



XXL

ALL SPORTS UNITED

**XXL ASA SUSTAINABILITY
REPORT 2019**



















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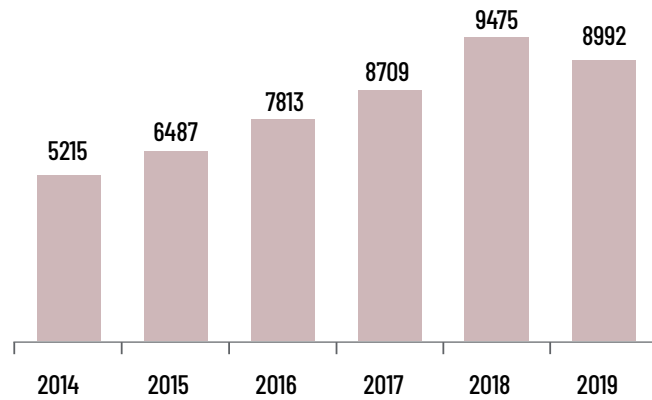
XXL HIGHLIGHTS 2019 - SUSTAINABILITY

 <p>1.8 Total tCO₂e/ FTE</p>	 <p>3442 FTE</p>	 <p>100% Pre-shipment inspections</p>	 <p>NOK 100.000 Donation by XXL Childrens Foundation to Mgahinga Project in Uganda</p>
 <p>0.7 Total tCO₂e/ MNOK revenue</p>	 <p>8992 MNOK Revenue</p>	 <p>101 On site factory audits</p>	 <p>100 Recycled materials in plastic shopping bags</p>
 <p>72.4 Total tCO₂e/ warehouse</p>	 <p>86 Number of stores</p>	 <p>78 Internal control audits</p>	 <p>490 MNOK EBITDA</p>
 <p>182 MWH. Output from our solar power plants</p>	 <p>-29.3% Reduction in market based GHG emissions</p>	 <p>78944 Hours of training</p>	 <p>-1.02% Reduction of absence from illness</p>

XXL HIGHLIGHTS 2019 – FINANCIALS

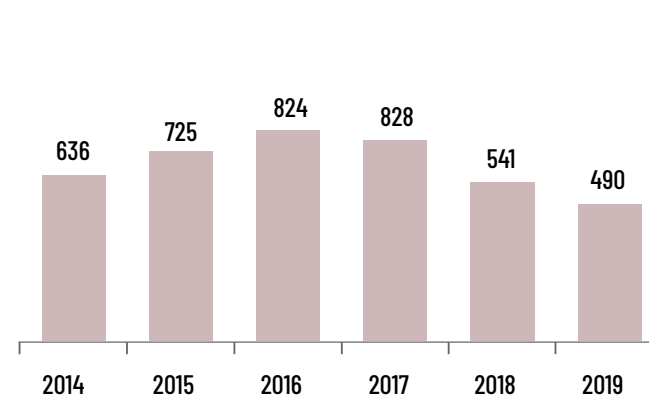
OPERATING REVENUES

(Amounts in MNOK)



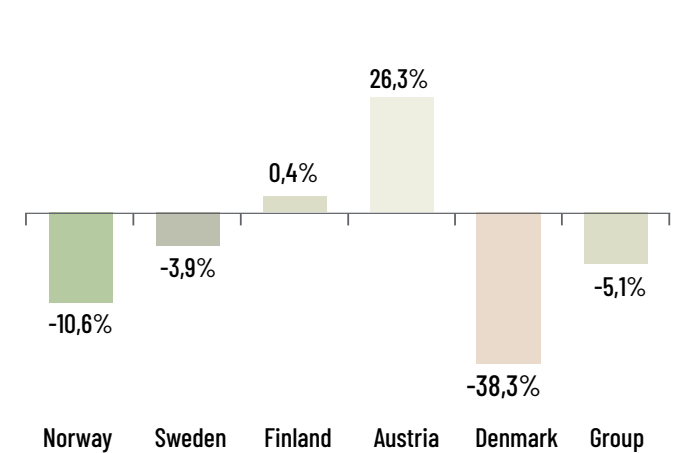
EBITDA

(Amounts in MNOK)

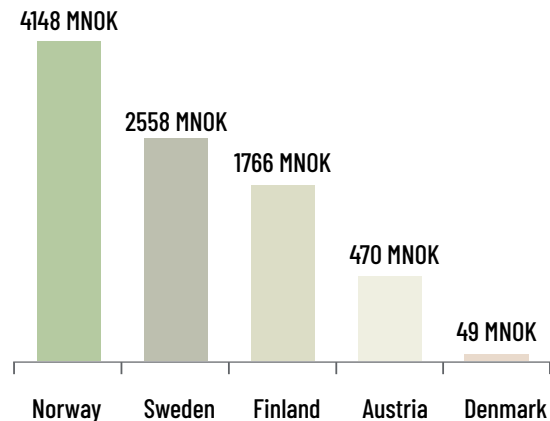


GROWTH BY SEGMENT

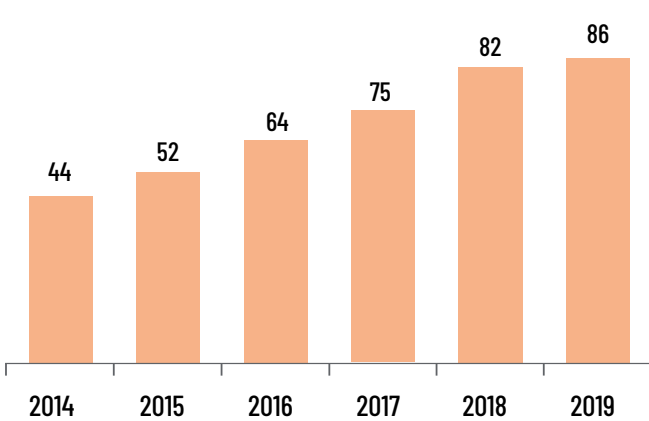
Local currency



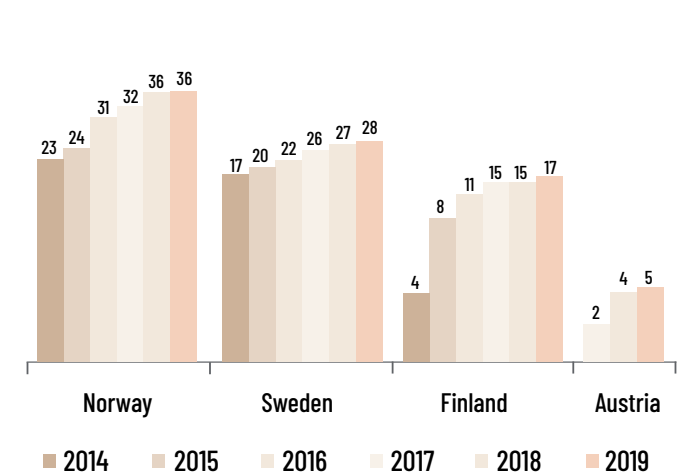
REVENUE SPLIT



NUMBER OF STORES



STORES PR. SEGMENT



XXL CORPORATE RESPONSIBILITY



XXL is a company that will make physical activity and outdoor life accessible to all people. After 1st quarter of 2020, we now realize this will be more important. Our experiences from 2019 in many ways made us realize that major changes were needed to fulfill our own, our employees and our customers' expectations. We realized that a new business strategy, improved corporate governance, training and revised sustainability strategy was needed. To restore our reputation, healthy business and credibility from our stakeholders we have worked continuously throughout the year building a new foundation and we have great faith that we will see the results in 2020.

Medio 2019 we started defining a new sustainability strategy. In the process we identified our most important stakeholders, and conducted a broad survey to identify and prioritize our relevant sustainability themes and linking them to UN's Sustainability Development Goals (UN SDG's). The results from this work have given us valuable information, and laid a foundation for our strategy and future sustainability goals.

Our commitment to operate with responsible and ethical corporate and business principles, and doing so in accordance with the European Commission's and national laws and regulations, stands stronger than ever before. The past has shown us that our responsibilities to protecting people and environment is a necessity, and that failing this work

► Picture: XXL All Sports United

results in damaged reputation, negative publicity, affected economic results instead of a competitive advantage.

The public perception of the XXL brand is fundamental for the Group's consecutive growth. While public awareness through media attention and regulatory control bodies such as the European Commission provides greater transparency in the corporate activities, the XXL reputation amongst stakeholders could suffer and risk severe consequences if we fail to maintain high standards of integrity and quality.

At the same time, our reputation as a pioneer in sustainability work in the sport retail industry may be jeopardized if we fail to maintain high ethical, social and environmental standards for all of the group's operations and activities. XXL is all about the people, and our sustainability work is both closely related to our employees and directly dependent on all our stakeholders to succeed. However, despite a tremendous attention towards XXL, the restructuring and improved corporate governance have been top priority to turn the negative trend, and we definitely believe that this effort will lead to positive effects on improved reputation and economic growth.

As a multinational retailer with a large range of brands in our portfolio, XXL relies on several third parties in our global business. Key factors to a successful sustainability work are traceability and transparency throughout our supply chain. For all suppliers, importers, producers and other partners we have established a new Supplier Code of Conduct with high expectations regarding the requirements for ethical and sound business in all matters throughout the value chain. The Supplier Code of

Conduct is a core element in our business strategy and is an elementary part of the selection process of suppliers and other partners.

XXL has provided a framework of documents made available through our web channels containing all requirements, regulations and policies related to compliance for our product range. The framework represents the requirements towards our producers and suppliers to conduct business in compliance with regulations. Employees and the group's executive management team is trained in the Code of Conduct and the Corporate Responsibility Guidelines. The Board of Directors adopts these procedures. The Sustainability department manages the daily corporate responsibility work while 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 included in the business code principles, training programs and XXL core values. We have revised and updated operating standards published on internal servers accessible for all employees in their national language. Employment contracts include commitment to the operational standard and the new Code of Conduct training program.

When employees experience issues related to sustainability a report directly to the Sustainability Department is required. If detected early, XXL has a better chance of addressing corrective actions at an early stage. XXL has established new routines and systems for whistleblowers, and employees that become aware of irregularities and do not want to report them through normal channels can do so. XXL has implemented a case-based training program adapted for all positions. Every participant must sign a declaration of compliance after completing the training module and will then receive their diploma.

XXL looks to the latest practice of the Global Reporting Initiative's (GRI) guidelines at the accordance Core level. The latest section of this report shows our GRI Index. This is the Group's sixth 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 Sustainability Department with the following contact details governs the daily sustainability work:

Mr. Arve Sehl
Regulatory Affairs & Sustainability Manager XXL
+47 24 08 40 00
environment@xxl.no

SETTING NEW GOALS

The UN's Sustainable Development Goals (UN's SDG) makes the foundation for our future sustainability work. Medio 2019 XXL conducted a full revision of the company's sustainability work. The target was to set new sustainable development goals. We conducted a broad stakeholder analysis, defined materiality and connected the materiality aspects to relevant goals based on UN's Sustainable Development Goals. This work has continued in Q1 2020 and resulted in a new future sustainable strategy. However, several targets and reporting indicators can be connected to the company strategy and governance revision conducted in 2019.

OUR PRIORITY GOALS



GOOD HEALTH AND WELL-BEING



DECENT WORK AND ECONOMIC GROWTH



RESPONSIBLE CONSUMPTION AND PRODUCTION



CLIMATE ACTION



PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS

Mission
ALL SPORTS UNITED
 Because SPORTS UNITE ALL



GOOD WORKING ENVIRONMENT AND ATTRACTIVE JOBS



Essential sustainability themes:

- Work environment
- Decent working conditions for employees in XXL
- Training and personal development
- Diversity and equal opportunities



SUSTAINABLE PRODUCTS / CIRCULAR BUSINESS MODELS



Essential sustainability themes:

- Product quality and duration
- Circularity: Repair, sale, rental and subscription solutions
- Sustainable products and brands



SUSTAINABLE PRODUCTION AND VALUE CHAIN



Essential sustainability themes:

- Sustainable and traceable production of goods in the value chain
- Sustainable products and brands
- Responsible purchasing practices
- Material selection in products



IN-HOUSE CLIMATE AND ENVIRONMENTAL IMPACT



Essential sustainability themes:

- Waste management and waste sorting
- Climate-friendly logistics and transport



Partnerships with stakeholders to reach our goals

► Our Sustainability strategy is connected to the groups overall strategy. XXL Mission: All Sport United because Sports Unites All can be reflected in UNs Sustainability Goal nr. 3: Good health and well-being. Our mission to make sport accessible, available and affordable for all sets the premises for our sustainable strategy. XXLs sustainability aspects is organized into four strategic sustainability areas. Good working environment and attractive jobs, Sustainable products and circular business models, Sustainable production and value chain, and In-house Climate and environmental impacts. As a fundament to reach our goals, partnerships with our stakeholders are essential.

CEO COMMENT

As a leader in the retail industry of sporting goods XXL recognizes the moral commitment to help sustain the natural environment but also the opportunity to influence and set standards of excellence. XXL defines corporate responsibility as achieving commercial profitability in a way that is consistent with fundamental ethical values and with respect for individuals, the environment and society. We believe there is a positive correlation between being a sustainable company and doing profitable business.

Our industry is facing challenging times. 2019 marked a new chapter in the sports retail industry in our markets, and especially in Norway. On the demand side we experience changes in consumer focus towards sustainability, reuse and outdoor activities and inspirations. Although this impacts consumer spending, we also see a positive impact for XXL as this implies more responsible consumer behavior, increased demand for high quality products and open up new business opportunities over time. The underlying trend of being healthy and physical active is still strong. On the supply side, heavy discounting activities continued throughout the year. At the same time the market matured and we see that we are operating in a more sluggish Nordic market with negative market growth. Going into 2020 we expect a restructuring of the market, with store closures, chains under reconstruction and continued discount activities. Over time we believe that capacity in the physical market will continue to decrease.

XXL has established several strategic initiatives

across several themes to protect our position and to prepare for future growth and being true to our vision of creating the leading European sports and outdoor specialist – a one-stop destination for products and services for everyone. We want to reposition XXL as the sports retail specialist with the best prices. At the same time we will enhance our marketing approach and build the XXL brand. We are already working on “making the store fun again” by revising the approach to category management and by redesigning and implementing the new version of the store and e-commerce concept. It is our aim to establish XXL as an omni-channel champion by enhanced operations and efficiency and by strengthening our customer orientation and being one XXL across all channels.

In light of several incidents revealed in media, local authorities and by us during the year the Board of Directors decided on an investigation of these matters. The final report, conducted by an external legal firm, stated several inappropriate and severe incidents that are unacceptable and in breach with our policies

and Code of Conduct. The clear recommendation was to strengthen and establish a strong HR function in XXL along side better routines and training of employees as well as improved compliance functions. XXL recognizes the report and its conclusions as a foundation for necessary cultural and organizational changes. We have already started many initiatives in this respect although we also see that such needed changes will take time. Dedicated resources on both HR and Communications will be allocated and we are in process of several new recruitments in this regard. Building a strong and efficient organization with clarified roles and responsibilities is a key priority. We have to reinforce the strong XXL culture with a common understanding of direction and main goals. The management team will be strengthened and Pål Wibe is the new CEO of XXL from 1 April 2020. Finally – the investigation also revealed what is XXL most important asset – highly motivated employees. In the end XXL is all about people.

We believe there is a positive correlation between

being a sustainable company and doing profitable business. We started the work of a new mapping of essential sustainability themes by conducting a broad based stakeholder assessment and refining the material aspects of the Group which lead to the following four distinct priority areas: Good working environment and attractive jobs, Sustainable products and circular business models, Sustainable production and value chain and In-house climate and environmental impact. The process of energy consumption mapping has taken a great leap forward with the implementation of EOS/SD systems for automated control of energy consumption in stores, the Group has been able to increase its recycling rate further resulting in both lower costs and emissions and shopping bags of 100 per cent recycling materials as well recycled reusable shopping nets have been introduced. We will evaluate new circular business models. We are also introducing a new internal control system for documentation and follow-ups in the value chain.

“ *XXL All Sports United* ”

-our business model is unique - broad assortment of branded goods at the best prices, in the largest stores in the market and online, where our employees serve with high competence as specialists in their field. Combined this makes up the XXL formula that has been a game changer in Nordic sports retail the last decades.

“ *XXL Sports Unite All* ”

-sport is about deep passions, it connects people through generations, genders, cultures and differences. Sport is emotions, positive experiences, relaxing and healing. XXL makes sport accessible, available and affordable. That is why XXL is for all despite sex, age, amateur or expert. Through our core values of Passion, Innovation, Caring and Responsible we aim at creating the ultimate sport experience for you, playing on your positive emotions and for your health and well-being.



Tolle Grøterud
Acting CEO

RISKS AND OPPORTUNITIES

The year of 2019 will stand as a turning point for our company in many ways. Strengthened governance, improved risk management in several areas and effective measures will contribute to restored reputation and economic sustainability. Our sustainability related risks not only relates to climate impact, but just as much to the social governance and economic aspects of our business.

Conducting sustainable business helps building a reliable and strong brand. Rapid changes in consumer behavior as a growing part of the population considers themselves consumers who actively take into account ethics and sustainability. The risk of not meeting the stakeholder's expectations results in a weaker market position, less attractive to potential investors and poorer conditions or reduced access to capital from lenders. On the other hand, there is also a great opportunity to succeed if we make efforts to strengthen our position as a leading sustainable sport retailer in the markets that we operate.

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. Efficient logistics also provide synergies in, among other things, benefits such as less use of disposable plastic packaging, less waste, reduced consumption of energy and materials in operations, which in turn provides cost efficiency. In accordance with the new Code of Conduct and Supplier Code of Conduct, sustainability issues integrated into the Group's daily operations

contributes to greater focus inside our operation and amongst our partners. Through certification of value chain, implementing of value chain management tools, selection of materials and partnerships with producers and suppliers XXL see a great potential in managing risks related to our business Code of Conduct.

Our centralized business model and control over the value chain give us a good position to govern risk, adapting fast changes and most importantly the opportunity to an 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.

CLIMATE RISKS

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. As we expand our business, we both have the responsibility and power to influence the sport retail industry to a more sustainable business in the markets that we operate and furthermore pushing public awareness and demand for sustainable products and production.

This also draws the line to a larger scope where XXL is a part in the global symbiosis of trade and attention drawn towards climate change in general. Important areas where XXL already has made changes are

reduced energy consumption and transformation to more renewable energy sources. Another area is product transportation where reduced packaging volume and transportation methods in addition to effective and cost efficient transportation systems, requirements to forwarders, ship-owners and producers worldwide give positive correlation between sustainability and cost efficiency. Reduction of disposable plastic packaging and virgin raw materials with transformation to raw materials of reused or renewable sources in addition to substitution of substances with negative effect on health and environment are driving the attention on macro-perspective factors for climate change.

If we look at the day-to-day business in our stores, waste and energy reduction promote further opportunities of reducing waste disposal, less CO₂ emissions and cost efficiency. The process of energy consumption mapping has taken a great leap forward and we have changed lighting to LED technology in all stores.

We are in the implementing phase of the EOS/SD system for automated control of energy consumption, heating and ventilation and are expecting large savings. In Norway 80% of stores are converted to EOS, however there is some challenges to be solved before converting the last 20%. We will conduct testing before starting up implementation in Sweden, but we are already preparing by conducting energy mapping in Sweden to prevent deviations, develop better routines and systems.

The project taking a fee from all sold shopping bags transferring the profit to XXL Children's Foundation has continued. The combined effect reducing disposable plastic bags at the same time generating money for charity has been a tremendous success and a large sum has been transferred to XXL Children's Foundation, which has been able to once again contribute to a charity project. The plastic bags now containing 100 per cent recycled plastic resulting in less use of virgin raw materials. Due to the European Commission Plastic directive some member states has implemented initiatives phasing out plastic bags. In Austria a ban of plastic bags was implemented January 1st 2020, and in Sweden a SEK 3.- tax per plastic bag was implemented from Mars 1st 2020. XXL started the process of converting to alternative shopping bags like paper bags and recycled reusable shopping nets.

The Environmental requirement framework made available to all our suppliers, producers and importers, has been maintained and expanded with new elements over the last year. The framework is based on the European Commission and local laws and regulation and represent the requirements to secure product safety and assess supplier value chain for all products and services the Group makes available in the consumer market. The framework is governed from a centralized position inside the company and has always been developed with the groups future expansion in the European markets on mind.

MANAGEMENT APPROACH

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 a part of all daily business activities integrated in the business planning processes and corporate strategy. The day-today risk management placed on the business segments is 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.

TRANSITION RISKS

Retail is undergoing significantly changes and XXL will exploit all the technological opportunities arising from this transformation. Initiatives related to improving the value chain and the omni-channel offering will be utilizing automation, machine learning and big data usage. In this respect, XXL is committed to have a clear data protection strategy fully aligned with international legislations. By doing so XXL believes the results could be a more cost efficient, streamlined and sustainable company with competitive advantages in the industry. Changing consumer behavior and preferences from other key stakeholders such as employees and owners represent another risk to be considered. Another key element is the implementation of new regulations such as the producer responsibility schemes from governments. Addressing these issues are elementary to restore reputation and build economic sustainability in our business. As a large proportion of potential investors and

financial institutions increases their expectation to sustainable responsibility, failure to comply with requirements may lead to financial losses.

MANAGEMENT APPROACH:

The Group uses several tools to support the environmental requirement framework, risk assessment, emissions, value chain and the internal control system.

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

DIALOGUE WITH OUR STAKEHOLDERS

XXL aims to restore a good financial position with 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. From November 2019, XXL conducted a stakeholder survey targeting accurate and quantitative information on our stakeholders view of on our company behavior and performance. In the work of mapping the concern of our stakeholders and identifying our most relevant sustainability topics, we conducted several in-depth interviews with selected stakeholders and a questionnaire to a representative selection amongst our most important stakeholders based on the results of the interviews.

EMPLOYEES

Key concerns: Decent working conditions for employees in XXL, training and competence development, work environment, Sustainable products and brands, Quality and durability, Sustainability and traceability in the value chain.

Activities to address these issues: HR management, HSE system, implement strategic goals for gender equality and reduced inequality, personal development and motivation training, Code of Conduct and guidelines for business ethics, value chain management, product assortment strategy, annual sustainability reporting.

CUSTOMERS

Key concerns: Decent working conditions for employees in XXL, expertise and competence, work environment, responsibility and commitment towards communicated sustainability work, quality and product safety, sustainability and traceability in the value chain.

Activities to address these issues: HR management, Customer service in stores, online and through social media, information in marketing material and product guides, product labels and descriptions in stores and online, sustainability strategy, product development, circularity, value chain management, product assortment strategy.

SHAREHOLDERS AND OWNERS

Key concerns: Economic growth, corporate governance, business model adapted changing consumer behavior, compliance.

Activities to address these issues: Cost efficiency, annual review by the Board of Directors of governance and sustainability, Sustainability strategy, circularity, attractive products and brands, risk assessment, value chain management

SUPPLIERS

Key concerns: Requirements, Cooperation and partnerships to reach sustainability goals, marketing and visibility of sustainable products and brands, eco labelling, education of employees.

Activities to address these issues: XXL requirement framework, Supplier Code of Conduct, New circular business models in partnership with suppliers, eco-labels in marketing, product training.

MEDIA

Key issues: Greenwashing, work environment, economic performance, responsible marketing.

Activities to address these issues: Responsible marketing and pricing practice, HR governance, communication department, quarterly result presentation and annual report.

AUTHORITIES

Key concerns: *Product safety, work environment and labor practices, producer responsibility, compliance with laws and regulations, climate change, public health.*

Activities to address these issues: *Meetings with authorities and politicians, HR governance, cooperation with governmental bodies like labor, environmental and welfare authorities, labor unions, responses to public enquires, supervisory inspections, participation in seminars and lectures, governance of pricing and marketing strategies, information security policy and data protection and storage systems, initiatives to reduce emissions, make training and recreational equipment available and affordable.*

NGOS AND COMMUNITY

Key issues: *Greenwashing, sustainable value chain, sustainable products, climate change, healthy lifestyle.*

Activities to address these issues: *Responsible marketing practice, value chain management, product development, circularity, waste and transport measures to reduce emissions, materials and chemical selection.*

DEFINING MATERIALITY

XXL's materiality analysis identifies the aspects that the board members, executive management and key personnel considers to be of greatest significance of economic, social and environmental impact to the organization and what aspects are of the greatest importance for XXL's stakeholders.

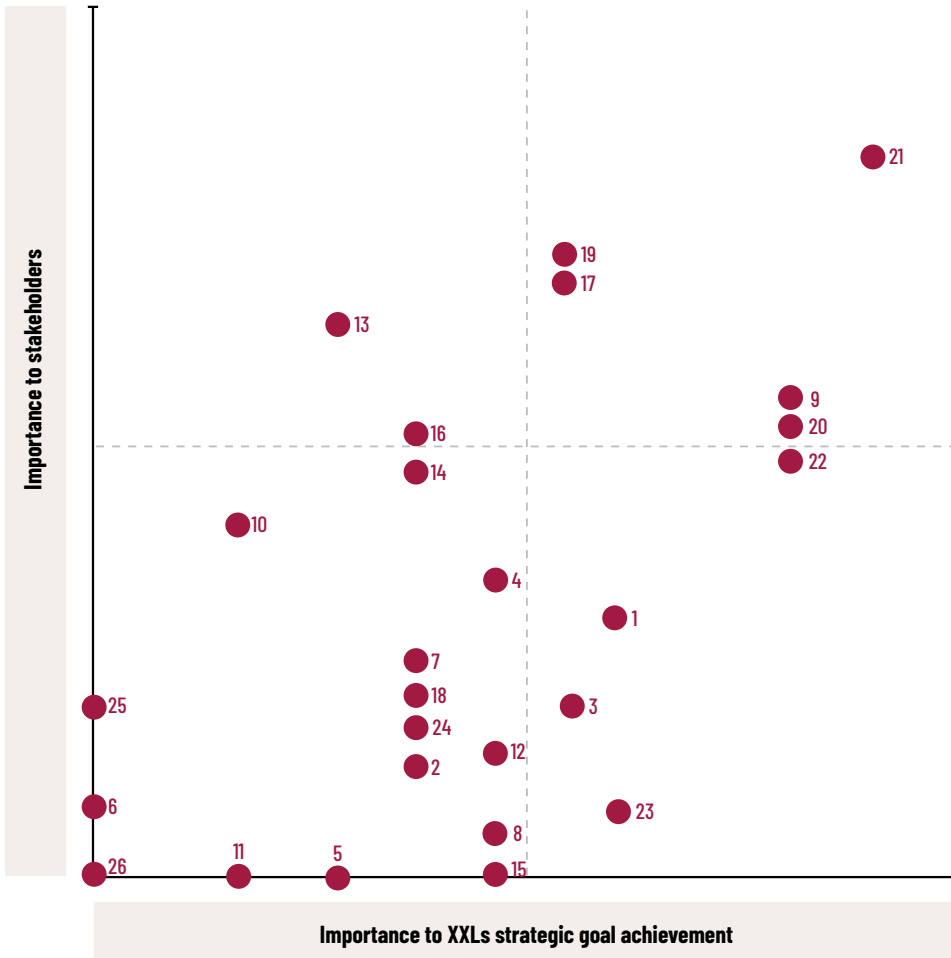
In the first phase, we conducted mapping of essential sustainability themes for XXLs stakeholders through documentation analysis, internal and external interviews leading to a questionnaire for XXLs stakeholders.

XXL will conduct a materiality analysis every two or three years based on evaluation of goal achievement and market changes. 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.

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 mentioned under the section for such relevant aspect including relevant targets connected to each strategic sustainability area. All entities in XXL, as stated in the consolidated financial statements, are subject to these aspects.

Materiality Matrix



► This model illustrates the different aspects importance to XXL stakeholders and the importance to XXLs strategic goal achievement.

Aspects

1. Economic results
2. Anti-competitive behavior
3. Public health and physical activity
4. Sustainable procurement
5. Freedom of association
6. Personal and data security
7. Ethics and anti-corruption
8. Materials in products
9. Sustainable products and brands
10. Packaging
11. Energy consumption
12. Co2 emissions
13. Sustainable logistics and transportation
14. Waste management
15. Hire and reselling of products
16. Reparation and reuse of products
17. Product quality and longevity
18. Product security
19. Sustainable and transparent production in the supply chain
20. Labor and work environment
21. Decent working conditions and benefits for XXL employees
22. Upskilling and training for employees
23. Diversity and equal opportunities
24. Non-discrimination
25. Product labelling and ethical marketing
26. Other

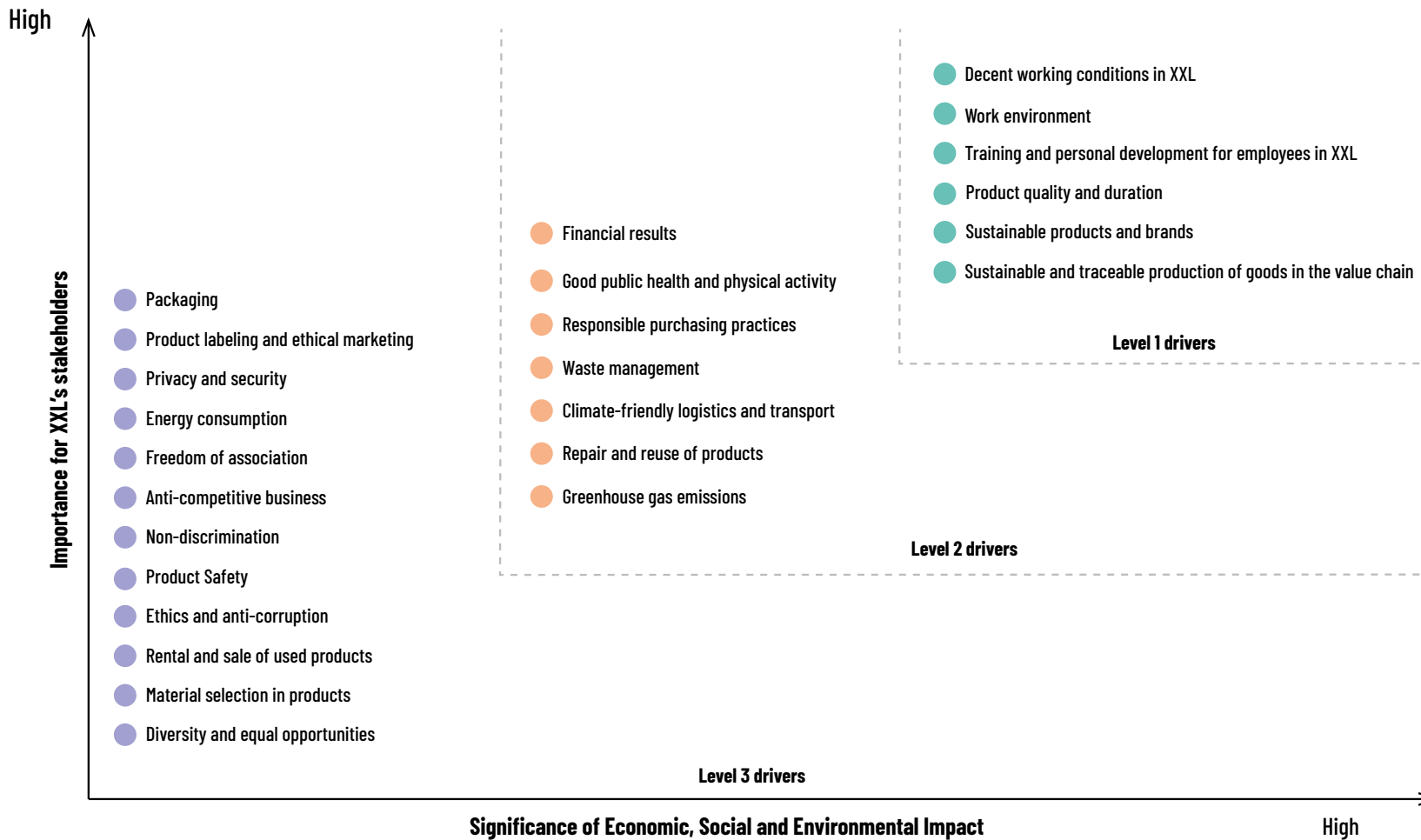
Most material sustainability topics

21	Decent working conditions
9	Sustainable products and brands
20	Work environment
19	Sustainable and transparent production in the supply chain
22	Upskilling and training for employees
17	Product quality and longevity
1	Economic results
13	Sustainable logistics and transportation
16	Reparation and reuse of products
14	Waste management

► The main materiality matrix is based on the results from a broad stakeholder assessment including in-depth interviews, stakeholder survey including our employees, customers, shareholders and owners, suppliers, representatives of the board and XXL key personnel. The results from the material analysis defines the strategic sustainability focus areas presented on next page.

► The material sustainability topics defines the essential themes which is organized into our four strategic sustainability areas.

Priority of XXL's strategic sustainability focus areas



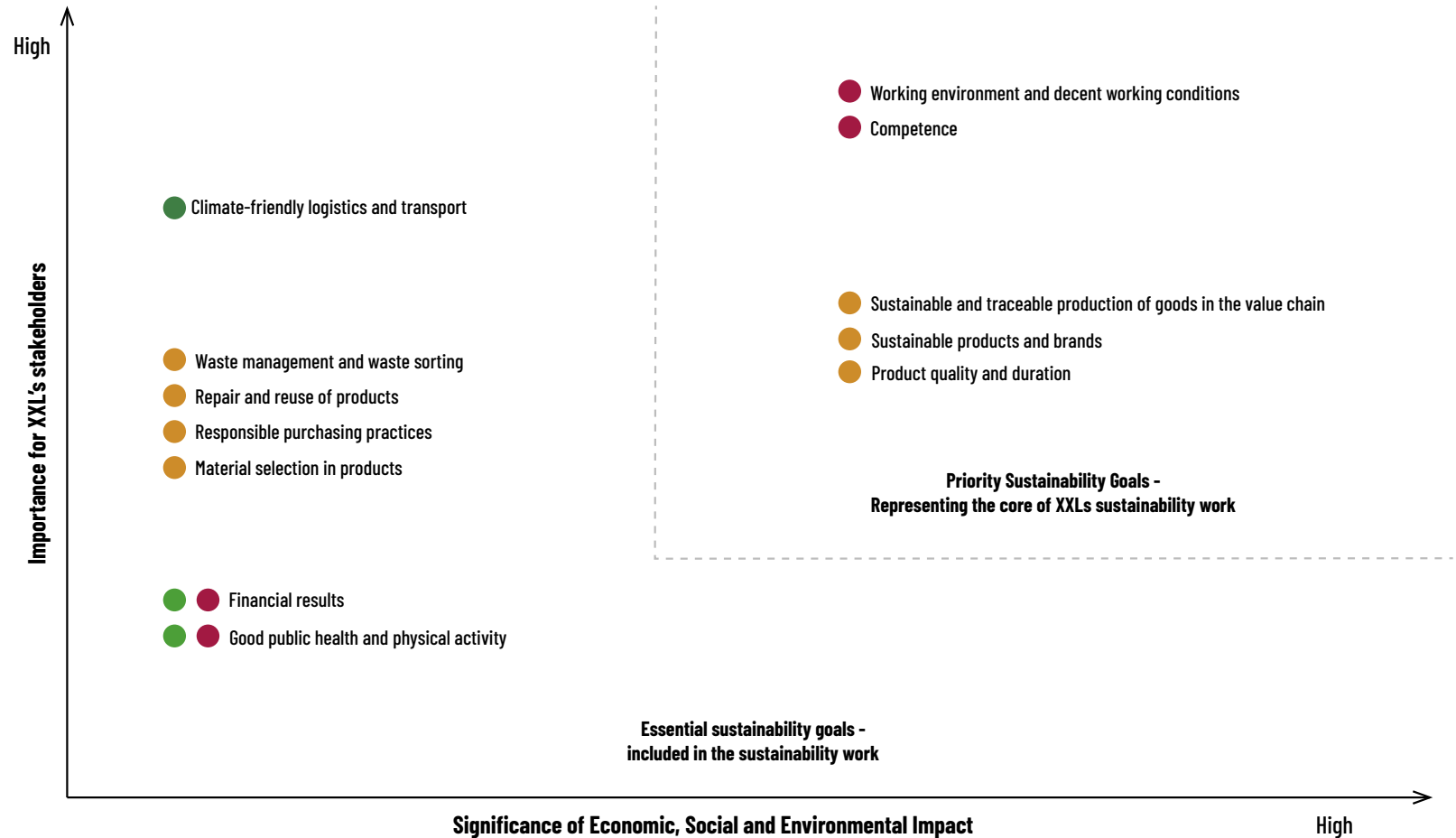
Level 3 drivers (Will be monitored and potentially addressed in the sustainability work)	Level 2 drivers (Will be included in the sustainability work)	Level 1 drivers (Core priority areas)
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► By addressing the key issues of our stakeholders, we prioritized the different aspects of our sustainability work in three different levels

Identified sustainability goals that correspond to XXL's most significant sustainability themes

XXL SUSTAINABILITY GOALS

In the second phase, the purpose was to outline relevant sustainability goals for XXL based on materiality analysis, best practices and the company's core business. In several workshops, we have used the results from the materiality analysis to define and link essential areas to sustainability goals. The UNs Sustainable Development Goals, chosen as the foundation for our future sustainability work, and included in our reporting practice as performance targets and indicators for our material aspects identified in materiality analysis.



► This model illustrates how essential sustainability goals are included in our sustainability work.

XXLS SUSTAINABILITY ASPECTS ORGANIZED INTO FOUR STRATEGIC SUSTAINABILITY AREAS

SUSTAINABILITY STRATEGY

Our future sustainability strategy is founded on the prioritized materiality aspects defined by the stakeholder analysis. In several workshops, we have organized the sustainability aspects into four strategic areas.

Each target and sub-target related to our strategic areas is addressed under each relevant section in this report.

XXLs stated targets and KPIs will be presented in the 2020 report.



► The four strategic areas serves as the foundation of our future sustainability work. This work has continued into 2020, where specific priority objectives will be presented with relevant KPIs in next year's report.

XXL GOES PINK

During the month of October XXL donated one NOK to the Pink Ribbon Campaign for every kilometer company employees walked or ran.

As a main partner to the campaigns in Norway, Sweden and Finland, and as a partner in Austria and Denmark as well, XXL wanted to get their employees in all countries engaged in the campaign.

This was done through launching the internal Strava Run Club XXL Goes Pink. For each kilometer employees logged in the app, XXL donated one NOK to the cause.

By the end of October nearly 900 employees had contributed to logging 28,745 km.

The Pink Ribbon Campaign is an international movement to bring breast cancer awareness, and it's marked during October every year. The purpose of the campaign is to show solidarity with those who are affected, increase knowledge about breast cancer and to contribute financially to the cause.

- To be able to be a part of the Pink Ribbon Campaign and help bring attention to the cause is something we are very proud of, said European Marketing Director Jakob Olsbø.

- We appreciate the great support XXL shows for Pink Ribbon. Bringing them in as a main partner helps us reach new target groups, which is important for the

campaign. This year the funds from the campaign go to personalized breast cancer treatment. XXL's contribution is important in order for us to be able to do long-term research that benefits the patients, said campaign leader for Pink Ribbon in Norway, Marit Sophie Egge.

“Three generations of women”

- Turi Wang Ljungqvist (90), who survived breast cancer 25 years ago, Kristin Nyquist (54), who survived breast cancer 12 years ago, and her daughter and dependent Cathinka Sommerfelt (23) - were featured in XXL's Pink Ribbon Campaign in 2019.



ENVIRONMENTAL IMPACTS FROM OUR OPERATIONS

IN-HOUSE CLIMATE AND ENVIRONMENTAL IMPACT



Essential sustainability themes:

- Waste management and waste sorting
- Climate-friendly logistics and transport



7 AFFORDABLE AND CLEAN ENERGY



7.2) Increase substantially the share of renewable energy in the global energy mix

7.3) Double the global rate of improvement in energy efficiency

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



12.5) Substantially reduce waste generation through prevention, reduction, recycling and reuse

13 CLIMATE ACTION



“Take urgent action to combat climate change and its impacts”

► *Targets and sub-targets related to in-house climate and environmental impact*

► *The sustainability themes can have a number of underlying sustainability goals and sub-goals related to the strategic areas described under each material topic in the report.*

► Note: The XXL Carbon Accounting Report 2019 is presented as an appendix to XXL Sustainability Report 2019.

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, to improve and to be efficient. In 2019 the group signed a deal with CEMAsys as an independent CSR consulting company. CEMAsys providing solutions to make organizations more sustainable, and XXL finds their tools useful for addressing important aspects in our daily sustainability work and reporting.

1. GOODS TRANSPORTATION

We have outsourced the transportation of goods to third parties and they have their own ambitions and policies of sustainability and targets to reduce their emissions. We monitor their work closely. Bring/Posten Norge is the most important logistics partner to XXL. 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. Bring has stated ambitious environmental targets. They aim to achieve zero emissions. By 2025, the Group will use only renewable energy sources in cars and buildings. Among other stated goals they will continuously work on measures to reduce energy and consumption and work on measures to reduce waste and increase the source separation rate. The group's biggest climate challenges are reducing CO₂ emissions from heavier vehicles and minimizing local pollution. The main measures are therefore to phase out fossil fuels for heavier vehicles and to electrify vehicles in cities. In 49 Norwegian cities, Posten Norge delivers zero-emission today. They have almost 1400 alternative vehicles, of which 1200

are electric. The Group sets clear environmental requirements for its transport suppliers with regard to euro class, speed limitation and training in environmentally efficient driving. The suppliers must approve the Group's environmental statement and answer an annual self-assessment of their environmental performance.

The total emission from goods transportation in XXL is 2 2308.2 tCO₂e, and represent 37.1 per cent of the total emissions from the group.

CENTRAL WAREHOUSES

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 reduces goods transportation by taking over transportation directly from suppliers to the stores. Consequently fewer vehicles are on the road. In 2019 around 80 per cent of the goods were delivered through the central warehouses. 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 saving both the environment and costs.

ONLINE SALES

Online sales contribute to an increasing part of the sales in XXL. We favor the choice for the customers of picking up the products in one of our stores, as this is a free shipping alternative. In this way, we could coordinate the freight of the online order with goods delivered directly to the stores from the central warehouses. For 2019, the pick-up rate in XXL group was 31 per cent.

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 81.8 per cent of the waste in the group is categorized recycled, 18.2 percent is categorized as incinerated waste. Only 0.01 per cent of the groups waste goes to landfill.

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

PRODUCER RESPONSIBILITY

Working to reduce waste is a matter to reduce both the environmental impact but also to save money. XXL has membership in organizations for producer responsibilities for packaging, electrical and electronic equipment and batteries and support many local initiatives in the communities we operate in by donation of complaint and returned goods in partnership with our suppliers.

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

MOTIVATION FOR RECYCLING

There are two main motivation factors for our group to recycle waste. Firstly, we have a stated goal of reducing waste to lower our environmental impact. A well-functioning recycle system and reporting is important to succeed with our goal, but equally important is the work done with products and packaging even before production starts. We use our market position to influence producers and importers to minimize packaging and use recycled and renewable material in products and packaging if possible.

The second motivation factor is reduced cost. Less waste, recyclable materials and a high recycling factor will affect the cost of waste handling dramatically.

CIRCULAR ECONOMY

In 2018, we piloted more circular economy projects. Both with our recycling partner in Norway Norsk Gjenvinning and with our supplier Bergans we commenced new initiatives with material recycling and reuse of old products turned in to us by claim or by our guarantees. In 2019 XXL participated in Bergans activity Tour se Sy, an electric vehicle touring Southern Norway repairing textiles and other recreational equipment such as sleeping bags, tents and backpacks. XXL started a project investigating opportunities in the circular economy that could



extend the services for product repairs, add new initiatives for new business models and serve as a collecting point and sales channel for returned and claimed products.

WASTE REDUCTION

We will continue to work on reducing the amount of waste, focusing on increasing the recovery rates even further, and creating a recycling economy. A dedicated position is in place in all countries coordinating storage routines including new initiatives to reduce waste.

In 2017, XXL started to take a fee on plastic shopping bags in all countries. This has resulted in a significant drop in the volumes of shopping bags by around 30 per cent. The project also raises funds to XXL Children's Foundation.

For 2020 XXL will intensify the effort to reduce the amount of plastic in packaging, increase the

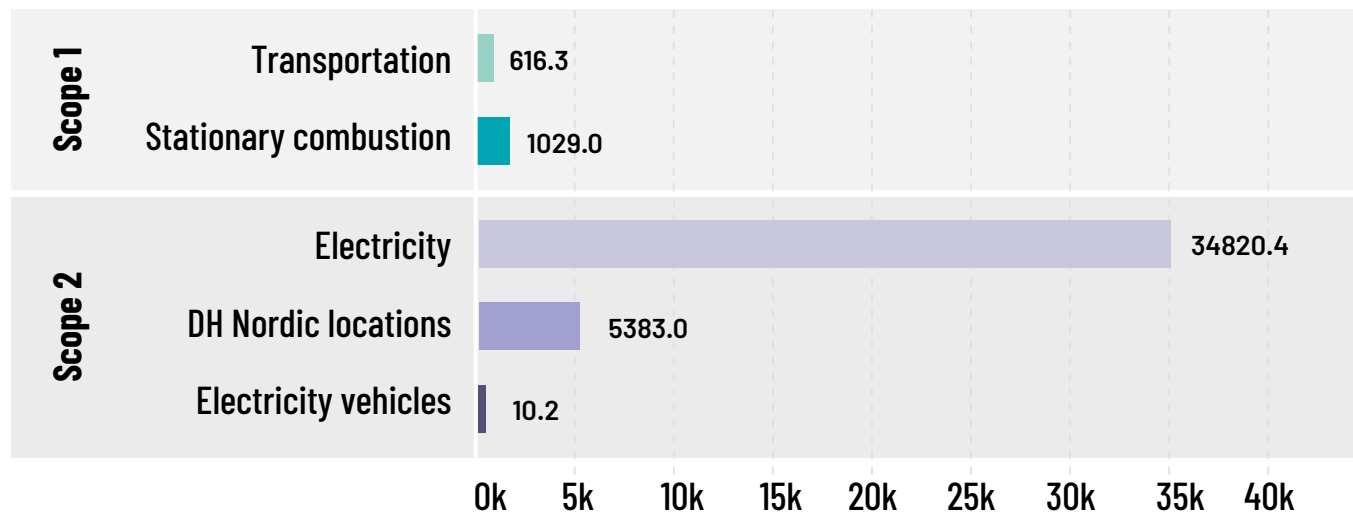
use of recycled material and reduce the amount of packaging material in general by inviting suppliers to take part in this project. XXL has also converted to paper shopping bags in some markets and introduced recycled and reusable shopping nets. XXL will contribute to activities like plogging- and beach clean-up events through different activities and marketing campaigns.

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, based on hydropower plants, waste heat from the incineration of residual waste and deliberate use of other renewable energy sources. The target is a full phase out of fossil oil. 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 total electricity consumption for the year 2019 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 plans for our stores. This is deducted in close cooperation and support from the organization Enova and began in the spring 2016. We had a three years plan to 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 fan coils and upgrading to heat pumps were not able to use tele heating networks. We have upgraded to the EOS system in 80 per cent of Norwegian stores. Due to some challenges that need

to be solved before conducting the transformation of the remaining stores. We have seen significant energy consumption savings in upgraded stores over time, and are on track for our target of a 40 per cent reduction of energy consumption. Earlier we commenced a similar mapping of energy conservation plans for all our stores in Sweden and will over time start to upgrade the stores also here. All new stores from now on are built according to the store concept that we introduced in Austria and LED-lighting is a part of the construction manual in this concept.

RENEWABLE ENERGY

In 2018, XXL installed the three first Solar Power Plants located on the rooftop of store facilities in Lielahiti, Lappenranta and Espoo in Finland. We are continuously working to extend the use of solar power plants in more stores and different markets. The solar power gives us significant cost benefits and an improved rate of renewable energy. In addition the project will yield more efficient electricity usage as the solar power panels have an insulation effect in the winter time and a reflective effect in the summer leading to less electricity usage overall.

We are working with our property owners 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 optimized and saves a lot with respect to use of internal trucking.

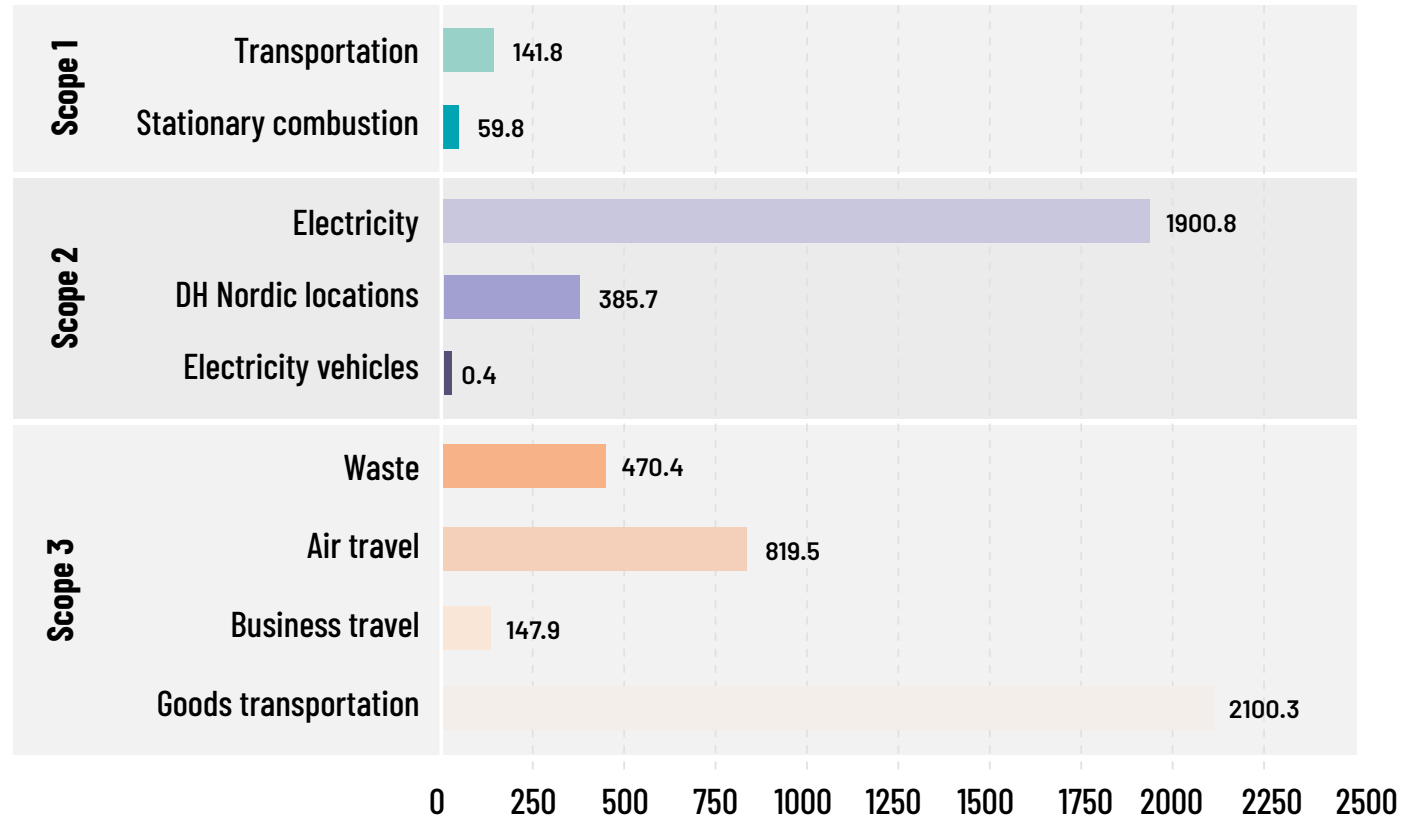
MINIMIZE ENVIRONMENTAL FOOTPRINT

Every part of our operations impact the environment. Environmental issues intergrates 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 disclose our Green house gas emissions. In accordance with the GHG Protocol the emissions are disclosed under three different scopes. Transportation, stationary combustion is disclosed under Scope 1. Electricity, district heating and electric vehicles, under Scope 2. Under Scope 3 we disclosed waste, air travel, business travel and goods transportation.

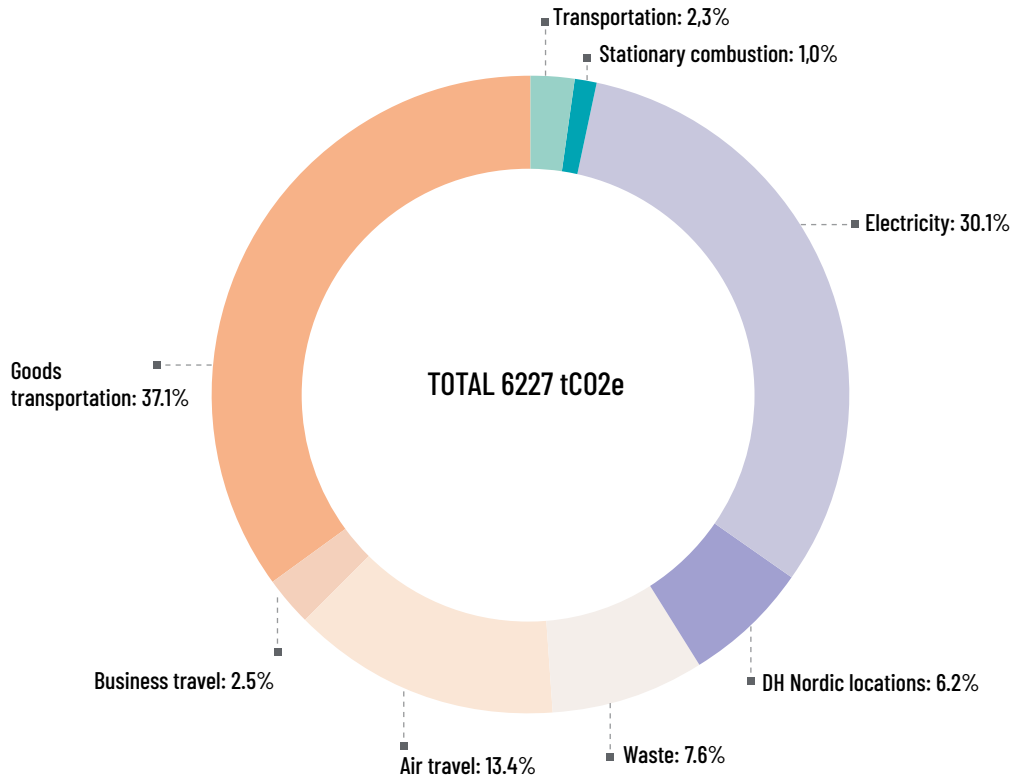


GHG EMISSIONS (TCO₂E PER CATEGORY)

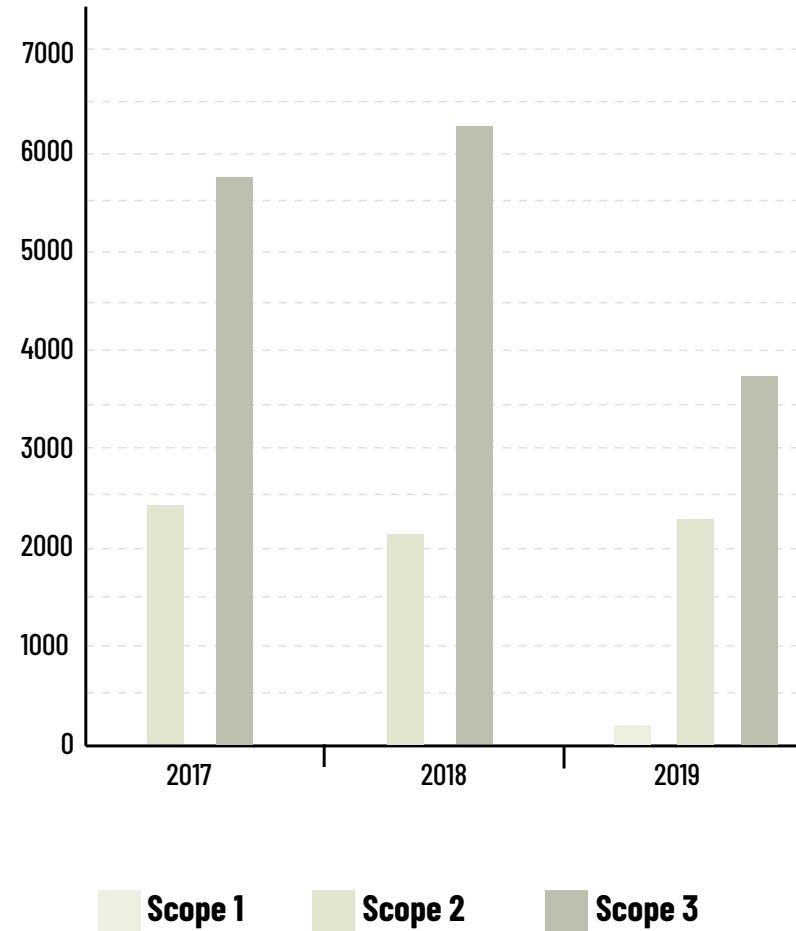


► The figures above include all our locations and facilities, meaning all our stores, the two central warehouses and headquarter and office facilities. For those stores that are not part of the centralized electricity agreement we have made assumptions and calculations based on estimates from an average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

GHG EMISSIONS (PERCENTAGE SPLIT)



GHG EMISSIONS (TCO₂E YEARLY)



► The footprint is calculated in accordance with the GHG Protocol covering scopes 1, 2 and 3

► Note: Due to change of reporting practice for emissions and implementation of carbon footprint management tool from CEMAsys, the historical figures is based on different methodical data. However, we see a significant reduction of emissions from previous years.

XXL CHILDREN FOUNDATION PROJECT MGAHINGA 2019-2020, UGANDA

Constructing kitchen and dining hall

XXL Children Foundation donated NOK 100 000 to construction of a new kitchen and dining hall to Mgahinga Community Junior School in Southwestern Uganda.

Mgahinga is a small village (6 560 ft. above sea level) near Kisoro district in Southwestern Uganda. The people in the village were severely affected when the Mgahinga Gorilla National Park was founded in 1991. You might have heard or seen the movie "Gorillas in the Mist," which is about this exact area. Large parts of the indigenous population were forced to move, and in connection with the move, lost much of their agricultural land that they otherwise feed on. This has resulted in a housing shortage, poverty, and starvation that prevails in today's situation. XXL CF ambassador and XXL employee on-site Magnus Åhlin, travelled to Mgahinga between October 28 and November 13, 2019 to fulfill this mission of building a kitchen and diner.

“ These new facilities would improve the current setting tremendously and will create opportunities for a healthy environment for the kids! ”



The previous kitchen was alarming and hygiene levels fall far below sanitary standards. The chef is cooking for approx. 160 pupils and 10 teachers on a wooden stove, in a shed, with no ventilation. The new kitchen and diner will improve the current setting tremendously and will create opportunities for a much healthier environment for both the kids and staff. Having this upgraded facility to prepare food and share together will be a great asset to the school.

The kitchen and diner expected completed by the end of October 2020.

Magnus Åhlin .

*Temporary sales manager skis,
bike and sport-tech , Sweden*



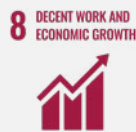
SUPPLIER ASSESSMENT

SUSTAINABLE PRODUCTION AND VALUE CHAIN



Essential sustainability themes:

- Sustainable and traceable production of goods in the value chain
- Sustainable products and brands
- Responsible purchasing practices
- Material selection in products



5.1) End all forms of discrimination against all women and girls everywhere



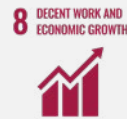
6.3) Improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally

6.4) Substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity



7.2) Increase substantially the share of renewable energy in the global energy mix

7.3) Double the global rate of improvement in energy efficiency



8.4) Improve progressively, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation.

8.7) Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and end child labour in all its forms

8.8) Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment



12.2) Achieve the sustainable management and efficient use of natural resources

12.6) Adopt sustainable practices and to integrate sustainability information into our reporting cycle



14.1) Prevent and significantly reduce marine pollution of all kinds, in particular from land-based activities, including marine debris and nutrient pollution



"Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss"

► Targets and sub-targets related to Sustainable production and value chain.

XXL stores and online marketplaces are supplied with consisting of well known brands and some private label products. In 2019, only around 9 per cent of XXL's total operating revenue was related to merchandise sold by XXL under private labels. As a result, the Group is dependent on third party manufacturers delivering on quality standards and the Group's requirements 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 are 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.

XXL is committed to conducting our business in accordance with the highest business ethical standards, to comply with the laws of the countries in which the Company operates, and to conform to locally accepted standards of good corporate citizenship. We believe in respecting human and labour rights, protecting the environment, and in applying sound business practices in our companies worldwide.

In order to ensure alignment across the supply chain, XXL expects its suppliers to adopt similar principles,

and endeavor to have their sources in the supply chain do so as well. To clarify what we expect from our suppliers, XXL has developed a Supplier Code of Conduct to specify what behaviors and practices the Company expects to see demonstrated and complied with by our suppliers and their subsidiaries, affiliates and subcontractors. The XXL Supplier Code of Conduct applies to all entities owned by XXL throughout the world (the XXL Group). A breach of this Supplier Code of will be considered a breach of the contract with XXL and may lead to the termination of the business relationship with the Company. XXL will systematically assess suppliers conformance to the Company expectations, consider suppliers progress in terms of meeting these expectations and their ongoing performance in making lawful and ethical sourcing decisions.

In addition to complying with the provisions of the principles in the Supplier Code, suppliers shall comply with all national laws and all laws applicable to the supplier and its operations, Where the requirements of such applicable laws and the XXL Supplier Code differ, or are in conflict, the supplier shall comply with the highest standard consistent with applicable laws.

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 outmost 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.

XXL requires that manufacturers, importers and suppliers in the value chain works actively with their own internal environmental and social governance. That includes a clear strategy related to reducing their operations environmental impacts 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 influences to the society in large. This also applies for all other partners we cooperate with and their collaborators both upstream and downstream in the value chain and when signing significant investment agreements or contracts.

ENVIRONMENTAL REQUIREMENTS

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, legislations and chemical restriction list, and is available for all suppliers online. The supplier should ensure compliance to laws, legislations and regulations, EC directives and guarantee that all products delivered to XXL comply with the requirements included in the XXL ER document. It is XXL's responsibility to inform supplier, supplier's 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 result 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.

FACTORY AUDITS

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 101 such fabrics and site audits were commenced in 2019, with an additional 16 improvement audits. There was mainly minor deviations such as use of required personal protection equipment, some hygienic issues and quality or delivery deviations. 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 depending on the level of deviation, they generally get a second chance to correct the problem. We will not continue to conduct business 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 has terminated contract with two factories in 2019 due to cooperation problems, unacceptable payment terms and delivery deviations. Audits revealed no moderate or major violations to social or environmental requirements. Our Chinese Sourcing agent performed 607 pre-shipment quality control inspections. Thirty nonconformities was discovered, mostly labelling deviations. All nonconformities were corrected and re-inspected before shipment.

THIRD PARTY AUDIT AND CONTROL

XXL is working closely with a trusted partner, a Norwegian third party with long experience of building own brands and controlling the manufacturing chain. Our partner in all related communications and meetings with suppliers work systematically to develop an understanding of the importance of the social, environmental safety, quality requirements and sustainability.

The partner is following the changes on the EU and Norwegian regulations and directives due to new substances restrictions or updated limitations. The changes related to their products are updated in their requirement book, as well communicated with manufactures and the actions are discussed.

The partner has a system for starting-up a new supplier, it is selected very carefully by communicating with supplier, physically visiting the factories by persons from partner's company, building the trust in relationship, evaluating the work conditions, workers safety and other things related to Code of Conduct.

Before starting business, every manufacturer need to pass ethical audit which is performed by independent 3rd part audit company. The ethical audit is based on ETI base code. It evaluates various aspects like freely chosen employment, freedom of association and the right to collective bargaining, no child labor, no discrimination, no harsh or inhumane treatment, safe and hygienic working conditions, adequate wages. The ethical audits are performed according the SA8000 standard or Sedex (SMETA). The Code of Conduct is discussed and signed by all suppliers/ manufacturers.

There was not any new manufacturer introduced during 2019.

QUALITY CONTROL

The development and bulk samples are tested if they meet partner's quality assurance standard. The requested tests depend on the type of product. Additional check is done by making physical and chemical tests in their own internal laboratory. This year some more testing equipment was bought. The human health and environmental safety is evaluated and tested when necessary. The restricted substances list is followed. The products are occupied with necessary documentation (test reports, certificates where applicable, certificates of origin). Most of materials used in products are Oeko-tex certified.

Partner is allowed to inspect during production at any time. This is either by partners personnel or 3rd part inspection company operating on behalf of our company. Every shipment is inspected and the inspection report is evaluated. AQL 2,5/4.0 major/minor general inspection level II are base for the inspection if nothing else have been informed. The defects found during inspection are removed or replaced by new products. If the amount of founded defects exceeds the AQL major/minor limit, then the time is given to producer for making additional internal control for 100 per cent production and to improve products or replace defected ones. After given term the inspection is repeated.

In 2019 our partner arranged 72 pre-shipment inspections (201 purchasing orders) by using independent 3rd part inspection companies. The goal was reached and 100 per cent of our partners shipments were inspected.

The pre-shipment inspections act as prevention of shipping the unacceptable quality products or products with wrong barcodes or cartons marked incorrectly and other issues.

NEXT STEPS

In 2020 XXL plan to work closer with suppliers and producers on ethical trade, improvements on working conditions, health and safety. Implementation of a new value chain management system are implemented. The initiatives for phasing out PFAS chemicals in our products intensified during 2019. XXL aims to pre impose stricter regulation of perfluorinating and polyfluorinating substances than required by European Commission and other legislators.

FIS (Fédération Internationale de Ski) is implementing a ban on all fluorides used in their events from the 2020-2021 season. This ban must not be confused with the European Commission's chemical requirements. XXL applauds FIS decision, and will support their strong and clear statement by phasing out all ski waxing products containing PFAS from our assortment. This decision is already effective and we have notified our suppliers. This means we will not supply any more ski wax containing fluorides

A ban of PFOA, as well as hundreds of substances that can be reduced to PFOA, will come into force by EU regulations by 2020. XXL has initiated an early start of phasing-out products containing PFOA and is achieving good progress in meeting the 2020 regulation. PFOA and related substances will be regulated under Annex XVII of the REACH directive and implemented in phases starting from 4 July 2020.

Around 800 supplier contracts, containing the most important suppliers, have the new agreements with reference to our ethical standards and Supplier Code of Conduct. We will continue to implement the new contracts with more suppliers in the coming period. The Supplier Code of Conduct has been renewed as part of the groups revision of governance documents.

Currently XXL is also working on an extended supplier contract with even more requirements related to sustainability issues and product safety. Enhanced Value chain management is implemented through a new system for closer follow-up and document management in the value chain.

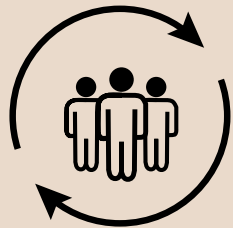
XXL has implemented a Purchasing Manual to serve as a tool for our purchasing department where all relevant requirements for each product category are listed and described. In addition XXL Supplier Code of Conduct will be supported by a Supply Chain Sustainability Standard document, it aims to provide concrete examples on key expectations and good practices for each principle of the XXL Supplier Code of Conduct. The document provide clarification on how suppliers can implement the principles set forth in the XXL Supplier Code of Conduct in their company and processes.

In 2017 we also implemented a new standard for buying where certain product groups require an approval by the XXL quality assurance team before order can be placed to suppliers.

There has also been implemented an internal ban of treated articles which sort under the regulation of biocidal treated articles including substances e.g. Triclosan, Benzalkonium chloride, Silver and more. Treated articles can under no circumstances be brought into distribution at XXL without special approval. In connection by seeking such approval, the supplier must provide a valid MSDS stating the chemical composition and concentration (chemical name and CAS RN) of the antibacterial compound.

EMPLOYEES

GOOD WORKING ENVIRONMENT AND ATTRACTIVE JOBS



Essential sustainability themes:

- Work environment
- Decent working conditions for employees in XXL
- Training and personal development
- Diversity and equal opportunities

8 DECENT WORK AND ECONOMIC GROWTH



4 QUALITY EDUCATION



4.4) Substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship

5 GENDER EQUALITY



5.5) Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life

8 DECENT WORK AND ECONOMIC GROWTH



8.5) Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.

8.8) Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment

► Targets and sub-targets related to Good working environment and attractive jobs



Number of employees

5568

► as of December 31, 2019



New employees:

2058

Increase in number of employments:

584

Annual turnover rate:

25.9%

0.2% increase from 2018

Absence from illness:

4.58%

-1.02% decrease from 2018



Part time workers:

61.8%

Full time workers:

38.2%

Male workers:

59.5%

Female workers:

40.5%

Females in top 3 level positions:

19%

She index score 2019/H2:27*

Average age for employees,
stores:

27.2 years

Average age for employees,
backoffice:

31.4 years



Number of training hours:

78944

Average training hours
per employee:

14.08

► *The SHE Index powered by EY is a catalyst for encouraging stakeholders to focus on gender balance in leadership and workforce, equal compensation, and, work life balance, thus, promoting gender equality in general.

WORK ENVIRONMENT

XXL is all about our people. The work environment is characterized by young employees and a lot of people have their first work experience in our company. The investigation conducted by DLA Piper in 2019, revealed that most employee feedbacks reflect a good working environment. However, it may be that positive support also involves an element of uncritical loyalty. This carries a great responsibility for XXL as an employer. The employees could easily be shaped by the XXL culture and the attitudes and values that in practice are dominant. The investigation described a culture where the informal rules have a strong impact. The document that is of greatest importance when it comes to behavior regulation is the XXL Concept Manual. The Code of Conduct, the document that regulates ethical behavior, is in XXL a "dormant" document that has not been used in practice.

Good corporate governance, control routines and targeted training in the company's guidelines for all employees are fundamental to avoiding adverse events related to our culture and working conditions. After receiving the report from DLA Piper, XXL recognizes the conclusions that emerged from the report and has initiated comprehensive internal review of cultural and organizational governance in this respect.

TRAINING AND EDUCATION OF EMPLOYEES

Highly motivated employees are necessary for the future success of the Group. XXL has a unique and strong corporate culture with shared values and goals.

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.

STORE MANAGERS

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.

DEPARTMENT MANAGERS

Further, in addition to the store manager, each store has six department 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 department has a dedicated weapon manager, and the skis & bikes department has a dedicated service manager.

E-COMMERCE

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.

FOCUSED TRAINING

We offer training at four levels.

- Academy courses
- Product training
- E-learning
- Local training

ACADEMY COURSES:

Academy courses are designed for leaders and employees working full time in XXL, covering culture, leadership and sales. In 2007, we built our own training facility called Camp XXL in the Norwegian forest of Finnskogen. We have transformed Camp XXL into a modern conference with capacity of training up to 86 people at the same time. To reduce flights and to lower CO₂ emissions and other negative impact on the environment we have established training facilities in all operating countries.

PRODUCT TRAINING:

Twice a year we launch new season product courses focusing on strategies, meeting the most important suppliers, testing products and sales process. This training is offered to our full time engaged people.

E-LEARNING:

Late 2019 we launched a new e-learning system covering on boarding, basic product training, routines, sales, leadership and compliance training. We have completed test period and will launch Q1 2020. More than 400 e-learning modules are completed and ready to be launched.

By introducing a new e-learning platform, we are now able to improve training of our part time employees. In addition we improve compliance training and on boarding process.

LOCAL TRAINING:

Finally local training is provided in own stores or departments. To improve quality of learning we are operating with learning plans and competence maps. Each department leader is responsible of offering basic on the job training.

ORGANIZING OF TRAINING

In order to offer the same training in all countries we have established task force training and appointed head trainers responsible for different Academy courses. The staff of trainers are mainly XXL leaders who has training as additional responsibility. Our trainers meet on regular basis to discuss and develop content and to improve their presentation skills.

TRAINING PROGRAMS

We offer three levels of leadership training. Basic leadership is entry level focusing on our leadership principles defined in our concept. Second level is practicing the principles on a hiking trip. Third level is our Talent Store Manager program. This program lasts for two years. First year is five workshops focusing on self-insight, coaching, effective teams, strategy and change management. Second year is participating in projects and training. We give priority to recruiting leaders from own ranks and more than 50 per cent of those who have completed have been promoted. Also, we have launched a leadership program for leaders not working in stores.

MOTIVATION

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 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.

CODE OF CONDUCT

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 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 four 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 OPERATIONS OF XXL ARE BASED ON THE FOLLOWING FOUR FUNDAMENTAL CORE VALUES:

- Passionate
- Caring
- Responsible
- Innovative

The four 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, animals, 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

WHISTLE BLOWING ROUTINE

In 2019 XXL has handled a few cases due to inquiries as a result of the routine, which highlights that the measures that were implemented were necessary. Improved routines and notification channels are top priority in light of the comprehensive situation and internal investigation conducted last year.

Sexual harassment consists of unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made a term or condition of employment;
- submission to or rejection of such conduct is used as a basis for employment decisions; or
- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, offensive or hostile work environment.
- Forms of sexual harassment can include, but are not limited to, the following:
- verbal harassment, such as unwelcome comments, jokes, or slurs of a sexual nature;
- physical harassment, such as unnecessary or offensive touching, or impeding or blocking movement; and
- visual harassment, such as derogatory or offensive posters, cards, cartoons, graffiti, drawings or gestures.

HEALTH, SAFETY AND ENVIRONMENT

In 2019 we have put the HSE system to the test. We have experienced that the stores daily HSE work has been following planned schedule and has functioned as expected. However, we see that the centralized functions for follow-up and maintenance of the system is ineffective and time consuming. We have experienced that we can get positive effect of future development of the HSE system, and implementation of HR functions. The DLA Piper investigation conducted in 2019 also reflects this in their report.

XXL Sweden conduct training for all store managers and safety representatives ("Skyddsombud") in all stores on HSE related rules and regulations. This education includes laws that cover the working environment, the managers' role and responsibilities, organizational and social work environment and ergonomics. Our priority is to review and update our routines and policies regarding our work environment. Implementation of Human Resource department is one of the measures expected to increase quality in the HSE work.

Going forward we will focus on strengthen our HSE system with dedicated HR recourses, better system for HSE management and logging of deviation and training of personnel with HSE functions in all levels of our organization.

PRODUCTS

SUSTAINABLE PRODUCTS / CIRCULAR BUSINESS MODELS



Essential sustainability themes:

- Product quality and duration
- Circularity: Repair, sale, rental and subscription solutions
- Sustainable products and brands



3.9) Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination



12.4) Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment

12.5) Substantially reduce waste generation through prevention, reduction, recycling and reuse.

12.8) Ensure that people everywhere have the relevant information and awareness for sustainable development and lifestyles in harmony with nature

PRODUCT SAFETY

As a sport retailer, 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 Directive 2001/95/EC of the European Parliament and of the Council of 3 December 2001 on general product safety, 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 governmental control bodies to protect consumers from hazardous sporting goods and other articles that are found to be hazardous, in particular with respect to children's products. governmental control bodies has the authority to exclude from the market certain consumer products that are found to be hazardous. The act and related legislation also apply to product labeling, licensing requirements, flammability testing, recall of merchandise and product safety particularly.

SUBGROUPS

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.

LAWS AND REGULATIONS

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, XXL Sports & Outdoor OY in Finland and XXL Sports & Outdoor in Austria. In both Sweden, Finland and Austria, 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.

SECURITY

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.

IMPORT

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, neither any bump-stocks or slide arms. 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 it is 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 that a product sold by XXL has serious violations of laws, regulations or requirements concerning health, safety, environmental or labeling aspects, XXL has implemented a corrective action guide for product recalls and other corrective actions. 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.

FRAMEWORK

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 as a guide for suppliers on correct labeling of products to be sold in markets where XXL operates.

STRENGTHENED BISPHENOL A (BPA) RESTRICTION

In 2018 the regulation (EU) 2018/213 was published which strengthens the restriction of BPA in food contact materials, varnished and coated materials and articles. As well, specific migration limit for BPA was lowered in plastic food contact materials and articles. The new regulation also prohibits of BPA in polycarbonate drinking cups or bottles intended for infant and young children.

PHTHALATES RESTRICTION IN ELECTRICAL AND ELECTRONIC EQUIPMENT

Phthalates restriction in electrical and electronic equipment. (DEHP, BBP, DBP and DIBP) was applied from 22 July 2019. XXL has updated the Chemical restriction list known as the XXL Environmental Requirements Chemicals and updated requirements for test reports and documentation. In general, XXL require the producers to use substitutes for restricted chemicals whenever possible, and works for a reduction of substances of very high concern in all products and packaging.

UFI CODE ON CHEMICAL PRODUCT LABEL

For chemical the requirements of an UFI code on chemical product label applied from 1 January 2020 – a 16-character code called the unique formula identifier (UFI). UFI are mandatory on the label of all products classified for health or physical hazards.

Importers and downstream users placing such products on the market will have to provide specific product

information, including the UFI, to poison centers. Tools and support to generate the UFI are available on ECHA's Poison Centers website. XXL intensified the internal control on affected chemical product labelling in 2019.

The reminders are published to notify our partners on important upcoming requirements so that measures can be implemented as soon as possible on products intended to be placed on market. Our goal is to stay ahead of the legally binding requirements. In this way we reduce risk of products staying on market throughout the transition periods and at the same time we are ahead of schedule with health and environmentally friendly measures.

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.

LABELING

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

PROTECTION OF HUMAN HEALTH

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

XXL has commenced several internal audits on products concerning biocides, treated articles, phthalates and other restricted chemicals. 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 are subject to sustainable production and slaughtered in a humane way. We aim 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

FIVE FREEDOMS

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.

SUPPLIERS

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 found.

Several suppliers has made XXL aware of their support and partnership with the industry company "Allied Feather & Down" for sourcing of feather and down. They are a founding member of the International Alliance for the Pro Down Initiative and a member of the International Down and Feather Bureau (IDFB). XXL performed several internal audits on products with raw material of animal origin and no deviation to requirements where found.

Among our animal derived products, we distribute a lot of reindeer shin produced as a by-product of meat production. By distributing products from the reindeer production, we contribute to this tradition of indigenous peoples in the Nordic countries.

5. PERSONAL PROTECTIVE EQUIPMENT (PPE)

XXL has inspected personal protective equipment to ensure that products comply with the Personal Protective Equipment Directive 89/686/EEC. XXL quality control team require EC Declaration of Conformity and EC Type Examination Certificates for all PPE before delivery. Noncompliance with regulations will result in goods not accepted for delivery.

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.

DOCUMENTATION

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.

XXL has implemented PPE in Internal Control System (XXL ICS) and in buying routines. New regulations for PPE were implemented in 2018 and XXL has made adaptations to XXL ICS to meet these changes and had expanded the focus on PPE products in Internal Control Audits.

INTERNAL AUDITS

As we have inspected numerous items over the years, we now have better data used for risk assessment of products and suppliers. The inspection criteria has been updated to conduct inspections of whole product groups instead of a selection of products from several product groups. In addition we have commenced inspections of items where we have been notified of future changes in regulations or by inspecting random samples, on behalf of concerns brought to our attention by consumers, media, authorities or others. This way our inspections are conducted more efficiently and purposefully.

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 language on labelling, importer information and contact details. In other cases, more serious violations of the product regulations. Any noncompliance of regulations result in necessary corrective actions

In 2019 XXL conducted 78 internal audits, 31 products failed and 16 products concluded acceptable, but need improvement for future deliveries

RECALLS AND COMPREHENSIVE CASES

- 1.** BULA Face Mask (Naturalprene Mask) Market withdrawal by Swedish Consumer Agency. Suffocation risk. The product does not comply with regulations. Product missing permanent marking that says children below 3 years cannot use it.
- 2.** White XC 290 Comp 19/White XC 275 Comp Ane 19: Recall from end consumers by importer. Potential risk that frame break under stress. The XXL routine for recalls and corrective actions was followed. Notification sent to The Norwegian Directorate for Civil Protection (DSB).
- 3.** Ghost Nivolet X7,8 LC: Recall from end consumers by importer. The XXL routine for recalls and corrective actions was followed. Measures taken to solve problem in XXL workshops in partnership with supplier.
- 4.** UmbroFleece Logo Hood Jr: Market withdrawal: Not in compliance with requirements for childrens-clothing under the GPSD and the harmonized standard: 14682 Cord and drawstrings on childrens-clothing. Measures taken: Market withdrawal and return to supplier.
- 5.** Recall of Carrying Straps for ZEISS Binoculars: Affected models: All models of the Conquest HD, Victory SF, HT, RF, NV, FL series, the Terra ED 32 and 42 and the 20x60S from the current range, Dialyt 8x56 GA T*, Dialyt 8x56 GA T* final edition 2016, 7x50 GA T* Marine, All models from the Victory Pocket series. Above limit values for PAHs (polycyclic aromatic hydrocarbons) defined in the REACH Directive published on 27 December 2015 that applies in der EU and EEA. Measures taken: Replacement of carrying straps.

COMPLIANCE WITH REGULATIONS

Extended internal audits, risk assessment in buying process and an increased awareness by suppliers and producers have resulted in more products in compliance with regulations when arriving XXL. Throughout 2019, XXL has performed training lessons, updated requirement documentations, risk assessments and made other tools available for purchasers, suppliers and our employees.

We receive a variety of inquiries from our stakeholders through different channels of our operation. Training of employees handling these inquiries has been a focus through 2019. The inquiries span from direct product information regarding chemical content to statements on our sustainability and ethical requirements.

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 have stopped using fluorides with PFOA or associated PFOA substances (such as C8 chemistry) in all our service stations in stores and central warehouses. In 2019, we started a phase out of all ski wax containing any type of fluorides. By using our purchasing power, we believe that these measures will accelerate the process of developing new innovative and environmental friendly alternatives. As a significant distributor of ski wax in our home markets, we are confident our statements towards our suppliers are effective.

SUSTAINABLE PRODUCTS AND BRANDS

In partnership with our suppliers, XXL aims to provide sustainable products. XXL will focus on highlighting eco-labeling and acknowledged standards and certification such as Bluesign, GOTS, and Oeko-tex in marketing. Trough extended value chain management and high environmental and ethical requirement we will provide products in compliance with regulations, and focus on products and brands with a strong sustainable profile, and quality meeting the expectations from the consumer markets.

CIRCULARITY

From the beginning, XXL focused on providing services like fully equipped workshops for skis & bikes, skate grinding and other repair services. Over the years we have added more specific services like gunsmiths, home delivery services, impregnation of shoes and textiles, tailor services, racket stringers and a whole variety of different product related services and repairs. Tendencies in the market shows a greater demand for new circular business models and sharing economy. XXL are investigating the opportunities for connecting new business models like rental services and subscription models not only as a supplement to our ordinary products, but as a way to reach out to new consumer groups especially the younger generations now trending to use sharing services instead of buying new products.

QUALITY AND DURATION

Changing consumer trends and expectation for sustainable products highlights the need for quality products, reparability and duration. Our purchasing department are working in close relation with our producers and supplier to build an assortment of products to meet the increased demand for quality products while our marketing department provide information, which highlights the benefits of high quality and duration. XXL believes that high quality products does not necessarily means high-end prices.

CUSTOMER PRIVACY AND CONSUMER DATA

Globalization and digitalization of the retail industry and society in general are affecting the daily operations and the way we work. It is all about technology and working processes will more and more rely on the use of data and automation for future success and efficiency. Data protection and information security will play an important part in this landscape and XXL must ensure that all data processed is kept sufficiently accessible and confidential. Data must at all times be protected against unauthorized access and only accessible to those who need it, when they need it. Violations of data protection could have serious consequences in terms of loss of reputation, loss of revenues or increased costs and could affect of both customers and our employees.

XXL comply with the new EU regulation (2016/679 - GDPR) which took place in May 2018 when a data protection policy was adopted in the XXL Group and all its subsidiaries. The policy applied in all processing of personal data in XXL, including processing of personal data about employees and others who perform work or service for XXL. Employees and others involved in XXL's processing of personal data are required to familiarize with and follow the policy.

THE FOLLOWING PRINCIPLES APPLIES IN THE PROCESSING OF PERSONAL DATA IN XXL:

- 1. Processed lawfully:** *All processing of personal data in XXL shall be done in a lawful, fair and transparent manner. Despite this, transparency shall not apply if this principle violates the principles of confidentiality or may pose a risk to the privacy of individuals.*
- 2. Purpose limitation:** *Personal data shall only be processed for specified and explicit purposes. Personal data shall not be processed for a purpose other than that for which the personal data have been collected.*
- 3. Rights of the data subject:** *It must be ensured that the data subject, including employees, has the possibility to exercise their rights under the legislation.*
- 4. Data minimization:** *All processing of personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.*
- 5. Requirements for IT systems:** *The IT systems and IT solutions used by XXL shall support the obligations under the legislation and shall not prevent compliance with the legislation or rights of the data subject.*
- 6. Accuracy:** *Personal data shall be ensured accuracy and shall be rectified upon request or when it is revealed that the personal data is incorrect and kept up to date.*

PROCESSING OF PERSONAL DATA

XXL processes personal data as a part of the administration of the relationship with its employees and the relationship with its customers and suppliers. A list of processing of personal data in XXL is established with detailed information on purpose, the lawful ground, geographical location, which personal data that are being processed and where the data is obtained. The policy further regulates requirements related to processing of special categories of personal data, personal data relating to criminal convictions and offences, processing of personal information concerning minors, transfer of personal information to others such as data controllers and third parties, deletion of personal information, access to personal information and securing confidentiality.

It is important that all data subjects know what kind of processing of personal data that is made in XXL and receive that personal data processed if requested by the person concerned. On request a data subject will receive information on processing of his or hers personal data and, if requested, get a copy of all information stored on themselves. Such access and/or printing shall be given without unnecessary delay and within 30 days after receiving the request. Data subjects could request erasure of data and when erasing personal data XXL must ensure that safe erasure is performed.

COMPLAINTS

One minor incident was reported in May 2019. For a period of 5 days, news letters were sent out to a limited group of consumers who had unsubscribed in Sweden. Problem was quickly identified and resolved. Incident was handled according to internal GDPR procedures.

Information security and data protection must at all times adapt to the changing needs but always by complying with the governing legislation. XXL will work systematically on this going forward as this is a prerequisite to success in this area.

COMMUNITY ENGAGEMENT

1. LOCAL COMMUNITIES

XXL is a large employer of young people. In Norway, we have cooperated 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 successful 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 2019, we hired 109 new employments from this initiative until the project was placed on hold due to severe negative media attention and investigations by governmental control bodies. In 2019, the first class of "Hurtigsporet", a fast track project for introduction to the Norwegian labor market, completed with astonishing results. Seventeen out of eighteen participants are employed, twelve of them in XXL by the end of 2019.

The initiatives with academic day's for all local representatives working with mental health as the topic in collaboration with NAV continued. All stores have their own employee in charge of recruiting from NAV, provide training, competence and motivation to the participants. XXL is very pleased and proud of all the new employees recruited through this system.

This year we have extended the project "XXL School" to three different XXL stores and three NAV offices. The project has drawn attention and great interest from the Directorate of Labor and Welfare.

2. 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 2017 XXL started to take a fee for shopping bags. All the profits from this activity are transferred to XXL Children's Foundation in a way to increase the funds. By doing this we save the environment by focusing on reusing shopping bags and XXL Children's Foundation increases their donations and activities.

PROJECTS

Since the start XXL Children's Foundation has focused on several projects.

In 2019 XXL Children's Foundation engaged in Project Mgahinga in Uganda by donation NOK 100.000 to construction of a new kitchen and dining hall to Mgahinga Community Junior School in Southwestern Uganda. This project will continue with further donations in 2020. The new facilities will improve the current setting tremendously and will create healthy environment for the pupils and staff at Mgahinga Community Junior School

3. 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. As a part of XXLs overall Mission "All Sports United, Sport Unites All" we have defined our underlying social contribution make sport accessible, available and affordable for all. Increased public health is important for the community in general to prevent health costs due to lifestyle diseases and contributes to an improved immune system in the population. 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. Athletics are part of 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 shop of sporting goods, with our products, concepts, services and attractive prices.

EVENTS

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.

TEAM SALES

Technology is also becoming more important in the

sports industry and we promote both sports watches and heart rate monitors. In 2017 XXL introduced sales to individual teams with a game changing business model. It is a pure online based model where the family and team management could order and organize everything on their own website connected with XXL. By trading with XXL all the teams will get kick-backs from XXL to support their local team business and daily operations. In 2019 15 new teams were signed. XXL Team Sales department focused on signing teams with large number of members and improve quality for existing members. Due to related issues in Sweden, which were resolved in December 2019, we expect a good development in 2020.

PINK RIBBON

XXL signed a new partnership to the Pink Ribbon campaign in 2018. In 2019 XXL contributed to the Pink Ribbon campaign, selling products where a share of profit was donated to the campaign, donation made by customers, a contribution made by XXL for NOK1 for every kilometer company employees walked or ran, and by selling pink ribbons and wristbands. In Norway the campaign sold 2667 pink ribbons, and 25.000 pink ribbons and 2.000 wristbands.

4. 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. European Retail Director Anders Kjellén, is currently a member of the Board of Sportsbransjen AS.

GRI INDEX

XXL ASA looks to the practice of the Global Reporting Initiative’s (GRI) and follow the reporting principles set out in GRI 101 - Foundation). It describes sustainability issues of interest to our stakeholders and covers the significant principles in the UN Global Compact. Below is an illustrative index based on GRI standards for XXL ASA:

The index below references our responses to GRI Standard Disclosures and related sections of XXLs Sustainability Report 2019 and supplementary documents.

GRI 102: GENERAL DISCLOSURES		EXTERNAL ASSURANCE
1. ORGANIZATIONAL PROFILE		
Disclosure 102-1	<i>Name of the organization</i>	<i>Annual Report</i> <i>Board of Director’s report</i>
Disclosure 102-2	<i>Activities, brands, products, and services</i>	Annual Report <i>About XXL ASA</i> <i>Products</i> <i>Services</i>
Disclosure 102-3	<i>Location of headquarters</i>	Annual Report <i>Board of Director’s report</i>
Disclosure 102-4	<i>Location of operations</i>	Annual Report <i>Board of Director’s report</i>
Disclosure 102-5	<i>Ownership and legal form</i>	Annual Report <i>Notes</i>
Disclosure 102-6	<i>Markets served</i>	Annual Report <i>About XXL ASA</i> <i>Markets</i>

Disclosure 102-7	<i>Scale of the organization</i>	Annual Report Notes
Disclosure 102-8	<i>Information on employees and other</i>	Annual Report Notes Sustainability Report <i>Training and education of employees</i>
Disclosure 102-9	<i>Supply chain</i>	Sustainability Report <i>Supplier Assessment</i> <i>Products</i>
Disclosure 102-10	<i>Sustainability Report</i> <i>Training and education of employees</i>	Annual Report <i>About XXL ASA</i> <i>Value Chain</i>
Disclosure 102-11	<i>Precautionary Principle or approach</i>	Annual Report <i>Store locations</i> <i>Board of Director's report Notes</i>
Disclosure 102-12	<i>External initiatives</i>	Sustainability Report <i>Community engagement</i> <i>Dialogue partners</i>
Disclosure 102-13	<i>Membership of associations</i>	Sustainability Report <i>Community engagement</i> <i>Dialogue partners</i>
2. STRATEGY		
Disclosure 102-14	<i>Statement from senior decision-maker</i>	Sustainability Report <i>CEO comment</i>
Disclosure 102-15	<i>Key impacts, risks, and opportunities</i>	Annual Report <i>BOD report</i> <i>Risks</i>
3. STRATEGY		
Disclosure 102-16	<i>Values, principles, standards, and norms of behavior</i>	Sustainability Report <i>CEO comment</i> <i>Supplier Assessment</i> Annual Report <i>Strategy</i>

Disclosure 102-17	<i>Mechanisms for advice and concerns about ethics</i>	Annual Report <i>BOD Report</i>
4. GOVERNANCE		
Disclosure 102-18	<i>Governance structure</i>	Sustainability Report <i>XXL Corporate responsibility</i> Annual Report <i>Corporate Governance</i>
Disclosure 102-19	<i>Delegating authority</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-20	<i>Executive-level responsibility for economic, environmental, and social topics</i>	Sustainability Report <i>Risks and oppourtunities</i> Annual report <i>Corporate Governance</i>
Disclosure 102-21	<i>Consulting stakeholders on economic, environmental, and social topics</i>	Sustainability Report <i>Dialogue with our stakeholders</i> Annual Report <i>Corporate Governance</i>
Disclosure 102-22	<i>Composition of the highest governance body and its committees</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-23	<i>Chair of the highest governance body</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-24	<i>Nominating and selecting the highest governance body</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-25	<i>Conflicts of interest</i>	Not Disclosed
Disclosure 102-26	<i>Role of highest governance body in setting purpose, values, and strategy</i>	Annual Report <i>BOD report</i>
Disclosure 102-27	<i>Collective knowledge of highest governance body</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-28	<i>Evaluating the highest governance body's performance</i>	Annual Report <i>Corporate Governance</i>

Disclosure 102-29	<i>Identifying and managing economic, environmental, and social impacts</i>	Sustainability Report <i>Environmental Impact from our operations</i> Annual Report <i>Corporate Governance</i>
Disclosure 102-30	<i>Effectiveness of risk management processes</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-31	<i>Review of economic, environmental, and social topics</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-32	<i>Highest governance body's role in sustainability reporting</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-33	<i>Communicating critical concerns</i>	Annual Report <i>Corporate Governance</i>
Disclosure 102-34	<i>Nature and total number of critical concerns</i>	Not Disclosed
Disclosure 102-35	<i>Remuneration policies</i>	Annual Report <i>Notes</i> <i>Corporate Governance</i>
Disclosure 102-36	<i>Process for determining remuneration</i>	Annual Report <i>Notes</i>
Disclosure 102-37	<i>Stakeholders' involvement in remuneration</i>	Annual Report <i>Notes</i> <i>Corporate Governance</i>
Disclosure 102-38	<i>Annual total compensation ratio</i>	Not disclosed
Disclosure 102-39	<i>Percentage increase in annual total compensation ratio</i>	Not disclosed
5. STAKEHOLDER ENGAGEMENT		
Disclosure 102-40	<i>External initiatives</i>	Sustainability Report <i>Dialogue with our stakeholders</i>
Disclosure 102-41	<i>Collective bargaining agreements</i>	Not disclosed
Disclosure 102-42	<i>Membership of associations</i>	Sustainability Report <i>Dialogue with our stakeholders</i>

Disclosure 102-43	<i>Membership of associations</i>	Sustainability Report <i>Dialogue with our stakeholders</i> <i>Defining Materiality</i>
Disclosure 102-44	<i>Membership of associations</i>	Sustainability Report <i>Dialogue with our stakeholders</i> <i>Materiality Matrix</i>
6. REPORTING PRACTICE		
Disclosure 102-45	<i>Entities included in the consolidated financial statements</i>	Annual report <i>Notes</i>
Disclosure 102-46	<i>Defining report content and topic Boundaries</i>	Sustainability Report <i>Dialogue with our stakeholders</i>
Disclosure 102-47	<i>List of material topics</i>	Sustainability Report <i>Dialogue with our stakeholders</i> <i>Identification of key performance indicators</i>
Disclosure 102-48	<i>Restatements of information</i>	Not disclosed
Disclosure 102-49	<i>Changes in reporting</i>	Sustainability Report <i>Dialogue with our stakeholders</i>
Disclosure 102-50	<i>Reporting period</i>	Sustainability Report <i>Front page</i>
Disclosure 102-51	<i>Date of most recent report</i>	Not Disclosed
Disclosure 102-52	<i>Reporting cycle</i>	Not applicable
Disclosure 102-53	<i>Contact point for questions regarding the report</i>	Sustainability Report <i>XXL Corporate responsibility</i>
Disclosure 102-54	<i>Claims of reporting in accordance with the GRI Standards</i>	Sustainability Report <i>XXL Corporate responsibility</i>
Disclosure 102-55	<i>GRI content index</i>	Sustainability Report <i>GRI Index</i>
Disclosure 102-56	<i>External assurance</i>	Sustainability Report <i>GRI Index</i>

GRI 103: MANAGEMENT APPROACH

Disclosure 103-1	<i>Explanation of the material topic and its Boundary</i>	Sustainability Report <i>Risks and Opportunities</i>
Disclosure 103-2	<i>The management approach and its components</i>	Sustainability Report <i>Dialogue with our stakeholders</i>
Disclosure 103-3	<i>Evaluation of the management approach</i>	Sustainability Report <i>Dialogue with our stakeholders</i>

GRI 201: ECONOMIC PERFORMANCE

Disclosure 201-1	<i>Direct economic value generated and distributed</i>	Annual report <i>Not disclosed</i>
Disclosure 201-2	<i>Financial implications and other risks and opportunities due to climate change</i>	Sustainability Report <i>Risks and Opportunities</i>
Disclosure 201-3	<i>Defined benefit plan obligations and other retirement plans</i>	Annual report <i>Not disclosed</i>
Disclosure 201-4	<i>Financial assistance received from government</i>	Not applicable

GRI 202: MARKET PRESENCE

Disclosure 202-1	<i>Ratios of standard entry level wage by gender compared to local minimum wage</i>	Not Disclosed
Disclosure 202-2	<i>Proportion of senior management hired from the local community</i>	Not Disclosed

GRI 203: INDIRECT ECONOMIC IMPACTS

Disclosure 203-1	<i>Infrastructure investments and services supported</i>	Annual report <i>Board of Directors Report About XXL</i>
Disclosure 203-2	<i>Significant indirect economic impacts</i>	Annual report <i>Board of Directors Report About XXL</i>

GRI 204: PROCUREMENT PRACTICES

Disclosure 204-1	<i>Proportion of spending on local suppliers</i>	Not Disclosed
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GRI 205: ANTI-CORRUPTION

Disclosure 205-1	<i>Operations assessed for risks related to corruption</i>	Sustainability Report <i>Supplier Assessment</i>
Disclosure 205-2	<i>Communication and training about anti-corruption policies and procedures</i>	Sustainability Report <i>Supplier Assessment</i>
Disclosure 205-3	<i>Confirmed incidents of corruption and actions taken</i>	Not Applicable

GRI 206: ANTI-COMPETITIVE BEHAVIOR

Disclosure 206-1	<i>Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</i>	Not Disclosed
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GRI 301: MATERIALS

Disclosure 301-1	<i>Materials used by weight or volume</i>	Not Disclosed
Disclosure 301-2	<i>Recycled input materials used</i>	Not Disclosed
Disclosure 301-3	<i>Reclaimed products and their packaging materials</i>	Not Disclosed

GRI 302: ENERGY

Disclosure 302-1	<i>Energy consumption within the organization</i>	Sustainability Report <i>Environmental impact from our operations</i>
Disclosure 302-2	<i>Energy consumption outside of the organization</i>	Not Disclosed
Disclosure 302-3	<i>Energy intensity</i>	XXL Carbon accounting report 2019
Disclosure 302-4	<i>Reduction of energy consumption</i>	Sustainability Report <i>Environmental impact from our operations</i>
Disclosure 302-5	<i>Reductions in energy requirements of products and services</i>	XXL Carbon accounting report 2019

GRI 303: WATER AND EFFLUENTS

1. MANAGEMENT APPROACH DISCLOSURES

Disclosure 303-1	<i>Interactions with water as a shared resource</i>	Not Disclosed
Disclosure 303-2	<i>Management of water discharge-related impacts</i>	Not Disclosed

2. TOPIC-SPECIFIC DISCLOSURES		
Disclosure 303-3	Water withdrawal	Not Disclosed
Disclosure 303-4	Water discharge	Not Disclosed
Disclosure 303-5	Water consumption	Not Disclosed
GRI 304: BIODIVERSITY		
Disclosure 304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Not Disclosed
Disclosure 304-2	Significant impacts of activities, products, and services on biodiversity	Not Disclosed
Disclosure 304-3	Habitats protected or restored	Not Disclosed
Disclosure 304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Sustainability Report Supplier Assessment Animal Welfare Policy
GRI 305: EMISSIONS		
Disclosure 305-1	Direct (Scope 1) GHG emissions	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2019
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2019

Disclosure 305-3	<i>Other indirect (Scope 3) GHG emissions</i>	Sustainability Report <i>Environmental impact from our operations</i> <i>GHG Emissions</i> XXL Carbon accounting report 2019
Disclosure 305-4	<i>GHG emissions intensity</i>	Sustainability Report <i>Environmental impact from our operations</i> <i>GHG Emissions</i> XXL Carbon accounting report 2019
Disclosure 305-5	<i>Reduction of GHG emissions</i>	Sustainability Report <i>Environmental impact from our operations</i> <i>GHG Emissions</i> XXL Carbon accounting report 2019
Disclosure 305-6	<i>Emissions of ozone-depleting substances (ODS)</i>	Not Disclosed
Disclosure 305-7	<i>Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions</i>	Not Disclosed
GRI 306: EFFLUENTS AND WASTE		
Disclosure 306-1	<i>Water discharge by quality and destination</i>	Not Disclosed
Disclosure 306-2	<i>Waste by type and disposal method</i>	Sustainability Report <i>Environmental impact from our operations</i> <i>GHG Emissions</i>
Disclosure 306-3	<i>Significant spills</i>	Not Disclosed
Disclosure 306-4	<i>Transport of hazardous waste</i>	Not Disclosed
Disclosure 306-5	<i>Water bodies affected by water discharges and/or runoff</i>	Not Disclosed

GRI 307: ENVIRONMENTAL COMPLIANCE

Disclosure 307-1	<i>Non-compliance with environmental laws and regulations</i>	Sustainability Report <i>Supplier Assessment</i> <i>Recalls and Comprehensive cases</i>
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GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT

Disclosure 308-1	<i>New suppliers that were screened using environmental criteria</i>	Sustainability Report <i>Supplier Assessment</i>
Disclosure 308-2	<i>Negative environmental impacts in the supply chain and actions taken</i>	Sustainability Report <i>Supplier Assessment</i>

GRI 401: EMPLOYMENT

Disclosure 401-1	<i>New employee hires and employee turnover</i>	Annual Report <i>Notes</i> Sustainability Report <i>Employees</i>
Disclosure 401-2	<i>Benefits provided to full-time employees that are not provided to temporary or part-time employees</i>	Not Disclosed
Disclosure 401-3	<i>Parental leave</i>	Not Disclosed

GRI 402: LABOR/MANAGEMENT RELATIONS

Disclosure 402-1	<i>Minimum notice periods regarding operational changes</i>	Not Disclosed
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GRI 403: OCCUPATIONAL HEALTH AND SAFETY

1. MANAGEMENT APPROACH DISCLOSURES

Disclosure 403-1	<i>Occupational health and safety management system</i>	Not Disclosed
Disclosure 403-2	<i>Hazard identification, risk assessment, and incident investigation</i>	Not Disclosed
Disclosure 403-3	<i>Occupational health services</i>	Not Disclosed
Disclosure 403-4	<i>Worker participation, consultation, and communication on occupational health and safety</i>	Not Disclosed
Disclosure 403-5	<i>Worker training on occupational health and safety</i>	Not Disclosed
Disclosure 403-6	<i>Promotion of worker ill health</i>	Not Disclosed
Disclosure 403-7	<i>Prevention and mitigation of occupational health and safety impacts directly linked by business relationships</i>	Not Disclosed

2. TOPIC-SPECIFIC DISCLOSURES

Disclosure 403-8	<i>Workers covered by an occupational health and safety management system</i>	Sustainability Report <i>Employees</i> <i>Health, safety and environment</i>
Disclosure 403-9	<i>Work-related injuries</i>	Not Disclosed
Disclosure 403-10	<i>Work-related injuries</i>	Sustainability Report <i>Employees</i>

GRI 404: TRAINING AND EDUCATION

Disclosure 404-1	<i>Average hours of training per year per employee</i>	Sustainability Report <i>Employees</i> <i>Training and education of employees</i>
Disclosure 404-2	<i>Programs for upgrading employee skills and transition assistance programs</i>	Sustainability Report <i>Employees</i> <i>Training and education of employees</i>
Disclosure 404-3	<i>Percentage of employees receiving regular performance and career development reviews</i>	Not Disclosed

GRI 405: DIVERSITY AND EQUAL OPPORTUNITY

Disclosure 405-1	<i>Diversity of governance bodies and employees</i>	Sustainability Report <i>Employees</i>
Disclosure 405-2	<i>Ratio of basic salary and remuneration of women to men</i>	Not Disclosed

GRI 406: NON-DISCRIMINATION

Disclosure 406-1	<i>Incidents of discrimination and corrective actions taken</i>	Not Disclosed
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GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

Disclosure 407-1	<i>Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk</i>	Collective bargain agreement in Sweden and central warehouse Norway
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GRI 408: FORCED OR COMPULSORY LABOR

Disclosure 408-1	<i>Operations and suppliers at significant risk for incidents of child labor</i>	Not Disclosed
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GRI 409: SECURITY PRACTICES

Disclosure 409-1	<i>Operations and suppliers at significant risk for incidents of forced or compulsory labor</i>	Not Disclosed
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GRI 410: SECURITY PRACTICES

Disclosure 410-1	<i>Security personnel trained in human rights policies or procedures</i>	Not Disclosed
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GRI 411: RIGHTS OF INDIGENOUS PEOPLES

Disclosure 411-1	<i>Incidents of violations involving rights of indigenous peoples</i>	Not Disclosed
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GRI 412: HUMAN RIGHTS ASSESSMENT

Disclosure 412-1	<i>Operations that have been subject to human rights reviews or impact assessments</i>	Sustainability Report <i>Supplier Assessment</i> <i>Third party audit and control</i>
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Disclosure 412-2	<i>Employee training on human rights policies or procedures</i>	Sustainability Report <i>Employees</i>
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Disclosure 412-3	<i>Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening</i>	Code of Conduct Not Disclosed
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GRI 413: LOCAL COMMUNITIES

Disclosure 413-1	<i>Operations with local community engagement, impact assessments, and development programs</i>	Sustainability Report <i>Community engagement Local Communities</i>
Disclosure 413-2	<i>Operations with significant actual and potential negative impacts on local communities</i>	Not Disclosed

GRI 414: SUPPLIER SOCIAL ASSESSMENT

Disclosure 414-1	<i>New suppliers that were screened using social criteria</i>	Sustainability Report <i>Supplier Assessment</i>
Disclosure 414-2	<i>Negative social impacts in the supply chain and actions taken</i>	Sustainability Report <i>Supplier Assessment</i>

GRI 415: PUBLIC POLICY

Disclosure 415-1	<i>Political contributions</i>	Not Disclosed
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GRI 16: CUSTOMER HEALTH AND SAFETY

Disclosure 416-1	<i>Assessment of the health and safety impacts of product and service categories</i>	Sustainability Report <i>Products Product Safety</i>
Disclosure 416-2	<i>Incidents of non-compliance concerning the health and safety impacts of products and services</i>	Sustainability Report <i>Products Recalls and comprehensive cases</i>

GRI 417: MARKETING AND LABELING

Disclosure 417-1	<i>Requirements for product and service information and labeling</i>	Sustainability Report <i>Products Framework</i>
Disclosure 417-2	<i>Incidents of non-compliance concerning product and service information and labeling</i>	Sustainability Report <i>Products Recalls and comprehensive cases</i>
Disclosure 417-3	<i>Incidents of non-compliance concerning marketing communications</i>	Not Disclosed

GRI 418: CUSTOMER PRIVACY

Disclosure 418-1	<i>Substantiated complaints concerning breaches of customer privacy and losses of customer data</i>	Sustainability Report <i>Personal Protection and Consumer Data Complaints</i>
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GRI 419: SOCIOECONOMIC COMPLIANCE

Disclosure 419-1	<i>Non-compliance with laws and regulations in the social and economic area</i>	Not Disclosed
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XXL

ALL SPORTS UNITED