

BALLY, Switzerland

Est. 1851



Bally's Pledge for Transparency:

DISCLOSURE OF ORGANIZATIONAL
POLICIES AND PROGRESS

(AN UPDATE TO OUR 2020 SUSTAINABILITY REPORT)

**BALLY'S PLEDGE FOR TRANSPARENCY:
DISCLOSURE OF ORGANIZATIONAL POLICIES AND PROGRESS**

(an update to our 2020 Sustainability Report)

March 2022

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

01.

THE COMPANY'S HUMAN RIGHTS POLICIES AND PROGRESS

ANNUAL LEAVE, PUBLIC HOLIDAYS, WORKING HOURS (OVERTIME) AND BREAKS

The company policies that Bally has in place ensure the full compliance and respect of local laws and regulation on aspects such as: Annual Leave, Public Holidays, Working Hours (Overtime) and Rest Breaks in all 16 countries (NB: Hong Kong is considered Greater China) where the group has employees.

Due to Bally's global presence, our employees are subject to a variety of cases and laws applicable in their respective territories and countries. However, an overall picture can be described as follows:

- Annual leaves vary from a maximum of 40 to a minimum of 5 days per year, according to differing local legislations.
- Public holidays vary from a maximum of 16 to a minimum of 8 days per year, according to differing local legislations.
- Working hours vary from a maximum of 48 to a minimum of 35 per week, according to local differing legislations.
- Rest breaks are taken in several one-hour-per-day intervals in our factory in Switzerland, and in a minimum number of 30-minute-per-day intervals throughout our retail network; in parts of Greater China, one day of rest per week is mandatory.

Bally's HR system is endowed with features that can monitor and manage every subsidiary to effectively communicate a public holiday calendar to its employees at the beginning of each year; this allows for annual leave to be scheduled according to Bally standards and is made available each year.

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 made electronically, with reporting submitted automatically to HR departments for roughly 80% of Bally's employee network.

Where automation is still not available or possible, working hours are mutually agreed upon and tracked in a formalized offline procedure.

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

CHILD LABOR (GRI 408)

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 of internal policies is further implemented by direct management of employees' birth dates in all countries. This covers 100% of Bally's employee population.

NON-DISCRIMINATION

Bally's Learning & Development department creates continuous content with an educational approach to inform and ensure each employee understands principles of non-discrimination and can apply it to their everyday business actions and role in how to behave. Specific training modules, together with The Code of Ethics, explain how to take the appropriate steps during recruiting to ensure non-discrimination. Bally's harassment and non-discrimination policy is also readily available on Bally's Intranet.

Furthermore, results from our three bias training sessions and our Diversity, Equity and Inclusion (DEI) assessment, which was conducted by an independent, third party, are reported in our 2020 Sustainability Report.

EQUAL PAY (GRI 405)

Every year, Bally HR manages material improvements regarding equal pay among its subsidiaries and employee network with specific, quantitative data and reports made globally every 12 months. The findings of these figures are further detailed and published in our Sustainability Report.

MATERNITY AND PARENTAL LEAVE (GRI 401-3)

Maternity leave is granted by Bally procedures and by law in all regions and countries where Bally has direct operations. Parental leave is granted by Bally in all its subsidiaries. The application of the law and of internal policies is managed by regional and global HR departments and covers 100% of Bally employees.

02.

IMPROVING ENVIRONMENTAL IMPACTS

WATER AND EFFLUENTS (GRI 303)

Interactions with water as a shared resource (GRI 303-1)

Bally's operations and facilities do not use any water apart from providing 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.

03.

INCREASED TRACEABILITY IN THE SUPPLY CHAIN

Bally shares a list of 73 trusted companies belonging to its Tier 1 and Tier 2 suppliers. This list covers 55% of its supply chain value on T1 or and 61% on T2. The list covers the main product categories developed and commercialized by Bally, including shoes, small and large leather goods, ready-to-wear and accessories.

Due to the particulars of Bally's organization, one supplier may appear as both Tier 1 and Tier 2 by fulfilling different roles and positions across separate business units of the supply chain. However, Bally's Vendor Management System allows the company to correctly trace the respective roles each supplier plays across our Supply Chain.

Bally's list of trusted suppliers is available [*here*](#).

04.

SOURCING MORE SUSTAINABLE MATERIALS

SUSTAINABLE SOURCING & MATERIALS

- Since 2020, bubble wrap has been removed in Bally's Switzerland, U.S. and Singapore warehouses. In China and Japan, there has been a decrease in the consumption of bubble wrap by 20% when compared to previous years:

	SWITZERLAND	GREATER CHINA	JAPAN	U.S.	SINGAPORE
BUBBLE WRAP	Removed and replaced by recycled paper since 2020	Only used for ecommerce; decrease from 220 rolls to 176 (-20%)	Only used for ecommerce; decrease from 25 rolls to 20 (-20%)	Removed and replaced by recycled paper since 2020	Removed and replaced by recycled paper since 2020

- The number of finished items produced by Bally in 2020 totalled 390,000 pairs of shoes and 400,000 items, including accessories and ready-to-wear.

05.

CALCULATING CARBON EMISSIONS

SCOPE 1, 2 AND 3 (GRI 305)

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

In Scope 1, Bally accounts for CO₂-eq emissions due to stationary or nonstationary combustion and leakages of refrigerants in facilities and vehicles owned or controlled by the company (e.g., company sites and cars). Company sites in Caslano, Florence and Milan are included in Scope 1.

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

In Scope 2, Bally accounts for indirect emissions generated by purchased electricity consumed by the company. Directly managed stores worldwide and company sites in Caslano, Florence and Milan are included in Scope 2.

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

In Scope 3, Bally accounts for different emissions subcategories, including the purchase of goods and services, logistics and distribution, capital goods, fuel and energy, employee commuting, business travel, franchises, product end of life, use stage/waste produced in operations.