



Sustainability Report 21-22

Contents

Introduction

- 2 About the report
- 3 CEO Karl Eklöf: A strong year – a strong team!
- 4 Year in figures
- 6 About Stadium

Strategy and governance

- 8 Strategic objectives
- 9 HR & Sustainability Director Ida Törneke
- 10 Governance and responsibilities
- 11 Integrated sustainability work in practice
- 11 Communication
- 12 How we prioritise
- 14 Our material sustainability issues

Activate the World

- 16 Introduction "Activate the World"
- 18 Stadium's own initiatives
- 21 Together in classic races
- 22 Club collaborations
- 24 Inclusive partnerships

Support the Earth

- 26 Introduction "Support the Earth"
- 28 Our carbon footprint
- 30 Stores and other real estate
- 31 Transport and distribution
- 32 Purchased goods
- 33 A more sustainable product in a circular flow
- 34 A more sustainable product
- 38 Product manufacture
- 39 Sales
- 40 Use, re-use and recycle
- 41 Responsible production
- 42 How we work with our suppliers
- 44 Results of our work

Passionate employees

- 48 Introduction "Passionate employees"
- 50 Our employee philosophy and strategies
- 51 One Team – One Stadium
- 52 Vision and values
- 53 Diversity, equality and inclusion
- 54 Leadership and learning culture
- 54 Safety and the working environment
- 56 HR statistics
- 58 Board of Directors and Group Management

Sustainability data

- 60 Independent assurance statement
- 62 GRI index



This report has been printed in three languages by a Nordic Swan Ecolabelled printing company. The paper was produced in Sweden and is FSC certified, with 100% carbon offsetting.

About the report

Welcome to our ninth Sustainability Report. We have published an annual report since the financial year 2013/14, and our eighth report was published on 14 February 2022. In the report, you can read all about our combined efforts over the financial year 2021/22 to achieve our goals and develop our sustainability work. We believe that everything we do has an effect and that we can all help to move forward together.

This report is made referenced to GRI Standards and audited by a third party in accordance with the international standard for auditing sustainability information, AA1000AS v3 type 1.

The audit was performed by Ethos, management consultants in the field of sustainability and certified auditors in accordance with AA1000AS v3. The HR & Sustainability Director decides on our partners and has chosen Ethos based on their expertise in the field of sustainability. Our partnership dates back eight years. An independent assurance statement from Ethos can be found on page 60.

The Sustainability Report is managed by Stadium's Sustainability Coordinator. Those responsible for the areas covered in the report, including members of Group Management, are involved in the production of the text and data. The Board of Directors is informed of the structure and content of the report and invited to give feedback on any changes. The external party that reviewed the report will give a presentation to Group Management and other employees involved in the process prior to the report being finalised. The presentation will cover the report's legal compliance, plus the results of the review and the audit. This year's audit was carried out in a small selection of our Finnish stores. Development areas that emerge during the review process are passed on to the relevant manager, who draws up an action plan that is followed up during the year. Depending on the nature of the measures, they are followed up at managerial or Group Management level.

The report covers the whole of the Stadium Group, including Stadium, Stadium Outlet and the other subsidiaries within the group. The Sustainability Report covers the same companies as the Annual Report.

The figures presented in the Sustainability Report and in the Annual Report refer to the period 1 September 2021 to 31 August 2022, unless otherwise stated.

Calculations relating to employees:

- Calculations relating to employees are based on the GRI's models. All data is reported using the metric system and is calculated per employee.
- Statistics from our employee survey are from spring 2022, which is the most recent measurement for the financial year 2021/22. Comparative data is from the surveys in spring 2021 and spring 2020.

Calculations regarding energy and carbon 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
- transport and distribution
- purchased goods

If you have any questions or would like to provide feedback on this report, use the QR code on the back of the report or contact me.

Ida Törneke

HR & Sustainability Director Stadium Group
ida.torneke@stadium.com

16 February 2023



CEO Karl Eklöf:

A strong year – a strong team!

Stadium is having a fantastic 2021/22, and I am incredibly proud of the efforts we have seen from all our employees! Like all businesses, we are affected by the world around us, and in recent years we have had our adaptability put to the test. The pandemic, war, inflation and their consequences have created uncertainty, which of course has an impact on our strategic decisions and operational activities.

Nevertheless, we believe that with the measures we have taken, and are taking, we can continue our growth journey and increase our positive footprint. Our vision to activate the world is our guiding principle. The value that an active life generates is also why we take on the challenge of constantly developing and renewing as the world around us changes.

If our vision is our guiding principle, our strategies steer us in our decisions and in our day-to-day work.

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 both short- and long-term goals. We have a joint sustainability strategy aimed at bringing together strategic advances in sustainability, which are integrated into the departmental strategies.

The UN's 17 Sustainable Development Goals have given us all a common direction in our drive for sustainable development. Based on our materiality analysis conducted in autumn 2021, we have identified that our operations' greatest risk is upstream in the production

chain and that the greatest negative effects come from our carbon footprint. We want and need to be a responsible company, and as such we see our work to reduce our carbon footprint as business-critical. We must meet our stakeholders' expectations and demands, while maintaining a proactive approach to future legal requirements within sustainability

Stadium's climate goals

We are continuing our work to reduce our overall carbon footprint by 50% by 2030, while still growing as a company. Environmental, economic and social aspects must all interact for long-term sustainability to be achieved. Our emissions calculations for 2021/22 show that we have reduced our carbon footprint by 5.9% compared with our base year 2017/18, while at the same time achieving economic growth of 26%. These figures show that we can reduce our emissions while growing as a company, but it also shows that things are moving too slowly. Together with the industry as a whole, we are facing the complex challenge of successfully reducing our emissions in absolute terms, while also growing as a company. We have learned a lot since setting our climate goals and we have made progress in our efforts to reduce our emissions. We are now reviewing how we will continue our work to accelerate the pace of our emission reductions.

We activate the world

Stadium is something extra. Our contribution to an active life makes us unique and is also why we exist as a

business. As well as selling sports gear and sports fashion for an active life, but we also run several of our own initiatives to counteract sedentary lifestyles and improve health and well-being. We work closely with clubs in Sweden and Finland, and with organisations such as SOS Children's Villages and Generation PEP, not to mention sponsoring sport race events in both Sweden and Finland – all in pursuit of our vision to activate the world. We see it as a matter of course that everyone has the right to an active life, but conditions unfortunately vary in reality.

Gender equality and equal opportunities are therefore key factors in all our collaborations and initiatives, and an area in which we will continue to make a positive impact.

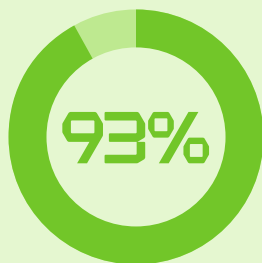
SAs I said at the start, we can look back on a year of great results created by our team of employees. We are aware that our climate goals are tough and that it will take a lot for us to achieve them. We are aware that we do not currently have equality in sport and that changing this requires active work. We are also aware that we at Stadium can make a real difference through our own initiatives and in partnership with others. And that is what we will continue to do in the coming financial year and long into the future. Join the movement!

Karl Eklöf
CEO Stadium Group

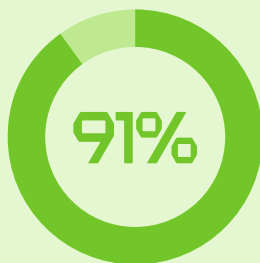
Year in figures

Working at Stadium*

* According to our latest employee survey for financial year 2021/22.



share our passion for an active lifestyle.



are proud to work with us.



Employee Net Promoter Score

– how likely it is that an employee would recommend Stadium as a workplace.



air freight of our own brands from production to our warehouses.



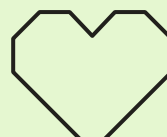
11 443 367

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

* The figures above are based on an average calculation that provides a rough picture of the overall savings. The calculations are general since there is no standard procedure and the circumstances vary depending on the material and factory.

Total percentage of our own-brand products manufactured in a more sustainable way:

53.9%



101 793

people were made more active during 2021/22 through our own races and tournaments, as well as the races we sponsor.



5 new leader principles have begun to be implemented throughout the business this the year.

38 990 389
no. of products sold during the financial year 2021/22.

15 491 437
discarded PET bottles have been used to make new functional materials for the brands that we produce ourselves.



Financial data 21-22

Key data:
Sweden, Finland, Norway, Hong Kong

Created and delivered direct economic value (Value in SEK)	
Component	
Equity	1 116 507 907
Liabilities	1 674 368 981
Created direct economic value	
Revenue	7 130 576 874
Delivered direct economic value	
Operating costs	5 291 674 700
Employee benefits	1 345 538 023
Dividends	360 000 000
Tax	
Sweden	97 842 790
Finland	12 842 773
Norway	516 331
Hong Kong	2 260
Social investment	8 823 802
Created and delivered direct economic value	7 117 240 681
Retained economic value	13 336 194

Stadium is covered by the forthcoming Sustainability Reporting Directive (CSRD) and thus prepares reporting in accordance with the EU's Green Taxonomy Regulation.



About Stadium

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. We fulfil our **mission** through our **business concept**: to offer sports gear and sports fashion for everyone and create the conditions for more people to live an active life.

Over the years, the company has grown through new business concepts and expansion into new countries. But no matter where we operate, the way we work is always 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. Read more about our values on pages 50–51.



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



Bo, Karl and Ulf Eklöf.

The Stadium Group

The Stadium Group is owned 100% by the Eklöf family and comprises Stadium AB (parent company) plus ten subsidiaries. The group operates in the retail sector with two complementary concepts, Stadium and Stadium Outlet. In order to offer deeper expertise and range excellence in certain categories, there are also specialist stores for running and winter sports: Stadium Run and Stadium Ski. These stores are staffed by particularly knowledgeable employees to meet the demand for specialist advice.

Sales take place via our physical stores in Sweden, Finland and Norway, as well as online within all three countries. Pages 44–45 show the number of stores for each concept in each country. The same page also shows the number of factories and the countries in which these are located, the markets in which we operate online, the location of our offices and where in the world our community engagement projects are located.

In spring 2022, we launched two new websites for our own brands SOC and Everest. Initially, these were launched in Denmark and Finland. In autumn 2022, the websites were expanded to include the markets France, Germany, the Netherlands, Austria and Belgium.

None of the products that Stadium sells are listed as prohibited on the market. Nor have they been the subject of stakeholders' concerns or public debate.

Stadium has a total of 183 physical stores and Head Office is located in Norrköping. We sell our own brands, as well as buying in ranges from other suppliers. In autumn 2022, we opened our first Stadium Rental store. This is located in Åre and offers rental of sports products, initially focusing on alpine skiing and snowboarding equipment. Read more about Stadium Rental on page 40.

The Stadium Group has developed a further business model for its offering. This is called Stadium Connect and is a digital marketplace for sports gear and sports fashion. The service gives both large and small sports brands the opportunity to sell their products via Stadium's online store. Customers buy the products on Stadium's regular websites and have access to a wider range, while our partners reach a target group that loves sports and sports fashion. Stadium Connect complements Stadium's existing e-commerce.

Stadium Team Sales is our organisation that provides profile clothes to around 1 400 clubs in Sweden and Finland. With the best service, range and competitive team prices, Team Sales can help clubs focus on what they do best, namely the sport itself. Our own printing facility in Norrköping enables Team Sales to deliver products that are good to go in the next training session or match. Working together with sports clubs is an important part of our vision to activate the world.

Stadium's value chain

Stadium's value chain ranges from extraction of raw materials to eventual disposal in incinerators or landfill. Our goal is for the lifetime of a product between material production and final disposal to be as long as possible – it must be produced in a more sustainable way and then used, re-used and recycled. We work actively to make the linear process more circular and to make it easier for the customer to act more sustainably. Read more on pages 33–40 about our work towards this vision.

All the activities within our value chain must be conducted with due regard for the environment, animal welfare, economic factors, society, labour law, anti-corruption and human rights. This applies both to our own operations and to the collaborations, partnerships and organisations in which we participate.

Upstream in the value chain, we strive for long-term partnerships. This is true for collaborations with the factories that produce Stadium's own brands, with the external brands sold via Stadium, with all distributors from factory to consumer, and with other partners. More information about our collaboration with various suppliers upstream in the value chain can be found in the section Support the Earth, starting on page 26.

In comparison with the previous financial year, we now have more collaborations with external brands due to the development of Stadium Connect. The number of markets in which we have been active during the financial year 2021/22 has expanded since last year to include online retail in Denmark. This applies to our SOC and Everest brands. You can find changes in the number of factories and stores on pages 44–45.

stadium®

Stadium is the original concept, offering sports gear and sports fashion for all. The Stadium concept also includes the specialist stores Stadium Ski (alpine and cross-country skiing) and Stadium Run (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, since 2020, Contra.

stadium® OUTLET

Stadium Outlet was established in 2009 and offers cut-price sports gear and sports fashion wear. During the year, we continued to expand in the Norwegian market with the addition of another store, and we look forward to continuing this development.

Within Stadium Outlet, we buy and sell external brands, together with our own brands which are produced by us. Our own brands are Ski Industries, Take Off and Four D.

Mission
– To inspire an active lifestyle for all.

Vision
– To activate the world.

Strategy and governance

At Stadium, we're passionate about movement, on a small and large scale. Our vision is to activate the world – and just as we humans need to be in balance, so does our environment. The guiding principle of all our activities is to strike a balance between social, environmental and economic considerations. From this starting point, we can set the world in motion for the long term!

Strategic goals

Stadium has developed three strategic focus areas for the period up until 2026. We will be the obvious destination for everyone who wants to live an active life, we will have the Nordic region's most proud and passionate employees, and we will run a business with sustainable growth and long-term profitability.

These three focus areas apply to the entire group, establishing a common vision of where we are heading.

The obvious destination in the Nordic region for everyone who wants to live an active lifestyle.

Sustainable growth and long-term profitability.

The Nordic region's proudest and most passionate employees.

Our sustainability work takes various forms, as we steer our business towards sustainability in our strategic focus areas. When talking about our sustainability work, we break it down into three areas:

- **Activate the World**
- **Support the Earth**
- **Passionate employees**

The UN's Global Sustainable Development Goals

The UN's Sustainable Development Goals set out a shared path for sustainable development. These goals have played a significant role in defining how we should prioritise our sustainability work and in our work towards our strategic focus areas.

Based on Stadium's operations, we have identified eight of the UN's 17 global goals where we have the greatest opportunity to influence development. Our most material sustainability issues are all linked to the Sustainable Development Goals.



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.



HR & Sustainability Director Ida Törneke:

A strong team with shared goals

I took up the position of HR & Sustainability Director for the Stadium Group in August 2022. As a new member of the team, I found a corporate culture in which an active life, in all its different forms, is a given. As a company, we have chosen to integrate sustainability work into our everyday operations. Everyone can, and does, contribute to this work, but it naturally differs depending on where in the organisation they are.

Our strategies and governance determine how well our integrated sustainability work can function in practice.

That is why our environmental, social and personnel goals inform every strategy of our business – and we are certainly making headway!

Activate the World

In the summer of 2022, we were finally back to full scale with Stadium's Sports Camp after two summers affected by the pandemic. Stadium Sports Camp is a summer camp that has encouraged more than 120 000 children and young people to get active over the years, creating friendships, memories, experiences and joy of movement. In addition, we are continuing to offer the activity bag free of charge to all schools in Sweden with a first-grade class, to inspire an active lifestyle at an early age. During the year, we also held three of our own sporting events, consisting of two running races and a padel tournament, which we look forward to developing over the coming financial year.

Support the Earth

This year, we continued our work on surveying the energy consumption of our production. This is an important initiative

that helps to give us a better picture of how our factories are tackling energy efficiency and which energy sources they use, which among other things gives us a better basis for our climate calculations. However, above all it is a joint project that raises the factories' knowledge and learning in the area and shows us how best to support and influence sustainable development.

In this year's survey, we have also gone deeper into the production stage and included subcontractors in Tier 2. In addition, we have visited some of these subcontractors with a view to strengthening our relationship for long-term collaboration, particularly our joint work to switch to more sustainable production. We are learning as we go and using these lessons to take the next step.

We have set out a clear strategy with associated initiatives linked to our climate goals.

These goals, in line with the Paris Agreement, will see us reduce our overall carbon footprint by 50% by 2030, become climate neutral in our own operations by 2025, and work to reduce our carbon footprint by 50% within our own brands by 2025. But as mentioned, it is a learning process that requires us to review our decisions as we gain new knowledge, new lessons, new experiences and face new circumstances.

We have not seen as much progress as we would like on the implementation of circular flows for the industry as a whole. The flows require larger volumes and the innovations that have been made lack the capital to be scaled up. As an actor in this market, we have a responsibility to play our part. We are participating in research projects and collaborations on new innovations in order to help make progress (read more on page 34). However, the infrastructure for circular flows is not currently as advanced as it could be. This

has an impact on our strategy, with the challenge of accessing more sustainable materials also complicating the situation. As we continue to address these challenges, we will be working with an external partner to delve deeper into the impact these external factors have on our strategy, and what we can do to achieve our climate goal by 2030 and interim goals along the way.

Passionate employees

Over the year, our employees have shown incredible commitment, laying the foundation for our successes. Everyone's contribution to us continuing to activate the world, while at the same time working to manage negative environmental effects and risks in the production chain, is helping towards our joint sustainability work.

We also all play our part in creating a working climate that promotes motivation, energy and respect.

As an employer, we must create the right conditions for our employees to perform at their best and ensure a safe and secure working environment. Our latest employee survey shows that the team and our corporate culture are the two main reasons why employees would recommend Stadium as a place to work. This is a good starting point for continued efforts to strengthen our cooperation throughout the organisation. Or as we put it, One team One Stadium.

Ida Törneke

HR & Sustainability Director
Stadium Group

Governance and allocation of responsibilities

For us, working sustainably means including social, environmental and economic considerations in decision-making at a strategic level as well as in day-to-day work.

To keep these considerations alive in the business, we have chosen to integrate sustainability work into the entire organisation.

With an integrated way of working, we ensure a long-term perspective in our work, with everyone working towards shared goals.

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

The Board has ultimate responsibility for ensuring that Stadium's business is managed with due consideration for economic, environmental and social issues. In turn, the Board has delegated responsibility of this to Group Management. Group Management has set sustainability targets that are followed up on an ongoing basis. With our climate goals, we follow up the results annually, and for key indicators in other areas of our sustainability work, we are able to conduct status checks several times a year and respond accordingly.

The HR & Sustainability Director is responsible for ensuring that strategies and goals in the areas of sustainability

are followed up and adapted to the latest legal requirements, changes in operations, changes in the world around us, etc. Goals, policies and strategies are developed and updated to bring them in line with sustainable development, in consultation with members of Group Management and employees who hold delegated responsibility for sustainability. The Board approves strategy plans and reviews them on an annual basis. Important progress, changes and/or challenges in our sustainability work are reported to the Board prior to the quarterly Board meetings.

The Sustainability Council meets twice a year to keep sustainability constantly under development and up to date, on the basis of business intelligence and internal lessons learned.

Group Management is part of the Sustainability Council, which is led by the HR & Sustainability Director. The Council also includes employees with delegated responsibility in the area of sustainability. Delegated areas of responsibility are followed up quarterly in cross-functional teams, Support the Earth and Activate the World, as well as in our HR forums, which meet monthly in different constellations. The cross-functional teams also aim to identify synergies and collaborations that extend across the organisation, and to ensure that information is available internally. The cross-functional teams are led by the HR & Sustainability Director.



Guidelines and governing documents

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 on sustainable enterprise.

These policies and governing documents are approved by the manager responsible for the area concerned, and are reviewed annually or more frequently if necessary. The procedures for the approval of policies will be updated during the coming financial year. Our policies and governing documents cover all employees and guide them in following the company's strategies for sustainable enterprise.

The greatest risks are upstream in our value chain (read more on page 41). We have two governing documents that clarify our core values and our requirements in relation to our suppliers:

- The Code of Conduct, which outlines

Stadium's position on human rights, workers' rights, the environment, anti-corruption and animal welfare.

- The Code of Business Ethics, which reinforces and describes our expectations of business relations, with zero tolerance of corruption, and reflects our internal loyalty commitment.

These are signed by our suppliers before the start of any collaboration.

For our employees, we have various policies governing our conduct in different areas (read more on page 50). 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. Stadium's managers have a responsibility to ensure that their teams are familiar with our policies and comply with them. To assist them, managers and employees are trained in these governing documents

via our training platform. The documents are available on our intranet and, if any questions arise, the contact person for each policy is available.

We monitor compliance with and the results of our policies and governing documents, for example via: production inspections, annual audits by an external party for an area of Stadium's business, development dialogues and anonymous employee surveys. If anyone associated with Stadium's business suspects that we are failing somewhere, it is possible to report this anonymously. Spring 2022 saw us develop our whistleblowing system, so that reports are first submitted via a third party and, if relevant, the report is then escalated to our Whistleblowing Committee. This comprises the HR & Sustainability Director, the HR Manager Finland and the Head of Security. The Whistleblowing Committee is responsible for ensuring that relevant decision-making bodies, including Group Management and the Board of Directors, are aware of any structural problems that need to be addressed. Over the year, we have not received any reports through our whistleblowing channels and we have had zero (0) confirmed cases of corruption.



Integrated sustainability work in practice

The right conditions need to be in place for each department to contribute to our overall sustainability goals. To this end, we work internally to communicate our goals and the initiatives we have in the organisation to help achieve them. Having a greater understanding of the work in progress makes it easier to see how one's own department can contribute. We also work to improve our employees' sustainability competencies through training. Communication and training are vital tools in ensuring the success of integrated sustainability work in practice.



Stadium's Sustainability Coordinator talking to store managers from all our countries about our joint sustainability work.

Communication

External communication linked to Stadium's sustainability work follows four key principles.

■ **Communication should be transparent.**

Example: We have our sustainability report reviewed by an external third party to gain an independent perspective on our transparency profile. We regularly conduct stakeholder dialogues on our sustainability work to identify any concerns that information is missing or difficult to understand.

■ **Documentation of what we communicate must be readily available.**

Example: We publish our sustainability report in English, Swedish and Finnish, in both printed format and digitally on Stadium's website. The website also has a sustainability page, which provides information on how we work with sustainability. We publish press releases and social media posts if there is news that may be of interest to the general public.

■ **In the environmental area, our communication focus is on *how we can help customers to act more sustainably.***

Example: Communicating knowledge of how to extend the life of a product, offering alternatives to allow the product to live on with another owner, making it easier for the customer to find the right product for their needs.

■ **We want our communications, like our mission, to *inspire an active lifestyle.***

Example: Everything we do at Stadium has a connection to an active lifestyle, and through role models, guides, knowledge articles and more, we inspire more people to get active.

Responsible marketing

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.



You are welcome to give feedback on our communications about our sustainability work via the QR code. You can also access the feedback function on our website, next to our published sustainability reports.

How we prioritise

We conduct a materiality analysis to establish how Stadium should prioritise its sustainability work.

The analysis involves identifying which sustainability issues are most relevant to our specific operations, the risks associated with our operations, how we affect our surroundings, how our surroundings affect us and, finally, what our stakeholders think. The latest materiality analysis for Stadium's operations was carried out in autumn 2021, and the material sustainability issues resulting from this analysis have not changed since the previous sustainability report.

When the time comes for a new materiality analysis, the entire Group Management Team takes part in a materiality workshop. At this workshop, the company's material issues are determined on the basis of stakeholder dialogues, impact analysis and risk analysis. As part of the stakeholder dialogues, group members are interviewed individually, giving them an opportunity, based on their areas of competence and responsibility, to raise important issues that should be included in the materiality analysis.



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 consequences if they occur.

This data gives us an overview of where in the value chain we face the greatest risks, which in our case is in our supply chain.

Managing these risks is largely about how we work with our suppliers.

Our Code of Conduct and Code of Business Ethics set out our fundamental requirements in relation to our suppliers. You can read more about these codes on page 42.

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 42.

For staff, our greatest risks are threats and abuse from customers, as well as incidents in connection with goods handling in the warehouse. In order to minimise the risks, we have introduced a number of measures, including training, alarm devices and other security measures. Read more about our work on health, safety and security on pages 54–55.

Managing these risks is largely about how we work with our suppliers.

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 with environmental aspects throughout the value chain, Stadium can have an 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 exert major influence over conditions for people who work in the supply chains.

Potential impact of sustainability issues on Stadium

- **Employees** are a vital resource for the business. Employees' well-being and job satisfaction, plus gender equality, equal opportunities and non-discrimination, affect Stadium's ability to achieve its long-term goals.
- **Safe and non-toxic products** have a high impact on the environment, people and society, and affect Stadium as a brand.

Stakeholder dialogues

At the end of the financial year 2020/21, we sent out a survey to our key stakeholders, who were identified based on their impact on us as a company and the impact our business has on them. The questionnaire invited them to give feedback on how they want Stadium to prioritise 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 interactions in store or via Customer Service, plus 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 in-house 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

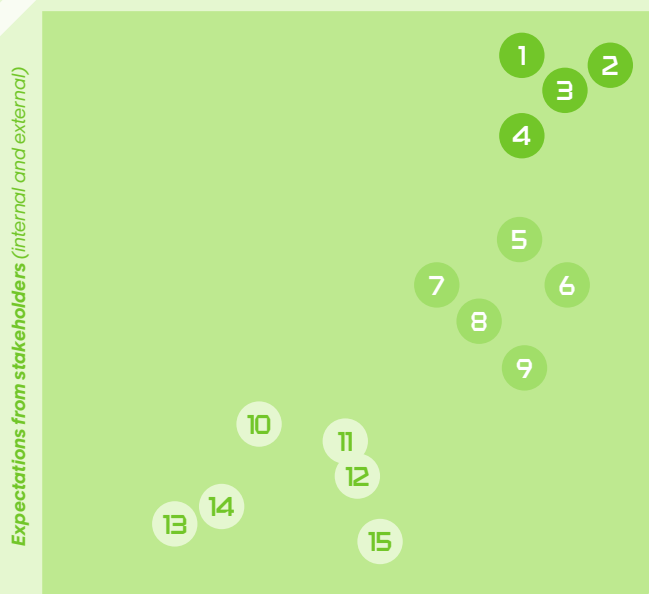
* Followers on the Swedish and Finnish Facebook pages and Instagram.

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

Our material sustainability issues

The risk and impact analyses and stakeholder dialogues reveal which sustainability issues are most relevant for Stadium to work on.

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



Impact (social, environmental and economic, as well as the impact of sustainability issues on Stadium)

1. Suppliers who are verified and certified based on social, environmental and ethical criteria
2. Climate- and resource-efficient use of water, energy and chemicals throughout the value chain
3. Good working environment, safety and well-being in the workplace
4. Equality, diversity and no discrimination in the workplace
5. Safe, non-toxic products
6. Fair working conditions and no child labour or forced labour in the production chain
7. Climate- and resource-efficient transport and packaging
8. Transparent sustainability communication about our work and our products
9. Circular processes: from design and materials to recycling and re-use
10. Community engagement
11. Traceable materials in the supply chain
12. Responsible animal welfare
13. Impact on biodiversity
14. Stores and store materials that are climate and resource efficient
15. Responsible marketing/strong customer privacy/effective anti-corruption work

How we work on our material sustainability issues

To the right, you can see examples of how we tackle each sustainability issue and its link to the global goals. Sustainability issues are divided into three areas: Extra focus, Develop and Basic. These areas describe our approach to work on each sustainability issue.

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 sustainability issues	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 Stadium's Distribution Centre (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 - All the electricity we purchase ourselves is 100% renewable - Solution Dye technique to minimise water, energy, emissions and chemicals in production
Developing	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 corrugated cardboard - Increased capacity utilisation between our distribution centres (DC) and stores - Ongoing project aimed at increasing the fill level in boxes and containers through standard dimensions of packaging. Find out more on page 31 - Commenced electrification of transport between the port and our warehouses, as well as electrification of transport between our warehouses. Find out more on page 31
	Traceable materials in the supply chain		12.8	- Third-party certification inspections 100% traceable down through the Responsible Down Standard (RDS) - GRS (Global Recycle 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 46 - Action programmes for low-rated factories
	Good working environment, safety and well-being 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) - Guiding policies, 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
	Equality, diversity and no discrimination in the workplace			
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 42
	Stores and in-store materials that are climate and resource efficient		7.2 7.3	- Renewable 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 materi
	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 is in progress 100% control of products within child safety and personal protective equipm
	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

Coming up

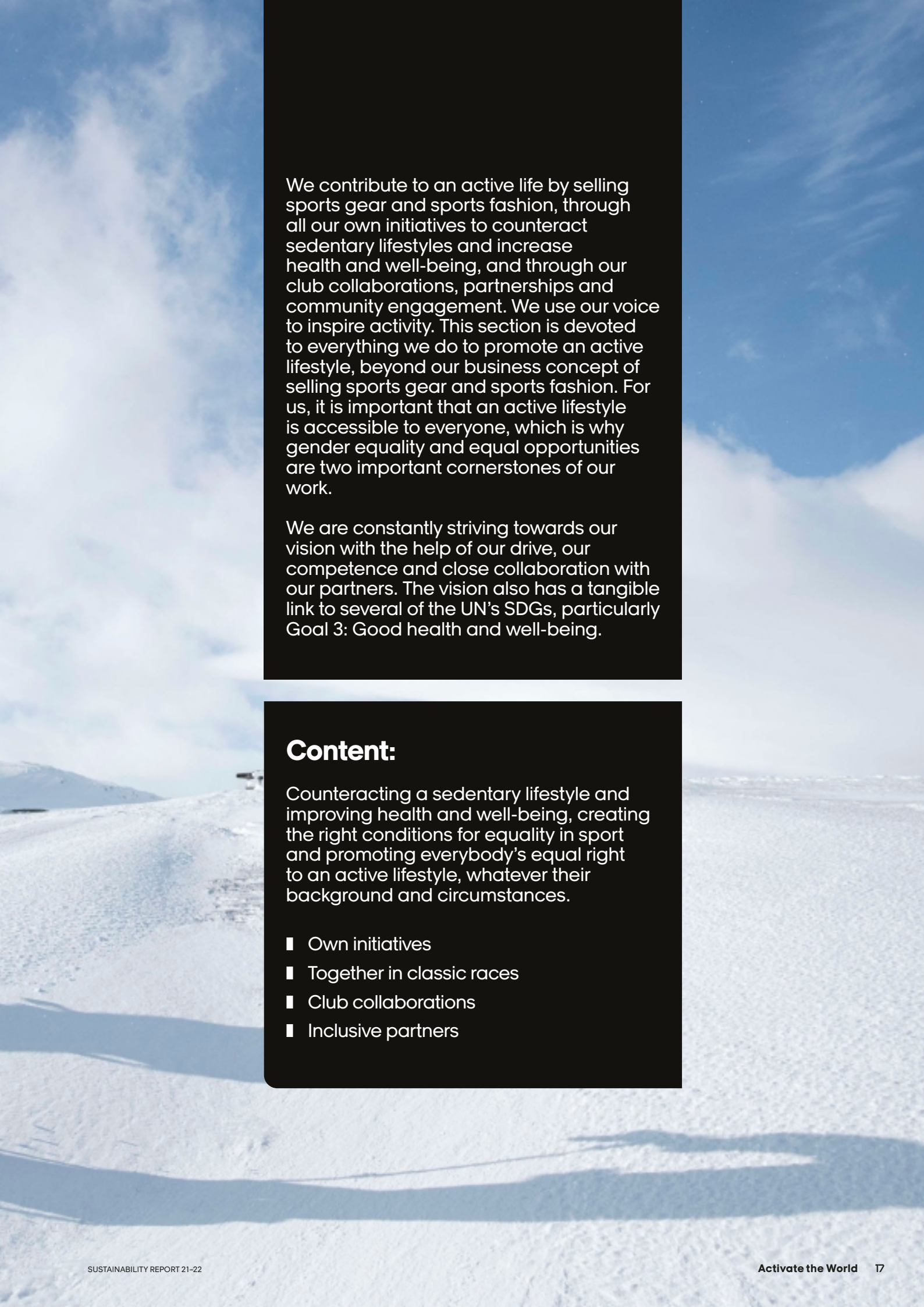
In the three following sections of the report, **Activate the World**, **Support the Earth** and **Passionate Employees**, we describe how we work on our sustainability issues.



Activate the World

Stadium's business is based on our mission to inspire an active lifestyle for everyone. Our vision to activate the world sets the direction we take – and we activate the world in many different ways.





We contribute to an active life by selling sports gear and sports fashion, through all our own initiatives to counteract sedentary lifestyles and increase health and well-being, and through our club collaborations, partnerships and community engagement. We use our voice to inspire activity. This section is devoted to everything we do to promote an active lifestyle, beyond our business concept of selling sports gear and sports fashion. 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 are constantly striving towards our vision with the help of our drive, our competence and close collaboration 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.

Content:

Counteracting a sedentary lifestyle and improving health and well-being, creating the right conditions for equality in sport and promoting everybody's equal right to an active lifestyle, whatever their background and circumstances.

- Own initiatives
- Together in classic races
- Club collaborations
- Inclusive partners

Activate the world!

Stadium's vision to activate the world informs everything we do. This vision aims to promote positive values in the form of improved health and well-being, and to counteract societal challenges such as inactivity, ill-health and exclusion.

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 – results from the WHO study Health Behaviour in School-aged Children show

that only 16% of girls and 23% of boys achieve the recommended activity goals*. We want to change that.

* <https://www.who.int/europe/publications/i/item/9789289055000>

Overall 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

Own initiatives

Our vision is to activate the world and our business concept is to sell sports gear and sports fashion. Offering these products is a way for us to set the world in motion, but our commitment to our vision doesn't stop there. We run several recurring initiatives aimed at counteracting a sedentary lifestyle and improving health and well-being.

Read more about how we embody our vision internally on page 52.



Participants in Stadium's Sports Camp 2022:

47% girls and 53% boys

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.

In 2020, the camp was cancelled due to the pandemic. We were then able to hold it in 2021, but without the residential element. In 2022, we were finally back to full scale with both Day Camp and residential camp. Almost 2 200 residential participants and almost 800 participants at Day Camp enjoyed being active over the course of three weeks at Himmelstalundsfältet and Stadium Arena in Norrköping.

We have run the Stadium Sports Camp ourselves since it started in 1995. We work actively to get children and young people participating, whatever their challenges or socioeconomic background. Together with several other charities, foundations and companies, Stadium Sports Camp is able to offer free places to kids who, for various reasons, would not otherwise have been able to attend.

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



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 financially support activities, projects, assignments and/or partnerships that promote an active and healthy lifestyle for as many people as possible. The foundation offers particular support for initiatives aimed at helping children and young people.

In 2022, we gradually began replacing our plastic bags in all our Swedish stores with our new bag in recycled nonwoven fabric. All profits from the medium-sized bag go to the Stadium Foundation.

Activity bag

We want more people, especially children, to live more active lives. To encourage this, since 2005 we have handed out our activity bag 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.

In September 2022, we distributed a total of 1 654 activity bags in Sweden!



Stadium's own races and tournaments

For the sporting events we organise ourselves, our guideline is to include everyone in the activity. Getting active should be made possible for children and young people, as well as for adults, for beginners and for keen competitors. No matter who you are, we want to communicate and share the joy of exercise with you.

Stadium Night Run

Autumn 2021 saw us hold our Stadium Night Run for the second year in a row, with a view to encouraging an active lifestyle even in the colder, darker months of the year. Holding a run in late October/early November extends the running season and also creates an opportunity for exercises to find out about continuing to run during the winter.

The five-kilometre Stadium Night Run was held in 2021 in both Sweden and Finland. Alongside the adult runs, there were also Stadium Sports Camp Runs for younger children to get the whole family active. 925 adults and 205 children took part in Sweden. 380 adults and 70 children took part in Finland. In total, the Stadium Night Run got 1 580 people being active in 2021.

Stadium Padel Match Play

Stadium Padel Match Play was prompted by the huge explosion in popularity that padel has seen in the Nordic region since 2020. In line with our vision to activate the world, we saw an opportunity to get a large target group active by offering a padel tournament.

No sooner said than done. Between September and November 2021, we held a padel tournament all over Sweden. Firstly, qualifying tournaments were played in each region, with the winners moving on to the regional finals. The grand final was then played in Norrköping, and the winners were given a weekend of accommodation and food, plus padel games with a trainer and coach.

In Finland we tested another concept, organising a padel tournament with qualifying competitions and a final in Helsinki over a weekend in November. Here too, the winners were given a weekend of accommodation and food, plus padel games with a trainer and coach.

953 teams and 1 906 participants overall, with the following breakdown:

Sweden	
Men	480 teams/960 participants
Women	220 teams/440 participants
Juniors:	50 teams/100 participants
Finland	
Men	175 teams/350 participants
Women	28 teams/56 participants

Löparveckan 5k

In April 2022, we held Stadium's other running event, Löparveckan 5k. A total of 517 people took part, representing everyone from competitive runners to those who enjoyed the nature along the route. Of these, 167 children took part in the kids' race, with its focus very much on joy of movement, arranged by Stadium Sports Camp Run. The race concluded Löparveckan (Running Week), with its content aimed at inspiring a broad target group to enjoy running.

Total number activated in Stadium's own initiatives during 2021/22:

Adults

3 464

Children and young people

542

Stadium thanks the coaches

During the pandemic, children and young people were prevented from participating in activities, competitions and events. Inactivity increased and sports clubs struggled with the financial consequences of the pandemic.

But despite this, club life still lives on, with the help of dedicated coaches who work every day to ensure that the children have somewhere to exercise, develop and dream. Without these coaches, sport wouldn't be what it is today. In spring 2022, we thought it was high time to celebrate and thank all these people who make it possible. We invited everyone to nominate their coach for Stadium's grant, and a jury picked out a total of six winners.

Three of these winners tell us how a coach can inspire children and young people to live an active life.



An active lifestyle is something you choose. As a leader, I want to get children and young people active and encourage them to also exercise outside their main hobby. For example, I advise them to use getting to their leisure interests as a way to exercise.

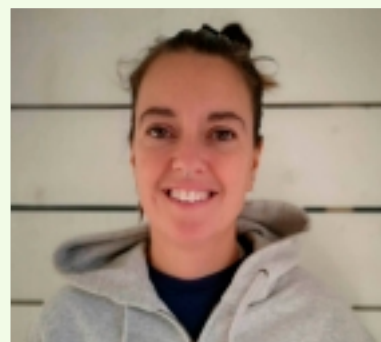
Varied and social exercises generate interest in sport. The desire to participate increases when the exercises are fun and fit the child's skill level and they feel they're succeeding. As a coach, I find out the main reasons why they play a particular sport and what motivates them. I help children and their parents see the benefits of sport and a healthy lifestyle and encourage parents to set a good example.

Marko Metz
Helsingin Tarmo



As a coach, the way you inspire children and young people to live an active life depends a lot on your knowledge, strengths and commitment, but also on your personality and character. It's important to be open-minded, friendly, observant and therefore aware of what is happening in the team. You must also be patient, calm and flexible and have realistic expectations. These are some of the characteristics that help create a stable foundation for self-esteem in children and young people, a foundation that makes them feel safe. This will keep them wanting to continue in the team, which in turn results in greater physical activity, increased well-being and improved self-esteem. In the long term, physical activity becomes a lifestyle that rubs off on other people.

Vasilios Vainalis
Jitex Mölndal BK



Our responsibility as a leader is to create activities where children and young people are seen, feel involved, have fun and develop. We think it's important that we as leaders make sport accessible to children with different circumstances and backgrounds. In our club, we work actively to get leaders that the children can relate to and be inspired by.

Anna Oehme
Sofielunds TK

Together in classic races

As part of our drive to enable an active life, we are also partners in a number of races, thus contributing to more opportunities to activate oneself. Together with our partners, we contribute to sports events that provide experiences, joy, fighting spirit, setbacks, laughter and exercise.

Were you one of the participants?

Event	Where	When	Participants
Midnattsloppet	Sweden	08.2022	15 740
Midnight Run	Finland	08.2022	2 393
Vasaloppet Winter	Sweden	02-03.2022	19 786
Vasaloppet Summer Week			
Ultravasan	Sweden	08.2022	6 670
Cykelvasan	Sweden	08.2022	13 090
Vätternrundan	Sweden	09.2021	18 408
Naisten Kymppi	Finland	05.2022	5 000
Lidingöloppet	Sweden	09.2021	16 700*

* Of which 15 000 participated in physical races and 1 700 in digital races.

Vasaloppet turned 100 in 2022!

Stadium celebrated this milestone with a relay race for our employees and a number of member activities, which included food for all Stadium members from Baama Food. As usual, we were on hand with a store to help the participants with the final preparations, or to rescue situations such as lost gloves or broken glasses.



Club collaborations

The club movement brings an active lifestyle to life. It is in this environment that children, young people and adults meet and share their passion for sport. We spoke to Jenny Damgaard from FC Rosengård, Max Bergander from AIK Fotboll and Annariina Seppä from FC Honka, three of the clubs we work with. The way these clubs drive positive progress towards a more equal and inclusive sports world is an inspiration.

FC Rosengård

SWEDEN

Who are FC Rosengård?

We are a football club from Malmö with two equally important focal points, one sporting and one social. We put just as many resources into our social activities as we do our sports activities.

FC Rosengård's vision is to create an equal and inclusive Malmö, where all children and families dare to believe in their dreams and have goals for the future – both on and off the pitch.

Our youth activities involve 700 children and young people, with 70 different nationalities, in 35 different teams, with around 100 coaches. We have an opportunity to influence and make a difference – and we make the most of that opportunity!

How do you promote equal and inclusive sport?

Four years ago we launched HatTrick by FC Rosengård. The desired outcome of the initiative is to get more girls aged 12–15 to stick with football and stay involved in a club. Players and coaches from our women's A-team come to provide inspiration, acting as role models and sharing knowledge and experiences. Since the start, 50 teams from 30 different clubs have participated in HatTrick by FC Rosengård.

Another initiative we're pursuing that aims to promote equality in sport is Football for Life by FC Rosengård (FFL Sweden). This initiative includes coaching programmes, reading

aloud, homework assistance and spontaneous football. 30 young women took part in the 2021 coaching programme, up 100% on the programme we ran in 2020. Having more young women as coaches helped us to attract many more girls to youth football in 2021.

Of all the young women who have completed FFL Sweden's coaching programme over the years, 46 have Caf D licences* in our district, compared with a figure of six for men. Male coaches are still in the majority, but we are seeing a shift, with qualified coaches more likely to be women.

In addition to the initiatives mentioned above, we also run projects where we tailor programmes to help people move forward, stronger in themselves and in their belief in the future. In 2021, this led to 294 long-term unemployed young people becoming self-sufficient. In addition, we train young people every year on a topical subject, such as nutrition and menstruation, inclusion and mental health.

Jenny Damgaard
Club Manager, FC Rosengård

* Equivalent to UEFA's basic coaching training in Europe.



AIK Fotboll

SWEDEN

Who are AIK?

AIK is a club with around 1 700 active young people and children, with two professional teams in the highest league in Swedish football. We are a club that focuses on contributing to the development of secure individuals on and off the pitch. We work on the whole person and their well-being, with a core focus on the club's values and principles.

How do you promote equal and inclusive sport?

Being inclusive is central to us – we want to offer a place where everyone has the right to a level playing field. We carry out a number of different activities in our work to achieve this. Every year, for example, we train all our players and coaches in what we stand for and what that means in concrete terms in our operations.

In 2017, we conducted an objective

gender equality review to establish the status of our gender equality work, as well as how best to prioritise continued work for equality in our club. In the review, different activities were compared with each other to reveal any inequalities. The results led us to make changes and add services, primarily on the women's and girls' side, in order to achieve our goal of becoming more equal. These measures have made us more equal in many respects when comparing the academies, but we still have work to do to reach our goals. Just like in wider society, it's about changing structures and ways of tackling the issues. We are in a positive process of change and have come a long way, but we are also fully aware that we still have a long way to go to get where we want to be.

Max Bergander

Head of core values and society, AIK



FC Honka

FINLAND

Who are FC Honka?

FC Honka is a football club with both an elite and a grassroots level. We have around 1 800 active players and also organise a wide range of football schools and activities for both children and parents. For us, an active lifestyle is key, and we're committed to engaging all Espoo residents in exercise, whether they're playing sport in our club colours or anywhere else.

How do you promote equal and inclusive sport?

We've reviewed our player path from grassroots to elite from a gender equality perspective. For example, we apply the same model when we start up girls and boys teams and work consciously on our communication, internally and externally, to make sure it's inclusive. We've seen a rise in the number of girls who choose to start playing football with us, and our goal is to continue to increase the number of active girls. We see more female coaches as an important contribution to showing young girls that they can grow as football players or football coaches regardless of gender. Increasing the proportion of female coaches in our operations is therefore an important focus area for us going

forward. We take the fact that children and young people, especially girls, choose to stay with our club for a long time as one of several indicators that our efforts are actually having the desired effect.

FC Honka also has its own junior fund, which pays out support money annually to families who can't afford sport for their children. Similarly, we have capped payments for our more competitive teams, which means that if costs for a particular team or player exceed the cap's cost limit, we raise funds together. We're working to avoid situations where a child is forced to stop playing football because of the cost.

Everyone is welcome to join our club, regardless of background or experience. We actively include children from different ethnic origins and help them and their families to integrate into Finnish society. We focus on getting more asylum seekers into our club and see the direct positive effects of new friendships, and individuals developing through football both as players and as people. Football belongs to everyone and creates amazing communities!

Annariina Seppä

Head of Administration and Communication, FC Honka



Inclusive partnerships

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 to connect players who can help each other, contributing to mutual learning and providing financial support.

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.

You can read about some of our partnerships below.

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. Goodsport wishes to play its part in sustainable development, with a particular focus on three of the global goals – Health and Well-being, Peace and Inclusive Societies, and Sustainable Cities and Communities.

In 2022, the foundation developed a digital platform with various tools to help sports clubs set up and run sustainable projects that make a difference. Data from this tool is reported for Goodsport's own projects in this report.

Night Football

Night Football is a project run by Goodsport together with partner clubs and organisations. Its aim is 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 2021/22

- A total of 392 Night Football evenings were organised in the period August 2021 – August 2022.
- 29 460 people participated in Night Football, 86% of them boys and 14% girls.

Results from interviews in autumn 2021

- A total of 35 girls, 244 boys and 9 non-binary people took part in the interviews. The majority of the participants were between 13 and 20 years of age, and 86% stated that their parents were born in a country other than Sweden.
- 35% state that they are not members of a sports club.
- 65% say they play more sport thanks to Night Football.

- 86% say that Night Football has had a positive impact on them.
- 74% say they have made new friends through Night Football.
- 93% report feeling that the activity is safe.
- 68% say that they feel the sense of community is improving among young people in their neighbourhood thanks to Night Football.
- 58% report feeling that crime in their local area has decreased due to Night Football.
- 88% feel that the coaches' way of leading the Night Football is good.

Skolträffen

Goodsport also runs Skolträffen, which aims to combat prejudice, exclusion and segregation. Skolträffen brings together school children aged 10–14 from different areas and different backgrounds in terms of culture and socioeconomic conditions.

86%

have got to know someone from second grade, and 26% of these plan to meet up again.





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.

1DROTTSGALAN

FA1R 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.

Fair play has become a well-established concept that most people associate with sporting behaviour. However, fair play means much more than this: it 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 2022 was coach Christer Alsö. The jury said:

This year's Fair Play Award is awarded to Christer Alsö for setting up a veteran football team for children who have left, don't usually make the team or haven't even started. A team where enthusiasm and fun take precedence.



Human Bridge is a Swedish aid organisation that focuses primarily on supplying health services in vulnerable countries with medical equipment and other materials. The mainly second-hand equipment comes from the Swedish health service and is 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. Stadium's re:activate initiative provides Human Bridge with sports gear and clothing that can be used wherever they are needed.

Since the early 2000s, Human Bridge has been working with organisations in Ukraine to provide hospitals, rehabilitation

centres and retirement homes with the appropriate equipment. With their extensive experience and network of contacts, they were able to act quickly and efficiently when the war broke out: a trailer loaded with medical supplies was sent to Kyiv the same day. In partnership with Stadium, a collection campaign for clothing, shoes and money earmarked for the initiatives in Ukraine was launched immediately. Stadium also sent material to other countries, including Iraq, Romania and Moldova, in 2021/22.

With the materials from Stadium, we can top up our shipments of clothes, shoes and sports equipment – bringing both happiness and employment!

Robert Bergman
Director of Human Bridge

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 help SOS Children's Villages and the children's village of Chattogram in Bangladesh.

The children's village in the Bangladeshi city of Chattogram 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 families to stay in touch with the outside world and has made schooling available to 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. 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

this has positive knock-on effects. 80% of the children and young people 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.

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.

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. The assistance offered by the organisation includes hobby support, a chat service and worklife coaching.

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. The child protection service helps around 1 400 children and 300 families in total.

Support the Earth

In this section, we explain how we tackle our material sustainability issues regarding the environment and take responsibility not just for our products, but for the entire production chain.



The aim is to reduce the negative impact on the environment and human 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.

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

Content:

- Our carbon footprint
 - Goals, outcomes and analysis
 - Stores and other real estate
 - Transport and distribution
 - Purchased goods
- A more sustainable product in a circular flow
 - A more sustainable product
 - Product manufacture
 - Sales
 - Use, re-use and recycle
- Responsible production
 - How we work with our suppliers
 - Results of our work
- External brands

Our carbon footprint

Our ambition in the area of energy and the climate is to fulfil our part of the Paris Agreement and contribute to a reduction in global warming.

Goals, outcomes and analysis

Overall climate 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***



All climate targets are set in relation to our base year 17-18. * Applies to Scopes 1 & 2. Climate neutrality entails an 85% reduction in and 15% offsetting of direct emissions from our own operations, indirect emissions from energy purchases. ** Applies to part of Scope 3 (production and transport within own brands). *** Applies to Scopes 1-3.

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. The climate goals set by Stadium are in line with the Paris Agreement's target. 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.

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



The Swedish Textile Initiative
for Climate Action

Steering towards our climate goals

To achieve our climate goals, the entire organisation must be pushing in the same direction. Our environmental policy guides our decisions, and our sustainability strategy describes the pathway towards our goals.

We follow up progress and compliance in several forums: in a cross-functional team that meets continuously throughout the year, in the Sustainability Council, which includes Group Management, and in regular meetings between employees with responsibility in the area.

The HR & Sustainability Director is responsible for follow-up. In the 2020/21 financial year, we began annually reporting our carbon footprint for Scopes 1-3 and use those numbers as a basis for prioritisation and adjustment of future work. In addition, we have key figures that we actively work on in the areas of Stores and other real estate, Transport and distribution, and Purchased goods. The outcomes for these key performance indicators are presented under the Results heading for each area.

Results of our work

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.

Scope		Base year 17-18	20-21	21-22	Change compared with Base Year
Scope 1	Direct emissions*	240	157	173	-28% (67)
Scope 2	Indirect emissions from purchased energy**	5 787	5 337	5 558	-4% (229)
Scope 3	Fuel and energy-related activities	822	675	738	-10% (84)
	Transport and distribution	6 946	5 652	6 232	-10% (714)
	Purchased goods	187 719	167 476	176 875	-6% (10 844)

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. **Transport 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.

* Biogenic emissions in Scope 1 are 5.5 tonnes CO₂e. ** Scope 2 according to the site-based method is reported as 4 417 tonnes of CO₂e for the year 2021/22. We have been able to calculate emissions for 2021/22 more accurately using new data for Scope 2. We have recalculated emissions for 2017/18 and 2020/21 applying the same principles as for 2021/22, in order for the figures to be comparable. The new supporting data has resulted in us reporting lower emission figures.

About our climate goals and calculations

We decided to set out our climate targets in 2019. At that time, we did not have all the necessary data for our own in-house production or for external brands for the current season and we therefore chose to use the financial year 2017/18 as the base year.

This report for 2021/22 includes data for Scopes 1, 2 and 3. To make our calculations, we use quite a lot of standard data for all the scopes. The overall distribution is 59.8% specific data and 40.2% standard data. This year we have been able to include certain data on the factories' energy consumption specifically related to our business and this has been used to calculate Purchased goods Scope 3. We have not updated our base year on the back of this extra data from our factories for 2021/22, as the data we have from them is still relatively small. On the other hand, we have recalculated our base year and the financial year 2020/21 for the category Purchased goods (Scope 3) and are now reporting lower figures compared with previous reports. This is because the wrong emission factor was originally used for a product group, which has now been corrected.

For the category Transport and distribution (Scope 3), one of our distributors has updated its calculation method. We have consequently recalculated emissions from Transport and distribution for our base year and the financial year 2020/21, resulting in lower reported emissions in this category compared with previous reports.

During the year, we have been able to verify that a larger proportion of the electricity we buy from property owners is renewable. The reduction in the standard data for Scope 2 is thus so great that we have chosen to update our base year and the financial year 2020/21, applying the same ratio of standard data to specific data as for 2021/22. As a result, we are reporting lower emission figures for the base year and for the financial year 2020/21, compared with those presented in previous reports.

Results for Stadium's carbon footprint

The outcome of this year's climate calculation shows that we reduced our emissions for all Scopes in 2021/22 compared with the 2017/18 financial year, which is the base year we have set for our climate targets. The decrease in our direct and indirect emissions, Scopes 1 & 2, during this period is mainly due to fewer business trips, energy efficiencies in our stores, warehouses and offices, and exclusive use of renewable energy where we own the contracts ourselves.

The proportion of volumes being transported has risen since our base year, but thanks to our streamlining of logistics and our carriers using a greater proportion of renewable fuels, we have actually reduced emissions by 10% compared with our base year. We are on the right track, but we need to reduce emissions more quickly, which is a challenge as we grow.

Emissions from our own-brand products are down by 29%, partly by virtue of lower volumes, but not entirely. If we look at the average emissions per product for our own brands, we can see a reduction of 19% compared with our base year. This positive development is mainly due to the transition to more sustainable materials and resource-efficient dyeing processes.

For our external brands, emissions have increased compared with our base year. This is because the volume of our external brands has increased over the same period. However, looking at average emissions per product, the figures are down. The reduction in average emissions per product shows how our work and that of external brands to reduce emissions is making a difference, but that the positive reduction is largely being eaten up by growth.

Looking at our total emissions, we can report a 5.9% reduction (11 936 tonnes of CO₂e) since our base year. In that same period, we have increased our sales by just over 26%. So we can see that our overall emissions are in fact decreasing, but that growth is denting the positive trend in emission reductions. Like the industry as a whole, we are wrestling with the challenge of growing as a company, while at the same time reducing our emissions in absolute terms. This is a challenge we cannot resolve on our own, depending instead on collaboration with others, on innovations, new technologies, on changing consumer behaviour, circular flows on a large scale, and so on. We are continuing our ongoing work to reduce our emissions within all scopes, but we will also be reviewing and developing our strategy with the help of the lessons and knowledge we have gained along the way.

Our emissions 21-22

On the following pages, we explain what we have done during the year, the results of our work, the challenges and the next steps.

→ SCOPE 1 & 2

Stores and other real estate

To reduce the carbon footprint of our energy use, we are working to reduce energy consumption and to ensure that all the electricity we consume is renewable.

100% of the electricity Stadium itself buys is renewable electricity. This electricity accounts for around 60% of our total energy consumption. The remaining 40% is purchased by other parties, such as the property owners from whom we rent our store premises. Our goal is for us to only consume renewable electricity by 2025, i.e. electricity that comes from renewable sources. This applies to our retail spaces, offices and warehouses in all the countries in which we operate.

Measures to reduce the carbon footprint of stores and other real estate

- In our dialogues with property owners, we have a shared understanding that the electricity we buy from them should be renewable. To ensure that this is the case, we are now requesting certificates to verify that the electricity is renewable. So far, we have received certificates confirming that 46.8% of the energy that our landlords buy, and we do not purchase ourselves, is renewable.
- 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.
- 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 have installed submeters in these stores. These allow us to

monitor consumption in all our stores, enabling us to implement targeted measures in those units with the greatest consumption per square metre. There are currently 15 submeters still to be installed, and they will be put in place in 2023. Every year, we identify the ten stores with the highest energy consumption per square metre and work actively to improve energy efficiency in these stores.

Results

- For the financial year 2021/22, we can verify that 77.7% of our total electricity consumption consists of renewable electricity, regardless of whether we own the contract or purchase via property owners.
- The results of the emissions calculation for the financial year 2021/22 show that emissions from stores and other real estate have fallen by 4.7% compared with our base year.

Focus going forward

- At present, we lack verified documentation as to whether or not the electricity we purchased from property owners during our base year 2017/18 was renewable. Having verified this for 2021/22, we have had to assume that the same proportion of renewable energy applies for 2017/18 and 2020/21. We have updated the calculation accordingly, which results in us reporting lower emission figures in these years. We are updating previous years' emission figures because otherwise our emission reductions in 2021/22 compared with previous years would appear greater than was likely in practice. In 2023, we will establish the actual share of renewable energy that we purchased in 2017/18 and we can then update our base year and report an accurate trend.
- We continue to request certificates from property owners who have not yet verified that the electricity we buy from them is renewable. This is so that we can report the percentage of the electricity we consume that is actually renewable.



→ SCOPE 3

Transport and distribution

We are working on several parallel measures in our drive to reduce emissions from our transportation activities. Collaboration with other actors is crucial if we are to achieve our climate goals.

Our environmental policy guides us in our decisions and the climate impact of our measures is followed up with the help of emissions calculations and emissions data. Our goal is to reduce the carbon footprint of our transportation by 50% by 2030.

Measures to reduce the carbon footprint of transportation and distribution

- Spring 2022 saw our collaboration with Rusta and Alltransport become a reality. With an electric truck on site in Norrköping, we have now started electrifying the transport of containers from the Port of Norrköping to our warehouses. During the financial year 2021/22, these movements were completed using only renewable fuel, in a ratio of 10% electricity, 75% HVO 100 and 15% biogas. Next year, we will be able to report an increase in the use of electricity on this route, as the electric truck will have been in operation for the entire financial year by then.
- In autumn 2022, we took the next step in the electrification of our transport operations. In collaboration with Einride, all journeys between our warehouses in Norrköping are now made by electric vehicles.
- Together with BillerudKorsnäs, we have developed a new standard measurement for transport packaging, with the aim of increasing capacity utilisation in boxes and containers. This allows the same volume of products to be transported in fewer containers, which benefits the environment. After a successful pilot project, we entered the next phase of the project in autumn 2022, focusing on shipments from China. Most of our textile garments from our own brands will gradually be shipped in the new packaging. The same volume transported from China will therefore require fewer shipments.
- In spring 2022, we carried out a pilot project regarding our handling of plastic. The purpose of the project

was to trial measures to reduce the handling of plastic in stores and to increase the rate of plastic recycling. Since we have better conditions for efficient recycling of plastic in our warehouses than in the stores, we tested removing plastic packaging from garments actually in the warehouse, before transporting them to the store. We wanted to investigate how the quality of the clothes was affected by being transported to the stores without the plastic. We are pleased to report positive results: transporting the clothes from warehouse to store without plastic worked well, and we plan to use this solution in our new warehouse, which will be up and running in 2026. We are aware that this action does not reduce the use of plastic. On the other hand, it increases the recycling rate and makes everyday life easier for our store staff, which we see as a welcome improvement.

- From 2022, all distribution from our central warehouses to the various terminals will use fossil-free fuel, primarily HVO.
- Beginning with deliveries in spring 2020, we decided that, as a rule, we will not accept air freight for our own brands. If an exception must be made, this has to be approved by the Purchase & Category Director Stadium Group, and we will require carbon offsetting. As a rule, shipments from Asia to Sweden must be made by sea.
- Goods are transported from our distribution centre to our stores via a carrier that has ISO 14001 environmental certification.
- Through our current partnerships, in certain geographical areas we are able to offer online customers fossil-free delivery from warehouse to customer.

Results

- The results of this year's emissions calculation show that we have reduced emissions from transportation and distribution by 10% compared with our base year. This is despite transporting higher volumes in 2021/22 compared with our base year.
- In 2021/22, zero own-brand deliveries were made by air.

Challenges

- Online shopping presents certain challenges in reducing our emissions. We are in dialogue with our carriers to find more sustainable solutions.
- We also see a challenge in the fact that the calculation tools available today cannot report emission data specifically related to our transportation operations. The emission savings resulting from our actions are allocated to all the operators using the same carrier. We can calculate the effect of our own measures on emissions, but the calculation of our carbon footprint for the financial year, which is done annually and reported in this report, cannot be captured with current technology. Together with our suppliers, we are now testing various tools developed to address this particular problem.

Focus going forward

- We are scaling up our standardised packaging project by developing and implementing optimised standard dimensions for more product categories. Our long-term goal is for these standardised transport packaging options to be used globally.
- We are also continuing our electrification of transport, as well as working towards climate-smarter handling of returns.

Working with Alltransport and JE Åkeri as pioneers, alongside companies like Stadium, is incredibly rewarding.



→ SCOPE 3

Purchased goods

93% of our total carbon footprint comes from the category Purchased goods. To reduce the carbon footprint of our purchased goods, we are focusing on using more sustainable materials, switching to more resource-efficient dyeing processes, helping the factories to switch to renewable energy and developing circular processes.

Measures to reduce the carbon footprint of purchased goods

- As purchased goods account for such a large proportion of our total carbon footprint, we are devoting the whole of the next section to describing the measures we are taking to reduce each product's footprint. You can read about this in the section "A more sustainable product in a circular flow", starting on page 33.

Results

- Overall, we have reduced our emissions from purchased goods by 6% since our base year.
- Compared to our base year, we have reduced emissions for our own brands by 29%.
- The average emissions per product for our own brands are down 19%.
- In total, 53.9% of the products from our own brands are more sustainably produced, an increase of 5.3 percentage points compared with the

previous financial year. 71.7% (58.8) of the products from Stadium's SOC brand are more sustainably produced. With our Everest brand, 42.2% (36.1) of the products are more sustainably produced. See page 39 for details of the criteria for a product to be classified as produced in a more sustainable way.*

- 53% of Stadium's and Stadium Outlet's own brands consist of more sustainable materials. See page 34 for a definition of more sustainable materials.

Challenges

- This is a vital job that everyone in the industry needs to do in order to transition and reduce our carbon footprint. We share several common challenges: access to more sustainable materials, innovation gaps, factories' scope to switch to renewable energy, traceability along the supply chain, system solutions and so on. These challenges and the risks they entail are addressed in our strategies for managing them in a structured manner.

Focus going forward

- Increase the proportion of dyeing processes that save on energy, water and chemicals.
- Continue to survey energy consumption and energy sources at the factories. We are also continuing to develop our work on reviewing energy sources and environmental targets among the factories' subcontractors, with a view to switching to more renewable electricity throughout the production chain.
- Continued work on circular processes in production, starting in the design phase, to create products that work within a closed loop.
- Traceability of the raw material's origin will be crucial in the future to enable circular flows. Greater transparency in the supply chain is also something we will be focusing on more in 2023, along with improving our system solutions for increased traceability.

* Previous financial year in brackets.



A more sustainable product in a circular flow

Helping to counteract global warming will require intensive work to transform the production process. To reduce our carbon footprint, it is crucial that we push to produce more sustainable products and keep them within circular flows. Our environmental policy, climate goals and defined strategies guide our actions in this work.

We have divided the product's circular flow into four stages. In this section, we describe how we are working within these stages to reduce the impact on the environment and climate.*

** You can read about how we work with transport, distribution and energy use in our warehouses, offices and stores on pages 30–31.*

A closed loop



The following pages present more about each stage of the circular flow.



A more sustainable product

The first stage is about how we can develop products with a smaller environmental footprint. Factors include design, material selection, use of resource-efficient production techniques and product development.

Design

Our design team creates products with a focus on function and sustainability. The design process also takes into account the product's service life and circular processes. In spring 2022, we conducted internal training in circular design and the use of digital tools for this.

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

More sustainable materials

Switching to more sustainable materials is an important step towards achieving our climate goals. As our in-house production of textile products consists mainly of materials made of cotton and polyester, this is where we choose to focus our efforts for change. By the term more sustainable materials, we mean: recycled material, material dyed using water- and energy-saving dyeing methods, sustainable cotton and sustainable cellulose-based material.

Around 53% of our products for 2020/21 are made from materials that are more sustainable. Increasing the proportion of products made from more sustainable materials has been a challenge over the year. The fact that supply of these materials is lower than demand has affected both the ability to get hold of the material and its cost. We are investigating how this is going to affect our current strategies for reducing our carbon footprint. Factors that we see having a

positive impact on the outcome of our investigation include a stabilised global supply system, technological advances and increased use of new innovations. The results of the investigation will inform our decisions on how to handle the situation going forward.

More sustainable cotton

Since 2017, we've been using 100% more sustainable cotton, which for us means Better Cotton, organic cotton, recycled cotton or other eco-certified cotton alternatives. The majority comes from Better Cotton, read more on page 36.

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.

Recycled

We have been working with raw materials recycled from used PET bottles for several years now. The number of PET bottles we used to produce new materials in 2021/22 is 15 491 437. 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.

A major challenge right now is to reduce the use of virgin polyester and instead increase the proportion of recycled polyester that maintains the right quality and feel at a reasonable price. We see a need to find other recycled raw materials to use instead of PET bottles, with a view to replacing the use of recycled PET bottles in the long term, as these are needed in other circular flows.

Collaboration and innovation for new, more sustainable materials

Stadium is working with Sysav and their Siptex sorting facility in Malmö to tackle the problem of a shortfall in recycled polyester with the right performance. A product of Swedish research, the Siptex site makes Sysav the first company in the world to have a facility for automatic large-scale sorting of textiles. Textiles

received at the 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. In our view, old textiles that cannot be re-used are thus potential new raw materials that can help to reduce the impact on our planet.

In 2022, Sysav supplied Stadium with four tonnes of recycled polyester. We are now experimenting with ways to process the material into sustainable end products that are attractive to our customers. We are excited to be continuing our work on this development.

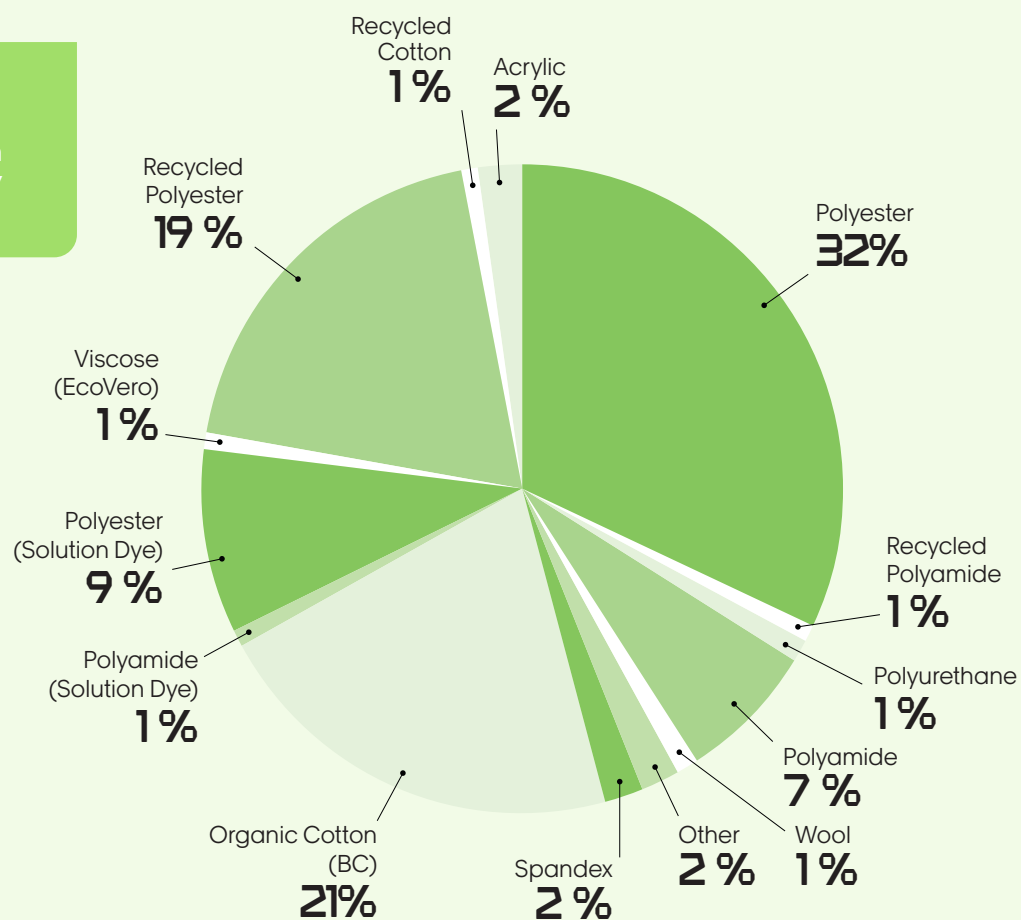
Human Bridge has been a partner in the Siptex project since the first phase was initiated a number of years ago. Siptex has to mechanically sort fractions of different compositions, which means that there must first be a rough sorting of the material to separate re-usable textiles from materials to be recycled. 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 promote the development of sustainable textile processing in Sweden. Read more about Human Bridge on page 25.

Siptex stands for "Swedish innovation platform for textile sorting". The heart of Siptex is an automated sorting facility for textiles in Malmö, owned and operated by Sysav (Sydskånes Avfallaktiebolag). The Siptex 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. These include Stadium, H&M, IKEA, Kappahl, the Swedish Environmental Protection Agency, Re:newcell and Myrorna.

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

In 2022 we also joined two parts of a major innovation project (CITEX), initiated by BioInnovation and partly financed by Vinnova. The aim of the project is to develop circular flows and move away from fossil raw materials. We are participating in the sub-projects run by IVL Swedish Environmental Research Institute: Innovative fibre blends and yarn spinning techniques, plus Mechanical textile recycling – Roadmap for Swedish processing capacity. Our contribution to the projects includes sharing experiences from our previous recycling tests, as well as explaining our needs as a customer-facing actor. We appreciate the collaboration between research and industry, as a way to jointly develop new innovations that can have a real impact in our work to reduce global warming.

The diagram to the right shows all the different materials Stadium and Stadium Outlet worked with in 2021/22, along with distribution by weight and volume.



Certifications and collaborations

Textile Exchange

Stadium has been a member of the global non-profit organisation Textile Exchange since the beginning of 2021. Membership makes knowledge and tools available in the organisation's three core areas: fibre and materials, integrity and standards, and supply chains, adding great value in our journey towards achieving our climate goals.

Textile Exchange works to positively impact the climate by accelerating the use of preferred fibres in the global textile industry. The organisation develops industry standards and collects and publishes key industry data and insights. This enables brands and retailers to measure, manage and track their use of preferred fibres and materials.



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 (BC) 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. Better Cotton is not physically traceable to end products, but the affiliated farmers benefit from the demand for Better Cotton in relation to the volume purchased. Today, over 2.4 million growers in 25 countries are licensed to sell their products under the Better Cotton certification scheme.

In 2017/18 we committed, in partnership with the Better Cotton, to only use more sustainable cotton. Sustainable cotton covers Better Cotton, organic cotton, recycled cotton and other eco-certified cotton alternatives.

Resource-efficient dyeing processes

To minimise our environmental impact, we are investing in the energy- and water-efficient Solution Dye technique for dyeing clothes, which enables dyeing at the point of fibre production. This avoids a separate dyeing process, thus saving water, energy and chemicals. The Stadium Group currently uses Solution Dye as a dyeing method to a large extent. In the financial year 2021/22, much of our range was dyed using this technique, which meant that during this period we used 11 443 367 litres less water than if we had used conventional dyeing methods. We have employed the Solution Dye technique for over ten years. Initially, the dyeing process was used only for black linings, but since 2013 the technique has been available for a large number of colours. It is mainly the linings that are dyed, but also the outer fabric for brands such as Warp, Everest, SOC, Race Marine and Stadium.

All of Stadium's own-brand 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.

In addition, 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. Our ambition is to further increase the use of Solution Dye in our production, as we have set a long-term goal of exclusively using water-saving dyeing methods for textile products. 73.15% of our overall in-house production is made up of textile products.

Solution Dye saves water

Savings with the Solution Dye technique compared to traditional dyeing:*

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

* The figures above are based on an average calculation that provides a rough picture of the overall savings. The calculations are general since there is no standard procedure and the circumstances vary depending on the material and factory. It is therefore difficult to prove the exact level of savings per material and product. We are working to achieve greater transparency in this area.

Chemicals

Our aim is, of course, to exclude all chemicals that are harmful to people and the environment. In 2015, we produced our first Restricted Substance List (RSL), a list of restricted and prohibited substances. Updated every year with slightly tougher requirements than those in REACH, the EU's chemicals regulation, the list helps us to phase out hazardous chemicals. In practice, the list is mainly used to set clear requirements for our suppliers regarding the chemicals in our products.

We have focused on phasing out certain substances in our own-brand products that have a negative impact on the environment:

- Antibacterial treatments such as silver or biocides have an unnecessary impact on the environment and were phased out from Stadium's own-brand products back in 2015.
- Phthalates were phased out from our own products in 2017.
- By 2018, all our own-brand clothes and shoes were PFAS-free, and by 2019 tents and bags were also PFAS-free.

In conjunction with the 2019 Vasaloppet ski race, we challenged the industry to reject ski wax with PFAS. Since 2020, we have only sold fluoro-free ski wax.

We are proud of our work to phase out PFAS, phthalates and antibacterial substances from our own range. With external brands, we choose not to

purchase products containing the above substances.

However, we should note that certain outdoor materials in a very small number of products for external brands still contain PFAS. For these very few products, a joint strategy is in place with the brands concerned to replace these with materials offering the same functionality without PFAS.

We continue to participate in the industry's collaborations on materials and chemicals in order to raise our level of knowledge and to comply with the EU's upcoming tightening of chemicals legislation.

Safety and quality

Child safety

When it comes to our younger customers, who are active for most of the day, we have a great responsibility to ensure their safety. We do this in part by training our developers of child safety products. We are also 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 test outerwear for children up to the age of 14, to ensure that their detachable hoods release at a certain weight for the size of the garments. In addition, we participate in standardisation work within child safety.

Quality and inspections

We focus on making the product last a long time in the best interests of the environment. We maintain high quality standards for our products to ensure the conditions for a long service life, and we continuously monitor quality, safety and chemicals in order to identify risks in good time.

We use a quality inspection tool, Qarma, which allows us to see products, the way they are packaged and inspection results in visual form, before the products are shipped. The use of Qarma has improved the basic data we receive from the factories. This is partly because language barriers are reduced when much of the information flow is visual, and partly because the information comes directly from the factories' quality inspectors, which means that we communicate with the people who have the most expertise in this area. The tool enables us to follow up on the quality of the products in a structured way and to more quickly identify areas where we need to take action. This enables us to rectify errors before shipping.



Refurbishing

In 2020/21 we refurbished 113 828 products for various reasons, primarily mould, damp, odour 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 113 828 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, with a threshold for how much fibre a material may release and still be used in our garments. We do this to ensure that we choose the most sustainable option: the less fibre released during the use phase, the longer the garment will last and the fewer plastic particles will end up in the environment. We also have a best-practice document for the manufacture of fleece products to reduce fibre release in the production and use phases. An example guideline in this document is that we recommend laser cutting the fabric instead of using a blade, as this reduces the release of fibres.

Product manufacture

Once the design, materials and dyeing process have been determined, the product has to be made. The amount of energy used in production and its origin have a major impact on our carbon footprint.

In order for production to be more sustainable, we work actively to survey the factories' environmental work, with an emphasis on energy. We want to know whether the suppliers have set their own environmental goals and strategies, whether they are already part of a programme to save energy and whether they currently use renewable electricity.

To aid us in this, we chose to join the climate organisation CDP in spring 2021. 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.

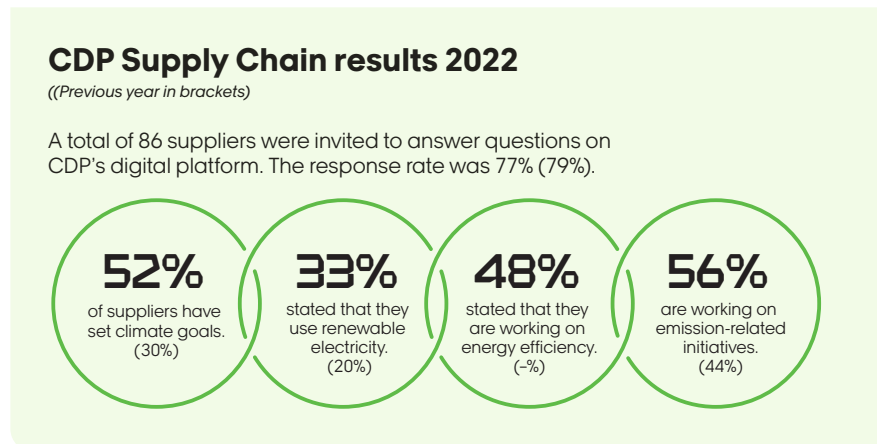


Read more about CDP at:
<https://www.cdp.net/en>

In practice, our membership of CDP means, among other things, that our suppliers are invited to CDP's platform, where they can log in free of charge and answer questions. The platform is available in a full version and a minimum version. The majority have so far used the minimum level, but we are seeing wider use of the full version compared with responses to the first mailing in 2021. The data gives us a relatively good picture of where suppliers are, what level of knowledge they have internally on these issues and what their challenges are. The data also helps us to reduce our reliance on standard data for our climate calculations, which means we can report our carbon footprint more accurately.

Work on the survey

The focus of the survey is centred on three areas: whether the suppliers have set their



own goals and strategies, whether they are already involved in any programmes that save energy, and whether they currently use renewable electricity. We have 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 climate goals. At the same time, we need to understand where suppliers' challenges lie in setting their own sustainability goals and converting to more renewable electricity in production. Close cooperation has been crucial here. With the data we have obtained, we can better see where we face the greatest challenges, as well as gaining a clearer understanding of the areas in which our factories need support. Our environmental inspections at the factories contribute to this understanding and to the factories' sustainability work. Read more about this on page 46.

We can see that, compared with the previous year's survey, suppliers have increased their expertise in this area and also made progress on climate-related measures. At the same time, we are aware that continued development will require great commitment in the coming years. The challenges we see today are that our mailings are primarily targeted at our direct suppliers. We are working to reach several of their subcontractors, as these are an important part of the transition to more climate-smart production. This year, the response rate among subcontractors has been 75%, but that is of the small

number who received the mailing. We are focusing on an in-depth dialogue aimed at engaging our suppliers in these issues and taking our shared responsibility for sustainable production.

Progress during the year

When we began the survey work in CDP in 2021, our ambition was to add subcontractors in Tier 2. In spring 2022, we invited subcontractors to participate in the survey, and of the four invited in Tier 2, 75% responded. We visited two of these in summer 2022 at their factories in Taiwan. Long-term and close collaborations have always been a central part of our business relations, and in order to reduce global warming, we must expand our dialogues and collaborations with suppliers in Tier 2. The purpose of the visits was to provide more insight into our joint work in CDP and to find out about their ambitions and work on renewable energy and energy efficiencies. These visits, which we intend to expand, have helped us to strengthen ties and cooperation with actors in several stages of our production chain.

We continue to map out suppliers' and subcontractors' environmental work via CDP. We are also working with other actors to identify which factories at Tier 2 level we both use, so we can boost support for these factories. In 2023, together with various partners, we will analyse the results we have obtained and then decide where we will focus on switching to renewable electricity.

You can read about how we tackle corporate social responsibility and human rights in production on page 41.

Sales

The most sustainable product is one that is used and can be used for a long period.

Buying a product that is then hardly used is not sustainable, either for the environment or the economy. It is therefore of the utmost importance that a customer who buys a product finds it useful for some considerable time. Stadium, which designs its own brands and purchases products from external brands, has a responsibility to ensure that the product lasts its intended lifetime. In our stores and on our websites, we also have a responsibility to help the customer find the product that meets their needs, thus doing what we can to ensure that the product is used frequently and for a long time. Customer interaction, signs and information in-store, a search function on the website, reviews, product information, etc. will all be important areas of focus in making it easier for the customer to find the right product.

More sustainable choices

With our Sustainability label, we want to make it easier for our customers to make conscious choices in our stores and on Stadium's website.

To make it easier for our customers to make conscious choices we have our Sustainability label – the Heart. This label means that we consider the product to be a more sustainable option. The same label is used for all the brands that we sell.

For a product to be marked with the heart, it must meet at least one of the following criteria:

- 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

53.9% of our in-house brands were more sustainably manufactured in the financial year 2021/22, up 5.3 percentage points compared with the previous year. If we only count the sustainable products in the textile range, the proportion is 82%.

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 13). 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 label is also used in our online store to inform customers of what fossil-free delivery options are available, meaning that transport from warehouse to customer makes use of fossil-free fuel.

During the year, we trained the relevant functions in product communication from a sustainability perspective, and how they should approach decisions on whether a product should qualify for Stadium's Sustainability label. We use certificates to verify the origin of the material and we are also reviewing other ways to confirm this. Since the end of the financial year 2021/22, we have taken samples of mechanically recycled polyester and used chemical analyses to verify the origin of the material. Traceability and clear communication with customers are an ongoing process that include complying with upcoming legislation on how to communicate with customers to help them make more sustainable choices.

Sustainable products among our own brands

(Previous year in brackets)

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

In-store measures

The hangers in our new stores are made from recycled polystyrene and will be used for 10 years before the next stage of recycling. We strive to ensure that as much in-store material as possible is re-usable, for example in the form of long-life materials and reversible materials. The fact that material is reversible, for example with different prints on the front and back, means that campaigns can share the same signage material.

At the beginning of 2022, in our Swedish stores we gradually started replacing the plastic bags sold at the checkout with bags made of recycled nonwoven fabric. The new bag is designed for repeated use, in order to reduce the purchase of new bags and thereby conserve the planet's resources. All profits from the medium-sized bag go to the Stadium Foundation, which you can read more about on page 19. We carry out energy-saving activities where necessary and only install LED lights. Read more about in-store electricity use on page 30.

Percentage of products manufactured in a more sustainable way:

53.9%

(20–21: 48.6%,
19–20: 43.8%)



Use, re-use and recycle

Our responsibility for a product's life cycle does not end once the product is sold. That's why we want to offer various options that help the customer to act in line with a product being used, re-used and finally recycled.

stadium[®] Rental

Stadium Rental increases the use and lifespan of sports products, while at the same time enabling more people to live an active life.

Stadium Rental is the latest addition to the Stadium family. By offering sports equipment rentals, initially focusing on alpine skiing and snowboarding equipment, we are broadening our customer appeal.

Finding circular business ventures that complement our in-store and online sales is an important step in our sustainability work.

Daniel Löfkvist
COO & VP

A product that is sold must be used, otherwise it is not sustainable. If we have customers who need a product but do not need to use it several times, or experience practical problems with having the right product in the right place at the right time, we want to offer a solution.

By renting out selected sports products, we believe that we can increase the use of a product compared to selling it to a customer who only uses it a few times. The same product can instead be used by several people, rather than each individual buying a product that they only use once – a win for the environment. And the customer gets a high-quality product, without the hassle of storage and long-distance transport.

Our first Stadium Rental store, located in the ski resort of Åre, opened its doors in December 2022. We are learning as we go and developing our offering based on these lessons, as well as stakeholder feedback.

Re:activate

– don't throw your sports gear away

Through Human Bridge and Stadium's re:activate initiative in our stores, we are seeking to breathe new life into products that our customers no longer need. Under the initiative, sports products that are no longer used can be donated to Human Bridge via the collection boxes in all Stadium stores. In this way, we help to ensure that clothes and sports products benefit more people, while also helping to conserve the Earth's resources. All the collected material is sent for re-use or recycling.

131 167 kilos of textiles have been collected via our re:activate stations in store, in partnership with Human Bridge. These have gone to people in need in countries such as Iraq, Romania, Ukraine and Moldova. Read more about Human Bridge's work on page 25.

131 167

kilos of textiles were collected via re:activate in the financial year 2021/22.



Recycling – a closed loop

When a product can no longer fulfil a function, it should be recycled and become a new product. This stage, which closes the circular loop, relies entirely on the previous stages. When we develop a new product, we need to design it to be recyclable, and choice of materials, components, use of chemicals and traceability are all critical factors to consider in this endeavour. Our partnership with Sysav and its Siptex sorting facility is an example of how worn-out textiles can be returned to the ecocycle. Read more about this on page 34.

We, and the industry as a whole, see a need for increased circular flows to reduce our carbon footprint. There are, however, challenges in achieving this: the product's traceability, the law's way of handling circular flows, how end-of-life products can be sorted on a large scale from products that are re-usable, ensuring that the product spends its entire life being used and reused, and so on. With a shared goal, expertise from multiple perspectives and targeted resources, we believe these challenges can be overcome.

Responsible production

Long-term business relationships

Our ambition is for our products to be socially, environmentally and ethically sustainable. This requires clear guidelines and close, lasting collaboration with our suppliers.

We are therefore continuing our long-term work to ensure that the suppliers who share our values and improve their sustainability also have a business that grows with us. 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.

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 in their operations – just as we do within our own organisation.

We have built up long-term relationships

with the suppliers who manufacture most of our products. Of our 81 active suppliers, we have been collaborating with 34 of them for over 10 years and 19 of them for over 20 years. 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.

Not least during major global events, 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.



Risks in our production chain

Our greatest risks can be found upstream in our value chain, i.e. in the production phase. Some of our production takes place in developing countries, something we intend to continue with. For us, entering into cooperation can only happen if we share the same values.

In many cases, our product suppliers in the developing countries already demonstrate ongoing social engagement and show great willingness to develop and improve, in line with our core values. We want to continue working with these suppliers and being part of their journey towards even greater social and environmental sustainability. Examples of how we can contribute to this include action plans and improvement programmes aimed at addressing social and environmental aspects that can be better managed.

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. We seek to check that human rights are respected through factory inspections carried out by a third party (read more on page 46) and factory visits by Stadium employees with responsibility in this area. The regularity of inspections and follow-up increases if we see a heightened risk of human rights not being fully respected.

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 must be followed both internally and externally.

Our focus on transparency in our dialogue with and follow-up of our suppliers helps to mitigate 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.

Together we can have more influence

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 98% of their action plans and were covered by 18 inspections.

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



Coming up

On the following pages we describe our process for working with suppliers. We then present the outcome of this work for the past year. Finally, we summarise our next steps towards strengthening our role as an actor that takes responsibility throughout the production chain.

How we work with our suppliers

Our supplier base

Our supplier base consists of manufacturers with their own factories, plus their subcontractors, trading companies and sometimes importers. All suppliers and factories are reviewed and approved by Stadium ahead of an order being placed. Before working with new suppliers, factories and markets, a risk analysis is carried out, followed by an inspection (Scandinavian and Northern European production units may be exempted from inspection following a risk analysis). The inspection covers quality and social factors and, to a lesser extent, environmental factors. Since the end of the financial year 2021/22, an in-depth inspection has also been carried out with a focus only on environmental aspects. Read more about this development on page 46. For statistics on completed inspections, see page 46.

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.

Our codes set out how we should work

All the manufacturers that we work with, including external brands, must follow the guidelines in our Code of Conduct and our Code of Business Ethics. The Code of Conduct 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. Our Code of Business Ethics further clarifies

our position on bribery and unethical business relationships. These codes are approved and signed by the supplier prior to collaboration. In addition to the provisions in our codes, we naturally comply with EU legislation and guidelines on the environment, product safety and chemicals.

Follow-up through inspection

Transparency and joint improvement work define our inspection process. In 2017, we began working with ELEVATE, a global independent third party with expertise in sustainable supply chains and a strong focus on transparency.

ELEVATE conducts inspections to check and verify a supplier's ability to comply with our Code of Conduct. The inspection 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.

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.

Rating suppliers

The results of the inspections provide us with a basis for rating suppliers on a scale from A to D, where A is the highest. When calculating the rating, we begin with a figure of 100. Each negative observation 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 observations is deducted from 100 and, based on the resulting figure, the supplier is given a rating 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.

Corrective action plans (CAP)

Stadium's personnel own the results of an inspection and thus the follow-up, which may involve drawing up a corrective action plan (CAP) aimed at ensuring development and improvement. The purpose of the action plans is to ensure that our suppliers take a proactive approach, guaranteeing human rights, workers' rights and environmental protection, as well as preventing corruption in practice – not just on paper. Action plans are set within given time frames in order to be able to plan for follow-up. 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.

Improvement programmes

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.

The process in brief

Before cooperation

Analysis of supplier prior to possible cooperation

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

Definition of requirements prior to possible cooperation

- 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.

During cooperation

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.

Rating

- Supplier is rated on a scale from A to D, where A is the highest, based on the outcome of the inspection.

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.

Improvement programmes

- If the specific need arises, suppliers are able to participate in a customised improvement programme.
- The improvement programme continues intensively for a longer period, with the aim of securing long-term change.
- ELEVATE supports the supplier in the process and is able to offer local support.



Results of our work

Stadium in the world 21-22

With stores in three countries and production in 15st, Stadium is very much an international company. Wherever we operate, we seek to act in line with our values and contribute to a sustainable world.

- Offices
- Factories
- Online markets, SOC and Everest
- Social engagement
- re:activate and Human Bridge initiatives



Number of physical stores 31.08.2022

Sweden	
Stadium	84
Stadium Outlet	49
Sneakers Point	0
Total:	133
Finland	
Stadium	33
Stadium Outlet	14
Total:	47
Norway	
Stadium Outlet	3
Total:	3

Total no. of stores: 183*

** Changes 21-22:
Stadium Sweden closed 1 store and opened 1 store.
Stadium Outlet Sweden opened 2 stores. Sneakers Point closed 5 stores. Stadium Finland opened 1 store.
Stadium Outlet Finland opened 1 store. Stadium Outlet Norway opened 1 store. Overall this year, we have gained 2 physical stores. The Sustainability Report 20-21 reported 2 stores for Stadium Sweden that were being closed. We have deducted these for the current report, which is why the total number of 184 stores is the same as for the previous year, despite the addition of 2 stores.*

Stadium Group No. of factories

144 (155) factories in 15 (17) countries
(Previous year in brackets)

Production country	No. of factories	
	21-22	20-21
Bangladesh	10	9
Cambodia	0	1
China	90	103
Finland	1	1
Indonesia	10	11
Italy	6	4
Lithuania	3	2
Myanmar	1	1
Pakistan	3	3
Poland	0	2
Slovenia	1	1
Spain	1	1
Sweden	5	3
Taiwan	2	2
Thailand	1	1
Turkey	4	3
Vietnam	6	7
Total:	144	155

Bangladesh
● The Accord
● SOS Children's Villages

Myanmar

Thailand

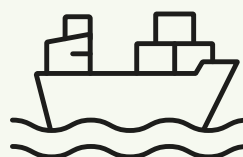
Cambodia

Vietnam

Indonesia

Hongkong
Production Office

Taiwan



Shipping as first choice

Since spring 2020, we have generally not accepted our goods being transported from our suppliers in Asia by any means other than sea or rail. If air transport must be used in exceptional cases, we require climate compensation.

Outcome from inspections

With ELEVATE as our partner, in 2021/22 Stadium conducted 53 on-site inspections and reviews of our suppliers' production units. This is less than normal due to the continued effects of the pandemic.

On inspection, a new factory was not approved for orders as the factory chose not to be audited. Of the 30 CAPs drawn up, 24 (65%) concerned social aspects (the most common being insurance and overtime pay). 14% 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.

Production units	Total no. factories and visits		
	21-22	20-21	19-20
Number of active units in production	144 st	155 st	154
Number of new factories where Stadium has placed orders	3	13	13
Of which new suppliers*	2	6	11
Proportion of factories rated A or B	78%	74%	64%
Number of units with valid third-party certification**	19	12	15
Number of inspections carried out by ELEVATE on behalf of Stadium	37	53	61
Of which not approved due to lack of transparency	4	8	12
Corrective action plans (CAP)	30	42	61
Number of factories rejected following inspection**	1	1	2

* 100% of these have been reviewed on the basis of social and certain environmental considerations. Read more on pages 42-43. From financial year 2022/23, an in-depth environmental review will also be included. Read more on page 46.

** SA 8000, SMETA and WRAP

*** We have chosen to terminate our collaboration with this factory as it declined to be audited.

Developments in the financial year 21-22

Historically, the inspections have focused on social aspects, plus certain environmental impacts. We see it as a natural progression to now evaluate suppliers with a focus on both social and environmental factors.

In summer 2022, we used ELEVATE's new environmental assessment tool at three factories. This has allowed us to assess how the tool can be used and how it measures environmental risk and performance in the factory's handling of wastewater, air emissions, solid waste, chemicals, greenhouse gas emissions, energy consumption, etc. The result is a rating from A to D, where A is the highest. The calculations for the rating begin with a value of 100. Each negative observation (remark) is weighted and leads to different deductions, depending on whether it relates to a minor or serious case of non-compliance.

The outcome enables both us and the suppliers to identify opportunities for improvements and reduce the factories' impact on the environment. For each remark, an assessment is also made of the level of risk, which makes it easier for suppliers to prioritise their resources.

Outcomes from the first environmental inspections:

Environmental inspections using ELEVATE's environmental assessment tool ERSA Environment	21-22
Number of inspections carried out by ELEVATE on behalf of Stadium	3
Proportion of factories rated A or B	33%

As we roll out the environmental inspections, we see a good opportunity to learn more about how the tool works during inspections, and how we should work with and follow up on the outcome. In the long term, we believe that inspections with a social focus and those with an environmental focus should be combined into an overall inspection that allows us to work from a holistic perspective.

Responsible production – next step

We continue to allocate more resources and strengthen our sustainability work.

This enables 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 our approach of consolidating the business down to a smaller number of product suppliers at the material supplier level, in order to improve our level of influence and the chances of achieving our goals.

We are continuing the work of implementing and developing environmental inspections. We are also monitoring progress and preparing for upcoming legislation that will prescribe how companies identify, manage and report human rights due diligence.



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. All strategic meetings with external partners had a clear agenda, with sustainability as one of the key points.

All the brands we work with sign up to our Code of Conduct and Code of Business Ethics when we enter into agreements. The major brands we work with all have clear sustainability goals, ambitious emission targets and global operations. Some of the brands we have worked with for a long time have also been highlighted in our campaigns and social media, alongside joint events.

It's a lot about collaborations and having a consensus on how we can "activate the world" and "support the earth".

In line with our goal to be the obvious destination for anyone who wants to live an active lifestyle, in 2021 we launched Stadium Connect, a digital marketplace for sports gear and sports fashion. Stadium Connect enables other actors to sell their products via Stadium's websites – thereby offering customers access to a wider range of active lifestyle products. All the brands that want to sell via Stadium Connect are subject to the same sustainability requirements as our other suppliers.

Passionate employees

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



Our goal is to have the Nordic region's proudest and most passionate employees. To achieve this, as an employer we must provide the right conditions for our employees, while at the same time as we together taking responsibility for creating a working climate full of joy, respect and energy.

We work as a team, win, and tackle challenges as a team. We are, as we put it, One Team One Stadium.

Content:

- Employee philosophy and strategy
- Steering towards our goal
- Results of our work
 - One Team One Stadium
 - Vision and values
 - Diversity, equality and inclusion
 - Leadership and learning culture
 - Safety and the working environment
- HR statistics

Employee philosophy and strategy

Our philosophy is that if employees feel good, the company does well, and when employees grow, individually and as a team, the company also grows. Only through our employees can we successfully run our business. Our employees are also crucial in the drive to achieve our goals.

Overall goal: The Nordic region's proudest and most passionate employees

To ensure that our store and office staff have the right conditions to achieve our business goals and that we have the Nordic region's proudest and most passionate employees, we have defined five focus areas for our work:



One Team One Stadium

Strengthen the team spirit and cooperation between departments, countries, and concepts.



Vision and values

Make an active lifestyle permeate everything we do.



Diversity, equality and inclusion

Make the most of individuals' differences.



Leadership and development

Strengthen coaching leadership and build on a learning culture.



Safety and the working environment

Drive successful systematic work environment management with a focus on the employee.

Steering towards our vision

Our culture is based on our values, which we call our High5. The values are our DNA, guiding our behaviour, and we work actively to ensure that they are incorporated into our daily work. We do this through leadership, training, information, performance appraisals and policies.

Our **policies** guide the organisation in the desired direction, not least regarding health and safety, alcohol and drugs, diversity and equality, victimisation, GDPR, the environment, travel and IT. Stadium Arena, our intranet and digital meeting place, gives all our employees access to the company's policies, plus procedures and guidelines for their job. Stadium Arena is also a hub for information and news that our employees need to be aware of in our countries, in the local language. 100% of our employees are covered by collective agreements in Sweden, Finland and Norway.

Stadium Academy is our digital training system for keeping staff constantly up to speed on relevant subjects for their department. Some courses are mandatory, for example those that apply to our policies and values. These are also followed up with tests in the training system.

We follow up on training statistics in Stadium Academy to help establish whether we are on the right track regarding our employee philosophy and our vision. We can see what proportion of employees have completed mandatory

training courses, as well as the results of our **Activevoice** employee survey, which is conducted twice a year. The latest employee survey was conducted in spring 2022 with a response rate of 83%.

Development appraisals are to be held twice a year between manager and employee, with the discussion covering health and safety, performance, the work situation, conditions and the employee's goals and future. Through our whistleblower function, all employees also have the opportunity to report any irregularities anonymously.

The Stadium Way, signed at the same time as the employment contract, describes employees' responsibility to act ethically during their employment.

To make everyday life easier for our managers and employees, and to simplify and free up time, we have a range of system support. As mentioned earlier, we have our Stadium Arena intranet and our Stadium Academy training system. In addition, personnel and payroll systems, scheduling and staffing systems, travel systems and other digital collaboration tools are available to make our employees' lives easier.

Results of our work

On the following pages, we explain how we have worked on our five focus areas during the year and what results have been achieved.



One Team One Stadium

This area is about strengthening the team spirit and cooperation between departments, countries, and concepts. Together we are a team that strives to 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.

- As we entered the financial year 2021/22, we launched our new organisational structure, in which all managers are responsible, within their areas of responsibility, for the development of both Stadium and Stadium Outlet. Over the year, cooperation between the concepts increased and mutual lessons were put to good use.
- We work actively to increase collaboration between our concepts and departments. The past year offers several good examples, for instance, of nearby stores within different concepts helping each other with staff, and of managers supporting and sharing experiences with each other.
- In 2022, we created a new position at Stadium – Digital Workplace HR Specialist. The overall purpose of the position is to equip the organisation to cooperate successfully in the digital environment that has now become a permanent fixture of working life.
- Our new digital meeting place Stadium Arena has been available in the local language in the countries where we operate since the start of 2022.

We shouldn't just bring in digital tools for the sake of it. We need to understand the business and add technology where it provides support. But of course we can't stop there: we need to set up structures and processes, and provide training and information, in order to equip all our employees to navigate our new digiphysical reality.

Anna Pålsson
Digital Workplace HR Specialist

Stadium Arena is our digital meeting place where we source the information we need in our daily work, but it is also an open forum where we have the opportunity to strengthen team spirit by telling each other about ourselves.

Jenny Wester
Internal Communication Manager

Employee survey results

2022 2021 2020

Working climate

Includes the subcategories: Work-life balance, Conditions, The work I do is important and makes a difference, Opportunity to exert an influence and to be involved, Job satisfaction, Respect, Workload.

84 83 83



Vision and values

This area is about how an active life should 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. Our values guide our conduct and create the unique team that is Stadium.

Our vision to activate the world is a constant presence in the company. Here are a few examples of how we embody our vision.



Employee engagement

Oscar Undevall, SLP for Stadium Marieberg, has led training sessions for employees at Outlet and Stadium stores in Örebro. "I work part-time as a group fitness instructor at a fitness chain and I think group training is one of the best things going."



Olympiaden

The Olympiaden bring all employees together to compete in different disciplines during the day, followed by an evening of dinner, partying and music. In spring 2022, employees from Sweden and Norway gathered in Norrköping, and employees from Finland met in Eerikkilä, where they used their brains, speed, movement, precision, creativity and, not least, team spirit in a bid to win.

Midnattsloppet Stockholm/Malmö

As a proud partner of Midnattsloppet, we were pleased to be able to take part in a real race again this year, following the years of COVID restrictions. A group of colleagues got together to run in both the Stockholm and Malmö night races.



Stafettvasan

Vasaloppet celebrated its 100th anniversary in 2022! As the proud main sponsor of the world's biggest skiing endurance race, we naturally marked the occasion. All the regions nominated their five best cross-country skiers to compete for the prestigious title of Stadium's best region in cross-country skiing. The title was decided in the Stafettvasan competition involving all the regions in Stadium Sweden, Stadium Outlet and the office.

Exercise during meetings

A full-day of meetings requires a break. And naturally that break involves a good bit of exercise, not least for our Group Management Team. With movement on the agenda, we enable a more active life even during long days of meetings.

Stadium Staff Challenge

We held two Staff Challenges during the financial year – Autumn 21 and Spring 22. In the five-week Staff Challenge, we all record physical activity and put ourselves to the test in various challenges. We inspire each other, try new forms of exercise, eat vegetarian food, walk, meditate and much more besides!

Figures for Spring 2022

- We covered 106 437.1 kilometres together, which is roughly three times around the world.
- We also did 2 533 100 minutes of exercise together, which is 42 218 hours, 1 759 days or 4.8 years!

Employee survey results

	2022	2021	2020
We act in line with our core values			
I feel that at my workplace we act in accordance with our values/DNA/H5.	87	86	85
We embody our vision			
I feel that our vision of an active life permeates our whole organisation .	90	89	87



Diversity, equality and inclusion

This area is about making 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 2022, Stadium was a partner company for the Female Digital Engineer development programme. This programme is aimed at female engineering students coming to the end of their degree, with a view to encouraging more women to develop and advance digitalisation in business.
- A store audit was conducted in Sweden in autumn 2021. We have involved all the Swedish regional managers in the parts of the audit relating to diversity, equality and inclusion. Work on this is ongoing.
- In autumn 2022, we commissioned an external party to carry out an audit of a small selection of our Finnish stores. Among other things, the store audit examines diversity and equality, with the data then used to develop our work in this area.
- In our manager training, we devote a section to how our prejudices affect the decisions we make in the recruitment process. This training is mandatory for all managers.
- Our new management principles include five focus areas, one of which is called Building the Team. This area emphasises that differences are positive and must be put to good use, and that as leaders we must be ambassadors, building a culture that promotes this.
- In the financial year 2022/23, we will be focusing on developing our work on diversity, equality and inclusion. To begin with, we will be raising our skill levels in this area and updating our strategic plan.



We want to be able to offer our customers as inspiring an experience as possible when they shop with us. Digital infrastructure is the key to a better customer experience and greater efficiency. To achieve this, we need to build a strong team with a diversity of talented employees. We saw Female Digital Engineer as one of the platforms for recruiting this diverse pool of employees.

Johanna Bradley

Attraction and People Development Manager

Employee survey results

	2022	2021	2020
Equal treatment			
I feel that my workplace is free from discrimination, regardless of ethnic origin, disability, gender, gender identity, sexual orientation, religion or age.	93	93	92
Diversity			
At my workplace, I feel that differences are appreciated and utilised (e.g. age, gender, ethnic background, personality, skills, i.e. everyone is included).	88	88	86
Proud to work within Stadium Group			
I am proud to work within the Stadium Group.	91	91	90



Leadership and learning culture

This area is about strengthening coaching leadership and building on a learning culture. Our goal is for managers and employees to be committed to, and responsible for, developing themselves, each other and the team.

Employee survey results

2022 2021 2020

Leadership

Includes the subcategories: Trust, Feedback, Leadership skills, Aware of and utilises skills, Supports and encourages.

82 81 80

- Our employee survey shows an upward trend in employees' opinions of leadership within the Stadium Group.
- In our latest survey (spring 22), the following factors achieved the highest scores: Leadership skills: "The manager leads and drives the business so that together we can achieve our results" (85%), and Supports and encourages: "The manager supports and encourages me as an employee" (85%). The lowest score (77%) was given for Feedback: "My manager gives me ongoing feedback on my performance and work results".
- We launched our new management principles at the end of the financial year 2021/22. All managers will eventually be trained in these, and the training will continue with managers regularly meeting in groups to develop their leadership skills. The management principles must be applied throughout the organisation, integrated into all our processes, and reflected in future employee surveys, our joint meetings, guidelines and templates for managers and, above all, our actions.
- Spring 2022 saw us launch our updated management training course, which includes training in working practices, scheduling, onboarding, recruitment, GDPR, finance, sustainability, etc. Managers have also been invited to health and safety training. Read more about our health and safety work on pages 54-55.
- Over six months, we conducted a pilot project for a new role at Stadium Outlet as Team Leader. After the success of the pilot, we decided to roll out the position more widely. With an additional leader in each Outlet store, employees gain access to coaching, while store managers get a teammate who can provide vital support.
- In spring 2022, we were finally able to carry out our leadership training course Future Leaders after a two-year break due to the pandemic. The training is targeted at sales managers who work at Stadium in Sweden and aims to create internal career paths and equip our employees to become our next store managers.
- We continue to update our Stadium Academy training platform with relevant training courses for each position. In Finland, we asked store employees to apply for a new responsibility allowance that involves producing digital training courses as part of their job. Those who received the allowance were trained in the production of training courses and work on an ongoing basis to develop training courses that match the needs of the organisation



Safety and the working environment

This area is about conducting successful, systematic work environment management with a focus on the employee.

All Stadium employees are entitled to a safe, secure 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 healthy, developmental and 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, with certain adaptations to the laws 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 work environment management is systematic and is continuously reviewed and revised as necessary, with the aim of making continuous improvements in all areas. 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. In autumn 2022, the same audit was conducted in our Finnish stores. The results of the visits will be used as the basis for our health and safety work going forward.

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, safety rounds, fire safety inspections, risk assessments, employee surveys and staff meetings. In the financial



Tackling risks in our working environment is a shared responsibility.

year 2021/22, the majority of managers with responsibility for personnel received health and safety training. The training is carried out on an ongoing basis during the year so that those who have been unable to participate on previous occasions, as well as new employees, also acquire the knowledge.

Safety rounds and incident reporting

Safety rounds are carried out in all operations in Sweden annually, along with risk assessments of any identified risks. Risk assessments are also carried out when an operation faces a change that is not a natural part of its day-to-day operations or when a risk is detected. The safety rounds are conducted in collaboration with managers and safety officers/staff and are registered in a web-based system (the HIA system) that supports the systematic work environment management. In Sweden, the HIA system is also used to report, among other things, near-misses, accidents, commuting accidents and safety incidents. All employees in Sweden have access and can report incidents.

The manager at the workplace must investigate the incident with the safety officer and assess 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 2021/22 we had a rate, for all our employees, of 5.64 (103) reported safety incidents and work-related injuries of a minor nature per 200 000 hours worked. Of these, a total of 0.38 (7) per 200 000 hours worked counted as more serious incidents. The most common risks, and the reasons for these, are threats and abuse from customers, as well as events in connection with goods handling in warehouses and stores. We have

identified that these are our serious risks through our systematic work environment management, which includes safety rounds, fire safety inspections, employee surveys and incident reporting in HIA. In Finland and Norway, accidents are reported directly to the insurance company/occupational injury insurance service by the manager and the employee concerned. These reports have also been used as a basis for identifying our most serious risks and their causes. A system for incident reporting similar to that used in Sweden will be implemented for Stadium Outlet AS in Norway in the financial year 2022/23. Safety rounds and risk assessments must also be registered in the same system.

Crushing injuries, falling objects and wounds and finger 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.

If an employee, or anyone with a work-related connection to Stadium's business, suspects that we are falling short somewhere, they can report this anonymously via Stadium's whistleblower function. Access is available via Stadium's intranet and Stadium's website.

Safety officers and safety committees

In order to establish optimum conditions for collaboration, we aim to have a safety officer in every unit, and safety officers can be found in most of our operations. There are central safety committees with employee and employer representatives covering our store operations, our service offices and our printing facility. The safety committees hold four meetings per year and address general issues concerning safety and the working environment. These issues include training, reporting of near-misses and accidents, 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 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 people to handle a threatening situation. We have attack alarms in our stores and staff are trained in where they are and how to use them. 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. Our Work environment policy states that an employee has the legal right to refuse work that involves immediate or serious danger to life or health, and that such action will not lead to reprisals. 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 in Sweden and Finland at more than 40% of full-time. In Norway, the contribution is directed at group activities for staff. This is because taxation on wellness allowances is handled differently in Norway compared with in Sweden and Finland. 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 then makes an assessment and after that, the person concerned is 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.

We value good working conditions throughout the value chain, as clarified in our Code of Conduct. Read more on pages 41–43 about how we work on this in production.

HR statistics

HR statistics report the average number of employees and average wages during the financial year. For the coming year, we are reviewing which method we should use to produce HR statistics. Wage differences have been calculated as follows: 1 EUR = 10 SEK and 1 NOK = 1 SEK.

Composition of the Board and Management and breakdown of other employees

	Board	Management team	Managers	Employees
Gender breakdown				
Women	25.0%	37.5%	50.7%	65.8%
Men	75.0%	62.5%	49.3%	34.2%
Age distribution				
<30 years	0.0%	0.0%	9.0%	62.5%
30–50 years	25.0%	87.5%	75.7%	32.9%
>50 years	75.0%	12.5%	15.3%	4.6%

Wage differences*

Average basic wage in SEK 2021/22

All**	All	<30 years	30–50 years	>50 years
Women	339 134	284 747	372 482	421 892
Men	376 597	286 324	422 505	466 284
Female vs male	90.1%	99.4%	88.2%	90.5%

Employees	All	<30 years	30–50 years	>50 years
Women	312 418	280 558	336 538	364 600
Men	328 269	281 310	359 118	391 429
Female vs male	95.2%	99.7%	93.7%	93.1%

Managers***	All	<30 years	30–50 years	>50 years
Women	520 587	408 996	523 401	587 559
Men	560 805	402 068	571 008	598 378
Female vs male	92.8%	101.7%	91.7%	98.2%

Group Management**	All
Women	1 581 000
Men	1 800 000
Female vs male	87.8%

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

** Excluding owners

*** Excluding Group Management

Employees

	Sweden	Finland	Norway	Total
Permanent	1 983	707	29	2 719
Women	1 266	463	17	1 746
Men	717	244	12	973
Temporary	939	57	11	1 007
Women	611	39	9	659
Men	328	18	2	348
Total	2 922	764	40	3 726
Permanent full-time	800	252	6	1 058
Women	466	163	3	632
Men	334	89	3	426
Permanent part-time	1 183	455	23	1 661
Women	800	300	14	1 114
Men	383	155	9	547
Total	1 983	707	29	2 719

New employees and staff turnover

Number of people who have been hired or left during 2021/22*

	Sweden		Finland		Norway		Total	
	Number	%	Number	%	Number	%	Number	%
New employees	1 743	59.65%	306	40.05%	25	57.7%	2 074	55.66%
Gender breakdown								
Women	1 137	60.6%	209	41.6%	15	57.7	1 361	56.5%
Men	606	58%	97	37%	10	71.4%	713	54%
Age distribution								
<30 years	1 478	84.8%	263	85.9%	23	92%	1 764	85.1%
30–50 years	244	14%	41	13.4%	2	8%	287	13.3%
>50 years	21	1.2%	2	0.7%	0	0%	23	1.1%
Staff turnover	1 639	48.46%	459	60%	28	52.83%	2 126	50.62%
Gender breakdown								
Women	1 076	57.3%	316	62.9%	18	69.2%	1 410	58.6%
Men	563	53.9%	143	54.6%	10	71.4%	716	54.2%
Age distribution								
<30 years	1 349	47.7%	390	59.7%	25	52.1%	1 764	0%
30–50 years	266	52.2%	67	62%	3	60%	336	53.9%
>50 years	24	53.3%	2	50%	0	0%	26	53.1%

* If an employee has held several positions during the year, all these are included in the reported number and percentage in the table.

Board

Board of Directors and Group Management for 2023.



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.

Group Management



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



Independent assurance statement

Scope and objectives

Ethos International has undertaken independent assurance of the Stadium Sustainability Report 2021/2022 (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 2021/2022, 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 seventh 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 Waninger. 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 and 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 fulfils the requirements of a GRI Reference Report, 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 should update its materiality analysis so that it complies with new reporting requirements in GRI Standards 2021 and CSRD/ESRS. Stadium's future sustainability work should also be focused on strengthening the work on sustainability in stores, including the management of sustainability, gender equality and environmental issues. Stadium should also take further steps in corporate governance and adapt governance structures to CSRD/ESRS.

Inclusivity and responsiveness

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

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.

Hereafter, Stadium should strengthen its work to identify the company's positive and negative impact on the economy, people, and environment, in accordance with GRI Standards 2021 and CSRD/ESRS.

ethos

16 December 2022

Malin Lindfors Space

Partner & Senior Advisor

Linnéa Waninger

Sustainability Advisor



Ethos International 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 2021-09-01-2022-08-31 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 8 December 2022
BDO Mälardalen AB.

Niclas Nordström

Authorized Public Accountant



GRI content index

The Sustainability Report has been prepared with reference to GRI standards.

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 12-15).

Statement of use		Stadium AB has reported the information cited in this GRI content index for the period 2021-09-01 to 2022-08-31 with reference to the GRI Standards.				
GRI 1 used		GRI 1: Foundation 2021				
GRI-standard	Title	Chapter	Page	Deviation or comment		
General Standard Reports						
1. Organizational profile and reporting practice						
GRI 2: General disclosure	2-1 Organizational details	Introduction	7, 44-45		●	✓
GRI 2: General disclosure	2-2 Entities included in the organization's sustainability reporting	Introduction	2		●	✓
GRI 2: General disclosure	2-3 Reporting period, frequency and contact point	Introduction	2		●	✓
GRI 2: General disclosure	2-4 Restatements of information	Support the Earth	29-30	New calculation method from one of our transport distributors, specific data for energy sources for our stores and correction of underlying data for purchased goods have resulted in an update of the reported emission figures for Scopes 2 and 3 for our base year 17-18 and the financial year 20-21.	●	✓
GRI 2: General disclosure	2-5 External assurance	Introduction, Assurance statement (b.i)	2, 60		●	✓
2. Activities and employees						
GRI 2: General disclosure	2-6 Activities, value chain and other business relationships	Introduction, Support the Earth	7, 45-46	Swedish Annual Accounts Act (AAA): Business model	●	✓
GRI 2: General disclosure	2-7 Employees	Introduction, HR statistics	2, 56-57	Information incomplete based on GRI 2021. HR statistics report figures on average during the year, same reporting method we have used before. For next year's sustainability report we are changing our reporting methodology in line with GRI 2021.	●	✓
3. Governance						
GRI 2: General disclosure	2-12 Role of the highest governance body in overseeing the management of impacts	Strategy and governance	10	Information incomplete for GRI 2-12 b-c. Processes are being updated during the year with the ambition to report these next year.	●	✓
GRI 2: General disclosure	2-13 Delegation of responsibility for managing impacts	Strategy and governance	10		●	✓
GRI 2: General disclosure	2-16 Communication of critical concerns	Strategy and governance	10	AAA: Counteracting corruption	●	✓
4. Strategy, policies and practices						
GRI 2: General disclosure	2-22 Statement on sustainable development strategy	Introduction	3	AAA: Business model AAA: Risk	●	✓
GRI 2: General disclosure	2-23 Policy commitments	Strategy and governance, Support the Earth, Passionerade medarbetare	10, 15, 28, 33, 41-43, 47, 50, 54	AAA: Policy, implementation and results Information partially reported for GRI 2-23 a-d. Processes are being updated during the year with the ambition to report these next year.	●	✓
GRI 2: General disclosure	2-24 Embedding policy commitments	Strategy and governance, Support the Earth, Passionate employees	10, 42-43, 47, 50	AAA: Policy, implementation and results	●	✓
GRI 2: General disclosure	2-26 Mechanisms for seeking advice and raising concerns	Strategy and governance, Passionate employees	10, 55	AAA: Counteracting corruption	●	✓
GRI 2: General disclosure	2-28 Membership associations	Activate the world; Support the Earth	21, 24-25, 28, 36		●	✓
5. Stakeholder engagement						
GRI 2: General disclosure	2-29 Approach to stakeholder engagement	Strategy and governance	13		●	✓
GRI 2: General disclosure	2-30 Collective bargaining agreements	Passionate employees	50	AAA: Social conditions and staff	●	✓

Status, level of implementation:

- Complete
- Partial

Audit:

- ✓ Indicator reviewed by third party

GRI-standard	Title	Chapter	Page	Deviation or comment	●	✓
Material aspects						
GRI 3: Material topics	3-2 List of material topics	Strategy and governance	14-15		●	✓
Specific Standard Reports						
GRI 200 Economic standards						
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Financial data	5	Read more in the Annual Report and Consolidated Financial Statements for the financial year 1 September 2021 – 31 August 2022	●	✓
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Strategy and governance	10	AAA: Counteracting corruption	●	✓
GRI 300 Environmental standards						
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Introduction, Support the Earth	2, 29	AAA: Environment	●	✓
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Introduction, Support the Earth	2, 29	AAA: Environment	●	✓
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Introduction, Support the Earth	2, 29	AAA: Environment	●	✓
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Support the Earth	29	AAA: Environment Information lacking for GRI 305-3 c. Our partner is working on a quality assured method for calculating biogenic Scope 3 emissions, which we plan to report when we have the data available.	●	✓
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Support the Earth	46	AAA: Environment	●	✓
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Support the Earth	13, 29, 31-32, 34, 36-38, 41, 46	AAA: Environment Information lacking for GRI 308-2 b,d-e. At the end of the financial year 21-22 we began conducting in-depth environmental inspections to strengthen our environmental work together with suppliers. Our ambition is to be able to report the standard in its entirety.	●	✓
GRI 400 Social standards						
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	HR statistics	57	AAA: Social conditions and staff	●	✓
GRI 403: Occupational health and safety 2018	403-1-7 Work environment, occupational health care and safety	Passionate employees	54-55	AAA: Social conditions and staff	●	✓
GRI 403: Occupational health and safety 2018	403-9 Work-related injuries	Passionate employees	54-55	AAA: Social conditions and staff Information lacking for GRI 403-9 b. We are working to produce information on hired personnel in order to be able to report GRI 403-9 in its entirety. The statistics apply to all our employees. Total time worked during the financial year 21-22 was 3 655 376 hours. For calculation of the ratio for GRI 403-9, a figure of 200 000 hours worked has been used, as recommended by a third party.	●	✓
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	HR statistics	56	AAA: Social conditions and staff	●	✓
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	HR statistics	56	AAA: Social conditions and staff	●	✓
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	Support the Earth	41	AAA: Risk AAA: Respect for human rights	●	✓
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	Support the Earth	41	AAA: Risk AAA: Respect for human rights	●	✓
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Support the Earth	46	AAA: Risk AAA: Respect for human rights	●	✓
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Support the Earth	41, 46	AAA: Risk AAA: Respect for human rights	●	✓



**We want
your feedback**
Scan the QR code
to access our
questionnaire.

