



FAIRPOINT

— OUTDOORS —



SUSTAINABILITY REPORT
2021/22



1. CEO statement

Since its beginning in 2004, Fairpoint Outdoors A/S (FPO) has been selling fishing gear. During the last few years, it has become more evident that we must aim for products with a more sustainable footprint. Habitats for fish worldwide are under pressure from both pollution and overfishing. Sports fishing is performed by fishing lures made from rubber, plastic, and steel that can disappear during fishing. At Fairpoint Outdoors, most of our lures are from the same standards as kid's toys, so pollution with phthalates will not happen.

2021 was an extraordinary year for Fairpoint as we experienced the effects from the COVID-19 pandemic and at the same time expanded our business substantially as a lot of people wanted to go outdoors and go fishing.

Our sustainable strategy is designed to support our business model and at the same time contribute to the UN Sustainable Development Goals and secure our commitment to the UN Global Compact.

In 2022, Fairpoint Outdoors aims to become a signatory to the UN Global Compact. Our operations are governed by the Principles of the UN Global Compact related to human rights, working life principles, the environment and prevention of corruption.

This report constitutes our first annual Communication on Progress to be submitted to the UN Global Compact. We will continue to support and contribute to the development of the principles of the UN Global Compact and report on progress annually.

Jens Buhl Jørgensen
CEO
Fairpoint Outdoors A/S

2. Business model

Fairpoint Outdoors A/S founded in 2003 is a developer and manufacturer of sportsfishing equipment. In addition to our own brands; Westin, Kinetic, Unique Flies and Move Mountains, we are proud to be the exclusive distributor of Sage, Rio and Redington in Scandinavia.

Our 2 main brands:

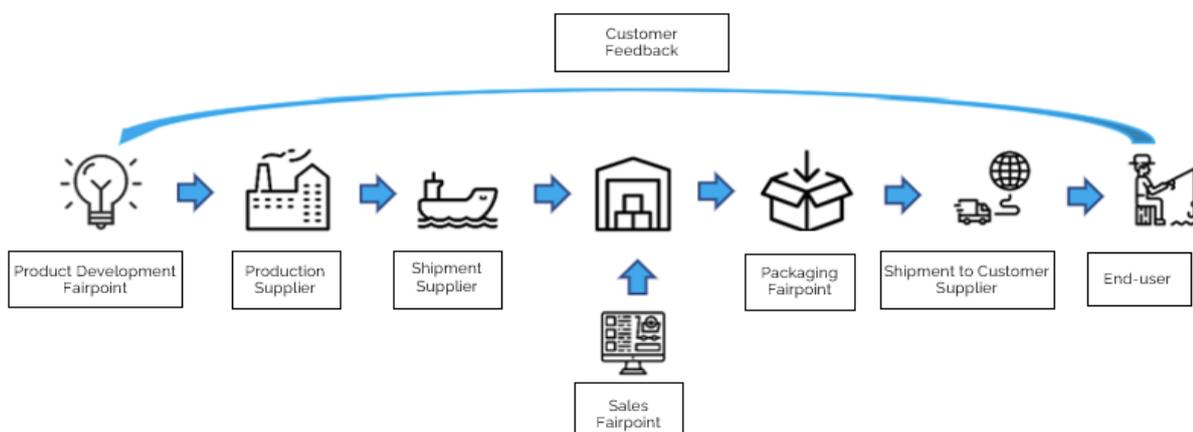
	 WESTIN® <small>SCANDINAVIA</small>	 KINETIC
Level of integration	Own development and manufacturing	Own development and manufacturing
Product range	Rods, lures, accessories and apparel	Rods, reels, lures, accessories and apparel
Focus discipline	Predator/Sea/Spin	Predator/Sea/Spin
Market positioning	High-End	Low-End
Target customers	Enthusiasts	Enthusiasts and casual participants
Distribution channels	Online and specialty stores	Online and "Big box" stores

Today, the company covers a broad range of sportsfishing tackle, mostly developed and manufactured by ourselves. Fairpoint Outdoors A/S employs more than 40 people in our headquarters in Denmark, and we furthermore have 25 experienced salesmen across Europe, as well as sales in Australia and the US.

By 2021 Fairpoint Outdoors A/S has revenue growing 40% compared to 2020 and the company continue to grow, with plans to further expand our business across the world.

Fairpoint Outdoors A/S was partly acquired by the Danish private equity fund Capidea in September 2021. This new partnership has given us additional strength to aim for further growth.

All of our products are made by our development department. We listen to our end users and their feedback is very valuable, when either coming up with new product ranges or optimizing current products. Our products are produced in China.



Our mission is to be the preferred fishing brand within the predator/sea/spin fishing segment.

3. Sustainability strategy

Fairpoint recognizes that the production and delivery of our products inevitably impact both climate and the environment in general. However, we are committed to mitigating these impacts to reduce our overall environmental footprint. For example, our daily business operations cause environmental impact through consumption of energy, water, and creation of waste, and we impact the environment through the transport of goods from China.

Through our product development, we seek to avoid use of any harmful materials as well as reduce the general consumption of plastic, phthalates and packaging material.

Products:

We have been working to remove the lead content in our product portfolio for the past many years. Today, products containing lead make up a minimal part of our turnover. We do not sell lead-containing products in Denmark, as it is banned. Work on phasing out lead products continues, and we expect to be 100% lead-free by the end of 2030.

Packaging:

For the last three years, we have worked intensively to reduce the use of plastic in packaging. Examples of this are fishing combo sets that were previously delivered in blister packs, which are now delivered mounted on cardboards with only four plastic strips. In addition, most of our baits were supplied in full "blister on cardboard," which is now offered in "short blister" packs. The same applies to all other products where we have significantly reduced the use of plastic.



Old Packaging with plastic blister.



New packaging with cardboard and a few plastic strips.



Downsizing the boxes and removal of plastic packaging material

Volume:

We work purposefully to minimize the packaging size and thus minimize the volume we ship. This work contributes to decrease CO2e emissions and goes hand in hand with our customers' desire to be able to present more products in one space (smaller packaging).

Chemical legislation/emollients:

For the past many years, we have worked with our suppliers (factories) to reduce the number of phthalates in our products and ensure that the phthalates and chemicals used to manufacture our products comply with EU standards and legislation.

Most recently, we have entered into a collaboration with "ECO House," (<https://ecohouse.dk/da/>) which, in the future, will annually update us on the chemical legislation, as well as prepare descriptions for our suppliers, which they must comply with within production.

Sustainable projects:

Fairpoint is also supporting sustainable projects that will help both the water environment and protect the habitats of the fish and their population. Examples hereof:

- Sea trout release in Denmark:

A group consisting of various actors from the Danish angling environment, including local shops around Copenhagen, will expose sea trout in Harrestrup Å to preserve the fish population of sea trout in and around Copenhagen. The release of fish was done April 9, 2022. Firstly, Fairpoint Outdoors has supported the project because we care about our nature; secondly, we will be out of business if there are no fish to catch.



Unleashing 20.000 trouts in Harrestrup Å

- Fairpoint has in the beginning of 2022 supported the foundation of Dansk Lystfiskeri.

The purpose of Dansk Lystfiskeri is to take care of the member companies' business interests by, among other things:

- to be the industry's political mouthpiece
- to promote Danish recreational fish stocks
- to promote the breadth of Danish angling
- to recruit and retain anglers in the sport
- to educate and develop the industry
- to support and map the societal value of angling to be a natural center for joint projects in the industry

Fairpoint acknowledges that the well-being of our employees is a crucial factor to being successful, and we intend to be a fair employer. Accordingly, we aim to conduct business in a matter where we support the anti-corruption agenda and always act responsibly to human and worker rights.

In the section below, we have selected some UN Sustainable Development Goals (SDG) targets, which are currently our main focus areas, and described FairPoint's contribution on each subject. The SDGs have been selected by evaluating the impacts that have the most significance and interest of Fairpoint, our stakeholders, and the surrounding community.

- SDG 14.1 Life below water is the most valuable goal that Fairpoint can support. We need to keep environmentally safe habitats for all sea creatures. If there are no fish in the sea, we cannot sell our products. One should remember that most of our customers do not catch fish to get food on the table but do so for the angling sport. The fish are therefore released after it is captured.
- SDG 12.5 is selected upon the realization of Fairpoint that waste production is one of the most considerable direct impacts of our operation. An impact that today is unmonitored and an effect where we see significant potential in improving through recycling.
- Our commitment to SDG 8.8 is linked to the history of Fairpoint. A company that always recognizes the importance of employee wellbeing as a key to being successful. We view both health issues, work safety, and gender equality as key factors in maintaining and developing a successful organization in the future.
- SDG 7.3 target was chosen because Fairpoint believes that despite our direct emissions being limited, the signal of reducing the immediate impact is essential. We see our significant contribution in improving energy efficiency as indirect through our customers and our supplier's footprint.

Sustainable Development Goals are listed in prioritized order:

SDG target	Description of target	Contribution
14.1 	<i>By 2025, prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution.</i>	We are working on making our products greener and environmentally friendly. For example, when our lures are lost at sea, they negatively impact the environment. Using greener materials and eco-friendly paint will help support our path in the right way before 2030.
12.5 	<i>By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.</i>	In 2022-23 we plan to investigate waste sorting possibilities and implement the optimal solution. For example, we are currently looking into having our packaging materials made from recycled plastic.

<p>8.8</p> 	<p><i>Protect labour rights and promote safe and secure working environments for all employees.</i></p>	<p>An annual workforce satisfaction survey is implemented, and any particular concern or necessary improvement will be dealt with appropriately. We plan to implement a program to prevent work situations that promote employee wear down in the coming years. In 2022-23 we will set a target to onboard employees with special needs (flex workers).</p>
<p>7.3</p> 	<p><i>By 2030, double the global rate of improvement in energy efficiency</i></p>	<p>By 2022, we will begin monitoring energy consumption and direct carbon footprint. In 2023 we will evaluate possible method of reducing energy consumption and emissions, especially within our warehouse.</p>

4. Environment

In 2022 Fairpoint has implemented monitoring of indirect CO₂e emissions and water consumption. Our carbon footprint is comprised of emissions from electricity, heating (natural gas and Oil), and transport in company cars. The water we consume is only for sanitary purposes in our office buildings and warehouse.

The introduction of the mapping of the emissions will act as the baseline for targeting reductions and lead to future actions to reduce direct emissions. Regarding carbon emissions, we have identified oil consumption for our warehouse's heating as our major contributor in our Scope 1 and Scope 2 emissions.

The work in 2022 of mapping emission Fairpoint has disclosed a lack of registration of waste volumes. We see potential in waste recycling, especially recycling all the cardboard boxes in which we receive our goods.

The table below lists some environmental risks and opportunities that Fairpoint Outdoors needs to handle. The risk and opportunities have been categorized following the recommendation of the TCFD framework (Task Force on Climate-related Financial Disclosures).

Type of risk	Sub-category	Description of risk	Materiality level	Time horizon	Describe current mitigation activities
Transitional	Market	Increased climate awareness among consumers may lead to a preference for more environmentally friendly products. However, this can complicate the development of our soft products made of rubber.	Medium	Long	Be at the forefront of developments in environmentally-friendly rubber solutions. See also our actions in section 3.

Transitional	Reputation	FPO products must meet the growing end user demand for environmentally friendly manufacturing and sustainable products.	High	Medium-Long	Monitoring the market and the demand for environmentally friendly products. Develop a broad portfolio of environmentally friendly/recyclable products.
Transitional	Market	Suppliers call for the increased cost of products (raw materials). The higher the product costs, the fewer units we risk selling.	High	Short	We adjust our prices continuously to cover the cost increase. We also research the market to find less expensive alternatives.
Transitional	Policy and Legal	Raw materials in our Lures will be banned for the usage in water.	High	Medium-Long	We need to adapt to the legislation and be ahead of this development within the political climate.
Transitional	Policy and Legal	Political focus on media friendly environmental restrictions together with shrinking fishing habitats can limit possibilities for fishing either in periods or permanently.	High	Short-Medium	We need to broaden our product lines to extent to all types of fishing to be less dependent on specific types of fishing.

Type of opportunity	Sub-category	Description of opportunity	Materiality level	Time horizon	Describe current mitigation activities
Opportunity	Products/services	Development of new 'green' product line	High	Medium-Long	Please see under section 3. Sustainability strategy.
Opportunity	Products/services	General development of better raw materials focused on environmentally safe use	High	Long	Please see under section 3. Sustainability strategy.
Opportunity	Products/services	Production partners develop and adapt more environmental correct production methods.	Medium	Medium-Long	Please see under section 3. Sustainability strategy.

5. Social

Following our employee policy, Fairpoint strives to be an attractive place of work where all employees can develop. We emphasize that each employee thrives in their position and the informal co-operation with their colleagues. We aim to empower the employee with responsibility to as high a degree as possible. We focus on close and frequent contact between the employee and the most immediate leader.

Under the primary policy, Fairpoint has some detailed policies to regulate specific areas: work conditions, vacation, sickness, smoking, alcohol, retirement, senior workforce, pregnancy, IT, and handling of personal data. The complete policies are gathered in the employee handbook of Fairpoint, which is given to new employees and is available to all employees electronically in the latest updated edition.

Concerning work safety and the working environment, Fairpoint has an organized group evaluating past issues, agreed action, and planning future actions. The group consists of Fairpoint's COO and employee representatives from the different departments. The group meets 2-4 times annually and runs a continuous circle of identifying areas of improvement, planning improvement changes, and following up on the implementation and effect.

Fairpoint has the ambition of being a diverse workplace. Both in hiring new employees and in the daily operations. We do not tolerate discrimination based on religion, race, color, gender, disability, age, nationality, sexual orientation, or political views. All employees have a right to an open and accepting work environment.

Regarding gender diversity, Fairpoint Outdoors operates in an industry where male employees traditionally work constitutes a natural majority. Additionally, many of our employees are sales representatives, a male-dominated group, which is similar to how the end-user group is compiled. With these considerations in mind, we have begun to monitor the gender diversity rate on all levels of the organization. We are not setting any target for gender diversity and will not hire specifically for this – We hire the best candidate we see fit for the task.

Fairpoint has an active policy to include people on favorable terms, enabling people with health issues to obtain a degree of employment. This program also consists of the intake of refugees for job training at our warehouse.

Sickness absence is a clear indicator of our employee's well-being, and Fairpoint strives at having a sickness absence percentage significantly below the industry average. We strive to get better at tracking sickness among our employees to ensure that everybody is feeling well by being a Fairpoint Employee.

The Lost Time Incidents (LTI) rate in 2021 was 0,0% which was a satisfying level. Historically we have had very few working accidents over the last many years.

To constantly maintain or improve employee well-being, we conduct regular employee surveys, enabling us to improve Fairpoint as a workplace where employees thrive and develop. The last survey showed 93% normal, high or very high satisfactory within the topics well-being, influence, development and management – We will do a new survey in 2022 when our office space has been rebuilt and redecorated at the beginning of the summer.

The employee turnover ratio of 4% in 2021 was at a satisfactory level, this was on a voluntary basis.

6. Governance

Fairpoint applies an overall policy of doing business in such a manner that Fairpoint's activities do not negatively impact human rights. Fairpoint fully supports and respects the internationally recognized human rights formulated in the UN Human Rights Declaration. Fairpoint does not accept child labor, forced labor, or any form of human trafficking. We are members of the organization Amfori working with BSCI standards that follows up on this with our suppliers in China.

A risk exists that Fairpoint or any sub-supplier could potentially breach fundamental human rights in the supply chain. Therefore, Fairpoint intends to formulate a binding contract to all suppliers requiring them to comply with human rights within 2024.

Furthermore, in 2021 Fairpoint has introduced a global whistleblower system where employees can anonymously report any breach or potential human rights on both Fairpoint's and sub-suppliers premises. <https://www.fairpoint.dk/fairpoint-outdoors/about/whistleblower/> It's also the intention to

use the whistleblower system to report on breaches against ethical business practices such as acts of bribery or corruption. Any reporting will go directly to EY and anonymously to our major shareholders at Capidea. We have not had any reports from the whistleblower system.

Fairpoint supports the anti-corruption plan, and we will avoid any form of bribery and extortion in conducting our business.

We conduct our business ethically and comply with all applicable laws and regulations, including anticorruption rules. We have a "zero-tolerance policy" against corruption and prohibit all corrupt practices throughout our business operations.

The Board meeting attendance is a material topic for the Board's involvement in executing the Fairpoint strategy. In 2021/22, the Board meeting attendance reached was at a level of 100%, indicating that the Board of Directors in Fairpoint A/S has a high degree of involvement in the company's operations and development.

The Board of Directors at Fairpoint A/S currently has a diversity ratio of 16,6% (1 out of 6 members). In this regard we acknowledge that we are in a male dominant business and it is essential to Fairpoint Outdoors that the best suited candidate always will be offered the position. (For this reason we have not set any targets regarding the gender diversity of the BoD.)

Our future aim is to monitor our supply chain in respecting the above-mentioned values and policies of Fairpoint Outdoors. Our primary method of securing this will be an internal supplier survey, certification, and approval, based on the outcome from our cooperation with Amfori.

7. Sustainability key metrics

The report covers the environmental impact of direct Green House Gas emissions and water use in our own operations in 2021. The report covers gender diversity through all levels of the company, and employee safety and well-being are monitored through registration of lost injury time and sickness absence.

	2021
Scope 1 emissions (ton CO2 e)	51,9
Scope 2 location based emissions (ton CO2 e)	13,3
Total emissions (ton CO2 e)	65,2
Overall gender diversity (%)	24,5%
Board gender diversity (%)	16,6%
Management gender diversity (%)	10,0%
Employee turnover(%)	4,0%
Employee safety (Lost Time Injury Rate)	0
Board meeting attendance (%)	100%

KPI	Accounting practice (scoping, definitions, calculation methods etc.)
Scope 1 emissions	<p>All direct Green House Gas emissions from operations in Denmark, excluding our company cars.</p> <p>Source of emission factors: U.K. Department for Environment, Food and Rural Affairs (DEFRA), 2021</p>
Scope 2 emissions	<p>Indirect Green House Gas emissions from purchased electricity and heating. Scope 2 is presented as location based.</p> <p>Source of emission factors: Association of Issuing Bodies (AIB), 2020</p>
Diversity	<p>Amount of female employees / Board members (in percent) of total number of employees / Board members (Calculation is done by the end of the the year with Full time employees – FTE's)</p>
Employee turnover	<p>Total number of voluntary and involuntary employee resignations within the reporting period / total number of employees within the reporting period. (Calculation is done by the end of the year)</p>
Lost Time Injury Rate	<p>Amount of injuries of employees leading to a loss of at least one day off work / number of available working days</p>