

Sustainability Report 18-19

stadium®

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ABOUT THE REPORT

Stadium's mission is to inspire an active lifestyle, and we want to do this in a sustainable way. By acting in an environmentally, socially and economically sound manner, we want to help create a more sustainable world.

This, our sixth Sustainability Report, has been drawn up in line with GRI Standards, Core level, and audited by a third party in accordance with the international standard for auditing sustainability information, AA1000AS. The fifth report was published on 15 January 2019.

This report presents all of our sustainability work, including our long-term ambitions linked to the UN Sustainable Development Goals, how we have structured our work to achieve these ambitions and, of course, what we have done over the past year.

The report covers the whole of the Stadium Group, including Stadium, Stadium Outlet, Sneakers Point and the other subsidiaries within the group. The figures reported are from 1 September 2018 to 31 August 2019, unless otherwise stated.

Calculations relating to employees are

based on the GRI's models and all data is reported using the metric system. All HR data is calculated per employee.

All calculations regarding energy and carbon emissions are comparisons between the financial years 2017/2018 and 2018/2019. The data relates to our internal brands and is provided by third-party suppliers. For this report we do not have data for external brands, but we work constantly to collect data in order to obtain a full picture.

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

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Proud but not done yet

We have just completed our most sustainable year ever, but we are not done yet. Since 1987, we have been convinced that improvement comes from constantly challenging everything we do. Changes to consumer behaviour, climate change and greater digitalisation have naturally affected the way we work and run our business. But the reason we do what we do has not changed in over 30 years.

Along the way, we have learned that, as a leading actor in the industry, we need to take greater responsibility than we used to and were able to in the past. If we are to achieve continued growth and sustainable economic development, we need to work with recycled materials and circular processes along with other actors, and follow-up on this work both at home and away.

GREATER TRANSPARENCY

As in previous years, our overall focus has been on increasing transparency in production and through communication. Over the coming year, we will thus be continuing to assess and monitor work in the supply chain, give our staff internal sustainability training and promote our work externally through our own channels.

We will also continue to work on the sustainable business plan that we adopted last year. It runs until 2030 and is rooted in the UN Sustainable Development Goals (SDGs). Based on the goals we have chosen to focus on, we have defined two core areas: *Support the Earth*, where the goal is to reduce the negative impact on the environment and human health, and safeguard human rights and workers' rights, and *Activate the World*, which is about increasing the positive impact that Stadium has on the wider world.

ENGAGEMENT AND COLLABORATION

Over the year, we have launched an internal engagement programme, where we clarify what we are doing to contribute to the SDGs and encourage everyone to get involved. Proud and engaged employees who share our vision are our most important resource. We are therefore pleased to note that 88% of our employees say they are proud to work for our company – up on the previous survey.

This year's Sustainability Report explains

that we now receive more information from our suppliers than ever before and that we have brought more clarity to our various concepts. We also talk about our first circular project, where we are helping to create more efficient textile flows by spinning new yarns from recycled football tops, and how we launched the “*Bekämpa stillasittandet*” campaign to inspire kids to take more daily exercise. In addition, we write about our continued commitment to gender equality, this time through the *BrommaGirls* project.

SUSTAINABLE PROCESSES

Like many others, we are surveying our main challenges in the manufacturing process when it comes to the SDGs. The challenges relate primarily to working conditions, water consumption and transport. Over the year, we have therefore improved and expanded the number of inspection visits to our production sites, and drawn up clear action plans where we have seen or suspected shortcomings. Work on reducing water consumption during the dyeing process has been, and will continue to be, important. This year, we estimate a water saving of 12 million litres in our own production processes. We are also almost exclusively transporting goods by ship. If, for some reason, our suppliers are unable to use this method, we require them to offset their emissions. These areas will remain important to us over both the short and long term. This is how we will make a difference and improve, along with handling some of our employees' most pressing issues, such as working conditions and gender equality. One of our bravest and most important moves during the year has definitely been to raise sustainability in all our strategic supplier meetings, explaining our target for a range entirely free of PFAS by 2020/21. Most have listened and we are

“Improvement comes from constantly challenging”

moving the dialogue forward with all our suppliers.

Over the long term, we are aiming for operations that have as little environmental impact as possible – we want to be climate neutral. We will do this by reducing energy consumption and replacing hazardous substances and chemicals with more eco- and health-friendly alternatives. At the same time, we are contributing to activity and positive movement through partnerships and via our own projects and channels. It will remain important for us to deliver high quality that extends the service life of our products, to follow-up on our supplier requirement to supply products free from substances that might impact negatively on people and the environment, and to continue our progress towards 100% sustainable materials in our own production, the target date for which is 2025. Our strategic objective is to reduce our total emissions by 50% by the year 2030.

We are pleased with our excellent Sustainability Report and we will continue to be proud of our work and what we have achieved so far – but we are not done yet.

I promise that we will continue to challenge, develop and innovate in order to inspire a more sustainably active future.

THANK YOU!



KARL EKLÖF
CEO Stadium Group



About Stadium

We want to inspire an active lifestyle. Through good prices, high quality and a sustainable approach at every level, we contribute to a healthier world.

Stadium opened the doors to its first store in Stockholm in 1987. However, the story actually begins in 1974, when Ulf Eklöf took over Spiralen Sport, a shop in his home town of Norrköping. A couple of years later, Ulf's brother Bo joined the company and the pair have since driven the company and the whole sports industry to new heights with their passionate ideas and competitiveness.

OUR MISSION

We want to make the world more active, due to our belief that humans are designed for physical activity, and that health and well-being emanate from that. The mission is therefore to inspire an active lifestyle, through the business concept of offering sports equipment and fashion at the best prices – so everyone can afford to get active.

The vision and mission have remained the same all these years, but we are seeing a strong shift in our business and industry, and in us too. This is driven by greater competition on prices and changes in customer habits. We are therefore developing our online sales and new store concepts, where we sell both our own in-house brands and ranges from other suppliers.

ORGANISATION

In April 2019, the Eklöf family once again took over 100% ownership of the company. The group comprises parent company Stadium AB and ten subsidiaries. The three concepts Stadium, Stadium Outlet and Sneakers Point all belong to this group. Operations span Sweden, Finland and Germany, with sales via physical stores and online for all concepts. There are a total of 181 physical stores and the head office is located in Norrköping.

stadium®

The original Stadium concept now also includes a variety of specialist stores such as Stadium Ski (alpine and cross-country skiing) and Stadium Pulse (fitness and running gear).

STADIUM'S BRANDS

We manufacture products under a number of our own in-house brands: **SOC, Everest, Race Marine, Warp, Revolution, Occano** and **Stadium**. Stadium accounts for 69% of the Stadium Group's total production volume, which also includes Stadium Team Sales and Event.

We have a total of 88 stores in Sweden, 31 in Finland and 3 in Germany. During this financial year, we have opened 1 new store and closed 2 in Sweden, with 1 new store opening in Finland.

stadium® OUTLET

Stadium Outlet was established in 2009 and offers cut-price sports and sports fashion wear.

STADIUM OUTLET IN-HOUSE BRANDS

The brands that Stadium Outlet works with include: Tribute and Ski Industries. Stadium Outlet accounts for 30% of the Stadium Group's total production volume.

We have 42 stores in Sweden and 12 in Finland. During this financial year we opened 5 stores in Sweden and 1 in Finland.

SNEAKERS POINT

Sneakers Point is a unique concept launched in 2018, where we offer a more up to the minute range of sneakers and street fashion.

Sneakers Point works mainly with external brands, with only a limited range of own-brand products.

We have 5 stores in Sweden, 2 of which opened during the financial year.

Our Sustainability Report and sustainability work cover all concepts and all stores.



Values & governing documents

Our values and governing documents guides us in our daily work.



Bo and Ulf Eklöf, Stadium's founders.



VALUES

Our values are strongly rooted in the company. They inform our working practices and the way we treat each other, our customers and partners, and how we run our sustainability work. Our values unite us and drive us towards shared goals.

The values are part of our DNA and we call them our HIGH5.

OUR DNA

ENERGY
SIMPLICITY
TEAMWORK
INNOVATION
PASSION

ENERGY	SIMPLICITY	TEAMWORK	INNOVATION	PASSION
With the right attitude and will, we create both enjoyment and energy. Energy leads to success. Energy allows us to surpass ourselves and win customers' hearts.	We use common sense and straightforward communication to avoid hassle. By choosing simple and effective solutions, we ensure efficiency and profitability.	We think as a team, work as a team and stand up for each other as a team. We respect and appreciate each other's differences. We embrace Fair Play and learn from each other.	We are convinced that everything can be improved. Through continuous improvements and innovation, we ensure quality, functionality and fashion, and promote sustainable development.	We are passionate about creating an active, fun and healthy life for everyone. We want to do this in a sustainable way – just as we need to be in balance, so must our environment.

GOVERNING DOCUMENTS

In order to achieve our goals, we need tools and guidelines. In addition to naturally following the relevant laws and regulations, we have drawn up policies and governing documents to support us in our work. We have two governing documents relating to our suppliers: the **Supplier Code of Conduct** concerning human rights, workers' rights, environment, anti-corruption and animal welfare; and the **Code of Business Ethics** which reinforces and describes our expectations of business relations and reflects our internal loyalty commitment.

The Stadium Way is a document governing corruption by our employees. It is part of our loyalty commitment signed by all employees at the time of employment.

In addition, we have policies addressing working practices, health and safety, gender equality, diversity and recruitment. We also have further policies in areas such as the environment and GDPR.

Our policies give us the conditions we need to ensure that our activities are lawful and in line with what we stand for as a company. All employees receive information about our policies when they are hired, and up-to-date information can be found at all times on our intranet. Each manager and department is responsible for establishing its own processes and agreements as per our policies.

We monitor compliance with, and the results of, our policies in anonymous employee surveys, development appraisals, on-site inspections and by measuring environmental impact, for example. If anyone suspects that we are falling short somewhere, it is also possible to email an anonymous report to ethics@stadium.com. This can be done by external stakeholders, our own employees or suppliers.

Over the year, we have had no reports and zero confirmed cases of corruption.



Åsa Brunzell praises the teamwork and passion that exists in Stadium.

and then we can really help make a better world.

ENGAGEMENT GENERATES PRIDE

Over the year, we have launched an internal engagement programme, as part of which we set out what the Stadium Group is doing to contribute to the UN's Sustainable Development Goals and encourage everyone to do what they can. An incredible amount of engagement and pride has been shown in this area. Proud employees who share the vision of an active and sustainable lifestyle are the basis of our success and our most important resource. 88% of our employees say they are proud to work for us, according to the latest employee survey, a figure that has improved since the previous survey.

“Together, we made it 13 times around the world”

ACTIVE SOLIDARITY

Another positive figure is 8.4. This is the percentage improvement that our employees feel after our four-month-long Staff Challenge, where we earned points by keeping ourselves moving in various forms of activity.

In practising what we preach, we challenged ourselves to raise our daily exercise and lower our stress levels. Over 2 000 employees took part in total and together we made it 13 times around the world with plenty of laughter, joy and challenges! The way we engage our employees in what they do and promote a good working environment has always been a central issue to us and will remain so through future courses, activities and collaborations.

It is important to us that everyone takes responsibility and works together. By joining forces and innovating, we can achieve so much more – for us and for future generations.

JOIN THE SUSTAINABLE MOVEMENT!

Åsa Brunzell
HR & Sustainability Director

Activating the world in a sustainable way

Stadium's HR & Sustainability Director Åsa Brunzell looks back at a year full of commitment and solidarity throughout the company.

The past year has featured a fantastic level of commitment to our sustainability work. With simplicity as our watchword, we have set clear targets and improved our working practices, while at the same time working on our focus areas.

In addition to working actively to reduce our environmental impact, we see it as our shared task to promote good health and well-being, and to inspire a life in motion. This is why we integrate sustainability into both our business strategies and our everyday work. For us within the Stadium Group,

HR and sustainability are closely linked.

TEAMWORK

One of the values that runs through our business is Teamwork. When we think, work and stand up for each other as a team, we can change the world. We have 3,800 incredible employees and they are the heart of our company. It is through their energy that we get things done; without them we cannot implement active sustainability work or contribute to the UN's global goals. We are in no doubt that if our employees feel good, the whole company feels good –

Year in figures

We can look back on a year where we inspired activity and advanced our sustainability work.



A TOTAL OF:

64 119

bottles sold for SOS Children's Villages meant

271 185

kronor for Chattogram in Bangladesh and

49 410

kronor for Lapsikylä in Finland.



83 928

kilos of old textiles were collected in our stores through the re:activate project in partnership with Human Bridge.

88%



of our employees state that they are proud to work at Stadium!

12 000 000

The Stadium Group saved 12 million litres of water during the 2018/19 seasons using the Solution Dye technology.

50 000+

participants in the **Vasaloppet** ski race, with Stadium as main sponsor urging the use of fluoro-free ski wax.



132 970



hours of activities
were carried out
in our team-
building
Stadium Staff
Challenge.

This is a saving

of 30 tonnes of CO², if you count the
cycling trips as replacing car journeys.
The project was carried out jointly with
our partner Challengize.

Almost 5 million
old PET bottles
have been
recycled and
converted into
polyester that we
used to make new clothing.



232 000

people have become
active through the
events that we partner.



Since the launch in
2003, around

25 000

activity bags have
been donated to
Sweden's first-graders
and in 2018/19

4 456

bags were donated
in our *Bekämpa
stillasittandet* campaign
to get kids moving.

stadium
SPORTS
CAMP®

7 150

children took part in 25 main
sports and 3 trial sports through
Stadium Sports Camp.

The UN's Global Sustainable Development Goals

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

2015 saw the UN member states adopt the 2030 Agenda resolution to collectively work towards sustainable development. According to the resolution, four overarching goals are to be achieved by 2030: end poverty, combat inequalities, resolve the climate crisis and promote peace and justice.

The SDGs relate to areas including health, gender equality and working conditions.



Our sustainability work

Goal 17 of the agenda forms the basis for our sustainability work. We have selected eight goals to focus on, as these are areas where we can have a greater influence in our business. Our sustainability vision is to help in creating a more active and sustainable world. Based on our eight selected goals, we have defined two main areas.

SUPPORT THE EARTH is about taking responsibility for human rights, workers' rights, the environment and anti-corruption along the whole product and production chain. The aim is to **reduce the negative impact** on the environment and on people's health and well-being. This area includes production, transport, logistics and real estate.

ACTIVATE THE WORLD covers social engagement and partnership on health, fitness and well-being. The aim is to **increase the positive impact** on people's health. This area concerns our own campaigns, partnerships, collaborations with clubs and associations, and events.

These areas naturally start with us having a sustainable organisation, teams and employees. Our employees form the foundation for everything we do and drive us forward – find out more about our work on these issues on pages 36–39.

Our selected goals

Stadium has chosen to focus on the following eight goals from the 2030 Agenda:

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



Sustainability – part of our business strategy

Working on sustainability is one of our strategic priorities.

We see it as essential for our continued success, and have therefore chosen to integrate our sustainability work into our business strategy. We have a Sustainability Council that draws up the overall strategy and goals. These goals are then scrutinised in various working groups linked to the Sustainability Council, and by the various departments of our current organisation. We want the sustainability work to be embedded in everyone's daily routine and therefore have no separate organisation for sustainability. The HR & Sustainability Director is responsible for sustainability and is a member of Group Management, reporting to the CEO.

Our strategic objective is to reduce our total emissions by 50% by the year 2030. We are currently working on confirming our base year and we will then break it down into different activities for achieving the overall objective. We have two targets on the journey to 2025: to reduce our emissions by 50% in the production of our in-house brands, and to be climate neutral by 2025 in the areas that we are able to directly influence (scope 1 and 2). We will achieve this by working on reduction measures and carbon offsetting. When it comes to our indirect processes, we work constantly on setting requirements for our suppliers.

We are also involved in several other initiatives, such as the Better Cotton Initiative (BCI), Accord, Human Bridge and SOS Children's Villages. Saving the Earth's resources, protecting human rights and ensuring ethical working conditions are things for which we constantly strive. We prefer to do this in partnership with others – we are stronger together!

Read more about our sustainability work on the next page



How do we choose our focus areas?

Sustainability work can encompass many different areas. In order to be more effective, we have chosen to focus on a few in particular. We have divided our work into the following three stages:

1 STAKEHOLDER DIALOGUES We begin by asking our stakeholders – our customers, employees, members, sports clubs, social media followers, non-profit organisations and selected brands – what areas of our sustainability work they feel are important.

2 IMPACT ANALYSIS We then carry out an analysis of the areas raised by the stakeholders to see what scope we as a company have to influence them, so that we are able to focus on the right things. An independent party analyses the entire value chain, looking at the positive and negative impacts on the environment, society and the economy that exist both internally and externally.

3 MATERIALITY The results of our stakeholder consultation and impact analysis are combined to form our materiality – what we focus on! This is then discussed and decided on by our Group Management, along with our Sustainability Council.

The materiality is divided into three areas: **distinctive, focus and basic.**

Data and conclusions

For the Sustainability Report 2017/18, we consulted 895 stakeholders and conducted an **impact analysis**. The results form the basis for our work this year and we will be using the same data for next year. The area Employees who thrive at Stadium is the only one that solely has relevance within the organisation. All of the other material areas have relevance both within and outside the organisation, upstream and downstream in the value chain.

Stakeholder dialogues – conclusions

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

Impact analysis – conclusions

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

Materiality – conclusions

The results of the materiality analysis are presented on the next page, where we also explain how our areas are linked to the UN's Sustainable Development Goals.



→ Stakeholder dialogues

The three most important aspects per stakeholder group

Stakeholder MEMBERS/ CUSTOMERS	Stakeholder SOCIAL MEDIA*	Stakeholder SELECTED BRANDS	Stakeholder TEAM SALES/ CLUBS	Stakeholder EMPLOYEES	Stakeholder MANAGEMENT
1. Fair working conditions and no child labour in the production chain 2. Safe, non-toxic clothing 3. Suppliers who are verified and certified**	1. Fair working conditions and no child labour in the production chain 2. Suppliers who are verified and certified** 3. Climate and resource-efficient transport and packaging	1. Fair working conditions and no child labour in the production chain 2. Suppliers who are verified and certified** 3. Good working environment for employees	1. Fair working conditions and no child labour in the production chain 2. Safe, non-toxic clothing 3. Good working environment for employees	1. Fair working conditions and no child labour in the production chain 2. Good working environment for employees 3. Suppliers who are verified and certified**	1. Fair working conditions and no child labour in the production chain (2) Suppliers who are verified & certified** (2) Transparent communication about our sustainability work
x349	x236	x19	x25	x258	x8

* Followers on the Swedish Facebook page.

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

Materiality

Our dialogues and analyses help to identify the material issues, i.e. the issues on which it is most important for us to focus.

Material issues

1 DISTINCTIVE POSITION

- Safe, non-toxic products
- Transparency and transformation in production: fair working conditions, no child labour, verified suppliers and certified products

Linked global goals



Material issues

2 FOCUS AREAS

- Climate and resource-efficient transport and packaging
- Resource-efficient use of water, energy and chemicals
- Involvement in social projects
- Transparent communication about our sustainability work
- Circular products: from design and materials through to recycling and re-use

Linked global goals



Material issues

3 BASIC AREAS

- Employees who thrive at Stadium
- An equal workplace that promotes diversity and is free from discrimination
- Anti-corruption, integrity and ethical conduct
- Responsible marketing
- Responsible animal welfare
- Stores and store materials that are climate and resource efficient
- Traceable materials in the supply chain

Linked global goals



Our dialogues and analyses indicate which areas we should prioritise.

Materiality and the global goals

Linking our material issues to the UN Sustainable Development Goals gives us a complete picture of our sustainable to work.

STADIUM'S PRIORITY AREAS		LINKED GLOBAL GOALS	LINKED GLOBAL TARGETS	EXAMPLES OF HOW STADIUM IS CONTRIBUTING TO THE GLOBAL GOALS
DISTINCTIVE	Safe, non-toxic products	 	3.9 12.4	- Code of Conduct for all external suppliers - Checking product safety and chemicals in the design and product development phase - Compliance with the EU's chemicals regulation REACH plus an RSL (Restricted Substance List) for in-house production with tougher criteria - No PFAS or phthalates in in-house production. Phasing out PFAS with external brands 2020
	Transparency and transformation in production: fair working conditions, no child labour, verified suppliers and certified products	  	8.5 8.7 8.8 5.1 12.8	- Code of Conduct for suppliers - Third-party inspections on behalf of Stadium - Fairtrade cotton production - Supporting Earth products: 100% sustainable cotton, recycled materials or dyeing methods that save water 100% traceable down through the Responsible Down Standard (RDS) - Fur-free range (Fur Free Alliance)
FOCUS	Climate and resource-efficient transport and packaging	 	12.4 8.4	- Measurement, follow-up and measures to minimise emissions from transport activities (scope 3) - Goods transport by sea and rail - Exclusion of air freight - Reducing packaging in the form of plastic and corrugated cardboard
	Resource-efficient use of water, energy and chemicals	   	3.9 6.3 6.4 7.3 12.4	- Following the precautionary principle - Measurement, follow-up and measures to minimise energy and emission figures (scope 1) 100% of direct electricity from renewable sources - Solution Dye technique to minimise water, energy, emissions and chemicals in production - Packaging, sorting of waste and recycling
	Involvement in social projects	 	3.4 17.17	- Better Cotton Initiative (BCI) - SOS Children's Villages in Bangladesh and Finland - Health and Hygiene project through Cotton Connect - Signed up to the Bangladesh Accord - Stadium Sports Camp (SSC) - Goodsport - Night Football
	Transparent communication about our sustainability work		12.6	- Continuous dialogue with internal and external stakeholders about Stadium's sustainability work - Sustainability Report reviewed by third party
	Circular products: from design and materials through to recycling and re-use	 	8.4 12.1 12.4 12.5	- Sustainable materials in the product development and design phase, with a focus on recycling - Sustainability aspects included when testing and inspecting products - Recycling and re-use of products through Stadium's re:activate initiative, in partnership with Human Bridge
BASIC	Employees who thrive at Stadium: An equal workplace that promotes diversity and is free from discrimination	  	5.1 5.5 8.5 8.8 10.3	- Collective agreements and specific agreements on health and safety - HR guide - Employee surveys and development appraisals - Equality and diversity policy - Recruitment policy
	Anti-corruption		-	This area is not associated with a specific target due to limited link with SDGs
	Responsible marketing		5.1	
	Responsible animal welfare		-	This area is not associated with a specific target due to limited link with SDGs
	Stores and store materials that are climate and resource efficient		7.2 7.3	- Green electricity in all stores where we choose the supplier (60% of all stores) - Measurement, follow-up and minimisation of energy use in stores - Replacing energy-demanding light fittings with more energy-efficient LED solutions - Bags made from 40% post-consumer recycled plastic - Hangers in our new stores made from 100% recycled polystyrene - Re-use of campaign material and resource-efficient development of signage material
	Traceable materials in the supply chain		12.8	- Inspections conducted for Stadium by certified third parties 100% traceable down through the Responsible Down Standard (RDS)

Support the Earth

This main area is about how we take responsibility. In working to reduce our environmental impact and improve working conditions, we are contributing towards a more secure future.

The aim is to reduce the negative impact on the environment and on people's health and well-being. This area includes production, transport, logistics and real estate.

We work with several other companies and organisations, because we believe we are stronger together. You can read all about our partners and what we are achieving in this section.



Responsible production

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

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

We are moving towards a more circular model within product development and the production process, for more efficient use of the planet's finite resources. Garments and materials are made to have a longer lifespan, before they are finally reused or recycled. We try, as far as possible, to use eco-friendlier production processes and transport options along the whole chain. We also make all our suppliers and partners active participants in our sustainability approach.

In 2020, functional sustainability and repairability will be part of the design strategy

OLD MATERIALS INTO NEW

In 2018/19 we have worked to explore new circular processes, together with RISE Research Institutes of Sweden. In our partnership with football club BP, we collected worn football shirts and sent them to RISE for mechanical shredding. From this we made a sliver, a coarse bundle of fibres that was spun into new yarns, which in turn were blended with 50% organic cotton for added strength.

These yarns were then knitted into a new material at the Triåkaby textile mill in Åby, near our offices in Norrköping. With the help of this technique, we hope to be able to launch new products in 2020 under the SOC brand.

If we find that this type of process can work using local production facilities, we can eventually scale it up. We will be reviewing how we can use our collecting stations in our stores (part of our re:activate concept) to collect all types of used sportswear made from 100% polyester.

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



7 PRODUCT USE

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



6 SALES

Our shopping bags are produced in Sweden from 40% post-consumer recycled plastic. The hangers in our new stores are 100% recycled polystyrene and will be used in our stores for 10 years before they are sent for recycling.

In-store material has a focus on reuse, for example in the form of long-life materials and reusable signs.

We are working on integrating a rental service into our stores.



1 DESIGN

We create a product that lasts a long time and meets our environmental goals. The design has a purpose and a focus on circular processes.

In 2020, everyone in our design department will be trained in circular processes.



2 MATERIAL CHOICE

Our aim is to use 100% sustainable textiles by 2025. By sustainable materials, we mean materials that reduce the environmental impact and promote a fairer production process. These might be materials made from recycled cellulose or textiles coloured with the water-saving process Solution Dye. A more sustainable material should be easy to recycle at the end of its life, but also last a long time so it can be re-used many times.

3 PRODUCT DEVELOPMENT

A focus on making the product last a long time in the best interests of the environment.

Checks on quality, sustainability, safety and chemicals are constantly carried out on all our products.



A PRODUCT'S LIFE CYCLE

4 PRODUCTION

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



5 TRANSPORT

We reduce the amount of material used to package and transport our products. Ensuring the fullest use of capacity in all our distribution allows us to optimise all the shipments to the stores. We also strive to recycle as much packaging as possible. We now almost exclusively ship goods by sea or rail from suppliers in Asia. From 2020 we will, as a rule, not accept air freight. If, for some reason, our suppliers are unable to comply with this, we require them to offset their emissions.



Sustainable facts



In this financial year, the proportion of renewable fuel for our distribution within Sweden was

31%



Since July 2017, Stadium has charged for plastic bags in store. All the proceeds are donated to activities with a social focus.



40%

of our own-brand products were made from sustainable materials in 2018/19.

Fair Play – sustainable production

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



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

RISK ANALYSIS

Many of the markets where we manufacture goods are considered high risk areas in terms of both child labour and forced labour. Our assessment is that Pakistan, Cambodia and Bangladesh have an elevated risk, as do cotton producing countries such as China, India and Uzbekistan. The risks are lower with regard to our immediate suppliers, but tend to increase further down the supply chain.

We believe that by continuing our work in developing countries, we can help to reduce the inequalities in the world. Through a transparent dialogue with our stakeholders and the communities in which we operate, we can promote sustainable production. We are seeing signs of positive development: this year, for example, the statutory minimum wage for textile workers in Bangladesh has been raised by 51%.

With corruption, we also judge that the risk increases as one moves down the supply chain and where business is conducted via intermediaries. We see bribery as the greatest risk, which can lead to the improper choice of subcontractors and can also affect the price and quality of the product.

We continue to allocate more resources to our sustainability work, enabling us and our suppliers to develop at a faster pace. But we are aware that it will be some time before we have even covered the second link in our production chain.

SUPPLIER CODE OF CONDUCT

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

ment, product safety and chemicals.

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



All the products we sell must be manufactured under good conditions.

SUPPLIER BASE

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

SUPPLIER SELECTION

Factories that produce our own in-house brands must comply with our Code of Conduct. We therefore have a careful process for selecting, auditing and assessing our suppliers and their ability to follow our guidelines. In addition to our requirements, we encourage all our suppliers to also support our values and promote continuous improvements at their level – just as we do within our own organisation.

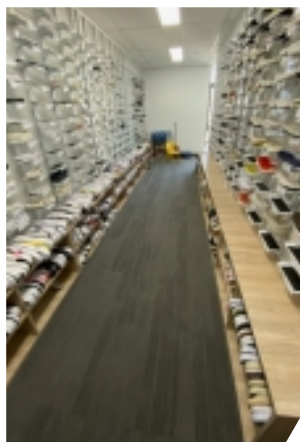
LONG-TERM BUSINESS RELATIONSHIPS

In our drive to accelerate our sustainability work and offer a more sustainable deal for our customers, we are continuing our

work to consolidate our supplier base and ensure that those who perform well and improve their sustainability also grow with us. We have built up long-term relationships with the suppliers from whom we buy most of our products. Of our 106 suppliers, we have been collaborating with 48 of them for over 10 years and 35 of them for over 15 years.

To establish a closer partnership, we are focusing on working with fewer suppliers who will still meet our production needs. Although we may be viewed as a minor

player in the industry, this benefits our sustainability work and we can accomplish more as our influence grows.



Factories that produce our own-brand products must follow our Code of Conduct

External brands

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

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

In spring 2019, we published our updated sustainability vision, which includes direct statements on what we are removing from our range to make it more eco-friendly. One of the statements requires PFAS-free products, in order for us to achieve our target of a range across the whole of stadium that is free from PFAS by 2020/21. In late 2018 and early 2019, all strategic meetings with external partners had a clear agenda, with sustainability as one of the key points. We only work with brands that can meet our requirements, and clearly demonstrate how they do so, in order that our customers can make safe and sustainable choices.

Some of the brands we have worked with for a long time have also been highlighted in our campaigns and social media, because their sustainability work sets a good example and their products make a difference. Icebug and adidas x Parley are two of the companies we have picked out.

Read more about our sustainability work on the next page



PRODUCTION UNITS 2018/19

	TOTAL NO. FACTORIES AND VISITS
Active units	188
Reviews	18
Valid third-party certification*	15
Inspections on behalf of Stadium	95
Factories rejected following inspection**	2
Lack of transparency	16
Corrective action plans (CAP)	95

* SA 8000 and WRAP GOLD/PLATINUM

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

SUPPLIER REVIEW PROCESS

ANALYSIS

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

REQUIREMENT DEFINITION

- Supplier Code of Conduct and commitment regarding restricted chemicals
- Signed requirements, agreements and terms

REVIEW

- Factory evaluation through online system with questionnaires
- Evaluation of results
- Follow-up questions in the same system and through dialogue

INSPECTIONS

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

CORRECTIVE ACTION PLAN (CAP)

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

NEW SUPPLIERS/MARKETS

We assess new suppliers and markets using the above process, which means that we conduct inspections before we enter into partnership (Scandinavian and Northern European production units may be exempted from inspection following a risk analysis). The number of active suppliers and markets changes from season to season, depending on the range. Finland, for example, is not a new market, although production started up again in the past year, after being dormant for a while.

LONG-TERM BUSINESS RELATIONSHIPS

A major focus in our production process provided the party lives up to Stadium's sustainability requirements and what we call Fair Play. Of our 106 suppliers, we have been collaborating with 48 of them for over 10 years and 34 of them for over 15 years.

INSPECTIONS BY BANGLADESH ACCORD

Bangladesh Accord has inspected all eight factories carrying out production for Stadium in Bangladesh. A total of 39 inspections were conducted at these factories in 2018/19



Bangladesh Accord

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

Since the Accord was initiated, safety work within the textile industry in Bangladesh has shown continuous improvements. In addition to independent inspections and demands for action from factories, the Bangladesh Accord has also implemented a programme informing over 1.8 million textile workers about their right to safe working conditions and to refuse unsafe work. The aim is for the initiative to be handed over to and run by the local authorities. It looks like this may be possible in 2020.

For more information about the Accord, see bangladeshaccord.org



Twenty of our biggest suppliers accounted for two thirds of our purchasing in 2018/19.

EVALUATION AND IMPROVEMENT PROGRAMME

In 2018/19, Stadium's purchasing department conducted supplier evaluations through on-site inspections at the production units. When we assess the results of inspections, our key criterion is that the results are based on verified data. We consider transparency to be the foundation of a responsible and sustainable business relationship. Lack of transparency has initiated deeper dialogue and further follow-up visits relating to 16 of our inspections.

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

We evaluate compliance with our Supplier Code of Conduct on a scale of A–D, where A is the top grade.

D grade is not necessarily a fail, but it is a level that we cannot accept over the long term without critical points being rectified. We want to see positive results from the supplier's active work on improvement measures before our business relationship can continue or even begin. Naturally, our ambition is for as much of our production as possible to take place at highly ranked factories. Today, 56% of production is based at factories ranked A and B, and our target is for at least 80% by 2022.



We work closely with our suppliers to create a sustainable future.



We build long-term relationships with our suppliers, not least through regular visits.

INSPECTIONS AND FOLLOW-UP

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

Having ELEVATE as a partner keeps us updated on developments in the industry, while our suppliers receive support locally if required. ELEVATE also provides

support in action programmes that run more intensively over a longer period, with the aim of ensuring a lasting change in more systemic or critical areas.

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

During 2018/19, 93 (49%) of our 188 active factories were inspected on behalf of Stadium. All the inspections generated a CAP, but two of the new factories inspected were not approved for business, as their standard was too low and our scope for influence too small. Of the 95 CAPs, 94 (99%) related to social aspects (most commonly overtime and insurance) and 31 (33%) to environmental aspects (e.g. storage, handling and documentation of hazardous chemicals). Arising from these CAPs, four suppliers have entered into a more intensive improvement programme with ELEVATE and we are monitoring their progress. The purpose of the improvement plans is to ensure that they take a proactive approach, guaranteeing human rights, workers' rights and environmental protection, as well as preventing corruption in practice – not just on paper. Together with our suppliers, we aim to act in a transparent and respectful manner in all elements of our production chain and work collectively for a sustainable future. This is what we call Fair Play.



Fairtrade balls

Fairtrade is an international certification scheme for sustainable development.

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

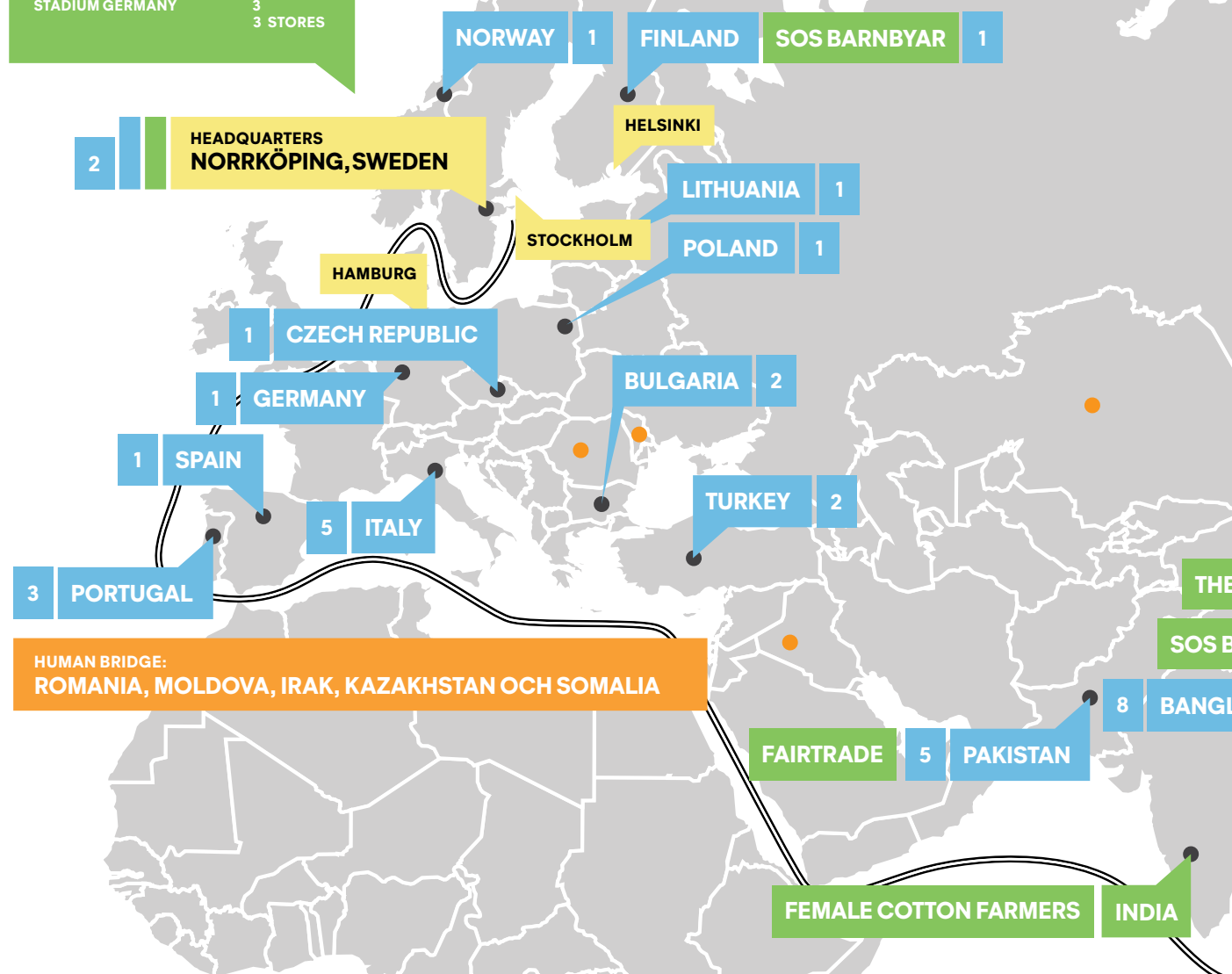
We support Fairtrade and are proud that all our own footballs and beach volleyballs are Fairtrade-certified. In this way, together with our customers, we can make a difference to our suppliers, their employees and their families. A Fairtrade premium is added to every product. These premiums are then used to develop the local community socially and economically, for example in the form of new schools, clean water projects or healthcare.

60185

Fairtrade balls
were sold in
Stadium stores
in 2018/19.

TOTAL NO. OF STORES: 181*	
STADIUM SWEDEN	88
STADIUM OUTLET SWEDEN	42
SNEAKERS POINT	5
135 STORES	
STADIUM FINLAND	31
STADIUM OUTLET FINLAND	12
43 STORES	
STADIUM GERMANY	3
3 STORES	

*2018/19: **Stadium Sweden** closed 2 stores and opened 1 store. **Stadium Outlet** opened 5 stores. **Sneakers Point** opened 2 stores. **Stadium Finland** opened 1 store. **Stadium Outlet Finland** opened 1 store.



Stadium in the world

With stores in three countries and production in 21, Stadium is very much an international company. Wherever we operate, we make sure that we act in line with our values and contribute to a sustainable world.

STADIUM GROUP NO.
OF FACTORIES

188 FACTORIES
IN 21 COUNTRIES

BANGLADESH	8
BULGARIA	2
CAMBODIA	2
CHINA	129
CZECH REPUBLIC	1
FINLAND	1
GERMANY	1
INDONESIA	10
ITALY	5
LITHUANIA	1
MYANMAR	1
NORWAY	1
PAKISTAN	5
POLAND	1
PORTUGAL	3
SPAIN	1
SWEDEN	2
TAIWAN	3
THAILAND	1
TURKEY	2
VIETNAM	8

COLOUR KEY
MAP

- Offices
- Factories
- Social engagement
- re:activate-initiative

E ACCORD

BARNBYAR

LADESH

129

CHINA

MYANMAR

1

PRODUCTION OFFICE
HONG KONG

TAIWAN

3

1

THAILAND

VIETNAM

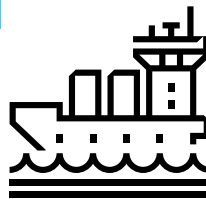
8

CAMBODIA

2

INDONESIA

10



SHIPPING AS
FIRST CHOICE

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

Our environmental work

We are constantly developing our sustainability work, both independently and in partnership with others. Together we are achieving improvements for people and the environment.

Education for female cotton farmers

Together with four other companies in the industry, Stadium supports Female Cotton Farmers, a local project in India initiated by Cotton Connect.

The project covers 15 villages in the state of Maharashtra and the district of Parbhani in western India, where 1 550 female cotton farmers are educated in how their farming can help to reduce any environmental impact, improve health and achieve a more stable economy.

In 2018/19, Stadium and two other companies in the textile industry have continued with

another project in the same region, involving the same female cotton farmers called Health & Hygiene. The programme focuses on helping people who lack water and their own toilets to maintain their own hygiene and reduce the risk of disease. Women also receive help and education on menstruation issues.

COTTON
CONNECT

**SUSTAINABLE
PRODUCTS IN OUR
IN-HOUSE RANGES**
(previous year in brackets)

SOC
44,5% (27%)

Everest
26,7% (24,5%)

Total range of JACKETS:
64,8% (54,2%)



RESPONSIBLE DOWN STANDARD

We support the Responsible Down Standard (RDS) in our use of down. The standard prohibits the plucking of down from live birds and from birds that have been force-fed.

The aim of the RDS is to ensure that the animals are treated with dignity throughout the supply chain. This is done by giving the industry tools to ensure that down and feathers do not come from birds subjected to suffering and a system that makes the origin of the material traceable. Find out more at www.responsibledown.org.

We ensure that all the down sold at Stadium is traceable and produced in line with the widely recognised Five Freedoms of Animal Welfare. 100% of the down products that we manufacture ourselves are RDS certified.



FUR FREE ALLIANCE

Here at Stadium we took the decision to be a fur-free chain in 2001. Through an agreement with Animal Rights Sweden, we have undertaken not to sell any products containing fur in our stores.

This applies to both our in-house and external brands.



BETTER COTTON INITIATIVE

Together with the Better Cotton Initiative we want to improve cotton cultivation worldwide.

BCI Better Cotton Initiative
BetterCotton.org

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

In 2017/18 we committed, in partnership with the BCI, to use 100% sustainable cotton. Sustainable cotton covers BCI cotton, organic cotton, recycled cotton and other eco-certified cotton alternatives.

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

SWEDEN TEXTILE WATER INITIATIVE

The Sweden Textile Water Initiative (STWI) is a member-run industry network with over 30 member companies. The network was launched in 2010 and continues to expand as it supports and encourages sustainable water use globally.

The STWI has drawn up a set of guidelines that member companies use in supplier discussions to inform them about and implement sustainable management of water, chemicals and energy. Since 2010, the STWI has worked with over 400 suppliers in Bangladesh, China, Ethiopia, India and Turkey.

SOLUTION DYE SAVES WATER

To minimise environmental impact, we are investing in the energy and water-efficient Solution Dye technique for dyeing clothes. This is currently the Stadium Group's primary dyeing method and much of our range for the 2018/19 seasons was dyed using this technique, saving almost 12 million litres of water over this period. We also expect the use of Solution Dye to increase further in our production process up to 2025, having set the target that we will use 100% water-saving dyeing methods for textile products by this date. 81% of our overall in-house production is made up of textile products.

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

At Stadium we have been using the Solution Dye technique for over ten years. Initially, the dyeing process was used only for

black linings, but since 2013 the technique has been available for a large number of colours. It is mainly the linings that are dyed, but also the outer fabric for brands such as Warp, Everest and Stadium.

All garments dyed using Solution Dye have Supporting Earth labels that say "Save water and energy". In 2019, Stadium Outlet also began using the Solution Dye method for the lining of its jackets.

A WORLD WITH CLEAN WATER
Savings with Solution Dye technique compared to traditional dyeing:

WATER - 80%

ENERGY - 60%

CARBON DIOXIDE - 60%

CHEMICALS - 60%

Stadium purchases fabrics from suppliers who use this technique for both woven and knitted material. We apply an average calculation that gives an approximate total saving.



PLASTIC BOTTLES

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

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

SUPPORTING EARTH

Our Supporting Earth concept makes it simpler for our customers to choose sustainable products in our stores

The labels are attached to products made of sustainable cotton or recycled material, dyed using the water-saving Solution Dye technique and/or that are free from PFCs. Our aim is, of course, to exclude all chemicals that are harmful to people and the environment.

40% OF OUR IN-HOUSE BRANDS WERE SUSTAINABLY MANUFACTURED IN 2018/19, UP 4.5% COMPARED WITH THE PREVIOUS YEAR.

One conclusion from our stakeholder discussions was that the majority of our customers want international certifications or Stadium's own labelling on clothing, shoes and equipment (read more on page 12). We will therefore continue to consider how we can best enable our customers to make sustainable choices through labelling on garments or information signs in the store.

CHEMICALS

100% PFAS free

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

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

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

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

Energy and emissions

We are working to reduce our use of water and energy, cut emissions and use less harmful chemicals.

Energy drives us forward and is essential to being able to make a profit. Therefore it is essential to set the right priorities and we are continuously pushing to reduce energy consumption in our transport chain and at our distribution centres, as well as the amount of energy used for lighting and heating in our stores. During the 2018/19 financial year, we managed to reduce the energy consumption in our stores by 3.4%. We are considering how to save even more energy. Right now, our focus is on replacing high-energy light fittings with LED solutions in our refurbished and new stores. LED solutions use less energy, have a much longer useful life and do not require regular bulb changes.

ENERGY AUDIT

In Sweden and Finland, Stadium is legally required to conduct an energy audit as prescribed by the Swedish Energy Agency. In spring 2019, an energy audit was conducted at three Stadium stores and one Stadium Outlet store in Finland.

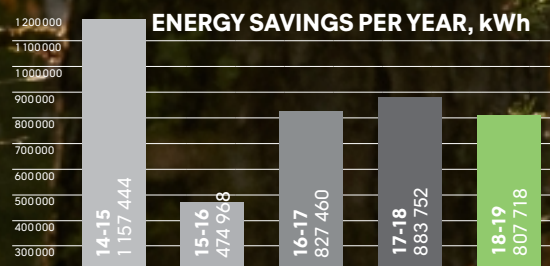
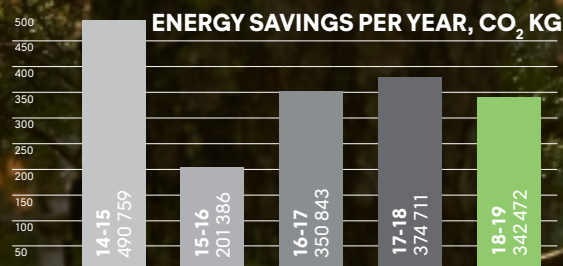
The energy audit was conducted by certified energy auditors, the property owners' technical managers, electricians and project managers. The audit describes the company's total energy use and identifies improvement opportunities.

100% of the electricity that Stadium buys comes from a renewable source – wind power. That electricity accounts for 60% of our total energy use. The remaining 40% is purchased by other parties, such as the landlords who own our store premises. Installing submeters in these stores gives us good control over energy consumption, enabling us to implement targeted measures in those stores with the highest energy consumption per square metre.

HISTORY OF THE ENERGY SAVING PROJECT

Stadium's energy saving project has been running since 2009. The project has focused on the lighting in our Swedish stores, which means general lighting, spotlights, relays and timers.

As part of the project, Stadium made an active choice of electricity supplier (EON), which has led to both increased knowledge and a significantly lower purchase price per kWh.



STICA

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

The initiative is a response to the textile industry's major negative impact on the environment. The network enables members to learn from each other, create tools to measure emissions, but above all find solutions to reduce their carbon footprint, according to the Greenhouse Gas (GHG) Protocol.

Stadium is unable to achieve big enough results on its own. We can only

make a difference with the rest of the industry, and we have set ourselves a clear target: under our agreement with STICA, we will cut our GHG emissions by at least 30% by the year 2030. In 2020, our focus will be on establishing our base year for emissions and setting up our own science-based targets.

www.sustainablefashionacademy.org/STICA

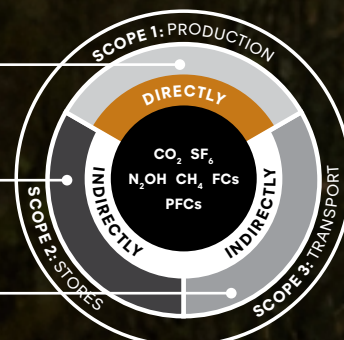
MEASURING EMISSIONS

According to the GHG Protocol, which is used to calculate and report emissions of greenhouse gases, the emissions should be divided into three parts or scopes:

SCOPE 1 The environmental impact during production is direct, but Scope 1 emissions account for a negligible proportion of our total emissions. Stadium spent 2019 establishing its base year, which will be included in the next report for 2019/20.

SCOPE 2 The switch to LED lighting in all stores is continuing in conjunction with store refits and we are also choosing green electricity in all contexts where we have a say.

SCOPE 3 99 out of 100 journeys that transport goods to our distribution centre are by sea.



Since September 2009, Stadium Sweden has saved around 8 478 554 kWh = approx. 3 594 906 kg CO₂

This equates to the energy consumption of **718 HOUSES** over 1 year*

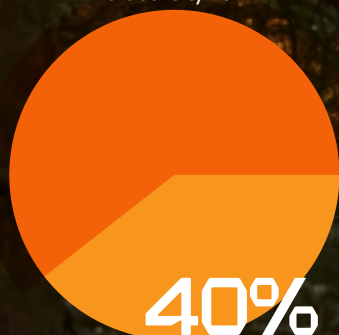
*Calculator at www.epa.gov/energy/greenhouse-gas-equivalencies-calculator



SCOPE 2

60%

Green electricity - purchased by Stadium.
13 967 645 kWh renewable electricity 18-19.



40%

Non-renewable electricity purchased by landlord,
9 311 763 kWh

SCOPE 3

99 OUT OF 100

journeys transporting goods to our distribution centre (DC) are by sea, and we transport from DC to our stores via a carrier that has ISO 14001 environmental certification.

Transport between our three warehouses in Norrköping uses trucks that run on HVO, a fossil-free fuel. In order to further reduce our environmental impact, from spring 2020 we will no longer accept our goods being transported from suppliers in Asia by any means other than sea or rail.



ENERGY & EMISSION FIGURES

09.2018-08.2019

SCOPE 2: STORES	
Total use (kwh) 17-18	24 087 126
Total emissions of CO ₂ 18-19 (kg)	23 279 408
Total emissions of CO ₂ 17-18 (kg)	10 212 941
Total emissions of CO ₂ 18-19 (kg)	9 870 469
Reduction in kg CO ₂ /year	342 472
Reduction as a percentage	3,4

Scope 1 emissions account for a negligible proportion of total emissions. These are therefore not reported. Store scope 3 emissions relate to transport from DC to stores in Sweden. Since there is insufficient data on international transport, this is not reported here.



AIR FREIGHT

In line with our vision to activate the world in a sustainable way, we aim to reduce our carbon footprint. One step in achieving this is to minimise all transport by air.

Beginning with deliveries for the summer season 2020 we will, as a rule, no longer accept air freight. If an exception must be made, this must be approved by the Purchase and Category Director at Stadium or the Purchasing Manager at Stadium Outlet. Where such an exception is made, we will require carbon offsetting. This offsetting can be done by choosing

an air freight company that carbon offsets its flights.

We are conscious that air freight is extremely bad for the environment and very expensive. We therefore consider this policy to be vitally important. It has the potential to strengthen our combined businesses and at the same time reduce the impact on the environment - a double win.

ENERGY & EMISSION FIGURES 09.2018-08.2019

SCOPE 3: TRANSPORT		TO DC BY SEA*		TO DC BY AIR*		TO STORES*	
Total emissions of CO ₂ 17-18 (kg)	971 256	Total emissions of CO ₂ 17-18 (kg)	276 650	Total emissions of CO ₂ 17-18 (kg)	1 021 895		
Total emissions of CO ₂ 18-19 (kg)	1 181 193	Total emissions of CO ₂ 18-19 (kg)	462 050	Total emissions of CO ₂ 18-19 (kg)	1 008 006		
Total change in CO ₂ emissions (kg)	+ 209 937	Total change in CO ₂ emissions (kg)	+ 185 400	Total change in CO ₂ emissions (kg)	- 13 889		
Total transported kg 17-18	5 104 521	Total transported kg 17-18	45 922	Total transported kg 17-18	26 944 293		
Total transported kg 18-19	6 097 305	Total transported kg 18-19	80 100	Total transported kg 18-19	27 379 054		
CO ₂ emissions/transported kg 18-19	0,19 KG	CO ₂ emissions/transported tonne 18-19	5,76	CO ₂ emissions/transported kg 18-19	0,036		
Reduction in CO ₂ emissions/transported kg 18-19	Unchanged	Emissions of CO ₂ per tonne, change	-0,24	Reduction in CO ₂ emissions/transported kg 18-19	-0,002		

*Note that the figures are only from where Stadium handles shipping in accordance with Incoterms. Figures from when other parties (i.e. suppliers) are responsible for transport are not included. Note that the figures include domestic transport from suppliers to ports and from the Port of Norrköping to Stadium DC.

ENERGY TARGETS

1 Short-term measurable target for 2019/20: install submeters in stores where we do not choose the electricity supplier. Knowing our exact consumption will enable us to carry out targeted initiatives to reduce our overall energy use.

2 Long-term measurable target for 2021/22: raise the proportion of electricity we purchase ourselves, i.e. green electricity, to 70%.

3 Carry out audits and ongoing efficiency work in the 10 stores with the highest energy consumption.

4 Cut energy consumption in the current store concept by 20% by installing low-energy LED light fittings.

We activate the world

Activate the World is our focus area concerning social engagement and partnership in fitness, health and well-being.

The area includes both our own initiatives and partnerships with others to activate the world. We have a particular focus on children and young people, gender equality and everyone's right to an active life. The aim is to increase the positive impact on people's health.





FIGHT INACTIVITY

Being able to lead an active life is a democratic right. However, children sit still, on average, for far too many hours of the day and studies show that young people are not active enough.

This has devastating consequences in the form of poorer school results and the risk of physical and mental problems.

To highlight the downsides of sitting still and inspire more people to embrace a life in motion, Stadium launched the *Bekämpa stillasittandet* (Fight inactivity) campaign in 2018. As a thank you for all the clap emojis texted to us, we sent an activity bag to schools in Sweden and financial donations to Lasten Liike in Finland, whose activities are coordinated by the Finnish Olympic Committee.

But to accomplish a sustainable change, companies, schools and society, not to mention parents and other adults in a child's life, must set a good example. We therefore challenged everyone to limit their screen time/phone use and spend time playing and being active with the kids. It's not about the number of hours, drops of sweat or kilometres – it's about inspiring more people to take up a life in motion and teach good habits at an early age. This was the aim of *Bekämpa stillasittandet* and the driver for us to continue activating the world now and in the future.

FIGURES FROM SWEDISH RE-SEARCH COUNCIL FOR SPORT SCIENCE (2017):

80%

of upper secondary school students' time is spent sitting still. This is true for both girls and boys. Young boys are the most active. The oldest girls at upper secondary school are the least active. In this group, only 14% get enough exercise.

For positive health effects, young people should have at least 60 minutes a day of exercise that raises the heart rate.

6%

of all children and young people are hardly physically active at all. They rarely or never take part in their school's sport and fitness lessons, they sit still during breaks, are not members of a sports club and are also inactive in their leisure time.

20%

do no sport at all in their leisure time. The children and young people who play sport in a club are also more physically active generally, with less time spent sitting and surfing on their phones, compared with those who are not active in a club.

Source:
www.idrottsforskning.se/unga-ror-sig-for-lite-visar-unik-studie.

Too little activity leads to poorer school results and a high risk of physical and mental problems in the future.

Sustainable partnerships

Creating a sustainable world is all about teamwork, which is why we collaborate with organisations and actors who share our values and want to bring about change.



Stadium is really activating the world

Stadium continues to activate the world through social engagement and partnerships. Patrizia Nilsson, Sports Marketing Manager, is one of those who helps make it happen.

Patrizia Nilsson has worked at Stadium for 17 years, and she will still tell you she has the best job in the world.

“Getting to actively work on our vision every day is a fantastic feeling. I believe the things we stand for at Stadium run through the whole company. As our CEO says: ‘it’s not just window dressing.’ We haven’t had to make up a vision to support our business. It is rooted in everything we do, the passion for an active life.”

The organisations that Stadium partners or supports include the sports club BP, the Goodsport Foundation and Vasaloppet.

“It’s important to find partners who want the same thing as us. We don’t need to ‘cross the finishing line’ – the important thing is that we share a view of where we’re going, how to get there and what our focus should be. By putting the right resources into the right things, you can make a difference and inspire more people to live an active life.”

We talk about different forms of social engagement

“I prefer the term collaboration or partnership. For us, it’s about finding partnerships that support and help us to spread our vision. Sometimes it can be the other way around, where we help others by spreading our vision. Stadium has developed into such a strong brand – and we stand for something unique and authentic, which makes many people want to work with us.”

Patrizia often returns to inspiration and the fact that Stadium is about more than just sport and sports fashion. This is demonstrated by the number of people who get in touch about working together.

“I believe we’ve stuck closely to our vision and proven that it’s genuine. We have projects on the go all the time to get people engaged. Each year we send almost 4 000 activity bags to schools so that more children get a chance to be active. We are really making a difference.”

GENERATION PEP

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



Projects have included collaborating with four secondary schools and researchers from the Swedish School of Sport and Health Sciences, Karolinska Institutet and the University of Gothenburg to develop Pep

Skola – free support for schools wanting to make physical activity and healthy food habits a natural part of the school day. Pep Skola was launched in May 2018 and currently has over 1 000 schools registered at www.pepskola.se. Read more about our collaboration on page 32



During 2018/19, 9 882 bottles in Finland and 54 237 in Sweden were sold.

Together with our customers, we raised SEK 320 565.

Children's Villages give hope

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, we've donated SEK 5 from sales of a small orange water-bottle to SOS Children's Villages and its village in Chattogram, Bangladesh. It feels natural to support Bangladesh as one of the countries in which many of Stadium's products are manufactured. During 2018/19, 54 237 bottles were sold in Sweden. Over the period we raised SEK 271 185 together with our customers.



Lesson in the Children's Village school in Chattogram.

SOS CHILDREN'S VILLAGES IN FINLAND

Stadium has also been involved in SOS Children's Villages in Finland since 2015. EUR 0.50 from Stadium's sales of a small orange water-bottle goes to the organisation, to give more children a secure home. 9 882 bottles were sold in Finland during 2018/19. We have raised SEK 49 410 together with our customers.

SOS Children's Villages Finland works to help families at an early stage, before problems come to a head. The best interests of the child are the focus of everything they do. The solutions are tailored to the individual needs of the children and their families. The aim is to assist children and their families so the children can grow up in their own homes. If this is not possible even with support, children can come to a safe foster home in one of our children's villages.

ABOUT SOS-LAPSIKYLÄ

SOS Children's Villages Finland (SOS-Lapsikylä) helps vulnerable children, young people and families in Finland and around the world. It strives to give all children the best possible childhood in a family and in a safe environment. SOS-Lapsikylä was founded in 1962 and is a member of SOS Children's Villages International.

There are currently 11 of these in Finland, which are home to around 200 children and young people in care. SOS Children's Villages also offers preventive support to families in difficulty, for example via family support activities and family rehabilitation. In a drive to combat marginalisation, we also offer support to young people looking to start living independently.

Bangladesh has a population of around 160 million living in a country less than a third of the size of Sweden. Around 26.5 million children of the 63 million in total live below the poverty line. In the city of Chattogram, SOS Children's Villages has established one of its villages, along with a family support programme. Here, children who for various reasons are unable to live with their families are given a home, a family and a safe and loving childhood. They get to play, laugh and go to school – as every child should. The children's village in Chattogram is home to 28 boys and 75 girls. There is also nearby housing for young people, which is home to another 14 girls on the verge of adulthood.

The family support programme prevents families from being split up due to poverty or illness. Interventions include psychosocial support, education, vocational training for parents or microloans to start up a business that can support the family. In many cases, small interventions make a big difference to a child's future. The programme has helped 1 549 people.



Play and sport are important for a child's development.



Aid deliveries from Human Bridge may contain school materials and sports equipment.

HUMAN BRIDGE

Human Bridge is a Swedish aid organisation that supplies health services in vulnerable countries with medical equipment and other materials.

The organisation also supports people caught up in humanitarian crises, for example with clothing and other basic essentials. Material aid is sent to around 20 countries. The countries to which Stadium sent collected material in 2018/19 are: Iraq, Romania, Kazakhstan, Ukraine, Moldavia and Mozambique. In March 2019, the coastal city of Beira and large

parts of Mozambique were hit by two cyclones that left a trail of destruction. Over 700 people lost their lives and thousands of homes were swept away. Human Bridge has sent several containers of disaster relief.

Robert Bergman, Director of Human Bridge, visited Beira to follow up on the shipments. He visited the hospital, camps and schools and saw how welcome the aid had been, but he also saw a need for more aid initiatives.

Human Bridge therefore dispatched another two aid shipments to the city – including metal roofing, disability aids, clothing and blankets, but also school materials, footballs, match shirts and other sports equipment for schoolchildren in the disaster area.



Natural disasters make many people homeless.



Read about more sustainable partnerships on the next page





Stadium Sports Camp – Sweden's biggest, a world of fun!

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

Over the years, 100 000 have enjoyed active experiences for life together with others. With annual camps in Norrköping and Halmstad for four and two weeks over the summer, we offer a total of 25 main sports. There has long been an even gender split between the participants, with 54% girls in the most recent intake.

The organisation works actively to get children and young people participating, whatever their challenges or socioeconomic background. Together with several other charities, foundations and companies, Stadium Sports Camp was able to offer 350 free places

this year to kids who, for various reasons, would not otherwise have been able to attend. We have also had a close partnership with the Friends Foundation since 2004, meaning that all camp leaders receive training in tackling exclusion and bullying and promoting equal sport for everyone.



Stadium Sports Camp gives children and young people a chance to get active, whatever their circumstances.

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



HOPE

From 1-18 August 2019, the Finnish Stadium stores helped to collect products for the HOPE charity's Give a Chance campaign. Around 15 boxes of much-needed and wanted equipment was then handed out to children and young people from low income families in Finland.



As a partner of the Finnish Floorball Federation and the Floorball World Cup 2020, Stadium

is part of a charity campaign conducted in collaboration with HOPE and other partners and sponsors.

The activity bag For fun and active breaks

Every year since 2003 Stadium has distributed activity bags to first-graders to inspire a more active lifestyle and support schools in getting children moving.

The project is part of Stadium's Good Citizen work and is funded solely by Stadium. Almost 25 000 bags have been distributed to date. The content of the activity bag includes footballs, rounders bats, ball pumps, cones, skipping ropes and basketballs. We hope that this equipment will get more children and young people exercising and inspire an active lifestyle from an early age. In September 2018 we distributed 4 456 activity bags to first-graders. This year we donated them in partnership with Generation Pep.

www.stadium.se/sustainability-collab-initiativ-activitybag



The activity bag gets children moving.



GOODSPORT FOUNDATION

Goodsport is a non-profit foundation that works to promote integration through sport for young people. The aim of the *Night football* concept is to prevent and combat exclusion, criminality and ill-health among young people, by offering a meaningful sense of community in a safe environment with active and responsible leadership.

The concept has been rolled out to around 20 locations in 13 municipalities across Sweden. In 2018, *Night football* had around 4 000 unique participants. 71% of the participants feel the local sense of community has improved, 61% state that *Night football* has got them to do more sport and 86% of the participants say they have made new friends.



Night Football offers safe and meaningful inclusion.



50 000 children take part in the Barnens Vasalopp race.

VASALOPPET

Vasaloppet is a non-profit organisation owned by IFK Mora and Sälens IF. Any cash surplus goes back into Swedish sports clubs. Today, almost 100 000 skiers, cyclists and runners attend the year-round events that it runs – young and old, amateurs and professionals.

As a main partner since 2002, Stadium's contribution includes its own rehydration station and pop-up stores to improve the participants' experience.

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

Barnens Vasalopp races for kids are run in partnership with sports clubs from all over Sweden. The skiing, cycling and running races attract around 50 000 children each year.



Minivättern is ideal for young cyclists.

VÄTTERNRUNDAN

Vätternrundan is the world's largest cycle race, with 36 000 participants. The cycling week in Motala includes all sorts of races to inspire different cyclists, from casual amateurs to elite athletes, with Minivättern and Skoj med hoj as popular kids' events. Stadium has been a main sponsor of Vätternrundan since 2016.

Realising our vision

We realise our vision through club partnerships and social engagement.



BP works strategically to improve gender equality.

BROMMAGIRLS

To shine a light on female involvement, football club BP joined forces with Stadium and Nike in its *BrommaGirls* campaign. On 25 May 2019, a big festival of football was held at Grimsta IP, where BP's women's team played a home game against Morön BK. The team entered the pitch in jerseys with *BrommaGirls* printed on the back, in front of a packed crowd.

The game day also boasted a range of activities, plus football stars and performances by artists such as Janice and Imenella. By showcasing the fantastic exploits that all too often go unseen, we want to help create a future where everyone is able to play sport on equal terms, regardless of gender.

BP football club

On the question of gender equality and activities for young people, Stadium has a close partnership with BP

BP (originally "the Bromma Boys") is Europe's biggest football club for girls and boys (3 000 boys, 1000 girls). The club has over 1200 children in its academy and is one of four Swedish clubs with a top-flight team in both the women's and men's game. Each year 700 leaders help to run more than 17 000 activities.



For more information, see BP's gender equality and sustainability reports and website. www.ifbp.se/samhallsansvar/; www.ifbp.se/om-bp/rapporter/

Two years ago, BP stepped up its work to integrate gender equality into the whole operation, with a focus on resource allocation, equal treatment and greater awareness.

The club supports the UN's Sustainable Development Goals, with a core focus on Goal 5: Gender equality and Goal 10: Reduced inequalities. These are also among Stadium's priority SDGs.

Here are a few examples of what has been achieved on gender equality so far:

- Express focus on gender equality, with the men's game no longer defining the club.
- Only club in Sweden to carry out a transparent review of salaries from a gender equality perspective, covering everyone on the pitch and behind the scenes.
- GRI Standard sustainability report with a clear gender equality focus. BP is one of the few clubs to have done this, along with Juventus.
- BP is rare in meeting the Swedish Sports Confederation's requirements for a gender equal Board.

SOCIALLY SUPPORTIVE ACTIVITIES

Below are a few examples of the projects on gender equality, diversity and inclusion that BP works with:

- **Öppen Fotboll** – collaboration with schools in low-wage areas to offer activities for girls that the sport has traditionally had difficulty reaching.
- **Nattfotboll** – Open sports halls every Friday and Saturday night providing football activities when the need is greatest.
- **Skolträffen** – Children from schools with different socio-economic profiles meet at Grimsta IP for shared activities over a day, and then they visit each other's schools.
- **Efter Skolan** – Homework, CV writing, study visits and driving licence theory for young people.
- **Första Jobbet** – Young people from low-wage areas get to work at BP's games. The whole kiosk and café business at Grimsta is now involved in offering these first jobs.
- **Slussen In** – BP's employment project, funded by the Swedish Agency for Economic and Regional Growth. So far in 2018/19, 120 people have found a job through *Slussen In*.

STADIUM TEAM SALES

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

To do this, we have salespeople in 37 stores across Sweden and 14 in Finland who work to bring in new clubs as customers and manage our existing contacts. The Team Sales organisation also includes Solutions, our own printing facility in Norrköping. We currently support around 1 400 clubs in Sweden and Finland.



Little kids develop their ball skills at a Mini-Camper event.

DJURGÅRDEN FOTBOLL MINI-CAMPER

Stadium works with Djurgården Fotboll on a range of projects. Mini-Camper is one that we have prioritised as a way to get more children being active. One way that we support this project is through the equipment used in the activities.

Mini-Camper is Djurgården's concept to introduce football to the youngest children from preschool to third grade. With a focus on the joy of movement, exercises allow children to work with their own ball to discover how fun football is on their own terms. The Mini-Camper events are generally held in schools or very close to a school. Since it began in 2018, the Mini-Camper project has got over 8 000 Stockholm schoolkids kicking a ball.

MIDNIGHT RUN

The Midnight Run is held in four cities: Stockholm, Gothenburg, Malmö and Helsinki.

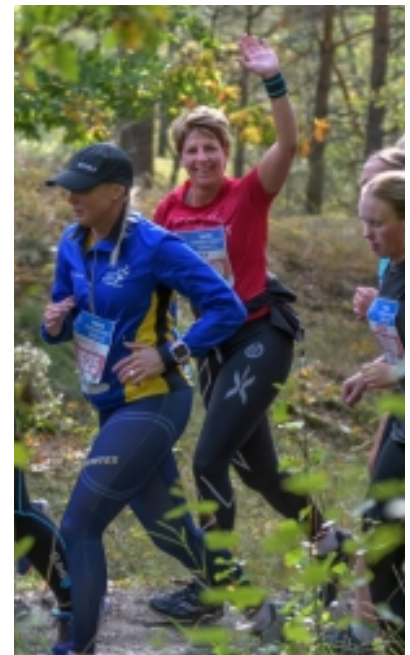
In 2019 a total of 47 300 people ran 5 or 10 km at one of the four locations. Almost 4 000 children and young people took part in the MiniMil, Glada and Lilla Midnattsloppet races in Stockholm. The

Midnight Run 2019 thus broke the four-year-long downward trend for registrations, increasing participation by around 4%.

A crucial factor in this was the introduction of the 5K Midnight Run, which mainly attracted a target group that had not run a race before. The Midnight Run will continue its mission to get more people being active.



The runners get fired up for the start of the Helsinki Midnight Run.



LIDINGÖLOPPET

Each year Lidingöloppet gets 32 000 people cross-country running.

Järvaloppet in June, aimed primarily at getting more children and young people to be active, attracted 1 000 participants in 2019. The race was first run in 2015 and over the years has welcomed around 6 500 children and young people.

The other races take place in September – Lidingöloppet 30 km, 15 km and Rosa Bandet-loppet 10 km, in partnership with the Swedish Cancer Society.

Our employees

We are our employees – which is why our sustainability work begins with creating a good working climate with happy and motivated employees.

Our employees are our most important resource. We need competent and service-oriented employees who are proud to work at Stadium, who share our vision of an active lifestyle and who embody our values. This is what lays the foundation for our continued success and makes us competitive.

Within Stadium, we work constantly to develop our employees, teams and organisation. At the heart of everything lies a good working climate where employees collaborate, enjoy their job and feel motivated. We know that when our employees feel good, the company feels good. The greatest risk on the personnel front is that our employees are not committed or passionate, feel unfairly treated or do not share our vision.

We work actively to

conduct a dialogue with our employees in order to develop them and the organisation. We have development appraisals, where a manager and employee talk one to one. We also have a confidential employee survey, with each team then responsible for working on the results afterwards. Both the development appraisals and the employee survey are conducted twice a year.

We have improved in all the categories in our employee survey and work actively on the results through discussions within each team. This involves talking about what action the team wants to take for further improvement.

On the question of whether our employees would recommend Stadium as an employer to a friend or relative (E-NPS), we are up three points, coming in at 58 on a scale from -100 to +100.

88%

of our employees are proud to work for Stadium, a figure that is up 1% on last year's already very high figure – that makes us proud!

Staff Challenge

Our vision for an active lifestyle includes engaging our employees and encouraging physical activity. Over the year we have had a range of initiatives, primarily the four-month-long Staff Challenge.

The purpose of this challenge was to get employees feeling better through various activities, which we did – the end results show that well-being has risen 8.4% and stress levels have fallen 6.6%. With plenty of laughter, joy and shared activities, together we made it 13 times around the world!

A sustainable workplace

We believe in the equal value of all people, with respect and an inclusive organisational culture as a vital component. All our employees are covered by collective agreements in Sweden and Finland (in Germany we follow the principles that apply in the industry regarding working hours, salaries and other benefits).

We comply with laws and agreements, and have policies on our intranet describing how we work with our personnel. These policies concern topics such as health and safety, working hours, absence, salaries, sick pay, gender equality, diversity and victimisation.

All our employees receive information about these policies during their induction training. We then work on an ongoing basis to follow them up both in development appraisals and in anonymous employee surveys. We comply with the laws and agreements governing redundancy notice periods during restructuring and cutbacks. The notice periods vary depending on how long an employee has been employed, and can range from 4 to 52 weeks. We meet all legal requirements and have not been involved in any legal cases.

From a business perspective, our diverse customer base means we want a diverse range of staff to provide the best possible customer service. We are therefore committed to gender equality and diversity, and work to avoid discrimination and unfair treatment. We have spelled this out clearly in our recruitment policy and in our equality and diversity policy, and also work actively on these issues in our employee survey. We have 48% female managers, an increase of 1% on last year.



JASMIN AALTO
VISUAL SALES MANAGER,
STADIUM, ITIS

Jasmin Aalto works at Stadium Itis in a large shopping mall in Helsinki. When she joined three years ago, she knew almost nothing about the company. Now she is very pleased to be part of the team.

“My colleagues are fantastic and they make me happy every day. I also like that the job is so free and I can use a lot of my own ideas.”

THREE QUICK FACTS

MY SUSTAINABLE TIP Don't buy new clothes, use what you have in a new way or re-style them so they look new.

I DREAM OF Having my own yoga studio in Aruba. You should always dream big.

I GET ENERGY FROM Sport! But sometimes coffee helps too.



REIJA HASSINEN

STADIUM OUTLET, KUOPIO

In her job, 29-year-old Reija Hassinen gets to combine her strengths – working with people and working out. She does what salespeople do: helps customers, particular with shoes, stands at the cash desk and restocks the store.

“I’m responsible for the stock and fill in for our store manager when necessary. I like that I can improve myself all the time in many areas, since the job is so varied. It’s both challenging and motivating!”

THREE QUICK FACTS

I LOVE Reading and listening to music, it brings balance to my fairly hectic life and forces me to wind down and relax for a moment.

I DREAM OF Living life to the full with no regrets. When I’m old, I want to be proud of the choices I’ve made.

I GET ENERGY FROM My family and friends, of course. And the team at Stadium – I always enjoy coming to work.



HANNAH FLINK

STORE MANAGER,
STADIUM, KRISTIANSTAD

Hannah Flink’s journey within Stadium has been short and intense. She began on a work placement, which led to a part-time job and then, after her studies, a permanent job in Växjö. Her next position at Stadium was sales manager in personal sales. Following Stadium’s Future Leaders training programme, she finally took the leap to become the Kristianstad store’s manager – one of the company’s youngest at 23. “Becoming a leader was not an obvious choice from the start. The idea developed over time. But I believe my leadership skills are part of my personality in other contexts too. I’ve always been driven and shown initiative. I get on with things and enjoy a leadership role.”

Best thing about the job?

“I like the variety, and interacting with the customers of course. Also getting to run a store!”

**“I’ve
always
been
driven”**

THREE QUICK FACTS

HOBBIES Work out a lot! Also plenty of walks and runs with the dog. Spend time with family and friends.

EAT Salmon and salad! On cheat days I love Thai or tacos. I’m sometimes teased at work because I can eat the same thing for two weeks, like mackerel and crispbread. It’s so easy!

I SHAKE After a workout when I walk down the stairs from the gym. That’s my goal for a workout – if my legs are shaking when I walk, I’ve done enough.

MÜRSELIN SEMOVSKI

SALES, SNEAKERS
POINT, MALMÖ.

Millennial Mürselin “Musse” Semovski joined Sneakers Point in Malmö at the start of 2018. He was perfect for the job, because sneakers and streetwear are his biggest interest.

“Getting to talk about my favourite subjects every day is the best thing about this job. And that, from my knowledge and my interest, I can inspire the choices of others, give guidance on how they should look after their sneakers to make them last, and ensure a good experience in our store.”



THREE QUICK FACTS

DREAM OF As a sneakers nerd, my biggest dream ever would be to make my own sneakers or get to design a sneaker that already exists with some brand or other.

FAVOURITE SNEAKERS AT HOME A difficult choice when you have 40–50 pairs. But I

would say my Air Jordan 6’s in Infrared, which were first released in 1991. A historic shoe, as Michael Jordan played in Infrared 6’s when he won his first NBA title. A shoe that will definitely be in my collection for life.

WHAT GIVES ME ENERGY My boss and our fantastic team. Making a customer happy.

Figures from HR

This page presents figures and statistics on personnel, management and pay.

HR STATISTICS

All HR statistics are collected from the relevant country. Swedish data comes from the payroll system, while data for Germany and Finland is collected from the schedule and staffing system used in these two countries. Compiling the data involves some manual intervention, and certain assumptions are made regarding factors such as how an individual's employment should be reported (this could concern an individual who has been employed at two or more companies within the group during the current year).

All the input data relates to individuals and not Full Time Equivalents (FTE).

COUNTRY	WORKFORCE	FEMALE	MALE
SWEDEN	4 159 (78.6%)	2 532 (60.9%)	1 627 (39.1%)
FINLAND	1 054 (19.98%)	669 (63.5%)	385 (36.5%)
GERMANY	80 (1.5%)	37 (46.3%)	43 (53.8%)
TOTAL	5 293	3 238	2 055

GENDER	PERMANENT	TEMPORARY	PERMANENT FULL-TIME	PERMANENT PART-TIME	TOTAL
FEMALE	1 965 (60.7%)	1 273 (39.3%)	627 (31.9%)	1 338 (68.1%)	3 238
MALE	1 257 (61.2%)	798 (38.8%)	564 (44.9%)	693 (55.1%)	2 055
TOTAL	3 222 (60.9%)	2 071 (39.1%)	1 191 (37.0%)	1 839 (63.0%)	5 293

COMPOSITION OF THE BOARD AND MANAGEMENT AND BREAKDOWN OF OTHER EMPLOYEES

% PERCENTAGE WITHIN OUR ORGANISATION 2018/19 (+/-) indicates a change from the previous year

	MALE	FEMALE	<30 YEARS	30-50 YEARS	>50 YEARS
BOARD	75.0%	25.0%	0.0%	62.5%	37.5%
MANAGEMENT TEAM	77.8%	22.2%	0.0%	89.9%	11.1%
MANAGERS	52.2%	47.8%	11.7%	74.9%	13.4%
EMPLOYEES	41.5%	58.5%	73.9%	23.1%	3.0%

NEW EMPLOYEES AND STAFF TURNOVER

NUMBER OF PEOPLE WHO HAVE BEEN HIRED OR LEFT DURING 2018/19

	MALE	FEMALE	<30 YEARS	30-50 YEARS	>50 YEARS
NEW EMPLOYEES (%)	600	1 125 (65.2%)	1 558 (90.3%)	157 (9.1%)	10 (0.6%)
STAFF TURNOVER (%)	590 (28.7%)	911 (28.1%)	1 232 (33.0%)	243 (17.7%)	26 (13.7%)

WAGE DIFFERENCES*

AVERAGE BASIC WAGE IN SEK 2018/19

ALL	ALL	<30 YEARS	30-50 YEARS	>50 YEARS
FEMALE	272 692	253 039	317 571	354 606
MALE	269 505	252 695	309 862	364 678
FEMALE VS MALE	92.7%	99.5%	85.5%	77.3%

EMPLOYEES	ALL	<30 YEARS	30-50 YEARS	>50 YEARS
FEMALE	263 990	252 109	294 815	322 727
MALE	261 990	243 247	321 624	346 607
FEMALE VS MALE	98.0%	99.8%	95.1%	88.5%

MANAGERS	ALL	<30 YEARS	30-50 YEARS	>50 YEARS
FEMALE	453 379	371 707	456 499	517 546
MALE	546 727	394 348	550 415	648 352
FEMALE VS MALE	82.9%	94.3%	82.9%	79.8%

GROUP MANAGEMENT TEAM	ALL	AVERAGE
FEMALE	1 380 000	FEMALE VS MALE 74.2%
MALE	1 360 000	

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

FROM THE EMPLOYEE SURVEY:

90 PERCENT

of our employees feel that Stadium is a work-

place that is free from discrimination, regardless of ethnic origin, disability, gender, gender identity, sexual orientation, religion or age. This is an increase of 1% on last year.

87 PERCENT

of our employees feel that Stadium is a

workplace where differences are respected, appreciated and utilised (age, gender, ethnic background, personality, skills - i.e. diversity). Since the question is new, there is no data from previous years to compare with.

Governance

This page presents Stadium's Group Management Team, Board and Sustainability Council for the year 2020.

Financial data 18-19

KEY DATA	CREATED AND DELIVERED DIRECT ECONOMIC VALUE
COUNTRY	Sweden, Finland, Germany & Hong Kong
CURRENCY	SEK
EQUITY	593 225 930
LIABILITIES	1 433 121 520
CREATED DIRECT ECONOMIC VALUE	
REVENUE	6 204 645 775
DELIVERED DIRECT ECONOMIC VALUE	
OPERATING COSTS	4 835 585 632
EMPLOYEE BENEFITS	1 236 145 678
DIVIDENDS	0
TAX	
Sweden	22 608 989
Finland	9 860 567
Germany	0
Hong Kong	23 564
SOCIAL INVESTMENT	10 996 670
TOTAL DELIVERED DIRECT ECONOMIC VALUE	6 115 221 100
RETAINED ECONOMIC VALUE	89 424 675



GROUP MANAGEMENT TEAM

FROM LEFT General Manager Stadium – **Magnus Wählander**, General Manager Sneakers Point – **Roger Palffy**, CFO – **Sophia Hemstad**, CDO – **Fredrik Persson**, PA to CEO – **Kristina Skoog Rappestad**, Logistics Director – **Daniel Johansson**, HR & Sustainability Director – **Åsa Brunzell** Responsible for sustainability, CEO Stadium Group – **Karl Eklöf**. Not present in photo General Manager Stadium Outlet – **Daniel Löfkvist**, Business Development Director – **Andreas Ericson**



BOARD

FROM LEFT Assistant – **Kristina Skoog Rappestad**, Board member – **Christel Kinning**, Board member – **Ulf Eklöf**, Chairman of the Board – **Birger Lund**, Advisor – **Petra Stenqvist**, Board member – **Anders Svensson**, Board member – **Karl Eklöf** Responsible for sustainability, Board member – **Jesper Schmidt**, Board member – **Linda Palmgren**, Board member – **Bo Eklöf**



SUSTAINABILITY COUNCIL

FROM LEFT HR & Sustainability Director – **Åsa Brunzell** Responsible for sustainability, Commercial & Brand Director – **Pino Roscigno**, Business Development Director – **Andreas Ericson**, Buying Sustainability Manager – **Catrine Marchall**, Logistics Director – **Daniel Johansson**, HR Manager Finland – **Heidi Lehto**, CEO Stadium Group – **Karl Eklöf**. Not present in photo Sports Marketing Manager – **Patrizia Nilsson**, PR & Information Manager – **Angelica Larsson**, General Manager Stadium Outlet – **Daniel Löfkvist**

Independent assurance statement

SCOPE AND OBJECTIVES

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

- Evaluation of adherence to the AA1000APS (2008) principles of inclusivity, materiality and responsiveness (the Principles).

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

RESPONSIBILITIES OF THE DIRECTORS OF STADIUM AND OF THE ASSURANCE PROVIDERS

The Board of Directors of Stadium is responsible for the report for the year 2018/19, 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 fourth year Ethos International has provided sustainability assurance for Stadium's sustainability report. Our statement represents our independent opinion and is intended to inform all of Stadium's stakeholders, including management. We adopt a balanced approach towards all Stadium's stakeholders and we hold that the performed assurance process provides us with a sufficient basis for the assurance statement. Our assurance team comprised of Malin Lindfors Speace and Max Berggren. Further information relating to the team is available at: www.ethosinternational.se.

BASIS OF OUR OPINION

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

- Review of the current sustainability issues that are material to Stadium and are of interest to stakeholders.
- Interviews with management responsible for sustainability and review of selected evidence to support issues discussed. These were freely selected by the assurers. Main focus of the interviews was the understanding of material aspects, stakeholder

perspectives, risks and opportunities related to sustainability, communication and changes during the year.

- Review of Stadium's approach to stakeholder engagement and recent outputs.
- Review of the report's texts, graphs and tables.
- Review of the indicators' relevancy, scope and reasonable proportion.
- Site visit at a Stadium supplier factory in form of an inspection in line with the requirements set in Stadiums Supplier Code of Conduct (SCoC) and SA8000 Standard.

FINDINGS AND OPINION

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

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

Observations

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

MATERIALITY

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

Areas that should be highlighted and addressed in Stadium's forthcoming sustainability performance is continued integration of sustainability in their value chain, focusing on the implementation and follow-up of the suppliers' adherence to Stadium's updated requirements. In next year's report Stadium ought to expand on the material aspects' development over time, display

short- and long-term goals linked to prioritised sustainability aspects and present initiatives related to anti-corruption and integrity. Furthermore, in upcoming reports Stadium ought to clarify and elaborate on the supply chain processes and results. Also, systems for compiling HR-data should be developed and adopted in order to minimize the degree of manual elements. Methods for reporting on Scope 3 outside of Sweden should be investigated and developed.

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. To uphold the commitment and knowledge of sustainability, Stadium should continue to increase transparency through internal and external communication, specifically concerning the organisation's integration of the Sustainable Development Goals. This ought to be done partly through dialogues with employees across the organisation, each business area and external partner organisations, which will advance the integration of material sustainability aspects into the business operations and accelerate the organisation's performance within sustainability.

Ethos International
9 December 2019



Malin Lindfors Speace
Partner & Senior Advisor



Max Berggren,
Engagement Manager & Head of Training



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

GRI Index

The sustainability reporting in this annual report has been prepared in accordance with GRI Standards at Core level. The Global Reporting Initiative's guidelines for sustainability reporting are a collection of internationally recognised indicators used to evaluate companies in relation to corporate governance, economic performance, labour, human rights and impact on society and the environment. Its framework is a reporting

system that sets out criteria for measuring and reporting impact and results in the area of sustainability. Our GRI index is presented below and gives an overview of our general information as per GRI's guidelines, as well as information for the topics Stadium has chosen to report based on our materiality analysis (find out more on pages 11-12). We have also chosen to include links to the UN's Global Sustainable Development Goals.

STATUS, LEVEL OF IMPLEMENTATION: ● COMPLETE ● PARTIAL **REVIEW:** ✓ INDICATOR THROUGH THIRD PARTY

General Standard Reports

GRI Standard	Title	Page	Comment	UN SDGs	UN SDG Targets	●	✓
GRI 102: GENERAL DISCLOSURES 2016							
ORGANIZATIONAL PROFILE							
102-1	Name of the organization	4				●	✓
102-2	Activities, brands, products, and services	4	Swedish Annual Accounts Act (ÅRL): Business model, ÅRL: Risk			●	✓
102-3	Location of headquarters	22				●	✓
102-4	Location of operations	22, 23				●	✓
102-5	Ownership and legal form	39				●	✓
102-6	Markets served	4, 22, 23				●	✓
102-7	Scale of the organization	22, 23, 38, 39				●	✓
102-8	Information on employees and other workers	38	Data on contract workers is omitted due to unreliable data	8, 10	8.5, 10.3	●	✓
102-9	Supply chain	16-23	ÅRL: Business model, ÅRL: Risk			●	✓
102-10	Significant changes to the organization and its supply chain	4, 20, 22, 23				●	✓
102-11	Precautionary Principle or approach	13	ÅRL: Environment			●	✓
102-12	External initiatives	6, 13, 19-25, 30-35				●	✓
102-13	Membership of associations	13, 20, 24, 25				●	✓
STRATEGY							
102-14	Statement from senior decision-maker	3	ÅRL: Business model, ÅRL: Risk			●	✓
ETHICS AND INTEGRITY							
102-16	Values, principles, standards, and norms of behavior	6, 7, 19	ÅRL: Policy, implementation and results			●	✓
GOVERNANCE							
102-18	Governance structure	39				●	✓
LIST OF STAKEHOLDER GROUPS							
102-40	List of stakeholder groups	12				●	✓
102-41	Collective bargaining agreements	36	ÅRL: Social conditions and staff	8	8.8	●	✓
102-42	Identifying and selecting stakeholders	11, 12				●	✓
102-43	Approach to stakeholder engagement	11, 12				●	✓
102-44	Key topics and concerns raised	11, 12				●	✓

General Standard Reports cont.

GRI Standard	Title	Page	Comment	UN SDGs	UN SDG Targets		
GRI 102: GENERAL DISCLOSURES 2016							
REPORTING PRACTICE							
102-45	Entities included in the consolidated financial statements	39				●	✓
102-46	Defining report content and topic boundaries	11, 12		8	8.8	●	✓
102-47	List of material topics	11, 12				●	✓
102-48	Restatements of information	-				●	✓
102-49	Changes in reporting	-				●	✓
102-50	Reporting period	2				●	✓
102-51	Date of most recent report	2				●	✓
102-52	Reporting cycle	2				●	✓
102-53	Contact point for questions regarding the report	2				●	✓
102-54	Claims of reporting in accordance with the GRI Standards	2				●	✓
102-55	GRI content index	41-43				●	✓
102-56	External assurance	40	A AA1000AS 100			●	✓

Specific Standard Reports

GRI Standard	Title	Page	Comment	UN SDGs	UN SDG Targets		
GRI 200 ECONOMIC STANDARD SERIES							
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries 103-3	4, 6, 9-21	ÅRL: Policy, implementering och resultat			●	✓
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	39	Read more in the Annual Report and Consolidated Financial Statements for the financial year 1 September 2018 – 31 August 2019			●	✓
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	6	ÅRL: Counteracting corruption			●	✓
GRI 300 ENVIRONMENTAL STANDARD SERIES							
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundaries 103-3	6, 11-13, 16, 17, 19, 20-27	ÅRL: Policy, implementation and results			●	✓
GRI 302: Energy 2016	302-1 Energy consumption within the organization	26, 27	ÅRL: Environment	7, 8, 12	7.2, 7.3, 8.4, 12.1, 12.4	●	✓
GRI 305: Emissions 2016	305-2 Energy indirect (scope 2) GHG emissions	27	ÅRL: Environment	3, 12	3.9, 12.4	●	✓
GRI 305: Emissions 2016	305-4 GHG emissions intensity	27	ÅRL: Environmental indicator based on scope 3	12	12.4	●	✓
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	27	ÅRL: Environment	12	12.4	●	✓
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	20, 21	ÅRL: Environment	3	3.9	●	✓
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	20, 21	ÅRL: Environment	3	3.9	●	✓

Specific Standard Reports cont.

GRI Standard	Title	Page	Comment	UN SDGs	UN SDG Targets			
GRI 400 SOCIAL STANDARD SERIES								
GRI 103: Management approach 2016	103-1-103-3 Explanation of the material topic and its boundaries	6, 7, 11-13, 16-21	ÅRL: Policy, implementation and results					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	38	ÅRL: Social conditions and staff	5, 8, 10	5.1, 8.5, 10,3			
GRI 403: Occupational health and safety 2016	403-4 Worker participation, consultation, and communication on occupational health and safety	36	ÅRL: Social conditions and staff	8	8.8			
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	38	ÅRL: Social conditions and staff	5, 8	5.1, 5.5, 8.5			
GRI 405: Diversity and equal opportunity 2016	405-2 Ratio of basic salary and remuneration of women to men	38	ÅRL: Social conditions and staff	5, 8, 10	5.1, 8.5, 10,3			
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	19	ÅRL: Risk, ÅRL: Respect for human rights	8	8.7			
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	19	ÅRL: Risk, ÅRL: Respect for human rights	8	8.7			
GRI 414: Supplier social 2016	414-1 New suppliers that were screened using social criteria	20, 21	ÅRL: Respect for human rights	8	8.5, 8.8			
GRI 414: Supplier social 2016	414-2 Negative social impacts in the supply chain and actions taken	20, 21	ÅRL: Respect for human rights	8	8.8			
GRI 416: Customer health and safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	16, 17, 19, 20, 25	ÅRL: Respect for human rights	3, 12	3.9, 12.4			

STATUS, LEVEL OF IMPLEMENTATION:  COMPLETE  PARTIAL **REVIEW:**  INDICATOR THROUGH THIRD PARTY



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