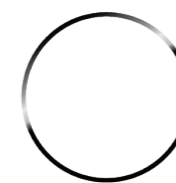




# CSR REPORT 2019



BALLGROUP

# Table Of Contents

<b>INTRODUCTION</b>	<b>1</b>
1. Welcome Letter From Our CEO	2
2. Company Presentation	3
3. CSR Committee	13
4. CSR Policy	13
5. Code Of Conduct	14
6. Executive Summary and 2019 Highlights	14
<b>OUR SUPPLY CHAIN</b>	<b>15</b>
7. Introduction	16
8. Un Global Compact – The 10 Principles	17
· Human Rights	17
· Labour	17
· Environment	17
· Anti-Corruption	17
· Animal Welfare	17
9. Compliance Programme	19
10. Chemical Management Programme	19
<b>OUR MATERIALS</b>	<b>21</b>
11. A More Sustainable Future	22
12. Sustainable Development Goals	24
<b>OUR PEOPLE</b>	<b>25</b>
13. Introduction	26
14. The Under-Represented Gender	26
15. Diverse And Talented Workforce	26
16. Safe And Healthy Workplace	27
<b>CONCLUSION</b>	<b>28</b>



# *INTRODUCTION*

## 1. Welcome Letter From Our CEO

The textile- and fashion industry is known for its impact throughout the supply chain and we believe that some of the issues can be solved by a proactive and agile approach and by creating valuable partnerships with our suppliers in order to solve common challenges. We find these collaborations extremely valuable and a necessary step towards a more sustainable industry.

Our business incorporates and support the 10 guiding principles set out by the UN Global Compact through our Code of Conduct and our compliance work, covering areas concerning the environment, anti-corruption and social responsibility.

This report covers activities, data and objectives for Ball Group and constitutes our non-financial report on CSR and sustainability addressing the requirements outlined by The Danish Financial Statements Act § 99a & 99b (FSA) about reporting on Corporate Social Responsibility (CSR).

As a member of UN Global Compact, this report is also our COP (Communication On Progress), containing information about our activities and developments according to the ten principles of UN Global Compact. We support the 17 UN Sustainable Development Goals (SDG's) and we chose to work dedicated with goal number 12 - Responsible Consumption and Production.

At Ball Group we are committed to support UN Global Compact and communicate our progress and objectives within the 10 principles and do our part to implement the necessary changes to our business and industry.

Kuno Kildetoft Mehlsen  
CEO

## 2. Company presentation

# WHO ARE WE

Ball Group is a Danish company established in 1988. Ball Group owns the brands Zizzi and Zay who are designing, developing and selling plus-size womenswear in size 42-56. The Head-office is located in Billund, where 170 employees are working. Ball Group has 124 own Retail stores across

Scandinavia and Northern Europe, along with own e-commerce in 9 countries. Ball Group is present in more than 1000 multi-brand stores and have a fast-growing online business in Europe.

As a company, Ball Group has a strong desire for plus-size fashion, and want to be the first and only option when it comes to fashion apparel in all forms. Every person in the company work hard to provide the customers with the best product, the perfect fitting and the greatest service.

Ball Group is owned by Findos Investor.



## Our Retail Stores

Total 124 stores:

Denmark	48 stores
Norway	37 stores
Netherlands	14 stores
Sweden	12 stores
Finland	12 stores
Germany	1 store

## Our E-Commerce

We have our own E-commerce represented in below countries:

Denmark  
Norway  
Sweden  
Suomi  
Netherlands  
Germany  
Austria  
Belgium



# Our Brands & Product Lines



Zizzi

ACTIVE  
By Zizzi

Swim  
By Zizzi

devoted  
By Zizzi

ZAY

## Our Mission

### OUR WINNING ASPIRATION

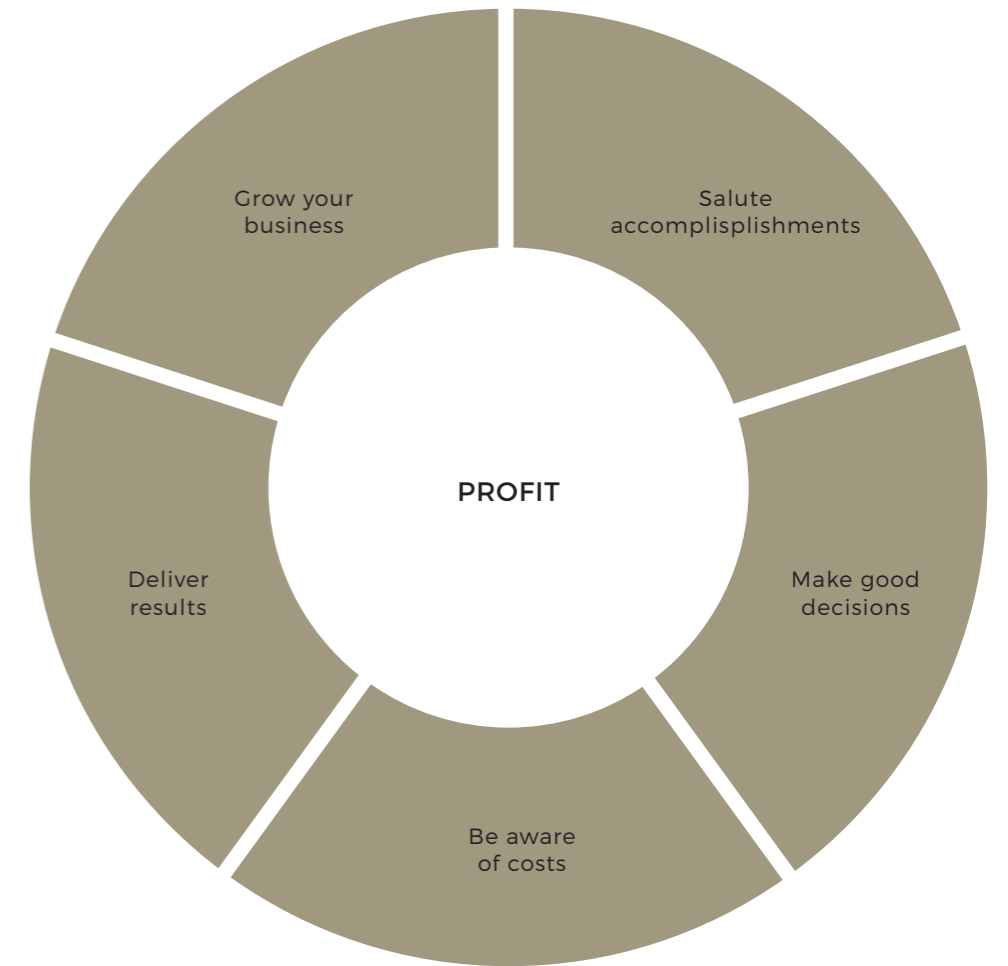
We want to be the  
European leader within  
plus-size fashion

### OUR CORPORATE STRATEGY

Always striving  
for world class  
performance



# Our Values





### 3. CSR committee

Being responsible and acting responsibly is a natural part of Ball Group's business approach. This counts for both our internal and external activities, where we basically believe in treating others in a fair and ethical way and expect others to act in same way towards us.

The CSR Committee is headed by Mette Würtz Nielsen (Chief Brand Officer) and further comprises Kuno Kildetoft Mehlsen (Chief Executive Officer), Camilla Kjær Arentoft (Buying & Sourcing Manager) and Chalotte Bahr Skøtt (Back Office Coordinator).

The Committee continues to convene, initiating short-term and long-term actions and defining goals to pursue. In the following, Ball Group's overall CSR and sustainability work is described together with the activities initiated and undertaken from January 2019 to December 2019 are presented.

### 4. CSR policy

In our approach to business we focus on integrating CSR and sustainability in our business strategy. The welfare of the people making our products and those who wear them, and our Ball Group employees is important and our major concern.

Our business activities involve globally thousands of workers and therefore our CSR and sustainability work involves a range of issues of workers' rights, decent working conditions, as well as chemical management and animal welfare.

Our ethics, behavior and requirements are something we expect from ourselves and our business partners.

We have outlined four main areas, which embrace Ball Group initiatives and objectives in our sustainable progress:

- Employees
- Environment
- Culture
- Compliance

The standards we adhere to provide us with a framework for continually reducing the environmental impact of our production and internal processes and being the foundation of securing a healthy environment for employees and workers in our supply chain.

In a number of areas, we go beyond existing legislation in order to create a proactive approach to a responsible business. We support and respect the protection of internationally proclaimed human and labor rights. We are strongly opposed to any kind of corruption, including extortion and bribery. All suppliers must commit to and sign our Code of Conduct which is aligned with law, international conventions and the ten principles in the UN Global Compact. Furthermore, we expect suppliers on a regularly basis to document and conduct self-assessments on how they meet our requirements.

### 5. Code of Conduct

The Code of Conduct is part of our supplier manual, and as part of our Responsible Supply Chain strategy, we have revised the Supplier Manual and the Code of Conduct for implementation in 2020.

All our suppliers have accepted and signed our Supplier Manual incl. the Code of Conduct. When we engage with new suppliers, they firstly have to accept and sign our Supplier Manual and Code of Conduct, before any purchase order can be placed on behalf of Ball Group.

The Code extend to all Ball Group's suppliers <sup>(1)</sup> and all their workers, regardless of their status or relationship with the supplier, and therefore applies to the workers engaged informally, on short-term contracts, or on part-time basis.

The supplier is responsible for ensuring that their business relationships include home-based workers, sub-contractors <sup>(2)</sup>.

<sup>(1)</sup> First tier (T1) - The supplier is the legal entity that invoices Ball Group for goods or services directly.

<sup>(2)</sup> The subcontractor is doing work on behalf of the T1 supplier.

### 6. Executive summary and 2019 highlights

- Sustainable material sourcing  
In 2019 we started sourcing more sustainable materials and fabrics. In the end of 2019, we offer 30% of our Main collection in sustainable materials.
- Mapping of factories  
Previously we have been mapping our suppliers, and in 2019 we have started mapping all production sites for each supplier.
- On-site inspections  
In 2019 we implemented an on-site inspection programme regarding social compliance. A report will be made for every inspection and in cooperation with the respective supplier we will implement a time and action plan.
- Chemical testing  
Our chemical testing programme has been increased from tests on 50 styles in 2018 to 119 styles in 2019 which in total means 358 individual tests.

# OUR SUPPLY CHAIN

## 7. Introduction

The majority of our production is taking place in China, Bangladesh and India, in close co-operation with our long-term trusted suppliers. It is our responsibility to keep developing and improving our supply chain within the different areas, such as logistics, pre-booking of fabric and factory capacity, in order to become more efficient and sustainable in ways of working.

We have a close cooperation with all our suppliers, and we always make common goals that benefits both parts. By that, we ensure that every person put in effort and hard work to reach our common targets.

Within the past year, we have been looking into countries such as Pakistan, Sri Lanka and Myanmar, where we are preparing a risk assessment before we proceed further, due to the high risk of infringement of labour and human rights.

Production in China, Bangladesh and India are in general considered as being part of regions with potential risks of infringement of labour and human rights. As part of our due diligence work in our supply chain, we have analysed our supplier portfolio and selected the key-suppliers that are essential for our future business.

With a reduced base of key-suppliers, we can gain more transparency into our supply chain, build an even stronger relationship with the selected suppliers and together with them, work towards reducing the potential risks and positive change in the supply chain.

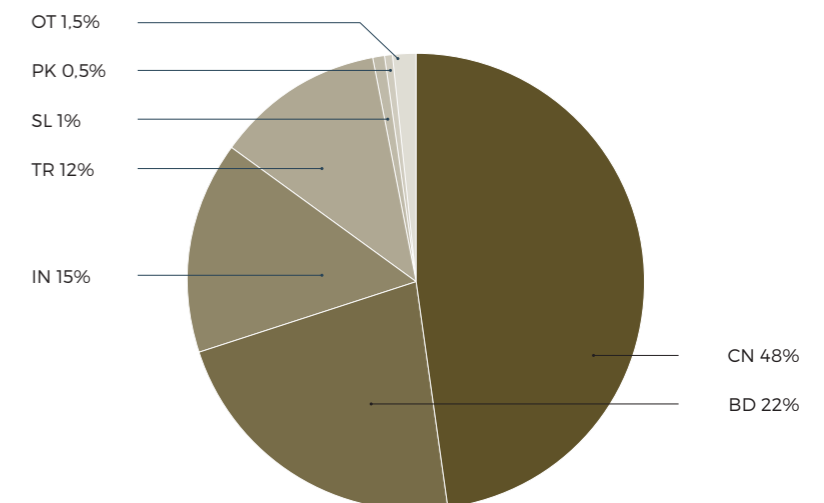
One of our strategic goals for 2020 is mapping of production sites for each supplier. We expect that by end of 2020 we have a clear overview of all production sites sewing our garments.

On top that we are increasing the number of chemical tests we conduct in our Chemical management program, as the amount of chemicals used in the industry is an on-going challenge and risk.

### SOURCING COUNTRIES SPLIT

We are sourcing and purchasing from below countries:

China	48%
Bangladesh	22%
India	15%
Turkey	12%
Sri Lanka	1%
Pakistan	0,5 %
Others	1,5%



## 8. UN Global Compact – the 10 principles

Since 2011 we have been part of the United Nation Global Compact and we endorse the 10 principles in the world's largest corporate sustainability initiative.

We are committed to principles of human rights, labour, environment and anti-corruption and within our own organization we remain committed to integrating the UN Global Compact guiding principles as part of our strategy, culture and day-to-day operations.

- **Human rights**

We support and respect the protection of internationally proclaimed human rights, and make sure that they are not complicit in human rights abuse.

- **Labour**

We uphold the freedom of association and the effective recognition of the right to collective bargaining.

We uphold the elimination of all forms of forced and compulsory labour

We uphold the effective abolition of child labour, and the elimination or discrimination in respect of employment and occupation

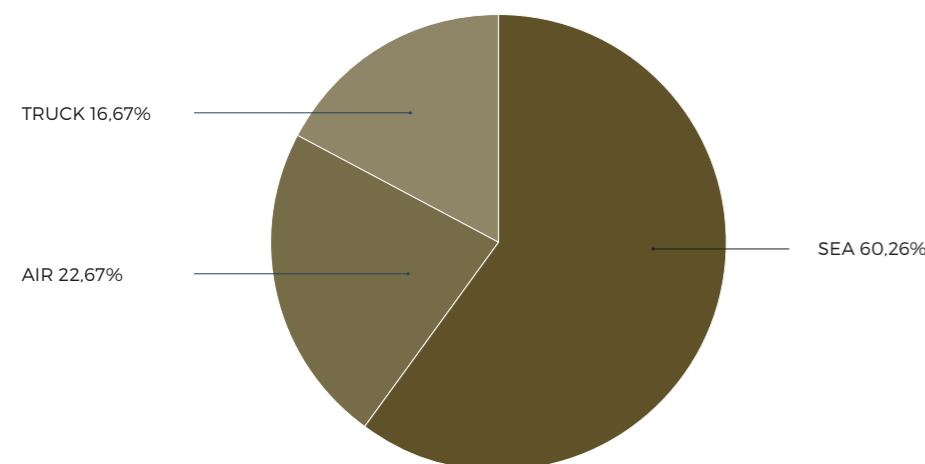
- **Environment**

We support a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility.

We encourage the development and diffusion of environmentally friendly technologies.

With a larger part of our goods being produced outside Europe, we are aware of the negative impact for the transportation to our warehouse in Denmark. To address these negative impacts, we are going to test transport by rail from China, as being a more environment friendly alternative to air shipment.

At present we use following form of transportation:



### Packing

As part of reducing our impact and consumption of packing, we will phase out the use of conventional polybags and cartons made of virgin paper. Internally we will look into our guidelines for sending and receiving samples, towards using digital solutions to replace physical samples, and therefore reduce the volume of courier freight.

In 2020 we will implement:

- › Recycled polybags
- › Cartons made of recycled paper
- › FSC paper hangtags

- **Anti-corruption**

We work against corruption in all its forms, including extortion and bribery.

With a global supply chain Ball Group and its employees may be exposed to the risk of corruption. In our employee handbook we have stated that Ball Group personnel and appointed associates are not permitted to accept any monetary incentive or encouragement. In case of special anniversaries, weddings and the like, gifts are allowed of maximum value 50\$.

Acceptance of any kind of gift must be approved by the management as described in our employee handbook which has been explained to all new or present employees.

Suppliers should display the highest level of ethical integrity when dealing with workers, subcontractors, second tier suppliers and Ball Group employees. They should work against corruption in all its forms, including extortion and bribery.

- **Animal welfare**

We support and respect the protection of endangered animals, and refrain from using materials derived from endangered species that appears on the CITES or IUCN <sup>(1)</sup> lists. The materials we use for the products are a by-product, and from animal's breed for the food industry. In addition, we require that any materials derived from animals used in our products, are from animals that are treated humanely and according to animal recommendation and welfare laws.

We are aware of that animal welfare is a critical issue in the fashion industry, due to very limited transparency and traceability in the supply chain. For many years Ball Group has been a fur-free company and we take a strong stance on animal welfare.

(1) (the Convention on International Trade in Endangered Species of Wild Fauna and Flora) or (the International Union for Conservation of Nature)

We do not use:

- › Real fur of any type.
- › Feather or down
- › Wool from sheep that has been exposed to mulesing
- › Angora fibres and fur

## 9. Compliance programme

As part of our strategy for Responsible Supply Chain Management (RCSM) where transparency and traceability are major focus areas, we are in progress of mapping all production sites. We have developed a Factory Data Card with relevant information for all the suppliers and their production sites and this information are now registered in our IT system.

Based on this information we will gain a better overview and be able to monitor the actual production site and not only the supplier as total entity. We expect all factories to have a valid inspection report from a 3rd part like BSCI/AMFORI, SEDEX, ACCORD, WRAP e.g.

We have also developed an On-site Inspection Form for our purchasers, to use when they visit the production sites. The form will be evaluated afterwards, and a potential action plan will be developed in cooperation with the respective supplier.

In 2019, we have not observed any breaches on human rights or anti-corruption.

By the end of 2020 our goal is that 2020, 70% of all factories has been checked and approved by Ball Group On-site Inspection Programme.

## 10. Chemical management programme

In 2017 we launched the Ball Group RSL (Restricted Substance List) where we monitor and control the chemicals in our products. The Ball Group RSL is based on progressive legislation and industry best practice, due to the fact that the textile industry is using a lot of chemicals, it is important that a precautionary approach is taken. The list is being updated on an annual basis.

Ball Group RSL can be found on [www.ballgroup.com](http://www.ballgroup.com).

The testing program is based on a risk assessment system and for each delivery month a certain number of styles are taken out for testing.

This year we have conducted 358 tests, with a failure rate less than 2%.  
Next year we aim to increase the number of conducted tests with 10%.



# *OUR MATERIALS*

## **11. A More Sustainable Future**

At Ball Group, we want to work towards a more sustainable reality. We want to reduce our footprint and take care of the planet by making more sustainable choices. Our strategy is to make green choices throughout our supply chain from one end to another. Starting by using raw materials which can be recycled and re-used, and which require less chemicals and natural resources to be converted into garments, we will take the first steps towards a greener future. Finally, we are every day working on how to convert into a more circular model, a system where we can enable progress and ensure a better tomorrow.



## 12. 2020 Actions and goals

- By 2020, 70% of all production sites has been inspected and approved by the on-site inspection programme
- By 2022, 50% of our offered products are made from more sustainable materials

# OUR PEOPLE

## 13. Introduction

Our employees are the backbone of our company and they have the honour in the success that we have achieved as a company. Every employee is important to us and it is our greatest pleasure and responsibility that our employees have a pleasant and healthy work-life where they feel highly appreciated.

## 14. The under-represented gender

One of the aspirations of the UN Global Compact is equality across genders, races and religions.

In 2019, Ball Group had a change in ownership, and the board now consist of two male members versus four male members last year. The ambition for Ball Group is to attain minimum one female board member before 2023 is completed.

Ball Groups policy for the under-represented gender at management level is embedded in our general employee policies. Through its recruitment, internally and externally, Ball Group actively seeks to increase the proportion of the underrepresented gender at the company's other management levels. We always consider all genders in the recruiting process, and hire the best suited person for the position, regardless of gender.

At the end of 2019, the results across all managements level within Ball Group, is 13 females and 9 males giving us a very well gender representation.

## 15. Diverse and talented workforce

As part of keeping and attract a diverse and talented workforce, we aim to have a flat organizational structure, where we seek to have a great level of involvement of all employees and to a long extent offer freedom of responsibility. Key words that defines the atmosphere are trust, mutual respect and we all share a winning mentality.

### GENDER AND AGE

AGE	MEN	WOMEN
18-25	4	13
26-35	14	54
36-45	16	34
46+	6	22
Total	40	123

## SENIORITY

SENIORITY	MEN	WOMEN
0-6 months	7	18
7-12 months	4	24
1-2 year	19	44
3-4 year	6	10
5+ year	4	27
Total	40	123

## APPRENTICES

We expect to continue the support of new trainees and apprentice in the future and aim for the same number in 2020.

# 16. Safe and healthy workplace

It is very important to us that all our employees are healthy and happy and therefore we have worked out our own Health & Safety policy. In 2019 we have had a fire drill to make sure all employees know what to do in case of a fire.

## FLEXIBILITY

We trust in flexibility when it comes to working time for all our employees. We know that running an every-day-life with family, kids, spare time activities and a full-time job can be a challenge. Therefore, we believe in the principle 'freedom with responsibility'.

## EMPLOYEE BENEFITS

Our employees can use an on-site massage therapist doing working hours. The time spent is paid by the company and the employee will only have a limited cost.

Ball Group offers all employees a pension and health care scheme.

There is free access to tea, coffee, fruits, snacks and weekly breakfast and for a small monthly fee a healthy lunch is served every day.

## SICK ABSENCE

SICKNESS ABSENCE	
2013	3,3%
2014	2,8%
2015	2,7%
2016	1,9%
2017	2,6%
2018	3,4%
2019	2,3%

# CONCLUSION

The large increase of new employees this year has been a great challenge, and we have invested a great deal of energy and resources within our organization, in order to have a successful integration of the many new employees.

At the end of 2019 we are proud of having the strongest workforce and staff composition, where everybody is ready to work hard in order to realise our 2020 strategy and goals. Having the right people at the right places will make it possible to deliver world class performance in every task we execute.

Responsible Supply Chain management is a never-ending process, and we continuously work with improvement of our impact and more sustainable sourcing. Our supplier base is very strong and committed, which is fundamental for our future progress and success.

This year we have increased the focus on more sustainable materials and responsible production, and started up on a never-ending journey towards a more conscious future, in terms of sustainability and responsible sourcing.

We have high expectations for 2020 and look forward to continuing our work and development of our business in 2020, in close collaboration with our customers, partners and suppliers.