



# 2023 SUSTAINABILITY HIGHLIGHTS



**FOX FACTORY**



# ADVENTURE IS NEVER DONE

We believe progress happens when we challenge frontiers. That's why we're committed to the adventure of a better world, bending and breaking frontiers in relentless pursuit of a future where people and the planet come first—and where adventure is never done.

The common thread across Fox Factory is a shared passion, courage, and drive to craft products and technology that push boundaries and deliver confidence to customers, athletes, and adventurers. 2023 was a big year for us. Despite challenging market conditions, we successfully launched more products than the year before and welcomed over 400 new employees through our acquisitions of Custom Wheel House, Marucci Sports, and Ride Concepts. These new additions bring their own great cultures and commitment to innovating for their customers, plus synergies in engineering, manufacturing, and sourcing.

As leaders in our industry, we embrace our responsibility to preserve our natural environments and strive to pursue sustainability as relentlessly as we do superior performance. Our commitment to excellence, reducing impacts, and seizing opportunities is manifested in the four frontiers of our sustainability strategy: Planet, People, Product, and Business Fundamentals. By focusing on uncompromising product integrity, design, and innovation and effectively managing our social and environmental impacts, we're working to move the needle in a positive direction every day.

This 2023 highlights document introduces our third annual sustainability report and some of our key progress since we began this adventure.

For a more detailed look at our progress, please see our full [2023 Sustainability Report](#).





## PLANET

As we gain a deeper understanding of our effects on the environment, we're developing a climate strategy that aims to maximize efficiencies and leverage new possibilities. In our operations, we're seeking ways to conserve energy, reduce our greenhouse gas (GHG) emissions, and pursue renewable power opportunities. Across our business lines, we're working to evolve our product design, manufacturing, packaging, and reuse practices to reduce waste and minimize lifecycle impacts. And through our Trail Trust program, we're promoting responsible land use among outdoor enthusiasts, helping to protect our shared playground.

We launched a new sustainability data governance process in 2023 to improve our capabilities around data availability, collection, and analysis. A big focus was on collecting data from all Fox facilities more consistently and efficiently and instituting standardized procedures to drive greater accuracy. With more accurate data, we can be more strategic and impactful in our efforts to reduce our operational emissions, waste, and water consumption.

Our Trail Trust initiative has continued to champion sustainable adventure for all since its launch in November 2021, having awarded over US\$1.8 million in grants to more than 120 nonprofit organizations. Our support has helped build or maintain more than 750 miles of biking and off-highway vehicle (OHV) trails. Plus, we've helped over 27,000 individuals from underrepresented communities experience the thrill of outdoor adventure.

## 2023 KPIs

94%

Of our 2023 Scope 1 and 2 GHG inventory is based on actual utility data rather than estimated calculations based on square footage, representing a significant improvement over 2022

37%

Increase in our renewable energy procurement at our two largest facilities (Gainesville, Georgia, and Taichung City, Taiwan)

\$1.8M+

Awarded in Trail Trust grants to more than 120 nonprofit organizations since the program was launched in November 2021

0

Findings in 2023 ISO 14001 and ISO 45001 annual audits at our facility in Gainesville, Georgia





## PEOPLE

Embracing a “One Fox” culture, we seek to foster a sense of belonging across locations, countries, and continents, ensuring that our employees feel valued, appreciated, and motivated to achieve their full potential. We consistently strive to maintain a work environment that inspires excellence and nurtures individual growth and well-being.

We are actively working to diversify our talent pool through strategic partnerships and university collaborations. Internally, the Realizing Inclusion, Diversity, and Engagement (R.I.D.E.)

@ Fox initiative aims to further our inclusive culture, along with Employee Resource Groups (ERGs) and robust learning and development opportunities. We now have five formalized leadership development programs and a centralized Learning Management System (LMS) for employees to enroll in coursework covering a wide array of topics.

Our BOOST program has continued to gain traction, with Fox matching employees’ charitable contributions and providing US\$15 for each hour volunteered, which they can

donate to the nonprofit(s) of their choice. We launched our Game Changers recognition platform in 2023, which provides a formal mechanism for recognizing employee accomplishments and milestones. Game Changers allows for broad celebration of employee birthdays and service anniversaries as well as recognitions tied to Fox’s core values. Additionally, we announced our Peak Performance framework to coordinate current and future employee services and support systems under an overall health and well-being focus.

To ensure consistency and quality in our approach to employee health and safety, we continue to use ISO 9001 (quality management), ISO 14001 (environmental management), and ISO 45001 (safety management) as guides for the development of our integrated business management systems.

## 2023 KPIs



We launched the Veterans Employee Resource Group (V.E.R.G.). Together, with the Women’s Interactive Network (W.I.N.), we have 100 members across our ERGs

4K+

Recognitions in Game Changers, our new employee recognition program, which provides a mechanism for recognizing employee accomplishments and milestones

7K+

Enrollments in our new centralized Learning Management System (LMS), a one-stop-shop for employee training and development needs

\$130K+

In employee donations and corporate matches contributed through our BOOST program to 700 nonprofit organizations; employees also logged over 1,700 volunteer hours

1K+

Participants in our virtual Peak Performance workshops related to overall health and well-being

240+

Participants in our five leadership development programs, including EMERGE and PINNACLE which both launched in 2023





## PRODUCT

Bob Fox’s innovative vision for motocross racing in the 1970s still influences the spirit of ingenuity at the core of our business. We ensure product quality and safety through rigorous testing and embracing a data-driven mindset. Our components are designed to be long-lasting and easily repairable, with Fox Academy and expert tuning services helping to extend product lifespans. We’re committed to integrating sustainable thinking into all new product development projects, ensuring our teams thoughtfully consider how to minimize waste and material usage while increasing efficiency and performance. By fostering shared values with our suppliers, we aim to extend positive impacts throughout our value chain.

Across Fox Factory, we are working to increase the sustainability of our product packaging through use of recycled and sustainable materials and reductions in packaging mass. To achieve success, these efforts must meet criteria including customer needs and expectations, product protection (based on size, shape, weight, and complexity), minimization of non-renewable materials (foams, plastics), and better or equal quality and cost.

Several of our product innovations in 2023 have improved performance while also showing significant environmental benefits. Our machine shop in Gainesville, Georgia, moved components from aluminum alloy 2011 to the more sustainable aluminum 6061. The new alloy not only has superior strength and versatility, but also has lower heavy metal content, resulting in a cleaner wastewater stream. We are using our Approved Materials List to make progress in eliminating substances of concern from our product lines. In our bike division, we reformulated the oil in our shock absorbers and forks to eliminate polytetrafluoroethylene (PTFE). As a result, we are creating a safer product for workers and consumers who handle shock oil and are proactively preparing for upcoming environmental regulations.

Testing advancements on the powered vehicle side in 2023 included a new mechatronics lab in Scotts Valley, California, to better support the company’s growing software and electronics needs, and the opening of Marking Proving Grounds (MPG), a 5,000-square-foot testing compound in Ocotillo, California. The bike team made significant investments in our test labs in Taiwan and Canada, and standardized and automated data collection procedures.

43

Employees were recognized as part of Fox Factory’s Patent Award program which celebrates and rewards employees who contribute significantly to our industry-leading innovations

23%

Increase in Powered Vehicles Group pre-production testing volume compared to 2022

48%

Increase in Specialty Sports Group pre-production testing volume compared to 2022

90+

Ideas submitted to IDEAHUB, a platform that empowers employees to solve challenges or innovate new solutions





## BUSINESS FUNDAMENTALS

In every business interaction, Fox Factory is committed to the highest standards of ethics, compliance, transparency, governance, and digital and physical security. Paired with our core values, these standards are the foundation that inspires us to act with integrity, create the best products for our customers, adapt to changing business needs, and distinguish ourselves as industry leaders.

In 2023, we completed a full-scale revision of all employee-facing policies at Fox, shaping them to better fit our style and needs, making them more accessible to our broad workforce, and updating them for our shifting business landscape. These updated policies will deploy globally in 2024, along with a communications plan highlighting key changes.

We also developed an engaging new Code of Ethics training that better reflects our branding, values, and culture, and rolled it out to all salaried, English-speaking employees along with new trainings on workplace harassment and insider trading. We achieved a 100% completion rate in 2023 for Code of Ethics training by employees at the director level and

above, reinforcing our commitment to leading by example and holding ourselves to the highest standards.

As Fox Factory continues to grow, increased business complexity will bring new challenges for managing risks and regulatory compliance. To master that complexity, we revamped our Enterprise Risk Management (ERM) framework to align the organization around a common structure for identifying, assessing, managing, and communicating risks. The system demonstrates our commitment to robust governance, promotes sustainable growth, and enables the organization to fulfill its obligations to our stakeholders, customers, and regulatory entities.

Throughout 2023, we continued to invest in people, processes, and technologies to support our security program, adopting new systems to better connect and secure our web applications and manage privilege access. To raise our people's cyber awareness and help them become better stewards for risk mitigation, we require annual security training for Fox Factory employees, and we conduct phishing simulations to gauge vulnerability to actual phishing attacks.







For general inquiries related to sustainability, contact [ESG@ridefox.com](mailto:ESG@ridefox.com).