

BALLY, Switzerland  
Est. 1851



The Bally Supplier

CODE OF CONDUCT 2022

## INTRODUCTION TO THE BALLY SUPPLIER CODE OF CONDUCT

Since its founding in 1851, Bally has maintained a consistent and committed approach to social and environmental responsibility, which has allowed its customers to recognize Bally as a brand that can be trusted.

Bally sets high standards for its employees and management through the Bally Code of Ethics. These same high standards are extended to its commercial partners via the Bally Supplier Code of Conduct, or “Code,” which is used to guide the selection, engagement and retention of its commercial partners.

This document provides the minimum standards of operation that Bally expects of its suppliers, and the sub-tier suppliers they engage, in relation to any Bally requirements (“Suppliers”).

Acknowledgment and commitment to compliance with the Code is a requirement for every supply agreement with Bally.

01.

## SAFE WORKING AND HUMAN RIGHTS

### MINIMUM WORKING AGE

The use of child labour is strictly prohibited. Suppliers shall not directly or indirectly employ any individuals under the age of 16. Suppliers must adhere to ILO Convention 138 "*Minimum Age*," and ILO Convention 182 "*Elimination of the Worst Forms of Child Labour*." If a Supplier employs young workers, it must demonstrate that such employment does not expose them to undue risks that can negatively affect or harm physical or mental development.

### VOLUNTARY EMPLOYMENT

Under no circumstances shall Suppliers engage or in any other way benefit from forced labour. Forced labour refers to any form of indentured servitude or human trafficking, including, but not limited to, the use of physical punishment, confinement, and threats of violence as a method of discipline or control, such as retaining employees' identification, passports, work permits or deposits as a condition of employment. Suppliers shall not use migrant or prison labourers unless compliant under a legal framework.

## **NON-DISCRIMINATION**

Suppliers are expected to treat their employees with dignity, respect and integrity. Suppliers shall not discriminate in hiring, compensating, promoting or disciplining on the grounds of race, colour, religion, gender, age, physical ability, national origin, sexual orientation, political affiliation, union membership, medical tests or marital status.

## **FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

Suppliers shall grant their employees the right to freedom of association and collective bargaining without discrimination and fear of repercussions in accordance with any applicable laws and regulations.

## **WORKING HOURS**

Suppliers shall comply with all applicable laws and mandatory industry standards pertaining to regular working hours and overtime hours, including breaks, rest periods, holidays and leave of absence of any kind, such as maternity and paternity leave.

## **COMPENSATION AND BENEFITS**

Suppliers shall ensure that wages and benefits are in accordance with national laws or industry standards, as well as any binding collective agreements. Suppliers shall not apply any form of discriminatory deductions from pay.

## REGULAR EMPLOYEMENT

Suppliers shall only employ workers who are legally authorized to work in their facilities and are responsible for validating employees' eligibility to work with appropriate documentation. All work shall be voluntary and on the basis of recognized employment relationships established through local law and practice. Workers shall be free to leave work or terminate their employment upon reasonable or contractual notice.

Obligations that Suppliers have to employees through labour, social security and regular employment relationship laws and regulations shall not be circumvented through the improper use of independent worker contracting, subcontracting or home-working arrangements.

## HEALTH AND SAFETY

Suppliers shall provide a safe and healthy workplace for their employees, ensuring appropriate minimum conditions of light, ventilation, hygiene, fire prevention, safety measures and access to drinking water and clean toilet facilities. Suppliers shall take all necessary steps to prevent accidents and injuries at the workplace, and implement systems to detect, avoid and respond to any residual safety risks. Training shall be provided on health and safety at work, and appropriate record of completed training courses shall be maintained.

## HARASSMENT

Psychological, physical or sexual harassment, including verbal abuse, intimidation, threat, or any additional harassment is not tolerated.

## 02.

# ENVIRONMENTAL AWARENESS AND PROTECTION OF NATURAL RESOURCES

## PROTECTION OF ANIMALS

All animals must be treated with care and dignity through each life phase. Suppliers must ensure that animals are treated humanely, and refine procedures to minimize distress, actively reducing the numbers of animals used. Suppliers must also comply and actively monitor laws and regulations regarding endangered animals and plant species, operate in line with the Convention on International Trade in Endangered Species (CITES). We recommend suppliers follow including The International Union for Conservation of Nature (IUCN) Guidelines, including the IUCN Red List of Threatened Species.

## ENERGY AND AIR EMISSIONS

Suppliers are expected to have an organized plan to be efficient in their energy use, with an emphasis on using renewable energy sources. Operations should be regularly reviewed to ensure they are in line with industry standards relating to the reduction of greenhouse gas emissions and hazardous air pollutants, helping to meet national energy reduction targets.



## WATER CONSUMPTION

Water is a valuable natural resource and should be used efficiently and in compliance with any local laws and regulations. As appropriate, Suppliers should take measures to evaluate freshwater withdrawals, reuse water and improve management of wastewater discharge.

## PAPER, PLASTICS AND NON-RENEWABLE MATERIALS

Consumption of paper, plastic and all “one-time use” materials shall be actively minimized, and the use of alternative and renewable materials such as recycled plastic and natural fibres considered. Additionally, Suppliers shall implement proper waste management protocols. Suppliers are encouraged to set and disclose measurable and time-bound targets, strategies and progress towards eliminating “one-time use” materials in processing, manufacturing, packaging and daily operations.

## PRODUCT QUALITY AND SAFETY

All products and services delivered by Suppliers shall meet the quality and safety standards required by applicable law.

## HAZARDOUS MATERIALS, CHEMICALS AND SUBSTANCES

Hazardous materials, chemicals and substances shall be properly identified, and Suppliers shall ensure their safe handling, movement, storage and disposal in compliance with all applicable laws and regulations, Bally’s Restricted Substance List (RSL) and relevant REACH protocols. Suppliers are expected to train their employees in product safety practices including use, handling, storage and disposal. When applicable, specifically in tanneries and processing facilities, Suppliers shall screen dyes and products containing volatile organic compounds (VOCs).

## *03.*

# TRACEABILITY

## OUTSOURCING

Suppliers shall not assign any work to third parties without prior written authorization from Bally. In the instance where work is permitted to be outsourced, Suppliers should ensure the Code is complied with directly and indirectly.

## ORIGINS – MATERIAL AND PRODUCT TRACEABILITY

The origins of all raw materials, including the services required to improve them throughout Bally's supply chain, must be traceable. Upon request from Bally, all Suppliers and sub-suppliers must be able to disclose full mapping of at least one upstream level to conduct an assessment of upstream supply chain compliance. Bally strongly encourages all Suppliers to trace their sources through certified organizations and standards.



## *04.*

# ADDITIONAL PROVISIONS

## ANTI-MONEY LAUNDERING

Suppliers must abide by all laws and regulations against money laundering, self-laundering and the financing of criminal activities. Suppliers shall not engage with third parties where there is reasonable doubt and/or behaviours of money laundering. Bally encourages all Suppliers to implement measures to regulate financial transactions.

## ANTI-BRIBERY

Offering or promising a personal benefit or improper advantage in order to obtain or retain a business or other advantage from a third party, whether in public or private, is strictly prohibited. This restriction includes the payment or acceptance of bribes, kickbacks or any actions that violate applicable anti-bribery laws and regulations.

## TAXATION

The Supplier shall comply with the letter of the tax laws and regulations of countries in which its company operates.

## CONFIDENTIALITY OF INFORMATION

Any confidential information Suppliers receive through its commercial relationship with Bally shall be maintained as confidential. After the relationship with Bally is terminated, Suppliers are expected to maintain confidentiality and return confidential materials.

## *05.*

# ADOPTION OF THE CODE AND VIOLATIONS REPORTING

## MONITORING AND MANAGING COMPLIANCE

Suppliers must ensure that the Code is universally understood and adhered to by its employees, sub-suppliers and collaborators, and that there are appropriate internal mechanisms to monitor and manage compliance. Bally reserves the right to carry out direct or verified, third-party audits at Supplier facilities and those of their sub-suppliers and collaborators. Bally also reserves the right to request any documentation deemed relevant to conduct assessments of environmental and social risks. Compliance with the Code is a material term for all contracts with Bally. Although a single low-level infraction will typically not result in the termination of a contract with Bally, it should be known that any serious offences or repeat violations will most likely result in the final termination of a supply contract and commercial relationship with Bally.

## MANAGING COMPLAINTS AND REPORTING VIOLATIONS

Bally has established confidential and private communication channels which it regularly monitors for the reporting of suspected violations of its Code of Ethics and the Bally Supplier Code of Conduct. Bally strongly encourages everyone with reasonable suspicion and belief of non-compliance to contact the Bally Internal Audit Department via post at Bally Schuhfabriken SA, via Industria 1, 6987 Caslano, Switzerland, or via email at: [codeofethics@bally.ch](mailto:codeofethics@bally.ch)

Reports of potential violations may be made anonymously or otherwise. If a report is submitted anonymously, it is important to submit a comprehensive report so the suspected violation can be thoroughly investigated.

## Supplier's Acknowledgement

We, the undersigned, hereby confirm that:

- We have received and taken due note of the contents of the Bally Supplier Code of Conduct (the "Code").
- We are aware of all relevant laws and regulations of the countries in which our company operates.
- We will report any cases of violations of the Code to Bally.
- We will comply with the Code requirements based on a development-oriented approach and without amendment or abrogation.
- We will ensure that all of our employees/relevant subcontractors comply with the provisions incorporated therein.

We hereby authorize Bally or any organizations acting on behalf of Bally to carry out audits to verify compliance with the Code.

Name of Company \_\_\_\_\_

Name of Legal Representative \_\_\_\_\_

Title \_\_\_\_\_

Company's Business Registration / Statutory ID / Code / Number \_\_\_\_\_

Date \_\_\_\_\_

Signature \_\_\_\_\_

This document must be signed by an authorized representative of the Supplier and returned to Bally.  
Signed PDF version is acceptable.