



SUSTAINABILITY & CSR

ANNUAL REVIEW 2022

From materials to extending the lifespan of our products in the great outdoors. An overview of Fjällräven's achievements, projects and milestones based on the Fenix Outdoor CSR Report 2022





TRUST MUST BE EARNED

FOR MANY OUTDOOR enthusiasts, Fjällräven stands for reliability, durability and a timeless design that never goes out of style. This reputation wasn't created overnight. On the contrary, it takes a long time to build such a foundation. Our jackets, backpacks and tents must withstand heavy use and the elements, as well as changing fashion trends. Quality and long-term perspectives have brought us to where we are today – and will continue to guide us towards a successful future.

The same goes for our approach to sustainability. We don't make lofty claims just to look good. We do our homework first and then talk about the results – even when they are not as good as we had

hoped. Much like our iconic *Greenland Jacket*, our sustainability work should also stand the test of time.

With this CSR Journal, we aim to share important facts, figures and aspects about Fjällräven*. Are we improving the conditions for the environment, workers and human rights? Are we acting ethically in our business partner network? We believe so, but humbly invite you and others to judge this. Meanwhile, we are striving to create positive change, step by step, piece by piece.

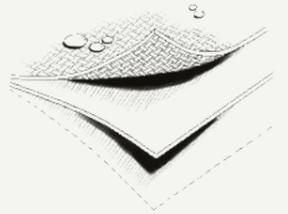
* Fjällräven is part of the Fenix Group, which has been doing a yearly CSR Report for all its brands since 2012. The Fenix CSR report is based on the internationally recognized Global Reporting Initiative (GRI) standards and the principles of the UN Global Compact.



96%
ORGANIC COTTON
Used in Fjällräven's products in 2022



Usage of Preferred Fibers
2021: 33%
2022: 60%



41%

Less GHG emissions from Scope 1 & 2 since base year 2019.

Year	Kg CO2e/kg raw material	Development vs base year
2019	11.27	-
2020	12.36	9.65%
2021	11.19	-0.75%
2022	10.06	-10.80%

10% 10% of Tier 1 suppliers purchased renewable electricity in 2022, up from 6% the previous year

In line with our 2025 goals for sustainable development

FJÄLLRÄVEN REMAINS committed to the UN Global Compact principles and systematically addresses the Sustainable Development Goals (SDGs). The six SDGs that we have identified as most relevant are aligned with Fjällräven's overarching strategic sustainability pillars.

We have defined goals (objectives in our terminology) for each of these, with different key results that will help us reach them. You can read more about Fjällräven's 2025 goals on the website.

Our UN Sustainable Development Goals

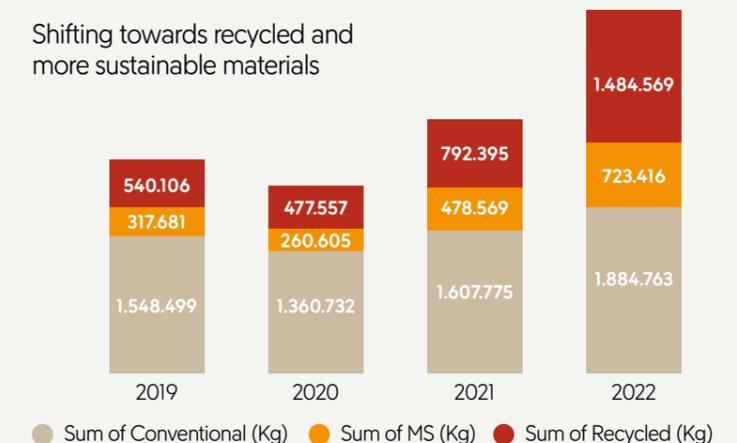


2021: 16*
2022: 52

Fjällräven suppliers underwent a social audit/verification.

*Due to Covid restrictions in Asia

Shifting towards recycled and more sustainable materials

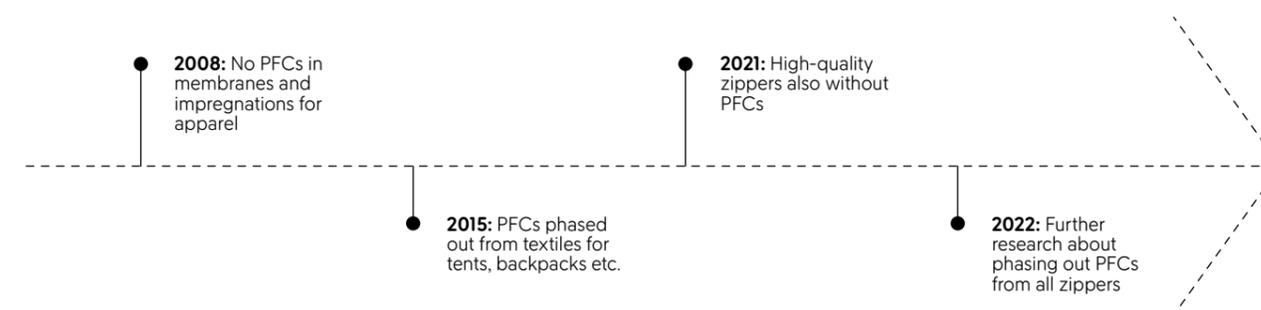




BUY THIS JACKET

(and use it for generations)

THE MORE AND the longer outdoor products are used, the better for the environment. That is the overarching design philosophy of Fjällräven. At the same time, we of course strive to minimize the negative impacts from materials and manufacturing, for all our products. In 2022, we took important steps on this long journey.



Final step towards PFC free

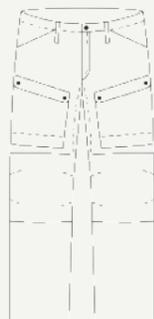
Many outdoor brands claim that they are phasing out PFCs, but there are still many exceptions and details that are not clearly communicated. We challenge the outdoor industry to be more transparent around this important theme.

Fjällräven started this process earlier than most. Since 2008, we haven't used any PFCs in apparel (neither for membranes nor impregnations). From 2015, Fjällräven also eliminated PFCs from textiles for tents and all other products. It was not until 2021 that we could get hold of high-quality zippers without PFCs. After investigating this issue, we have learnt that there is a risk that PFCs are used in more ingredients than our suppliers are aware of. Therefore, it is important for us to keep a good and open communication with all of them and work jointly to detect and finally phase out PFCs from all zippers.

Other restricted substances

We insist that all suppliers working with Fjällräven must adhere to our Chemical Guideline, which includes a restricted substances list (RSL), banning certain hazardous chemicals from products and the production process. We update our chemical guidelines on a yearly basis, reflecting the latest scientific research and following our own precautionary approach of going beyond the current and coming legal requirements.

During the past year, we have been sharing chemical topics, such as substances of concern, new regulations and other chemical-related topics of interest with our suppliers. This increases transparency and ensures that we and our business partners can proactively work toward safer and more sustainable products. The latest version of the Chemical Guideline can be accessed on our website.



23% LESS CARBON INTENSE
 THAN THE FORMER G-1000 TEXTILES WITH VIRGIN POLYESTER AND CONVENTIONAL COTTON

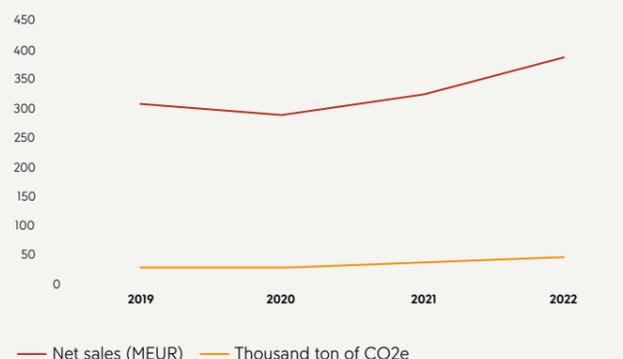
G-1000 material shift – a key to significant CO2 progress

The G-1000 textile family is the backbone of Fjällräven's assortment, used in all products from trekking pants to *Kånken* backpacks. These textiles equaled approximately 30% of all materials in 2022. And since 2022, all G-1000 textiles have been made from recycled polyester and organic cotton. The final piece of the puzzle is G-1000 Stretch. To make the G-1000 textile stretchy, Fjällräven uses virgin polyester (13% of the material). There are currently no recycled options for the stretch function on the market.

Together with other positive aspects of shifting to recycled and organic materials, this also has an impact on our CO2 emissions. In particular, recycled polyester results in significantly lower emissions compared to virgin polyester.

One overarching objective of Fjällräven's Climate Action Plan is to "decouple" growth from CO2 emissions. Despite the company's substantial growth in net sales since 2020, CO2 emissions now exhibit a much flatter curve. The G-1000 material shift plays a crucial role in advancing this objective.

Decoupling of growth from CO2-emissions



* Includes emissions from raw material consumption and upstream transportation (without RFI)

All materials matter

We classify the textile fibers we use into our Preferred Fiber List (PFL) consisting of four categories: Excellent, Good, OK if crucial and Do not use. To us, a preferred fiber is classified as Excellent or Good. As of 2022, more than 60% of the textile fibers we use are "Preferred". Our system is based on the Textile Exchange Preferred Fibers List, adding some Fjällräven specific considerations on those materials, where we either have better than average information, or our material is not rated in any international database.

Textile-to-textile recycling with Infinited

Fjällräven started collaborating with Infinited in 2021. Textile-to-textile recycling is a must in the future, but today only a fraction of textile waste is collected and recycled back into new material. We need to turn a major problem in the textile industry – the increased amount of material going to landfills – into a new possibility by using existing materials.

We are now in the pilot phase, testing the Infinna™ fiber to ensure that it meets our high standards for quality and longevity. We want to make sure that the material can be used for a long time before being recycled into a new, durable garment that can also be used for an extended period.

Dye-process without water

Fabric dyeing and finishing processes account for the biggest part of a product's environmental impact and are areas we are focused on improving. *Abisko Lite Fleece Jacket* is one of four styles made with a CO2 dyed fabric in Spring 2023. CO2 dyeing is a waterless dye-process which does not require additional chemical agents to bond the dyestuff to the fabric. It also requires less dyestuff than conventional water-bath dyeing and is a closed-loop process, with 95% of the Carbon Dioxide recovered and used again. Additionally this jacket is made from 100% recycled polyester and has been tested for microfiber shedding according to the standard from The Microfiber Consortium (TMC). The fiber release from the fabric is at the lower scale of all the tested materials in the TMC.



Abisko Lite Fleece Jacket is one of the four Fjällräven styles made using a CO2 dyed fabric. The material is sourced from recycled polyester.



All Fjällräven wool products are produced in accordance with our Wool Promise



80% OVER 80% OF FJÄLLRÄVEN'S MERINO WOOL COMES FROM THE ZQRX PROGRAM

Wool regenerating New Zealand

From a sustainability perspective, wool can be a complex material. If the sourcing is not done thoroughly, a company can end up with wool from farms using the much-criticized mulesing method. Land degradation and loss of biodiversity are other problems related to sheep herding.

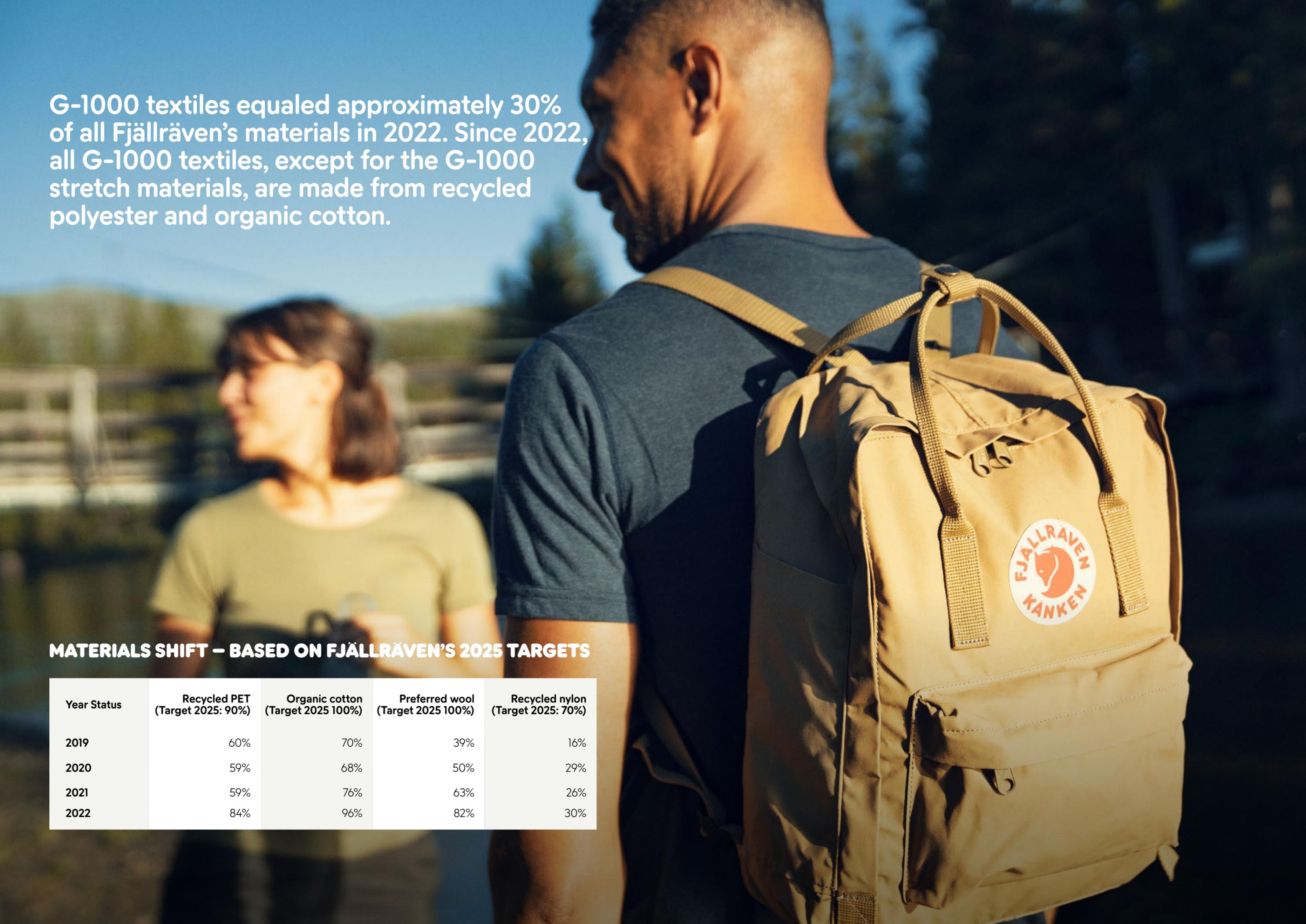
Fjällräven has made significant efforts to trace animal-derived components since introducing fully traceable and ethically sourced down to its assortment in 2014. The next step on this journey was achieving wool traceability, which led to the establishment of our "Wool Promise".

In our perspective, the highest standard on the market is today offered by New Zealand's wool brand ZQ, and its sub-brand ZQRX. In 2022, this is where Fjällräven sourced most of its wool (together with some recovered and some recycled wool). ZQRX takes a big picture view of the global challenges and solves them by accelerating small, collective, regenerative-driven actions. The result: regenerative wool that is good for the animals, environment and local farmers in New Zealand. In 2022 more than 80% of Fjällräven's merino wool came from the ZQRX program.

G-1000 textiles equaled approximately 30% of all Fjällräven's materials in 2022. Since 2022, all G-1000 textiles, except for the G-1000 stretch materials, are made from recycled polyester and organic cotton.

MATERIALS SHIFT – BASED ON FJÄLLRÄVEN'S 2025 TARGETS

Year Status	Recycled PET (Target 2025: 90%)	Organic cotton (Target 2025 100%)	Preferred wool (Target 2025 100%)	Recycled nylon (Target 2025: 70%)
2019	60%	70%	39%	16%
2020	59%	68%	50%	29%
2021	59%	76%	63%	26%
2022	84%	96%	82%	30%





THE FJÄLLRÄVEN WAY

How we operate

AS A COMPANY, we strive to act responsibly towards our partners, employees, stakeholders and the environment. We invest in solar panels and encourage our staff to enjoy the great outdoors. However, our biggest impacts occur further upstream. Through collaboration with our suppliers – materials, manufacturing, and transport – Fjällräven can make a significant difference

Climate-neutral operations since 2015

Fjällräven's climate strategy is built upon the triad of avoiding, reducing, and compensating for unavoidable emissions. Regarding owned and operated locations (Scope 1 and 2), our climate target is a 40% reduction in energy consumption by 2025, with 2019 serving as the baseline year. This target aligns with the 1.5°C scenario outlined by the Science Based Targets initiative.

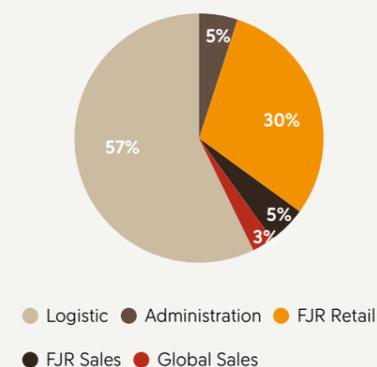
Where possible, we purchase renewable electricity via green tariffs. In locations where it isn't possible, we purchase energy attribute certificates, so-called EAC:s.

If neither of these options is available, we fully offset our emissions through Gold Standard projects.

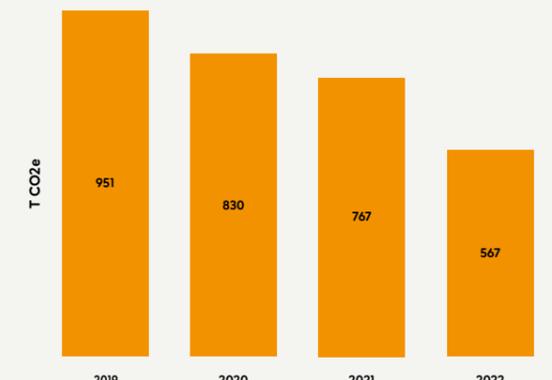
Additionally, we plan to install a photovoltaic system at our logistics center in Ludwigslust, Germany. We are also exploring geothermal and other means to provide heating to our distribution centers and investigating the possibility of generating our own wind power.

Because we cannot yet eliminate our emissions, we compensate through investments into mainly Gold Standard Projects (for further information about these investments please refer to the Fenix Outdoor CSR reports). Fjällräven has been climate neutral in Scope 1 and 2 since 2015.

Emissions per facility type in 2022



GHG from energy consumption total, Scope 1 & 2



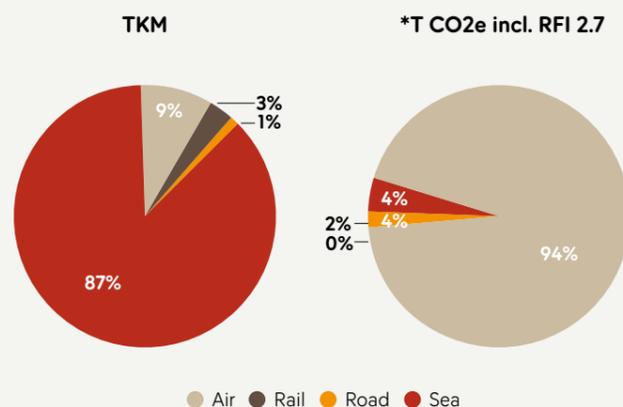
94% OF TRANSPORT EMISSIONS FROM AIR FREIGHT



Avoiding air transport will make a difference

During the pandemic and the consequent logistics problems, Fjällräven decided to transport more products via air freight. Investigating the emissions of all transport, it is clear that air transport has the highest negative impact. In 2022, 9% of the total inbound transport of goods were by air. Since emissions of greenhouse gases have a more considerable climate impact on high altitudes, the air freight emissions were equal to 94% of the total emissions.

Transport of goods



* Since emissions of greenhouse gases have a 2.7% larger climate impact at high altitude, the air freight emissions were equal to 94% of the total emissions.

Decarbonization in Scope 3

In 2022 we continued to dive deeper into our Scope 3 emissions, which we're now capturing and calculating more and more. Transport-related activities are under constant scrutiny.

Around 10% of the Fenix Group's active Tier 1 suppliers purchase renewable electricity, covering at least 10.5% of our specific electricity consumption. Therefore, one key to reducing our supply chain emissions (Scope 3) is more renewable electricity procurement. One of our biggest production countries is Vietnam. Market mechanisms and legal frameworks are constantly evolving here, enabling manufacturers to drive transition to a renewable electricity procurement.

In some of the industry's production countries, solar rooftops might not be the silver bullet to decarbonization and in most cases will only cover a portion of the total electricity needs of a factory. Under the given circumstances, the purchase of International Renewable Energy Certificates (I-RECs) is an available and affordable solution for now. With the purchased amount of 200MWh for 2022, we hope to steer the discussion about renewable electricity purchase even further, showing what's already possible to date and working together on even better solutions.

What is "scope" and what is "tier"?

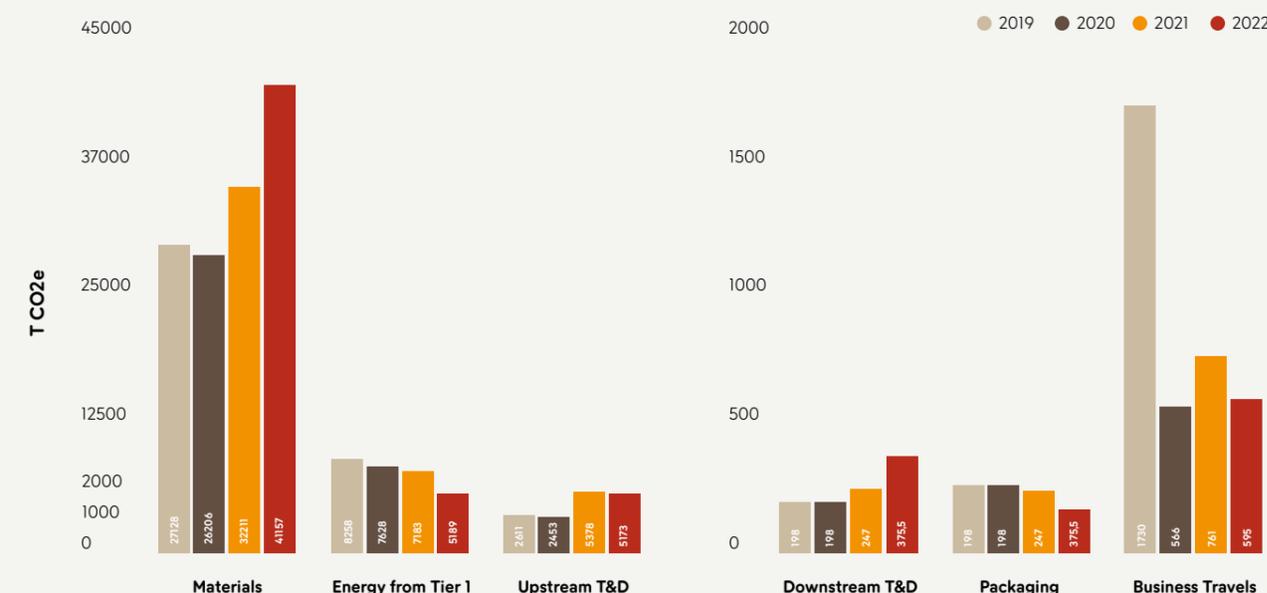
Carbon reporting usually divides greenhouse gas emissions into the following three "scopes":

- Scope 1** – Direct emissions from company-controlled entities like its facilities, operations, and vehicles.
- Scope 2** – Indirect emissions resulting from a company's purchased energy and utilities.
- Scope 3** – Indirect company emissions within its value chain, which are not included in Scope 2.

Three "tiers" are used to divide a company's suppliers:

- Tier 1** – Suppliers that the company directly conducts business with, such as contracted manufacturing facilities.
- Tier 2** – Where our Tier 1 partners get their materials.
- Tier 3** – The next step "upstream" – such as spinning mills that supply our Tier 2 with yarn.

Breakdown of Scope 3 emissions



Focus areas

- Raw material sources
- Energy from suppliers
- Upstream Transport and Distribution
- Downstream Transport and Distribution
- Packaging
- Business travels

Three main conclusions

- Three focus areas make up almost 95% of Fjällräven's Scope 3 emissions.
- Carbon intensity compared to base year 2019 has decreased by 10% Fenix level.
- Emissions from materials increase significantly due to higher production volume and more materials consuming products.

Responsibility and transparency among suppliers

During 2022, we visited many of our suppliers to better understand the local contexts and capabilities. In total, Fenix Outdoor's team visited 76 production sites, which represented approximately 40% of our Tier 1 supplier base. We found many good practices: rainwater harvesting for factory cooling, production waste reuse as pillow filling, wastewater heat recovery, among others. We shared these findings with our supply chain through a peer learning document. We publish our Tier 1 suppliers via Fenix Outdoor on the [Open Supply Hub](#).

Living wages and Code of Conduct

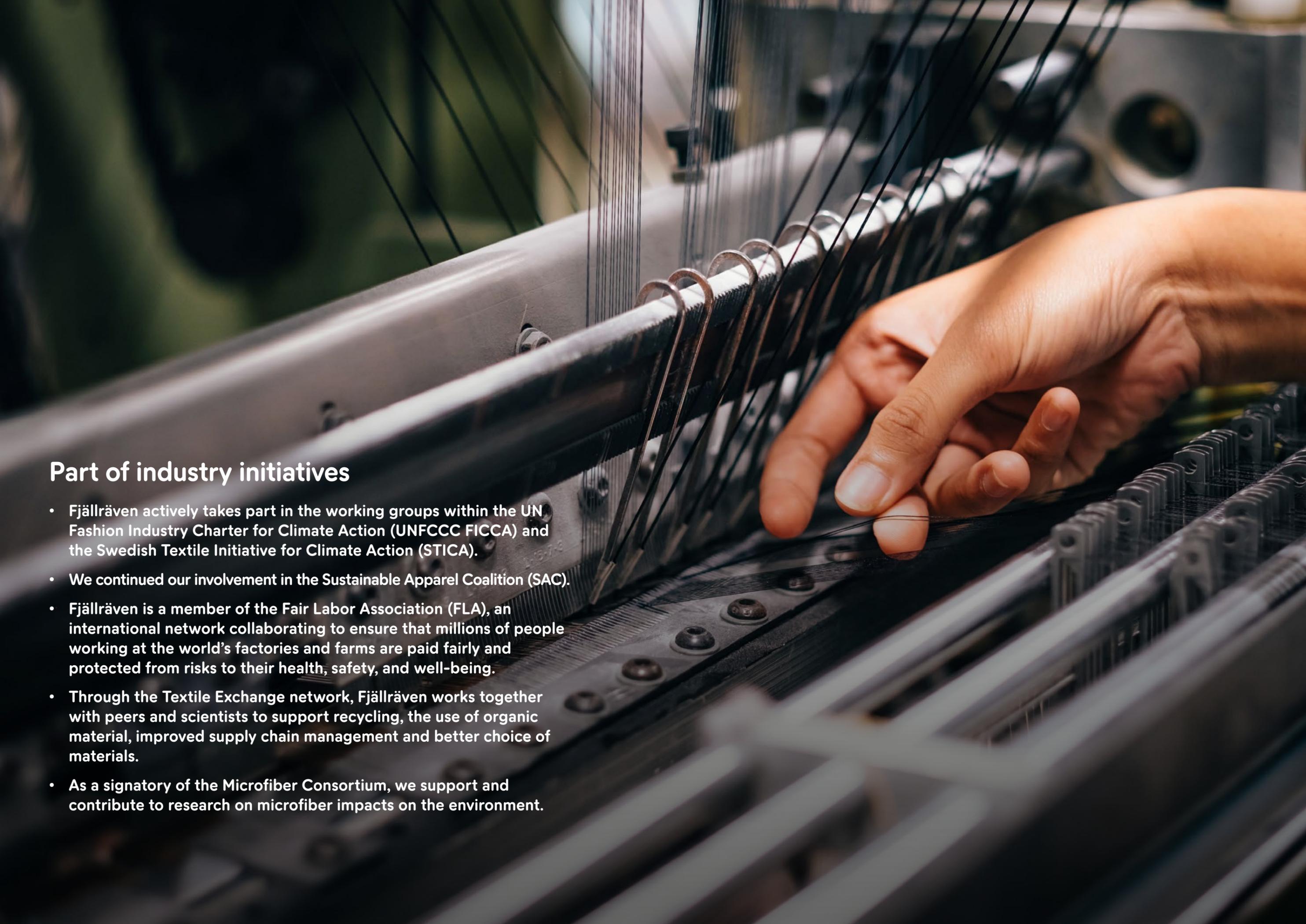
We additionally started the journey around living wages with our Tier 1 supplier. In 2022 we discussed the wage

data with three strategic suppliers and will continue working on this complex but very important topic.

In 2012 we introduced a compliance management system which we are continuously improving and developing. We operate a whistleblowing hotline in accordance with EU legal provisions.

By the end of 2022, approximately 97% of our business partners representing suppliers had signed our Code of Conduct (CoC).





Part of industry initiatives

- Fjällräven actively takes part in the working groups within the UN Fashion Industry Charter for Climate Action (UNFCCC FICCA) and the Swedish Textile Initiative for Climate Action (STICA).
- We continued our involvement in the Sustainable Apparel Coalition (SAC).
- Fjällräven is a member of the Fair Labor Association (FLA), an international network collaborating to ensure that millions of people working at the world's factories and farms are paid fairly and protected from risks to their health, safety, and well-being.
- Through the Textile Exchange network, Fjällräven works together with peers and scientists to support recycling, the use of organic material, improved supply chain management and better choice of materials.
- As a signatory of the Microfiber Consortium, we support and contribute to research on microfiber impacts on the environment.



PART OF A COMMUNITY

Creating inspiration and raising awareness

FJÄLLRÄVEN'S RESPONSIBILITIES do not end when our products leave the stores. How we guide our customers to take care of their products, repair and recycle them will greatly impact their total ecological footprints. Fjällräven also wants to contribute to a healthy and nature-loving society, sharing knowledge and inspiration about the great outdoors.

Relaunch of the Arctic Fox Initiative

For decades, Fjällräven has supported important environmental and social initiatives. Now, we see the need to collect these initiatives under one “umbrella”: the Arctic Fox Initiative. The new setup will consist of three parts:



Annual support to key programs

Selected environmental programs will receive fixed annual funding. *The Swedish Arctic Fox Project* at Stockholm University will continue to receive our support, as a part of this funding.



Cause-related funding

We will contribute annually to selected social initiatives, such as Regnbågsfonden (the Rainbow Fund) in Sweden. These contributions are in part subsidized by product-related revenue streams, such as the Fjällräven *Rainbow Kånken*.



Fjällräven's Arctic Fox Award

With a biannual or triannual “Award Scheme”, Fjällräven will support a selected recipient organization and/or individual who has outstandingly contributed in line with Fjällräven's vision & mission. The award will be given to make a difference and be monitored by an advisory group.



The Fjällräven Rainbow Kånken

#1 WE ARE PERCEIVED AS THE MOST SUSTAINABLE CLOTHING BRAND IN SWEDEN



Industry winner again – Sustainable Brand Index

Also in 2022, our sustainability efforts received international attention and recognition. Sustainable Brand Index is the largest consumer survey in Europe, and the results lead to national rankings on how consumers rate brands from a sustainability perspective. For the fourth time in a row, Fjällräven is perceived to be the most sustainable brand in Sweden in the category Clothes & Fashion.



Second-hand via multiple marketplaces

The fast-growing second-hand market is another key to a more circular economy. The core values of Fjällräven go hand in hand with this trend in society. Our products should not only offer functional longevity, but also emotional. Though Fjällräven at this point does not offer second-hand sales, we see that our used products find new owners at second-hand market places all over the world. One example: in 2022, Fjällräven was the most popular outdoor brand – and clothing brand in general – on Tradera, one of Sweden's leading marketplaces for second-hand goods, reaching nearly 3.5 million second-hand sellers and buyers.

164 ARCTIC FOXES
IN 2022, A RECORD NUMBER OF ARCTIC FOXES WERE BORN IN SWEDEN, NORWAY AND FINLAND.

The Swedish Arctic Fox Project

One program that Fjällräven has sponsored for many years is *The Swedish Arctic Fox Project (Svenska Fjällrävsprojektet)*, a research group in ecology at Stockholm University. The arctic fox is one of Scandinavia's endangered species. The group studies the demography and genetics of the arctic fox as well as its interactions with other species in the mountain tundra ecosystem. Every year, volunteers are also invited to take part. Thanks to initiatives such as this one at Stockholm University, a record number of arctic foxes were born in 2022 in Sweden, Norway and Finland – 164 in total.



In Swedish, the arctic fox is called *fjällräv* – hence the name of our company.

Regnbågsfonden – the Rainbow Fund

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

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



Longevity is a part of Fjällräven's mission. In 2022, through our Fjällräven services, we repaired approximately 7,000 products, which extended their lifespan.

Events and carbon emissions

Fjällräven arranges a number of events around the world; the best-known are the Fjällräven Classic series. The events are part of our Climate Action Strategy. We have now done our baseline calculations for a broader range of internal and external events to identify hot spots and be able to start with reduction measures in 2023. To calculate our events' emissions, we used the MyClimate Online Event Calculator.

30%
**CLIMATE TARGET
FOR 2025: REDUCE
EMISSIONS FROM
OUR EVENTS BY 30%**



