

FENIX OUTDOOR

CSR Report 2019

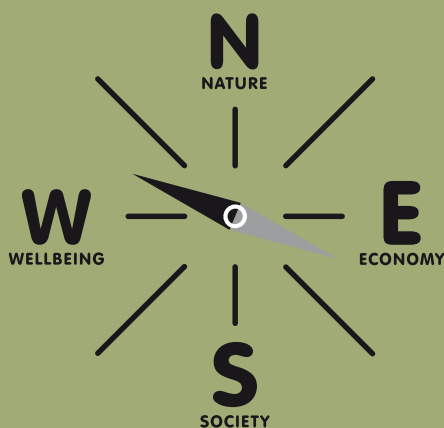


FRILUFTS RETAIL EUROPE AB



Contents

| | |
|---------------------------|----|
| Foreword by the CEO | 03 |
| 1. Overview | 04 |
| 2. Nature | 12 |
| 3. Economy | 22 |
| 4. Society..... | 26 |
| 5. Well-being | 34 |
| 6. Reporting | 39 |



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

N = Nature:

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

E = Economy:

Ethical and sustainable activities can only be undertaken if a business is healthy and its finances are sound. Thus, we rely on long-term partnerships and strive to create sustainable working conditions.

S = Society:

We are a responsible actor in society, enriching and inspiring each other and those beyond our company to move towards a sustainable future.

W = Well-being:

We look for excellence in staff members; in return, they expect a fair and responsible employer.





Dear sustainability friend,

In 2019, Fenix Outdoor took new bold steps towards sustainability. In line with that, we updated our Fenix Way and the strategic agenda 2025. The core programs in our sustainability strategy – including climate protection, circularity and waste minimization, the strengthening of our social compliance and supply chain activities, and our leadership ambition in all customer-facing communication – are well underway. We are confident that Fenix Outdoor is already in a driver's position and many peers and other industries reach out to us to learn more about how they can move their sustainability work forward. Our company structure is smart and lean and therefore we have the flexibility to move towards innovative approaches a bit faster than larger companies. We are not afraid to test new systems. We believe in being a frontrunner. For that, you need to be brave and confident. We remain committed to the principles of the UN Global Compact and have begun to address the Sustainable Development Goals (SDGs).

For more than a year now, young people all over the globe have been coming together to protest and highlight environmental issues, particular those of a changing climate, which they wish to be handled by politicians as a matter of urgency. We, as a company but also as a whole industry, sincerely care about the environmental questions and we also expect political decision-making to enable us to be more protective and aware of those matters.

Our business cycle is built around seasons, since we are rooted in the Northern Hemisphere. Any change in seasonality due to climate change and even more severe weather-related events are not only indisputably negative for the world we all share but dramatically affect our ability to be successful in our businesses and put at risk those we employ.

In the end, it means the potential loss of income, jobs and revenues.

Our business is also built on an accessible and therefore enjoyable nature, which means that our business has an intrinsic interest in a healthy ecosystem. I strongly believe most other companies in our industry share our concern and believe the same as we do. I do not believe that there is an opposing interest between economic and societal development and environmental conservation. The commitment by textile brands to support the United Nations Fashion Charter for Climate Action is an example of that.

TO THAT END, Fenix Outdoor has taken several steps towards leading by example. Allow me to give you a few examples of what we achieved and what we see is necessary to be done to push ourselves and the industry even further.

We have stricter policies in terms of which countries we buy from

compared to most other players in our industry. We carefully choose our partners, making sure we produce safe products that don't do any harm to people or nature. However, we have also called upon policy-makers to actively protect our people and the environment from hazardous products and production, particularly when it comes to counterfeit goods.

We are most concerned about the huge risk of people purchasing fake products, which are made under unbearable social and environmental conditions and become products that per se pose a serious risk to everyone who is in contact with them.

Since 2015 we, as a group, are CO₂ neutral in our own operations. But our responsibility goes beyond our own business and thus we need much stricter CO₂e emissions-related tariff and tax regimes!

Not only do we need more action in the fight against climate change, we also want to see countries who do not care about climate protection be pushed towards sustainability by transparent and CO₂-based tax regimes. Although I am very much in favor of a global free-trade regime – we think that it is hypocritical to allow global single-package shipments to and from anywhere in the world within a few hours. We need to come to more sustainable global solutions. In my view, we cannot continue on the path we have chosen to go. New thinking, innovative and intelligent solutions are needed and my hopes very much rest on young people to actively come up with their ideas.

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

*Yours,
Martin Nordin,
Chairman and CEO*



1. OVERVIEW - Our sustainability management approach

Summary of governance and structure of CSR activities

Fenix Outdoor International AG is a group of companies that develops and markets high-quality outdoor gear to highly discerning and fastidious end-users through a selected retail network, with a high level of service and professionalism. While the different brands have different roots, the group itself originated in Örnsköldsvik, Sweden, where Fjällräven was founded and had its former headquarters. In 2019, the group consisted of six brands and four retail organizations. The structure of the overall organization did not change in 2019 but Nathan Dopp, CEO and President of the North American operation, was promoted to become a group vice president. The organizational structure Retail – Brands – Global Sales and strategic central services did not change significantly. However, in 2019, Fenix Outdoor took over a significant share in its Taiwanese distributor and changed the company's name to Fenix Outdoor Taiwan. Rosker, the UK wholesale company, became Fenix Outdoor UK. In order to better service the different brands' needs and enhance the coordination between them, a central unit for our brands was formed. The shared group functions like Digitalization and IT (now under one roof), Logistics, CSR & Compliance are still

organized as strategic central services units and report directly to the CEO and Chairman of the Group. As part of our efforts to manage our human resources department on a global level, Anna Mindelöf joined Fenix Outdoor from Adidas to set frameworks and global standards in a systematic way. She reports to Alex Koska, the President of the group.

All activities under the sustainability framework are centrally organized and implemented under a common framework by individual brands and entities. This allows the responsible managers to identify the appropriate individual approach and goal setting. The speed of development and the focus of the entities within Fenix Outdoor Group varies but all of them follow the same framework.

The CSR/Sustainability organization now comprises three CSR managers in the central office, one CSR manager in Fjällräven and one CSR manager in Royal Robbins, who also services the group's CSR requirements in North America. Kaytlin Moeller was hired from Lands' End in May 2019 and has begun to build the Royal Robbins sustainability program. All of the CSR/Sustainability organization reports directly to the Group's Chief Sustainability Officer.

By 2019, approximately 95 % of our business partners representing suppliers had signed our Code of Conduct. There are no significant changes from 2018. As we have six brands and four retail chains, the subscription rate to our Code of Conduct has a considerable bandwidth. This will improve over time but every new acquisition may blur the picture.

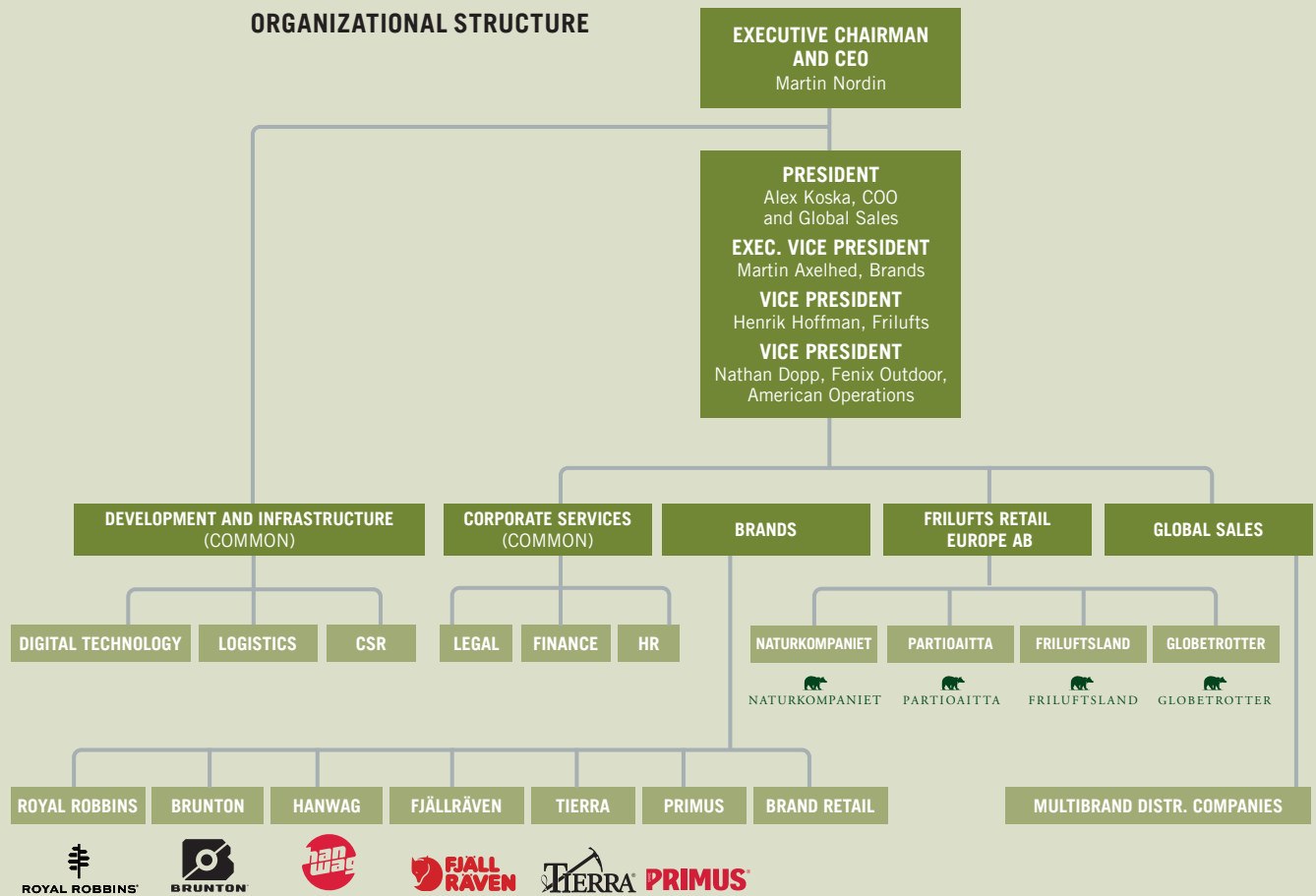
As in previous years, we still consider climate change and the associated extreme and unpredictable weather as a strategic risk and priority. In 2019, we were affected by extreme weather events and we are highly concerned that climate action is too slow. However, while we continue our plan to speed up our climate protection efforts, we also see the limitations. We signed the UN Fashion Industry Charter on Climate Action, which aims to reaching the set climate action targets before 2030. We want to move on and achieve results. We cannot wait until everyone agrees on the science as such – we need to take action now. That's why we are continuing on the path that we call the Fenix Way.

Communication of the sustainability strategy, goals and current developments is an ongoing process at Fenix Outdoor. Twice a year, during the kick-off meetings for each season, the Chief



*"Journey
to the top"*

ORGANIZATIONAL STRUCTURE



SUBSCRIPTION TO OUR COC BY SUPPLIER TYPE

| Business Partner Level | Bandwidth | Average | Representing production & values |
|------------------------|------------|---------|----------------------------------|
| Intermediary | 92 – 100 % | 95 % | 100 % |
| Tier 1 | 65 – 100 % | 84 % | Ca. 100 % |
| Tier 2, 3 and beyond | 10 – 60 % | 41 % | No data available |

Sustainability Officer (CSO) updates on the progress made towards the sustainability agenda. On emerging issues, information are immediately delivered to the affected departments and employees.

Our other means of corporate communication are general mails, a recently established internal Sustainability Newsletter and intranet sites. In 2019, we established a regular internal CSR Day to be held in conjunction with one of the leading trade fairs in Europe, the US or Asia. We also held regular CSR and Social Compliance meetings and will continue to do so in 2020. Sustainability goals are increasingly becoming an element in the performance reviews of our top managers and we will eventually link these to

bonus payments; sustainability goals are also becoming increasingly important for general investment decisions. The reporting software we introduced in 2018 has been further developed in 2019 and we are on track to optimize our system of data collection and analysis.

Each Fenix Outdoor brand has developed its own individual sustainability agenda, with distinct sustainability goals and implementation plans. The new sustainability plans for 2025 have been finalized and were approved by the Fenix Outdoor Board. On that basis, responsibilities have been assigned and implementation deadlines have been set. In November 2019 we published the updated version of “The Fenix Way”, setting out what our

sustainability focus and goals will be over the years to come. To coordinate these efforts effectively, all brands will submit their project plans and receive approval and monitoring as well as support from the central sustainability office. We will present the respective updates on a regular basis to the group’s CSO.

Sustainability program and partnership

Over the past few years we have built partnerships and reinforced existing relationships. In 2019 we added the UN Framework Convention on Climate Change to this list but otherwise we made no further changes to our network. Fenix Outdoor has been a reliable and constant signatory to and supporter of the UN Global Compact since 2012 and we have now decided to take the participants level to deepen our engagement. We are also supporting the Swedish Global Compact Network organization and became a member of the Swedish Textile Initiative for Climate Action (STICA).

We continued our involvement in the Sustainable Apparel Coalition (SAC).

We supported the rollout of the Higg Index suite and actively worked on the rework of the Brands and Retail Module (BRM). The Fenix Outdoor CSO was given the Leadership award for SMEs by the SAC.

As member of the Fair Labor Association (FLA) we continuously develop our social compliance governance. We are committed to fair labor conditions and we support the concept of a living wage. In 2019, training and surveys among workers and supply chain managers were at the core of our improvement efforts.

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, improving supply chain management and ensuring a better choice of materials. In the annual benchmarking program, Fenix Outdoor brands regularly score high and often outperform numerous reputable brands. We are proud that our moves towards a more sustainable business are attracting global recognition.

We started a partnership with TrusTrace, a Swedish company, who uses a blockchain technology to improve transparency and traceability throughout the supply chain. This development partnership allowed us to customize the system to our needs. We have begun to incorporate transparency questions for all tiers as well as CO₂ footprinting and a Higg Index tool application module. In addition to this, we incorporated our “A Greener Choice” methodology and our supplier scorecard, allowing automated tracing and tracking of business partner performance in the future. We are convinced that our partnership network helps to increase the level of responsibility within the industry and that the umbrella of the Sustainable Apparel Coalition complements our global sustainability efforts.

As in previous years, various entities of Fenix Outdoor are members of the European Outdoor Group (EOG), a trade association advocating the European Outdoor Industry’s interests. Uniquely, the EOG sets “sustainability” at the core of its activities and Fabian Nendza represents our retail group on the Sustainability Council.

Fjällräven is a member of the Euro-

pean Outdoor Conservation Association (EOCA). EOCA sponsors environmental and nature conservation projects around the globe through membership fees and the provision of specific membership support for selected projects. Fjällräven also supports the Swedish Textile Industry’s Initiative for Climate Action, organized through our long-term partner, the Sustainable Fashion Academy.

As a decentralized company, various parts of our organization have their own specific association memberships. These memberships include the Scandinavian Outdoor Group, the US-based Outdoor Industry Association (OIA) and the Swedish Standards Institute (SIS).

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

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

Fenix Outdoor is also active in the Swerea Chemical Group (now part of Research Institutes of Sweden – RISE), as well as several local initiatives and various local environmental network activities.

Fenix Outdoor engages in open dialogues with civil society groups on various subjects, particularly with those who focus on environmental and human rights. We collaborate in projects or explore best practices and benchmarks for the outdoor industry.

In general, we do not aim for formalized certifications of any type of management systems. However, in most operations ISO 9000 and ISO 14000 principles are applied and suppliers or certain materials often carry significant and reputable signs of conformity to industry standards, such as the Global Organic Textile Standard (GOTS), bluesign or other.

Core management issues for our entities

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. We see it much more as a growth that follows the cardinal directions of the Fenix Way Management Compass®, while ensuring we maintain our profit margin. However, the management compass allows us to look beyond questions of growth or turnover.

When assessing our social compliance management system, the FLA said that the production and planning process in most Fenix Outdoor entities show a remarkable and outstanding level of responsibility towards our suppliers. Through our unique business model, Fenix Outdoor does not overestimate or underestimate capacities, leading to a reasonable and predictable order volume and a very manageable timeline. We believe that predictability, reliability and trust are the cornerstones for a good and long-term relationship with our business partners.

With respect to the cardinal direction ‘nature,’ our focus shifts from “the reduction of negative impacts” towards making a positive contribution. We look for the least harmful material and seek the one that offers win-win-win options, be it the product per se (gas-burning stoves) or the way our operation works (lighting in our stores; transportation of goods), or the input materials that we source (organic or conventional cotton versus other natural fibers; recycled or virgin fossil-based materials; man-made bio-fibers). This process is not easy and not all of our entities are at the same level. But through the application and implementation of The Fenix Way, we are all moving in the same direction.

We are also addressing new challenges, such as microplastic, hazard-free durable water repellents (DWRs) or single-use plastics in packaging and shipment, and we work with partners and associations, such as the Microfibre Consortium to reduce our environmental impact become a positive net contributor.

In 2019, it was time to revisit our sustainability strategy. We updated our Fenix Way, which was published in autumn of 2019 on our website. We also released our updated sustainability agenda, which forms part of the Fenix Way, as well as we are looking at our material aspects and embedded those into the new 2025 strategic plan. We are convinced that by doing this in the way that we did we have made Fenix Outdoor fit for the next few decades to come.

Stakeholder involvement

In 2019, Fenix Outdoor’s sustainability approach and agenda was a recurring subject in discussions and mutual exchanges with various stakeholders.

REVISED FENIX OUTDOOR MATERIALITY MATRIX

| | Important | High importance | Very high importance |
|-------------------|---|--|---|
| Very high concern | <ul style="list-style-type: none"> Contribution to sustainable economy Human rights & social concerns (no under-age workers) Information on sustainable product features | <ul style="list-style-type: none"> Environmental protection during production Customers: health & safety in the workplace | <ul style="list-style-type: none"> Avoiding harmful chemicals in production/product Having an ethical sourcing strategy excluding worker exploitation |
| High concern | <ul style="list-style-type: none"> Use of independent certificates Promote health in the workplace Reduce water use and pollution | <ul style="list-style-type: none"> Sustainable product assortment Provide information on eco-friendly product maintenance and product features Consumer safety Fair animal treatment | <ul style="list-style-type: none"> Long-lasting/durable products Better customer service/claims management Actively promote fair labor conditions |
| Concern | <ul style="list-style-type: none"> Reduce energy consumption Have an anti-corruption policy Policy against anti-competitive behavior | <ul style="list-style-type: none"> Avoiding CO₂ emissions Promote recycling and reuse Commitment to external initiatives Diversity and non-discrimination | <ul style="list-style-type: none"> Waste recovery Climate impact Workers/management relations Sustainable partners & suppliers Promote well-being of employees |

Customers, scientific experts, peers, policy-makers and not-for-profit initiatives approached us and helped us to further develop and shape our Agenda 2025. We always find the exchange with knowledgeable and diverse organizations and individuals helpful as it allows us to change perspective, get clearer views on things and take into account new and exciting ideas, moving us closer to our own vision of sustainability. Therefore, we very much look forward to the next meeting at our Stakeholder Roundtable in 2020.

In 2019, the Materiality Matrix of Fenix Outdoor International AG did not change from that reported in 2018.

Recognitions

In 2019, our sustainability efforts received international attention and recognition. Fjällräven and Naturkompaniet remain among the top three sustainable brands in the Nordic Region, rating especially highly in Sweden in the industry sector. Partioaitta was not only an industry leader but also ranked among the top 10 sustainable brands in Finland.

Focus areas


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

We continue to work on reducing negative environmental and social impacts and focus on our positive contributions at each stage of our products' lifecycles. We address all four cardinal directions of our compass, where N stands for Nature, E for Economy, S for Society and W for Well-being. Having a 360° perspective ensures we can deal with potential risks and their repercussions. Various significant impacts and negative side effects occur in different stages of our services and products' lives. The four cardinal directions apply from raw material sourcing, through spinning, dying or other processing steps, to the transport, sales and usage of our products until they reach the end of their life.

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. All activities address the compass directions and focus on moving us steadily along the path to sustainability. At 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 carrying through the recommendations we have received from our partners at the FLA.

As climate change is a global challenge, we now have the right resources, allowing us to address the importance of climate mitigation and positive climate action. In 2019, we conducted a review of our energy efficiency activities in Germany and we will do the same for Sweden in 2020. We also conducted an energy survey of all our retail operations in Europe and we have begun to dive deeper into our Scope 3 emissions, which we are now capturing and measuring more and more. The regular updating of our car policy led to a reduction in CO₂ emission-levels per kilometer and all transport-related activities are under con-



“Look deep into nature, and you will understand everything better

(Albert Einstein)

stant scrutiny, including our planning and shipping.

We require our suppliers to adhere to our Restricted Substances List (RSL). We update our Chemical Guidelines twice a year, reflecting the latest scientific research and our own precautionary approach. Through this we provide guidance and frameworks for our operational units, which can then address their material matters.

Highlights of 2019

In 2019, our Globetrotter brand completely phased out the use of single-use plastic bags. We notice that more and more customers are now bringing their own bags or if not so are buying a reusable shopping bag.

Globetrotter's headquarters was relocated within Hamburg to a smaller, much better-appointed location. The retailers in Europe also sent a strong signal during “Black Friday” and offered

repair and care services as a “green Friday” option. Moreover, Globetrotter opened five new stores where the care and repair service stations (“Werkstatt”) became a core feature.

In order to improve our supplier management, all brands have worked much more closely together under the auspices of the central CSR Department, offering training and educational events to build awareness and understanding of sustainability challenges. With the implementation of the TrusTrace tool we strive to trace our products along the supply chain, track emissions and also find a common place for all brands to collect standards as scorings.

Compliance

Adhering to laws are central to how we conduct our business. We require compliance with our Code of Conduct and we try to ensure that our employees and business partners share the same

understanding of compliant behavior and business dealings. We introduced a compliance management system in 2012, and we are continuously improving and developing this system. The Fenix Outdoor CMS concept complies with the main prevailing standards, namely IDW PS 980 and ISO 19 600. 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 2019. 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.

Compliance in Fenix Outdoor is not only a result of the ethical principles mapped out in the Fenix Way and other internal documents; it also

COMPLIANCE CASES 2019

| Case Description (no. of cases) | Handling Procedure |
|------------------------------------|---|
| Product Safety (3) | Due to hydrolysis, several complaints about shoe soles -> reference was made to the Internet and information provided to customers; complaints about faulty hooks (not substantiated) |
| Labeling (0) | - |
| Trade Laws (0) | - |
| Infringements of Trademarks (2) | Unauthorized use of a product name (fine paid); one request by a manufacturer to change name (was overlooked – case was amicably settled) |
| Data Safety (4) | Hacker attack on our central server (reported to authorities – no data loss); erroneously sent products to wrong addressee; undisclosed mailing to customers; wrongly sorted data to loyalty club members. Customers and authorities were informed; errors corrected; new protocols and software in place |
| Labor Laws (3) | Complaint cases regarding overtime and miscommunication – responsible managers were interviewed and complaints solved |
| Communication/ Marketing (5) | Claim of misuse of online IP protection portal (case is pending); customers not satisfied with the product (one claim not substantiated; the other case amicably resolved); misleading marketing (claiming “sale” that was not the case; issue resolved) |
| Harassment (0) | No case reported |
| Corruption (0) | No case reported |
| Other (2) | Various product recalls due to quality issues; one case of fraud (suspension of employee; investigation ongoing) |

reflects the owners’ will to systematize the handling of ethical and legal matters. In 2019, the number of cases directly reported to the CSO were stable compared to 2018. The focus was on how we interact with one another, how external complaints referred to risk countries, and quality issues in products or marketing information.

Opportunity and risk assessment

In 2019 Fenix Outdoor continued to grow, consolidating some areas and addressing weaknesses in some of our business units. We also profited from various opportunities. Fjällräven benefited from increased global visibility and we continued to extend our networks into Latin America, Africa and various new Asian markets. There is still a very high demand for Kånken backpacks. Royal Robbins’ business concept builds on servicing global travelers and in some way may stand in conflict with global trends to reduce long-distance

travel and air travel, but as we also promote “the adventure next door” we assume that the risk is negligible.

We have reorganized our logistics operations in Germany and are still expanding our logistical center in Ludwigslust, Germany.

2019 was a year of continued political changes with several uncertainties and economic slowdowns.

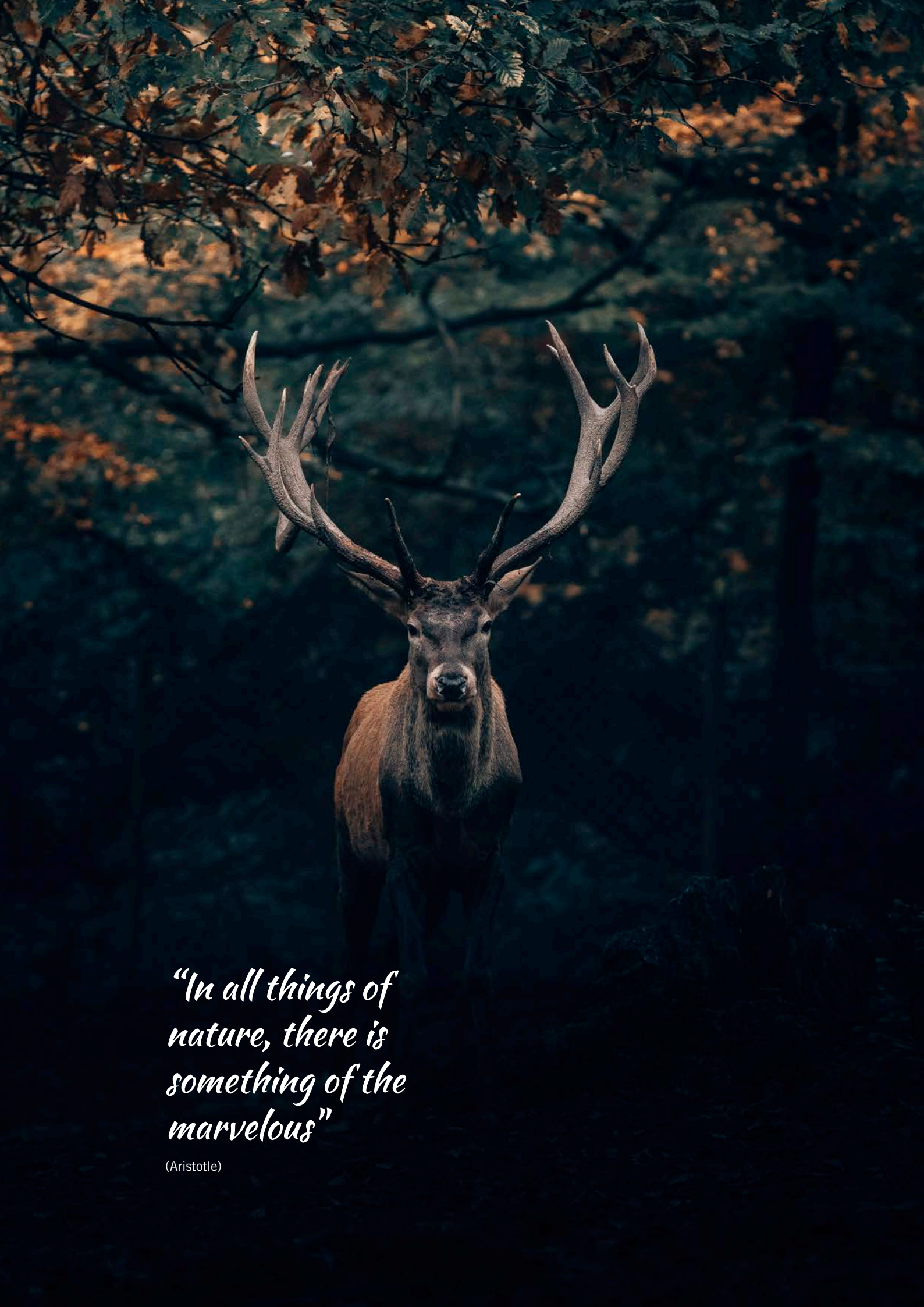
The US administration continued its ‘America first’ policy and the trade war between China and the US continued, leading to taxation and newly-imposed tariffs also on textiles. Towards the end of the year uncertainties around the UK Brexit deal persisted, though these were clarified after the UK General Election. Nonetheless, the shape of the new EU/UK trade regime remains unclear and may possibly lead to job losses and a further slowdown of the economy in Europe.

Climate change remained a serious issue in 2019, with an increasing number of people protesting in the

streets against slow-acting or inactive governments. Climate-related changes have a direct effect on our operations; for example, through the extremely mild but wet winter weather, which reduces the demand for warm clothing, or, in the foreseeable future, the potential for interruption of transportation and communication infrastructure and the impact on owned or contracted production sites. However, the loss of ice in the Arctic has led to the opening of the Northeast Passage trade route, which has shortened lead and delivery times.

We still note with great concern the overall long-term effects of changes in climate patterns and expect that long-term adaptations will be needed for the functional demands and quality properties of certain product categories. The rising severity of trade conflicts and the uncertainties around the recent corona virus outbreak may negatively impact the global 2020 economic outlook. ●





*“In all things of
nature, there is
something of the
marvelous”*

(Aristotle)



2. NATURE: The driving force behind our actions and ambitions

We want to leave nature enjoyable for the future

Sometimes, when you have reached a new base camp and pitched your tent, it is good to stop and take a deep breath. We all want to protect and enjoy nature but our actual day-to-day behavior is not always in line with this ambition. Science has been calling for climate action for more than 30 years and the effects of climate change are visible around the globe. When we look at the world around us, we see dramatic losses in biodiversity, which are happening quicker than ever to an unprecedented degree.

Some countries and cities have declared a state of climate emergency. We at Fenix Outdoor have for a long time acknowledged that climate change is real and affects the lives of future generations, animal and plant habitats, species as well as our business. Therefore, we further strengthened our climate strategy to reduce the group's emissions by 40 % until 2025 in all defined scopes. However, we cannot achieve this target alone – transparency, liability and the willingness to invest in collaboration are the keys to success. We intensify our engagement in the supply chain because we know that the biggest share of our environmental harm and impact mainly occurs far from our basecamp.

Current regulations can drive

change and help us in some areas to achieve our targets. The EU Packaging Directive or the EU regulation on single-use plastics both strive for more environmental conscious packaging, transparent reporting of packaging waste and less harmful use of plastics. At Fenix Outdoor our management compass guides us through decision-making processes in all we do – 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. We are aware that our products still have some way to go – but they are made consciously to last in their entirety for generations. We call it longevity, durability and sustainability. If one can wear a garment for generations, then we believe it is as it is meant to be: a life-long story of a product, not a short-lived product used only once. That is why we purchase materials from sustainable sources and look at aspects like animal welfare or environmentally-friendly farming or production. It is not only we at Fenix Outdoor who are constantly on the move – our environment also changes as we move forward and so does the human understanding of certain activities or inventions of the

past or present. Thus, science and industry are rapidly evolving and consequently, once some new research results become public, they may call for adjustments and changes in direction on our part. We do not want to stand still and ignore facts. We strive to avoid or at least solve problems. We want to have a profound overview of all production and development phases in our value chain. The principles of understanding what we are doing and how we can do better will form part of the 2025 strategy for all of our brands and retail business.

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

- CO₂ emissions reduction all along our Fenix Climate Strategy, taking all our major departments into account. Thus ensuring the responsibility for action is an integral part of our day-to-day business
- Increasing our share of sustainable materials by using the SAC's Higg Index suite of tools (Material Sustainability Index, Design and Development Module, Product Module, etc.)
- Deepening our knowledge of the supply chain through a series of

measures and partnerships (e.g. block chain technology, FLA)

- Strengthening the adoption of the Higg Index Facility Environmental Module (FEM) by suppliers and supporting them with training while also rolling-out the Higg Social Labor Module (FSLM)
- Continuing to eliminate hazardous chemicals and continuing to update the group-wide Chemicals Guideline
- Improving and extending the content and application of the Social Compliance Guideline and conduct training and surveys to better understand factories' and workers' needs
- Continue partnership with ELE-VATE to extend our reach and deepen our knowledge of the full array of supply chain matters (e.g. risk map)
- Furthering the use of consumer-facing information/scoring systems (e.g. expanding "A Greener Choice") in our supply chain management (track and trace) and retail business

In 2019, we acquired a distributor in Taiwan and opened several new stores in the Friluft Retail group in Germany and Sweden. They all formed part of the data gathering exercise and led to some data fluctuations. However, we also moved some locations for example the Royal Robbins distribution center merged with the central US logistic hub and therefor closed a few US locations also by changing store sites to new places.

Resources and emissions

In 2019, climate change dominated the public debate more than ever before. After the IPCC published its Special Report the call to action was reinforced: in order to reduce the risk to keep the Earth from becoming an inhabitable planet in the long term, it is vital to stay within the boundary of 1,5° C global warming. For Fenix Outdoor, it is most important to start taking action in our own sphere of influence first. However, to leverage our positive impact even more and guide our supply chain as well as the industry, we decided to join The UN Fashion Industry Charter for Climate Action and STICA. Both initiatives are in line with our climate strategy and support our goal to reduce our emissions by 40 % (all Scopes) until 2025.

In 2019, our overall carbon dioxide equivalents (t CO₂e) amounted to

14 740 t CO₂e (2018: 9 292 t). These data are based on reported activity data by the Fenix Outdoor entities and include Scope 1 and 2 emissions (including leakages from refrigerants), as well as a range of our indirect emissions from shipments, business travel, commutes, wastes and purchased products and services (Scope 3). This year we captured more Scope 3 emissions than in previous years and will continue to do so in 2020. The commuting data have been obtained anonymously through a group-wide commuting survey.

In 2019, we have been able to reduce our CO₂ footprint in Scopes 1 and 2, although we opened several stores and had further economic growth. We have continued to switch to LED lighting and extended the use of green energy. In Vierkirchen, Germany, the location is partly heated with biogas from a neighboring organic farm. We also used the renewable energy certificate scheme to make our electricity consumption in North America greener. Thus, we did not need to compensate nor offset emissions for our US and Canadian operations. Emission reduction efforts in 2019 include but are not limited to:

- Ongoing purchase of renewable energy where possible, as well as purchase of Energy Attribute Certificates (EACs) where we cannot have a direct contract with a supplier.
- Decrease of unused or unnecessary IT infrastructure in the store environment.
- Implementing a guideline for stores and other locations to take energy efficiency measures
- Less raw material consumption through optimization of core processes.

Retrofitting of our stores with more efficient lighting, smart facility heating and cooling concepts are all standard procedures.

As we also strive to optimize our products, we can report that in 2019 around 33 405 fuel-efficient PRIMUS stoves and pots were sold, thus saving around 50 % of energy with each usage compared with standard stoves and 30 % for pots, depending on the type of burner being used.

We have used the most up-to-date conversion factors available. In addition,

we have used an IT-based reporting tool, allowing us to have slightly more accurate data. However, still there is some ambiguity and some developments can only be explained by possible misstatements in the past. In any event, we continue to take a precautionary conservative approach and by that – based on the data we have – we have overstated our emissions.

Energy use

The overall consumption of our energy in 2019 has increased. In 2019, our primary energy source was gas. A total of 5 655 MWh (2018: 3 472 MWh) were used plus another 2 382 MWh (2018: 2 094 MWh) from district heating systems. A total of 19 106 MWh electricity were consumed (2018: 18 805 MWh). The primary energy emissions amount to 1 289 t CO₂e (1 012 t CO₂e in 2018). District-heating-related emissions increased to 240 t CO₂e (73 t CO₂e in 2018). The reason for this increase is mainly a much better data quality. The emissions from electricity consumption amount to 1 667 t CO₂e (previous year: 2 606 t CO₂e). Location-based emissions would have been 7 904 t CO₂e (2018: 6 524 t CO₂e). The systematic purchase of green energy and Renewable Energy Certificates in the US and Canada is having a significant impact.

Shipment of goods

Various modes of transportation contribute to our journey as our goods travel around the globe. Using vessels, trucks and aircrafts, we calculated our shipments' emissions at 3 264 t CO₂e (2018: 3 071 t CO₂e). In some locations, we continued using the 'GoGreen' shipping service by DHL. In our US operations, the number of airfreight shipments remain high; in fact due to several production disruptions, air shipments increased by 100 %. All shipments to customers from Globetrotter Ausrüstung are carbon-neutral, since we have an investment in Costa Rica in the Globetrotter Vision Forest. The total amount of CO₂e compensated for from this forestation project in 2019 was 340 t CO₂e.

Business travel

According to our car policy, last updated in 2018, emission levels were ceiled at 130 g CO₂/km for all vehicles. Further, we encourage electric or hybrid cars as company cars where possible.

The average CO₂e emissions from our car fleet has dropped to below 126 g/km (NEDC). Business travel-related CO₂e emissions accounted for 1 900 t CO₂e. (2018: 1 520 t CO₂e). The business travel data includes all forms of business travel such as flights, public transportation (including trains, busses and boats), corporate cars, and personal cars for all staff members at all locations.

Commute to work

All our staff contribute to our journey and thus leave their own carbon footprints. In order to form a more holistic picture of our transportation, we conducted a global staff survey of all those working for the Fenix Outdoor Group to calculate the annual CO₂e emissions. Apart from this result, it was also interesting to look at the various ways in which our colleagues go to and from work and establish how many of them do so in ways that help to keep themselves healthy and fit. The total CO₂e emission from commuting has been calculated from our new survey in 2019. In general terms we think that extrapolated an overall 1 353 t CO₂e is a just and realistic estimate for our 2019 emissions from commuting activities (n = 553; 2018: 1 010 t CO₂).

Offsetting practices

Because we are not yet able to eliminate our energy, transport and product-related emissions, we decided to continue to offset our greenhouse gas emissions by investing in carbon-offset projects. We have compensated our CO₂e emissions through investments into Gold Standard Projects with various entities. The projects we have invested in can be identified below¹. The total amount we compensated for was 17 777 t CO₂e (2018: 12 367 t), consisting of transport of shipments, business travel, commutes, energy consumption, some product-related offsets, and internal as well as external events (ISPO, Outdoor Europe and alike), energy consumption of Hanwag's key Tier 1 supplier and consumption materials. Where activity data could not be provided by the Fenix Outdoor entities we estimated our emissions. In addition, marketing

¹ <https://registry.goldstandard.org/projects/details/1166>
<https://registry.goldstandard.org/projects/details/1170>

MATERIAL USAGE 2019

| MARKETING MATERIALS | Amount conventional (kg) | Amount certified sustainably sourced (kg) | Amount certified recycled (kg) | Thereof CO ₂ neutral | Amount CO ₂ e compensated (kg) |
|---------------------|--------------------------|---|--------------------------------|---------------------------------|---|
| Paper | 96 396 | 1 052 085 | 402 574 | 74 % | 1 143 759 |
| Ink | 2 712 | 29 996 | 7 | 76 % | 25 025 |
| Plastic | 4 538 | 13 | - | - | - |
| Cardboard | 152 759 | 858 | 2 600 | - | 54 |
| Wood | 1 096 | 515 | 79 | - | - |
| Glue | 3 | 3 356 | - | 100 % | 3 359 |
| PVC | 432 | 131 | 14 | - | - |
| Other materials | 3 038 | 627 | 72 | - | - |

| Office supply | Amount conventional (kg) | Amount More Sustainable (kg) | Amount recycled (kg) |
|--------------------------------|--------------------------|------------------------------|----------------------|
| Paper | 12 347 | 1 147 | 10 942 |
| Cardboard | 94 488 | 419 | 2 411 |
| Toner/Ink | 423 | 42 | 87 |
| Plastic | 2 135 | 32 | 881 |
| Glue (glue stick, sticky tape) | 4 056 | - | 5 |
| Metals | 18 046 | 7 | 2 807 |
| Other Materials | 379 | | 1 380 |

| Packaging | Amount conventional (kg) | Amount More Sustainable (kg) | Amount recycled (kg) |
|------------------------------------|--------------------------|------------------------------|----------------------|
| Paper | 10 521 | 77 795 | 40 637 |
| Cardboard | 763 559 | 4 298 | 317 845 |
| Polycarbonate | 1 336 | | |
| Polyethylene | 15 643 | 423 kg | 77 679 |
| PVC (e.g. Tapes) | 2 052 | 655 kg | |
| Polypropylene (e.g. Straps, Tapes) | 5 823 | 616 kg | |
| Plastics (Non Spec.) | 98 294 | | 7 628 |
| Other Materials | 74 184 | | |

| Waste types | Weight in kg | % of total waste | Disposal method |
|--|-------------------|------------------|---|
| Paper and Cardboard | 705 330,00 | 72 | Recycling / Reuse / Incineration |
| Plastic | 29 077,54 | 3 | Recycling / Recovery (chemical/thermal) |
| Chemicals (hazardous) | 0 | 0 | Recovery (chemical/thermal) |
| Chemicals (non-hazardous) | 2 431 | 0 | Recycling / Recovery (chemical/thermal) |
| Metal | 97 | 0 | Recycling |
| Wood | 24 338,99 | 2 | Recycling / Reuse / Landfill |
| Biodegradable waste | 11 039,51 | 1 | Landfill / Incineration / Composting |
| Residual waste | 48 170 | 5 | Landfill / Incineration / Recovery (chemical/thermal) |
| Mixed commercial waste | 124 989,33 | 13 | Recycling / Landfill / Incineration / Recovery (chemical/thermal) |
| Glass | 27 | 0 | Recycling / Landfill |
| Other | 25 147 | 3 | Recycling / Reuse / Incineration |
| Other Hazardous (incl. Batteries, electrics) | 6 031,00 | 1 | Recycling / Recovery (chemical/thermal) / |
| Total | 976 678,37 | 100,00 | |

MATERIAL USE (ALL PRODUCTS) 2019

| Materials | Amount conventional (kg) | Amount more sustainable (kg) | Amount recycled (kg) |
|---|--------------------------|------------------------------|----------------------|
| PLANT-BASED FIBERS AND MATERIALS | | | |
| Cotton | 158 893 | 292 871 | |
| Hemp | 9 902 | | |
| Linen | 1 481 | | |
| Nuts | 11 | | |
| Wood | 1 651 | 3 603 | |
| Other plant-based fibers and materials | 3 598 | | |
| ANIMAL MATERIALS | | | |
| Alpaca | 19 | | |
| Beeswax | 1 725 | | |
| Down | | 11 131 | |
| Leather | 217 277 | | |
| Wool | 32 820 | 36 291 | 25 972 |
| MAN-MADE CELLULOSIC FIBERS | | | |
| Lyocell (e.g. Tencel) | 1 980 | 3 715 | |
| Modal | 21 194 | | |
| Viscose | 1 650 | | |
| SYNTHETIC FIBERS | | | |
| Biobased synthetics (e.g. from crop, sugar) | 979 | 4 792 | |
| Elastane (e.g. Lycra, Spandex) | 18 291 | | |
| Polyacrylic | 7 893 | 3 259 | |
| Polyamide (Nylon, etc.) | 276 128 | | 41 722 |
| Polyester | 627 805 | 477 694 | 26 157 |
| Polyethylene | 9 381 | | |
| Polypropylene | 179 963 | | |
| Polyurethane | 16 669 | | |
| Thermoplastic Polyurethane | 18 | | |
| Other synthetic fibers | 7 340 | | |
| METALS AND INORGANIC COMPOUNDS | | | |
| Aluminum | 11 450 | | 11 131 |
| Brass | 23 065 | | 2 741 |
| Copper | 60 | | |
| Copper, Beryl. | 60 | | |
| Glass | 30 | | |
| Sintered Iron | 25 | | |
| Stainless Steel | 29 137 | | 98 153 |
| Steel | 29 977 | | 119 754 |
| Titanium | 526 | | |
| Other Metals and inorganic compounds | 117 154 064 | | |

materials such as catalogues and flyers were offset as part of the purchase agreement, which amounted to an offset of about 1 000 t CO₂e (2018: 93 t). Leather for Hanwag was compensated, too: 50 t CO₂e was compensated in African reforestation projects. We have taken the next step towards a holistic carbon dioxide management in our carbon policy. In our new strategic plan, we will strive for full carbon neutrality by improving our ability to measure activity data, reduce emissions where possible and work with suppliers offsetting their products from the beginning. However, in order to achieve that, we need our partners – peers and suppliers alike – to move together with us to the next level. We will use the Higg Index, block chain technology and further assessment methods as Life Cycle Analysis and Product Carbon Footprints to assess, monitor and steer our efforts.

Water

We are increasingly concerned that water pollution seems to be accepted by many industries as collateral damage to development. We at Fenix Outdoor view this quite differently but we are not yet at the stage we would like to be in order to make a positive water footprint contribution. However, we try to reduce the damage by using techniques like spin-dye®. In 2019, these activities were again limited. The datasets outside the Higg Index reporting for our operations and our suppliers were still fragmented in 2019 and the picture is still a bit gloomy. As in previous years, this is mainly because some operations do have a vast green space they take care of and some of our megastores carry pools and diving tubes for equipment testing, while others are located in inner cities or industrial areas, so do not need water for parks or landscaped surroundings. The measured amount of water consumed was 69 984 m³ (2018: 89 889 m³). Extrapolated, this means an overall consumption of 76 949 m³ (2018: 101 534 m³).

The water we use is mainly drawn from the community supply (groundwater, with some surface water in northern Finland, South Korea and Slovakia); in some locations, we tap lake or river water where it is abundant and clean. The main purpose is for drinking, cooking and household use. Most of the effluents were collected in community sewers and decontaminated 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 62 474 m³ (2018: 69 000 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 like that of normal households. Our partner tanneries, down finisher, weavers and dye house operators are located in Germany, Croatia, Italy, Japan, South Korea, China and Vietnam. They operate their own treatment plants or are adjacent to industrial treatment plants. Our partners follow our Chemical Guidelines and in most cases use an environmentally preferred version of detergents or agents needed for cleaning or production. Public authorities regularly monitor the treatment plants of our partners: in Germany, Japan, Korea, China and Vietnam they mostly operate under the ISO 14001 system.

Materials

At Fenix Outdoor, we continue to improve the ecological profile of the materials we use. As in previous years we deliberately use recycled, organic, ecological, biodegradable or recyclable materials; in the past year, we have continued the trend to more natural fibers where possible. In other categories, we have enhanced our accuracy in data collection and material specification. All of our brands apply the Higg Index criteria wherever possible. As a member of the SAC and active user of the Higg Index, we continue to re-think our choice of materials. We use it as an internal self-assessment tool, incorporating the Materials Sustainability Index (MSI) and the Design and Development Module (DDM).

Materials summary

The given tables show an overview of the materials used and the recycling content or other environmentally preferred attributes. However, as we are increasingly looking at products that have reached the end of their lives as an input source for new products, we

MATERIAL USE – TABLE CONT. (ALL PRODUCTS) 2019

| Materials | Amount conventional (kg) |
|---------------------------------------|--------------------------|
| FOAMS | |
| Polyethylene foam | 43 550 |
| RUBBER | |
| Butyl rubber | 10 |
| Chloroprene rubber (Neopren) | 52 |
| Other rubber | 197 208 |
| OTHER MATERIALS AND SUBSTANCES | |
| Batteries | 15 |
| ePTFE | 1 122 |
| Glue | 81 406 |
| LPG Gas | 200 816 |
| Mineral Spirits (Various) | 1 636 |
| Paints | 110 |
| Paraffin | 251 760 |
| Pentane/Heptane | 11 198 |
| Silica Gel | 34 443 |
| Silicone | 25 |
| Solvents (Non-spec) | 120 |
| Vinylon F | 366 567 |



think it should also be noted that we have collected more than 3 t (2018: 5,7 t) of textiles and shoes, which we have put back into the I:Collect recycling stream. These figures do not include collections in Finland as we encountered an IT problem. In order to prolong the life of our products we offer repair and care services. Around 15 685 pairs of Hanwag shoes were re-soled in 2019 (2018: 12 500).

Waste management

While we are reducing our impact and are willing to contribute positively in the future, we need to take our waste management to another level. However, this is complicated, as waste management is local and often cannot be compared among the different entities. While exploring new grounds and walking through nature with our products, we constantly follow a simple but effective motto: 'repair, re-use, recycle'. Unfortunately, this is not always possible, and apart from the product itself, we deal with waste along the production chain, starting from biodegrada-

ble raw materials via chemical waste, wastewater effluents from dye houses and chemical treatments, and waste from cutting, sewing and packaging. Our warehouses fulfil various functions: apart from being warehouses for our normal B2B and B2C business, they are also places to return broken or unwanted products and to store products that have been called back from the markets. In 2019, around 10 % (2018: 25 %) of all e-Com products were returned for reasons of fit, double-order, among other things (this refers to all brands and products sold in our on-line stores based on shipments). The goods were checked and re-stocked. With regard to the B2B business, the return rates vary from region to region and range from 0.03 to 0.45 % of products sold. The figures in 2019 remain the same as they were in 2018. Most of it were re-stocked or repaired and used again; the rest of the products were destroyed and properly disposed of. In addition, the warehouses play an important role in collecting and separating

Product development and innovation

We want to be more transparent about our products and the materials we use. Thus, we are carefully selecting the materials we want to use and the suppliers and business partners who support or manufacture for us. We also help our customers to enjoy the longevity and durability of our products, by giving relevant care instructions and offering repair and care services.

The equipment we take on our journey requires care and planning. We have decided that we want our sustainability efforts to become visible to our customers and be reflected in the products we offer. The following compilation is not exhaustive but it gives some indication as to how we have continued on our path to sustainability in 2019.



Tierra Belay jackets

TIERRA Going back to old and sustainable favorites

Tierra is becoming more sustainable by using a very traditional material: instead of using down feathers or synthetics, they went back to sheep wool to use for its heat insulation properties. Sheep wool is a renewable resource and often left over in sheep farming. The demand for virgin Swedish wool is not high on global markets.

The insulation features of wool are similar to synthetic materials, if not better. Down is superior to synthetics and wool when it comes to insulation per weight and compressibility ratio. However, wool's attribute of storing moisture inside the fibers give the wool insulation material the extraordinary ability of storing heat, even when damp.

For the Belay series, Tierra has used the Swedish Gotland wool (described in CSR report 2018, p. 31) and stabilized it with biobased polyester. Apart from the insulation, 30 % of the fabric is made out of renewable resources: a lightweight and durable rip-stop polyester, where 30 % comes from waste from the sugar industry. By 2023, the polyester should be 100 % made out of sugar waste.

As with Tierra, Fjällräven also uses recovered wool from Gotland for padding: the sustainable filling is made out of Swedish wool with biobased Polylactic Acid fibers (PLA). For more about the wool we use read Fjällräven's blog Foxtrail: <https://foxtrail.fjallraven.com/articles/allwool/>



ROYAL ROBBINS

Royal Robbins' Beyond The Map awareness campaign

In 2019, Royal Robbins launched a road trip across the USA called the #BeyondTheMap tour. Two brand ambassadors set out in a sprinter van for a 14-week trip through 10 states, covering 13 000 miles. Seeking adventure, new experiences and promoting the brand through mobile pop-up shops in key destinations, the goal of the project was to raise awareness and inspire travelers across the country for all kinds of travels in their closer or wider neighborhood. However, it was important to Royal Robbins that the environmental impact of this project was accounted for. From the very beginning, they planned to offset the carbon emissions of the road trip. The brand searched to find a trusted supplier of carbon offsetting and found a partner in Carbonfund.org. A for-

estry project was selected that uses the received donation through the road trip to plant trees which will sequester carbon and benefit the earth for many years. All emissions relating to the campaign were included, from the van to venues and everything in between. In total, 13,7 metric tons of CO₂ were offset. Where possible, the van used bio-based fuel. As biofuel is not available in all locations, the Royal Robbins van was equipped with a Mercedes bluetec engine, which allowed it to burn diesel cleaner and more efficiently. In the mobile pop-up tent all lighting and electronics were powered by a Goal Zero solar generator. The Beyond the Map tour is just one example of the way the team at Royal Robbins continuously seeks to balance brand initiatives and sustainability. ●

The Hanwag ATR sole



HANWAG

Walking on 10 % recycled rubber

Hanwag is now using the recycled ATR Sole for a better grip and less abrasion for a longer durability. It is produced in Spain.

The loden fabric from Hanwags' winter models consists of recycled wool from Central and Eastern Europe and is made of 70 % wool and 30 % polyamide.

Hanwag set the goal of phasing out PFC from the upper materials until 2023. The range of PFC free shoes in the TREK collection is continuing to increase. •



Primus new packaging

PRIMUS

Moving into a new sustainable era with innovative packaging

How do you sell products in an attractive and sustainable way? By designing suitable packaging. To do so, Primus turned to BillerudKorsnäs, a Swedish paper company which challenges conventional packaging methods by using more sustainable materials.

Primus' Essentials packaging is one example where BillerudKorsnäs helped develop a more sustainable and efficient packaging. The new packaging is made mainly out of E-flute corrugated cardboard with brown craft top and bottom liner, and 350g-400g craft paper, which is easier for recycling compared to other material. The packaging contains flood aqueous varnish, a water-based coating, which is more environmentally friendly than UV coatings. Due to the change of design, 30 % box-cube space was saved. In 2019, six products received a new more sustainable packaging design. For 2021, Primus plans to expand this to 12 more articles. •



Frilufts Awarua Shirt



Frilufts Sula 4 sleeping bag

FRILUFTS

Ecoya® Nylon helps to reduce the use of water, electricity and carbon dioxide emissions

The Awarua Shirt is made out of a highly functional, super lightweight fabric, which is called "Ecoya® Nylon". The Ecoya® nylon fibers have enhanced ecological properties. The production process consists of a sustainable dyeing method. The dyestuff is already introduced at the raw material stage (granules) without any additional water use. Compared to the conventional dyeing, Ecoya® saves water and electricity and reduces the emission of carbon dioxide. Another positive impact, which goes along with the dyeing process, is an improved color

fastness as the color in the Nylon granules cannot fade out.

Another highlight product in the sustainability range of FRILUFTS is the sleeping bag SULA 4. The shell and lining are made of recycled polyester and recycled nylon. The filling only consists of down feathers, which are certified with the Responsible Down Standard (RDS) held by Textile Exchange. Through the unique and "made-for-repair" design of the sleeping bags, the down feathers can be exchanged if needed even after years of use. •

BRUNTON

A manufacturing, corporate and facility focus

Brunton has enhanced its production facilities in Riverton, Wyoming, as well as numerous manufacturing processes. This has resulted in improved energy efficiency and waste scrap reduction, while also reducing our staff's exposure to hazardous materials and improving product quality.

- Elimination of hazardous materials: Brunton's professional geoscience transits have traditionally used a painted finish that required an acid bath preparation. In 2019, we discontinued all remaining Brunton products that required this process. All new models will be finished with a more durable process that does not require an acid bath.

- Reduction of material waste: The prior manufacturing process of transit bodies that required casting aluminum was updated to a computer numerical control milling technique of an alu-

minum billet that allows all excess and/or waste materials to be repurposed. This effectively reduces aluminum waste to zero, improving durability and quality control at the same time.

- Forest Stewardship Council (FSC)-certified packaging, collateral, and all paper products: Updated packaging was launched to replace all plastic blister packaging with 100 % paper-based, plastic-free packaging.

- Enhanced facilities: 1) We initiated the replacement of fixtures and fluorescent lighting by LED lights; 2) We implemented variable thermostat settings to maintain facility temperatures based on specific locations and timeframes, thus eliminating unnecessary energy consumption; 3) We updated the compressed air system that powers our production machines, eliminating leaks and optimizing efficiency. •

A GREENER CHOICE (AGC)

| Friluftts Retailer | Total Amount of products AGC evaluated (based on style) | Total Amount of products qualify as AGC (based on style) | 2019 | 2018 | 2019 | 2018 |
|--------------------|---|--|--|--|---------------------------------------|---------------------------------------|
| | | | Total Amount of AGC products sold (single product basis) | Total Amount of AGC products sold (single product basis) | AGC net sales vs total net sales in % | AGC net sales vs total net sales in % |
| Frilufttsland | 2 798 | 488 | 36 951 | 13 143 | 19 | 15 |
| Globetrotter | 3 767 | 1 038 | 303 766 | 72 980 | 10 | 4 |
| Naturkompaniet | 4 538 | 1 066 | 408 000 | 264 200 | 32 | 18 |
| Partioaitta | 2 210 | 598 | 156 020 | 62 376 | 20 | 10 |

In our own retail operations, we apply our own standard "A Greener Choice" to evaluate the sustainability performance of products. This allows our customers to quickly identify and to opt for the more sustainable alternative.



CONT. FROM
PAGE 17

our different waste streams and thus also our reclaimed and recycled packaging waste, as per legal requirement.

As stated in our 2018 CSR Report, waste at the various locations we are operating in is hard to measure as no unified system for waste management and assessment exist. While some locations handle waste based on weight, others do so by volume while smaller ones only pay a lump sum for the various bins or collectors they use. Therefore, overall datasets are not reliable.

Animal welfare

As in previous years, we strive to improve animal welfare in our down supply chain, wool chain and leather chain. In 2019, we updated our Down Promise Standard by integrating the latest development of the RDS 3.0 and we gave clearer guidance to the auditors and facilities in certain ambiguous areas. The latest version of the Down

Promise Standard is available online.

We intensified our efforts in wool sourcing in Sweden and in recycled wool, and continued our partnership in the leather supply chain in Germany and the Alps region. In part, we have to rely on our partners to join our quest. Our strict standards led to a very selective network of partners and to a trusting partnership.

Biodiversity

Through the Globetrotter Foundation we still support the protection efforts and the development of the Höltigbaum nature reserve, although our offices moved to another location. In addition, certain locations support biodiversity in urban areas, such as providing nesting sites for bats and using rented bee hives on roof gardens. In terms of the use of genetically modified organisms (GMOs), several Fenix Outdoor brands have committed to avoid them. However, in

our retail and brands the GMO-free cotton use ranges between 65 % to 100 %.

Conclusion






Over the past year, we have made some great progress in some areas but we also have to admit that we have not been able to achieve the set targets in others. New challenges arise as we expand our business. To achieve our targets for the upcoming five years as published in the new Fenix Way, we need to improve our data quality in specific areas (mainly water and waste) that will then allow us to report on them in full confidence. Since it is our intention to not leave a legacy or traces of irresponsibility behind and since we have set more challenging targets for the 2025 strategy, we have to move forward in a more considerate and conscious manner. We want to leave the basecamp in a better shape than the moment we first reached it. ●

FACTSHEET
ENVIRONMENT 2019





ENERGY CONSUMPTION

| INDICATOR | 2019 | CO ₂ e (t) | 2018 |
|------------------------|------------|-----------------------|------------|
| Primary Energy (kWh) | 5 654 898 | 1 289 | 3 472 518 |
| Primary Energy (MJ) | 20 357 632 | | 12 501 064 |
| Electricity (kWh) | 19 105 770 | 1 667 | 18 804 687 |
| Electricity (MJ) | 68 780 771 | | 67 696 872 |
| District Heating (kWh) | 2 381 869 | 240 | 2 094 697 |
| District Heating (MJ) | 8 574 729 | | 7 540 911 |

CO₂e FROM BUSINESS TRAVEL BY MODE OF TRANSPORT (t)

| MODE | 2019 | 2018 |
|---|-------|-------|
|  Car | 552 | 368 |
|  Bus | 1 | 0,04 |
|  Train | 0 | 35 |
|  Boat | 0 | 0,23 |
|  Air | 1 345 | 1 117 |

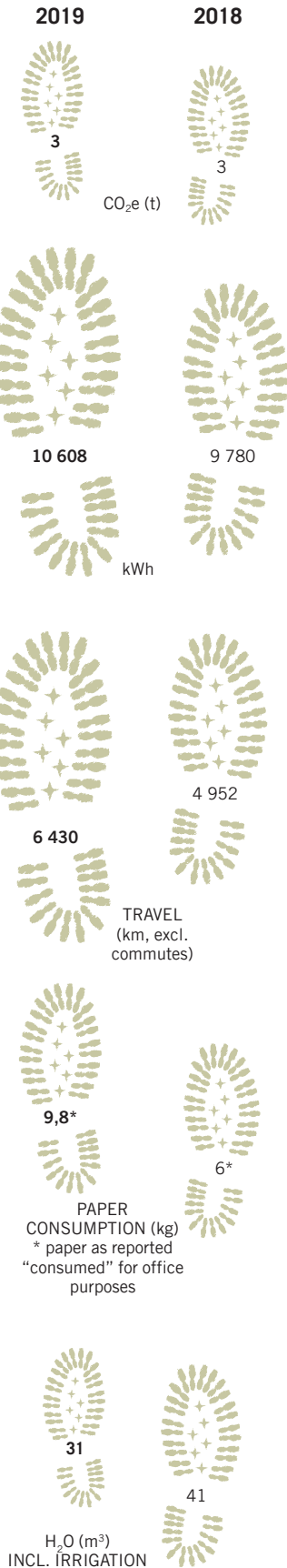
CO₂e FROM SHIPMENTS BY MODE OF TRANSPORT (t)

| MODE | 2019 | 2018 |
|---|-------|-------|
|  Trucks | 722 | 1 906 |
|  Sea | 308 | 241 |
|  Air | 2 234 | 914 |
|  Other (train) | 0,5 | 10 |

OTHER EMISSIONS (INCLUDED IN CO₂e CALCULATIONS) IN KG

| EMISSION | 2019 | 2018 |
|----------|--------|--------|
| NOx | 13 906 | 174180 |
| SOx | n/a | n/a |
| CO | 2 276 | 2285 |
| HC | n/a | 755 |
| PM | 218 | 198 |

OUR FOOTPRINTS PER CAPITA





3. ECONOMY – getting ready for the next stage

Our group consists of three segments: Brands, Retail (Friluft) and Global Sales. Fenix Outdoor's brand segment consists of six outdoor brands. The business concept of Fenix Outdoor is to develop and market high quality, lightweight outdoor products through a selected retail network with a high level of service and professionalism, to end-consumers with high expectations. The CEO and Executive Chairman is Martin Nordin, eldest son of the founder Åke Nordin. Our goal for the group is to achieve a minimum growth rate of 10 % 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. Fenix Outdoor International AG is based in Zug, Switzerland, with its major operations located in Sweden, Germany, the USA, Norway, Finland, Denmark, Austria, Switzerland, Unit-



BRUNTON
Brunton is a US brand known for innovations in compasses and portable power.



SINCE 1921
Hanwag is a traditional European brand for technically-advanced trekking, outdoor, and alpine shoes.



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



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

NATUR
KOMPANIE



PARTIOAITTA



GLOBETROTTER



FRILUFTSLAND

Frilufts

Our Frilufts Europe Retail AB segment consists of four retail chains: Naturkompaniet AB, which consists of 35 outdoor stores in attractive locations in Sweden; Partioaitta Oy, with 17 stores located in Finland; Globetrotter Ausrüstung GmbH in Germany with 16 high street stores and one outlet store; and Friluftsland in Denmark, with nine locations.



ROYAL ROBBINS

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



Tierra is known as a strong brand in hi-tech clothing for demanding outdoor activities.

NET SALES PER MAJOR MARKET (IN MEUR)

| NET SALES PER GEOGRAPHIC MARKET | Brands | | Frilufts | | Global sales | | Common | | Total % | |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | Jan-Dec 2019 | Jan-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2018 | Jan-Dec 2019 | Jan-Dec 2018 |
| Switzerland | | | | | 11,2 | 10,4 | | | 1,8% | 1,8% |
| Sweden | 11,9 | 13,6 | 60,1 | 56,4 | | | | | 11,9% | 12,2% |
| Other Nordic countries | 1,3 | 5,1 | 48,9 | 42,9 | 33,1 | 37,5 | | | 13,7% | 14,9% |
| Germany | 58,3 | 64,3 | 172,3 | 174,1 | | | 0,6 | 1,6 | 38,1% | 41,9% |
| Benelux | 14,9 | 14,5 | 0,2 | | 7,2 | 6,7 | | | 3,7% | 3,7% |
| Other Europe | 18,3 | 13,0 | 0,6 | | 40,6 | 38,0 | | | 9,8% | 8,9% |
| Americas | 57,4 | 43,0 | | | 43,1 | 31,3 | | | 16,6% | 13,0% |
| Other markets | 2,5 | 2,4 | | | 24,6 | 17,6 | | | 4,5% | 3,5% |
| Total | 164,6 | 155,9 | 282,1 | 273,4 | 159,8 | 141,5 | 0,6 | 1,6 | 100% | 100% |





ed Kingdom, the Netherlands and China. Our major markets correspond to the locations of the operations, showing the deep-rooted tradition of the brands and retailers. In 2019, 1 724 206 EUR in subsidies were received and we paid taxes in the amount of 21 514 259 EUR.

We had a challenging but successful year in 2019, building on our achievements of the previous years. The past year's highlights include our purchase of our Taiwanese distributor (now Fenix Outdoor Taiwan Ltd.) and the expansion of our logistics center in

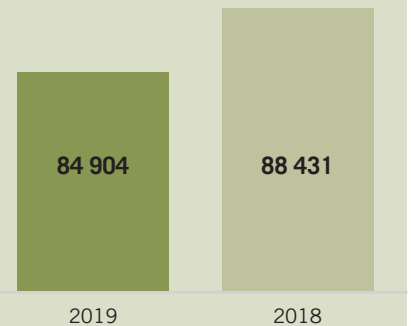
Ludwigslust, Germany. We continue to develop globally, and this has become evident in the types of challenges that we are facing. Counterfeits are an increasing threat to the health of customers as well as our business, and we are trying our best to persuade governments to take this issue more seriously and put it on the agenda of trade and international negotiations.

We have achieved good growth in our key markets of North America, Germany, China and the Nordic Region. However, we still have much to do to achieve our baseline operational targets. ●

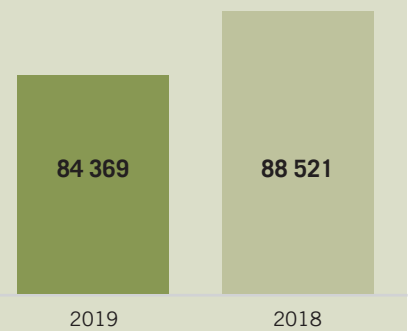
CONSOLIDATION (IN TEUR)

| Account | 2019 | 2018 |
|--------------------------------|---------|---------|
| Total Net sales | 607 138 | 572 408 |
| Total other operating income | 9 309 | 10 372 |
| Suppliers and Services | 373 523 | 374 004 |
| Result of associated companies | 1 434 | 2 141 |
| Interest income | 269 | 746 |
| Interest costs | -1 045 | -1 668 |
| Total tax | -23 055 | -21 093 |
| Net P&L for the year | 61 314 | 67 428 |
| Salaries | 89 854 | 84 886 |
| Pension plan | 3 994 | 3 950 |
| Other social costs | 16 913 | 15 392 |
| Donations | 777 | 367 |

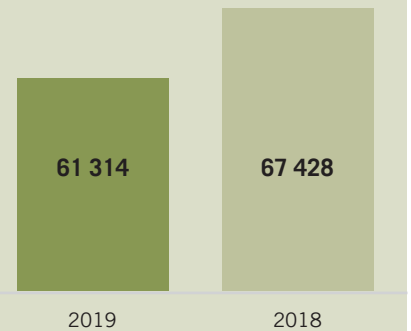
GROUP OPERATING PROFIT (TEUR)



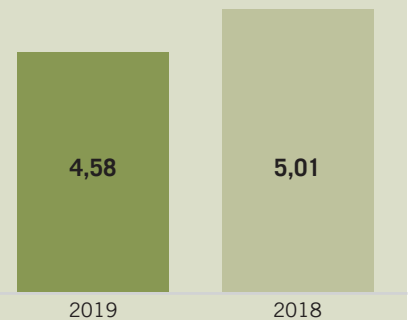
THE INCOME AFTER FINANCIAL ITEMS (TEUR)



GROUP NET PROFIT (TEUR)



EARNINGS PER SHARE (EUR)



FACT SHEET
ECONOMY 2019

| MEUR | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|--------------|
| INCOME STATEMENT | | | | | |
| Net sales | 607,1 | 572,4 | 539,9 | 486,2 | 451,0 |
| Depreciation/amortisation | -43,1 | -14,2 | -12,7 | -13,1 | -13,0 |
| EBITDA | 128,0 | 102,6 | 97,6 | 73,6 | 45,6 |
| Operating profit | 84,9 | 88,4 | 84,9 | 60,5 | 32,6 |
| Net financial income | -0,6 | 0,1 | -2,7 | -1,9 | -0,8 |
| Profit/loss after financial items | 84,4 | 88,5 | 82,2 | 58,6 | 31,8 |
| Tax | -23,1 | -21,1 | -21,5 | -10,4 | -10,0 |
| Net profit for the year | 61,3 | 67,4 | 60,7 | 48,2 | 21,8 |
| BALANCE SHEET | | | | | |
| Fixed assets | 250,4 *) | 119,2 | 100,6 | 79,4 | 74,2 |
| Inventories | 159,7 | 133,3 | 132,7 | 121,1 | 116,3 |
| Accounts receivable - trade | 45,1 | 42,9 | 39,8 | 39,9 | 23,4 |
| Other current assets | 10,3 | 5,4 | 4,9 | 4,8 | 15,4 |
| Cash and cash equivalents, current investments | 88,9 | 101,9 | 93,7 | 76,8 | 58,0 |
| Total assets | 554,4 | 402,7 | 371,7 | 322,0 | 287,3 |
| *) Fixed assets 2019 includes Right-of-use assets from adopting IFRS 16 | | | | | |
| Equity attributable to the Parent Company's shareholders | 319,1 | 285,6 | 230,8 | 186,7 | 147,8 |
| Minority shareholdings | 0,1 | 0,1 | 0,0 | 2,6 | 2,3 |
| Provisions etc | 15,9 | 13,0 | 13,8 | 9,5 | 5,2 |
| Non-current liabilities, interest-bearing | 100,4 *) | 12,0 | 1,9 | 0,0 | 0,0 |
| Other non-current liabilities | 1,4 | 1,0 | 1,0 | | |
| Current liabilities | | | | | |
| Interest-bearing | 47,8 *) | 12,9 | 50,7 | 52,2 | 64,8 |
| Non-interest-bearing | 69,7 | 78,1 | 73,5 | 71,0 | 67,3 |
| Total equity and liabilities | 554,4 | 402,7 | 371,7 | 322,0 | 287,3 |
| *) Interest-bearing 2019 includes Lease liabilities from adopting IFRS 16 | | | | | |
| CASH FLOW | | | | | |
| Cash flow from operating activities | 61,4 | 79,1 | 68,6 | 51,6 | 21,1 |
| Cash flow from Investment activities | -23,1 | -31,6 | -36,6 | -11,8 | -4,3 |
| Cash flow after investment | 38,3 | 47,5 | 32,0 | 39,8 | 16,8 |
| KEY RATIOS | | | | | |
| Growth in sales, % | 6,1 | 6,0 | 11,0 | 7,8 | 90,0 |
| Profit margin, % | 13,9 | 15,5 | 15,2 | 12,0 | 7,1 |
| Return on total assets, % | 18,3 | 23,3 | 24,6 | 19,9 | 11,9 |
| Return on equity, % | 20,3 | 26,1 | 29,1 | 28,8 | 16,6 |
| Equity/assets ratio, % | 57,6 | 70,9 | 62,1 | 58,0 | 51,4 |
| AVERAGE NUMBER OF FTE EMPLOYEES | 2 476 | 2 492 | 2 270 | 2 128 | 2 008 |
| DATA PER SHARE | | | | | |
| Number of shares, thousands per 31/12 | 35 060 | 35 060 | 35 060 | 35 060 | 35 060 |
| Gross cash flow per B-share, EUR | 7,76 | 6,06 | 5,45 | 4,55 | 2,60 |
| Earnings per B-share, EUR | 4,55 | 5,01 | 4,51 | 3,58 | 1,63 |
| Equity per B-share, EUR | 23,71 | 21,43 | 17,15 | 13,87 | 10,98 |
| Market value 31/12, EUR | 112 | 84 | 99 | 71 | 44 |
| P/E ratio | 25 | 17 | 22 | 20 | 27 |
| Dividend per B-share | - | 1,17 | 1,02 | 0,84 | 0,54 |

DEFINITIONS: 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 equity. RETURN ON EQUITY: Net income as a per cent of average equity. EQUITY/ASSETS RATIO: Equity as a per cent 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.





4. SOCIETY – Enabling people to do better

Focus on strengthening human rights and working on environment issues

As a journey is only brought to life by the people participating, we strive to manage our societal impacts in a holistic manner. The Fenix Way Management Compass®, which was updated with new goals and trained internally in 2019, is the appropriate tool for us to address things which tend to fall behind when economic challenges arise. We are building and developing strong relationships with our business partners: suppliers, retailers and service providers alike. However, we are also engaging with our customers and civil society groups. Our Supplier Code of Conduct has been developed in line with the FLA Workplace Code and we regularly review it. Out of 179 registered active Tier 1 suppliers in our database, we have re-audited or newly audited 71 for environmental and social aspects in the previous year. The screening also comprises health and safety and human rights aspects. We expect our suppliers to achieve a certain level in our methodology and we help them to reach this level. If we have to face any violations, we will not stop to find acceptable solutions with our supplier or, if necessary, we will have to end our relationship.

As in previous years, we audited our

supply chain partners according to the Fenix Outdoor/FLA standards. Universities, non-governmental organizations and companies formed the FLA in 1999 as a multi-stakeholder organization under the auspices of the U.S. Government. The FLA monitors its members' social compliance actions on a yearly basis and offers training, such as in responsible recruitment. Since we achieved a high level of systematic social compliance management over the years, the FLA only conducts one surveillance audit on a randomly selected factory. The result of all audits have been or will be published on the FLA website. An overview of its findings is given on the fact sheet. Our internal auditor team is constantly in touch with audited suppliers to be on track with the improvement plans. The FLA monitors compliance of all Tier 1 suppliers through the Fair Factory Clearinghouse system and asks all members to update their list every year.

In 2019, we continued to engage all our brands with our social compliance procedures. Our newest brand Royal Robbins screened 70 % of its Tier 1 suppliers. Our own auditing team, Leadertek, performs audits in China

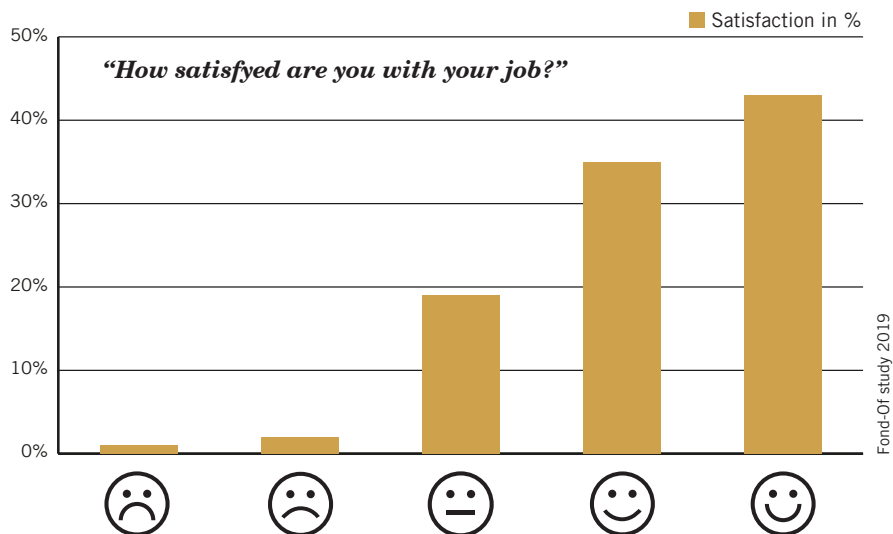
and Vietnam on a regular basis and is complemented by a third party – the ELEVATE – in conducting audits outside Asia. We continuously train our social compliance auditors on new upcoming trends, new requirements from the FLA and the most important legal changes.

Besides our audit approach, we aim to understand the needs of our suppliers, and have engaged in additional programs:

a.) Together with three other brands, we participated in a pilot project in a university study, co-funded by the German government, to gain knowledge and insights about employee satisfaction levels in Vietnam. The findings from eight factories producing for Fenix Outdoor showed us that our own business partners take good care of their employees, because their satisfaction levels were above the average and better than the other participating brands. We used this opportunity to discuss the results in detail with our partners more closely to find out if there are ways that we can support them in improving. The results from the study are shown below.

b.) With one strategic supplier in

OVERVIEW OF THE RESULTS OF THE EMPLOYEE SATISFACTION STUDY



China, we have tested the EMPact Social and Environment training approach of the Otto Group and Systain Consulting. This is a peer group-based training scheme for the sustainable development (working conditions, ecological impacts, and creating sustainable solutions) of factories. Overall, the feedback from our supplier was positive.

- c.) Due to the climate emergency, there is an urgent need to make changes in the supply chain to a) gain transparency; b) measure the impact; c) take action! Regarding a.) and b.), we are deepening our involvement in the SAC, especially in promoting their Higg Facility Environmental Module (FEM) and setting up preparation training with other SAC members in Asia. In order to take action (c.), we have joined a climate action project with one of our supplier on GHG emission accounting with the German Partnership for Sustainable Textiles.

In 2019, we reached 10 % of our Tier 1 suppliers in three countries with different training approaches and topics. We will continue this journey in 2020.

We have also reached out to different Civil Society or Non-governmental organizations (NGOs) to build stronger relationships in our most impactful production countries, such as Vietnam. We plan to start a project in 2020 with one NGO to address country-specific challenges that our factories are facing.

The 2019 subscription rate to our code remained at a similar level on comparable terms.

As said before, being an active participant in the UN Global Compact we follow closely developments in human rights activities. Most countries have developed national human rights action plans, asking companies to apply the Ruggie Principles and the OECD Guidelines. The main focus for certain governments is to achieve more transparency and responsibility throughout the supply chain; European countries are particularly active here. A list of new laws on National Action Plans on Business and Human Rights can be found at <https://globalnaps.org/>. To strengthen the knowledge within our company of Human Rights, our second Fenix Outdoor Sustainability Newsletter on December 10 focused on the United Nations' World Human Rights Day. We provided background information to all our employees about why we are working continuously on our social compliance system.

Apart from audits, another safeguarding and positive impact measure is our strict and rigid country risk evaluation procedure. The CEO, the President and the CSO of the group make a formal evaluation of all countries that we want to do business with, approving or denying requests as appropriate. Several risk countries were not approved, neither for sales nor production. To underline these decisions we include analysis from ELEVATE, using data from all conducted social compliance audits and published data on country risks.

As initially planned, we have been

working on traceability and becoming more transparent in our complex supply chains: knowing and sharing our Tier 1 supplier list on our website, we are digging deeper and work on knowledge of our Tier 2 level and beyond. As mentioned earlier Fenix Outdoor is exploring the possibility of working with block chain technology to trace the products along the supply chain: from production down to raw material sourcing. Within the system, we are working on connecting all the dots: building a supply chain tree, implementing an overall Fenix Outdoor supplier scorecard, viewing transaction documents and being able to see audit results. This system will also contain risk marks, for example if the supplier is producing in a country which we have not confirmed or if the audit result shows critical findings, so that our brands have to act immediately.

In order to be successful in rolling out transparency, we need to communicate with our partners. In light of this, we have been setting up in-person training to share our journey.



One of our two workshops in Taiwan and South Korea met with a Tier 2 supplier to Fjällräven to discuss the need for more non-financial information in our supply chain

Because we are constantly trying to find better ways for prevention, we will work on our due diligence processes within procurement and production by setting up internal training, increasing our training of suppliers and engaging with NGOs to find solutions for country-specific challenges.

Supply chain characteristics (brand segments only)

The supply chain of the different Fenix Outdoor entities reflects the independence and decentralized structure of our business. In general, all of our entities work directly with their suppliers; however, for historical reasons and because some entities are small, agents and intermediaries are also used. Some of our business lines are currently being streamlined, as we are

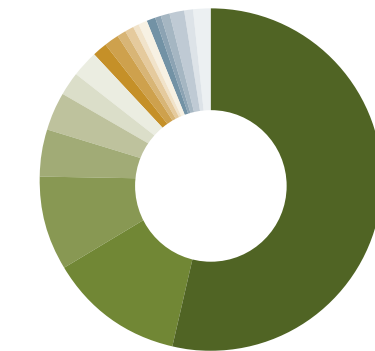
working with new suppliers and discontinuing our relationships with others. In the apparel business we do have a global supply chain (mainly in Europe and Asia), we produce shoes, compasses and stoves in our own factories, and we source raw materials in the USA, Europe and Asia. In most cases we have direct, long-term relationships with all of our partners in the supply chain – from yarn producers via weavers and dye houses to manufacturers. As Fenix Outdoor grows, we try to synergize certain needs.

In 2019, we started to set up production team meetings among all brands to accomplish these synergies within the supply chain work and to exchange experiences. We have also developed a Fenix Outdoor supplier scorecard, which will be released in 2020 inside the block chain technology.

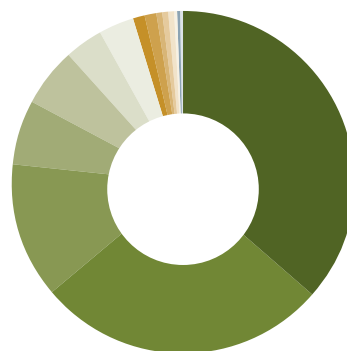
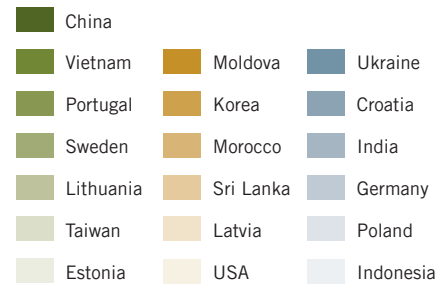
We build our business relationships on trust and cooperation and we feel that our partners are increasingly sharing our values. When suppliers are being audited by our Leadertek Team, most of them ensure they share their improvement plans even before the deadline of four weeks has been reached. This makes us confident that we all are working towards the same goal: to ensure that no major compliance issues arise. The retail business is very different, as it works with independent brands, so this is not reflected in this chapter.

Modern human resource management for social responsibility standards

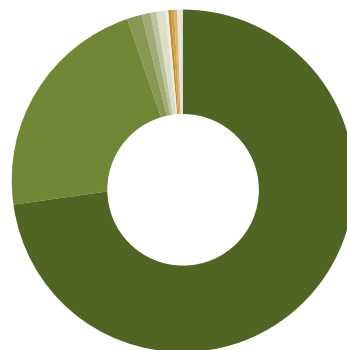
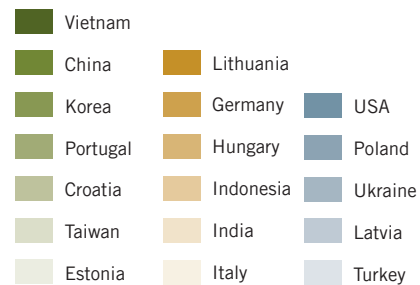
Even if the textile industry requires physically demanding work, long hours and entails a range of health and security risks, the industry seldom pays adequate wages. Some customer groups are chasing cheap garments or only wear them once or twice, in contrast with the hard work that went into it. The textile business has often been the entry door to development. But once a society becomes more wealthy and aware, employees prefer working in the service sector of other industries and that often goes hand-in-hand with better pay and less strenuous physical work. Consequently, factories increasingly have to deal with their workers looking for jobs away from textile production, so they need to respond. The response comes in many ways – not always putting the health and well-being of the



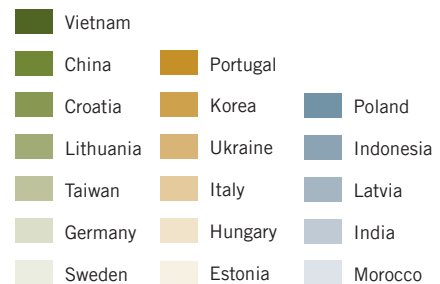
OVERVIEW OF SUPPLIERS BY SOURCING COUNTRY



VOLUME OF PRODUCTS BY SOURCING COUNTRY



VALUE OF PRODUCTS BY SOURCING COUNTRY



worker at the core. However, the outdoor industry, due to its 'slow-fashion' nature, is in a better position to truly partner with factories and suppliers to and support them when they are facing challenges.

Fenix Outdoor Group consists of a variety of members with different cultural root and approaches. It is essential for us to gain insights into our partners' engagement in sustainability actions. In 2019, our business partners responded to our GRI questionnaire and showed us how they are contributing to tackling global challenges. The requested inputs came from service providers (e.g. office sup-

ply or cleaning services, shipping companies and travel agents), traditional suppliers (from raw material providers, chemical companies to manufacturers and finishers) and partnering organizations (e.g. retailers). An increasing number of business partners are joining our efforts to apply the Higg FEM of the SAC. Since our share in suppliers' capacities constantly changes, we are still not in a position to give complete information about environmental or social footprints at this stage. However, we are very happy to see that our partners are already following the same direction as we do. Equipped with the

Hemp Fortex: combining luxury with sustainability

Introducing our supplier Hemp Fortex – producing for Tierra, Friluftst and Royal Robbins (Interview with Leon Xu, Marketing Executive from Hemp Fortex Industries Ltd)

When did you start your business?

“Hemp Fortex was founded in 1999 with the idea that textiles can be luxurious and high quality while also being sustainable. Our products are created with the promise of innovation, performance, quality, and delivery. We call it conscience without compromise.”

Why did you decide to grow your own hemp?

“It is the best way to control raw material quality. Without our involvement, local hemp farmers are unwilling to try growing organic hemp.”

What is the global demand for hemp?

“It's increasing every year. We're the leading hemp company and use almost 30 to 40 % textile hemp in China. One of the big users is the Chinese military.”

Who are your customers?

“Our main customers are Patagonia, PrAna, Columbia, Outerknown, Eileen Fisher, REI, Royal Robbins in the US, and Oska, Maloja, Hessnatur, Vaude, among others, in Europe. More and more of the bigger brands are starting to look at hemp for their clothes.”

What makes hemp so sustainable?

“Hemp cultivation doesn't need pesticides because the fiber is from the inner stalk, a part of the plant which is not vulnerable to pests. It also does not need or use:

- Herbicides, because it grows too densely and too tall to allow weed growth
- Fertilizer, because it is a very hardy weed

Hemp is not irrigated, though the yield does vary with rain. The leaves and outer stalk are left in the field, enabling farmers to grow food crops immediately afterwards.”

Why is it so difficult to certify hemp as organic hemp?

“The cost of doing so would be 40 to 80 % higher than it is for non-organic hemp; currently most brand cannot even afford conventional hemp.”



Example Tierra product - Kaiparo Hemp Pants W: Made out of durable hemp and mixed with organic cotton.

same understanding of responsibility and sustainability, we jointly hike the Fenix Way.

In order to gather all data through the same tool, we have invited our active suppliers to our current CSR Reporting system and have set up a training to explain the tool. We have also added two more questions to the survey, asking about Higg Index Facility participation and the employees and workers who have conducted or underwent training.

A total of 57 suppliers participated in the sustainability survey in 2019 (75 in 2018). We believe the causes of the lower number lay in the outbreak of the Corona virus in the beginning of 2020 and the change to a new reporting system rather than filling out an excel sheet.

The most reliable data were given for electricity, water usage and water withdrawal and employee health. The new questions about training attendance provided us with valuable answers.

Most answers to our questionnaire were very detailed and showed a high level of commitment and engagement of the respective suppliers. However, the sheer number does not allow us to reflect the breadth and depth of those answers in this report. More and more factories now have health and safety programs, staff benefits or social security plans in place or on their way. 39 % of the participating suppliers have collective bargaining agreements¹. Taking care of

¹ In Vietnam and Sweden, subscriptions to Collective Bargaining Agreements are mandatory (=100 %).

the workers' health is an increasingly prominent subject: 100 % of our requested suppliers offer their workers activities such as yearly general health check-ups by authorized hospitals, factory nurse treatments, training in chemical safety and physical exercise equipment for breaks. 23 % of the attendees have set up internal grievance mechanism training for their staff which is an important part within our FLA affiliation. 15 suppliers have set up human right trainings for their security staff and 10 suppliers told us that they have attended a capacity trainings, which gives us the possibility of discussing training with those who have not received a training so far. In addition, some suppliers provide their workers with other bonuses such as free work uniforms, free petrol and free changes of oil for employee's motorbikes, free lunches, additional salary benefits, health and work accident insurance, gym cards and financial support for family affairs. As in 2018, quantifications and weighing were not possible. We believe that these overall positive developments are partly the result of our FLA and our SAC membership and the way that we and other brands encourage suppliers to address environmental and social matters. Some companies stated that they are going beyond compliance for staff retention reasons.

In conclusion, we can confirm that Fenix Outdoor has chosen the right partners for the journey that lies ahead of us. Every single member is contributing to making things better.

New materials and responsible business partners

Tierra and Royal Robbins have begun using hemp. As a natural fiber, hemp grows quickly, up to four meters in just three months. The crops are grown in rotation with winter wheat. The extensive root system reduces soil loss and erosion. The maintenance of the crop is quite easy and it requires few chemical inputs during the growth period. Hemp does not need artificial irrigation to grow. Most of the hemp production comes from China.

As a fabric, hemp textiles are strong, robust, versatile and durable. The fabric is breathable in warm summers but it can also offer thermal protection for cold winter.

Monitoring and findings

In order to improve the situation for all our business partners, including workers and their families, we monitor changes and developments directly and then discuss the findings. We trust our partners, but we focus on covering any potential risks. We regularly check the adherence to our code of conduct – which builds on the FLA Code of the Workplace. Production plants are frequently visited by: (a) head of production, (b) product managers, (c) various CSR managers, (d) head of purchasing, (e) QM Auditing Team members, and, (f) social and (g) external auditors. The audits take place before, during and after production and always when we start working with a new supplier. The external assessments are conducted independently by ELEVATE. In summary, the audits conducted in 2019 have shown that there is a constant number of violations in the health and safety area, concerning labor standards. Those violations are constantly addressed and the root causes are analyzed. However, we have to pay more attention to the gap between the minimum and living wage. Although most of our products require skilled workers, which means minimum wages are met and exceeded, in some countries the gap to a living wage remains significant. Additionally, we need to make sure that the workers know how they can share their grievances with either Fenix Outdoor or the FLA. We will do so by trainings and by monitoring the working hours in their specific area. Together with our suppliers we will try to explore different ways to address the root causes and find suitable development approaches.

Product responsibility

Fenix Outdoor stands for functional, safe and long-lasting outdoor equipment. There are over 2 000 different products from our own brands and more than 30 000 from other brands, which are sold through our Friluftss retail chain. We take full responsibility for our own products and continuously improve their functionality and their health and safety profiles. Products that do not comply with national laws – regardless of the country – are withdrawn from our respective shops. We have clearly and regularly communicated routines for registering complaints about the quality and function

of our products and 2019 was a year with no major complaints (see also the compliance report in Chapter 1).

We believe that partnerships for sustainable development are essential to make a difference. That is why we are exploring innovative ways to create our products.

In Sweden and Germany, Naturkompaniet and Globetrotter are working to raise awareness of repairing outdoor gear. Both companies promoted this service during the Black Friday sales week in 2019. Instead of encouraging people to buy new equipment, they promoted repairing people's existing equipment. The campaign was a great success and many customers came with broken equipment and gear to get it fixed. The aim is clear: a product that gets a second chance – be it through repair or a second-hand offering – remains used and by that takes away the need for making a new product. This is part of a resource-conscious program that many outdoor companies are increasingly engaging in.

Giving back to society

Giving back to society is an essential part of good corporate citizenship and forms part of the philanthropic side of CSR. Every year Naturkompaniet's and Partioaitta's loyalty club members donate 1 % of their members' bonuses to an outdoor or nature project. The members vote for the projects at the end of each year. In 2019, more than 322 000 Euros were distributed among several projects (2018: 300 000). This will continue in 2020. Some brands donate a specific sum per sold item to a cause. The projects are nature conservation or support for children in need.

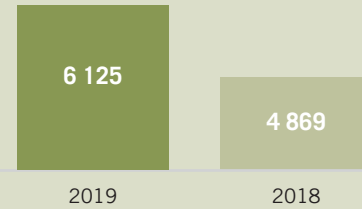


Fjällräven's Arctic Fox Initiative

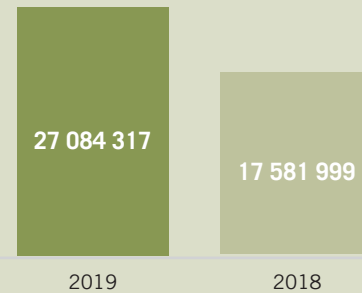
Fjällräven has launched The Arctic Fox Initiative in 2019. Besides protecting the endangered Arctic Fox, Fjällräven's eponym, the brand is lifting its support on an international level and

SUPPLIER DATA

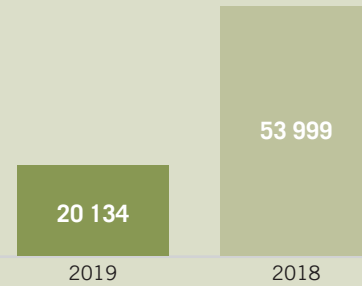
t CO₂e from Primary Energy



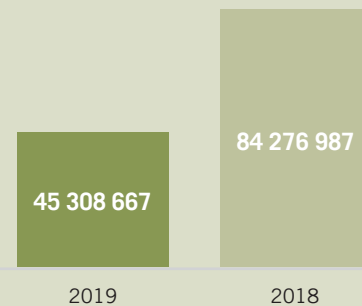
Primary Energy Use in kWh



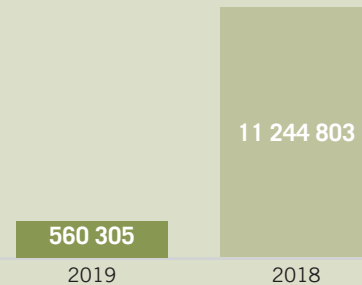
t CO₂e from Electricity Use



Electricity Use in kWh



Water Consumption in m³



expanding the scope. The global initiative is supported by the sale of certain products, like the special ART edition of Kånken backpacks.

Any not-for-profit organization can apply for funding, and each year a jury will select a number of those projects that fulfill the initiative's criteria. In 2019, the Fjällräven Followers on social media were able to vote on which project should receive the most funding. It's a way to engage more people and shed some light on all the great initiatives out there.

The three winning participants in 2019 were the UK-based The Beach Clean Network Limited (set up to encourage beach cleaning), Leave No Trace from the US (dedicated to protecting the outdoors by teaching people to enjoy it responsibly) and Hej Främling!, Sweden (welcoming and integrating of migrants by offering healthy activities with local citizens). All three are incredible non-profit organizations with the goal of protecting and educating people about nature and inspiring them to spend more time outdoors.

Primus and Pippi Longstocking come together

Astrid Lindgren created Pippi Longstocking at the end of the Second World War. In 2020 her adventures celebrate their 75th anniversary!

When many children were without their family in foreign countries, Pippi was the role model of a strong and kind girl living in another country with different ideas from everybody else. Now, 75 years later, there are even more refugee children. They are girls and boys who, just like Pippi, carry a heavy baggage full of courage, experience and strength.

With the 75-year anniversary campaign, Astrid Lindgren AB established a cooperation with Save the Children Sweden to support refugee girls. Primus supports the campaign, and wants to celebrate this super-strong, independent girl!

Together with the Astrid Lindgren Company, Primus launched a series of Pippi-inspired products – perfect accessories for small hikers. And a portion of the proceeds will benefit Save the Children and support the children who are most in need.



Primus TRAILBREAK LUNCH JUG 400 PIPPI RED CAMPAIGN

Brunton supports various organizations that protect our natural resources and empower underprivileged access to the outdoors, including Leave No Trace, Big City Mountaineers, SheJumps, Rocky Mountain Conservancy, and the Plastic Impact Alliance.

The Globetrotter Foundation also continued to support local initiatives in Hamburg in 2019, such as the Hamburg Environmental Award Scheme, in collaboration with Germany's largest environmental protection association, the 'Naturschutzbund Deutschland'. Each year, our Friluts Retail entities call for the donation of sleeping bags for homeless people. In Germany alone, about 2 850 sleeping bags were collected and given to charity. ●

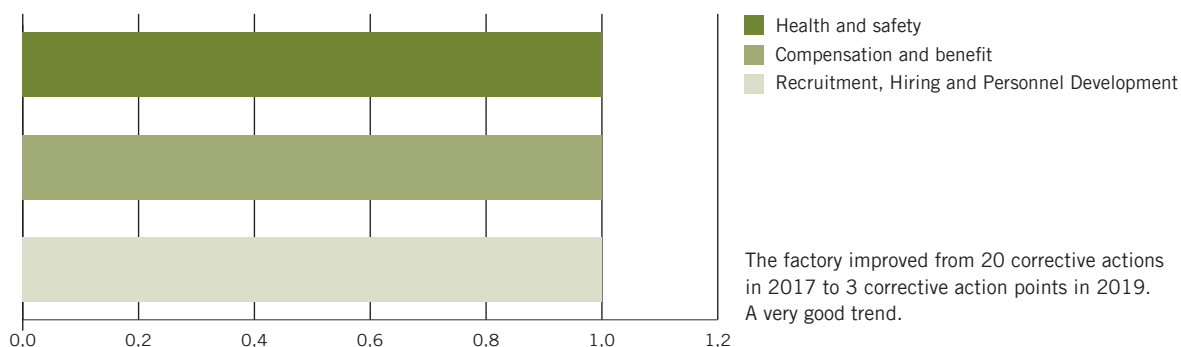


FACT SHEET SOCIETY 2019

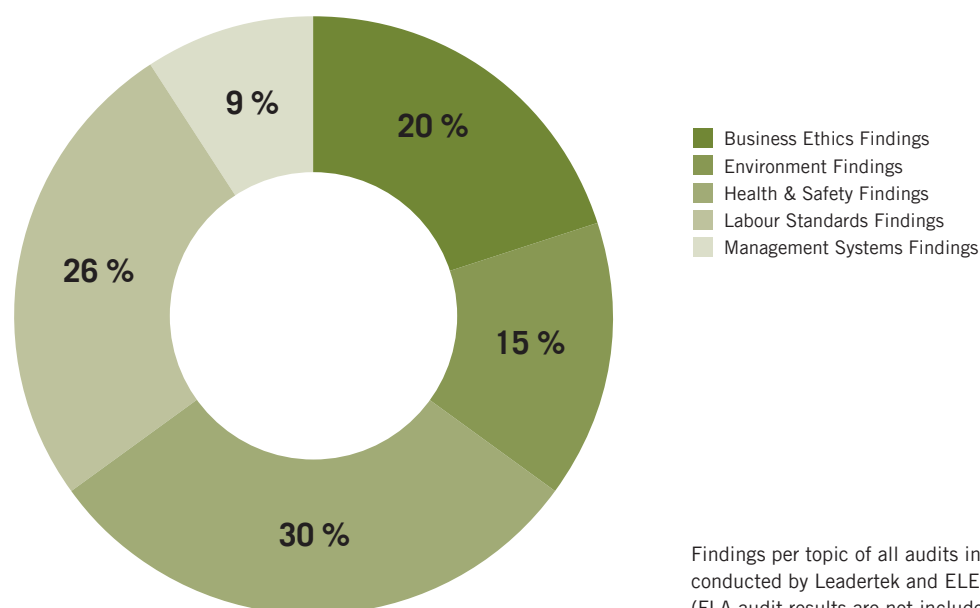
| Indicator | 2019 | 2018 | 2020 Goal |
|---|-------------------------------------|-------------------------------------|---|
| Stakeholder Engagement | Individual interaction, issue based | Individual interaction, issue based | Regular engagement and dialogue with stakeholders |
| Human Rights (HR) assessments | 94 % | 94 % | In % of suppliers (100 %) |
| Product Labels/ Violation of Safety Regulations | 0 | 1 | Reduced number of cases |
| Training re: Cases of Corruption | Not specified in 2019 | 75 % | 100 % employees |
| Cases of Corruption | 0 | 0 | Reported cases p.a. shall be "0" |

| Society Contribution | 2019 (€ or hours) | 2018 (€ or hours) |
|---|------------------------------------|------------------------------------|
| Charity and Community (incl. Foundations) | 777 888 € | 633 400 € |
| In-kind Contributions (gifts etc.) | 24 000 € | 5 000 € |
| Training for Suppliers | 36 hrs | 0 |
| CSR investment | 991 243 € | 540 411 € |
| Other | > 3 000 people brought into nature | > 3 000 people brought into nature |

FLA FINDINGS 2019



OWN AND EXTERNAL FINDINGS 2019



Findings per topic of all audits in 2019 conducted by Leadertek and ELEVATE (FLA audit results are not included)



5. WELL-BEING – Together we go further

As a team, we go to the next stage.

In 2019, Fenix Outdoor employed 2 476 FTEs in our various entities. This is a decrease of about 1 % from 2017 (2 492 FTEs rep). Most of our staff are permanently employed, though we employ seasonal workers in retail and warehouse operations during peak seasons and in our manufacturing operation in the USA during student holidays. 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. In Sweden, Norway, Austria and Finland, we are following a scheme that is built on na-

tional agreements; in Germany, most staff are represented by workers' councils; in other locations local and national schemes exist, which in parallel follow the respective trade union-negotiated agreements for the industry.

In our German operation, the percentage of our staff with disabilities from sheltered workshops decreased, but we still used some services. Fenix Outdoor had about 56 apprentices and trainees (37 in 2018) and several interns last year. 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 39,5 % (2018: 34 %), while the proportion of women in top-management positions is 20 % (2018: 20 %). Our board is 17 % female (all data include the newly acquired entities and our China operations).

The staff turnover rate in 2019 over all operations including the retail business was 31 % (2018: 35 %). The ratio between males and females leaving Fenix Outdoor was nearly equal (ratio M/F 1,1:1), meaning that roughly 52 % of staff members leaving were men (the corresponding figure in 2018 was 51,9 %). All eligible staff members are entitled to parental leave (i.e. parents with children under a certain age level;



the definition differs from country to country, so an overall percentage value cannot be established). For our biggest operations we have established that out of 93 eligible staff members (2018: 164), 46 returned after 12 months (2018: 56); 30 remained on parental leave beyond a 12-month period but this data is unreliable as there were parents who became parents again, so they either went on leave again or remained on leave for longer than 12 months. Therefore, we are unable to assess how many of those who did not return after 12 months prolonged their leave (e.g. to have a second child).

At Fenix Outdoor, it is important for us that staff not only keep abreast with the latest developments and knowledge but that they also have an opportunity to develop themselves. Fenix provided each employee with an average of 30 hours in personal and technical training, including training on corporate social responsibility and compli-

ance (n= 2 423). This training enables us to remain flexible, well educated and skilled. We also want the training to inspire people and build up their qualifications for their current or new assignments. Fenix Outdoor continued its Trainee Program for young professionals but paused new recruitment in 2019 due to a reorganization in the HR unit. We expect to recruit again in late 2020. The original program started in 2011 with three management trainees. Apart from this, we support our employees who want to develop their education, such as achieving MBAs.

Working hours and wages

We do not exceed locally agreed limits on working hours. Fenix does not require employees to exceed the legal limits on working hours, and we think that at a minimum we should adhere to the International Labor Organization conventions regarding rights at work, and apply them to both internal and external service providers. Our wage levels are competitive and we offer several benefits to our staff. These differ from entity to entity and depend on legal or negotiated frameworks. The figures given on the accompanying factsheet need to be interpreted with some caution. Firstly, wage entry levels vary around the globe. In a country like Switzerland, the minimum wage level equals the entry level. However, this cannot be compared to the wage levels in Asia, where in general we pay approximately twice the minimum wage as an entry-level wage. Therefore, it requires a thorough analysis to properly compare the data, which we will start doing in 2020 by using FLA's fair compensation tool.

A good work-life balance is important to Fenix, and – on a case-by-case basis – we allow our staff to participate in outdoor activities. In most locations (business operations permitting), we offer flexible working hours and in special cases we let people work from home or from a remote location. 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. We hire local managers for our operations.

Health and safety in the workplace

Our employees' safety is paramount for Fenix. We do not tolerate hazard-

ous equipment, unbearable surroundings or unsafe premises. Most of our staff members operate under German, Swedish, Dutch, US and Finnish laws and the companies in our group comply with national laws. The workplace should be safe and hygienic, and we take effective steps to prevent potential accidents and to minimize health risks as much as possible, particularly in our factories and logistical operations. Safety awareness is always a priority for us, and safe working procedures should be understood and implemented daily by everyone working in the factory. We ensure there are safety and handling instructions for operational equipment. Based on the reports received (retail and production) a total of 19 days (compared with 24 days in 2018) were lost due to absenteeism. There were 58 work-related injuries recorded (2018: 47). No fatalities or work-related diseases were reported.

Workplace, work-life balance and employee support

Every year, Fenix offers its employees the chance to experience the outdoors and learn something about nature survival skills and the handling and functioning of our equipment, by giving our staff the chance to experience the outdoors together. In some instances, participation in these events is part of the development curriculum or even mandatory. In any case, most of our staff members are active outdoor enthusiasts. In order to allow them to participate in outdoor activities and achieve a good work-life balance, individual arrangements are made between supervisors and their staff members. The *Fjällräven Classic* (offered in Sweden, the USA, Denmark, Germany and Hong Kong), *Fjällräven Polar* and *Hanwag Alpine Experience* are the events that our staff, customers and business partners most commonly participate in. There are also several locally organized outdoor events, such as joint hiking, camping, bush crafting or scouting activities, that take place in our retail segments to encourage employees to live a more active, outdoor life. At our location in China, we have a dormitory, although the building is shared with other operations on the same compound and own use for staff members is limited. ●

Summary from the Group Compensation Report

The Compensation Report of the Annual Report 2019 contains details of the total compensation paid to members of the Board of Directors and the Senior Executives. In accordance with the Ordinance against Excessive Compensation in Stock Exchange Listed Companies, which came into force on January 1, 2014, the Annual General Meeting of Shareholders votes to approve the compensation of the members of the Board of Directors and the Senior Executives. The following is an excerpt from the Annual Report 2019.

Principles

The Board of Directors of Fenix Outdoor International AG determines the guidelines for remuneration to senior executives at market terms, enabling the company to recruit, develop and retain senior executives. The remuneration consists of a fixed salary, pension and other benefits. Total remuneration is to be at the market rate and reflects

the areas of responsibility of the Senior Executive and the complexity of their role. In addition to the fixed salary component, Senior Executives are also eligible to receive variable compensation, which is related to the achievement of sales and profitability targets. For Senior Executives, variable remuneration is a maximum of 50 % of their basic annual salary. Compensation is not to be paid in the form of stock options or other share-related incentive programs. The details of the report can be found in the Annual Report's Audit Report.

Compensation

At the AGM held in May 2018, the AGM approved a maximum total fixed compensation for 2019 to the Board of Directors of TEUR 900. The compensation paid in 2019 was totally TEUR 802, last year TEUR 729. There is no variable compensation paid to the Board of Directors, except bonus given to Martin Nordin in his role as Executive Chairman. Two direc-

tors of the board, Rolf Schmid and Ulf Gustafsson, Mr. Gustafsson through a company controlled by himself, Consilio AB, received consultant fees for support given to Fenix Outdoor Group.

At the AGM held in May 2018, the AGM approved a maximum total fixed compensation for 2019 to the Senior Executives of TEUR 3,200. A total of TEUR 1,257 was paid out in fixed compensation in 2019. In 2019 a total variable compensation to the Senior Executives of TEUR 343 was given. A retroactive approval from the AGM to be held in May 2020 is suggested. In the reporting year, no collateral or guarantees were granted to Senior Executives or the Directors of the Board. Variable compensation (including prior year) has been determined based on the accrual principle. The highest individual compensation is given to Martin Nordin. •

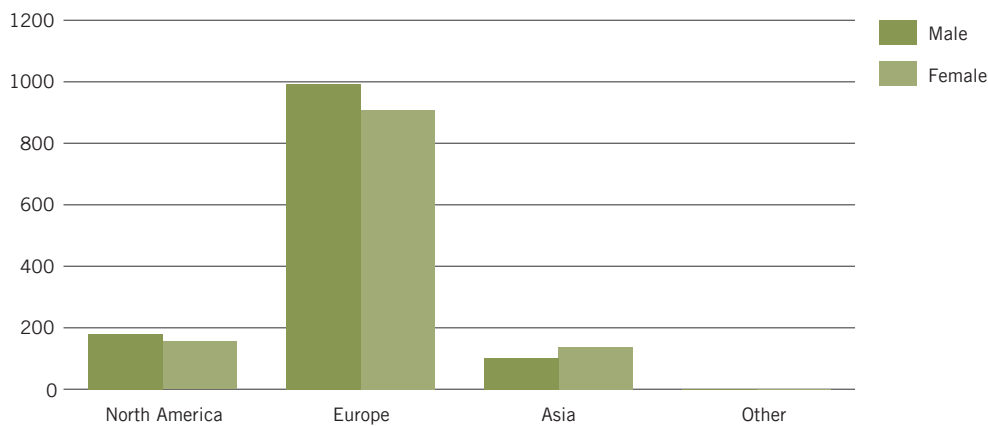
EXCERPT FROM THE COMPENSATION REPORT 2019

| 2019 TEUR | Salary | Granted fair value from stock option program | Benefits and other remuneration | Consultant fee | Pension contributions | Social costs | Variable compensation related to 2018 | Total |
|-------------------------|--------|--|---------------------------------|----------------|-----------------------|--------------|---------------------------------------|-------|
| Executive Chairman | 450 | - | 27 | | - | 61 | 225 | 763 |
| Other Senior executives | 162 | - | 81 | 96 | - | 21 | - | 360 |
| Total | 612 | - | 108 | 96 | - | 82 | 225 | 1 123 |

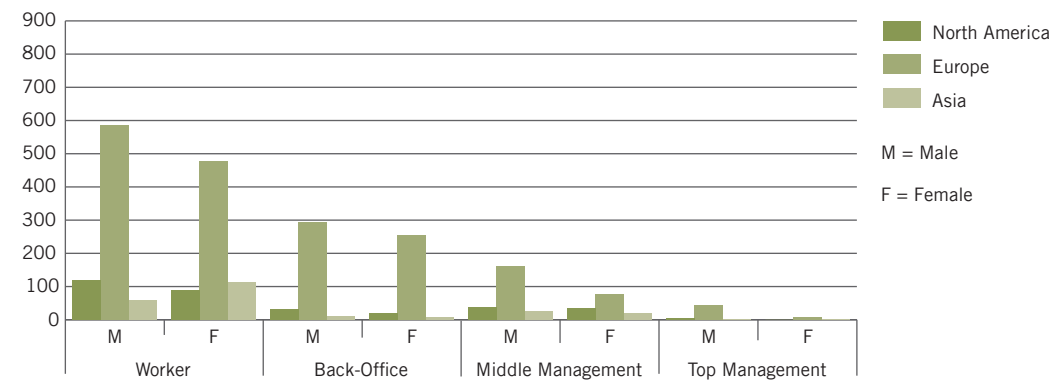
FACT SHEET
WELL-BEING 2019

| Indicator | 2019 | 2018 | 2020 Goal |
|---------------------------------------|------------|------------|-----------------------------|
| Child Labor | 0 | 0 | No cases |
| Health and Safety | 2 entities | 2 entities | Possible OHSAS 18000 |
| Health and Safety audits in suppliers | > 90 % | > 90 % | 100 % of suppliers assessed |
| Training and education | 30 | 90 | monitoring hrs/yr/employee |
| Staff Member Survey | N/A | N/A | Regular staff surveys |

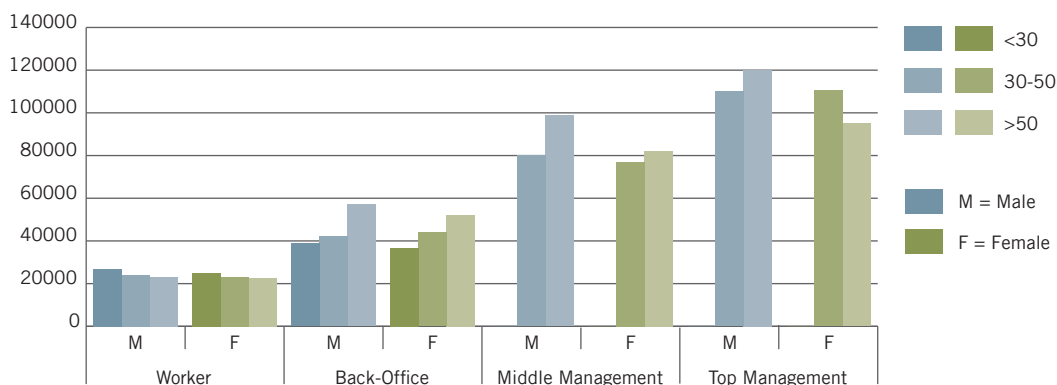
STAFF DISTRIBUTION BY GENDER



DISTRIBUTION OF STAFF BY GENDER AND CATEGORY PER REGION

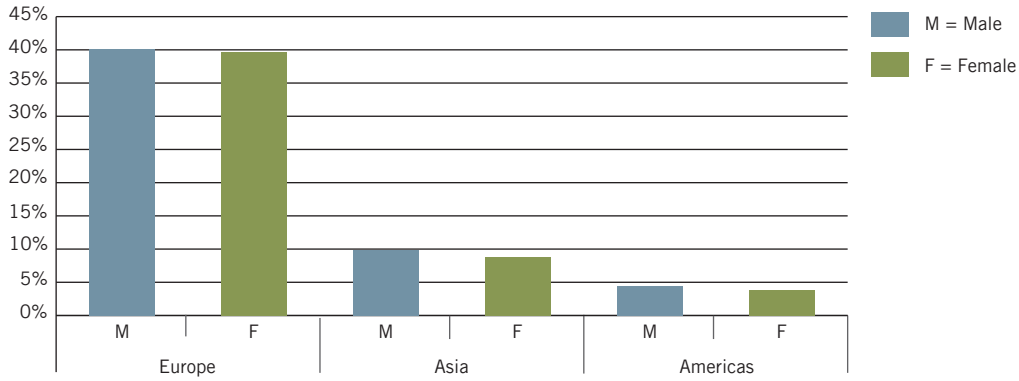


AVERAGE INCOME LEVELS PER AGE GROUP, GENDER AND STAFF CATEGORY

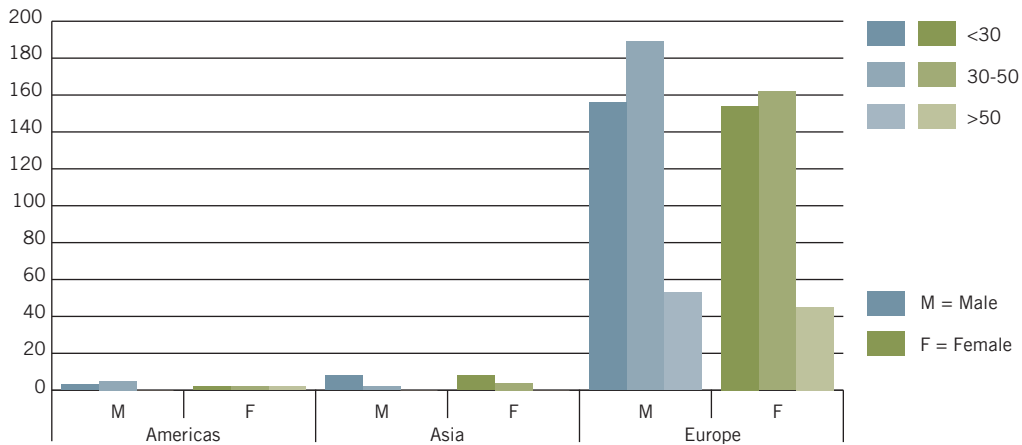


FACT SHEET WELL-BEING 2019 (CONT.)

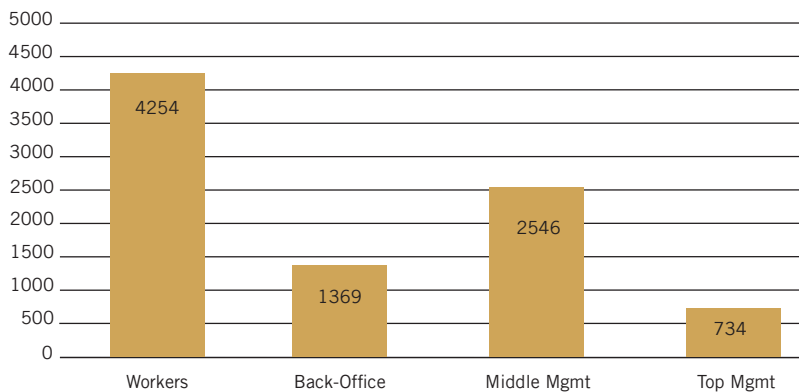
STAFF TURNOVER PER REGION AND GENDER



STAFF FLUCTUATION PER REGION, GENDER AND AGE GROUP



TRAINING HOURS BY STAFF CATEGORY (N = 600)



**TOTAL TRAINING HOURS INVESTED:
197 000 HRS (ALL ENTITIES, ALL EMPLOYEES)**

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

Global reporting initiative

Fenix Outdoor is pleased to present its 2019 Sustainability Report. We always strive to engage our stakeholders and uphold our commitment to transparency and corporate responsibility. Our sustainability reporting takes place on an annual basis.

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

The GRI Content Index lists the indicators as defined by the GRI Standard, as far as it has been applied. The material topics which were addressed were raised in Fenix Outdoor's Materiality Matrix. The respective indices are easy to find, with page references and there are further comments for those who need any clarifications. The previous Sustainability Report was published in April 2019 in accordance with the CSR Directive Implementation Act and we will continue to publish on an annual basis for the foreseeable future.

Report methodology

The reporting period is the business year 2019. The report also discloses information on key events and data from the previous years for comparison. If at the time of publication, the final figures of 2019 were not yet available, comparable annual figures for 2018 or a comparable time range of 12 months have been used as the basis for calculation. These are marked accordingly in the report wherever possible. As some data are location and market-specific but have been summarized, we are unable to show data that do not correspond with the actual business year.

Some data only refer to part of the business year, if a location was not in operation for a full 12-month period. The water data represents a conservative consumption assumption because in some places it has never been metered. Where no specification for electricity consumption data was available, the country average was used. Since not all emission factors were available for all locations for 2019, older datasets were also used from publicly available scientific or governmental sources. The CSR Report also includes data from all Chinese locations (JV) and integrated data (as far as available) where suppliers work exclusively for Fenix Outdoor. Relevant CO₂e emissions from those suppliers have been included in the offsetting data. 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 over-statements. The reporting entities cover more than 99 % of the corporate value generation and 99 % of the group's employees. However, we extrapolated data when required, 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 emission 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 non-financial data is checked internally and all financial data is checked externally, giving a reasonable though not yet 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 ex-

ternal service providers, as well as suppliers. These constitute a reasonable overview of Scope 1, 2, and 3 emission data. In this report we have fully relied on the accuracy of these sources' data collection and checked only for the data's plausibility. In the USA, Sweden, the Netherlands and Germany, we mainly relied 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 were directly communicated by the supplier.

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 calculation bases 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 are measured according to the data cut-off point of December 31, 2019, 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. •

GRI STANDARD CONTENT INDEX 2019

| Indicators | | Reference page or comment | Status |
|------------|--|---|--------|
| | Organizational Profile | | |
| GRI 102-1 | Name of the organization | pages 4, 22 | |
| GRI 102-2 | Activities, brands, products, and services | pages 22 | |
| GRI 102-3 | Location of headquarters | pages 4, 22 | |
| GRI 102-4 | Location of operations | pages 22, 24 | |
| GRI 102-5 | Ownership and legal form | pages 22, 36 | |
| GRI 102-6 | Markets served | page 23, 24 | |
| GRI 102-7 | Scale of the reporting organization | pages 22, 39 | |
| GRI 102-8 | Information on employees and other workers | pages 34, 35, 37, 38 | |
| GRI 102-9 | Supply Chain description | pages 6, 27, 28 | |
| GRI 102-10 | Significant changes to the organization and its supply chain | pages 4, 6, 22, 27, 28 | |
| GRI 102-11 | Precautionary principle or approach | pages 7, 8, 13 | |
| GRI 102-12 | External charters, principles or initiatives | pages 6, 7 | |
| GRI 102-13 | Membership associations | pages 6, 7 | |
| | Strategy | | |
| GRI 102-14 | Statement from senior decision maker | page 3 | |
| GRI 102-15 | Key impacts, risks, and opportunities | pages 7 - 10 | |
| | Ethics and Integrity | | |
| GRI 102-16 | Values, principles, standards, and, behavioral norms | pages 4, 6, 10 | |
| GRI 102-17 | Mechanism for advice and concerns about ethics | pages 10 | |
| | Governance | | |
| GRI 102-18 | Governance structure | pages 4, 6, 22, 36 | |
| GRI 102-19 | Process for delegating authority for sustainability topics from the board to senior executives and other employees | pages 4-7 | |
| GRI 102-20 | Executive-level responsibility for economic, environmental and social topics | pages 4-7 | |
| GRI 102-21 | Stakeholder consultation process on economic, environmental and social topics | pages 7, 8 | |
| GRI 102-22 | Composition of the board and its committees | page 36; see also Annual Report 2019 | |
| GRI 102-23 | The chair of the board is also an executive officer | page 36 | |
| GRI 102-24 | Nominating and selecting the highest governance body | page 36, according to law | |
| GRI 102-25 | Board conflict of interest | page 36, according to law | |
| GRI 102-26 | Role of the board in setting purpose, values and strategy relating to sustainability impacts | pages 4, 6 | |
| GRI 102-27 | Board knowledge of sustainability issues | pages 4, 6 | |
| GRI 102-28 | Board performance with respect to governance of sustainability issues | n/a | |
| GRI 102-29 | Board role in the identification and managing economic, environmental and social impacts | pages 6-10 | |
| GRI 102-30 | Board role in reviewing effectiveness of risk management processes for sustainability areas | pages 4, 6 | |
| GRI 102-31 | Frequency of boards review of sustainability impacts, risks and opportunities | pages 4, 6 | |
| GRI 102-32 | Highest committee or position that formally reviews and approves the organizations sustainability report | pages 3, 4, 6 | |
| GRI 102-33 | Process for communicating critical concerns to the board | pages 3, 4 | |
| GRI 102-34 | Nature and total number of critical concerns that were communicated to the board | page 4 | |
| GRI 102-35 | Remuneration policies for the board and senior executives | pages 4, 6 | |
| GRI 102-36 | Process for determining remuneration | page 36 | |
| GRI 102-37 | Stakeholders involvement in remuneration | page 36 | |
| GRI 102-38 | Ratio of the annual total compensation for the organizations highest paid individual to the median annual total compensation of all employees | page 36; limited confidence | |
| GRI 102-39 | Ratio of percentage increase in annual compensation for the organizations highest-paid individual to the median percentage increase in annual total compensation for all employees | page 36; limited confidence | |
| | Stakeholder Engagement | | |
| GRI 102-40 | List of stakeholder groups | page 7 | |
| GRI 102-41 | Collective bargaining agreements | page 34 | |
| GRI 102-42 | Identifying and selecting stakeholders | pages 8, 9 | |
| GRI 102-43 | Approach to stakeholder engagement | page 8 | |
| GRI 102-44 | Key subjects and concerns raised during stakeholder engagement | pages 8, 9 | |
| | Reporting practice | | |
| GRI 102-45 | Entities included in the consolidated financial statements | pages 22, 24; see also Annual Report 2019 | |
| GRI 102-46 | Defining report content and topic boundaries | page 39 | |
| GRI 102-47 | List of material topics | pages 8, 9 | |
| GRI 102-48 | Restatements of information | n/a | |
| GRI 102-49 | Changes from previous reports | page 39 | |
| GRI 102-50 | Reporting period | page 39 | |
| GRI 102-51 | Date of most recent report | page 39 | |
| GRI 102-52 | Reporting cycle | page 39 | |

| Indicators | | Reference page or comment | Status |
|------------|---|--|--------|
| GRI 102-53 | Contact point for questions regarding the report | page 43 | ■ |
| GRI 102-54 | Claims of reporting in accordance with the GRI standards | no such claims | |
| GRI 102-55 | GRI content index | pages 40 - 42 | ■ |
| GRI 102-56 | External assurance | no such assurance | |
| | Management Approach | | |
| GRI 103-1 | Explanation of the material topic and its boundary | pages 4 - 10 | ■ |
| GRI 103-2 | The management approach and its components | pages 4 - 10 | ■ |
| GRI 103-3 | Evaluation of the management approach | pages 4 - 10 | ■ |
| | Economic Performance | | |
| GRI 201-1 | Direct economic value generated and distributed | pages 24, 25 | ■ |
| GRI 201-2 | Financial implications and other risks and opportunities due to climate change | pages 10, 13 - 15 | ■ |
| GRI 201-3 | Defined benefit plan obligations and other retirement plans | pages 24, 36, about 66 %; see Annual Report 2019 | ■ |
| GRI 201-4 | Financial assistance received from government | none in 2019 | ■ |
| | Market Presence | | |
| GRI 202-1 | Ratios of standard entry-level wage by gender compared to local minimum wage | page 35; M/F 1:1, ratio EL/Min 1:1 to 2,2:1 | ■ |
| GRI 202-2 | Proportion of senior management hired from the local community | page 35; 95 % | ■ |
| | Indirect Economic Impacts | | |
| GRI 203-1 | Infrastructure investment and services supported | n/a | ■ |
| GRI 203-2 | Significant indirect economic impacts | page 10 | ■ |
| | Procurement Practices | | |
| GRI 204-1 | Proportion of spending on local suppliers | 100 %, not formalized | ■ |
| | Anti-Corruption | | |
| GRI 205-1 | Operation assessed for risks related for corruption | 100 % of new operations | ■ |
| GRI 205-2 | Communication and training about anti-corruption policies and procedures | routine training | ■ |
| GRI 205-3 | Confirmed incidents of corruption and actions taken | 0 (page 10) | ■ |
| | Anti-competitive behavior | | |
| GRI 206-1 | Legal actions for anti-competitive behavior, anti-trust and monopoly practices | 0 (page 10) | ■ |
| | Materials | | |
| GRI 301-1 | Material used by weight or volume | pages 15 - 17 | ■ |
| GRI 301-2 | Recycled materials used | pages 15 - 17 | ■ |
| GRI 301-3 | Reclaimed products and their packaging materials | pages 15 - 17 | ■ |
| | Energy | | |
| GRI 302-1 | Energy consumption within the organization | pages 14, 21 | ■ |
| GRI 302-2 | Energy consumption outside the organization | pages 14, 21, 29 | ■ |
| GRI 302-3 | Energy intensity | page 21 | ■ |
| GRI 302-4 | Reduction of energy consumption | page 14 | ■ |
| GRI 302-5 | Reductions in energy requirements of products and services | pages 13, 14 | ■ |
| | Water | | |
| GRI 303-1 | Water withdrawal by source | page 15 | ■ |
| GRI 303-2 | Water sources significantly affected by withdrawal of water | page 15 | |
| GRI 303-3 | Water recycled and reused | page 15, 16 | ■ |
| | Biodiversity | | |
| GRI 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | page 17 | ■ |
| GRI 304-2 | Significant impacts of activities, products, and services on biodiversity | page 17 | ■ |
| GRI 304-3 | Habitats protected or restored | page 17, n/a | ■ |
| GRI 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | page 17 | ■ |
| | Emissions | | |
| GRI 305-1 | Direct (Scope 1) GHG emissions | pages 14, 21 | ■ |
| GRI 305-2 | Energy indirect (Scope 2) GHG emissions | pages 14, 21 | ■ |
| GRI 305-3 | Other indirect (Scope 3) GHG emissions | pages 14, 21 | ■ |
| GRI 305-4 | GHG emissions intensity | pages 14, 21 | ■ |
| GRI 305-5 | Reduction of GHG emissions | page 14 | ■ |
| GRI 305-6 | Emissions of ozone-depleting substances (ODS) | no such substances | ■ |
| GRI 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions | page 21 | |
| | Effluents and waste | | |
| GRI 306-1 | Water discharge by quality and destination | page 15, 16 | ■ |
| GRI 306-2 | Waste by type and disposal methods | page 15 - 17 | ■ |
| GRI 306-3 | Significant spills | none | ■ |
| GRI 306-4 | Transport of hazardous waste | none | ■ |
| GRI 306-5 | Water bodies affected by water discharges and/or runoff | page 15, 16 | ■ |

| Indicators | | Reference page or comment | Status |
|------------|---|---|--------|
| | Environmental compliance | | |
| GRI 307-1 | Non-compliance with environmental laws | none | ■ |
| | Supplier Environmental Assessment | | |
| GRI 308-1 | New suppliers that were screened using environmental criteria | 100 % | ■ |
| GRI 308-2 | Negative environmental impacts in the supply chain and actions taken | pages 10, 27 - 29 | ■ |
| | Employment | | |
| GRI 401-1 | New employee hires and employee turnover | pages 34, 35, 37 | ■ |
| GRI 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | pages 34 - 37, diverse systems; staff clothing in retail | ■ |
| GRI 401-3 | Parental leave | page 35 | ■ |
| | Labor/Management Relations | | |
| GRI 402-1 | Minimum notice periods regarding operational changes | according to law or workers agreements | ■ |
| | Occupational Health and Safety | | |
| GRI 403-1 | Workers representation in formal joint management-worker health and safety committees | according to law | ■ |
| GRI 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | page 35 | ■ |
| GRI 403-3 | Workers with high incidence or high risk of diseases relating to their occupation | page 35 | ■ |
| GRI 403-4 | Health and safety issues covered in formal agreements with trade unions | according to laws and risk assessments | ■ |
| | Training and education | | |
| GRI 404-1 | Average hours of training per year per employee | pages 35, 38 | ■ |
| GRI 404-2 | Programs of upgrading employee skills and transition assistance programs | page 35 | ■ |
| GRI 404-3 | Percentage of employees receiving regular performance and career development reviews | var.: between 0 and 100 % in various entities | ■ |
| | Diversity and Equal Opportunity | | |
| GRI 405-1 | Diversity of governance bodies and employees | pages 34, 35 | ■ |
| GRI 405-2 | Ratio of basic salary and remuneration of women to men | 1:1 nominal; between 1,2 to 0,71: 1 absolute | ■ |
| | Non-discrimination | | |
| GRI 406-1 | Incidents of discrimination and corrective actions taken association and collective bargaining may be at risk | 0 | ■ |
| | Freedom of association and collective bargaining | | |
| GRI 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | specific countries (repr. 70 % of suppliers) | ■ |
| | Child Labor | | |
| GRI 408-1 | Operations and suppliers at significant risk for incidents of child labor | 0 | ■ |
| | Forced or compulsory labor | | |
| GRI 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | 0 | ■ |
| | Security Practices | | |
| GRI 410-1 | Security personnel trained in human rights policies or procedures | n/a | ■ |
| | Rights of indigenous peoples | | |
| GRI 411-1 | Incidents of violations involving rights of indigenous peoples | n/a | ■ |
| | Human Rights Assessment | | |
| GRI 412-1 | Operations that have been subject to human rights reviews or impact assessment | Asian operations | ■ |
| GRI 412-2 | Employee training on human rights policies and procedures | routinely all every year | ■ |
| GRI 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | n/a | ■ |
| | Local Communities | | |
| GRI 413-1 | Operations with local community engagement, impact assessments, and development programs | all operations at their own discretion (page 32) | ■ |
| GRI 413-2 | Operations with significant actual and potential negative impacts on local communities | n/a | ■ |
| | Supplier Social Assessment | | |
| GRI 414-1 | New suppliers that were screened using social criteria | 100 % | ■ |
| GRI 414-2 | Negative social impacts in the supply chain and actions taken | pages 28, 32, 33 | ■ |
| | Public Policy | | |
| GRI 415-1 | Political contributions | 0 | ■ |
| | Customer Health and Safety | | |
| GRI 416-1 | Assessment of the health and safety impacts of product and service categories | done routinely | ■ |
| GRI 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | 0 | ■ |
| | Marketing and Labeling | | |
| GRI 417-1 | Requirements for products and services information and labeling | risks mainly with Primus and in retail business; regular checks | ■ |
| GRI 417-2 | Incidents of non-compliance concerning product and service information and labeling | page 10 | ■ |
| GRI 417-3 | Incidents of non-compliance concerning marketing communications | page 10 | ■ |
| | Customer privacy | | |
| GRI 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | 0 | ■ |
| | Socioeconomic Compliance | | |
| GRI 419-1 | Non-compliance with laws and regulations in the social and economic area | 0 | ■ |

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