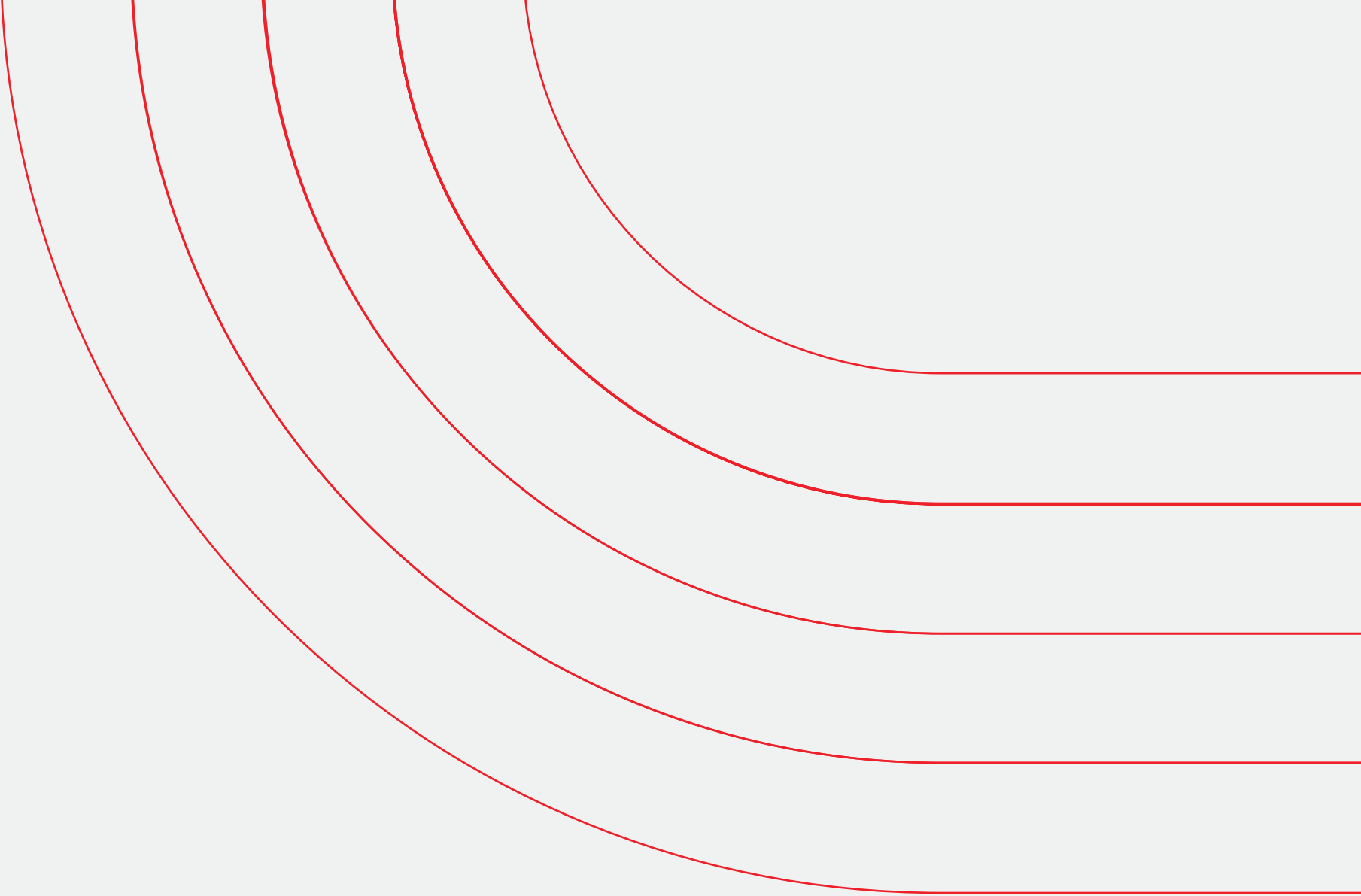


#3

FY2024/2025

Sportland International
Group AS
SUSTAINABILITY
REPORT



On front cover:

Sportland Team at Tipust Topini 2025
by Reiko Kolatsk

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1. FOREWORD

Dear readers,

At Sportland, growth means more than expanding our business – it means creating a positive impact on people, communities, and the environment we share. Our purpose has always been to inspire movement and make an active lifestyle accessible to everyone. Today, that purpose guides how we act, invest, and grow. As the leading sports retailer in the Baltics, we believe our responsibility goes beyond what we sell – it's also about how we operate. Sustainability is not just a commitment; it is the foundation for long-term business resilience and relevance in a rapidly changing world.

In FY2025, we made clear progress on our sustainability journey of which examples are:

- Renewable energy already accounts for **38% of our total energy consumption**
- We've used **100% recycled plastic packaging** for both store and e-commerce bags for several years
- Through our **Sportland Green Leaf label**, we continue to help customers make more responsible product choices.
- Beyond our own operations, we supported more than **400 local sports events** across the Baltics, staying true to our mission of inspiring active lifestyles at every level.

Our approach to sustainability is built on **local relevance**. We act with respect to each community's character – its people, habits, and needs – whether it's in a major city or a smaller town. This deep local understanding is our strength and the reason Sportland has become an integral part of the Baltic sports culture.

Our 5 Year Vision

Looking towards 2030, our goal is to **grow the Baltic sports culture, inspire people to spend more time in nature, and do so with minimal environmental impact**. We will:

- Strengthen our role as a **regional leader in sports and community engagement**
- **Reduce our carbon footprint** through renewable energy and smarter logistics
- Expand **circular practices** across packaging, recycling, and product use
- Continue investing in **people and partnerships** that drive health, inclusion, and sustainability.

For us, growth is not just about scale – it's about progress with purpose and leaving a legacy that moves both people and the planet forward. Our sustainability journey is a continuous process, where each year we strive to deepen our understanding, strengthen our data, and set sharper goals. What matters most is consistent progress and a genuine, long-term commitment to creating meaningful impact.



Henri Kruusel
Chief Growth Officer



SPORTLAND INTERNATIONAL GROUP'S SUSTAINABILITY STRATEGY

We are dedicated to promoting healthy, active lifestyles among youth, adults and whole communities – fully aligned with our core values of inspiring movement and fostering community engagement.

Sustainability is not viewed as a separate initiative but as a foundational pillar that strengthens our path toward a successful and resilient future. Our strategy embeds Environmental, Social, and Governance (ESG) principles across all operations, supporting our vision to inspire movement, empower communities, and create a lasting positive impact.



Are Altraja
Co-founder



Anti Kalle
Co-founder

2. ABOUT THE REPORT

Sportland International Group published voluntary sustainability report for FY2022 and FY2024, prepared in accordance with Global Reporting Initiative (GRI) requirements.¹

The FY2025 sustainability report has been compiled following the **EFRAG voluntary sustainability reporting standard for non-listed micro-, small- and medium-sized undertakings (VSME standard)**.² As a result, it is more concise, focuses on required datapoints by the standard, and does not provide detailed descriptions of every sustainability activity undertaken by the company.

*Note: Sportland International Group falls within the second wave of companies required to report under the Corporate Sustainability Reporting Directive (CSRD) and ESRS sustainability reporting standards.³ Following the two-year postponement of the deadline for audited reports (2028) announced in February 2025 and given that the standard itself is currently under review⁴, this report should be regarded as a **transitional sustainability report**. Until the requirements are clarified, Sportland International Group applies the EFRAG VSME standard guidelines.*

The report has not been independently verified and audited, but KPMG Baltics has provided advice to ensure the report's compliance with the standard. Scope 2 greenhouse gas (GHG) emissions have been calculated by Nomine Consult.

We recognize that our greatest environmental and social impacts stem from the use of natural resources, production processes, and distribution of the products in our global value chain (so called upstream impacts). Nevertheless, this report **focuses our own operations and activities – local transport, energy use, waste generation, own workforce and local community** – where we have the ability to make an impact ourselves.

The report's **target audience** includes our partners (brands, distributors, shopping centres, logistic partners, etc), employees, and the public (clients and customers).



Viire Viss
ESG lead

¹ Sportland International Group. Sustainability report FY2024.

² EFRAG. December 2024. Voluntary sustainability reporting standard for non-listed micro-, small- and medium-sized undertakings (VSME).

³ European Commission. Corporate sustainability reporting (26.08.2025)

⁴ EFRAG (31.07.2025) Press release - EFRAG Shares Revised ESRS Exposure Drafts and Launches 60-Day Public Consultation.

3. GENERAL INFORMATION

B1 – BASIS FOR PREPARATION

Reporting period is **1 May 2024 – 30 April 2025** (hereafter **FY2025**). The reporting period is aligned with the company's financial year (FY), except where stated otherwise.

Sportland International Group sustainability report is based on the **basic and comprehensive modules** of the voluntary VSME standard by EFRAG. In addition, some data has been used that was collected in accordance with the ESRS sustainability reporting standard prior to the proposed simplifications and postponements.⁵

Basic module (B1–B11) contains basic information and key figures that provide an overview of our company's sustainability performance. Comprehensive module (C1–C9) provides optional information on undertaking's activities.

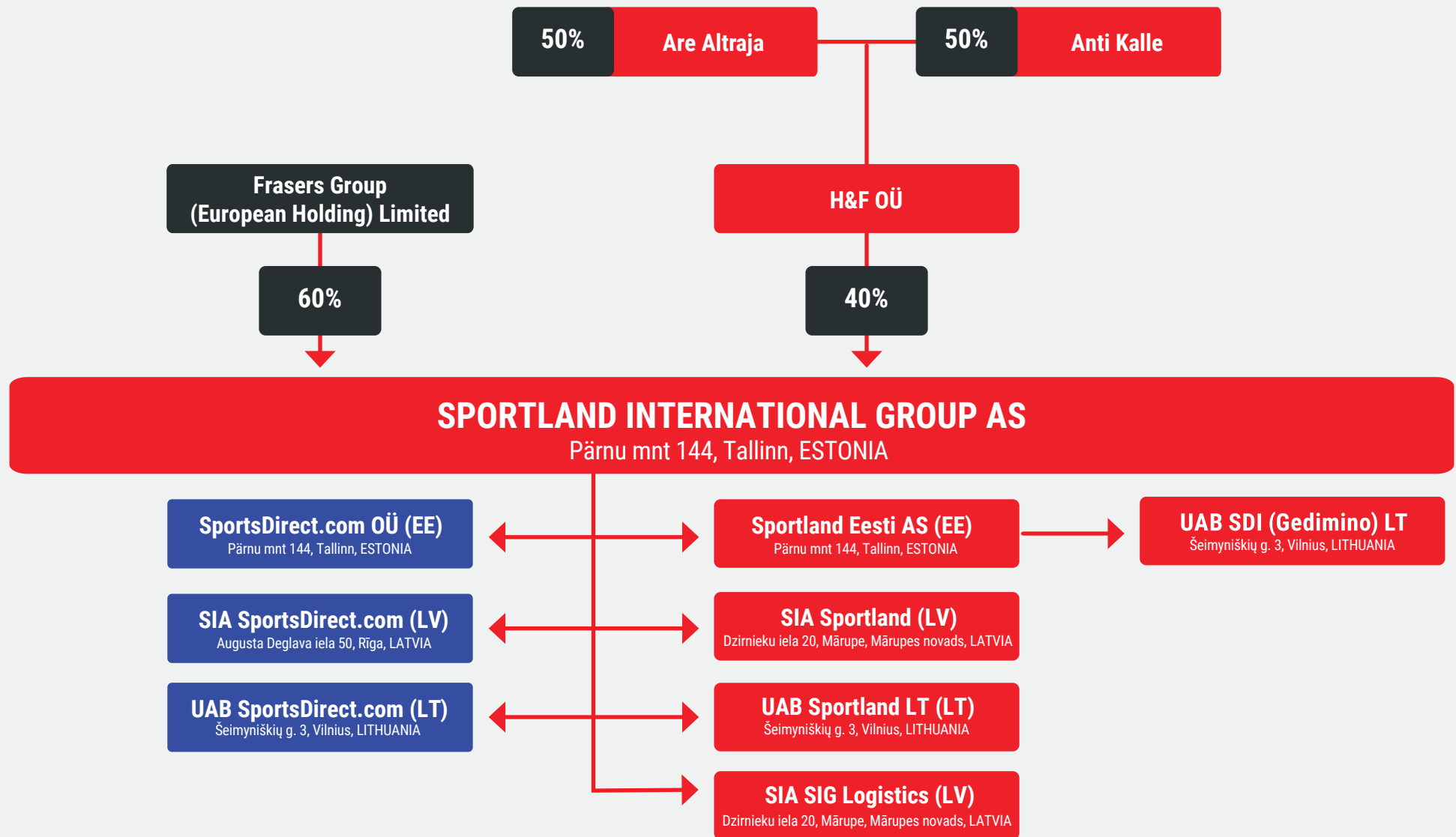
This sustainability report was prepared on a **consolidated basis** (the report includes information about the undertaking and its subsidiaries).

The principal activity of the company is **retail sale of clothing and footwear and sporting equipment** (NACE 47.72, 47.71/72).

⁵ European Commission. Corporate sustainability reporting.



SPORTLAND INTERNATIONAL GROUP AS STRUCTURE



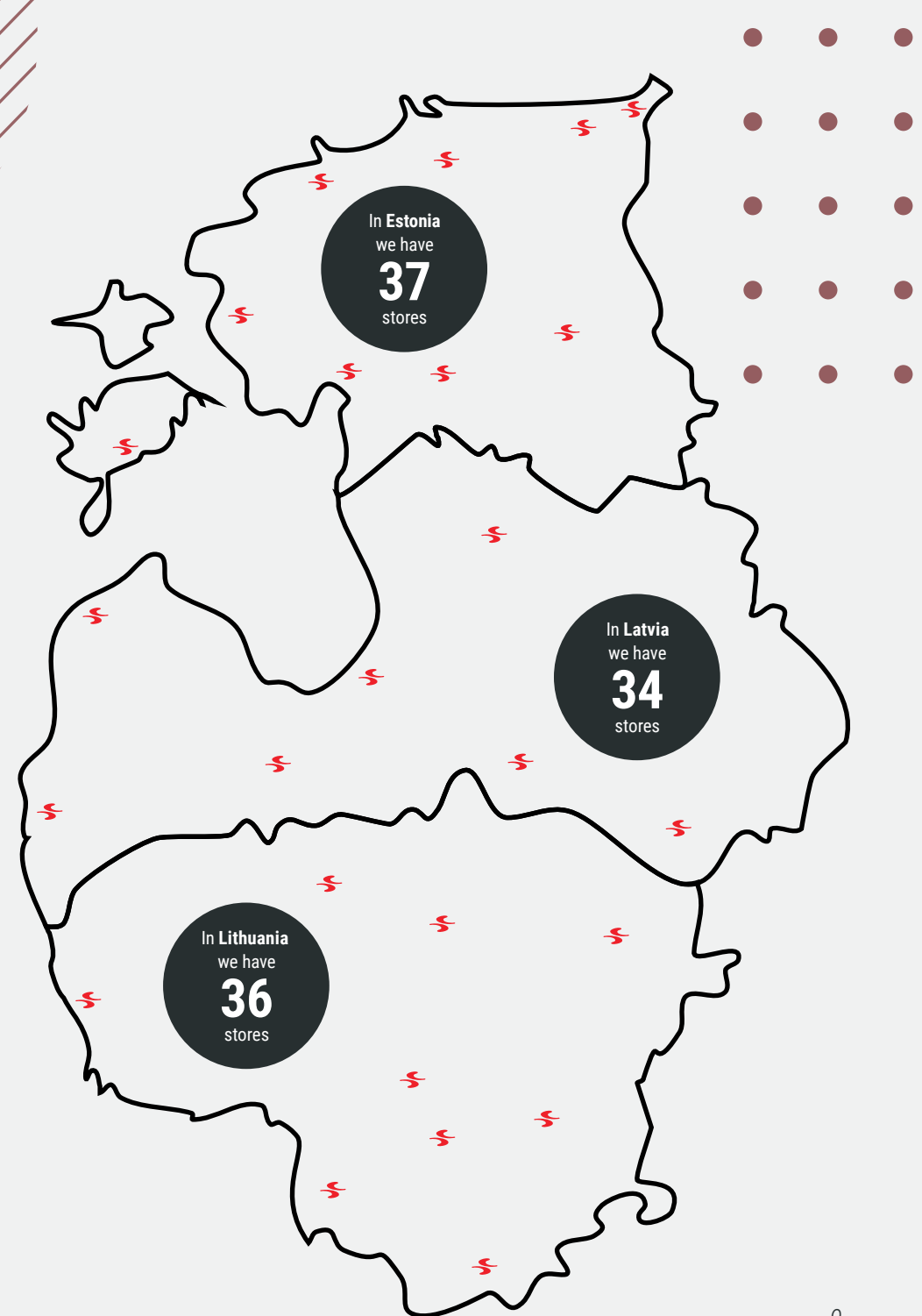
In FY2025, the Sportland International Group comprised of eight subsidiaries, with **Estonia** as its **primary country of operation**.



LOCATIONS

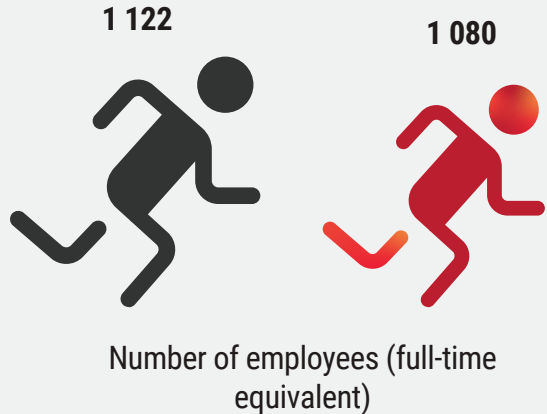
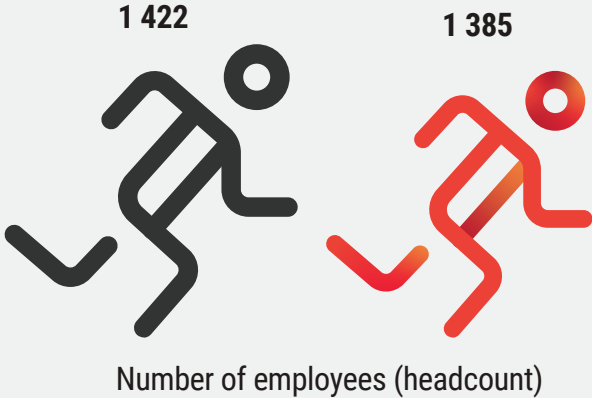
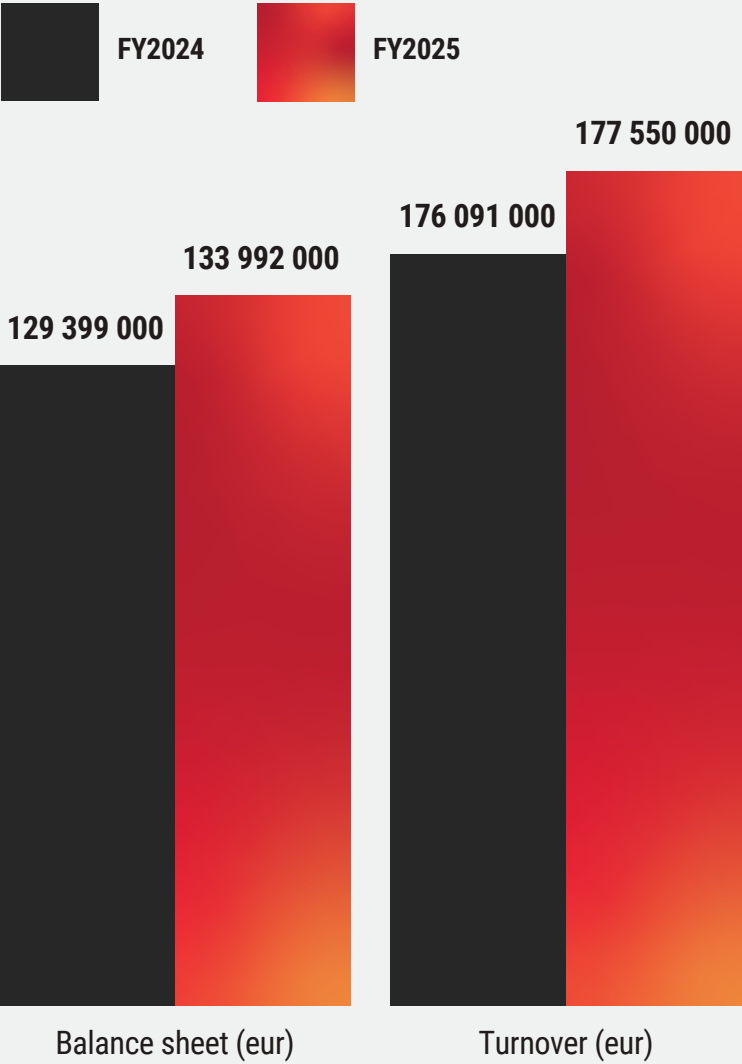
At the end of the FY2025 the company operated in **107 stores** with **total area of 91 050 m²** (FY2024: 105 stores, 87 893 m²) + in on-line store. The stores locate in all major cities in the Baltic States. In addition, there is an office in every Baltic State and a central warehouse facility in Marupe (close to Riga), and Kõrvemaa outdoor and ski resort in Estonia⁶.

Sportland's premises (shops, offices) are mainly leased. UAB SDI owns Gedimino building in Vilnius, Lithuania, SIG Logistics owns Dzirnietku iela 18 and 20 buildings in Marupe, Latvia.



⁶Sportland Kõrvemaa Hiking and Skiing Resort, Location: Oja farm, Pillapalu village, Anija parish, Harjumaa County.

KEY FIGURES OF SPORTLAND INTERNATIONAL GROUP FY2025



C1 – STRATEGY: BUSINESS MODEL AND SUSTAINABILITY-RELATED INITIATIVES

Sportland International Group main activities are:



Retail and e-commerce sale of sporting footwear, apparel, accessories and equipment in specialised stores, online, and on events.



Unique **demand creation process** (based on ecosystem philosophy) to promote sport culture, using our own organised (but not only) events, founded (but not only) sport and fitness clubs, organisations, resorts, etc., in collaboration with marketplace best known influencers and top athletes.



Wholesale of apparel, footwear, accessories, equipment to sports clubs and organisations, and to other retailers.

The Sportland concept involves multi-brand stores (Sportland), mono-brand stores (Timberland, adidas, The North Face), discount warehouse style stores (SportsDirect) and outlet stores (Sportland Outlet).



Outlet stores contribute to both environmental sustainability and social equality. They sell past-season collections and excess stock, ensuring that clothing is not written off or discarded as waste. At the same time, customers have the opportunity to purchase good-quality products at lower prices.

OUR MAIN BRANDS AND PARTNERS

Our main partners globally are brands and their distributors, locally - logistics' partners and shopping centres. Main wholesale customers are different local retailers and various (sports) organisations. Our customers are all the people (individuals, sport clubs, fans, etc.) interested in sports and active lifestyle.

All global brands publish comprehensive sustainability/ responsibility reports. See, for example: **Nike, adidas, New Balance, VF Corporation (Timberland, The North Face), Helly Hansen, Trek, Puma, Didriksons, Salomon.**



B2, C2 – PRACTICES, POLICIES AND FUTURE INITIATIVES FOR TRANSITIONING TOWARDS A MORE SUSTAINABLE ECONOMY

In its double materiality assessment⁷, Sportland has identified the following sustainability issues as important (**material**):



CLIMATE CHANGE

Our biggest share of the environmental impact comes from production and transport of retail goods we distribute and sell. Use of electricity and heat in the shops/warehouses/offices, consumption of fuel for goods' transport and work-related travel are the main sources of greenhouse gas (GHG) emissions of our own activities.



CIRCULAR ECONOMY

Our products use a lot of resources (both non-renewable and renewable). We have limited options to influence the resource use at the production and design phase or packaging options selected by brands we sell. Our main responsibility related to circular economy is to prolong the lifespan of the products (to sell good quality products), reduce the packaging waste and take responsible actions towards potential textile/footwear waste.



OWN WORKFORCE

Retail industry is a labour-intensive business which indicates the importance of being responsible, fair and engaging employer. Majority of the workforce are females and young labour market entrants, who are considered to be more vulnerable group of employees.



CONSUMERS AND END-USERS

Consumers and end-users' behaviour and needs directly impact Sportland's financial, social, and environmental performance. Addressing their needs and being transparent helps Sportland stay competitive, meet regulatory requirements, and advance its sustainability goals.



AFFECTED COMMUNITIES

Sportland is committed to supporting local communities and the general public, particularly through our involvement in sports and youth development. We believe that leading an active lifestyle, participating in sports, and attending sporting events are important ways to promote both physical and mental well-being.



BUSINESS CONDUCT

Ethical and responsible business conduct in all our operations is our core principle. It maintains our reputation and builds trust with our customers, partners, employees, and the public. It also ensures our regulatory compliance and helps to meet stakeholders (e.g financial institutions, global brands) expectations.

⁷ According to the ESRS standard methodology.



CLIMATE CHANGE

Sportland International Group calculates its greenhouse gas (GHG) emissions to better understand the impact of its energy and fuel use. Sportland's ability to transition to renewable energy is constrained by the fact that most of its stores are located in leased premises within shopping centres, where energy sourcing is determined by the property owners.

While not all GHG categories are currently included, we plan to gradually expand the scope of our calculations over time (see B3 for details). There is also significant potential to improve the quality of emissions data from our key partners, such as shopping centres and logistics providers, and we will continue these efforts throughout 2026–2027.

Sportland's **objective** is to reduce GHG emissions by

- **installing renewable energy production devices** (solar panels on the rooftop of the Riga office and warehouse)
- actively engage with landlords and property managers of shopping centres to **encourage the adoption of renewable energy solutions**
- **optimizing logistics** and engaging with logistics' partners (to use more environmentally friendly transport modes)
- **encouraging more sustainable employee behaviour** (such as adopting greener commuting solutions and energy-saving practices).

While specific targets have not yet been set – they will be defined in 2026 – we expect to see a year-on-year reduction in GHG emissions.



Bike parking in Tallinn office

CIRCULAR ECONOMY

Sportland is committed to **reducing packaging waste** generated by its operations. For example, we have introduced the use of transport cages to minimize the need for transport packaging. This initiative has significantly reduced the use of paper and cardboard packaging during transportation. In addition, we use recycled plastic for our e-commerce deliveries and do not provide free plastic bags in our stores. Read more in chapter B7.

Most of our **objectives** related to packaging and apparel/footwear waste are driven by evolving European Union regulations, which are expected to come into force between 2026 and 2027. We aim to collect and either reuse or recycle our textile products in compliance with legal requirements, targeting approximately 20% by 2030.⁸

In the coming years, we intend to collect higher quality data on waste generation across our shopping centres, offices, warehouses.



Sportland uses 100% recycled plastic bags in shops and for e-commerce deliveries.




⁸ Exact textile waste recycling targets have not yet been established at the EU level.

OWN WORKFORCE

Sportland International Group is a major employer and **provides jobs for over 1 300 people.**

We implement health and safety principles required by the law. We prioritise open and transparent communication between management and employees. We inspire our employees to have healthy lifestyle by hosting different sport events, supporting participation in various sport events and setting up fitness challenges by using YuMuuv app.

 Every month, an internal **ESG newsletter** is published to inform employees about various sustainability topics and initiatives, employee-oriented trainings, and key events.

There has been a special inhouse training for trainers to motivate the employees to develop their skills as trainers and transferring the knowledge to new colleagues.

Our **objective** is to train and motivate our employees with the main aim to provide better customer experience to our customers.

In FY2026 our plan is to improve the collection of data on our employee' trainings and motivate people to take care of their health and going for sports. We plan to review the documents/policies related to own workforce and compile a Code of Conduct of the Sportland International Group in 2026.





AFFECTED COMMUNITIES

Sportland has consistently supported community initiatives by sponsoring local and regional (sport) events, empowering athletes, and investing in youth programmes. These supporting activities range from big events (like Rally Estonia or Tallinn, Riga and Vilnius marathons) to small educational/awareness rising activities.



*In total, Sportland has organised or sponsored approx. **400 sports events** across the Baltics with nearly 1.6 million participants.*

We continue to contribute to the supporting next generations sporting habits and healthy lifestyle. Our **objective** for 2026 is driving 5% of the population into sports through our initiatives.

We are mindful of vulnerable groups, such as children and low-income households, and offer different shopping concepts to meet their needs (see C1).



CONSUMERS AND END-USERS

Sportland takes a responsibility on products that we sell to our consumers. Though we have a limited impact on products we sell, we take efforts to provide sustainability information of our products on our websites.

We have developed a Green Leaf label which highlights products with better environmental performance and help customers make more sustainable choices on our webstores.



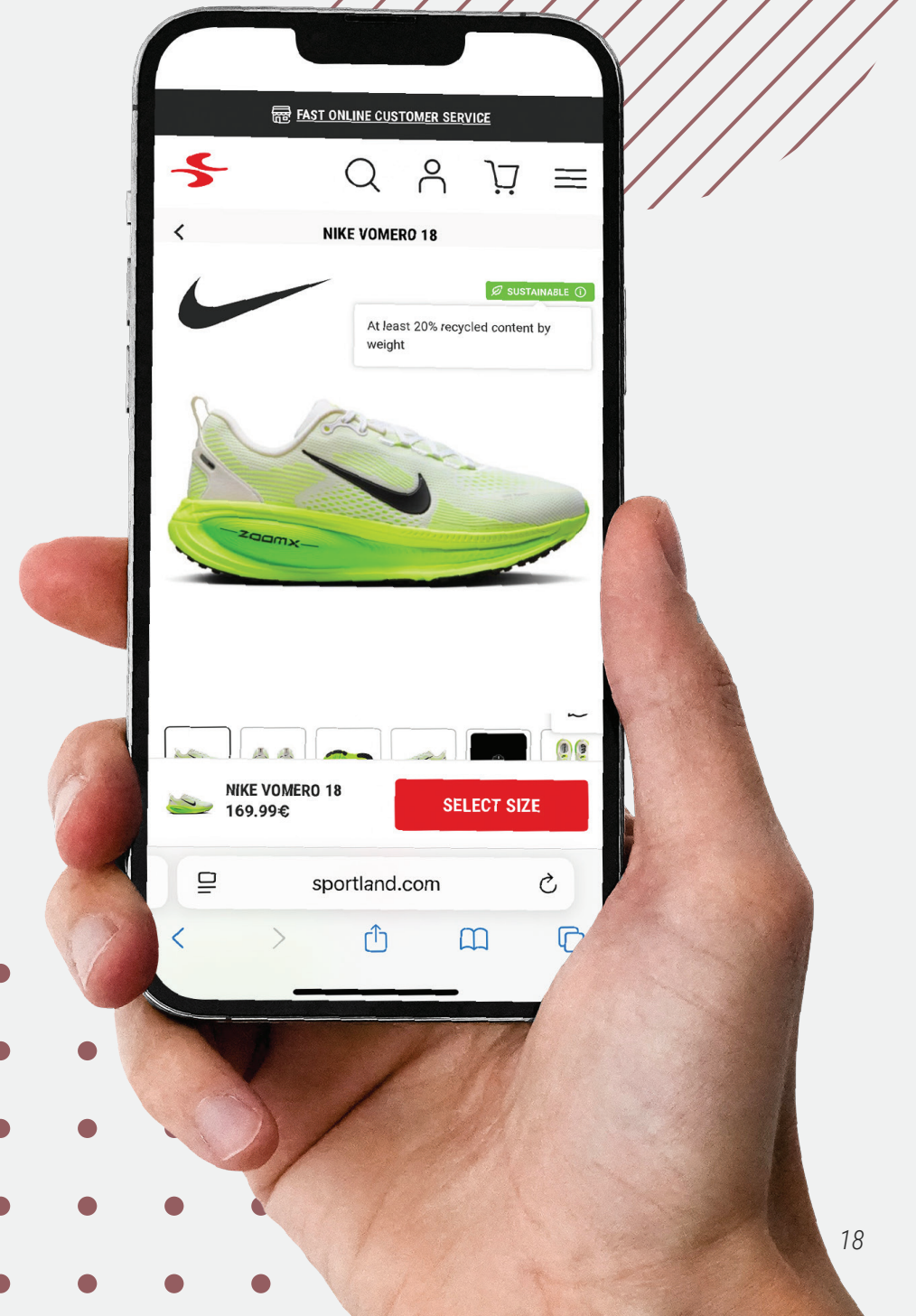
The **Sportland Green Leaf label** indicates that the product contains recycled materials and/or sustainably sourced cotton, wool, leather or down. We use this label when such information is available in the product description and is verified by an independent third-party certificate such as Global Recycled Standard (GRS), Organic Content Standard (OCS), Recycled Claim Standard (RCS), Responsible Wool Standard (RWS), Responsible Down Standard (RDS), bluesign®, Better Cotton Initiative (BCI), Global Organic Textile Standard (GOTS), or OEKO-TEX.

Product information is provided by our brands and distributors. While Sportland makes every effort to present it accurately, we cannot guarantee its complete reliability.

In FY2025, products marked with the Green Leaf label accounted for **29%** of our total sales.

Sportland carefully monitors market and regulatory developments regarding environmental product information and implements measures to ensure consumers are not misled in their choices, for example in line with the proposed Directive on Green Claims or Digital Product Passport (DPP) initiative.⁹

⁹ European Commission. Proposal for a Directive on Green Claims (22.03.2023), Ecodesign for Sustainable Products Regulation.





BUSINESS CONDUCT

We follow the ethical and transparency principles in leading our business.

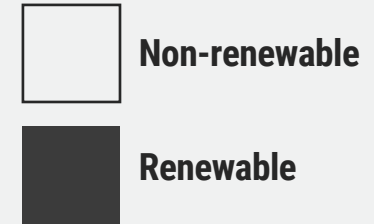
In FY2026, we plan to remap our key stakeholders and gather information on their expectations and requirements regarding the sustainability actions of the company. We also closely monitor regulatory developments and will continue to publish a voluntary sustainability report on an annual basis.

Sportland International Group has an **ESG lead** position responsible for coordinating sustainability activities, with actions carried out under the approval of the company's management.

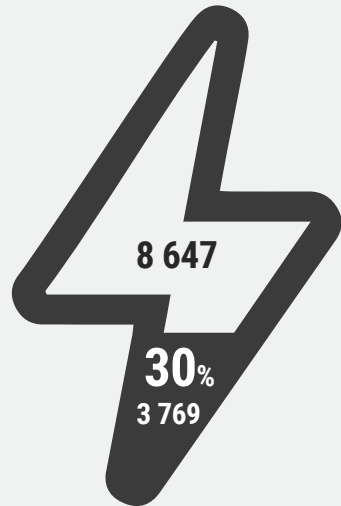
4. ENVIRONMENTAL METRICS

B3 – ENERGY AND GREENHOUSE GAS (GHG) EMISSIONS

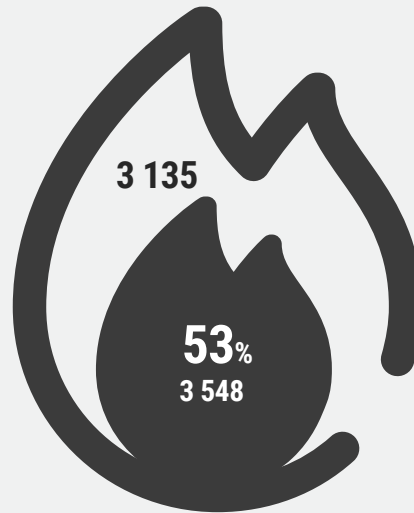
In FY2025, **renewable energy sources** accounted for **38%** of the company's total energy consumption.



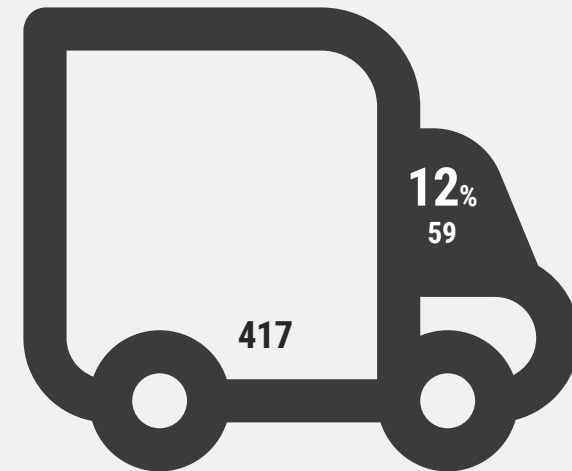
Energy consumption FY2025 (MWh)



Electricity
consumption
TOTAL: 12 416



Fuels for heating
(gas, biomass, oil shale, waste
incineration, etc.)
TOTAL: 6 683



Fuels for own transport
TOTAL: 476

Electricity and heat consumption grew by 9% (FY2024 11 360 MWh) and 19% (FY2024 5 458 MWh), respectively.



The share of **renewable electricity** consumed was **30%**, mainly due to several large shopping centres that use 100% renewable electricity (such as Ülemiste, Kristiine, Rocca al Mare, Kaubamajakas in Estonia; Origo and Centrs in Riga; Akropolis, Alytus, Panorama, VCUP, Ogmia, Pilaite, Kalipeda BIG in Lithuania).



The high share of **renewable energy in heating** – **53%** – is driven by the extensive use of biomass (wood chips, waste incineration) in district heating systems across the Baltics.¹⁰



Company-owned transport consumed **non-renewable fuel** – 8 395 litres of diesel and 3 176 litres of gasoline, and **renewable diesel** (HVO)¹¹ – 6 213 litres.

GREENHOUSE GAS (GHG) EMISSIONS

Main GHG emissions are related to **energy consumption** (shops, offices, events), **transportation and employee commuting**. Not all categories of scope 3 GHG emissions are covered in GHG calculations.

¹⁰ Eurostat. Renewable energy statistics.

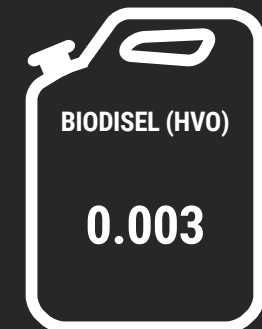
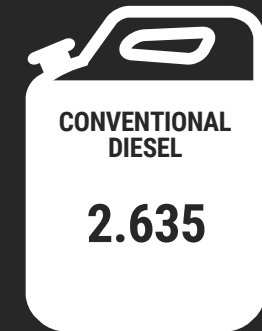
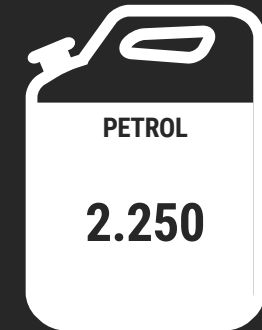
¹¹ HVO (Hydrotreated Vegetable Oil) – a renewable diesel made of used cooking oil, animal fats, tall oil, vegetable oils, etc.

¹² GHG Protocol.

¹³ Estonian Ministry of Climate. GHG emission factors 2025.



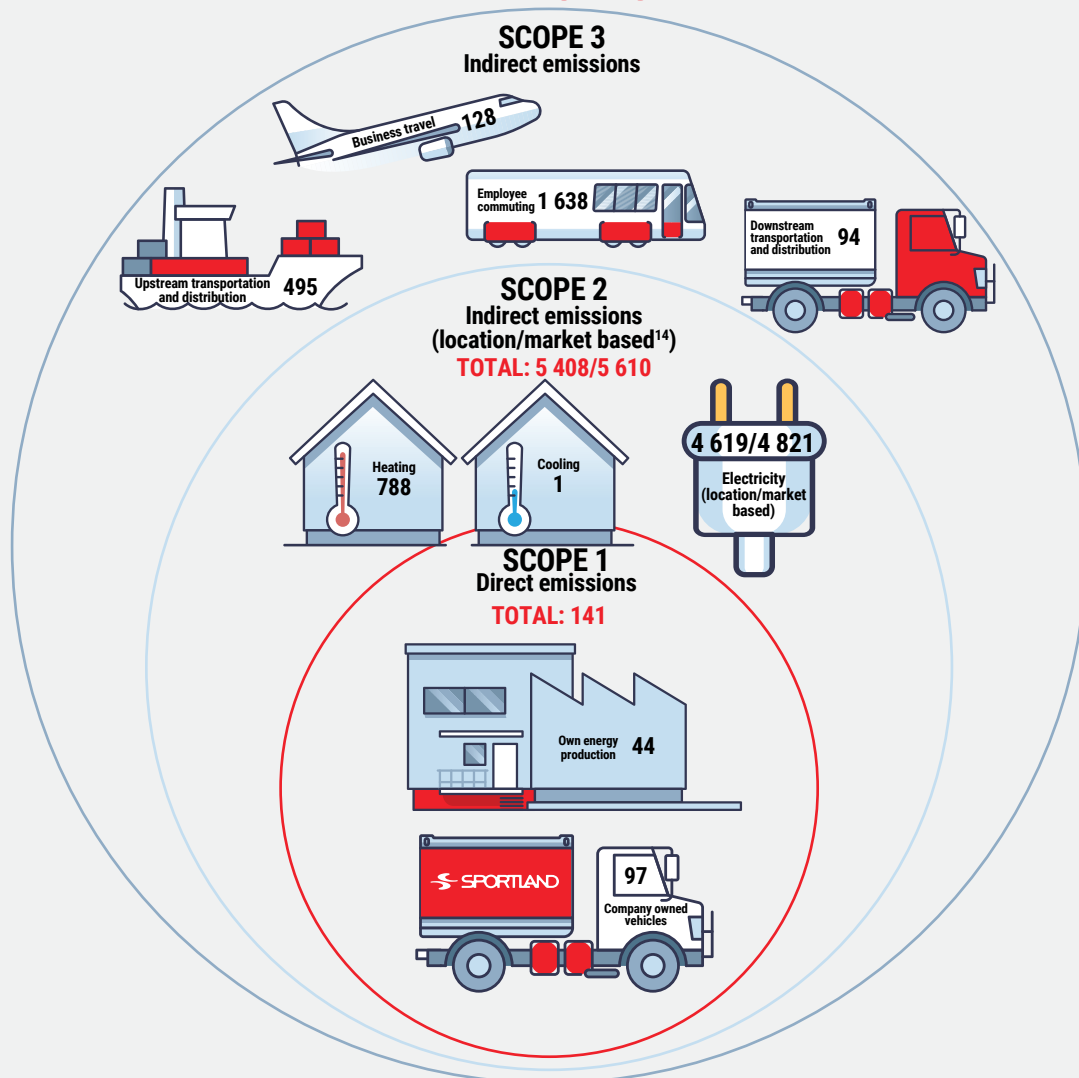
Road vehicle emission factor kg CO₂e/l:



Biodiesel's emission factors¹³ are about 0.1% of those for petrol and conventional diesel.

GREENHOUSE GAS (GHG) EMISSIONS IN FY2025 (tCO₂e)

FY2025



GHG calculation methodology

The calculation of GHG emissions followed the guidance of the Greenhouse Gas Protocol. The scope 1 and 3 were calculated by the undertaking, while scope 2 emissions were calculated by Nomine Consult. The emission factors from the Estonian Ministry of Climate GHG calculation model were used as the primary source.¹³

Scope 1 direct emissions include GHG emissions from **company-owned vehicles** and the **company's own energy production**. Own energy production originates from the gas heating plant in Latvia.

Scope 2 indirect emissions include **purchased energy** related to the use of electricity, heating, and cooling in shops, offices, and warehouses. Activity data was used as the basis for the calculations. Due to gaps in detailed heating data, values were derived from average consumption. As electricity is primarily used for cooling, most of the related data falls under electricity use.

Scope 3 indirect emissions cover four categories:

- **Employee commuting emissions** were calculated using distance-based data collected via a questionnaire, and the average results were extrapolated to all employees.
- **Business travel emissions** include flights and ferry transport (local trips and accommodation at the destination were not taken into account).
- **Upstream transport** (shipments from central European warehouses to, and between, our warehouses and stores) and **downstream transport** (e-commerce parcel deliveries to customers) emissions were calculated by each transport partner and provided to the company upon request.

There were significant methodological differences between transport companies GHG calculations. Sportland will refine its GHG calculation methodology and set specific targets in the following year, once data reliability has been improved.

¹³ Estonian Ministry of Climate. GHG emission factors 2025.

¹⁴ A **location-based method** reflects the average emissions intensity of grids on which energy consumption occurs (using mostly grid-average emission factor data). A **market-based method** reflects emissions from electricity that companies have purposefully chosen (can include energy attribute certificates, direct contracts (e.g renewable), supplier-specific emission rates).



GREENHOUSE GAS (GHG) EMISSIONS INTENSITY FOR SCOPE 1 AND 2

GHG intensity for GHG scope 1 and 2 (location based) is the same compared to previous financial year.



5 304
5 549

GHG emissions (scope 1+2)
tCO₂e, location based)

176 091 000
177 550 000

Turnover (eur)

0.030
0.031

GHG intensity per turnover
(kg CO₂e/eur)

87 893
91 050

Total m² (only stores)

60
61

GHG intensity per store area
(kg CO₂e/m²)



C3 – GHG reduction targets and climate transition

The company has not yet established precise greenhouse gas (GHG) emission reduction targets, primarily due to limitations in data availability and quality, as well as the current exclusion of certain GHG categories under Scope 3. Therefore, the undertaking **hasn't adopted a transition plan** for climate change mitigation (and adaptation). Nevertheless, we have taken several actions to improve our energy efficiency and reduce GHG emissions (see B2, B3).

As the undertaking operates in high climate impact sector¹⁵, we plan to improve the data collection (with special focus on shopping centres/store locations, logistic partners, but also on our products we sell) and take steps accordingly by 2026.



In the coming years, the Sportland headquarters in Tallinn will be renovated with full consideration of all sustainability principles and modern building and space planning standards. This will lower energy consumption in the Tallinn office. Sportland Lithuania office in Vilnius already uses renewable electricity.



¹⁵ Annex I to Regulation (EC) No 1893/2006. Section G: Wholesale and Retail Trade.

C4 – Climate risks

There are no significant assets exposed to material physical risks due to climate change in short and medium term. Company has identified within its double materiality assessment following **climate adaptation and mitigation risks** as material:

TYPE OF RISK (SCOPE¹⁶)

TRANSITIONAL RISKS (LOCAL VALUE CHAIN)

WHEN CAN OCCUR / RISK SEVERITY

MEDIUM TERM / MEDIUM

Increased fuel or energy prices through higher carbon pricing, which may affect negatively our cost structure. Failure to decarbonise our targeted scopes (or realizing it is financially burdensome), not having enough support from supply partners aligned sustainability plans and strategies.

No action taken in FY2025

TRANSITIONAL RISKS (GLOBAL VALUE CHAIN)

WHEN CAN OCCUR / RISK SEVERITY

MEDIUM TERM / MEDIUM

Increased energy prices through higher carbon pricing may affect production process/product pricing and as a result also sale volumes/meeting sales targets/managing cost structure. Brands may fail to meet their own as well as national and global expectations on decarbonising their production, transportation fleet, etc. targets. Additional risk may be exposed from global next generation customers side with constantly deepening and strengthening expectations from ESG perspective and desiring of new, more environmentally conscious brands (which in longer perspective can reduce the attractiveness of the brands and therefore affect sales).

No action taken in FY2025

ENERGY CONSUMPTION WITHIN THE ORGANIZATION (OUR OPERATIONS)

WHEN CAN OCCUR / RISK SEVERITY

SHORT TERM / LOW

Failure to increase energy efficiency in our own operations, strong dependency from shopping centres and logistics partners and their strategic decisions which we do not control directly. External demand from brands/partners/local community to shift too quickly to renewable energy in retail spaces with too high cost. Possible changes in energy-related tax policies which can bring along significant cost increase.

We have asked our partners (shopping centres, logistics) about their plans related to energy transition and what could be our options to reduce our carbon footprint. We have installed electricity charging points for our own vehicles in Riga and Tallinn. Solar panels will be installed to Riga warehouse.

ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION (LOCAL VALUE CHAIN)

WHEN CAN OCCUR / RISK SEVERITY

SHORT TERM / LOW

External demand from brands/partners/local community to shift too quickly to electric fleet/renewable fuels in European and last mile transportation without it being compliant with supply partners' strategies and actions, which can increase our costs significantly. Additional risks about electric fleet in product transportation - local charging and maintenance systems are not in place yet, prices are high and efficiency in time wise is low (extra important is to consider it in our rather cold region, which leads to decreased efficiency in electric transportation).

No action taken in 2025. But we have piloted the use of HVO instead of electricity in our transport.

In 2026–2027 we plan to re-evaluate our risks (incl. related to climate change) to ensure the sustainability and continuity of our business.

¹⁶ Local value chain – transportation from European distributional centres to our warehouses, consumption of our products; Global value chain – raw material and products' production, transport to European distribution centres; Our own operations – activities on our offices, stores, production facilities.



B4 – Pollution of air, water and soil

The undertaking has **no legal obligation to report air, water, or soil pollution** to the relevant authorities. Given its primary activities in the retail sector, the company's operations do not result in significant direct pollutant emissions to the environment.



B5 – Biodiversity

Sportland operates the **Kõrvemaa hiking and ski resort** in Estonia.¹⁷ The resort's running, hiking, disc golf and archery trails are located within the **Northern Kõrvemaa Nature Reserve**¹⁸, which is a part of European Natura 2000 network, and is a **biodiversity sensitive area**¹⁹. The resort's buildings are located outside, but right next to the protected area. An area of about **60 hectares** is in daily use, consisting of several separate plots, including leased land. Of this, approximately 25 hectares lie on protected land.

Activities allowed in the protected area are regulated (including public events over 30 participants) and are coordinated with the Estonian Environmental Board.

The undertaking's locations (such as shopping centres and offices) are typically situated in urban areas where the ground surface is sealed, and the original soil has been covered. These sites are often owned and managed by other enterprises and shared with multiple other businesses. Sportland does not have precise information on the extent of sealed surfaces at these locations and has limited ability to influence their condition.

¹⁷ Sportland Kõrvemaa Resort website.

¹⁸ Estonian Environmental Board. Põhja-Kõrvemaa Nature Reserv.

¹⁹ **Biodiversity sensitive areas** are defined as such by special nature protection regulation at European or international level. These comprise areas belonging to the Natura 2000 network of protected areas, UNESCO World Heritage sites and Key Biodiversity Areas as well as other protected areas designated as requiring special protection by governmental authorities. Estonian Land and Spatial Development Board (nature protection areas and individual nature protection objects)






B6 – Water

Since the company **does not engage in water-intensive activities**, we do not have precise data on water withdrawal/consumption. Water is used primarily in offices, warehouses, and stores. Most of the water we use is withdrawn from public water supply systems. Kõrvemaa Resort in Estonia has its own drilled well. Not all shopping centres provide precise information on water usage related to our premises.

Water usage can be estimated indirectly by multiplying the number of employees by the average office water consumption per person, which is up to 40 litres per day.²⁰ This corresponds to a total annual consumption of approximately **10 000 m³**.²¹

There are no Sportland locations **on areas of high water-stress**.²²

 *In the Baltics, the water stress levels (understood as a proportion of freshwater withdrawal from available freshwater resources) are low, reaching from 1% to 11%.*²³

²⁰ KPI – Water consumption performance indicators

²¹ Multiplying the number of full-time employees (1080) by the number of working days in the year (232) and the average daily water use per person (40 litres).

²² WWF Risk Filter Suite

²³ UN-Water SDG 6 Data Portal

B7 – Resource use, circular economy and waste management


Many resources are used, and waste is generated in Sportland’s global value chain. However, in our own operations, waste generation is not as significant sustainability aspect as one might expect.

Implementation of circular economy principles

Sportland International Group is implementing the circular economy principles as extensively as possible and reasonable.

Elimination of waste and pollution

Sportland International Group as retail company of selling global sporting and leisure apparel and shoes has limited position to influence the production processes and design, including usability, reusability, repairability, disassembly and remanufacturing, of the products and sales packaging. These decisions are made by global brands, many of which take serious steps and initiatives towards minimising and preventing the generation of waste.

 For example, VF Group (The North Face, Timberland) has initiatives to provide value to consumers through after-sales services, re-commerce, repair services and product takeback programs. They also have introduced Naked Delivery programme (shipment without polybags).²⁴

In sports events we organise (for example in Kõrvemaa resort) we use reusable tableware, which avoids generation of disposable tableware waste.

²⁴ VF Environmental and Social Responsibility Reports. Fiscal year 2025.

²⁵ New Balance sustainability webpage.

²⁶ Regeneration = actively do good by healing and strengthening ecosystems (positive impact).

Circulation of products and materials

Sportland is committed to choosing and offering more sustainable products, incl goods with recycled content and with verifying certificates. For example, GOTS, GRS, OEKO-TEX, PETA certificates.



For example, New Balance goals by 2030²⁵:

- Source 100% preferred polyester, with 25% recycled fibres derived from textile waste
- 100% of leather will be chrome-free, regenerative, or be considered low emissions
- Utilize 80% preferred midsole and 90% preferred outsole compounds.

Regeneration of nature

To date, Sportland International Group has not undertaken formal initiatives aimed at regenerating²⁶ nature or enhancing and restoring key ecological functions of ecosystems.



In May 2024, Sportland Estonia and its partners held a one-time tree-planting event in Kõrvemaa, planting a total of 6 400 trees, mostly pines. NB. This activity is not considered as regenerative or offsetting the GHG emissions.



Waste generation

The subsidiaries of the Sportland International Group **do not generate significant amounts of waste** in their **day-to-day operations**. Most waste arises in offices (mainly household waste), warehouses and shops (primarily packaging waste).

Packaging waste. All Sportland International Group subsidiaries that generate packaging waste are required to submit a packaging waste report and have agreements with producer responsibility organisations for the collection and recycling of their waste. These organisations ensure that the collected packaging waste is recycled to the extent required by regulation.

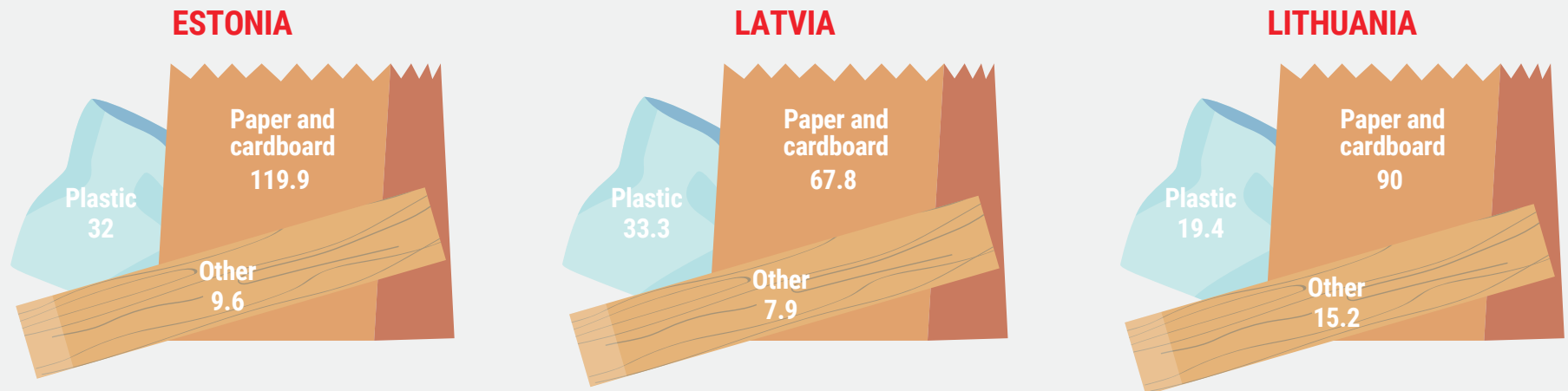
 National packaging recycling rates in 2023 were in Estonia – 69%, Latvia – 63%. Lithuania – 61% (average in EU27 – 67%).²⁷

The biggest amount of our packaging waste is made of paper and cardboard (e.g. shoe boxes).

The plastic bags used in our stores and for shipping our online store products is made from 100% recycled plastic.

We have reduced the transport packaging by using reusable metal cages in all our warehouses and shops.

Packaging waste generation in 2024 by material type (tons):



²⁷ Eurostat. Recycling rates for packaging waste (last update 17/07/2025)



Textile waste. Most of our sold products (such as clothing and footwear) will become textile waste at the end of their lifecycle. Starting in 2025, there is a requirement to collect textiles separately in all European Union countries. Latvia has already introduced a natural resource tax²⁸ on textiles. By 2027–2028 at the latest, an extended producer responsibility (EPR) system for textile and footwear will be implemented in all Baltic counties, requiring companies to collect and either reuse or recycle the textile products they place on the market.²⁹ Consequently, Sportland International Group companies will be required to obtain more detailed data on product composition, weight, durability, recyclability, and reusability in the coming years.



In 2024 III and IV quarter, Sportland Latvia³⁰ placed 227 tonnes of sporting apparel and footwear on the market and paid a service fee of €16 500 for its collection and treatment.



Electronic waste. Sportland Estonia is obliged to collect and utilize the electronic devices we sell in our stores (such as e-bikes, speedometers, and bicycle lights). Information about this obligation is available in the stores (all together in 11 of them) where these products are sold and on our website. For the treatment of electronic waste, we have an agreement with an authorized e-waste recycling organization.³¹ However, the actual amount of electronic waste generated by our sold products is very small – about 100 kg in half a year.³²

In addition, the company generates typical office electronic waste.



Bio (food) waste is generated only in offices, in very small amounts. At the Tallinn office, kitchen food waste is collected separately and handed over to a licensed waste management company.



²⁸ Latvian Natural Resources Tax Law, in force from 1 July 2024.

²⁹ Recycling rate is not defined yet at the EU level.

³⁰ Sportland Latvia, Sports Direct and SIG Logistics.

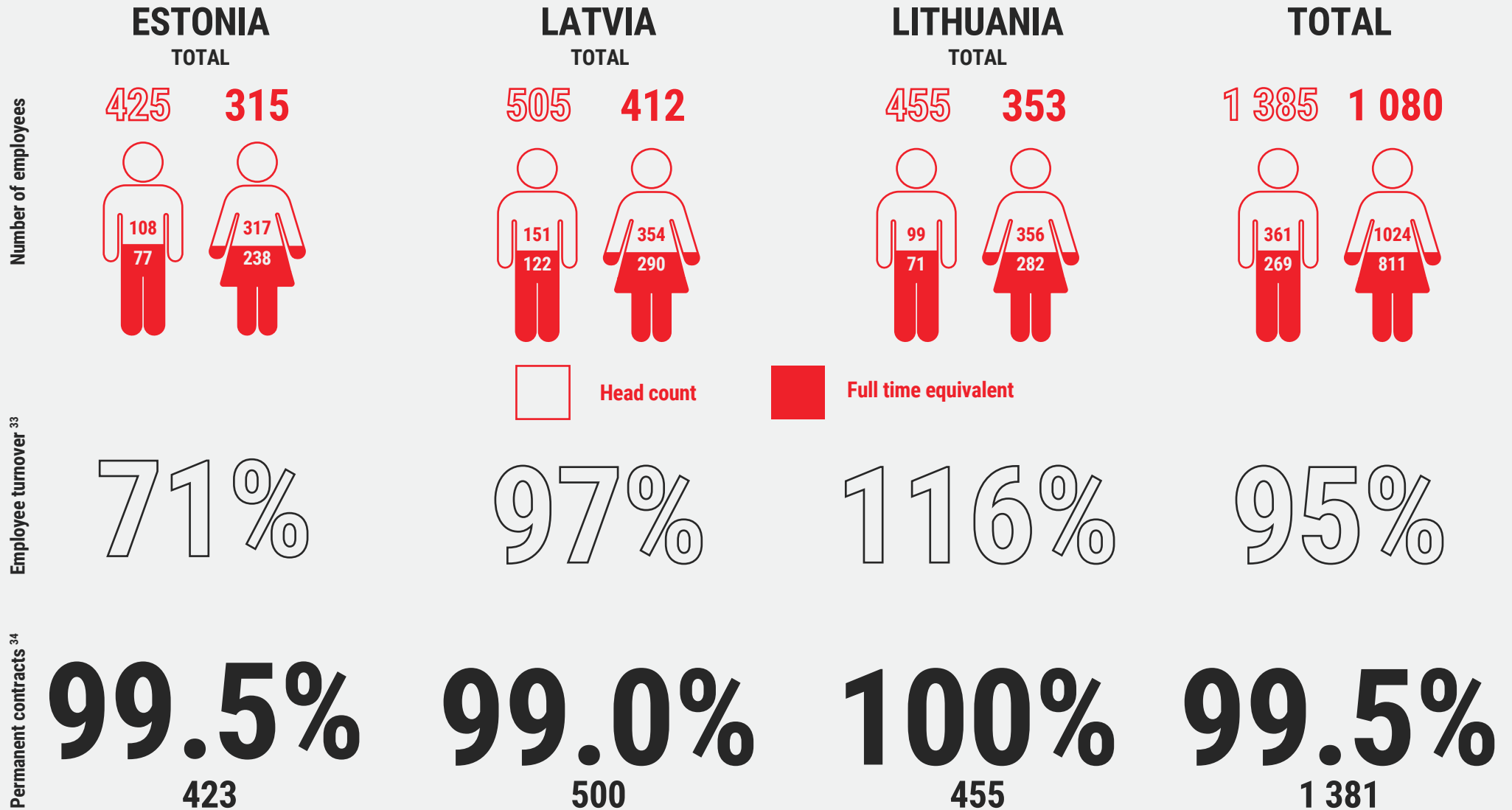
³¹ EES-Ringlus

³² Taking into account only the weight of the electric bicycle batteries (not the entire bicycle).

5. Social metrics – workforce

B8 – General characteristics

Portland International Group workforce characteristics in FY2025, by country:



³³ Employee turnover = people left during the year/average number of employees (HC; FY2024+FY2025/2)* 100

³⁴ Permanent contracts/total number of employees (HC) * 100

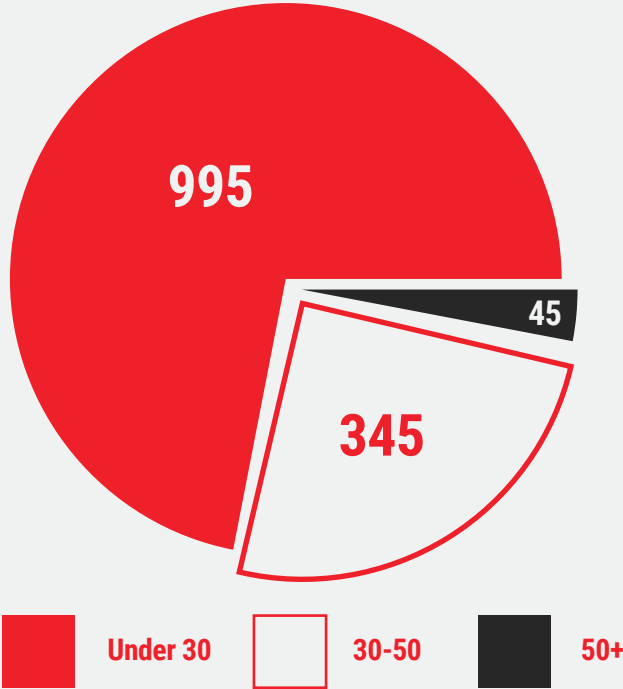
In FY2025 the total number of employees (head count) in Sportland International Group declined slightly – by 3% compared to FY2024. The majority of employees are employed in frontline roles, such as shops and warehouses. Gender distribution and employee age split remained the same.

Sportland intentionally offers entry-level store positions to young, sporty people for whom this is their first job and/or who work alongside their studies. They gain their first work experience and create a youthful atmosphere in our stores.

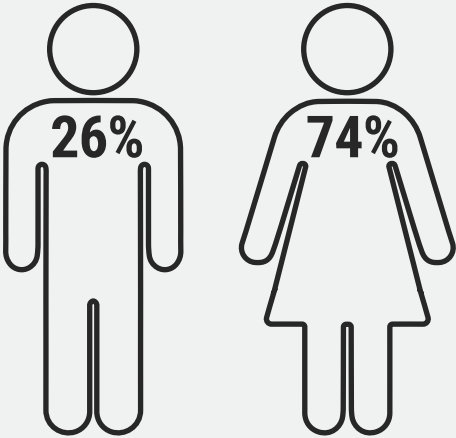
Distribution by employee categories



Age distribution



Gender distribution



In retail sector the turnover of employees is usually high, especially at the shop level. It is mainly due to fact that retail jobs are often entry-level, with lower pay and high demands, leading to frequent job changes. The workforce is younger, incl. many students or part-timers. Common employee turnover in retail is typically 30-60% per year for frontline roles. Above 60% is high, but common in some markets and roles.³⁵

³⁵ Employee turnover in retail – what it’s costing you and how to fix it (2025)

B9 – Health and safety

There have been in **total 10 work related recorded accident** in Sportland International Group. All accidents were minor and didn't cause any serious health problems. Steps were taken to prevent future work related accidents.

The **rate of recordable work-related accidents** of employees in FY2025 was **0.85**.³⁶

There **have not been fatalities** as a result of work-related injuries and work-related ill health in Sportland International Group.

³⁶ Rate of accidents = recorded accident / total number of hours worked in a year by all employees * 100 full-time workers' hours a year.



Work related recorded accident by country:

ESTONIA – 4

Two cases were related to employees attempting to catch a thief (the employees fell), and two other cases were related to transporting a goods cage (fingers were injured).

LATVIA – 2

In the SIG warehouse, accidents occurred when moving a pallet truck (head injury from shelving) and when opening box with a utility knife (hand injury).

LITHUANIA – 4

Accidents occurred in stockrooms, such as slipping from ladders while retrieving goods from shelves, resulting ankle sprains.



B10 – Remuneration, collective bargaining and training

Sportland International Group confirms that all the employees **have received pay that is equal or above applicable minimum wage** for the country it reports in.

There is no detailed information available yet on percentage gap in pay between female and male employees. Since Sportland subsidiaries are obliged by law to report this information in 2027 (using 2026 data)³⁷, this information will be available in the next sustainability reports.

There are **no employees covered by collective bargaining agreements**.



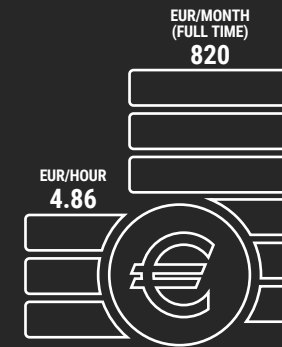
Collective bargaining levels in Estonia, Latvia, and Lithuania are among the lowest in the European Union.³⁶ It is mainly due to weak traditions of sectoral/national bargaining and labour markets dominated by individual contracts.

In FY2025, Sportland International Group organised several **trainings** for its employees. These training are mainly intended for sales staff and focus on product introduction and improving service. In Sportland Estonia the average annual training hours per frontline employees is **7 h/employee**. However, there is no consolidated overview across subsidiaries of annual training hours per employee (by gender). In the coming years, this data will be collected along with a clearer definition of which activities qualify as training.

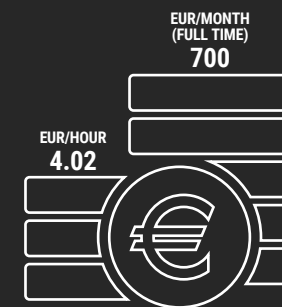
³⁷ EU Pay Transparency Directive (Directive (EU) 2023/970).

³⁸ The proportion of employees covered by collective bargaining: Estonia – 19.1%, Latvia – 27.1%, in Lithuania – 26.6%. Source: worker-participation.eu/: Collective bargaining.

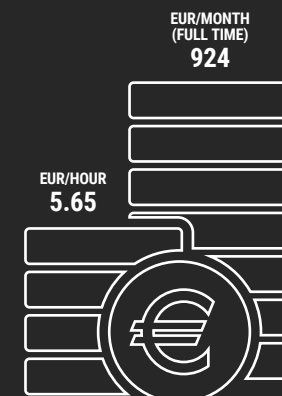
National minimum wages in 2024³⁸:



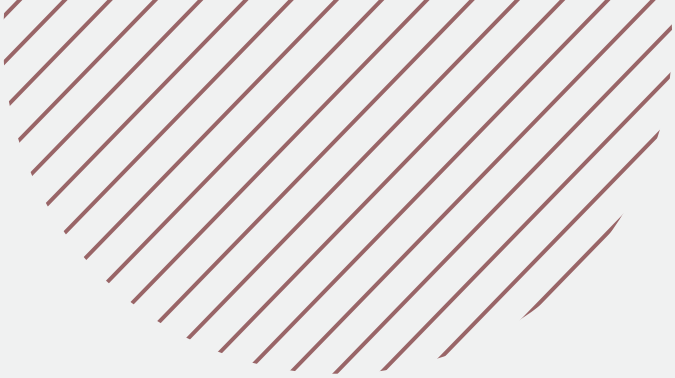
ESTONIA



LATVIA



LITHUANIA

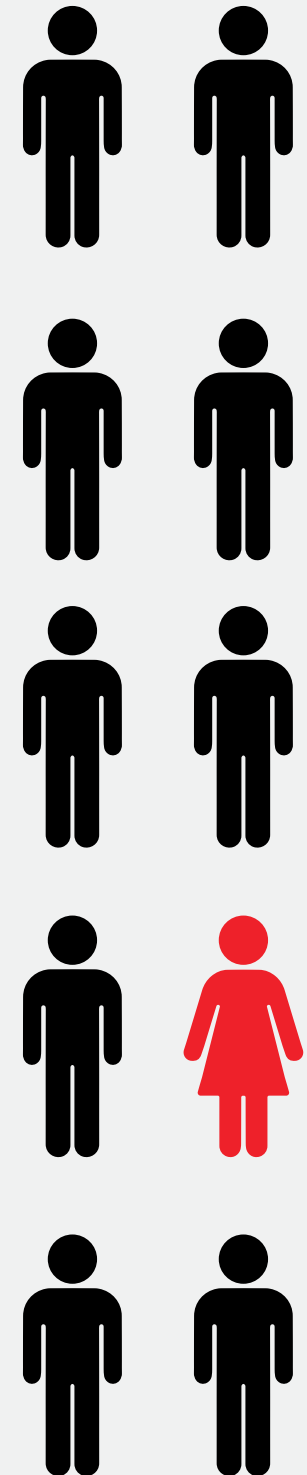


C5 – Additional (general) workforce characteristics

The **female-to-male ratio** at management level is **1:9**.

Most of the employees have **permanent contracts**, which give employees predictable income and long-term job security (see B8).

Information on self-employed persons without staff who work exclusively for the company will be clarified in the coming years (including specifying who meets these criteria).



C6 – Human rights policies and processes

The undertaking doesn't have a specific code of conduct or human rights policy for its own workforce, which would cover child labour, forced labour, human trafficking, discrimination, accident prevention. But some of these topics (and other own workforce related rules) are covered in organisation work rules and occupational health and safety rules.

The undertaking has a complaints-handling mechanism for its own workforce. It can be done through whistleblowing function (which is required by the law).

C7 – Severe negative human rights incidents

There have been **no confirmed incidents** within our own workforce related to child labour, forced labour, human trafficking, discrimination, or any other human rights-related issues.



6. Governance metrics

B11 – Convictions and fines for corruption and bribery

During the reporting period, there have been no convictions or fines imposed on Sportland International Group for violations of anti-corruption or anti-bribery laws.

C8 – Revenues from certain sectors and exclusion from EU reference benchmarks

Sportland International Group is not operating and do not earn revenues in the sectors of controversial weapons, the cultivation and production of tobacco, fossil fuel, and manufacture of pesticides and other agrochemical products.

The undertaking is not excluded from EU reference benchmarks that are aligned with the Paris Agreement.³⁹

C9 – Gender diversity ratio in the governance body

The governance body of Sportland International Group consists of four male board members and no female members. Consequently, the gender diversity ratio is **4:0**.⁴⁰

³⁹ It means that the undertaking is not ruled out because of harmful or unsustainable activities (like coal mining and energy generation, controversial weapons production, oil and gas power generation, etc) and therefore could be included in climate-conscious investment indices.

⁴⁰ Gender diversity ratio = female board members/male board members.



7. Future reports and actions

Sportland International Group falls within the so-called second wave of companies required to report under the ESRS sustainability reporting standards. Following the two-year postponement of the deadline for audited reports announced in February 2025 and given that the standard itself is currently under review⁴¹, this report should be regarded as a **transitional sustainability report**. Until the requirements are clarified, Sportland applies the EFRAG VSME standard.

In order to improve the clarity and practical value of the report in FY2026, we will:

- focus on improving **data quality** and collecting comprehensive information to clearly establish **baselines**, which will support setting **future targets** and selecting **performance indicators** for our key sustainability aspects
- remap and engage with **key stakeholders** to gain a clearer understanding of the sustainability information most relevant to their interests
- focus on the **most significant sustainability impacts**, aiming to reduce the negative (e.g. energy use) and enhance the positive ones (e.g. supporting sports)
- clarifying the actions we can take to strengthen our market position through **sustainability initiatives** (e.g., evaluating and applying for sustainability certifications, sustainable procurement, developing sustainable products and services).

Contacts: Sportland International Group, sportland@sportland.ee

⁴¹ EFRAG (31.07.2025) Press release - EFRAG Shares Revised ESRS Exposure Drafts and Launches 60-Day Public Consultation.





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