

# XXL Supplier Code of Conduct

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# 1. Understanding XXL Supplier Code of Conduct

## 1.1 Introduction

The success of XXL depends on a sustainable relationship and cooperation with our business partners: suppliers, vendors, consultants, property owners, agents, service providers, intermediaries, and others (hereinafter Supplier). XXL may be held responsible for the actions of our Suppliers. Hence, we require Suppliers to comply with all applicable laws and regulations, support and respect internationally proclaimed human rights and labor rights, adopt environmentally responsible business practices, and conduct their business according to the ethical standards commonly endorsed by international businesses and society.

To ensure alignment with our own Code of Conduct we have adopted XXL Supplier Code of Conduct (hereinafter SCoC). The SCoC does not provide an exhaustive overview of what is legal and responsible conduct. It provides a framework that guides our Suppliers in how to conduct their business and relationship with XXL in a responsible and XXL believes in having an open dialogue with our Suppliers about responsible business conduct in an improvement-oriented manner. Nevertheless, a violation of the SCoC may be considered a breach of the business agreement with XXL and may lead to its termination. Where the requirements of applicable laws and the SCoC differ or are in conflict, the Supplier shall comply with the higher standard.

The XXL Supplier Integrity Due Diligence Survey (IDD Survey) is an integral part of our process when considering Suppliers in our value chain. XXL will also use the IDD Survey to systematically map and assess Suppliers' fulfilment of our requirements. We will review any expected improvement initiatives and the progress of any ongoing actions regarding Suppliers' lawful and ethical business conduct and sourcing practices in their supply chain through open dialogue and cooperation and in a respectful manner.

## 1.2 How XXL Supplier Code of Conduct applies

SCoC applies to all XXL Suppliers, including their Boards, managers, employees, and other internal staff, as well as their sub-suppliers and affiliates and states the behaviors and practices we expect from our Suppliers. Failure to comply with our standards may result in termination of the business relationship.

## 1.3 Corporate Citizenship and Protecting the Environment

As a market leader, XXL has far-reaching responsibilities towards the communities in which we operate. XXL Suppliers shall ensure that their operations are compliant with the environmental laws, regulations, legal agreements and permits relevant to their activities. XXL Suppliers are expected to commit and contribute to XXL achieving our goal of protecting the environment and minimizing the adverse impact of our business with methods that are socially responsible and sustainable. XXL is committed to guiding and supporting its worldwide Suppliers' efforts.

As an enterprise 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 to 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 mission: Sports unite all. We expect our Suppliers to share this obligation.

## 1.4 Commitment and Declaration of Compliance

XXL expects that its Suppliers, as a minimum, have established clear goals toward meeting the standards set forth in the SCoC of Conduct. We expect that our Suppliers will develop and communicate a company statement or policy affirming its commitment to complying with applicable legislation, high ethical standards, responsible business conduct and practices, and continuous improvement.

Suppliers should establish and maintain appropriate compliance management systems that confirm and support their commitment to complying with applicable legislation and the SCoC, identify and mitigate relevant operational risks, and facilitate continuous improvement processes, and actively review, monitor and modify their management processes and business practices to ensure alignment with the standards set forth in the SCoC.

Suppliers shall perform periodic evaluations of their facilities and operations that provide goods or services to XXL to ensure compliance with the law and the SCoC.

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.

XXL Suppliers should ensure that employees and managers in their organizations that are directly or indirectly involved in its business relationship with XXL are trained and understand the letter and intent of the SCoC and are committed to complying.

Suppliers must be able to produce evidence of their compliance with applicable legislation and ethical business practices. . The Supplier shall permit XXL and/or a third party designated by XXL to monitor and periodically evaluate the Supplier's records and processes.

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

## **2. Reporting Violations**

### **2.1 Whistleblowing**

XXL Suppliers shall have grievance mechanisms in place that allow workers or other stakeholders to report concerns or complaints in their own language, verbally or in writing, anonymously or openly, regarding censurable conditions at the Suppliers' undertakings or workplaces. Suppliers' compliance management system shall include policies and procedures for how submitted notifications will be handled.

### **2.2 Zero Tolerance for Retaliation**

XXL Suppliers shall not accept any retaliation or sanction against anyone who, in good faith, reports a potential violation or reasonably suspected violation, of applicable law or the policies and principles in the SCoC, even if the concern turns out to be groundless. Anyone who recklessly, frivolously, or vexatiously reports or knowingly submits a false report aiming to harm XXL, the Supplier or any internal or external body or 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.

## **3. Fundamental Human Rights and Labor Rights**

### **3.1 Principles**

XXL Suppliers shall support and respect all fundamental human rights and labor rights proclaimed in international human rights and labor rights conventions. Suppliers are expected to implement and enforce effective systems and measures to minimize risks of violating human rights and labor rights in their own operations as well as in their value chain. XXL Suppliers shall respect the privacy rights of each individual that they interact with both internally and externally. As a market leader, XXL is committed to continuing the development of the entire industry including labor standards.

Everyone working for XXL Suppliers has the right to freedom of thought, conscience, religion, opinion and expression, freedom of peaceful assembly and association.

### **3.2 Child Labor**

XXL Suppliers shall take the appropriate measures to ensure that no child (as defined by the ILO Convention No. 138) is employed or contracted, directly or indirectly, in their 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 people 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 their workers' date of birth. In countries where this is not possible, Suppliers shall implement an appropriate method for checking and verifying the age of their workers.

### **3.3 Forced or involuntary Labor**

XXL expects its Suppliers to be opposed to all forms of modern slavery, human trafficking or forced or compulsory labor. Workers shall be free to leave after reasonable notice. No deposits (monetary or otherwise) shall be collected, directly or indirectly, from workers, including migrant labor and employees provided by agencies, recruiters, or brokers, or retained by XXL during the agreed work period. XXL

Suppliers shall comply with working time regulations in applicable legislation or industry standards and be committed to complying with internationally recognized working life standards and family life and life outside work requirements. Suppliers' employees' working hours, including overtime, shall not exceed the maximum stipulated in applicable laws and regulations. Suppliers shall respect their employees' right to family and leisure time, and employees shall be entitled to annual leave, sick leave, and parental leave in accordance with applicable legislation.

XXL Suppliers shall respect employees' right to form and join trade unions of their own choosing and to bargain collectively in accordance with applicable laws and principles. Suppliers shall not interfere with or sanction anyone as a result of such activities and recognize the importance of fair wages. Suppliers' employees' wages and benefits shall at least be equal to the legal or industry-specific minimum standards, or the standards set in any applicable collective agreement.

XXL Suppliers shall comply with applicable working time regulations as set in applicable legislation or industry standards and be committed to complying with internationally proclaimed employment standards and the demands of family and life outside work.

XXL Suppliers shall respect the privacy rights of each individual that they interact with both internally and externally. All personal data shall be collected and treated in compliance with the General Data Protection Regulation (GDPR).

### **3.4 Equal Opportunities**

XXL Suppliers should promote internationally acknowledged equal employment opportunity principles, create an inclusive work culture, recognizing that each person is unique, valuable and should be respected for their individual abilities. XXL Supplier should embrace a diverse and inclusive work culture where everyone should feel valued and respected. XXL Suppliers should provide equal employment opportunities and treat all employees fairly. Employment-related decisions regarding recruitment, training, compensation, promotion, etc., should be based on level of qualifications, skills, merit, and other professional criteria.

### **3.5 Anti-Discrimination**

XXL Suppliers shall not support any form of discrimination or harassment related but not limited to race, creed, color, nationality, ethnic origin, age, religion, gender, sexual orientation, marital status, disability, or other status. Disrespectful behavior should not be tolerated. Discrimination in regards to, e.g., hiring, compensation, training, promotion, termination, or retirement based on ethnic and national origin, religion, sex, or other distinguishing characteristics is never acceptable.

### **3.6 Health, Safety and Security**

XXL Suppliers shall provide and maintain a safe and healthy working environment for their workers and workers in their value chain in accordance with all applicable laws and internationally recognized standards. Suppliers shall take all necessary steps, including training of workers, to prevent accidents and occupational ill-health, identify and mitigate hazards, establish controls, and monitor performance. XXL Suppliers should not tolerate any violence or threat of violence at their workplaces and should commit to seeing to that no people should be harmed while at work for them. This means that focus should be put on preventing accidents, close call incidents, and work-related ill-health both mentally and physically in their workplaces. XXL Suppliers shall regularly conduct risk assessments, properly record accidents, close call incidents, and work-related illness, establish action plans and conduct follow-up activities. Whenever necessary, workers should be provided with and instructed to use appropriate personal protective equipment. Where Suppliers provide accommodation for their workers it shall be clean, safe, and meet workers' basic needs.

### **3.7 Anti-Harassment and Intimidation**

XXL Suppliers shall not tolerate any form of harassment, intimidation, or degrading behavior in the workplace, including mental, physical, or sexual harassment and bullying and take prompt and appropriate action in accordance with applicable legislation to prevent and, where necessary, correct behavior that violates this policy. Suppliers shall not threaten or subject workers to harsh or inhumane treatment, including but not limited to verbal abuse and harassment, psychological harassment, mental and physical coercion, and sexual harassment.

### **3.8 Freedom of Association and Collective Bargaining**

XXL Suppliers shall respect 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.

### **3.9 Working Conditions**

XXL Suppliers should not tolerate working conditions at their workplaces that are in conflict with international laws and practices and take measures to protect their workers against any kind of harm and exploitation. Workers shall not be required to perform any work for or on behalf of the Supplier without having signed a document that defines their employment terms and conditions in a language they understand.

### **3.10 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.

### **3.11 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 receive overtime pay as a minimum in accordance with applicable law. Wages should be enough to cover basic needs and provide some discretionary income. Payments shall be made timely and fully documented.

## **4. Business Conduct**

### **4.1 Anti-Corruption and Bribery**

XXL's Suppliers shall conduct their business in accordance with all applicable laws and regulations relating to fighting corruption and bribery, and support efforts by international and national authorities and organizations to establish and enforce high ethical standards for all businesses. Suppliers shall not actively or passively participate in any forms of corruption including paying facilitation payments, offer, accept, request, or receive bribes or other improper advantages, whether directly or indirectly, whether for themselves or others. Improper advantages can be in the form of cash, cash equivalents, gifts, entertainment, favors, business or employment opportunities, or anything else of value. To avoid any suspicion or appearance that XXL attempts to improperly influence public authorities, diligence is warranted when public officials are involved. If engaging with public officials, do so in a transparent and straightforward manner and exercise the utmost integrity at all times.

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.

### **4.2 Gifts and Hospitality**

XXL Suppliers shall not attempt to obtain business or other advantages by offering or giving anything of value or an undue advantage to any third party to influence such person to act illegally, unethically or against the best interest of XXL. XXL Suppliers shall have a policy in place that prohibits giving and accepting gifts and hospitality of value. Gifts include items such as cash or cash equivalents including entertainment, gift cards, product discounts, and non-business activities. 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 not offer gifts and hospitality, favors or benefits of any kind to public officials in exchange for information, advice or services related to their or XXL's business. Suppliers shall have a process to investigate and report any violations of this policy.

Suppliers should not offer or accept gifts or hospitality that might influence their ability to make objective decisions in the best interest of their business relationship with XXL or that are given in return for a favor. Invitations from business partners or others to attend arrangements like events, seminars, etc. should only be accepted if they are reasonable and appropriate with respect to both value and frequency and are consistent with accepted good business practice. Transportation and accommodation shall always be paid for by XXL.

Gifts can be accepted or offered if they are modest in value, e.g., flowers, chocolates, a moderate bottle of wine, and similar, provided that they are infrequent in time, and clearly appropriate under the circumstances.

### **4.3 Confidentiality**

Confidential information in general mean information, which is not, or should not be, known to the public or people not concerned, which may include financial information, business plans, technical information, information concerning individuals, commercial conditions, and customers or information protected by law. XXL Suppliers have an obligation to protect trade secrets or other confidential information belonging to and received from XXL. XXL Suppliers shall not misuse any trade secret or other confidential information in their possession, including information they may have received from XXL's other business partners. Any person employed by otherwise working for XXL Suppliers who have access to such information, has a duty to protect such information.

XXL Suppliers employees must not use information obtained during their employment with the Supplier and where it can be reasonably assumed that XXL wants to keep the information confidential, for personal gain. Moreover, Suppliers' employees shall only make confidential information available to or discuss it with other employees for valid business reasons. Suppliers' employees must never disclose or discuss confidential information with non-Supplier employees, including family members and friends. Suppliers' employees' duty of confidentiality continues after their employment with the Supplier has ended.

### **4.4 Privacy Rights and Data Protection**

XXL Suppliers shall be committed to complying with the provisions stated in General Data Protection Regulation (GDPR) regarding processing and protection of personal data. Suppliers shall safeguard and protect employees', customers' and business partners' personal data made available to them, and collect, store, and use personal information only for defined business purposes. Suppliers shall publish a Privacy Statement that states this commitment.

### **4.5 Fair Competition**

XXL Supplier shall be committed to complying with all applicable antitrust and competition laws and to dealing with competitors based on honesty, integrity, and fairness. XXL Suppliers shall not enter into anti-competitive agreements with competitors, including price-fixing, market allocation or segmentation, and do not share commercially sensitive information with competitors.

### **4.6 Reliable Accounts and Records**

XXL Suppliers' accounts and records shall be prepared in accordance with applicable laws, regulations, and relevant accounting standards. This includes both financial and non-financial information such as social and environmental data and operations reports. No false, misleading, or artificial entries may be made in XXL's books and records. All transactions must be fully and completely documented and recorded in accounts and records and materials shall be prepared in accordance with the highest standards of care.

### **4.7 Anti-Money Laundering**

Money laundering is illegal and punishable in most countries. XXL is adamantly opposed to all forms of money laundering and expects it Suppliers to do the same. This also applies to arrangements with the intent to speculate in non-detection of illegal or disloyal avoidance of taxes, customs, or other duties. XXL Suppliers should take reasonable steps to prevent and detect any illegal payments and prevent themselves and XXL from being used by others to launder money or to finance terrorism.

### **4.8 Trade Compliance**

XXL Suppliers shall comply with all national and international trade regulations including United Nations sanctions and sanctions under the laws of the European Union, the United States, and the United Kingdom. Trade restrictions, e.g., sanctions, embargoes, and trade controls, include regulations governing the import, export and domestic trading of goods, technology, software, and services as well as international sanctions and restrictive trade practices. XXL Suppliers shall not engage with business partners that are the target of any economic sanctions or export control, and regularly conduct risk assessments of any agents, Suppliers in our value chain and other relevant business partners to identify potential risk exposure.



## 4.9 Sponsoring , Charitable Donations, and Political Contributions

Community investments like charitable donations or sponsorships may prompt allegations of bribery. They should be given in an open and transparent manner, based on objective criteria, and be properly recorded, documented, and reported. Before making significant contributions, you need to get the XXL CEO's approval. If a person employed by or otherwise working for XXL Suppliers is or may be seen as being in a potential conflict-of-interest situation, they should withdraw from any social investment discussions and decision-making processes.

## 5. 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](http://www.cites.org) and [www.iucnredlist.org](http://www.iucnredlist.org).

Suppliers are responsible for informing 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 SCoC. 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 Supplier's 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 cancelling orders, fully or partially, if products or tests do not comply with these provisions.

## 6. Product Safety and hazardous Substances

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](http://www.xxlasa.com/environment) - password: super*

## 7. External References

- UN's Universal Declaration of Human Rights (1948), the two international covenants on civil and political rights (1966) and economic, social, and cultural rights (1966)
- Core conventions of the International Labour Organization (ILO)
- Norwegian Transparency Act (2021)
- OECD Due Diligence Guidance for responsible business conduct (2018)

## 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 understood XXL Supplier Code of Conduct and will actively ensure that [legal name of Supplier] including its employees, sub-suppliers, and any other party acting on their behalf comply with the intention, purpose, and provisions of the Code.**

[Place, date of signature]

For [legal name of Supplier]

[signature]

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Name in print

Position/Job Title:

E-mail: