

EUROPEAN OUTDOOR GROUP ANNUAL REPORT & ACCOUNTS

2019



EUROPEAN
OUTDOOR
GROUP

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EOG PRESIDENT'S INTRODUCTION AND EXECUTIVE SUMMARY



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MY FIRST YEAR AS PRESIDENT OF THE EUROPEAN OUTDOOR GROUP HAS BEEN CHARACTERISED BY A LOT OF CHANGE, BOTH IN THE ORGANISATION AND IN THE INDUSTRY THAT IT REPRESENTS. NONE OF THIS IS A SURPRISE – IT REPRESENTS THE CONTINUATION OF A PATTERN THAT WE HAVE EXPERIENCED FOR MANY YEARS, AND INDEED, WE HAVE IMPLEMENTED MANY OF THE INTERNAL CHANGES PROACTIVELY, PRECISELY TO BE BETTER PREPARED TO DEAL WITH EXTERNAL FACTORS. NEVERTHELESS, THE PACE OF CHANGE HAS BEEN BREATH TAKING AND I MUST START THIS INTRODUCTION BY PAYING TRIBUTE TO THE CORE EOG TEAM AND OUR BOARD FOR THEIR WORK (UPDATES FROM THE TEAM CAN BE FOUND IN THE 'ACTIVITIES IN 2019' PAGES OF THIS REPORT), WHICH, IN THAT TURBULENT CONTEXT, HAS PUT THE EOG IN SUCH A STRONG POSITION AS AN INTERNATIONAL TRADE ASSOCIATION.

As we anticipated, our decision to expand the EOG Board to 12 proved to be the correct one. We now have an even greater degree of representation, in terms of both industry sectors and geography, which is vital as we face the considerable challenges ahead. Inevitably, we are still experiencing a degree of transition, as we adapt to the revised structure and strive to achieve the optimal balance of board members, but we are certainly in a healthier position than we were a year ago. To a great degree, this is thanks to the longer term board members who recognised the necessity for change and, under the leadership of my predecessor John Jansen, helped to steer us through the process. Our thanks go to all of them. At this moment, I must also express the association's gratitude to three board members who will be stepping down at the 2020 Annual Assembly: Jean-Marc Pambet, who has also served as EOG Vice President, and Eddy Codega, our Treasurer, who both leave after serving for many years; and Anne Schott, who will be taking maternity leave. All three have played important roles as the EOG has grown and evolved – it is in no small part due to their contributions that our organisation is in very good health.

One of the most significant EOG projects of 2019 was the launch of OutDoor by ISPO in partnership with Messe München. Our aim has always been to deliver a dynamic year-round trade platform, but, importantly, with a successful summer trade show at its heart. The first real test of this was from 30th June to 3rd July. I believe that the new show made a strong debut. Of course, not everything was perfect, and we quickly identified the areas at the event that need more work and aspects of the overall concept that can be improved. However, we have established the foundation that was our priority, along with the potential for a sustainable future for OutDoor, which is so clearly needed by the trade. The OutDoor by ISPO Advisory Board played an important role in shaping the new show and we are grateful to everyone who gave their time to the project.

One aspect of the first show that really stood out was the huge emphasis on sustainability throughout the event. Not only did this reflect wider society, but it also reinforced the fact that the EOG's own focus areas are the right ones, as articulated in our three pillars: Doing business right; preserving nature; and getting Europe active outdoors. Our work in each of these continued

throughout 2019 and it all stepped up a gear, either through our own direct activities or those of arm's-length organisations and partners. This report includes updates from all of those. Crucially, not one of the EOG's projects operates in isolation. Our three pillars are inter-dependent and there is a lot of cross functional teamwork within the association. This appetite for internal collaboration is one of our great strengths and it is also a mantra that has served our industry well throughout the lifetime of the EOG.

Speaking of our team, it has grown. As was reported last year, Arne Strate has stepped up to the role of General Secretary, and just before the end of the year, we welcomed Dan Thompson as our new Head of Marketing and Communications. Dan will be responsible for our own marketing, and for our contributions to, and engagement with, external organisations and campaigns.

A few months earlier, Margo de Lange took up the new position of Policy Officer for the It's Great Out There Coalition. With a base close to the heart of European policy making in Brussels, Margo is ideally placed to play a big role in our campaign to promote outdoor participation, and in particular, the important public affairs work that we need to do within the structures of the European Union. On the back of sustained, proactive efforts, the outdoor sector's voice is finally starting to be noticed within the corridors of power, but we need to redouble our efforts to ensure that we achieve our objective of putting the outdoors front and centre in the ongoing campaign to combat the inactivity epidemic. Margo will be supported by the coalition's Secretary General Andrew Denton, who we are delighted has agreed to continue in the role. If your organisation is not already a member of the It's Great Out There Coalition, please consider supporting this vital project.

Elsewhere, it has been very rewarding to see excellent progress in projects across our portfolio: In market research, State of Trade continues to set the benchmark for trade data and there have been exciting developments in generating robust sell-through data with support from our retail members; CSR and sustainability projects relating to microfibres, single use plastics and the

Sustainability Charter have all moved on significantly; retail members have got more engaged in all aspects of EOG work; the European Outdoor Summit was once again a thought provoking and thoroughly enjoyable highlight of the year (though we would like to see more EOG members attend the summit in 2020 – it was after all founded because you asked for it!); and it has been hugely rewarding to see the conservation work of EOCA go from strength to strength, and its membership grow.

I have almost managed to get through this whole introduction without mentioning Brexit! I don't want to conclude with a negative tone, but clearly this is an issue that will continue to dominate the headlines during 2020. As we have stated repeatedly since the referendum in 2016, regardless of future political arrangements, we work for the outdoor sector in Europe as a geographical area, and not within the boundaries of the EU. The success of the EOG has been built on a strong belief in the benefits of cooperation, everywhere. That has always underpinned what we do and how we do it, and will not change.



MARK HELD
EOG President

MANAGING COMMITTEE, REGISTERED OFFICE & MEMBERSHIP

MANAGING COMMITTEE

The Managing Committee for 2019 was comprised as follows:

Mark Held (UK)	President Elected Feb 2019
Jean-Marc Pambet (FR)	Vice President Elected Feb 2018
Eddy Codega (IT)	Treasurer Elected Feb 2018
John Jansen (NL)	Member Elected Feb 2019
Antje von Dewitz (DE)	Member Elected Feb 2019
Rainer Angst (DE)	Member Elected Feb 2019
Matthias Zaggl (DE)	Member Elected Feb 2019
Anne Schott (FR)	Member Elected Feb 2019
Michel Gogniat (FR)	Member Elected Feb 2019
Ryan Gellert (USA)	Member Elected Feb 2019
Oliver Pabst (DE)	Member Elected Feb 2019

In line with Article 12 of the bylaws, the term of office is two years.

REGISTERED OFFICE

The registered address of the European Outdoor Group remains as follows:

*Gartenstrasse 2, Postfach 7142,
6302 Zug, Switzerland*

The domicile address is provided for the EOG by AFL Treuhand und Revisions AG, and is a registered address only.

MEMBERSHIP

By the end of 2019, the membership of the EOG numbered 100 companies and 10 national associations.

The following companies joined the EOG in 2019:

Company	Headquarters / EU Headquarters
Original Buff	UK
Quiksilver	USA/France

MEMBERSHIP FEES

The bylaws state that the annual fees are determined at the Annual General Assembly.

During the January Annual General Assembly, the Board proposed to maintain the membership fees at the following bands:

Turnover	Membership Fee
Up to €15 million	€2,000
€15 – 40 million	€3,750
€40 million plus	€5,000

The proposal was agreed by the meeting.

BUDGET

The budget for 2019 was presented to the membership at the Annual General Assembly and approved.



OUTLINE RESULTS FOR 2019

	2019	2018
	€	€
Income	1,713,969	1,141,507
Total Expenses Represent	1,393,422	1,137,370
Operating Surplus	<u>320,547</u>	<u>4,137</u>
Other Receipts (& Expenses)	0	0
Taxation	305	351
Total surplus for the year	<u>320,242</u>	<u>3,786</u>

MARKETING AND DEVELOPMENT COSTS:

	2019	2018
	€	€
PR & Marketing Services	42,260	20,937
Market Research	135,683	125,143
Website	16,008	18,631
Events	30,546	87,706
European Outdoor Summit	149,039	100,471
Project	182,481	18,814
Publications & Graphics	54	0
Promotion of Outdoor Participation	13,004	25,152
CSR / Sustainability	170,425	100,825
Travel	38,140	22,717
	<u>777,640</u>	<u>520,396</u>

SUMMARY

2019 was a good year for the EOG, both in terms of finances and in overall progress made. The increased income from the new contracts with Messe München (contracts for OutDoor by ISPO, ISPO Munich, ISPO Beijing and ISPO Shanghai all became active in 2019) allowed us to increase our capacity for hands-on work, but also enabled us to allocate a significant amount to fill up our reserves. The first edition of the new OutDoor by ISPO took place and while it was certainly not perfect, it made a very encouraging debut. It has given us a platform that will allow us to further evolve this new approach and format – incorporating innovation, education, networking and more – to sustain a modern show that genuinely meets the trade's needs.

Due to the internal changes and the growing scope of our work, some new positions had to be filled and we did so over the course of the year. During 2019, we made considerable progress in all fields of work of the EOG. We completed the pilot for the retail barometer sell-through project in our market research programme and rolled it out to our members, and we established the Single Use Plastic Project as a standalone initiative after its launch within our retail segment – that will enter its implementation phase in 2020.

We expanded our direct CSR and sustainability work in several areas. The Microfibre Consortium, which we helped to found, achieved a globally agreed way of measuring microfibre release, allowing the industry to unify and progress in a productive manner, which is a major breakthrough. And virtually every EOG member has now signed the Sustainability Charter, which gives us, for the first time, the opportunity to truly speak on behalf of the whole outdoor sector.

In other work, we once again delivered a successful European Outdoor Summit and we continued to play important roles in supporting arms-length organisations and partners such as the European Outdoor Conservation Association and the It's Great Out There Coalition, while also being active in our public affairs work in Brussels, and building our portfolio of retail-focused activities.

All of the above work, and more, involved increased year on year investment. Nevertheless, we concluded 2019 in a strong financial position, with an operating surplus and a healthy balance sheet.



ACTIVITIES IN 2019



CSR AND SUSTAINABILITY

Under the leadership of our Head of CSR & Sustainability Katy Stevens, and with Jane Turnbull as Sustainability Project Manager, we have continued to focus our resources on some key topics that concern both the outdoor sector directly and our engagement with adjacent industries. The EOG has once again increased its investment in this crucial area of our work, both in our own capacity and in our collaborative efforts with other organisations.

With ever increasing consumer awareness around environmental issues and the associated contributions from textile and garment production, 2019 has seen attention around CSR and sustainability building, not only across our industry, but globally. As the outdoor industry begins to set ambitious future goals and make major changes to how it operates, in order to safeguard our business and the planet, the team has found its outputs more in demand than ever before.

We are currently living in a pivotal time as we are in the grips of a climate crisis and witnessing the enormity of environmental consequences. To address this, the European Union will commence its Green Deal for Europe which will see significant action around greenhouse gas emissions, chemicals, and water use, as well as end of life options for garments and products. This, coupled with growing indications that investors will make investment decisions with environmental sustainability as a core goal, will shape an industry that must react to survive.

BUILDING ON THE SUSTAINABILITY CHARTER

Due to increased engagement over the course of 2019, over 92% of EOG members have now signed the Sustainability Charter, declaring their commitment to drive change in the outdoor industry. The charter is intended as a way for us to ensure that brands are meeting basic expectations, but also gives us a framework with which we can offer guidance and help for the necessary journey towards the sustainable development which we encourage our members, and the outdoor industry at large, to undertake.

Moving forward, our intention with the charter is to take this engagement and use our means to assist in building on the commitment of our brands to progress through the levels, and facilitate significant industry change through the provision and development of resources appropriate for our membership.

EXPEDITING TRACEABILITY

Transparency and traceability are considered to be keystones to facilitating good CSR practice within supply chains, and as such, the EOG has been involved in a project being led by the Swedish research institute RISE, which has been looking into the possibilities of using integrated digital information carriers, such as RFID tags, to facilitate this. Digital information carriers integrated into garments have the potential to greatly increase traceability throughout the supply chain and provide the necessary information to facilitate subsequent processes, and lay the foundation for circular textile value chains.

Being part of, and contributing to, external research projects has become a significant part of the EOG's sustainability output in recent years and this project has the potential to complement a number of the other work streams that are currently ongoing.

The opportunities with the development of this technology appear to be extensive, not only for sustainability, but also production and retail. The project envisages a future with a system based on RFID tags with multiple functionalities, responding to the needs of different actors in the textile value chain. Through the EOG's involvement, it is felt that key requirements for the industry can be fed into the work and up to date information on the available technology can be offered to our members.

HARD GOODS WORKING GROUP

The support for our members in the area of hard goods continues to grow, as we commit time and resource to this area. 2019 saw the initiation of a project addressing the issue of forced labour in the hard goods supply chain in Taiwan and Korea, with the formation of a focused working group that is collaborating to tackle this matter.

The initial scope of the working group has been set out to combine outdoor brands' business power and good practice to improve social practices within the metal supply chain. The aims within 12 months are a number of joint actions that will see members share HR risk analysis of the metal supply chain, write a collective code of conduct and guidelines on fair labour practices, and work with relevant stakeholders to encourage the engagement and uptake of the Fair Labour Code of Conduct requirements among suppliers. Going forward, this group has the potential to build on this foundation and future possibilities include the conducting of joint fair labour audits of common suppliers, and the encouragement of local governments to adopt supplementary measures for the effective suppression of forced labour.

RECYCLED LEATHER REPORT

In recent years, leather has been the focus of many associations and companies concerned about the sustainability of this material. Related discussions have taken place at a much stronger and more sophisticated level than ever before, covering topics such as animal welfare, and environmental and social impact issues (health of the workers who transform hide to leather in the tanneries).

The Recycled Leather Report was produced as part of a suite of reports designed to provide our members with up to date and relevant information for those who wish to include recycled ingredients in their materials portfolio. Experience shows that at the rate that certified virgin material becomes available, the questions about the viability – economically, ecologically, and in terms of quality – of recycled materials, start to emerge. This document was the result of recent developments by the textiles and fashion industry to create a material standard for leather, similar to those that exist for down and wool.

With this report, Air Coop and the EOG aimed to give those interested in the topic a head-start by providing qualified information about the current situation, as well as ongoing developments in, this area. And in this way, the hope is to encourage brands, designers and manufacturers to experiment further and push the boundaries of current practice.

ACTIVITIES IN 2019 (CONTINUED)

MICROFIBRE INITIATIVES

Microfibre pollution continues to remain a significant industry challenge and at the forefront of industry agendas and public awareness. The sources, fates, and effects of these fibres are an ongoing challenge for the textile and garment industries. For the EOG, the progress in the area of microfibres has proved to be exciting and palpable as we continue to be engaged on this subject in two areas, through the work of The Microfibre Consortium (TMC) and The Cross Industry Agreement (CIA), roles within which the EOG continues to drive scientific understanding and policy development.

Significant progress has come in the form of the completion of a test method for measuring microfibre loss from textiles, and both the TMC and the CIA have continued to support each other during the verification and alignment processes to results in a globally aligned method, a significant achievement which will expedite the industry understanding of this challenge and enable meaningful change.

Work will continue with these initiatives to reach a status where the industry can achieve managed microfibre loss from textiles to the environment, through the development of practical solutions for the textile industry to minimise microfibre release to the environment from textile manufacturing and product life cycle.

POLYESTER RECYCLING PEAKS

The DEMETO project has made significant progress this year and the EOG remains excited to be a part of this EU funded project which aims to produce 'Modular, Scalable and High-Performance De-polymerization by Microwave Technology (DEMETO)'. In the summer, DEMETO achieved its goal of scaling the technology from the lab to the test plant phase and the EOG joined the team meeting at the facility in Piacenza, to witness the progress and receive an update on the project.

The next objective remains to build a full and industrial grade pilot plant using its innovative technology, which will get underway at the beginning of 2020. In its role of intermediate between project team and brands, next year promises to be a key one for this project and the EOG's involvement. We continue to contribute to an advisory board, conveying opinions and brand requirements to help shape the technology and its performance into a viable technology, as a step towards a more circular economy for polyester, a fibre widely used in the outdoor industry.

The EOG is now firmly underway with our work packages for this project and hope that our members will contribute to our learning by helping us further understand where we can improve infrastructure for the collection of feedstock for recycling. The ambition to develop the first feasible and sustainable (economically, environmentally and socially) industrial application of chemical treatment for reuse of PET/polyester waste streams is one that holds great potential for our industry and we remain excited at the possibilities it represents.

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ENGAGEMENT WITH THIRD PARTY ORGANISATIONS

The EOG has continued to represent the European outdoor sector, as well as small-and-medium sized enterprises, as part of its output with several partner organisations:

- Sustainable Apparel Coalition (member)
- Aluminum Stewardship Initiative (member)
- ResponsibleSteel (member)
- Fair Wear Foundation (Mark Held, Chairman)
- Federation of the European Sporting Goods Industry
- Social Labour Convergence Project
- Textile Exchange MoU in place.

MARKET RESEARCH

OVERVIEW

The market research role at the EOG is well established, and the State of Trade sales report was one of the first European projects set up with the members.

The focus of the research activity is now on three core areas – brand, retail and consumer. In addition, research underpins a number of other projects managed by the EOG and each year supports numerous ad hoc work such as Single Use Plastic Project, along with wider initiatives like the work being led by the It's Great Out There Coalition.

Our market research work is led by Head of Market Research Pauline Shepherd.

BRAND

STATE OF TRADE (SOT) – BRAND SALES (SELL-IN) REPORT

This is the main industry report for Europe, measuring the brands' sales of outdoor products. The report measures wholesale value and units by season for seven product categories, which are split into 48 product sub-categories. In 2019 (State of Trade 2018 figures), we welcomed nine new companies to the project with a total of 122 brands now taking part.

After several years in its current format, the report was ready for a review. A key piece of work was undertaken in 2019 and the areas that were identified as requiring attention included the data collection process, market estimates, and the sales coverage in certain countries and for some product lines.

Market relevant changes will be implemented in 2020 under the guidance of the EOG's Market Research Advisory Group and our data partner, infacta.

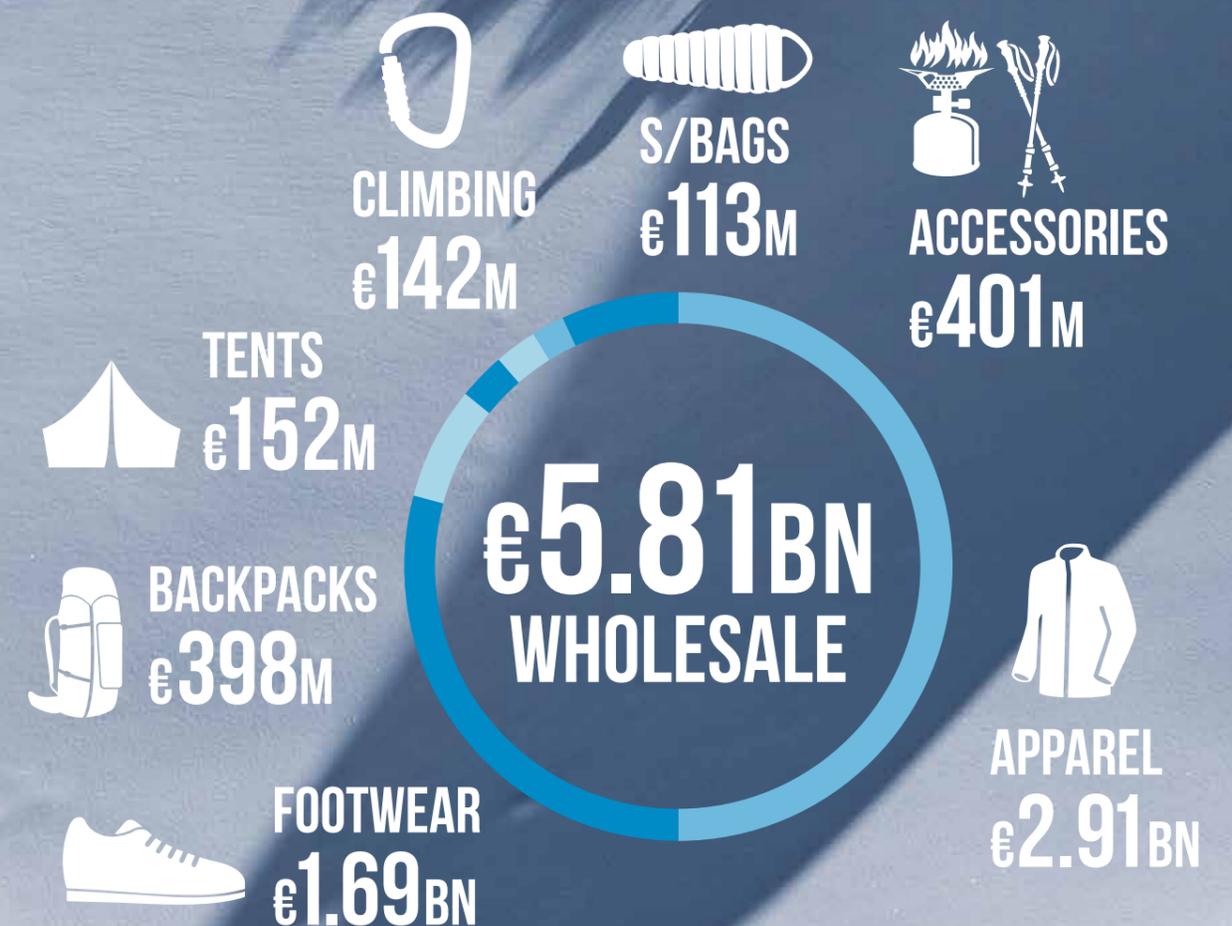
RETAIL

OUTDOOR RETAIL BENCHMARK REPORT

This report is a measure of retail sales provided by EOG retail members. Point of sale figures are collected every quarter and aggregated to create a benchmark report. In 2019, 15 retail companies took part, representing over 1,000 doors. 12 sport segments are measured, including outdoor, sports fashions, winter sports, running/walking and water sports.

There is a detailed product breakdown for the outdoor segment and in the other segments the report covers the main categories – apparel, footwear and hardware.

STATE OF TRADE OUTDOOR MARKET 2018



In June, we ran a daily PR event at OutDoor by ISPO to promote the initiative and the project was also opened up to the wider industry. Since then, we have already received requests from four additional retailers to join the project. There is additional information about it in the RETAIL section on pages 14/15.

CONSUMER RESEARCH

With the arrival of a new Policy Officer for the It's Great Out There Coalition (Margo de Lange), we have undertaken a review of information requirements.

Pauline and Margo have been working together to develop a number of metrics to measure the output of the It's Great Out There Coalition, with a key focus on outdoor participation levels in Europe (e.g. working to establish how many citizens are getting outdoors and why they are doing so, and the potential for more citizens to get more active outdoors). New research will commence in Q2 2020 and we look forward to sharing this during the year.

In addition, we continued our research partnership with the Foresight Factory, a consumer analytics company that specialises in global consumer trends, allowing us to have access to the latest information and developments in real time. This means we can share insights on a range of important topics for our sector, in a cost-effective way, via our research library resource, newsletters, webinars and conference presentations.

MARKET RESEARCH ADVISORY GROUP (MRAG)

The MRAG meets regularly, via conference call and in person at the main trade shows. The objective of the group is to provide research strategy support and provide information to the board that helps facilitate decisions about the development of the market research services offered by the EOG. We have good country/regional representation, with eight member companies being part of this, along with board support. We are grateful for the time and support that these colleagues give to this group.

ENGAGEMENT WITH THIRD PARTY ORGANISATIONS

During 2019, our research support and input was shared with a number of task forces/projects including:

- SGI DHO (Sporting Goods Industry Harmonization Organisation) and the FEDAS PRODUCT CLASSIFICATION KEY
- FESI (Federation of the European Sporting Goods Industry) and the NATIONAL FEDERATIONS
- ENOS (European Network of Outdoor Sports) and the BENEFITS OF OUTDOOR SPORTS FOR SOCIETY project.

PUBLIC AFFAIRS

During 2019, the EOG once again participated in sustained public affairs work – directly, through the work of organisations such as the It's Great Out There Coalition (see the IT'S GREAT OUT THERE COALITION section on pages 16/17, and in collaboration with partners such as the Federation of the European Sporting Goods Industry (FESI) and the Fair Wear Foundation (FWF).

FESI

EOG President Mark Held plays a very active role at FESI and is both its Vice President and Treasurer/Executive Committee member. FESI has well established work streams that address a range of topics and we contribute fully to those that are relevant to our industry, maintaining a vital link with the wider sports industry and with the legislators and politicians of the European Community.

As well as Mark Held's roles, the EOG currently has the following representatives on FESI committees:

- Product Compliance Steering Committee – Dr Jane Turnbull
- Corporate Responsibility Steering Committee – Dr Jane Turnbull
- Digital Steering Committee – Arne Strate
- Trade Steering Committee – Arne Strate
- Sport Steering Committee – Arne Strate.

FWF

Our policies on social responsibility, and through those our work with the Fair Wear Foundation, have taken on greater significance during the last 12 months and came into sharp focus in Germany in particular in September, with the launch of the country's 'Green Button'. The Green Button recognises the achievement of FWF members that have gained 'Leader Status' and illustrates the high international regard in which the organisation is held. Meanwhile, there is increasing discussion in Brussels about legislation relating to basic CSR issues and FWF/FESI and the EOG are well placed to engage with policy makers about this. In March, Mark Held was formally appointed as Chairman of the non-executive FWF Board (having previously been Acting Chairman).

RETAIL

The EOG's retail focused projects during 2019 continued to expand, managed by retail consultant Anny Cardinahl. Towards the end of the year, Peter Ottervanger was appointed to the new part-time role of Head of Retail and will lead retail projects in 2020. We are grateful to Anny for all of the work that she has done since 2016.

11/21/10/20

Our 11 retail members represent 21 organisations in 10 European countries and are, in different roles and projects, supported by about 20 non-members.

RETAIL MEMBERS

Based on the belief that there are many areas in our industry which can benefit from pre-competitive networking, we provide the 'FOR – Future of Retail' meetings for the EOG's retail members.

FOR offers the opportunity to meet peers from other companies regularly and debate topics from a retail perspective. We meet twice per year in person, at ISPO Munich and at OutDoor by ISPO, where, as well as discussions and guest speakers, we have also arranged other activities, including a visit to the new Sport Schuster Store. The overall objective of FOR is to broaden our scope of knowledge and add inspiration (from outside the EOG). Ahead of ISPO Munich 2020, we followed the request of some members to reframe the meeting as a casual dinner.

RETAIL MEETS BRAND

Retail Meets Brand is the title for a project series, in which retailers and brands are the driving force. Once questions of common interest arise, members of the EOG retail community invite brands to discuss pre-competitive market challenges with the aim of getting support and to boost the overall strengths of the outdoor industry. The implementation of the topics within the projects offers those involved the opportunity to choose and spend time on their preferred focus area. In 2017 and 2018, the RMB Sustainability Project built the foundation for what is now the Single Use Plastics Project. Our current live Retail Meets Brand project is RMB DATA.

When we started the Retail Meets Brand project series, Anny asked for permission to invite non-members to participate in the projects. Because retail is in many aspects a 'regional' business, some retailers who play a key role as B2C interface in their markets, aren't necessarily interested in a membership on a European level. Stretching the boundaries in this context offered the opportunity to engage positively with these retailers and additionally gave them the potential to learn more about the work of the EOG and the benefits of joining.

RMB DATA

By following the vision of a common standard for the sports and outdoor industry, we've pushed forward the dialogue regarding optimised processes. We want to build a solid foundation on existing structures, which helps to accelerate the data exchange processes B2B2C.

Our objective is to form a standardised backbone for the basic attributes requested to sell products online including definitions, sustainability aspects and pictures. In order to achieve this, we will consider the workflow of data exchange as a whole by starting from the B2B/EDI perspective with the requirements for the order process (timelines), but we will draw most of our attention into B2C/PIM data needed to present items online.

Participants in this project in 2019 were: ANWR Group (for Sport2000), Bergzeit, Internetstores, Intersport GER Digital, Sport Schuster, Transa, Arc'teryx, Deuter, Haglöfs, Mammut. Supporters of the sustainability aspects were: Adidas, Globetrotter, Jack Wolfskin, VauDe, Zalando, along with Katy Stevens and Jane Turnbull in the EOG's CSR and sustainability team.

A valuable side effect of this work will be that once the template is finalised, retailers who aren't yet decided about their sustainability strategy will be able to use it as a starting point. With this in mind, work has begun on developing a retail training programme. ANWR Group is leading the pilot/test phase.

RECRUITMENT

As our retail activity matures, we are in a better position to proactively advertise the work that we are doing in this area and recruit more members from the sector. Already, there is much more engagement behind the scenes with retailers, particularly with individuals and companies that belong to 'generation share', and who are ready to collaborate. Already, around 20 additional businesses have got involved at one level or another

and although they are not yet members, this has broadened our retail base, reflecting the market's diversity.

We have used this kind of entry-level model to introduce the work of the EOG to more retail targets. This has been supported by proactive PR activity and communications outside the usual trade show cycle, at times when retailers are less busy.

EVOLUTION

The Retail Barometer 2.0 has evolved and, reflecting that, we have renamed the project, which is now called the Outdoor Retail Benchmarking Report. Its objective stays the same, to sketch out turnover per country, along with market shares, key market developments and other metrics. Our aim is to stay ahead of the curve and turn the current 'present-to-past' perspective into a more 'future-to-present' oriented point of view.

At this time, 50% of our retail member organisations contribute to the report. Those that do not, either don't want the report or are not able to participate for another reason. In cooperation with our partner Hachmeister & Partner (H&P), in 2019 we invited non-members and brands with B2C operations to get involved and have welcomed three new participants so far. One challenge that we face is that because of the value of data, some companies sell that to other market research organisations.

As outlined in the MARKET RESEARCH section on pages 12-14, during OutDoor by ISPO we used the Retail Lounge to present insights from this report to an audience outside the EOG for the first time.

RETAIL ON THE SUSTAINABILITY COUNCIL

The retail representative on the council is Fabian Nendza, senior sustainability manager at Fenix Outdoor AB.

EUROPEAN OUTDOOR SUMMIT

The seventh annual European Outdoor Summit (EOS), held in Interlaken, Switzerland, explored how and why we should be redefining boundaries, from both a personal and a business perspective. Speakers touched on topics such as social innovation, biotechnology, global sharing and forging new collaborations.

With so little time and so many topics to explore, the challenge, as ever, was to run a programme that offered a healthy mix of social events, networking and outdoor activities, all built around inspirational people, international films and presentations that focused on 'Redefining Boundaries'.

Setting the scene was futurist Anne Skare Nielsen, on why the next 10 years will be amazing, how the rules of the game have changed from 'more' to 'better' and how we can create a positive impact to solve meaningful problems together. There were well received presentations on: Key consumer engagement trends, highlighted by Pippa Goodman of Foresight Factory; an overview of omni-channel pricing, sourcing and stock control in today's changing, reactive and ultra-fast supply chain; Oberalp's case study on 'Partnering for a more Sustainable Business'; and how to engage directly with the global adventure tourism community.

ACTIVITIES IN 2019 (CONTINUED)

In 2019, the dates of the summit fell within Earth Strike Week, a grassroots movement demanding immediate climate action from governments and corporations worldwide. With that in mind, we invited some of the young co-organisers of the Swiss #FridaysForFuture movement to join us in what was a very successful interactive session.

Over the years of the summit, EOG member attendance as a percentage of total attendees has been between 31– 41%. We would very much like to increase this, considering that the existence of the EOS is a result of requests from our members for a platform to learn more about the issues which impact our industry, and for the opportunity to network, learn from other industries and be inspired. Because of this, 2019 was the first time we offered EOG members an exclusive early bird discount of €500. For Annecy in 2020, we will continue this offer and encourage members to join us, especially those who haven't done so in the past. In addition, we will be promoting the opportunity to bring along a future leader/talent from your organisation at a further discounted rate (when accompanying a senior representative).

EOCA

European Outdoor Conservation Association (EOCA) celebrated its most successful year to date in 2019. EOCA signed up record number of new members, invested more money than ever during one year on conservation projects, raised over two thirds of the required funds for its latest public fundraiser project, and saw a very enthusiastic response to the launch of its Plastic Pledge project. EOCA will remember 2019 as the year it moved from being 'nice to do', to becoming an essential part of many businesses' CSR strategy.

Over 12 months, 31 new members joined the association, bringing the total number of EOCA members to 158, an impressive 23% increase over 2018. In line with this, EOCA also saw a leap in the amount of funding it was able to put into conservation projects. In addition, contributions from The North Face, KEEN, Pomoca and Smartwool via EOCA's Summit Membership programme meant that the association could commit €510,000 of funding for conservation projects during 2019.

A number of members organised specific campaigns to raise additional funds for the association via consumer events (Original Buff, Arc'teryx), Black and Green Friday events (La Sportiva, Salewa) and other initiatives (Gregory Packs and Ternua). These actions, combined with the record-breaking conservation fundraisers at ISPO and OutDoor by ISPO, thanks to the generosity of many EOCA members, resulted in an additional €60,000 being available for project funding, on top of membership fees.

EOCA's current focus on single use plastic, through its 'Plastic Free: Mountain to Sea' campaign, saw the launch and widespread support of the trade show Plastic Pledge, to reduce the amount of single use plastic used during trade shows, as well as during stand build and removal. To date, 76 companies, including eight non-members of EOCA have signed the pledge for ISPO 2020, a 73% increase on OutDoor by ISPO in June 2019. OutDoor by

ISPO also saw a 75% reduction in carpets used and the provision of water fountains in all halls at the show, thanks to Messe München.

The headline target for the Plastic Free: Mountain to Sea initiative is for EOCA and its members to collectively clear plastic pollution from habitats around the world over a combined distance of 3,000km over two years. This is the equivalent to the distance from the Mediterranean Sea to Lapland. Projects supported during 2019, plus individual members' actions, are already delivering half of this target.

During the year, Perry Laukens, Sales & Business Development Director for KEEN Footwear EMEA, was elected as the new President of EOCA.

IT'S GREAT OUT THERE COALITION

The It's Great Out There Coalition continued to make good progress in 2019 with the #itsgreatoutthere campaign. During the year, according to plan, the coalition employed its first dedicated staff member, forged closer links with Brussels, and built on its grants and ambassadors programmes.

BRUSSELS MEETS THE OUTDOORS

In 2019, the It's Great Out There Coalition hired its first full-time employee. Policy Officer Margo de Lange started her role in September and is based close to Brussels. Margo is tasked with the daily management of the coalition, working in collaboration with Andrew Denton who continues as Secretary General. In line with the organisation's mission, Margo will work alongside key actors in Europe to promote the benefits of being active outdoors.

PUBLIC AFFAIRS

The strengthened link to Brussels immediately resulted in some solid advocacy achievements. After having supported the campaign from within the European Outdoor Group for two years, the It's Great Out There Coalition became an independent official partner of the European Week of Sport (EWOs). Following the efforts of the coalition during the week, the European Commission subsequently posted a feature about outdoor activity on the European Union website and social media channels titled 'Why it's great to #BeActive out there'.

The It's Great Out There Coalition also joined the SHARE Alliance, a collaborative group of sport stakeholders set up to highlight the contribution of sport to regional and structural development, and seeking increased investment in sport.

The coalition also re-applied for funding under the Erasmus+ scheme in 2019 with a reviewed application for the EOAS (European Outdoor Activity Standard) project, which was aimed at developing a toolbox for municipalities across Europe to pick the right outdoor activities for their situation (elderly, children, migrants, forest, mountains, water, city). Unfortunately, EOAS was not selected by the European Commission, but the coalition is making amendments to re-apply in 2020 and will also pursue funding for other projects.

GRANTS

During 2019, the coalition awarded #itsgreatoutthere grants to projects that were designed to take new, and in particular young, people into the outdoors. Since the launch of #itsgreatoutthere in 2017, 17 fantastic projects have received funding, directly enabling 5,260 people to participate in project activities. The #itsgreatoutthere team has been able to use the resulting case studies in communications to promote outdoor participation, and in wider public affairs work that demonstrates to policymakers how the outdoor sector can contribute with great effectiveness in the fight against the inactivity epidemic. A newly launched collaboration with GoPro, enabling even more materials to come from the recipients directly, will help to leverage the activities even more in 2020.

EUROPEAN WEEK OF SPORT

For the first time as an independent official partner of the European Week of Sport, the #itsgreatoutthere team took the lead on behalf of our industry in activities relating to the European Week of Sport (EWOs), which took place from 23-30 September. The coalition team worked closely with the European Commission to ensure that the outdoors was a core theme of the week.

The #BeActive campaign was also supported by our outdoor specific #TakeSomeoneOutdoors campaign and photo competition. Thanks to the contributions from the coalition member brands, the campaign had a very wide reach and certainly didn't go unnoticed by the European institutions.

Soon after the European Week of Sport, #itsgreatoutthere teamed up with Ordnance Survey in the UK to promote #GetOutsideDay, through widespread marketing communications and a series of big events that were arranged to take place on the same day at the end of September.

MEMBERSHIP

Since its foundation, the work of the It's Great Out There Coalition has been sustained by the support of its members, made up of outdoor companies from throughout Europe. The coalition team will continue to work proactively to recruit new members and pursue appropriate sponsorship and other funding opportunities, in order to continue and enhance the activities and profile of the #itsgreatoutthere campaign.

To find out more about the It's Great Out There Coalition and the #itsgreatoutthere campaign, visit www.itsgreatoutthere.com and if your organisation would like to get more involved in the coalition's work, email info@itsgreatoutthere.com.



APPENDIX 1: ACCOUNTS FOR 2019

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2019

	2019		2018
	€	€	€
Subscriptions	390,000		416,250
Commission from Shows	1,097,972		537,298
European Outdoor Summit	159,346		149,695
Microfibre seed pot	0		31,899
Misc Income	151		3,865
Single use plastic project	66,500		2,500
	1,713,969		1,141,507
Less: Expenditure			
Subscriptions	30,459	40,328	
Payroll	1,683	79,093	
Travel and Accommodation	23,704	23,503	
Bank Charges	2,176	1,964	
Exchange rate differences	1,292	0	
White Moss Consultancy	529,165	457,674	
Sundry expenses	1,846	858	
HR expenses	13,062	3,159	
Legal and Professional Fees	7,184	5,996	
Accountancy	5,210	4,399	
Marketing and Development	289,052	275,614	
CSR	170,425	100,825	
Market Research	135,683	125,143	
Projects	182,481	18,814	
	1,393,422		1,137,370
OPERATING SURPLUS FOR THE YEAR	320,547		4,137
Other Receipts and (Expenses)			
Bank Interest Received	0	0	0
			0
Taxation			
Revise tax provision	305	351	
	303		351
TOTAL SURPLUS FOR THE YEAR	320,242		3,786

BALANCE SHEET AT 31 DECEMBER 2019

	2019		2018
	€	€	€
CURRENT ASSETS			
Debtors	60,936	69,735	
Prepaid expenses	129,000	90,042	
EOCA	0	0	
Cash	0	0	
Bank	800,254	525,172	
	990,190		684,948
Creditors – amount falling due within one year			
Accrued expenses	1,000	1,000	
Other creditors	2,500	17,500	
Taxation provision	0	0	
	3,500		18,500
NET CURRENT ASSETS	986,690		666,448
TOTAL ASSETS LESS CURRENT LIABILITIES	986,690		666,448
RESERVES			
Surplus brought forward	666,448	662,662	
Surplus for the year	320,242	3,786	
Cumulative surplus	986,690	666,448	

In accordance with instructions given to us we have prepared without carrying out an audit the annexed financial statements from the accounting records of the European Outdoor Group and from information and explanations supplied to us. Marion Green Accountancy Limited, Chartered Certified Accountants, Wolf Howe, Whinfell, Kendal Cumbria LA8 9EL.

APPENDIX 2: AUDIT REPORT

BASED ON ARTICLE 17 OF THE BYLAWS OF THE EUROPEAN OUTDOOR GROUP



MINUTES

The Audit meeting for the year end accounts of the European Outdoor Group (EOG) for the year 2019.

Participants:

Karl-Heinz Maurer

Auditor

Mark Held

EOG President

Arne Strate

EOG General Manager

The audit took place on Jan. 20 and 21, 2020 in the office accommodation of White Moss Consulting in Kendal UK. The balance sheet and the profit and loss account with the explanatory notes for the year 2019 were submitted with the ACTUAL figures and the BUDGET estimate for the year 2019, as well as the bank and accounting records for the audit year.

The explanatory notes to the annual financial statement 2019 included the profit and loss account in an accounting form, i.e. the operating costs and the taxes in addition to the determination of earnings. The BUDGET figures were compared to the ACTUAL figures.

The accounting company Marion Green Accountancy Ltd in Kendal, UK prepared the accounts. The budget overview was prepared in the form of a profit and loss account, which is produced directly from the accounting records.

As has been the case since 2010, all the services for the EOG members in 2019 were fulfilled by White Moss Consultancy Ltd (WMC) and therefore all the administration expenses fall to WMC and WMC invoices its service fee and corresponding expenses to the EOG.

The following audits were carried out with the result shown below:

The bank balances as of 31.12.2019 were checked with the reported positions of the bank credits in the explanatory notes to the annual financial statement. They match the account balances shown there.

An audit of the cash in hand as of 31.12.2019 was superfluous, as no cash is kept, but cash expenditure is initially disbursed privately by the general manager / WMC and then charged to EOG.

The expenses were retraced at random by means of the original documents and payment records and the correct accounting treatment was checked at random. The audit resulted in no exceptions at all.

Payment dues were audited and comprised 100 members (ten of them retailers), whereof two joined and five left in 2019. Seven of the invoiced membership fees were still outstanding at year end and are reminded, three of them paid already until now. The income from the fairs was also audited and the payments comply with the contracts.

The Budget 2019 was compared with the actual figures according to the 2019 accounting and explained in an extra Budget Variance Report.

The differences were accounted for on the revenue and expenditure side.

The total surplus was T€ 94 ahead budget mainly due to higher income.

The first OutDoor by ispo was more successful than budgeted, so the income from the fair brought T€ 101 more. Although the different new projects were not budgeted, they could be partly financed by good participation and by less expenditures on already running projects and for Development, Marketing and Administration.

So the costs for WMC, whose service is invoiced in GBP, were T€ 110 lower, as first the average exchange rate to EUR during the year was only at 1.14, but calculated with 1.20. And more important, the new people for the projects could not be found and hired so fast, therefore the personnel costs at WMC were much lower. But on the contrary the amount paid for external consultancy fees have been increased in 2019.

Overall it should be stated that the budget estimate was adhered to in the main due to consciously thrifty financial management with the various items, and results in a total profit of T€ 320 for the year 2019, which increases the reserves strongly.

On the basis of the result of my audit, I find that the accounts give a true and fair view, in accordance with general accounting practice, of the state of the organisation's finances as at 31st December 2019. Furthermore I declare that General Manager, the Treasurer and the Managing Committee of the EOG have managed the financial affairs of the organisation in accordance with the relevant bylaws and with financial prudence.

Erding, 22.01.2020

Karl-Heinz Maurer

Auditor



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G R O U P

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