



Statement of Compliance with California Transparency in Supply Chains Act (SB 567)

The California Transparency in Supply Chains Act of 2010 (SB 657) ("Act") became effective January 1, 2012 in the State of California. The Act requires that certain companies doing business in California disclose their efforts to eliminate slavery and human trafficking from their direct supply chains. Fenix Outdoor International AG ("Fenix Outdoor") fully supports California's efforts to protect human rights and enforce ethical labor practices.

Fenix Outdoor has adopted and maintained a Code of Conduct for Suppliers and one for Employees which require, among other things, that our direct suppliers ("suppliers") ensure that they do not engage in or support forced labor or unlawful child labor. Additionally our suppliers must adopt and maintain terms of employment for their employees that comply with local law and requirements of decency. Fenix Outdoor is a signatory to the UN Global Compact and a member to the Fair Labor Association. Our Code of Conduct is in compliance with the Fair Labor Association's Workplace Code.

As stated in our Supplier Code of Conduct we are committed to ensuring that working conditions in our supply chain are safe, that workers are treated with respect and dignity and that manufacturing processes are environmentally and socially responsible.

Acknowledgment of Standards.

Each of our direct suppliers is required to acknowledge and support our Code of Conduct for Suppliers in its most recent version and to seek to conform to its standards and provisions and to apply the Code to their suppliers engaged in the production of goods for any of the Fenix Outdoor entities. As stated in our Supplier Code we require that - as a condition of doing business with us - suppliers:

- agree not to engage in any form of human trafficking or slavery (namely: forced and compulsory labor as well as child labor). We also demand that they manage their supply chain in an ethical way, including not using forced or involuntary labor of any type (e.g. forced bonded indentured involuntary prison labor) or illegal child labor.
- at a minimum comply with all applicable laws and regulations. We expect our suppliers to provide fair remuneration and to guarantee the applicable national statutory minimum wage, the prevailing industry wage or the wage negotiated in collective agreements, whichever is higher, and provide any fringe benefits required by law or contract.
- will treat all employees with respect and will not use corporal punishment threats of violence or other forms of physical coercion or harassment.

Auditing.

Fenix Outdoor has implemented a risk framework to facilitate the identification, assessment and management of environmental, political, reputational and social risks arising from any form of business relationships, known as the Country Risk Assessment Tool. This forms part of our global reputational risk framework and addresses human rights issues which includes modern slavery and human trafficking. This analysis is not conducted by a third party. Additionally, Fenix Outdoor has an own auditing team based in China, covering the Far East ("Leadertek"). Before, during and after production Leadertek inspects factories based on social and environmental as well as quality and other criteria and ranks and rates suppliers. Supply Chain and Procurement functions also engage in verifications of suppliers to evaluate and address risks of human rights risks and environmental standards and operations. Such verifications are conducted directly by Leadertek through supplier contractual agreements to comply with the Code and to disclose any non-compliance with the Code. All suppliers are subject to a review of their facilities. Violations against our Code of legal standards are recorded and a Corrective Action Plan (CAP) is drawn-up. Risk-based assessments and audits: Fenix Outdoor in its discretion expressly reserves the right to verify a supplier's compliance with the Code of Conduct for Suppliers through audits, on-site inspections including interviews of the supplier's employees in order to evaluate supplier's compliance. Where our team is not able to go itself (Europe/North America), we carry-out audits by a third party at the respective Fenix Outdoor entities' request. In addition, the Fair Labor Association reserves the right to re-evaluate and assess any of our direct suppliers at its own discretion.

Origin of Materials.

Fenix Outdoor's entities demand that all suppliers adhere to the materials specifications given by Fenix Outdoor; the Fenix Outdoor Chemicals Guideline and Social Compliance Guideline apply. All products shall comply with all laws including laws regarding slavery and human trafficking of the country or countries in which the supplier is doing business. A separate certification is not required as the Code of Conduct has to be signed. In addition certain certifications for materials are accepted as evidence for controlled and good conduct of the respective supplier.

Internal Accountability Standards.

We maintain internal accountability standards and procedures applicable to both employees and suppliers who may fail to meet company standards. Both, our own staff members and our suppliers are bound by our Code of Conduct. We pursue a policy of zero tolerance with regard to slavery and human trafficking and, in case of non-compliance or a single violation revealed by our auditing processes, we reserve the right to take appropriate measures, including the immediate termination of the respective business relationship. Staff can be sanctioned under our internal compliance system standards and local laws.

Company Employee and Management Training.

We are committed to ensuring our employees are better able to recognize and respond to slavery and human trafficking risks through raising awareness and delivering trainings. The Chief Sustainability Officer regularly updates staff at various locations on the latest updates and developments concerning our ethical guidelines; this includes also information on modern slavery and human trafficking. Training is provided to employees with direct responsibility for supply chain management and particularly with respect to mitigating risks within the supply chains.

In addition, we are delivering tailored training to selected business divisions that cover or operate in regions where the risk of negative human rights impacts can be high upon request. This is a continuous process.

Martin Nordin

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President and CEO

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