



All sports united Sports unite all

Sustainability report 2021

XXL

Sports unite all.

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XXL Highlights 2021 - Sustainability



Donation by XXL Childrens Foundation to “Bring Children From Streets” and their project “First Lady School”:

NOK 600 000

Days of on-site training:

3300

Total tCO₂e/ FTE:

7.1

Total tCO₂e/ store:

249.5

On site factory audits:

73

Share of waste recycled:

84.2% +3.5%(2020)

Internal control audits:

16

Total tCO₂e/ MNOK revenue:

2.3

Recycled materials in plastic shopping bags:

100%

Number of stores:

92

Pre-shipment inspections:

69

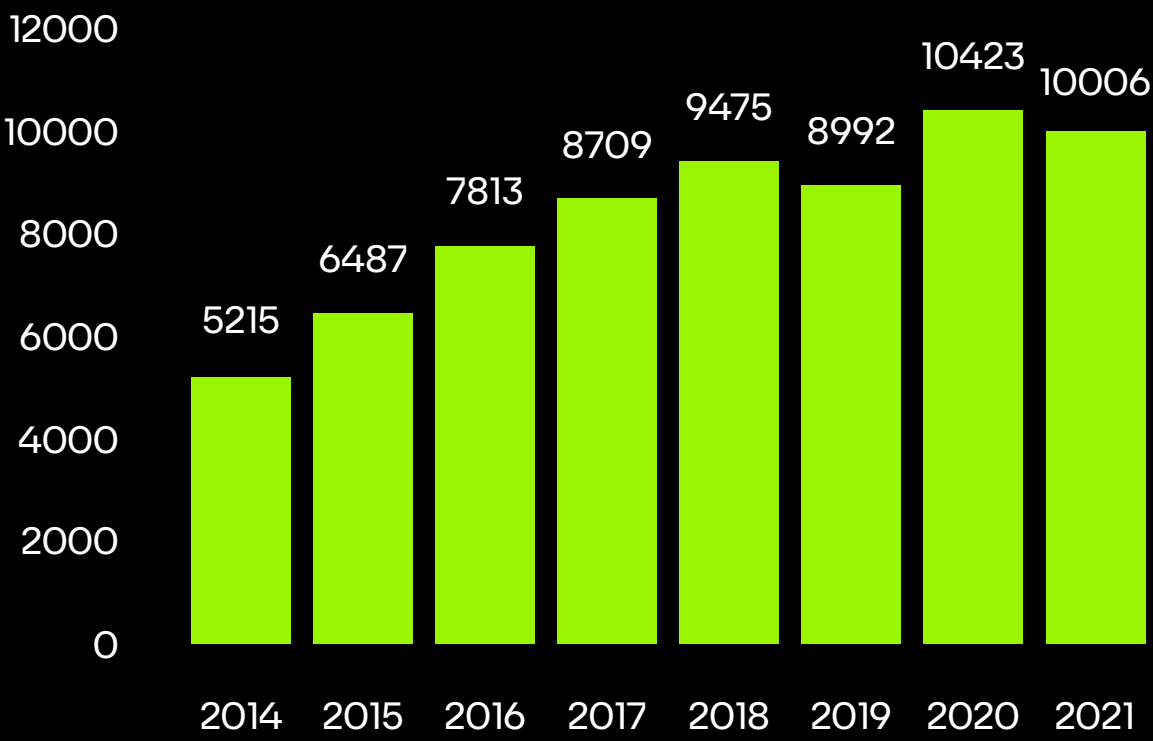
FTE:

3239

XXL Highlights 2021 - Financials

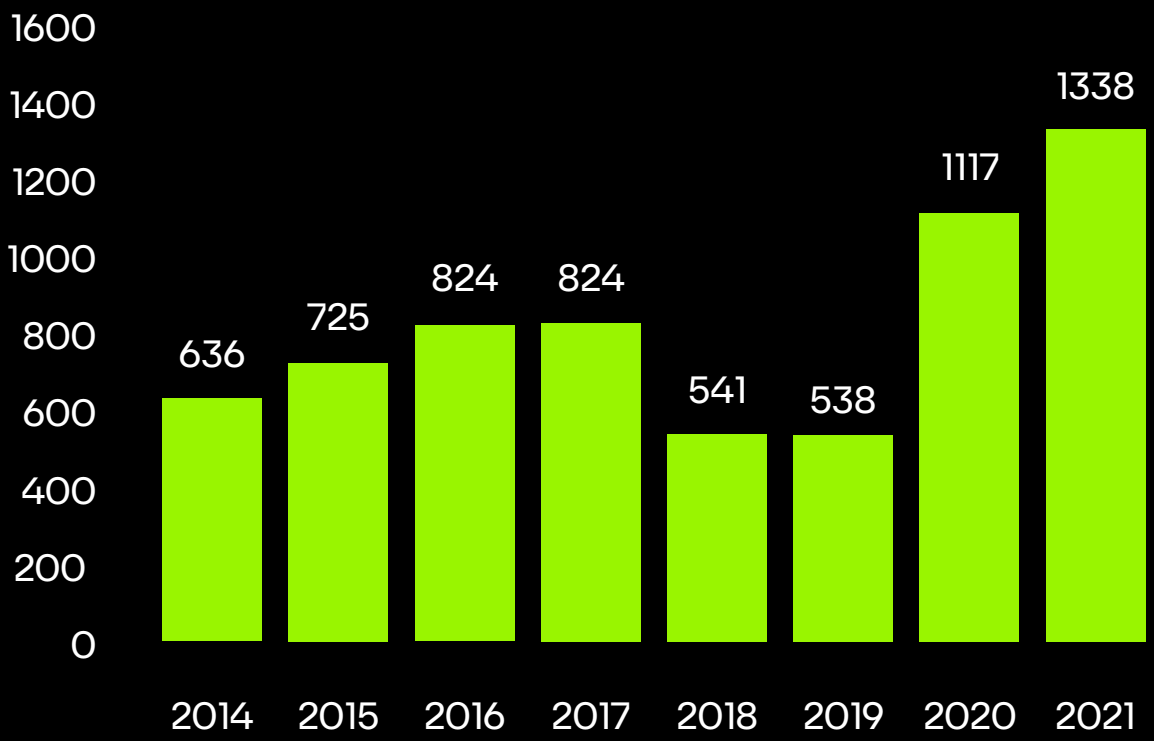
Operating revenues

Amounts in MNOK

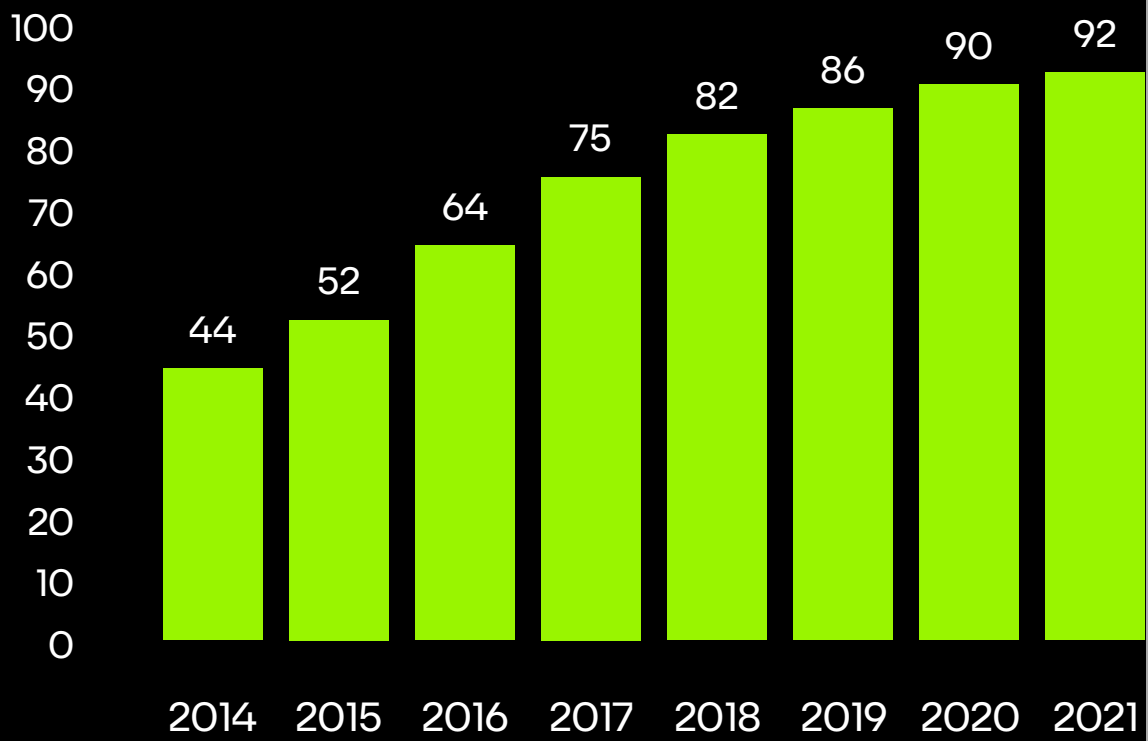


EBITDA

Amounts in MNOK

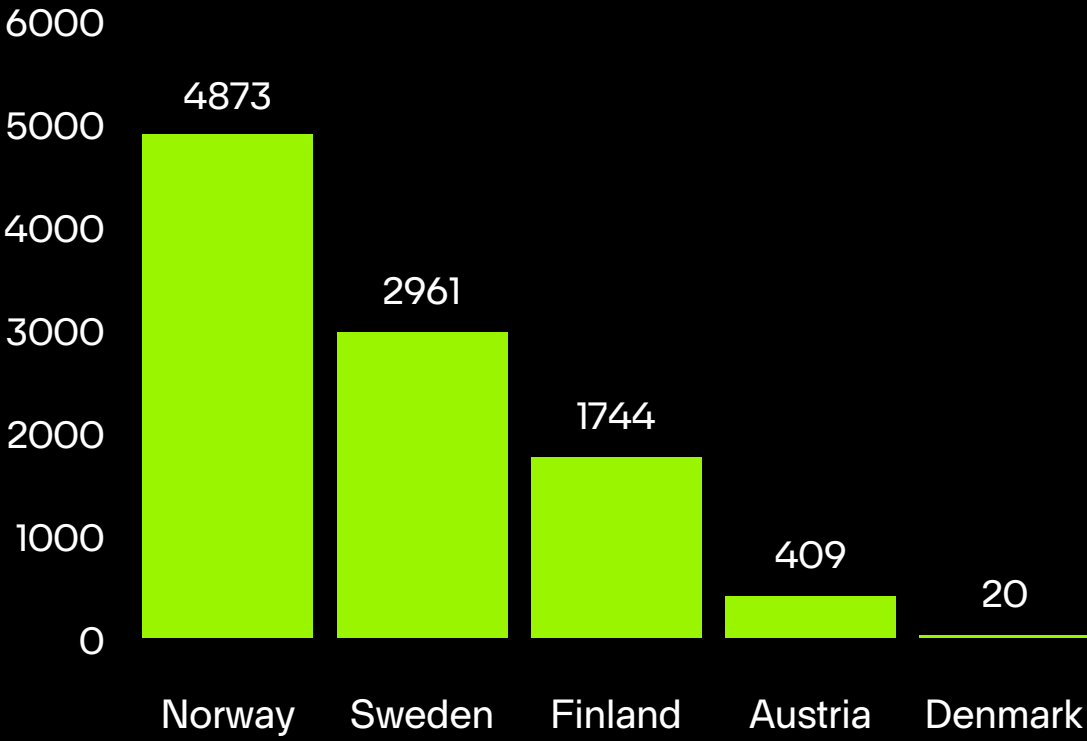


Number of stores



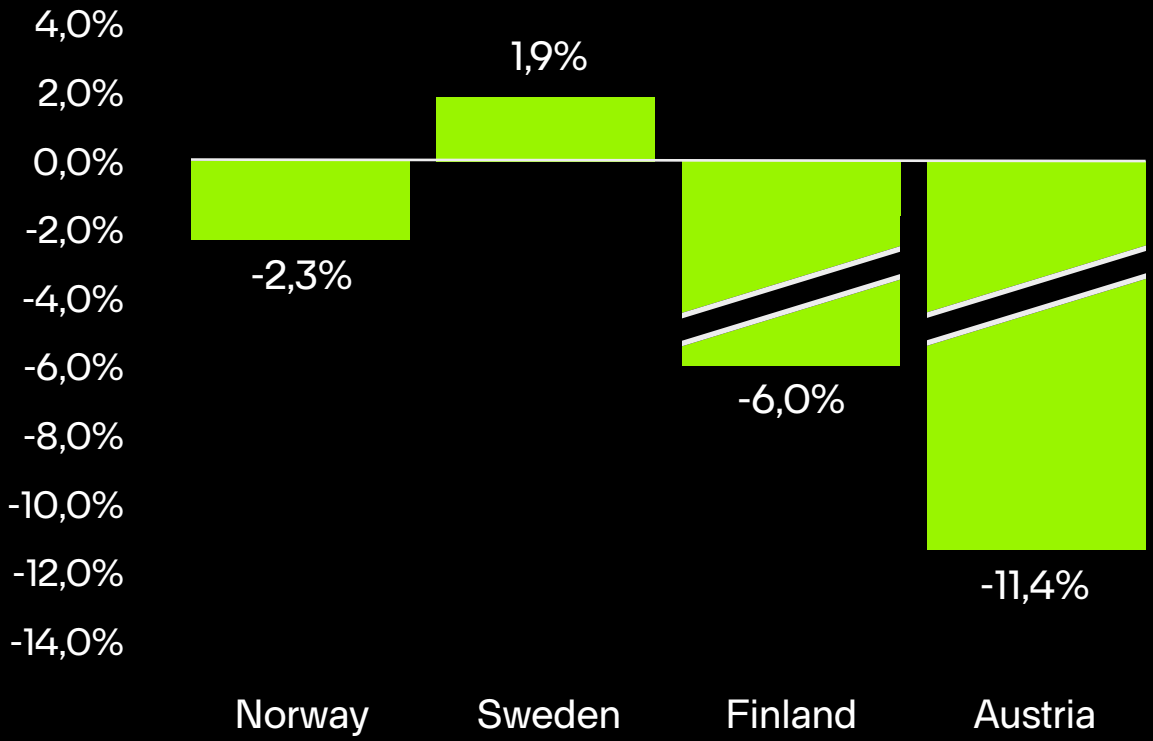
Revenue split

Amounts in MNOK



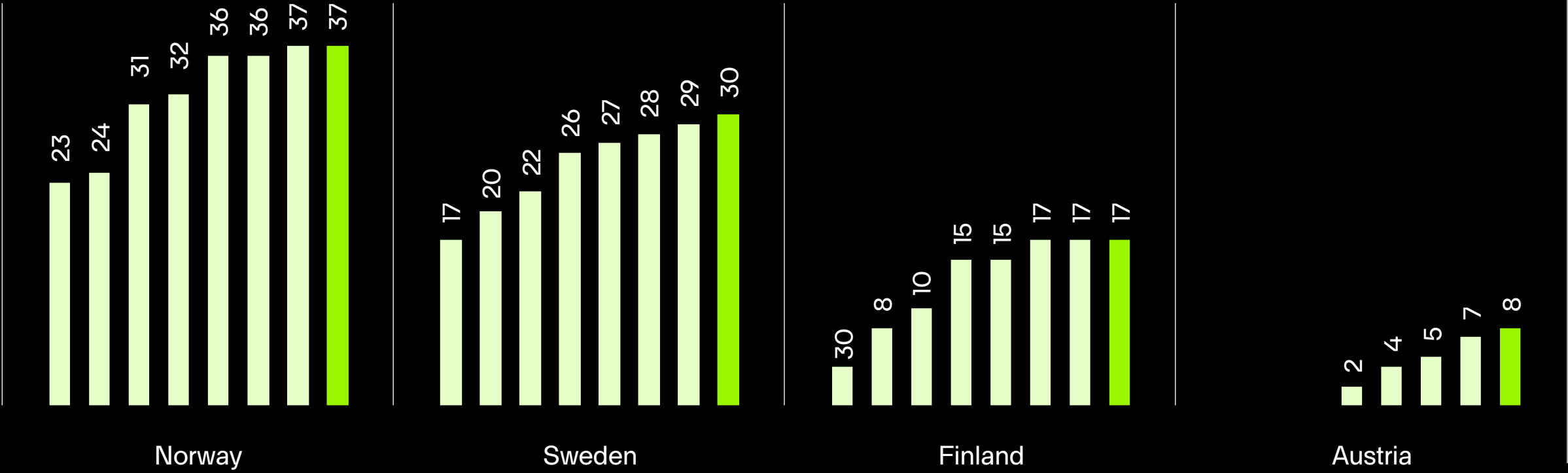
Growth by segment

Local currency



Stores per segment

2014-2020



XXL’s corporate responsibility



Customers first. Passionate. Knowledgeable. Caring. These are XXL’s Core Values. They describe our common mindset, culture, approach, and behaviour. They are the basis for many aspects mentioned in this report. The Values represent a combination of areas of strength and some improvement areas.

We are committed to operating ethically and responsibly in accordance with international and national laws and regulations. XXL’s responsibilities to protect people and environment is a necessity., We acknowledge that failing to do so will result in damaged reputation, negative publicity, and negatively affected economic results. However, we see this as an opportunity for creating a competitive advantage.

In times when the world faces a wide range of challenges, recreational activities with sports and nature experiences contribute to better public health. Lock-downs and closed borders have limited people’s possibility to travel and move freely across national borders. At the same time it has led people to explore their immediate surroundings and domestic destinations to a larger agree than before.

Availability and accessibility are essential, not only to nature, sporting grounds or playing fields, but to equipment, appropriate clothing, and footwear. 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. This is the key message of our Purpose, “All Sports United, Sports Unite All” (SDG 3). We are proud to be sustainability partners with the Norwegian lending concept BUA (Barn Unge, Aktivitet, in english, child, young, activity). BUA helps to break down socioeconomic barriers, contributes to an inclusive society and makes physical activities accessible and available. Sharing economy contributes both to reduced consumption, increased flexibility for people to try new activities, and matures the consumer in terms of using various sharing services.

XXL is all about people. XXL employees are our most valuable asset. Being an employer of more than 5700 individuals, and at the same time being dependent on their passion, knowledge, and customer-orientation. This requires a great deal of accountability and excellent leadership. We are committed to providing healthy, safe and secure working environment, protecting labor rights and provide relevant training and education for all employees, (SDG 8). We promote gender equality and equal opportunities at all levels of our organization. (SDG 5) and work hard to reduce discrimination in our organization and the society (SDG 10).

The Board of Directors has adopted an XXL Code of Conduct that outline the policies and principles regarding lawful and ethical business conduct that apply to anyone working for or representing XXL in any capacity. The Code applies to members of the XXL Board of Directors, employees and managers



including members of the senior executive management team. They are required to comply with the Code and to complete compliance training programs. The mandatory signing of our Declaration of Compliance is an integral part of the training program. Each individual is responsible for adhering to XXL’s principles for sustainability, which are integral part of our Core Values the Code.

XXL is committed to conducting our business in accordance with the highest ethical principles. We promote a speak-up culture and encourage stakeholders to express their ideas and opinions. XXL has provided whistleblowing channels and procedures that allow internal and external stakeholders to report breaches, detected or reasonably suspected, of any applicable laws and regulations or the Code in a safe and confidential manner.

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 succeed with working on sustainability are traceability and transparency throughout our supply chain. We have a responsibility and commitment to help suppliers and manufacturers worldwide to improve their 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 business partners the XXL Supplier Code of Conduct sets requirements and high expectations regarding ethical and sound business practice throughout our value chain. Suppliers signing off a Declaration of Compliance with the Supplier Code is an integral part of our supplier and other business partner selection process. XXL has also provided a framework of documents containing the requirements, regulations and policies related to compliance for our product range. The framework is available on our web channels and states our requirements towards our producers and suppliers to conduct business in compliance with applicable laws and regulations. Good cooperation with our suppliers and other business partners are essential to combat climate change, achieve full transparency and traceability regarding an ethical and environmentally friendly value chain. (SDG 17)

Our products play a substantial role in our plans to reduce our impact. Sustainable products are all about ethical and responsible sourcing, material selection, production, transportation, consumption and waste management. Our aim is to provide products with a focus on quality, durability, and reparability to achieve not only extended product life cycle, but also increased

customer satisfaction. New circular business models represent opportunities to expand 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, represent 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 of our stakeholders and the 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 through annual review of the materiality analysis of defined relevant aspects.

The Board of Directors has the overall responsibility that the sustainability policies are evaluated and revised continuously.

XXL ASA has reported the information cited in the GRI content index in the latest section of this report for the period Financial Year 2021 with reference to the GRI Standards. This is the Group’s eighth annual Sustainability Report. Information and performance data in this Report have been selected based on the most material sustainability topics identified for XXL’s operations. All entities in the XXL Group, as stated in the consolidated financial statements, are covered by this report. The Sustainability Department governs the daily sustainability work:

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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 mak-ing 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.

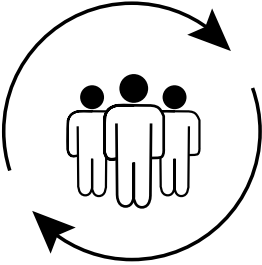
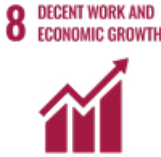




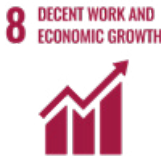



Overall sustainability aspect

Purpose:
All Sports United - Sports Unite All



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

Our comments

Sustainability areas	Essential sustainability themes	Commitments	UN SDG's
<div></div> <div>Good working environment & attractive jobs</div>	<ul style="list-style-type: none">• Work environment• Decent working conditions 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>	<div></div>
<div></div> <div>Sustainable products and circular business model</div>	<ul style="list-style-type: none">• Product quality and duration• Circularity: Repair, sale, rental and subscription solutions• Sustainable products and brands	<p>We are 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>	<div></div>
<div></div> <div>Sustainable production and value chain</div>	<ul style="list-style-type: none">• Sustainable and traceable production of goods in the value chain• Sustainable products and brands• Responsible purchasing practices• 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>	<div></div>
<div></div> <div>In-house climate and environmental impact</div>	<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>	<div></div>

CEO comment

Profitability and sustainability go hand-in-hand in business today. For XXL this means that we need control our value chain, promote sustainable products and take good care of our people. We also want to lead the way in the sports industry developing new services and business models. We are confident that the circular economy will be an increasing part of our business in the years to come.



- We will continue to work for a better and more sustainable way of operating all aspects of our business.

“All Sports United – Sports Unite All” is our overall purpose in XXL. All Sports United means that we make sports and outdoor activities accessible to more people, all under the same “roof”. Sports Unite All means that everyone can participate in sports – on their own terms. Sports break down barriers and brings people together across the globe. This is our common spirit.

Sustainability is an area where XXL as the market leader will lead the way. We will continue to work for a better and more sustainable way of operating all aspects of our business.

The sports industry benefits on mega trends like health and well-being. More people want to be active and to discover the joy of sports and the great outdoors. This is great in many ways, but we need to do this without intensifying the environmental footprint.

The last two years has made us more aware of the connection between healthy businesses, public health and the health of the climate. A world with both political and public health-related barriers has meant that we must work and think differently in our everyday work. New opportunities have opened up with more people seeking sports and outdoor experiences, but also new challenges with disruption in the global value chain, increased costs and a more closed society. We have adapted and adjusted our business quickly.

Working resource-efficiently with transport, energy and raw materials has become even more important in order to reduce negative environmental impact and costs. We also believe that the transition to a more circular society will open up new business opportunities and be profitable.

In 2021, we entered into a partnership with Barents for repair, certification and sale of used sports equipment. In the spring of 2022, we launch pilots for equipment rental in selected stores and we will also sell used products that have been repaired.



- Our workshops and services are increasingly important to help people taking care of their sports and outdoor equipment.

The pilots will help us learn more about the customer's expectations and preferences, and to understand more about the role we need to take going forward. The experiences will be used to scale this further until it becomes integral part of the XXL concept, with products, prices and execution.

We also see that our workshops and services are increasingly important to help people taking care of their sports and outdoor equipment, and thereby increasing the lifetime of the equipment.

This journey has just started for the sports industry, and XXL will lead the way on the journey. We believe that circular alternatives will be an increasing part of our business in the future. We must therefore be in the driver's seat ourselves, in close collaboration with suppliers, the industry and other players.

In 2021, XXL has also signed a sustainability partnership with BUA and its concept of renting out sports and outdoor equipment. BUA is a network of equipment centrals in Norway working to give kids the opportunity to test more activities. We share a common goal of inclusion, public health and reasonable consumption and are proud to support BUA in its important work in Norway

As a major retailer in the sports industry, we have a responsibility to act diligently. Our supply chain is complex and consists of both large international enterprises and small-/medium-sized businesses all over the world. To ensure that our supply chain is managed in line with international standards of human rights, working conditions and other ethical standards, close dialogue and monitoring of our suppliers and producers is a necessity. Partnerships and cooperation with other players in the industry are fundamental in this area to reduce the risk and develop the industry further.

The people of XXL is the backbone of our business. Good working conditions and working environment is important for the well-being of our employees. It is also material to achieve our goal of becoming the preferred destination for the sports and outdoor enthusiasts. To promote diversity and work to reduce the risk of discriminations and barriers to equality has top priority. In general, the gender balance in XXL is good, but the share of females in top management levels is too low. We will have a strategic approach to reach our targets in 2030. This includes, among other things, a more systematized recruitment process, training and leadership development programs and facilitation for female leaders at all levels in the organization. Today, the share of female leaders in XXL does not reflect our employees and customer base. We need to attract, develop and retain the best talent to be ahead in the sporting industry.



In general, 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 be able to meet the expectations from our customers and employees. The sustainability journey at XXL has only started, and we still believe we have a long way to go in order to reach our long-term vision for our company also in this area.

Pål Wibe

Pål Wibe, CEO XXL

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 leads to more 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. Transparency and traceability in the value chain is 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. The greenhouse gas emissions related to production and transport of textiles is now included in the groups climate accounting report. Material consumption data for textiles are also disclosed in this report under the section Products. XXL will include more product groups in the scope 3 emission disclosures.

The Taxonomy sets performance thresholds for economic activities, which implies the technical screening criteria has 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, and 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 executive management team governs the day-today risk management placed on the business segments. 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.

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 socioeconomic 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, and represent a risk of damage to physical assets and infrastructure, and destroy ocean- and terrestrial ecosystems.

Acute physical risks may have financial implications such as direct damage to assets in our home markets where floods and extreme weather conditions may occur.

Supply chain risks and resilience in the context of the global Covid-19 pandemic has been high on the group’s agenda, and in many ways highlighted the consequences we can experience from acute weather events. A changing climate, and greater frequency and severity of hazards may increase disruptions in supply chains that interrupt production, raise costs, hurt corporate revenues, and lead to higher prices or shortages for consumers. Raw material producers of amongst other cotton are vulnerable for climate change.

Chronic physical risks such as rising sea levels, rising average temperatures, and ocean acidification. Extended periods of increased temperatures may lead to the further development of chronic climate events, such as desertification. Similarly, extended periods of increased average temperatures might affect the ecosystem, agriculture in particular. Raw material producers such as cotton farmers are vulnerable for climate change.

As climate change makes extreme weather more frequent and/ or severe, it increases the annual probability of events that are more intense and supply chain disruptions can become more common.

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 because 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 are necessary to assess the magnitude of the impact climate change represents to our business in order to mitigate the negative impact on climate. In general, sport equipment suppliers has a high consciousness



regarding the negative effect of climate change, and works to reduce their own adverse impact. Extended use of recycled materials will reduce risk of parts of the acute and chronic events that may lead to disruptions of supply chain.

Raw material producers exposed to adverse impact from climate change, both acute and chronic, represent a risk factor as disruptions can become more common. At the same time, it is important to recognize the fact that use of natural derived materials are important to reduce the consumption of oil-based materials.

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 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 repairability 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 are 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.

A mapping of the material consumption with a special attention on carbon intensive oil-based materials has been conducted for the textiles placed on market in 2021. An activity based analysis of the indirect emissions related to textiles has been conducted with the intention to use this data to evaluate the material composition of our total product portfolio.

Transition to natural based materials, mono material based textile products instead of complex materials, and use of recycled



instead of virgin materials over time will reduce the adverse impact caused by our activities. Implementation of our new sharing initiatives such as rental, repair and reuse concepts will contribute to further reduction.

One example is building solar 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 substitution of substances with negative effect on health and environment are driving the attention on macro-perspective factors for climate change. If we look at the day-to-day business in our stores, waste and energy reduction promote further opportunities of reducing waste disposal, less CO2 emissions and cost efficiency. The process of energy consumption mapping has taken a great leap forward and we have changed lighting to LED technology in all stores.

Dialogue with 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.

Shareholders and owners

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

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



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 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.

Media

Key concerns:
Adverse environmental impact, 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 XXLs stakeholders through documentation analysis, internal and external interviews leading to a questionnaire for XXLs stakeholders.

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



Management approach

The sustainability work reflects a growing interest amongst stakeholders towards the Group's social and environmental impacts. Risks and opportunities for the organization are systematically managed as described earlier.

A brief summary of how we manage the sustainability work related to each material aspects mentioned under the section for such relevant aspect including relevant targets connected to each strategic sustainability area. All entities in XXL, as stated in the consolidated financial statements, are subject to these aspects.

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.



Materiality matrix

Aspects

- 1

Economic results
- 2

Anti-competitive behavior
- 3

Public health and physical activity
- 4

Sustainable procurement
- 5

Freedom of association
- 6

Personal and data security
- 7

Ethics and anti-corruption
- 8

Materials in products
- 9

Sustainable products and brands
- 10

Packaging
- 11

Energy consumption
- 12

Co2 emissions
- 13

Sustainable logistics and transportation
- 14

Waste management
- 15

Hire and reselling of products
- 16

Reparation and reuse of products
- 17

Product quality and longevity
- 18

Product security
- 19

Sustainable and transparent production in the supply chain
- 20

Labor and work environment
- 21

Decent working conditions and benefits for XXL employees
- 22

Upskilling and training for employees
- 23

Diversity and equal opportunities
- 24

Non-discrimination
- 25

Product labelling and ethical marketing
- 26

Other

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

Material sustainability topics

- 21

Decent working conditions and benefits for XXL employees
- 9

Sustainable products and brands
- 20

Labor and work environment
- 19

Sustainable and transparent production in the supply chain
- 22

Upskilling and training for employees
- 17

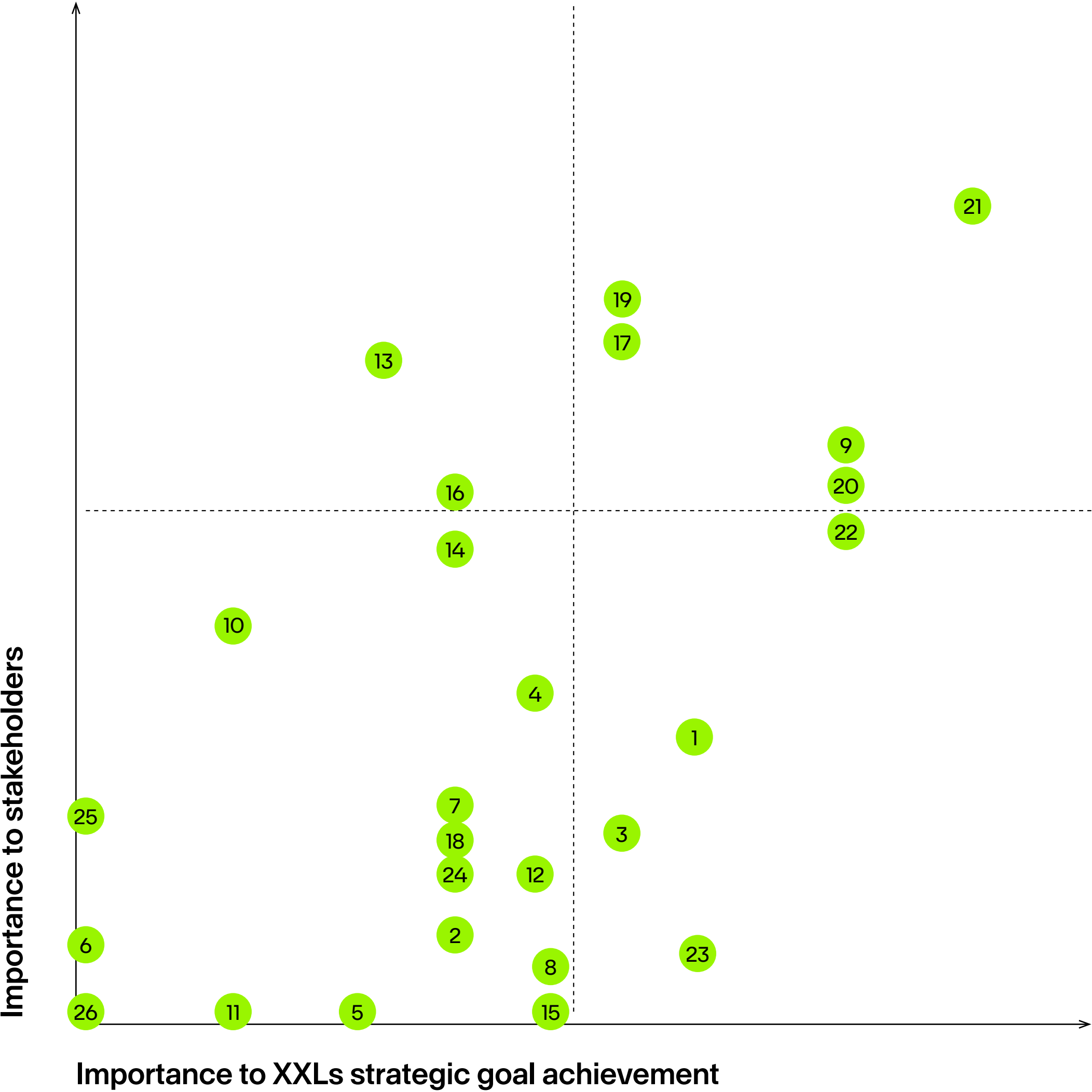
Product quality and longevity
- 1

Economic results
- 13

Sustainable logistics and transportation
- 16

Reparation and reuse of products
- 14

Waste management



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

Environmental impact from our operations

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.

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.



In-house Climate and environmental IMPACT

Essential sustainability themes:

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



Targets:

87%

Material recycling of waste in 2022.

70%

Share of renewable energy within 2030.

Zero

Waste to landfill within 2025.

Current status:

84.2% +3,5% (2020)

63.3%

Goal achieved

Reduction in GHG emissions within 2030 and net-zero within 2050.



Goods transportation

The most significant source of emissions in our own operation is downstream transportation.

We have outsourced the transportation of goods to third parties and they have their own ambitions and policies of sustainability and targets to reduce their emissions. We monitor their work closely. Bring/ Posten Norge is the most important logistics partner to XXL. We appreciate the effort they are doing with respect to reducing the emissions of their vehicle fleet by focusing on eco-driving, biogas, biodiesel and electricity in addition to optimized routes, continuously updating the fleet and collaborations with green partnerships.

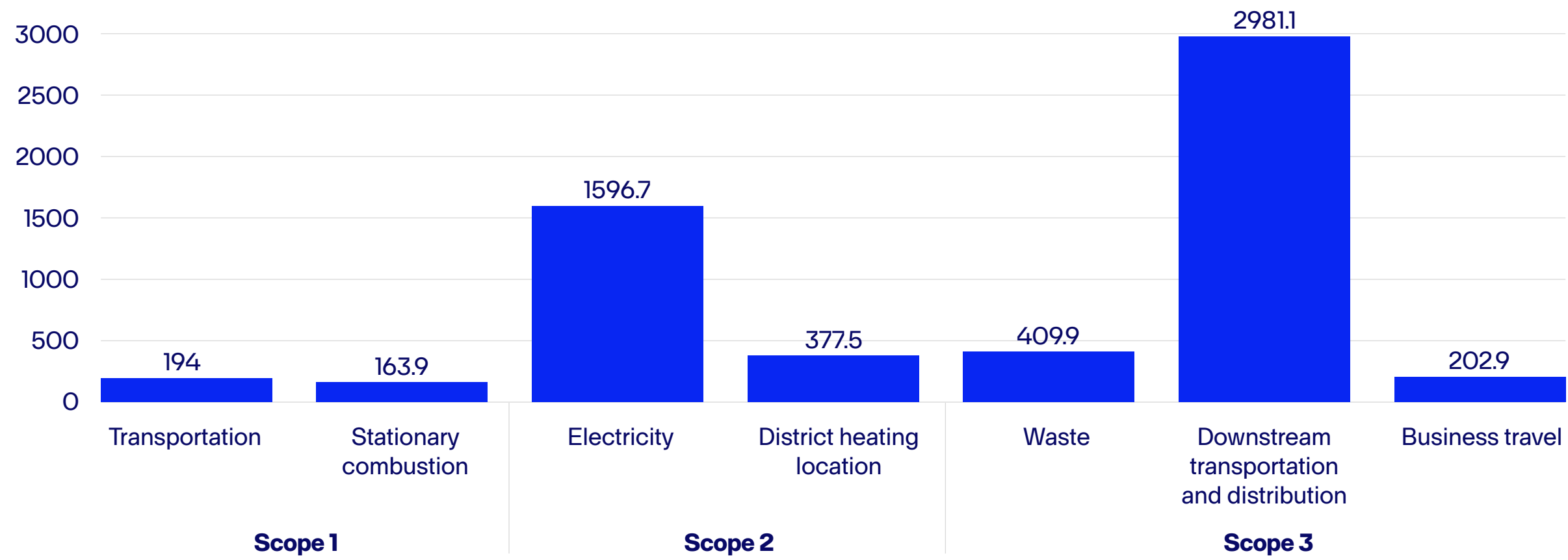
XXL sets clear environmental requirements for its transport suppliers with regard to euro class, speed limitation and training in environmentally efficient driving. The suppliers must approve the Group's environmental statement and answer an annual self-assessment of their environmental performance. The total emission from goods transportation in XXL is 1766.8 ton CO₂ equivalent.

Central warehouse

XXL had two central warehouses when we entered 2021, one in Norway and one in Sweden. February 1st 2021, XXL opened the third central warehouse in Enzerdsorf outside Vienna, Austria. In addition to increased efficiency and flexibility to the Austrian operation, we experience a reduction of emissions related to the downstream transportation to the Austrian operation. Stores and E-com deliveries in Austria was supplied from the Swedish Central Warehouse up till the opening of central warehouse in Austria.

The central warehouses are located 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 93 per cent of the goods where delivered through the central warehouses. An increase of 13 per cent compared to 2020. 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.

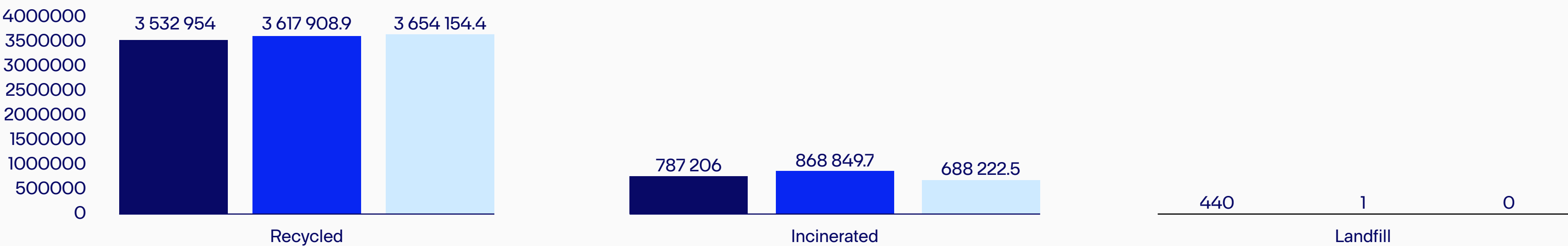
GHG Emissions - per category (tCO₂e)



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.

Total waste (kg)
per disposal method



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

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.

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 84.2 per cent of the waste in the group is categorized recycled, 15.8 per cent is categorized as incinerated waste. The share of recycled waste increased with 3.5 per cent compared to 2020, 0.8 per cent below target of 85 per cent in 2021. In 2022 our target is 87 per cent categorized as recycled. There is no waste generated that is registered to landfill in 2021.

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 succeed with our goal, but equally important is the preventive measures done with products and packaging. 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. Our business model with effective logistics and transportation makes it possible to reduce large quantities of packaging materials as the products can be shipped in larger packages that require less protection packaging such as plastic packaging. The second motivation factor is reduced cost. Less waste, recyclable materials and a high recycling factor will significantly affect the cost of waste handling in a positive direction.

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 service 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 provide increased profitability for circular economy 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 circular 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 and other social engagement activities. XXL has also converted to paper shopping bags in some markets and introduced recycled and reusable shopping nets. In 2022 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.

The result of this work is a total waste reduction of 144 383 kg and an increase of recycled waste of 3.5 per cent.

Energy consumption

XXL has established a centralized electricity agreement with the third party company Hafslund for delivery of electricity to all our facilities in Norway and some in Sweden. They have their own stated sustainability ambitions and policies that we monitor closely. The energy production already has a high portion of renewable energy, based on hydropower plants, waste heat from the incineration of residual waste and deliberate use of other renewable energy sources.

The target is a full phase out of fossil oil and gas as a source of heating in our central warehouses. 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

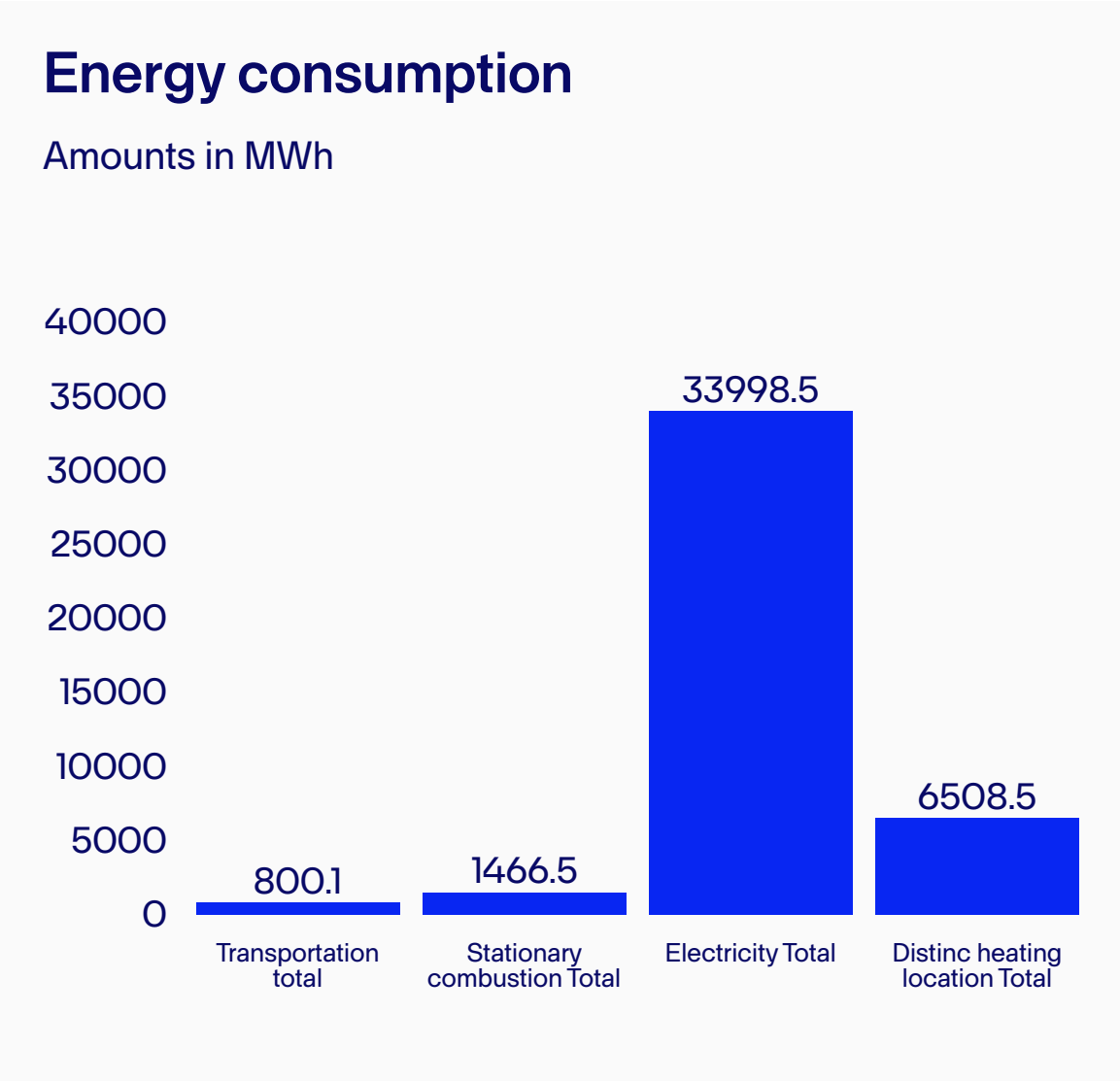
Oslo, we have a contract with Dalkia (Veolia) for heat delivery.

The total electricity consumption for the year 2021 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 three central warehouses and headquarter and office facilities. For those stores that are not part of the centralized electricity agreement we have made assumptions and calculations based on estimates from an average store. In a way of further reducing the electricity consumptions, we started a project in 2015 of changing the lighting in all our stores in Norway to more efficient solutions using LED-lights. We extended this process even further by entering an agreement with the Norwegian company Termoenergi Norge AS for mapping of energy conservations plans for our stores. This is deducted in close cooperation and support from the organization Enova and began in the spring 2016.

We had a three years plan to upgrade all our Norwegian stores accordingly based on initiatives such as installation of energy monitoring systems, change procedures and training of personnel, automatic control units for light control, upgrade to LED-lights, implementing operation centrals for heating, ventilation and fan coils and upgrading to heat pumps were not able to use tele heating networks. We have 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.



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



Renewable energy

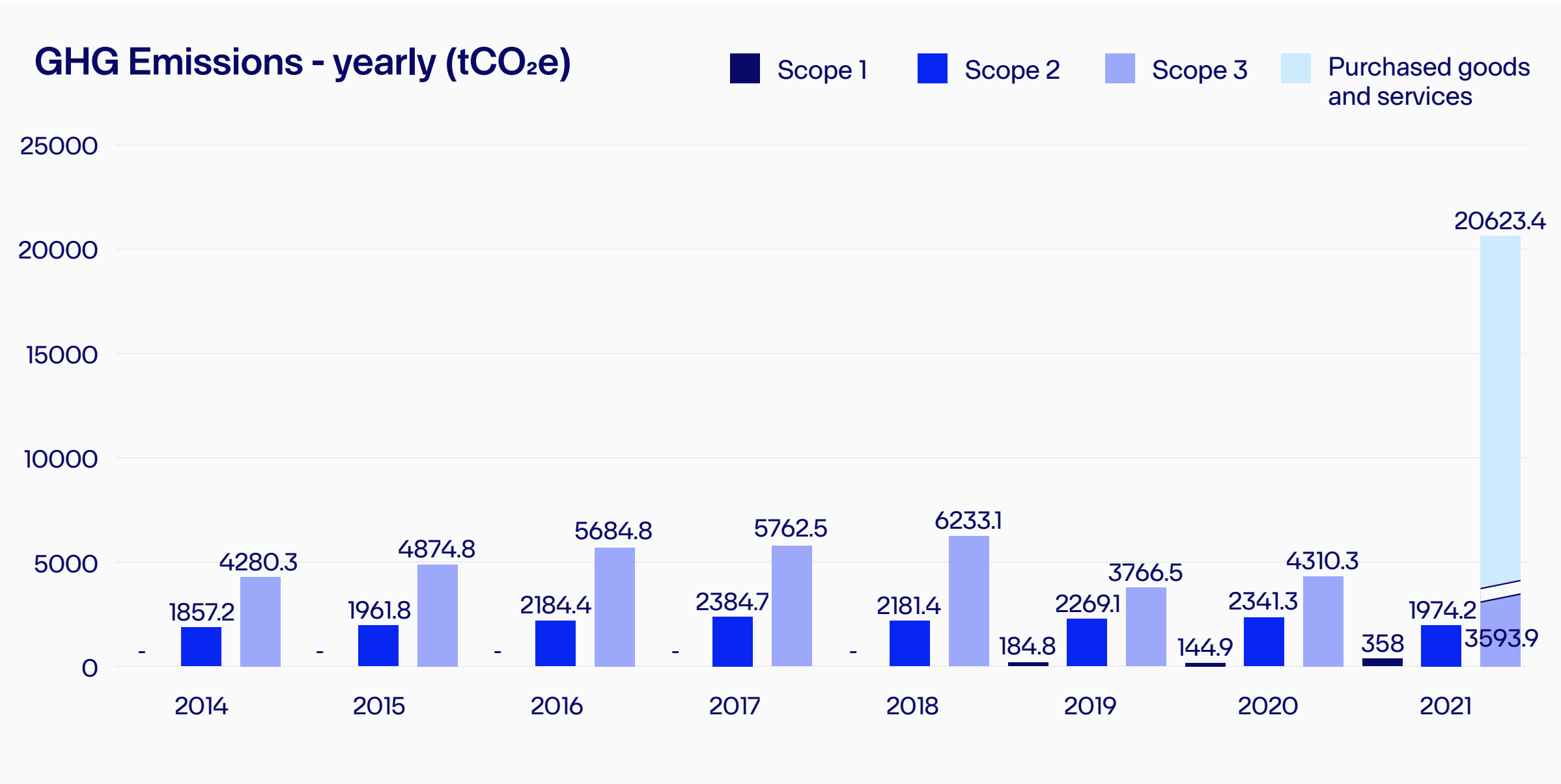
We are working with a partner to increase renewable energy production on our facilities. Solar power plants are already in place on the rooftop of store facilities in Lielahiti, Lappenranta and Espoo in Finland and from 2021 also the first store in Örebro, Sweden installed a rooftop solar power plant. 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 impact 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,



Note: The report shows a reduction of total comparable emissions in scope 3, excluding the emissions related to purchased goods and services.

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, goods transportation, and from 2021 indirect emissions related to production and transportation of textiles. The emission data related to textiles includes raw material extraction and processing, processing of secondary material input (e.g. recycling processes), transport to the manufacturer and manufacturing process.

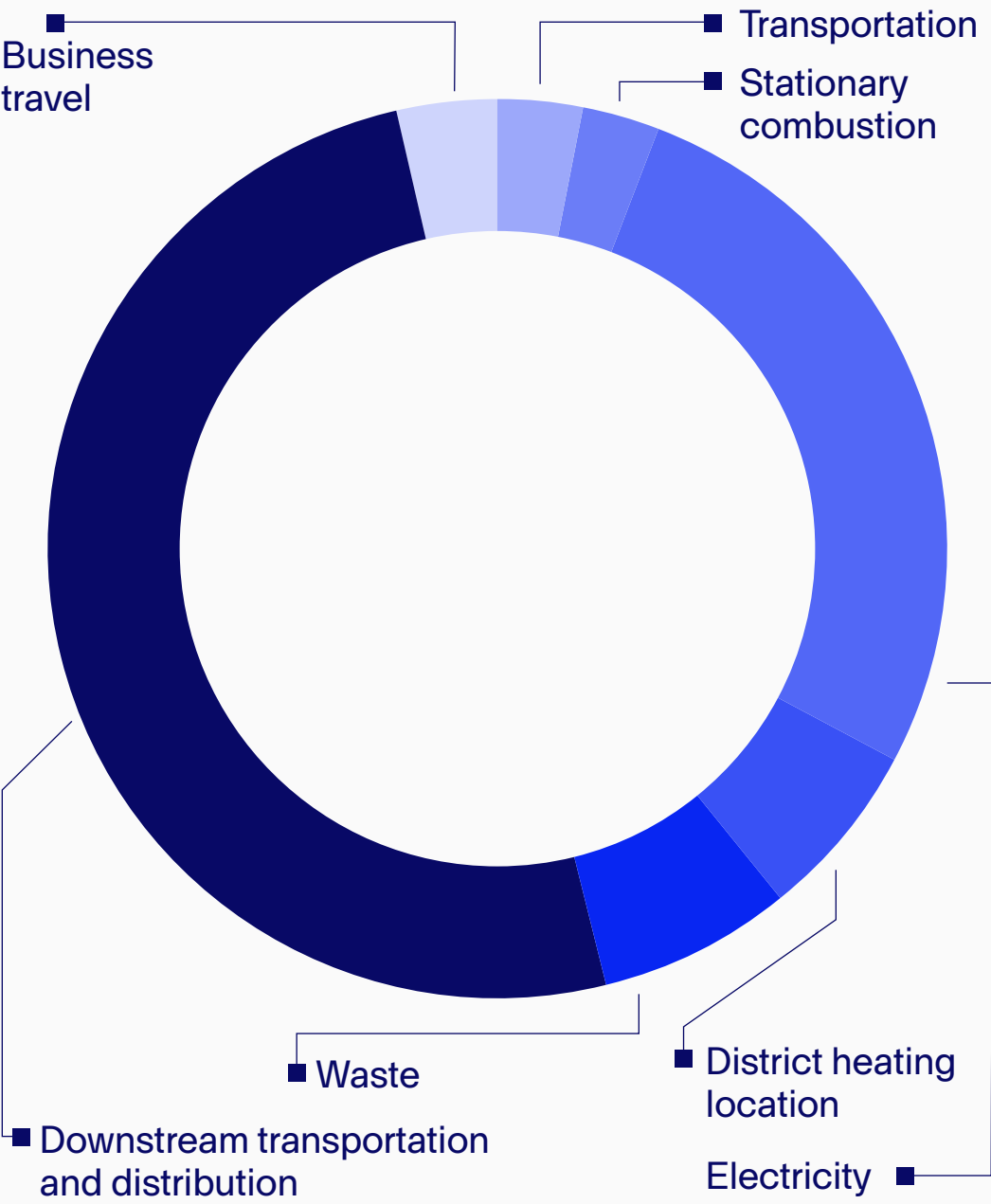
The figures above include all our locations and facilities, meaning all our stores, the three central warehouses and headquarter and office facilities. For those stores that are not part of the centralized electricity agreement we have made assumptions and calculations based on estimates from an average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

For business travel, only travels by air are included.

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 total emissions compared to 2020 if we exclude purchased goods and services which was included in 2021.

GHG emissions - excluding purchased goods and services.



Scope 1	Transportation	194	3.3 %
	Stationary combustion	163.9	2.8 %
Scope 2	Electricity	1596.7	26.9 %
	District heating location	377.5	6.4 %
Scope 3	Waste	409.9	6.9 %
	Downstream transportation and distribution	2981.1	50.3 %
	Business travel	202.9	3.4 %

Supplier assessment

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 well-known brands and some private label products. In 2021, around 9 per cent of XXL's total operating revenue were related to merchandise sold by XXL under private labels. 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.

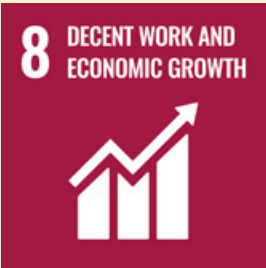


Sustainable production and value chain



Essential sustainability themes:

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



Goals

Conduct an integrity due diligence survey with the goal of a large majority of our supplier base completing within 2022

Systematically map all existing and new suppliers’ adherence to the Company requirements and expectations, review improvement initiatives and progress, and assess the level of compliance

100% of private label products audited and controlled in pre-shipment inspections.

XXL Supplier Code of Conduct - Principles and requirements

XXL is committed to conduct our business in compliance with all applicable laws and regulations. We respect the highest standards of human and labor rights, environmental awareness, and ethical business conduct. A significant portion of the products the Group sell - sports equipment and sports attire - is manufactured in markets outside the countries where the Group operates. In order to ensure alignment with XXL’s commitment to lawful and ethical business conduct throughout the Company’s supply chain, XXL requires its business partners, including supplier, their subcontractors and affiliates, to adopt similar principles.

To make clear what we expect from our supply chain partners, XXL has adopted a Supplier Code of Conduct (hereinafter Supplier Code). The Supplier Code requires XXL’s partners to provide safe working conditions for their workers, treat workers with dignity and respect, act lawfully, fairly and ethically, and use environmentally responsible business practices wherever they manufacture

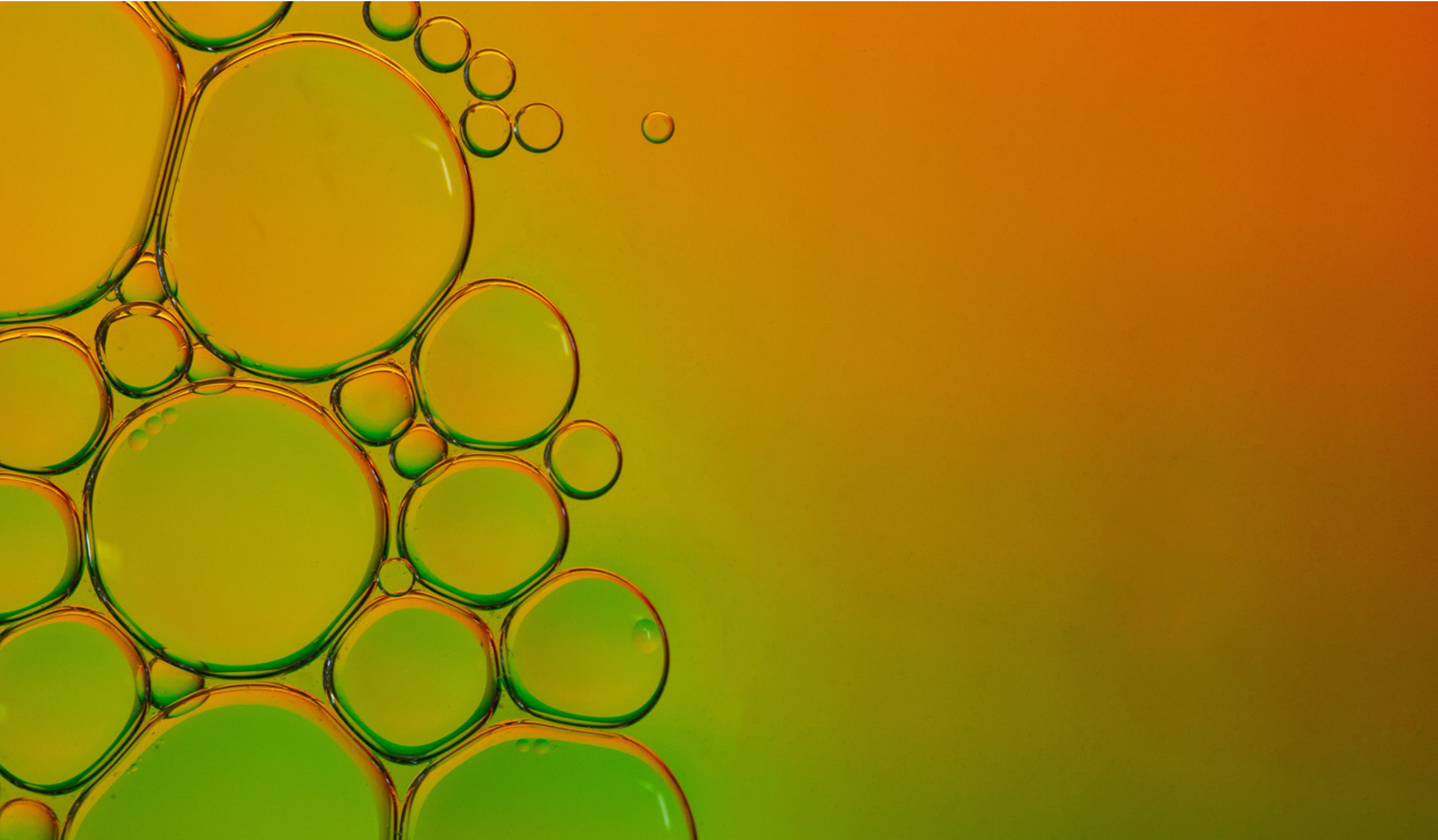
products or perform services for XXL. Where the requirements of applicable laws and the XXL Supplier Code differ or are in conflict, the supplier shall comply with the higher standard.

The XXL Supplier Code of Conduct applies to all business partners supplying goods and services to all entities owned or controlled by XXL (the XXL Group). A breach of the Supplier Code will be considered a breach of any supply contract entered into with XXL and may lead to the termination of the business relationship with the Company.

The XXL Supplier Integrity Due Diligence Survey is an integral part of the Company’s supplier selection process. The Company will systematically map suppliers’ adherence to the Company requirements and expectations, review improvement initiatives and progress, and assess the level of compliance through Integrity Due Diligence Surveys and open dialogue.

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.





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

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 environmental requirements and other related 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 the 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 cannot 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. In total around 73 factory and on-site audits were commenced in 2021, with an additional 40 improvement audits. There was mainly minor deviations such as use of required personal protection equipment, some hygienic issues and quality or delivery deviations. If violations of the Supplier Code of Conduct are detected with a supplier a concrete plan will be established. The first time a supplier violates the contractual requirements depending on the level of deviation, they generally get a second chance to correct the problem. We will not continue to conduct business with 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 conducted 565 pre-shipment quality control inspections. 50 nonconformities were discovered. All nonconformities were corrected and re-inspected before shipment.

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



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

The partner has a system for starting-up a new supplier, it is selected very carefully by communicating with supplier, physically visiting the factories by 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 ethical audit which is performed by independent 3rd part audit company. The ethical audit is based on ETI base code. It evaluates various aspects like freely chosen employment, freedom of association and the right to collective bargaining, no child labor, no discrimination, no harsh or inhumane treatment, safe and hygienic working conditions, adequate wages.

The ethical audits are performed according the SA8000 standard or Sedex (SMETA). The Code of Conduct is discussed and signed by all suppliers/ manufacturers.

There was not any new manufacturer introduced during 2021.

Quality control

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 certificated 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 defectected 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 2021 our partner arranged 87 pre-shipment inspections 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 cartons marked incorrectly and other issues.

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.

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.

Due diligence

The Norwegian Transparency Act, effective July 1, 2022 has the purpose to promote enterprises respect for fundamental human rights and decent working conditions in connection with the production of goods and the provision of services and ensure the general public access to information regarding how enterprises address adverse impacts on fundamental human rights and decent working conditions. The Act applies to XXL as a large enterprise that is resident in Norway and offers goods and services in and outside Norway.

XXL has a legal duty to carry out due diligence in accordance with the OECD Guidelines for Multinational Enterprises and publish an account of due diligence . The Norwegian Consumer Authority monitors compliance with the provisions of the Act.

In 2021, XXL initiated a process to establish an Integrity Due Diligence Survey to be able to map and collect input from XXL suppliers, identify current state pertaining to the requirements of the Act, assess and identify significant risks, and establish basis for further dialogue/follow-up with the relevant suppliers. The Survey development process is currently in the piloting phase.

Employees

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.

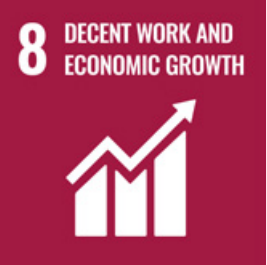
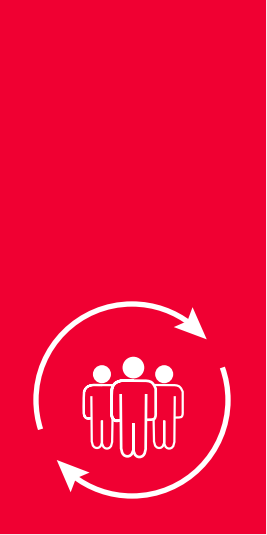
XXL is committed to develop an organization that promotes equality and prevents discrimination, among other things based on gender, pregnancy, maternity leave or adoption, care tasks, ethnicity, religion, beliefs, disabilities, sexual orientation, gender identity and gender expression and combinations.



Good working environment & attractive jobs

Essential sustainability themes:

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



Numbers and targets

Number of employees:

5789

as of Desember 31. 2021

Share of employees below 30 years:

69%

Average age in company administration:

36.0

Female workers:

44%

New employees:

2324

Average age in XXL stores:

27.2

Days of on-site training in 2021:

3300

Annual turnover rate:

32,3%

Increase in number of employees compared to 2020:

426

Targets:

Female share in management positions above 25% within 2025, and above 45% within 2030

Sick leave rate below 7%

Turnover rate below industry level

Substantially reduce the share of involuntary part time work

Current status:

27%

7.2% -1.4%

32.3%



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. This carries a great responsibility for XXL as an employer. Employer surveys in 2021 revealed that most employee feedbacks reflects a good working environment. 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. XXL has conducted comprehensive internal review of cultural and organizational governance in this respect.

Equality statement 2021

Introduction:
Inclusion, equality and diversity is all about valuing people, at all levels, wherever they work, and whatever they do. It is about all our core values, customers first, knowledgeable, passionate and caring. It is in our DNA, our purpose – All sports united. Sports unite all.

As a market leader within sports and outdoor gear, we feel we have a great responsibility to foster an active and healthy lifestyle. 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 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.

XXL should also be a safe workplace, 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 works 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 2021

Gender balance in XXL:

Gender balance Number of employees					Temporary employment Number of Employees		Parental leave Avarage number of weeks		Actual part-time Number of Employees		Involuntary part-time Note: Based on survey of a total of 538 part time workers in Norway. Percent per gender		
Country	Female	Male	Female share	Male share	Female	Male	Female	Male	Famle	Male	Female	Male	Other gender Identity
Norway	1204	1671	42%	58%	56	84	20,88	14,47	842	1006	54%	53%	100%
Sweden	704	994	41%	59%	91	135			429	483			
Finland	483	436	53%	47%	28	31			349	280			
Austria	144	149	49%	51%	19	13			84	61			
Switzerland	1	2	33%	67%									
Total	2536	3253	44%	56%	194	263			1704	1830			

Note: The table Includes the mapping of involuntary part-time and parental leave conducted in Norway

State of gender equality 2021

Pay Gap in XXL:

Gender balance in different levels of organization					Wage differences Female share disclosed in percent of male		
Salary (adjusted for yearly, in 100% position)							Benefits Taxable
	Female	Male	Female share	Total salary (inc. Bonus, overtime etc.)	Fixed Salary	Irregular benefits (Bonus, overtime, etc.)	Sum Benefits Taxable
Total	1473	1995	42%	90%	93%	64%	40%
Level 1	2	8	20%	87%	103%	28%	95%
Level 2	4	24	14%	104%	105%	101%	45%
Level 3	40	100	29%	98%	97%	100%	47%
Level 4	95	150	39%	95%	98%	74%	0%
Level 5	1334	1715	44%	96%	98%	78%	102%

The table Includes mapping of pay-gap in different levels of the Norwegian organization. Highest paid individual (CEO) is not disclosed on separate level. Deviation of irregular benefits female to male in level 1 is primarily a result of the opportunity to meet bonus criteria's du to the length of the employment relationship. **Note:** Benefits taxable are mostly related to employees benefits when buying products from own assortments.

State of gender equality 2021

Board of Directors Age and gender distribution:

	Female	Male
Below 30		
30-50 years	1	2
Above 50 years	2	3

Age distribution:

	Below 30 years	30 - 50 years	Above 50 years
Executive management	0%	80%	20%
Group	69%	29%	2%

FTE:

Country	FTE Hours	FTE
Norway	2639769.7	1380.4
Sweden	1505218.57	1136.1
Finland	918064.4619	503.7
Austria	298478.7287	215.0
Group	5361531.461	3239.1

Turnover:

Country	Turnover	Turnover Female	Turnover Male
Norway	24.4	26.2	23.1
Sweden	35.4	37.9	33.6
Finland	46.6	45.0	48.4
Austria	44	48.1	40.0
Group	32.3	34.5	30.7

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 subject 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. XXL has established documents with principles, standards and procedures for managing the business, including an update of XXL's ethical guidelines related to discrimination and harassment. In addition, we have reviewed our entire internal and external whistleblowing system, according to national regulations in each market. The routine for reporting and processing whistleblowing cases has been developed with the participation of AMU. In 2020, all employees and board members were given access to a specific e-learning program about XXL's ethical guidelines. The e-learning module is now implemented in XXLs onboarding program. 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 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. Inclusion 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.

XXL's personnel, management and HSE handbook 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 2021, we have worked with HSE in a systematic way, which in turn gives us improved routines, reduced absence from illness and a greater degree of participation among the employees.

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 2021, 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 2021, there have been fixed and regularly 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. 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 HSEwork, 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 ensure equality and non-discrimination, XXL has

an ongoing work focusing on diversity and equal opportunities. The work includes amongst other things, structured recruitment processes, equal pay for equal work, training and education, risk management and dialogue between employee representatives and management.

XXL hired a head of recruitment in 2021. This role will focus more on diversity in recruitment processes going forward in order to increase the proportion of women in management positions. We believe that implementation of a new best practice recruitment process will accelerate the goal achievement of gender balance in managing positions and contribute to a more diverse organization.

XXL facilitates and invests in bringing in employees through various social initiatives. Inclusion has been a prioritized topic in XXL since 2015, and originates from projects piloted at XXL Lade and XXL Tiller in Trondheim. Among other things, XXL and NAV in Trøndelag have focused on work training and competence development for young employees and the participants has received close follow-up's 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.

Due to the pandemic situation, the inclusion work in 2021 consisted of maintaining and develop existing projects. The main goal of the inclusion work is that XXL will be an arena for people where you will feel a sense of belonging and mastery. In addition, we continuously investigate new opportunities and arenas for

our inclusion work. From 2020 to 2021, XXL participated in an innovation design process with focus on inclusion called "Utenforfloken". Æra, a Norwegian innovation studio working on different societal challenges, facilitated the process.

The combination of building both social and professional competence has proven to be a key element for inclusion of individuals in our organization.



**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.**

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 2021, XXL has continued the significant focus on HSE and a health-promoting work environment among our employees. Great efforts to the organization's compliance work has secured the approach to the HSE work in a structured and legal way. This make the organization able to prevent, register and act on any type violations. Not least, it will help to create better well-being and safety for employees and reduce sick leave, work related accidents and other adverse events.

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 2021, XXL once again reviewed its whistleblowing system, according to new national regulations.

XXL has conducted a survey based mapping of involuntary part-time work. The results has been presented for the AMU in the different units of the organization where both risk assessment and action plan has been processed. At the group head office there was revealed no risk related to part-time work, and the share of actual part-time employees is approximately 1 per cent. The results shows that all part-time employees at the head office are

satisfied with their part-time position in the current fraction.

In Norwegian stores 676 of 2448 employees in the stores responded to the survey, which is 27.6 per cent of those who received the survey. 344 females and 328 are males. There are 57 per cent male employees and 43 per cent female employees in Norway, so the sample is not representative and can affect the result. The age distribution among respondents is evenly distributed between the genders, but with a small predominance of females up to the age group above 40 years, then the balance changes in line with the total number of employees decreasing. The trend continues with increasing age. This may be related to the fact that we have a higher proportion of male department leaders (F: 40 per cent, M: 60 per cent) and store managers (F: 27 per cent, M: 73 per cent). These groups has a lower turnover rate in general.

There is a slightly higher proportion of males with full-time positions than females for the group in total. There is a connection between age and type of employment. There is a large predominance of part-time employees for the age groups 18-28, while the main weight of full-time employees is 29-39. When we ask what best describes the employee's wishes, we see that it is fairly even between the genders, but a higher proportion of women than men still want part-time with a higher position fraction. More males than females want a full-time position. The proportion who are satisfied with the current part-time position

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.

is high for both genders. Only 12 per cent of those who have answered want a full-time position.

The results has been presented for the AMU in the different units of the organization where both risk assessment and action plan has been processed. At the groups head office there is not revealed any risk related to part-time work, and the share of actual part-time employees is approximately 1 per cent. The results shows that all part-time employees at the head office are satisfied with their part-time fraction.

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, may increase the risk that competent employees will not be given equal development opportunities. XXL strengthened the HSE-work in 2020, further involvement of employee representatives in this field has been an important area in 2021, and will be as we continue this work in 2022.

Recently we have conducted a mapping of pay-gap in different levels of the Norwegian organization.

The overall results show that men on average have a higher salary than women, with an average index of 100 vs 90. When we analyze this the main explanation is that there are more men in top management positions. If we look at employees on the same

organizational level, there are smaller differences which is mainly explained by age and seniority. As previously stated in this report we will work systematically to attract, develop and retain female leaders and talents. We also continue to monitor this topic to avoid any pay-gaps based on gender.

Both our whistleblowing channels and employee surveys are valuable tools to identify other risks of discrimination and barriers to equality such as gender, pregnancy, parental leave, adoption and care tasks, ethnicity, religion, outlook on life, disability, sexual orientation, gender identity and gender expression. The whistleblowing routines and channels, described in separate section to this report are well functioning and accessible for all employees. The anonymous employee surveys are conducted on regular basis.

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.

Results from the involuntary part-time survey show that the reasons for part-time work in the stores are a large spread, and since it is possible to choose several alternatives, there will be many variables. We can see that there is a connection between being satisfied with a part-time position and being a student, combining with other work and appreciating the flexibility it provides. There are many very young workers here, only 11 percent in this group are 29 years or older. Some state reasons such as evening work is challenging to combine with family life and other duties, but not enough to draw conclusions. There are 126 females and 116 males in this group.

210 respondents (116 females, 91 males and 3 with different gender identity) state that they are satisfied with working part-time, but want a higher fixed employment rate. There is a high proportion of respondents in this group that is below 22 years, (127 out of 210 employees). 23 are over 29 years old. 71 respondents state that the employer has not offered a higher position as one of the reasons, and 61 of these are under 22 years old. A total of 17 persons in the group state that their specific request for a higher position has been rejected.

81 part-time employees have stated their desire for full-time employment. 65 of these are 23 or older. 34 states that they have

been refused a request for a full-time position. 63 state that they have not been offered a full-time position. 44 men and 37 women in the group.

Of all respondents, too few have reported heavy work, health challenges, family life and other duties to draw conclusions at the group level, but we see that the age group 29 years and older are high represented on these alternatives. Due to the nature of the business, it is challenging to facilitate working hours and tasks according to individual wishes and needs over a longer period of time. Only 22 respondents in total have stated that they do not want to work evening shifts and weekends.

Measures to reduce and prevent involuntary part-time includes amongst other things improved work planning, updated employee interview formulary to reveal the wishes and needs of the individuals, training and leadership programs for both employees and managers, systematical work with results of employee surveys, and through our handbook portal and other initiatives, we will strengthen information about employees' rights. In 2022, we will also look at the permanently calculated labor demand in each department store and assess the possibilities for an increased number of full-time employees. Clarification of expectations when recruiting, and when there is an increased need for part-time use is another important measure. We will have a good dialogue with employee representatives and employee- and employer organizations regarding these issues.

It is important to notice that part-time work is considered by many XXL employees to be a good thing. The survey shows that many students are dependent on a source of income, which implies the flexibility of a part-time job. At the same time, it is important that XXL is a workplace that facilitates that employees with other needs also could work permanently in full-time positions.

The use of temporary employment and part-time employees has been discussed in the local AMU's every year. This was most recently carried out at XXL in March/April 2022.

Former reviews of all employment contracts revealed several issues related to temporary employment conditions such as extra help and on-call substitutes. Measures implemented reduced the number of extra help / on-call substitutes drastically.

The mapping of salaries and benefits reveals that pay-gap exists, but merely because of internal recruitment compared to recruitment from outside of organization than as a gender related cause. As a measure to close the pay-gap, XXL conducts a more systematical review of all positions including a benchmark

against other comparable retailers in the second quarter of 2022. Furthermore, an individual salary adjustment is necessary.

Internal recruitment has always been both a motivation and a career ladder for many XXL employees. The leadership program, Talent, has led to new opportunities such as department leaders, store managers or other managing positions. However, we found that the selection process for candidates to leadership programs and training camps cause a risk of unconscious discrimination. Implementation of new measures for future programs will be objective evaluation, and gender balanced representation of candidates.

The opportunity to combine work and family life does not seem to have any gender differences. Nevertheless, results from employee surveys implies that we must facilitate so that employees can

achieve work life balance. Roll-out of our value "Caring", focus in employee interviews and leadership meetings will help raise awareness to this area.

Work continues on building HR-competence throughout the organization. HR has got an important function to 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 2022, we will continue to work focusing on diversity in recruitment 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.

It is necessary and desirable to have an extra close collaboration and open dialogue with the employees and their representatives.

The result of the work

XXL has 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.

Temporary redundancies in 2021 made it necessary and desirable to have an extra close collaboration and open dialogue with the employees and their representatives. This work and the good collaboration in the new organizational structure where we have also strengthened our competence and capacity with the new local HR-resources has continued. Revision of the HSE-

handbook, including clarification of the organization of diversity and gender equality work, has been a priority task for the leaders in the new organizational structure and the HR department, in collaboration with the employee representatives, the safety representatives and other employee representatives in AMU.

Employer surveys, and our whistleblowing channels has been important tools to identify certain risks of discrimination and barriers to equality in XXL, especially related to sexual orientation, gender identity and complex discrimination.

EVP HR & Communications are responsible for all measures related to risks identified for discrimination and barriers to equality.

Absence from illness

The Absence from illness rate was 7.2 per cent in 2021. Although the absence rate also in 2021 was affected by the Covid-19 situation, the group achieved the target of a sickness absence below 8 per cent. Going forward the structured work with sick-related absence is important. The group has implemented several measures to decrease the absence rate. Updated guidance and instructions in personnel-, management- and HSE handbook, special attention, workshops for leaders and dialogue between employee representatives and management. Regular mapping of sick leave in each store, personal individual follow-up, facilitation and focus on psychosocial work environment are proven and effective measure to reduce the sick leave in our organization.

We have set a target of below 8 per cent absence from illness in Norway and a total below 7 per cent for the group in total in 2022 (see table below).

Collective bargain agreements

90 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.

Sick Leave					
Country	FTE Hours	Sick Leave Hours	Sick Leave - Hours Related to Covid-19	Sick Leave	Covid Leave
Norway	2639769	208292	83446	7.89%	3,16%
Sweden	1505218	119025		7.91%	
Finland	918064	46335		5.05%	
Austria	298478	12300	43626	4.12%	
Total	5361531	385953	127073	7,20%	2,37%

Benefit plan obligations and retirement plan

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

To reaffirm XXL’s commitment to conduct our business in compliance with applicable laws and the highest ethical standards, the Company has adopted a Code of Conduct (hereinafter the Code). The Code is based on our four Core Values customers first, knowledgeable, passionate, caring. The Code provides the framework for what XXL considers to be responsible business conduct and defines the requirements that apply to all individuals working for XXL or having any kind of professional relationship with XXL.

The Code applies to board members, the XXL Group CEO and members of the XXL Senior Management Team, XXL managers and employees including trainees and temporary staff, in-house working consultants, in-house working staff from temporary agencies and similar assignments, in all entities wholly owned or controlled by XXL (hereinafter XXL Group).

The Code also applies to XXL business partners supplying goods and/or services, acting on behalf of or having other kind of collaborations with the Company such as, e.g., suppliers, sub-suppliers, vendors, consultants, landlords, agents, service providers and organizations, or others acting on behalf of XXL (hereinafter Business Partner). XXL Business Partners are encouraged and expected to adhere to principles that are consistent with applicable laws and the Code.

The Code should be considered as a guiding instrument. It does not provide an exhaustive overview of what is 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 may only be made by the XXL ASA Board of Directors. Employees or managers failing to comply with the Code may face disciplinary action, and in the most severe cases, termination of employment in accordance with local applicable legislation.

To facilitate the understanding and application of the Code, an XXL Code of Conduct In Brief-version has been provided for internal use in all relevant XXL languages. Furthermore, we have provided an XXL Anti-Corruption Guide, also available in all relevant XXL languages, as a practical tool aiming to raise everyone’s awareness of some key corruption risks and dilemmas they may face, and what to do.

XXL Compliance Governance and Procedures document explains the different roles and responsibilities that apply to specific internal stakeholders regarding the implementation and application of the Code: the XXL ASA Board of directors, the XXL Group CEO, the Senior Management Team, XXL managers, XXL HR staff, the XXL Ethics & Compliance Officer (ECO), and the local legal XXL entities’ Ethics & Compliance Associates (ECA). The Compliance Governance and Procedures document also covers our procedures for handling of reported concerns, and monitoring compliance.

The Code 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/xxlcode-of-conduct/

Note: Update of XXL Code of Conduct is published April 30, 2022.

XXL code of conduct E-learning program

All XXL employees, managers and board members are required to familiarize themselves with the contents of the Code and comply with the provisions and intentions. To help you understand the policies and principle stated in the Code and the Anti-Corruption Guide, and how to identify and deal with any ethical challenges that you or your colleagues may face, XXL has developed a Company-tailored, e-learning based training program. All XXL board members, managers, employees and contracted staff are required to complete the training program as part of their orientation program and will be required to repeat the training as decided by the ECO.

Declaration of compliance

All XXL employees, managers and board members are required to familiarize themselves with the contents of the Code and comply with the provisions and intentions. To help you understand the policies and principle stated in the Code and the Anti-Corruption Guide, and how to identify and deal with any ethical challenges

Reporting of censurable conditions

XXL is committed to the highest possible standards of transparency, honesty and accountability in everything we do. We are focusing on building a speak-up culture of trust where employees feel safe and comfortable to ask questions, raise concerns and report breaches, detected or reasonably suspected, of any applicable laws, the Code, or any Company rules or guidelines (whistleblowing). XXL’s rules for reporting of censurable conditions are outlined in the Code.



Whistleblowing

Any observation of conduct which is illegal or represents a breach of the principles or intentions of the Code or its supporting guidelines, or anything that appears to contravene the Code or Company rules and guidelines, or infringement of ethical norms that are broadly accepted in the society, must be reported immediately, verbally or in writing (recommended). XXL Whistleblowing 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 the Code. Our Whistleblowing Channel is provided by an external service provider. The channel is encrypted, and reporters can choose to report anonymously.

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 retaliation of whistleblowers

XXL does not accept any retaliation or sanction against anyone who in good faith has reported a detected or reasonably suspected violation of applicable law or the policies and principles in the Code, even if the concern turns out not to be real. Any employee or manager who knowingly makes a false report for the purpose of harming another individual will be subject to disciplinary action.

Handling of reported concerns

XXL’s procedures for handling of reported concerns are outlined in the XXL 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 are treated strictly confidential and in compliance with the General Data Protection Regulation (GDPR).

In 2021, a total of eighteen concerns were reported.



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.

Training and development of employees

Training and development of our employees have been even more important due to our renewed strategy, underlining the importance of offering great expertise and being knowledgeable.

The Covid-19 pandemic still made negative impact on our education program in 2021. Meeting face to face was still strongly restricted.

In XXL we have three different arenas of training and developing of our employees.

- Online training, offering micro learning through our learning platform
- Onsite training, which is face to face training and webinars
- On the job training, each store and department take local training initiatives

Online training:

Key focus is to offer product training. In each country we have a content team consisting of specialists from the stores, covering the different categories. The biggest workload has been to adapt our training platform to the new organizational setup in the stores.

In addition to product training, we offer programs related to on boarding, sales and store routines.

Over a three years' period we have created more than 2 000 learning modules, and of all content has been created by ourselves.

Average engagement was 26,4 per cent per month, whereas the baseline of Eloomi's top 20 clients is 19.7 per cent. We had an average of 1102 unique users each month, and are above industry level employment score.

Onsite training:

In XXL we have a strong tradition offering leadership training. Traditionally we have offered more training to young leaders from operations than to senior leaders at headquarters.

In 2021, XXL started a new program involving his senior management team and all direct reports. Approximately 90 top leaders will complete a program of 5 meetings sessions focusing on basic leadership and implementing our new strategies. The program will continue in 2022.

Before the pandemic we used to invite our key suppliers to our training camps in order to learn about and test new products. These trainings had great inspirational effects and were important regarding building a good culture. In 2021 most of these pre-season trainings were offered online with no ability testing the products.

All in all we have offered 3 300 days of onsite training in 2021, including webinars. In addition, there has been a lot of on the job training initiatives.

In 2007, we established a training center at Finnskogen, Norway. Today we offer training facilities with almost 90 beds, small and big classroom surrounded by fantastic nature. Camp XXL is the heart of XXL and has played a key role in building our strong XXL culture.

Succession management:

Since 2010 we have offered a Talent leadership program for our young leaders in the stores and central warehouses. In XXL we have a systematic approach to identifying, selecting and developing key employees to assume new roles and prepare XXL for the future.

The Talent program lasts for 12 months and consists of 5 meetings, 15 days in total. Main focus is the leadership role, how to develop people and teams and effective operations. The Talents work with a goal project where they learn how to create strong results through leading others. Second year, we try to activate them by giving additional responsibilities involving in training, recruitment, mentoring and more.

Since the start in 2010 we have identified and trained more than 220 talents of which approximately half have been promoted to higher positions.

In 2021, the Talent program was offered as a digital training.

People development coordinators:

To strengthen our focus on training and developing we started the process of recruiting one additional person in each country, being responsible for both online and onsite training.

We believe that this will increase quality and the ability of following up.

Products

We are 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.



Sustainable products/circular business models

Essential sustainability themes:

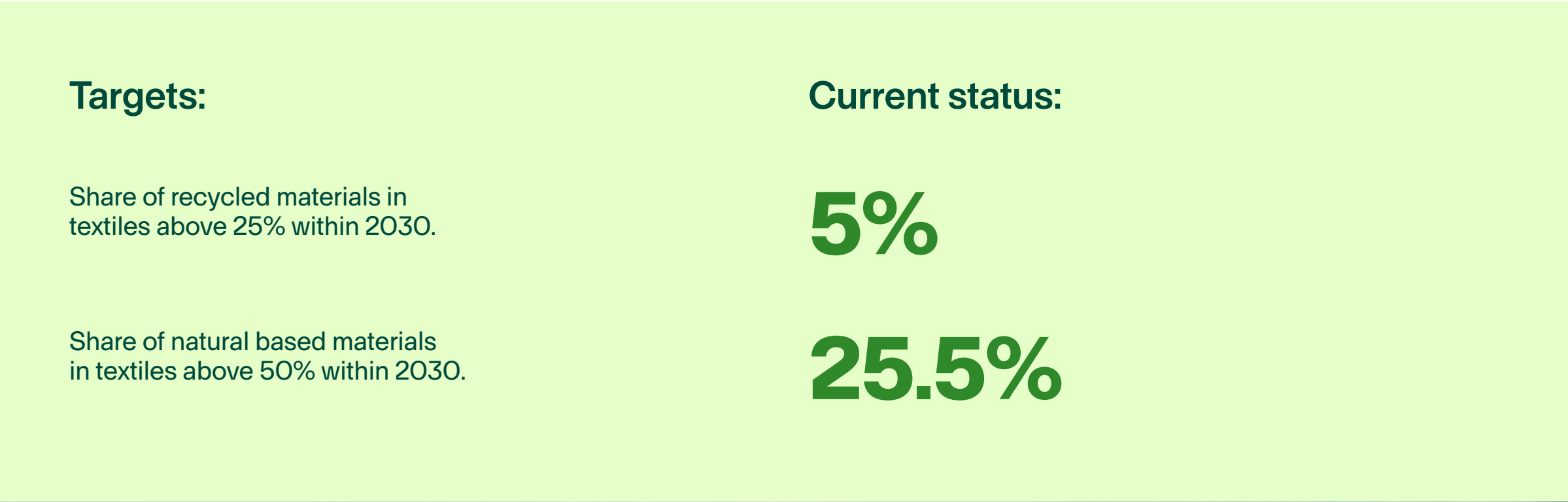
- Product quality and duration
- Circularity: Repair, sale, rental and subscription solutions
- Sustainable products and brands



Products

Our 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, transparency, 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, and 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, 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 board member Øivind Tidemandsen being registered as the individual responsible

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.

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 must have an approval from the police authority. We are also doing our own considerations and assessments

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

2. Chemicals

XXL works actively to limit the use of chemicals in our products that could be harmful to humans and the environment. If it is suspected that a product sold by XXL has serious violations of laws, regulations or requirements concerning health, safety, environmental or labeling aspects, XXL has implemented a corrective action guide for product recalls and other corrective actions. A recall is always followed up with the supplier through a documented feedback on the measures the supplier has taken to prevent any reoccurrence. Authorities in all the Nordic markets are conducting product testing on a rolling basis.

Framework for product safety regulations and restricted substance

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

In XXL ER Legislation we include all relevant and updated regulatory requirements, backgrounds and legislations such as REACH regulations, GHS (Global Harmonized System of Classification and Labelling of Chemicals) and national regulations such as the Norwegian Product Control Act. In addition the XXL Labeling Requirements (XXL LR) has been implemented with an overview of EU and local requirements for labeling. The general labeling requirements are valid for all products, but some categories have additional mandatory information to be presented on the label or the product. Further, Declaration of Conformity (DoC) is required for some categories and DoC should be provided to XXL. In general the XXL LR serves as a guide for suppliers on correct labeling of products to be sold in markets where XXL operates.

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



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 Inhouse 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 aims that XXL customers can get the look of fur, leather, suede, wool or down and feather without any harm to animals and maintain a high standard of customer satisfaction.

Five freedoms

In short, XXL only accept products that are a by- product of the meat industry or humane hunting procedures and comes from farms or productions with good animal husbandry (that ensure the so- called “five freedoms” directive 98/58/EC).

We are against any form of live boiling, skinning, plucking or mulesing and the use of endangered animals (as defined by CITES or IUCN). All our down and feathers must be sterilized as per the EU standard EN 12935 and we may require documents for audit purposes.

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

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

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

5. Personal protective equipment (PPE)

XXL has inspected personal protective equipment to ensure that products comply with the Personal Protective Equipment Directive 89/686/EEC. XXL quality control team require EC Declaration of Conformity and EC Type Examination Certificates for all PPE before delivery. Noncompliance with regulations will result in goods not accepted for delivery. Personal Protective Equipment commonly referred to as “PPE” is equipment worn to minimize exposure to hazards that cause injuries and exposure of hazardous substances. These injuries and exposures may result from contact with chemical, radiological, physical, electrical, mechanical, or other hazards such as risk related to action sport, visibility in the dark or usage of weapons. Personal protective equipment may include items such

as helmets, eyewear and gloves, earplugs or hearing protection, life jackets, reflective items, or avalanche equipment.

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 an extended focus on PPE products in Internal Control Audits according to the Internal Control System (XXL ICS) and in buying routines.

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.

Test results are shared with the supplier in question and corrective actions are secured when elements of non-compliance are discovered. We also use third party acknowledged laboratories for such product testing. In general most of the non-compliance deviations spin around minor elements such as language on labelling, importer information and contact details. In other cases, more serious violations of the product regulations. Any noncompliance of regulations result in necessary corrective actions In 2021 XXL conducted 16 internal audits, 11 products failed and need improvement for future deliveries.

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



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

Recalls and comprehensive cases 2021

Sea to Summit Sigma Pot and Alpha pot:

Voluntary recall. In rare circumstances, the nylon latch that holds the handle in place may disengage when pouring to the right. Replacement of latch.

Petzl Kit Via Ferrata Eashook:

Recall due to risk of carabiner gate malfunction

Rottefella roller ski bindings:

Replacement of security lock due to accidents.

FR 903249 Creamy pasta (Field Ration):

Recall of ingredients from Norwegian Food Safety Authority, Mattilsynet

Spinlock deckvest cento life jacket junior:

Recall by XXL due to short shelf life on CO2 cartridge and salt tablet.

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. We 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 and producers, XXL aims to provide more sustainable products and brands. XXL will focus on highlighting eco-labeling, standards and certification from acknowledged providers as we believe our product marketing are a powerful tool to help consumers take a more sustainable choice.

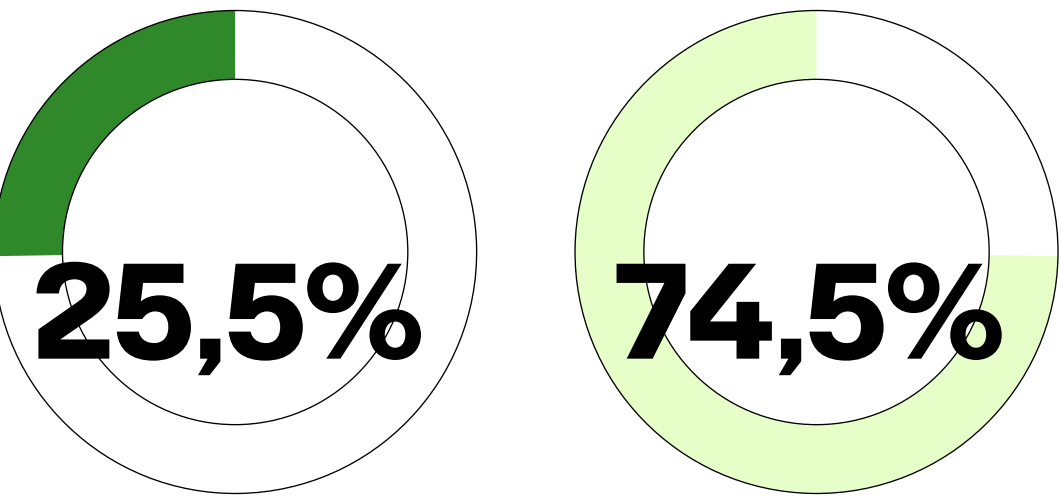
Trough extended value chain management and high environmental and ethical requirement we will provide products in compliance with regulations, and focus on products and brands with a strong sustainable profile and quality, meeting the expectations from the consumer markets.

Material consumption

The materials used in products and packaging are generates both waste and emissions that represent an environmental issue in all parts of the world. The use of materials such as recycled materials, materials from renewable sources and material compositions that in turn are recyclable is an important measure to achieve minimal impact to the environment. Products made of oil-based synthetic polymers represent a big share of sport textiles today. XXL has started the work to increase the use of natural fibers in our textile products and at the same time reduce the share of oil based synthetic polymers. The fact that synthetic polymers in textiles is a source of micro plastic pollution to water and air increases the importance of a transition to natural materials.

Material Consumption textiles

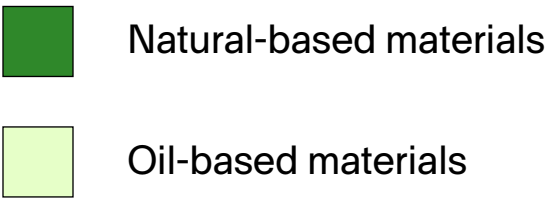
92.5 per cent of all textiles sold in XXL in 2021 contained oil-based materials. Many product are made of mixed materials with use of both oil-based and natural based materials. The material consumption of oil-based materials was 74.5 per cent of all materials per weight. A total of 11192003 kilograms of textile material was placed on market in 2021. The table below shows the split per material.



Microplastic pollution

Estimated pollution of microplastics from textile products sold at XXL in 2021 is 1 425 kilograms. The factor used is 1176 mg/kg material. Based on the studies we have seen, and based on the proportion of materials in our textile products, there is reason to assume that Polyester accounts for the main proportion of microplastic pollution from our products.

Share of natural based materials



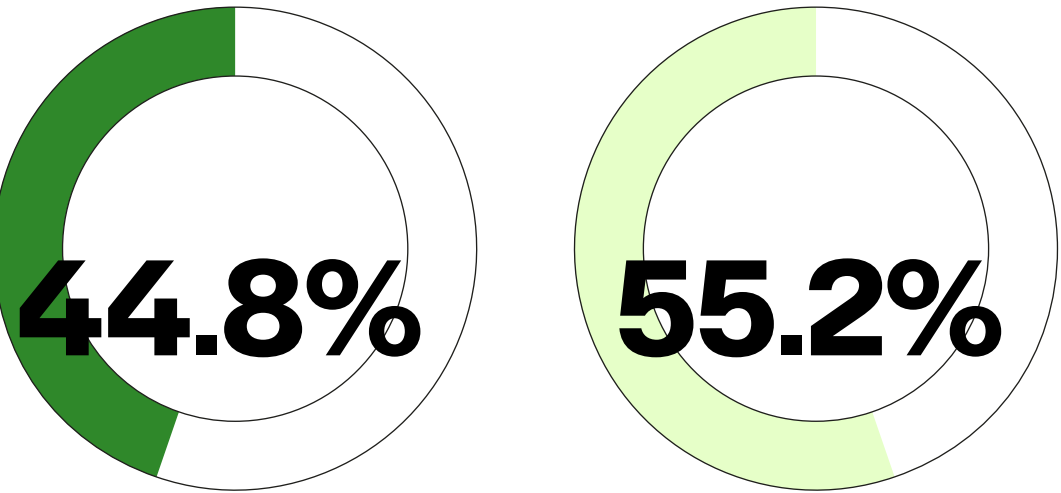
Material type Weight	Weight (kg)
Natural-based materials	303743,6
Oil-based materials	888258,9
Recycled materials	57562,5
Non recycled materials	1134440,9
Animal Derived materials	158005,9

Material Consumption Textiles	
Material	Weight (kg)
Polyester Acrylic fabric (T1-4)	15550.9
Cotton fabric, conventional (T1-4)	125105.1
Elastane/Spandex fabric (T1-4)	28211.5
Glass, virgin	0.9
Down insulation	1026.9
Leather, goat (T1-4)	788.9
Leather, cow (T1-4)	27970.9
Lyocell fabric (T1-4)	812.9
Modal fabric (T1-4)	527
Rubber, synthetic	11168.5
Nylon/Polyamide (PA) fabric (T1-4)	124665.1
Cotton fabric, organic (T1-4)	6902.8
Polyester fabric (T1-4)	608569.1
Polypropylene fabric (T1-4)	10802.9
Polyurethane fabric (T1-4)	31877.1
Viscose/Rayon fabric (T 1-4)	9560.8
Cotton fabric, recycled (T1-4)	111.5
Nylon fabric, recycled (T1-4)	2285
Polyester fabric, recycled (T1-4)	55128.8
Wool, recycled (T1-4)	37.2
Rubber (footwear)	2332.7
Tencel fabric (T1-4)	384.9
Wool, fine (T1-4)	128182

Indirect emissions

Apparel and footwear have been estimated to produce as much as 8 per cent of global greenhouse gas emissions through their life-cycles. The XXL carbon accounting report now includes the Scope 3 emissions from the textiles placed on market in 2021. The analysis of the data related to indirect emissions from together with the material consumption data is valuable information to take concrete measures to combat climate change and other adverse impact to the environment. Carbon intensive materials made of oil-based raw materials, and polyester

in particular is one of our main source of greenhouse gas emissions. Our purchasing department has an ongoing dialogue and cooperation with our suppliers and producers to reduce the carbon footprint of our product portfolio. Use of recycled materials, natural raw materials in addition to focus on quality, reparability and durability is effective measures in this respect. A total emission of 17029,5 tCO₂e are related to textiles placed on market in 2021. The graph below shows the split by type of material.



Share of CO₂ emissions by type of material

- Natural based tCO₂e (Primarely whool)
- Oil based tCO₂e (Primarely polyester)

Purchased goods and services Textiles	Unit	Weight (kg)
Natural based (primarely whool)	tCO ₂ e	7634
Oil based (primarely polyester)	tCO ₂ e	9395,5
Total:	tCO ₂ e	17029,5

GHG Emissions						
Material name	Recycled	Animal derived	Natural based	Oil-based	Unit	Weight (kg)
Polyester Acrylic fabric (T1-4)				1	tCO ₂ e	164.7
Cotton fabric, conventional (T1-4)			1		tCO ₂ e	1162.2
Elastane/Spandex fabric (T1-4)				1	tCO ₂ e	302.1
Glass, virgin		1	1		tCO ₂ e	0
Down insulation		1	1		tCO ₂ e	1.4
Leather, goat (T1-4)		1	1		tCO ₂ e	22.6
Leather, cow (T1-4)			1		tCO ₂ e	1027.4
Lyocell fabric (T1-4)			1		tCO ₂ e	11.3
Modal fabric (T1-4)			1		tCO ₂ e	9.2
Rubber, synthetic				1	tCO ₂ e	31.2
Nylon/Polyamide (PA) fabric (T1-4)				1	tCO ₂ e	1604.4
Cotton fabric, organic (T1-4)			1		tCO ₂ e	57.4
Polyester fabric (T1-4)				1	tCO ₂ e	6408.2
Polypropylene fabric (T1-4)				1	tCO ₂ e	84
Polyurethane fabric (T1-4)				1	tCO ₂ e	304.4
Viscose/Rayon fabric (T 1-4)			1		tCO ₂ e	139.1
Cotton fabric, recycled (T1-4)	1		1		tCO ₂ e	0.9
Nylon fabric, recycled (T1-4)	1			1	tCO ₂ e	20.7
Polyester fabric, recycled (T1-4)	1			1	tCO ₂ e	475.8
Wool, recycled (T1-4)	1	1	1		tCO ₂ e	0.3
Rubber (footwear)			1		tCO ₂ e	10.9
Tencel fabric (T1-4)			1		tCO ₂ e	3.8
Wool, fine (T1-4)		1	1		tCO ₂ e	5187.5

The table above shows the emissions related to textile materials placed on market in 2021.

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. In 2021 XXL entered into a collaboration with Barents Outdoor on repair and certification of used tents and other sports equipment. XXL will also pilot sales of used products in selected warehouses.

Nature is a premise for our business, not least for us who work with the outdoors. Repairs increase the life of the products and reduce the need to produce new, says Kristian Hvaara, category director for outdoor in XXL.

XXL and BUA entered into a strategic cooperation agreement for the next three years BUA is a non-profit foundation that works to make sports and outdoor equipment easier and more accessible to more people. The goal is to contribute to inclusion, better public health and reduced consumption. As a sustainability partner, XXL assists in the work of further developing the equipment scheme, and making it easier for children and young people to be inspired and try different activities without increasing consumption.

“We are impressed by BUA and the network of rental stations they have built across Norway. BUA has become very important for many children and families in Norway. BUA and XXL have a common desire to contribute to physical activity and inclusion, making it possible to try out new sports and activities by lending equipment. We look forward to developing a strong and good collaboration in the coming years”, says Stine Trygg-Hauger, MD of XXL in Norway.

Late winter/spring 2022, XXL launches pilots for rental concepts in some stores. A reuse concept including repaired products are also one of the upcoming pilots. In the pilot-phase, XXL will use this insight to learn the customer’s expectations of us, and to understand more about our role and potential market position.

We will use the experiences from the pilots to adjust before further scaling and a fully integration to our concept, both in terms of implementation, but also related to the customer journey, prices and product categories.

This journey has just started for the sports industry, and XXL has the intention to take a strong position in the landscape of circular sharing concepts. We believe that circular activities will be a significant part of our business in the future, and we strive to facilitate this through our own way of business in collaboration with our trusted suppliers, the industry and other market players.

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.



Comunity Engagement

1. Local communities

XXL is a large employer of young people. In Norway, we have cooperated with the Norwegian Labour and Welfare Administration (NAV), and in Sweden with the local employment offices (Arbetsformedlingen) where we have stores, on recruitment of new, enthusiastic employees. We have introduced a successful project where we offer internship for those who are on rehabilitation, public insurance schemes or other unemployment arrangements. The internship contract is temporary but with a clear ambition of a permanent employment contract.

In 2015, we introduced this system to all our stores in Norway. 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.

In 2021 XXL and BUA entered into a strategic cooperation agreement for the next three years BUA is a non-profit foundation that works to make sports and outdoor equipment easier and more accessible to more people. The goal is to contribute to

inclusion, better public health and reduced consumption in local communities in Norway. As a sustainability partner, XXL assists in the work of further developing the equipment scheme, and contribute in a more socioeconomic perspective by making it easier for children and young people to be inspired and try different activities without increasing consumption.

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. 50 per cent of the surplus from the fee from XXL shopping bags is transferred to the XXL Children’s Foundation while the other 50 per cent of the surplus is to be used to other charity initiatives in XXL mobilizing the Sports Unite All dimension. By doing this we save the environment by focusing on reusing shopping bags and XXL Children’s Foundation increases their donations and activities.

Project
Since the start, XXL Children’s Foundation has focused on several projects. In 2021, XXL Children Foundation donated NOK 0.6 million to the organization Bring Children From Streets and their project First Lady School. The project has received over NOK 3 million in total.

The funds will be used primarily to agricultural machinery to harvest and refine the stock from the school’s corn fields. In 2021 the school doublet its capacity, from 500 to 1000 pupils as well as dormitories and several sports arenas including soccer fields, basketball courts and playing fields. Some of the funds donated in 2021 were therefore used to complete the building work.

- 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.





3. 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 authorities and traditional media have increased focus on personal activity and health benefits, promoting sports and physical activity and many consumers become more aware of the need for participating in such activities. Athletics are part of everyday life and we have observed as a clear trend among our guests to identify themselves with an active

lifestyle. We strongly promote this, in nature of being a candy shop of sporting goods, with our products, concepts, services and attractive prices.

Events

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

Team sales

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. A total of 122 teams and sports clubs are currently in XXL team sales portfolio.

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 within 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 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.





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International economic environmental and social charters or initiatives the group endorses include:

- UN Convention on Human Rights.
- ILO Declaration on Fundamental Principles and Rights at Work.
- Business Social Compliance Initiative (BCSI).
- Norwegian Penal Code.
- UK Bribery Act.
- U.S. Foreign Corrupt Practices Act.

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.
- NHO – The Confederation of Norwegian Enterprise (in Norwegian Næringslivets Hovedorganisasjon; NHO) is Norway’s major organization for employers and the leading business lobby. Over 30 000 companies are currently members of the organization. They range from small family-owned businesses to multinational companies in most sectors.

The Confederation of Norwegian Enterprise – NHO - is the leading voice of business and industry in Norway. Having expert knowledge and an extensive business network, the NHO plays an important and constructive role in the Norwegian society.

The main objective is to create and sustain conditions that secure the competitiveness and profitability of business and industry, and thereby maintain the basis for a good standard of living, sound economic growth and sustainable development.

GRI content index

Statement of use:
XXL ASA has reported the information cited in this GRI content index for the period Financial Year 2021 with reference to the GRI Standards.

GRI used:
GRI 1: Foundation 2021

GRI standard/ other source	Disclosure	Location	Page nr.
General disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	Annual Report - Notes to the financial statements	47
	2-2 Entities included in the organization’s sustainability reporting	Annual Report - Notes to the financial statements	47
	2-3 Reporting period, frequency and contact point	Sustainability Report - XXL Corporate repossibility - Annual reporting	6
	2-6 Activities, value chain and other business relationships	Annual report - About us	12 - 15
	2-7 Employees	Sustainability Report - Employees	31 - 38
	2-9 Governance structure and composition	Annual report - Corporate governance at XXL ASA	32-36
	2-10 Nomination and selection of the highest governance body	Annual report - Corporate governance at XXL ASA	34
	2-11 Chair of the highest governance body	Annual report - Corporate governance at XXL ASA	34-35
	2-12 Role of the highest governance body in overseeing the management of impacts	Sustainability Report - XXL Corporate reponsibility	6

GRI standard/ other source	Disclosure	Location	Page nr.
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Sustainability Report - XXL Corporate reponsibility	6
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Report - XXL Corporate reponsibility	6
	2-15 Conflicts of interest	Annual report - Corporate governance at XXL ASA	34-35
	2-16 Communication of critical concerns	Sustainability Report - Employees	38 - 39
	2-17 Collective knowledge of the highest governance body	Annual report - Corporate governance at XXL ASA	34-35
	2-18 Evaluation of the performance of the highest governance body	Annual report - Corporate governance at XXL ASA	34-35
	2-19 Remuneration policies	Annual report - Corporate governance at XXL ASA	36
	2-20 Process to determine remuneration	Annual report - Corporate governance at XXL ASA	36
	2-22 Statement on sustainable development strategy	Sustainability Report - CEO comment	10 - 11
	2-23 Policy commitments	Sustainability Report - XXL Corporate responsibility, Supplier Assessment, Employees, https://www.xxlasa.com/corporate/xxl-code-of-conduct/	6, 25, 38
	2-24 Embedding policy commitments	Sustainability Report - XXL Corporate responsibility, Supplier Assessment, Employees	6, 25, 38
	2-26 Mechanisms for seeking advice and raising concerns	Sustainability Report - Employees	38 - 39
	2-28 Membership associations	Sustainability Report - Community engagement	51

GRI standard/ other source	Disclosure	Location	Page nr.
	2-29 Approach to stakeholder engagement	Sustainability Report - Stakeholder dialogue	15 - 18
	2-30 Collective bargaining agreements	Sustainability Report - Employees	37
Material Topics			
“GRI 3: Material Topics 2021	3-1 Process to determine material topics	Sustainability Repot - Defining materiality	17
	3-2 List of material topics	Sustianability Report - Materiality Matrix	18
	3-3 Management of material topics	Sustainability Report - Management aproach	17
Economic Performance			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report - Financial statement	61-72
	201-2 Financial implications and other risks and opportunities due to climate change	Sustainability Report - Risks & Opportunities	13-14
	201-3 Defined benefit plan obligations and other retirement plans	Sustainability Report - Employees	38
Market Presence			
GRI 202: Market Presence 2016	205-2 Communication and training about anti-corruption policies and procedures	Sustainability Report - XXL Code of Conduct, https://www.xxlasa.com/corporate/xxl-code-of-conduct/	38

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Tax			
GRI 207: Tax 2019	207-1 Approach to tax	Annual Report - Notes to the financial statements	68
Materials			
GRI 301: Materials 2016	301-1 Materials used by weight or volume	Sustainability Report - Products	46 - 47
	301-2 Recycled input materials used	Sustainability Report - Products	46 - 47
Energy			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Sustainability Report - Environmental Impact of our operations	22 - 23
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Emissions			
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Sustainability Report - Environmental Impact of our operations	20 - 23
	305-2 Energy indirect (Scope 2) GHG emissions	Sustainability Report - Environmental Impact of our operations	20 - 23
	305-3 Other indirect (Scope 3) GHG emissions	Sustainability Report - Environmental Impact of our operations	20 - 23
	305-4 GHG emissions intensity	Sustainability Report - Environmental Impact of our operations	20 - 23

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GRI 305: Emissions 2016	305-5 Reduction of GHG emissions	Sustainability Report - Environmental Impact of our operations	20 - 23
Waste			
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Sustainability Report - Environmental Impact of our operations	21 - 22
	306-2 Management of significant waste-related impacts	Sustainability Report - Environmental Impact of our operations	21 - 22
	306-3 Waste generated	Sustainability Report - Environmental Impact of our operations	21 - 22
	306-4 Waste diverted from disposal	Sustainability Report - Environmental Impact of our operations	21 - 22
	306-5 Waste directed to disposal	Sustainability Report - Environmental Impact of our operations	21 - 22
Employment			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Sustainability Report - Employees	29 - 33
	401-3 Parental leave	Sustainability Report - Employees	31
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Sustainability Report - Employees	34

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	403-2 Hazard identification, risk assessment, and incident investigation	Sustainability Report - Employees	34
	403-3 Occupational health services	Sustainability Report - Employees	34
	403-4 Worker participation, consultation, and communication on occupational health and safety	Sustainability Report - Employees	34
	403-5 Worker training on occupational health and safety	Sustainability Report - Employees	34
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report - Employees	34
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