

BALLY

SUSTAINABILITY REPORT 2019

TABLE OF CONTENTS

08	Who We Are
18	Sustainability at Bally: Our Commitment to Better Sustainability Roadmap Sustainability Pillars Materiality Governance
40	Making Things Better by Making Better Things: Our Product & Production Swiss Craftsmanship Supply & Production
62	Better Together: Our People Bally Code of Conduct Taking Care of Our People Continuous Education
90	Better for Our Planet Partnerships for Planet Reducing Our Footprint Our Alpine Heritage
106	Better for Our Communities Bally Shoe Museum Bally Archive Bally Exhibition The Bally Foundation
120	A Better Future
122	Appendix

A Better Future

The year 2019 represented a year of important Sustainability developments at Bally. While we laid the groundwork to build upon for years to come, nothing could have prepared us for what would transpire at the start of 2020: a series of cascading crises from the Australian bushfires to an unprecedented global pandemic whose after-effects and economic consequences are still unknown.

As the world begins to heal, and we continue to assess our priorities as human beings, and as a company, these challenging times have sharply highlighted just how critically and immediately we must confront the adverse impact that industries have, not only on our communities and the environment, but on our own health and well-being.

We've worked tirelessly to ensure the safety of our clients, partners and employees, providing high-level schemes and services to contribute to their overall protection and care, as well as the future longevity of our business. We've nurtured our creativity and talent around the world while staying at home, and when safely allowed, in our offices, being fully transparent with our communications and finding radical solutions through a shared ability to innovate and adapt.

Sustainability has always been a key pillar at Bally, and the cumulative actions that we have taken in 2019 and in mitigating the impact of Covid-19 at the onset of 2020 is a source for inspiration. It has deepened our responsibility to ensure that the climate crisis will no longer be overlooked, since the further erosion of our environment and societies would only lead to disastrous consequences, and to promote social and economic progress in accordance with the United Nations' Sustainable Development Goals.

Yet I remain hopeful, galvanized by the passion and efforts that Bally's team has committed to in driving our Sustainability goals across the organization.

In 2019, we reduced plastic use in our offices, improved product packaging, introduced new eco-friendly materials into our collections, switched to a renewable energy source to heat our Caslano headquarters, sponsored a clean-up expedition to Mount Everest that removed two tons of waste from base camp to the peak, supported contemporary artists through our Bally Foundation, and saw a retrospective exhibit detail our company's past, present and future at the Museum für Gestaltung in Zurich.

We also conducted an internal baseline assessment, publishing a Sustainability Roadmap to chart the course ahead, a necessary step in a journey where much is to be learned. While we don't have all the answers, we do have an obligation to meet these critical objectives and milestones, and understand the time to act is now- a sentiment that was unanimously shared across our board of directors and all stakeholders of the company.

We recognize that confronting Sustainability head on is a task that's bigger than any one company. Therefore, in October 2019, we joined the Fashion Pact, a global coalition of fashion and textile companies committed to safeguarding the planet by targeting practical science-based objectives and combating the industry's adverse effect on the climate. Together, we are stronger, and this collaborative approach represents well over 30% of the industry in terms of volume of products alone.

This Sustainability Report is the first of many for us, and details our activities during the 2019 year in a balanced and relevant way across four Sustainability pillars (Transparency, Quality, Collaboration and Progress) in effort to reach future goals, whether creating greater efficiency in our supply chain, which accounts for nearly 70% of a fashion company's carbon footprint, to introducing a fully circular product to the market by 2025.

We strengthen our people, culture and core values through collective entrepreneurship, meaningfulness and high performance, also known as the "Bally Way"; playing a crucial role in the communities where we operate by creating jobs, developing talent, using local suppliers, and investing in the arts through The Bally Foundation. We offer internal mentorship and seniority programs and provide continuous education and resources through our Bally Portal, an insightful online learning platform.

Sustainability at Bally is a transformative and transversal mission. It is all about courage in leadership, and our ability to work towards things that have never been achieved. We have given ourselves ambitious yet attainable Sustainability goals, and this is proof of progress, but it also calls attention towards areas of improvement in order to attain our end goal.

We pledge to streamline and enhance reporting to meet the ever-stronger demands for transparency, and to step up efforts on all fronts, maintaining our approach to Sustainability at the heart of our everyday practices that will ultimately help to decarbonize the industry. Today, we are more profoundly committed to our values than ever before.

I thank the company as a whole for making such positive contributions to society and our shared environment, and for organizing the salient contents of this report.

May we all do better by making better things.

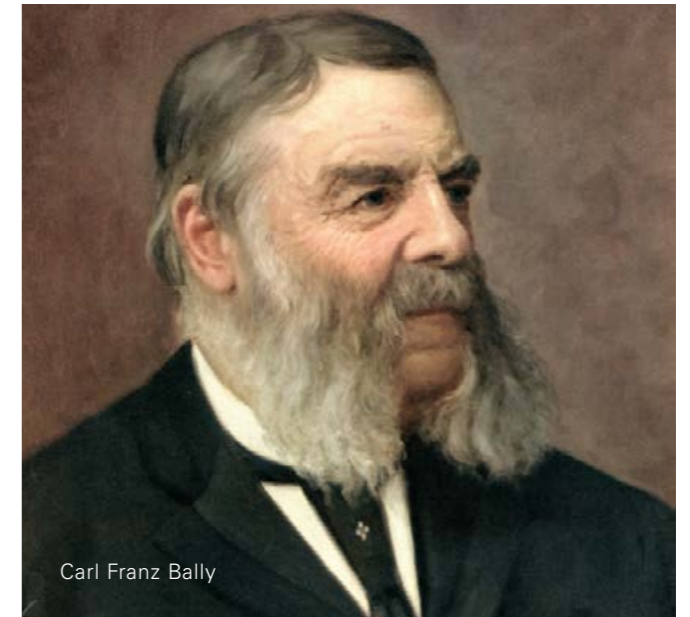
Nicolas Giroto,
Bally CEO

WHO WE ARE

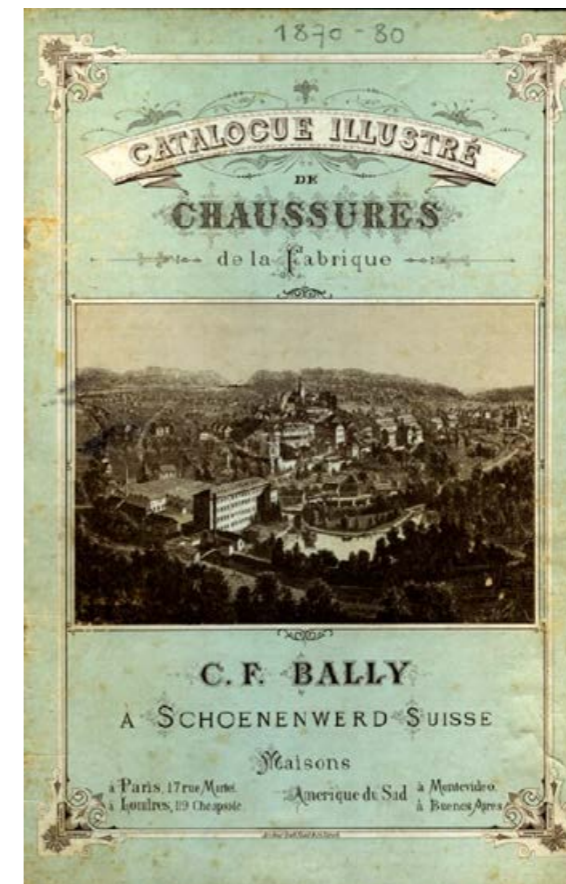
Born in Switzerland in 1851,
Bally is one of the world's longstanding
luxury brands. Proud to be leather architects,
our DNA as skilled shoemakers marries
a heritage of craftsmanship with
a decidedly contemporary aesthetic.

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

Today, Bally continues to honor its timeless traditions, subscribing to the belief that quality speaks for itself. Even our most iconic shoes, like the men's formal Scribe, created by Carl Franz Bally's grandson Max Bally in celebration of the brand's 100-year anniversary in 1951, are still handmade in Switzerland, taking 240 artisanal steps to complete.



Carl Franz Bally



Bally store in Paris

CRAFTSMANSHIP

Bally dares to be different, always designing with longevity in mind. Our team of multi-generational artisans based in Caslano, Switzerland, handcraft styles with consistency and care, embodying our dedicated approach to making shoes, accessories and ready-to-wear.

INNOVATION

We engineer sustainable, functional fashion that breaks boundaries. Whether it's Reindeer boots, worn by Tenzing Norgay during the first-ever ascent of Mount Everest in 1953, or technical Curling shoes worn by the Swiss Olympic team, we embrace a multitude of cutting-edge technologies to maximize our possibilities. We use AI (Artificial Intelligence) to help planning and buying, diminishing unsold product, and hence waste.

CREATIVITY

Inspired by modern architecture and the arts, we strive to design beautiful products with relevance and restraint. Using clean lines and a signature edge, our house signifiers, like the classic red-and-white Bally Stripe or the Alpine exploration inspired Bally Grip famously featured on the soles of the boots worn by Sherpa Tenzing Norgay on the first successful summit of Everest, grace our collections and have withstood the test of time.





COLLABORATION

Since the early 20th century, Bally has partnered with the world's top creative talent, commissioning French illustrator Bernard Villemot to create globally-renowned advertising posters, or the leading architects and interior designers of their time, like the late, legendary Le Corbusier, Karl Moser, Robert Mallet-Stevens and Andrée Putman. More recently, award-winning firm Casper Mueller Kneer Architects designed our Milan Bally Haus flagship concept in 2019. In line with our commitment to reducing our carbon footprint, the concept leverages local artisans and locally-sourced materials, including environmentally-conscious options like travertino, wood and terracotta ceramic.

COMMUNITY

Swiss in spirit, we are open-minded to the world. Equally at home in the city and in nature, our network represents the breadth and depth of our culture, from members of the Bally Collective who champion "The Art of Living Well" to environmental activists and mountaineers like Dawa Steven Sherpa and Jamling Norgay.

ENVIRONMENT

Born in Switzerland, we are profoundly passionate about integrating nature into all that we do, from taking tangible action towards mountain preservation through Bally Peak Outlook to honoring the elements as a primary source of inspiration for our collections.

158

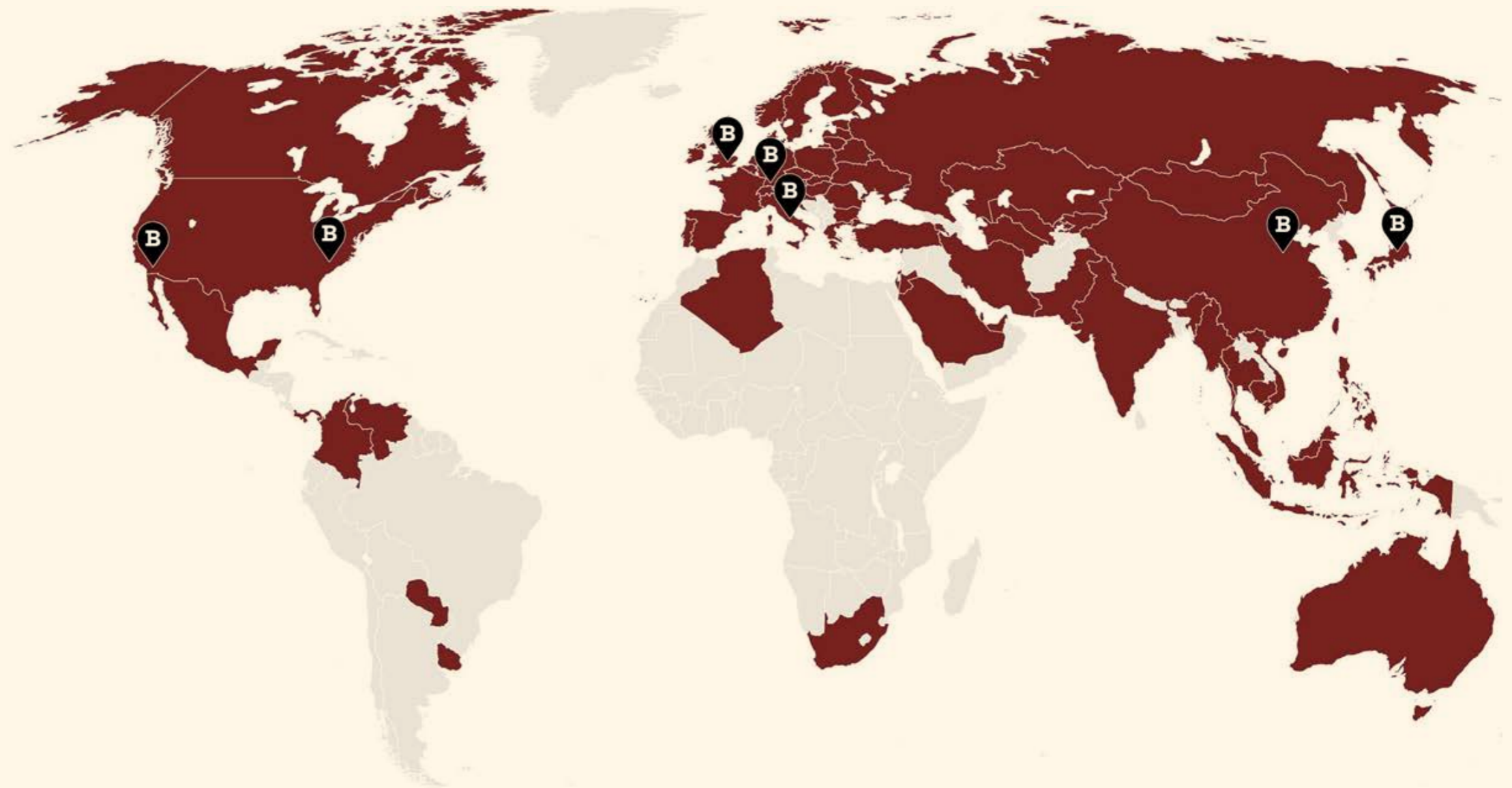
Directly
managed
stores

684

Doors
wholesale
and travel retail

International Reach

With over 800 points of sales around the world, Bally is one of few true fully omnichannel luxury houses allowing for a seamless customer experience.



ECOMMERCE

FLAGSHIP STORE (2019)

SUSTAINABILITY AT BALLY:
OUR COMMITMENT TO BETTER



Making Things Better By Making Better Things.

Bally was born of Swiss values like this one. From the very beginning, a dedication to social responsibility and respect for the environment have been intrinsic to our identity and evident in our actions, well before terms like “Sustainability” or “Corporate Social Responsibility” existed. At Bally, there was just a strong culture of wanting to do right by our communities, people and planet.

As the world changes around us, so have consumer expectations. People have rightly begun to demand more of the brands they love - Bally included. As a result, we’re strengthening our commitment to transparency, sharing the targets we’ve set related to Sustainability, and the progress we’ve made towards achieving them.

In this Sustainability Report, our first of many, we chronicle those stories. We also communicate the recent steps we’ve taken to benchmark our Sustainability performance to date, setting ambitious yet achievable goals to mitigate our impact on the environment.

We continue to look toward the future, to cultivate Bally’s deeply - embedded ethos to place purpose beyond profit, and to seek new and innovative ways to deliver on that promise: doing better for our customers, communities, employees, partners and planet.

“Sustainability at Bally is a transformative and transversal mission. It is all about courage in leadership, and our ability to work towards things that have never been achieved.”

Nicolas Giroto, Bally CEO





SUSTAINABILITY ROADMAP

Since our start in 1851, Bally has been a company that cares. About excellence in quality and generations of craft. About the health and well-being of our employees, partners, customers and communities. About the way our work has lasting and positive impact on the people and places around us.

But how does that caring translate to tangible action and meaningful change? How are we really doing from a Sustainability standpoint? And where do we go from here?

That's what we wanted to discover when we engaged a team of external consultants to conduct a baseline assessment in June 2019. The outcome of their assessment evaluated Bally's business practices and operations in a sustainability context, and provided recommendations for how we may build upon the comprehensive work we've done so far.

Upon those findings and recommendations, we built our Sustainability Roadmap, an ambitious strategy and related action plans that will mitigate our environmental footprint and promote social and economic well-being in accordance with the United Nations' Sustainable Development Goals (SDGs) and The Fashion Pact, the latter of which Bally is a committed signatory.

Our Sustainability strategy and goals are built upon four pillars that focus and frame our efforts across the company:

Transparency, Quality, Collaboration and Progress.



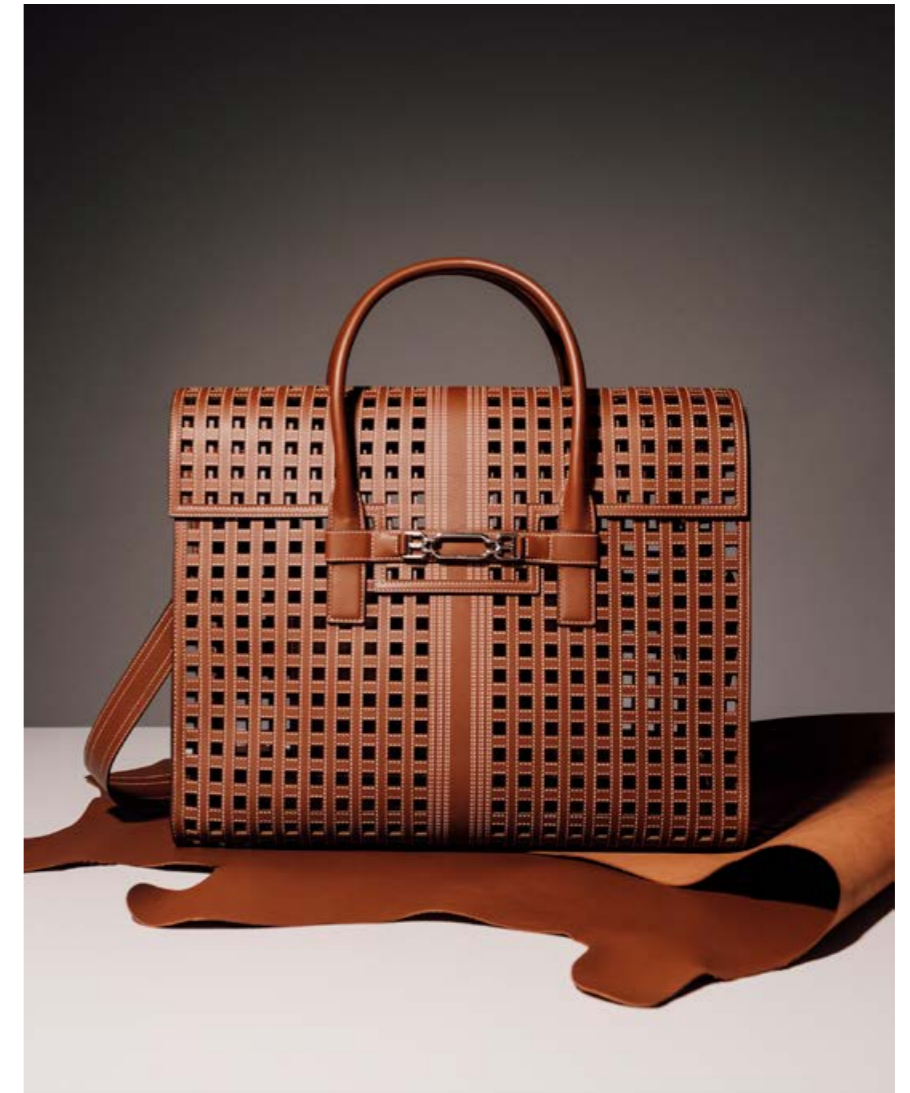
SUSTAINABILITY PILLARS

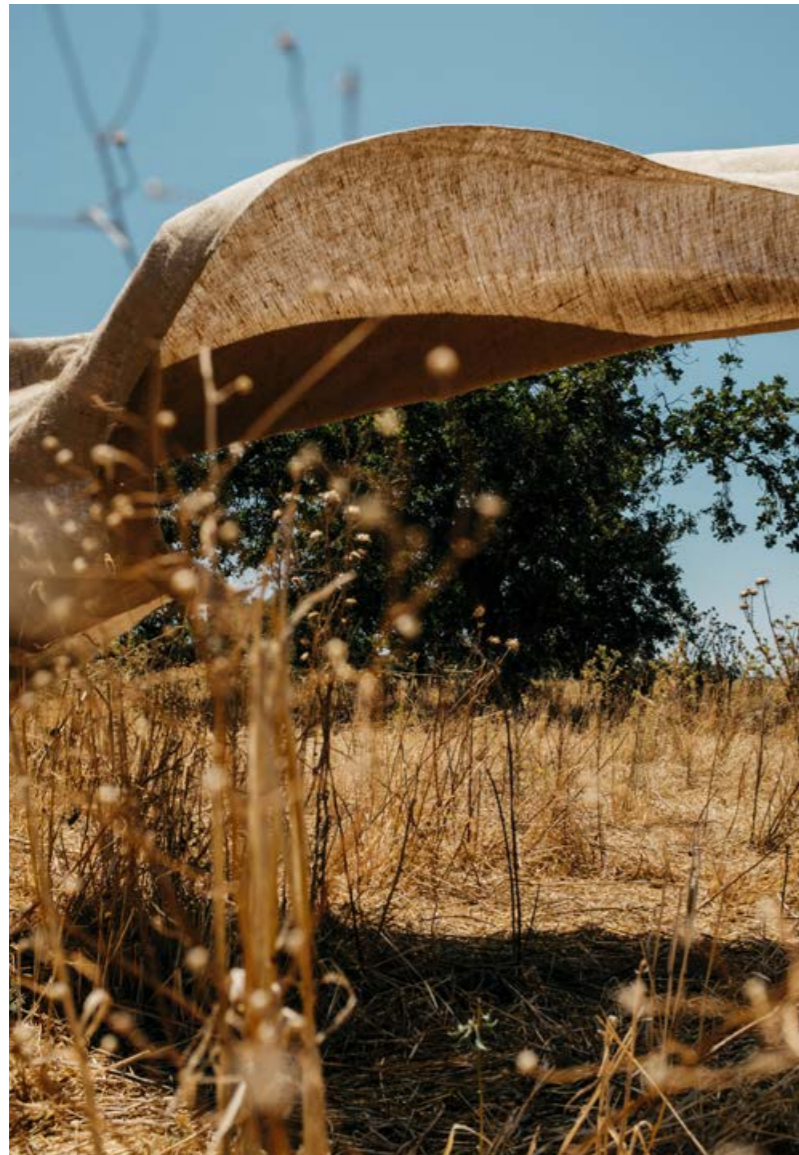
Transparency

Whether facilitating greater transparency, publishing a Code of Ethics, increasing the cadence of monitoring and reporting, or aligning with global affiliate organizations to drive awareness industry-wide, having open and honest communications will allow for greater corporate accountability and governance. Not only did we publish key portions of our Sustainability Roadmap to communicate our commitment, maintain accountability and follow-up on its progress, we are enacting other objectives towards greater transparency, like the publication of this report and mapping 90% of Tier 1, 2 and 3 suppliers by 2022.

Quality

This pillar demands excellence in design, materials, technology and supply chain, accounting for the most pollutants and waste produced from product to packaging. Besides enacting better purchasing decisions and evolving sourcing and procurement, we plan to develop longevity programs aimed at product care and repair by 2022, and ensure 100% traceability of all leather back to farms, with 75% of leather purchased from certified tanneries by 2025. We will also strive to ensure 95% of raw materials are traceable to farm level by 2025, among other actionable goals to help minimize harm to the environment.





Collaboration

Since Bally's founding in 1851, the brand has been a leader in supporting creative minds and diverse communities through the Bally Foundation and Bally Crafting Futures, respectively. Bally will continue to strengthen its people, culture and core values through collective entrepreneurship, meaningfulness and high performance (together, the "Bally Way"). In 2020, we will establish the Bally Peak Outlook Foundation, committed to preserving extreme mountain environments, and sponsoring critical cleanups of the base camps of Mount Everest and seven 8,000-meter peaks in the Himalayan region over the course of two years (by 2022). Our ultimate goal is to create a virtuous business model benefiting all: communities, customers, employees and the environment.

Progress

Building on our history of innovation, from processes to materials and design, Bally's future depends on its ability to accelerate change, and find unique and unprecedented solutions that can bring distant goals within reach, like introducing a fully circular product to the market (2025), reducing single-use plastics in B2B and B2C product packaging by 30% (2025), and by 100% (2030) and founding Bally's Center of Excellence for education, research and development in sustainability (2022).

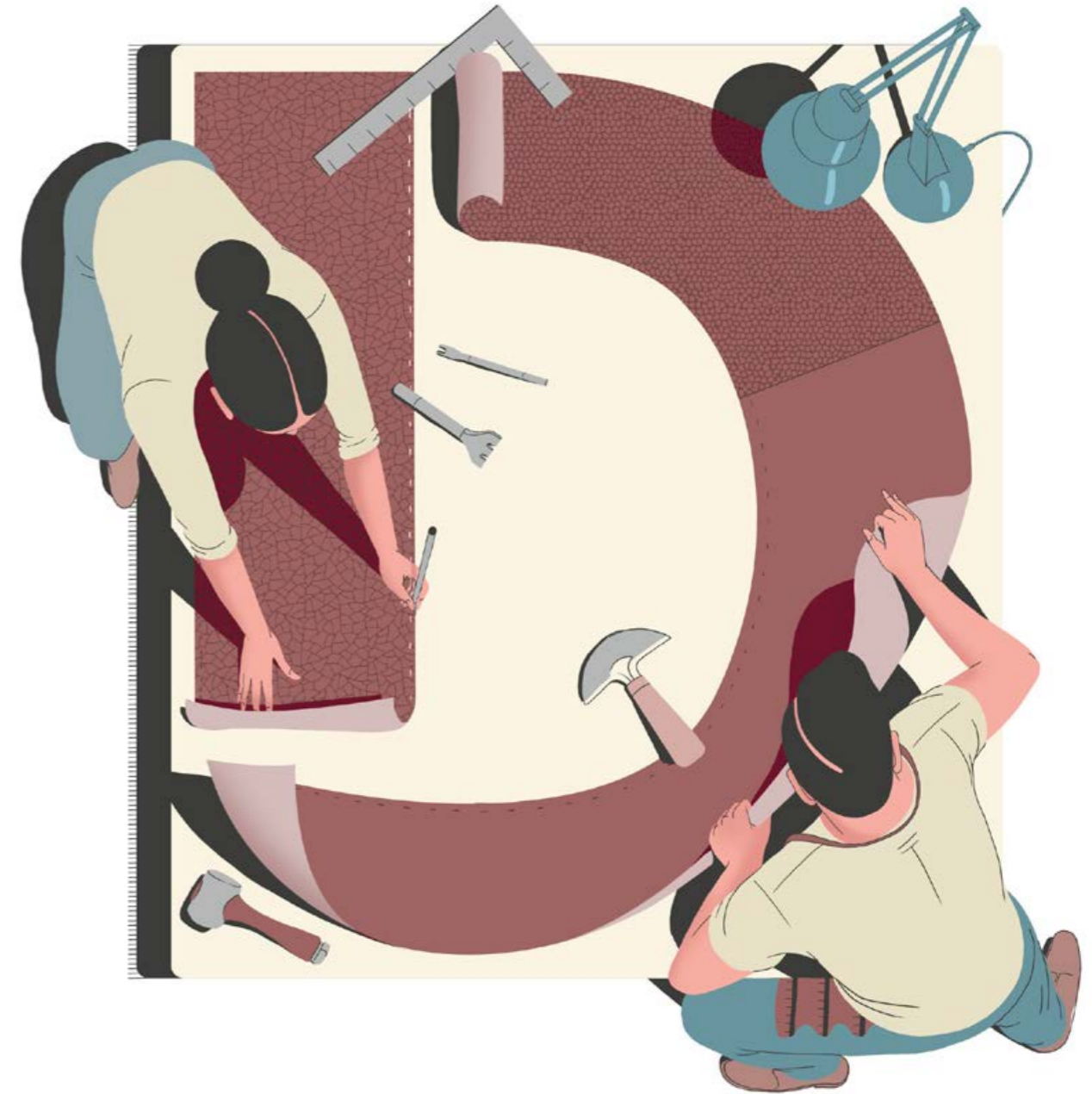
MATERIALITY

32 We followed our baseline assessment and Sustainability Roadmap with a materiality assessment to determine which issues and topics matter most to Bally as a business, and to the stakeholders upon whom Bally's success depends.

According to the Global Reporting Initiative (GRI), materiality is defined as "those topics that have a direct or indirect impact on an organization's ability to create, preserve or erode economic, environmental and social value for itself, its stakeholders and society at large."

This initial materiality assessment was conducted internally with the involvement of our newly-established Sustainability Operational Committee and the support of the Scuola Universitaria Professionale della Svizzera Italiana (SUPSI). However, future analysis will incorporate external stakeholder input.

Following the recommendations of the GRI, our team developed the following materiality matrix (see next page), which has been approved by our Sustainability Steering Committee, chaired by Bally's CEO.



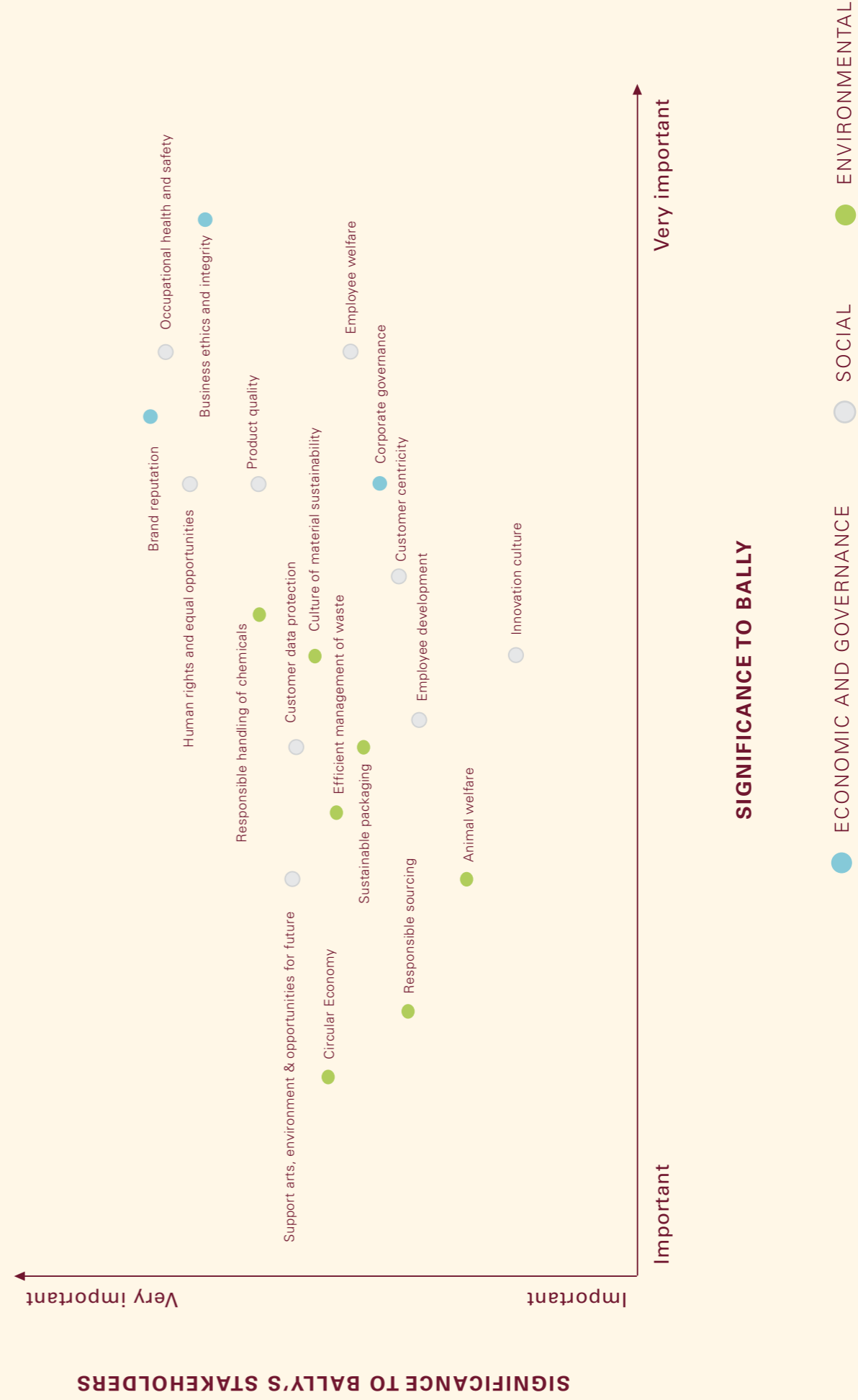
Bally Stakeholders

For the materiality assessment, Employees and Shareholders were identified as internal stakeholders. The following external stakeholders were considered: Communities, Distributors, End customers, Media and influencers, Non-governmental organisations (NGOs), Regulatory, government and public administration bodies, Schools and universities, Suppliers and Trade associations.

This matrix underscores the critical importance of Bally being driven by Business Ethics, Occupational Health and Safety, Brand Reputation, Human Rights and Equal Opportunities, Product Quality and Customer-centricity.

More details on our materiality assessment, including our approach, can be found in the Appendix.

Materiality Matrix

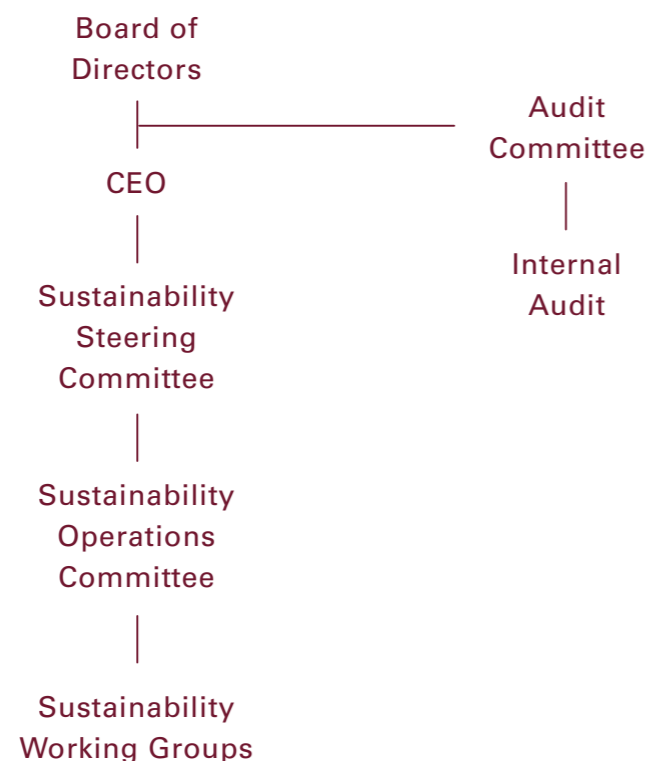


Governance

Board of Directors

Our Board of Directors has the primary responsibility for determining and pursuing the strategic objectives of the Company. The current Board of Directors were appointed by the Shareholders' Meeting and will remain in this position for an undetermined period of time, until resignation or recall of the according appointment. The Board oversees Bally's activities, establishing broad policies and setting out strategic objectives. The Audit Committee assists the Board in fulfilling its corporate governance duties and overseeing responsibilities in relation to financial reporting, internal control system, risk management system and internal and external audit functions.

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



Sustainability Committees

- **Sustainability Steering Committee**

The Sustainability Steering Committee (SSC) is in charge of reviewing and endorsing the Sustainability Roadmap and Action Plan(s) as well as all corporate policies and regulations related to sustainability matters. They review and endorse all formal publications of the Sustainability Operations Committee (SOC), such as the Sustainability section of Bally's corporate website and its annual Sustainability Report, and ensure necessary support for and prioritization of sustainability-related policy and initiatives. The chairman of the SSC is Bally's CEO.

- **Sustainability Operations Committee**

The Sustainability Operations Committee (SOC) oversees and supports strategic topics supported operationally by the Sustainability Working Groups. It is in charge of: (i) Preparation and handling of all sustainability related global Corporate policies and regulations on behalf of the SSC and (ii) develop reporting mechanisms and events as well as developing and implementing a communication strategy to ensure increased awareness internally and externally. The SOC is a cross-functional network comprising all functions at different levels of the organization.

- **Sustainability Working Groups**

Our Sustainability Working Groups are established by the Sustainability Steering Committee as needed to address a specific issue (for instance, improving our packaging, creating a circular product and defining Bally's Center of Excellence). Their mandate is typically limited and ends with the approval of the requested deliverables, whether that be recommendations or an action plan. Working Groups report to their representative at the SOC (Impact Leaders).



While our Sustainability Roadmap is new, our dedication to operating with responsibility and respect isn't. Our commitment to Sustainability and Corporate Social Responsibility - to making things better by making better things - goes back to the very beginning of Bally. So while we have much left to do, we have taken formative steps. As the following sections detail, there is much to be proud of, and even more to look forward to in the years ahead.

MAKING THINGS BETTER
BY MAKING BETTER THINGS:
OUR PRODUCT & PRODUCTION

At Bally, we're not about fleeting trends, but timeless classics built to last.

We're also proud of our know-how and craftsmanship, made possible by generations of Bally artisans, and the long-standing suppliers who share our obsession for excellence and are committed to our ethical code and the environment.

OUR COMMITMENT



of our Tier 1, 2 and 3 suppliers will be mapped by 2022



of our leather will be purchased from certified tanneries by 2025



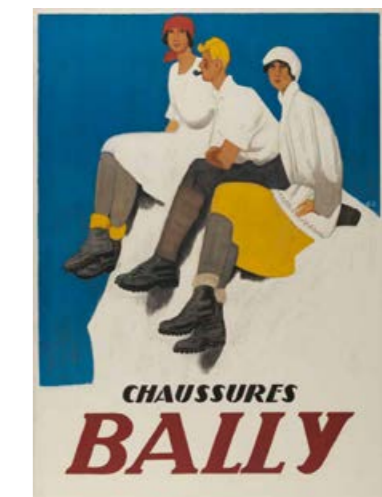
of raw materials will be traceable to farm level by 2025

Swiss Craftsmanship: Made To Last

Since 1851, we've always made products that endure the test of time. Our commitment to quality heralds consistency in craft, performance and value. The longevity of Bally products also have an added benefit: being sustainable, an important contrast to disposable fashion. In fact, we extend the life of Bally products even further with our renewal service, which allows consumers worldwide to return select shoes for repair or resoling. In 2019, 169 pairs of well-loved shoes were revitalized by the service. The shoes our customer gets back look like new, fully rejuvenated by our artisans.

Products That Go The Distance

From sponsoring Switzerland's Winter Olympic team and early 20th century expeditions, to creating the iconic Reindeer boots worn by Tenzing Norgay during the first-ever successful ascent of Mount Everest in 1953 with Sir Edmund Hillary, Bally's products have a long history of peak performance.



Emil Cardinaux, 1920

Made In Switzerland

In Caslano, Switzerland, we have approximately 100 highly-skilled artisans who work at our production facility. Together, they produce 150,000 to 200,000 pairs of shoes per year. Since it takes more than three years of rigorous training to manufacture our shoes, it's critically important to retain our talent. Last year, during San Crispino, an annual celebration of the patron saint of shoemakers, each of our craftspeople had more than 30 years of dedicated service to Bally.

A quarter of our shoe production takes place in Switzerland, with almost three quarters shared between Switzerland and Italy. The remainder comes from China. However, the "Made in Switzerland" seal is so admired worldwide, signifying such exemplary quality and craftsmanship, that we're working to gradually increase its proportion. We can think of no better way to honor Bally's heritage and past, and to return the loyalty our long-serving local artisans have shown us.



750 pairs of shoes are produced per day in our Caslano factory



3+ years of training are required to produce our shoes



46 number of years our current, longest-serving artisan has been crafting Bally products

Our Partners

While a quarter of our products are completed in our own Caslano (Switzerland) factory, we also rely on a global team of suppliers and partners who contribute to the finished product. We don't compromise on quality, and handpick partners who can meet the exacting standards we are known for, and build trusting relationships with them. In fact, among our top ten suppliers, the average duration of our partnerships is 9.3 years.

48



the average duration of our partnerships



partnership duration for finished goods



partnership duration for raw materials

OVERVIEW OF EXTERNAL SUPPLIERS

SUPPLIER	LOCATION	REVENUE (CHFm)	RELATIONSHIP TENURE	CATEGORY
Supplier 1	Campania, Italy	7.2	9 years	Women's Shoes
Supplier 2	China	6.6	10 years	Leather Goods
Supplier 3	China	5.5	8 years	Leather Goods
Supplier 4	Marche, Italy	5.0	8 years	Women's and Men's Sneakers
Supplier 5	Modena, Italy	5.0	2 years	Leather Goods
Supplier 6	Florence, Italy	4.7	4 years	Leather Goods
Supplier 7	Marche, Italy	4.3	16 years	Women's and Men's Sneakers and Drivers
Supplier 8	Tolentino, Italy	3.8	3 years	Leather Goods
Supplier 9	Abruzzo, Italy	3.6	3 years	Men's Driving Shoes
Supplier 10	Florence, Italy	3.3	30 years	Accessories (Belts)

49

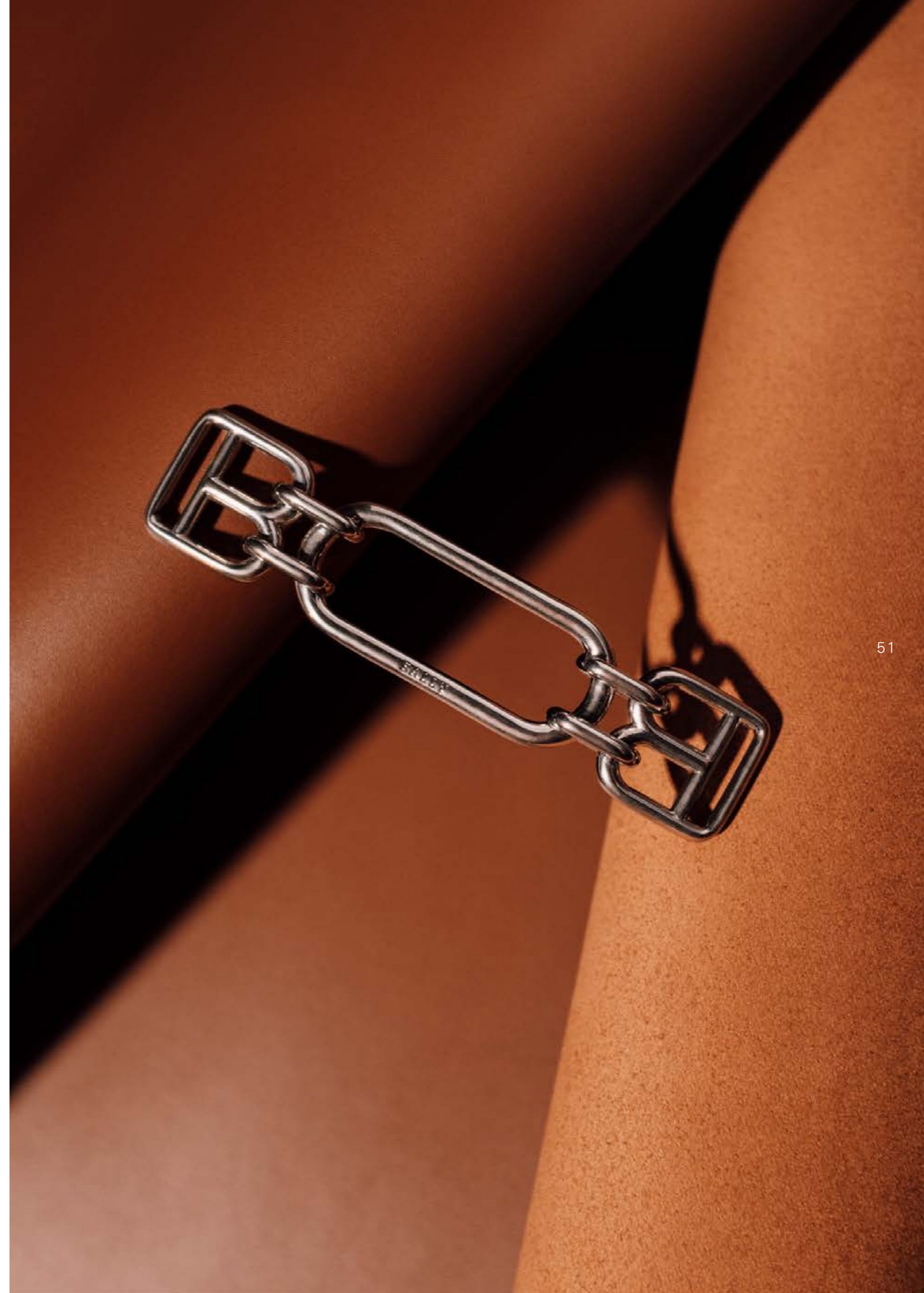
What We Expect Of Our Partners

In addition to upholding our quality standards, our partners function as an extension of the Bally team. That means they also adhere to and share our values and ethics. As a company, we exercise a high degree of oversight with all of our suppliers to ensure that they meet the highest ethical standards related to child labor, forced labor, health and safety, and the environment.

In compliance with the European Union's REACH legislation, we require our suppliers to sign a Restricted Substances List and to comply with our ethical standards. Included in our Suppliers Code of Conduct are environmental provisions which dictate that our partners must be able to provide information regarding mapping to source, resource consumption, pollution prevention, waste minimization, basic environmental protection, chemical and product safety requirements.

50

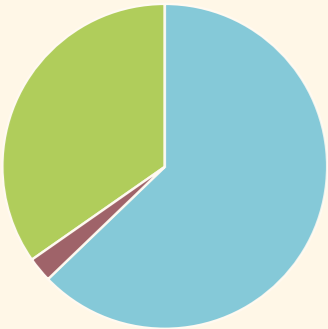
As part of our ongoing Sustainability mandate, we're committed to supply chain traceability and accountability, mapping our supply chain at Tier 1 and Tier 2 levels. These facilities are audited on both environmental and social standards by our third-party partner, Bureau Veritas.



51

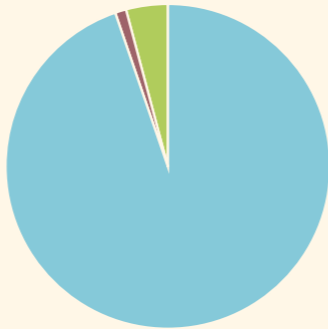
Where Bally's Source Material Comes From

RAW MATERIALS
Accessories



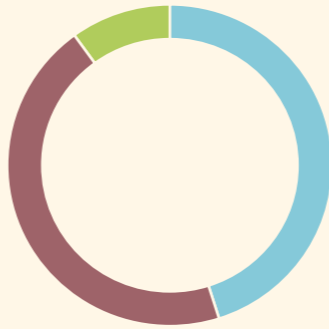
- Italy 63%
- Europe 2%
- Asia 35%

RAW MATERIALS
Shoes



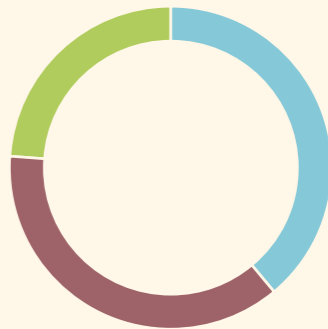
- Italy 94%
- Europe 1%
- Asia 4%

MADE IN
Accessories



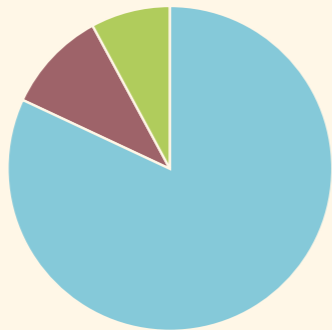
- Italy 45%
- China 45%
- Europe 10%

MADE IN
Shoes



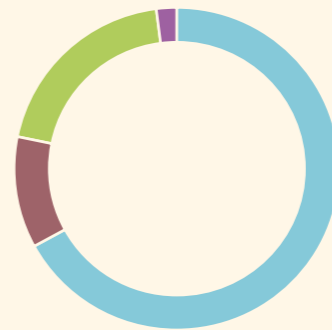
- China 39%
- Italy 37%
- Switzerland 24%

RAW MATERIALS
Ready-to-wear



- Italy 82%
- Europe 10%
- Asia 8%

MADE IN
Ready-to-wear



- Italy 67%
- Asia 11%
- Europe 20%
- Madagascar 2%

According to a 2020 report from McKinsey, 70% of fashion's total greenhouse gas emissions came from upstream operations in 2018. To reduce our footprint and meet our Sustainability targets, Bally must continually improve and streamline our production processes. At present, we have organized our ongoing efforts into three areas of focus, as follows.



FOCUS 1

Optimize Sourcing Model

In order to improve procurement processes and limit our environmental footprint, Bally is working to establish a well-defined production setup that takes advantage of the flexibility and know-how of the European supplier network.

We have implemented a flexible sourcing model, adapting our supply chain to meet the required volume thresholds while maintaining long-lasting and trusted relationships with our main suppliers. At the same time, the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply.





Improve Organizational Efficiency

We have focused our efforts on improving the efficiency of in-house production at our Caslano factory, allowing us to keep more production in Switzerland. The concept of product design has been expanded, and new styles have been added, including sneakers, women’s flats, and our heritage Animals collection.

Our global logistics platform has also been organized to provide a high degree of operational efficiency. Primary warehouses in Switzerland and Hong Kong are outsourced and handle orders according to a “pick and pack” technique for stores in Australia, China, Europe, Hong Kong, Malaysia, Singapore and the U.S.A. Warehouses also perform value-added services, including quality control, labeling and tracing.

We also have strategically located regional hubs in the Australia, China, Hong Kong, Japan, Malaysia, Singapore and the U.S.A. These warehouses are now all outsourced.

Matching demand and production in early stages allows us to cross-dock products from Central distribution centers in Switzerland or Hong Kong through regional hubs to stores with shortened storage time and reduced handling of goods.

Finally, we have reduced our carbon footprint by introducing a “China-Hong Kong -China” model.

For products sold in China, when sourcing and production happens within the region, we don’t needlessly fly products from China to Europe, only to send them back to China.

FOCUS 3

Improve Production Quality

At Bally, it always comes back to quality. We have established a rigorous approach to product quality, using specific techniques for processing raw materials and components and systematically testing materials, from the development phase to the finished product. Continuous quality control is carried out by inspectors within the company on the finished product and, in addition, a final check on all production before shipping the goods to customers, both in the retail and wholesale markets.

Bally's exhaustive quality controls have become the industry standard for leather goods and footwear. "The Bally Test" is performed at every stage of the process, including during development and prototyping, throughout production (raw materials and components), manufactured 60 factory, warehouse and final "secondary" control of specific products.

The quality management process has been further optimized and refined to create a specialized team.

An experienced and knowledgeable after-sales support team is available for any post-purchase quality concerns; however, our thorough testing process ensures a very low percentage of after-sales claims. We stand by our products until the end, so we also have a guarantee policy across both retail and wholesale that can be adapted to specific regions.

100% of Bally items produced in China are checked by our local Technical Office dedicated to Development, Industrialization and Quality Control.

For items produced in Italy, 30% are checked by the local supplier, then 100% are checked at the Bally warehouse.

With regards to in-house production, 100% of the items produced in our Caslano headquarters are checked in the factory.

BETTER TOGETHER:
OUR PEOPLE



To deliver on our brand vision and live our values, we need the support and participation of each and every team member, from factory floor to executive level. And because our people work so hard to support our company's success, we do the same for them. In the early days of the company, founder Carl Franz Bally pioneered an employee benefit program, which included onsite facilities like a canteen and children's daycare, as well as a community park that exists to this day.

The people who make up our company are at the heart of what we do, and they've been so since our founding in 1851. Making sure that they're supported in growth, development and overall well-being has been of primary importance. It has also made the difference, allowing us to retain talent for generations, like our Bally artisans, or being an engine for innovation, further driving our success as a business.

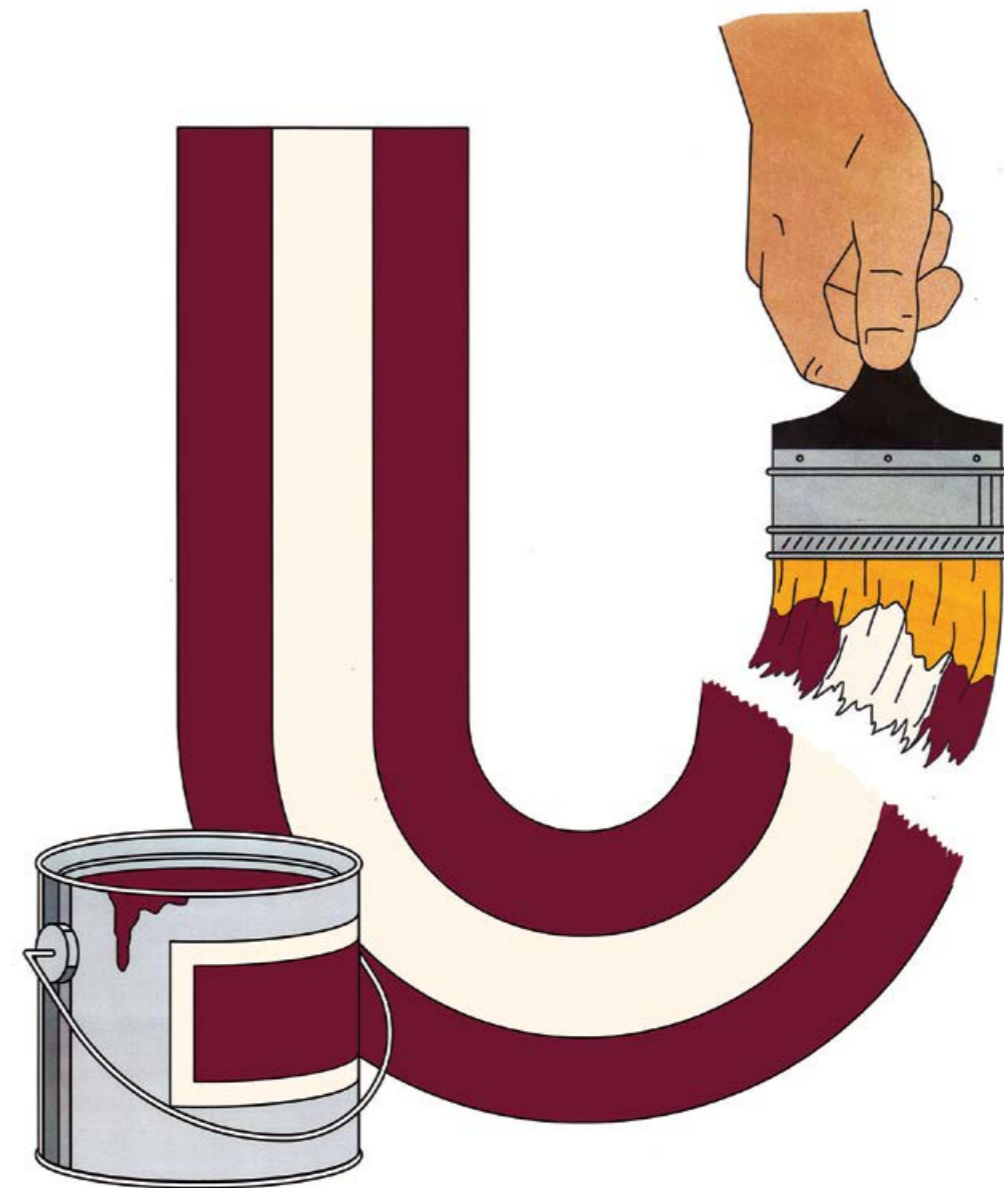


The Bally Way

The Bally Way is what we call our unique way of doing business, the guiding principles and values that have helped us build a company that's not just responsible and respectful, but also commercially successful. Bally has proven that it's possible to be both, and The Bally Way is how we do it.

All initiatives at Bally are developed in accordance with this internal mantra, which is centered around three pillars:

- **Collective Entrepreneurship** is focused on fostering creativity. We want our people to explore new business opportunities, or come up with brand-new possibilities. In addition to creativity, the working principles within Collective Entrepreneurship are speed and agility of execution, decision making, risk taking and co-creation.
- **Meaningfulness** is about balancing profit with purpose, creating a complete business model that benefits shareholders, employees, clients and community. It's about acting with integrity and care for the Bally brand, our products, and all our people, from customers and clients to employees to our communities.
- **High Performance** is the pillar dedicated to attaining worldwide healthy success, because we believe it's possible to be both high-performing and responsible. Our working principles around performance are measurement, financial discipline, team performance and long-term value creation.



The Bally Way

Pillars

Collective Entrepreneurship

Meaningfulness

High Performance

Goals

Share vision and objectives to discover and exploit new business opportunities

Create a complete business model benefiting shareholders, employees, clients and community

Attain worldwide healthy success

Working Principles

Creativity

Integrity

Performance measurements

Speed and agility of execution

We care for Bally

Financial discipline

Decision making

We care for each other

Team performance

Risk taking

We care for our clients

Long term value creation

Co-creation

We care for our community

We care for our products

Bally Code of Conduct

Our company Code of Conduct establishes clear expectations for how employees at every level should conduct themselves as members of our team and representatives of our brand. It also allows us to create healthy and safe work environments for all our team members by establishing standards for how our people interact with one another.

The ethical standards at the heart of the Code of Conduct are as follows:

- Integrity
- Loyalty
- Respect
- Responsibility

72

In 2020, we will replace our Code of Conduct with our new Code of Ethics, which may be found on our website



73

Taking Care of Our People

Maternity and Paternity Policy

On October 1, 2019, Bally rolled out our new Maternity and Paternity Leave Policy. The measure was part of Bally's ongoing efforts to support employee well-being and work-life balance.

Bally announced that all employees with at least 24 months of service would enjoy:

- A Maternity Leave of 14 weeks, paid at 80%
- A Paternity Leave of four days, fully paid

Each employee's parental leave entitlement is dependent on the legislation in their country of employment. If local legislation provides for less paid leave than Bally's minimum allowance, then Bally's policy applies. If local legislation provides more paid leave than Bally's policy allows for, the local policy takes precedence.

The new policy provides both parents the opportunity to bond with their new baby, an important way to give the child the healthiest possible start in life.



Christelle Seynaeve

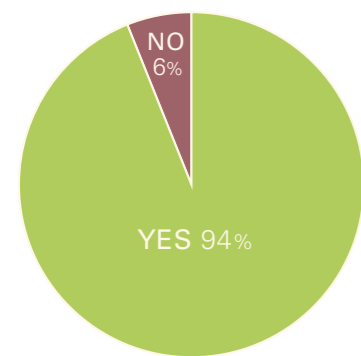
HR Projects & Engagement Manager

"The first months of parenthood are full of emotions and love but are also challenging as you need the time to listen, recognize and understand your baby's needs. Every additional day of maternity leave was a gift that I enjoyed and that helped me to develop a deep connection with my baby boy. I truly appreciated and cherished the time spent with him and thank the company for giving me the opportunity to focus on my new role as a mother."

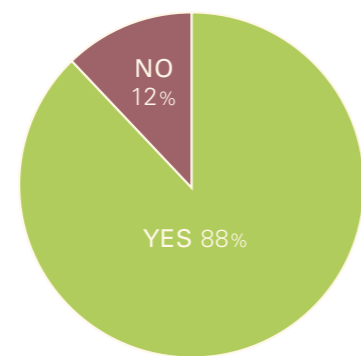
Mentorship Program

2019 saw the conclusion of Bally's first Mentorship Program, which gave the company's Young Talents an opportunity to learn from a member of our Executive Committee. The program was created to foster and facilitate Collective Entrepreneurship, Meaningfulness and High Performance - the three pillars of The Bally Way - while also helping the Young Talents to further hone their communication and networking skills. Challenged to address business problems in fresh and innovative ways, they developed new competencies, an adaptive mindset and an entrepreneurial spirit.

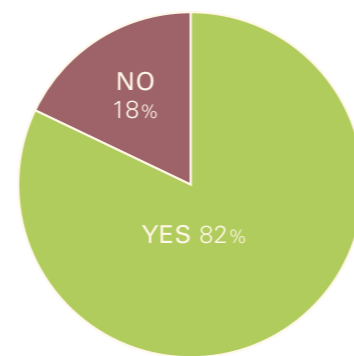
PROGRAM SATISFACTION



94% of respondents were happy with the time the mentor dedicated to their mentorship session and confirmed that they spoke freely to their mentor.



88% of respondents confirmed that their mentorship sessions were purposeful and confirmed that they received good quality feedback.



82% would like to continue the Mentorship journey.



Ester Jihye Lee

Men's Accessories Merchandising Manager
Mentee

"We are in continual evolution, and never stop growing and learning. At each milestone achieved there has always been someone who acted as a mentor. Indeed, the Mentorship Program has been an important initiative for my personal growth as an evolving career woman. I had the great opportunity to ask for guidance in diverse themes that impact not just my professional life, but also as a woman - sometimes books, papers and TED talks aren't enough! Having the opportunity to discuss subjects as diverse as building self-confidence, developing communication skills, diversity management and the pursuit of dreams with an executive has been extremely gratifying."



Simona Bertinotti

EVP Global Human Resources
Mentor

"I have really loved my experience as a mentor. It was not simply the opportunity to share knowledge and learn, but more about feeling useful to someone else, like a way of giving back. During the mentoring meetings I was exposed to new perspectives, ideas and approaches and, at the same time, I had the chance to reflect on my own objectives and practices. I have enjoyed the deep exchange with younger colleagues, their freshness and curiosity and I look forward to the new edition of the program."



Pat Hedmann

AR/AP Coordinator

“Over the 39 years of my employment with Bally, I have had the privilege to work predominantly in the Finance Department. In my earlier years I was able to learn many new functions and helped out where needed. I am the kind of person who likes diversity in what I do and Bally has given me the option to train and put into practice the new skills I have learned. I have enjoyed my time here (and am continuing to do so!) and meeting and working with many wonderful people both past and present. I am happy to still be in contact with many of them.”

Seniority Program

Bally values longevity. When employees stay with us long-term, we let them know how much we appreciate their loyalty. EMEA based staff members with five, 10, 25 and 40 years of service are compensated as follows:

SENIORITY RECOGNITION PROGRAM

5 YEARS	CHF 500 gross EUR 420 gross GBP 370 gross
10 YEARS	CHF 900 gross EUR 750 gross GBP 670 gross
25 YEARS	CHF 2.200 gross EUR 1.850 gross GBP 1.650 gross
40 YEARS	CHF 4.500 gross EUR 3.750 gross GBP 3.350 gross

Health & Safety

The health, safety, and well-being of our employees, as well as our customers, suppliers and visitors to Bally, is of paramount importance. As a company, we are committed to reducing situations that may negatively affect the health of staff and third parties to a sustainable level.

In Switzerland, MSSL stands for “use of occupational doctors and other occupational safety specialists”. The MSSL summarizes in a valid system the essential requirements of safety and protection of health at work. An essential prerequisite is the employer’s declared willingness to guarantee safe and healthy workplaces and to apply the MSSL provisions in the company’s everyday reality. Pursuant to the MSSL directive, Bally developed a Workplace Health and Safety Manual, which lists the guidelines and commitments that we have undertaken in compliance with the ordinances of the Swiss Confederation. The Manual is available in hard copy to all members of our team, as is occupational health and safety training.

More details on occupational health and safety are available in the appendix of this report (see GRI 403 sections).

Hazard Assessment & Prevention

To assess the safety of our production building, we conducted a hazard study to inform the development of a hazard prevention, mitigation and removal program.

The objective of this study was to identify the measures and actions that management must take in order to ensure the protection of workers in compliance with current legislation.

Our analysis led to the identification of four areas in which intervention is required:

- Replacement of the main dangerous substances, which was done immediately after the study was completed.
- Implementation of an air extraction system at the source for each process involving the use of hazardous substances.
- Measurement of the presence of hazardous substances in the air after adopting the technical measures indicated.
- Possible integration of personal measures, such as wearing masks when appropriate.

In 2019, we also invited a security expert to assess the security of our Caslano factory. Though the results of the analysis were overwhelmingly positive, it was recommended that we provide additional training to production shift leaders to ensure continuous, facility-wide compliance with safety and security measures.

Continuous education

Bally invests in its employees' growth and development by creating opportunities for continuous learning-like training that lasts well past their first weeks with the company, and extends far beyond their geographic location.

In the last few years, a range of new initiatives has been put in place to offer employees, regardless of their role, the opportunity to acquire new skills and knowledge and to develop expertise and professionalism.



of training completed by the retail network team members in 2019



in-store coaching sessions completed by retail employees, totaling 5.500 hours



training completed by corporate and regional office employees, including group onboarding, presentations on the Bally brand, plus managerial, soft skills and technical training



hours of training provided at our Caslano production site, ensuring the continuity of Bally's renowned craftsmanship and savoir faire



CRM training sessions completed worldwide

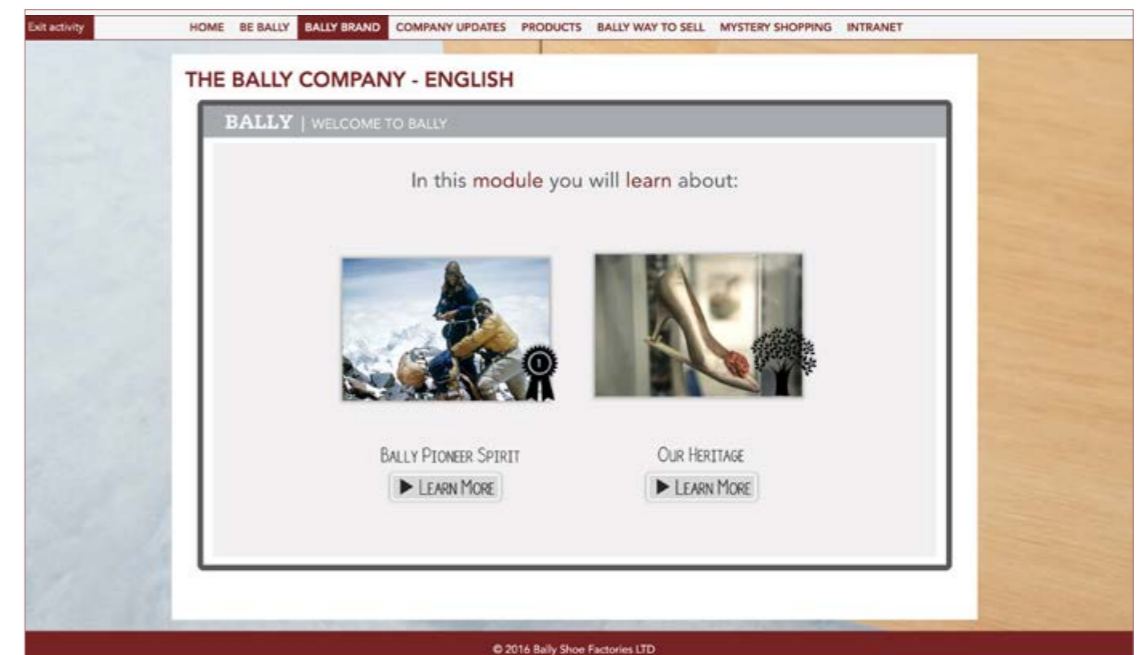


craftspeople who successfully completed training in 2019

Bally Portal

Launched in 2017, the Bally Portal is our online training platform. The Portal has a unique culture that the company has taken great care to nurture, allowing it to become an accessible, stable training and communication tool that Bally employees actually use in stores, offices and warehouses, at home in Switzerland and around the world.

In 2019, the Bally Portal was further enriched with new features, training and resources, including a new repository of useful documents, policies and information that makes it easier for our people to do their work.



84

56+

new courses added in 2019

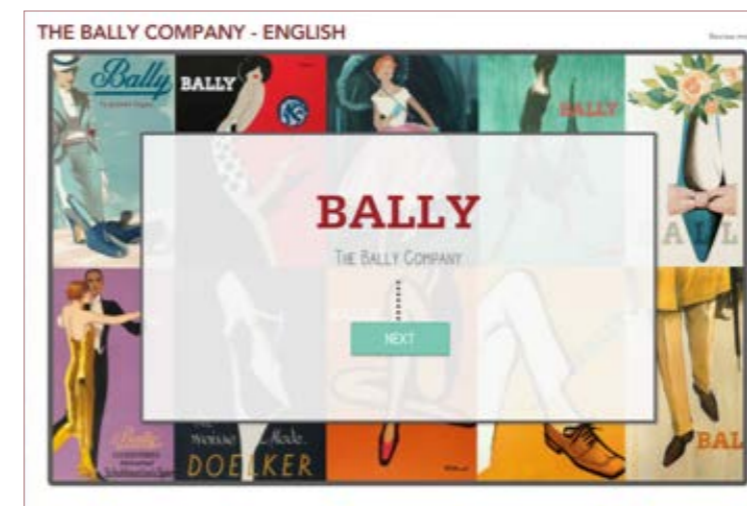
85

11,321 HOURS

spent on the Bally Portal by retail and office teams

98

courses offered on the Bally Portal



Bally Sneaker Contest

In conjunction with a new advertising campaign, we ran our first global contest to welcome the new sneaker collection. Within the Bally Portal, members of our team were asked to tell us what their idea of a champion was by uploading a single photo. Participants also voted for their favorites among other entries. The six most-liked photos were rewarded with a pair of Bally sneakers.

86

230

photos uploaded
during the contest

2,414

photo likes recorded

422

contest participants



87

Virtual Tour

Being an international brand, our team spans across the globe. Launched in 2019, the Bally Archive Virtual Tour was created to remove geographic distance by transporting each Bally employee to where it all began: Schönenwerd, Switzerland. Thanks to this vanguard technology, employees are able to retrace the impressive evolution of Bally craftsmanship throughout the most important eras in fashion, from 1851 to today.

The virtual tour pushes the boundaries of reality, immersing employees in Bally's heritage and values. It also allows team members to fully appreciate the finer details of our craft by showing more than 100 of our most iconic shoes in 360-degree view.



1,860

the year the oldest shoe in our virtual tour dates back to

100+

Bally shoes presented in 360-degree view to appreciate their unique details

200

images of historical pictures, renowned posters and logos are also available to view



BETTER FOR OUR PLANET

We are a brand with a profound love for the outdoors, and mountains in particular. Our connection to nature is evident in our heritage, collections and designs. Not only are we committed to reducing our broader environmental impact, we are passionate about increasing our efforts at home to do even better in our offices, factories, warehouses and stores (and every point in-between). We have partnered with pioneering organizations and collectives, like The Fashion Pact and Loomish, that will also help to keep us accountable in reaching our goals.

OUR COMMITMENT



By 2022, we will establish **Bally's Center of Excellence** of education research and development in sustainability



By 2022, we will use **50% of renewable energy** for our own operations



By 2025, we will introduce a **fully circular product** to market



By 2025, we will **reduce single-use plastic** in our product packaging by 30% in both B2B and B2C



By 2030, we will no longer allow **any use of single-use plastic** in our packaging

Partnerships for Planet

Reshaping the future through Sustainability and responsible innovation is a strategic priority for Bally. It is also a significant undertaking that will require the right partners to challenge us, support us, and hold us accountable along the way. Our collaborators at The Fashion Pact and Loomish will do exactly that.

The Fashion Pact

“One year ago, chief executives from across fashion began a collaborative effort to transform our industry - to bend the curve away from environmental crisis, and towards a more just, durable, and ecologically responsible fashion industry in which all parties are able to thrive.”

The Fashion Pact

94

Bally is proud to be part of The Fashion Pact, a global coalition of companies in the fashion and textile industry. Together, we're working across continents and cultures to improve the Sustainability performance of our individual businesses and of the industry as a whole.

The Pact includes global brands like Bally, as well as small businesses and up-and-comers from every part of the fashion supply chain. The Fashion Pact believes that only through multi-sector collaboration can we change the fashion industry at the required scale.

We're united around a common agenda with three major priorities: mitigating climate change, restoring biodiversity and protecting the oceans. As seen in this report, these focus areas are aligned with Bally's Sustainability Roadmap.

THE FASHION PACT

95

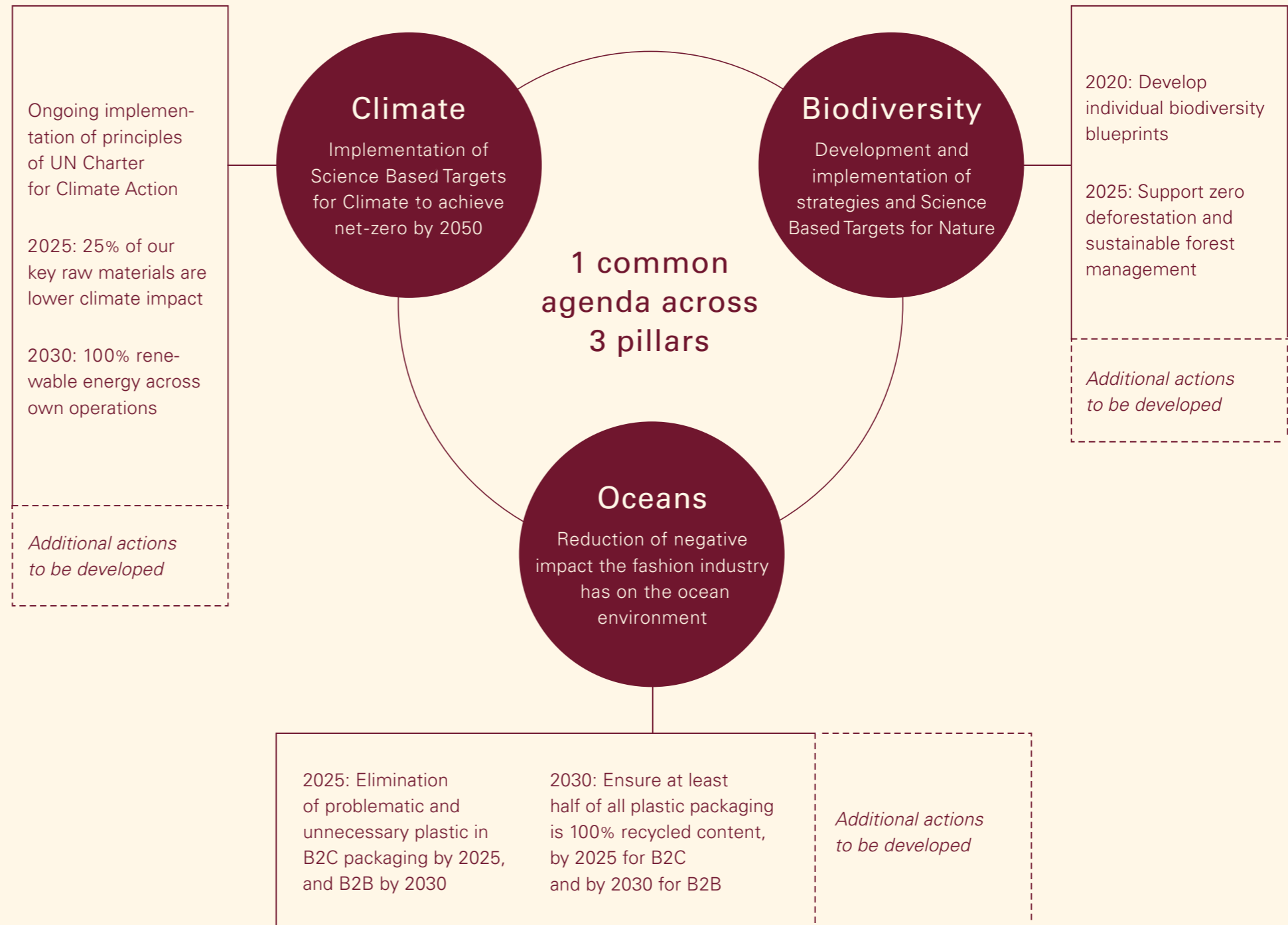
The Fashion Pact: Our Common Agenda

1/3

portion of the fashion industry represented in The Fashion Pact

60+

competitors and partners included in The Fashion pact



Sustainable Innovation

Tackling the challenges our industry faces is going to take new ways of thinking. Since 2018, we have partnered with Loomish, a Swiss-based investment management firm specialized in lifestyle tech, with a focus on fashion, food, travel and design. Loomish delivers expert guidance and facilitates investments in the Lifestyle Tech arena, focusing primarily on the disruptive technologies offered by medium-sized international start-ups.

Loomish's annual Innovation Awards is an open innovation program where mature start-ups and scale-ups come to do business.

The Fashion Innovation Awards is part of Fashion Innovation Week, organized by Loomish's partner NetComm Suisse. In 2019, the theme was AI (Artificial Intelligence) for fashion's value chain including production, inventory management, marketing, customer experience and logistics. Bally was a main sponsor and juror alongside Google and Accenture Interactive.

We have since partnered with one of the finalists to support our merchandise buying and planning processes with predictive analytics, which helps to limit unsold products and thus reduce waste.

Bally will sponsor the event again in 2020, for which the theme will be Sustainable Innovation in the fashion industry.

15
COUNTRIES

were represented at the
2019 Fashion Innovation Awards

OVER
100

international mature
FashionTech startups using AI
to optimize different parts of
the fashion value chain applied
to the Fashion Innovation Awards

Reducing Our Footprint

Carbon Footprint Reduction

Bally's signing of The Fashion Pact in September 2019 reinforced our commitment to reducing our environmental footprint, including our carbon emissions, which remains one of the major priorities articulated in our Sustainability Roadmap.

As an important first step, we are working to identify the best international practices in the management, measurement and verification of data and information related to greenhouse gas emissions, across all of Bally's regional offices and plants. Specifically, for the upstream stage, information was collected relating to the movement from raw material suppliers to the raw materials warehouse. Collecting this baseline data will allow us to establish ambitious but achievable targets for carbon emission reduction in the years to come.

While that study is in progress, initial steps we have taken to reduce our footprint are as follows:

- Since 2019, we have promoted the reuse of secondary cardboard boxes in our network, reducing carbon emissions from the production and disposal of new cardboard.
- We have reviewed our secondary box formats to optimize shipping volumes and reduce empty spaces.
- We increased our use of renewable energy sources.

ESTIMATED ENERGY CONSUMPTION
AT OUR CASLANO, SWITZERLAND, FACTORY IN 2019.

KPI	UOM	(ESTIMATED) MWH FROM RENEWABLE SOURCES	(ESTIMATED) MWH FROM NON-RENEWABLE SOURCES	TOTAL
Consumption of fuel (excluding feedstock)	MWh		1097	1097
Consumption of purchased or acquired electricity	MWh	1309	1362	2671
Consumption of other purchased or acquired energy	MWh	888		888
Consumption of self-generated non-fuel renewable energy	MWh			
TOTAL	MWh	2197	2459	4656

Waste Reduction

Sustainable packaging and efficient management of waste are two of Bally's material matters. We are deeply committed to reducing the consumption of materials, including paper and plastic.

In 2018, we spearheaded an assessment of our use of materials in B2B packaging, with a view to replacing the materials with the greatest environmental impact, particularly plastic. For instance, as of 2019 we purchased no new plastic bubble wrap. Once our current stocks are depleted, we will use exclusively plastic-free alternatives.

Paper

In 2019, Bally enhanced its use of Forest Stewardship Council (FSC) and post-consumer paper and is making every effort to extend its use across all of product categories.

FSC paper is favored because its seal comes with the following promises:

- Proper forest management practices were used in production
- The paper is fully traceable
- The paper is made entirely of raw materials harvested from forests managed according to sustainable principles
- The paper is fully recyclable and biodegradable.

Bally is pleased to display the FSC mix seal on our outlet and retail red shopping bags. As of this year, we have started producing 100% FSC outlet shopping bags and developed a new red paper 100% FSC - 40% PWC (Post Consumer Waste) that will be used in 2020 for the production of shoe boxes. After using up our existing inventory of red shopping bags, we will switch to FSC-40% PCW; this is expected to occur in 2021.

Of course, even better than using the right paper is using less paper. For non-packaging materials including catalogs, invitations, leaflets, stationery and other printed materials, Bally places increased emphasis on ensuring that paper is used as sparingly as possible. We are increasingly striving to shift to a paperless office. For instance, in 2019 we adopted an IT policy allowing for the digital storage of our paper archives.

Single-Use Plastics

The reduction of single-use plastics is a major priority of The Fashion Pact, which aims to lead to the complete elimination of unnecessary and problematic plastics in B2C packaging by 2025 and in B2B packaging by 2030. To align our own operations with this imperative, Bally initiated a review to assess our use of plastics.

Our Alpine Heritage

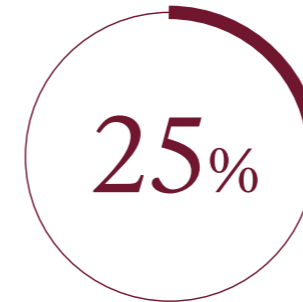
The Bally Peak Outlook Initiative

Born in the Swiss Alps, Bally's alpine heritage is significant, and includes the sponsoring of the Swiss Winter Olympics team and early 20th century Swiss expeditions, to creating the iconic Reindeer boots worn by Tenzing Norgay during the first-ever successful ascent of Mount Everest with Sir Edmund Hillary in 1953.

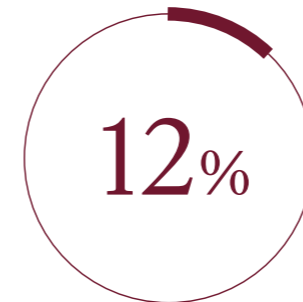
Our company's deep reverence for the environment, and mountains in particular, inspired the introduction of our Bally Peak Outlook initiative in 2019. Motivated by the critical need to protect the world's fragile mountain environments, these ecosystems and their surrounding communities are facing the negative effects of climate change and overtourism.

Bally Peak Outlook demonstrates our commitment to Sustainability through the education and preservation of the world's extreme mountain environments. Bally Peak Outlook goes beyond the first layer, nurturing authentic experiences that bridge local and global communities.

Our first step was a return to Everest, where we launched the initiative by organizing a crucial cleanup from base camp to the peak. Led by environmental activist and mountaineer Dawa Steven Sherpa and his team of expert climbers, the cleanup removed two tons of waste from "The Roof of the World", and returned the sacred mountain to a more pristine condition. The initiative also consulted with best-selling author and climber Jamling Norgay, the son of Tenzing Norgay, as an important figurehead and cultural liaison.



of the world's land surface is covered by mountains



of the human population gets their freshwater from mountains



of waste removed from Mount Everest during our first Bally Peak Outlook cleanup



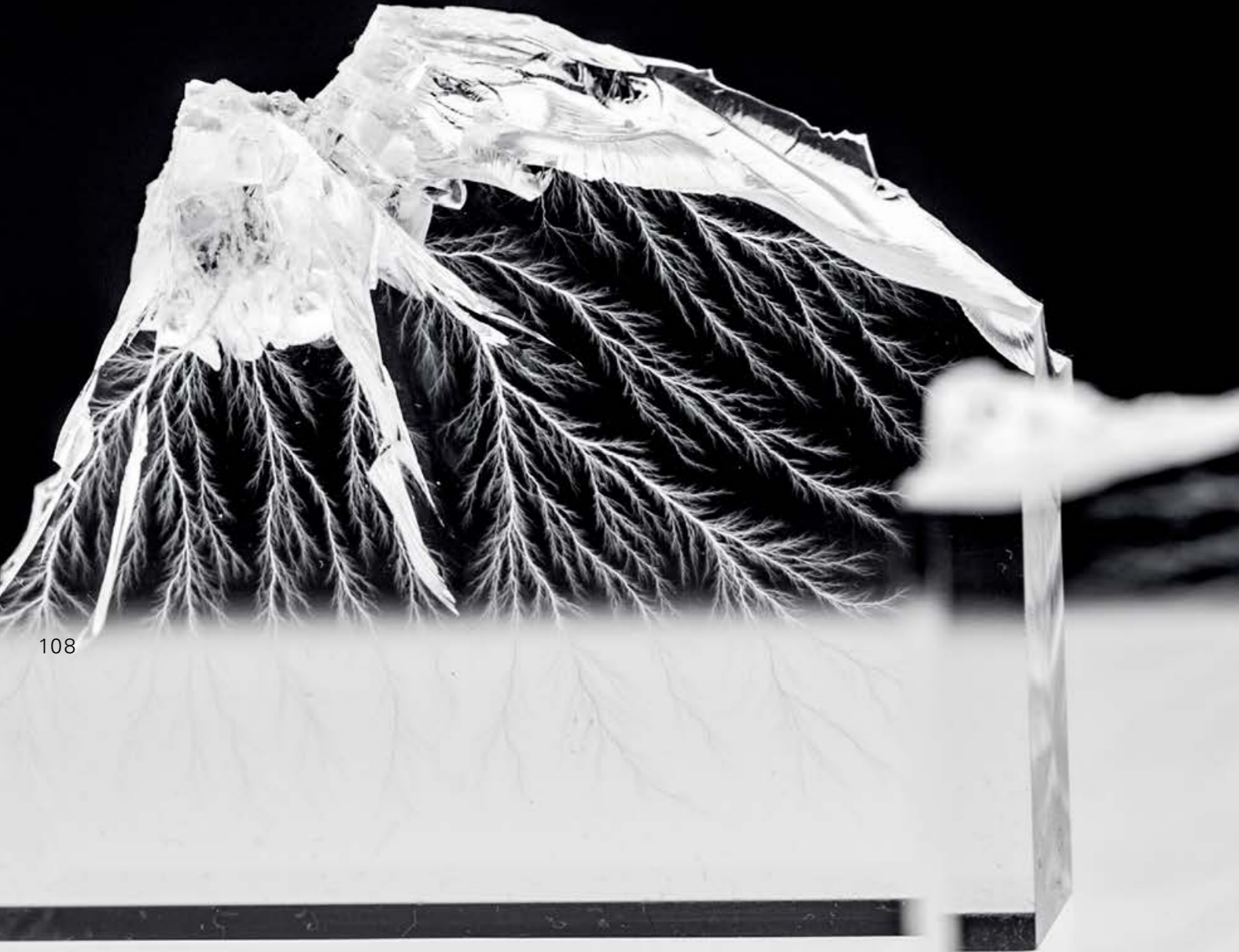
“
I think that the world is going to change by normal people doing small things.
”

Dawa Steven Sherpa,
Leader of Eco Everest Expedition
and Managing Director of Asian Trekking

Honoring Tenzing Norgay

Bally also supports the Tenzing Norgay Sherpa Foundation which gives back to the Sherpa community of the high Himalayas through a series of important educational projects and environmental initiatives.

BETTER FOR OUR COMMUNITIES



108

Alan Bogana
Premio Artista Bally 2017
Stimmfarben - detail
2014
Fourteen fragments of acrylic glass
10 x 10 x 1,9cm each
Photo by Stefano Spinelli

In Bally's early days, our founder established a precedent for engaging with communities. That tradition lives on to this day. In recent years, we've organized our efforts around three key categories: promoting the arts by supporting new generations of creative talent through The Bally Foundation, providing educational opportunities, and helping to preserve the mountains with our Bally Peak Outlook initiative, which further reflects our environmental mandate.

109

To learn more about our efforts to safeguard the world's mountains, please see the "Better for Our Planet" section of this report.

To date, our longest-standing Corporate Social Responsibility (CSR) legacy is in the arts and culture. Our iconic Bally posters are best reflective of this collaborative tradition that has been deeply connected with the arts, having been created in partnership with some of the world's most celebrated artists, photographers and graphic designers like Werner Bischof, Gunther Sachs and Bernard Villemot. Our factories and stores have also engaged pioneering architects and interior designers, including Robert Mallet-Stevens, Sir David Chipperfield and Andrée Putman. As champions of creativity, we continue to inspire our communities and support the success of new generations of artistic talent.

110

BALLY

Villemot



111

Bally Shoe Museum

By 1942, Bally had long outgrown its headquarters. As the company moved to a larger space, the Bally family decided to turn the Zum Felsengarten estate, where Carl Franz Bally was born, into a museum celebrating the art of shoemaking and its significance to humankind.

From the start, the vision for the Bally Shoe Museum was to display an expansive collection that spanned shoes of historical and creative importance, and everyday international footwear worn throughout history, further detailing how they were produced.

The permanent collection provides insight into how the function, design, style and craftsmanship of shoes have evolved over the last five millennia, from antiquity through to modern day. It also takes visitors back in time to the birth of Bally in 1851.



number of visitors to the Bally Shoe Museum in 2019



years of shoemaking and history are represented in the museum



Bally Archive

In addition to the collection on display at the Bally Shoe Museum, Bally maintains a private archive of over 35,000 pairs of shoes and other salient artifacts related to the art and business of shoemaking.

The items in the Bally Archive are available to our designers, who draw inspiration from the collection, which is also maintained as a means to preserve the heritage of our company, and of the shoemaking craft as a whole.



1,000+

posters designed by
some of the most prominent
graphic designers in history

35,000+

shoes with various kinds
of soles, wooden lasts, heels,
metal accessories, buckles,
bows and embroidery

15,000+

photos of stores, factories,
machines, exhibitions,
and social events from
around the world

3,000+

logos and metal stamps

4

number of Swiss academic
institutions involved in
studying Bally's history

Bally Exhibition at the Museum Für Gestaltung Zürich

In 2019, pieces from the Bally Archive were displayed to the public for the very first time. The interactive “Bally - Swiss Shoes Since 1851” exhibit at Zurich’s Museum Für Gestaltung (Zurich’s Design Museum) allowed visitors to explore the rich history of our company’s shoemaking, including our innovation in materials, design and production. The exhibition was a resounding success among shoe enthusiasts and other avid fans of Swiss design and craft.

116



number of visitors to the exhibition in 6 months



items and shoes from Bally’s historical archives presented during the exhibition



117

The Bally Foundation

In our longstanding history as one of the world's first luxury brands, we've proudly collaborated with some of the most respected artists, designers and architects of their time. We leverage this storied association with the arts by promoting and supporting artists and creative programs of various disciplines, whether fine art, street art, graphic design, industrial design or architecture.

In 2006, we founded The Bally Foundation, allowing us to support talented creatives in new ways. Specifically, we work with promising artists connected to Ticino, the Italian region of Switzerland, home to the brand, by providing grants, funding and additional opportunities to exhibit and acquiring their work.

Our Bally Artist of the Year Award, which recently celebrated its eleventh anniversary, also comes with a monetary prize, as well as regional and international exposure. Winning artwork is also shown at Bally's headquarters and various international retail locations.

In 2019, The Bally Foundation partnered with national Swiss museum MASI (Museo d'arte della Svizzera italiana) to shortlist artists for the award. From 2020 onwards, the winners will also be given the opportunity to display their work at the Palazzo Reali in Lugano.



Swiss Francs have been dedicated to supporting Ticino's artistic talent since 2007

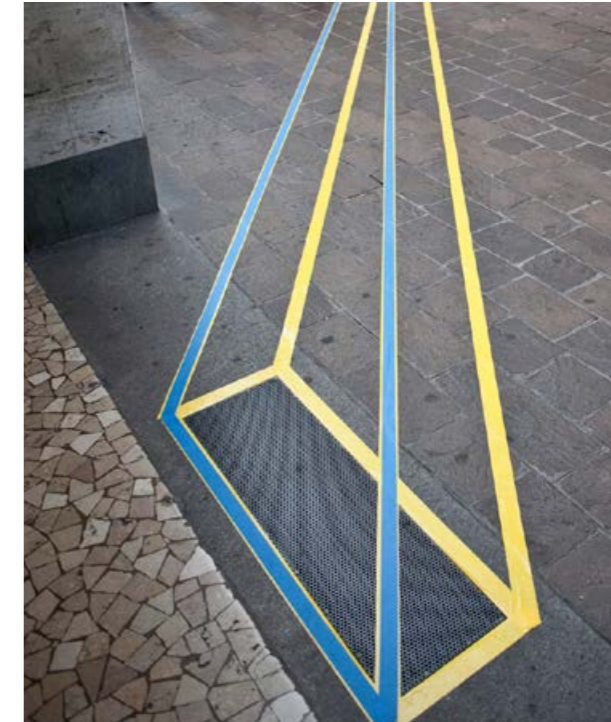


Bally Artist of the Year awards given out so far

Alex Dorici
Premio Artista Bally 2014
Scotch drawing 05082015
Urban installation commissioned by The Bally Foundation
2015
Paper tape
Locarno Film Festival, Switzerland
Photo by Cesare de Vita

Gabriela Maria Müller
Premio Artista Bally 2019
Cœurs sacrés
2018-2019
Elm seeds, voile, iron and wood frame
260 x 260 cm
Photo by Matthias Müller

Pascal Murer
Premio Artista Bally 2011
Grande fleur
2013
Bronze
192 x 76 x 10 cm
Parco Bally, Caslano, Switzerland
Photo courtesy of the artist
The Bally Foundation Collection





Bally has a rich legacy as a respectful and responsible business. We are a company that cares, and while we remain proud of our storied past, our focus has shifted to what needs to be done in creating a better, brighter future for the mutual benefit of all, people and planet, for generations to come.

APPENDIX

GRI INDEX

The GRI content in this chart has been integrated into the report itself. Pages are indicated below.

SECTION	GRI TOPICS	PAGE NUMBER
01 Who We Are	GRI 102-2 GRI 102-3 GRI 102-6 GRI 102-17	9 16-17
02 Sustainability at Bally: Our Commitment To Better	GRI 102-11 GRI 102-14 GRI 102-18 GRI 102-40 GRI 102-42 GRI 102-44 GRI 102-47	36-37 22 36 34 35
03 Making Better Things By Making Things Better: Our Product & Production	GRI 102-9 GRI 206-1	58-59
04 Better Together: Our People	GRI 102-12 GRI 102-16 GRI 403-1 GRI 404-1	111-121 71 80-81 84-85
05 Better for Our Planet	GRI 102-13	94-97
06 Better for Our Communities	GRI 102-12 GRI 413-1 GRI 413-2	104-105 110-121

METHODOLOGY

The reporting perimeter considered the offices of Caslano (Switzerland), Florence (Italy), Milan (Italy) and most of the stores present all over the world. This Non-Financial Statement (NFD), refers to the year ended December 31, 2019 and constitutes Bally's commitment to report on the social and environmental impacts related to its actions. The qualitative and quantitative information reported within the NFD has been prepared in accordance with the GRI-Core option provided by the GRI Standards of the Global Reporting Initiative and using the Reporting Standards reported in Table GRI. Bally has set up an internal committee, the Sustainability Operations Committee (SOC), representative of the main company functions, in order to collect the information required for the NFD, aggregate and validate it as well as store the supporting documentation to ensure traceability.

The reporting process has been divided into the following most significant phases of work:

1. Identification and evaluation of material themes;
2. Definition of the contents of the NFD (indicators, information and perimeter);
3. Start of the process of collecting and consolidating data and non-financial information through the ESGeo platform and the use of data collection sheets prepared for the drafting of the NFD;
4. Approval of the NFD by the Sustainability Steering committee, chaired by Bally's CEO.

Only CO2 emissions have been taken into account for the calculation of greenhouse gas emissions. CO2 emissions have been calculated by multiplying energy consumption by emission factors from the most authoritative and up-to-date technical literature. Emissions from stores around the world were included, while gasoline consumption refers to the offices in Italy and Switzerland only. The table below indicates the emission factors used to calculate the tons of CO2 emitted in the individual countries where stores are present. For some countries it was not possible to find the relevant figure; in these cases the emission factor of the home continent was used (Example: Singapore – Emission factors Asia).

For the Kwh / CO2 emission factors: https://download.terna.it/terna/7-INTERNAZIONALI_8d7a89ff8d0915a.pdf

For the kWh / m3 Conversion factor: 10,69 KWh/m3

Electricity emissions (Location Based)	kwh/g co2	Emission Factors (TCO2 / kWh)
Asia	592	0,000592
United States	411	0,000411
Japan	504	0,000504
China	632	0,000632
Australia	27	0,000027
Switzerland	37	0,000037
Germany	464	0,000464
Italy	359	0,000359
Austria	166	0,000166
United Kingdom	285	0,000285
France	72	0,000072
Spain	296	0,000296
Rest of Europe	332	0,000332

GRI CONTENT INDEX

BALLY SUSTAINABILITY REPORT 2019

The 2019 Global Reporting Initiative (GRI) content index has been prepared to comply with the GRI sustainability reporting standards. The 2019 Sustainability Report, of which this appendix is part, has been prepared in accordance with the GRI Standards: Core option.

UNIVERSAL STANDARDS - GRI 101: FOUNDATION

This GRI content index specifies each of the GRI Standards used and lists all disclosures reported. The index covers activities during the 2019 calendar year and discloses information on all the material sustainability topics identified from both organizational and operational impacts of Bally. During the development of the report, the GRI reporting principles, highlighted in GRI 101 Foundation, have been applied.

UNIVERSAL STANDARDS - GRI 102: GENERAL DISCLOSURES

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 102 General Disclosures ORGANIZATIONAL PROFILE	102-1 Name of organization	Bally International AG, via Industria 1, 6987 Caslano, Switzerland is the parent company for Bally Schuhfabriken AG, via Industria 1, 6987 Caslano, Switzerland and related affiliates (dba "Bally").
	102-2 Activities, brands, products, and services	<p>Bally is a luxury shoe maker and accessories brand since 1851, bringing effortless chic thanks to its functional, modern and refined design, positioned at an entry luxury level Bally has a global presence, with a footprint of over 800 doors across 70 countries.</p> <p>Bally has a particularly strong presence in Asia with 102 retail stores (APA and Japan), out of 156 retail stores globally. Second strongest luxury travel retail platform with 137 doors. In 2019, Bally boasted four established flagship locations in London, Tokyo, New York and Los Angeles, with two further flagships opening in Beijing and Milan.</p> <p>Bally's route to market includes a well-functioning omnichannel platform, geared towards capturing changing consumer behaviors. Bally's E-Retail site was taken in-house in 2014, and was rolled out in US, Europe, Japan and China.</p> <p><i>Information in response to this GRI disclosure can also be found in the Sustainability Report on page 9, 10, 12 and 15.</i></p>
	102-3 Location of headquarters	Via Industria 1, 6987 Caslano, Switzerland
	102-4 Location of operations	<p>Bally operates simultaneously in 70 countries worldwide.</p> <p><i>Information in response to this GRI disclosure can also be found in the Sustainability Report on pages 16 and 17.</i></p>
	102-5 Ownership and legal form	<p>Bally International AG is a Swiss stock corporation. Bally International AG and its commercial subsidiaries form the Bally Group. The Bally group of companies is wholly owned by JAB Luxury GmbH*</p> <p>*JAB Luxury GmbH held 97%, Management Shares completed the stock.</p>
102-6 Markets served	<p>With over 800 points of sales around the world, Bally is one of a few true fully omnichannel luxury houses allowing for a seamless customer experience with:</p> <ul style="list-style-type: none"> - 158 directly managed stores - 684 doors (wholesale and travel retail) - Presence in 70 countries around the world 	

GRI 102
General Disclosures

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 66.

ORGANIZATIONAL PROFILE

102-7
Scale of the organization

See details on the total number of employees, and other relevant information in responses to indicators 102-8, 201-1, 201-2, and 201-3.

KPI	VALUE
Total number of employees	1,424
Total number of operations	4
Quantity of products or services provided	1,621,581

102-8
Information on employees and other workers

As of 31 December 2019, Bally personnel counted 1,424 individuals. The breakdown of personnel by gender is as follows:

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

GENDER	YEAR-END HEAD COUNT	% ON TOTAL
Male	428	30
Female	996	70
TOTAL	1,424	100

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

COUNTRY	PERMANENT			TEMPORARY			TOTAL		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Switzerland	149	186	335	2	3	5	151	189	340
Italy	39	98	137	2	9	11	41	107	148
Rest of Europe	32	76	108	6	9	15	38	85	123
USA	57	69	126	5	11	16	62	80	142
Greater China	77	393	470	1	2	3	78	395	473
Japan	29	70	99	0	4	4	29	74	103
OSEA	28	65	93	1	1	2	29	66	95
TOTAL	411	957	1,368	17	39	56	428	996	1,424

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

KPI	2019 YEAR END HEADCOUNTS					
	FEMALE		MALE		TOTAL	
	HCS	%	HCS	%	HCS	%
Full-time	865	61	373	26	1,238	87
Part-time	131	9	55	4	186	13
TOTAL	996	70	428	30	1424	100

GRI 102
General Disclosures

ORGANIZATIONAL PROFILE

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

KPI	YEAR END HEAD COUNT	%
Employees	1,424	89
Non Employees	184	11
TOTAL	1'608	100

102-9
Supply chain

In order to be more flexible and optimal from a procurement point of view, the company seeks to establish a well-defined production footprint that takes advantage of the flexibility and know-how of the European supplier industry, accompanied by a strategic supply in more competitive areas.

At the same time, the recent introduction of new suppliers has allowed us to continuously improve the quality and conditions of supply.

We carry out a high degree of control over all our suppliers to ensure that they meet the highest ethical standards for child labor, forced labor, health and safety and the environment.

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 48 to 61.

102-10
Significant changes to the organization and its supply chain

During 2019 there were no significant changes to the Group's size, structure, ownership or supply chain.

102-11
Precautionary Principle or approach

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

Bally's corporate governance structure includes the Board of Directors, the Chief Executive Officer and the Executive Committee comprised of senior members of management. The Board of Directors are primarily responsible for determining and pursuing the strategic objectives of the Company and of the Group.

102-12
External initiatives

Bally was born of Swiss values and from the very first, a dedication to social responsibility and respect for the environment have been inherent in our identity and present in our actions. As we look to the future, we continue to cultivate Bally's natural commitment to purpose beyond profit, and seek new and innovative ways to deliver on that promise. Our CSR includes three pillars: Providing Educational Opportunities, Preserving the Mountains and Promoting the Arts.

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 104-105, 110-119.

102-13
Membership of associations

Bally is also 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 will combat the industry's adverse effect on the climate, restore biodiversity and protect the oceans.

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 94-97.

GRI 102
General Disclosures

102-14
Statement from senior decision-maker

Information in response to this GRI disclosure can be found in the Foreword of the Sustainability Report on page 5-7.

STRATEGY

102-15
Key Impacts, risks, and opportunities

In terms of governance mechanisms in place specifically to manage these risks and opportunities, Bally's enterprise risk management framework defines common principles, governance mechanisms, integrated processes and tools for risk management across Bally.

GRI 102
General Disclosures

ETHICS AND INTEGRITY

102-16
Values, principles, standards, and norms of behaviour

Bally's top Executives have identified and defined our unique approach to business as captured in The Bally Way; our guiding principles and values that all Bally employees should embrace inside and outside their jobs. The Bally Way is built around three pillars: Collective Entrepreneurship, Meaningfulness and High Performance.

Information in response to this GRI disclosure can be found in the foreword of the Sustainability Report on page 68-71.

102-17
Mechanisms for advice and concerns about ethics

Launched in 2014, The Bally Code of Conduct (CoC) summarizes the key guidelines on how we shall do business and how we are expected to behave at work. Working at Bally means being part of a modern and international environment in which all of us plays a pivotal role in the success of the company by sharing main professional and ethical behavioral standards that facilitate our ability to work together in addition to preserving our Brand image with the external world. The CoC promotes ethical conduct and ensures that relevant laws and regulations are adhered to and followed.

Information in response to this GRI disclosure can be found in the foreword of the Sustainability Report on page 72.

GRI 102
General Disclosures

102-18
Governance structure

Information in response to this GRI disclosure can be found in the foreword of the Sustainability Report on page 36, 37.

GOVERNANCE

GRI 102
General Disclosures

102-25
Conflicts of interest

The Company has implemented a conflicts of interest policy to help minimize the influence of external bias in decision-making. Employees are requested to avoid any situation in which personal interests can interfere with the Company needs. Any potential conflict of interest should be disclosed to employees' manager and HR department as soon as it arises and written authority to proceed should be sought from the Company, by Bally Management and the HR Department.

GRI 102
General Disclosures

102-40
List of stakeholder groups

Bally has identified the following main stakeholder groups: Employees and Shareholders were identified as internal stakeholders. The external stakeholders considered were: Communities, Distributors, End customers, Media and influencers, Non-governmental organisations (NGOs), Regulatory, government and public administration bodies, Schools and universities, Suppliers and Trade associations.

102-41
Collective bargaining agreements

Bally follows the labor law of every nation in which it operates. 100% of total employees are covered by collective bargaining agreements.

102-42
Identifying and selecting stakeholders

As part of the materiality assessment process, internal and external stakeholders were identified in an internal workshop, as well as through consultations with the Sustainability Operations Committee (SOC) and SUPSI (Scuola Universitaria Professionale della Svizzera italiana-University of Applied Sciences and Arts of Italian Switzerland). The Sustainability Steering Committee (SSC) validated the selection.

Information in response to this GRI disclosure can be found in the foreword of the Sustainability Report on page 34, 35.

102-43
Approach to stakeholder engagement

Bally plans to formally engage with a range of stakeholders globally through surveys and in-person meetings with personnel, partners and suppliers to understand how to better serve them by 2022.

102-44
Key topics and concerns raised

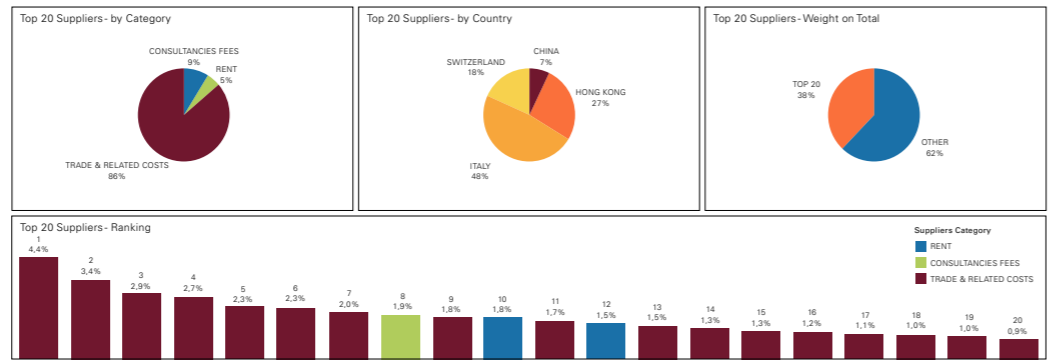
Bally's GRI report addresses a number of key topics and concerns raised by internal stakeholders as well as Bally's response. Reporting on challenges and insights reflects the feedback from the stakeholder engagement activities such as the quarterly Executive Committee meeting, meetings of the Sustainability Operations Committee (SOC) as well as personnel and partner interviews.

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 102 General Disclosures REPORTING PRACTICE	102-45 Entities included in the consolidated financial statements	Bally does not publish financial statements.
	102-46 Defining report content and topic Boundaries	The sustainability data related to the material aspects in this report cover activities from Bally's headquarters and selected offices (internal/organizational boundary). The data perimeter is indicated where relevant if other than 'total'. Bally has undertaken a first analysis of its material sustainability risks and on how the organization should operate. The outcome was an overview of material topics according to Bally's own activities, objectives and expectations, taking into account expected stakeholder views. These topics have been placed in an initial materiality matrix, which has then been validated through a first workshop with SUPSI's (Scuola Universitaria della Svizzera italiana) specialists, who have helped qualify and prioritize each topic according to its organizational and/or operational impact. Further understanding and validation was achieved through a workshop with the Sustainability Steering Committee. The workshop helped refine and combine a final list of material topics, including its definitions and boundaries.
	102-47 List of material topics	Bally's material topics adapted from the GRI Standards are (in alphabetical order): <ul style="list-style-type: none"> - Animal welfare (GRI 103-1, GRI 103-2, GRI 103-3) - Brand reputation (GRI 206-1, GRI 102-43, GRI 102-2, GRI 102-6) - Business ethics and integrity (GRI 102-16) - Corporate governance (GRI 102-18) - Culture of material sustainability (GRI 102-16) - Customer centricity (GRI 416-2, GRI 418-1) - Efficient management of waste (GRI 306-2) - Employee involvement and training (GRI 404-1) - Employee welfare (GRI 401-1, GRI 401-2, GRI 401-3, GRI 202-1) - Human rights and equal opportunities (GRI 405-1, GRI 405-2, GRI 411-1) - Innovation culture (GRI 103-1, GRI 103-2, GRI 103-3) - Occupational health and safety (GRI 403-1, 403-2, 403-4, 403-5, 403-8, 403-9) - Product quality (GRI 416-2) - Program for local communities (GRI 102-12, GRI 413-1, GRI 413-2) - Responsible handling of chemicals (GRI 306-2) - Responsible sourcing (GRI 102-9, GRI 102-10, GRI 204-1, GRI 308-1) - Sustainable packaging (GRI 301-1)
	102-48 Restatements of information	No restatements have been given.
	102-49 Changes in reporting	This is the first report for Bally and hence no changes have been made.
	102-50 Reporting period	The Sustainability Report and GRI Content Index 2019 cover the period from 1 January 2019 to 31 December 2019.
	102-51 Date of most recent report	This is the first report.
	102-52 Reporting cycle	The report is published on an annual basis.
	102-53 Contact point for questions regarding the report	For more information or questions, please contact Bally via email: sustainability@bally.ch.
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55 GRI Content Index	This document is the detailed GRI Content Index accompanying Bally's Sustainability Report.

STANDARD	DISCLOSURE	2019 RESPONSE																																																																																							
GRI 102 General Disclosures REPORTING PRACTICE	102-56 External assurance	The report has not been externally assured.																																																																																							
TOPIC-SPECIFIC STANDARDS - ECONOMIC MATERIAL TOPIC: ECONOMIC PERFORMANCE BOUNDARY: ORGANIZATIONAL BALLY TOPIC: ANIMAL WELFARE																																																																																									
STANDARD	DISCLOSURE	2019 RESPONSE																																																																																							
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is fully owned by JAB Holdings. Bally has adopted a traditional management approach by having a Shareholders' meeting, a Board of Directors and an Auditing Firm. The Board of Directors has furthermore set up three committees with advisory and policy making duties. The management approach has at its core a five-year Strategic Plan. The Plan is supported by budget estimates that outline how resources will be allocated to implement the first part of the Plan, as well as a management results framework which forms the results-based budgeting element. The management results framework is translated into annual target agreements for all organizational units. The performance against the ambitions is reported on an annual basis and subject to business reviews.																																																																																							
	201-3 Defined benefit plan obligations and other retirement plans	The benefit plan indicated below corresponds to Bally's headquarter in Caslano, Switzerland. <table border="1"> <thead> <tr> <th>KPI</th> <th>UOM</th> <th>LLP EMPLOYEE CONTRIBUTIONS - RISK</th> <th>LLP EMPLOYEE CONTRIBUTIONS - SAVINGS</th> <th>LLP EMPLOYEE CONTRIBUTIONS - TOTAL</th> <th>LLP EMPLOYER CONTRIBUTIONS - RISK</th> <th>LLP EMPLOYER CONTRIBUTIONS - SAVINGS</th> <th>LLP EMPLOYER CONTRIBUTIONS - RISK - TOTAL</th> </tr> </thead> <tbody> <tr> <td>Base Plan 1 (18-24 years)</td> <td>%</td> <td>1.75</td> <td>0</td> <td>1.75</td> <td>1.75</td> <td>0</td> <td>1.75</td> </tr> <tr> <td>Base Plan 1 (25-65 years)</td> <td>%</td> <td>1.75</td> <td>6.25</td> <td>8</td> <td>1.75</td> <td>6.25</td> <td>8</td> </tr> <tr> <td>Base Plan 2 (18-24 years)</td> <td>%</td> <td>1.75</td> <td>0</td> <td>1.75</td> <td>1.75</td> <td>0</td> <td>1.75</td> </tr> <tr> <td>Base Plan 2 (25-65 years)</td> <td>%</td> <td>1.75</td> <td>8.25</td> <td>10</td> <td>1.75</td> <td>8.25</td> <td>10</td> </tr> <tr> <td>Management Plan (18-24 years)</td> <td>%</td> <td>2</td> <td>0</td> <td>2</td> <td>2</td> <td>0</td> <td>2</td> </tr> <tr> <td>Management Plan (25-44 years)</td> <td>%</td> <td>2</td> <td>7.5</td> <td>9.5</td> <td>2</td> <td>9.5</td> <td>11.5</td> </tr> <tr> <td>Management Plan (45-54 years)</td> <td>%</td> <td>2</td> <td>8.5</td> <td>10.5</td> <td>2</td> <td>14.5</td> <td>16.5</td> </tr> <tr> <td>Management Plan (55-65 years)</td> <td>%</td> <td>2</td> <td>9.5</td> <td>11.5</td> <td>2</td> <td>19.5</td> <td>21.5</td> </tr> <tr> <td>Executives Plan</td> <td>%</td> <td>0</td> <td>8.5</td> <td>8.5</td> <td>0</td> <td>14.5</td> <td>14.5</td> </tr> <tr> <td>CEO Plan</td> <td>%</td> <td>0</td> <td>8.5</td> <td>8.5</td> <td>0</td> <td>14.5</td> <td>14.5</td> </tr> </tbody> </table>	KPI	UOM	LLP EMPLOYEE CONTRIBUTIONS - RISK	LLP EMPLOYEE CONTRIBUTIONS - SAVINGS	LLP EMPLOYEE CONTRIBUTIONS - TOTAL	LLP EMPLOYER CONTRIBUTIONS - RISK	LLP EMPLOYER CONTRIBUTIONS - SAVINGS	LLP EMPLOYER CONTRIBUTIONS - RISK - TOTAL	Base Plan 1 (18-24 years)	%	1.75	0	1.75	1.75	0	1.75	Base Plan 1 (25-65 years)	%	1.75	6.25	8	1.75	6.25	8	Base Plan 2 (18-24 years)	%	1.75	0	1.75	1.75	0	1.75	Base Plan 2 (25-65 years)	%	1.75	8.25	10	1.75	8.25	10	Management Plan (18-24 years)	%	2	0	2	2	0	2	Management Plan (25-44 years)	%	2	7.5	9.5	2	9.5	11.5	Management Plan (45-54 years)	%	2	8.5	10.5	2	14.5	16.5	Management Plan (55-65 years)	%	2	9.5	11.5	2	19.5	21.5	Executives Plan	%	0	8.5	8.5	0	14.5	14.5	CEO Plan	%	0	8.5	8.5	0	14.5
KPI	UOM	LLP EMPLOYEE CONTRIBUTIONS - RISK	LLP EMPLOYEE CONTRIBUTIONS - SAVINGS	LLP EMPLOYEE CONTRIBUTIONS - TOTAL	LLP EMPLOYER CONTRIBUTIONS - RISK	LLP EMPLOYER CONTRIBUTIONS - SAVINGS	LLP EMPLOYER CONTRIBUTIONS - RISK - TOTAL																																																																																		
Base Plan 1 (18-24 years)	%	1.75	0	1.75	1.75	0	1.75																																																																																		
Base Plan 1 (25-65 years)	%	1.75	6.25	8	1.75	6.25	8																																																																																		
Base Plan 2 (18-24 years)	%	1.75	0	1.75	1.75	0	1.75																																																																																		
Base Plan 2 (25-65 years)	%	1.75	8.25	10	1.75	8.25	10																																																																																		
Management Plan (18-24 years)	%	2	0	2	2	0	2																																																																																		
Management Plan (25-44 years)	%	2	7.5	9.5	2	9.5	11.5																																																																																		
Management Plan (45-54 years)	%	2	8.5	10.5	2	14.5	16.5																																																																																		
Management Plan (55-65 years)	%	2	9.5	11.5	2	19.5	21.5																																																																																		
Executives Plan	%	0	8.5	8.5	0	14.5	14.5																																																																																		
CEO Plan	%	0	8.5	8.5	0	14.5	14.5																																																																																		
	201-4 Financial assistance received from government	No funding received.																																																																																							
GRI 202 Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	99.3% of our employees are paid above the minimum guaranteed by the local state in the relevant countries. Date Notes: Relevant Countries: refers to the countries in which the various offices are located. Switzerland and HQ Italy: minimum wage by law not present at national level in 2019. Headcounts updated December 2019.																																																																																							

STANDARD	DISCLOSURE	2019 RESPONSE
	202-2 Proportion of senior management hired from the local community	100% of the Executives and regional General Managers at the end of 2019 come from the local community and work in the following cities: Caslano, Milan, Shanghai, New York, Tokyo, Singapore and Sidney. Local community means the nationality belonging to the geographical cluster where the office is located (e.g. for the offices in Milan and Caslano reference is made to the whole of Europe).

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 204 Procurement Practices 2016	204-1 Proportion of spending on local suppliers	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.



Information in response to this GRI disclosure can also be found in the Sustainability Report on page 52, 54.

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 205 Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Bally is committed to organizational excellence, accountability and transparency, and its management coordination and collaboration structures provide an intuitive overall framework. Bally continuously updates its anti-bribery and anti-corruption policies and procedures to minimize risk. In 2019 no risks have been identified.
	205-2 Communication and training on anti-corruption policies and procedures	All employees are informed of the anti-corruption policies and procedures and made aware of them as part of the recruitment and employment contract signature process. All business partners are informed as part of the procurement and contract signature process. The Bally Gift Policy was launched in 2018 to reinforce our commitment to adhere to the highest ethical standards of conduct in all of our business activities by acting in a manner that enhances Bally's reputation, as set forth in the Code of Conduct.
	205-3 Confirmed incidents of corruption and actions taken	In 2019, there were no incidents of fraud nor financial irregularities reported.

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 206 Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2019, no legal actions were neither pending nor completed. Bally continues to update its policies and procedures related to anti-competitive behavior to minimize risk. Currently no risks have been identified.

TOPIC-SPECIFIC STANDARDS - ENVIRONMENTAL

MATERIAL TOPIC: MATERIALS

BOUNDARY: OPERATIONAL

BALLY TOPIC: ENVIRONMENTAL IMPACTS OF MATERIALS

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Environmental topics (such as Animal welfare, Culture of Material Sustainability, Energy, Waste, and Emissions) are very important for Bally and for its stakeholders. Use of materials, such as construction material, energy, as input for our operations, waste, as output of our operations, as well as the impact on biodiversity of our infrastructure projects, are all very relevant for Bally. Bally's Sustainability Roadmap, issued in 2019, covers all of its projects and operations. In 2019 Bally implemented environmental impact mitigation measures, such as the use of renewable power sources and waste reduction strategies. Bally favors the inclusion of environmental considerations in its procurement activities, dealing with a wide range of issues, from energy efficiency to better operational planning to reduce waste.

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 92, 93.

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 301 Materials 2016	301-1 Materials used by weight or volume	

GRI 301-1a - Materials used by weight or volume (packaging plastic items)

KPI	G WEIGHT/KG
Poly bags	35,000
Hangers	22,000
Plastic window boxes	30,000
Wrapping envelope	30,000
Foamy envelope (larger goods)	350,000
Foamy envelope (smaller goods)	250,000
Foamy envelope (bags)	120,000

GRI 301-1b - Materials used by weight or volume (packaging consumption)

KPI	UNITS	G WEIGHT/KG
Switzerland	158,032	162,705
China	42,978	35,184
Japan	14,190	15,691
Australia	11,500	5,112
USA	1,092	346
TOTAL	227,792	219,039

GRI 301-1c - Materials used by weight or volume

KPI	TOTAL	SHARE CONVENTIONAL (%)	SHARE LOWER CLIMATE IMPACT (%)
Cotton	151,288	99	
Polyester	6,017	14	86
Nylon	5,858	70	30
Leather	155,755	98	2

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 301 Materials 2016	301-2 Energy consumption outside of the organization	Omission: Information unavailable. Working to have results available in 2022 as a pilot while the methodology for organization-wide reporting is being developed.
	301-3 Water withdrawal	Omission: Information unavailable.

MATERIAL TOPIC: ENERGY
BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE																																																																	
GRI 201 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 301: Materials 2016.																																																																	
GRI 302 Energy 2016	302-1 Energy consumption within the organization	<p>Partial information. The information reported corresponds to our Headquarters and production plant in Caslano, Switzerland. The direct energy consumed by the organization in its HQ and production plant in Caslano, Switzerland, in 2019 was 4,657 MWh</p> <table border="1"> <thead> <tr> <th>KPI</th> <th>UOM</th> <th>(ESTIMATED) MWH FROM RENEWABLE SOURCES</th> <th>(ESTIMATED) MWH FROM NON-RENEWABLE SOURCES</th> <th>TOTAL</th> </tr> </thead> <tbody> <tr> <td>Consumption of fuel (excluding feedstock)</td> <td>MWh</td> <td></td> <td>1,097</td> <td>1,097</td> </tr> <tr> <td>Consumption of purchased or acquired electricity</td> <td>MWh</td> <td>1,309</td> <td>1,362</td> <td>2,672</td> </tr> <tr> <td>Consumption of other purchased or acquired energy</td> <td>MWh</td> <td>888</td> <td></td> <td>888</td> </tr> <tr> <td>Consumption of self-generated non-fuel renewable energy</td> <td>MWh</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>TOTAL</td> <td>MWh</td> <td>2,197</td> <td>2,459</td> <td>4,657</td> </tr> </tbody> </table> <p>GRI 302-1 - Energy consumption within the organization (Stores)</p> <table border="1"> <thead> <tr> <th>KPI</th> <th>UOM</th> <th>KWH CONSUMED</th> <th>MC GAS</th> <th>MC GAS/KWH</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td></td> <td>12,265,906</td> <td>562,835</td> <td>6,016,706</td> </tr> <tr> <td>China</td> <td></td> <td>1,989,750</td> <td>8,062</td> <td>86,182,78</td> </tr> <tr> <td>Hong Kong</td> <td></td> <td>161,435</td> <td>0</td> <td>0</td> </tr> <tr> <td>Singapore</td> <td></td> <td>80,809</td> <td>0</td> <td>0</td> </tr> <tr> <td>Malaysia</td> <td></td> <td>126,014</td> <td>0</td> <td>0</td> </tr> <tr> <td>Australia</td> <td></td> <td>240,581</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>Omission: Information unavailable for United States, Switzerland, Germany, Italy, Netherlands, Austria, United Kingdom, France and Spain.</p> <p>Percentage of renewable sources for power supply refers to 2018 consolidated data applied to 2019 consumptions. This is the best estimate we can give since this is the sole data we have on the invoices.</p>	KPI	UOM	(ESTIMATED) MWH FROM RENEWABLE SOURCES	(ESTIMATED) MWH FROM NON-RENEWABLE SOURCES	TOTAL	Consumption of fuel (excluding feedstock)	MWh		1,097	1,097	Consumption of purchased or acquired electricity	MWh	1,309	1,362	2,672	Consumption of other purchased or acquired energy	MWh	888		888	Consumption of self-generated non-fuel renewable energy	MWh	0	0	0	TOTAL	MWh	2,197	2,459	4,657	KPI	UOM	KWH CONSUMED	MC GAS	MC GAS/KWH	Japan		12,265,906	562,835	6,016,706	China		1,989,750	8,062	86,182,78	Hong Kong		161,435	0	0	Singapore		80,809	0	0	Malaysia		126,014	0	0	Australia		240,581	0	0
KPI	UOM	(ESTIMATED) MWH FROM RENEWABLE SOURCES	(ESTIMATED) MWH FROM NON-RENEWABLE SOURCES	TOTAL																																																															
Consumption of fuel (excluding feedstock)	MWh		1,097	1,097																																																															
Consumption of purchased or acquired electricity	MWh	1,309	1,362	2,672																																																															
Consumption of other purchased or acquired energy	MWh	888		888																																																															
Consumption of self-generated non-fuel renewable energy	MWh	0	0	0																																																															
TOTAL	MWh	2,197	2,459	4,657																																																															
KPI	UOM	KWH CONSUMED	MC GAS	MC GAS/KWH																																																															
Japan		12,265,906	562,835	6,016,706																																																															
China		1,989,750	8,062	86,182,78																																																															
Hong Kong		161,435	0	0																																																															
Singapore		80,809	0	0																																																															
Malaysia		126,014	0	0																																																															
Australia		240,581	0	0																																																															
	302-4 Reduction of energy consumption	Omission: Information unavailable. Individual country offices will be assisted to start monitoring reductions, reporting on organization-wide reduction of energy.																																																																	
	302-5 Reductions in energy requirements of products and services	Omission: Information unavailable. The reductions in energy requirements of products and services requires a change process that is not yet feasible.																																																																	

MATERIAL TOPIC: WATER
BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE															
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach for material topic: Materials (301).															
GRI 303 Water and Effluents 2018	303-1 Interactions with water as a shared resource	Water is withdrawn, consumed and discharged by Bally through both its facilities and its operations. At present, there is not yet a systematic methodology for analysing Bally's water-related impacts. As 2019 is the first year that Bally is reporting on these standards, the data are to be considered estimates until the water reporting methodology is further strengthened in future inventories.															
		<table border="1"> <thead> <tr> <th>KPI</th> <th>UOM</th> <th>CUBIC METERS OF WATER CONSUMED</th> </tr> </thead> <tbody> <tr> <td>Caslano</td> <td>m3</td> <td>3,128</td> </tr> <tr> <td>Milano</td> <td>m3</td> <td>4,094</td> </tr> <tr> <td>Firenze</td> <td>m3</td> <td>36</td> </tr> <tr> <td>TOTAL</td> <td>m3</td> <td>7,258</td> </tr> </tbody> </table>	KPI	UOM	CUBIC METERS OF WATER CONSUMED	Caslano	m3	3,128	Milano	m3	4,094	Firenze	m3	36	TOTAL	m3	7,258
KPI	UOM	CUBIC METERS OF WATER CONSUMED															
Caslano	m3	3,128															
Milano	m3	4,094															
Firenze	m3	36															
TOTAL	m3	7,258															
	303-2 Management of water discharge-related impacts	Omission: Information unavailable. Given the diversity of Bally's operating locations, standards are expected to be in place in 2022.															
	303-3 Water withdrawal	Omission: Information unavailable. Given the diversity of Bally's operating locations, standards are expected to be in place in 2022.															
	303-4 Water discharge	Omission: Information unavailable. Monitoring for water discharge has not yet been established. Bally expects to report on this in 2022.															
	303-5 Water consumption	Omission: Information unavailable.															

MATERIAL TOPIC: BIODIVERSITY

BOUNDARY: OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 301: Materials 2016.
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Omission: Information unavailable. Bally's ability to report on its impact on biodiversity is currently limited to countries of operation. In 2021, Bally will work on strengthening its data collection system and expects reporting on operational sites close to protected areas or areas of high biodiversity value outside protected areas to be piloted in the 2023 reporting cycle.
	304-2 Significant impacts of activities, products, and services on biodiversity	Bally has a long-standing tie to the mountains that begins with its Alpine origins and pioneering legacy. Covering 25% of the world's land surface and supplying freshwater for 12% of the human population, fragile mountain environments around the world are in need of critical attention and care as they face the adverse effects of global warming and excessive tourism. In 2019, Bally returned to Everest, introducing its Bally Peak Outlook initiative, which included a crucial cleanup from base camp to the peak, as part of a broader Sustainability program. Last year's Bally's inaugural cleanup removed two tons of waste from Everest base camp to the peak.

MATERIAL TOPIC: EMISSIONS

BOUNDARY: OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE															
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 301: Materials 2016.															
GRI 305 Emissions 2016	305-1 Direct (Scope 1) GHG emissions	In 2019, our Scope 1 emissions from our HQ in Caslano, Switzerland, were 176t CO2eq from the executive's vehicle fleet. This figure pertains to Bally's HQ only. The environmental inventory boundary will expand to other facilities in the future. 2019 will be the baseline year when possible.															
		<table border="1"> <thead> <tr> <th>KPI</th> <th>FUEL (LT)</th> <th>CO2 (TONNES)</th> </tr> </thead> <tbody> <tr> <td>Arval Italia Fleet (Bally Schuh + Studio)</td> <td>79,141</td> <td>122</td> </tr> <tr> <td>Leaseplan Italia</td> <td>21,820</td> <td>27</td> </tr> <tr> <td>Arval CH</td> <td>14,765</td> <td>27</td> </tr> <tr> <td>TOTAL</td> <td>115,726</td> <td>176</td> </tr> </tbody> </table>	KPI	FUEL (LT)	CO2 (TONNES)	Arval Italia Fleet (Bally Schuh + Studio)	79,141	122	Leaseplan Italia	21,820	27	Arval CH	14,765	27	TOTAL	115,726	176
KPI	FUEL (LT)	CO2 (TONNES)															
Arval Italia Fleet (Bally Schuh + Studio)	79,141	122															
Leaseplan Italia	21,820	27															
Arval CH	14,765	27															
TOTAL	115,726	176															
	305-2 Energy indirect (Scope 2) GHG emissions	In 2019, our Scope 1+2 emissions as reported include: Stores Monthly Energy Consumption 2020 & 2019) + fuel consumption from GRI 305-1 (Management Caslano).															

STANDARD	DISCLOSURE	2019 RESPONSE																																				
	305-2 Energy indirect (Scope 2) GHG emissions	<table border="1"> <thead> <tr> <th>KPI</th> <th>SCOPE 1 (GAS)</th> <th>SCOPE 1 (FUEL)</th> <th>SCOPE 2</th> </tr> </thead> <tbody> <tr> <td>Japan</td> <td>3,032</td> <td>0</td> <td>6,182</td> </tr> <tr> <td>China</td> <td>54</td> <td>0</td> <td>1,257</td> </tr> <tr> <td>Hong Kong</td> <td>0</td> <td>0</td> <td>95</td> </tr> <tr> <td>Singapore</td> <td>0</td> <td>0</td> <td>48</td> </tr> <tr> <td>Malaysia</td> <td>0</td> <td>0</td> <td>74,6</td> </tr> <tr> <td>Australia</td> <td>0</td> <td>0</td> <td>6,5</td> </tr> <tr> <td>Switzerland</td> <td>0</td> <td>27</td> <td>0</td> </tr> <tr> <td>Italy</td> <td>0</td> <td>149</td> <td>0</td> </tr> </tbody> </table> <p>No data available for retail operations in 2019 for United States, Germany, Netherlands, Austria, United Kingdom, France, Spain. These figures pertain to certain facilities only. The environmental inventory boundary will expand to other facilities in the future.</p>	KPI	SCOPE 1 (GAS)	SCOPE 1 (FUEL)	SCOPE 2	Japan	3,032	0	6,182	China	54	0	1,257	Hong Kong	0	0	95	Singapore	0	0	48	Malaysia	0	0	74,6	Australia	0	0	6,5	Switzerland	0	27	0	Italy	0	149	0
KPI	SCOPE 1 (GAS)	SCOPE 1 (FUEL)	SCOPE 2																																			
Japan	3,032	0	6,182																																			
China	54	0	1,257																																			
Hong Kong	0	0	95																																			
Singapore	0	0	48																																			
Malaysia	0	0	74,6																																			
Australia	0	0	6,5																																			
Switzerland	0	27	0																																			
Italy	0	149	0																																			
	305-3 Other indirect (Scope 3) GHG emissions	Omission: Information unavailable. Monitoring for Scope 3 is not currently available. Bally expects to report on this in 2023 to report on Air Travel, Entitlement Travel and Public Transport.																																				
	305-4 GHG emissions intensity	Omission: Information unavailable. The reduction actions are not yet being linked to reduction measurements. Bally will formalize reporting of reduction actions followed by the reduction measurements. Bally expects to report on this in 2025.																																				
	305-5 Reduction of GHG emissions	Omission: Information unavailable. The reduction actions are not yet being linked to reduction measurements. Bally will formalize reporting of reduction actions followed by the reduction measurements. Bally expects to report on this in 2025.																																				
	305-6 Emissions of ozone-depleting substances (ODS)	Omission: Information unavailable. The reduction actions are not yet being linked to reduction measurements. Bally will formalize reporting of reduction actions followed by the reduction measurements. Bally expects to report on this in 2025.																																				
	305-7 Nitrogen oxides (NOx), other significant air emissions	Omission: Information unavailable. There is no system in place for monitoring the listed air pollutants. Bally will consider reporting on a selection of the listed pollutants by 2025.																																				

MATERIAL TOPIC: EFFLUENTS AND WASTE

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 306 Effluents and Waste 2016	306-1 Water discharge by quality and destination	Omission: Information unavailable. The monitoring of water discharge quality is not feasible in many locations of Bally's operations due to unavailability of local laboratories to assess the effluent.
	306-2 Waste by type and disposal methodology	These figures pertain to Bally's facilities in Caslano, Switzerland and Florence, Italy, only. The environmental inventory boundary will expand to other Bally facilities in the future. Waste disposal methods are to be confirmed by building administrators, logistics officers and / or waste contractors.

STANDARD	DISCLOSURE	2019 RESPONSE															
GRI 306 Effluents and Waste 2016	306-2 Waste by type and disposal methodology	<table border="1"> <thead> <tr> <th>KPI</th> <th>KG</th> <th>DISPOSED PRODUCTS (KG)</th> </tr> </thead> <tbody> <tr> <td>Waste packaging and finishing (leather)</td> <td>1,670</td> <td>1,767</td> </tr> <tr> <td>Containers contaminated with hazardous substances</td> <td>2</td> <td>NA</td> </tr> <tr> <td>Ferrous metals</td> <td>590</td> <td></td> </tr> <tr> <td>TOTAL</td> <td>2,262</td> <td>1,767</td> </tr> </tbody> </table>	KPI	KG	DISPOSED PRODUCTS (KG)	Waste packaging and finishing (leather)	1,670	1,767	Containers contaminated with hazardous substances	2	NA	Ferrous metals	590		TOTAL	2,262	1,767
		KPI	KG	DISPOSED PRODUCTS (KG)													
		Waste packaging and finishing (leather)	1,670	1,767													
		Containers contaminated with hazardous substances	2	NA													
		Ferrous metals	590														
TOTAL	2,262	1,767															
306-3 Significant spills	Omission: Information unavailable.																
306-4 Transport of hazardous waste	Omission: Information unavailable. Bally will explore opportunities for reporting on this disclosure in 2022.																
306-5 Water bodies affected by water discharges and/or runoff	Omission: Information unavailable. Bally will explore opportunities for reporting on this disclosure in 2022.																

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

STANDARD	DISCLOSURE	2019 RESPONSE
138 GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is in compliance with the expectations of stakeholders and applicable legal requirements in the countries where it operates.
GRI 307 Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	In 2019, Bally did not receive any fines for non-compliance with environmental laws and regulations.

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

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is very much aware of the importance of its supplier relationships for the successful evolution of its business and for continued social, environmental and economic development of our suppliers and the communities where it operates in accordance with Bally's Supplier Code of Conduct.
		The purpose of the Bally Supplier Code of Conduct is to state the non-negotiable minimum standards to which we uphold all of our Suppliers and their sub-tier Suppliers when conducting business with us. The Supplier Code of Conduct shows Bally's commitment to international standards beyond our own operations extending to every connection in our supply chain. The Code sets forth the standards for our Suppliers to adhere to all applicable laws and regulations and in particular to comply with international and industry standards and best practices. These expectations extend to their parent, subsidiary or affiliate entities, as well as all others third parties they operate with.

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	All suppliers are expected to adhere to the principles contained in Bally's Supplier Code of Conduct, which includes considerations for freedom of association, forced and child labor, human rights, environment, fundamental principles, rights at work and corruption. Acknowledgement of the Code is a requirement in every supply agreement, and the Supplier commits that all its operations are subject to the provisions set forth in this Code. We reserve the right to verify the compliance with the Code through assessments and audits.
GRI 308 Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria 308-2 Negative environmental impacts in the supply chain and actions taken	Omission: Information unavailable. Bally did not obtain in 2019 information on negative environmental impacts in the supply chain. However, Bally is seeking to increase its screening using environmental criteria through the supply chain by 2022, and incorporating this dimension in the due diligence process. Omission: Information unavailable. Bally cannot currently obtain information on negative environmental impacts in the supply chain and actions taken at global level. However, Bally is seeking to increase the reporting and transparency of negative environmental impacts through the mapping of its supply which is expected to be mainstreamed in the organization throughout 2021 and 2022.

TOPIC-SPECIFIC STANDARDS - SOCIAL
MATERIAL TOPIC: EMPLOYMENT
BOUNDARY: ORGANIZATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally is a global organization, with an international and diverse workforce, across a broad range of roles including leadership, technical specialists, artisans and administration. Bally is committed to identifying and retaining talent, developing internal talent, and attracting the best-qualified talents to work with us. Bally has a responsive workforce, to ensure we have the right skills available to deploy where needed. Bally places a strong focus on supporting leadership skills and strengthening diversity in its workforce, as well as maintaining corporate excellence.
GRI 401 Employment 2016	401-1 New employee hires and employee turnover	Bally had 472 new hires in 2019 (Turnover In): 312 females, 160 males. This means that 66 per cent of all new hires were women. The distribution of new hires (turnover in) was as follows: 206 were younger than 30, 246 were between 30-50 and the remaining 20 were over 50 years of age. In terms of turnover, Bally's personnel Turnover In in 2019 was 33 per cent. 2019 is being considered as the baseline year.

The below tables show new employee hires and employee turnover (Turnover In) by age category and region, including a split by women and men.

KPI	UOM	<30			30-50			>50			TOTAL			% TURNOVER		
		Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	n	8	6	14	21	12	33	4	3	7	33	21	54	17	14	16
Italy	n	17	6	23	24	7	31	1	2	3	42	15	57	39	37	39
Rest of Europe	n	27	20	47	14	9	23	1	0	1	42	29	71	49	76	58
USA	n	19	21	40	11	8	19	2	1	3	32	30	62	40	48	44
Greater China	n	39	11	50	75	17	92	1	1	2	115	29	144	29	37	30
Japan	n	0	3	3	13	15	28	1	0	1	14	18	32	19	62	31
OSEA	n	20	9	29	12	8	20	2	1	3	34	18	52	52	62	55
TOTAL	n	130	76	206	270	76	246	12	8	20	312	160	472	31	37	33

GRI 401
Employment 2016

401-1
New employee hires and employee turnover

The tables below show new employee hires and employee turnover (Turnover Out) by age category and region, including a split by gender.

KPI	UOM	<30			30-50			>50			TOTAL			% TURNOVER		
		Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	n	10	5	15	21	16	37	4	5	9	35	26	61	19	17	18
Italy	n	11	3	14	15	9	24	2	0	2	28	12	40	26	29	27
Rest of Europe	n	21	14	35	18	15	33	2	0	2	41	29	70	48	76	57
USA	n	16	9	25	18	9	27	6	3	9	40	21	61	50	34	43
Greater China	n	28	14	42	81	16	97	2	3	5	111	33	144	28	42	30
Japan	n	0	3	3	18	6	24	3	1	4	21	10	31	28	34	30
OSEA	n	12	11	23	17	5	22	0	0	0	29	16	45	44	55	47
TOTAL	n	98	59	157	188	76	264	19	12	31	305	147	452	31	34	32

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

All Bally personnel have a range of benefits and entitlements. The table below reflects discretionary benefits provided to selected staff.

KPI	UOM	VALUE
Company Car	%	4
Discretionary pension	%	4.4
Discretionary health	%	14
Transportation	%	17
Clothing	%	25
Discretionary life insurance	%	40
Meal	%	51
Discretionary invalidity insurance	%	68

Data notes:
 - Meal: excludes the canteen inside Caslano (reduced price compared to local services).
 - Discretionary Pension: excludes the private pension fund in Switzerland which covers about 340 HCs but is mandatory.
 - Relevant Countries: Includes the countries where the various offices are present.
 - HCs: Headcounts updated in December 2019.

401-3
Parental leave

Bally rolled out its Group Maternity and Paternity Leave policy effective from October 1st, 2019 as part of Bally's commitment to well-being at work and work-life balance.

The Group Maternity and Paternity Leave policy is about supporting our employees with the birth of a child by integrating countries' national legislations to ensure that all Bally Employees with at least 24 months' seniority enjoy:

- A Maternity Leave of minimum 14 weeks paid at 80%
- A Paternity Leave of minimum 4 days fully paid

Information in response to this GRI disclosure can also be found in the Sustainability Report on page 74, 75.

MATERIAL TOPIC: OCCUPATIONAL HEALTH AND SAFETY
BOUNDARY: ORGANIZATIONAL
UNOPS TOPIC: HEALTH AND SAFETY

GRI 103
Management approach 2016

103-1
103-2
103-3
Management approach disclosures

The safety, health and well-being of employees as well as customers, suppliers and visitors to Bally are of paramount importance.
 Information in response to this GRI disclosure can also be found in the Sustainability Report on page 80, 81.

GRI 403
Occupational Health and Safety

403-1
Occupational health and safety

Bally is committed to reducing situations that can affect the health of staff and third parties to a sustainable level. Bally has been equipped for about 3 years with a Manual for Occupational Health and Safety under the MSSL Directive, a document listing the guidelines and commitments that Bally has made in accordance with the ordinances of the Swiss Confederation.

All the legal and ordering texts that determine the company's actions for job security and the protection of the worker's health are available on the website: www.admin.ch/ch/j/fr/rs.html

The top 5 reference laws are: CO, LAINF, LL, OPI, ECP. It also adds the reference to the prospectus SUVA CBA_140_I2.

In 2019, specific security targets and implementation timelines were set and those responsible identified.

Here are the objectives and level of achievement, on which Bally and the security staff and the consultant worked on:

OBJECTIVE 1: COMPLETE AND UPGRADE SECURITY MANUAL
1st Action: Implementation of procedures for the manual and check-list of internal managers. Achieved through vignettes.

OBJECTIVE 2: TRAINING
1st Action: Completed training for Maintainers and Department heads about their role and the dangers associated with their work and their reports making them aware of their responsibilities and the checks they need to perform.

2nd Action: Collaborated with third-party companies: module upgrade, procedures, and application. As a result, the existing model was retained.

OBJECTIVE 3: IMPLEMENTATION OF TECHNICAL MEASURES
1st Action: Completed training Maintainers and Department heads about their role and the dangers associated with their work activities and their reports so that they are aware of their responsibilities and the checks they need to perform.

2nd Action: Collaborated with third-party companies: module upgrade, procedures, and application. Retained the previous model.

403-2
Hazard identification, risk assessment, and incident investigation

A study of the dangers within the factory was carried out and a program of prevention, mitigation and removal of hazards was defined indicating the measures/actions that management must adopt in order to ensure the protection of workers by complying with the requirements of current legislation.

A study of the dangers present in the Caslano, Switzerland, factory was carried out and a program of prevention, mitigation and removal of hazards was defined. Said study led to the identification of four fronts of intervention by 2020:

- 1) Replacement of the main dangerous substances,
- 2) Implementation of an air aspiration system at source for each work station involving the use of hazardous substances.
- 3) Measurement of the presence of hazardous substances in the air after adopting the technical measures indicated.
- 4) Possible integration with personal protection measures.

GRI 403
Occupational Health and Safety

403-2
Hazard identification, risk assessment, and incident investigation

KPI	UOM	INJURY TYPE			INJURY LOCATION		
		FATAL INCIDENTS	SEVERE INJURIES	SUPERFICIAL INJURIES	ACCIDENT WHILE TRAVELLING	BUSINESS TRIP ACCIDENT	WORKPLACE ACCIDENT
Male	n	0	0	5	1	0	4
Female	n	0	1	10	3	1	7
TOTAL	n	0	1	15	4	1	11

GRI 403-2b - Hazard identification, risk assessment, and incident investigation (Injury Type)

KPI	UOM	FATAL INCIDENTS			SEVERE INJURIES			SUPERFICIAL INJURIES		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	n	0	0	0	0	0	0	2	2	4
Italy	n	0	0	0	0	0	0	1	1	3
Rest of Europe	n	0	0	0	0	0	0	1	1	6
USA	n	0	0	0	0	0	0	0	0	1
Greater China	n	0	0	0	1	0	1	0	0	0
Japan	n	0	0	0	0	0	0	1	1	1
OSEA	n	0	0	0	0	0	0	0	0	0
TOTAL	n	0	0	0	1	0	1	10	5	15

GRI 403-2c - Hazard identification, risk assessment, and incident investigation (Injury Location)

KPI	UOM	ACCIDENT WHILE TRAVELLING			ACCIDENT BUSINESS TRIP			ACCIDENT WORKPLACE		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	n	0	0	0	0	0	0	2	2	4
Italy	n	2	1	3	0	0	0	0	0	0
Rest of Europe	n	0	0	0	1	0	1	4	1	5
USA	n	1	0	1	0	0	0	0	0	0
Greater China	n	0	0	0	0	0	0	1	0	1
Japan	n	0	0	0	0	0	0	0	1	1
OSEA	n	0	0	0	0	0	0	0	0	0
TOTAL	n	3	1	4	1	0	1	7	4	11

GRI 403-2d - Hazard identification, risk assessment, and incident investigation (Days Absence)

KPI	UOM	DAYS ABSENCE		
		FEMALE	MALE	TOTAL
Switzerland	n	19	51	70
Italy	n	21	28	49
Rest of Europe	n	26	8	34
USA	n	0	0	0
Greater China	n	98	0	98
Japan	n	0	0	0
OSEA	n	0	0	0
TOTAL	n	164	87	251

403-3
Occupational health services

Bally provides occupational health services in a decentralized and ad-hoc manner, determined by the needs of each locations. Examples of the services made available in some locations, include ergonomic advisory services and provision of first aid services.

403-4
Worker participation, consultation, and communication on occupational health and safety

Bally continuously updates and improves security measures also through the action of the health and safety team in charge of security measures adopted and the emergence of potential dangers.

In Switzerland, all workers, in accordance with the Swiss directive, can consult the Manual for Health and Safety at Work. It is made available in hard copy.

Bally aims to have a more comprehensive international overview on this topic in future reports, at the latest by 2022.

403-5
Worker training on occupational health and safety

Since 2017, Bally provided a total of 179 courses in occupational health and safety (19 Courses in Switzerland and 160 Courses in Italy between the offices in Milan and Florence). In addition, workers on selected sites received regular awareness raising on specific work-related hazards. Several projects and offices implemented first aid and fire marshal training for selected personnel.

A specific course has been organized for the Swiss production site in order to raise the awareness and responsibility of department heads on the subject of security. In accordance with national law, safety is the responsibility of the department head, and manager.

Bally aims at having a more comprehensive international overview on this topic in future reports, at the latest by 2022.

403-8
Workers covered by an occupational health and safety management system

For Bally, safety is a fundamental aspect of work. Particular attention has been paid to the Swiss production site, where all third party companies are invited to become aware of the safety regulations in place and to inform and enforce compliance at all times.

403-9
Work-related injuries

KPI	UOM	FATAL INCIDENTS			SEVERE INJURIES			SUPERFICIAL INJURIES		
		Female	Male	Total	Female	Male	Total	Female	Male	Total
Switzerland	n	0	0	0	0	0	0	2	2	4
Italy	n	0	0	0	0	0	0	2	1	3
Rest of Europe	n	0	0	0	0	0	0	5	1	6
USA	n	0	0	0	0	0	0	1	0	1
Greater China	n	0	0	0	0	0	0	0	0	0
Japan	n	0	0	0	0	0	0	0	1	1
OSEA	n	0	0	0	0	0	1	0	0	0
TOTAL	n	0	0	0	0	0	1	10	5	15

MATERIAL TOPIC: TRAINING AND EDUCATION

BOUNDARY: ORGANIZATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Bally relies on its personnel's knowledge, skills and expertise to achieve its mandate and to continuously adapt to new challenges in a changing environment. Therefore, the aim of Bally's investment in learning and development is to ensure that it provides its employees with knowledge and skills to improve individual and organizational performance as well as personal and professional growth. Bally offers a broad range of learning opportunities, such as online resources, face-to-face workshops and training, internal and external certifications through cross-functional and practice-specific curricula. Bally's corporate learning investment is coordinated centrally in order to ensure alignment to Bally's strategy, and strategic and fair allocation of resources across regions and practices.
GRI 404 Training and Education 2016	404-1 Average hours of training per year per employee	<p>Bally offers a wide range of training opportunities to its employees. In the last years new initiatives have been put in place to offer employees the opportunity to acquire new skills, knowledge and develop their expertise and professionalism.</p> <p>In 2019 the Retail network completed about 10'000 hours of training on the Selling Ceremony, CRM, Mystery shopping action plan, Morning Briefing, Induction and Onboarding. All classroom trainings were followed by In-store coaching (a total of 123 sessions for a total of 5'500 hours) to guarantee the assimilation of the training contents and the follow-up on the shopping floor.</p> <p>Two new trainings were issued: CRM (total of 79 training sessions were organized worldwide) and Morning Briefing (a total of 34 training sessions were organized worldwide).</p> <p>Corporate and regional office employees registered a total of 2'800 hours of training. The main focus was on the Group Onboarding Programs and Company Presentation. Sessions were organized inviting employees to enrich their knowledge on the company and the brand. Furthermore, Managerial and Soft Skills trainings alongside with Technical Trainings continue to be offered as part of the training catalogue.</p> <p><i>Information in response to this GRI disclosure can also be found in the Sustainability Report on page 84, 85.</i></p>
	404-2 Programs for upgrading employee skills and transition assistance programs	To ensure a continuous development of our workforce, Bally provides varied development opportunities across the organization. In order to ensure the continuity of Bally Craftsmanship know-how, dedicated training is offered on the production site of Caslano. In 2019, 13 craftsmen successfully achieved their Factory Training and gained new skills and competencies. A total of 1,855 training hours were provided. Continuous training on technical know-how of key production steps is fundamental to guarantee the quality of Bally's products and maintain our unique savoir faire.
	404-3 Percentage of employees receiving regular performance and career development reviews	The 2019 performance appraisal completion rate was 100 percent for employees in force at the time of the assessment process (March / April of the following year).

MATERIAL TOPIC: DIVERSITY AND EQUAL OPPORTUNITY

BOUNDARY: ORGANIZATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 405 Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Internally, the primary governing body of Bally is the Executive Committee, which in 2019 had 7 members. The gender balance of these groups were 4 males (57 per cent) and 3 females (43 per cent). 5 persons (71 per cent) were

STANDARD

DISCLOSURE

2019 RESPONSE

GRI 405
Diversity and Equal Opportunity 2016

405-1
Diversity of governance bodies and employees

between the age 30-50, and 2 persons (29 per cent) were 50 years of age or older. As of 31 December 2019, Bally's personnel consisted of 70 per cent female, and 30 per cent male.

KPI	UOM	AGE <30	AGE 30-40	AGE 40-50	AGE >50	MALE	FEMALE
Executive	n		2	3	2	4	3
GM & Director	n		15	27	10	27	25
Office manager	n	3	56	29	20	42	66
Store manager	n	10	72	57	16	36	119
Office staff	n	53	101	43	37	73	161
Factory worker	n	6	21	34	64	62	63
Store staff	n	229	361	85	68	184	559
TOTAL	n	301	628	278	217	428	996

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

This graph represents the aggregate gender gap of the whole world without exclusion of any legal entity. The percentage figure is presented as a weighted average considering the different pay levels in the different countries where Bally operates.

KPI	UOM	VALUE
Executive & Directors	%	96
Office manager	%	98
Store manager	%	100
Office staff	%	95
Factory worker	%	89
Store staff	%	102
Total	%	97

MATERIAL TOPIC: NON-DISCRIMINATION

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD

DISCLOSURE

2019 RESPONSE

GRI 103
Management approach 2016

103-1
103-2
103-3
Management approach disclosures

See management approach under GRI 205: Anti-corruption 2016.

GRI 406
Non-discrimination 2016

406-1
Incidents of discrimination and corrective actions taken

In 2019, we received no allegation of discrimination.

MATERIAL TOPIC: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
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	These issues are captured as part of the supply chain risk and compliance program. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. In 2019, none of the suppliers revealed any concerns regarding workers' rights, freedom of association or collective bargaining.

MATERIAL TOPIC: CHILD LABOUR

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: CHILD/FORCED/COMPULSORY LABOUR

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Child labor is covered by the Bally Supplier Code of Conduct. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016.

GRI 408 Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	<p>These issues are captured as part of the supply chain risk and compliance programme. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016.</p> <p>The Supplier Code of Conduct states "The Supplier shall not employ individuals below of the age of 16, except if allowed by local law and such exception is consistent with ILO Convention 138 on the Minimum Age, and Convention 182 on the Elimination of the Worst Forms of Child Labour. If the Supplier employs young workers, it must demonstrate that the employment of young people does not expose them to undue physical risks that can harm physical, mental or emotional development."</p> <p>None of the suppliers revealed any concerns regarding child labor.</p>
------------------------------------	---	---

MATERIAL TOPIC: FORCED OR COMPULSORY LABOUR

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: CHILD/FORCED/COMPULSORY LABOUR

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	These issues are captured as part of the supply chain risk and compliance programme. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. None of the suppliers revealed any concerns regarding forced or compulsory labor.

GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	<p>These issues are captured as part of the supply chain risk and compliance programme. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. None of the suppliers revealed any concerns regarding forced or compulsory labor.</p> <p>The Supplier Code of Conduct states: "The Supplier must under no circumstances use, or in any other way benefit, from forced labor in line with ILO Convention No. 29 on Forced Labor and ILO Convention No. 105 on Abolition of Forced Labor. Forced Labor refers to any form of indentured servitude such as the use of physical punishment, confinement, threats of violence as a method of discipline or control such as retaining employees' identification, passports, work permits or deposits as a condition of employment.</p>
---	--	--

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Where the Supplier is using migrant or prison labourers under a legal framework, Bally must be made aware to review appropriate documentation maintained by the Supplier.

MATERIAL TOPIC: SECURITY PRACTICES

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	Omission: Not Applicable.

GRI 410 Security Practices 2016	410-1 Security personnel trained in human rights policies or procedures	<p>Omission: Not Applicable.</p> <p>This indicator is not applicable to Bally. Bally security personnel are not specifically trained on human rights issues. Bally security personnel are advisers and do not perform any physical security or "policing" duties.</p>
---	--	---

MATERIAL TOPIC: RIGHTS OF INDIGENOUS PEOPLES

BOUNDARY: OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 411 Rights of Indigenous Peoples 2016	411-1 Incidents of violations involving rights of indigenous peoples	Bally did not receive reports of incidents of violations involving rights of indigenous peoples.

MATERIAL TOPIC: LOCAL COMMUNITIES

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	Omission: Information Unavailable. <i>Information in response to this GRI disclosure can also be found in the Sustainability Report on page 104-105, 110-121.</i>

	410-2 Operations with significant actual or potential negative impacts on local communities	<p>Omission: Not Applicable.</p> <p>In 2022, Bally will work on strengthening its data collection system and expects reporting on operations with significant actual or potential negative impacts on local communities to be piloted in the 2023 reporting cycle.</p>
--	--	--

MATERIAL TOPIC: SUPPLIER SOCIAL ASSESSMENT

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: SUPPLIER ASSESSMENT

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 308: Supplier Environmental Assessment 2016.
GRI 414 Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	In 2019, no projects reported inclusion of social sustainability criteria in tender and/or contract documents.
	414-2 Negative social impacts in the supply chain and actions taken	These issues are captured as part of the supply chain risk and compliance program. For more information, please see the management approach under GRI 308: Supplier Environmental Assessment 2016. None of the suppliers revealed any concerns regarding negative social impacts in the supply chain.

MATERIAL TOPIC: SOCIO ECONOMIC COMPLIANCE

BOUNDARY: ORGANIZATIONAL/OPERATIONAL

UNOPS TOPIC: COMPLIANCE

STANDARD	DISCLOSURE	2019 RESPONSE
GRI 103 Management approach 2016	103-1 103-2 103-3 Management approach disclosures	See management approach under GRI 307: Environmental Compliance 2016.
GRI 419 Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	In 2018, Bally did not receive any fines for non-compliance with laws and regulations in the social and economic area.

For any questions, comments and suggestions about our performance and our GRI Content Index, please send an email to:

sustainability@bally.ch

BALLY