

BALLY, Switzerland

Est. 1851



Transparency Document

## BALLY'S PLEDGE FOR TRANSPARENCY:

Disclosure of organizational policies and progress  
(an update to our Sustainability Roadmap)  
March, 2021

To be read together with:

- 1) Bally Restricted Substance List ('RSL')
- 2) Bally Supplier Code of Conduct
- 3) Supplier Agreement for Use of Non-Restricted Chemicals in Bally Products

## DOCUMENT SCOPE

Bally's commitment to people and the planet is shown through our vision, mission, policies, and actions. Highlighted in our Code of Ethics, "Bally has been a brand with purpose and vision, enforcing positive change with moral integrity.

While complying with laws and regulations, providing benefits and care for its local employees and global communities, Bally upholds a profound awareness and passion for preserving the environment." The actions we take to uphold our values have been made transparent in our *2019 Sustainability Report* and *Code of Ethics*, which report Bally's operational policies, targets, and progress and those that we partner with.

Additionally, this document provides supplementary information of our environmental and human rights policies, commitments, and targets. This document is posted on the Bally webpage together with the "Supplier Code of Conduct" and "RSL." The information below is internal company data which was provided by multiple departments within our organization.

# GENERAL COMMITMENTS AND POLICIES

## **1. Commitment and accountability with our employees, suppliers, and general partners**

Our core principles and values are detailed in our *Code of Ethics* which must be upheld by all Bally employees, suppliers, and partners (those who have any direct or indirect, permanent or temporary relationship with Bally- referred to as “consignees”).

In addition to adhering to our Code of Ethics, obligatory criteria for suppliers/vendors and new facilities to ensure policies and standards can be found in the “Bally Supplier Code of Conduct.” Bally’s expectations and accountability for behavior and actions are stated in the Code: “The Code sets forth the standards for our Suppliers to adhere to all applicable laws and regulations and in particular to comply with international and industry standards and best practices. These expectations extend to their parent, subsidiary or affiliate entities, as well as all other third parties they operate with. Acknowledgement of the Code is a requirement in every supply agreement, and the Supplier commits that all its operations are subject to the provisions set forth in this Code. We reserve the right to verify the compliance with the Code through assessments and audits.”

## **2. Human Rights and Environmental Policies, Targets, and Progress**

Human Rights

### a. Harassment and Non-Discrimination

In December, 2020 Bally shared and communicated the Harassment and Non-Discrimination Policy to all its employees worldwide. Bally is committed to promoting a safe working environment that guarantees and respects human rights, protection of the person, equal opportunity and non-discrimination whilst providing to its employees a platform and place that values who they are as individuals. This policy is aimed

at preventing harassment in Bally and draws attention to the many forms of harassment which can occur at work. Furthermore, the policy clarifies who you shall contact to seek advice and/or assistance and ensure that every employee feels confident in bringing complaints of harassment without fear).

a. Methods for reporting harassment

Bally encourages to promptly report all perceived incidents of discrimination, harassment or retaliation, regardless of the offender's identity or position.

An employee who believes that they have been subjected to unlawful harassment or discrimination can report the incident immediately to:

- their manager or supervisor or,
- their local or global Human Resources Department or,
- the email address [codeofethics@bally.ch](mailto:codeofethics@bally.ch)

Any information, communication or report sent to the email address [codeofethics@bally.ch](mailto:codeofethics@bally.ch) will be accessible only to the Internal Audit.

Every report of improper harassment or discrimination will be investigated promptly and impartially. Bally will maintain confidentiality throughout the investigatory process to the extent consistent with adequate investigation and appropriate corrective action. After a full investigation is completed, the Human Resources Department will come to a conclusion regarding the involved parties. If Bally determines that an employee has violated this policy, it will take appropriate disciplinary action, up to and including termination of employment.

Retaliation against an employee for reporting harassment or discrimination or for participating in an investigation of a claim of harassment or discrimination is a serious violation of this policy and, like harassment or discrimination itself, will be subject to disciplinary action. Acts of retaliation should be reported immediately and will be promptly investigated and addressed.

b. Diversity & Inclusion

In July 2020, Bally launched a Diversity & Inclusion Survey in collaboration with an external supplier to gather employees' perceptions on the topic. The survey was sent worldwide and customized in accordance with regional peculiarities to capture as much as possible Bally's local realities and needs. Employees were invited, on a voluntary basis, to answer questions related to their experience, beliefs, and advice on the initiatives they would welcome in Bally to promote diversity and inclusion. Based on the results of the survey, an internal action plan has been created to foster diversity and inclusion in the company and its understanding.

c. Annual Leave and Public Holiday

Bally complies with local laws and all information related to Annual Leave & Public Holidays which are available on the employee local Work Contract & General Terms and Conditions of Employments. Our HQ is dotted with an electronic time management system that keeps track of working hours, overtime, breaks, days off and holidays.

d. Decent Work and Purchasing Practices

"6.1-The purchase prices are indicated in the order form and are referring to the price lists formally agreed upon by the Parties. The purchase prices are deemed to be fix; any varying concerning the purchase price requires the prior written approval of Bally\*."

"6.3- Unless otherwise agreed in writing, the modalities of the payments to be made by Bally to Supplier are regulated by the initial agreements between Bally and Supplier\*."

(\*excerpt from "General Terms and Conditions for Manufacturing and Supply of Bally Products" document)

## Covid-19 Response

### a. Supply Chain

Bally has continued to support its supply chain staff and third party partners during the Covid-19 pandemic by adhering to national health and safety guidelines and best business practises. We are proud to have ensured that Free on Board (FOB) prices have decreased or increased 0% on average across the past 12 months, and that order cancellations to vendors due to Covid-19 are at ~1,9% of value vs seasonal plan (\*Internal Company Data- Supply Chain)

### b. Employees

The health and welfare of our employees has been at the forefront during the Covid-19 pandemic, and we have ensured that no direct employees have received late wage payments during this period. New health and safety rules have entered into force since the pandemic's onset, strictly following national guidelines. Bally has continuously supported its employees for a smooth adaptation to changing habits, working space and environment including by inviting staff to reduce their presence in the office as much as possible, coming only when strictly necessary. Investments were made into new efficient devices to support remote working activities.

Furthermore, for extra comfort while working remotely, employees received an untantum SmartWorking Voucher to buy any device or product that may help recreate an "office" like arrangement at home. Bally co-paid and reimbursed 75% of the amount spent up to a maximum of 300 CHF/280 EUR per employee.

## Environmental Policies

### c. Water and Chemicals

Refer to RSL and "Supplier Agreement for Use of Non-Restricted Chemicals" (attached) for the required supplier acknowledgement and contract (below):

#### Supplier's Acknowledgement

##### Supplier's Acknowledgement

We, the undersigned hereby confirm that:

- We have received and taken due note of the contents of the Bally Supplier agreement for the use of restricted chemicals in Bally products.
- We will comply with the agreement requirements based on a development oriented approach and without amendment or abrogation.
- We will inform all of our employees/subcontractors of the content of the Code, and that we will ensure that they also comply with the provisions incorporated therein.

## OUR COMMITMENT TO TRANSPARENCY

Corporate social responsibility and sustainability are at the heart of our everyday practices. Bally's four sustainability pillars (Transparency, Quality, Collaboration, and Progress) show our efforts to strengthen our people and planet through actionable steps to clean the entire fashion industry. "We pledge to streamline and enhance reporting to meet the ever-stronger demands for transparency," states Bally CEO, Nicolas Girotto (2019 Sustainability Report). With this document and our participation in the Fashion Revolution's "Fashion Transparency Index," we pledge to continue increasing disclosure of our direct and indirect operations for our customers, employees, suppliers, and all the communities in which we operate.

For questions, comments, and suggestions about our performance please send an email to: [sustainability@bally.ch](mailto:sustainability@bally.ch)