

SUSTAINABILITY REPORT 14-15



stadium

Join the movement



A WORD FROM OUR CEO

Sustainability is at the core of Stadium's business, and crucial to our success. We live sustainability through our values, dedicated to the passion for an active life, knowing that it is shared by our customers. The same customers that are very curious and push for constant innovation, also require to know that we take full responsibility in ensuring durable, safe and sustainable products.

As the new CEO of Stadium, I am proud to be able to share our second sustainability report with you. This year, we have put extra effort into raising the bar on transparency and simplicity to engage more of our stakeholders, by fully including Stadium Outlet. This has posed several challenges for us, such as increased supply chain management, more systemized processes for data collection and strategic issues in balancing short-term production demand with long-term commitment to the four pillars of the UN Global Compact: protection of human rights, international labor standards, the environment and prevention of corruption.

A material aspect for Stadium is to maintain our high ethical business standards. We have always promoted, and will always promote employees and suppliers that share our values and are committed to the fight against the global corruption that impact our suppliers daily, especially in developing parts of the world. We believe that our set strategies will contribute to continuous reduction of greenhouse gas emissions and help us economize limited resources such as water. We hope that our actions will contribute to sustainable development and a much needed impact for both people and the planet.

Our sustainability goals for 2020 remain in place, and we are working with full force to reach these for the sake of the planets wellbeing and coming generations. We are pleased to have saved 19 million liters of water in production during 2014/2015 by using water saving dyeing methods, processes that also reduce chemical use, energy use and carbon dioxide emissions. Over 80% of our own products were PFC-free in 2014/2015 and in 2016 we are nearing 100%.

In the past year, team spirit at Stadium has risen, and we hold the highest respect for all our colleagues that have helped turn re:activate into such a success. In times of great need for humanitarian support in the world, our customers and team members have pitched in beyond expected. re:activate generated 108 tons of clothes and shoes for people in need of the very basics. I am very grateful for this incredible effort, and thank you from the bottom of my heart for your contributions. Actions like these show that there is a will to help one another and be part of a greater good. And if there is something we truly believe in, it is action.

Welcome to Stadium,



Karl Eklöf
CEO



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WHAT THIS IS ALL ABOUT

In the competitive world of sports we always strive to be the best we can – and that goes for working towards a sustainable future as well. Equally important, we always stick to a golden rule: fair play. That means being a transparent company that shares both its strengths and weaknesses, listens to its surroundings and acts upon recommendations.

This is our second annual sustainability report. Our first report was published in June 2015 and covers the fiscal year between September 2013 and August 2014. This report is based on the GRI G4 framework and summarizes our performance from September 2014 to August 2015 and our strategy for working with sustainability issues in the future. It is self-declared to be at a core level.

The report focuses on the issues considered to be the most material regarding our economic, social and environmental performance. These issues were identified during a materiality analysis among our stakeholders in 2015.

Our sustainability report covers the Stadium Group, including the Stadium and Stadium Outlet concepts. Unless otherwise stated, all information and data in this report pertain to activities from September 1st 2014 to August 31st 2015.

The employee-related calculations in this report use GRI scoping and all data is reported according to the metric system. All HR-data is based on headcounts. All calculations of energy use, reduction and emissions are comparisons between fiscal years 2013/2014 and 2014/2015. The data is provided to us by third party service suppliers.

If you have any questions about this report, feel free to contact me at:

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BEST REGARDS

Daniel Johansson
Chairman of the Sustainability Council

ACTIVATE THE WORLD

Whether you walk, run, train, play, dance or kick a ball around – an active lifestyle makes you healthier and happier. That is a lifestyle worth promoting.

Stadium was founded by the brothers Bo and Ulf Eklöf who had a vision: to activate the world. The belief that humans are active by nature, and that everyone should be able to afford an active lifestyle has been deeply rooted within the organization since the start – and it is still this passion that drives us to do what we do.

But activating the world is not just about offering the right gear and apparel at prices everyone can afford. To be able to live a healthy lifestyle we need a healthy planet, now and in the future. As a major player in the sports retail business, we have a responsibility to ensure not only that our products leave a minimal environmental footprint, but that they are manufactured under fair conditions.

We always keep our vision in mind when we are working with our corporate social responsibilities. This way we are going to be able to activate the world – today and tomorrow.

MEET THE TEAM

We believe that the strongest organization is one that is based on equality and diversity. We create this by building a business culture that offers equal opportunities for all employees. The focus for 2014/2015 has been to make sure that we have the tools to gather the same KPIs from all countries, and to ensure that our processes support the goals set for 2020.

During one year, we have almost 4 800 individuals working for Stadium, inspiring our customers to an active lifestyle. Our customers are men and women, younger and older, training enthusiasts and daily exercisers. They represent every aspects of the society we live in and all unique needs that follows. It is vital for us to have a team that matches the demographic of our customers. A team who feel that they are able to contribute with their unique experience and talent, toward our common goal – to activate the world.

In our annual employee survey we ask our employees whether they feel that Stadium is an equal workplace (regardless of gender, gender identity or gender expression, ethnicity, religion or other beliefs, disability, sexual orientation or age). In the survey November 2014 our female employees announced that, in their opinion, Stadium had become more equal, while the results among male employees remained unchanged. All in all, our index for being an equal workplace is 86 %.

We also ask our employees, benefitting the right to parental leave, if they feel that Stadium has given them the opportunity to take parental leave in the way that they desired – in accor-

dance with current rules. 95% agreed and in the statistics, you can see the total number of men and women who have been on parental leave during 2014/2015.

We know that we have areas that we need to focus on, in order to be seen as more equal in all levels of the organization. The areas we need to prioritize are connected to gender, ethnicity and age. We need to set clear goals, create new processes to support the work ahead and find tools that help us keep track of our progress. During this year, this has been our focus.

MILESTONES IN 2014/2015

- We have reviewed our Equality and Diversity plan, and set clear actions to reach our goals. The plan will be reviewed by our board of directors, and implemented 2016.
- We have a stronger focus in our Leadership Trainings to give our managers a deeper understanding of the benefits of having equal and diverse teams.
- With the help of SCB (Statistics Sweden), we will gather data to see the ethnic background among Stadium's Swedish employees, compared to the general working population (our customer base). The purpose is to get a measurable starting point, so that we can follow the progress towards our goals to have a more diverse workforce.

OUR DNA: HIGH5

Stadiums ambition is to be value driven in every aspect. Among our suppliers, this is secured by our code of conduct. Internally we are guided by our DNA that we call High Five. We are as determined with our sustainability goals as we are with our values – they are a vital for our future, and a natural part of the everyday work for all Stadium team members.

ENERGY

With the right mindset, you create energy – and energy creates success.

SIMPLICITY

Common sense and clear communication goes a long way. If you make it simple – you make it right.

TEAM SPIRIT

We think, work and support one another as a team.

INNOVATION

You can always make things better. Innovation is crucial for sustainable development.

PASSION

We have a passion for creating an active, fun, and healthy lifestyle for all.

- We have implemented a new recruitment system that enables us to gather data regarding the candidates that are attracted to Stadium as an employer.
- We have launched a project in all countries of operation, in order to find a HR-system that will help us gather key figures and support our HR processes in a better way. Our ambition is to be able to start implementing this system in 2016.
- We have implemented AFA's IA-system in our Swedish organization, to ensure that we receive information about risks in our work environment, and in turn are able to investigate and take action towards them. This way we can guarantee a workplace adjusted for individual needs and prerequisites.



COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES

% OF INDIVIDUALS IN OUR ORGANIZATION 2014/2015

	MALE	FEMALE	AGE <30	AGE 30-50	AGE >50
BOARD OF DIRECTORS	83.3	16.7	0.0	33.3	66.7
LEADERSHIP TEAM	87.5	12.5	0.0	75.0	25.0
MANAGER	58.9	41.1	10.1	84.5	5.4
EMPLOYEE	41.9	58.1	72.7	25.4	1.9

RATIO OF BASE SALARY AND REMUNERATION

AVERAGE SALARIES IN SEK 2014/2015

OVERALL	ALL	AGE <30	AGE 30-50	AGE >50
FEMALE	281 724	265 068	364 584	395 520
MALE	300 876	269 688	366 528	438 264
TOTAL	289 908	267 036	338 340	395 412
FEMALE VS MALE	93,6%	98,3%	99,5%	90,2%

EMPLOYEES	ALL	AGE <30	AGE 30-50	AGE >50
FEMALE	274 752	264 744	297 684	342 072
MALE	282 168	268 296	313 296	415 236
TOTAL	277 860	266 244	303 972	373 920
FEMALE VS MALE	97,4%	98,7%	95,0%	82,4%

MANAGERS	ALL	AGE <30	AGE 30-50	AGE >50
FEMALE	467 352	343 536	477 672	484 572
MALE	550 236	390 504	568 020	651 204
TOTAL	516 252	374 844	531 792	535 848
FEMALE VS MALE	84,9%	88,0%	84,1%	74,4%

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

TOTAL NUMBER OF PEOPLE THAT HAVE JOINED AND LEFT US 2014/2015

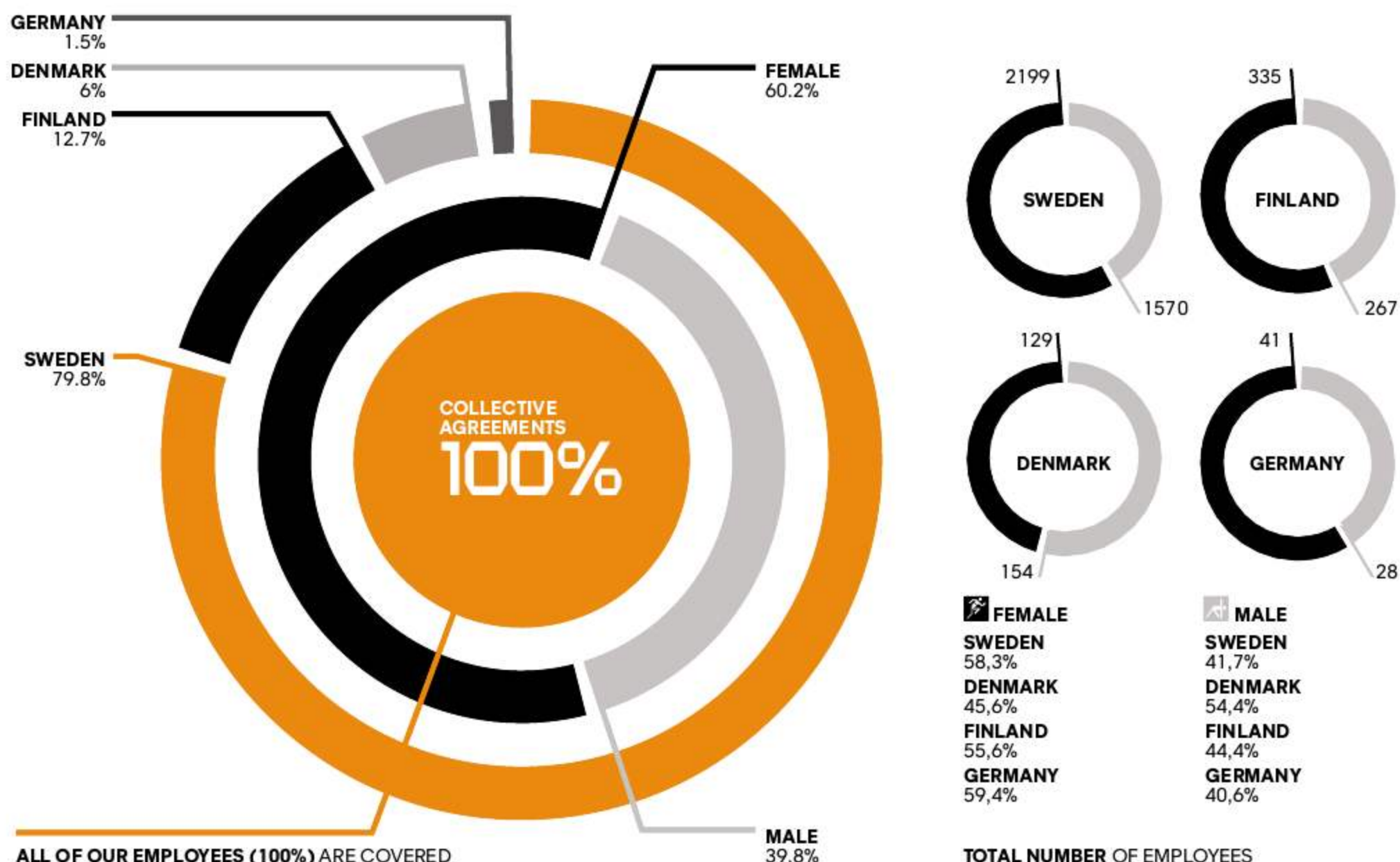
	NEW EMPLOYEE HIRES	EMPLOYEE TURNOVER
FEMALE	855 (60.2%)	784 (58.1%)
MALE	565 (39.8%)	574 (41.9%)
AGE <30	1284 (90.4%)	1137 (83.7%)
AGE 30-50	128 (9.0%)	205 (15.1%)
AGE >50	8 (0.6%)	16 (1.2%)
SWEDEN	1064 (74.9%)	1067 (75.1%)
FINLAND	207 (14.6%)	177 (12.5%)
DENMARK	85 (6%)	100 (12.9%)
GERMANY	64 (4.5%)	14 (1.0%)
TOTAL	1420 (30.1%)	1358 (28.8%)

PARENTAL LEAVE

TOTAL NUMBER OF EMPLOYEES ON PARENTAL LEAVE IN 2014/2015

	FEMALE	MALE
SWEDEN	294 (61.0%)	188 (39.0%)
FINLAND	22 (95.7%)	1 (4.3%)
DENMARK	4 (44.4%)	5 (55.6%)
GERMANY	0	0
TOTAL	320 (62.3%)	194 (37.7%)

TOTAL WORKFORCE BY REGION AND GENDER



ALL OF OUR EMPLOYEES (100%) ARE COVERED BY COLLECTIVE FORMAL BARGAINING, HEALTH AND SAFETY AGREEMENTS, FOR EXAMPLES RULES REGARDING SCHEDULING, WORKING HOURS AND COMPANSATION DURING SICK LEAVE.

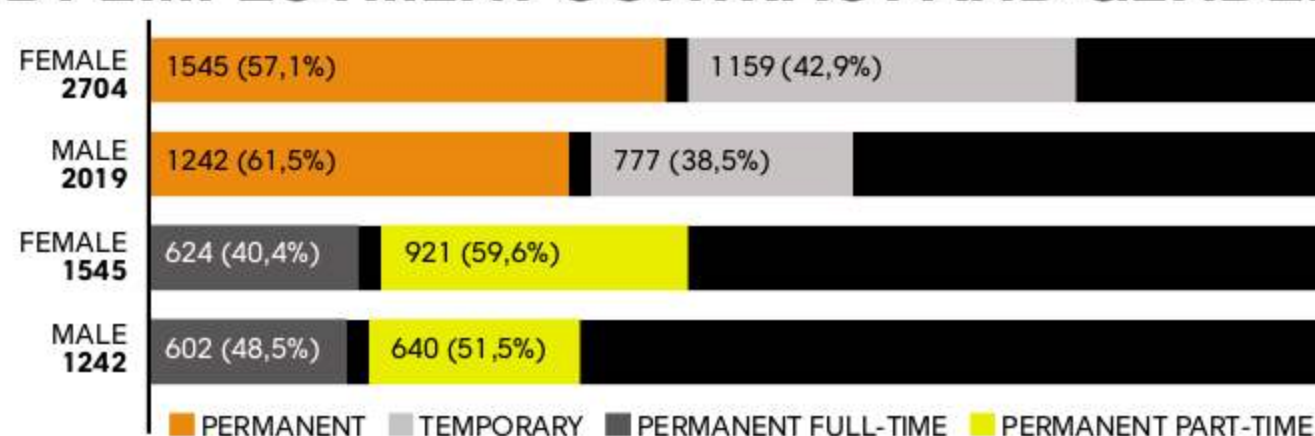
e-NPS: EMPLOYER NET PROMOTER SCORE, CHANGE FROM 2013/2014
35 ↗ **41**

TOTAL NUMBER OF EMPLOYEES DURING 2014/2015

4723



TOTAL NUMBER OF EMPLOYEES BY EMPLOYMENT CONTRACT AND GENDER



GOVERNANCE

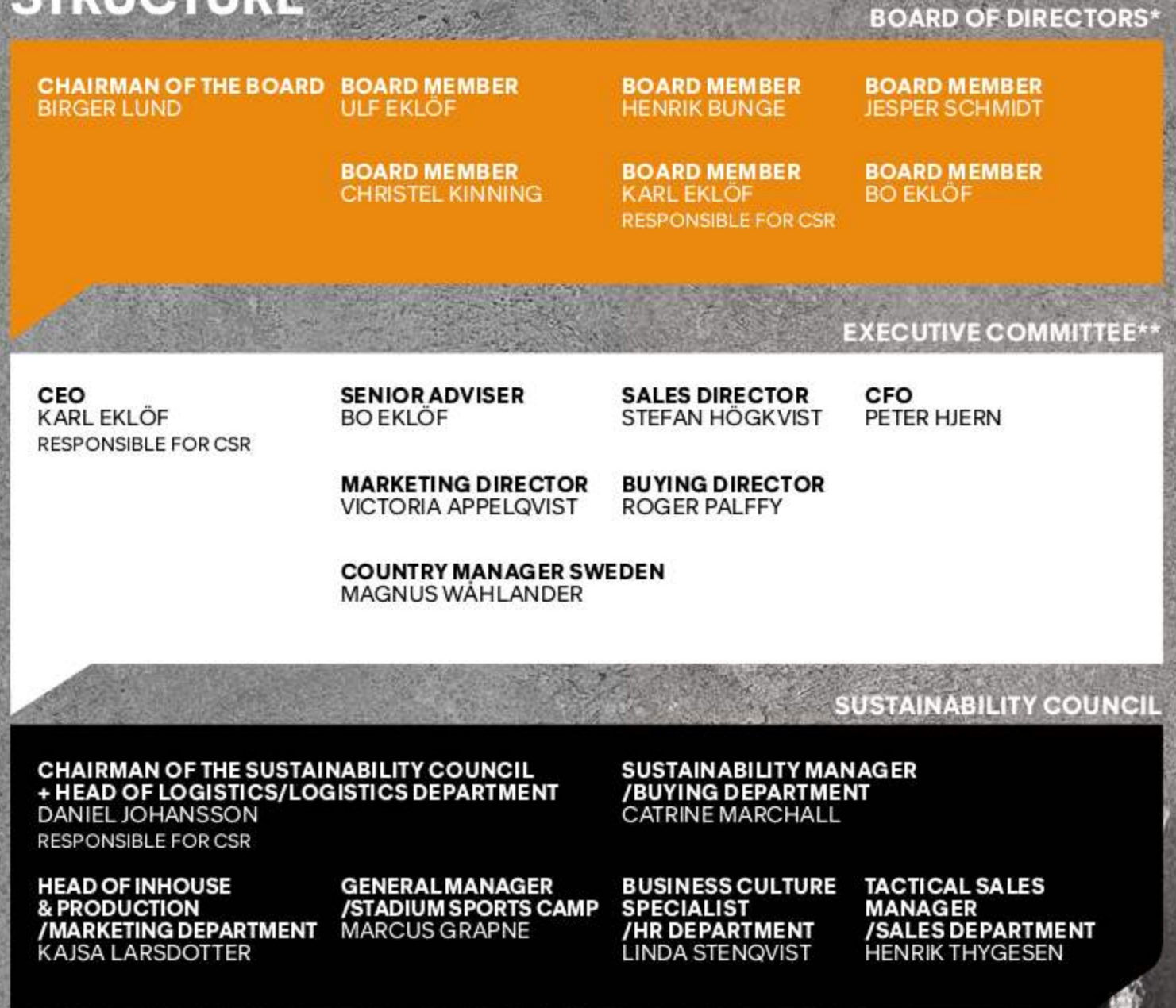
We believe that a strong management is one where a sustainability mindset is present in all instances. And since High 5 is something everyone at Stadium follows, Simplicity is an important motto for effectively motivating everyone in the organization to work towards our vision to activate the world.

OWNERSHIP STRUCTURE



Stadium has a simple ownership structure in which the Eklöf family owns 73% and Ikano 27% of Stadium AB.

CORPORATE STRUCTURE



* In Q4 2015 the Board went from 9 to 7 members as a result of natural transition.

** In Q1 2016 the Executive committee went from 8 to 7 members.

THE STADIUM CONCEPT & FORMAT STRUCTURE

Today, Stadium is made up of two concepts: the original Stadium concept, and Stadium Outlet, that was added in 2009. Within these concepts, there are different formats, both physical and online-based. With these different concepts and formats we are able to service the varying needs of our customers to a greater extent.



FINANCIAL DATA 2014/2015

Direct economic
value generated
and distributed

BASIC DATA

COUNTRY

SWEDEN, FINLAND,
DENMARK AND
GERMANY

COMPONENT

SEK

DIRECT ECONOMIC VALUE GENERATED

REVENUES

5 293 958 000

DIRECT ECONOMIC VALUE DISTRIBUTED

OPERATING COSTS

4 176 534 000

EMPLOYEE WAGES AND BENEFITS

1 004 144 000

PAYMENTS TO PROVIDERS OF CAPITAL

117 958 000

PAYMENTS TO GOVERNMENTS

27 325 645

COMMUNITY INVESTMENTS

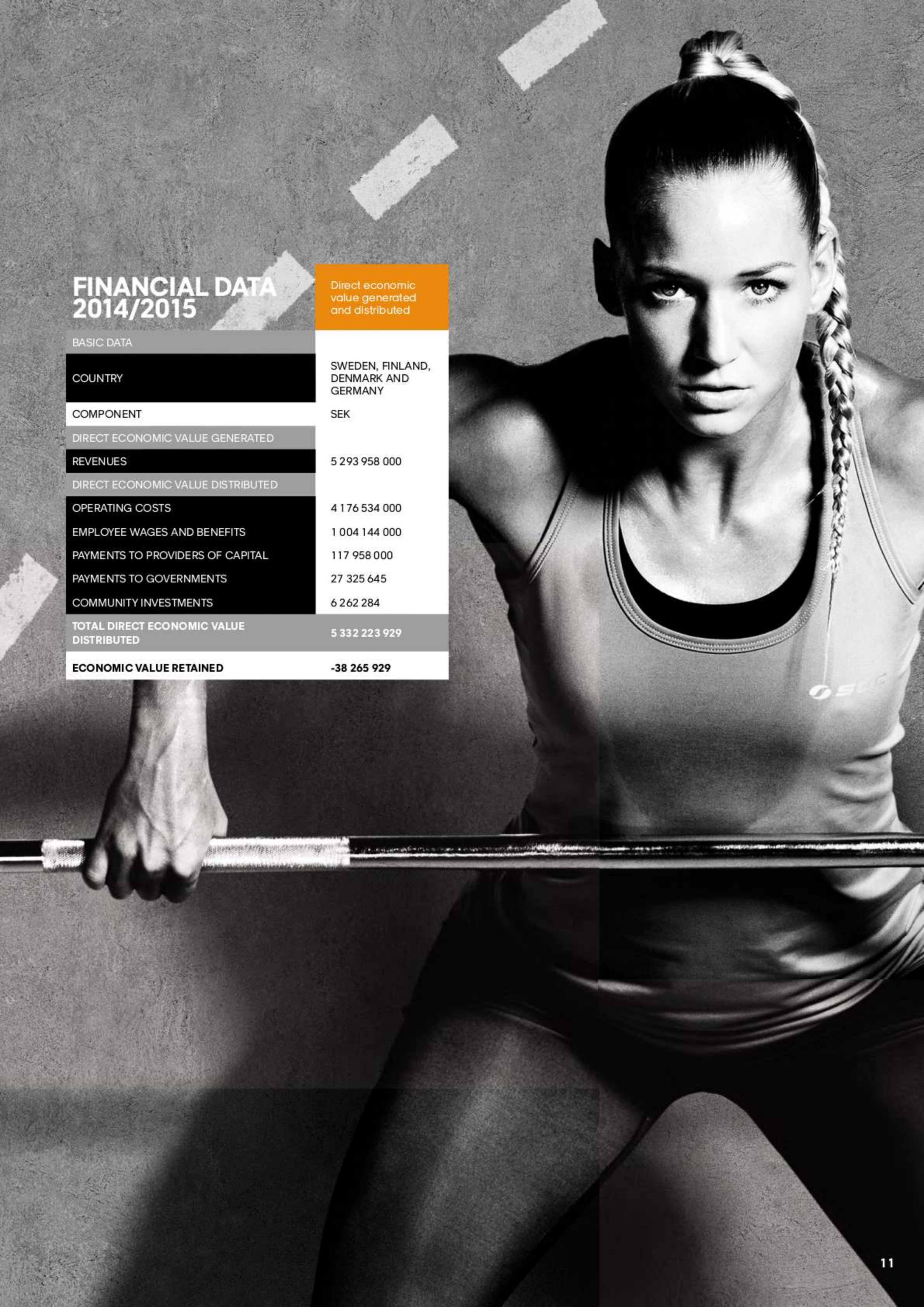
6 262 284

TOTAL DIRECT ECONOMIC VALUE
DISTRIBUTED

5 332 223 929

ECONOMIC VALUE RETAINED

-38 265 929

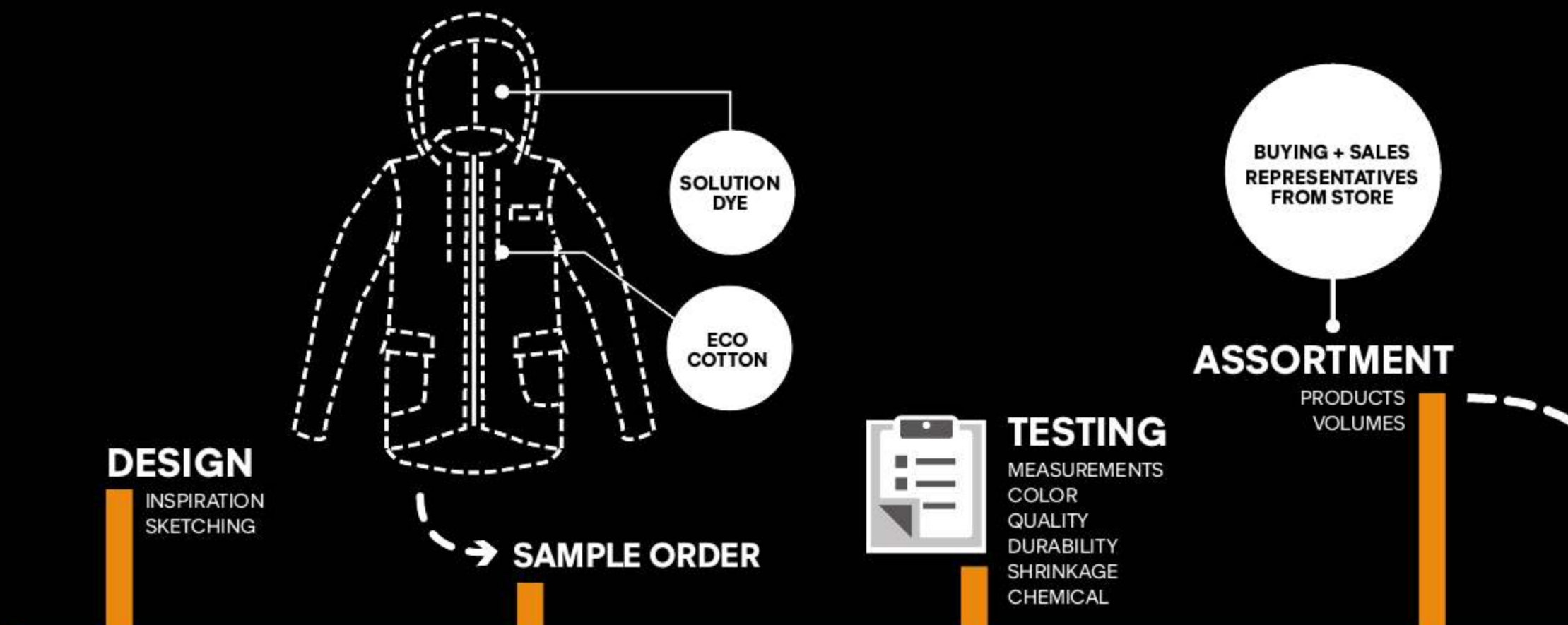


500 DAYS: RESPONSIBILITY FROM THOUGHT TO FINISH

500 days. That is about how long it takes for a jacket to go through the process of being a design idea to ending up in the hands of our customer.

The process of manufacturing one of our exclusive brand jackets involves many steps, and it is a good way to illustrate how our value chain works and the sustainability challenges and issues that are raised along the way.

From designing products with durable and environmentally friendly fabrics and materials, to managing a complex production process and supply chain, we try our best to see to it that our customers end up with products that are manufactured in a fair and responsible way with as little impact on the environment as possible.



SUPPLIER EVALUATIONS AND SCREENINGS

Before choosing a supplier, we need to make sure they are fit for the job, meaning they can manufacture our products in a fair way in terms of caring for both workers and the environment. Auditing all suppliers and following up on the results is a big challenge - but a necessary one.

SUSTAINABLE MATERIALS, PRODUCT QUALITY AND SAFETY

We consistently search for new and better ways to provide our customers with safe and environmentally friendly products. We follow the strict EU regulations of REACH, and work hard with our suppliers to minimize the use of hazardous chemicals. In accordance with this, reducing the usage of any chemicals that are carcinogenic, allergenic or harmful to the environment is a top priority.

Safety is extremely important, especially when it comes to children, and it is always key when designing products for them. We always test our products extensively to make sure they uphold the quality we are known for, and are safe for everyone to use.

In 2015, we started labeling products in our stores with our new Supporting Earth hang-tags, which makes it easier for our customers to purchase environmentally friendly products, and make a more conscious and informed decision. The tags are applied to products that save water and energy in production, use organic cotton and recycled polyester.



PRODUCTION

To make production processes more sustainable, we need to promote techniques that use less energy and water, eliminate the need for hazardous chemicals and produce less waste. One challenge involves changing attitudes and convincing everyone involved that a reduced environmental footprint is a win for the whole world.

SHIPPING AND LOGISTICS

Shipping and logistics is a major contributor to the world's CO2 emissions. We try our best to come up with new ways to utilize space and streamline our shipping methods to reduce the impact. All our products are initially stored at our central warehouse DC100 in Norrköping.

PRODUCT LIFE

We have a responsibility towards our customers to make safe and durable products that cause minimal strain on nature. Through the re:activate initiative, we hope to give new life to our customers' old products.

THE AIM OF OUR SCREENING PROCESS

ANALYSIS

- MAPPING OF SUPPLY CHAIN
- INDUSTRY AND COUNTRY RISK ANALYSIS
- EVALUATION CRITERIA

REQUIREMENTS DEFINITION

- SUPPLIER CODE OF CONDUCT AND OTHER DEMANDS
- IMPLEMENTATION OF CSR CLAUSES IN SUPPLIER CONTRACTS

SCREENING

- SELF-ASSESSMENT
- EVALUATION OF RESULTS
- ESCALATION CRITERIA

AUDIT

- ANNOUNCED AND UNANNOUNCED INSPECTION BY INDEPENDENT EXTERNAL ACTOR
- BRIEFING SUPPLIER ON INSPECTION RESULTS
- ESCALATION CRITERIA

CORRECTIVE ACTIONS

- SUPPLIER PROVIDES A CAP, CORRECTIVE ACTION PLAN
- ESCALATION CRITERIA
- ACTIONS

NEW SUPPLIERS 2014/2015

	Total number (%)
Number of new suppliers	10
Number of new suppliers screened on sustainability criteria	10 (100%)
Number of suppliers having significant negative sustainability impact*	2 (20%)
Number of CAP	0
Number of audits	4
Number of terminated contracts	2 (1%)

* Including environmental, human rights, labor rights and anticorruption impact.



OUR SUPPLIERS

We promote an active lifestyle for everyone, and we see it as our responsibility to provide the necessary tools for it – produced in a fair way. Since sustainable production starts with people, we always go as far as we possibly can to ensure that all human rights are being respected in the process.

We are involved and present all the way down to the factory floor, no matter where in the world it may be located. This allows us to monitor that there is no forced labor or child labor, that no animals are harmed and that the environment is protected at all stages of the manufacture of all of Stadium's exclusive brands.

Several of the markets we operate in are what you would call high-risk areas viewed from a sustainability perspective, with significant risks for incidents of child labor, young workers being exposed to hazardous risks and forced labor. Environmental risk is a constant in the textile industry, from cotton farming to chemical use in the dyeing process. These are

consistently analyzed and addressed through our partnerships, supply chain management and transportation efficiency.

To minimize these risks and to ensure our exclusive brand suppliers uphold high ethical standards and practices, we have a due process for selecting, screening and evaluating them and their compliance with our supplier code of conduct. We ask all of our suppliers to stand by our values and convey the need for continuous improvement – just like in all instances of our organization.

In 2014 and 2015, we started working with 10 new suppliers for our own production. All new suppliers must go through an initial screening before we go ahead and place orders. This is to make sure that all human rights are respected and environmental risks are being addressed properly in the production process. In this case, all of them fulfilled the necessary requirements when screened.

During the year we screened all new suppliers. Issues that are not discovered during screenings will emerge in the auditing process. We



ON SITE. PRESENCE IN THE PRODUCTION PROCESS IS IMPORTANT TO US, WHICH IS WHY WE MAKE REGULAR VISITS AND INSPECTIONS WITH OUR SUPPLIERS. HERE, STADIUM EMPLOYEES (LEFT) AND FOUNDERS ULF AND BO EKLÖF (BELOW) ARE VISITING SUPPLIER FACTORIES IN INDONESIA AND CHINA.

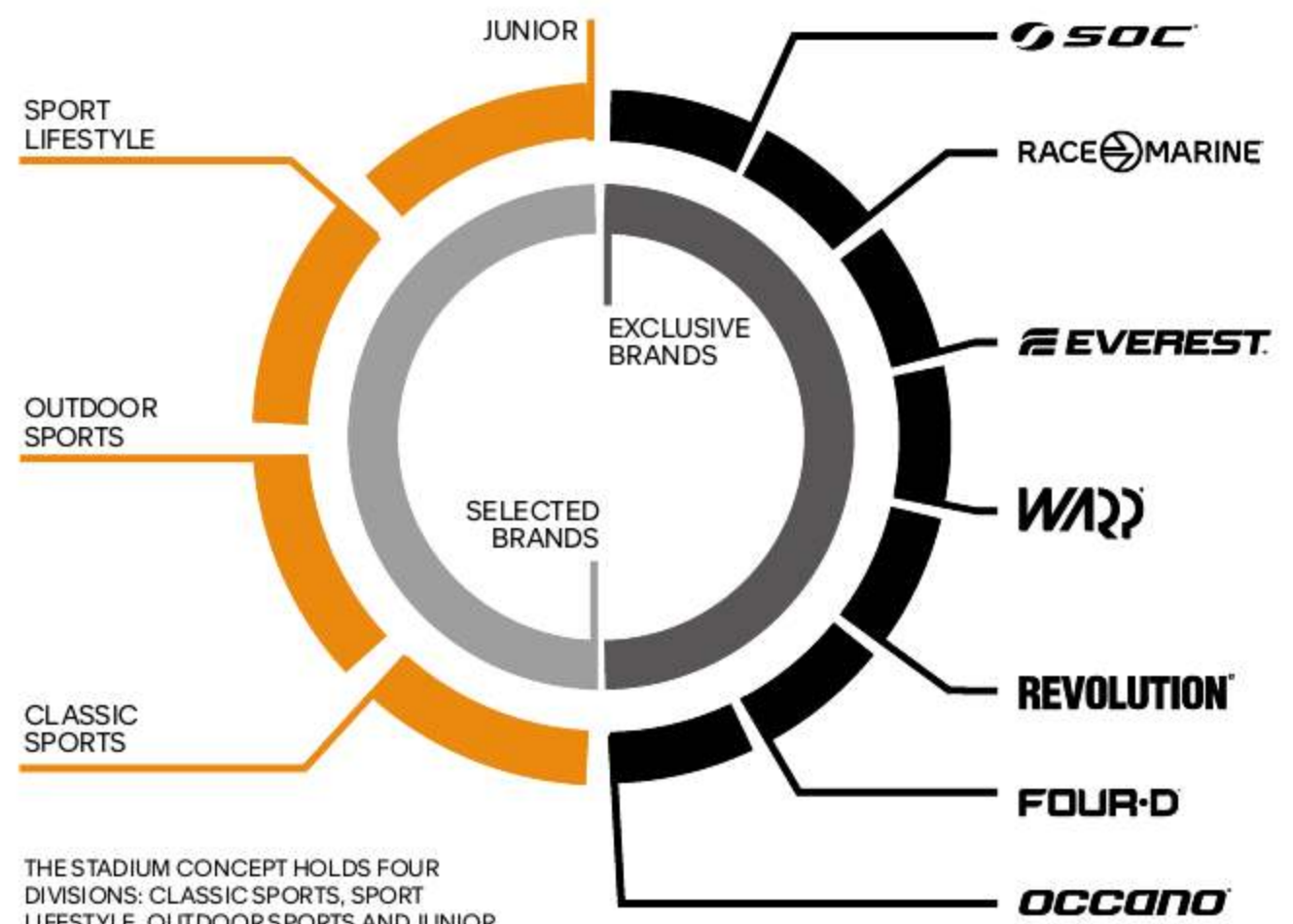
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made four full scale audits in 2014/2015, in which all but two suppliers met our requirements regarding human rights, environmental care and labor rights. The two suppliers did not comply with local laws and regulations.

A current risk that we have identified, and which we are working on by raising our suppliers' awareness of, is the need to ensure that purchased social insurance covers the whole workforce - seasonal, temporary and permanent. We have further noted that the understanding and knowledge of occupational health and safety practices is low and must be increased. To aid our strategic suppliers in improving these conditions, we provide them with the issues to address and the necessary paths to do it through.

We are humbly aware of the fact that the world is large and supply chains are complex. But we believe that keeping an open mind and a transparent dialog with our stakeholders and communities will be a great support in upholding ethical production and sourcing practices around the globe in the future.

OUR STADIUM BRANDS & DIVISIONS



SWEDISH TEXTILE WATER INITIATIVE SAVING WATER TOGETHER

SWEDEN TEXTILE WATER INITIATIVE

Reducing water usage in textile production is one of the biggest challenges for the retail industry. That is why Stadium is a contributing member of Sweden Textile Water Initiative. It is a unique cooperation between Swedish brands and retailers in the textile and leather businesses and the Stockholm International Water Institute (SIWI), which focuses on new solutions and technologies for minimizing water and chemical use in production.

In 2012, strategies and guidelines were drawn up for all members to work together with their suppliers, and this has resulted in a pilot project saving 360 million liters of water and 402 tons of chemicals a year. A key factor in the success of this project is education: increasing knowledge and changing suppliers' attitudes about the importance of sustainable production.

OBJECTIVE OF SWEDEN TEXTILE WATER INITIATIVE PROJECTS

Sweden Textile Water Initiative Projects is a public-private partnership between Sida (Swedish International Development Cooperation Agency), SIWI (Stockholm International Water Institute), Sweden Textile Water Initiative Brands, and their suppliers and sub-suppliers. Sweden Textile Water Initiative Projects vision is to catalyze a shift towards sustainable production in major production hubs.

The objective of Sweden Textile Water Initiative Projects (2014-2017) is to build the environmental performance capacities of suppliers and sub-suppliers to Swedish brands in the areas of sustainable water use for textile and leather manufacturing processes.

OUTCOMES

The Project's overall objective is to improve water efficiency in production processes for 120-160 textile and leather manufacturers in major production hubs: Bangladesh, China, Ethiopia, India, and Turkey. Specific objectives are detailed below.

- Reduce environmental impact of the factories and build their capacity to continue improving their resource efficiency.
- Build institutional capacities for improved decision-making in industrial water governance at the national/provincial level, through governance and water risk assessments.
- Raise the profile of water in global processes which address the environmental impact of the textile industry.
- International benchmarks for sustainable water use are created.
- Contribute water knowledge to multi-stakeholder global textile sector processes.

THE BANGLADESH ACCORD

ACCORD
on Fire and Building Safety in Bangladesh

In 2014, Stadium signed the Accord, an initiative for the purpose of creating safer and better work environments for textile factory workers in Bangladesh.

The Accord on Fire and Building Safety in Bangladesh (the Accord) is an independent, legally binding agreement between global brands designed to enable a working environment in which no worker needs to fear building collapses, fires or other accidents that can be prevented with the right safety measures.

All factories are audited by independent inspectors, and all inspection reports and corrective action plans are open to the public. If a safety breach is found, the company in question commits to funding sufficient improvements and repairs, while factory employees receive their wages throughout the process.

We have been actively working to improve fire and building safety together with our suppliers for a long time, and this is another natural step in the right direction towards helping development in third world countries in a responsible way. So far, over 190 brands have signed the agreement - thus creating a safer work environment for roughly 2 million workers in 1600 factories.

ENVIRONMENTAL CARE

An active world is a clean world. Environmental care is a top priority for us and, to do our part, we focus on using less water, less energy and better chemicals. And to be climate smart we apply a precautionary principle to all our decisions. Because energy saved is energy we can spend on activating people instead.

ENERGY AND EMISSIONS

Energy is core for us. It is what we thrive on, and what we need to perform well. The key is to use energy at the right times for the right action. We relentlessly work to reduce the energy needed for transportation, consumption in our distribution headquarters, and lighting and heating in our stores.

In our last report, we saw a dramatic change in energy use in our stores. The reason was that we retrofitted all lighting consoles, which drastically reduced energy use. Thus, the change is obviously not as significant for 2014/2015, but we are happy to report that we have managed to lower energy use in our stores with 5.3% over the course of the year. We are currently looking at how we can save even more in the future, by optimizing heating and air conditioning systems.

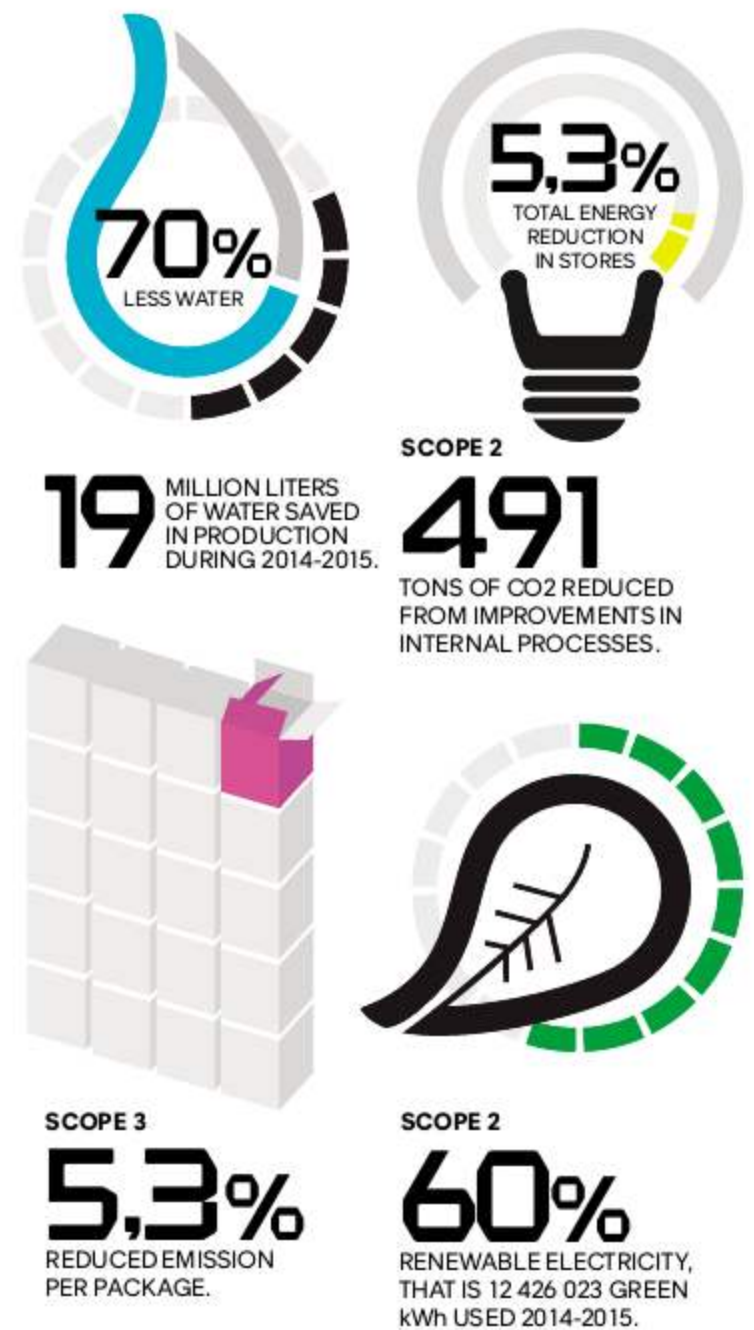
100% of the electricity we purchase comes from renewable sources, e.g. wind power. However, this only makes up 60% of our total energy use, as the remainder is purchased by other parties such as landlords that house our stores. We are working towards controlling all purchasing to make sure we use 100% green electricity.

WATER AND CHEMICALS

Over the last 10 years, Stadium has been using a production process called Solution Dye. This is a water-saving process in which we color the threads before they are made into fabric for our products. By doing this, we eliminate the need for cloths to be dyed after the weaving process. Using this method instead of traditional dyeing has enormous environmental benefits considering it halves the amount of chemicals needed and dramatically decreases water usage. Solution Dye is used for a majority of colors in the outer fabrics and linings in our exclusive brands SOC, Everest, Race Marine, Warp and Stadium products.

When it comes to chemicals specifically, both Stadium and Stadium Outlet of course follow the European chemical legislation REACH. For the perfluorinated substance PFOA, we have chosen to follow Norwegian legislation group-wide because it is more stringent and we simply do not want any toxic chemicals in our products.

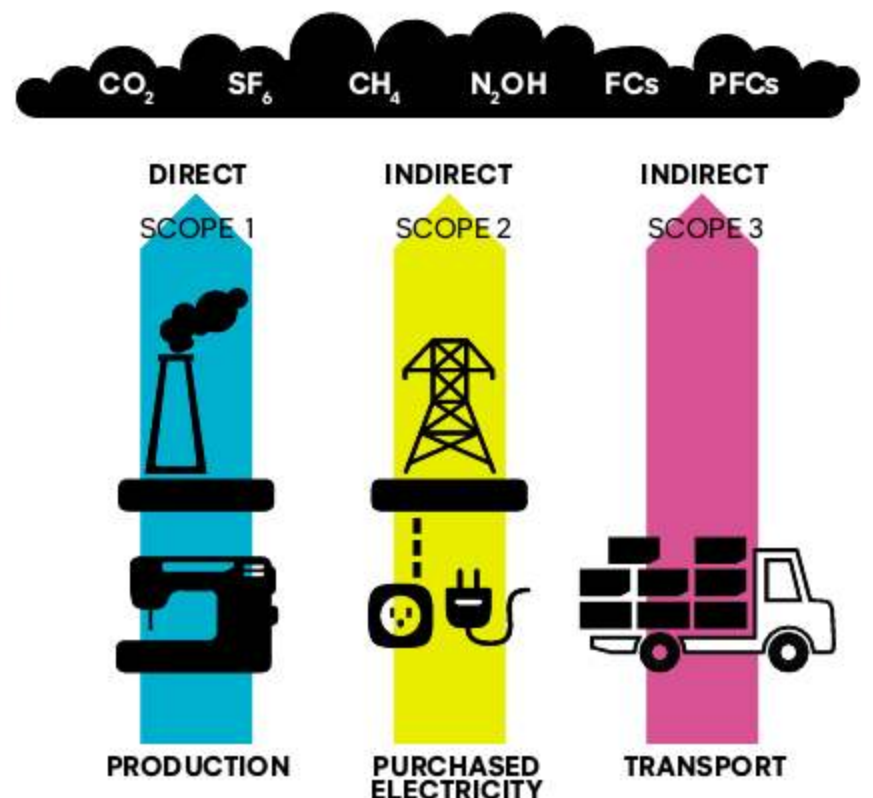
The topic of PFC-free waterproofing is not as straightforward. Most alternatives to PFC do not match the quality that we and our customers require in our products. The coating comes loose after a wash or two, and that simply will not do – especially when it comes to raincoats. This is of course an issue we are working hard to resolve, and we do have solutions in the pipeline. By the end of 2015, 80% of our coated materials were PFC-free. Our goal for 2016 is to exclude all PFC-based coatings in our own garment production. We expect our own production to be 100% PFC-free by the end of 2017.



ENERGY & EMISSION NUMBERS

SCOPE 2	STORES
TOTAL USE (kWh) 2013-2014	21 867 484
TOTAL USE (kWh) 2014-2015	20 710 039
TOTAL CO2 EMISSION (TONS) 2013-2014	9 272
TOTAL CO2 EMISSION (TONS) 2014-2015	8 781
SAVING CO2 KG/YEAR	490 756

SCOPE 3	TRANSPORT
TOTAL CO2 EMISSION (TONS) 2013-2014	1 260
TOTAL CO2 EMISSION (TONS) 2014-2015	1 215
EMISSION (TONS) PER PACKAGE 2013-2014	1.078
EMISSION (TONS) PER PACKAGE 2014-2015	1.02



COMMENT: SCOPE 1 EMISSIONS STANDS FOR AN INSIGNIFICANT SHARE OF TOTAL AMOUNT OF EMISSIONS. THEREFORE NOT PRESENTED.



SOS CHILDREN'S VILLAGE MOTHER AND SON IN CHITTAGONG. THE VILLAGE MOTHERS ARE THE DEDICATED WOMEN WHO LOOK AFTER THE CHILDREN UNTIL THEY ARE INDEPENDENT ADULTS.

WORKING TOGETHER

Activating the world is about creating sustainability, today and tomorrow. We want to do this together with partners who share our values. Because working together creates the team effort needed for a sustainable future.

We have teamed up with our competitors, supporters and NGOs to develop and improve sustainability agendas in areas in which we have the opportunity to make a difference. Water, chemicals and textiles are all aspects that are material and important to us in our daily work, so we naturally want to push forward in enabling everyone to produce sports products in a more responsible way.

As of 2014, we are voluntary contributing members of the Better Cotton Initiative (BCI), the Bangladesh Accord, the Chemicals Group at SWEREA IVF and the Sweden Textile Water Initiative. Through our membership of these groups, we hope to both share and acquire new knowledge in meeting tomorrow's sustainability challenges and opportunities together.

As well as creating sustainable products, we want to contribute to the welfare of the areas in the world where we are active today. We support projects and initiatives that focus on the future, especially young people. Both in our vicinity and where we create our products.

Together with SOS Children's Villages, we support a village in Chittagong, Bangladesh. The focus is to make families self-supportive, and give children a chance to receive a proper education and regular meals every day. In 2015, we collaborated with SOS Children's Villages in producing an eco-friendly water bottle, where 5 SEK per sold bottle will go straight to their work with children and their families in Chittagong. The funds raised will go to further their important work, and we hope to be able to contribute even more in the future.

Sports and every child's right to have an active lifestyle, is a keystone for the next generation. We are proud supporters of Idrott Utan Gränser, En Frisk Generation and Good Sport, who stand for both integration and active life. Their main focus is children and families who need information and support to get in contact with sports. Together, we activate the future generation!





SOUTH AFRICA



ROMANIA

108

tons of clothes and shoes found new use in 2015.



CLOTHES AND SHOES ON THE WAY.



IRAQ

Last year we together made sure that

4.6

tons of sport articles found new playmates

RE:ACTIVATING THE WORLD

What happens to your old sporting goods, clothes and shoes when you buy new ones? Most products either get thrown away or stuffed into storage, never to be used again - even though they are perfectly usable. This is where we saw an opportunity to help those less fortunate and activate the world a little bit more.

A product that you no longer find useful can be invaluable to someone in need. And by giving something new life, you also reduce the impact it would have had on the environment as trash. 2011 saw the start of the re:activate initiative, a non-profit charity drive where we collect our customers' old clothes, shoes and sporting goods and send them to people in need around the world - whether they are on the run from

war, suffering economic crises or simply don't have the access to or the means to afford them.

In this project, we work in close cooperation with Human Bridge, a non-governmental organization that mainly collects medical supplies for assistance in third world countries. They help us with sorting the donations and ultimately get the shipments to where they are needed the most. The products that are no longer deemed to be fit for continued use are, of course, properly recycled.

Although we have had several dedicated re:activate campaigns, our customers are always welcome to donate old products using the re:activate containers that you will find in our stores all year round.

Between September 2014 and August 2015, our customers donated a staggering 112 787 kg of jackets, clothes, shoes and sporting equipment that has been distributed among people in need in a number of countries in the world, such as Serbia, Bosnia, Ukraine, Moldova, Romania, Tanzania, Syria and Iraq.

With more people on the run from war, poverty and natural disasters than ever before, projects like re:activate are essential. We will strengthen our effort even further together with Human Bridge and our customers, to be able to provide more help in the coming years.



STADIUM SPORTS CAMP

SUMMER'S BEST WEEK

Every summer since 1995, over 80 000 children have gathered together for an unforgettable week full of sports, fun and new friends.

For four weeks during the summer, we give children aged 8-15 the chance to spend a week at the biggest sports camp in Northern Europe. Here, they can choose from 18 different sports, including everything from soccer and floorball to rugby and golf. But, more importantly, it is a chance for children from all over to have fun and form friendships for life in a safe environment.

This is something we want every child to be able to be a part of - regardless of their background. Since 2012, the camp has been supporting different social projects to help send kids from all over Sweden and Finland to the camp - kids who would never normally get the chance because of their socio-economic background. They come from different cities and cultures and share the dream of having a great summer

vacation. With our support, more than 400 kids get the chance to join the camp every summer and experience an unforgettable week.

The camp is run in cooperation with local municipalities and sports clubs. Together, we recruit nearly 1,100 camp counselors from members of the local youth and sports clubs every year and provide them with summer jobs and valuable work experience. 25% of the turnover from the Camp is always re-invested in the clubs and their work, a total of 50 million SEK since the start in 1995. We also work closely with the organization, Friends, which trains all of our camp counselors in how to prevent bullying and assists us in creating a secure, comfortable environment for the children.

Over the last 20 years we have helped nearly 80,000 children from all over the world become more active, and it is our ambition to be able to give every child an experience that they will remember for a lifetime.

25%

STADIUM SPORTS CAMP IS A NON-PROFIT GOOD CITIZEN PROJECT, IN WHICH 25% OF THE TURNOVER IS RE-INVESTED IN LOCAL SPORTS CLUBS AND THEIR WORK - A TOTAL OF 50 000 000 SEK.

“ Stadium Sports Camp’s most important mission is to be a safe experience where everyone feels welcome - and everyone can have fun and try new things”

MARCUS GRAPNE
GENERAL MANAGER
STADIUM SPORTS CAMP





RE:CAP

OUR GOALS FOR 2020

We know there are things we are good at – and areas where we need to improve. Simply acknowledging the issues at hand is not enough. Therefore, we have set a number of goals to work towards in becoming an even more responsible and sustainable company.

Our stakeholder dialogs have shown us which material issues we should focus on in the future, and we have identified the areas that need improving. These goals will be the guidelines for our sustainability work until 2020, and our progress will of course be reviewed in following annual reports.

HUMAN RESOURCES

EQUALITY

- Harmonize data and introduce digital systems for monitoring
- Create a more even, 52/48% gender ratio (in either direction) throughout the organization

DIVERSITY

- Educate managers with hiring responsibilities about the benefits of a diverse workforce
- Match our workforce to our customer base demographic

HUMAN RIGHTS

RISK SCREENING

- 100% of new suppliers
- 50% of suppliers in high risk areas
- 30% of strategic and unique suppliers

SELF-ASSESSMENT

- 100% of new suppliers
- 50% of suppliers in high risk areas
- 30% of strategic and unique suppliers

AUDITS

- 100% of new suppliers
- 100% of suppliers in high risk areas

DIALOG WITH SELECTED BRANDS

- Sustainability dialogs to increase co-operation with six of our Selected Brands

ENVIRONMENT

HAZARDOUS CHEMICALS

- Exclude all hazardous chemicals in production
- Support suppliers in the phasing-out process

PACKAGING MATERIALS

- Demand minimized use of packaging materials from suppliers
- Demand environmentally friendly packaging materials from suppliers

STORE AND DISPLAY MATERIALS

- Define environmental requirements for suppliers of store and display materials
- Choose environmentally certified suppliers of store and display materials

ENVIRONMENTAL IMPACT

- Expand the use of waterless dying processes
- Demand minimized energy consumption from suppliers (directly/indirectly through partnerships)
- Aim to use only sustainable materials in production of soft goods

OUR SUSTAINABILITY VISION

Our vision is to activate the world – today and tomorrow. This is why we are actively contributing to a more sustainable world. By acting in a socially, financially and environmentally conscious manner, we promote a healthy lifestyle today and for future generations.

As part of this ambition, our values are the compass that guides our work.

THEY INCLUDE:

TEAM SPIRIT

We play on the same team – customers, suppliers and employees. If we all pull together, we can make a difference.

INNOVATION

We continuously strive to be more innovative and to improve our products and processes from a sustainability perspective.

ENERGY

Action, not words, produces results. Energy and initiative are two of our key resources for achieving success.

THE KEY ISSUES

How do you figure out what to focus on? To us it's simple. We ask the people who are directly affected by our day-to-day work – our customers, employees, sports clubs, partners, NGOs and selected brands – what they think.

The content aspect boundaries in this report were defined in a materiality workshop as the result of a series of stakeholder dialogs. These dialogs were conducted via online questionnaires with both open and closed questions, where all groups had the opportunity to give their own input on material

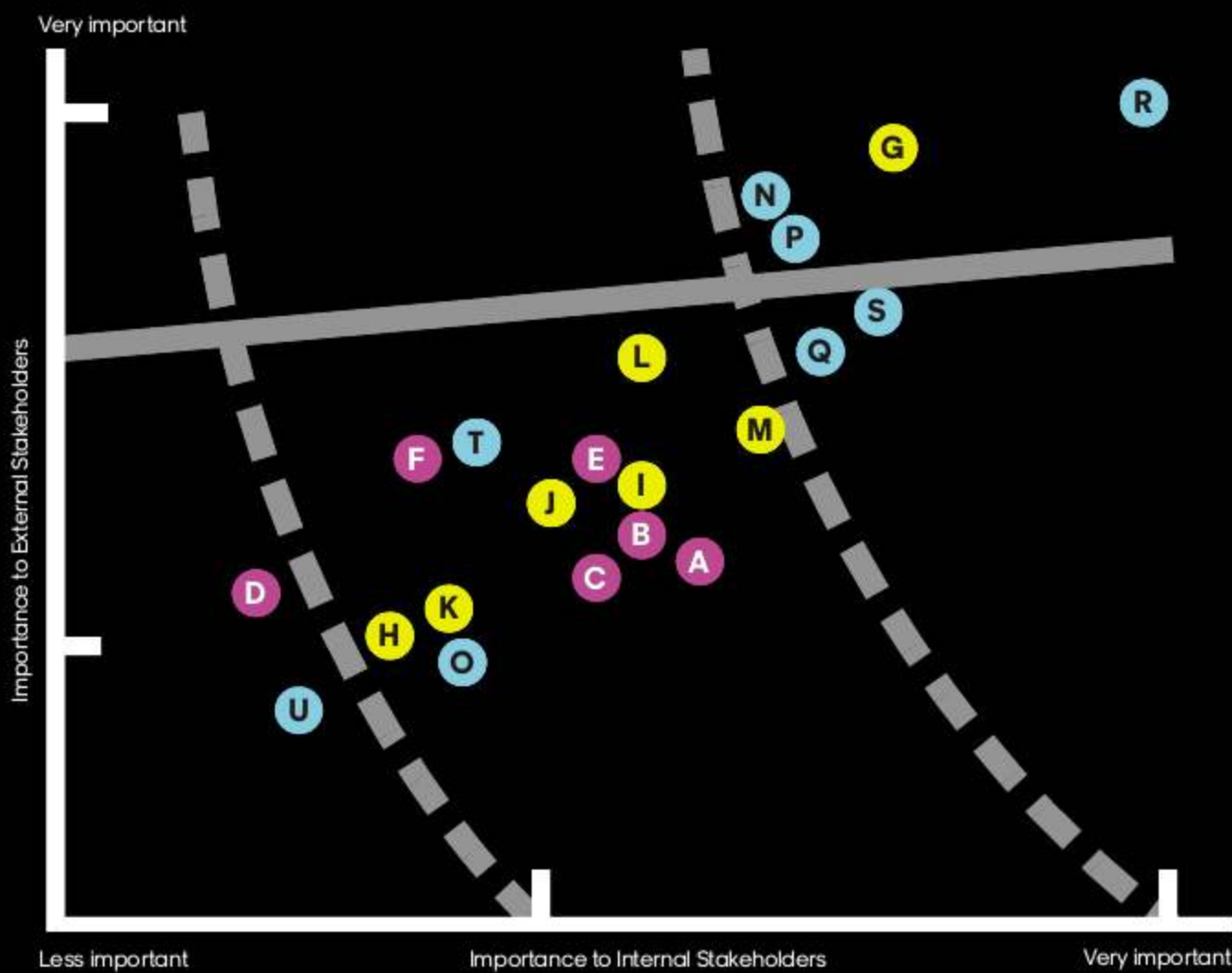
issues as well as suggesting new aspects. All groups that are close to us and share their input with us are defined as our stakeholders. These groups may change over time, but for the time span that this report covers they are as shown in the charts.

The aspects identified were evaluated on the basis of their impact in our value chain. As a result, we see that environmental aspects are key to the production, shops and end-user perspective. In the supply chain, human rights are valued highest and, in our shop and distribution center, labor rights are the most important aspects.

STAKEHOLDER	TYPE OF INVOLVEMENT	ISSUE RAISED
EMPLOYEES	Web* Activoice**	Equality and diversity Health and safety
CUSTOMERS	Web*	Labor rights Product safety
SELECTED BRANDS	Web*	Chemical usage in production Products free of toxic materials
SPORT ASSOCIATIONS	Web*	Child labor Labor rights
PARTNERS	Web*	Chemical usage Ethical labeled products
NGOS	Web*	Environmental impact Employee health and safety

* Web-based dialog for this sustainability report
** Yearly Employee Survey

MATERIALITY



STRAIGHT LINE: Threshold for report content. **DOTTED LINE (LEFT):** Boundary for report aspects which are considered baseline aspects. **DOTTED LINE (RIGHT):** Boundary for report aspects which are considered focus aspects

OUR OPERATIONS

A: We maintain high security for staff and customers in our stores. **B:** We maintain an equal and diverse workplace. **C:** We are committed to the community and voluntary associations. **D:** We work proactively to prevent corruption. **E:** We choose materials for packaging and interiors with respect for the environment. **F:** We reduce our CO2 emissions from our stores and transports.

CUSTOMERS

G: We sell safe, toxin-free products. **H:** Our stores are accessible for all customers. **I:** We treat all customers equally. **J:** We protect customer data and respect our the integrity of our customers. **K:** We give our customers the opportunity to return clothes to our stores for recycling. **L:** We have ethically and environmentally labeled products in our range. **M:** We do not mislead our clients in the marketing of our products.

SUPPLIERS

N: We exclude toxic chemicals from our production. **O:** We minimize water usage in our production. **P:** We minimize negative environmental impact in our production (waste, emissions and effluents, energy, etc.). **Q:** We check that staff in our factories have decent working conditions. **R:** We check that there is no child labor or forced labor in our factories. **S:** We check that factories producing our goods provide a safe environment for their employees. **T:** We check that our suppliers' work with animal products is ethical (wool, down, leather, fur). **U:** We check that our suppliers use ethically and environmentally labeled cotton.

GRI INDEX

GLOBAL REPORTING INITIATIVE INDEX

The Global Reporting Initiative's Sustainability Reporting Guidelines (GRI G4) are a set of internationally recognized indicators covering a company's governance, economic, labor, human rights, society and environmental impacts.

The GRI's mission is to make sustainability reporting standard practice for all companies and organizations. Its framework is a reporting system that provides metrics and methods for measuring and reporting sustainability-related impacts and performance.

GENERAL STANDARD DISCLOSURES

STANDARD DISCLOSURE	TITLE	PAGE NUMBER	●	COMMENT
STRATEGY AND ANALYSIS				
G4-1	Statement from the most senior decision-maker of the organization	Page 3	●	
ORGANIZATIONAL PROFILE				
G4-3	Name of the organization	Page 10	●	
G4-4	Primary brands, products and services	Page 6, 15	●	
G4-5	Location of the organization's headquarters	Page 14	●	
G4-6	Countries where the organization operates	Page 14	●	
G4-7	Nature of ownership and legal form	Page 10	●	
G4-8	Markets served	Page 6, 14	●	
G4-9	Scale of the reporting organization	Page 9-11	●	
G4-10	Workforce	Page 8-9	●	
G4-11	Percentage of employees covered by collective bargaining agreements	Page 9	●	
G4-12	Organization's supply chain	Page 12-15	●	
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Page 14-15	●	Terminated two suppliers during 2014-2015
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	Page 17	●	
G4-15	List of externally developed economic, environmental and social charters, principles, or other initiatives	Page 16-19	●	
G4-16	List of memberships of associations (such as industry associations) and national or international advocacy organizations	Page 16-19	●	

LEVEL OF COMPLETION: ● FULLY REPORTED ● PARTIALLY REPORTED ● NOT REPORTED

STANDARD DISCLOSURE	TITLE	PAGE NUMBER	●	COMMENT
IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES				
G4-17	List of entities included	Page 5	●	
G4-18	The process for defining the report content and the Aspect Boundaries	Page 24	●	
G4-19	All the material Aspects identified in the process for defining report content	Page 24	●	Please note comment on page 24
G4-20	Aspect Boundary within the organization for each material Aspect	Page 24	●	
G4-21	Aspect Boundary outside the organization for each material Aspect	Page 24	●	
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	n/a	●	No restatements
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	n/a	●	Inclusion of Stadium Outlet
STAKEHOLDER ENGAGEMENT				
G4-24	A list of stakeholder groups engaged by the organization	Page 24	●	
G4-25	The basis for identification and selection of stakeholders with whom to engage	Page 24	●	
G4-26	The organization's approach to stakeholder engagement	Page 24	●	
G4-27	Key topics and concerns that have been raised through stakeholder engagement	Page 24	●	
REPORT PROFILE				
G4-28	Reporting period	Page 5	●	
G4-29	Date of most recent previous report	Page 5	●	June 16th 2015
G4-30	Reporting cycle	Page 5	●	
G4-31	Contact point for questions regarding the report or its contents	Page 5	●	
G4-32	GRI Content Index for Accordance 'Core'	Page 25-27	●	
G4-33	Report assurance procedures	n/a	●	Self-declared report
GOVERNANCE				
G4-34	Governance structure of the organization	Page 10	●	
ETHICS AND INTEGRITY				
G4-56	The organization's values, principles, standards and norms of behavior	Page 6	●	

SPECIFIC STANDARD DISCLOSURES

DMA AND INDICATOR	TITLE	PAGE NUMBER	●	COMMENT
G4-DMA	Generic Disclosures on Management Approach	Page 6, 10, 14, 17, 19, 23, 24	●	
MATERIAL ASPECT: ECONOMIC PERFORMANCE				
EC-1	Direct economic value generated and distributed	Page 11	●	
MATERIAL ASPECT: ENERGY				
EN-3	Energy consumption within the organization	Page 17	●	
MATERIAL ASPECT: EMISSIONS				
EN-16	Energy indirect greenhouse gas emissions (Scope 2)	Page 17	●	
EN-17	Other indirect greenhouse gas emissions (Scope 3)	Page 17	●	
EN-18	Initiatives to reduce GHG emissions	Page 17	●	Indicator based on Scope 3
EN-19	Reduction of greenhouse gas emissions	Page 17	●	Previous report's reduction was based on period september 2009 to August 2014.

DMA AND INDICATOR	TITLE	PAGE NUMBER	●	COMMENT
MATERIAL ASPECT: SUPPLIER ENVIRONMENTAL ASSESSMENT				
EN-32	Environmental screening of new suppliers	Page 14-15	●	
EN-33	Significant actual and potential negative environmental impacts in the supply chain	Page 14-15	●	Solution dye and PFC currently introduced at Stadium AB
MATERIAL ASPECT: EMPLOYMENT				
LA-1	New employee hires and employee turnover	Page 8	●	
MATERIAL ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
LA-8	Health and safety topics covered in formal agreements	Page 9	●	
MATERIAL ASPECT: DIVERSITY AND EQUAL OPPORTUNITIES				
LA-3	Return to work and retention rates after parental leave	Page 8	●	
LA-12	Composition of governance bodies and breakdown of employees per employee category	Page 8-9	●	Collecting data regarding minority groups is not allowed in our countries.
LA-13	Salary and remuneration	Page 8	●	
MATERIAL ASPECT: SUPPLIER ASSESSMENT FOR LABOR PRACTICES				
LA-14	Labor practices screening of new suppliers	Page 14-15	●	
LA-15	Significant actual and potential negative impacts for labor practices in the supply chain	Page 14-15	●	
MATERIAL ASPECT: CHILD AND COMPULSORY LABOR				
HR-5	Operations and suppliers identified as being at significant risk of incidents involving child labor	Page 14-15	●	
HR-6	Operations and suppliers identified as being at significant risk of incidents involving compulsory labor	Page 14-15	●	
MATERIAL ASPECT: SUPPLIER HUMAN RIGHTS ASSESSMENTS				
HR-10	Human rights screening of new suppliers	Page 14-15	●	
HR-11	Significant actual and potential negative human rights impacts in the supply chain	Page 14-15	●	
MATERIAL ASPECT: CUSTOMER HEALTH AND SAFETY				
PR-1	Product and service categories for which health and safety impacts are assessed for improvement	Page 12	●	

