THE FASHION INDUSTRY CHARTER FOR CLIMATE ACTION

TEMPLATE FOR TRANSITION PLANS FOR SIGNATORIES: BRANDS, RETAILERS AND SUPPLIERS

Background. The mission of Fashion Industry Charter for Climate Action is to drive the industry to net-zero emissions by 2050. In line with this goal, the Fashion Industry Charter contains a specific commitment to submit *reduction pathway plans for the selected 2030 goal* and *provide updates every three years thereafter.*

The UN Secretary General's High-Level Expert Group's report ***Integrity Matters*** outlines further guidance on what the transition plans should entail, under Recommendation 4: *"These plans are seen to be an essential tool to show how non-state actors will successfully deliver on their commitments in an equitable and just way, and therefore build public trust. While no entity can predict the path to 2050, frequently updated transition plans make pledges concrete while highlighting uncertainties, assumptions and barriers."*

The main recommendation on company transition plans, from the Integrity Matters report, is for actors to "…*publicly disclose comprehensive and actionable net-zero transition plans which indicate actions that will be undertaken to meet all targets, as well as align governance and incentive structures, capital expenditures, research and development, skills and human resource development, and public advocacy, while also supporting a just transition."*

Signatories of the Fashion Charter are requested to submit these plans to the UN Climate Change secretariat by 20 September 2023 so that an aggregate report can be published at COP28. As you may know there are discussions about the publication of transition plans becoming a public requirement for companies that committed to net zero. We would therefore like to strongly encourage you to publish your transition plan or be ready to publish it in the near future. Those companies which have already published their transition plans are asked to send the link to the secretariat for review and potential recognition on our website.

Climate transition plans are an iterative process, and businesses are encouraged to periodically and every three years update targets, plan, and business strategy to reflect the most up-to-date developments. The questions below make up an initial template for Charter signatories which includes review by the Charter Task Team on Transition Pathway plans, Working Group on Decarbonization, Steering Committee of the Charter and incorporates elements from some existing guidance publications for alignment purposes.
To that end signatories are encouraged to, as they complete the plan, refer to the following documents for more context:

- Integrity matters report
- CDP transition plans guidance

- We Mean Business Coalition (WMBC) Guidance

Please note that transition plans do not substitute CDP disclosure which is to transparently disclose progress made in the previous year/s and used to show progress with existing commitments. Rather, the transition plans should be forward looking. The plan should reflect considerations of the short- and long-term, trending towards 2050. However, an emphasis on the short-term (the next 5-7-year timeframe) is critical to achieve long-term climate ambitions, which should be supported by governance mechanisms (new or existing).

Signatories are welcome to fill in this questionnaire or use their own formatting for questions requiring narrative explanation and submit those in pdf. The secretariat has also worked on an excel form which will be shared with all signatories to aid with submission and later aggregation after the deadline. Please note that the secretariat is currently working on a submission portal for transition plans from all companies, which should be available by the time of submission. The Charter support team will keep you informed regarding the development of the portal and the associated submission process; however, your plans can be submitted at any time by sending the pdf and excel files to NAZCA@unfccc.int.

TEMPLATE FOR BRANDS, RETAILERS AND SUPPLIERS TO COMPLETE AND SUBMIT TO THE SECRETARIAT

Contents

TEMPLATE FOR BRANDS, RETAILERS AND SUPPLIERS TO COMPLETE

1. Company Details

Legal Name of the Company: Fenix Outdoor International AG
Address: Weidestrasse 1a, 6300 Zug, Switzerland
Annual Turnover: 770 Mio € Net sales
Person responsible for developing and submitting this template (Name/Title/e-mail):
Maria Venus/ Sustainability Environmental Manager/ maria.venus@fenixoutdoor.com
Most senior person responsible for company climate strategy: (Name/Title/Contact):
Aiko Bode / Chief Sustainability Officer / aiko.bode@fenixoutdoor.com
Date (DD/MM/YYYY) of company commitment in the Fashion Charter: 04/07/2019

2. GHG Reduction Targets & Emissions Reduction Strategy

Disclose short-, medium- and long-term absolute emission reduction targets, and, if relevant, relative emission reduction targets. Targets must account for all greenhouse gas emissions and include separate targets for material non-CO2 greenhouse gas emissions.[1]

2.1 GHG reduction target your company has selected: *(delete the one that does not apply)*

a) Setting SBTi[2] *approved science-based emissions reduction targets on scope 1, 2 and 3 within 24 months, in line with the latest criteria and recommendations of the SBTi; and commit to achieving net zero emissions no later than 2050;*

or

b) Setting at least 50 per cent absolute aggregate GHG emission reductions in scope 1, 2 and 3 of the Greenhouse Gas Protocol Corporate Standard[3]*, by 2030 against a baseline of no earlier than 2019; and commit to achieving net zero emissions no later than 2050*

Please refer to Charter Guidance on 1.5 alignment for further reference on requirements and evidence required (click to open).

[1] Reference credible sector pathways consistent with limiting warming to 1.5°C with no or limited overshoot (e.g. IPCC, IEA, Network for Greening the Financial System (NGFS), One Earth Climate Model (OECM)) and explain any material difference between the non-state actor's transition plan and sector pathways.

[2] The Science Based Targets initiative (SBTi) drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

[3] The GHG Protocol Corporate Accounting and Reporting Standard provides requirements and guidance for companies and other organizations, such as NGOs, government agencies, and universities, that are preparing a corporate-level GHG emissions inventory.

2.2 Details of your company's target

Base year of target:	2019
Date of SBTi/50% reduction third party validation of your targets. If not approved, please outline the process planned to gain approval:	During the CSRD readiness check during 2024 we seek for target validation
Public link to target details (if available):	https://www.fenixoutdoor.com/wp-content/uploads/2021/03/CSR_2021_FINAL_NEW_rev2.pdf?_gl=1*1tklo1y*_up*MQ..*_ga*OTg5ODQyNTgwLjE2OTIyODYxMTk.*_ga_KS3F455BEY*MTY5MjI4NjExOC4xLjEuMTY5MjI4NjEzMS4wLjAuMA.
Public link to an approved net zero goal (if available):	N/A

2.3 Have you identified your largest emissions sources and assessed all technologically and financially feasible mitigation opportunities?

Yes, we have identified our largest emissions sources for all Scopes; mitigation measures have been assessed to the widest extend possible with regards to resources and information available.

2.4 Please explain actions to address any current data limitations.

Where data is missing, explain how you are working to get the data or to address estimates are being used.

Scope 1 data from company owned and operated cars is included in the Scope 3 category business travel. This will be changed in future reporting cycles.
Data from web services, use phase and End of Life is also not included but will be obtained during 2023. Data was not included in the past due to lack of emission factors.
Improvements with regards to material suppliers will not be shown in material emissions since they are calculated based on global averages with the Higg MSI, except certain signature materials.
No estimates have been conducted except data provider did so for some scope 3 categories, e.g., waste generation in retail stores.

2.5 Explain 3-5 public policy levers that are needed to help your organization meet your targets[4].

If an emissions reduction strategy is limited by technical or financial feasibility, have you defined what other actions your company should take to address these limitations?

- Renewable energy policies in production countries (giving manufacturers access to renewable energy solutions in an easy and affordable manner)
- National coal-phase-out plans for local coal-fire places:
  a. emissions and PM limits on community level
  b. ban for sale, purchase and operation of individual coal fire-places
  c. restricted access to coal for private persons and companies (limiting to national or state-approved central energy providers)
- Develop a national, regional, and local plan for a RE grid system; use of electric cars and other means to buffer energy flux from RE; support decentralized RE production
- Subsidies or tax reliefs for companies investing in RE
- High tax on goods produces with local coal firing plants or boilers
- Legal requirements for landlords to improve and maintain building performance with a smart to no cost sharing model for tenants (70%/30%)

[4] Reference: WMBC guidance

3. Governance

Companies need to establish governance mechanisms that create accountability across the organization and board of directors. They also need to have clearly established processes to break down silos and ensure all relevant and impacted parts of an organization are engaged in climate action: finance, government and investor relations, research and development, procurement, sales, operations, facilities, and other teams. Finally, it is important to consider these and other specific implementation-related concerns within holistic assessments of (i) the value of long- versus short-term [5]financial profitability and (ii) inclusion and assessment of risks related to reputation, social license to operate, supply chain volatility, and more.[6]

3.1 Explain about your organization's board-level oversight of the climate transition plan.

Addressing climate change requires specific expertise related to climate change and its impacts, and the potential direct and indirect effects on the business. Ensuring this capability exists within governance structures indicates an organization's competence in delivering on its climate transition plan and increases the chance of success.

The Chief Sustainability Officer reports directly to the CEO, owner and chairman of the group. The owner approves Fenix Outdoor's sustainability and climate strategy. The CSO reports annually to the owner of the group and has a direct line when important sustainability and climate matters arise that have a significant financial, operational, or reputational impact.

3.2. Describe linking of near- and long-term targets with executive compensation.

Companies should also detail how they are tying executive compensation to reaching their climate goals, and how they are building robust governance structures with clearly defined roles, responsibilities, and accountability mechanisms at the executive and board levels. Such incentives and accountability are important to ensure that company leadership is fully managing risks and opportunities and integrating those factors into core business decisions and strategies.

Targets are not yet linked to executive compensation. However, potentially climate- or strategy-detrimental decisions need to be justified based on the Fenix Management Compass to the owner and the CSO; owner and CSO may revoke or ask for compensatory actions. This in turn may lead to the non-achievement of the economic targets and therefore indirectly impact on the compensation.

3.3. Please explain current and near-term actions you are taking to:
address risk management and new opportunities associated with climate change

To ensure adequate risk assessment and management, companies need to regularly conduct scenario analysis based on assumptions of regulatory, physical, and operational changes that will result from various climate change scenarios. They then need to use the outputs to inform their plans. These analyses should be qualitative and quantitative, expressed in financial terms, and should include considerations of physical risks to the business, the effects of transition risks (such as regulatory pressures) on strategy, core operations, and revenue, as well as systemic impacts that could fundamentally change risks and opportunities over time. As one example, a company could consider the effects of additional or deeper incentives for clean technology or a price on carbon at multiple price points. Companies need to provide examples of actions they are taking now and in the near term, based on these scenarios, to adjust their business strategy.

Have you conducted and published the results of climate scenario analysis for physical, financial, and transition risks from various climate change scenarios (e.g., business as usual, 3-4°C, orderly or disorderly transition scenario) and opportunities from a 1.5°C scenario? (CDP questionnaire 3.2, TCDF[7], CDSB[8] etc)

Climate-related risks and opportunities are assessed and identified during different stages and consolidated during the CSR reporting process (covered in the section Risks & Opportunities in each CSR Report; e.g., CSR Report 2022) and response measures are implemented if needed. Risk and opportunity assessment takes places:

- During integrated production country assessments (Social Compliance & Environment, annually updated and on request by CSR team)
- On brand level (during strategy development with support of CSR workshops)
- On material level (especially with regards to natural fibers based on industry knowledge and company specific supply chains)

[5] Please refer to CDP guidance page 12 for sections on governance linked with CDP

[6] Reference: CDP guidance

[7] https://www.tcfdhub.org/scenario-analysis/

[8] https://www.cdsb.net/climateaccounting

Overall responsibility lies with the Chief Sustainability Officer, who reports directly to the CEO/Chairman of the Board and owner of the company.

We conducted a scenario analysis with the help of the SBTi tools back in 2020, when we implemented our climate strategy. We conducted a scenario analysis based on the WB-2C scenario in 2020 and re-evaluated them in Q1 2023 based on the IEA NZE 2050 scenario. Since then, we assess if our climate targets are ambitious enough during each reporting cycle with these tools. In addition, we also re-assessed our targets and strategic focus areas (Own operations, Products, Transportation, End-Costumer waste, Events and Supply Chain) based on the Sixth Assessment report from the IPCC. We emphasized on the supply chain and explored what will happen if global temperature rise is exceeding different levels and how this might impact our suppliers, product range and user pattern.

4. GHG Emissions Pathway

4.1 Actual and Planned Pathway to meeting your target

*Taking into account your specific actions and their resultant emission reductions, use the following table to indicate expected emissions (**total emissions reduced and percent of emissions**). Start from your relevant baseline year. Respondents are welcome to submit the information on excel graphs, in addition, to show the planned reduction pathway. Excel form is being prepared by the secretariat to aid Charter companies in this process and will be sent after internal testing.*

Date[9]	Total Scope 1 emissions (tonnes of CO2 eq)	Total Scope 2 emissions (tonnes of CO2 eq)	Total Scope 3 emissions (tonnes of CO2 eq)	Total GHG emissions	Emissions intensity (use Physical or Economic Metric)[10] Tonnes of CO2 eq per unit of physical or economic metric	Budget spent/allocated (select applicable)[11] 1. No budget allocated 2. Below 100K 3. 100-500K 4. 500K to 1M 5. 1M-5M 6. 5-10M 7. 10M to 50M 8. More than 50M	(Expected) Assurance/Verification Level[12]
2015[13]							
2016							
2017							
2018							
2019	1352	2189	74904	78445	0.0084	Below 100K	None
2020	1012	1224	64250	66486	0.0065	Below 100K	None
2021	1023	1765	74846	77634	0.0078	Below 100K	None
2022	916	1506	91761	94183	0.0085	100-500K	None
2023	876	1,129	81,831	83,836	0.0077	Below 100K	None
2024	838	847	72,975	74,660	0.0061	1M-5M	Limited assurance
2025	801	635	65,078	66,514	0.0055	Below 100K	Limited assurance
2026	766	476	58,035	59,278	0.0044	Below 100K	Limited assurance
2027	733	357	51,754	52,844	0.0040	Below 100K	Limited assurance
2028	701	268	46,154	47,122	0.0032	Below 100K	Limited assurance
2029	670	201	41,159	42,030	0.0029	Below 100K	Limited assurance
2030	641	151	36,705	37,496	0.0023	Below 100K	Limited assurance
Total reduction	30%	90%	60%	50%	73%		

[9] Depending on the selected base year and the most recent inventory year it is assumed that emission data from 2015 to 2022 are actual values while emission data for 2023 to 2030 represent projected emissions and intensity values.

[10] This column should address comments received from signatories on how they can represent Intensity targets incase their targets constitutes of emission intensity. Note: Absolute emission reduction targets are the recommendation of the HLEG Report.

[11] This is budget against actions spent/allocated to actions in support of your targets. Capex investments are to be included in the question below.

[12] Please outline the third-party verification approach you have used/that you will use and the expected audit accuracy. If no assurance/verification level is done/planned, please state that and the reasons for not doing so. Please be specific what portion of Scope 3 is covered in the assurance, if not its entirety.

[13] In cases where data from previous years is not available, feel free to state: *Not Available*

4.1.1 If your reported emissions are off target/increasing, please explain your strategy to urgently address those emissions.

We will focus on renewable energy purchase in production countries (work with our strategic suppliers to learn how we can support them to implement renewable energy and energy efficiency measures) and will work with our sourcing department to implement a respective sourcing strategy (preferred suppliers).

4.2 Disclose how capital expenditure plans, research and development plans and investments are aligned with your transition plan - Scope 1, 2 and 3 targets (e.g. capex-alignment with a regional or national taxonomy) and split between new and legacy or stranded assets.[14]

As part of its strategy to achieve net zero, an organization should outline time-bound financial planning details of its transition. For example, Capital Expenditure (CAPEX), Operating Expenditure (OPEX), Revenue, etc.[15]
The emissions reduction strategy will also consider the investments the company is making to ensure these actions are successful. This includes but is not limited to capital investments; investments in new staff and expertise; process efficiencies; research, development, and deployment of new technologies and designs; and collaboration. Investments should be expressed as a monetary figure and as a percentage of total capital expenditure.[16] *Have you assessed what investments you need to take to reduce emissions in line with your targets and have you disclosed the methodology used to determine how future capital expenditures will align with your 1.5°C targets?*

CAPEX, OPEX and turnover will be aligned with the EU Taxonomy as of 2024. In the future CAPEX will be increased depending on needed mitigation measures.

[14] Integrity matters report

[15] Ibid

[16] WMBC guidance.

5. Scope 1 and 2 Emissions Reduction Pathway

5.1 Please explain actions being taken or planned to reduce scope 1 and 2 emissions below.

Please ensure that you include your actions in the following areas:

- *Energy efficiency (Charter commitment number 4)*
- *Use of renewable electricity (Charter commitment number 5)*
- *Company-owned or operated vehicle fleet (e.g. trucks, buses, planes, cars) (Charter commitment number 11)*
- *Company-owned or operated logistics (Charter commitment number 11)*
- *Renewable heating sourcing*
- *Other (explain)*

ACTION *Please provide details about current and near-term actions/initiatives your company is taking within next 12 months, within two to three years, and by 2030, to reduce emissions in line with its 1.5°C targets that cover Scope 1 and 2.*	**Expected emissions reduction**	**KPIs being monitored** *KPI (Key Performance indicators) should be verifiable and quantifiable which: 1) measure the success of the organization's action; and 2) tracked regularly*	**Implementation timeline (delivery date)**
100% renewable electricity procurement	1500t	Absolut consumption MWh/ MWh from RE	2025
Electrification of heating	700 t	MWH from gas consumption	2030
Installation of two renewable electricity utilities	Tbd	Number of installations	2025
Continue to source 100% renewable electricity	0 t	Share of MWh renewable electricity	2030
Successive decrease of number of company cars	Tbd	Number of company cars	2030

5.2 Please explain how these actions diverge from the baseline/Business as Usual (BAU) scenario and how the business is adjusting:

Companies should identify actions they are taking or will take in the near term to adjust investment and fundamental business model decisions to reach medium- and long-term GHG commitments – which should be aligned with a 1.5°C pathway

Investment in more sustainable energy sourcing and lower impact locations via due diligence process for new locations. Change company car policy to need based and low emissions vehicles. Hence, we have established a Renewable Energy Policy, a Due Diligence process for new Store Locations and an updated Company Car Policy.

5.3 Company policies/plans/strategy that support scope 1 and 2 emission reductions

Emissions reduction strategies are fluid, and often dependent on technological advances that are not completely within the control of a company. Companies need to inform stakeholders about the technologies they are exploring, technologies that need more research (and how companies are supporting that with investments, policy advocacy, and/or innovative partnerships), and technologies that do not work.

We have a Renewable Energy Policy in place and are part of certain industry networks in different markets that cover topics like energy efficiency and climate action (HDE, KlimaWirtschaft, …)

5.4 Most senior person/group within the organization responsible for adjusting business, meeting goals, and delivering actions above:

Aiko Bode, Chief Sustainability Officer in conjunction with the CEO and CFO.

5.5 Please provide details on how this plan has been embedded within each relevant department (e.g. facility services, logistics, energy procurement, finance, sourcing etc.) in your organization.

Department/team/ individual responsible	Link to scope 1&2 decarbonization	How is it integrated into ways of working	How delivery is incentivized
Sustainability Team & facility managers/ store managers/ non-sales procurement dept	100% renewable electricity procurement	Renewable energy policy is distributed amongst all departments; for larger framework contracts CSO approves electricity supplier; renewable electricity consumption is tracked during CSR Reporting; EACs are bought based on estimations or actual data by CSR team after reporting period at the beginning of each year	No incentivization per se; internal competitions with personal and group awards (dinners and alike)
Facility managers & store managers	Electrification of heating	Part of energy management; technology research and input for store managers is provided by CSR department, industry associations and energy audits	Potential cost savings, fossil fuel independency
Sustainability Team and facility managers	Installation of two renewable electricity utilities	Sub-target of our climate strategy; feasibility studies to be conducted by facilities (e.g., logistics or production), CSR to consult during RFP phase	Potential cost savings, fossil fuel independency
Sustainability Team	Successive decrease of number of company cars	The Company Car Policy falls under the governance of the sustainability team and is updated on a regular basis to stay up to date with technological & regulatory	Potential cost savings due to less cars; see also above regarding internal competitions ("how to get to work without fossil-fuel")

		development (e.g., tax benefits, …)	

5.6 Internal and external monitoring, accountability, and reporting mechanisms for Scope 1 and 2 emissions:

Reporting of Scope 1 and 2 is part of our annual CSR Reporting, conducted in January and February each year. Further data is reported via CDP Climate questionnaire and to STICA. External monitoring is done via spot checks in course of our STICA membership.
Publicly available yearly updated emissions factors are used for accounting (AIB, Carbonfootprint.com, Climate Transparency) as well as supplier-specific emission factors if provided.

5.7 Any potential cost savings anticipated from decarbonization of scope 1 and 2 (if applicable)

Cost savings will potentially come from installation of own solar PV and through a cost advantage of renewable electricity compared to fossil fuels which underly a constant and foreseeable increase of carbon tax/price in many of our markets.

5.8 Potential barriers, feasibility and contingency planning to reducing scope 1 and 2 emissions:

Unstable economic development can be a barrier for decision making with regards to installation of own solar panels, since this is a huge invest.
Electrification of heating will highly depend on the willingness of lessors to contribute specially to decarbonizing fossil fuel-based heating in the retail business.
In case development is lacking, renewable gas certificates might be a workable option to reduce scope 1 emissions from heating. However, these certificates are costly and will lead to an increase of operational costs.

5.9 Most senior person/group within the organization responsible for adjusting business, meeting goals, and delivering actions above:

Aiko Bode, Chief Sustainability Officer in conjunction with the CEO and CFO.

6. Scope 3 GHG Emissions Reductions Pathway

Emissions reduction strategies are fluid, and often dependent on technological advances that are not completely within the control of a company. Companies need to inform stakeholders about the technologies they are exploring, technologies that need more research (and how companies are supporting that with investments, policy advocacy, and/or innovative partnerships), and technologies that do not work. In this section explain emission reductions and, if needed, removal actions with time-bound key performance indicators in the tables below. If removals are needed, explain why

6.1 Actions being taken or planned to reduce scope 3 emissions:

Please ensure that you include your actions in areas relevant to the Charter commitments 4-13. Please refer to Charter alignment with 1.5 degrees for more context on the actions outlined below. Please feel free to add actions other than only those outlined below if applicable

- Commitment 4. Ambitiously pursue energy efficiency across its own operations and value chain, for scope 1, 2 and 3 emissions
- Commitment 5. Secure 100% of electricity from renewable sources with minimal other environmental or social impacts, for owned and operated (scope 2) emissions by 2030.

- Commitment 6. Source 100% of priority materials that are both preferred and low climate impact by 2030, ensuring that these do not negatively affect other sustainable development goals. This includes pursuing materials that are closed loop recycled, deforestation free and conversion free in their origins, apply regenerative practices, and that relevant verification and impact measurement mechanisms have been applied;

- Commitment 7. Creating engagement and incentive mechanisms for all relevant supplier sites (Tier 1 and 2 sites for brands and immediate sub-suppliers for producers) to implement approved science based aligned targets by the end of 2025 (as outlined above commitment 1. a), or to adopt a 50% absolute target by 2030 and net zero by 2050 (as outlined above in commitment 1.b);

- Commitment 8. Phasing out coal from owned and supplier sites (Tier 1 and Tier 2 for brands and immediate sub-suppliers for producers) as soon as possible and latest by 2030, including no new coal power by January 2023 at the latest, and creating engagement and incentive mechanisms for all relevant suppliers to support phase-out.

- Commitment 9. Commit to developing and implementing a company climate policy advocacy plan for net-zero emissions, aligning with collectively developed Fashion Charter policy recommendations including calling on governments to develop ambitious strategies that chart a clear path to achieving interim 2030 targets and net-zero emissions by 2050 at the very latest, and identifying relevant policy levers to support low carbon technologies and uptake of renewable energy.

- Commitment 10. Actively engage in building dialogue with financial institutions to share specific industry funding needs for delivery on shared Charter activities and increase understanding of investment needs and available funding sources for the industry transition;

- Commitment 11. Work with logistic service providers to transition to zero emission air, sea and road logistics for own and contracted transportation – including selecting logistics partners with transparent emissions data and goals to achieve zero emissions solutions, and reconfiguring company logistics plans for optimal GHG impact.

- Other

ACTION *Please provide **details** about current and near-term action/initiatives your company is taking within next 12 months, within two to three years, and by 2030, to reduce emissions in line with its 1.5°C targets that cover Scope 3.*	**Expected emissions reductions and removals**[17]	**KPIs being monitored** ***KPI (Key** Performance indicators) should be verifiable and quantifiable which: 1) measure the success of the organization's action; and 2) tracked regularly*	**Expected delivery date**
Sourcing of more sustainable and lower impact materials - 100% organic cotton - 90% recycled polyester (where applicable for needed functionality) - 70% of recycled nylon	10 000t CO_2	Share of respective material	2019-2025
Continuer sourcing of more sustainable and lower impact materials - 100% organic cotton - 100% recycled polyester (where applicable for needed functionality) - 70% of recycled nylon - 30% Fibers originating from textile-to-textile recycling	10 000t	Share of respective material	2030
Produce signature materials with RE	8 000t	Share of renewable electricity at production facility	2030
15% decrease of raw material consumption by - Using left over materials - Increase pattern efficiency - Make use of 3D technologies for sampling	9 000t	Total raw material consumption	2030

[17] In this section explain emission reductions and, if needed, removal actions with time-bound key performance indicators in the tables below. If removals are needed, explain why

Low carbon transportation • Cut airfreight by 70% • Use marine biofuels • Sustainable aviation fuel	2 600t	• Emissions by air freight in ton and number of shipments • Share of lower impact fuels and vehicles in tkm	2025
Renewable electricity in the supply chain - 30% of core suppliers receive renewable electricity - Converting Top 10 suppliers to 100% renewable electricity	1 400t	Number of suppliers procuring renewable electricity	2025
Energy efficiency trainings through various programs in the supply chain with an average saving potential of 10% • Coal phase out • GIZ Climate Action training • Carbon Leadership Program • Clean by Design	Min. 6 500t	• Number of coal-fired facilities = 0 • Share of Tier 1 suppliers conducting the GIZ CAT (target: 100%) • CLP: no KPIs yet • CbD: up to 2 Tier 2 facilities per year nominated for the program	2023-2030

6.2 Please explain how these actions diverge from the baseline/Business as Usual (BAU) scenario and how the business is adjusting:

Companies should identify actions they are taking or will take in the near term to adjust investment and fundamental business model decisions to reach medium- and long-term GHG commitments – which should be aligned with a 1.5°C pathway

Climate relevant performance (especially RE procurement) will need to find its way into the sourcing strategy and allocation of production volume. This will be discussed with the sourcing department during 2024. Work with respective core suppliers will be intensified as well. We will also conduct pilot projects with regards to secondhand business for Fjällräven (biggest brand) in 2023; the insights will help us to understand the business opportunity and will show if it can influence the overall number of products we need to produce (which is directly connected to our scope 3 emissions) to reach our growth targets.

6.3 Company policies/ plans /strategies that support scope 3 reductions.

Companies will need to identify largest emissions sources and assess technologically and financially feasible mitigation opportunities. They may need to redesign products and services to reduce emissions and/or create new products or business lines, have strategies to engage their supply chain in climate efforts, set strategies and targets for renewable energy procurement, energy efficiency, electrification, zero emissions fleets etc. If applicable, outline the specific policies and regulations, including carbon pricing, needed to facilitate your transition plans.

Our Fenix way is the overarching policy, that outlines our values and our expectations towards employees, business partner and other stakeholder. The Fenix Way is updated every six years and gives the direction of our sustainability work. Next update will be published 2025 and will strengthen our Scope 3 reduction ambitions as a company.
The Preferred Fiber List acts as tool for our material choices and reduction initiatives. In addition, we will increase the use of comparative LCA analysis to better understand impacts of new fabric developments and make the most climate/environmental friendly decision based on facts.
The reduction of impact from production sites is part of climate strategy, which will also be strengthened for the next strategic cycle (2025-2030).

6.4 Most senior person/group within the organization responsible for adjusting business, meeting goals, and delivering actions above:

Aiko Bode, Chief Sustainability Officer in conjunction with Sustainability Environmental Manager.

6.5 Please detail how this plan has been embedded within each relevant department in your organization

Department/team/ individual responsible	Link to scope 3 decarbonization	How is it integrated into ways of working	How delivery is incentivized
Product development & R&D	Sourcing of more sustainable and lower impact materials.	Product development teams get constant training on more sustainable materials, which are defined through our Preferred Fiber List. Monitoring takes place annually or biannually, in course of the internal sales kick offs.	Incentivization to be developed to fasten progress in the future
R&D	Produce signature materials with RE	Collaborations with suppliers and constant conversations with product development teams.	Free hugs from Aiko and Maria 😉
Product development	15% decrease of raw material consumption by • Using left over materials • Increase pattern efficiency • Make use of 3D technologies for sampling	Product development is supported by tools as e.g., the Circularity Toolkit or Repairability toolkit. Further pattern makers are trained constantly.	Incentivization to be developed to fasten progress in the future
Buyers and logistics department	Low carbon transportation • Cut airfreight by 70% • Use marine biofuels • Sustainable aviation fuel	Transport operations are monitored on a regular basis by the Global Sourcing Manager Logistic together with Management with regards to cost efficiency and carbon impact.	Incentivization to be developed to fasten progress in the future
Sustainability Team Sourcing & Production	Renewable electricity in the supply chain • 30% of core suppliers receive renewable electricity • Converting Top 10 suppliers to 100% renewable electricity	This is a constant topic in the sustainability's team communication towards suppliers. Suppliers update the sourcing and sustainability team in irregular meetings and site visits. The sustainability team supports suppliers with feasibility study funding, capacity building and research.	The ratio of RE is part of Fenix Outdoors's Sourcing Scorecard for supplier.
Sustainability Team Sourcing & Production	Energy efficiency trainings through various programs	This is a constant topic in the sustainability's team	The participation in improvement projects is

	in the supply chain with an average saving potential of 10% • Coal phase out • GIZ Climate Action training • Carbon Leadership Program • Clean by Design	communication towards suppliers. Suppliers update the sourcing and sustainability team in irregular meetings and site visits. The sustainability team supports suppliers with feasibility study funding, capacity building and research.	part of Fenix Outdoors's Sourcing Scorecard for supplier.

6.6 Internal and external monitoring, accountability, and reporting mechanisms:

Companies must publicly disclose and report on progress against those targets and plans, ensuring that any claims are based on actions

Reporting of Scope 3 is part of our annual CSR Reporting, conducted in January and February each year. Further data is reported via CDP Climate questionnaire and to STICA. External monitoring is done via spot checks in course of our STICA membership. The reason for change in emissions is given in each reporting format.
Publicly available yearly updated emissions factors are used for accounting (AIB, Carbonfootprint.com, Climate Transparency, Higg MSI, GLEC Framework) as well as supplier-specific emission factors if provided.
Emissions are calculated based on activity data, in some cases suppliers provide emissions data. If those comply with our standard (e.g., GLEC framework) then these emissions are used after a quality check.

6.7 Any potential cost savings anticipated from decarbonization of scope 3 (if applicable):

Cutting air freight will lead to significant cost reductions from the transport business. However, more sustainable fuel alternatives will come with a significant cost.
Further direct cost savings are anticipated for our supply chain partners through energy efficiency measures and on-site renewable electricity production but not necessarily for Fenix Outdoor.

6.8 Potential barriers, feasibility and contingency planning to reducing 3 emissions

If an emissions reduction strategy is limited by technical or financial feasibility, have you defined what other actions your company should take, such as policy advocacy, to address these limitations?

For unavoidable air freight, application of sustainable aviation fuel could be an option. To make this a standard operating procedure, SFA needs to become a large-scale affordable option. Regulation to increase SFA demand could be helpful.
In some parts of our production countries, solar rooftop or other on-site small scale renewable electricity utilities might not be the silver bullet to decarbonization and in most cases they will only cover a portion of total electricity needs of a factory. Consequently, under the given circumstances the purchase of Energy Attribute Certificates will be an additional solution for now. However, the schemes and prices differ amongst countries and years and oftentimes positive impact and additionality can't be proven. Thus, we need more options for renewable energy procurement in production countries also for factories with small and medium consumption volume, as. e.g., PPAs, green tariffs, …
With regards to materials, we highly depend on low carbon technologies for textile-to-textile recycling and sizable solutions. Upcoming legislation will hopefully act as a driver.

6.9 Detail value chain (e.g. suppliers) engagement approach (mobilization, incentives, etc.)

Individual suppliers will each face their own challenges and opportunities – based upon sector, geography or other factors. Some may require additional support or innovative solutions to deliver their 1.5°C target while others may be well positioned to act faster and should be incentivized and supported to do so. As supplier engagement is a critical component of decarbonization outline your strategy to supply chain engagement, traceability and incentives.

We engage with our suppliers based on partnership. We offer them certain options to engage with us – via webinars, newsletter, collective action projects or facility visits. We communicate our requirements but also have open conversations with our supply chain partner about what's possible and what is not (for the time being). Together we figure out if and how we can support. However, our sustainability requirements make up 50% of our sourcing scorecard and thus a suppliers performance find it's way into our internal benchmarking, which works a s a tool for strategic decisions about future investments in supply chain partner.

7. Collaboration with External Stakeholders

Clear transition plans serve to align internal and external stakeholders, identify priorities and areas of challenge, and facilitate access to resources.

7.1 Collaboration and communication with external stakeholders:

Companies should proactively activate their peers, stakeholders and governments to along their goals and actions to the 1.5-degree temperature goal and be able to demonstrate how the implementation of their own ambitious targets creates opportunities for others to follow. The section below is to outline collaboration and communication efforts with key stakeholders: investors, peers, expert organizations and NGOs financial institutions, governments and the public, to ensure that alignment to 1.5 degree Celsius becomes the norm.

7.1.1 Investor/Funder communication efforts

Plans to inform and communicate with investors and/or funders on your decarbonization plans and changes to approach from BAU

We are regularly assessed by ISS Research, NASDAQ ESG disclosure and through the CDP charter. Information is publicly available also on our website.

7.1.2 Peer communication efforts

Please outline plans to collaborate and communicate your plans with peer organizations (if relevant)?

We publicly communicate climate-related topics in our annual CSR report as well as in a copy of our CDP Response, both documents are accessible on our website.

7.1.3 Expert/NGO engagement

Please outline plans to collaborate and communicate your plans with relevant expert and NGO organizations

Regular stakeholder roundtable and engagement in Charter working groups as well as STICA and Climate Action Corp from OIA. We publicly communicate climate-related topics in our annual CSR report as well as in a copy of our CDP Response, both documents are accessible on our website. We are in contact with civil society organizations such as Fashion Revolution and Four Paws as well as member of, i.e., European Outdoor Group, the Sustainable Apparel Coalition and Textile Exchange.

7.1.4 Engaging with financial institutions

Your plans to actively engage in building dialogue with financial institutions to share specific industry funding needs for delivery on Scope 3 activities and increase understanding of investment needs and available funding sources for the industry transition.

See point 7.1.1.
In addition, the four main investors, representing 90% of the shares, are frequently in touch with the sustainability department.

7.1.5 Public consumer and industry communication efforts

Your company plans to align consumer and industry communication efforts to a 1.5-degree or SBTi compatible pathway, as set out by the Paris Agreement Goals, as well as a more just and equitable future[18]. How has the strategy been communicated to customers, media and other key stakeholders?

We communicate our sustainability and climate-related efforts via our annually published CSR Report, accessible on our website. Depending on the entity, we also have customer communication regarding our circularity strategy (mainly own Retail Business).

7.2 How are you ensuring that your policy engagement and advocacy is aligned with the targets and is there a process in place to implement this commitment?

A transition plan should demonstrate that an organization's public policy engagement aligns with its climate commitments and strategy. Private sector companies have a large role to play in the transition to a net zero economy, but they alone cannot bring about this transformation – for their business and the wider economy. To achieve their own goals, companies must advocate for robust public policies, regulations, and investments that are necessary to support corporate action and drive economy-wide decarbonization. Companies should identify what actions they are taking now and in the near term to ensure they are not lobbying against (directly or indirectly through trade associations) proposed policies that will contribute to emission reductions and a just transition. Companies should analyze whether their trade associations' actions are supportive or contrary to the company's 1.5°C-aligned goals.

We advocate for climate through our memberships and promoting those. We do not have additional policy engagement or advocacy in place as we tend to stay away from political lobbing in general.

7.3 Do you have metrics and publicly assess that your policy engagement and advocacy is aligned with the targets?

Please refer to understanding commitment 9 metrics in Setting 1.5 degree aligned goals for the Fashion Charter.

No

8. Just Transition

A Transition plan must ensure the delivery of a net zero and climate-resilient economy in a way that delivers fairness and tackles inequality and injustice. These plans must consider and address the broader social consequences and impacts of mitigation actions, including on race, gender and intergenerational equity. Examples could include:
• a company, in partnership with its workers, unions, communities and suppliers has developed a Just Transition Plan;
• a company discloses how its plan integrates the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP) and specifically the principle of free, prior and informed consent.[19]

8.1 How is your company contributing to a Just Transition?

Companies should recognize the often-increased negative climate impacts and decreased opportunities from climate action for frontline communities, company workforces, and vulnerable customers – and act with the specific intention to reduce and eliminate these inequalities. This includes conducting thoughtful analysis to avoid – and underline the materiality of – negative impacts on these stakeholders in the short and long term. Beyond their own businesses, systemic changes such as these require collective action and public policies which companies should not undermine – and should actively support.

At Fenix Outdoor we contribute to Just Transition by working with our supply chain on good working conditions, capacity training and financial funding. We know that we can't reduce our Scope 3 emissions coming from our supply chain without the support of our business partners and thus we strive for equal partnership in an unequal environment. We acknowledge that our business partner will very likely have to deal with investments for energy efficiency, renewable energy and physical challenges through floods and extreme heat. Thus, we offer financial support for feasibility studies, renewable energy purchase or trainings and we are realistic about what can be done.

[18] The Sustainable Fashion Communication Playbook- Shifting the narrative: A guide to aligning fashion communication to the 1.5-degree climate target and wider sustainability goals, is to be co-published by UNEP and UNFCCC in June 2023, which will provide useful context for this question

[19] Integrity matters report

8.2 Contingency planning to support your existing workforce, and vulnerable customers in the net zero transition.

Input and participation from stakeholders should be sought from the beginning when identifying actions to include in companies' transition plans, and throughout the process to implement those actions. Companies must engage, seek input from, and provide support to (including training, redeployment, and financial investments) their workforce, vulnerable customers, and impacted communities. To support their climate journey, companies should develop and publicly share formal policies to ensure their 1.5°C transition is aligned with just transition principles. Then, within their transition plans, companies must identify actions they are taking now and will take in the near term to act in accordance with these policies. (Source: WMBC Climate transition action plans: activate your journey to climate leadership[20])

We are a consumer goods company with our own retail. Our net zero transition will not affect our own workforce nor vulnerable customer groups. However, costs of living globally will rise significantly due to transition efforts in general. Consequently, social disruption is likely to happen, and we may lose customer groups due to their income situations.

9. Additional relevant questions

Additional activities or actions to share. You may also link to existing disclosures your company has published on these topics to supplement your plans indicated above.

9.1 *According to Integrity Matters report, the transition plans should specify how the organization plans to avoid the conversion of remaining natural ecosystems— eliminating deforestation, wetland and peatland loss by 2025 at the latest, and the conversion of other remaining natural ecosystems by 2030. Please use this section here to report and provide a link to related plans, in case these are not covered above.*

N/A

9.2 Any other relevant information/links etc. can be included here

N/A

[20] WMBC guidance