

XXL Supplier Code of Conduct

Contents	1
1. <u>Understanding the Supplier Code and How it applies</u>	2
2. <u>Commitment to Compliance</u>	2
3. <u>Compliance Management System</u>	2
4. <u>Reporting Violations</u>	3
4.1 Whistleblowing	3
4.2 Zero Tolerance for Retaliation	3
5. <u>Fundamental Human Rights and Labor Rights</u>	3
5.1 Principles	3
5.2 Child Labor	3
5.3 Forced or involuntary Labor	3
5.4 Equal Opportunities	4
5.5 Anti-Discrimination	4
5.6 Health, Safety and Security	4
5.7 Anti-Harassment and Intimidation	4
5.8 Freedom of Association and Collective Bargaining	4
5.9 Working Conditions	4
5.10 Working hours and Leaves	4
5.11 Fair Wages	4
6. <u>Acting with Integrity</u>	4
6.1 Anti-Corruption and Bribery	4
6.2 Gifts and Hospitality	5
6.3 Business Information	5
6.4 Privacy Rights and Data Protection	5
6.5 Fair Competition	6
6.6 Reliable Records	6
6.7 Anti-Money Laundering	6
6.8 Public Officials	6
6.9 Trade Compliance	6
6.10 Political Contributions, Sponsoring and Donations	6
7. <u>Corporate Citizenship and Environment</u>	7
8. <u>Animal Welfare</u>	7
9. <u>Product Safety and hazardous Substances</u>	7
10. <u>External References</u>	8
<u>Declaration of Compliance</u>	9

XXL Supplier Code of Conduct

1. Understanding the Supplier Code and How it applies

The success of XXL depends on the relationship and cooperation with our business partners: suppliers, vendors, consultants, property owners, agents, service providers, intermediaries, and others. XXL may be held responsible for their actions. Hence, we require our business partners to comply with all applicable laws and regulations, respect internationally proclaimed human and labor rights, adopt environmentally responsible business practices, and conduct their business with integrity and comply with the principles and intention of the Code. Failure to comply with our standards may result in termination of the business relationship.

To ensure alignment throughout our supply chain we have adopted an XXL Supplier Code of Conduct (hereinafter Supplier Code). The Supplier Code applies to all XXL suppliers and states the behaviors and practices we expect our suppliers, their subcontractors, and affiliates to demonstrate.

XXL believes in a dialogue with our suppliers about responsible conduct in an improvement-oriented and informal manner. Nevertheless, a violation of the Supplier Code of will be considered a breach of the business agreement with XXL and may lead to the termination of our business relationship with the supplier. 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 Integrity Due Diligence Survey (IDD Survey) has been established as an integral part of the Company's supplier selection process. XXL will also use the IDD Survey to systematically map and assess suppliers' adherence with the Company's requirements. We will review any expected improvement activities and progress regarding suppliers' lawful and ethical business conduct and sourcing practices in their supply chain through open dialogue and cooperation.

2. Commitment to Compliance

XXL suppliers shall ensure that employees and managers that are directly or indirectly involved in the supplier's business relationship with XXL understand the letter and intent of the Supplier Code.

Suppliers must be able to demonstrate a satisfactory record of compliance with the law in conducting its business. The supplier shall permit XXL and/or a third party designated by XXL to monitor and periodically evaluate the supplier's record of compliance.

Supplier shall confirm its commitment to complying with applicable laws and the Supplier Code by signing the XXL Supplier Code of Conduct Declaration of Compliance.

3. Compliance Management System

XXL expects that its suppliers, at a minimum, have established clear goals toward meeting the standards set forth in the Supplier Conduct. The Company expects that its suppliers shall develop and communicate a company statement or policy affirming its commitment to high standards of legal and high ethical standards, environmental responsibility and continuous improvement.

Suppliers shall have established or will establish and maintain appropriate compliance management systems that facilitate compliance with the Supplier Code and applicable law, identify and mitigate related operational risks, and facilitate continuous improvement related to the content of the Supplier Code. Suppliers shall actively review, monitor and modify their management processes and business practices to ensure they align with the principles set forth in the Supplier Code.

Suppliers shall perform periodic evaluations of its facilities and operations, and the facilities and operations of those subcontractors and affiliates that provide goods or services to XXL to ensure compliance with the law and the Supplier Code.

Suppliers shall have a process for timely correction of any deficiencies or violations identified by an internal or external audit, assessment, inspection, investigation, or review.

4. Reporting Violations

4.1 Whistleblowing

Your Responsibility: Encourage reporting of censurable conditions.

XXL suppliers shall have a grievance system in place including rules and channels that allow workers or other stakeholders to report concerns or complaints, verbally or in writing; anonymously or openly, regarding censurable conditions at the suppliers undertakings or workplace. Suppliers compliance management system shall include policies and procedures how submitted notifications will be handled.

4.2 Zero Tolerance for Retaliation

Your Responsibility: Not accept sanctions or participate in any retaliation of whistleblowers.

XXL suppliers shall not accept any retaliation or sanction against anyone who, in good faith, reports a violation, or reasonably suspected violation, of applicable law or the policies and principles in the Supplier Code, even if the concern turns out to be groundless. Anyone who recklessly, frivolously, or vexatiously report or knowingly submit a false report aiming to harm XXL or any internal or external individual, may be subject to disciplinary actions. Anyone that feels that a report has in any way been used against them, should report this according to the supplier's whistleblowing rules and guidelines.

5. Fundamental Human Rights and Labor Rights

Your Responsibility: Ensure business conduct compliance with fundamental human and labor rights.

5.1 Principles

XXL suppliers shall support and respect the fundamental human rights and labor rights proclaimed in international human and labor rights conventions. Everyone working for XXL suppliers shall have the right to freedom of thought, conscience, religion, opinion and expression, freedom of peaceful assembly and association.

5.2 Child Labor

XXL suppliers shall take the appropriate measures to ensure that no child labor (as defined by the ILO Convention No. 138) occurs at their own or sub-contractors' place of production or operations. If the supplier through applying appropriate monitoring systems discovers that a child is employed or used by or on its behalf, the supplier shall take all necessary steps to address and resolve the situation immediately in the best interest of the child. Young persons under the age of 18 shall not be engaged in work that is hazardous to their health or safety, including night work.

Suppliers shall have a certified copy of an official document which shows all worker's date of birth. In countries where this is not possible, suppliers shall implement an appropriate method for evaluating the age of its workers.

5.3 Forced or involuntary Labor

XXL suppliers shall not employ any form of forced, bonded or involuntary labor. Workers shall be free to leave the workplace premises at the end of the day. Workers shall not be required to lodge deposits or identity papers with the supplier and shall be free to leave the supplier after reasonable notice. No deposits (monetary or otherwise) shall be collected from suppliers' employees, including temporary, seasonal and migrant labor and employees provided by agencies, recruiters or brokers. In cases where a fee was collected in violation of this guideline, the supplier shall promptly pay, as appropriate, all such fees either directly to labor contractors/ agencies or other providers of labor, or promptly reimburse the effected worker. Suppliers shall have a zero-tolerance approach towards modern slavery and human trafficking.

5.4 Equal Opportunities

XXL suppliers shall promote equal employment opportunity principles. Discrimination in hiring, compensation, training, promotion, termination, or retirement based on ethnic and national origin, religion, sex, or other distinguishing characteristics is not acceptable.

5.5 Anti-Discrimination

XXL suppliers shall ensure the freedom of their employees, or anyone performing work on their behalf, from any kind of discrimination based on race, creed, color, nationality, ethnic origin, age, religion, gender, sexual orientation, marital status, disability, or other status. Disrespectful behavior shall not be tolerated.

5.6 Health, Safety and Security

XXL suppliers shall provide and maintain a safe and healthy working environment for its workers in accordance with all applicable laws and internationally recognized standards. Suppliers shall take all necessary steps to prevent accidents and occupational diseases, identify and mitigate hazards, establish controls and monitor performance.

5.7 Anti-Harassment and Intimidation

The relationship between XXL supplier companies and its employees shall be built on mutual trust, respect and dignity. Suppliers shall not tolerate any form of harassment or intimidation in the workplace, including mental, physical or sexual harassment, and take prompt and appropriate action to prevent and, where necessary, discipline behavior that violates this policy. Suppliers shall not threaten or subject them to, harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

5.8 Freedom of Association and Collective Bargaining

XXL suppliers shall respects the rights of all employees to form and join trade unions of their choice and to bargain collectively in accordance with local laws and principles. Suppliers shall not interfere, nor sanction anyone as a result of such activities.

5.9 Working Conditions

XXL suppliers shall as a minimum comply with applicable national laws and regulations. Workers shall not perform any work for or on behalf of the supplier without having signed a document that defines the employment terms and conditions in a language understandable to the worker.

5.10 Working hours and Leaves

XXL suppliers' employees working hours shall not exceed the maximum set by applicable laws and regulations. Suppliers shall comply with applicable working time laws and regulations in the countries where they operate, including normal working hours and overtime work, and respect the demands of family and life outside work. Suppliers' workers shall be granted annual leave, sick leave and parental leave, to which they are entitled according to national legislation.

5.11 Fair Wages

XXL suppliers shall pay fair and reasonable wages at a level that at least equals the legal or industry minimum standards in the countries where they operate. Workers shall as a minimum receive overtime pay in accordance with applicable law.

6. Acting with Integrity

6.1 Anti-Corruption and Bribery

Your Responsibility: Refrain from corruption and bribery in all forms.

XXL's suppliers shall abide by all applicable anti-corruption laws and regulations of the countries in which it operates and applicable international anti-corruption conventions.

Suppliers shall not actively or passively take action of any forms of corruption. Corruption includes bribery, facilitation payment and trading in influence, and exists when acts or attempts are made to give or actively offer, require, receive or passively accept an improper advantage in connection with a position, office or assignment. Improper advantages include, but is not limited to, cash, cash equivalents, gifts, credits, discounts, travel, personal benefits, accommodation or services, etc. This ban also applies for improperly seeking to influence someone else in their position, engagement or task, whether at XXL or in the public or private sector.

Suppliers shall maintain an effective anti-corruption program designed to ensure compliance with applicable anti-corruption laws and regulations. The program shall be proportionate to the risks faced by the supplier and shall include procedures to monitor compliance and detect and address violations.

6.2 Gifts and Hospitality

Your Responsibility: Do not accept or offer gifts or hospitality of value.

XXL supplier's shall have a policy relating to its business with XXL that prohibits giving and accepting gifts of value. Gifts include items such as cash or cash equivalents including entertainment, gift cards, product discounts, and non-business activities. Suppliers shall not, directly or indirectly, offer or give gifts to XXL board members, employees, managers, representatives, or anyone closely related to these. Gifts or hospitality shall not be offered or given by the supplier to anyone at the time of contract negotiations, bidding or award. Suppliers shall have a process to investigate and report any violations of this policy.

Suppliers may offer and accept courtesy gifts provided they have a minimal economic value, are infrequent and clearly appropriate under the circumstances. Suppliers shall not give or receive cash or gifts which are given in return for a favor.

Hospitality, such as social events, meals or entertainments may be offered if there is a legitimate business purpose involved, and the cost is kept within reasonable limits. Travel and accommodation expenses related to XXL representatives that are authorized to participate in suppliers' events shall be paid by XXL.

6.3 Business Information

Your Responsibility: Treat XXL information with due care and non-public information confidentially.

XXL suppliers are obliged to protect confidential information and shall not misuse information belonging to XXL or our business partners. By confidential information we generally mean information, which is not, or should not be, known to the public, which may include financial information, business plans, technical information, information about customers and other types of information that are not known to the public or to competitors.

Suppliers have a duty to protect confidential information that they have access to and confidential relationships between XXL and its customers and stakeholders or others.

Confidential information obtained during your business relationship with XXL must not be used for suppliers' or suppliers' workers and others for company/personal gain. Moreover, confidential information should never be disclosed to or discussed with non-suppliers' employees or managers, including their family members and friends, and should only be provided to or discussed with suppliers' employees for valid business reasons.

6.4 Privacy Rights and Data Protection

Your Responsibility: Collecting, processing, and safeguarding of personal data shall be lawful.

XXL suppliers shall be committed to complying with applicable laws on all humans' right to privacy and the GDPR provisions on personal data retention. Suppliers shall respect all humans' right to privacy and protect employees' and business partners' personal data. Suppliers shall not disclose personal information and appropriately safeguard such information. Suppliers shall publish a Privacy Statement that states this commitment.

6.5 Fair Competition

Your Responsibility: Comply with competition and marketing legislation.

Under no circumstances shall XXL suppliers cause or be part of any breach or violation of relevant competition laws or regulations. Suppliers shall always meet competitors in an honest and professional manner. XXL does not tolerate any agreement on price fixing, market sharing or other activities that limit free competition in our supply chain.

6.6 Reliable Records

Your Responsibility: Maintain necessary records relevant to business and business relations with XXL.

XXL suppliers' accounting processes shall ensure that all transactions relevant to its XXL supplier status are correctly registered in accordance with local law and good accounting practices. The records must be proper and transparent and clearly explain the purpose and nature of the underlying transaction. This includes both financial and non-financial information such as social and environmental data and operations reports.

6.7 Anti-Money Laundering

Your Responsibility: Do not in any way become involved in money laundering.

Money laundering is prohibited by law. Any involvement with assets resulting from criminal activity by an XXL supplier will not be tolerated. Suppliers shall use its relationship with XXL to disguise or attempt to disguise the sources of illegally obtained funds. The same rules apply to arrangements with the intent to speculate in non-detection of illegal or disloyal avoidance of taxes, customs, or other duties.

6.8 Public Officials

Your Responsibility: Avoid improper influence or advantage if engaging with public officials.

Public officials include any person employed by or acting in an official capacity for or on behalf of a government, or any department, agency or government owned entity, any person elected to political office, candidates for political offices, members of royal families, political party officers, employees or any person acting in official capacity on behalf of a political party and family members of any of the above. To avoid any suspicion or appearance that XXL attempts to improperly influence public authorities, diligence is warranted in any XXL suppliers' dealing with public officials. If engaging with public officials, suppliers shall do so in a transparent and straightforward manner and exercise the utmost integrity at all times.

6.9 Trade Compliance

Your Responsibility: Comply with applicable trade compliance regulations.

XXL suppliers shall comply with all applicable national and international trade compliance regulations. Trade compliance includes regulations governing the import, export and domestic trading of goods, technology, software and services as well as international sanctions and restrictive trade practices.

Suppliers shall take reasonable steps to prevent involvement in any transaction prohibited by applicable sanctions laws or regulations.

Suppliers shall avoid engaging with industries or companies when there is a broad international consensus to boycott a country in which they operate, or when sanctions against the country have been implemented by the United Nations or the European Union.

6.10 Political Contributions, Sponsoring and Donations

Your Responsibility: Get superior manager's approval before making significant contributions.

XXL suppliers shall not sponsor political groups or organizations. Before making any social contributions or donations the risk of a conflict-of-interest situation must be contemplated. If suppliers' representatives are in conflict due to private interests, they shall withdraw from any discussions and decision-making processes.

7. Corporate Citizenship and Environment

Your Responsibility: **Act socially responsible and contribute to reducing adverse environmental impact.**

The Code provides the fundamental principles for how we make responsible business decisions that both create value for the company and our shareholders, protect the environment as well as contribute to the greater good of the society. As a market leader, XXL has far reaching responsibilities towards the communities in which we operate. We recognize the importance of having an open communication with those that are affected by our operations, whether they are employees, customers, shareholders, the public and their representatives.

XXL suppliers are expected to commit to XXL's goal of protecting the environment and minimizing the impact of our business on the environment with methods that are socially responsible and sustainable. XXL is committed to guide and support its suppliers and manufacturers worldwide to reduce their environmental impact.

As a retailer dependent on a healthy nature, XXL has a strong moral commitment to use resources and energy in a responsible way and to reduce the pollution and waste generated by our business. XXL believes that physical and outdoor activities must be available for everyone. Regardless of age, gender, skin color, geography or financial position, everyone should be able to participate — on their own terms. XXL's obligation to society is firmly embedded in our Purpose: All Sports United. Sports Unite All. We expect our suppliers to share this obligation.

8. Animal Welfare

Your Responsibility: **Comply with applicable laws, regulations and EC directives on animal welfare**

XXL Suppliers shall ensure and guarantee that all products delivered to XXL comply with the requirements in laws, regulations, and international directives on animal welfare. This includes products that are fully or partly derived from endangered species; re www.cites.org and www.iucnredlist.org.

Suppliers are responsible for informing sub-suppliers or others involved in XXL's supply chain about XXL's requirements, to perform necessary tests and ensure that their products meet the provisions of the Supplier Code. Animal derived materials used in products or product ranges, shall be sourced from farms that ensure compliance with the "Five Freedoms" in the EC Directive 98/58/EC): Freedom from hunger and thirst, Freedom from discomfort, Freedom from pain, injury and disease, Freedom to express normal behavior, Freedom from fear and distress. Tests shall be performed at accredited laboratories at the suppliers expense. Any deviations from the requirements or test procedures are strictly forbidden unless accepted in advance by XXL in writing. Products may not arrive in XXL warehouses until necessary documents and test results are approved by XXL in writing. XXL may take corrective actions including cancel orders, fully or partially, if products or tests do not comply with these provisions.

9. Product Safety and hazardous Substances

Your Responsibility: **Comply with all applicable product safety laws and regulations.**

XXL suppliers shall comply with all applicable product safety laws and regulations and have a written policy and procedure in place that identifies and mitigates risks to workers, the environment, and customers. Suppliers shall pro-actively and transparently share information about the health, safety, security, and environmental aspects of their products and clearly communicate all necessary product-handling requirements. This includes product information, classification, labelling, packaging, material safety data sheets, notification or registration confirmations, use and exposure scenarios. Suppliers shall provide applicable documentation containing all necessary safety-relevant information regarding the safe handling, storage, use, procurement and disposal of hazardous substances. *Re Environmental and Product Safety Framework at www.xxlasa.com/environment - password: super*

10. External References

UN Convention on Human Rights: www.un.org

ILO Declaration on Fundamental Principles and Rights at Work: www.ilo.org

OECD Guidelines for Multinational Enterprises: www.oecd.org

Norwegian Transparency Act: www.lovdata.no

EC Directive on corporate sustainability due diligence (proposed): ec.europa.eu

Declaration of Compliance

The undersigned, being duly authorized by [legal name of Supplier] to sign this Declaration of Compliance on behalf of the company:

I have read and understand XXL Supplier Code of Conduct and will actively ensure that [legal name of Supplier] and all its employees, sub-contractors and anyone acting on its behalf will comply with its purpose and provisions.

[Place, date of signature]
For [legal name of Supplier]

[signature]

Name in print
Position/Job Title:
E-mail: