

LETTER FROM CHAIRMAN AND CEO ED STACK

Our world has changed immensely since the publication of our 2018 Purpose Playbook. We are living through a global pandemic and confronting the harsh realities of racial injustice. Now, more than ever, it's important to take care of our teammates, our customers and the communities we serve. We are committed to managing our business in a way that reflects our values.

While the vast majority of the content in this year's report reviews our 2019 efforts — the progress we made and the commitments we are making toward a more sustainable future — I'd be remiss if I didn't speak to the recent events that have had a profound impact on our 40,000-plus teammates, our athletes and our country.

Our hearts go out to all those impacted by COVID-19 and the civil unrest taking place across America. Our communities are suffering, with far-reaching social, economic and health consequences — especially our communities of color, which have been disproportionately impacted by the COVID-19 pandemic and continue to face a culture of racial injustice. Black communities in particular have endured a series of tragic and senseless killings that have shined a spotlight on the deep rooted and long-standing racism that, sadly, still persists in America.

OUR COMMITMENTS

Zero Tolerance for Racism and Discrimination

Action: We have zero tolerance for acts of racism and discrimination. We clarified and strengthened our related policies, are working with our teammates, and are introducing new training and practices to address racism and discrimination.

Increased Representation and Transparency amongst our Teammates

Action: We will implement thoughtful recruiting practices and development programs that increase the diversity at all levels of our organization and publicly share relevant data specific to these efforts.

At DICK'S, we will be relentless in the pursuit of racial equity and are making public commitments to strengthen our zero-tolerance stance and supporting policies against acts of racism and discrimination so that every teammate, athlete and member of our community feels welcome and respected; and to increase diversity at all levels of our company. In 2020, we increased representation of people of color and women on the DICK'S board by seating three incredibly talented new directors: Larry Fitzgerald, Jr., Sandeep Mathrani, and Desiree Ralls-Morrison.

We've also taken a number of steps to provide support to our teammates and athletes to address the impacts from COVID-19, including increased in-store safety measures, hero pay in our stores and distribution centers, and donations to frontline workers and the CDC Foundation.

When the impacts of COVID-19 forced us to close nearly 800 stores and furlough more than 30,000 teammates in April, it was the worst day I've experienced at DICK'S. But it gave the teammates still working for the company a single-focused purpose to do everything in our power to bring back our colleagues and friends. Fortunately, we have returned our teammates from furlough, restored previously reduced salaries and implemented our merit increases and committed to a 2020 bonus program. All of us will continue to make the health and safety of our communities our top priority as we continue to navigate the pandemic and athletes are finding safe ways to return to the field, the court, and to the sports that they love.

We will always be passionate advocates for the positive role sports can have on people's lives — especially during these turbulent times. We bring this belief into the neighborhoods we serve by helping more than 200,000 youth in underserved, low-income communities and high-poverty schools gain confidence and build self-esteem through sports.

We also bring this advocacy mindset to our position on gun violence prevention. After the tragedy in Parkland, we removed all assault-style

rifles from our stores permanently and changed our policy to make sure we would not sell firearms to anyone under 21, among other safety commitments. We also promised the families impacted by the tragedy at Parkland that we would use our voice to keep the conversation going to drive policy change. In 2019, we continued to advocate for sensible gun reform. Unfortunately, we have not seen the progress nationally on this issue that our kids deserve, and we will keep supporting this issue in the future.

Lastly, we are pleased to share in this year's report our inaugural Corporate Social Responsibility (CSR) goals. These goals are the result of company-wide engagement and consultation with stakeholders across multiple industries. Our Inclusion & Diversity Council and CSR Council will direct our efforts to meet these goals, and we will share our progress in future reports.

Between our teammates and our athletes, we have the privilege of touching the lives of many Americans. With that opportunity comes great responsibility. We can't change the world by ourselves, but we know we have an important role to play in making it better. I want to thank all of our teammates for their commitment to our communities and to each other. Together, we will stand up for the things we know are right, even when it's hard — and we will continue to fuel the love of sports, for its amazing power to transcend the game and make a positive impact on society.



Sincerely,

A handwritten signature in dark ink, appearing to read 'Ed Stack', written over a light background.

Ed Stack

Chairman and CEO, DICK'S Sporting Goods