Carbon Accounting Report

XXL ASA

2022

INTRODUCTION

This report provides an overview of XXL ASA´s greenhouse gas (GHG) emissions, which is an integrated part of XXL's climate strategy. Carbon accounting is a fundamental tool in identifying tangible measures to reduce GHG emissions. The annual carbon accounting report enables XXL to benchmark performance indicators and evaluate progress over time.

The report comprises XXL ASA and its subsidiary entities in Norway, Sweden, Finland, Austria and Denmark. It includes all locations and facilities, meaning all stores, central warehouses, headquarter and office facilities.

METODOLOGY

The input data is based on consumption data from internal and external sources, which are converted into tonnes CO2-equivalents (tCO2e). The carbon footprint analysis is based on the following international standard; A Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard and Technical Guidance for Calculating Scope 3 emissions developed by the Greenhouse Gas Protocol Initiative (GHG Protocol).

The GHG Protocol is the most widely used and recognized international standard for measuring greenhouse gas emissions and is the basis for the ISO standard 14064-I.

For some economic activities, Greenhouse Gas (GHG) emissions can be directly measured by monitoring the concentration and flow rate in flue gasses. For example, in some manufacturing facilities flow meters or other monitoring devices are installed on the ducts that discharge gasses to take a direct reading of greenhouse gasses emitted. For most economic activities, however, direct measurement is impractical or impossible. This is especially true for the purchase of goods and services, which constitutes a large part of a company's business activities.

Indirect methods have been used to estimate GHG emissions based on economic or consumption data.

The procedure for indirect GHG emissions estimation relies on two sets of data:

Business data: The data describing the activities of the company. This can be either:

- Spend data, i.e., how much money was paid to company X for a certain good or service, or
- Activity data, e.g., how many liters of fuel or kilograms of material were bought.

Emissions factors: An emissions factor specifies the mass of GHG emissions associated with a given unit of business data.

Normative's carbon accounting engine calculate the Group's GHG emissions were activity data is not available by first sourcing business data covering economic activities and, second, pairing each piece of business data with an appropriate emissions factor.

Note: Due to change of methodology the yearly emission data is not comparable to previous years.

Green House Gas Protocol

The Greenhouse Gas Protocol (generally referred to as GHG Protocol) establishes comprehensive global standardized frameworks to measure and manage greenhouse gas emissions from private and public sector operations, value chains, and mitigation actions. Virtually every corporate sustainability reporting program is based on the GHG Protocol, making it crucial for companies to have a compatible approach when beginning a net-zero journey.

The GHG Protocol requires that companies set appropriate organizational and operational boundaries. Organizational boundaries relate to a clear attribution of business activities and the associated GHGs to separate legal entities and organizational structures – just as is required in financial accounting. Operational boundaries, on the other hand, assign all operational activities of your company to one of three scopes of emissions. These scopes help to distinguish between the activities and emissions that are under the direct control of the company and those on which we only have indirect influence – but for which we are still accountable. XXL uses the operational control approach to consolidate GHG emissions. Under the control approach, XXL accounts for 100 percent of the GHG emissions from operations over which it has control.

Scope 1 covers the direct emissions that XXL generates while performing its business activities. This includes:

- emissions resulting from fuel combustion in stationary sources, e.g. boilers, furnaces - Applicable to XXL
- emissions resulting from manufacture or processing of chemicals and materials - Not Applicable to XXL
- emissions resulting from the combustion of fuels in company owned/controlled vehicles (e.g. trucks, cars) - Applicable to XXL
- fugitive emissions, such as equipment leaks of gasses or vapors from pressure-containing equipment. - *Not applicable for XXL.*

Scope 2 covers emissions from purchased and consumed energy. This includes:

- purchased electricity
- purchased heating
- purchased cooling

Scope 3 emissions are all other indirect emissions that occur in XXL´s value chain and are not already included within scope 2.

These emissions are a consequence of our business activities, but occur from sources we do not own nor control. They account for 96.2% of XXL´s emissions included in the 3 scopes. Scope 3 emissions include the following contributions:

- emissions generated in XXL's supply chain, such as extraction, production, and transportation of purchased materials and fuels;
- emissions generated from the use of sold products and services; - *Not included in this report*
- emissions generated from waste disposal. This includes the disposal of waste generated both in operations and in the production of purchased materials and fuels, as well as the disposal of sold products at the end of their life – *Not included in this report*

Calculation Methodology - Scope 1 & 2

	Emission impact	Share	Emission drivers	Calculation Methodology
	tCO2e	of total		
Scope 1	66.1	0.02 %	Mobile Combustion: Emissions arising from mobile combustion (owned and leased vehicles).	Emissions from mobile combustion were calculated based on activity data (fuel and energy usage, distance travelled) per vehicle type.
	77.7	0.03 %	Stationary Combustion: Direct emissions from stationary combustion, specifically natural gas usage for heating purposes.	Calculations on Stationary combustion were based on activity data, specifically kWh generated by the combustion of natural gas and fuel oil.
Scope 2	10,069.7	3.76 %	Indirect emissions from purchased energy for electricity, heating and cooling. The majority of emissions result from electricity usage (86.3%), followed by heating (12.8%) and cooling (0.9%).	Calculations were based on activity data (kWh) on the energy usage (electricity, heating and cooling) within all stores and offices of the company. When primary data was not available, kWh were estimated based on the square meters of the space. The market-based method was used to calculate scope 2 emissions.

Calculation Methodology - Scope 3

	Emission impact	Share	Emission drivers	Calculation Methodology
	tCO2e	of total		
Scope 3	250,756.7	93.58 %	Cat. 1 - Purchased Goods and Services: This category covers cradle-to-gate emissions related to products and services purchased by XXL in the reporting year.	Emissions from Cat. 1 were calculated with the spend-based method.
	2,142.9	0.80 %	Cat. 2 - Capital Goods: This category covers cradle-to-gate emissions related to capital purchased by XXL in the reporting year.	Emissions from Cat. 2 were calculated with the spend-based method.
	679.9	0.25 %	Cat. 3 - Fuel- and Energy-Related Activities: Includes upstream emissions of purchased fuels and electricity as well as emissions from transmission and distribution losses.	Emissions from Cat. 3 were calculated based on the used volumes per fuel type and the kWhs for electricity by use country.
	3,721.3	1.39 %	Cat. 4 - Upstream Transportation and Distribution: Emissions related to transportation and distribution services that XXL paid for and which were carried out by third party supplier.	XXL’s logistics suppliers have provided emissions associated with the logistics services provided.
	68.2	0.03 %	Cat. 5 - Waste generated in operations: These are emissions generated from the third-party disposal and treatment of waste generated in XXL’s own operations.	Waste generated in XXL’s operations was calculated based on the total mass per waste type generated in operations and the proportion of waste being treated with different methods (e.g. Recycling, Combustion).
	370.1	0.14 %	Cat. 6 - Business Travel: Emissions generated from employees travelling for business purposes in vehicles owned or operated by third parties.	Emissions related to air-travel were calculated by the travel provider. The remaining emissions in related to other types of travel (e.g. car travel, hotel stays) were assessed with the spend-based method.

Estimation Methodology

Emissions Source	Scope Description
Electricity (landlord managed retail facilities)	Where actual data is not available, electricity usage is estimated for landlord-managed retail facilities in Norway, Sweden and Finland. Square footage of is used, leveraging actual FY 2022 square footage data, along with electricity intensity (kWh per square meter of known FY 2022 XXL electricity usage in retail facilities). Electricity usage for the following retail units were estimated for FY 2022: Norway: 302 - Stavanger, 306, Tune, 309 Tiller; Sweden: 526 - Emporia; Finland: 702 - Itäkeskus, 703 - Kaleva, 704 - Kluuvi, 708 - Mylly, 709 - Oulu, 712 - Lapeenranta, 714 - Kuopio;
Waste generated in own operation (landlord managed retail facilities)	Where actual data is not available, Waste generation is estimated for landlord-managed retail facilities in Norway, Finland and Austria. Number of items sold is used, leveraging actual FY 2022 number of actual items sold, along with waste generation data of known FY 2022 in other XXL retail facilities). Waste generation for the following retail units were estimated for FY 2022: Norway: 308 - Drammen, 310 - Lagunen, 311 - Majorstua, 317 - Ålesund, 318 - Strømmen, 319 - Steinkjer, 324 - Bodø, 325 - Harstad, 328 - Skien, 331 - Buskerud, 335 - Storo, 338 - Alta; Finland: 707 - Skanssi, 708 - Mylly, 709 - Oulu, 710 - Lahti, 711 - Vaasa, 712 - Lappeenranta, 713 - Jyväskylä, 714 - Kuopio, 715 - Pori, 716 - Redi, 717 - Seinäjoki ; Austria: All stores

Estimation methodologies employ reasonable assumptions to avoid understating XXL´s emissions footprint and are described above

Data input

Scope	Category	Measurement data unit	Input type
Scope 1	Mobile combustion	Quantity of fuel used Distance drive Energy	Activity data
	Stationary combustion	Energy consumption in kWh	Activity data
Scope 2	Electricity	Energy consumption in kWh Renewable energy % and renewable energy certificates.	Activity data
	Heating	Energy consumption in kWh Renewable energy % and renewable energy certificates.	Activity data
	Cooling	Energy consumption in kWh Renewable energy % and renewable energy certificates.	Activity data
Scope 3	Purchased Goods & Services: Business travel expenses: Capital Goods:	Transactions Transactions/Expenses Transactions	Spend data
	Upstream transportation and distribution	GHG Emissions Liters of fuel used Distance travelled Weight transported Mode of transport	Activity Data
	Waste generated within operations	Weight per waste type Waste treatment method Hazardous / Non-hazardous waste Share of recycled materials	Activity data
	Business travels	GHG Emissions generated from flight travel Distance travelled	Activity data
	Business travel	Transactions / Expenses	Spend data

Total emissions in 2022 per Scope

Total emissions

260.0k
tCO_2e

Equivalent to

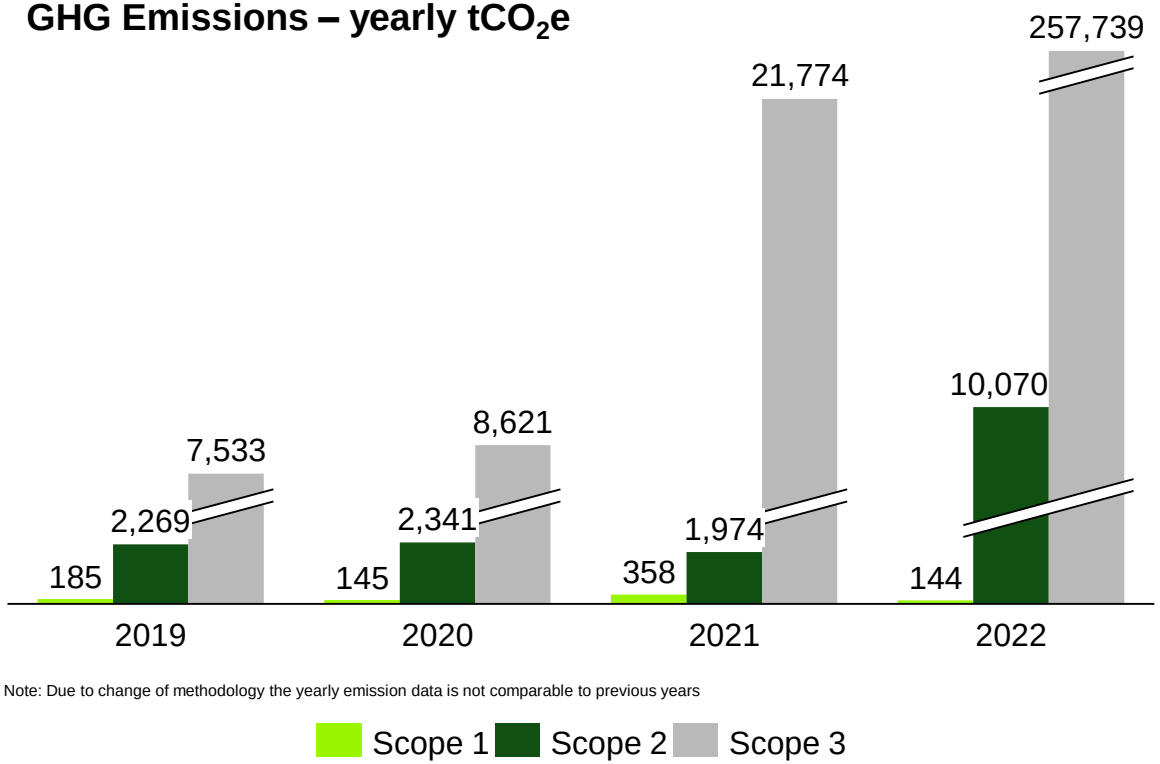
132,584
diesel cars emission (per year)

Scope	Scope per category
Scope 1	0.02
Scope 2	1.13
Scope 3	29.03
Scope 1+2	1.15
Total	**30.18**

Emission intensity (tCO_2e/MNOK Revenue)

Scope	Scope per category	Emissions (tCO_2e)
Scope 1	Stationary combustion	77.72
	Mobile combustion	66.05
	Scope 1	*143.77*
Scope 2	Electricity	9,616.76
	Heat	265.58
	Cooling	187.34
	Scope 2	*10,069.68*
Scope 3	Purchased goods and services	250 756.66
	Upstream transportation and distribution	3,721.29
	Capital goods	2,142.88
	Fuel- and Energy-Related Activities	679.94
	Business travel	370.15
	Waste generated in operations	68.17
	Scope 3	*257,739.09*
Total Emissions	**Scope 1,2 and 3**	**267,952.55**

GHG Emissions – yearly tCO_2e



Note: Due to change of methodology the yearly emission data is not comparable to previous years

Scope 1

Scope 1 emissions

143.8
tCO_2e

Fuel used

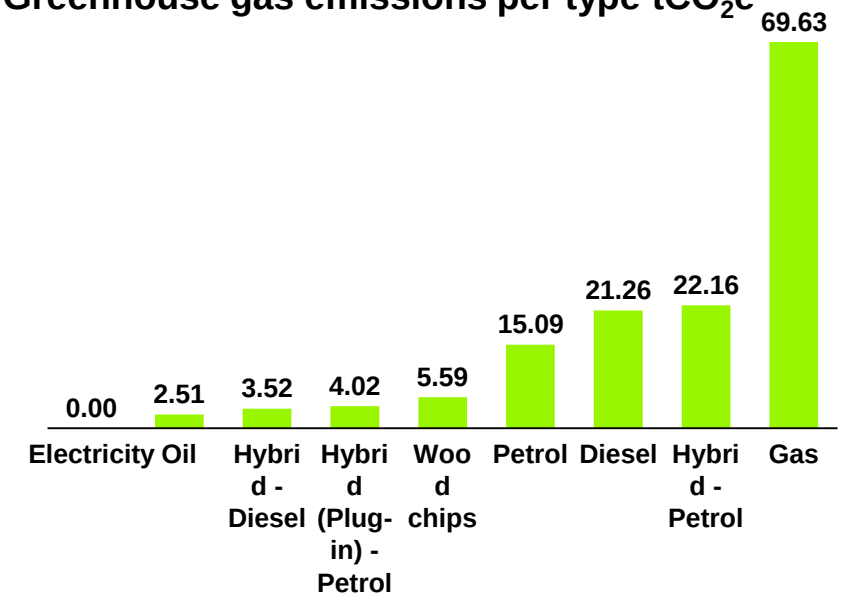
34,569,908
litres

Energy used

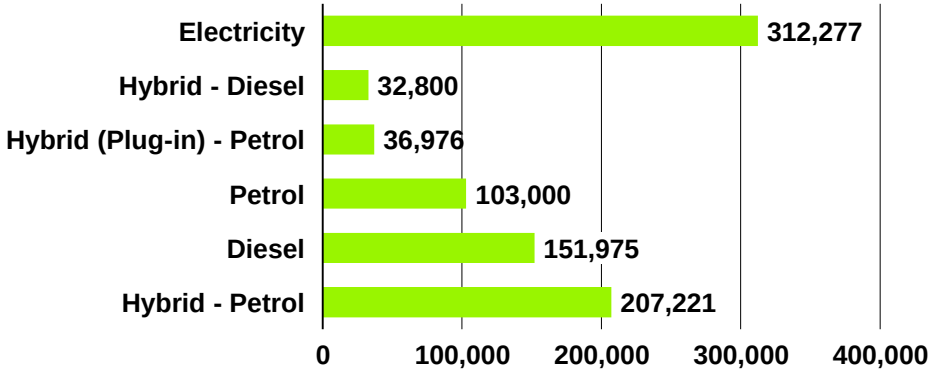
1,134,053
kWh

Scope	Energy (kWh)	tCO_2e
Electricity	0.0	0.0
Oil	8,800.0	2.5
Hybrid - Diesel	138,114.7	3.5
Hybrid (phev) petrol	3,420.6	4.0
Wood chips	530,383.0	5.6
Petrol	63,093.7	15.1
Diesel	83,042.2	21.3
Hybrid – Petrol	87,277.3	22.2
Gas	344,221.5	69.6
Total	**1,134,053.1**	**143**

Greenhouse gas emissions per type tCO_2e



Distance per type (km) Fuel type



Greenhouse gas emissions per type (tCO_2e)

Scope 2

Scope 2 emissions

10.07k
tCO_2e

Energy used

45,160,261
kWh

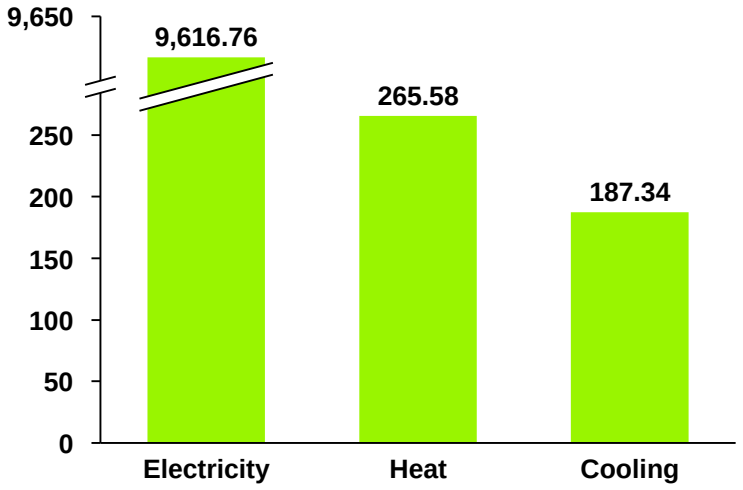
Category	kWh	tCO_2e
Electricity	38,992,126.4	9,616.76
Heat	5,760,877	265.58
Cooling	407,258	187.34

Emissions per category (tCO_2e)

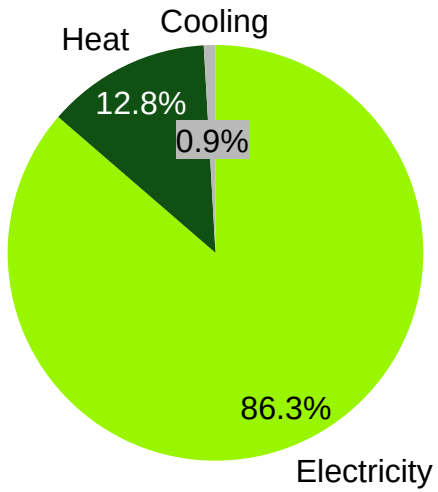
Category	kWh	tCO_2e
West System Norge AS	113,632.8	46.02
XXL Grossist Norge AS	1,642,961	101.74
XXL Europe GmbH	2,355,563.2	150.81
XXL Sports & Outdoor OY	10,402,259.1	1,229.64
XXL Sport & Villmark AS	12,141,043.4	2,967.97
XXL Sport og Vildmark AB	15,938,959.1	4,908.24

Emissions by entity (tCO_2e)

Greenhouse gas emissions per type tCO_2e



Energy consumption per category (kWh)



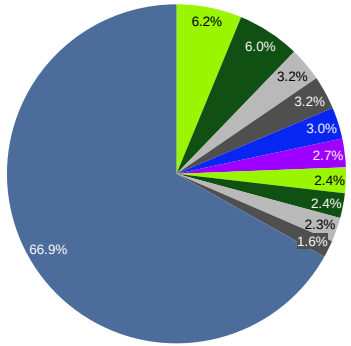
Scope 3

Scope 3 emissions

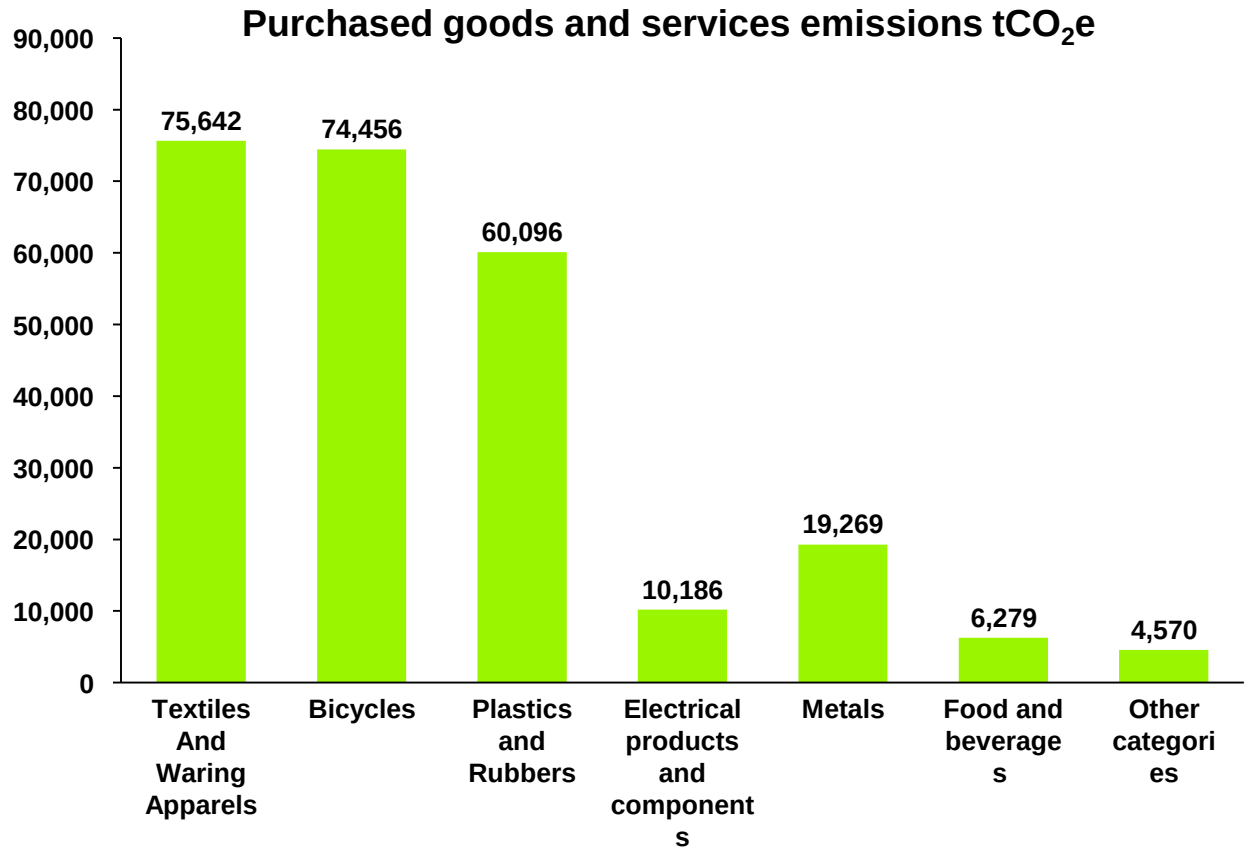
257.7k
tCO_2e

Category	tCO_2e
Purchased goods and services	250,756.7
Upstream transportation and distribution	3,721.3
Capital goods	2,142.9
Fuel- and Energy-Related Activities	679.9
Business travel	370.1
Waste generated in operations	68.2

Impact per top 10 suppliers in Scope 3 (% of total tCO_2e



Emissions per scope 3 category (tCO_2e)



Relevant Scope 3 Categories

	Scope 3 Category	Calculation method
Upstream	1. Purchased goods and services	Spend-based
	2. Capital goods	Spend-based
	3. Fuel- and energy related activities (not included in scope 1 or 2)	Calculated based on S1 and S2 activity data
	4. Upstream transportation and distribution	Activity data
	5. Waste generated within operations	Activity data
	6. Business Travel	Spend-based and activity data
	7. Employee commuting	Applicable, not assessed.
	8. Upstream leased assets	Not applicable, included in S1 and S2.
Downstream	9. Downstream transportation and distribution	Applicable, not assessed.
	10. Processing of sold products	n/a
	11. Use of sold products	Applicable, not assessed.
	12. End-of-life treatment of sold products	Applicable, not assessed.
	13. Downstream leased assets	n/a
	14. Franchises	n/a
	15. Investments	n/a

The table shows the Scope 3 relevant categories and calculation method

Scope 3 - Upstream Transportation and distribution

Emissions

3.721
tCO_2e

Distance transported

5,798,006
km

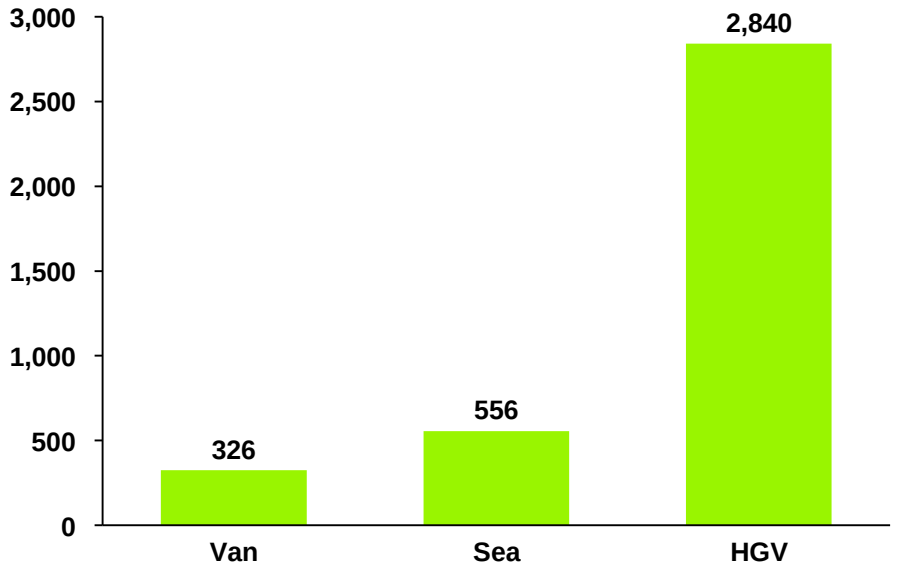
Weight transported

1,460,336
tonnes

Greenhouse gas emissions per supplier tCO_2e

Supplier	tCO_2e
Bring	2,195.78
DSV	818.07
Aloha	344.01
Postnord AB	117.57
Gardermofrakt	106.65
Dachser	61.96
POST AG	44.70
Budbee	21.64
Early Bird	10.92

Greenhouse gas emissions per mode - tCO_2e



Scope 3 – Waste Generation

Emissions

68.17

tCO_2e

Weight of waste

3,378

tonnes

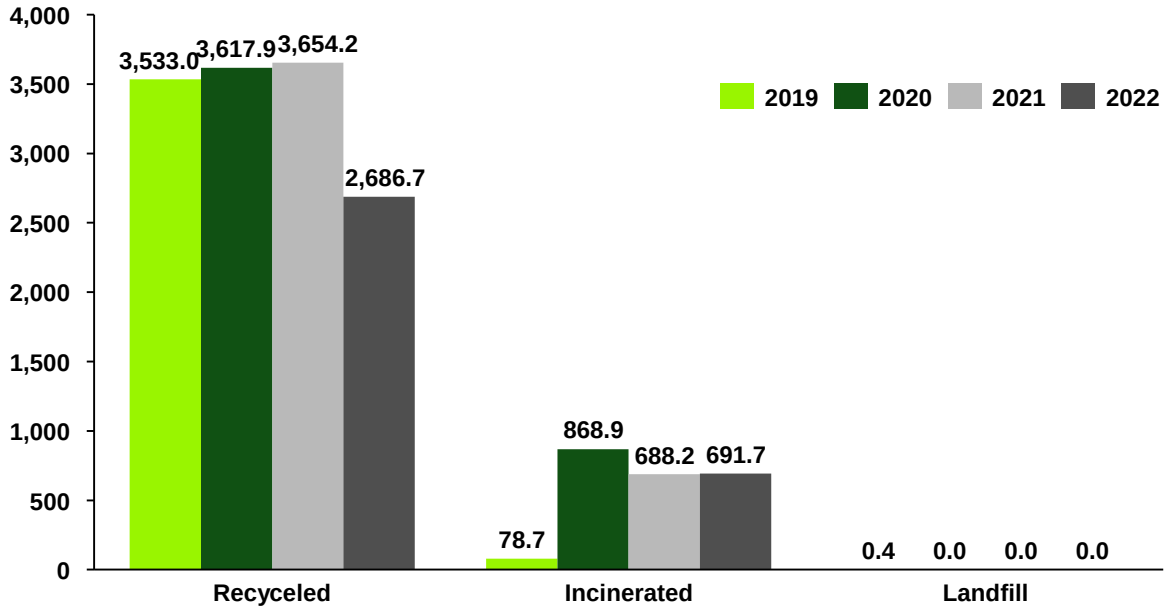
Waste type	Weight (t)	tCO_2e
Corrugated Cardboard	1,293.59	27.53
Cardboard Waste, Recycled	1,015.85	21.62
Msw Combustion	510.67	10.87
Wood	125.22	2.66
Clear Plastic Waste, Recycled	70.48	1.50
Other Materials	78.76	1.43
Msw Recycled	51.47	1.10
Residual Waste, Incinerated	34.72	0.74
Paper	26.12	0.56
Iron & Metal Scrap	139.42	0.14
Complex Iron Materials	31.60	0.03

Emissions per type (tCO_2e)

Entity	Emissions (TCO2e)	Weight of waste: (Tonnes)	% Recycled	% Combusted
NO	19.85	954	77%	23%
SE	21.66	1,148	74%	26%
FI	6.82	329	91%	9%
AT	1.72	84	92%	8%
IWE	17.62	837	83%	17%
GRO	0.50	26	90%	10%
Total	68.17	3378	80%	20%

Emissions per entity (tCO_2e), (weight), share of recycled materials

Total waste (tonnes) per disposal method



Note: The group has reduced waste generation in own operations with 963,982 kg from previous year. This can be related to reduction in purchased goods

Scope 3 – Business travel

Emissions

370.1
tCO_2e

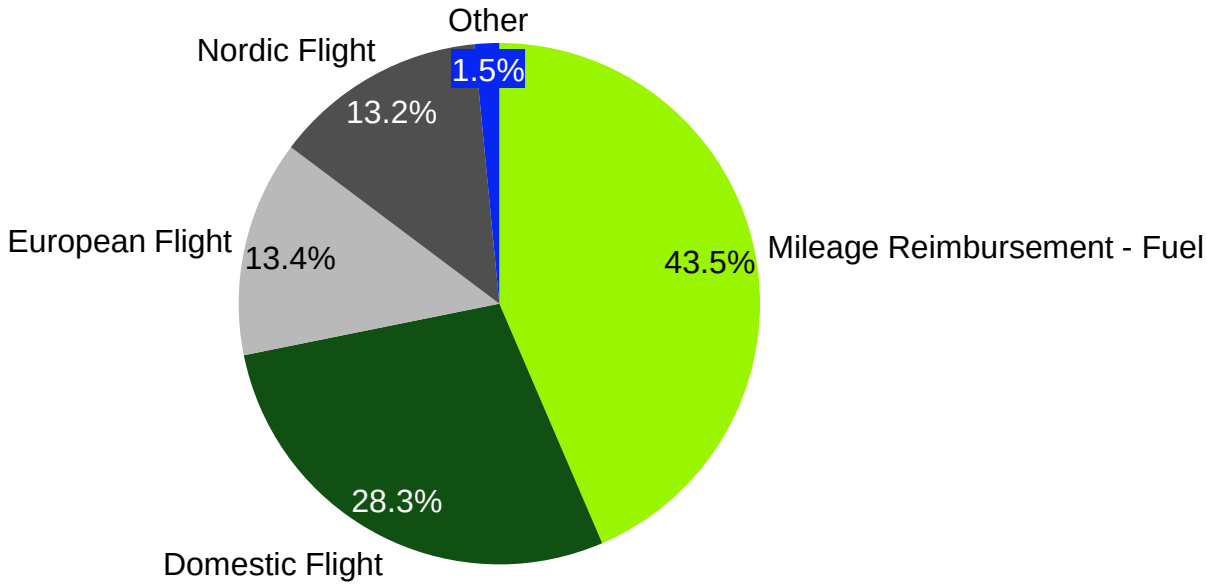
Distance travelled

1.61M
km

Category	tCO_2e
Taxis	1.66
Hotel stay	1.93
Intercontinental Flight	2.73
Light rail and tram	4.56
Car rental	5.71
Mileage Reimbursement - Electricity	23.93
Nordic Flight	34.34
European Flight	49.26
Domestic Flight	94.45
Mileage Reimbursement - Fuel	151.56

Greenhouse gas emissions per mode (tCO_2e)

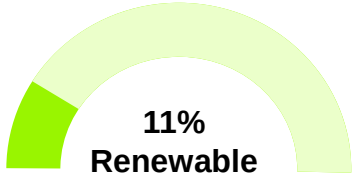
Distance per mode (km)



Energy Usage

Energy used

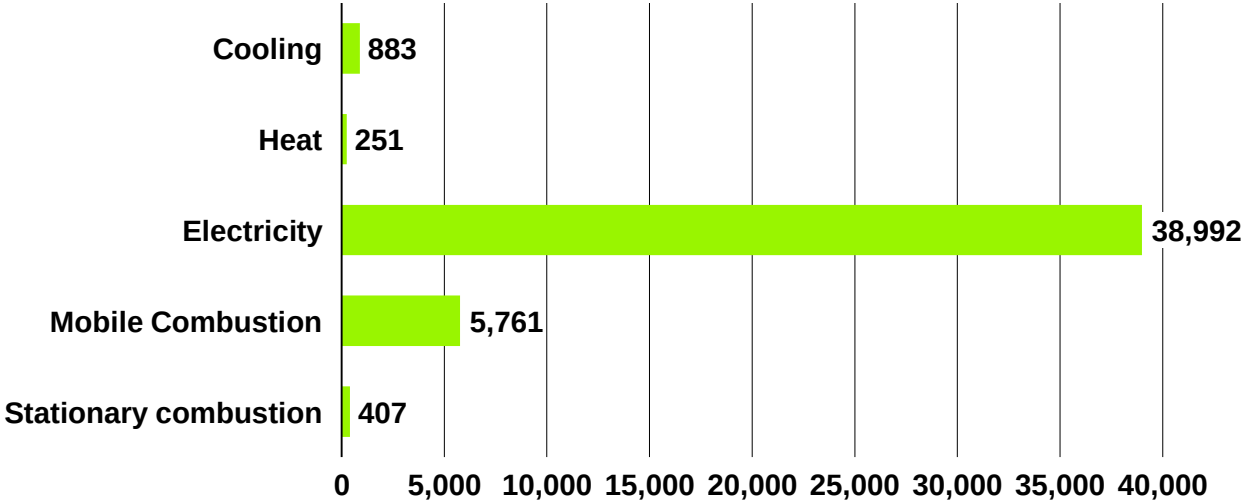
45,160.3
MWh



Energy intensity

5,314.2
kWh/MNOK

Energy use per category (MWh)

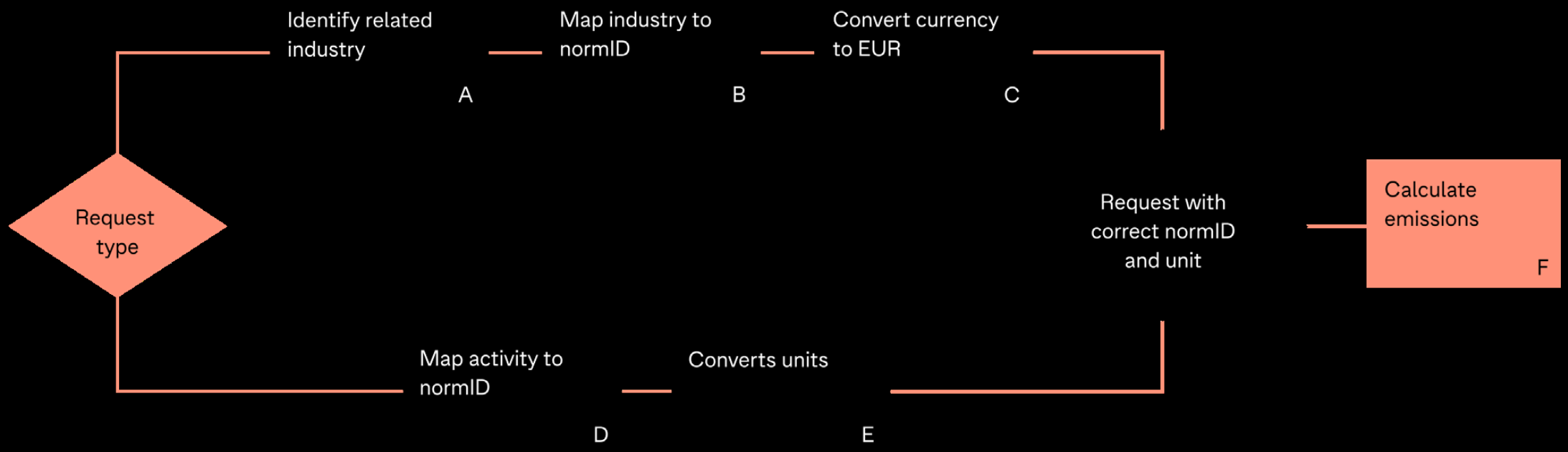


	Energy use per category	MWh
Scope 1	Stationary Combustion	883.40
	Mobile Combustion	250.65
Scope 2	Electricity	38,992.13
	Heat	5,760.88
	Cooling	407.26

About Normative

Normative is a carbon accounting engine that enables businesses to calculate, report, and reduce their carbon emissions. The core of Normative's carbon accounting engine is their calculation methodology. It builds on the Greenhouse Gas (GHG) Protocol and a deep database of emissions factors. The engine delivers exceptionally accurate calculations and brings a new level of scientific accuracy to emissions accounting.

Normative's engine calculates corporate carbon footprints using either of the two types of business data outlined in the previous section: transaction data or activity data. To ensure the most accurate calculation, the engine selects the approach depending on the type of data provided by your company. Your dedicated Normative Climate Strategy Advisor advises you on the most suitable approach for each category, following the GHG Protocol.7 The following flow chart illustrates the general data flow for each of the two approaches.



All sports united.
Sports unite all.