs G1-3, ESRs 2 GOV-2	Communication of critical concerns	pages 5, 6	■
2-17; ESRs 2 GOV-1	Collective knowledge of the highest governance body	not described	■
2-18	Evaluation of the performance of the highest governance body	Annual Report	■
2-19; ESRs 2 GOV-3, ESRs E1 GOV-3	Remuneration policies	pages 46–48	■
2-20; ESRs 2 GOV-3	Process to determine remuneration	pages 46–48	■
2-21; ESRs S1-16	Annual total compensation ratio	page 48	■
GRI	Strategy, policies and practices		
2-22; ESRs 2 SBM-1, ESRs 2 BP-2	Statement on sustainable development strategy	pages 3, 5	■
2-23; ESRs 2 MDR-P, ESRs S1-1, ESRs S2-1, ESRs S3-1, ESRs S4-1, ESRs G1-1	Policy commitments => Precautionary Principle or approach	The Fenix Way, pages 6f	■
2-24; ESRs 2 GOV-2, ESRs 2 MDR-P, ESRs S1-4, ESRs S2-1, ESRs S2-4, ESRs S3-4, ESRs S4-4, ESRs G1-1	Embedding policy commitments	pages 5–52	■
2-25; ESRs S1-1, ESRs S1-3, ESRs S1-17, ESRs S2-1, ESRs S3-1, ESRs S4-1	Processes to remediate negative impacts	pages 12, 13, 18, 25, 29, 35–37, 45, 46	■
2-26; ESRs S1-3, ESRs S2-3, ESRs S3-3, ESRs S4-3, ESRs G1-1, ESRs G1-3	Mechanisms for seeking advice and raising concerns	page 7	■
2-27; ESRs 2 SBM-3, ESRs G1-4, ESRs E2-4, ESRs S1-17	Compliance with laws and regulations	page 9	■
2-28; ESRs G1-5	Membership associations	pages 7, 8	■
GRI	Stakeholder engagement		
2-29; ESRs 2 SBM-2, ESRs S1-1, ESRs S1-2, ESRs S2-1, ESRs S2-2, ESRs S2-3, ESRs S3-1, ESRs S3-2, ESRs S4-1, ESRs S4-2	Approach to stakeholder engagement	page 8	■

2-30; ESRs S1-8	Collective bargaining agreements	page 45	■
3-1; ESRs 2 BP-1, ESRs 2 IRO-1	Process to determine material topics	pages 6, 7	■
3-2; ESRs 2 BP-2, ESRs 2 SBM-3	List of material topics	page 7, CSR Report 2022	■
3-3; ESRs 2	Management of material topics	page 7, whole report	■
GRI	Economic Performance		
201-1; ESRs 2 SBM-1, ESRs E1-6	Direct economic value generated and distributed	page 32	■
201-2; ESRs 2 SBM-3, ESRs E1-9, ESRs E1 SBM-3, ESRs E1-3	Financial implications and other risks and opportunities due to climate change	pages 6, 10–14, 29	■
201-3	Defined benefit plan obligations and other retirement plans	page 30, Annual Report	■
201-4	Financial assistance received from government	page 29	■
GRI	Market Presence		
202-1; ESRs S1-10	Ratios of standard entry level wage by gender compared to local minimum wage	page 52; varies per country; range 1:1.5 to 1:4	■
202-2	Proportion of senior management hired from the local community	100%	■
	Indirect Economic Impacts	pages 10–14	■
203-1; ESRs S3-4	Infrastructure investments and services supported	none	■
203-2	Significant indirect economic impacts	none	■
	Procurement Practices	pages 38, 39	■
204-1	Proportion of spending on local suppliers	page 32	■
GRI	Anti-Corruption		
205-1; ESRs G1-3	Operation assessed for risks related for corruption	100%	■
205-2; ESRs G1-3	Communication and training about anti-corruption policies and procedures	online: 100%, all staff sign upon employment	■
205-3; ESRs G1-4	Confirmed incidents of corruption and actions taken	none	■
	Anti-competitive behavior	none	■
206-1	Legal actions for anti-competitive behavior, anti-trust and monopoly practices	none	■
GRI	Tax-related impacts		
207-1	Approach to tax	page 32	■
207-2	Tax governance, control, and risk management	pages 29, 32	■
207-3	Stakeholder engagement and management of concerns related to tax	none	■
207-4	Country-by-country reporting	page 32	■
305-1; ESRs E1-4, ESRs E1-6	Direct (Scope 1) GHG emissions	page 19	■
305-2; ESRs E1-4, ESRs E1-6	Energy indirect (Scope 2) GHG emissions	page 19	■
305-3; ESRs E1-4, ESRs E1-6	Other indirect (Scope 3) GHG emissions	page 19	■
305-4; ESRs E1-6	GHG emissions intensity	page 28	■
305-5; ESRs E1-3, ESRs E1-4, ESRs E1-7	Reduction of GHG emissions	pages 18–21	■
305-6	Emissions of ozone-depleting substances (ODS)	none	■
305-7; ESRs E2-4	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	page 27	■
GRI	Waste		
306-1; ESRs E5 IRO-1, ESRs E5-4, ESRs 2 SBM-3	Waste generation and significant waste-related impacts	page 22	■
306-2; ESRs E5-2, ESRs E5-5	Management of significant waste-related impacts	pages 22, 23	■
306-3; ESRs E5-5	Waste generated	page 22	■
306-4; ESRs E5-5	Waste diverted from disposal	page 22	■
306-5; ESRs E5-5	Waste directed to disposal	page 22	■
GRI	Environmental compliance		
307-1	Non-compliance with environmental laws and compliance Significant spills	none	■
GRI	Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	100%	■
308-2; ESRs 2 SBM-3	Negative environmental impacts in the supply chain and actions taken	pages 21–26	■
GRI	Employment		

401-1; ESRs S1-6	New employee hires and employee turnover	page 45	
401-2; ESRs S1-11	Benefits provided to full time employees that are not provided to temporary or part time employees	page 45, 46	
401-3; ESRs S1-15	Parental leave	page 46	
GRI	Labor/Management Relations		
402-1	Minimum notice periods regarding operational changes	page 45	
GRI	Occupational Health and Safety		
403-1; ESRs S1-1	Workers representation in formal joint management-worker health and safety committees	pages 45, 49	
403-2; ESRs S1-3	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	pages 45, 50	
403-3; ESRs S1-1	Workers with high incidence or high risk of diseases related to their occupation	none	
403-4	Health and safety topics covered in formal agreements with trade unions	pages 45, 46	
GRI	Training and education		
404-1; ESRs S1-13	Average hours of training per year per employee	pages 46, 52	
404-2; ESRs S1-1	Programs of upgrading employee skills and transition assistance programs	page 46	
404-3; ESRs S1-13	Percentage of employees receiving regular performance and career development reviews	page 46	
GRI	Diversity and Equal Opportunity		
405-1; ESRs S1-6, ESRs S1-9, ESRs S1-12, ESRs 2 GOV-1	Diversity of governance bodies and employees	pages 45, 51	
405-2; ESRs S1-16	Ratio of basic salary and remuneration of women to men	pages 45, 48, 49, 51	
GRI	Non-discrimination		
406-1; ESRs S1-17	Incidents of discrimination and corrective actions taken	pages 9, 10	
GRI	Freedom of association and collective bargaining		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	pages 35–38	
GRI	Child Labor		
408-1; ESRs S1 SBM-3, ESRs S1-1, ESRs S2 SBM-3, ESRs S2-1	Operations and suppliers at significant risk for incidents of child labor	page 37	
GRI	Forced or compulsory labor		
409-1; ESRs S1 SBM-3, ESRs S1-1, ESRs S2 SBM-3, ESRs S2-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	page 37	
GRI	Security Practices		
410-1	Security personnel trained in human rights policies or procedures	pages 36–38	
GRI	Rights of Indigenous Peoples		
411-1 ; ESRs S3-1, ESRs S3-4	Incidents of violations involving rights of indigenous peoples	not applicable	
GRI	Human Rights Assessment		
412-1	Operations that have been subject to human rights reviews or impact assessment	100%	
412-2	Employee training on human rights policies and procedures	various relevant staff and suppliers	
412-3	Significant investment agreements ad contracts that include human rights clauses or that underwent human rights screening	not applicable	
GRI	Local Communities		
413-1	Operations with local community engagement, impact assessments, and development programs	100%	
413-2; ESRs S2 SBM-3, ESRs S3 SBM-3	Operations with significant actual and potential negative impacts on local communities	none	
GRI	Supplier Social Assessment		
414-1	New supplier that were screened using social criteria	100%	
414-2; ESRs S2 SBM-3	Negative social impacts in the supply chain and actions taken	pages 35–38	
GRI	Public Policy		
415-1; ESRs G1-5	Political contributions	none	
GRI	Customer Health and Safety		
416-1	Assessment of the health and safety impacts of product and service categories	100%	
416-2; ESRs S4-4	Incidents of non-compliance concerning the health and safety impacts of products and services	1 case, see page 9	
GRI	Marketing and Labeling		
417-1	Requirements for products and services information and labeling	page 10	
417-2; ESRs S4-4	Incidents of non-compliance concerning product and service information and labeling	none	

417-3; ESRS S4-4	Incidents of non-compliance concerning marketing communications	none	■
GRI	Customer privacy		
418-1 ; ESRS S4-3, ESRS S4-4	Substantiated complaints concerning breaches of customer privacy and losses of customer data	none	■
GRI	Socioeconomic Compliance		
419-1	Non-compliance with laws and regulations in the social and economic area	none	■
ESRS	General disclosure requirements		
GOV-4	Disclosure of mapping of information provided in sustainability statement about due diligence process	full report	■
2 IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	full report	■
ESRS	Climate change		
E1-1	Transition plan for climate change mitigation	page 19	■
E1 IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities	pages 15–27	■
ESRS	Pollution		
E2-3	Targets related to pollution	none	■
E2-5	Substances of concern and substances of very high concern	none, see page 9	■
E2-6	Anticipated financial effects from material pollution-related risks and opportunities	none	■
ESRS	Water and marine resources		
E3 IRO-1	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	pages 21f	■
E3-1	Policies related to water and marine resources	pages 21f	■
E3-2	Actions and resources related to water and marine resources	pages 21f	■
E3-3	Targets related to water and marine resources	none	■
E3-4	Water consumption	page 21	■
E3-5	Anticipated financial effects from material water and marine resources-related risks and opportunities	none	■
ESRS	Biodiversity and ecosystems		
E4 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	page 17	■
E4 IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	page 17	■
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	page 17	■
E4-2	Policies related to biodiversity and ecosystems	page 17	■
E4-3	Actions and resources related to biodiversity and ecosystems	page 17	■
E4-4	Targets related to biodiversity and ecosystems	none	■
E4-5	Impact metrics related to biodiversity and ecosystems change	page 17	■
E4-6	Anticipated financial effects from biodiversity and ecosystem-related risks and opportunities	pages 15–18	■
ESRS	Resource use and circular economy		
E5-1	Policies related to resource use and circular economy	page 24	■
E5-3	Targets related to resource use and circular economy	page 25	■
E5-4	Resource inflows	pages 19, 20	■
E5-6	Anticipated financial effects from material resource use and circular economy-related risks and opportunities	pages 15–20	■
ESRS	Business conduct		
G1-6	Payment practices	according to law or agreement (90 days)	■

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