

BALLY

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CEO MESSAGE

It was inspiring to see Bally's collections come to life on the runway this year, and to see our brand so embraced by the global fashion community. Behind the scenes, sustainability has remained a key priority for us. Bally is a business built on strong ethical foundations, and our commitment to our product, people and planet has never wavered. As you will see from this report, we're meticulous in our approach to ensure we're taking the correct steps toward becoming a more sustainable brand.

This year, we have once again increased our capacity to trace information, giving us the in-depth insight needed to drive meaningful change. In addition to this progress, we were able to develop our new Preferred Material List, which details every material family used in Bally products along with its social and environmental impact. Our PML is an important step ahead in enabling us to create products we can definitively label as sustainable. Taking such a well-informed approach to the design and production of Bally collections is crucial if we are to remain a truly responsible brand. I am incredibly proud of this achievement and the target we've set for at least 90% of our materials to be classified as 'preferred' or 'good' by 2028. Regarding packaging, I am happy to say that we're already setting a strong precedent,

with 99% of our paper packaging being responsibly sourced in 2022, a significant figure that represents 15% of our overall material consumption.

We would not be able to achieve such targets without our dedicated suppliers, all of whom share our ethical code and are on this journey with us. This year, in the spirit of full transparency, we have again mapped and published our supply chain at Tier 1 and Tier 2 levels, and we have renewed our commitment to working collaboratively to reach our sustainability goals.

In 2022, Bally committed to the Science Based Targets initiative, outlining near-term targets in line with climate science and the Paris Agreement's global-warming goals. In our continued efforts to limit our carbon footprint, we have also worked hard to reduce our energy consumption and increase our use of renewable energy. At our Swiss and Italian headquarters, thanks also to the installation of solar panels, 78% of our energy consumption came from renewable sources. At our offices, on a global level, that figure was 76%, an impressive 12% improvement year on year. And, though our green energy commitment began at home, it doesn't stop there – this year we signed a Collective

Virtual Power Purchase Agreement, the first of its kind for the fashion industry. We are proud to be one of 12 organizations involved in the Agreement, which aims to invest in new clean energy infrastructure that could see over 100,000 MWh per year of renewable electricity added to the grid.

Our dedication to the environment and connection to the natural world is intrinsic to us at Bally, and this year, we took part in numerous charitable initiatives focused on conservation, including a pledge to clean Mount Everest by 2030 through the Bally Peak Outlook Foundation. This commitment advances our 2019 pledge to clean up base camps, which has so far seen us remove 8.4 tons of trash.

Another personal highlight this year was seeing the Bally Foundation celebrate its 15th anniversary and prepare to open the doors to its inspirational new space at the beautiful Villa Heleneum in Lugano, Switzerland. Since its inception, the Foundation has gone from strength to strength in supporting the cultural development of the region by championing and raising the profile of contemporary local artists.

Lastly, I must highlight how proud I am that in 2022, our ratio of basic salary and remuneration of women to men was 102%. Additionally, 67% of our executive positions were held by women. The successes and innovations reported in this document are all examples of what's possible within an inclusive, respectful, and collaborative working culture, and this is something we will always nurture at Bally.

While there is much to celebrate, there is much still to do. But I believe that by operating with transparency, collaborating closely with our suppliers and the wider industry, and crafting highly considered, quality products, we will continue to make progress. And continual progress is the goal. Our work toward a more sustainable future will never stop. We will never be perfect, but we will always strive to do better for the mutual benefit of all.

Nicolas Giroto,
Bally CEO

OUR PROGRESS

05

Four years have passed since the publication of our first Sustainability Roadmap. In that time, the world has changed in ways we could never have imagined and we as a business have emerged with a renewed determination to do better for our planet, product and people.

2022 will be remembered as a year of celebration and reinvention for Bally. We returned to the runway, we refreshed our brand identity, and all the while, we made steady progress toward reaching our sustainability goals, achieving milestones such as the development of our Preferred Material List, reaching 99% responsibly sourced paper packaging, and the signing of the fashion industry's first Collective Virtual Power Purchasing Agreement.

This annual Sustainability Report documents our progress to date and reflects our deep-rooted respect for responsible practices.

**A RENEWED DETERMINATION TO
DO BETTER FOR OUR PLANET,
PRODUCT AND PEOPLE.**



PLANET

HIMALAYAN PRESERVATION COMMITMENT: The Bally Peak Outlook Foundation strengthened its supportive presence in the Himalayas by announcing a pledge to clean up Mount Everest by 2030. This announcement advances our commitment to cleaning up base camps, which we have been carrying out since 2019, removing over eight tons of trash, and contributing to the preservation of the Himalayan environment.

COLLECTIVE VIRTUAL POWER PURCHASE AGREEMENT: In 2022 we proudly committed to the first Collective Virtual Power Purchase Agreement for the fashion industry. This initiative, led by The Fashion Pact, is aimed at accelerating renewable electricity adoption by investing in new clean energy infrastructure.

PRODUCT

PREFERRED MATERIAL LIST: In 2022, we defined a new Preferred Material List. Based on scientific evidence, this transformational new tool allows us to design sustainable products by better selecting the materials for our collections. The Bally Preferred Material List is also a key enabler for us to establish long-term shared sustainable manufacturing methods within our supply chain, favoring the increase of sustainability awareness in our suppliers and engaging with them in a new path towards an increased control over materials sourcing as well as environmental protection and, of course, uncompromised human rights respect.

PAPER PACKAGING: 99% of our paper packaging was sourced responsibly in 2022, and 33% of our secondary paper packaging was re-used along the supply chain. With paper representing 15% of our total material consumption, this achievement represents a hugely significant step toward more sustainable sourcing.

PEOPLE

DIVERSITY, EQUITY AND INCLUSION: In 2022, we kept advancing our commitment to DE&I to ensure Bally is and will always be a discrimination-free workplace where everyone can belong. This year, our staff training and Smart Talks had a strong focus on DE&I by delivering a number of dedicated sessions addressing some of the many aspects related to the topic. We also improved our ratio of basic salary and remuneration of women to men, which is now at 102%.

SUPPORTING OUR COMMUNITY: We continued to expand our network of local initiatives and find unique ways to support them. Highlights included our surplus leather being put to use by aspiring artisans with additional needs, and our textile offcuts being transformed into dolls to be sold as charitable merchandise.

2022: A YEAR OF REINVENTION 10

We are modern-day artisans, combining heritage with innovation to bring Swiss luxury and uncompromised beauty to the world.

Bally is an iconic Swiss brand in the midst of a dynamic renaissance. In 2022, we made a bold return to the Milan Fashion Week runway following a 20-year hiatus, with shows attended by major fashion press, international buyers, influencers, and VIPs, and receiving positive reviews in global industry titles. We also rejuvenated our brand identity with the unveiling of a new logo design that references a 1930s sans serif treatment from our early French boutiques, designed by the renowned architect Robert Mallet-Stevens.

In this new era, Bally's visual language speaks to a sophisticated, timeless luxury, reinterpreted for new generations. While our collections evolve in a new direction, imbued with a confident, contemporary, and elevated spirit, we continue to honor our rich legacy of craft and quality, with attention to detail remaining of the utmost importance.

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SUSTAINABILITY AT BALLY

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OUR SWISS HERITAGE

Bally has been committed to responsible business practices since our inception in 1851. In the company's early years, founder Carl Franz Bally pioneered modern employee benefits including an on-site canteen, health care and pension plans. Though Bally is now a global luxury fashion brand with over 600 stores worldwide, the heart of our operations is still in Switzerland, and we remain true to our values, taking care of all our people, our craft, and the environment.

A SOCIALLY MINDED BUSINESS

Carl Franz Bally was a pioneer when it came to responsible business practices, creating a safe workplace and implementing welfare plans for all employees. Below are some examples of benefits he introduced.

CANTEEN

In 1868, Bally built its first canteen for all Schönenwerd employees on the direction of Carl Franz Bally, who believed in the importance of eating well to feel and work well. 1919 saw the introduction of a new, larger canteen called Kosthaus, designed by modernist architect Karl Moser.

HEALTH CARE AND PENSION PLAN

In 1851, Bally set up a health care plan for its employees, and in 1885, this was extended to include a pension. Finally, in 1902, Carl Franz Bally donated money to establish an insurance fund for staff.

BRIDGE

When the Bally factory was first established, employees had to use ferry boats or cross the river in Olten or Aarau to get to work. Carl Franz Bally fought against local opposition to have a bridge built, and even entered into local politics, promising to pay half of the costs. In 1864, a bridge was finally constructed between the neighboring villages of Niedergösgen and Schönenwerd, making it easy and convenient for Bally employees to get to work.



Zürich Spore Anstaltung Vorhalle 1936



W.B. Kuhnli (1939)



W.B. Kuhnli



Arndt's Kioskhaus



Atthappen

1936

DRIVING CHANGE

We are constantly striving toward a more sustainable approach to business. As well as chronicling our actions and progress in this annual Sustainability Report, we also take in initiatives such as the annual review led by the Fashion Transparency Index, and projects led by The Fashion Pact.

Furthermore, we are proud to be continually contributing to the United Nations' Sustainable Development Goals (SDGs), in particular:

SDG 3 GOOD HEALTH AND WELLBEING

Bally is committed to guaranteeing the health and safety of all its employees, as well as to supporting the wellbeing of all its stakeholders.

SDG 5 GENDER EQUALITY

Bally is dedicated to ensuring its workplace is free from any form of discrimination, including gender discrimination, and avoids this in its supply chain.

SDG 7 AFFORDABLE AND CLEAN ENERGY

Bally is committed to the preservation of our environmental heritage, with a pledge to reduce its environmental footprint.

SDG 8 DECENT WORK AND ECONOMIC GROWTH

Bally is focused on enhancing the professional development of its employees, and guaranteeing them a safe workplace, as well as on improving its footprint while maintaining economic growth.

SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Bally is committed to developing more responsible usage of resources, materials (including packaging), and waste, and creating more circular solutions.

With its quality, timeless products, and customer care program, Bally also aims to sensitize its customers towards more responsible consumption.

SDG 13 CLIMATE ACTION

Bally pledges to contribute to the climate change actions that will lead to a better future for everyone, as demonstrated by its early participation in The Fashion Pact.

OUR SUSTAINABILITY PILLARS

Our sustainability strategy, roadmap and goals are built upon four pillars: Transparency, Quality, Collaboration and Progress.

TRANSPARENCY

Bally strongly believes in the power of transparency. It's for this reason that we issued our sustainability roadmap in 2019 and have since published this annual report to provide updates on our sustainability journey. The more we gather and share detailed information, the more precise we can be with our objectives on issues such as energy ([see page 28](#)) or materials ([see page 37](#)).

QUALITY

Bally products are synonymous with quality, craftsmanship and timeless design. We continuously collaborate with our suppliers to get the very best materials, products and packaging, without compromising on social and environmental respect.

This year, we developed a new Preferred Material List ([see page 44](#)). This tool supports us in choosing materials even more carefully so that we can continue to improve our environmental and social footprint without compromising on the style, design, and quality of our products.

COLLABORATION

Bally takes pride in collaborating with numerous initiatives and projects that support local and non-local communities, creative talent, and the environment.

In 2022, we continued to make a difference with the Bally Foundation ([see page 83](#)), widened our support to local initiatives ([see page 92](#)), and organized activities that brought our employees and the local community together through the Bally Employee Resource Group ([see page 79](#)). Further, The Bally Peak Outlook Foundation ([see page 88](#)) continued to collaborate with existing and new projects aimed at preserving mountain environments, which are sadly becoming increasingly fragile.

PROGRESS

In an ever-evolving scenario, we believe that continuous progress, accompanied by persistence, is key.

In 2022, Bally returned to the Milan Fashion Week runway following a 20-year hiatus and we concurrently unveiled a new logo to rejuvenate our brand identity. On the digital innovation front, successes include the launch of a new Digital Platform ([see page 59](#)) which offers an immersive experience of Bally's vision.



GOVERNANCE

Our Sustainability Roadmap is overseen by members of our organization at the highest level, with our Bally International AG Board of Directors and ESG Committee being accountable for its delivery. Our corporate governance structure includes the Board of Directors, the CEO, and the Executive Committee, which is comprised of senior members of management. All individuals see sustainability as a strategic priority for our business.

BOARD OF DIRECTORS

Our Board of Directors sets Bally's business strategy and policies and oversees all company activities.

Bally's governance structure also comprises two other committees, namely the Audit and the Remuneration Committee. The Audit Committee assists the Board in fulfilling its corporate governance duties regarding financial reporting, the internal control system, the risk management system, and internal and external audit functions. The Remuneration Committee provides guidance regarding the salaries and other forms of compensation for the company's executives.

ESG considerations are treated as a matter of great importance by the Board and are included on the agenda for discussion in its quarterly meetings. The Executive Committee also delivers periodic reports on ESG progress which Board members thoroughly evaluate against our Roadmap.

ESG COMMITTEE

The ESG Committee is comprised of our CEO, EVP of supply chain, EVP of HR, and Director of Strategic Projects, Indirect Procurement & ESG. As the delegated governance body for managing Bally's impact on ESG, these individuals are responsible for reviewing and endorsing the Sustainability Roadmap and action plan, as well as all corporate policies and regulations related to sustainability.

The chairperson of the ESG Committee is Bally's CEO, who oversees and periodically approves milestones, tasks and targets. ESG tasks are carried out by the ESG team under the guidance of its Director, and according to the strategic decisions of its Committee. In addition, since Bally aims to integrate sustainability into every layer of our business, clear tasks and responsibilities relating to ESG have been defined and assigned across all company departments.

OUR PLANET

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As of today, the key indicators of Bally's progress on its impact reduction journey include steps taken on energy consumption, energy sourcing, materials selection, and transportation means.

In 2022, all these issues were carefully addressed, particularly with the in-depth analysis carried out to commit to the SBTi initiative (Science Based Targets initiative), which provides companies with a clearly defined path to set emission reduction targets in line with climate science, and with the adherence to the CVPPA (Collective Virtual Power Purchase Agreement) which invests in new clean energy infrastructure.

OUR FOOTPRINT

A corporate footprint is an accounting method used by companies to define a metrics-based sustainability strategy. Through it, we can understand our hotspots in terms of CO2 emissions across the value chain.

Collaborating with Quantis experts, in 2021 we calculated our footprint in compliance with the leading Greenhouse Gas (GHG) Protocol Corporate Standard, which classifies a company’s emission into three scopes:

SCOPE 1:

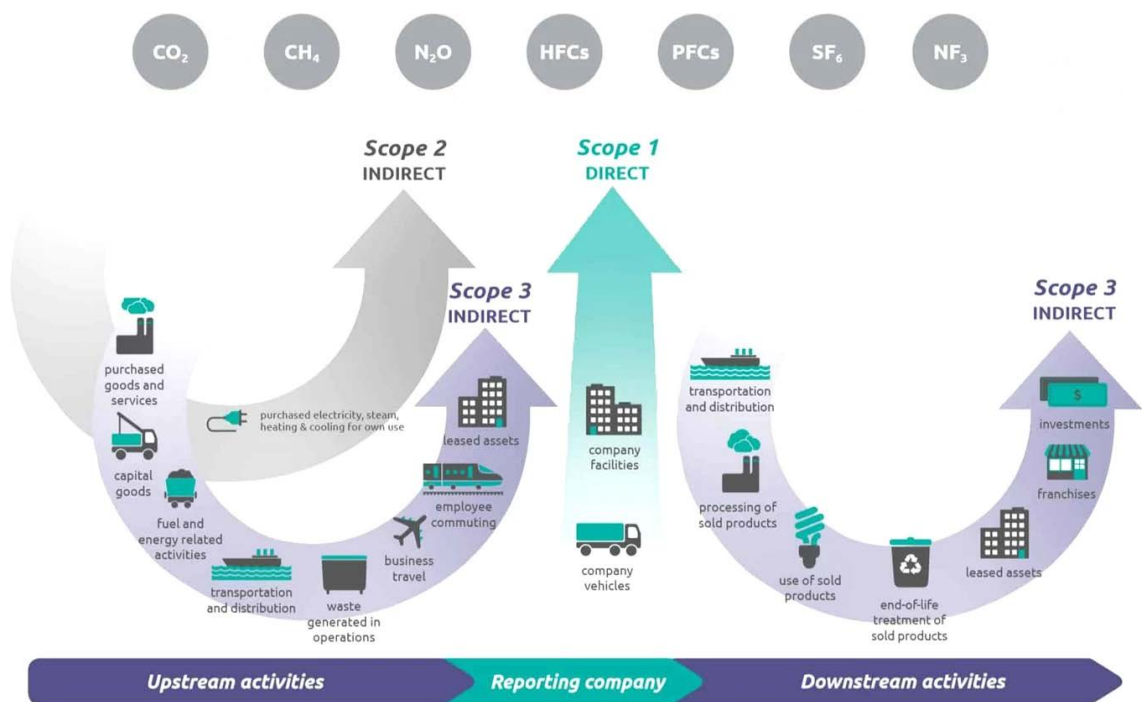
Direct emissions from sources controlled by the company

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’s control



Source: Greenhouse Gas Protocol

To quantify our impact accurately, we chose 2019 as our baseline year because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021. In 2022 we asked for a re-calculation of our Scope 2 to include the installation of solar panels on our Swiss HQ's roof. This reduced our Scope 2 by 43 CO₂-equivalent tons per year if referring to location-based GHG emissions, or by 60 CO₂-equivalent tons per year if referring to market-based GHG emissions.

Following the submission of our emission reduction target to the Science Based Target initiative (SBTi, [see page 34](#)), in 2023 we are going to calculate our new footprint based on 2022 data.

RESULTS RECAP

Bally's corporate footprint in 2019 totaled 103 kilotons of CO₂-equivalent. 96% of this was due to Scope 3 emissions, while Scope 1 and 2 contributed to the remaining 4%.

This data has provided the basis for science-based target setting in 2022 and was used to shape our action plan for the reduction of CO₂-equivalent emissions ([see page 34](#)).

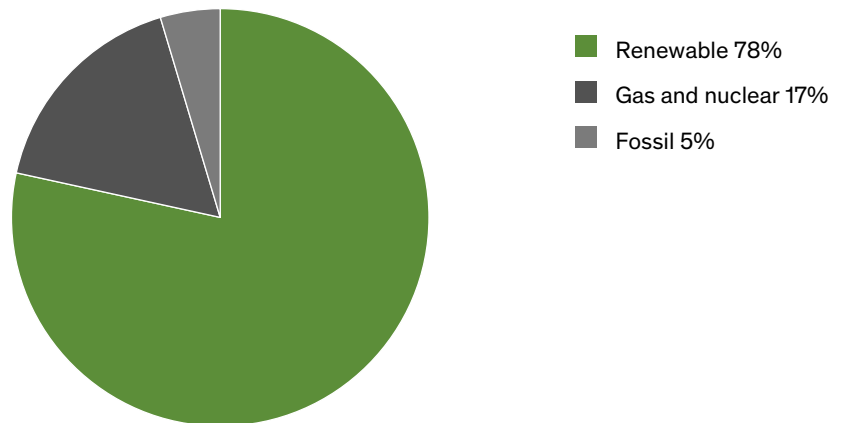
OUR ENERGY CONSUMPTION

Improving our energy mix plays a fundamental role in reducing our environmental footprint.

With reference to the consumption data of our Swiss and Italian headquarters, on which our Scope 1, 2 and 3 assessments are calculated, we are proud to say that, in 2022, only 4.6% of our energy consumption came from higher-polluting sources such as fuel or coal. Our fossil fuel energy consumption has stayed approximately the same as last year despite coal consumption on the grid in general rising due to the energy crisis.

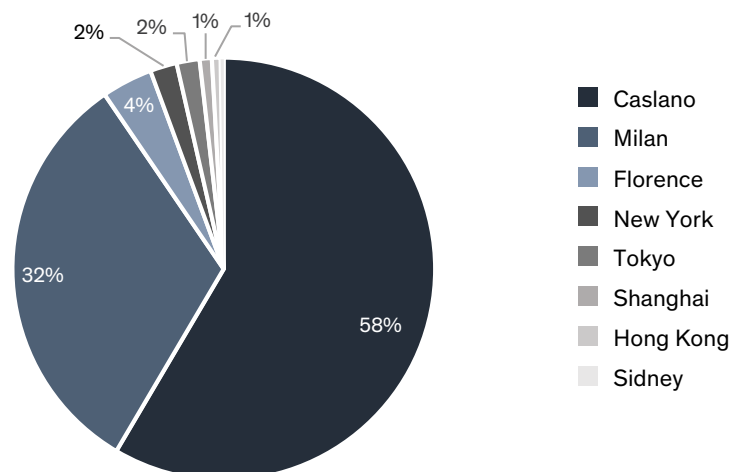
We are proud to share that 78% of our HQs energy consumption came from renewable sources, with a significant 9% improvement against 2021. This result was possible thanks to the installation of solar panels on the roof of our Caslano facilities carried out in 2021, and to the offsetting of the remaining kwh consumed through the purchase of green certificates for Caslano. We are working towards compensating our Milan and Florence emissions as well, in order to reach net-zero for our HQs emissions. The remainder of our energy consumption came from nuclear and gas, which can be considered as transitional sources in the path towards more sustainable energy consumption, as endorsed by the EU's Green Taxonomy.

Energy Breakdown HQs (Switzerland and Italy)



To gain a clearer picture of our global impact, in 2022, we continued to monitor the scope of our energy consumption, including offices in Shanghai, Sydney, Tokyo New York, and Hong Kong. We have also included the energy consumption of Caslano’s keeper house which, though separate to our organization, is still part of the industrial complex.

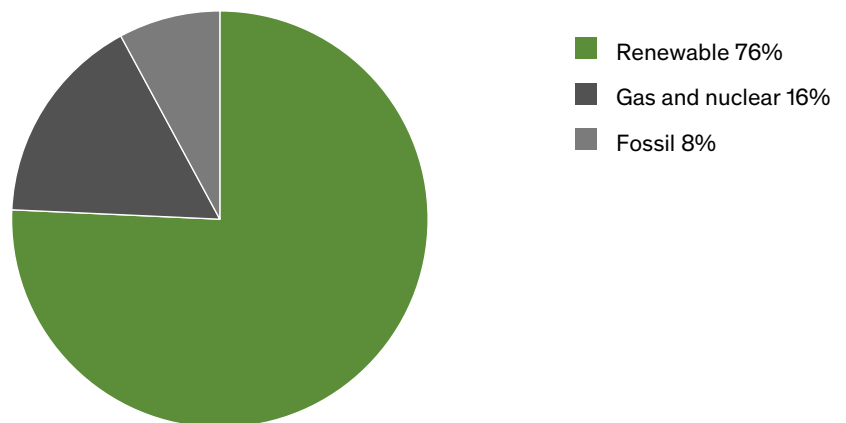
Total energy consumption - HQs and Offices



This data gives us an awareness of our environmental impact and the subsequent actions we must undertake. In 2022, we were also able to better identify the origin of the energy. We are proud to state that 76% of our energy consumption in HQs and offices worldwide came from renewable sources, representing a 12% improvement in one year.

Considering the 2022 energy market, and that we have assumed “100% fossil” as the origin of the energy when we did not have further information, we consider this a notable achievement in our path toward more sustainable sources.

Energy Breakdown - HQs and Offices



**76% OF ENERGY USED
IN OUR HQS AND
OFFICES CAME FROM
RENEWABLE SOURCES**



CVPPA

With the aim of continually improving our energy sourcing, in 2022, we proudly committed to our first Collective Virtual Power Purchase Agreement (CVPPA).

This initiative, led by The Fashion Pact, is the first of its kind for the fashion industry. 12 organizations are participating, proving that collective action can make a difference. Bally passionately believes in this, which is why we were one of the first to sign The Fashion Pact in 2019.

The Collective Virtual Power Purchase Agreement (CVPPA) aims to accelerate renewable electricity adoption by investing in new clean energy infrastructure, beginning in Europe.

The project, in partnership with energy and technical consultancy firms Guidehouse and 2050, seeks to add over 100,000 MWh per year of new renewable electricity generation to the grid, accelerating the transition to clean energy.

“Collective action can drive change. Through The Fashion Pact, we can find solutions based on innovation and positive impact. Implementing greener energy is one of the multiple options when it comes to transforming the way we operate. Bally is proud to commit to the Collective Virtual Power Purchase Agreement (CVPPA), marking a milestone as we prepare to use 75 percent renewable energy across our direct operations by 2030.”

– Nicolas Giroto, Bally CEO

SBTI COMMITMENT

To reduce our environmental impact, in 2022, Bally committed to the Science Based Targets initiative (SBTi) to set near-term targets in line with climate science. The SBTi provides companies with a clearly defined path to reducing emissions in accordance with the Paris Agreement goals. Targets considered “science-based” are in line with what the latest climate science deems necessary to meet the goals – limiting global warming to well-below 2°C above pre-industrial levels, and pursuing efforts to limit warming to 1.5°C.

To fully understand the meaning and value of our SBTi commitment, we took both a top-down and bottom-up approach. We collaborated with Quantis experts to identify actions to reduce our footprint, and we involved key employees across our organization to understand the typology and magnitude of all possible activity. The project involved all major internal stakeholders, including materials experts and logistic professionals; their expertise was fundamental in identifying key actions that will allow us to reduce our impact without altering Bally’s distinguishing characteristics or the growth expectation that we have from now until 2030.

At the beginning of 2023, we submitted our target to the Science Based Targets initiative, and we are currently awaiting its validation.

WASTE MINIMIZATION IN HQS

In order to minimize waste in our headquarters, we have installed water dispensers and employees have been given water bottles to fill up. By doing so, we are encouraging our employees to avoid buying plastic bottles.

In our Caslano HQ, all coffee cups are made of glass (and thoroughly cleaned after every use), while in other offices, we use fully recyclable paper coffee cups.

OUR PRODUCT

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The number of items crafted by Bally in 2022 totaled around 450,000 pairs of shoes and approximately 650,000 ready-to-wear items and accessories. This high production volume is matched by exceptionally high standards for both the quality of our pieces, and their ethical and environmental impact.

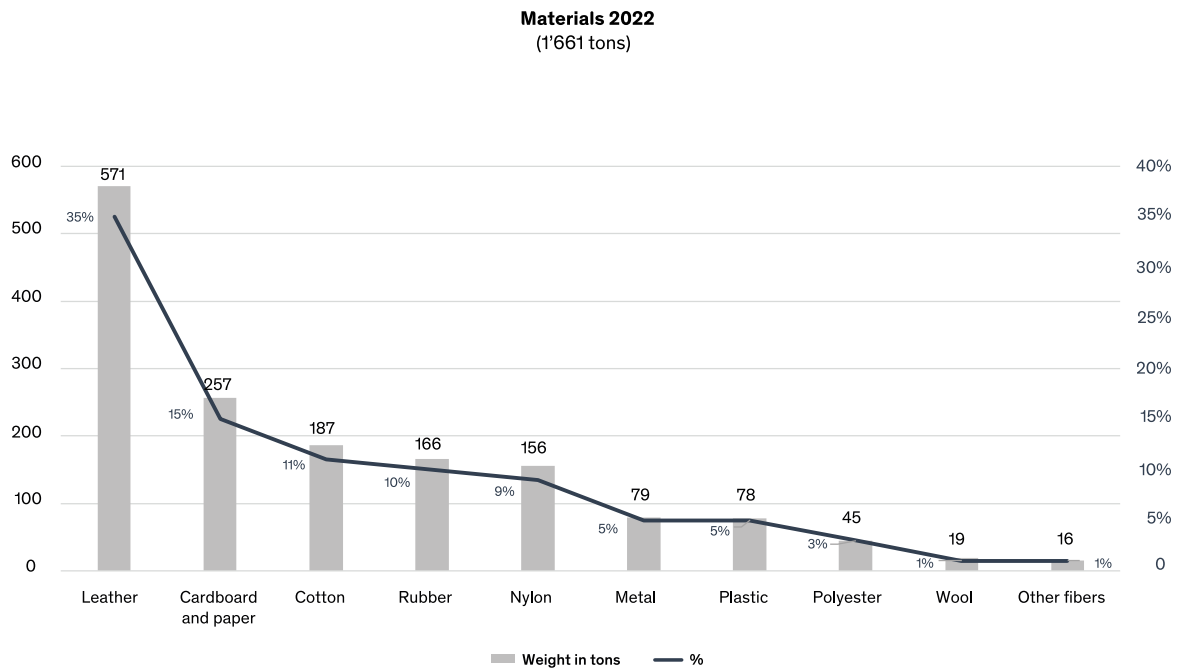
In 2022, we introduced our new Preferred Material List, which will transform how we design and produce our pieces, taking their sustainability credentials to a new level. We have also made improvements on global supply chain transparency and continued to develop initiatives that increase the lifecycle of our designs.

MATERIALS

To achieve our aim of material traceability, in 2022 Bally continued to classify all relevant materials used throughout its supply chain and production processes by weight. We measure by weight because it is the most accurate indicator of material consumption and allows us to more precisely track our progress toward more responsible sourcing.

This chart shows the total weight of material consumed per product category in 2022, and our total consumption, which is approximately 1,660 tons of raw material. The first 10 categories constitute 95% of the total weight of materials used for our production. The leading five – leather, cardboard and paper, cotton, rubber, and nylon – constitute 80% of the total material used.

Having a concentrated material list such as this means we can prioritize our efforts on the most relevant material types, being aware that under every category, a variety of subcategories and material families are included.



We remain attentive to every material used in our supply chain, including small or residual amounts.

With respect to previous years, quantity variations and differences within the same material groups can be ascribed to a different mix in the collection, concerning not only raw materials but also categories (shoes, accessories and ready-to-wear).

This year, we were able to classify almost 400 tons of material more than in 2021. This is certainly the result of an improved traceability capacity for our materials.

We were able to improve our raw material classification and to correctly weigh the different components of numerous composite materials; we succeeded, for instance, in identifying 96 tons of leather that are within our products but mixed with other materials. Furthermore, 65 tons of other mixed material have been correctly allocated to their proper material category.

Our capability of determining the weight of the materials used has also improved, as with the rubber in our soles. In 2021, although we were aware of its importance and relative weight within our products, we could not properly classify rubber. However, in 2022 we have managed to account for it correctly, with 166 tons measured.

We are committed to continue enhancing our systems to be increasingly precise in detailing the components of our products and their weight. In addition, we are committed to improving our material sourcing. In 2022, around 25% of the material we used had a preferable attribute, including:

- Certified materials – for instance, leather from Leather Working Group certified tanneries, GRS certified materials, BCI cotton, FSC paper and wood materials
- Chemically sustainable – for instance, metal-free leather, vegetable tanning
- Materials with less resource needed – textiles requiring less energy and/or water in their processes
- Organic/vegan – for instance, organic cotton
- Recycled material – pre- and post-consumer waste.

We are building on this achievement through the creation of a new Preferred Material List.

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PAPER PACKAGING

In 2022, Bally used approximately 1.9 million pieces of paper packaging for its products. This includes shoeboxes, shopping bags, shipping boxes and filling paper.

We reported in our Materials chapter ([see page 37](#)) the actual weight of primary paper packaging used. However, as packaging is directly linked to the number of goods produced, and because it varies in size and thickness, we believe it is also useful to quantify our consumption of paper and cardboard as a number of pieces.

TOTAL UNITS OF PAPER AND CARDBOARD PACKAGING	1,915,386
100% FSC or 100% PEFC	96.5%
Recycled cardboard >70%	2.5%
Responsibly Sourced	99%
Secondary Packaging re-used in Supply Chain	33%
TOTAL reused packaging	6%

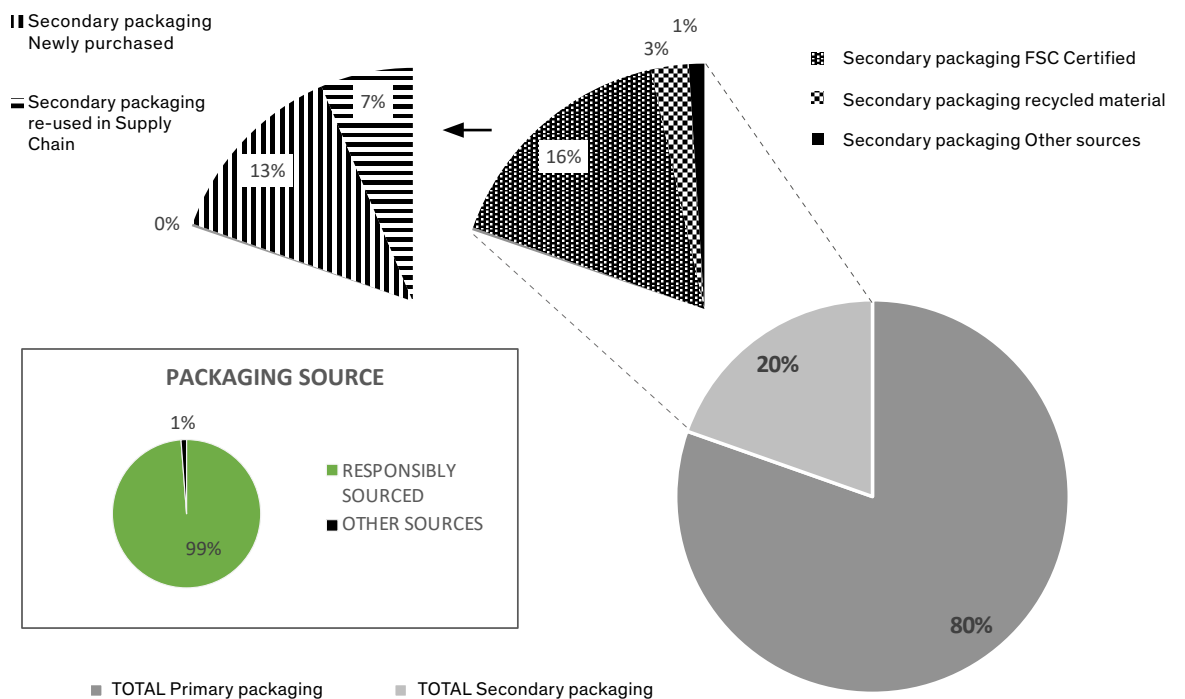
We are proud to share that 99% our paper packaging in 2022 was responsibly sourced. What's more, 33% of the secondary packaging in our supply chain was re-used; that's over 120,000 pieces and accounts for 6% of all paper packaging used by Bally in 2022. 88% of our secondary packaging contains over 80% recycled paper.

66% of our primary packaging, besides being FSC certified, also has 40% Post-Consumer Waste (PCW) composition.

In comparison with 2021 data, we have increased our consumption. This can be attributed to various factors, including the creation of new packaging to reflect our re-brand and logo refresh.

PRIMARY PACKAGING	UNITS
Boxes	706,610
Shoppers	608,000
Tissue paper	201,931
Handles	23,300
TOTAL Primary packaging	1,539,841
FSC certified	1,536,341

SECONDARY PACKAGING	UNITS
Boxes	373,566
of which re-used in the supply chain	122,606
Paper	1,979
TOTAL Secondary packaging	375,545
FSC certified	308,352
Recycled	47,752
RESPONSIBLY SOURCED secondary packaging	356,104



PREFERRED MATERIAL LIST

Sustainability is a complex matter that depends on many different aspects of our organization, but when referring to products, our first milestone has always been to define proper metrics, values, and drivers to evaluate how they can actually be defined as sustainable. The first step was to set up a scientific approach to designing sustainable products. Then, we must ensure their manufacturing, transportation and sale are also sustainable.

The definition and implementation of Bally's Preferred Material List will see us achieve this first step. This list gives us a scientific tool to correctly select our materials for each collection and to measure how they are managed throughout prototype development and final production.

In developing the list, we consulted several best-practice sources, including the Institutional Standards Organization, EU Strategy for Sustainable and Circular Textiles, Fashion Industry Charter for Climate Action, Textile Exchange and The Fashion Pact. We then defined the following guidelines and evaluation levels:

GUIDELINES

Renewable: a fiber or material naturally grown and replenished or cleansed on a human time scale. A renewable resource is capable of being exhausted but can last indefinitely with proper stewardship.

Recycled: a pre- or post-consumer material diverted from waste streams and used as feedstock to produce recycled fibers or materials.

Organic: a natural fiber grown without the use of synthetic pesticides, herbicides, or GMOs (Genetic Modified Organisms) according to the principles of organic agriculture.

Regenerative: a fiber grown through a set of holistic agricultural practices that support the health of soil, animals, and workers. Regenerative farming aims to not only sustain but regenerate and rebuild soil health over time.

Bio-based: materials that are wholly or partially derived from biomass – plants and vegetables. In some cases, they are also biodegradable.

Low impact: this category consists of materials other than those listed above which are developed to minimise their social or environmental impact.

Conventional: materials produced without reference to any specific sustainability program, certification, regulation, initiative, or process.

LEVELS OF PREFERENCE

Preferred: Renewable | Recycled (pre- and post-consumer) | Regenerative | Organic | Bio-based | Low impact materials with sound and recognised supporting proofs

Good: Renewable | Recycled (pre- and post-consumer) | Regenerative | Organic | Bio-based | Low Impact materials with weaker supporting proofs | Traceable Conventional materials

Discouraged: Untraceable Conventional materials

Banned: Materials that do not fall under previous categories and are internationally limited or prohibited

We have linked these guidelines and levels to supporting proofs such as certifications, third-party verifications, regulations, processes and standards. To identify these supporting proofs, we analyzed in detail the social and environmental requirements for every material family used in our products, including leather, plant, animal, manmade and synthetic fibers and metals.

Not only does this list equip Bally with a tool to improve the sustainability of our products, but it also provides the basis for a long-term journey toward more sustainable manufacturing within our supply chain. Our target is for at least 90% of our materials to be classified Preferred or Good by 2028. In pursuing this objective, we will focus on further developing our commitment to those suppliers and partners for whom sustainability is a strategic goal over the coming years. We believe it is only through strong collaboration with our supply chain that we will achieve our objective.

In 2022, we have already made progress toward our goal, with the use more sustainable materials in our collections, including regenerated leather, repurposed PET mesh and 100% recycled nylon and polyester. Our Mythos product line is a strong example of us using these innovative materials season after season.

**2028 — 90% OF OUR MATERIALS
WILL BE CLASSIFIED
“PREFERRED” OR “GOOD”**

SUPPLY & PRODUCTION

We see our global supply chain partners as an extension of the Bally brand. As such, they are asked to demonstrate their commitment to our shared values by signing and abiding by our Restricted Substances List and Supplier Code of Conduct. Traceability and accountability are of utmost importance, which is why we map our supply chain at Tier 1 and 2 levels. In 2022, by continuing to work with advanced models of procurement, production, and distribution, we have also managed to reduce the environmental impact of our B2B transportation.

FLEXIBLE SOURCING

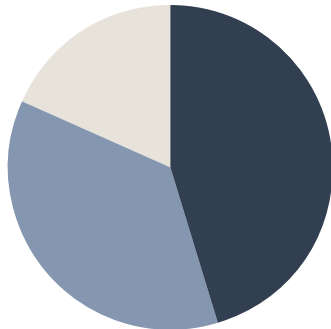
Our flexible sourcing model continues to improve our efficiency, enabling us to adapt our supply chain to meet the required volume thresholds while maintaining long-lasting and trusted relationships with our main suppliers. We are establishing a well-defined production footprint that relies on the flexibility and knowledge of the European supplier industry, as well as a strategic supply base in more competitive locations. In 2022, we continued to reduce the impact of our B2B transportation by sourcing materials as locally as possible.

OPERATIONAL EFFICIENCY

Our global logistics platform delivers a high degree of operational efficiency. In 2022, we deployed a more efficient product allocation across different markets and channels, decreasing the overall inventory level, and achieving further alignment between sales and supply, thus avoiding unnecessary product buffers.

BALLY SUPPLIERS 2022

BY CATEGORY

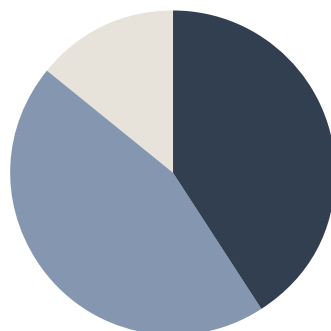


- Shoes 45%
- Accessories 36%
- Ready to Wear 18%

BALLY TOP 20 SUPPLIERS 2022

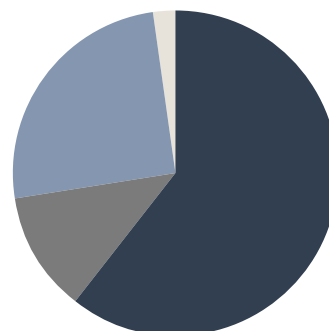
These graphs provide data on our top 20 suppliers in terms of expenditure value. Their product categories and countries are shown along with the percentage expenditure value.

BY CATEGORY



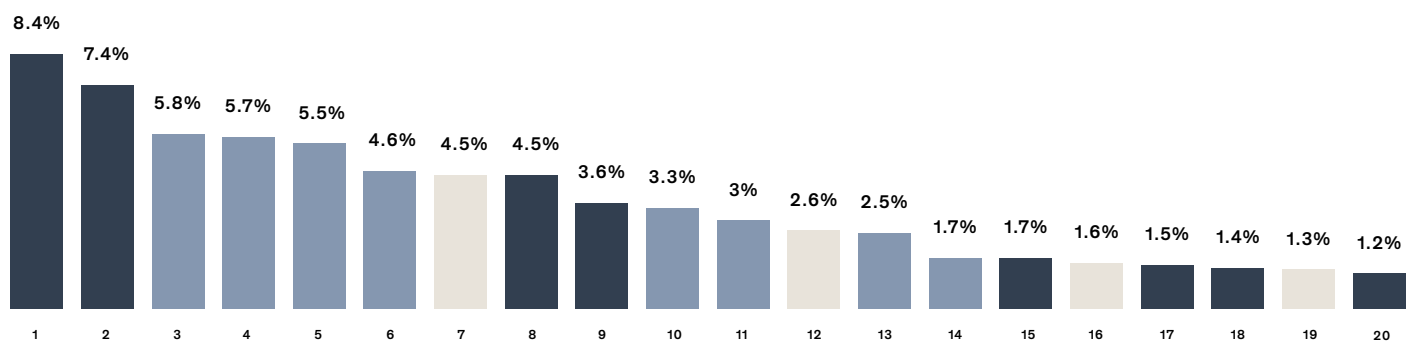
- Shoes 41%
- Accessories 45%
- Ready to Wear 14%

BY COUNTRY



- Italy 60%
- Hong Kong 26%
- Chinese Mainland 12%
- Portugal 2%

RANKING



- Shoes
- Accessories
- Ready to Wear

SUPPLY CHAIN TRACEABILITY, ETHICAL STANDARDS & VENDOR MANAGEMENT

MAINTAINING ETHICAL STANDARDS

Bally develops strong relationships with all our suppliers to ensure they meet the highest ethical standards for labor, health and safety, and the environment.

Besides our [Restricted Substance List](#), every supplier is required to sign and respect our [Supplier Code of Conduct](#), which is based on respecting human rights and protecting the environment.

The Bally Supplier Code of Conduct is divided in four chapters, each one covering a macro topic and detailing the related required standards:

01 SAFE WORKING AND HUMAN RIGHTS

- Prohibition of child labor and regulation on minimum working age
- Prohibition of forced labor and requirements on voluntary employment
- Non-discrimination and Harassment guidelines
- Freedom of association and collective bargaining that need to be granted
- Provisions on working hours, compensation and benefits, and Regular employment
- Health and Safety of workers who shall be provided a safe workplace

O2 ENVIRONMENTAL AWARENESS AND PROTECTION OF NATURAL RESOURCES

- Protection of animals and animal welfare
- Efficient energy use and reduction of GHG emissions
- Responsible water consumption
- Minimization of materials consumption and waste management
- Product quality and safety
- Handling of hazardous materials, chemicals, and substances

O3 TRACEABILITY

- Prohibition of outsourcing without authorization
- Material and product traceability along the supply chain

O4 ADDITIONAL PROVISIONS

- Anti-money laundering
- Anti-bribery
- Taxation
- Confidentiality of information

In addition, we have made it possible for any individual to report any situation or circumstance that may conflict to it. Vendors are invited to report any violation or breach of the Supplier Code of Conduct. They can contact the Internal Audit department via post or a dedicated email address.

We did not receive any reports in 2022, nor did we receive any fine for non-compliance regarding regulations and laws on environmental, social, and economic issues.

VENDOR MANAGEMENT

Bally periodically interviews the majority of its suppliers on a range of themes, including environmental and social Issues. Over the past three years, we have developed a holistic Vendor Management System that allows the company to trace suppliers' performance according to a set of six measures:

- Technical and commercial evaluation
- Financial scoring
- Economic evaluation
- Ethical and juridical evaluation
- ESG parameters
- Certifications

This evaluation covers all aspects of a client-supplier relationship and is aimed at achieving the following targets:

- Enhance our knowledge of the supply chain by structuring the relevant information and making it available to the organization
- Ensure our capacity to isolate and manage improvement points in all aspects contributing to the success of a business relationship with dedicated action plans
- Ensure our capacity to track suppliers' progress and evaluate them correctly
- Ensure our capacity to select partners according to specific criteria
- Manage suppliers in an open and transparent manner

In 2022, we surveyed suppliers representing 95% of our expenditure value, and none revealed any concerns regarding negative or social impacts in the supply chain.

In addition, we would like to highlight the following data:

- 64% already have policies in place aimed at reducing their environmental footprint
- 33% have green energy supply agreements
- 30% already have circular material processes in place

These interviews give us a strong overview of how our suppliers are dealing with sustainability issues at large. This allows us to better collaborate with them, identifying priority themes to tackle together to build an increasingly considered value chain.

OUR COMMITMENT TO SUPPLY CHAIN TRANSPARENCY

Since the start of 2022, Bally has shared a list of trusted companies that represent the majority of our Tier 1 and Tier 2 suppliers. This list is regularly updated and covers the main product categories we develop, including shoes, leather goods, ready-to-wear pieces, and accessories. The latest updated list gives disclosure on 79 suppliers accounting for 52% of Tier 1 and Tier 2 suppliers in expenditure value. Information about their name and their address, their parent company, the number of employees, certifications and existence of free trade unions systems are made available.

BALLY SUPPLIERS LIST

It is worth noting that any individual supplier may appear as both Tier 1 and Tier 2 as it fulfils distinct roles and positions across separate business units within Bally. However, our Vendor Management System allows us to correctly trace the respective roles each supplier plays across our supply chain.

RENEWAL PROGRAM

Our longstanding commitment to timeless quality is reflected by the fact that all Bally pieces come with a two-year guarantee, and selected items come with an additional level of customer care and product assistance. When customers purchase those selected Bally items, they are informed about our refresh-and-repair services and invited to contact their Bally store should they be required. On receipt of worn items, our staff determine the best solution, which could be to send the product back to our Swiss facilities, or to have it repaired by our affiliated partners.

SCRIBE RENEWAL PROGRAM

Our Scribe renewal program is dedicated to the renowned Bally Scribe shoe. Originally created in the '50s by Max Bally, the Bally Scribe is still regarded as the most traditional and premium example of shoemaking, involving around 200 production steps executed by skilled artisans.

We usually repair Scribe shoes that are, on average, five to eight years old. The age of the shoes we receive varies significantly according to the client's use and care, as well as to the material of the sole, with leather soles tending to have longer lifecycles than rubber. However, we are proud to share that in 2022, 28% of Scribe renewals were made on shoes produced at least 10 years ago, of which 6% were on shoes produced as long as 14 years ago.

Overall, in 2022, we took 2,697 products through repair, including those under guarantee. This number was made up of 846 pairs of shoes, 44 ready-to-wear items and 1,807 accessories.

Among these, Bally extended the lifecycle of 920 products through repair (665 products out of guarantee and 255 under guarantee but that had an inappropriate use), including:

- 15 ready-to-wear items
- 472 accessories
- 433 shoes, of which 43 came through the Scribe renewal program

Bally is working to create a more consolidated refresh-and-repair program, as well as a second-hand resale project.

2022 — **PRODUCT REPAIRS**

846 PAIRS OF SHOES

44 READY-TO-WEAR ITEMS

1,807 ACCESSORIES



PRODUCT TESTING & SAFETY

To ensure we continue to provide our clients and partners with products of the very highest quality, Bally collaborates with longstanding partner Bureau Veritas to test every piece in every collection. BV is a certified institution and world leader in testing, inspection, and certification services.

The samples selected for testing are those which are most likely to go into final production and be ordered at scale, as well as those with the highest level of criticality (due to their chemical composition, fabric, production process, or previous issues).

To ensure the highest quality, products undergo the same procedures whether they are produced internally in Bally's facilities or in third-party production sites. These procedures and rules are specifically shaped according to the category (shoes, accessories, or ready to wear) and are always carried out on two levels: raw material and finished product.

The tests are both chemical, ecotoxicological and physical-mechanical, and comply with the main worldwide standards.

We are proud to state that, in 2022, no incidents concerning compliance with health and safety regulations have occurred.

OUR DIGITALIZATION STRATEGY 58

DIGITAL TRANSFORMATION

In recent years, the Covid-19 pandemic decisively accelerated Bally's path towards a best-in-class digital infrastructure. For instance, we evolved our B2B communications with the development of a virtual showroom accompanied by virtual collection presentations, we expanded our e-commerce presence, and we were able to enrich our virtual dialogue with customers through content creation and social media.

In 2022, we continued to accelerate our digital investment and transformation, given its growing importance as a sales channel, and increasing share of voice in customer engagement. In September, Bally launched a new Digital Platform which works in parallel with our e-commerce website to offer an immersive experience of Bally's vision and creative direction, showcasing our collections and runway shows, as well as our brand's values and projects.

BALLY'S DIGITAL ARCHIVE

Bally is closely connected to the Ticino region through its leadership within the Lifestyle Tech Competence Center (LTCC). The LTCC is a Swiss association that brings together diverse companies from a variety of industries to leverage technology for more sustainable business practices. It aims to support businesses conducting research and development in the lifestyle-tech arena, and to promote collaboration between academic institutions and companies, encouraging the exchange of technology and knowledge.

At LTCC, in addition to several innovation projects, Bally is working on the digitalization of our archive. Documenting more than 170 years of Bally history, it is fundamental for us to preserve our archive, as it testifies to our roots and helps us maintain our key values and identity in a transformative time.

Archives allow brands to control their materials and curate their own story more directly. For this reason, as fashion has strengthened its role in modern culture, brands are thinking carefully about their archives and how to handle them; they want to preserve the past to build on their future. Archival fashion is not only culturally enriching but provides a rich source of inspiration for our designers. It can also become an engaging communications tool for employee onboarding, retail partnerships, museum exhibitions, social media, and content creation.

The project involves transforming Bally's historical archive – which includes around 40,000 assets, from shoes to posters, and much more – into an innovative digital tool, through:

- digital content acquisition (tagging, scanning, etc.)
- digital preservation
- content enrichment
- user-friendly accessibility (high-definition assets)

We aim to complete our archive digitalization project by 2027.

OUR PEOPLE

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We are immensely proud of our global Bally community and our roots as a family business. It is important to us that all our people feel well-connected, well-informed, and well-represented.

From business-wide presentations and personal-development training programs to DE&I initiatives and mindfulness classes, 2022 saw us continue to evolve the ways in which we invest in our people, as well as supporting a range of charitable initiatives that benefit our wider community.

CEO UPDATES

Since his appointment as CEO in 2019, Nicolas Giroto has held regular meetings to update employees on key business themes. When Covid-19 hit, these meetings started to be held virtually. While, fortunately, the pandemic emergency is now over, we have decided to maintain the same format for company worldwide meetings. Nicolas Giroto regularly dedicates time to give all employees updates on business developments and on Bally's strategy, answering questions, and instilling greater transparency and unification across territories.

SMART TALKS

In 2022, we continued to run Bally Smart Talks, video calls with renowned guest speakers coming from diverse backgrounds, industries, and fields of expertise. The meetings, led by our CEO and broadcast live on our internal internet channel, cover selected topics with the participation of an external expert, and are watched by all executives and employees of the international Bally Group.

Bally Smart Talks, which promote informal conversations amongst staff, were launched in 2021 with the aim of motivating and inspiring employees to engage with each other and the world around them, providing different points of view as a starting point for their own personal development. This year, various themes were addressed including DE&I ([see page 70](#)), innovation, sustainability, creativity, and design.

DE&I

Bally has demonstrated its commitment to gender equality in recent years through various actions. In 2022 we built on this progress with the introduction of DE&I training for the entire Bally population, inspirational talks on the topic of diversity, and ground-breaking wellbeing initiatives.

“We actively embrace a diverse, equitable and inclusive company culture through individual empowerment, collective resources and support, and by giving a voice to the underrepresented.”

– Nicolas Giroto

As a Swiss company, we value the promotion of peace, mutual respect and non-discrimination, key principles derived from the United Nations’ Universal Declaration of Human Rights. Since delivering a baseline assessment for DE&I in 2020, we have established a DE&I Steering Committee and Roadmap with actionable targets. In 2021, we became certified as an equal salary company, meeting the professional standards required by Swiss law and reinforcing our commitment to gender equality.

In 2022, we introduced compulsory training on DE&I key principles, which was attended by the entire Bally population worldwide. We also offered mindfulness classes during lunch breaks to promote staff wellbeing. Additionally, we have become signatories of the Women Empowerment Principles (WEPs) established by UN Global Compact and UN Women. Finally, at the beginning of 2023, we plan to launch an anonymous Employee Satisfaction Survey to better understand how our people feel about their working lives.

NON-DISCRIMINATION

Bally is committed to providing a safe workplace for all its employees, free from any form of discrimination, embracing diversity and inclusion, and freedom of expression.

As we state in our Code of Ethics ([see page 99](#)), Bally rejects any form of discrimination or harassment of any kind towards an employee based on their age, beliefs, color, disability, ethnic or national background, family status, gender, illness, language, marital status, personal or political opinions, pregnancy, race, religion or sexual orientation.

Bally's harassment and non-discrimination policy is available on our Intranet together with the following:

- Selection and Recruitment Policy
- Whistle-blowing Policy
- Maternity & Paternity Leave Policy

We made it possible for any individual of Bally organization to report any discrimination or harassment incident through the whistleblowing policy established in the Code of Ethics.

In 2022, no incidents of discrimination were reported.

EQUAL PAY

Every year, Bally's Human Resources department manages material improvements regarding equal pay among its subsidiaries and employee network, with specific, quantitative data and reports published globally.

After being certified as an equal pay company in 2021, meeting the professional standards required by Swiss law (art. 13d Federal Act on Gender Equality), we are planning to set-up a pay equity plan by the end of 2023.

We are proud to share that in 2022 our overall ratio of basic salary and remuneration of women to men is 102.21%.¹

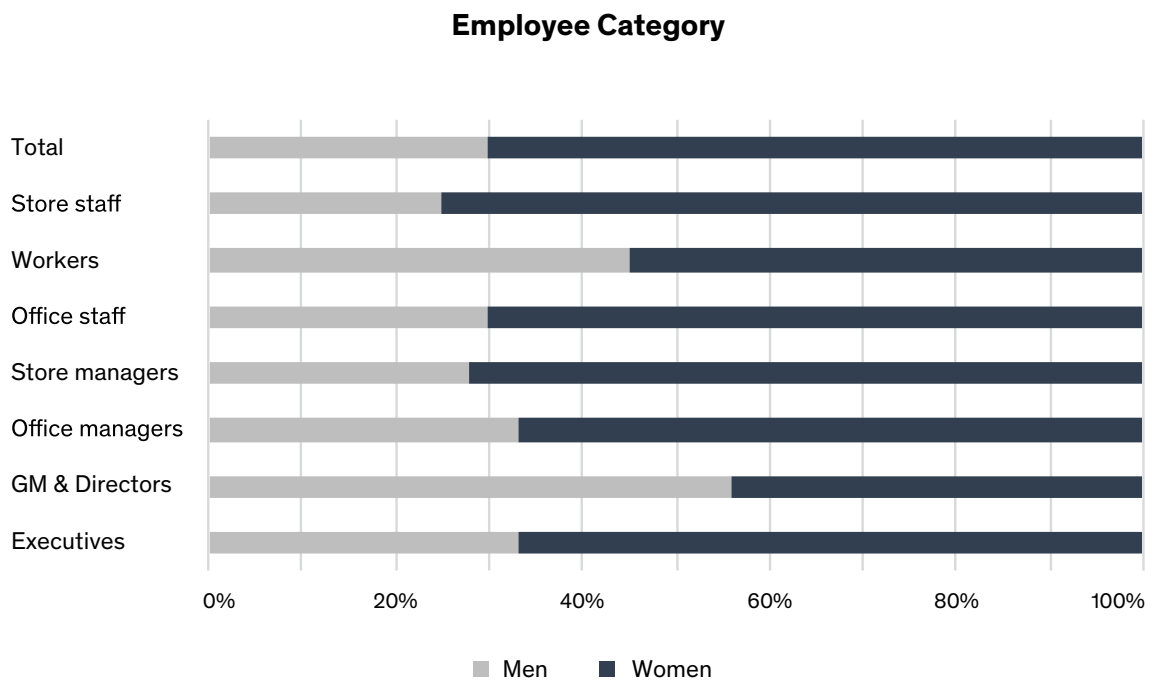
EMPLOYEE CATEGORY	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN
Executive & Directors	110.1%
Office manager	103.5%
Store Manager	108.1%
Office Staff	96.8%
Factory Worker	98.8%
Store Staff	98.2%
Factory support	100%
TOTAL	102.21%

2022 — MEN AND WOMEN AT BALLY RECEIVED EQUAL PAY

¹ Data are calculated on the Annual Gross Salary, excluding variable compensations and allowances. Part time positions figures are estimated through adjustments that commensurate the data. Ratios refer to the total Bally population worldwide.

GENDER EQUITY AT BALLY

Statistics show a good ratio in the diversity of management and employees, as it can be observed in the following table showing the split between men and women at all levels of our organization:



THE BALLY DE&I PILLARS

Our DE&I strategy is guided by these key pillars: Employees, Suppliers, Partnerships and Community.

EMPLOYEES

Employees are key for Bally; to realize our ambition to be a truly diverse, equitable and inclusive workplace, we have defined a DE&I strategy related to employees that can be further detailed in five key aspects, permeating the Bally organization.

TRAINING

Employee training is of the utmost importance for Bally; it is essential that our staff can continually upgrade their skills and improve their professional knowledge. For this reason, Bally regularly provides internal training to all employees ([see page 73](#)).

A particular emphasis is placed on DE&I topics such as unconscious bias. In 2022, compulsory training on DE&I key principles was launched. Attended by the Bally population worldwide, it aimed at giving a complete overview of what DE&I means, what we do at Bally, and tips on how to be more inclusive.

Leadership training sessions were also launched in 2022 to empower senior leaders and equip them with the best tools to help team members reach their full potential and make a positive impact within our organization.

POLICIES

Following internal audits in 2021 and 2022, and with a view to promoting respect and responsibility, all Human Capital policies have been updated.

These policies include:

- Code of Ethics
- Gender and Diversity
- Harassment and Non-discrimination
- Whistleblowing
- Selection and Recruitment Referrals
- Maternity and Paternity Leave
- Working Hours and Overtime
- Personal Leave and Paid Time Off
- Employee Conduct
- Remote Working
- Performance Appraisal
- Seniority Recognition Program

SMART TALKS

One of the many educational tools at Bally is Smart Talks ([see page 64](#)). At this year's events, several DE&I topics were covered, with guest speakers including Rose Cartolari on women's leadership and empowerment, Claudia D'Arpizio on gender equality, and Francesca Fedeli on disability.

BALLY EMPLOYEE RESOURCE GROUP

In 2021, we launched our Bally Employee Resource Group (BERG), which empowers teams in Europe and the US to act upon matters of DE&I and Sustainability ([see page 79](#)).

WELLBEING

The wellbeing of our people, clients and partners is incredibly important to us. We aim to make a positive impact on everybody by fostering a sense of fairness and belonging that begins with

diverse talent recruitment. By incorporating diverse voices and holding our teams accountable for embracing a rich tapestry of backgrounds and experiences, we enrich our organization and its people.

At Bally, we want to stay true to our origins and follow the inspirational model that Carl Franz Bally first introduced ([see page 14](#)). In the last year we launched the following initiatives aimed at improving employees' wellbeing:

- **Mindfulness classes:** a course held during lunch breaks to introduce Bally's people to this form of meditation. A recording of the classes was also made available so that everyone had the opportunity to take part at a time that suited them.
- **Remote Working policy:** after the end of the Covid-19 pandemic, Bally decided to adapt and regulate this policy so that employees could continue to benefit from a more flexible approach to work.

SUPPLIERS

Bally periodically screens suppliers on a series of themes including DE&I. We also expect all suppliers to sign the Suppliers Code of Conduct, in which they agree to providing a workplace without discrimination ([see page 50](#)).

PARTNERSHIPS

Bally is committed to promoting respect for human rights and fundamental freedoms, and the group's ethical approach is in line with the universal framework of major international principles, standards, and agreements.

Bally is committed to respecting:

- the Universal Declaration of Human Rights
- the European Union Charter of Fundamental Rights
- the Women Empowerment Principles, a set of rules offering guidance to businesses on how best to promote gender equality and women's empowerment in the workplace, marketplace, and community.

COMMUNITY

Driven by its humanist values, the Bally group supports several non-profit associations and projects ([see page 92](#)).

CONTINUOUS EDUCATION

Over the years, Bally has put in place various learning programs with the aim of improving and developing employees' skills in terms of leadership, team management, and public speaking.

This year, to support Bally staff's personal career development, we released a new version of the Bally Portal, moving from a training website to a mobile learning app, available 24/7 to all employees. In 2022, 5,466 hours were spent in the app, and 29 new courses were introduced. In addition, 1,546 hours of training on client-centricity were delivered to retail employees.

To encourage open conversations about career growth and expectations, we ensure everyone has at least one formal performance and career development evaluation each year. In 2022, we are proud to report that every single Bally employee received a performance appraisal.²

2022 — LEARNING & DEVELOPMENT

5,466H OF TRAINING

29 NEW COURSES

² The performance appraisal completion rate was 100% for employees in force at the time of the assessment process (March/April of the following year).

OCCUPATIONAL HEALTH & SAFETY

Bally is committed to avoiding any situation that could affect the health and safety of staff or third parties.

Since 2017, our Swiss HQ facilities and production site have been equipped with a Manual for Occupational Health and Safety, edited under the MSSL Directive. This document lists the guidelines and commitments we have made in accordance with the ordinances of the Swiss Confederation. Together with a precise mapping of risks and dangers related to plant activities, it represents a tool for ensuring, mastering, and preserving safety across Bally HQ functions and departments, and for all suppliers, technicians and visitors entering our facility.

In the case of an accident, the health and safety officer must follow the procedures established in the manual. In the case of an occupational accident, we would undertake an investigation to establish its causes and to eliminate or mitigate future incidents. Bally follows Swiss standard procedures, which include specific checklists and S.T.O.P. methodology compiled by Suva, the government office for health and safety in the workplace.

The manual also establishes a procedure that ensures the participation and consultation of workers in the development, implementation and evaluation of the occupational health and safety management system.

In addition to the above, every year, specific security targets and implementation timelines are set, and those responsible identified,

to continuously improve and update Bally's health and safety management system.

In 2022, an expert ergonomist was hired to evaluate the risk level of various production areas, to take concrete actions that could improve the professional wellbeing of our workers. Several workshops to assess the functioning of each workstation took place during the year, and a final review is expected to be shared with the factory director and managers by early 2023. This will be followed by ad hoc projects to improve the comfort and safety of our workstations. In 2022, the standard training for chemical handling was attended by workers who may be exposed to substances in their jobs. This course served as a refresher to all on the tools to identify chemicals and the risks associated with their use, as well as how to handle them in the most proper way. Occupational health and, consequently, the responsible handling of chemicals are of crucial importance for Bally.

At our Florence and Milan headquarters, Bally complies with the legal requirements on employee health and safety, adopting a Risk Assessment Document, which is compulsory and covers risks and preventive measures in the workplace. Every employee receives all necessary information on how to behave in an emergency and how to avoid creating dangerous situations, as well as being given a medical examination aimed solely at verifying their professional suitability to the job.

For us to maintain the highest level of safety possible, selected employees are appointed and trained according to local regulations and requirements. After the training, certificates are issued to confirm the competencies acquired, and that the individuals are able to handle emergencies as well as common safety-related occurrences.

Workers can refer to their department's designated health and safety officer or security officer for any issue concerning these topics. We have also implemented policies and processes that allow workers to report work-related hazards and hazardous situations, and to remove themselves from them. The management structure in Bally ensures there is no reprisal against anyone raising concerns. This is achieved through a continuous relationship with all middle managers and workers. Finally, we ensure the participation and consultation of workers in the development, implementation and evaluation of our occupational health and safety management system.

Concerning the other offices, Bally ensures to always be compliant with legal requirements on Occupational Health and Safety.

OUR ARTISANS

With their passion and skill, our talented artisans have continued Bally's heritage of craftsmanship and design for generations.

In 2022 at our Caslano shoe factory, 85,000 pairs of shoes were crafted, with artisans carrying out highly skilled, traditional roles including leather cutter, shoemaker, stitcher, finisher, and polisher.

On 25th October, a day of celebration for St Crispino and St Crispiniano, patron saints of shoemakers, we at Bally celebrated our artisans. We wanted to pay tribute and give visibility to these individuals, who represent our brand's heart and our roots. We presented long-tenured employees with gifts to thank them for their commitment, and for all the years they have invested in Bally. Some have been with us for more than 30 years, contributing greatly to our brand's reputation for excellence.



THE BALLY EMPLOYEE RESOURCE GROUP

The Bally Employees Resource Group (BERG) is an initiative led by volunteers to deliver projects concerning environmental and social issues. We currently have two groups comprised of EMEA and USA employees.

In 2022, BERG Europe organized the second edition of Caslano Verde Pulito (or Caslano Clean Green Day) in collaboration with the Caslano municipality. The initiative saw the participation of more than 30 employees, who cleaned up the area around Mount Caslano.

In addition, at the end of the year, an anonymous questionnaire was launched for EMEA HQs and retail stores, to investigate what is being done by employees to save energy and resources, and to gather their ideas on improving the sustainability of our offices and stores. The results will be analyzed in 2023 and priorities will be highlighted within a detailed action plan.

In 2022, BERG USA created a pilot recycling program which was launched in all outlet stores aimed at ensuring that the re process was being carried out properly.

Finally, the BERG team promoted various communications campaigns to raise awareness about Pride month, World Refugee Day, and International Day of People with Disabilities. Other activities in the pipeline for both BERG Europe and BERG USA are focused on sustainability, work-life balance, and inclusion.

CSR INITIATIVES

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Staying true to our origins, we have developed socially and environmentally driven initiatives that speak to our creativity, craftsmanship and Swiss Alpine heritage. These programs aim to champion and provide a home for a thriving art scene, nurture emerging talent within fashion and retail, and preserve mountainous regions across the globe.



THE BALLY FOUNDATION (FONDAZIONE BALLY)

In recognition of the importance of the arts in contemporary society, the Bally Foundation was established in 2006 with the aim of supporting talent in Switzerland. Today, the Foundation promotes contemporary artists with ties to Switzerland, and supports cultural innovation expressed through artwork inspired by the relationship between future technologies, nature, and the community. The Foundation is chaired by Nicolas Giroto, CEO of Bally, and at the end of 2022, Vittoria Matarrese was appointed Director.

15TH ANNIVERSARY

2021 marked the fifteenth year of activity for the Bally Foundation, but due to Covid-19 restrictions, the anniversary celebrations were postponed to March 2022.

Celebrations were held together with Museo d'arte della Svizzera Italiana (MASI Lugano) in its exhibition venue at Lugano Arte e Cultura. The event was attended by some of the winning artists of the Bally Artist of the Year award, the director of the MASI Lugano, Tobia Bezzola, and the mayor of Lugano, Michele Foletti, who underlined how the Bally Foundation, with its activities including Bally Artist of the Year, has supported the cultural development of Ticino for 15 years.

A catalogue marking the anniversary was also presented, bringing together the works and biographies of the 15 winners of the Bally Artist Award.

BALLY ARTIST OF THE YEAR AWARD

Every year, the Bally Foundation organizes The Bally Artist of the Year Award, providing international support to local talent. Since

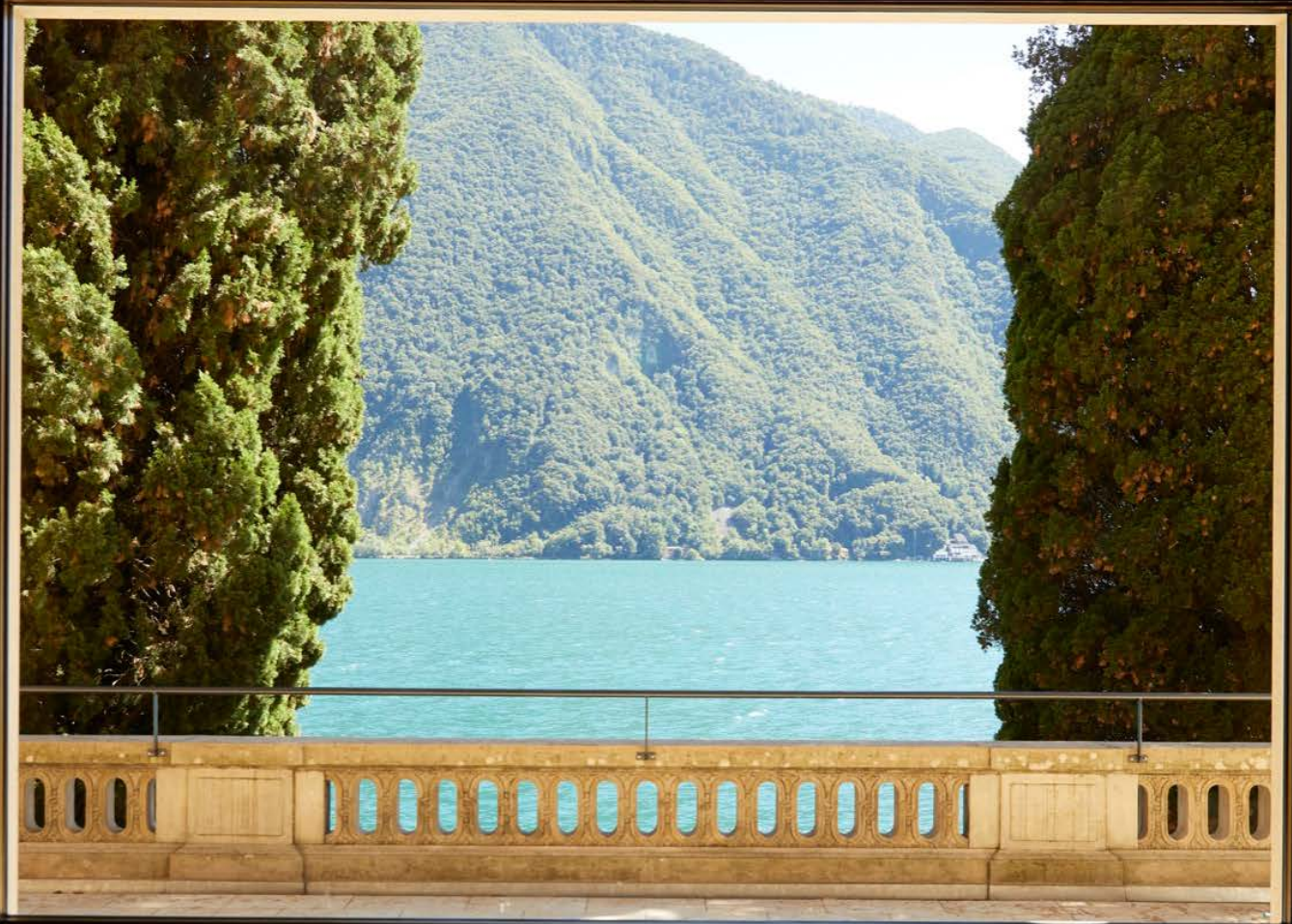
2019, the Bally Foundation has collaborated with MASI Lugano, which participates in the selection process for the Award, and hosts a temporary exhibition of the winner's work in its Palazzo Reali venue in Lugano, making the artist's pieces accessible to the wider public.

This year's edition of the prize featured three important innovations. Firstly, rather than judging artworks on a specific theme, this year the entrants' artistic practices in general were considered. Secondly, the prize is now open to artists from the whole of Switzerland. Thirdly, the artists were nominated by a panel of professionals from the Swiss art world, invited by MASI Lugano.

Dominique Koch won the Bally Artist of the Year Award 2022. She was selected by a jury composed of Bally Foundation Chairperson and CEO Nicolas Giroto, Bally Artistic Director Rhuigi Villaseñor, MASI Lugano Director Tobia Bezzola, Curator of the Segantini Unlimited Foundation Diana Segantini, and Director of Kunsthalle Basel Elena Filipovic.

Born in Lucerne in 1983, Dominique Koch studied photography in Leipzig, Germany and now lives and works between Basel and Paris. Taking a keen interest in current issues regarding the environment, she sees her art as a "thinking laboratory" that straddles various fields of research.

For MASI Lugano, she created a multimedia installation characterized by sound, glass sculptures and hybrid objects. The installation immersed visitors in an imaginary dimension: an "ecosystem in dialogue" which brings humans into contact with both nature and technology. Koch uses special recordings to render audible environmental vibrations otherwise imperceptible to the human ear, sometimes transforming these vibrations into physical objects. A selected artwork from the Installation has then been included into MASI's permanent collection.



BALLY FOUNDATION AT VILLA HELENEUM

In 2021, the Bally Foundation signed an agreement with the City of Lugano to transform parts of the prestigious Villa Heleneum into the location of the Bally Foundation, and in spring 2023, the Foundation opened its 700-square-metre space dedicated to contemporary art.

At Villa Heleneum, the Bally Foundation program is based on Ticino, the history of the place, its myths and legends, humans' relationship with their environment, and the idea of never being off the ground. By collaborating with confirmed and emerging artists, the foundation deploys a program designed in resonance with these elements, combining exhibitions, installations, meetings, performance evenings, screening programs and meditation workshops, as well as thematic visits in collaboration with academic institutions and external stakeholders.

Internationally, the foundation wishes to establish strong partnerships with museums and art centers.

FRESHWATER EVENING

Before closing for renovation, an event was held in November 2022 at Villa Heleneum. The "Freshwater" evening was a prelude to the opening of the Bally Foundation at Villa Heleneum and revealed the main aims of the project.

The event brought together the work of two international artists, Ola Maciejewska, a dancer and choreographer, and Chassol, a composer, pianist, and videographer. Ola Maciejewska presented a dance solo, *Loïe Fuller: Research*, in tribute to the American choreographer and dancer Loïe Fuller and her *Serpentine Dance*. Chassol performed

Ultrabirdz, a performance that explores the symbiosis between humans and their environment, in which the artist mixes a soundtrack and images of flight and bird song with a live piano improvisation.

These performances evoked two moments in the history of the Villa Heleneum: built by a dancer, the house became a piano school in the late sixties, in which the great Martha Argerich held her classes. It is thus quite natural that a dancer and a pianist wrote the first pages of this pre-opening.

THE BALLY PEAK OUTLOOK FOUNDATION

Mountains have been the backdrop to and inspiration for the Bally brand right from the start. The first ever ascent of Everest was achieved in our reindeer boots in 1953. The Swiss Winter Olympics team wore our curling boots in 1956. Today, that legacy and passion for our landscape lives on in Bally collections and campaigns: out of a deep respect for our roots and driven by a desire to preserve our natural environment, in 2020 we created the Bally Peak Outlook Foundation.

The Bally Peak Outlook Foundation's mission is to help protect the world's fragile mountain habitats from the adverse effects of global warming and excessive tourism. The 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.

HIMALAYAN PRESERVATION COMMITMENT

In 2022, the Bally Peak Outlook Foundation strengthened its supportive presence in the Himalayas by announcing its pledge to support the continuous cleaning of the Everest region and surrounding mountains. This commitment advances the pledge made in 2019 to clean up base camps. Since then, the Foundation has collaborated with local Sherpa communities and organized successful expeditions both on Mount Everest and on other Himalayan mountains. Thanks to the 2022 clean-up mission on Mount Everest, 427 kilograms of trash and debris were removed, bringing the total amount removed since 2019 to 8.4 tons of waste.



OUR PARTNERS

THE INTERNATIONAL CLIMBING AND MOUNTAINEERING FEDERATION

To collectively support our mission to preserve mountain landscapes and empower their communities globally, the Bally Peak Outlook Foundation collaborates with the International Climbing and Mountaineering Federation (UIAA). In 2022, we continued to support its annual Mountain Protection Award, which champions global projects that improve the lives and living conditions of mountain people.

The 2022 Award saw a total of 16 projects nominated, operational across more than 15 countries and four continents. The winner was Asociación 7a Escalada, a Peruvian project that aims to develop the area of Pitumarca to improve the lives of its community. Financial contributions were also given to Leave Good Trace (Korea) as the runner-up, and to Save Rinjani (Indonesia) as the Best New Initiative.

THE TENZING NORGAY SHERPA FOUNDATION

We have sponsored the Tenzing Norgay Sherpa Foundation since 2020. This organization tackles environmental issues and provides educational programs in the Khumbu region, offering scholarships to high-school and university students from low-income families. Its 2022 scholarships provided education for the below students:

- Mr. Pasang Tshering Sherpa, who is completing a bachelor's degree in Information Technology
- Ms. Lhamu Chhutin Sherpa, who is completing a BSC Nursing degree
- Mr. Mingma Temba Sherpa, who is completing a bachelor's degree in Business Administration
- Ms. Lakpa Jangmu Sherpa, who is completing a bachelor's degree in International Hospitality Management

OTHER PROJECTS AND COLLABORATIONS

FLOOD BARRIERS

In 2022, the Foundation constructed wall and canal flood defenses in the village of Pheriche in the Khumbu region of eastern Nepal, to avoid the damage and devastation caused by glacial melting.

RESCUE HUT

The Foundation has signed an agreement with the Altihut in Georgia to build a high-altitude rescue hut next to Bethlemi Hut, Mount Kazbek. The Bally Peak Outlook Foundation rescue hut will be used as a base for rescue operations, training local guides, and high-altitude clean-ups to remove waste from the numerous trekkers and climbers who visit the area. The project kicks off in 2023.

UNIVERSITY OF INNSBRUCK

At Austria's University of Innsbruck, the Bally Peak Outlook Foundation continued to support microbiologist Birgit Sattler in her quest to develop non-polluting material for thermal blankets to be deployed on specific glaciers to protect them from melting.

3T CYCLING

Bally collaborated with 3T Cycling on its first ever electric bike design in 2022, with 100% of the net profits donated to the Bally Peak Outlook Foundation to further its work and commitment to mountain preservation.

GIVING BACK TO THE COMMUNITY

IL PORTO DI COENZO

Since 2016, Bally has collaborated with Il Porto di Coenzo, an Italian craftsmanship-focused non-profit with a leather-goods laboratory that engages people with disabilities, empowering them, and offering opportunities for them to gain skills and employment as artisans. In 2022, Bally donated leather offcuts for these emerging artisans to craft their own goods. Indeed, Il Porto di Coenzo's artisans create a wide range of unique accessories and goods such as party favors, keychains and gadgets for both private citizens and companies, including Bally. In fact, visitors to Bally HQs receive a keychain made by these individuals.

BASKET COMO

Since 2020, Bally has helped to fund the team "Siamo tutti special people" ("We are all special people") by Basket Como. It is a basketball team for athletes with additional physical and cognitive needs that aims to support them by creating a dedicated space for sport and social activity, helping to increase self-confidence and self-esteem through sport.

FIGHT THE STROKE

In 2022, the International Day of People with Disabilities was promoted across the company to sensitize our employees on the topic. Bally also made a donation to the foundation "Fight The Stroke", which supports young stroke survivors. Francesca Fedeli, the foundation's co-founder, joined us for Smart Talks ([see page 64](#)) to discuss disability and its impact on business and society.

PROCASLANO

On an ongoing basis, Bally collaborates with Procaslano, a Caslano-based non-profit that organizes activities for the local Ticino community.

FLORENCE HQ COLLABORATIONS

During 2022, Bally's Florence office collaborated with non-profits and got in touch with new local associations with the aim of building more partnerships.

ANT ITALIAN FOUNDATION

ANT is a specialist care home charity for oncological patients. Florence HQ organized its company Christmas dinner with their support; ANT takes care of all the event management and part of their fee goes toward funding their own charitable activities. We also donated accessories and clothing for their charity markets and auctions, and internally sponsored ANT initiatives for the sale of products on festive occasions such as Easter.

ATT – ASSOCIAZIONE TUMORI TOSCANA (TUSCAN CANCER ASSOCIATION)

ATT is an association taking care of oncological patients at home with no charge. In 2022, Bally donated items for their Christmas market.

AUSER ASSOCIATION – LASTRA A SIGNA

Auser is a voluntary association committed to promoting active ageing and to enhancing older people’s role in society. In 2022, Bally started collaborating with the Lastra a Signa branch and we were invited to visit their premises to get to know them. We also donated textile offcuts that were used by the Association to create its famous “Pigotte” dolls, whose sale proceeds are donated directly to UNICEF.

CUI – RAGAZZI DEL SOLE

CUI is an association that was founded more than 35 years ago by a group of parents of disabled children, aimed at safeguarding the rights and promoting the inclusion of disabled people. In 2022, we launched a corporate volunteering project with them, which will start in 2023.

BALLY CHINESE MAINLAND INITIATIVES

In February 2022, Bally Chinese Mainland management organized a cleaning day; employees participated in the hike and cleaning of Mogan Mountain, which is a three-hour drive from our Shanghai office.

FASHION INNOVATION AWARDS

The Fashion Innovation Awards is an annual event sponsored by Bally in partnership with Lifestyle Tech Competence Center and Loomish. Designed to nurture emerging digital talent, the awards scheme invites B2B and B2C scale-ups and service providers to present innovative ideas on a given theme.

In 2022, participants in the fourth edition of the Fashion Innovation Awards were given the objective of enhancing the consumer experience with special content and innovative applications to improve retention and facilitate the virtual design process.

More than 100 applications were received, and in November, the 12 chosen finalists presented their ideas at the IMD Campus in Lausanne to a jury led by Bally CEO Nicolas Giroto. The impressive panel of judges included representatives from Bally's top management, as well as Lifestyle Tech Competence Center members, including leaders from Accenture, Microsoft, UBS, and venture capital firms such as Antler, New Epoch Capital, and Privilège Ventures SA.

The winners were PixelPool from the Netherlands, who developed Dtail, a cloud-based platform that helps brands plan and visualize their collections by providing a 3D go-to-market solution. PixelPool will have the opportunity to kick off a proof-of-concept project with Bally in 2023.

CRAFTING FUTURES

Bally's Crafting Futures initiative empowers and engages the next generation of emerging talent with the opportunity to develop skills and experience in the fashion and luxury retail industry.

In 2022, Bally renewed its partnership with internationally acclaimed Italian fashion school Polimoda. This philanthropic program trains young adults with a master's degree in Fashion Product Management, which they can undertake without fees. Bally employees play an active role in the process and assist the students throughout the duration of their studies, giving them experience in everything from design and product development to merchandising and communications. This year, visits to Bally's offices in Florence and a specific case study assignment for each student culminated in their delivery of a fully designed and developed collection plan. The students' work was inspired by Bally's brand values of heritage and craftsmanship and was presented as their final graduation project.

This work was then followed up by dedicated recruitment opportunities with Bally Human Resources.

**WITH EACH YEAR'S REFLECTION
ON OUR PROGRESS COMES A
RENEWED DETERMINATION TO DO
EVEN BETTER - FOR OUR PLANET,
PRODUCT AND PEOPLE.**



POLICIES

Bally has a range of policies and processes to ensure precautionary measures are in place, including health, safety, social and environmental.

Policies and procedures are widespread to all employees (worldwide) when issued. New joiners are included in an Onboarding program that includes the sharing the full set of policies and procedures as well.

CODE OF ETHICS

The Bally Code of Ethics has been written in line with Bally's core principles and values and has been approved by the Board of directors. It summarizes the key guidelines on how we do business and how we are expected to behave at work. It defines the way we choose to do business with:

- Integrity
- Respect
- Responsibility
- Loyalty

The Code ensures that we have greater consistency in our business practices across the world, and that relevant laws and regulations are followed. It also allows individuals to seek help on what to do in case of doubt or "grey" situations.

Furthermore, Bally has issued a Whistleblowing policy that describes the communication channels for reporting unethical or illegal behavior. Through it, workers are invited to report:

- any issues relating to the health and safety of any individual
- damage to the environment
- any discrimination or harassment on the basis of race, skin color, religion, gender, sexual orientation, age, disability, or any other characteristic protected by law

Employees can choose to make an official report to the Internal Audit department verbally, in writing or via a dedicated email address.

All reports are examined by the Internal Audit department. In 2022, no cases were reported.

HUMAN RIGHTS

Bally recognizes the importance of sustaining and promoting Human Rights as defined by the UN Declaration of Human Rights, and respects human rights for all. Our commitments to respect human rights are described in the Code of Ethics as well as in the Suppliers Code of Conduct ([see page 50](#)).

Bally vehemently rejects forced and child labor, as well as any form of abusive recruitment and the irregular employment of workers. Bally also strongly rejects all kinds of physical, verbal, sexual or psychological harassment, abuse, threats or intimidation in the workplace, thus ensuring favorable and respectful working conditions in the countries in which it operates, also with respect to working hours and determination of wages.

CONFLICT OF INTERESTS

Our Conflict of Interests policy provides 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. In 2022, no conflicts of interest arose.

The controlling shareholder is periodically informed about the conflict of interests through the sharing of dedicated reports.

COMPETITIVE BEHAVIOR AND ANTI-CORRUPTION

Bally is committed to organizational excellence, accountability and transparency. We continuously update our Anti-bribery and Anti-corruption policies and procedures to minimize risk. In 2022, no risks were identified.

All employees are informed of the 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. In 2022, no issues arose internally, and no legal actions for anti-competitive behavior, anti-trust or monopoly were either pending or completed.

TIME OFF

We take the wellbeing of our employees seriously and recognize the importance of taking time off work to stay healthy and happy. Our company policies ensure we fully comply with and respect local laws and regulations regarding annual leave, public holidays, working hours (overtime) and rest breaks, in all countries where the Group has employees.

Bally's HR system monitors and manages every subsidiary to effectively communicate public holidays to employees at the beginning of each year, allowing annual leave to be scheduled around them.

Working hours are managed in Bally's industrial facilities as well as other locations, such as offices and retail outlets, and are further defined by the parameters set by local law. The monitoring of work hours is done electronically, with reports submitted automatically

to HR departments for roughly 80% of our employee network. Where automation is still not available or possible, working hours are mutually agreed upon and tracked using a formalized offline procedure.

Overtime payments are authorized upon request of the company and paid according to local provisions set by law. Overtime is calculated according to the working-hour reporting procedure defined above.

TAX STRATEGY

Bally complies with all applicable laws and regulations by adhering to generally accepted accounting standards and practices, and by following the principles of ethical, professional, and transparent behavior. Specific roles and responsibilities are defined within the Administration and Tax department to fully oversee tax-related issues at a global level, and to ensure all relevant tax filings are submitted with accuracy and on time. In these activities, the company is also supported by external tax advisors. The objective is to ensure uniform management of taxation for all entities and correct management of the tax risk. Bally regularly updates the Transfer Price documentation in the countries where it operates. In addition, we work openly with local tax jurisdictions, sometimes signing advance pricing agreements with various tax authorities to mitigate the risk of being involved in any disputes, and to maintain our positive reputation.

METHODOLOGICAL NOTE

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This document constitutes the 2022 Sustainability Report of Bally International AG.

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 Sarl.¹ The headquarters are located in Via Industria 1, 6987 Caslano, Switzerland.

In 2022, Bally operated in 63 countries covering 5 regions: APAN, AMERICAS, EMEA, OSEA (Australia, Malaysia and Singapore) and Japan². The report is published annually and covers the period from January 1st, 2022 to December 31st, 2022.

The report chronicles 2022 achievements and impacts that are embedded within Bally's sustainability journey, which formally began in 2019.

The report was drafted with reference to the GRI Standards, and concerns the following entities, which are the same of Bally's consolidated financial statement:

- Bally Gesellschaft M.B.H
- Bally Australia Pty Ltd.
- Bally Belgium
- Bally Schuhfabriken A.G.
- Bally WFOE Shanghai
- Bally Deutschland G.M.B.H
- Bally Moda S.A.
- Bally France SAS
- Bally UK Sales Ltd
- Bally China

- Bally Sour. Serv. Limited
- Bally Italia S.r.l.
- Bally Studio S.r.l.
- Bally Japan Ltd.
- Bally Luxembourg SAS LU Branch
- Bally Retail Malaysia SDN
- Bally Schoenhandel B.V.
- Bally Singapore PTE Ltd.
- Bally Americas Inc.

No significant restatements have been made. The scope of the data and information disclosed refer to the entities above mentioned. Any changes to this scope are indicated where relevant.

For more information or questions on this Sustainability Report or on Bally's Sustainability Journey, please contact us via email at the dedicated address: sustainability@bally.ch.

¹ JAB Luxury Sarl holds 98% and management shares complete the stock.

² Countries with relevant significant operations (in alphabetical order): Australia, Austria, France, Germany, Greater China, Hong Kong, India, Italy, Japan, Malaysia, Netherlands, Singapore, Spain, Switzerland, UK, USA

ANNEX

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Employees by type of employment (part-time vs. full-time) and by employment contract type (temporary vs permanent), by gender (GRI 2-7)

	2022			2021			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees	1,002	423	1,425	992	395	1,387	943	404	1,347
of which permanent employees	923	394	1,317	897	367	1,264	NA	NA	NA
of which temporary employees	79	27	106	95	28	123	NA	NA	NA
of which non-guaranteed hours employees	0	0	0	-	-	-	-	-	-
Total employees (Full time + Part Time)	1,002	423	1,425	992	395	1,387	943	404	1,347
of which Full-time	928	400	1,328	872	340	1,212	820	353	1,173
of which Part-time	74	21	95	120	55	175	123	51	174
Indicate whether the numbers are reported in head count, full-time equivalent (FTE), or using another methodology	Headcount								
Indicate whether the numbers are reported at the end of the reporting period, as an average across the reporting period, or using another methodology	December 2022								
Report significant fluctuations in the number of employees during the reporting period and between reporting periods	Refer to Turnover Data								

Employees by type of employment (part-time vs. full-time) and by employment contract type (temporary vs permanent), by geography (GRI 2-7)

	2022								2021								2020								
	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT	
Total number of employees	347	158	81	126	549	89	73	1,423	314	160	86	118	541	88	80	1,387	NA	NA	NA	NA	NA	NA	NA	NA	1,347
of which permanent employees	329	133	46	121	544	73	71	1,317	295	118	55	104	538	77	77	1,264	NA	NA	NA	NA	NA	NA	NA	NA	NA
of which temporary employees	18	25	35	5	5	16	2	106	19	42	31	14	3	11	3	123	NA	NA	NA	NA	NA	NA	NA	NA	
of which non-guaranteed hours employees	0	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total employees (Full time + Part Time)	347	158	81	126	549	89	73	1,423	NA	NA	NA	NA	NA	NA	NA	1,387	NA	NA	NA	NA	NA	NA	NA	1,347	
of which Full-time	316	149	57	111	549	82	64	1,328	NA	NA	NA	NA	NA	NA	NA	1,212	NA	NA	NA	NA	NA	NA	NA	1,173	
of which Part-time	31	9	24	15	0	7	0	95	NA	NA	NA	NA	NA	NA	NA	175	NA	NA	NA	NA	NA	NA	NA	174	
Indicate whether the numbers are reported in head count, full-time equivalent (FTE), or using another methodology	Headcount																								
Indicate whether the numbers are reported at the end of the reporting period, as an average across the reporting period, or using another methodology	December 2022																								
Report significant fluctuations in the number of employees during the reporting period and between reporting periods	Refer to Turnover																								

Workers who are not employees (GRI 2-8)

	Description
Total workers who are not employees whose work is controlled by the organization	25
Describe most common types of workers and their contractual relationship with the organization	Freelance or hired through an external agency
Describe types of work they perform	Freelances mainly perform Marketing, Design & Creative activities. External Agency personnel mainly works in Stores or Factory.
Indicate whether the number of workers who are not employees is reported in head count, full-time equivalent (FTE), or using another methodology	Headcount
Indicate whether the number of workers who are not employees is reported at the end of the reporting period, as an average across the reporting period, or using another methodology	December 2022
Report significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	Please refer to turnover Report

Governance Structure and composition (GRI 2-9)

	Number			Percentage		
	Female	Male	Total	Female	Male	Total
Total Number of Member	3	7	10	30%	70%	100%
Of which are non-executive	0	2	2	0%	20%	20%
Of which are executive	2	4	6	20%	40%	60%
Independent Members	1	1	2	10%	10%	20%
Member from under-represented social groups	0	0	0	0%	0%	0%
Member with ESG Competences	0	0	0	0%	0%	1,0%

Defined benefit plan obligations and other retirement plans (GRI 201-3)

	2022						2021						2020					
	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total
Base 1 (18-24 years)	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%
Base 1 (25-65 years)	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%
Base 2 (18-24 years)	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%
Base 2 (25-65 years)	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%
Manager(18-24 years)	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Manager (25-44 years)	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%
Manager (45-54 years)	2.00%	8.50%	10.50%	2.00%	14.50%	16.50%	2.00%	8.50%	10.50%	2.00%	14.50%	16.50%	2.00%	8.50%	10.50%	2.00%	14.50%	16.50%
Manager (55-65 years)	2.00%	9.50%	11.50%	2.00%	19.50%	21.50%	2.00%	9.50%	11.50%	2.00%	19.50%	21.50%	2.00%	9.50%	11.50%	2.00%	19.50%	21.50%
Bel Etage Executives	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%
Bel Etage CEO	0.00%	8.50%	8.50%	0.00%	14.50%	0.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%
If a fund set up to pay the plan's pension liabilities is not fully covered, explain strategy																		
Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact																		
Comments	The benefit plan indicated below corresponds to Bally's headquarter in Caslano, Switzerland.																	

Financial assistance received from government (GRI 201-4)

	2022	2021	2020
Tax relief and tax credits	61,300.00 €	112,389.00 €	
Subsidies	246,876.00 €	765,390.00 €	
Investment grants, research and development grants, and other relevant types of grant	11,876.00 €	0.00 €	
Awards	0.00 €	0.00 €	
Royalty holidays	0.00 €	0.00 €	
Financial assistance from Export Credit Agencies (ECAs)	0.00 €	0.00 €	
Financial incentives	0.00 €	5,000,000.00 €	
Other financial benefits received or receivable from any government for any operation	0.00 €	0.00 €	
Comments	<p>Tax Relief and Tax Credits In 2022, Bally received a tax credit of EUR 0.1m.</p> <p>Subsidies In 2022, Bally received EUR 0.2m as subsidies totally distributed in EMEA Region and Hong Kong as personnel social tools. Amount converted in EUR at December 2022 exchange rates.</p> <p>Investment grants, research and development grants, and other relevant types of grant: In 2022 Bally received the amount shown above for employees training</p>	<p>Tax Relief and Tax Credits In 2021, Bally received a tax credit of EUR 0.1m.</p> <p>Subsidies In 2021, Bally received EUR 0.8m as subsidies totally distributed in EMEA Region.</p> <p>Financial Incentives In 2021, as business support in the Covid-19 pandemic period, Bally obtained a loan from "Banca Progetto" on Bally Studio Italia of EUR 5m through a guarantee from Medio Credito Centrale.</p> <p>Other financial benefits received or receivable from any government for any operation: In 2021, Bally received EUR 2.7m as personnel social tools. The distribution by region was as follows: EMEA (2.3M) and OSEA (0.4M). Amount converted in EUR at December 2021 exchange rates.</p>	<p>In 2020, Bally received Covid-related financial support from different government entities around the world.</p>

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

	2022	2021	2020
Percentage of senior managers at significant operating locations hired by the local community	100.00%	100.00%	100.00%
The definition used for "senior manager"	Executives & General Managers	Executives & General Managers	100% of the Executives and regional General Managers at the end of 2020 came 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).
The organization's geographic definition of "local"	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).	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).	
The definition used for "significant operating locations"	Cities: Caslano, Milan, Shanghai, New York, Singapore and Sidney.	Cities: Caslano, Milan, Shanghai, New York, Singapore and Sidney.	

Proportion of spending on local suppliers (GRI 204-1)

	2022	2021	2020
Local expenditure	68,810,354.00€	60,589,820.00€	100.00%
Total annual expenditure	101,709,742.00€	89,495,315.00€	
Percentage of local expenditure	67.65%	67.70%	
Geographic definition of the local organization	Bally defines a "local supplier" as any supplier providing goods or services to a significant location of operation, in the same country as the one listed on the supplier's mailing address in the enterprise resource planning system.	Bally defines a "local supplier" as any supplier providing goods or services to a significant location of operation, in the same country as the one listed on the supplier's mailing address in the enterprise resource planning system.	
Geographic definition of the local organization	Local and annual expenditure amount converted in EUR at December 2022 exchange rates. Local Suppliers definition The suppliers based in Italy and Switzerland have been considered as local suppliers, following GRI's definition of local supplier: In addition to Switzerland, please note Italy has been included as a local suppliers country because Bally owns an R&D hub in the area, where the company directly manages the purchasing from and relationships with all the Italian suppliers. Many activities linked to design, product development, and supply chain take place in this hub.	Local and annual expenditure amount converted in EUR at December 2021 exchange rates. Local Suppliers definition The suppliers based in Italy and Switzerland have been considered as local suppliers, following GRI's definition of local supplier: In addition to Switzerland, please note Italy has been included as local suppliers country because Bally owns an R&D Hub in the area, where the company directly manages the purchasing from and relationships with all the Italian suppliers. Many activities linked to design, product development, and supply chain take place in this hub.	Information not available for 2020

Materials used by weight (GRI 301-1)

	Category	2022		2021		2020	
		Quantity (tons)	%	Quantity (tons)	%	Quantity (tons)	%
Leather	Renewable	571	35%	387	30%	322	94%
Cardboard and Paper	Renewable	257	15%	301	24%	0	0%
Various Mixed Synthetic materials (Soles)	Not Renewable	0	0%	130	10%	0	0%
Metal	Not Renewable	79	5%	107	8%	0	0%
Cotton	Renewable	187	11%	92	7%	9.8	3%
Elastodiene	Not Renewable	0	0%	72	6%	0	0%
Nylon	Not Renewable	156	9%	46	4%	4.2	1%
Polyurethane	Not Renewable	0	0%	34	3%	0	0%
Polyester	Not Renewable	45	3%	31	2%	5.3	2%
Plastic	Not Renewable	78	5%	23	2%	0	0%
Leather and Synthetic Material (Soles)	Not Renewable	0	0%	7	1%	0	0%
Mixed Synthetic Fibers	Not Renewable	0	0%	7	0%	0	0%
Cotton and Mixed fibers	Renewable	0	0%	6	0%	0	0%
Polyamide	Not Renewable	0	0%	5	0%	0	0%
Polyethylene	Not Renewable	0	0%	4	0%	0	0%
Cellulose	Renewable	0	0%	4	0%	0	0%
Linen	Renewable	0	0%	4	0%	0	0%
TPU	Not Renewable	0	0%	3	0%	0	0%
Silicone	Not Renewable	0	0%	2	0%	0	0%
Viscose	Not Renewable	0	0%	2	0%	0	0%
Wool	Renewable	19	1%	1	0%	0	0%
Rubber	NA	166	10%	0	0%	0	0%
Other fibers	NA	16	1%	0	0%	0	0%
Other (various)	NA	87	5%	13	0%	0	0%
GRAND TOTAL		1661	100%	1,281	100%	341.30	100%

Packaging used (units) (GRI 301-1)

	2022 (pieces)	2021 (pieces)	2020
Packaging "from wood"	1,915,386	1,499,582	
Plastic packaging	609,005	925,005	
Polyethylene bags	0	0	
Hangers	24,297	14,326	
Foamy envelope (Bags)	0	0	
Comments			Information not available for 2020

CARDBOARD AND PAPER PACKAGING

PRIMARY PACKAGING (units)	2022	2021	2020
Primary boxes	706,610		
Primary shoppers	608,000		
Primary tissue paper	201,931		
Handles	23,300		
TOTAL Primary packaging	1,539,841		
FSC certified	1,539,841		
RESPONSIBLY SOURCED Primary packaging			
SECONDARY PACKAGING (units)	2022	2021	2020
Boxes	373,566		
of which recycled in the supply chain	122,606		
Paper	1,979		
TOTAL Secondary packaging	375,545		
FSC certified	308,352		
Recycled	47,752		
RESPONSIBLY SOURCED Secondary packaging	356,104		
Total units of cardboard and paper packaging used	1,915,386		
RESPONSIBLY SOURCED	1,892,445		
Comments		Information not available for 2021	Information not available for 2020

Energy consumption - Offices (GRI 302-1)

	2022		2021		2020	
		GJ		GJ		GJ
Fuel consumption from non renewable sources	-	2,235.68	-	3,718.17	-	0.00GJ
of which Petrol	0.00l	0.00	0.00l	0.00	0.00l	0.00GJ
of which Diesel	0.00l	0.00	0.00l	0.00	0.00l	0.00GJ
of which Natural Gas	57,206.00smc	2,021.48	99,906.00smc	3,524.78	61,710.00smc	0.00GJ
Heating oil	7,000.00l	214.20	6,320.00l	193.39		0.00GJ
Fuel consumption from renewable sources	0.00KWh	0.00	0.00KWh	0.00	-	0.00GJ
Total fuel consumption	0.00KWh	2,235.68	1,146,691.66KWh	3,718.17	-	0.00GJ
Electricity consumption from non renewable sources	275,926.00KWh	993.33	285,977KWh	1,029.52		
Electricity consumption from renewable sources	2,395,370.00KWh	8,623.32	2,417,406.00KWh	8,702.67		
Cumulated renewable from Grid	1,436,696.00KWh	5,172.10	1,246,277.00KWh	4,486.60		
Gas and Nuclear from Grid	572,904.00KWh	2,062.45	856,791.00KWh	3,084.45		
Solar	385,771.00KWh	1,388.77	314,338.00KWh	1,131.62		
Purchased Electricity (Total electricity consumption)	2,671,296.00KWh	9,616.65	2,703,383.00KWh	9,732.19	2,357,469KWh	
Energy from district heating	824,540.00KWh	2,968.34	806,430.00KWh	2,903.14	849,950KWh	
Total of Energy purchased	3,495,836.00KWh	12,585.00	3,509,813.00KWh	12,365.34	3,207,419KWh	
Total of cars consumption (cars for private and business use)		4,375.59	108,022.50n	3,865.11		
Diesel Fuel (cars for business use)	6,958.18l	249.39	0,00l	0.00		
cars	8	-	0n	-		
Gasoline (cars for business use)	0.00l	0.00	0.00l	0.00		
cars	0	-	0n	-		
GPL (cars for business use)	0.00l	0.00	0.00l	0.00		
cars	0	-	0n	-		
Natural Gas (cars business use)	0.00m3	0.00	0.00m3	0.00		
cars	0	-	0n	-		
Diesel Fuel (cars for private and business use)	109,123.33l	3,911.17	106,282.50l	3,809.35		

Energy consumption - Offices (GRI 302-1)

	2022		2021		2020	
		GJ		GJ		
cars	62	-	57n	-		
Petrol (cars for private and business use)	6,710.09l	215.01	1,740,00l	55.75		
cars	8	-	1	-		
GPL (cars for private and business use)	0.00l	0.00	0.00l	0.00		
cars	0	-	0	-		
Natural Gas (cars for private and business use)	0.00m3	0.00	0.00m3	0.00		
cars	0	-	0	-		
Total cars (cars for private and business use)	78	-	58	-		
Total energy consumption	-	19,196.24	-	19,960.70		
Standards, methodologies and calculation tools	"100% fossil" was assumed as the origin of energy when we do not have information about the mix used					
Source of conversion factors						
Comments	In 2022, owned shuttle used by factory employees for commuting were included in calculations. Also, Hong Kong office consumptions was included.					

Energy consumption - Stores (GRI 302-1)

	2022			2021			2020	
	kWh CONSUMED	MC GAS	MC GAS/KWH	kWh CONSUMED	MC GAS	MC GAS/KWH	kWh CONSUMED	MC GAS
United States	305,076.00	0.00	0.00	356,194.29	0.00	0.00	161,344	0.00
Japan	0.00	0.00	0.00	346,316.66	52,794.05	564,368.39	205,000	45,000
Greater China	2,309,354.00	11,410.00	121,972.90	1,473,974.3	0.00	0.00	1,103,473	3,562
Hong Kong	112,863.00	0.00	0.00	107,283.43	0.00	0.00	88,882	0.00
Singapore	91,779.00	0.00	0.00	85,617.98	0.00	0.00	28,309	0.00
Malaysia	125,841.00	0.00	0.00	150,909.26	0.00	0.00	61,719	0.00
Australia	178,722.00	0.00	0.00	135,944.52	0.00	0.00	124,641	0.00
Switzerland	335,642.00	0.00	0.00	199,762.29	0.00	0.00	92,927	0.00
Germany	89,172.00	1,272.00	13,597.68	92,028	0.00	0.00	N/A	N/A
Italy	223,392.00	0.00	0.00	155,211.43	0.00	0.00	30,972	0.00
Holland	31,508.00	0.00	0.00	0.00	0.00	0.00	N/A	N/A
Austria	201,264.00	0.00	0.00	88,018.29	0.00	0.00	36,681	0.00
UK	37,846.00	0.00	0.00	0.00	0.00	0.00	17,460	0.00
France	135,637.00	0.00	0.00	0.00	0.00	0.00	73,208	0.00
Spain	89,907.00	0.00	0.00	81,075.43	0.00	0.00	36,873	0.00
Belgium	0.00	0.00	0.00	35,928	0.00	0.00		
TOT	4,268,003.00	12,682.00	135,570.58	3,308,263.88	52,794.05	564,368.39	2,061,489.00	48,562.00

Reduction of energy consumption (GRI 302-4)

	2022	2021	REDUCTION
Total fuel consumption	6,361.86GJ	7,583.30GJ	-1,221.43GJ
Consumption of electricity	9,531.88GJ	9,732.19GJ	-200.31GJ
Energy for heating	2,968.34GJ	2,903.15GJ	65.19GJ
Energy for cooling	0.00GJ	0.00GJ	0.00GJ
Steam consumption	0.00GJ	0.0.00GJ €	0.0.00GJ
TOTAL ENERGY CONSUMPTION	18,862.08GJ	20,218.64GJ	-1,356.55GJ
Comments	Calculation made on offices 'data. The comparison between 2022 and 2021 consumption has been made on the same scope, thus excluding HK offices and owned shuttle consumptions because they were not included in 2021 data.		

Water consumption (GRI 303 – 5)

	2022		2021		2020	
	Water stress areas	Other areas	Water stress areas	Other areas	Water stress areas	Other areas
TOTAL WATER CONSUMPTION	130.50m3	5,329.70m3	40m3	7,615m3	0,00l	
Change in water storage in megaliters	0,00m3	0,00m3	0,00m3	0,00m3	0,00l	0,00l
Standards, methodologies and formulated assumptions	<p>For Caslano, we were provided with water consumption data for the period from April 26th to November 21st, which is 1174 mc for HQ and 460 mc for Caslano's keeper house (which we included because, though not part of our organization for many years, is still part of the industrial complex). To get the final number, we estimated the consumption for HQ on the base of working days, and for Caslano's keeper house on the solar year.</p>					Information not available for 2020.
Comments	<p>Water consumption is expressed in cubic meters and refers to Caslano, Milan and Florence HQs, and to the Tokyo office. Florence and Tokyo are considered a stressed water area according to the WRI (World Resources Institute) Aqueduct Water Risk Atlas. In comparison with 2021 we were able to expand the scope, including Caslano's keeper house (which we included because, though not part of our organization for many years, is still part of the industrial complex), and the Tokyo office. In Florence offices, there is also a system to recycle rainwater, through which 292.70 cubic meters were recovered and consumed in 2022.</p>		<p>Water consumption is expressed in cubic meters and refers to Caslano, Milan and Florence offices. Florence is considered a stressed water area according to the WRI (World Resources Institute) Aqueduct Water Risk Atlas.</p>			

Direct (Scope 1) GHG emissions (Gas and Fuel) (GRI 305-1)

	2022		2021		2020	
	TonCO2 (Gas)	TonCO2 (Fuel)	TonCO2 (Gas)	TonCO2 (Fuel)	TonCO2 (Gas)	TonCO2 (Fuel)
Switzerland	0.00	76.85	0.00	45.43	0.00	61.90
Italy	0.00	155.34	0.00	119.65	0.00	107.00

Direct (Scope 1) GHG emissions (Fuel) (GRI 305-1)

	2022		2021		2020	
	Fuel (Liters)	TonCO2	Fuel (Liters)	TonCO2	Fuel (Liters)	TonCO2
Arval Italia fleet	61,346.00	105.64	70,759.58	94.25	61,013	93
Laseplan Italia	24,418.95	49.70	13,562.00	25.40	12,820	14
Arval CH	30,068.47	76.85	23,700.97	45.43	23,265	61.9
TOTAL	115,833.42	232.19	108,022.55	165.08	97,098	168.9

Energy indirect (Scope 2) GHG emissions (GRI 305-2)

	2022 (2019)	2021 (2019)	2020
	TonCO2 (Location based)	TonCO2 (Location based)	TonCO2 (Location based)
TOTAL	0.4	0.4	Information not available for 2020
Comments	Bally's footprint was calculated on 2019 figures because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021. 2022 footprint will be calculated in 2023 following the target submission to the Science Based Targets initiative (SBTi).	Bally's footprint was calculated on 2019 figures because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021.	

Energy indirect (Scope 2) GHG emissions (Location based) (GRI 305-2)

	2022 (2021)	2021	2020
	TonCO2 (Location based)	TonCO2 (Location based)	TonCO2 (Location based)
TOTAL	3.54	3.54	Information not available for 2020
Comments	Bally's footprint was calculated on 2019 figures because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021. Scope 2 was re-calculated in 2021 to include the installation of solar panels on our Swiss HQ's roof. 2022 footprint will be calculated in 2023 following the target submission to the Science Based Targets initiative (SBTi).	Bally's footprint was calculated on 2019 figures because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021.	

Other indirect (Scope 3) GHG emissions (GRI 305-3)

	TCO2 EQ. OF THE REFERENCE YEAR
UPSTREAM CATEGORIES	96.4
Goods and services purchased	59.3
Capital goods	14.1
Fuel and energy related activities	2.9
Upstream transportation and distribution	15.7
WASTE GENERATED DURING THE ACTIVITY	0
Business travel	2.2
Employee commuting	2.2
Upstream leased assets	0
Downstream categories	2.35
DOWNSTREAM TRANSPORT AND DISTRIBUTION	0
Processing of the products sold	0
Use of goods sold	0.05
End-of-cycle treatment of products sold	0.8

Other indirect (Scope 3) GHG emissions (GRI 305-3)

	TCO2 EQ. OF THE REFERENCE YEAR
Downstream leased assets	0
Franchising	1.5
Investments	0
Other items downstream	0
TOTAL SCOPE 3	98.75TEQCO2
Gases included in the calculation	The environmental indicator considered in this project is the carbon footprint (kg CO2eq) which accounts for radiative forcing caused by emissions of greenhouse gases (GHG) such as carbon dioxide (CO2), methane (CH4) and nitrous oxide (N2O).
Consolidation approach	
Reasons for the choice of the reference year	2019, for pre-Covid figures.
Source of emission factors and GWP	Sources of emission factors are Ecoinvent v3.7 for generic processes (i.e.power and commuting) and WALDB for specific processes (leather and textile). The GWP source is Report AR5 IPCC 2013.
Comments	2022 Scope 3 will be calculated in 2023 after the submission to the Science Based Targets initiative.

Waste generated (GRI 306-3)

	2022 QUANTITY (TONS)	2021 QUANTITY (TONS)	2020 QUANTITY (TONS)
WASTE	88.26t	101.99	
Unsorted waste	41.14	55.86	44.41
Plastic	7.38	6.32	
Cardboard and Paper	16.71	18.66	
Glass	4.46	0.87	
Big volumes (mixed materials)	4.96	1.78	
Toner	0.07	0.09	
Pc monitor	0.06	0.00	1.25
Discarded equipment	0.02	0.11	
Discarded equipment containing hazardous substances	0.00	0.03	

Waste generated (GRI 306-3)

	2022 QUANTITY (TONS)	2021 QUANTITY (TONS)	2020 QUANTITY (TONS)
Iron/metal waste	4.03	1.74	14.33
Leather	3.30	4.1	1.8
Colors	0.00	0.00	0.5
Wood	5.52	12.05	8.07
Glue and adhesives	0.45	0.37	0.02
Paint container	0.02	0.00	
Particular Textile waste	0.14	0.00	
Comments	This data refers to Caslano, Milan and Florence headquarters, and the Shanghai office.	This data refers to Caslano, Milan and Florence headquarters. Bally was not able to collect the data regarding urban waste for Florence. We are working to get that information in the future.	This data refers to Caslano and Florence headquarters. Bally was not able to collect the data regarding urban waste for Florence.

Disposal methods of waste (GRI 306 – 4 and GRI 306 -5)

	2022 QUANTITY (TONS)	2021 QUANTITY (TONS)	2020 QUANTITY (TONS)
TOTALE HAZARDOUS WASTE	5.24	0.46	
preparation for reuse	0.00	0.00	
recycling	1.43	0.09	
other recovery operations	0.00	0.00	
incineration (with energy recovery)	3.30	0.00	
incineration (without energy recovery)	0.00	0.00	
transfer to landfill	0.00	0.00	
other disposal operations	0.51	0.37	
TOTAL NON HAZARDOUS WASTES	83	71.64	
preparation for reuse	0.01	0.00	
recycling	40.83	30.5	
other recovery operations	0.00	0.00	
incineration (with energy recovery)	42.12	41.14	

Disposal methods of waste (GRI 306 – 4 and GRI 306 -5)

	2022 QUANTITY (TONS)	2021 QUANTITY (TONS)	2020 QUANTITY (TONS)
incineration (without energy recovery)	0.00	0.00	
transfer to landfill	0.00	0.00	
other disposal operations	0.04	0.00	
Standards, methodologies and formulated assumptions	"Other disposal operations" was considered as disposal method when the information was not available.		
incineration (without energy recovery)	This data refers to Caslano, Milan and Florence headquarters, and the Shanghai office.	This data refers to Caslano, Milan and Florence headquarters. However, Bally is not able to provide this information for Milan HQ, with the exception of bulky waste, because the company (AMSA) that manages urban waste and toner does not provide it.	Information unavailable.

New employee hires and Employee turnover (GRI 401-1)

	2022											2021											2020																						
	<30			30-50			>50			Total		Rate Of New Employee Hires		<30			30-50			>50			Total		Rate Of New Employee Hires		<30			30-50			>50			Total		Rate Of New Employee Hires							
	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T
Switzerland	15	17	32	21	21	42	1	2	3	37	40	77	-	-	22%	2	2	4	6	6	122	0	0	0	8	8	16				5%	4	2	6	7	7	14	1	3	4	12	12	24		
Italy	31	3	34	17	8	25	0	0	0	48	11	59	-	-	37%	3	0	3	5	7	12	0	0	0	8	7	15				9%	8	2	10	5	2	7	2	0	2	15	4	19		
Rest of Europe	16	14	30	11	9	20	4	1	5	31	24	55	-	-	68%	2	0	2	1	1	2	0	0	0	3	1	4				5%	1	1	2	5	0	5	0	0	0	6	1	7		
USA	35	23	58	18	12	30	6	4	10	59	39	98	-	-	78%	13	15	28	9	6	15	2	0	2	24	21	45				38%	4	1	5	2	4	6	1	0	1	7	5	12		
Greater China	44	32	76	125	33	158	0	0	0	169	65	234	-	-	43%	69	28	97	162	27	189	1	0	1	232	55	287	-	-	53%	28	10	30	53	19	72	0	0	81	29	8	110			
Japan	1	1	2	8	4	12	6	1	7	15	6	21	-	-	24%	2	0	2	7	4	11	1	0	1	10	4	14	-	-	16%	0	1	1	5	1	6	2	0	2	7	2	9			
OSEA	9	8	17	11	5	16	2	0	2	22	13	35	-	-	48%	4	4	8	10	1	11	0	0	0	14	5	19	-	-	24%	2	3	5	5	0	5	0	0	0	7	3	10			
TOTAL	151	98	249	211	92	303	19	8	27	381	198	579	38%	47%	41%	95	49	144	200	52	255	4	0	4	299	101	400	30%	26%	29%	47	20	67	82	33	115	6	3	9	135	56	191	14%	14%	14%

New employee hires and Employee turnover (GRI 401-1)

	2022													2021													2020																					
	<30			30-50			>50			Total			Rate Of Employee Turnover			<30			30-50			>50			Total			Rate Of Employee Turnover			<30			30-50			>50			Total			Rate Of Employee Turnover					
	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T
Switzerland	7	5	12	18	15	33	5	10	15	30	30	60	-	-	17%	0	2	2	13	6	19	8	5	13	21	13	34	11%	2	6	8	8	10	18	5	9	14	15	25	40								
Italy	24	5	29	12	13	34	0	1	1	45	19	64	-	-	41%	9	1	10	16	5	21	1	2	3	26	8	34	21%	2	1	3	6	0	6	0	1	1	8	2	10								
Rest of Europe	21	12	33	20	11	31	6	2	8	47	25	72	-	-	89%	4	3	7	5	3	8	1	0	1	10	6	16	19%	4	4	8	8	1	9	1	0	1	13	5	18								
USA	21	12	33	12	16	28	6	0	6	39	28	67	-	-	53%	14	8	22	20	6	26	6	0	6	40	14	54	46%	2	4	6	5	10	15	3	1	4	10	15	25								
Greater China	44	17	61	127	25	152	4	0	4	175	42	217	-	-	40%	44	21	65	151	32	183	1	1	2	196	54	250	-	-	46%	21	4	25	71	18	89	5	1	6	97	23	120						
Japan	2	0	2	8	8	16	3	1	4	13	9	22	-	-	25%	1	1	2	10	8	18	1	2	3	12	11	23	-	-	26%	1	2	3	10	5	15	2	0	2	13	7	20						
OSEA	7	4	11	18	10	28	3	1	4	28	15	43	-	-	59%	7	4	11	9	2	11	1	1	2	17	7	24	-	-	30%	9	4	13	8	2	10	0	0	0	17	6	23						
TOTAL	126	55	181	224	98	322	27	15	42	377	168	545	38%	40%	38%	79	40	119	224	62	286	19	11	30	322	113	435	32%	29%	31%	41	25	66	116	46	162	16	12	28	173	83	255	18%	12%	19%			

Parental leave (GRI 401-3)

	2022			2021			2020		
	Men	Women	TOTAL	Men	Women	TOTAL			
Total number of employees who were entitled to parental leave	367	785	1,152	NA	NA	NA			
Total number of employees who took parental leave	4	21	25	7	29	36			
Total number of employees returned to work after parental leave	1	16	17	7	26	33			
Total number of employees who are still employed 12 months after returning from parental leave	0	13	13	6	20	26			
Return rate	25.00%	76.19%	68.00%	100.00%	89.65%	91.66%			
Retention rate	0.00%	50.00%	39.39%	NA	NA	NA			
Comments							Information not available for 2020.		

Worker Training on Occupational Health and Safety (GRI 403-5)

<p>Workplace health and safety training activities provided to workers, including general and specific training on workplace hazards, dangerous activities or situations</p>	<p>Bally periodically provides courses in occupational health and safety, and a certificate is issued to confirm the competencies acquired.</p> <ul style="list-style-type: none"> • In Switzerland in 2022 the following trainings were held: <ul style="list-style-type: none"> Management and handling of chemical substances and products. Evacuation training in case of emergencies for designated workers. Specific training for workers’ supervisors and safety training for workers Specific chemical handling training for workers who may be exposed to substances in their jobs • In Italy, all employees—both untrained Display Screen Equipment workers and un-trained technical area operators—must always have general and specific training on security in compliance with national law. Bally trains new employees and updates training when necessary (with certification lasting five years). <p>Security officers receive updated training when their certification expires (it lasts two years).</p> <p>In addition to the above, the following training was held in 2022 in Milan:</p> <ul style="list-style-type: none"> • Firefighting and first aid training for designated workers (certification lasts three years). • Update of worker safety representative (RSL) training. <ul style="list-style-type: none"> • In the Sidney office, employees are informed on their first day of work about the office security procedures in case of emergency and participate annually in the fire drill exercise conducted by building management. • In the Singapore office, employees participate in an annual fire drill exercise conducted by the building management. • In the New York office, the office building provides bi-annual fire safety training, as required by law, and emergency evacuation training. • In the Shanghai office, office staff are trained in for the use of AED (Automated External Defibrillator). • In the Tokyo office, no specific trainings are required for health and safety issues.
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Work-related injuries by category (GRI 403-9)

	2022						2021						2020					
	Type of injury			Location of the injury			Type of injury			Location of the injury			Type of injury			Location of the injury		
	Fatal accidents	Serious accidents	Superficial accidents	Fatal accidents	Serious accidents	Superficial accidents	Fatal accidents	Serious accidents	Superficial accidents	Fatal accidents	Serious accidents	Superficial accidents	Fatal accidents	Serious accidents	Superficial accidents	Fatal accidents	Serious accidents	Superficial accidents
Men	0	3	8	5	0	6	0	3	10	2	1	10	0	0	8	2	0	6
Woman	0	1	11	3	0	9	0	2	8	2	0	8	0	0	4	1	0	3
TOTAL	0	4	19	8	0	15	0	5	18	4	1	18	0	0	12	3	0	9
Note	The rates of work-related injury are not disclosed, since the number of hours worked are not available, but we are planning to gather and disclose them in the next reports.																	

Work-related injuries by country (GRI 403-9)

	2022									2021									2020								
	Fatal accidents			Serious accidents			Superficial accidents			Fatal accidents			Serious accidents			Superficial accidents			Fatal accidents			Serious accidents			Superficial accidents		
	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T	W	M	T
Switzerland	0	0	0	1	3	4	5	5	10	0	0	0	2	2	4	5	8	13	0	0	0	0	0	0	3	6	9
Italy	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2	0	0	0	0	0	0	0	0	0
Rest of Europe	0	0	0	0	0	0	3	3	6	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	2	
USA	0	0	0	0	0	0	1	0	1	0	0	0	0	1	1	1	0	1	0	0	0	0	0	0	1	1	
Greater China	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1	0	0	0	0	0	0	0	0	
Japan	0	0	0	0	0	0	2	0	2	0	0	0	0	0	0	1	0	1	0	0	0	0	0	0	0	0	
OSEA	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTAL	0	0	0	1	3	4	13	8	19	0	0	0	2	3	5	8	10	18	0	0	0	2	3	5	4	8	12

Average hours of training per year per employee (GRI 404-1)

	Total hours of physical/virtual training (in person or with webinars and workshops)	Total number of employees	Total average hours
Corporate employees	218	468	0.47
Retail employees	23,243	854	27.22
Factory Employees	0	101	0
TOTAL	23,461		16.49
Comments	<p>Data about digital training are not available: they are supplied through the Bally Portal, a digital a mobile learning app, available 24/7 to all employees; the Bally Portal also contains different kind of documents and guidelines that employee can consult. Bally gathered data about the total hours spent on the Bally Portal through the year but is not able for 2022 to differentiate the hours spent on training from the ones spent in other activities. In 2022, 5,466 hours were spent in the app, and 29 new courses were introduced.</p> <p>Factory employees are not included in data of the Bally Portal because none of these courses is mandatory for them. They are usually involved in trainings on different tasks of the supply chain, to pass down the expertise of our artisans and have more flexibility in terms of employee rotation; however, due to the ongoing pandemic situation these training didn't take place in 2022.</p> <p>Data concerning the average hours of training by gender are not available, but we are working to gather them for future sustainability reports.</p>		

Diversity of governance bodies and employees (GRI 405-1)

	2022							2021							2020						
	<30	30-50	>50	TOT	Man	Woman	TOT	<30	30-50	>50	TOT	Man	Woman	TOT	<30	30-50	>50	TOT	Man	Woman	TOT
Executives	0%	67%	33%	100%	33%	67%	100%	0%	70%	30%	100%	60%	40%	100%	0%	62.5%	37.5%	100%	62.5%	37.5%	100%
GM & Directors	0%	69%	31%	100%	54%	46%	100%	0%	79%	21%	100%	58%	42%	100%	0%	84%	16%	100%	53%	47%	100%
Office Manager	3%	77%	20%	100%	32%	68%	100%	5%	77%	18%	100%	35%	65%	100%	4%	75%	21%	100%	44%	56%	100%
Store manager	3%	83%	14%	100%	28%	72%	100%	0%	83%	17%	100%	23%	77%	100%	1%	84%	15%	100%	19%	81%	100%
Office staff	33%	54%	13%	100%	31%	69%	100%	26%	59%	15%	100%	31%	69%	100%	27%	59%	14%	100%	26%	74%	100%
Workers	0%	45%	55%	100%	47%	53%	100%	2%	41%	57%	100%	46%	54%	100%	3%	43%	54%	100%	47%	53%	100%
Store staff	25%	65%	10%	100%	25%	75%	100%	28%	64%	8%	100%	23%	77%	100%	26%	64%	10%	100%	25%	75%	100%
TOTAL	20%	65%	15%	100%	30%	70%	100%	20%	65%	15%	100%	29%	71%	100%	18%	65%	17%	100%	30%	70%	100%
Note	Age not available for 17 HCs.																				

Incidents of discrimination and corrective actions taken (GRI 406-1)

	2022	2021	2020
Total number of discrimination incidents during the reporting period	0.00	0.00	0.00
A statement if there are no incidents	In 2022 no incidents of discrimination were reported.	In 2021 no incidents of discrimination were reported.	In 2020 no incidents of discrimination were reported.

Political contributions (GRI 415-1)

	2022	2021	2020
Total monetary value of financial and in-kind political contributions made directly and indirectly by the organization by country and recipient/beneficiary	0€	0€	0€
If applicable, how the monetary value of in-kind contributions was estimated	Not applicable	Not applicable	
Comments			Information not available for 2020

Incidents of noncompliance concerning product and service information and labelling (GRI 417-2)

	2022	2021	2020
Incidents of non-compliance with regulations resulting in a fine or penalty	0	2	
Incidents of non-compliance with regulations resulting in a warning	0	0	
Incidents of non-compliance with voluntary codes	0	0	
TOTAL	0	2	
A brief statement if the organization has not identified any non-compliance with regulations and/or voluntary codes	No fines for 2022	Two cases occurred in Chinese mainland, and AIC (Administration for Industry and Commerce) penalties were paid to the value of up to CHF 20,000.	
Comments			Information not available for 2020

Incidents of noncompliance concerning marketing communications (GRI 417-3)

	2022	2021	2020
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	
Incidents of non-compliance with regulations resulting in a warning	0	0	
Incidents of non-compliance with voluntary codes	0	0	
TOTAL	0	0	
A brief statement if the organization has not identified any non-compliance with regulations and/or voluntary codes	In 2022, Bally did not receive any fines for violations of regulations or voluntary codes concerning marketing communications, nor did we identify any non-compliance with them.	In 2021, Bally did not receive any fines for violations of regulations and/or voluntary codes concerning marketing communications, nor identified any non-compliance with them.	
Comments			Information not available for 2020

GRI CONTENT INDEX

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Statement of use: Bally has reported the information cited in this GRI Content Index for the period January 1 – December 31, 2022 with reference to the GRI Standards

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): N/A

UNIVERSAL STANDARDS - GENERAL DISCLOSURES

GRI 2: General Disclosures 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 2 - 1 Organizational details	p. 104-105	
GRI 2 - 2 Entities included in the organization's sustainability reporting	p. 104-105	
GRI 2 - 3 Reporting period, frequency and contact point	p. 104-105	
GRI 2 - 4 Restatements of information	p. 104-105	
GRI 2 - 5 External assurance	REF A ASSURANCE	
GRI 2 - 6 Activities, value chain, and other business relationships	p. 14, 47, 104-105	
GRI 2 - 7 Employees	p. 107-108	
GRI 2 - 8 Workers who are not employees	p. 109	
GRI 2 - 9 Governance structure and composition	p. 22-23, 109	
GRI 2 - 10 Nomination and selection of the highest governance body	p. 22-23	JAB Luxury Srl (Luxembourg) as the majority shareholder nominates and selects the Board of Director members of BINT. Executives are recruited according to their various competences, and product and industry knowledge.
GRI 2 - 11 Chair of the highest governance body		The chair of the highest governance body is not a senior executive in the organization
GRI 2 - 12 Role of the highest governance body in overseeing the management of impacts	p. 22-23	
GRI 2 - 13 Delegation of responsibility for managing impacts	p. 22-23	
GRI 2 - 14 Role of the highest governance body in sustainability reporting	p. 22-23	
GRI 2 - 15 Conflicts of interest	p. 100	

GRI 2: General Disclosures 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 2 - 16 Communication of critical concerns		Critical concerns are communicated to the Audit Committee during the periodical meetings, when needed. In the case of violations of the Model 231 (applicable for Italian entities only) the Supervisory Board must be also informed. No critical concerns were communicated in 2022.
GRI 2 - 17 Collective knowledge of the highest governance body		BINT BoD is composed of executive and non-executive members. The executives are supported by a network of professionals, consultants and associations to which the ESG Committee refers periodically when defining priorities and tasks. The non-executives members manage portfolios of companies in various sectors with deep competences of industry knowledge, sustainable development included.
GRI 2 - 18 Evaluation of the performance of the highest governance		Internal assessments of the Board of Directors of Bally International AG are highly confidential in nature and may not be disclosed.
GRI 2 - 19 Remuneration policies		Bally considers remuneration policies strictly confidential and will not disclose this kind of information.
GRI 2 - 20 Process to determine remuneration		Remuneration policies, MBO Targets, MBO payouts and Senior Executives packages are proposed by the company and approved by an external remuneration committee. Remuneration committee members are selected by JAB and they are necessarily not Bally employees.
GRI 2 - 21 Annual total compensation ratio		Bally considers this data strictly confidential and will not disclose this kind of information.
GRI 2 - 22 Statement on sustainable development strategy	p. 3-4	
GRI 2 - 23 Policy commitments	p. 22-23, 50-51, 99-102	
GRI 2 - 24 Embedding policy commitments	p. 22-23	
GRI 2 - 25 Processes to remediate negative impacts	p. 50-51, 99-102	
GRI 2 - 26 Mechanisms for seeking advice and raising concerns	p. 99-100	JAB Luxury Srl (Luxembourg) as the majority shareholder nominates and selects the Board of Director members of BINT. Executives are recruited according to their various competences, and product and industry knowledge.
GRI 2 - 27 Compliance with laws and regulations	p. 50-51, 57	

GRI 2: General Disclosures 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 2 - 28 Membership associations	p. 60-61, 90	Bally is 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 aims to combat the industry's adverse effect on the climate, restore biodiversity and protect the oceans. Bally is also a member of Camera Nazionale della Moda Italiana (The National Chamber for Italian Fashion), which disciplines, co-ordinates and promotes the development of Italian Fashion.
	GRI 2 - 29 Approach to stakeholder engagement		Besides being a member of different associations and having established various partnerships such as the ones with local associations, Bally is working to update its Materiality Assessment through a wider engagement of different categories of stakeholders
	GRI 2 - 30 Collective bargaining agreements		Information unavailable for 2023. Bally will work to make this information available for future disclosures

MATERIAL TOPICS

GRI 3: Material Topics 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 3 - 1 Process to determine material topics		<p>The sustainability data relating 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".</p> <p>Bally has undertaken a first analysis of its material sustainability risks and 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 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.</p> <p>Further understanding and validation was achieved through a workshop with the ESG Committee. This workshop helped refine and combine a final list of material topics, including definitions and boundaries.</p> <p>Bally is working to update its Materiality Assessment in 2023.</p>
	GRI 3 - 2 List of material topics		<ul style="list-style-type: none"> • Animal welfare • Brand reputation • Business ethics and integrity • Corporate governance • Culture of material sustainability • Customer centricity • Efficient management of waste • Employee involvement and training • Employee welfare • Human rights and equal opportunities • Innovation culture • Occupational health and safety • Product quality • Program for local communities • Responsible handling of chemicals • Responsible sourcing • Sustainable packaging

GOVERNANCE – BRAND REPUTATION

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 19, 50-51, 83-87, 88-91, 101	

GRI 206 Anti-competitive Behavior 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 206-1: Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	p. 101	

Custom index 903

DISCLOSURE	LOCATION	OMISSION/NOTES
Custom index 903: Actions taken in order to increase or maintain the reputation of the brand in the market	p. 11, 32, 83-87, 88-91	<p>Actions taken to increase the reputation of the Brand in the market.</p> <p>Linkedin: We have an always-on campaign in which we deliver regular posts highlighting key activities that support our company reputation. These include:</p> <ul style="list-style-type: none"> sustainability updates (the annual report and progress); CSR (Bally Peak Outlook initiatives, Bally Foundation); DEI (Diversity, Equity & Inclusion) initiatives and progress; branding moments (fashion shows, campaign launches and events). <p>Instagram: Following the arrival of a new creative director, the strategy was to refresh the Instagram profile by removing any antecedent content to tease his arrival. The only content followed by Bally's official account is indeed the Creative Director's. Branding and fashion contents are preferred on this type of channel.</p> <p>PR announcements and campaigns:</p> <ul style="list-style-type: none"> Appointment of Rhuigi Villaseñor as Bally new creative director Bally back in the runways with SS23 Appointment of Vittoria Matarrese as Bally Foundation new director and announcement of Villa Heleneum opening <p>On sustainability:</p> <ul style="list-style-type: none"> Bally peak Outlook Foundation (BPOF) - Commitment to clean Mount Everest through 2030 Subscription to CVPPA (as member of The Fashion Pact) →Bally Peak Outlook Foundation: through BPOF Bally brings awareness to a part of its CSR activities related to all the BPOF initiatives through annual global communications campaigns, activating publicity, social media, website marketing, store animations, corporate events and media partnerships. <p>2022 results:</p> <ul style="list-style-type: none"> Number of new followers on IG and LinkedIn gained in 2022: Instagram: 48.867K followers LinkedIn 15.100K followers Profile views % increase on IG for 2022 vs 2021: 1,21M (+32% more compared to 2021, in 2021 it was 905,19K) Publicity value and number of clippings in 2022: 2.696,2971 Euro of Publicity Value 6148 press clippings

Custom index 905	DISCLOSURE	LOCATION	OMISSION/NOTES
	<p>Custom index 905: Investments made to increase the reputation of the Brand in the market</p>		<p>Investments made to increase the reputation of the Brand in the market. Upper funnel marketing activities that create awareness and drive desirability include:</p> <ul style="list-style-type: none"> • brand marketing projects (360 pop-ups/ capsules) • Fashion Shows organization • PR events (seasonal presentations) • Wholesale brand marketing (contributions to franchisee/wholesale partners towards upper funnel activities) • Out-of-home advertising • Offline/Online media partnerships • Paid social media advertising • Celebrity/Influencer engagements

GOVERNANCE – BUSINESS ETHICS AND INTEGRITY

GRI 3: Material Topics 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	<p>GRI 3-3: Management of material topics</p>	<p>p. 50-53, 99-101</p>	

GRI 205: Anti-corruption 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	<p>GRI 205-3 Confirmed incidents of corruption and actions taken</p>	<p>p. 101</p>	<p>In 2022, no confirmed corruption incidents occurred.</p>

GOVERNANCE – CORPORATE GOVERNANCE

GRI 3: Material Topics 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	<p>GRI 3-3: Management of material topics</p>	<p>p. 22-23, 102</p>	

PLANET – ANIMAL WELFARE

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 44-46, 50-51	

Custom index 901

DISCLOSURE	LOCATION	OMISSION/NOTES
Custom index 901 Animal Welfare		All of our suppliers are bound to sign our Supplier Code of Conduct which clearly states that all animals must be treated with care and dignity through each life phase. Besides treating animals humanely, suppliers must comply with law and regulations, and operate in line with the Convention on International Trade in Endangered Species (CITES) and The International Union for Conservation of Nature (IUCN)

PLANET – EFFICIENT MANAGEMENT OF WASTE

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 35, 41-43, 50-51	

GRI 306 - Waste 2020

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 306-1 Waste generation and significant waste-related impacts		Bally operations follow a standard internal procedure for waste separation based on the recycling principle, as well as respecting the local waste collection standards and rules. To Bally's knowledge, there are no negative impacts related to its own waste, as it is properly treated according to these specific rules and laws.
GRI 306-2 Management of significant waste related impacts	p. 35, 41-43	Local municipality services manage our urban waste collection, while certified companies manage special waste. Data on special waste is received in annual reports provided by certified companies. Recyclable urban waste is monitored at our headquarters.
GRI 306 - 3 Waste generated	p. 122-123	
GRI 306 - 4 Waste diverted from disposal	p. 123-124	
GRI 306 - 5 Waste directed to disposal	p. 123-124	

PLANET – RESPONSIBLE HANDLING OF CHEMICALS

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 50-51, 57, 74-76	

PRODUCT – RESPONSIBLE SOURCING

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 44-46, 50-53	

GRI 308 - Supplier Environmental Assessment 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 308-2 Negative environmental impacts in the supply chain and actions taken	p. 50-53	

GRI 414 - Supplier Social Assessment 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 414-2 Negative social impacts in the supply chain and actions taken	p. 50-53	

PRODUCT – CULTURE OF MATERIAL SUSTAINABILITY

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 37-39, 44-46	

GRI 301- Materials 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 301-1 - Materials used by weight or volume- Materials	p. 37-39, 44-46, 113-114	

PLANET – SUSTAINABLE PACKAGING

GRI 3: Material Topics 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 3-3: Management of material topics	p. 41-43, 44-46	

GRI 301- Materials 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 301-1 - Materials used by weight or volume- Packaging	p. 41-43, 113-114	

PLANET – PRODUCT QUALITY

GRI 3: Material Topics 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 3-3: Management of material topics	p. 19, 37-39, 44-46, 54-55	

GRI 416 - Customer Health and Safety 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	p. 57	

PLANET – INNOVATION CULTURE

GRI 3: Material Topics 2021	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 3-3: Management of material topics	p. 54-55, 59-61, 95, 96	

Custom index 902	DISCLOSURE	LOCATION	OMISSION/NOTES
	Custom index 902 Actions undertaken to foster the culture of sustainable innovation	p. 54-55	

PEOPLE – EMPLOYEE INVOLVEMENT AND TRAINING

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 64, 73, 79	

GRI 404 – Training and education 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 404-1 Average hours of training per year per employee	p. 73, 127	

PEOPLE – EMPLOYEE WELFARE

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 70-72	

GRI 401 – Employment 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Bally doesn't have benefits which are standards for full time employees that are not provided to temporary or part-time employees. Benefits are granted according to the seniority, the role and/or the geographic location of the office, regardless of the contract type.
GRI 401-3 Parental leave	p. 125	

PEOPLE – HUMAN RIGHTS AND EQUAL OPPORTUNITIES

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 50-51, 66-67, 68, 99, 100	

GRI 405 - Diversity and Equal Opportunity 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 405 - 1 Diversity of governance bodies and employees	p. 128	
GRI 405 - 2 Ratio of basic salary and	p. 66-67	

GRI 406 – Non-discrimination 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 406-1 Incidents of discrimination and corrective actions taken	p. 66, 128	

PEOPLE – OCCUPATIONAL HEALTH AND SAFETY

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 50-51, 74-76, 101	

GRI 403 - Occupational Health and Safety 2018

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 403 - 1 Occupational health and safety management system	p. 74-76	
GRI 403 - 2 Hazard identification, risk assessment, and incident investigation	p. 74-76	
GRI 403 - 3 Occupational health Services	p. 74-76	
GRI 403 - 4 Workers Participation, consultation and communication on occupational health and safety	p. 74-76	
GRI 403 - 5 Worker training on occupational health and safety	p. 74-76, 126	
GRI 403 - 6 Promotion of worker health		Currently, we do not have specific programs or policies aimed at facilitating workers' access to non-occupational medical and healthcare services.
GRI 403 – 7 - Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	p. 50-51, 74-76	

GRI 405 - Diversity and Equal Opportunity 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 403-8 Workers covered by an occupational health and safety management system	p. 74-76	100% of workers are covered by an occupational health and safety management system; Bally ensures to always be compliant with legal requirements on Occupational Health and Safety.
GRI 403-9 Work-related injuries	p. 126-127	

PEOPLE – CUSTOMER CENTRICITY

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 19, 54-55, 59, 73	

GRI 418 – Customer Privacy 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 418 - 1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Bally has not identified any substantiated complaints

Custom index 904

DISCLOSURE	LOCATION	OMISSION/NOTES
Custom index 904 Training provided to staff on issues concerning the centrality of the customer	p. 73	

PEOPLE – PROGRAM FOR LOCAL COMMUNITIES

GRI 3: Material Topics 2021

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 3-3: Management of material topics	p. 88-91, 92-94, 96	

GRI 413 - Local Communities 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 413-1 Operations with local community engagement, impact assessments, and development programs	p. 92-94	Bally has not identified any substantiated complaints

ADDITIONAL TOPICS DISCLOSED

GRI 201: Economic performance 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 201 - 3 Defined benefit plan obligations and other retirement plans	p. 110	
GRI 201 - 4 Financial assistance received from government	p. 111	

GRI 202: Market presence 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 202 - 2 Proportion of senior management hired from the local community	p. 112	

GRI 204: Procurement Practices 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 204 - 1 Proportion of spending on local suppliers	p. 112	

GRI 205: Anti-corruption 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 205 - 1 Operations assessed for risks related to corruption	p. 101	

GRI 302: Energy 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 302 - 1 Energy consumption within the organization	p. 28-30, 115-117	
GRI 302 - 4 Reduction of energy consumption	p. 28-30, 118	

GRI 303: Water & Effluents 2018

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 303 - 1 Interactions with water as a shared resource		Bally's operations and facilities do not use any water apart from providing the required hygiene-sanitary standards for employees and guests. Bally is further committed to the minimization of water use throughout its organization, as indicated in Bally's Code of Ethics, and with its suppliers, as indicated in its Supplier Code of Conduct.
GRI 303 - 5 Water consumption	p. 119	

GRI 304: Biodiversity 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 304 - 1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Bally does not own, lease or manage any operational site in, or adjacent to, protected areas or areas of high biodiversity value.

GRI 305: Emissions 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 305 - 1 Direct (Scope 1) GHG emissions	p. 27, 120	
GRI 305 - 2 Energy indirect (Scope 2) GHG emissions	p. 27, 120-121	
GRI 305 - 3 Other indirect (Scope 3) GHG emissions	p. 27, 121-122	

GRI 401: Employment 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 401 - 1 New employee hires and employee turnover	p. 124-125	

GRI 404: Training and Education 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 404 - 2 Programs for upgrading employee skills and transition assistance programs	p. 73	
GRI 404 - 3 Percentage of employees receiving regular performance and career development reviews	p. 73	

GRI 407: Freedom of Association and Collective Bargaining 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 407 - 1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk		<p>Freedom of association is granted by law in all regions and countries where Bally has direct operations. As detailed in our Code of Ethics, we recognize employees' right to free association and collective bargaining.</p> <p>All of our suppliers are bound to sign our Supplier Code of Conduct which clearly states that suppliers shall grant their employees the right to freedom of association and collective bargaining without discrimination or fear of repercussions.</p>

GRI 408: Child Labor 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 408 - 1 Operations and suppliers at significant risk for incidents of child labor		<p>Child labor is expressly forbidden by Bally procedures and by law in all regions and countries where Bally has direct operations. The application of the law and internal policies is implemented by direct management of employees' birth dates in all countries. This covers 100% of Bally's employee population. All suppliers are bound to sign our Supplier Code of Conduct, which clearly states that child labor is strictly prohibited and that suppliers shall not directly or indirectly employ any individuals under the age of 16.</p>

GRI 409: Forced or Compulsory Labor 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 409 - 1 Operations and suppliers at significant risk for incidents of forced or compulsory labor		<p>Freedom from forced labor is granted by law in all regions and countries where Bally has direct operations. In our Code of Ethics, Bally vehemently rejects forced labor, any form of abusive recruitment, and the irregular employment of workers.</p> <p>All suppliers are bound to sign our Supplier Code of Conduct, which clearly states that under no circumstances shall suppliers engage in or in any other way benefit from forced labor.</p>

GRI 411: Rights of indigenous peoples 2016	DISCLOSURE	LOCATION	OMISSION/NOTES
	GRI 411 - 1 Incidents of violations involving rights of indigenous peoples		<p>In 2022, Bally did not receive reports of incidents of violations involving rights of indigenous peoples.</p>

GRI 415: Public policy 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 415 - 1 Political contributions	p. 128	

GRI 416: Customer Health and Safety 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 416- 1 Assessment of the health and safety impacts of product and service categories	p. 57	

GRI 417: Marketing and Labelling 2016

DISCLOSURE	LOCATION	OMISSION/NOTES
GRI 417 -2 Incidents of non-compliance concerning product and service information and labelling	p. 129	
GRI 417 - 3 Incidents of non-compliance concerning marketing communications	p. 129	

**INDEPENDENT LIMITED
ASSURANCE REPORT**

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Independent Limited Assurance Report

Bally Schuhfabriken AG (“Bally”) commissioned DNV Business Assurance Italy S.r.l. (“DNV”, “we”, or “us”) to undertake independent assurance of the Sustainability Report (the “Report”) of Bally International AG and its subsidiaries (the “Group”) for the year ended 31st December 2022.

Scope and approach

We performed a limited assurance engagement using DNV’s assurance methodology VeriSustain™, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 revised – ‘Assurance Engagements other than Audits and Reviews of Historical Financial Information’ (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17021:2015 - Conformity Assessment Requirements for bodies providing audit and certification of management systems, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

The procedures performed in a limited assurance engagement vary in nature and timing from and are less detailed than those undertaken during a reasonable assurance engagement, so the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. We planned and performed our work to obtain the evidence we considered sufficient to provide a basis for our opinion, so that the risk of this conclusion being in error is reduced, but not reduced completely.

We have not performed any work, and do not express any conclusion, on any other information that may be published outside of the report and/or on Bally’s website for the current reporting period.

The review of any data from prior years is not within the scope of our work. The review of financial information was excluded from the scope of the assurance.

Responsibilities of the Directors of Bally and of the assurance providers

The Directors of Bally have sole responsibility for:

- Preparing and presenting the Sustainability Report in accordance with the “Global Reporting Initiative Sustainability Reporting Standards” established by the GRI – Global Reporting Initiative (“GRI Standards”), with reference to the selection of GRI Standards, as stated in the “Methodological note” section of the Sustainability Report;
- Designing, implementing and maintaining effective internal controls over the information and data, resulting in the preparation of the Sustainability Report that is free from material misstatements;
- Measuring and reporting the Sustainability Report based on the selected Standard; and
- Contents and statements contained within the Sustainability Report.

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Sustainability Report has been prepared in accordance with the GRI Standards, with reference to the selection of GRI Standards, and to report to Bally in the form of an independent limited assurance conclusion, based on the work performed and the evidence obtained. We have not been responsible for the preparation of the Sustainability Report.

Our competence, independence and quality control

DNV’s established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV)

and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with Bally.

Our multi-disciplinary team consisted of professionals with a combination of sustainability assurance experiences.

Inherent limitations

Our assurance relies on the premise that the data and information provided by Bally to us as part of our review procedures have been provided in good faith. Because of the selective nature (sampling) and other inherent limitations of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities may not have been detected. The selection of different but acceptable measurement techniques may result in materially different measurements.

DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Independent Assurance Report.

Basis of our opinion

A multi-disciplinary team of sustainability and assurance specialists performed work at Group level. We undertook the following activities:

- Review of the current sustainability issues that could affect Bally and are of interest to stakeholders;
- Review of Bally's approach to stakeholder engagement and recent outputs;
- Review of information provided to us by Bally on its reporting and management processes;
- Review of application of the reporting principles specified in the GRI Standards;
- Interviews with selected managers responsible for management of sustainability issues and review of selected evidence to support issues discussed;
- Review of supporting evidence for key claims and data in the Report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at Group level; and
- Review of the processes for gathering and consolidating the selected performance data and, for a sample selected, checking the data consolidation.

Opinion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Report of the Group for the year ended 31st December 2022 is not fairly stated and has not been prepared, in all material aspects, in accordance with the GRI Standards, with reference to the selection of GRI Standards, as stated in the "Methodological note" of the Sustainability Report.

For and on behalf of DNV Business Assurance Italy S.r.l.
Vimercate (MB), Italy
July 12th, 2023



Riccardo Arena
Lead Verifier



Alessia Segalini
Verifier



Laura Ierardi
Reviewer

BALLY