

**BALLY**

2020 BALLY SUSTAINABILITY REPORT

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## CEO Message

2020 was a year unlike any other in human history. We encountered a series of cascading crises, from the Australian and North American wildfires to the grave outbreak of Covid-19, a rapidly evolving and unprecedented event that has touched every culture and continent.

We were forced to pause both personally and professionally, learning radically different ways of working and connecting with the world, and adapting to new perspectives while staying healthy and safe. At Bally, we prioritized the health and well-being of our employees and community, adopting every recommendation of the World Health Organization and local authorities to provide a safe environment.

Additionally, we took measures to ensure that our factories, offices, stores and supply chains met the highest health and hygiene standards to curb any infection. We also implemented remote working, holiday recovery and overtime, with our legal consultants researching how governments could help provide supplemental resources to support those who were forced to quarantine, or those who were unable to join the workplace.

We built systems to provide additional assistance, from a Coronavirus Solidarity Plan in China beginning in February 2020 to financially supporting our employees with an Executives' Solidarity Fund in April 2020, whereby our executive team donated a portion of their salary to support Bally employees affected by reduced-work initiatives.

To support the global events surrounding social justice, we took efforts to conduct internal bias training and organized a global Diversity and Inclusion Survey to gather feedback on our culture through an independent audit. I am proud to report that Bally was found to be a safe and favorable workplace for people of all ethnicities and backgrounds, as well as the LGBTQ+ community.

As a Swiss company, we value the promotion of peace, mutual respect and non-discrimination, key principles derived from the UN's Universal Declaration of Human Rights that underpin Bally's Code of Ethics, which we published online at Bally.com in seven languages. Its values guide us and are applied in our day to day, encapsulating what is expected from each of us at Bally, and the manner in which we conduct business.

We vow to continue finding more transparent solutions to uphold diversity and inclusion, and even launched our Bally Employee Resource Group (or BERG) in 2021, empowering teams to act upon matters of DEI, for which we officially formed a Steering Committee, as well as the environment.

Despite Covid-19 keeping us apart in 2020, we were still able to creatively connect, finding new meaning in our everyday lives and rediscovering the significance of simpler values and routines. As a business, we found renewed purpose by innovating and introducing new tools into our workflow, accelerating our digital transformation through immersive Virtual Showroom and Virtual Collection Presentations, and delivering seamless integration between online and offline experiences.

We set up the Bally Peak Outlook Foundation, a nonprofit committed to safeguarding the world's fragile mountain environments and their surrounding communities, and organized a remarkable 47-day expedition in Fall 2020 to clean up the base camps of four 8,000m Himalayan mountains. This extraordinary feat supported the local livelihoods of our partners on-the-ground, many of whom are Nepali Sherpa, while allowing them to restore their native environment to its pristine state.

6 Under compromised conditions, we have taken time to redefine what Bally stands for, evolving our brand essence to solidify our core values in an industry that has been questioning its relevance. Our unique Made in Switzerland origin is at the intersection of everything that we do and celebrates a timeless way to wear luxury that remains relevant beyond seasonal trends. With a dedication to longevity and quality-first, Bally is well placed to succeed within a consumer-led agenda that demands more.

Although external factors may seem challenging at times, we are in fact growing, learning and rethinking the very way we operate as a fashion brand. The industry itself is transforming before our eyes, but the Bally brand has always persevered through hardship, and knowing how to adapt and evolve has been an integral part of our core DNA since 1851.

As we look ahead towards brighter days, we will continue to uphold our commitment to Sustainability and Corporate Social Responsibility (CSR) to meet our short- and long-term goals. In 2020, we prepared 15 years of The Bally Foundation, which promotes contemporary artists with ties to Ticino, offering global support for local talent and the Alpine environment from the Swiss region we call home. We also celebrated our Bally Artisans through a human-forward photography exhibition called "My Craft, My Legacy," honoring those individuals who have preserved our heritage of craftsmanship for generations.

Importantly, we implemented eco-friendly designs with our Bally Peak Outlook Capsule, whose campaign was captured by renowned environmental activist

and photographer Michel Comte, with 100% of net proceeds benefiting the preservation of mountains. We also launched the B-Echo collection of multi-functional bags made from 100% recycled nylon and regenerated materials, with each bag saving the equivalent of 25 plastic bottles (or 34,000 plastic bottles in H1 2021).

While this report details our achievements through the 2020 year, most notably, chronicling our Scope 1, 2 and 3 emissions from 2019 (our standard baseline year), we have much progress ahead as we look to 2021: replacing our best-selling Offshore men's line with the new Mythos, removing PVC and saving two tons of plastic from year-to-date sales; improving the total electric power and heating at our Caslano headquarters to 85% renewable energy, saving over 28 tons of carbon emissions; ensuring a minimum of 30% of polythene envelopes used in accessories to be made of regenerated materials; kicking off a packaging project to remove all single-use plastics in B2B and B2C packaging; and updating our suppliers' Code of Conduct. For 2022, we look forward to submitting our Climate Action Plan and science-based targets via the SBTi (Science-Based Targets initiative), inspired by the global Fashion Pact coalition, with whom we are an early signatory.

For the years to come, my ongoing vision is to ensure that Bally evolves to fit into tomorrow's world. None of the trends we are observing now are new—they have been sped up by the pandemic, and we have charted a solid forward path in response. Through collaboration and courage in leadership, may we usher in "A Better Future" of potential and possibility for generations to come.

Here's to a speedy recovery for our communities and the world, and our continued commitment to do better by making better things.

**Nicolas Giroto,**  
Bally CEO

# OUR PROGRESS

Chronicling our company-wide commitments, this report shares our year-to-date performance and progress on the short-, mid- and long-term goals published in our Sustainability Roadmap (2019) to mitigate our environmental footprint and promote social and economic well-being.

As an early signatory of The Fashion Pact, we also join our industry to implement Science-Based Targets by 2022.

In continuing to affect change, placing purpose beyond profit, and seeking new, innovative ways to deliver on that promise, we commit to doing better for people, product and planet. Below, are a few key highlights from 2020, a year unlike any other:

## People

COVID-19 PROTOCOLS: To keep our community safe during an unprecedented global pandemic, we implemented a wide range of Covid-19 protocols (pg. 60) in our facilities around the world, adhering to strict guidance from the World Health Organization and local governments, and created an Executive Solidarity Fund (pg. 61) to help mitigate financial hardship related to Covid-19.

## Product

PREFERRED MATERIALS: In 2020, we successfully began to transition our designs by integrating eco-friendly materials, such as the B-Echo's 100% recycled nylon, to help mitigate our impact on the environment. Each bag, for example, accounted for savings of approximately 25 half-liter plastic bottles, or the equivalent of 34,000 plastic bottles saved by the first half of 2021 (pg. 39).

RENEWAL PROGRAM: We believe in products that last. In 2020, we extended the life cycle of 4,725 products through repair, including 1,967 shoes, 228 ready-to-wear items and 2,530 accessories.

## Planet

PRESERVING MOUNTAINS: We cleaned up four base camps of 8,000-meter Himalayan mountains, including Mount Everest Base Camp for the second time. Through this first phase of our Bally Peak Outlook Foundation's 8x8000m pledge to clean up eight 8,000-meter Himalayan mountains over the course of two years, a 47-day expedition led by renowned environmental activist and climber Dawa Steven Sherpa removed 2.2 tons of waste (pg. 83).

## SUSTAINABILITY AT BALLY

“As we look ahead towards brighter days, we will continue to uphold our commitment to Sustainability... through collaboration and courage in leadership, [ushering] in ‘A Better Future’ of potential and possibility for generations to come.”

Nicolas Giroto, Bally CEO





## Making Things Better By Making Better Things.

Since our company's founding in 1851, Bally's dedication to its community, social responsibility and respect for the environment has been intrinsic to our identity before terms such as "Sustainability" or "Corporate Social Responsibility" became mainstream. The family-run business, led by the pioneering vision of Carl Franz Bally, instilled a strong culture of doing good for the company's people, product and planet from the very onset.

Today, as the world changes around us, so have the expectations of consumers. People are demanding more of the brands they love, and fashion is no exception. As a result, we have strengthened our commitment to transparency, further evidenced by our +14% score leap in the Fashion Transparency Index 2021, an industry-wide research and communication tool published by global movement Fashion Revolution benchmarking over 250 brands' progress.

Our annual Sustainability Report, first published in 2020, reports in accordance with the United Nations' Sustainable Development Goals (SDGs) and the Global Reporting Initiative (GRI). Our overarching Sustainability strategy and goals are built upon four pillars that platform our efforts across the company, implemented by our Sustainability Steering Committee, Sustainability Operations Committee, and Sustainability Working Groups (see our GRI 102-18 in the Appendix for more on Governance):

## Transparency

From facilitating greater transparency to publishing our Code of Ethics, increasing the cadence of monitoring and reporting, or aligning with global affiliate organizations to drive awareness industry-wide, we believe that open and honest communications will allow for greater corporate accountability and governance. That's why we publish our Sustainability Reports annually and maintain accountability by following up on our company-wide progress. We also endeavor to move towards greater transparency, like mapping 90% of Tier 1, 2 and 3 suppliers by 2022.

## Quality

We demand excellence in design, materials, technology and supply chain, the latter of which accounts for the most pollutants and waste produced from product to packaging. By enacting better purchasing decisions and evolving sourcing and procurement, we plan to develop longevity programs aimed at product care and repair by 2022, and ensure 100% traceability of all leather back to farms, with 75% of leather purchased from certified tanneries by 2025. We will also strive to ensure 95% of raw materials are traceable to farm level by 2025, among other actionable goals to help minimize environmental harm.





## Collaboration

We have been a leader in supporting creative talent and diverse communities through The Bally Foundation, Crafting Futures, and the Bally Peak Outlook Foundation. Bally will continue to strengthen its people, culture and core values through collective entrepreneurship, meaningfulness and high performance (the Bally Way), with the ultimate goal to create a purposeful business model that benefits all.

## Progress

Building on our history of innovation, from processes to materials and design, Bally's future depends on the ability to accelerate change and find unprecedented solutions that can bring distant goals within reach, like introducing a fully circular product to the market (2025), reducing single-use plastics in B2B and B2C product packaging by 30% (2025), and by 100% (2030). Through Bally's Center of Excellence (2022), we are further committed to research and development, strategic partnerships and innovation.

## MATERIALITY

Working closely with Bally's key stakeholders, our first materiality matrix, published in our 2019 Sustainability Report, marked an integral effort to determine the key focus areas that matter most to Bally as a business.

Overseen by Bally's Sustainability Operations Committee, the Scuola universitaria professionale della Svizzera italiana (SUPSI), or University of Applied Sciences and Arts of Southern Switzerland, helped support us to define those topics that have a direct or indirect impact on our organization's ability to create and preserve economic, environmental and social value for ourselves, relevant stakeholders and society at large, as defined by the GRI.

Materiality analysis will be continuously refined and periodically undertaken, and will include external stakeholder input in its second iteration. Our first materiality matrix prioritized the following focus areas, among others:

- Occupational Health & Safety
- Employee Welfare
- Business Ethics & Integrity
- Human Rights & Equal Opportunities
- Customer-Centricity
- Product Quality
- Innovation Culture
- Support of the Arts
- Efficient Management of Waste

For a full list of material topics, please reference GRI 102-47 in the Appendix.



## GOVERNANCE

We aim to integrate Sustainability into every layer of our business. By establishing a corporate governance system of principles and accountability measures, our Board of Directors, Sustainability Steering Committee, Sustainability Operations Committee and its Impact Leaders provide critical oversight into our day-to-day actions, while implementing our Sustainability Roadmap and goals.

### 24 Board of Directors

Our Board of Directors sets Bally's strategic objectives, establishes policies and oversees the company's activities. The Audit Committee assists the Board in fulfilling its corporate governance duties in relation to financial reporting, internal control system, risk management system and internal and external audit functions.

The Board of Directors has also set up three board committees to provide advisory services and proposals: the Remuneration Committee, the Brand and Product Strategic Committee, and the Internal Control and Risks Committee.

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- **Sustainability Steering Committee**

The Sustainability Steering Committee (SSC) is comprised of four people (CEO, EVP of Supply Chain, EVP of HR, and the Director of Heritage & Innovation) responsible for reviewing and endorsing the Sustainability Roadmap and Action Plan(s), as well as all corporate policies and regulations related to Sustainability. They review and endorse all formal publications of the Sustainability Operations Committee (SOC), such as the Sustainability section of Bally's corporate website and its annual Sustainability Report, and ensure necessary support for and prioritization of Sustainability-related policy and initiatives. The chairman of the SSC is Bally's CEO.

- **Sustainability Operations Committee**

The Sustainability Operations Committee (SOC) is comprised of 13 people across Bally's business functions in charge of: (i) preparation and handling of all Sustainability-related global corporate policies and regulations on behalf of the SSC and (ii) developing reporting mechanisms and events, and implementing a communication strategy to ensure increased awareness internally and externally. The SOC is an inter-departmental network comprising all functions at different levels of the organization.

- **Sustainability Working Groups**

Our Sustainability Working Groups are established by the SSC to address specific goals as needed. Their mandate is typically limited and ends with the approval of the requested deliverables, whether that be recommendations or action plans. Working Groups report to their representative at the SOC (Impact Leaders).

Through three key platforms for purpose—promoting the arts (The Bally Foundation), providing educational opportunities (Bally Crafting Futures) and preserving the mountains (Bally Peak Outlook Foundation)—we support culture, talent and the environment, aligned with the principles of our Sustainability strategy and a long-standing Swiss heritage and DNA.

## THE BALLY FOUNDATION (FONDAZIONE BALLY)

The Bally Foundation was established in 2006, furthering Bally's history of artistic collaboration by promoting contemporary artists with ties to the Ticino-region of Switzerland. The foundation further draws attention towards the environment, technology, and the anthropocene. Its annual Bally Artist of the Year Award platforms partnerships with global arts institutions, local initiatives that promote creative expression, and sustains the artistic legacy of its community.

The winner of 2019's Bally Artist of the Year Award, announced in 2020, was Gabriela Maria Müller for her work *Cœurs sacrés* and its sui generis quality and adherence to the theme: "On the nature of the world." Created between 2018 and 2019, *Cœurs sacrés* expresses Müller's recurring love for nature, and invites viewers to discover nature's unstoppable change. Wrapped in wooden-framed voile, a hypnotizing spiral composed of thousands of dried seeds from a single elm tree is the piece's main focal point, which was exhibited at MASI Lugano's Palazzo Reali in Fall 2020.



## CRAFTING FUTURES

Empowering the next generation of fashion talent, Bally Crafting Futures provides emerging designers and aspiring executives the opportunity to develop skills and experience, both internally and externally, while pursuing their dreams in the fashion and luxury retail industry.

Through comprehensive institutional partnerships and educational mentorship programs, Bally Crafting Futures fosters creativity and innovation, further driving luxury's legacy of imagination and advancing its evolution towards a more sustainable future.

## THE BALLY PEAK OUTLOOK FOUNDATION

Bally has a deep reverence for the environment and outdoors, from sponsoring the 1948 Swiss Winter Olympics team and early 20th century expeditions with notable mountaineers, to creating the Reindeer boots worn by Tenzing Norgay during the first-ever ascent of Mount Everest in 1953 with Sir Edmund Hillary.

Today, Bally continues this alpine tradition through the Bally Peak Outlook Foundation, whose mission is to safeguard the world's fragile mountain habitats from the adverse effects of global warming and excessive tourism. Raising global awareness around the critical issues threatening the future of these extreme landscapes, the foundation empowers local communities to implement sustainable change (pg. 82).



## OUR PRODUCT

OUR COMMITMENT

At Bally, we don't compromise on quality, designing timeless classics built to last. We prefer longevity over fleeting trends, with a Swiss heritage of craftsmanship made possible by generations of Bally artisans, and the long-standing suppliers who share our dedication to excellence, ethics and the environment.

Driven by innovation, we also seek to reinvent the possibilities of our products. In running preliminary studies, we hope to use artificial intelligence (AI) in future support of collection planning, inventory decision-making and buying to limit waste, as well as other projects that enable us to put sustainable consumption front and center of our business strategy.



of our Tier 1, 2 and 3 suppliers will be mapped by 2022



of our leather will be purchased from certified tanneries by 2025



of raw materials will be traceable to farm level by 2025

## CRAFTSMANSHIP

### RENEWAL PROGRAM

36 The highly-skilled artisans at our Bally Shoe Factory in Caslano, Switzerland meticulously craft new shoes, while restoring old ones through our Scribe Novo renewal program. Resoling and refurbishing shoes allows classics to be further enjoyed, extending their life cycle and supporting a more sustainable approach to fashion. Including the Bally Scribe, we repaired a total of 1,967 shoes in 2020.

### GIVING BACK: IL PORTO DI COENZO

Since 2016, Bally has supported Il Porto di Coenzo, a non-profit, craftsmanship-focused organization in Italy with a leather goods laboratory that engages people with disabilities, empowering and offering opportunities to gain skills and employment as artisans. During this partnership, Bally has given invaluable training and resources, such as critical manufacturing equipment and leather, the latter of which Il Porto di Coenzo's artisans make into unique accessories and goods for a wide-range of companies.





## PRODUCT HIGHLIGHTS

### BALLY PEAK OUTLOOK CAPSULE

The Bally Peak Outlook Capsule of eco-friendly products launched early November 2020 with 100% of net proceeds benefiting the Bally Peak Outlook Foundation. Featuring 37 outdoor-inspired products, including collaborations with Sigg, Snow Peak and Vibram, the capsule helped fund future conservation projects. Men's and women's ready-to-wear designs were included in the capsule, made with eco-friendly synthetics or yarns, while graphic bags and accessories utilized recycled construction.

The campaign was photographed by Swiss environmental activist Michel Comte against the backdrop of the Rhône Glacier in Switzerland, highlighting the critical impact of global warming.



### B-ECHO

Bally's B-Echo range of multi-functional bags and accessories, created in Fall 2020, was made from environmentally-friendly materials, including regenerated leather, repurposed PET mesh and 100% recycled nylon, certified by the Global Recycled Standard (or GRS). Each B-Echo bag is attributed to savings of 25 half liter plastic bottles, or the equivalent savings of 34,000 plastic bottles by volume in the first half of 2021 from the capsule's production.

B-Echo's eco-fabrics were featured in a supporting film showcasing nylon fibers and leather scraps discarded during the manufacturing process being remade into our B-Echo designs.

## OUR PARTNERS

Our global team of suppliers and partners uphold our rigorous quality standards in contributing to our products, with a quarter of products completed in our own Caslano Shoe Factory in Switzerland. We handpick our partners, building mutual trusting and respectful relationships over time. Among our top ten suppliers, the average duration of our partnerships is 10.3 years.

10.3  
YEARS

the average duration  
of our partnerships

11+

partnership duration  
for finished goods

6+

partnership duration  
for raw materials

## OVERVIEW OF EXTERNAL SUPPLIERS

SUPPLIER	LOCATION	RELATIONSHIP TENURE	CATEGORY
Supplier 1	Campania, Italy	10 years	Women's Shoes
Supplier 2	China	11 years	Leather Goods
Supplier 3	China	9 years	Leather Goods
Supplier 4	Marche, Italy	9 years	Women's and Men's Sneakers
Supplier 5	Modena, Italy	3 years	Leather Goods
Supplier 6	Florence, Italy	5 years	Leather Goods
Supplier 7	Marche, Italy	17 years	Women's and Men's Sneakers and Drivers
Supplier 8	Tolentino, Italy	4 years	Leather Goods
Supplier 9	Abruzzo, Italy	4 years	Men's Driving Shoes
Supplier 10	Florence, Italy	31 years	Accessories (Belts)

As extended members of our Bally team, our partners adhere to and share our values and ethics, and we provide a high degree of oversight with all of our suppliers to ensure that they meet the highest ethical standards related to child labor, forced labor, health and safety, and the environment.

42 We require our suppliers to sign a Restricted Substances List in compliance with the European Union's REACH legislation, and to comply with our ethical standards. Included in our Suppliers Code of Conduct are environmental provisions which dictate that our partners must be able to provide information regarding mapping to source, resource consumption, pollution prevention, waste minimization, basic environmental protection, chemical and product safety requirements.

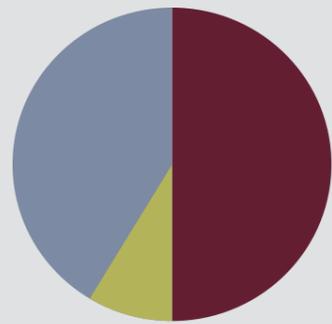
We also remain committed to supply chain traceability and accountability, mapping our supply chain at Tier 1 and Tier 2 levels. These facilities are audited on both environmental and social standards by Bureau Veritas, our third-party partner.

In order to be more flexible and optimal in procurement, the company seeks to establish a well-defined production footprint that takes advantage of the flexibility and know-how of the European supplier industry, accompanied by a strategic supply in more competitive areas. At the same time, the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply. We carry out a high degree of control over all our suppliers to ensure that they meet the highest ethical standards for child labor, forced labor, health and safety and the environment.

We have implemented a flexible sourcing model, adapting our supply chain to meet the required volume thresholds while maintaining long-lasting and trusted relationships with our main suppliers. At the same time, the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply. We have further focused our efforts on improving the efficiency of in-house production at our Caslano factory, allowing us to keep more production in Switzerland. 43

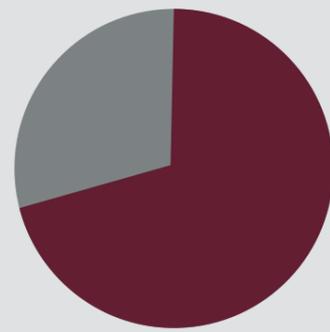
Our global logistics platform has also been organized to provide a high degree of operational efficiency. Primary warehouses in Switzerland and Greater China are outsourced and handle orders according to a "pick and pack" technique for stores in Australia, Greater China, Europe, Malaysia, Singapore and the U.S. Warehouses also perform value-added services, including quality control, labeling and tracing. We also have strategically located regional hubs in Australia, Greater China, Japan, Malaysia, Singapore and the U.S. These warehouses are now all outsourced. Matching demand and production in early stages allows us to cross-dock products from central distribution centers in Switzerland or Greater China through regional hubs to stores with shortened storage time and reduced handling of goods. Finally, we have reduced our carbon footprint by introducing a new model for products sold in China, sourcing and producing in the region where possible to avoid needlessly flying products from China to Europe.

### By category



- Shoes 41%
- Accessories 50%
- Ready to Wear 8%

### Local vs Other



- Other 29%
- Local 71%

### By category



- Shoes 49%
- Accessories 39%
- Ready to Wear 12%

### By country



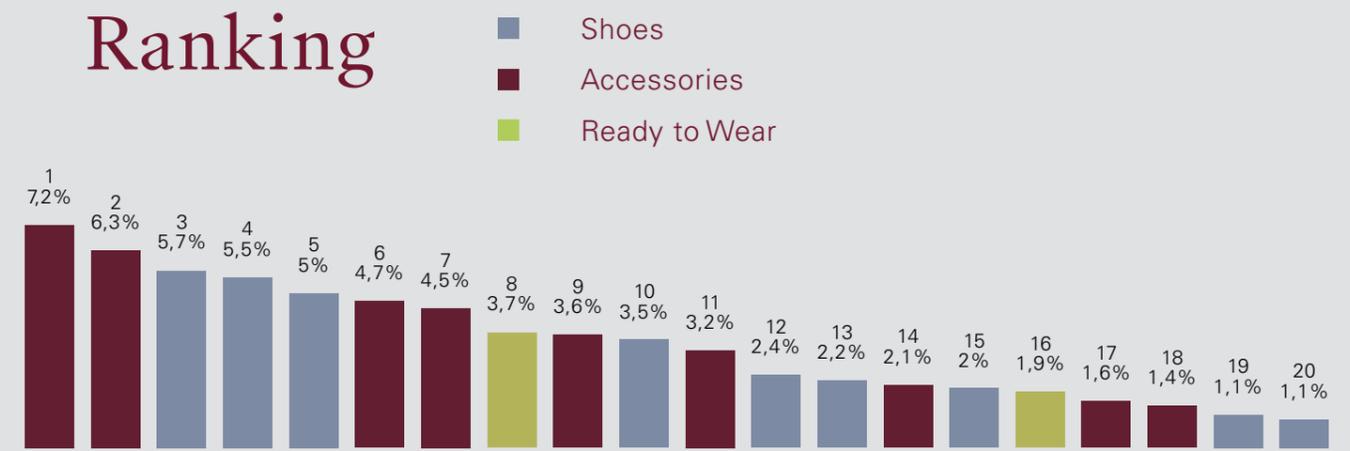
- PRC 7%
- Hong Kong 28%
- India 2%
- Italy 63%

### Local vs Other



- Other 37%
- Local 63%

### Ranking



- Shoes
- Accessories
- Ready to Wear

## Scope 1, 2 & 3 Emissions

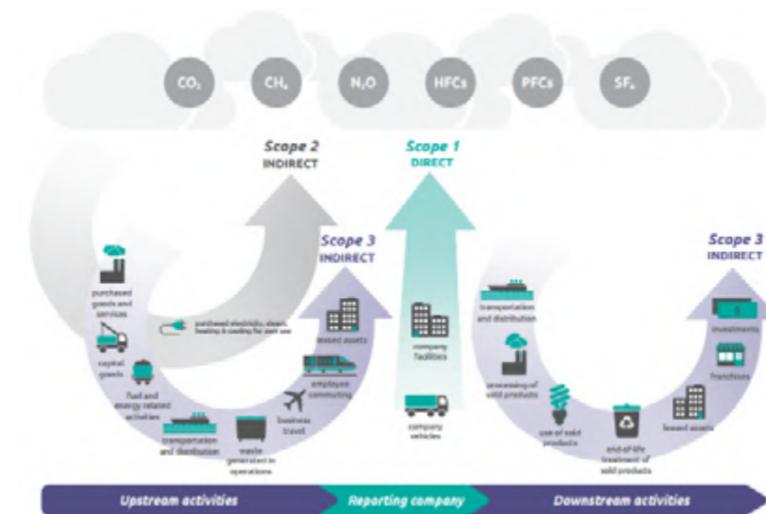
A corporate footprint is an accounting method used by companies to define a metrics-based Sustainability strategy. At Bally, measuring our corporate footprint can highlight key hotspots in terms of a carbon dioxide equivalent (CO<sub>2</sub>eq), a unit of measurement that is used to standardize the climate effects of GHG, across our value chain.

As a necessary step to set future Science-Based Targets and define an action plan for CO<sub>2</sub>eq emissions reduction, we have taken the first step in quantifying our Scope 1, 2 and 3 emissions for 2019, a baseline year, as defined by the Greenhouse Gas Protocol, the world's most widely-used GHG accounting standards, in partnership with the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

Working in collaboration with Sustainability strategists at Quantis, we have conducted a Corporate Footprint Roadmap, whose environmental indicator considered is the carbon footprint (CO<sub>2</sub>eq) which accounts for radiative forcing caused by emissions of GHGs such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

The capacity of GHGs to influence radiative forcing is expressed in terms of a reference substance (carbon dioxide equivalents) and considers a time horizon of 100 years following the guidelines from the Intergovernmental Panel on Climate Change (IPCC 2013).

Within the context of this project, only the carbon footprint indicator has been considered. This environmental KPI represents one aspect of Sustainability; to have a broader and more complete overview, more indicators should be considered.



Source: Greenhouse Gas Protocol

### SCOPE 1

**Direct emissions from sources controlled by the company.**

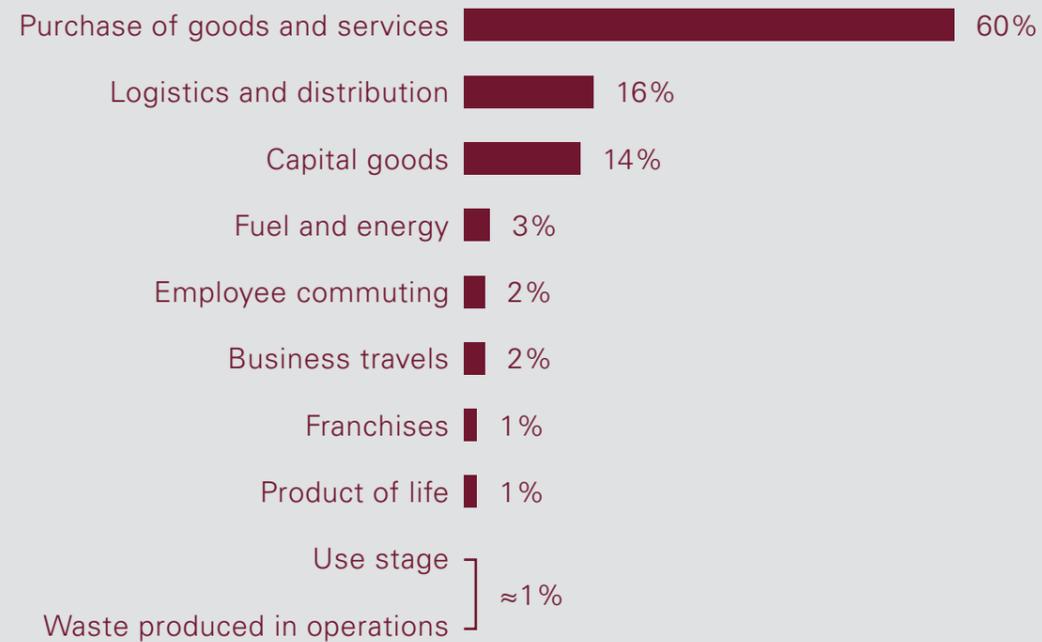
### SCOPE 2

**Indirect emissions generated by purchased electricity and consumed by the company.**

### SCOPE 3

**Other indirect emissions generated by sources not directly under the company control.**

## 2020 Contribution of Different Subcategories to Scope 3 Emissions (%)



48

## Accounting Method: Life-Cycle Approach

The company is accountable for the CO<sub>2</sub>-eq emissions along the life cycle of its sold products, from raw material extraction product end of life. This applies also to the emissions produced outside of the boundaries of the company (e.g. the raw materials used are produced and processed by suppliers of the company).



Source: Quantis

49

## Summary of Results

Bally's corporate footprint in 2019 totaled 103 kt CO<sub>2</sub>-eq. 96% of this was due to Scope 3 emissions, while Scope 1 and 2 contributed to the remaining 4%.

The main subcategory of our corporate footprint in terms of CO<sub>2</sub>eq emissions produced was due to the purchase of goods and services (58%), which includes the manufacture of Bally's sold products, such as the materials and processing stages. The main materials by quantity of CO<sub>2</sub>eq emissions are calf and bovine leather (70%). Textile materials like polyester, cotton and nylon, used for ready-to-wear products, account for approximately 3% emissions in the same category.

Logistics also constituted 16 kt CO<sub>2</sub>-eq (or nearly 16% of total emissions) due to outbound and local distribution (primarily air transportation), which was double the emissions of inbound transportation.

Overall, our directly-managed facilities, including our retail network with 159 directly-managed stores (Scope 2) and 173 indirectly-managed stores (Scope 3, franchise and travel retail) contributed to roughly 5% of the corporate footprint, considering the location-based approach.

**In 2019**

Bally's Corporate Footprint  
totaled

**103 kt CO<sub>2</sub>-eq**

## PREFERRED MATERIALS

Reducing our impact as a fashion brand starts with evolving the supply chain for better. Bally's A/W 2021 collection (developed in 2020) sourced approximately 20% of its materials from our Preferred Materials List, defined by innovative textiles such as recycled nylon, Leather Working Group-certified leathers, organic-certified jerseys and alpaca blends that incorporate PET yarns made from plastic bottles, among others. We aim to improve this target, and are further committed to sourcing 80% of preferred materials by 2025.

## 360 Virtual Showroom

We opened our first Virtual Showroom in July 2020 for the S/S 2021 Sales Campaign, in collaboration with our partners at Hyphen, to deliver a forward-thinking business model that enabled continuity while advancing commercial operations globally. Bringing to life our seasonal assortment of over 4,000 products and 12,000 digital assets, this pioneering Virtual Showroom represented a successful digital adaptation of our physical B2B selling campaign, developed in response to the pandemic's halting effects on travel.

Reducing the carbon footprint associated with physical presentations, this bespoke, product-centric experience hosted over 5,000 visitors from 50 countries around the world online.

## Bally Studio

As champions of digital innovation, Bally Studio, launched in 2020, platforms best-in-class digital experiences to a broader, more inclusive audience. Creating exclusive microsites developed with industry platform leader Jakala, Bally Studio features a mix of rich content, including seasonal inspirations, key looks, 360 product views, and downloadable assets to enhance users' virtual interface with new Bally collections.



## Artificial Intelligence

A collaboration with AI machine-learning experts PreWarp on price optimization will help decrease unsold merchandise and waste. In 2020, we completed a successful pilot and have now incorporated it into our regular business processes.

## Fashion Innovation Awards

We also nurture new talent and incubate innovators through the annual Fashion Innovation Award, which takes place each year in Switzerland, bringing together the best of the international FashionTech scene. In partnership with Loomish and Netcomm Suisse, the FIA helps fund scale-ups experimenting in finding solutions that address Sustainability, such as material alternatives, fashion digitalization and AI. We run pilots with select nominees and winners to test technologies and help them grow.



# OUR PEOPLE



## TAKING CARE OF OUR PEOPLE

We make sure that our employees are supported in growth, development and overall well-being as vital members of our Bally community. They have made all the difference, preserving our legacy of craftsmanship, as with our Bally artisans, or being catalysts for transformation and change, further driving our success as a heritage brand and business.

## Covid-19 Protocols

At a global and local level, our priority during the Covid-19 outbreak was to focus on the health and safety of our colleagues, adhering to all guidance from the World Health Organization and local governments, while enforcing additional protective measures, including, but not limited to:

- Mandatory masks
- Hand sanitizers
- Thermo-scanners
- Air sanitizers
- Internal vaccination campaign
- Serology testing
- Covid-19 insurance

## Executive Solidarity Fund

During Summer 2020, our executive team donated a percentage of their salary and paid-leave days to set-up a fund supporting Bally employees affected by reduced-work initiatives (lavoro ridotto or cassa integrazione), which was further supplemented by the company and administered by HR and a dedicated committee in observance of privacy and data laws, as well as the ethical principles of non-discrimination.

## Staying Connected

Additional measures were implemented throughout the 2020 year to engage our employees during work from home. We held monthly CEO virtual meetings company-wide to foster greater dialogue and communications across teams with key business updates and Q&A sessions, instilling greater transparency and unification across territories.

Through Smart Working Surveys, we helped the company implement the necessary adjustments to enhance our connectivity and effectiveness, among other initiatives. Despite the top five challenges of social isolation (20%) and access to tools (15%), 93% of respondents felt trusted by their company and their manager.

To help foster an office-like environment at home, Smart Working Vouchers were additionally provided to employees for the purchase of technological devices or office furniture for remote work

We are proudly committed to providing a global workplace that values who we are as individuals. In October 2019, we set the initial groundwork to begin an internal baseline assessment for Diversity, Equity & Inclusion (DEI), which was accelerated in 2020 to investigate and learn where we are, and how we can do better. This critical process paralleled the work we did to define our Sustainability Roadmap, charting a course of action with tangible milestones to achieve for the short-, mid- and long-term.

Amidst 2020's global movement for social and racial justice, Bally affirmed its commitment to DEI by donating \$30,000 to the NAACP Legal Defense and Educational Fund, a civil rights and legal organization fighting racial justice and founded in 1940 by Thurgood Marshall, the first African-American U.S. Supreme Court Justice.

We further conducted three unconscious bias training sessions for our staff in our Caslano headquarters and the U.S., and completed our first internal baseline DEI assessment, implementing a worldwide employee DEI survey, as well as confidential interviews, carried out by a third-party consultant, Bain & Co. Our initial survey results positively confirmed that Bally does not discriminate and values diversity while prioritizing inclusivity.

However, there is still much to be done to nurture and evolve our culture, and we are working hard to ensure that the right training programs and resources are in place.

#### KEY STATS FOR DEI:

- Bally is perceived as an open place towards LGBTQ+ people, and as a company who provides equal opportunities between men and women.
- 85% of employees think Bally has an inclusive culture.
- 90% of employees think Bally did/does not discriminate against them (equally among men, women and other minorities).

#### KEY ACTIONS FOR DEI:

- We will continue to address DEI through internal communications and collaborations.
- We will continue our training on unconscious bias, inclusive behaviors and language in order to raise awareness on what DEI truly means for Bally.
- We will reinforce the Bally Code of Ethics, with enriched content on specific policies such as equal opportunities and non-discrimination (2021).



## MY CRAFT, MY LEGACY

At Bally Haus Milan in Fall 2020, we presented a preview of “My Craft, My Legacy,” an in-store exhibition and digital campaign paying tribute to Bally’s team of 100 artisans whose passion and skill have continued the company’s heritage of craftsmanship and design for generations.

A series of fine art portraits photographed by Jackson Frederik honored the personalities who shape our physical product with the utmost attention to detail and care alongside the instruments of their craft.

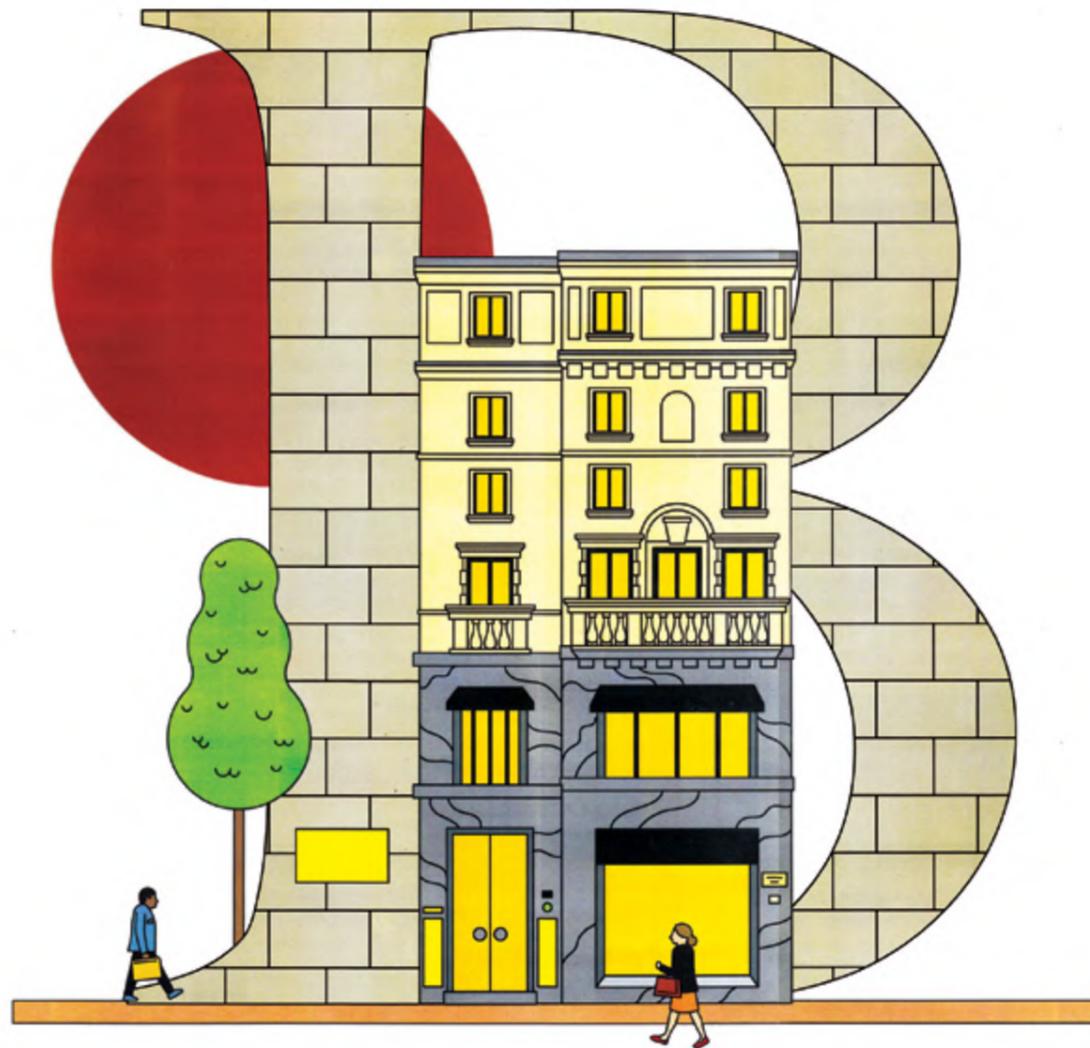
Today, Bally artisans craft between 150,000-200,000 pairs of shoes each year at our Caslano Shoe Factory, mastering a diverse range of roles including leather cutter, shoemaker, stitcher, finisher and polisher.

“We are one big family at Bally.” – Gerardo Musciagli, shoemaker, serving 39 years at Bally.

“My Bally adventure began in 1979, and I’ve made a lot of memories. There is always something new to learn.” – Carmela Luisi Polimeni, stitcher, serving 40 years at Bally.

“I believe in Bally, and Bally believes in me.” – Simona Maria Vieira, upper check operator, serving 6 years at Bally.





Illustrated by George Wylesol

**Exercises for Creativity** were introduced in 2020 to provide comfort and inspiration, encouraging employees to #StayHomeAndCreate, whether making still-life sets using household objects or writing a poem, and to share their creations through social media.

We further organized **Creative Workshops** with teams around the world, bringing them together to gather ideas and insights into how they perceived the post-pandemic landscape for luxury, and the specific implications this unique moment would trigger in consumers' relationship to fashion.

The introduction of **HackaBally**, the first global internal creative competition, invited employees worldwide to work on a challenge actively contributing to the company's retail strategy with the creation of a pop-up concept at Bally's new New York store. More than 100 employees participated, proposing 18 compelling projects.

## Code of Ethics

In June 2020, we published the Bally Code of Ethics, defining the framework upon which Bally has steered its purpose and vision for almost 170 years. Available in English, Italian, French, German, Spanish, Chinese and Japanese, this guiding document influences every aspect of our working life, framing our daily activities and governing the manner in which we conduct business internally and externally.

Placing great emphasis on respect and responsibility, the Code of Ethics paves the way for accountability and decency. It details our esteem for human rights and guarantees equal opportunities, allowing us to safeguard the health and safety of our employees. It also allows us to be effective, objective, professional and transparent while advocating for a stimulating work environment that nurtures talent and promotes trust.

## Conflict of Interests

In line with the principles of our Code of Ethics, Bally issued its Conflict of Interests policy in October 2020 to establish a standard of conduct for the best interests of the company and its stakeholders, advocating for more transparency and fairness and to define a whistleblowing procedure for suspected wrongdoing.

## Harassment and Non-Discrimination Policy

Bally is committed to promoting a safe working environment that guarantees and respects Human Rights, protection of the person, equal opportunity and non-discrimination, publishing its Harassment and Non-Discrimination Policy in December 2020.

It aims to prevent harassment and draws attention to the many forms of harassment, clarifying who employees shall contact to seek advice and/or assistance to ensure confidence in reporting complaints of harassment without fear.

Furthermore, the policy ensures equal employment opportunity without discrimination or harassment on the basis of race, color, religion, gender, sexual orientation, age, disability or any other characteristic protected by the law.

## Training

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While working from home, the Bally Portal provided inspirational and guiding e-resources for employees to refresh their knowledge with remote training of our culture, heritage and products. With over 70 courses, whose content is solely created by internal teams (2020) to ensure brand consistency, the portal also includes important guidelines on how to best guarantee the health and safety of our clients, stores and staff.

- In 2020, Bally Portal users spent a total of **15,170** hours learning on the platform.
- **+15** courses were added in 2020, including Bally Peak Outlook and Collection modules.
- In total, **113** courses are offered online through the Bally Portal.

E-Learning Modules were also provided to help staff adapt to remote working environments with greater awareness and preparation. Topics, such as how to conduct successful virtual meetings, among others, were introduced throughout the 2020 year.

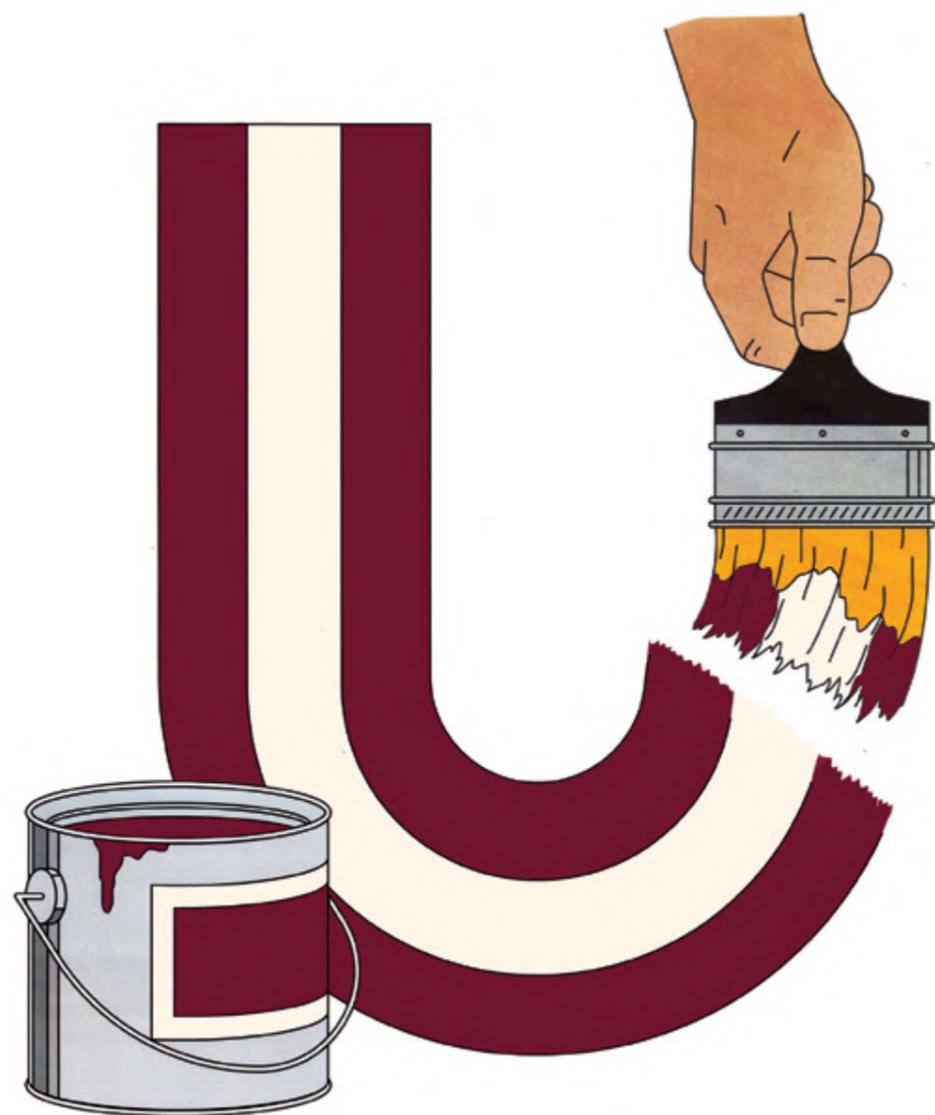
## Mentorship

73

Investing in talent and encouraging new ways of thinking enriches our industry and business. We aim to leverage innovation and Sustainability for the next generation, also supporting its communities through internal company mentorship programs and external partnerships, as with HEAD - Geneva, University of Art and Design.

As one of Europe's leading schools of art and design, HEAD is immersed in the local community and economy of Geneva. Embarking on a six-month project, M.A. Fashion Design students were tasked to create Alpine-inspired designs after a visit to Bally's 170-year archive and shoe museum, created in 1942.

Mentored by Bally's designers and artisans, students' sketches were brought to life by our Caslano factory as functional prototypes, providing them with a valuable foundation in product development from concept to production



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Illustrated by George Wylesol

## Bally A-Z

To reconnect with our origins dating back to 1851 and unearth the elements that remained relevant to us in a challenging 2020 year, we created the Bally A-Z, an illustrated alphabet that solidified our Swiss codes and DNA with artful compositions and unexpected tales.

Drawing from our decades-long tradition in graphic design, combined with a deep reverence for nature, alpine environments and an eye for the essential, these new compositional letters went back to basics, highlighting Bally's commitment to the art of creation.

75

The Bally A-Z presented a new visual language crafted by five creatives from around the world, including Brooklyn-based illustrator Abbey Lossing, Swiss duo Nina Wehrle and Evelyne Laube of "It's Raining Elephants," Baltimore-based George Wylesol, American-born visual artist Bryce Wymer and Dutch cartoonist Lennard Kok.

## Bally Posters AR Filter

For welcome relief, we also released a new augmented-reality filter on Instagram to our social audience, featuring archival #BallyPosters that traced our history. This allowed users to transform their living room space into a virtual gallery and place these iconic images on their walls.

# OUR PLANET

OUR COMMITMENT



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By 2022, we will establish **Bally's Center of Excellence of education research and development in sustainability**



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By 2022, we will use **50% of renewable energy** for our own operations



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By 2025, we will introduce **a fully circular product** to market



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By 2025, we will **reduce single-use plastic** in our product packaging by 30% in both B2B and B2C



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By 2030, we will no longer allow **any use of single-use plastic** in our packaging

80 The mountains have served as a continuous inspiration for Bally's campaigns and collections over the past century. With hiking shoes dating back to the 1920's, Bally's early expedition history begins in 1930, even reaching the top of Everest in 1953 with the first successful ascent by Sir Edmund Hillary and Tenzing Norgay, the latter of whom wore our Reindeer boots.

Our iconic Curling boots, reimagined each year in new streamlined interpretations, were also favored by Olympians, such as the 1956 Swiss Winter Olympics team in Cortina d'Ampezzo, Italy. Innovations in today's consummate Bally hiking boot, inspired by the recreated Grip sole from the 1940's further merges city style with functional, outdoor inspirations.





### THE BALLY PEAK OUTLOOK FOUNDATION

In 2020, we established the Bally Peak Outlook Foundation to help safeguard extreme mountain environments from the adverse effects of climate change and excessive tourism. Raising awareness of the many issues that threaten the future of mountains, the Bally Peak Outlook Foundation also aims to create safer, more pristine alpine habitats by empowering local communities and reputable, on-the-ground partners to drive positive and sustainable change.

### 8X8000M PLEDGE

In Fall 2020, the Bally Peak Outlook Foundation embarked on the first phase of its “8x8000m” pledge to clean up the base camps of eight 8,000-meter Himalayan mountains. The 47-day expedition, led by activist and climber Dawa Steven Sherpa, traveled West to East, removing 2.2 tons of waste from the base camps of Cho Oyu (8,188m), Everest (8,848m), Lhotse (8,516m) and Makalu (8,485m), while utilizing alternate routes since official trails were closed due to Covid-19.



Decades of accumulated waste, including old tin cans, broken tents and wooden crates were collected, separated, classified and transferred to the Sagarmatha Pollution Control Committee. Batteries and other toxic material were sent to the Kathmandu Metropolitan Office for safe disposal.

Providing critical income for local communities in the Himalayan region who were devastated by the effects of the global pandemic, the “8x8000m” expedition employed professional climbers, cleaners, sorters, packers, porters, as well as dedicated support teams on the ground at each base camp. The second phase of the “8x8000m” expedition will take place throughout 2021, when teams will clean up the base camps of Kanchenjunga (8,586m), Dhaulagiri (8,167m), Manaslu (8,156m), Annapurna (8,091m), as well as Everest for a third time.



## PARTNERSHIPS

The Bally Peak Outlook Foundation has built a broad coalition of global partners who have provided vital guidance and insights into our mountain preservation efforts.

Since 2019, Bally and more recently, the Bally Peak Outlook Foundation, has sponsored the International Climbing and Mountaineering Federation, also known as the UIAA, and its annual Mountain Protection Award, which leads global projects that improve the lives and conditions of mountain people and their communities.

The Bally Peak Outlook Foundation also works closely with climber and author Jamling Tenzing Norgay, the son of Tenzing Norgay, for his cultural expertise and insights into the region, further partnering with his family-run Tenzing Norgay Sherpa Foundation to provide scholarships and funding for educational programs throughout the Khumjung Valley and the Himalayas.

In 2020, to further promote environmental awareness and to reinforce the Bally Peak Outlook Foundation's vision, we partnered with National Geographic in their Everest issue.

86 **As a committed signatory of the Fashion Pact since 2019, we remain committed to reducing our environmental footprint, including our carbon emissions, also a key priority cited in our Sustainability Roadmap.**

**We are continuing to identify the best international practices in the management, measurement and verification of data and information related to greenhouse gas (GHG) emissions, across all of Bally's regional offices and plants, and to collecting baseline data for our upstream processes to establish quantifiable targets for reduction of GHGs.**

## Bally Stores

Despite global store closures in 2020 throughout the retail industry due to the pandemic, Bally was able to safely open stores, primarily in China, including Hong Kong and Macau, of which 95% of materials were locally sourced from artisans. Stores in other territories also utilized locally-sourced materials, including: 87

- Korea: 90% of store materials were locally sourced
- OSEA and Japan: some imported furniture, while the rest was locally-made
- Europe: 90-95% of store materials were locally-sourced
- U.S.: 90-95% of store materials were imported from Europe or China

## Our Caslano Headquarters

In 2020, we took critical steps to restructure the roof of our factory, inserting a new isolating layer that improves the thermal performance of the building, certified by Tessin Canton. This enables our headquarters to consume less in order to heat and cool the rooms below, reducing our energy consumption by 8%.

# OUR FUTURE



Sustainability at Bally is a transformative and transversal mission. We are a company that cares about creating a better future for the mutual benefit of all, people and planet, for generations to come, and look forward to continuing our progress through courage in leadership and inspired, everyday actions.

GRI  
(GLOBAL REPORTING INITIATIVE)

# GRI CONTENT INDEX

## BALLY SUSTAINABILITY REPORT 2020

The 2020 Global Reporting Initiative (GRI) content index has been prepared to comply with the GRI sustainability reporting standards. The 2020 Sustainability Report, of which this appendix is part, has been prepared in accordance with the GRI Standards: Core option.

### UNIVERSAL STANDARDS - GRI 101: FOUNDATION

This GRI content index specifies each of the GRI Standards used and lists all disclosures reported. The index covers activities during the 2020 calendar year and discloses information on all the material sustainability topics identified from both organizational and operational impacts of Bally. During the development of the report, the GRI reporting principles, highlighted in GRI 101 Foundation, have been applied.

### UNIVERSAL STANDARDS - GRI 102: GENERAL DISCLOSURES

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 102</b> General Disclosures  <b>ORGANIZATIONAL PROFILE</b>	102-1 Name of organization	
	102-2 Activities, brands, products, and services	<p>Bally has been a Swiss luxury goods brand since 1851, bringing craftsmanship and a pioneering spirit to its functional, modern and refined design, positioned at an entry-luxury level. Bally has a global presence, with a footprint of over 800 doors across 64 countries.</p> <p>Bally has a global multi-channel presence covering key luxury markets. The brand counts 157 retail stores worldwide, with flagship stores in exclusive locations such as Tokyo, Milan, Singapore, Paris and Sydney. Asia (APA and Japan) is the strongest market for distribution and brand legitimacy, where Bally directly manages 157 retail stores. In wholesale, Bally counts more than 669 doors globally, with a strong presence in the luxury travel retail platform. In 2020 Bally boosted an online global expansion across its channels, including new e-concessions and e-wholesale, on top of continuous growth of its own e-retail sites' performances.</p>
	102-3 Location of headquarters	Via Industria 1, 6987 Caslano, Switzerland
	102-4 Location of operations	Bally has operated in 64 countries in 2020 (based on sales turnover).
	102-5 Ownership and legal form	<p>Bally International AG is a Swiss stock corporation. Bally International AG and its commercial subsidiaries form the Bally Group. The Bally group of companies is wholly owned by JAB Luxury GmbH.*</p> <p>*JAB Luxury GmbH held 97%, Management Shares completed the stock.</p>
	102-6 Markets served	<p>Five regions are covered, including: APAN, AMERICAS, EMEA, JAPAN, OSEA (Australia, Malaysia &amp; Singapore), plus TRAVEL RETAIL (duty free)</p> <p>- 826 points of sales around the world in 2020.                      - 157 directly-managed stores in 2020 (33 EMEA, 14 AMERICAS, 61 APAN, 38 JAPAN, 11 OSEA).                      - 669 wholesale and travel retail doors in 2020 (23 APAN, 307 EMEA, 27 OSEA, 101 TRAVEL RETAIL, 192 AMERICAS, 19 JAPAN).</p>

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 102</b> General Disclosures  <b>ORGANIZATIONAL PROFILE</b>		Fashion luxury sector through retail, e-retail and wholesale channels.
		<i>Information in response to this GRI disclosure can also be found in the Sustainability Report on page 66.</i>

102-7  
Scale of the organization

See details on the total number of employees, and other relevant information in responses to indicators 102-8, 201-1, 201-2, and 201-3.

KPI	VALUE
Total number of employees	1347
Total number of operations	4
Quantity of products or services provided	1,019,455

**Number of Employees**  
 The number provided (1,347) includes only Bally employees, while temporary external staff are excluded. The number with temporary staff included is 1,469 people.

**Number of Operations**  
 Based on LY's update, we provide the number of macro-regions where Bally operates (Eastern Europe, North America, Asia Pacific, Australia & Oceania), extracted from the document for the Fashion Pact.

102-8  
Information on employees and other workers

As of 31 December 2020, Bally personnel counted 1347 individuals. The breakdown of personnel by gender is as follows:

**GRI 102-8a - Information on employees and other workers - Breakdown by gender**

GENDER	YEAR-END HEAD COUNT	% ON TOTAL
Male	404	30
Female	943	70
TOTAL	1347	100

**GRI 102-8c - Information on employees and other workers - Breakdown by gender & work-intensity**

KPI	2020 YEAR END HEADCOUNTS					
	FEMALE		MALE		TOTAL	
	HCS	%	HCS	%	HCS	%
Full-time	820	61	353	26	1173	87
Part-time	123	9	51	4	174	13
TOTAL	943	70	404	30	1347	100

**GRI 102-8d - Information on employees and other workers - Breakdown by employees and non employees**

KPI	YEAR END HEAD COUNT	%
Employees	1347	92
Non Employees	122	8
TOTAL	1469	100

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 102</b> General Disclosures  <b>ORGANIZATIONAL PROFILE</b>	102-9 Supply chain	<p>Steps involved to get product and/or services to customer:</p> <ul style="list-style-type: none"> <li>- Planning and designing the inventory and manufacturing processes;</li> <li>- Manufacturing materials sourcing;</li> <li>- Internal and external manufacturing, assembling parts and testing;</li> <li>- Packaging and shipment management;</li> <li>- Transporting and delivering finished goods to retailer/e-commerce;</li> <li>- Customer service and return items control.</li> </ul> <p>In order to be more flexible and optimal from a procurement point of view, the company seeks to establish a well-defined production footprint that takes advantage of the flexibility and know-how of the European supplier industry, accompanied by a strategic supply in more competitive areas. At the same time, the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply. We carry out a high degree of control over all our suppliers to ensure that they meet the highest ethical standards for child labor, forced labor, health and safety and the environment.</p> <p>We have implemented a flexible sourcing model, adapting our supply chain to meet the required volume thresholds while maintaining long-lasting and trusted relationships with our main suppliers. At the same time, the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply. We have focused our efforts on improving the efficiency of in-house production at our Caslano factory, allowing us to keep more production in Switzerland.</p> <p>Our global logistics platform has also been organized to provide a high degree of operational efficiency. Primary warehouses in Switzerland and Greater China are outsourced and handle orders according to a “pick and pack” technique for stores in Australia, Greater China, Europe, Malaysia, Singapore and the U.S. Warehouses also perform value-added services, including quality control, labeling and tracing. We also have strategically located regional hubs in Australia, Greater China, Japan, Malaysia, Singapore and the U.S. These warehouses are now all outsourced. Matching demand and production in early stages allows us to cross-dock products from central distribution centers in Switzerland or Greater China through regional hubs to stores with shortened storage time and reduced handling of goods. Finally, we have reduced our carbon footprint by introducing a new model for products sold in China, sourcing and producing in the region where possible to avoid needlessly flying products from China to Europe.</p>
	102-10 Significant changes to the organization and its supply chain	During 2020 there were no significant changes correlated to operations, to the Group’s supplier location, structure or supplier relationships. The shareholder completed the recapitalization of the Group, injecting additional cash in 2020.
	102-11 Precautionary Principle or approach	<p>Bally has a range of policies and processes to ensure precautionary measures are in place, including health, safety, social and environmental.</p> <p>Bally’s corporate governance structure includes the Board of Directors, the Chief Executive Officer and the Executive Committee, comprised of senior members of management. The Board of Directors are primarily responsible for determining and pursuing the strategic objectives of the Company and of the Group.</p>
	102-12 External initiatives	<p>Bally was born of Swiss values and from the very first, a dedication to social responsibility and respect for the environment have been inherent in our identity and present in our actions. As we look to the future, we continue to cultivate Bally’s commitment to purpose beyond profit, and seek new and innovative ways to deliver on that promise. Our CSR includes three pillars: Providing Educational Opportunities, Preserving the Mountains and Promoting the Arts.</p> <p>Our company’s deep reverence for the environment, and mountains in particular, inspired the introduction of Bally Peak Outlook in 2019, which was further formalized in 2020 as the Bally Peak Outlook Foundation. Motivated by the critical need to protect the world’s fragile mountain environments, these ecosystems and their surrounding communities are facing the negative effects of climate change and overtourism. Bally Peak Outlook demonstrates our commitment to Sustainability through the education and preservation of the world’s extreme mountain environments. It nurtures authentic experiences that bridge local and global communities, such as the high Himalayas, where we launched a series of clean-up initiatives.</p>

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 102</b> General Disclosures  <b>ORGANIZATIONAL PROFILE</b>		<p>Led by environmental activist and mountaineer Dawa Steven Sherpa and his team of expert climbers, our clean-ups removed over 4.2 tons of waste from the base camps of Everest, among other 8,000-meter mountains. Bally Peak Outlook also consults with best-selling author and climber Jamling Norgay, the son of Tenzing Norgay, as an important figurehead and cultural liaison.</p> <p>To date, our longest-standing Corporate Social Responsibility (CSR) legacy is in the arts and culture. Our iconic Bally posters are best reflective of this collaborative tradition that has been deeply connected with the arts, having been created in partnership with some of the world’s most celebrated artists, photographers and graphic designers like Werner Bischof, Gunther Sachs and Bernard Villemot. Our factories and stores have also engaged pioneering architects and interior designers, including Robert Mallet-Stevens, Sir David Chipperfield and Andrée Putman. As champions of creativity, we continue to inspire our communities and support the success of new generations of artistic talent.</p> <p><i>Information in response to this GRI disclosure can be found in the foreword of the Sustainability Report on page 68-71.</i></p>
	102-13 Membership of associations	<p>Bally is also a proud member of The Fashion Pact, a global coalition of fashion and textile companies committed to safeguarding the planet. By targeting practical science-based objectives, The Fashion Pact will combat the industry’s adverse effect on the climate, restore biodiversity and protect the oceans.</p> <p><i>Information in response to this GRI disclosure can also be found in the Sustainability Report on page 94-97.</i></p>
<b>GRI 102</b> General Disclosures  <b>STRATEGY</b>	102-14 Statement from senior decision-maker	<i>Information in response to this GRI disclosure can be found in our CEO Message on pg. 05 of this 2020 Sustainability Report.</i>
<b>GRI 102</b> General Disclosures  <b>ETHICS AND INTEGRITY</b>	102-16 Values, principles, standards, and norms of behavior	<p>The BallyWay is our guiding set of principles and values that all Bally employees should embrace inside and outside their jobs. As announced by our Group CEO, Bally people values have been identified by our top executives to define our unique approach to the business, through collective entrepreneurship, meaningfulness and high performance (the BallyWay), the three pillars driving our quest for excellence and success. Bally believes in having a shared vision to co-create the future of the company and operate a complete business model that benefits shareholders, employees, clients and the community.</p>
	102-17 Mechanisms for advice and concerns about ethics	<p>Revised in 2020, the Bally Code of Ethics summarizes the key guidelines on how we shall do business and how we are expected to behave at work. Working at Bally means being part of a modern and international environment in which all of us play a pivotal role in the success of the company by sharing main professional and ethical behavioral standards that facilitate our ability to work together beside preserving our Brand image with the external world. It promotes ethical conduct and ensures that relevant laws and regulations are adhered to and followed. It ensures everyone understands and applies our business conduct standards and provides help on what to do in case of doubt or in case of “gray” situations. Our Code of Ethics protects our Brand and ensures greater consistency in our business practices across the world.</p> <p>In 2020 the Code of Conduct was reviewed and re-issued as the new Code of Ethics. In the Code of Ethics, we have activated a dedicated email address to whom people may address and report issues regarding ethics and compliance.</p> <p>The Bally Code of Conduct may not cover every ethical or legal situation encountered in our business operations, but it does provide important guidelines that define the way we choose to do business with:</p> <ul style="list-style-type: none"> <li>- INTEGRITY,</li> <li>- RESPECT,</li> <li>- RESPONSIBILITY,</li> <li>- LOYALTY.</li> </ul> <p>The code provides a summary of important guidelines that define the way Bally chooses to do business as well as offering indications on how to manage “gray areas” of decision and who can offer support and guidance in cases of doubt.</p>

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 102</b> General Disclosures	102-18 Governance structure	<i>Information in response to this GRI disclosure can be found in the Governance section of this 2020 Sustainability Report on pg. 24.</i>
<b>GOVERNANCE</b>	102-25 Conflicts of interest	The Company has implemented a Conflicts of Interest policy to help minimize the influence of external bias in decision making. Employees are requested to avoid any situation in which personal interests can interfere with the Company needs. Any potential conflict of interest should be disclosed to employees' manager and HR department as soon as it arises and written authority to proceed should be sought from the Company, by Bally Management and the HR Department.
<b>GRI 102</b> General Disclosures	102-40 List of stakeholder groups	Bally has identified the following main stakeholder groups: Employees and Shareholders were identified as internal stakeholders. The external stakeholders considered were: Communities, Distributors, End Customers, Media and Influencers, Non-Governmental Organizations (NGOs), Regulatory, Government and Public Administration Bodies, Schools and Universities, Suppliers and Trade Associations.
<b>STAKEHOLDER ENGAGEMENT</b>	102-41 Collective bargaining agreements	Bally follows the labor law of every nation in which it operates. 100% of total employees are covered by collective bargaining agreements.
	102-42 Identifying and selecting stakeholders	As part of the materiality assessment process, internal and external stakeholders were identified in an internal workshop, as well as through consultations with the Sustainability Operations Committee (SOC) and SUPSI (Scuola Universitaria Professionale della Svizzera italiana -University of Applied Sciences and Arts of Italian Switzerland). The Sustainability Steering Committee (SSC) validated the selection.  For the materiality assessment, Employees and Shareholders were identified as internal stakeholders. The external stakeholders considered were: Communities, Distributors, End Customers, Media and Influencers, Non-Governmental Organizations (NGOs), Regulatory, Government and Public Administration Bodies, Schools and Universities, Suppliers and Trade Associations.
	102-43 Approach to stakeholder engagement	Bally plans to formally engage with a range of stakeholders globally through surveys and in-person meetings with personnel, partners and suppliers to understand how to better serve them by 2022.
	102-44 Key topics and concerns raised	No issues or concerns were raised through stakeholder engagement in 2020.
<b>GRI 102</b> General Disclosures	102-45 Entities included in the consolidated financial statements	Bally Schuhfabriken A.G.
<b>REPORTING PRACTICE</b>	102-46 Defining report content and topic Boundaries	The sustainability data related to the material aspects in this report cover activities from Bally's headquarters and selected offices (internal/organizational boundary). The data perimeter is indicated where relevant if other than "total." Bally has undertaken a first analysis of its material sustainability risks and on how the organization should operate. The outcome was an overview of material topics according to Bally's own activities, objectives and expectations, taking into account expected stakeholder views. These topics have been placed in an initial materiality matrix, which has then been validated through a first workshop with SUPSI's (Scuola Universitaria della Svizzera italiana) specialists, who have helped qualify and prioritize each topic according to its organizational and/or operational impact. Further understanding and validation was achieved through a workshop with the Sustainability Steering Committee. The workshop helped refine and combine a final list of material topics, including its definitions and boundaries.

STANDARD	DISCLOSURE	2020 RESPONSE
	102-47 List of material topics	Bally's material topics adapted from the GRI Standards are (in alphabetical order):  - Animal welfare (GRI 103-1 GRI 103-2, GRI 103-3) - Brand reputation (GRI 206-1, GRI 102-43, GRI 102-2, GRI 102-6) - Business ethics and integrity (GRI 102-16) - Corporate governance (GRI 102-18) - Culture of material sustainability (GRI 102-16) - Customer centricity (GRI 416-2, GRI 418-1) - Efficient management of waste (GRI 306-2) - Employee involvement and training (GRI 404-1) - Employee welfare (GRI 401-1, GRI 401-2, GRI 401-3, GRI 202-1) - Human rights and equal opportunities (GRI 405-1, GRI 405-2, GRI 411-1) - Innovation culture (GRI,103-1, GRI 103-2, GRI 103-3) - Occupational health and safety (GRI 403-1, 403-2, 403-4, 403-5, 403-8, 403-9) - Product quality (GRI 416-2) - Program for local communities (GRI 102-12, GRI 413-1, GRI 413-2) - Responsible handling of chemicals (GRI 306-2) - Responsible sourcing (GRI 102-9, GRI 102-10, GRI 204-1, GRI 308-1) - Sustainable packaging (GRI 301-1)
	102-48 Restatements of information	No restatements have been given.
	102-49 Changes in reporting	This is the second report for Bally, no significant changes have been made.
	102-50 Reporting period	The Sustainability Report and GRI Content Index 2020 cover the period from 1 January 2020 to 31 December 2020.
	102-51 Date of most recent report	2019 Bally Sustainability Report, published in 2020.
	102-52 Reporting cycle	The report is published on an annual basis.
	102-53 Contact point for questions regarding the report	For more information or questions, please contact Bally via email: sustainability@bally.ch.
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI Content Index	This document is the detailed GRI Content Index accompanying Bally's Sustainability Report.

**GRI 201**  
Economic performance

201-3  
Defined benefit plan obligations and other retirement plans

The benefit plan indicated below corresponds to Bally's headquarter in Caslano, Switzerland.

KPI	UOM	LLP EMPLOYEE CONTRIBUTIONS - RISK	LLP EMPLOYEE CONTRIBUTIONS - SAVINGS	LLP EMPLOYEE CONTRIBUTIONS - TOTAL	LLP EMPLOYEE CONTRIBUTIONS - RISK	LLP EMPLOYEE CONTRIBUTIONS - SAVINGS	LLP EMPLOYEE CONTRIBUTIONS - RISK - TOTAL
Basic Plan 1 (18-24 years)	%	1.75	0	1.75	1.75	0	1.75
Basic Plan 1 (25-65 years)	%	1.75	6.25	8	1.75	6.25	8
Basic Plan 2 (18-24 years)	%	1.75	0	1.75	1.75	0	1.75
Basic Plan 2 (25-65 years)	%	1.75	8.25	10	1.75	8.25	10
Quadri Plan (18-24 years)	%	2	0	2	2	0	2
Frame work Plan (25-44 years)	%	2	7.5	9.5	2	9.5	11.5
Quadri Plan (45-54 years)	%	2	8.5	10.5	2	14.5	16.5
Quadri Plan (55-65 years)	%	2	9.5	11.5	2	19.5	21.5
Piano Bel Etage Executives	%	0	8.5	8.5	0	14.5	14.5
CEO Plan	%	0	8.5	8.5	0	14.5	0

201-4  
Financial assistance received from government

In 2020, Bally received Covid-related financial support from different government entities around the world.

**GRI 202**  
Market Presence

202-1  
Relationships between the standard wage of a new employee by gender and the local minimum wage

99% of our employees are paid above the minimum guaranteed by the local state in the relevant countries.

"Relevant countries" refer to the countries where various offices are located. Headcounts were updated in December 2020.

202-2  
Proportion of senior management hired from the local community

100% of the Executives and regional General Managers at the end of 2020 come from the local community and work in the following cities: Caslano, Milan, Shanghai, New York, Tokyo, Singapore and Sidney.

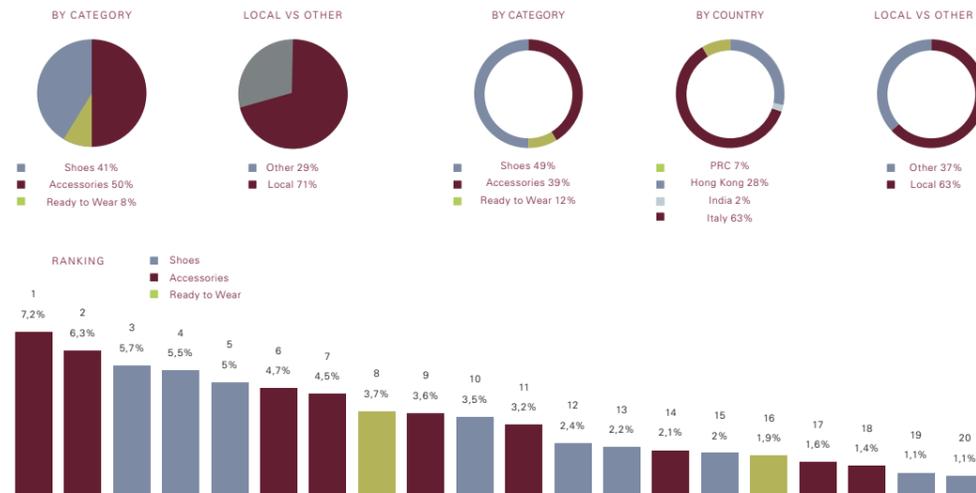
Local community means the nationality belonging to the geographical cluster where the office is located (e.g., for the offices in Milan and Caslano reference is made to the whole of Europe).

**GRI 204**  
Procurement Practices

204-1  
Proportion of spending on local suppliers

Bally defines a "local supplier" as any supplier providing goods or services to a significant location of operations, in the same country as the one listed on the supplier's mailing address in the enterprise resource planning system.

The suppliers based in Italy & Switzerland have been considered local suppliers, following GRI's definition of local supplier. In addition to Switzerland, Italy has been included because Bally owns an R&D Hub in the area, where the company directly manages the purchasing and the relationships with all Italian suppliers. Many activities linked to design, product development and supply chain take place in this Hub.



**GRI 205**  
Anti-corruption

205-1  
Operations assessed for risks related to corruption

Bally is committed to organizational excellence, accountability and transparency, and its management coordination and collaboration structures provide an overall, intuitive framework. Bally continuously updates its anti-bribery and anti-corruption policies and procedures to minimize risk. In 2020 no risks have been identified.

205-2  
Communication and training on anti-corruption policies and procedures

All employees are informed of the anti-corruption policies and procedures and made aware of them as part of the recruitment and employment contract signature process. All business partners are informed as part of the procurement and contract signature process.

205-3  
Confirmed incidents of corruption and actions taken

In 2020, there were no incidents of fraud or financial irregularities reported.

**GRI 206**  
Anti-competitive behavior

206-1  
Legal actions for anti-competitive behavior, anti-trust, and monopoly practices

In 2020, no legal actions for anti-competitive behavior, anti-trust and monopoly were neither pending nor completed. Bally continues to update its policies and procedures related to anti-competitive behavior to minimize risk. Currently no risks have been identified.

**TOPIC-SPECIFIC STANDARDS - ENVIRONMENTAL**

MATERIAL TOPIC: MATERIALS

BOUNDARY: OPERATIONAL

BALLY TOPIC: ENVIRONMENTAL IMPACTS OF MATERIALS

**GRI 301**  
Materials

301-1  
Materials used by weight or volume

Measurements refer to both Bally's Caslano and Florence facilities.

KPI	G WEIGHT/KG
Poly bags	3084t
Hangers	1.12t
Plastic bags	0
Foamy envelope (bags)	0.86t

**GRI 301-1d - Materials used by weight or volume**

KPI	SHIPPING PACK (BROWN CARTON + FILLING PAPER)		PRODUCT PACKAGING	
	Carton qty	G Weight / Kg	Units	G Weight / Kg
CONTONE - WAREHOUSE				
EU	59067Kg	88601Kg	568533Kg	177699Kg
Asia	53743Kg	80615Kg	642576Kg	200842Kg
North America	18649Kg	27974Kg	210570Kg	65815Kg
Australia	4763Kg	7145Kg	49930Kg	15606Kg
South America	109Kg	164Kg	1009Kg	315Kg
Africa	126Kg	189Kg	1116Kg	349Kg
TOTAL	136457Kg	204688Kg	1473734Kg	460626Kg

**GRI 301**  
Materials

**301-1**  
Materials used by weight or volume

KPI	SHIPPING PACK (BROWN CARTON + FILLING PAPER)		PRODUCT PACKAGING	
	Carton qty	G Weight / Kg	Units	G Weight / Kg
HONG KONG - WAREHOUSE				
EU	764Kg	1146Kg	16246Kg	5078Kg
Asia	22674Kg	34011Kg	334151Kg	104441Kg
North America	6240Kg	9360Kg	75484Kg	23593Kg
Australia	1548Kg	2322Kg	19252Kg	6017Kg
South America	0Kg	0Kg	0Kg	0Kg
Africa	0Kg	0Kg	0Kg	0Kg
TOTAL	31226Kg	46839Kg	445133Kg	139129Kg

**GRI 301-1c - Materials used by weight or volume**

Data refers to an estimate on the volumes for each material used, provided by Quantis.

KPI	TOTAL / TON
Cotton	9,8t
Polyester	5,3t
Nylon	4,2t
Leather	322t

**301-2**  
Materials used that come from recycling

No available data for 2020.

**301-3**  
Reclaimed products and their packaging materials

	TOTAL
Accessories Total	2530n
Polyester	228n
Nylon	1967n
Leather	4725n

**GRI 302**  
Energy

**302-1**  
Energy consumption within the organization

Partial information. The information reported corresponds to our Headquarters and production plant in Caslano, Switzerland. The direct energy consumed by the organization in its HQ and production plant in Caslano, Switzerland. Fuel consumption refers to Bally Milan offices for heating.

	VALUE	GJ
Total consumption of fuel from non-renewable sources	-	0GJ
of which Petrol	0l	0GJ
of which Diesel	0l	0GJ
of which Natural Gas	61710smc	0GJ
of which GPL	0l	0GJ
Total consumption of fuel from renewable sources	-	0GJ
of which Geothermal Energy	0t	0GJ
of which wind energy	0t	0GJ

**GRI 302**  
Energy

**302-1**  
Energy consumption within the organization

	VALUE	GJ
of which Solar Energy	0t	0GJ
of which hydroelectricity	0t	0GJ
of which Bio Masse	0t	0GJ
Total fuel consumption	-	0GJ
Purchased electricity	2357469KWh	0GJ
District heating energy	849950KWh	0GJ
Energy for heating	0KWh	0n SI
Energy for cooling	0KWh	0n SI
Steam consumption	0t	0n SI
<b>Total energy purchased</b>	3207419KWh	0n SI
<b>Total self-generated and consumed energy</b>	12834KWh	0n SI
<b>Total self-generated and sold energy</b>	0KWh	0n SI
Self-produced electricity	12834KWh	0n SI
of which produced from renewable sources	12834KWh	0n SI
of which produced from non-renewable sources	0KWh	0n SI
Electricity sold	0KWh	0n SI
Heating energy sold	0KWh	0n SI
Cooling energy sold	0KWh	0n SI
Steam sold	0t	0n SI
<b>Total electricity</b>	2370303KWh	0GJ
Diesel fuel (for company cars)	0l	0GJ
means	0l	-
Gasoline (for business cars)	0l	7,258
means	0l	-
LPG (for company cars)	0l	0GJ
means	0l	-
Methane (for company cars)	0m3	0GJ
means	0smc	-
Diesel fuel (for mixed use cars)	97098l	0GJ
means	0l	-
Petrol (for cars for mixed use)	0l	0n SI
means	0l	0GJ
LPG (for mixed use cars)	0l	0n SI
means	0l	0GJ
Methane (for cars for mixed use)	0m3	0GJ
means	0smc	-
<b>Total vehicles (for corporate and non-corporate use)</b>	0n SI	-
<b>Total consumption for cars (for business and non-business use)</b>	-	0GJ
<b>Total energy consumption</b>	-	0GJ

**GRI 302**  
Energy

**302-1a**  
Energy consumed within the organization (Fashion Pact)

The split of the total purchased energy between renewable and non-renewable energy refers to our Swiss HQs and Italian facilities, from local suppliers. In 2020, GSE's (Gestore Servizi Energetici) percentage split was not available for Italy at the time of reporting, and therefore referred to GSE's 2019 data.

	CALORIFIC VALUE	MWH OF RENEWABLE SOURCES	MWH OF NON-RENEWABLE SOURCES	TOTAL
Fuel consumption (excluding feed stock I)	0.00 MW	0.00 MW	660 MW	660 MW
Consumption of purchased or acquired electricity	0.00 MW	1285 MW	1072 MW	2357 MW
Consumption of other purchased or acquired energy	0.00 MW	850 MW	0.00 MW	850 MW
Consumption of self-produced non-combustible renewable energy	0.00 MW	13 MW	0.00 MW	13 MW
<b>TOTAL</b>	<b>0.00 MW</b>	<b>2148 MW</b>	<b>1732 MW</b>	<b>3880 MW</b>

**302-1b**  
Energy consumption for stores

	kWh CONSUMED	MC GAS
United States	161.344	0
Japan	205.000	45.000
Cina	1.103.473	3.562
Hong Kong	88.882	0
Singapore	28.309	0
Malaysia	61.719	0
Australia	124.641	0
Switzerland	92.927	0
Germany	N/A	N/A
Italy	30.972	0
Netherlands	N/A	N/A
Austria	36.681	0
UK	17.460	0
France	73.208	0
Spain	36.873	0

**302-4**  
Reduction of energy consumption

Omission: Information unavailable.  
Individual country offices will be assisted to start monitoring reductions, reporting on the organization-wide reduction of energy.

**302-5**  
Reductions in energy requirements of products and services

Omission: Information unavailable.  
The reductions in energy requirements of products and services requires a change process that is not yet feasible.

**GRI 303**  
Water and Effluents

**303-1**  
Interactions with water as a shared resource

Bally's operations and facilities do not use any water apart from providing required hygiene-sanitary standards for employees and guests.

**303-2**  
Management of water discharge-related impacts

Bally's operations and facilities do not use any water apart from providing required hygiene-sanitary standards for employees and guests.

**303-3**  
Water withdrawal

Bally does not include any activity of competence for water withdrawal, as its water use is confined to running water for civil waste.

**303-4**  
Water discharge

Bally's operations and facilities do not use any water apart from providing required hygiene-sanitary standards for employees and guests.

**303-5**  
Water consumption

Total Water Consumption includes our operations in Caslano (Switzerland), Milan and Florence (Italy).

	WATER STRESS AREAS	OTHER AREAS
Total water consumption	0 l	6301 l
Change in water storage in megaliters	0 l	0 l

**MATERIAL TOPIC: BIODIVERSITY**  
**BOUNDARY: OPERATIONAL**

**GRI 103**  
Management approach 2016

**103-1**  
**103-2**  
**103-3**  
Management approach disclosures

See management approach under GRI 301: Materials 2016.

**304-1**  
Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

Bally's ability to report on its impact on biodiversity is currently limited to countries of operation. In 2021, Bally will work on strengthening its data collection system and expects reporting on operational sites close to protected areas or areas of high biodiversity value outside protected areas to be piloted in the 2023 reporting cycle.

**304-2**  
Significant impacts of activities, products, and services on biodiversity

Bally has a long-standing tie to the mountains that begins with its Alpine origins and pioneering legacy. Covering 25% of the world's land surface and supplying freshwater for 12% of the human population, fragile mountain environments around the world are in need of critical attention and care as they face the adverse effects of global warming and excessive tourism. In 2020, Bally established its Bally Peak Outlook Foundation and returned to Everest as part of its 8x8000m initiative to clean-up the base camps of eight 8,000-meter Himalayan mountains. Over 47-days, a total of 2.2 tons of waste was removed.

**MATERIAL TOPIC: EMISSIONS**

**BOUNDARY: OPERATIONAL**

**STANDARD                      DISCLOSURE                      2020 RESPONSE**

**GRI 103**  
Management approach 2016

103-1  
103-2  
103-3  
Management approach disclosures

See management approach under GRI 301: Materials 2016.

**GRI 305**  
Emissions

305-1  
Direct (Scope 1)  
GHG emissions

In 2020, our Scope 1 emissions from offices in Switzerland and Italy, including fuel, totaled 176t CO2eq from the executive's vehicle fleet. The environmental inventory boundary will expand to other facilities in the future.

	TONCO2 (GAS)	TONCO2 (CARBURANTE)
Switzerland	0n	61.9n
Italy	0n	107n
<b>TOTAL</b>	<b>0n</b>	<b>168.9n</b>

305-1  
Scope 1 (Fuel)

	2020		2019	
	FUEL (LT)	TONCO2	FUEL (LT)	TONCO2
Arval Italia fleet	61013	93	79141	112
Laseplan Italia	12820	14	21280	27
Arval CH	23265	61.9	14765	27
<b>TOTAL</b>	<b>97098</b>	<b>168.9</b>	<b>115726</b>	<b>176</b>

305-2  
Energy indirect (Scope 2)  
GHG emissions

	TONCO2 (LOCATION BASED)
<b>TOTAL</b>	<b>741,04</b>

305-3  
Other indirect (Scope 3)  
GHG emissions

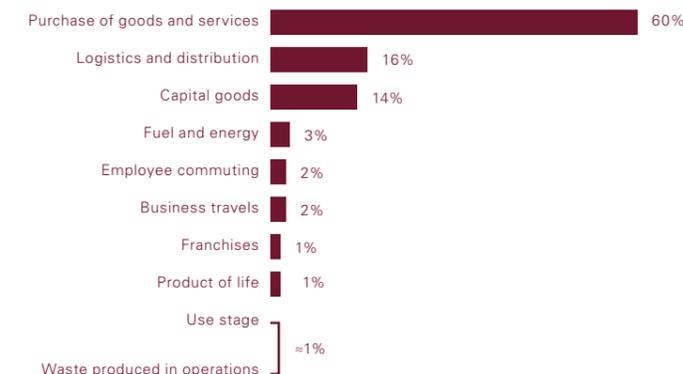
Scope 3 results by subcategory.

	KT CO2-EQ.	% OUT OF SCOPE 3
Purchased goods and services	59.3	60.1%
Logistics and distributions	15.7	16%
Capital goods	14.1	14.2%
Fuels and energy	2.9	2.9%
Employee commuting	2.2	2.2%
Business travels	59.3	60.1%
Franchises	1.5	1.5%
Product end of life	0.8	0.8%
Use stage of solid products	0.05	=0.0%
Waste produced in operations	=0.0	=0.0%
<b>TOTAL</b>	<b>98.7</b>	<b>100%</b>

**STANDARD                      DISCLOSURE                      2020 RESPONSE**

305-4  
GHG emissions intensity

Scope 3 results by subcategory.



305-5  
Reduction of GHG emissions

Bally will explore opportunities for reporting on disclosure 2022

**MATERIAL TOPIC: EFFLUENTS AND WASTE**

**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

**STANDARD                      DISCLOSURE                      2020 RESPONSE**

**GRI 306**  
Waste

306-1  
Waste generation and significant waste-related impacts

Omission: Information unavailable.

306-2  
Management of significant waste-related impacts

These figures pertain to Bally's facilities in Caslano, Switzerland and Milan and Florence, Italy, only. The environmental inventory boundary will expand to other Bally facilities in the future. Waste disposal methods are to be confirmed by building administrators, logistics officers and/or waste contractors.

MATERIALS	DISPOSAL IN KG
Waste	44410Kg
Cardboard	13830Kg
Mixed paper	1240Kg
Iron	9750Kg
Wood	7810Kg
Pc monitor	1250Kg
<b>TOTAL</b>	<b>78290Kg</b>

2020 YEAR MILAN						
MATERIALS	UNIT	QTY/Y	CAPACITY (LT)	TOTAL CAPACITY (LT) /Y	SPECIFIC WEIGHT (KG/LT)	TOTAL KG /YEAR
Plastic	Bag	1600	110	176000	0.05	8800
Not differentiated	Bag	2366	110	260260	0.10	26026
Paper	Box	104	240	24960	0.10	2496
Special Waste (toner)	Kg	-	-	-	-	49
Big volumes (mixed materials)	Kg	-	-	-	-	960
<b>TOTAL KG YEAR</b>						<b>38331</b>

STANDARD	DISCLOSURE	2020 RESPONSE																								
<b>GRI 306</b> Waste	306-2 Management of significant waste-related impacts	<table border="1"> <thead> <tr> <th colspan="3">2020 YEAR FLORENCE</th> </tr> <tr> <th>MATERIALS</th> <th>UNIT</th> <th>TOTAL KG /YEAR</th> </tr> </thead> <tbody> <tr> <td>Leather</td> <td>Kg</td> <td>1'800</td> </tr> <tr> <td>Iron/metal waste</td> <td>Kg</td> <td>4'582</td> </tr> <tr> <td>Colors</td> <td>K</td> <td>500</td> </tr> <tr> <td>Wood</td> <td>Kg</td> <td>256</td> </tr> <tr> <td>Glue and adhesives</td> <td>Kg</td> <td>15</td> </tr> <tr> <td colspan="2">TOTAL KG YEAR</td> <td>7153</td> </tr> </tbody> </table>	2020 YEAR FLORENCE			MATERIALS	UNIT	TOTAL KG /YEAR	Leather	Kg	1'800	Iron/metal waste	Kg	4'582	Colors	K	500	Wood	Kg	256	Glue and adhesives	Kg	15	TOTAL KG YEAR		7153
		2020 YEAR FLORENCE																								
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Colors	K	500																								
Wood	Kg	256																								
Glue and adhesives	Kg	15																								
TOTAL KG YEAR		7153																								
306-3 Waste generated	Omission: Information unavailable.																									
306-4 Waste diverted from disposal	Omission: Information unavailable. Bally will explore opportunities for reporting on this disclosure in 2022.																									
306-5 Waste directed to disposal	Omission: Information unavailable. Bally will explore opportunities for reporting on this disclosure in 2022.																									

**MATERIAL TOPIC: SUPPLIER ENVIRONMENTAL ASSESSMENT**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**  
**UNOPS TOPIC: SUPPLIER ASSESSMENT**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is very much aware of the importance of its supplier relationships for the successful evolution of its business and for continued social, environmental and economic development of our suppliers and the communities where it operates in accordance with Bally's Supplier Code of Conduct.
<b>GRI 308</b> Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Omission: Information unavailable. Bally did not obtain in 2020 information on negative environmental impacts in the supply chain. However, Bally is seeking to increase its screening using environmental criteria through the supply chain by 2022, and incorporating this dimension in the due diligence process.
	308-2 Negative environmental impacts in the supply chain and actions taken	Omission: Information unavailable. Bally cannot currently obtain information on negative environmental impacts in the supply chain and actions taken at global level. However, Bally is seeking to increase the reporting and transparency of negative environmental impacts through the mapping of its supply which is expected to be mainstreamed in the organization throughout 2021 and 2022.

**MATERIAL TOPIC: ENVIRONMENTAL COMPLIANCE**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**  
**UNOPS TOPIC: COMPLIANCE**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is in compliance with the expectations of stakeholders and applicable legal requirements in the countries where it operates.
<b>GRI 307</b> Environmental Compliance	307-1 Non-compliance with environmental laws and regulations	In 2020, Bally did not receive any fines for non-compliance with environmental laws and regulations.

**TOPIC-SPECIFIC STANDARDS - SOCIAL**  
**MATERIAL TOPIC: EMPLOYMENT**  
**BOUNDARY: ORGANIZATIONAL**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is a global organization, with an international and diverse workforce, across a broad range of roles including leadership, technical specialists, artisans and administration. Bally is committed to identifying and retaining talent, developing internal talent, and attracting the best-qualified talents to work with us. Bally has a responsive workforce, to ensure we have the right skills available to deploy where needed. Bally places a strong focus on supporting leadership skills and strengthening diversity in its workforce, as well as maintaining corporate excellence.
<b>GRI 401</b> Employment	401-1a New employee hires and employee turnover	The tables below show new employee hires and employee turnover (Turnover In) by age category and region, including a split by gender.

	UOM	<30			30-50			>50			TOTAL			% TURNOVER		
		Female	Male	Total	Female	Male	Total									
Switzerland	n	4	2	6	7	7	14	1	3	4	12	12	24	6	8	7
Italy	n	8	2	10	5	2	7	2	0	2	15	4	19	13	9	12
Rest of Europe	n	1	1	2	5	0	5	0	0	0	6	1	7	10	3	8
USA	n	4	1	5	2	4	6	1	0	1	7	5	12	12	9	3
Greater China	n	28	10	38	53	19	72	0	0	0	81	29	110	22	37	25
Japan	n	0	1	1	5	1	6	2	0	2	7	2	9	9	8	9
OSEA	n	2	3	5	5	0	5	0	0	0	7	3	10	12	12	12
TOTAL	n	47	20	67	82	33	115	6	3	9	135	56	191	14	14	14

401-1b  
New employee hires and employee turnover out

The tables below show new employee hires and employee turnover (Turnover Out) by age category and region, including a split by gender.

	UOM	<30			30-50			>50			TOTAL			% TURNOVER		
		Female	Male	Total	Female	Male	Total									
Switzerland	n	2	6	8	8	10	18	5	9	14	15	25	40	8	18	12
Italy	n	2	1	3	6	0	6	0	1	1	8	2	10	7	4	6
Rest of Europe	n	4	4	8	8	1	9	1	0	1	13	5	18	21	17	20
USA	n	2	4	6	5	10	15	3	1	4	10	15	25	14	27	19
Greater China	n	21	4	25	71	18	89	5	1	6	97	23	120	26	29	27
Japan	n	1	2	3	10	5	15	2	0	2	13	7	20	17	27	20
OSEA	n	9	4	13	8	2	10	0	0	0	17	6	23	29	24	28
TOTAL	n	41	25	66	116	46	162	16	12	28	173	83	256	18	21	19

401-2  
Benefits provided to full-time employees that are not provided to temporary or part-time employees

All Bally personnel have a range of benefits and entitlements. The table below reflects discretionary benefits provided to selected staff.

KPI	UOM	VALUE
Discretionary Life Insurance	%	43%
Discretionary health care	%	13%
Discretionary insurance coverage in the event of disability and invalidity	%	71%
Discretionary pension	%	4.4%
Clothing	%	25%
Meals	%	55%
Transportation	%	14%
Company car	%	5%

401-3  
Parental leave

Bally rolled out its Group Maternity and Paternity Leave policy effective from October 1st, 2019 as part of Bally's commitment to well-being at work and work-life balance. The Group Maternity and Paternity Leave policy is about supporting our employees with the birth of a child by integrating countries' national legislations to ensure that all Bally Employees with at least 24 months' seniority enjoy:

The Group Maternity and Paternity Leave policy is about supporting our employees with the birth of a child by integrating countries' national legislations to ensure that all Bally Employees with at least 24 months' seniority enjoy:

- A Maternity Leave of minimum 14 weeks paid at 80%
- A Paternity Leave of minimum 4 days fully paid

Each employee's parental leave entitlement is dependent on the legislation in their country of employment. If local legislation provides for less paid leave than Bally's minimum allowance, then Bally's policy applies. If local legislation provides more paid leave than Bally's policy allows for, the local policy takes precedence. The new policy provides both parents the opportunity to bond with their new baby, an important way to give the child the healthiest possible start in life.

**MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY**  
**BOUNDARY: ORGANIZATIONAL**  
**UNOPS TOPIC: HEALTH AND SAFETY**

GRI 103  
Management approach 2016

103-1  
103-2  
103-3  
Management approach disclosures

Bally has internally a Safety and Health Manual "Occupational Health and Safety Manual": The safety, health and welfare of employees as well as customers, suppliers and visitors at Bally Shoe Factories Ltd, hereafter Bally, are of paramount importance.

GRI 403  
Occupational Health and Safety

403-1  
Occupational health and safety management system

Bally is committed to reducing situations that can affect the health of staff and third parties to a sustainable level. Bally has been equipped for three years with a Manual for Occupational Health and Safety under the MSSSL Directive, a document listing the guidelines and commitments that Bally has made in accordance with the ordinances of the Swiss Confederation.

All the legal and ordering texts that determine the company's actions for job security and the protection of the worker's health are available on the website: [www.admin.ch/ch/j/rs/rs.html](http://www.admin.ch/ch/j/rs/rs.html)

The top 5 reference laws are: CO, LAINF, LL, OPI, ECP. It also adds the reference to the prospectus SUVA CBA\_140\_I2

In 2019, specific security targets and implementation timelines were set and those responsible identified.

Here are the objectives and level of achievement, on which Bally and the security staff and the consultant worked on:

**OBJECTIVE 1: COMPLETE AND UPGRADE SECURITY MANUAL**

**1st Action:** Implementation of procedures for the manual and check-list of internal managers. Achieved through vignettes.

**OBJECTIVE 2: TRAINING**

**1st Action:** Completed training for Maintainers and Department heads about their role and the dangers associated with their work and their reports making them aware of their responsibilities and the checks they need to perform

**2nd Action:** Collaborated with third-party companies: module upgrade, procedures, and application. As a result, the existing model was retained.

**OBJECTIVE 3: IMPLEMENTATION OF TECHNICAL MEASURES**

**1st Action:** Completed training Maintainers and Department heads about their role and the dangers associated with their work activities and their reports so that they are aware of their responsibilities and the checks they need to perform.

**2nd Action:** Collaborated with third-party companies: module upgrade, procedures, and application. Retained the previous model.

403-2  
Hazard identification, risk assessment, and incident investigation

A study of the dangers within the factory was carried out in 2018 by a specialized consulting company.

They refer to the "Addetto Sicurezza di reparto," a specific resource designated by the manual.

All risks and dangers are mapped and communicated internally so that workers can adopt proper DPI, respect procedures and prevent dangerous situation. No occupational diseases are mapped or known for the plant.

In case of any accident the Addetto Sicurezza must follow the procedures (e.g., specific checklists and S.T.O.P. Methodology, both foreseen by SUVA for understanding the causes and eliminating/mitigating them in future conditions).

403-3  
Occupational medicine services

Bally provides occupational health services in a decentralized and ad-hoc manner, determined by the needs of each location. Examples of the services made available in some locations, include ergonomic advisory services and provision of first aid services.

403-4  
Worker participation, consultation, and communication on occupational health and safety

Bally continuously updates and improves security measures also through the action of the health and safety team in charge of security measures adopted and the emergence of potential dangers.

In Switzerland, all workers, in accordance with the Swiss directive, can consult the Manual for Health and Safety at Work. It is made available in hard copy.

Bally aims to have a more comprehensive international overview on this topic in future reports, at the latest by 2022.

403-5  
Worker training on occupational health and safety

Bally provided courses in occupational health and safety. In addition, workers on selected sites received regular awareness raising on specific work-related hazards. Several projects and offices implemented first aid and fire marshal training for selected personnel.

A specific course has been organized for the Swiss production site in order to raise the awareness and responsibility of department heads on the subject of security. In accordance with national law, safety is the responsibility of the department head, and manager.

Bally aims at having a more comprehensive international overview on this topic in future reports, at the latest by 2022.

403-8  
Workers covered by an occupational health and safety management system

For Bally, safety is a fundamental aspect of work. Particular attention has been paid to the Swiss production site, where all third-party companies are invited to become aware of the safety regulations in place and to inform and enforce compliance at all times.

All the employees are covered by an occupational health and safety management system.

403-9  
Work-related injuries

**GRI 409-9a - Work-related injuries (Type of accident by category)**

KPI	UOM	INJURY TYPE			INJURY LOCATION		
		FATAL INCIDENTS	SEVERE INJURIES	SUPERFICIAL INJURIES	ACCIDENT WHILE TRAVELLING	BUSINESS TRIP ACCIDENT	WORKPLACE ACCIDENT
Male	n	0	0	8	2	0	6
Female	n	0	0	4	1	0	3
TOTAL	n	0	0	12	3	0	9

**GRI 403-9b - Work-related injuries (Type of accident by country)**

KPI	UOM	FATAL INCIDENTS			SEVERE INJURIES			SUPERFICIAL INJURIES		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	n	0	0	0	0	0	0	3	6	9
Italy	n	0	0	0	0	0	0	0	0	0
Rest of Europe	n	0	0	0	0	0	0	1	1	2
USA	n	0	0	0	0	0	0	0	1	1
Greater China	n	0	0	0	0	0	0	0	0	0
Japan	n	0	0	0	0	0	0	0	0	0
OSEA	n	0	0	0	0	0	0	0	0	0
TOTAL	n	0	0	0	0	0	0	4	8	12

**MATERIAL TOPIC: TRAINING AND EDUCATION**

**BOUNDARY: ORGANIZATIONAL**

GRI 103  
Management approach 2016

103-1  
103-2  
103-3  
Management approach disclosures

Bally relies on its personnel's knowledge, skills and expertise to achieve its mandate and to continuously adapt to new challenges in a changing environment. Therefore, the aim of Bally's investment in learning and development is to ensure that it provides its employees with knowledge and skills to improve individual and organizational performance as well as personal and professional growth. Bally offers a broad range of learning opportunities, such as online resources, face-to-face workshops and training, internal and external certifications through cross-functional and practice-specific curricula. Bally's corporate learning investment is coordinated centrally in order to ensure alignment to Bally's strategy, and strategic and fair allocation of resources across regions and practices.

GRI 404  
Training and Education

404-1  
Average hours of training per year per employee

In 2020, the pandemic changed all the work dynamics and the Bally Portal was more than ever crucial to communicate and continue to train the Bally community. In 2020 Bally Portal users spent a total 15,170 hours conducting training on the platform. 15 courses were added (intranet procedures & guidelines excluded), for a total of 113 courses offered. We also further internalized all content creation, to ensure Brand consistency, throughout the 2020 year.

Main launches:

- Collection decks
- Peak Outlook module
- Remote working training modules – how to conduct successful virtual meetings
- Eyewear SS20
- Eyewear AW20
- AW20 Collection Men
- AW20 Collection Women
- Peak Outlook
- SS20 Collection Men
- SS20 Collection Women
- Watch Capsule
- Outlet SS20 Collection
- Health & safety guidelines
- Selling Ceremony (adapted version for Covid-19)
- Virtual working

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 84, 85.

404-2  
Programs for upgrading employee skills and transition assistance programs

Most of Bally's training efforts of 2020 were geared towards adapting the workforce to the new normal standards of remote working and pandemic situation.

404-3  
Percentage of employees receiving regular performance and career development reviews

The 2020 performance appraisal completion rate was 100 percent for employees in force at the time of the assessment process (March/April of the following year).

**MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY**

**BOUNDARY: ORGANIZATIONAL**

STANDARD                      DISCLOSURE                      2020 RESPONSE

**GRI 405**  
Diversity and Equal Opportunity

**405-1**  
Diversity of governance bodies and employees

KPI	UOM	AGE <30	AGE 30-40	AGE 40-50	AGE >50	MALE	FEMALE
Executive	n	0	2	3	3	5	3
GM & Director	n	0	19	30	9	31	27
Head office	n	5	54	37	25	53	68
Store manager	n	1	66	41	19	24	103
Office staff	n	59	93	34	29	56	159
Factory worker	n	4	21	35	69	61	68
Store staff	n	180	355	85	69	174	515
TOTAL	n	249	610	265	223	404	943
Executives	%	0	25	38	38	63	38
GM & Director	%	0	33	52	16	53	47
Head office	%	4	45	31	21	44	56
Store manager	%	1	52	32	15	19	81
Office staff	%	27	43	16	13	26	74
Factory worker	%	3	16	27	53	47	53
Store staff	%	26	52	12	10	25	75
TOTAL	%	18	45	20	17	30	70

**405-2**  
Ratio of basic salary and remuneration of women to men

This chart represents the aggregate gender gap of the whole world without exclusion of any legal entity. The percentage figure is presented as a weighted average considering the different pay levels in the different countries where Bally operates.

	UOM	MALE	FEMALE	TOTAL
Executives and directors	n	0	0	100%
Office manager	n	0	0	99.9%
Store manager	n	0	0	98.1%
Office staff	n	0	0	94.5%
Factory workers	n	0	0	91%
Store staff	n	0	0	96.3%
TOTAL	n	-	-	96.7%

**MATERIAL TOPIC: NON-DISCRIMINATION**

**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

STANDARD                      DISCLOSURE                      2020 RESPONSE

**GRI 103**  
Management approach 2016

103-1  
103-2  
103-3  
Management approach disclosures

See management approach under GRI 205: Anti-corruption 2016.

**GRI 406**  
Non-discrimination

406-1  
Incidents of discrimination and corrective actions taken

No incidents of discrimination were reported

**MATERIAL TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**

**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

STANDARD                      DISCLOSURE                      2020 RESPONSE

**GRI 407**  
Freedom of Association and Collective Bargaining

407-1  
Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk

These issues are captured as part of the supply chain risk and compliance program. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. In 2020, none of the suppliers revealed any concerns regarding workers' rights, freedom of association or collective bargaining.

All suppliers of Raw Material and Finished Products have signed the Code of Ethics in reference to the Freedom associations.

**MATERIAL TOPIC: CHILD LABOUR**

**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

**UNOPS TOPIC: CHILD/FORCED/COMPULSORY LABOUR**

STANDARD                      DISCLOSURE                      2019 RESPONSE

**GRI 103**  
Management approach 2016

103-1  
103-2  
103-3  
Management approach disclosures

Child labor is covered by the Bally Supplier Code of Conduct. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016.

**GRI 408**  
Child Labor

408-1  
Operations and suppliers at significant risk for incidents of child labour

These issues are captured as part of the supply chain risk and compliance program. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016.

he Supplier Code of Conduct states "The Supplier shall not employ individuals below of the age of 16, except if allowed by local law and such exception is consistent with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. If the Supplier employs young workers, it must demonstrate that the employment of young people does not expose them to undue physical risks that can harm physical, mental or emotional development.

None of the suppliers revealed any concerns regarding child labor.

All the suppliers of Raw Materials and Finished Products have signed the Code of Ethics in reference to the Freedom associations.

**MATERIAL TOPIC: FORCED OR COMPULSORY LABOR**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**  
**UNOPS TOPIC: CHILD/FORCED/COMPULSORY LABOR**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	These issues are captured as part of the supply chain risk and compliance programme. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. None of the suppliers revealed any concerns regarding forced or compulsory labor.
<b>GRI 409</b> Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<p>These issues are captured as part of the supply chain risk and compliance program. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016.</p> <p>None of the suppliers revealed any concerns regarding forced or compulsory labor. The Supplier Code of Conduct states: "The Supplier must under no circumstances use, or in any other way benefit, from forced labor in line with ILO Convention No. 29 on Forced Labor and ILO Convention No. 105 on Abolition of Forced Labor.</p> <p>Forced Labor refers to any form of indentured servitude such as the use of physical punishment, confinement, 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.</p> <p>No relevant actions or situations.</p>

**MATERIAL TOPIC: SECURITY PRACTICES**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Omission: Not Applicable.
<b>GRI 410</b> Security Practices	410-1 Security personnel trained in human rights policies or procedures	<p>This indicator is not applicable to Bally.</p> <p>Bally security personnel are not specifically trained on human rights issues. Bally security personnel are advisers and do not perform any physical security or "policing" duties.</p>

**MATERIAL TOPIC: RIGHTS OF INDIGENOUS PEOPLES**  
**BOUNDARY: OPERATIONAL**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 411</b> Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Bally did not receive reports of incidents of violations involving rights of indigenous peoples.

**MATERIAL TOPIC: LOCAL COMMUNITIES**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 413</b> Local Communities	413-1 Operations with local community engagement, impact assessments and development programs	<p>Omission: Information Unavailable.</p> <p><i>Information in response to this GRI disclosure can also be found in the Sustainability Report on pages 36, 42, 63.</i></p>

**MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**  
**UNOPS TOPIC: SUPPLIER ASSESSMENT**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 308: Supplier Environmental Assessment 2016.
<b>GRI 414</b> Supplier Social Assessment	<p>414-1 New suppliers that were screened using social criteria</p> <p>414-2 Negative social impacts in the supply chain and actions taken</p>	<p>Data refers to the supplier code of conduct already signed regarding commercial partnerships.</p> <p>These issues are captured as part of the supply chain risk and compliance program. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. None of the suppliers revealed any concerns regarding negative social impacts in the supply chain.</p>

**MATERIAL TOPIC: SOCIO ECONOMIC COMPLIANCE**  
**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**  
**UNOPS TOPIC: COMPLIANCE**

STANDARD	DISCLOSURE	2020 RESPONSE
<b>GRI 103</b> Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 307: Environmental Compliance 2016.
<b>GRI 419</b> Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	In 2020, Bally did not receive any fines for non-compliance with laws and regulations in the social and economic area.

## METHODOLOGY

The reporting perimeter considered the offices of Caslano (Switzerland), Florence (Italy), Milan (Italy) and most of the stores present all over the world. This Non-Financial Statement (NFD), refers to the year ended December 31, 2020 and constitutes Bally's commitment to report on the social and environmental impacts related to its actions. The qualitative and quantitative information reported within the NFD has been prepared in accordance with the GRI-Core option provided by the GRI Standards of the Global Reporting Initiative and using the Reporting Standards reported in Table GRI. Bally has set up an internal committee, the Sustainability Operations Committee (SOC), representative of the main company functions, in order to collect the information required for the NFD, aggregate and validate it as well as store the supporting documentation to ensure traceability.

The reporting process has been divided into the following most significant phases of work:

1. Identification and evaluation of material themes;
2. Definition of the contents of the NFD (indicators, information and perimeter);
3. Start of the process of collecting and consolidating data and non-financial information through the ESGeo platform and the use of data collection sheets prepared for the drafting of the NFD.

The environmental indicator considered in this project is the "carbon footprint" (kg CO<sub>2</sub>eq) which accounts for radiative forcing caused by emissions of greenhouse gases (GHG) such as carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O).

The capacity of a greenhouse gas to influence radiative forcing is expressed in terms of a reference substance (carbon dioxide equivalents) and considers a time horizon of 100 years following the guidelines from the Intergovernmental Panel on Climate Change (IPCC 2013).

Within the context of this project, only the carbon footprint indicator has been considered. This environmental KPI represents one aspect of sustainability; to have a broader and more complete overview, more indicators should be considered.

For any questions, comments and suggestions about our performance and our GRI Content Index, please send an email to:

[sustainability@bally.ch](mailto:sustainability@bally.ch)

**BALLY**