stadium

Join the movement.

Annual & Sustainability Report 2022/2023.

Contents.

This is an interactive Annual and Sustainability Report, which means that you can easily navigate between different sections using the top menu. Page references and web links are also clickable.

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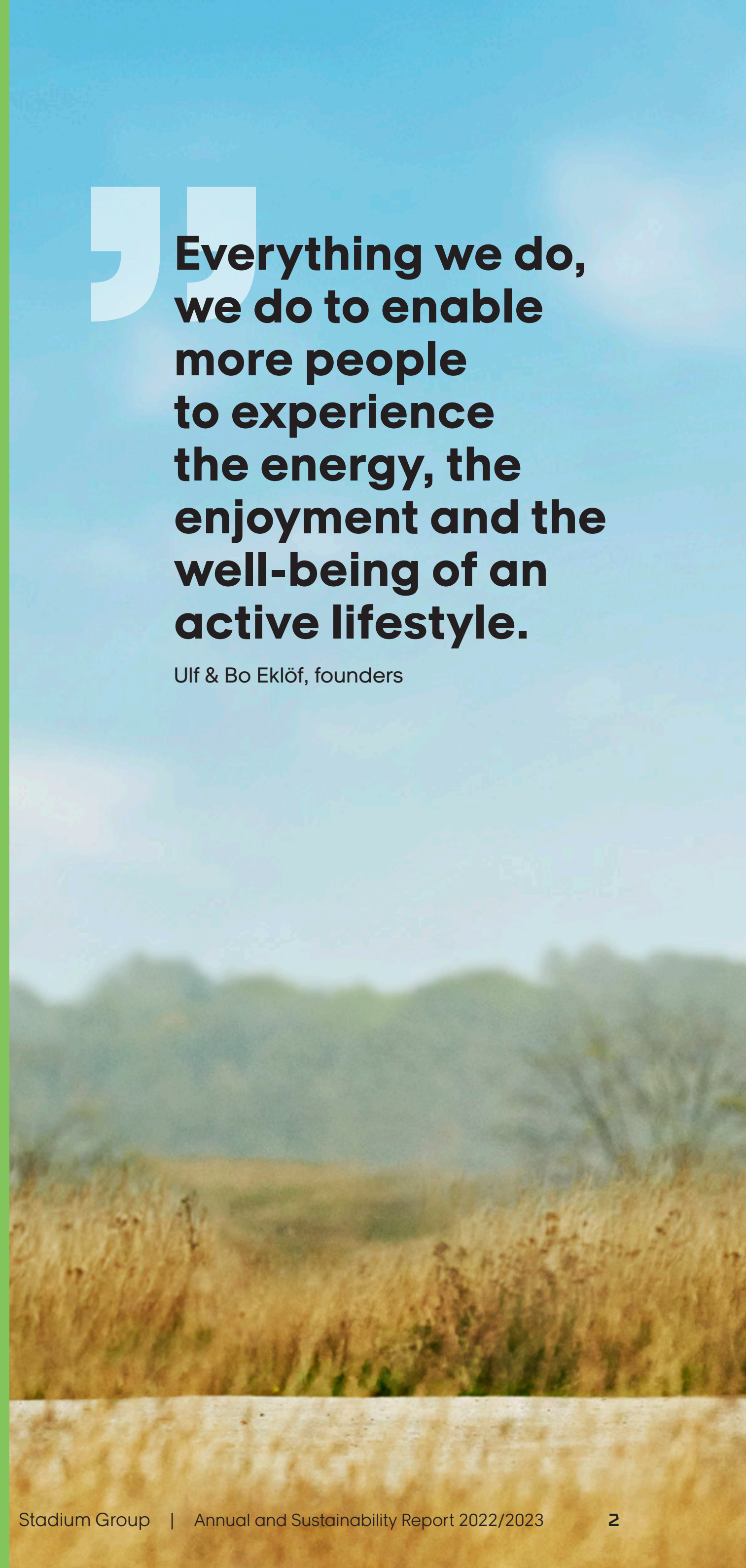


Everything we do, we do to enable more people to experience the energy, the enjoyment and the well-being of an active lifestyle.

Ulf & Bo Eklöf, founders

Our history.

Stadium was founded in 1987. However, the story actually begins in 1974 when Ulf Eklöf took over Spiralen Sport, a shop in his home town of Norrköping.

With his keen interest in sport, Ulf set himself the goal of becoming the best in sports gear and sports fashion. A few years later, Ulf's brother Bo joined the company and since then they have driven the company and the whole sports industry to new heights with their ideas, passion and competitive spirit.

The vision is to make the world more active, based on the view that humans are designed for physical activity, and that health and well-being emanate from that. Our mission is therefore to inspire an active lifestyle – for everyone. We fulfil our mission through our business concept: to offer sports gear and sports fashion for everyone and create the conditions for more people to live an active life.

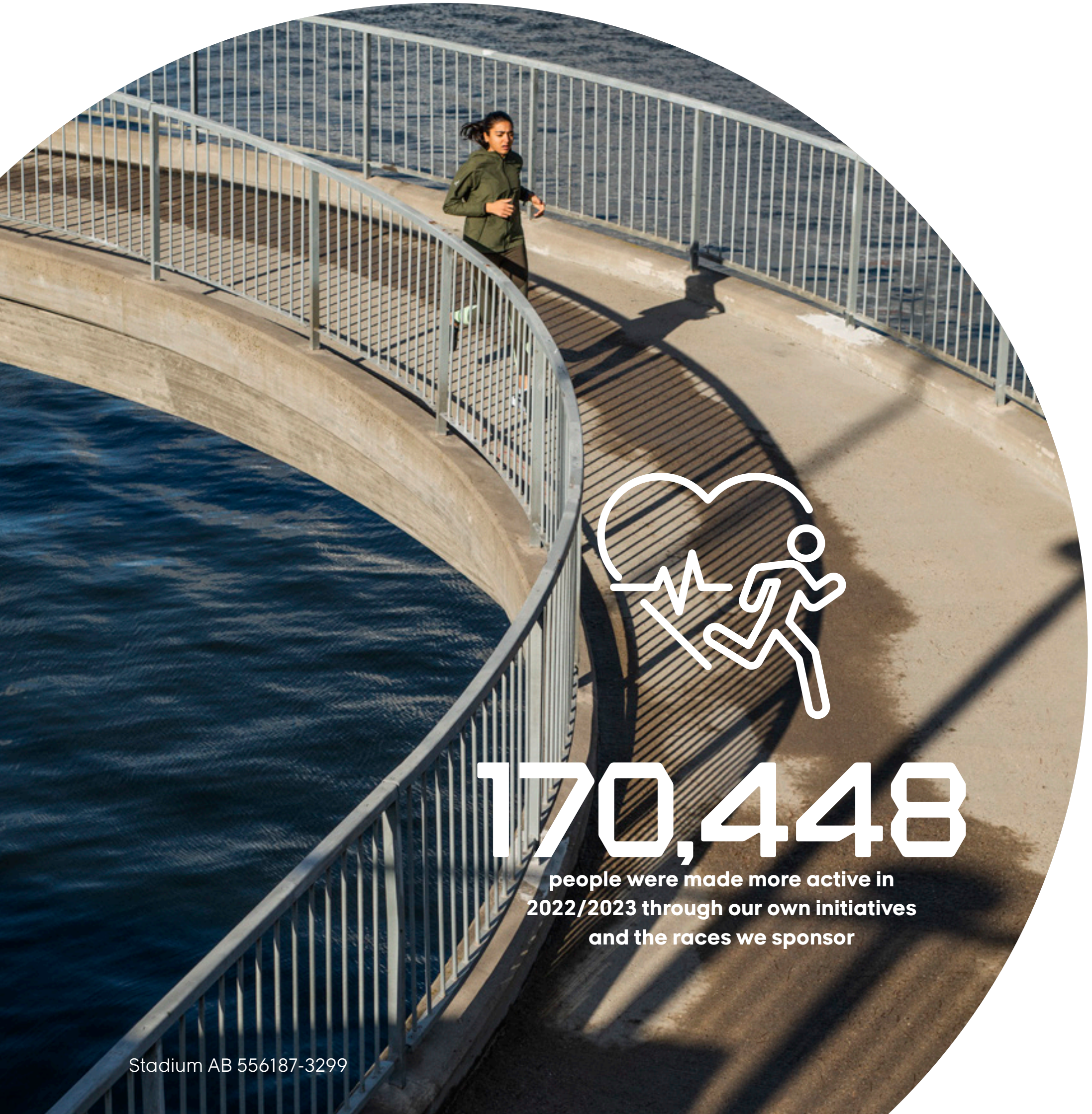
Over the years, the company has grown through new business concepts and expansion into new countries. But no matter where we operate, the way we work is always rooted in our values, which form our DNA. These strong and genuine core values run through the whole of Stadium and derive from the family's way of leading and developing the company.

Mission – To inspire an active lifestyle for everyone

Vision – To activate the world

Year in figures.

We sum up a challenging financial year in which we continue to show strong results!



KEY DATA

Currency in SEK, amounts in TSEK	2022/2023	2021/2022	2020/2021
Net sales	7,508,674	7,100,667	6,955,711
Operating profit	223,175	487,642	610,068
Operating margin, %	3.0%	6.9%	8.8%

3,683
number of employees

87%
of our employees are proud to work with us

139,075,742
visits to our physical stores and on our e-commerce platforms during the financial year 2022/2023

9
newly opened stores in 2022/2023

192
physical stores, operating in 9 markets

4,938,434
members

The proportion of own brands that are manufactured in a sustainable manner is up on the previous financial year by

15.9 percentage points

Group Net Promoter Score (NPS)

53 how likely it is that a customer would recommend others to buy from us

Group Employee Net Promoter Score (eNPS)

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

CEO's message

A winning team!

It has been a turbulent year and the economy has come under increasing pressure. High inflation and rising interest rates have resulted in decreased purchasing power and higher costs. Reduced consumption combined with high stock levels held by many players in the industry has led to greater pressure on prices. We have had to act quickly to deal with increasingly aggressive pricing in the market and to manage our own stock balances, while seeing our overheads increasing with inflation.

Despite these tough circumstances, however, we have still managed to grow as a company, enjoying sales growth of almost 6% coupled with an operating margin of 3%. We continue to get children and adults moving, activating over 170,000 people this year alone! We have achieved this through our own initiatives, such as Stadium Sports Camp, where thousands of children and young people meet in a community atmosphere, play sports and create memories for life – but also through the races we sponsor, such as Vasaloppet, Lidingöloppet and Naisten Kymppi. In addition, we have reduced our carbon footprint compared to our base year and we have continued to achieve excellent results in our employee survey. I am particularly proud of our employees this year: together we have tackled the many external challenges without losing our long-term focus. One Team One Stadium!

Achieving our goals

As mentioned, we have had a challenging financial year, but we have nevertheless managed to achieve some important milestones.

During the year, we opened nine new stores in the Nordic region, entered new markets with our own SOC and Everest brands, and launched our Stadium Rental concept. We have also made it possible for customers to reserve a product and pick it up in store – another of several steps in our ongoing drive to knit the physical customer journey even more closely together with the digital one.

Our goal is for 80% of our manufacturing (Tier 1) to take place in factories with a social rating of A+B. For the financial year 2022/2023, we achieved 81%. We are seeing an increasing commitment to sustainability from our suppliers, and during our last visit to our Bengali factories we were positively surprised by the rapid advances that have been made since our last visit. Our approach is to maintain long-term business relationships with factories that share our desire to continuously improve.

The Health and Safety index drawn from our employee survey comes in at 85, which is in line with our vision and something we are working to maintain and improve on. Our risk analysis work indicates that the greatest risks for our personnel lie in the area of health and safety. It is therefore important for us to conduct successful systematic work on safety and the working environment, with the aim of ensuring that all our employees feel safe and have the right conditions to perform and thrive. Because only when we have a stable foundation can we perform as a team, and it is together that we make Stadium a winning team. Without the performance, competence, knowledge and energy of all our employees, we would never have got to where we are today.

Stadium's climate work

We have set an ambitious goal for 2030 to reduce our total carbon footprint by 50%. We have a high level of commitment within the organisation and a strong focus on activities and development to achieve this goal.

The results for the financial year 2022/2023 show that we have reduced our total carbon footprint by 16% compared to our base year 2017/2018. In the same period, we have had economic growth of 34%. The work we do shows that it is possible to reduce our carbon footprint while still growing as a company. Increasing the proportion of more sustainable materials and more climate-smart manufacturing has had a major impact on the goal of reducing our carbon footprint, while the mix of ranges we offer has also had a significant effect. However, we are aware that we still have considerable work to do, if we are to successfully transform and reduce the carbon emissions from our operations in line with our long-term goal. With challenges at every turn, we need to find innovative solutions together with the industry as a whole.

Challenges and work ahead

Despite challenges, we have thus succeeded in contributing to the positive development of both people and the environment. If we are to remain strong as a company in the long term, we need to run our operations from a holistic perspective. That said, we are aware that we still have a lot of work to do to achieve our set goals. The strategies and plans we have set out within the framework of sustainability in the long, medium and short term continue to guide us in this work. I am not going to claim this is an easy job. We face conflicting objectives and innovation gaps, we have the challenge of accessing accurate ESG data and of ensuring traceability along the entire value chain, and we need to deal with new issues that span across the Group, at the same time we and the wider industry lack experience in how to proceed with the necessary transition. In short, it's complicated.

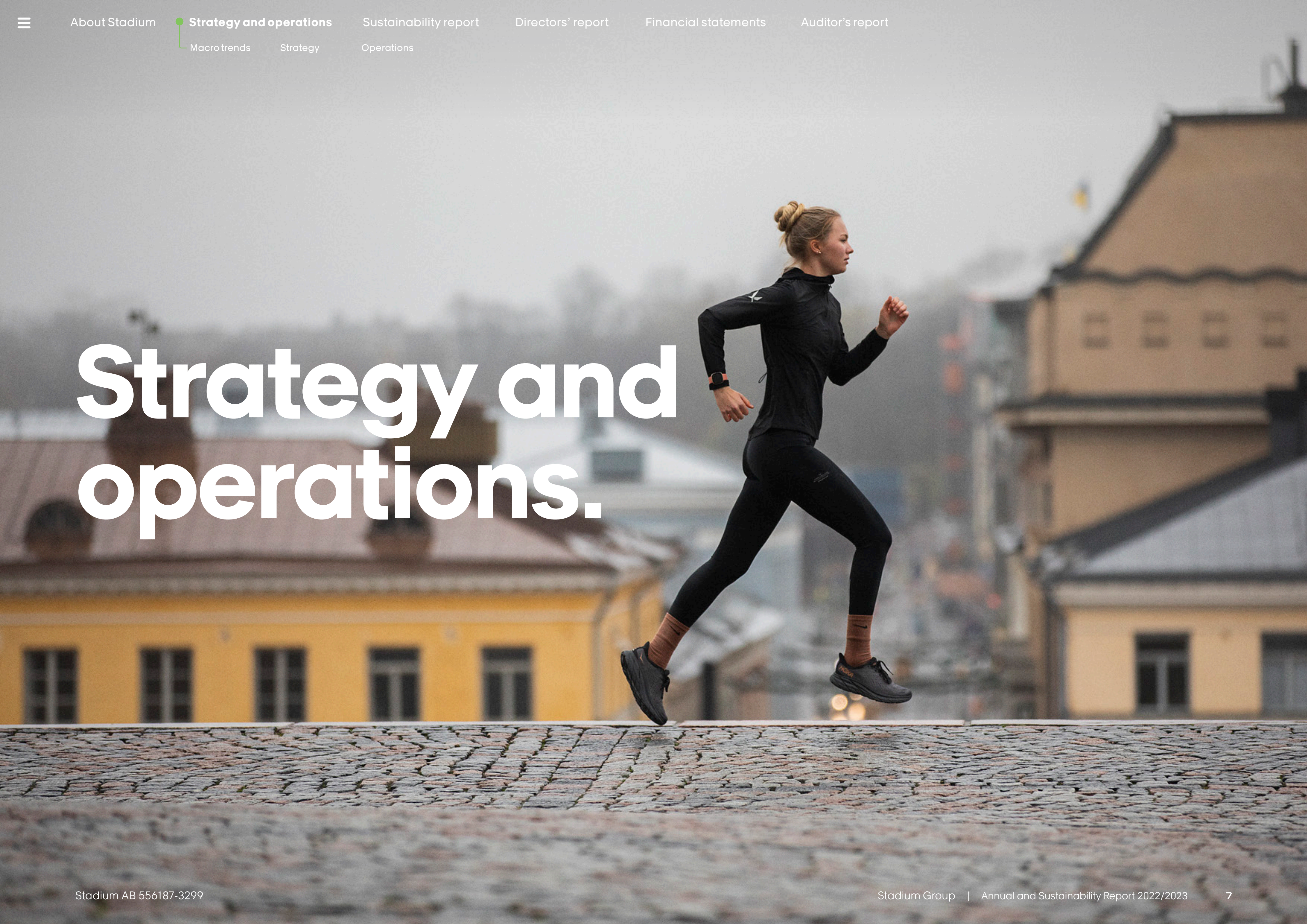
In addition, we can see the sustainability landscape changing with most new EU directives on the sustainability front beginning to be implemented. We are pleased to see sustainability moving towards greater transparency and tougher requirements. We have begun the task of adapting to future legal requirements at strategic, tactical and operational level. Keeping sustainability high on the agenda, we work actively to meet these challenges, in cooperation with our partners and suppliers and in other collaborations.

We activate the world!

I would like to conclude by pointing out why we started out in the first place: Stadium exists to inspire everyone to live an active life. We will continue to activate people, while operating our business from a holistic perspective. It is not a one-man show, it is something we do together. I would like to thank our fantastic employees, suppliers and partners for the work they have done so that, despite changing market conditions, we have been able to continue pursuing our vision to inspire and enable people to live an active life.

Karl Eklöf
CEO Stadium Group

If we are to remain strong as a company in the long term, we need to run our operations from a holistic perspective.



Strategy and operations.

Macro trends.

The world around us is in a constant state of flux, with developments affecting both society and business. In order to adapt to these changes, it is important for us as a company to understand any macro trends and the impact they may have on the businesses we operate.

Health

Health has become a key consideration in our lives. People are living longer, striving for well-being and actively seeking products and services that promote healthy lifestyles, even as ill-health increases globally. An increasing awareness of the importance of health could therefore act as a catalyst for innovation in several different industries. Growing demand for healthy products and services is driving companies to develop innovative solutions and technologies to meet the needs of a health-conscious population. Health is thus no longer considered a sector in itself, but an innovation-driven component that is integrated into everything from the food industry to technology.

Customers' increased need for and interest in health is enabling the innovation of products, services and activities that Stadium can take on board. Poorer health in society due to insufficient activity levels also means that we need to be inclusive in order to inspire more people to experience the joy of movement.

Digitalisation

The digital transformation continues at an increasing pace, affecting all facets of everyday life and business. Artificial intelligence and the Internet of Things have revolutionised the way we work, communicate and shop. Companies need to constantly evolve in the digital sphere to remain competitive and meet customer expectations for smooth, adaptable and readily available products and services.

A more digital customer and more digital services create opportunities for us to offer a broader range and more services to more people at any time of the day. But it also increases the expectation of transparency about our business and the need to be able to reassure our customers that we take good care of their personal data so they can feel safe with us.

Globalisation

The world has become more interconnected, enabling companies to reach a global market. However, this also brings increased competition and a need to understand and adapt to different cultures and market conditions. At the same time, we are facing global challenges and events such as climate change and security issues. While these factors affect companies' value chains, the individual actor, as part of the interconnected world we are in, has little opportunity for influence and thus becomes more vulnerable.

For Stadium, the effects of globalisation include a changing customer base as immigration increases, and easier expansion into new markets, but also greater vulnerability due to potential conflicts in the world – conflicts have an impact on the transport and manufacture of goods, but also on raw material and energy prices. Factors like these must be taken into account as we work to ensure the long-term sustainability of our business.

Sustainability

Sustainability is a transformative area that is impacting businesses, governments and societies around the world. This includes rethinking the way we produce and consume to ensure a more balanced and sustainable future for the planet and its inhabitants, as well as ensuring social justice and human rights. Growing awareness of environmental challenges and social issues, coupled with legislation in the area, has made sustainability something that consumers and companies alike need to actively address.

The circular economy is a key factor in the transformation towards sustainable development. Societies and businesses need to shift from linear to circular, where resources are used, re-used and recycled, instead of extracted, manufactured, used and then discarded. A circular product, circular business models and more sustainable consumption are areas Stadium is working on as we embrace this development.

In summary, these four macro trends – health, digitalisation, globalisation and sustainability – are all intertwined and are having a profound impact on the world around us. Successfully balancing these trends and integrating them into our strategies will make us better equipped to meet the challenges and opportunities of the future.

Strategy.

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

Our strategic focus

Stadium has drawn up three overall goals. We will be the obvious destination for everyone who wants to live an active life, we will have the Nordic region's most proud and passionate employees, and we will run a business with sustainable growth and long-term profitability. These are not only our internal goals, but also who we want to be and how we want to be regarded.

The goals apply to the entire Group, establishing a common vision of where we are heading. We want to benefit from having different business areas and business models, by spreading risks, making use of synergies and enabling more people to live an active life. Our product range is central to our success, along with having a leading and scalable logistics flow, a strong brand, sales channels close to customers with a focus on the customer experience, and employees who are involved, have the right skills and contribute to development and advancement in a unique company culture.

The path to our goals

Our sustainability work is all about how we can achieve our goals, not least by including environmental, social and financial considerations in the way the business is run. We will activate the world, today and tomorrow. As such, we must work to strengthen the positive impact our operations have on people and society, while at the same time striving to eliminate or minimise negative impacts on the environment and avoid or manage the risks associated with the activities we conduct. Work on this is presented in the Sustainability Report and Sustainability Notes sections.

The UN's Global Sustainable Development Goals

The UN's Sustainable Development Goals set out a shared path for sustainable development. These goals have played a significant role in defining how we should prioritise our sustainability work and in our work towards our goals. Based on a survey of Stadium's operations, we have identified eight of the UN's 17 global goals where we have the greatest opportunity to influence development. Our most material sustainability issues are all linked to the UN's Sustainable Development Goals.

Our overall goals

- **Be the obvious destination in the Nordic region for anyone who wants to live an active lifestyle**
- **Sustainable growth and long-term profitability**
- **The Nordic region's proudest, most passionate employees**

Operations.

The Stadium Group is divided into three operational areas: sales in stores and via e-commerce, rental of sports products, and our operational area aimed at getting people moving, where we activate children and adults together with partners and through our own initiatives.

Stadium Group

Sales

Stadium is the original concept, offering sports gear and sports fashion for all. In order to offer deeper expertise and range excellence in certain categories, there are also specialist stores for running and winter sports: Stadium Run and Stadium Ski. These stores are staffed by particularly knowledgeable employees to meet the demand for specialist advice.

Stadium buys in and sells product ranges from external brands, alongside our own brands which are produced by us. These own brands are SOC, Everest, Occano, Warp, Race Marine, Stadium, Revolution and Contra. Stadium operates stores and e-commerce sales in Sweden and Finland. The SOC and Everest brands are sold in a total of eight markets in Europe, via their own e-commerce sites and via other players' marketplaces.

Stadium Outlet was established in 2009 and offers cut-price sports gear and sports fashion wear. Stadium Outlet sells purchased ranges from external brands, products via licensing partnerships and ranges from the Stadium business, as well as producing and selling its own brands. These own brands are Ski Industries, Take Off and Four D. Stadium Outlet is available in the form of physical stores and e-commerce in Sweden, Finland and Norway.

Marketplaces
We run marketplaces via Stadium and Stadium Outlet's websites, where external brands can sell sports gear and sports fashion through our platforms. Our marketplaces operate in the Swedish and Finnish markets.

In 2023, we began selling our own SOC and Everest brands via other players' marketplaces in the European market.

Stadium Team Sales is our organisation that provides team kits to around 1 300 clubs in Sweden and Finland. Working closely with clubs is a vital cornerstone of our mission to inspire an active lifestyle. In order to be able to offer products that can be used immediately for the next upcoming training session or match, we run and staff our own printing company in Norrköping.

Rental

Autumn 2022 saw the opening of our first Stadium Rental store. Located in Åre, it offers rental of sports products, initially focusing on alpine skiing and snowboarding equipment.

Stadium Rental is now expanding and in the winter season 2024 we will also be opening a store for rentals in Sälen.

Activate the World

Own initiatives and collaborations
We run our own initiatives and collaborate with organisations and players that share our values. Together, we encourage higher levels of activity and exercise.

Club sponsorship
Working with sports clubs and associations in the Nordic region is one way for us to contribute to our vision of activating the world.

Partnership and sponsorship
Together with several of the Nordic region's biggest races for activity and movement, including running, cycling and skiing, we work to inspire exercise and a sense of community.

Read more about our collaborations and initiatives on pages 20–25.

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

Value-creating business model.

Stadium's values, our DNA.

Energy | Passion | Team spirit | Simplicity | Innovation

Mission: To inspire an active lifestyle for everyone **Vision:** To activate the world

Our resources

- Competent and passionate employees
- Our members
- Financial capital
- Long-term business relationships
- Strong brand
- Physical stores and e-commerce
- Own brands
- Own printing operation

What we do

- Sales of sports gear and sports fashion
- Rental of sports equipment
- Get children and adults active in cooperation with partners and through own initiatives

Our strategic focus

- The obvious destination in the Nordic region for anyone who wants to live an active lifestyle
- Sustainable growth and long-term profitability
- The Nordic region's proudest, most passionate employees

What we strive for

- Less sedentary lifestyle, better health and well-being
- Equal opportunity sport
- Joy of movement for children and young people
- Reduce carbon footprint and negative impact on the environment
- Increase circular flows
- Responsible manufacturing
- A pleasant and safe work environment
- An inclusive workplace
- A corporate culture that reflects our values

3 GOOD HEALTH AND WELL-BEING
5 GENDER EQUALITY
6 CLEAN WATER AND SANITATION
7 AFFORDABLE AND CLEAN ENERGY
8 DECENT WORK AND ECONOMIC GROWTH
10 REDUCED INEQUALITIES
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
17 PARTNERSHIPS FOR THE GOALS

Business concept Stadium Group sells sports gear and sports fashion through the drive to inspire a more active world

Value chain.

Stadium's value chain ranges from extraction of raw materials to eventual disposal in incinerators or landfill. Our goal is for the product to be manufactured in a more sustainable way, to be used for a long time and often, to be re-used and recycled – i.e. to live its entire intended life. We work actively to make the linear process more circular and to make it easier for the customer to act more sustainably.

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

Our value chain consists of many different parties, including product suppliers, transport providers, external brands, property owners, employees, customers, system suppliers, waste handlers and so on. It is only through collaboration with all these parties that we can work towards more circular flows. We all have different roles to play in this transition, but success depends on sharing a common vision, which is why we strive for long-term relationships that put sustainable development firmly on the agenda.

Sustainability report.

Our sustainability work.

We carry out a materiality analysis to inform about how we prioritize our sustainability work. This work takes place at regular intervals.

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

During the financial year 2023/2024, we will conduct a double materiality analysis in accordance with the European Sustainability Reporting Standards (ESRS), the outcome of which will then form the basis for future reporting.

Risks

The risk analysis was carried out by analysing the value chain based on risks concerning human rights, personnel issues, social conditions, the environment and anti-corruption. The risks regarding the various sustainability aspects have been identified and mapped based on where in the value chain they could occur, their likelihood of occurring and their consequences if they occur. This data gives us an overview of where in the value chain we face the greatest risks, which in our case is in our supply chain.

Managing these risks is largely about how we work with our suppliers. Our basic requirements for suppliers are set out in our Code of Conduct and our Code of Business Ethics. We also have a partnership with ELEVATE, who inspect that our suppliers are complying with our requirements.

For staff, our greatest risks are threats and abuse from customers, as well as incidents in connection with goods handling in our warehouses. In order to minimise the risks, we have introduced a number of measures, including training, alarm devices and other security measures.

Impact

The outcome of our impact assessment can be summarised as follows:

Stadium's potential impact on sustainability issues

- The sustainability issues on which Stadium has the greatest impact relate primarily to the supply chain, the environment and working conditions.
- Stadium's greatest environmental impact occurs in the supply chain. By working with environmental aspects throughout the value chain, Stadium can have an impact on the environment in areas such as water use, greenhouse gas emissions and the use of chemicals.
- Stadium purchases goods from countries where working conditions may be inadequate. By working on social issues in the supply chain, Stadium can exert major influence over conditions for people who work in the supply chains.

Potential impact of sustainability issues on Stadium

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

Stakeholder dialogues

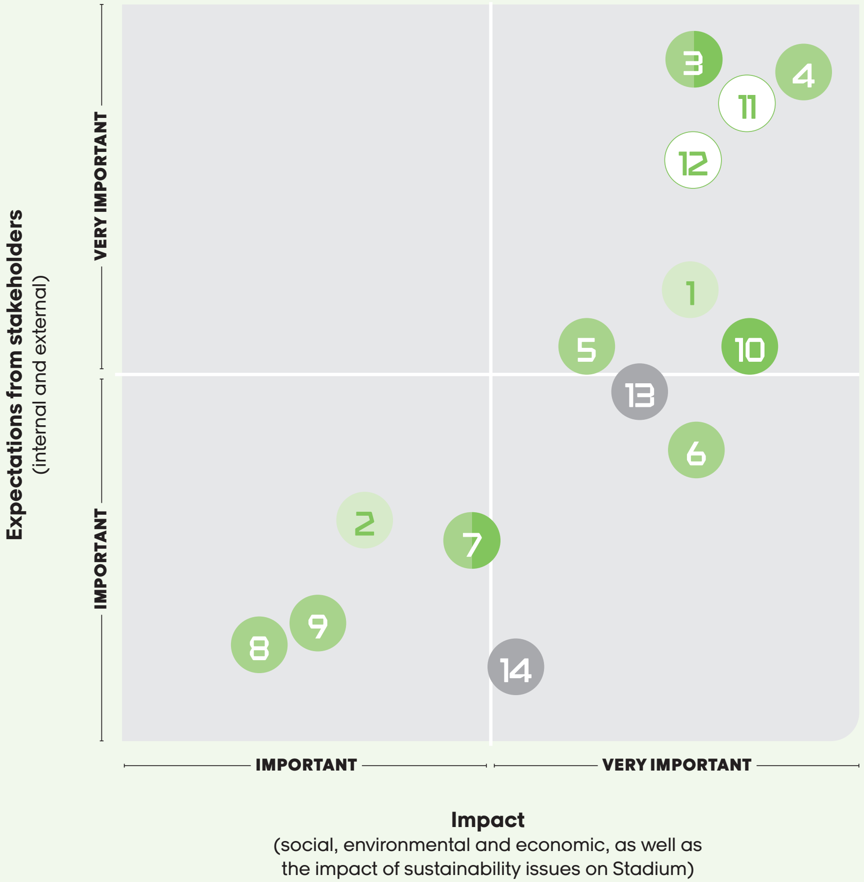
At the end of the financial year 2020/2021, we sent out a survey to our key stakeholders, who were identified based on their impact on us as a company and the impact our business has on them.

The questionnaire invited them to give feedback on how they want Stadium to prioritise its sustainability work, through closed questions but with free text options. We received a total of 832 responses. In addition, we conducted interviews with Group Management and used feedback from other dialogues conducted during the year. These include customer interactions in store or via Customer Service, plus meetings with partners, suppliers, employees, the Board and Group Management.

See sustainability note H2 for further information.

Our material sustainability issues.

The risk and impact analyses and stakeholder dialogues reveal the sustainability issues that are most relevant for Stadium to work on. We link these issues to the UN's Sustainable Development Goals, the recognised agenda for sustainable development, giving us a clearer picture of our priorities in our sustainability work and how they contribute to achieving these goals.



Activate the World

1. Safe, non-toxic products
2. Community engagement

Support the Earth

3. Suppliers who are verified and certified based on social, environmental and ethical criteria
4. Climate- and resource-efficient use of water, energy and chemicals throughout the value chain
5. Climate- and resource-efficient transport and packaging
6. Circular products: from design and materials to recycling and reuse
7. Traceable materials in the supply chain
8. Impact on biodiversity
9. Stores and store materials that are climate and resource efficient

Workers in the Value Chain

3. Suppliers who are verified and certified based on social, environmental and ethical criteria
7. Traceable materials in the supply chain
10. Fair working conditions and no child labour or forced labour in the manufacturing

Passionate Employees

11. Good working environment, safety and well-being in the workplace
12. Equality, diversity and no discrimination in the workplace

Responsible Business

13. Transparent sustainability communication about our work and our products
14. Responsible marketing/strong customer privacy/effective anti-corruption work

Governance and guidelines.

Governance and allocation of responsibilities

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

Integrated sustainability work

To keep these considerations alive in the business, we have chosen to integrate sustainability work into the entire organisation. The aim is for each department to make its own contribution towards our sustainability goals. The right conditions need to be in place for each department to contribute to our overall goals. To this end, we work internally to communicate our goals and the initiatives we have in the organisation to help achieve them. Having a greater understanding of the work in progress makes it easier to see how your own department can contribute.

We also work to improve our employees' sustainability competencies through training. Communication and training are vital tools in ensuring the success of integrated sustainability work in practice. By applying an integrated way of working, we ensure a long-term perspective in our work, with everyone working towards shared goals.

Allocation of responsibilities

The Board has ultimate responsibility for ensuring that Stadium's business is managed with due consideration for economic, environmental and social issues. In turn, the Board has delegated management and governance of this to Group Management. Group Management has set sustainability targets that are followed up on an ongoing basis. We monitor progress on our climate goals annually, and for key indicators in the areas of employees, an active life, responsible manufacturing and business conduct, we are able to perform status checks several times a year and respond accordingly.

The HR & Sustainability Director is responsible for ensuring that strategies and goals in the areas of environment, society and employees are followed up and adapted to the latest legal requirements, changes in operations, changes in the world around us, etc. Goals, policies, strategies and positions are developed and updated to bring them in line with sustainable development, in consultation with members of Group Management and employees who hold delegated responsibility for sustainability. The Board is updated quarterly on the status of our sustainability work and annually on progress with our sustainability goals.

Sustainability forums

The Sustainability Council was set up to keep sustainability constantly under development and up to date, on the basis of business intelligence and internal lessons. The Council meets twice a year and is led by the HR & Sustainability Director. The Council also includes Group Management plus employees with delegated responsibility in the areas of corporate social responsibility and/or the environment.

Delegated responsibilities are followed up quarterly in cross-functional forums: Support the Earth (including Workers in the Value Chain), Activate the World, and Passionate Employees. The area of Responsible Business is included in the respective cross-functional forums, which are also tasked with identifying synergies and collaborations that extend across the organisation, and with ensuring that information is available internally. The cross-functional forums are led by the Sustainability Governance & Reporting Manager.

Guidelines and governing documents

We must uphold the values of fair play with everyone affected by our business. In addition to following relevant laws and regulations, we have drawn up policies and governing documents to support us in our work on sustainable enterprise.

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

The greatest risks are upstream in our value chain. We have two governing documents that clarify our core values and our requirements in relation to our suppliers:

- **The Code of Conduct**, which outlines Stadium's position on human rights, workers' rights, the environment, anti-corruption and animal welfare.
- **The Code of Business Ethics**, which reinforces and describes our expectations of business relations, with zero tolerance of bribery and corruption, and reflects our internal loyalty commitment.

For our employees, we have various policies governing our conduct in different areas. We also have The Stadium Way, a governing document that is used to combat corruption by our employees and includes a declaration of loyalty to the company. Under the new HR system introduced in autumn 2020, the document is now signed at the time of employment. Stadium's managers have a responsibility to ensure that their teams are familiar with our policies and comply with them. To assist them, managers and employees are trained in these governing documents via our training platform. The documents are available on our intranet and, if any questions arise, the contact person for each policy is available.

We monitor compliance with and the results of our policies and governing documents, for example via: production inspections, development appraisals and anonymous employee surveys.

Responsible Business.

As a company, we must conduct our business responsibly, and that includes working to combat corruption, bribery and irregularities. We need be transparent in our communication and take responsibility for the marketing we send out.

Bribery and corruption

Bribery and corruption constitute risks in our supply chain, the consequences of which may include incorrect decisions in the selection of suppliers and subcontractors, and issues with quality and product safety. To clarify the conditions for everyone we work with, our Code of Business Ethics states that we have zero tolerance of bribery and corruption. This Code is signed at the start of the cooperation and then annually by production suppliers. Code compliance is monitored through methods such as inspections by independent third parties.

During their onboarding process, employees sign the steering document The Stadium Way, which clearly sets out what we as a company expect from employees in terms of not promising, accepting or offering rewards, gifts or other benefits (material, intangible or financial). This applies in all relationships: between employees, customers, suppliers, authorities, other decision-makers and business partners. It is also made clear to employees that they must not exploit relationships with business partners such as customers and suppliers for their own gain.

Irregularities

We continually conduct unannounced internal audits in our stores, to ensure that we follow the prescribed rules, procedures and working practices in our daily work. These audits focus on health and safety at work and the handling of cash. The outcome is registered in the Falcony system and any deficiencies or observations must be rectified within two weeks. The regional managers are responsible for follow-up.

If individuals with links to Stadium's operations find irregularities, they can report these anonymously via our whistleblower system. The system is run by a third party, who will escalate pertinent cases to our Whistleblower Committee. This comprises the HR & Sustainability Director, the HR Manager Finland and the Head of Security. The Whistleblowing Committee is responsible for ensuring that relevant decision-making bodies, including Group Management and the Board of Directors, are aware of any structural problems that need to be addressed.

Transparent communication

Important information about Stadium's operations is communicated to the market via press releases. We publish our Annual and Sustainability Report on our website every year. There were previously two separate reports, but from the financial year 2022/2023 onwards there will be one consolidated report.

Communication about our sustainability work follows four principles

- Communication should be transparent.
  Example: We regularly conduct dialogues regarding communications about our sustainability work, to identify any concerns that information is missing or difficult to understand.
- Documentation of what we communicate must be readily available.
  Example: We publish our Annual and Sustainability Report digitally in English and Swedish on Stadium's website. The website also has a sustainability page, which provides information on how we approach sustainability. We publish press releases and social media posts if there is news that may be of interest to the general public.
- In the environmental area, our communication focus is on how we can help customers to act more sustainably.
  Example: We communicate knowledge on how customers can extend the life of a product, offer alternatives to allow the product to live on with another owner, and make it easier for the customer to find the right product for their needs.
- We want our communications, like our mission, to inspire an active lifestyle.
  Example: Everything we do at Stadium has a connection to an active lifestyle, and through role models, guides, knowledge articles and more, we inspire more people to get active.

Responsible marketing

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

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reports in our whistleblowing system during financial year 2022/2023

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confirmed cases of corruption and/or bribery during financial year 2022/2023

Our four focus areas.

Governance and reporting

Responsible Business

Activate the World

- Less sedentary lifestyle, better health and well-being. Focus on joy of movement for children and young people and promoting equality in sport.

Support the Earth

- Reduce carbon footprint
- Reduce negative impact on the environment
- Increase circular flows

Workers in the Value Chain

- Responsible manufacturing

Passionate Employees

- A pleasant and safe work environment
- An inclusive workplace
- A corporate culture that reflects our values

Activate the World.

Find out more on pages 19–26

Support the Earth.

Find out more on pages 27–40

Workers in the Value Chain.

Find out more on pages 41–46

Passionate Employees.

Find out more on pages 47–52

Focus area:

Activate the World.

3 GOOD HEALTH AND WELL-BEING | 5 GENDER EQUALITY | 10 REDUCED INEQUALITIES | 17 PARTNERSHIPS FOR THE GOALS

An active lifestyle – for everyone.

Activate the World.

We are keen to ensure a less sedentary lifestyle and improve health and well-being. Focusing on the joy of movement for children and young people and promoting equality in sport is our way to make an active lifestyle accessible to everyone.

Stadium's business is based on our mission to inspire an active lifestyle for everyone, with our vision to activate the world showing the way. The mission and vision create opportunities for us to stimulate sustainable development in the form of a positive impact on an individual's personal health and well-being, while at the same time contributing to the societal benefits that come with it. Ensuring a less sedentary lifestyle and increasing health and well-being is therefore a guiding principle for us and, as mentioned, an opportunity for us to create positive values. In this pursuit, it is important that an active lifestyle is accessible to everyone, which is why gender equality and equal opportunities are two important cornerstones of our work. Our belief that good habits are created early in life also means that we have an extra focus on activity for children and young people.

How we get people active

We want Stadium to be the obvious destination for anyone who wants to live an active lifestyle, and to encourage an active life, we sell sports gear and sports fashion. In addition, we run a number of our own initiatives to get people moving, and through our club collaborations we support initiatives that give children and young people the chance to be physically active. We also contribute to our vision through our partnerships and collaborations. We use our voice to inspire everyone to live an active life and we live by our vision ourselves.

Activate the World.

Own initiatives.

Stadium Sports Camp

Stadium Sports Camp is a camp for children and young people run within the Stadium Group as an SVB company (SVB=Special Dividend Limitation). Since its inception in 1995, the camp has activated more than 120,000 participants between the ages of 7 and 15, and over the same period more than SEK 70 million has been ploughed into the partner clubs.

We work actively to get children and young people participating in the camp, whatever their challenges or socioeconomic background. Together with several other charities, foundations and companies, Stadium Sports Camp is able to offer free places to kids who, for various reasons, would not otherwise have been able to attend. Examples of initiatives like this include the collaboration between Stadium, Nike, AIK and the organisation Maskrosbarn, which is now in its third year. AIK produces a pre-season shirt and donates all the profits to buy places at Stadium Sports Camp. Maskrosbarn then arranges the distribution of these places within its network.

Activity bag

Since 2005, Stadium has handed out a activity bag to around 4,200 schools in Sweden that have at least one first-grade class. The bag contains everything from balls to skipping ropes and cones to encourage more physical play at school. The purpose of the activity bag is to inspire more activity in school, beyond the timetabled PE lessons, and so encourage the establishment of healthy habits early in life.

Races and events

Stadium organises its own races and events, the guideline for which is to include everyone in the activity. Getting active should be made possible for children and young people, as well as for adults, for beginners and for keen competitors.

Stadium Night Run

The Stadium Night Run is intended to encourage an active lifestyle even in the colder, darker months of the year. We have been holding the late-autumn run in both Sweden and Finland since 2021, with adults and children welcome to participate.

Stadium Foundation

In 2019, the Stadium Group launched a fundraising foundation to financially support activities, projects, assignments and/or partnerships that promote an active and healthy lifestyle for as many people as possible. The foundation offers particular support for initiatives aimed at helping children and young people. All profits from the medium-sized bag sold at Stadium and Stadium Outlet's Swedish stores go to the Stadium Foundation.

60%

say they tried a new sport at Stadium Sports Camp 2023

89%

say that Stadium Sports Camp has inspired them to continue with physical activity

Activate the World.

Club collaborations.

Collaborating with clubs is a great way to help encourage an active life for children and young people. Prior to setting up a collaboration, we investigate how the potential partner currently approaches gender equality and equal opportunities and what their plans are going forward. It is important for us to share the same values and vision.

From a gender equality perspective, for example, we might ask whether the activity is available to both genders, or whether the under-represented gender is given more opportunity to take part. Gender equality and equal opportunities are areas where we maintain a continuous dialogue with our partners in order to monitor progress. We can also provide support when needed, which actively contributes to our goals. Examples of how we can help include support with project planning and acting as a sounding board on issues relating to equality and diversity In addition, we are able to use Stadium's contact network to connect providers who can help each other in a spirit of mutual learning, plus we can provide financial support. We seek out long-term partnerships in which, as a team, we help each other to continue activating the world and promoting equality in sport, giving everyone, regardless of their background and circumstances, the opportunity to enjoy a life in motion.

Peter Liljegren Appelquist,
Head of communication, marketing and branding, Brommapojkarna

Football for meaningful leisure time.

As well as being one of Sweden's largest football clubs, Brommapojkarna (BP) is also one of Stadium's collaborative partners. Peter Liljegren Appelquist, head of communication, marketing and branding, talks about the club's operation.

"Our purpose is to ensure that children and young people in Bromma and Hässelby-Vällingby have meaningful leisure time. To help us, we have 700 non-profit coaches who step up in all weathers. With 1,000 girls playing, you could call us Sweden's largest girls' football club. We continue to invest in good football training, with a full-time academy manager for girls' football."

Can you tell us about how BP contributes positively to society?
"As a sports club, especially of our size, we may be making a bigger contribution to society than ever before. Growing our operation would enable us to give more children and young people meaningful leisure time and sound role models, providing hope for a good future. With gang-related crime emerging as a major problem, we feel that what we do can help to counteract this trend.

"The fact that we already have annual attendance figures in excess of 20,000 also shows that we are actively combatting the sedentary behaviour of children. By offering an even better footballing environment, we can keep more young people active for longer, contributing to their health and well-being."

What challenges do you face? And how are you tackling them?
"We don't have enough facilities to play football all year round. We're constantly lobbying politicians and civil servants in the City of Stockholm to get more pitches to play on."

What does the future hold for our collaboration?
"We're pleased and proud to have Stadium with us on our journey to becoming an even better football club. We're already the biggest, but we can always improve and give more children meaningful and joyful leisure time."

Activate the World.

Working with others.

Collaborating with other players makes us better able to help reduce sedentary lifestyles and increase health and well-being.

Stadium & Friends

In the summer of 2023, Stadium renewed its partnership with the Friends Foundation. Our partner clubs will thus be able to draw on the knowledge of Friends as they work towards more inclusive sports that everyone can participate in.

Stadium has been working closely with the Friends Foundation on Stadium Sports Camp since 2004, meaning that all camp leaders receive training in tackling exclusion and bullying and promoting equal sports for everyone.

Menstruation and sports

Next Period is a project led by the company Sibship and financed by Sweden's innovation agency Vinnova. The focus of the project is on increasing knowledge about menstruation and enabling girls, women and menstruators around the world to go to school, work and have an active lifestyle, whether they have their period or not.

As a partner of Next Period, Stadium worked with Sibship on a campaign at Stadium Sports Camp in summer 2023 aimed at raising awareness and spreading knowledge about menstruation and sports. The purpose of the campaign was to give young people a better understanding of their body, their well-being, and how different periods in the menstrual cycle can affect training but need not get in its way.

Goodsport Foundation: Integration through social projects

Goodsport is a public, politically independent, non-profit foundation that uses sport as a tool to promote greater integration through community projects. Stadium's collaboration with Goodsport is based on a joint effort to promote integration, increase sporting activities and create jobs for young people. Examples of projects run by the Goodsport Foundation include Nattfotbollen, which aims to increase the physical activity and social circle of young people aged 13–25, and Skolträffen, which works in schools to combat prejudice.

Fair Play: Recognising the positive values of sport

In 2019 Stadium initiated the Fair Play Award, in conjunction with the Swedish Sports Gala. This is an award where joining in and sharing sport with others are more important than actual sporting prowess. The Fair Play Award is given to an individual or an event that, through their actions, represents a role model and clearly embodies the meaning of fair play. Stadium and the Swedish Sports Gala are behind the award, which was first presented at the 2019 gala.

Generation PEP! Sweden: Inspiring children to be active

Generation Pep is a non-profit organisation that works to spread knowledge and create engagement regarding the health of children and young people. Projects have included collaborating with four secondary schools and researchers from the Swedish School of Sport and Health Sciences, Karolinska Institutet and the University of Gothenburg to develop Pep Skola – free support for schools wanting to make physical activity and healthy food habits a natural part of the school day. Pep Skola was launched in May 2018 and currently has over 2 000 schools registered at www.pepskola.se.

Activate the World.

Stadium is collaborating with Generation PEP on the activity bag that Stadium offers to all schools in Sweden that have at least one first-grade class. We work together to make schools aware that the bag is available, and Generation PEP also provides free inspiration on how the contents of the bag can be used.

SOS Children's Villages: More children living a safe life
Stadium collaborated with SOS Children's Villages in Finland and Bangladesh from 2015 until autumn 2023. EUR 0.50 from Stadium's sale of an orange water bottle has gone to the organisation, which works to ensure that more children have a safer life.

In Bangladesh, the collaboration has focused on helping to fund a children's village with a family support programme in the city of Chattogram. The initiatives in Finland have focused on supporting families with special needs, so that children can stay with their parents or be placed in safe foster homes.

Human Bridge: Sports products and clothing for more
Human Bridge is a Swedish aid organisation that focuses primarily on supplying health services in vulnerable countries with medical equipment and other materials. The mainly second-hand equipment comes from the Swedish health service and is refurbished or reconditioned by Human Bridge before delivery. The organisation also supports people caught up in humanitarian crises, for example with clothing and other basic essentials. Stadium's re:activate initiative provides Human Bridge with sports gear and clothing that can be used wherever they are needed.

108,424 kilos of textiles and products were collected via re:activate during the financial year 2022/2023.

The countries that benefitted from the collected textiles and products in 2022/2023 are Iraq, Kazakhstan, Kosovo, Romania, Tanzania and Ukraine.

Partnership and sponsorship.

Stadium partners a number of races to help create more opportunities for movement and inspire an active lifestyle. Together with our partners, we contribute to sports events that provide experiences, joy, fighting spirit, setbacks, laughter and exercise.

- Midnattsloppet – Sweden and Finland
- Vasaloppet – Sweden
- Ultravasan – Sweden
- Bike Vasan – Sweden
- Vätternrundan – Sweden
- Naisten Kymppi – Finland
- Lidingöloppet – Sweden
- Toughest – Sweden
- Helsinki Ski Weeks – Finland

Activate the World.

We embody our vision.

Make an active lifestyle permeate everything we do. Since we believe in the benefits of physical activity, we want to encourage exercise among our employees and across wider society. Our values guide our conduct and create the unique team that is Stadium. Our vision to activate the world is a constant presence in the company. Here are a few examples of how we embody our vision.


Happy memories for four of our Finnish colleagues ahead of Midnight Run Helsinki in 2023.

Three of our Swedish colleagues warm up for the start of Lidingöloppet in 2023.


Muddy colleague after finishing Cykelvasan.


One of our Stockholm stores getting active in the Staff Challenge.


Large Stadium team gathered for Stafettvasan.


Strong team spirit ahead of Stafettvasan.

Activate the World.

Health and safety for our customers.

If we are to activate the world, we need to do it in a safe way for our customers. This applies both to the product that the customer uses and to the consumer's data privacy.

Child safety
When it comes to our younger customers, who are active for most of the day, we have a great responsibility to ensure their safety. We do this in part by training our developers of child safety products. We are also examining where we need extra certification and risk assessments to make decisions about what can be classed as a toy and what is primarily used as sports equipment. We test outerwear for children up to the age of 14, to ensure that their detachable hoods release at a certain weight for the size of the garments. In addition, we participate in standardisation work within child safety.

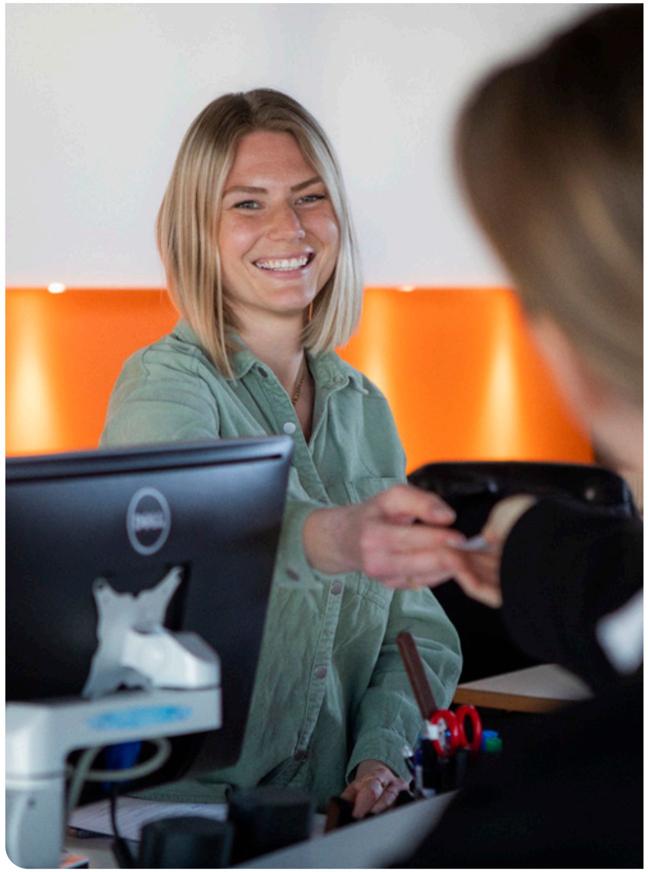
Chemicals
We use our Restricted Substance List (RSL) to set clear requirements for our suppliers regarding the content of our products. RSL is a list of restricted and prohibited substances that has slightly stricter requirements than REACH (EU chemicals legislation).

Read more about our chemicals work on page 36.

Product information
We are keen to provide our customers with the right product information, regarding both facts about the products' functions and properties and what materials they are made of. We therefore work closely with our suppliers to ensure that they provide us with the information we require.

Data protection
Within the Stadium Group, we work to ensure the data privacy of our consumers, as part of which we have a Privacy Policy that details how we process personal data. This policy applies to the personal data we collect in connection with membership, purchases and visits to one of our websites, or any other contact with us.

The Privacy Policy may be updated from time to time, but the latest version is always published on our websites. If we make any major changes to the Privacy Policy, we will also send the updated policy to our members' registered email address.



Focus area:

Support the Earth.

Reduce environmental and climate impact, increase circular flows.

Support the Earth.

Area	Goal 2025/2026 and 2030	Outcome, compared to base year 2017/2018 2022/2023	2021/2022	2020/2021
Reduce carbon footprint	**1.** Climate-neutral in our own business	–26 %	–5 %	–9 %
	2. 50 % reduction in the carbon footprint of our own brands	–34 %	–29 %	–25 %
	3. 50 % reduction in our total carbon footprint by 2030	–16 %	–6 %	–11 %
Reduce negative impact on the environment	Implement improvement work that reduces negative impact on the environment	Read about this on page 36		
Increase circular flows	Measurable targets to be set during financial year 2023/2024	–	–	–

See sustainability note H5 for carbon footprint in each Scope.

Governance

We will continue to get people active while working to reduce the impact of our operations on the environment and the climate. A key factor in this is increasing circular flows, not least in the areas of product design and manufacturing, as well as communication, training, services, business development, and so on.

To achieve our goals in the focus area Support the Earth, the entire organisation needs to be pushing in the same direction. Our sustainability strategy describes the pathway towards those goals and guides our decisions. We follow up progress and compliance in several forums: in a cross-functional team that meets continuously throughout the year, in the Sustainability Council, which includes Group Management, and in regular meetings between employees with responsibility in the area. The HR & Sustainability Director is responsible for follow-up. In the 2020/2021 financial year, we began annually reporting our carbon footprint for Scopes 1–3 and using this as a basis for prioritisation and adjustment of future work. Where possible, we produce data on the impact an initiative has on the environment and climate, even if the initiative lies outside what we include in our climate calculations. This data then feeds into our decision-making.

When it comes to circularity, during the 2023/2024 financial year, we will establish a definition of what it means to be a circular product, and then set targets within this area. In addition to a more circular product, the area *Increase circular flows* also includes circular business models and consumer behaviour, with these areas also followed up in our sustainability forums.

Working with others

In order to drive effective change and adapt in pursuit of a lower environmental and climate impact, we depend on collaboration and cooperation with players throughout our value chain. Where possible, we have added concrete incentives and requirements linked to the environment and climate in new and renewed supplier agreements. We are also seeing a positive trend in climate and environmental work by our existing production suppliers.

Support the Earth.

Reduced carbon footprint.

Goal 1: Climate-neutral in our own business by 2025/2026.

Our climate calculations limit the factors affecting the carbon footprint to business travel, energy consumption, heating and refrigerant leakage in our stores, offices and warehouses. The goal of being climate-neutral in our own business entails an 85 percent reduction and 15 percent climate compensation, compared to the base year. The figures for the year show that we have reduced the carbon footprint of our own business by 26 percent.

Our greatest focus so far has been on energy use and energy source, partly because energy consumption is a major creator of emissions, and partly because in the short term we have more scope to influence energy consumption than heating and refrigerant leakage. However, we have launched dialogues and initiatives for more active work on the latter issues, two core components of which are requirements for suppliers and actual data rather than standardised data. We believe this work will be important for our goal fulfilment.

Business travel only accounts for a small proportion of our emissions. To reduce these emissions, we have a travel policy stating that we should choose digital meetings where possible and, if travel is necessary, use more environmentally friendly travel options in the first instance.

One sub-target is that we will only consume fossil-free electricity in the 2025/2026 financial year. This applies to our stores, offices and warehouses in all the countries in which we operate. We are also working to continuously reduce energy consumption in these spaces.

92 percent of the electricity Stadium purchased in the financial year 2022/2023 was fossil-free. At the start of the current financial year, we changed the agreement to also include the remaining 8 percent, so since October 2023, 100 percent of the electricity Stadium purchases has been fossil-free. This electricity accounts for 60 percent of our total energy use. The remaining 40 percent is purchased by other parties, such as the property owners from whom we rent our store premises.

Measures

Energy source
In our dialogues with property owners, we have a shared understanding that the electricity we buy from them should be renewable. To ensure that this is the case, we are now requesting certificates for verification. We have so far received certificates confirming that 81 percent of the energy bought by our landlords, rather than us, is renewable.

During the financial year, we requested documentation to verify the origin of the energy for our base year 2017/2018. We did this in order to be able to compare this year's outcome and thus determine how we are doing with our goal of being climate-neutral in our own business.

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

We have invested in energy-saving lighting in our stores since 2009, covering general lighting, spotlights, relays and timers. Only LED lighting is installed during refits and when fitting out new premises, in order to minimise our electricity consumption. To keep track of consumption where the property owners purchase the electricity, we have installed submeters in the majority of these stores. These allow us to monitor consumption in our stores, enabling us to implement targeted measures in those units with the greatest consumption per square metre.

Focus going forward

- We continue to request certificates from property owners who have not yet verified that the electricity we buy from them is renewable. This is so that we can report the percentage of the electricity we consume that is actually fossil-free.
- During the financial year 2023/2024, our ambition is to obtain more specific climate data for heating through mapping work.
- Every year, we identify the ten stores with the highest energy consumption per square metre and work actively to improve energy efficiency in these stores.

88%
of our total electricity consumption is verified as fossil-free, whether we own the contract ourselves or purchase via property owners

-26%
reduction in the carbon footprint of our own business since our base year 2017/2018

Support the Earth.

Reduced carbon footprint.

Goal 2: 50 percent reduction in the carbon footprint of our own brands 2025/2026.

The carbon footprint of our own brands is categorised as Scope 3 and is limited to the transport and manufacture of these products. Manufacturing accounts for the majority of the emissions, and in this area we are focusing on using more sustainable materials, switching to more resource-efficient dyeing processes, helping the factories to switch to renewable energy, optimising material use and developing circular processes.

When it comes to cutting emissions from transport, key factors are the transition to more climate-smart fuel and the efficiency of transport through optimum fill levels and route planning. Reducing our carbon footprint in both manufacturing and transport involves collaborating with other players throughout our entire value chain.

The outcome for the year shows that we have reduced emissions by 34 percent compared to our base year 2017/2018. An important aspect of this result is that it is based on absolute figures, so volume has a major impact on the outcome. This year's figure is affected by the fact that we purchased fewer products due to high stock levels, which resulted in lower emissions overall. We therefore consider it relevant to also monitor the key figure 'average emissions per product' in order to check our actual performance. This figure reveals that we have in fact made a reduction that is unrelated to volume, as average emissions per product have decreased by 23 percent since the base year. This can primarily be attributed to an increased proportion of more sustainable materials, but changes in the product mix also affects.

-34%
reduction in the carbon footprint of our own brands since the base year 2017/2018

-23%
reduction in average emissions/product for our own brands since the base year 2017/2018

Support the Earth.

Reduce emissions from transport of our own brands.

Measures

Electrification
Spring 2022 saw us begin the journey of electrifying our transport. The first step was our collaboration with Rusta and Alltransport, which enabled us to start transporting containers from the Port of Norrköping to our warehouses in a shared truck that runs exclusively on electricity.

In the autumn of that year, we then expanded the electrification of our own transport operations. Electric goods vehicles accounted for all journeys between our warehouses in Norrköping in 2022/2023.

Fuel
Beginning with deliveries for spring 2020, we decided that, as a rule, we will not accept air freight. If an exception must be made, this has to be approved by the Purchase & Category Director Stadium Group, and we will require carbon offsetting. As a rule, shipments from Asia to Sweden must be made by sea.

Since 2022, all distribution from our central warehouses to the various terminals has used fossil-free fuel, primarily HVO. and we transport the goods from our DC to our stores via a carrier that has ISO 14001 environmental certification.

Our largest logistics distributor, PostNord, is making major investments in its vehicle fleet and is now creating what it calls green corridors. This means that from spring 2023, a large proportion of our goods will reach our stores and end customers by means of fossil-free transport.

Through our current partnerships, in certain geographical areas we are able to offer online customers fossil-free delivery from warehouse to customer.

Optimisation
Together with Billerud, we have developed a new standard measurement for transport packaging, with the aim of increasing capacity utilisation in boxes and containers. We expect to be able to increase the fill level in distribution by around 10% percent, enabling us to cut the number of containers required, which in turn reduces our carbon footprint. The new standardised packaging will be used for the majority of our soft products from autumn 2023.

Focus going forward

- The new standardised transport packaging will be implemented and the expected outcome will be followed up.
- We will be looking into how we can consolidate distribution in the containers to increase the fill rate.
- We will engage in dialogues with our transport providers to ensure that our overall climate and sustainability work is moving in a shared direction.
- We are continuing our electrification of transport, as well as working towards climate-smart handling of returns.

-36%

lower emissions from transporting our own brands, from manufacturing to our warehouses, since our base year 2017/2018

0

orders of our own brands have been transported by air

Support the Earth.

Reduce emissions from own-brand manufacturing.

Measures

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

See sustainability note H7 for further information.

More sustainable cotton
Since 2017, we've been using more sustainable cotton, which for us means Better Cotton, organic cotton or recycled cotton. The majority comes from Better Cotton. Since cotton production has a very high environmental impact, we aim to gradually reduce our use of cotton and replace it with more sustainable cellulose materials.

The Better Cotton (BC) was founded in 2005 and is a non-profit organisation dedicated to making global cotton production more sustainable. The aim is to change cotton production worldwide and make Better Cotton a conventional commodity. Working with stakeholders in the cotton production chain, Better Cotton advocates measurable, ongoing improvements for the environment, growing communities and the economy in cotton-producing regions. Better Cotton is not physically traceable to end products, but the affiliated farmers benefit from the demand for Better Cotton in relation to the volume purchased. Today, over 2.4 million growers in 25 countries are licensed to sell their products under the Better Cotton certification scheme.

Recycled material
We have been working with raw materials recycled from used PET bottles for several years now. We use this recycled raw material in response to the major challenge of reducing virgin polyester use and instead increasing the proportion of recycled polyester that maintains the right quality and feel at a reasonable price, which is what we get from recycled PET bottles. However, we realise that we have to find other recycled raw materials to use instead of PET bottles, as these are needed in other circular flows. We are therefore participating in various research projects and collaborations to develop and contribute to the development of new materials.

Resource-efficient dyeing processes
To minimise our environmental impact, we have been using the energy- and water-efficient Solution Dye technique to dye fabrics for over ten years, as it enables dyeing at the point of fibre production. This avoids a separate dyeing process, thus saving water, energy and chemicals. Initially, the dyeing process was used only for black linings, but since 2013 the technique has been available for a large number of colours. It is mainly the linings that are dyed, but also the outer fabric for brands such as Warp, Everest, SOC, Race Marine and Stadium.

Stadium buys in fabrics from suppliers who use Solution Dye for both woven and knitted material. All of Stadium's own-brand garments dyed using Solution Dye have Sustainability labels that say "Save water and energy". In 2019, Stadium Outlet also began using the Solution Dye method for the lining of its jackets.

The use of this technique is growing across the whole textile industry, since water savings are crucial for more sustainable manufacture. Our ambition is to further increase the use of Solution Dye, as we have set a long-term goal of exclusively using water-saving dyeing methods for textile products. 73.15 percent of our overall in-house production is made up of textile products.

See sustainability note H8 for further information.

Solution Dye saves water
Savings with the Solution Dye technique compared to traditional dyeing[1]:

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

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

21,353,663
recycled PET bottles were used to produce new materials for 2022/2023[2]

10,888,688
litres less water was consumed during the financial year 2022/2023 because we used Solution Dye rather than traditional dyeing methods

2 We apply an average calculation for all recycled polyester material, estimating the use of seven PET bottles per yard (approx. 91 cm) of finished material.

Support the Earth.

Climate impact in the manufacturing process

The amount of energy used in manufacturing and its origin have a major impact on our carbon footprint. In order for manufacturing to be more sustainable, we work actively to survey the factories' environmental work, with an emphasis on energy. To aid us in this, we chose to join the climate organisation CDP in spring 2021. Membership facilitates this survey work and contributes to greater transparency in our supply chain, as well as stronger collaboration with our suppliers.

We have invited suppliers to digital meetings to give them the right support and to establish a consensus on energy and emission issues. At the same time, we need to understand where suppliers' challenges lie in setting their own sustainability goals and converting to more renewable electricity in their manufacturing. Close cooperation has been crucial here. With the data we have obtained from the surveys, we can better see where we face the greatest challenges, as well as gaining a clearer understanding of the areas in which our factories need support.

The data also helps us to reduce our reliance on standard data for our climate calculations, which means we can report our carbon footprint more accurately. The figures indicate that we are making progress every year, together with our suppliers. We are also seeing how suppliers are increasing their competence in this area year on year and making progress on climate-related measures. At the same time, we are aware that continued development will require great commitment in the coming years.

We are working to reach more subcontractors, as these are an important part of the transition to more climate-smart manufacturing. In partnership with other actors, we are identifying which factories at Tier 2 level we have in common, so we can jointly boost support for these factories. The results of this identification work have been followed up via individual meetings with our suppliers. We are focusing on an in-depth dialogue aimed at engaging all our suppliers in these issues and taking our shared responsibility for sustainable manufacturing.

See sustainability note H9 for further information.

Climate and environmental inspections

In addition to mapping the suppliers' climate work via CDP's digital platform, in 2022 we launched specific climate and environmental inspections at a number of factories, carried out on our behalf by ELEVATE. The results of the inspections assist both us and the suppliers in identifying opportunities for improvements and reducing the factories' impact on the climate and environment. For each remark, an assessment is also made of the level of risk, which makes it easier for suppliers to prioritise their resources.

See sustainability note H11 for further information.

ELEVATE's environmental audit tool
ELEVATE's environmental audit tool focuses on assessing environmental risk and performance in the factory's handling of wastewater, air emissions, solid waste, chemicals, greenhouse gas emissions and energy consumption. The result is a rating from A to D, where A is the highest. The calculations for the rating begin with a value of 100. Each negative observation (remark) is weighted and leads to different deductions, depending on whether it relates to a minor or serious case of non-compliance.

Focus going forward

- Increase the proportion of dyeing processes that save on energy, water and chemicals.
- Continue to survey energy consumption and energy sources at the factories.
- Continued work on circular processes in manufacturing, starting in the design phase, to create products that function within a closed loop.
- Traceability of the raw material's origin will be crucial in the future to enable circular flows. Greater transparency in the supply chain is also something on which we will continue to focus, along with improving our system solutions for increased traceability.
- We will continue to survey suppliers' and subcontractors' environmental and climate work.
- We will continue to work with other players to see how we can jointly boost support for Tier 2 factories in their transition to renewable electricity.
- As a new member of the Sustainable Apparel Coalition (SAC), we will be able to monitor the emissions of more suppliers and subcontractors, and work with energy-saving measures through the Higg tool FEM.

Support the Earth.

Reduced carbon footprint.

Goal 3: 50 percent reduction in our total carbon footprint by 2030.

In 2019, we set our long-term climate goal of reducing our total carbon footprint by 50 percent, bringing us in line with the Paris Agreement. This is an ambitious goal that we, and the wider industry, consider a challenge, as the company is also aiming for growth.

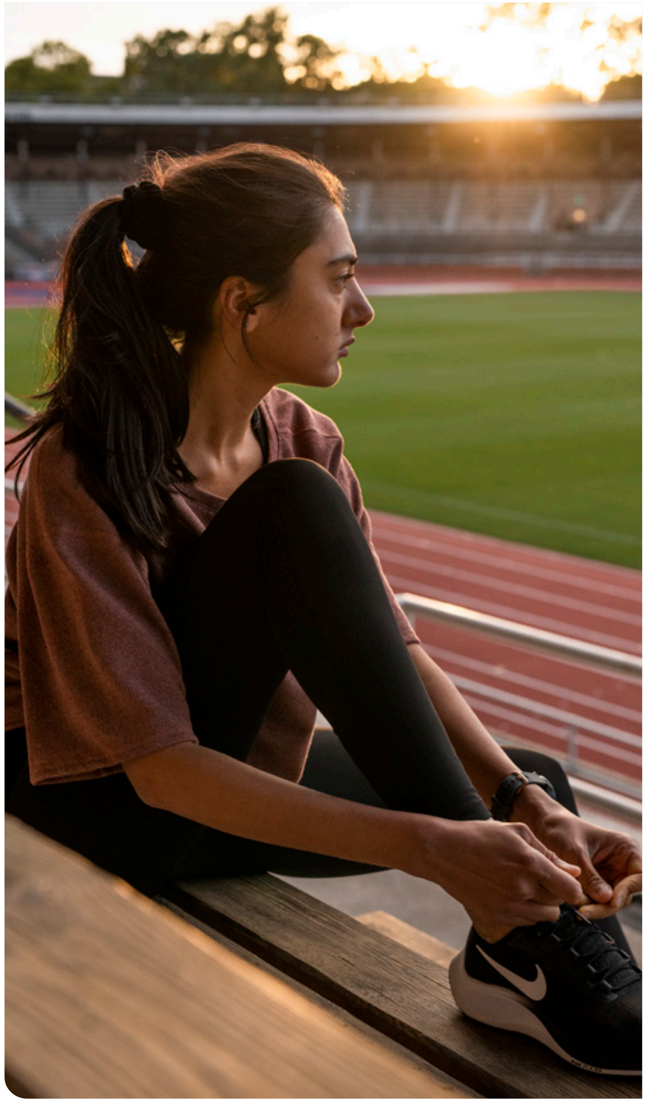
This year's results show that we have reduced our total carbon footprint by 16 percent since our base year, and in that same period we saw growth of 34 percent. This is a step in the right direction, but we know that the reduction needs to move faster.

Earlier in the report, we presented the measures we have taken and the outcomes we have achieved to reduce our carbon footprint in our own operations and to cut the carbon emissions from the manufacture and transport of our own brands. Our work to reduce our total carbon footprint also includes reducing climate emissions from the range we purchase from external brands. We have a joint responsibility with these brands 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.

Goal: 50 percent reduction in our total carbon footprint by 2030
The target includes Scopes 1–3, comprising the items below

Own operations (page 34)	Own brands (pages 35–38)	Products purchased from external brands (page 40)
Scopes 1–2	**Scope 3:**	**Scope 3:**
Work-related travel	Product manufacture	Product manufacture
Energy use (consumption and source)	Product transport	Product transport
Heating		
Refrigerant leakage		

Support the Earth.



Reduce emissions of products purchased from external brands.

Measures

Setting requirements
All the brands we work with sign up to our Code of Conduct and Code of Business Ethics when we enter into agreements. This applies to new contracts and to the updating of existing agreements.

We set clear requirements concerning the products we purchase, based on our established sustainability targets. In spring 2019, we published our updated sustainability vision, which includes direct statements on what we are removing from our range to make it more eco-friendly.

All the brands that want to sell via Stadium and/or Stadium Outlet's marketplace are subject to the same sustainability requirements as our other suppliers.

We ask for climate data from the brands with which we have the largest volumes, and this year saw us send questionnaires to 46 brands. We verify this information against our own data in order to reduce the use of standard data and thus report more accurate results regarding our carbon footprint.

Collaboration
All strategic meetings with external partners have a straightforward agenda, with sustainability as one of the key points. The major brands we work with all have clear sustainability goals, ambitious emission targets and global operations.

We 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.

Focus going forward

- Setting requirements is our most powerful tool for influencing the climate work of the external brands. Failure to meet the requirements will result in us not purchasing from the supplier in question, but in the best case the supplier will be prompted to making climate-smart changes in its manufacturing. Over the coming financial year, we will review ways to develop climate-related requirements for the products we purchase from external brands.
- Using real climate data instead of standard data is a priority in order to increase the reliability of our reporting. We will continue to strengthen our collaboration with external brands when it comes to managing and sharing climate data, for both manufacturing and transport of the product.

Support the Earth.

Reduce negative impact on the environment.

Goal: Implement improvement work that reduces negative impact on the environment.

It is important for us to reduce the environmental impact of our operations. Our carbon footprint is part of how our business affects the environment, but there are influencing factors that go beyond those included in our climate calculation. With regard to biodiversity, we monitor developments and learn how our operations affect and are affected by this field.

Measures

Chemicals

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

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

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

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

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

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

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

Microplastics

We test fleece grades for fibre release, with a threshold for how much fibre a material may release and still be used for our garments. We do this to ensure that we choose the most sustainable option: the less fibre released during the use phase, the longer the garment will last and the fewer plastic particles will end up in the environment.

Plastic around the product

In June, we communicated our updated packaging instructions to our suppliers, which require more recycled material in the plastic around the products. We have also updated the requirements for an increased proportion of recycled material in the plastic used to secure the load when it is sent out to the stores. Initially, this applies to Stadium Outlet's warehouses. The plastic used instead is also thinner, so this initiative has enabled us to reduce the amount of plastic in circulation.

Packaging

We have developed standardised packaging for our distribution in partnership with Billerud. As well as increasing the fill rate, the packaging itself is also more resource-efficient in its production and generates less waste once it is recycled.

In-store measures

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

Since early 2022, we have gradually replaced the plastic bags sold at the checkout in our Swedish stores with bags made of recycled nonwoven fabric. The new bag is designed for repeated use, in order to increase the re-use of the bags sold, reduce the purchase of new bags and thereby conserve the planet's resources.

Focus going forward

- We are looking at how consumer packaging and labels can be developed to have a smaller environmental footprint.

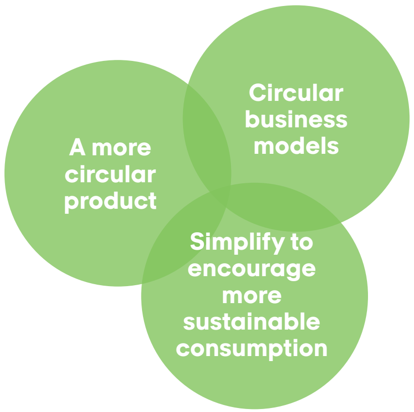
Support the Earth.

Increase circular flows.

Goal: Measurable targets to be set during financial year 2023/2024.

Increasing our circular flows is strongly linked to our other two areas within Support the Earth: reducing our carbon footprint and reducing our negative impact on the environment. Increasing our circular flows will have positive effects in both of these areas.

There are several elements to the concept of circular flows. Firstly, the product must be manufactured more resource-efficiently and designed to last at least its intended service life, with the possibility of being upcycled and recycled. Then there are the circular business models, where we as a company find new revenue streams that deliver long-term profitability through servitisation and/or multiple revenues from the same product. Finally, we also aim to facilitate more sustainable consumption. This means offering more sustainably manufactured products, and helping the customer to choose the right product, look after it and then, after long use, pass it on for re-use or recycling if it has reached the end of its life.



A more circular product.

We strive to make products that exist within a closed loop from manufacture to recycling, where they can be used extensively and for a long time. We still have some way to go to achieve this goal, but we are making progress together with the wider industry.

Measures

Design

Our design team creates products with a focus on function and sustainability. The design process also takes into account the product's service life and circular processes.

Checklist for circular design and product development:
- Design with a purpose
- Sustainable materials
- Lasting quality
- Able to be recycled and re-used

Quality and inspections

Lasting quality is highlighted as one of four key factors for circular design and product development. We have long focused on making products last a long time, in the best interests of the environment. We maintain high quality standards for our products to ensure the conditions for a long service life, and we continuously monitor quality, safety and chemicals in order to identify risks in good time.

We use a quality inspection tool, Qarma, which allows us to see products, the way they are packaged and inspection results in visual form, before the products are shipped.

Refurbishing

In 2022/2023, we refurbished a total of 21,816 products for various reasons. Mould, damp, odour, stains and production errors were among the most common causes. The refurbishment work is carried out locally in Norrköping, near our distribution centres. By taking the products that are deemed to be non-saleable in their existing condition and processing them in this way, we have made 21,816 products saleable and no products have had to be discarded. Individual products with aesthetic defects are donated to Human Bridge.

See sustainability note H8 for further information.

Focus going forward

- In the coming financial year, we will draw up a definition of a Circular product. In addition, we will set a target for how large a proportion of our own brands, to begin with, should be classified as a Circular product.
- We will continue to increase the use of recycled materials in our products.
- We will continue collaborations with a focus on recycling textile fibres.
- We will investigate the availability of recycled plastics and metals for our hard products.
- We are monitoring the update on producer responsibility for textiles and what it will mean for us.

Support the Earth.

Expand circular business models.

As part of our drive to reduce our carbon footprint and environmental impact, and to make it easier for customers to act more sustainably, we are looking at how we can develop circular business models that deliver long-term profitability.

Measures

stadium Rental

Stadium Rental

In December 2022, the Stadium Group expanded its business to include rental. The Stadium Rental business area is located in Åre and offers rental of sports products, initially focusing on alpine skiing and snowboarding equipment. Following on from our first store in Åre, we will be opening our second store in Sälen for the winter season 2023/2024. Stadium Rental allows us to achieve a high level of quality and use for each product, entirely in line with our target of increasing circular flows.

Second-hand

Over the year, we explored various arrangements for second-hand and learned several lessons. We are interested in this area and continue to weigh up different options.

Focus going forward

- Stadium Rental represents a new area of activity for us. We will continue to learn as we go and develop our offering based on these lessons, as well as stakeholder feedback.
- We will continue to investigate and trial second-hand arrangements in order to identify whether this can become a long-term business model for Stadium, and if so how.

Support the Earth.

Simplify to encourage more sustainable consumption.

The most sustainable product is one that is used and can be used for a long period. Buying a product that is then hardly used is not sustainable, for either the environment or the economy. The products we sell must retain their quality throughout their intended service life. We are able to promote this by helping in-store and online customers to find the product that matches their needs. In addition, we must offer products and services that help customers to care for their products and let them live on elsewhere once they no longer need them.

Measures

Signs, labelling and information in store and on the website

To make it easier to do att more sustainable choice at Stadium and Stadium Outlet we have our own Sustainability label – the Heart. This label means that we consider the product to be a more sustainable option. The same labelling applies to all the brands.

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

- Recycled material – at least 50 percent of the product
- Water- and energy-saving dyeing method – at least 50 percent of the product
- Sustainable cotton – at least 50 percent of the product
- Sustainable cellulose-based material – at least 50 percent of the product

See sustainability note H6 for further information.

The label is also used for transport. In order for a delivery option to be labelled with the Heart in our e-commerce channel, transport from warehouse to customer must take place using fossil-free fuel.

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. We will therefore continue to consider how we can best enable our customers to make sustainable choices through labelling on garments, information signs in the store or new search paths on our website.

We have given the relevant functions training in product communication from a sustainability perspective, and how they should approach decisions on whether a product should qualify for Stadium's sustainability label. We use certificates to verify the origin of the material and we are also reviewing other ways to confirm this. Since the end of the financial year 2021/2022, we have taken samples of mechanically recycled polyester and used chemical analyses to verify the origin of the material. Traceability and clear communication with customers are an ongoing process that includes complying with upcoming legislation on how to communicate with customers to help them make more sustainable choices.

Prolong the life of the product

Repair

In 2023, we began a collaboration with Repamera where all Stadium Members in Sweden are offered discounted rates for the repair of clothing, footwear and bags in all materials. We see this as a simple way for our members to prolong the life of their old favourites.

Re:activate

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

Focus going forward

- We closely follow legal developments regarding communication on sustainability and adapt accordingly.
- In autumn 2023, we will be launching re:activate for our Norwegian stores, in collaboration with the organisation UFF, as the party that helps us to pass on the collected material.

Support the Earth.

Membership.

The Swedish Textile Initiative for Climate Action

STICA

We are proud members of the Swedish Textiles Initiative for Climate Action (STICA). The purpose of STICA is to support the clothing and textile industry and its stakeholders in the Nordic region to reduce greenhouse gases, in line with the 1.5°C target as set out in the UN Framework Convention on Climate Change and the Paris Agreement. The climate goals set by Stadium are in line with the Paris Agreement's target. STICA's ultimate goal is to ensure that the Swedish and Nordic textile industry does more than its fair share well before 2050. The initiative is a response to the textile industry's major negative impact on the environment. The network enables members to learn from each other and create tools to measure emissions and find solutions to reduce their carbon footprint. According to the Greenhouse Gas (GHG) Protocol, we need to cut emissions by 50 percent to achieve the 1.5 degree target.

sustainablefashionacademy.org/STICA

CDP

In 2021, we signed up to a three-year partnership with CDP, a global non-profit organisation that helps companies, cities, governments and regions to measure and manage their risks and opportunities concerning the climate and the environment. Through CDP's global disclosure system, suppliers can share environmental data so that their customers can follow up and accelerate their environmental work.

cdp.net/en

ELEVATE

In 2017, we began working with ELEVATE, a global independent third party with expertise in sustainable supply chains. ELEVATE conducts independent inspections at the factories we use.

elevatelimited.com

SSEI

The Swedish Shoe Environmental Initiative (SSEI) is a network launched in 2012 by the Swedish shoe industry. A core component of SSEI's activities is knowledge building on environmental issues, primarily through the network meetings that SSEI organises twice a year.

ssei.se

Textile Exchange

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

textileexchange.org/

Swedish Commerce

Swedish Commerce is an important body for us, as a source of accurate information about legislative changes and a way to exert influence by communicating how the industry is affected by such changes.

svenskhandel.se/om-svensk-handel/in-english

Chemicals Group, RISE Research Institutes of Sweden

The Chemicals Group passes on the latest knowledge in chemical- and eco-related issues to member companies in the textile and electronics industries. The network now consists of more than 120 member companies.

ri.se/en/what-we-do/networks/the-chemicals-group

Environmental Group, TEKO

The work of TEKO's Environmental Group concerns current sustainability issues, existing and future legislation in the area of textiles and fashion, and social responsibility. TEKO works closely with the authorities involved in decisions concerning the textile industry and is able to represent the industry through dialogue in the Environmental Group's meetings.

teko.se/aboutus/

Focus area:

Workers in the Value Chain.

Responsible manufacturing.

Workers in the Value Chain.

Area	Target 2025/2026	Outcome 2022/2023	2021/2022	2020/2021
Responsible manufacturing	80 % of production will take place in Tier 1 factories with a social rating of A+B	81 %	78 %	74 %

Governance
Our ambition is for our products to be socially, environmentally and ethically sustainable. This requires clear guidelines and close, lasting collaboration with our suppliers. The scope of the business relationship should reflect the level of sustainability, compliance and overall performance, and how, through proactive choices, the supplier demonstrates a willingness and ability to improve and develop.

We evaluate our suppliers from a product and business perspective, along with their ability to follow our guidelines. In addition to our compulsory requirements, we encourage all our suppliers to also support our values and promote continuous and proactive improvements in their operations – just as we do within our own organisation.

Stadium is a relatively small player in the production context. In order to achieve a stronger position and increase our ability to push for more sustainable production, we are investing in close partnerships with a limited number of suppliers. Concentrating on a smaller number of suppliers gives us more influence and a greater degree of impact. The world is undergoing major changes, and we know how valuable these close relationships are when it comes to finding solutions to new challenges together.

Risks in our production chain
Our greatest risks can be found upstream in our value chain, i.e. in the production phase, since some of our production takes place in developing countries. In many cases, our product suppliers in the developing countries already demonstrate ongoing social engagement and show great willingness to develop and improve, in line with our core values. We want to continue working with these suppliers and being part of their journey towards even greater social and environmental sustainability. Examples of how we can contribute to this include action plans and improvement programmes aimed at addressing social and environmental aspects that can be better managed.

Some of the countries in which we operate are considered high-risk areas, which means there is a risk of breaches to human rights and workers' rights, plus the occurrence of child labour and forced labour. We seek to check that human rights are respected through factory inspections carried out by a third party and factory visits by Stadium employees with responsibility in this area. The regularity of inspections and follow-up increases if we see a heightened risk of human rights not being fully respected.

Pakistan, Myanmar and Bangladesh are among the countries that, according to our assessment, have an elevated risk. The risks are lower with regard to our immediate suppliers, but tend to increase further down the supply chain. Cotton production in China, India and Uzbekistan, for example, also poses a risk.

Since cotton production has a very high environmental impact, we have a long-term aim to reduce our use of cotton and replace it with more sustainable cellulose materials.

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

Working with others
We can promote sustainable production through a transparent dialogue with our stakeholders – customers, industry colleagues, organisations and suppliers – and through the communities in which we operate. Industry collaborations give us greater power and opportunities to bring about change for the better.

Accord
In 2014, we joined the Bangladesh Accord, an initiative that has made a difference to almost two million workers in Bangladesh. The initiative focuses on workplace safety and the freedom for employees to raise shortcomings in their working environment. Today we have an agreement with the International Accord, which continues to support the work in Bangladesh and the need for development in health and safety for textile workers. In the future, we will evaluate the need to include another production market.

internationalaccord.org

The factories with which we were actively involved in Bangladesh over the year met 97 percent of their action plans and were covered by 17 inspections.

ELEVATE
In 2017, we began working with ELEVATE, a global independent third party with expertise in sustainable supply chains. ELEVATE conducts independent inspections at the factories we use.

elevatelimited.com

Workers in the Value Chain.

Responsible manufacturing.

Goal: 80 percent of production will take place in Tier 1 factories with a social rating of A+B.

81%
of production takes place in Tier 1 factories with a social rating of A+B

We want our products to be manufactured responsibly in line with our Code of Conduct and Code of Business Ethics. It is therefore important for us that the suppliers we choose to work with share this ambition and act accordingly. In our pursuit of this, we have a defined process for entering into cooperation with production suppliers and how the follow-up of this cooperation should proceed. The factories are inspected and rated according to the outcome, enabling us to propose measures where we see factories failing and jointly help to improve conditions at a factory.

If a factory does not want to implement the measures we see as necessary for continued cooperation, our work together is terminated. However, our primary focus is on identifying any challenges and helping to address them. Having set a goal for 80 percent of production to take place in factories with a social rating of A+B by 2025/2026, we have already reached that figure. We are proud of this and will try to increase this share further in the future. There is thus potential for factories that are not yet in categories A+B, and we want to be a driving force in helping these factories to move in a more sustainable direction.

Measures

Process for collaboration with production suppliers
We follow a defined process for entering into collaborations with production suppliers and how these collaborations are to be followed up. Compliance with this process is of the utmost importance in our work to promote responsible manufacturing.

Before collaboration
All suppliers and factories are reviewed and approved by Stadium ahead of an order being placed. Before working with new suppliers, factories and markets, a risk analysis is carried

Workers in the Value Chain.

out, followed by an inspection (Scandinavian and Northern European production units may be exempted from inspection following a risk analysis). The inspection covers quality and social factors and, to a lesser extent, environmental factors. When we enter into a partnership, the supplier is required to sign our Code of Conduct and Code of Business Ethics and thereby commit to compliance with these. The codes must also be read through and signed annually by the supplier.

Production reflects Stadium's range of in-house brands and consists primarily of shoes and clothing, but also sports and safety equipment.

Follow-up through inspection

Transparency and joint improvement work define our inspection process. ELEVATE conducts factory inspections to check and verify a supplier's ability to comply with our Code of Conduct. The inspection places great emphasis on being able to verify that, for example, documentation and information from employers and employees tell the same story.

We consider transparency to be the foundation of a responsible and sustainable business relationship. In practice, this means that if we are denied access to relevant information or the ability to verify information, the factory will not pass the inspection.

Since the end of the financial year 2021/2022, an in-depth inspection has also been carried out with a focus only on environmental aspects.

Read more about this development on page 33.

Rating suppliers

The results of the inspections provide us with a basis for rating suppliers on a scale from A to D, where A is the highest. When calculating the rating, we begin with a figure of 100. Each negative observation is weighted and leads to different deductions, depending on whether it relates to a less serious case of non-compliance or critical non-conformity with international or national laws or our Code of Conduct. The total for the observations is deducted from 100 and, based on the resulting figure, the supplier is given a rating of A, B, C or D.

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

Corrective action plans (CAP)

Stadium owns the results of an inspection and thus the follow-up, which may involve drawing up a corrective action plan (CAP) aimed at ensuring development and improvement. The purpose of the action plans is to ensure that our suppliers take a proactive approach, guaranteeing human rights, workers' rights and environmental protection, as well as preventing corruption in practice – not just on paper. Action plans are set within given time frames to allow for planning of the follow-up. Together with our suppliers, we aim to act in a transparent and respectful manner in all elements of our production chain and work collectively for a more sustainable future.

Improvement programmes

Most factories can manage their action plan and development on their own, with follow-up from Stadium's staff. Our continued ambition is, however, to give suppliers who do not develop in the right direction an opportunity to join an improvement programme and receive external support. ELEVATE provides assistance in action programmes that run more intensively over a longer period, with the aim of ensuring a lasting change in more systemic or critical areas. Having ELEVATE as a partner keeps us updated on developments in the industry, while our suppliers receive support locally if required.

See sustainability note H10 for further information.

Supplier base

Our supplier base consists of manufacturers with their own factories, plus their subcontractors, trading companies and, in some case, importers. Our list of factories has been publicly available on our website since February 2020.

All the manufacturers that we work with, including external brands, must follow the guidelines in our Code of Conduct and our Code of Business Ethics. The Code of Conduct covers areas including human rights, workers' rights, the environment, anti-corruption and animal welfare. It is based on the 10 principles of the UN Global Compact and its underlying international conventions and declarations. Our Code of Business Ethics further clarifies our position on bribery and unethical business relationships. These codes are approved and signed by the supplier prior to collaboration and then annually thereafter. In addition to the provisions in our codes, we naturally comply with EU legislation and guidelines on the environment, product safety and chemicals.

See sustainability note H4 for further information.

Workers in the Value Chain.

Focus going forward

- We continue to maintain ongoing dialogues with our suppliers regarding social sustainability, with a view to further increasing awareness and creating a shared responsibility for achieving set goals.
- Our survey of material suppliers is under way. We will be taking our approach of consolidating the business down to a smaller number of product suppliers and repeating it at the material supplier level, in order to improve our level of influence and the chances of achieving our goals.
- As a new member of the Sustainable Apparel Coalition (SAC), we have access to more data from more suppliers and subcontractors through the Higg module FSLM, and the work now reaches further back along the production chain.
- By 2030, our goal is for 90 percent of production to take place in factories with a social rating of A+B.

137

active units in production during the financial year 2022/2023

53

inspections completed during the financial year 2022/2023

More climate-smart manufacturing in Bangladesh.

Clothing production in Bangladesh is a fast-changing industry, in which environmentally sensitive, more sustainable and ethical production methods have been introduced. Incredible Fashions Ltd (IFL) has been involved in this development over the past decade.

The business relationship between Stadium and IFL began in 2016. In spring 2023, employees from Stadium visited IFL's factory in Bangladesh to see the progress they have made in their sustainability work since their last visit.

"IFL was one of the country's first factories to receive LEED Gold certification," says Ashna Huq Quasem, Director of IFL. "We have invested in innovative methods of waste management, more sustainable manufacturing materials and production techniques, sustainable business practices and, above all, in bringing socio-economic change to the local community."

Environmentally friendly materials

Ashna Huq highlights the choice of environmentally friendly materials as a cornerstone of IFL's work.

"We are constantly working to improve our expertise in developing products based on more sustainable materials. We work with organic cotton, blends of recycled cotton and polyester, and sustainable cellulose materials. We also work in circular systems, having used recycled yarn made from our own production waste."

Green infrastructure

The commitment to sustainability also extends to the company's infrastructure.

"We only work with dyeing companies that can guarantee ethical and efficient waste management," explains Ashna Huq. "One of our leading dyeing partners operates Bangladesh's first water treatment plant to minimise residual waste and reduce water consumption."

This process, called zero-liquid discharge, ensures that no industrial wastewater is released into the environment. The plant in question has also been equipped with a condensate separator and recycling pump in the sections for washing, finishing, dyeing and pressing. The condensate is collected and then transferred to the boiler feed tank, increasing the tank temperature and reducing the consumption of natural gas.

"We have, furthermore, begun to install solar panels on the roofs and we use energy-efficient solutions wherever possible. We also collect rainwater, which is treated and used for various purposes around the factory."

Employee well-being

"We put the well-being of our staff front and centre, going far beyond the legal requirements," continues Ashna Huq. "We offer fair salaries including incentive bonuses, free lunches, safe working conditions and opportunities for hard and soft skills development. We have opened a discount store adjacent to the factory where employees can buy basic foods and other products at heavily subsidised prices. We also offer health insurance to all our employees and work with a local hospital to offer doctor's appointments."

Women's rights are also an integral part of IFL's vision to create lasting social change.

"Women make up about half of the workforce. IFL offers specific training so that more women are able to climb the ranks at production level and assume managerial roles. We also believe that by empowering women, we can empower entire groups in society."

Female employees receive training in reproductive health, maternity care and menstrual health, as well as free access to menstrual products. This initiative protects women's health, ensures improved productivity and benefits society at large, as employees share their knowledge at home.

Collaboration and partnership

"At IFL, we are aware that systematic change requires collaboration. We actively collaborate with buyers, suppliers and other manufacturers and stakeholders in the industry, sharing best practices and highlighting sustainability principles. By building a community of like-minded organisations, IFL helps to promote broader change in favour of sustainable clothing production.

Ashna Huq Quasem
Director, IFL

Focus area:

Passionate Employees.

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

The Nordic region's proudest and most passionate employees.

Passionate Employees.

Area	Target 2025/2026	Outcome		
		2022/2023	2021/2022	2020/2021
A corporate culture that reflects our values	Achieve a score of 80 in our Checkpoint index	78	*Checkpoint index introduced in 2022/2023*	
An inclusive workplace	Achieve 90 for the perception of psychological safety in the workplace	83	*Measurement of psychological safety introduced in 2022/2023*	
A pleasant and safe work environment	Achieve a score of 85 in our Health and Safety index	85	*Health and Safety index introduced in 2022/2023*	

Governance

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

These instruments – designed to lead the organisation in the desired direction – include policies on the working environment, alcohol and drugs, diversity and equality, victimisation, GDPR, the environment, travel and IT. Stadium Arena, our intranet and digital meeting place, gives all our employees access to the company's policies, plus procedures and guidelines for their job. Stadium Arena is also a hub for information and news that our employees need to be aware of in our countries, in the local language. 100% of our employees in Sweden, Finland and Norway are covered by collective agreements.

Stadium Academy, our digital training system, keeps staff constantly up to speed on relevant subjects for their department. Some courses are mandatory, for example those that apply to our policies and values. These are also followed up with tests in the training system. We monitor training statistics in Stadium Academy to help establish whether we are on the right track regarding our employee philosophy and our vision. This enables us to see the proportion of employees who have completed mandatory training. The results of our annual employee survey focusing on health and safety, inclusion and values, coupled with the results of the quarterly pulse surveys, help us as an organisation and team to develop in the right direction. Development appraisals are to be held twice a year between manager and employee. Through our whistleblower function, all employees also have the opportunity to report any irregularities anonymously.

The Stadium Way, signed at the same time as the employment contract, describes employees' responsibility to act ethically during their employment. To make everyday life easier for our managers and employees, and to simplify and free up time, we have a range of system support. As mentioned earlier, we have our Stadium Arena intranet and our Stadium Academy training system. In addition, personnel and payroll systems, scheduling and staffing systems, travel systems and other digital collaboration tools are available to make our employees' lives easier.

Passionate Employees.

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Checkpoint index
Pulse survey Aug 2023

A corporate culture that reflects our values.

Goal: Achieve a score of 80 in our Checkpoint index.

So much can be copied, but not who we are. Our corporate culture is summed up in our values: Passion, Team spirit, Energy, Innovation and Simplicity, as well as our principles, which guide us in our behaviour as leaders and employees. Our corporate culture and team spirit are cited by our employees as the factors that make them happy to recommend us as a workplace and why they choose to stay.

Our pulse survey, which we call Checkpoint, provides the tools to work on team spirit and corporate culture. Checkpoint investigates how, at team level, we can achieve goals, thrive and develop as individuals and a company. The survey is largely based on our values, plus our leadership principles and employee principles. These principles must remain live throughout the organisation and thus be integrated in all our processes, our joint meetings, our guidelines and above all in our actions.

Our first pulse survey was conducted in May 2023, prompting us to implement a new way of following up on the results. We have chosen to let all teams own their own results and actively work on following up on these, in order to strengthen self-leadership. Every year, we also conduct a larger survey that examines the work environment, inclusion and values, allowing us to monitor trends in the results and decide on measures at an organisational level.

Measures

Way of working
We work actively to increase collaboration between our concepts and departments. We want to build strong teams that can learn from each other. The past year offers several good examples, for instance, of nearby stores within different concepts helping each other with staff, and of managers supporting and sharing experiences with each other. Cross-functional management forums for our offices have also been set up during the financial year.

At the beginning of the financial year, we implemented our new approach to performance appraisals between managers and employees. The focus is on goals, expectations and the work situation, with employees and managers discussing drivers and motivation factors together. The employee is in control of their own development but with the support of their manager, in accordance with our employee principles. Follow-up on set goals takes place in the spring performance appraisal.

The teams are responsible for working on their results from the pulse survey. However, material is provided to guide them on the important issues to focus on and how to set priorities, for example. We follow up at the organisational level on how well employees feel they have worked in their teams to follow up on the results.

Training
Over the year, we worked intently on our leadership principles. All managers will eventually be trained in these, and the training will continue with managers regularly meeting in groups to develop their leadership skills. We have also begun the roll-out of our employee principles.

Managers have access to what we call the Leadership Gym in the training platform, which provides them with tools to continuously hone their leadership skills. We continue to update our Stadium Academy training platform with relevant training courses for each position.

Focus going forward

- Implementation of employeeship principles and a way of working that makes the employee and leadership principles a guaranteed part of the onboarding process, as well as follow-up on compliance with the principles
- Our new employee surveys were implemented at the end of the financial year 2022/2023. In the coming financial year, we will integrate the new working practices that accompany these surveys, and evaluate whether they are achieving the desired effect.

See sustainability note H15 for further information.

Leadership principles

Employee principles

Passionate Employees.

An inclusive workplace.

Goal: Achieve a score of 90 for the perception of psychological safety in the workplace.

This area is about making the most of individuals' differences. Everyone should be able to be themselves based on our values and should feel proud to work for us and be part of our culture. We see diversity as a strength and take equality as a given. We want to create a safe environment where everyone can express themselves and their skills, which is why psychological security is worth pursuing.

Measures

Strategy and way of working

Over the year, we analysed our data on gender equality, diversity and inclusion in order to map out the current situation and set course for future progress. Ensuring that everyone feels included in the workplace is an important issue for us, which is why we have chosen to go deeper into the meaning of psychological safety in our drive to improve inclusion. It is a subject we have discussed and worked on in our management forums, to increase the general understanding of what the concept means in practice and how leaders should be able to act as role models for their teams.

As a leader within the Stadium Group, you are guided by our leadership principles. These consist of five areas, one of which is called Build the team. This area emphasises that differences are positive and must be put to good use, and that as leaders we must be ambassadors, building a culture that promotes inclusive behaviour.

In our recruitment process, we use tests from Alva Labs to establish better conditions for objective assessment based on business needs when selecting candidates. We also conduct an annual survey of pay equality and decide on what action to take, based on the outcome.

Training

In our manager training, we devote a section to how our prejudices affect the decisions we make in the recruitment process. This training is mandatory for all managers. The training portal also offers inspirational talks on psychological safety that are available to all employees.

Focus going forward

- Based on the situation analysis carried out during the financial year 2023/2024, we will determine the strategy going forward and make the improvements identified.
- During the coming financial year, we plan to raise the organisation's competence level in this area.

See sustainability notes H12–H14 for further information.

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Perceived psychological security

Pulse survey Aug 2023

Passionate Employees.

A pleasant and safe work environment.

Goal: Achieve a score of 85 in our Health and Safety index.

In order to create a pleasant and safe working environment, we seek to conduct successful systematic work on safety and the working environment, with a focus on the employee. All Stadium employees are entitled to a safe, secure and healthy place of work. In addition to our quarterly pulse surveys, we conduct an annual employee survey with a focus on the working environment, among other factors.

New for the financial year 2022/2023 is our Health and Safety index, which we began measuring in August 2023. The index summarises employees' perceptions of whether they can work safely in their physical working environment without injuring themselves, whether they have the necessary knowledge to be able to work safely, whether they know where to turn with any health and safety-related problems and concerns, whether they feel that the physical working environment is pleasant to work in, and whether they feel that their department/store is free from victimisation, bullying, threats and violence. It is important to point out that this index in itself is not comprehensive, but should be viewed together with other relevant key indicators such as staff turnover, sick leave, eNPS, etc.

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Health and safety index
Employee survey Aug 2023

Measures

Management of safety and the working environment
Our systematic health and safety work is an ongoing process that covers all employees within the Stadium Group. The guidelines and procedures that form the basis of our systematic work on safety and the working environment, including how we allocate roles, responsibilities and tasks, are based on current legislation. Managers, safety officers and employees work together in this area, which is the only way to achieve a healthy, developmental and sustainable working environment at all levels of the organisation.

The work on health and safety covers all operations, employees and agency staff within the Stadium Group. As a company, we have policies that set out how we should act and who is responsible for what. In addition, we have processes, procedures and instructions to ensure that we work in line with our policies. Our systematic health and safety work is continuously reviewed and revised as necessary, with the aim of making continuous improvements in all areas.

Information and training
Our activities to provide information, develop and continually improve the working environment must take a holistic view of all the factors that affect people physically, psychosocially and organisationally at work. Examples of this include training in health and safety and CPR/first aid, as well as safety rounds, fire safety inspections, risk assessments, employee surveys and staff meetings. Our training courses for managers and employees run continuously via various training initiatives, both physical and digital, as well as via our training platform Stadium Academy. Health and safety is also an important part of the onboarding procedure for new employees, and clear checklists are available to support managers and employees and ensure that every element is covered. After training has been completed, health and safety tasks are allocated to managers with personnel responsibility.

Safety rounds and incident reporting
Safety rounds are carried out annually in all our operations, along with risk assessments of any identified risks. Risk assessments are also carried out when an operation faces a change that is not a natural part of its day-to-day operations or when a risk is detected. The safety rounds are conducted in collaboration with managers and safety officers/staff and are registered in a web-based system.

In Sweden, the HIA support system is used to report, among other things, near-misses, accidents, commuting accidents and safety incidents. All employees in Sweden have access and can report incidents. In Finland and Norway, accidents are reported directly to the insurance company/occupational injury insurance service by the manager and the employee concerned.

The manager at the workplace must investigate the incident with the safety officer and assess what action needs to be taken. The emphasis is primarily on removing the risk, and if this is not possible the risk must be minimised. If managers feel that they do not have sufficient authority or knowledge to implement measures that ensure a safe working environment, the responsibility for health and safety can be returned to the manager's manager. The action taken depends entirely on the incident, with assessments made in each individual case. If similar incidents occur in several parts of the organisation, the action can be managed centrally.

See sustainability note H16 for further information.

Passionate Employees.

Safety officers and safety committees

In order to establish optimum conditions for collaboration, we aim to have a safety officer in every unit, and safety officers can be found in most of our operations. There are central safety committees with employee and employer representatives covering our store operations, our service offices and our printing operation. The safety committees hold four meetings per year and address general issues concerning safety and the working environment. These issues include training, reporting of near-misses and accidents, risk assessments and evaluation of major changes affecting their workforce. The safety committee also follows up health and safety work for each business and produces documentation to assist with management decision-making. We work to ensure that the safety committees function in a similar way, regardless of the operation.

Threatening situations

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

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

Employee welfare

Wellness allowances are offered to employees in Sweden and Finland based on country-specific guidelines. In Norway, however, the allowance is directed at group activities for staff. This is because taxation on wellness allowances is handled differently in Norway compared with in Sweden and Finland. We also engage our employees via staff challenges, entry fees for races, staff discounts on sports products and so on. Employees in Sweden, Finland and Norway all have access to occupational health services, regardless of their type or level of employment. A referral is initiated by the manager and HR, the occupational health service then makes an assessment and finally the person concerned is booked in for the appropriate treatment/consultation. HR follows up the occupational health service on an annual basis to check on how the partnership is working.

Focus going forward

- During the coming financial year, Stadium Outlet in Norway will implement an incident reporting system equivalent to the one used in Sweden. Safety rounds and risk assessments will also be registered in the same system.
- We are developing our forums at strategic and central level with the aim of increasing cross-functional cooperation and improving the analysis and follow-up of health and safety data.

ABOUT THE SUSTAINABILITY REPORT

We have published an annual sustainability report since the financial year 2013/2014. Our ninth report was published on 16 February 2023, and this year is our first time publishing a combined Annual and Sustainability Report.

The Annual and Sustainability Report is project-managed by Stadium's Sustainability Governance & Reporting Manager. Those responsible for the areas covered in the report, including members of Group Management, are involved in the production of the text and data. The report's steering group meets twice during the preparation of the report, in order to quality-assure the content. The Board of Directors is informed of the structure and content of the report and is invited to give feedback. The auditor reviews the content on an ongoing basis and signs off the Annual and Sustainability Report together with the Board of Directors at the Board meeting in December.

The report covers the whole of the Stadium Group, including Stadium, Stadium Outlet and the other subsidiaries within the Group. The figures presented in the Annual and Sustainability Report refer to the period from 1 September 2022 to 31 August 2023, unless otherwise stated.

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

Calculations relating to employees in the Sustainability Report:
- Calculations relating to employees are based on the GRI's models. All data is reported using the metric system and is calculated per employee.
- We have implemented a new employee survey, along with a new way of working. The survey now consists of an annual employee survey focused on health and safety, inclusion and values, coupled with quarterly pulse surveys with an emphasis on the team. The reported key figures from these surveys therefore lack comparative figures. The latest employee survey and pulse survey for the financial year 2022/2023 were both conducted in August 2023.

Calculations regarding energy and carbon emissions:
We report our climate impact in line with the Greenhouse Gas Protocol's guidelines. Emissions in Scopes 1, 2 and 3 are calculated based on emission factors from the following sources: the Swedish Transport Administration, Vattenfall, the Swedish Energy Markets Inspectorate, Swedenergy's Heat Market Committee, AIB, Higg MSI, IEA, NTM and the IPCC's recommendations for air transport, plus documentation from our transport suppliers and a selection of our factories.
In Scope 3 we report the areas:
- fuel and energy-related activities
- transportation and distribution
- purchased goods

Stadium's Annual and Sustainability Report 2022/2023 is not covered by the EU's Green Taxonomy Regulation.

BUSINESS OPERATIONS

NOTE H1 CREATED AND DELIVERED DIRECT ECONOMIC VALUE

Value in SEK	2022/2023	2021/2022	2020/2021
Component			
Equity	1,288,889,824	1,116,507,907	1,083,448,253
Liabilities	1,606,209,985	1,674,368,981	1,366,184,260
Created direct economic value			
Revenue	7,568,884,677	7,130,576,874	6,963,761,089
Delivered direct economic value			
Operating costs	5,994,108,243	5,291,674,700	5,079,403,039
Employee benefits	1,351,601,547	1,345,538,023	1,266,141,742
Dividends	0	360,000,000	0
Tax			
Sweden	34,598,100	97,842,790	119,100,844
Finland	9,964,408	12,842,773	20,614,906
Norway	359,153	516,331	228,079
Hong Kong	16,887	2,260	21,882
Social investment	7,920,016	8,823,802	7,250,394
Created and delivered direct economic value	7,398,568,343	7,117,240,681	6,492,760,887
Retained economic value	170,316,324	13,336,194	471,000,202

Operations, cont.

NOTE H2 STAKEHOLDER DIALOGUE

The three most important aspects per stakeholder group (survey conducted in August 2021):

Members/customers
1. Suppliers who are verified and certified[2]
2. Fair working conditions and no child labour or forced labour in the production chain
3. Safe, non-toxic products

Social media[1]
1. Fair working conditions and no child labour or forced labour in the production chain
2. Good work environment, safety and well-being in the workplace
3. Suppliers who are verified and certified[2]

Selected brands
1. Fair working conditions and no child labour or forced labour in the production chain
2. Equality, diversity and no discrimination
3. Climate- and resource-efficient use of water, energy and chemicals throughout the value chain

Suppliers in-house production
1. Good work environment, safety and well-being in the workplace
2. Climate- and resource-efficient use of water, energy and chemicals throughout the value chain
3. Transparent communication about our sustainability work and our products

Employees
1. Suppliers who are verified and certified[2]
2. Good work environment, safety and well-being in the workplace
3. Equality, diversity and no discrimination

Management
1. Suppliers who are verified and certified[2]
2. Transparent communication about our sustainability work and our products
3. Equality, diversity and no discrimination

Clubs
1. Suppliers who are verified and certified[2]
2. Fair working conditions and no child labour or forced labour in the production chain
3. Equality, diversity and no discrimination

1 Followers on the Swedish and Finnish Facebook pages and Instagram.
2 The full designation of this aspect is: Suppliers who are verified and certified based on social, environmental and ethical criteria.

NOTE H3 NUMBER OF PHYSICAL STORES STADIUM GROUP

	2022/2023	2021/2022	2020/2021
Sweden			
Stadium	83	84	85
Stadium Outlet	54	49	47
Stadium Rental	1	0	0
Total	**138**	**133**	**132**
Finland			
Stadium	33	33	32
Stadium Outlet	16	14	13
Total	**49**	**47**	**45**
Norway			
Stadium Outlet	5	3	2
Total	**5**	**3**	**2**
Total no. of stores:	**192**	**183**	**179**

Changes during 2022/2023
- Stadium Outlet Sweden opened 5 stores, Stadium Outlet Finland opened 2 stores and Stadium Outlet Norway opened 2 stores.
- Overall this year, we gained 9 physical stores.

Events from 1 September 2023 until publication
- Stadium Outlet opens a store in Trondheim and a store in Köping in September 2023.
- Stadium Outlet opens a store in Kokkola in November 2023.
- Stadium Rental opens a store in Sälen in November/December 2023.
- Stadium Vaasa moves in November and Outlet Umeå moves in January.

NOTE H4 NUMBER OF FACTORIES IN EACH COUNTRY

Production country (Tier 1)	2022/2023	2021/2022	2020/2021
Bangladesh	10	10	9
Cambodia			1
China	80	90	103
Finland	1	1	1
Indonesia	10	10	11
Italy	6	6	4
Lithuania	3	3	2
Myanmar	1	1	1
Pakistan	3	3	3
Poland		0	2
Slovenia	1	1	1
Spain	1	1	1
Sweden	5	5	3
Taiwan	1	2	2
Thailand	1	1	1
Turkey	7	4	3
Vietnam	5	6	7
Total	**135**	**144**	**155**

ENVIRONMENT AND CLIMATE

NOTE H5 ENERGY & EMISSION FIGURES

Emissions in Scopes 1, 2 and 3 are calculated based on emission factors from the following sources: the Swedish Transport Administration, Vattenfall, the Swedish Energy Markets Inspectorate, Swedenergy's Heat Market Committee, AIB, Higg MSI, IEA, NTM and the IPCC's recommendations for air transport, plus documentation from our transport suppliers and a selection of our factories. We report our climate impact in line with the Greenhouse Gas Protocol's guidelines. In Scope 3 we report the areas:
• Purchased goods
• Fuel and energy-related activities
• Transportation and distribution

Emissions in tonnes CO_2e. For our calculations, we have used an operational control approach and a market-based method for emissions in Scope 2. The greenhouse gases included in the calculation are those cited in the Greenhouse Gas Protocol: CO_2, CH4, N2O, HCFs, PCFs, SF6 and NF3

Scope		Base Year 2017/2018	2021/2022	2022/2023	Change compared with Base Year
Scope 1	Direct emissions[1]	240	173	166	–31 % (74)
Scope 2	Indirect emissions from purchased energy[2]	5,787	5,558	4,287	–26 % (1,500)
Scope 3:	Fuel and energy-related activities	822	738	640	–22 % (182)
	Transportation and distribution	6,946	6,232	5,890	–18 % (1,253)
	Purchased goods	187,719	176,875	157,606	–16 % (30,113)

1 Biogenic emissions in Scopes 1 and 2 are 8 tonnes of CO_2e
2 Scope 2 according to the site-based method is reported as 4 218 tonnes of CO_2e for the financial year 2022/2023

Fuel and energy-related activities – includes emissions from the production and distribution of all fuels and energy whose emissions are otherwise reported under Scopes 1 & 2. **Transportation and distribution** – includes emissions from all transport from production out to stores and customers, but excludes customers' own travel. **Purchased goods** – all purchased goods that have been delivered to Stadium. Includes emissions from raw material production, dyeing, processing and sewing of products.

NOTE H6 PROPORTION OF MORE SUSTAINABLE PRODUCTS[1]

Total for Own Brands

Brand	2022/2023	2021/2022	2020/2021
Stadium	60.0 %	53.9 %	48.6 %
Stadium Outlet	57.7 %	33.6 %	45.6 %
Stadium & Stadium Outlet	59.6 %	43.7 %	47.1 %

Total for Own Brands excluding hard products and bags

Brand	2022/2023	2021/2022	2020/2021
Stadium	84.1 %	82.0 %	71.2 %
Stadium Outlet	89.8 %	56.6 %	95.9 %
Stadium & Stadium Outlet	85.0 %	78.0 %	73.7 %

Own Brands breakdown

Brand	2022/2023	2021/2022	2020/2021
SOC	75.6 %	71.7 %	58.8 %
Everest	55.4 %	42.2 %	36.1 %
Ski Industries	65.2 %	57.9 %	75.32 %
Take Off	57.8 %	31.4 %	52.83 %

1 A product that meets at least one of the following requirements is defined by Stadium as a more sustainable product: Recycled material (at least 50% of the product), water- and energy-saving dyeing method (at least 50% of the product), sustainable cotton (at least 50% of the product), sustainable cellulose-based material (at least 50% of the product).

NOTE H7 MORE SUSTAINABLE MATERIALS

Proportion of Stadium and Stadium Outlet's own brands that consist of more sustainable materials[1]

Concept	2022/2023	2021/2022	2020/2021
Stadium	66.74 %	53.37 %	49.82 %
Stadium Outlet	54.35 %	47.49 %	48.93 %
Stadium & Stadium Outlet	63.75 %	52.62 %	49.72 %

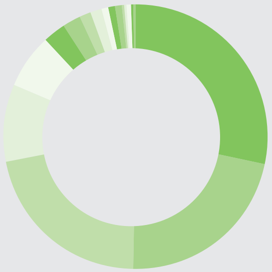
1 By the term more sustainable materials, we mean: recycled material, material dyed using water- and energy-saving dyeing methods, cotton from Better Cotton, sustainable cotton, recycled cotton and sustainable cellulose-based material.

Recycled material – PET bottles

	2022/2023	2021/2022	2020/2021
Number of discarded PET bottles used to make new functional materials for the brands that we produce ourselves	21,353,663	15,491,437	12,284,460

Environment and climate, cont.

Distribution of sustainable materials



Material	Proportion
100% recycled polyester	28.40 %
Polyester	22.00 %
Cotton (Better Cotton)	21.74 %
Polyester (Solution Dye)	9.41 %
Polyamide	6.74 %
Elastane	2.59 %
Acrylic	2.34 %
Recycled Polyamide	1.43 %
Recycled Cotton	1.18 %

Material	Proportion
Wool	1.07 %
Regenerated Cellulose	0.80 %
Polyurethane (PU)	0.73 %
Organic Cotton 0%	0.35 %
Polypropylene (PP)	0.33 %
Down & Feathers	0.32 %
Polyamide (Solution Dye)	0.25 %
Leather	0.17 %
Miscellaneous	0.12 %

NOTE H8 RESOURCE EFFICIENCY

Water-saving dyeing methods – Solution Dye

	2022/2023	2021/2022	2020/2021
Number of litres less water consumed during the financial year 2022/2023 from our use of Solution Dye, compared to traditional dyeing methods	10,888,688	11,444,367	11,227,686

Number of refurbished products

	2022/2023	2021/2022	2020/2021
Number of refurbished products	21,816	113,828[1]	116,398[1]

1 The major change in 2022/2023 versus the comparative years is due to the container shortage that prevailed in 2020–2022, and the poorer quality of the available containers.

NOTE H9 CDP SUPPLY CHAIN RESULTS

Outcome, %	2022/2023	2021/2022	2020/2021
of suppliers have set climate goals	46	52	30
stated that they use renewable electricity	38	33	30
stated that they are working on energy efficiency	57	48	N/A
are working on emission-related initiatives	66	56	44
response rate	77	77	79

OUTCOME OF INSPECTIONS (SOCIAL AND ENVIRONMENTAL)

NOTE H10 FOCUS SOCIAL ASPECTS

	2022/2023	2021/2022	2020/2021
Number of active units in production	137	144	155
Number of new factories where Stadium has placed orders	2	3	13
of which new suppliers[1]	2	2	6
Proportion of factories with a rating of A+B	81 %	78 %	74 %
Number of units with valid third-party certification[2]	25	19	12
Number of inspections carried out by ELEVATE on behalf of Stadium	53	37	53
of which not approved due to lack of transparency	1	4	8
Number of corrective action plans (CAP)	43	30	42
Number of factories rejected following inspection[3]	1	1	1

1 100% of these have been audited on the basis of social and certain environmental aspects.
2 SA 8000, SMETA and WRAP.
3 We have chosen not to start a partnership with this factory due to a lack of transparency.

Of the 43 CAPs drawn up, 22 (51 percent) concerned the working environment (the most common being health and safety). 12 (23 percent) of the CAPs related to incorrect salary payment (mainly linked to parental leave and sick leave). 9 (21 percent) of the CAPs addressed what was judged to be a lack of information-related transparency, such as inconsistencies between data in the payroll and time reporting systems.

NOTE H11 FOCUS ENVIRONMENTAL ASPECTS

Environmental inspections using ELEVATE's environmental assessment tool ERSA Environment

	2022/2023	2021/2022
Number of environmental inspections carried out by ELEVATE on behalf of Stadium	6	3
Proportion of factories rated A or B	54 %	33 %

PERSONNEL

Personnel and salary statistics report employees as at 31 August 2023. New hires and staff turnover include data for the period 1 September 2022 to 31 August 2023. Wage differences have been calculated as follows: 1 EUR = 11.56 SEK and 1 NOK = 1 SEK.

NOTE H12 COMPOSITION OF THE BOARD AND MANAGEMENT AND BREAKDOWN OF OTHER EMPLOYEES

	Board	Group Management	Managers	Employees
Gender breakdown				
Women	25.0 %	42.9 %	52.2 %	66.2 %
Men	75.0 %	57.1 %	47.8 %	33.8 %
Age distribution				
<30 years	0.0 %	0.0 %	10.7 %	66.9 %
30–50 years	25.0 %	85.7 %	72.1 %	28.0 %
>50 years	75.0 %	14.3 %	17.3 %	5.1 %

NOTE H13 WAGE DIFFERENCES[1]

Average basic wage in SEK, 2022–2023

	All	<30 years	30–50 years	>50 years
All[2]				
Women	362,919	320,909	396,283	434,266
Men	400,268	319,410	457,768	518,034
Female vs male	**90.7 %**	**100.5 %**	**86.6 %**	**83.8 %**
Employees				
Women	341,906	317,519	362,691	397,074
Men	355,088	316,617	393,312	421,518
Female vs male	**96.3 %**	**100.3 %**	**92.2 %**	**94.2 %**
Managers[3]				
Women	530,454	432,006	539,981	591,108
Men	617,247	455,927	610,348	694,534
Female vs male	**85.9 %**	**94.8 %**	**88.5 %**	**85.1 %**
Group Management[2]				
Women	1,665,000			
Men	1,935,000			
Female vs male	**86.0 %**			

1 Only salaries are reported, since bonuses (which employees in certain jobs receive) are performance-based
2 Excluding owners
3 Excluding Group Management and owners

NOTE H14 EMPLOYEES

	Sweden	Finland	Norway	Total
Permanent				
Women	1,352	502	44	1,898
Men	740	268	27	1,035
Total permanent	**35 304**	**770**	**71**	**2,933**
of whom permanent full-time	799	263	17	1,079
Women	467	170	11	648
Men	332	93	6	431
of whom permanent part-time	1,293	507	54	1,854
Women	885	332	33	1250
Men	408	175	21	604
Temporary				
Women	476	19	5	500
Men	239	9	2	250
Total temporary	**715**	**28**	**7**	**750**
Total number of employees	**2,807**	**798**	**78**	**3,683**

Personnel, cont.

NOTE H15 NEW EMPLOYEES AND STAFF TURNOVER

Number of people who have been hired or left during 2022–2023.[1] Refers to permanent employees.

	Sweden		Finland		Norway		Total	
	Number	%	Number	%	Number	%	Number	%
New employees	**150**	**5.3 %**	**218**	**27.3 %**	**51**	**65.3 %**	**419**	**11.4 %**
Gender breakdown								
Women	85	56.7 %	143	65.6 %	33	64.7 %	261	62.3 %
Men	65	43.3 %	75	34.4 %	18	35.3 %	158	37.7 %
Age distribution								
<30 years	58	38.7 %	186	85.3 %	40	78.4 %	284	67.8 %
30–50 years	85	56.7 %	32	14.7 %	10	19.6 %	127	30.3 %
>50 years	7	4.7 %	0	0 %	1	2.0 %	8	1.9 %
Staff turnover	**212**	**7.6 %**	**269**	**33.7 %**	**11**	**14.1 %**	**492**	**13.4 %**
Gender breakdown								
Women	132	7.2 %	184	35.3 %	8	16.3 %	324	13.5 %
Men	80	8.2 %	85	30.7 %	3	10.3 %	168	13.1 %
Age distribution								
<30 years	66	3.9 %	216	39.3 %	6	9.5 %	288	12.5 %
30–50 years	126	14.0 %	51	21.3 %	5	38.5 %	182	15.8 %
>50 years	20	9.5 %	2	25.0 %	0	0 %	22	10.0 %

1 If an employee has changed company within the Group, or held several positions during the year, these are included separately in the reported number and percentage in the table.

NOTE H16 SAFETY INCIDENTS AND WORK-RELATED INJURIES, STADIUM GROUP

	2022/2023		2021/2022	
	Number	Rate[1]	Number	Rate[1]
Of a minor nature[2]	228	14.16 %	103	5.64 %
of which more serious incidents[3]	5	0.31 %	7	0.38 %
Work-related deaths	0	0	0	0

1 Per 200 000 hours worked.
2 The increase in the number of reported incidents is largely put down to better reporting.
3 The most common risks and the causes of these are, as noted, contact with sharp objects, threatening situations and trips/slips on the same level. We have identified that these are our serious risks through our systematic health and safety work, which includes safety rounds, fire safety inspections, employee surveys, incident reporting, etc.

GRI CONTENT INDEX

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

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

Statement of use	Stadium AB has reported the information cited in this GRI content index for the period 1 September 2022 to 31 August 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard	Title	Chapter	Page numbers	Deviation or comment
GENERAL STANDARD REPORTS				
1. Organisational profile and reporting practice				
GRI 2: General disclosure	2-1 Organisational details	Strategy and operations, Sustainability notes	10–12, 54	
GRI 2: General disclosure	2-2 Entities included in the organisation's sustainability reporting	Sustainability Notes	53	
GRI 2: General disclosure	2-3 Reporting period, frequency and contact point	Sustainability Notes	53	
GRI 2: General disclosure	2-5 External assurance	Auditor's opinion on the Sustainability Report	90	
2. Activities and employees				
GRI 2: General disclosure	2-6 Activities, value chain and other business relationships	Strategy and operations, Sustainability notes	10–12, 54, 56	Swedish Annual Accounts Act (AAA): Business model
GRI 2: General disclosure	2-7 Employees	Sustainability Notes	53, 57–58	
3. Governance				
GRI 2: General disclosure	2-12 Role of the highest governance body in overseeing the management of impacts	Our sustainability work	16	
GRI 2: General disclosure	2-13 Delegation of responsibility for managing impacts	Our sustainability work	16	
GRI 2: General disclosure	2-16 Communication of critical concerns	Our sustainability work	17	Swedish Annual Accounts Act (AAA): Counteracting corruption

GRI Standard	Title	Chapter	Page numbers	Deviation or comment
GENERAL STANDARD REPORTS cont.				
4. Strategy, policies and practices				
GRI 2: General disclosure	2-22 Statement on sustainable development strategy	About Stadium	5, 6	Swedish Annual Accounts Act (AAA): Business model AAA: Risk
GRI 2: General disclosure	2-23 Policy commitments	Our sustainability work, Support the Earth, Workers in the Value Chain, Passionate Employees	16, 28, 35, 42–44, 48, 51	Swedish Annual Accounts Act (AAA): Policy, implementation and results
GRI 2: General disclosure	2-24 Embedding policy commitments	Our sustainability work, Support the Earth, Workers in the Value Chain, Passionate Employees	16, 35, 42–44, 48	Swedish Annual Accounts Act (AAA): Policy, implementation and results
GRI 2: General disclosure	2-26 Mechanisms for seeking advice and raising concerns	Our sustainability work	16, 17	Swedish Annual Accounts Act (AAA): Counteracting corruption
GRI 2: General disclosure	2-28 Membership associations	Activate the World, Support the Earth, Workers in the Value Chain	23, 24, 32, 40, 42	
5. Stakeholder engagement				
GRI 2: General disclosure	2-29 Approach to stakeholder engagement	Our sustainability work, Sustainability Notes	14, 54	
GRI 2: General disclosure	2-30 Collective bargaining agreements	Passionate Employees	48	Swedish Annual Accounts Act (AAA): Social conditions and staff
MATERIAL ASPECTS				
Material aspects				
GRI 3: Material topics	3-2 List of material topics	Our sustainability work	15	

GRI Standard	Title	Chapter	Page numbers	Deviation or comment
SPECIFIC STANDARD REPORTS				
GRI 200 Economic standards				
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Sustainability Notes	53	
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Our sustainability work	17	Swedish Annual Accounts Act (AAA): Counteracting corruption
GRI 300 Environmental standards				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Notes	53, 55	Swedish Annual Accounts Act (AAA): Environment
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Notes	53, 55	Swedish Annual Accounts Act (AAA): Environment
GRI 305: Emissions 2016	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Notes	53, 55	Swedish Annual Accounts Act (AAA): Environment
GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Sustainability Notes	55	Swedish Annual Accounts Act (AAA): Environment Information lacking for GRI 305-3 c. Our partner is working on a quality-assured method of calculating biogenic Scope 3 emissions, which we plan to report when we have the data available.
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	Sustainability Notes	56	Swedish Annual Accounts Act (AAA): Environment
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Our sustainability work, Support the Earth, Workers in the Value Chain, Sustainability Notes	14, 28–35, 42, 56	Swedish Annual Accounts Act (AAA): Environment
GRI 400 Social standards				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Notes	58	Swedish Annual Accounts Act (AAA): Social conditions and staff
GRI 403: Occupational health and safety 2018	403-1-7 Work environment, occupational health care and safety	Passionate Employees, Sustainability Notes	51, 52, 58	Swedish Annual Accounts Act (AAA): Social conditions and staff
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	Sustainability Notes	57	Swedish Annual Accounts Act (AAA): Social conditions and staff
GRI 405: Diversity and equal opportunities 2016	405-2 Ratio of basic salary and remuneration of women to men	Sustainability Notes	57	Swedish Annual Accounts Act (AAA): Social conditions and staff
GRI 408: Child labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	Workers in the Value Chain	42	Swedish Annual Accounts Act (AAA): Risk AAA: Respect for human rights
GRI 409: Forced or compulsory labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Workers in the Value Chain	42	Swedish Annual Accounts Act (AAA): Risk AAA: Respect for human rights
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Sustainability Notes	56	Swedish Annual Accounts Act (AAA): Risk AAA: Respect for human rights
GRI 414: Supplier social assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Workers in the Value Chain, Sustainability Notes	42–44, 56	Swedish Annual Accounts Act (AAA): Risk AAA: Respect for human rights

Directors' report

Directors' report

About the business

Stadium AB is headquartered in Norrköping and is the parent company of all the companies within the Stadium Group. The Group is wholly owned by the Eklöf family via the holding company Stadium Holding AB.

All amounts are stated in thousands of SEK (TSEK), unless otherwise stated.

The Stadium Group's vision is to activate the world. Through physical stores and e-commerce, the Group sells sports gear and sports fashion with a mission to inspire an active lifestyle.

Stadium is the largest player in the Swedish sports market and one of the market's leading sports gear and sports fashion chains in the Nordic region. The subsidiaries conduct sales in physical stores and e-commerce in Sweden, Finland and Norway. Selected own brands are also sold via e-commerce in several countries in Europe. The Stadium Group comprises two different concepts: Stadium and Stadium Outlet.

At the end of the financial year, the Group had 192 physical stores and nine e-commerce stores, of which 138 of the physical stores were located in Sweden, 49 in Finland and five in Norway. Five of the e-commerce sites were Swedish, three Finnish and one Norwegian.

Stadium also runs one of Sweden's largest sports camps: Stadium Sports Camp. The camp is run as a special limited company (known as an SVB company in Sweden), with an ambition to ensure that all children and young people have the opportunity to experience the joy of playing sports together and to try out new sports. The guiding principles are breadth rather than elite, and living by Stadium's mission to inspire an active lifestyle. Since its inception, Stadium Sports Camp has activated more than 120,000 children and young people, and distributed more than SEK 70 million to the partner clubs.

Development of the Group's business, profit and position

Financial overview, Group	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Sales, MSEK	7,509	7,101	6,956	6,080	6,148
Change from previous year, %	5.7 %	2.1 %	14.4 %	1.1 %	9.6 %
Depreciation for the year, MSEK	69	67	67	80	93
Operating profit/loss, MSEK	223	488	610	118	133
Operating margin, %	3.0 %	6.9 %	8.8 %	1.9 %	2.2 %
Profit/loss after financial items, MSEK	201	488	606	113	127
Profit/loss for the year, MSEK	164	386	472	82	99
Cash and cash equivalents, MSEK	45	38	489	160	62
Inventories, SEK million (MSEK)	2,258	2,236	1,470	1,525	1,606
Balance sheet total	2,945	2,850	2,510	2,086	2,093
Equity ratio, %	43.8 %	39.2 %	43.2 %	29.4 %	28.3 %
Total no. of stores	201	192	191	189	187
of which physical stores	192	183	182	182	181
Average number of FTE employees	2,088	1,970	1,870	1,652	1,957

Definitions: see note 34

Financial overview, parent company	2022/2023	2021/2022	2020/2021	2019/2020	2018/2019
Sales, SEK thousands	945,192	868,687	632,742	598,751	702,733
Change from previous year, %	8.8 %	37.3 %	5.7 %	–14.8 %	–3.6 %
Depreciation for the year, TSEK	14,467	13,081	10,110	6,785	7,066
Operating profit/loss, TSEK	66,995	134,356	–14,689	–21	–2,494
Operating margin, %	7.1 %	15.5 %	–2.3 %	0.0 %	–0.4 %
Profit/loss after financial items, TSEK	84,087	135,309	–13,525	3,422	2,827
Profit/loss for the year, TSEK	112,742	366,510	411,661	73,846	66,545
Balance sheet total	1,062,834	992,009	1,104,049	843,584	827,485
Equity ratio, %	90 %	87 %	72 %	60 %	61 %
Average number of FTE employees	179	160	134	110	150

Definitions: see note 34

Comments on sales and profit/loss in the Group
It has been a turbulent year in retail, with an economic situation that has come under increasing pressure. High inflation and rising interest rates have significantly reduced consumers' purchasing power. Despite weak growth in the industry, the Stadium Group's net sales increased by almost 6 percent to SEK 7,509 (7,101) million. Comparable sales increased in local currency in all markets and nine new physical stores were opened during the year, which also helped to drive up sales.

Reduced consumption combined with high stock levels held by many players in the industry has led to considerable pressure on prices. The Group's gross profit for the financial year 2022/2023 was SEK 3,220 (3,277) million. The lower gross margin is explained in part by the aforementioned general price pressure across the industry, and in part by tactics to reduce stock and tied-up capital.

Operating expenses amounted to SEK 2,921 (2,716) million. Inflation has driven up cost levels across the board, while rent for premises, which is a significant cost item for the Group, increased sharply as a result of unusually high index increases.

Depreciation of SEK 69 (67) million related primarily to depreciation of equipment and store fixtures and fittings, but also depreciation and amortisation of properties, renting, capitalised expenditure, trademarks and goodwill.

EBITDA for the financial year was SEK 299 (554) million and operating profit after depreciation SEK 223 (488) million. The profit trend for the year was negative as a result of a lower gross margin combined with cost increases.

The Group's net financial items amounted to SEK –22.7 (0.4) million An increase in inventories during the year gave rise to a temporarily increased credit requirement which, in combination with higher interest rates, led to higher interest expenses. Profit after financial items amounted to SEK 201 (488) million.

Financial position
The cash account amounted to SEK 45 million on 31 August 2023. The equity ratio improved during the year, reaching 43.8 percent.

Stadium's total credit facilities totalled SEK 1,149 million on 31 August, including letter of credit, debt recovery and leasing limits, of which SEK 823 million went unutilised.

Personnel
The number of FTE employees during the financial year was 2,088. Healthy attendance remains at a high level.

Significant events during the financial year
The expansion of Stadium Outlet continues, with nine new stores opened during the year, five of which were in Sweden, two in Finland and two in Norway. The year also saw investments in more new stores that are scheduled to open in autumn 2023.

The latest addition to the Stadium concept is Stadium Rental, which offers the rental of sports products, initially focusing on alpine skiing and snowboarding equipment. Alpindepån in Åre, which Stadium acquired a couple of years ago, was this year rebranded as Stadium Rental, with investment also channelled into opening a store in Sälen at the end of 2023.

The expansion of selected own brands continues, and during the year sales of SOC and Everest were launched on our own e-commerce sites in a number of countries in Europe and on Decathlon's digital marketplace.

Stadium Sports Camp took place across two weeks in the summer, getting 3,400 children and young people active.

Expected future developments and significant risks and uncertainties
Current market conditions are tough and the prospects for retail over the coming year are uncertain. The Stadium Group is planning for continued growth in both physical and e-commerce.

The focus is firmly on the customer experience, with the product range, services and functionality being developed all the time in a drive to improve the purchasing experience in all sales channels.

In addition to growth, the emphasis is on boosting the gross margin. In order to counteract and manage the pressure on gross margins, various investments are being made in Stadium's own brands, digitalisation and efficiency improvements through better system support. Last year's inflation has pushed up cost levels, not least premises costs. To ensure continued cost efficiency and profitability, the store network and rental contracts are evaluated on an ongoing basis.

In addition to risks and uncertainties related to the economy and consumers' purchasing power, there are also impacts and uncertainties linked to weather, macroeconomic changes and external factors in the production countries.

The parent company
The parent company, Stadium AB, operates the group-wide functions that in various ways support the concepts and subsidiaries, with services in areas such as logistics, finance, IT, HR and administration.

Net sales amounted to SEK 945 (869) million and profit after financial items to SEK 84 (135) million.

During the financial year, the parent company invested approximately SEK 8 million in office renovation, fixtures and fittings and IT equipment.

Foreign operations

Stadium Outlet AB has a foreign branch in Finland, which runs retail activities in physical stores and via e-commerce at stadiumoutlet.fi.

Use of financial instruments

The Group's management of financial risks is centralised in the finance department and is conducted on the basis of a financial policy adopted by the Board of Directors.

A significant proportion of the Group's purchases are made in USD. In order to reduce the effects of future exchange rate movements, the majority of the Group's contracted purchases of goods are hedged on an ongoing basis. The hedged forward rate is used to value goods purchases.

On 31 August 2023, there were 46 forward contracts and the market value measured at current exchange rates and market interest rates for the remaining term amounted to SEK 13 million. The average remaining maturity was just over 4 months.

Proposed appropriation of profit

The Board of Directors proposes that non-restricted equity of SEK 599,782,493 be allocated as follows:

Dividend	60,000,000
Carried forward	539,782,493
Total	599,782,493

For more on the profit/loss and financial position of the Group and the parent company, please refer to the income statements and balance sheets with accompanying notes in later pages.

BOARD

ANDERS SVENSSON

Born in 1964

Chair of the Board, elected in 2019

CEO of ICA Sweden 2009–2022 and Vice CEO of ICA Gruppen. Arla Foods 2002–2009, including Senior Vice President and CEO of Arla Foods Sweden. Procter & Gamble Nordic and UK 1993–2002, including Logistics Director Nordic and Sales Director Sweden. Andersen Consulting 1988–1993.

Other positions: Chair of Swedish Commerce and the Cibonum Group. Board member of the Confederation of Swedish Enterprise, Midsona, Skistar, Nicoya and RE:OCEAN.

ULF EKLÖF

Born in 1952

Deputy Chair of the Board, elected in 1974

Founder of Stadium

Other positions: CEO of Eklöf Invest AB, board member of a number of companies within the Eklöf Invest Group, and board member of a number of companies within the Stadium Group.

BO EKLÖF

Born in 1956

Board member since 1980

Founder of Stadium

Other positions: Board member of a number of companies within the Eklöf Invest Group, and board member of a number of companies within the Stadium Group.

KARL EKLÖF

Born in 1974

Board member since 2003

CEO Stadium Group since 2015, has worked within the Group since 1993. Among other things, he has been involved in launching around 80 stores in several countries, and has held a number of different roles including Store Manager in several stores, Sales Manager, Country Manager in Denmark, and Vice President since 2008.

ANDREA GISLE JOOSEN,

Born in 1964

Board member since 2021

Experience in consumer-related sectors at companies such as Mars, Procter & Gamble, 20th Century Fox, Panasonic and Boxer. Worked as CEO on business turnaround, brand building and organisational development, among other things.

Other positions: Chair of Charge Amps and Bilprovningen. Board member Logent and 888 plc (UK). Member of Swedish Commerce's nomination committee. Coach/mentor for CEOs in Sweden and the UK.

BIRGER LUND

Born in 1949

Board member since 2005

CEO IKANO 2002–2011. CEO of IKEA's retail trade in China 1996–2002, Sweden 1990–1996, UK 1984–1990 and the Netherlands 1980–1984.

Other positions: Board member Solhemmet, Interogo Foundation.

LINDA PALMGREN NYMAN

Born in 1974

Board member since 2018

Background as a business leader in Sweden and the Nordic region, primarily in media, communications and technology, and a key figure behind the entry of the influencer phenomenon into the Swedish market. Former CEO, Bauer Media, CEO and Head of Development at the media agency Starcom/Publicis Groupe. Experience in business development, business turnarounds, marketing and communication.

Other positions: Board member Voyd Play, IAB, advisor to Wisory in strategy and leadership.

JESPER FRUELUND SCHMIDT

Born in 1953

Board member since 2014

Ikano AB, MD 2015–2020, Ikano Bank (DK) Director 1996–2015, Finax, Credit Director, various positions in Hafnia in Denmark and the UK, and various positions in Storno/General Electric in the USA, Denmark and Germany.

Other positions: Board member Ikano Re AG Switzerland and Chair of Ikano Insight Ltd UK.

GROUP MANAGEMENT

KARL EKLÖF

Born in 1974

CEO Stadium Group since 2015

Has worked full-time at Stadium since 1993. Among other things, he has been involved in launching around 80 stores in several countries, and has held a number of different roles in the company, including Store Manager in several stores, Sales Manager, Country Manager in Denmark, and Vice President since 2008.

DANIEL LÖFKVIST

Born in 1979

COO & Vice President Stadium Group since 2021

Has worked at Stadium since 2001. Started as a store salesperson and rose to Store Manager, before working in Denmark and with the German market, as a Division Manager, with our special formats, as Sales Manager, as Manager of Sweden and as a General Manager for Stadium Outlet.

SOPHIA HEMSTAD

Born in 1975

CFO Stadium Group since 2017

Joined Stadium in 2017 and previously worked as CFO for a Nordic group in the graphics industry. Former management consultant in Stockholm for several years, with Europe as her workplace and a focus on strategic change and efficiency projects.

DANIEL JOHANSSON

Born in 1978

Supply Chain Director Stadium Group since 2016

Has worked with logistics at Stadium since 2001, going from managing logistics with paper and pen to automating the entire flow.

MIRANDA NANHED

Born in 1980

Purchase & Category Director Stadium Group since 2021

Experience of developing purchasing functions in retail and manufacturing, most recently in the role of Chief Purchasing Officer for an e-retailer in children's fashion. As a former management consultant, change management work in strategy, leadership, governance and digitalisation has been a central component in all her positions.

FREDRIK PERSSON

Born in 1976

CDO Stadium Group since 2017

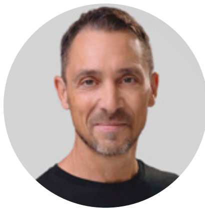
Has worked at Stadium since 1997. Started as a store salesperson before becoming Store Manager. Took up his first role in digital sales in 2007 when Stadium launched its first e-commerce operation.

IDA TÖRNEKE

Born in 1979

HR & Sustainability Director Stadium Group since 2022

Experience in HR and as HR Manager, including in the logistics sector and most recently in the construction and civil engineering industry. Has worked broadly in all roles, including managerial support, organisational development and strategic talent management.



PINO ROSCIGNO

Born in 1968

Commercial & Brand Director Stadium Group since 2017

Since 2006, he has worked in management roles in the financial industry with a focus on business development, marketing and sales in the Nordic market. Specialist areas are digital transformation, brand development and sustainability communication.

KRISTINA SKOOG RAPPESTAD

Born in 1962

PA to CEO since 2004

Worked in the hotel and tourism industry until joining Stadium in 2000. First spent a couple of years with the marketing department's in-house agency and then landed her current role.

Financial statements

CONSOLIDATED INCOME STATEMENT

Amount in SEK thousands (TSEK)	Note	2022/2023	2021/2022
Net sales	2	7,508,674	7,100,667
Other operating income		49,553	29,910
		7,558,227	**7,130,577**
Operating expenses			
Goods for resale		–4,338,473	–3,854,044
Other external costs	3, 4	–1,567,268	–1,370,813
Personnel costs	3	–1,351,602	–1,345,538
Depreciation, amortisation and write-downs of tangible and intangible assets		–75,914	–66,818
Other operating expenses		–1,795	–5,722
Operating profit/loss		**223,175**	**487,642**
Profit/loss from financial items			
Interest income and similar profit/loss items	5	2,807	3,576
Interest expenses and similar profit/loss items	6	–25,458	–3,150
Profit/loss after financial items		**200,524**	**488,068**
Profit/loss before tax		**200,524**	**488,068**
Tax on profit for the year	8	–37,017	–102,441
Net profit/loss for the year		**163,507**	**385,627**

CONSOLIDATED BALANCE SHEET

Amount in SEK thousands (TSEK)	Note	31 Aug 2023	31 Aug 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditure for research and development and similar	9	27,952	43,355
Concessions, patents, licences, trademarks and similar rights	10	–	390
Renting and similar rights	11	–	141
Goodwill	12	1,311	1,893
		29,263	**45,780**
Tangible assets			
Land and buildings	13	56,204	58,508
Equipment, tools, fixtures and fittings	14	163,359	130,861
		219,563	**189,369**
Financial assets			
Other securities held as fixed assets	16	146,	146
Deferred tax asset	17	4,180	4,098
Other long-term receivables	18	8,232	8,232
		12,558	**12,475**
Total fixed assets		**261,384**	**247,625**
Current assets			
Inventories etc.			
Finished products and goods for resale		2,257,805	2,235,994
		2,257,805	**2,235,994**
Current receivables			
Accounts receivable – trade		41,689	40,099
Receivables from parent company		59,556	–
Current tax assets		32,277	–
Other receivables		55,542	79,157
Prepaid expenses and accrued income	19	191,456	209,358
		380,520	**328,613**
Cash and bank balances			
Cash and bank balances	30	45,254	38,268
		45,254	**38,268**
Total current assets		**2,683,579**	**2,602,875**
TOTAL ASSETS		**2,944,963**	**2,850,500**

Amount in SEK thousands (TSEK)	Note	31 Aug 2023	31 Aug 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	20	200,000	200,000
Reserves		165,679	182,067
Profit or loss brought forward, including profit/loss for the year		923,211	734,441
Total equity		**1,288,890**	**1,116,508**
Provisions			
Provisions for pensions and similar commitments	24	11,966	11,426
Deferred tax liability	25	31,891	39,730
Other provisions	26	8,324	8,466
		52,181	**59,623**
Current liabilities			
Liabilities to credit institutions	29	165,404	204,331
Accounts payable		839,958	879,196
Liabilities to parent company		–	1,295
Current tax liability		–	892
Other liabilities		170,633	145,552
Accrued expenses and deferred income	27	427,897	443,104
		1,603,892	**1,674,369**
TOTAL EQUITY AND LIABILITIES		**2,944,963**	**2,850,500**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amount in SEK thousands (TSEK)	Share capital	Other capital contributions	Other equity including profit/loss for the year
Opening capital 1 Sep 2021	200,000	18,154	865,295
Dividends paid			–360,000
Translation difference		946	6,487
Profit/loss for the year 2021/2022			385,627
Closing capital 31 Aug 2022	200,000	19,100	897,408
Total equity 31 Aug 2022			**1,116,508**
Opening capital 1 Sep 2022	200,000	19,100	897,408
Translation difference		2,022	6,853
Profit/loss for the year 2022/2023			163,507
Closing capital 31 Aug 2023	200,000	21,122	1,067,768
Total equity 31 Aug 2023			**1,288,890**

CONSOLIDATED CASH FLOW STATEMENT

Amount in SEK thousands (TSEK)	Note	2022/2023	2021/2022
Operating activities			
Profit/loss after financial items	29	200,524	488,068
Adjustment for items not included in cash flow	31	131,636	145,881
		332,160	**633,949**
Income tax paid		–59,106	–236,865
Cash flow from operating activities before changes in working capital		**273,055**	**397,084**
Cash flow from changes in working capital			
Increase (–) / Decrease (+) in inventories		–62,485	–832,927
Increase (–) / Decrease (+) in current receivables		–30,751	64,670
Increase (+)/Decrease (–) in current liabilities		–49,814	213,262
Cash flow from operating activities		**130,005**	**–157,911**
Investing activities			
Purchase of property, plant and equipment		–80,478	–69,814
Purchase of property, plant and equipment		–259	–5,077
Acquisition of subsidiaries/businesses, net effect on liquidity		–	–52,000
Acquisition of financial assets		–	450
Cash flow from investing activities		**–80,737**	**–126,441**
Financing activities			
Borrowings		730,000	–
Repayment of borrowings		–702,250	–
Overdraft reduction		–70,563	193,675
Dividends paid		–	–360,000
Cash flow from financing activities		**–42,813**	**–166,325**
Cash flow for the year		6,455	–450,677
Cash and cash equivalents at beginning of year		38,268	488,844
Exchange rate differences in cash and cash equivalents		532	101
Cash and cash equivalents at end of year	30	**45,254**	**38,268**

INCOME STATEMENT – PARENT COMPANY

Amount in SEK thousands (TSEK)	Note	2022/2023	2021/2022
Net sales	2	945,192	868,687
Other operating income		56,172	27,794
		1,001,363	**896,481**
Operating expenses			
Goods for resale		–481,627	–441,456
Other external costs	3, 4	–266,920	–156,480
Personnel costs	3	–169,299	–151,108
Depreciation, amortisation and write-downs of tangible and intangible assets		–16,521	–13,081
Operating profit/loss	32	**66,995**	**134,356**
Profit/loss from financial items			
Interest income and similar profit/loss items	5	34,180	1,166
Interest expenses and similar profit/loss items	6	–17,089	–213
Profit/loss after financial items		**84,087**	**135,309**
Appropriations			
Group contributions, received		34,735	286,050
Group contributions, paid		–4,090	–11,950
Appropriations, other	7	26,764	54,142
Profit/loss before tax		**141,496**	**463,551**
Tax on profit for the year	8	–28,754	–97,041
Net profit/loss for the year		**112,742**	**366,510**

BALANCE SHEET – PARENT COMPANY

Amount in SEK thousands (TSEK)	Note	31 Aug 2023	31 Aug 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalised expenditure for research and development and similar	9	14,504	24,169
Concessions, patents, licences, trademarks and similar rights	10	–	390
		14,504	**24,559**
Tangible assets			
Equipment, tools, fixtures and fittings	14	19,516	18,220
		19,516	**18,220**
Financial assets			
Participations in Group companies	15, 32	103,160	103,160
Other securities held as fixed assets	16	144	144
Deferred tax asset	17	2,423	2,313
Other long-term receivables	18	8,100	8,100
		113,828	**113,717**
Total fixed assets		**147,847**	**156,496**
Current assets			
Current receivables			
Accounts receivable – trade		743	2
Receivables from Group companies		841,039	813,166
Current tax assets		13,968	555
Other receivables		38,647	4,160
Prepaid expenses and accrued income	19	20,382	17,630
		914,779	**835,514**
Cash and bank balances			
Cash and bank balances	30	**208**	–
		208	–
Total current assets		**914,987**	**835,514**
TOTAL ASSETS		**1,062,834**	**992,009**

Amount in SEK thousands (TSEK)	Note	31 Aug 2023	31 Aug 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	20	200,000	200,000
Statutory reserve		62,000	62,000
Reserve for capitalised development expenditure		14,504	24,169
		276,504	**286,169**
Non-restricted equity			
Profit or loss brought forward	21	487,040	110,865
Profit for the year		112,742	366,510
		599,782	477,375
Total equity		**876,287**	**763,544**
Untaxed reserves			
Accumulated excess depreciation	22	9,339	12,517
Tax allocation reserves	23	88,383	111,969
		97,722	**124,486**
Provisions			
Provisions for pensions and similar commitments	24	11,765	11,226
		11,765	**11,226**
Current liabilities			
Liabilities to credit institutions	29	27,750	458
Accounts payable		11,371	16,390
Liabilities to Group companies		5,489	32,254
Other liabilities		3,246	2,876
Accrued expenses and deferred income	27	29,205	40,775
		77,061	**92,753**
TOTAL EQUITY AND LIABILITIES		**1,062,834**	**992,009**

STATEMENT OF CHANGES IN EQUITY – PARENT COMPANY

Amount in SEK thousands (TSEK)	Share capital	Statutory reserve	Reserve for capitalised development expenditure	Non-restricted equity
Opening capital 1 Sep 2021	200,000	62,000	30,415	464,620
Dividend				–360,000
Transfer to reserve for capitalised development expenditure			–6,246	6,246
Profit/loss for the year 2021/2022				366,510
Closing capital 31 Aug 2022	200,000	62,000	24,169	477,376
Total equity 31 Aug 2022				**763,544**
Opening capital 1 Sep 2022	200,000	62,000	24,169	477,376
Transfer to reserve for capitalised development expenditure			–9,665	9,665
Profit/loss for the year 2022/2023				112,742
Closing capital 31 Aug 2023	200,000	62,000	14,504	599,782
Total equity 31 Aug 2023				**876,288**

CASH FLOW STATEMENT – PARENT COMPANY

Amount in SEK thousands (TSEK)	Note	2022/2023	2021/2022
Operating activities			
Profit/loss after financial items	29	84,087	135,308
Adjustment for items not included in cash flow	31	6,883	13,854
		90,970	**149,162**
Income tax paid		–42,420	–189,633
Cash flow from operating activities before changes in working capital		**48,550**	**–40,470**
Cash flow from changes in working capital			
Increase (–) / Decrease (+) in current receivables		–249,689	146,124
Increase (+)/Decrease (–) in current liabilities		150,481	47,162
Cash flow from operating activities		**–50,657**	**152,815**
Investing activities			
Purchase of property, plant and equipment		–7,530	–12,750
Acquisition of intangible assets		–	–2,271
Disposal of financial assets		–	105
Acquisition of subsidiaries		–	–52,000
Cash flow from investing activities		**–7,530**	**–66,915**
Financing activities			
Group contributions received		34,735	286,050
Group contribution paid		–4,090	–11,950
Borrowings		730,000	–
Repayment of borrowings		–702,250	–
Dividends paid		–	–360,000
Cash flow from financing activities		**58,395**	**–85,900**
Cash flow for the year		208	–
Cash and cash equivalents at beginning of year		–	–
Cash and cash equivalents at end of year		**208**	**–**

NOTES

Amount in TSEK unless otherwise stated

NOTE 1 ACCOUNTING POLICIES

The Annual Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Estimates and judgements

According to the Board of Directors, the following judgements have an effect on the amounts reported in the annual report:

Stadium offers its customers a 365-day return policy. Reserves for returns are made in the accounts and the reserve is based on statistics that measure the value of returns in relation to total sales in e-commerce.

Inventories are recognised at the lower of either cost or net realisable value. Net realisable value refers to valuation at the sales price less estimated sales costs. The obsolescence reserve therefore entails an element of judgement.

Financial instruments

Classification and measurement

Financial instruments are measured at cost.

Financial assets and liabilities are recognised when the company becomes a party to the contractual terms of the financial instrument. Financial assets are removed from the balance sheet when the contractual right to the cash flow from the asset ceases or is regulated, or when the risks and benefits associated with the asset are transferred to another party. Financial liabilities are removed from the balance sheet when the contractual commitment is fulfilled or expires.

Trade receivables are measured at cost less anticipated losses. Trade payables and other non-interest-bearing liabilities are measured at nominal amounts.

Financial assets and non-current financial liabilities, as well as interest-bearing current receivables and liabilities, are measured at amortised cost, which is normally the same as the fair value (transaction value) at the time of acquisition plus directly attributable transaction expenses such as brokerage, both on initial recognition and in subsequent measurement.

Derivative instruments

Long-term derivative instruments with a positive value are valued according to the lowest value principle. Long-term and short-term derivative instruments with a negative value are measured at the amount that is most advantageous for the company if the commitment is settled or transferred on the balance sheet date.

Intangible assets

Acquired intangible assets are reported at cost less accumulated amortisation and write-downs.

All expenses incurred during the research phase are expensed when they arise. All expenses incurred during the development phase are capitalised when the following conditions are met: the company intends to complete the intangible asset and to use or sell it and the company is in a position to use or sell the asset; it is technically feasible for the company to complete the intangible asset so that it can be used or sold and there are adequate technical, financial and other resources to complete the development and to use or sell the asset; it is probable that the intangible asset will generate future economic benefits and the enterprise can reliably calculate the expenses attributable to the asset during its development.

Amortisation

Amortisation takes place on a straight-line basis over the asset's estimated useful life. Amortisation is recognised as an expense in the income statement.

Additional expenditure

Additional expenditure for an intangible asset is added to the cost only if it increases the future economic benefits that exceed the original judgement and the expenditure can be calculated reliably. All other expenditure is expensed when incurred.

Acquired intangible assets

Brands	5 years
Software	5 years
Renting	5–15 years

Renting is depreciated over the term of the contract.

Tangible assets

Tangible assets are reported at cost less accumulated depreciation and write-downs.

Additional expenditure

Additional expenditure that meets the asset criterion are included in the asset's carrying amount. Expenditure for ongoing maintenance and repairs is recognised as a cost when it arises.

Depreciation

Depreciation takes place on a straight-line basis over the asset's estimated useful life as it reflects the expected consumption of the asset's future economic benefits. Depreciation is recognised as an expense in the income statement.

	Useful life
Equipment, tools, fixtures and fittings	5–15 years
Buildings	
- Carcass	40–60 years
- Foundation slab	40–60 years
- Roof	10–30 years
- Installations	10 years
- Surface layers	3–10 years
- Land installations	20 years

Leasing

In the Group, assets leased through a financial lease agreement are recognised as a tangible asset, while future lease payments are recognised as liabilities. On initial recognition, the asset and liability are recognised at the present value of future minimum lease payments and any residual value. In calculating the present value of the minimum lease payments, the imputed interest rate of the agreement is used. Operating leases are recognised as an expense on a straight-line basis over the lease term.

Note 1 – Accounting policies, cont.

The Group's leasing agreements for company cars are classified as financial leasing in the Group.
The parent company recognises all leases, both financial and operational, as operating leases.

Foreign currency

Items in foreign currency

Monetary items in foreign currencies are translated at the exchange rate on the balance sheet date.
Exchange differences arising from the adjustment or translation of monetary items are recognised in the income statement in the financial year in which they arise.

Translation of foreign operations

Assets and liabilities are translated into the reporting currency at the closing rate. Revenues and expenses are translated at the spot rate on each day for the business transactions unless a rate that represents an approximation of the actual rate is used (e.g. average rate). Exchange rate differences arising from translation are recognised directly in equity.

Derivatives and hedge accounting

Derivative instruments that constitute financial assets and for which hedge accounting has not been applied (see below) are measured after initial recognition at the lower of either cost or net realisable value on the balance sheet date. There were no such derivative instruments on the balance sheet date.
Hedge accounting is only applied when there is an economic relationship between the hedging instrument and the hedged item that is in line with the company's risk management objectives. In addition, the hedging relationship is expected to be highly effective during the period for which the hedging has been identified, and the hedging relationship and the company's risk management objectives and risk management strategy for the hedging are to be documented no later than when the hedging is entered into.

(i) Hedging of receivables and liabilities in foreign currency

When hedging receivables and liabilities in foreign currencies with currency forwards, the underlying receivable or liability is valued at the forward rate.

(ii) Hedging of firm commitments and forecast transactions in foreign currency

The result of hedging firm commitments and highly probable forecast transactions in foreign currency is reported at the same time as the hedged transaction affects the income statement. When hedging purchases of goods or tangible assets in foreign currencies, the accumulated change in value attributable to the hedging instrument is included in the cost of the inventories or tangible asset.

Branches abroad

The balance sheet for the company's foreign branches is translated at the exchange rate on the balance sheet date. The branches' income statements are converted to the average exchange rate for the financial year. Translation differences for previous years' profits are recognised in the income statement.

Cash equivalents

Cash equivalents comprise cash, immediately available bank balances and other money market instruments with an original maturity of less than three months. These items are generally measured at amortised cost.

Inventories

Inventories are recognised at the lower of either cost or net realisable value. The risk of obsolescence is taken into account. The acquisition value is calculated according to the first-in-first-out principle, or weighted average prices. In addition to expenses for purchases, the acquisition value also includes expenses for getting the goods to their current location and condition.
Net realisable value refers to valuation at the sales price less estimated sales costs. The obsolescence reserve therefore entails an element of judgement.
The useful life of the stock in the rental business has been estimated at 3 years, whereby the rental stock is written down over 3 years by 1/3 per year. Any residual value after 3 years is assessed and taken into account on the balance sheet date.

Employee benefits

Compensation to employees in the form of salaries, bonuses, paid holiday, paid sick leave, etc., and pensions are recognised as and when they earned. With regard to pensions and other post-employment benefits, these are classified as defined contribution or defined benefit pension plans. There are no other long-term employee benefits.

Pensions

Post-employment benefits plans are classified as either defined contribution or defined benefit.
In the case of defined contribution plans, fixed contributions are paid to another company, normally an insurance company, and Stadium no longer has any legal or informal commitment to the employee once the contribution has been paid. The size of the employee's post-employment benefits depends on the contributions that have been paid and the return on capital that the contributions provide.
Other plans are classified as defined benefit plans. In the case of defined benefit plans, the company has a commitment to provide the agreed benefits to current and former employees.
The Group has both defined contribution and defined benefit pension plans.

Defined contribution plans

Fees for defined contribution plans are recognised as an expense during the period in which the employees perform the services on which the commitment is based. Unpaid fees are recognised as liabilities.

Defined benefit plans

The company has chosen to apply the simplification rules in BFNAR 2012:1.
Defined benefit plans for which pension premiums are paid are recognised as defined contribution plans, which means that the contributions are recognised as expenses in the income statement.
In cases where the pension commitments are solely dependent on the value of an asset owned, the pension commitment is recognised as a provision corresponding to the asset's carrying amount.

The pension provisions of the Group and the parent company are not secured under the Swedish Pensions Protection Act. They relate to company-owned endowment insurance policies taken out in favour of direct pensions.

Tax

Tax on profit for the year in the income statement consists of current tax and deferred tax. Current tax is income tax for the current financial year that relates to the taxable profit for the year and the part of the previous financial year's income tax that has not yet been recognised. Deferred tax is income tax on taxable profit for future financial years as a result of previous transactions or events.
The measurement is based on how the carrying amount of the corresponding asset or liability is expected to be adjusted. The amounts are based on the tax rates and tax rules adopted before the balance sheet date and have not been calculated at present value.

Note 1 – Accounting policies, cont.

Deferred tax assets have been measured at a maximum of the amount that is likely to be recovered based on current and future taxable profits. The valuation is reviewed on each balance sheet date.

In the consolidated balance sheet, untaxed reserves are divided into deferred tax and equity.

Provisions

A provision is recognised in the balance sheet when the company has a legal or informal commitment as a result of an event that has occurred, where it is probable that an outflow of resources is required to settle the commitment and a reliable estimate of the amount can be made.

On initial recognition, provisions are measured at the best estimate of the amount that will be required to settle the commitment on the balance sheet date. Provisions are reviewed on each balance sheet date.

Contingent liabilities

A contingent liability is recognised in the note when there is:

- A possible commitment arising from events that have occurred and the existence of which will only be confirmed by one or more uncertain future events, which are not entirely within the control of the company, or
- An existing commitment as a result of events that have occurred, but which is not recognised as a liability or provision because it is not probable that an outflow of resources will be required to settle the commitment, or the size of the commitment cannot be calculated with sufficient reliability.

Income

The inflow of financial benefits that the company has received or will receive for its own account is recognised as income. Income is measured at fair value of what has been received or will be received, less discounts and expected returns.

In the case of sale of goods, revenue is recognised upon delivery.

Consolidated financial statements

The consolidated financial statements are prepared in accordance with the acquisition method. The consolidated financial statements cover the parent company and its subsidiaries. Subsidiaries are companies in which the parent company has a controlling influence, either directly or indirectly. Normally, this refers to a company in which the parent company holds more than 50% of the votes. Subsidiaries are included in the consolidated financial statements from the date on which the Group acquires controlling influence until the date on which this is no longer the case. The accounting policies of the subsidiaries are generally consistent with the Group's accounting policies.

In the consolidated financial statements, the Group companies' appropriations are eliminated and included in the reported profit after deferred tax. This means that the untaxed reserves of the Group companies in the consolidated balance sheet are divided between deferred tax liability and equity.

Parent company accounting policies

The parent company's accounting policies are in accordance with the above-mentioned accounting policies in the consolidated financial statements, except in the following cases.

Group contributions

Group contributions received/paid are recognised as an appropriation in the income statement.
The Group contribution received/paid has affected the company's current tax.

NOTE 2 NET SALES BY GEOGRAPHIC MARKET

Group	**2022/2023**	**2021/2022**
Net sales by geographic market		
Sweden	5,622,398	5,498,312
Finland	1,794,466	1,539,091
Norway	91,060	63,264
Austria	20	–
Belgium	41	–
Denmark	519	–
France	1	–
Netherlands	54	–
Poland	0	–
Germany	116	–
Total	**7,508,674**	**7,100,667**

Parent company	**2022/2023**	**2021/2022**
Net sales by geographic market		
Sweden	350,065	326,541
Finland	590,988	539,408
Norway	4,138	2,738
Total	**945,192**	**868,687**

NOTE 3 EMPLOYEES, PERSONNEL COSTS AND FEES TO THE BOARD OF DIRECTORS AND AUDITORS

Average number of employees

	2022/2023	**Of which male**	**2021/2022**	**Of which male**
Parent company				
Sweden	179	41 %	160	42 %
Total in parent company	**179**	**41 %**	**160**	**42 %**
Subsidiaries				
Sweden	1,446	37 %	1,405	39 %
Finland	436	36 %	385	36 %
Norway	25	40 %	16	35 %
Hong Kong	3	33 %	4	48 %
Total in subsidiaries	**1,910**	**37 %**	**1,810**	**38 %**
Total Group	**2,088**	**37 %**	**1,970**	**39 %**

Note 3 – Employees, personnel costs and fees to the Board of Directors and auditors, cont.

Reporting of gender distribution in company management

	31 Aug 2023 Proportion of women	31 Aug 2022 Proportion of women
Parent company		
Board	25 %	25 %
Other senior executives	44 %	38 %
Total Group		
Board	25 %	25 %
Other senior executives	44 %	44 %
Store managers	58 %	55 %

Salaries and other benefits and social security costs, including pension costs

	2022/2023		2021/2022	
	Wages, salaries and other remu-neration	Social security costs	Wages, salaries and other remu-neration	Social security costs
Parent company	107,382	54,274	97,767	47,610
(of which pension costs)		*(15,214)*	[1]	*(13,502)*
Subsidiaries	890,279	278,151	807,386	257,274
(of which pension costs)		*(84,961)*		*(79,418)*
Total Group	**997,661**	**332,425**	**905,153**	**304,885**
(of which pension costs)		***(100,176)***	[2]	***(92,920)***

1 Of the parent company's pension costs, 511 (previous year: 481) relates to 1 (2) persons in the company's senior management. The company's outstanding pension commitments to these amount to 8 100 (previous year: 8 100).

2 Of the Group's pension costs, 511 (previous year: 481) relates to 2 (3) persons in the company's senior management. The Group's outstanding pension commitments to these amount to 8 232 (previous year: 8 232).

Wages, salaries and other remuneration distributed between board members, etc. and other employees

	2022/2023		2021/2022	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Parent company	6,604	100,778	8,128	89,639
(of which bonuses etc.)	*(–)*	*(–)*	*(2,075)*	*(6,414)*
Subsidiaries	–	890,279	–	807,386
(of which bonuses etc.)	*(–)*	*(3,200)*	*(–)*	*(23,695)*
Total Group	**6,604**	**991,057**	**8,128**	**897,024**
(of which bonuses etc.)	***(–)***	***(3,200)***	***(2,075)***	***(30,109)***

Severance pay

The employment contract with the CEO runs with a notice period of 12 months on the company's part. During the notice period, basic salary and other benefits are paid.

Auditor's fees and expenses

Group	**2022/2023**	**2021/2022**
BDO Mälardalen AB		
Audit assignment	1,564	1,110
Auditing activities in addition to the audit assignment	116	92
Tax advice	47	–
Other assignments	190	112
Total	**1,916**	**1,313**

Parent company	**2022/2023**	**2021/2022**
BDO Mälardalen AB		
Audit assignment	336	194
Auditing activities in addition to the audit assignment	–	46
Tax advice	47	11
Total	**383**	**250**

NOTE 4 OPERATIONAL LEASING

Group	**31 Aug 2023**	**31 Aug 2022**
Within one year	477,349	368,970
Between one and five years	872,579	489,884
More than five years	32,663	28,161
Total	**1,382,590**	**887,015**

	2022/2023	**2021/2022**
Expensed leasing charges for the financial year	607,945	553,416

The costs mainly relate to leasing costs for shop premises.

Parent company	**31 Aug 2023**	**31 Aug 2022**
Future minimum lease payments for non-terminable operating leases		
Within one year	19,636	21,544
Between one and five years	4,4926	1,330
More than five years	–	–
Total	**64,562**	**22,874**

	2022/2023	**2021/2022**
Expensed leasing charges for the financial year	20,955	18,714

The costs mainly relate to leasing costs for office premises and cars.

NOTE 5 INTEREST INCOME AND SIMILAR INCOME ITEMS

Group	2022/2023	2021/2022
Interest income, other	2,469	77
Deferred forward premium	–	3,499
Miscellaneous	338	–
Total	**2,807**	**3,576**

Parent company	2022/2023	2021/2022
Interest income, Group companies	34 052	1 226
Interest income, other	128	62
Miscellaneous	0	–122
Total	**34 180**	**1 166**

NOTE 6 INTEREST EXPENSES AND SIMILAR INCOME ITEMS

Group	2022/2023	2021/2022
Interest expenses, other	–21,786	–3,150
Deferred forward premium	–2,808	–
Miscellaneous	–864	0
Total	**–25,458**	**–3,150**

Parent company	2022/2023	2021/2022
Interest expenses, Group companies	–	0
Interest expenses, other	–17,089	–213
Miscellaneous	0	0
Total	**–17,089**	**–213**

NOTE 7 APPROPRIATIONS, OTHER

	2022/2023	2021/2022
Difference between taxable and recognised depreciation		
– Capitalised expenditure and similar rights	3,733	2,417
– Equipment, tools, fixtures and fittings	–555	–2,245
Tax allocation reserve, reversal for the year	23,586	53,970
Total	**26,764**	**54,142**

NOTE 8 TAX ON PROFIT FOR THE YEAR

Group	2022/2023	2021/2022
Current tax	–44,939	–111,204
Deferred tax	7,921	8,763
Total	**–37,017**	**–102,441**

Parent company	2022/2023	2021/2022
Current tax	–28,865	–97,193
Deferred tax	111	152
Total	**–28,754**	**–97,041**

Reconciliation of effective tax

	2022/2023		2021/2022	
Group	**Percent**	**Amount**	**Percent**	**Amount**
Profit/loss before tax		200,524		488,068
Tax according to the current tax rate for the parent company	20.6 %	–41,308	20.6 %	–100,542
Effect of other tax rates for foreign subsidiaries	–0.1 %	206	0.0 %	174
Other non-deductible costs	1.6 %	–3,143	0.5 %	–2,508
Non-taxable income	–0.1 %	165	–0.2 %	982
Tax effect, standard income, allocation reserve	0.4 %	–739	0.2 %	–838
Increase in loss carry-forward without corresponding capitalisation of deferred tax	–0.1 %	103	0.0 %	–204
Tax attributable to previous years	–2.4 %	4,883	–0.1 %	251
Change in deferred tax	–0.3 %	540	0.0 %	–184
Miscellaneous	1.1 %	2,278	–0.1 %	428
Recognised effective tax	**18.5 %**	**–37,017**	**21.0 %**	**–102,441**

	2022/2023		2021/2022	
Parent company	**Percent**	**Amount**	**Percent**	**Amount**
Profit/loss before tax		141,496		463,551
Tax according to the current tax rate for the parent company	20.6 %	–29,148	20.6 %	–95,491
Non-deductible costs	0.6 %	–871	0.3 %	–1,401
Non-taxable income	0.0 %	27	0.0 %	13
Tax effect, standard income, allocation reserve	0.5 %	–739	0.2 %	–838
Tax attributable to previous years	0.2 %	–265	–	–
Change in deferred tax	–0.1 %	111	–0.1 %	401
Miscellaneous	–1.5 %	2,132	–0.1 %	276
Recognised effective tax	**20.3 %**	**–28,754**	**20.9 %**	**–97,041**

NOTE 9 CAPITALISED EXPENDITURE FOR RESEARCH AND DEVELOPMENT AND SIMILAR

Group	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	85,462	81,073
Acquisitions for the year	259	5,077
Divestments and disposals	-12,100	-935
Exchange rate differences for the year	578	247
Total	**74,199**	**85,462**
Accumulated depreciation		
Start of the year	-42,106	-28,306
Reversed depreciation on divestments and disposals	12,100	686
Reclassifications	1	6
Depreciation for the year	-13,919	-14,420
Exchange rate differences for the year	-269	-73
Total	**-44,193**	**-42,106**
Accumulated write-downs		
Write-downs for the year	-2,054	–
Total	**-2,054**	**–**
Carrying amount at end of year	**27,952**	**43,355**

Parent company	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	44,113	41,843
Acquisitions for the year	–	2,271
Divestments and disposals	-12,100	–
Total	**32,013**	**44,113**
Accumulated depreciation		
Start of the year	-19,944	-11,428
Reversed depreciation on divestments and disposals	12,100	–
Depreciation for the year	-7,611	-8,516
Total	**-15,456**	**-19,944**
Accumulated write-downs		
Write-downs for the year	-2,054	–
Total	**-2,054**	–
Carrying amount at end of year	**14,504**	**24,169**

NOTE 10 CONCESSIONS, PATENTS, LICENCES, TRADEMARKS AND SIMILAR RIGHTS

Group	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	5,238	5,238
Total	**5,238**	**5,238**
Accumulated depreciation		
Start of the year	-4,848	-4,458
Depreciation for the year	-390	-390
Total	**-5,238**	**-4,848**
Carrying amount at end of year	**–**	**390**

Parent company	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	5,238	5,238
Total	**5,238**	**5,238**
Accumulated depreciation		
Start of the year	-4,848	-4,458
Depreciation for the year	-390	-390
Total	**-5,238**	**-4,848**
Carrying amount at end of year	**–**	**390**

NOTE 11 RENTING AND SIMILAR RIGHTS

Group	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	16,000	16,000
Divestments and disposals	-16,000	–
Total	**–**	**16,000**
Accumulated depreciation		
Start of the year	-15,859	-15,435
Divestments and disposals	16,000	–
Depreciation for the year	-141	-424
Total	**–**	**-15,859**
Carrying amount at end of year	**–**	**141**

NOTE 12 GOODWILL

Group	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	2,913	2,913
Total	**2,913**	**2,913**
Accumulated amortisation		
Start of the year	–1,019	–437
Amortisation for the year	–582	–582
Total	**–1,601**	**–1,019**
Carrying amount at end of year	**1,311**	**1,893**

NOTE 13 BUILDINGS AND LAND

Group	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Business combinations	60,238	60,238
Total	**60,238**	**60,238**
Accumulated depreciation		
Start of the year	–1,729	–
Depreciation for the year	–2,305	–1,729
Total	**–4,034**	**–1,729**
Carrying amount at end of year	**56,204**	**58,508**

NOTE 14 EQUIPMENT, TOOLS, FIXTURES AND FITTINGS

Group	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	1,137,144	1,063,359
New acquisitions	93,180	75,038
Divestments and disposals	–45,644	–14,028
Exchange rate differences for the year	27,462	12,775
Total	**1,212,142**	**1,137,144**
Accumulated depreciation		
Start of the year	–1,006,283	–952,275
Reversed depreciation on divestments and disposals	39,132	7,108
Reclassifications	–55	–6
Depreciation for the year	–51,198	–49,833
Exchange rate differences for the year	–25,053	–11,277
Total	**–1,043,457**	**–1,006,283**
Accumulated write-downs		
Start of the year	–	–560
Write-downs reversed during the year	–	1,400
Write-downs for the year	–5,326	–840
Total	**–5,326**	**–**
Carrying amount at end of year	**163,359**	**130,861**

Parent company	31 Aug 2023	31 Aug 2022
Accumulated acquisition costs		
Start of the year	41,146	38,281
New acquisitions	7,530	12,750
Divestments and disposals	–1,149	–9,885
Total	**47,527**	**41,146**
Accumulated depreciation		
Start of the year	–22,927	–28,585
Reversed depreciation on divestments and disposals	1,149	9,833
Depreciation of acquisition costs for the year	–6,234	–4,174
Total	**–28,012**	**–22,927**
Carrying amount at end of year	**19,516**	**18,220**

Note 14 – Equipment, tools, fixtures and fittings, cont.

Leasing

Group	**31 Aug 2023**	**31 Aug 2022**
Fixtures and fittings held under finance leases are included at a carrying amount of	14,542	10,656

The present value of future payments relating to financial leasing liabilities is reported under other current and non-current liabilities in the Group.

The financial leasing agreements relate in their entirety to company cars.

NOTE 15 HOLDINGS IN GROUP COMPANIES

	31 Aug 2023	**31 Aug 2022**
Accumulated acquisition costs		
Start of the year	143,667	111,873
Acquisitions	–	31,795
Total	**143,667**	**143,667**
Accumulated write-downs		
Start of the year	–40,508	–40,386
Changes for the year	–	–122
Total	**–40,508**	**–40,508**
Carrying amount at end of year	**103,160**	**103,160**

Specification of parent company and Group holdings in Group companies

Subsidiary/Corporate ID no./Registered office	**No. of holdings**	**Holdings in %[1]**	**31 Aug 2023 Carrying amount**	**31 Aug 2022 Carrying amount**
Stadium Sweden AB, 556236-4397, Norrköping	50,000	100.0	57,360	57,360
Stadium Oy, 1515574-2, Helsinki				
Stadium Outlet Norge A/S, 971173076, Oslo				
Stadium Deutschland GmbH, HRB57867, Hamburg				
Stadium Rental AB, 556973-7512, Norrköping				
Stadium (HK) Limited, 1658390, Hong Kong	1	100.0	0	0
Stadium Outlet AB, 556249-1216, Norrköping	100	100.0	10,933	10,933
Stadium Solutions AB, 556531-8390, Norrköping	1,000	100.0	100	100
Sneakers Point AB, 556353-1416, Norrköping	1,000	100.0	–	–
Stadium Ski AB, 556425-2053, Norrköping	10 000	100.0	1,200	1,200
Mats Sport AB, 556425-1287, Norrköping	10 000	100.0	1,200	1,200
New Race Marin AB, 556221-1770, Norrköping	5,000	100.0	214	214
Stadium Sports Camp AB (svb), 556521-6834, Norrköping	1,000	100.0	358	358
Stadium Fastigheter AB, 559343-8731, Norrköping	500	100.0	31,795	31,795
			103,160	**103,160**

1 Refers to the participating interest, which also corresponds to the proportion of votes for the total number of shares.

Profit/loss of subsidiaries

	2022/2023		**2021/2022**	
Subsidiary/Corporate ID no./Registered office	**Net profit/ loss for the year**	**Currency**	**Net profit/ loss for the year**	**Currency**
Stadium Sweden AB, 556236-4397, Norrköping	43,570	SEK	56,021	SEK
Stadium Oy, 1515574-2, Helsinki	3,137	EUR	2,478	EUR
The Stadium Norge A/S, 971173076, Oslo	1,515	NOK	1,061	NOK
Stadium Deutschland GmbH, HRB57867, Hamburg	–	EUR	–	EUR
Stadium Rental AB, 556973-7512, Norrköping	291	SEK	–287	SEK
Stadium (HK) Limited, 1658390, Hong Kong	149	HKD	315	HKD
Stadium Outlet AB, 556249-1216, Norrköping	26,313	SEK	27,394	SEK
Stadium Solutions AB, 556531-8390, Norrköping	42	SEK	–6	SEK
Sneakers Point AB, 556353-1416, Norrköping	511	SEK	18	SEK
Stadium Ski AB, 556425-2053, Norrköping	39	SEK	–40	SEK
Mats Sport AB, 556425-1287, Norrköping	–	SEK	–	SEK
New Race Marin AB, 556221-1770, Norrköping	–	SEK	–	SEK
Stadium Sports Camp AB (svb), 556521-6834, Norrköping	–1	SEK	–537	SEK
Stadium Fastigheter AB, 559343-8731, Norrköping	–392	SEK	1,475	SEK

Note 15 – Holdings in Group companies, cont.

Equity of subsidiaries

	31 Aug 2023		31 Aug 2022	
Subsidiary/Corporate ID no./Registered office	**Equity**	**Currency**	**Equity**	**Currency**
Stadium Sweden AB, 556236-4397, Norrköping	209,338	SEK	165,768	SEK
Stadium Oy, 1515574-2, Helsinki	6,591	EUR	5,954	EUR
The Stadium Norge A/S, 971173076, Oslo	3,731	NOK	2,216	NOK
Stadium Deutschland GmbH, HRB57867, Hamburg	–	EUR	–	EUR
Stadium Rental AB, 556973-7512, Norrköping	934	SEK	643	SEK
Stadium (HK) Limited, 1658390, Hong Kong	2,501	HKD	2,352	HKD
Stadium Outlet AB, 556249-1216, Norrköping	121,971	SEK	93,903	SEK
Stadium Solutions AB, 556531-8390, Norrköping	164	SEK	122	SEK
Sneakers Point AB, 556353-1416, Norrköping	660	SEK	149	SEK
Stadium Ski AB, 556425-2053, Norrköping	1,234	SEK	1,195	SEK
Mats Sport AB, 556425-1287, Norrköping	1,200	SEK	1,200	SEK
New Race Marin AB, 556221-1770, Norrköping	633,	SEK	633	SEK
Stadium Sports Camp AB (svb), 556521-6834, Norrköping	155	SEK	156	SEK
Stadium Fastigheter AB, 559343-8731, Norrköping	1,133	SEK	1,525	SEK

NOTE 16 OTHER INVESTMENTS HELD AS FIXED ASSETS

Group	**31 Aug 2023**	**31 Aug 2022**
Accumulated acquisition costs		
Start of the year	146	146
Carrying amount at end of year	**146**	**146**

Parent company	**31 Aug 2023**	**31 Aug 2022**
Accumulated acquisition costs		
Start of the year	144	144
Carrying amount at end of year	**144**	**144**

NOTE 17 DEFERRED TAX

Group	**31 Aug 2023**	**31 Aug 2022**
Opening balance	4,098	3,715
Additional tax assets	147	471
Reversed tax assets	–65	–88
Carrying amount at end of year	**4,180**	**4,098**

Parent company	**31 Aug 2023**	**31 Aug 2022**
Opening balance	2,313	2,160
Additional tax assets	111	152
Carrying amount at end of year	**2,423**	**2,313**

NOTE 18 OTHER LONG-TERM RECEIVABLES

Group	**31 Aug 2023**	**31 Aug 2022**
Accumulated acquisition costs		
Start of the year	8,232	8,560
Additional receivables	–	17
Regulated receivables	–	–345
Carrying amount at end of year	**8,232**	**8,232**

Parent company	**31 Aug 2023**	**31 Aug 2022**
Accumulated acquisition costs		
Start of the year	8,100	8,083
Additional receivables	–	17
Carrying amount at end of year	**8,100**	**8,100**

NOTE 19 PREPAID EXPENSES AND ACCRUED INCOME

Group	31 Aug 2023	31 Aug 2022
Prepaid rents	126,740	101,902
Prepaid lease payments	1,419	1,205
Prepaid insurance premiums	2,076	2,167
Prepaid marketing and sponsorship	3,802	9,186
IT-related items	11,900	13,707
Interest income accrued	4,307	4,131
Personnel-related items	3,384	2,213
Accrued income	15,356	20,295
Other items	22,472	54,550
Carrying amount at end of year	**191,456**	**209,358**

Parent company	31 Aug 2023	31 Aug 2022
Prepaid rents	3,956	3,146
Prepaid lease payments	226	158
Prepaid insurance premiums	44	987
Personnel-related items	2,898	1,826
IT-related costs	9,134	8,359
Interest income accrued	1 500	–
Prepaid marketing and sponsorship	507	5
Other items	2,116	3,148
Carrying amount at end of year	**20,382**	**17,630**

NOT 20 SHARE CAPITAL

The share capital consists of 1,732,000 shares with a quota value corresponding to SEK 115.47 each.

NOTE 21 PROPOSED APPROPRIATION OF PROFIT FOR THE YEAR

The Board of Directors proposes that non-restricted equity of SEK 477,374,970 be allocated as follows:

Dividend	60,000,000
Carried forward	539,782,493
Total	**599,782,493**

NOTE 22 ACCUMULATED EXCESS DEPRECIATION

	31 Aug 2023	31 Aug 2022
Capitalised expenditure for development etc.	5,684	9,027
Concessions, patents, licences, trademarks	–	390
Machinery and equipment	3,655	3,100
Carrying amount at end of year	**9,339**	**12,517**

NOTE 23 TAX ALLOCATION RESERVES

	31 Aug 2023	31 Aug 2022
Provisions for financial year 2016/2017	–	23,586
Provisions for financial year 2017/2018	30,926	30,926
Provisions for financial year 2018/2019	29,701	29,701
Provisions for financial year 2019/2020	27,756	27,756
Carrying amount at end of year	**88,383**	**111,969**

NOTE 24 PROVISIONS FOR PENSIONS AND SIMILAR COMMITMENTS

Pension costs

Group	2022/2023	2021/2022
The costs are recognised in the following lines in the income statement:		
Personnel costs	-540	-1,302
Financial income	–	62
Total cost of post-employment benefits	**-540**	**-1,240**

Parent company	2022/2023	2021/2022
The costs are recognised in the following lines in the income statement:		
Personnel costs	-539	-1,209
Financial income	–	62
Total cost of post-employment benefits	**-539**	**-1,147**

Pensions and similar commitments

Group	31 Aug 2023	31 Aug 2022
Start of the year	11,426	11,113
Additional liabilities	540	751
Regulated liabilities	–	-437
Carrying amount at end of year	**11,966**	**11,426**

Parent company	31 Aug 2023	31 Aug 2022
Start of the year	11,226	10,486
Additional liabilities	539	751
Regulated liabilities	–	-11
Carrying amount at end of year	**11,765**	**11,226**

NOTE 25 PROVISIONS FOR TAX

Group	31 Aug 2023	31 Aug 2022
Start of the year	39,730	42,574
Additional liabilities	–	721
Regulated liabilities	-7,839	-3,564
Carrying amount at end of year	**31,891**	**39,730**

Provisions for tax relate mainly to tax on untaxed reserves.

NOTE 26 OTHER PROVISIONS

Group	31 Aug 2023	31 Aug 2022
Start of the year	8,466	7,139
Additional liabilities	174	1,545
Regulated liabilities	-317	-218
Carrying amount at end of year	**8,324**	**8,466**

Other provisions refer to returns reserves.

NOTE 27 ACCRUED EXPENSES AND DEFERRED INCOME

Group	31 Aug 2023	31 Aug 2022
Payroll and social security reserves	211,116	231,341
Debt balance, gift cards, etc.	119,653	114,401
Marketing expenses	20,217	36,364
Liability for FOB deliveries	47,180	4,189
Additional costs of goods	11,620	26,031
Premises costs (electricity, operation, etc.)	4,005	1,398
Other items	14,107	29,380
Carrying amount at end of year	**427,897**	**443,104**

Parent company	31 Aug 2023	31 Aug 2022
Payroll and social security reserves	25,817	38,057
Other items	3,388	2,718
Carrying amount at end of year	**29,205**	**40,775**

NOTE 28 PLEDGED ASSETS AND CONTINGENT LIABILITIES

Contingent liabilities

Parent company	31 Aug 2023	31 Aug 2022
Guarantees in favour of Group companies	372,187	,489,695

The parent company's contingent liabilities comprise guarantees in favour of subsidiaries, concerning rental contracts and banking connections.

NOTE 29 INTEREST PAID AND RECEIVED

Group	31 Aug 2023	31 Aug 2022
Interest received	2,469	838
Interest paid	-21,786	-3,150
Total	**-19,316**	**-2,312**

Parent company	31 Aug 2023	31 Aug 2022
Interest received	34,180	1,327
Interest paid	-17,089	-213
Total	**17,091**	**1,114**

NOTE 30 CASH EQUIVALENTS

Group	31 Aug 2023	31 Aug 2022
The following sub-components are included in cash equivalents:		
Cash	4,940	5,283
Bank deposits	40,315	32,984
Total	**45,254**	**38,268**

Stadium's overdraft facility on 31 August 2023 amounted to SEK 500 million. On the balance sheet date, SEK 123 million of the Group's overdraft facilities had been utilised. The remaining portion of liabilities to credit institutions consists of liabilities for financial leasing and a short-term loan.

Parent company	31 Aug 2023	31 Aug 2022
The following sub-components are included in cash equivalents:		
Bank deposits	208	–
Total	**208**	**–**

NOTE 31 OTHER INFORMATION ON THE CASH FLOW STATEMENT

Adjustments for items not included in cash flow, etc.

Group	2022/2023	2021/2022
Depreciation	73,495	64,025
Write-downs/reversals of write-downs	61,434	76,805
Unrealised exchange rate differences	–877	–1,843
Capital gain from sale of fixed assets	170	4,493
Accrued interest	–2,984	760
Provisions/receivables for pensions	540	313
Other provisions	–142	1,327
Total	**131,636**	**145,881**

Parent company	2022/2023	2021/2022
Depreciation	16,289	13,081
Unrealised exchange rate differences	–	–228
Capital gain from sale of fixed assets	–	52
Accrued interest	–9,803	39
Provisions/receivables for pensions	539	740
Other non-cash items	–143	170
Total	**6,883**	**14,024**

NOTE 32 GROUP INFORMATION

Group purchasing and sales

Of the parent company's total purchases and sales measured in SEK, 100% (100%) of purchases and 100% (100%) of sales relate to other companies within the group of companies to which the company belongs.

NOTE 33 SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

After the end of the financial year, Stadium Outlet opened one new physical store in Sweden, one in Finland and one in Norway. Stadium Rental also opened its second store in Sweden.

No significant events occurred in the parent company after the balance sheet date.

NOTE 34 DEFINITIONS OF KEY FIGURES

Operating margin:	Operating profit divided by net sales
Balance sheet total:	Total assets
Equity ratio:	Adjusted equity as a % of total assets

SIGNATURES

Norrköping, 6 December 2023

Anders Svensson *Chair of the Board*	Ulf Eklöf	Bo Eklöf	Jesper Fruelund Schmidt
Andrea Gisle Joosen	Linda Palmgren Nyman	Birger Lund	Karl Eklöf *Chief Executive Officer*

Our audit report was submitted on 6 December 2023
BDO Mälardalen AB

Niclas Nordström
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Stadium AB
Company Registration Number 556187-3299

Report on the Annual Report and Consolidated Financial Statements

Opinions

We have audited the annual report and consolidated financial statements of Stadium AB for the financial year 01/09/2022 to 31/08/2023. The company's annual report and consolidated financial statements are included on Pages 62–87 of this document.

In our opinion, the annual report and consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the Group as of 31 August 2023 and of their financial performance and cash flows for the year in accordance with the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual report and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopts the income statement and balance sheet for the parent company and for the Group.

Basis for opinions

We have conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility under these standards is described in more detail in the Auditor's responsibility section. We are independent in relation to the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinions.

Information other than the Annual Report and Consolidated Financial Statements

This document also contains information other than the annual report and the consolidated financial statements, which can be found on Pages 3-61. The Board of Directors and the CEO are responsible for this other information.

Our opinion regarding the annual report and consolidated financial statements does not include this information, and we make no statement confirming this other information.

In connection with our audit of the annual report and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual report and consolidated financial statements. In this review, we also take into account the knowledge we have otherwise acquired during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work carried out with regard to this information, we conclude that the other information contains a material misstatement, we are obliged to report this. We have nothing to report in this respect.

Responsibility of the Board of Directors and the CEO

The Board of Directors and the CEO are responsible for ensuring that the annual report and consolidated financial statements have been prepared and that they give a true and fair view in accordance with the Swedish Annual Accounts Act. The Board of Directors and the CEO are also responsible for such internal control as they deem necessary to prepare an annual report and consolidated financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the annual report and consolidated financial statements, the Board of Directors and the CEO are responsible for assessing the company's and the Group's ability to continue as a going concern. They disclose, when applicable, circumstances that may affect the ability to continue as a going concern and to use the going concern assumption. However, the going concern assumption will not be applied if the Board of Directors and the CEO intend to liquidate the company, cease operations or have no realistic alternative than to do so.

Auditor's responsibility

Our aim is to obtain a reasonable degree of certainty as to whether the annual report and the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to provide an Auditor's Report that includes our opinions. Reasonable certainty is a high level of certainty, but is no guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always discover a material misstatement if such exists. Misstatements may arise from fraud or error and will be considered material if, individually or collectively, they could reasonably be expected to influence the financial decisions made by users on the basis of the annual report and consolidated financial statements.

A further description of our responsibility for the audit of the annual report and consolidated financial statements can be found [in Swedish] on the the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the Auditor's Report.

Report on other statutory and regulatory requirements

Opinions

In addition to our audit of the annual report and consolidated financial statements, we have also audited the management of Stadium AB by the Board of Directors and the CEO for the financial year 01/09/2022 to 31/08/2023, and the proposed appropriations of the company's profit or loss.

We recommend to the AGM that the profit be allocated in accordance with the proposal in the Directors' Report and discharge the members of the Board of Directors and the CEO from liability for the financial year.

Basis for opinions

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities according to these standards are described in more detail in the Auditor's responsibility section. We are independent in relation to the parent company and the Group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate as a basis for our opinions.

Responsibility of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. In the event of a proposed dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the management of the company's affairs. This includes continuously assessing the company's and the Group's financial situation and ensuring that the company's organisation is structured so that accounting, asset management and the company's financial affairs are otherwise controlled in a satisfactory manner. The CEO shall manage the ongoing administration in accordance with the Board of Directors' guidelines and instructions and, among other things, take the measures necessary for the company's bookkeeping to be completed in accordance with the law and for assets to be managed in a satisfactory manner.

Auditor's responsibility

Our aim with regard to the audit of the management, and thus our opinion on discharge from liability, is to obtain audit evidence to be able to assess with a reasonable degree of certainty whether any member of the Board of Directors or the CEO in any material respect:

- has taken any action or been guilty of any omission that may give rise to liability to the company, or
- in any other way has acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our aim with regard to the audit of the proposed appropriation of the company's profit or loss, and thus our opinion on this, is to assess with a reasonable degree of certainty whether the proposal is consistent with the Swedish Companies Act.

Reasonable certainty is a high degree of certainty, but is no guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always discover actions or omissions that may give rise to liability to the company, or that a proposal for the appropriation of the company's profit or loss is not consistent with the Swedish Companies Act.

A further description of our responsibility for auditing the management can be found [in Swedish] on the Swedish Inspectorate of Auditors website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the Auditor's Report.

Stockholm, 6 December 2023

BDO Mälardalen AB

Niclas Nordström
Authorised Public Accountant

AUDITOR'S OPINION ON THE SUSTAINABILITY REPORT

To the Annual General Meeting of Stadium AB
Company Registration Number 556187-3299

Engagement and responsibilities

It is the Board of directions responsible who is responsible for the statutory sustainability report for the financial year 2022-09-01- 2023-08-31 and that it has been prepared in accordance with the Annual Accounts Act (Årsredovisningslagen).

The scope of the audit

The audit covers pages 3–61.

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

Opinion

A statutory sustainability Report has been prepared.

Stockholm, 6 December 2023

BDO Mälardalen AB

Niclas Nordström
Authorized Public Accountant

stadium®
Group