



Human Rights and Labor Rights Due Diligence Statement 2023

CONTENTS

No.	Item	Pages
	The Board's Statement regarding Human Rights and Labor Rights	2
1	About XXL	3
2	Due Diligence – Statement 2023	4
3	Basic Principles and Guidelines	4
4	Compliance Governance System	4
4.1	Overall	4
4.2	Roles and Responsibilities	5
4.3	Awareness and Training	5
4.4	Whistleblowing and Grievance Mechanism	5
4.5	HES – Deviation Reporting	6
4.6	Employee Discussions («Medarbeidersamtaler»)	6
5	Mapping and Measures – Own Operations	6
5.1	Overall	6
5.2	Human Rights – Actual Negative Consequences and Risks	7
5.3	Labor Rights – Actual Negative Consequences and Risks	7
6	Mapping, Measures, and Output – Suppliers and Sub-suppliers	8
6.1	Overall	8
6.2	Preliminary Risk Assessment	8
6.3	Industry cooperation with the Norwegian Sporting Goods Industry (SBF)	8
6.3.1	<i>Overall</i>	8
6.3.2	<i>Mapping – SBF IDD Survey 2022</i>	9
6.3.3	<i>SBF IDD Survey 2022 – Follow-up and Measures 2023</i>	9
6.3.4	<i>SBF IDD Survey 2022 – Findings and Output 2023</i>	9-11
6.4	Original Equipment Manufacturers (OEMs)	11
6.5	West System Norge AS	11
6.6	Stakeholder Dialog	11
7	Mapping – Other Business Partners	11
8	Further Follow-up and Plans	12
9	Communication and Information	12



Human Rights and Labor Rights Due Diligence Statement 2023

THE BOARD'S STATEMENT REGARDING HUMAN RIGHTS AND LABOR RIGHTS

XXL's principles and guidelines on protection of human rights and labor rights include clear expectations and requirements for its own operations, the operations of its suppliers and sub-suppliers as well as its other business partners to comply with national and international legislation, conventions, and guidelines on fundamental human rights, labor rights, and protection of the environment.

Today, the XXL Chief Executive Officer and the XXL Board of Directors have resolved and adapted the Company's Due Diligence Statement 2023. The Statement has been prepared in accordance with the Norwegian Transparency Act of June 18, 2021, No. 99, Section 5. Duty to account for due diligence.

Alna, June 19, 2024

Freddy Sobin
CEO

Håkan Lundstedt
Chairman of the Board

Petra Axdorff
Board Member

Tom Christian Jovik
Board Member

Kari Ekelund Thørud
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Board Member

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Employee Representative

Kjell-Arne Fikerud
Employee Representative

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Employee Representative

1. About XXL

XXL Sport & Villmark AS (XXL), a subsidiary of XXL ASA, was founded in 2000. XXL ASA is registered on Oslo Stock Exchange and is headquartered at Alna, Oslo. XXL currently has 86 stores throughout the Nordic region and is the region's leading retailer of sports and outdoor equipment in-store and online. At the of 2023, XXL had 4,360 employees mainly working in its stores, at the central warehouses or in various office/customer service/administrative functions.

XXL offers sports and outdoor equipment in all categories to all customer groups in the Nordic marketplace, mainly focusing on well-known brands from international, recognized suppliers. XXL operates its business in Norway and through wholly owned subsidiaries in other Nordic countries.

XXL SPORT & VILLMARK AS - NORWAY

XXL owns 39 stores in Norway, currently representing approximately 50 % of the Company's total revenues. In the Sustainable Brand Index 2023 Norwegian consumers elected XXL as the most sustainable Norwegian brand in the «Clothes & Fashion – Stores» category.

XXL SPORT & VILDMARK AB - SWEDEN

XXL established its operations in Sweden in 2010. The business includes 30 stores and online sales. The enterprise also includes operating a Central Warehouse for receipt, storage, and delivery of goods to XXL's stores and online customers in Sweden and Finland.

XXL SPORT & OUTDOOR OY - FINLAND

XXL's operations in Finland was established in 2014. The business is operated through 17 stores and online sales.

XXL EUROPE HOLDING S.à r.l.

XXL has established a holding company through which its other European enterprises are operated. The holding company is headquartered in Luxembourg and includes the following active businesses:

- XXL Europe GmbH, Switzerland. The company operates whole-sale trading in the European market.
- XXL Sports & Outdoor GmbH, Austria. The enterprise was established in 2017 and its activities were discontinued in 2023.
- XXL Sports & Outdoor ApS, Denmark. Online-sales.

XXL GROSSIST NORGE AS

XXL's buying chain is organized and operated by Company's wholly owned subsidiary XXL Grossist Norge AS. In addition to handling XXL's centralized buying function Grossist Norge also operates the Company's Central Warehouse in Norway. XXL Grossist Norge purchases goods from suppliers/manufacturers mainly located in Europe. A smaller part of the goods is purchased from countries that are located outside the EU/EEA, among them in Asia and America.

WEST SYSTEM NORGE AS

West System Norge AS is wholly owned by XXL. The enterprise represents Scandinavia's leading sales outlet for small craft boats, motors, kayaks, and canoes. The company is for the most part organized and operated separate from XXL's value chain. See www.westsystem.no

ORIGINAL EQUIPMENT MANUFACTURERS (OEMs)

XXL also purchases goods through an agent from OEM operations mainly located in Asia, primarily China and Taiwan. These goods and the goods from other manufacturers are sold as XXL private label.

2. Due Diligence – Statement 2023

XXL's 2023 Due Diligence Statement concerning actual and potential negative consequences of its business regarding fundamental human rights and decent working conditions is an update of the 2022 Statement. The due diligence covers mainly mapping processes and findings in 2023. However, the Statement also includes certain 2023 findings' follow-up measures in 2024, process results, and future plans and activities.

None of XXL's subsidiaries in 2023 are comprised by the Transparency Act. Hence, this Statement covers all Company corporate enterprises. The Statement affirms XXL's high standards, expectations, and requirements regarding lawful and ethical business operations and behavior in its own enterprises as well as that of its suppliers, their sub-suppliers, and other business partners. Furthermore, the Statement also includes XXL's Compliance Governance System.

XXL acknowledges that the process of conducting due diligence, mapping, identifying, eliminating, reducing, and correcting actual and potential negative consequences of its business operations and behavior is a long-term activity. The Company is committed to obtaining further knowledge regarding actual negative consequences and potential risk factors through continuous mapping and improvement activities going forward.

XXL's due diligence of its potential adverse impact on human and labor rights, is based on the Transparency Act and OECD's Guidelines.

3. Basic Principles

XXL's operation is based on the right of all humans to free lives and the opportunity to choose a lifestyle that matches the individual's conditions and interests. XXL's mission statement, *All Sports United. Sports Unite All*, promotes fellowship and equality, and the Company's operations are strongly attached to this message.

XXL's core values *Customer-first, Knowledgeable, Passionate, Caring* constitutes the building block of the Company's culture. *Caring* highlights the Company's way of thinking, attitudes and behavior including regarding how human and labor rights are ensured internally and externally. XXL is convinced that by making sports and outdoor equipment affordable and available to all people independent of age, gender, skin color and geography the Company contributes to improved quality of life and public health. XXL is proud of its partnership with BUA (Barn, Unge, Aktivitet/Children, Youth, Activity) which is a concept intending to break down socioeconomic barriers, advance an inclusive society and make physical activity available and possible to all.

In 2023, XXL's Children's Foundation has contributed to more charitable purposes related to children and youth; see XXL Annual Report 2023.

4. Compliance Governance System

4.1 OVERALL

XXL's high demands and expectations regarding its own business operations and behavior as well as the operations of its suppliers, their sub-suppliers, and its other business partners are substantiated, explained, and made clear in XXL's Compliance Governance System. XXL bases its compliance governance system mainly on the key elements of the United Nations (UN) Declaration of Human Rights og the International Labour Organization's (ILO) Core Fundamental Principles and Conventions on Labor Standard). The system includes XXL Code of Conduct and XXL Supplier Code of Conduct, XXL Anti-Corruption Guide and XXL Compliance Governance & Procedures. XXL's Human og Labor Rights Policy is integrated in these policies. The system has been prepared in cooperation with XXL employees' representatives and adapted by the XXL ASA Board of Directors (Board).

The Board annually reviews XXL's compliance governance system to ensure that the policies and guidelines are updated and aligned with national and international legislation and regulations. Furthermore, the Board annually gets updates on how the policies and guidelines are adhered to as well as reported infringements or concerns. XXL's Code of Conduct is published on XXL's website, www.xxlasa.com, and the local subsidiaries' websites, as well as the XXL intranet.

4.2 ROLES AND RESPONSIBILITIES

The distribution of responsibilities and duties regarding realizing XXL's policies and guidelines is explained in the XXL Compliance Governance & Procedures.

The Board's Audit Committee and XXL's Executive Management Team are actively involved in resolving updates and amendments of the policies and guidelines as well as actual cases related to compliance. XXL's CEO has the overall responsibility for implementing the policies and guidelines. This includes arranging for all XXL managers' and employees' training, personally acting as a good example, and seeing to that XXL leaders at all levels do the same.

In 2020, the Board appointed an external XXL Group Ethics & Compliance Officer (ECO). The ECO's assignment includes providing information, advice, and updates to the Board and XXL-managers regarding policies and guidelines related to ethical business practices and behavior, managing the external XXL Whistleblowing Channel, receive and investigate reported complaints and concerns regarding censurable conditions at XXL's undertaking or workplaces, head up or contribute to relevant projects initiated by the Board or XXL Management, etc. In addition to the ECO-role, the individual XXL entity has an Ethics & Compliance Associate (ECA) that works closely with local management and supports the ECO. The responsibility and duties of the ECO and ECAs are included in XXL Compliance Governance and Procedures.

Personnel responsible leaders at all levels are responsible for seeing to that the policies and guidelines are put into practice throughout the organizations, supported by the HR-function. This also includes duty to act in cases where an actual infringement of XXL's policies or guidelines, or reasonably suspected unlawful or unethical practice or attempts to conceal such actions have been uncovered.

4.3 AWARENESS AND TRAINING

XXL's mandatory Code of Conduct Training Program intends to raise the awareness of XXL Board members, leaders, employees, hired staff and consultants regarding the policies, requirements, and expectations stated in XXL Code of Conduct, thereby supporting compliant practices and behavior. The training program is module based and the content is adapted to the different business areas and job categories of the organizations. All XXL leaders, employees, and hired staff are obliged to complete the training program as part of their Onboarding Program, and to sign the Declaration of Compliance. In order to gain renewed focus and brush up on the knowledge and understanding of the requirements and expectations set in the policies and guidelines, in 2023, all XXL leaders, employees and hired staff were required to repeat their training. XXL strongly believes that the training program not only represents a significant contribution when it comes to compliance, but also has an impact on the Company's business partners' understanding and respect regarding human and labor rights.

4.4 WHISTLEBLOWING AND GRIEVANCE MECHANISMS

XXL continuously works to prevent and reduce actual or potential adverse consequences of its operations, of being an employer and its role as a business partner and social player. Despite this XXL realizes that there will be situations or episodes that may be seen or suspected as censurable conditions related to at its undertakings or its leaders' or employees' behavior. Information regarding such conditions is key to XXL. Hence, XXL is committed to building a speak-up culture where confidence and safety to report are key factors and expects the same from its business partners.

XXL is convinced that an effective way to get insight into potential infringements of applicable legislation, the Company's Code of Conduct or ethical norms that are commonly endorsed by society, is to arrange for a safe way for people to speak up. No one that shares their concerns or complaints in good faith shall be exposed to retaliation or sanctions of any kind. XXL's external Whistleblowing Channel provides opportunity for a direct dialog with people that observe or seriously suspect infringements. In 2023, XXL's external ECO received 37 complaints or concerns regarding in total 24 alleged compliance cases in XXL's organizations. 3 of these were about conditions where the investigations could not document or substantiate infringements or deviations. All reported conditions were diligently investigated by the ECO, and measures were resolved by the relevant manager. Other than labor law related measures, other initiatives included consciousness raising activities, adjustments and clarification of internal procedures and routines, support to leaders regarding managing staff issues, etc. In 2023, no XXL suppliers, other business partners and similar have reported any complaints or concerns.

Since the 2022 Statement was published, XXL has improved its Whistleblowing Channel technology platform, making it even safer and more easily available. The Channel is operated by an external technology service provider, Walar ApS. The Channel is available on XXL ASA's and all local XXL entities websites. The Channel has an encryption functionality that makes it safe and secure for everyone that wants to report complaints or concerns, whether anonymously or confidentially, orally or in writing. The Channel also has a voice distortion functionality that secures the anonymity of those who want to report orally anonymously. In this way, anonymous reporters may be followed up in accordance with the same procedures that apply for other reporters.

Internally XXL employees may also submit complaints or concerns, orally or in writing, to their leaders, safety deputies or employees' representatives, the external ECO, local ECAs, or, as a last resort, to the Chairman of the Board. All reporters irrespective of reporting channel og recipient shall be followed up and managed by XXL's external ECO. This ensures confidential, independent, and professional handling of all reported issues. The Procedures for handling of notifications, have been prepared in cooperation with XXL employees' representatives. They ensure that both rights and interests both of the reporters and the accused are taken care of in a good manner.

4.5 HES – DEVIATION REPORTING

XXL also has a channel for reporting and recording of HES deviations where the employees may report routine deviations, close accidents, and suggested preventive measures. The HES deviation reporting channel's QR-code that is available in the XXL Employee Handbook and on posters at the workplace, makes it easy to report deviations via mobile phones. Reports are automatically uploaded in the HES reporting tool and are continuously being followed up by the local personnel responsible leader and the Security Manager.

4.6 EMPLOYEE DISCUSSIONS («MEDARBEIDERSAMTALER»)

XXL's standardized employee discussions concept calls on the employees to address concerns or complaints with their immediate superior. The Company's leaders, HR staff, safety deputies and employees' representatives are also important contacts for employees who have something on their mind.

5. Mapping and Measures – Own Operations

5.1 OVERALL

XXL acknowledges that well-being, competency, motivation, and motivation are not only important for the individual employees' quality of life, but also have a direct influence on service quality and effective operations. Hence, XXL considers capable, engaged, and satisfied employees as critical for its business success. The Company is committed to ensure its employees' human, labor rights, and create a culture built on transparency, continuous learning, equality, and inclusion.

In XXL equality and inclusion means that each employee experiences that they are a valued member of the XXL team. Hence, XXL's remuneration program is mainly based on achievement of team goals rather than individual performance.

XXL arranges for an employee participation culture where regular dialog with the employees and their representatives is in the center. Through surveys and cooperation platform, XXL ensures that employees' opinions are heard and considered in decision making processes. Board members include 3 representatives elected by and among the employees of the Norwegian part of the Company, i.e., HQ, the stores, Purchasing/Logistics, and the Central Warehouse.

XXL's systematic approach to HES work activities has resulted in improved routines, reduced absence due to sickness, and a higher degree of employee participation in the Company's HES activities. In 2023, XXL employed a Security Manager that among others shall attend to HES subjects and all other security topics related to its operations. Moreover, the Security Manager shall further develop XXL's risk control system and practices as well as establish contingency plans for future challenges.

5.2 HUMAN RIGHTS – ACTUAL NEGATIVE CONSEQUENCES AND POTENTIAL RISKS

No actual negative consequences or potential risks due to XXL's own business operations or behavior related to human rights have been identified in 2023.

5.3 LABOR RIGHTS – ACTUAL NEGATIVE CONSEQUENCES AND POTENTIAL RISKS

Actual negative consequences related to labor rights in XXL's own business operations, individual cases of *discrimination, harassment and undesired attention of sexual nature/sexual harassment* have been registered. These actual cases have been brought to the Company's attention through whistleblowing cases and handled in accordance with XXL's Procedures. *The named actual cases are also identified as potential risk areas.*

XXL's group of employees includes a lot of young people employed in part-time and time limited jobs. Most of these employees are people who want to combine jobs, education, and recreational activities. This matches XXL's type of business well, characterized by great seasonal variations and need for flexible resource solutions well. XXL's diverse staff also includes employees with different ethnic cultures and older people that have been with the Company for many years. In addition to the positive effects of this versatile team, there is a strong likelihood of value conflicts, misunderstandings, frictions, overstepping of personal boundaries and undesired behavior. XXL uses employee surveys to identify negative consequences of its operations and behavior related to discrimination and equality barriers. In order to reduce and prevent actual consequences, XXL has initiated improved work planning, updated its employee discussions form, and conducted systematic follow-up of employee surveys. XXL's leaders, HR staff, safety deputies and employees' representatives shall be particularly focused on initiating preventive measures and diligently follow up potential symptoms to be able to prevent undesired consequences. Specific measures and results will be accounted for in next year's Statement.

XXL's mapping process in 2023 has exposed the unsatisfactory gender balance in the organizations in particular related to the share of female leaders in top three management tiers. This may lead to loss of leader talents that wish to seek, however that cannot spot leader career opportunities within the Company. XXL is working on evening out the gender balance in the Company in cooperation with the employees' representatives. Specific measures and results will be accounted for in next year's Statement.

Furthermore, XXL's mapping process in 2023 also included the Company's compensation-demography. The mapping identified a *pay gap between male and female employees in certain job categories, where male employees in average received higher salaries than female employees.* Some of this may be explained by the majority of men compared with women in XXL's management teams. XXL has scheduled a systematic review of its salary structure and will initiate a process to close unsubstantiated

pay gaps resulting in improved salary balance with equal salary for equal work. Next years' Statement will include an update on the ongoing activities in this respect.

6. Mapping, Measures, and Output – Suppliers and Sub-suppliers

6.1 OVERALL

In 2023, XXL had approximately 470 active suppliers. When entering into delivery agreements between XXL and new suppliers, the suppliers need to sign a Declaration of Compliance, thereby committing themselves and sub-suppliers in the supply chain to comply with the requirements, expectations, and guidelines stated in XXL Supplier Code of Conduct. The signed Declaration is attached to the delivery agreement as an Appendix, hence, the suppliers' commitment to comply among other with fundamental human and labor rights. XXL is currently working on further developing its supplier procedures among other regarding involving a due diligence as part of the delivery agreement signing procedures. The purpose of such due diligence is to avoid XXL entering into agreements with suppliers who either violate human and labor rights themselves, or employ sub-suppliers who do, thereby exposing XXL to the risk of being considered an accomplice.

During the reporting period, XXL has initiated a revision of its Delivery Agreement standard template. In parallel, the Company has initiated a review of existing delivery agreements. The intention is among others to ensure improved overview of its supplier business relationships. Furthermore, the review aims to see to that XXL has a contractual right to accessing information and monitoring the suppliers' performance of the provisions in XXL Supplier Code of Conduct, including a contractual right to cancel the agreement in serious cases where applicable legislation or XXL's Code of Conduct has been violated.

6.2 PRELIMINARY RISK ASSESSMENT

The purpose of the Norwegian Agency for Public and Financial Management's High-Risk List («Direktoratet for forvaltning og økonomistyring (DFØ)», Anskaffelser.no, is to provide information about product categories with a high risk of violation of fundamental human rights in its supply chain. The product category "Toys and Sports Equipment" covers a wide selection of products that are part of XXL's range of goods, e.g., balls, mats, jump ropes, rackets, textiles, certain electronic products, etc.

The majority of large-scale manufacturing of sports equipment takes place in emerging or developing countries. Light goods are primarily being imported from Asian countries. Due to the sports industry's products and manufacturing processes throughout the supply chain, XXL considers that there is an overall **Industry Risk** related to violation of employees' right to join trade unions, HES-topics, and low salary levels.

In order to prioritize the due diligence of suppliers and sub-suppliers in 2022, XXL conducted a preliminary risk assessment. The risk criteria that established the starting point for prioritizing suppliers that should be included in the due diligence, was mainly **Country of Origin** and **Product Type**. XXL is aware that the risk assessment should include more stakeholder groups than employees, XXL chose to base its considerations regarding the Country-of-Origin risks on ITUC GLOBAL RIGHTS INDEX 2019 The World's Worst Countries for Workers. As regards Product Type, XXL chose to mainly use DFØ's High-Risk List.

6.3 INDUSTRY COOPERATION WITH THE NORWEGIAN SPORTING GOODS INDUSTRY (SBF)

6.3.1 Overall

Already long before the Transparency Act was implemented, the Board had adapted a process to prepare and conduct due diligence in XXL's supply chain. The initiative was intensified when the Transparency Act came into force. As a leading player in the sporting goods industry, XXL contacted the Norwegian Sporting Goods Industry and other major player in the industry to explore the possibilities of joining forces in terms of a common due diligence. The background for XXL's initiative was that more of the industry's large players have the same supply chain. The idea was that

coordinating a common approach would make the due diligence more effective for the suppliers and at the same time leverage the industry's possibilities for a breakthrough in its efforts to increase suppliers' awareness of their requirements and expectations.

Based on this, SBF, XXL and other major industry players have since 2022 cooperated in developing and conducting their common SBF Integrity Due Diligence Survey (**SBF IDD Survey**). The Survey includes both mapping of status, following up of deviations, and initiating measures.

6.3.2 Mapping – SBF IDD Survey 2022

The Mapping part of SBF IDD Survey is based on a Questionnaire including 37 Statements that address risk areas within 4 Categories: Compliance Management System, Fundamental Human and Labor Rights, Health & Safety, and Anti-corruption. 37 Norwegian and international suppliers were selected based on the Preliminary Risk Assessment to complete the SBF IDD Survey 2022. In total 34 of them responded to the Survey. Through scoring each Statement twice the suppliers provided input both regarding the state of their own operations and that of the sub-suppliers involved in the supply chain regarding the abovementioned risk areas. The Statements are classified in 3 Risk Groups that combined with the suppliers' responses create a Risk Matrix (self-assessment). The Risk Matrix provides clear indications of potential negative consequences of the suppliers' and sub-suppliers' operations on human and labor rights, hence, providing an effective basis for prioritizing improvement measures.

6.3.3 SBF IDD Survey 2022 – Follow-up and Measures 2023

The review of the 34 SBF IDD Survey Results Reports 2022 uncovered large variation regarding the suppliers' awareness and focus on human and labor rights, and overview of the state of their own and their sub-suppliers' operations. This includes both compliance management systems as well as measures to eliminate, avoid or reduce the risk of negative consequences of their operations, in particular their sub-suppliers' operations. The supply chain of the sporting goods industry is to a certain extent comprehensive and far-reaching both upstream and geographically. Conducting processes to ensuring overview, identifying specific improvement needs and following up the value chain is both challenging and entails long-term and continuous efforts.

The SBF IDD Survey 2022 Results Reports uncovered more High-Risk Topics/»Red flags« that XXL accounted for in last year's Statement. In 2023, these «red flags» have been followed up in individual conversations between the industry partners and the respective suppliers' contact persons.

6.3.4 SBF IDD Survey 2022 – Findings and Output 2023

One essential outcome of the execution and follow-up of the SBF IDD Survey 2022 Results Reports is overall awareness. The IDD Survey-tool *concretizes* potential risk-factors thereby making it easier to understand what human and labor rights are in practical terms. Through the personal follow-up conversations, the suppliers have committed themselves to eliminating or reducing high-risk areas through establishing improvement objectives, action plans and follow-up measures.

The improvement efforts are a continuous, long-term process. However, already in 2023, the SBF IDD Survey has produced results. The below High-Risk Topics overview accounted for in XXL's Statement 2022 shows findings of 19 (of 37) «red flagged» risk areas, as well as the outcome of the follow-up measures for each of the topics.

For the sake of good order, attention should be given to the fact that the SBF IDD Survey is trust based. The suppliers' responses in 2022 and the follow-up in 2023 have pt. not been verified through documentation or otherwise.

The **red highlighted topics 2023** in the list below will be further followed up and accounted for in next year's Statement:

CATEGORIES AND TOPICS	FINDINGS 2022	FOLLOW-UP OUTCOME 2023
1. COMPLIANCE MANAGEMENT SYSTEM		
Human and Labor Rights Policies:		
- Do the suppliers have Policies?	- No, not all	- Yes
- Have the Policies been communicated and applied?	- No, not all	- No, not all
2. FUNDAMENTAL HUMAN AND LABOR RIGHTS		
Risk of Child Labor:		
- Do the suppliers register the birth date of their employees?	- No, not all	- Yes
Risk of Slave/Forced Labor:		
- Do the suppliers prohibit migrating employees from paying recruiting agency fees?	- No, not all	- No, not all
- Do the suppliers have control over/free access to personal documents kept by the employer?	- No, not all	- No, not all
- May the suppliers' employees give their notice to leave and resign without being fined/threatened with fines?	- No, not all	- Yes
Risk of Harassment:		
- Have the suppliers implemented measures to prevent harassment/sexual harassment?	- No, not all	- Yes
Risk of Discrimination:		
- Have the suppliers implemented measures to ensure equal rights and prevent discrimination?	- No, not all	- Yes
Risk of Violating Employment Agreements:		
- Do the suppliers' employees have a lawful, signed employment agreement in a language they understand?	- No, not all	- No, not all
Violation of Living Wage regulations:		
- Do the suppliers' employees have wages lower than the legal minimum wage?	- Yes, some	- Yes, some
Violation of right to social benefits:		
- Do the suppliers' employees have social benefits they are entitled to by law?	- No, not all	- No, not all
Availability of grievance mechanisms:		
- Do the suppliers have whistleblowing channels or other grievance mechanisms available for their employees?	- No, not all	- Yes
3. HES		
Security Risk:		
- Do the suppliers' employees have necessary personal protective equipment and training in how to use it?	- No, not all	- Yes
Decent working conditions:		
- Do the suppliers' employees have a safe, suitable, and hygienic workplace?	- No, not all	- Yes

CATEGORIES AND TOPICS	FINDINGS 2022	FOLLOW-UP OUTCOME 2023
Prevention of accidents:		
- Have the suppliers implemented procedures that prevent accidents?	- No, not all	- Yes
- Do the suppliers conduct health and safety controls regularly?	- No, not all	- Yes
- Do the suppliers follow up and register close accidents?	- No, not all	- No, not all
4. ANTI-CORRUPTION AND BRIBES		
- Have the suppliers been listed or sanctioned by the UN, USA, EU, or locally due to participation in organized crime, money laundering, terrorism, financing of terrorism or other financial crime?	- Yes, some	- No
- Have the suppliers donated money to political parties?	- Yes, some	- Yes, some

6.4 ORIGINAL EQUIPMENT MANUFACTURERS (OEMs)

In addition to conducting due diligence of suppliers and their sub-suppliers together with SBF, in 2022, XXL initiated a separate IDD Survey of its 76 OEMs. The OEMs are managed by XXL's agent located in Guangzhou, China. All OEMs completed the IDD Survey. The OEM IDD Survey 2022 Results Reports confirmed that XXL's agent has good overview of the manufacturers. All OEMs have signed the XXL Supplier Code of Conduct Declaration of Compliance. Furthermore, the agent has conducted Social Audits and other audits. OEMs have produced documentation and reports based on the BCSI Smeta structure and third parties' audit reports (BSCI, SA8000, ETI, Costco, SEDEX). The review of the OEMs has been continued in 2023 and results will be accounted for in next year's Statement.

6.5 WEST SYSTEM NORGE AS

In 2022, XXL's wholly owned subsidiary West System Norge AS was comprised by the Transparency Act and published a separate Statement. The subsidiary was not comprised by the Act in 2023. Due to the supply chain of West System Norge mainly is separate from that of XXL, XXL conducted in 2023 a separate mapping of potential negative consequences of its subsidiary's operations regarding human and labor rights. Based on a preliminary risk assessment using the same risk criteria as the SBF IDD, 25 of the subsidiary's in total 89 suppliers have been requested to conduct an IDD Survey. The outcome of the survey and follow-up measures will be accounted for in the Statement 2024.

6.6 STAKEHOLDER DIALOG

In order to obtain correct and quantitative information regarding its stakeholders' opinions and viewpoints regarding XXL's business practices and performance, XXL regularly conducts stakeholder interviews. The feedback of our stakeholders is a valuable contribution among other factors to understanding risk factors regarding lawful and ethical business operations and behavior. XXL shall continue the open and good dialog going forward and shall continue to account for the essence of the feedback in future Annual Reports.

7. Mapping – Other Business Partners

In 2023, XXL has expanded the due diligence to include business partners outside the value chain. The Company has initiated a mapping of 31 business partners selected based on a preliminary risk assessment. Risk criteria include mainly industry risks related to the operations providing goods and services within: IT, rentals, leasing of equipment and cars, store equipment, transportation, and work clothes.

The financial scope of the business partnerships has also been weighted in based on the assumption that the potential negative consequences of larger business partners' operations related to human and labor rights likely area are more comprehensive than the smaller players'. The outcome of the due diligence will be accounted for in next year's Statement.

8. Further Follow-up and Plans

The individual XXL supplier and business partner has access to their electronic IDD Survey Results Reports and may update their responses as the measures they have committed to pay off. This makes it easy for XXL to monitor and follow up its suppliers' and business partners' continuous efforts to follow through with their commitments to improve. The suppliers will be held accountable for the performance of their own sub-supplier chains.

In cases where the suppliers or business partners, despite systematic follow-up and clear expectations are not able to document or otherwise substantiate that they comply with XXL's requirements and standards, will be sanctioned. Sanction measures will be considered in each individual case, including indemnifications or damages for non-economic loss.

The industry cooperation between XXL, SBF and other major industry players will continue going forward through a dedicated Contact Forum. The mandate of the Contac Forum will include cooperation regarding common, coordinated measures both as regards activities towards the suppliers as well as further development of the due diligence concept.

In 2024, the industry partners have identified another 24 suppliers that will be requested to complete the SBF IDD Survey in 2024. The 24 suppliers have been selected based on the same risk criteria as in 2022, along with the industry partners knowledge and experience with the individual suppliers. In addition, the 3 non-responding suppliers in the 2023 IDD Survey will be requested to complete the 2024 Survey.

9. Communication and Information

In the upcoming reporting period, XXL will consider how identified negative consequences of its operations regarding human and labor rights shall be communicated to the affected, including employees or external stakeholders.

Anyone has the right to approach XXL with requests related to actual or potential adverse impact on human and labor rights related to the Company's business operations or behavior. This includes overall information as well as information regarding specific goods or services. Requests may be submitted through inforequest@xxl.no