



sportgroup
THE SURFACE SPECIALISTS

SUSTAINABILITY AT SPORT GROUP

ESG REPORT 2021

STATEMENT FROM THE CEO



**CHRISTOPH VON NITZSCH,
CEO SPORT GROUP**

Climate change poses one of the greatest challenges of our time. We are in the midst of a global crisis that is likely to have far-reaching impacts on our lives and our environment, while also threatening to exacerbate global socio-demographic imbalances. In the face of these challenges, we see a need to take a proactive stance and to contribute to the reduction of climate change.

In fact, sustainability is becoming a pivotal determinant for the future of businesses. We are observing a growing demand from our

customers, employees, and society to review and rethink the impact of our actions on our people, communities and natural environments.

We are proud to say that we take these developments seriously and that we have explicitly decided to implement a long-term ESG strategy - to optimize our environmental footprint - but also to render SPORT GROUP fit for the future. In fact, we are putting sustainability at the center of our business strategy. In this process, we will clearly demonstrate

leadership and differentiate ourselves from our competitors. It is about constantly striking a balance between people, the environment and economics, for all the companies which are part of SPORT GROUP.

We are determined to collaborate with our suppliers and customers on this crucial mission. Sustainability will be at the heart of our business and one of the key levers for our continued success: If we win in ESG, we will also win as a company.

1. SPORT GROUP – A BRIEF OVERVIEW OF OUR ACTIVITIES AND SUSTAINABILITY COMMITMENTS



SPORT GROUP – GLOBAL LEADER IN SPORT SURFACES

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

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

TRANSFORMING THE BUSINESS OF SPORT & SPACE

Vibrant sport and leisure are a vital heartbeat of all our communities and therefore deserve the very best products and solutions. In a changing world of urban restrictions, technological explosions and sporting diversity, a ‘carpet and construction’ approach is no longer good enough. Sport Group sells and installs more synthetic turf sport fields, athletic tracks and courts globally than any other business. Our knowledge, scale and vision is transforming the synthetic sports surface industry.

OUR COMPANY BRANDS






AstroTurf melos
APT ADVANCED POLYMER TECHNOLOGY polytan
SYN LAWN

FACTS & FIGURES

16,000	synthetic turf fields
17,000	tracks and recreational surfaces
70	countries

GLOBAL POWER, LOCAL PEOPLE

 1,900 employees	 20 companies	 €500M turnover
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ESG RATINGS – WE ARE TOP OF OUR INDUSTRY

TOP RATED IN ESG INDUSTRY AND REGION - SPORT GROUP RECEIVES AN ESG LOW RISK RATING FROM SUSTAINALYTICS

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, SYNLaw and APT (Advanced Polymer Technologies) and examined the Group’s global product brands including LigaTurf, Rekortan, Poligras and Laykold.

Sport Group received 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 & Safety and Corporate Governance. Together this constituted an overall rating of 11.2 low.



“We made this voluntary commitment because independent ratings keep us accountable and transparent, they are important for our customers, end users, staff, investors, and business partners.”

Dr. KLAUS HAUSCHULTE, COO SPORT GROUP

“Customers increasingly want sustainable products, but it can be hard to know what and who to trust. Independent ratings help customers compare so they can make informed and confident decisions, also it matches the values of end users who are making sustainable choices in their lives every day.”

HEARD SMITH, CEO REGION NORTH AMERICA SPORT GROUP



ESG
REGIONAL
TOP RATED



ESG
INDUSTRY
TOP RATED



OUR TARGETS AND COMMITMENTS



CO₂ REDUCTION

-40 %

We aim to reduce our GHG emission intensity (Scope 1 & 2¹) by at least 40 % by 2030 compared to the reference year 2018

RENEWABLE ENERGY

55 %

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

END-OF-LIFE RECYCLING

100 %

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

HEALTH & SAFETY INCIDENTS

-10 %

We have committed ourselves to zero fatalities and to continuously reduce our Lost Time Injury Rate (LTIR) by 10 % annually in the coming years

EMPLOYEE TURNOVER

< 10 %

We have set ourselves the target to reduce our employee turnover rate to < 10% by 2030

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

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

DR. KLAUS HAUSCHULTE,
COO SPORT GROUP



2. ENVIRONMENT



THE POSITIVE ENVIRONMENTAL IMPACT OF OUR PRODUCTS

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 do not require any fertilizers, which are a considerable source of pollution when looking at traditional grass pitches. This has a detrimental impact on the surrounding environment.

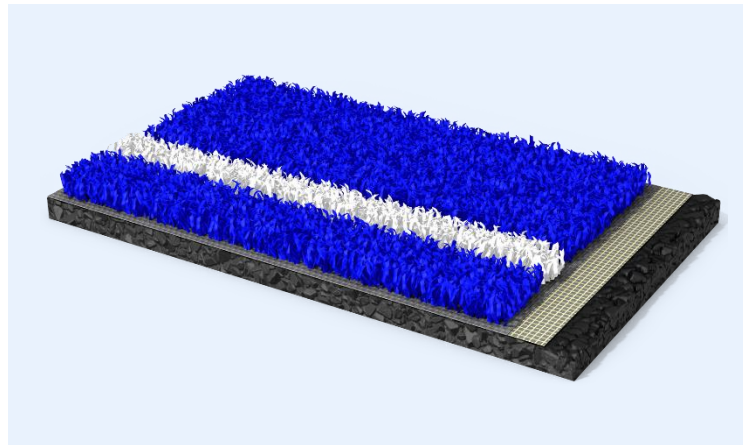
Beyond these inherent product features, we have developed a wide array of products with a particularly positive impact on the environment. Our R&D approach follows the principles of eco-design meaning that we heavily pursue the development of possibilities to increase the use of recycled/renewable input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

EXAMPLES

LigaTurf Cross GT: First 100% CO₂ neutral soccer turf for professional and popular sports



Poligras Tokyo GT hockey turf: First synthetic turf which features filaments partly made from regrowable raw materials



SYNLawn uses a combination of soy in the coating & sugarcane in fibers to achieve USDA certified products & systems with up to 88% bio-based content



IOC TOKYO HOCKEY TURF STORY - ENABLING SUSTAINABLE OLYMPIC GAMES



As a leading international solutions provider of sports and leisure surfaces, the trust of athletes is of paramount importance to us. We not only strive to provide them with a venue for sports, but also guarantee that they receive the best conditions to reach their full sporting potential and offer them the greatest possible comfort.

At the same time, we are aware not only of the responsibility towards the athletes but also towards the environment and society.

Thus, we are proud to have developed and installed the Hockey Turf at the Tokyo 2020 Olympic Games. This was the most sustainable field hockey turf that has been used in international competitions to this date.

Lower maintenance costs



Enhanced toxicology criteria



Reduced impact on the environment



Extended life cycles



Greater resistance to UV degradation and enhanced



Up to 60% biodegradable products



33% less water consumption compared to Rio 2016, despite of hotter conditions in Tokyo

OUR APPROACH TO CARBON EMISSIONS



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

Environmental protection and sustainable development are of critical concern for us at Sport Group. Due to the undeniable impact of CO₂ and other greenhouse gases on our climate, carbon emissions have become one of the most substantial threats to us as a species and the nature around us. The looming threat of passing a certain tipping point beyond which our climate is irrevocably spiraling out of control has motivated leading players across industries to focus on reducing their carbon footprint. In line with this development, carbon reduction initiatives have gained increasing relevance and have become an integral part of many corporate strategies.

For an internationally operating firm, such as Sport Group, these considerations are more prevalent than ever and have motivated us as a group to develop our own carbon reduction initiatives. Across many of our production organizations we increasingly switch to renewables as the main source of energy. Within our project business we have ramped up our efforts to replace our machineries with market leading vehicles which heavily reduce the carbon emissions associated with fuel combustion.

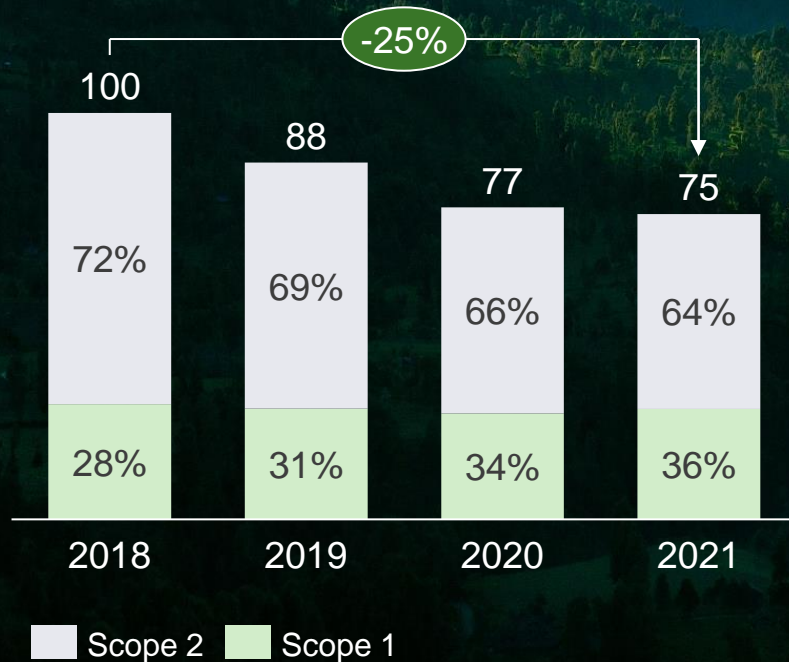
As a result, we have been able to reduce our total Scope 1 & 2 CO₂ emissions, as well as our emission intensity in recent years. We are committed to further reducing our environmental impact, particularly from CO₂ emissions and will become a carbon neutral company by 2050 the latest. As an intermediate goal, we have committed ourselves to reducing our GHG emission intensity (Scope 1 & 2) by at least 40% by 2030 compared to a baseline value of 79 t CO₂/M€ revenue in the reference year 2018.

In order to monitor our emissions on the path to zero emissions we have committed ourselves to annual CO₂ emissions tracking and reporting.

CARBON EMISSIONS - STRONG TRACK RECORD

By 2021 Sport Group has achieved a 25% reduction in GHG emissions (Scope 1 & 2) compared to the baseline year 2018. Sport Group's Carbon intensity (Scope 1 & 2) has even been reduced by 30% compared to the baseline year 2018.

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



Carbon intensity
(t CO₂e/ M€ revenue)



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 organizations' impact on climate and the environment.

At Sport Group, we consider renewable energy utilization as crucial. Renewable energy is already heavily leveraged and promoted by the board, especially in our production organizations since they consume the largest share of Sport Group's energy and electricity. We are continuously working towards further increasing this renewable energy share.

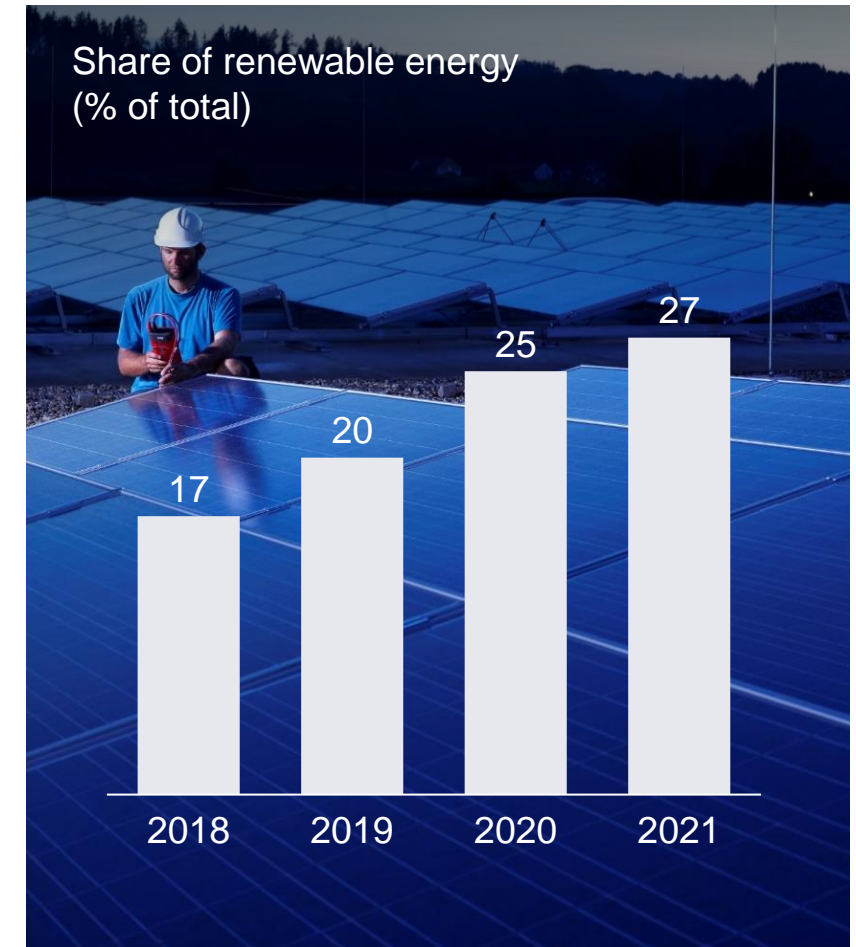
A prime example is one of our main production companies Polytex which has switched to a 100% green electricity supply mid of 2019. Similarly, our newly ramped up recycling facility, FormaTurf will start its operations within 2022 and will purchase 100% green electricity supply. Sport Group's Polish production facility Unirubber switched to a 100% renewable electricity mix at the beginning of 2021 by purchasing PPAs.

Across the remainder of our business, we have also set clear targets to further increase our renewable energy share as part of our commitment to reduce our GHG emissions. Regarding this objective, we are currently evaluating options for solar energy generation on our facilities' buildings.

Throughout the last years, we have managed to significantly increase our renewable energy share and are on track to further grow the share of renewables throughout both product and project organizations in the coming years. However, we continuously strive to increase this share, for which reason we aim to reach at least 55% of renewable electricity by 2025. Consequently, the total renewable energy share will ultimately increase since electricity is a major part of our energy consumption.

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





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

Dr. Klaus Hauschulte, COO Sport Group

OUR ROLE IN THE CIRCULAR ECONOMY

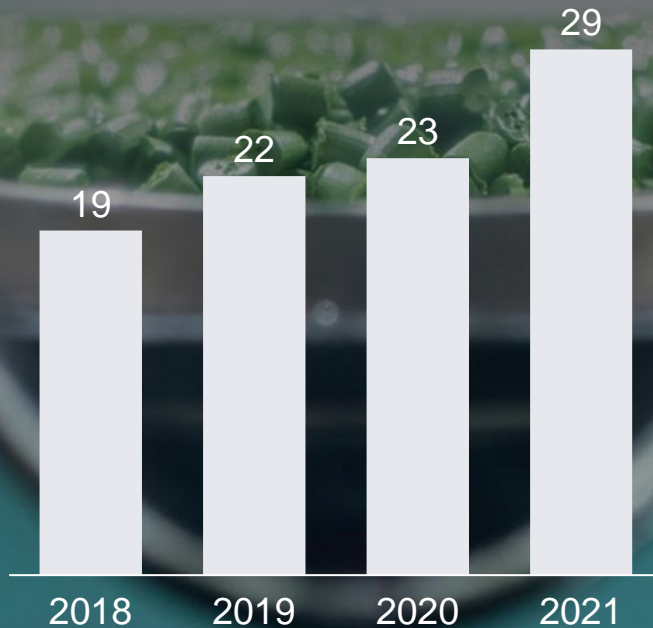
We are committed to minimizing the environmental impact of our products. A crucial lever in this context is the end-of-life handling of our products. Our product stewardship programme is a crucial step towards closing the loop and contributing to a circular economy along the entire value chain. End-of-life product management represents an integral part of our business model and our strategy to create customer value and growth.

Consequently, recycling and particularly end-of-life treatment have become vital business concerns. We have found a way to simplify recycling by partially replacing synthetic raw materials with biodegradable ones in order to guarantee an effective end-of-life treatment.

Another innovative example of effective eco-design is the incorporation of mono-material solutions. Products which are engineered following this approach are disassembled more easily into pure raw materials which can then be used to produce entirely new products. In addition, we only work with leading recycling and disposal firms within the industry.

In order to continuously improve our end-of-life treatment, we are committed to further foster recycling and reuse of all end-of-life materials. Consequently, we have set ourselves the target to achieve a 100% recycling share of all reclaimed artificial turf sports fields in Europe by 2030. Regarding further improve our recycling operations, we founded our own recycling business - FormaTurf. It allows us to independently recycle a large share of the end-of-life turf in Germany and potentially other European countries.

Share of recycled and reused raw materials (% of total)



” The environment is of course the key issue and will be for many years to come. Our investment focus is on bio-based and renewable ingredients, carbon reduction, post-consumer raw materials, recycling and second life.

This transformation requires ground-breaking concepts and with our global knowledge we are confident that our innovations will continue to lead the market.

**CHRISTOPH VON NITZSCH,
CEO SPORT GROUP**



3. SOCIAL



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



HEALTH & SAFETY - A KEY PRIORITY

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 wellbeing 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 his/her family and friends healthy. At no point during work health or safety can be compromised.

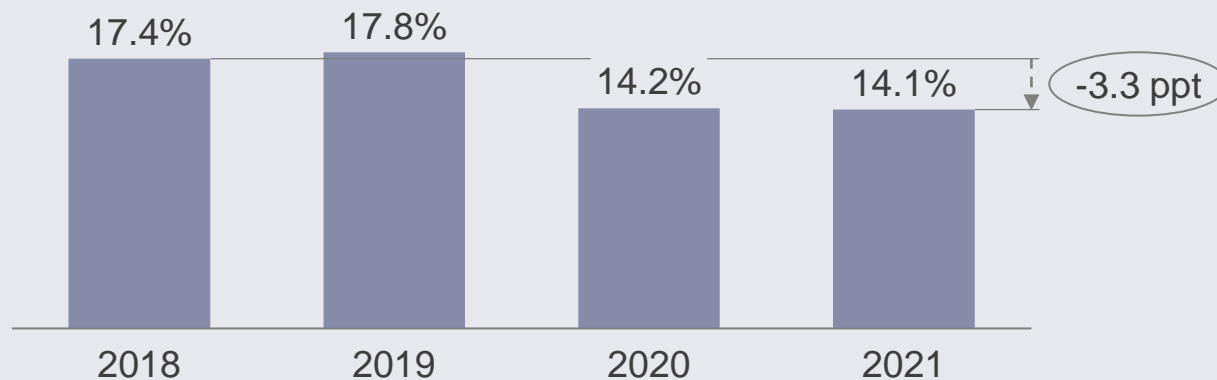
To substantiate this ambition, we have developed a global health and safety policy. Further, we have developed targeted health and safety management procedures and initiatives within our individual organizations. We have committed ourselves to zero fatalities and to continuously reduce our LTIR by 10 % annually in the coming years.

WE CARE FOR OUR EMPLOYEES

Our success at Sport Group roots back to our deep industry expertise and our human capital which translates our know-how into high-quality products and services. At the same time, we strive to provide a stable and safe working environment in which our employees feel comfortable. This includes providing long-term contracts which translate into low fluctuation among our employees. Our goal is to continuously reduce undesired employee turnover.

Since 2018, we have significantly reduced our turnover from 17.4 % to 14.1 % in 2021. Further, we have set ourselves the target of reducing our employee turnover rate to < 10 % by 2030. In order to reach this target, we have established a range of initiatives related to employee retention.

SPORT GROUP TURNOVER RATE (%)



” We have set ourselves the target to reduce our employee turnover rate to < 10 % by 2030.

DIVERSITY & INCLUSION

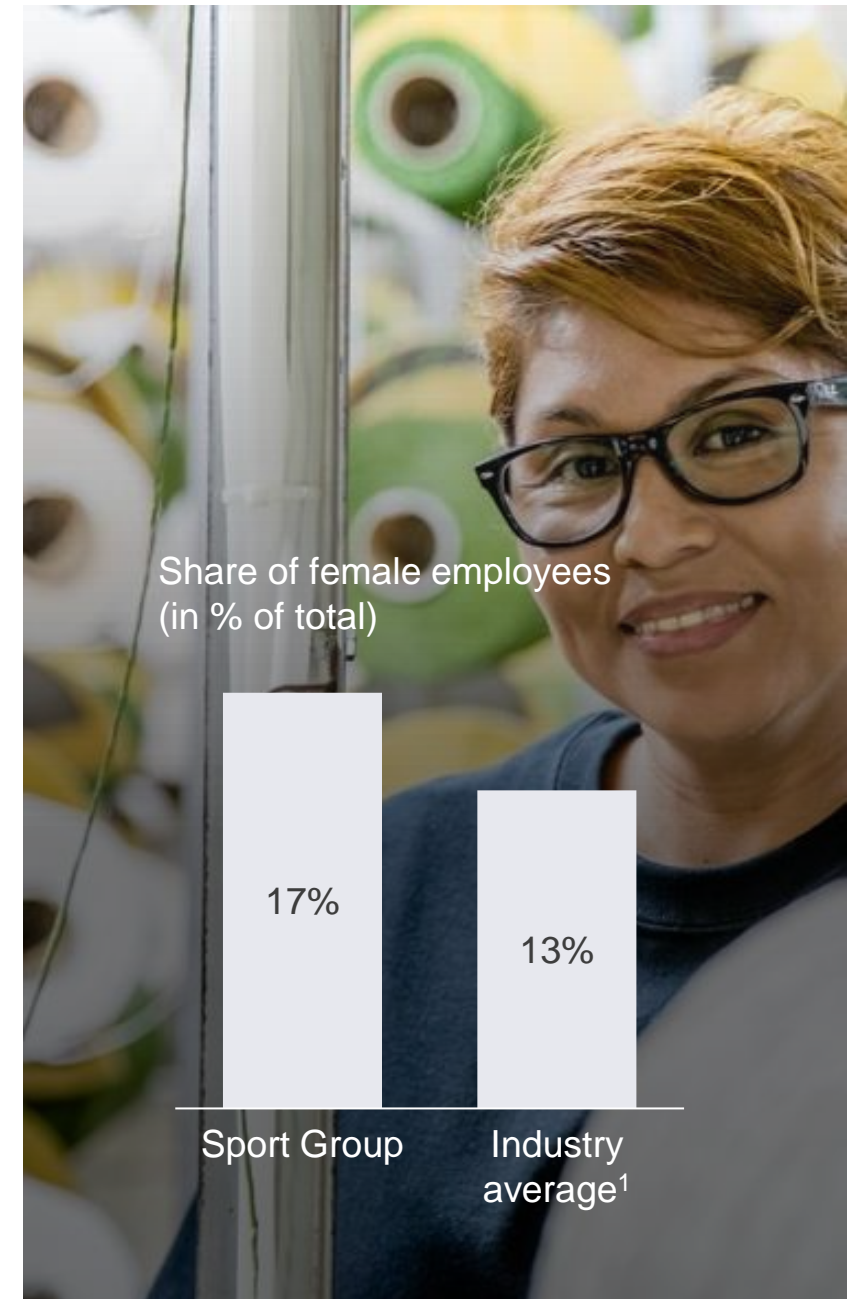
As an international company operating in a multitude of countries around the world, it is of highest priority for us to create an inclusive, diverse and safe work environment for everybody. As such we are convinced that diversity is an uncontested catalyst to continuously improve Sport Group's performance and to develop an even better and inclusive work environment. Only a diverse work environment which feels safe, comfortable and empowering for everyone can spark the highest level of innovation and leverage problem solving from a high variety of different perspectives. Therefore, we have developed an encompassing diversity program which is composed of various initiatives and guidelines to ensure that we live up to our diversity ambition.

This includes company integration measures after absence due to incapacity for work and the appointment of a representative for employees with disabilities. Moreover, we have a buddy program for new hires.

STRICT ANTI DISCRIMINATION POLICY

Since we are convinced that diversity is necessary to continuously improve ourselves and to develop an even better and inclusive work environment. We believe that every individual should be treated equally, and that nobody should be disadvantaged or discriminated. Thus, we have a strict anti discrimination 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.



4. GOVERNANCE



WHISTLEBLOWING - ZERO TOLERANCE FOR UNETHICAL BEHAVIOR



Sport Group truly believes that concerns about the businesses' and its representatives' integrity are of major importance and should be taken seriously. Thus, we are committed to our rigorous whistleblower policy in order to uphold our Code of Conduct, ethics, integrity and amending policies.

Since compliance forms the foundation of our business, we aim for a culture of openness, maintaining our reputation and protecting our reliable business relations. Besides expecting everyone who works for Sport Group to comply with our Code of Conduct, ethics and policies, we also strive to encourage our employees and other stakeholders to report suspected misconduct without any risk of retaliation.

Sport Group ensures that no one suffers any detrimental treatment as a result of refusing to accept or offer a bribe or other corrupt activities or because they reported a concern relating to potential act(s) of bribery or corruption. Such possible misconduct or concerns can be reported anonymously via a dedicated email address. In order to keep barriers low, this is possible in the respective local language. Since the protection of the privacy and integrity of our employees and stakeholders is of paramount importance to us, we are about to install a separate platform for reporting purposes.

POLITICAL INVOLVEMENT - OUR CLEAR POSITION



Our commitment is not limited to environmental topics but covers a wide range of business units, sites and regions. We are aware of the complexity that arises from our global operations, and we understand the need for a strong leadership and governance. In addition, as a leading player within our industry, we hold ourselves accountable to strict ethical standards. We are committed to the highest degree of transparency regarding our interactions with public sector and political agents.

Sport Group gives no direct or indirect donations to political organizations, political parties or individual politicians as stated in Sport Group's Code of Conduct (Paragraph 7). Donations and sponsoring by Sport Group to political or other receivers may not be used for circumventing the principles of our Code of Conduct. 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.

Any type of political involvement on Sport Group's behalf is prohibited.

A CHAMPION TEAM



AstroTurf
DIAMOND
SERIES

Laykold®

Rekortan®

LiGATURF

POLIGRAS®

ROOTZONE

Committed to a sustainable future.

sportgroup

THE SURFACE SPECIALISTS