

BALLY

Sustainability Report 2023

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CEO Message

It is hard to comprehend just how much the world has changed in unprecedented ways since we first started reporting on our sustainability journey half a decade ago. Global operations have seen radical shifts, and so have we. We are now firmly back on the Milan Fashion Week schedule and our contemporary take on Swiss craft and heritage is being embraced worldwide. For BALLY, 2023 has been an evolution and continuation of our core aims around making things better, by making better things. It has been encouraging to have some solid data come back for comparison and be able to see how our combined efforts are advancing us toward our environmental goals.

I am pleased to say that our Preferred Material List has already proven to be working well for us in reducing our environmental footprint. The PML was implemented in 2022 to ensure that by 2028 90% of our materials used were either renewable, recycled, organic, regenerative, bio-based, or low impact. We are currently at 53% of purchased materials coming from more sustainable sources, which is a strong start, and we will continue to hone our processes to meet our aims.

Another highlight has been the independent audit and certification from the SBTi (Science Based Target Initiative) which has approved our emissions reduction targets. This validates our detailed decarbonization plan which has been carefully outlined by committed BALLY colleagues who all play a role in purchasing goods, logistics, and energy consumption, considering different growth scenarios.

In 2023, as part of the Collective Virtual Power Purchase Agreement, we also signed an agreement – alongside 11 other companies – with a Spanish developer, Lightsource bp, that will build a new solar facility in the south of Spain by 2026. This has a forecasted energy output of 200,000 MWh annually which will then go back into the grid, making consumption on the whole inherently more renewable.

One of the things that I'm incredibly proud of in 2023 is the significant change and improvement made to our energy consumption and packaging practices. I am heartened to say that in the past 12 months, more than 91% of BALLY's energy consumption in our headquarters and offices worldwide came from renewable sources, showing an 18% improvement in one year. Similarly, we made the switch to compostable biodegradable PLA bags for the entire production of shoes in Switzerland, saving 1.7 tons of plastic.

Elsewhere, our carbon footprint for 2023 shows a significant decrease in GHG emissions of around -35% compared with 2022 and - 37% in 2019's baseline year. This is due to multiple elements, in particular to the implementation of organic and structural measures with material choices which represents an achievement we look forward to further develop throughout years. At its crux, environmental responsibility is a team effort with many, many moving parts, and I am immensely proud of everyone at BALLY for working so hard to navigate new ideas and solutions with such dedication and tenacity.

CEO Message

People do make or break a business, and it has always been crucial for BALLY to engage and collaborate with our colleagues to ensure they feel seen, and heard and play an active role in everything we do as a brand. With this in mind, in 2023 we carried out a new Materiality assessment, inviting key stakeholders to have their say. This has been instrumental in identifying any issues that need to be addressed and will inform a new sustainability roadmap that will set out our next steps. While this annual review is an important moment to stop and take stock of another year of positive changes, it is also clear that we still have much to do, and we are deeply passionate about ensuring that we both meet and exceed our goals. It is essential and urgent work, not only from a brand point of view but for the planet as a whole.

– Nicolas Giroto

Our Progress

As we report the fifth year of our Sustainability Roadmap, what started as a pledge of accountability and change in 2019, has evolved alongside the world at large to become an action-based manifesto of our core values. This report will outline the tangible changes that have been implemented to date, as well as highlight the goals we're working towards for a better future for all.

Significant progress has been made in 2023; not only have the SBTi (Science Based Target Initiative) approved and validated our emissions reduction targets but more than 91% of BALLY's energy consumption in Headquarters – Caslano, Milan and Florence – and offices worldwide came from renewable sources, showing an 18% improvement in one year.

From a product perspective, we have also reduced our plastic usage in packaging by 1.7 tons and achieved 53% of purchased materials coming from more sustainable sources. We have been paying close attention to our people, too, and launched an anonymous Employee Satisfaction Survey to better understand how our employees feel about their work lives.

Planet: highlights

SCIENCE BASED TARGET INITIATIVE TARGET APPROVAL

In 2023, the SBTi approved our emissions reduction targets. In order to achieve this goal, BALLY developed a decarbonization plan with internal stakeholders who play a role in purchasing goods, logistics and energy consumption, considering different growth scenarios.

OFFICES ENERGY CONSUMPTION

In 2023, more than 91% of BALLY's energy consumption in Headquarters – Caslano, Milan and Florence – and offices worldwide came from renewable sources, showing an 18% improvement in one year. This figure rises to 98% of our energy consumption from renewable sources when considering headquarters only.

Product: highlights

PREFERRED MATERIAL LIST RESULTS

After just one year of implementing its Preferred Materials List, BALLY achieved 53% of its purchased materials by weight as Preferred or Good in 2023, meaning they come from sustainable sources.

PLA BAGS

In 2023, BALLY replaced non-woven synthetic bags with compostable biodegradable PLA bags for all shoe production in Switzerland. This resulted in a substantial reduction of plastic usage of 1.7 tons.

People: highlights

EMPLOYEE SATISFACTION SURVEY

In 2023, we launched an anonymous Employee Satisfaction Survey to better understand how our employees feel about their work lives. The results of this survey were the basis for the creation of a comprehensive action plan with concrete measures for the further enhancement of our working environment. Many initiatives have already been implemented in 2023.

TECHNICAL SKILLS PROGRAM

BALLY values employee skill development and growth. Over time, we've introduced several learning initiatives to enhance their qualifications and competencies. In 2023, we introduced new programs such as the BALLY Development Way, which provides free public speaking and project management training to employees in Caslano.

Sustainability at BALLY

Our Swiss Heritage

BALLY has upheld a commitment to ethical business practices since its establishment in 1851. In its formative years, company founder Carl Franz Bally spearheaded progressive employee benefits, such as an onsite canteen, healthcare provisions, and pension schemes. Despite evolving into a global luxury fashion brand with over 600 stores worldwide, the essence of our operations remains rooted in Switzerland, and we continue to be steadfast in our dedication to our core values: prioritizing the well-being of our employees, preserving our craftsmanship and protecting the environment.

A BUSINESS WITH SOCIAL CONSCIENCE

Carl Franz Bally was an innovator in promoting responsible business practices, fostering a secure work environment, and implementing comprehensive welfare initiatives for all employees. Below are examples of the benefits he pioneered.

HOUSES FOR EMPLOYEES

In 1868, Carl Franz Bally got inspiration from the Cité ouvrière in Mulhouse and decided to build workers' houses in Schönenwerd. Indeed, Cité ouvrière is a housing complex built specifically for workers and their families near factories or industrial areas, which usually includes commodities and recreational areas. Therefore, BALLY's construction company (Baugesellschaft Schönenwerd AG) was founded and in the following years, houses were also built in Gretzenbach, Niedergösgen, Stüsslingen and Dottikon.

KINDERGARTEN

In 1872, Cécile Bally-Rychner, Carl Franz's wife, established a kindergarten for small children (Kleinkinderschule) intended for all BALLY workers' children. Later, in 1965 the day care nursery was newly constructed and Italian nuns were especially employed, as at this time most of the children came from Italian speaking workers.

BUSES

In the past, to make it easier to cover the long distance to work, the firm provided buses to workers and employees who organized and ran the transport. The service was later reclaimed for the modern day, and for the last 10 years BALLY has provided factory workers buses to come to work, which they organize themselves, as there are volunteers who drive the shuttles.

Our Sustainability Pillars

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

Transparency

BALLY firmly embraces the importance of transparency. This is why we released our sustainability roadmap in 2019 and have continued to publish annual reports to offer insights into our sustainability progress. By actively gathering and disseminating detailed information, we enhance our ability to set precise objectives.

Since 2021 we have annually published the list of our main Tier 1 and Tier 2 suppliers. To improve our transparency, we are trying to include more information. For example, this year's list included the gender breakdown of the workforce, the percentage of migrant and contract workers, and the length of the relationship.

Collaboration

BALLY has always taken pride in its relationship with local and non-local communities. In 2023, we continued to collaborate on numerous initiatives and projects and introduced volunteer activities for our employees at our Florence headquarters.

We continued to support the artistic community and preserve the mountain environment respectively through the work of the BALLY Foundation and the BALLY Peak Outlook Foundation.

In 2023, we also directly engaged our key stakeholders in our new materiality assessment. This allowed us to gather their perspectives, which will be helpful in determining our future actions.

Quality

BALLY products are renowned for their quality, craftsmanship, and timeless design. We maintain ongoing collaborations with our suppliers to procure the finest materials, products, and packaging, all while upholding social and environmental standards without compromise.

After the development of a new Preferred Materials List in 2022 — a tool to help us select sustainable materials — in 2023 we reached 53% by weight of purchased materials meeting the list criteria. This is something we are proud of, as it allows us to continue to improve our environmental and social footprint without compromising on the style, design and quality of our products.

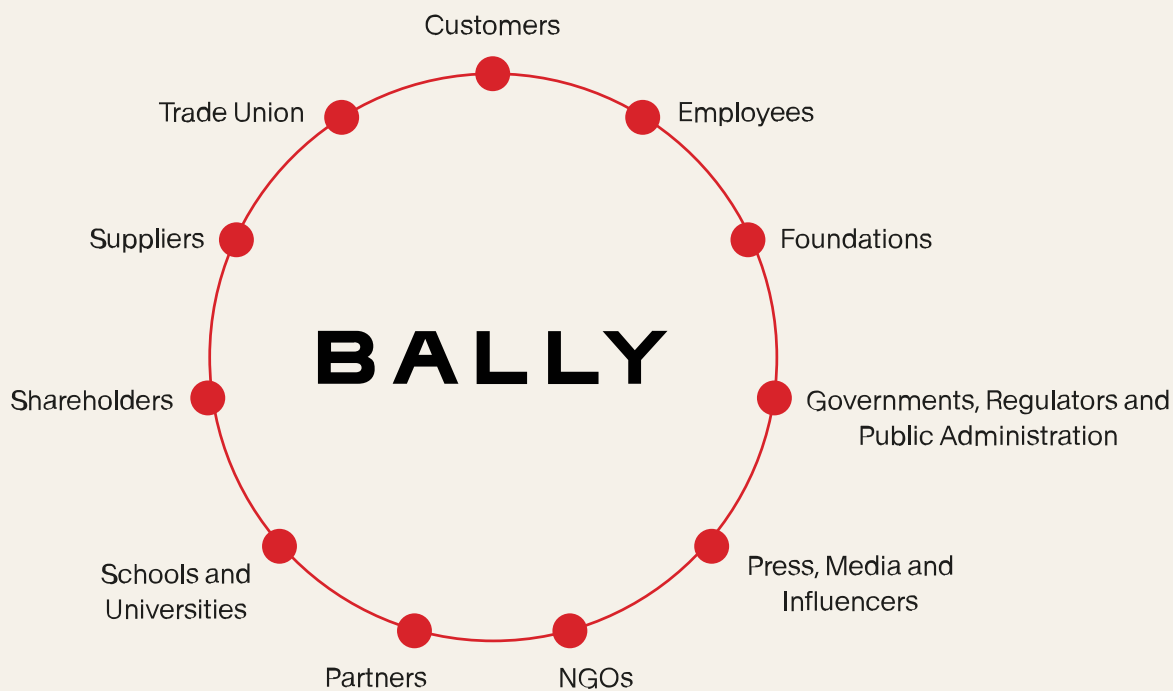
Progress

In a constantly changing landscape, we maintain that consistent progress, coupled with perseverance, is essential.

In 2023, BALLY performed a new Materiality assessment involving our key stakeholders. Through this process, we identified the priority issues that need to be addressed, along with the associated impacts and risks. A new sustainability roadmap will be developed based on this, which will guide our future actions.

Our Stakeholders and Materiality Assessment

Our Stakeholder Engagement



BALLY has always taken into deep consideration its community viewpoints. We have had a deep respect for their opinions, needs and concerns, and have always ensured that their voices are not only heard, but valued in every decision we make.

In 2023, amid the BALLY Materiality assessment (see page 14), this habit was made more formal and the main stakeholder categories were mapped according to a reciprocal influence criterion; anyone who can affect and/or is affected by BALLY's activities has been included.

According to this mapping, stakeholders who are to be involved in materiality assessment have been identified. To do this, we submitted our materiality questionnaire to the following stakeholders, asking them to express their opinion on a range of selected topic (see page 14).

- End Customers
- Employees
- Foundations and organizations
- Main Partners
- Shareholders
- Main Suppliers

The stakeholder involvement into the materiality assessment has been a first step into a larger formal stakeholder engagement plan: we want to keep including them and making them feel heard. We plan to involve them in the double materiality assessment which will be carried out in the future; according to the results of this further analysis, and through the resulting roadmap, we aim to develop a stakeholder engagement plan.

Our Materiality Analysis

The Materiality analysis is the process to identify the topics that represent the organization's most significant impacts on the economy, environment, and people, including impacts on their human rights (GRI 3).

In 2023, BALLY has performed a new Materiality assessment involving internal and external stakeholders, following these three steps:

UNDERSTANDING THE CONTEXT IN WHICH THE COMPANY OPERATES & IDENTIFICATION OF THE POTENTIAL MATERIAL TOPICS

This phase consisted of the analysis of:

01
Company documentation – previous materiality assessment, code of ethics, supplier code of conduct, policies and procedures.

02
Reporting Frameworks, ESG guidance, financial and risk management report.¹

03
Sector benchmarking – peers, apparel & shoes industry players and best in class, B2B partners.

With the results of the analysis performed, it was possible to identify a list of 30 topics which could be potentially material.

These themes were therefore categorized under “Environmental,” “Social,” “Governance” and “Product & Supply Chain” and submitted to the ESG Steering Committee for their validation.

ASSESSMENT OF THE TOPICS

A questionnaire was built, asking our main stakeholders (see page 13) to evaluate them by assigning a score according to the importance they thought these themes should have in BALLY's sustainability strategy. The questionnaire was formulated in seven languages – English, Chinese, French, German, Italian, Japanese and Spanish – to make it more understandable and accessible for our stakeholders.

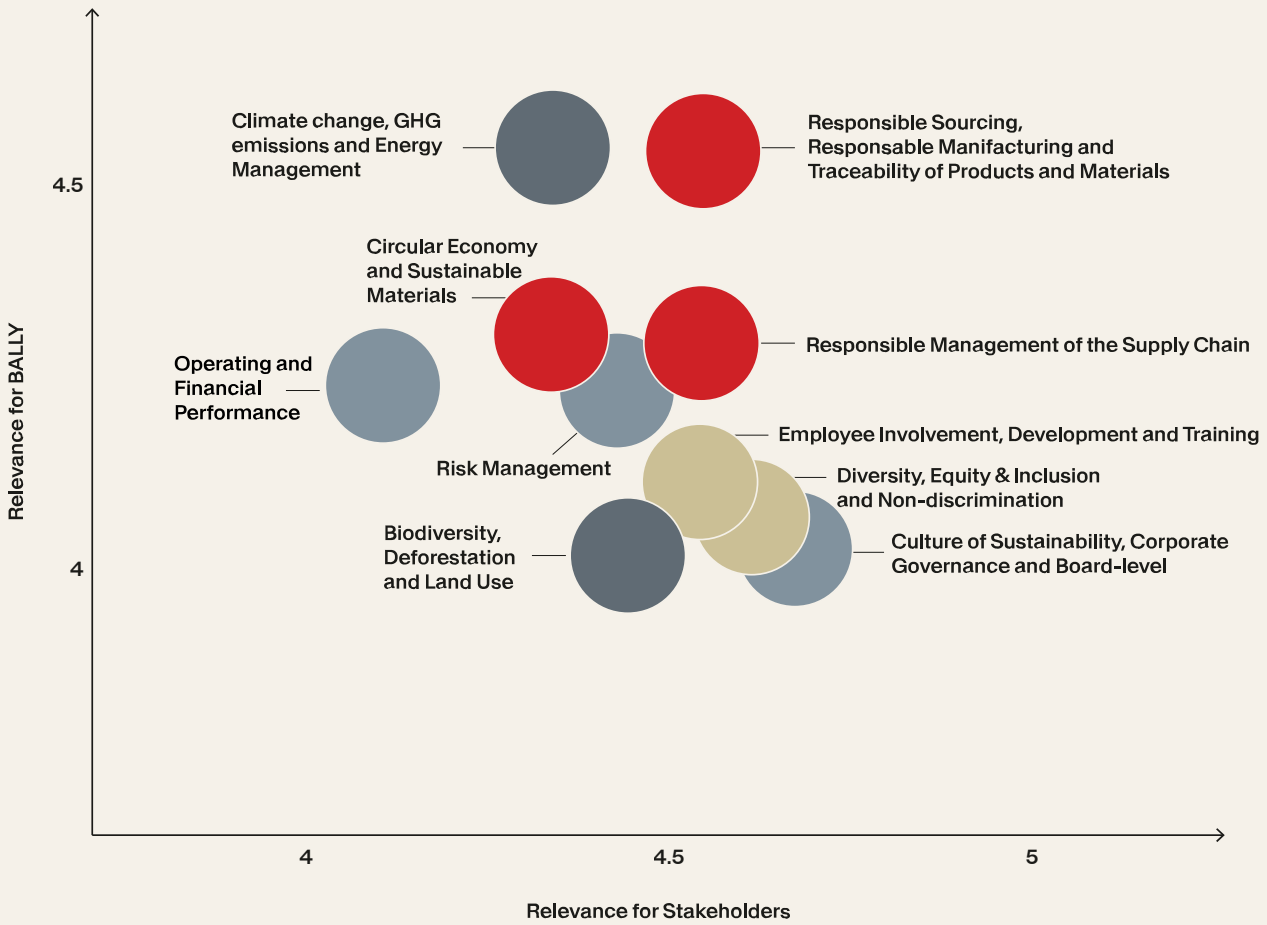
PRIORITIZATION ACCORDING TO THE OBTAINED RESULTS

According to the assessment's results, 10 material topics were identified: BALLY is preparing this Sustainability Report and is going to build a new sustainability roadmap in 2024.

An in-depth analysis has been performed to better establish the impacts and/or risks related to each material topic (see pages 17-21)

1. GRI (Global Reporting Initiative), SASB (Sustainability Accounting Standards Board) - Apparel, Accessories & Footwear Standard, OECD (Organisation for Economic Co-operation and Development) – Due Diligence Guidance for Responsible Supply Chains in the Garment and Footwear Sector, TCFD (Task Force on Climate-Related Financial Disclosures), MSCI (Morgan Stanley Capital International), WEF (World Economic Forum), UNGPRF (UN Guiding Principles Reporting Framework), UN GC (UN Global Compact)

OUR NEW MATERIALITY MATRIX



Material Topics

Below there is a comprehensive description of our material issues, divided according to their category.

ENVIROMENTAL

TOPIC	DESCRIPTION
Biodiversity, Deforestation and Land Use	Responsible use of resources, ensuring not to deteriorate biodiversity and the ecosystems through our sourcing, manufacturing and activities.
Climate Change, GHG Emissions and Energy Management	Reduction of the environmental impact, including GHG emissions.

SOCIAL

TOPIC	DESCRIPTION
Diversity, Equity & Inclusion and Nondiscrimination	Promote and guarantee a safe workplace free from any form of discrimination, embracing diversity and inclusion, and freedom of expression.
Employee Involvement, Development and Training	Provide a workplace where employees can continuously grow professionally.

GOVERNANCE

TOPIC	DESCRIPTION
Culture of Sustainability, Corporate Governance and Board-Level Accountability of ESG Issues	Promote and have a widespread awareness and responsibility of ESG topics.
Operating and Financial Performance	Operations and Financial efficiency of the company.
Risk Management	Identify, assess and manage actual and potential risks and impacts.

PRODUCT & SUPPLY CHAIN

TOPIC	DESCRIPTION
Circular Economy and Sustainable Materials	Offer quality and durable products, made of sustainable materials.
Responsible Management of the Supply Chain	Management of the relationship along the supply chain respecting environmental, social and economic standards.
Responsible Sourcing, Responsible Manufacturing and Traceability of Products and Materials	Traceability of materials and products along all the supply chain to ensure proper sourcing and manufacturing processes.

Material Topics – Existing and new

Compared to the previous materiality assessment, it should be noted that there are fewer material topics. We have decided to select the first 10 resulting from our analysis in order to better focus our efforts.

Nevertheless, many existing material topics are still featured in today scope:

- Concerning Environmental issues, the existing topics of *responsible handling of chemicals* and *efficient management of waste* were included into *biodiversity, deforestation and land use*.
- Concerning Social issues, the new material topics that emerged are especially focused on the development of our employees, as well as on DE&I matters. The existing topics of *employee involvement and training*, *employee welfare*, and *human rights and equal opportunities* are also included.
- Concerning governance issues, the new *culture of sustainability, corporate governance and board-level accountability of ESG issues* include the existing *corporate governance* and *culture of material sustainability*.
- Finally, concerning the product and supply chain issues, the existing *sustainable packaging* and *responsible sourcing* topics can be found under the new additions.

In order to give continuity with the previous report, we have decided to keep disclosing various elements of this information, even if it did not quantify as material according to the new materiality analysis outcomes. It can also be observed that topics concerning Climate Change and Supply Chain Management have been raised in importance as stakeholders are increasingly sensitive to these areas.

Material Topics Risks and Impacts

After having identified our material topics, BALLY has carried out an in-depth analysis of the actual and potential, positive and negative impacts.

To better assess them, we have relied on and delved into the documents previously identified and used to determine the potential material topics (see page 14). In addition, the risk analysis and roadmaps of B2B partners were consulted, as well as documents concerning risks in the agricultural sector, which is related to BALLY's raw materials supply.

They have later been classified according to four main categories of risks:

- Compliance Risk: risks and impacts related to regulations and standards.
- Financial Risk: risks and impacts that may affect the financial stability and profitability of the company.
- Operational Risk: risks and impacts arising from day-to-day internal processes and activities.
- Strategic Risk: risks and impacts related to the company's long-term objectives and viability.

The way these topics and their related impacts are currently managed have been outlined, while future actions to be implemented to keep improving our risk management processes have been identified.

ENVIROMENTAL TOPIC

MATERIAL TOPIC	IMPACTS	TYPE OF IMPACT (POSITIVE/NEGATIVE)	TYPE OF RISK	MANAGEMENT METHOD
Biodiversity, deforestation and land use	Impact on biodiversity related to business activities	Negative/Actual	Operational	<ul style="list-style-type: none"> · Enhance sectoral collaboration. · Study of biodiversity standard. · Implementation of our Preferred Material List.
	Scarce availability of raw material	Negative/Potential	Strategic Operational Financial	<ul style="list-style-type: none"> · Responsible use of materials through the implementation of our Preferred Material List and the development of waste policy.
Climate Change, GHG Emissions and Energy Management	GHG emissions related to business activities (Scope 1,2,3)	Negative/Actual	Operational	<ul style="list-style-type: none"> · Annual footprint calculation. · SBTi commitment with emissions reduction targets. · Commitment to the Fashion Pact CVPPA.
	Renewable energy market not sufficient to cover business activities	Negative/Potential	Operational	<ul style="list-style-type: none"> · Commitment to the Fashion Pact CVPPA. · Installation of solar pane over Caslano and Florence HQs.

MATERIAL TOPIC	IMPACTS	TYPE OF IMPACT (POSITIVE/NEGATIVE)	TYPE OF RISK	MANAGEMENT METHOD
Climate Change, GHG Emissions and Energy Management	New regulation on carbon emissions	Positive/Actual	Compliance	<ul style="list-style-type: none"> Implementation of our Preferred Material List. SBTi commitment with emissions reduction targets.

SOCIAL TOPIC

MATERIAL TOPIC	IMPACTS	TYPE OF IMPACT (POSITIVE/NEGATIVE)	TYPE OF RISK	MANAGEMENT METHOD
Diversity, Equity & Inclusion and non-discrimination	Incidents of discrimination	Negative/Potential	Strategic	<ul style="list-style-type: none"> Code of Ethics. Whistleblowing channels.
	Promotion of diversity and inclusion at the workplace	Positive/Actual	Strategic	<ul style="list-style-type: none"> DE&I policies. Internal courses.
Employee involvement, development and training	Loss of knowledge	Negative/Actual	Strategic Operational Financial	<ul style="list-style-type: none"> Welfare programs. HR policies. Internal training. Creation of a collaborative workplace with diffuse knowledge.
	Difficulties in attracting and retaining employees	Negative/Actual	Strategic Operational Financial	<ul style="list-style-type: none"> Welfare programs. HR policies. Internal training.
	Creation of a good workplace and a sense of belonging through incentives and policies	Positive/Actual	Strategic Operational Financial	<ul style="list-style-type: none"> Welfare programs. HR policies. Internal training.

GOVERNANCE TOPIC

MATERIAL TOPIC	IMPACTS	TYPE OF IMPACT (POSITIVE/NEGATIVE)	TYPE OF RISK	MANAGEMENT METHOD
Culture of sustainability, Corporate Governance and board-level accountability of ESG issues	Promotion of sustainable practices and creation of a sustainability culture	Positive/Actual	Strategic	· Structuring Cross Departmental Sustainability Responsibility.
	Integration of sustainability topics inside operational activities	Negative/Actual	Operational	· Evaluation of bonus linked to sustainability targets.
	Company sustainability approach strengthened	Positive/Potential	Strategic	· Structuring Cross Departmental Sustainability Responsibility.
	Loss of credibility	Negative/Potential	Strategic Financial	· Sustainability as a core value of the company.
Operating and financial performance	Loss in profitability	Negative/Potential	Strategic Financial	· Company Business Plan
Risk management	Sudden shift in consumers 'choices	Negative/Potential	Strategic Financial	· Continuous monitoring of our customer base sentiment
	Noncompliance with upcoming market standards, regulations and/or legislation	Negative/Potential	Compliance	· Monitoring upcoming regulations, legislation and requirements.
	Systemic variations in the economic environment (e.g., unavailability of supplies due to great geo-political events)	Negative/Potential	Strategic	· Strategic relationship with key suppliers · Focus on the capability of reserving production capacity in the years ahead · Supply chain flexibility · Enhance sectoral collaboration
	Risk mitigation, taking advantage of new opportunities	Positive/Potential	Strategic Financial	· Continuous monitoring of our customer base sentiment · Monitoring upcoming regulations, legislation and requirements

PRODUCT & SUPPLY CHAIN TOPICS

MATERIAL TOPIC	IMPACTS	TYPE OF IMPACT (POSITIVE/NEGATIVE)	TYPE OF RISK	MANAGEMENT METHOD
Circular economy and sustainable materials	Failure to identify recycled/circular materials	Negative/Potential	Strategic Operational	<ul style="list-style-type: none"> · Implementation of our Preferred Material List. · Using specific circularity. · Study of circularity models.
	Failure to design circular products	Negative/Potential	Strategic Operational	<ul style="list-style-type: none"> · Study of circularity models.
	Failure to reduce packaging waste	Negative/Potential	Strategic Operational	<ul style="list-style-type: none"> · Study of new packaging.
	Failure to identify less impactful materials	Negative/Potential	Strategic Operational	<ul style="list-style-type: none"> · Implementation of our Preferred Material List.
	Development of new circular business models (i.e. rentals and second hand)	Positive/Potential	Strategic Operational Financial	<ul style="list-style-type: none"> · Scribe Renewal Program. · Development of repair/renewal programs. · Evaluation of new circular business models.
Responsible management of the supply chain	Violation of human rights along the supply chain	Negative/Potential	Strategic	<ul style="list-style-type: none"> · Application of our Supplier Code of Conduct. · Monitoring our Whistleblowing channels. · Keeping relationship with trusted supplier. · Development and update of our Vendor Management. · Introduction of external audit.
	Violation of environmental standards and regulations along the supply chain	Negative/Potential	Strategic	<ul style="list-style-type: none"> · Application of our Supplier Code of Conduct. · Monitoring our Whistleblowing channels. · Keeping relationship with trusted supplier. · Development and update of our Vendor Management. · Introduction of external audit.
	Excessive supply fragmentation and discontinuity	Negative/Potential	Operational Strategic	<ul style="list-style-type: none"> · Development and update of our Vendor Management. · Foster last longing relationships with suppliers. · Digitalization of information exchange on sustainability topics.

MATERIAL TOPIC	IMPACTS	TYPE OF IMPACT (POSITIVE/NEGATIVE)	TYPE OF RISK	MANAGEMENT METHOD
Responsible sourcing, responsible manufacturing and traceability of products and materials	New regulation on materials traceability	Positive/Actual	Compliance	<ul style="list-style-type: none"> · Implementation of our Preferred Material List. · Enhance sectoral collaboration. · Monitoring upcoming regulations, legislation and requirements.
	New regulation on products traceability	Positive/Actual	Compliance	
	Selection and use of materials not environmentally compliant	Negative/Potential	Strategic Compliance Operational	<ul style="list-style-type: none"> · Careful selection of materials with the aid of existing tools such as our Preferred Material List and Restricted Substance List. · Evaluation of new tool for materials selection.
	Selection and use of products not environmentally compliant	Negative/Potential	Strategic Compliance Operational	<ul style="list-style-type: none"> · Careful selection of products with the aid of existing tools such as our Preferred Material List and Restricted Substance List. · Evaluation of new tool for products selection.
	Employment of processes not environmentally compliant	Negative/Potential	Strategic Compliance Operational	<ul style="list-style-type: none"> · Careful selection of products with the aid of existing tools such as our Preferred Material List and Restricted Substance List. · Evaluation of new tool for products selection. · Keeping relationship with trusted supplier. · Development and update of our Vendor Management. · Introduction of external audit.
	Scarce availability of raw material	Negative/Potential	Strategic Operational Financial	<ul style="list-style-type: none"> · Foster last longing relationships with suppliers. · Responsible use of materials through the implementation of our Preferred Material List and the development of waste policy.

Governance

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

BOARD OF DIRECTORS

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

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

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

ESG COMMITTEE

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

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

Our Planet

Our Planet

As we work to become a more sustainable brand, we look even more closely at our energy consumption. While we have been monitoring it for the past five years, in 2023 we decided to recalculate our current and historical data in keeping with best working practices to ensure we have the most reliable statistics for comparison.

This data was then submitted and validated by the Science Based Targets Initiative (SBTi) reinforcing our commitment towards our sustainability goals. We are also still proud to be members of the Collective Virtual Power Purchase Agreement, which invests in new clean energy infrastructure.

Our Footprint

During 2023 we calculated our footprint related to 2022 activities and we also refined the one made in 2020 referring to 2019 data.

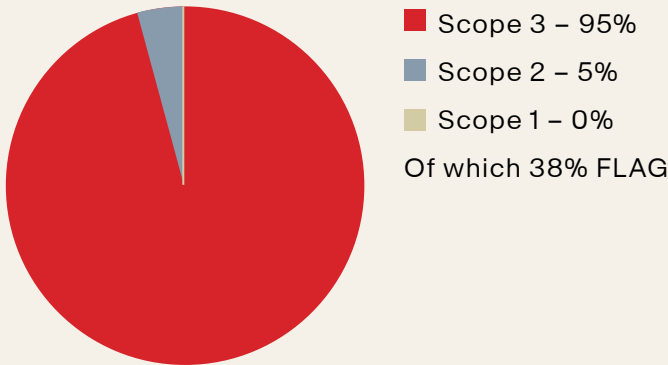
There are several reasons underlying this recalculation.

In 2022 SBTi introduced the FLAG (Forest, Land, Agriculture) emissions calculation which covers GHG emissions from Land Use Change, land management, as well as the potential from carbon removals from forestry and agriculture supply chains. Accordingly, there was a need for a recalculation of the 2019 baseline to have comparable data.

In addition, our ability to collect and extract data has also improved. Therefore, we decided to take this opportunity to deep dive the 2019 data and perform the recalculation so that the 2019 and 2022 footprints are easier to compare, as they have the same data structure and are built using the same methodology. Both the footprints — 2019 updated and 2022 — were submitted to SBTi together to get validation of their comparability and consistency.

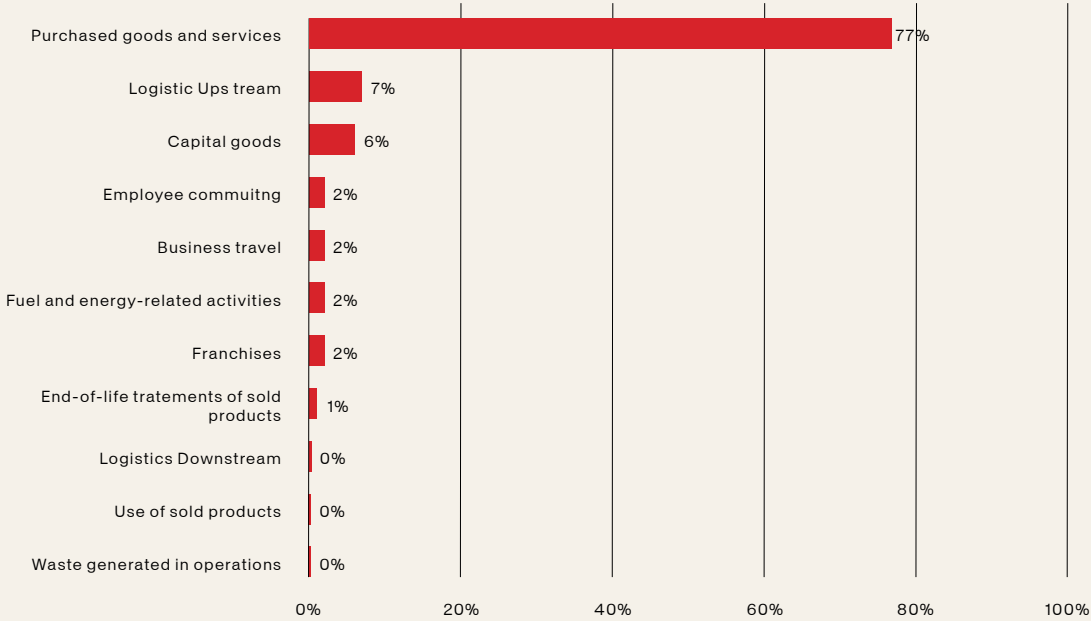
In this paragraph a specific overview of changes and updates is given. The results are illustrated below.

Corporate Footprint Update 2019



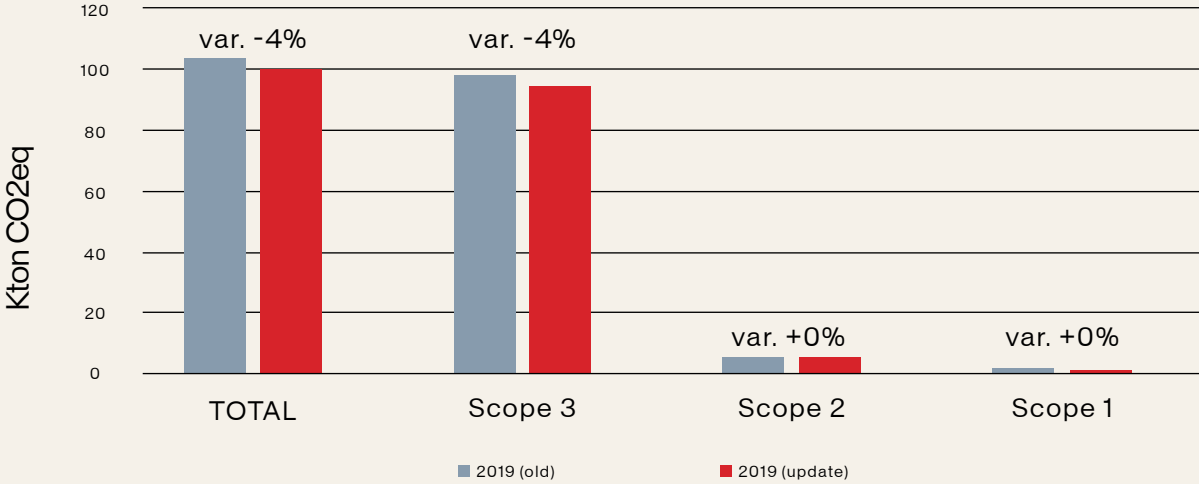
GHG SCOPE	2019 (UPDATE)
Scope 1	0.38
Scope 2	4.65
Scope 3	94.83
TOTAL	99.68

SCOPE 3 – CATEGORY 2019 UPDATE



Corporate Footprints (2019) Comparison

GHG SCOPE

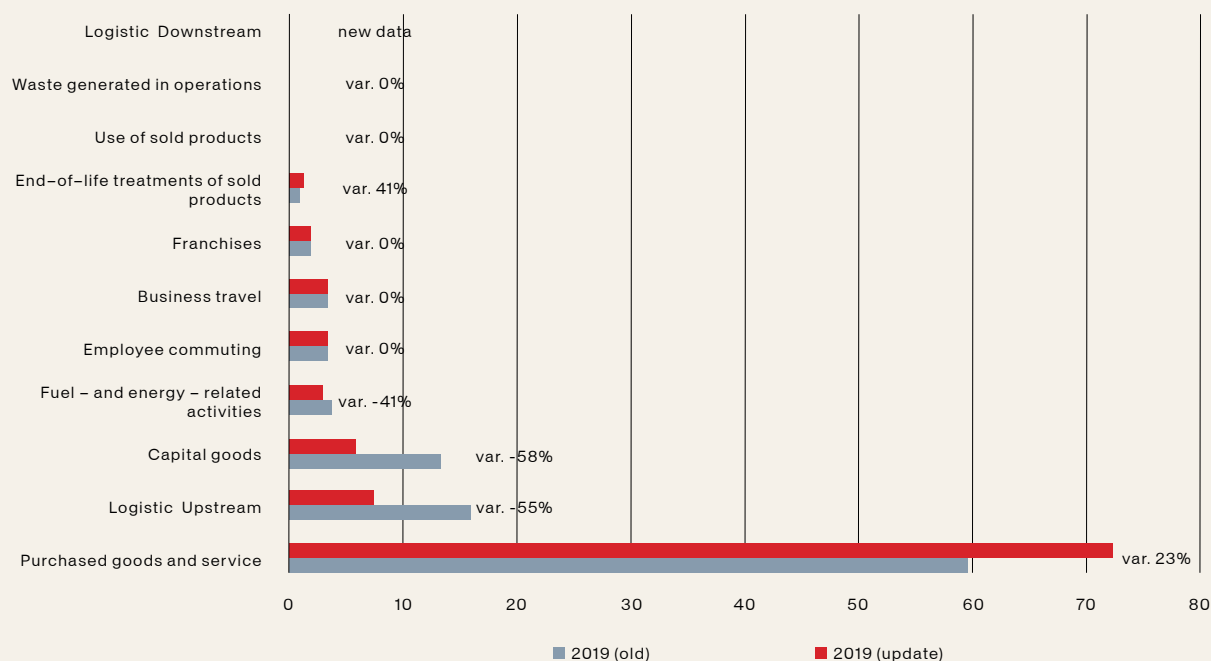


GHG SCOPE	2019 (OLD)	2019 (UPDATE)
Scope 1	0.38	0.38
Scope 2	4.65	4.65
Scope 3	98.66	94.83
TOTAL	103.69	99.68

The update of 2019 carbon footprint showed a slight decrease in Scope 3 GHG emissions. The total value decreases by 4%; a detailed overview of the main differences in Scope 3 split by categories has been reported in the next templates.

SCOPE 3 CATEGORY (TONS)	2019 (OLD)	2019 (UPDATE)
Purchased goods and service	59	73
Capital goods	14	6
Fuel – and energy – related activities	3	2
Logistics Upstream	16	7
Logistics Downstream	0	0
Waste generated in operations	0	0
Business travel	2	2
Employee commuting	2	2
Use of sold products	0	0
End-of-life treatments of sold products	1	1
Franchises	1	1
TOTAL	98.7	94.8

SCOPE 3 – CATEGORY 2019 UPDATE



Changes have occurred either for methodological updates, i.e. alignment with FLAG contribution calculation and new mission factors, either for data updates on Capital goods or Purchased goods.

In our Carbon Footprint update, Flag contribution represents around 36% of the total footprint with leather, especially bovine, being the main contributor.

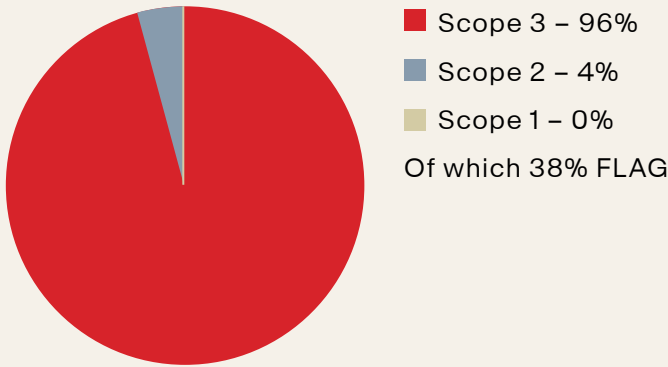
SCOPE 3 CATEGORY	2019 (OLD)	2019 (UPDATE)	METHODOLOGICAL UPDATE	DATA UPDATE	COMMENTS
Purchased goods and service	59.35	73.05	YES	YES	Update of Emission Factors to be aligned with FLAG contribution calculation and data update
Capital goods	14.07	5.86	NO	YES	Update of CAPEX data
Fuel- and energy-related activities	2.86	1.70	YES	NO	Update of Emission Factors available for 2019
Logistics	15.74	7.04	YES	NO	Update of Air Emission Factors
Waste generated in operations	0.0001	0.0001	NO	NO	
Business travel	2.15	2.15	NO	NO	
Employee commuting	2.16	2.16	NO	NO	
Use of sold products	0.03	0.03	NO	NO	
End-of-life treatments of sold products	0.84	1.19	NO	NO	
Franchises	1.48	1.48	NO	YES	Update of Air Emission Factors
TOTAL	98.68	94.65			

The review of the 2019 data collection highlights an initial underestimation of purchased materials in the first version of Carbon Footprint as shown in the table above. Consequently, all the categories of GHG Emissions related to purchased goods and services increased.

Concerning Logistics, we observe an overall reduction in the emissions, but their structure remains unvaried. In fact, even if the Emission Factors of air transportation have been changed in the updated analysis, this transport mode still represents more than 97% of the total logistic impact.

When referring to capital goods we register a strong reduction in GHG emissions because, in 2019, all "Fixed Assets", and therefore all BALLY's physical properties, were reported in the carbon footprint, regardless of the year of acquisition. However, according to the GHG Protocol for category 3.2, only the capital goods purchased in the reference year should be included in the calculation, thus these values have been removed in the update.

Corporate Footprint 2022



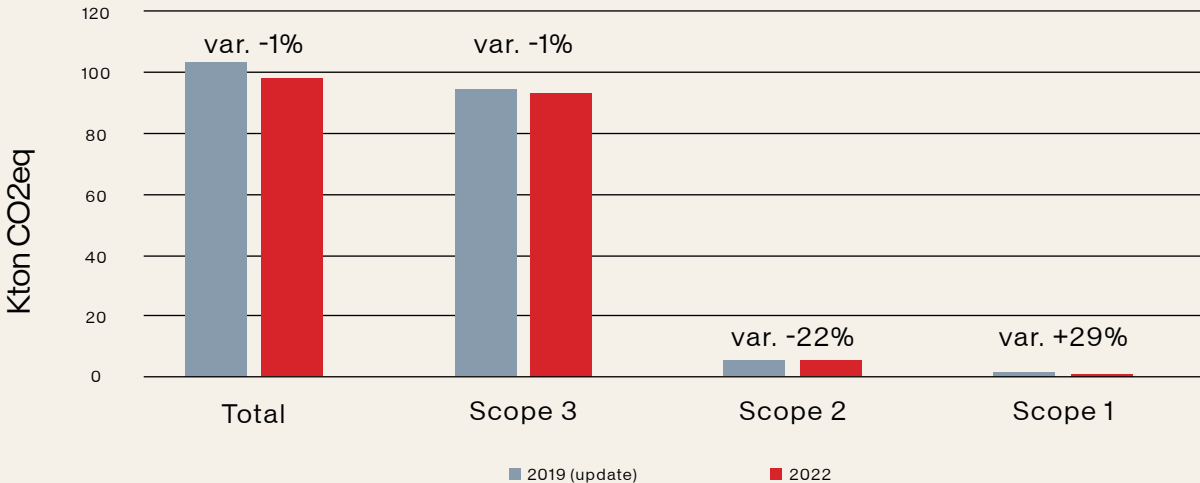
GHG SCOPE	2022
Scope 1	0.49
Scope 2	3.63
Scope 3	93.81
TOTAL	98.77

Our 2022 footprint shows a decrease in GHG emission of approximately 1% compared to the 2019 CF Update. This is mainly due to the decrease in Scope 2 that happened thanks to the purchase of green energy for the Caslano manufacturing site.

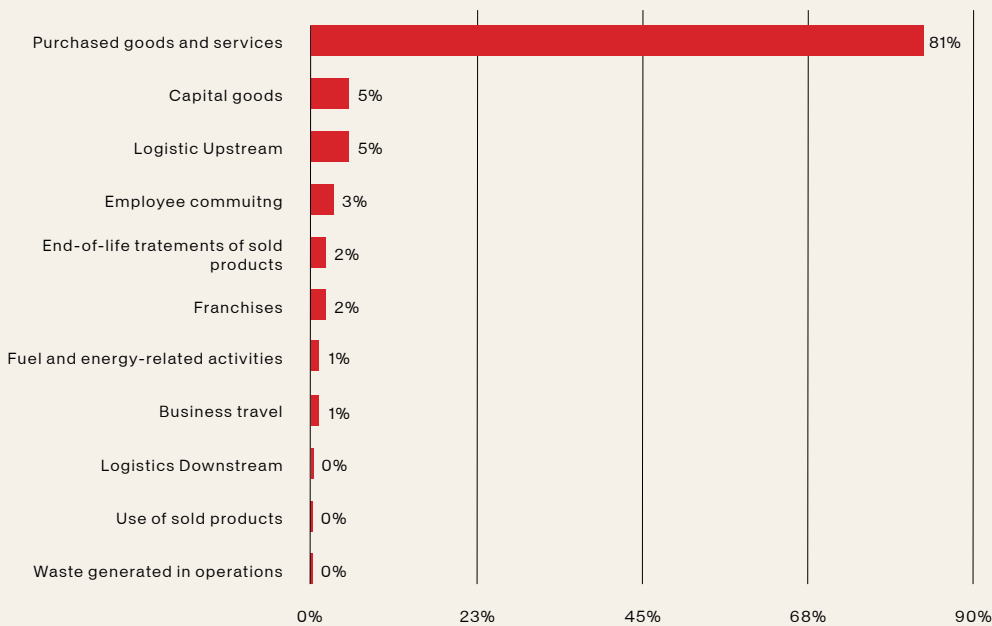
A slight decrease in Scope 3 emissions is also reported. The comparison between 2019 and 2022 reports a decrease in the impact of Calf and Bovine leather due to the decrease in purchasing and the LWG certification (Gold and Bronze) of the tanneries. Textiles and rubber significantly increase their impact in 2022 mainly due to the increase of purchased volumes.

As we did for the 2019 update, we introduced FLAG emissions, that represent around 38% of the total in 2022, with the main contribution of leather, especially bovine. Given the decreases on Scope 2 and 3, we register a slight absolute increase in Scope 1 (but constant in percentage terms) due to an increase in diesel and petrol consumed by cars used for business travel.

GHG SCOPE – COMPARISON 2022-2019 UPDATE



SCOPE 3 – CATEGORY 2022



Corporate Footprint 2023

ASSESSMENT BOUNDARIES

Our corporate footprint is divided into three scopes, as per the Greenhouse Gas Protocol (GHGP):

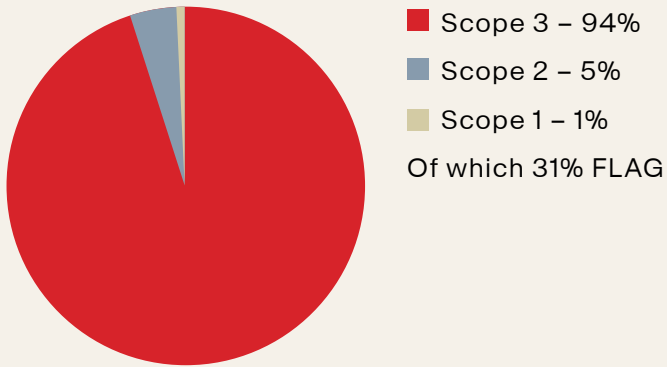
- Scope 1 (direct GHG emissions)
- Scope 2 (indirect GHG emissions)
- Scope 3 (indirect GHG emissions)

The categories of Scope 3 taken into account into our calculations are:

- Category 1: Purchased goods and services
- Category 2: Capital goods
- Category 3: Fuels and energy-related activities (FERA)
- Category 4: Upstream transportation and distribution
- Category 5: Waste generated in operations
- Category 6: Business travel
- Category 7: Employee commuting
- Category 8: Upstream leased assets
- Category 9: Downstream transportation and distribution
- Category 10: Processing of sold products
- Category 11: Use of sold products
- Category 12: End-of-life treatment of sold products
- Category 13: Downstream leased assets
- Category 14: Franchises
- Category 15: Investments

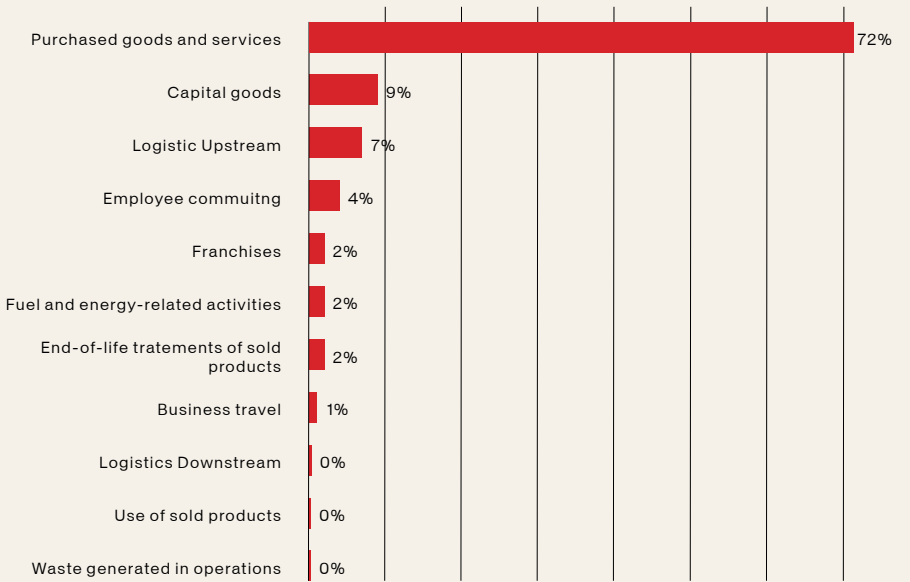
Scope 2 has been calculated following a market-based method decrease due to the increase of green energy procurement.

CORPORATE FOOTPRINT 2023

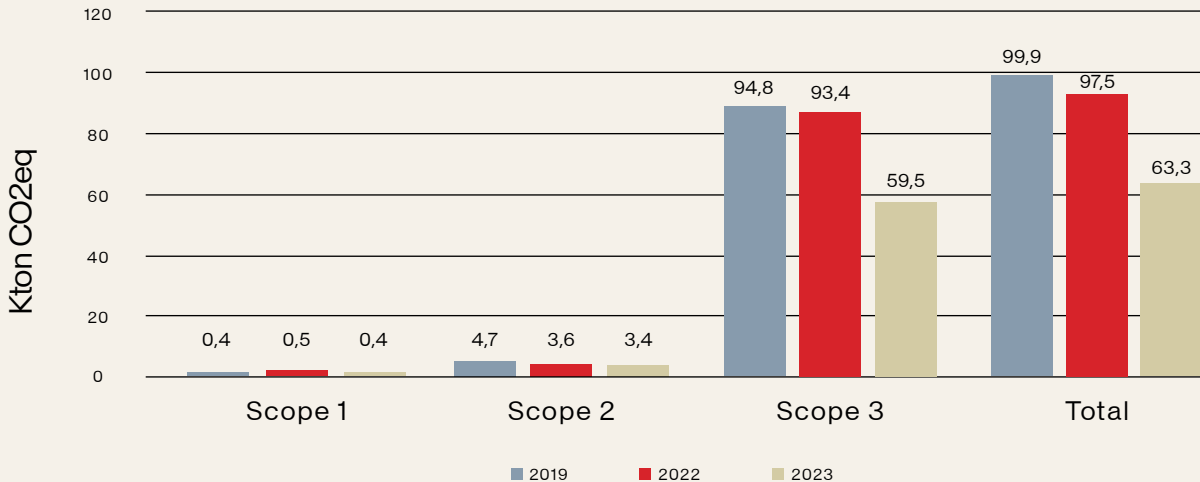


GHG SCOPE	2022
Scope 1	0.41
Scope 2	3.44
Scope 3	59.49
TOTAL	63.37

SCOPE 3 – CATEGORY 2023



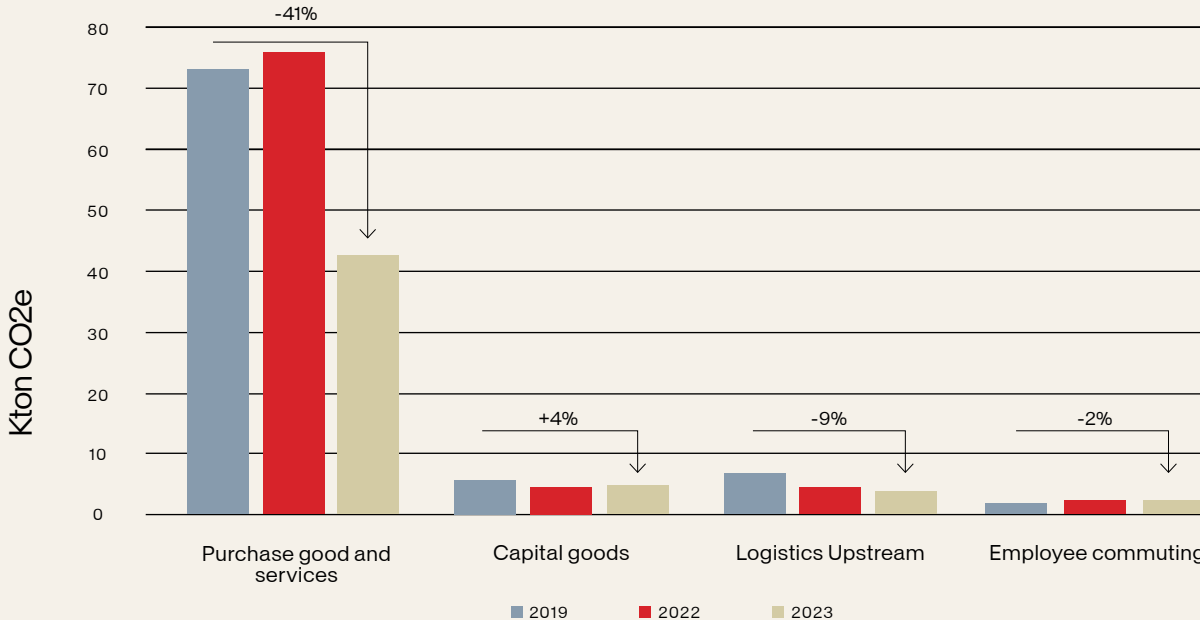
Our carbon footprint for 2023 shows a significant decrease in GHG emission of around -35% compared with 2022 and - 37% from 2019’s baseline year.



	2021	2022	2023
Scope 1	0.4	0.5	0.4
Scope 2	4.7	3.6	3.4
Scope 3	94.8	93.4	59.5
TOTAL	99.9	97.5	63.3

This decrease is due to multiple elements, such as: structural material choices, volumes variation, an improvement in measurement model (see page 25) and logistics upstream (-9%) with a consequential decrease of the Scope 3 category.

MAIN SCOPE 3 CATEGORIES IN ACTUAL VALUE



Alongside the reduction of our production volume thus far, there is also a significant contribution to the footprint contraction from organic measures put in place for increasing material certification and the use of alternative, organic and recycled materials.

2019 FLAG kton CO ₂ e	Decrease Percentage		
	From organic measures	From production decrease	Total
38	-3%	-41%	-44%

2019 non FLAG kton CO ₂ e	Decrease Percentage		
	From organic measures	From production decrease	Total
34	-6%	-33%	-39%

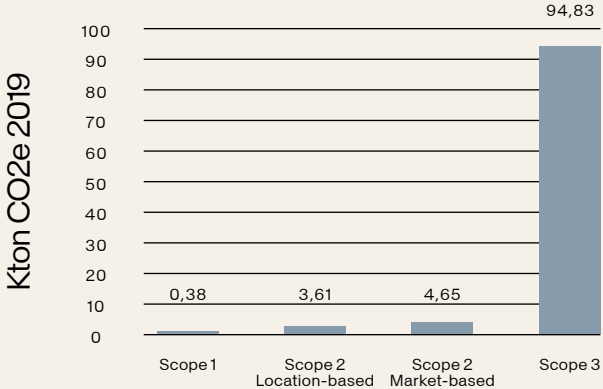
When concentrating on the purchased goods and services elements the comparison between 2019 and 2023 shows a concrete reduction of impact related to calf and bovine leather and in almost all the other materials among textile such as cotton, nylon and cashmere.

GHG Inventory Overview

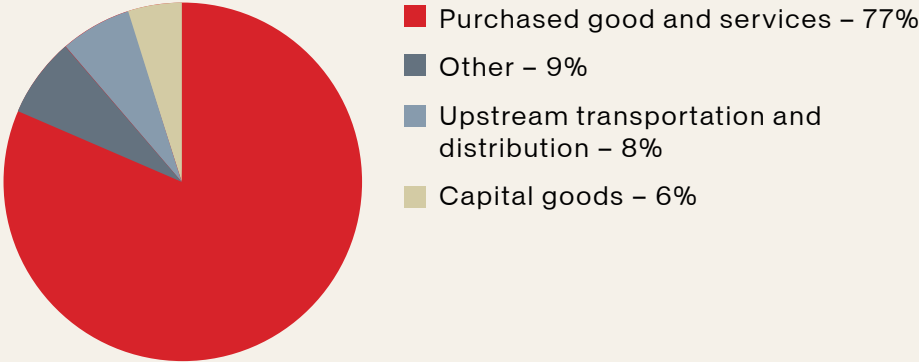
Since 2019, BALLY has submitted two GHC inventories to be reviewed and validated by the Science Based Target Initiative (SBTi) team. As a result, the company has reported a total of 99,840 GHG emissions (tCO₂e) in the full minimum boundary (Scopes 1, 2 and 3) for the calendar year of 2019. For the calendar year of 2022, the company has reported a total of 97,880 GHG emissions (tCO₂e).

BALLY also decided to report emissions outside the minimum boundary with no emissions from the combustion, processing and distribution phase of bioenergy as well as land use emissions and removals, associated with bioenergy feedstocks. Please see below for the full breakdown of BALLY's inventory.

TOTAL GHG EMISSION



SCOPE 3 BREAKDOWN CATEGORY

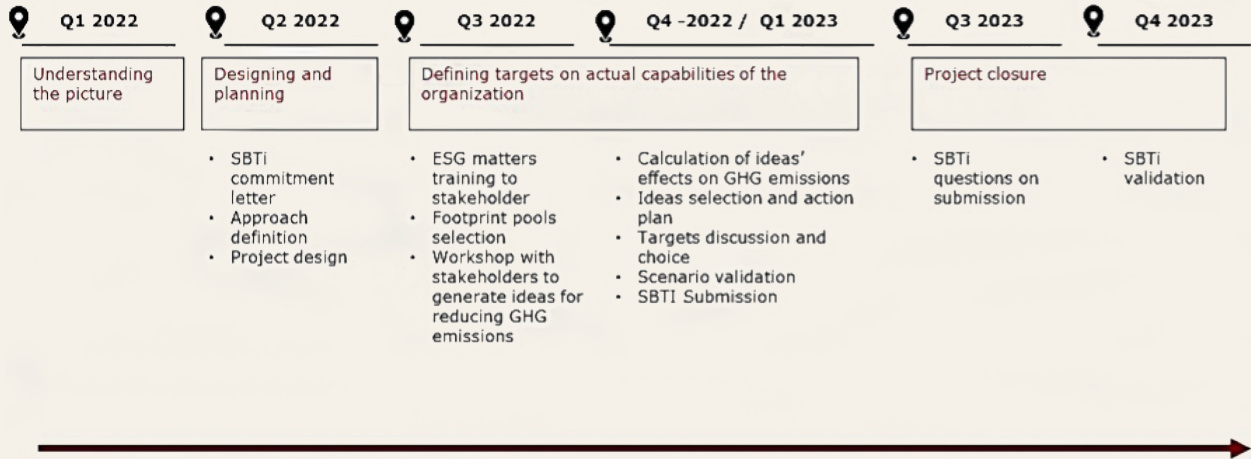


The total Scope 3 reported by SBTi does not include the “use phase” line, which is part of another part of the form.

Our footprint data therefore differs by 0.025 Kton on 2019 data and by 0.05 Kton for 2022.

Science Based Target initiative (SBTi) Target identification and approval

Our approach to SBTi targets identification, communication and approval was defined in Q1 2022. Over the course of almost two years, our focus from the beginning was to understand what we would have needed to do to reduce our GHG emissions before making the submission.



We decided to start by analyzing our footprint in depth, with the aim of understanding where our criticalities were and how we could tackle them.

We were convinced that we should not define consistent and viable targets without knowing in advance what actions we could take and what efforts and energy we should have put in to achieve the necessary footprint reduction.

With this perspective, we started a dedicated project with Quantis that involved all the company's departments having a role in purchasing goods, logistics and energy consumption. All stakeholders were asked, from bottom up, to give their direct contribution. To do so, a set of specific trainings and workshops have been organized to explain the meaning of the initiative, the basics of Climate Change, of GHG emissions and to clarify which portion of our business that they depend on.

We clearly explained the meaning of each line contributing to the footprint so that our stakeholders could be the primary source for challenging our status quo and making the company understand what we could do to reduce the total footprint.

The result was the identification of nine different clusters of actions referred to material choice, materials certifications, transportation means and energy supply.

Thanks to significant group effort, several ideas were generated, collected, and then translated into a reduction of emissions. We then selected a list of those ideas so that the sum of CO reduction would be enough to comply with SBTi targets. We are proud to report that this exercise was done in a few different growing scenarios to make our hypothesis and actions stronger and further-reaching.

This allowed us to properly identify our targets and to communicate them to SBTi for validation.

This happened in Q2 2023 and right after we submitted our target for validation. In Q4 2023, our SBTi figures have been approved and communicated:

- BALLY commits to reduce absolute scope 1 and 2 GHG emissions by 46.2% by 2030 from a 2019 base year.
- BALLY also commits to reduce absolute scope 3 GHG emissions from purchased goods and services, and upstream distribution by 46.2% within the same timeframe.

In conclusion, besides its SBTi validated data, BALLY today has a decarbonization plan that gives a clear path to achieve its targets.

Our Energy Consumption

Enhancing our energy mix is crucial to reduce our environmental footprint.

HQ and Offices

Regarding the 2023 energy consumption of our HQs (Switzerland and Italy), we are proud to share that it decreased by 4% compared to 2022 data and that more than 98% came from renewable sources, marking a significant 21% enhancement over 2022.

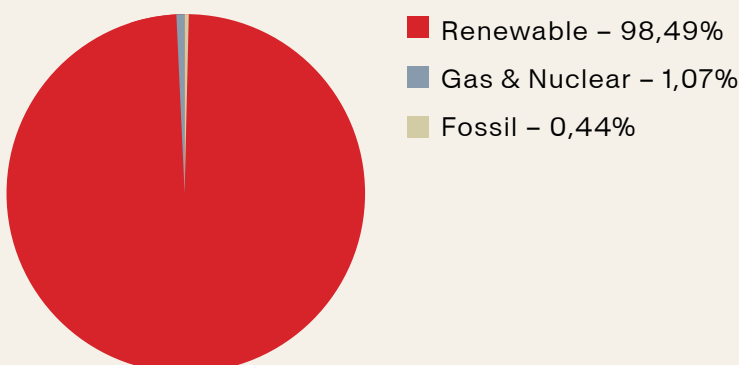
Swiss and Italian HQs (in MWh)	Total	Renewable	Gas & Nuclear	Fossil
Total 2022	3,275	2,568	555	152
Total 2023	3,154	3,106	34	14
Delta	-4%	21%	-94%	-91%

This outstanding result was achieved thanks to the offsetting of the kWh consumed for Milan and Caslano offices through the purchase of green certificates, as well as the installation of solar panels on the roof of our Caslano facilities carried out in 2021, which covers almost 24% of energy consumption for our Swiss HQ.

Regarding the overall energy consumption, we are also proud to underline that, in 2023, only 0.44% of our energy consumption came from higher-polluting sources such as fuel or coal. This represents a huge achievement for us: marking a 91% reduction compared to our 2022 figures.

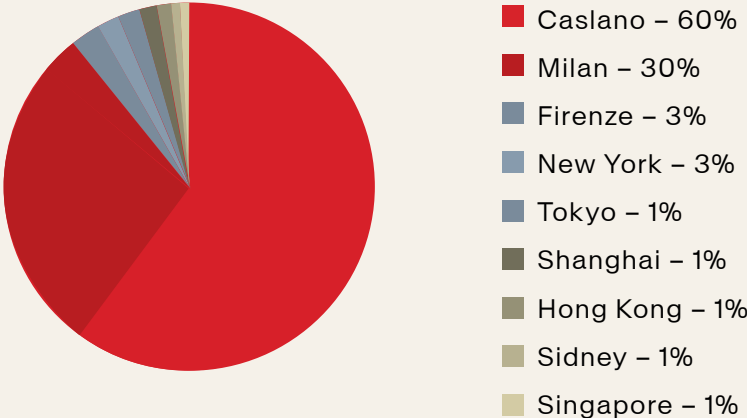
The remaining part of our energy consumption was derived from nuclear and gas, which are considered as transitional sources in the roadmap towards more sustainable energy consumption, as endorsed by the EU's Green Taxonomy.

ENERGY BREAKDOWN HQs (SWITZERLAND AND ITALY)



In 2023, we also kept monitoring our energy consumption — including our Shanghai, Sydney and Hong Kong offices — as well as the Caslano’s keeper house which, being separated from our organization, remains part of the industrial complex. We were also able to include an estimation of the consumptions in our Singapore, Tokyo and New York offices through proxies.

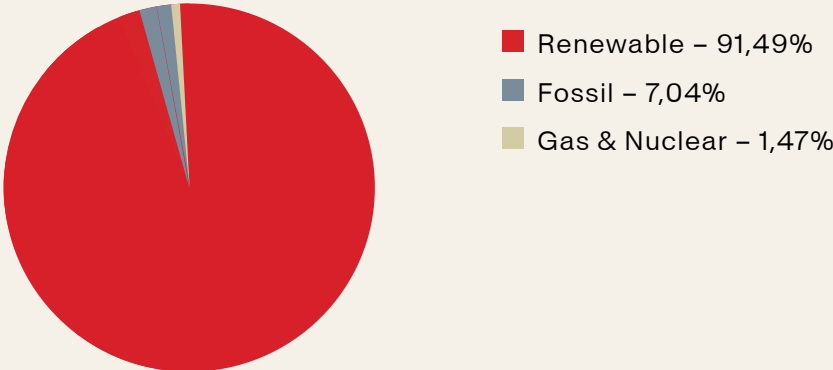
TOTAL ENERGY CONSUMPTION - HQs AND OFFICES



This data gives us an awareness of our environmental impact and the subsequent actions we must undertake. In 2023, alongside consumptions, we kept monitoring the energy sources. We take pride in reporting that more than 91% of our energy consumption in HQs and offices worldwide was sourced from renewable sources, marking a notable 18% improvement within one year.

Given the uncertainties that remained in 2023 energy market, and our assumption of “100% fossil” as energy origin when information was not available, we consider this noteworthy progress towards transitioning to more sustainable sources.

ENERGY BREAKDOWN – HQs AND OFFICES



Collective Virtual Power Purchase Agreement (CVPPA)

The CVPPA is a long-term project that accelerates renewable electricity adoption by investing in new clean energy infrastructure. It aims to add 160,000 MWh per year of renewable electricity to the grid in Europe and is unique for the fashion industry in that it involves companies both large and small working together.

The project serves as an enabler for members to reach their goals of renewable energy coverage within their own operations.

It is also a testing ground that allows us to work on future programs to expand geographically, opening a pathway for increased ambition to start reducing emissions also in the supply chain.

Region: Europe

Timeline:

2022: Launch of a European PPA

2024: Building of Solar Assets

Partners: Developed in collaboration with the energy and technical consultancy firms Guidehouse and 2050, with legal support from Baker McKenzie

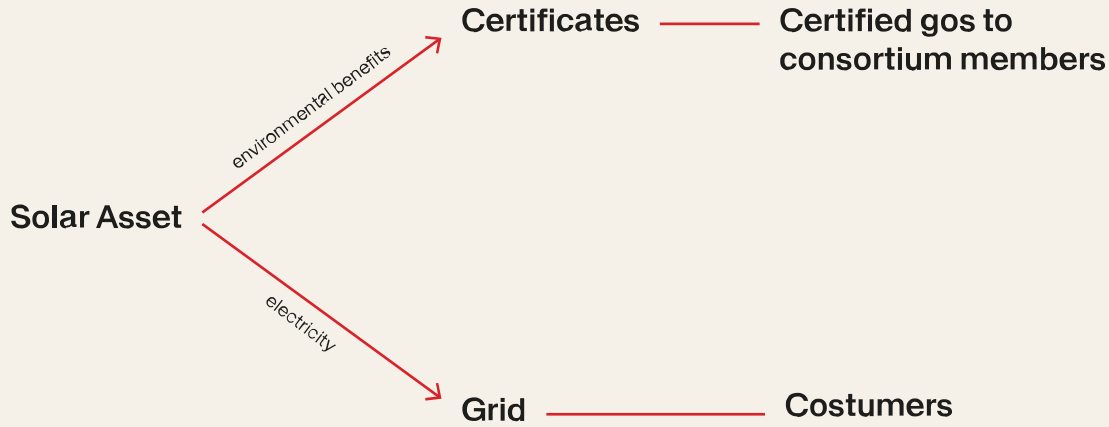
Earlier in 2021, The Fashion Pact put together a consortium of international companies with operational Scope 2 emissions in Europe with the aim of accelerating the transition of the fashion industry to renewable energy in own operations and decarbonize supply chains.

The idea was to build solar assets producing additional renewable energy to be injected into the grid, thus diminishing the same amount of absorption of energy derived from fossils.

The tool identified to meet the consortium's needs was a Collective Virtual Power Purchase Agreement (CVPPA), a derivative contract that allows the production of new green energy in suitable locations (for solar or wind energy) and transfer its certificates to participants across Europe in full compliance with international regulations and best practices.

A Collective Virtual Power Purchase Agreement is a shared renewable energy procurement contract that does not require the physical generation and direct consumption of renewable electricity, but instead adds additional renewable electricity to the grid, allowing for greater geographic flexibility.

The flow can be described as follows:



In 2023 we signed, together with 11 other participants, an agreement with a Spanish developer, Lightsource bp, that will build a new solar facility in the south of Spain by 2026. The plant is expected to have a capacity of over 110 MWp and an Annual Output in excess of 200,000 MWh. Bally will benefit from Facility EECS Certificates and other Environmental Attributes in correspondence of an expected volume of 2,500 MWh per year.

The expected geographical distribution of the certificates would be as follows:

- Italy: 50%
- France: 4.5%
- Austria: 6.5%
- Switzerland: 39%

Our Product

Our Product

In 2023 we enhanced our capacity to measure the actual quantities of materials used in our production thanks to a technological integration between PLM, ERP and BI.

This year was also significant for our packaging materials: we consolidated the results achieved in 2022 for paper packaging – i.e., 99% responsibly sourced – and we reduced our plastic consumption by replacing synthetic bags with compostable biodegradable PLA ones for all footwear production in Switzerland.

By utilizing our Preferred Material List, we have transformed how we design and produce our pieces, improving their sustainability credentials. Our global supply chain transparency and initiatives such as repair programs further increase the lifecycle of our designs.

Materials

In 2023 our capacity to measure the actual quantities of materials² that BALLY used to manufacture its products further improved thanks to a technological integration between PLM, ERP and BI.

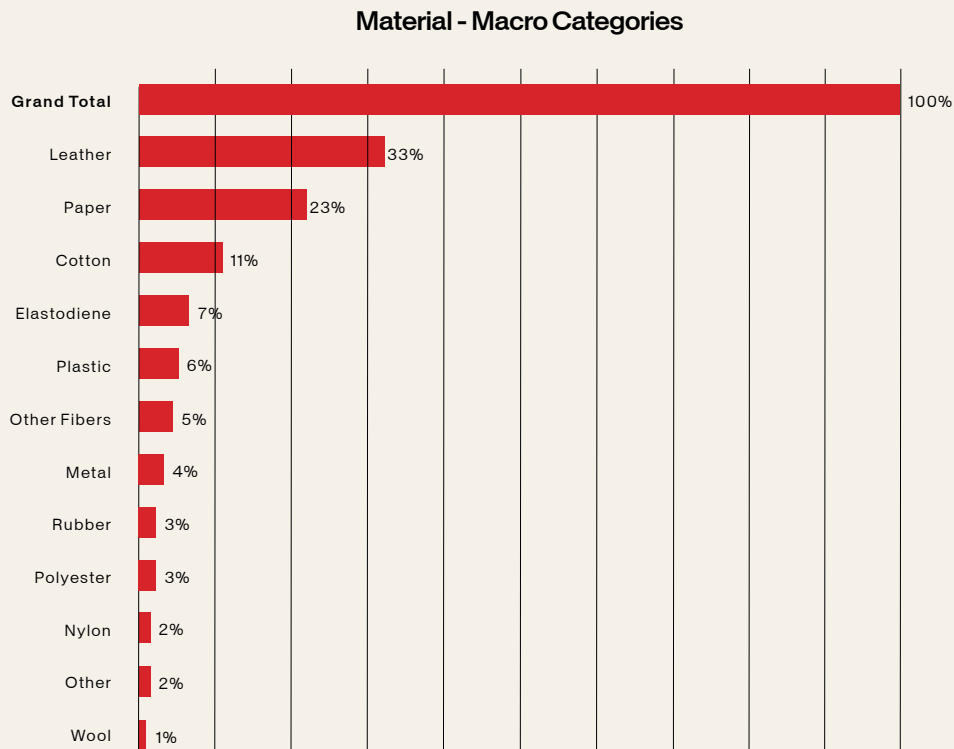
The results were completely different compared to previous years. This is due to multiple elements, in particular to the implementation of organic and structural measures including the aforementioned measurement improvements. At BALLY we are of how much overproduction can contribute to GHG emission and how much the minimizing of unsold quantities can benefit not only the company's profitability but also the environment.

In 2022 our weight estimation was totaling 1.661 tons of material that comes in today at only 1.394:

VOLUME of Units	2023	2022	Delta
Accessories	404,792	457,618	-12%
RTW	155,261	194,477	-20%
Shoes	359,199	473,716	-24%
Grand Total	919,252	1,125,811	-18%

2. This paragraph takes into account only the materials, including the portion of packaging, that are already calculated in our products' Bill of material. The full visibility of packaging is given in the dedicated chapter.

In addition, BALLY has also used better means to forecast markets' demand, an attentive construction of the collection and a very precise work on the merchandising to contain our overproduction.



Material - Macro Categories	Tons 2023	Tons 2022	Variations
Leather	352	571	-38%
Paper	249	257	-3%
Cotton	116	187	-38%
Elastodiene	71	0	-
Plastic	60	78	-23%
Other Fibers (Synthetic and Natural)	57	16	256%
Metal	48	79	-39%
Rubber	35	166	-79%
Polyester	30	45	-33%

Material - Macro Categories	Tons 2023	Tons 2022	Variations
Nylon	21	156	-87%
Other	20	87	-77%
Wool	12	19	-37%
Grand Total	1,071	1,661	-36%

Leather is still the first macro category of our material supply and together with Rubber accounts for the largest portion of the variation in weight calculated towards 2022 figures (350 tons on 590 of the total difference).

Fibers, Others and Metal give the final contribution to the total variation with 214 tons to be added to the above and reaching in this way 533 tons on 590.

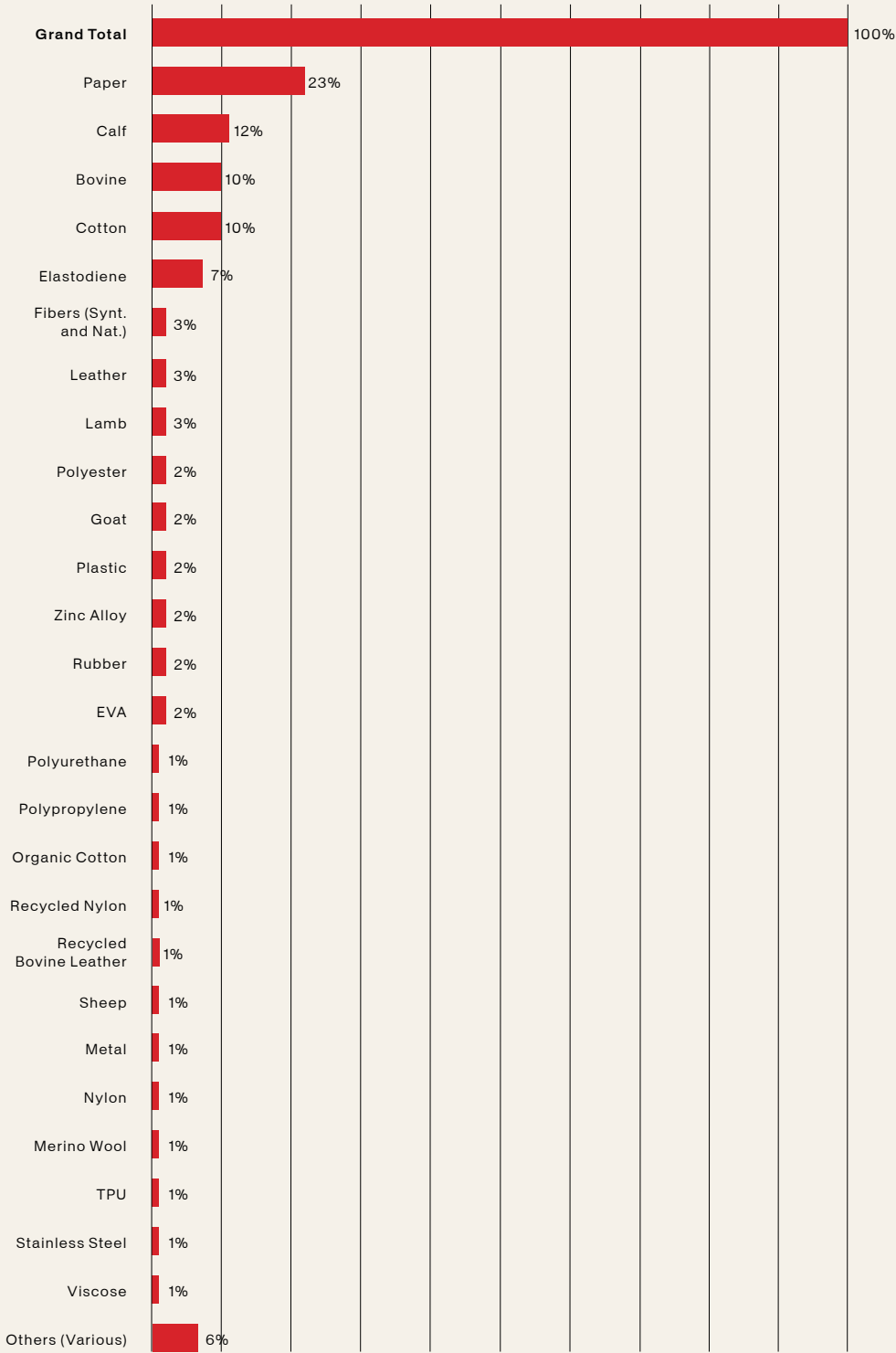
Paper is the first category of material, as leather is classified in categories in its different typologies. Calf and Bovine leather account for 67% of total leather, while Lamb and Goat sum for 15%.

Material - Macro Categories	Variation of Tons - 2023 vs 2022	
Leather	-219	-350
Rubber	-131	
Fibers (Synthetic and Natural) ³	-116	-533
Others	-67	
Metal	-31	
Plastic	-18	
Paper	-8	
Grand Total	590	

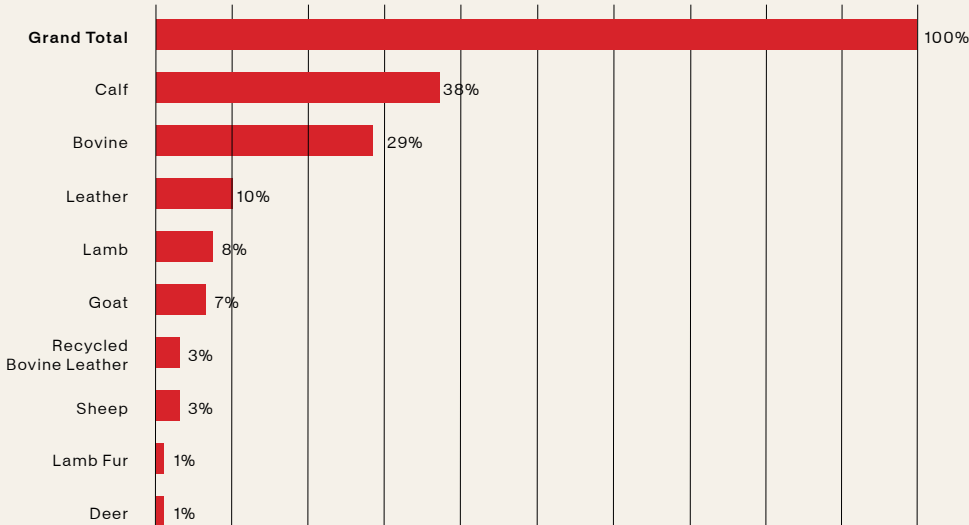
3. Nylon, Cotton, Polyester, Wool, Other fibers, Elastodiene

Cotton is the first category on Fibers, making up 38% of the total of the Macro-category.

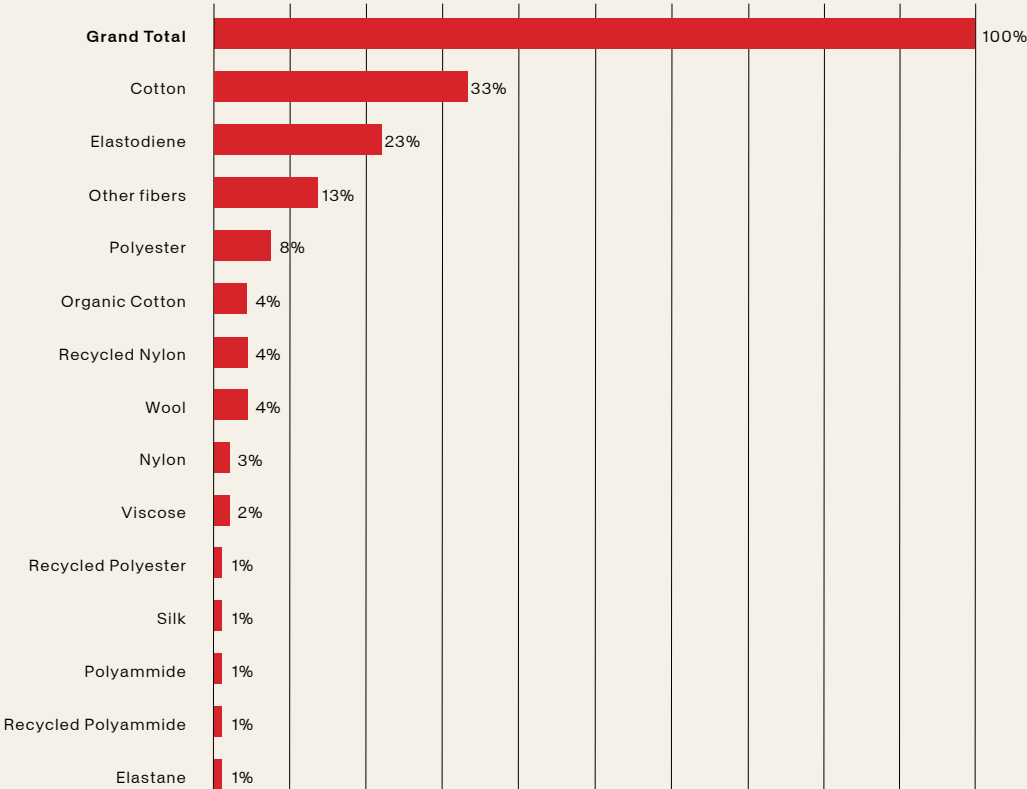
All Material Categories



Leather



Fibers



Packaging

Paper & Cardboard

In 2023, we have been able to consolidate the results achieved in 2022 on paper packaging – i.e., 99% responsibly sourced - and to provide this year our total consumption of paper and cardboard in kg.

In this paragraph we report data from all sources (packaging suppliers, products suppliers, and our logistics hubs).

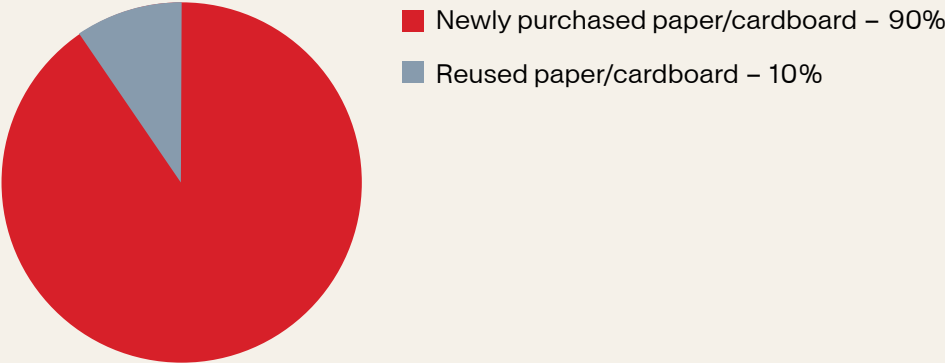
Type of Packaging	Newly purchased paper/cardboard (Tons)	FSC/recycled paper/cardboard (Tons)	Re-used paper/cardboard (Tons)	Total Used paper/cardboard (Tons)	Sustainably sourced paper/cardboard (Tons)
Box covers	17	17	–	17	17
Brown Boxes	319	310	70	389	380
Handles	2	2	–	2	2
Paper	36	35	2	38	37
Prod. Boxes	206	206	–	206	206
Shoppers	109	109	–	109	109
Grand Total	689	679	72	761	751

Type of Packaging	Newly purchased paper/cardboard (Tons)	FSC/recycled paper/cardboard (Tons)	Re-used paper/cardboard (Tons)	Total Used paper/cardboard (Tons)	Sustainably sourced paper/cardboard (Tons)
Primary	350	350	–	350	350 ⁴
Secondary	339	329	72	411	401
Grand Total	689	679	72	761	751

4. This number becomes comparable with the tons of paper reported on Material paragraph by deducting the weight for shoppers.

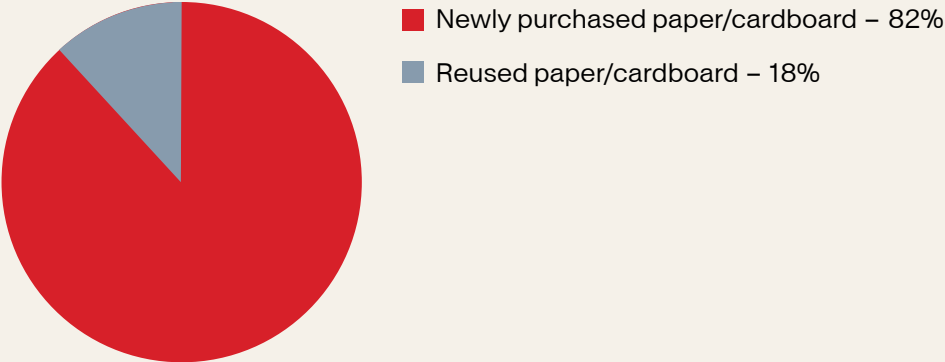
Numbers show that out of the total need for paper and cardboard packaging, 90% is newly purchased and 10% is reused within our supply chain.

On the other hand, out of the total used packaging, 89% is FSC certified or recycled (679/761 tons), while the same percentage of FSC recycled paper/cardboard rises to 99% when expressed as a percentage of total purchases (679/689 tons).

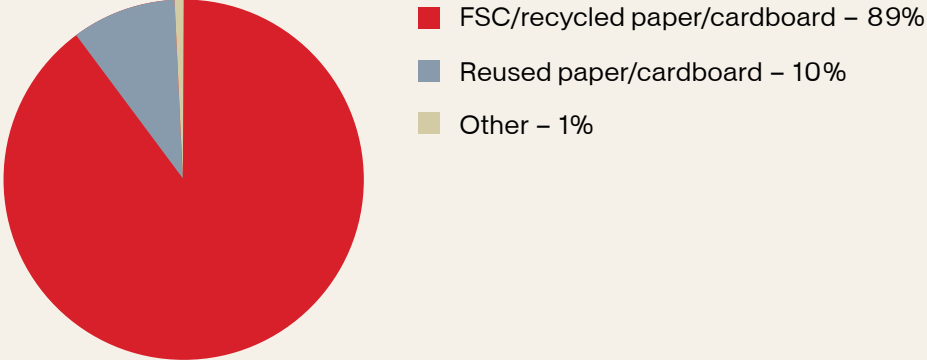
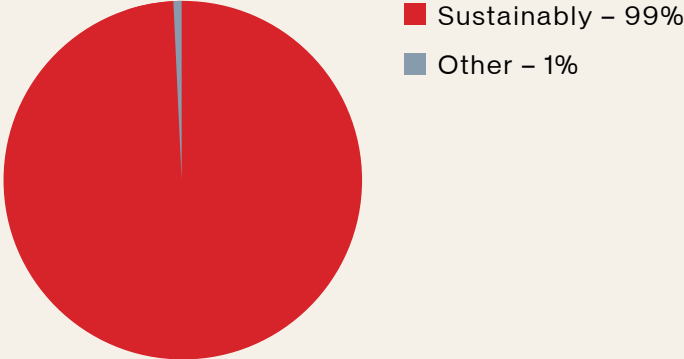


If we isolate the above breakdown within secondary packaging, the percentage of packaging reused in our supply chain increases to 18%:

FOCUS ON SECONDARY PACKAGING



The sustainably sourced packaging is obtained as the sum of the FSC/recycled portion and the re-used items make up 99% of the total.



Plastics, Cotton and other Materials

2023 was a year of significant changes and improvements concerning packaging materials.

One of the major tasks was the substitution of shoe bags for the entire production of shoes in Switzerland: PLA bags (made from corn) replaced non-woven polypropylene bags (derived from hydrocarbon fuels such as petroleum). This allowed us to save 1.7 tons of plastic.

Concerning plastic packaging, such as bags and hangers, we used a total of 48 tons of material, out of which 20 tons (42%) were from recycled plastics, mainly PE, from pre- or post-consumer waste.

Fibers used for dust bags, garment bags and other components accounted for approximately 31 tons, out of which 83% were BCI certified.

Plastic Materials	Tot kg	Recycled Kg	%
Total Plastic (Pe & Abs)	48,262	20,101	42%

Fybers	Tot kg	BCI Kg	%
Cotton	29,804	25,998	87%
Polyester and Cotton mix	1,639		

Other materials	Tot kg
TNT shoes (Compostable PLA)	1,734

Digitalization of Product Cards & Labels

In 2023 we also implemented a project to reduce the number of paper labels that we used to add to our packaging to communicate product information. The digitalization of all the information related to the material nature, product care and product description has allowed us to transpose them to a digital environment and make them accessible through a simple QR code. Instead of having up to five different product cards inside a single box, today we have only one with the same amount of information.

We saved paper from 41,502 labels, reducing the paper use related to this category by 9%.

Preferred Material List

After having designed the Preferred material list in 2022, one of the most careful actions we have taken at BALLY was the actual implementation of the list and the control of progress we have been able to make throughout the year.

Particularly, each season we measured our capability to select materials according to the two levels of preference identified as sustainable:

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

We ensured the absence of banned materials and the minimization of discouraged ones:

- **Discouraged:** Untraceable Conventional materials.
- **Banned:** Materials that do not fall under previous categories and are internationally limited or prohibited.

Moreover, we were also able to trace all the relevant certifications associated with each single material we have classified as sustainable, and we also associated with that certification the actual number of kilograms purchased.

All Material Certifications	Tons Of Sustainably Purchased Materials	Percentage On Total Purchased Weight
FSC (Forest Stewardship Council) or PEFC (Program for the Endorsement of Forest Certification)	234	22%
LWG (Leather Working Group)	179	17%
GRS (Global Recycled Standard), RCS 100 (Recycled Claim Standard), or Recycled Content Standard	35	3%
RCS Blended (Recycled Claim Standard)	28	3%
OEKO-TEX STeP Lev1 or OEKO-TEX 100	21	2%
LWG Approved Trader (Leather Working Group)	20	2%
BCI (Better Cotton Initiative) or Fair-Trade Textile	15	1%
GOTS (Global Organic Textile Standard) or OCS 100 (Organic Content Standard)	14	1%
Recycled Plastic	8	1%
ICEC (UNI 11427)	6	1%
OEKO-TEX STeP Lev3 or 2 or OEKO-TEX 100 with recycling attribute	1	0%
ROC (Regenerative Organic Certification)	0	0%
ICEC TS PC 412	0	0%
Total Sustainable Material	561	53%
Total Purchased Material	1,071	100%

The results show that 53% of our total weight of purchased material is from sustainable sources.

ALL MATERIALS



Particularly in leather, the percentage of sustainably sourced material shows remarkable results:

Leather Certifications	Tons Of Sustainably Purchased Materials	Percentage On Total Purchased Weight
LWG Gold, Silver or Bronze (Leather Working Group)	179	54%
GRS (Global Recycled Standard), RCS 100 (Recycled Claim Standard), or Recycled Content Standard	12	4%
LWG Approved Trader (Leather Working Group)	20	6%
ICEC (UNI 11427)	6	2%
OEKO-TEX STeP Lev1 or OEKO-TEX 100	1	0%
ICEC TS PC 412	0	0%
Total Sustainable Leather	218	62%
Total Purchased Leather	352	100%

LEATHER



One year on from the establishment of our PML, we are able to confirm our targets for 2028, when we expect to have 90% of our material classified as Preferred or Good.

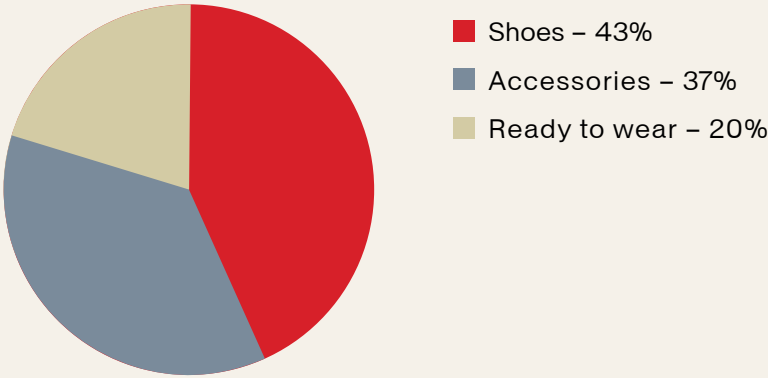
In developing the list, we consulted several best-practice sources, including the Institutional Standards Organization, the EU Strategy for Sustainable and Circular Textiles, the Fashion Industry Charter for Climate Action, Textile Exchange and The Fashion Pact. We then defined the following guidelines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

GUIDELINES

- **Renewable:** a fiber or material naturally grown and replenished or cleansed on a human time scale. A renewable resource is capable of being exhausted but can last indefinitely with proper stewardship.
- **Recycled:** a pre- or post-consumer material diverted from waste streams and used as feedstock to produce recycled fibers or materials.
- **Organic:** a natural fiber grown without the use of synthetic pesticides, herbicides, or GMOs (Genetic Modified Organisms) according to the principles of organic agriculture.
- **Regenerative:** a fiber grown through a set of holistic agricultural practices that support the health of soil, animals, and workers. Regenerative farming aims to not only sustain but regenerate and rebuild soil health over time.
- **Bio-based:** materials that are wholly or partially derived from biomass – plants and vegetables. In some cases, they are also biodegradable.
- **Low impact:** this category consists of materials other than those listed above which are developed to minimize their social or environmental impact.
- **Conventional:** materials produced without reference to any specific sustainability program, certification, regulation, initiative, or process.

BALLY Suppliers 2023

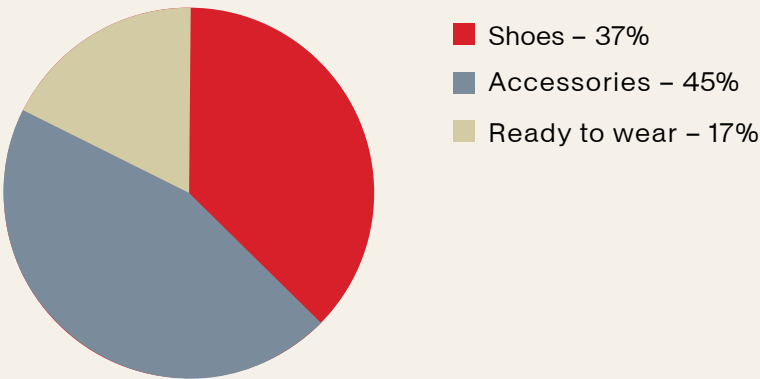
BY CATHEGORY



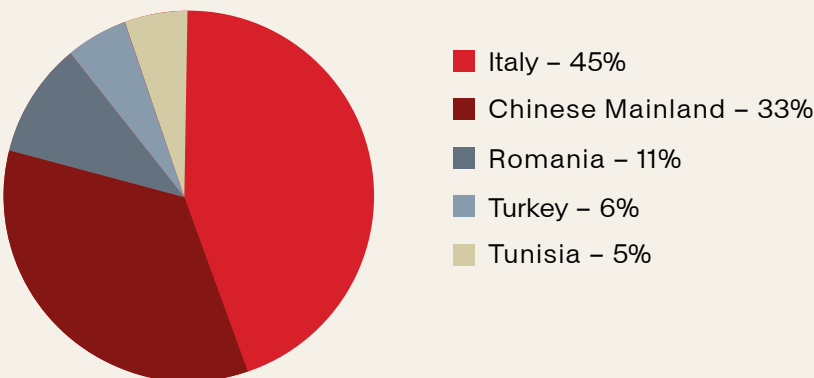
BALLY TOP 20 SUPPLIERS 2023

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

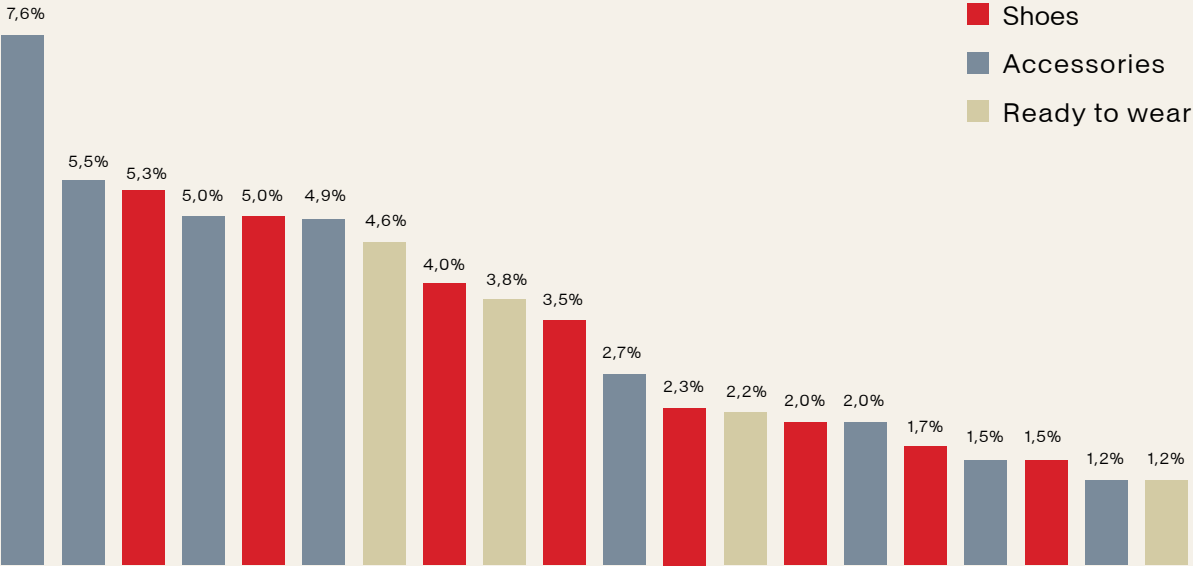
BY CATHEGORY



BY COUNTRY



Ranking



Supply Chain Traceability, Ethical Standards & Vendor Management

Maintaining Ethical Standards

BALLY fosters strong partnerships with all of our suppliers, ensuring they adhere to the utmost ethical standards regarding labor, health and safety, and environmental practices.

In addition to our Restricted Substance List, every supplier is required to endorse and comply to our Supplier Code of Conduct, which prioritizes the safeguarding of human rights and environmental conservation.

The BALLY Supplier Code of Conduct consists of four chapters, each addressing a key issue and defining the required standards:

1. **Safe working and human rights:** this chapter focuses on ensuring safe working conditions and upholding human rights. It includes the prohibition of child and forced labor, non-discrimination, freedom of association, working hours, and health and safety provisions.
2. **Environmental awareness and protection of natural resources:** this chapter focuses on environmental topics, including animal welfare, energy efficiency, water conservation, waste management, and product safety, as well as the handling of chemicals and hazardous materials.
3. **Traceability:** this chapter outlines requirements for traceability along the supply chain, including the prohibition of unauthorized outsourcing as well as materials and products traceability along the supply chain.
4. **Additional provisions:** this chapter contains conditions on anti-money laundering, anti-bribery, taxation, and confidentiality of information.

Furthermore, we have established a mechanism for any individual to report a breach. Vendors are also encouraged to disclose any violation or breach of the Supplier Code of Conduct. They can reach out to the Internal Audit department directly or through a dedicated email address.

In 2023, we did not receive any reports, nor did we receive any fines for non-compliance with regulations and laws on environmental, social, and economic issues.

Vendor Management

BALLY conducts regular interviews with most of its suppliers on a variety of topics, including environmental and social issues. Over the years, we have established a Vendor Management System enabling the company to monitor suppliers' performance on six key measures:

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

Every year we carefully review the questions to be sent to our suppliers, increasingly enriching the survey and the information collected through it.

In 2023, we conducted a survey among suppliers who represent over 95% of our Tier 1 suppliers and over 85% of our Tier 2 suppliers in terms of expenditure value. None of them revealed any concerns regarding environmental or social impacts in the supply chain. Based on the information collected, we would like to highlight the following data concerning both Tier 1 and Tier 2 suppliers.

Among the Tier 1 suppliers interviewed, we are proud to share that:

- 63% already have policies in place to reduce their environmental footprint.
- 30% have green energy supply agreements.
- 35% have already implemented circular material processes.
- 81% have been working with us for more than five years, of which 36% account for more than 10 years.

Among the Tier 2 suppliers surveyed:

- 57% already have policies in place to reduce their environmental footprint.
- 30% have green energy supply agreements.
- 35% have already implemented circular material processes.
- 85% have had a business relationship with us for more than five years, of which 43% make up more than 10 years.

These interviews provide us with a comprehensive understanding of how our suppliers are addressing sustainability challenges on a broader scale. This enables us to enhance our collaboration with them, pinpointing key areas we can address together to cultivate a more conscientious value chain.

Our Commitment to Supply Chain Transparency

Since the beginning of 2022, BALLY has been sharing a list of trusted companies that represent the majority of our Tier 1 and Tier 2 suppliers. This list is updated regularly and comprises the main product categories we develop, including shoes, leather goods, ready-to-wear items and accessories. The most recent version of the list discloses details about 83 suppliers, constituting over 57% of Tier 1 and more than 52% of Tier 2 suppliers in terms of expenditure value. It provides information such as their name, address, parent company, number of employees, certifications, and the presence of free trade union systems.

In 2023's list, the following additional information is shown:

- percentage of workers by gender;
- percentage of migrant workers, where migrants are defined as *workers who may have moved from one country to another to find work*;
- percentage of contract workers, where contract workers are defined as *temporary workers and/or workers who are typically recruited through outsourcing companies, labor recruiters or other informal intermediaries and/or workers who are often employed seasonally or in some form of flexible, casual labor*;
- length of business relationship: we are proud to share that 40% of our published Tier 1 suppliers and 63% of our published Tier 2 suppliers have been working with us for more than 10 years. Collaboration with our suppliers is key to ensure quality.

BALLY Suppliers List

It is important to highlight that suppliers may appear in both Tier 1 and Tier 2 lists, as they fulfill distinct roles and functions in different business units within BALLY. Nevertheless, our Vendor Management System enables us to accurately track the specific role each supplier plays throughout our supply chain.

Renewal Program

Our longstanding commitment to timeless quality is reflected in the two-year guarantee that applies to all BALLY pieces; selected items also offer an additional level of customer care and product assistance. Customers are informed about the additional refresh-and-repair services related to their product and encouraged to reach out to their BALLY store if needed. Upon receipt of a worn item, our staff determine the best solution, which could be sending the product back to our Swiss facilities, or having it repaired by one of our affiliated partners.

Scribe Renewal Program

Our Scribe renewal program focuses on the iconic BALLY Scribe shoe. Originally crafted in the 1950s by Max BALLY, the BALLY Scribe continues to be the epitome of traditional craftsmanship and luxury, involving approximately 200 meticulous production steps carried out by skilled artisans.

We typically refurbish Scribe shoes that are an average of two to six years old. The age of the shoes we receive varies significantly depending on the client's usage and maintenance, as well as the type of sole material, with leather soles typically lasting longer than rubber. However, we are pleased to note that in 2023, 22% of Scribe renewals were on shoes manufactured at least eight years ago.

Overall, in 2023, we took 2,901 products through repair, including those under guarantee. This number was made up of 842 pairs of shoes, 48 ready-to-wear items and 2,011 accessories.

Among these, BALLY extended the lifecycle of 969 products through repair (578 products out of guarantee and 391 under guarantee but that had an inappropriate use), including:

- 19 ready-to-wear items.
- 554 accessories.
- 396 shoes, of which 75 came through the Scribe renewal program.

Our People

Our People

People have always been crucial to BALLY's mission. In 2023, we were proud to continue to foster a culture of continuous growth and development for all employees, as well as champion our ethos of Diversity, Equity & Inclusion across the board.

Additional communications procedures have also been implemented to ensure there is a clear and collaborative working culture across the business, and there is a renewed effort to engage and inspire all of our employees regularly, be it through our Smart Talks series, volunteering, or progressive workshops and development opportunities.

CEO Updates

Since assuming the role of CEO in 2019, Nicolas Giroto has consistently allocated time to provide employees with updates on business developments and BALLY's strategic direction. This includes addressing inquiries and fostering increased transparency and cohesion across different regions.

To increasingly formalize these moments and further promote the proper cascading of information within the organization, a new Communication Governance Policy was introduced in 2023, with responsibilities assigned to directors and heads of departments. Indeed, the policy aims to ensure an effective flow of information within the company, to bring clarity to the company's goals and objectives, and to define roles and responsibilities within the organization in order to always ensure proper and transparent communication.

Smart Talks

In 2023, we continued our popular Bally Smart Talks series. Introduced in 2021, the initiative consists of video calls moderated by our CEO hosting esteemed guest speakers from varied backgrounds, industries and areas of expertise. These sessions are live streamed on our internal internet channel, making them available to all employees of the global Bally Group.

Bally Smart Talks aims to motivate and inspire employees to engage with one another and the world around them. We provide different expert viewpoints on a variety of topics with the objective of stimulating personal growth and encouraging informal conversations among our staff.

This year, we held five different talks addressing a wide range of topics: business agility in uncertain times, digital innovation, the importance of diverse leadership, geo-politics and its impact on our lives, the work of the artist and the creative process and the connection between wellbeing and luxury.

Diversity, Equity & Inclusion

BALLY has demonstrated its commitment to gender equity through a number of initiatives in recent years, including a partnership with UN Women. In 2023, we conducted an anonymous survey, the results of which guided the creation of a new action plan, continued to host inspiring diversity talks, and supported volunteer projects and partnership with the local community.

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

As a Swiss company, we value the promotion of peace, mutual respect and non-discrimination, key principles derived from the United Nations' Universal Declaration of Human Rights. Since delivering a baseline assessment for DE&I in 2020, we have established a DE&I Steering Committee and Roadmap with actionable targets.

In 2023, we launched an anonymous Employee Satisfaction Survey to better understand how our employees feel about their work lives. The results of this survey led to the creation of a comprehensive action plan that addresses the following aspects:

- Understanding
- Fairness
- Growth
- Retention

To improve these areas, initiatives have been put in place for each pillar:

- Improving the communications cascade through training and new communications governance.
- A review of commission schemes, an analysis of salaries against benchmarks and a flexible benefits plan.
- New training opportunities for both the management team and employees to cultivate personal development opportunities within the company.
- A retention plan to support talent.

We are proud to report that we promoted several initiatives in 2023, which included:

- Supporting local communities and volunteer activities (see pages 84-85).
- Raising awareness through talks and campaigns on specific DE&I topics.
- Renewed training and knowledge of existing human capital policies.
- Promoting team-building activities by involving our teams in pro-environmental initiatives.
- Launching technical skills training to promote soft skills development among our office staff.

In addition to this, in 2024 we will implement the new Internal Job Posting Policy, a tool to promote the internal growth of employees who will be able to apply directly for open positions within the company worldwide.

Non-Discrimination

BALLY is dedicated to fostering a safe and inclusive workplace environment for all employees, ensuring freedom from discrimination and promoting diversity and freedom of expression. As outlined in our Code of Ethics (see page 88), BALLY unequivocally opposes all forms of discrimination or harassment against any employee based on age, beliefs, ethnicity, disability, gender, marital status, religion, sexual orientation, or any other personal characteristic.

BALLY's policy on harassment and non-discrimination, along with related documents such as the Selection and Recruitment Policy, Whistle-blowing Policy, and Maternity & Paternity Leave Policy, are accessible to all our employees on our Intranet.

We have established procedures within our Code of Ethics, including the whistleblowing policy, to enable any member of the BALLY organization to report incidents of discrimination or harassment. In 2023, no incidents of discrimination were reported.

Equal Pay

BALLY's Human Resources department annually oversees substantial improvements in achieving equal pay across its subsidiaries and employee network, with detailed quantitative data and reports shared worldwide.

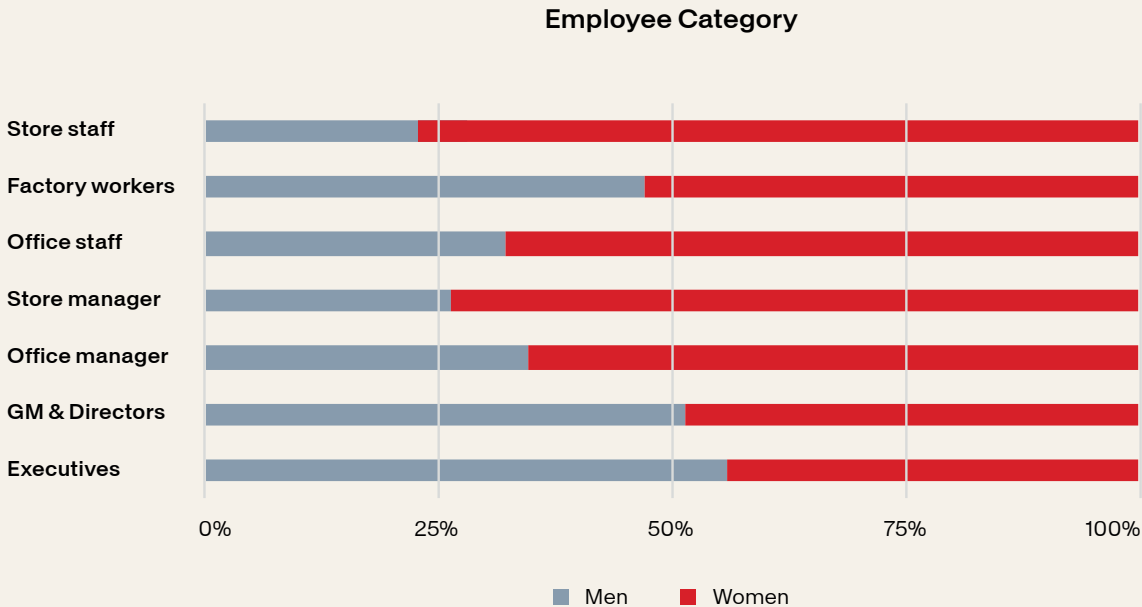
Following certification as an equal pay company in 2021, BALLY met the professional standards mandated by Swiss law (Article 13d of the Federal Act on Gender Equality), and in 2023 it successfully mapped the pay gap and pay equity plan in EMEA and the US; in the future we would like to expand to the remaining regions.

We are also proud to share that in 2023 we had a good ratio of basic salary of women to men, as detailed below.

EMPLOYEE CATEGORY	RATIO OF BASIC SALARY OF WOMEN TO MEN
Executive & Directors	99.88%
Office Manager	99.69%
Store Manager	103.88%
Office Staff	102.13%
Factory Worker	100.14%
Store Staff	108.17%

Gender Equity at BALLY

Statistics indicate a good diversity ratio among management and employees, as it is shown in the following table depicting the gender distribution across all levels of our organization:



The BALLY DE&I Pillars

Our DE&I strategy is built on four key pillars: Employees, Suppliers, Partnerships, and Community.

EMPLOYEES

Employees are central to BALLY’s mission. In our pursuit of a diverse, equitable, and inclusive workplace, we have established a comprehensive DE&I strategy focusing on five key aspects that are integrated throughout the BALLY organization.

1. Training

Ensuring the ongoing development of our employees’ skills is a top priority for BALLY. It is crucial that our employees are given the opportunity to continually improve their skills and broaden their knowledge within their respective areas of expertise. As such, BALLY offers internal training to all employees (see pages 71-72) and fosters a culture of continuous growth and development within the company.

2. Policies

After updating all human capital policies over the past two years, in 2023 we prepared a refresh of all policies for all employees worldwide: always available on the BALLY intranet, it is a document that all BALLY employees must read annually, confirming that they are fully aware of its contents. Additionally, we integrated a new Communication Governance Policy and Media Inquiry and Social Media Policy to the existing set.

In 2024, we plan to refresh key human capital policies and to maintain training and communication around them.

3. Smart Talks

BALLY's educational tools include is Smart Talks (see page 66).

Specifically related to DE&I, in 2023, we had the pleasure of hosting Gary Plunkett, multifaceted and entrepreneurial executive with over 20 years of experience, now working as Chief Commercial Officer for Pixelpool. Among his experiences in fashion and digital, Gary spoke about the importance of diverse leadership and how this can enrich all businesses.

4. BALLY Employee Resource Group

In 2021, we launched our BALLY Employee Resource Group (BERG), which empowers teams in Europe and the US to act upon matters of DE&I and Sustainability. The group, which employees can join as volunteers, carried out various activities in 2023 (see page 76).

5. Wellbeing

The welfare of our employees, clients, and partners is of paramount importance to us. We strive to create a positive influence on all individuals by cultivating a culture of fairness and inclusivity, starting with our recruitment of diverse talents. By incorporating different perspectives and encouraging our teams to embrace a wide range of backgrounds and experiences, we enhance the richness of our organization and its members.

At BALLY, we are committed to honoring our roots and adhering to the visionary approach initially established by Carl Franz Bally (see page 10). In the last year we consolidated our remote work policy: after the end of the Covid-19 pandemic restrictions in 2022, BALLY decided to adapt and regulate this policy so that employees could continue to benefit from a more flexible approach to work.

SUPPLIERS

BALLY conducts regular assessments of suppliers across various criteria, including Diversity, Equity, and Inclusion (DE&I). Additionally, we require all suppliers to endorse the Suppliers Code of Conduct, which includes a commitment to maintaining a workplace free from any form of discrimination (see page 59).

PARTNERSHIPS

BALLY is dedicated to upholding the dignity of human rights and fundamental freedoms, aligning its ethical stance with the overarching framework of significant international principles, standards, and conventions. BALLY's commitment includes:

- Adherence to the Universal Declaration of Human Rights
- Compliance with the European Union Charter of Fundamental Rights
- Support for the Women's Empowerment Principles, a comprehensive set of guidelines designed to assist businesses in advancing gender equality and women's empowerment across the workplace, marketplace, and community.

COMMUNITY

Guided by its humanist principles, the BALLY group supports numerous non-profit organizations and initiatives (see pages 84-85).

Training & Education

Over the years, BALLY has implemented various learning programs to enhance and develop the skills of its employees.

In 2023, we launched new programs such as the BALLY Development Way, as well as continued and evolved others, such as the Leadership Program.

To encourage transparent discussions about career advancement and aspirations, we ensure that each employee receives at least one formal performance and career development appraisal every year. In 2023, we are pleased to share that every BALLY team member received a comprehensive review.

The BALLY Development Way

In 2023, we launched technical skills training sessions open to all office employees in Caslano: free sessions were provided on public speaking and project management. This project will continue through 2024 and aims to expand the topics covered and train up to 80 office staff annually.

Additionally, for those leaders who already completed the training in 2022, a new Core Leadership program was introduced to provide them with the right tools to support proper communication within their teams.

Immersion Program

The Immersion Program was created to support all new employees during their first three months at BALLY. The program consists of:

1. A welcome meeting with the Learning & Development department, during which new joiners are briefed on the courses to be completed on the BALLY Portal app.
2. A digital journey consisting of several courses in order to nourish their knowledge about the brand and the business
3. A 2-hour in-person workshop to consolidate the learnings from the digital path, including open discussion and answering any questions they may have.
4. A visit to the factory in Caslano for the employees in Caslano and Milan.

This structure allowed us to cover all the newcomers, including the interns.

Learning Caffè & Aperitivo

The Learning Caffè & Aperitivo is an initiative that continued in 2023, focusing on relevant topics for the brand in a more informal environment and enhancing interaction and peer-to-peer exchange.

Upon a free subscription, participants were able to attend a breakfast or an aperitivo together and talk about topics such as: sustainability, collection inspiration, fashion history, or even to discuss about the different functions existing at BALLY.

Leadership Program

Launched in 2022, the leadership training sessions continued successfully in 2023. They were created to empower senior leaders and equip them with the best tools to help team members reach their full potential and make a positive impact within our organization. Our goal is to complete leadership training for all of our global leaders by the end of 2024.

Additionally, for those leaders who already completed the training in 2022, a new Core Leadership program was introduced to provide them with the right tools to support proper communication within their teams.

The Client Journey

The Client Journey is the program that prepares all retail staff to deliver excellent, client-centric experiences in our BALLY boutiques. It continued in 2023 for all new staff, in the same format that was rolled out in the previous years.

Collection Campaign

The Learning & Development department is working together with the Design Studio and Merchandising department to train the wholesale referents, regions and Showroom Advisors about each of the four collections per year. These sessions nurture the trainees knowledge with both inspirational and functional information that is required to sell the collection to the commercial partners.

Occupational Health & Safety

BALLY is dedicated to preventing any circumstances that may jeopardize the health and safety of employees or others.

Since 2017, our Swiss headquarters and production facilities have been equipped with a Manual for Occupational Health and Safety, in accordance with the MSSL Directive. In the event of an accident, the health and safety officer must adhere to the procedures outlined in the manual, which include specific checklists and the S.T.O.P. methodology provided by Suva. This methodology helps to identify the causes of incidents and implement measures to prevent future occurrences.

Furthermore, in the case of a workplace accident, an investigation would be conducted to determine its root causes and to implement measures to prevent or minimize similar incidents in the future. BALLY follows Swiss standard procedures, which involve specific checklists and the S.T.O.P. methodology compiled by Suva, the governmental office responsible for workplace health and safety.

The manual also outlines a procedure to ensure the participation and consultation of workers in the development, implementation, and evaluation of the occupational health and safety management system.

Additionally, each year, specific security objectives and timelines for implementation are established, with responsible individuals identified, to continuously enhance and update BALLY's health and safety management system.

In 2022, an expert ergonomist was hired to evaluate the risk level of various production areas in order to take concrete actions that could improve the professional wellbeing of our workers. Several workshops were held in both 2022 and 2023 to assess the functioning of each workstation. Specifically, factory inspections were carried out with footage and information collected on all individual workstations to understand which activities are most at risk of occupational diseases⁵.

This assessment led to the creation of a list of the riskiest⁶ activities along with related suggestions for viable solutions to ensure greater safety and comfort during the performance of these work activities. The final assessment was shared with the factory director and managers in 2023. This led to the design of pilot and ad hoc projects to improve the comfort and safety of our workstations, some of which were launched in 2023; others will be introduced in the coming years, also based on the results obtained.

5. Occupational disease is defined as an injurious event that affects a person's ability to work and results from causes related to the work performed.

6. Possibility of developing a disease related to the activity that a craftsman performs.

At our headquarters in Florence and Milan, BALLY adheres to legal regulations regarding employee health and safety by implementing a Risk Assessment Document, which is mandatory and encompasses workplace risks and preventive measures.

Each employee receives comprehensive information on emergency protocols and methods to prevent hazardous situations, along with undergoing a medical evaluation solely for assessing their suitability for the job.

To uphold the highest safety standards, specific employees are designated and trained in accordance with local regulations. Following training, certificates are issued to validate their acquired competencies in managing emergencies and addressing common safety concerns. Workers can seek guidance from their department's assigned health and safety or security officer regarding any related issues. Additionally, we have established policies and procedures enabling workers to report work-related hazards and remove themselves from unsafe conditions. Within the management structure at BALLY, there is a commitment to ensuring that individuals raising concerns face no reprisals. This is maintained through ongoing communication with middle managers and employees.

Regarding other offices, BALLY ensures ongoing compliance with legal requirements concerning Occupational Health and Safety.

Our Artisans

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

In 2023, Caslano shoe factory crafted more than 98,000 pairs of shoes, mastering a diverse range of roles including leather cutter, shoemaker, stitcher, finisher and polisher.

The enhancement of excellence in shoe making is the result of careful in-house training, enabling our artisans to acquire invaluable skills and flexibility in their roles. Factory training is in fact key to ensure transmission of savoir faire, production versatility and quality improvement. In 2023, BALLY proudly provided its shoemakers with over 2,400 hours of training, giving new skills and competencies to 17 workers. Six of them had already completed their training path, while 11 new ones will finalize their learning journey in the first half of 2024.

On 25 October, the day of Saints Crispino and Crispiniano, patrons of all shoemakers, we celebrated our artisans, giving recognition and visibility to our those who are at the heart of the brand's existence. During this time, gifts were given to our longtime employees to thank them for their dedication and years of commitment to BALLY: some have been with the brand for over 30 years, contributing to the brand's excellence.

The BALLY Employees Resource Group

The BALLY Employees Resource Group (BERG) is a volunteer-led initiative aimed at creating and launching projects addressing environmental and social issues. We currently have two groups consisting of employees from EMEA and the US.

In 2023, BERG Europe, in collaboration with the Municipality of Caslano, organized the third edition of the Caslano Verde Pulito (or Caslano Clean Green Day). More than 75 volunteers joined the initiative, cleaning the area around Mount Caslano and collecting 31kg of waste.

Additionally, in 2023 we analyzed the results of the survey launched at the end of 2023 to find out what employees do in terms of energy and resource savings. Based on the results, priority topics were identified to improve the sustainability of our offices and stores. The team worked on a dedicated energy saving best practice manual that was distributed to all EMEA stores; the project will continue in 2024 with the aim of increasing waste recycling awareness in stores.

The BERG Group has been particularly active in 2023, with the launch of important initiatives:

- To mark International Women's Day, we donated clothes and accessories to Dress for Success, a charity based in Milan and New York that helps women find jobs.
- HQ employees participated to Milan Pride Parade during Pride Month to support LGBTQ+ communities and raise awareness of their rights.
- We celebrated the International Day of Volunteering by promoting the association *Un sorriso in più* and its project *I Nipoti di Babbo Natale* (Santa's grandchildren). The initiative consists of giving a gift to an elderly person living in a retirement home, and we suggested to our colleagues to adhere to it for Christmas.
- A corporate volunteering project to protect the rights and promote the inclusion of people with disabilities was launched by the Florence HQ in partnership with the CUI Foundation — Ragazzi del Sole (see page 85).

Other activities focusing on sustainability, work-life balance and inclusion are in the pipeline for both BERG Europe and BERG USA. In 2024 we want to extend the project to Chinese Mainland.

CSR Initiatives

CSR Initiatives

Born in Switzerland in 1852, BALLY has always held deep reverence for the environment, and local communities in which it operates. In 2023, this ethos continued to be manifested through both artistic and environmentally driven initiatives that speak to our creativity, craftsmanship and Swiss heritage. Through various programs, we aim to foster and champion both emerging and established talent in a plethora of forms.

The BALLY Foundation (Fondazione BALLY)

Established in 2006, the BALLY Foundation extends and amplifies the brand's desire to collaborate with creative and visionary talents and to push the limits of research and innovation beyond the field of fashion. Designed to support creation in several fields, the BALLY Foundation has worked for more than 15 years alongside various artistic and cultural institutions as well as with artists.

BALLY Foundation At Villa Heleneum

In April 2023, the BALLY Foundation opened the doors to its new headquarters at Villa Heleneum in Lugano.

Built between 1930 and 1934, Villa Heleneum is an emblematic place in Lugano that has welcomed the aspirations of various personalities throughout its history. Dance, music, arts, and sciences have followed one another in close connection with the original ambitions of the founder of Villa Heleneum, Hélène Bieber.

The BALLY Foundation wants to give life to the art and culture space project that Hélène Bieber envisioned for the villa. At Villa Heleneum, the BALLY Foundation program is based on the territory, the history of the place, its myths and legends, and humans' relationship with their environment, with the idea of never being off the ground. By collaborating with established and emerging artists, the foundation deploys a program designed in resonance with these elements, combining it as a dense and diverse program: exhibitions, installations, performances, festivals, screenings, discussions, residencies, and workshops.

UN LAC INCONNU (An Unknown Lake)

Un Lac Inconnu, an Unknown Lake, was the first exhibition at Villa Heleneum. Held from 20 April to 24 September, it brought together more than twenty international artists.

The exhibition borrows its title — Un Lac Inconnu — from the words of Marcel Proust who, in his book *Le Temps Retrouvé* (Time Regained), tries to describe the meticulous exploration of the human soul and what underlies it: the unconscious. The exhibition is an invitation to the evocative power of the surrounding nature, to its ability to inspire the imagination and to create persistent images, to penetrate dormant and deep waters, maternal or troubled, to transform the boundaries between exterior and interior into thin membranes, to walk in our intimate gardens and our immersed landscapes.

SARAH BRAHIM - SOMETIMES WE ARE ETERNAL

Sometimes we are eternal is the first solo show of the Saudi American artist Sarah Brahim. The title is inspired by the Spinoza proposition “we know by experience that we are eternal”⁷ and the addition made 300 years later by French philosopher Alain Badiou: “sometimes, we are eternal”⁸.

In this show, Brahim sets out to retrace the past 10 years of her life, looking back over time to the tragic loss of a loved one. By “making a stop in time that is also the construction of a new time” , the artist explores the ins and outs of what she calls the “intrabody” and of the surrounding universe. Trained as a dancer, Brahim gives her artworks the appearance of a pas de deux, an intimate dialogue between the dancer and her alterities. Sarah Brahim is interested in transformation, in the localization and dislocation of the self through the body. Body as memory, body as medium, body as reincarnation: our presence in the world, the trace we leave on it transforms the protocol of walking into the score for a landscape. In this way, the 10 works in *Sometimes we are eternal* are each small nuances of a larger theme, in which each work almost speaks for itself.

The exhibition is intricately connected to the place for which it was conceived, the Villa Heleneum, which was built by a dancer, where transparency, the presence of water and uncontaminated landscape, surrounds the works, conceived as a collection of fragments, abandoned memories, portions of objects and gestures, readings and sounds.

BALLY ARTIST OF THE YEAR AWARD

The BALLY Artist of the year Award was established in 2008 with the aim of supporting local talents: Swiss artists or artists residing in Switzerland who are particularly involved in the field of research between knowledge and nature, have been awarded over the years.

In 2023, the award has reached a new a stage: thanks to a renewed and intensified collaboration with the Museo della Svizzera Italiana (MASI Lugano), the winners of the BALLY Artist Award will now have their work acquired and integrated into the MASI collections, besides benefitting from a two-month solo exhibition at MASI Palazzo Reali during the year of their win.

Pedro Wirz, a Brazilian artists resident in Zurich, won the 2023 BALLY Artist Award with his installation *Diplomatic Immunity*.

Composed of 13 busts referring to leadership positions (e.g. king, president, pope) and three wall reliefs, the exhibition questions class prerogatives, hierarchical power and archetypal, unchanging positions in society.

7. *Ethics*, Spinoza, proposition 23, 5th part, Princeton University Press

8. *Sometimes we are eternal*, Alain Badiou, Nick Nesbitt, Kenneth Reinhard, Jana Ndiaye Berankova, Directed by Jana Ndiaye Berankova et Norma Hussey, Suture Press

The busts are made of an assemblage of various materials with the aim of imitating the effect of capitalism's continuous accumulation; the box-shaped wall reliefs evoke television screens or smartphones, representing landscapes invaded in different ways by man, ecosystems homogenized by technological intervention.

The work thus questions the dichotomy between competition and cooperation and questions the meaning of a "more sustainable society", most often considered from an economic perspective.

"To enter a more sustainable existence [...] we need to think not as individuals but as species, that is, as inhabitants of the earth, earthlings, brothers and sisters destined to coexist simultaneously and respectfully" - Pedro Wirz

The BALLY Peak Outlook Foundation

The BALLY Peak Outlook Foundation was founded in 2020, in order to preserve and protect the alpine landscapes that form the backdrop to our heritage. In 2023, the foundation continued in its tireless work to enhance and clean up the mountains of both Nepal and Georgia, as well as supporting the Tenzing family in the opening of the Norgay Tenzing Visitor's Center in Namche Bazar, Nepal.

As a Swiss luxury brand founded by Carl Franz Bally in 1851, BALLY's long-standing tie to the mountains begins with its Alpine origins and pioneering legacy. Born in the foothills of the Swiss Alps, the mountains have served as a continuous inspiration for BALLY's campaigns and collections over the past century.

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

The BPOF aims to not only address long-term issues but also provide immediate resolutions to the problems faced by mountain dwellers.

Below are some of the initiatives the Foundation undertook in 2023, broken down by country.

NEPAL

- Supported the Tenzing family in the opening of the Norgay Tenzing Visitor's Center in Namche Bazar
- End of season clean-up of Everest Base Camp executed by local sherpas at the end of September. About 700Kg of waste was removed.
- Carry Me back – implemented the first part of the program in partnership with Himalayan Museum and Sustainable Park removing 4 tons of waste and providing waste management services in Namche Bazaar and Shyangboche.
- Thanks to our donation the Norgay Tenzing Foundation awarded four BALLY Tenzing Norgay Sherpa Scholarship four to Sherpa students (two undergraduate and two graduate students).

GEORGIA

- We finalized the plans with Swiss builder S.Muller form Will (CH) and our partners have deposited the first €100,000 to the builder. They are also finalizing plans to purchase the land. Construction has begun and by summer 2024 the BALLY Peak Outlook Foundation Rescue hut should be operational.

UNITED KINGDOM – LONDON

- Participated in the celebratory event held in London for the 70th Anniversary of the first summiting of Mount Everest.
- Organized a workshop in BALLY's London Regent Street store which saw the participation of Dawa Steven Sherpa, Peter Hilary, Norbu and Jamling Tenzing.

ITALY - MILAN

- Dawa Steven Sherpa participated as a panel member at the Blue Economy Summit organized by the One Ocean Foundation at Bocconi University in Milan.

Our Partners

THE INTERNATIONAL CLIMBING AND MOUNTAINEERING FEDERATION

To advance our shared goal of conserving mountain landscapes and empowering their communities worldwide, the BALLY Peak Outlook Foundation partners with the International Climbing and Mountaineering Federation (UIAA). In 2023, we sustained our support for its annual Mountain Protection Award, which recognizes outstanding global initiatives aimed at enhancing the well-being and living standards of mountain populations.

A total of 12 projects operational across 10 countries and four continents were nominated for the 2023 Award. The winner was Gear Tips, a Brazilian project that highlights the value of a life-cycle approach to materials brought to the mountains, encouraging outdoor enthusiasts to think about waste and what to do with it when returning from activities in the mountains.

Financial contributions were also given to Sierra Madre Nature Trail from the Philippines as the runner-up, and to Repurposing Windfarm Blades from Ireland as the Best New Initiative.

Giving Back to our Community

Driven by its humanist values, the BALLY group supports several non-profit associations and projects, placing particular emphasis on environmental issues and people's wellbeing. In 2023, the company has supported different projects and associations.

Il Porto di Coenzo

Since 2016, BALLY has partnered with Il Porto di Coenzo, an Italian non-profit organization dedicated to craftsmanship, particularly in leather goods. This collaboration involves a laboratory where individuals with disabilities are engaged, empowered, and provided with opportunities to develop skills and secure employment as artisans.

In 2023, BALLY donated several meters of leather and cutting dies (fustelle) specifically created for them; leathers and cutting dies are essential to the foundation, as they are used to realize their crafts.

We have also contributed to their "Anolino Project." The Porto di Coenzo artisans created 2,500 keychains in the form of "*anolino*": a typical fresh egg pasta, stuffed and served in broth. Thanks to a collaboration with local businesses, those keychains have been sold, raising more than €11,000.

Finally, in our atelier department in Florence we hosted an employee of the Fondazione for a week to learn some technical practices useful for the creation of artifacts.

Caslano Community

In 2023, BALLY continued its collaboration with ProCaslano, a non-profit organization based in Caslano, which coordinates and oversees various activities for the municipality. Additionally, we partnered with different local community initiatives in Ticino, including the Tennis Club and Rowing Team in Caslano.

Florence HQs Collaborations

During 2023 we have confirmed some collaborations with the following non-profit associations:

ANT ITALIAN FOUNDATION

ANT is charity organization dedicated to the care of oncological patients. Florence HQ donated accessories for their charity markets and auctions, and internally sponsored ANT initiatives.

ATT – ASSOCIAZIONE TUMORI TOSCANA (TUSCAN CANCER ASSOCIATION)

ATT is an association providing free care to oncological patients at home. In 2023, BALLY donated accessories for their Christmas market.

AUSER ASSOCIATION – Lastra a Signa

Auser is a voluntary association committed to promoting active aging and enhancing the role of the elderly in society. In 2023, BALLY continued to collaborate with them by donating some of our textiles which were used by the Association to create its famous “Pigotte” dolls, of which sale proceeds are donated directly to UNICEF. They were also used to make dresses and accessories which were sold at the association market, with any income donated to a hospital.

CUI – RAGAZZI DEL SOLE

CUI is an association that was founded more than 35 years ago by a group of parents of disabled children, aimed at safeguarding the rights and promoting the inclusion of disabled people. In 2023, we started a corporate volunteering project with them: 15 BALLY employees participated in various activities of the association in Scandicci (near Florence), spending more than 100 hours in total, donated by the company, in various volunteer activities.

PONTASSIEVE ALTA SCUOLA DI PELLETERIA

Pontassieve Alta Scuola di Pelletteria is a school of basic leather goods for young and/or unemployed people, and the courses are partially financed with public and private contributions. In 2023 we started to collaborate with them by donating leather to be used by students for practice.

For 2024, we expect to extend our volunteering actions and activities also to other countries and we aim to work with other local associations to have a bigger impact on our community.

BALLY Chinese Mainland Initiatives

In 2023, a cleaning project was promoted in the Shenzhen area: the local team participated for an entire day to support the local community.

Fashion Innovation Award

Once again in 2023, BALLY proudly sponsored the Fashion Innovation Award, in collaboration with the Lifestyle Tech Competence Center and Loomish.

Designed to attract and nurture emerging digital talent, the annual award invites B2B and B2C start-ups, scale-ups and service providers to present their innovative innovations on a given theme in the fashion industry.

The 2023 edition wanted to uncover groundbreaking Artificial Intelligence and machine learning in two categories:

- Generative AI (Artificial Intelligence) solutions for sales and marketing aimed at enhancing user/customer experience and engagement.
- Artificial Intelligence and machine learning solutions for the fashion supply chain.

More than 80 applications were received, from which the 10 finalists were selected, five for each category.

In November, they pitched their solutions at the Rolex Learning Center (EPFL university) in Lausanne to the jury which included representatives of BALLY's top management as well as other executives from top Swiss luxury brands.

The winner of the first category, "*Generative AI solutions for sales and marketing*," was Typeface from United States. Typeface is the generative AI platform to supercharge personalized content creation for businesses.

For the "*Artificial intelligence and machine learning solutions for the fashion supply chain*" category, the American group Syrup emerged as the winner. Syrup empowers fashion and beauty with AI-driven inventory optimization.

Both winning projects will have the chance to engage in a proof of concept with BALLY.

Appendix

Policies

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

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

CODE OF ETHICS

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

- Integrity
- Respect
- Responsibility
- Loyalty

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

WHISTLEBLOWING POLICY

This describes the communication channels for reporting unethical or illegal behavior. Through them, workers are invited to report:

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

Employees can choose to make an official report to the Internal Audit department verbally, in writing or via a dedicated email address. Starting from 2024 BALLY employees and third parties can also report any concerns about business conduct through a dedicated online platform available both on the company Intranet and website.

In 2023, no cases were reported.

HUMAN RIGHTS

BALLY recognizes the importance of sustaining and promoting Human Rights as defined by the UN Declaration of Human Rights, and respects human rights for all. Our commitments to respect human rights are described in the Code of Ethics as well as in the Suppliers Code of Conduct (see page 59).

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

CONFLICT OF INTERESTS

Our Conflict of Interests policy provides a standard of conduct for the best interests of the company and its stakeholders, advocating for more transparency and fairness, and to define a whistleblowing procedure for suspected wrongdoing. In 2023, no conflicts of interest arose.

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

COMPETITIVE BEHAVIOR AND ANTI-CORRUPTION

BALLY is committed to organizational excellence, accountability and transparency. We continuously update our anti-bribery and anti-corruption policies and procedures to minimize risk. In 2023, no incidents of corruption were identified.

All employees are informed of the policies and procedures and made aware of them as part of the recruitment and employment contract signature process. All business partners are informed as part of the procurement and contract signature process. In 2023, no issues arose internally, and no legal actions for anti-competitive behavior, anti-trust or monopoly were either pending or completed.

Methodological Note

Methodological Note

This document constitutes the 2023 Sustainability Report of BALLY International AG.

BALLY International AG is a Swiss stock corporation. BALLY International AG and its commercial subsidiaries form the BALLY Group. The BALLY Group of companies is wholly owned by JAB Luxury Sarl⁸. The headquarters are located in Via Industria 1, 6987 Caslano, Switzerland.

In 2023, BALLY operated in 63 countries covering 5 regions: APAN, AMERICAS, EMEA, OSEA (Australia, Malaysia and Singapore) and Japan⁹. The report is published annually and covers the period from January 1st, 2023 to December 31st, 2023.

The report chronicles 2023 achievements and impacts that are embedded within BALLY's sustainability journey, which formally began in 2019.

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

- BALLY Gesellschaft M.B.H
- BALLY Australia Pty Ltd.
- BALLY Belgium
- BALLY Schuhfabriken A.G.
- BALLY WFOE Shanghai
- BALLY Deutschland G.M.B.H
- BALLY Moda S.A.
- BALLY France SAS
- BALLY UK Sales Ltd
- BALLY China
- BALLY Sour. Serv. Limited
- BALLY Italia S.r.l.
- BALLY Studio S.r.l.
- BALLY Japan Ltd.
- BALLY Luxembourg SAS LU Branch
- BALLY Retail Malaysia SDN
- BALLY Schoenhandel B.V.
- BALLY Singapore PTE Ltd.
- BALLY Americas Inc.

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

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

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

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

Annex

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

	2023			2022			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees	994	416	1,410	1,002	421	1,423	992	395	1,387
of which permanent employees	947	393	1,340	947	393	1,317	897	367	1,264
of which temporary employees	47	23	70	47	23	106	95	28	123
of which non-guaranteed hours employees	0	0	0	0	0	0	-	-	-
Total employees (Full time + Part Time)	994	416	1,410	1,002	421	1,423	992	395	1,387
of which Full-time	864	355	1,219	928	400	1,328	872	340	1,212
of which Part-time	130	61	191	74	21	95	120	55	175
Indicate whether the numbers are reported in head count, full-time equivalent (FTE), or using another methodology	Headcount			Headcount					
Indicate whether the numbers are reported at the end of the reporting period, as an average across the reporting period, or using another methodology	December 2023			December 2022					
Report significant fluctuations in the number of employees during the reporting period and between reporting periods	Refer to Turnover Data			Refer to Turnover Data					

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

	2023								2022								2021							
	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT
Total number of employees	336	143	73	127	563	79	89	1,410	347	158	81	126	549	89	73	1,423	314	160	86	118	541	88	80	1,387
of which permanent employees	329	132	52	116	558	68	85	1,340	329	133	46	121	544	73	71	1,317	295	118	55	104	538	77	77	1,264
of which temporary employees	7	11	21	11	5	11	4	70	18	25	35	5	5	16	2	106	19	42	31	14	3	11	3	123
of which non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-	-	-	-	-	-	-	-
Total employees (Full time + Part Time)	336	143	73	127	563	79	89	1,410	347	158	81	126	549	89	73	1,423	NA	NA	NA	NA	NA	NA	NA	1,387
of which Full-time	303	135	45	32	562	73	69	1,219	316	149	57	111	549	82	64	1,328	NA	NA	NA	NA	NA	NA	NA	1,212
of which Part-time	33	8	28	95	1	6	20	191	31	9	24	15	0	7	9	95	NA	NA	NA	NA	NA	NA	NA	175
Indicate whether the numbers are reported in head count, full-time equivalent (FTE), or using another methodology	Headcount								Headcount															
Indicate whether the numbers are reported at the end of the reporting period, as an average across the reporting period, or using another methodology	December 2023								December 2022															
Report significant fluctuations in the number of employees during the reporting period and between reporting periods	Refer to Turnover								Refer to Turnover															

Workers who are not employees (GRI 2-8)

	2023	2022
Total workers who are not employees whose work is controlled by the organization	21	25
Describe most common types of workers and their contractual relationship with the organization	Freelance or hired through an external agency	Freelance or hired through an external agency
Describe types of work they perform	Freelances mainly perform Marketing, Design & Creative activities. External Agency personnel mainly works in Stores or Factory	Freelances mainly perform Marketing, Design & Creative activities. External Agency personnel mainly works in Stores or Factory
Indicate whether the number of workers who are not employees is reported in head count, full-time equivalent (FTE), or using another methodology	Headcount	Headcount
Indicate whether the number of workers who are not employees is reported at the end of the reporting period, as an average across the reporting period, or using another methodology	December 2022	December 2022
Report significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods	Refer to Turnover Data	Refer to Turnover Data

Governance Structure and Composition (GRI 2-9)

	2023						2022					
	Number			Percentage			Number			Percentage		
Total number of Member	3	7	10	30%	70%	100%	3	7	10	30%	70%	100%
Of which are non-executive	2	4	6	20%	40%	60%	0	2	2	0%	20%	20%
Of which are executive	0	2	2	0%	20%	20%	2	4	6	20%	40%	60%
Independent Members	1	1	2	10%	10%	20%	1	1	2	10%	10%	20%
Member from under-represented social groups	0	0	0	0%	0%	0%	0	0	0	0%	0%	0%
Member with ESG Competences	0	0	0	0%	0%	0%	0	0	0	0%	0%	0%

Compliance with laws and regulations (GRI 2-27)

	2023	2022
Number of significant instances of non-compliance with laws and regulations	0.00	0.00
of which instances for which fines were incurred	0.00	0.00
of which instances for which non-monetary sanctions were incurred	0.00	0.00
Number of fines for instances of non-compliance with laws and regulations that were paid	0.00	0.00
of which fines that occurred in the current reporting period	0.00	0.00
of which fines that occurred in previous reporting periods	0.00	0.00
Monetary value of fines for instances of non-compliance with laws and regulations that were paid during the reporting period	0.00	0.00
of which fines that occurred in the current reporting period	0.00	0.00
of which fines that occurred in previous reporting periods	0.00	0.00
Report significant instances of non-compliance		
Describe how significant instances of non-compliance has been determined		
Comments		

Defined Benefit Plan Obligations and Other Retirement Plans (GRI 201-3)

	2023						2022						2021					
	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employer-Risk	LLP Employer-savings	LLP Employer-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employer-Risk	LLP Employer-savings	LLP Employer-Total	LLP Employee-Risk	LLP Employee-savings	LLP Employee-Total	LLP Employer-Risk	LLP Employer-savings	LLP Employer-Total
Base 1 (18-24 years)	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%
Base 1 (25-65 years)	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%	1.75%	6.25%	8.00%
Base 2 (18-24 years)	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%	1.75%	0.00%	1.75%
Base 2 (25-65 years)	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%	1.75%	8.25%	10.00%
Manager(18-24 years)	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%	2.00%	0.00%	2.00%	2.00%	0.00%	2.00%
Manager (25-44 years)	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%	2.00%	7.50%	9.50%	2.00%	9.50%	11.50%
Manager (45-54 years)	2.00%	8.50%	10.50%	2.00%	14.50%	16.50%	2.00%	8.50%	10.50%	2.00%	14.50%	16.50%	2.00%	8.50%	10.50%	2.00%	14.50%	16.50%
Manager (55-65 years)	2.00%	9.50%	11.50%	2.00%	19.50%	21.50%	2.00%	9.50%	11.50%	2.00%	19.50%	21.50%	2.00%	9.50%	11.50%	2.00%	19.50%	21.50%
Bel Etage Executives	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%
Bel Etage CEO	0.00%	8.50%	8.50%	0.00%	14.50%	0.50%	0.00%	8.50%	8.50%	0.00%	14.50%	0.50%	0.00%	8.50%	8.50%	0.00%	14.50%	14.50%
If a fund set up to pay the plan's pension liabilities is not fully covered, explain strategy																		
Level of participation in retirement plans, such as participation in mandatory or voluntary schemes, regional, or country-based schemes, or those with financial impact																		
Comments	The benefit plan indicated below corresponds to BALLY's headquarter in Caslano, Switzerland.																	

Financial assistance received from government (GRI 201-4)

	2023	2022	2021
Tax relief and tax credits	0.00 €	61,300.00 €	112,389.00 €
Subsidies	451,322.00 €	246,876.00 €	765,390.00 €
Investment grants, research and development grants, and other relevant types of grant	0.00 €	11,876.00 €	0.00 €
Awards	0.00 €	0.00 €	0.00 €
Royalty holidays	0.00 €	0.00 €	0.00 €
Financial assistance from Export Credit Agencies (ECAs)	0.00 €	0.00 €	0.00 €
Financial incentives	0.00 €	0.00 €	5,000,000.00 €
Other financial benefits received or receivable from any government for any operation	0.00 €	0.00 €	0.00 €
Comments	<p>Subsidies</p> <p>BALLY during 2023 received the indicated sum as subsidies in Austria. The amount is related to a Covid subsidy for the years 2020 and 2021, received in 2023.</p>	<p>Tax Relief and Tax Credits</p> <p>In 2022, BALLY received a tax credit of EUR 0.1m.</p> <p>Subsidies</p> <p>In 2022, BALLY received EUR 0.2m as subsidies totally distributed in EMEA Region and Hong Kong as personnel social tools.</p> <p>Amount converted in EUR at December 2022 exchange rates.</p> <p>Investment grants, research and development grants, and other relevant types of grant: in 2022 BALLY received the amount shown above for employees training</p>	<p>Tax Relief and Tax Credits</p> <p>In 2021, BALLY received a tax credit of EUR 0.1m.</p> <p>Subsidies</p> <p>In 2021, BALLY received EUR 0.8m as subsidies totally distributed in EMEA Region.</p> <p>Financial Incentives</p> <p>In 2021, as business support in the Covid-19 pandemic period, BALLY obtained a loan from "Banca Progetto" on BALLY Studio Italia of EUR 5m through a guarantee from Medio Credito Centrale.</p> <p>Other financial benefits received or receivable from any government for any operation: in 2021, BALLY received EUR 2.7m as personnel social tools.</p> <p>The distribution by region was as follows: EMEA (2.3M) and OSEA (0.4M). Amount converted in EUR at December 2021 exchange rates.</p>

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

	2023	2022	2021
Percentage of senior managers at significant operating locations hired by the local community	100.00%	100.00%	100.00%
The definition used for "senior manager"	Executives & General Managers	Executives & General Managers	Executives & General Managers
The organization's geographic definition of "local"	Nationality belonging to the geographical cluster where the office is located (e.g. for the offices in Milan and Caslano reference is made to the whole of Europe).	Nationality belonging to the geographical cluster where the office is located (e.g. for the offices in Milan and Caslano reference is made to the whole of Europe).	Nationality belonging to the geographical cluster where the office is located (e.g. for the offices in Milan and Caslano reference is made to the whole of Europe).
The definition used for "significant operating locations"	Cities: Caslano, Milan, Shanghai, New York, Singapore and Sidney.	Cities: Caslano, Milan, Shanghai, New York, Singapore and Sidney.	Cities: Caslano, Milan, Shanghai, New York, Singapore and Sidney.

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

	2023	2022	2021
Local expenditure	63,028,633.00€	68,810,354.00€	60,589,820.00€
Total annual expenditure	88,009,010.00€	101,709,742.00€	89,495,315.00€
Percentage of local expenditure	71.61%	67.65%	67.70%
Geographic definition of the local organization		BALLY defines a "local supplier" as any supplier providing goods or services to a significant location of operation, in the same country as the one listed on the supplier's mailing address in the enterprise resource planning system.	BALLY defines a "local supplier" as any supplier providing goods or services to a significant location of operation, in the same country as the one listed on the supplier's mailing address in the enterprise resource planning system.
Comments		<p>Local and annual expenditure amount converted in EUR at December 2022 exchange rates.</p> <p>Local Suppliers definition The suppliers based in Italy and Switzerland have been considered as local suppliers, following GRI's definition of local supplier: In addition to Switzerland, please note Italy has been included as a local suppliers country because BALLY owns an R&D hub in the area, where the company directly manages the purchasing from and relationships with all the Italian suppliers. Many activities linked to design, product development, and supply chain take place in this hub.</p>	<p>Local and annual expenditure amount converted in EUR at December 2021 exchange rates.</p> <p>Local Suppliers definition The suppliers based in Italy and Switzerland have been considered as local suppliers, following GRI's definition of local supplier: In addition to Switzerland, please note Italy has been included as local suppliers country because BALLY owns an R&D Hub in the area, where the company directly manages the purchasing from and relationships with all the Italian suppliers. Many activities linked to design, product development, and supply chain take place in this hub.</p>

Materials used by weight (GRI 301-1)

	Category	2023		2022		2021	
		Tonnes	Percentage	Tonnes	Percentage	Tonnes	Percentage
Leather	Renewable	352	33%	571	35%	387	30%
Cardboard and Paper	Renewable	249	23%	257	15%	301	24%
Various Mixed Synthetic Materials (Soles)	Not Renewable	0	0%	0	0%	130	10%
Metal	Not Renewable	48	5%	79	5%	107	8%
Cotton	Renewable	116	11%	187	11%	92	7%
Elastodiene	Not Renewable	71	7%	0	0%	72	6%
Nylon	Not Renewable	21	2%	156	9%	46	4%
Polyurethane	Not Renewable	15	1%	0	0%	34	3%
Polyester	Not Renewable	30	3%	45	3%	31	2%
Plastic	Not Renewable	37	3%	78	3%	23	2%
Leather and Synthetic Material (Soles)	Not Renewable	0	0%	0	0%	7	1%
Mixed Synthetic Fibers	Not Renewable	0	0%	0	0%	7	0%
Cotton and Mixed fibers	Renewable	0	0%	0	0%	6	0%
Polyamide	Not Renewable	6	1%	0	0%	5	1%
Polyethylene	Not Renewable	0	0%	0	0%	4	0%
Cellulose	Renewable	0	0%	0	0%	4	0%
Linen	Renewable	1	0%	0	0%	4	0%
TPU	Not Renewable	8	1%	0	0%	3	0%
Silicone	Not Renewable	1	0%	0	0%	2	0%
Viscose	Not Renewable	0	0%	0	0%	2	0%
Wool	Renewable	12	1%	19	1%	1	0%
Rubber	NA	35	3%	166	10%	0	0%
Other fibers	NA	44	4%	16	1%	0	0%
Other (various)	NA	20	2%	87	5%	13	0%
Grand Total		1,066	100%	1,661	100%	1,281	100%

Packaging used (units) (GRI 301-1)

		2023	2022	2021
	Category	Tonnes	Pieces	Pieces
Packaging "from wood"	Renewable	689	1.915.386,00	1.499.582,00
Plastic packaging	Not Renewable	48.26	609.005,00	925.005,00
Cotton bags	Renewable	29.81		
Polyester and Cotton bags	Not Renewable	1.64		
Hangers (metal)	Not Renewable	0.70	24.297,00	14.326,00
TNT shoes (compostable PLA)	Renewable	1.73	0,00	0,00
Comments		In 2023 we were able to collect this data per weight instead of per pieces. Note that the plastic part of hangers, equal to 2,0t, is included under "plastic packaging"		

Energy consumption - Offices (GRI 302-1)

	2023		2022		2021	
	GJ		GJ		GJ	
Fuel consumption from non renewable sources	-	1,688.11GJ	-	2,235.68GJ	-	3,718.17GJ
of which Petrol	0.00l	0.00GJ	0.00l	0.00GJ	0.00l	0.00GJ
of which Diesel	0.00l	0.00GJ	0.00l	0.00GJ	0.00l	0.00GJ
of which Natural Gas	44,158smc	1,565.71GJ	57,206.00smc	2,021.48GJ	99,906.00smc	3,524.78GJ
Heating oil	4000l	122.40GJ	7,000.00l	214.20GJ	6,320.00l	193.39GJ
Fuel consumption from renewable sources	0.00KWh	0.00GJ	0.00KWh	0.00GJ	0.00KWh	0.00GJ
Total fuel consumption	0.00KWh	1,688.11GJ	0.00KWh	2,235.68GJ	1,146,691.66KWh	3,718.17GJ
Electricity consumption from non renewable sources	239,571KWh	862.46GJ	275,926.00KWh	993.33GJ	285,977KWh	1,029.52GJ
Electricity consumption from renewable sources	2,305,388KWh	8,299.40GJ	2,395,370.00KWh	8,623.32GJ	2,417,406.00KWh	8,702.67GJ
Cumulated renewable from Grid	1,967,230KWh	7,082.03GJ	1,436,696.00KWh	5,172.10GJ	1,246,277.00KWh	4,486.60GJ
Gas and Nuclear from Grid	49,925KWh	179.73GJ	572,904.00KWh	2,062.45GJ	856,791.00KWh	3,084.45GJ
Solar	288,232KWh	1,037.64GJ	385,771.00KWh	1,388.77GJ	314,338.00KWh	1,131.62GJ
Purchased Electricity (Total electricity consumption)	2,544,950KWh	9,161.82GJ	2,671,296.00KWh	9,616.65GJ	2,703,383.00KWh	9,732.19GJ

Energy consumption - Offices (GRI 302-1)

	2023		2022		2021	
	GJ		GJ		GJ	
Energy from district heating	858,070KWh	3,089.05GJ	824,540.00KWh	2,968.34n	806,430.00KWh	2,903.14GJ
Total of Energy purchased	3,403,020KWh	12.585,00GJ	3,495,836.00KWh	12,585.00GJ	3,509,813.00KWh	12,365.34GJ
Total of cars consumption (cars for private and business use)	4356.36GJ		4,375.59GJ		108,022.50	3,865.11GJ
Diesel Fuel (cars for business use)	8,778l	314.62GJJ	6,958.18l	249.39GJ	0.00l	0.00GJ
cars	8	-	8	-	0n	-
Gasoline (cars for business use)	0,00l	0,00GJ	0.00l	0.00GJ	0.00l	0.00GJ
cars	0	-	0	-	0n	-
GPL (cars for business use)	0,00l	0,00GJ	0.00l	0.00GJ	0.00l	0.00GJ
cars	0	-	0	-	0n	-
Natural Gas (cars business use)	0,00m3	0,00GJ	0.00m3	0.00GJ	0.00m3	0.00GJ
cars	0	-	0	-	0n	-
Diesel Fuel (cars for private and business use)	97,173.96l	3,482.89GJ	109,123.33l	3,911.17GJ	106,282.50l	3,809.35GJ
cars	73	-	62	-	57n	-
Petrol (cars for private and business use)	17,439.85	558.84GJ	6,710.09l	215.0l	1,740.00l	55.75GJ
cars	8	-	8	-	1n	-
GPL (cars for private and business use)	0,00l	0,00GJ	0,00l	4,375.59GJ	0.00l	0.00GJ
cars	0	-	0	249.39GJ	0	-
Natural Gas (cars for private and business use)	0,00m3	0,00GJ	0,00m3	-	0.00m3	0.00GJ
cars	0	-	0	-	0	-
Total cars (cars for private and business use)	99		78	-	58	-
Total energy consumption	-	18,295.34GJ	-	19,196.24GJ		19,960.70GJ
Standards, methodologies and calculation tools	"100% fossil" was assumed as the origin of energy when we do not have information about the mix used. Data about KWh consumptions for Singapore, Tokyo and New York offices were calculated through proxies.		"100% fossil" was assumed as the origin of energy when we do not have information about the mix used			
Source of conversion factors						
Comments			In 2022, owned shuttle used by factory employees for commuting were included in calculations. Also, Hong Kong office consumptions was included.			

Energy consumption - Stores (GRI 302-1)

	2023			2022			2021		
	kWh consumed	Mc gas	Mc gas/Kwh	kWh consumed	Mc gas	Mc gas/Kwh	kWh consumed	Mc gas	Mc gas/Kwh
United States	906,777.00			305,076.00	0.00	0.00	356,194.29	0.00	0.00
Japan	979,072.00			0.00	0.00	0.00	346,316.66	52,794.05	564,368.39
Chinese Mainland	2,695,433.00			2,309,354.00	11,410.00	121,972.90	1,473,974.3	0.00	0.00
Hong Kong	128,335.00			112,863.00	0.00	0.00	107,283.43	0.00	0.00
Singapore	132,025.00			91,779.00	0.00	0.00	85,617.98	0.00	0.00
Malaysia	139,857.00			125,841.00	0.00	0.00	150,909.26	0.00	0.00
Australia	219,040.00			178,722.00	0.00	0.00	135,944.52	0.00	0.00
Switzerland	315,860.00			335,642.00	0.00	0.00	199,762.29	0.00	0.00
Germany	158,580.00			89,172.00	1,272.00	13,597.68	92,028	52,794.05	564,368.39
Italy	153,395.00			223,392.00	0.00	0.00	155,211.43	0.00	0.00
Holland	31,660.00			31,508.00	0.00	0.00	0.00	0.00	0.00
Austria	58,071.00			201,264.00	0.00	0.00	88,018.29	0.00	0.00
UK	164,912.00			37,846.00	0.00	0.00	0.00	0.00	0.00
France	42,339.00			135,637.00	0.00	0.00	0.00	0.00	0.00
Spain	60,106.00			89,907.00	0.00	0.00	81,075.43	0.00	0.00
Belgium				0.00	0.00	0.00	35,928	0.00	0.00
Luxembourg	8,085								
Total	6,193,548			4,268,003.00	12,682.00	135,570.58	3,308,263.88	52,794.05	564,368.39
Comments	For 2023 we were able to provide data about all countries thanks to the estimate of consumptions through proxies based on sqm. Specifically, proxies were calculated for all stores in Austria, Germany, Luxembourg, Japan, and for some stores in US, Switzerland, France, UK, Hong Kong, Singapore and Chinese Mainland for which we were not able to retrieve data. We are working to improve our capability to collect this kind of information where possible.								

Reduction of Energy Consumption (GRI 302-4)

	2022	2021	Reduction
Total fuel consumption	6,044.47GJ	6,611.27GJ	-566.80GJ
Consumption of electricity	9,161.82 GJ	9,616.65GJ	-454.83GJ
Energy for heating	3,089.05 GJ	2,968,34GJ	120.71GJ
Energy for cooling		0,00GJ	0,00GJ
Steam consumption		0,00GJ	0,00GJ
Total energy consumption	18,295.34GJ	18,862,08GJ	-900.92GJ
Comments	Calculation made on offices' data.		

Water consumption (GRI 303 – 5)

	2023		2022		2021	
	Water stress areas	Other areas	Water stress areas	Other areas	Water stress areas	Other areas
Total water consumption	0.06m3	5,844.00m3	130.50m3	5,329.70m3	40m3	7,615m3
Change in water storage	0.00m3	0.00m3	0.00m3	0.00m3	0.00m3	0.00m3
Standards, methodologies and formulated assumptions			<p>For Caslano, we were provided with water consumption data for the period from April 26th to November 21st, which is 1174 mc for HQs and 460 mc for Caslano's keeper house (which we included because, though not part of our organization for many years, is still part of the industrial complex). To get the final number, we estimated the consumption for HQs on the base of working days, and for Caslano's keeper house on the solar year.</p>			
Comments	<p>Water consumption is expressed in cubic meters and refers to Caslano, Milan and Florence HQs, and to Caslano's keeper house (which we included because, though not part of our organization for many years, is still part of the industrial complex) e. Florence is considered a stressed water area according to the WRI (World Resources Institute) Aqueduct Water Risk Atlas. In comparison with 2022 we didn't include Tokyo office, as we changed the building and we are no longer able to retrieve this data.</p> <p>In Florence offices, there is also a system to recycle rainwater, through which 380.9 cubic meters were recovered and consumed in 2023.</p>		<p>Water consumption is expressed in cubic meters and refers to Caslano, Milan and Florence HQs, and to the Tokyo office. Florence and Tokyo are considered a stressed water area according to the WRI (World Resources Institute) Aqueduct Water Risk Atlas. In comparison with 2021 we were able to expand the scope, including Caslano's keeper house (which we included because, though not part of our organization for many years, is still part of the industrial complex), and the Tokyo office. In Florence offices, there is also a system to recycle rainwater, through which 292.70 cubic meters were recovered and consumed in 2022.</p>		<p>Water consumption is expressed in cubic meters and refers to Caslano, Milan and Florence offices. Florence is considered a stressed water area according to the WRI (World Resources Institute) Aqueduct Water Risk Atlas.</p>	

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

	2023		2022		2021	
	Fuel (Liters)	TonCo2	Fuel (Liters)	TonCo2	Fuel (Liters)	TonCo2
Arval Italia fleet	65,042.43	97.19	61,346.00	105.64	70,759.58	94.25
Laseplan Italia	20,354.12	47.82	24,418.95	49.70	13,562.00	25.40
Arval CH	29,217.26	66.80	30,068.47	76.85	23,700.97	45.43
Total	114,613.81	211.81	115,833.42	232.19	108,022.55	165.08

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

	2023	2022	2019
	TonCo2	TonCO2	TonCO2
Total	410	490	380

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

	2023	2022	2019
	TonCO2 (Market based)	TonCO2 (Market based)	TonCO2 (Market based)
Total	3,444.00	3,627.20	4,650.25
Comments	<p>The 2019 footprint constitute the baseline year because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021. During 2023, the 2019 footprint was refined due to different reasons:</p> <ul style="list-style-type: none"> • The introduction of the FLAG (Forest, Land, Agriculture) emissions calculation by SBTi in 2022 led to a recalculation of the 2019 baseline in order to have comparable data • Our improved capability to track and mine data gave us the opportunity to dive deep into the 2019 data and perform the aforementioned recalculation so that the 2019 and 2022 footprints are easier to compare, as they have the same data structure and are built using the same methodology. 		

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

	2023	2022	2021
Goods and services purchased	43,031.00	76,121.32	73,054.73
Capital goods	5,059	4,881.28	5,864.77
Fuel and energy related activities	1,324	1,153.22	1,696.08
Upstream transportation and distribution	4,417	4,839.03	7,036.35
Waste generated during the activity	0.38	0.48	0.14
Business travel	630	740.87	2,150.04
Employee commuting	2,558	2,611.12	2,156.97
Upstream leased assets	-	-	-
Other rumors upstream	-	-	-
Downstream categories	-	-	-
Downstream transport and distribution	39	209.78	179.00
Processing of the products sold	-	-	-
Use of goods sold	34	51.54	25.14
End-of-cycle treat-ment of products sold	1,046	1,623.60	1,189.90
Downstream leased assets		-	-
Franchising	1,349	1,579.73	1,478.31
Investments		-	-
Other items down-stream		-	-
Total SCOPE 3	59,487.38	93,811.97	94,831.43
Gases included in the calculation	The environmental indicator considered in this project is the carbon footprint (kg CO ₂ eq) which accounts for radiative forcing caused by emissions of greenhouse gases (GHG) such as carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O).	The environmental indicator considered in this project is the carbon footprint (kg CO ₂ eq) which accounts for radiative forcing caused by emissions of greenhouse gases (GHG) such as carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O).	The environmental indicator considered in this project is the carbon footprint (kg CO ₂ eq) which accounts for radiative forcing caused by emissions of greenhouse gases (GHG) such as carbon dioxide (CO ₂), methane (CH ₄) and nitrous oxide (N ₂ O).
Consolidation approach			

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

	2023	2022	2021
Reasons for the choice of the reference year			<p>The 2019 footprint constitute the baseline year because it was the most reliable since the spread of Covid-19, and the resulting lockdowns in 2020 and 2021.</p> <p>During 2023, the 2019 footprint was refined due to different reasons:</p> <ul style="list-style-type: none"> • The introduction of the FLAG (Forest, Land, Agriculture) emissions calculation by SBTi in 2022 led to a recalculation of the 2019 baseline in order to have comparable data • Our improved capability to track and mine data gave us the opportunity to dive deep into the 2019 data and perform the aforementioned recalculation so that the 2019 and 2022 footprints are easier to compare, as they have the same data structure and are built using the same methodology.
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.	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.	Sources of emission factors are Ecoinvent v3.7 for generic processes (i.e. power and commuting) and WALDB for specific processes (leather and textile). The GWP source is Report AR5 IPCC 2013.
Comments			

Waste generated (GRI 306-3)

	2023	2022	2021
Waste	130.69	88.26	101.99
Unsorted waste	55.00	41.14	55.86
Plastic	8.10	7.38	6.32
Cardboard and Paper	38.07	16.71	18.66
Glass	4.49	4.46	0.87
Big volumes (mixed materials)	4.86	4.96	1.78
Toner	0.07	0.07	0.09
PC monitor	0.08	0.06	0.00
Discarded equipment	0.00	0.02	0.11
Discarded equipment containing hazardous substances	0.00	0.00	0.03
Iron/metal waste	5.02	4.03	1.74
Leather	5.14	16.71	4.1
Colors	0.00	0.00	0.00
Wood	9.46	5.52	12.05
Glue and adhesives	0.39	0.45	0.37
Paint container	0.00	0.02	0.00
Particular Textile waste	0.00	0.14	0.00
Battery	0.00		
Comments	Data refers to Caslano, Milan and Florence headquarters, and the Shanghai office.	This data refers to Caslano, Milan and Florence headquarters, and the Shanghai office.	This data refers to Caslano, Milan and Florence headquarters. BALLY was not able to collect the data regarding urban waste for Florence. We are working to get that information in the future

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

	2023	2022	2021
Totale hazardous waste	0.40	5.24	0.46
preparation for reuse		0.00	0.00
recycling	0.01	1.43	0.09
other recovery operations		0.00	0.00
incineration (with energy recovery)		3.30	0.00
incineration (without energy recovery)		0.00	0.00
transfer to landfill		0.00	0.00
other disposal operations	0.39	0.51	0.37
Total non hazardous wastes	130.27	83	71.64
preparation for reuse	0.01	0.01	0.00
recycling	68.82	40.83	30.5
other recovery operations		0.00	0.00
incineration (with energy recovery)	61.33	42.12	41.14
incineration (without energy recovery)		0.00	0.00
transfer to landfill		0.00	0.00
other disposal operations	0.12	0.04	0.00
Standards, methodologies and formulated assumptions			
Comments	This data refers to Caslano, Milan and Florence head-quarters, and the Shanghai office.	This data refers to Caslano, Milan and Florence head-quarters, and the Shanghai office.	This data refers to Caslano, Milan and Florence head-quarters. 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.

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

	New hires and Leavers by Gender					
	2023			2022		
	Female	Male	Total	Female	Male	Total
New hires (Headcount)	260	130	390	381	198	579
Leavers (Headcount)	252	130	382	377	168	545
Hires rate *	26%	31%	28%	38%	47%	41%
Turnover rate *	25%	31%	27%	38%	40%	38%
* Rates are based on Headcount at the end of reporting period; please note that hires and leavers within 2023 are not included in this calculation						

	New hires and Leavers by Age							
	2023				2022			
	<30	30-50	>50	Total	<30	30-50	>50	Total
New hires (Headcount)	146	226	18	390	249	303	27	579
Leavers (Headcount)	105	226	45	376	181	322	42	545
Hires rate *	53%	25%	8%		85%	33%	13%	
Turnover rate *	38%	25%	21%		62%	35%	19%	
* Rates are based on Headcount at the end of reporting period								
** For 2023, for 6 leavers, age data are not available. Therefore, they were excluded from this representation.								
* Rates are based on Headcount at the end of reporting period								

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

	2023								2022							
	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT	Switzerland	Italy	Rest of Europe	USA	Chinese Mainland	Japan	OSEA	TOT
New hires (Headcount)	57	45	32	48	153	15	40	390	57	59	55	98	234	21	35	579
Leavers (Headcount)	66	32	38	63	137	25	21	382	60	64	72	67	217	22	43	545
Hires rate *	17%	31%	44%	38%	27%	19%	45%	-	22%	37%	68%	78%	43%	24%	48%	-
Turnover rate *	20%	22%	52%	50%	24%	32%	24%	-	17%	41%	89%	53%	40%	25%	59%	-
* Rates are based on Headcount at the end of reporting period; please note that hires and leavers within 2023 are not included in this calculation.																

Parental leave (GRI 401-3)

	2023			2022			2021		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Total number of employees who were entitled to parental leave	946.00	388.00	1,334	785	367	1,152	NA	NA	NA
Total number of employees who took parental leave	25.00	2.00	27	21.00	4.00	25.00	29.00	7.00	36.00
Total number of employees returned to work after parental leave	22.00	2.00	24	16.00	1.00	17.00	26.00	7.00	33.00
Total number of employees who are still employed 12 months after returning from parental leave	10.00	1.00	11	13.00	0.00	13.00	20.00	6.00	26.00
Employees returning from parental leave in the prior reporting period(s)	16.00	1.00	17	NA	NA	NA	NA	NA	NA
Return rate	88.00%	100.00%	88.89%	76.19%	25.00%	68.00%	89.65%	100.00%	91.66%
Retention rate	62.50%	100.00%	64.71%	50.00%	0.00%	39.39%	NA	NA	NA
Comments									

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

	Description
Workplace health and safety training activities provided to workers, including general and specific training on workplace hazards, dangerous activities or situations	<p>BALLY periodically provides courses in occupational health and safety and a certificate is issued to confirm the competencies acquired.</p> <ul style="list-style-type: none"> In Switzerland in 2023 the following trainings were held: <ul style="list-style-type: none"> - Evacuation training in case of emergencies for designated workers - First aid courses (BLS-DAE and MISV) - Firefighting courses (theoretical and practical course) - Training courses for blue collars entering into the ATEX zone In Italy all employees—both untrained Display Screen Equipment workers and un-trained technical area operators—must always have general and specific training on security in compliance with national law. BALLY trains new employees and updates training when necessary (with certification lasting five years). <p>Security officers receive updated training when their certification expires (it lasts two years).</p> <p>In addition to the above, the following training was held in 2023 in Florence: <ul style="list-style-type: none"> - 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> In Sidney office, employees are informed on their first day of work about the office security procedures in case of emergency and participate annually to the fire drill exercise conducted by building management. In Singapore office, employees participate in annual fire drill exercise conducted by building management. In New York office, the office building provides bi-annual fire safety training, as required by law, and emergency evacuation training. In Shanghai office, office staff is trained for the use of AED (Automated External Defibrillator). In Tokyo office, no specific trainings are required for health and safety issues.

Report the work-related hazards that pose a risk of high-consequence injury	No high-consequence work-related injuries occurred. The people who suffered injuries returned at work without consequences.
Specify how these hazards have been determined	The dangers, in general, are also determined thanks to work inspector, who checks that safety regulations are respected. Furthermore, internally we have staff trained to ensure that the directives are followed.
Specify which of these hazards have caused or contributed to high-consequence injuries during the reporting period	None
Specify actions taken or underway to eliminate these hazards and minimize risks using the hierarchy of controls	Operators are trained to comply with safety regulations. They must wear DPI. Heads of department supervise to be compliance with the rules.
Report any actions taken or underway to eliminate other work-related hazards and minimize risks using the hierarchy of controls	We had some professional illnesses (not highly serious, but due to the type of work) and to minimize the risk in the future, we asked the intervention of an ergonomics expert.
Report whether the rates have been calculated based on 200,000 or 1,000,000 hours worked	1,000,000 hours worked
Report whether and, if so, why any workers have been excluded from this disclosure, including the types of worker excluded	There were excluded occupational diseases (that have not high-consequences)
Report any contextual information necessary to understand how the data have been compiled, such as any standards, methodologies, and assumptions used	NA
Comments	NA

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

	Total hours	Total average hours
Executives	0.00	0.00
GM & Directors	265.5	6.81
Office Manager	1,790.5	12.52
Store manager	5,051	35.08
Office staff	1,007	3.80
Workers	0	0.00
Store staff	6,947.25	9.73
Other*	1031	NA
Total	16,092.25	11.41
Comments	* "Other" has been used when the information about the role of the trainee is not available. We are working to improve the data collection in order to minimize this category.	
Male	4,323.25	10.39
Female	11,397	11.47
Rather not say	9	NA
Other*	363	NA
Total	16,092.25	11.41
Comments	* "Other" has been used when the information about the role of the trainee is not available. We are working to improve the data collection in order to minimize this category.	

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

	2023							2022							2021						
	<30	30-50	>50	TOT	Man	Woman	TOT	<30	30-50	>50	TOT	Man	Woman	TOT	<30	30-50	>50	TOT	Man	Woman	TOT
Executives	0%	78%	22%	100%	56%	44%	100%	0%	67%	33%	100%	33%	67%	100%	0%	70%	30%	100%	60%	40%	100%
GM & Directors	0%	69%	31%	100%	51%	49%	100%	0%	69%	31%	100%	54%	46%	100%	0%	79%	21%	100%	58%	42%	100%
Office Manager	4%	78%	18%	100%	34%	66%	100%	3%	77%	20%	100%	32%	68%	100%	5%	77%	18%	100%	35%	65%	100%
Store manager	3%	85%	12%	100%	26%	74%	100%	3%	83%	14%	100%	28%	72%	100%	0%	83%	17%	100%	23%	77%	100%
Office staff	34%	52%	14%	100%	33%	67%	100%	33%	54%	13%	100%	31%	69%	100%	26%	59%	15%	100%	31%	69%	100%
Workers	1%	43%	56%	100%	47%	53%	100%	0%	45%	55%	100%	47%	53%	100%	2%	41%	57%	100%	46%	54%	100%
Store staff	25%	66%	9%	100%	24%	76%	100%	25%	65%	10%	100%	25%	75%	100%	28%	64%	8%	100%	23%	77%	100%
Total	20%	65%	15%	100%	30%	70%	100%	20%	65%	15%	100%	30%	70%	100%	20%	65%	15%	100%	29%	71%	100%
Note								Age not available for 16 HCs.													

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

	2023	2022	2021
Executives & Directors	99.88%	110.10%	101.10%
Office Managers	99.69%	103.50%	99.80%
Store Managers	103.88%	108.10%	99.60%
Office Staff	102.13%	96.80%	99.30%
Factory Workers	100.14%	98.80%	94.90%
Store Staff	108.17%	98.20%	94.30%
Factory Support	*	100.00%	100.00%
Comments	<p>Data are calculated on the Annual Gross Salary excluding variable compensations and allowances. Part time positions figures are estimated through adjustments that commensurate the data. Ratios refer to the total BALLY population worldwide.</p> <p>* For Factory Support category the percentage has not been calculated since in this employee category there are only male workers.</p>		

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

	2023	2022	2021
Total number of discrimination incidents during the reporting period	0	0	0
A statement if there are no incidents	Internal Audit is not aware of any incident reported during 2023	In 2022 no incidents of discrimination were reported.	In 2021 no incidents of discrimination were reported.

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

	2023	2022	2021
Incidents of non-compliance with regulations resulting in a fine or penalty	1.00	0.00	2.00
Incidents of non-compliance with regulations resulting in a warning	0.00	0.00	0.00
Incidents of non-compliance with voluntary codes	0.00	0.00	0.00
Total	1.00	0.00	2.00
A brief statement if the organization has not identified any non-compliance with regulations and/or voluntary codes		no fines for 2022	Two cases occurred in Chinese Mainland and AIC (Administration for Industry and Commerce) penalties were paid to the value of up to CHF 20.000.
Comments	We had 1 case of backpack resulting in a penalty of 5,000 CHF		

Certified Materials (Custom KPI)

	Consumption	Certified Preferred	% Certified Preferred	Certified Good	% Certified Good
Leather	351.51	162.53	46%	54.64	16%
Cardboard and Paper	248.88	233.42	94%	0	0%
Metal	48.16	0	0%	0	0%
Cotton	115.55	20.41	18%	27.98	24%
Elastodiene	71.09	0.2	0%	0	0%
Nylon	20.77	11.63	56%	0.37	2%
Polyurethane	15.25	0.09	1%	0.04	0%
Polyester	30.01	6.35	21%	10.08	34%
Plastic	36.65	0.03	0%	8.08	22%
Polyamide	5.66	2.37	42%	0.37	7%
Polyethylene	0.17	0.05	29%	0.04	24%
Cellulose	0.17	0	0%	0	0%
Linen	0.88	0	0%	0.51	58%
TPU	8.47	0	0%	0	0%
Silicone	0.55	0	0%	0	0%
Viscose	6.47	0	0%	0.03	0%
Wool	12.25	0	0%	8.65	71%
Rubber	35.18	0	0%	0	0%
Grand Total	1,070.84	450.59	42%	112.03	10%

GRI Content Index

Statement of use: BALLY has reported the information cited in this GRI Content Index for the period January 1 – December 31, 2023 with reference to the GRI Standards

GRI 1 used: GRI 1: Foundation 2021

Applicable GRI Sector Standard(s): N/A

General Disclosure

GRI Standards	Disclosure	Location	Omission/Notes
GRI 2: General Disclosures 2021	2-1 Organizational details	p. 91	
	2-2 Entities included in the organization's sustainability reporting	p. 91	
	2-3 Reporting period frequency and contact point	p. 91	
	2-4 Restatements of information	p. 91	
	2-5 External assurance	p. 127-129	
	2-6 Activities value chain and other business relationships	p. 10, p. 59, p. 91	
	2-7 Employees	p. 93-94	
	2-8 Workers who are not employees	p. 94	
	2-9 Governance structure and composition	p. 22, p. 95	
	2-10 Nomination and selection of the highest governance body	p. 22	JAB Luxury Srl (Luxembourg) as the majority shareholder nominates and selects the Board of Director members of BINT. Executives are recruited according to their various competences, and product and industry knowledge.
	2-11 Chair of the highest governance body		The chair of the highest governance body is not a senior executive in the organization.
	2-12 Role of the highest governance body in overseeing the management of impacts	p. 22	
	2-13 Delegation of responsibility for managing impacts	p. 22	
	2-14 Role of the highest governance body in sustainability reporting	p. 22	
	2-15 Conflicts of interest	p. 89	
	2-16 Communication of critical concerns		Critical concerns are communicated to the Audit Committee during the periodical meetings, when needed. In the case of violations of the Model 231 (applicable for Italian entities only) the Supervisory Board must be also informed. No critical concerns were communicated in 2023.
	2-17 Collective knowledge of the highest governance body		BINT BoD is composed of executive and non-executive members. The executives are supported by a network of professionals, consultants and associations to which the ESG Committee refers periodically when defining priorities and tasks. The non-executives members manage portfolios of companies in various sectors with deep competences of industry knowledge, sustainable development included.

GRI Standards	Disclosure	Location	Omission/Notes
GRI 2: General Disclosures 2021	2-18 Evaluation of the performance of the highest governance		Internal assessments of the Board of Directors of BALLY International AG are highly confidential in nature and may not be disclosed.
	2-19 Remuneration policies		BALLY considers remuneration policies strictly confidential and will not disclose this kind of information.
	2-20 Process to determine remuneration		Remuneration policies. MBO Targets. MBO payouts and Senior Executives packages are proposed by the company and approved by an external remuneration committee. Remuneration committee members are selected by JAB and they are necessarily not BALLY employees.
	2-21 Annual total compensation ratio		Not applicable to BALLY: being an international group. operating in different countries. this data is incongruent with the complexity of our company.
	2-22 Statement on sustainable development strategy	p. 4-5	
	2-23 Policy commitments	p. 22, p. 59, p. 88-89	
	2-24 Embedding policy commitments	p. 22	
	2-25 Processes to remediate negative impacts	p. 59, p. 88-89	
	2-26 Mechanisms for seeking advice and raising concerns	p. 88-89	
	2-27 Compliance with laws and regulations	p. 59, p. 95	
	2-28 Membership associations	p. 83	<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 Camera Nazionale della Moda Italiana (The National Chamber for Italian Fashion) which disciplines co-ordinates and promotes the development of Italian Fashion.</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>
	2-29 Approach to stakeholder engagement	p. 13	
	2-30 Collective bargaining agreements		Not applicable: BALLY is an international group, operating in different countries; this data is incongruent with the complexity of our company, since the definition of collective bargaining agreement may vary in different countries.

Material Topics

GRI Standards	Disclosure	Location	Omission/Notes
GRI 2: Material Topics 2021	3-1 Process to determine material topics	p. 13-14	
	3-2 List of material topics	p. 15-16	
	3-3 Management of material topics	p. 17-21	

ENVIRONMENTAL / Biodiversity Deforestation and Land Use

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 53, p. 59	
GRI 303: Water & Effluents 2018	303-1 Interactions with water as a shared resource		BALLY's operations and facilities do not use any water apart from providing the required hygiene-sanitary standards for employees and guests. BALLY is further committed to the minimization of water use throughout its organization, as indicated in BALLY's Code of Ethics, and with its suppliers, as indicated in its Supplier Code of Conduct.
	303-5 Water consumption	p. 103	
GRI 304: Biodiversity 2016	304-1 Operational sites owned leased managed in or adjacent to protected areas and areas of high biodiversity value outside protected areas		BALLY does not own lease or manage any operational site in or adjacent to protected areas or areas of high biodiversity value.
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 25, p. 29, p. 31, p. 104	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 25, p. 29, p. 31, p. 104	
	305-3 Other indirect (Scope 3) GHG emissions	p. 25-26, p. 29-30, p. 31, p. 105-106	
GRI 306 - Waste 2020	306-1 Waste generation and significant waste-related impacts		BALLY operations follow a standard internal procedure for waste separation based on the recycling principle, as well as respecting the local waste collection standards and rules. To BALLY's knowledge, there are no negative impacts related to its own waste, as it is properly treated according to these specific rules and laws.

GRI Standards	Disclosure	Location	Omission/Notes
GRI 306 - Waste 2020	306-2 Management of significant waste related impacts		<p>BALLY warehouses and logistics hubs minimize packaging waste by re-using all undamaged inbound packaging for the outbound. In 2023, 10%(in weight) of the external inbound packaging is re-used for the outbound.</p> <p>BALLY operation and direct production sites minimize waste through specific production processes aimed at continuous efficiency improvement.</p> <p>In BALLY headquarters, water dispensers have been installed and employees have been given water bottles to fill up. Besides, 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.</p> <p>Local municipality services manage our urban waste collection, while certified companies manage special waste. Data on special waste is received in annual reports provided by certified companies. Recyclable urban waste is monitored at our headquarters.</p>
	306-3 Waste generated	p. 107	
	306-4 Waste diverted from disposal	p. 108	
	306 - 5 Waste directed to disposal	p. 108	

ENVIRONMENTAL / Climate Change. GHG Emissions and Energy Management

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 25-34, p. 35-36, p. 37-38, p. 39-40, p. 53-56	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	p. 37-38, p. 100-102	
	302-4 Reduction of energy consumption	p. 37-38, p. 103	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	p. 25, p. 29, p. 31, p. 104	
	305-2 Energy indirect (Scope 2) GHG emissions	p. 25, p. 29, p. 31, p. 104	
	305-3 Other indirect (Scope 3) GHG emissions	p. 25-26, p. 29-30, p. 31, p. 105-106	

GRI Standards	Disclosure	Location	Omission/Notes
SOCIAL / Diversity Equity & Inclusion and Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 59-60, p. 67-70	
GRI 202: Market presence 2016	202 - 2 Proportion of senior management hired from the local community	p. 97	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	p. 69, p. 114	
	405-2 Ratio of basic salary and remuneration of women to men	p. 68, p. 114	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	p. 68, p. 115	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 59-60	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.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 59-60	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.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 59-60	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.

SOCIAL / Employee involvement, development and training

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 71-72, p. 76	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	p. 109-110	
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	p. 113	

GRI Standards	Disclosure	Location	Omission/Notes
GRI 404: Training and education 2016	404 - 2 Programs for upgrading employee skills and transition assistance programs	p. 71-72, p. 75	
	404 - 3 Percentage of employees receiving regular performance and career development reviews	p. 71	

GOVERNANCE / Culture of Sustainability, Corporate Governance and Board-Level Accountability of ESG Issues training

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 22, p. 76	
GRI 413: Local Communities 2016	413-1 Operations with local community engagement impact assessments and development programs	p. 84-85	

GOVERNANCE / Operating and Financial Performance

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 17-21, p. 22	
GRI 201: Economic performance 2016	201-3 Defined benefit plan obligations and other retirement plans	p. 96	
	201-4 Financial assistance received from government	p. 97	

GOVERNANCE / Risk Management

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 17-21, p. 89	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	p. 89	
GRI 206: Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behaviour anti-trust and monopoly practices	p. 89	

PRODUCT & SUPPLY CHAIN / Circular economy and sustainable materials

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 48-51, p. 53-56, p. 62	
GRI 301: Materials 2016	301-2 Recycled input materials used	p. 48-51, p. 54-56	
Custom KPI 2	Custom KPI 2 Repair and renewal program	p. 62	

GRI Standards	Disclosure	Location	Omission/Notes
PRODUCT & SUPPLY CHAIN / Responsible Management of the Supply Chain			
GRI 3: Material Topics 2021	3-3 Management of material topics	p. 59-61	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	p. 98	
GRI 308: Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	p. 59-60	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	p. 59-60	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.
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	p. 59-60	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.
GRI 409: Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	p. 59-60	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.
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	p. 59-60	

PRODUCT & SUPPLY CHAIN / Responsible Sourcing, Responsible Manufacturing and Traceability of Products and Materials

GRI 3: Material Topics 2021	3-3 Management of material topics	p. 43-47, p. 48-52, p. 53-56	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	p. 44, p. 48, p. 51, p. 99-100	
	301-2 Recycled input materials used	p. 48-51, p. 54-56	
Custom KPI 1	Custom KPI Certified materials	p. 54, p. 116	

Additional topics disclosed

GRI Standards	Disclosure	Location	Omission/Notes
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	p. 89	
GRI 401: Employment 2016	401-3 Parental leave	p. 111	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	p. 73-74	
	403-2 Hazard identification risk assessment and incident investigation	p. 73-74	
	403-3 Occupational health Services	p. 73-74	
	403-5 Worker training on occupational health and safety	p. 73-74, p. 111	
	403-8 Workers covered by an occupational health and safety management system	p. 73-74	
	403-9 Work-related injuries	p. 112-113	
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		In 2023, no incidents regarding health and safety have happened
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data		Data Protection Officer (DPO) confirmed that no incidents, leaks or complains have been received by BALLY during 2023.

Independent Limited Assurance Report



Independent Assurance Statement

DNV-2024-ASR- C695279

DNV Business Assurance Italy S.r.l. ('DNV') has been commissioned by Bally Schuhfabriken AG (hereafter referred to as 'Bally' or 'the Company') to undertake an independent assurance of Bally Sustainability Report (hereafter referred to as 'Report') for the year ended 31st December 2023.

Assurance approach

This assurance engagement has been carried out in accordance with DNV's VeriSustain protocol, V6.0, which is based on our professional experience and international assurance best practice including the International Standard on Assurance Engagements (ISAE) 3000 revised - 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (revised), issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited and reasonable assurance.

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity assessment, whose general principles are requirements for validation and verification bodies. Accordingly, DNV maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We performed the activities applying a limited level of assurance, as described in the following sections.

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

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

Responsibilities of the Directors of Bally and of the assurance providers

The Management of Bally has sole responsibility for:

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

DNV's responsibility is to plan and perform the work to obtain assurance about whether the Report has been prepared with reference to the reporting requirements and to report to Bally in the form of an independent assurance conclusion, based on the work performed and the evidence obtained.

Our statement represents our independent opinion and is intended to inform all stakeholders. DNV was not involved in the preparation of any statements or data included in the Report except for this Independent Assurance Statement.

Our competence, independence and quality control

DNV's established policies and procedures are designed to ensure that DNV, its personnel and, where applicable, others are subject to independence requirements (including personnel of other entities of DNV) and maintain independence where required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. We have no other contract with Bally.

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

Inherent limitations

DNV's assurance engagements are based on the assumption that the data and information provided by the Company to us as part of our review have been provided in good faith, are true, and are free from material misstatements. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not have been detected.



The engagement excludes the sustainability management, performance, and reporting practices of the Company's suppliers, contractors, and any third parties mentioned in the Report. We did not interview external stakeholders as part of this assurance engagement.

The assessment is limited to data and information in scope within the defined reporting period. Any data outside this period is not considered within the scope of assurance.

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

Basis of our conclusions

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work at Group level. We adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. Our limited assurance procedures included, but were not limited to, the following activities:

- Review of the current sustainability issues that could affect Bally and are of interest to its stakeholders;
- Review of Bally's approach to stakeholder engagement and recent outputs;
- Understanding of the key systems, processes and controls for collecting, managing and reporting disclosures and KPIs in the Report;
- Understanding and testing, on a sample basis, of the processes used to adhere to and evaluate adherence to the reporting requirements;
- Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles and requirements;
- Review of the disclosures according to reporting requirements and review of supporting evidence for key claims in the Report. Our checking processes were prioritised according to materiality and we based our prioritisation on the materiality of issues at Group level;
- Review of the processes for gathering and consolidating selected performance data and, for a selected sample, checking the data consolidation. Selected performance data are listed in the Appendix;
- Interviews with selected Subject Matter Experts and senior managers responsible for management of disclosures and review of selected evidence to support issues discussed. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data consolidation and reporting of the selected information.

Our conclusions

Based on the procedures we have performed and the evidence we have obtained, nothing came to our attention that causes us to believe that Bally Sustainability Report for the year ended 31st December 2023 is not fairly stated and has not been prepared, in all material aspects, in accordance with the GRI Standards, with reference to the selection of GRI Standards, as stated in the "Methodological note" of the Sustainability Report.

For and on behalf of DNV Business Assurance Italy S.r.l.
Vimercate (MB), Italy
29th May 2024

A handwritten signature in blue ink that reads "Alessia Segalini".

Alessia Segalini
Lead Verifier

A handwritten signature in blue ink that reads "Laura Ierardi".

Laura Ierardi
Reviewer



Appendix: Selected performance data

The scope of our review of the processes for gathering and consolidating performance data has been limited to the following Selected performance data, which have been disclosed in the Report.

Employee information and diversity:

- GRI 2-7 Employees
- GRI 2-8 Workers who are not employees
- GRI 401-1 New employee hires and employee
- GRI 405-1 Diversity of governance bodies and employees
- GRI 405-2 Ratio of basic salary and remuneration of women to men

Training and education:

- GRI 404-1 Average hours of training per year per employee
- GRI 404-2 Programs for upgrading employee skills and transition assistance programs
- GRI 404-3 Percentage of employees receiving regular performance and career development reviews

Materials:

- GRI 301-1 Materials used by weight or volume

Water and effluents:

- GRI 303-5 Water consumption

Waste:

- 306-3 Waste generated
- 306-4 Waste diverted from disposal
- 306-5 Waste directed to disposal

Energy and GHG emissions:

- GRI 302-1 Energy consumption within the organization
- GRI 305-1 Direct (Scope 1) GHG emissions
- GRI 305-2 Energy indirect (Scope 2) GHG emissions
- GRI 305-3 Other indirect (Scope 3) GHG emissions

Non-discrimination:

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