

Sustainability Report 19-20



stadium[®]
Group

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About the report

We are proud to present this, our seventh Sustainability Report. We sum up a year in which the lack of a real winter and the appearance of Covid-19 made a significant mark in terms of climate, health and people's well-being.

We have seen a huge impact on society and on us as a company, which has further underscored just how important it is that we all work on the issues of long-term sustainability. Large and small. Today and tomorrow. For a sustainable world.

In this, our seventh Sustainability Report (the sixth was published on 3 Feb 2020), you can read all about how we have continued forging ahead, taking new steps towards our goals, and how we have improved our sustainability work over the year. We believe that everything we do has an effect and that we can all help to move forward together.

The report has been drawn up in line with GRI Standards, Core level, and audited by a third party in accordance with the international standard for auditing sustainability information, AA1000AS.

The report covers the whole of the Stadium Group, including Stadium, Stadium Outlet, Sneakers Point and the other subsidiaries within the group. The figures reported are from 1 September 2019 to 31 August 2020, unless otherwise stated.

Calculations relating to employees:

1. Calculations relating to employees are based on the GRI's models. All data is reported using the metric system and is calculated per employee.
2. Statistics from our employee survey are from spring 2020, which is the most recent measurement for the financial year 2019/20. Comparative data is from the survey in spring 2019, which was the last measurement in the financial year 2018/19.

Calculations regarding energy and carbon emissions:

We have completely overhauled the system and only report Scope-related data. There are two different reports.

1. Calculations for our base year 2017/18, where we report figures for Scopes 1-3.
2. Calculations for comparisons between the financial years 2018/19 and 2019/20, where we report figures for Scopes 1-2 plus transport (part of Scope 3). We have no figures relating to Scope 3, since our focus has been on establishing our base year. Next year, 2020/21, we will report for the whole of Scopes 1-3.

If you have any questions about this report, please contact:

Åsa Brunzell

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Stadium Group
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8 February 2021



CEO Karl Eklöf:

We have set the bar high

This has been an unprecedented year – a year that has had a major impact on our own business, society and the way we live and work. First came the mild winter and then Covid-19, which put health in the spotlight and had serious consequences for the finances and well-being of businesses, communities and people. The year has demonstrated the accelerating urgency of sustainability work.

As a company, we have clearly noticed the effects of both the mild winter and Covid-19, and we all have a shared responsibility to help push society in the direction of a sustainable world.

We have been working on sustainability for a long time and it remains a key element of our business strategy. Not only because, as a company, we are seeing growing demands for sustainability from our customers and employees, but also because we feel a sense of responsibility for the development of society.

I am proud to report that, despite this unprecedented year, we have continued to drive our sustainability work forward.

We took the active decision that, even as the pandemic developed, we would continue to focus on our key strategic initiatives, including sustainability, which felt good. Our sustainability work is rooted in the 2030 Agenda, which sets out the UN's Global Sustainable Development Goals, and in order to ensure long-term progress, we have set clear targets and chosen to integrate the sustainability work into every part of the organisation. Our production accounts for the greatest environmental and social impact, so it is here that we have our greatest risks, opportunities and challenges. This makes working on sustainable production our single most important focus area in both the short and long term. Over the year we have mapped out our base year, so that moving forward we will be able to check that our initiatives are taking us in the right direction towards achieving our goals.

Support the Earth

We have set an ambitious strategic goal on the environmental front – a 50% reduction in our total carbon footprint by 2030. Along the way, we have interim targets for 2025 of cutting the carbon footprint of our own-brand products by 50% and becoming climate neutral in our own operations, i.e. those over which we have direct control. These are tough ambitions, but we are setting the bar high and committing to these goals because we are certain that is the right course of action.

Over the year we have worked intensively to map out our base year, which we have set as 2017/18, and we are working in line with the standards set up by STICA. We have launched two new circular concepts: the Second Hand scheme in partnership with Tradera, and the launch of a rental service in certain stores. We have also continued our research collaborations, which include the production of our first jumper made from recycled material in a circular process.

As part of our commitment to a sustainable future, we are continuing our work on safe, toxin-free products. We work actively to develop sustainable materials, eco-friendly production processes and fair working conditions. Our suppliers are subject to clear requirements that we regularly follow up on, and this year we have also published our list of production facilities. In addition we have continued our work on developing climate- and resource-efficient transport and packaging.

Activate the World

Our second sustainability goal is about increasing the positive impact on people's health and well-being. We will achieve this goal by getting more people moving, promoting equality in sport and enabling everyone to exercise their equal right to an active lifestyle. It was therefore a real blow to us when Covid-19 restrictions forced us, for the first time in 25 years, to cancel Stadium Sports Camp, which has

so far encouraged over 60 000 children and young people to be more active. We are now very much focusing on 2021. Several major events for which we are partners, including the major cycling race Vätternrundan and the two runs Midnattsloppet and Lidingöloppet, had to rethink, but with the help of digital tools and a wealth of innovation, we have managed to create new solutions.

Motivated Employees

Our employees are the foundation for our development, innovation and drive. 90% state that they are proud to work for us, and that is a figure that makes us proud too. Over the year, we have engaged our employees in our sustainability work and the UN's Global Sustainable Development Goals. We have used internal training and workshops to increase knowledge of the eight SDGs that we have chosen to focus on, what we are doing to contribute towards them and how our employees can help.

During this unprecedented year, we have seen incredible commitment and enormous thoughtfulness from our employees. With loyalty, energy and passion, we have jointly created innovative and simple new solutions for situations that we have not experienced before, and through it all we have tried to treat each other and everyone else with respect, humility and the attitude that we will do the best we can together.

We have set the bar high, but with the year we have behind us – and all the years that lie ahead – it feels only right. We all have a shared responsibility to do what we can to contribute towards a sustainable future.

Thank you!

Karl Eklöf
CEO Stadium Group

A woman in a green jacket is running on a curved wooden walkway with a metal railing. The walkway curves along the edge of a body of water, and the sun casts long shadows on the wooden planks.

About Stadium

“Everything we do, we do to enable more people to experience the energy, the enjoyment and the well-being of an active lifestyle”

Ulf & Bo Eklöf
Founders

Our history

Stadium was founded in 1974. However, the story actually begins in 1974 when Ulf Eklöf took over Spiralen Sport, a shop in his home town of Norrköping. With his keen interest in sport, Ulf set himself the goal of becoming the best in sports gear and sports fashion. A few years later, Ulf's brother Bo joined the company and since then they have driven the company and the whole sports industry to new heights with their ideas, passion and competitive spirit.

The vision is to make the world more active, based on the view that humans are designed for physical activity, and that health and well-being emanate from that. Our mission is therefore to inspire an active lifestyle – for everyone. As part of our desire for everyone to enjoy an active lifestyle, we offer sports gear and sports fashion at the best price.

Over the years, the company has grown through new business concepts and expansion into new countries. The way we work is deeply rooted in our values, which form **our DNA**. These strong and genuine core values run through the whole of Stadium and derive from the family's way of leading and developing the company.

The Stadium Group

The Stadium Group is owned 100% by the Eklöf family and comprises Stadium AB (parent company) plus ten subsidiaries. The three concepts Stadium, Stadium Outlet and Sneakers Point all belong to this group. Operations span Sweden, Finland, Norway and Germany, with sales via physical stores and online for all concepts. There are a total of 179 physical stores and Head Office is located in Norrköping. We sell our own brands, as well as buying ranges from external partners.



Bo, Karl and Ulf Eklöf

stadium®

Stadium is the original concept, offering sports gear and sports fashion for all. It also includes a variety of specialist stores such as Stadium Ski (alpine and cross-country skiing) and Stadium Pulse (fitness and running gear).

We buy and sell external brands together with our own brands which are produced by us. These own brands are SOC, Everest, Occano, Warp, Race Marine, Stadium, Revolution and a new one for this year, Contra.

stadium® OUTLET

Stadium Outlet was established in 2009 and offers cut-price sports gear and sports fashion wear. This year we have entered the Norwegian market with two stores and are excitedly looking forward to continued development there.

We buy and sell external brands together with our own brands which are produced by us. Our own brands are Tribute, Ski Industries and, new for this year, the relaunched Take Off brand.

SNEAKERS POINT®

Sneakers Point is our latest concept, launched in 2018, where we offer a curated range of sneakers, sports fashion and related accessories to our customers. In this context, we work mainly with external brands.

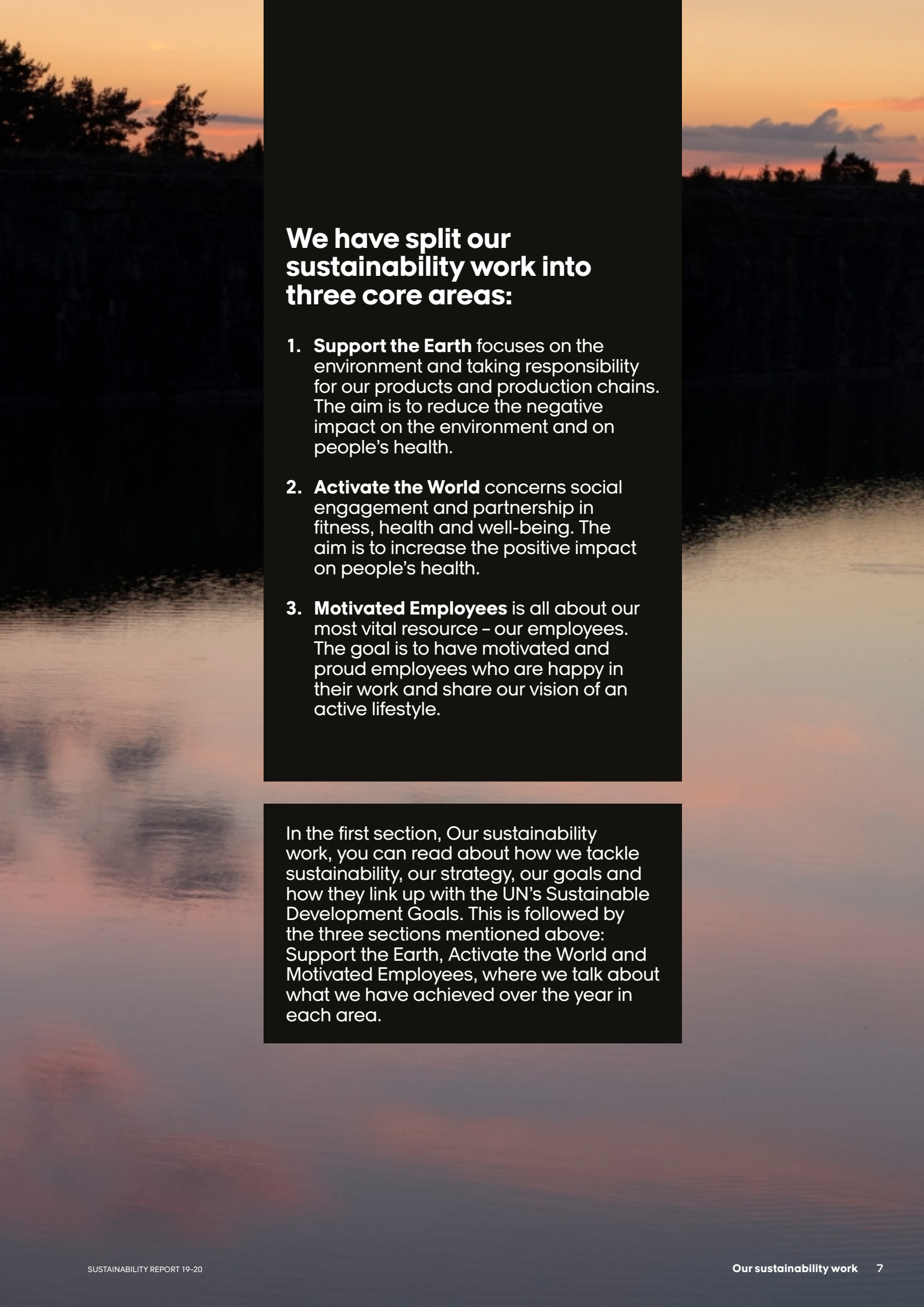
Vision
– To activate
the world

Mission
– To inspire
an active
lifestyle
for all



Our sustainability work

At Stadium, we have a passion for action – on a small or large scale, from the simplest exercise to the drive towards a sustainable planet. In order to fulfil our vision of activating the world, we operate in a way that is sustainable for humans, animals and the environment. We know that we humans need to be in balance, and so does our environment.



We have split our sustainability work into three core areas:

- 1. Support the Earth** focuses on the environment and taking responsibility for our products and production chains. The aim is to reduce the negative impact on the environment and on people's health.
- 2. Activate the World** concerns social engagement and partnership in fitness, health and well-being. The aim is to increase the positive impact on people's health.
- 3. Motivated Employees** is all about our most vital resource – our employees. The goal is to have motivated and proud employees who are happy in their work and share our vision of an active lifestyle.

In the first section, Our sustainability work, you can read about how we tackle sustainability, our strategy, our goals and how they link up with the UN's Sustainable Development Goals. This is followed by the three sections mentioned above: Support the Earth, Activate the World and Motivated Employees, where we talk about what we have achieved over the year in each area.

Sustainability – part of our business strategy

Our sustainability work is a central part of our business strategy. We are seeing increased demand for sustainably manufactured products, and at the same time we feel a responsibility to help move society forward. To ensure the long-term success of our sustainability work, we have chosen to make it a natural and integral part of every department's operation.

There is huge engagement in these issues within the group, from the Board and the Group Management Team to all our employees.

We have a Sustainability Council that sets the strategy, goals and overall plan for the sustainability work. Several figures from Group Management sit on the council, along with other members

that have specialist expertise in various areas. Activities to achieve the goals take place in each department, and in close collaboration with each other. The Sustainability Council then follows up on progress and looks at further initiatives that we wish to be involved in.

For us it is important to have goals that are clear and challenging, and to demonstrate concrete things that we are doing to achieve the goals, and how we follow-up on our initiatives.

We are a member of the Swedish Textile Initiative for Climate Action (STICA), which revolves around collaborating and

reporting on climate impacts. Over the year, we have put together all the data for our base year, which we have set at 2017/18, with the climate calculations following the Greenhouse Gas Protocol. Our goal is based on a target of net zero, for which we have used the same definition that Sweden as a nation uses. This entails an 85% reduction in emissions, with the remaining 15% to be managed through carbon offsetting. We are involved in various research initiatives and partnerships aimed at driving development forward.

The HR & Sustainability Director is responsible for sustainability and is a member of Group Management, reporting to the CEO.

Our goals

Support the Earth focuses on the environment and taking responsibility for our products and production chains. The aim is to reduce the negative impact on the environment and on people's health.

Goal:

- Climate-neutral in our own business by 2025*
- 50% reduction in the carbon footprint of our own brands by 2025**
- 50% reduction in our total carbon footprint by 2030***

Activate the World relates to social engagement and partnership in fitness, health and well-being. The aim is to increase the positive impact on people's health.

Goal:

- Health and well-being – to counteract a sedentary lifestyle
- Gender-equality in sport – to create the right conditions for equality in sport
- Equal opportunities – everybody's equal right to an active lifestyle

Motivated Employees is all about our most vital resource – our employees. The aim is to have an inspiring climate at work, one that is rooted in our values and defined by joy and collaboration, and that enables the organisation and its people to grow together.

Goal:

- To have motivated and proud employees who are happy in their work and share our vision of an active lifestyle

* Applies to Scopes 1-2. Climate neutral means an 85% reduction and 15% carbon offsetting (what we have direct control over: properties we own and business travel)

** Applies to part of Scope 3 (production and transport of own brands)

*** Applies to Scopes 1-3

Fair play

It is important to us that we act in a responsible manner. In addition to following relevant laws and regulations, we have drawn up policies and governing documents to support us in our work. The greatest risks can be found upstream in our value chain (read more on page 28) and we have therefore drawn up two governing documents concerning our suppliers.

- The Supplier Code of Conduct which addresses human rights, workers' rights,

the environment, anti-corruption and animal welfare; and

- The Code of Business Ethics which reinforces and describes our expectations of business relations and reflects our internal loyalty commitment.

For our employees we have various policies governing our conduct in different areas, such as the environment, gender equality and GDPR (read more on page 42). We also have The Stadium Way, a governing document that is used to combat corruption by our employees and includes a declaration of loyalty to the company. This document is signed by all

staff at the time of employment.

We monitor compliance with and the results of our policies and governing documents via production inspections, development appraisals and anonymous employee surveys. If anyone suspects that we are falling short somewhere, it is also possible to email an anonymous report to ethics@stadium.com. This facility is open to external stakeholders, suppliers and our own employees. Over the year, we have had no reports and zero confirmed cases of corruption. There was one attempt at corruption, which our processes spotted – read more about this on page 28.

A portrait of Åsa Brunzell, a woman with long blonde hair, smiling. She is wearing a grey button-down shirt. The background is dark and out of focus.

**HR & Sustainability
Director Åsa Brunzell:**

Developing with energy and team spirit

Looking back, I am pleased to report that despite this unusual year of Covid-19, we have continued to make good progress in our sustainability work. I believe this is primarily because of three factors: sustainability is explicitly defined as a key part of our business strategy, all the departments are responsible for improving sustainability within their own operations, and finally we have employees and managers who are strongly committed to sustainability issues.

Health, social impact, sustainable business and environmental impact have all been in sharp focus over the past year.

Due to the pandemic, we have been exposed to, affected by and forced to manage situations we have never experienced before.

Health and well-being has taken on a new significance all over the world – in many ways, both physical and mental. In society, in homes and at workplaces.

Some activities, particularly in our Activate the World area, where our goal is to increase the positive effect on people's health, have had to be cancelled. One example is our pride and joy, Stadium Sports Camp, through which we have made over 60 000 children more active in the past 25 years. Other activities have instead had to embrace new, Covid-safe solutions. The creativity has been amazing and we have learned to think differently and find innovative ways of operating, as we continue to empower people to enjoy an active and healthy lifestyle. This has taken on even greater importance this

year, with health and fitness high on the social agenda.

Within Support the Earth, where our goal is to reduce our negative impact on the climate, we have worked further on our initiatives to achieve our strategic goal of a 50% reduction in our carbon footprint by 2030. In an important step, we have now set our base year for our climate calculations. This has been quite an achievement as it is not always easy to source the necessary data. However, the more we and other companies work on demanding data and sustainable choices, the faster our progress will be. We have continued our involvement in various research initiatives with a sustainability focus, and we are proud to have produced our first circular jumper. Collaborations and partnerships with other companies and organisations are, and will remain, extremely important to us as a way to build up expertise and achieve our goals.

Like many other retail companies, we saw our sales take a major hit from Covid-19, particularly at the start of the pandemic. This meant that we had to restructure our workforce. We have not had to make any permanent employees redundant, but the same cannot be said for temporary employees. We also furloughed around 1000 employees in the spring. This has been an uncertain time for many people and during the pandemic we have tried to act as quickly as possible and be transparent with our information to both managers and employees – all with a view to creating as much security as possible for our employees in an extremely unsettling time.

Motivated employees are the key to our success and we work hard to ensure a working climate where people feel happy, motivated and able to develop.

We firmly believe that the success of the company depends on its employees and we therefore work constantly to engage our staff and teams in different ways. In the area of sustainability, for example, we have worked actively on the global SDGs, learnt what we as a company are doing to contribute to these goals and discussed how the different departments can make their own contribution. We have also brought our vision to life by becoming more active in various ways and have worked to strengthen our teams by building up skills, collaborating and having fun together. Seeing the commitment and drive of our employees has been one of the main pleasures for me over the past year – together we make a fantastic team where everyone is equally important!

I hope you enjoy reading about all the things we are doing as part of our sustainability work. Our energy and team spirit have made us the company we are today and this is how we are going to continue working to activate the world in a sustainable way long into the future.

Join the Sustainable Movement!

Åsa Brunzell
HR & Sustainability Director,
Stadium Group

Highlights of the year

Working at Stadium*

* According to our latest employee survey



92%

share our passion for an active lifestyle.



90%

are proud to work with us.



83%

are familiar with our sustainability work.



88 244

kilos of textiles have been collected via our re:activate stations in store, in partnership with Human Bridge.



Circular product with SOC, re:activate.

Tradera more via Stadium, a partnership to inspire circular consumption.

Stadium members receive double exposure of their ads for second-hand sports gear on the marketplaces at tradera.com and stadium.se.

stadium®

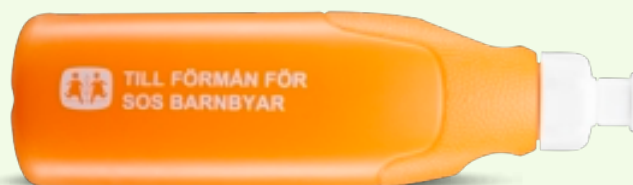


TRADERA™



Total number of
bottles sold 2019/20

69 632



of which 61 315 in Sweden
and 8 317 in Finland.

12 912 035

litres of water saved
in production using the
Solution Dye technique.

9 863 690

discarded PET bottles have
been used to make new functional
materials for the brands that
we produce ourselves.



stadium®
Uthyrning

Launch of rental, with a focus
on Outdoor and an active
lifestyle. Over spring and
summer 2020, we began
testing the rental of tents and
rucksacks from two of our
Stockholm stores. We hope to
be able to develop this more
in the next few years.

The UN's Global Sustainable Development Goals

Our sustainability work is rooted in the 2030 Agenda and the 17 Sustainable Development Goals that aim to make the planet a better place.

2015 saw the UN member states adopt the 2030 Agenda resolution to collectively work towards sustainable development. Of the agenda's 17 global goals, there are four of overarching importance that are to be achieved by 2030: end poverty, combat inequalities, resolve the climate crisis and promote peace and justice.

83%

of our employees are familiar with our sustainability work, according to the employee survey



Our selected goals

At Stadium, we have selected eight of the UN's 17 SDGs for particular focus, as these are areas where we can exert more of an influence due to the nature of our business. Find out more about how we have worked on internal commitment to the SDGs on the next page.

-  **Good health and well-being.** Ensure healthy lives and promote well-being for all at all ages.
-  **Gender equality.** Achieve gender equality and empower all women and girls.
-  **Clean water and sanitation.** Ensure availability and sustainable management of water and sanitation for all.
-  **Affordable and clean energy.** Ensure access to affordable, reliable, sustainable and modern energy.
-  **Decent work and economic growth.** Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.
-  **Reduced inequalities.** Reduce inequality within and among countries.
-  **Responsible consumption and production.** Ensure sustainable consumption and production patterns.
-  **Partnerships for the goals.** Strengthen the means of implementation and revitalise the global partnership for sustainable development.



Poster that was used for internal workshops around the sustainable development goals.

Internal commitment to the SDGs

In autumn 2019 we launched an internal commitment initiative, providing information and workshops on our eight focus areas. The aim was to increase awareness of the UN's Sustainable Development Goals and our own sustainability work, and to inspire and encourage all our employees to think sustainably. We put together a poster with information on each goal, focusing on one goal per month. On our intranet, staff were able to download information and knowledge for their own workshop. Each team was tasked with discussing the goal and learning what we are doing, as well as discussing what the store/department could do to help.

The work began in October 2019 and the last goal was presented in June 2020. We have conducted a follow-up of how the work on the SDGs has gone, to find out whether the method has worked and to establish how we can continue to increase knowledge about our sustainability work. The follow-up was conducted by means of interviews with store managers and an HR Manager – below is some of the feedback we received.

Viktor Forslund

Stadium, Umeå City

Viktor Forslund feels that the work on the SDGs has been a good way to engage the employees and that it has raised awareness of sustainability issues. The response from the team has been highly positive. The global SDGs have been discussed with the team and sometimes this has been accompanied by an activity connected to them.

"For Goal 3: Good health and well-being, we agreed that the team would meet every Tuesday after work and take a walk together. This proved a real hit! The commitment was amazing and by the end we were also picking up litter during the walks."

To help reduce water and energy consumption, notices were put up in the staff room giving simple reminders about turning off lights and only running the dishwasher when it is full.

"The notes are still up and there has been a noticeable improvement. We're thinking more about sustainability and what we can do to save the environment."

Johanna Frölich

Stadium Ski, Åre

According to Johanna Frölich, the work relating to the poster and the SDGs has provided a concrete and clear tool for



sharing information about Stadium's sustainability work within her team. It has all helped to raise awareness of new issues for the employees and has also prompted many discussions.

"There's a general feeling of pride about the sustainability work that Stadium is doing. We're doing some excellent things and it's important to recognise and talk about them."

Personally, sustainability is close to Johanna's heart and something she knows the whole company needs to embrace, so it has been a good idea to work on the SDGs at store level. As an employee, it is important to be able to pass key information on to the customer, but also to feel proud about the social commitment and initiative that Stadium is demonstrating.

Cecilia Gustafsson

Stadium Outlet, Karlskrona

Cecilia Gustafsson says the work on the global SDGs has been a good way to promote sustainability and has clearly highlighted what Stadium is doing within this framework. The SDGs have been discussed at staff meetings and the poster has been up in the staff room for the employees to read at their leisure and learn more.

"However, it has been difficult to find time for activities. Stadium Outlet only has a small workforce, for one thing, and then Covid-19 landed in the middle of everything, and that impacted on the SDG work."

Despite the difficult circumstances, they have tried to maintain the level

of commitment and talked about sustainability within the team. The tips on the poster have been particularly useful in showing how individuals can make a difference. Cecilia also reports that they have introduced lunch walks to promote good health and well-being,

"and the response has been great! Everyone has taken some of the ideas on board and they now know that things they thought weren't related to sustainability actually are."

Heidi Lehto

HR Manager Finland

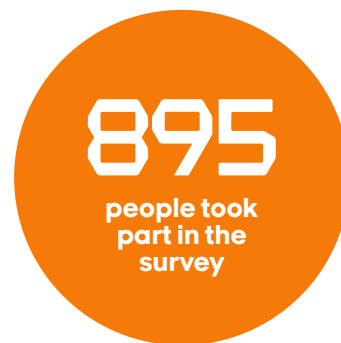
Heidi Lehto says the response from store managers and staff has been extremely positive. The poster has raised specific issues associated with the SDGs and the tips provided have been much appreciated. Waste sorting and home-made videos are some of the activities the stores have worked on.

"One store manager created a video about how sustainable our plastic bags are, and this was shown to the staff. It was a great initiative!"

The stores have shown high levels of commitment and Heidi feels the work on the SDGs has been a good way to improve and strengthen communication.

"This is a new way to talk about sustainability internally. Here at Stadium, we're doing so many fantastic things, but we haven't talked about them this way before. This is something we're definitely going to continue with."

How do we choose our focus?



We have conducted a materiality analysis to identify the key issues that our sustainability work needs to prioritise and focus on.

The materiality analysis is based on dialogues we have had with key stakeholders both internal and external. The purpose of the stakeholder dialogues is to find out what areas they feel are important for us to focus on in our sustainability work. An independent party then analysed the entire value chain, looking at the positive and negative impacts on the environment, society and the economy that exist both internally and externally.

The results of our stakeholder consultation and impact analysis have been combined to establish the material

issues that will be prioritised in our sustainability work. We have chosen to divide them into three groups: distinctive position, focus areas and basic areas.

Our material issues are presented in the table to the right, which shows what we are doing in different areas and how they are linked to the SDGs. The area "Employees who thrive at Stadium" is the only one that solely has relevance within the organisation. All of the other material areas have relevance both within and outside the organisation, upstream and downstream in the value chain.

We have chosen to use the results

of the stakeholder dialogues and impact analysis conducted for the Sustainability Report 17-18. These were based on replies from 895 respondents to questionnaires and interviews with customers, employees, management, sports clubs, followers on social media and suppliers. The results are considered to remain relevant, based on exchanges with stakeholders in various forms. These include customer encounters in store or via Customer Service, plus meetings with partners, suppliers, employees, the Board and the Group Management Team.

Stakeholder dialogues

The three most important aspects per stakeholder group

Members/ customers	Social media*	Selected brands	Team sales/ clubs	Employees	Management
1. Fair working conditions and no child labour in the production chain 2. Safe, non-toxic clothing 3. Suppliers who are verified and certified**	1. Fair working conditions and no child labour in the production chain 2. Suppliers who are verified and certified** 3. Climate and resourceefficient transport and packaging	1. Fair working conditions and no child labour in the production chain 2. Suppliers who are verified and certified** 3. Good working environment for employees	1. Fair working conditions and no child labour in the production chain 2. Safe, non-toxic clothing 3. Good working environment for employees	1. Fair working conditions and no child labour in the production chain 2. Good working environment for employees 3. Suppliers who are verified and certified**	1. Fair working conditions and no child labour in the production chain (2) Suppliers who are verified and certified** (2) Transparent communication about our sustainability work
x 349	x 236	x 19	x 25	x 258	x 8

* Followers on the Swedish Facebook page.

** The full designation of this aspect is: Suppliers who are verified and certified based on social, environmental and ethical criteria.

Impact analysis

Conclusions on which areas have the most significant impact

1. Fair working conditions and no child labour in the production chain
2. Suppliers who are verified and certified
3. Equality, diversity and no discrimination in the workplace
4. Safe, non-toxic clothing
5. Transparent communication about our sustainability work

Conclusions

1. The sustainability of Stadium's stores and products has become even more important to both internal and external stakeholders
2. The majority of our customers want international certifications or Stadium's own labelling on clothing, shoes and equipment
3. We need to broaden communication about our sustainability work, especially externally
4. The three most essential aspects are:
 1. Fair working conditions and no child labour in the production chain
 2. Suppliers who are verified and certified
 3. Climate and resource-efficient transport and packaging

Our material areas

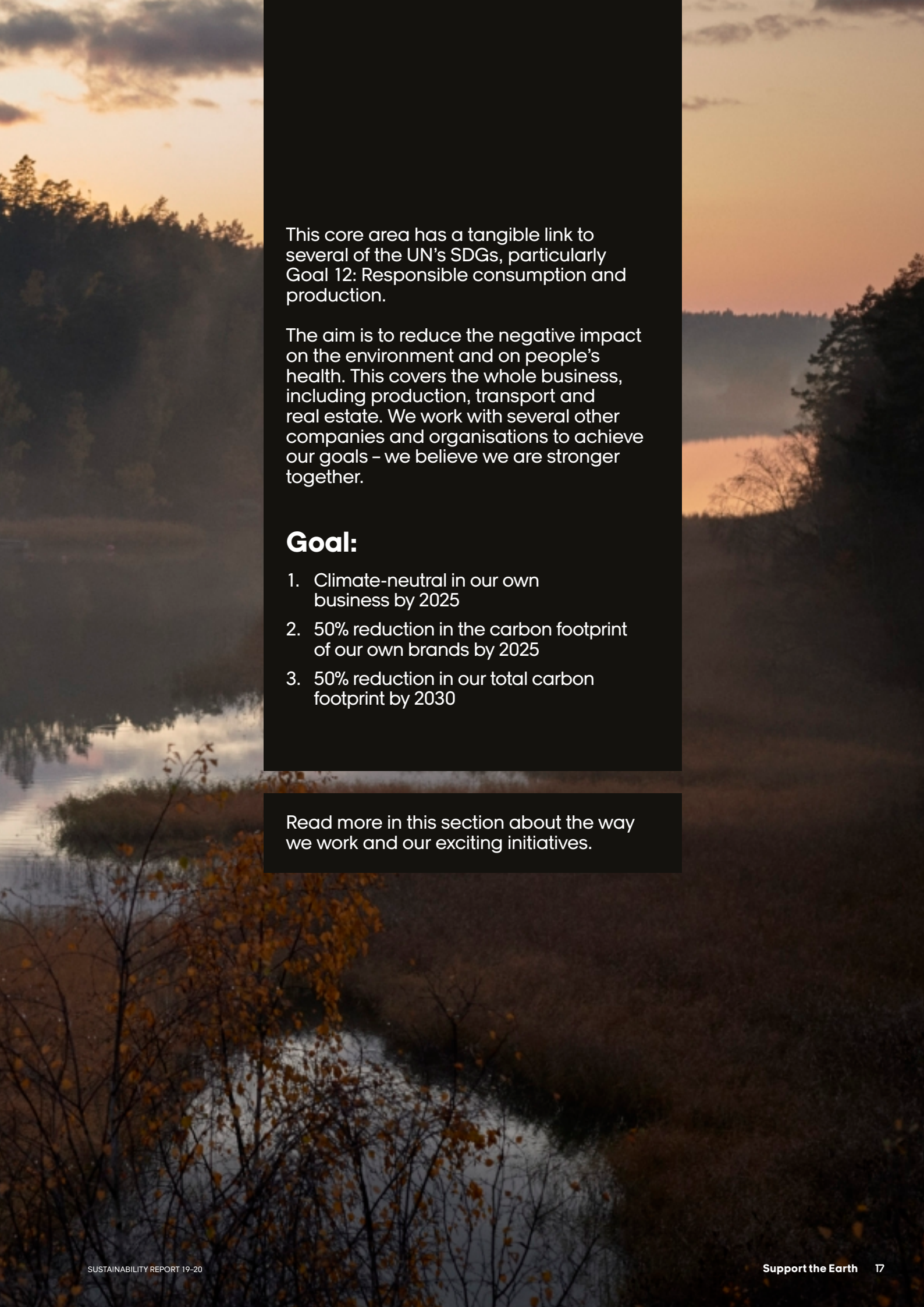
Linking our material issues to the UN Sustainable Development Goals gives us a complete picture of the priorities in our sustainability work and how they contribute to the 2030 Agenda.

	Our priority areas	Linked global goals	Linked global targets	Examples of how we are contributing to the global goals
Distinctive	Safe, non-toxic products	 	3.9 12.4	- Code of Conduct for all external suppliers - Checking product safety and chemicals in the design and product development phase - Compliance with the EU's chemicals regulation REACH plus an RSL (Restricted Substance List) for in-house production with tougher criteria - No PFAS or phthalates in in-house production. Phasing out PFAS with external brands in 2021 100% control of products in child safety and personal protective equipment
	Transparency and transformation in production: fair working conditions, no child labour, verified suppliers and certified products	  	8.5 8.7 8.8 5.1 12.8	- Code of Conduct for suppliers - Third-party inspections on behalf of Stadium - Fairtrade cotton production 100% traceable down through the Responsible Down Standard (RDS) - Increased proportion of higher ranked factories - Action programmes for low ranked factories
Focus	Climate and resource-efficient transport and packaging	 	12.4 8.4	- Measurement, follow-up and measures to minimise emissions from transport activities (Scope 3) - Goods transport by sea and rail - Exclusion of air freight - Reducing packaging in the form of plastic and corrugated cardboard - Pack instructions in local language - Less empty space in shipments between our distribution centres (DC) and stores
	Resource-efficient use of water, energy and chemicals	   	3.9 6.3 6.4 7.3 12.4	- Following the precautionary principle - Measure, follow-up and actions to minimise CO₂e emissions 100% of electrical heating in own operations from renewable sources - Solution Dye technique to minimise water, energy, emissions and chemicals in production
	Involvement in social projects	 	3.4 17.17	- Better Cotton Initiative (BCI) - SOS Children's Villages in Bangladesh (Chattogram) - SOS Children's Villages in Finland (SOS-Lapsikyä) - Signed up to the Bangladesh Accord and ILO - Goodsport - Night Football
	Transparent communication about our sustainability work		12.6	- Continuous dialogue with internal and external stakeholders about Stadium's sustainability work - Sites updated with sustainability information - Published list of factories - Internal engagement programme concerning the SDGs and our sustainability work - Sustainability Report reviewed by a third party
	Circular products: from design and materials through to recycling and re-use	 	8.4 12.1 12.4 12.5	- Sustainable materials in the product development and design phase, with a focus on recycling - Sustainability aspects included when testing and inspecting products - Recycling and re-use of products through Stadium's re:activate initiative, in partnership with Human Bridge - Launch of our first circular product in partnership with the brand SOC - All plastic and cardboard waste at DC is recycled
Basic	Employees who thrive at Stadium: an equal workplace that promotes diversity and is free from discrimination	  	5.1 5.5 8.5 8.8 10.3	- Collective agreements and specific agreements on health and safety - Development appraisals - Anonymous employee surveys - Platform for learning and training (Stadium Academy) - Policies in many areas, including: loyalty policy, equality and diversity policy, policy against victimisation, health and safety policy, personal data management and GDPR - Intranet with information on the employees' jobs
	Anti-corruption		16.5	Our Code of Ethics is a common thread running through our fundamental business ethics and is included in all our governing documents.
	Responsible marketing		5.1	Together with other advertisers and the Association of Swedish Advertisers, we have launched a drive for greater transparency in marketing. The aim is to increase diversity in communications, transparency in media purchases and responsibility for where purchased advertising appears.
	Responsible animal welfare		-	- This area is not associated with a specific target up due to limited link with SDGs - Clear animal welfare requirements in our Code of Conduct. Find out more on page 29
	Stores and store materials that are climate and resource efficient		7.2 7.3	- Green electricity in all stores where we choose the supplier (60% of all stores) - Measurement, follow-up and minimisation of energy use in stores - Replacing energy-demanding light fittings with more energy-efficient LED solutions - Bags made from 40% post-consumer recycled plastic - Re-use of campaign material and resource-efficient development of signage material
	Traceable materials in the supply chain		12.8	- Inspections for Stadium by certified third parties 100% traceable down through the Responsible Down Standard (RDS) - GRS (Global Recycle Standard) labelling on much of the recycled material



Support the Earth

This core area focuses on the environment and taking responsibility for our products and the whole production chain. Through our work reduce our environmental impact and improve working conditions, we are contributing to a better world.



This core area has a tangible link to several of the UN's SDGs, particularly Goal 12: Responsible consumption and production.

The aim is to reduce the negative impact on the environment and on people's health. This covers the whole business, including production, transport and real estate. We work with several other companies and organisations to achieve our goals – we believe we are stronger together.

Goal:

1. Climate-neutral in our own business by 2025
2. 50% reduction in the carbon footprint of our own brands by 2025
3. 50% reduction in our total carbon footprint by 2030

Read more in this section about the way we work and our exciting initiatives.



**Sustainability Manager
Catrine Marchall:**

What have we achieved this year?

Support the Earth is the working name we use internally at Stadium to place an extra focus on achieving our goal of cutting our emissions. We have clear strategies setting out how we can look after the planet we live on and continue to activate people.

We know the transition to more circular processes will be essential for the future of the industry, not to mention the switch to renewable electricity in production, saving water and reducing the use of chemicals. On the latter front, finding better alternatives for the environment is an ongoing process. Daring to challenge the status quo and test new solutions is part of this process, both in our own production and in our partnerships with external brands.

In this work, the choice of fabrics and raw materials is particularly important – partly to achieve our goal of 100% sustainable materials for our in-house production of textile products, but also to increase the proportion of material for which we use water-saving dyeing processes.

In this section, we sum up what we have done this year, under the umbrella of Support the Earth, to establish sustainable production and reduce our negative impact on health and the environment.

Catrine Marchall
Sustainability Manager

Our targets for a better world

Stadium's environmental policy governs how we tackle our goals and strategies. Every employee is responsible for constantly taking actions and decisions that have as little impact on our climate as possible, in line with the UN's Sustainable Development Goals and taking into account economic considerations.

The everyday work that goes into achieving our long-term goals is based on the strategies we have set up and the targets we have established for products and production up until 2025. Working intensively on surveys and follow-up will be crucial, but much of the work is also about collaboration and conducting dialogues on several levels. Some of the interim targets we have set are listed below:

- 2020, already achieved: a list of factories has been published on our website for greater transparency.
- In 2020/2021 we will phase out PFAS*, biocides and phthalates from our entire range.
- In 2021 we will conduct a thorough survey of our production's carbon footprint in order to facilitate measurable reductions in line with the climate goals we have adopted.
- In 2021 we will begin switching to renewable electricity in at least three factories.
- 80% of our own production will take place in factories with a social rating of A+B by 2022.**
- 100% sustainable materials by 2025.
- By 2025 we will have reduced our use of cotton and found other sustainable cellulose alternatives.
- 80% of the products we produce ourselves will be sustainable by 2025.
- 100% water-saving dyeing methods for our own brands by 2025.

* Certain laminates and outdoor materials in a few products in our range of external brands will be PFAS-free by 2023.

** Find out more about social rating on page 29.

Easy to make sustainable choices

Our Sustainability label makes it simpler for our customers to find sustainable products in our stores.



The labels are attached to products made of sustainable cotton (via BCI or organic cotton), eco-friendly cellulose material, recycled material or material dyed using the water-saving Solution Dye technique. Our aim is, of course, to exclude all chemicals that are harmful to people and the environment. 43.8% of our in-house brands were more sustainably manufactured in 2019/20, up 3.8 percentage points compared with the previous year.

One conclusion from our stakeholder discussions was that the majority of our customers want international certifications

or Stadium's own labelling on clothing, shoes and equipment (read more on page 14). We will therefore continue to consider how we can best enable our customers to make sustainable choices through labelling on garments, information signs in the store or new search paths on our website. 2019/20 has seen us add Stadium's new heart-shaped sustainability label to our online store.

The heart symbol indicates that a product is sustainable, with at least 50% of the item comprising sustainable materials or manufactured using a sustainable production process. This applies to three areas of soft goods, where the focus is on recycled material, sustainable cotton or water-saving dyeing methods.

We are currently reviewing our internal processes concerning documentation and supporting text for each product that is sustainable according to the requirements we set. Updating the procedures will enable us to ensure that the information is correct and that it is presented correctly without misleading the customer. The aim is to make it clearer to the customer what it takes for a product to be labelled with a white heart on a green background.

Sustainable products among our own brands

(Previous year in brackets)

SOC	51.9% (44.5%)
Everest	28.8% (26.7%)

Total no. of products manufactured in a more sustainable way:

43.8%
(40%)

Rental

In spring 2020 we began offering rental of Everest tents and rucksacks. The idea behind the rental scheme is partly to do with the circular aspect, but also to help our customers actually get out in nature by lowering the barriers and facilitating the experience. Looking back on the season, we are pleased with the initiative and we have received a good response from our customers.

Naturally the increase in staycations due to Covid-19 had a positive effect on this scheme, since the launch coincided with a time when our customers were looking for new ways of spending their leisure time.

Home page at [stadium.se](https://www.stadium.se/uthyrning), <https://www.stadium.se/uthyrning>

We offered a rental service at the following stores:

Drottninggatan
Sisjön
Ski Åre

Old materials into new

In 2018/19 we worked to explore new circular processes, together with RISE Research Institutes of Sweden. In our partnership with football club BP, we collected worn football shirts and sent them to RISE for mechanical shredding to recover the polyester fibres. These were made into a sliver, a coarse bundle of fibres that was spun into new yarns, which in turn were blended with 50% organic cotton for added strength. The yarns were then knitted into a new material at the Triåkby textile mill in Åby, near our offices in Norrköping. The end result was a sweater that we have now launched in partnership with the brand SOC. If we find that this type of process can work using local production facilities, we can eventually scale up the operation.

Find out more about the process on page 25.



Recycled

In our work to achieve 100% sustainable materials, we have placed a little extra focus on polyester, since it appears in many of our products. A particular area of investment has been raw material recycled from used PET bottles, and most of the recycled polyester we use has Global Recycle Standard (GRS) certification.

The number of PET bottles we used to produce new materials in 2019/20 is 9 863 690. We apply an average calculation for all recycled polyester material, estimating the use of seven PET bottles per yard (approx 91 cm) of finished material.

Progress on recycling old and worn textiles is slowly being made and will be an important factor for the environment moving forward. Stadium has worked with RISE, Triåkby and the brand SOC on a circular project to recycle old polyester garments collected by the football club Brommapojkarna in partnership with Human Bridge. Read more about this on page 25.

For our jacket range, alongside our requirement for RDS-certified down, we have also been working to ensure that some of the content is recycled down, re:down.



Better cotton initiative

The Better Cotton Initiative (BCI) was founded in 2005 and is a non-profit organisation dedicated to making global cotton production more sustainable. The aim is to change cotton production worldwide and make Better Cotton a conventional commodity. Working with stakeholders in the cotton production chain, the BCI advocates measurable, ongoing improvements for the environment, growing communities and the economy in cotton-producing regions.

In 2017/18 we committed, in partnership with the BCI, to use 100% sustainable cotton. Sustainable cotton covers

Better Cotton, organic cotton, recycled cotton and other eco-certified cotton alternatives.

Since 2017, all products from our own-brand collections have been manufactured using sustainably produced cotton. Information about this can be found on the green Sustainability label.



Responsible Down Standard

We support the Responsible Down Standard (RDS) in our use of down and 100% of the down products that we manufacture ourselves are RDS-certified.

The standard ensures that the animals are treated with dignity throughout the supply chain and prohibits the plucking of down from live birds and birds that have been force-fed. This is achieved by giving the industry tools to ensure that down and feathers do not come from birds subjected

to suffering and through a system that makes the origin of the material traceable.

Like all of our production that involves animals, our down production complies with the widely recognised Five Freedoms of Animal Welfare, which set out the key principles in this area.

Through various certification schemes, we also require all down sold by Stadium to be traceable.

Chemicals

Stadium follows the tough restrictions in the EU's chemicals regulation REACH. In 2015, we began work on a Restricted Substance List (RSL), a list of substances to be restricted in production from 2016 onward. In order to continue our work to phase out hazardous chemicals and for us to be able to meet our sustainability targets, our RSL stipulates more stringent requirements than those set out in REACH.

We have focused on some of the substances that have presented a major challenge in production and which we know our customers are keen to avoid.

- Antibacterial treatments such as silver or biocides have not been present in Stadium's own products since 2015.
- Phthalates were 100% phased out from our own production in 2017. Phthalates are chemicals that are used to soften PVC material.
- PFAS: In 2018, all our own-brand clothing and shoes were 100% PFAS-free. Towards the end of 2019, tents and bags were also 100% free from PFAS.

Our aim is that the fabrics across our entire range, including external brands, will be 100% free from PFAS, phthalates and antibacterial substances by 2021. In conjunction with the 2019 Vasaloppet ski race, we challenged the industry to reject ski wax with highly fluorinated substances in it. From 2020, we will only sell fluoro-free ski wax in all our sales channels.

Plastic bags

Since July 2017, Stadium has charged for plastic bags in the stores. All the revenue from bag sales is added to a pot of money that already exists for social and community activities and partnerships. Read more about these activities in the section Activate the World. Since the bag tax came into force, we have cut sales of plastic bags by 40%, which corresponds to a reduction in CO₂ emissions of 129 610 kg per year.



Plastic bottles



All Stadium's own water bottles are made from bioplastic and are produced in Sweden.

The energy used for the manufacturing process comes from wind and water power, meaning minimal environmental impact. Bioplastic bottles look and feel exactly like ordinary sports bottles; the difference is that they don't burden our planet with unnecessary CO₂ emissions. Bioplastic has the same properties as ordinary plastic, but the raw material is renewable, using waste products from sugar cane instead of oil.

Smart dyeing saves water

To minimise environmental impact, we are investing in the energy and water-efficient Solution Dye technique for dyeing clothes. This is currently the Stadium Group's primary dyeing method and much of our range for the 2018/19 seasons was dyed using this technique, saving more than 12.9 million litres of water over this period. We also expect the use of Solution Dye to increase further in our production process up to 2025, having set the target that we will use 100% water-saving dyeing methods for textile products by this date. 81% of our overall in-house production is made up of textile products.

Traditional dyeing of fabrics requires large amounts of water, energy and carbon dioxide, since the colour is "washed into" the fabric. With the Solution Dye process the fibres are coloured from the outset – i.e. before the threads are turned into fabric, reducing the whole process.

At Stadium we have been using the Solution Dye technique for over ten years. Initially, the dyeing process was used only for black linings, but since 2013 the technique has been available for a large number of colours. It is mainly the linings that are dyed, but also the outer fabric for brands such as Warp, Everest and Stadium. All garments dyed using Solution Dye have Sustainability labels that say "Save water and energy". In 2019, Stadium Outlet also began using the Solution Dye method for the lining of its jackets.

Solution Dye saves water

Savings with Solution Dye technique compared to traditional dyeing:

Water	80%
Energy	60%
Carbon dioxide	60%
Chemicals	60%

Stadium buys in fabrics from suppliers who use Solution Dye for both woven and knitted material. The use of this technique is growing across the whole textile industry, since water savings are crucial for more sustainable production. The figures above are based on an average calculation that provides a rough picture of the overall savings. The calculations are general since there is no standard procedure and the circumstances vary depending on the material and factory. In terms of saving water, Solution Dye is the most effective dyeing method currently available, but it is difficult to prove the exact level of savings per material and product. We are working to achieve greater transparency in this area.

Our carbon footprint

We have adopted various measures over the past year in support of our goal and strategy to cut our emissions by 50% by the year 2030.

These have included continuing the push to reduce our emissions within our own operation, establishing a clear picture of our in-house production, launching a dialogue with external brands and collaborating with the STICA initiative. However, the main thrust of our work has been gathering data concerning Scope 3 in production and creating Stadium's base year for greenhouse gas emissions in line with the Greenhouse Gas (GHG) Protocol, as a foundation for setting up our own science-based targets. We have chosen 2017/18 as our base year and engaged an external agency to help with our calculations.

When we began mapping out and collecting data for our base year, we found that we did not have all the necessary data for our own production or for external brands for the current season. For this reason, it was more appropriate for us to use 2017/18, the year that we also

began our collaboration with STICA. The calculation methods we have used will also be applied in future reporting years. We consider it likely that we will be able to use new calculation methods once we have implemented new system support solutions such as PLM. Once this has been implemented, we will recalculate our base year. The results of the calculations for our base year of 2017/18 clearly trace our greatest emissions to Scope 3 in production. However, over the seasons to date we have already made a number of positive changes to the production process and we are optimistic that we will meet our targets for 2025.

In this report for 2019/20 we have complete data for Scopes 1 and 2, but for Scope 3 we only have the part relating to transport. We are working to attain complete data for Scope 3, including production, for the next reporting year, 2020/21.

STICA

The Swedish Textile Initiative for Climate Action (STICA) is a joint commitment by multiple Swedish textile companies to reduce their emissions by at least 30% by the year 2030.

The initiative is a response to the textile industry's major negative impact on the environment. The network enables members to learn from each other, create tools to measure emissions and find solutions to reduce their carbon footprint. According to the Greenhouse Gas (GHG) Protocol, we need to cut emissions by 50% to achieve the 1.5 degree target set out in the Paris Agreement.

■ <https://www.sustainablefashionacademy.org/STICA>



The Swedish Textile Initiative
for Climate Action

Energy & emission figures

Emissions in tonnes CO₂e

For our calculations, we have used an operational control approach and the market-based method. Detailed information on transport can be found in the table "Emission figures: Transport".

Scope		Base year 17-18	18-19	19-20	Change compared with previous year
Scope 1		240	237	226	-5.8%
Scope 2		7 591	7 741	7 168	-5.6%
Scope 3	Transport	5 129**	4 083*	2 925*	-28.4%
	Production	181 760	-	-	-

*The emissions only apply to transports where Stadium handles the shipping according to Incoterms (ie external brands are not included).

** Emissions also apply to carriers where Stadium does not handle shipping according to Incoterms. (ie external brands are included).

Emissions from the carrier where Stadium handles the shipping according to Incoterms are 3,716 tonnes of CO₂e and comparable to 18-19 and 19-20.

Emission figures: Transport

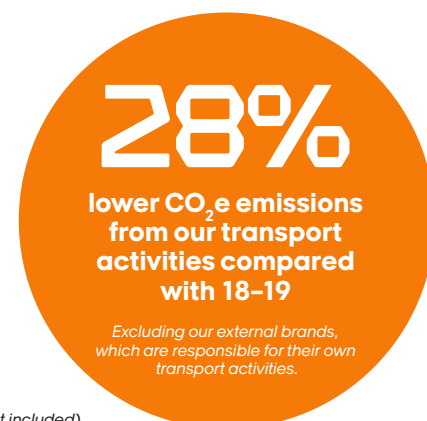
Emissions in kilograms

Scope 3: Transport	To warehouse by sea* CO ₂	To warehouse by air* CO ₂ e	Transport to store** CO ₂	Transport to customer (online retail)** CO ₂
Total emissions 18-19 (kg)	629 854***	1 247 535	1 209 605***	995 961
Total emissions 19-20 (kg)	600 057	88 943	1 144 769	1 091 000
Total change in emissions (kg)	-29 797	-1 158 592	-64 836	95 039
Total transported kg 18-19	6 097 305	80 100	27 379 054	-
Total transported kg 19-20	5 981 825	5 094	25 952 079	-
Total change in emissions for 19-20 compared with 18-19	-4.7%	-92.9%	-5.4%	+9.5%

* The figures are only from where Stadium handles shipping in accordance with Incoterms. Transport for which other parties (i.e. the suppliers) are responsible is not included. The figures include domestic transport from suppliers to ports and from the Port of Norrköping to Stadium DC. In the transport data, we have taken account of aviation's high-altitude effects.

** The figures are Well to Wheel (WTW) to take account of the whole chain from production and distribution to use of the fuel. In previous sustainability reports, we have reported TW, which only takes account of the climate impact from use of the fuel in the engine/vehicle.

*** The year 2018/19 has been corrected since the previous report due to errors in the reporting.



Our emissions 19-20

Stores and other real estate

Scope 1 and 2

We constantly review our real estate to optimise the spaces in our stores and offices. We work on an ongoing basis to cut energy consumption at our distribution centres and to reduce the amount of energy used to light and heat our stores.

100% of the electricity that Stadium buys comes from renewable sources = green electricity. That electricity accounts for 60% of our total energy use. The remaining 40% is purchased by other parties, such as the property owners from whom we rent our store premises. The long-term, measurable target for 2020/21 is to raise the proportion of green electricity to 70%. We will achieve this by trying to establish more of our own energy contracts and lobbying our property owners to purchase green electricity for those premises where we are not able or permitted to have our own energy contracts.

We have invested in energy-saving lighting in our stores since 2009, covering general lighting, spotlights, relays and timers. Only LED lighting is installed during refits and when fitting out new premises, in order to minimise our electricity consumption. To keep track of consumption where the property owners purchase the electricity, we are continuing to roll out submeters in these stores. Once all the installations have been completed, we will be able to monitor consumption per sqm in all our stores, enabling us to implement targeted measures in those units with the greatest consumption.

In 19-20 we removed air transport as an option, leading to

93%

lower CO₂e emissions compared with 18-19

Energy targets

Our short-term target is to install submeters in 15 of our stores that have no such meter during 2020/21. We plan to install meters in the remaining 15 stores during the financial year 2021/22. We will then be able to check consumption across all stores and carry out targeted initiatives if consumption proves to be too high per sqm.

Our long-term goal is:

- to carry out annual audits and energy-efficiency measures in the 10 stores that have the highest energy consumption per sqm.
- to raise the proportion of green electricity we consume to 70% by 2020/21.

Transport

Scope 3

In terms of kg, 99.9% of the goods transported to our distribution centre (DC) go by sea, and we transport the goods from our DC to our stores via a carrier that has ISO 14001 environmental certification. Transport between our three warehouses

in Norrköping and transport from the ports to our warehouses uses trucks that run on HVO, a fossil-free fuel.

We aim to reduce our carbon footprint in line with our environmental policy, and one step in achieving this is to minimise all transport by air. Beginning with deliveries for spring 2020 we have decided that, as a rule, we will not accept air freight. If an exception must be made, this has to be approved by the Purchasing Manager and Head of Department at Stadium or the Purchasing Manager at Stadium Outlet. Where such an exception is made, we will require carbon offsetting. This can be done by choosing an air freight company that carbon offsets its flights.

We are conscious that air freight is extremely bad for the environment and very expensive. We therefore consider this policy to be vitally important. It has the potential to strengthen our combined businesses and at the same time reduce the impact on the environment – a double win. Unfortunately, in the last few weeks of the 2019/20 period, one of our suppliers delivered by air. We have since offset the carbon from this delivery through Schenker and their partner Atmosfair.

■ Find out more about Atmosfair at <https://www.atmosfair.de/en/>

Future actions to cut emissions

- Teach customers how best to extend the life of their products
- Actions to change how our customers shop, with a focus on shipping and distribution
- Ensure the fullest use of space in all our distribution
- Increase the proportion of dyeing processes that save on energy, water and chemicals
- Mapping all energy consumption and energy sources at our factories
- Switch to more renewable electricity in production
- Continue to work on circular processes in production.

Our work on circular processes

Our sustainability work runs through our whole business. We are constantly striving to improve our choices and methods.

The textile industry requires considerable resources, not least water and energy. One of our overall goals is to minimise the negative impact on the environment and we therefore include a sustainability perspective in every part of our business.

We are moving towards a more circular model within product development and

the production process, for more efficient use of the planet's finite resources.

Garments and materials are made to have a longer useful life, before they are finally reused or recycled. We try, as far as possible, to use eco-friendlier production processes and transport options along the whole chain.

7.

Product use

Through Human Bridge and the re:activate initiative in our stores, we seek to breathe new life into products that customers no longer need. Worn out garments can be re-used and refined into new raw materials.

6.

Sales

Our shopping bags are produced in Sweden from 40% post-consumer recycled plastic. The hangers in our new stores are made from recycled polystyrene and will be used for 10 years before the next stage of recycling. In-store material focuses on reuse, for example in the form of longlife materials and reusable signs. We have integrated rental into two of our stores and online.

Circular production of sweater

1.

Design

We create a product that lasts a long time and meets our environmental goals. The design has a purpose and a focus on circular processes. In 20-21, everyone in our design and product department will be trained in circular processes.

2.

Material choices

Our goal is to use 100% sustainable textiles by 2025, i.e. materials that reduce the environmental impact and promote a fairer production process. This might involve recycled materials or textiles coloured with the water-saving process Solution Dye, or materials that last a long time and can be re-used many times.

A product's life cycle

3.

Product development

We focus on making the product last a long time in the best interests of the environment. Controls on quality, sustainability, safety and chemicals are constantly carried out on all our products.

5.

Transport

We work to ensure the fullest use of capacity in all our distribution and to recycle as much packaging as possible. We almost exclusively ship goods by sea or rail from suppliers in Asia. From 2020 we will, as a rule, not accept air freight. If a supplier is unable to comply with this, we require them to offset their emissions.

4.

Production

We promote techniques that use less energy and water and eliminate the use of hazardous chemicals. Before we choose a supplier, we check how well they perform in all the sustainability areas contained in our Supplier Code of Conduct: human rights, workers' rights, the environment, anti-corruption and animal welfare.

Stadium has produced a sweater made with recycled material from used football shirts. The sweater is the brand SOC's first circular product, and was sold in a limited, numbered edition of just 54. 100 kg of football shirts donated in recycling boxes in Stadium's stores were sorted by the Human Bridge organisation. The shirts were then sent to the RISE research institute, where they were deconstructed and spun into yarn with the help of fibre producers in Germany. The yarn was then sent to the Trikäby knitting factory in Norrköping, where it was converted into new material.

The black and red football shirts that were donated produced a jumper in a natural rust-red colour. It was made from 50% recycled polyester and 50% organic cotton.

Design, development & quality control

Checklist for circular design and product development.

- ☒ Design with a purpose
- ☒ Sustainable materials
- ☒ Lasting quality
- ☒ Able to be recycled and re-used

RISE's recycling process step by step

1. Sponsor printing is removed
2. The shirts are cut into small pieces
3. These pieces are mechanically shredded to release the polyester fibres
4. The fibres are quality controlled
5. The fibres are sent to an external company to be carded, blended with organic cotton fibres and formed into a sliver (raw thread)
6. RISE spins the sliver into yarn in a rotor spinning machine

Our stores 19-20

No. of stores

Sweden

Stadium	84
Stadium Outlet	43
Sneakers Point	4

Total: 131

Finland

Stadium	32
Stadium Outlet	13

Total: 44

Germany

Stadium	1
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Total: 1

Norway

Stadium Outlet	2
----------------	---

Total: 2

Total no. of stores: 179*

* Changes 19-20:
Stadium Sweden closed 4 stores.
Stadium Outlet Sweden closed 1 store
and opened 2 stores. Sneakers Point
closed 1 store. Stadium Finland opened
1 store. Stadium Outlet Finland opened
1 store. Stadium Outlet Norway opened
2 stores. Stadium Germany closed 2
stores.



Stadium in the world

With stores in three countries and production in 20, Stadium is very much an international company. Wherever we operate, we make sure that we act in line with our values and contribute to a sustainable world.

Stadium Group No. of factories

154 (188) factories in 20 (21) countries.

(Previous year in brackets)

Map colour guide

- Office
- Factories
- Social engagement
- re:activate- and Human Bridge initiatives

Production country	No. of factories	
	19-20	18-19
Bangladesh	10	(8)
Bulgaria	1	(2)
Kambodia	2	(2)
China	100	(129)
Czech Republic	0	(1)
Finland	1	(1)
Germany	0	(1)
Indonesia	9	(10)
Italy	5	(5)
Lithuania	2	(1)
Myanmar	2	(1)
Norway	1	(1)
Pakistan	3	(5)
Poland	1	(1)
Portugal	1	(3)
Slovenia	1	(0)
Spain	1	(1)
Sweden	2	(2)
Taiwan	2	(3)
Thailand	1	(1)
Turkey	2	(2)
Vietnam	7	(8)
Total:	154	(188)



Shipping as first choice

From spring 2020, we will no longer accept our goods being transported from our suppliers in Asia by any means other than sea or rail. If, in an exceptional case, air freight must be used, we will require the emissions to be offset.

Fair play – sustainable production

We accept responsibility for ensuring that all the products we sell are socially, environmentally and ethically sustainable. This requires clear guidelines and close collaboration with our suppliers.



Photo by permission of Hop Lun.

The products we sell must be manufactured under good conditions and not contain materials that are harmful to the environment. To achieve our sustainability targets, we demand high standards from ourselves and from our suppliers.

Risks: analysis and management

Some of the markets where we manufacture goods are considered high risk areas, which means there is a risk of breaches to human rights and workers' rights, plus widespread child labour and forced labour. In our assessment, Pakistan, Cambodia and Bangladesh have an elevated risk. The risks are lower with regard to our immediate suppliers, but tend to increase further down the supply chain. We also consider cotton production in countries such as China, India and Uzbekistan as posing human rights risks. Challenges such as water consumption during the cultivation and processing of cotton have prompted us to adopt a goal of reducing the amount of cotton and gradually replacing it with less resource-

intensive and more sustainable cellulose material.

With corruption, as we said, we judge that the risk increases as one moves up the supply chain and where business is conducted via intermediaries. We see bribery as the greatest risk, which can lead to the improper choice of subcontractors and can also affect the price and quality of the product. We have a strong focus on transparency in our dialogue with suppliers and when we assess the factories that manufacture for us. During the year, it emerged that a factory tried to bribe our third-party auditor (ELEVATE). We were alerted to this and Stadium, the supplier and ELEVATE all held talks with the factory. The factory also falls short on transparency and so will not be manufacturing for us in the future.

We intend to continue to focus on production in developing countries. By increasing trade, providing jobs and setting ambitious sustainability requirements for our partners, over the long term we can help to reduce the inequalities within and between countries.

We can promote sustainable production through a transparent dialogue with our stakeholders – customers, industry colleagues, organisations and suppliers – and through the communities in which we operate. Joining forces with other companies that have manufacturing in the same markets gives us greater power and opportunities to bring about change for the better. One of the initiatives we have been involved in since 2014 is the Bangladesh Accord, which has made a difference to millions of workers in Bangladesh. We have also signed up to COVID-19: Action in the Global Garment Industry, which was launched during the pandemic in spring 2020. The main purpose of this initiative is to minimise losses of income, ensure business continuity in countries of production and secure jobs in the wake of the pandemic.

Continued development and work

We continue to allocate more resources and strengthen our sustainability work, enabling us and our suppliers to advance not only at a faster pace but also with more of a long-term focus, as we know that collaboration over time creates better conditions for more sustainable development. We are aware that it will be some time before we have even covered the second tier in our production chain, but we have begun our audit of material suppliers. With an eye on our environmental goals, we have also launched a basic review of the capacity to switch to renewable electricity at our factories. We see renewable electricity in production as a huge opportunity to help reduce emissions under Scope 3. We are happy to report that many of our suppliers have already begun work on this to some extent, and in 2021 we will be conducting a significantly deeper and more thorough audit of this in order to measure future improvements.

Covid-19: acting responsibly

When Covid-19 swept around the globe in the spring, we decided to act as sustainably as possible and fulfil our obligations to suppliers, thus helping to keep jobs viable. We have handled delays with great flexibility, in the hope that our acceptance will help to minimise the impact on the suppliers' capacity to pay their workforce.

We also fully support the ILO and IOE's initiative COVID-19: Action in the Global Garment Industry, which calls on the industry to take responsibility for the social and financial security of employers during the pandemic and promote sustainable systems.

■ https://www.ilo.org/global/topics/coronavirus/sectoral/WCMS_742343/lang--en/index.htm

Supplier Code of Conduct

All the manufacturers that we work with, including external brands, must follow the guidelines in our Supplier Code of Conduct. The code covers areas including human rights, workers' rights, the environment, anti-corruption and animal welfare. It is based on the 10 principles of the UN Global Compact and its underlying international conventions and declarations. In addition, we naturally comply with EU legislation and guidelines on the environment, product safety and chemicals.

To further emphasise our stance on bribery and unethical business relations, we have also drawn up a Code of Business Ethics. This code governs the mutual conduct of both internal and external parties in a business context.

Supplier base

Our supplier base consists of manufacturers with their own factories and subcontractors, trading companies and sometimes importers. All suppliers specify the production unit as a named factory, and are approved by Stadium before an order is placed. Our list of factories has been publicly available on our website since February 2020. Production reflects Stadium's range of in-house brands and consists primarily of shoes and clothing, but also sports and safety equipment.

Supplier selection

We have a careful process for selecting, auditing and assessing our suppliers and their ability to follow our guidelines. In addition to our compulsory requirements, we encourage all our suppliers to also support our values and promote continuous improvements at their level – just as we do within our own organisation.

Long-term business relationships

In our drive to expand our sustainability work and offer a more sustainable deal for our customers, we are continuing our work to consolidate our supplier base and ensure that those who perform well



and improve their sustainability also grow with us. We have built up long-term relationships with the suppliers from whom we buy most of our products. This long-termism is a major focus in our production process, provided the supplier lives up to Stadium's sustainability requirements and what we call Fair Play. Of our 82 active suppliers, we have been collaborating with 34 of them for over 10 years and 16 of them for over 20 years.

Since, in a production context, Stadium is a relatively small player, we can increase our level of influence by growing while keeping supplier numbers down. Focusing on working with fewer suppliers who are still able to meet our production needs will allow us to establish even closer partnerships.

In terms of value, 20 of our biggest suppliers accounted for 74% of our purchasing in 2019/20.



Evaluation and improvement programme

Over the course of 2019/20, Stadium has used ELEVATE (see inspections and follow-up) to conduct 61 audits of suppliers that produce Stadium's own-brand products, through a site inspection at the production facility. When we assess the results of inspections, our key criterion is that the results are based on verified data confirming, for example, that time reporting, wage payments and interviews

with employees are all consistent with each other.

We consider transparency to be the foundation of a responsible and sustainable business relationship.

Lack of transparency has initiated deeper dialogue and further follow-up visits relating to 13 of our inspections.

Our continued ambition is to give suppliers who do not develop in the right direction on their own an opportunity to join an improvement programme and receive external support.

2019 saw four factories enter such a programme. We now have the results from the first factory, whose improvements have raised it in our rating system from D to B.

This rating system, which assigns grades from A to D, where A is the highest, is our method of assessing compliance with our Supplier Code of Conduct. When calculating the rating, we begin with a figure of 100. Each complaint is weighted and leads to different deductions, depending on whether it relates to a less serious case of non-compliance or critical non-conformity with international or national laws or our Supplier Code of Conduct. The total for the complaints is deducted from 100 and, based on the resulting figure, the supplier is given a grade of A, B, C or D.

Grade D is not necessarily a fail, but it is a level that we cannot accept over time without critical points being rectified. We want to see positive results from the factories' active work on improvement measures before our business relationship can continue or even begin. Naturally, our ambition is for as much of our production as possible to take place at highly ranked factories.

64% of current production takes place in factories ranked A and B, up 8 percentage points on the previous year. Our target for 2022 is to reach at least 80%.

Supplier review process

Production units	Total no. factories and visits	
	19-20	(18-19)
Active units	154	(188)
Valid third-party certification*	15	(15)
Inspections on behalf of Stadium	61	(95)
Factories rejected after inspection**	2	(2)
Lack of transparency	12	(16)
Corrective action plans (CAP)	61	(95)

* SA 8000 and WRAP GOLD/PLATINUM

** We have chosen not to enter into business relations with these factories because their standard was too low and our scope for influence too small.

Analysis

- Survey of the supply chain
- Analysis of industry and country risks

Requirement definition

- Code of Conduct and Code of Business Ethics for suppliers plus commitment regarding restricted chemicals
- Signed requirements, agreements and terms

Inspections

- Third-party inspections conducted by ELEVATE on Stadium's behalf
- The supplier is informed of the inspection results and is asked to draw up a plan for remedial action
- All inspections apply the same requirements and use the same system
- If the auditor is unable to verify information via documentation or finds contradictory information without a relevant explanation, this is reported as a lack of transparency

Corrective action plans (CAP)

- The supplier submits an action plan to remedy deficiencies
- Stadium agrees with the supplier on the actions and the time frame
- Follow-up to ensure compliance
- The business relationship should reflect the supplier's ability to follow the improvement plan

New suppliers/markets

We assess new suppliers, factories and markets using the process described above. This means that we conduct inspections before entering into a new partnership (exceptions may be made for Scandinavian and Northern European production following a risk analysis). In 2019/20, we have approved 13 new factories. The number of active suppliers and markets changes from season to season depending on the product range.

Bangladesh Accord

For safer working conditions in Bangladesh

In 2013, the Rana Plaza textile factory in Bangladesh collapsed, giving rise to the international Accord on Fire and Building Safety in Bangladesh. Stadium began supporting this initiative in 2014 and in 2018 also chose to sign up to the new and expanded version, which added a focus on promoting trade unions and the right of workers to form a union.

Since the Accord was initiated, safety work within the textile industry in Bangladesh has shown continuous improvements. In addition to independent inspections and demands for action from factories, the Bangladesh Accord has also implemented a programme informing over 1.8 million textile workers about their right to safe working conditions and to refuse unsafe work.

The aim has always been for the initiative to be handed over to and run by the local authorities.

The handover began in 2020 and is due to be completed in spring 2021.

■ For more information about the Accord, see <https://bangladeshaccord.org>

We work with our suppliers to create a sustainable future.

Inspections and follow-up

In 2017/18 we began working with ELEVATE Limited, a global supplier with expertise in sustainable supply chains and a strong focus on transparency. With ELEVATE as our partner, we have conducted on-site inspections and reviews at our suppliers' factories. An inspection could be described as an audit or verification of a company's ability to follow our Supplier Code of Conduct and local regulations.

Having ELEVATE as a partner keeps us updated on developments in the industry, while our suppliers receive support locally if required. ELEVATE also provides support in action programmes that run more intensively over a longer period, with the aim of ensuring a lasting change in more systemic or critical areas.

Once an inspection has been concluded, Stadium's personnel take ownership of the follow-up work. This may involve drawing up a corrective action plan (CAP). The purpose of these is to ensure development and improvement, and to establish the supplier's willingness and capacity to effect such change. Stadium's focus is thus not on controlling our suppliers, but encouraging them to make their own improvements.

61 inspections were conducted on behalf of Stadium in 2019/20. All the inspections generated a CAP, but two of the new factories inspected were not approved for business, as their standard was too low and our scope for influence too small. Of the 61 CAPs drawn up, 43 (70%) concerned social aspects (the most common being insurance and overtime pay). 21% of the CAPs addressed what was judged to be a lack of information-related transparency, such as inconsistencies between data in the payroll and time reporting systems.

We have three ongoing improvement programmes that began last year. The purpose of the improvement plans is to ensure that they take a proactive approach, guaranteeing human rights, workers' rights and environmental protection, as well as preventing corruption in practice – not just on paper. Together with our suppliers, we aim to act in a transparent and respectful manner in all elements of our production chain and work collectively for a sustainable future. This is what we call Fair Play.



In 2019/20

50 051

**Fairtrade balls
were purchased for
Stadium's stores**



Fairtrade-certified balls

Fairtrade is an international certification scheme for sustainable development. Its purpose is to push for fair pay, combat child labour and discrimination, and promote democracy, union membership and eco-awareness in production. Fairtrade makes it possible for people in developing countries to compete in an international market and achieve better conditions through long-term trade agreements. The international Fairtrade criteria guarantee that employees receive contractual wages and improved working conditions.

We support Fairtrade and are proud that all our own footballs are Fairtrade-certified. In this way, together with our customers, we can make a difference to our suppliers, their employees and their families. A Fairtrade premium is added to

every product. These premiums are then used to develop the local community socially and economically, for example in the form of new schools, clean water projects or healthcare.

One of our Fairtrade suppliers in Pakistan contacted us to say that, thanks to the Fairtrade system, they are able to run a shop for the factory's employees. When the city was shut down because of Covid-19, their Fairtrade committee bought in extra food supplies. If there are food shortages or steep price rises, the shop can meet the basic food needs of the workers. In addition, all the workers and their families were provided with immunity boosting vitamins, hand sanitiser, soap, facemasks and pain relief tablets.

External brands

Stadium has many external suppliers. We have a joint responsibility to ensure that the products we purchase are made under good conditions and do not contain materials or chemicals that are harmful to humans or the environment.

We set clear requirements concerning the products we purchase, based on our set sustainability targets. We also establish new collaborations with partners who place sustainability high on the agenda and develop innovations to reduce their environmental footprint. The way we operate is all about collaboration and consensus on how we can "activate the world" and "support the earth" in new ways.

In spring 2019, we published our updated sustainability vision, which includes direct statements on what we are removing from our range to make it more eco-friendly. One of the statements requires PFAS-free products, in order for us to achieve our target of a range across the whole of Stadium that is free from PFAS by 2020/21. In late 2018 and early 2019, all strategic meetings with external partners had a clear agenda, with sustainability as one of the key points.

We only work with brands that can meet our requirements and clearly demonstrate how they do so, in order that our customers can make safe and sustainable choices. Some of the brands we have worked with for a long time have also been highlighted in our campaigns and social media, because their sustainability work sets a good example and their products make a difference.

While always looking to innovate, Nike particularly stood out in 2019/20 for its sharp focus on future sustainability and responsibility for the environment with its Move to Zero initiative.

<https://www.nike.com/sustainability>

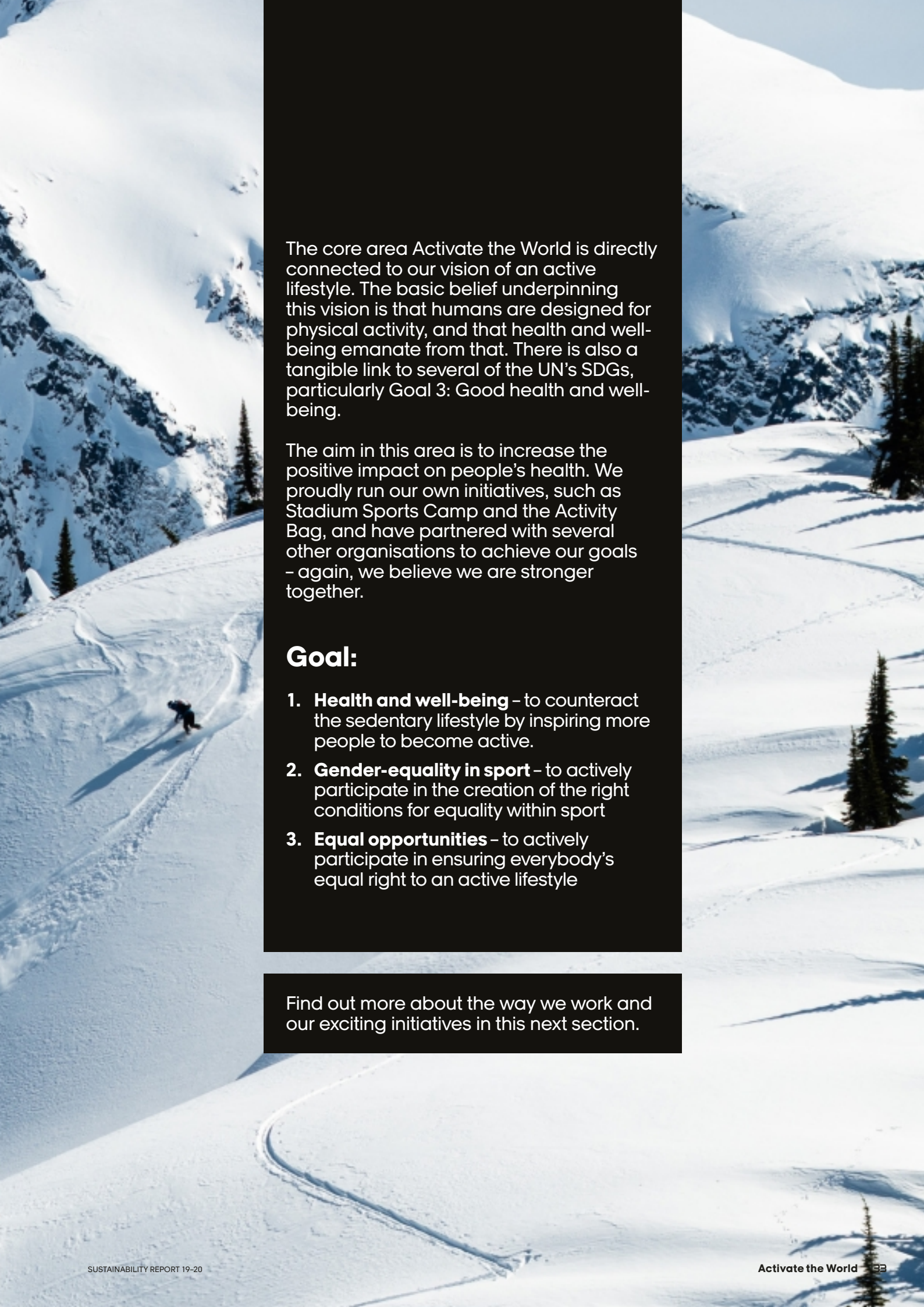
The North Face has presented several new innovations and more eco-friendly solutions in 2019/20, including waterproofs that they call Future Light™.

<https://www.thenorthface.se/futurelight.html>



Activate the World

This core area is about how we fulfil our vision by working on social engagement and partnership in the fields of health, fitness and well-being.

A full-page background image of a snowy mountain landscape. In the lower-left foreground, a skier is seen from behind, descending a slope. The mountain is covered in deep snow with some evergreen trees scattered across the slopes. The sky is clear and blue.

The core area Activate the World is directly connected to our vision of an active lifestyle. The basic belief underpinning this vision is that humans are designed for physical activity, and that health and well-being emanate from that. There is also a tangible link to several of the UN's SDGs, particularly Goal 3: Good health and well-being.

The aim in this area is to increase the positive impact on people's health. We proudly run our own initiatives, such as Stadium Sports Camp and the Activity Bag, and have partnered with several other organisations to achieve our goals – again, we believe we are stronger together.

Goal:

1. **Health and well-being** – to counteract the sedentary lifestyle by inspiring more people to become active.
2. **Gender-equality in sport** – to actively participate in the creation of the right conditions for equality within sport
3. **Equal opportunities** – to actively participate in ensuring everybody's equal right to an active lifestyle

Find out more about the way we work and our exciting initiatives in this next section.



Sports Marketing Manager
Patrizia Nilsson:

Stadium really is activating the world

Stadium continues to activate the world through social engagement and partnership. We have stuck resolutely to our vision since the beginning in 1987 and shown beyond doubt that it is genuine.

We work with organisations and actors that share our values and want to bring about change – creating a sustainable world is all about teamwork.

Stadium Sports Camp is one of our own initiatives, with a strong focus on creating the same conditions for boys and girls – and also offering activities for children and young people with different backgrounds.

This section presents a summary of what we have done over the past year to get the world moving.

Patrizia Nilsson
Sports Marketing Manager

Digital activation – we continue to make people more active

Along with our partners, we concentrated on refocusing rather than just cancelling. Over the year, we held several digital activities with these partners to continue inspiring an active lifestyle and promoting public health.

Digital fitness day 29/3

The circumstances of Covid-19 meant a lot more people were sitting around at home in the spring. Together with our partner MyMOWO, we wanted to keep our members active, so we offered a digital fitness day, free of charge, at mymowo.se. We opened up certain sessions to our members, who were then able to be as active as they could manage without leaving the house. In total, over 5 600 members were active for 170 490 minutes on 29/3 from 08.00–17.30. To thank members for their participation, we also offered them a skipping rope from SOC at stadium.se.

In total over
5 600
Members took part over these weeks.

Digital fitness programme for runners, 4–31/5

As our first digital event went so well, we wanted to do more over the spring. This time, through our partner MyMOWO, we invited our members onto a four-week fitness programme with a focus on running. Each week we provided inspiration for three sessions that members could do outdoors, plus one challenge to test their physical fitness and one digital session at mymowo.com to finish on the Sunday.

In total over
7 000
Members took part over these weeks.





Stadium has worked to get children and young people active at our fantastic Stadium Sports Camp since 1995.

Over the years, more than 100 000 participants have enjoyed active experiences for life together with other young people. Each year, for four weeks of the summer, we offer a total of 25 main

sports at camps in Norrköping. There has long been an even gender split between the participants, with 54% girls in the most recent intake.

The organisation works actively to get children and young people participating, whatever their challenges or socioeconomic background. Together with several other charities, foundations and companies, Stadium Sports Camp is able to offer free places to kids who, for various reasons, would not otherwise have been able to attend. We have also

had a close partnership with the Friends Foundation since 2004, meaning that all camp leaders receive training in tackling exclusion and bullying and promoting equal sport for everyone.

Stadium Sports Camp AB is run as an SVB company (i.e. an enterprise with special profit-sharing restrictions). Any profit is reinvested or given back to the partner associations who help with the organisation. Since its launch, we have ploughed over SEK 60 million back into clubs and associations.



BP

BP is the first football club in Sweden to launch equal sponsorship with a structure and auditing that applies a gender equality perspective, in line with the AA1000AS Assurance Standard. Stadium has worked with the football club since 2004, and our long-term collaboration has been a key factor in creating the conditions to promote the issue of gender equality. As a partner to the club, Stadium has been able not only to provide commitment and resources, but also to set out its own requirements.

BP has long worked actively on gender equality in order to create the very best conditions for all the club's players. The club has spent some time reviewing its whole operation through a gender equality lens, as a necessary first step in the process of evenly distributing resources across the club's activities.

"Our main partners have been and are incredibly important in this work, through

the commitment and resources they provide, and the expectations they place on us as a club. Together with our partners, we have a responsibility and considerable opportunities to lead on progressive issues and inspire others.

And with the projects we have underway concerning integration and gender equality based around football, we are going to be a social player with influence far beyond football," says Stina Jansson, Business Manager at BP.

Opportunities to take part in an activity on equal terms are governed to a large extent by the availability of resources, and by power and influence. Resources and finances are therefore vital instruments for steering an activity towards greater gender equality.

BP has achieved a major interim target and is launching Equal Sponsorship as part of a larger focus on allocation of resources. BP's Equal Sponsorship is audited annually by a third party and follows the AA1000AS Assurance Standard with a core emphasis on gender equality.

Stadium Team Sales

Via Stadium Team Sales, we work to support the sports movement in Sweden and Finland. The aim of Stadium Team Sales is to help clubs create a clear profile for both matches and training, and ensure they have everything they need to run their club well.

To do this, we have 37 salespeople in Sweden and 17 in Finland, plus Customer Services at the support office

in Norrköping. Our salesforce is spread throughout the countries and during the year we have expanded our offering to include home delivery, which means that we can now help clubs all across Sweden and Finland. The Team Sales organisation also includes Solutions, our own printing facility in Norrköping.

We currently support around 1 400 clubs in Sweden and Finland.



Napoleon Solomon (Lidingöloppet), Melker, Tin, Azra, Larisa och Alexander Östlund (Goodsport Foundation)

Sustainable partnerships

The Stadium challenge in partnership with Lidingöloppet and the Goodsport Foundation.

Lidingöloppet

Each year Lidingöloppet attracts 60 000 participants to its running events.

June's Järvaloppet, aimed primarily at getting more children and young people to be active, attracted 1 024 participants to Spånga IP sports centre in 2019.

The race was first run in 2015 and over the years has welcomed around 6 500 children and young people.

The other races take place in September: TCS Lidingöloppet 30 km and 15 km, plus the 10 km Pink Ribbon race, in partnership with the Swedish Cancer Society.

Goodsport Foundation

The Goodsport Foundation is a public, politically independent non-profit organisation that uses sport as a tool to promote greater integration among young people in deprived areas of Sweden. Goodsport's activities are run in collaboration with a network of representatives from the private, public and voluntary sectors, all of whom share an ambition to encourage positive social development. One of their active projects is Night Football.

Sweden is segregated and life chances for children and young people vary considerably depending on where you grow up. Breaking down the

segregation and supporting people who feel excluded requires widespread, long-term initiatives that adopt a holistic approach. The idea behind the Night Football concept is to prevent and combat exclusion, criminality and ill-health among young people. We do this by offering a meaningful sense of community in a safe environment with active and responsible leadership. The concept has been rolled out to around 20 locations with socioeconomic challenges in 13 municipalities across Sweden. Night Football connected with over 8 000 young people in 2019, twice the figure for 2018. 72% of the participants feel the local sense of community has improved, 67% state that Night Football has got them to do more sport and 86% of the participants say they have made new friends.

The Stadium challenge in partnership with Lidingöloppet and the Goodsport Foundation

Stadium is keen to serve as a bridge between different organisations and lay the groundwork for collaborations that inspire more people to adopt an active lifestyle.

Four young people aged 13–15 from the areas of Hageby and Klockartorpet in Norrköping took on the Stadium challenge to run 10 km for the first time in their lives. The youngsters usually attend Goodsport's Night Football events.

They were trained and coached by Alexander Östlund and elite runner Napoleon Solomon, three-time winner of the Lidingöloppet race.

On 29 September they completed the Pink Ribbon – a 10 km race organised by Lidingöloppet.

Fun facts Lidingöloppet weekend 2019:

- The Lidingöloppet race was first run in 1965
- Lidingöloppet has held the Guinness World Record as the biggest cross-country race in the world ever since 1982
- The clubs that own and organise the race are IFK Lidingö SOK and IFK Lidingö Friidrott
- No. of officials: 2 500
- No. of runners since the beginning in 1965: 13 000 637
- No. of kilometres covered by finishing runners in 2019: 524 935
- No. kilometres run since the beginning in 1965: 18 880 491
- Oldest runner: 92 years
- Youngest runner: 0 years

Swedish Vasaloppet race

Vasaloppet is a non-profit organisation owned by IFK Mora and Sälens IF. Every krona that isn't used to buy blueberry soup, prepare tracks, arrange transport and develop the events goes straight back into the sport. As well as generating funding for the owning clubs' activities, Vasaloppet is an opportunity for many other clubs to obtain extra funds by getting their members to work as officials. These clubs provide a total of around 5 000 officials for the race.

In a normal year, almost 100 000 skiers, cyclists and runners attend the year-round events that it runs – young and old, amateurs and professionals. The pandemic made Vasaloppet 2020 a rather different affair, with a week of winter events that attracted almost 60 000 participants. Circumstances forced Vasaloppet's week of summer events

to become "Hemmavasan" instead, as a way to get Sweden moving despite the restrictions. Over 16 000 runners and cyclists signed up to complete this reimagined Vasaloppet race from home.

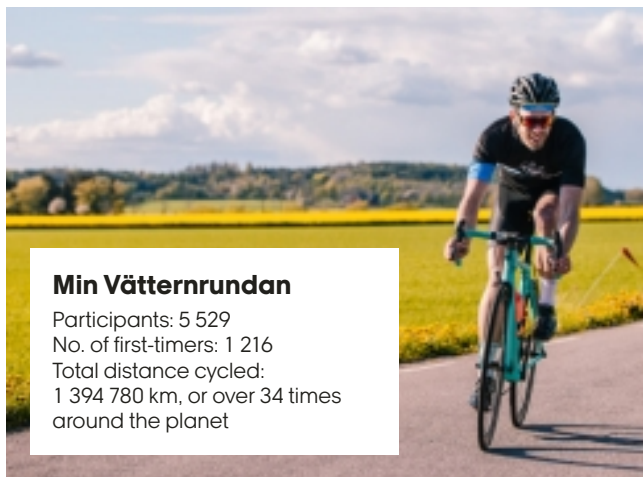
As a main partner of the Vasaloppet race since 2001, Stadium's contribution includes its own rehydration station and pop-up stores to improve the entrants' experience.

Stadium's role as a main partner is also to promote Vasaloppet as a phenomenon to potential new participants all over the country.

Together, the officials, sponsors, landowners, local authorities and other partners generate a broad interest in sports, fitness and public health – and make sports clubs better able to keep running.

Barnens Vasalopp

Barnens Vasalopp races for kids are run in partnership with sports clubs from all over Sweden. The skiing, cycling and running races attract around 40 000 children each year.



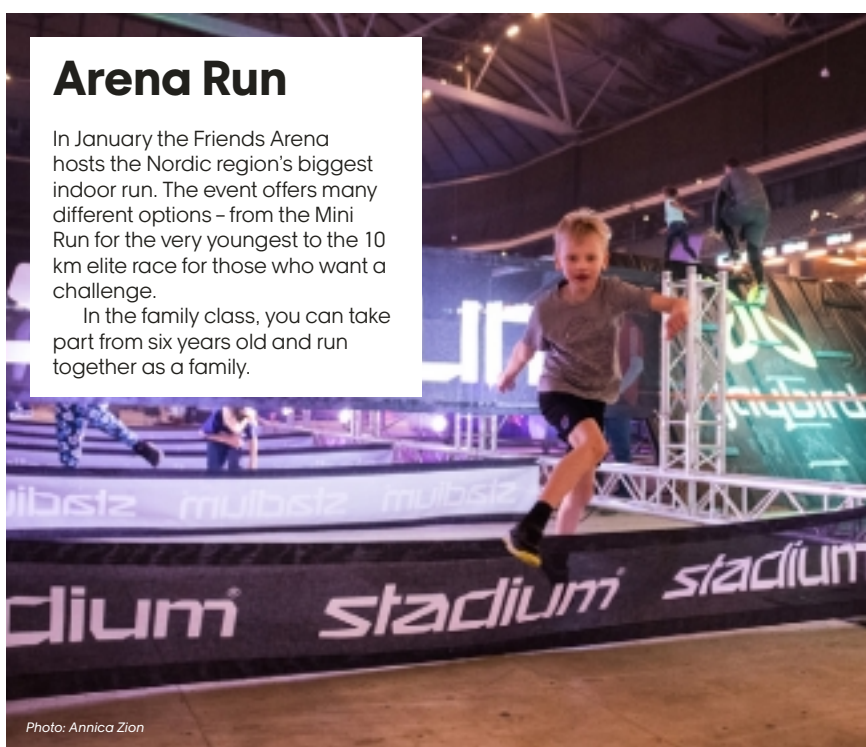
Min Vätternrundan

Participants: 5 529
No. of first-timers: 1 216
Total distance cycled:
1 394 780 km, or over 34 times
around the planet



Hemmavasan

Participants: 16 099
No. of first-timers: 2 697
743 172 km, or over 18.56 times
around the planet



Arena Run

In January the Friends Arena hosts the Nordic region's biggest indoor run. The event offers many different options – from the Mini Run for the very youngest to the 10 km elite race for those who want a challenge.

In the family class, you can take part from six years old and run together as a family.

Photo: Annica Zion

Midnattsloppet

– Run where you are

- Lilla Midnattsloppet 582 participants – average age 10
- Minimil 602 participants – average age 4.5
- Midnattsloppet 16 161 participants (7 828 men, 8 333 women) – oldest participant 90
- Glada Midnattsloppet – an event for everyone with variations in cognitive function. Complete the 2 km on foot or in a wheelchair. Last year, around 93 people joined in, and in 2020 that rose to 341
- No. of days run in total for all of the above = 437.3
- No. of times around the planet = 2.4
- Hours of joyful running = 9 707



Generation Pep is a non-profit organisation that works to spread knowledge and create engagement regarding the health of children and young people. Sweden's Crown Princess Couple are behind Generation Pep, which works with actors in society to conduct ambitious and long-term public health work with a focus on children and young people.

Projects have included collaborating with four secondary schools and researchers from the Swedish School of Sport and Health Sciences, Karolinska Institutet and the University of Gothenburg to develop Pep Skola – free support for schools wanting to make physical activity and healthy food habits a natural part of the school day.

Pep Skola was launched in May 2018 and currently has over 1 500 schools registered at www.pepskola.se.

Fair Play – an award like no other

In 2019 Stadium initiated the Fair Play Award in 2019, in conjunction with the Swedish Sports Gala. This is the award where joining in and sharing sport with others are more important than actual performance.

Fair play has become a well-established concept that most people associate with sporting behaviour. However, fair play means much more than this, and is just as much about fairness, equality, equal rights, and the right to participate in sport. Fair play is as important in sport as winning or losing. The Fair Play Award is therefore given to an individual or an event that, through their actions, stands as a role model and clearly embodies the meaning of fair play. Stadium and the Swedish Sports Gala are behind the award, which was first presented at the 2019 gala.

The winner of the Fair Play Award 2020 was mountainbiker Jenny Rissveds. The jury said:

“This year’s recipient of the Fair Play Award has openly talked about her mental health, helping to lift the taboo that has surrounded the subject. Jenny Rissveds is receiving the Fair Play Award because, through her experiences and her new attitude towards her continued participation in sport, she is an inspiration to young and old alike.”

1DROTTSGALAN
FAIR PLAY × **stadium**



Human Bridge

Human Bridge is a Swedish aid organisation that focuses primarily on supplying health services in vulnerable countries with medical equipment and other materials. The mainly second-hand equipment comes from the Swedish health service and is renovated or reconditioned by Human Bridge before delivery.

The organisation also supports people caught up in humanitarian crises, for example with clothing and other basic essentials. Material aid is sent to around 20 countries. The countries to which Stadium has sent collected material in 2019/20 are: Iraq, Romania, Kazakhstan, Ukraine and Moldova.

The political instability in Syria forced a new wave of refugees into northern Iraq last autumn. Human Bridge continues to provide refugees in the camps with clothing and other essentials. Since the hospitals in the region were already struggling before the added pressure of this new influx, Human Bridge is also supplying medical equipment.

Robert Bergman, Director of Human Bridge:

“The aid deliveries almost always include proper sports equipment from Stadium, giving children and young people a welcome distraction from their tough lives.”



Children's Villages give hope

Stadium has been involved in the charity SOS Children's Villages in Bangladesh since 2015.

**SOS CHILDREN'S VILLAGES
SWEDEN PARTNER 2020**

We support this charity in order to help create a future for children and young people in the area. Since 2015, Stadium has donated SEK 5 from sales of an orange water-bottle to SOS Children's Villages and the village of Chattogram in Bangladesh. 2019/20 saw sales of 61 315 bottles in Sweden. Over the period 2019/20, we raised SEK 306 575 together with our customers.

Bangladesh has a population of around 160 million living in a country less than a third of the size of Sweden. Around 26.5 million children of the 63 million in total live below the poverty line and levels of vulnerability are high nationwide. The children's village in Chattogram, Bangladesh, opened in 1989, three years after a tsunami killed 50 000 people and many children lost everything.

Along with the children's village, Chattogram also has a family support programme, both supported by Stadium. Over the year, child protection has been a major focal point within the operation. Child protection is an umbrella term for



initiatives to protect children from harm. It covers both preventive and reactive work and include areas such as violence against children, exploitation, human trafficking, child labour, female genital mutilation and child marriage. The children's village and the family support programme have undergone several inspections and education courses to further improve the safety of the children. The education drive is also targeted at children, to make them aware of their rights.

Work of SOS Children's Villages ripples out into community

90% of those who have previously been involved in SOS Children's Villages

programmes give their children a secure childhood, due to them having grown up in a safe and supportive environment themselves. As such, they break the poverty spiral that is otherwise almost impossible to escape. The work of SOS Children's Villages ripples out into community: by training and supporting local leaders on issues concerning the rights of the child, initiatives can continue to do good long after they have come to an end. The aim is to enable the local community and its members to provide a suitable environment for children's development, even if SOS Children's Villages concludes its work in the area. In addition, families that have received help can pass what they have learned on to other families in the vicinity.



SOS Children's Villages in Finland

Stadium has also been involved in SOS Children's Villages in Finland, SOS-Lapsikylä, since 2015. EUR 0.50 from Stadium's sales of a small orange water-bottle is donated to the organisation, to give more children a secure home. 8 317 bottles were sold in Finland during 2019/20.

SOS-Lapsikylä fights to ensure that more vulnerable children and young people can grow up into happy and healthy adults. The aim is that no child should have to grow up alone. SOS-Lapsikylä strives to make early interventions to support families in need, so children can keep living with their own parents and feel loved and safe. Where this support is not possible, the organisation can offer the children a secure foster home in its children's villages.

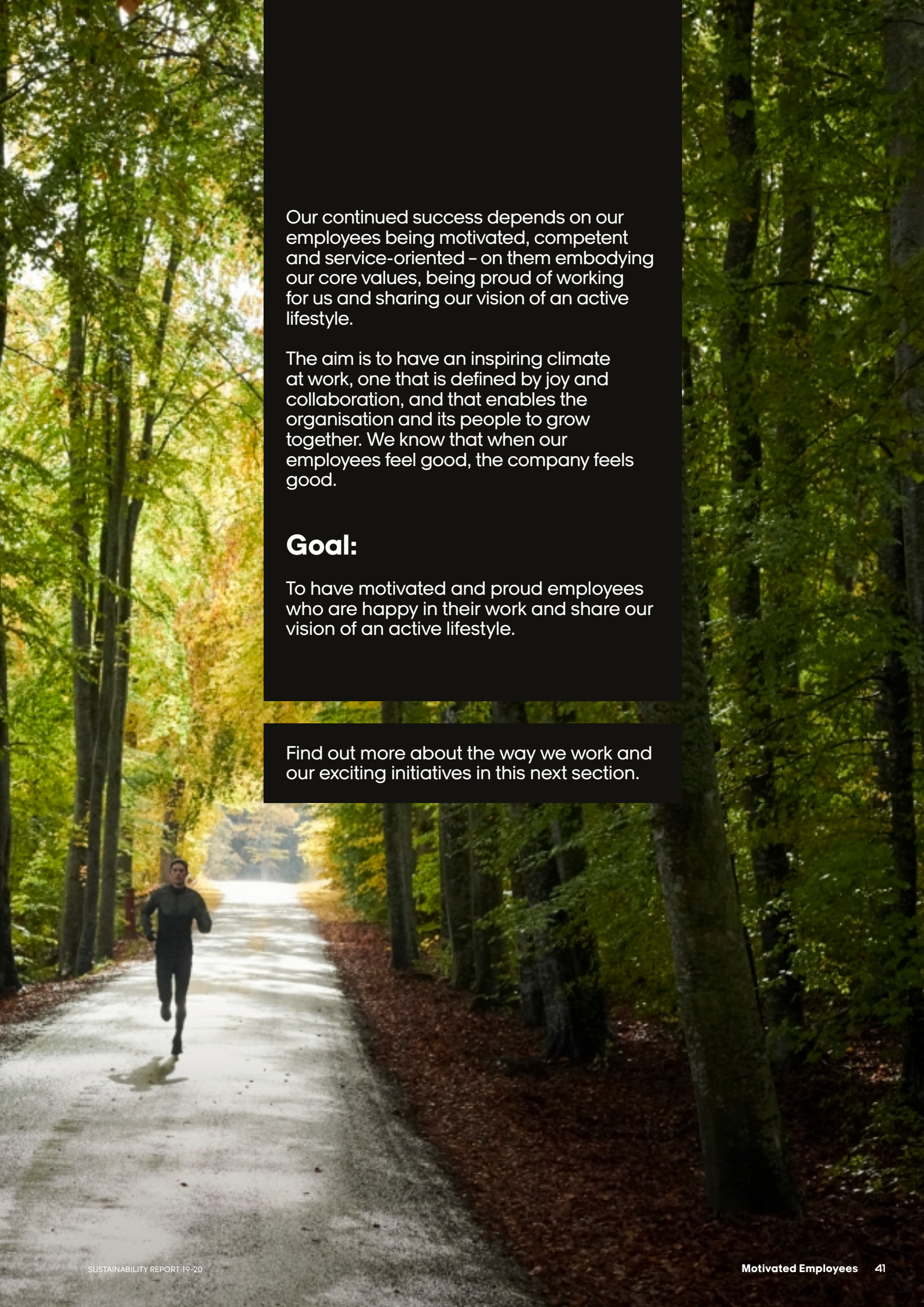
The Finnish operation invests in early support for families, as well as providing outpatient care and funding for child protection. SOS-Lapsikylä also serves as a development partner for municipalities and provinces, with a view to improving the welfare of families with children. In addition, there is a focus on development and lobbying so that the needs of children and families are given greater consideration in society.

The charity currently operates in 13 locations across Finland, with the children's villages looking after around 250 children and young people. SOS Lapsikylä's various activities reach 1 300 children in total.

SOS Children's Villages Finland was founded in 1962 and is a member of SOS Children's Villages International, which operates in more than 130 countries.

Motivated Employees

This core area is all about our most vital resource – our employees. It is through motivated employees that we can create a positive working climate and achieve our vision.

A full-page background image showing a person running on a paved path through a forest. The trees have vibrant autumn foliage in shades of yellow, orange, and green. The path is dappled with sunlight and shadows. The runner is in the lower left, moving towards the center of the frame.

Our continued success depends on our employees being motivated, competent and service-oriented – on them embodying our core values, being proud of working for us and sharing our vision of an active lifestyle.

The aim is to have an inspiring climate at work, one that is defined by joy and collaboration, and that enables the organisation and its people to grow together. We know that when our employees feel good, the company feels good.

Goal:

To have motivated and proud employees who are happy in their work and share our vision of an active lifestyle.

Find out more about the way we work and our exciting initiatives in this next section.

Motivated employees

We know that when our employees feel good, the company feels good. We therefore work actively to create a culture and a working climate that inspires joy, motivation, development, respect and collaboration.

It is our members of staff who generate the energy and the culture that make us stand out from the crowd. The factors that make the greatest impact from a personnel perspective are our employees' motivation and skills, and how they feel they are treated. This is where our greatest risk and greatest opportunity therefore

lie, for both store and office staff. The following are our key starting points:

- Together, we act as a team in which each individual member is equally important to our results and our development.
- We want to have an inspiring and inclusive climate at work, one that is defined by joy, respect and collaboration, which enables the organisation and its people to grow together.
- We want to have motivated, service-oriented and competent employees from different backgrounds who are proud to work for us and embody our core values.
- We want to have managers who are passionate, business-focused leaders who develop individuals, teams and business in order to get results.

Our DNA:

Energy
Team spirit
Passion
Innovation
Simplicity

- We believe that physical activity makes people feel good and we therefore want to encourage exercise among our employees and across wider society. We believe in and embody our vision of an active lifestyle.

Our values are strongly rooted in the company, giving us guidance on our own conduct as well as how we treat other people. The values are part of our DNA and a key factor in our success – we call them our **H5**!



Cornelia Jemio, Stadium employee.

What are we doing to get there?

We have drawn up policies, procedures and working practices based on the above priorities, plus applicable regulations and agreements. Our employees can find information on our policies and procedures and their employment on our intranet, and we also inform newcomers about all this in our induction training. We have just implemented a digital training system, for which we are currently developing induction training and in-service courses. The induction training will be compulsory for all new employees and will include tests linked to our policies.

The policies and procedures we have in place apply to areas including health and safety, working hours, absence, salary, pay during absence, gender equality, diversity, victimisation, GDPR, the environment, travel and IT. All our employees are covered by collective agreements in Sweden, Finland and Norway (in Germany we follow the principles that apply in the industry regarding working hours, salaries and other benefits).

As well as following up on knowledge levels via the tests in the Stadium Academy, we will also be monitoring the results via our employee survey, development appraisals and any anonymous reports submitted by employees to the address ethics@stadium.com. The latest employee survey had a response rate of 85% and was conducted in spring 2020, just before the outbreak of Covid-19. Development appraisals are held twice a year in the form of individual discussions between manager and employee. Employees are informed about the facility to make an anonymous report to Ethics both at the time of employment when they sign up to "The Stadium Way" and in the induction training. There have been no reports to Ethics this year.

Results of our work

We believe in the equal value of all people, with respect and an inclusive organisational culture as a vital component. We have a broad customer base and therefore consider it important to employ staff from different ethnic backgrounds and with different language skills in order to best help our customers. We are therefore committed to gender equality and diversity, and work to avoid discrimination and unfair treatment. We have clearly set this out in our recruitment policy and in our equality and diversity policy. We measure and follow this up in our employee survey, which this year showed that 86% of our employees feel differences are appreciated and utilised (e.g. age, gender ethnic background, personality and skills). This is 1 percentage point down on last year, but remains relatively high. 92% of our employees feel that we have a workplace that is free from discrimination, regardless of ethnic origin, disability, gender, gender identity, sexual orientation, religion or age. That is up 2 percentage points on last year.

In terms of interactions with customers, we look to overall customer satisfaction and sales as our indicators of success, since other options are not available to us due to the privacy rights of our employees. In terms of gender and age distribution, our workforce is overwhelmingly female, at 64%, which represents a rise of 1 percentage point. The majority of our employees are under 30 years of age (71%), down 4 percentage points on the previous year. We have 47% female managers, which is 2 percentage points lower than last year. See more HR statistics on page 49.

We care a great deal about the working climate and culture within Stadium, as they are key factors in our success.

According to the employee survey, the two biggest reasons why employees recommend us as a place to work are the team and the corporate culture.



Robin Liljestrand, Stadium employee.

Leadership is also important, as well as the pleasure and pride employees derive from working for us. We measure results via our employee survey:

- eNPS, the metric of whether employees would recommend us as an employer to a friend or relative, shows an increase of almost 14% to 66, (on a scale from minus 100 to plus 100), continuing a positive trend from the past few years.
- In the area of Working Climate (which includes work-life balance, competence, respect, the team, participation, workload and whether going to work is enjoyable), the total result stands at 83%, which is a rise of just over 2 percentage points. And again, we have seen a positive trend in recent years.
- In the Leadership area (which includes trust, feedback, responsibility, development, leadership of the business, utilisation of skills and support for employees), the overall result comes in at 80%. This is the same result as last year, but a positive increase on previous years.
- Pride in working for us stands at 90%, up 2 percentage points on last year, establishing another positive trend.
- 87% of respondents feel that we embody our vision, which is an increase of 3 percentage points since last year and 19 since the year before.
- 85% feel that we act in line with our core values, which is up 5 percentage points on last year's survey.

You can read more about the results and trends from our employee survey on page 48. You can also read about how we embody our vision at work on pages 44–45, plus interviews with some of our employees about what it is like working for us (pages 46–47).

Working environment and safety in store

It is essential that our employees feel safe in their work, and security in store is naturally important for store staff. To reduce the risk of threats and violence against staff, we have introduced a range of measures, including action to minimise the risks surrounding cash handling and theft. This includes training, alarm systems, in-store guards and other security measures. Over time, we have seen a slight downward trend in the incidence of threats and violence, but we are continuing to monitor social developments and take further action accordingly. We also work systematically on the working environment, and each store has several employees trained in CPR, depending on the size of the store.

Training our employees

To create a foundation for building up the skills of our employees, over the year we have implemented new working practices and a digital platform for employee training – the Stadium Academy. This offers training courses in onboarding, security, health and safety, products, sales, leadership, GDPR and much more, with new courses added on a rolling basis. Employees are able to take the courses in working hours and we have a Training Council that constantly works to develop our educational content and monitor the results.

Development of HR system support for managers, employees and HR

As well as implementing the Stadium Academy training system, over the year we have also introduced a new HR and payroll system and a travel booking system. These support systems will help our employees and managers in their everyday work by creating conditions for greater efficiency and compliance, while at the same time reducing vulnerabilities and enabling us to make more data-driven decisions.

We embody our vision

Fully embodying our vision – to keep fit and active – enables us to build a team that is strong, healthy and high-performance.

The people who work for us are team players with a passion for sales, sports and sports fashion. This energy is present in everything we do, and our mission is to inspire and enable more people to adopt an active lifestyle.

We believe in our vision of an active lifestyle and also embody it ourselves, meaning that we engage our employees and encourage physical activity, both within and outside work. By helping with the entrance fees for the races we sponsor – such as Vasaloppet, TSC Lidingöloppet or Midnattsloppet – we are able to get many Stadium teams on the starting line. Meetings and other gatherings are usually held in combination with activities of various kinds, such as a run, a health talk or a group fitness session. Workers at our Service Offices in Norrköping and Solna are able to attend one or two sessions a week. Activities are also spontaneously arranged outside work by employees in the different stores and departments, just for the fun of it.

Stadium Outlet Vaasa is one of many stores that make sure to hold joint activities and fully embody our vision.

"The core values are part of daily life. They help and guide us every day," says Jenni Pijola-Aho, store manager at Stadium Outlet Vaasa.

Among other things, the team has been paddle boarding and kayaking, and tried out climbing, boxing and golf.

"Occasionally, some of us have to move outside our comfort zone, but the sense of achievement is so much greater when the team is behind you. The things we do together have a lasting effect and energise us before and after the event."

Embodying our vision together as a team also requires mutual trust. Support and team spirit are at the root of good cohesion and Jenni, like the rest of our organisation, works on the basis that everyone is of equal value.

"We are all equally valued, whether we work a few hours here and there or have a full-time contract. We've created a team where everyone can be themselves. For the energy and the passion to flourish, we need trust and permission to be who we are. Team spirit, passion and energy can be seen and heard in every corner of our 1 200 sqm store. When these values feed into our emotions in the workplace, the day is going to be good whatever!" says Jenni.

87%

of our employees feel that our vision of an active life permeates the whole of our business, according to our employee survey.



Stadium Outlet Vaasa builds team spirit through joint activities. They are giving kayaking a go here, but they have also been boxing, climbing and golfing together. (Golf in other picture)



Fredrik Gille, project manager in our Sports Marketing Department, makes sure our office in Norrköping is able to get active. The building also houses a gym, treadmills and our big arena, which has space for activities such as boxing, fitness sessions and floorball.



Heini Järveläinen and Riikka Paavola from the HR department in Finland ran the Midnattsloppet - Run Where You Are in summer 2020, when Covid-19 put a stop to the traditional midnight runs in Helsinki, Stockholm, Malmö and Gothenburg.



Our pride – our employees

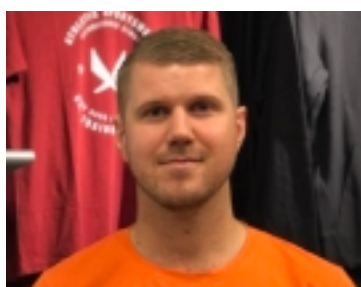
In the latest employee survey, a massive 90% of our employees stated that they are proud to work for us. And that makes us proud.

We believe in a sustainable workplace with motivated and committed employees, and a working climate defined by team spirit and job satisfaction. We want our employees to feel that we care about them – through development appraisals, learning and participation, we want them to keep experiencing joy, progression and passion for what they do. Our employees make the company what it is.

90%

of our employees are proud to work with us. And that makes us proud.

Meet some of our colleagues in the group:



Which one?

TV or **film**
Cycle or **walk**
Forest or city
Lake or **sea**
Halloumi burger or **beef burger**

Oscar Östblom

Stadium Norrköping City, Sweden

Oscar Östblom is the relatively new store manager at the place where it all began with a single sports shop back in the 1970s. He started as a trainee at A6 in Jönköping and now, 13 years later, he is at the helm of Stadium Norrköping City.

"Of course there's a feeling of pride about being where it all started," he says with a smile. "I like the people here and our DNA runs through the whole of Stadium. I think it's important to have something to bring us together."

As store manager, Oscar has the chance to help others develop and grow, and his ambition is to do exactly that.

"If I get a trainee in, my aim is that one day they could become my boss. I want to be present as a leader and make sure everyone feels they're developing. I enjoy my role, getting to run my store. And then I also have wonderful sales conversations just 10 metres away."

Whether we are talking about a customer, an employee or what he does in his free time, curiosity is what drives Oscar.

"I love being active, whether it's walking or swimming. I recently began a course on front crawl. Trying a new experience is always a good thing – it doesn't mean you have to give up something else."

Which one?

Lake or **sea**
Tent or **hotel**
TV or film
Cycle or **walk**
Sunbed or ski lift

Parisa Vrmica

Stadium Servicekontor, Sweden

What a stroke of luck it was to study logistics and have a work placement at Stadium – which led to a job. Parisa Vrmica has held various posts at the Service Office in Norrköping over the past eight years or so. Now she is really enjoying her work as a buyer.

"I love Stadium and the company's culture. We respect and look out for each other. Even on a busy day, we can find a moment of calm, for example by training together. It's great for bonding."

Parisa feels that our vision permeates everything we do. Employees are encouraged to be active through fitness events and joint activities. Sustainability is a common thread running through the business.

"We think about the environment – we don't take taxis, we take the train, we walk... We think about everything we do, and I like that. Even in a day-long meeting with a supplier, we make sure we get an activity in at some point; it creates good relations."

Outside work, it is all about yoga and wine. Yoga because it calms and energises, wine because it is so fascinating.

"Right now, my dream is to go on a yoga retreat where I can also learn to surf. In Hawaii."





Which one?

Yoga or **running**
City or **forest**
Halloumi burger
or beef burger
Tent or **hotel**
Summer or winter

Ossama Ayari

Stadium Outlet Tampere, Finland

As a former top-flight footballer, this job is the perfect fit for 34-year-old Ossama Ayari. After eight years, he still loves his work. Ossama likes knowing all about the latest in sports gear and being able to give customers the right advice and guidance on good products.

"I have a kind of hybrid role, where I help customers with their needs, but I also do some admin tasks, such as opening and closing, cashing up and being responsible for stock in the store. I really enjoy the customer contact, particularly being able to give advice and be an expert on something like winter sports, but I also love the social aspect of the job."

Ossama lives in Tampere and has two children who he adores spending time with. Apart from that, he exercises a lot – preferably at the gym or on the football pitch. Another interest is travel and experiencing other cultures. But the big dream is to write an educational book for children.



Which one?

Yoga or a run
Milk or **water**
TV or film
Hoodie or blouse
Cycle or walk

Hanna Svahn

Sneakers Point Emporia Malmö, Sweden

"Sustainability comes when everyone at every level takes responsibility for saving the planet's resources," says Hanna Svahn at Sneakers Point.

The desire to take responsibility was what drove Hanna onwards and upwards. She had been happily working at Stadium for a while, but was looking for more responsibility and new challenges. As store manager at Sneakers Point, she feels it is part of her job to ensure that her sales team are able to perform at their best.

"I love our flat organisation, which makes it possible to influence and take Sneakers Point forward. Personally I'm very keen, with lots of energy, and want everything to happen as quickly as possible."

Hanna would like to say that she also devotes a lot of time to CrossFit, but...

"... that is slightly on the back burner right now. Launching a new store, taking on the world's biggest renovation project in the form of an old farm and being pregnant have provided enough physical exertion for me."



Which one?

Yoga or **a run**
City or forest
Film or book
Jeans or skirt
Lake or **sea**

Charliene Hillary

Stadium Outlet Moss, Norway

Charliene Hillary became one of our first colleagues in Norway. She lives in Moss with her partner and got the Stadium job when our second Norwegian store opened in autumn 2019. She appreciates always having something to do.

"I like the fact that no two days are the same, that we work together in the store and that we have so many different customers."

Charliene is a sociable person with masses of energy to devote to her passions. She is keen to channel that energy into making life easier for herself, her colleagues and the customers in the store. Her tasks include everything from shelf stacking, working on the cash desk and interacting with customers to receiving goods and putting away stock.

Outside of work, she enjoys running. When the question of sustainability comes up, she replies:

"For me, sustainability is about the environment. The small choices you make every day, like eating less meat, recycling and taking your bottles back to the shop."



Which one?

Yoga or **a run**
Cycle or **walk**
City or **forest**
Halloumi burger
or **beef burger**
Summer or winter

Meri-Leija Ikonen

Stadium Jumbo, Finland

"I was inspired by all the energetic salespeople at Stadium and I love sportswear and sneakers. I really wanted a job at Stadium and now I've been here for two and a half years."

22-year-old Meri-Leija likes that she can be herself at work and do what she loves, being there for people – both customers and colleagues. Our core values of energy and passion perfectly describe Meri-Leija's personality.

"I am, by nature, a very active person and I've always been passionate about sport and exercise."

Alongside sport, her main interests are interior design, crafts and baking. She made all the rugs in her apartment herself, she knits woollen socks and jumpers, and she enjoys baking buns. In between all that, Meri-Leija competes in CrossFit, with training 6–9 times a week.

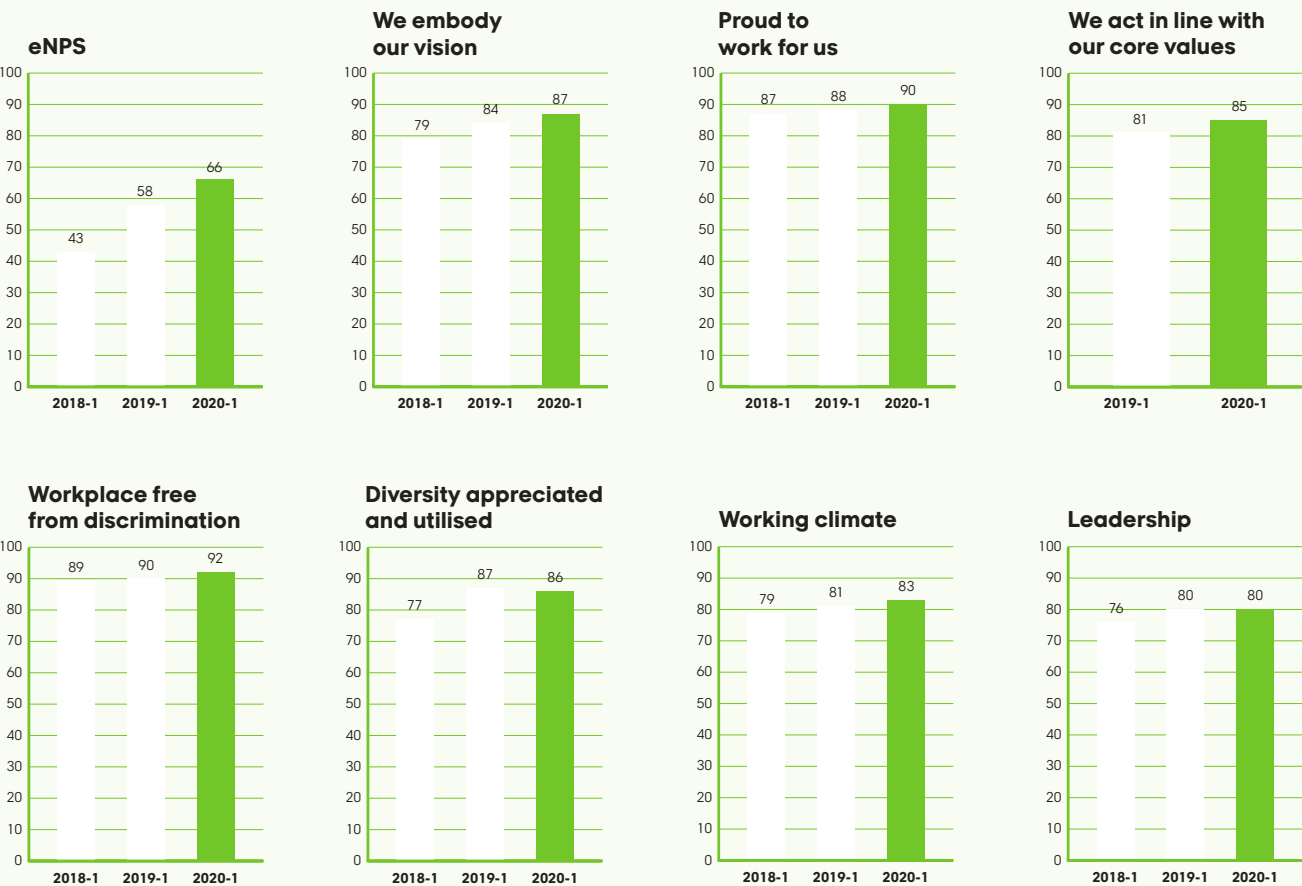
HR statistics

This section is where we report statistics from our employee survey and data concerning our workforce.

Employee survey

Twice a year we conduct an anonymous employee survey that we then use as the basis for working further in each team to improve our workplace together. The latest data comes from the survey we ran in spring 2020 and below are the results and trends from the most recent surveys, presented by year.

- 66% for eNPS, which measures whether our employees would recommend Stadium as an employer to a friend or relative. It is measured on a scale from -100 to +100.
- 87% feel that our vision of an active life permeates the whole of our business
- 90% state that they are proud to work for us
- 85% feel that we act in accordance with our values
- 92% feel that we have a workplace that is free from discrimination, regardless of ethnic origin, disability, gender, gender identity, sexual orientation, religion or age
- 86% feel that differences are appreciated and utilised (e.g. age, gender, ethnic background, personality, skills, etc. – i.e. diversity)
- 83% is the total figure in the area
- Working Climate
- 80% is the total figure in the area
- Leadership



HR statistics

All HR statistics are collected from the relevant country. Swedish data comes from the payroll system, while data for Finland, Germany and Norway is collected from the schedule and staffing system used in these countries. Compiling the data involves some manual intervention, and certain assumptions are made regarding factors such as how an individual's employment should be reported (this could concern an individual who has been employed at two or more companies within the group during the year). All the input data relates to individuals and not Full Time Equivalents (FTE).

The wage differences in more junior age groups are less than in the more senior groups, where the differences are greater. We also see greater disparities in the wage difference between men and women among managers. One possible explanation for this, but in no way a defence of it, is that there are more men than women in senior management positions, which can affect wages and the posts held for the average wages. The average wages in these figures do not take level of seniority into account, beyond manager vs employee. When comparisons are made at the same level of seniority, the differences are much smaller. Comparisons between equivalent jobs are now made annually in accordance with the Swedish Discrimination Act.

Country	Workforce	Women	Men
Sweden	3 452 (75.3%)	2 161 (62.6%)	1 291 (37.4%)
Finland	1 035 (22.6%)	675 (65.2%)	360 (34.8%)
Germany	62 (1.4%)	31 (50.0%)	31 (50.0%)
Norway	37 (0.8%)	27 (73.0%)	10 (27.0%)
Total	4586	2894	1692

Gender	Permanent	Temporary	Permanent full-time	Permanent part-time	Total
Women	1 946 (67.2%)	948 (32.8%)	638 (32.8%)	1 308 (67.2%)	2 894
Men	1 132 (66.9%)	560 (33.1%)	474 (42.2%)	658 (58.1%)	1 692
Total	3 078 (67.1%)	1 508 (32.9%)	1 116 (36.3%)	1 966 (63.9%)	4 586

Data by form of employment is reported for the Europe region, which includes the countries in which we operate.

Composition of the Board and Management and breakdown of other employees

	Men	Women	<30 years	30-50 years	>50 years
Board	75.0%	25.0%	0.0%	62.5%	37.5%
Management team	77.8%	22.2%	0.0%	89.9%	11.1%
Managers	53.3%	46.7%	8.7%	78.5%	12.8%
Employees	35.9%	64.1%	70.7%	26.1%	3.2%

New employees and staff turnover

Number of people who have been hired or left during 2019/20

	Men	Women	<30 years	30-50 years	>50 years
New employees (%)	485 (34.8%)	919 (65.2%)	1 196 (90.3%)	191 (9.1%)	17 (0.6%)
Staff turnover (%)	904 (31.3%)	582 (34.4%)	1 182 (38.5%)	275 (20.5%)	29 (16.7%)

Wage differences*

Average basic wage in SEK 2019/20

All	All	<30 years	30-50 years	>50 years
Women	284 789	258 428	334 950	388 836
Men	306 582	257 146	385 749	494 620
Female vs male	92.9%	100.5%	86.8%	78.6%

Employees	All	<30 years	30-50 years	>50 years
Women	274 965	257 710	312 197	355 494
Men	277 137	255 437	320 678	391 322
Female vs male	99.2%	100.9%	97.4%	90.8%

Managers	Alla	<30 År	30-50 years	>50 years
Women	480 208	386 352	476 653	561 433
Men	532 916	400 065	523 798	692 432
Female vs male	90.1%	96.6%	91.0%	81.1%

Management team	All
Women	1 560 000
Men	2 092 500
Female vs male	74.6%

* Only salaries are reported, since bonuses (which employees in certain jobs receive) are performance-based

Governance

Presentation of Stadium's Group Management Team, Sustainability Council and Board of Directors for the year 2021.

Financial data 19-20

Key data:

Sweden, Finland, Germany, Hong Kong

Created and delivered direct economic value (Value in SEK)

Component

Equity	1 408 881 921
Liabilities	613 902 239

Created direct economic value

Revenue	6 103 087 820
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Delivered direct economic value

Operating costs	4 782 302 570
Employee benefits	1 169 817 572
Dividends	0

Tax

Sweden	21 184 539
Finland	14 205 282
Germany	0
Hong Kong	3 058

Social investment	3 742 044
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Created and delivered direct economic value	5 991 255 065
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Retained economic value	111 832 755
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Group Management Team – We embody our vision

Åsa Brunzell HR & Sustainability Director (responsible for sustainability), **Roger Palffy** General Manager Sneakers Point, **Kristina Skoog Rappestad** PA to CEO, **Karl Eklöf** CEO Stadium Group, **Sophia Hemstad** CFO, **Fredrik Persson** CDO, **Magnus Wähländer** General Manager Stadium, **Daniel Löfkvist** General Manager Stadium Outlet, **Daniel Johansson** Logistics Director. Absent: **Andreas Ericson** Business Development Director.



Sustainability Council – In top products made from sustainable materials

Pino Roscigno Commercial & Brand Director, **Daniel Johansson** Logistics Director, **Catrine Marchall** Sustainability Manager, **Karl Eklöf** CEO Stadium Group, **Åsa Brunzell** HR & Sustainability Director (responsible for sustainability), **Carl Torell** Expansion Director, **Patrizia Nilsson** Sports Marketing Manager, **Daniel Löfkvist** General Manager Stadium Outlet. Absent: **Andreas Ericson** Business Development Director, **Nanna Sundman** HR Manager Finland



Board – For sustainable enterprise

Petra Stenqvist Advisor, **Anders Svensson** Board member, **Kristina Skoog Rappestad** Assistant, **Birger Lund** Chairman of the board, **Ulf Eklöf** Board member, **Karl Eklöf** Board member (responsible for sustainability), **Linda Palmgren** Board member, **Bo Eklöf** Board member, **Jesper Schmidt** Board member. Absent: **Christel Kinning** Board member

Independent assurance statement

Scope and objectives

Ethos International has undertaken independent assurance of the Stadium Sustainability Report 2018/2019 (the report). The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide moderate level Type 1 assurance, which covers:

- Evaluation of adherence to the AA1000AP (2018) principles of inclusivity, materiality and responsiveness (the Principles).

We provided a third party check on the application of the GRI Standards.

Responsibilities of the Directors of Stadium and of the Assurance providers

The Board of Directors of Stadium is responsible for the report for the year 2019/20, emitted as a separate document from the financial annual report, and that the report is emitted in line with the Swedish Annual Accounts Acts. The management of Stadium holds the sole responsibility for the preparation of the report. This is the fifth year Ethos International has provided sustainability assurance for Stadium's sustainability report. Our statement represents our independent opinion and is intended to inform all of Stadium's stakeholders, including management. We adopt a balanced approach towards all Stadium's stakeholders and we hold that the performed assurance process provides us with a sufficient basis for the assurance statement. Our assurance team comprised of Malin Lindfors Speace, Sandra Rumelius and Linnéa Waninger.

- Further information relating to the team is available at: www.ethosinternational.se

Basis of our opinion

Our work was designed to gather evidence with the objective of providing moderate assurance, type 1, as defined in AA1000AS (2008). We undertook the following activities:

- Review of the current sustainability issues that are material to Stadium and are of interest to stakeholders.
- Interviews with management responsible for sustainability and review of selected evidence to support issues discussed. These were freely selected by the assurers. Main focus of the interviews was the understanding of material aspects, stakeholder perspectives, risks and opportunities related to sustainability, and changes during the year.
- Review of the report's texts, graphs and tables.
- Review of the indicators' relevancy, scope and reasonable proportion.
- Site visit at Stadium's distribution center. The site visit was conducted to confirm adherence towards requirements set in Stadiums Supplier Code of Conduct (SCoC).

Findings and Opinion

We reviewed and provided feedback on drafts of the Report and where necessary changes were needed these were made. On the basis of the work undertaken, nothing came to our attention to suggest that the Report does not properly describe Stadium's adherence to the Principles.

We are not aware of any errors that would materially affect the reliability of disclosed information. We can confirm that we have made an independent assessment of Stadium's self-declared application of the GRI Standards, that the report is "Core level in Accordance" and that a report according to the requirements stated in the Swedish Annual Accounts Act has been emitted.

Observations

Without affecting our assurance opinion we also provide the following observations:

Materiality

We believe the report describes the majority of Stadium's material impacts in an adequate and good manner, which enables all stakeholders to be appropriately informed and to engage in the development of sustainability concerning both Stadium's operations and society at large.

To ensure that Stadium's material aspects continues to be significant, Stadium should update its materiality analysis and review its sustainability goals and KPI:s. In the upcoming reports, the double materiality perspective should be included.

Furthermore, systems for compiling HR-data should be developed and adopted in order to minimize the degree of manual elements. Methods for reporting on energy consumption and Scope 3 outside of Sweden should be investigated and developed. Emission data should be supplemented with Scope 3 production. Stadium should harmonize all data to CO₂e.

Inclusivity and responsiveness

The engagement from Stadium's management team together with the diverse and high degree of engaged stakeholders, both external and internal, indicates a substantial commitment and understanding of sustainability, which provide a solid foundation for Stadium's strategic development.

Ethos International
10 February 2021

Malin Lindfors Speace

Partner & Senior Advisor

Sandra Rumelius

Senior Advisor



Ethos International AB is a Nordic Sustainability Advisory firm licensed by AccountAbility to provide AA1000AS (2008) assurance.

Auditor's report on the statutory sustainability report

To the general meeting of the shareholders in Stadium AB,
corporate identity number 556187-3299.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2019/2020 (the financial year 2019-09-01—2020-08-31) and that it has been prepared in accordance with the Annual Accounts Act (Årsredovisningslagen).

The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 17 December 2020
BDO Mälardalen AB

Niclas Nordström

Authorized Public Accountant



GRI Index

The sustainability reporting in this annual report has been prepared in accordance with GRI Standards at Core level.

The Global Reporting Initiative's guidelines for sustainability reporting are a collection of internationally recognised indicators used to evaluate companies in relation to corporate governance, economic performance, labour, human rights and impact on society and the environment. Its framework is a reporting system that sets out criteria for measuring and reporting impact and results in the area of sustainability. Our GRI index is presented below and gives an overview of our general information as per GRI's guidelines, as well as information for the topics Stadium has chosen to report based on our materiality analysis (find out more on pages 14–15). We have also chosen to include links to the UN's Global Sustainable Development Goals.

Status, level of implementation:

● Complete

● Partial

Audit:

✓ Indicator reviewed by third party

General Standard Reports

GRI standard	Title	Page	Comment	UN SDG	UN SDG Targets	● ●	✓
GRI 102: General Disclosures 2016							
Organizational profile							
	102-1 Name of the organization	5				●	✓
	102-2 Activities, brands, products, and services	5	Annual Accounts Act (AAA): Business model, AAA: Risk			●	✓
	102-3 Location of headquarters	5				●	✓
	102-4 Location of operations	26–27				●	✓
	102-5 Ownership and legal form	5				●	✓
	102-6 Markets served	5, 26–27				●	✓
	102-7 Scale of the organization	26–27, 49–50				●	✓
	102-8 Information on employees and other workers	49	Data on contract workers is omitted due to unreliable data	8, 10	8.5, 10.3	●	✓
	102-9 Supply chain	26–27, 29	AAA: Business model, AAA: Risk			●	✓
	102-10 Significant changes to the organization and its supply chain	26–27, 30				●	✓
	102-11 Precautionary Principle or approach	15	AAA: Environment			●	✓
	102-12 External initiatives	12, 15, 20, 29, 31				●	✓
	102-13 Membership of associations	20, 22, 36–39				●	✓

General Standard Reports cont.

GRI standard	Title	Page	Comment	UN SDG	UN SDG Targets			
GRI 102: General Disclosures 2016								
Strategy								
	102-14 Statement from senior decision-maker	3	AAA: Business model, AAA: Risk					
Ethics and integrity								
	102-16 Values, principles, standards, and norms of behavior	5, 42, 44	AAA: Policy, implementation and results					
Governance								
	102-18 Governance structure	50						
Stakeholder engagement								
	102-40 List of stakeholder groups	14						
	102-41 Collective bargaining agreements	42	AAA: Social conditions and staff	8	8.8			
	102-42 Identifying and selecting stakeholders	14						
	102-43 Approach to stakeholder engagement	14						
	102-44 Key topics and concerns raised	14						
Identified material aspects and delimitation								
	102-45 Entities included in the consolidated financial statements	2						
	102-46 Defining report content and topic Boundaries	14						
	102-47 List of material topics	15						
	102-48 Restatements of information	22						
	102-49 Changes in reporting	-	No significant changes took place during the reporting year					
Reporting practice								
	102-50 Reporting period	2						
	102-51 Date of most recent report	2						
	102-52 Reporting cycle	2						
	102-53 Contact point for questions regarding the report	2						
	102-54 Claims of reporting in accordance with the GRI Standards	2						
	102-55 GRI content index	53-55						
	102-56 External assurance	52						

Specific Standard Reports

GRI standard	Title	Page	Comment	UN SDG	UN SDG Targets		
GRI 200 Economic Standard Series							
GRI 103: Management approach 2016	103-1 - 103-3 Explanation of the material topic and its boundaries	9, 14–15, 28–29	AAA: Policy, implementation and results			●	✓
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	50	Read more in the Annual Report and Consolidated Financial Statements for the financial year 1 sept 2019–31 aug 2020			●	✓
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken och vidtagna åtgärder	8	AAA: Counteracting corruption	16	16.5	●	✓
GRI 300 Environmental Standard Series							
GRI 103: Management approach 2016	103-1-103-3 Explanation of the material topic and its boundaries	9, 14–15, 16–25, 28–30	AAA: Policy, implementation and results			●	✓
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	22	AAA: Environment	3, 12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	22	AAA: Environment	3, 12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	22	AAA: Environment	3, 12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	22–23	AAA: Environment			●	✓
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	30	AAA: Environment			●	✓
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	23, 28	AAA: Environment			●	✓
GRI 400 Social Standard Series							
GRI 103: Management approach 2016	103-1-103-3 Explanation of the material topic and its boundaries	9, 14–15, 28–30, 41–43, 48–49	AAA: Policy, implementation and results			●	✓
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	49	AAA: Social conditions and staff	8, 10	8.5, 10.3	●	✓
GRI 403: Occupational health and safety 2018	103 Management approach	42–44	AAA: Social conditions and staff	8	8.5	●	✓
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	49	AAA: Social conditions and staff	5, 8	5.1, 5.5, 8.5	●	✓
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	49	AAA: Social conditions and staff	5, 8, 10	5.1, 8.5, 10.3	●	✓
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	28	AAA: Risk, AAA: Respect for human rights	8	8.7	●	✓
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	28	AAA: Risk, AAA: Respect for human rights	8	8.7	●	✓
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	30	AAA: Respect for human rights	5, 8	5.2, 8.8	●	✓
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	30	AAA: Respect for human rights	5, 8	5.2, 8.8	●	✓
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	15				●	✓



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