

Sustainability Report 20-21



stadium®

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About the report

We are proud to present our eighth Sustainability Report. We sum up a year that has shown the importance of team spirit as we adapt to a changing world.

This, our eighth Sustainability Report (the seventh was published on 28 Feb 2021), describes how we have taken new steps towards our goals and continued to improve 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 covers the whole of the Stadium Group, including Stadium, Stadium Outlet, Sneakers Point and the other subsidiaries within the group. The Sustainability Report covers the same companies as the Annual Report. At the end of the financial year 2021, we decided to close Sneakers Point due to a change in distribution strategies from brands that made it impossible to meet customer demand. In autumn 2020, we acquired a small rental business for ski equipment in central Åre.

The figures reported are from 1 September 2020 to 31 August 2021, 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 2021, which is the most recent measurement for the financial year 2020/21. Comparative data is from the survey in spring 2020, which was the last measurement in the financial year 2019/20.

Calculations regarding energy and greenhouse gas emissions:

Scopes 1, 2 and 3 are calculated using emission factors from the Swedish Transport Administration; Handbook for Road Traffic Air Pollution, SNV, IPCC 2013 (AR5), Vattenfall, the Swedish Energy Markets Inspectorate, Swedenergy's Heating Market Committee, Higg MSI, the ICAO Carbon Emissions Calculator, the Swedish Energy Agency, the Swedish Environmental Protection Agency, NTM, the IPCC's recommendations for air transport and documentation from our transport suppliers. GWP factors for calculating CO₂e are based on AR5 over a 100-year period. We report our climate impact in line with the GHG Protocol's guidelines. In Scope 3 we report the areas:

- Fuel and energy-related activities
- Transportation and distribution
- Purchased goods

For the reporting years 2018/19 and 2019/20, there were no resources or system solutions for Scope 3 reporting.

There are two different calculations in this report:

1. Calculations for our base year 2017/18, and for the financial year 2020/21, 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.

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

Karl Eklöf

CEO Stadium Group
karl.eklof@stadium.com

14 February 2022

A portrait of Karl Eklöf, CEO of Stadium Group, wearing a white button-down shirt. The background is dark with the word 'Stadium' in large, light-colored letters.

CEO Karl Eklöf:

Every day is a new match

Global warming is progressing much faster than previously predicted. During the year we witnessed climate effects in the form of heat, storms, rainfall, drought and fires. It is clear that human activity has accelerated the trends and that more powerful action is needed to achieve the UN's global goals.

It therefore feels important that we continue to drive our sustainability work forward – and challenge both ourselves and others to constantly improve. Collaboration is the key to success.

Sustainability has a clear place in our business strategy. Partly because we want to be a sustainable player that acts responsibly on environmental and social challenges, and partly because we believe that this is crucial for our long-term success. Our customers are demanding more sustainable products and we are working actively to make more sustainable choices in the form of materials, production processes, packaging, transport and energy consumption. This is necessary to meet the demand and achieve our long-term goals.

Over the year, we have therefore raised our game on sustainability by clarifying strategies and developing working practices that will lead us to our goals. We have changed the governance of our sustainability work so that our entire Group Management Team is now part of our Sustainability Council, along with those responsible for our core areas. Sustainability work is under way in all parts of the business, and everyone has a responsibility to drive it forward.

We have conducted a new materiality analysis based on a stakeholder, risk and impact perspective, which has shed light on where our focus should lie. This analysis, like the previous one, shows that our greatest risks, opportunities and challenges exist upstream in our supply chain within our production. Our production is also where our operations have the greatest impact on both the

environment and social issues. The new analysis thus clarifies that, in both the short and long term, we need to continue focusing on the drive for sustainable production, which we have already started on.

To ensure that our work has a positive impact over the long term – socially, environmentally and financially – we have set out a clear strategy with short- and long-term goals. The UN's Sustainable Development Goals play a significant role in guiding our sustainability work, since the challenges are global and complex, and we all need to work towards

common goals in order to progress in the right direction.

Support the Earth

Our environmental targets are in line with the Paris Agreement, according to which global warming must be limited to not exceed 1.5°C. For us, this means a 50% reduction in our total emissions by 2030. By 2025, we will be climate neutral in our own operations and we will also have reduced the carbon footprint of our own brands by 50%. The results of our emission calculation show that we have reduced the carbon footprint of our own production by a total of 8% compared with our base year 2017/18.

There is still some way to go to achieve our long-term goal, but the data shows that we are reducing emissions while growing as a company.

The lessons learned will help us accelerate this reduction, which we expect to see in future collections.

During the year, we signed up to the CDP Supply Chain program as a means to survey energy consumption in production and Tier 1. The results reveal where we face the greatest challenges and where we can best provide support. Our collaboration with STICA, which works for a sustainable textile industry across the Nordic region, also helps us in our work. Once again, collaboration is a key

factor in the journey towards sustainable development. We have laid out clear actions and strategies for achieving our goals. With an external partner, we will review whether these and our results will be sufficient to achieve our goals, or whether we will need to add more measures by 2025 and 2030.

Activate the World

This year we were once again able to hold Stadium Sports Camp, a summer camp that has encouraged 120,000 children and young people to get active over the years. Here, the participants can play sports, enjoy new experiences, be challenged and be part of a larger community, making Stadium Sports Camp a great example of what we as a company stand for. Stadium's goal is to counteract a sedentary lifestyle, promote gender equality in sport and contribute to an active life for everyone. We have seen how clubs have struggled, and are still struggling, in the wake of the pandemic. As a partner to clubs in Sweden and Finland, we are working to ensure that they can continue to activate the world, while also helping to deliver gender equality and equal opportunities in sport.

We are proud of what we have achieved in our sustainability work over the past year, although we are fully aware that we still have a lot to do to achieve our goals. But I am confident that as a team we will tackle the challenges that arise, as we play our part in driving sustainable development.

We will work with our employees, customers and suppliers, with external brands and partners, and in our club collaborations to achieve our sustainability goals and contribute to the global SDGs. We are match ready!

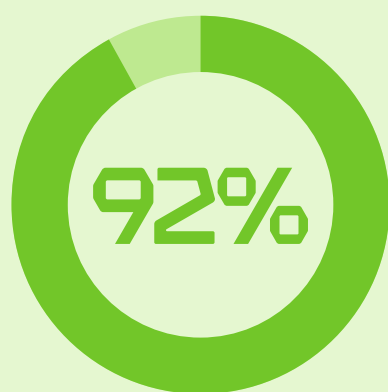
Karl Eklöf

CEO Stadium Group

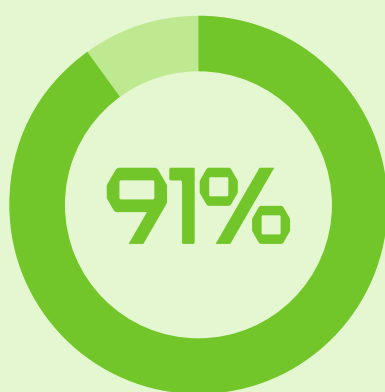
Highlights of the year

Working at Stadium*

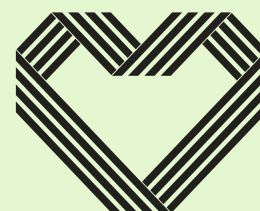
* According to our latest employee survey



share our passion for an active lifestyle



are proud to work for us



re:activate

Small gifts. Big difference.

81 532

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

43 818

people have been made more active through various Stadium events in 2020/21.



× **stadium®**

Take inspiration from the club Espoon Palloseura, which arranged a combined football day and textile collection drive together with Stadium. The club had just changed its football strip and saw an opportunity to extend the service life of the kit that was now out of date. A total of 10 pallets of textiles were collected, all of which were donated to Human Bridge!

11 227 686

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



55 617

SOS bottles were sold in Sweden and Finland, generating a total of

SEK 343 828

for SOS Children's Villages in Bangladesh and Finland



48,6%

of products are manufactured in a more sustainable way.



stadium SPORTS CAMP

By donating the surplus after the sale of their pre-season shirts, Stadium's partner club AIK Fotboll and Nike funded 55 places for this summer's Stadium Sports Camp.



This year we signed our most sustainable transport agreement to date – all distribution from our central warehouses to the various terminals will run on fossil-free fuel from 2022.

12 284 460

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



A woman with long dark hair, wearing a black athletic headband with a white logo, a black long-sleeved top, and black leggings with a white stripe, is running through a forest. She is smiling and looking to her left. The background is a blurred forest scene with trees and foliage.

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 1987. 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 activate the world, 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 we want everyone to enjoy an active lifestyle, our **business concept** is to 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 and Norway, with sales via physical stores and online for all concepts. There are a total of 184 physical stores and Head Office is located in Norrköping. We sell our own brands, as well as buying in ranges from other suppliers.



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 from 2020, 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, Take Off and Four D.

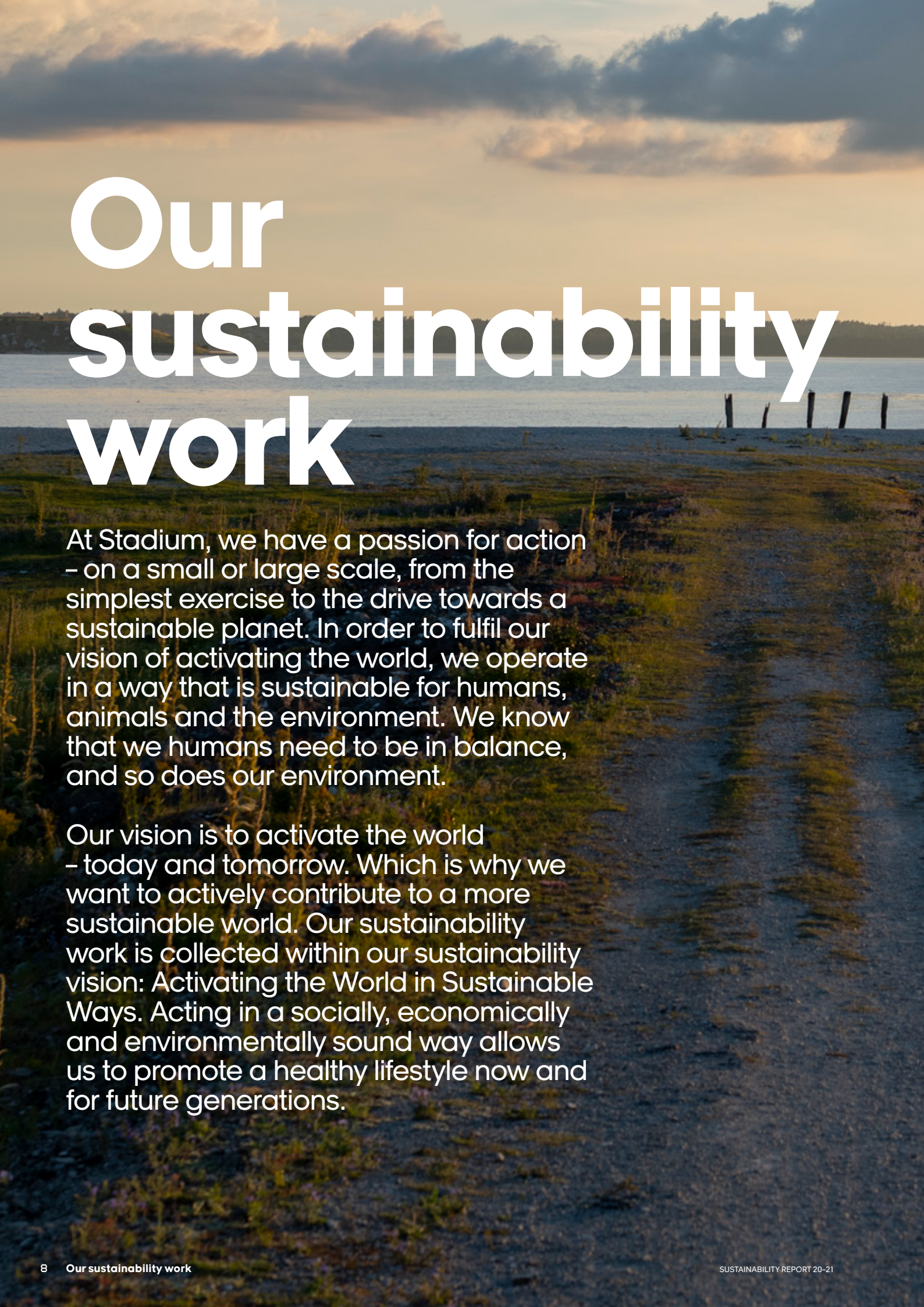
SNEAKERS

● POINT

Sneakers Point was launched in 2018, offering a curated range of sneakers, sports fashion and related accessories to our customers. In this context, we worked mainly with external brands. In 2021, we decided to close Sneakers Point due to a change in distribution strategies from brands that made it impossible to meet customer demand.

Mission
– To inspire an
active lifestyle
for all

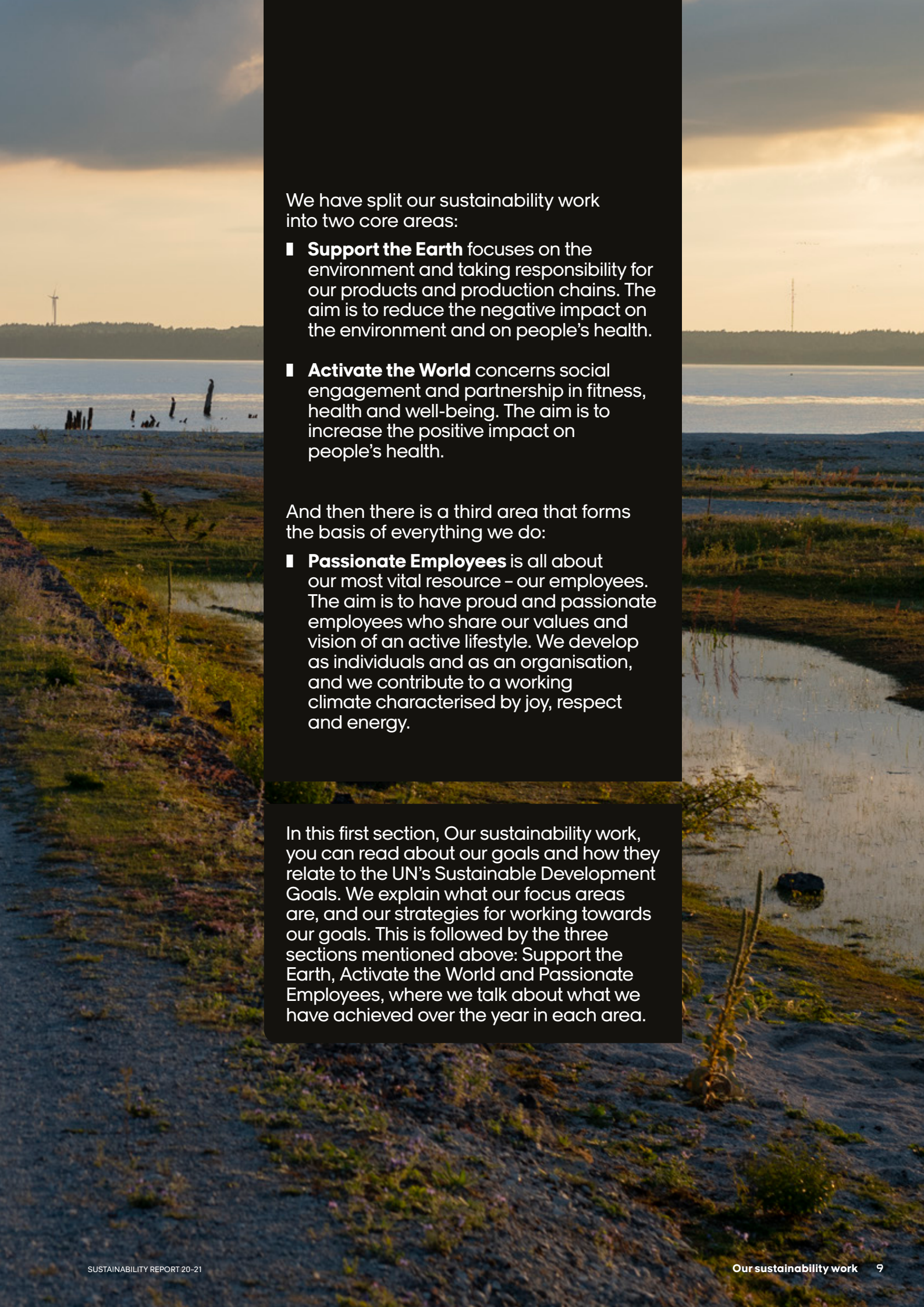
Vision
– To activate
the world



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.

Our vision is to activate the world – today and tomorrow. Which is why we want to actively contribute to a more sustainable world. Our sustainability work is collected within our sustainability vision: Activating the World in Sustainable Ways. Acting in a socially, economically and environmentally sound way allows us to promote a healthy lifestyle now and for future generations.



We have split our sustainability work into two core areas:

- **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.
- **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.

And then there is a third area that forms the basis of everything we do:

- **Passionate Employees** is all about our most vital resource – our employees. The aim is to have proud and passionate employees who share our values and vision of an active lifestyle. We develop as individuals and as an organisation, and we contribute to a working climate characterised by joy, respect and energy.

In this first section, Our sustainability work, you can read about our goals and how they relate to the UN's Sustainable Development Goals. We explain what our focus areas are, and our strategies for working towards our goals. This is followed by the three sections mentioned above: Support the Earth, Activate the World and Passionate 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 driven by our desire to help with the sustainable development of society and by the need to meet the increased demand for more sustainably manufactured products. Sustainability is a central part of our business strategy, informing the work of all our functions. We have chosen to integrate sustainability work throughout our business – partly to ensure a long-term perspective in our work and partly to ensure that everyone works towards shared goals. There is huge engagement in these issues within the group, from the Board and the Group Management Team to all our employees.

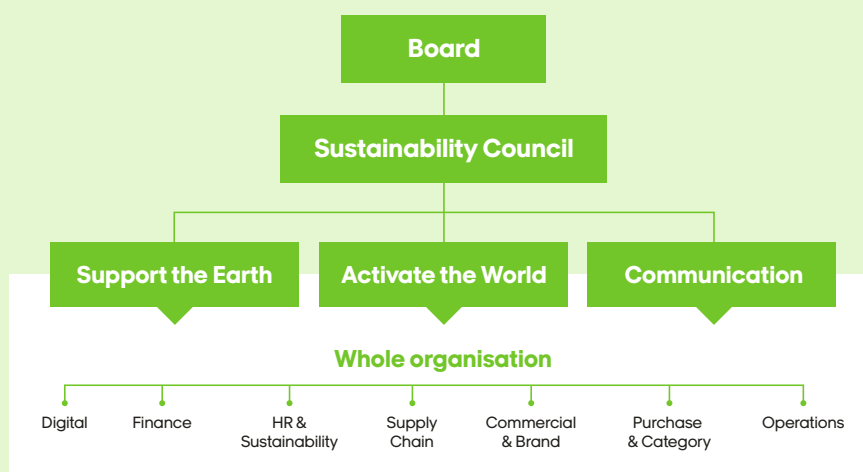
We have chosen to integrate sustainability work throughout our business – partly to ensure a long-term perspective in our work and partly to ensure that everyone works towards shared goals.

Ultimate responsibility for sustainability issues rests with the Board of Directors, which has delegated responsibility to Group Management. Group Management is part of the Sustainability Council, along with other members that have specialist expertise in various areas. The Sustainability Council sets the strategy, goals and overall plan for sustainability work. Activities to achieve our goals take place across the entire organisation, and we meet continuously in various cross-functional forums to follow up the work. The HR & Sustainability Director is

responsible for sustainability and is a member of Group Management, reporting to the CEO.

Stadium is a member of the Swedish Textile Initiative for Climate Action (STICA), which revolves around collaborating and reporting on climate impacts. Our base year has been set at 2017/18, using climate calculations conducted in 2020, in line with 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.

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Fair play

We must uphold the values of fair play with everyone affected by our business. 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 18) and we have therefore drawn up two governing documents concerning our suppliers.

- The 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 48). 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. Under the new HR system introduced in autumn 2020, the document is now signed 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

We have two governing documents for our suppliers:

- Code of Conduct
- Code of Business Ethics

possible to email an anonymous report to ethics@stadium.com. This facility is open to external stakeholders and our own employees. Over the year, we have had no reports and zero confirmed cases of corruption.



**Acting HR & Sustainability Director
Marcus Landestål Grapne:**

What a team effort – thanks to all our employees!

What a fantastic year we have had!

I am referring to the way we have inspired our customers to live a more active life and how we have continued to develop our business in order to become even better. Our employees are without doubt our most important resource, and I feel tremendous warmth and pride when I think about both the work that is being done and the working climate we have created together.

Development of our sustainability work

When it comes to the development of our sustainability work, our employees are crucial to our success, as they are the creative driving force on this. At the same time, they are also a subject of our sustainability work, when it comes to taking care of them as our most important resource.

We have continued to highlight our sustainability work over the past year. We have clarified our strategies and goals, we have developed working methods, invested in more resources and expertise in this area and driven our sustainability initiatives forward.

Our sustainability work focuses on both how we can reduce the negative impact on the climate and how we can increase the positive impact on people's health

and well-being. For example, during the year we launched a major project together with CDP to map the energy consumption of our suppliers. To activate the world, we have, amongst other things, relaunched the Stadium Sports Camp, after a break due to the pandemic – it is a really great feeling to see all the happy children again! There is a shared joy and passion in constantly becoming better at what we do and a pride in our success together.

We believe that sustainability work is best when it is integrated throughout our entire business. Everyone can contribute in different ways, whether it is by developing more sustainable products, modes of transport or packaging, or by informing our customers about our products and inspiring a more active lifestyle. Building on our different roles and competences allows us to become even stronger together.

Building on our different roles and competences allows us to become even stronger together.

Taking care of our employees

Our philosophy is that if employees feel good, the company is doing well, and when employees grow, individually and as a team, the company also grows. We therefore have a strong focus on working

actively together to create a good working climate in which employees thrive and develop. We want our employees to feel happy and proud to be part of the Stadium team and contribute to our success.

We want our employees to feel happy and proud to be part of the Stadium team and contribute to our success.

Caring deeply about the health and well-being of our employees, we work on in-house initiatives that embody our vision of an active lifestyle, improving health, the working climate and us as a team. Over the past year, for example, we have run two "Staff Challenges" where we collect points in teams according to how active we get. The level of commitment and activity surrounding these challenges is amazing – we loves to compete and the joy is great.

As the Swedish saying goes, shared happiness is double happiness – thanks to all our employees for the passion and energy you constantly show. Together we form a really strong team!

Marcus Landestål Grapne

*Acting HR & Sustainability Director,
Stadium Group*

Where are we heading?



We want to continue to activate the world in a sustainable way. We know that we humans need to be in balance, and so does our environment. Our sustainability goals are therefore a high priority for the entire business, and the development of these goals is based on global cooperation.

How do we set our goals?

The UN's Global Sustainable Development Goals

Driving sustainable development is about collaboration and moving in a common direction. Our sustainability work is therefore based on the 17 global goals that the UN member states agreed on in 2015. Working to a deadline of 2030, these goals aim to end poverty, combat inequalities, resolve the climate crisis and promote peace and justice.

In order to ensure the correct focus, we have surveyed Stadium's operations and identified eight of the UN's 17 global goals where we have the greatest opportunity to influence development. Read more on the next page about how work on these goals is reflected in our employees' everyday lives.



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.

Our goals

These eight selected goals serve as a guide on how to set our own goals in each of the main areas.

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.

Goals:

- 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.

Goals:

- To counteract a sedentary lifestyle and improve health and well-being
- To create the right conditions for equality in sport
- To promote everybody's equal right to an active lifestyle, whatever their background and circumstances

Passionate Employees is all about our most vital resource – our employees. The aim is for everyone within Stadium to share our values and to thrive and develop together.

Goals:

- Proud and passionate employees who share our values and vision of an active lifestyle
- Our working climate is characterised by joy, respect and energy, where we develop together as employees, teams, and an organisation
- Seamless collaboration across boundaries, where we complement and build on each other's expertise

* Applies to Scopes 1-2. Climate neutral means an 85% reduction and 15% carbon offsetting (direct emissions from our own business, indirect emissions from energy purchases).

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

*** Applies to Scopes 1-3.

Sustainability in everyday life

Work towards our goals takes place throughout the business, with different functions able to contribute in different ways, depending on where in the value chain they are. Here we present some examples from the business, showcasing what sustainability work can look like in practice. Creating the right conditions for doing the right thing is an ongoing process, in which we jointly identify needs and share good examples and lessons learned as we move towards our goals.

How do
you include
sustainability
in your job?



Jenny Eklöf

Visual Sales Specialist

My job is to develop our physical stores so that we deliver the best possible customer experience today and in the future. As part of this journey, we have, among other things, switched to a more sustainable material for our logo signs in store. Over the past year, we have begun to replace signs at the end of their service life with our new signs made of FSC-certified wood fibre. We also work to ensure that the material is handled in a resource-efficient way once it is in the store. Among other things, we do this by printing our campaign material on both sides and by creating material that can be re-used multiple times, instead of material adapted for specific occasions. As a result, we have been able to gradually reduce the number of in-store material shipments – bringing both environmental and cost benefits!



Elin Thyr Alklid

Store Manager Örebro City, at the time of the interview Sales Leader Personnel (SLP) Marieberg

I am proud of what Stadium is doing in its sustainability work and I was keen to incorporate it more into the store where I worked, so I got the staff involved in a sustainability week. We examined our four areas: visual, product, warehouse and collaboration from a sustainability perspective. At every morning meeting we tackled one of the areas, and there were several lightbulb moments when we were able to link up our everyday work with sustainability issues. For example, when our deliveries came in well-filled boxes, we questioned why they needed to be so full. When it was explained that we should not be packing and transporting air, it all fell into place. We dived deeper into our more sustainable materials and then it became fun to examine the material of the products that were delivered.

Since not all of our sales staff are at work for every morning meeting, we chose to record the insights from each area. These films were then posted on Stadium's intranet so that more people can share their knowledge and be inspired to create their own initiatives.



Anna Eén-Nilsson

Senior Designer SOC

As a Senior Designer, I work to develop the direction that we want future ranges to take. This includes conducting annual market analyses, which have shown in recent years that sustainability has become even more important for the customer. It is increasingly taken for granted that we will offer sustainable materials, which is fully in line with the strategies we have set for our product development.

When we develop a new product, we assume that it will be made sustainable. We define a sustainable product as one that carries Stadium's Sustainability label, and also delivers good quality, is well-stitched and has a long service life.

We consider the expected use of each product when designing them. Jackets, gilets and hoodies are examples of garments that are used for a long time: they might be sold on, handed down or given away, and should therefore be made of materials that are hardwearing and last for a long time. Clothes such as sports bras and functional underwear don't have the same tendency to be passed on, so we adapt the choice of material to the shorter planned period of use.

The design and development of a product sets the bar for how well the product can stay within a circular flow. That's why it seems obvious to us to include sustainability right from the start.



Responsible marketing

Communication comes with a responsibility to ensure that the communication itself helps to deliver a positive effect.

Stadium is committed to being an inclusive and transparent company and this must be reflected in how we market ourselves. The media channels we use for marketing need to be transparent and responsible, so that our brand is not presented in an inappropriate way. The models and contexts from which we create market communications must inspire a more active life in a positive and healthy way. Over the year, as a member of the Association of Swedish Advertisers, we have engaged in the work of the Global Alliance for Responsible Media (GARM) aimed at promoting media transparency. We have also invited external experts to come and discuss and inspire more inclusive advertising.

Pino Roscigno

Commercial & Brand Director



Communication

Through our communication work, we will inspire an active life, facilitate more sustainable consumption, publish transparent information about our sustainability work and increase internal commitment.

Communication about our sustainability work is an important tool for informing, inspiring, involving and engaging our employees. It enables more people to see how they can contribute to our goals, and gives us a channel to spread good examples and share lessons that accelerate the pace of our development.

Externally, it is important that we provide our customers and other stakeholders with transparent information about our products and about our sustainability

work, so that they can make conscious choices and gain an insight into our sustainability work.

This year we recruited a Sustainability Coordinator, a new position for us that will focus on, among other things, increasing internal awareness of our sustainability work and creating the conditions for each function to be able to contribute based on its position in the value chain.

Stadium's Sustainability label

We want to make it simpler for our customers to make conscious purchases.



In order for you as a customer to make more sustainable choices more easily at Stadium, we have our own sustainability labelling – the Heart. This label means that we consider the product or service to be a more sustainable option. The same labelling applies to all our brands that we sell. For a product or service to be marked with the Heart, it must meet at least one of the following requirements:

- Recycled material – at least 50% of the product
- Water- and energy-saving dyeing method – at least 50% of the product
- Sustainable cotton – at least 50% of the product
- Sustainable cellulose-based material – at least 50% of the product
- Fossil-free transport – 100% fossil-free transport from warehouse to customer

Hi Sofia Lindblad, what do you do as Sustainability Coordinator at Stadium?

Our sustainability work requires a vision, shared goals, the right skills and information, as well as active work. I have the task of supporting the organisation in these areas. The job's focus areas are internal and external communication, education, business intelligence, project management of the group's sustainability report and coordination of initiatives that drive Stadium's activities towards our strategic goals.

How does that work?

Sustainability at Stadium doesn't mean having a unit that sits in its office tackling sustainability. Each department approaches sustainability based on its own impact. For example, the logistics department works to reduce transport's impact on the environment, the purchasing department has a strong focus on human rights and reduced climate impact in manufacturing, the design team weaves circular thinking into its compositions and HR addresses the sustainability of the workforce. I coordinate the overall picture of our sustainability work, using communication and learning as my tools.

Sustainability at Stadium doesn't mean having a unit that sits in its office tackling sustainability.

Can you describe how we work with communication?

Sustainability has to be a live issue across the entire organisation, so it is important that we communicate internally what we are doing, what we

have done and where we are going. By providing information, lessons learned and inspiration, our communication paves the way for more people to act sustainably. Above all, we want to open up two-way communication, where the organisation can convey its needs, ideas and commitment.

We are also interested in what input our external stakeholders might have on our sustainability work. For this year's report, we have conducted a dialogue with our key stakeholders, and we have received some valuable comments. You can read more about this on page 17.

Our communication must provide a transparent picture of our sustainability work, which is why our sustainability report is revised by a third party. Their assurance statement for this year's sustainability report can be found on page 55. Communication is also a tool to make it easier for our customers to make informed decisions, not least via Stadium's Sustainability label, which you can read more about to the left.



How we prioritise

Driving sustainable development is a complex task. We therefore need to identify which issues will have the greatest impact and which we should focus on. The results of our materiality analysis guide us on how to prioritize our work going forward.

The materiality analysis consists of three parts: identifying material sustainability issues, stakeholder dialogues, and risk and impact analyses.

Identifying material sustainability issues involves surveying the most important sustainability issues for our business, based on the impact our business has on the area, and how the business is affected by the area. The survey is based on legal requirements, frameworks, the UN Sustainable Development Goals and business intelligence. This identification process then serves as the basis for the risk and impact analyses and the stakeholder dialogues.

Stakeholder dialogues are conducted with both internal and external key stakeholders. 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.

Risk and impact analyses. The impact analysis involves reviewing our value chain in terms of sustainability perspective, starting from a double materiality perspective. This means that the analysis includes both how our operations affect society, the environment and the economy, and how sustainability affects our operations from a financial, operational and reputational perspective. The risk analysis covers the entire value chain, identifying risks, assessing their probability and severity, and reviewing them according to their position in the value chain.

The results from these three parts are weighed together to create a picture of the key priorities that will have the greatest effect. The Sustainability Council then uses this information as the basis for future strategies in our sustainability work.

The materiality analysis was carried out in autumn 2021 in readiness for this sustainability report, and the results are presented on the following pages.



Stakeholder dialogues

At the end of the financial year, we sent out a survey to our key stakeholders, inviting them to give feedback on how they want Stadium to prioritize its sustainability work. We received a total of 832 responses. In addition, we conducted interviews with the Group Management Team and used feedback from

other dialogues conducted during the year. These include customer encounters in store or via Customer Service, meetings with partners, suppliers, employees, the Board and the Group Management Team.

The three most important aspects per stakeholder group:

Members/ customers	Social media*	Selected brands	Suppliers- own production	Employees	Management	Clubs
1. Suppliers who are verified and certified** 2. Fair working conditions and no child labour or forced labour in the production chain 3. Safe, non-toxic products	1. Fair working conditions and no child labour or forced labour in the production chain 2. Good working environment, safety and well-being in the workplace 3. Suppliers who are verified and certified**	1. Fair working conditions and no child labour or forced labour in the production chain 2. Equality, diversity and no discrimination 3. Climate- and resource-efficient use of water, energy and chemicals throughout the value chain	1. Good working environment, safety and well-being in the workplace 2. Climate- and resource-efficient use of water, energy and chemicals throughout the value chain 3. Transparent communication about our sustainability work and our products	1. Suppliers who are verified and certified** 2. Good working environment, safety and well-being in the workplace 3. Equality, diversity and no discrimination	1. Suppliers who are verified and certified** 2. Transparent communication about our sustainability work and our products 3. Equality, diversity and no discrimination	1. Suppliers who are verified and certified** 2. Fair working conditions and no child labour or forced labour in the production chain 3. Equality, diversity and no discrimination
x374	x91	x20	x28	x280	x8	x31

* Followers on the Swedish and Finnish Facebook page and Instagram.

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

Our stakeholders showed a high level of engagement with the survey we sent out to them, as demonstrated by the many free text responses, which provided valuable input for our strategic work. Below and to the right is a selection of responses and results from the survey that have provided important insights.

When asked to place Stadium on a scale of 1-7 for sustainability, our members gave us a rating of

4,93

Our members associate our sustainability work primarily with: community engagement via our own initiatives (e.g. Stadium Sports Camp and Activity Bag).

93%
of our employees are familiar with our sustainability work, according to the survey.

Stakeholder feedback:

"Stadium's commitment to phase out PFAS has prompted us to follow suit and commit to becoming 100% PFAS-free. In the same way, your climate commitment helps to place climate change and other important areas higher on our priority list as a supplier. Keep demanding sustainability and make sure you practise what you preach in the purchasing process!"

- Brand

"Make a real difference and talk about the work you do, to inspire and nudge your competitors so that more people take responsibility."

- Stadium member

"Our communication isn't good enough. You probably work more sustainably than I know, but that information hasn't reached me."

- Partner club

"I think Stadium is doing a fantastic job on sustainability in many aspects and I'm proud to work at a company that tackles sustainability issues on such a broad front! I hope this will spread even more and become a natural part of life that everyone takes into account - not just those of us who work at Stadium, but also our customers and partners. I think we could integrate our sustainability work even further into more departments!"

- Stadium employee

Risk and impact analyses

Risks

The risk analysis was carried out by analysing the value chain based on risks concerning human rights, personnel issues, social conditions, the environment and anti-corruption. The risks regarding the various sustainability aspects have been identified and mapped based on where in the value chain they could occur, their likelihood of occurring and their impact if they occur.

This data gives us an overview of where in the value chain we face the greatest risks, so we can work to counteract them. Most risks can be found in our supply chain. Our Code of Conduct and Code of Business Ethics are designed to minimise these risks. Read more about these on pages 10 and 34. We also have a partnership with ELEVATE, which checks that our suppliers are complying with our requirements.

■ **Read more about ELEVATE's work on page 35.**

For our staff, the greatest risk is threats and violence in the store. In order to minimise the risk, we have introduced a number of measures, including training, alarm devices and other security measures.

■ **Read more about our health and safety work and in-store security on page 51.**

Impact

Our impact analysis indicates the following:

Stadium's potential impact on sustainability issues

The sustainability issues that Stadium has the greatest impact on relate primarily to the **supply chain – the environment and working conditions**:

- Stadium's greatest environmental impact occurs in the supply chain. By working on environmental issues along the entire value chain, Stadium can have a major impact on the environment in areas such as water use, greenhouse gas emissions and chemicals.
- Stadium purchases goods from countries where working conditions may be inadequate. By working on social issues in the supply chain, Stadium can have a major impact on people who work in the supply chains.

Sustainability issues potential impact on Stadium

- **Employees'** well-being and job satisfaction, plus gender equality, equal opportunities and non-discrimination in the workplace, affect Stadium internally
- **Safe and non-toxic products** have both a high impact on society and an internal impact on Stadium

Our material issues

Once the stakeholder dialogues and the risk and impact analyses have been summarised, the data is discussed by the management and then informs how we will work on our materiality issues.

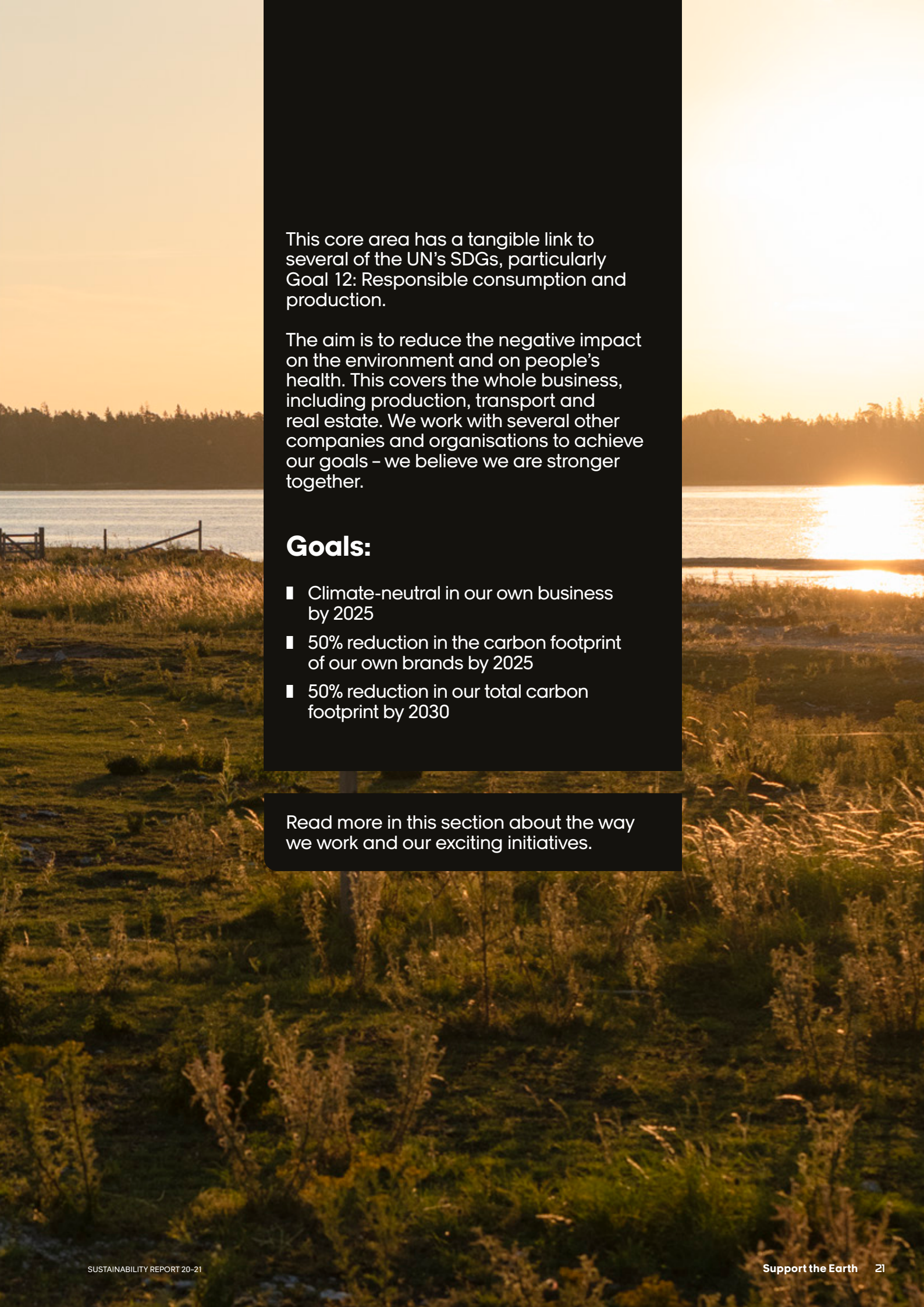
Linking our material issues to the UN Sustainable Development Goals gives us a complete picture of the priorities in our sustainability work and how they contribute to the UN Sustainable Development Goals.

We have placed the sustainability issue **Impact on biodiversity** in a separate category, Monitoring, as we are currently following developments and learning how our operations affect and are affected by this issue.

	Our priority areas	Linked global goals	Linked global targets	Examples of how we are contributing to the global goals
Extra focus	Circular products: from design and materials 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 - Partnership with Sysav aimed at recycling polyester from textile waste - Recycling of plastic and corrugated cardboard at DC
	Climate- and resource-efficient use of water, energy and chemicals throughout the value chain	   	3.9 6.3 6.4 7.3 12.4	- Following the precautionary principle - Measurement, follow-up and measures 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
Develop	Climate- and resource-efficient transport and packaging	 	8.4 12.4	- Measurement, follow-up and measures to minimise emissions from transport activities (Scope 3) - Goods transport by sea and rail - Decision on the exclusion of air transport. If, in exceptional circumstances, the supplier is unable to meet this requirement, we will require carbon offsetting - 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 - Pilot project aimed at increasing the fill level in boxes and containers through standard dimensions of packaging
	Traceable materials in the supply chain		12.8	- Third-party certification inspections 100% traceable down through the Responsible Down Standard (RDS) - GRS (Global Recycled Standard) labelling on much of the recycled material
	Transparent communication about our sustainability work and our products		12.6	- Continuous dialogue with internal and external stakeholders about Stadium's sustainability work - Published list of factories - Internal communication and training on Stadium's sustainability work - Sustainability Report reviewed by a third party
	Suppliers who are verified and certified based on social, environmental and ethical criteria	  	5.1 8.5 8.7 8.8 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 production at factories that, on inspection, are rated highly on social and environmental sustainability. Find out more on page 35 - Action programmes for low-rated factories
	"Good working environment, safety and well-being in the workplace" Equality, diversity and no discrimination in the workplace"	  	5.1 5.5 8.5 8.8 10.3	- Collective agreements, occupational health service and whistleblowing systems - 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 and events within the business - Audit of third parties in stores, with all four sustainability areas investigated: human rights, workers' rights, environment and anti-corruption
Basic	Fair working conditions and no child labour or forced labour in the production chain	  	5.1 8.5 8.7 8.8 12.8	- Code of Conduct for suppliers - Third-party inspections on behalf of Stadium - Greater share of production in factories that maintain a high level of social sustainability - Action programmes for factories that score low on social sustainability
	Community engagement	 	3.4 17.17	- Better Cotton - SOS Children's Villages in Bangladesh (Chattogram) - SOS Children's Villages in Finland (SOS-Lapsikylä) - Signed up to the International Accord and ILO - Goodsport - Night Football
	Responsible animal welfare		-	- This area is not associated with a specific target due to limited links with the SDGs - Clear animal welfare requirements in our Code of Conduct. Find out more on page 34
	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 - Re-use of campaign material and resource-efficient development of signage material
	Safe, non-toxic products	 	3.9 12.4	- Code of Conduct for all external suppliers - Ensuring chemical and safety standards of products 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 within child safety and personal protective equipment
	Responsible marketing, strong customer integrity, effective anti-corruption work	 	5.1 16.5	- Working with other advertisers and the Association of Swedish Advertisers for increased transparency in marketing. The aim is to increase diversity in communications, transparency in media purchases and responsibility for where purchased advertising appears - Our Code of Ethics is a common thread running through our fundamental business ethics and is included in all our governing documents

Support the Earth

This core area focuses on the environment and taking responsibility not just for our products, but for the whole production chain. Through our work to 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.

Goals:

- 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

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



Actions, targets and results

Support the Earth is the core area where we focus on achieving our environmental goals. We have developed clear strategies for protecting our planet while continuing to activate people.

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.

This is a process in which we must dare to challenge the status quo and test new solutions, both in our own production and in our partnerships. The choice of fabrics and raw materials is particularly important in our environmental work – 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 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 conditions.

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 of our activities will be crucial, but much of the work is also about collaboration and conducting dialogues on several fronts. Here are some of our targets:

- In 2020–2021 we phased 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.
- By 2022, 80% of our own production will take place in factories with a social rating of A+B.**
- By 2025, we will be using 100% sustainable materials.
- By 2025 we will have reduced our use of cotton and found other sustainable cellulose materials.
- By 2025, 80% of the products we produce ourselves will be sustainable.
- By 2025, we will use 100% water-saving dyeing methods for our own brands.

* 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 the social rating on page 35.

Some of our results for the year:

- 8% reduction in emissions from in-house production compared with the base year
- Increased amount of sustainable materials
- Additional sustainable items in our range

- Continued increase in factories with rating A+B
- Continued ban on air freight
- More renewable electricity in our own properties.

Read more about this later in this section.

Towards increased sustainability in production and transport

In 2021, we signed up to the CDP Supply Chain programme as a means to survey energy consumption in production and Tier 1. With the data we have obtained, we can better see where we face the greatest challenges, as well as gaining a better understanding of the areas in which our factories need support. Together with various partners, in 2022 we will analyse the results we have obtained and then decide where we will focus on switching to renewable electricity. Read more about this on page 37.

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 capacity in all our distribution
- Increase the proportion of dyeing processes that save on energy, water and chemicals
- Survey energy consumption and energy sources at our factories
- Switch to more renewable electricity in production
- Continue to work on circular processes in production.



Our carbon footprint

We have adopted various measures over the past year in support of our goal to halve our emissions by the year 2030.

These have included continuing the push to reduce our emissions within our own operation, more reviewing of our in-house production, continued work and dialogue with external brands and collaborating with the STICA initiative. Collecting data for Scope 3 in production has been a major task. We have performed our calculations in cooperation with STICA, using their tools, and with the help of the external sustainability agency 2050.

In 2019, 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 used for our base year have also been applied for 2020/21. We consider it likely that we will be able to use new calculation methods once we have implemented our new system support solutions such as PLM. The work of setting up PLM as a tool, both internally and externally with our suppliers, takes time and is not yet completely finished. Once it is, we will recalculate our base year.

In this report for 2020/21 we have data for Scopes 1, 2 and 3. To make our calculations, we largely use standard data, in the same way that we calculated our base year. During 2020/21, we learned a great deal about where in our production process we have the most emissions. Intensive work will also be required to transform the production process, if it is to make a difference to global warming. For Stadium, this means that in 2022 we will continue to survey our operations, conduct regular follow-ups, improve our system solutions and review our work processes. We will carry on gathering knowledge and developing our sustainability work in order to achieve the goals we have set for 2025.

STICA

We are proud members of the Swedish Textiles Initiative for Climate Action (STICA). The purpose of STICA is to support the clothing and textile industry and its stakeholders in the Nordic region to reduce greenhouse gases in line with the 1.5°C target, as set out in the

UN Framework Convention on Climate Change and the Paris Agreement. STICA's ultimate goal is to ensure that the Swedish and Nordic textile industry does more than its fair share well before 2050.

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 and 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

As part of our journey towards achieving our climate goals, in spring 2021 we decided to join the CDP organisation. Membership enables greater transparency in our supply chain and stronger collaboration with our suppliers. CDP is a global non-profit organisation that helps companies, cities, governments and regions to measure and manage their risks and opportunities concerning the climate and the environment. Through CDP's global disclosure system, suppliers can share environmental data so that their customers can follow up and accelerate their environmental work. You can read more about our collaboration with CDP on page 37.

■ Read more about the CDP on their website <https://www.CDP.net/en>

Energy & emission figures

Emissions in tonnes CO₂e

For our calculations, we have used an operational control approach and the market-based method.

The greenhouse gases included in the calculation are those that are relevant to our operations: CO₂, CH₄, N₂O and HFCs.

We have performed the calculations using the best available data, and therefore some of the figures for previous years have been updated.

To ensure that emissions are comparable year on year, we will update our base year accordingly, in line with the GHG Protocol.

Scope		Base Year 17-18	18-19	19-20	20-21	Change from Base Year
Scope 1	Direct emissions from our own operations	240	237	226	157	Base Year
Scope 2	Indirect emissions from purchased energy*	7 591	7 741	7 168	7393	-2.60% (198)
Scope 3	Fuel and energy-related activities	908			795	-12.44% (113)
	Transportation and distribution**	5 129			4 721	-7.95% (408)
	Purchased goods	187 912	-	-	172 832	-5.21% (9 798)

Fuel and energy-related activities – includes emissions from the production and distribution of all fuels and energy whose emissions are otherwise reported under Scopes 1 & 2.

Transportation and distribution – includes emissions from all transport from production out to stores and customers, but excludes customers' own travel.

Purchased goods – all purchased goods that have been delivered to Stadium. Includes emissions from raw material production, dyeing, processing and sewing of products.

* Scope 2 according to the site-based method is reported as 5 035 tonnes of CO₂e for the year 20-21.

** Emission calculations for transportation and distribution have been carried out for the financial years 18-19 and 19-20. However, these calculations lack complete and comparable data, which is why we have chosen not to report these for the sake of clarity.

Our emissions 20–21

Stores and other real estate Scope 1 and 2

We constantly review our premises, not least to optimise the use of space according to need, and thus our energy consumption. We work on an ongoing basis to cut energy consumption at our distribution centres and to reduce the amount of electricity used to light and heat our stores.

100% of the electricity that Stadium buys comes from renewable sources, making it green electricity. This electricity accounts for around 60% of our total consumption. The remaining 40% is purchased by other parties, such as the property owners from whom we rent our store premises. Our goal was to increase to 70% the proportion of green electricity in the energy contracts we do not own, by the end of the financial year 2020/21. In summing up the past year, we can confirm that 74.51% of the electricity in these contracts is green. However, we are not stopping there, and have decided that 100% of the electricity we consume will be green by 2025. We will achieve this through more of our own contracts, and by requiring that the electricity we buy from the property owners is green.

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 square metre in all our stores, enabling us to implement targeted measures in those units with the greatest consumption.

The results of the emissions calculation for the financial year 2020/21 show that emissions from our energy use have increased. Our energy consumption has decreased, but the residual mix has a different, higher value for the year of calculation, which is why the calculation shows increased emissions. We are considering various measures to tackle this in the future.

Energy targets

In 2020/21, our aim was to install submeters in 15 of our 30 stores that did not yet have meters. This has now been completed and 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 square metre.

Our long-term goals are:

- to carry out annual audits and energy-efficiency measures in the 10 stores that have the highest energy consumption per square metre.
- 100% of the electricity we consume to be green by 2025.

Transportation and distribution

Scope 3

In terms of kg, 99.99% 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 are mainly driven on HVO, a fossil-free fuel. In the summer of 2021, we entered into our most sustainable transport agreement to date with Postnord, under which all distribution from our central warehouses to the various terminals will run on fossil-free fuel from 2022.

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 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 for the Stadium Group. Where such an exception is made, we will require carbon offsetting.

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 2020/21, 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/>

The results of this year's emissions calculation show that we are reducing emissions compared with our base year, but that we need to step up our work further in order to achieve our goals. The sharp increase in online shopping is a challenge in our efforts to reduce our emissions. We are in dialogue with our carriers to find more sustainable solutions.

Purchased goods

Scope 3

For Scope 3 emissions, there has been an 8% reduction in our own production compared with our base year.

During 2020/21, we learned a great deal about where in our production process we have the most emissions. Our focus on switching to more sustainable materials is not visible enough in the results we have produced for this report and we know that the transition to more renewable electricity in production will take time.

Within the Stadium concept, we have had a major focus on sustainable materials since 2018/19, and this has yielded results in 2020/21, with a 27% decrease from our base year. Since 2019/20, we have applied an updated strategy focusing on emissions, in order to reduce emissions throughout the Stadium Group. Intensive work will also be required to transform the production process, if it is to make a difference to global warming. For Stadium, this means that in 2022 we will continue to survey our operations, conduct regular follow-ups, improve our system solutions and review our work processes. We remain optimistic about achieving our goals by 2025.



Our responsibility

We have a responsibility to ensure that the materials we use are produced in ways that minimise the impact on the environment, people and animals. We will achieve our sustainability goals through our own development work, industry collaborations and certifications.

Sustainable materials

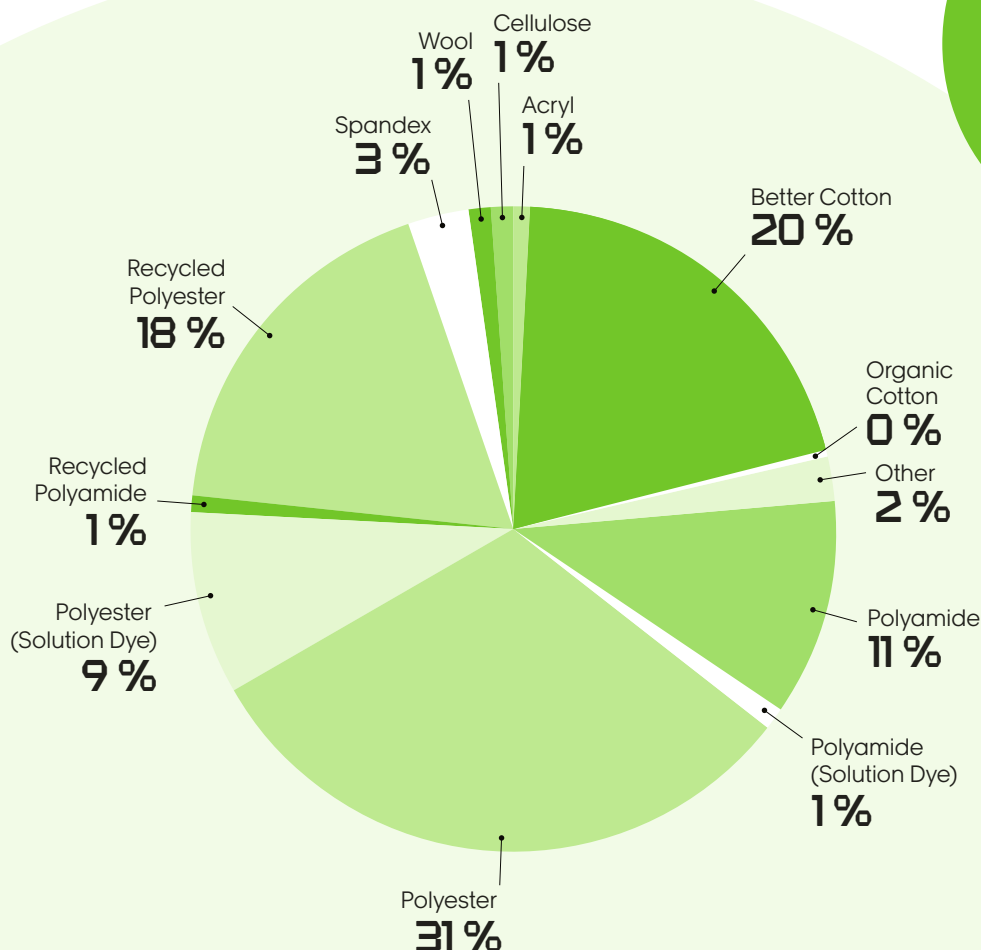
In our work to switch to even more sustainable materials, with the goal of achieving 100% sustainable materials for textile products by 2025, we have begun to monitor developments even more closely than before. The main materials used in our own production and textile products are cotton and polyester – this is where our large volumes are, and where we have also placed an extra focus on change. Since 2017, we have only used 100% sustainable cotton, with the majority sourced via the Better Cotton (read more

on the next page of the report). Our biggest challenge right now is to reduce the use of virgin polyester and instead increase the proportion of recycled polyester. We are also continuing our work on high quality standards for our products, so that they last a long time.

The diagram below shows all the different materials we have worked with during 2020/21, as well as the proportions by weight and volume.

Around 50% of our products for 2020/21 are made from materials that are more

sustainable. In 2022, we need to make even greater advances in the use of more sustainable materials and of water-saving dyeing methods, so that products sent out to customers in 2023 will have lower CO₂ emissions. We know that our 2025 target is tough and that achieving it will require even more cooperation with our suppliers and work with a range of circular initiatives.



Goals:
100%
sustainable materials
for textile products
by 2025

Smart dyeing saves water

To minimise our 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 2020/21 seasons was dyed using this technique, saving almost 11 227 686 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. 65% 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 10 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, SOC, Race Marine 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 the Solution Dye technique compared to traditional dyeing:

Water	80%
Energy	60%
Carbon	60%
Chemicals	6 %

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 to the left 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.

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, but we also need to find other solutions based on new circular developments. Being able to trace where the raw material comes from will be crucial in the future, and increased transparency in the supply chain is something we will be focusing on more in 2022.

We have used a total of 12 284 460 PET bottles to produce new materials for 2020/21. 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.



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.



Better Cotton

The Better Cotton 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, Better Cotton advocates measurable, ongoing improvements for the environment, growing communities and the economy in cotton-producing regions.

Since 2017/18, we have committed to use 100% sustainable cotton. Sustainable cotton covers Better Cotton, organic cotton, recycled cotton and other eco-certified cotton alternatives.



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 Better Cotton 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. 48.6% of our in-house brands were more sustainably manufactured in 2020/21, up almost five percentage points compared with the previous year. If we only count the sustainable products in the textile range, the proportion is 85%.

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 17). 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 saw us add Stadium's new Sustainability label, a white heart on a green background, to our website. 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 Heart.

Sustainable products among our own brands

(Previous year in brackets)

SOC	58.8% (51.9%)
Everest	36.1% (28.8%)

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

48.6%
(43.8%)



Quality and safety



Child safety

When it comes to our younger customers, who are active for most of the day, we have a great responsibility to ensure a constant focus on their safety. We do this by training our

developers of child safety products, as well as examining where we need extra certification and risk assessments to make decisions about what can be classed as a toy and what is primarily used as sports equipment. We participate in standardisation work within child safety.

We have acquired new testing equipment so that we can test in a standardised way that removable hoods release from outer garments at a specific load.

Qarma

We have invested in a quality inspection tool that makes it possible to see products and inspection results in visual form before the products are shipped. This has created a relationship with the auditors, who can report snapshot reviews from the factory. We can follow up the areas that require future improvement and act immediately so that errors can be rectified before shipping.

Refurbishing

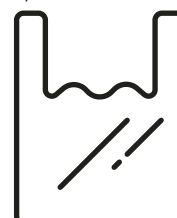
In 2020/21 we refurbished 116 398 products for various reasons, primarily mould, moisture, odour, sewing errors and stains. This is done locally in Norrköping near our distribution centres. By taking the products that are deemed to be non-saleable in their existing condition and processing them in this way, we have made 116 398 products saleable and no products have had to be discarded. Individual products with aesthetic defects are donated to Human Bridge.

Microplastics

We test fleece grades for fibre release, so that we can choose the best alternative and minimise plastic emissions in the use phase.

Plastic bags

Since July 2017, Stadium has charged for plastic bags in the stores. All the profit 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.





In 2020/21
35 304
Fairtrade balls were
purchased for Stadium's
stores



Plastic bottles

All our own plastic bottles are made of bioplastic, manufactured using a renewable raw material based on sugar cane waste products instead of oil. Bioplastic bottles look and feel just like ordinary sports bottles, but have a lower impact on our planet in terms of CO₂ emissions. Wind and hydro power are used in the manufacture of our plastic bottles, to avoid negative environmental impacts as far as possible.

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



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. 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. About 80% of our volumes come from only 5–8 brands, and all of these brands have clear sustainability targets and ambitious emission targets.

Some of the brands we have worked with for a long time have also been highlighted in our campaigns and social media.

Chemicals

Stadium follows the tough restrictions in the EU's chemicals regulation REACH. In 2015, we drew up 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 certain substances that are a major challenge to remove from the production process and that 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. Since 2020, we have only sold fluoro-free ski wax in all our sales channels.

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

Our circular processes

Recycling

Stadium is collaborating with Siptex and Sysav to establish a future textile flow for the circular developments we need in order to produce new materials. In our view, old textiles that cannot be re-used are potential new raw materials that can help to reduce the impact on our planet. We have placed an extra focus on polyester because we use many functional materials in our own production of sportswear.

Synthetic material development and innovation is slowly moving forward, but replacing virgin raw materials with recycled materials will be crucial if we are to meet our targets for cutting emissions. Using old PET bottles cannot be the only solution going forward, so we are working on finding innovative new technologies and collaborating with different companies to make advances.

In 2020/21, Stadium was involved in the Smart Loops project, which is run by IVL Swedish Environmental Research Institute together with several other industries and organisations. In the project, we investigated whether it might be viable to recycle even small volumes of plastic and textiles through so-called loops.

We are now seeing new opportunities for circular developments and are investigating opportunities to run a pilot project in 2022 with the aim of increasing plastic recycling.

Read more at <https://www.ivl.se/vart-erbjudande/forskning/cirkulara-floden/smarta-loopar-for-atervinning-av-plast-och-textil.html>

New technology for textile sorting

A world-first textile sorting process at Sysav's Siptex facility in Malmö turns the textiles into a circular Swedish raw material for the next step in the value chain. Textile recycling is growing strongly, but there have been no options for mixed textile waste to become new fabric again. The Siptex sorting facility in Malmö is now changing all that, building on Swedish research.

Sysav is the first recycling company in the world to have a facility for automated textile sorting on an industrial scale. Textiles received at the Siptex facility are sorted by fibre type and colour and can be sent off for high-quality recycling, allowing discarded textiles to become new textiles once more.

Discarded textiles become circular product

Using near-infrared light, the plant sorts mixed textile waste and produces textile bales of precise fibre composition. The bales can proceed to various forms of high-quality recycling, both chemical and mechanical. The resulting product is called ReFab® (Renewable Fabulous Fabrics) – a circular Swedish raw material for the next step in the value chain.

About Siptex

Siptex stands for "Swedish innovation platform for textile sorting". The sorting plant in Malmö is owned and operated by Sysav. The research project is being led by IVL Swedish Environmental Research Institute with the support of Vinnova, and

is being carried out together with Swedish textile and fashion companies, research institutes and authorities, including Stadium, H&M, IKEA, Kappahl, the Swedish Environmental Protection Agency, Re:newcell and Myrorna.

Read more about Siptex at <https://www.sysav.se/siptex>

Human Bridge has been a partner in the Siptex project since the first phase was initiated a number of years ago. The goal is to be able to mechanically sort fractions of different compositions, but first everything needs to be roughly sorted to separate re-usable textiles from materials for recycling. Human Bridge is now planning to start such a facility as soon as possible, which we see as a necessary step in being able to contribute to the development of sustainable textile processing in Sweden.

Read more about Human Bridge on page 44



stadium®



TRADERA™

Circular consumption is a way to reduce the climate impact while at the same time paving the way for more people to get active. By giving new life to sports gear and sports fashion, together we can inspire exercise that is sustainable for the planet and the wallet. In spring 2021, all our members were given double exposure of their ads on Tradera in the categories Sports & Leisure and Children's shoes, since they were displayed on both tradera.com and stadium.se.

We are now working with Tradera to repeat this for our members.

Re:activate

Don't throw your sports gear away

Through Human Bridge and the re:activate initiative in our stores, we seek to breathe new life into products that our customers no longer need. We welcome all sports products and clothing, however worn out or broken, and gift them to those in need. Anyone can deposit the sports products they no longer have a use for into the collection boxes that can be found in all of Stadium's stores. This way, we can give someone a chance for a better life while at the same time helping to save the planet's resources. All the collected material is sent for re-use or recycling.

re:activate has collected more than 150 000 jackets, sneakers and football shoes for those in need in countries such as Iraq, Romania, Ukraine and Moldova.

Read more about Human Bridge's work on page 44



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. In the autumn of 2020, we followed up the initiative and found

that interest was lower than expected. However, we see potential for the concept and are learning from the trial period, including with regard to availability, as we only offered tents and rucksacks to rent in two stores, and not on our website. The trial period also ran during the first year of the pandemic, which internally required changes to behaviours and working practices that took up a great deal of energy. We are taking the lessons learned

with us so that we can further develop the concept and encourage more sustainable consumption.

In addition to the rental service via Outdoor, autumn 2020 saw us acquire a small rental business for ski equipment in central Åre.

We have a great interest in circular processes and want to continue to develop in this area.

Circular thinking

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 re-used or recycled. We try, as far as possible, to use eco-friendlier production

processes and transport options along the whole chain.

An important element of reducing emissions is, of course, also to extend the product's service life. We advise our customers on how to care for their products to ensure they last a long time, such as how and how often to launder them and how to reproof them. We only approve products in laundry, shoe care and waterproofing that are environmentally friendly and free from PFAS.

We are also a proud partner of Repamera, Sweden's nationwide online tailors. Members of Stadium have a discount on repairs to jackets and outerwear garments at Repamera, which perform all types of repairs and size adjustments.

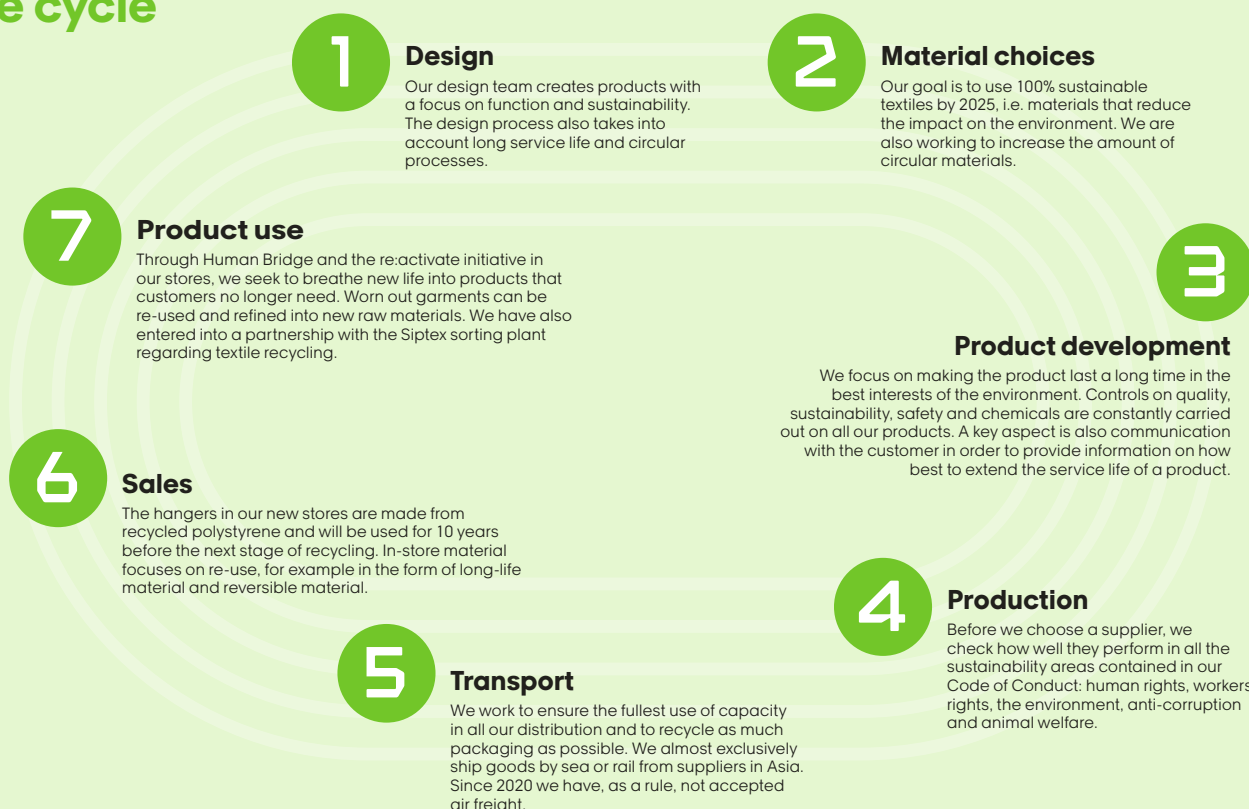
Find out more at www.repamera.se

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

A product's life cycle



Responsible production

Stadium in the world

With stores in three countries and production in 17, 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.

Our offices

Sweden

Norrköping
Stockholm (Solna)

Finland

Helsinki

Number of physical stores

Sweden

Stadium	85
Stadium Outlet	47
Sneakers Point	5

Total: 137

Finland

Stadium	32
Stadium Outlet	13

Total: 45

Norway

Stadium Outlet	2
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Total: 2

Totalt antal butiker: 184*

* Changes 20-21:
Stadium Sweden closed 6 stores and opened 2 stores. Stadium Outlet closed 1 store and opened 5 stores. Sneakers Point opened 1 store. In August 2021, Sneakers Point closed 1 store, but the agreement for the store runs until September 2021, which is why the store is reported as one of five stores in the 2020/21 financial year. Stadium Finland opened 1 store. There was no change for Stadium Outlet Finland. There was also no change for Stadium Outlet Norway.

Stadium Group No. of factories

155 (154) factories in 17 (21) countries
(Previous year in brackets)

Production country	No. of factories 20-21	No. of factories 19-20
Bangladesh	9	10
Bulgaria		1
Cambodia	1	2
China	103	100
Finland	1	1
Indonesia	11	9
Italy	4	5
Lithuania	2	2
Myanmar	1	2
Norway		1
Pakistan	3	3
Polen	2	1
Portugal		1
Slovenia	1	1
Spain	1	1
Sweden	3	2
Taiwan	2	2
Thailand	1	1
Turkey	3	2
Vietnam	7	7

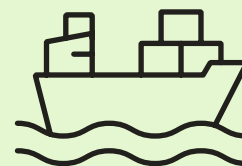
Total: 155 154

re:activate and Human Bridge initiatives

Iraq
Romania
Ukraine
Moldova

Social engagement

SOS Children's Villages
Bangladesh
SOS Children's Villages
Finland



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

Our ambition is for our products to be socially, environmentally and ethically sustainable. This requires clear guidelines and close collaboration. To achieve our sustainability targets, we demand high standards from ourselves and from our suppliers.

Collaboration and transparency

We consider transparency to be the foundation of responsible and sustainable business. 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. Industry collaborations give 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 almost two million workers in Bangladesh. The initiative focuses on workplace safety and the freedom for employees to raise shortcomings in their working environment. In September 2021, we entered into a two-year agreement, The International Accord, which, as well as continuing to support the work in Bangladesh, will also investigate the possibility of including another production market with a need for development in the field of health and safety for textile workers.

The factories we were actively involved with in Bangladesh over the year met 99%

of their action plans and were covered by 16 inspections.

■ *Read more about Accord here:*
<https://internationalaccord.org/>

Transparency is also integral to our process of factory evaluation. In 2017, we began working with ELEVATE, a global supplier with expertise in sustainable supply chains and a strong focus on transparency. Factory evaluation places great emphasis on being able to verify that, for example, documentation and information from employers and employees tell the same story. Where we are denied access to relevant information, the lowest rating is given, as non-transparency is one of our zero tolerances.

Challenges during the year

COVID-19

The global crisis caused by the pandemic has both shaken us up and touched us deeply. When a whole world is affected, the consequences are enormous, all the way down to the individual worker and their family. We made a decision early on to protect our suppliers and their employees by sticking to our commitments and thereby helping to maintain their liquidity – which we have also been able to continue with this year.

Also, not burdening our suppliers with drastic changes or cutbacks has been a strategy in the same spirit, made possible by the fact that we as a company have ridden out the pandemic relatively well. Despite a downturn in the initial phase of the crisis, we were not afraid to stick

to our vision and long-term strategies, which enabled us to deal with the new conditions. We have been able to maintain relationships with our suppliers, customers and employees, meaning that we are moving forward in a stronger position, despite the circumstances.

We continue to 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

Container shortage

The pandemic brought about a container shortage, which in turn reduced the suppliers' ability to deliver goods on time, resulting in long payment intervals. We have handled these delays in dialogue with each affected supplier in a flexible way, with a focus on our corporate social responsibility.

Myanmar

The situation in the country since the military coup in February 2021 has been both violent and uncertain. We have been able to maintain a very close dialogue about the situation with the factory that manufactures for us in Myanmar. Here too, through continued production and flexible payment terms, we have safeguarded our supplier's ability to keep paying its workers.

We made a decision early on to protect our suppliers and their employees

Risks in our production chain

Some of our production takes place in developing countries, and we intend to continue with this. Increased trade allows us to help create jobs, thereby raising living standards and improving social security. The sustainability requirements we place on our partners can contribute to both increased equality within the countries and equalisation of differences between countries.

Some of the countries in which we operate are considered high risk areas, which means there is a risk of breaches

to human rights and workers' rights, plus the occurrence of child labour and forced labour.

Pakistan, Myanmar and Bangladesh are among the countries that, according to our assessment, have an elevated risk. The risks are lower with regard to our immediate suppliers, but tend to increase further down the supply chain.

Cotton production in China, India and Uzbekistan, for example, also poses a risk. Since cotton production has a very high environmental impact, we aim to gradually reduce our use of cotton and replace it with more sustainable cellulose materials.

Corruption poses a further risk in our supply chain. In this context, corruption

can lead to the wrong choice of suppliers and subcontractors, and affect quality and product safety. In order to clarify the conditions for everyone we work with, alongside our Code of Conduct we have a Code of Business Ethics that applies both internally and externally.

Our focus on transparency in our dialogue with and follow-up of our suppliers helps to reduce our risks. By making more conscious and traceable choices, we also reduce the risk of raw materials coming from sources where human rights are not respected.



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. Our survey of material suppliers is under way, and we will be repeating the way that we consolidated the business down to a smaller number of product suppliers, this time at the material supplier level, in order to improve our level of influence and the chances of achieving our goals.

One of the initiatives is the reporting done through the CDP, which lets us see our active factories' own ambitions to reduce their emissions, not to mention their ability to switch to renewable electricity, a crucial aspect of reducing emissions in production.

It is pleasing to note that several suppliers have already begun to invest in renewable electricity for their factories, and we are also humbled by the knowledge that considerable commitment will be required going forward. We are therefore focusing on an in-depth dialogue aimed at engaging our suppliers in these issues and taking our shared responsibility for sustainable production.

Erik Moberg

Production Manager

Long-term business relationships

We want our customers to see us as a sustainable business. We have high ambitions in this area and want to take on our responsibility.

We are therefore continuing our long-term work to ensure that the suppliers who perform well and improve their sustainability also have a business that grows with us. We evaluate our suppliers from a product and business perspective, along with 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 and proactive improvements at their level – just as we do within our own organisation.

We have built up long-term relationships with the suppliers from whom we buy most of our products. Of our 81 active suppliers, we have been collaborating with 33 of them for over 10 years and 15 of them for over 20 years. Not least during the pandemic, we have seen just how valuable these relationships can be, enabling us to support each other in challenging times and help each other out, with mutual respect and determination.

In a production context, Stadium is a relatively small player and thus risks having limited influence. In order to achieve a stronger position and increase our ability to push for more sustainable production, we are investing in close partnerships with a limited number of suppliers. Concentrating on a smaller number of suppliers gives us more influence and a greater degree of impact.

In terms of value, 20 of our biggest suppliers accounted for 73% of our purchasing in 2020/21.

The scope of the business relationship should reflect the level of sustainability, compliance and overall performance, and how, through proactive choices, the supplier demonstrates a willingness and ability to develop and improve.



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 Code of Conduct

All the manufacturers that we work with, including external brands, must follow the guidelines in our 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.

Inspection, evaluation and improvement programme

This year we had three ongoing improvement programmes supported by ELEVATE. We asked representatives of ELEVATE and one of the suppliers to give their view of the project.

With ELEVATE as our partner, in 2020/21 Stadium conducted 53 on-site inspections and reviews of our suppliers' production units, which is less than normal due to the pandemic.

An inspection could be described as an audit or verification of a company's ability to follow our Code of Conduct. We consider transparency to be the foundation of a responsible and sustainable business relationship. In practice, this means that if we are denied access to relevant information or the ability to verify information, the production will not pass the inspection.

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 aim is to ensure development and improvement, and to establish the supplier's willingness and capacity to effect such change. The purpose of the action plans is to ensure that our suppliers take a proactive approach, guaranteeing human rights, workers' rights and environmental protection, plus the absence of any forced or child labour, 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.

Most factories can manage their action plan and development on their own, with follow-up from Stadium's own staff. Our continued ambition is, however, to give suppliers who do not develop in the right direction an opportunity to join an improvement programme and receive external support. ELEVATE provides assistance 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. Having ELEVATE as a partner keeps us updated on developments in the industry, while our suppliers receive support locally if required.

Rating suppliers

As of 2021, we have three suppliers in action programmes. Due to the pandemic, we have not been able to conduct a final audit at all the factories, but one of them has been raised in our rating system from D to B following completion of the programme and a follow-up audit after six months. This rating system, which assigns a grade from A to D, where A is the highest, is our method of assessing our suppliers' compliance with our 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 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.

A D grade 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 rated factories.

74% of current production takes place in factories rated A and B, up 10 percentage points on the previous year. Our target or 2022 is to reach at least 80%.



Ian Spaulding, you are CEO of ELEVATE. Can you describe what an improvement project usually looks like?

– The Factory Service project is a long-term initiative that includes expansion of capacity, training, consultation and KPI reporting. The initiative can be described as a step

between an internal initiative and more concrete, instructive factory training. ELEVATE will operate on site and help to improve communication between factory and customer. This keeps stakeholders updated on the project, enables transparency and ensures that the results are shared openly.

In the project, we apply the method we call "beyond audit" to support the factory through close cooperation and a guiding strategy. ELEVATE's consulting team provides professional support, tools, on-site visits, consultation and remote support during the agreed project period.

What has been the focus of Stadium's improvement project?

– We have used an efficient and targeted approach focusing on six aspects: workforce management, production, quality, cost, EHS, and management mindset and commitment. The aim was to identify the major deficiencies in factory performance beyond pure compliance, and to provide tools and knowledge to create sustainable changes.

The programme in brief

- In connection with Stadium's project, ELEVATE's consultants carried out a programme for capacity expansion, with 22 staff days in 3 factories (Bangladesh and China) between June 2019 and August 2020.
- A total of 126 action points were identified from a management system perspective. 119 (94 percent) of these had been addressed by the time the programme was concluded.



Kevin Luo, you are CSR Manager and Vice General Manager at a supplier who has gone through a programme. Can you describe the focus of the programme and what has been achieved?

– We have introduced a better attendance management system and have also improved our system for the payment of overtime pay. The new system can track pay gaps and perform analyses, making it easier to set targets to gradually reduce gaps.

We have also set up a better system for managing working hours and improved our efficiency with the help of new technology. For example, sewing efficiency has been improved by 20% since upgrading the traditional production line to a suspended system.

Did the programme meet your expectations?

– Having invested in our development, we are pleased to say that the programme was very professionally implemented and we can now see its benefits.

In addition to improving our HR system, we have also gained a greater understanding of compliance requirements. Our team is developing and is able to set more reasonable targets to improve both operational and compliance goals.

Supplier review process

Production units	Total no. factories & inspections	
	20-21	19-20
Active units	155	154
Valid third-party certification*	12	15
Inspections on behalf of Stadium	53	61
Factories rejected following inspection**	1	2
Lack of transparency	8	12
Corrective action plans (CAP)	42	61

* SA 8000 and WRAP GOLD/PLATINUM.

** We have chosen not to enter into business relations with this factory 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, business agreements with terms and conditions that include the above codes

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 2020/21 we placed orders with 13 new factories, six of which are through new suppliers to us. 100% of these factories have been evaluated using the process described above. The number of active suppliers and markets changes slightly from season to season depending on the range.

Inspections and follow-up

53 inspections were conducted on behalf of Stadium in 2020/21. Following inspection, one potential new factory was not approved for business, as their standard was too low and our scope for influence too small. No factory relationship (0%) has been terminated due to failed inspection. Of the 42 CAPs drawn up, 37 (88%) were to do with social aspects (the most common being insurance and overtime pay), while five (12%) related to environmental concerns. 20% 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.

Environmental work in our supply chain



As part of our journey towards achieving our climate goals, in spring 2021 we decided to join the CDP organisation. Membership enables greater transparency in our supply chain and stronger collaboration with our suppliers.

CDP is a global non-profit organisation that annually supports thousands of companies, cities, governments and regions in measuring and managing their risks and opportunities related to climate change, water security and deforestation.

The organisation has developed a global environmental reporting system where suppliers can share environmental data, thereby contributing to transparency in the supply chain and enabling their customers to follow up and accelerate their environmental work.

Read more about CDP:
<https://www.CDP.net/en/supply-chain>

It will be crucial that we work closely with our suppliers and establish a commitment to reduce our emissions. At the beginning of 2021, we invited our strategically most important suppliers to a webinar with CDP Supply Chain.

During our first year with CDP, we have primarily focused on our Tier 1 suppliers and those who are also active in our

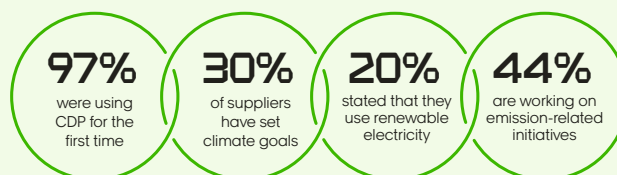
systems. Response rates have been relatively high and CDP's system has proven to be a quick way for us to gain an idea of our suppliers' work on energy and emissions. We invited 84 suppliers to participate in our digital meeting, and they then received their own log-in for CDP's platform.

Through our work with CDP, our suppliers are invited to a platform where they can log in and answer questions free of charge. The platform is available in a full version and a minimum version. Almost everyone has used the minimum level so far, but it still gives us a fairly good idea of where the suppliers are and what level of knowledge they have on these issues, and what their challenges are. We are focusing on three major areas: whether they have set their own goals and strategies, whether they are

already part of a programme to save energy and whether they currently use renewable electricity. We have also set up digital meetings with many of our suppliers to give them the right support and to establish a consensus on energy and emission issues. It has been very important for us to create engagement and explain more about our goals for 2025, while at the same time trying to understand where the suppliers' challenges lie in setting their own sustainability targets and converting to more renewable electricity in production. Close cooperation has been crucial here. As we move forward in 2022, we will engage our suppliers even more and encourage them to complete the full version, as well as also beginning to add Tier 2 suppliers.

CDP Supply Chain results

The response rate from the suppliers was 79%. Among the respondents, the results show that:



Transport and packaging

In autumn 2021, we will go live with our pilot project together with BillerudKorsnäs, a producer of packaging materials that wants to challenge conventional packaging for a more sustainable future. The project aims to increase the fill rate in boxes and containers through standard dimensions of packaging, adapted to the dimensions of the containers and our volumes, as well as the right grade of corrugated board. This would allow the same volume of products to be transported in fewer containers. If the project is successful, we will work to ensure that more of our suppliers use the same set of packaging in standard dimensions and thus reduce the number of shipments.

Daniel Johansson
 Supply Chain Director

Activate the World

This core area is about how we work to increase our positive impact on people's health. We implement this by following our vision and expressing it through community engagement and partnership in the fields of fitness, health and well-being.



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. For us, it is important that an active lifestyle is accessible to everyone, which is why gender equality and equal opportunities are two important cornerstones of our work.

We constantly follow our vision, driven by our passion for an active life and in close cooperation with our partners. The vision also has a tangible link to several of the UN's SDGs, particularly Goal 3: Good health and well-being.

Goals:

- To counteract a sedentary lifestyle and improve health and well-being
- To create the right conditions for equality in sport
- To promote everybody's equal right to an active lifestyle, whatever their background and circumstances

In this section you can read about how we approach these issues and about our exciting initiatives.



Our own initiatives and partnerships are getting the world moving!

Our vision to activate the world has been our guiding principle from the very beginning in 1987. We have repeatedly shown that people are activated through our initiatives, and we conclude this financial year in the same way as in previous years: with pride in what we have achieved. This section presents a summary of what we have done over the past year to get the world moving.

Through our own initiatives and partnerships, we are helping to get everyone active.

Patrizia Nilsson
Sports Marketing Manager

Our own initiatives



Stadium Sports Camp is Stadium's largest social sustainability project.

It is run as a special limited company (known as an SVB company in Sweden), which means that any profit is shared with the camp's partner clubs. Since its inception in 1995, the camp has activated almost 120,000 participants aged between 7 and 15 from all over the country and has distributed more than SEK 65 million to the partner clubs through its operations.

The organisation works actively to get children and young people involved, 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. In addition, since 2004 we have been working closely with the Friends Foundation, which means, among other things, that all leaders at the camp receive training in combating exclusion and bullying and promoting equal opportunities for everyone in sport.

Following the camp's cancellation in 2020 due to the pandemic, operations were adapted in 2021 and the overnight accommodation element was removed. Nearly 1 700 youngsters took part in three camp weeks at Himmelstalundsfältet and Stadium Arena in Norrköping, with almost 10% of the places donated through various sponsors and partners. Stadium's partner AIK Fotboll joined forces with Nike to contribute 55 places by donating the surplus after the sale of the football club's pre-season shirts.



An active fundraiser

We believe that an active lifestyle is a democratic right, and our vision has been to activate the world ever since we started in 1987. The Stadium Group therefore launched a fundraising foundation to support activities, projects, assignments and/or partnerships that are consistent with our vision.

Commitment

The Stadium Foundation's goal is to promote an active and healthy life for as many people as possible, for example by handing out grants on its own initiative or in response to applications. The foundation offers particular support for initiatives aimed at helping children and young people.

Read more about how we embody our vision internally on page 50



2 out of 10

children meet the recommended daily amount of activity



Running Week

In Sweden, we are seeing a trend for sedentary lifestyles that not only affect our physical health, but also our brains. This applies not least to our children and young people – only 2 out of 10 children achieve the recommended daily amount of activity, and we want to change this. In spring 2021, we therefore joined with 17 of our partners to make a difference by organising Running Week (Löparveckan). For one week, we mobilised Sweden to take part in sponsored runs, raising money to activate children and young people whatever their circumstances. Together we achieved our set target and so Stadium is gifting selected young people a place at Stadium Sports Camp 2022.

The Activity bag

We want more people, especially children, to live more active lives. To encourage this, since 2005 Stadium has distributed activity bags to around 4 200 schools in Sweden that have at least one first-grade class. The bag contains everything from balls to skipping ropes and cones to encourage more physical play at school – only the children's imagination sets the limits. The purpose of the activity bag is to inspire more activity in school, beyond the timetabled PE lessons. Many children are involved in sports activities outside of school, but not all. We know that good habits are established early in life and, through the activity bag, we want to help with the first step towards an active and healthy lifestyle.

Due to the pandemic, we were unable to hand out our activity bag in autumn 2020, but we are back again 2021!

In September 2021, we distributed a total of

1 974
activity bags!



Club collaborations

The deep level of commitment that exists in the sports clubs of Sweden and Finland has a major impact on getting children and young people to be more active. We have spoken to two of our partners about how they work to prevent a sedentary lifestyle, with equal opportunities for everyone. Be inspired by these good examples, get involved and be part of the drive to get children and young moving more!



Club:
IF Brommapojkarna
Name:
Stina Jansson
Position:
Marketing Manager

Tell us about your club!

IF Brommapojkarna (BP) is Europe's largest football club, with more than 4 000 active players from age 5 up and about 700 volunteer leaders.

How do you promote gender equality in sport?

BP has been working on the equality issue at a strategic level since 2017. The club's work rests on three pillars: training in norms and gender equality, equal resource allocation and advocacy in the wider world.

Over the past two years, we have developed a strategy for ensuring that

equal resources are allocated and that everyone is given the same conditions and opportunities to develop, play football and enjoy the club.

The strategy includes the following points:

- Free feminine hygiene products for all girls in the club
- Equal pay for all paid main coaches, regardless of which gender they coach. Experience, training, etc. will determine pay
- All sponsorship money is allocated equally (per head)
- Training plan for leaders and players in the club

What do you do to allow everyone to participate in your club?

We run Mötesplats Västerort, which works to provide children and young people with an active and valuable leisure time. Night Football is one of our largest activities, with around 130 participants

welcoming club at every level up to elite, for women and men, girls and boys, with parahandball and now also wheelchair handball – a new addition in 2020.

We train our players and our leaders in relevant topics in order to improve knowledge and understanding. We believe this provides a sound foundation for creating a pleasant environment where everyone feels welcome and wants to continue to grow.

Not long ago, a mother told me that her daughter had trouble making friends in and out of school, but at handball training she could join in and just be herself. This is exactly how we want everyone to feel.

One of your main areas is integration. How do you approach that?

We are working on several integration projects, including "Arenas that unite". This year, within the framework of this project, we joined up with Skanska, high school students on the construction programme and handball players to

per weekend. Younger participants who are keen to train or play in a team will have the opportunity to do so via open training sessions. We have also launched a support fund from which less well-off families can apply for grants in order to participate in the club's activities. Together with our partners, we offer subsidised rates for football courses and football school for residents of Stockholm's outer suburbs.

"BP gives me a safe environment and the opportunity to do what my friends do."

– One of the participants funded by the Foundation

"You've no idea how much you're helping this boy. If you're a kid with problems at home, an environment with safe adult role models is incredibly important in keeping them on track and improving their mental health."

– Social Services



Club:
IK Sävehof
Name:
Anette Tingets
Position:
Head of CSR

Tell us about your club!

IK Sävehof is the world's largest handball club, with 1 500 active young people and over 260 leaders. Sävehof works on three main areas: health and activity, inclusion, and integration. Gender equality permeates the whole business, and at present the club has 52% girls and 48% boys.

What do you do to allow everyone to participate in your club?

IK Sävehof's mission is to increase interest in handball and activity, and to nurture good citizens. We strive to be a

launch an initiative aimed at making sport accessible to more people. Skanska and the construction students will be building a storage unit at the school and the handball players will collect donated women's and men's shoes. The storage unit will house shoes that can be used for sports classes – so everyone can get properly active!

We also spend a lot of time at schools, talking about our club. Of course staying active benefits our physical health, but it is also good for the sense of community and belonging that it provides. In addition, we hold beginners' handball classes where we use simple words and body language to include those who don't speak Swedish.

Classic races on new track



Summer Week became Hemmavasan in 2021

Due to the pandemic, the usual Summer Week could not be held in the Vasaloppet arena. The event was therefore switched to Hemmavasan in 2021. Between 3 July and 22 August, participants could complete the Hemmavasan race locally by running and/or cycling any day and anywhere.

Almost 10 000 people took part, together cycling and running a total of 11 times around the world. Stadium helped to spread the message about the event and inspire people to live an active life.



Digital Vasaloppet evening in Torsby Ski Tunne

When we were unable to invite people to our physical Vasaloppet evenings, we had to think again. In a normal year we would invite people to physical meetings in store, but this year we held a digital Vasaloppet evening in Torsby Ski Tunnel.

Stadium held the evening in partnership with Vasaloppet and selected suppliers. The event was streamed via Vasaloppet. TV throughout Sweden and the Nordic region, with the broadcast featuring product tips, inspiration and a thrilling skiing competition. The event attracted around 8 500 viewers.

Digital Midnattsloppet

No. of participants:
5 873

Held on
14-29 August 2021

Digital Midnattsloppet is a digital run that replaced the physical Midnattsloppet, a night-time event, due to pandemic restrictions. Participants ran their race whenever they wanted within the set window and the results were recorded in the Midnattsloppet app. In the app, runners could listen to an audio file of the unique atmosphere, complete with the start ceremony, audience cheers and kilometre markers that runners would normally experience during the physical Midnattsloppet.

Midnattsloppet offers 5 km and 10 km races, two children's races in the form of the Lilla Midnattsloppet and Minimil race, and the Glada Midnattsloppet race adapted for people with disabilities. Glada Midnattsloppet increased significantly in 2021, as the concept of "taking the race to the participant" suited this target group particularly well.

Stadium contributed by presenting T-shirts and medals to the participants in our stores all across Sweden.

Stadium has been collaborating with Midnattsloppet since 2008.



No. of participants:
4 500

Naisten Kymppi August 2021

Naisten Kymppi is a 10 km run for women that winds around the centre of Helsinki. The focus is on running for fun and community.

Stadium was on hand with a pop-up store and an inspiring energy station along the route, where we cheered on the runners on the final three kilometres.

We have been a proud partner of Naisten Kymppi since 2017.



Vasaloppet winter 2021 (Vasaåket)

Vasaloppet was forced to adapt for winter 2021. Instead of mass starts and a specific race every day, there were more days for skiers to choose from.

Anyone who wanted to could book a place on the starting line for Vasaåket on their day of choice between Friday 12 February and Sunday 7 March. There were four distances to choose from: 10, 30, 45 and 90 km. The number of registered participants came in at 21 212.

Stadium was on hand with a customised store in central Mora to help and inspire the skiers as they headed to the Vasaloppet Arena to complete the Vasaåket race.

Collaborations that make a difference

Making a major impact is best done together. When we are able to complement each other's skills, strengths and specialist areas, initiatives emerge that inspire and enable an active life.

We seek out long-term partnerships in which, as a team, we help each other to continue activating the world and promoting equality in sport, giving everyone, regardless of their background and circumstances, the opportunity to enjoy a life in motion.

When we enter into new partnerships, gender equality and equal opportunities

are two crucial areas. We investigate how the potential partner is currently tackling these areas and how they plan to work in the future. From a gender equality perspective, for example, we might ask whether the activity is available to both genders, or whether the under-represented gender is given more opportunity to take part. Gender

equality and equal opportunities are areas where we maintain a continuous dialogue with our partners in order to monitor progress. We can also provide support when needed, which actively contributes to our goals. Examples of how we can help include support with project planning, acting as a sounding board on issues relating to equality and diversity, using Stadium's contact network and connecting players who can help each other, contributing to mutual learning and providing financial support.

These two pages present some of the partnerships that Stadium is currently involved in.



Human Bridge is a Swedish aid organisation that focuses 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 refurbished 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. The pandemic disrupted Human Bridge's work, since most countries were shut down. Aid work was able to resume in autumn 20, and the countries to which Stadium contributed material in 20/21 included Iraq, Romania, Ukraine and Moldova.

In spring 21, Uppdrag Granskning broadcast a report on the extensive thefts that textile collecting operators have been suffering. Human Bridge collects large volumes of textiles, and even though the thefts are regrettable, they constitute a tiny proportion of the total volume.

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 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 sports equipment from Stadium, giving children and young people a welcome distraction from their tough lives.



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 2 000 schools registered at www.pepskola.se.

Goodsport Foundation

Goodsport is a public, politically independent, non-profit foundation that uses sport as a tool to promote greater integration through community projects. The foundation runs its own projects and has supported the creation of many successful initiatives. Night Football is a project run by Goodsport that aims to increase the physical activity and social circle of young people aged 13–25. Through Night Football, Goodsport prevents and combats exclusion, criminality and mental ill-health by offering a meaningful sense of community in a safe environment with active and responsible leadership. Night Football is currently available in around 60 areas of Sweden. One of the positive results is that the number of reported crimes fell by 46% in Hageby in

Norrköping on the evenings when Night Football was running, according to police statistics for 2016.

Goodsport also runs Skolträffen, which aims to combat prejudice, exclusion and segregation. Skolträffen brings together children and young people aged 10–14 from different areas and different backgrounds in terms of culture and socioeconomic conditions. 40% of the young people who take part in the Skolträffen get-togethers stay in touch afterwards.

In addition, Goodsport runs a mentoring programme that connects leaders from Night Football with mentors from industry, the public sector and the voluntary sector. The purpose of the mentoring programme is to offer the leaders an opportunity for personal development and an extended network to strengthen their position in the labour market.

SOS Children's Villages Bangladesh

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



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. During the period 2020/21, we sold 48 468 bottles in Sweden and raised SEK 242 340 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. The pandemic has presented a challenge for the programmes. A focus on reducing the spread of infection has led to an investment in digitalisation, where families in many places have been provided with mobile phones, laptops and internet subscriptions. This has enabled them to stay in touch with the outside world and has made schooling possible for as many children as possible. The requirement for digitalisation during the pandemic means that many people risk being excluded. Together with SOS Children's Villages, Stadium has ensured that more children are allowed to attend school.

Education, a safe family and a safe home enable children to break the poverty spiral that is almost impossible to escape. And once the spiral is broken, it is easier for the next generation, and the next after that, to grow up in a safe and supportive environment. SOS Children's Villages give children a chance, and their work ripples out into community. 80% of those previously involved in SOS Children's Villages programmes have obtained an education and laid the foundation for a stable working life. As such, SOS Children's Villages and Stadium are affecting entire communities.



The work of SOS Children's Villages gives children a chance

SOS Children's Villages 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. 7 149 bottles were sold in Finland over the course of 2020/21.

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.

SOS-Lapsikylä also works to defend the rights of the child and guarantee inclusion and a sustainable future through socially beneficial services, which might include hobby support, a chat service and worklife coaching.

In 2020, more than 12 500 children, young people and adults were involved in the voluntary work of SOS Children's Villages.

The child protection service helped around 1 400 children and 300 families in total. In foster homes, the organisation helped about 300 children.

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.

Fair Play

– an award like no other

In 2019 Stadium initiated the Fair Play Award, 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.

In 2019 Stadium initiated the Fair Play Award, 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.

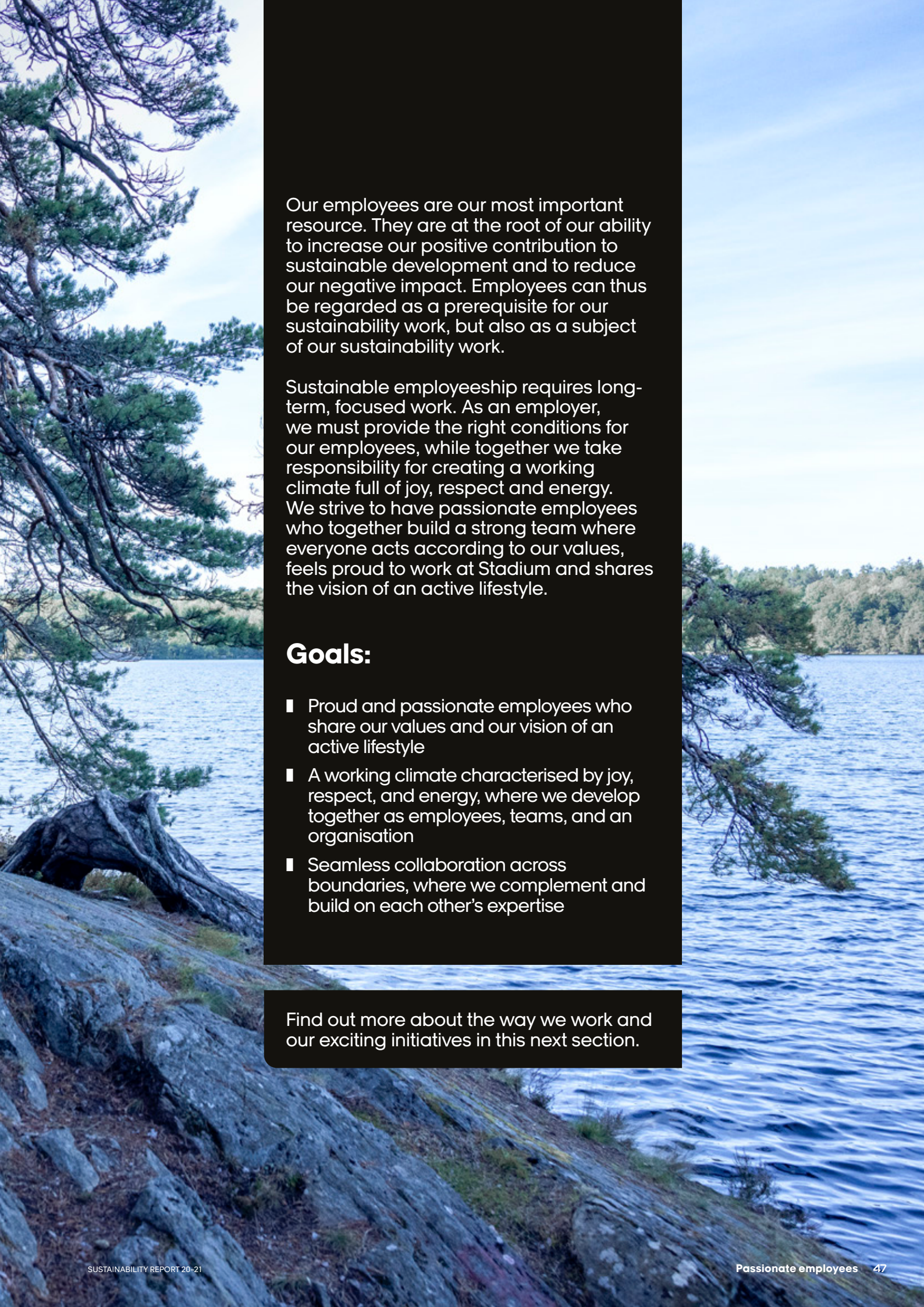
The winner of the Fair Play Award 2021 was manager and legend Landon Donovan. The jury said:

“It's often claimed that sport is about winning and losing. This year's recipient of the Fair Play Award showed that sport is about so much more. Landon Donovan receives the Fair Play Award because he took a stand against racism and homophobia, even though it cost sporting success. Through his actions, Donovan demonstrated what an important role sport can play as a good example and source of inspiration.”

Passionate employees

Our employees are the cornerstone of our entire business. Together we are an unbeatable team and together we will achieve our vision.





Our employees are our most important resource. They are at the root of our ability to increase our positive contribution to sustainable development and to reduce our negative impact. Employees can thus be regarded as a prerequisite for our sustainability work, but also as a subject of our sustainability work.

Sustainable employeeship requires long-term, focused work. As an employer, we must provide the right conditions for our employees, while together we take responsibility for creating a working climate full of joy, respect and energy. We strive to have passionate employees who together build a strong team where everyone acts according to our values, feels proud to work at Stadium and shares the vision of an active lifestyle.

Goals:

- Proud and passionate employees who share our values and our vision of an active lifestyle
- A working climate characterised by joy, respect, and energy, where we develop together as employees, teams, and an organisation
- Seamless collaboration across boundaries, where we complement and build on each other's expertise

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

Our employee philosophy and strategies going forward

Our employees are crucial in the drive to achieve our goals. Our philosophy is that if employees feel good, the company is doing well, and when employees grow, individually and as a team, the company also grows.

To put our store and office staff in the right place to achieve our goals, we work to:

- **Strengthen team spirit and cooperation** between departments, countries and concepts, i.e. create seamless collaboration across borders. Together, we act as a team in which each individual member is equally important to our results and our development.
- **Make an active lifestyle** permeate everything we do. Since we believe in the benefits of physical activity, we want to encourage exercise among our employees and across wider society.
- **Make the most of individuals' differences.** Everyone should be able to be themselves based on our values and should feel proud to work for us and be part of our culture.
- **Establish a working climate that motivates** and is characterised by respect, joy and energy. We should all enjoy working, have fun together and achieve goals together.
- **Strengthen coaching leadership** and build on a learning culture. We want managers and employees who show commitment and responsibility when it comes to developing themselves, each other and the team.



Our DNA:
Energy
Team spirit
Passion
Innovation
Simplicity

How do we get there?

We want our core values, our High5 as we call them, to be firmly rooted in the culture, guiding us as we conduct our business, and we work actively to achieve this. Our policies lead the organisation in the desired direction, addressing areas such as the working environment, alcohol and drugs, diversity and equality, victimisation, GDPR, the environment, travel and IT. These policies, as well as employment guidelines and procedures, can be found on our intranet. All our employees are subject to national laws and collective agreements in Sweden, Finland and Norway.

We have our own digital training system, Stadium Academy, which we continuously update with relevant training courses for each function. Some of the training courses are mandatory for everyone, including those concerning our policies and values, and these are also followed up with tests in the training system.

In addition to the activity in Stadium Academy, we follow up on the results of our employee surveys, in order to check how we are progressing on our journey towards our vision. The latest employee survey had a response rate of 88% and was conducted in spring 2021. Development appraisals are held twice a year between manager and employee, providing a forum in which to discuss the working environment, performance, the current situation and working conditions, as well as the future. Any employee is also able to make an anonymous report to ethics@stadium.com, an option that new recruits are informed about at the time of employment, when they sign "The Stadium Way". There have been no reports to Ethics this year.

In order to simplify our operations, we have certain support systems linked to our employees. In addition to our Stadium Academy training system, we have for example an intranet, personnel and payroll systems, scheduling and staffing systems and a travel system. These systems are intended to make life easier for our employees and managers, with more user-friendly scheduling saving managers time, for example.

Results of our work

Below is a presentation of the results from the past year within our respective focus areas.

Strengthen team spirit and cooperation

Strengthening team spirit and cooperation between departments, countries, and concepts. Together, we act as a team in which each individual member is equally important to our results and development.

- During the year, we have developed our new internal digital meeting place, which will simplify collaboration and teambuilding, as well as making information more easily accessible. The launch will take place in Sweden in autumn 2021 and in Finland and Norway at the beginning of 2022.
- We have prepared for a restructuring that came into force on 1 September 2021. Within their areas of responsibility, all management personnel are responsible for the development of both Stadium and Stadium Outlet. This will increase cooperation between the concepts and make better use of skills and resources.
- We have set out a clear five-year plan for the whole group with strategies that run across functions.
- During the year, we launched several cross-functional forums that include different countries and concepts, with a view to helping with the implementation of our strategies and development of the business. For example, we have started up the Training Council, a forum for IT development and a working group for communication on sustainability.

An active lifestyle

Making an active lifestyle permeate everything we do. Since we believe in the benefits of physical activity, we want to encourage exercise among our employees and across wider society.

- During the year we carried out a number of internal initiatives to get our employees active. On page 50 you can read more about how we embody our vision.

Make the most of individuals' differences

Everyone should be able to be themselves based on our values and should feel proud to work for us and be part of our culture.

- In our latest employee survey, 88% of those who took part state that they feel differences are appreciated and utilised (e.g. age, gender, ethnic background, personality and skills). This is up one percentage point on the previous year.
- 91% state in our latest employee survey that they are proud to work within the Stadium Group, which follows an upward trend we have seen in recent years.
- In spring 2021, a recruitment training course was held for all store managers, highlighting prejudices, bias and the importance of diversity. A lecture on the same subject was held for office managers.
- In autumn 2021, a third-party store audit is scheduled for a small selection of stores in Sweden. Among other things, the store audit will examine diversity and equality, with the data then used to develop our work in this area.

Establish a working climate that motivates

Establishing a working climate that motivates and is characterised by respect, joy and energy. We should all enjoy working, have fun together and achieve goals together.

- eNPS, a measure of how likely employees are to recommend us as a workplace to a friend or acquaintance, showed a value of 67, up one unit since the last survey.
- Our employees recommend Stadium as a workplace primarily on the basis of three factors: the team, the culture and the nature of the work.
- 86% feel that they are treated respectfully by their team, even if there is a difference of opinion.
- 86% feel that we act in line with our core values in the workplace.

Strengthen coaching leadership

Strengthening coaching leadership and building on a learning culture. We want managers and employees who show commitment and responsibility when it comes to developing themselves, each other and the team.

- Our own digital platform, Stadium Academy, is available for all employees to use. 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 involved in the development of training courses, so that we achieve the best training courses. 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. We take the 70-20-10 rule as our starting point, which means:
 - only 10% of what we learn comes from reading books or listening, for example.
 - 20% of what we learn comes from watching someone else do it.
 - 70% of what we learn comes from the experience of doing the job.

- Our employee survey takes an in-depth look at the area of leadership, examining a number of factors. "The manager leads and drives the business so that together we can achieve our results" (84%) and "The manager supports and encourages me as an employee" (84%) are the factors that achieved the highest scores. The lowest score (75%) was given to "My manager gives me ongoing feedback on my performance and work results".
- Leadership, including self-leadership, is crucial for our job satisfaction and performance, which is why, in the coming financial year, we will have a major focus on developing what future leadership at Stadium means.

In the previous financial year, we completed a total of 77 763 courses in Stadium Academy

We embody our vision

It is no coincidence that 89% of our employees feel that our vision of an active lifestyle permeates our entire business. We practise what we preach and inspire more people to get on board.

Our mission is to inspire and enable more people to adopt an active lifestyle. It is therefore only natural that we enable our employees to be physically active, both at and outside work.



In spring 2021 we had our recurring Staff Challenge, a team competition where we register physical activity and completed challenges over a period of five weeks. We help and inspire each other to get active and overcome the challenges as a team.

Together, we have covered a distance of 4.2 times around the world and registered a total training time of 5.2 years!



Jenny, Johanna and Betty took advantage of a beautiful August evening to complete this year's digital Midnattsloppet (Midnight Run). We are proud partners of the Vasaloppet, TSC Lidingöloppet and Midnattsloppet races. Through these partnerships, we also enable our staff to live an active life.



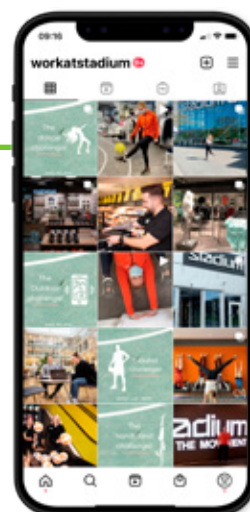
Fredrik Gille, our project manager for Sports Marketing, holds a fitness session for our staff out in the fresh air. Workers at our Service Offices in Norrköping and Solna are able to attend one session a week.



The management team for Commercial & Brand pose for a photo before their boxing match! Our employees are encouraged to organise their own activities, both at work and during their free time.

In May we held the May Games, a team competition where we set a new challenge every week and the result had to be submitted in video form. Various teams from Finland, Sweden and Norway submitted their contributions, and the top five were published on our Instagram accounts WorkatStadium and StadiumFinlandStaff. We then jointly picked the winners of the week.

We received more than 100 videos in total and the level of engagement was huge. Creative solutions to the different challenges sparked a lot of laughter and inspired us to get active in innovative ways.



Safety and the working environment

All Stadium employees are entitled to a safe and healthy working environment. Our health and safety work complies with the Work Environment Act and regulations issued by the Swedish Work Environment Authority.

The guidelines and procedures that form the basis of our systematic work environment management, including how we allocate roles and responsibilities, are based on current legislation. Managers, safety officers and employees work together in this area, which is the only way to achieve a sustainable working environment at all levels of the organisation.

The health and safety work covers all operations and employees within Stadium in Sweden. Norway and Finland have similar legal requirements and levels of compliance, with certain adaptations in each country. As a company, we have policies that set out how we should act and who is responsible for what. In addition, we have processes, procedures and instructions to ensure that we work in line with our policies. Our health and safety work is continuously reviewed and revised as necessary. In the autumn of 2021, a third-party audit was conducted in a small selection of Swedish stores, investigating all four sustainability areas: human rights, workers' rights, the environment and anti-corruption. The results of the visits will be used as the basis for our health and safety work.

Information and training

Our activities to provide information, develop and continually improve the working environment must take a holistic view of all the factors that affect people physically, psychosocially and organisationally at work. Examples of this include training in health and safety and CPR/first aid, fire safety inspections, risk assessments, employee surveys and staff meetings. The courses are offered to all permanent employees, as well as to temporary staff who work more than once.

Safety rounds and reporting

Safety rounds take place in Sweden annually, followed by related risk assessments. The in-store safety rounds are carried out by the store manager and it is recommended that the employee representative also participates. At the offices, the rounds involve HR, Security and the employee representative. The outcome of the safety rounds is registered in HIA, our web-based system that supports the systematic work of reporting, following up and rectifying incidents. In Sweden, HIA is also used to report accidents and near-misses.

All employees can report near-misses,

workplace accidents, commuting accidents and safety incidents in the HIA system.

The manager is responsible for ensuring that reporting is carried out. If an incident occurs and is reported in the HIA system, the reporting follows a systematic work environment management process, i.e.: investigate – risk-assess – review – take action – follow up action taken. The manager of the workplace, together with the safety officer, if there is one, must investigate the incident and determine what action needs to be taken. The emphasis is primarily on removing the risk, but if this is not possible the risk must be minimised. If a manager feels that they do not have sufficient authority or knowledge to implement the action, the responsibility for health and safety can be returned to the manager's manager. The action taken depends entirely on the incident, with assessments made in each individual case. If similar incidents occur in several parts of the organisation, the action can be managed centrally.

In the financial year 2020/21 we had a rate, for all our employees in Sweden, of 6.57 (88) reported safety incidents and work-related injuries of a minor nature per 200 000 hours worked. Of these, a total rate of 0.52 (7) per 200 000 hours worked counted as more serious incidents. The most common risks and causes are working from a ladder and threats from customers. We have identified that these are our serious risks, based on information from HIA, safety rounds and our systematic work environment management. Crushing, pinching or other soft tissue injuries are the most common occupational injuries that have been reported, and these are of a minor nature. We have not had any work-related deaths.

Preventing work-related injuries and security incidents is an important part of our work environment management.

In Finland and Norway, accidents are reported directly to the insurance company/occupational injury insurance service by the manager and the employee concerned. If anyone suspects that we are falling short somewhere, they always have the option of emailing an anonymous report to ethics@stadium.com.

Safety officer

Safety officers are appointed in most of our operations, and in autumn 2021 we

are conducting a new inventory of all the safety officers we have covering the working environment. We aim to have a safety officer in all units. There are central safety committees with employee and employer representatives covering our store operations. A joint safety committee is appointed for our service offices. The safety committees hold four meetings per year and address general issues concerning safety and the working environment, such as training, reporting of accidents and near-misses, risk assessments and evaluation of major changes affecting their workforce. The safety committee also follows up health and safety work for each business and produces documentation to assist with management decision-making. We work to ensure that the health and safety committees function in a similar way, regardless of the operation.

Threatening situations

We have introduced a number of security solutions to reduce the risk of threats and violence in the workplace. We have procedures and instructions for threatening situations and in our onboarding of new staff, as well as in training for managers and employees, we also issue instructions on how we at Stadium want a threatening situation to be handled. We have attack alarms in our stores and staff are trained in how to use them and where they are located. Tackling risks in our working environment is a shared responsibility, as is backing up and helping each other in situations that are felt to be threatening. To clarify that the employee has a legal right to refrain from work that involves immediate or serious danger to life or health, and that this will not lead to reprisals, we will include a statement to this effect in our health and safety policy.

We monitor developments in society and the results of our employee survey and take further action accordingly.

Employee welfare

A full wellness allowance is offered to all those employed at more than 40% of full-time. We also engage our employees via staff challenges, entry fees for races, staff discounts on sports products and so on. Employees in Sweden, Finland and Norway all have access to occupational health services, regardless of their type or level of employment. A referral is initiated by the manager and HR, the occupational health service makes an assessment and the person concerned is then booked in for the appropriate treatment/consultation. HR follows up the occupational health service on an annual basis to check on how the partnership is working.

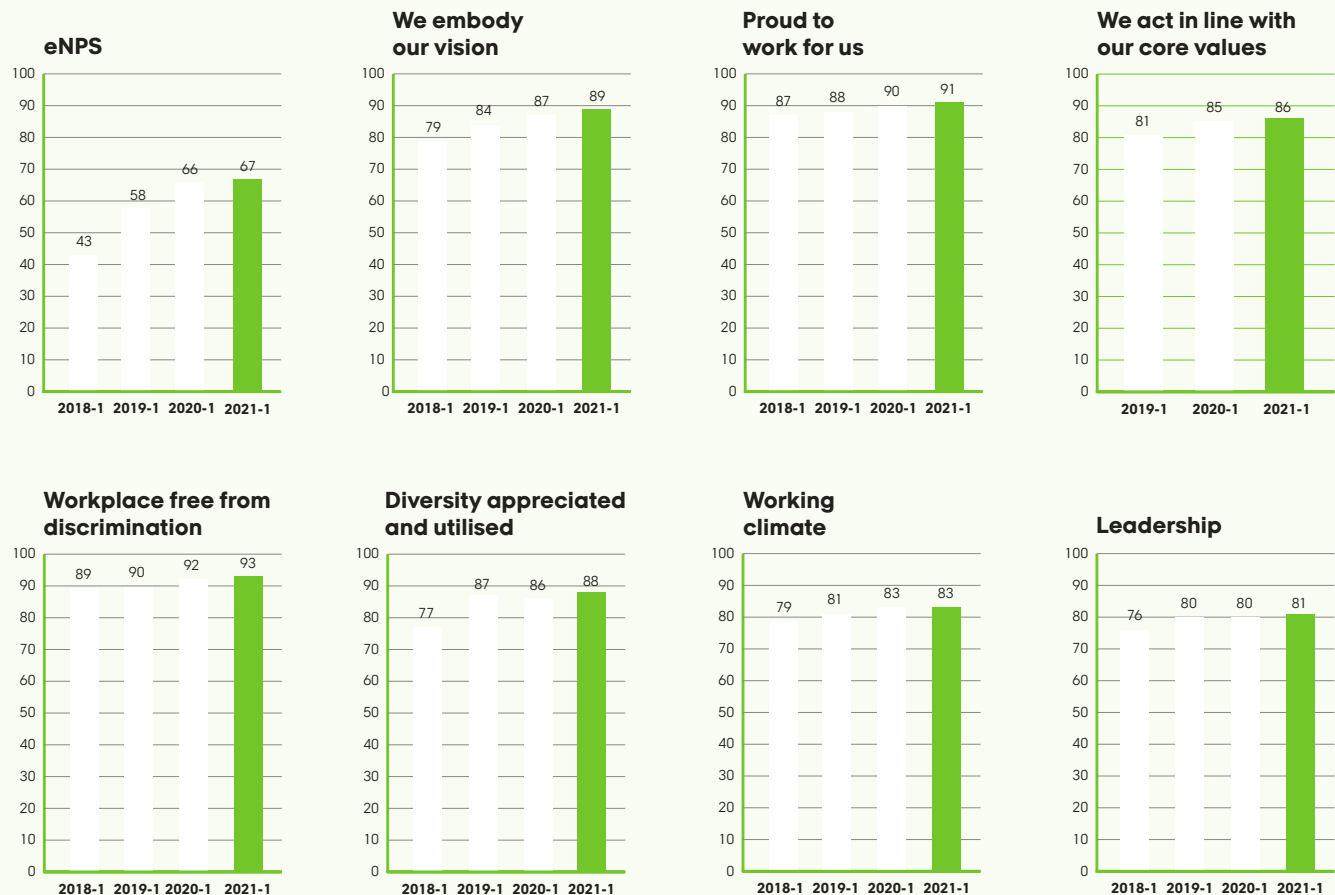
Survey and statistics

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 2021 and below are the results and trends from the most recent surveys, presented by year.

- 67% 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
- 89% feel that our vision of an active lifestyle permeates the whole of our business
- 91% state that they are proud to work for us
- 86% feel that we act in accordance with our values
- 93% feel that we have a workplace that is free from discrimination, regardless of ethnic origin, disability, gender, gender identity, sexual orientation, religion or age
- 88% feel that differences are appreciated and utilised (e.g. age, gender, ethnic background, personality, skills – i.e. diversity)
- 83% is the total figure in the area Working Climate
- 81% 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 and Norway is collected from the scheduling and staffing system used in these countries, and to some extent from their payroll offices. 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	3 179 (77.7%)	2 045 (64.3%)	1 134 (35.7%)
Finland	885 (21.6%)	589 (66.6%)	296 (33.4%)
Norway	28 (0.7%)	21 (75.0%)	7 (25.0%)
Total	4 092	2 655	1 437

Gender	Permanent	Temporary	Permanent full-time	Permanent part-time	Total
Women	1 782 (67.1%)	873 (32.9%)	568 (31.9%)	1 214 (68.1%)	2 655
Men	969 (67.4%)	468 (32.6%)	403 (41.6%)	566 (58.4%)	1 437
Total	2 751 (67.2%)	1 341 (32.8%)	971 (35.3%)	1 780 (64.7%)	4 092

Data by form of employment is reported for the Nordic 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%	25.0%	75.0%
Management team	77.8%	22.2%	0.0%	88.9%	11.1%
Managers	50.6%	49.4%	8.6%	73.0%	18.4%
Employees	34.0%	66.0%	69.9%	26.1%	4.0%

New employees and staff turnover

Number of people who have been hired or left during 2020/21

	Men	Women	<30 years	30–50 years	>50 years
New employees (%)	701 (35.1%)	1 297 (6.9%)	1 649 (82.5%)	311 (15.5%)	38 (1.9%)
Staff turnover (%)	422 (29.4%)	800 (30.1%)	1 041 (38.7%)	163 (34.4%)	18 (32.1%)

Wage differences*

Average basic wage in SEK 2020/21

All**	All	<30 years	30–50 years	>50 years
Women	289 648	263 596	337 647	396 212
Men	313 673	263 721	393 463	503 341
Female vs male	92.3%	100.0%	85.8%	78.7%

Employees	All	<30 years	30–50 years	>50 years
Women	279 965	262 396	318 783	361 298
Men	282 912	261 739	326 984	400 175
Female vs male	99.0%	100.3%	97.5%	90.3%

Managers***	All	<30 years	30–50 years	>50 years
Women	488 914	392 067	484 953	571 308
Men	543 296	409 684	533 786	707 041
Female vs male	90.0%	95.7%	90.9%	80.8%

Group Management**	All
Women	1 560 000
Men	1 660 000
Female vs male	94.0%

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

** Excluding owners

*** Excluding Group Management

Governance

Presentation of Stadium's Group Management Team, Sustainability Council and Board of Directors for the year 2022.

Financial data 20-21

Key data:
Sweden, Finland, Norway, Hong Kong

Created and delivered direct economic value (Value in SEK)

Component

Equity	1 083 448 253
Liabilities	1 366 184 260

Created direct economic value

Revenue	6 963 761 089
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Delivered direct economic value

Operating costs	5 079 403 039
Employee benefits	1 266 141 742
Dividends	0

Tax

Sweden	119 100 844
Finland	20 614 906
Norway	228 079
Hong Kong	21 882

Social investment	7 250 394
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Created and delivered direct economic value	6 492 760 887
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Retained economic value	471 000 202
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Stadium is covered by the forthcoming Sustainability Reporting Directive (CSRD) and thus prepares reporting in accordance with the EU's Green Taxonomy Regulation. At present, the technical screening criteria for two of the EU Taxonomy's environmental objectives, climate change mitigation and climate change adaptation, cannot be linked to Stadium's operations. Stadium is monitoring the development of the Taxonomy Regulation and the financial activities that will be included in the technical screening criteria for the other four environmental objectives.



Group Management Team – We embody our vision

Back row: **Pino Roscigno** Commercial & Brand Director, **Karl Eklöf** CEO Stadium Group, **Daniel Löfkvist** COO, **Daniel Johansson** Supply Chain Director. Front row: **Kristina Skoog Rappestad** PA to CEO, **Sophia Hemstad** CFO, **Miranda Nanhed** Director Purchase & Category. Absent: **Fredrik Persson** CDO, **Marcus Landestål Grapne**, Acting HR & Sustainability Director (responsible for sustainability)



Sustainability Council

– In top products made from sustainable materials

Back row: **Pino Roscigno** Commercial & Brand Director, **Sofia Lindblad** Sustainability Coordinator, **Carl Torell** Expansion Director, **Karl Eklöf** CEO Stadium Group, **Daniel Johansson** Supply Chain Director, **Daniel Löfkvist** COO. Front row: **Miranda Nanhed** Director Purchase & Category, **Åsa Bolkert** Head of Production, **Kristina Skoog Rappestad** PA to CEO, **Sophia Hemstad** CFO, **Catrine Marshall** Sustainability Manager, **Patrizia Nilsson** Sports Marketing Manager. Absent: **Nanna Sundman** HR Manager Finland, **Fredrik Persson** CDO, **Marcus Landestål Grapne**, Acting HR & Sustainability Director (responsible for sustainability)



Board – For sustainable enterprise

Back row: **Birger Lund** Board member, **Anders Svensson** Chairman of the board, **Karl Eklöf** Board member, CEO (responsible for sustainability). Front row: **Linda Palmgren** Board member, **Ulf Eklöf** Board member, **Kristina Skoog Rappestad** PA to CEO, **Andrea Gisle Joosen** Board member, **Bo Eköf** Board member, **Jesper Schmidt** Board member.

Independent assurance statement

Scope and objectives

Ethos International has undertaken independent assurance of the Stadium Sustainability Report 2020/2021 (the report). The assurance process was conducted in accordance with AA1000AS v3. We were engaged to provide moderate level Type 1 assurance, which covers:

- Evaluation of adherence to the AA1000AP v3 principles of inclusivity, materiality, responsiveness and impact (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 2020/2021, 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 sixth year Ethos 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 and Linnéa Waninge.

■ Further information relating to the team is available at: www.ethos.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 v3. 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, selected data, and selected graphs and tables.
- Review of the indicators' relevancy, scope and reasonable proportion.
- Site visit at three of Stadium's stores in form of an inspection in line with the requirements in set in Stadium's sustainability policies and SA8000 standard. The site visits had a specific focus on work environment, health and safety as well as gender equality and diversity.

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 demands 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.

Stadium's future sustainability work should be focused on strengthening the work on sustainability in stores, including the management of sustainability, gender equality and environmental issues. Stadium can also work with more key figures regarding personnel.

Inclusivity and responsiveness

During the year, Stadium has conducted dialogues with key stakeholders to discuss external and internal requirements and expectations on Stadium's sustainability work. The engagement 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.

Stadium can increase sustainability communication to customers and store employees. This will increase feedback on Stadium's sustainability work, anchor the sustainability work internally and show continued commitment to customers and store employees.

Impact

We believe that Stadium is aware of their impact on society and the environment. To manage and follow up on impact, Stadium has developed a sustainability strategy, including sustainability goals, which are followed up through data collection processes for environmental- and social aspects. The strategy and goals are evaluated continuously.

Stadium can continue to develop long-term and short-term goals for their strategic areas. Stadium should also work to constantly improve data collection processes for environmental- and social aspects.

ethos

21 December 2021

Malin Lindfors Speace

Partner & Senior Advisor

Linnéa Waninge

Sustainability Advisor



Ethos AB is a Nordic Sustainability Advisory firm licensed by AccountAbility to provide AA1000AS v3 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 responsibilities

It is the Board of directors responsible who is responsible for the statutory sustainability report for the financial year 2020-09-01-2021-08-31 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 recommendation RevR 12 The auditors' opinion regarding the statutory sustainability report. This means that our examination of the statutory Sustainability Report is substantially different and less in scope than 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 16 December 2021
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 16–19). 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	7				●	✓
	102-2 Activities, brands, products, and services	7	Swedish Annual Accounts Act (AAA): Business model, AAA: Risk			●	✓
	102-3 Location of headquarters	7				●	✓
	102-4 Location of operations	32				●	✓
	102-5 Ownership and legal form	7				●	✓
	102-6 Markets served	7, 32				●	✓
	102-7 Scale of the organization	32, 53-54				●	✓
	102-8 Information on employees and other workers	53	Data on contract workers is omitted due to unreliable data	8, 10	8.5, 10.3	●	✓
	102-9 Supply chain	32, 34	AAA: Business model, AAA: Risk			●	✓
	102-10 Significant changes to the organization and its supply chain	32, 36				●	✓
	102-11 Precautionary Principle or approach	19	AAA: Environment			●	✓
	102-12 External initiatives	12, 19, 27, 34-35				●	✓
	102-13 Membership of associations	24, 27, 43-45				●	✓

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, 11	AAA: Business model, AAA: Risk				
Ethics och integrity							
	102-16 Values, principles, standards, and norms of behavior	7, 48, 50	AAA: Policy, implementation and results				
Governance							
	102-18 Governance structure	54					
Stakeholder engagement							
	102-40 List of stakeholder groups	17					
	102-41 Collective bargaining agreements	48	AAA: Social conditions and staff	8	8.8		
	102-42 Identifying and selecting stakeholders	17					
	102-43 Approach to stakeholder engagement	17					
	102-44 Key topics and concerns raised	17-18					
Identified material aspects and delimitation							
	102-45 Entities included in the consolidated financial statements	2					
	102-46 Defining report content and topic Boundaries	16-18					
	102-47 List of material topics	19					
	102-48 Restatements of information	19, 24	The business's material issues have been updated based on a new materiality analysis being carried out in the autumn of 2021. New calculation methods for greenhouse gas emissions at one of our suppliers, as well as more available data within scope 3, have adjusted the re-display of our emission data.				
	102-49 Changes in reporting	17-19	New materiality analysis				
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	57-59					
	102-56 External assurance	56					

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	11, 17-19, 34-35	AAA: Policy, implementation and results			●	✓
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	54	Read more in the Annual Report and Consolidated Financial Statements for the financial year 1 sept 2020-31 aug 2021			●	✓
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken och vidtagna åtgärder	10	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	11, 17-19, 22-31, 33-37	AAA: Policy, implementation and results			●	✓
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	2, 24	AAA: Environment	3,12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	2, 24	AAA: Environment	3,12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	2, 24	AAA: Environment	3,12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	24-25	AAA: Environment			●	✓
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	36	AAA: Environment			●	✓
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	25, 33-37	AAA: Environment			●	✓
GRI 400 Social Standard Series							
GRI 103: Management approach 2016	103-1-103-3 Explanation of the material topic and its boundaries	11, 17-19, 33-37, 47-49, 51-53	AAA: Policy, implementation and results			●	✓
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	53	AAA: Social conditions and staff	8, 10	8.5, 10.3	●	✓
GRI 403: Occupational health and safety 2018	103 Management approach	48, 51	AAA: Social conditions and staff	8	8.5	●	✓
GRI 403: Occupational health and safety 2018	403- 1- 7 Work environment, occupational health care and safety	51	AAA: Social conditions and staff	8	8.5	●	✓
GRI 403: Occupational health and safety 2018	403 - 9 Work environment, occupational health care and safety*	51	AAA: Social conditions and staff	8	8.5	●	✓
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	53	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	53	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	33, 35	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	33, 35	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	35-36	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	36	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	19				●	✓

* The statistics only apply to our employees within Sweden. Total hours worked during the financial year 20-21 for Swedish staff are 2,679,267 hours. For the calculation of ration according to GRI 403-9, 200,000 hours worked have been used, as recommended by a third party. This is the first year we report for this comprehensive standard and thus do not have all the information available prior to this year's report, data for operations in Norway, Finland and for hired personnel have not been available to produce this year. For the next sustainability report, we work to have processes and routines established to be able to report GRI 403-9 in its entirety.



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Sustainability