



IIC - INTERSPORT International Corp. GmbH

SUSTAINABILITY REPORT 2020

INTERSPORT®
THE HEART OF SPORT



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INTRODUCTION





“ Going forward we need the ‘new normal’ to be better for the health of our business, for that of our economies, our teams and societies and most importantly for that of our planet. ”

MESSAGE FROM IIC CEO ¹

So much has happened in the world since the IIC Board of Management discussed and approved sustainability as a key strategic pillar of our INTERSPORT 2.0 strategy back in December 2019. Twelve months, filled with so many unexpected and unprecedented threats, a year that has been uniquely challenging for not only IIC and the INTERSPORT Group but also for so many other business organisations. From the start, the world witnessed the record-breaking impacts of climate change. The fiscal effects of the global COVID-19 pandemic and the resulting international lockdowns have been a crushing blow to our retail operations, severely impacting revenues.

The multiple instances of social injustice and civil unrest that uncovered the divides within our society today have been a wake-up call for us. These instances have highlighted to us who and what we are as an organisation and how important the diversity of our team is to our success. There is no doubt that 2020 has made us all acutely aware of the intersectionality between healthy businesses, healthy economies, with human health, planetary and climate health, and the health of our societies.

It was quickly made clear to us that much of what we had planned for 2020 needed to be changed. We were forced to reassess everything that we did or planned on doing, whether that meant realigning our supply chain and collaborating more intensely with our business partners, to re-adjusting how we and our teams did business and worked together. It also gave us an opportunity to learn and improve our processes. Almost all events took place

virtually, with little to no travel, and even today at least 65% of our teams still work primarily from home. We know that 2020 was one for the history books and a return back to how things used to be is not possible, the impacts will still be felt for years to come.

In our 52-year history we have seen many challenges come and go, and in this instance, as in the past, we have remained resilient which is a credit to our teams, our partners and national INTERSPORT organisations who have continued to support us and remained steadfast and dedicated. For this, I take this opportunity to say a personal note of thanks to each one of them for their trust. Drawing on our over 50 years of experience we are committed to navigate these immediate challenges and begin to build greater resilience into our business as we plan for the future. The decisions and strategies defined now must consider preparation for, and mitigation of future shocks, such as what we have witnessed in 2020, and in particular, the climate emergency. The pandemic isn’t behind us yet, and we still don’t know how much longer it will last, but when it is, one thing will remain unchanged: our commitment to delivering best value solutions and services for our Group and our partners.

Steve Evers, CEO

IIC - INTERSPORT International Corporation GmbH
| Wölflistrasse 2 | 3006 Berne | Switzerland



ABOUT THIS REPORT ¹

IIC – INTERSPORT International Corp. GmbH's (IIC) vision is to have thriving teams, towns and terrains at the heart of sports for everyone, everywhere. We approach this by thinking globally and acting locally. We create value by celebrating, protecting and enhancing the places we impact. By tapping into our enthusiasm, we are engaging in sustainable innovation for our industry.

The foundation on which we and our strategy firmly stand is trust. Trust for us means business ethics, fair supply chains and a living wage for all.

We are convinced that our responsibility goes beyond economic value creation, that IIC as an enterprise can and should contribute to the UN Sustainable Development Goals. Therefore, we are releasing this report to show our engagement, building on our voluntary CSR reporting history.

This report communicates the non-financial matters of IIC as the franchisor of the INTERSPORT Group, based in Bern, Switzerland. This report includes the activities of the fully owned subsidiaries which are INTERSPORT Asia-Pacific

(IAP) in Hong-Kong and Shanghai, INTERSPORT Office Far East (IOF) in Shenzhen, and INTERSPORT International Services B.V. (IICS) in Amsterdam as well as The Athlete's Foot which was acquired in 2012 and has offices in Amsterdam and Atlanta. Furthermore, IIC's suppliers are considered in this report.

The INTERSPORT National Organisations as well as retail stores are separate legal entities and are therefore out of the scope of this report. Information on the sustainability activities on a country level can be found on the national INTERSPORT websites.

This sustainability report is based upon IIC's databases as well as numerous interviews with all teams to ensure multiple and inclusive perspectives and hierarchy levels. Data availability and partially data quality is an acknowledged part of IIC's commitment for improvement for future reporting capabilities. This report covers the calendar year 2020 and has been prepared in accordance with the GRI standards.

For more detail about IIC, please visit <https://www.intersport.com/about/our-responsibilities/>

¹ GRI 102-1, 102-46, 102-50, 102-51, 102-52, 102-54, 102-56

COVID-19: A VERY SPECIAL YEAR

“Our strategy should not be driven by fear but by opportunities! ”

Susanne Nanouche, General Manager EB Operations



We at IIC started into 2020 with full force and fresh ambitious plans. In the previous year 2019, we had made several important steps on our journey towards becoming a more responsible and climate-friendly business, one of which was integrating sustainability as a new pillar in our INTERSPORT 2.0 strategy, making it a key priority going forward signed off by our Board of Management.

In no time, we found ourselves, like many others, in an unprecedented situation demanding us to face difficult challenges, along with our partners and suppliers. Whilst in the first period of the pandemic, we faced delays and shortages in supply due to shutdowns of production facilities in the Far East, once production picked up again, retail stores began to close down in Europe due to lockdowns which led to overstock. Also internally, our way of working, communication and collaboration has been severely affected and has demanded a lot from all of us.

Looking back, 2020 was a year of crisis management but also a year in which we surpassed ourselves. We rapidly installed a multi-disciplinary “Covid Task Force” with representatives from Management, Supply Chain, and our national counterparts who were able to find prompt solutions for complex and urgent issues. This, and many other efforts, have alleviated pressure from our suppliers and our national organisations through e.g. the “leftover campaign” which redistributed surplus materials amongst our group. We took responsibilities for our orders and managed to pay our suppliers with no outstanding bills.

For our employees, we introduced shuttling for office hours, higher flexibility and managed to create mutual trust within this new way of working .

Despite the hardships which we faced as an organisation, as well as individuals, we did learn a great deal. First of all, this year has reminded us once again that collaboration is key. Only by working together, both internally and with external stakeholders, we were able to manage this crisis. We are grateful for the trusted relationships we have with our partners which we have invested in for a longer time and we could not have overcome the challenges of the year without them. Trust is a core value of ours and will remain so ever more importantly going forward.

Furthermore, we learned to appreciate places. Places are essential for our mission since this is where we do sports, where we interact and where we feel the most alive. Not taking our places and communities for granted including the resources they provide is a core lesson of 2020 and will shape the way we go about our future as a company in 2021 and onwards.

Finally, we would like to take the opportunity to express our deep gratitude and appreciation for the immense support, strength and patience of everyone who makes INTERSPORT the company that it is today. This goes out to each and every one of our employees, our National Organisations, our retailers, our suppliers, our business partners and customers.

THANK YOU!



OUR VALUES & MISSION

Health and fitness are the integral part of our business enclosed in our brand essence:

"At the Heart of Sport"

Driven by the belief that everyone needs a place in sport, we are striving to promote that sport should not only be for the privileged but rather a passion that should be enabled and supported for everyone to practice. Our products and services that we offer are designed to promote healthy and active lifestyles and are here for you, whenever you engage in sport.

We're committed to helping local sports enthusiasts find their place in sports and pursue health, joy, and achievement in the world of sports. Our reasons for being are to make our employees proud of working for us, to enable owners and entrepreneurial retailers to run a profitable and sustainable business, as well as to join forces with our business partners to create a strong value proposition for our end consumers. The crucial elements allowing INTERSPORT to live at the beating heart of sport are our experts, dynamic and engaging brand character, unique company culture based around a "Member Value" co-

operative system along with the tight collaboration with various sports stakeholders worldwide.

The focus of our actions is to create synergies and an environment full of advantages for our individual sports retailers. Ethics, integrity, and treating everyone fairly are enclosed in our strong culture which is considering the needs and expectations of both direct and indirect stakeholders. To ensure fair treatment of each and every one of these stakeholders, we follow our Code of Ethics. As it is of essential importance to us, we make sure that it is applied and practiced by both our employees and business partners, and must be consciously signed by all. It is our framework outlining the critical ethical issues that must be respected under any circumstance regardless of any national regulations in order to prevent discrimination, corruption, and acts of dishonesty or disloyalty.

Our vision as a company states our long-term ambitions to be the most loved and respected multi-brand and multi-category sporting goods retailer. Our vision is based on three pillars: being loved, profitable and respected. We are proud that INTERSPORT is one of the world's most loved sporting goods destinations. Our company is amongst the most respected companies in sports retail. We believe this can only be achieved by our precautionary principle whereby every product is sold in accordance with the strictest regulations found in our operations and follows the guidelines enabling us to provide the highest quality of products and services.

Our vision and mission are embedded in our 2.0 strategy initially implemented in 2017 and redefined in 2019. Our strategy focuses on seven strategic priorities based on smart verticalisation, strategic expansion, alliances with stakeholders, retail concepts of proximity, digital and e-commerce integration of sales, EBs productions, and sustainability.

The latter was added as the 7th strategic pillar to the company in 2019 and has since then been our guiding principle aiming for its integration in our National Organisations and retailers' operations. It shows our commitment to integrate sustainability as an inherent element along our entire value chain. We believe that success comes with excellent preparation and execution, which is why it is crucial for us to construct such a strategy that is clearly communicated to all our employees and strategic partners.

“ The more we give sustainability attention, the more we will make people, employees, suppliers and end consumers aware that it's important to IIC. ”

Steve Evers, CEO



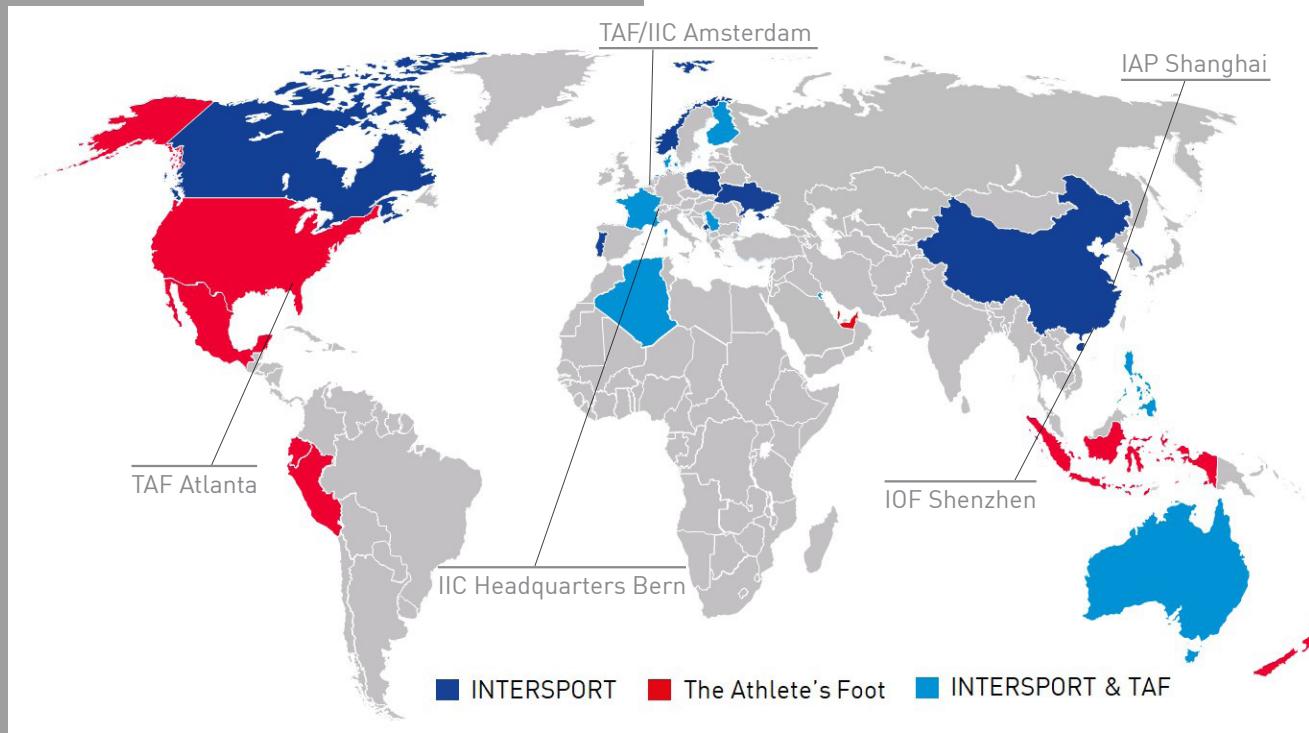
ABOUT OUR COMPANY ¹

The story of INTERSPORT started over 50 years ago, in 1968, when 10 national buying organisations came together to create the first-ever international sports-based retail group and INTERSPORT is now among the leading sporting goods retailer. Nowadays, throughout our 5756²

and retailers in 58 countries, on all the continents, allowing us to promote our vision that sport is for everyone, everywhere. Our business model is based on our EBs and offering services such as purchasing, category management, marketing or retail to countries and retailers.

IIC is the purchasing and management company of the INTERSPORT Group and owner of the INTERSPORT trademark as well as of the INTERSPORT EBs trademarks. These are energetics, etirel, FIREFLY, PRO TOUCH, TECNOpro, and MCKINLEY which represent the highest share of EBs. Our revenue is derived through product commissions, management and licensing fees. In terms of brands portfolio, IIC is considered to be the house of brands, with on average 75% of strategic brand partners and 25% of EBs which are available only at INTERSPORT. We work closely, with 46 international strategic brands such as Nike, Adidas, Puma, and many more.

Due to the independent organisational structure of our group, IIC offers the National Organisations and retailers various tools and guidelines. As the INTERSPORT network consists of legally independent enterprises, the compliance with these guidelines and their local implementation may vary and is, thus, challenging to enforce.



stores worldwide, we distribute a wide range of products, with a focus on three types of products: apparel, footwear to hardware sports goods. Our entrepreneurial spirit is shown through the strong positioning of INTERSPORT National Organisations

¹ GRI 102-2, 102-3, 102-5, 102-6, 102-7, 102-18

² INTERSPORT & The Athlete's Foot



OUR APPROACH





“So much changed in 2020, but one thing remained the same: our resolve and commitment to protecting our teams, towns and terrains at the heart of sport and our enthusiasm in engaging in sustainable innovation.”

MESSAGE FROM SUSTAINABILITY¹

2020, the year of the pandemic, has left a permanent mark on all our lives. This past year will forever be known as the year of COVID-19, of international lockdowns and working from home. Not only are our economies still trying to cope with the impacts of the pandemic, but our societies are still trying to heal and repair from the toxic inequalities that were exacerbated during the pandemic between those with privileges and those without.

It was against this backdrop that sustainability became a key strategic pillar for the company's INTERSPORT 2.0 strategy, a commitment that the company has made to safeguarding the future. The company's vision of creating "thriving teams, towns and terrains at the heart of sport for everyone, everywhere" was approved by our Board at the end of 2019 and planned to be rolled out in 2020. From having a clear plan in January of how we wanted to embed sustainability through all mechanisms of our business, it became quickly evident to us that our approach would need to be adjusted.

Even with limited resources and challenging circumstances, our teams have still managed to take some important steps forward. Our Exclusive Brand teams have worked hard to limit the negative impacts of the pandemic on our supply chain and pushed forward with their sustainable product strategy.

In contrast to previous years this year, I've had the pleasure of supporting the great work our Human Resources team does. It was important for us, as an organisation, to not only protect and support our

team members through the lockdowns and isolation (taking into account that many had relocated to Switzerland to come to work for us). Also, as a response to issues like the #BLM movement, we knew it was important to take a long hard look in the mirror; at who we are and our values. During 2020, we redefined our company values and created an employee resource group on the topic of diversity and inclusion, ensuring we allowed all our colleagues to have a voice regardless of their gender, race, religion, or sexual orientation, etc..

By far the most positive change in 2020 has been the seismic shift in focus on sustainability and the climate emergency not only within IIC and the INTERSPORT family but across society. It's a sign that everyone has a vested interest in protecting the planet and its finite resources. Our governments are demanding us to do more, our colleagues and partners want us to do more and so do our consumers.

Afsah Alumia-Khan, Director of Sustainability and Compliance

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¹ GRI 102-12, 102-13w

OUR STAKEHOLDERS¹

“Over the years, we elevated sustainability to be one of our main strategy points in brands and retailers. We have a certain footprint and we are aware of our impact, leading to our responsibilities as we believe that everyone can contribute.”

Steve Evers, CEO

As a global company present in many countries, IIC interacts with multiple stakeholders on a regional, national and local basis. We are aware of their expectations towards our company's operations, therefore, we do our utmost in trying to foster and maintain long-term relationships based on trust, mutual respect, and collaboration. We consider them along the entire value chain. As we did for the previous report, in 2020 we surveyed employees and corporate peers to determine their interactions with various stakeholders relevant to our operations. Based on that, we created a list of internal and external stakeholders from whom we learn, grow, and refresh our perspective, as well as hold multiple responsibilities towards. They were all considered while making this report when assessing the topics included.

IIC Employees

Our ‘IIC Employees’ sub-section consists of all the employees working at IIC headquarters in Bern, Switzerland, as well as those working for the fully owned subsidiaries in Hong-Kong, Shanghai, Shenzhen and Amsterdam.

Producers and Suppliers

Due to our wholesale and retail nature of business, our main stakeholders for IIC are our suppliers and producing factories located across Asia accounting for 88% and Europe accounting for 12% of the total 330. They are our main production partners responsible for the production of our EB products and are as such considered as a primary stakeholder.

Purchasing Entities

National INTERSPORT Organisations in 44 countries and more than 5756 local stores are our main governing bodies and the recipients for the majority of the products and services we provide. They are of essential importance, as they are the ones establishing a connection between the EBs goods and our end consumers.

End Consumer

The end consumers present in 44 countries worldwide are vital for our business and its survival. Therefore, understanding our end consumers' needs, purchasing behaviors and expectations towards our brand and the products we offer are at the center of our stakeholders' assessment.

Governments

Across our supply chain, we work with a large number of countries' governments, regional governments and municipalities, each with their own expectations towards IIC operations. As such, we face increasing socio-environmental criteria from nationals and supra-national legislative bodies which we aspire to meet with the highest possible quality and determination.

¹ GRI 102-40, 102-44, 102-47, 102-49, 103-1

Civil Society

Even though the stakeholders previously stated are all direct stakeholders, we are aware that the very nature of our activities and presence in different markets has as well indirect effects on other external stakeholder groups. These groups constitute NGOs representing wider societal interests, local communities, cultural groups and individuals. They allow us to better understand the emerging challenges across our supply chain and their impact on wider civil society. They are essential for our long-term triple bottom line (environmental, social, and economic) sustainability success, therefore we include them in our assessment as equally relevant to other direct stakeholders.

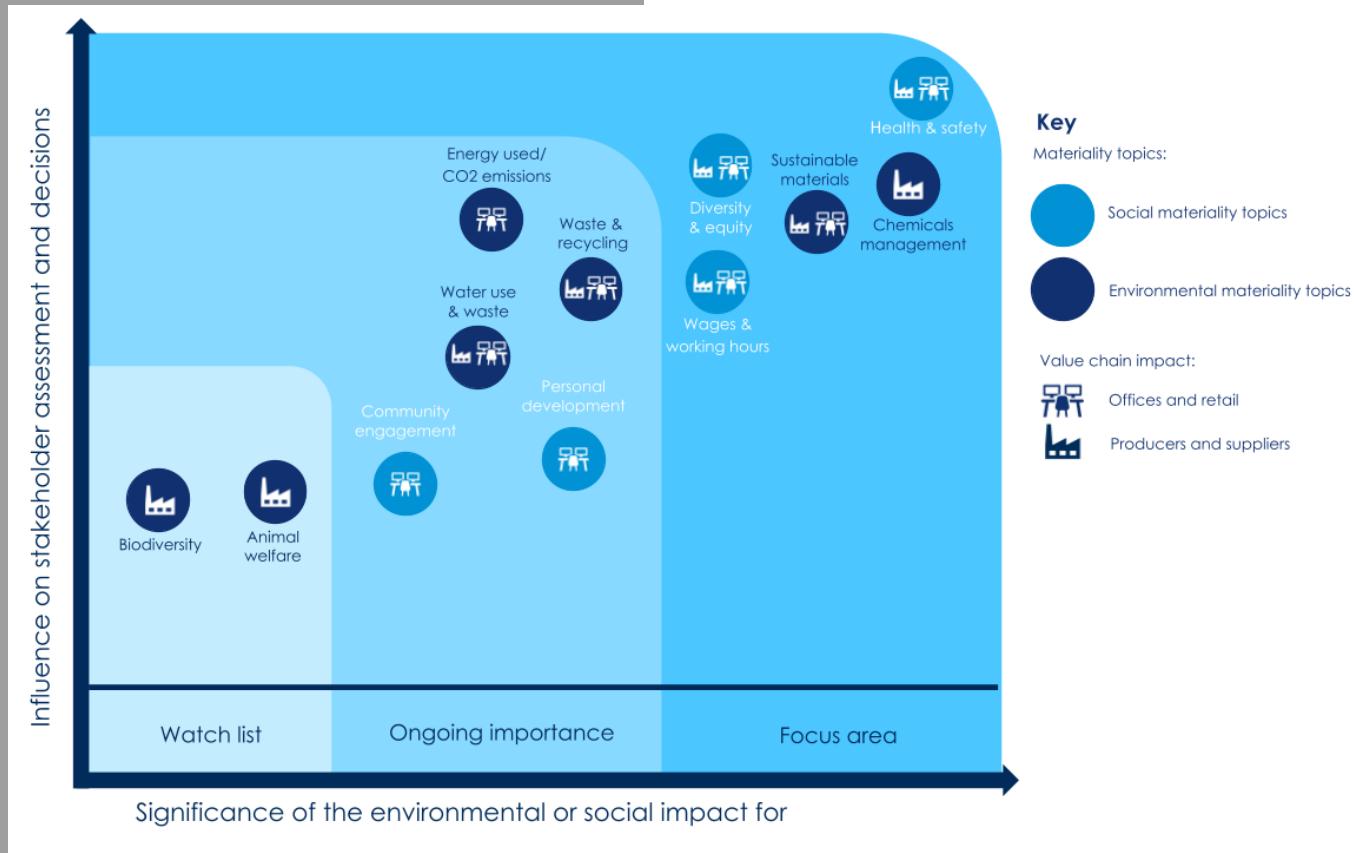
Competitors

The challenge of our industry in general has to be tackled in a more holistic approach in order to allow all to thrive from this diversity. Only through collaboration and joint efforts, we will be able to face the ever growing and complex systemic challenges of our operations. Therefore, competitors in the sports retail industry have been added this year as a new stakeholder for our assessment as we believe we can learn from them, share best practices and collectively push for better environmental and social practices.



MATERIALITY MATRIX

The following matrix describes direct and indirect stakeholders are having high and constantly evolving expectations towards the IIC business environment and operations. This materiality matrix¹ illustrates our stakeholders' materiality topic prioritisation in comparison to ours.



The aim of the matrix is to identify the areas of the most significant importance and impact on both stakeholders and our company and enable us to dedicate efficiently the resources to address them appropriately.

To compile a materiality matrix that accurately reflected our prioritisation of the material topics, we have reached out to various stakeholders and have performed extensive research in order to identify the key topics and understand their importance. These topics have been divided into environmental impacts and social impacts and have been positioned on the materiality matrix based on their importance.

The importance of our stakeholder's place on topics is illustrated along the y-axes, and their importance for IIC along the x-axes. Moreover, this materiality matrix also represents where the main source of impact for each materiality topic comes from. This can be either from the company's offices and retail, or from the supply chain including producers and suppliers or from both. The findings have been analysed carefully, collecting feedback from different departments, employees, and subsidiaries. As such, the social and environmental elements of the triple bottom line framework have been included in the making of this materiality matrix. On the other hand, the economic aspect has been used for the general analysis, but has intentionally not been included as a materiality category in order to give the main emphasis on the other two categories.

¹ Please note that because of the current lack of consolidated data across IIC, some assumptions have been made when creating the materiality matrix. Moreover, most of the materiality topics are combining together the supply chain, retail, and headquarters perceptive.

Social material topics

Due to COVID-19 regulations on limiting personal contact and big community events, community engagement lost some attention from IIC this year. With 2020 being full of challenges, this topic could unfortunately not be a priority for us. However, we happily still managed to continue some of our initiatives (YMCA, SOS Children's Village, Refugee project in Greece) and created new ones in light of the eye-opening situation (trash running project in China).

On the other hand, personal development gained a lot of attention this year, ensuring our employees could grow and keep learning despite COVID. For instance, we continued our Leadership workshops, our mentorship 360 programs, and developed a LinkedIn Learning project.

Additionally, Diversity and Inclusion which has always been a focus area for IIC and for our stakeholders became much more important. Due to the ongoing social crisis and sensitivity of D&I topics, this year, we put extra efforts into D&I by offering various workshops (#IamRemarkable, Inclusion in Action), campaigns (International Women's Day) and company cultural and D&I employee resources groups.

Understandably this year, Health and Safety were our main social focus areas and had a major influence on stakeholder assessment and decisions. This has clearly become our priority for 2020, ensuring all employees remain healthy (both physically and mentally), keeping them engaged and motivated through the company's social network Yammer. It was very important for us that our employees' morals remained high while managing the new 'working from home' conditions.

Last but not least, the wages criteria ranked the same as last year, as we wished to ensure that all jobs remained secured and that working hours & salaries were not affected by the COVID situation.

Environmental material topics

In terms of Chemicals management, the importance of the materiality topic has stayed the same as in 2019.

For the sustainable materials, there has been an increase in terms of significance for environmental impact for IIC in comparison to 2019 due to multiple initiatives executed by our EBs team. There has been a strong focus put on the EBs packaging and product development, changes towards more sustainable or recycled materials. A big emphasis has been put on the removal of plastic packaging and components for multiple material products.

Then, in terms of water use and water waste, the significance of its environmental impact on IIC and stakeholders in general, the materiality topic has kept the same importance in comparison to 2019.

Moreover, for waste and recycling: the importance of this materiality topic has also stayed the same as in 2019.

For the Energy used/CO2 emissions due to the ongoing climate change discussion, as well as the growing importance of the Paris Agreements targets, this materiality topic has increased in its importance to stakeholders, however, kept the same ongoing impact importance for IIC.

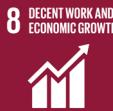
Last but not least, Animal welfare and Biodiversity have been added as a new materiality topic in 2020, due to IIC's Animal Welfare policies that are put in place and the commitment to the Responsible Down Standard (RDS).



SUSTAINABLE DEVELOPMENT GOALS

As a global business, we actively support the United Nations Sustainable Development Goals (SDGs) in their ambition to achieve a better and more sustainable future for all. We chose to include them while developing our sustainability strategy as we believe that this global call for action should be taken seriously throughout all our activities.

The cross-reference table below shows how each Sustainable Development Goal is considered in our business operations and to which topic from the materiality matrix it refers.

SDG Description		Material Topic	IIC Initiatives	Page
	End poverty in all its forms everywhere for all people	Community engagement	YMCA	56-57
	Ensure healthy lives and promote well-being for all at all ages	Health and Safety; Community Engagement	Yammer (Promoting healthy lifestyles through sport and mental-health support) YMCA	24, 56-57
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities	Personal Development	Mentorship 360 Program Apprenticeship Program	23
	Achieve gender equality and empower all women and girls	Diversity & Equality; Community Engagement	#IamRemarkable Not bad for a girl	26, 59
	Ensure availability and sustainable management of water and sanitation for all	Water Use & Waste	Water saving equipment and initiatives at our offices; Solution Dye	46, 52
	Ensure access to affordable, reliable, sustainable and modern energy for all	Energy Use & CO2 Emissions	100% renewable Energy for Electricity; Heat pump at our HQ	52
	Promote sustained, inclusive, sustainable economic growth, full employment & decent work	Personal Development	Inclusion in action Cultural group	23-26

SDG Description		Material Topic	IIC Initiatives	Page
 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	Build resilient infrastructure, promote inclusive, sustainable industrialisation, foster innovation	Chemical Management	PFC-free Materials; Eco Finish; Vegetable tanned; PVC free	42, 46
 10 REDUCED INEQUALITIES	Reduce inequality within and among countries	Diversity & Equity / Health & Safety / Wages & Working Hours	No zero tolerance issues in supply chains Code of conduct for producers	33
 11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	Waste & Recycling	Food Waste for energy to Bern University	45, 52
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	Waste & Recycling	Recycled PET bottles	44
 13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts	Waste & Recycling; Community Engagement	Recycling facilities at our offices Trash Running	52, 61
 14 LIFE BELOW WATER	Conserve and sustainably use the oceans, seas & marine resources for sustainable development	Sustainable Materials	DRY PLUS ECO finishing; Nylon made by recycling fishing nets; Econyl	44-45
 15 LIFE ON LAND	Protect, restore, promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification	Sustainable Materials	Using materials coming from sustainable forests. Membership to the European Outdoor Conservation Association.	45
 16 PEACE AND JUSTICE STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development	Community Engagement	YMCA	56-57
 17 PARTNERSHIPS FOR THE GOALS	Strengthen the means of implementation and revitalise the global partnership for sustainable development	Wages & Working Hours / Health & Safety	amfori BSCI collaboration (Auditing, Dialogue with stakeholders)	19, 30, 39

GOVERNANCE¹

SUSTAINABILITY GOVERNANCE STRUCTURE

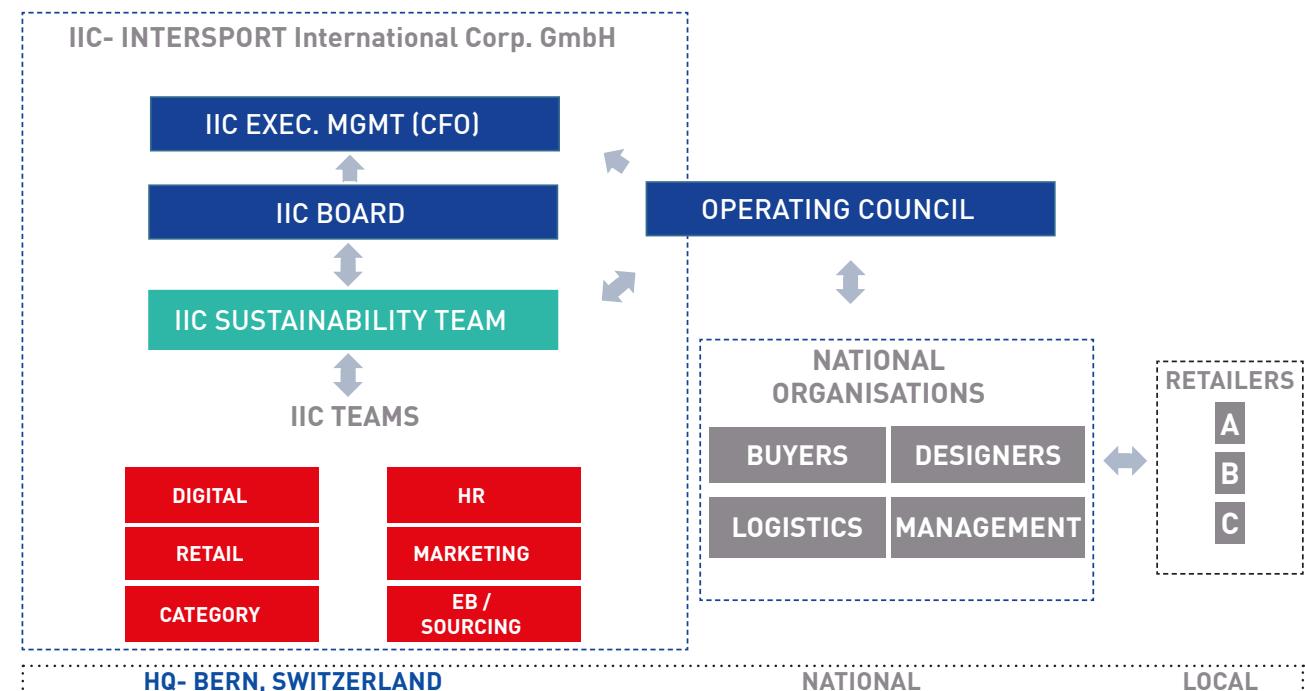
Sustainability governance at IIC starts with the Executive Management who is in charge of preparing the INTERSPORT sustainability strategy and budget, which is approved by the Board of Management. The IIC Sustainability team has a coordinating role by ensuring execution of the INTERSPORT sustainability strategy. This team leads projects where IIC has operational control (EBs) and consults, advises and involves IIC teams in sustainability topics and projects relevant to their remit.

It also liaises with the Operating Counsel on strategy execution at national and retailer level.

The Operating Counsel is responsible for cascading group policies and requirements, as well as execution of the INTERSPORT strategy on national and retail level.

“ Everything that gets attention grows. The more the focus on sustainability, the more it will accelerate. ”

Steve Evers, CEO





COVID-19 TASK FORCE

In February 2020, a cross-functional COVID-19 Task Force was created to proactively manage the impact of the crisis. The task force was installed as an interface between IIC and selected key National Organisations. The objective was to collect and exchange information, define measures and share this with the INTERSPORT Group, for each National Organisation to take appropriate measures on their country level. The task force met on a weekly basis.

Leadership

Markus Helbling – Chief Category & Marketing Officer

Markus Rist – Director Supply Chain

Members

Representatives from National Organisations in Austria/Germany, France, Sweden, The Netherlands, and Greece.

GOVERNANCE IN THE SUPPLY CHAIN

IIC believes in the power and necessity of industry wide collaboration. Therefore, IIC is a member of amfori - the leading global business association for open and sustainable trade which brings together over 2,400 retailers, importers and brands.

IIC participates in the Business Social Compliance Initiative (BSCI) to ensure and improve the social performance of the global supply chain. The membership enables IIC not only to increase efficiency, but also to have a clear and consistent approach, increase transparency and meet stakeholders needs.

Achievements and output due to Covid Task Force

- Stock Exchange Platform for excess material
- Payment term extension for Exclusive Brand suppliers
- Fast and coordinated sourcing of masks for all markets
- Postponement of deliveries, order cancellation check on case by case basis
- Alignment with Strategic Brands, definition of common principles
- Retail team developing a guideline for store opening for all INTERSPORT markets

For the management of environmental dimensions, IIC takes part in Business Environmental Performance Initiative (BEPI) to reduce the environmental impact, business risks as well as associated costs through improved environmental practices.

amfori 
Trade with purpose

ETHICAL CONDUCT AT THE HEART OF SPORT

Internally, the IIC Code of Ethics applies to all employees of IIC and its subsidiaries. Next to confidentiality and compliance, it includes Zero Tolerance topics such as no Discrimination, Harassment, Bribery and Corruption. This Code of Ethics is signed when entering the organisation and resigned annually as part of every employees appraisal.

For ethical behaviour in the supply chain, IIC as a member in the amfori BSCI network, uses the amfori BSCI Code of Conduct with all its Exclusive Brand business partners. Therefore, this Code of Conduct applies to IIC, the EB suppliers and their factories. This code determines the conduct with regards to social and human rights issues in the supply chain, and is based upon three core values which are Continuous Improvement, Cooperation and Empowerment¹.

¹ amfori Code of Conduct: <https://www.amfori.org/content/bsci-code-conduct>







“ Putting value on people, collaboration and human interactions from all our stakeholders are the elements that are part of the IIC-INTERSPORT identity. ”

MESSAGE FROM HUMAN RESOURCES

The year 2020 and the COVID-19 pandemic were definitely a challenge regarding all aspects of our daily business. Our employees had to reduce their working time, modify their working habits to stay home, while travels and in-person meetings were suspended.

From this adversity, IIC had to adapt collectively in order to survive, pushing up new ways to collaborate, communicate and exchange.

We took advantage of this dedicated time to reflect on our processes, thrive from within to innovate on our working habits, focus on who we are and the direction we want to go together.

Managers were challenged to invest more time taking care of their virtual teams and keeping relationships with colleagues strong, to check in on each team member's wellbeing.

The result was that the relationship within the teams grew tremendously. Colleagues started initiatives to help us to overcome the effortful times by organizing sports classes, meditation sessions, virtual coffee breaks and offered voluntary counseling support to anyone in need of support helping avoid isolation and depression.

Overall, I am extremely proud of how every employee team, Managers, Executive Management, as well as Human Resources have taken on the obstacles of 2020. It is overwhelming to see the unique IIC spirit and how it lasted even when working from home.

We took advantage of the challenge and together with the great attitude of our employees we have come out stronger.

A big thank you to everyone!

Rosmarie Burkhalter, Senior Director Human Resources

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| Wölflistrasse 2 | 3006 Berne | Switzerland



OUR EMPLOYEES

At IIC, we successfully developed a strong corporate culture over the years that shows our commitment and support of the development and well-being of all of our employees. We make sure that our values of collaboration, passion, respect, solution-oriented, efficiency, integrity, responsibility and service-mindedness are integrated into the daily work of our employees. Additionally, we recognize our responsibility towards our producers and suppliers and we are committed to improve our collaboration and relationships in the future. We continuously strive for improvement and innovation as a group, which brings us everyday one step closer to reach our SDG goals.

Personal Development¹

We strive to empower our employees to reach their full potential. We also wish to create the healthiest environment for our employees to work in and continuously strive for individual empowerment and development. Furthermore, the integration of our multinational teams are key to our success and are part of IIC's top priorities.

One of our main initiatives is the Mentorship 360 Program led by our HR Manager. The goal of this program is to connect people from different parts of the business and is set up to be a two-way exchange where both parties, mentor and mentee, teach and learn simultaneously. Additionally, we ensure to provide various workshops and trainings to our teams. This year, we conducted two workshops on 'Inclusion in Action' for both employees and leaders with a total of 72 participants, to discuss unconscious bias and fully integrate diversity and inclusivity. We also had workshops on LinkedIn learning in order to help employees who are not so confident on social media and digital learning.

Working remotely due to COVID-19 pandemic has been a major challenge that has not been easy for employee motivation. However, we keep working hard to enable creativity and innovation in our teams despite the circumstances and always push our teams to be better. Finally, we would like to show our appreciation and recognition to each of our employees and our willingness to invest in their personal growth.

“Successful collaboration is the willingness to give your individual commitment to a group effort. When times get tough, trust your team to support you. Step up, step out of your comfort zone and help each other out.”

Jasper Both, Business Development Manager

1 GRI 404-2

Health and Well-Being¹

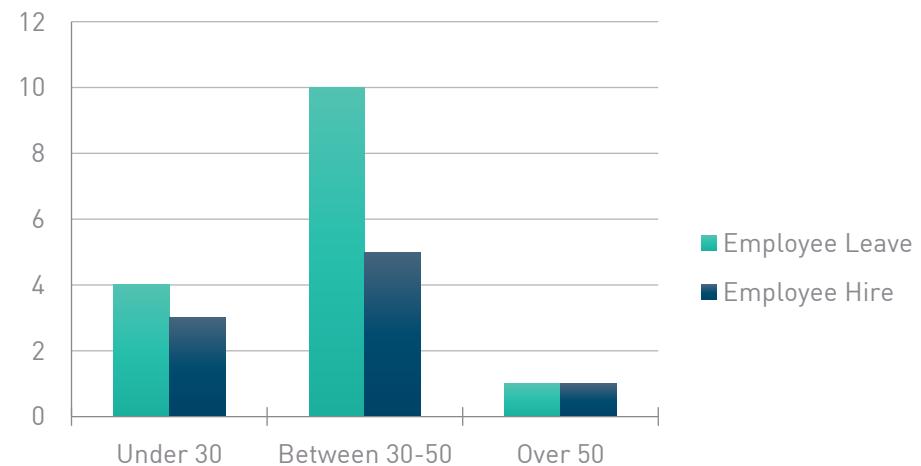
As a company operating in the sports sector, health and well-being are the most important priorities for us and for our stakeholders. We share the belief that sports empower people and healthy bodies sustain healthy minds. We want our employees to adopt this in their everyday lives. The year 2020 has prevented us from offering our employees the usual fully equipped gyms in our headquarters, subsidised participation in local sporting events and sporting group activities at the office. We had to adapt fast to the new 'working from home environment' in order to ensure that our employees remain physically and mentally healthy. Hence, we implemented 'Yammer', our company social media platform where employees can share and be part of various channels that support employees with different activities and information. Through this channel, many employees follow Online fitness classes, language and educational classes, meditation classes, as well as tips and guides of working from home.

Employment²

This year, our fluctuation rate was 10.42 at our Bern office, comprising 5 men and 10 women. On the other hand, we had 9 new employees hired, welcoming 2 men and 7 women as part of our team. During our recruiting process, we try to attract diverse, qualified employees as part of our efforts to implement inclusive recruitment practices based on age and gender. This year's employment rate is lower than what we wished for, however the COVID-19 situation forced us to focus on taking care of our current employees rather than expanding our workforce.

While our full-time employees are not provided with life insurance, we offer them the best possible health care coverage in case of accidents, as well as a pension fund which offers more than the legally required minimum. Our parental leave policy goes well beyond what is required by Swiss Law. IIC offers paid maternity leave (80% for 98 days) and parental leave (100% for 10 days) to allow the parents to bond with the child while staying financially secure. Our employees do not hold any shares in the business.

2020 Employee Turnover - Bern Office



¹ GRI 403-5, 404-1

² GRI 401-1

Wages and Working Hours¹

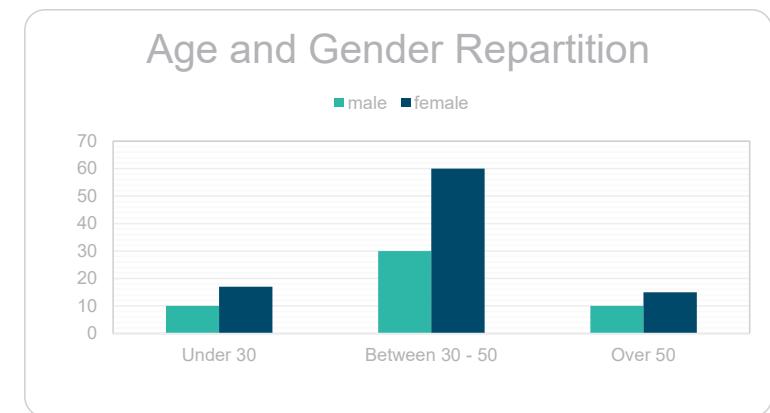
At IIC, we make sure to provide our employees with fair remuneration and holiday schemes. In no way should the COVID situation impact our employees' work and remuneration, hence providing our employees with fair and equal pay is of great importance to us. This is not only to comply with legal requirements but to make our workers feel appreciated and valued. To ensure gender equality in terms of payment and treatment, Klingler Consulting, a Swiss compensation and performance management consultancy, regularly benchmarks and verifies the company's salary levels. This year, our results indicated that our total compensations, annual base salaries, and variable compensations are in line with market practices.

Moreover, we comply with the legal requirements of Switzerland by proposing 42 working hours/week to our employees and with overtime regulations that also follow the Swiss labour law. Additionally, we offer flexibility regarding working hours, to allow freedom to our employees to maintain a healthy work-life balance. We fully understand that personal obligations may arise, hence, we would like to give employees more choices to select appropriate contractual hours based on their function, flexibility around the total amounts of holidays taken per year, and consciously log their working hours enabling flexitime catering for the different needs of the employees as far as possible. For instance, with agreement from HR due to special cases and situations, we would like to offer our full-time employees the choice of reducing their contractual percentage of work and daily target time to 80%. The current situation has further emphasized our wish space to our employees to take care of themselves, based on our main value of trust.

Diversity, Equity & Inclusion²

Diversity and Equity has been a key topic and focus in management initiatives this year. As we become more aware of unconscious biases, it is a topic that we want to fully confront and we do our best to promote diversity, equity and inclusion in the heart of the corporate culture. This is not only important for us as a company, but it is also important for our consumers which prioritize diversity, equity and inclusion, when choosing where to shop. Additionally, we are aware that diverse workforces and leadership teams translate into better consumer representation and more relevant perspectives for decision-making around product innovation, customer experience and overall strategy.

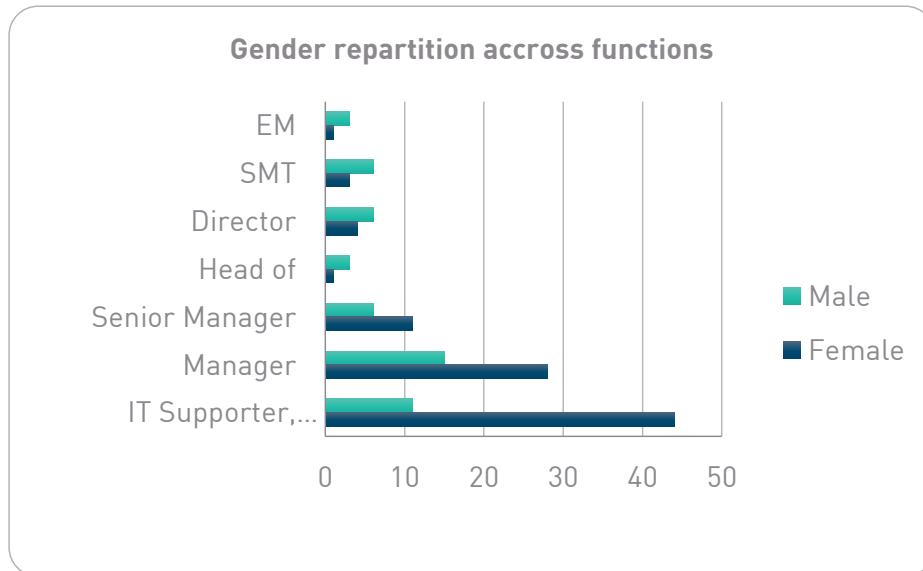
With a total of 142 full-time employees working at the headquarters, we are very proud to have a diverse workforce coming from 23 different nationalities. We also push to employ various types of age groups, in order to get different perspectives to various challenges.



1 GRI 401-2

2 GRI 405-1, 405-2, 406-1

With regards to gender repartition, IIC always promotes gender equality, at all position levels with equal remuneration between genders for each employee category. We currently have a higher percentage of females (65% of females versus 35% of males) in our workforce. At management level (Manager and Senior Manager), females occupy 65% of our management positions. At senior management level, 67% of positions are held by men.



As we always seek for improvement, this year, we have put together various workshops, groups and initiatives to foster the integration of Diversity and Inclusion (D&I) into the DNA of the company's culture. To promote women empowerment, we launched the Google led #I-am-Remarkable initiative and held a focused campaign on the International Women's Day, to help women become more confident within the organization and beyond.

Additionally, we held a workshop to listen to employees' feedback and fears around discrimination and bias within the workplace in response to the Black Lives Matter movement. From this initial meeting, the D&I group was established and now holds monthly meetings. This is where our members of every level and department take concerns, feedback, inputs from the different areas of the company to the group. This way, we work together on creating shared values, promote inclusion within the workplace and give actionable steps for the organisation. Moreover, in order to deal with any discrimination conflict when needed, an anonymous complaint submission system is in place to have a safe space for employees to express their concerns. This year, two complaints have been addressed and resolved through this submission system.

Home Office Conditions

As we experienced a major switch to home office working, our home office policy for all employees has been revised. Excluding our switchboard, interns and apprentices, our team leaders can define fixed days per week where team meetings are scheduled and should decide on core days when all employees from the team will be in work. Additionally, our employees have to ensure a responsible working environment and to be reachable at any time through Skype, Microsoft Teams or mobile at least during the block hours.





IIC Values

INTERSPORT is more than the sum of its building, its locations, and its workforce. Our internal values embody a culture that indicates how employees should approach problems, treat our customers and prioritize tasks.

The company culture at INTERSPORT is the personality of the organisation. It is how we act and follow

- POLICIES (rules we work by)
- DECISIONS
- SERVICES
- ACTIONS -TAKEN BY EMPLOYEES

Taking all of this into account it is what is commonly known as the company culture.

It is very important that each employee understands ours vision and company culture. This is what matters to our company.

The vision statement is what the organization can and should look and behave like in the future.

At INTERSPORT the vision is “We are trusted partners and we make things happen”. This statement is an intent of how we are and how we should act towards the future.

Over the last 18 months a working group including our Senior management, our employee resources group Company culture and other volunteers reworked the vision statement and values . The vision statement was adapted, and we defined 8 new values. The following are the values with the statement as to why we want to live this value.

WE ARE TRUSTED PARTNERS

COLLABORATION - collaboration drives success

PASSION - inspires determination

RESPECT - creates community

SOLUTION ORIENTED - solutions produce results

EFFICIENT -good can always become great

AND WE MAKE THINGS HAPPEN

INTEGRITY-relationships built on trust are the strongest

BY BEING.

RESPONSIBLE -protecting our planet is the right thing to do

SERVICE MINDED -customers are at the heart of every decision





MESSAGE FROM OUR SUPPLY CHAIN DEPARTMENT

2020 and COVID-19 presented unprecedented challenges for all supply chains: factories closing down, orders canceled and retailers closing due to local restrictions was a daily incidence. Despite all those pressures, IIC managed to minimize the impact on our operations and preserve business relationships with our suppliers.

We engaged in proactive and open communication with our suppliers and factories, developing temporary tools to help mitigating the negative impact with the goal to avoid business closures.

Gustavo Meyer Suarez, Manager for Sustainability and Compliance

IIC - INTERSPORT International Corporation GmbH
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HIGHLIGHTS 2020 : OUR SUPPLIERS

From 2019 to 2020, the total number of production facilities reduced by 8%.

290 producers are present in “Risk Countries” such as China, Vietnam and Bangladesh.

“ Although difficult decisions had to be made, we believe the relationship with suppliers and factories was strengthened by working together in navigating the challenges we were confronted with and the ones ahead. ”



OUR SUPPLY CHAIN¹

Our supply chain is currently composed of 230 suppliers, relying on 330 production facilities representing our first-tier factories. From 2019 to 2020, in alignment with our sourcing strategy and combined with the COVID-19 repercussions, the total number of production facilities diminished by 18%.

Out of our 330 production facilities, 40 of them are located in “Low Risk Countries” such as France, Germany, Slovenia, and the remaining 290 are present in “Risk Countries” such as China, Vietnam, and Bangladesh. The classification of “Low Risk Countries” and “Risk Countries” is aligned with the amfori BSCI Risk Country Classification. From 2019 to 2020, our percentage of “Low Risk Countries” within our production facilities went from 17% to 12%.

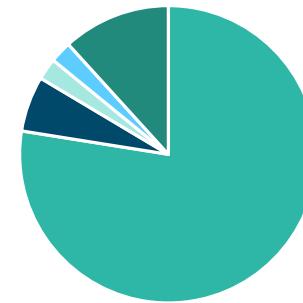
Our current relationship with our producers is mostly through our suppliers, who play an intermediary role.

The following graph displays the allocation of our producers located in “Risk Countries”: 77% of them are currently located in China, followed by Bangladesh with 6%. The countries with six or less production facilities are regrouped into the label “Others”.

But the pandemic wasn’t the only reason for this decrease, as we are still pursuing our sourcing strategy to consolidate the supply chain, working more directly with factories and reducing their number in order to ensure a better sourcing quality and performance.

Our biggest commitment in this regard remains our collaboration with the amfori BSCI since 2005, where we attained a substantial level of maturity, as developed further.

Origin of producers for “Risk Countries”



■ China ■ Bangladesh ■ Cambodia ■ Vietnam ■ Others

¹ GRI 102-9, 102-10, 414-1
Source: amfori BSCI platform

AMFORI BSCI¹

The BSCI platform offers a supply chain management system allowing companies to improve their social compliance and performance within their global and complex supply chain. On this platform, companies are supported with a dedicated social auditing methodology along tools and assistance. Any factory registered into this system is audited by independent and neutral auditing companies with the relevant competence in the domain of local labour laws and regulations related to worker health and safety.

This methodology enables IIC to rely on external and standardized assessment of the supply chain. On top of it, IIC requires suppliers to sign the amfori BSCI code of conduct including 11 principles, along with the Terms of Implementation.

After the creation of their profile in the amfori BSCI platform, producers are assigned to a dedicated monitor. The grades of the audit are distributed based on the factories' performance in 13 specified Performance Areas (PA) along the Zero Tolerance Protocol by the amfori BSCI. The grades of the audit are ranging from A to E based on the answer of the auditing. To assign a grade, the answers "Yes", "Partially" or "No" are attributed a numerical value which is then combined to fulfil percentages for each of the performance areas, leading to the rating grade. In the following table we offer a more visual explanation of the distribution of the grade along with their interpretation.

At IIC we do not accept any production facility with an overall audit grade below C. Should the facility fall below this requirement, production is halted and blocked until all remediation actions and a re-audit is finalised with a minimum grade of C.

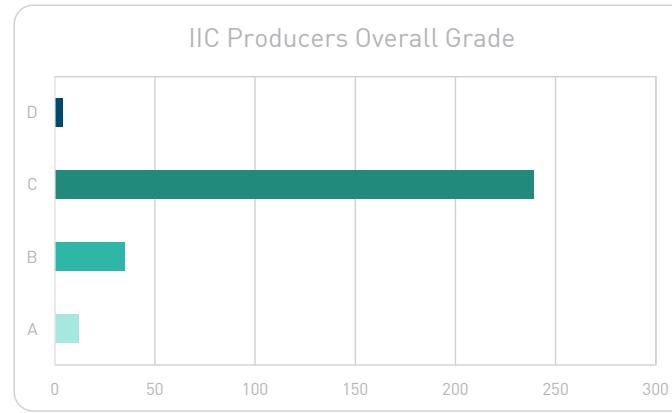
¹ GRI 102-9, 412-1, 414-1
Source: amfori BSCI platform

Meaning & Weighting of Audit Grades

amfori BSCI Audit Grade	Requirement of grades	Meaning of Grades
A	Supplier has a minimum of 7 PAs rated with an A and no PAs rated with a C, D or E	A and Bs mean the auditee is mature enough to maintain its current level and does not require a follow-up audit
B	Supplier has a maximum of 3 PAs rated with a C and no PAs rated with a D or E	
C	Supplier has a maximum of two As rated with a D and no PAs rated with an E	C and Ds require the auditee to follow up on its progress as well as the development of a Remediation Plan
D	Supplier has a maximum of six PAs rated with an E	
E	The amfori BSCI participants will closely supervise the auditee progress due to the high risk in poses	E means the amfori BSCI Participants will closely supervise the auditee progress due to the high risk in poses



On the following graphic you have an overview of our producers' overall grades obtained in the latest (2020) audits conducted across 290 (our facilities in "Risk Countries") out of our 330 production facilities (including those in Europe).



This year, IIC had to take the necessary actions with four production facilities that fell below a C to remediate their situations.

Overall, we are proud to mention that our sourcing strategy led us to focus and improve our relationship with our producers.

Compared to 2019, the number of production facilities with C grades decreased by 21% while the ones with A and B grades respectively doubled and increased by 59%.

Below, you can find the breakdown of these 290 production facilities respective grades according to the 13 Performance Areas, for which results were available during the write up of this report.

Once again, the results shown are displaying a notable improvement of the grades across the different Performance Areas, with an increase of the A grades percentage in almost all of the areas compared to 2019's results.

	Breakdown of producer grades by Performance Areas in 290 Facilities in Risk Countries				
	A Very Good	B Good	C Acceptable	D Insufficient	E Unacceptable
PA1- Social Mgmt & Cascade Effect	4,5%	10,7%	15,9%	68,6%	0,3%
PA2- Workers Involvement & Protection	48,6%	31,7%	19,0%	0,7%	0,0%
PA3- Right to freedom & Association	99,7%	0,3%	0,0%	0,0%	0,0%
PA4- No Discrimination	92,8%	4,1%	2,8%	0,3%	0,0%
PA5- Fair Remuneration	37,6%	54,8%	7,2%	0,3%	0,0%
PA6- Decent working hours	19,7%	0,0%	4,5%	75,2%	0,7%
PA7- Occupational Health & safety	68,3%	25,5%	1,4%	4,1%	0,7%
PA8- No child labor	99,7%	0,3%	0,0%	0,0%	0,0%
PA9- Protection of young workers	99,7%	0,3%	0,0%	0,0%	0,0%
PA10- No precarious employment	94,8%	5,2%	0,0%	0,0%	0,0%
PA11- No bonded labor	99,3%	0,3%	0,0%	0,0%	0,3%
PA12- Protection of the environment	72,1%	19,7%	7,9%	0,3%	0,0%
PA13- Ethical Business Behaviour	89,3%	9,0%	1,4%	0,3%	0,0%



HUMAN RIGHTS¹

Human Rights compliance is an IIC priority. Placed as our main priority in our Materiality Matrix, we intend to track and detect Human Rights violations. As the majority of our supply chain is located outside Europe, we need to ensure that Human Rights are respected among our producers, through our amfori BSCI platform. Amfori BSCI accredited auditors have a specific procedure to follow in case of a detection of a Zero Tolerance issue. The Zero Tolerance Protocol is a specific auditing measure allowing to recognize five main Human Rights violations, as listed below.

At the time of the report writing, there were no zero tolerance issues identified.

In the case of one of these issues being identified during an audit, auditors would cease the ongoing auditing activity to enforce the Zero

Tolerance Protocol. This practice leads to further investigation and collection of evidence by the auditors in order to report the practices to amfori. It is then amfori's role to schedule a meeting within 48 hours gathering all stakeholders linked to the case: the factory in question, business partners as well as all BSCI participant companies linked to the factory to determine immediate next steps and corrective actions. Following this, regular meetings are planned until enough evidence is provided by the factory in the form of official documents and inspections, ending with the removal of the Zero Tolerance label.

Zero Tolerance Issue Classification	
Child Labour	Workers who are younger than 15 years old (or the legal minimum age defined by the country) . Workers younger than 18 who are subjected to forced labour.
Bonded Labour	Not allowing workers to leave the workplace or forcing them to work overtime against their will. Using violence or the threat of violence to intimidate workers to force them to work.
Inhumane Treatment	Inhumane or degrading treatment, corporal punishment (including sexual violence), mental or physical coercion, and/or verbal abuse).
Occupational Health & Safety	Occupational health and safety violations that pose an imminent and critical threat to workers' health, safety, and/or lives.
Unethical Behaviour	Attempted bribery of auditors. Intentional misrepresentation in the supply chain (e.g. hiding production sites, lacking a business license, and purposefully under-declaring size of the workforce).

¹ GRI 102-9, 103-1

Source: amfori BSCI platform

RELEVANT PERFORMANCE AREAS

This section refers to a deeper focus on our Materiality Matrix main social topics: Health & Safety, Diversity & Equity, Wages & Working Hours.

Out of the 13 different Performance Areas previously listed, the corresponding ones for our main social focus areas are the following: No Discrimination (PA4), Fair Remuneration (PA5), Decent Working Hours (PA6), Occupational Health and Safety (PA7).

No Discrimination (PA4)

Led by our values of inclusion, our collective actions and multiple workshops throughout the year, IIC placed its fight against discrimination at the top of its agenda. As an international company, we believe that diversity is a crucial asset for our agility, the development of our employees and the stability of our company's culture.

To ensure the integrity of this statement for all partners, IIC is assisted by the BCSI Code of Conduct, signed by all of the production facilities.

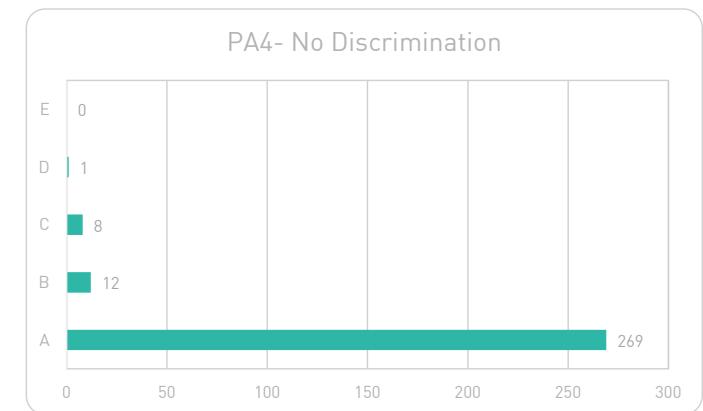
The Code of Conduct indeed specifies that "Business partners shall not discriminate, exclude or have a certain preference for persons on the basis of gender, age, religion, race, caste, ... In particular, workers shall not be harassed or disciplined on any of the grounds listed above."

If such discriminatory practice would happen, workers can anonymously submit complaints without any repercussions. To assess the respect of this practice, auditors have a list of three questions, the main one reflected in the following graph.

Is there satisfactory evidence that the auditee takes the necessary measures to avoid or eradicate discrimination in the workplace?

At the time this report was written, the following grades were achieved by our supplying factories in this specific performance area. Compared to last year's results, the amount of answers B and C have reduced, showing overall improvements for 2020.

Fair Remuneration (PA5)¹



The right to a fair remuneration is understood by IIC as a principle that not only applies to our own employees, but also encompasses all workers in our supply chain. Especially in the textile industry and its complex network, the question of the remuneration is sensible and requires all of our attention.

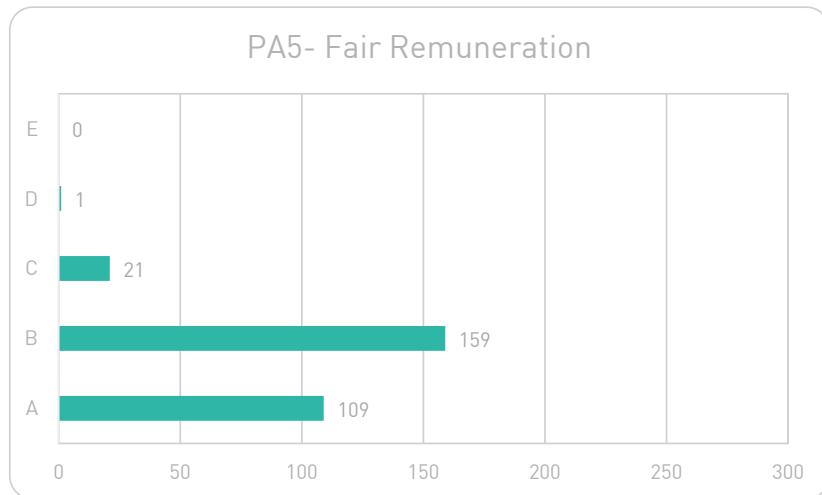
¹ GRI 102-9, 102-37, 103-1

The BSCI monitoring system provides a definition of what constitutes “fair remuneration”, stating that the operational principle of fair remuneration embeds legal minimum wage enforcement, living wage calculation and additional qualitative elements that should apply to any wage payment.

To assess this criterion on the producers, auditors have a list of six questions. One of them is the following:

Is there satisfactory evidence that the auditee complies with the government's minimum wage legislation or the industry-standard approved through collective bargaining?

When this report was written, the latest audits recorded the following grades. In comparison to last year's results, this topic maintained its overall standard.



Decent Working Hours (PA6)¹

The textile industry is also well known for its challenges in terms of working hours, as schedules have to adapt to satisfy the ongoing demand, seasonality and pressure of high competition with common last-minute demands. While

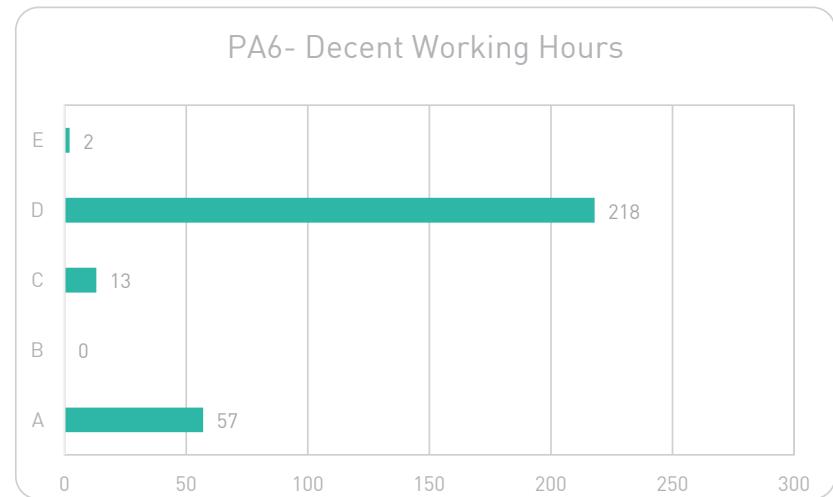
IIC does not have direct control over the production facilities, we believe that workers from any country have the right to choose their working conditions, and it is our concern to ensure this point with our business partners.

Thanks to our BSCI monitoring, we limit working hours to 48 per week. Certain exceptions can apply but must be according to legal limits and must be paid at a premium rate. Exceptions might include employees in supervisory or management positions and family members running their family businesses. Moreover, employees have the right to a resting break in every working day as well as the right to one day off in every 7 days.

In order to check its performance area, the auditors have a list of four questions, one being:

Does the auditee grant workers the right to resting breaks every working day?

On the table below you can see the results associated with this question at the time this report was written. Compared to last year's results, the production facilities in Risk Countries managed to get higher grades overall, as the number of answers D decreased by 22% and the number of answer A increased by 27%.



¹ GRI 102-9, 102-37, 103-1
Source: amfori BSCI platform

Occupational Health and Safety (PA7)¹

2020, the year of the pandemic, has been a challenge for all of IIC's stakeholders, creating an echo across the entire supply chain. As the majority of the production facilities IIC uses are located in China, our production and network of partners have been greatly impacted.

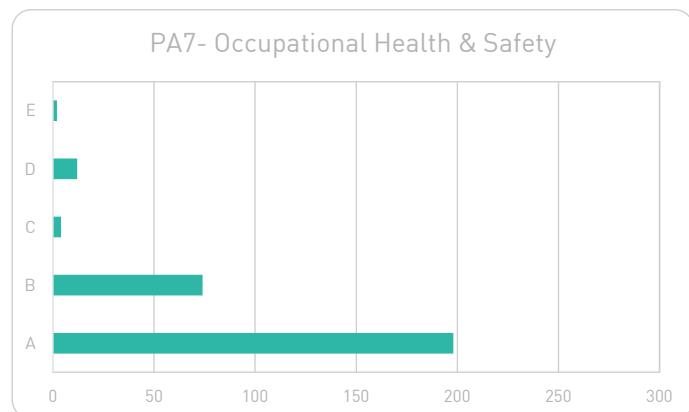
This has led to a reduction in production, but also an increase in safety measures and processes, such as Health and Safety remaining the number one priority across the world.

In accordance with our Materiality Matrix, IIC also maintained its emphasis on this matter through the amfori BSCI assessment on Occupational Health and Safety (OHS) for the control of the working conditions at our production facilities.

This performance area contains not less than 25 questions, of which this is one:

Is there satisfactory evidence that the auditee respects the workers' right to remove themselves from imminent danger without seeking permission?

Echoing the restrictive measures in place, the results to this question compared to the ones from the past year (2019) have improved greatly with an increase of 9% of A answers.



¹ GRI 102-9, 103-1, 403-1, 403-7

Source: amfori BSCI platform



WHERE WE CAN IMPROVE

We are aware that for the moment IIC unfortunately still lacks reporting data, impacting our ability to measure, track and assess targets. It is our aim to cover this topic in order to gain consistency and work toward transparency and ongoing improvement paths.

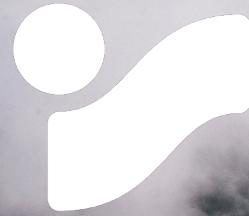
For our supply chain, the main tool we are using enables us to get access to third-party assessment data and get rid of the internal auditing burden, but it also limits us in the range of data monitoring possibilities. The fact that IIC has limited influence and control over the supply chain is a major limitation in enforcing policies regarding Human Rights and Sustainability. We hope that with IIC's migration onto the new amfori sustainability platform planned for 2021, this will provide us with access to more sophisticated reporting features.

Looking back at the journey of 2020, we could not be more proud of the way employees, partners and management tackled these unique and unprecedented challenges.

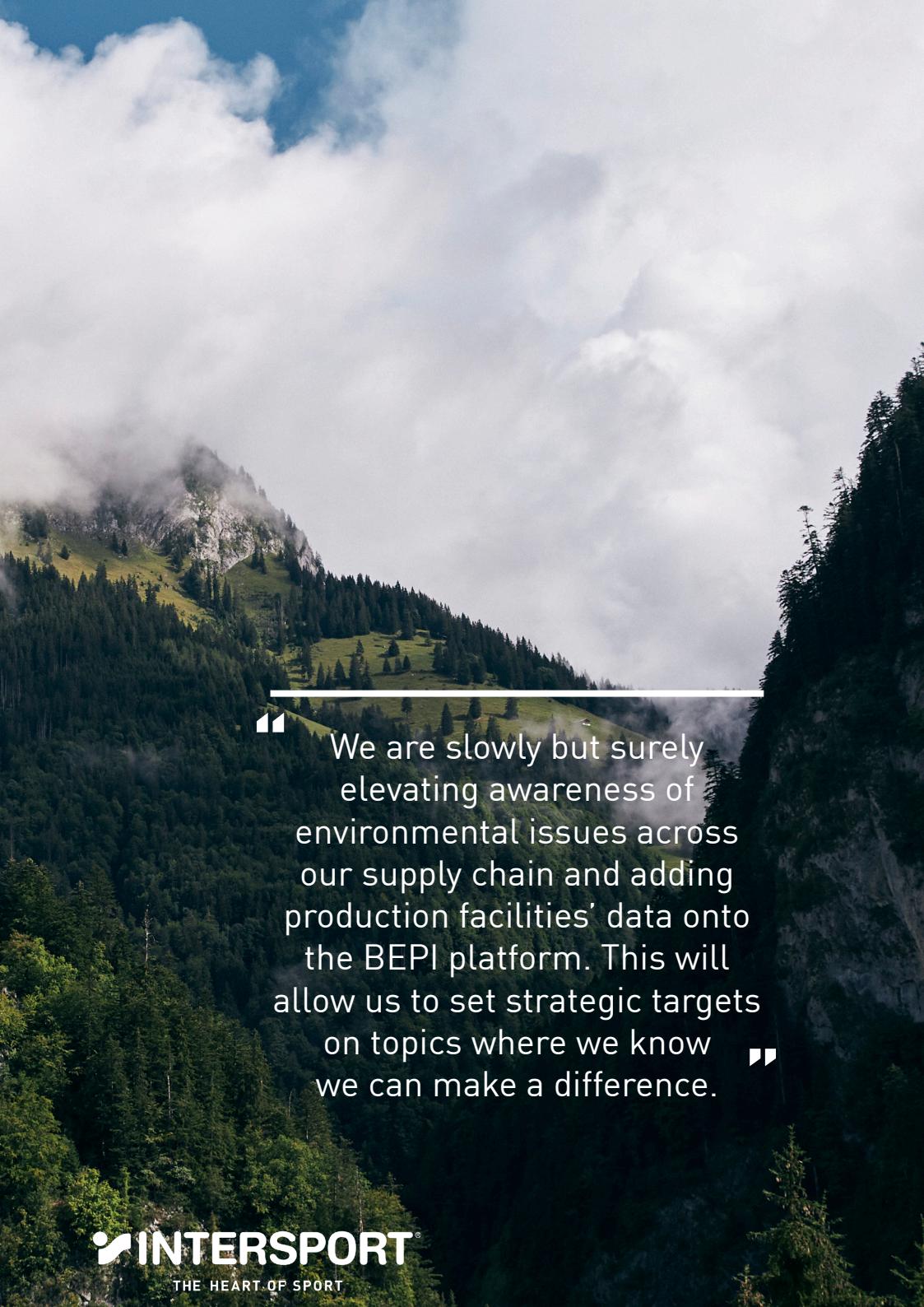
From these adversities, we believe that we learned tremendously, whether it was in terms of the way we manage our teams or the quality of our exchanges with partners and producers across the supply chain.

These adaptations not only forced us to implement new tools and processes, it also made us reflect on what would be different, challenging our understanding of the status quo.

The learnings from this year will stay with us long-term, with more flexibility for home office, the increasing use of virtual meetings and reduction of travels. We are looking forward to 2021 to consolidate our partnerships and aim towards higher common goals.



ENVIRONMENT



ENVIRONMENTAL STEWARDSHIP

2020 will forever be remembered for the disruption the COVID-19 pandemic brought to the world. However, there was the silver lining regarding the positive environmental impact that the lockdowns brought about relieving some of the stresses the planet is under. For us at IIC, we continue to build the foundations of our environmental program with the help of amfori BEPI.

Gustavo Meyer Suarez, Manager for Sustainability and Compliance

IIC - INTERSPORT International Corporation GmbH | Wölflistrasse 2 | 3006 Berne | Switzerland

HIGHLIGHTS 2020

“ We are slowly but surely elevating awareness of environmental issues across our supply chain and adding production facilities' data onto the BEPI platform. This will allow us to set strategic targets on topics where we know we can make a difference. ”

>12.000 KG Plastic saved by moving to paper-based packaging



1.500 KG Plastic saved by replacing plastic with paper tape



RESPONSIBILITY IN OUR PRODUCTS¹

AMFORI BEPI²

In order to monitor and track the environmental performance of our supply chain, we joined the amfori Business Environmental Performance Initiative (BEPi) in 2017. We believe that in today's fast-moving markets, transparency and accountability are key steps towards a more sustainable supply chain. The BEPi platform helps us to monitor the environmental performance in 11 areas of our suppliers and producers. Even though 2020 was a difficult year and we at IIC had to focus on helping our suppliers to survive the crisis, we were still able to make several important preparations to kickstart in 2021. As we aim to onboard all pending suppliers on to the BEPi system in 2021, joining the platform will become another standard requirement for producers. This will highlight to our stakeholders IIC's ongoing commitment towards environmental protection and its integration into our sustainability strategy.

In 2020, we picked the most important key performance areas out of the 11 focus areas and incentivized our suppliers to run self-assessments and conduct specific training on the system. Amfori already provides various free training materials for members and producers alike.

2020 has been a year where many of our suppliers

underwent training to understand the BEPi program and their factory's environmental impact better.

The performance areas covered by the BEPi assessment are as follows:

- Environmental Management System
- Energy Use, Transport & GHGs
- Water Use, Wastewater / Effluent
- Emissions to Air
- Waste Management
- Pollution Prevention and Chemicals
- Major Incident Prevention and Management
- Contaminated Land / Soil and Groundwater Pollution Prevention
- Land Use and Biodiversity and Environmental Nuisances

At IIC, we have decided to monitor and track the environmental management system, energy use & GHG emissions, water use and waste water, waste management and waste disposal as well as chemicals. From 2020 we were also able to track the energy consumption and CO₂ emissions of our suppliers. As provision of this data from our producers is still on a voluntary basis, we are unable to compare and evaluate this as yet.

¹ Source: amfori BSCI platform

² GRI 103-1



Nevertheless, we are looking forward to the upcoming years when more and more factories will collect their environmental performance data and improvements over time will become visible.

Environmental Management System

To better identify, monitor and control the environmental impact of our suppliers, we incentivize the producers to implement an environmental management system. The production sites are checked and impact areas identified. This helps to better understand the damage they have on the environment. The amfori BEPI platform then enables both members and producers to identify potential weaknesses, areas of improvement as well as strengths based on the self-assessment data.

Energy Use and GHG Emissions

Although we are still at the early stages of environmental assessments, we are now already able to track and monitor the energy consumption and the Greenhouse Gas (GHG) Emissions of certain production facilities. Currently, it is still on a voluntary basis for production facilities, and it will need some time to get everyone onboarded, but we highly encourage and support our suppliers and their factories to collect this data. It will allow us to identify bad performers and help them to decrease their energy use and emissions. Furthermore, for our EBs production processes, we aim towards increased usage of renewable energy and promote the ISO 14000 certification. The increased use of biobased plastic and bio mix materials is also helping to reduce the overall CO₂ emissions in production and supply chain.

¹ GRI 103-1, 306-2

² GRI 103-1, 306-2

Water Use and Waste Water¹

As water is a scarce resource in many parts of the world, we recognize its value and try to act towards its preservation and lower our footprint and dependency on water ecosystems. Especially the dying processes in the textiles industry is particularly water intensive and potentially polluting. We are therefore pushing producers to effectively reduce and manage their water resources.

Not only for factories, but also for our EBs, we are aiming towards a reduction in water consumption. Despite the COVID-19 crisis, we were working on setting new standards in our production processes during 2020 for e.g. increase the use of solution dying.

We're not only targeting the reduction of water use, but also to reduce waste water. If not handled correctly, waste water can have a significant impact on the environment. It's therefore vital that the factories understand the legal requirements in their countries and to ensure that they hold the relevant permits and licenses.

Waste Management & Disposal Methods²

For us at IIC, it's not just about how to manage waste, it's about how to avoid and reduce waste in the first place. As things currently stand, the amfori BEPI platform doesn't allow us to track the waste types and disposal methods of our supplier network. We are aware that the waste generated by production sites has one of the biggest impacts on our environmental footprint and will be therefore part of the process to identify key performance areas in 2021. For our EBs, we are rethinking the



design of specific products to reduce waste in the production stage together with our stakeholders. Not only was 'zero waste' a product topic for our EBs also designing completely new products made out of leftover materials in order to reduce the waste that is otherwise produced and thrown away in such processes.

The COVID-19 crisis and the cancellations of orders was an important issue that we needed to come to terms with. At the beginning of the crisis China couldn't deliver because of the shut down of the

factories, IIC faced problems to serve the demand that our National Organisations (N/Os) had. Then by the time the factories reopened, retailers in Europe had gone into lockdown and therefore had no consumers for their ordered products. To support our N/Os, we set up the Supplier Stock Exchange platform to allow them to buy and sell products that were surplus to their needs in order to ease liquidity problems. This not only supported our N/Os, but also helped to avoid waste and destroy excess stocks.



THE LEFTOVER CAMPAIGN

Due to the first COVID-19 lockdown last spring 2020 the shop closures caused some stock and financial issues for some of our National INTERSPORT Organisations. To lend them support, IIC agreed to accept late order cancellations of the Fall/Winter 20/21 production. Unfortunately, this caused a lot of fabric to be leftover. As a result, we had to find creative solutions to get use of that fabric. Luckily, INTERSPORT Germany agreed to use some of those fabrics to create styles for a special leftover collection. This idea was such a great success that we have pushed for this program to continue with more leftover styles. An example of this initiative are leftover jackets and flip flops which we have used in our leftover campaign. The whole initiative was a great example of how support and sustainability can go hand in hand, and how unprecedented and critical situations such as COVID-19 can be used to create something new, help limit the negative impact to the environment as well as society.



Chemical management

As chemical management is one of the top priorities in terms of materiality topics for IIC and our stakeholders, we fully comply with the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) regulation of the EU. We therefore do not use any restricted chemical as defined under REACH. Many countries within the European Union have different stricter restrictions and guidelines on specific chemicals. Due to IICs internal policy of the 'strictest rule applies' all products comply with the strictest guidelines. This means that we follow the highest chemical compliance requirements often going far beyond what individual national regulations require.

Our EBs are not only following the minimum regulations, but are also trying to reduce the use of chemicals in general. All products (with the exclusion of tents) that require a durable water repellent are now PFC free and many products have an ecological or biobased finish.

CHALLENGES AND WHERE WE CAN IMPROVE

One of the biggest challenges in 2020 was mass implementation of the BEPI system for suppliers and their factories, still ongoing today as this implementation is on voluntary basis. After sending out 64 invitations, only 20 suppliers have joined the system so far. Another challenge is that the tracking of progress of the production sites turns out to be difficult, as evolutionary data is not available. Ultimately, this lack of data makes it very hard to analyse our environmental performance.

Another challenge in 2020 was the reduction of the logistic capacity of big shipping companies. Due to the reduction, the prices of shipping almost quadrupled and discussions around green logistic solutions and the use of biodiesel were none starters. Looking ahead, we view the road and rail initiative along the historic silk road as a positive development for our logistical ecological footprint and one that will lead to possible shorter lead times. Although using road and rail freight is far better for the environment than airfreight, it is not lower than current shipping practices which is IICs primary shipment method to transport goods.

OUR PRODUCTS¹

When it comes to sustainability in our products, the first things many people think of is recycling. We at IIC are well aware that sustainability starts at the very top. We start to rethink our products and packaging already from the beginning at the designing process. We aim towards reduction of materials, chemicals, water consumption, CO2 emissions and more along our supply chain and finally recycle and reuse materials at the end. We are continuously working on how we can improve sustainability in our products and are working closely with all our stakeholders. In 2020, we created two new positions: First the "Material Manager" to have a better focus on the use of materials and fabrics in our products. The second was that of an Innovation and Sustainability Manager for Exclusive Brands who is ultimately responsible for the EB product sustainability strategy and roadmap.

This year, we also concluded a lot of research on possible material strategies and identified what we meant by "a sustainable product". For us, a product can be deemed sustainable if the main component of a product contains at least 50% eco friendly composition or if a product is produced with sustainable technologies and processes.

The Green Series

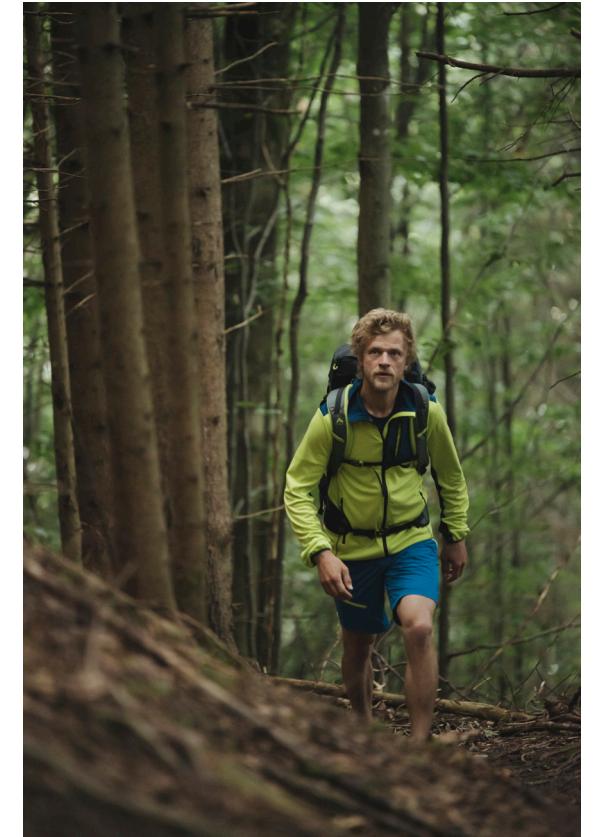
2020 was also a year of positioning and developing the sustainability strategy for EB products and setting new standards and requirements for our EBs' products. The new sustainable standards and labels will be applied to the new Green Series range of products as of season Spring/Summer 22. Our

Green Series strategy is material led and will follow the principles of the three Rs:

Reduce: chemicals, CO2, water and the use of virgin plastic

Recycle: Materials and waste

Rethink: Natural content, eco design, production processes



1 GRI 103-1

SUSTAINABLE MATERIALS

The whole process of designing and choosing materials used in our products has a huge impact on our environmental performance. We are constantly working on the improvements of our materials and are in close contact with manufacturers of sustainable raw materials.

In 2020 for instance, we launched the PRO TOUCH running collection using Odor Crunch garments. Odor Crunch provides odor control for garments through the use of one of the world's most plentiful and natural resources, sand (silica). This technology addresses odor in garments so that they do not need to be washed as often which reduces water, energy consumption, as well as limiting the release of microplastics and washing detergents. The technology coming from Polygiene won the Sustainability Award presented by the Scandinavian Outdoor Group.

Other materials we are using in our products for Apparel, Footwear and Hardware are:

airmem™ Membrane

This technology is using spent coffee grounds as biomaterial and can replace 25% of petroleum-based materials

AIRMEM™

TENCEL™

The sustainable Lyocel coming from Tencel is produced from sustainable sourced wood by environmentally responsible processes.





Evero™

The fibre by Evero comes from sustainable woods and is certified with the EU Eco-label.

Odor Crunch Polygiene®

The Odor Crunch garments production reduces water and energy consumption as well limits the release of micro plastics. The garment is made from sand.



Polygiene®

Polylactic Acid

This material is bio-based, easily recyclable and made from renewable resources. With the right temperature and humidity conditions it is also biodegradable.

DryFlex® Green

This material is made from plant-oil, takes less time to decompose and it doesn't damage the soil.

Dryflex® Green



Recycle Nylon

This Nylon is made by recycling fishing nets collected in India.

WHERE WE CAN IMPROVE

We at IIC are only in control of the materials used by our EBs. We are continuously benchmarking ourselves with other players in the sporting goods industry and trying to adapt best practices. Nevertheless, we are well aware that we should set clear KPIs in the use of sustainable materials. Measurable objectives, in terms of sustainability, allow us to keep track of the progress we make. Furthermore, a standard for all EB products must be set to achieve aligned goals.

PROCESSES

A sustainable product is not only defined by its materials, but also by its production processes. At IIC, we are following several standards and certifications to meet the increased demand of society towards more responsible and sustainable business operations. Therefore, we do our best to make sure that our EBs follow eco-friendly processes to reduce our environmental footprint.

PFC-Free Durable Water Repellents (DWRs)

PFCs are completely artificial chemicals commonly used in durable water repellent (DWR) for coatings and waterproof membranes. PFCs and their by-products are harmful to the environment. As those processes are mainly used in the Outdoor activities sector, we are proud that all our apparel, backpacks and sleeping bags are already 100% PFC free.

Anti Mosquito / Greenfirst

As many of our products are used for outdoor activities, mosquito protection is necessary. Our chemical protection through anti-mosquito finishes are plant-based, hypoallergenic, biodegradable and non-migrating.

WHERE WE CAN IMPROVE

One of the challenges in 2020 was the restriction of travelling and meeting people. To introduce new products, fittings must be made and photoshoots conducted. We had to be creative in finding new ways of testing new products, which was why we were looking into 3D Design & Sampling. This whole topic was accelerated however during the COVID crisis. 3D Designing & Sampling allows us to create a realistic 3D model and the fitting can be done virtually.

Solution Dye / Spin Dying

The Solution Dye technique means reducing water and chemicals used when dyeing fabrics. This process involves mixing the pigment in with the raw or recycled polyester chips, before they are even extruded into filaments. By dyeing the fibers without water, there is also a reduced chemical waste .

Renewable Energy

Lowering our ecological footprint and improving our environmental performance includes to source resources responsibly. We will increase the share of renewable energy used for the production of our products.

AVITERA® SE Dyestuff

Fabrics dyed with Avitera ® SE comply with high standard environmental requirements. It's the first range of reactive dyes free from restricted chemicals, such as PCA, which are hazardous dyeing by-products that pose risks to people. Additionally, the process uses less water and energy, and therefore CO2 emissions are reduced.

This helps us to decrease the number of physical samples needed and simplify the sampling process, but also saves business trips, photo shoots and therefore costs and emissions.

As we started the pilot in 2020, we will continue in 2021 and try to onboard and support our suppliers to use this new technology.

PACKAGING

Packaging is playing a big role in the retail industry. Not only the packaging for the end-consumer, but also the packaging along the supply chain needs to be addressed. 2020 was a turning point for IIC and developing sustainable packaging specification is part of our sustainability strategy now. IIC has steadily increased the share of recycled materials and biodegradable plastics used, as well as reduced the amount of plastic overall in our packaging. In 2020, we worked on the reduction of the use of

plastic in our EB packaging and in 2021 we will have some collections without any plastic use in the packaging at all. Our packaging is often paper-based and sourced from sustainably managed forests and/or from recycled plastic. For instance, with our EB PRO TOUCH, we were able to save 7.6 tons of plastic by moving to paper-based packaging for some products. We also banned the use of all polybags for samples.

WHERE WE CAN IMPROVE

In the future, the main challenge for IIC is to have proper packaging specifications and to track these, which is still lacking today. Once this is well implemented, it will be easier to link the packaging agenda with the IIC sustainability agenda of following the three Rs.

One of the other challenges in the packaging industry is the mix of materials. The mix of plastic and paper

makes the whole recycling stream complicated. One step IIC has taken, is to move away from plastic tape and using paper tape for the EBs export packaging. On top of this, due to our presence all around the globe, country specific regulations are making it difficult to implement certain changes in our supply chain.





“The Packaging department has a lot of freedom which gives space for improvement, and could become one of the main sustainability focuses for IIC.”

Florent Deligny, Packaging Developer Footwear and Hardware Development

PLASTIC - FREE EXCLUSIVE BRANDS

This year, IIC has updated two of the EBs packaging designs, for energetics and MCKINLEY aiming for a new positioning of the brands and the products. Unfortunately, the rebranding campaign was diluted during the COVID-19 situation and its impact has been lower than expected. Regardless, we are extremely proud to share with you our hard work. We have successfully switched out all plastic packaging components for swim caps and swim goggles of the energetics brand for cardboard packaging, and thus saved a total of 6'177.5 kg of plastic this year! With the same initiative, we also succeeded in saving 7'639 kg of plastic packaging in our PRO TOUCH brand by changing the previous clamshell packaging to cardboard boxes. Additionally, we worked hard to have the box kit with recycled paper sourced from sustainably managed forests.

There is a strong incentive for the EB team to work on their assets in terms of sustainability, defining the material strategies, look and feel of the packaging, and researching the potential substitutes and



energetics

**6'177.5 kg of
plastic-packaging
saving**

alternatives; which is a long but essential process to fully integrate sustainability into our core EB business.



PRO TOUCH

**7'639 kg of
plastic-packaging
saving**

ANIMAL WELFARE

We, at IIC, have the objective to encourage and promote good husbandry practices and considerate treatment of animals along the whole supply chain. Our policy covers all products of the EBs. All materials used are following the Five Freedoms defended by the EU Farm Animal Welfare Council/World Organisation for Animal Health. Therefore, all animals providing the materials originated from them, must have the freedom from (1) hunger and thirst, from (2) discomfort, from (3) pain, injury and disease, to (4) express normal behavior and (5) from the freedom from fear and distress.

Additionally, all our down products are Responsible Down Standard certified, which means that any removal of down and feathers from live birds as well as force feeding is prohibited. Moreover, our policy includes anti-mulesing, which means the removal of strips of wool-bearing skin from around the buttocks of a merino sheep to prevent the parasitic infection flystrike is prohibited. All Merino wool must come with a mulesing free certification.

The origin of our animal-based materials does not come from vulnerable or endangered species. Cage breeding animal hair must not originate from animals reared in cages for their hair, skin, leather or fur, including but not limited to rabbit, mink, raccoon, marten, fox, squirrel, sable, chinchilla or ferret. The material specific requirements placed on suppliers are presented in the following table.

Animal Material	Policy
Hair and Wool	Only hair from living and domesticated animals is allowed, including but not limited to sheep, goat, alpaca, lama, camel, cow, buffalo, yak, horse and pig. Hair and wool must not originate from animals that have been handled, harvested or sheared in a way that harmed the animals. Mulesing Wool is not accepted.
Down & Feathers	It must originate from slaughtered birds bred for meat production. Down and feathers must not originate from farms practicing live plucking or force feeding.
Leather/skin	It must originate from animals bred for meat production. Leather or skin must not originate from aborted animals, including but not limited to astrakhan, broadtail, krimmer, karakul, Persian lamb, slink or swakara.
Fur	Fur is not allowed in any of our EB products. This does not include fleece, sheepskin or leather with its hair attached to the skin, typically used as leather, or synthetic fur.
Wild-caught animals Materials	Our materials must not originate from wild animals that have been trapped using primitive trapping methods or devices, including but not limited to alligator, beaver, chinchilla, crocodile, fox, lizard, marten, mink, otter, racoon, sable, snake and squirrel.
Reptiles Materials	Our materials must not originate from reptiles, including but not limited to alligator, crocodile, lizard and snake.
Indian Leather	Leather must not originate from Indian cow, calf or ox.



RENTAL SERVICES

The rental service at IIC plays a big sustainable asset for our sustainability strategy. By offering rental services we allow customers to engage in more diverse sports experiences, to try new activities and promote circular and shared consumption, which does not always have to be based on ownership principles. In 2020, we have built an international renting platform, which includes more than 800 locations in 14 countries. This allows our customers to travel more comfortably without carrying bulky sports equipment, hence allowing an eco-friendlier and less CO₂ emitting way of moving. Sharing equipment means fewer resources are used in the production of products. We pay attention to the care, repair and upkeep of the products ensuring that all rental products are always fit for purpose for every use. We also take over responsibility of the end of life of the products either through recycling or resale. Our winter sports business has been the primary focus of our rental activities and is part of our groups heritage, it's been around for over 40 years.

Although COVID-19 has hit the winter sports season, especially in terms of ski equipment, we can still see an ongoing demand and growth of the whole rental business. The sharing economy is growing stronger year on year. This year we added the category winter apparel to our offered product range of skis, ski boots and bindings, poles, helmets, gloves, boards, sledges, ice skates and for the summer included climbing and bike as well as bike equipments. We are running several campaigns to promote our rental business and make the consumer more aware of sustainability perks of rental services.

RETAIL

The retailers with all their sales and stores are playing an important role for IIC. They are the ones in daily business and contact with the consumers. Due to our unique structure, IIC does not take responsibility for the actions and activities of our retailers. We try to work closely together with the National Organisations and retailers, to motivate and incentivise and align everyone on one common goal. We act as consultants by offering suggestions to the local retailers in terms of sustainability

WHERE WE CAN IMPROVE

Although the organisational structure of IIC does not allow us to directly push for sustainability improvements, we still believe that we can inspire our network of retailers to implement certain changes and promote knowledge-sharing among them. Therefore, it is sometimes hard to implement and promote sustainable topics. We continuously strive to find solutions that can generally be implemented and be scaled among our retail network, as local solutions are often too specific and cannot be applied for all retailers in different cultural and market settings.

improvements. Together with our retailers, we are trying to eliminate the use of plastic bags by introducing paper bags. We are already happy to see a great maturity and sensibility of this topic. Additionally, the organisational structure of IIC and the independence of retailers allows them to run their own initiatives, for example actions to reduce their energy consumption. This is not only good for the environment, but also helps them from a financial perspective to reduce their costs.

Moreover, we see a big potential in take back and repair services, which are also in the responsibility of the local retailers. Therefore, the opportunity for IIC will be to showcase the huge potential of repairing products, so that end consumers will have access to other more sustainable consumption patterns wherever they go.



SUSTAINABILITY IN OUR OFFICES¹

Not only do our suppliers and Exclusive Brands, but also our own headquarters in Bern, contribute to our environmental performance. We monitor the water use, energy and electricity consumption, waste generation and keep track of our business travels. As this was the case for the majority of businesses in 2020 due to COVID-19, there were fewer employees in the office that used our sport facilities and showers. The COVID-19 pandemic has also changed our behavior and attitude towards decreasing business travels. There have been fewer physical meetings with external parties which resulted in more flexible working schedules and home-office options for the future. This has meant not only a greater flexibility for our employees, but also a chance for us to reduce our environmental footprint.

Energy use

At IIC headquarters, there are several systems combined to optimize our energy use and oil consumption. The heating of our office space and warm water is supported by our heat pump, which has covered 56.5% of our energy use (without electricity) in 2020. In order to store energy, our headquarters are equipped with heat and cold storage units. This allows us to improve our energy loss efficiency.

The electricity we use for lighting, and our IT services and infrastructure come from 100% renewable energy. We also aim to further improve our energy efficiency and are therefore monitoring our consumption of electricity with smart meters.

¹ GRI 103-1, 302-1, 302-4

Water use

As water is a scarce resource, we believe that it should be handled responsibly also in our offices. Therefore, we are engaged in creating awareness about cold and warm water consumption not only for our suppliers, but also for our employees in our headquarters. We offer our employees several services, such as the opportunity to work out in our sport facilities and shower at our headquarters. Therefore, the main water use can be traced back to the showers. Nevertheless, we are working on the reduction of the water use and all showers are equipped with water saving shower heads.

Waste and recycling

Due to adverse impacts of uncontrolled waste disposal on the natural environments, we strive to avoid, reduce and recycle waste not only along our supply chain, but also at our offices. Therefore, the important first step is to assess the waste generation and disposal in all daily operations. Moreover, at our headquarters, all waste is separated and recycled according to the official Swiss standards. For example all paper, cardboard, PET, aluminum and glass is separated and collected centrally for recycling. The remaining general waste is incinerated by Bern's waste disposal company and the heat produced is used for electricity and thermal energy generation. We are also giving our canteen food waste away so the city of Bern can burn it to produce energy.

Business travel

Being a multinational organisation, it is an important part of our business to meet our stakeholders – from our National Organisations, to our suppliers and our subsidiaries – all across the world. Our employees have been used to travelling to destinations in various countries and we feel the importance of building relationships, creating bonds and common trust. Business travel has always provided us and our teams with an insight and understanding of how other businesses work from the inside. Although there is still no concrete green travel policy in place during 2020, the Management Team has encouraged staff to implement further online meetings and video conferences as much as possible with the goal of decreasing our travel footprint further and protecting the safety of our employees. Here we already profited from first learnings that were in effect in 2019.

Additional to the above described measures, the COVID-19 pandemic has totally grounded business travels for IIC staff as of January 2020. Our IOF office in Shenzhen was affected with the pandemic already

at an earlier stage, so the Executive Management decided not to allow any business trips to China, followed by ongoing further travel restrictions for various countries.

Therefore, in 2020 no business trips were allowed, only in urgent and exceptional cases and with given approval by the Senior Management. Long-term trade shows and conferences, such as our Go-to-Market-Meetings, Task Forces, Advisory Meetings and many others were shifted onto digital platforms. The safety and health of all employees and stakeholders was, and still is, of utmost importance.

We don't know when we will be "back to normal" but 2020, due to the pandemic, has provided us with a lot of valuable learnings. Since there has been a transformation in business travels and meetings at IIC (as is the case for many other companies), we too have witnessed the benefits of digital solutions and remote working, and now critically assess the need for each case of business travel. This has meant that we not only have fewer travel expenses but also are able to decrease our energy consumption in the offices and travel emissions.

WHERE WE CAN IMPROVE

It's not only important for IIC to track consumption for oil, energy and water consistently and accurately but also to identify areas where we can improve and lower our use of these resources. We need to analyse the most resource intensive parts of our offices and try to find smart solutions. To do so, we need a better tracking system, which will allow us to split the annual consumptions more in detail.

For the future, when travel restrictions are lifted, we will consider these positive impacts of flexible

work from home and digital meetings with external stakeholders and further include them in our travel policy. It is our aim to have the right mix of increased digital meetings and green business travels options for meeting our stakeholders in person. Face to face meetings will remain an important part of our philosophy of building strong relationships founded on trust, but we will continue to support our employees to travel more sustainably and be aware of the impact on the environment and our carbon footprint.



SOCIETY





COMMUNITY ENGAGEMENT¹

COMMUNITY ENGAGEMENT AT IIC AND AT NATIONAL ORGANISATIONS

The beating heart of sport is our brand DNA. We live and breathe sports, day in and day out. Our company is committed to helping people find their place in sports. It is our continuous goal to support sports and healthy living at the beating heart of communities and increase a positive impact, connecting people and making sports accessible for everyone and everywhere.

We are aware of the challenges to bring this philosophy to life, having in mind that not all people have the same privileges within communities. As such, we are happy to say that we were able to continue our community engagement in 2020 with some projects at both IIC and national level.

On the other hand, other projects had to be put on hold, to our regret, due to a difficult year with various logistics and budget restraints. However, we did our best to support our communities in these unprecedented times and still take the time to give back as and when we can.

¹ GRI 413-1

YMCA¹

This year, we continued our cooperation with YMCA International, being a trusted and valuable partner for the past years. The World Alliance of YMCAs supports 120 national YMCAs, reaching 65 million people a year. Like INTERSPORT, they too are strongly rooted in their communities and committed to promoting empowerment, social justice and peace throughout health, employment, civic engagement and environment. Their program areas cover all 17 SDGs defined by the UN with the mission to empower young people in transforming the world for the better.

The YMCA has made and continues to make incredible contributions to the history of sports, offering sports programs to people of every social and economic background. It is all about bringing communities together, encouraging social interaction, bringing a sense of belonging and friendship alive. We believe that this mission perfectly creates a bond between our two companies, helping to improve the lives of young people by the means of sports and bringing communities together.

¹ GRI 413-1



While building sports pitches and implementing sports camps in Myanmar and Bangladesh in 2018, we focused on summer camps in the Netherlands and Sweden in 2019, for young people from disadvantaged backgrounds. In autumn 2020, we kicked off a new cooperation project in Greece for the YMCA Thessaloniki's Refugee Camp.

Today, Greece is home to over 80 thousand refugees and many of them are young people – including four thousand unaccompanied minors. They have risked their lives fleeing their countries and crossing the Aegean Sea to reach the shores of the Greek islands. Many of them have been stranded in the country and now live at hotspots in the Greek islands. Since 2015, YMCA Thessaloniki visits refugee camps regularly, providing food, clothes, toys and sports equipment. Hundreds of volunteers organise creative and sports activities for refugee children, mainly between 4-17 years old. The mix of ages, genders and nationalities ensures a great space for interaction and sharing practices and experiences.





YMCA Thessaloniki gives these children the chance to attend camps and make lasting, positive memories and friendships that will support them as they begin their new lives. Sports, team building activities, arts & crafts workshops are the key tools for success!

Unfortunately, due to the COVID-19 pandemic, YMCA's visits at the refugee hotspots were banned at the end of 2020 and canceled by the Greek Government's order until further notice.

All refugee programs will continue following the Government's instructions and protocols. Due to national lockdown, they partly continued virtually. We sincerely hope that YMCA Thessaloniki will be able to continue their programs for the benefit and happiness of the children at the camps.



SOS CHILDREN'S VILLAGE¹

In 2019, IIC started a new social partnership supporting the projects of SOS Children's Village in Switzerland, the world's largest NGO and which our German National Organisation has continued in 2020. The partnership aims to help children in need and young people without parental care, or at a risk of losing it. "There are 220 million children, or 1 in every 10 of the world's children, growing up alone, without a safe and caring environment or the provision of all they need to grow and develop in a healthy way," says Alain Kappeler, Managing Director of SOS Children's Villages Switzerland.

"The support of IIC is essential to helping more kids access our programs. From the energy of INTERSPORT volunteers, to the well-crafted events and

creative fundraising campaigns - we look forward to many more productive years of working together."

This year, INTERSPORT Germany donated to the SOS Children's Villages in cash and in-kind such as the "Skate@School" project which was carried out in two Villages. Additionally, the charity INTERSPORT CLUB RUN has also generated a total of €3,000 which has been donated for SOS Children's Villages. We are thankful to the INTERSPORT volunteers who have generously given their time to participate in these well-crafted events and creative fundraising campaigns and we look forward to many more productive years of working together.

¹ GRI 413-1



“For the love of sports: set goals and defy any doubts.”

Anja Blacha

NOT BAD FOR A GIRL¹



In light of the growing female empowerment movements all around the world, the German local team has decided to create a project called ‘NOT BAD FOR A GIRL’, spreading awareness on gender inequality, particularly focusing on the rise of feminism and its impact on everyday lives including sports. We are aware at INTERSPORT that female athletes and leaders are undeniably less visible and at times less supported, despite their incredible performances both on and off the field.

The ‘NOT BAD FOR A GIRL’ campaign features 29-year-old Anja Blacha from Bielefeld, Germany on her pioneering journey to Antarctica for Equality. INTERSPORT Germany has supported her on this unprecedented expedition, where she completed solo, unassisted and unsupported over 1,400km in 60 days to reach the South Pole. By documenting the whole journey, INTERSPORT Germany and Anja Blacha aspired to motivate other women to overcome obstacles and doubts, and show that sports should never be gender limited. Together with Anja, we have shown that women and men across the sporting sector can continue to help to challenge and change stereotypes everyday.



ENGAGÉS SPORT¹

Our French National Organisation has created the movement 'Committed to Sport' with the aim to support the development of sports locally. They wish to increase and engage with local communities towards better social diversity and have sports unify us all.

This campaign pushes primarily for more accessibility to sports, as they bring financial support to plans of feminisation of the French Football Federation and to the French Tennis Federation. As part of our Diversity and Equity values, we want to create more space for women in sports clubs and help them

¹ GRI 413-1

achieve their full potential. Secondly, the campaign fosters and promotes the unification that sports bring. Inclusion is achieved by offering sponsorships to athletes or through co-financing sports projects to individuals who have powerful sports aspirations. Finally, this promotes sustainability at the heart of sports, with local workshops that continuously promote sports and sustainability throughout their network. With more than 10'000 collaborators, INTERSPORT France wants to prove that with strong collaboration, we can shape a bright future and live better together.



TRASH RUNNING¹

As a sports organisation, we tend to connect with our consumers on a much deeper level than many other companies, because of our bond with the community. Our subsidiaries share our values and wish to go beyond general sustainability guidelines in order to have a long-term impact that helps their local communities.

Our Chinese's subsidiaries have traditionally been and remains to be a community-centred business. INTERSPORT Asia Pacific organise a monthly "Running For a Reason" Day, which empowers the community to give back to the world through

running. This includes activities such as Trash Runners, Trail Clean-up, Heart to Heart NGO running fundraiser, or Running with the blind community. Our INTERSPORT Asia Pacific team has the ambitious goal of having all locally consigned products to eventually be zero waste, fair trade, and/or have part of the profits donated. China is also very active in building and maintaining strong partnerships with local NGOs, such as ReLabs: an NGO dedicated to protecting the environment while supporting health and fitness, by organising sporting activities and bringing people together through impactful activities.

1 GRI 413-1

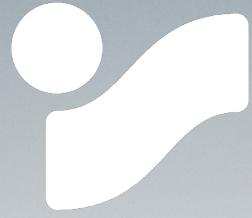
“We wish in the future to create a global campaign in the hearts of sports, inspired by local initiatives. We believe that together, we can be stronger and have the most impact.”

Steve Evers, CEO

WHERE WE CAN IMPROVE

With more than 5,100 associated retailers in around 44 countries, we have the opportunity to have a major impact on our local communities by connecting individuals at the heart of sports at the same time. This passion for sports is powerful and allows a deep connection with our communities. Therefore, we are aware of the impact that we could have, and only strive to do more and to do better every day.

We wish to continue our initiatives, but also go beyond and expand our social impact by creating new partnerships. We are very proud to see the positive impact our international network is having around the world, with amazing projects that they share with us. They all represent great examples of how every individual can and should contribute to the greater cause.



FUTURE OUTLOOK



THE JOURNEY AHEAD

In the middle of the current climate crisis, we take our role and responsibilities in the sporting goods and retail industry seriously.

In 2020, we have continued to invest in the necessary foundation to elevate sustainability to a key strategic pillar for the future. We have created more alliances, taken steps to verticalize our organisational structures, harnessed our close proximity with the local community, driven digitalisation across our business further and focused on our Exclusive Brands.

Whilst integrating sustainability into a strategy may be a complex journey, we perceive it as a long-term investment which enables us to be part of the solution, towards a more equitable, diverse and ecologically intact world.

Looking ahead, our biggest lever for sustainability is our Exclusive Brand business, therefore our future objectives include doubling/increasing the share of Exclusive Brands whilst decreasing their environmental and social footprint.

Next to product innovations and the use of more sustainable packaging, materials, and technologies, we aim at further leveraging the strong human potential we have as well as the creativity within IIC, in order to grow sustainable solutions organically within each and every team. The aim is not only to make socially and environmentally thinking the norm, but also reward it accordingly.

On an industry level, we aim to tie and inspire partnerships, engage in standardisation initiatives for sustainability, share and learn from best practice from within our network and outside of it, as we believe that this is a joint effort which does not stop at INTERSPORT's doorstep.

For 2021 and beyond, we envision thriving teams, towns and terrains at the heart of sport, for everyone, everywhere - which we commit working towards.

IN OUR PRODUCTS		AT IIC		IN SUPPLY CHAIN	
<input checked="" type="checkbox"/>	100% of IIC Exclusive Branded (EB) hardgoods products that contains a durable water repellent (DWR) should be PFC free.	∞	100% of electricity used in our offices comes from renewable sources.	<input checked="" type="checkbox"/>	All production facilities located in risk countries that produce IIC EB products should continue to be BSCI audited.
∞	All down used for IIC EB products should continue to be Responsible Down Standard (RDS) certified.	∞	Further improving gender equality, especially within key decision-making bodies and functions.		
2025	100% of IIC EB apparel and footware products that contains a durable water repellent (DWR) should be PFC free.	∞	Maintaining the diversity within IIC (gender, nationalities, ages, races, cultures, religions and backgrounds).		
2025	Membership of the Better Cotton Initiative.	∞	Further support IIC staff in volunteering and community commitments.	2025	Reduce the total number of facilities that produce IIC EBs by 25 %.
2025	Eliminate the use of PVC in hardgoods.	∞	Provide all IIC staff with opportunities for self-development.		
2025	Increase the use of waterless dying and recycled materials for IIC EB products.	∞	Continue to support organisations that use sport and activity as a catalyst to improving the lives of young people.		
2025	Reduce the amount of plastic used in the packaging of IIC EB products by 50%.	2025	Reduce the amount of waste sent to incineration by 25%.	2025	50% of IIC EB products turnover is to be produced in production facilities that have undergone an environmental assessment.
2025	Reduce the use of virgin plastic in IIC EB products by 30%.				



ANNEX



GLOBAL REPORTING INITIATIVE INDEX

GENERAL DISCLOSURE

GRI Standard	Number	GRI disclosure	Page
Organization Profile	102-1	Name of the organization	5
	102-2	Activities, brands, products and services	9
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	102-13	Membership of associations	11
Strategy	102-14	Statement from senior decision-maker	4
Governance	102-18	Governance structure	9, 18
	102-37	Stakeholders' involvement in remuneration	34
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GRI Standard	Number	GRI disclosure	Page
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	302-4	Reduction of energy consumption	52
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SOCIAL

GRI Standard	Number	GRI disclosure	Page
Employment	401-1	New employee hires and employee turnover	24
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	25
Occupational Health and Safety	403-1	Occupational health and safety management system	36
	403-5	Worker training on occupational health and safety	24
	403-7	Prevention and mitigation of occupational health and impacts directly linked by business relationship	36
Training and Education	404-1	Average hours of training per year per employee	24
	404-2	Programs for upgrading employee skills and transition assistance programs	23,25
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	25-26
	405-2	Ratio of basic salary and remuneration of women to men	25-26
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	25-26
Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	32
Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	55-61
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	29-31



METHODOLOGY

Reporting Period and Scope

The reporting period for extra-financial data is based on the calendar year (1 January to 31 December 2020). In cases where data refers to a reporting period different from the calendar year, this is specified in the body of the report. This report covers the extra-financial impacts of IIC – INTERSPORT International Corp. GmbH.

The N/Os and retail stores are separate legal entities and therefore out of the scope of this report. Whilst we do feature insights and highlights from selected N/Os, IIC does not claim the initiatives of the N/Os. In cases where national activities are mentioned, they are specified as such in the body of this report.

Exclusions

Building and office data from our subsidiaries since there is no data centrally collected yet. This is planned for the future reporting years.

Reporting framework

This report was created in accordance with the GRI Standards. Please refer to the GRI INDEX for further detail.

Methodological Limits of the Indicators

IIC is determined to further structure, institutionalize and improve the necessary processes and data collection methods that build the foundation of our sustainability reports. This is our third report and we are committed to our learning curve.

Environmental, social, and societal indicators can present methodological limitations caused by:

- Data availability and consistency
- Lack of harmonization of definitions, national/international legislation, and flawed local practices in collecting certain data
- Manual data entry in BSCI, BEPI platforms
- Extrapolating and estimating certain data in situations where actual data is not available

Process and Assurance

The structure of the report is based on the materiality assessment of material issues for IIC in the year 2020. The data presented was sourced from internal databases and the amfori BSCI platform for the social dimension and BEPI for the environmental dimension. In preparation for the report, numerous interviews were held with all relevant stakeholders within the organisation in Switzerland and the subsidiaries overseas, as well as two national organisations. The process was led by Afsah Alumia-Khan, Director of Sustainability & Compliance, and was supported by the CEO and a team of consultants. This report has not been externally audited.

THANK YOU

First and foremost, we would like to thank the IIC sustainability team for the great effort in creating this non-financial report: Afsah Alumia-Khan, Gustavo Meyer Suarez, Silke Kobel, Caroline Staub, as well as the contributors Elodie Champseix, Elisa Christin, Valentina Gregorcic, Vincent Ulisse Orlandini, and Zarah Lea Hausen.

Furthermore, we would like to thank all teams and colleagues in Bern and from our subsidiaries overseas involved in the process of creating this Sustainability Report for their contribution and efforts.

We welcome your views about our efforts to be a more sustainable company.

1 GRI 102-4,102-53

We strive to report in the most accurate, clear, and reliable way possible. To improve readability, registered trademarks as well as references to rounding, differences are omitted in this Sustainability Report.

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