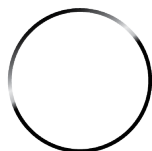




CSR  
REPORT  
2020



BALLGROUP

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# INTRODUCTION

## Sustainability report 2020

### Welcome letter from our CEO

Sustainability is a big word and applying it in practice comes with a large amount of responsibility and accountability, but there is no denying its importance.

Even in a year as tumultuous as 2020, where sustainability was more a question of endurance and perseverance, it remains more relevant than ever, something we could also sense on our stakeholders and the existing current.

Our business model has always been linear. The time has come to challenge this approach, as we move forward on our journey towards more sustainable practices.

That is why we have decided to set the goal of lowering our environmental impact and accountable CO2 emissions as much as possible moving forward. This includes our own actions, in terms of production and materials used. But it also represents a willingness to influence external partners, both business and end-users to follow our lead and consider their own actions and behaviour. Together we have a chance of making a real impact, by contributing to a reduction in the total CO2 emissions of the fashion industry.

2020 was a year where we focused on mapping factories, and which valid social audits they have. However, due to COVID19, the scheduled audit program could not be implemented in 2020.

While the year had its challenges, it also provided new opportunities. It was a year where we gained a great deal of insights and where we collected new important data. Data which will prove useful for future practices.

As we look forward, into 2021, it is not only with hope for a positive change in global circumstances, but also with a dedication to dig deeper into sustainability and continue implementation of the initiatives already started while setting strategic and ambitious goals for ourselves.

*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).*

*This report is also our COP (communication on progress), since we are a member of the UN Global Compact. It contains information about our activities and progress according to the ten principles of the UN Global Compact.*

*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."*

*We support the 17 UN Sustainable Development Goals (SDG's), and we chose to work dedicatedly with goal number 12 – Responsible Consumption and Production.*

Kuno Kildetoft Mehlsen  
CEO



## 1. Company presentation

# WHO ARE WE

Zizzi is a Danish womenswear plus-size brand established in 1988. The headquarter is in Billund and employs 150 people. Ball Group owns 114 Retail stores across Scandinavia and Europe, alongside own e-commerce in 9 countries and a fast-growing online business in Europe

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

Ball Group is owned by Findos Investor. Along with Ball Group, Findos Investor owns 14 other brands within different industries.





## Our retail stores

Total 114 stores:

Denmark	40 stores
Norway	35 stores
Netherlands	14 stores
Sweden	12 stores
Finland	12 stores
Germany	1 store

## Our E-Commerce / online platform

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

Denmark  
Norway  
Sweden  
Finland  
Holland  
Germany  
Austria  
Belgium  
France





Our brands



Zizzi

ACTIVE  
By Zizzi

swim  
By Zizzi

devoted  
By Zizzi



Our mission

OUR WINNING ASPIRATION

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

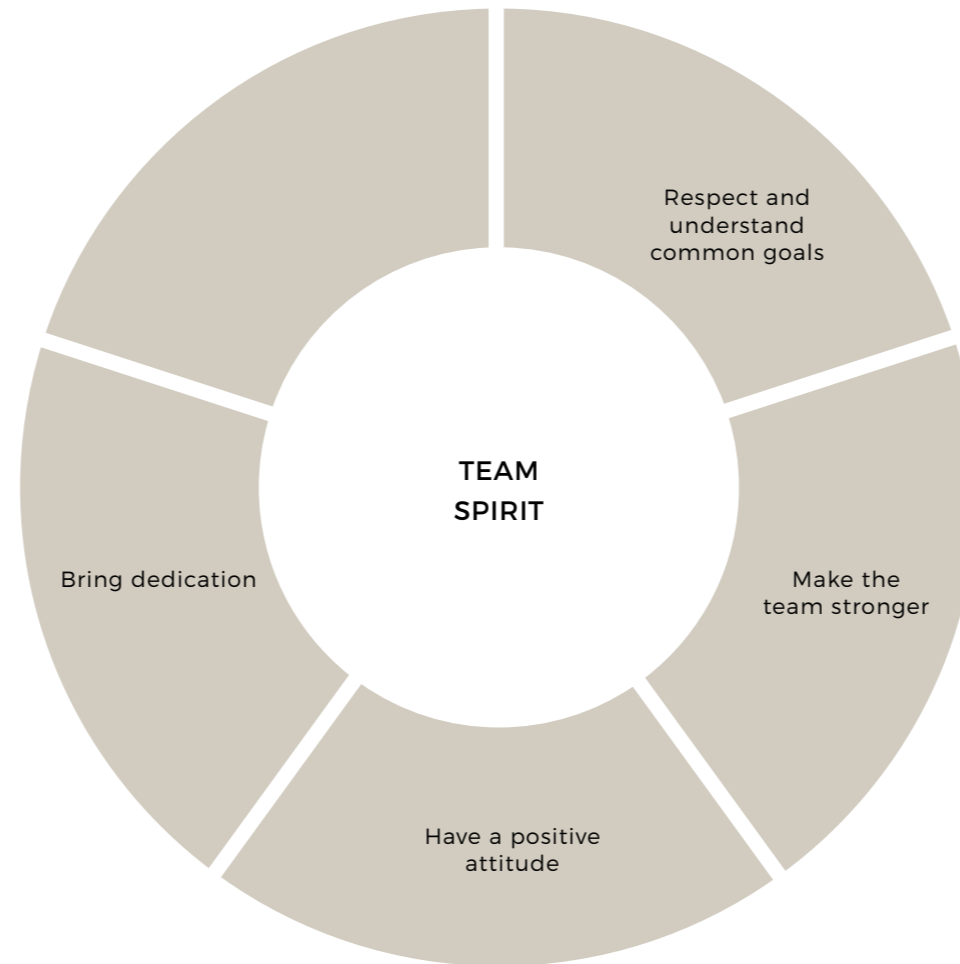
OUR CORPORATE DNA

**Always striving  
for world class  
performance**



# Our values

CUSTOMER FOCUS  
TEAM SPIRIT  
PROFIT



How do these values relate to sustainability?

It is important that sustainability is not just a department, but rather something that is integrated as part of every department in our company and throughout our value chain. Profit is a pre-requisite to our existence, but profit should be made based on good decisions for the planet and the people and animals on it.

We want our customers to gain knowledge about sustainability by us communicating proactively about sustainability on a regular basis.



## 2. Our approach to sustainability

It is our overall goal to constantly increase our efforts within sustainability. Sustainability is a big word, that we use with caution. But also, a word that holds aspirations towards our future. Our focus on CSR and sustainability is built into our business strategy and we seek to increasingly build it into our everyday mindset as well.

We care about the welfare of the people making our products and those who wear them as well as our Ball Group employees.

Our focus on CSR and Sustainability is founded in the international guidelines on human - and labour rights as well as environmental issues.

Furthermore, we follow the framework of the UN Global Compact and the 10 principles.

The areas in which we concentrate our efforts are:

- Human- and Labour Rights
- Environment
- Climate
- Animal Rights

This provides us with a framework to continually reduce our negative impact and gives us the opportunity to make a real change in our supply chain and in our internal processes for the benefits of workers, employees, animals, and the climate.

### The sustainable development goals

We are also using the Sustainable Development Goals as an additional framework for our sustainability work.

We are cautious about just “handpicking” goals for branding purposes, as we want to take these goals and what they stand for seriously. But we know for a fact that one of the goals we are actively inspired by is #12: Responsible consumption and Production.

Currently we are in the process of mapping out all parts of our supply chain and see how each of us, in the organization can contribute to increase Responsible consumption and Production.

There are more goals which will be relevant for us to work with, and we will be identifying these during 2021.

### The committee

The CSR Committee is headed by Lars Bugge Stentebjerg (Chief Operations Officer) and further comprises of Kuno Kildetoft Mehlsen (Chief Executive Officer), Camilla Kjær Arentoft (Buying & Sourcing Manager) and Charlotte Bahr Skøtt (Back Office Coordinator).

The Committee continues to convene, initiate short-term and long-term actions, and define goals to pursue. In this CSR report, Ball Group’s overall CSR and sustainability work is described

including the activities initiated and undertaken from January 2020 to December 2020.

We expect to raise the knowledge level within the organization during 2021 to deal with the increasing demand for sustainability and to support the ongoing implementation on current activities.

## UN global impact – 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. These 10 principles include:

### Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

### Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

### Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

## Our commitments to the 10 principles

### Human Rights

Ball Group A/S supports the Universal Declaration of Human Rights and the UN Guiding Principles on Human Rights. Through our Due Diligence process we focus on implementing these principles.

### Labour Rights

Ball Group A/S supports and adhere to the fundamental Labour principles and International Labour Rights. We also respect and adhere to the principles of freedom of association and the right to collective bargaining.

### Environment

BALL GROUP A/S supports a precautionary approach to environmental challenges and



undertake initiatives to promote greater environmental responsibility. We furthermore encourage the development and diffusion of environmentally friendly technologies.

### Anti-Corruption

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

## 3. Our due diligence process

We do our Due Diligence within the following areas:

- › Human- and Labour rights, including the rights of the child
- › Animal Welfare
- › Chemical management
- › Environmental protection and
- › Anti-corruption

Our Due Diligence Process consists of these steps:

- › Identify our risks
- › Segmentation of suppliers to identify our influence
- › Seek to increase our influence through consolidation
- › Improve our purchasing practices and set up internal tools to make sustainability visual to all employees.
- › Remediation and training of our supply chain
- › Communication and transparency

The actual steps we have been taking in 2020:

1. Made new policies for our supply chain
2. Made a segmentation of our suppliers to focus our efforts
3. Maintained the mapping of our tier 1 suppliers
4. Made a system to check their social- and environmental audit programmes
5. Made a risk assessment of our supply chain

Please read the description below of the above steps.

In 2020 we have not identified specific breaches on Human- or Labour Rights. But, since our auditing program will start in 2021, we will investigate this further during 2021.

## 1. Policies

During 2020 we have revised the Code of Conduct and sent it to be signed by our suppliers. Our Code of Conduct is based on the UN Guiding Principles on Human Rights. In our Code of Conduct we explicit mention the concern towards Human Rights and the Rights of the Child.

Apart from the Code of Conduct we have also developed new policies such as:





- › Animal Welfare Policy
- › Child Labour Policy
- › Anti-corruption Policy
- › Anti-Slavery Policy

Based on data from December 31st, 81% of our suppliers have signed the policies and we expect the last signatures to be returned to us during January 2021

When we engage with new suppliers, they commit to our supplier manual and our policies with a signature before any purchase order can be placed.

The Code of Conduct and our policies extend to all Ball Group's tier 1 suppliers and all their workers, regardless of their status or relationship with the supplier, and therefore also applies to the workers engaged informally, on short-term contracts, or on part-time basis.

## Our sourcing policy

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, to become more efficient and sustainable in our ways of working.

We have a close cooperation with all our suppliers, and we always make common goals that benefits both parties.

Before entering a new partnership with a supplier, we always ensure to make it beneficial both for us and the supplier. We do an assessment to see if this is truly a supplier that can fill a gap in our supply base. If it is not, we will not continue to pursue the new partnership.

We are also aware of the risks in entering new sourcing markets and we do a thorough risk assessment of the market before doing so.

The risks we are looking into when doing such assessment are:

Human Rights violations in the specific country

- › Labour Rights - and the right to join a union and bargain collectively
- › The risk of exploiting vulnerable workers
- › The level of corruption in the specific country

Additionally, we assess the amount of work it would be for us to take in a new sourcing market, to see if this new supplier/market is worth the effort and costs involved.

It is important that everyone in Ball Group A/S know their own responsibility in ensuring a sustainable supply chain. To ensure, that everyone is aware of this responsibility, we will apply a training program, which will be conducted for relevant personnel during 2021.

## 2. Consolidation and segmentation

During 2019, we made great effort to consolidate our supply chain and in 2020 we have succeeded in developing this further. We have gone from 71 suppliers in 2019 to 35 suppliers in 2020.

With a reduced base of key-suppliers, we can obtain a more transparent supply chain, build an even stronger relationship with selected suppliers and in cooperation, work towards reducing the potential risks and drive a positive change in the supply chain.

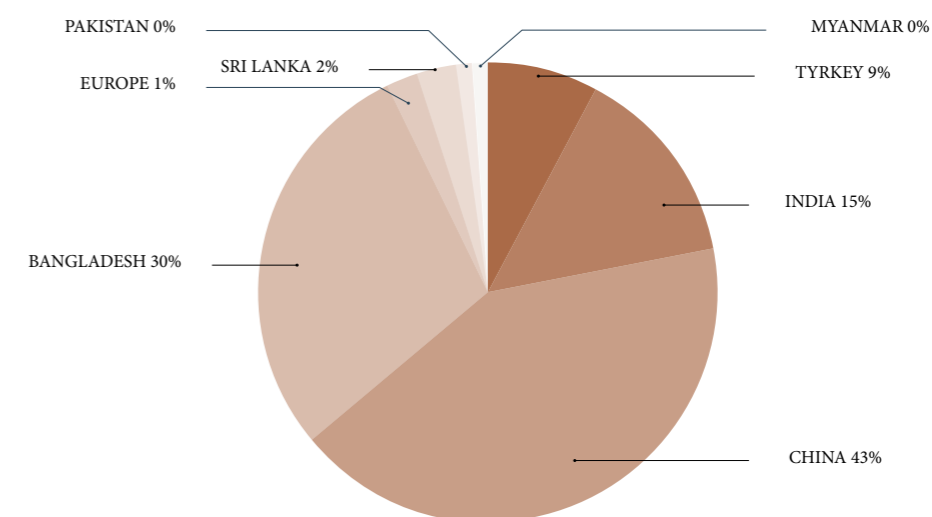
Our current supply chain consists of 35 suppliers, who produce our goods in 55 factories. 12 of these suppliers are our A suppliers, which means that they constitute 80% of everything we buy.

## 3. Mapping & 4. Transparency

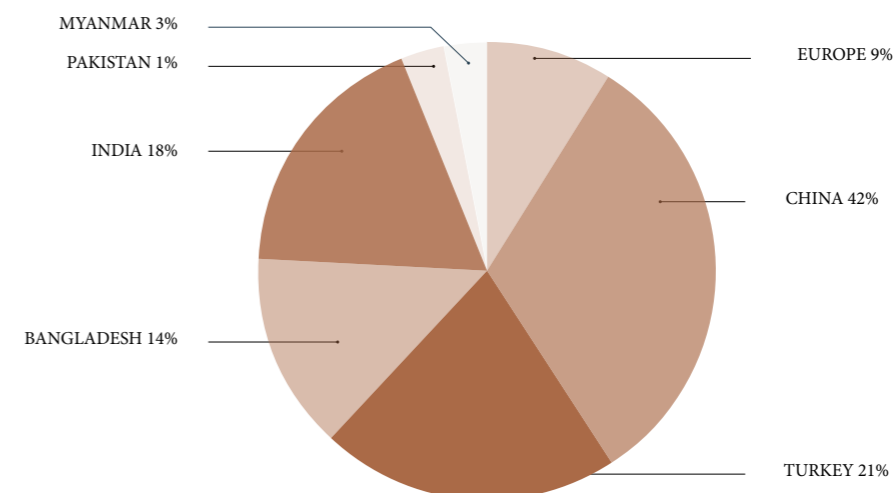
During 2019 we started the process of mapping our supply chain and this has been maintained during 2020.

Most of our production takes place in China, Bangladesh, and India, in close cooperation with our long-term trusted suppliers.

The first pie chart shows the distribution between the countries based on the volume we buy. Where it says 0%, this means that we produce less than 1% there.



The second one is based on the number of suppliers we have in total.



It is important for us that we always know the production unit for any order being placed. That is why we have developed a system where we are unable to place an order unless we have identified the factory at which the order is produced. During 2021 we will further develop this system so it also becomes a communication system for our product teams, where they can follow-up on the social- and environmental performance of our suppliers.

## 5. Risk assessment

We have made our risk assessment based on 5 criteria:

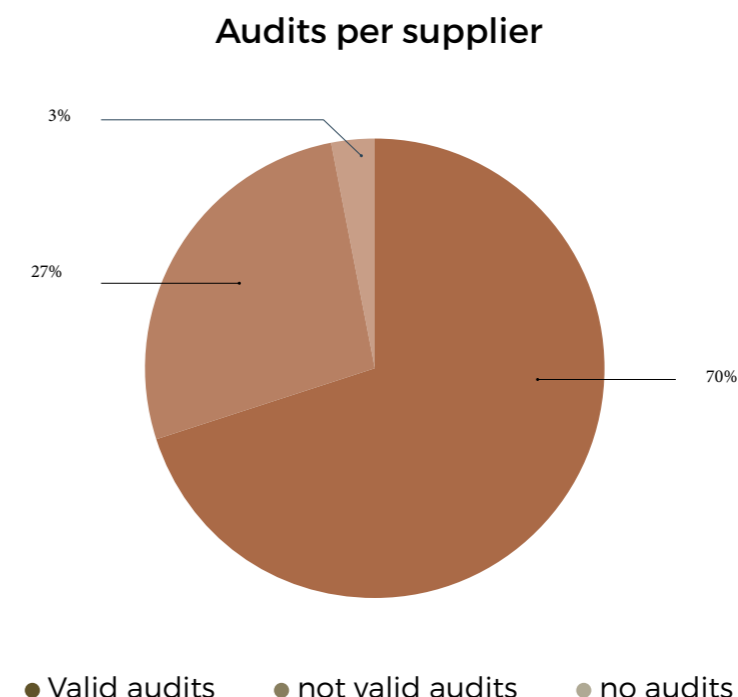
- a. How big the supplier is for Ball Group?
  - i. A suppliers: high risk
  - ii. B suppliers: medium risk
  - iii. C suppliers: low risk
  
- b. Which country they produce in
  - i. Bangladesh, Pakistan, Myanmar, India, and Istanbul (Turkey) – high risk
  - ii. China and Turkey – medium risk
  - iii. Europe – low risk
  
- c. The type of product they produce
  - i. Leather, Denim, Jewellery, shoes – high risk
  - ii. Jackets, sunglasses, knit (jacquard) – medium risk
  - iii. Woven, jersey etc. – low risk
  
- d. If they have a social audit
  - i. No audit: high risk
  - ii. Audit, but expired: medium risk
  - iii. Valid audit: low risk
  
- e. Whether it is a direct supplier or an agent (due to distance to production)
  - i. Agent in Europe: High risk
  - ii. Sourcing offices in production countries: medium risk
  - iii. Factory producing our goods: low risk

AGE	A Suppliers	B Suppliers	C Suppliers
High Risk	10%	20%	30%
Medium Risk	60%	50%	50%
Low Risk	30%	30%	20%

This shows us that we need to focus on our A+B suppliers in High Risk and see if the C suppliers in the same risk category should stay in our supply chain or if we should find other alternatives to these suppliers.

## 4. Our audit program

The audit program was set to get started in 2020, but Covid-19 put a stop to that. Instead, we have spent time mapping their social audits and rated their reports. Based on the collected data, 70% of our suppliers already have valid audits.



The plan for 2021 is to make a new audit program based on our segmentation of our suppliers. This means that all suppliers will be checked one way or the other, but we will target our requirements to the suppliers based on our business relationship with them. 2021 will be the year when we get our own audit program up and running.

## 5. Our chemical testing program

In 2017 we launched the Ball Group RSL (Restricted Substance List) and testing program, where we check for harmful chemicals in our products. The Ball Group RSL is based on industry best practice. Due to the high use of chemicals in the industry, it is important that a precautionary approach is followed. The chemical list is updated on an annual basis following other international restrictions.

In 2020 we conducted 526 tests out of which 9 failed. In four of these fails it was possible to change the item that failed and replace it with approved accessories, so that the product could be approved for shipment.

For 2021 we have changed our testing approach, as we now have very thorough documentation



on our suppliers and their ability to meet our requirements. We will continue to test following a risk-based approach, but we will ensure that we have documentation on every supplier for 2021 and that risk-based products are tested.

Though we need to ensure product safety by checking our products, we are now in good faith regarding our suppliers' ability to meet our requirements and we believe it would be more worthwhile to proactively work on preventing that chemicals end up in the products in the first place rather than only checking if it is present in the product. This will be our focus in 2021.

## 6. Our climate

As a player in one of the most polluting industries in the world, it makes sense to put a lot of effort into our CO2 emissions, hence our overall footprint.

CO2 for our entire business constitutes the following:

- f. Inbound transportation
- g. Outbound transportation
- h. Our products and packaging
- i. Emissions in production of our goods
- j. Emissions in our own facilities

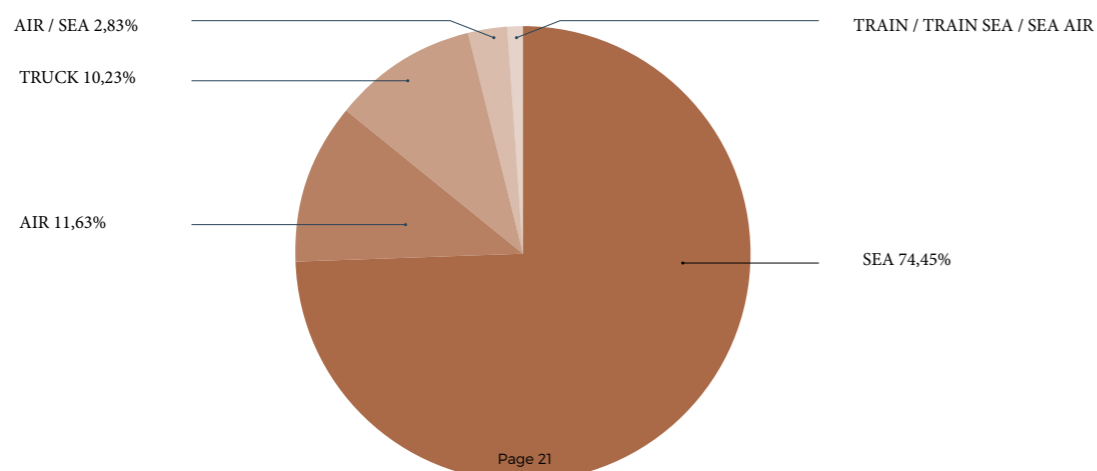
### Reduction of CO2 emissions

It is important to us that we strive to first reduce, then compensate.

However, to reduce we need to have thorough data as a baseline. This we have not succeeded to collect in 2020 therefore it will be a goal for 2021. To collect good data and set goals for ourselves and our business partners.

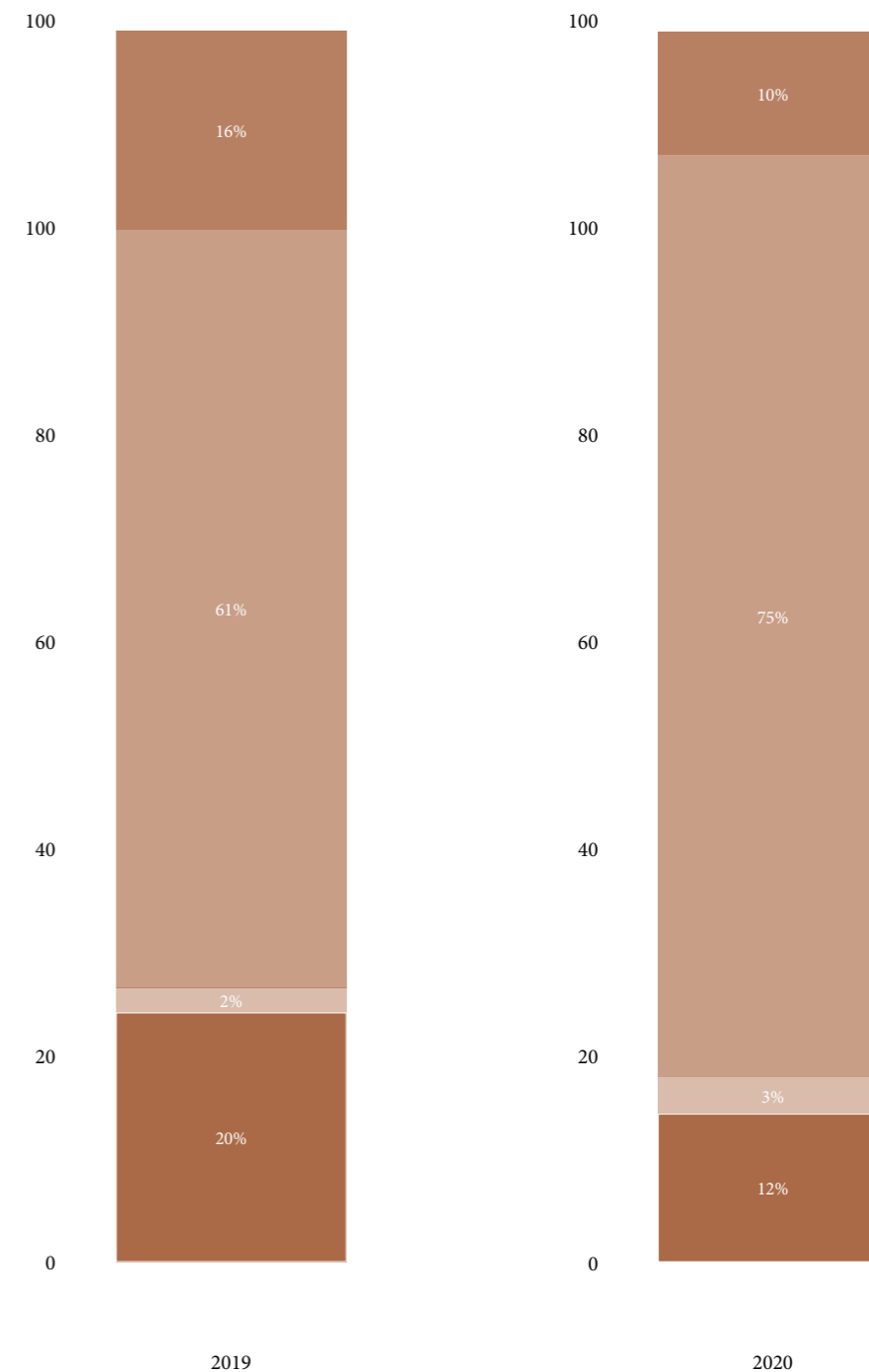
### Transport inbound

Transportation inbound is a point where we have data on how much is transported by air and how much goes by ship. This indicates our level of emissions. By sea is the most environmentally friendly solution and to ship by air, is the most polluting solution. During 2020 we have investigated in moving some of our air freight to train. This proved less effective than anticipated and much more expensive than first assumed.



Below is an overview of how we have improved on the means of transportation from 2019 to 2020

Transport method ● Air ● Air-sea ● Sea ● Train ● Truck



We have limited our use of airfreight by 8,93%. We have done so by choosing more sea freight and a minor percentage on train.

### Transport outbound

We currently do not have data on our outbound transportation, but we will collect this data during 2021 to report on.



## Co2 emissions from our production

Through our choice of materials, we can have an impact on the co2 emissions. Therefore, we have made a material guide and will be setting goals to reach a higher percentage of sustainable styles in 2021 and onwards.

Measuring Co2 emissions on our products is not a simple task, but we will investigate selecting a few styles in 2021, where we can do just that.

## In our facilities

In 2020 we have initiated two initiatives to buy green energy for our danish headquarter and our stores in Denmark. We do this by ensuring that 100% of our electricity consumption is through climate friendly energy such as windmills.

In 2020 we have developed a report and received an energy label on all our buildings in connections with our Head Office. Based on this report, we have been given suggestions to improvements. During 2021 we will decide which of these suggestions, we will invest in.

## 7. Environment

Considering the environment, we have a negative impact within three parameters:

- k. Waste management
- l. Our supply chain (production)
- m. Use of chemicals

### Waste management

At our headquarter we have introduced a new waste management system for the office and warehouse, and we have initiated agreements with a waste management service provider.

In 2021 we will finalize our agreements with a service provider to pick it up and dispose of it.

### In our supply chain

Environmental issues are addressed in most of the 3rd party audits conducted in 2020. However, it is an area on which we would like to increase our focus in 2021.

We would like to aim our focus within the following areas when dealing with environmental issues in our supply chain:

- n. water discharge
- o. water use
- p. waste management



## Our chemical restrictions

Through our Chemical Restrictions we set limitations on chemicals that are harmful to the environment, both when producing the garment, but also when using it.

As mentioned in the section on our chemical Restrictions, we would like in 2021 to dig deeper into why specific chemicals are entering our garments, rather than only checking the finished product if it is there.

## 8. Our packaging materials

The approach we are taking in terms of packaging materials is the following:

- Reduce
- Reuse
- Recycle

### Reduce

In order to reduce the amount of packaging that we use, we are looking into different factors:

- › Using fewer packaging materials by assessing the need for all our packaging materials (of course the quality of our products, will have priority. Packaging cannot compromise this factor.)
- › Decrease the weight of the packaging materials (still without compromising quality)
- › A different sample process, where we gradually replace the physical samples to digital samples.

### Re-use

Our first initiative has been to start the process of replacing polybags of virgin plastic with recycled polybags. The quality of the polybag enables it to be recycled again after use.

This new initiative will be fully rolled out during 2021.

We will also be looking into options regarding the cartons we use. We are exploring options to use recycled and/or FSC certified cartons for inbound and outbound transportation.

Our goals and plans for 2021 for packaging is to investigate options for setting requirements for the boxes that we receive inbound. All packing materials and display materials will be from FSC certified paper during 2021.

## 9. Our anti-corruption policy

In our Anti-corruption policy, it is stated that we work against corruption in all its forms, including extortion and bribery.

With a global supply chain, Ball Group A/S and our 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.

Due to our new Anti-Corruption policy sent out in 2020, we will be conducting internal training in understanding these requirements and how anyone can be subject to corruption in your everyday tasks. In 2020 we have not observed any breaches to our Anti-corruption policy.

## 10. Our animal welfare policy

We are aware 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. Therefore, we have developed a specific Animal Welfare Policy in 2020 which have been signed by our suppliers.

The policy is based on the Five Animal Freedoms and states the animal derived fibres that we ban or any procedures that are banned by Ball Group.

We are not using below animal derived fibres in our products:

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

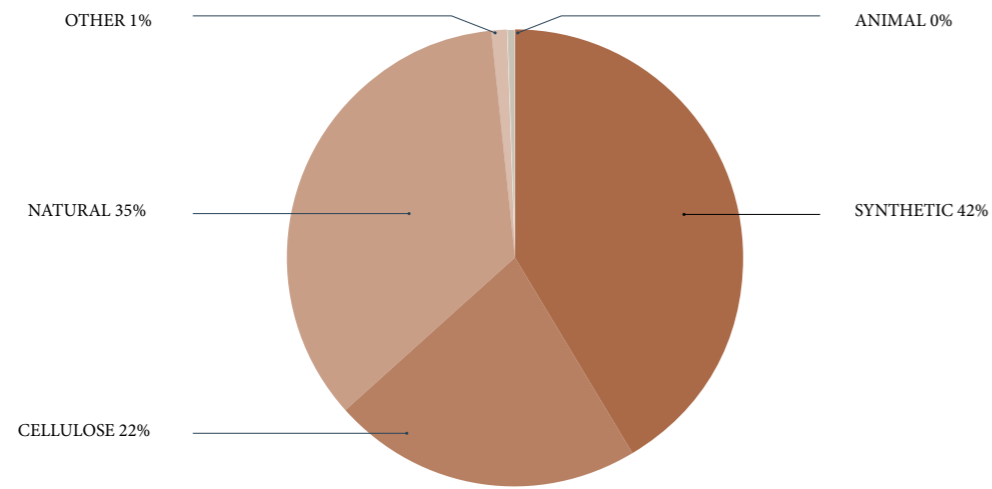
We produce very few products of animal derived fibres, less than 1%.

## 11. Our materials

During 2020 we have mapped out the fibres that we use in our production. We would like to measure the degree of sustainability fibres/materials used in our products.

We have calculated how much of each fibre/material we purchased in 2019 and 2020, based on pieces bought from the supplier. From a composition with mixed fibres, we have drawn out the percentage of for example cotton to calculate the total use of that. Both from styles containing 100% cotton and from styles containing both cotton and polyester.

Our fibre use in 2020, is divided into the following fibre groups:



We then categorized the fibres into sustainable and non-sustainable categories as illustrated below.

Org./GOTS Hemp	Modal Lenzing™	Recycled Wool	Tencel™
Org./GOTS Cotton	Eco Vero™	Recycled Polyester	RDS
Org./GOTS linen	Refibra	Recycled Polyamide	RWS
Org./GOTS Wool	Re-down	Recycled Elastane	
BCI	Cashmere	Lyocell	Elastane
Wool	Silk	Alpaca	Down
Recycled Cotton			
Linen	Leather	FSC Viscose	Hemp
Bamboo	Modal	Cupro	Viscose
Conv. Cotton	Polyamide/Nylon	Polyester	Mohair
Acrylic	Acetate	PU/PVC	Viscose
Angora	Fur		

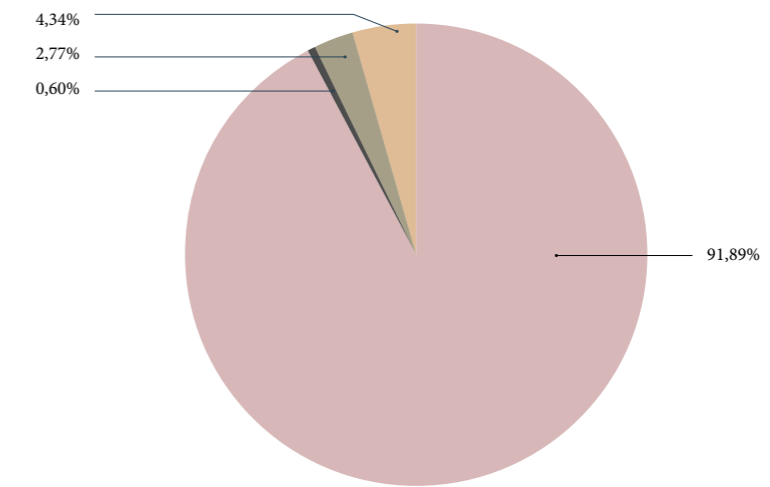
The Black category are fibres that we no longer use. The red and orange categories are fibres that we wish to move away from. The yellow category are fibres that are ok to use and the green category are more sustainable.

When we mark a product as sustainable it means that it contains at least 50% of a sustainable fibre (20% if the fibre is recycled).

This is a journey for us, and we will need to move from red towards a green category on a step-by-step approach. We will of course set ambitious goals for ourselves during 2021, but we must acknowledge that this is a journey and that we will progress year by year.

We have taken small steps in the right direction from 2019 to 2020 and improved the sourcing of materials in the yellow and green category by 3%.

Our fibres are categorized like this in 2020:



We expect that the range of sustainable fibres will increase to 15% in 2021. Also, in 2021 we will make a new ambitious material strategy with set goals and action points.





## A more sustainable choice

In Ball Group we are constantly striving to create products, that not alone live up to our customers sense of fashion, but also their requirements of quality and sustainability.

When you shop at Zizzi, you will have noticed a little badge marking the items that we have categorized as “Sustainable styles”.

At the very core, we believe that sustainability first of all means a good quality and the creation of favorite items, that our customers will keep, cherish and care for in years and years to come.

Then of course we are seeking to increase styles containing sustainable materials, so that our conscious customers have the option to choose well.

When you see the badge – sustainable – it means that the garment contains at least 50% of sustainable fibers. It may contain more, but you will be able to read more about that on the actual product.

Since quality is important to sustainability, we can only allow a maximum of 30% recycled natural fibers in our products. So, note that some products may be marked with the sustainable badge even if it “only” contains 30% - and that is in the case where we have used recycled natural fibers (such as recycled cotton and recycled wool).



## Key sustainable materials

- Organic cotton
- Recycled polyester
- EcoVero™ viscose
- Tencel™ lyocell







## Take-back scheme

The fact that we produce fashion garment, is unsustainable. And even if we produce the garment of better fibres such as organic fibres, we are still using natural resources to produce our products.

Hence, we somehow need to be able to make what has already been produced into new garments again. It is both a logistical challenge and a challenge in terms of the technology currently available.

But we want to contribute to the solution and not the problem, so during 2021 we will focus on getting a take-back scheme established, both from our shops and from our warehouse. We want to make sure that our garments do not end up on landfills or being burned as waste.

# OUR PEOPLE

## 12. Our people

### 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 for us and it is our greatest pleasure and responsibility that our employees have a pleasant and healthy work-life where they feel highly appreciated.

### Diverse and talented workforce

As part of keeping and attracting 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 define the atmosphere are trust, mutual respect and we all share a winning mentality.

### Gender and age

AGE	MEN	WOMEN
18-25	5	11
26-35	17	45
36-45	13	36
46+	4	15
Total	39	111

### Seniority

SENIORITY	MEN	WOMEN
0-6 months	7	12
7-12 months	3	11
1-2 year	16	47
3-4 year	5	17
5+ year	8	20
Total	39	111

### Apprentices

Ball Group wishes to support young people in their aim for education and currently we have employees following an apprentice programme and 2 apprentices that graduated during the year. We expect to continue the support of new trainees and apprentice in the future.



## 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. Due to Covid-19 lockdown, it has not been possible to do a drill where all employees were in the house. We will conduct a new one in 2021.

We have identified the biggest risk on health and safety to be at our warehouse, where the risk of a serious accident is greater. We have a safety representative in Ball Group who makes an internal audit on a regular basis, to eliminate any immediate hazards.

## Flexibility

We believe in flexibility regarding 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'. Working from home has been the new normal during the 2020 Covid-19 lockdowns and restrictions, which have required a different kind of flexibility from Ball Group and our employees, with home-schooling and meetings with colleagues. But we have managed with a lot of positive attitude and understanding.

## Employee benefits

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.

In 2020 we have succeeded in maintaining a healthy and safe working environment.

## The underrepresented gender

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

In 2020, Ball Group consists of three male members in the Board of Directors. There have been no changes in the Board of Directors during 2020. The ambition for Ball Group is to attain a minimum one female board member before 2023 is completed.

Ball Groups policy for the underrepresented 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 2020, the results across all management level within Ball Group is 15 females and 12 males giving us a very well gender representation.

## COVID-19 response

Due to COVID-19 and the lockdown we have had to let go of 20 talented employees to meet our new budget and limit our financial loss. We are sorry to have lost great employees during difficult times and have provided them with as much help as possible to find new jobs.

## 13. CONCLUSION / Executive Summary

Even though the circumstances have been tough in 2020 we have still managed to keep our focus on our sustainable journey although certain things have not been possible due to international restrictions.

The focus internally towards this journey have increased and we are currently in the process of mapping how each of us can contribute to the Sustainable Development Goal #12 Responsible Consumption and Production.

## Our due diligence

During 2020 we have updated current and developed new policies and had them signed by most of our suppliers (82%). The rest will come in 2021. We have segmented and consolidated our supply chain further and cutting down our supply base from 71 suppliers to 35 suppliers. The segmentation is made into A, B & C suppliers where the 12 A suppliers take up 80% of everything we buy.

We have maintained and continually developed the mapping of our suppliers and their social audits.

This year we have further developed a risk assessment with the following result:

	A Supplies	B Supplies	C Supplies
High risk	10%	20%	30%
Medium risk	60%	50%	50%
Low risk	30%	30%	20%

This provides us a great a tool to know where to focus our attention during 2021.

We have continued to test our products according to our Restricted Substance List and during 2020 we have made 526 tests.

## Our environment & climate

We have made great progress in relation to our inbound transportation. Where we have limited our use of airfreight by 8,93%.

In 2020 we have developed a report and received an energy label on all our buildings in our headquarter. Also, in our headquarter we have introduced a new waste management system for the office and warehouse, and we have initiated agreements with a waste management service provider.

## Our packaging materials

Our first initiative has been to start the process of replacing polybags of virgin plastic with recycled polybags that can be recycled again after use. Furthermore, we are sourcing FSC certified packaging materials.

## Our products

During 2020 we have mapped out the fibres that we use in our products and then categorized them into 5 categories:

- › Black: Don't use
- › Red and Orange: Move away from
- › Yellow: Ok to use
- › Green: encouraged to use.

Our mapping shows us that in 2020 approximately 92% were in the red and orange category. But, it have improved by 3% since 2019. This gives us room for further improvement, but at least a baseline to plan for our future strategy and goals.

## 14. Goals 2021

We have high expectations for 2021 and our strategic approach towards sustainability in 2020 will most certainly streamline our efforts in 2021.

We will be working more strategically with SDG #12 and investigate which other Sustainable Development Goals would make business sense for us to pursue.

High on the agenda of 2021 is to build knowledge internally in our organization on areas related to sustainability and how we can all contribute. We also want to investigate our purchasing practices and provide training within this for the purchasing teams. Further within training, we will plan to train everyone on our Anti-Corruption policy.

Regarding our Due Diligence Process, we expect to launch our audit program in 2021, when the world opens again. Also, we would like to expand our audit program for a certain segment of our supply chain to also conduct environmental audits.

We would also like to map out further into our supply chain.

We will maintain our chemical testing program, but at the same time use some resources to dig deeper into the root causes, rather than “just” checking the finished products.

Data-collection is another headline for 2021. We need to collect a lot of data on our CO2 emissions – within inbound and outbound transportation, our supply chain and through our products. Also, we need to collect data on our packaging materials to be able to measure our progress.

Projects to source sustainable packaging materials have been initiated in 2020 and 2021 will be the year where we will be implementing these initiatives. Once we have the proper baseline data, we will be able to set a target or to report on actual improvement. Therefore, data collection will also be a focus area.

We have started many initiatives during 2020 within our headquarter, which we would like to continue to implement in 2021. Among those are investments in environmental improvements for our buildings and improving on our waste management system. Once we have a baseline data, we will be able to set quantifiable goals

We need to improve on our range of sustainable materials offered to our consumers. Now we have the baseline data and we expect to increase the share of sustainable fibres to 15% in 2021. Investigations into the establishment of a take-back scheme of our products, will be initiated in 2021.