

XXL

ALL SPORTS UNITED

XXL ASA SUSTAINABILITY REPORT 2016



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XXL sustainability work

As a leader in the retail industry of sporting goods XXL recognize the moral commitment to help sustain the natural environment but also the opportunity to influence and set standards of excellence. XXL is a paradise for people with interests in sports, outdoors and wildlife and we should use the power of the brand to raise awareness and to lead the way in the industry on sustainability issues. The most important competitive advantage of XXL is the low cost position of the company and we believe there is a positive correlation between being a sustainable company and doing profitable business. Our business is based on trust and sustainability is a part of the core business practices of the Group. XXL is committed to operating in accordance with responsible, ethical and sound corporate and business principles and in compliance with the applicable laws and public regulations. We encourage all the employees in the Group and other stakeholders to join us in creating meaningful changes.



XXL Children's Foundation donated funds to "Projecto UERE" in the favela Maré in Rio Brazil in 2016

We work hard to integrate sustainability into many dimensions of our business and thereby enhancing the XXL brand. The Group's future growth is dependent on the public perception of the brand. XXL's ability to promote the brand and maintain reputation is critical to the Group's operations. XXL's reputation could be jeopardized if our customers (we call them our guests) believe we have failed to maintain high standards of product quality and integrity or if we have failed to maintain the reputation as price leader. Any events or negative allegations affecting the brand image or negative publicity about quality or integrity may reduce demand for the Group's products or services. In addition, failure to maintain high ethical, social and environmental standards for all of the Group's operations and activities could also jeopardize our reputation. Excellence in sustainability requires the collective effort of all the employees of the Group.

XXL is dependent on many third parties but we have a commitment to transparency and traceability throughout our supply chain. For all our suppliers and partners we have established a Supplier Code of Conduct on how we do ethical and sound business and what we expect of the cooperation. This is a crucial part in the selection process of suppliers and partners.

XXL has established several policies in relation to sustainability work. The Code of Conduct and Corporate Responsibility Guidelines serve as the foundation for the Group's sustainability work. All employees and the Group's management team are trained in the Code of Conduct and the Corporate Responsibility Guidelines. These procedures are adopted by the Board of Directors. The sustainability work is managed on a daily basis by the Investor Relations department. The executive management is addressing sustainability issues on a running basis and holds an annual review of the materiality analysis of the defined relevant aspects of the Group. The Board of Directors has the superior responsibility and the policies are evaluated and revised continuously. Every employee is responsible for adhering to XXL's principles for sustainability which are sent to all employees when they have been revised. The documents are stored on a common, centralized domain, accessible for all the employees, and are also a part of employment contracts. Different issues related to sustainability could be reported to the immediate superior or directly to the Investor Relations department. If detected early, XXL has a better chance of taking action. The Group has established an internal system for whistleblowers, and employees that become aware of irregularities and do not want to report them through normal channels can do so.

XXL works continuously to communicate what has been done and what remains to be done in respect to the sustainability work, and will give an annual review and report on these matters. Credibility is created over time and through transparency in our corporate responsibility work by reporting on our strengths and weaknesses.

XXL looks to the latest practice of the Global Reporting Initiative's (GRI) guidelines (G4) at the accordance level "Core". The latest section of this report shows our GRI Index rating. This is the Group's third sustainability reporting. Information and performance in this report have been selected based on the sustainability aspects deemed to be relevant to XXL's operations. All entities in XXL, as stated in the consolidated financial statements, are covered by this report.

The daily sustainability work is governed by the Investor Relations department with the following contact details:

Mr. Tolle Grøterud
Investor Relations and Business Development Director
XXL ASA
+47 24 08 40 00
ir@xlasa.com

Opportunities and risks

XXL believe that there is a positive correlation between being a sustainable company and doing profitable business. On the other hand if XXL do not meet the expectations of our stakeholders and our own goals, there is a risk that the brand and the position of the Group in the market will suffer. There is also a risk that cost efficiencies will be affected unless satisfactory measures are taken.

XXL will improve the market position by satisfying the demand from our guests with respect to product quality, transparency, human rights and healthy lifestyle products. The Group will make itself more cost-efficient by reducing the consumption of energy and materials in operations and recycle and reduce waste. In accordance with the Code of Conduct, sustainability issues are integrated into the Group's daily operations and contribute to greater focus inside the organization. XXL will constantly develop and improve its sustainability efforts, notably by pursuing issues such as climate change, energy efficiency, social responsibility in the value chain, product safety and healthy lifestyle, consumer protection and data security, and community involvement.

With our centralized business model and control over the value chain XXL is in a very good position to govern risks, to adapt to changes fast and most importantly the opportunity and advantage of choice. We choose the products, locations of the stores, logistics and transportation, partners and suppliers and we could affect them or even change them. We have our own system for waste management in our stores and central warehouses, to choose safe products, to inspect and monitor our transportation partners and way of transportation chosen and to look into the production process of our suppliers.

In a larger scope XXL is a part in the global symbiosis of trade and attention should be drawn towards climate change in general. Important areas for XXL are to look at areas where we can reduce energy consumption and to adapt to a society with more renewable energy sources. Temperature changes, drought, floods and rapidly changing weather conditions will affect everyone in society and more specifically for XXL affect our different sales seasons and trading patterns. Extreme weather conditions could affect accessibility of goods and limit the transportation. The decision to open up new stores could also be affected. On the other hand, increasing demand from guests for climate friendly and green products could also provide new business opportunities. XXL will further improve and take advantage of the growing market for electric bikes with a clear ambition of taking leadership in this respect.

Waste and energy reduction in each store is a further opportunity and a way to save money and be cost efficient. XXL has started a process of changing to more energy efficient solutions in all our Norwegian stores after commencing a detailed energy consumption mapping. The Group has a clear advantaged of benchmarking between stores, also across borders. XXL will now perform a similar

detailed energy consumption mapping of all the Swedish stores.

In a way to increase the funds to XXL Children's Foundation we will now start to take a fee from all sold shopping bags. All the profit from this activity will be transferred to the fund. By doing this we save the environment by focusing on reusing shopping bags and XXL Children's Foundation could increase their donations and activities.

Over the last couple of years XXL has developed a detailed environmental requirements framework for all our suppliers and partners to secure product safety and to assess the supplier value chain. This is governed from a centralized position inside the company and has always been developed with having other European markets on mind. XXL's sustainability framework is ready for Austria in 2017.

XXL manages potential risks of significant adverse environmental effects by integrating XXL's way of doing good business, the Code of Conduct, in the daily work and by working with established procedures and processes for environmental work. The Board of Directors supervises the daily management and the activities and risks of the company in general. XXL's risk management and internal control is an integral part of all daily business activities and are integrated in the business planning processes and corporate strategy. The day-to-day risk management is placed on the business segments and governed by the executive management team. The Board of Directors ensures that the CEO uses proper and effective management and control systems, including systems for risk management. The internal control systems encompass the company's corporate values, ethical guidelines and corporate social responsibility.

For more information about corporate governance and risk, please see the section Corporate Governance in the Annual Report.

Dialogue with our stakeholders

XXL has a strong financial position, a commitment to the environment and a solid social engagement, making the Group a sustainable company with focus on economic, environmental and social aspects. It is a long lasting, continuous, improvement process where we address our different stakeholders. This work rests on strong shared values and a belief that every stakeholder is equally important and by welcoming the opinions of many different groups XXL could excel and enhance its own business practices throughout the value chain and across the industry.

→Guests

Key concerns: Product safety, healthy lifestyle, working conditions in production, transparency, climate change, waste, suppliers and brands, charitable giving, privacy and data security

Activities to address these issues: Customer service in stores, online and through social media, information in marketing material and product guides, product labels and descriptions in stores and online, local adaptation and variation of the product range in the stores, information security policy and data protection and storage systems

→Shareholders and owners

Key concerns: Long term profitability, corporate governance, integrated and strategic sustainability work, monitoring of ethics in the value chain, anti-corruption

Activities to address these issues: Annual review by the Board of Directors of governance and sustainability, meetings with shareholders and sustainability analysts, participation on conferences, response to investor questionnaires on sustainability issues

→Employees

Key concerns: leadership, motivation and bonus schemes, working environment, opportunities for training and professional development, business ethics, waste management, energy efficiency, diversity

Activities to address these issues: performance reviews and appraisals, coaching, motivation training, extensive product testing, Code of Conduct and guidelines for business ethics, focus on energy reducing opportunities, annual sustainability report

→Suppliers

Key concerns: product safety, responsible sourcing, social responsibility, climate impact, anti-corruption, transportation

Activities to address these issues: Audits, frequently gathering feedback and new product reviews from store management and employees, reviews submitted from customers, agreements with all suppliers referring to compliance with sustainability laws, practices and XXL

Supplier Code of Conduct, always a crucial part in the discussions when selecting supplier, supplier contact from our centralized purchasing department

→Authorities

Key concerns: climate change, emissions, anti-corruption, labor practices, product safety, waste, public health, sector growth and contributions to the macro economy, privacy and data security

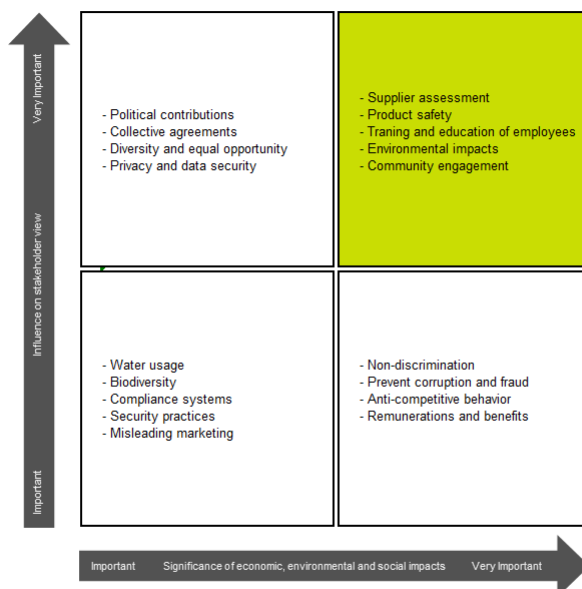
Activities to address these issues: Meetings with authorities and politicians, cooperation with governmental bodies like labor, environmental and welfare authorities, labor unions, responses to public enquires, supervisory inspections, participation in seminars and lectures, information security policy and data protection and storage systems

→Other organizations and media

Key issues: social responsibility, responsible marketing, climate change, product safety, waste, transportation and packaging, healthy lifestyle

Activities to address these issues: participation in product testing by third party, meetings with partners and other organizations, partnerships in networks and trade organizations, commitment to UN Global Compact, contributions to local and international society through charitable fund

Materiality report



Defining materiality

XXL's materiality analysis identifies the aspects that the executive management considers to be of greatest impact to the organization and of the greatest concern to stakeholders. The Group importance dimension was established in a workshop in the executive management of the company. This is evaluated yearly and also tested out on a selected group of employees holding positions in different parts of the organization. The concern of our stakeholders is an ongoing evaluation process where we collect inputs on a running basis, for example from surveys or through investor meetings and roadshows.

For the year 2016 we have lifted the privacy and data security to be very important for the stakeholders after feedback from several sources. This topic will be of key importance in the 2017 work as we further will develop our CRM-initiatives and the use of big data. The new EU regulation (2016/679) with regard to processing of personal data and the free movement of such data will be implemented during the year. XXL has recruited a CRM Manager with this responsibility.

By addressing the key issues of our stakeholders we ranked the different aspects of our sustainability work.

Our key aspects are:

- Environmental impacts with respect to transportation, waste and electricity consumption
- Assessment of our suppliers
- Training and education of our employees
- Product safety
- Community engagement

Identification of appropriate key performance indicators

According to GRI 4 we need to review one performance indicator for each material aspect we have identified. We will elaborate on this in separate sections for each aspect using the GRI Index (see the last section of the report for our full ranking of the GRI Index).

Management approach

The sustainability work reflects a growing interest amongst stakeholders towards the Group's social and environmental impacts. Risks and opportunities for the organization are systematically managed as described earlier. A brief summary of how we manage the sustainability work related to each material aspects will be discussed under the section for such relevant aspect. All entities in XXL, as stated in the consolidated financial statements, are subject to these aspects.

Environmental impacts from our operations

The environmental impacts from the operations of XXL spin around transportation of goods, waste management and use of electricity in our facilities. Our aim is always to reduce the energy need, to improve and to be efficient. We believe that reduced energy consumption goes hand in hand with profitability.

1. Transportation

We have outsourced the transportation of goods to third parties and they have their own ambitions and policies of sustainability and reductions of emissions. We monitor their work closely. Bring is the most important logistics partner to XXL. We have studied their 2015 annual sustainability report where Bring complies with the GRI 4 Core level. We appreciate the effort they are doing with respect to reducing the emissions of their vehicle fleet by focusing on eco-driving, alternative fuels, fill rates, optimizing the routes, continuously updating the fleet and collaborations with green partnerships. Throughout their vehicle float, 95 per cent or more are classified as Euro 5 or higher. Bring also has a high portion of the fleet running on RME, gas, electricity and HVO. They also use railway where possible. The Norwegian Post, owner of Bring, has a stated goal of reducing the CO₂ emissions with 40 per cent by 2020 compared to year 2008. As of 2015 they have reduced the level by 30 per cent.



XXL has established two central warehouses, one in Norway and one in Sweden, both placed strategically with respect to delivery routes, main roads, railways and airports. The use of central warehouses saves a lot of transportation by taking over transportation directly from suppliers to the stores. As a consequence fewer vehicles are on the road. In 2016 around 70% of the goods in Norway were delivered through the central warehouse. For Sweden and Finland the figure was around 75%. We have a centralized logistics department working on streamlining the transportation and distribution network in order to reduce the distances, optimizing loads, cargos and scheduling. The Norwegian Post has introduced climate-neutral services packs, meaning that products ordered from our online site will be sent by rail where possible else it will be compensated by purchases of climate quotas.

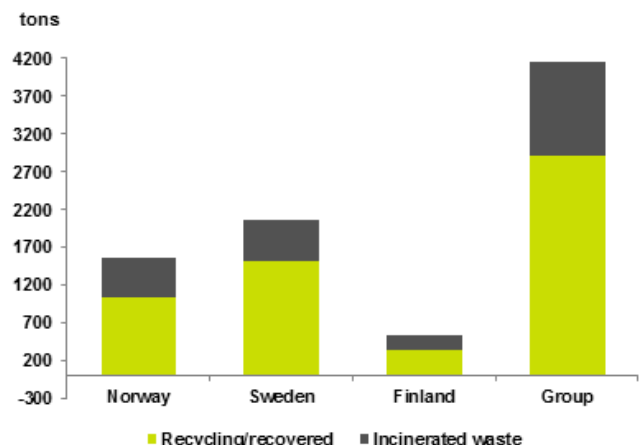
We will continue to work on more efficient logistic solutions and new technologies for transportation both saving the environment and costs.

2. Waste management



XXL aims to minimize waste and maintain high recycling rates in our warehouses and stores. There are in general two main waste components in the XXL chain, namely packaging (cardboards and paper) and combustible waste (wood and pallets mainly). The first is recovered and recycled in full, the second is categorized as incinerated waste. In total 67 per cent of the waste in the Group is categorized as packaging and 28 per cent is categorized as combustible waste. The rest comprises miscellaneous where plastic (recovered and recycled), electronics (stored) both is around 1 per cent of the total waste. XXL has also a very small amount of hazardous waste (declared and delivered to approved recycling facility).

The figures include all our locations and facilities, meaning all our stores, the two central warehouses and headquarter and office facilities.



For 2016 around 70 per cent of the total waste of the Group was recycled, an improvement of around 1 percentage point compared to 2015. Working to reduce waste is a matter to reduce both the environmental impact but also to save money. XXL support many local initiatives in the communities we operate in by donation of complaint and returned goods.

Electronic waste (EE labeled) could be delivered in our stores. We have recycling routines and sell used packaging and cardboards to specialist partners. In Norway XXL has a membership in Elretur (collecting electrical and electronic devices for recycling).

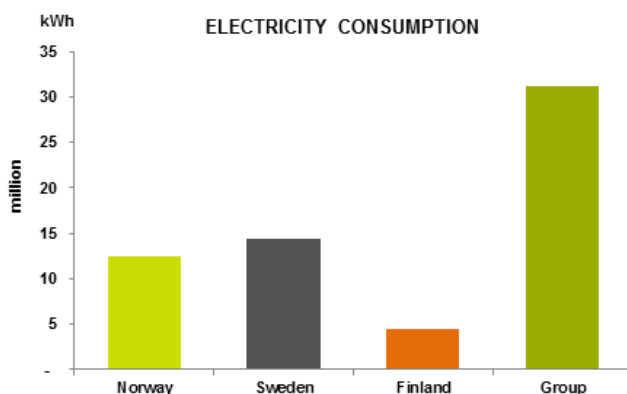
We will continue to work on reducing the amount of waste, focusing on increasing the recovery rates even further, and creating a recycling economy. One position is in place in Norway, Sweden and Finland to coordinate the local storage routines in all stores including working on new initiatives to reduce waste.

XXL is currently developing a new version of the store concept which will be ready to use for the first XXL stores in Austria. Included in this concept are new recycling stations for the customers and employees. XXL is also working on a new waste solution for all the service points, with enhanced focused on chemical treatments, a so-called five point collection station.

3. Electricity consumption

XXL has established a centralized electricity agreement with the third party company Hafslund for delivery of electricity to all our facilities in Norway and some in Sweden. They have their own stated sustainability ambitions and policies that we monitor closely. The energy production already has a high portion of renewable energy as it is primarily based on hydropower plants. Hafslund has a stated goal of increasing its production of renewable power even further. For other facilities not covered by the contract with Hafslund, the electricity is part of the rental agreement. More specifically for our central warehouse outside Oslo, we have a contract with Dalkia (Veolia) for heat delivery. The heat is generated using a wood chip fired boiler, i.e. "green" energy as a base using ineffective wood parts (branches, roots etc.).

The total electricity consumption for the year 2016 in the XXL Group splits as follows:



The figures above include all our locations and facilities, meaning all our stores, the two central warehouses and headquarter and office facilities. For those stores that are not part of the centralized electricity agreement we have made assumptions and calculations based on estimates from an average store.

In a way of further reducing the electricity consumptions we started a project in 2015 of changing the lighting in all our stores in Norway to more efficient solutions using LED-lights. We extended this process even further by entering an agreement with the Norwegian company Termoenergi Norge AS for mapping of energy conservations plan for our stores. This is deducted in close cooperation and support from the organization Enova and began in the spring 2016. XXL upgraded 4 stores in 2016. In a three years plan we will upgrade all our Norwegian stores accordingly based on initiatives such as installation of energy monitoring systems, change procedures and training of personnel, automatic control units for light control, upgrade to LED-lights, implementing operation centrals for heating, ventilation and fancoils and upgrading to heat pumps where not able to use teleheating networks. We expect significant energy consumption savings in upgraded stores over time. All new stores are built with upgraded standard.

For 2017 we will commence upgrading the Norwegian stores and conduct a similar mapping of energy conservation plans for all our stores in Sweden.



We are working with our land lords on constantly improving energy efficiency and environmental friendly solution. Increasing the number of charging stations outside our stores for guests with electric cars is an example of this. In both our central warehouses we have built robotic inventory storage and handling systems called Autostore. This is highly optimized and saves a lot with respect to use of internal trucking.

Every part of our operations impacts the environment. Environmental issues are integrated into day-to-day work in stores, logistics and offices. We are working on reducing the amount of business travel and encourage our employees to use alternatives like video conferencing. This is also a way to further reduce costs. Employees must specify the reason and purpose for each travel ordered via the online booking system at the travel agency for better control and monitoring. There is a major focus on improved energy efficiency and on minimizing waste throughout the

organization as it also saves costs. XXL is committed to minimizing its environmental impact and makes all reasonable efforts to reduce the use of resources such as energy, water and raw materials. Our key climate measure is to improve the energy efficiency of all parts of the organization.

According to GRI we are obliged to distribute our green house gas (GHG) emissions into three different scopes. As the Group do not produce any goods directly nor own any transportation, we do not have anything to disclose under Scope 1. GHG emissions, under Scope 2, energy indirect emissions, relate to outsourced transportation and electricity bought from third parties. Under Scope 3, other indirect GHG emissions, we disclose information on business travel.

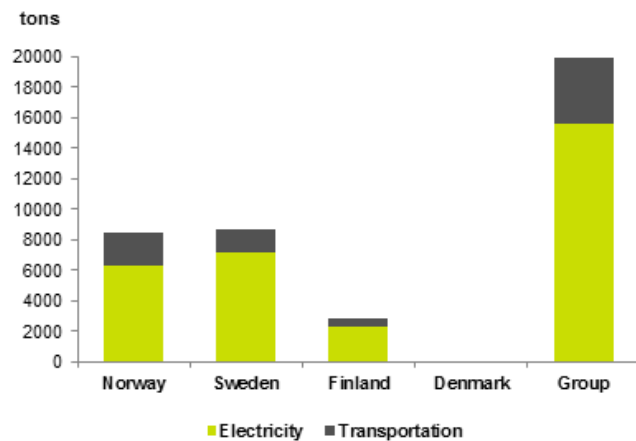
GHG emissions (CO₂ equivalents)

Scope 1

None

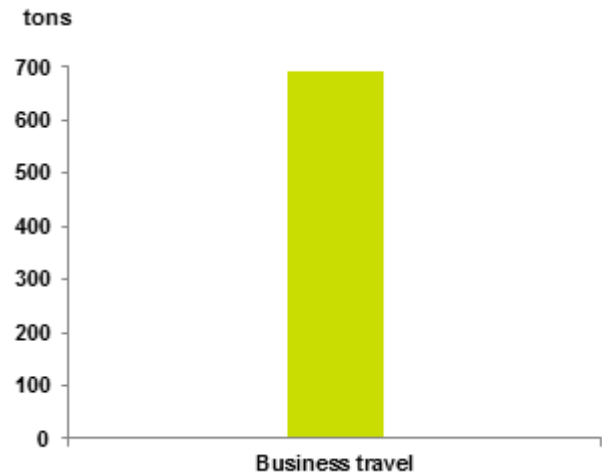
Scope 2

Electricity and transportation:



Scope 3

Business travel:



The figures above include all our locations and facilities, meaning all our stores, the two central warehouses and headquarter and office facilities. For those stores that are not part of the centralized electricity agreement we have made assumptions and calculations based on estimates from an average store. Transportation only includes our outsourced transportation between our central warehouses and our stores and not the transportation the suppliers commence directly to our stores. For business travel, only travels by air are included.

Supplier assessment

XXL supplies its stores and online offerings with brand name products as well as some private label products. In 2016, only around 7 per cent of XXL's total operating revenue was related to merchandise sold by XXL under private labels. XXL does not own or operate any manufacturing facilities to manufacture its private label merchandise. As a result, the Group is dependent on third party manufacturers delivering on quality standards and the Group's guidelines regarding good labor and manufacturing practices and compliance with applicable laws and regulations.

A significant portion of the Group's sports equipment and sports attire is manufactured in markets outside the countries where the Group has operations. XXL needs to be aware of where the products come from and under what conditions they were manufactured. XXL does not accept discrimination, child labor, infringement of the right to organize and collectively bargain, corruption or other failures to comply with human rights. This is clarified in the Group's Code of Conduct and in the Supplier Code of Conduct. XXL's requirements are based on the Universal Declaration of Human Rights, the Convention on the Rights of the Child, the base code of the Ethical Trading Initiative (ETI) and the International Labour Organization's core conventions.

The following ETI base code principles are undertaken:

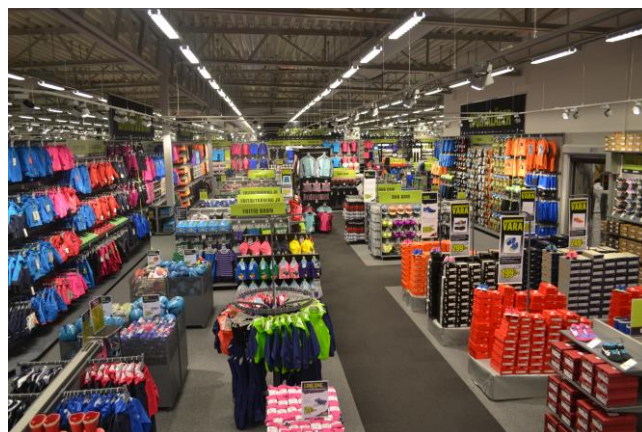
- Employment is freely chosen
- Freedom of association and the right for collective bargaining are respected
- Working conditions are safe and hygienic
- Child labor shall not be used
- Living wages are paid
- Working hours are not excessive
- No discrimination is practiced
- Regular employment is provided
- No harsh or inhuman treatment is allowed

We have further implemented some principles which suppliers should follow:

- Comply with national and international law
- Own production should not harm marginalized populations
- Environmental impact shall be considered throughout the value chain
- Discharge permits shall be obtained where required
- Hazardous substances and waste must be carefully managed
- Water usage should not be excessive
- Due consideration for animals welfare shall be ensured through the whole value chain
- Bribery, corruption and fraud, or attempts thereof, is prohibited

- Improper benefits or favors offered to any public official or any other third party is unacceptable
- Hospitality may be offered if there is a legitimate business purpose involved and the cost is kept at a reasonable level
- Hospitality or gifts shall not be offered or received in situations of bidding or negotiations
- Travel expenses for the individual representing XXL shall be paid for by XXL
- In general, gifts to XXL representatives shall be avoided. Gifts shall be of insignificant value
- Comply with competition regulations, and not be involved in illegal price cooperation or market sharing
- We will do our utmost to avoid buying from countries, industries or companies where there is broad international agreement to boycott. We expect our suppliers to implement a similar policy
- XXL deeply deplore shipping companies practicing the so called "*beaching method*" for ship breaking and strongly advice our forwarders and suppliers to use shipping companies with a responsible ship breaking policy.

Suppliers to XXL must work actively on their own internal environmental work, including an environmental policy, environmental goals and plans to reduce environmental impact from production and other activities. All our new supplier agreements have included the XXL Supplier Code of Conduct. In addition we commence a deep due diligence of all new suppliers with respect to environmental criteria, labor practices, human rights and their general impacts on the society in large. This also applies for all other partners we cooperate with and also when signing significant investment agreements or contracts.



XXL has established a framework of environmental requirement (XXL ER), containing requirements and other specifications for orders placed by XXL. The framework has two parts and is available for all suppliers online. The supplier should ensure compliance to laws, legislations and regulations, EC directives and guarantees that all products delivered to XXL comply with the requirements included in the XXL ER document. It is XXL responsibility to inform supplier, supplier responsibility to inform sub-supplier involved in the production chain, about requirements in the XXL ER and assure that they comply with it. All suppliers are obligated to perform necessary tests and ensure their product meet XXL ER, The tests should be performed at accredited laboratories at their own expense. Producers, importers and suppliers are responsible for collecting and distribute mandatory product information to downstream users. Deviations from the requirements results in products that can not arrive at the XXL warehouse until necessary documents and test results are approved by XXL in writing. XXL also reserve the right to cancel or claim orders if products or tests do not comply with the XXL ER.

All our buyers and purchaser are instructed to make an audit when visiting production facilities of our suppliers. Key parameters to look at constitute factory licenses and relative document check, production capacity and procedure check, product testing, child labor, pollution, worker protection and security check. In addition we cooperate with a local agent in China which also commence local audit of factories for us. In total around 90 such fabrics and site audits were commenced in 2016 without any major violations. If violations of the Supplier Code of Conduct are detected with a supplier a concrete plan will be established. The first time a supplier violates the contractual requirements, they generally get a second chance to correct the problem. We will not continue to work with them if a serious offence is repeated and we will then terminate the contract. Serious violations of the requirements will result in immediate termination of contract or quarantine for delivering goods to XXL.



XXL is working closely with a trusted partner, a Norwegian third party with long experience of building own brands and controlling the manufacturing chain. They further improved the control of production facilities by visiting the factories with 3 persons from the company. Before starting production every manufacturer need to pass an ethical audit which is performed by an independent third party audit company. This ethical audit is based on the ETI base code and is performed according to the SA8000 standard or Sedex (SMETA). The Code of Conduct is always discussed and the supplier and manufacturer have to sign it. Working conditions such as safety, chemical exposure and personal protective equipment in factory are always discussed as well. During the development phase, bulk samples are tested according to our partner's quality assurance standard. The requested tests depend on the type of product. Additional checks are done by conducting some physical and chemical tests in our partner's internal laboratory. The products are occupied with necessary documentation such as test reports, certificates and declarations where applicable and certificates of origin. We are allowed to inspect during production at any time either in person or by a third party inspection. Every shipment is inspected and the report is evaluated. AQL 2.5/4.0 major/minor general inspection level II forms the basis for the inspection. Defect products are removed and replaced. If the amount of defects exceeds the AQL major/minor limit the supplier and manufacturer are obligated to make additional internal control for all production before continuing. Inspections are then repeated frequently. In 2016 our partner arranged 146 pre-shipment inspections (PSI), representing a doubling compared to 2015. In total 131 inspections where performed using third party inspection companies and 15 where done by our partner's team in Europe. In 2016 we also started up with more during production inspections (DPI) as well. One case was discovered in 2016 regarding wrong labelling. Some time was given to the manufacturer to make additional internal controls, replace the goods with correct labeling before additional pre-shipment inspections were commenced. In 2017 we plan to increase and make more factory audits by us and our partner after a prepared check-list, making photos and reports and discussing improvement actions with the supplier. We will keep following the same rule that any order can't be shipped without pre-shipment inspection.

Around 200 supplier contracts, containing the most important suppliers, have the new agreements with reference to our ethical standards and Code of Conduct. We will continue to implement the new contracts with more suppliers in the coming period. We also have a clear ambition to increase the number of supplier inspections and audits.

XXL developed and implemented a new risk assessment scheme for all purchasers in the Group in 2016 including a specific registration form to be filled out by the purchaser when placing orders. We will continue working on routines and improvements related to this in 2017.

Training and education of employees

XXL has a unique and strong corporate culture with shared values and goals. Highly motivated employees is a must for the future success of the Group, XXL is all about our people. We believe that the recruitment, knowledge and training of our employees, and the consistency and quality of the service they deliver are key factors to the Group's success. XXL emphasizes deep product knowledge for store managers, sales managers and sales associates at both the hiring and training stages. XXL primarily recruits employees with considerable knowledge and interest in sports and/or outdoor activities and believes that the opportunity to specialize within an area of interest helps attract and keep the best employees, facilitating in-depth knowledge and expertise.

Each XXL store has a store manager who is responsible for efficient store operations, including recruitment and retention of store employees. Store managers are evaluated and incentivized based on variables within their control mainly sales and operating costs, but are also guided to increase customer satisfaction and employee retention, and not cost of goods sold, marketing expenses or other factors controlled by the Group administration.

Further, in addition to the store manager, each store has six sales managers, one for each of the product categories. The in-store sales managers are operational in the store and reports product information directly to the purchasing and marketing managers responsible for the same product category. All sales associates are connected to one of the product categories and have in-depth knowledge of the products in that category. The hunting product has a dedicated weapon manager, and the skis & bikes product category has a dedicated service manager.

On the E-commerce side, the operational set-up is very similar to a single store with category managers responsible for daily sales with in-depth knowledge of the products in that category. The incentive scheme is also the same as for a store and they should also report back to the purchasing and marketing managers as well.

We believe we have established a strong, performance based culture throughout the organization. The core values and objective of the culture revolve around customer satisfaction and cost consciousness and thereby maximization of the Group's profits. Competent and motivated employees are crucial to maximizing satisfaction for our guests.

All of XXL's store managers, sales managers and sales associates undergo focused training in sales and in the XXL culture, as well as specialized product instruction. This training continues throughout the career. Upon hiring, fulltime store employees participate in a training course at Camp XXL where members of the executive management are present. The key subjects are corporate culture, product knowledge, environmental and sustainability focus, sales training and business objectives. We have built our own

training facility called Camp XXL in the Norwegian forest of Finnskogen, perfect for team building and product testing. The Camp is in use for training of employees all year long. In 2016 we introduced some new training programs for employees starting to work at well established stores as well. All XXL employees should go to Camp XXL for training.



Different training and motivation courses have been established for all employees, focusing on sales principles, respect for our guests and corporate values. We have a talent program for employees with excellent skills and leadership abilities with the aim of creating new store managers. If you deliver results in XXL you will always excel internally in the Group. The course focuses on self assessment, self confidence, leadership and communication, business, environmental, sustainability and ethical values. So far around 100 have graduated the talent program. Each year 36 new employees are enrolled and we involved Finnish employees for the first time in 2016. Now Norway, Sweden and Finland select 12 employees each per year to participate in the program. As of today 21 of our 31 store managers in Norway are internal recruitments, in Sweden 13 of the 22 store managers (including internal recruitment to the outlet store located at the Norwegian border).

Benchmarking is widely used, both within the Group and compared to our competitors, as a tool for motivating employees. XXL stimulates internal competition through measuring and publishing sales statistics. The competitive element is further strengthened through different performance based incentive systems to generate increased sales and profitability. For example, all permanent store employees working at least 40 hours per month may obtain a bonus based on the achievement of the department they work in, or for warehouse workers and cashiers, a bonus based on the overall results. To further motivate the fighting spirit, we have introduced motivation training. This is directed towards our best sales employees, to motivate and build a strong sales culture, passion for XXL and with focus on our core values. Each year 120 employees are part of the program, divided into

three groups of 40 each. In 2016 we doubled the number of participants by increasing with one additional group and more participants per group.

In 2016 XXL established a new leadership training program for our Sales Leaders, with two courses of 30 participants each per year. This proved very popular and we intend to increase it by at least one more enrollment for 2017.

All employees in XXL have an individual evaluation with their superior once a year, focusing on performance, results, improvements and promotions. The evaluations go both ways. We support employees that stand out, excel and facilitate the opportunity to have a career in XXL. The examples are numerous, from sales associates, to sales managers or store managers, or taking a position in centralized support functions like the purchasing department. On the other hand, XXL also assist employees in managing career endings, offering alternatives internally or in some cases using an external partner to assist in personal career development and plans.

The Group has established several policies related to its sustainability work, including the Code of Conduct focusing on human rights and an anti-corruption manual. The Code of Conduct applies to all employees and members of the Board of Directors and provides a framework for what XXL considers to be responsible conduct and defines the individual responsibilities through a combination of broad principles and specific requirements. Failure to comply with this code results in disciplinary action. Managers will through their actions demonstrate the importance of compliance. Leading by example is critical. The Code of Conduct, the anti-corruption manual and human rights procedures are natural themes on all our store managers meetings. We also present this theme on gatherings for sales leaders to further spread the importance of complying with the code.

The operations of XXL are based on the following nine fundamental core values:

- Focus on results
- Enthusiasm
- Hard work
- Quality
- Punctuality
- Sobriety
- Justice
- Openness
- Helpfulness

The nine core values are the guideline for XXL employees both in strategic and long term decisions as in the daily work and relationship with guests, business partners and colleagues. In general all employees and members of the Board of Directors shall comply with public laws and internal requirements, act in the best interest of XXL and with integrity in their activities for XXL. We strive to promote an open corporate culture that fosters interaction and is based on the core values.

The following principles are important parts of our policies:

- Respect for human and labor rights as described in international conventions. XXL is committed to respecting fundamental human and labor rights both in our own and internal business and in our relations with business partners, suppliers, guests and others who are directly affected by the company's activities. We work systematically with important issues as non-discrimination, the right to privacy, the right to negotiate, employment contracts, protection against harassment and management-employee collaboration.
- XXL will strive to achieve a vision of zero harm to people, the environment and society and work purposefully and systematically to reduce the environmental impact. The Group's products and services will always be subject to strict requirements in terms of quality, product safety, sustainability work, animal welfare and impacts on personal health and the environment.
- We do not tolerate any form of bribery or corruption and expects store managers and procurement officers to promote a strong anti-corruption culture in their department. We have implemented separate guidelines concerning gifts and events and a policy on Anti-Corruption.
- Our marketing and advertising materials will be accurate, truthful and in compliance with applicable laws. XXL does not tolerate any agreement on price fixing, market sharing or other activities that limit free competition.
- XXL promote good work and standards in our value chains. We have implemented a Supplier Code of Conduct with standards and expectations to this matter.
- Money laundering is not tolerated by XXL and should an employee observe activities which may indicate that money laundering is, or has been, taking place in connection to our activities, the employee should without delay report the concern to the manager. The same rules apply to arrangements with the intent to speculate in no-detection of illegal or disloyal avoidance of taxes, customs or other duties.
- Every employee is encouraged and has the right to report on possible censurable incidents. Notification is beneficiary because it offers an opportunity to implement corrective action. A colleague willing to make a report is an important resource to the company.

XXL is a large youth employer. In the local communities we cooperate with local schools and universities to recruit for part-time positions. In Norway we cooperate with the Norwegian Labour and Welfare Administration (NAV), and in Sweden with the local employment offices (Arbetsformedlingen) where we have stores, on recruitment of new, enthusiastic employees. We have introduced a project where we offer internship for those who are on

rehabilitation, public insurance schemes or other unemployment arrangements. The internship contract is temporary but with a clear ambition of a permanent employment contract. In 2015 we introduced this system to all our stores in Norway. In total 250 persons were enrolled on this facilitated employment scheme in 2016 and around 100 ended up with an employment contract. This year the Minister of Labour and Social Affairs, Mrs. Anniken Hauglie, visited one of our stores in Oslo, embracing this system.



XXL Store Manager in Sandvika, Mr. Karl Löfqvist, was awarded the most generous leader by NAV in the Norwegian region of Asker and Bærum. Director in NAV Mrs. Inger Anne Spielberg commented "We need leaders like you, who provide opportunities and knows that motivation and skills are more important than health challenges. You inspire others to get more people to work". XXL is very proud of leaders like Karl.



In 2016 XXL introduced Facebook Workplace as the new intranet of the Group, as one of the first companies in the World and as the first international sports retailer. This interactive solution enables the whole organization to be very interactive and responsive. All employees could raise questions, participate in discussions and share their views and learnings. Benchmarking activities and local sales competitions between departments are frequently commenced. Overall the solution is very well received and most of all it saves a lot of time. In 2016 XXL was chosen across the world among thousands of companies as one of twenty recipients of Facebook Workplaces's Inspiring Company recognition.



Going forward we will focus on implementation and education to raise awareness and understanding of our sustainability work. Risks should be responded to with the adaptation and implementation of local requirements to ensure that such risks are managed according to our ethical standards. We will revise our policies when needed and always respond quickly to concerns raised by our employees with the ambition to improve.

Product safety

As a sport retail store, XXL operates in an industry that is subject to consumer protection laws and regulations that affect XXL's organization and day-to-day operations. Laws and regulations applicable to XXL include, amongst other, consumer purchase, marketing, consumer product safety, chemical and labeling regulation, e-commerce and electronic communication.

XXL is subject to the Norwegian Consumer Product Safety Act of 11 June 1976 no. 79 and similar legislation in the other countries where the Group operates. The act empowers the Ministry of Environment to protect consumers from hazardous sporting goods and other articles that are found to be hazardous, in particular with respect to children's products. The Ministry of Environment has the authority to exclude from the market certain consumer products that are found to be hazardous. Similar laws exist throughout EU. The act and related legislation also apply to product labeling, licensing requirements, flammability testing, recall of merchandise and product safety particularly.

We have identified some separate subgroups for the product safety aspect for which health and safety play an important part. The first is the sale of firearms. Direct sale of firearms, guns and weapons stands for below 1 per cent of the total revenue contribution in the Group. The second subgroup is related to chemicals in products in general and is related to all product categories. This also concern treated articles related to biocidal product regulation. The third subgroup is related to food, nutrition and health care products and amounts to around 2 per cent of total revenue of the Group. The fourth subgroup is related to animal welfare. The fifth subgroup is about personal protective equipment concerning various products related to personal protection such as life jackets, hearing protection, avalanche equipment, helmets and reflective items.

1. Firearms

Specifically for XXL, there are laws, regulations and restrictions concerning sale of weapons, firearms and ammunition, as well as fireworks, including the requirement to have applicable licenses and specific requirements regarding the import, sale, storage and handling of such products.

The laws and regulations regarding firearms are highly uniform in Norway, Sweden and Finland. In Norway, the sale of weapons, as well as parts and ammunition for weapons, is governed by the Norwegian Firearms Act of 9 September 1961 no. 1. Among other requirements, XXL is required to have individual licenses to sell firearms for all stores in which firearms and ammunitions are sold. The individual licenses are approved by the local police department. The Group's applications for licenses in Norway are made by XXL Sport & Villmark AS with the Chairman Øivind Tidemandsen being registered as the individual responsible person. A six-month grace period, in

which weapons may be sold, may be granted by the authorities in the event that the responsible person resigns. Each store in Sweden and Finland is also required to obtain licenses in order to sell firearms and ammunition. Such licenses must be held by XXL Sport & Vildmark AB in Sweden and XXL Sports & Outdoor OY in Finland. In both Sweden and Finland, it is necessary to appoint persons in charge of the firearms trade for each store who is approved by the police authority. Moreover, in Sweden, an aptitude assessment of the persons with controlling influence over the legal entity, XXL Sport & Vildmark AB, must be conducted.

In addition to the license requirements, the relevant legislation in the three countries provides for regulations relating to the stores, including specific requirements for the persons responsible for the firearms sale in-store, storage of weapons and ammunition, use of alarm system and other requirements to prevent theft, fires and explosions. As XXL imports firearms and ammunitions, the Norwegian Firearms Act requires an approval for each planned shipment of imported firearms to Norway. In Sweden and Finland, a general permission to import firearms and ammunition may be given to XXL. This general permission applies to the kind of firearms and ammunition which XXL is allowed to sell according to its license, with an exception in Sweden for automatic firearms which must be approved separately.

Our profile is directed towards outdoor life, wilderness and hunting. We do not have any handheld weapons, guns or revolvers, military weapons or equipment for practical shooting in our assortment. We are monitoring the sale and storage of weapons, ammunitions and fireworks closely. Each quarter we are reporting the inventory of weapons to the police authority with a list of sold weapons as well. We have implemented the same reports in Sweden and Finland, although not necessary to report to the authorities. To be able to purchase a licensed weapon or weapon parts from us each guest is forced to have an approval from the police authority. We are also doing our own considerations and assessments of suitability in each case.

We will continue building our close relationship with the authorities and follow legislations and changes closely. We acknowledge our position as a distributor of weapons, taking our responsibility very seriously and working on continuous improvements in our routines.

2. Chemicals

XXL works actively to limit the use of chemicals in our products that could be harmful to humans and the environment. If it is suspected a product sold by XXL has serious violations of laws, regulations or requirements concerning health, safety, environmental or labeling aspects, XXL has implemented routines for taking the product off the shelves and if required distribute a release on our website and in our stores concerning a recall. A

recall is always followed up with the supplier through a documented feedback on the measures the supplier has taken to prevent any reoccurrence. Authorities in all the Nordic markets are conducting product testing on a rolling basis.

XXL has developed a chemical list that provides the list of substances that are restricted, banned or allowed below a certain limit (XXL ER Chemical list). XXL ER Chemical list in general follows the REACH regulation (Annex XIV, XVII and the so called candidate list (SVHC)) and national regulations such as the Norwegian Product Regulation. XXL ER Chemical list is updated regularly and serves as an important tool for all our suppliers.

In XXL ER Legislation we include all relevant and updated regulatory requirements, backgrounds and legislations such as REACH regulations, GHS (Global Harmonized System of Classification and Labelling of Chemicals) and national regulations such as the Norwegian Product Control Act.

In addition the XXL Labeling Requirements (XXL LR) has been implemented with an overview of EU and local requirements for labeling. The general labeling requirements are valid for all products, but some categories have additional mandatory information to be presented on the label or the product. Further, Declaration of Conformity (DoC) is required for some categories and DoC should be provided to XXL. In general the XXL LR serves a guide for suppliers on correct labeling of products to be sold in markets where XXL operates.

In May 2016 the Swedish Chemicals Agency (KEMI) conducted an inspection at XXL. There was discovered lead in a circuit card in a flash light. XXL has withdrawn the flash light from the market and destroyed the remaining products as hazardous waste.

In September 2016 the Norwegian Environmental Agency conducted an inspection at XXL. There was discovered phthalate (DEHP) above acceptable limits in some gloves. XXL immediately recalled all products, released a statement both in stores and online regarding the recall and saying all gloves to be returned to XXL and stopped selling the product both in the stores and online. The supplier destroyed all gloves by declaring as hazardous waste.

For 2016 we further strengthened the internal control and testing procedures. We now commence an internal audit on each product category at least twice a year by splitting all into sub groups to cover all aspects of product safety. Test results are shared with the supplier in question and corrective actions are secured when elements of non-compliance are discovered. We also use third party acknowledged laboratories for such product testing. In general most of the non-compliance deviations spin around minor elements such as product numbering and importer information and contact details. In total above 50 tests were fulfilled with overall good test results, but revealed 8 products that needed immediate actions. They were recalled and not sold before everything was in-compliance with the XXL-ER framework.

XXL has also in 2016 implemented a new online chemical database for storing, reviewing and updating material safety data sheets. The system also in use for XXL risk assessment for chemical products.

We will continue strengthening the internal audit system going forward by implementing new checklists and automatic risk assessments tools. Overall we will have a systematic approach, testing on a running basis, from different brands and segments and with the use of external, independent recourses.

From 2020 a new EU legislation on the use of fluorides will be in place. XXL want to be in forefront of this implementation by avoid using fluorides already now. As a first step we will stop using fluorides with PFOA or associated PFOA substances (such as C8 chemistry) in all our service stations in stores and central warehouses. By doing so we also further strengthen some HSE measures for our employees. We even believe that we can influence our suppliers to accelerate the process of developing new innovative and environmental friendly alternatives.

3. Healthcare products, nutrition & food contact materials

XXL require that suppliers of hygiene products are certified by BRC Global Standard Consumer Products (BRC CP) or an equivalent standard. We also require relevant documentation from suppliers concerning doping and legal ingredients as well as documentation from local FDA (eg. Norwegian Food Safety Authority). We follow the instructions from local FDA in the case of a recall of products. XXL has a routine for taking products out of stock when passed its expiration date and recalls all products with damaged packaging.

Ingredients, nutritional information and other properties are detailed in product specifications. XXL require that product labeling is done in local language and is according to local standards and regulations. In addition we have extensive product information online.

XXL has established the XXL In-house Documentation System and Good Manufacturing Practice for food contact materials (XXL GMP FCM). This is developed to ensure the best possible protection of human health by management of substances and their migration into food products and maintain a high standard of customer satisfaction.

XXL has commenced several internal audits on products concerning healthcare products, nutrition and food contact materials in 2016. Only minor deviations were revealed and we implemented the necessary corrections and required future actions.

4. Animal Welfare

In 2016 XXL developed and implemented the XXL Animal Welfare policy (XXL AW) to ensure, control and trace that animal-derived materials in products subject to sustainable production and slaughtered in a humane way. We aims that XXL customers can get the look of fur, leather, suede, wool

or down and feather without any harm to animals and maintain a high standard of customer satisfaction.

In short XXL only accept products that are a by-product of the meat industry or humane hunting procedures and comes from farms or productions with good animal husbandry (that ensure the so-called "five freedoms" directive 98/58/EC). We are against any form of live boiling, skinning, plucking or mulesing and the use of endangered animals (as defined by CITES or IUCN). All our down and feathers must be sterilized as per the EU standard EN 12935 and we may require documents for audit purposes.

XXL AW applies for all orders placed by XXL and suppliers should ensure compliance to laws, regulations and legislations, EC directives and guarantees that all products delivered to XXL comply with the requirements. XXL could cancel or claim orders, or take other actions, if deviations from this policy are discovered.

5. Personal Protective Equipment (PPE)

XXL has in 2016 intensified the internal control of personal protective equipment to ensure that products comply with the Personal Protective Equipment Directive 89/686/EEC. Personal Protective Equipment commonly referred to as "PPE" is equipment worn to minimize exposure to hazards that cause injuries and exposure of hazardous substances.

These injuries and exposures may result from contact with chemical, radiological, physical, electrical, mechanical, or other hazards such as risk related to action sport, visibility in the dark or usage of weapons. Personal protective equipment may include items such as helmets, eyewear and gloves, earplugs or hearing protection, life jackets, reflective items, or avalanche equipment.

XXL require EC Declaration of conformity to control CE marking for all PPE products and EC Type Examination certificates to control required certification, tests and quality assurance for class 2 & 3 PPE products.

In 2016 national authorities performed several controls of personal protective equipment. The Norwegian Directorate for Civil Protection and Emergency Planning performed a control of life jackets. Two products from XXL had deviations from the requirements. The deviations in terms of lack of proper language and changes in relation to EN ISO 12402-3 functional requirements that were discovered have been corrected and the deviation closed.

XXL has implemented PPE in Internal Control System (XXL ICS) and in buying routines. New regulations for PPE will be implemented from 2018, and XXL will make adaptations to XXL ICS to meet prospect changes.



Community engagement

1. Charitable giving - XXL Children's Foundation

XXL Children's Foundation was established in 2013 with funds from XXL operations. It serves as an open and flexible charitable fund primarily for the benefit of less advantaged children in developing countries. Donations focus on:

- education in lower school levels by participating in building new schools, in particular in respect of sports grounds and safe play at schools
- charitable orphanages
- children's participation in sports activities
- the event of extreme disasters, such as natural disasters and war situations

In May 2016 XXL Children's Foundation donated USD 125 000 to "Projecto UERE" helping children in the favela of Maré in Rio, Brazil. The founder of UERE is Yvonne Bezerra de Mello who has devoted her life to help and take care of children living on the streets. They used the funds from XXL Children's Foundation to food and medication deliveries, school supplies and books and were also able to employ another four new teachers.



Soccer is the heart and soul of Brazil and the dream of all children living in Rio. Some of the funds were also used to support and operate the UERE soccer team. The donations were handed over by the Brazilian soccer player Ronaldinho along with sport equipment and team jerseys. He spent the day playing with the kids together with the world famous skateboarder Adil Dyani.

XXL will in 2017 start to take a fee for shopping bags. All the profits from this activity will be transferred to XXL Children's Foundation in way to increase the funds. By doing this we will save the environment by focusing on

reusing shopping bags and XXL Children's Foundation could increase their donations and activities.



2. Healthy lifestyle

We believe that increased focus on health and wellness is a key trend. Western countries have over a period of time experienced parts of the population becoming more sedentary and problems related to overweight and obesity have become more prevalent. Governments, public health authorities and traditional media have increased focus on personal activity and health benefits, promoting sports and physical activity and many consumers become more aware of the need for participating in such activities.

The Nordic populations have in general always been perceived as physically active and different statistics underpin that inhabitants are active in a diverse range of sporting activities and physical exercises. Athletics are part of Nordic everyday life and we have observed as a clear trend among our guests to identify themselves with an active lifestyle. We strongly promote this, in nature of being a candy store of sporting goods, with our products, concepts, services and low prices.

The Nordic region has in recent years experienced a sharp popularity increase of larger sports competitions within endurance based outdoor activities. We host different events and discounted sales in relations to such

competitions resulting in a broader share of the population becoming interested in sports. Technology is also becoming more important in the sports industry and we promote both sports watches and heart rate monitors.

In Sweden we cooperated with the charity organization Pink Ribbon, focusing on breast cancer by donating some of the sale of branded training products to their campaign and by promotions in our stores.

XXL is working every day to encourage healthy lifestyle and physical activity. We intend to inspire children and young people to participate in sports, play and be members of sporting teams and to adapt at an early stage a healthier lifestyle.

3. Dialogue partners

XXL wants to be visible in the community we operate and great consideration is given to the local environment when new stores are opened. XXL cooperates with many different organizations and networks, both general and more specific for the industry. Maintaining a continuous dialogue with guests and authorities, trade organizations, sport teams and other interest groups is an important part of XXL's sustainability work and enables us to improve the way we work.

Economic, environmental and social charters or initiatives the Group endorses include:

- UN Global Compact – commitment to aligning our operations and strategies to 10 universally accepted principles in the areas of human rights, labour, environment and anti-corruption
- UN Convention on Human Rights – our operations always comply with the Human Rights
- Ethical Trading Initiative – ensuring that our brands and suppliers take responsibility for improving the working conditions of the people who make the products they sell. The base code principles are implemented in XXL's Code of Conduct for Suppliers.
- International Labour Organization – commitment to operate according to international labor standards.
- Foreign Trade Association – monitor and comply with recommendations from this leading business association of European and International commerce that promotes the values of free trade.
- Business Social Compliance Initiative – monitor and comply with recommendations of this European platform for companies to improve working conditions at consumer goods suppliers in high-risk countries.

Membership of industry associations includes

- Sportsbransjen AS – participation in the interest organization for the sporting goods industry in Norway, promoting sports, outdoors and healthy lifestyle in Norway and dialogue in such matters towards the society and authorities in general. Owner through Sportskjedene AS, ownership structure of the major sport chains in Norway for the shareholding in Sportsbransjen AS. COO, Anders Fjeld, is currently a member of the Board of Sportsbransjen AS.

4. Customer satisfaction

XXL win prices on customer service and support and was in 2016 in Norway voted number one customer friendly sports retail chain rated by consumers (Norsk Kundebarmeter). This is achieved by all the dedicated, skilled and motivated employees throughout the organization bringing passion to work everyday.

In March 2016 XXL won several price tests against the main competitor G-Sport/G-Max. These tests were broadcasted by the national TV station TV2 in Norway and concluded that XXL was 11-19 per cent cheaper. XXL is pleased with this achievement of delivering on the price promise at all times.

In March 2016 the XXL store in Linköping, Sweden was awarded the chain store of the year at Handelsgalan proving the XXL concept of high degree of service from enthusiastic, hard working and educated employees.

In June 2016 XXL was nominated best in class in the sport retail industry by Råd och Rön in Sweden on sustainability issues (eight major sports retailers tested). The test was deducted in cooperation with International Consumer Research and Testing (ICRT) showing that XXL was best on European level as well.

In September 2016 the consumer research agency Opinion disclosed the results of an extensive test of the whole sports industry in Norway (called Aktiv Livsstil 2016-2017). The report concluded that XXL is the most preferred retailer among top athletes in Norway, showing that the XXL concept is strong in all market segments. XXL is impressed by the work of all employees in the Norwegian operations enhancing the XXL brand and customer experience.

In September 2016 XXL was nominated best in customer service in the sport retail industry in Sweden by market.se. This is another good achievement by all the employees in the Swedish organization serving satisfied customers every day.

GRI Index

XXL ASA looks to the latest practice of the Global Reporting Initiative's (GRI) guidelines (G4). It describes sustainability issues of interest to our stakeholders and also covers the significant principles in the UN Global Compact. Below is an illustrative index based on GRI G4 for XXL ASA:

General Standard Disclosures		External Assurance
STRATEGY AND ANALYSIS		
G4-1	Statement from the most senior decision-maker about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Annual Report CEO comment
ORGANIZATIONAL PROFILE		
G4-3	Report the name of the organization	Annual Report Board of Director's report
G4-4	Report the primary brands, products and services	Annual Report About XXL ASA Products Services
G4-5	Report the location of the organization's headquarters	Annual Report Board of Director's report
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report	Annual Report About XXL ASA Markets
G4-7	Report the nature of ownership and legal form	Annual Report Notes
G4-8	Report the markets served (including geographical breakdown, sectors served, and types of customers and beneficiaries)	Annual Report About XXL ASA Markets
G4-9	Report the scale of the organization, including - Total number of employees - Total number of operations - Net revenue - Total capitalization broken down in terms of debt and equity - Quantity of products or services provided	Annual Report Notes
G4-10	a. Report the total number of employees by employment contract or gender b. Report the total number of permanent employees by the employment type or gender c. Report the total workforce by employees and supervised workers and by gender d. Report the total workforce by region and gender e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees and supervised workers, including employees and supervised employees of contractors f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries)	Annual Report Notes
G4-11	Report the percentage of total employees covered by collective bargaining agreements	Collective bargain agreement in Sweden and central warehouse Norway.
G4-12	Describe the organization's supply chain	Annual Report About XXL ASA Value Chain
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: - Changes in the location of, or changes in, operations, including facility openings, closings, and expansions - Changes in the share capital structure and other capital formation, maintenance, and alteration operations - Changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination	Annual Report Store locations Board of Director's report Notes
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Sustainability Report Risks and opportunities in sustainability work
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Sustainability Report Community engagement Dialogue partners
G4-16	List membership of associations (such as industry associations) and national or international advocacy organizations in which the organization - Holds a position on the governance body - Participates in projects or committees - Provides substantive funding beyond routine membership dues - Views membership as strategic	Sustainability Report Community engagement Dialogue partners

IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report	Sustainability Report XXL sustainability work
G4-18	a. Explain the process of defining the report content and Aspect Boundaries b. Explain how the organization has implemented the Reporting Principles for Defining Report Content	Sustainability Report Materiality report
G4-19	List all the material aspects identified in the process of defining report content	Sustainability Report Materiality report
G4-20	For each material aspect, report the aspect boundary within the organization	Sustainability Report Materiality report
G4-21	For each material aspect, report the aspect boundary outside the organization	Sustainability Report Materiality report

STAKEHOLDER ENGAGEMENT

G4-24	Provide a list of stakeholder groups engaged by the organization	Sustainability Report Dialogue with our stakeholders
G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Sustainability Report Dialogue with our stakeholders
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process	Sustainability Report Dialogue with our stakeholders
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns	Sustainability Report Dialogue with our stakeholders

REPORT PROFILE

G4-28	Reporting period (such as fiscal or calendar year) for information provided	Sustainability Report XXL sustainability work
G4-29	Date of most recent previous report (if any)	Sustainability Report 2015
G4-30	Reporting cycle (such as annual, biennial)	Sustainability Report XXL sustainability work
G4-31	Provide the contact point for questions regarding the report or its content	Sustainability Report XXL sustainability work
G4-32	a. Report the "in accordance" option the organization has chosen b. Report the GRI Content Index for the chosen option	Sustainability Report XXL sustainability work
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided c. Report the relationship between the organization and assurance providers d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report	Sustainability Report XXL sustainability work

GOVERNANCE

G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making in economic, environmental and social impacts	Sustainability Report XXL sustainability work Annual Report Corporate governance at XXL ASA
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ETHICS AND INTEGRITY

G4-56	Describe the organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Sustainability Report XXL sustainability work Annual Report Corporate governance at XXL ASA
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Specific Standard Disclosures		External Assurance
ECONOMIC IMPACT		
Economic performance		
G4-DMA	Disclosure of management approach	<i>Sustainability Report</i> Materiality report Management approach
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	<i>Sustainability Report</i> Risks and opportunities in sustainability work
ENVIRONMENTAL IMPACT		
Energy		
G4-EN3	Energy consumption within the organization	<i>Sustainability Report</i> Environmental impacts from our operations
Emissions		
G4-EN15	Direct greenhouse gas (ghg) emissions (scope 1)	<i>Sustainability Report</i> Environmental impacts from our operations
G4-EN16	Energy indirect greenhouse gas (ghg) emissions (scope 2)	<i>Sustainability Report</i> Environmental impacts from our operations
G4-EN17	Other indirect greenhouse gas (ghg) emissions (scope 3)	<i>Sustainability Report</i> Environmental impacts from our operations
Effluents and Waste		
G4-EN23	Total weight of waste by type and disposal method	<i>Sustainability Report</i> Environmental impacts from our operations
Transport		
G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	<i>Sustainability Report</i> Environmental impacts from our operations
Supplier Environmental Assessment		
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	<i>Sustainability Report</i> Supplier assessment
SOCIAL IMPACT - LABOR PRACTICES AND DECENT WORK		
Training and Education		
G4-LA9	Average hours of training per year per employee by gender, and by employee category	<i>Sustainability Report</i> Training and education of employees
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	<i>Sustainability Report</i> Training and education of employees
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	<i>Sustainability Report</i> Training and education of employees
Supplier Assessment for Labor Practices		
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	<i>Sustainability Report</i> Supplier assessment
SOCIAL IMPACT - HUMAN RIGHTS		
Investment		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human right screening	<i>Sustainability Report</i> Supplier assessment
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	<i>Sustainability Report</i> Training and education of employees
Child Labor		
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	<i>Sustainability Report</i> Supplier assessment
Forced or compulsory labor		
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	<i>Sustainability Report</i> Supplier assessment
Supplier human rights assessment		
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	<i>Sustainability Report</i> Supplier assessment
SOCIAL IMPACT - SOCIETY		
Anti-corruption		
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	<i>Sustainability Report</i> Supplier assessment
G4-SO4	Communication and training on anti-corruption policies and procedures	<i>Sustainability Report</i> Training and education of employees
Supplier assessment for impacts on society		
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	<i>Sustainability Report</i> Supplier assessment
Social impact – Product responsibility		
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<i>Sustainability Report</i> Product Safety
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services	<i>Sustainability Report</i> Product Safety - Chemicals
Product and service labeling		
G4-PR3	Type of product or service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	<i>Sustainability Report</i> Product Safety
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	<i>Sustainability Report</i> Product Safety - Chemicals
G4-PR5	Results of surveys measuring customer satisfaction	<i>Sustainability Report</i> Product Safety - Customer Satisfaction

