



ESG REPORT 2022
SUSTAINABILITY AT SPORT GROUP

ABOUT THIS REPORT

With this ESG report, the Sport Group is publishing its efforts for a responsible approach on a social, ecological, and ultimately economic level. The importance of sustainable and environmentally friendly products has been a large and essential part of our business for many years. After preparing our initial ESG report in 2021, we have now decided to even further enhance our communication about our sustainable practices to the public and provide our stakeholders with deeper insight into all facets of Sport Group Holding. That is now reflected in this 2022 version.

The ESG Report 2022 builds on our first version, placing greater emphasis on our sustainability targets and milestones. In addition to seeking to expand our activities in the social and environmental spheres, we are also keen to present a more tangible representation of our organization as a whole. Although the report is based on the content requirements of the GRI, it has not yet been audited externally.

The ESG reports for 2021 and 2022 mark our initial endeavors to document the sustainable practices of Sport Group and share them with the world. Our aim is to have the necessary resources in the upcoming year to subject our sustainability report to a peer review process.

In this report, we present our key achievements, organized by the topics of economic, environmental, and social sustainability. It lays out both the strategies and milestones achieved in these three main areas: environment, responsibility for employees and social commitment, and corporate governance.

The reporting period corresponds to the fiscal and calendar year 2022 (January 1 to December 31). This report is aimed at all interested stakeholders and covers the key sustainability initiatives throughout Sport Group Holding. Please note that shareholdings and companies beyond the consolidation scope are not included in this report.



STATEMENT FROM THE CEO



Christoph von Nitzsch

Chief Executive Officer Sport Group

Climate change presents one of the most pressing challenges of our era, representing a global crisis with profound implications for our lives and the environment. In light of this challenge, it is imperative that we take a proactive approach and contribute to mitigating climate change.

Sustainability has emerged as a decisive factor for the future of businesses. We are witnessing a growing demand from our customers, employees, and the whole of society urging us to reevaluate and reassess the impact of our actions on people, communities, and the natural world. The war in Ukraine has added another layer of complexity to these global trends and challenges. The conflict has led to resource scarcity and limitations, which further emphasize the importance of sustainable practices in ensuring the long-term viability of our business in the face of such geopolitical uncertainties.

We are proud to declare our commitment to addressing these developments wholeheartedly. As a result, we have further accelerated our long-term ESG (environmental, social, and governance) strategy, not only to minimize our environmental footprint but also to ensure the resilience and future readiness of our organization. Sustainability continues to be at the core of our business strategy, setting us apart as leaders in the industry. Throughout this process, we aim to strike a harmonious balance between people, the environment, and economics, encompassing all companies affiliated with Sport Group. We are determined to collaborate with our suppliers and customers on this vital mission. Sustaining our business will entail prioritizing sustainability and utilizing it as one of the key drivers of our ongoing success. By excelling in ESG, we will thrive as a company.

SPORT GROUP ACTIVITY OVERVIEW AND SUSTAINABILITY COMMITMENTS



SPORT GROUP: GLOBAL LEADER IN SPORT SURFACES

SPORT GROUP IS THE WORLD’S LARGEST BUSINESS DEDICATED TO SPORT SURFACES

From Olympic field hockey fields to FC Bayern Munich, from the 1966 Astrodome to the US Open, our brands, products, and innovations have enriched—and continue to enrich—the experience of athletes and fans around the world.

Sport Group sells and installs more synthetic turf sport fields, athletic tracks, and courts than any other business in the world. Our knowledge, scale, and vision is transforming the synthetic sports surface industry with products that not only offer the best solutions for us humans but also for our environment.

TRANSFORMING THE BUSINESS OF SPORT AND SPACE

Vibrant sport and leisure are a vital heartbeat of all our communities, and so they deserve the very best products and solutions. In a changing world of urban restrictions, technological explosions, and sporting diversity, a one-size-fits-all approach is no longer good enough.

We create sustainable and digital product innovations that revolutionize the market. Our goal is to drive carbon neutrality and thus minimize our environmental impact along the product life cycle.

CORPORATE BRANDS

APPLICATION BRANDS

FACTS AND FIGURES

- 16,000 synthetic turf fields installed
- 17,000 tracks and recreational surfaces installed
- 70 countries where customers are served

GLOBAL POWER, LOCAL PEOPLE

- €762M turnover
- 20 companies
- 1,994 employees

WE SERVE THREE DIFFERENT CUSTOMER GROUPS

Our diverse product offerings enable us to address a wide range of different customer groups. Our clients primarily come from three categories, which we are able to equip with different goods from our portfolio.

PROJECT CUSTOMERS

Sport Group’s project customers generally purchase our main products, synthetic turf fields and tracks as well as recreational surfaces. We enjoy individualizing our products to meet our customers’ specifications. And we are proud to serve numerous clients, among whom our largest include the Miami Open, US Open, Adidas, Tokyo Olympics 2020, FIFA, FC Bayern Munich, Buenos Aires Olympia 2018.

COMPONENTS AND SYSTEM CUSTOMERS

Our components and system customers are usually installation companies and distributors who purchase our artificial turf and polyethylene components. We offer them a variety of granules, which are available in different colors or black. In addition, we also provide our PU for our customers as well as already finished AT.

INDUSTRIAL CUSTOMERS

Finally, our industrial customers, such as cable manufacturers, construction companies, or plastic and cable industries, obtain a range of industrial applications such as cable compounds, industrial coating, and toll production.

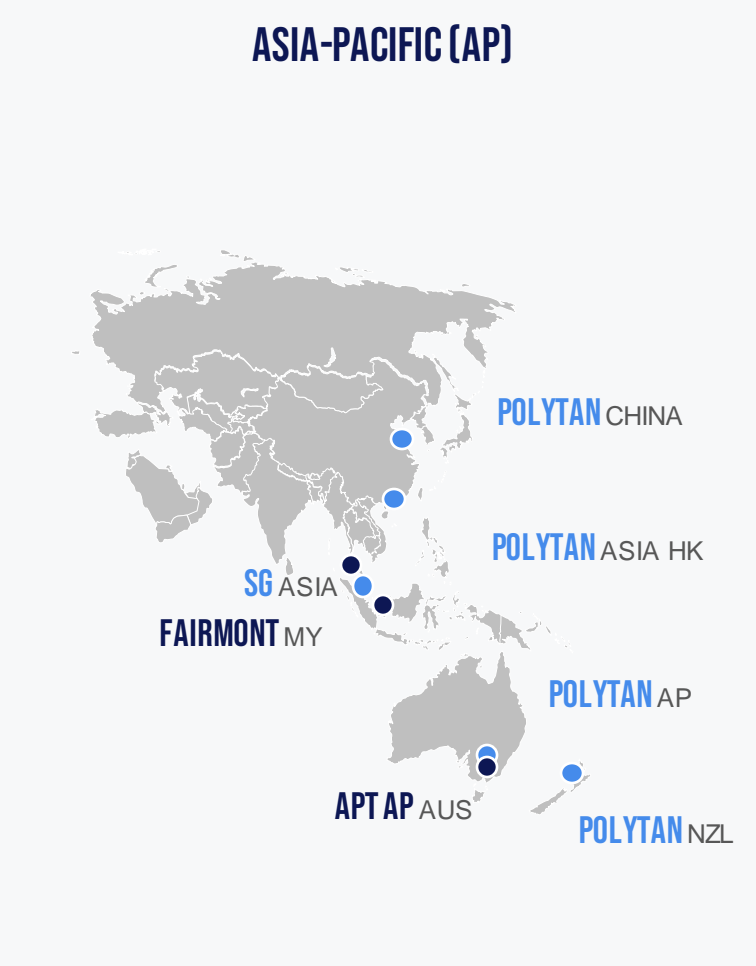
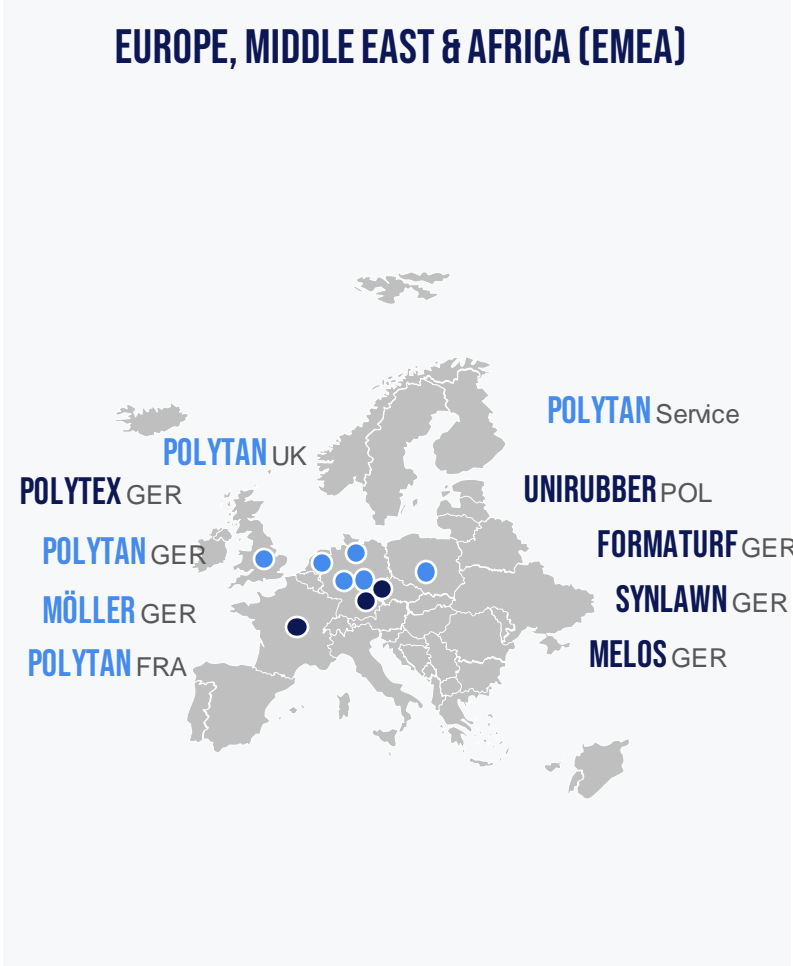
“ Sport Group’s global power delivers confidence to our customers, and our commitment to local offices and regional manufacturing supports their unique needs.

DR. KLAUS HAUSCHULTE , COO SPORT GROUP



GLOBAL FOOTPRINT: PRESENCE IN VARIOUS DIFFERENT MARKETS

Regional production and sales presence ensure Sport Group's competitive market approach



● Production companies ● Project companies

OUR ESG RATING AND CERTIFICATIONS

ISO AND RAL CERTIFICATIONS

Our artificial turf systems and synthetic surfaces bear the RAL seal of quality, comply with current national and international standards, and have the relevant certificates from international sports associations. As a responsible company, Polytan is also certified with the internationally recognized ISO 9001 and 14001 standards for quality and environmental management and ISO 50001 for energy management.

SUSTAINALYTICS RATING

Sustainalytics, a Morningstar company and a leading global provider of ESG research, ratings, and data, recently evaluated the activities of all Sport Group manufacturing and installation companies, including AstroTurf, Polytan, Melos, SYNlawn, and APT (Advanced Polymer Technologies), and examined the group's global product brands including LigaTurf, Rekortan, Poligras, and Laykold.

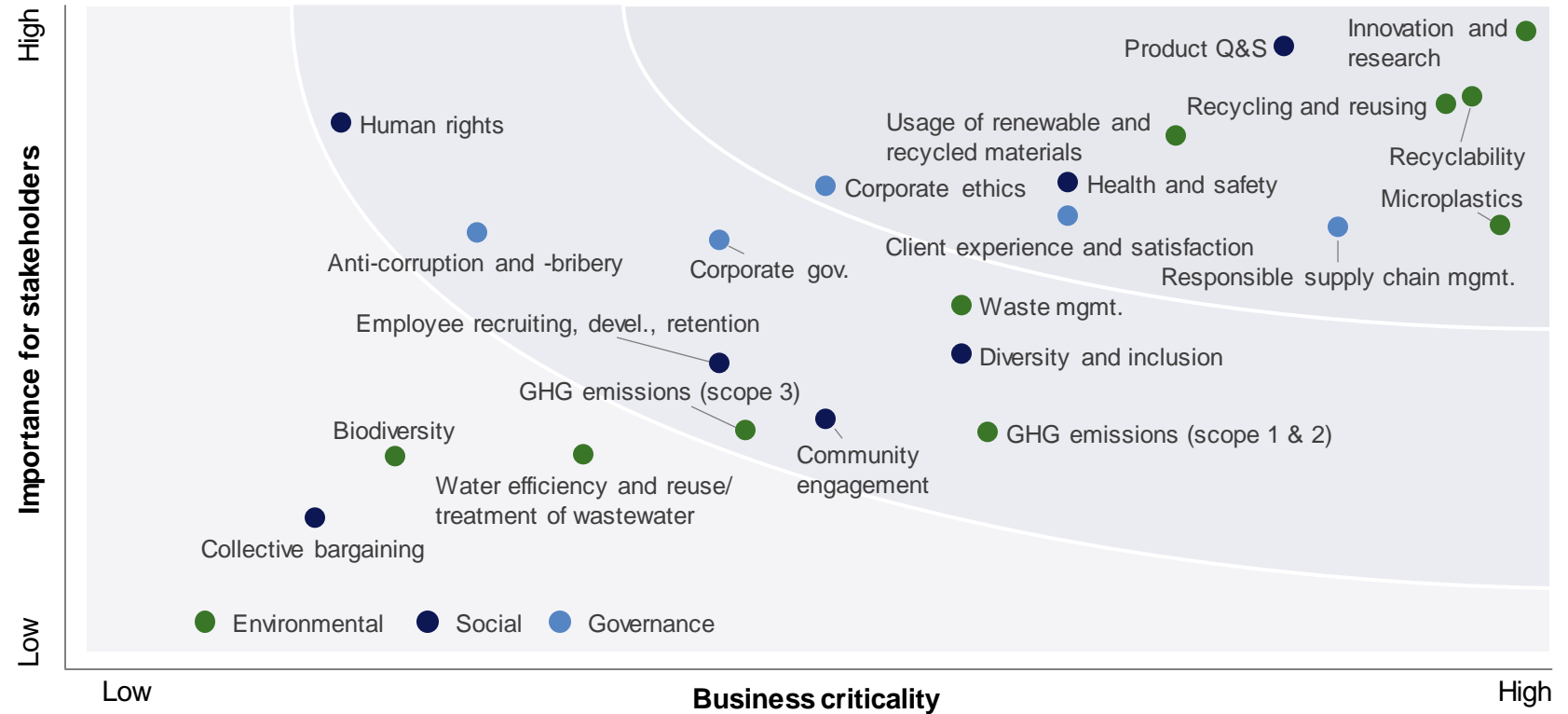
Sport Group received a low or negligible risk rating in all categories including environmental and sustainable impact of products and services, emissions, effluents and waste, resource use, occupational health and safety, and corporate governance. Overall, this constituted a rating of 13.4 low, indicating overall low risk.



MATERIALITY ASSESSMENT: 12 MATERIAL TOPICS IDENTIFIED

In 2021, we performed a comprehensive materiality assessment to identify and prioritize critical ESG issues. Through peer review, industry standards (including SASB & GRI), and stakeholder surveys, we developed a short list of topics. The material topics identified from this assessment served as a compass, guiding us in formulating robust sustainability goals and initiatives.

To stay current and responsive to evolving sustainability challenges, we plan to conduct an updated materiality assessment within the next two years, ensuring that our strategies and actions remain aligned with the expectations of our stakeholders and the changing landscape of sustainability.



ENVIRONMENTAL

SOCIAL

GOVERNANCE

KEY TOPICS FROM MATERIALITY SURVEY

Recycling and reusing products
 Recyclability of products
 Products from renewable & recycled materials

Product quality and safety
 Health and safety

Sustainable supply chain mgmt.
 Corporate ethics

ADDITIONAL TOPICS

Waste management
 GHG emissions (scope 1 & 2)

Employee recruiting, develop., retention
 Diversity and inclusion

Anti-corruption and -bribery

ESG GOVERNANCE: SUSTAINABILITY FIRMLY EMBEDDED WITHIN OUR ORGANIZATION

Our ESG strategy touches on a wide range of issues, business functions and geographies. To ensure success, a robust governance system is necessary. That is why we have developed a system that frames the responsibilities and contributions that are expected from all levels of the organization.

ESG EXECUTIVE BOARD OF DIRECTORS

The ultimate responsibility for the approval and oversight of our ESG governance framework lies with the Board of Directors, supported by the ESG Team. For each material ESG issue, one member of the board has been defined as the main owner. In consultation with the ESG project management and experts, the board monitors group-wide ESG risks and defines and reviews the group-wide ESG strategy. It further monitors the implementation of the strategy and ensures appropriate resource allocation. The regional boards and plant managers are empowered to provide regular feedback and develop additional levers to enhance the appropriateness of our global policy for their local sites.

ESG PROJECT TEAM

The ESG Project Team recommends strategic priorities, goals, and target horizons to the board once a month. The team consists of the Director QHSE (E), the Director HR (S) and the Director Legal and Compliance (G), supported by a global ESG expert. The team reviews plans for initiatives, maintains ongoing communication with relevant stakeholders, and ensures proper resource allocation at the operational level.



ESG Board of Directors

 ESG Project Team

OUR TARGETS AND COMMITMENTS



It is important for us to measure our progress against our own goals, our competitors, and other leading businesses.

MATHIAS SCHWÄGERL, CFO SPORT GROUP

-40%

CO₂ REDUCTION

We aim to reduce our GHG emission intensity (scope 1 & 2¹) by at least 40% by 2030 compared to 2018 and to achieve a 100% reduction by 2050

55%

RENEWABLE ENERGY

We continuously strive to increase the share of renewable electricity and have set ourselves a goal of at least 55% renewable electricity by 2025

100%

END-OF-LIFE RECYCLING

We have set ourselves the target of achieving a 100% recycling share of all reclaimed artificial turf sports fields in Europe by 2030

-10%

HEALTH AND SAFETY INCIDENTS

We have committed ourselves to zero fatalities and to continuously reduce our lost time injury rate (LTIR) by 10% annually in the coming years

16

TRAINING HOURS

We have set ourselves the target of our employees undergoing a minimum of 16 hours of training per year

1. Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources that are controlled or owned by an organization (e.g., emissions associated with fuel combustion in boilers, furnaces, or vehicles). Scope 2 emissions are indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling

ENVIRONMENT



OUR COMMITMENT TO THE ENVIRONMENT

PRODUCTS

Generally, we aim to develop products that have a lasting and beneficial impact on both the environment and our society. Over the years, we have therefore diversified our product portfolio and are developing increasingly green and renewable products.

CARBON EMISSIONS

As an international firm engaged in industrial production, Sport Group prioritizes conservation. That is why we stringently aim to reduce our environmental footprint. One crucial lever is minimizing GHG emissions through initiatives implemented across our organizations, primarily targeting reduced energy consumption and the shift to green power sources.

RENEWABLE ENERGY

Purchased energy is one of the key GHG emission drivers in our operations. Hence, the shift to renewable energy sources is a key element of Sport Group's sustainable development strategy in order to reduce GHG emissions and protect the environment.

CIRCULAR ECONOMY

We acknowledge the importance of protecting natural resources, and so we continuously strive to extend the lifetime of our products and actively promote reuse. Functioning circulation and life cycle concepts exist for many of our products and systems.



The environment remains a crucial and ongoing concern. Our investment priorities center around bio-based and renewable ingredients, carbon reduction, postconsumer raw materials, recycling, and promoting second-life usage.

We recognize that this transformation requires pioneering concepts, and with our extensive global expertise we are confident that our innovations will continue to drive the market forward to a more environmentally friendly industry.

LISA-MARIE ROSSKOTHEN, ESG EXPERT GLOBAL

DRIVING POSITIVE ENVIRONMENTAL IMPACT WITH OUR PRODUCTS

INHERENT PRODUCT FEATURES

Our products—particularly artificial turf—have an inherently positive impact on the environment by saving water compared to natural grass, which needs to be watered regularly. At the same time, artificial installations eliminate the need for fertilizers, which are commonly used on traditional grass pitches. Fertilizers are a considerable source of pollution for traditional grass pitches and can have a detrimental impact on the surrounding environment. Thus, the adoption of artificial turf promotes both resource efficiency and reduces pollution.

ECO-DESIGN

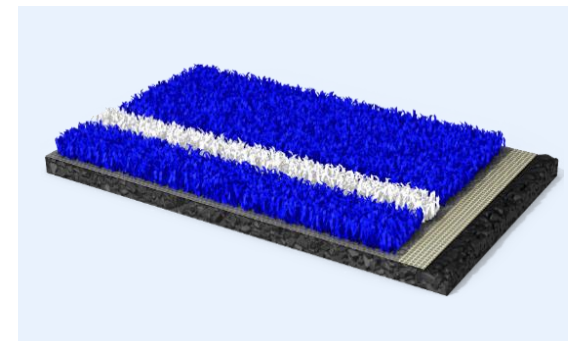
Beyond these inherent features, we have developed a wide array of products with a particularly positive impact on the environment. Our R&D approach follows the principles of eco-design, meaning that we heavily pursue developing our possibilities to increase the use of recycled/renewable input materials in our products. At the same time, the recyclability at the end of the product life cycle is promoted from the very beginning of the product engineering cycle. Thus, eco-design is incorporated from the very start until the end of the product life cycle. This has allowed us to develop our sustainable flagship products.

GREEN TECHNOLOGY PRODUCT EXAMPLES



LIGATURF CROSS GT

First 100% CO₂-neutral soccer turf for professional and popular sports; filaments made from renewable raw materials; reduced maintenance required



POLIGRAS TOKYO GT HOCKEY TURF

First synthetic turf which features filaments partly made from re-growable raw materials (green bio polyethylene made from sustainably grown sugarcane)



SYNLAWN

Artificial grass using a combination of soy in the coating and sugarcane in fibers to achieve USDA certified products with up to 88% bio-based content








IOC PARIS CLIMATE-NEUTRAL HOCKEY TURF STORY: ENABLING SUSTAINABLE OLYMPIC GAMES



HIGHEST PERFORMANCE FOR ATHLETES AND THE ENVIRONMENT

As a leading international solutions provider of sports and leisure surfaces, we hold the unwavering trust of athletes in the highest regard. Our commitment extends beyond merely offering them a sports venue; it encompasses ensuring optimal conditions for them to unlock their full athletic potential and providing unparalleled comfort. Simultaneously, we recognize that our responsibility extends beyond the athletes themselves including to the environment and wider society. We are proud to have developed and installed the hockey turf at the Paris 2024 Olympic Games—Poligras Paris GT zero. It is the first-ever climate-neutral synthetic hockey turf while enabling a precise and dynamic game and ensuring maximum player safety, even during complex playing maneuvers.

KEY BENEFITS

Lower maintenance costs	Manufactured using 100% green energy	Up to 100% recyclable	Extended life cycles
			
			
Optimized playing dynamics and reduced risk of injury	80% bio-based materials (sugarcane)	Water consumption reduced further	

OUR APPROACH TO CARBON EMISSIONS

OUR GHG EMISSIONS MONITORING AND RESPONSIBILITIES

Environmental protection and sustainable development are of critical concern for us at Sport Group. Due to the undeniable impact of greenhouse gases on our climate, carbon emissions have become one of the most substantial threats to our planet. In line with this change, carbon-reduction initiatives have become integral to our product development and corporate strategy.

We have developed GHG emission monitoring procedures to systematically track our GHG emissions and further improve our emission-reduction initiatives. Further, energy consumption and scope 1 and 2 emissions are KPIs that we constantly track and benchmark across entities in our production scorecards. Our management carries the responsibility to follow through on the established GHG reduction initiatives.

REDUCTION OF DIRECT GHG EMISSIONS

We regularly upgrade our machines and vehicle fleet to ensure state-of-the-art energy efficiency. This entails regularly substituting vehicles with more efficient engines and actively promoting hybrid and electric vehicles to reduce the amount of fossil fuels burned. Heavy polluters are systematically phased out while the number of vehicles with comparatively little emissions is increased. As an example, Polytan, our European organization with the largest vehicle fleet, has set itself the target of having a passenger car fleet consisting of 100% electric vehicles by 2030.

REDUCTION OF TOTAL ENERGY CONSUMPTION

Our production organizations reduce their direct and indirect GHG emissions through various energy-saving initiatives in their production process. We regularly renew old motors with more energy-efficient models, service our compressors to minimize leakages, ensure proper insulation of our product tanks, employ open-air coolers instead of energy-powered coolers, and much more. Our company also drives innovations in order to increase its process efficiency. For instance, our turf production has shifted to PU coatings instead of SBR latex, resulting in lower energy consumption.



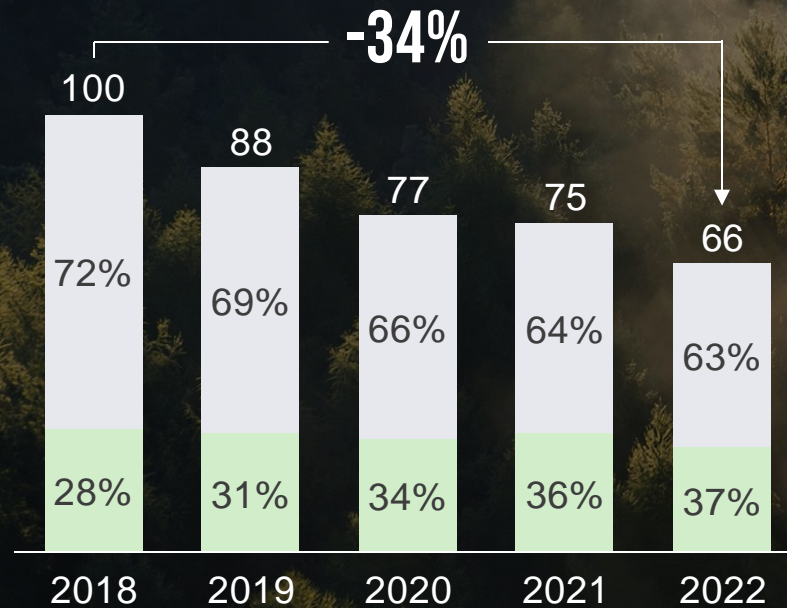
OUR GOAL

We will become a carbon-neutral company by 2050 at the latest. As an intermediate goal, we have committed ourselves to reducing our GHG emission intensity (scope 1 and 2) by at least 40% by 2030 compared to the reference year 2018.

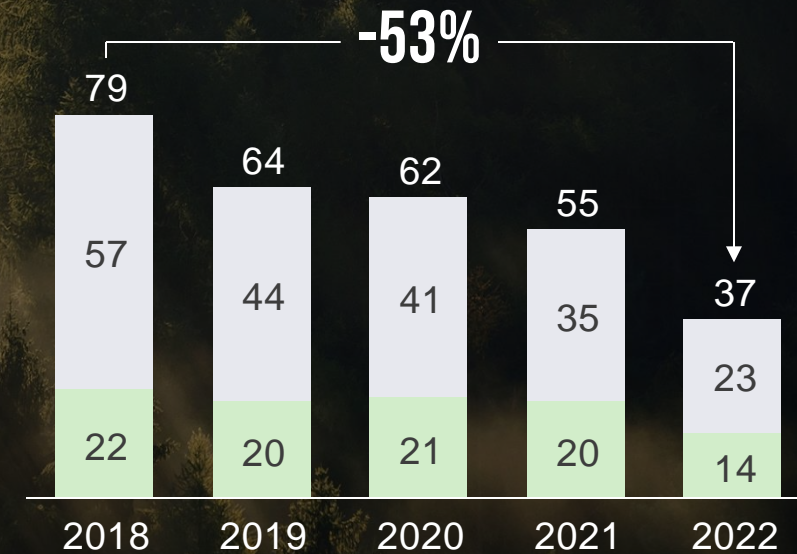
CARBON EMISSIONS: STRONG TRACK RECORD

As a result of our approach to carbon emissions, we have been able to reduce our total scope 1 and 2 CO₂ emissions, as well as our emission intensity in recent years, and have already reached our initial GHG goals for 2025. We are committed to further reducing our environmental impact, particularly from CO₂ emissions and will become a carbon-neutral company by 2050 at the latest. As an intermediate goal, we committed ourselves to reducing our GHG emission intensity (scope 1 and 2) by at least 40% by 2030 compared to a baseline value of 79 t CO₂/M€ in revenue in 2018. We were also able to achieve this goal ahead of schedule in 2022.

Carbon emissions index based on 2018
(Kt CO₂e; 2018 = 100)



Carbon intensity
(t CO₂e/ M€ revenue)



■ Scope 2 ■ Scope 1

RENEWABLE ENERGY: WE DRIVE ADOPTION

Environmental protection and sustainable development have become important considerations for us at Sport Group. One lever for reducing GHG emissions (especially scope 2) is the preferred use of energy from renewable sources. In particular for a globally operating group with large-scale industrial production, renewable energy sourcing represents a substantial opportunity to minimize our impact on the climate and environment.

RENEWABLE ENERGY INITIATIVES

Throughout recent years, we have managed to significantly increase our renewable energy share, especially in our production organizations, which consume the largest share of Sport Group’s energy and electricity.

To achieve our renewable energy target, we have either already shifted to 100% renewable electricity procurement or are currently jointly evaluating options to increase the renewable electricity share with the respective power suppliers at all our sites. A prime example is one of our main production companies Polytex, which switched to a 100% green power supply in 2019. Similarly, our new recycling facility, FormaTurf, purchases 100% green electricity, and our Polish production facility, Unirubber, has been procuring 100% renewable electricity since 2021 by purchasing PPAs.

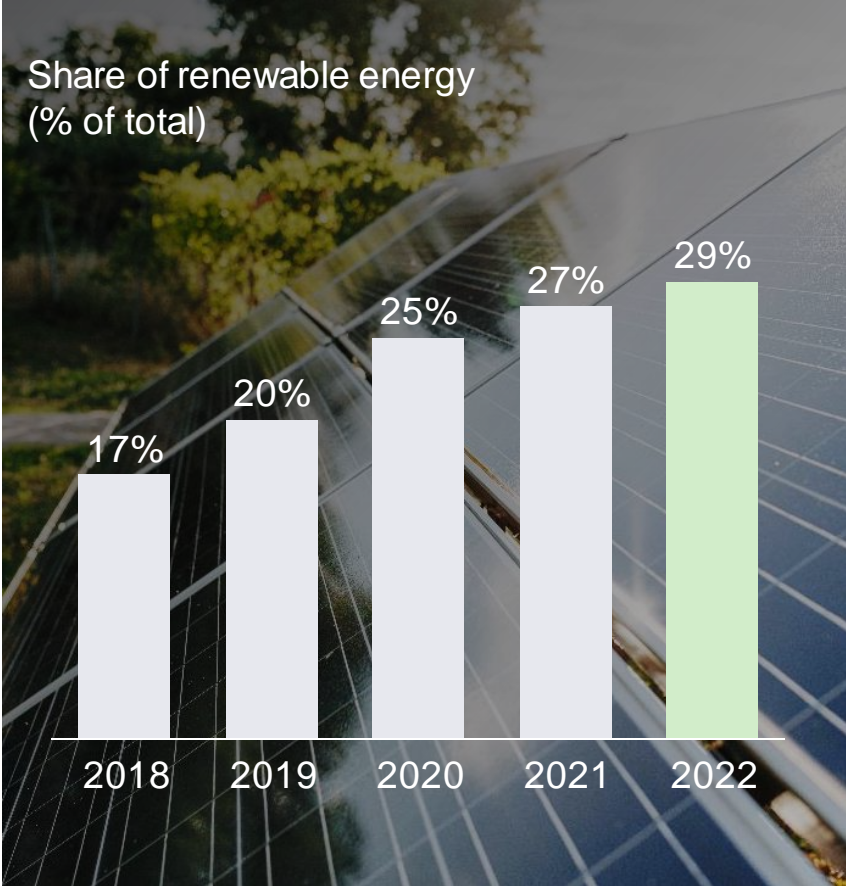
Across the remainder of our business, we have also set clear targets to further increase our share of renewable energy. We are currently evaluating options for solar energy generation on our buildings.

Within our project organizations, the emissions of our vehicles are a large source of energy consumption. That is why we initiated an incentive program for those employees who opt for an electric company car instead of a conventional combustion vehicle. As of 2022, we provide charging stations at all our German facilities to further promote the adoption of electric cars.

We are also striving to replace a big part of our combustion-engine wheel loaders and forklifts with electric counterparts. At Unirubber, for instance, we have already switched 80% of the forklifts on-site to electric ones.

OUR GOAL

We continuously strive to increase our renewable energy share. We aim to reach at least 55% of renewable electricity by 2025.



OUR ROLE IN THE CIRCULAR ECONOMY

END-OF-LIFE MANAGEMENT

Recycling represents one of the industry's largest challenges and simultaneously provides a key lever to ensure sustainability. In order to substantiate the importance of recycling and end-of-life product management as an integral part of our business model and our strategy, we have set ourselves the target of achieving a 100% recycling share of all reclaimed artificial turf sports fields in Europe by 2030. Currently, recycling options for end-of-life products are underdeveloped. A void of adequate recycling options for artificial turf, particularly for end-of-life products, has driven Sport Group to establish its own dedicated recycling entity, FormaTurf, and enter a partnership with the leading recycling company PR Recycling. This partnership and the establishment of FormaTurf will enable us to reach our recycling target.

FINDING CIRCULARITY IN OUR PRODUCTS

Next to our own operations, we have adapted our products to allow us to produce an increasing proportion from recycled materials. In recent years, we have successively increased the share of recycled and reused raw materials, and we are taking crucial steps toward closing the loop and contributing to a circular economy along the entire value chain.

An innovative example of our effective eco-design is the incorporation of monomaterial solutions. Products engineered with this approach are disassembled more easily into pure raw materials, which can then be used to produce entirely new products.



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Recycling artificial turf at scale is an essential part of our sustainability strategy.

DR. KLAUS HAUSCHULTE, COO SPORT GROUP

ISCC+ CERTIFICATION

ISCC+ is a globally applicable sustainability certification system and covers all sustainable feedstocks, including agricultural and forestry biomass, bio-based and circular materials, and renewables. Our two organizations Polytex and Polytan GmbH officially received the ISCC+ certification for using postconsumer recycled (PCR) materials in their yarn production. This allows us to mix up to 20% of PCR materials into the yarn formulation, thus helping to save raw materials and resources. Consequently, all our suppliers are also ISCC+ certified and comply with this international standard.

CIRCULAR ECONOMY EXAMPLE: FORMATURF CLOSING THE MATERIAL CYCLE

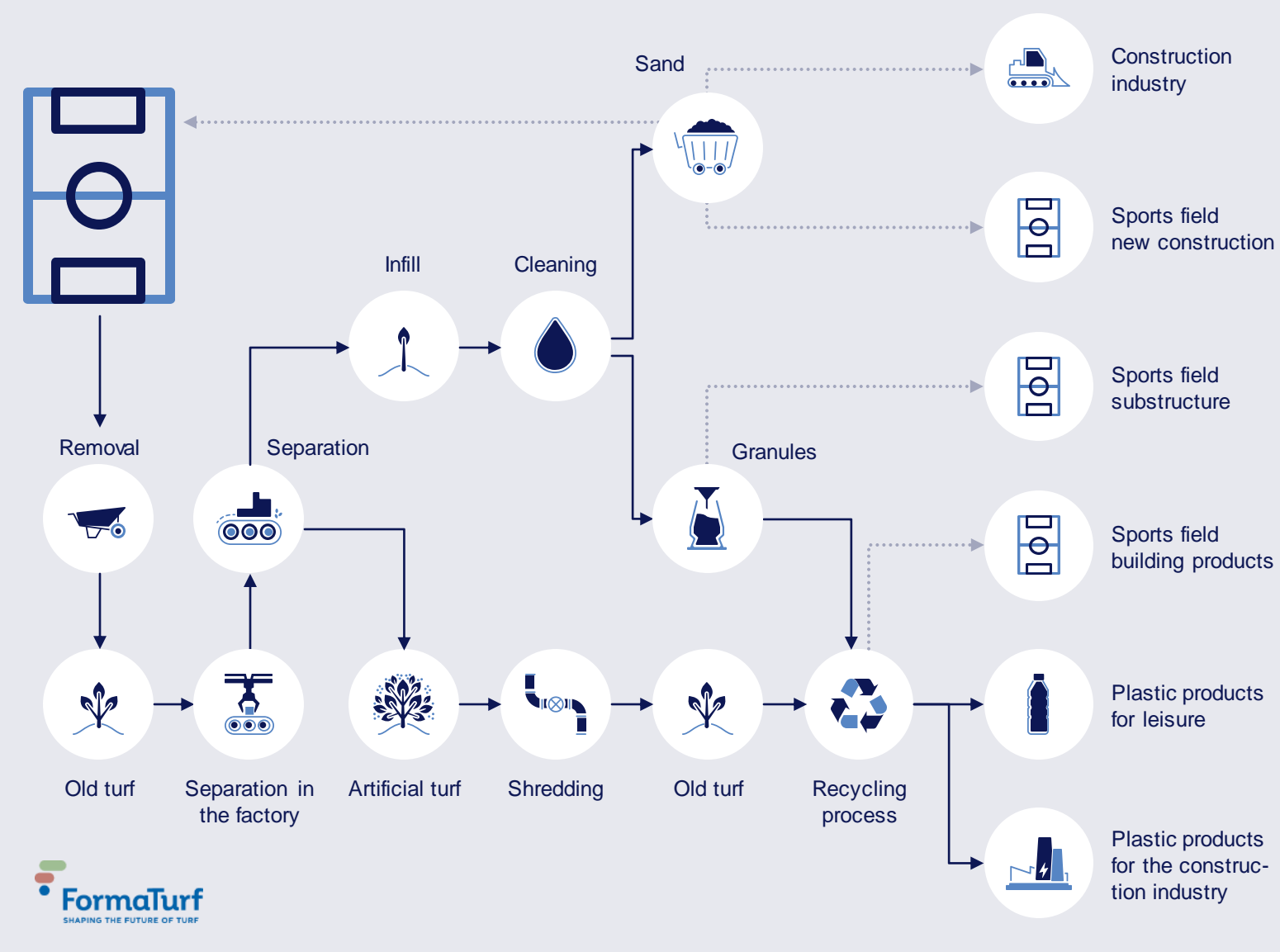
STARTING A NEW ERA WITH FORMATURF

For many years, Sport Group has been using the green technology approach to develop sustainable concepts for products with an improved ecological footprint, all of which are researched, developed, installed, and maintained in-house. Now, FormaTurf closes the material cycle and is responsible for in-house recycling.

RECYCLING PROCESS

At FormaTurf, we employ a comprehensive recycling process that encompasses all components of an artificial turf system. Through efficient material separation techniques, we can reuse these materials in a cutting-edge recycling process that is one of a kind. This approach grants recycled materials a second life by transforming them into valuable new plastic products and customized solutions for customers in sports pitch construction, landscaping, construction, and various industrial applications.

Our recycling solution ensures that no materials are lost from the materials cycle or left unused. Additionally, we take pride in operating the entire facility on green energy, further aligning our operations with environmentally sustainable practices.



SOCIAL



OUR COMMITMENT TO OUR EMPLOYEES



We are constantly working on social topics. Employees are the most important asset in our company.

Therefore, it is necessary to improve our workplaces, employee development, employer attractiveness, increasing recruiting effectiveness and helping our workforce to grow inside the organization.

ANDREAS RUPPERT, DIRECTOR HR GLOBAL

EMPLOYEE WELL-BEING

Our employees represent one of the most important and valuable assets of our company. We strive to continuously recruit the best talents, develop our employees to unlock their full potential, and retain our talents as long as possible. For that reason, we have various initiatives and guidelines to ensure we live up to our recruiting, development, and retention ambition.

HEALTH AND SAFETY

Our production and installation processes impose various risks for the health and safety of our employees and other stakeholders closely linked to the operational business. Therefore, we see the special need to actively manage health and safety risks that our employees and stakeholders are exposed to. Across our organizations, we continuously strive to improve our health and safety measures and have developed targeted health and safety management initiatives.

DIVERSITY AND INCLUSION

As an international company operating in a multitude of countries around the world, it is our highest priority to create an inclusive, diverse, and safe work environment for everybody. Only a diverse work environment that feels safe, comfortable, and empowering for everyone can spark the highest level of innovation and leverage problem-solving from a wide variety of different perspectives. Therefore, we have developed an encompassing diversity program composed of various initiatives and guidelines to ensure that we realize our ambition.

EMPLOYEE WELL-BEING: WE CARE FOR OUR EMPLOYEES

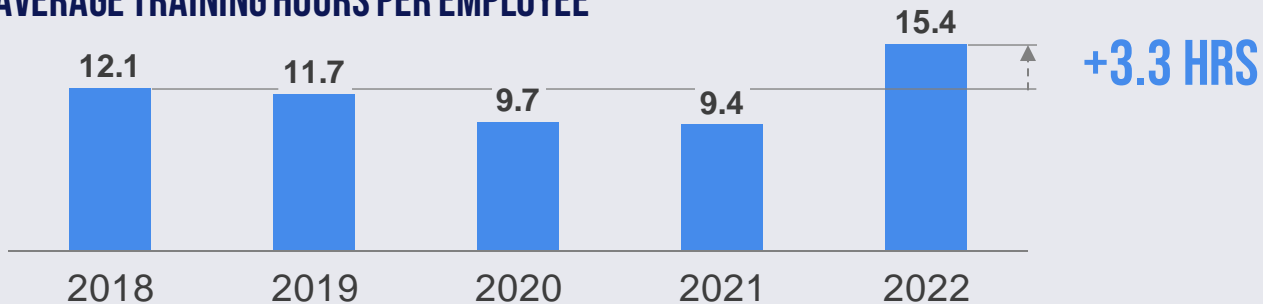
FOSTERING DEVELOPMENT AND SATISFACTION OF OUR EMPLOYEES

At Sport Group, we recognize that our success stems from both our industry expertise and the well-being of our employees. We understand that a thriving workforce translates into high-quality products and services. That's why we are committed to creating a stable and safe working environment where our employees feel supported and valued. We prioritize the development of our human capital to foster continuous growth, innovation, and adaptability within the organization. Our range of benefits, including long-term contracts and regular trainings, promote employee well-being and professional development. We also aim to increase interpersonal ties among our employees via events, such as sports days or employee appreciation days.

EMPLOYEE TRAINING AND UPSKILLING

Since 2018, we have significantly increased our average training hours per employee to from 12.1 to 15.4 hours. Our goal is to increase average training hours even more in the future with the aim of our employees undergoing a minimum of 16 hours of training per year. We have also established a range of initiatives related to human capital development, including yearly three-day leadership trainings, free German language courses for seasonal workers, annual performance reviews for leadership employees, and comprehensive two-year management trainee programs.

AVERAGE TRAINING HOURS PER EMPLOYEE



OUR GOAL

We have set ourselves the target of our employees undergoing a minimum of 16 hours of training per year.



HEALTH AND SAFETY: A KEY PRIORITY



We have committed ourselves to zero fatalities and to continuously reducing our LTIR by 10% annually in the coming years.



OUR COMMITMENT TO PRIORITIZING HEALTH AND SAFETY

Across our organizations, we continuously strive to improve our health and safety measures. Sport Group, and particularly its management, values every employee's contribution to the overall success and well-being of the company. In return, we do everything within our reach to ensure every employee's health and safety. It is our priority that everyone returns from work to their family and friends healthy. At no point during work can health or safety be compromised. Health and safety is also a key topic for our global board, with the key H&S indicators being directly overseen by our COO, who is also the overall lead on the topic. The importance and responsibility for health and safety issues is further formalized in our global QHSE policy.

HEALTH AND SAFETY AMBITIONS

We have set the goal to maintain zero fatalities and continuously reduce our LTIR by 10% annually in the coming years. To substantiate this ambition, we have developed a global health and safety policy and an integrated quality, health, safety, and environment (QHSE) management system. Within this integrated management system, we prioritize the well-being and safety of our employees. To ensure the highest health and safety standards, we have implemented robust policies, procedures, and practices across all our operations. We have also increased the required health and safety training and aim for employees to undergo a minimum of 16 hours of training per year to promote a culture of health and safety awareness.

Sport Group offers subsidiaries for bike leasing to employees to promote exercise and a healthy lifestyle. Our other organizations also offer various health initiatives; for example, the annual sports day at Melos.

OUR FOCUS ON DIVERSITY AND INCLUSION

SHARE OF FEMALE EMPLOYEES (IN % OF TOTAL)



1. Statista 2022

INCLUSIVE WORK ENVIRONMENT

We at Sport Group are convinced that diversity is an uncontested catalyst to continuously improve Sport Group's performance and develop an even better and more inclusive work environment. Therefore, we have developed an encompassing diversity program composed of various initiatives and guidelines to ensure we live up to our diversity ambition.

This includes company integration measures after absence and the appointment of a representative for employees with disabilities. We offer a buddy program for new hires, intercultural competence training, and we have increased our flexible work options to create an inclusive and supportive environment that values and respects the unique needs of our employees.

We also support initiatives that promote inclusivity even beyond company boundaries. A prime example of this is Polytan's new four-year collaboration with Hertha BSC Blindenfußball, encompassing the installation of artificial turf and a substantial annual financial contribution of €75,000, or our upcoming cooperation with the Special Olympics in Berlin.

STRICT ANTIDISCRIMINATION POLICY

We believe that every individual should be treated equally and that nobody should be disadvantaged or discriminated. Thus, we have a strict antidiscrimination policy, which we follow rigorously. This includes the prohibition of discrimination at all levels including but not limited to hiring decisions, promotions, transfers, recruitment, recruitment advertising, development, layoffs and termination, pay rates, and other forms of compensation. Moreover, all employees are responsible for creating an atmosphere of mutual fairness and respect. Discrimination of any type is not tolerated and strictly prohibited.

GOVERNANCE



WHISTLEBLOWING: ZERO TOLERANCE FOR UNETHICAL BEHAVIOR

PROVIDING SECURITY AND ANONYMITY WITH WHISTLEBLOWING PLATFORM

Protecting the privacy and integrity of our employees and stakeholders is of utmost importance to Sport Group. With the help of the newly established digital whistleblowing platform, Sport Group now offers everyone the opportunity to anonymously report various concerns or information. The platform is available 24/7, in a variety of languages, and adheres to the highest standards to ensure anonymity and privacy for whistleblowers. Anyone who provides information in good faith will be protected from any form of retaliation or discrimination. All information received is treated confidentially. Sport Group further ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities.

ENSURING GLOBAL GUIDANCE THROUGHOUT THE REPORTING PROCESS

The whistleblowing platform is publicly available on Sport Group's website and also linked on the Legal & Compliance page of the company's intranet to ensure easy access and visibility for employees. In addition, all employees have been emailed a comprehensive guide with instructions on how to use the platform effectively. The guide provides step-by-step instructions on how to access the platform, submit reports, and maintain anonymity if desired. In this way, we want to encourage everyone to report misconduct within our companies, with the ultimate goal of addressing and resolving these issues as quickly as possible.



POLITICAL INVOLVEMENT: OUR CLEAR POSITION



Sport Group gives no direct or indirect donations to political organizations, political parties, or individual politicians.

SPORT GROUP CODE OF CONDUCT

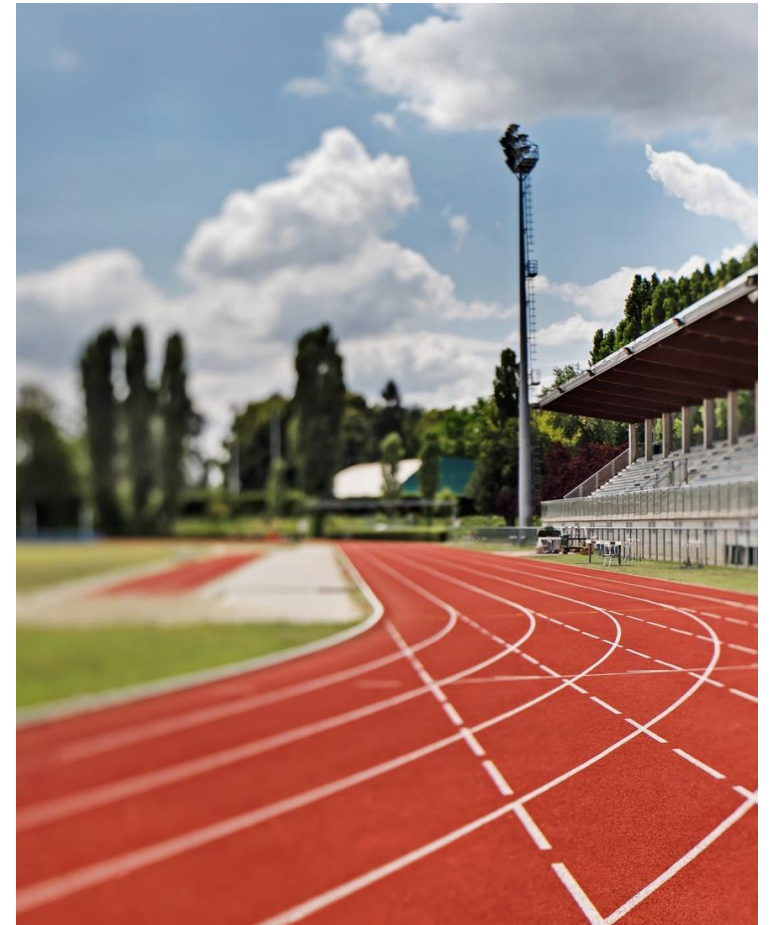
OUR HOLISTIC APPROACH

We are dedicated to more than just environmental issues; our commitment extends to a wide range of business units, sites, and regions. We are aware of the complexity that arises from our global operations and recognize the importance of strong leadership and governance. As a leading player within our industry, we hold ourselves accountable to strict ethical standards. We are deeply committed to upholding the highest degree of transparency regarding our interactions with public-sector entities and political representatives.

ANY TYPE OF POLITICAL INVOLVEMENT ON SPORT GROUP'S BEHALF IS PROHIBITED

Sport Group strictly prohibits any form of direct or indirect contributions to political organizations, political parties, or individual politicians, as explicitly stated in our code of conduct. Any exception to this rule must be clarified in advance and requires explicit approval. In addition, donations and sponsorships by Sport Group to political or other recipients may not be used to bypass our principles. They may not be offered to or accepted from government officials, representatives, politicians, or political parties without prior approval prior of the responsible Sport Group compliance manager. Any political donations that are granted approval by the global board of Sport Group are to be disclosed at the time that the donation/lobbying expenditure is incurred.

APPENDIX



GLOBAL REPORTING INITIATIVE (GRI) INDEX (I)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 2: General Disclosures 2021	2-1 Organizational details	Page 5, Page 6, Page 7, Page 10
	2-2 Entities included in the organization’s sustainability reporting	Page 2
	2-3 Reporting period, frequency and contact point	The reporting period for this information is January 1, 2022 – December 31, 2022. The information will be published annually. Any questions can be directed to: Lisa-Marie.Rosskothen@sportgroup-holding.com
	2-4 Restatements of information	This is Sport Group's first report referencing the GRI Standards. There are currently no restatements of information.
	2-5 External assurance	This report has not been externally assured.
	2-6 Activities, value chain and other business relationships	Page 6, Page 7, Page 8
	2-7 Employees	Page 5
	2-8 Workers who are not employees	SG currently does not report externally on this.
	2-9 Governance structure and composition	Page 10
	2-10 Nomination and selection of the highest governance body	SG currently does not report externally on this.
	2-11 Chair of the highest governance body	Page 10
	2-12 Role of the highest governance body in overseeing the management of impacts	Page 10
	2-13 Delegation of responsibility for managing impacts	Page 10
	2-14 Role of the highest governance body in sustainability reporting	Page 10
	2-15 Conflicts of interest	SG has a Code of Conduct, which addresses these issues.
	2-16 Communication of critical concerns	The Board is available at any time to address the concerns of stakeholders and shareholders. Further, concerns can be raised via the whistleblowing platform (Page 27)
	2-17 Collective knowledge of the highest governance body	Page 10; https://www.sportgroup-holding.com/people
	2-18 Evaluation of the performance of the highest governance body	SG currently does not report externally on this.
	2-19 Remuneration policies	Not publicly available.

GLOBAL REPORTING INITIATIVE (GRI) INDEX (II)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 2: General Disclosures 2021	2-20 Process to determine remuneration	SG does not currently externally report on this.
	2-21 Annual total compensation ratio	SG does not currently externally report on this.
	2-22 Statement on sustainable development strategy	Page 3
	2-23 Policy commitments	SG has various binding policies regarding ESG issues; however, these are not externally available.
	2-24 Embedding policy commitments	Embedded within the Code of Conduct
	2-25 Processes to remediate negative impacts	Page 10
	2-26 Mechanisms for seeking advice and raising concerns	Page 27
	2-27 Compliance with laws and regulations	SG and its organizations comply with all applicable laws and regulations, including (but not limited to) regulation regarding worker safety, privacy, anti-corruption and waste handling.
	2-28 Membership associations	SG and its brands are members of the following organizations: <ul style="list-style-type: none"> • United States Green Building Council (USGBC) • International Play Equipment Manufacturers Association (IPEMA) • American Sports Builders Association (ASBA) • ITF • Sealing Waterproofing Restoration Institute (SWRI) • Many more
	2-29 Approach to stakeholder engagement	We engage our stakeholders through two-way dialogue as needed to seek input on issues related to our business - Page 9
2-30 Collective bargaining agreements	Some of our companies have collective bargaining agreements.	

GLOBAL REPORTING INITIATIVE (GRI) INDEX (III)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Page 9
	3-2 List of material topics	Page 9
	3-3 Management of material topics	Page 9, Page 10, Page 11
GRI 201: Economic Performance 2016	201-1 – 201-4	SG does not disclose this information externally.
GRI 202: Market Presence 2016	202-1 – 202-2	SG does not currently report on this.
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	In case of a public client, SG depends on the public financial grant and therefore, some regions have infrastructural actions.
	203-2 Significant indirect economic impacts	SG does not have a significant indirect economic impact, yet in case of weak conditions of the economy, there might be a decrease of the public orders
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	SG does not currently report on this
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 27, Page 28
	205-2 Communication and training about anti-corruption policies and procedures	Page 27, Page 28
	205-3 Confirmed incidents of corruption and actions taken	SG had no confirmed instances of corruption in 2022.
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	non in 2022
GRI 207: Tax 2019	207-1 – 207-4	SG reports on this in the annual report, however this is not externally available.

GLOBAL REPORTING INITIATIVE (GRI) INDEX (IV)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 301: Materials 2016	301-1 – 301-3	SG currently does not report this information externally.
GRI 302: Energy 2016	302-1 – 302-5	SG currently does not report this information externally, however values regarding renewable energy are available on Page 18.
GRI 303: Water and Effluents 2018	303-1 – 303-5	SG currently does not report this information externally.
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	SG does not operate in protected areas and areas of high biodiversity value outside protected areas.
	304-2 Significant impacts of activities, products and services on biodiversity	We have not identified that our activities or products have significant impacts on biodiversity. At SG, we are dedicated to sourcing materials and conducting manufacturing operations that actively promote and support biodiversity. Thus, we are actively working towards developing a circular economy and prioritizing the use of recycled and biobased materials (see Page 19).
	304-3 Habitats protected or restored	SG currently does not have any programs of this kind.
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	SG does not operate in areas with habitats from the IUCN Red List species and national conservation list species.

GLOBAL REPORTING INITIATIVE (GRI) INDEX (VI)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emission	Page 17
	305-2 Energy indirect (Scope 2) GHG emissions	Page 17
	305-3 Other indirect (Scope 3) GHG emissions	SG does not currently report on this information but plans to calculate and disclose Scope 3 emissions in the coming years.
	305-4 GHG emissions intensity	Page 17
	305-5 Reduction of GHG emissions	Page 17
	305-6 Emissions of ozone-depleting substances (ODS)	SG does not currently report on this information but plans to formalize this process in the coming years.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	SG does not currently report on this information but plans to formalize this process in the coming years.
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Page 19, Page 20
	306-2 Management of significant waste-related impacts	Page 19, Page 20
	306-3 – 306-5	SG does not currently report on this information externally.
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	All suppliers must sign the Supplier Code of Conduct.
	308-2 Negative environmental impacts in the supply chain and actions taken	

GLOBAL REPORTING INITIATIVE (GRI) INDEX (VII)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SG does not currently externally report on this, however there is information regarding human capital on Page 23.
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Job bike and BaV are not possible for construction employees because insurance companies or bikes cannot be leased or paid in for prorated months
	401-3 Parental leave	Parental leave in Germany in accordance with statutory provisions
GRI 402: Labor/Management Relations 2016	402-1 Minimum notice periods regarding operational changes	SG does not currently report on this.
	403-1 Occupational health and safety management system	Page 24
	403-2 Hazard identification, risk assessment, and incident investigation	Page 24
	403-3 Occupational health services	Page 24
	403-4 Worker participation, consultation, and communication on occupational health and safety	Page 24
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Page 23, Page 24
	403-6 Promotion of worker health	Page 24
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SG does not currently report on this.
	403-8 Workers covered by an occupational health and safety management system	Page 24 – All our employees are covered by a H&S management system.
	403-9 Work-related injuries	SG currently does not report on this externally.
	403-10 Work-related ill health	SG currently does not report on this externally.

GLOBAL REPORTING INITIATIVE (GRI) INDEX (VIII)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 23
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 23
	404-3 Percentage of employees receiving regular performance and career development reviews	All SG employees on management level receive performance reviews. SG currently does not externally disclose the percentage.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 24
	405-2 Ratio of basic salary and remuneration of women to men	SG does not currently report on this information globally.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SG currently does not report on this externally.
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	SG has no operations in which the right to freedom of association and collective bargaining may be at risk. This is formalized in SG's Freedom of Association policy.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	SG has a Code of Conduct and a Supplier Code of Conduct, which prohibits incidents of child labor.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	SG has a Code of Conduct and a Supplier Code of Conduct, which prohibits incidents of forced labor.
GRI 410: Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	SG covers this topic in a variety of policies.
GRI 411: Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	The topic is included in our Anti-Discrimination Policy and reported to Legal & Compliance and HR. SG did not experience any incidents of violations involving rights of indigenous peoples in 2022.

GLOBAL REPORTING INITIATIVE (GRI) INDEX (IX)

2022 Sport Group Holding GmbH, has reported the information cited in this GRI content index for the period of January 1, 2022 – December 31, 2022, with reference to the GRI standards (GRI 1: Foundation 2021).

GRI STANDARD	DISCLOSURE	LOCATION (PAGE / INFORMATION)
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Page 25
	413-2 Operations with significant actual and potential negative impacts on local communities	SG is committed to creating an inclusive business. This includes efforts support the communities where we live and work through involvement activities (Page 25). We have not identified significant actual or potential negative impacts on local communities.
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	SG currently does not report on this externally.
	414-2 Negative social impacts in the supply chain and actions taken	SG currently does not report on this externally.
GRI 415: Public Policy 2016	415-1 Political contributions	Page 28
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	Page 8: SG has an extensive product safety program and adheres to various safety standards (Page 8).
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	SG did not experience any incidents of non-compliance concerning the health and safety impacts of products and services in 2022.
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	Product information can be found on the respective websites of our brands and organisations.
	417-2 Incidents of non-compliance concerning product and service information and labeling	SG did not experience any incidents of non-compliance concerning product and service information and labeling in 2022.
	417-3 Incidents of non-compliance concerning marketing communications	SG did not experience any incidents of non-compliance concerning marketing communications in 2022.
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	SG did not experience any substantiated complaints concerning data breaches in 2022.

A CHAMPION TEAM



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DIAMOND
SERIES

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POLIGRAS

ROOTZONE

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