

XXL CODE OF CONDUCT

1. Introduction

XXL's Vision is to be THE LEADING EUROPEAN SPORTS AND OUTDOOR SPECIALIST – A ONE-STOP DESTINATION FOR PRODUCTS AND SERVICES FOR EVERYONE. In order to realize our vision, we need always to serve the best interest of XXL, act with the highest integrity and constantly work to earn the trust of our customers, employees, shareholders and other stakeholders. This requires the collective effort of all employees in the XXL Group.

As a market leader, we acknowledge our far-reaching responsibilities as a corporate citizen towards the communities in which we operate and the society at large.

XXL's Code of Conduct is based on our four Core Values PASSIONATE, RESPONSIBLE, INNOVATIVE, CARING. These Values are the fundamental principles that characterize who we are and how we act. Our Code is a statement of our commitment to always conduct our business and ourselves in accordance with the highest legal and ethical standards.

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

The Code should be considered as a guiding instrument. It does not provide an exhaustive overview of what is considered to be responsible conduct. The ultimate responsibility to act in accordance with law and ethical norms always remains with the individual. Any changes to or waivers of the Code of Conduct may only be made by the XXL ASA Board of Directors. Failure to comply with this Code may result in disciplinary action, and in the most severe cases, in termination of employment.

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

A Compliance Governance and Procedures document has been provided to explain the different roles and responsibilities that apply to specific internal stakeholders with regard to implementing and applying the Code. It also covers XXL's procedures for handling of reported concerns, and monitoring compliance. In short, the Board of Directors is ultimately responsible for the Code of Conduct and the compliance thereof. Managers are responsible for providing appropriate support to enable their teams to understand the requirements of the Code of Conduct and how they should be applied in practice. Managers must, through their actions, demonstrate the importance of compliance. Leading by example is critical, including acting on any suspected unethical behavior, as well as being available to employees who have ethical questions or wish to report possible violations.

The Code of Conduct and all supporting documents are available on our intranet, XXL Workplace.

¹Reference to "board members" should be understood as members of the Board of Directors of XXL ASA and members of the internal Company boards.

1. General principles

1.1 Comply with laws and regulations

All employees and board members shall comply with public laws and binding internal requirements in all their activities for XXL.

XXL actively promotes compliance with all laws, rules and regulations in each jurisdiction in which we do business. The XXL Group, the individual companies, employees and board members shall always respect applicable local laws and regulations. In addition, all employees shall comply with internal Company policies. In some cases, these policies are stricter than public laws and regulations.

1.2 Act in the best interest of XXL

All employees and board members shall be loyal to and serve the best interest of XXL.

Loyalty means working to promote the best interest of XXL, and, within the framework of public law and regulations and XXL's policies, giving XXL's interests priority over other interests. We should always use our best judgement to enhance XXL's value creation, protect the Company's interests and contribute to its continuous improvement.

1.3 Act with integrity

All employees and board members shall act with integrity in their activities for XXL.

Personal integrity means "doing the right thing", even when nobody is watching. XXL insists on honesty, integrity and fairness and is strongly committed to upholding and promoting the highest ethical business standards in all aspects of our business. Employees must always be ethical and lawful in all their business dealings, whether they are selling, buying or representing XXL in any capacity.

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4. Specific principles

4.1 Society

We must practice good corporate citizenship and comply with laws and regulation wherever we do business

As a market leader, XXL has far reaching responsibilities towards the communities in which we operate. XXL recognizes the importance of having an open communication with those that are affected by our operations, whether they are employees, customers, shareholders or the public and their representatives.

XXL expresses support and respect for fundamental human rights and recognizes our responsibility to observe those rights when we conduct our business.

Among those rights that XXL considers as fundamental are:

- freedom of thought, conscience and religion;
- freedom of opinion and expression;
- freedom from any kind of discrimination based on race, creed, color, nationality, ethnic origin, age, religion, gender, sexual orientation, marital status, disability, or other status;

- freedom from arbitrary detention, execution or torture; and
- freedom of peaceful assembly and association.

We respect the privacy rights of each individual that we interact with both internally and externally. All personal data will be treated in compliance with the Norwegian Personal Data Act and GDPR.

See XXL's *Corporate Responsibility Guidelines* for further information.

4.2 Employees

Our relationship between XXL and our employees, and between all employees, must be built on mutual trust, respect and dignity

XXL strives to be the best at developing its business. We strongly believe in the connection between the competence of our employees and the result we achieve. To attract and retain skilled people, we must be an attractive employer that offers good working conditions, fair wages and appropriate training. As a market leader, XXL also has a responsibility to continue the development of the entire industry. By co-operating with trade organizations, unions, public authorities and law enforcement, XXL helps to develop the market as a whole with the goal of raising standards and wages in the industry. XXL also recognizes the importance of a continuous social dialogue.

XXL 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. We recognize the importance of fair wages. The strategy of XXL is to raise wages to a level that meets or exceeds a "living wage" and wages and benefits shall at least equal the legal or industry minimum standards. XXL shall comply with applicable working time regulations reflected in national legislation or industry standards. Moreover, we recognize the importance of providing a safe and healthy working environment and taking all necessary steps to prevent accidents and occupational diseases, mitigate hazards, establish controls and monitor performance.

4.3 Avoid discrimination and harassment

All employees shall avoid behavior which may be seen as discrimination or harassment.

XXL promotes a productive work environment and does not tolerate disrespectful behavior. XXL is an equal opportunity employer. Discrimination in hiring, compensation, training, promotion, termination or retirement based on ethnic and national origin, religion, sex or other distinguishing characteristics is never acceptable. XXL will not use force of any form or involuntary labor or employ any persons below the minimum age as defined by the ILO Convention No. 138.

4.4 Handle business information with care

All employees and board members shall treat information about XXL with due care and treat non-public information confidentially.

Our customers must be able to trust that XXL will only collect, store and use their personal information for defined business purposes. XXL does not disclose our customers' personal information, appropriately safeguards our customers' information and complies with applicable laws and GDPR on customer privacy and data retention.

Employees have often access to confidential information owned by XXL and sometimes also to such information owned by third parties. 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 general public or to competitors. Employees have a duty to protect confidential information, as well as confidential relationships between the Company and its customers, suppliers, shareholders and others. Even if an employee leaves XXL, they are still obliged to maintain the confidentiality of this information.

Confidential information obtained during the employment at XXL must not be used for personal gain. Moreover, confidential information should never be disclosed to or discussed with non-XXL employees, including family members and friends, and should only be provided to or discussed with other employees for valid business reasons.

4.5 Avoid conflicts of interest

All employees and board members shall be loyal to XXL by avoiding any conflict of interest.

Business decisions must always be based on objective reasons and criteria, made in XXL's best interests and without unjustified influence from third parties. Employees must avoid conflict of interest between their private activities and their part in the conduct of the business of XXL and shall not seek to obtain advantages for themselves or others that are improper or may harm XXL's interests.

Business decisions must be based on the best interests of XXL, rather than personal considerations or relationships. A conflict of interest arises when there is a risk that any person (or his/her relatives, friends, etc.) obtains a benefit at the expense of XXL. Employees must provide complete and immediate disclosure of any interest that they may have, at the time of hire or during employment, which creates, or may create, a potential risk of conflict of interest. Employees may, for example, not:

- work in any capacity such as employee, consultant, contractor, etc., in any company that is considered an XXL competitor;
- hold duties, positions or jobs with a scope and workload that may affect the employee's ability and capacity to satisfactorily perform his/her job at XXL without the prior written permission from his/her immediate superior;
- operate, undertake or invest in enterprises that engage in the same or similar businesses as XXL under their own or other's name including family members, friends, proxies, partnerships, or other representative as a member of executive/management bodies without XXL's prior written consent;
- perform non-XXL work during working hours;
- accept money or benefits of any kind for any information, advice or services employees may provide to a supplier or any other business partners or public officials in connection with its business with XXL;
- offer/accept reimbursements, gifts or benefits to/from a third party which are inconsistent with accepted business practices or would be unlawful or unethical; or
- demand/accept or offer/give, directly or indirectly, any kind of bribe or kickback.

If an XXL employee is in doubt/has any questions about whether the business or activity he/she engages in or plans to engage in constitutes a conflict of interest, the employee should consult their immediate superior or your local legal entity's Ethics & Compliance Associate.

Employees or board members who become aware of a potential and unacceptable conflict of interest shall, without delay, notify their immediate superior.

4.6 Act fair in competition

Our marketing material shall always be accurate and truthful

XXL gains business and builds long-term customer relationships by providing the widest assortment of branded goods at the lowest prices as well as by demonstrating honesty and integrity in all our interactions. Our marketing and advertising materials and other representations we make to current or prospective customers must be accurate, truthful and in compliance with applicable laws. Employees who are involved in marketing, sales, purchasing or logistics activities shall ensure that they are familiar with applicable laws and internal rules and guidelines related to marketing and sales.

4.7 Never engage in corruption or bribery

All employees and board members shall refrain from corruption and bribery in all forms.

XXL recognizes that corruption and anti-competitive measures distort markets and hamper economic and social progress. It is therefore essential for XXL to avoid such practices. We support efforts by international and national authorities to establish and enforce high ethical standards for all businesses. XXL shall comply with applicable competition legislation. Honest competition must be based on integrity, product quality, price and customer service. XXL does not accept soliciting or acceptance of bribes in any form.

XXL employees and board members are not allowed to engage in any form of bribery or corruption. This requirement is based on anti-corruption legislation which all XXL companies must adhere to and applies to all XXL's activities world-wide. Individuals involved in acts of corruption may be exposed to civil and criminal liability. Corrupt activities are punished severely by the court, and individuals who are found guilty of violating the law may become liable to imprisonment. If a challenging situation arises in connection with work for XXL, employees should seek immediate advice from their immediate superior about how to handle it in a legal manner. Such discussions are an important part of the Company's efforts to prevent corruption and bribery.

Offering and accepting personal courtesy gifts may be allowed provided they have a minimal economic value, are infrequent and clearly appropriate under the circumstances. It is not allowed to give or receive cash or gifts which are given in return for a favor. Gifts shall not be given in a context or a way that might give reason to suspect that the recipient will keep such gift or benefit hidden from his or her immediate superior. For example, gifts should be addressed to the recipient's working address at the relevant legal or public entity.

Events for customers shall always have a specific and relevant business purpose and can only be accepted if they are reasonable and appropriate with respect to both value and frequency. The same principle applies to participation in such events organized by others, and transportation and accommodation must be paid by XXL. Employees or board members who have been offered, or who have received gifts or favors, shall, without delay, notify their immediate superior, who will determine whether or not the gift needs to be returned.

See the XXL Anti-corruption Guide for further information.

4.8 Never engage in insider trading

Employees and board members shall refrain from insider trading.

Employees and board members shall not trade, nor give advice to others about trading, in the securities of XXL or other listed companies on the basis of non-public information acquired in work for XXL which, if publicly known, may influence the price of the securities.

If an employee or a board member is in doubt concerning how to apply or interpret XXL's requirements or public laws on insider trading, XXL's Administration should be consulted.

See the XXL Insider Trading Policy for further information.

4.9 Never engage in money laundering

Employees and board members shall not in any way become involved in money laundering.

Money laundering is defined as arrangements implemented in order to make money which is acquired through criminal activities look as though it has been lawfully earned. Money laundering is prohibited by law and will not be tolerated by XXL. Should an employee observe activities which may indicate that money laundering is, or has been, taking place in connection with Company activities, the employee shall without delay report his or her concern to XXL.

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.

4.10 Use of information and technology resources

Employees are required to safeguard and not misuse XXL's assets and resources.

XXL assets are dedicated to achieving our business objectives. XXL's information and technology resources (including phones, computers, Internet and e-mail resources and the like) are provided to the employees for business use.

Employees are responsible for exercising good judgment regarding the reasonableness of personal use. When in doubt, employees should consult their immediate superior. Employees who engage in social networking (all types of postings on Internet, such as blogs, Twitter, Facebook, YouTube and similar media) should be mindful that their postings, even if done outside work, could have an adverse effect on XXL's business. Employees are expected to respect the principles of this Code of Conduct and therefore must not post any derogatory, offensive or inappropriate comments concerning XXL and/or our employees, customers, suppliers, other business partners or competitors. Furthermore, employees should not write about, post pictures or videos of, or otherwise refer to any employee, customer, supplier, other business partner without the consent of the relevant person.

Without prior notice, the Company reserves the right to block internet use, and will do so for legitimate business purposes. Inappropriate use of the internet is strictly prohibited. Inspections may be conducted by Eltek in accordance with the local applicable law and internal policies and principle.

In addition, employees must not claim or imply authorization to speak as an XXL representative or use XXL's logos, trademarks, copyrights or other intellectual property rights in any manner.

4.11 Sexual and other forms of harassment

Company policy strictly prohibits any form of harassment in the workplace, including sexual harassment. XXL will take prompt and appropriate action to prevent and, where necessary, discipline behavior that violates this policy.

Sexual harassment consists of unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:

- submission to such conduct is made a term or condition of employment;
- submission to or rejection of such conduct is used as a basis for employment decisions; or
- such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, offensive or hostile work environment.

Forms of sexual harassment can include, but are not limited to, the following:

- verbal harassment, such as unwelcome comments, jokes, or slurs of a sexual nature;
- physical harassment, such as unnecessary or offensive touching, or impeding or blocking movement; and
- visual harassment, such as derogatory or offensive posters, cards, cartoons, graffiti, drawings or gestures.

Other forms of harassment on the basis of other characteristics is also strictly prohibited. Under this policy, harassment is verbal or physical conduct that degrades or shows hostility or hatred toward an individual because of his or her race, color, national origin, citizenship, religion, sexual orientation, marital status, age, mental or physical handicap or disability, veteran status or any other characteristic protected by law, which: has the purpose or effect of creating an intimidating, hostile, or offensive work environment;

- has the purpose or effect of unreasonably interfering with an individual's work performance; or
- otherwise adversely affects an individual's employment.

Harassing conduct includes, but is not limited to, the following: epithets, slurs, negative stereotyping, threatening, intimidating or hostile acts and written or graphic material that ridicules or shows hostility or aversion to an individual or group and that is posted on Company premises or circulated in the workplace.

5. Compliance and implementation

5.1 The duty to comply

Each XXL employee and board member has a personal responsibility for complying with all the requirements specified in this Code of Conduct. Employees and board members shall not act (or encourage others to act) contrary to the Code of Conduct. This requirement applies even when violation of a principle may appear to be in the interest of XXL.

Any uncertainty as to whether a particular activity is in accordance with the principles of this Code of Conduct, should, insofar as is practicable, be discussed in advance, primarily with the immediate superior. XXL believes in discussions about responsible conduct in an improvement-oriented and informal manner. Nevertheless, breaches of the requirements set out in this Code of Conduct may lead to internal disciplinary action and in serious cases to dismissal or even criminal prosecution.

5.2 Whistleblowing

XXL is committed to the highest possible standards of openness, honesty and accountability. We therefore expect employees who have serious concerns about any aspect of XXL's work to come forward and voice such concerns.

Observations of conduct which is illegal or represents a breach of the principles in this Code of Conduct or appears to contravene the Code or any rules and guidelines which apply to the Company's operations must be reported immediately to;

- the employee's immediate superior; or
- another XXL leader if the employee finds it difficult to report to his or her immediate superior; or
- the local legal entity's Ethics & Compliance Associate (ECA); or
- as a last resort, the Chairman of the XXL ASA Board

However, if an employee has reasons not to approach any of the above, concerns may be brought forward in one of the following ways:

- through XXL ASA's whistle-blower channel at www.xxlasa.com; or
- by e-mail to the XXL Group Ethics & Compliance Officer (ECO) at compliance.officer@xxl.no

If the employee so wishes, a report may be given on a confidential, or even anonymous basis. All persons who have received such confidential report, or information about such report, shall keep the information strictly confidential in order to protect the employees concerned, both the reporter and the employee(s) of concern. Any report concerning illegal activities or breach of this Code of Conduct shall be taken seriously and be appropriately investigated. XXL will not accept any retaliation against employees or board members who, in good faith, have reported a violation (or suspected violation) of applicable law or of the principles in this Code of Conduct. XXL encourages a "speak up"-culture. However, reckless, frivolous or vexatious reporting or knowingly submitting a false report as determined by XXL may subject employees to disciplinary actions. An employee or board member who feels that a report has in any way been used against him or her by anyone in XXL, may report this to their immediate superior or the bodies mentioned above.

See XXL Compliance Governance and Procedures for further information.

5.3 Implementation and monitoring

The responsibility for implementing this Code of Conduct in each XXL company lies with the Company's Chief Executive Officer in collaboration with the XXL Group executive management. The Code of Conduct shall be distributed to all employees, managers and board members. The Code of Conduct shall also be referred to in the Company's employment contracts and Personnel Handbook.

In order to be able to understand and comply with the word and spirit of this Code of Conduct, all XXL employees, managers and board members shall carefully read the Code.

The Board of Directors is responsible for updating this Code of Conduct, developing relevant support material and may also assist the companies in awareness training. The status of the Companies' activities related to this Code of Conduct will be reviewed annually as part of the business areas' board meetings and XXL's sustainability reporting.

This Code of Conduct is a statement of certain fundamental principles that apply to the conduct of employees and board members. It does not create any legal rights for any customer, supplier, competitor, shareholder or any other third party.

6. External Resources And References

UN Convention on Human Rights: www.un.org

International Labour Organization: www.ilo.org

OECD Guidelines for Multinational Enterprises: www.oecd.org

Transparency International: www.transparency.org