

BALLY

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CEO MESSAGE

2021 presented us with ongoing Covid-related challenges, which we were able to face with the knowledge we had so rapidly acquired in the previous year. Confronted with supply chain disruption, and concerned with the wellbeing of our global community, we forged ahead with renewed ambition to do better; working out ways to make our product more efficiently, minimising our environmental impact, and taking care of our people at every step of the way.

Many of the changes we implemented as a result of the pandemic continued to be of value in 2021. We held on to new traditions of digitally connecting our worldwide workforce. Our virtual showroom, originally developed amid widespread travel restrictions, continued to evolve, providing us with an innovative way to showcase our designs without the air miles. During a second year of Covid restrictions, we truly appreciated our collective need to make time for creativity and inspiration. This led us to introduce Bally Smart Talks, in which philosophers, artists, innovators and academics shared their personal experiences and thought-provoking ideas with our Bally Community.

The pandemic impacted every area of our business, but it hasn't stopped us from making sustainability a priority. The climate

crisis represents the biggest threat to humanity, and we will never lose sight of this humbling fact. Together with our industry, we are responsible for shaping the future of fashion and redefining its purpose. It's encouraging to see our recent 77% score leap in the Fashion Transparency Index, published by the global movement Fashion Revolution. Not only has our commitment to sustainability evolved, but our ability to measure and demonstrate our progress has too, with the detail provided in this report growing more sophisticated and more meaningful each year.

Since we drew up our Sustainability Roadmap in 2019, we have been committed to providing evidence of our actions. In 2021, we mapped and published a list of the main Tier 1 and Tier 2 suppliers active in our supply chain in 2020. Not only does this improve our level of transparency, it helps us to uncover and plan more sustainable ways of bringing our pieces to life in future.

For 170 years, we've been making products that stand the test of the time, but that's only part of the story today. We're now re-imagining more responsible ways to bring our designs into being. The 2021 Bally Wilson Echo, a sneaker made entirely from materials on our recyclable and sustainable list, is an example of such innovation. Building on the success

of our B-Echo collection, we have continued to expand our use of regenerated leather, repurposed PET mesh and recycled nylon across the rest of our designs, with Mythos, Crew and Explore product lines all made using these more sustainable materials. Meanwhile, initiatives such as our Scribe Renewal Program see iconic Bally designs being kept in circulation for longer, upholding our tradition of creating longstanding wardrobe staples – a much-needed antidote to a world dominated by disposable fashion.

In 2021, we also calculated our footprint in compliance with the leading Greenhouse Gas Protocol Corporate Standard, a complex process that ultimately classifies our emissions into three scopes. This data sets the foundation for science-based target setting in 2023 and will inform our plan for the reduction of CO2 emissions. It's incredibly exciting for us to have taken this step towards real change. And we have done so while simultaneously taking positive action, such as reaching a 70% renewable energy supply for our Swiss headquarters, through the installation of 1,170 solar panels.

Another notable achievement in 2021 was our completion of the Bally Peak Outlook

Foundation's "8x8000m" program, which cleaned up eight 8,000-meter Himalayan mountains, removing a total of 3.4 tons of waste.

Finally, we are pleased to announce that Bally is now a certified equal salary company. 40% of our executive committee positions are covered by women, and the ratio of basic salary and remuneration of women to men is at 98.4%.

A few years ago, we articulated our approach to doing business; "The Bally Way" is defined as collective entrepreneurship, meaningfulness and high performance. We believe that by having a shared vision, we can co-create the future of the company, and nowhere is this approach more evident than in our work on sustainability. It's through the combined efforts of the people at Bally that we have been able to make the progress shared in this report, and it's their dedication to doing better that powers our journey towards becoming a more sustainable brand.

Nicolas Giroto,
Bally CEO



OUR PROGRESS

06

Three years ago, Bally published its Sustainability Roadmap with the ambition of reducing its environmental footprint while promoting social and economic wellbeing. This 2021 Sustainability Report shares our year-to-date performance and tracks our progress towards the goals laid out in the roadmap.

While 2021 was a difficult year due to the continuing constraints resulting from the Covid-19 pandemic, we have successfully kept our business in operation and improved on our commitment to sustainability.

Alongside our efforts as a company, Bally is a proud member of The Fashion Pact, a global coalition of fashion and textile companies committed to the safeguarding of our planet. This initiative aims to combat the industry's adverse effect on the climate, restore biodiversity, and protect the oceans. We have joined our industry to implement Science Based Targets by the beginning of 2023.

By being ambitious in driving change, and prioritizing purpose above all else, we will do better for people, product and planet. Here, we highlight some of the key actions we have taken in 2021.

**BY BEING AMBITIOUS
IN DRIVING CHANGE,
AND PRIORITIZING
PURPOSE ABOVE ALL
ELSE, WE WILL DO
BETTER FOR PEOPLE,
PRODUCT AND PLANET**



PEOPLE

GENDER EQUALITY: In 2021, Bally was certified as an equal salary company, meeting the professional standards required by Swiss law. We also partnered with UN Women to reinforce our commitment to gender equality. As a proudly inclusive company, we are delighted to share that 40% of our executive committee positions are covered by women, and the ratio of basic salary and remuneration of women to men is at 98.4%.

COVID-19 PROTOCOLS: In 2021, Bally kept all protocols and measures in place to protect our employees against the spread of infection. We also held company-wide virtual meetings with our CEO on a monthly basis, and launched Bally Smart Talks, a series of inspiring events in which renowned guests with extraordinarily diverse experiences and skills shared their achievements with our staff. These virtual sessions were an opportunity to connect and inspire our people during what continued to be an uncertain and stressful time for many.

PRODUCT

RENEWAL PROGRAM: We believe in products that last. As well as designing and crafting items with outstanding quality and care, we take extra steps to ensure our products are enjoyed and used for as long as possible. Since our beginnings, Bally has been committed to taking care of worn items. In 2021, we extended the lifecycle of 808 products through repair.

PACKAGING: Taking into consideration the key role packaging plays for a luxury brand, and with awareness of the quantity of cardboard used to create it, in 2021, we concentrated our efforts on establishing a more sustainable paper supply model. By the end of the year, 94% of our paper packaging was responsibly sourced, with 75.5% certified FSC or PEFC, and 18.5% recycled.

PLANET

PRESERVING MOUNTAINS: In 2021, the second phase of the Bally Peak Outlook Foundation's "8x8000m" program was completed. Its pledge was to clean up eight 8,000-meter Himalayan mountains over the course of two years. The 2021 initiative included cleaning the base camps of Kanchenjunga (8,586m), Dhaulagiri (8,167m), Manaslu (8,156m) and Annapurna (8,091m), as well as Everest for a third time, removing a total of 3.4 tons of waste.

SOLAR PANELS: We installed 1,170 solar panels over a roof area of 2,162 square meters at our Swiss headquarters in 2021. The total power generated is 445 kilowatts peak, producing 497 megawatt-hours per year. Our nominal consumption is 393 megawatt-hours per year in total, which equates to 79% of the solar energy we produce. This enables our Swiss HQ to reduce energy consumption from the grid by up to 28% annually.

SUSTAINABILITY AT BALLY

CHAUSSURES SUISSES

"Bally"



Besteigung eines Gipfels.

CHAUSSURES



Be
Kouade
M. x Alber
Versant de
de Ton
Ami

Alber
B...

Sancta und Moravia

OUR SWISS HERITAGE

Founded by Carl Franz Bally in 1851, what began as a family-run ribbon factory in Schönenwerd, Switzerland, quickly became a pioneering global brand by the turn of the century as Bally industrialized its processes (1854), built infrastructure and services to support its employees, and expanded stores from Montevideo, Uruguay (1870) to Paris, France (1879).

Today, Bally is a luxury shoemaker and accessories brand that marries a heritage of craftsmanship with a decidedly contemporary aesthetic. We have a global multi-channel presence, with a retail footprint of over 700 stores across 59 countries, and an ever-expanding digital presence.

A SOCIALLY MINDED BUSINESS

Carl Franz Bally was a pioneer when it came to responsible business practices, creating green spaces and residences with the sole purpose of enhancing staff wellbeing.

BALLY PARK

In 1868, Bally started to build a park that all residents of Schönenwerd could enjoy, and that gave employees a green space to relax in after work. It was then further expanded between 1880 and 1890. The Bally Park is still the most important local recreation ground in the area and is open to the public 24 hours a day. With parts reflecting the English Landscape Garden design popularised in the 18th century, Bally Park is now also a historic landmark, and, in 2016, it was awarded the famous Schulthess Garden Prize by the Swiss Heritage Society.

BALLY HOLIDAY HOME AND FARM, BRUNNEN

In 1918, Bally purchased a small farm in Brunnen, a village on the edge of Lake Lucerne, to act as a vacation home for its employees and a summer camp destination for their children.

BALLY FARM

Bally kept a large farm in Gretzenbach with livestock and allotments for employees so that they could grow their own vegetables. Flowers grown on the farm were also sold in Bally's store. By choosing to invest in this land, Bally enriched the lives of workers and the local community.

RESPECT FOR OUR SURROUNDINGS

With our origins in the heart of Switzerland, Bally has a strong relationship with the mountains and our environmental heritage. In recent years, numerous initiatives to reduce our impact have been put into place; some internal, such as our efforts to reduce office waste (see page 91), or the installation of solar panels (see page 82), while others – such as the Bally Peak Outlook Foundation (see page 86) – are public-facing. However, Bally has always been attentive to its environmental impact. For instance, in the 1970s and '80s, we adopted new guidelines and invested in environmental protection, leading the way on issues such as the reduction of waste, recycling, modernized heating and the use of eco-friendly adhesives. And, in the 2000s, Bally stopped producing plastic shopping and shoe bags and replaced them with paper ones, which are, as of today, responsibly sourced (see page 40).

THE BALLY WAY

The Bally Way is our guiding set of principles and values that all Bally employees should embrace inside and outside of work. Introduced by our Group CEO, these values have been devised by our top executives to define our unique approach to business. Collective entrepreneurship, meaningfulness and high performance are the three pillars that drive our quest for excellence and success. Bally believes that by having a shared vision, we can co-create the future of the company and operate a complete business model that benefits shareholders, employees, clients and the community.



DRIVING CHANGE

Today, as the world changes around us, so do the expectations of consumers, and our stakeholders. It is, therefore, crucial for us to share the actions we are taking, as well as our plans for becoming a more sustainable business. Proof of our efforts is demonstrated by our dramatic 77% score increase in the Fashion Transparency Index 2022. This industry-wide research and communication tool is published by global movement Fashion Revolution and benchmarks the progress of over 250 brands. We also publish this annual Sustainability Report in accordance with the Global Reporting Initiative (GRI), an independent organization that helps businesses take responsibility for their impacts, by providing the global common language with which to communicate them.

Furthermore, with the clear target of continuously improving our approach to sustainability, we are proud to have contributed 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 overarching sustainability strategy and its goals are built upon four pillars that summarise our efforts across the company: Transparency, Quality, Collaboration and Progress. They are implemented by our Sustainability Steering Committee, Sustainability Operations Committee, and Sustainability Working Groups.

TRANSPARENCY

Transparency is a key driver for Bally's sustainability. Since we began our path in 2019, we have strongly believed in the importance of giving evidence of our actions. For this reason, not only do we annually publish our Sustainability Report, but we also provide further information through our website, making available our Code of Ethics, the Supplier Code of Conduct, and the Restricted Substance List which all suppliers must abide by (see page 48). In 2021, we also published a list of the main Tier 1 and 2 suppliers that were active in Bally's supply chain in 2020. This list was created as a result of our mapping of 93% of Tier 1 and 2 suppliers; an activity that enabled us to be more aware about our supply chain, and helped us to better plan our future actions towards more sustainable sourcing.

QUALITY

We take great pride in the quality of our products, which are designed to stand the test of time. We have always collaborated with our suppliers to source the very best raw materials for product performance, and we are now working just as hard to source more innovative, sustainable features, without compromising on quality. We also extend the lifecycle of our pieces through customer care and assistance services (see page 42) and are working to develop other longevity programs aimed at product care and repair.

COLLABORATION

We are proud to support creative talent and diverse communities through various initiatives such as The Bally Foundation (see page 24), Crafting Futures (see page 32) and the Bally Peak Outlook Foundation (see page 86). Bally also supports organizations that help people with disabilities: over the years we have collaborated with Il Porto di Coenzo, and, in 2020, we started to collaborate with Basket Como's team "we are all special people" (see page 73).

PROGRESS

Building on our long history of innovation, from processes to materials to design, Bally's future depends on our ability to accelerate change and find unprecedented solutions that can bring distant goals within reach. For instance, this last year, we have continued to evolve our Virtual Showroom (see page 55), and our project with PreWarp (see page 53) which aims to reduce the movement of goods and, consequently, our environmental footprint.

MATERIALITY

Delivered through close collaboration with Bally's key stakeholders, our first materiality matrix, published in the 2019 Sustainability Report, marked an integrated effort to determine the areas of focus that matter most to Bally as a business.

Overseen by Bally's Sustainability Operations Committee, SUPSI (Scuola Universitaria Professionale della Svizzera Italiana, or the University of Applied Sciences and Arts of Italian Switzerland) supported us to identify those topics – as defined by the GRI – that impact our organization's ability to create and preserve economic, environmental and social value, for ourselves, stakeholders and society.

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

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

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



GOVERNANCE

Our corporate governance structure includes the Board of Directors, the CEO, and the Executive Committee, which is comprised of senior members of management. Our aim is to integrate sustainability into every layer of our business. By establishing a corporate governance system of principles and accountability measures, our Board of Directors, Sustainability Steering Committee, Sustainability Operations Committee, and its impact leaders provide critical oversight of our day-to-day actions, while implementing the Sustainability Roadmap and its goals.

O1 BOARD OF DIRECTORS

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

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

O2 SUSTAINABILITY STEERING COMMITTEE

The Sustainability Steering Committee (SSC) is comprised of four people: our CEO, EVP of supply chain, EVP of HR, and the director of heritage & innovation. They are responsible for reviewing and endorsing the Sustainability Roadmap and action plan, as well as all corporate policies and regulations related to sustainability. They review and endorse all formal publications of the Sustainability Operations Committee (SOC), such as the sustainability section of Bally's corporate website and its annual Sustainability Report. They also garner support for and prioritization of sustainability-related policies and initiatives. The chairman of the SSC is Bally's CEO.

O3 SUSTAINABILITY OPERATIONS COMMITTEE

The Sustainability Operations Committee (SOC) is comprised of 13 people across Bally's business functions. These individuals are in charge of the preparation and handling of all sustainability-related global corporate policies and regulations on behalf of the SSC, the development of reporting mechanisms, and the implementation of a communications strategy to increase awareness of activities, both internally and externally. The SOC is an inter-departmental network comprising all functions at different levels of the organization.

O4 SUSTAINABILITY WORKING GROUPS

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

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 behaviour. Specific roles and responsibilities are defined within the Administration and Tax department in order 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, which is inspired by correct and timely determination and settlement of taxes due under the law and implementation of the respective obligations and correct management of the tax risk. Bally regularly updates the Transfer Price (TP) documentation in the countries where it operates. In addition, we also work openly with local tax jurisdictions, sometimes signing advance pricing agreements (APAs) with various tax authorities to mitigate the risk of being involved in any disputes and to maintain our positive reputation.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

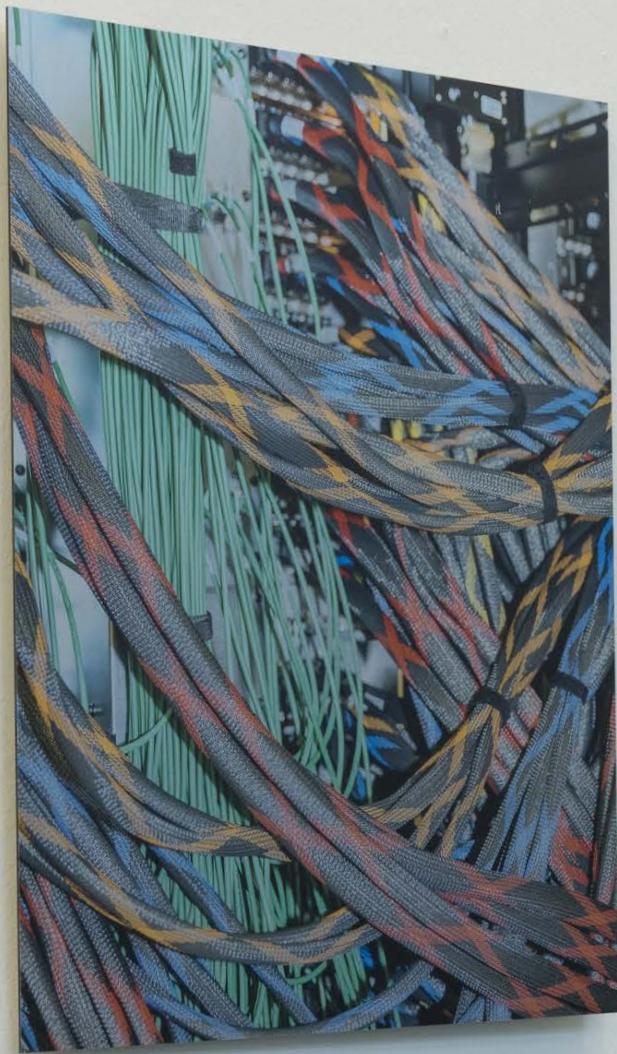
Inspired by our Swiss heritage and sustainability goals, we are proud to have developed four socially and environmentally driven initiatives. These programs promote and nurture a vibrant and contemporary local art scene, provide educational opportunities within the fashion and retail industries, and preserve the mountains that have provided the stunning backdrop to our business since its inception in 1851.

THE BALLY FOUNDATION (FONDAZIONE BALLY)

2021 marked the fifteenth year of activity for the Bally Foundation. Created with the aim of supporting artists linked to the Ticino region of Switzerland, the Foundation works to build and support a network of dynamic, forward-thinking creatives.

Every year, the Bally Foundation organizes The Bally Artist of the Year Award, providing international support to local talent. Artists are selected by a committee of curators and asked to submit a project in line with the values of the Foundation. Jury members then select a winner.

To renew its commitment to and support of the artistic community in Ticino, in 2019, the Bally Foundation signed an agreement with the Museo d'arte della Svizzera Italiana (MASILugano). As well as promoting our award and supporting us with the entire awards process, the museum provides an exhibition space for the winner at Palazzo Reali in Lugano, making the artist's pieces accessible to the wider public.



Salvatore Vitale won the Bally Artist of the Year Award 2020, recognised with a ceremony in 2021. His captivating work closely reflects the theme of the award's 13th edition, "*Sloganisme et sloganismes: an invitation to develop languages capable of connecting form, image and content to create an eye-catching and thought-provoking interaction*".

Vitale's solo exhibition in Palazzo Reali featured a selection of photographs from the artist's visual project entitled *How to Secure a Country*. This work spans several years, during which Vitale investigated the mechanisms underlying Switzerland's national security system. It is a highly complex system made up of a series of extremely diverse but interconnected components – from the army to meteorological centres and even robotics laboratories – which frequently remain completely out of sight. Focusing on instructions, protocols, bureaucracies and other more concrete aspects of security, the challenge embraced by Vitale was to reveal certain facets of a very intricate and difficult-to-observe structure through a series of photographs, diagrams and graphic illustrations. This was no easy feat, as reflected by the title of the exhibition: *Displaying Security*.



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. In spring 2023, the Foundation will open a 700-square-metre space dedicated to contemporary art.

THE HISTORY OF VILLA HELENEUM

Built between 1930 and 1934, on the site of the former Villa Caréol, Villa Heleneum is an emblematic place in Lugano and has been home, over the years, to various extraordinary activities combining art, research and the sharing of knowledge. At the origin of this extraordinary place is a dancer: Hélène Bieber. Born in Frankfurt in 1890, Bieber was a cosmopolitan and cultured personality who had the ambition to create a centre of cultural and social exchange in the heart of Ticino in the 1930s. Using the neoclassical architecture of the famous Petit Trianon in Versailles as a model, Bieber collaborated with the Berlin architect Hugo Dunkel, then on his death with the Zurich architect Karl Knel, to realise her Heleneum. Unfortunately, due to the economic crisis of the 1930s and the advent of World War II, Bieber's project failed in its ambitions, and the Villa was scarcely inhabited during the dancer's lifetime.

Having become public since its purchase by the city of Lugano upon Bieber's death in 1967, Villa Heleneum has subsequently been the headquarters of various organizations working for the local and international community. From 1969 to 1971, Villa Heleneum hosted a piano school directed by pianist Arturo Benedetti Michelangeli and composers Florindo Semini and Franco Ferrara, where the great Martha Argerich, among others, studied. From 1971 to 1973, seminars of the Istituto Ticinese degli Alti Studi were held at the Villa.

Directed by the philosopher and historian of religion, the Italian Éliezre Zolla, this Summer University brought together archaeologists, anthropologists, art historians, philosophers, linguists, Egyptologists and other specialists on issues relating to theology and esotericism every year. From 1973 to 1976, the Heleneum was also home to the Dalle Molle Institute's Centre for Semantic and Cognitive Studies, which from its very beginnings worked in the field of artificial intelligence and organised various seminars attended by academics and researchers from all over the world. In 1988, the Museum of Extra-European Cultures was founded at Villa Heleneum, following the legacy of Swiss artist and collector Serge Brigoni to the city of Lugano. The Museum of Extra-European Cultures, now MUSEC, was housed there until 2016. The villa was also a nursery school for the children of Castagnola and the setting for film productions in which Bruno Ganz and Aldo Fabrizi, among others, participated.



BALLY FOUNDATION AT VILLA HELENEUM

Throughout its history, Villa Heleneum has accommodated the aspirations of various institutions. Dance, music, arts and sciences have followed one another there in close connection with the ambitions of Villa Heleneum's benevolent ghost: its founder Hélène Bieber. Along these lines, the Bally Foundation truly wishes to bring to life the project of cultural and social exchange that Bieber envisioned at the time. Villa Heleneum will combine a dense and diversified program: exhibitions, performances, festivals, screenings, debates, residencies and workshops, in which the public will be invited to immerse themselves and interact. With a desire for inclusivity and openness, the Bally Foundation will support, within this place steeped in history and creativity, all disciplines of contemporary creation – from painting to video to sculpture, from fashion to performance art, as well as research.

Through its restoration of a historic site, and the opening of new public spaces, the Bally Foundation aims to be one of the actors in the construction of Lugano's future, opening up a cultural dialogue both on a local and international scale.

CRAFTING FUTURES

Empowering the next generation of fashion talent, Bally Crafting Futures provides emerging designers and aspiring executives with the opportunity to develop skills and experience in the fashion and luxury retail industry.

In 2021, Bally collaborated with Polimoda in Florence (one of the most well-respected fashion schools in the world) through a partnership with their Masters in Fashion Product Management course. Bally specialists played an active role in the academic path of the students by holding masterclass workshops at the school related to the whole product management lifecycle (design, merchandising, product development and communication). Visits to Bally's HQ in Florence, and a specific case-study assignment on bags for each student culminated in their delivery of a fully designed and developed collection plan. The students' work was inspired by our brand values and presented as their final graduation project.



THE BALLY PEAK OUTLOOK FOUNDATION

Bally, a Swiss company, has always had a strong connection with its Alpine heritage and the mountains in general. Indeed, historically, we sponsored the 1948 Swiss Winter Olympics team and early 20th century expeditions with notable mountaineers.

Over the years, we have found many ways to demonstrate and celebrate our heritage, and in 2020, we established the Bally Peak Outlook Foundation to reinforce our commitment to it. We invite you to read more about this initiative in our Preserving the Mountains section on page 86.

OUR PRODUCT

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ADAPTING FOR THE FUTURE

With 170 years of artisan craftsmanship behind us, we are well-versed in the creation of timeless classics. Every single item that Bally produces is designed to last and made in collaboration with a longstanding supplier base whose commitment to quality, ethics and the environment matches our own.

We see our deep respect for heritage and unparalleled understanding of time-tested, traditional techniques as a springboard for further innovation. This is reflected in our use of groundbreaking new materials, as well as cutting-edge technological solutions that help us to make our product lifecycle as efficient, and environmentally conscious, as possible.

The number of items produced by Bally in 2020 totaled more than 450,000 pairs of shoes, and around 700,000 pieces from our accessory and ready-to-wear collections.

MATERIALS

In 2021, Bally classified by weight all relevant materials used throughout its supply chain and production processes. We decided to use weight because it is the most accurate measure to describe our actual material consumption, and because it allows us to more accurately identify the results achieved regarding more responsible sourcing.

This table shows the total weight of material consumed per product category, and our total consumption, which is more than 1,280 tons of raw material. It is interesting to note that the first 10 categories constitute 95.5% of the total weight of materials used for our production. The leading five – leather, cardboard and paper for shoeboxes and bags, various mixed materials for soles, and metals – constitute 80% of the total material used.

MATERIAL	WEIGHT IN TONS	%
Leather	387	30.3%
Cardboard and Paper (FSC boxes and bags)	301	23.5%
Various Mixed Synthetic Materials (soles)	130	10.1%
Metal	107	8.4%
Cotton	92	7.2%
Elastodiene	72	5.7%
Nylon	46	3.6%
Polyurethane	34	2.6%
Polyester	31	2.4%
Plastic	23	1.8%
Other	58	4.5%
TOTAL	1,280	

Having a concentrated material list allows us to potentially focus our efforts on the few most relevant material types, being aware that under every category, a variety of subcategories and material families are included. We do so while remaining attentive to every single material used in our supply chain, including small or residual quantities.

We are committed to improving our material sourcing. In 2021, around 20% of the material we used came from our Preferred Material List, including, for example, leather from Leather Working Group certified tanneries, and synthetic materials produced using fewer resources. In 2021, 50% of our nylon, 26% of our polyester, and 40% of our polyamide were recycled.

2021 — RECYCLED FABRICS

50% OF OUR NYLON

26% OF OUR POLYESTER

40% OF OUR POLYAMIDE



PACKAGING

PAPER AND CARDBOARD

In 2021, Bally used around 1.5 million pieces of paper packaging for its products. This includes shoeboxes, shopping bags, and shipping boxes. We decided to measure our consumption of paper and cardboard in the number of pieces instead of weight because we perceive this to be more representative of the category, with packaging being linked to the number of goods produced rather than their volume or weight. Measuring packaging by number also feels more relevant as certain sub-categories of package are thicker or heavier than others.

TOTAL UNITS OF PAPER AND CARDBOARD PACKAGING	1,499,582
100% FSC	75.5%
Recycled Cardboard > 40% + FSC > 25%	11%
Recycled in Supply Chain	5%
Recycled Cardboard at 80%	2.5%
Responsibly Sourced	94%

With reference to the table above, we are very proud to say that 94% our paper packaging is responsibly sourced. Furthermore, we are increasing the percentage of recycling within our supply chain, with Malaysia and Singapore warehouses reusing every item received and a consumption of new raw materials close to zero.

We are strongly committed to continually optimising our consumption. Within our own warehouses we minimize packaging waste by re-using all undamaged inbound packaging for the outbound. Bally is also evaluating whether to use damaged inbound packaging as filling within new packaging.

PLASTIC

TOTAL UNITS OF PLASTIC PACKAGING	925,005
Recycled at 30%	37%

In 2021, Bally used around 900,000 pieces of plastic packaging.

We are taking steps to improve our plastic sourcing, as well as reducing its consumption as much as possible. After removing bubble wrap in Switzerland, U.S. and Singapore warehouses the previous year, in 2021 we continued to phase this out, with Japan reducing its consumption by 75%, and Chinese mainland reducing its consumption by 77%.

Our target is to reduce single-use plastic by 30% across B2B and B2C by 2025.

RENEWAL PROGRAM

We passionately believe in the quality of our products, which are designed to last and to be timeless in style. All of our pieces come with a two-year guarantee, and selected items also 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 deserves a special mention as it is dedicated to our timeless and iconic Bally Scribe shoe. The Scribe was created in the early 1950s by Max Bally, grandson of our company's founder. He was inspired by the atmosphere of the Hotel Scribe at the Boulevard des Capucines in Paris, where he resided during business trips. Bally Scribe is still regarded as the most traditional and premium example of shoemaking, involving around 200 production steps which are executed by skilled craftsmen.

Through the Scribe renewal program, our clients can have a replacement of the counter linings, shanks, cork filling, mid-soles, soles and heels of their shoes, and eventually a refreshment of the upper, if needed.

We usually repair Scribe shoes that are, on average, five 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 (leather soles tend to have longer lifecycles than rubber ones). However, in 2021, 10% of Scribe renewals were made on shoes produced at least nine years ago, and 2% on shoes produced as many as 14 years ago. Being able to offer our customers a repair service on goods which are no longer in production makes us incredibly proud.

Overall, in 2021, we took 2,587 products through repair, including those under guarantee. This number was made up of 923 pairs of shoes, 47 ready-to-wear items and 1,617 accessories. Among these, we extended the lifecycle of 808 products through repair, including:

- 11 ready-to-wear items
- 355 accessories
- 442 shoes, of which 50 came through the Scribe renewal program

2021 — **PRODUCT REPAIRS**

923 PAIRS OF SHOES

47 READY-TO-WEAR ITEMS

1,617 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 within the supply chain. 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 2021, no incidents concerning compliance with health and safety regulations have occurred.

PRODUCT INNOVATION

WILSON ECHO

The Bally Wilson Echo is an innovative project developed and presented in 2021 that consists of a sustainable sneaker, designed in both men's and women's models. All materials were selected from our recyclable and sustainable list.

The external leather, called Evolo, was developed using new tanning technology involving fewer processing steps, less water and no chrome. The internal components are in certified leather and/or made with recycled fibers.

97% of the sole is composed of recyclable polyurethane, and the remaining 3% is rice hulls. Shoelaces are made of recycled material and fibers.

MYTHOS, CREW & EXPLORE

Following the outstanding success of the B-Echo collection, made using more sustainable materials including regenerated leather, repurposed PET mesh and 100% recycled nylon, in 2021 we have continued to expand our use of recycled materials across the rest of our collections.

Mythos, Crew & Explore product lines are a consistent example of our willingness to expand our use of recycled materials, particularly nylon, polyester, and bovine leather. The products included in these lines are mainly accessories for men such as backpacks, messenger bags, belt bags and wallets.

Products included in the Mythos line are made using recycled bovine leather. Their outer structure contains between 29% and 97% recycled bovine leather, combined with other recycled materials such as nylon, polyester and polyamide. Overall, this equates to between 32% and 99% recycled materials, with linings composed using up to 100% recycled nylon.

Crew line pieces have an outer structure made using between 58% and 72% recycled nylon or recycled polyester, with internal linings made using up to 100% of these materials.

The Explore line products are fabricated using recycled nylon. Their outer structure is made using between 43% and 84%, with linings of at least at 78% recycled nylon.



SUPPLY & PRODUCTION

Bally's global supply chain is an intricate network of partners whose values and ethics are aligned with our own. We ensure all of our partners sign and abide by our Restricted Substances List, Supplier Code of Conduct, and Code of Ethics. In addition, we provide a conscientious level of oversight to confirm the highest standards are met for labor, health and safety, and the environment. We are committed to traceability and accountability, mapping our supply chain at Tier 1 and 2 levels.

By developing new models of procurement, production and distribution, we are also working towards reducing the carbon footprint associated with our storage of goods and transportation.

FLEXIBLE SOURCING

We have implemented a flexible sourcing model, adapting our supply chain to meet the required volume thresholds while maintaining long-lasting and trusted relationships with our main suppliers. To work optimally from a procurement point of view, our aim is to establish a well-defined production footprint that takes advantage of the flexibility and know-how of the European supplier industry, accompanied by a strategic supply base in more competitive areas. We have focused our efforts on improving the efficiency of in-house production at our Caslano factory, allowing us to keep more production in Switzerland. And the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply. We work diligently with all suppliers to ensure they meet the highest ethical standards for labor, health and safety, and the environment.

In 2021, we reduced the impact of our B2B transportation by sourcing materials as locally as possible to where they are processed. Our main areas of focus for this new local sourcing model have been in European and Mediterranean countries. In China, we have also reduced our carbon footprint by sourcing and producing within the region, when possible, to avoid needlessly flying products between China and Europe.

OPERATIONAL EFFICIENCY

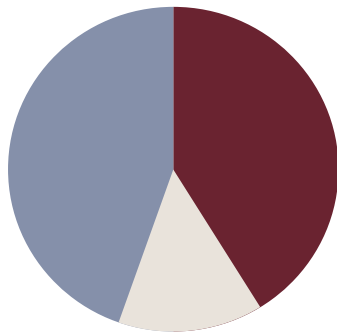
Our global logistics platform has been developed to provide a high degree of operational efficiency. Primary warehouses in Switzerland and China are outsourced and handle orders according to a “pick and pack” technique for stores in Australia, China, Europe, Malaysia, Singapore and the United States. Warehouses perform value-added services, including quality control, labeling and tracing. We also have strategically located regional hubs in Australia, China, Japan, Malaysia, Singapore and the United States. These warehouses are now all outsourced. Matching demand and production in early stages allows us to cross-dock products from central distribution centers in Switzerland or China through regional hubs to stores, with shortened storage time and reduced handling of goods. Our new distribution model, including new inventory pooling and allocation methods, has led to a decrease in stock segregation, allowing us to buy more efficiently and therefore lower our impact.

MAINTAINING ETHICAL STANDARDS

In addition to making every supplier sign our Supplier Code of Conduct, Bally has made it possible for anyone to report any situation or circumstance that may conflict with it. Vendors are invited to report any violation or breach of the Code of Ethics or 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 2021, nor did we receive any fine for non-compliance regarding regulations and laws on environmental, social and economic issues.

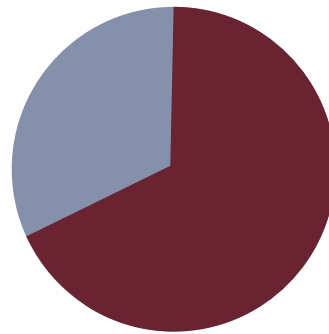
BALLY SUPPLIERS 2021

BY CATEGORY



- Shoes 44%
- Accessories 41%
- Ready to Wear 15%

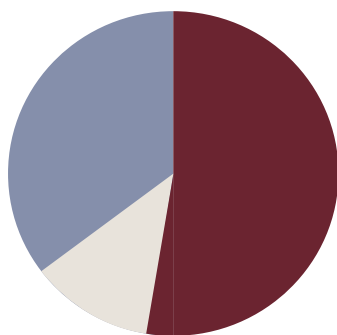
LOCAL VS OTHER



- Other 32%
- Local 68%

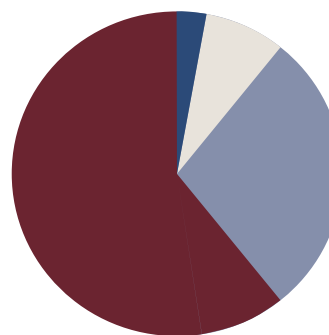
BALLY TOP 20 SUPPLIERS 2021

BY CATEGORY



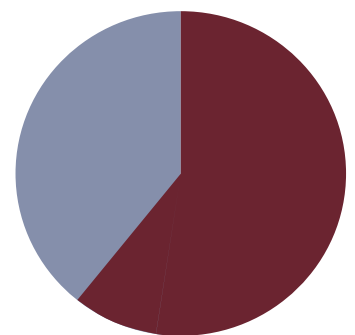
- Shoes 37%
- Accessories 51%
- Ready to Wear 12%

BY COUNTRY



- Italy 60%
- Hong Kong SAR 29%
- Chinese Mainland 9%
- Portugal 2%

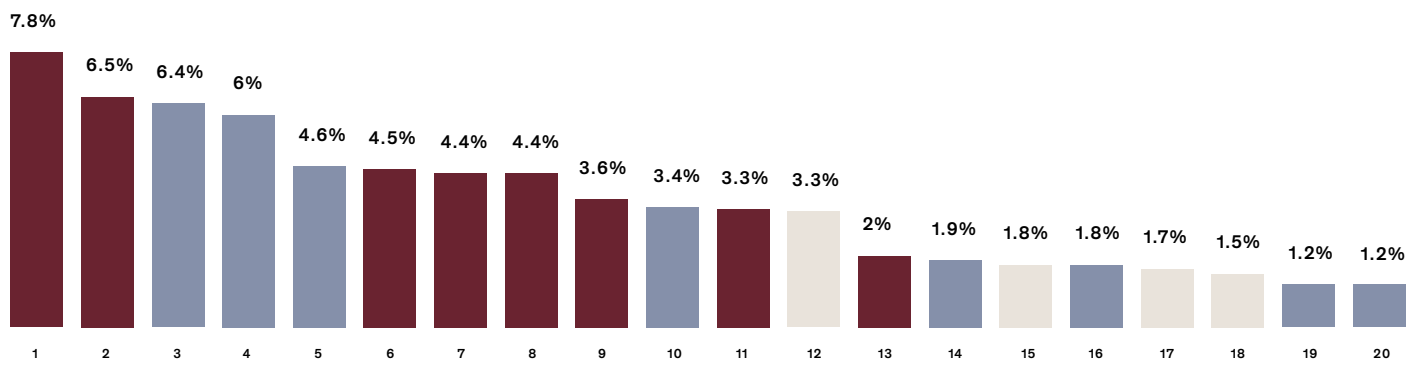
LOCAL VS OTHER



- Local 60%
- Other 40%

RANKING

- Shoes
- Accessories
- Ready to Wear



SUPPLY CHAIN TRACEABILITY

Since the beginning of 2022, Bally has shared a list of trusted companies representing the majority of its Tier 1 and Tier 2 suppliers. This list is regularly updated and covers the main product categories developed by Bally, including shoes, small and large leather goods, ready-to-wear and accessories.

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

ARTIFICIAL INTELLIGENCE

In 2021, we continued our collaboration with the experts at PreWarp. PreWarp enables AI decisions which optimize the product lifecycle from launch to markdown.

Through their pricing tool, we were able to sell our products more efficiently and reduce our terminal stock. We reported a 3.4% improvement in sell-through, with more than 7,000 pieces avoiding reallocation. This meant a reduction in the costs and impact linked to their picking, packing and transportation.

As we continue to collaborate with PreWarp, we will look to improve the effectiveness of our production forecasting.



EVOLVING OUR VIRTUAL SHOWROOM

In July 2020, 90% of our business partners could not travel to Milan for our sales campaign, so we decided to open our first virtual showroom.

Since then, we have observed many advantages that the virtual showroom can bring to our business, such as the positive impact on our carbon footprint, and the decrease in costs linked to sample production, logistics and staff travel.

Originally developed to support our activity during the pandemic, the Virtual Showroom will now remain an important part of our business, replacing bricks-and-mortar regional showrooms.

CLIENTELLING APP

In 2021, Bally launched the Clientelling App, an innovative in-store tool to evolve the selling ceremony and provide a higher standard of customer service, empowering sales staff to maximise business opportunities and manage customer interactions consistently across all channels.

Bally's Clientelling App has multiple objectives:

- to collect and enrich prospect and customer data
- to give sales staff access to customer insights
- to enhance the retail experience, increasing in-store operational efficiency and commercial results
- to increase the number of touchpoints we have with our customers, and align our one-to-one communications with the omnichannel strategy.

FASHION INNOVATION AWARDS

Every year the Fashion Innovation Awards is organized to nurture emerging digital talent and innovation. A topical theme is chosen, and B2B and B2C scale-ups and service providers are invited to present their innovative solutions. In 2021, the award focused on two areas: virtual fashion and augmented customer experience.

More than 100 applications were received, and the 12 chosen finalists were invited to present their projects at Bally's headquarters at the end of November 2021. The jury chose OppenFuture Technologies, from Chinese mainland, for the Virtual Fashion category, and Obsess, from the US, for the Augmented Customer Experience category.

OppenFuture provides solutions for online 3D interactions and an AR (Augmented Reality) try-on experience for eCommerce, allowing customers to have a fully immersive experience by interacting with photorealistic renders. By providing these innovative solutions, OppenFuture enables a personalized online experience, and makes online shopping more efficient and more engaging.

Obsess is an e-commerce platform that enables luxury brands globally to serve highly interactive, visual, and creative digital shopping experiences. Using proprietary VR technology, Obsess creates HD-quality photorealistic virtual stores and showrooms that are available to access on a web link.

Our winners will get the opportunity to kick off a proof-of-concept project with us next year.



FASHION
INNOVATION
AWARD

WINNER



LIFESTYLE TECH
COMPETENCE CENTER

BALLY

loomish.

accenture

DAGORÀ

Microsoft



SWITZERLAND
INNOVATION

SUPSI

UBS



Lausanne - 16.11.2022

OUR PEOPLE

59

TAKING CARE OF OUR PEOPLE

From the artisans preserving our legacy of craftsmanship, to the digital innovators driving transformation, Bally's employees are central to our success as a heritage brand and forward-thinking business.

It is crucial to us that our employees have a safe workplace where they feel included and supported. In 2021, we continued to respect Covid-19 protocols, made improvements to our DEI policies, and proudly launched the new Bally Portal, an app designed to support our staff's personal wellbeing and professional development.

COVID-19 PROTOCOLS

In 2021, we continued our efforts against the spread of Covid-19 to ensure a safe environment for all of our employees worldwide. For this reason, we kept in place the measures and policies implemented in 2020, including mandatory mask-wearing, hand sanitizers and air sanitizers.

STAYING CONNECTED

We continued with initiatives developed during 2020 to engage Bally employees working from home. We held company-wide virtual monthly meetings with our CEO to foster greater dialogue across teams, with key business updates and Q&A sessions instilling greater transparency and unification across territories.

We also launched Bally Smart Talks, meetings with renowned guest speakers coming from diverse backgrounds, industries, and fields of expertise. These talks gave staff the opportunity to converse with and be inspired by creatives, philosophers, artists, innovators and academics with wide-reaching experiences and achievements.

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 addition to the above, every year, specific security targets and implementation timelines are set, and those responsible identified, in order to continuously improve and update Bally's health and safety management system.

At our Florence and Milan headquarters, Bally complies with the legal requirements on employee health and safety, adopting a Risk Assessment Document (DVR), 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.



DIVERSITY, EQUITY & INCLUSION (DEI)

We are passionate about fostering a diverse working environment in which anyone can feel respected, included, and heard.

After running an anonymous internal survey in 2020 to gather our employees' feedback on how they perceive DEI at Bally, in 2021 we partnered with UN Women to reinforce our commitment to gender equality, as well as becoming a certified equal salary company.

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.

In October 2019, we set the initial groundwork to achieve an internal baseline assessment for DEI. This was accelerated in 2020, enabling us to fully understand where we are and how we can do better. This critical process paralleled the work we undertook to define our Sustainability Roadmap, charting a course of actions with tangible milestones to achieve for the short-, mid- and long-term.

2020 PROGRESS

In 2020, Bally put in place a DEI Steering Committee to define a strategic DEI Roadmap with actionable targets and goals to foster inclusion throughout the company.

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

2021 PROGRESS

In 2021, KPMG conducted an analysis on equal salary, and we became certified as an equal salary company, meeting the professional standards required by Swiss law (art. 13d Federal Act on Gender Equality). To reinforce our commitment to gender equality, we entered into a partnership with UN Women.

We also launched the Bally Employee Resource Group (BERG) in Europe and the US, the aim of which is to stimulate ideas and listen to the voices of employees. Further to this, we rolled out a cycle of web conferences addressed to the entire company, to inspire and motivate staff (see page 61).

In addition, we developed the following internal policies:

- Code of Ethics (integration of the equal salary conditions, see page 74)
- Harassment and Non-Discrimination Policy
- Selection and Recruitment Policy
- Whistle-blowing Policy

Since 2017, we have supported, through charitable donations and volunteering activities, the Italian non-profit Porto di Coenzo, a craftsmanship-focused organization that employs people with disabilities, as well as Basket Como, which supports athletes with additional physical and cognitive needs by creating a safe space for sport and social activity (see page 73).

KEY STATS FOR DEI

In 2020, a worldwide Diversity, Equity and Inclusion survey was organized to gather employees' feedback.

Results showed that:

- Bally is perceived as being open towards LGBTQ+ individuals, and as a company that provides equal opportunities for men and women
- Bally leadership is supportive of the value of non-discrimination and inclusivity
- 85% of employees think Bally has an inclusive culture
- 90% of employees think Bally does not discriminate against them

Further statistics from throughout the organization show a good ratio in the diversity of management and employees:

- 77% of Bally employees are women and 23% are men
- 40% of executive committee positions are covered by women
- The ratio of basic salary and remuneration of women to men is at 98.4%

KEY ACTIONS FOR DEI

- Set compulsory training for all employees to raise awareness on what DEI truly means for Bally (September 2022)
- Create a specific DEI section on Bally's website (first quarter of 2023)
- Launch a People Survey (January 2023)
- Put in place a diverse ability plan (first half of 2023)
- Set a new calendar of Smart Talks with a focus on DEI (2023)

NON-DISCRIMINATION

Bally's Learning and Development department creates continuous content with an educational approach to ensure each employee understands the principles of non-discrimination and can apply them to their everyday business actions and behavior. Specific training modules, together with The Code of Ethics, explain how to take the appropriate steps to ensure non-discrimination during recruitment.

Bally's harassment and non-discrimination policy is also readily available on our Intranet together with these policies:

- Selection and Recruitment Policy
- Whistle-blowing Policy
- Maternity and Paternity Leave Policy
- Clothing and Allowance Policy

In 2021, 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.

The findings of these figures are further detailed in our Appendix.

We are delighted to have been certified as an equal pay company and are also planning to set-up a pay equity plan by the end of 2023.

CONTINUOUS EDUCATION

It is incredibly important to Bally that our staff are able to continuously upgrade their skills. To improve their access to high-quality training, in November 2021, we launched the new Bally Portal – now a mobile learning app – which offers educational content to engage and train the Bally Community. Like a personal assistant, the app allows users to access its training catalogue and brand news at any time, allowing us to seamlessly showcase our brand and reinforce our cultural values.

In 2021, 2,487 hours of training were delivered to our employees, 1,100 of which took place on the new Bally Portal, and 15 new courses were introduced. The app upgrade means we have a limited view of the training data for 2021, however, we are confident we will be able to provide a more comprehensive outline for 2022.

We have also redesigned the Bally Client Journey, which is the experience we expect our advisors to deliver to clients in-store. 540 hours of training were provided through a blended virtual and physical learning journey, designed to ensure advisors have a deep understanding of the different elements and expectations of the Bally Client Journey. These workshops ensure advisors feel confident and well prepared for their daily encounters with clients and are able to deliver an elevated and luxurious shopping experience.

Finally, to encourage open conversations about career growth and expectations, we ensure all employees have at least one formal performance and career development evaluation every year. In 2021, we are proud to report that 100% of our employees received a performance appraisal.

2021 — **LEARNING & DEVELOPMENT**

2,487^H OF TRAINING

15 NEW COURSES

MY CRAFT, MY LEGACY

Our artisans are immensely valued by us; indeed, with their passion and skills, they have continued the company's heritage of craftsmanship and design for generations.

Today, they craft between 80,000 and 100,000 pairs of shoes yearly at our Caslano shoe factory, mastering a diverse range of roles including leather cutter, shoemaker, stitcher, finisher and polisher.

Between 2020 and 2021 we dedicated an in-store exhibition and digital campaign to them: "My Craft, My Legacy". We want to keep paying tribute and giving visibility to their work which is such an essential part of Bally's existence. For this reason, we have decided to give them a space in this document in which they can share their own words about their relationship with Bally.

"I started working at Bally when I was very young. I grew up here, so to me, Bally means growth and opportunity. Being here has enabled me to broaden my professional experience."

– Evelyn Allegra, employed in the production office, serving nine years at Bally.

"I've always been interested in shoemaking, so working here means my personal passion and professional life have become interwoven."

– Emilio Amatulli, production supervisor, serving 11 years at Bally.

"I have been working here for 32 years, and I love this company as if it were my home. I care a lot about Bally."

– Enrico Miglierina, raw materials warehouse and preparation supervisor, serving 32 years at Bally.



GIVING BACK TO THE COMMUNITY

IL PORTO DI COENZO

Since 2016, Bally has supported Il Porto di Coenzo, an Italian craftsmanship-focused non-profit organization with a leather goods laboratory that empowers people with disabilities, offering them the opportunity to gain skills and employment as artisans. Bally periodically donates leather offcuts, equipment and machinery, in addition to making financial donations.

Il Porto di Coenzo's artisans create a wide range of unique accessories and goods such as party favors, key chains and gadgets for both private citizens and companies, including Bally. For example, they are responsible for crafting the key chains we give to our visitors.

In 2021, Porto di Coenzo collaborated with the Bally Foundation to create an imaginative pen holder, which was used as a trophy to reward the artists who participated in our Bally Artist of the Year Award. They also created the leather envelopes used for the book in which we collate all of our participating artists' creations. Individuals from the organization participated in every phase of production, with the support of Bally employees, who showed them the manufacturing stages, and helped them in finishing their pieces.

BASKET COMO

Since 2020, Bally has collaborated with the team "Siamo tutti special people" ("we are all special people") by Basket Como. It is a basketball team dedicated to 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.

In future, we would like to increase our involvement with this inspirational team through volunteering and other initiatives.

POLICIES

CODE OF ETHICS

In 2020, our Code of Conduct was reviewed and re-issued as the new Code of Ethics. The Bally Code of Ethics 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 behaviour. 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 colour, 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 2021, no cases were reported.

CONFLICT OF INTERESTS

In line with the principles of our Code of Ethics, Bally issued its Conflict of Interests policy in October 2020, to establish a standard of conduct for the best interests of the company and its stakeholders, advocating for more transparency and fairness, and to define a whistleblowing procedure for suspected wrongdoing. In 2021, no conflicts of interest arose.

COMPETITIVE BEHAVIOR AND ANTI-CORRUPTION

Bally is committed to organizational excellence, accountability and transparency, and its management coordination and collaboration structures provide an overall, intuitive framework.

We continuously update our Anti-bribery and Anti-corruption policies and procedures to minimize risk. In 2021, no risks were identified.

All employees are informed of the anti-corruption policies and procedures and made aware of them as part of the recruitment and employment contract signature process. All business partners are informed as part of the procurement and contract signature process. In 2021, no issues arose internally, and no legal actions for anti-competitive behaviour, anti-trust or monopoly were either pending or completed.

TIME OFF

We take the wellbeing of our employees seriously and recognise 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.

OUR PLANET

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REDUCING OUR FOOTPRINT

We are strongly committed to reducing our environmental impact.

As a first step on this critical journey, we calculated our footprint in order to identify which of our activities have the greatest impact and should therefore take priority. Our next step is to set our targets in accordance with the SBTi (Science Based Targets initiative). The outcome of this target setting will be that we have clear tools and action plans in place across our entire organization.

In 2021, we have taken action to reduce our impact. We completed the installation of solar panels over our Caslano facilities and reached a 70% renewable energy supply for our headquarters. We removed all plastic cups and bottles from our offices. And, with the Bally Peak Outlook Foundation, we completed our pledge to clean up the base camps of eight 8,000-meter Himalayan mountains.

BALLY'S 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:

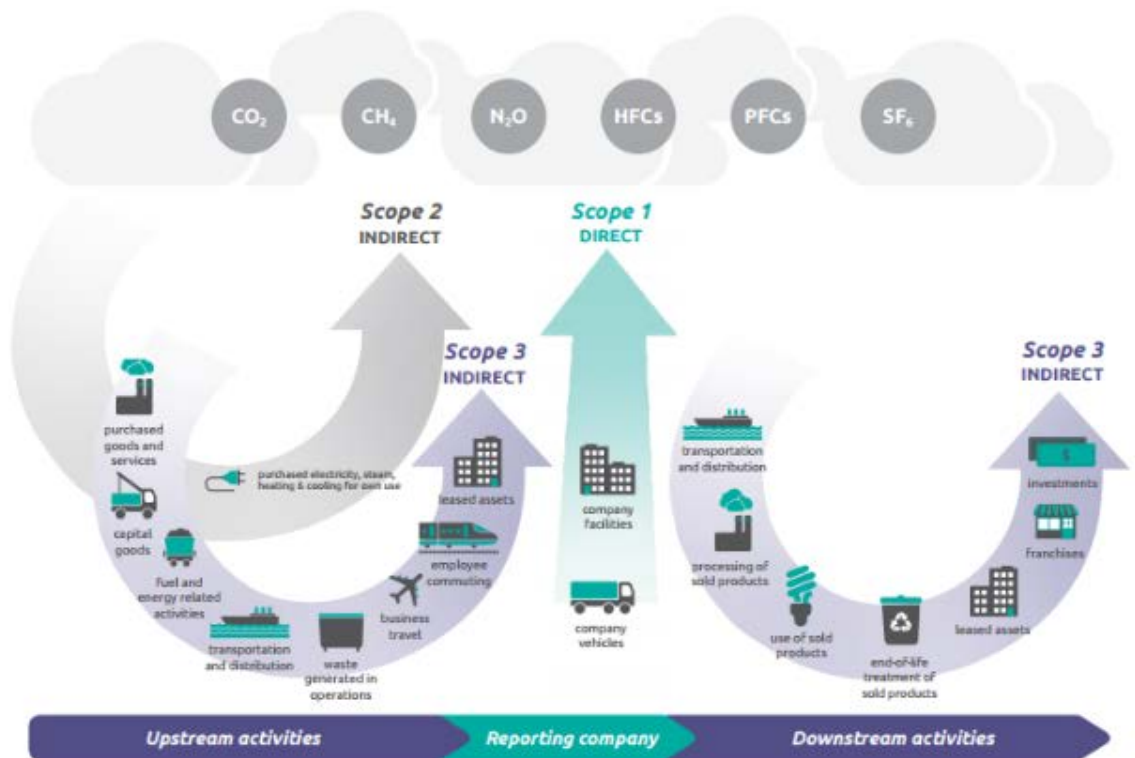
Direct emissions from sources controlled by the company

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

In order 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.

However, we have since asked for a re-calculation of our Scope 2 to include the installation of solar panels on our Swiss HQ's roof. This has 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.

DATA CONSIDERED IN CALCULATION

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

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 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, and waste produced in operations.

RESULTS RECAP

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

The main subcategory of our corporate footprint in terms of CO₂-equivalent emissions produced was due to the purchase of goods and services (58%), which includes the manufacturing of Bally's products, the materials purchased and processing stages. The main materials by quantity of CO₂-equivalent emissions are calf and bovine leather (70%). For this reason, we are working to improve the sustainability of our leather. By contrast, textile materials such as polyester, cotton and nylon, used for ready-to-wear products, account for approximately 3% of emissions in the same category (more details on materials can be found on pages 36/38).

This data will provide the basis for science-based target setting in 2023 and will be used to shape our action plan for the reduction of CO₂-equivalent emissions.

OUR ENERGY CONSUMPTION

Improving our energy mix is a primary part of reducing our environmental footprint.

In 2021, at our Caslano facilities, we completed the installation of 1,170 solar panels over a roof area of 2,162 square meters. We then auto-consumed 301 megawatt-hours, which represents 25% of our total consumption in Caslano from the grid. This has allowed us to improve 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.

With reference to the consumption data connected to our Swiss and Italian headquarters, on which our Scope 1, 2 and 3 assessments are calculated, we are proud to say that, in 2021, only 4% of our energy consumption came from higher-polluting sources, such as fuel or coal. 70% of our energy consumption came from renewable sources, which is a 4% improvement against 2020, and a 7% improvement against 2019. The remaining 26% of our energy consumption came from nuclear and gas; we are fully aware of the limits of these sources but consider them as transitional sources in our path towards more sustainable energy consumption. This view is endorsed by the recognition given by the European Institution's Green Taxonomy.

2021 SWISS AND ITALIAN HQS (IN MWH)

	TOTAL	RENEWABLE	GAS & NUCLEAR	FOSSIL
Energy purchased	2509.78	1531.62	856.79	121.37
Other acquired energy	806.43	806.43	-	-
Self-produced	12.816	12.816	-	-
TOTAL	3329.02	2350.87	856.79	121.37
%		71%	26%	4%

To gain a clearer picture of our global impact, in 2021, we expanded the scope of our energy consumption data to include offices in Shanghai, Sydney, Tokyo and New York. We have also continued to include the oil consumed for the heating of Caslano's keeper house which, though not being part of our organization for many years, is still part of the industrial complex.

TOTAL POWER IN MWH (GRID+SOLAR+ DIST.HEATING)	TOTAL
Sidney	7.62
Milan	1145.14
Caslano	2055.27
Firenze	128.61
New York	71.64
Tokyo	64.85
Shanghai	36.68

This data gives us an awareness of our environmental impact and the subsequent actions we must undertake. In future we will be able to report on the energy mix for these locations as well. We have assumed "100% fossil" as the origin of energy when we do not have further information about the mix used and are working to improve our knowledge on the topic.



PRESERVING THE MOUNTAINS

We have a strong connection with our alpine heritage and have always proudly integrated nature into everything we do.

Mountains have served as a continuous inspiration for Bally campaigns and collections over the past century. In fact, it was Bally who created the reindeer boots worn by Tenzing Norgay during the first ever ascent of Mount Everest in 1953 with Sir Edmund Hillary. The Bally grip signifier, inspired by Alpine exploration, was present on the soles and is still a distinctive element of our boots today. We also sponsored the 1956 Swiss Winter Olympics team in Cortina d'Ampezzo, Italy. They wore our iconic Curling boots, which are reimaged each year in new streamlined designs. It is innovative footwear combining a sleek aesthetic and functional finishes. The aesthetic of these boots evolves while their heritage shines through.

THE BALLY PEAK OUTLOOK FOUNDATION

Today, Bally continues this alpine tradition through the Bally Peak Outlook Foundation. Established in 2020, its mission is to help protect the world's fragile mountain habitats from the adverse effects of global warming and excessive tourism. The Bally Peak Outlook Foundation also aims to create safer, more pristine alpine habitats by empowering local communities and reputable on-the-ground partners to drive positive and sustainable change.

“8X8000M” PLEDGE

In 2021, the second phase of “8x8000m”– our pledge to clean up the base camps of eight 8,000-meter Himalayan mountains – took place. After collecting 2.2 tons of waste in 2020, in 2021, the base camps of Kanchenjunga (8,586m), Dhaulagiri (8,167m), Manaslu (8,156m) and Annapurna (8,091m), as well as Everest for a third time, were cleaned, and 3.4 tons of waste were removed.

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

2021 — **3.4 TONS OF WASTE**
CLEANED UP



BALLY
MOUNT EVEREST
CLEAN UP PROJECT
2019 (SPRING)

OUR PARTNERS

THE INTERNATIONAL CLIMBING AND MOUNTAINEERING FEDERATION

As part of its global commitment to preserving mountain landscapes and empowering their communities worldwide, the Bally Peak Outlook Foundation collaborates with the International Climbing and Mountaineering Federation (UIAA). We support its annual Mountain Protection Award, which features global projects that improve the lives and conditions of mountain people.

In the 2020/21 award, a total of 24 projects took place in more than 30 countries and on six continents. The winner was Giroparchi Nature Trail, a nature trekking activity project for teenagers (11–14 years old) located in the heart of the Gran Paradiso National Park. Participants of the project acquire tools to communicate about the potential of national parks, improve their vocabulary, learn English expressions and promote curiosity about natural resources.

THE TENZING NORGAY SHERPA FOUNDATION

Since 2020, we have collaborated through sponsorship with the Tenzing Norgay Sherpa Foundation. This foundation has two main areas of activity; tackling environmental issues and providing educational programs throughout the Khumjung Valley, offering high-school and university students the financial support needed to continue their studies after family hardships.

The 2021 scholarships provided education for the below students, all from Thame Valley, Nepal:

- Mr. Pasang Tshering Sherpa, who is studying Commerce at St. Lawrence College, Chabahil, Kathmandu.
- Ms. Tshering Futi Sherpa, who is studying Commerce at Kathmandu Valley High School, Kathmandu.
- Mr. Mingma Temba Sherpa, who is studying BIT Computer Science at Herald International College, Chabahil, Kathmandu.
- Ms. Lakpa Jangmu Sherpa, who is pursuing a GATE-SHA Higher Diploma in Hotel & Restaurant Management at the Global Academy of Tourism & Hospitality Education (GATE), Kathmandu.

A CULTURE OF CARING

When the Fashion Pact was created in 2019, Bally was among the first to sign. We recognise the environmental impact caused by our industry and are committed to reducing our environmental footprint. In this report, we have detailed the progress we have made towards the collection of baseline data and the creation of meaningful targets. On an individual level, Bally employees are aware of our drive for change and empowered to take their own action towards achieving our common goals.

BALLY STORES

In the design of our stores, we are conscious about the materials we use, with the majority of our sourcing taking place through local small-to-medium businesses. This allows us to limit our environmental footprint associated with transportation, while supporting local companies in the countries where we have a retail presence.

OUR OFFICES

We have installed water dispensers in all headquarters 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.

THE BALLY EMPLOYEES RESOURCE GROUP

Bally Employees Resource Group (BERG) is an initiative led by volunteers in which projects concerning environmental and social matters are discussed, presented to managers and delivered. We currently have two groups comprised of EMEA and USA employees.

In 2021, BERG Europe took part in “La Giornata del Verde Pulito” (or “Clean Green Day”) in Caslano. 35 Bally employees volunteered for up to three hours and collected 240 kilograms of waste.

BERG US created a pilot recycling program in eight stores based in New York, California and Florida, to ensure the proper recycling of waste with specific procedures and rules. They aim to draft a procedure by the end of 2022 to be rolled out to all stores in New York, California, Florida, Virginia, New Jersey, Georgia and Hawaii by the end of 2023. BERG team members focused on this project are also collaborating with mall management teams to get them involved in the recycling program as well.

THE END OF THIS
REPORT MARKS
THE BEGINNING OF
FURTHER PROGRESS.
SUSTAINABILITY
IS AN ON-GOING
JOURNEY THAT WE
LOOK FORWARD TO
CONTINUING



GRI (GLOBAL REPORTING INITIATIVE)

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BALLY SUSTAINABILITY REPORT 2021

The 2021 Global Reporting Initiative (GRI) content index has been prepared to comply with the GRI sustainability reporting standards. The 2021 Sustainability Report, of which this appendix is part, has been prepared in accordance with the GRI Standards: Core option.

UNIVERSAL STANDARDS - GRI 102: GENERAL DISCLOSURES

STANDARD	DISCLOSURE	2021 RESPONSE	
GRI 102 General Disclosures ORGANIZATIONAL PROFILE	102-1 Name of organization	Bally International AG, Via Industria 1, 6987 Caslano, Switzerland is the parent company for Bally Schuhfabriken AG, Via Industria 1, 6987 Caslano, Switzerland and related affiliates (doing business as "Bally").	
	102-2 Activities, brands, products, and services	Born in Switzerland in 1851, Bally is a luxury shoemaker and accessories brand that marries a heritage of craftsmanship with a decidedly contemporary aesthetic. Positioned at entry-level luxury, Bally has a global presence, with a retail footprint of over 700 stores across 59 countries.	
	Main brands, products and services	Bally has a global multi-channel presence covering all key luxury markets. The brand has 172 retail stores worldwide, with 12 flagships in exclusive locations such as Singapore, New York, Paris, Milan, London, Zurich and Sydney. Asia (APA and Japan) is the strongest market for distribution and brand legitimacy, where Bally directly manages 111 retail stores. In wholesale, Bally has almost 550 doors globally, with a strong presence in the luxury travel retail market. In 2021, Bally expanded its online presence to include new e-concessions (Farfetch and JD.com) and e-wholesale, and its own e-commerce platform has seen continuous growth.	
	102-3 Location of headquarters	Via Industria 1, 6987 Caslano, Switzerland	
102-4 Location of operations	Bally operated in 59 countries in 2021 (based on sales turnover).		
	The full list of countries is as follows:		
	Albania	Indonesia	Qatar
	Argentina	Italy	Romania
	Australia	Japan	Russia
	Austria	Kazakistan	Saudi Arabia
	Azerbaijan	Kenya	Singapore
	Belarus	Kuwait	Slovakia
	Belgium	Lithuania	Slovenia
	Bulgaria	Luxembourg	South Korea
	Canada	Macau	Spain
	Chinese mainland	Malaysia	Sweden
	Denmark	Mexico	Switzerland
	Finland	Mongolia	Taiwan
	France	Morocco	Thailand
	Georgia	Netherlands	Turkmenistan
	Germany	Nigeria	UAE
	Ghana	Norway	Ukraine
	Great Britain	Panama	USA
	Greece	Philippines	Uzbekistan
	Hong Kong SAR	Poland	Vietnam
	India	Portugal	

102-5
Ownership and legal form

Bally International AG is a Swiss stock corporation. Bally International AG and its commercial subsidiaries form the Bally Group. The Bally Group of companies is wholly owned by JAB Luxury GmbH.*

*JAB Luxury GmbH holds 98% and management shares complete the stock.

102-6
Markets served

Bally serves five regions – APAN, Americas, EMEA, Japan and OSEA (Australia, Malaysia and Singapore) – as well as travel-retail settings (duty-free POS).

Geographic locations where products and services are offered

Bally had 719 points of sale around the world in 2021:

- 172 directly operated stores (71 in APAN, 15 in Americas, 34 in EMEA, 40 in Japan, and 12 in OSEA).
- 547 wholesale and travel-retail settings (25 in APAN, 151 in Americas, 252 in EMEA, 9 in Japan, 22 in OSEA, and 88 in travel retail).

Sectors served

Bally serves the luxury fashion sector via retail, e-commerce and wholesale channels.

102-7
Scale of the organization

Bally serves five regions – APAN, Americas, EMEA, Japan and OSEA (Australia, Malaysia and Singapore) – as well as travel-retail settings (duty-free POS).

KPI	DESCRIPTION
Total number of employees	1,387
Total number of operations	4
Net sales or net revenues (Euro)	272,718,000€
Quantity of products or services provided	1,285,609

The number of employees (1,387) includes Bally staff and excludes temporary external staff. With temporary staff included, the number is 1,493.

The net revenue (€272,718,000) was converted to euros at December 2021 exchange rates.

Bally operates in five macro-regions (APAN, Americas, EMEA, Japan and OSEA).

102-8
Information on employees and other workers

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

GENDER	CENSUS AT THE END OF THE YEAR	% ON TOTAL
Men	395	28%
Women	992	72%
TOTAL	1347	100%

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 102
General Disclosures

ORGANIZATIONAL
PROFILE

102-8
Information on employees
and other workers

GRI 102-8b - Information on employees and other workers - Breakdown by geographical area and gender

	PERMANENT			TEMPORARY			Total		
	Men	Women	TOT	Men	Women	TOT	Men	Women	TOT
Switzerland	132	163	295	7	12	19	139	175	314
Italy	34	84	118	7	35	42	41	119	160
Rest of Europe	20	35	55	8	23	31	28	58	86
USA	55	49	104	5	9	14	60	58	118
Chinese mainland	89	449	538	0	3	3	89	452	541
Japan	15	62	77	0	11	11	15	73	88
OSEA	22	55	77	1	2	3	23	57	80
TOTAL	367	897	1264	28	95	123	395	992	1387

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

KPI	WOMEN		MEN		TOTAL	
	Hcs	%	Hcs	%	Hcs	%
Full-time	872	63%	340	25%	1212	87%
Part-time	120	9%	55	4%	175	13%
TOTAL	992	72%	395	28%	1387	100%

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

KPI	Census at the end of the year	%
Employees	1387	93%
Non Employees	106	7%
TOTAL	1493	100%

STANDARD	DISCLOSURE	2021 RESPONSE
102-9 Supply chain		<p>The following steps outline Bally's process for the production and delivery of goods:</p> <ul style="list-style-type: none"> - Planning and designing the inventory and manufacturing processes; - Manufacturing materials sourcing; - Internal and external manufacturing, assembling parts and testing; - Packaging and shipment management; - Transporting and delivering finished goods to retailer/e-commerce; - Customer service and returns control. <p>We have implemented a flexible sourcing model, adapting our supply chain to meet the required volume thresholds while maintaining long-lasting and trusted relationships with our main suppliers. In order to work optimally from a procurement point of view, our aim is to establish a well-defined production footprint that takes advantage of the flexibility and know-how of the European supplier industry, accompanied by a strategic supply base in more competitive areas. We have focused our efforts on improving the efficiency of in-house production at our Caslano factory, allowing us to keep more production in Switzerland. And the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply. We work diligently with all suppliers to ensure they meet the highest ethical standards for labor, health and safety, and the environment.</p> <p>In 2021 we reduced the impact of our B2B transportation by sourcing materials as locally as possible to where they are processed. Our main areas of focus for this new local sourcing model have been in European and Mediterranean countries. In Chinese mainland, we have also reduced our carbon footprint by sourcing and producing within the region to avoid needlessly flying products between Chinese mainland and Europe.</p> <p>Our global logistics platform has been developed to provide a high degree of operational efficiency. Primary warehouses in Switzerland and Chinese mainland are outsourced and handle orders according to a "pick and pack" technique for stores in Australia, Chinese mainland, Europe, Malaysia, Singapore and the United States. Warehouses perform value-added services, including quality control, labeling and tracing. We also have strategically located regional hubs in Australia, Chinese mainland, Japan, Malaysia, Singapore and the United States. These warehouses are now all outsourced. Matching demand and production in early stages allows us to cross-dock products from central distribution centers in Switzerland or Chinese mainland through regional hubs to stores, with shortened storage time and reduced handling of goods.</p> <p>Our new distribution model, including new inventory pooling and allocation methods, has led to a decrease in stock segregation, allowing us to buy more efficiently and therefore lower our impact.</p>
	102-10 Significant changes to the organization and its supply chain	<p>During 2020 there were no significant changes relating to operations, to the Bally Group's supplier location, structure or supplier relationships. The shareholder completed the recapitalization of the Group, injecting additional cash in 2020.</p>

STANDARD	DISCLOSURE	2021 RESPONSE
<p>GRI 102 General Disclosures</p> <p>ORGANIZATIONAL PROFILE</p>	<p>102-11 Precautionary Principle or approach</p>	<p>Bally has a range of policies and processes to ensure precautionary measures are in place, including health, safety, social and environmental.</p> <p>Our corporate governance structure includes the board of directors, the chief executive officer, and the executive committee, comprised of senior members of management. The board of directors is primarily responsible for determining and pursuing the strategic objectives of the company and of the Bally Group.</p>
	<p>102-12 A list of externally developed economic, environmental and social charters, principles, or initiatives that the organization adheres to or approves of</p>	<p>In 2021, Bally supported the Bally Peak Outlook Foundation's initiatives for mountain preservation and mountain community support. These included:</p> <ul style="list-style-type: none"> • The second phase of the BPOF's "8x8000m" project, cleaning the base camps of eight mountains over 8000 meters in the Nepalese Himalayas (the first phase was completed in 2020). The 2021 initiative included cleaning the base camps of Kanchenjunga (8,586m), Dhaulagiri (8,167m), Manaslu (8,156m) and Annapurna (8,091m), as well as Everest for a third time, removing a total of 3.4 tons of waste. • Sponsorship of the Tenzing Norgay Sherpa Foundation, which provides educational programs throughout the Khumjung Valley to sponsor high school and university students with financial support to continue their studies after family hardships. The 2021 scholarships provided education for the below students, all from Thame Valley, Nepal: <ul style="list-style-type: none"> - Mr. Pasang Tshering Sherpa, who is studying Commerce at St. Lawrence College, Chabahil, Kathmandu. - Ms. Tshering Futi Sherpa, who is studying Commerce at Kathmandu Valley High School, Kathmandu. - Mr. Mingma Temba Sherpa, who is studying BIT Computer Science at Herald International College, Chabahil, Kathmandu. - Ms. Lakpa Jangmu Sherpa, who is studying GATE-SHA Higher Diploma in Hotel & Restaurant Management at Global Academy of Tourism & Hospitality Education (GATE) College, Kathmandu. • Sponsorship of the International Climbing and Mountaineering Federation (UIAA) and its annual Mountain Protection Award, which supports global projects that address mountain biodiversity, conservation, education and awareness. The 2021 award was given to Fondation Grand Paradis-Giroparchi Nature Trail for its winning proposal for initiatives that drive education to support mountain preservation. <p>The BPOF has an organizational chart comprised of the president of the board, Bally CEO Nicolas Giroto, and members of the board, Bally CMO Eva Quirrenbach, and Activist/Climber/Entrepreneur Dawa Steven Sherpa. Their roles are to set the objectives of the BPOF and to approve its initiatives. The executive committee includes Anthropologist/Journalist/Mountain Enthusiast/Entrepreneur Edoardo Cela and Activist/Mountain Enthusiast/Author/Journalist Alex Preston. Their roles are to research, develop and oversee the operation of the initiatives.</p>
	<p>102-13 Main memberships in industry or other national or international associations and advocacy organizations</p>	<p>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.</p> <p>Bally is also a member of the Lifestyle Tech Competence Center, which pursues the non-profit aim, within the framework of the Innovation Park Ticino, of promoting and supporting innovative companies that carry out research and development in the lifestyle sector. The scope is to improve competitiveness and have a positive impact on society in terms of economics, qualified jobs and life quality.</p>

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 102 General Disclosures	102-14 Statement from senior decision-maker	Reference on page 3.
STRATEGY	102-15 Key impacts, risks, and opportunities	<p>Bally regularly assesses, prioritizes, and manages risks to achieve sustainable shareholder value and ensure a more resilient organization. Customer and employee interests and safety are our top priorities. We also seek to safeguard the long-term value and reputation of the brand, while maximizing commercial opportunities to support responsible and sustainable growth.</p> <p>Despite the Covid-19 pandemic, Bally's earnings and cash model have improved significantly in the last two years, providing the foundation for profitable and responsible growth. We see visible opportunities for acceleration, especially in digital business and in key markets such as the USA.</p> <p>Covid caused difficulty in H2 2021; Q3 in Chinese mainland and Asia, as well as Q4 in Europe. Additionally, there has been a significant increase in air freight rates in the last quarter of the year. Nevertheless, the management and the team handled these in a prompt and responsive manner, introducing recovery actions to rebalance profitable growth. Bally remains committed to sustainability and is currently defining standards that will be used to evaluate the sustainability of its supply chain.</p> <p>EXTERNAL RISKS</p> <p><u>COVID-19 IMPACT</u></p> <p>As we monitor the possible impact of the Covid-19 pandemic, we continue to place a high priority on the safety of our employees, customers, and suppliers. Our coordination of regional developments is global, but our responses are local, complying with the specific local legal obligations.</p> <p>Management's actions:</p> <ul style="list-style-type: none"> • Global functional leadership and regional teams handle mitigation actions as needed to maintain a quick and tailored response. • We monitor new and evolving regional health regulations regarding Covid-19. • As part of our ongoing operations, we keep track of products, inventory, and supply chain to ensure an uninterrupted stream of products to our customers, while optimizing buying commitments. • As part of our efforts to protect the Group's liquidity, we continue to manage cash and costs, and have implemented a cash saving program. <p>OPERATIONAL RISKS</p> <p><u>LOSS OF DATA OR CYBERATTACK</u></p> <p>A cyberattack could impact core operations causing financial and reputational damage.</p> <p>Management's actions:</p> <ul style="list-style-type: none"> • An ongoing commitment to information security, and the implementation of security awareness training and phishing tests for all employees worldwide. • Implementation of an outsourced cybersecurity service (SOC) to monitor, prevent and respond to cyber threats while protecting the organization's assets. <p><u>PEOPLE</u></p> <p>It is fundamental to our success that we attract and retain qualified people for the main corporate functions at managerial and operational levels. When we engage and inspire our people, they deliver outstanding results for our business.</p>

STANDARD	DISCLOSURE	2021 RESPONSE
<p>GRI 102 General Disclosures</p> <p>STRATEGY</p>	<p>102-15 Key impacts, risks, and opportunities</p>	<p>Management's actions:</p> <ul style="list-style-type: none"> • Foster a culture of inclusion in which all employees feel connected to their work. • Maintain an inclusive environment that welcomes diversity in the nationality and ethnicity of employees, and ensures gender equality and equal opportunity in all areas of the organization. • Bally's success is closely tied to the development of skills and craftsmanship, so we actively encourage the intergenerational transfer of knowledge and skills from long-term workers to younger employees. • Integrate environmental, social and corporate governance ambitions across the business. • Bally has an inclusive web-based portal that allows all employees to access company news and training content. The new Bally Portal, launched at the end of 2021, is a mobile learning app that aims to offer educational content that engages and connects the Bally Community at a global level. <p><u>BUSINESS INTERRUPTION</u></p> <p>Natural and geopolitical events such as natural disasters, pandemics, material regulatory changes, fires and quality control issues in the supply chain can have a material impact on our operations. It is also possible for suppliers, producers and markets to be disrupted by Covid-19, the extent and scope of which depends on the region and time period.</p> <p>Management's actions:</p> <ul style="list-style-type: none"> • Several policies and procedures are in place to protect the health and safety of our employees, as well as to ensure the continuity of our business in the event of an incident. • Bally facilitates strong partnerships with suppliers to help mitigate the risk of disruption. • To prevent and minimize the possibility of interruptions, independent product testing is conducted on each product received from our suppliers and vendors as part of a quality control program. <p><u>COMPLIANCE RISKS</u></p> <p><u>ETHICAL/ENVIRONMENTAL STANDARDS AND REGULATORY RISK</u></p> <p>As a global company with operations in numerous jurisdictions, Bally is subject to a wide range of laws and regulations regarding product safety, intellectual property, anti-bribery and corruption, competition, data, corporate governance, health and safety for workers and customers, the environment, tax compliance and management, and compliance with international trade rules. Any changes in these laws and regulations can have an affect our business operations.</p> <p>Management's actions:</p> <ul style="list-style-type: none"> • Bally strives to continually improve processes to ensure licensee, supplier, franchisee, distributor, and agent compliance with the Group's contractual terms and conditions, ethical and business policies, and applicable laws. • Bally ensures transparency in corporate governance, aiming to protect the interests of all internal and external stakeholders by ensuring ethical business conduct and transparent taxation practices. <p><u>CLIMATE CHANGE</u></p> <p>We recognize the importance of addressing long-term sustainability challenges, and climate change's potential impact on reputation, operations, and finances as the global climate crisis worsens. A growing number of countries are paying increased attention to the risks associated with climate change. Governments and businesses will not be able to successfully mitigate climate change without significant science-based mitigation efforts and collaboration from others.</p> <p><u>RISKS INVOLVED:</u></p> <ul style="list-style-type: none"> • Around the world, we rely on a variety of agricultural and manufacturing communities to sustain our industry. It could be challenging to cope with social, economic, and operational challenges if climate patterns shift, average temperatures rise, or sea levels rise in the long term. • In our commitment to replacing traditional raw materials with sustainable alternatives, Bally may face the risk of sourcing raw materials with effective sustainability that are not as high in quality as the traditional raw materials they have replaced, taking into account all aspects of environmental sustainability (such as climate change, water usage, and biodiversity).

STANDARD	DISCLOSURE	2021 RESPONSE
	<p>102-15 Key impacts, risks, and opportunities</p>	<p>Management's actions:</p> <ul style="list-style-type: none"> Assess the risks associated with climate change. As part of this analysis, we will examine the impact of physical climate-related risks on our operations, key facilities, and supply chain. Our commitment to reducing our GHG emissions will be publicly disclosed on an annual basis for the benefit of stakeholders, including our customers. <p>Continue to support The Fashion Pact, an industry-wide initiative that addresses the impact of climate change. We have set our strategic direction based on a Climate Positive approach, while minimizing the impact of transitional risks on our business.</p>
<p>GRI 102 General Disclosures ETHICS AND INTEGRITY</p>	<p>102-16 Values, principles, standards, and norms of behavior</p>	<p>The Bally Way is our guiding set of principles and values that all Bally employees should embrace inside and outside of work. Introduced by our Group CEO, these values have been devised by our top executives to define our unique approach to business. Collective entrepreneurship, meaningfulness and high performance are the three pillars that drive our quest for excellence and success.</p>
	<p>102-17 Mechanisms for advice and concerns about ethics</p>	<p>In 2020, the Code of Conduct was reviewed and re-issued as the new Code of Ethics. The Bally Code of Ethics 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:</p> <ul style="list-style-type: none"> - INTEGRITY, - RESPECT, - RESPONSIBILITY, - LOYALTY. <p>Working at Bally means being part of a modern and international environment in which all of us play a pivotal role in the success of the company. As well as preserving our external brand image, our shared set of professional and ethical behavioral standards means we can work well together.</p> <p>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 "gray" situations. In the Code of Ethics, we provide a dedicated email address to which people may address and report issues regarding ethics and compliance.</p> <p>Bally has issued a Whistleblowing Policy that describes the communications channels for reporting unethical or illegal behavior.</p> <p>Bally also has an Open Door Policy that grants all employees the opportunity to openly discuss work-related issues directly with their manager. If, for any reason, discussing the issue with their manager is not possible, employees can contact their designated HR contact person or senior manager.</p> <p>In case of very serious malpractice or misconduct, all employees can file a report—orally or in writing—to the internal audit department. We have provided a dedicated email address to facilitate the whistleblowing process.</p>

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 102 General Disclosures	102-18 Governance structure	<p>BOARD OF DIRECTORS: The board of directors selects the CEO and assesses the overall direction and strategy of the business. Its key responsibilities include:</p> <ul style="list-style-type: none"> - Representing and protecting members' and investors' interest in the company; - Providing direction for the organization; - Governing the organization and the relationship with the CEO; - Establishing a policy-based governance system, defining the rules of the group and how it will function; - Recruiting, supervising, retaining, evaluating and compensating the managers. <p>SUSTAINABILITY STEERING COMMITTEE: The Sustainability Steering Committee (SSC) is comprised of four people: our CEO, EVP of supply chain, EVP of HR, and the director of heritage & innovation. They are responsible for reviewing and endorsing the sustainability roadmap and action plan, as well as all corporate policies and regulations related to sustainability. They review and endorse all formal publications of the Sustainability Operations Committee (SOC), such as the sustainability section of Bally's corporate website and its annual sustainability report, and ensure necessary support for and prioritization of sustainability-related policy and initiatives. The chairman of the SSC is Bally's CEO.</p> <p>SUSTAINABILITY OPERATIONS COMMITTEE: The Sustainability Operations Committee (SOC) is comprised of 13 people across Bally's business functions in charge of: (i) preparing and handling all sustainability-related global corporate policies and regulations on behalf of the SSC and (ii) developing reporting mechanisms and events, and implementing a communication strategy to ensure increased awareness internally and externally. The SOC is an inter-departmental network comprising all functions across different levels of the organization.</p> <p>SUSTAINABILITY WORKING GROUPS: Our Sustainability Working Groups are established by the SSC to address specific goals as needed. Their mandate ends with the approval of the requested deliverables, whether they be recommendations or action plans. Working Groups report to their representative at the SOC (who are the impact leaders).</p>
ETHICS AND INTEGRITY		

STANDARD	DISCLOSURE	2021 RESPONSE	
GRI 102 General Disclosures GOVERNANCE	102-25 Conflicts of interest	<p>Bally has implemented a Conflicts of Interest policy to help minimize the influence of external bias in decision making. Employees are requested to avoid any situation in which personal interests can interfere with the company's needs. Employees must disclose any potential conflict of interest to their manager and HR as soon as it arises.</p> <p>If conflicts of interest are disclosed, interested parties are interviewed after checking the good faith of the whistleblowing report.</p> <p>Investigations are internally managed. In 2021 no conflicts of interests arose, therefore Bally did not conduct any investigation with the participation of suppliers.</p> <p>The controlling shareholder is periodically informed about the conflict of interests through the sharing of dedicated reports.</p>	
	102-40 List of stakeholder groups	<p>Bally's stakeholder groups are as follows: internal stakeholders are employees and shareholders; external stakeholders are communities, distributors, end customers, media and influencers, Non-Governmental Organizations (NGOs), regulatory, government and public administration bodies, schools and universities, suppliers and trade associations.</p>	
	102-41 Collective bargaining agreements	<p>Bally follows the labor law of every nation in which it operates. Employees working in OSEA, Japan, US, APN and certain areas of Switzerland are not involved in any labor union, therefore Bally does not have collective bargaining agreements as defined by ILO-C154. Where applicable, 100% of total employees are covered by collective bargaining agreements.</p>	
	102-42 Identifying and selecting stakeholders	<p>As part of the materiality assessment process, internal and external stakeholders were identified in an internal workshop, as well as through consultations with the Sustainability Operations Committee (SOC) and SUPSI (Scuola Universitaria Professionale della Svizzera Italiana, University of Applied Sciences and Arts of Italian Switzerland). The Sustainability Steering Committee (SSC) validated the selection.</p>	
	102-43 Approach to stakeholder engagement	<p>In future, Bally plans to formally engage with a range of global stakeholders through surveys and in-person meetings with personnel, partners and suppliers, to understand how to better serve them.</p>	
GRI 102 General Disclosures REPORTING PRACTICE	102-44 Approach to stakeholder engagement	<p>No issues or concerns were raised through stakeholder engagement in 2021.</p>	
	102-45 Approach to stakeholder engagement	<p>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</p>	<p>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.</p>

STANDARD	DISCLOSURE	2021 RESPONSE
	102-46 Defining report content and topic Boundaries	<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. Further understanding and validation was achieved through a workshop with the Sustainability Steering Committee. This workshop helped refine and combine a final list of material topics, including definitions and boundaries.</p>
	102-47 List of material topics	<p>Bally's material topics adapted from the GRI Standards are (in alphabetical order):</p> <ul style="list-style-type: none"> • Animal welfare (GRI 103-1 GRI 103-2, GRI 103-3) • Brand reputation (GRI 206-1, GRI 102-43, GRI 102-2, GRI 102-6) • Business ethics and integrity (GRI 102-16) • Corporate governance (GRI 102-18) • Culture of material sustainability (GRI 102-16) • Customer centricity (GRI 416-2, GRI 418-1) • Efficient management of waste (GRI 306-2) • Employee involvement and training (GRI 404-1) • Employee welfare (GRI 401-1, GRI 401-2, GRI 401-3, GRI 202-1) • Human rights and equal opportunities (GRI 405-1, GRI 405-2, GRI 411-1) • Innovation culture (GRI,103-1, GRI 103-2, GRI 103-3) • Occupational health and safety (GRI 403-1, 403-2, 403-4, 403-5, 403-8, 403-9) • Product quality (GRI 416-2) • Program for local communities (GRI 102-12, GRI 413-1, GRI 413-2) • Responsible handling of chemicals (GRI 306-2) • Responsible sourcing (GRI 102-9, GRI 102-10, GRI 204-1, GRI 308-1) • Sustainable packaging (GRI 301-1)
	102-48 Restatements of information	No restatements have been given.
	102-49 Changes in reporting	This is the third report for Bally. No significant changes have been made.
	102-50 Reporting period	The Sustainability Report and GRI Content Index 2021 cover the period from 1 January 2021 to 31 December 2021.
	102-51 Date of most recent report	The 2020 Bally Sustainability Report, published in 2021.
	102-52 Reporting cycle	The report is published on an annual basis.
	102-53 Contact point for questions regarding the report	For more information or questions, please contact Bally via email: sustainability@bally.ch .
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI content index	Reference should be made to the Global Reporting Initiative chapter of the Bally Sustainability Report.

STANDARD	DISCLOSURE	2021 RESPONSE																
GRI 102 Economic performance	201-3 a Defined benefit plan obligations and other retirement plans	<p>Percentage of salary contributed by the employer: 10.5%.</p> <p>This value refers to average contributions paid by the company through all legal entities in which it operates, as a percentage of total gross salaries, excluding bonuses, to cover both mandatory and discretionary pension funds to relevant public and private pension institutions.</p>																
	201-3 Financial assistance received from government	<table border="1"> <thead> <tr> <th>KPI</th> <th>VALUE</th> </tr> </thead> <tbody> <tr> <td>Tax relief and tax credits</td> <td>112,389€</td> </tr> <tr> <td>Subsidies</td> <td>765,390€</td> </tr> <tr> <td>Investment grants, research and development grants, and other relevant types of grant</td> <td>0€</td> </tr> <tr> <td>Awards</td> <td>0€</td> </tr> <tr> <td>Royalty holidays</td> <td>0€</td> </tr> <tr> <td>Financial assistance from Export Credit Agencies (ECAs)</td> <td>0€</td> </tr> <tr> <td>Financial incentives</td> <td>5,000,000€</td> </tr> </tbody> </table> <p>Tax Relief and Tax Credits: In 2021, Bally received a tax credit of €100,000.</p> <p>Subsidies: In 2021, Bally received €800,000 in subsidies in total. These were distributed in the EMEA region.</p> <p>Financial Incentives: In 2021, in order to support the business during the Covid-19 pandemic, Bally obtained a loan of €5m from Banca Progetto for Bally Studio Italia, 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 €2.7m from local governments to support the business through the Covid-19 pandemic. The distribution by region was as follows: EMEA (€2.3m) and OSEA (€0.4m).</p> <p>These amounts were converted into euros at December 2021 exchange rates.</p>	KPI	VALUE	Tax relief and tax credits	112,389€	Subsidies	765,390€	Investment grants, research and development grants, and other relevant types of grant	0€	Awards	0€	Royalty holidays	0€	Financial assistance from Export Credit Agencies (ECAs)	0€	Financial incentives	5,000,000€
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Financial incentives	5,000,000€																	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<p>Bally follows the labor law of every nation in which it operates and almost all of our employees are paid above their local state's minimum wage in the relevant countries.</p> <p>Detailed information is not disclosed since there is not a significant proportion of workers paid at minimum wage.</p> <p>The information is only related to "relevant countries", referring to the countries where company offices are located, therefore excluding the countries with only a retail/store presence.</p>																	
202-2 Proportion of senior management hired from the local community	<p>Percentage of senior managers at significant operating locations hired by the local community: 100%.</p> <p>Senior managers are executives and general managers.</p> <p>We define local as having a nationality that belongs to the geographical cluster where the office is located. For example, for the offices in Milan and Caslano, "local" refers to the whole of Europe.</p> <p>We define significant operating locations as cities. For us, this means Caslano, Milan, Shanghai, New York, Singapore and Sidney.</p>																	

STANDARD	DISCLOSURE	2021 RESPONSE										
<p>GRI 204 Procurement practices</p>	<p>204-1 Proportion of spending on local suppliers</p>	<table border="1" data-bbox="810 320 1497 607"> <thead> <tr> <th data-bbox="810 320 1155 371">KPI</th> <th data-bbox="1160 320 1497 371">VALUE</th> </tr> </thead> <tbody> <tr> <td data-bbox="810 378 1155 421">Local expenditure</td> <td data-bbox="1160 378 1497 421">60,589,820€</td> </tr> <tr> <td data-bbox="810 427 1155 470">Total annual expenditure</td> <td data-bbox="1160 427 1497 470">89,495,315€</td> </tr> <tr> <td data-bbox="810 477 1155 519">Percentage of local expenditure</td> <td data-bbox="1160 477 1497 519">67.70%</td> </tr> <tr> <td data-bbox="810 526 1155 607">Geographic definition of the local organization</td> <td data-bbox="1160 526 1497 607">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.</td> </tr> </tbody> </table> <p data-bbox="810 636 1497 685">Local and Annual Expenditure: The amount was converted into euros at December 2021 exchange rates.</p> <p data-bbox="810 701 1497 770">Local Suppliers Definition: The suppliers based in Italy and Switzerland have been considered local, following GRI's definition of a local supplier: ****local supplier: organization or person that provides a product or service to the reporting organization, and that is based in the same geographic market as the reporting organization (that is, no transnational payments are made to a local supplier)</p> <p data-bbox="810 882 1497 931">Note: The geographic definition of 'local' can include the community surrounding operations, a region within a country or a country. In addition to Switzerland, please note that Italy has been included as a local supplier because Bally owns a Research and Development hub in the area, from which the company directly manages purchasing and relationships with all Italian suppliers. Many activities linked to design, product development and supply chain take place in this hub.</p>	KPI	VALUE	Local expenditure	60,589,820€	Total annual expenditure	89,495,315€	Percentage of local expenditure	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.
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<p>GRI 205 Anti-corruption</p>	<p>205-1 Operations assessed for risks related to corruption</p>	<p>Bally is committed to organizational excellence, accountability and transparency, and its management coordination and collaboration structures provide an intuitive framework. Bally continuously updates its anti-bribery and anti-corruption policies and procedures to minimize risk. In 2021 no risks were identified.</p>										
<p>GRI 206 Anti-competitive behavior</p>	<p>205-2 Communication and training about anti-corruption policies and procedures</p> <p>206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices</p>	<p>All employees are informed of the anti-corruption policies and procedures and made aware of them as part of the recruitment and employment contract signature process.</p> <p>In 2021, no legal actions for anti-competitive behavior, anti-trust or monopoly were either pending or completed. Bally continues to update its policies and procedures related to anti-competitive behavior to minimize risk. No risks have been identified.</p>										

TOPIC-SPECIFIC STANDARDS - ENVIRONMENTAL

MATERIAL TOPIC: MATERIALS

BOUNDARY: OPERATIONAL

BALLY TOPIC: ENVIRONMENTAL IMPACTS OF MATERIALS

STANDARD	DISCLOSURE	2021 RESPONSE																																			
GRI 301 Materials	301-1 a Materials used by weight or volume (Packaging plastic items)	<table border="1"> <thead> <tr> <th>2021</th> <th>TOTAL NUMBER OF ITEMS</th> </tr> </thead> <tbody> <tr> <td>TOTAL PACKAGING "FROM WOOD"</td> <td>1,499,582</td> </tr> <tr> <td>From certified sources and/or recycled</td> <td>94%</td> </tr> <tr> <td>100% FSC</td> <td>75,5%</td> </tr> <tr> <td>Recycled cardboard>40%+FSC>25%</td> <td>11%</td> </tr> <tr> <td>Recycled internally in Supply chain</td> <td>5%</td> </tr> <tr> <td>Recycled cardboard @80%</td> <td>2.5%</td> </tr> <tr> <td>TOTAL PLASTIC PACKAGING</td> <td>925,005</td> </tr> <tr> <td>Recycled @30%</td> <td>37%</td> </tr> <tr> <td>Total hangers</td> <td>14,326</td> </tr> </tbody> </table>	2021	TOTAL NUMBER OF ITEMS	TOTAL PACKAGING "FROM WOOD"	1,499,582	From certified sources and/or recycled	94%	100% FSC	75,5%	Recycled cardboard>40%+FSC>25%	11%	Recycled internally in Supply chain	5%	Recycled cardboard @80%	2.5%	TOTAL PLASTIC PACKAGING	925,005	Recycled @30%	37%	Total hangers	14,326															
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301-1 c Materials used by weight or volume (Fashion Pact)	<table border="1"> <thead> <tr> <th>MATERIALS</th> <th>WEIGHT (TON)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Leather</td> <td>387</td> <td>30%</td> </tr> <tr> <td>Cardboard and paper</td> <td>301</td> <td>24%</td> </tr> <tr> <td>Various Mixed Synthetic Materials (Soles)</td> <td>130</td> <td>10%</td> </tr> <tr> <td>Metal</td> <td>107</td> <td>8%</td> </tr> <tr> <td>Cotton</td> <td>92</td> <td>7%</td> </tr> <tr> <td>Elastodiene</td> <td>72</td> <td>6%</td> </tr> <tr> <td>Nylon</td> <td>46</td> <td>4%</td> </tr> <tr> <td>Polyurethane</td> <td>34</td> <td>3%</td> </tr> <tr> <td>Polyester</td> <td>31</td> <td>2%</td> </tr> <tr> <td>Plastic</td> <td>23</td> <td>2%</td> </tr> <tr> <td>Leather and synthetic material (Soles)</td> <td>7</td> <td>1%</td> </tr> </tbody> </table>	MATERIALS	WEIGHT (TON)	%	Leather	387	30%	Cardboard and paper	301	24%	Various Mixed Synthetic Materials (Soles)	130	10%	Metal	107	8%	Cotton	92	7%	Elastodiene	72	6%	Nylon	46	4%	Polyurethane	34	3%	Polyester	31	2%	Plastic	23	2%	Leather and synthetic material (Soles)	7	1%
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	Leather and synthetic material (Soles)	7	1%																																		

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 301
Materials301-1 c
Materials used by weight
or volume (Fashion Pact)

MATERIALS	WEIGHT (TON)	%
Mixed Synthetic Fibers	7	1%
Cotton and Mixed fibers	6	1%
Polyamide	5	1%
Polyethylene	4	0%
Cellulose	4	0%
Linen	4	0%
TPU	3	0%
Silicone	2	0%
Viscose	2	0%
Wool	1	0%
Other (various)	13	1%
GRAND TOT	1280	100%

GRI 302
Energy302-1
Energy consumption
within the organization

The electricity consumption data refers to all our HQs and offices; Caslano, Milan, Florence, Shanghai, Sydney, Tokyo and New York. New York data was deducted through a proxy based on the size of the office; actual data was not available because they are included in the building rent expenses.

"100% fossil" has been assumed as the origin of energy when we do not have further information about the mix used.

Also, the oil consumed for the heating of Caslano's keeper house is included.

	VALUE	GJ
FUEL CONSUMPTION FROM NON RENEWABLE SOURCES	-	3,718.18GJ
of which Petrol	0l	0GJ
of which Diesel	0l	0GJ
of which Natural Gas	99,906smc	3,524.78GJ
Heating oil	6,320 l	193.39GJ
FUEL CONSUMPTION FROM RENEWABLE SOURCES	-	0GJ
TOTAL FUEL CONSUMPTION	1,146,691.67KWh	3,718.18GJ
Electricity consumption from non renewable sources	285,977KWh	1,029.52GJ
Electricity consumption from renewable sources	2,417,406KWh	8,702.67GJ
Cumulated renewable from Grid	1,246,277KWh	4,486.60
Gas and Nuclear from Grid	856,791KWh	3,084.45
Solar	314,338KWh	1,131.62
PURCHASED ELECTRICITY (TOTAL ELECTRICITY CONSUMPTION)	2,703,383KWh	9,732.19
Energy from district heating	806,430KWh	2,903.15

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 302
Energy

302-1
Energy consumption
within the organization

TOTAL OF ENERGY PURCHASED	3,509,813KWh	12,365.34GJ
TOTAL OF CARS CONSUMPTION (CARS FOR PRIVATE AND BUSINESS USE)	108,022.5	3,865.12GJ
DIESEL FUEL (CARS FOR BUSINESS USE)	0l	0GJ
cars	0	-
GASOLINE (CARS FOR BUSINESS USE)	0l	0GJ
cars	0	-
GPL (cars for business use)	0l	0GJ
cars	0	-
NATURAL GAS (CARS BUSINESS USE)	0m3	0GJ
cars	0	-
DIESEL FUEL (CARS FOR PRIVATE AND BUSINESS USE)	106,282.5l	3,809.36GJ
cars	57	-
PETROL (CARS FOR PRIVATE AND BUSINESS USE)	1,740 l	55.76
cars	1	-
GPL (CARS FOR PRIVATE AND BUSINESS USE)	0l	0
cars	0	-
NATURAL GAS (CARS FOR PRIVATE AND BUSINESS USE)	0m3	0GJ
cars	0	-
TOTAL CARS (CARS FOR PRIVATE AND BUSINESS USE)	58	-
TOTAL ENERGY CONSUMPTION	-	19,960.70GJ

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 302
Energy302-1 b
Energy consumption
within the organization
(Store)

	kWh CONSUMED	MC GAS	MC GAS/KWH
United States	356,194.29	0	0.00
Japan	346,316.66	52,794.05	564,368.39
Chinese mainland	1,473,974.3	0	0.00
Hong Kong SAR	107,283.43	0	0.00
Singapore	85,617.98	0	0.00
Malaysia	150,909.26	0	0.00
Australia	135,944.52	0	0.00
Switzerland	199,762.29	0	0.00
Germany	92,028	0	0.00
Italy	155,211.43	0	0.00
Holland	0	0	0.00
Austria	88,018.29	0	0.00
UK	0	0	0.00
France	0	0	0.00
Spain	81,075.43	0	0.00
Belgium	35,928	0	0.00
TOT	3,308,263.88	52,794.05	564,368.39

The available data refers to the first seven months of 2021. In order to have the most complete overview possible, we have used the available data to hypothesize the 12-month consumption, which is illustrated in this table.

France does not include the Nizza store's consumption, and UK does not include the Bicester store's consumption because data was unavailable.

GRI 303
Energy303-1
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.

303-1
Water consumption

Water consumption is expressed in megaliters 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*.

	WATER STRESS AREAS	OTHER AREAS
Total water consumption	0.04	7.66
Change in water storage in megaliters	01	01

MATERIAL TOPIC: BIODIVERSITY

BOUNDARY: OPERATIONAL

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 304 Biodiversity	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.

MATERIAL TOPIC: EMISSIONS

BOUNDARY: OPERATIONAL

STANDARD	DISCLOSURE	2021 RESPONSE															
GRI 305 Emissions	305-1 Scope 1 (Gas + Fuel)	<table border="1"> <thead> <tr> <th></th> <th>TONCO2 (GAS)</th> <th>TONCO2 (FUEL)</th> </tr> </thead> <tbody> <tr> <td>Switzerland</td> <td>0n</td> <td>45.43</td> </tr> <tr> <td>Italy</td> <td>0n</td> <td>119.65</td> </tr> </tbody> </table>		TONCO2 (GAS)	TONCO2 (FUEL)	Switzerland	0n	45.43	Italy	0n	119.65						
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305-1 Scope 1 (Fuel)	305-1 Scope 1 (Fuel)	<table border="1"> <thead> <tr> <th></th> <th>FUEL (LITERS)</th> <th>TONCO2</th> </tr> </thead> <tbody> <tr> <td>Arval Italia fleet</td> <td>70,759.58</td> <td>94.25</td> </tr> <tr> <td>Laseplan Italia</td> <td>13,562</td> <td>25.40</td> </tr> <tr> <td>Arval CH</td> <td>23,700.97</td> <td>45.43</td> </tr> <tr> <td>TOT</td> <td>108,022.55</td> <td>165.08.40</td> </tr> </tbody> </table>		FUEL (LITERS)	TONCO2	Arval Italia fleet	70,759.58	94.25	Laseplan Italia	13,562	25.40	Arval CH	23,700.97	45.43	TOT	108,022.55	165.08.40
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305-2 Scope 2 (Location based)	305-2 Scope 2 (Location based)	<table border="1"> <thead> <tr> <th></th> <th>TONCO2 (LOCATION BASED)</th> </tr> </thead> <tbody> <tr> <td>TOTAL</td> <td>3.54</td> </tr> </tbody> </table>		TONCO2 (LOCATION BASED)	TOTAL	3.54											
			TONCO2 (LOCATION BASED)														
		TOTAL	3.54														

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 305
Emissions

305-3
Other indirect (Scope 3)
GHG emissions

	KTCO2 OF THE REFERENCE YEAR	TCO2 OF THE YEAR X
Upstream categories	96.4ktEqCO2	0tEqCO2
Goods and services purchased	59.3ktEqCO2	0ktEqCO2
Capital goods	14.1ktEqCO2	0ktEqCO2
Fuels and energy	2.9ktEqCO2	0ktEqCO2
Upstream transportation and distribution	15.7ktEqCO2	0ktEqCO2
Waste generated during the activity	0ktEqCO2	0ktEqCO2
Business travel	2.2ktEqCO2	0ktEqCO2
Employee commuting	2.2ktEqCO2	0ktEqCO2
Upstream leased assets	0ktEqCO2	0ktEqCO2
Other rumors upstream	0ktEqCO2	0ktEqCO2
Downstream categories	2.35ktEqCO2	0ktEqCO2
Downstream transport and distribution	0ktEqCO2	0tEqCO2
Processing of the products sold	0ktEqCO2	0ktEqCO2
Use of goods sold	0.05ktEqCO2	0ktEqCO2
End-of-cycle treatment of products sold	0.8ktEqCO2	0ktEqCO2
Downstream leased assets	0ktEqCO2	0ktEqCO2
Franchising	1.5ktEqCO2	0tEqCO2
Investments	0ktEqCO2	0ktEqCO2
Other items downstream	0ktEqCO2	0ktEqCO2
TOTAL SCOPE 3	98.75ktEqCO2	0ktEqCO2

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).

305-3
Reasons for the choice of the reference year

2019, for pre-covid figures.

305-3
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.

MATERIAL TOPIC: EFFLUENTS AND WASTE

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2021 RESPONSE																																																					
GRI 306 Waste	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.																																																					
	306-2 Management of significant waste-related impacts	<p>Bally warehouses and logistics minimize packaging waste by re-using all undamaged inbound packaging for the outbound. Bally is also evaluating whether to use damaged inbound packaging for filling materials. Bally operation and direct production sites minimize waste through specific production processes aimed at continuous efficiency improvement.</p> <p>Local municipality services manage our urban waste collection, while certified companies manage special waste.</p> <p>Data on special waste is received in annual reports provided by certified companies. Recyclable urban waste is monitored at our Milan headquarters.</p>																																																					
	306-3 Waste generated	<table border="1"> <thead> <tr> <th colspan="3">MILAN</th> </tr> <tr> <th>MATERIALS</th> <th>DISPOSAL IN KG 2021</th> <th>TOTAL KG 2020</th> </tr> </thead> <tbody> <tr> <td>Plastic</td> <td>6,308.5</td> <td>8,800</td> </tr> <tr> <td>Not differentiated</td> <td>18,931</td> <td>26,026</td> </tr> <tr> <td>Paper</td> <td>3,744</td> <td>2,496</td> </tr> <tr> <td>Glass waste</td> <td>873.6</td> <td>-</td> </tr> <tr> <td>Special Waste (toner)</td> <td>32</td> <td>49</td> </tr> <tr> <td>Big volumes (mixed materials)</td> <td>1,780</td> <td>960</td> </tr> <tr> <td>TOTAL</td> <td>31,669.1</td> <td>38,331</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="3">FLORENCE</th> </tr> <tr> <th>MATERIALS</th> <th>DISPOSAL IN KG 2021</th> <th>TOTAL KG 2020</th> </tr> </thead> <tbody> <tr> <td>Leather</td> <td>4,100</td> <td>1,800</td> </tr> <tr> <td>Iron/metal waste</td> <td>600</td> <td>4,582</td> </tr> <tr> <td>Colors</td> <td>0</td> <td>500</td> </tr> <tr> <td>Wood</td> <td>0</td> <td>256</td> </tr> <tr> <td>Glue and adhesives</td> <td>0</td> <td>15</td> </tr> <tr> <td>Toner</td> <td>61</td> <td>-</td> </tr> <tr> <td>Discarded equipment containing hazardous substances</td> <td>31</td> <td>-</td> </tr> </tbody> </table>	MILAN			MATERIALS	DISPOSAL IN KG 2021	TOTAL KG 2020	Plastic	6,308.5	8,800	Not differentiated	18,931	26,026	Paper	3,744	2,496	Glass waste	873.6	-	Special Waste (toner)	32	49	Big volumes (mixed materials)	1,780	960	TOTAL	31,669.1	38,331	FLORENCE			MATERIALS	DISPOSAL IN KG 2021	TOTAL KG 2020	Leather	4,100	1,800	Iron/metal waste	600	4,582	Colors	0	500	Wood	0	256	Glue and adhesives	0	15	Toner	61	-	Discarded equipment containing hazardous substances	31
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STANDARD

DISCLOSURE

2021 RESPONSE

GRI 306
Waste306-3
Waste generated

FLORENCE		
MATERIALS	DISPOSAL IN KG 2021	TOTAL KG 2020
Discarded equipment	117	-
Plastic	12	-
Paint container	1.2	-
TOTAL	4,922.2	7,153

Bally was not able to collect the data regarding urban waste for Florence. We are working to get that information in the future

CASLANO		
MATERIALS	DISPOSAL IN KG 2021	TOTAL KG 2020
Waste	36,926	44,410
Cardboard	14,920	13,830
Mixed Paper	0	1,240
Iron	1,140	9,750
Wood	12,050	7,810
Pc Monitor	0	1,250
Glue and adhesives	372	1,702
TOTAL	31,669.1	38,331

306-4
Waste diverted from
disposal

KPI	VALUE
TOTAL HAZARDOUS WASTE	0.09t
Preparation for reuse	0t
Recycling	0.09t
Other recovery operations	0t
TOTAL NON HAZARDOUS WASTES	30.5t
Preparation for reuse	0t
Recycling	30.5t
Other recovery operations	0t

This data refers to Caslano, Milan and Florence headquarters. However, Bally is not able to provide the information for Milan HQ (with the exception of bulky waste) because the company (AMSA) that manages urban waste and toner does not provide it.

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 306
Waste

306-4
Waste diverted from
disposal

MILAN	
KPI	VALUE - OFFSITE
TOTAL HAZARDOUS WASTE	-
Preparation for reuse	-
Recycling	-
Other recovery operations	-
TOTAL NON HAZARDOUS WASTES	1.18t
Preparation for reuse	-
Recycling	1.1780t
Other recovery operations	-

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 them.

FLORENCE	
KPI	VALUE - OFFSITE
TOTAL HAZARDOUS WASTE	0.09t
Preparation for reuse	-
Recycling	0.0932t
Other recovery operations	-
TOTAL NON HAZARDOUS WASTES	4.83t
Preparation for reuse	-
Recycling	4.82900t
Other recovery operations	-

CASLANO	
KPI	VALUE - OFFSITE
TOTAL HAZARDOUS WASTE	-
Preparation for reuse	-
Recycling	-
Other recovery operations	-
TOTAL NON HAZARDOUS WASTES	24.50t
Preparation for reuse	-
Recycling	24.4950t
Other recovery operations	-

STANDARD DISCLOSURE 2021 RESPONSE

GRI 306 Waste
 306-5 Waste directed to disposal

MATERIALS	AT AN EXTERNAL SITE
TOTALE HAZARDOUS WASTE	0.37t
incineration (with energy recovery)	0t
incineration (without energy recovery)	0t
transfer to landfill	0t
other disposal operations	0.37t
TOTAL NON HAZARDOUS WASTES	41.14t
incineration (with energy recovery)	41.14t
incineration (without energy recovery)	0t
transfer to landfill	0t
other disposal operations	0t

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. All Florence waste is diverted from disposal, as reported in GRI 306-4.

MILAN	
KPI	VALUE - OFFSITE
TOTAL HAZARDOUS WASTE	0.00t
incineration (with energy recovery)	-
incineration (without energy recovery)	-
transfer to landfill	-
other disposal operations	-
TOTAL NON HAZARDOUS WASTE	0.60t
incineration (with energy recovery)	0.60t
incineration (without energy recovery)	-
transfer to landfill	-
other disposal operations	-

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 them.

STANDARD	DISCLOSURE	2021 RESPONSE
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GRI 306
Waste

306-5
Waste directed to disposal

CASLANO	
KPI	VALUE - OFFSITE
TOTAL HAZARDOUS WASTE	0.37t
incineration (with energy recovery)	-
incineration (without energy recovery)	-
transfer to landfill	-
other disposal operations	0.37t
TOTAL NON HAZARDOUS WASTE	40.54t
incineration (with energy recovery)	40.54t
incineration (without energy recovery)	-
transfer to landfill	-
other disposal operations	-

The data referring to the disposal of hazardous waste of Caslano is purely indicative. The disposal of hazardous waste is carried out by an external company which did not provide the specific disposal method. This is because the disposal method varies depending on the chemical composition of the waste product, despite the fact that the substances are classified together.

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

STANDARD	DISCLOSURE	2020 RESPONSE
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GRI 307
Environmental Compliance

307-1
Non-compliance with environmental laws and regulations

In 2021, Bally did not receive any fines for non-compliance with environmental laws and regulations.

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

STANDARD	DISCLOSURE	2020 RESPONSE
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GRI 308
Environmental Compliance

308-2
Negative environmental impacts in the supply chain and actions taken

Bally periodically interviews its main suppliers on a range of themes, including environmental topics. Every supplier is bound to sign and respect our Restricted Substance List and our Code of Conduct which is based on environmental protection and human rights. No suppliers have revealed any concerns regarding negative environmental impact in the supply chain.

TOPIC-SPECIFIC STANDARDS - SOCIAL

MATERIAL TOPIC: EMPLOYMENT

BOUNDARY: ORGANIZATIONAL

STANDARD

DISCLOSURE

2021 RESPONSE

**GRI 401
Employment**

**401-1a
New employee hires
and employee turnover
(Turnover In) by age
category and region,
including a split by women
and men**

	<30			30-50			>50			TOTAL			Percentage of Turnover		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Switzerland	2	2	4	6	6	12	0	0	0	8	8	16	5%	6%	5%
Italy	3	0	3	5	7	12	0	0	0	8	7	15	7%	17%	9%
Rest of Europe	2	0	2	1	1	2	0	0	0	3	1	4	5%	4%	5%
USA	13	15	28	9	6	15	2	0	2	24	21	45	40%	35%	8%
Chinese mainland	69	28	97	162	27	189	1	0	1	232	55	287	51%	62%	53%
Japan	2	0	2	7	4	11	1	0	1	10	4	14	14%	27%	16%
OSEA	4	4	8	10	1	11	0	0	0	14	5	19	25%	22%	24%
TOTAL	95	49	144	200	52	252	4	0	4	299	101	400	30%	26%	29%

**401-1b
New employee hires
and employee turnover
(Turnover Out) by age
category and region,
including a split by gender**

	<30			30-50			>50			TOTAL			Percentage of Turnover		
	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	Total
Switzerland	0	2	2	13	6	19	8	5	13	21	13	34	12%	9%	11%
Italy	9	1	10	16	5	21	1	2	3	26	8	34	22%	20%	21%
Rest of Europe	4	3	7	5	3	8	1	0	1	10	6	16	17%	21%	19%
USA	14	8	22	20	6	26	6	0	6	40	14	54	69%	23%	46%
Chinese mainland	44	21	65	151	32	183	1	1	2	196	54	250	43%	61%	46%
Japan	1	1	2	10	8	18	1	2	3	12	11	23	16%	73%	26%
OSEA	7	4	11	9	2	11	1	1	2	17	7	24	30%	30%	30%
TOTAL	79	40	119	224	62	286	19	11	30	322	113	435	32%	29%	31%

STANDARD

DISCLOSURE

2021 RESPONSE

GRI 401
Employment

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

	% Benefits provided to full-time employees that are not provided to temporary or part-time employees
Discretionary invalidity insurance	66%
Meal	59%
Discretionary life insurance	48%
Discretionary pension	36%
Clothing	25%
Transportation	24%
Discretionary health	20%
Company car	4%
The definition used for significant location of operation	"Relevant countries" means those in which Bally offices are located

401-3
Parental leave

	Men	Women	Total
Total number of employees who took parental leave	7	29	36
Total number of employees returned to work after parental leave	7	26	33
Total number of employees who are still employed 12 months after returning from parental leave	6	20	26
Return rate	100%	89.66%	91.67%
Retention rate	85.71%	76.92%	78.79%

Maternity leave is granted by Bally and by law in all regions and countries where we have 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.

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: HEALTH AND SAFETY

STANDARD	DISCLOSURE	2021 RESPONSE
	<p>403-2 Hazard identification, risk assessment, and incident investigation</p>	<p>Bally is committed to avoiding any situations that could affect the health of staff and third parties.</p> <p>In its Swiss HQ facilities and production site, Bally has been equipped for the last four years with a Manual for Occupational Health and Safety under the MSSL Directive, a document listing the guidelines and commitments we have made in accordance with the ordinances of the Swiss Confederation.</p> <p>All the legal and ordering texts that determine a company's actions for job security and the protection of workers' health are available on the website: www.admin.ch/ch/i/rs/rs.html. The top five reference laws are: CO, LAINF, LL, OPI, ECP. It also adds the reference to the prospectus Suva CBA_140_I2.</p> <p>Every year, specific security targets and implementation timelines are set, and those responsible identified, in order to continuously improve and update Bally's health and safety management system.</p> <p>In Italy, specifically Florence and Milan headquarters, Bally complies with the legal requirements on employee health and safety, adopting a Risk Assessment Document (DVR), 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.</p> <p>Those in charge of emergency management are appointed and trained up in each location of the facilities above. After the training, a certificate is issued to confirm the competencies acquired.</p> <p>Note: This information pertains to Bally's Caslano (Switzerland), Milan and Florence HQs.</p>

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: HEALTH AND SAFETY

STANDARD	DISCLOSURE	2021 RESPONSE
	<p>403-2 Hazard identification, risk assessment, and incident investigation</p>	<p>A study of the dangers within the Caslano factory was carried out in 2018 by a specialist consulting company. All risks and dangers are mapped and communicated internally so that workers can adopt proper PPE (personal protective equipment), respect procedures, and prevent dangerous situations. No occupational diseases are mapped or known for the plant.</p> <p>In the case of an accident, the health and safety officer must follow the procedures (specific checklists and S.T.O.P. methodology, compiled by Suva for understanding the causes of an incident and eliminating or mitigating them in the future).</p> <p>In Italian offices, Bally is compliant with the legal requirements on employee health and safety. We have also created specific policies related to COVID-19 protection, anti-money laundering, anti-corruption and anti-bribery.</p> <p>Bally has always been committed to creating and maintaining a safe workplace for all its employees.</p> <p>We have implemented policies and processes that allow workers to report work-related hazards and hazardous situations, and to remove themselves from them. Our team is also equipped with a Manual for Occupational Health and Safety, and workers can refer to their department’s designated health and safety officer or security officer for advice on these kinds of situations.</p> <p>The management structure in Bally ensures there is no reprisal against anyone raising concerns. A continual relationship is maintained between all middle managers and workers.</p> <p>In the case of an occupational accident, we would undertake an investigation to establish its causes and to eliminate or mitigate future incidents. We follow 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.</p> <p>Note: This information pertains to Bally’s Caslano (Switzerland), Milan and Florence HQs.</p>
	<p>403-3 Occupational health services</p>	<p>In our Swiss headquarters, the identification and elimination of hazards, and the minimization of risks, is managed by a specific team comprising MSSL consultants, health and safety officers, and an HR representative. In Italian offices, these issues are managed by the RSPP (head of the prevention and protection service), company delegates, and individuals in charge of security. Employees can directly refer to their health and safety officer and security officer for any concern regarding health and safety.</p> <p>Note: This information pertains to Bally’s Caslano (Switzerland), Milan and Florence HQs.</p>

STANDARD	DISCLOSURE	2021 RESPONSE
	<p>403-4 Worker participation, consultation, and communication on occupational health and safety</p>	<p>Bally ensures the participation and consultation of workers in the development, implementation and evaluation of the occupational health and safety management system through an established procedure that can be found in the Manual for Occupational Health and Safety.</p> <p>The participation right is exercised as follows:</p> <ul style="list-style-type: none"> • Workers are informed about decisions and changes affecting occupational health and safety protection; • Workers are consulted, through regular meetings organised by the management, on aspects concerning health protection and safety at work; • Workers are trained on occupational health and safety protection; • Workers participate during inspections by the supervisory authorities (for example, labour inspectors, Suva). <p>Note: This information pertains to Bally's Caslano (Switzerland) HQ. At Milan and Florence HQs, workers are directly requested to refer to health and safety officers for any concern, and to be periodically trained and/or updated on relevant dangers and risks.</p>
	<p>403-5 Worker training on occupational health and safety</p>	<p>Bally periodically provides courses in occupational health and safety, and a certificate is issued to confirm the competencies acquired.</p> <p>In Switzerland in 2021 the following training was held:</p> <ul style="list-style-type: none"> • Firefighting and first aid training for designated workers. • Suva training for health and safety officers. <p>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> <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 2021:</p> <ul style="list-style-type: none"> - In Milan: <ul style="list-style-type: none"> • Training for expert person (PES) and warned person (PAV) on technical standard CEI 11-24 for electrical maintenance personnel. • Firefighting and first aid training for designated workers (certification lasts three years). • AED (Automated External Defibrillator) training for designated workers (certification lasts two years). • Update of worker safety representative (RSL) training, which takes place annually as required by law. - In Florence : <ul style="list-style-type: none"> • Firefighting and first aid training for designated workers (certification lasts three years). • AED (Automated External Defibrillator) training for designated workers (certification lasts two years). • Update of worker safety representative (RSL) training, which takes place annually as required by law. <p>Note: This information pertains to Bally's Caslano (Switzerland), Milan and Florence HQs.</p>
	<p>403-8 Workers covered by an occupational health and safety management system</p>	<p>For Bally, safety is a fundamental aspect of work. All employees are covered by an occupational health and safety management system.</p> <p>Particular attention has been paid to the Swiss production site, where all third-party companies are invited to become aware of the safety regulations in place, and to enforce compliance at all times.</p> <p>In our offices in Italy, all suppliers are made aware of the security measures put in place and of the behaviors to be observed.</p>

STANDARD

DISCLOSURE

2021 RESPONSE

403-9
Work related injuries

GRI 403-9a - Injuries at work (Type of accident by category)

	TYPE OF INJURY			LOCATION OF THE INJURY		
	FATAL ACCIDENTS	SERIOUS ACCIDENTS	SUPERFICIAL ACCIDENTS	ACCIDENTS WHILE TRAVELLING	ACCIDENTS ON BUSINESS TRIPS	ACCIDENTS IN THE WORKPLACE
Men	0	3	10	2	1	10
Women	0	2	8	2	0	8
TOTAL	0	5	18	4	1	18

GRI 403-9b - Injuries at work (Type of accident by country)

	FATAL ACCIDENTS			SERIOUS ACCIDENTS			SUPERFICIAL ACCIDENTS		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Switzerland	0	0	0	2	2	4	5	8	13
Italy	0	0	0	0	0	0	1	1	2
Rest of Europe	0	0	0	0	0	0	0	0	0
USA	0	0	0	0	1	1	1	0	1
Chinese mainland	0	0	0	0	0	0	0	1	1
Japan	0	0	0	0	0	0	1	0	1
OSEA	0	0	0	0	0	0	0	0	0
TOTAL	0	0	0	2	3	5	8	10	18

GRI 403-9c - Injuries at work (Type of accident by category and country)

	ACCIDENTS WHILE TRAVELING			ACCIDENTS ON BUSINESS TRIPS			ACCIDENTS IN THE WORKPLACE		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Switzerland	1	1	2	0	1	1	6	8	14
Italy	1	1	2	0	0	0	0	0	0
Rest of Europe	0	0	0	0	0	0	0	0	0
USA	0	0	0	0	0	0	1	1	2
Chinese mainland	0	0	0	0	0	0	0	1	1
Japan	0	0	0	0	0	0	1	0	1
OSEA	0	0	0	0	0	0	0	0	0
TOTAL	2	2	4	0	1	1	8	10	18

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

BOUNDARY: ORGANIZATIONAL

STANDARD DISCLOSURE 2020 RESPONSE

GRI 405
Diversity and Equal Opportunity

405-1
Diversity of governance bodies and employees

	< 30	30-40	40-50	> 50	TOTAL	MEN	WOMEN	TOTAL	
NUMBER	Executives	0	2	5	3	10	6	4	10
	GM & Director	0	13	28	11	52	30	22	52
	Office Manages	5	41	34	18	98	34	64	98
	Store Managers	0	71	46	24	141	32	109	141
	Office staff	62	94	49	37	242	76	166	242
	Factory Workers	2	15	28	59	104	48	56	104
	Store Staff	199	357	108	61	725	169	556	725
	TOTAL	268	593	298	213	1372	395	977	1372
PERCENTAGE	Executives	0%	20%	50%	30%	100%	60%	40%	100%
	GM & Directors	0%	25%	54%	21%	100%	58%	42%	100%
	Office Managers	5%	42%	35%	18%	100%	35%	65%	100%
	Store manager	0%	50%	33%	17%	100%	23%	77%	100%
	Office Staff	26%	39%	20%	15%	100%	31%	69%	100%
	Factory Workers	2%	14%	27%	57%	100%	46%	54%	100%
	Store Staff	27%	49%	15%	8%	100%	23%	77%	100%
	TOTAL	20%	43%	22%	16%	100%	29%	71%	100%

The data regarding the genders and ages of the 15 people employed in the selling campaign is not provided because it is not available.

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

	VALUE
Executive Directors	101.10%
Office Managers	99.80%
Store Managers	99.60%
Office Staff	99.30%
Factory Workers	94.90%
Store Staff	94.30%
Factory Support	100%
TOTAL	98.43%

MATERIAL TOPIC: NON-DISCRIMINATION**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	In 2021 no incidents of discrimination were reported.

MATERIAL TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING**BOUNDARY: ORGANIZATIONAL/OPERATIONAL**

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 407 Freedom of Association and Collective Bargaining	407-1 Defined benefit plan obligations and other retirement plans	<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. 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> <p>According to IDEA (Institute for Democracy and Electoral Assistance) and ILO (International Labor Organization), countries such as Chinese mainland, Hong Kong SAR, India and South Korea might have risks related to freedom of association and collective bargaining that are relatively higher than in other nations with whom Bally keeps a business relationship. For this reason, in these countries, more than 97% of suppliers have been assessed with specific questionnaires in order to demonstrate their understanding of Bally's requirements.</p>

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

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 408 Child Labor	408-1 Operations and suppliers at significant risk for incidents of child labor	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.

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 409 Forced or Compulsory Labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	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. 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.

MATERIAL TOPIC: SECURITY PRACTICES

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 410 Security Practices	410-1 Security personnel trained in human rights policies or procedures	We do not employ security personnel except at events or special occasions.

MATERIAL TOPIC: RIGHTS OF INDIGENOUS PEOPLES

BOUNDARY: OPERATIONAL

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 411 Rights of Indigenous Peoples	411-1 Incidents of violations involving rights of indigenous peoples	Bally did not receive reports of incidents of violations involving rights of indigenous peoples.

MATERIAL TOPIC: LOCAL COMMUNITIES

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2021 RESPONSE
GRI 413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	In 2021, BERG (Bally Employees Research Group) organized "Caslano Verde" in collaboration with the Caslano municipality. This initiative saw 35 Bally employees undertake a three-hour clean-up of Mount Caslano, collecting 24.8 kilograms (equivalent to 240 liters) of trash.

MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: SUPPLIER ASSESSMENT

STANDARD	DISCLOSURE	2021 RESPONSE												
<p>GRI 414 Supplier Social Assessment</p>	<p>414-2 Negative social impacts in the supply chain and actions taken</p>	<p>Bally periodically interviews its main suppliers on a range of themes, including social topics. Every supplier is bound to sign and respect our Code of Conduct, which is based on respecting human rights and protecting the environment. None of the suppliers revealed any concerns regarding negative social impacts in the supply chain.</p>												
	<p>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services</p>	<p>No incidents regarding health and safety have occurred. No incidents.</p>												
	<p>417-2 Incidents of non-compliance concerning product and service information and labeling</p>	<table border="1"> <thead> <tr> <th></th> <th>VALUE</th> </tr> </thead> <tbody> <tr> <td>Incidents of non-compliance with regulations resulting in a fine or penalty</td> <td>2</td> </tr> <tr> <td>Incidents of non-compliance with regulations resulting in a warning</td> <td>0</td> </tr> <tr> <td>Incidents of non-compliance with voluntary codes</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>2</td> </tr> <tr> <td>A brief statement if the organization has not identified any non-compliance with regulations and/or voluntary codes</td> <td>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.</td> </tr> </tbody> </table>		VALUE	Incidents of non-compliance with regulations resulting in a fine or penalty	2	Incidents of non-compliance with regulations resulting in a warning	0	Incidents of non-compliance with voluntary codes	0	TOTAL	2	A brief statement if the organization has not identified any non-compliance with regulations and/or voluntary codes	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.
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A brief statement if the organization has not identified any non-compliance with regulations and/or voluntary codes	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.													
	<p>417-3 Incidents of non-compliance concerning marketing communications</p>	<p>In 2021, 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.</p>												
	<p>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data</p>	<p>Bally has no evidence of unauthorised access or malicious insiders.</p>												

MATERIAL TOPIC: FORCED OR COMPULSORY LABOR

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: CHILD/FORCED/COMPULSORY LABOR

STANDARD	DISCLOSURE	2021 RESPONSE
<p>GRI 419 Socioeconomic compliance</p>	<p>419-1 Non-compliance with laws and regulations in the social and economic area</p>	<p>In 2021, Bally did not receive any fines for non-compliance with laws and regulations in the social and economic area.</p>
<p>903-1 Actions taken to increase the reputation of the Brand in the market Valore</p>	<p>903-1 Actions taken to increase the reputation of the Brand in the market Valore</p>	<p>LinkedIn:</p> <p>We have an always-on campaign in which we deliver regular posts (at least four per month) highlighting key activities that support our company reputation. These include: sustainability updates (the annual report and progress); CSR (Bally Peak Outlook initiatives, Fondazione Bally per Arte & Cultura projects, Bally Crafting Futures projects); DEI (Diversity, Equity & Inclusion) initiatives and progress; as well as branding moments (campaign launches and events).</p> <p>2021 LinkedIn results:</p> <ul style="list-style-type: none"> • 13,966 new followers gained. • Almost tripled the number of posts (up by 175%, from 36 to 99). • Steadily increased engagements per post by 4%, with a 33% increase in comments per post. <p>Public Relations campaign for Bally Peak Outlook Foundation:</p> <p>Bally brings awareness to the Bally Peak Outlook Foundation's activities through annual global communications campaigns activating publicity, social media, website marketing, store animations, corporate events and media partnerships. To date, BPOF has earned over CHF 4.5 million in publicity value, with articles published across news, fashion and lifestyle media around the world.</p> <p>BPOF video documentaries have also received critical acclaim, with the launch film and the "8x8000m" initiative trailer series garnering the following awards: "Best Cinematography" at London Fashion Film 2021, and "Best Message" at Croatia Fashion Film Festival 2021.</p> <p>2021 BPOF PR campaign results:</p> <ul style="list-style-type: none"> • 55 articles published in the US, UK, Italy, Germany, Switzerland and Chinese mainland. • CHF 970,000 globally in publicity value

STANDARD	DISCLOSURE	2021 RESPONSE												
GRI 903	903-2 Investments made to increase the Brand's reputation in the Value market	<p>Upper funnel marketing activities that create awareness and drive desirability include: brand marketing projects (360 pop-ups/capsules); PR events (seasonal presentations); wholesale brand marketing (contributions to franchise/wholesale partners towards upper funnel activities); out-of-home advertising; offline/online media partnerships; paid social media advertising; celebrity/influencer engagements.</p> <p>- 2021 Upper Funnel global marketing investment: CHF 6.6 million.</p> <p>Number of violations ascertained in relation to the Supplier Code of Conduct in the supply chain: 0.</p>												
GRI 904	904 Training provided to staff on issues concerning the centrality of the customer	<table border="1"> <thead> <tr> <th></th> <th>VALUE</th> </tr> </thead> <tbody> <tr> <td>Total hours of training provided</td> <td>2,482</td> </tr> <tr> <td>Total hours of training provided on issues concerning the centrality of the customer</td> <td>540.00</td> </tr> <tr> <td>Percentage of training hours provided on issues that concern the centrality of the customer</td> <td>22%</td> </tr> <tr> <td>Categories of employees involved</td> <td>Retail Staff Worldwide</td> </tr> <tr> <td>A description of the training plans adopted and the main tools adopted</td> <td>Blended formula (physical, virtual and digital)</td> </tr> </tbody> </table>		VALUE	Total hours of training provided	2,482	Total hours of training provided on issues concerning the centrality of the customer	540.00	Percentage of training hours provided on issues that concern the centrality of the customer	22%	Categories of employees involved	Retail Staff Worldwide	A description of the training plans adopted and the main tools adopted	Blended formula (physical, virtual and digital)
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