



## **Fox Factory 2022 TCFD Disclosures**

In alignment with TCFD recommended updates from October 2021, Anthesis supported Fox Factory in developing its first TCFD report.

The background sources for the October 2021 TCFD Recommended Disclosures can be found below:

- 2021 Detailed Disclosures Source: [2021-TCFD-Implementing\\_Guidance.pdf \(bbhub.io\)](#)

**The 2022 Fox Factory TCFD disclosure covers calendar year 2022, unless otherwise noted, and is aligned with our 2022 Sustainability Report and 2023 CDP Climate Change Survey.\***

\*This document has been updated since its original publication with restated 2022 GHG emissions numbers. We are continuing to evolve our data collection and calculation processes.

## Governance:

Disclose the company's governance around climate-related risks and opportunities.

Key area	
Describe the board's oversight of climate-related risks and opportunities.	<p><b>The Board</b></p> <p>Fox Factory's Board actively oversees the company's long-term strategy, evaluating key business risks and opportunities, customer trends, and competitive developments, including those related to sustainability, which are discussed at either Board or Committee meetings on a quarterly basis. As part of this process, the Board maintains ultimate oversight and support of the company's sustainability journey.</p> <p>To determine what matters most and where to focus efforts regarding sustainability for Fox Factory, each of the Board members were interviewed as part of a materiality assessment process at the beginning of the company's sustainability journey. The results of this assessment were presented to the highest governance bodies in the third quarter of 2021, and a strategy-setting exercise was conducted and presented to the Board. More information about the materiality assessment results and the resulting strategic framework, Fox Factory Frontiers, can be found in our annual Sustainability Report (<a href="#">2022 Sustainability Report</a>).</p> <p>The company's sustainability efforts are all guided by the Frontiers strategy, which centers on three integrated impact pillars: People, Planet, and Product, underpinned by excellence in business fundamentals. This framework will continue to evolve and receive Board input as sustainability efforts become more deeply integrated throughout the company, supported by the initial climate-related risk and opportunity assessments and the implementation of specific programs, goals, and key performance indicators. Board members also provide feedback annually on the alignment of these factors with the company's overall strategy.</p> <p><b>Fox Factory's Nominating and Corporate Governance Committee</b></p> <p>There are three committees within the Board: The Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee is responsible for overseeing our purpose, value and mission statements, and policies and goals related to sustainable development and impacts. The Committee identifies important trends and issues and hands the responsibility to act accordingly to the Executive Leadership Team. Committee membership is also influenced by the Charter, which says that the capabilities of Committee members must align with these responsibilities. Annually, members of the Committee shall be designated by the Board and will consist of three or more directors. The Nominating and Corporate Governance Committee of the Board of Directors and the Executive Leadership Team members could include the Chief Executive Officer, the Chief Financial Officer, the Chief Human Resources Officer, and the Chief Legal Officer. The Committee may identify, evaluate, and monitor the social, political, and environmental trends, issues, concerns, legislative proposals, and regulatory developments, domestic and foreign, which could significantly affect the public affairs of the Company. In addition, from time to time, the Committee may report and make</p>

	<p>recommendations to the Board relating to activities, policies and programs with respect to such matters, without limitation, as follows: (i) matters of local, national and international public policy affecting the Company’s business; (ii) relations with regulators, government agencies, public interest groups, other stakeholders and countries in which the Company does business; (iii) the Company’s policies with respect to corporate social responsibility and global corporate citizenship; and (iv) general guidelines for political contributions. The Committee believes that differences in experiences, knowledge, skills, and viewpoints enhance the Board’s overall performance, as such, the Committee shall consider such diversity in selecting, evaluating, and recommending proposed director candidates. If some topics are important enough, the Committee or the Chief Executive Officer will bring them to the full Board of Directors for discussion.</p>
<p>Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p><b>Management’s Role</b></p> <p>At Fox Factory, the Executive Leadership Team is responsible for making our sustainability plan. This includes due diligence: a process to understand and act against potential negative impacts. It also includes making, approving, and executing strategies, managing sustainability risks, and seizing opportunities. The Chief Purpose and Inclusion Officer, a member of the Executive Leadership Team, is responsible for leading this work and the sustainability and impact team, which collaborates across the organization to prioritize sustainability as a key company strategy. This includes cross-company collaboration with business groups and functions to evaluate climate risks and opportunities and develop recommendations to support mitigation and adaptation for key decision-makers. The Chief Purpose and Inclusion Officer reports directly to the Chief Executive Officer on a day-to-day basis, and to the Nominating and Corporate Governance Committee at scheduled quarterly meetings or as needed. Sustainable development is a recurring topic at Executive Leadership Team Meetings, demonstrating the company’s growing commitment to our sustainability journey.</p> <p>In 2023, we finalized our initial Climate Risk and Opportunity Screening assessment, engaging with management across five key business areas: Corporate, Performance Vehicle Development (PVD), Powered Vehicles Group (PVG), Sport Truck, and Specialty Sports Group (SSG). This assessment involved stakeholders with oversight and responsibility for key functions across our company to provide on-the-ground and management level perspectives, capturing significant risks and opportunities. The assessment consisted of a survey to develop a preliminary list of potentially substantive climate-related risks and opportunities across each group. The findings from the survey were brought to each group individually in a deep-dive workshop to further validate the impact of items identified and understand their group-level management. The results of this work were reviewed by our Chief Purpose and Inclusion Officer, who works closely with the Investor Relations team on sustainability-related issues and disclosures to monitor pending requirements such as the SEC proposal.</p>

**Strategy:**

Disclose the actual and potential impacts of climate-related risks and opportunities on the company’s businesses, strategy, and financial planning where such information is material.

Key area	Disclosure Update																																	
Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	<p>Fox Factory’s materiality assessment highlighted climate change, sustainable products and materials, trail access and conservation, and water stewardship as priority environmental impact areas for our leaders, customers, employees, and growing consumer base. To gain a thorough understanding of climate-related risks and opportunities related to these matters, we conducted a global climate screening with cross-functional leadership.</p> <p><b>Climate Risks</b>                      The identified physical and transition risks align with TCFD’s risk categories and are presented in <b>Table 1</b>. The risks were assessed based on severity, likelihood, and preparedness across short (0 to 5 year), medium (5 to 10 years), and long-term (10 years and beyond) time horizons. Risks were prioritized based on their impact scope and Fox Factory’s ability to mitigate and control them.</p> <p><b>Table 1. Risks assessed during the climate screening process.</b></p> <table border="1"> <thead> <tr> <th colspan="2">TCFD Risk Category</th> <th>TCFD Sub-Category Risks</th> <th>Potential Impacts on Fox Factory</th> <th>Time Horizon</th> </tr> </thead> <tbody> <tr> <td rowspan="4">Physical</td> <td>Acute</td> <td>Increased severity of extreme weather events</td> <td>Increasing frequency and severity of extreme weather events</td> <td>Short to Medium</td> </tr> <tr> <td rowspan="3">Chronic</td> <td>Rising mean temperatures</td> <td>Rising mean temperatures and increased temperature variability</td> <td>Medium to Long</td> </tr> <tr> <td>Rising sea levels</td> <td>Rising sea levels and coastal flooding</td> <td>Medium to Long</td> </tr> <tr> <td>Changes in precipitation patterns and extreme variability in weather patterns</td> <td>Drought and water stress</td> <td>Medium to Long</td> </tr> <tr> <td>Transitional</td> <td>Technology</td> <td>Costs to transition to lower emissions technology</td> <td>Cost of the technological innovations needed which support the energy transition to a low carbon economy</td> <td>Medium to Long</td> </tr> <tr> <td>Transitional</td> <td>Reputation</td> <td>Shifts in consumer preferences &amp; stigmatization of the sector</td> <td>Changing perceptions of Fox Factory’s contribution to the transition to a low carbon economy</td> <td>Medium</td> </tr> </tbody> </table>				TCFD Risk Category		TCFD Sub-Category Risks	Potential Impacts on Fox Factory	Time Horizon	Physical	Acute	Increased severity of extreme weather events	Increasing frequency and severity of extreme weather events	Short to Medium	Chronic	Rising mean temperatures	Rising mean temperatures and increased temperature variability	Medium to Long	Rising sea levels	Rising sea levels and coastal flooding	Medium to Long	Changes in precipitation patterns and extreme variability in weather patterns	Drought and water stress	Medium to Long	Transitional	Technology	Costs to transition to lower emissions technology	Cost of the technological innovations needed which support the energy transition to a low carbon economy	Medium to Long	Transitional	Reputation	Shifts in consumer preferences & stigmatization of the sector	Changing perceptions of Fox Factory’s contribution to the transition to a low carbon economy	Medium
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Transitional	Legal and Policy	Enhanced emissions-reporting obligations & mandates on and regulation of existing products and services	Policies which act to constrain adverse effects of climate change or promote adaptation to climate change	Short to Medium
Transitional	Market	Uncertainty in market signals	Shifts in supply and demand for key materials and Fox Factory's products	Medium

The climate screening identified that the highest priority risks for Fox Factory could include:

- Increased frequency and severity of **extreme weather events** and the associated business interruption and supply chain disruption, specifically tropical storms in Taiwan and wildfires in California.
- Increasing global and regional **mandates and regulations** on powered vehicles such as fuel efficiency standards.
- **Shifting consumer preferences** towards lower-emission products to comply with changing governmental regulations.

### Climate Opportunities

We identified climate-related opportunities based on TCFD opportunity types and classifications. The opportunities were assessed for impact, likelihood, and potential to capitalize on them over short (0 to 5 year), medium (5 to 10 years), and long-term (10 years and beyond) time horizons.

**Table 2.** Opportunities considered during this screening assessment.

TCFD Opportunity Category	Potential Impacts on Fox Factory	Time Frame
Resource Efficiency	Efficiency of Fox Factory's operations, offices, and products	Short to Medium
Energy Source	Fox Factory's use of low emission energy sources and participation in the carbon market	Short to Medium
Products and Services	Consumer preferences shifting towards positive environmental impacts and towards low-carbon products	Short to Medium
Markets	Fox Factory's ability to capitalize on and access new markets and customers through product innovation, etc.	Medium to Long
Resilience	Fox Factory's ability to continue to do business amid climate-related risks through resilience and planning and reliability of services and products	Long

	<p>Fox Factory also identified priority opportunities such as:</p> <ul style="list-style-type: none"> <li>• Building <b>resilience</b> into infrastructure and products to build adaptive capacity to respond to physical and transition climate risks.</li> <li>• Further invest in driving <b>resource efficiency</b> across offices and manufacturing locations and throughout the supply chain to improve environmental footprint.</li> <li>• Increase <b>climate ambition</b> to expand lower-emission products, diversify business activities, and address shifting consumer preferences.</li> </ul> <p>To assess the potential material impact of each risk and opportunity, Fox Factory evaluated our severity, likelihood and preparedness based on our current ERM scales, which uses a 5-point scale to rate the significance of financial, reputational, regulatory, health, safety, security, environmental, employee, customer, and operational impacts. Overall, significance can be defined using a combination of these types of considerations, given certain risks may impact Fox Factory financially while other risks may have a greater impact to reputation or health and safety. When assigning significance rating to a risk, we assigned the rating for the highest consequence anticipated. For example, if any one of the criteria for a rating of 5 is met, then the impact rating assigned is 5 even though other criteria may fall lower in the scale.</p>
<p>Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.</p>	<p>The climate screening process was the starting point for Fox Factory's efforts to assess the potential impact of climate-related risks and opportunities. We aimed to identify risks and opportunities that could disrupt our operations or provide opportunities, and focused on understanding how such risks and opportunities could impact the business, strategy, and financial planning.</p> <p><b>Impact of Risks on Business, Strategy and Financial Planning</b></p> <p>While Fox Factory faced exposure to both physical and transition risks, the assessment found that transition risks had the most potential to present significant exposure for Fox Factory's business, strategy, and financial planning for the foreseeable future.</p> <p>To address physical and transition risks, Fox Factory has developed a global sustainability program, <i>Fox Factory Frontiers</i>, to apply our never-ending pursuit of maximum performance to operational and product sustainability as well as to talent recruitment and development. As part of this program, we are creating a long-term climate action strategy which will include reducing building carbon intensity, exploring renewable energy procurement, and investing in credible carbon offsetting projects. These measures are expected to help mitigate Fox Factory's transition risks. Additionally, the company complies with relevant carbon-related regulations, quantifies and reports our greenhouse gas emissions, and continuously seeks new ways to reduce our carbon footprint and overall impact.</p>

In 2023, Fox Factory conducted cross-functional discussions to assess the adequacy of our physical and transition risk mitigation plans in response to the changing climate. These discussions revealed that individual business units were primarily responsible for physical risk mitigation plans, while the corporate group took the lead in addressing transition risks. During the discussions with the business groups, we examined how current mitigation plans may need to be adapted considering the changing physical climate. This revealed the importance of developing additional short-term adaptation strategies in response to uncertainty driven by physical climate-related events. For example, when Fox Factory's plants in California were evacuated during a past wildfire to ensure safety of employees, the company's adaptation strategy included shifting production quickly and seamlessly to another facility to ensure operations were not disrupted.

#### **Impacts to Business and Strategy:**

- **Operations**

- Our climate strategy constantly evolves as we gain a deeper understanding of our impact on climate-related issues, such as greenhouse gas emissions, water and electricity usage, and waste management. As part of Fox Factory's sustainability program, we have identified opportunities to increase efficiency in manufacturing and office operations, such as procuring renewable energy and pursuing environmental management certifications. Additionally, we implement water conservation programs at key sites and are actively seeking ways to reduce our operational impact. In addition to setting aspirations related to emissions reduction, we have established governance and management systems and are exploring ways to develop more sustainable products. As part of our 2030 aspirations, we aim to achieve a 25% reduction in our operational emissions (Scopes 1 and 2) by 2030\*. These initiatives are part of Fox Factory's broader goal to demonstrate the company's commitment to sustainable business practices.
- To support our efforts in driving positive change and reducing our footprint, we have implemented environmental management systems in our largest facilities. El Cajon, California and Gainesville, Georgia, have successfully achieved the ISO 14001 certification for environmental management systems (EMS). Our Gainesville facility is also working towards the ISO 15001 certification for energy audits. These audits allow us to evaluate energy consumption and efficiency, identifying areas for improvement and guiding the development of strategic plans.

\*This aspiration has been restated in our 2023 Sustainability Report as we continue to develop our path forward.

- **Supply Chain**

- Fox Factory recognizes that any impact on our suppliers, whether regulatory or physical, could affect our ability to conduct business. Extreme weather events may impact our suppliers if they prevent or delay the production or delivery of goods or cause infrastructure damage. In addition, any water use restrictions in already water-stressed regions, such as California or Taiwan, could cause delays or alter

the availability of products. Regulatory changes could also shift how Fox Factory interacts with our suppliers and could result in price or contract changes. Fox Factory manages such risks by increasing transparency in our supplier relations.

- **Products and Services**

- As a leading player in the off-road vehicle markets, Fox Factory has recognized the growing importance of electric off-road vehicles and is committed to understanding how we need to diversify our product portfolio in response to these evolving market trends. In this context, Fox Factory has been closely monitoring market trends and consumer preferences and has been actively engaged with key stakeholders to stay ahead of the curve. For example, Fox Factory has been participating in an exciting initiative called Extreme E, an international off-road racing championship series using cutting-edge vehicles to promote the development and adoption of electric vehicles in the off-road vehicle sector. By staying abreast of emerging technologies and market trends, we are positioning ourselves to continue to deliver innovative products and services that meet the evolving needs of our customers, while also contributing to the transition towards a more sustainable future. This is further highlighted through other product lines' commitment to sustainability, including the plethora of innovative products we produce for bicycles that allow consumers to enjoy the outdoors in a zero-emissions way.

- **R&D Investing**

- Fox Factory is proactively monitoring the R&D space, with a particular focus on the growing popularity of electric vehicles. As the regulatory environment evolves and new laws and policies are enacted, Fox Factory recognizes that we may need to make significant investments in R&D and shift internal capital allocation to modify our product offerings. For example, global government and regulatory agencies are considering new environmental regulations and policies aimed at increasing fuel efficiency requirements of internal combustion-engine (ICE) vehicles, such as Corporate Average Fuel Economy (CAFE) and Safer Affordable Fuel Efficient (SAFE) standards.
- Fox Factory is committed to ensuring that any investment in research and development needed to adapt to changing market conditions does not compromise the performance and quality of our products.

**Impacts to Financial Planning:**

Climate-related physical and transition risks have already influenced our financial planning. For example, the rising cost of fuel could have an impact on our direct costs due to our reliance on traditional manufacturing practices for the production of our products. To address this, Fox Factory is working to increase energy efficiency throughout our direct operations and our largest production plant was recently ISO 14001 certified and is in the process of getting ISO 150001 certified. In addition, extreme weather events, such as tropical cyclones and wildfires, have caused us to modify our production with some cases requiring temporary closure of manufacturing locations. These impacts have

	<p>been minor, however, and Fox Factory was able to adapt quickly by shifting production in an efficient and timely manner to secure locations. As extreme weather events become more severe and/or frequent in the future, these climate-related events could have a growing impact.</p> <p>When it comes to understanding the potential impacts of climate change on a company like Fox Factory, it was important to consider how disruptions in the supply chain, regulatory changes, and shifts in internal capital allocation could affect the production and distribution of our premium market products. For example, supply chain disruptions could lead to shortages of raw materials or higher costs of transportation, which could in turn affect the pricing and availability of Fox Factory’s products. Similarly, regulatory changes related to quality control, environmental standards, or carbon emissions could require the company to make changes to our manufacturing processes or products by investing in new technologies or processes to meet those requirements, which could be costly. Finally, if the company decides to shift our focus towards investing in research and development for electric vehicles, we may need to reallocate resources away from our traditional product lines. This could lead to changes in pricing, quality, or availability of those products, which could have an impact on the company’s profitability and competitiveness in the market. Fox Factory is dedicated to understanding and preparing for these potential impacts in order to maintain our position as a leader in the premium market.</p> <p>To better understand what this future looks like, Fox Factory may continue the assessment of priority physical and transition climate-related risks through scenario analysis. This analysis will inform our future financial planning for mitigation and adaptation investment required.</p> <p><b>Fox Factory’s Low-Carbon Transition Plan</b></p> <p>Fox Factory’s identified climate risks and opportunities will further influence our strategy and financial planning through the development of low-carbon transition plans, which include the following:</p> <ul style="list-style-type: none"> <li>• Operational Emissions Reduction</li> <li>• Renewable Energy Adoption</li> </ul>
Describe the resilience of the company’s strategy, taking into consideration different climate-related scenarios,	<p>In 2023, Fox Factory conducted a climate-related risk and opportunity review that included a qualitative assessment of potential physical and transition risks across the global enterprise and value chain. Through stakeholder engagement, we identified climate-related risks with the potential to impact the business, as defined by TCFD risk types and classifications, over the short (0-5 year), medium (5-10 years), and long (10 years and beyond) term time horizons. Key functional leaders and subject matter experts were engaged to assess the relevance of these risks to the business and prioritize them based on potential impact and vulnerability assessments.</p>

including a 2°C or lower scenario

**Risk Management:**

Disclose how the company identifies, assesses, and manages climate-related risks.

Key area	Disclosure Update
<p>Describe the processes for identifying and assessing climate-related risks.</p>	<p>Climate risk assessment, development, and action begins with our dedicated sustainability team through identifying and evaluating potential impacts of climate change. This process was supported by external consultants with subject matter expertise in climate risk and TCFD.</p> <p>In 2023, Fox Factory conducted an inclusive assessment of potentially relevant climate-related risks through our climate risk screening process based on the severity, likelihood, and vulnerability across the business in the short-, medium-, and long-term. The scope of this process was global and included both organization-wide impacts as well as asset-level impacts. Key operational groups with responsibilities across our value chain rated the severity, likelihood, and vulnerability to each risk across a 5-point scale of very low to very high. These metrics aligned with those used in Fox Factory’s enterprise-wide risk assessments and thus serve as the basis for determining which climate-related risks should be managed in relation to other risks.</p> <p>In combination with the climate screening, Fox Factory has also made efforts to update our Enterprise Risk Management (ERM) process. Fox Factory recognizes the importance of assessing climate-related risks in combination with other enterprise-wide risks and plans to continue incorporating climate-related risks into the full ERM assessment.</p> <p>As noted, Fox Factory defines substantial financial or strategic impact on business using a 5-point scale, where a rating of 5 indicates extreme impact and a rating of 1 indicates incidental impact. This scale is used for all enterprise-wide risks, including climate risks, and is detailed below.</p> <p><b>A rating of 5: Very High</b></p> <ul style="list-style-type: none"> <li>• Financial loss &gt;\$25M (reduction of net income, fines, penalties, or forfeitures against the company)</li> <li>• International long-term negative media coverage; game-changing loss of market share</li> <li>• Significant prosecution and fines, litigation including class actions, incarceration of leadership</li> <li>• Significant injuries or fatalities to employees or third parties, such as customers or vendors</li> <li>• Multiple senior leaders leave the company</li> </ul>

	<p><b>A rating of 3: Medium</b></p> <ul style="list-style-type: none"> <li>• Financial loss &gt;\$1M up to \$5M (reduction of net income, fines, penalties, or forfeitures against the company)</li> <li>• National short-term negative media coverage</li> <li>• Report of breach to regulator with immediate correction to be implemented.</li> <li>• Out-patient medical treatment required for employees or third parties, such as customers or vendors.</li> <li>• Widespread staff morale problems and high turnover</li> </ul> <p><b>A rating of 1: Very Low</b></p> <ul style="list-style-type: none"> <li>• Financial loss &lt;\$250,000 (reduction of net income, fines, penalties, or forfeitures against the company)</li> <li>• Local media attention that is quickly remedied</li> <li>• Not reportable to regulator</li> <li>• No injuries to employees or third parties</li> <li>• Isolated staff dissatisfaction</li> </ul>
<p>Describe the processes for managing climate-related risks.</p>	<p>Climate-related risks are prioritized via our climate screening and presented to business units that may be impacted. Materiality determinations will be made after modeling via scenario analysis and understanding the financial and strategic impact of priority risks.</p> <p>As our organization works to enhance our ERM process, we will be incorporating an additional category of “climate-related risks” to ensure they are accurately captured and managed through our overarching risk management framework. This strategic measure emphasizes our commitment to proactively addressing potential risks emanating from climate change,</p>
<p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the overall risk management.</p>	<p>Climate-related risks will be embedded into the company’s overall operations through integration within the overarching ERM process and embedding climate risk mitigation into business units’ strategic planning. We will be building out our risk analysis systems to expand vendor management capabilities so we can take a risk-informed approach to doing our due diligence with vendors. After enterprise-wide risks have been identified and assessed (ranked against our 5-point scale for impact, likelihood, and preparedness), Fox Factory will determine how each risk will be addressed, document mitigation strategies, and develop relevant KRIs and KPIs. The overarching ERM process for identifying, assessing, treating, and continuously monitoring and updating risks will apply to all potential hazards, including those arising from climate-related factors. By adopting this holistic approach, we aspire to mitigate potential risks and bolster our organizational resilience in the face of a rapidly changing climate.</p>

## Metrics & Targets:

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Key Area	Disclosure Update
<p>Disclose the metrics used by the company to assess climate-related risks and opportunities in line with its strategy and risk management process.</p>	<p>Our climate strategy will evolve as we gain a deeper understanding of our impact on climate-related issues, such as greenhouse gas emissions, water and electricity usage, and waste management. Fox Factory employs various metrics to help understand our exposure to physical and transition climate-related risks and opportunities. Transition risk metrics include our exposure to global regulations, energy consumption, and our greenhouse gas emissions. Physical risk metrics focus on our ability to minimize water use and conserve fresh water.</p> <p>After enterprise-wide risks have been identified and assessed, Fox Factory will develop relevant KRIs and KPIs. As Fox Factory enhances our ERM systems and program, we will work to identify and develop appropriate KRIs and KPIs to climate-related risks.</p>
<p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.</p>	<p>Our efforts to calculate our emissions in line with the Greenhouse Gas Protocol inherently reduce our risk exposure to increasing expectations from stakeholders (e.g., investors, employees, customers) for emissions disclosure and regulation of corporate climate disclosure. Investing in expanding our calculations to include our indirect emissions in our value chain will further reduce this exposure. Risks associated with our footprint in the transition to a low-carbon economy include the risk of policies to drive carbon pricing and regulation of corporate climate reductions. Fox Factory has calculated and publicly disclosed our emissions since publishing our first annual sustainability report on June 7, 2022. Details on our 2022 Scope 1, 2, and 3 greenhouse gas (GHG) emissions, along with our water and waste metrics, can be found in our <a href="#">2022 Sustainability Report</a>.</p> <p>Fox Factory's 2022 GHG inventory details are disclosed below:</p> <ul style="list-style-type: none"> <li>- <b>Scope 1:</b> 7,241 tCO<sub>2</sub>e</li> <li>- <b>Scope 2 (Market-Based):</b> 21,928 tCO<sub>2</sub>e</li> <li>- <b>Scope 2 (Location-Based):</b> 20,575 tCO<sub>2</sub>e</li> <li>- <b>Scope 3 (Total Market-Based):</b> 524,496 tCO<sub>2</sub>e</li> <li>- <b>Scope 3 (Total Location-Based):</b> 524,501 tCO<sub>2</sub>e</li> </ul>
<p>Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.</p>	<p>Fox Factory is in the process of analyzing the feasibility of emissions reduction goals and establishing governance and management systems, exploring the use of opportunities to build more sustainable products, improving trail access and conservation efforts, and taking measures to reduce our water usage throughout our entire supply chain.</p> <p>Key aspirations for Fox Factory to achieve by 2030 include:</p> <ul style="list-style-type: none"> <li>• Carbon Emissions <ul style="list-style-type: none"> <li>○ Achieve a 25% reduction in operational Scope 1 and 2 emissions by 2030 [Note: This aspiration has been restated in our 2023 Sustainability Report as we continue to determine our path forward]</li> </ul> </li> </ul>

- Sustainable Product Mindset
  - Introduce cost-effective sustainable thinking in 100% of new development projects as well as packaging material usage and design
- Supplier Code
  - Ensure that at least 90% of our Tier 1 supply chain partners have signed our Supplier Code of Conduct
- Inclusion, Diversity and Engagement
  - Consistently achieve top quartile employee engagement scores
  - Attain increased representation internally and externally
- Social Impact
  - Globally grant US\$10MM and expand access to 100K underrepresented adventurers through Trail Trust
  - Achieve 35% employee participation in BOOST (our employee giving program)