

SUSTAINABILITY REPORT 2020

XXL





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XXL HIGHLIGHTS 2020 - SUSTAINABILITY



TOTAL tCO₂e/ FTE:

2.2 +19.1%

TOTAL tCO₂e/ MNOK REVENUE:

0.7 -5.7%

TOTAL tCO₂e/ STORE:

75.5 +4.4%

RECYCLED MATERIALS IN PLASTIC SHOPPING BAGS:

100%

ON SITE FACTORY AUDITS:

62

NUMBER OF STORES:

90

INCREASE IN MARKET BASED GHG EMISSIONS:

15%

PRE-SHIPMENT INSPECTIONS:

69

INTERNAL CONTROL AUDITS:

16

FTE:

3156.6



DONATION BY XXL CHILDRENS FOUNDATION TO "BRING CHILDREN FROM STREETS" AND THEIR PROJECT "FIRST LADY SCHOOL":

NOK 2 000 000

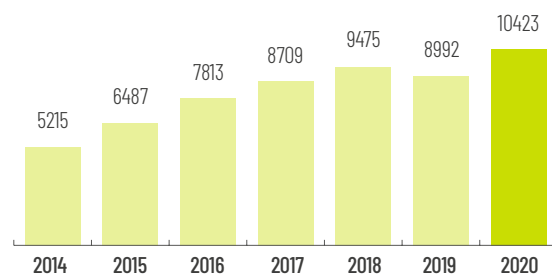
TOTAL HOURS OF ONLINE TRAINING BY EMPLOYEES:

12 000

XXL HIGHLIGHTS 2020 – FINANCIALS

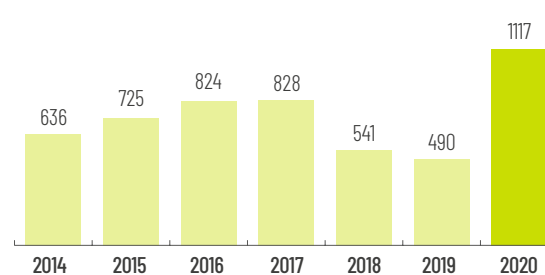
OPERATING REVENUES

Amounts in MNOK



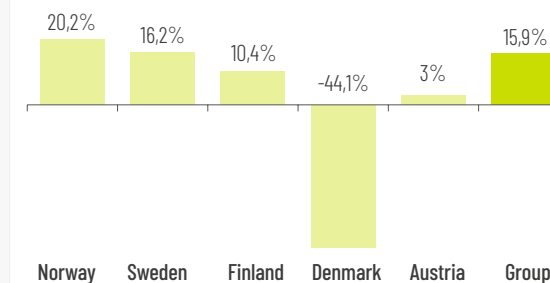
EBITDA

Amounts in MNOK



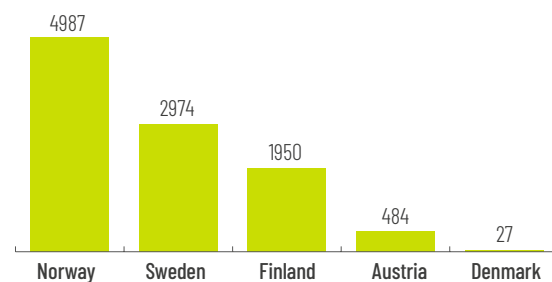
GROWTH BY SEGMENT

Local currency

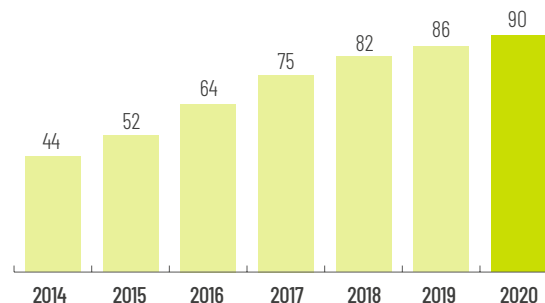


REVENUE SPLIT

Amounts in MNOK

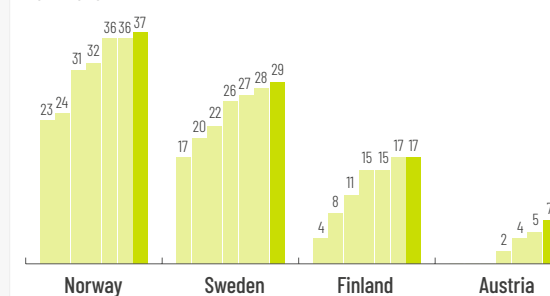


NUMBER OF STORES



STORES PR SEGMENT

2014-2020



XXL CORPORATE RESPONSIBILITY – SPORTS UNITE ALL



Becoming a major player in the market entails a great deal of responsibility. To improve our reputation, healthy business and credibility from our stakeholders we have worked continuously throughout the year improving our business strategy, corporate governance, training and sustainability work.

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, forms the foundation of our corporate governance. XXL's responsibilities to protecting people and environment is a necessity, and we acknowledge the fact that failing to do so results in damaged reputation, negative publicity, affected economic results instead of a competitive advantage.

The extraordinary situation in 2020 encompasses both environmental, social and economic challenges and urgent need for adaption in a landscape that is constantly changing. At the same time, tailor winds in the sports

market has led to a number of new opportunities.

Market consolidation and a healthier inventory has given more flexibility to invest in strategic projects and position XXL as the preferred sports and outdoor destination in Europe.

Many people seek to nature and sports activities. The story of XXL is built on sport and outdoor enthusiasts seeking to grow their

passion for training, recreation and new experiences. We believe, more than ever, that physical and outdoor activities must be available for everyone. Regardless of age, gender, skin color, geography or financial position, everyone can participate – on their own terms. We have defined this in our purpose, "All Sports United, Sports Unite all" (SDG 3).

XXL is all about the people. Our employees is our most valuable

– We believe, more than ever, that physical and outdoor activities must be available for everyone.



asset. Being an employer to more than 5300 individuals, and at the same time being dependent on their passion, knowledge and customer-orientation. requires a great deal of responsibility and excellent leadership. We are committed to provide safe and secure working environment, protect labor rights and provide relevant training and education to all employees, SDG 8. We will promote equality and ensure women's full participation and equal opportu-

nities at all levels of our organization. (SDG 5)

Employees and group's executive management team is trained in the Code of Conduct and the Corporate Responsibility Guidelines. The Board of Directors adopts these procedures. 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.

There has been established new routines and a whistleblowing channel. This channel is available to all XXL employees, business partners and anyone who want to report breaches, detected or reasonably suspected, of any applicable laws and regulations as well as XXL's Code of Conduct. XXL is committed to conducting our business in accordance with the highest ethical principles. We endorse a speak-up culture and encourage stakeholders to report

- 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.

any concerns they may have and thereby contribute to the positive development of XXL.

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. We have responsibility and commitment to help suppliers and manufacturers worldwide to improve working conditions (SDG 8) and reduce their environmental impact in forms of emissions and material consumption (SDG 12). As a retailer dependent on a healthy nature, we have a strong moral commitment to use resources and energy in a responsible way (SDG 12), and reduce the pollution and waste generated by our business. (SDG 15).

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 also provided framework of documents made available through our web channels containing all requirements, regulations and policies related to compliance for our product range. The framework represent the requirements towards our producers and suppliers to conduct business in compliance with regulations. Good cooperation with our suppliers are essential to combat climate change, achieve

- Our overall responsibility is to cover the needs to our stakeholders and society at large, without compromising the ability of future generations to meet their needs.



full transparency and traceability in respect to ethical and environmentally friendly value chain. (SDG 17)

Our products play an elementary role in our plans to reduce our impact. Sustainable products is about ethical and responsible sourcing, material selection, transportation, design and quality. Our aim is to provide products with focus on quality, durability, reparability in order to achieve a longer life cycle of the products,

but also increased customer satisfaction. New circular business models represent opportunities to extend our business and reduce the impact through waste reduction and less emission. Extended repair and service offerings and new business areas within the sharing economy, provides some of our greatest opportunities to reach our sustainability goals and achieve further economic growth (SDG 12, SDG 8).

Our overall responsibility is to

cover the needs to our stakeholders and society at large, without compromising the ability of future generations to meet their needs.

The Sustainability department manage 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 is evaluated and revised continuously.

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 seventh 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

XXL Sustainability approach

XXL Sustainability strategy is connected to the groups overall strategy. Our purpose, All Sport United, Sport Unites All can be reflected in UNs Sustainability Goal nr. 3: Good health and well-being.



ALL SPORTS UNITED

We live in a world where obesity and welfare diseases are increasing and where too many people live unhealthy lives. As a market leader within sports and outdoor gear, we have a great responsibility to be part of the solution.

We believe in the idea of democratizing sports. Through our wide range of products and great prices we can make sports and outdoor activities accessible to the many, all in one place, all in one destination. And thereby make more people live more active lives.



SPORTS UNITE ALL

Sports and outdoor activities unite people. Regardless of age, gender, skin color, geography or financial position, everyone can participate, on their own terms. This way, sports break down barriers and brings people together across the globe. In a common movement and a common spirit.

At XXL, we are true believers of that spirit. We want even more people to discover the joy of being active. And doing what they love. By making our wide assortment of affordable sports and outdoor gear accessible to the many.

- We can make it happen.



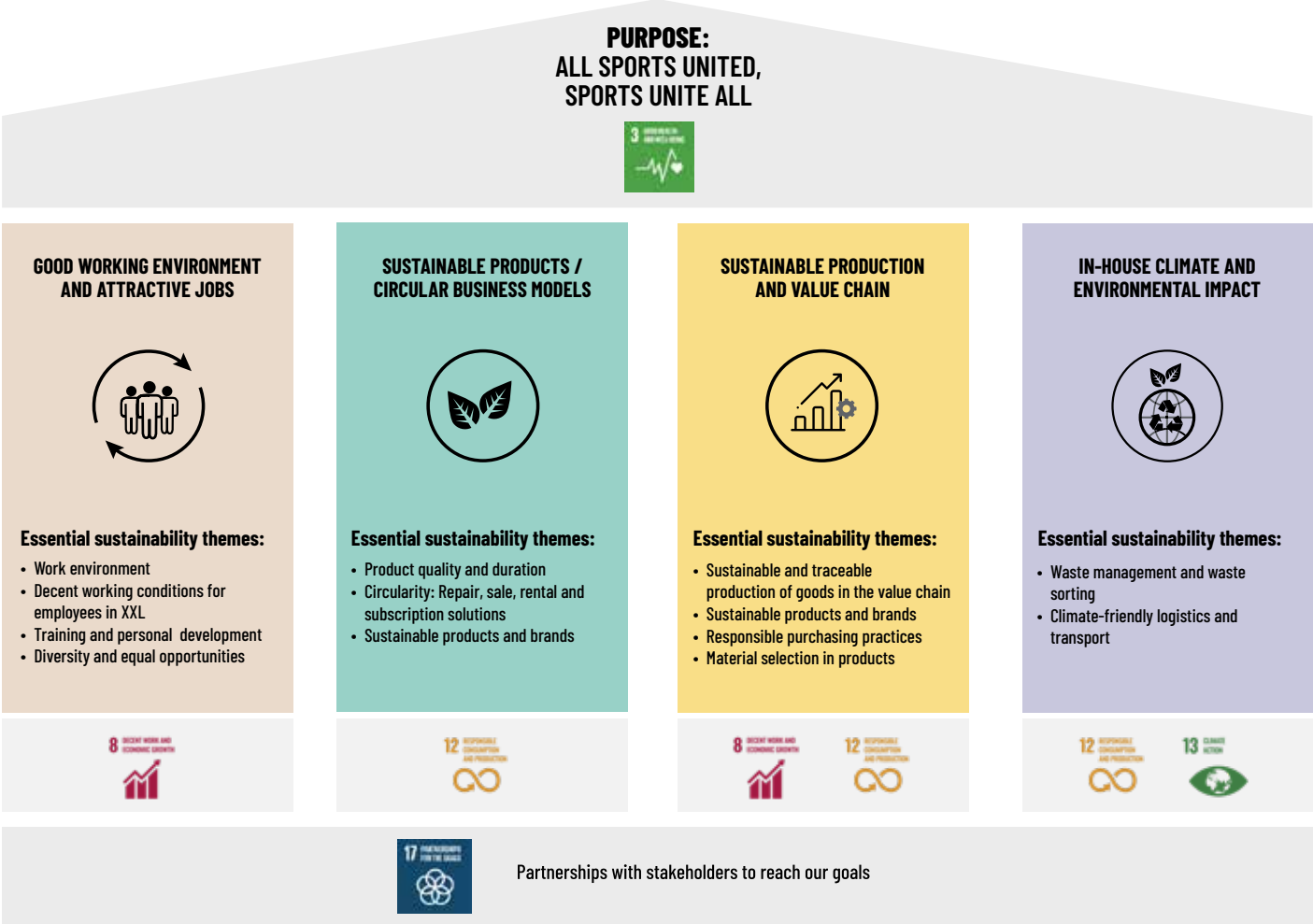
SUSTAINABILITY ASPECTS

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
- In-house Climate and environmental impacts

As a fundament to reach our goals, partnerships with our stakeholders are essential.











OVERALL SUSTAINABILITY ASPECTS



Note: The strategic sustainability areas are described in separate sections later in this report



OUR COMMITMENTS

SUSTAINABILITY AREAS	ESSENTIAL SUSTAINABILITY THEMES	COMMITMENTS	UN SDG'S
<p>GOOD WORKING ENVIRONMENT & ATTRACTIVE JOBS</p> 	<ul style="list-style-type: none"> • Work Environment • Decent working environment for employees in XXL • Training and personal development • Diversity and equal opportunities 	<p>We are committed to provide a safe and secure working environment, protect labor rights and promote equal opportunities for all XXL employees. We will ensure women’s full and effective participation and equal opportunities for leadership at all levels. We will provide relevant training and education to employees at all level of organization. XXL are committed to develop an organization that promotes equality and prevents discrimination, among other things based on gender, pregnancy, maternity leave or adoption, care tasks, ethnicity, religion, beliefs, disabilities, sexual orientation, gender identity and gender expression and combinations.</p>	
<p>SUSTAINABLE PRODUCTS AND CIRCULAR BUSINESS MODEL</p> 	<ul style="list-style-type: none"> • Product quality and duration • Circularity: Repair, sale, rental and subscription solutions • Sustainable products and brands 	<p>We committed to provide products with minimal negative environmental-, social- and economic impact, and work to protect public health and environment over the product’s whole life cycle, from the extraction of raw materials until their final disposal. We’re committed to increase quality, durability, reparability and circularity for all products and services where possible.</p>	
<p>SUSTAINABLE PRODUCTION AND VALUE CHAIN</p> 	<ul style="list-style-type: none"> • Sustainable and traceable production of goods in the value chain • Sustainable products and brands • Responsible purchasing practice • Material selection in products 	<p>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.</p>	 
<p>IN-HOUSE CLIMATE AND ENVIRONMENTAL IMPACT</p> 	<ul style="list-style-type: none"> • Waste management and waste sorting • Climate friendly logistics and transport 	<p>XXL is comitted to take action to combat climate change and its impacts increase the share of renewable energy and implement energy efficiency measures. We will reduce waste generation through prevention, reduction, recycling and reuse.</p>	 

CEO COMMENT

At XXL, we say that sports unite all. We are responsible both for the globe and more than 5.000 employees. Sports unite all means that everyone can participate in sports – on their own terms. Regardless of age, gender, skin color, geography or financial position, everyone can share the joy. Sports break down barriers and brings people together across the globe. At XXL, we share this common spirit.





- If we lower the return rates, it will be good for both the environment, our customers and XXL.

Sustainability is a key factor where XXL as the market leader will lead the way. We will with all our capacity work for a better and more sustainable way of operating all aspects of our business.

We have come a long way, but we acknowledge that there is more work to be done. Sustainability is an area in rapid change. What we have done the last 18 months, will not be enough when we look 18 months ahead. Expectations are increasing both internally and among our customers. The authorities introduce new frameworks, like the EU Taxonomy, to drive change and sustainable investments.

Undoubtedly, there are significant emissions related to production and transportation of goods in our value chain. We will work

to reduce emissions and make adaptations to fight the impact our products represent to the global climate change. We also believe in increasing the life expectancy of the products we sell. We can do that by buying – and selling – more quality products from great brands. But we can do even more.

We believe that our great expertise and workshops play a key role in this development. If we help our customers to take good care of their bikes and skis, the equipment will last longer. Shoes that are impregnated correctly also last longer. A pair of old running shoes can be transformed to your best friend during the winter with a couple of metal spikes. When things are broken, they can often be repaired.

We also need to have a close

dialogue with our suppliers. Let's take returns as an example. When we have high return rates on a specific product, we need to inform the suppliers. Then they can repair the products and adjust their production processes. I believe this is an area where we have a lot of room for automation and improvement. We need to transport products from A to B, but we would like to avoid bringing them back to A again.

If we lower the return rates, it will be good for both the environment, our customers and XXL.

Sports unite all is also about our culture and people. We have a history of uniting people, and we have done a lot of good work on inclusion. For instance, we have had a successful collaboration with the Norwegian Labour and

– A good working environment and attractive jobs is on top of our list of sustainability topics.

Welfare Administration (NAV) that has given us access to a lot of talent. We have developed many of these talents to great employees. In other areas, we have not done enough. That is why a report from DLA Piper in 2019 concluded that we needed to strengthen our resources within HR, compliance and communications.

A good working environment and attractive jobs is on top of our list of sustainability topics. During 2020, and early in 2021, we have made several quick wins.

We have established a set of documents about how we manage our business and updated our ethical guidelines. We have established a whistleblower channel to inform about inappropriate behavior. In addition to this, we have launched a personnel and HSE handbook

that describes key principles in the relationship between XXL and employees. Employees can also find information about their rights in this handbook, anything from employee benefits to sick leave.

On other topics, we need to work with a longer time horizon. Diversity is one such topic. In general, the gender balance in XXL is fairly good. We have a slight overweight of men in Norway and Sweden, while Finland and Austria are almost 50/50. Nevertheless, we have only 20 percent women in the top three management levels. This does not reflect our employees and customer base. It is simply not good enough.

We will work systematically to recruit more female leaders through our ranks and from the outside. In 2025, our ambition is to have at

least 25 percent women in our top-3 management levels, and we will work to increase the share above 45 percent in 2030. We will obviously also continue to promote diversity and inclusion in other areas.

We believe that a good working environment based on a strong culture, and partnerships with suppliers focusing on ethical trade and high-quality products, will lead to competitive advantage and benefits for all stakeholders. Then we will also meet expectations from our customers and employees.

Pål Wibe
CEO



RISKS AND OPPORTUNITIES

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

Often, climate-related issues will touch on other issues related to sustainability. Openness and responsibility for the entire value chain can come as a requirement from consumers and other stakeholders. In a scenario compatible with the Paris Agreement, no part of the retail trade can expect to escape this. Obtaining an overview of one's own imprint and working systematically to reduce it, will be required for all serious players in the retail business.

The Taxonomy sets performance thresholds for economic activities which implies the following technical screening criteria's to be considered taxonomy aligned. Activities must make a substantial contribution to one of six

environmental objectives, do no significant harm to any of the other five, meet minimum safeguards (e.g., OECD Guidelines on Multinational Enterprises and the UN Guiding Principles on Business and Human Rights).

Management approach:

XXL manages potential risks of significant adverse effects by integrating the XXL's corporate governance principles, in the daily work and by working with established procedures and processes for sustainability 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.

The Group uses several tools to support the environmental requirement framework, risk assessment, emissions, value chain and the internal control system. XXL has made preparations to report in accordance with requirements under the EU taxonomy.





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

CLIMATE RISK

Climate changes represents both physical hazards and socio-economic impacts. Science finds that rising average temperatures are associated with the frequency of floods and heat waves and intensification of drought and increased sea levels. At the same

time climate changes has a potential impact on people's livability and workability, pose a risk of damage to physical assets and infrastructure, and could destroy ocean- and terrestrial ecosystems.

Over time, XXL's supply chain may be affected by climate change and more extreme weather. Supply chains and deliveries may become more uncertain. Disruptions as a result of climate change

can also lead to a more volatile market.

XXL's approach to Climate risks:

XXL has put in place supply chain management tools, risk assessment, processes and governance procedures to assess climate risk in our product category and supply chain management. Strong operational control and an active dialogue with our suppliers and producers is a necessity to assess the magnitude of the impact

climate change represents to our business in order to mitigate the negative impact on climate. In 2021 XXL plans to conduct a due diligence process with respect to responsible business conduct and climate related risks.

TRANSITION RISK

Retail is not in itself a very CO₂-intensive industry. However, significant emissions in the value chain related to production and

transport of goods can be affected through regulations in many different ways. Pledges under the Paris Agreement and the action plan provided by the European Green Deal will constitute both direct and indirect consequences for all companies and their activities. EU and domestic political and regulatory development will continue to drive major carbon pricing developments representing financial risks if we do not succeed with decarbonization of

- The retail industry is sensitive to changing consumer trends. The changes can come quickly when they first occur, for example as a result of changes in attitudes among consumers to a product or sector's climate footprint.

our direct and indirect emissions. Liability risk could increase, with potential large financial consequences, if the policy framework on climate is not strong. Producer Responsibility schemes can make severe impact to our business model if we fail to adapt to a requirements of material consumption and less carbon intensive materials and production methods. Technological development and deployment can represent a risk if we do not continuously adapt to new technologies such as electrification of transport and renewable energy. Traceability in the value chain is a technological opportunity that can provide customers with valuable insight and contribute to lower emission

requirements throughout the value chain. Transparency could be a competitive advantage over those customers who want to make better climate choices.

The retail industry is sensitive to changing consumer trends. The changes can come quickly when they first occur, for example as a result of changes in attitudes among consumers to a product or sector's climate footprint. The consumer response could be different for various product groups. For textile products, water consumption related to cotton production is an important issue. For hardware and other capital goods, short life of the products, small degree of reuse, quality and re-



pairability can be an issue that is gaining more weight.

XXL's approach to transition risks: Our sustainability strategy is established to address the most material aspects of our organization. Transition risks related to political

and regulatory development is identified to come primarily from regulations with intention of climate change mitigation. XXL has set a goal of reducing the company's greenhouse gas emissions in line with the EU's objectives. In order to do so we have initiated

several carbon reducing in-house initiatives and started the process mapping the impact of our indirect emissions related to production and transportation of our products.

One example is building solar



- The process of energy consumption mapping has taken a great leap forward and we have changed lighting to LED technology in all stores.

power plants on rooftops of our store facilities to increase the share of renewable energy sources. Another is to revise our policy for business flights in order to reduce both costs and greenhouse gas emissions.

A key factor in our business model is efficient logistics, where reduced packaging volume in addition to effective and cost-efficient transportation systems, requirements to forwarders, ship-owners and producers worldwide give positive correlation between lower emissions 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 substitu-

tion 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.

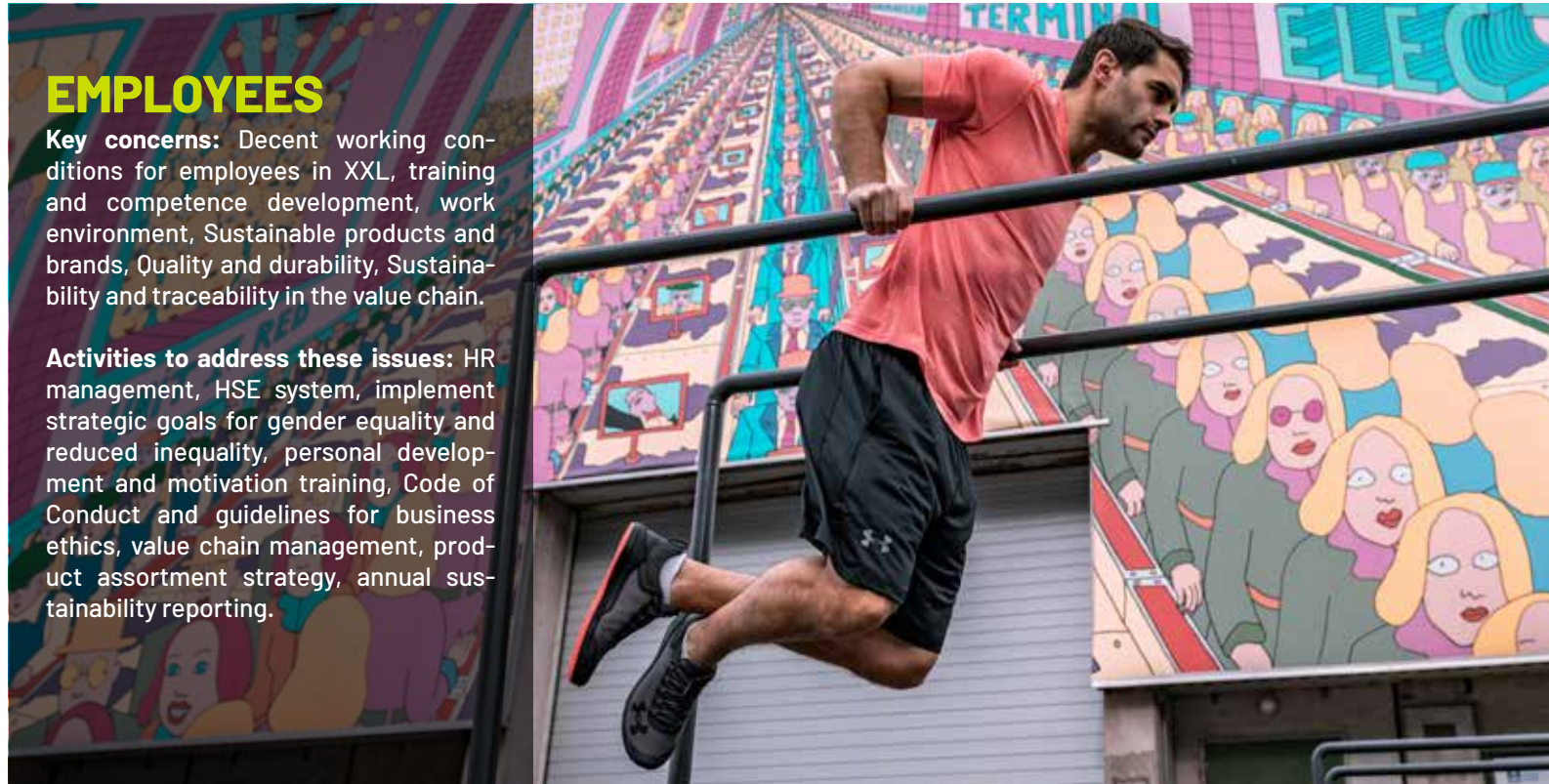
DIALOGUE WITH OUR STAKEHOLDERS

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.

XXL conducted a stakeholder survey targeting accurate and quantitative information on our stakeholders view of on our company behavior and performance. 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.

SHARE-HOLDERS 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





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.

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.

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.

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.

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 XXL's stakeholders through documentation analysis, internal and external interviews leading to a questionnaire for XXL's stakeholders.

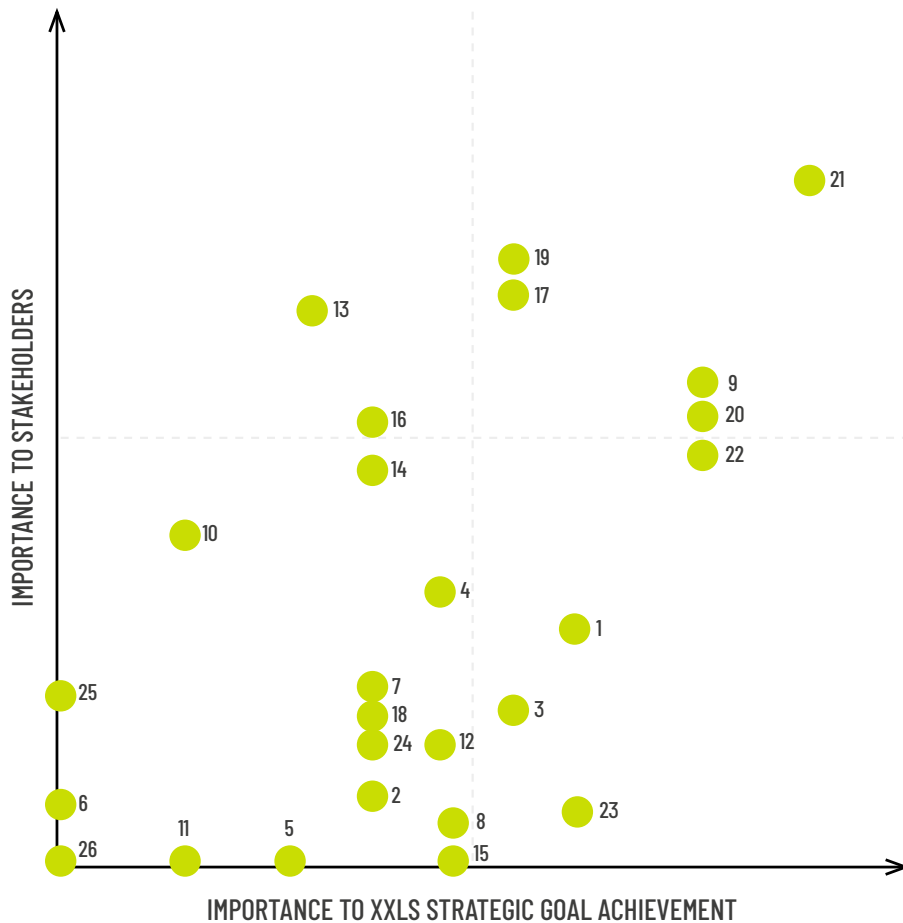
XXL will conduct a materiality analysis every two or three years based on evaluation of goal achievement and market changes. The concern of our stakeholders is an ongoing evaluation process where we collect inputs on a running basis, for example from surveys or through investor meetings and roadshows.



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 XXL's strategic goal achievement.

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.

ASPECTS

- | | |
|---|---|
| 1 ECONOMIC RESULTS | 15 HIRE AND RESELLING OF PRODUCTS |
| 2 ANTI-COMPETITIVE BEHAVIOR | 16 REPARATION AND REUSE OF PRODUCTS |
| 3 PUBLIC HEALTH AND PHYSICAL ACTIVITY | 17 PRODUCT QUALITY AND LONGEVITY |
| 4 SUSTAINABLE PROCUREMENT | 18 PRODUCT SECURITY |
| 5 FREEDOM OF ASSOCIATION | 19 SUSTAINABLE AND TRANSPARENT PRODUCTION IN THE SUPPLY CHAIN |
| 6 PERSONAL AND DATA SECURITY | 20 LABOR AND WORK ENVIRONMENT |
| 7 ETHICS AND ANTI-CORRUPTION | 21 DECENT WORKING CONDITIONS AND BENEFITS FOR XXL EMPLOYEES |
| 8 MATERIALS IN PRODUCTS | 22 UPSKILLING AND TRAINING FOR EMPLOYEES |
| 9 SUSTAINABLE PRODUCTS AND BRANDS | 23 DIVERSITY AND EQUAL OPPORTUNITIES |
| 10 PACKAGING | 24 NON-DISCRIMINATION |
| 11 ENERGY CONSUMPTION | 25 PRODUCT LABELLING AND ETHICAL MARKETING |
| 12 CO2 EMISSIONS | 26 OTHER |
| 13 SUSTAINABLE LOGISTICS AND TRANSPORTATION | |
| 14 WASTE MANAGEMENT | |

THE MATERIAL SUSTAINABILITY TOPICS defines the essential themes which is organized into our four strategic sustainability areas.

MATERIAL SUSTAINABILITY TOPICS

- | | |
|---|---|
| 21 DECENT WORKING CONDITIONS | 22 UPSKILLING AND TRAINING FOR EMPLOYEES |
| 9 SUSTAINABLE PRODUCTS AND BRANDS | 17 PRODUCT QUALITY AND LONGEVITY |
| 20 WORK ENVIRONMENT | 1 ECONOMIC RESULTS |
| 19 SUSTAINABLE AND TRANSPARENT PRODUCTION IN THE SUPPLY CHAIN | 13 SUSTAINABLE LOGISTICS AND TRANSPORTATION |
| | 16 REPARATION AND REUSE OF PRODUCTS |
| | 14 WASTE MANAGEMENT |

IN-HOUSE CLIMATE AND ENVIRONMENTAL IMPACT



Essential sustainability themes:

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



ENVIRONMENTAL IMPACT FROM OUR OPERATION

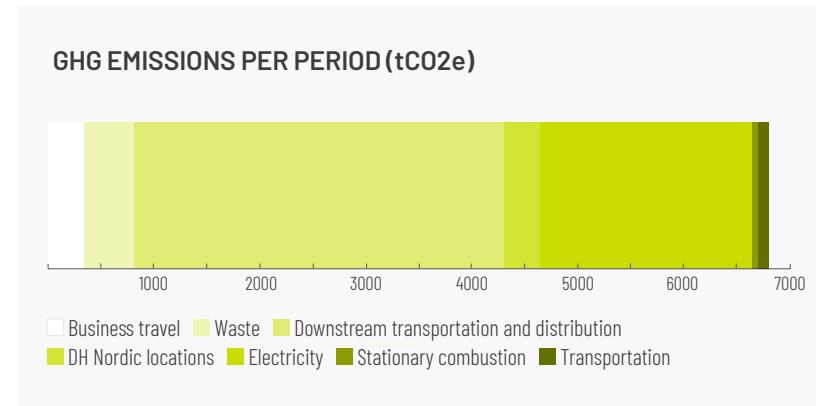
OUR COMMITMENT: XXL is committed to take action to combat climate change and its impacts increase the share of renewable energy and implement energy efficiency measures. We will reduce waste generation through prevention, reduction, recycling and reuse. We are committed to minimizing our environmental impact and make all reasonable efforts to reduce the use of resources such as energy, water and raw materials.





TARGET

- 85%** material recycling of waste in 2021
- 50%** share of renewable energy within 2030
- Zero** waste to landfill within 2025
- Double** energy efficiency rate compared to base year 2014 within 2030
- 55%** reduction in GHG emission within 2030 and net-zero within 2050



The reporting of historic emissions data from before 2019 is based on different methodical data. The increase of market based emissions is mostly related to increased sales. We see a reduction of ghg emissions compared to turnover.

In addition to the production and up-stream transportation of goods, the most significant environmental impacts from the operations of XXL spin around our downstream transportation, waste management and use of electricity in our facilities. Our aim is always to reduce, improve and be efficient. XXL recognize the impact that our operation represent and our responsibility to take action to reduce and eliminate the negative consequences to the environment. XXL has published a carbon accounting report as an appendix to this report.

1. GOODS TRANSPORTATION

The most significant source of emissions in our own operation is downstream transportation. This represent 51.4 percent of the emissions generated from our in-house activities.

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, biogas, biodiesel and electricity in addition to optimized routes, continuously updating the fleet and collaborations with green partnerships.

XXL 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-as-

essment of their environmental performance. The total emission from goods transportation in XXL is 3.495,1 tCO2 e, which represent 51.4 per cent of the total emissions from the group in 2020.

CENTRAL WAREHOUSES

XXL had two central warehouses in 2020, 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. Around 80 per cent of the goods where 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 B2C e-com deliveries will be distributed by zero-emission alternatives or climate compensated by offsetting.

February 1st 2021, XXL opened the third central warehouse in Enzerdsforf outside Vienna, Austria. In addition to increased efficiency and flexibility to the Austrian operation, we expect a significant reduction of emissions related to the downstream transportation to the Austrian operation. Stores and E-com deliveries in Austria has been supplied from the Swedish Central Warehouse up till the opening of CWA.

All XXL warehouses are equipped with AutoStore, an automated storage and retrieval system to increase efficiency, boost productivity and improve customer satisfaction. The robots not only recharge themselves at the right time to avoid excessive charging, but regenerative energy functions also return power to their batteries each time they lower a bin or reduce speed. Substantial utilization of building footprint, wasteful air cleaning, heating and cooling can be reduced, and ceiling lights can be turned off as the robots run in the dark.

We will continue to work on more efficient logistic solutions and new technologies for transportation and we see a correlation between lower emissions and cost efficiency.

ONLINE SALES

Online sales contribute to an increasing part of the sales in XXL, and we have experienced a significant growth as an effect of Covid-19. We favor the choice for the customers of picking up the products in one of our stores, as this is a free shipping alternative. This way, we could coordinate the freight of the online order with goods delivered directly to the stores from the central warehouses.

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

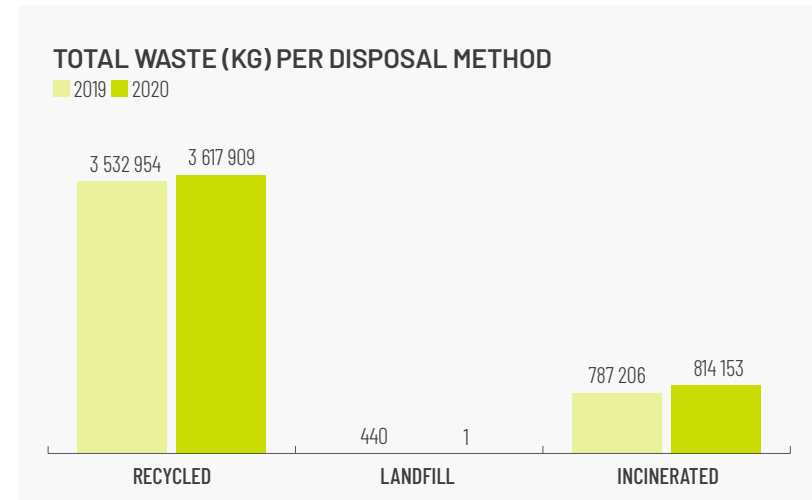
mainly). Packaging is recycled and recovered in full. The second is categorized as incinerated waste. In total 81.6 per cent of the waste in the group is categorized recycled, 18.4 percent is categorized as incinerated waste. There is no waste generated that is registered to landfill in 2020.

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

PRODUCER RESPONSIBILITY

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) can 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 suc-

ceed 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.

In addition to an extensive repair and service offering, XXL are 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 retuned and claimed products. Changing consumer trends, producer responsibility schemes, and expectations and requirements from the financial market to extend circular activities will

- We will continue to work on reducing the amount of waste, focusing on increasing the recovery rates even further, and creating a recycling economy.

provide increased profitability in the coming years. XXL aims to be the frontrunner in circular sport retail and see an advantage in our omni-channel structure compared to web-based market participants with a high linear risk.

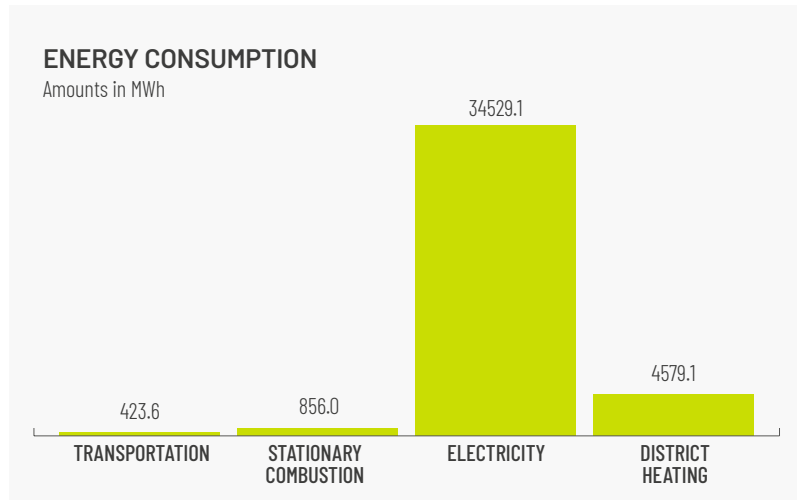
WASTE REDUCTION

We will continue to work on reducing the amount of waste, focusing on increasing the recovery rates even further, and creating a recycling economy. An after-sales manager 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. XXL has also converted

to paper shopping bags in some markets and introduced recycled and reusable shopping nets. In 2021 XXL will intensify the effort to reduce waste and increase the fractions of material recycling compared to incineration and landfill by improving waste sorting system and waste management in all countries.

3. ELECTRICITY CONSUMPTION

XXL has established a centralized electricity agreement with the third party company Hafslund for delivery of electricity to all our facilities in Norway and some in Sweden. They have their own stated sustainability ambitions and policies that we monitor closely. The energy production already has a high portion of renewable energy, based on hydro-power 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 2020 in the XXL Group splits as shown in the graph above.

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 Termoennergi 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.

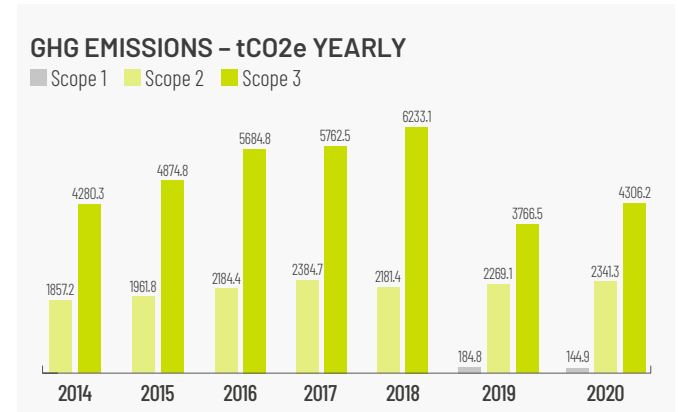
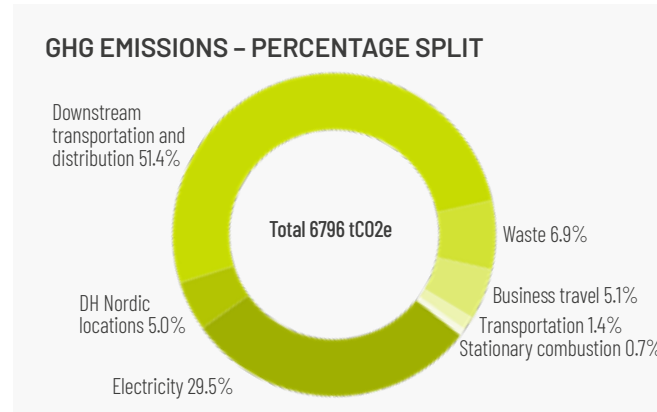
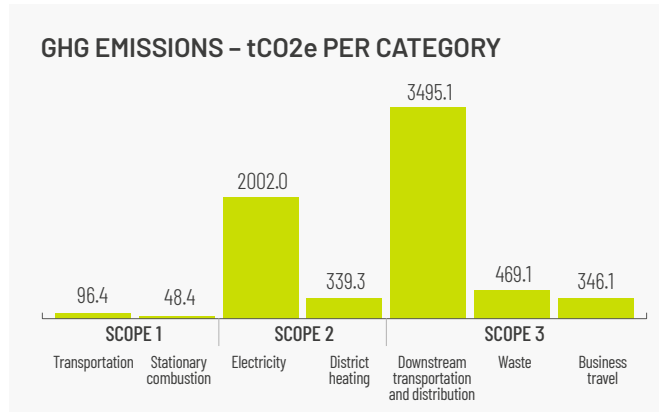
We had a three years plan to upgrade all our Norwegian stores accordingly based on initiatives such as installation of energy monitoring systems, change procedures and training of personnel, automatic control units for light control, upgrade to LED-lights, implementing operation cen-

trals for heating, ventilation and fan coils and upgrading to heat pumps were not able to use tele heating networks. We have seen significant savings in energy consumption when improving stores over time, and are on track for our target of a 40 per cent reduction of energy consumption. New store concepts, with reduced store sizes, energy effective solutions and increase of renewable energy are effective measures for reducing the emissions related to

energy consumption in our operation.

RENEWABLE ENERGY

We are working with a partner to increase renewable energy production on our facilities. Solar power plants are already in place on the rooftop of store facilities in Lielaihti, 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.

MINIMIZE ENVIRONMENTAL FOOTPRINT

Every part of our operations im-

act the environment. Environmental issues integrates into day-to-day work in stores, logistics and offices. XXL plans to revise our business travel policy. Like everyone else, last year we drastically changed our working behavior. Although most XXL employees has their working days at our stores, traveling restrictions made changes to our academy training portfolio, moving most of XXL academy in to e-learning modules. Our back-office functions and administration extensive had use of home office, digitized solutions and video conferences. In XXL recognize the benefits of physical meetings and the value of social gatherings. At the same time, the digitization

of our society has taken a great leap providing opportunities for cost reduction, effectiveness and reduced environmental impact. Our traveling policy will build on the positive correlation between physical meetings and digitization and eliminate unnecessary business travels in XXL.

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 Greenhouse 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.

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 out-

sourced 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.

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 reduction of emissions from previous years compared to turnover.



XXL CHILDREN'S FOUNDATION - BRING CHILDREN FROM STREETS

XXL Children's Foundation has yet again donated funds to the organization «Bring Children From Streets». The amount of NOK 2 million has been transferred to their project «First Lady School» for building a school for children in Uganda combining education and sports.



– It is with great proudness and engagement from all XXL employees we participate in this project by donating funds.



Ambassador for the project is the Norwegian world champion in women's boxing Cecilia Brækhus.

This is achieved due to the effort of all the employees in XXL as the funds are to a large extent created by the sale of shopping bags in all countries.

The funds will be used to double the capacity at the school, from 500 to 1000 pupils as well as

dormitories and several sports arenas including soccer fields, basketball courts and playing fields.

All funds donated will be used to the purpose and the project is expected to be completed in 2021.

It is with great proudness and engagement from all XXL employees we participate in this project by donating funds.

The 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.

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

8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



SUPPLIER ASSESSMENT

OUR COMMITMENT: 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.





XXL stores and online marketplaces are supplied with consisting of well known brands and some private label products. In 2020, around 10 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.

**OUR CODE PRINCIPLES
– SUPPLIER CODE OF CONDUCT**

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

– 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.

Convention on the Rights of the Child, the base code of the Ethical Trading Initiative (ETI) and the International Labour Organization's core conventions.

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

ENVIRONMENTAL REQUIREMENTS FACTORY AUDITS

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.

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.

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 62 factory and on-site audits were commenced in 2020, with an additional 34 improvement audits. There was mainly



- XXL requires that manufacturers, importers and suppliers in the value chain works actively with their own internal environmental and social governance.

- We will not continue to conduct business with factories where serious offence is repeated and we will then terminate the contract.

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 factories where 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. Audits revealed no moderate or major violations to social or environmental requirements. Our Sourcing agent in China con-

ducted 648 pre-shipment quality control inspections. 25 nonconformities were discovered. 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, business ethics, brand quality requirements and sustainability.

The partner is following the changes on the EU and Norwe-



gian 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 few 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 eth-

ical 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 to 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 2020.

The need for improvements are identified, corrective action plans analyzed. Better working conditions, decent wages, health and safety in factory are always discussed with the suppliers.

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. The risk assessment is done for every new article, the human health and environmental safety is evaluated and tested, necessary certificates arranged. The restricted substances list is followed. The products are occupied with necessary

documentation (test reports, certificates where applicable, certificates of origin). Majority of materials used in products are Oeko-tex certified.

Partner is allowed to inspect during production at any time. This is either by partner's 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% production and to improve products or replace defected ones. After given term the inspection is repeated. The root cause analysis done in purpose to prevent issues in future,

the corrective actions planned and implemented.

In 2020 our partner arranged 69 pre-shipment inspections (193 purchasing orders) by using independent 3rd part inspection companies. The goal was reached and 100% of our partner's shipments were inspected.

The pre-shipment inspections act as prevention of shipping the unacceptable quality products or products with wrong barcodes or



- As a market leader that depends on a large number of external suppliers, we need to take responsibility and use our market power to lead the work for a more transparent and traceable industry.

cartons marked incorrectly and other issues.

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 inde-

pendent 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 2021 XXL plans to conduct a due diligence process with respect to responsible business conduct and climate related risks. Further we work consciously improving traceability and transparency in our value chain. New regulations such as the expected Norwegian transparency act and similar regulations in other markets are seen as positive, and we believe it will lead to better control in the value

chain, greater trust among consumers and a fairer competitive situation without compromising ethical, social and environmental conditions. As a market leader that depends on a large number of external suppliers, we need to take responsibility and use our market power to lead the work for a more transparent and traceable industry. At the same time we recognize the risk of the complexity of our value chain and will work continuously to act in compliance with our duty to know, and duty to act diligently.

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.

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.

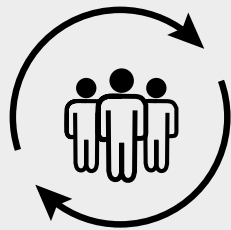
In 2017 we also implemented a new standard for buying where certain product groups require

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.

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



EMPLOYEES

OUR COMMITMENTS: We are committed to provide a safe and secure working environment, protect labor rights and promote equal opportunities for all XXL employees. We will ensure women's full and effective participation and equal opportunities for leadership at all levels. We will provide relevant training and education to employees at all level of organization.





XXL are committed to develop an organization that promotes equality and prevents discrimination, among other things based on gender, pregnancy, maternity leave or adoption, care tasks, ethnicity, religion, beliefs, disabilities, sexual orientation, gender identity and gender expression and combinations

TARGETS:

We have set a target to reduce the group's absence from illness to below 8 per cent in 2021.

Our target for female share in top 3 level of organization: above 25 per cent within 2025 and above 45 per cent by 2030.

MALE WORKERS:

57%

PART TIME WORKERS:

61.8%

FEMALE WORKERS:

43%

FULL TIME WORKERS:

38.2%

FEMALES IN TOP 3 LEVEL POSITIONS:

20%

WORK ENVIRONMENT

XXL is all about our people. Young employees characterize the work environment and many 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 investigation described a

culture where the informal rules have a strong impact. 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 conducted comprehensive internal review of cultural and organizational governance in this respect.

EQUALITY STATEMENT 2020

INTRODUCTION

XXL should be a safe workplace for everyone, with diversity and an open culture where the individual employee should be able to be him-/herself, be seen and heard. This is important for the working environment at the individual workplaces, but also for the individual motivation. XXL wants to develop an organization that promotes equality and prevents discrimination, among other things based on gender, pregnancy, maternity leave or adoption,



care tasks, ethnicity, religion, beliefs, disabilities, sexual orientation, gender identity and gender expression and combinations thereof.

XXL aims to achieve a gender balance and diversity at all levels in the organization, for example by the assessment of talents and leadership development.

STATE OF GENDER EQUALITY

COUNTRY	GENDER BALANCE Stated in number in total in the business				TEMPORARY EMPLOYMENT Stated in number and percentage of all employees				ACTUAL PART-TIME Number and share				PARENTAL LEAVE Number of weeks	
	FEMALE	MALE	FEMALE SHARE	MALE SHARE	PERMANENT	TEMPORARY	PERMANENT SHARE	TEMPORARY SHARE	FEMALE	MALE	FEMALE SHARE	MALE SHARE	FEMALE	MALE
NORWAY	1077	1545	41,08%	58,92%	2621	1	99,96%	0,04%	708	877	44,67%	55,33%	16,31	9,61
SWEDEN	629	907	40,95%	59,05%	1279	257	83,27%	16,73%	372	425	46,68%	53,32%		
FINLAND	470	460	50,54%	49,46%	930	0	100,00%	0,00%	341	308	52,54%	47,46%		
AUSTRIA	133	142	48,36%	51,64%	223	52	81,09%	18,91%	90	61	59,60%	40,40%		
TOTAL	2309	3054	43,00%	57,00%	5053	310	94,20%	5,80%	1511	1671	47,5%	52,5%		

MANAGEMENT APPROACH - HOW XXL WORKS TO PROMOTE GENDER EQUALITY AND PREVENT DISCRIMINATION

PRINCIPLES, PROCEDURES, AND STANDARDS FOR EQUALITY AND AGAINST DISCRIMINATION

XXL has a goal that the company should facilitate diversity within all areas of the organization, including recruitment, pay and working conditions, promotion, development opportunities and facilitation. We want all employees to have the opportunity to combine work and family life, regardless of factors such as gender, ethnicity, religion, disability, sexual orientation, and gender identity. Further, we work to ensure that no one in XXL is subjected to harassment, sexual harassment, or gender-based violence.

XXL is aware of its responsibility and must be an employer that promotes equal opportunities for all employees. Through 2020, XXL has established documents with principles, standards and procedures for managing and managing the business, including an update of XXL's ethical guide-

lines related to discrimination and harassment. In addition, we have reviewed our entire internal and external whistleblowing system, with new whistleblowing routines. The routine for reporting and processing whistleblowing cases has been developed with the participation of AMU. During 2020, all employees and board members were given access to a specific e-learning program about XXL's ethical guidelines. Training in XXL's whistleblowing routines and the principles for protecting whistleblowers are included in the program. Considerations of equality and non-discrimination are otherwise included in the rest of the personnel policy.

XXL otherwise has a system and a standard that aims to promote employees who show can-do-attitude and commitment. Such efforts can lead to greater responsibilities and tasks for all employees, regardless of background, gender, sexual orientation, etc. Inclu-

sion for us means that everyone in XXL feels that they are part of one team, and XXL has, among other things, a reward system that just aims to achieve a certain goal for the team as a whole.

During 2020, a personnel, management and HSE handbook has been prepared that describes the key principles, procedures and standards regarding the employment relationship of our employees. The HSE handbook is, for example, a reference work and a living system for reporting and documentation of various incidents and deviations. We have also established a digital non-conformance system where all employees must register and document non-conformances that are followed up by the right responsible persons. In 2020, we have worked with HSE in a systematic way which in turn will be able to give us better routines, less sick leave and a greater degree of participation among the employees.



- We want all employees to have the opportunity to combine work and family life, regardless of factors such as gender, ethnicity, religion, disability, sexual orientation, and gender identity.



Going forward, we will continue to do our best to facilitate HSE-work. Through systematically working with HSE, we want to protect the employees' health and working environment.

XXL'S WORK TO ENSURE EQUALITY AND NON-DISCRIMINATION

During 2020, we continued our efforts to strengthen inclusion and diversity in XXL.

XXL involves, among other things, several roles in the organization

in its HSE-work, including the CEO who has the highest HSE-responsibility, operations managers, warehouse managers, main safety representatives and safety representatives, AMU, employee representatives and all employees. Throughout 2020, there have been fixed and regular meetings in AMU, both for the Head Office, all the stores and the Central Warehouse.

All employee representatives, AMU-members and managers have

undergone mandatory HSE-training. A total of 70 managers, including the employer's representative and senior leaders, have completed this training in 2020. The purpose of the training is that the mentioned roles should have good knowledge of the working environment in order to be able to take care of the individual functions. Safety representatives and employee representatives are, among other things, strongly involved in the organization's HSE-work, in connection with restruc-

turing and downsizing, etc. which will contribute to all employees experiencing openness and security in everyday work. AMU shall also contribute to the employees gaining insight into the working environment problems in XXL and seek the employees' participation in the safety and environmental work.

In order for us to work ensuring equality and non-discrimination, we will, for example, focus more on diversity in recruitment processes going forward in order to increase the proportion of women in management positions. Today, 22% of the top 3 management levels in XXL are held by women. We will focus to increase this share in 2021 in addition to working on ensuring equal pay for equal work.

XXL facilitates and invests in bringing in employees through various social initiatives. Inclusion has been on the agenda in XXL since 2015 and originates from XXL Lade and XXL Tiller in Trondheim. At the end of 2020, we have resumed cooperation with

NAV, with which we have had good experience in the past. Among other things, XXL and NAV in Trøndelag have focused on work training and competence development for young employees, and the participants have also received thorough follow-up in areas such as finances, physical health and mental health. In Oslo, NAV, Voksenopplæringen and XXL have made a similar effort to give highly qualified refugees working experience.

The main goal of the inclusion work for 2021 is that XXL will be an arena for people where you will feel a sense of belonging and mastery. Furthermore, we will arrange for individuals to build social and professional competence.

HOW XXL IDENTIFIES RISK AND WHAT SPECIAL RISKS FOR DISCRIMINATION AND BARRIERS TO EQUALITY EXIST

XXL's existing framework captures several of the company's risk areas. Through 2020, XXL has had a significant focus on HSE and a health-promoting work

- XXL wants to contribute to young workers entering the labor market, by offering flexible solutions that make it possible to combine work, studies and leisure time.

environment among our employees, and great efforts have been made to raise the organization's compliance work. This will, among other things, contribute to XXL being able to prevent and register violations. Not least, it will help to create better well-being and safety for employees and reduce sick leave.

A special risk factor in XXL is that the company has many young employees in part-time and / or temporary positions. This may increase the risk of employees entering a subordinate relationship that can be abused, for example by unwanted sexual attention and harassment. The topic has received greater focus in XXL's ethical guidelines, which outline the basic principles and expectations XXL has for its employees. In 2020, XXL has also reviewed its entire whistleblowing system,

with updated whistleblowing routines. XXL has also carried out a general review of the division of roles and responsibilities in the organization.

Another risk that has been identified is the gender balance in the company. Overall, the gender balance is very positive. However, the imbalance in the proportion of female managers at the top 3 levels, ref. section 3.2, may increase the risk that competent employees will not be given equal development opportunities. As XXL has strengthened its HSE-work in 2020, further involvement of employee representatives in this field will be an important area to work with in 2021.

CAUSES OF RISKS AND BARRIERS, INCLUDING MEASURES

There are several reasons why



XXL has many young temporary and part-time employees. Such hires are, among other things, unavoidable considering the nature of the business. XXL operates many stores and the organization is characterized by seasonal fluctuations, for example related to extraordinary Christmas shopping and sales campaigns. This means that stores often have an increased need for temporary labor for shorter periods, without opportunities or funds to offer everyone permanent employment.

Furthermore, the company attracts many young employees who want to work part-time at XXL, for example next to school or studies. XXL wants to contribute to young workers entering the labor market, by offering flexible solutions that make it possible to combine work, studies and leisure time. XXL therefore has little reason to believe that a high proportion work involuntarily part-time. On the contrary, part-time work is considered by many to be a good thing. At the same time, it is im-

portant that XXL is a workplace that facilitates that employees with other needs also could work permanently in full-time positions.

The figures show that the proportion of female vs. male part-time employees are fairly even, i.e. 47.5% vs. 52.5%, which we see as positive.

The use of temporary employment and part-time employees will be discussed with AMU every



-The circumstances in 2020 have made it necessary and desirable to have an extra close collaboration and open dialogue with the employees and their representatives.

year. This was most recently carried out at XXL in May 2020. In March 2020, the department stores' management carried out a full review of all employment contracts. This revealed several issues related to temporary employment conditions such as extra help and on-call substitutes. Measures were implemented so that the number of extra help / on-call substitutes was reduced from over 500 to less than 80.

In 2020, an HR department was established, something that has not been found in XXL before. An HR director was hired in the autumn of 2020, an HR organization has been established, and work continues on building HR-competence throughout the organization. HR has been given an important function to also safeguard and work for inclusion and diversity, identify risks together with the employee representatives and reduce barriers. Furthermore, this function plays an important part in facilitating diversity within all areas of the organization, including recruitment, pay and working

conditions, promotion, development opportunities and facilitation.

In 2021, we will continue to work focusing on diversity in interview processes as well as further develop instructions and guidelines to promote equality and prevent discrimination. Continuous developing the culture and leadership for diversity throughout the organization is an important goal.

THE RESULT OF THE WORK

In 2020, it was decided to establish a new organizational structure that will contribute to the improvement of internal work processes in XXL.

During 2020, XXL has also established a dedicated Ethics & Compliance organization. The board of XXL ASA has engaged an external Ethics & Compliance advisor who is also the recipient of reports of concern reported through XXL's external whistleblowing channel.

The work to improve the HSE and gender equality work in XXL has

been ongoing in a very demanding situation for the company in 2020, which like for many others, has led to a significant number of temporary redundancies in XXL. The focus has been on carrying out temporary redundancies in accordance with local law and regulations and taking care of all employees in a formally correct, open and considerate manner.

The circumstances in 2020 have made it necessary and desirable to have an extra close collaboration and open dialogue with the employees and their representatives. We look forward to continuing the work and the good collaboration in a new organizational structure where we have also strengthened our competence and capacity with a new local HR-resource. Revision of the HSE-handbook, including clarification of the organization of diversity and gender equality work, is a priority task for the leaders in the new organizational structure and new HR Director, in collaboration with the employee representatives, the safety representatives

and other employee representatives in AMU.

During next year, we will concentrate on formulating measures that are more concrete and appoint a person responsible for all measures in the organization. It has been difficult to identify certain risks of discrimination and barriers to equality in XXL, especially related to sexual orientation, gender identity and complex discrimination. Here we see a need for competence development.

ABSCENCE FROM ILLNESS

The absence from illness at 8.55 per cent for 2020 is a 56.68 per cent increase from 2019. We are

planning to implement improved routines and tools to manage the absence from illness in a more structured way. We have set a target of below 10 per cent absence from illness in Norway and a total below 8 per cent in 2021(see table below).

COLLECTIVE BARGAIN AGREEMENTS

90.47 per cent of the employees are covered by collective bargain agreements. Exceptions are the Company administration in Oslo, and all employees in our Austrian operation.

Note: Norwegian store employees is covered by the terms of the

agreement, but is not connected to a juridical binding agreement.

BENEFIT PLAN OBLIGATIONS AND RETIREMENT PLANS

Norwegian employees has a 2 per cent of salary retirement plan (OTP). In Sweden employees has a 4.5 per cent by (FORA) up to SEK 511,500, and 30 per cent above. In Finland there is a 1.5 per cent retirement plan with a transition period from 2017 to 2025 for employees in the age group 53 years to 62 years, where there are 1.7 per cent.

XXL CODE OF CONDUCT

XXL's Code of Conduct is based on our four Core Values:

CUSTOMER-FIRST, KNOWLEDGE-ABLE, PASSIONATE, CARING. These Values are the fundamental principles that characterize who we are and how we act. Our Code is a statement of our commitment to always conduct our business and ourselves in accordance with the highest legal and ethical standards.

The Code applies to all XXL employees and board members in entities owned by XXL throughout the world (the XXL Group), XXL business-partners such as independent consultants, intermediaries or others acting on behalf of XXL. It provides a framework for what XXL considers to be responsible conduct and defines the individual responsibilities of employees through a combination of broad principles and specific requirements.

The Code should be considered as a guiding instrument. It does not provide an exhaustive overview of what is considered to be responsible conduct. The ultimate responsibility to act in accordance

with law and ethical norms always remains with the individual. Any changes to or waivers of the Code of Conduct may only be made by the XXL ASA Board of Directors. Failure to comply with this Code may result in disciplinary action, and in the most severe cases, in termination of employment.

In order to help XXL employees read and understand the Code, an In Brief version has been provided. The In Brief version is provided in all relevant XXL languages. We have also provided an Anti-Corruption Guide, also available in all relevant XXL languages, as a practical tool to raise everyone's awareness of some risks and dilemmas they may face, and what to do.

A Compliance Governance and Procedures document has been provided to explain the different roles and responsibilities that apply to specific internal stakeholders with regard to implementing and applying the Code. It also covers XXL's procedures for handling of reported concerns, and monitoring

COUNTRY	FTE HOURS	SICK LEAVE - HOURS	SICK LEAVE - HOURS RELATED TO COVID-19	SICK LEAVE	COVID LEAVE
AUSTRIA	397 791,47	7 763,62	724,95	1,95%	9,34%
FINLAND	1 181 531,00	25 721,02		2,18%	0,00%
NORWAY	3 402 798, 02	517 436,92	36 810,49	15,21%	7,11%
SWEDEN	2 623 734,08	99 092,06		3,78%	0,00%
GRAND TOTAL	7 605 854,57	650 013,62	37 535,44	8,55%	5,77%

Note: The Covid leave represent share of sick leave reported as Covid-related absence. This share is believed to be underreported, and expectations are the Covid-related absence is higher.



compliance. In short, the Board of Directors is ultimately responsible for the Code of Conduct and the compliance thereof. Managers are responsible for providing appropriate support to enable their teams to understand the requirements of the Code of Conduct and how they

should be applied in practice. Managers must, through their actions, demonstrate the importance of compliance. Leading by example is critical, including acting on any suspected unethical behavior, as well as being available to employees who have ethical questions or

wish to report possible violations. The Code of Conduct and all supporting documents are available on our intranet, XXL Workplace, and are published in full version available for external stakeholders at www.xxlasa.com/corporate/xxl-code-of-conduct/

Note: Update of XXL Code of Conduct is published April 30th

XXL CODE OF CONDUCT E-LEARNING PROGRAM

In order to facilitate an effective implementation and compliant application of the standards and guidelines set in XXL Code of Conduct and Anti-Corruption Guide, an e-learning based training program has been provided. The program includes realistic situations that reflect relevant legal or ethical topics, challenges, and dilemmas that any XXL board member, employee or business partner would recognize and indeed may face. For each topic, optional questions and answers how to resolve the challenge are provided. In order to provide a correct answer, the respondent needs to know and remember the principles and guidelines established in the Code or Anti-Corruption Guide. Providing a correct answer, allows the respondent to move on to the next topic.

When all questions have been

correctly answered, the program automatically displays a Declaration of Compliance form with a compliance statement. All XXL board members and employees are obligated to sign the Declaration to certify that they have read, understood, and will comply with the XXL Code of Conduct.

The respondent signs the Declaration by checking off the compliance statement before submitting the completed Code of Conduct e-learning program.

REPORTING OF CENSURABLE CONDITIONS

XXL's rules for reporting of censurable conditions are outlined in XXL Code of Conduct.

WHISTLEBLOWING

XXL whistleblowing channel is available to all XL employees, business partners and anyone who want to report breaches, detected or reasonably suspected, of any applicable laws and regulations as well as XXL's Code of Conduct. XXL is committed

- XXL does not accept any retaliation against anyone for having reported detected or reasonably suspected violations in good faith even if the concern turns out not to be real.



to conducting our business in accordance with the highest ethical principles. We endorse a speak-up culture and encourage stakeholders to report any concerns they may have and thereby contribute to the positive development of XXL.

Examples of notifiable incidents or conditions:

- Violation of applicable laws and regulations

- Breaches, detected or reasonably suspected, of XXL Code of Conduct
- Breaches of health, safety, and environmental regulations
- Human and labor rights violations
- Discrimination or harassment
- Threats to life or health
- Corruption, including bribes and facilitation payments
- Fraud, theft or embezzlement
- Tax violations
- Misuse of inside information

- No reprisal against whistleblowers

XXL does not accept any retaliation against anyone for having reported detected or reasonably suspected violations in good faith even if the concern turns out not to be real. Any employee who knowingly makes a false report for the purpose of harming another individual will be subject to disciplinary action. Our Whistleblowing Channel is

provided by an external service provider. The channel is encrypted, and reporters can choose to report anonymously.

HANDLING OF REPORTED CONCERNS

XXL's procedures for handling of reported concerns are outlined in the Compliance Governance and Procedures document. The procedures have been discussed with the employees' representatives.

All reported concerns are handled by XXL Group Ethics & Compliance Officer. The reports are treated with the strictest confidentiality. All personal data about the person reporting a concern and the accused/alleged party/parties will be treated strictly confidential and in compliance with the General Data Protection Regulation (GDPR). In total, a number of 14 concerns was reported in 2020.

TRAINING AND EDUCATION OF EMPLOYEES

Training and development of our employees is a key to achieve consecutive growth and an important part of our strategy.

The Covid-19 made impact to our education program. The unpredictable situation with periodical lockdowns and layoffs combined with traveling restrictions and limits on the number of people that can be gathered for training events.

In order to maintain high quality and quantity of training, we strengthened and scaled up our web-based training capacities. We introduced a new training platform in all countries and established a studio to create webinars and training modules.

By end of the year, over 700 learning modules had been created. A positive effect is an increased level of engagement from our part-time employees.

ACADEMY PORTFOLIO

Training of employees in XXL consists of Academy Portfolio and in

store education. HR Training & Development is responsible for Academy Portfolio and store Managers and department leaders are responsible for in store training of employees. XXL has a tradition to continuously train employees on site.

Our Academy training portfolio consist of onsite and web-based training.

Although we see great benefits from digitizing the training, our onsite events will be important. Not at least to build culture, unity and strong ties between our people.

In 2007, we established a training center at Finnskogen, Norway. Today we offer fantastic training facilities with more than 80 beds, small and big classroom surrounded by fantastic nature. Despite challenging times, Camp





- Despite challenging times, Camp XXL is the heart of XXL and has played a key role in building our strong XXL culture.

XXL is the heart of XXL and has played a key role in building our strong XXL culture.

In 2020, we launched our new online training platform. We soft-launched the platform in Norway late February, now more than 5 000 employees have opened their accounts.

We trained a team of sales leaders from each department to produce content. The training modules is translated and made available in all countries.

The structure of the of the online training is a level-based program starting with onboarding at entry level and product training at two levels. In addition, a case-based Code of Conduct training launched to all persons in the XXL organization, including the executive management and board of

directors. By the end of the year, approximately 4270 persons had completed the Code of Conduct module successfully.

In total 741 single modules have been created in 2020. 47500 modules were completed last year with an estimated 12.000 hours of online training, with a majority of micro-learning product modules. In Q4, we conducted a two-day basic leadership training with 30 participants online.

For 2021, the plan is to increase quality of existing modules, offer advanced training, increase engagement rate, create relevant content for employees in operational- and management functions.



NUMBER OF EMPLOYEES:

5363

as of December 31, 2020

NEW EMPLOYEES:

1546

DECREASE IN NUMBER OF EMPLOYEES:

205

ANNUAL TURNOVER RATE:

30.4%

as of December 31, 2020

741 ONLINE MICRO LEARNING MODULES WERE CREATED BY XXL DURING 2020

47500 MODULES WERE COMPLETED BY EMPLOYEES LAST YEAR

12000 HOURS OF ONLINE TRAINING, MOSTLY PRODUCT TRAINING

4270 EMPLOYEES COMPLETED THE CODE OF CONDUCT TRAINING

3.8 HOURS OF ONLINE TRAINING IN 2020 ON AVERAGE PER EMPLOYEE IN XXL

AVERAGE AGE STORE EMPLOYEES:

27.2

AVERAGE AGE COMPANY ADMINISTRATION:

31.4

AVERAGE AGE CENTRAL WAREHOUSES:

30.1

ABSCENSE FROM ILLNESS:

8.55%

86.7% INCREASE FROM 2019



SUSTAINABLE PRODUCTS / CIRCULAR BUSINESS MODELS



Essential sustainability themes:

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



PRODUCTS

OUR COMMITMENT: We committed to provide products with minimal negative environmental-, social- and economic impact, and work to protect public health and environment over the product's whole life cycle, from the extraction of raw materials until their final disposal. We're committed to increase quality, durability, repairability and circularity for all products and services where possible.



OUR GOALS:

Reduce material consumption through use of recycled materials and reuse of products. Reduce hazardous chemicals and air, water and soil pollution and contamination

PRODUCT SAFETY IN XXL

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 rights, marketing, 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.

SUB GROUPS

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 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.

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.



-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.



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 FOR PRODUCT SAFETY REGULATIONS AND RESTRICTED SUBSTANCE LIST

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

- XXL works actively to limit the use of chemicals in our products that could be harmful to humans and the environment.

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.

UFI CODE LABELING

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.

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 AND 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 OF HEALTHCARE, NUTRITION AND FCM

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

XXL has 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



– As we have inspected numerous items over the years, we now have better data used for risk assessment of products and suppliers.

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 skin 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, ear-plugs or hearing protection, life jackets, reflective items, or avalanche equipment.

INTERNAL CONTROL SYSTEM (XXL ICS)

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 where 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 done more efficiently and purposefully.

– We will have a systematic approach, testing on a running basis, from different brands and segments and with the use of external, independent recourses.

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 non-compliance of regulations result in necessary corrective actions. In 2020 XXL conducted 16 internal audits, 11 products failed and need improvement for future deliveries.

RECALLS AND COMPREHENSIVE CASES

FIREMAPLE X2 stove: Market withdrawal by XXL due to con-

sumer feedback of melted parts. Investigation and testing revealed incorrect use, but XXL decided to require improvement to product material and construction to avoid adverse incidents if user errors occur.

O-Grill 500: Temporary market withdrawal due to non-conformity to labeling requirements.

Scott SUB E-Ride Active, Scott SUB E-Ride Cross, White E-Trekking HD 2,0. Winora Sinus i9 has been subject to inspection by the Norwegian Directorate for Civil Protection (DSB) and had nonconformities to the Machinery directive resulting in a ban for import and distribution of the machines. The ban was introduced at end of season resulting in minimal economic consequences for XXL. However, XXL will take action to



secure compliance with the machinery directive for future products.

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.

We receive a variety of inquiries

from our stakeholders through different channels of our operation. 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.

SUSTAINABLE PRODUCTS AND BRANDS

Sustainability brands are products and services that are branded to signify a special added value in terms of environmental and social benefits to the customer and thus enable the differentiation from competitors. In partnership with our suppliers, XXL aims to provide sustainable products and



- From the beginning, XXL focused on providing services like fully equipped workshops for skis & bikes, skate grinding and other repair services.

brands. XXL will focus on highlighting eco-labeling, standards and certification from acknowledged providers, such as Bluesign, GOTS, and Oeko-tex in marketing. Through extended value chain management and high environmental and ethical requirements 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

XXL makes a great effort to eliminate waste and ensure continuous use of resources. 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

- 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.



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 process-

ing 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.

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 (Arbetsförmedlingen) 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. The project was placed on hold due to severe negative media attention and investigations by governmental control bodies. We are glad to announce that this cooperation now are back on track and all deviations with all deviations from the Norwegian Labour Inspection Authority has been closed.

In 2020 we had 34 apprentices and 18 practice participants in our Norwegian stores.

We have also introduced a fast track project for introduction to the Norwegian labor market called "Hurtigsporet". Due to Covid-19 situation and the consequences of lockdowns and layoffs, this project has not recruited new participants in 2020. We plan re-launch this initiative as soon as possible in 2021.

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.

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 2020 XXL Children's Foundation donated NOK 2 million to the organization Bring Children From Streets and their project First Lady School. The funds will be used to double the capacity at the school, from 500 to 1000 pupils as well as dormitories and several sports arenas including soccer fields, basketball courts and playing fields. All funds donated will

be used to the purpose and the project is expected to be completed in 2021.

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 sports industry and we promote both sports watches and heart rate monitors.

PINK RIBBON

XXL signed a new partnership to the Pink Ribbon campaign in 2018. In 2020 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.

3. DIALOGUE PARTNERS

XXL wants to be visible in the community we operate and great consideration is given to the local environment when new stores are opened. XXL cooperates with

many different organizations and networks, both general and more specific for the industry. Maintaining a continuous dialogue with guests and authorities, trade organizations, sport teams and other interest groups is an important part of XXL's sustainability work and enables us to improve the way we work.

In March 2020, XXL received a visit from Mrs Maillart-Méhaignerie,

Member of the French Parliament and representative for Brittany. As the Vice-President of the Sustainable development standing Committee of the French National Assembly, MP Maillart-Méhaignerie has been instrumental in the recent adoption of the Law on circular economy. Mrs Maillart-Méhaignerie wanted to discuss circular economy development in Norway with relevant stakeholders.



From left: Mr, Bruno Zanghellini, Economic counsellor at the French Embassy to Norway, Mrs Laurence Maillart-Méhaignerie, Member of the French Parliament and representative for Brittany. Mr. Arve Sehl, Regulatory Affairs & Sustainability Manager XXL.

XXL are humble and proud to make our contribution to promote and improve circular economy. We experience that France is a pioneering nation in this field and with great influence to the European Commission and EU parliament decision makers.

4. HEALTHY LIFESTYLE

We believe that increased focus on health and wellness is a key trend. Western countries have over a period experienced parts of the population becoming more sedentary, problems related to overweight, and obesity have become more prevalent. As a part of XXLs Purpose "All Sports United, Sport Unite 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 au-

thorities 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

In 2017, XXL introduced sales



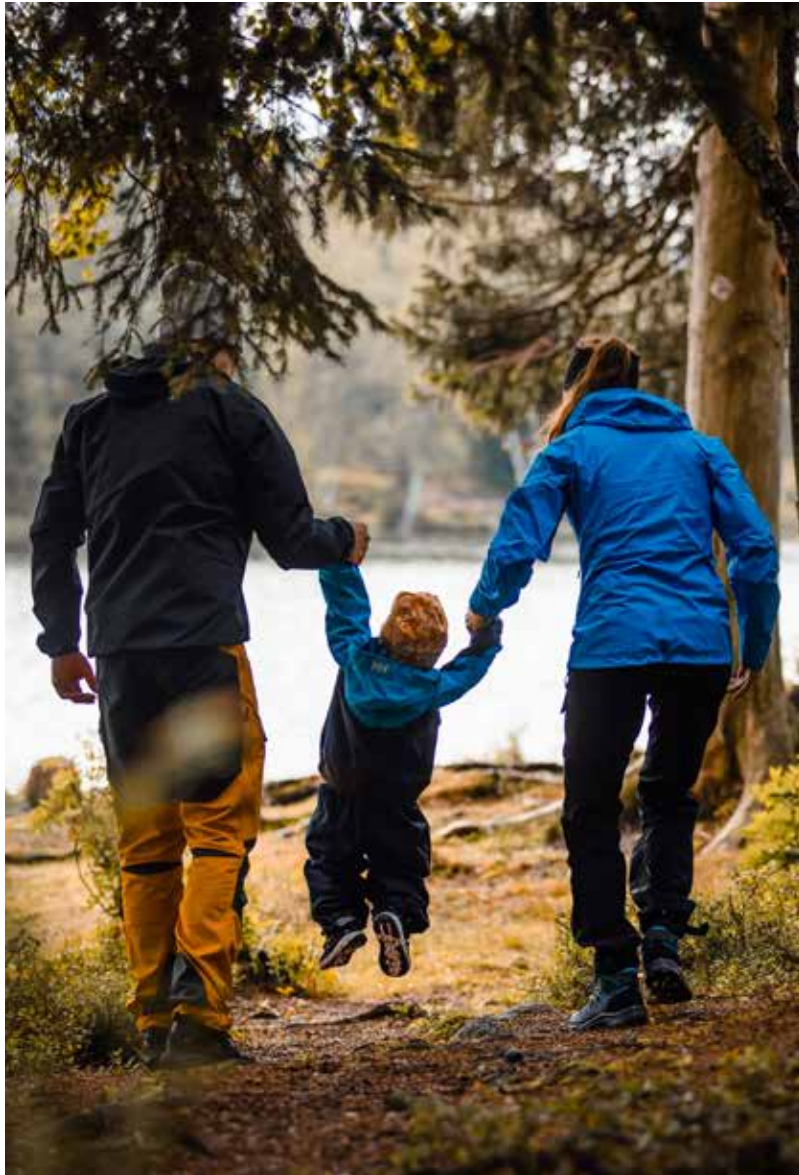
to individual teams with a game changing business model. It is a pure online-based model where the family and team management could order and organize everything on their own website connected with XXL. By trading with XXL all the teams will get kickbacks from XXL to support their local team business and daily operations.

SUSTAINABLE BRAND INDEX 2021

The official ranking results of Sustainable Brand Index™ 2021 in Norway show that XXL Norway is an industry winner within Clothes & Fashion - Stores. Being an industry winner in Sustainable Brand Index, means that the brand XXL is perceived as the most sustainable B2C brand with-

in your industry according to Norwegian consumers.

Sustainable Brand Index™ measures the perception of stakeholders on the sustainability work of the biggest B2C brands across industries and countries. Being an industry winner means that our brand are perceived as the most sustainable brand within the



- XXL appreciate the results of the ranking and see it as a proof of increased reputation and public perception of our brand.

Clothes & Fashion - Stores industry according to Norwegian consumers.

XXL appreciate the results of the ranking and see it as a proof of increased reputation and public perception of our brand.

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. CEO Pål Wibe, 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). 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 and supplementary documents.

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

Disclosure 102-7	Scale of the organization	Annual Report Notes
Disclosure 102-8	Information on employees and other	Annual Report Notes Sustainability Report Training and education of employees
Disclosure 102-9	Supply chain	Sustainability Report Supplier Assessment Products
Disclosure 102-10	Significant changes to the organization and its supply chain	Annual Report About XXL ASA Value Chain
Disclosure 102-11	Precautionary Principle or approach	Annual Report Store locations Board of Director’s report Notes
Disclosure 102-12	External initiatives	Sustainability Report Community engagement Dialogue partners
Disclosure 102-13	Membership of associations	Sustainability Report Community engagement Dialogue partners

2. STRATEGY		
Disclosure 102-14	Statement from senior decision-maker	Sustainability Report CEO comment
Disclosure 102-15	Key impacts, risks, and opportunities	Annual Report BOD report - Risks Corporate Governance - Risk Management and internal control
3. STRATEGY		
Disclosure 102-16	Values, principles, standards, and norms of behavior	Sustainability Report CEO comment Supplier Assessment Annual Report Strategy
Disclosure 102-17	Mechanisms for advice and concerns about ethics	Annual Report BOD Report Sustainability Report Employees - Reporting of censurable conditions
4. GOVERNANCE		
Disclosure 102-18	Governance structure	Sustainability Report XXL Corporate responsibility Annual Report Corporate Governance
Disclosure 102-19	Delegating authority	Annual Report Corporate Governance
Disclosure 102-20	Executive-level responsibility for economic, environmental, and social topics	Sustainability Report Risks and oppourtunities Annual report Corporate Governance
Disclosure 102-21	Consulting stakeholders on economic, environmental, and social topics	Sustainability Report Dialogue with our stakeholders Annual Report Corporate Governance

Disclosure 102-22	Composition of the highest governance body and its committees	Annual Report Corporate Governance
Disclosure 102-23	Chair of the highest governance body	Annual Report Corporate Governance
Disclosure 102-24	Nominating and selecting the highest governance body	Annual Report Corporate Governance
Disclosure 102-25	Conflicts of interest	Annual Report Corporate Governance
Disclosure 102-26	Role of highest governance body in setting purpose, values, and strategy	Annual Report BOD report
Disclosure 102-27	Collective knowledge of highest governance body	Annual Report Corporate Governance
Disclosure 102-28	Evaluating the highest governance body's performance	Annual Report Corporate Governance
Disclosure 102-29	Identifying and managing economic, environmental, and social impacts	Sustainability Report Environmental Impact from our operations Annual Report Corporate Governance
Disclosure 102-30	Effectiveness of risk management processes	Annual Report Corporate Governance
Disclosure 102-31	Review of economic, environmental, and social topics	Annual Report Corporate Governance
Disclosure 102-32	Highest governance body's role in sustainability reporting	Annual Report Corporate Governance
Disclosure 102-33	Communicating critical concerns	Annual Report Corporate Governance
Disclosure 102-34	Nature and total number of critical concerns	Annual Report Corporate Governance Sustainability Report Employees- Handling of reported concerns

Disclosure 102-35	Remuneration policies	Annual Report Notes Corporate Governance
Disclosure 102-36	Process for determining remuneration	Annual Report Notes
Disclosure 102-37	Stakeholders' involvement in remuneration	Annual Report Notes Corporate Governance
Disclosure 102-38	Annual total compensation ratio	Not disclosed
Disclosure 102-39	Percentage increase in annual total compensation ratio	Not disclosed

5. STAKEHOLDER ENGAGEMENT

Disclosure 102-40	List of stakeholder groups	Sustainability Report Dialogue with our stakeholders
Disclosure 102-41	Collective bargaining agreements	Sustainability Report Employees - Collective bargain agreements
Disclosure 102-42	Identifying and selecting stakeholders	Sustainability Report Dialogue with our stakeholders
Disclosure 102-43	Approach to stakeholder engagement	Sustainability Report Dialogue with our stakeholders Defining Materiality
Disclosure 102-44	Key topics and concerns raised	Sustainability Report Dialogue with our stakeholders Materiality Matrix

6. REPORTING PRACTICE

Disclosure 102-45	Entities included in the consolidated financial statements	Annual report Notes
Disclosure 102-46	Defining report content and topic Boundaries	Sustainability Report Dialogue with our stakeholders XXL Corporate responsibility

Disclosure 102-47	List of material topics	Sustainability Report Dialogue with our stakeholders Materiality Matrix
Disclosure 102-48	Restatements of information	Carbon Accounting report
Disclosure 102-49	Changes in reporting	Sustainability Report Dialogue with our stakeholders
Disclosure 102-50	Reporting period	Sustainability Report Front page
Disclosure 102-51	Date of most recent report	April 2020
Disclosure 102-52	Reporting cycle	Annual
Disclosure 102-53	Contact point for questions regarding the report	Sustainability Report XXL Corporate responsibility
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report XXL Corporate responsibility
Disclosure 102-55	GRI content index	Sustainability Report GRI Index
Disclosure 102-56	External assurance	Report not subject to external assurance

MATERIAL TOPICS

GRI 103: MANAGEMENT APPROACH		Source
Disclosure 103-1	Explanation of the material topic and its Boundary	Sustainability Report Risks and Opportunities Dialogue with our stakeholders XXL Sustainability Approach
Disclosure 103-2	The management approach and its components	Sustainability Report Dialogue with our stakeholders Risks and opportunities
Disclosure 103-3	Evaluation of the management approach	Sustainability Report Dialogue with our stakeholders Risks and opportunities

GRI 201: ECONOMIC PERFORMANCE		Source
Disclosure 201-1	Direct economic value generated and distributed	Annual report Not disclosed
Disclosure 201-2	Financial implications and other risks and opportunities due to climate change	Sustainability Report Risks and Opportunities
Disclosure 201-3	Defined benefit plan obligations and other retirement plans	Annual report Corporate Governance Sustainability Report Employees: Benefit plans, obligations and retirement plans.
Disclosure 201-4	Financial assistance received from government	Not applicable
GRI 202: MARKET PRESENCE		Source
Disclosure 202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Not Disclosed
Disclosure 202-2	Proportion of senior management hired from the local community	Not Disclosed
GRI 203: INDIRECT ECONOMIC IMPACTS		Source
Disclosure 203-1	Infrastructure investments and services supported	Annual report Board of Directors Report About XXL
Disclosure 203-2	Significant indirect economic impacts	Annual report Board of Directors Report About XXL
GRI 204: PROCUREMENT PRACTICES		Source
Disclosure 204-1	Proportion of spending on local suppliers	Not Disclosed

GRI 205: ANTI-CORRUPTION		Source
Disclosure 205-1	Operations assessed for risks related to corruption	Sustainability Report Supplier Assessment
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	Sustainability Report Supplier Assessment Employees - XXL Code of Conduct e-learning program
Disclosure 205-3	Confirmed incidents of corruption and actions taken	Not Applicable
GRI 206: ANTI-COMPETITIVE BEHAVIOR		Source
Disclosure 206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Annual Report Corporate Governance
GRI 301: MATERIALS		Source
Disclosure 301-1	Materials used by weight or volume	Not Disclosed
Disclosure 301-2	Recycled input materials used	Not Disclosed
Disclosure 301-3	Reclaimed products and their packaging materials	Not Disclosed
GRI 302: ENERGY		Source
Disclosure 302-1	Energy consumption within the organization	Sustainability Report Environmental impact from our operations
Disclosure 302-2	Energy consumption outside of the organization	Not Disclosed
Disclosure 302-3	Energy intensity	XXL Carbon accounting report 2020

Disclosure 302-4	Reduction of energy consumption	Sustainability Report Environmental impact from our operations
Disclosure 302-5	Reductions in energy requirements of products and services	XXL Carbon accounting report 2020

GRI 303: WATER AND EFFLUENTS		Source
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1. MANAGEMENT APPROACH DISCLOSURES		
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Disclosure 303-1	Interactions with water as a shared resource	Not Disclosed
Disclosure 303-2	Management of water discharge-related impacts	Not Disclosed

2. TOPIC-SPECIFIC DISCLOSURES		
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Disclosure 303-3	Water withdrawal	Not Disclosed
Disclosure 303-4	Water discharge	Not Disclosed
Disclosure 303-5	Water consumption	Not Disclosed

GRI 304: BIODIVERSITY		Source
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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		Source
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Disclosure 305-1	Direct (Scope 1) GHG emissions	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2020
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2020
Disclosure 305-3	Other indirect (Scope 3) GHG emissions	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2020
Disclosure 305-4	GHG emissions intensity	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2020
Disclosure 305-5	Reduction of GHG emissions	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon accounting report 2020
Disclosure 305-6	Emissions of ozone-depleting substances (ODS)	Not Disclosed
Disclosure 305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Not Disclosed

GRI 306: EFFLUENTS AND WASTE		Source
Disclosure 306-1	Water discharge by quality and destination	Not Disclosed
Disclosure 306-2	Waste by type and disposal method	Sustainability Report Environmental impact from our operations GHG Emissions XXL Carbon Accounting report 2020
Disclosure 306-3	Significant spills	Not Disclosed
Disclosure 306-4	Transport of hazardous waste	Not Disclosed
Disclosure 306-5	Water bodies affected by water discharges and/or runoff	Not Disclosed
GRI 307: ENVIRONMENTAL COMPLIANCE		Source
Disclosure 307-1	Non-compliance with environmental laws and regulations	Sustainability Report Supplier Assessment Recalls and Comprehensive cases
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT		Source
Disclosure 308-1	New suppliers that were screened using environmental criteria	Sustainability Report Supplier Assessment
Disclosure 308-2	Negative environmental impacts in the supply chain and actions taken	Sustainability Report Supplier Assessment
GRI 401: EMPLOYMENT		Source
Disclosure 401-1	New employee hires and employee turnover	Annual Report Notes Sustainability Report Employees

Disclosure 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Not Disclosed
Disclosure 401-3	Parental leave	Sustainability Report Employees
GRI 402: LABOR/MANAGEMENT RELATIONS		Source
Disclosure 402-1	Minimum notice periods regarding operational changes	Not Disclosed
GRI 403: OCCUPATIONAL HEALTH AND SAFETY		Source
1. MANAGEMENT APPROACH DISCLOSURES		
Disclosure 403-1	Occupational health and safety management system	Sustainability Report Employees
Disclosure 403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report Employees
Disclosure 403-3	Occupational health services	Sustainability Report Employees
Disclosure 403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report Employees
Disclosure 403-5	Worker training on occupational health and safety	Sustainability Report Employees
Disclosure 403-6	Promotion of worker ill health	Sustainability Report Employees
Disclosure 403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report Employees
2. TOPIC-SPECIFIC DISCLOSURES		
Disclosure 403-8	Workers covered by an occupational health and safety management system	Sustainability Report Employees
Disclosure 403-9	Work-related injuries	Sustainability Report Employees

Disclosure 403-10	Work-related ill health	Sustainability Report Employees
GRI 404: TRAINING AND EDUCATION		Source
Disclosure 404-1	Average hours of training per year per employee	Sustainability Report Employees Training and education of employees
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report Employees Training and education of employees
Disclosure 404-3	Percentage of employees receiving regular performance and career development reviews	Not Disclosed
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY		Source
Disclosure 405-1	Diversity of governance bodies and employees	Sustainability Report Employees
Disclosure 405-2	Ratio of basic salary and remuneration of women to men	Not Disclosed
GRI 406: NON-DISCRIMINATION		Source
Disclosure 406-1	Incidents of discrimination and corrective actions taken	Sustainability Report Employees
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		Source
Disclosure 407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Not disclosed
GRI 408: FORCED OR COMPULSORY LABOR		Source
Disclosure 408-1	Operations and suppliers at significant risk for incidents of child labor	Not Disclosed

GRI 409: SECURITY PRACTICES		Source
Disclosure 409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Not Disclosed
GRI 410: SECURITY PRACTICES		Source
Disclosure 410-1	Security personnel trained in human rights policies or procedures	Not Disclosed
GRI 411: RIGHTS OF INDIGENOUS PEOPLES		Source
Disclosure 411-1	Incidents of violations involving rights of indigenous peoples	Not Disclosed
GRI 412: HUMAN RIGHTS ASSESSMENT		Source
Disclosure 412-1	Operations that have been subject to human rights reviews or impact assessments	Sustainability Report Supplier Assessment Third party audit and control
Disclosure 412-2	Employee training on human rights policies or procedures	Sustainability Report Employees
Disclosure 412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Code of Conduct Not Disclosed
GRI 413: LOCAL COMMUNITIES		Source
Disclosure 413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report Community engagement Local Communities
Disclosure 413-2	Operations with significant actual and potential negative impacts on local communities	Not Disclosed

GRI 414: SUPPLIER SOCIAL ASSESSMENT		Source
Disclosure 414-1	New suppliers that were screened using social criteria	Sustainability Report Supplier Assessment
Disclosure 414-2	Negative social impacts in the supply chain and actions taken	Sustainability Report Supplier Assessment
GRI 415: PUBLIC POLICY		Source
Disclosure 415-1	Political contributions	Not Disclosed
GRI 416: CUSTOMER HEALTH AND SAFETY		Source
Disclosure 416-1	Assessment of the health and safety impacts of product and service categories	Sustainability Report Products Product Safety
Disclosure 416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report Products Recalls and comprehensive cases

GRI 417: MARKETING AND LABELING		Source
Disclosure 417-1	Requirements for product and service information and labeling	Sustainability Report Products Framework
Disclosure 417-2	Incidents of non-compliance concerning product and service information and labeling	Sustainability Report Products Recalls and comprehensive cases
Disclosure 417-3	Incidents of non-compliance concerning marketing communications	Not Disclosed
GRI 418: CUSTOMER PRIVACY		Source
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report Personal Protection and Consumer Data Complaints
GRI 419: SOCIOECONOMIC COMPLIANCE		Source
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	Not Disclosed



XXL