

It's all about Fair Play!

Stadium's Supplier Code of Conduct

Stadium always wants to stick to the rules and play a fair game. This philosophy applies to all aspects of our business as we want to actively contribute to a more sustainable world. We expect all of our business partners to stick to the same rules governing a fair game in every sense of doing business. As one of the largest sport retailers in the Nordic region we want to make sure that everybody that conducts business with us acts in a way that is fair to the workers, the environment and the society we all share. Stadiums vision is to activate the world – today and tomorrow.

Stadium's Supplier Code of Conduct, hereby referred to as the "Code", applies to all suppliers, sub-suppliers, sub-contractors and business partners, hereby referred to as "the supplier/s", which do business with all entities within Stadium Group, referred to as "Stadium". For further details regarding the scope of this Code see section 6. In addition to compliance with this Code, Stadium encourages its suppliers to work proactively with sustainability and to share information about that work with Stadium. Basically, sharing is caring and by learning from each other we can activate the world in sustainable ways.

Basis of the Code

This Code is based on the ten principles of the UN Global Compact and its underlying conventions and declarations. The supplier shall always follow national legislation and, when applicable, follow international legislation with a wide territorial scope. This Code displays minimum requirements to which the supplier must meet in order to do business with Stadium. If national regulations set out a more stringent position than this Code, such regulation shall prevail.

¹<https://www.unglobalcompact.org/what-is-gc/mission/principles>

1. Human Rights

Internationally human rights shall be protected and respected by the supplier. Suppliers shall ensure that they do not directly or indirectly violate human rights, nor take advantage of human rights violations conducted by others.

1.2 Freedom of Association (FoA)

Employees are free to join associations of their own choosing. Suppliers must not interfere with employees who wish to lawfully and peacefully associate, organize or bargain collectively. The decision whether or not to do so should be made solely by the employee. If FoA is restricted under national law, supplier should support and not hinder the development of alternative means of worker representation.

- A. The supplier shall not threaten, penalize or restrict employees' lawful efforts of FoA.
- B. The supplier shall adopt an open attitude towards the activities of trade unions and their organizational activities.
- C. The supplier shall treat worker representatives, such as union officers and leaders, respectfully and allow them to operate lawfully and free from obstruction and discrimination.

- D. Employees are allowed to select worker representatives and grant access to company management in order to address grievances and other issues.
- E. Meetings shall be held between management and worker representatives and the meetings should be recorded and meeting minutes should be provided to the participants.
- F. The supplier shall provide suggestion boxes, place them in convenient places and places without surveillance (e.g. canteen and dormitories), and allow anonymous suggestions or comments from employees. No penalty will be taken for the employees who make a suggestion or comment about the supplier.

1.3 Children's Rights

- A. The supplier shall respect children's rights and commit to supporting the human rights of children.
- B. The supplier shall contribute to the elimination of child labour.
- C. The supplier shall ensure that products and services are safe, and seek to support children's rights through them.
- D. The supplier shall ensure the protection and safety of children in all business activities and facilities.
- E. The supplier shall respect and support children's rights in relation to the environment and to land acquisition and use.
- F. The supplier shall respect and support children's rights in security arrangements.

1.4 Privacy rights

Suppliers shall respect privacy rights and not arbitrarily interfere with the employees' privacy, family, home or correspondence, nor attack upon the employees' honor and reputation.

- A. The supplier shall protect personal information and data of the employees and suppliers when personal information is collected, stored, processed, transmitted, or shared.
- B. The supplier should not unlawfully or arbitrarily hand over or sell personal information and data of the employee to third parties without consent of the employee(s) affected.

1.5 No harassment or abuse

Suppliers must treat all employees with respect and dignity. Suppliers shall not use corporal punishment or any other form of direct or indirect physical or psychological coercion or force.

- A. The supplier shall not engage in or permit psychological coercion or any other form of non-physical abuse, including threats of violence, sexual harassment, screaming or other verbal abuse.
- B. Disciplinary practices must follow local law and be fully documented. Monetary fines should be refrained from. Deduction of the wages for late employees should be based on actual delayed time.
- C. Security personnel must not administer threats, harm or disciplinary action against employees.

- D. The supplier shall have a standardized written procedure for disciplining or firing employees. The procedure must include an escalating series of verbal and written warnings prior to suspension or dismissal. A copy of documented disciplinary measures should be provided to the employee.
- E. The supplier shall have a written grievance procedure in place that protect the employees' privacy, protects against possible retribution, resolves disputes in the workplace and permits employees to report unfair treatment to other party than their direct supervisors.

1.6 No Discrimination

Suppliers shall employ employees on the basis of their ability to do the job, not on the basis of their personal characteristics or beliefs. All forms of discrimination are prohibited, on grounds such as, but not limited to, ethnicity, gender, sexual orientation, marital, social or parental status, religion, political, nationality, disability, age or union affiliation.

- A. The supplier shall pay wages and provide benefits without any form discrimination.
- B. The supplier shall never test female applicants or employees for pregnancy. Dismissal of pregnant female applicants is not acceptable.

2. Labour

International labour rights shall be protected and respected by the supplier.

2.1 No Forced Labour

The supplier shall not use indentured, bonded or involuntary labour of any kind, including prison labour or forced labour

- A. No employee shall be subject to working under any type of threats.
- B. If the supplier employs foreign contract or migrant workers through an agency, the commission paid to the agency shall not be taken out from the worker in any form, for example but not limited to monetary deductions or by a forced term in contract.
- C. The supplier shall not require employees to deposit money or any form of identity papers, and employees shall be free to leave their employer after legally required notice regarding both resignation and termination.
- D. Employees' freedom of movement shall not be restricted in any way.
- E. Employees should be entitled to an employment contract written in a local and/or to the worker understandable language.

2.2 No Child Labour

Suppliers shall not use child labour, and shall work for the effective abolition of child labour. All apprenticeship programs must be in accordance with legal requirements and aligned with all legal educational age levels and have an educational benefit for the apprentice. Suppliers must participate in effective Child Labour Remediation in breaches connected to own or subcontractors' workplace.

- A. Every employee employed by the supplier is minimum 15 years of age unless local minimum age law stipulates a higher age for work or mandatory schooling in which case the higher age would apply. If, however, local minimum age law is set at 14 years of age in accordance with developing- country exceptions under ILO Convention 138, the lower age will apply.
- B. Age calculation should be begun at one whole year lived after born i.e. 12 months from birth, a person is considered to be 1 - year old, not 2 - years old.
- C. The supplier complies with all applicable child labour laws, including those related to hiring, wages, hours worked, overtime and working conditions.
- D. The supplier shall maintain official documentation for every worker that verifies the worker's date of birth. In those countries where official documents are not available to confirm exact date of birth, the supplier confirms age using an appropriate and reliable assessment method.
- E. Hiring procedure should be in place and the hiring staff should be trained to verify age of applicants and workers.
- F. Young persons under the age of 18 shall not be employed to work at night, do heavy work or conducting hazardous work, as per national legal requirements or defined by ILO, whichever is stricter. Limits for overtime work should be set with special consideration to the workers age.

2.3 Unauthorized subcontracting is prohibited

- A. It is critical that every supplier, which is responsible for manufacturing the products of Stadium, should be approved by Stadium in writing prior to the production.

2.4 Fair Wages & Working hours

Suppliers shall have working contracts for the employees that clearly state job description, working hours, salary including basis for calculation, overtime compensation or refusal, frequency of payment, notice period and leave. These obligations shall not be avoided through the use of home workers or apprenticeships. Suppliers shall set working hours, wages and overtime pay in compliance with applicable labour laws.

- A. Employees shall be paid at least a wage that at all times is at a level applicable to a living wage, either this being the minimum legal wage or wage that meets local industry standards, whichever is greater, and always providing some discretionary income. This wage must be excluding over time compensation. The supplier shall not use uncompensated labour of any kind or withhold any part of an employee's wage.
- B. The supplier shall pay overtime at a premium rate. Any incentives or piece rates that are in addition to or used as a basis for a bonus wage calculation shall be in accordance with legal requirements or local industry standard; whichever is greater. Piece rate or incentive programs may never be the sole wage calculation method.
- C. The supplier shall not require, on a regularly scheduled basis, a workweek in excess of 48 hours, 60 hours including overtime, and employees shall be provided with at least one day (24 hours) off after working 6 consecutive days.

- D. Employees may refuse overtime without any threat of penalty, punishment or dismissal. Overtime shall be voluntary and not demanded on a regular basis, limited to seasonal or occasional peaks, and shall always be compensated at a premium rate according to ILO, collective bargaining or national legislation, whichever is greater.
- E. The supplier shall give employees regular rest or break times during working hours at a minimum 15 minutes per three working hours, and 45 minutes lunch and/or dinner, depending on work shift.
- F. There should be an adequate and reliable time recording system to track the employees' working hours in order to ensure the correct pay for the employees. Only one system should be used to track working hours. All time registration records should be in order and consistent with the actual working time of the employees. No separated systems or records for overtime or other extra work are allowed.
- G. The supplier shall provide and grant paid annual leave, sick leave, parental leave and other holidays as required by law or which meet the local industry standard, whichever is greater.
- H. The supplier shall provide all legally mandated social benefits to all employees, regardless of time employed.
- I. Employees that are temporary workers, on probation or trainees, shall be paid at least minimum wage.
- J. Employees shall not be required to pay for tools, personal protective equipment, uniforms or any other items used for their work.
- K. The supplier shall provide employees with wage statements / pay slips in languages understandable for the employees for every pay period, including number of days worked, wage or piece rate earned per day, hours of overtime and overtime compensation, bonuses, allowances, social benefits and legal or contractual deductions.
- L. Wages shall be paid on time and direct to the employee in bank transfer, cash, check or equivalent. Employees should be aware of their benefits and informed on how their pay is calculated.
- M. Employees on probation shall be upgraded to permanent status with commensurate pay as permanent employees after six months maximum, or earlier if specified by labour laws.
- N. Payroll for the employees shall be accurate with adequate details and maintained in accordance with local law or for at least 1 year respectively.
- O. All records for subcontractors, foreign or migrant workers who work on-site should be maintained and accessible.
- P. Dismissal of pregnant female employees is not acceptable, nor the refusal to rehire returning parents.

2.5 Health and Safety

Suppliers shall provide all employees with a safe and healthy work environment. When providing accommodation and dormitory facilities for employees, these facilities must be kept clean and safe. Below requirements includes accommodation and dormitory facilities if applicable.

- A. The supplier shall comply with all applicable local laws regarding working conditions, including employee health and safety, sanitation, fire safety, risk protection, and electrical, mechanical and structural safety.
- B. The work surface lighting in working areas shall be sufficient for the safe performance of work activities, and all other facilities shall have adequate lighting.
- C. The workplace shall be well ventilated. There shall be windows, fans, air conditioners or heaters in all work areas for adequate circulation, ventilation and temperature control.
- D. Maps with clearly marked evacuation routes shall be posted by all emergency exits of the workplace, and in all dormitory facilities if provided.
- E. Clearly marked emergency lighting and illuminated self-battery exit signs shall be placed in proper places in all work areas including staircases and dormitory facilities. Functional fire alarm system with sound and lightning warnings system shall be installed and maintained.
- F. Emergency exits shall at all times be kept free from obstructing objects, remain accessible and unlocked during all working hours. All emergency exit doors shall open outwards.
- G. Firefighting equipment such as fire extinguishers shall be appropriate to the types of possible fires, easily accessible and clearly marked in all work areas, in proper working conditions, regularly maintained and inspected with records.
- H. Fire drills shall be conducted on a regular basis and at least once every six months.
- I. Building structure of the work premises shall be well maintained, purpose fit and the workplace shall always be kept clean and tidy.
- J. Machinery shall be equipped with operational safety and stop devices and inspected and serviced on a regular basis, at a minimum annually.
- K. Appropriate personal protective equipment (PPE), for example but not limited to masks, gloves, goggles, ear protection and proper boots, shall be provided at no cost to all employees. All employees shall be regularly trained in the correct use of PPE.
- L. The supplier shall provide sufficient clean and safe drinking water for all employees, provide facilities to boil water separate from toilets and allow reasonable access to the water throughout the working day.
- M. If the supplier provides subsidized meals for employees, food storage, food preparation and eating rooms shall be separate from working areas and maintained in clean, safe and sanitary condition.
- N. A well-stocked and updated first aid kit shall be accessible in each section or floor of the whole work area. Each shift and section or floor shall have, at a minimum two, employees trained in basic first aid. The supplier shall have procedures to deal with serious injuries or accidents that require medical treatment outside the work premises.
- O. The supplier shall maintain throughout working hours clean, safe and sanitary toilet areas and place no unreasonable restrictions on their use. The number of toilets shall be adequate for the number of employees. The toilets shall be lockable, gender separated and provided in safe, accessible, lit and private areas with adjacent hand washing facilities and areas shall be protected from insects and animals.

- P. Material Safety Data Sheets (MSDS) shall be in the languages the employees understand, available and consequently updated in the same place as chemicals and hazardous materials are kept.
- Q. Electrical wiring shall be safe, untangled and covered. Electricity panels should be kept covered and locked without any exposure of wires and only maintained by licensed electricians.
- R. Employees, new and reassigned, shall be regularly trained and re-trained in and must understand the health and safety procedures. The documented procedures must be applied to the working environment.
- S. The supplier shall pay any costs which may incur to an employee, not legally covered, for medical care and medication following an injury or accident during work.
- T. Dormitory facilities shall be segregated by sex. If family dormitories are provided these does not have to be segregated by sex, but separate from other employees and specific attention shall be taken to children's needs.
- U. The living space per employee in the dormitory facilities shall meet both the minimum legal requirement and the local industry standard regarding space, sleeping, cooking, sanitary and safety conditions. In regard to electricity and fire safety concerns cooking shall generally be prohibited in the dormitory rooms. Showers and toilets should be in a reasonable relation to number of users.
- V. Dormitory residents shall be provided with their own individual mats or beds and own lockable storage for their clothes and personal possessions. Basic laundry, toilet and cooking facilities shall be available for dormitory residents' use, all separate from each other.
- W. There shall be no restriction on the dormitory residents' right to leave the dormitory during off hours.
- X. Usage of pad lock on the dormitory room of a worker is only allowed as long as the worker has a key to the pad lock.

3. Environment

Suppliers shall comply with all applicable environmental laws and regulations related to their operations and hold all environmental permits required. The supplier shall have an environmental policy and program in place with measureable targets and objectives, including a risk assessment to prevent, mitigate, and control the impacts of their operations.

3.1 Precautionary approach

- A. The supplier shall apply a precautionary approach towards environmental and climate challenges.
- B. The supplier shall promote the development and use of environmental friendly technologies and conduct business with as little impact on the environment and public health as possible.
- C. Biodiversity shall not be decreased due to the supplier's operations.

3.2 Emissions and waste

- A. The supplier shall strive to minimize greenhouse gas emissions by identifying, managing, monitoring, and controlling air emissions from their operations. This includes selecting means of transportation with the least negative environmental impact.
- B. The supplier shall monitor, control, and treat wastewater, solid waste and effluents generated from intake of materials, operations, industrial processes and sanitation facilities before discharge or disposal.
- C. The supplier shall have established procedures for notifying local relevant authorities in case of accidental spill, discharge, release, or any other environmental emergency or incident.

3.3 Energy and water

- A. The supplier shall use energy and water responsibly and strive towards reducing their consumption and monitoring energy and water use regularly.
- B. The supplier shall prioritize renewable energy sources and water shall be treated and reused when possible. Water consumption should not affect surrounding water sources negatively.

3.4 Chemicals and hazardous substances

- A. Chemicals and hazardous substances shall be eliminated when possible or kept to an absolute minimum.
- B. Chemicals shall be safely stored in properly labeled containers with adequate ventilation, safety lighting. Hazardous and combustible materials shall be stored in locked, ventilated and separate facilities. All chemicals and hazardous materials shall be safely and properly disposed.
- C. Regarding Chemical Content in products produced for Stadium, the supplier shall follow the specification in the separate "Guide to the Chemical Content" and "Restricted Substance List" (RSL) enclosed in this Suppliers Manual.

4. Anti-corruption

Suppliers shall uphold the highest ethical standards when doing business. Corruption in all its form including but not limited to bribery, facilitation payments, nepotism, extortion, money laundering and fraud is strictly prohibited. Suppliers shall be committed to preventing, detecting and remedying all forms of corruption.

4.1 Bribery and gifts

- A. The supplier shall never directly or indirectly demand, offer, ask for, give or accept a gift or undue advantage in exchange of a personal advantage from any party.

4.2 Conflict of interest

- A. Business decisions shall not be motivated or influenced by personal relationships or interests.

- B. The supplier shall not enter into a financial or any other relationship with a party that creates or gives the appearance of a conflict of interest. Such situations must be disclosed and approved by Stadium.

4.3 Fair competition

- A. The supplier shall comply with all competition and anti-trust laws, including agreeing to not enter into discussions or agreements with competitors regarding price fixing, market sharing, bid rigging or other similar activities.

4.4 Fraud

- A. The supplier shall avoid all types of fraud, including but not limited to all forms of financial crime, pirate copies and illicit use or sales of information and data.

5. Animal Welfare

Animals are entitled to humane treatment and to have their basic needs met. This must be respected by the supplier through the adoption of good animal husbandry and by complying with our animal welfare requirements. Our requirements are based on The Five Freedoms on animal welfare, set out by the World Organisation by Animal Health (OIE)². In addition to The Five Freedoms, material specific requirements apply to the supplier.

² <http://www.oie.int/animal-welfare/animal-welfare-key-themes/>

5.1 The Five Freedoms on animal welfare

1. Freedom from hunger or thirst
2. Freedom from discomfort
3. Freedom from pain, injury or disease
4. Freedom to express normal behavior
5. Freedom from fear and distress

5.2 Material specific requirements

- A. The supplier shall avoid cruelty such as mulesing of sheep or lambs, plucking of down from living birds, unethical and/or painful slaughter or any other cruelty towards animals is not and will never be accepted by Stadium.
- B. The supplier shall only use hair from living and domesticated animals. Rabbit hair (Angora) is not allowed
- C. The supplier shall use hair and wool that does not originate from animals that have been handled, harvested or sheared in a way that harmed the animals. Hair must not originate from animals reared in cages for their hair, skin, leather, feathers or fur, including but not limited to rabbit, dogs, mink, raccoon, marten, fox, squirrel, sable or ferret.
- D. The supplier shall use down and feathers that originates from slaughtered birds bred for meat production, and must not originate from farms practicing live plucking or force-feeding.
- E. The supplier shall use leather and skin that originates from animals bred for meat production, and must not originate from aborted animals, including but not limited to astrakhan, broadtail, krimmer, karakul, Persian lam, slink or swakara. Leather must not originate from Indian cow, calf or ox.

- F. The supplier shall not use real fur.
- G. The supplier's materials must not originate from reptiles or from wild animals have been trapped using primitive trapping methods or devices, including but not limited to alligator, beaver, crocodile, fox, lizards, marten, mink, otter, raccoon, sable, snake and squirrel.
- H. The supplier shall not use materials or ingredients that have been tested on animals.

6. Scope

This Code applies to all of Stadium's suppliers, sub-suppliers, sub-contractors and business partners, including but not limited to factories, producers, consultants, vendors, landlords, agents, service providers, sponsors, all which are referred to as "the supplier/s" in the Code. Stadium Group, also referred to as Stadium, includes all Stadium's subsidiaries, branches and concepts, including but not limited to Stadium AB, Stadium Outlet, Stadium Training, Stadium Ski, Stadium+, Stadium Online, Stadium Sports Camp and Sneakers Point.

7. Compliance and monitoring

As a condition of doing business with Stadium every supplier must comply with this Code. Stadium will continue to take active part to assess and evaluate compliance. As a part of Stadiums supply chain process the supplier of Stadium shall, upon request, participate in a self-assessment process, during which the supplier shall cooperate. Stadium also reserves the right to conduct site visits and audits either it is announced or unannounced to observe and assess the supplier's, including sub-suppliers, operations and performance within sustainability with the Code as a basis. The audits, whether performed by Stadium or a third party, will be treated with confidentiality and not be exposed to any other external party. In cases where deviations towards the Code are found, the supplier will be asked to provide a corrective action plan for Stadium to approve. The supplier is responsible for ensuring that suppliers in their supply chain also adhere to the principles set out in this Code. Such parties may also be asked to participate in self-assessment, site visits and audits arranged by Stadium. Head of Production at Stadium is responsible for this Code. Any questions, dialogues or additional information required should be addressed to csr@stadium.se

8. Breaches

Any breaches or suspected breach towards the principles in this Code shall be informed to Stadium without any delay. The supplier shall maintain procedures to ensure the protection of whistle-blowers, in accordance with local legislation and regulations, and prohibit retaliation against workers who file reports in good faith. If a corrective action plan is agreed upon but not performed by the supplier, this Code gives Stadium the rights to suspend placement of future orders and terminate current production. Any material breach towards this Code gives Stadium the right to immediately terminate the order placement and the contract with the supplier. Suppliers and employees can report breaches anonymously directly to Stadium by sending an email to csr@stadium.se