

SUSTAINABILITY  
REPORT 16/17



stadium®



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## WITH TEAM- WORK WE CAN CHANGE THE WORLD

Interview with Catrine Marchall, Sustainability Manager in the Purchasing Department.

## SIT DOWN FOR A COFFEE BREAK

We talk to six of our colleagues from throughout the organisation. Among other places, we stop by Mönckenbergstraße in Hamburg, Team Sales in Halmstad and Stadium Outlet's office in Solna.

22

## RESPONSIBLE PRODUCTION

Our value chain, step by step. From idea to clothes hanger.

## ABOUT THE REPORT

In an active world full of competition, we strive to always be the best at what we do. Something we want to demonstrate clearly through our sustainability work. To make the world more active in a sustainable manner while always following our golden rule: Fair Play!

This means playing the game in a transparent, humble and innovative way. We share our strengths and weaknesses, are receptive and listen to those around us and act together with like-minded people to ensure a sustainable future.

You are reading our fourth sustainability report, the previous one was published on 28 June 2017. The report describes our sustainability targets, how we worked on these during the year, our view of our future work and how we will be able to take even more responsibility in the future. The report focuses on parts of the materiality carried out during 2016 and the sustainability goals the Stadium Group is working on.

Our sustainability report covers the entire Stadium Group, including Stadium Concept, Stadium Outlet and the subsidiaries of the Stadium Group. Unless otherwise indicated, the figures reported are from 1 September 2016 to 31 August 2017.

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

All calculations of energy and carbon dioxide emissions are comparisons between the financial years 2015/2016 and 2016/2017. The data is provided by third-party suppliers.

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

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A SMALL  
SELECTION  
FROM  
THE REPORT

Our mission is to activate the world – now and in the future. For us, it is important to contribute to a more sustainable world for current and future generations by being socially, economically and environmentally conscious. We are also developing our business model step by step from traditionally linear to more circular, and we see new business opportunities in reducing our environmental footprint. My hope is that as many people as possible will read our sustainability report and take note of the content. We can only make changes if we do it together with our employees, customers and stakeholders.

# MESSAGE FROM THE CEO

In this year's report, you can read about how we in the Stadium Group are continuing to work on our set targets and challenge ourselves and the industry to think more sustainably. We integrate the global targets to which the world leaders are committed. This also aligns with our vision and partly with our strategy, but also with specific action plans. One of the goals and areas we focus on is water. We have already seen our investments have an effect and we are convinced that our continued work will make even more of a difference. Through our membership with the Swedish Textile Water Initiative, we are working together to develop new water-saving solutions and technology.

In addition to water, it is important for us to develop long-term relationships with suppliers and for them to share our values. We also need to stipulate more stringent requirements for ourselves on our home soil in regards to issues of recycling, electricity consumption and creating an organisation with more diversity and equality. We also have more to offer when it comes to converting products into new raw materials and when it comes to increasing awareness of Human Bridge's orange re:activate boxes in our shops. We have collected over 50 tonnes of clothes, shoes and sports gear this year.

**“WE ARE MAINTAINING A GOOD PACE IN GENERAL AND HAVE MADE GOOD STRIDES, BUT WE STILL HAVE A WAY TO GO BEFORE WE MEET ALL OUR TARGETS.”**

As CEO, it is with pride that I summarise the work we have done together and some of the goals set for 2020, which we have already met. We are maintaining a good pace in general and have made good strides, but we still have a way to go before we meet all our targets. In particular, I would like to take this opportunity to highlight that we have completely phased out PFC from our production of ready-made clothes. We are taking further steps to offer an entirely PFC-free range in coming years. In addition to saving water, recycling materials, working with sustainable cotton and wholly traceable down, we have also contributed to reducing the use of plastic bags. By charging for bags, we can support additional sustainability projects in addition to the SOS work in Bangladesh and Finland. But of course, we are far from satisfied yet.

It is important for us to take responsibility and we want to get even better at reporting on the work we do. I hope that the report helps clarify and summarise the responsible decisions we have made to make the world more active. We also hope it gives you insight into our challenges, successes and what we are doing to act sustainably throughout our entire value chain.

**JOIN THE (SUSTAINABLE) MOVEMENT!**



**Karl Eklöf**  
CEO, Stadium





# GLOBAL SUSTAINABLE DEVELOPMENT GOALS



In September 2015, the UN member states adopted sustainable development goals. These are 17 goals that will make the earth a better place by achieving three amazing things by 2030: eradicating extreme poverty, solving the climate crisis and reducing inequality and injustice in the world. Achieving these goals will require a great deal of commitment from us all – internationally and nationally. As part of this, we as a company have a responsibility, together with others in the industry, to lead the way and instigate change towards a more sustainable future for the planet and the people who live on it now and in the future. It is all about teamwork and where all 17 goals are deemed equally important. Today, we are working on eight of the goals that Stadium Group can contribute to change through innovative and specific decisions.

Our vision is to contribute to a more active and sustainable world. We are proud of the work we do and how far we have come in the process of reducing electricity, water and chemical consumption. We are committed to finding more sustainable processes and producers for our production in the years leading up to 2020.

We are currently working on several sustainable initiatives such as STWI, BIC, Accord and SOS Children's Villages. Saving the earth's resources, protecting human rights and ensuring ethical working conditions is something for which we constantly strive. We use renewable electricity in our shops and we encourage our suppliers to do the same.

## OUR SELECTED GOALS

### GOAL 3: GOOD HEALTH AND WELL-BEING

Ensure healthy lives and promote well-being for all at all ages.

Good health is a basic requirement for a person to be able to achieve their full potential and to contribute to the development of society.

### GOAL 5: GENDER EQUALITY

Achieve gender equality and empower all women and girls.

Gender equality is more than a fundamental human right – it is a fundamental basis for a peaceful, prosperous and sustainable world.

### GOAL 6: CLEAN WATER AND SANITATION

Ensure access to water and sanitation for all.

Water is a requirement for all living things and therefore is a requirement for sustainable development.

### GOAL 7: AFFORDABLE AND CLEAN ENERGY

Ensure access to affordable, reliable, sustainable and modern energy for all.

Global access to modern and renewable energy and clean fuel is a prerequisite for being able to meet several of the challenges the world faces today such as poverty, insufficient food, climate changes, lack of clean water, poor health and lack of inclusive economic growth.

### GOAL 8: DECENT WORK AND ECONOMIC GROWTH

Promote inclusive and sustainable economic growth, employment and decent work for all.

More than half of the world's workers are in precarious employment, often trapped in a vicious circle of low-productivity professions with poor pay and limited access to both education and social security.

### GOAL 10: REDUCED INEQUALITIES

Reduce inequality within and among countries.

Economic development can lead to reduced poverty for individuals and society. We need to work to ensure that access to resources and the opportunity to participate in and influence social development is fair, nationally and internationally.

### GOAL 12: RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns.

Switching to a sustainable consumption and production of goods and services is necessary to reduce negative impacts on climate and the environment as well as human health.

### GOAL 17: PARTNERSHIPS FOR THE GOALS

Revitalise the global partnership for sustainable development.

The scope and ambition of the new agenda requires the global partnership to be revitalised to ensure the agenda is implemented.

# OUR SUSTAINABILITY TARGETS

There are things we are good at and other areas where we need to be even better. But just being aware of the challenges is not enough. That is why we have come up with a number of goals, so that we can be an even more responsible and sustainable organisation.

Through dialogue with our stakeholders, we have seen which essential issues we should focus on and identified the areas where improvements are needed. These targets will guide our sustainability work until 2020 and our progress will be reviewed in future reports.

## STAFF EQUALITY

- Harmonise data and introduce digital systems for better management and more reliable statistics.
- Ensure a more equal gender distribution within the organisation.

## DIVERSITY

- Train managers with recruitment responsibility in the advantages of diversity among employees.
- Ensure that the demographics within our workforce correspond to the customer base.

## SUPPLY CHAIN MANAGEMENT

### AUDITS AND CERTIFICATIONS

- ✓ 100% of our production units must have performed a self-assessment in our system that will form the basis of any follow-up from us.
- ✓ 100% of all new suppliers must perform a self-assessment that will be followed up on-site to verify the information.
- ✓ Our strategic suppliers must be checked on-site, and we have a continuous dialogue to ensure that they work proactively and systematically to maintain a high level of compliance.
- We will double the number of suppliers and factories certified in accordance with SA8000, Wrap Gold or equivalent.

## ENVIRONMENT HAZARDOUS CHEMICALS

- No hazardous chemicals should be used in production.
- ✓ We will support our suppliers in the process of phasing out hazardous chemicals.

## ENVIRONMENTAL IMPACT

- ✓ Increase the use of waterless dyeing.
- Require our suppliers to minimise their energy consumption and preferably use renewable energy (direct/indirect through collaboration).
- ! All products used and waste collected through re:activate should be included in the material we use in production.
- Double the number of sustainable products in our range.
- Increase Stadium's range of products with eco labelling and ethical labelling.

## PACKAGING MATERIALS

- ✓ Require our suppliers to minimise their use of packaging materials.
- ✓ Require our suppliers to use environmentally friendly packaging materials.

## PROMOTIONAL AND SIGNAGE MATERIAL

- Stipulate environmental requirements for suppliers of promotional and signage materials.
- Choose environmentally certified suppliers of promotional and signage materials.

✓ : Achieved    ■ : Ongoing

! : Challenge

“Making the world more active in sustainable ways”

## OUR SUSTAINABILITY VISION

Our mission is to make the world more active now and in the future. That is why we want to actively contribute to a more sustainable world. By acting in a consciously social, economic and environmental manner we promote a healthy lifestyle today and for future generations.

Our overall values guide us in this endeavour:

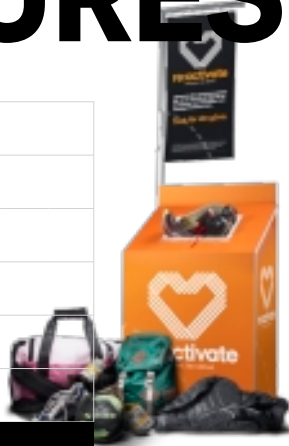
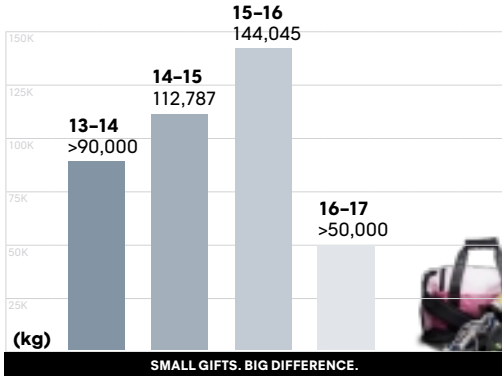
**TEAMWORK.** We are on the same team – customers, suppliers and employees. If we all contribute together, we can make a difference.

**INNOVATION.** We will become increasingly innovative and improve products and processes from a sustainable perspective.

**ENERGY.** Action produces results, not words. Our energy and power of action are two of our most important resources for achieving success.

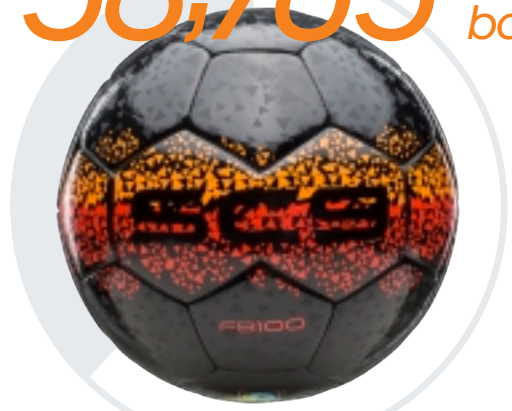


# 2016/17 IN FIGURES.



Together with Human Bridge we have collected over 50 tonnes of clothes, shoes and sports items in 2016/17. We have previously talked about re:activate, but this will not be discussed in any detail this year. We hope that more people will get into the habit of recycling what they no longer need, and our boxes help with this.

**58,705** foot-  
balls



38% of our football range is Fairtrade-certified, 154,486 footballs were ordered in 2016/17.

## SOLUTION DYE

When manufacturing our black *Women's Running Tights* we save an average of approx. 6 l water/garment, and for our *Men's Running Tights* approx. 9 l water/garment.

DURING 2016/17  
WE SAVED APPROX.

**7,900,000**

LITRES OF WATER  
IN PRODUCTION



## RECYCLED POLYESTER

In large parts of our running range, we use recycled materials from PET bottles. Seven to ten PET bottles are used to make a top or a pair of tights.







# 0% PFC

We have completely phased out PFC from our own production of ready-made clothes. Our ambition for our own production in 2018 is to be completely PFC-free. This also applies to shoes, tents and bags.



## WATER BOTTLES FOR SOS CHILDREN'S VILLAGES

Almost 72,500 water bottles have been sold during the year. Almost SEK 362,500 has been given to SOS work in children's villages in Bangladesh and Finland; read more on page 25.



## RESPONSIBLE DOWN STANDARD

Stadium has been using 100% traceable RDS down in its own production since 2016. Read more about our down products on page 17.

# 100%



# 1,550

Cotton Connect focuses on women in the cotton supply chain. Today almost 1,550 women have joined their Female Cotton Farmers programme, a local project in India that Stadium supports.

## SUSTAINABLE COTTON

We only use 100% sustainable cotton in our cotton products. The focus is on BCI and organic cotton. Read more on page 17.

# 36,000,000

PRODUCTS HAVE GONE THROUGH OUR DISTRIBUTION CENTRE IN NORRKÖPING OUT TO OUR SHOPS DURING 2016/17.

ALL FROM SOCKS AND SHOES TO SPORTSWEAR AND BIKES - EVERYTHING THAT MIGHT INSPIRE YOU TO BE MORE ACTIVE.



# RESPONSIBLE PRODUCTION

SUPPORTING EARTH

30% OF OUR OWN BRAND WAS SUSTAINABLY MANUFACTURED DURING 2016/17

100% SUSTAINABLE DOWN

100% SUSTAINABLE COTTON

2.3.

2.4.

3.2

3.3

3.4

### 3. TRANSPORT & LOGISTICS

**3.1. PACKAGING.** We work continuously to reduce the amount of material in which we package and transport our products. We do this via clear packaging instructions to suppliers and careful follow-up together with the supplier. One example of this is that we have reduced the amount of plastic and corrugated cardboard, around each product.

### 3. TRANSPORT & LOGISTICS

#### 3.2 TRANSPORTS TO OUR DC (DISTRIBUTION CENTRE)

Transports have a major impact on the total CO2 emissions in the world. To minimise our footprint, we always try to have as great a load as possible in all our transports and together with suppliers and transport companies we have produced clear rules stating that all containers should be as full as possible. Fewer containers and trucks in motion means less strain on our planet.

### 3. TRANSPORT & LOGISTICS

#### 3.3 WAREHOUSE.

All our products go to our distribution centre in Norrköping. There the items are handled via pick and pack in a particular way to optimise the load volume in all packages going on to shops.

### 3. TRANSPORT & LOGISTICS

#### 3.4 TRANSPORTS TO OUR SHOPS

The load volume is a recurrent focus in our product flow. Even during transports to shops we make sure to fill all trucks that leave the distribution centre as much as possible. From our distribution centre, the trucks then travel on to various sorting depots. There our products are bundled with packages from other retail chains to maximise the load volume in the truck, which then continues on to the relevant shopping centre/retail outlet.



TESTS

1

DESIGN & DEVELOPMENT

2

PRODUCTION

3

LOGISTICS & TRANSPORT

4

A PRODUCT'S LIFE CYCLE

## RECYCLING IN THE SUPPLY CHAIN

We are working continuously to reduce the amount of packaging in our supply chain. However, we are faced with a difficult situation given that we currently handle plastic and corrugated cardboard during each delivery. That is why our distribution centre (DC), the heart of all our logistics, is collaborating with external partners to recycle all corrugated cardboard and

plastic in circulation. We strive to recycle as much as possible, both at our office and in our shops (including transport boxes and plastic during delivery to shops).

## PACKAGING & WASTE SORTING

We sort various types of waste individually to facilitate the recycling process. Our waste can contain both hazardous and valuable substances, but with careful sorting these can be taken

care of safely and most of it can be recycled. Our ambition is for this to be done across the company and we are trying to establish a common policy for this to be introduced next year that will apply to all shops, warehouses and offices.

## OUR BAGS & SHOP PACKAGING

We buy our bags from a Swedish supplier. These bags are made of 40% post-consumer recycled

plastic, i.e. plastic used by consumers that has been collected and recycled into new plastic. The remaining 60% is post-industrial plastic, factory waste such as e.g. the excess left after cutting out bag handles. Our aim is a more equal distribution between these two. From and including July 2017 Stadium will be charging for plastic bags in its shops. The income from this will go directly to social/society-oriented activities.

## OUR HANGERS

Since autumn 2017 our hangers have been made of recycled polystyrene materials. However, our greatest environmental benefit is that our hangers are used in our shops for around 10 years before they are sent for recycling. In this way we can avoid unnecessary transport and increased production.



**2. PRODUCTION**  
**2.3-4. ORDERS AND PRODUCTION**

The production process starts once an order has been placed. See the map on pages 14-15 for an overview of our production countries.

**2. PRODUCTION**  
**2.1. REVIEW OF SUPPLIERS**

Before we choose a supplier, we make sure that they satisfy the requirements we stipulate for fair production and that they take into account both employee health and environmental impact. Inspecting all suppliers and following up on the results is a major challenge - but a necessary one.

**2. PRODUCTION**

To make our production more sustainable, we need to promote technology where less energy and water can be used, eliminate the use of hazardous chemicals and produce less waste. One of the challenges is changing attitudes and convincing everyone involved that reducing their environmental impact benefits the whole world.

**1. DESIGN & DEVELOPMENT**

**1.4 TESTS.** Testing of dimensions, colours, quality, sustainability and shrinkage for all our product types is performed continuously in addition to safety and chemical checks. Our products are tested both internally and by an independent testing institute to ensure that they satisfy the latest safety and quality requirements, which are governed by the laws applicable in the countries where we are active and by our own internal requirements.

We comply with the stringent provisions of the EU's REACH regulation and together with our suppliers we strive to minimise the use of hazardous chemicals and chemicals that are carcinogenic, allergenic or harmful to the environment.

Safety is very important to us, particularly when it comes to products for children. We always perform extensive product tests, risk assessments and analyses to ensure that our products are high quality and safe to use.

**TESTS**

- 1 FIT
- 2 COLOUR FASTNESS
- 3 SUSTAINABILITY
- 4 FUNCTIONAL PROPERTIES
- 5 WASHING AND STABILITY
- 6 CHEMICALS

**2. PRODUCTION**  
**2.2. RANGE**

Deciding which products will be purchased and in which volumes. This decision is made by the purchasing department together with sales representatives from our shops and countries.

DURING THE PERIOD 09/2016 TO 08/2017 THE PROPORTION OF RENEWABLE FUEL WAS

**27%**

**1. DESIGN & DEVELOPMENT**

**1.3 SAMPLES.** Selection of supplier and fabrics based on samples. We are always looking for new and improved ways of offering our customers safe and environmentally friendly products.

**1. DESIGN & DEVELOPMENT**

**1.2 DEVELOPMENT.** It is here that fabrics and material samples are purchased for new collections. Fundamentally, the selection of sustainable materials and their composition is the best way to facilitate the recycling process.

When we work with product development, there is a major focus on the product lasting a long time, so that it has the smallest environmental impact possible. Through Human Bridge's re:activate stations in shops, our customers can hand in garments for recycling, so that we can prolong the lifetime of the products together.

**1. DESIGN & DEVELOPMENT**

**1.1 DESIGN.** The design process starts with sketches and material development. It is important to use sustainable materials and accessories from the outset to create a product that will last a long time and meet our environmental targets.

**4. A PRODUCT'S LIFE CYCLE**

We have a responsibility towards our customers to produce safe and sustainable products with the least possible environmental impact. Through Human Bridge and the re:activate initiative we will give new life to products that customers no longer need.

**LOW-ENERGY LIGHTS IN SHOPS.**

Read more about our energy mapping and our energy savings on page 20.

**RE:ACTIVATE.**

With re:activate, we will increase the useful life of the products by reusing and recycling. Read more at [stadium.se](http://stadium.se)



**“THIS DEMANDS  
EVEN MORE OF US  
AND WE HAVE TO  
WORK FASTER TO  
MEET OUR TARGETS.”**



# WITH TEAMWORK WE CAN CHANGE THE WORLD

**Stadium’s vision is to contribute actively to a sustainable world. When we make the world more active, we need to ensure we take care of both the environment and people as best possible. We choose material that has the least possible environmental impact and are working for better conditions for people and animals. This is important and long-term work.**

Catrine Marchall is the Sustainability Manager in the Purchasing Department and works hard together with everyone in Purchasing to handle the social and environmental issues the company faces.

“Our focus is on the environment, human rights and labour laws, the areas where we can instigate change. My role is to ensure that we work in accordance with the requirements and sustainability and environmental targets we set. In our environmental work we focus in particular on chemicals, water-saving methods in the production process and sustainable materials.

Looking at the areas where we can make a difference is important and we are choosing initiatives that work for better conditions for both people and the environment. Right now we are working hard to review our Supplier Code of Conduct.

We understand that we cannot change the world on our own and that there needs to be teamwork between many different players. That is why we are working to ensure a close dialogue with our key suppliers to make sure that they have understood the requirements we stipulate such as working conditions or more environmentally friendly production. We also choose to collaborate with organisations working to ensure a more sustainable world.

Working together with others means that the requirements stipulated for factories, for example, will have a greater effect and Stadium together with others can make positive changes.

Customers today are often aware and well-read and want to know what a plastic contains or whether a jacket was made under good working conditions.

This demands even more of us and we have to work faster to meet our targets. During 2018, PFC will be phased out in all our textiles, from both our own production and external brands. We have also phased out the soft PVC material and decided we will only use sustainable cotton and certified down in accordance with the Responsible Down Standard.

To make it easier for the customer to choose a more sustainable product, Stadium has

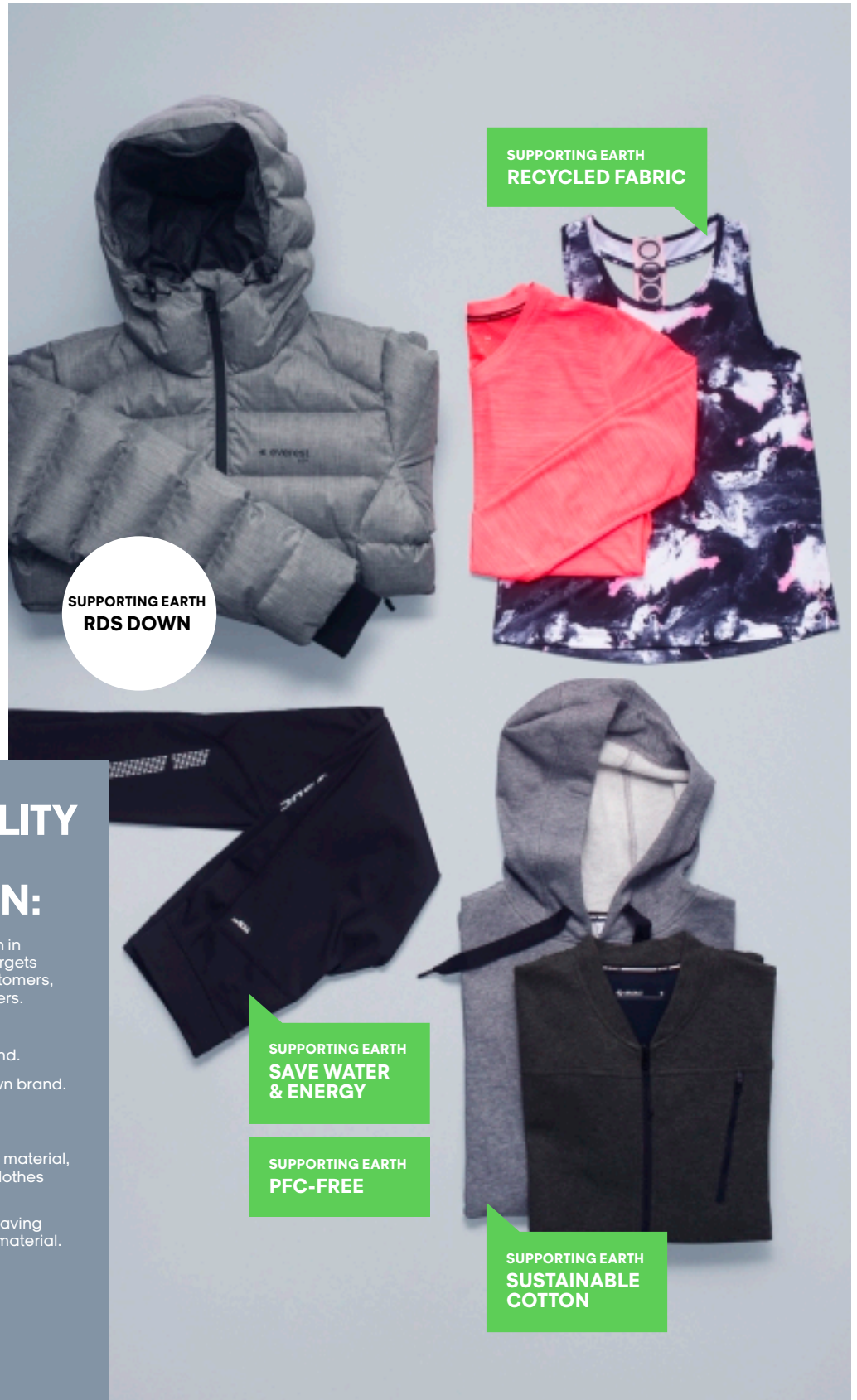
been using the Supporting Earth label for a few years, a green label attached to our products that satisfy environmental or labour law requirements. They must be made of sustainable cotton, recycled polyester or dyed using Solution Dye technology, for example.

The label should clearly signal that we stipulate particular requirements for sustainable materials and methods in production and that the product is made in an environmentally friendly manner.

In the long term, this does not only involve close cooperation with key suppliers but also means that the product needs to last a long time.

We want to prolong the lifetime of garments and products. You can currently hand in your used garments to Re:activate, where our cooperation with Human Bridge has been fantastic and clothes and shoes are used where they are needed. But, there are also garments with a shorter lifetime, such as workout clothes that you sweat in a lot. Where these are concerned, we are investigating whether there are solutions that make them easier to recycle and we are working with several external partners to find new solutions to produce new textiles from old textiles. The technology does not yet exist to transform textiles into clothing, but our aim for 2020 is for part of our textile waste to become our new raw material.”





SUPPORTING EARTH  
RECYCLED FABRIC

SUPPORTING EARTH  
RDS DOWN

SUPPORTING EARTH  
SAVE WATER  
& ENERGY

SUPPORTING EARTH  
PFC-FREE

SUPPORTING EARTH  
SUSTAINABLE  
COTTON

## SUSTAINABILITY WORK IN PRODUCTION:

- Updating our communication in terms of our requirements, targets and conscious choice of customers, dealers, suppliers and partners.
- Using no soft PVC plastic.
- PFC-free material in own brand.
- Only sustainable cotton in own brand.
- Use only RDS down, Responsible Down Standard.
- Use more and more recycled material, e.g. in SOC ReRun: running clothes made of old PET bottles.
- Using Solution Dye, a water-saving dyeing method for synthetic material.



### THE SUPPORTING EARTH TAG

Indicates that the garment satisfies at least one of these three requirements:

- 100% sustainable cotton,
- 50% recycled material,
- 50% material in the product with water-saving dyeing method.

# SUPPLIERS, AUDITS & CERTIFICATES

**We have a responsibility to ensure that the products we sell are manufactured under good conditions and do not contain materials that are harmful to the planet. All the manufacturers we work with need to follow the guidelines in our Supplier Code of Conduct. During our work on the report for 2016/17 and the review of all the work we do in the supply chain to meet our targets for 2020, we spotted some challenges in the agreements that Stadium has had in place for a long time. In connection with this, we have updated our Supplier Code of Conduct for all external suppliers. This Code of Conduct is based on the ten principles of the UN Global Compact and its underlying international conventions and declarations.**

During the spring of 2018, we will start working to update our agreements with all our strategic suppliers, who we have worked with the longest and with whom we place larger volumes.

We follow the EU's legal requirements and guidelines applicable to the environment, safety and chemicals. We are aware that there are legal and cultural differences between different factories, suppliers and subcontractors around the world.

When it comes to human rights, many of the markets in which we operate are considered high-risk areas, i.e. there is a risk of both child labour and forced labour. We have assessed Pakistan, Cambodia and Bangladesh as having an increased risk, as well as cotton producers such as China, India and Uzbekistan. The risk of child labour is reduced with our key suppliers, but tends to increase further down the supply chain. However, there is also a risk of forced labour with key suppliers.

One thing we always check during site visits and inspections is payrolls, to make sure that no payments are omitted or delayed and that no documentation is falsified.

To minimise the risk and ensure that the suppliers producing our own brands follow our Supplier Code of Conduct, we have a careful process for selecting, reviewing and evaluating our suppliers and how they follow our code of conduct. We ask all suppliers to support our values and convey the need for continuous improvements – just as within our own organisation.

## CHECKING THE SUPPLY CHAIN

During 2016 we introduced a web-based system for supplier evaluation covering governance, social and environmental aspects as well as anti-corruption measures. During 2017, we registered and assessed all active units within the production and purchasing chain and our Establishment Department has also started the same assessment/review process for those in the supply chain (4 out of 20 have been cleared). This means that we can focus on follow-up and dialogue after the assessment. The focus is then shifted to updating the procedures for our visits and creating a more efficient and more systematic process. By active units, we mean suppliers with whom we have placed orders with, during the season and work with long-term.

Our supplier evaluation tool has been developed to fit our supply chain. This enables us to monitor and evaluate the risks in terms of sustainability in a comprehensive and cost-effective manner.

The tool is used to collect information from the suppliers and to measure the risks in the supply chain. It covers all areas relating to sustainability: human rights, workers' rights, environment, anti-corruption and governance. Each supplier is evaluated and risk-assessed based on its self-assessment, and the weighted assessment gives an indication of the total risk in the supply chain.

The tool's follow-up function also means that we can follow up on the risk areas that are flagged. The process of identifying suppliers who are high-risk, in terms of sustainability, also makes it easier to prioritise which facilities/suppliers are to be visited and what needs to be evaluated in the future.

## LONG-TERM (BUSINESS) RELATIONSHIPS

We have built up long-term relationships with the suppliers from whom we buy most of our products and we have worked with some of them for over 15 years. In our attempts to gain more control, achieve a better overview and involve fewer intermediaries we have conducted a review of production needs in line with our strategies for the future. As a result of this, we have gone from 133 to 107 suppliers.

Of 107 suppliers in total, we have worked with 36 for over 10 years. In terms of volume, 46 percent of our products are produced by companies who have been our suppliers for more than 10 years.

Regardless of which factories we cooperate with, they must be approved in this system and undergo an initial review before we place orders with them.

## PROGRESS TOWARDS SUSTAINABLE DEVELOPMENT

Parts of our target for 2020 regarding reviews and certifications were met during 2017. 100% of our production units need to have carried out a self-assessment in our system that forms the basis of the follow-up we do. 100% of all new suppliers must perform a self-assessment that will be followed up on-site to verify the information. Our strategic suppliers must be checked on-site and maintain a continuous dialogue to ensure that they work proactively and systematically to maintain a high level of compliance.

We are putting aside more resources for our sustainability work, which has seen clear results in 2017, but we are aware that there will be a further delay before we meet all targets.

## THE FUTURE

We are humbled by the size of the world and the complexity of supply chains. However, we believe that an open mind and a transparent dialogue with our stakeholders and the communities in which we operate is a good way of maintaining ethical production and purchasing practices worldwide in the future.

One important focus area for us just now is collecting resources within production to develop our programme for supplier management. This facilitates monitoring of the process throughout the supply chain. The aim is to engage our suppliers and ensure that they act proactively and can guarantee human rights, workers' rights and environmental protection, as well as preventing corruption in practice – not just on paper.

Our ambition is to maintain strong relationships with our suppliers and focus on working with a limited number of suppliers suitable for meeting Stadium's production needs. We have developed a new strategy where we place more orders with fewer suppliers to strengthen our influence. We might be regarded as a minor player in the industry, but this means we can have a closer dialogue with fewer suppliers and achieve more as our influence increases. This can ultimately result in us having an even more efficient organisation and have better results if we can dedicate more energy to a smaller number of suppliers. This is part of what we call Fair Play!





**SUPPLIER BASE.** Our supplier base consists of manufacturers with their own factories and subcontractors in addition to trading companies and sometimes importers. All our suppliers describe their production units as factories and these are known to Stadium when the order is placed. The production reflects Stadium's range of their own brands and consists primarily of clothes, but also shoes and sportswear or protective equipment such as helmets, skateboards, etc.

| JUNIOR          | SPORTS LIFESTYLE | OUTDOOR SPORTS | CLASSIC SPORTS | STADIUM OUTLET |
|-----------------|------------------|----------------|----------------|----------------|
| OWN BRANDS      |                  |                |                |                |
| EXTERNAL BRANDS |                  |                |                |                |

**STADIUM'S BRANDS AND DIVISIONS.** We work with four divisions: Junior, Sports Lifestyle, Outdoor Sports and Classic Sports.

Stadium's own brands are: SOC, Everest, Race Marine, Warp, Revolution and Occano. We strive to strike a balance with 50 per cent of our own brands and 50 per cent other selected brands in our shops. Stadium Outlet's production is currently approx. 25% of the Stadium Group's total production volume.

## FAIRTRADE COTTON PRODUCTION

Fairtrade is not just about improving the economic situation. The criteria also counteracts child labour and discrimination as well as promoting democracy, organisational law and environmental concerns in production.

Fairtrade makes it possible for people in developing countries to compete in an international market and achieve better conditions through long-term trade agreements. The international Fairtrade criteria guarantee that employees receive contractual wages and improved working conditions.

For us, it is important that all the products we sell are manufactured safely and responsibly. We support Fairtrade and are proud to say that all our own footballs, handballs and beach volleyballs are Fairtrade-certified. In this way we, together with our customer, can make a difference for our suppliers and their employees.

Our Fairtrade balls are purchased for a price that is ten per cent higher than the sales value of the product. The difference is a so-called Fairtrade premium that the employees receive for each Fairtrade product sold. These premiums are used to develop the local community socially and economically, for example, through new schools, clean water projects or healthcare.

## BANGLADESH ACCORD

**Stadium signed the Accord (The Accord on Fire and Building Safety in Bangladesh) in 2014, an initiative to ensure safer and better working environments for textile workers in Bangladesh.**

The Accord is an independent and legally binding agreement between global brands that has been developed to ensure a working environment where no one needs to be afraid of buildings collapsing, fire or other accidents that could be prevented with the right precautionary measures.

All factories are reviewed by independent inspectors where all inspection reports and action plans are for public use. If a safety risk is discovered, the factory in question undertakes the financing for improvements and repairs needed while the employees receive their wages throughout the entire process.

Together with our suppliers, we are working to improve fire and construction safety in the third world. So far, over 190 companies have signed the agreement – which ensures safer working environments for around two million employees in 1,600 factories.

## UNITS 2016/17

TOTAL NUMBER OF FACTORIES AND VISITS

|   |     |
|---|-----|
| Active units                                    | 223 |
| Reviews   | 169 |
| Valid third-party certification                 | 23  |
| Stadium's internal site visits                  | 20  |
| Third-party inspections on Stadium's initiative | 20  |
| Factories rejected following site visit         | 4   |
| Valid CAPs                                      | 32  |

### SUPPLIER REVIEW PROCESS

#### ANALYSIS

- Mapping of supply chain
- Analysis of industry and country risks

#### REQUIREMENT DEFINITION

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

#### REVIEW

- The factory's self-assessment
- Evaluation of results
- Follow-up through dialogue

#### INSPECTIONS AND SITE VISITS

- Site visits by Stadium and inspections performed by a third party
- The supplier is informed of the results from the inspection

#### CORRECTIVE MEASURES (CAP)

- The supplier submits a corrective action plan to remedy deficiencies
- Follow-up
- Business development that results in improvements

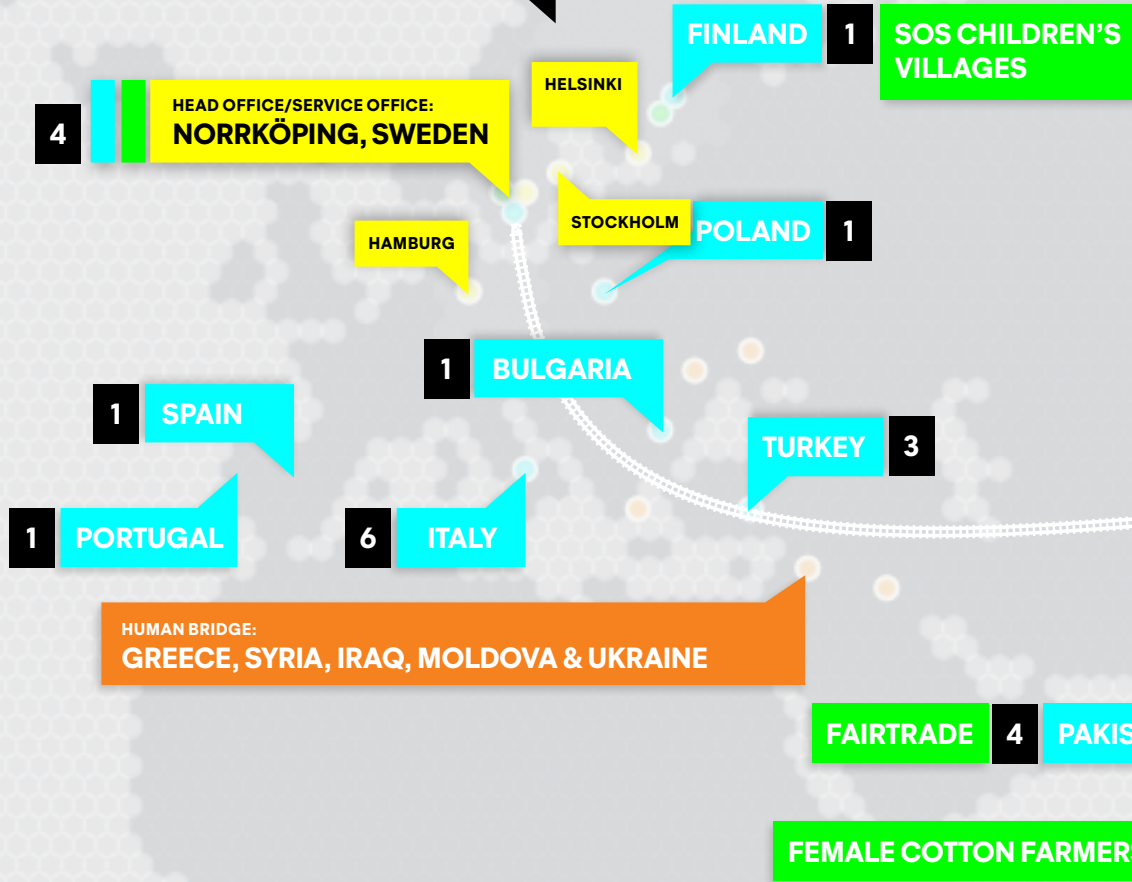
### LONG-TERM BUSINESS RELATIONSHIPS

A major focus in our productions process. We have cooperated with 36 out of our 107 suppliers for over 10 years. These account for 46 per cent of our volume.

### REVIEWS BY BANGLADESH ACCORD

All 11 factories in Bangladesh that produce for Stadium have been inspected by the Bangladesh Accord. 70 inspections in total were performed at these factories during 2016/17.

130 STADIUM SHOPS & 43 OUTLET STORES IN:  
**SWEDEN (93\*+34), DENMARK (7\*\*\*),  
 FINLAND (27\*\*+9), & GERMANY (3)**



**NUMBER OF FACTORIES  
 223 FACTORIES  
 IN 15 COUNTRIES.**

|            |     |
|------------|-----|
| BANGLADESH | 10  |
| BULGARIA   | 1   |
| CAMBODIA   | 2   |
| CHINA      | 167 |
| FINLAND    | 1   |
| INDONESIA  | 7   |
| ITALY      | 6   |
| PAKISTAN   | 4   |
| POLAND     | 1   |
| PORTUGAL   | 1   |
| SPAIN      | 1   |
| SWEDEN     | 4   |
| TAIWAN     | 6   |
| TURKEY     | 3   |
| VIETNAM    | 9   |

**COLOUR GUIDE  
 MAP**

- Office (●)
- Factories (●)
- Social engagement (●)
- Re:Activate initiative (●)





**ALONG THE RAILWAY**  
 We always aim to ship our products from Asia by sea since this is the most environmentally friendly option. However, production delays arise for various reasons and other shipping methods may need to be used in such cases. To avoid air transport, which is very harmful to the environment regardless of purpose, from and including this year we will instead use trains for shipping to reduce our environmental impact.

**THE ACCORD**  
**SOS CHILDREN'S VILLAGES**

**10 BANGLADESH**

**167 CHINA**

**PRODUCTION OFFICE:**  
**HONG KONG**

**TAIWAN 4**

**VIETNAM 9**

**CAMBODIA 2**

**INDONESIA 7**

**STAN**

**S INDIA**





# A WORLD WITH CLEAN WATER

## STWI

Stadium has joined the Sweden Textile Water Initiative, a unique cooperation between Swedish companies in the textile and leather industry, and is working with the Stockholm International Water Institute. They have been developing guidelines for more sustainable water use since 2010 and are focusing on finding new solutions and technology for a sensible use of water, energy and chemicals throughout the entire production chain.

The textile industry is currently one of the world's largest industries, an industry requiring large volumes of water during the manufacturing process. Reducing water consumption in textile production is a major challenge for the retail sector.

### AIM

By creating a platform for knowledge and training, the project will change the suppliers' attitudes relating to the importance of sustainable production. The STWI has trained more than 15,900 employees through workshops and information meetings for STWI member companies.

The Sweden Textile Water Initiative is a cooperation between the Swedish International Development Cooperation Agency, the Stockholm International Water Institute, the members of the Sweden Textile Water Initiative and their suppliers and subcontractors. It is one of Sweden's largest cooperation projects between the public and private sector with the aim of achieving environmentally more sustainable production throughout the entire production chain.

## STWI's RESULTS 2016



### PARTNERSHIPS FOR THE GOALS

- 5 countries are covered by the STWI • 20 brands with factories are participating in the programme
- 10 brands in learning platform



### AFFORDABLE AND CLEAN ENERGY

- Electricity consumption reduced by 27,650,006 kWh (2.76%)
- Energy consumption per kg textile reduced by 24.44 Mj/KG (14.57%)



### CLEAN WATER AND SANITATION

- 3.35 million square metres saved annually = daily need for 67 million people = annual need for 183,000 people
- 6% reduction of total water consumption
- 7.3% reduction of water per kg textile



### RESPONSIBLE CONSUMPTION AND PRODUCTION

- Total chemical reduction is 5.2 million kg (3.37% of the total chemical use)
- Total reduction per kg production is 294 g/kg (9.55 %)
- 68% of the factories have installed and use resource management systems
- 77% improvement in compliance with legislation



### DECENT WORK AND ECONOMIC GROWTH

- 15,930 workers have been trained in 13 workshops and 4 information meetings
- 176 senior executives trained
- SEK 162.9 million has been invested by factories with a 20-month break-even period (240% ROI in three years)

## SOLUTION DYE SAVES WATER

Savings with Solution Dye technology compared to traditional dyeing:

- WATER - 80%**
- ENERGY - 60%**
- CARBON DIOXIDE - 60%**
- CHEMICALS - 60%**



Minimising environmental impact is a major challenge for all textile producers. For us at Stadium, this means we invest a lot in the energy and water-efficient Solution Dye technology when dyeing clothes. It is currently the Stadium Group's primary dyeing method and the use of Solution Dye will increase further in our production up to 2020.

Traditional dyeing of fabrics requires large amounts of water, energy and carbon dioxide since the colour is "washed into" the fabric. During the Solution Dye process, the fibres are dyed from the start, i.e. before the threads become fabric. This means that the entire traditional dyeing process for the fabric is reduced since the red dye is in the threads of the fabric from the start. This process saves enormous amounts of water and energy, which in turn makes a huge difference to the environment.

At Stadium we have used the Solution Dye technology for over ten years. In the beginning, the dyeing process was only used for black linings, but in 2013 the technology was available in a large number of colours. It is linings in particular that are dyed, but also the outer fabric for brands such as Warp, Everest, SOC and Race Marine.

Our aim is to continuously increase the proportions of products dyed using Solution Dye in the coming years. All garments dyed using Solutions Dye have Supporting Earth labels that say "Save water and energy".

DURING 2016/17 WE SAVED  
~ **7.9**  
MILLION LITRES OF WATER AND 277,000 KG CO<sup>2</sup>



## FEMALE COTTON FARMERS & COTTON CONNECT

# STRONG WOMEN IN COTTON- PRODUCING COMMUNITIES

Together with four other companies in the industry, Stadium supports Female Cotton Farmers, a local project in India initiated by Cotton Connect. The project comprises 15 villages in Maharashtra and Parbhani in Western India, where around 1,550 female cotton growers receive training and information on how their crops can contribute to a reduced environmental impact, improved health and a more stable economy.

## FARMERS FEEDBACK

**NAME OF THE FARMER:**  
Ayodhya Bansidhar Shinde  
**AGE:** 31  
**LOCATION:** Sanpuri Village,  
Maharashtra.  
**YEAR OF ENROLMENT:** 2016

*"Since joining the BIC programme I have learned about new farming methods and about soil testing, which was completely new to me. This helped me to work out the right quantity but also the right quality of the chemical fertiliser we use. This is something we didn't know before and that I can now share with my husband and children. We now have discussions and he consults me on business decisions. My children have also shown a great interest in learning more about farming, but have also gained a greater understanding of how they will one day run the 'family business'.*

*Thanks to their training I have also learned about intercropping, which means I grow more crops along with the cotton in the field. These are generally food crops such as onions, potatoes and cauliflowers that we sell for personal use as extra income. The adults have been able to buy mobile phones and we have also bought a gas stove. Joining the programme has helped us feel secure. We are able to contribute something and we feel more respected by our families and the community."*



In 2001, we at Stadium decided to become a fur-free chain. Through an agreement with Animal Rights Sweden, we undertake not to sell any products containing fur in our shops.

This applies to both our own brands and external brands.

## 100% SUSTAINABLE DOWN AT STADIUM

### RESPONSIBLE DOWN STANDARD.

We support the Responsible Down Standard in our use of down. The standard prohibits the plucking of down from living birds and from birds that have been force-fed. The aim of the Responsible Down Standard is to ensure that the animals are treated with dignity throughout the entire supply chain. This is done by giving the industry tools to ensure that down and feathers do not come from birds subjected to suffering and a system which makes the origin of the material traceable.

Read more at [www.responsibledown.org](http://www.responsibledown.org).

## SUPPORTING EARTH

With our Supporting Earth concept, we make it simpler for our customers to find sustainable products in our shops. Labels are attached to products made of ecological cotton or recycled polyester, dyed using the water-saving Solution Dye technology or free from PFC. Our aim is, of course, to exclude all chemicals that are harmful to the environment and people.

## CHEMICALS.

When it comes to chemicals, we follow the strict and recommended restrictions detailed in the EU's chemicals legislation REACH. During 2015, the Stadium Group started work on the Restricted Substance List, a list of substances restricted in production going forward from 2016. For the work to phase out hazardous chemicals to continue and for us to be able to meet our sustainability targets, our RSL stipulates more stringent requirements than what is required. Some of the substances that have constituted a major challenge during production and that we know our customers are keen to avoid, are products that contain PFC or phthalates and that are treated with antibiotics.

During 2015, 80% of our coated materials were PFC-free. During 2016, work continued on phasing out PFC, which resulted in all our garments from our production during 2017 being PFC-free. Our aim for 2018 is for all our products to be entirely PFC-free; this includes shoes, tents and bags.

We stipulate stringent requirements for our suppliers, new and old, insisting that they follow our chemical requirements to further reduce the use of carcinogenic, allergenic and environmentally harmful chemicals.

# 100%

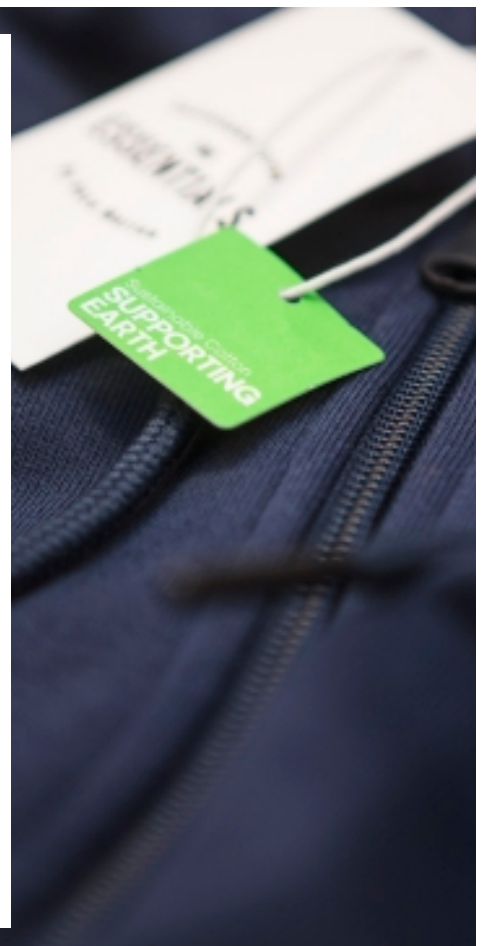
## BETTER COTTON INITIATIVE

**Together with the Better Cotton Initiative we will improve cotton cultivation worldwide.**

The Better Cotton Initiative (BCI) was founded in 2005 and is a non-profit organisation dedicated to making global cotton production better and more sustainable. The aim is to change cotton production worldwide and make Better Cotton a conventional commodity.

In cooperation with stakeholders throughout the cotton production chain, the BCI advocates measurable and continuous improvements for the environment, growing communities and the economy in cotton-producing regions.

In our cooperation with the BCI, we commit to use 100% sustainable cotton in 2017/18 by using Better Cotton, ecological cotton and, in the long term, also recycled cotton. Since 2017, all products from our own brand collections are manufactured using sustainably produced cotton. Information about this can be found on the green Supporting Earth label.



# ENERGY AND EMISSIONS

**We think that an active world and a clean environment go hand in hand. As part of being climate smart, we are trying to apply the precautionary principle to all our decisions. Caring for the environment is important to us. That is why we are trying to reduce our use of water and energy, reduce our emissions and use better chemicals. During the financial year 2016/2017 we reduced our emissions by 2.5% compared to the previous year.**

We cannot do without energy. It is what drives us forwards and a must for us to be able to make a profit. But it should be used for the right reasons and at the right times. We continuously strive to reduce the energy consumption in the transport chain and in our distribution centres, as well as the amount of energy used for lighting and heating in our shops.

During the financial year 2016/17, we managed to reduce the energy consumption in our shops by 3.2%. We are now looking into how to save even more energy in the future. Right now, our main focus is on going "all in" with LED solutions (much longer service life and requiring no continuous bulb changes) in all our shops and equipping the shops with even more timers/relays/zone solutions so that they are even more energy efficient in the future. In Sweden and Finland, Stadium is covered by the act on energy audits of large companies (EKL).

During the spring of 2017, energy mapping was performed for 10% of the shops in Sweden (8 Stadium shops and 2 Stadium outlet stores) and 10% of the shops in Finland (3 Stadium shops).

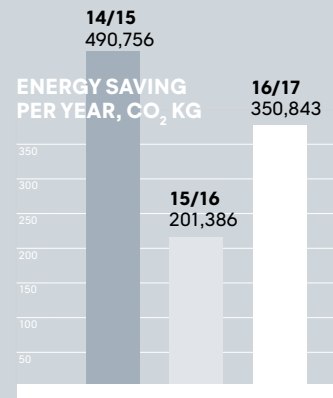
The energy mapping was performed by certified energy mappers, the property owners' technical managers, electricians and project managers. This describes the company's total energy use. The energy mapping also identified improvement opportunities.

100 per cent of the electricity we buy comes directly from renewable sources - wind power. That electricity accounts for 60 per cent of our total energy use; the rest of the electricity is purchased by other parties such as the lessors who own our shop premises. We are working to gain control of that energy as well via sub-metering and reporting from the lessors and demanding that they provide "Green contracts and Green electricity".

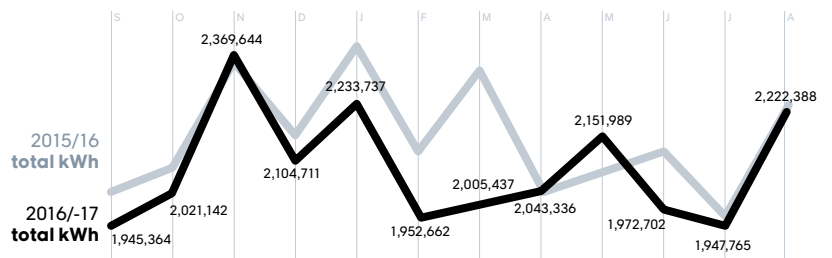
## HISTORY OF THE ENERGY SAVE PROJECT.

Stadium's energy save project has been going on since 2009. The project has focused on the lighting in our shops in Sweden, which means luminaires, general lighting, spotlights, relays and timers.

During the project Stadium has actively chosen to work with electricity supplier EON, which has led to both more knowledge and a significantly lower purchase price per kWh.



## ENERGY DEVELOPMENT 09/2015-08/2017



## STADIUM SWEDEN ENERGY SAVING 09/2009 TO 08/2017

|       | kWh        | CO <sub>2</sub> KG/ YEAR |
|-------|------------|--------------------------|
| 09/10 | -1,801,121 | -763,675                 |
| 10/11 | -801,057   | -339,648                 |
| 11/12 | -495,774   | -210,208                 |
| 12/13 | -405,645   | -171,993                 |
| 13/14 | -823,615   | -349,213                 |
| 14/15 | -1,157,444 | -490,756                 |
| 15/16 | -474,968   | -201,386                 |
| 16/17 | -827,460   | -350,843                 |

-5.30%  
-2.30%

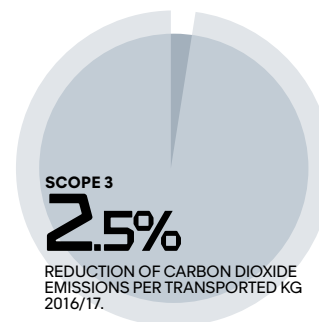
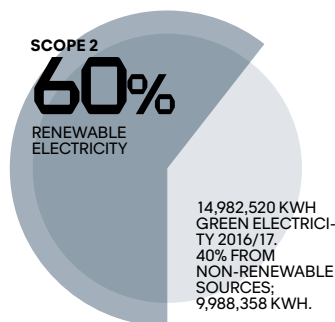
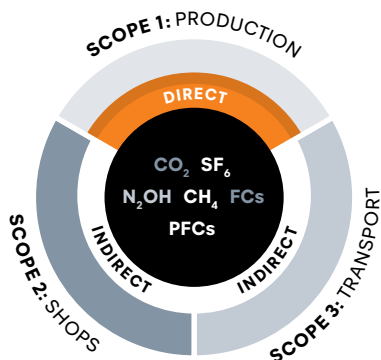
Since September 2009 Stadium Sweden has saved around 6,787,084 kWh. = approx. 2,877,724 CO<sub>2</sub> kg

This in turn corresponds to

# 1,779

JOURNEYS AROUND THE WORLD IN A CAR\*.

\*: Converter at <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



**SCOPE 1:** The environmental impact during production is direct, but scope 1 emissions account for an insignificant proportion of our total emissions.



**SCOPE 2:** The switch to LED lighting in all shops has started, and we are also choosing green electricity in all contexts where we have a say in this.



**SCOPE 3:** Most of our products are transported by sea. During the year we have replaced several air transports with rail transports.

**ENERGY & EMISSIONS FIGURES 09/2016-08/2017**

| SCOPE 2: SHOPS                                |            |
|---|------------|
| TOTAL USE (kWh) 15/16                         | 25,798,338 |
| TOTAL USE (kWh) 16/17                         | 24,970,878 |
| TOTAL EMISSIONS OF CO <sub>2</sub> 15/16 (KG) | 10,938,495 |
| TOTAL EMISSIONS OF CO <sub>2</sub> 16/17 (KG) | 10,587,652 |
| REDUCTION OF KG CO <sub>2</sub> /YEAR         | 350,843    |
| REDUCTION IN PER CENT                         | 3.2%       |

| SCOPE 3: TRANSPORT  | TO WAREHOUSES BY SEA*, **  | TO SHOPS***   |
|---|----------------------------|---|
| TOTAL EMISSIONS OF CO <sub>2</sub> 15/16 (KG)               | 1,087,387                  | TOTAL EMISSIONS OF CO <sub>2</sub> 15/16 (KG) 1,123,728   |
| TOTAL EMISSIONS OF CO <sub>2</sub> 16/17 (KG)               | 941,003                    | TOTAL EMISSIONS OF CO <sub>2</sub> 16/17 (KG) 943,367   |
| TOTAL REDUCTION OF CO <sub>2</sub> EMISSIONS (KG)           | 146,384                    | TOTAL REDUCTION OF CO <sub>2</sub> EMISSIONS (KG) 180,361   |
| TOTAL NUMBER OF TRANSPORTED KG 15/16                        | 3,351,861                  | TOTAL NUMBER OF TRANSPORTED PACKAGES/PALLETS 15/16 1,018,321  |
| TOTAL NUMBER OF TRANSPORTED KG 16/17                        | 3,307,161                  | TOTAL NUMBER OF TRANSPORTED PACKAGES/PALLETS 16/17 876,482  |
| CO <sub>2</sub> EMISSIONS/TRANSPORTED KG 16/17              | 0.28 KG                    | CO <sub>2</sub> EMISSIONS/TRANSPORTED PACKAGES/PALLETS 16/17 1.076 KG                                 |
| REDUCTION OF CO <sub>2</sub> EMISSIONS/TRANSPORTED KG 16/17 | -0.004 CO <sub>2</sub> /kg | REDUCTION OF CO <sub>2</sub> EMISSIONS/TRANSPORTED PACKAGES/PALLETS 16/17 -0.0027 CO <sub>2</sub> /kg |

Comments: Scope 1 emissions account for an insignificant proportion of the total amount of emissions. These are therefore not reported.

Shop scope 3 emissions are from transports from DCs to shops in Sweden. Since there is insufficient data on international transport, these are not reported here.

\*Please note that the figures are only from where Stadium handles shipping in accordance with Incoterms. Figures from when other parties (i.e. suppliers) are responsible for the transport are not included.

\*\*Please note that the figures include domestic transport from suppliers to ports and from the Port of Norrköping to Stadium DC.

\*\*\*Due to changes to our carrier's method of reporting, the figures for 2015/16 have been changed compared to the figures reported in the Sustainability Report for 2015/16.

**ENERGY TARGETS**

1. The short-term measurable target for 2017/18 is to reduce Kwh by 800,000. Equivalent to 73,3 kWh/m<sup>2</sup> (on average) in corresponding units.

2. The long-term measurable target from 2019/20 and going forward in March 2020 we will implement EKL (energy mapping) for the second time, is to reduce kWh by at least 2,500,000 during this period. Equivalent to 68.1 kWh/m<sup>2</sup> (on average) in corresponding units.

3. Carry out continuous improvement work/mapping.

4. 100% LED by 2021/22.





# ACTIVATE THE WORLD

When brothers Ulf and Bo Eklöf founded Stadium over 30 years ago, they wanted to make the world more active. This is a brave and tantalising vision based on a very down-to-earth approach: that all people are made for physical activity. Our vision inspires us to grow and spread our ideas in increasing circles to help more people kick bad habits and discover the benefit, joy and community of an active life.

We are convinced that our vision to make the world more active is not just about enabling everyone to buy clothes and equipment at great prices, but also about ensuring that we have a planet on which we can be active in the future. We strive to have as little impact on the environment as possible, in both social structures and in the society we live in.

The strongest organisations are imbued with equality and diversity in all forms. At Stadium, we want everyone to feel useful and appreciated. Everyone should be welcome regardless of gender, ethnic background, sexual orientation or age. It is the passion and energy of everyone who works for us that forms the team spirit and corporate culture that separates us from our competitors.

5,000 people are working for Stadium and every day we inspire our customers to have an active lifestyle. Customers who are men and women, young and old and who we think share our vision of an active life. They represent various groups of the society we live in and all the different needs that these have. We try to have a team with the same demographic broadness as our customers. A team that knows they can contribute to achieving our common goal, making the world more active, with their unique experiences and abilities.

In our annual employee survey, we ask our employees whether they think Stadium is an equal workplace where everyone is treated equally regardless of gender, gender identity and gender expression, ethnicity, religion or other faith, disability, sexual orientation or age. Overall, our workplace quality index is 88 per cent, a small but important increase compared to previous years when the index was 86 per cent.

We know that we have areas on which we need to focus more to be able to be considered equal at all levels within the organisation. The areas we need to prioritise are gender, ethnicity and age. We need to set clear targets, create new processes that support our work going forward and find tools that help us follow up on the progress we are making.

## STADIUM'S DNA

Our ambition is to be value-driven in all aspects. For us to be able to make our vision a reality and feel that we are all working on the same wavelength, we use five values that we refer to as the High Five, our DNA. These values unite us and help us focus on the right things in our daily work and when planning our way forward.

### ENERGY

With the right attitude and will to contribute, we create both joy and energy. Energy brings success. Energy allows us to surpass ourselves and win customers' hearts.

### SIMPLICITY

We use common sense and straightforward communication to avoid conflict. By choosing simple and effective solutions, we ensure efficiency and profitability.

### TEAMWORK

We think as a team, work as a team and stand up for each other as a team. We respect and safeguard each other's differences. That is what makes us the best in the world.

### INNOVATION

We are convinced that everything can be improved. Through continuous improvements and innovation we ensure quality, functionality and fashion as well as promoting sustainable development.

### PASSION

We are passionate about creating an active, fun and healthy life for everyone.

## CODE OF ETHICS: FAIR PLAY!

We want Fair Play in all operations, out in the sports field and in sports halls, but also in meeting rooms and around negotiating tables. Stadium's own policy against corruption, our Code of Ethics, has been produced and will be implemented during 2017/18.

Our Code of Ethics is intended to support our employees and business partners throughout the value chain. We think that when everyone knows the rules of the game, we do even better business together. A great way to work with team spirit!

## REALISING OUR VISION

Our vision of making the world more active is the basis for everything we do. This is one of the reasons why we are sponsors and co-organisers for some of Sweden's and the world's biggest sporting events.

### GÖTEBORGSVARVET HALF MARATHON 2017 IN FIGURES

|   |                    |
|---|--------------------|
| Number registered   | >60,000            |
| Percentage of women /men  | 35.8% /64.2%       |
| Median age men /women   | 41 years /38 years |
| Youngest runner   | 17 years           |
| Oldest runner men /women  | 84 years /77 years |
| Median time men /women (2016)                                   | 1:54:50 /2:07:58   |
| Runners registered for their 39th Göteborgsvarvet Half Marathon | 61                 |
| Number of stewards  | 4000               |
| Litres of water   | 100,000            |
| Litres of sports drinks   | 30,000             |
| Number of nations   | 92                 |

### MIDNATTSLOPPET RACES

58,282 people registered for the 10-kilometre races in Stockholm, Gothenburg, Malmö and Helsinki.

There are also races for children, young people and people with disabilities.

### NAISTEN KYMPPI WOMEN'S FUN RUN

Around 12,000 women registered in Helsinki. The race started in 1984 and covers over 10 kilometres.

WOMEN ONLY.

### VÄTTERNRUNDAN BIKE RACE

#### THE WORLD'S BIGGEST BIKE RACE

23,000 registered  
19,847 started  
18,856 finished

### VASALOPPET SKI RACE

Stadium has been a proud main sponsor since 2001 and arranges "The Children's Vasalopp" on location outside several shops before the main race.

#### 66,582 PEOPLE REGISTERED FOR WINTER WEEK 2017.

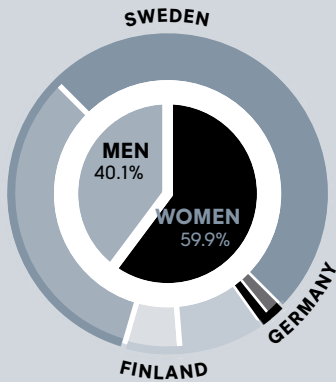
Ten races over ten days attracted participants from 63 nations.

#### 30,829 PEOPLE REGISTERED FOR SUMMER WEEK 2017.

For children up to the age of ten, "The Children's Vasalopp Ski Race" will be arranged during the winter week and "The Children's Vasalopp Bike Race" and "The Children's Vasalopp Running Race" during the summer week. 1943 children participated in the Children's Vasalopp Races in 2017.

# FIGURES AND HIGHLIGHTS FROM HR.

## TOTAL WORKFORCE BY REGION AND GENDER



| COUNTRY      | WORKFORCE    | WOMEN        | MEN          |
|--------------|--------------|--------------|--------------|
| SWEDEN       | 4256 (82.8%) | 2546 (59.8%) | 1710 (40.2%) |
| FINLAND      | 791 (15.4%)  | 484 (61.2%)  | 307 (38.8%)  |
| GERMANY      | 93 (1.8%)    | 51 (54.8%)   | 42 (45.2%)   |
| <b>TOTAL</b> | <b>5140</b>  | <b>3081</b>  | <b>2059</b>  |

## WAGE DIFFERENCES\*\*

AVERAGE BASIC WAGE IN SEK 2016/2017

| ALL                 | ALL          | <30 YEARS    | 30-50 YEARS  | >50 YEARS    |
|---------------------|--------------|--------------|--------------|--------------|
| WOMEN               | 272,185      | 249,556      | 320,209      | 377,989      |
| MEN                 | 289,866      | 251,429      | 369,500      | 440,544      |
| <b>WOMEN VS MEN</b> | <b>93.9%</b> | <b>99.3%</b> | <b>86.7%</b> | <b>85.8%</b> |

| EMPLOYEES           | ALL          | <30 YEARS    | 30-50 YEARS  | >50 YEARS    |
|---------------------|--------------|--------------|--------------|--------------|
| WOMEN               | 263,943      | 249,052      | 300,311      | 342,198      |
| MEN                 | 267,973      | 250,157      | 314,762      | 358,731      |
| <b>WOMEN VS MEN</b> | <b>98.5%</b> | <b>99.6%</b> | <b>95.4%</b> | <b>95.4%</b> |

| MANAGERS            | ALL          | <30 YEARS    | 30-50 YEARS  | >50 YEARS    |
|---------------------|--------------|--------------|--------------|--------------|
| WOMEN               | 465,472      | 357,908      | 466,790      | 528,314      |
| MEN                 | 564,535      | 379,431      | 574,543      | 650,190      |
| <b>WOMEN VS MEN</b> | <b>82.5%</b> | <b>94.3%</b> | <b>81.2%</b> | <b>81.3%</b> |

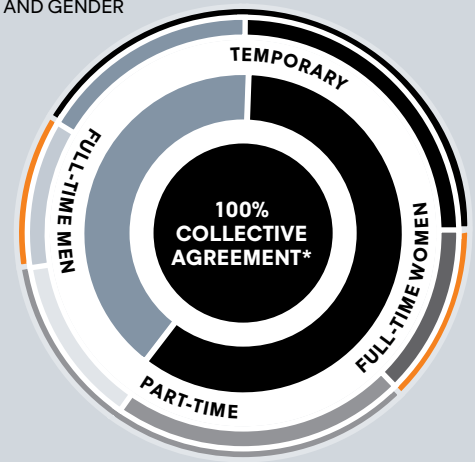
| MANAGEMENT TEAM | ALL       | AVERAGE                   |
|-----------------|-----------|---------------------------|
| WOMEN           | 1,338,000 | <b>WOMEN VS MEN 85.2%</b> |
| MEN             | 1,570,286 |                           |

## COMMENTS ON WAGE DIFFERENCES\*\*.

The wage differences in more junior age groups are very small, but in the more senior groups these differences are greater. Even when we look at the difference between wages for men and women among managers we see slightly bigger differences. One explanation for this, but in no way defending it, is that there are more men than women in senior management positions and this affects average wages. The average wages in these figures do not take position levels into account. When comparisons are made within position levels, the differences are much smaller. Comparisons between equivalent jobs are now made annually pursuant to the Swedish Discrimination Act.

## TOTAL NUMBER OF EMPLOYEES PER TYPE OF EMPLOYMENT AND GENDER

5140



|              | PERMANENT    | TEMPORARY    | FULL-TIME   | PART-TIME    |             |
|--------------|--------------|--------------|-------------|--------------|-------------|
| WOMEN        | 1790 (58.1%) | 1291 (41.9%) | 661 (36.9%) | 1129 (63.1%) | 3081        |
| MEN          | 1232 (61.3%) | 827 (38.7%)  | 590 (47.9%) | 642 (52.1%)  | 2059        |
| <b>TOTAL</b> | <b>3022</b>  | <b>2118</b>  | <b>1251</b> | <b>1771</b>  | <b>5140</b> |

## COLLECTIVE AGREEMENT\*.

All our employees (100%) are covered by collective agreements and special agreements on health and safety that govern e.g. scheduling, working hours and sick pay.

**E-NPS:** Employee Net Promoter Score indicates how the company is doing at time of measurement. The value is measured with a question: "Would you recommend your company as an employer to a friend or acquaintance?". The scale is from -100 to +100, with values above 50 being considered very high.

**CHANGE 11/2015 TO 11/2016** **58 → 60**

## COMPOSITION OF BOARD AND MANAGEMENT AND DIVISION OF OTHER EMPLOYEES

PERCENTAGE WITHIN OUR ORGANISATION 2016/2017 (+/-) INDICATES CHANGE FROM PREVIOUS YEAR

|                 | MEN       | WOMEN     | <30 YEARS | 30-50 YEARS | >50 YEARS |
|-----------------|-----------|-----------|-----------|-------------|-----------|
| BOARD           | 85.7%     | 14.3%     | 0.0%      | 28.6%       | 71.4%     |
| MANAGEMENT TEAM | 77.8% (-) | 22.2% (+) | 0.0%      | 88.9% (+)   | 11.1% (-) |
| MANAGERS        | 57.0%     | 43.0%     | 8.6% (+)  | 80.2% (-)   | 11.2% (+) |
| EMPLOYEES       | 40.6%     | 59.4%     | 73.2% (+) | 24.7% (-)   | 2.1%      |

## NEW EMPLOYEES AND STAFF TURNOVER

NUMBER OF PEOPLE WHO HAVE BEEN HIRED OR LEFT DURING 2016/17

|                    | MEN         | WOMEN        | <30 YEARS    | 30-50 YEARS | >50 YEARS |
|--------------------|-------------|--------------|--------------|-------------|-----------|
| NEW EMPLOYEES (%)  | 609 (37.4%) | 1021 (62.6%) | 1467 (90.0%) | 159 (9.7%)  | 4 (0.3%)  |
| STAFF TURNOVER (%) | 517 (25.1%) | 790 (25.6%)  | 1077 (30.0%) | 211 (13.1%) | 19 (1.2%) |



## HANIN SADID, SALES REPRESENTATIVE, STADIUM SVÅGERTORP

Hanin Said has worked as a sales representative at Stadium for eight years, first as an intern, then as a temp and now as a permanent employee. How did you end up at Stadium, Hanin?

"I studied business at upper secondary school, had my internship here and then I stayed!"

She prefers working in the children's department, perhaps because she has two young daughters and therefore has a particular interest in this department. Hanin thrives at work and she thinks she has helped many customers with similar immigrant backgrounds to hers.

"I am a Muslim and have chosen to wear a hijab. There are many different Muslim cultures, so there is nothing strange about this."

### THREE QUICK QUESTIONS FOR HANIN

**LISTENS TO:** Arab music.

**I'M AT MY BEST WHEN:** Things are going well for me both at home and at work.

**WHAT I LIKE DOING:** Working instead of looking after sick children!



# A LITTLE CHAT WITH SOME COLLEAGUES.

Meet some of Stadium's employees, from Germany to Sälen and hear them share what it is like to work at Stadium.



## MIIKA MARTISKAINEN, SALES REPRESENTATIVE ISO OMENA, FINLAND

Miika's career at Stadium began two years ago when he started as an intern. He is now the sales manager at Iso Omena, and last year he won Activator of the Year in Finland. His certificate? It is right next to his pillow so he sees it every day when he wakes up. "I never thought I'd win. But I like my job so much and I try to always be a team player and think of others."

Miika currently lives in Espoo, the second largest city in Finland. But he grew up on the coast, more specifically in Hanko, the southernmost town in Finland, and perhaps it was the proximity to the sea that laid the foundation for his main interest: fishing. "I spend all my spare time fishing. It's relaxing and a great way to clear your head."

### THREE QUICK QUESTIONS FOR MIIKA

**I LIKE:** Playing PlayStation with friends. I know it's not the sportiest thing to do, but I really like hanging out with my close friends and competing with them!

**DREAM OF:** I'm not much of a dreamer, but if you work hard, your dreams can come true.

**IN THE FUTURE I WILL:** Become Store Manager at Stadium. How? Read my previous answer!



## ZACHARIAS ERIKSSON, SALES REPRESENTATIVE STADIUM SKI, LINDVALLEN

Zacharias, or Zacke as most people call him, started as an intern at Stadium in Södertälje, which led to a job, followed by a winter season in Sälen, which became a summer season and a few more seasons after that. He has now worked in Lindvallen's tourist ski shop for eight years, something that has given him great knowledge of alpine sales and that has resulted in him running alpine training for our employees in Sälen. But does he find the time to go skiing himself?

"Absolutely, I probably average 35-40 days on the slopes and many kilometres on the ski runs!"

### FOUR QUICK QUESTIONS FOR ZACKE

**LIKES TO EAT:** What my partner makes!

**LIKES TO WATCH:** TV series like Stranger Things.

**LIKES TO READ:** Anything to do with winter gadgets and sport

**I'M ALSO:** A Star Wars geek!



## JANNIK PAHL, SALES REPRESENTATIVE MÖNCKEBERGSTRASSE, HAMBURG

22-year-old Jannik Pahl had worked as a trainee at a German sports chain for a few years when he heard about Stadium, a cool new shop from Sweden, and how they were hiring. He got a job and now works at Stadium Mönckebergstrasse in Hamburg. There he is responsible for the football department, which means everything from how it is represented visually to holding product training - but above all, offering customers the best service. When he is asked what he likes best about Stadium, he replies:

"I like everything! But the best thing is still the contact with customers, being able to offer good service and ensure customer satisfaction."

### THREE QUICK QUESTIONS FOR JANNIK

**I LIKE:** Football!

**DREAM OF:** Becoming a manager at Stadium.

**ACTIVITIES I LIKE:** I like traveling, playing football, running, hanging out with friends and listening to and making music.



## MATILDA IVARES, PURCHASER STADIUM OUTLET, SOLNA

As soon as she finished upper secondary school, Matilda Ivares applied for seasonal work at Sälen - all to be able to ski as much as possible. She ended up at Stadium Outlet in Sälen, and from Sälen she moved to the city and got a job at Stadium Outlet in Barkarby.

"Both Sälen and Barkarby gave me many good experiences, particularly moving the old Stadium Outlet store to its new premises. But I also felt ready to face new challenges."

Matilda ended up at Stadium Outlet's office in Solna as a purchasing assistant, but was soon promoted to the role of purchaser, which she still does today as a stand-in.

### MATILDA'S TOP 3 SKI RESORTS

**1. ZERMATT:** I like that the lift system is shared with Cervinia in Italy.

**2. VERBIER:** The view!

**3. CHAMONIX:** Just had a day of skiing here, hence the third place.



## ALBIN LARSSON, SALES REPRESENTATIVE TEAM SALES, HALMSTAD

It was his brother's best friend's ex-girlfriend who told Albin Larsson that Stadium was hiring, and that was that. Albin started working in one of our shops in 2015 and is now a sales representative in Team Sales. He likes working out - especially weightlifting and running. But when he is not working out, he also cooks - preferably Italian food. When we ask what he will be doing in ten years, he replies:

"I'll probably be living in Norrköping and working at the Stadium head office."

He aims to stay at Stadium, and he is currently reading the book "Sell" by Fredrik Eklund for inspiration. When he is not working, working out or cooking, he likes playing FIFA with his friends.

### FOUR QUICK QUESTIONS FOR ALBIN

**BEST THING ABOUT THE JOB:** My colleagues!

**FAVOURITE PRODUCT:** Nike Pegasus. A real classic.

**I'M LOOKING FORWARD TO:** Spring.

**FAVOURITE QUOTE:** "The difference between try and triumph is a little umph."

# FOR A HEALTHY GENERATION

Since 2012 Stadium has been involved in the *En Frisk Generation* (A Healthy Generation) foundation, which was founded based on the idea that physical activities and a good diet are crucial for a healthy life. To increase knowledge, inspire and lay the foundation for an active and healthy lifestyle at an early age, *En Frisk Generation* has developed a method involving the entire family. In areas where the resources are limited, the entire family is offered the chance to participate in free activities where a healthy life is in focus. The organisation enables children and their families to be more active, and gives them tools and methods for healthy lifestyles.



## A BAG FOR A MORE ACTIVE LIFE

Every year Stadium distributes activity bags to first graders to inspire them to be more active.

During the autumn of 2003, Stadium initiated the project with activity bags for the purpose of supporting the schools in their work to make the children more active. Children spend a large part of their days in a school environment and we want to help them be more active in their daily lives in addition to the scheduled sports lessons.

The activity bag contains classic sports gear such as footballs, rounders bats, ball pumps, cones, skipping ropes and basketballs. The hope is that the new equipment will encourage more children to exercise and find joy in a more active life. Prior to school start in 2015, Stadium asked first graders around the country what they think would make their breaks more fun and active, and many of them said that more sports gear to use during their breaks would be good.

In September 2016, over 4000 bags were distributed to first graders in Sweden and Finland in the hope that the children would be more active during the school day.

The project is part of Stadium's Good Citizen work and financed exclusively by Stadium, and since the beginning of 2003 close to 25,000 activity bags have been distributed to first graders in Sweden and Finland.

7,954

## STADIUM SPORTS CAMP (SSC) CONTINUES TO MAKE PEOPLE MORE ACTIVE.

During the summer of 2017, Stadium Sports Camp put on activities for almost 8000 participants who, together with around 1200 camp leaders, were able to have an active, fun and safe week.

This year more young people were given the opportunity to participate since the camp was also established in Halmstad.

One of the most important issues for Sports Camp going forward is making sure that more people are given the opportunity to participate. The camp works actively to ensure that children and young people, regardless of challenges or socio-economic background, have the chance to participate. We are able to offer free spaces due to support from foundations, sponsors and the Stadium Group and this year more than 450 participants had the chance to participate in the camp. Our ambition is for more to have that chance.



## FACTS ABOUT SSC:

Stadium Sports Camp AB (svb) is run with a special profit limit. Any profit in the company is reinvested or sent back to the partner associations who participate and help with arrangements. Since the beginning of 1995, the camp has sent back over SEK 60 million, with over 90,000 participants getting involved in activities.

90,000

# INTEGRATION THROUGH SPORT



Goodsport wants to contribute to a world where young people grow up to be open-minded global citizens who take responsibility for themselves and society. The foundation's activities equip young people for the demands of adult life and bridges gaps through meaningful encounters. The method is to offer sporting activities that contribute to counteracting prejudice, building self-esteem, conveying important

social codes and cultivating characteristics attractive to the labour market. The target group is young people who want to influence their own future as well as players within the public sector, associations and industry who want to create societal benefits through integration. Goodsport has real change in focus and promotes integration in real life through good business sense, experience and a methodical approach.



Stadium has been involved in SOS Children's Villages in Bangladesh since 2015. The aim of this aid is to give children and young people in the area a future.

# CHILDREN'S VILLAGES GIVE HOPE

SEK 5 of Stadium's sales of a small orange water bottle has gone to SOS Children's Villages and to the city of Chittagong in Bangladesh since 2015. Bangladesh was an obvious choice since it is one of the countries where many of Stadium's products are manufactured.

**DURING 2016/17, 56,807 BOTTLES WERE SOLD IN SWEDEN AND WE HAVE RAISED SEK 284,035 TOGETHER WITH OUR CUSTOMERS.**

## FOR A BETTER FUTURE

In Bangladesh, more than 150 million people live in an area smaller than a third of Sweden. Chittagong is located on a river delta that is often hit by monsoon rains, cyclones, tidal waves and floods. The children's village in Chittagong was built in 1989, three years after a tidal wave killed 50,000 people, leaving thousands of children alone or orphaned.

The aid for Chittagong consists of two parts. The financing contributes partly to running the children's village and partly to the family support project that SOS Children's Villages runs in Chittagong. The children's village is home to children who have either lost their parents or been abandoned, or who for other reasons have nowhere else to go.

There are 12 families in the children's village, each of which live in their own house. Each family has a children's village mother who is responsible for and lives together with between seven and nine children. If the children have biological siblings, they always get to be in the same SOS family.

Many vulnerable children have parents who really want but are unable to take care of their children. These families can be supported via a family support programme, support that is customised for each family. This might be training for the parents or psychosocial or financial support to help the family and give them the tools they need to be able to become self-sufficient. Support might also be given in the form of school supplies and lunches so that the children can go to school.

## FACTS ABOUT SOS CHILDREN'S VILLAGES:

- SOS Children's Villages has been helping vulnerable children for almost 70 years. The organisation currently operates in 135 countries and territories.
- SOS Children's Villages runs 6 children's villages in Bangladesh where almost 900 children live, 5 homes for around 300 young people and young adults, 4 schools for 2700 children, 4 vocational schools with 400 places and 5 social centres that support more than 1600 families in total - overall, over 7000 children and young adults.



## OPERATIONS IN FINLAND

Stadium has also been involved in SOS Children's Villages in Finland since 2015. EUR 0.50 of Stadium's sales of a small orange water bottle go to SOS Children's Villages in Finland to help build more accommodation that is safe. We sold 15,786 bottles in Finland in 2016/17.

- What is best for the child is at the heart of all our operations - the solutions are customised for the child and family's individual needs. There are currently ten SOS children's villages in Finland where around 200 children and young people in care live.

- The aim is to offer a home-like environment to grow up in for children in care while also supporting the child's foster family. We work

with preventive support measures for the child and the biological family by offering family support activities and family rehabilitation, among other things. Stadium has distributed activity bags during the year together with SOS Children's Villages, and employees from Stadium have visited the villages to encourage the children and young people living there to be more active.

## FACTS ABOUT SOS LAPSIKYLÄ:

SOS Children's Villages in Finland (SOS-Lapsikylä) aims to increase wellbeing among children and families in Finland and around the world. The organisation helps families by offering services within early support, outpatient care and care outside the home. The Finnish division of SOS Children's Villages was founded in 1962 and is a member of the international organisation SOS Children's Villages International.





# GOVERNANCE

We believe that strong and effective management has to be characterised by a clear focus on sustainability. We encourage everyone at Stadium to follow our values. They are important mottos that can motivate everyone within the organisation to contribute to our vision of making the world more active.

## STADIUM'S CONCEPT & FORMAT

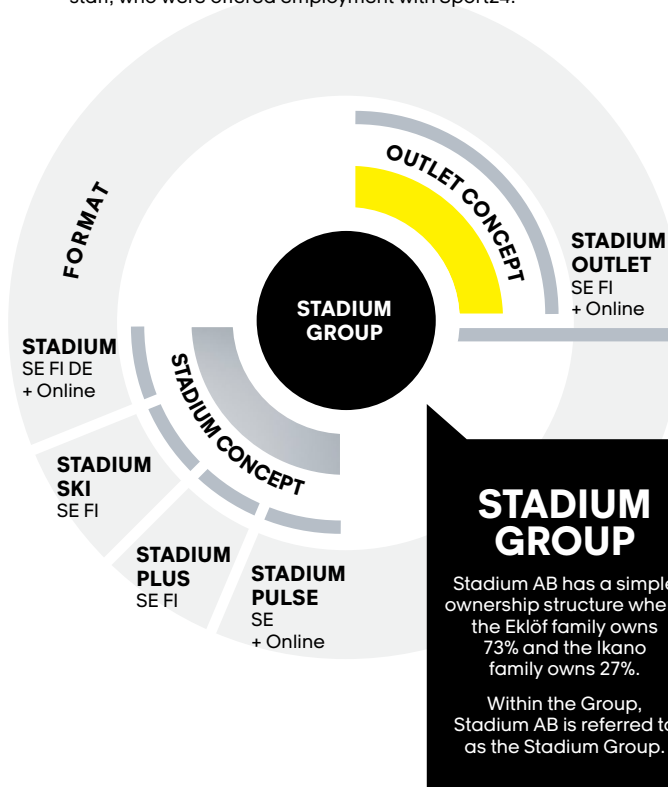
Stadium currently consists of two concepts: the original Stadium concept and Stadium Outlet, which was added in 2009. Both concepts include several formats, both physical and web-based.

The Stadium concept currently consists of **Stadium** with **Stadium Ski**, which focuses on alpine and cross-country skiing; **Stadium Plus**, where we have the widest range in the big cities and **Stadium Pulse**, which opened in the autumn of 2016 and offers a unique range within training, running and sportswear. Our webshop Stadium Online also falls within the framework of Stadium.

**Stadium Outlet** offers discount stores for sports equipment and sportswear in Sweden and Finland. Stadium Outlet also has a webshop available in both markets.

The purpose of our different concepts and formats is to have a wide range of products in different price segments and to reach out to a larger customer group. Stadium currently has approx. 173 shops in Sweden, Finland and Germany.

In September/October 2016, Stadium ceasing trading in Denmark. Sport24 took over these activities including all staff, who were offered employment with Sport24.



## FINANCIAL DATA 2016/2017

CREATED AND DELIVERED DIRECT ECONOMIC VALUE

| KEY DATA                                     |  |
|--|--|
| COUNTRY                                      | Sweden, Finland, Germany and Hong Kong |
| CURRENCY                                     | SEK                                    |
| EQUITY                                       | 840,634,380                            |
| LIABILITIES                                  | 860,086,077                            |
| CREATED DIRECT ECONOMIC VALUE                |  |
| REVENUE                                      | 5,391,112,090                          |
| DELIVERED DIRECT ECONOMIC VALUE              |  |
| OPERATING COSTS                              | 4,232,723,854                          |
| EMPLOYEE BENEFITS                            | 1,072,149,628                          |
| DIVIDENDS                                    | 200,000,000                            |
| TAX  |  |
| Sweden                                       | 17,792,822                             |
| Finland                                      | 6,695,137                              |
| Denmark                                      | 98,144                                 |
| Hong Kong                                    | 32,714                                 |
| Germany*                                     | 0                                      |
| SOCIAL INVESTMENT                            | 7,137,956                              |
| <b>TOTAL DELIVERED DIRECT ECONOMIC VALUE</b> | <b>5,536,630,255</b>                   |
| <b>RETAINED ECONOMIC VALUE</b>               | <b>-145,518,165</b>                    |

\*Due to losses in the German market, no tax has been paid.

| BOARD 2016/2017   |   |  |
|---|---|--|
| CHAIR<br>BIRGER LUND  |   |  |
| MEMBER<br>ULF EKLÖF   | MEMBER<br>HENRIK BUNGE                                    | MEMBER<br>JESPER SCHMIDT   |
| MEMBER<br>CHRISTEL KINNING  | MEMBER<br>KARL EKLÖF<br><i>SUSTAINABILITY MANAGER</i>     | MEMBER<br>BO EKLÖF   |
| MANAGEMENT TEAM 2016/2017   |   |  |
| CEO<br>KARL EKLÖF<br><i>SUSTAINABILITY MANAGER</i>                          | SALES MANAGER<br>STEFAN HÖGKVIST                          | CFO<br>SOPHIA HEMSTAD  |
| WEB MANAGER<br>FREDRIK PERSSON  | LOGISTICS MANAGER<br>DANIEL JOHANSSON                     | HR MANAGER<br>MAGNUS WÄHLANDER                                   |
| ACTING HEAD OF MARKETING<br>KARL EKLÖF                                      | PURCHASING MANAGER<br>ROGER PALFFY                        | CEO STADIUM OUTLET<br>ANDERS BEJSY                               |
| SUSTAINABILITY COUNCIL 2016/2017  |   |  |
| SPORTS CAMP MANAGER<br>MARCUS GRAPNE<br><i>SUSTAINABILITY MANAGER</i>       | MARKETING COORDINATOR<br>AFERDITA ARNRYD<br><i>MARKET</i> | TACTICAL SALES MANAGER<br>HENRIK THYGESEN<br><i>SALES</i>        |
| SUSTAINABILITY MANAGER, PURCHASING<br>CATRINE MARCHALL<br><i>PURCHASING</i> | ACTING HR MANAGER<br>TOMMY RUNESSON<br><i>HR</i>          | OPERATIVE LOGISTICS MANAGER<br>PETER CARLSON<br><i>LOGISTICS</i> |
| CONTENT MANAGER<br>ROBIN LILJESTRAND<br><i>E-COMMERCE</i>                   | CONTROLLER<br>TOMMY THELANDER<br><i>ESTABLISHMENT</i>     |  |

**COMMENT ON DECISION PROCESS FOR SUSTAINABILITY.**  
This is an overview for the working year 2016/17. The structure for sustainability decisions will be changed for future working years.

# THE MOST IMPORTANT ISSUES

## HOW DO YOU CHOOSE WHAT TO FOCUS ON?

**For us the answer is simple: we ask people directly affected by our daily work – our customers, employees, sports clubs, social media followers\*, non-profit organisations and selected brands – what they think is important.**

The delimitation of the aspects in the report was prepared during a materiality workshop with Stadium’s management team after a series of stakeholder dialogues. The dialogues were conducted in the autumn of 2016 via online questionnaires with both open and closed questions. All the groups were given the opportunity to give their views on important issues and to make suggestions for new aspects. All groups close to us who give us their views are considered stakeholders. The stakeholder groups can change over time, but during the period that the report concerns, the groups were those given in the table below.

The aspects identified were evaluated based on how they affect our value chain. It became clear that issues relating to the environment, human rights and non-toxic materials are important to our stakeholders. The issue prioritised by everyone was there being no child labour in our supply chain. All important aspects have relevance within the organisation, and sustainability in the supply chain also has relevance outside of the organisation.

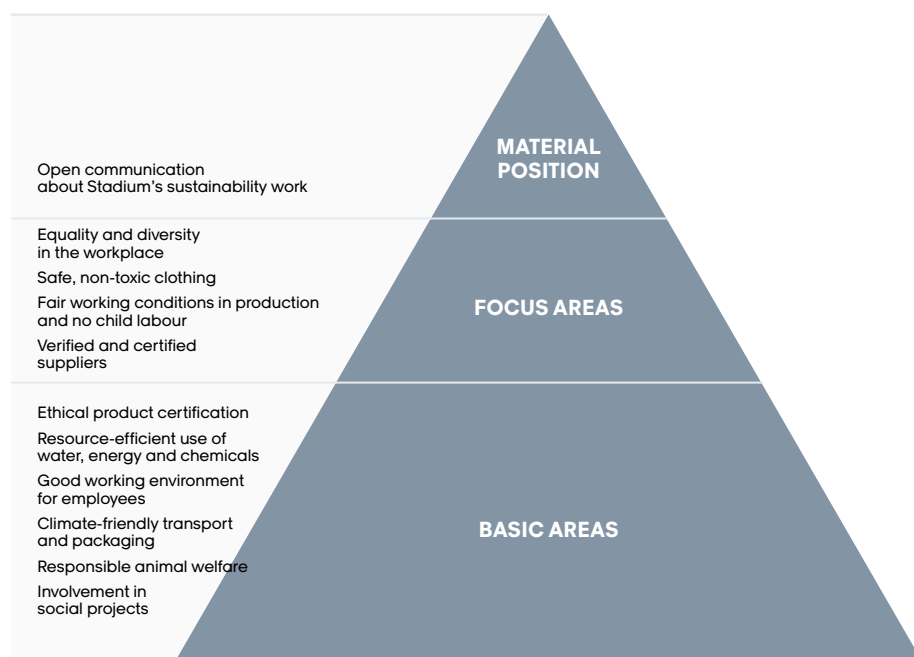
We are proud of the great commitment of our stakeholders and that 541 people in total responded to the questions. This shows that our stakeholders think the sustainability work is important and are keen to support us in this going forward. But we will continue to involve as many people as possible, and although we are satisfied with the number of responses this year, we will try to get even more in the future.

Innovation is at the heart of our sustainability work, and after two years of reports we wanted to present the result of the stakeholder dialogues in a new way. The pyramid is a clearer

way of presenting new ideas and views from the stakeholders, and it forms the basis for the work on our sustainability vision during the workshop with the management team. During the work on the pyramid, the following were found to be important aspects:

- All stakeholders highlighted the aspect “open communication” in the dialogue and 85 per cent wanted more communication about Stadium’s sustainability work.
- “Equality and diversity in the workplace” – we have recently prepared a diversity plan and an employee survey and have high targets, and it is clear that it is important to encourage all people to be more active.
- “Ethical product certification” is important to external stakeholders: 91 per cent want to see international or our own ethical labelling within all product areas.

## MATERIALITY MATERIALITY PYRAMID



| STAKEHOLDER     | TYPE OF CONTRACT      | ISSUES RAISED  |
|-----------------|-----------------------|--|
| CUSTOMERS       | Web*                  | Safe, non-toxic clothing<br>Good service<br>No child labour in production  |
| SOCIAL MEDIA*** | Web*                  | No child labour in production<br>Safe, non-toxic clothing<br>Good service  |
| SELECTED BRANDS | Web*                  | Good service<br>No child labour in production<br>Safe, non-toxic clothing  |
| TEAM SALES      | Web*                  | Good service<br>No child labour in production<br>Verified and certified suppliers                                    |
| EMPLOYEES       | Web*<br>Activevoice** | No child labour in production<br>Good working environment for employees<br>Safe, non-toxic clothing                  |
| MANAGEMENT      | Web*                  | Reduce use of water, energy and chemicals in production<br>Safe, non-toxic clothing<br>No child labour in production |

\*Web-based dialogue before this sustainability report  
 \*\*Annual employee survey  
 \*\*\*Followers on the Swedish Facebook page

# INDEPENDENT ASSURANCE STATEMENT

## SCOPE AND OBJECTIVES

Ethos International AB has undertaken independent assurance of the Stadium Sustainability Report 2016/2017 (the Report). The assurance process was conducted in accordance with AA1000AS (2008). We were engaged to provide moderate level Type 1 assurance, which covers:

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

We provide a third party check on the application of the GRI G4 Guidelines.

## RESPONSIBILITIES OF THE DIRECTORS OF STADIUM AND OF THE ASSURANCE PROVIDERS

The management of Stadium have sole responsibility for the preparation of the Report. The Board of Directors emits the report for Stadium jointly with the CEO of Stadium. This is the second year Ethos International has provided sustainability assurance for Stadium.

Our statement represents our independent opinion and is intended to inform all of Stadium's stakeholders including management. We adopt a balanced approach towards all Stadium stakeholders. Our assurance team comprised of Malin Lindfors Speace and Max Berggren. Further information relating to the team is available at: [www.ethosinternational.se](http://www.ethosinternational.se).

## BASIS OF OUR OPINION

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

- Review of the current Sustainability issues that are material to Stadium and are of interest to stakeholders.
- Interviews with management responsible for sustainability and review of selected evidence to support issues discussed. These were freely selected by the assurers. Main focus of the interviews was the understanding of material aspects, stakeholder perspectives, risks and opportunities related to sustainability, communication and changes during the year.
- Review of Stadium's approach to stakeholder engagement and recent outputs.
- Review of the report texts, graphs and tables.
- Review of indicators relevancy and reasonable proportion.
- Site visit at a Stadium supplier factory, in form of an inspection in line with demands set in Stadiums Supplier Code of Conduct and SA8000 Standard.

## FINDINGS AND OPINION

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

We are not aware of any errors that would materially affect the reliability of disclosed information.

We can confirm that we have made an independent assessment of Stadium's self-declared application of the GRI G4 guidelines and can confirm it to be a Core level "in Accordance" report.

## OBSERVATIONS

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

### MATERIALITY

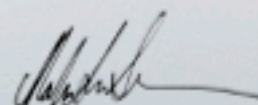
We believe the report describes the majority of Stadium's material impacts in an adequate and good manner that enables all stakeholders to engage with Stadium to co-create in moving sustainability to a broader and more incorporated level both in Stadium and as stakeholder in an external context.

Areas that should be highlighted and addressed in Stadium's forthcoming sustainability performance is continued integration of sustainability in their value chain, including external brands, increased follow up on adherence to demands and the implementation of the Code of Conduct and related policies. In next years report an emphasis should be put on the disclosure of results from analysis and initiatives within diversity and gender equality to address these key aspects. To meet legislative requirements adequate systems for reliable and traceable data should be adopted during 2018.

### INCLUSIVITY AND RESPONSIVENESS

The range of stakeholder groups addressed in the stakeholder dialogues together with the degree of participants in the dialogues and involvement from top management indicates high engagement and understanding of sustainability and provides an inclusive foundation for Stadiums strategic development. To uphold the commitment and knowledge of sustainability, Stadium should continue to increase transparent internal and external communication. For next years report an updated stakeholder dialogue with employees and external stakeholder groups should be conducted in order for Stadium to maintain a high degree of understanding of its stakeholders' interests.

**ETHOS INTERNATIONAL**  
25 April 2018



**Malin Lindfors Speace**  
Partner and Senior Advisor



**Max Berggren**  
Advisor



Ethos International AB is a Nordic Sustainability Advisory firm licensed by AccountAbility to provide AA1000 AS (2008) assurance.



# GRI INDEX

## GLOBAL REPORTING INITIATIVE INDEX

The Global Reporting Initiative's guidelines for sustainability reporting (GRI G4) 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 environment.

The GRI's aim is to make sustainability reporting the standard for all companies and organisations. It's framework is a reporting system that sets out criteria for measuring and reporting impact and results in the area of sustainability.

## STANDARD DISCLOSURES

| GRI CODE                     | DESCRIPTION   | PAGE NUMBER                  | ● | ✓ | COMMENT   |
|------------------------------|---|------------------------------|---|---|---|
| <b>STRATEGY AND ANALYSIS</b> |   |                              |   |   |   |
| G4-1                         | Statement from the most senior decision-maker   | Page 3                       | ● | ✓ |   |
| <b>ORGANISATION PROFILE</b>  |   |                              |   |   |   |
| G4-3                         | The name of the organization  | Page 26                      | ● | ✓ |   |
| G4-4                         | Report primary brands, products and services  | Page 13, 26                  | ● | ✓ |   |
| G4-5                         | Report the location of HQ   | Page 14                      | ● | ✓ |   |
| G4-6                         | Report the number of, and names of, countries of operation and sustainability topics relating to operations | Page 14, 15                  | ● | ✓ |   |
| G4-7                         | Report the nature of ownership and legal form   | Page 26                      | ● | ✓ |   |
| G4-8                         | Report the markets served   | Page 14, 15, 26              | ● | ✓ |   |
| G4-9                         | Report the scale of the organization  | Page 14, 21, 26              | ● | ✓ |   |
| G4-10                        | Report on employees (see list)  | Page 21                      | ● | ✓ | Omission on data concerning contracted workers due to unreliable data |
| G4-11                        | Report the percentages of total employees covered by collective bargaining                                  | Page 21                      | ● | ✓ |   |
| G4-12                        | Describe the supply chain   | Page 8, 9, 12, 13, 14, 15    | ● | ✓ |   |
| G4-13                        | Report any significant changes  | Page 12, 14, 26              | ● | ✓ |   |
| G4-14                        | Report whether and how the precautionary principle is addressed by the organization                         | Page 18                      | ● | ✓ |   |
| G4-15                        | List external charters, principles or other initiative that the organization subscribes to or endorses      | Page 4, 6, 7, 13, 17, 20, 24 | ● | ✓ |   |
| G4-16                        | List memberships of associations  | Page 7, 16, 17, 25           | ● | ✓ |   |

STATUS, LEVEL OF IMPLEMENTATION: ● FULL ● PARTIAL

AUDIT: ✓ INDICATOR AUDITED BY THIRD PARTY

| GRI CODE                                 | DESCRIPTION   | PAGE NUMBER        | ● | ✓ | COMMENT   |
|--|---|--------------------|---|---|---|
| <b>MATERIAL ASPECTS AND DELIMITATION</b> |   |                    |   |   |   |
| G4-17                                    | List all entities etc   | Page 26            | ● | ✓ |   |
| G4-18                                    | Explain the process for defining content and boundaries etc       | Page 27            | ● | ✓ |   |
| G4-19                                    | List all material aspects   | Page 27            | ● | ✓ |   |
| G4-20                                    | Report the aspects boundaries within the organization             | Page 27            | ● | ✓ |   |
| G4-21                                    | Report the aspects boundaries outside the organization            | Page 27            | ● | ✓ |   |
| G4-22                                    | Report the effect of any restatements                             | not applicable     | ● | ✓ |   |
| G4-23                                    | Report significant changes  | not applicable     | ● | ✓ |   |
| <b>COMMUNICATION WITH STAKEHOLDERS</b>   |   |                    |   |   |   |
| G4-24                                    | Provide a list of stakeholder groups                              | Page 27            | ● | ✓ |   |
| G4-25                                    | Report the basis for identification and selection of stakeholders | Page 27            | ● | ✓ |   |
| G4-26                                    | Report the organizations approach to stakeholder engagement       | Page 27            | ● | ✓ |   |
| G4-27                                    | Report the key topics and concerns for stakeholders               | Page 27            | ● | ✓ |   |
| <b>INFORMATION ON THE REPORT</b>         |   |                    |   |   |   |
| G4-28                                    | Reporting period  | Page 2             | ● | ✓ |   |
| G4-29                                    | Date of previous report   | Page 2             | ● | ✓ | 28 June 2017  |
| G4-30                                    | Reporting cycle   | Page 2             | ● | ✓ |   |
| G4-31                                    | Provide the contact point   | Page 2             | ● | ✓ |   |
| G4-32                                    | GRI Content Index for Accordance Core                             | Page 29-31         | ● | ✓ |   |
| G4-33                                    | External assurance  | Page 28            | ● | ✓ |   |
| <b>GOVERNANCE</b>                        |   |                    |   |   |   |
| G4-34                                    | Governance structure  | Page 26            | ● | ✓ | Omission on reporting decision processes due to significant changes being made regarding the working process of the Sustainability Council. The information will be fully reported in the report 17/18. |
| <b>ETHICS AND INTEGRITY</b>              |   |                    |   |   |   |
| G4-56                                    | Ethics and integrity  | Page 5, 12, 13, 20 | ● | ✓ |   |

## SPECIFIC STANDARD DISCLOSURES

| GRI CODE                    | DESCRIPTION  | PAGE NUMBER                                  | ● | ✓ | COMMENT   |
|-----------------------------|--|--|---|---|---|
| G4-DMA                      | Generic Disclosures on Management Approach         | Page 8, 9, 10, 12, 13, 16, 17, 18, 20, 24-27 | ● | ✓ |   |
| <b>ECONOMIC IMPACT</b>      |  |  |   |   |   |
| <b>ECONOMIC RESULT</b>      |  |  |   |   |   |
| EC-1                        | Direct economic value generated and distributed    | Page 26                                      | ● | ✓ |   |
| <b>ENVIRONMENTAL IMPACT</b> |  |  |   |   |   |
| <b>ENERGY</b>               |  |  |   |   |   |
| EN-3                        | Energy consumption within the organisation         | Page 19                                      | ● | ✓ | District heating and cooling is not reported due to since we do not use it in our operations. |
| <b>EMISSIONS</b>            |  |  |   |   |   |
| EN-16                       | Energy indirect greenhouse gas emissions (scope 2) | Page 19                                      | ● | ✓ |   |
| EN-17                       | Other indirect greenhouse gas emissions (scope 3)  | Page 19                                      | ● | ✓ |   |
| EN-18                       | Emissions intensity                                | Page 19                                      | ● | ✓ | Indicator based on scope 3.   |
| EN-19                       | Reduction of greenhouse gas emissions              | Page 19                                      | ● | ✓ |   |

STATUS, LEVEL OF IMPLEMENTATION: ● FULL ● PARTIAL

AUDIT: ✓ INDICATOR AUDITED BY THIRD PARTY

| GRI CODE  | DESCRIPTION  | PAGE NUMBER              | ● | ✓ | COMMENT  |
|---|--|--------------------------|---|---|--|
| <b>SUPPLIER ENVIRONMENTAL ASSESSMENT</b>          |  |                          |   |   |  |
| EN-32   | Environmental screening of new suppliers   | Page 13                  | ● | ✓ | The number of new suppliers screened cannot be separated from the total number of screened suppliers due to limitations in current data system. During 2017 all suppliers were screened. |
| EN-33   | Significant actual and potential negative environmental impacts in the supply chain                      | Page 8-9, 10, 12, 16, 17 | ● | ✓ |  |
| <b>SOCIAL IMPACT</b>                              |  |                          |   |   |  |
| <b>EMPLOYMENT</b>                                 |  |                          |   |   |  |
| LA-1  | New employee hires and employee turnover   | Page 21                  | ● | ✓ |  |
| <b>OCCUPATIONAL HEALTH AND SAFETY</b>             |  |                          |   |   |  |
| LA-8  | Health and safety topics covered in formal agreements  | Page 21                  | ● | ✓ |  |
| <b>DIVERSITY AND EQUAL OPPORTUNITIES</b>          |  |                          |   |   |  |
| LA-12   | Composition of governance bodies and breakdown of employees per employee category                        | Page 21                  | ● | ✓ | Collecting data regarding minority groups is not allowed in our countries of operations  |
| LA-13   | Salary and remuneration  | Page 21                  | ● | ✓ | Remuneration not included in provided figures due to data being inaccessible because of changes in HR data system.   |
| <b>SUPPLIER ASSESSMENT FOR LABOR PRACTICES</b>    |  |                          |   |   |  |
| LA-14   | Labour practices screening of new suppliers  | Page 13                  | ● | ✓ | The number of new suppliers screened cannot be separated from the total number of screened suppliers due to limitations in current data system. During 2017 all suppliers were screened. |
| LA-15   | Significant actual and potential negative impacts for labor practices in the supply chain                | Page 12                  | ● | ✓ |  |
| <b>CHILD AND COMPULSORY LABOR</b>                 |  |                          |   |   |  |
| HR-5  | Operations and suppliers identified as being at significant risk of incidents of child labor             | Page 12                  | ● | ✓ |  |
| HR-6  | Operations and suppliers identified as being at significant risk of incidents involving compulsory labor | Page 12                  | ● | ✓ |  |
| <b>SUPPLIER HUMAN RIGHTS ASSESSMENTS</b>          |  |                          |   |   |  |
| HR-10   | Human rights screening of new suppliers  | Page 13                  | ● | ✓ | The number of new suppliers screened cannot be separated from the total number of screened suppliers due to limitations in current data system. During 2017 all suppliers were screened. |
| HR-11   | Significant actual and potential negative human rights impacts in the supply chain                       | Page 12                  | ● | ✓ |  |
| <b>SUPPLIER ASSESSMENT FOR IMPACTS ON SOCIETY</b> |  |                          |   |   |  |
| SO-9  | Screening of impact on society of new suppliers  | Page 13                  | ● | ✓ | The number of new suppliers screened cannot be separated from the total number of screened suppliers due to limitations in current data system. During 2017 all suppliers were screened. |
| SO-10   | Significant actual and potential negative impacts on society in the supply chain                         | Page 12, 17              | ● | ✓ |  |
| <b>PRODUCT RESPONSIBILITY</b>                     |  |                          |   |   |  |
| <b>CUSTOMER HEALTH AND SAFETY</b>                 |  |                          |   |   |  |
| PR-1  | Product and service categories for which health and safety impacts are assessed for improvement          | Page 7, 9, 17            | ● | ✓ | Supporting Earth: PFC-free material  |





**MAKING  
THE WORLD  
MORE ACTIVE IN  
SUSTAINABLE WAYS**



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