



# WE TAKE RESPONSIBILITY

CSR Strategy Report | 2023



**BATA INDUSTRIALS**  
THE SAFETY SHOE



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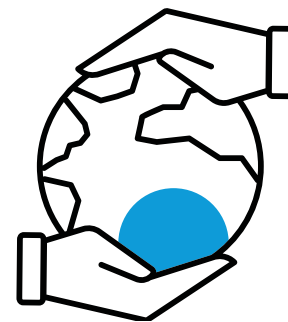


chapter 1

# PREFACE



# ABOUT THIS REPORT



## WE TAKE RESPONSIBILITY

At Bata Industrials, we do everything we can to make the best professional safety footwear on the market. With our products, we make professionals stand strong and walk with confidence. Because we develop safety shoes to protect people, taking responsibility is part of our DNA. As a company, we recognize and accept our responsibility for the planet and the people who live on it. We want to contribute to a sustainable future by minimizing the impact of our activities on our people, our customers, and our environment. We commit to promoting sustainability.

Despite little external communication, we have been working on anchoring our business around sustainability for years. We have made great strides, but we realize that we can and must do better. In 2021, we formally integrated Corporate Social Responsibility into our business strategy under the pillar **we take responsibility**.

## BATA INDUSTRIALS FIRST CSR REPORT

This is Bata Industrials' first Corporate Social Responsibility (CSR) report for Europe. With this CSR report, we want to inform our stakeholders about our organization and how we as a company want to create sustainable value. It builds the basis of our long-term goals to meet stakeholder expectations and move our business forward. Together with our stakeholders, we have determined the material topics we will focus on and measure progress towards until 2025. The measures and targets we have set for the future show the full spectrum of our corporate social commitments.

## THE SCALE AND SCOPE

This first CSR strategy report discusses the ambitions we have set in Europe until the end of 2025 and efforts we have made until 2022. It focuses on Bata Nederland B.V. headquartered in Best, Europaplein 1, 5684 ZC Best, The Netherlands. With Europe as the area of responsibility. Hereafter referred to as Bata Industrials. Subcontractors are not included in the scope of this report. For the future, we aim to increase the scope by covering our other business units globally.

## WHERE THIS REPORT TAKES US

This report builds the basis of our CSR commitment. From this point onwards, we ensure that sustainability is and remains an integral part of Bata industrials' business strategy, decision making and reporting. Each year we aim to further improve our CSR reporting, appropriate to the nature, risks, and opportunities of the organization.

Going forward, our goal is to increase the level of transparency in all actions taken by the company as a whole and to openly communicate progress toward our sustainability goals in an effective and comprehensive manner. We will continue to work on our sustainability communication and aim to publish an updated report annually, in line with the Global Reporting Initiative (GRI) standards. This report is the first step in communicating our CSR strategy, recent and future actions, learnings and approach to achieve our ambitions.



# REPORT SUMMARY

## INTRODUCTION

As one of the world’s largest manufacturers of safety shoes with almost 250 employees in 24 countries, we serve customer markets on virtually every continent. Aware of the impact we have, we want to take care of our planet and our people. We want to take action for a sustainable future.

To show our commitment, we developed our Corporate Social Responsibility (CSR) strategy while also building a corporate governance structure to ensure that we continuously monitor our efforts and move forward. Our CSR governance includes a CSR committee and progress meetings. It is based on the values of our corporate culture: transparency and collaboration. In this first report we focus on Europe. For the future, we aim to increase the scope by covering our other business units globally.

## THREE BUILDING BLOCKS

CSR is integrated in our business strategy under the pillar ‘We take responsibility’. Based on a materiality assessment with our stakeholders, we have built three CSR building blocks: Materials, Environment and Care. Under each building block, we have set priority issues and topics with strategic goals, ambitions for 2025 and the first steps that we have taken in achieving them.

# WE TAKE RESPONSIBILITY



### MATERIALS

**FOCUS:**

- Sustainable products
- Sustainable packaging



### ENVIRONMENT

**FOCUS:**

- Footprint reduction



### CARE

**FOCUS:**

- Employee Health & Safety
- Diversity and Inclusion
- Employee training and development
- Sustainable and responsible sourcing
- Community Impact

## report summary



### MATERIALS

First, we focus on using less, better, and certified materials. We aim for sustainable alternatives that uphold our high quality and performance standards and at the same time have a significantly less impact on the environment.

#### Sustainable products

Regarding our product shoes, our ambitions are to take first steps towards the circularity of shoes by increasing material transparency, increase the amounts of sustainable materials, comply with ISO standards and decrease the average product carbon footprint until 2025. We have started with material passports, changed several parts of our shoes to more sustainable alternatives, such as recycled lining and inlay soles, and laces consisting of 100% recycled materials.

#### Sustainable packaging

In terms of sustainable packaging, we aim to minimize the packaging we use and increase the usage of more sustainable alternatives. While we have already done a packaging assessment in the Netherlands and determined changes for key packaging, we also started implementing key improvements and running pilots to reduce our packaging. We built a packaging strategy to ensure resource efficiency, maximized content of low-impact materials, and increase resource recovery. For 2025, we aim to reduce our packaging material by 20%, use 100% recyclable and reusable packaging made of recycled and/or renewable materials.



### ENVIRONMENT

We do not only care about the safety of people but also about protecting our environment. We aim to reduce our carbon footprint by reducing our direct emissions, which are controlled and owned by us, and our indirect GHG emissions. Our ambitions for

2025 are to reduce our average energy consumption and waste sent to landfills by 30%, and to use 100% renewable energy in our owned and operated facilities. To reach this goal, we have increased our energy efficiency in our production facilities by implementing LED-lighting, energy-efficient air compressors, waste collection and separation, and higher local production. To make further steps, we have installed sensors to measure our total CO<sub>2</sub> emissions at machine level and finalized the ISO 26000 CSR self-declaration.



### CARE

We care for our people – in our company, at our suppliers and in the communities we work in. We offer individual growth opportunities, ensure a good work environment and give back to our communities.

#### Diversity & Inclusion

To ensure a diverse and inclusive (D&I) organization, we aim to increase hiring of people with disabilities and provide our employees with D&I trainings. We set up a pilot with Archipel to provide opportunities for people with Korsakoff. We have updated our employee code of conduct and developed guidelines for the creation of inclusive job posts.

#### Employee trainings & development

Furthermore, we are committed to help people reach their full potential and growth. Regarding trainings and development (T&D), we aim to ensure that by 2025, our full workforce will have received sustainability awareness trainings and increased knowledge about sustainability. Also, together with the Bata holding company, we have created the Bata E-University platform to increase employee knowledge and skill.

#### Employee health & safety

We want to ensure their health and safety by creating a safe work environment so that they return home safely every day. While encouraging our employees to live healthy lives, we aim to further increase our

## report summary

health and safety trainings and reach an overall TRIR (Total Recordable Incident Rate) of zero by 2025. We therefore have already taken several health and safety actions, such as ensuring periodical health, employee examination and ASR vitality trainings. We create and practice a safety culture with injury management and constant education of our teams and partners.

### Community Engagement

As we feel part of our communities, we want to care for the people living on it. We actively engage and invest in several projects, including the realization of children's full potential with the Bata's children program, the Ronald McDonalds House taking care of families facing illnesses, and providing children in need with Christmas gifts. We furthermore support the clean water projects from CLEAR RIVERS since 2022 and give our employees the opportunity to engage in volunteering projects. For 2025, we aim to increase the numbers of projects and volunteered hours to have a higher impact of engagement in our communities. Overall, we want to have 5 community/ civic engagement activities per year.

### Sustainable and responsible sourcing

Taking care goes beyond our own production line. We are responsible for our supply chains. We want to ensure sustainable and responsible sourcing. We

therefore have taken first steps by developing a new code of conduct and conducting supplier inventories.

Our goals are to have, by 2025, 100% of our tier 1, suppliers sign, and receive education on the new code of conduct and the Manufacturing Restricted Substance List (MRSL). While for our tier 2 suppliers we aim for a 80% sign rate.

### FINAL WORDS

Overall, we have set our basics with high targets and ambitions. Our first CSR strategy report aims to give honest and open insights into our business and our corporate social responsibility strategy. It states our approach for a long pathway to come. We have now started in Europe. For the future, we aim to increase the scope by covering our other business units globally. This report is only the starting point of a long journey in which we want to measure and improve our steps forward. And we aim for more in the future. We know that we can constantly improve. We are open to learn from others. If you have ideas and incentives to support our mission, please feel free to contact us. We are stronger together.



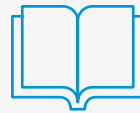


# HIGHLIGHTS OF OUR CSR ACHIEVEMENTS UNTIL END OF 2022

(Focus area Europe)



**LAUNCHED BATA E-UNIVERSITY**



WE PROVIDED **300.000 CHILDREN**

WITH MENTORING, EDUCATION AND SKILL TRAINING TO REACH THEIR FULL POTENTIAL

OUR PRODUCT LINES TRAXX & WHAWOWA CONSIST OF

**10% RECYCLED CONTENT**



**SAVED 36.000 TONNES OF CO<sub>2</sub> PER YEAR**

IN PRODUCTION FACILITIES THROUGH THE USE OF LED LIGHTING

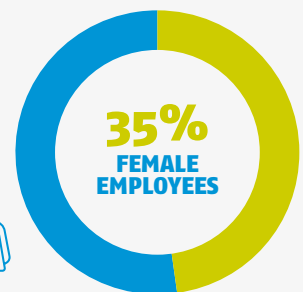


AT BATA INDUSTRIALS,

**35%**

OF ALL FUNCTIONS ARE FILLED BY

**FEMALE EMPLOYEES**



WE HAVE INVESTED IN **5 GOOD CAUSES**



USE OF **100% RECYCLED POLYESTER (RPET) LACES** IN ALL LACES IN THE NETHERLANDS

WE HAVE MADE A **NEW SUPPLIERS CODE OF CONDUCT**



WE HAVE MADE **6 MATERIAL PASSPORTS**



**100% OF OUR SHOEBOXES IN EUROPE ARE MADE FROM FSC CARD-BOARD**



**SINCE MAY 2022, WE HAD 0 ACCIDENTS IN OUR OWNED FACTORIES**








# HIGHLIGHTS OF OUR AMBITIONS FOR 2025

(Focus area Europe)

**30%**   
**REDUCTION**  
IN AVERAGE (KWH/)  
ENERGY CONSUMPTION  
**BY 2025**

**REDUCE PACKAGING MATERIAL BY 20%**


**AND USE 100%**   
**RECYCLABLE OR REUSABLE PACKAGING**

**INCREASE TOTAL VOLUNTEERING TO AT LEAST 300 HOURS** 

**3% OF OUR WORKFORCE TO BE MADE UP OF PEOPLE WITH DISABILITIES**

**100% EMPLOYEES HAVING RECEIVED DIVERSITY AND INCLUSION TRAINING** 

**INCREASE SER AUDIT COVER BY 15%** 

**100% MATERIAL TRANSPARENCY** 

**LINK E-UNIVERSITY PROGRAM + SER AUDIT TO SUPPLIERS**



**INVEST IN 5 COMMUNITY ENGAGEMENT PER YEAR** 

  
**REDUCE WASTE SENT TO LANDFILLS BY 30% IN OUR PRODUCTION FACILITIES BY 2025**





chapter 2

# INTRODUCTION





# LETTER FROM OUR CEO



**When you develop safety footwear to protect people as a company, you must take responsibility. With our products, we make professionals stand strong and walk with confidence. A great way to contribute to the well-being of people, but there is more.**

Just as we feel responsible for the people wearing our safety shoes, we feel responsible for our planet. The place where we have to get along, help each other out and make sure next generations can live healthy and happy lives. So, a safer and cleaner footprint. We are on it!

While in some areas we are already making great progress, in others we are still at the start. We know that we still have a long way to go, but we are willing to go the extra mile. We want to become better and better. And that does not only count for economic growth, but rather for sustainable development of our organization and our surroundings. In 2021, we therefore formally integrated Corporate Social Responsibility into our business strategy under the pillar 'We take responsibility'. Our mission to protect does not only involve professionals worldwide – but also the planet.

In this report we want to be open, honest and transparent. By explaining why, we focus on some things, and leave others for now out of scope. It's not because we do not consider them important, but because we want to focus our efforts and resources and do it right. Once we have laid the foundation in Europe it will be much easier to build it out. This year we have set ambitious qualitative and quantitative targets across key environmental and social issues. In future communications, we intend to provide more detail about these commitments and our progress towards them.

Martijn Mathot

**Managing Director**  
Bata Industrials

INTRODUCTION



# GOVERNANCE STRUCTURE

## RESPONSIBILITIES

We are committed to making sure that sustainability is and remains an integral part of our business strategy and how we operate. As Managing Director, Martijn Mathot, has the ultimate responsibility for CSR across Bata Industrials. Our Marketing Director, Emerénce van Daalen, oversees the CSR strategy, makes sure the efforts align with Bata Industrials business' strategy and actual progress is made towards the prioritized sustainability issues. The Marketing Director is supported by the CSR Coordinator, which contributes with substantive expertise to CSR reporting, certification, communication and is responsible for stakeholder engagement.

## CSR COMMITTEE

In addition, there is a CSR steering committee every month. This steering committee formulates the level of ambition, monitors alignment with strategy, sets long-term goals, monitors progress and adjusts as needed. The CSR steering committee also provides support, policies, guidance tools and structure that allow our programs and initiatives to flourish and help employees to draw up and implement annual plans to ensure that the set goals lead to actions. The CSR Steering Committee consists of managers from Production, Purchasing, Human Resources, Marketing, Research & Development and Innovation. The CSR committee is expanded to include international members as this strategy is rolled out internationally.

## PROGRESS MEETINGS

At least twice a year, the CSR objectives and the progress of activities are discussed in management and board meetings and, when necessary, adjustments are made. CSR is an important part of Bata Industrials' strategic goals and benchmarks, with visible commitment and leadership support.

## CORPORATE CULTURE

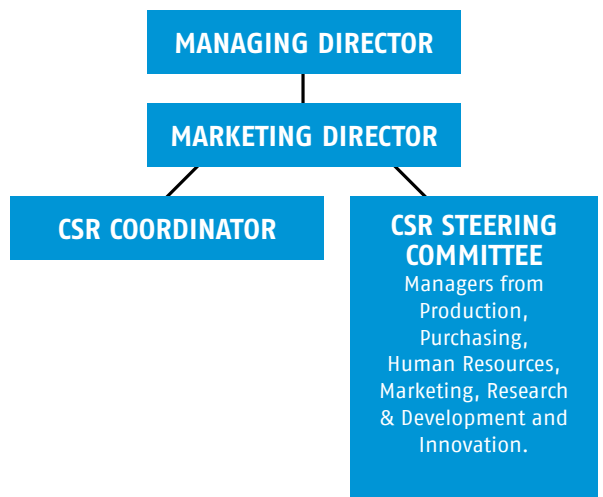
At Bata Industrials, we believe it is important to create a work environment where sustainability is seen as part of our DNA. We are convinced that CSR starts with awareness. Therefore, we organize various training courses around sustainability and actively involve employees in the (re)formulation of our CSR strategy. We do our best to always include sustainability as part of our decision making.

## TRANSPARENCY

Sustainability is a journey, not a sprint. It takes time. We believe it is important not just to generate great ideas, but also truly make it work. We will do our best to transparently communicate about our progress – our challenges and our achievements. This first CSR communication report is part of that ambition. We aim to continually improve and extend our reporting and communicate annually about the steps taken.

## COLLABORATION

We know that we cannot do it alone and that collaboration is the key to achieving our sustainability goals. By forging sustainable partnerships, we hope to continuously grow in sustainability and contribute to a better world with others in the years to come. This also includes collaborating with and within the Bata Group. We believe that together with others we can scale new technologies and innovations.





# BATA INDUSTRIALS, OUR BUSINESS...

## ABOUT BATA INDUSTRIALS

Bata Industrials is one of world's largest manufacturers of safety shoes. It is part of the Bata Group. With almost 250 employees in 24 countries, we serve customer markets on virtually every continent. Since the start in the 1970s, Bata Industrials has grown into a designer, manufacturer and seller of safety shoes, work socks and inlay soles with a focus on professional end-users.

## OUR COMMITMENT

Bata Industrials is committed to delivering top quality with an innovative approach. With our global presence, we protect the feet of thousands of customers around the world. From construction to logistics and from chemistry to the automotive sector, Bata Industrials has safety shoes for every industry. The reach of Bata industrials is worldwide – our presence local. This enables Bata Industrials to respond to the unique needs and demands of local customers all over the world – also in terms of sustainability!

## OUR VALUE

Bata Industrials distinguishes itself from its competition by always going a step further. Technological and sustainable developments never stand still. By working together with renowned scientists, conducting extensive tests in our own SATRA certified A-status laboratory, and using the latest (shoe) technologies, we look for innovative ways to provide the safest, most technologically advanced, most comfortable and sustainable safety shoes.

At Bata Industrials we strive for the safety of professionals worldwide. We ensure that professionals stand strong, walk with confidence and can work safely under all circumstances. It doesn't just start with a safety shoe. That starts with

**the safety shoe.**

Globally we serve the following industries:





**chapter 3**

# OUR APPROACH



# WE TAKE RESPONSIBILITY

## PRIORITIZATION

To underline our commitment to create a more sustainable world, in 2021, CSR was added to our business strategy as a strategic focus area under the pillar 'we take responsibility'.

Under this pillar, we have developed a strategy. To help focus our efforts and determine the topics most salient to our business and our stakeholders, we conducted a materiality assessment in 2021 (more about this in appendix 1). We engaged in extensive dialogue with our stakeholders, including employees, customers, and consumers. It is their needs, interests, and views that matter to us. Our stakeholders have a great stake in determining our course of action in taking responsibility. Based on the open dialogue with our stakeholders, and extensive market and sector risk analysis, the following CSR priorities were determined. These are most material to our business and our stakeholders.

- 1. CLIMATE AND ENERGY;**
- 2. MATERIALS AND PRODUCT LIFE CYCLE;**
- 3. DIVERSITY AND INCLUSION;**
- 4. SAFETY, HEALTH AND WELFARE;**
- 5. TRAINING AND PERSONAL DEVELOPMENT;**
- 6. SUSTAINABLE RECRUITMENT;**
- 7. GOVERNANCE AND TRANSPARENCY.**

## OUR BUILDING BLOCKS

The priorities can be placed under the three strategic building blocks of our CSR strategy: Materials, Environment and Care. The building blocks guide our long-term CSR commitments.



**MATERIALS**



**ENVIRONMENT**



**CARE**

The building blocks build the foundation of our CSR strategy and guide our long-term CSR commitments. Within each block we have set out an important vision of where we want to go.

## MANAGEMENT SYSTEM

To ensure progress amongst our building blocks, we have developed a clear roadmap with targets until 2025. We have started with certain initiatives and goalsetting in the form of KPIs. We understand that KPIs start with a baseline. We are now determining this baseline by shaping and optimizing our management systems across all our business units. We are developing the necessary guidelines and data collection tools for reporting and progress tracking. To enable change, we need to do this in an accurate and systemic manner across the organization. Ultimately, we need to integrate sustainability throughout our organization, which requires major changes in our way of doing. It is not a change that can be achieved overnight; it takes many steps that will together contribute to generating real impact.

In the following sections we will discuss the priority topics underlying each building block. We will elaborate on our sustainability strategy, ambitions for 2025 and the first steps we have already taken in achieving them.



we take responsibility

# OUR BUILDING BLOCKS

Our Corporate Social Responsibility approach consists of three essential components: Materials, Environment, and Care. By dividing our strategy into these categories, we can effectively address our top priorities while maintaining a clear perspective. These building blocks symbolize the overarching themes of our priorities and reflect the areas that are most closely related to our core operations, where we have the potential to make a significant impact.

The three main goals:



### MATERIALS

We focus on using less, better, and certified materials. Sustainable alternatives that uphold our high quality and performance standards and at the same time have a less significant impact on the environment.



### ENVIRONMENT

We protect the beautiful planet we live on by opting for solid solutions that help to reduce our environmental impact and protect our precious environment.



### CARE

As a people-focused company we take care of the communities we work with and live in, supporting our employees, partners, suppliers and customers.

WE TAKE RESPONSIBILITY



**we take responsibility**

# OUR PRIORITY ISSUES AND DEFINITIONS

The following table shows the three building blocks of our CSR strategy and defines the priority issues which we will focus on until 2025. By addressing these priority issues, we contribute to various United Nations Sustainable Development Goals (SDGs), as shown in the last column. A more detailed explanation on this is provided in appendix 2.

	PRIORITY ISSUE	DEFINITION	FOCUS	SDGS
<b>MATERIALS</b> 	<b>Sustainable products</b>	Minimizing the environmental impact of our products as much as possible by using less and more eco-friendly materials.	Planet	
	<b>Sustainable packaging</b>	Minimizing the environmental impact of our packaging as much as possible by using less and more eco-friendly materials.	Planet	
<b>ENVIRONMENT</b> 	<b>Footprint reduction</b>	Reducing the total amount of greenhouse gas emissions from our business activities.	Planet	
<b>CARE</b> 	<b>Employee health and safety</b>	Ensuring employee health & safety practices.	Employees	
	<b>Diversity and inclusion</b>	Ensuring fairness and equity for all employees regardless of characteristics.	Employees	
	<b>Training and development</b>	Training and development for workers to build capability and career opportunities.	Employees	
	<b>Community Impact</b>	Positively contributing to the communities we are part of.	Community	
	<b>Sustainable and responsible sourcing</b>	Incorporating social, ethical and environmental conscious principles into sourcing, procurement and overall supply chain management practices.	Employees, planet and community	



chapter 4

# MATERIALS



# MATERIALS

Materials represent the greatest environmental impact in the life cycle of our products and packaging.

Therefore, when making efforts to lower our ecological impact, it is key to take into account the materials we use.

We focus on using less, better, and certified materials. Better means looking for more sustainable alternatives that uphold our high quality and performance standards and at the same time have a less significant impact on the environment. This counts both for our products and our packaging.

Our approach is to look at ways to embed sustainability improvements across our entire usage of materials. We believe that this is the only way to truly minimize our environmental impact.

## PRIORITY ISSUES:

- Sustainable products
- Sustainable packaging



# SUSTAINABLE PRODUCTS

## OUR PRODUCT VISION

We want to create the best safety shoes for professionals while reducing our environmental impact. High quality and innovation are at the core of our business. We use the best, most robust and strongest materials. This has been our strategy ever since to ensure that professionals worldwide are protected.

## SUSTAINABILITY VISION

One of the most effective ways to reduce the environmental impact of our products is by extending their lifespan – that is a fact. We choose to compete with high quality rather than low price. We use durable materials and production methods to develop products that last a long time, avoid unnecessary use of raw materials and emissions, and reduce waste. In addition to function and design, our understanding of product quality includes aspects of environmental sustainability. In our path of improvement, we are continuously looking for more sustainable materials and technologies that make our products and production process more environmentally friendly and help to significantly reduce our ecological impact. Our focus is on making all of our products more sustainable and scaling up sustainability improvements across our entire product line.

We are looking at ways to design our products more efficiently so fewer raw materials and components are needed and converting to recycled and bio-based/renewable materials. This conversion not only makes sense from an environmental perspective but also a business perspective as it helps to minimize our reliance on non-renewable finite resources that have a large environmental impact.

While for some materials bio-based or recycled alternatives are available, they may not yet be readily available or developed for other material types we

use. That is why we continue to investigate and invest in new technologies and more eco-friendly materials that meet our vigorous demand for performance and at the same time help to lower the impact of our products. We do this by leveraging our long-term relationships with suppliers and working closely with our partners.

## EPM GUIDE

In 2023, we will work on developing an Environmental Preferred Material (EPM) guide and material library. This will allow us to compare the environmental impacts of different materials and help our product creation team to make informed and more sustainable decisions in planning, designing and developing products. It will also help them to improve the sustainability scores of products by using better materials.

## CIRCULARITY OF FOOTWEAR?

Shoes consist of multiple materials, many affixed together. While the multimaterial intertwining and fixation in our current shoe construction guarantees the required durability, safety and comfort, this makes it hard to recycle footwear. There is need to better understand how the upper can effectively be separated from the bottom, to isolate materials and increase recyclability. Also, currently the necessary infrastructure to recycle dissimilar shoes does not exist. Together with others in the industry we aim to work on these challenges. To prevent our shoes from ending up in landfill or incineration, we are currently already exploring ways to take back, clean and restore, and resell shoes. However, since safety shoes must comply with many standards and the materials need to be of recyclable quality after use, this makes recycling a complex process. But we are up for the challenge!



SUSTAINABLE PRODUCTS

# OUR AMBITIONS

In alignment with our vision for our products and sustainability, we have established goals for the future. To keep ourselves accountable, we have translated these objectives into measurable Key Performance Indicators (KPIs). Furthermore, we took first steps in 2022 to progress towards our goals.

## SUSTAINABLE PRODUCTS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Reduce the impact of our products by improved design (e.g., using less) and using more eco-friendly materials (recyclable/reusable/certified).</b></p>	<ul style="list-style-type: none"> <li>• Inlaysole: towards 'always with recycled content' Laces-NL: all 100% recycled Polyester (rPET)Lining: Introduction of recycled contentFlexguard: Introduction of recycled anti-penetration insole</li> <li>• Implementation of ISO 14021 in the R&amp;D department</li> <li>• Applying available sustainable materials and continue research for more/better sustainable materials</li> <li>• In-depth research on Biobased PU</li> <li>• Sourcing with an improved focus on sustainable/ responsible suppliers</li> <li>• Started product analysis and generating first material passports</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the amount of sustainable materials in our EU footwear to 20% <sup>1</sup></li> <li>• Reduce average product carbon footprint (kg CO<sub>2</sub>e/unit) by 20% of NL produced collections <sup>2</sup></li> <li>• Source 100% leather from LWG Silver/Gold-rated tanneries</li> <li>• 100% material transparency <sup>3</sup></li> <li>• 100% of our EU footwear will comply with the ISO 14021 Environmental labels and declarations</li> </ul>

1 We define Sustainable materials as those that reduce the environmental impact of a product through better chemistry, lower resources intensity and/or less waste. In the material passport divided in the groups recycled content and renewable/bio-based materials.  
 2 Compared to 2022 score or equivalent model. This includes NL produced products.  
 3 Every EU available collection will at least contain one key-model with a material passport in line with ISO 1421: 2016. All EU produced product will have an official LCA.



SUSTAINABLE PRODUCTS

# OUR APPROACH

## MATERIAL PASSPORT

We want to communicate openly and transparently about the environmental impact of our products. That is why we are working on providing all our footwear with a material passport in which the material composition is described. We develop multiple types of shoes, with different materials, from multiple suppliers based in different countries. Therefore, collecting all the necessary data provides a huge traceability challenge. It is a timely process. Therefore, in 2022, we first developed a material passport for our key footwear models.

Up till now we have analyzed six important models in our collection. The material passport of these models shows the build-up of the shoe: parts and materials. It also provides information about product sustainability by discussing implemented sustainable elements. All this is displayed through a concise materials list, highlighted sustainable elements and textual explanations. The material passport allows us to concisely, transparently, and clearly present product specific information. In the future all of our products will have a material passport. In doing so, our aim is to score ever more visibly 'greener' with each new collection and accompanying passport.

The transparency of the materials passport not only helps us to communicate about product sustainability but also to make better choices in further product development.

## LIFE CYCLE ANALYSIS

The next step on our CSR product roadmap is to conduct a Life Cycle Assessment (LCA) for all products. An LCA indicates the environmental sustainability performance profile – footprint – of a product throughout its entire lifecycle – from raw material extraction to end of life. It helps us identify the most important environmental impact factors of a product's life cycle, so called hot spots, so that we can determine our approach. The results will be used to inform stakeholders about the environmental

performance of products and support future improvements in product development to increase sustainability and quickly reduce the environmental footprint of our shoes.

The LCA for example shows which materials are particularly impactful to the environment, this information can be used to select more environmentally friendly alternatives. For example, by replacing one material for another. To calculate an LCA a thorough inventory of the materials used in a product is needed. Logging the material composition of footwear for the material passport provides the first step herein. The material passport provides key input for the LCA. Collecting all the information for the LCA takes time. Therefore, first a LCA is performed for the shoes that are most representative of our other shoe models. We will also conduct analysis of frequently used individual materials that go into our products to determine their environmental impacts.



**SUSTAINABLE PRODUCTS**

# WE USE ISO STANDARDS

## ENVIRONMENTAL LABELS AND DECLARATIONS

To make sure we communicate unambiguously and clearly about the environmental impact of our products we use the ISO 14021. The ISO 14021 specifies the requirements for self-declared environmental claims, including statements, symbols, and graphics, regarding products. It describes selected terms commonly used in environmental claims, giving qualifications for their use, and describes a general evaluation and verification methodology for the claims. By following this standard, we want to ensure we communicate verifiable and accurate information on environmental product aspects that is not misleading. We are currently working on harmonizing our internal and external communication in compliance with ISO 14021, training our employees and putting the necessary tools in place to ensure proper documentation of the information needed to verify and guarantee the validity of our claims.

## GUIDANCE ON SOCIAL RESPONSIBILITY

To integrate socially responsible behavior into our organization we use the ISO 26000 standard as a reference document that provides guidance. The ISO 26000 is defined as the international standard developed to help organizations effectively assess and address social responsibilities. It helps us to emphasize performance results and determine where improvements need to be made. In March 2023, we published our ISO 26000 CSR self-declaration on the ISO 26000 Publication Platform to openly and transparently communicate about how we apply corporate social responsibility.



## SUSTAINABLE PRODUCTS

# USING BETTER MATERIALS

To minimize the impact of our products we need to increase the use of more sustainable materials. One of the ways we ensure the high quality of our products is by third-party certification. We are committed to increasing the use of more sustainable and certified materials. The certification allows us to make real, substantiated claims about the materials we use and our end product.

### CERTIFIED LEATHER

A primary material we use for our footwear is leather. We find it important to use leather that is more sustainable and responsibly sourced. Therefore, we have committed to sourcing the majority of our leather from tanneries audited by the Leather Working Group (LWG) with at minimum a bronze rating and for the European market silver rated. The LWG is a non-for-profit global multi-stakeholder group – with members across every stage of the leather supply chain. The LWG is working on providing, maintaining, and developing an auditing protocol that assess the environmental compliance and performance capabilities of leather manufacturers, and promotes sustainable and appropriate environmental business practices. By creating alignment on environmental priorities, driving best practices, and providing guidelines for continual improvement the LWG aims to improve the leather manufacturing industry. To become certified, tanneries must proactively manage their chemical, water, and energy usage to reduce their environmental impact. The medal certifications awarded by the LWG are gold, silver, and bronze.

### OEKO-TEX® CERTIFIED SOCKS

All of our socks have the OEKO-TEX® STANDARD 100 labelling. The STANDARD 100 by OEKO-TEX® certification guarantees that the sock has been tested for content of harmful substances and is therefore harmless for human health. This standard is an internationally recognized certification and the world's leading health label for textiles. The OEKO-TEX® certification is awarded by an independent institute and renewed yearly.

### BIO-BASED PU

Most of our shoes are currently still made with soles from polyurethane (PU), obtained from fossil oil – just as for most of the safety shoes worldwide. In the past year, we have explored possibilities to replace the fossil oil components with more sustainable solutions to the end of decreasing the environmental impact of our shoes. This of course while fully maintaining properties, specifications and performance. In 2023, we will work hard on replacing our current PU-based components with Biobased PU which contains bio/renewable content. Biobased PU has a much lower carbon footprint than petroleum-based alternatives that are readily available and currently the norm in the footwear industry. This approach aligns with our ambition to use more eco-friendly, high-performance materials in our footwear.







## SUSTAINABLE PRODUCTS



**ACHIEVEMENT:** Many models are already provided with leather which is rated by the LWG.



**AMBITION:** For new collections we strive for Silver-rated leather or higher.



**ACHIEVEMENT:** Over 95% of our NL-manufactured shoes have an inlay sole made of >70% recycled PU foam.



**ACHIEVEMENT:** An increasing number of models have a knitted or woven upper. By using this technology postproduction waste can be reduced.



**ACHIEVEMENT:** Our TPU outsoles already contain up to 20% of post-production recycled TPU.



**AMBITION:** Our plan is to integrate recycled/renewable content in our other sole materials, rubber and PU, as well.



**ACHIEVEMENT:** Our latest Whawowa collection has the Flexguard which is an anti-penetration insole made of 100% recycled polyester.



**ACHIEVEMENT:** The Bata Cool Comfort lining in the latest WHAWOWA collection consists of 65% recycled polyester and is GRS-certified.



**AMBITION:** We will increase the use of this recycled Bata Cool Comfort lining and the 100% recycled Flexguard in our new collections.



**ACHIEVEMENT:** Since small PVC parts are difficult to recycle, Most of our European collections are free from PVC.



**AMBITION:** We will be active to eliminate all PVC parts in our footwear.



**ACHIEVEMENT:** Over 95% of our NL-manufactured shoes have laces made of 100% recycled PET bottles (rPET).



**AMBITION:** The goal is to provide every NL-manufactured shoe with a recycled inlay sole and recycled laces.

# SUSTAINABLE PACKAGING

## OUR PACKAGING VISION

Packaging plays an important role in protecting the quality of our products during storage, transport, and display. But it also has disadvantages. Packaging forms a large part of the world's environmental waste, and a lot of raw materials and energy are used to fabricate it. Packaging has a major impact on the environment.

As a business we want to protect the scarce resources of our planet and minimize our impact on the

environment. Our aim is to reduce the environmental and social impacts of our packaging by minimizing packaging and using less harmful materials, while maintaining our ability to deliver quality products to our customers. Our approach focuses on improving the sustainability of our packaging which relates to the types of materials we use, the volume of packaging we use, its design, its transportation, and how it moves throughout the wider supply chain.



## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Reduce the impact of packaging by improved design (e.g., using less) and using more eco-friendly materials (recyclable/reusable/certified).</b></p>	<ul style="list-style-type: none"> <li>• Conducted a packaging inventory in NL</li> <li>• Determined Improvement potential for key packaging (laces, insoles, shoebox and socks)</li> <li>• Started implementing improvements key packaging</li> <li>• Developed a packaging strategy</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce packaging material by 20%</li> <li>• 100% recyclable or reusable packaging</li> <li>• 100% packaging made from recycled and/or renewable materials</li> </ul>



SUSTAINABLE PACKAGING

# OUR PACKAGING STRATEGY

In 2022, we developed a packaging strategy to ensure that we reach our ambitions of reducing our environmental impact. The strategy builds on three building blocks that focus on using less materials, better materials, and extending the lifespan of materials. The actions underlying the building blocks will be supported by communication approaches to increase knowledge among consumers. Of course, we cannot do it alone and will closely collaborate with different parties across the packaging value chain.

## RESOURCE EFFICIENCY

**Optimise material efficiency/ minimize material use:**

- Eliminate unnecessary or problematic packaging such as extra boxes, ties, overwraps or layers of packaging
- "Right size" packages – designing appropriately for contents and merchandising requirements to prevent damage to the product

## LOW-IMPACT MATERIALS

**Maximize recycled and sustainably sourced renewable content:**

- Maximize use of recycled and renewable materials as much as possible
- Use renewable materials that extraction and processing have been certified as being from responsible sources – (E.g., FSC, SFI)
- Use materials from responsible suppliers

**Enhance material health:**

- Eliminate/reduce use of potentially toxic & hazardous substances (see restricted substances list)

## RESOURCE RECOVERY

**Design for recovery:**

- Design for reuse where appropriate: extending the life of packaging
- Improve recyclability of packaging (e.g., using recyclable materials, avoiding materials or components that may contaminate the recycling process)
- Ensure all recyclable/compostable/marine-degradable claims are supported with appropriate substantiation, including testing where appropriate, and meet all applicable federal, state and local requirements

**Inform consumers about appropriate disposal:**

- Use a consumer-friendly recycling label
- Work to improve infrastructure for hard-to-recycle packaging and products

## PACKAGING LIFE CYCLE



## SUSTAINABLE PACKAGING

# OUR APPROACH

To start with our packaging journey, we conducted a review of our primary packaging in collaboration with the University of Amsterdam and identified opportunities for improvement. Recommendations centred on the elimination of plastic, minimizing material use and providing consumer information. Practical suggestions involved the use of Forest Stewardship Council (FSC) certified materials for our consumer boxes, eliminating the use of plastic film in the inlay sole boxes and utilizing reusable pallet wraps for our logistics. We already kicked-off with phasing out some of the problematic and unnecessary materials and formats identified, to directly decrease the impact of our packaging. We are also working on replacing materials currently used by more sustainable alternatives.

Our focus for 2023 is to continue this process and undertake a more thorough review of our global packaging portfolio to determine how to reduce the environmental impact of our primary, secondary, and tertiary packaging. Starting with our European market, we aim to develop global packaging and procurement guidelines to support our commitment to using more sustainable packaging. These principles

will provide a road map for material sourcing and decision making for all packaging and merchandising processes that fall under the control of Bata Industrials and will help to guide our sustainable packaging transformation journey. As part of this development journey some materials will no longer be accepted and will be removed from our supply chain, including non-recyclable plastics. While we aim to decrease these materials in the long run, we first focus on our primary and secondary packaging – the materials we add ourselves. Then also look at tertiary packaging.

Currently we have little control over what happens with our packaging after use. To prevent packaging from ending up in landfill we must include stakeholders in our strategic approach. We are working on providing our packaging with clear information on its environmental attributes and advice on appropriate disposal. While we aim for a close loop system in the future, we need to take it step by step to truly ensure sustainable change.

### REUSABLE PALLET WRAPS

Traditionally in our supply chain stretch film is used for pallet wrapping to ensure loads are adequately secured whilst being transported. However, stretch film is made from plastic material and discarded after use. Plastic film waste pollutes the environment. To reduce the amount of stretch film waste generated, Bata Industrials will start with a reusable pallet wrap pilot in 2023. In contrast to conventionally used stretch film reusable pallet wraps can be used thousands of times without their performance being affected. The wraps have a service life between 3 to 5 years and one piece of reusable wrap will replace 65617 feet of stretch film, making it the best alternative to the stretch film traditionally being used.



## SUSTAINABLE PACKAGING

### RECYCLE WITH US!

To support recycling and prevent our packaging from ending up in landfills we aim to provide all packaging with clear and simple instructions on how to appropriately dispose of packaging. Consumer surveys indicate that many people are confused about the meaning of many environmental symbols. To prevent confusion and make sure we use universal symbols that consumers recognize and understand the on-pack labelling will be consistent with the ISO 14021:2016 (Environmental labels and declarations – self-declared environmental claims (type II environmental labelling)). This among others involves the mobius loop that is used on packaging to indicate that something is recyclable.

### FSC PACKAGING AND COMPENSATION

In Europe, all our shoeboxes are made from FSC cardboard. The wood for the cardboard comes from FSC certified forests. This quality mark is recognized worldwide and takes in account responsible forest management. In addition, we only use water-based ink and no chemicals. To offset CO<sub>2</sub> emissions, we pay an additional price for our FSC cardboard. The money goes to climate protection projects carefully selected by ClimatePartner. In 2022, we selected a project in India, where we are active as company.

Over 700 million people in India cook over open fire. However, the smoke produced by this method of cooking has serious health implications. Our carbon offset project aims to counteract this problem: by granting Microenergy Credits to households, families and, small businesses they can purchase energy-efficient products like cookstoves and solar lights at an affordable price.



# MATERIALS – SUMMARY & HIGHLIGHTS

Because our planet is highly impacted by all materials in products and packaging, we are conscious about the materials we use. Overall, our strategy is to focus on using less, more sustainable, and certified materials. Of course, these materials still must uphold our high quality and performance while having a smaller impact on our planet. We made changes to embed sustainability improvements across our entire usage of materials – to ultimately minimize our environmental impact.

## HIGHLIGHTS OF OUR FUTURE AMBITIONS

For 2025, we aim for 100% material transparency. We want to increase the amount of sustainable materials in our EU footwear to 20%, while reducing average product carbon footprint (kg CO<sub>2</sub>e/unit) by 20% of NL produced collections. On top of that, we aim to source 100% leather from LWG Silver/Gold-rated tanneries. Regarding packaging, we want to decrease our packaging material by 20%. We aim to use 100% recyclable or reusable packaging; made from 100% recycled and/or renewable materials.

## HIGHLIGHTS OF OUR ACTIONS

We started the product analysis and generated material passports for 6 of our products, and we made several product changes. Over 95% of our NL-manufactured shoes have an inlay sole made of >70% recycled PU foam. On top of that, all laces produced in the Netherlands are made of 100% recycled PET bottles (rPET). Furthermore, our latest WHAWOWA collection has the Flexguard, an anti-penetration insole made of 100% recycled polyester; and the Bata Cool Comfort lining which consists of 65% recycled polyester and is GRS-certified. Also, we are working on harmonizing our communication about sustainability in accordance with ISO 14021. Regarding packaging, we performed an assessment, started with key improvements and planned the launch of a pallet wrapping pilot. We already ensured that 100% of our packaging is made from FSC cardboard.





chapter 5

# ENVIRONMENT



# ENVIRONMENT

We do not only care about protecting people, but also the planet.

Climate change is the most pressing issue in the world today. Resources are scarce and need to be protected. As a global company, we see it as our responsibility to ensure that we take action to reduce our impact on the climate. This requires us to change our way of doing. We opt for solid solutions that contribute to reducing our environmental footprint. By optimizing our products, production, processes and logistics

and looking for alternatives with the least impact, we want to reduce our emissions and ensure a more sustainable business. We want to consistently measure and track our progress. In this way, we aim to further reduce our footprint year after year. We are working on more environmentally friendly solutions, especially in the areas of mobility and our buildings.

### PRIORITY ISSUE:

- Carbon footprint reduction





# CARBON FOOTPRINT REDUCTION

## OUR CARBON VISION

Until 2025, our primary focus is on reducing and reporting on our scope 1 and 2 emissions – including direct emissions occurring from sources that are controlled or owned by our organization and indirect GHG emissions associated with the purchase of electricity, steam, heat, or cooling. We know that our scope 3 emissions, also referred to as value

chain emissions, represent the majority of our total emissions. However, because they are generated beyond our company walls and outside of our direct control. We will first focus on our own operations, because this is where we have the most influence and soon work towards measuring and managing our scope 3 emissions by working closely with our suppliers and customers.



## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Reduce our climate impact by lowering our (scope 1 and 2) emissions.</b></p>	<ul style="list-style-type: none"> <li>• Total CO<sub>2</sub> emissions calculated, also by measuring at machine level using sensors, etc.</li> <li>• Started with low-hanging fruit measures: including LED lighting, energy-efficient air compressor, waste collection and separation, increasing local production</li> <li>• ISO 26000 CSR self-declaration + reference matrix prepared</li> </ul>	<ul style="list-style-type: none"> <li>• 30% reduction in average (kwh/) energy consumption by 2025</li> <li>• 20% (Mtco2) absolute reduction in greenhouse gas emissions of (scope 1 and 2) by 2025 <sup>4</sup></li> <li>• Reduce waste sent to landfills by 30% in our production facilities by 2025</li> </ul>

4 Relative to production

## CARBON FOOTPRINT REDUCTION

# OUR APPROACH

### OUR APPROACH

Since 2018 we annually conduct environmental assessments of our operations to evaluate our carbon emissions, energy use, waste, and water consumption. This helps us to understand what the biggest impacts are, where they occur, identify reduction opportunities and track progress over time. Our team is continually taking steps to minimize our footprint and make our operations more sustainable, by implementing practices that curb emissions, increasing energy efficiency and reducing waste production to prevent waste from being sent to landfills. We are ISO 14001:2015 certified. This is the international standard with requirements for an environmental management system that helps us structurally improve our environmental performance.

### INCREASED ENERGY EFFICIENCY

As a priority, we aim to improve energy efficiency in the facilities we operate. Over the years we have continually been working on increasing the

energy efficiency of our operations by maximizing technologies that lower store, manufacturing and office energy use from lighting, heating, ventilation, and air conditioning systems. We update technologies that lower energy use from light and HVAC systems. Also, new investments in equipment is selected on basis of its energy label. Our company cars are also selected on basis of their CO<sub>2</sub> emissions. We are also in the process of a multi-year rollout to retrofit all our lighting – in our stores, offices, warehouses and distribution center with LED. LED lights consume 80% less energy than conventional lighting. This is not only good for the environment but also delivers significant cost savings, making it a win-win. In the Netherlands, we incrementally equipped our stores, offices, factory since 2018 with LED-lighting. In total >500 conventional TL cubes have been replaced by LED cubes. With the replacement from conventional tot Led lighting of our production facility alone we saved 55.000 kWh per year which is the equivalent of 36.000 tons of CO<sub>2</sub>.





## CARBON FOOTPRINT REDUCTION

### USING RENEWABLE ENERGY SOURCES

Increasing the use of renewable energy is an important part of our approach to reduce our emissions. We are currently looking at ways to increase the share of renewable energy in the facilities we operate by either sourcing renewable energy or installing solar panels. We always look at ways to make the buildings we operate more sustainable. However, in Best we are limited by what we can and cannot do, as our buildings have been designated monuments and therefore special rules apply.

### ENERGY EFFICIENCY

We have a team that is responsible for managing our energy consumption and costs, analyzing and improving current operational performance, and testing, prioritizing, and implementing energy efficiency technologies and products. We are happy with the accomplishments we have already made over time but recognize that reducing our footprint is a journey. To minimize our carbon footprint, we need to better understand our impact. In 2022 we started calculating our carbon footprint and we are working on expanding it in breadth and depth over time. In the same year we started working on optimizing our global management system, together with the holding company, to improve measurement, management and reporting practices.

### REDUCE CARBON EMISSIONS

Reducing our carbon emissions is our main priority. However, no matter how hard we will work on reducing our footprint we will still be generating some Co2 during our activities. Therefore, in the future, we want to work on neutralizing the remaining carbon emissions that we have not reduced through carbon offsets. We are aware of the need to reduce impacts from product transportation and staff travel and we are therefore working on setting targets to reduce the number of miles travelled not only by product but also our people.



## CARBON FOOTPRINT REDUCTION

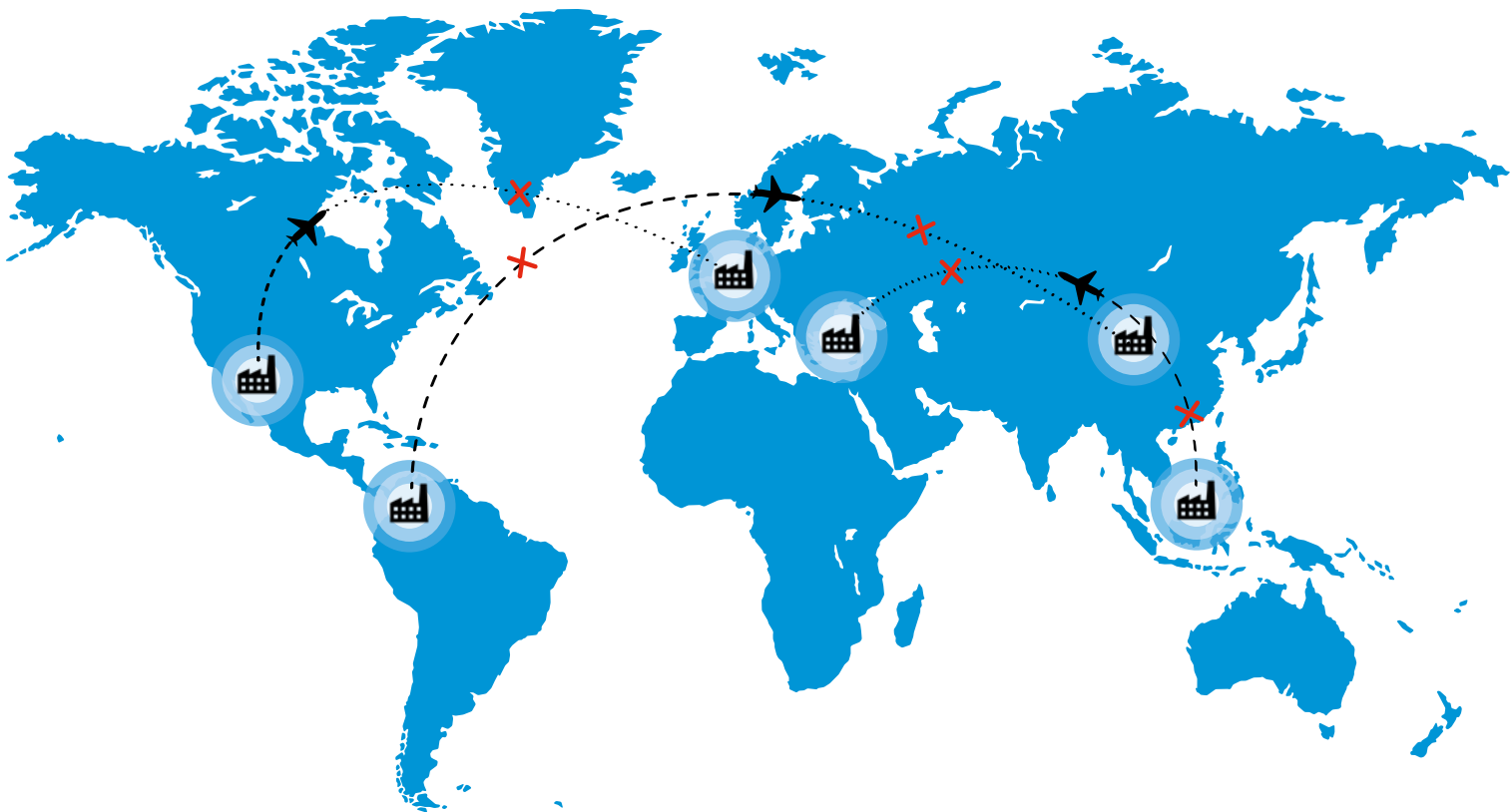
### SENSORFACT

In June 2022, our production team in the Netherlands started a collaboration with Sensorfact, a company that helps to provide insights on energy consumption at the machine level. Sensorfact makes use of sensors that are installed on machines and installations. The data measured with the sensors is analyzed with smart software to monitor our energy consumption, identify energy waste, and determine saving opportunities. With this project we expect to reduce our energy consumption and production costs in our production facility in Best in a structural way. Meanwhile this project has generated serious interest from other Bata production facilities where we are currently also looking at installing the sensors.

### LOCAL PRODUCTION

As a global organization Bata Industrials produces part of its footwear locally. This not only offers logistical advantages, but also makes its carbon footprint smaller. The more that is produced locally, the less CO<sub>2</sub> is emitted during transportation. Our ambition is to source 50% of our European production locally by 2025. We want to increase the production and purchase of materials and components within Europe and reduce those from countries outside Europe to reduce the distance between product and customer.

The strategy of producing locally is followed globally within Bata Industrials.



The strategy of producing locally: production close to where the product is sold, less use of transportation.



## CARBON FOOTPRINT REDUCTION

### WASTE REDUCTION

We are committed to reducing our waste and aim to send as little waste to landfill as possible. Through improved production techniques we aim to prevent the generation of waste in the first place. One of the most effective ways to divert waste from landfills is recycling. When it comes to managing and recycling waste streams, the Netherlands is one of the world leaders. At Bata Industrials, we separate and collect our waste such as paper, cardboard, foil, PMD (Plastic, Metal Drink cartons), production waste, coffee cups, chemical waste and residual waste. Some of our used materials such as paper and cardboard, foil and plastic are given a new life. This helps protect scarce resources and preserve the earth for future generations. Thanks to the focus on recycling waste streams, we have been able to reduce the residual waste stream in 2022 by 8,2%. Our waste separation has increased from 59% to 61% in the same period.

### WASTE ASSESSMENT

Our waste assessment showed that the biggest waste stream is from Polyurethane (PU). We are currently looking at sustainable solutions to reduce this waste stream, like recycling and reuse. So far, it has been a challenge to find ways to do this locally. We are currently further exploring opportunities together with FastFeetGrinded.

We look for opportunities to reuse and recycle shoes and re-use and upcycle manufacturing waste. In the future we want to switch to circular business models where all waste is treated as a valuable resource. This also involves developing closed-loop products. While circular shoes are very promising on paper, there is not yet a solution that is scalable for the footwear industry. That is a problem no brand can solve on its own and that is why we want to partner with others to accelerate systemic change at scale.

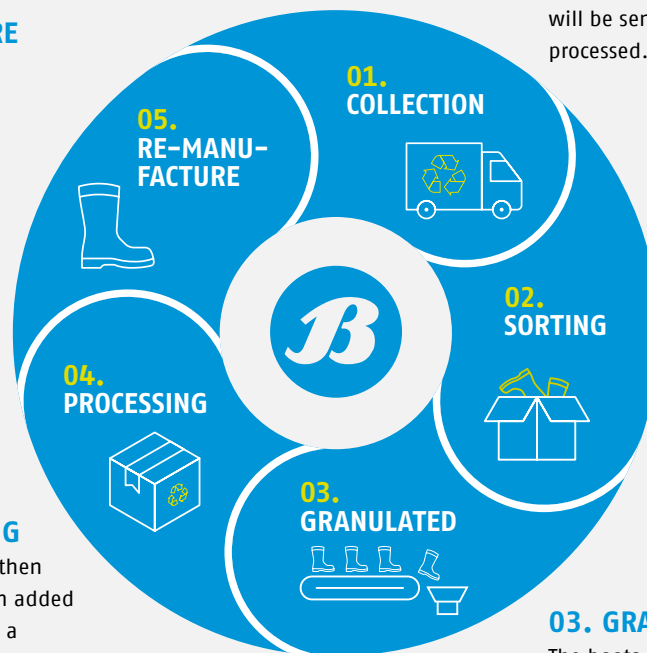
## 5 STAGES OF PVC RECYCLING

### 05. RE-MANUFACTURE

Bata then uses the recycled PVC material in its injection moulding machines to produce brand new black gumboots ready for use.

### 04. PROCESSING

The PVC pellets are then reprocessed with an added plasticizer to create a new compound that is approximately made of 50% or more recycled content.



### 01. COLLECTION

Bata will place a collection bin on your premises. Once this bin has been filled it will be sent to the recycling centre to be processed.

### 02. SORTING

The gumboots are then sorted and non-PVC materials are separated from the boot. This is necessary so that the PVC can be processed accordingly in further stages.

### 03. GRANULATED

The boots are then processed through a granulating machine that shreds the PVC into small pellets.

# ENVIRONMENT — SUMMARY & HIGHLIGHTS

Our planet's resources are scarce, and we are aware of the fact that we must work hard on reducing our environmental footprint. Our overall goal is to decrease our emissions by optimizing our products, production, processes and logistics and look for alternatives with the lowest impact. We are working towards more sustainable solutions for our transport, and our buildings.

## HIGHLIGHTS OF OUR FUTURE AMBITIONS

By 2025, we aim to make further steps and reach 30% reduction in average (kwh/) energy consumption. We aim for 20% (Mtco2) absolute reduction in greenhouse gas emissions (of scope 1 and 2) by 2025. Lastly, we have the ambition to reduce waste sent to landfills by 30% in our production facilities by 2025.

## HIGHLIGHTS OF OUR ACTIONS

To take care of our planet, we increased transparency about current CO<sub>2</sub> emissions by including Sensorfact sensors. This helped us to measure at machine level. We also made several changes in our production facilities, including the usage of LED lighting, energy-efficient air compressor, waste collection and separation, increasing local production. Lastly, we prepared the ISO 26000 CSR self-declaration and reference matrix.





chapter 6

# CARE

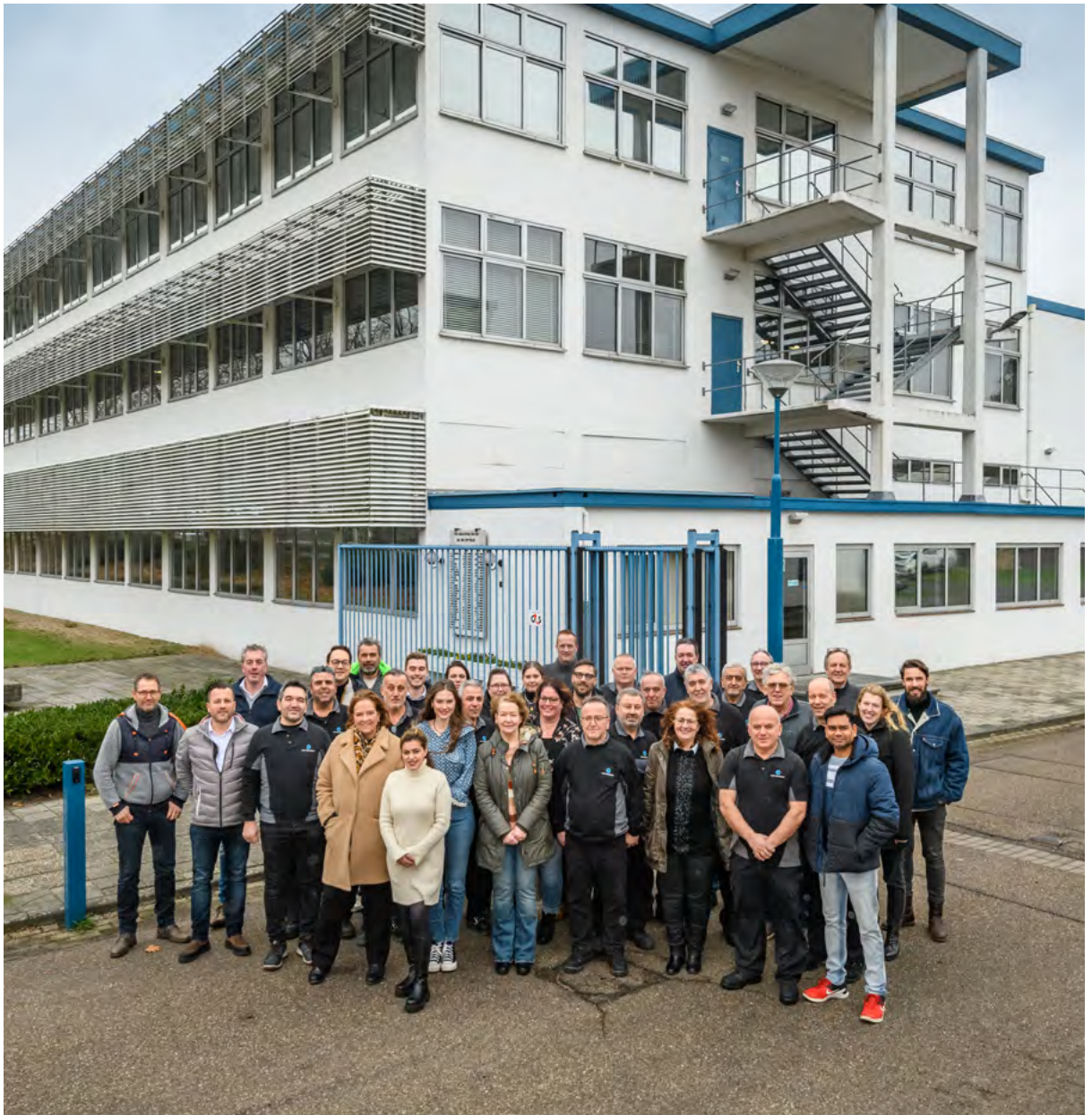


# CARE

We are a people-focused company. We not only take care of our own people but also the communities we work with and in. "We are a Family" is one of the pillars of our corporate strategy. Caring for others is part of our DNA. This means supporting our teams, suppliers and the broader community. We invest in providing opportunities for personal and professional growth, ensuring good work conditions and giving back to the community.

## PRIORITY ISSUES:

- Diversity and Inclusion
- Employee Training and Development
- Employee Health and Safety
- Community engagement
- Sustainable and Responsible Sourcing





# DIVERSE AND INCLUSIVE ORGANIZATION

## OUR D&I VISION

We believe that the vitality and strength of our company lies in our people. We know that we function at our best as a company when all employees feel heard and respected. We want to do everything to create a pleasant working environment where employees can work safely, grow and be themselves. We believe that companies with a diverse and

inclusive corporate culture are more responsive to customer needs, perform better, make better decisions, and are more creative and innovative. As a company, we want to further strengthen our culture of inclusion, empowerment and respect and increase diversity in our organization. There is no finish line. We are committed to making progress and investing in the change we want to see within our teams.



## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Taking care of our people and the communities we work with and live in.</b></p>	<ul style="list-style-type: none"> <li>• Piloting providing opportunities for people with disabilities – Archipel (Korsakoff) and exploring additional opportunities as well</li> <li>• Updated code of conduct for employees (soon to be released)</li> <li>• Developed guidelines for crafting inclusive job posts – started with pilot NL</li> </ul>	<ul style="list-style-type: none"> <li>• 3% of our workforce to be made up of people with disabilities</li> <li>• 100% Employees have received diversity and inclusion training</li> <li>• 43% of all colleagues are female</li> </ul>

**DIVERSE AND INCLUSIVE ORGANIZATION**

# OUR APPROACH

**INCLUSIVE JOB OPPORTUNITIES**

Bata Industrials is committed to providing a workplace for individuals with disabilities. In 2022 we started with a pilot in the Netherlands in cooperation with Archipel. A cooperation in which clients of Archipel can do their daytime work in our manufacturing facility. The clients of the Archipel group are dealing with brain damage caused by e.g., young dementia or Korsakoff. Partly due to the fact that both companies are housed on the same terrain in Best (NL), we could quickly kick-off the collaboration. We are currently exploring opportunities to provide additional opportunities for individuals with disabilities throughout the entire organization by for example making reasonable adjustments at the workplace.

**COLLABORATION WITH ARCHIPEL GROUP**

Since May 2022, we have formed a partnership with Archipel Group. One of their clients is currently working with us two days a week, providing active and enthusiastic support in folding boxes for packaging our shoes. Our new team member is highly engaged and wishes to come in every day. Our factory employees also enjoy his presence and make efforts to include him as a valued member of the team. After a successful pilot program with Archipel Group, we are

exploring ways to expand our collaboration, including the possibility of increasing our new team member's hours or providing a workplace for other clients of Archipel.

**COMPANY CULTURE**

The Bata corporate culture is informal, open and positive. We encourage interaction between departments and employees. To make this easier, everyone works in an open-plan office, so you can see who's in the office and feel part of the team. With more remote working and digital contacts instead of face-to-face, Bata Industrials is working to develop this without losing our sense of belonging. Accessibility of the board and management is very high, don't make an appointment, you can walk in and think along!

**AGE DIVERSITY**

We have a very diverse set of age categories, with most employees being aged 55-65, followed by 29% of employees aged 45-55, 16% aged between 35-45. 13% of our employees are under 35 and 2% are older than 65 years old.



## DIVERSE AND INCLUSIVE ORGANIZATION

### THE BATA SHOE ORGANIZATION (BSO) CODE OF ETHICS

The BSO Code of Ethics establishes certain standards of conduct that BSO expects of its employees while carrying out their employment duties. It provides guidance on how to resolve and identify ethical concerns and whom to consult when questions arise. Adherence to the Code's principles of integrity and fair dealing exists to protect the reputation of BSO companies and their employees. Upon joining, all Bata employees are required to sign an acknowledgement letter confirming that they have understood and will adhere to the requirements of the Code. Employees are also encouraged to refer matters of potential Code violations to their manager or other suitable members of the leadership team.

to employees on the code of conduct in which its importance is emphasized, its content is explained, and real workplace cases are discussed.

### PROMOTING DIVERSITY

As a global company, we want our workforce to reflect the markets and cultures in which we operate. The demographic profile of our industry is stereotypical, by female employees dominating our retail workforce and male employees dominating our production workforce. Overall, 35% of all functions are filled by female employees. Of course, there are plenty of exceptions to the rule. We have made diversity and inclusiveness central to our HR strategy to drive systematic progress and improve our HR processes. Through our recruitment, development programs and internal promotions, we want to encourage a broad mix of abilities, backgrounds and gender balance across our company and across job bands. We will continue to work on further optimizing our HR-processes to promote diversity and inclusion to level the playing field for all and make sure our employees can reach their full potential. This also includes training Bata Industrials employees in unconscious bias, with a primary focus on management.

### INCLUSIVE JOB-POST

At Bata Industrials we want to attract a wide, diverse pool of talent. Diversity hiring starts with crafting inclusive job descriptions, that reduce unnecessary barriers to entry and make every qualified job seeker feel comfortable to apply. We created a checklist with best practices for drafting inclusive job descriptions, like using gender-neutral wording, focusing on actual skills and competencies, and limiting job requirements to 'must-haves'. In 2022 we started piloting this checklist when drafting our Dutch Job vacancies to ensure they are inclusive and equitable. After a successful trial, we aim to introduce it more widely to all our business units in 2023.



### EMPLOYEE CODE OF CONDUCT

As part of our commitment to strengthen our culture of diversity and inclusion we have refreshed our code of conduct. The code defines our expectations on co-workers' behaviors by setting out what's deemed "okay" and what's not. It outlines how to report violations and enumerates the potential consequences for employees who violate it. We know that simply having a code of conduct that employees are given during their onboarding process isn't enough. From 2023 onwards we want to annually provide training

## DIVERSE AND INCLUSIVE ORGANIZATION

### WOMEN@BATA PROGRAM

At Bata, women's inclusion and advancement in the workplace is more than a "women's issue." It's an essential part of effective leadership and a sound business strategy. Research by Deloitte indicates that diverse teams make smarter decisions – and women play an important role in this makeup.

Within Bata we started in 2020 the program called Women@Bata to provide women with the opportunities, skills and knowledge to thrive in our company and beyond. This means a range of initiatives that tackle equal representation and promote career development. And at least one woman will always be among interviewed candidates in our selection process.



In addition, we work to raise awareness. We do this globally with local and regional initiatives, such as mentoring programs and workshops on topics such as wellness and health by partnering with health facilities for prevention screenings. Women@Bata goes one step further in supporting our commitment to the United Nations' Sustainable Development Goal of Gender Equality. It creates community around our global initiatives and gives us a platform to empower women at all ranks of the company.

### WHAWOWA WOMEN'S SAFETY SHOES

At Bata, women are important to us. Although they can handle the same work as men, women are different. They have disparate needs – and different shapes and shoe sizes. Why should they fit men's shoes just in a smaller size? Instead of trying to make women fit in, we want to cherish this dissimilarity by offering women what they deserve. We researched their needs and came up with a new safety shoe specifically designed for women. A well-designed shoe fully adapted to the shape and size of the female foot with the last to specifically support females to perform their best work. In this way, we cannot only support women's comfort and style, but also prevent injuries.



# TRAINING AND DEVELOPMENT – FUTURE-PROOF-ORGANIZATION

## OUR TRAINING VISION

We are committed to helping our people reach their full potential and strengthen their technical, professional and leadership skills at every level during their employment. We want to offer our employees not just a job, but a career. By continuously investing in the development and training of our employees,

we want to ensure that not only they, but the entire organization is and remains future-proof. We also believe it is important to invest in the development of our staff. The world around us is changing rapidly. We believe it is important that employees have the knowledge and skills to continue doing their jobs well and in line with our new CSR policy.



## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Taking care of our people and the communities we work with and live in.</b></p>	<ul style="list-style-type: none"> <li>• Bata E-University platform created (with holding company)</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of workforce have received a sustainability awareness training (to increase knowledge about sustainability)</li> <li>• Increase knowledge about sustainability among employees (qualitative KPI)</li> </ul>

## TRAINING AND DEVELOPMENT – FUTURE-PROOF ORGANIZATION

# OUR APPROACH

Employee happiness depends to a large extent on the opportunity for further development. We want to offer employees a career and encourage internal advancement and development. That is why employee training and development is an important focus point in our CSR strategy. We will continue to invest in (online) learning and development opportunities that help employees further develop their capabilities.

### WE LISTEN

Bata Industrials cares about the employee experience and works hard to create an environment where employees can do their best work. We believe it is important to listen and respond to employees' feedback and take action to ensure they feel part of the organization and feel that Bata Industrials is committed to helping them succeed. Not only do we collect feedback through our annual employee satisfaction survey but also our performance reviews. They give our HR department insight into learning needs and requirements for employees to be successful now and in the future.

### CSR TRAINING

To drive corporate change and achieve a sustainable business, engaging our employees is key. That is why our focus for 2023 is to ensure that all our employees have the necessary knowledge and skills to promote sustainable development within the company. We find it important that our employees understand what sustainability is and why it is important so they can effectively support our sustainability initiatives. We aim to provide clear guidance on what the new CSR strategy means for them and provide them with the competencies to embed sustainability within their day-to-day work. To make sure we stay committed to sustainability in the long term we invest in creating a culture of sustainability within our company.

### BATA E-UNIVERSITY

Based on the feedback from the HQ's Employee Satisfaction Survey in 2022 a e-Learning platform was launched to increase digital learning. With the aim to

empower our employees to take charge of their own professional and personal development, together with our HQ we introduced in 2022, the Bata e-University. It is an online platform with the focus on three learning and development pillars:

- 1. Functional Capabilities that will focus on building retail and product functional training programs.**
- 2. Behavioral Capabilities that will help bridge critical competency gaps, basis performance review and development discussions.**
- 3. Leadership Development that consists of different programs delivered in blended ways of learning experiences directly linked to our unique business challenges.**

Our employees can choose different learning programs in line with their business focus areas and personal development. This initiative enables us to work on sustainable employability and ensure that our employees are equipped to succeed, now and in the future.





# EMPLOYEE HEALTH AND SAFETY

## OUR HEALTH AND SAFETY VISION

We realize that our employees are our greatest assets. They do work that matters and the success of our company depends on them. The health and safety of our employees is therefore an important area of focus for Bata Industrials. We want to provide our employees with a safe, hygienic and healthy workplace. By developing safety management systems and fostering a strong safety culture, we want to prevent accidents at our production sites so that our employees can return home safely every day. Achieving this requires

clearly communicated safety policies, integration of safety leadership capabilities, standardized and repeatable safety management systems, and an active and engaged workforce that is properly informed and adequately trained about the hazards of their work and how to perform their jobs safely. We also want to encourage our employees to live healthy lives. We regard health as an important prerequisite for a high-performing workplace. We care about protecting our customers, our environment and our people.



## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Taking care of our people and the communities we work with and live in.</b></p>	<ul style="list-style-type: none"> <li>• Fresh fruit at workplace</li> <li>• Discount on fitness</li> <li>• Periodical Health</li> <li>• Examination employees/ASR vitality</li> <li>• Training &amp; guidelines</li> <li>• Create &amp; Practice a safety culture</li> <li>• Injury management by acting early to minimize the impact &amp; duration of injuries/illness</li> <li>• On-going education to Bata teams &amp; partners</li> <li>• Regular workplace &amp; job risk assessments</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of our employees received a health &amp; safety training</li> <li>• Overall TRIR of zero</li> <li>• 100% of our employees have access to ASR vitality</li> <li>• 100% of our employees have access to a periodical medical health examination</li> </ul>



## EMPLOYEE HEALTH AND SAFETY

# OUR APPROACH

### HEALTH & SAFETY GUIDEBOOK

Ensuring the safety of our employees remains the highest priority for Bata, we want to prevent any on-the-job employee accidents and injuries. The Bata Environment, Health and Safety (EHS) Policy provides detailed instructions on the Group's EHS standards, processes and systems. In practical terms it describes how we want to work in a safe, healthy and environmentally friendly way. We regularly conduct training and awareness sessions on safety topics throughout the year, to ensure employees stay on top of our health and safety procedures. We also conduct health and safety audits of our facilities to provide an early indication of potential risks as part of our risk management strategy. We have a formal safety reporting system and investigate all accidents to prevent them from happening in the future. Since May 2022, no accidents were reported. To make sure it stays this way we continuously work on optimizing our health and safety training.

### SUSTAINABLE EMPLOYABILITY

The retirement age is increasing, and people must work longer and longer. In our manufacturing facility, 95% of the workforce are above 50. This makes sustainable employment a vital topic for us. We want to make sure that our employees stay healthy, motivated, and productive until their retirement. That is why we are working on improved long-term employability. We work with employees in a collaborative way to support their needs and provide reasonable accommodation when needed. This may include doing less heavy or more varied work or adjusting their workplace.

#### PERIODIC MEDICAL HEALTH EXAMINATION

We provide our employees with the opportunity to undergo a Periodic Medical Examination (PME). The PME focuses on any (occupational) health damage risks concerning employees within our business and to reduce health risks and to improve fitness, health and productivity of employees.

#### FRESH FRUIT

We provide fresh fruit, available for every employee, at the workplace on a daily basis.

#### A.S.R. VITALITY

Encourage employees to move as much as possible. Employees can earn for example an Apple Watch or a Fitbit when the monthly targets have been realized.

#### WORKPLACE INSPECTION

To promote health and safety at the workplace, bi-monthly workplace inspections take place. The results of these inspections provide guidelines for (prematurely) minimizing the health and safety risks and the number of incidents with concrete action points.





# COMMUNITY ENGAGEMENT

## OUR COMMUNITY VISION

We believe that we are part of every community in which we operate. We not only want the best for our people but also for our customers and society. That is why the value "we are a family" is part of our corporate strategy. To contribute to local communities, we engage in various initiatives, together and without the holding company.

The impact we are making on our communities includes the following programs:

- Bata Children's Program
- Ronald McDonald
- 8 Hour Volunteering
- Clear Rivers
- Product donations (e.g. Christmas Gift Bata Superstore)



Climate Partner

## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Taking care of our people and the communities we work with and live in.</b></p>	<ul style="list-style-type: none"> <li>• New policy employees get 8hrs p/year paid time off to volunteer</li> <li>• Invested in charitable causes: Ronald McDonalds, Clear rivers</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the total volunteering hours to at least 300</li> <li>• 5 community/civic engagement activities per year</li> </ul>



**COMMUNITY ENGAGEMENT**

# OUR APPROACH

**BATA CHILDREN'S PROGRAM: SUPPORT FOR UKRAINE STUDENTS**

Bata Children's program is our largest and most significant community activity, focusing on helping children realize their potential, in partnership with local people and institutions. Since 2011, the Bata Children's Program has benefited more than 300.000 children in the community where we are present.

In Europe we focus on mentoring, education & skills. We help young adults to develop key job skills through work placement programs. In 2022 two young female students from the Ukraine worked for us. We helped them with access to Dutch Universities, English lessons and a research assignment. The main goal was to give them a sense of security and distraction in period of fear and uncertainty. In 2023 we will give lectures at selected schools about Industry 4.0.

**RONALD MCDONALDS – ALL ABOUT FAMILY**

One of our 6 strategic pillars, is 'We are family'. With this we mean, that our company is not about products. Our company is about people. Unfortunately, our employees also face illness or disease in the family. And we all know, when your world turns upside down due to illness or care, staying together as a family is most important. Especially when small children are involved. Therefore, we support since 2021 the Ronald McDonalds House Southeast Brabant. There, parents, siblings of children admitted to the Maxima MC hospital may stay to unwind and find support from other parents and volunteers.



RONALD McDONALD HOUSE CHARITIES

Ronald McDonalds House

Bata Children's Program

## COMMUNITY ENGAGEMENT

### CLEAR RIVERS – FOR A PLASTIC FREE SEA

Since 2022, we support CLEAR RIVERS. An organization that focuses on cleaning rivers in different countries. By placing litter traps in rivers, they collect plastic in a cost effective and sustainable way. Tackling the plastic pollution before they reach the open waters. The wind and currents do the work, the floating weirs hold back the plastic. The plastic is then recycled into new and durable products to contribute to a circular economy. Plastic that we as Bata Industrials can hopefully use in the near future in our shoe collections in Europe, but also Indonesia and Malaysia where CLEAR RIVERS is active just like us.

### CHRISTMAS GIFT BATA SUPERSTORE

We actively donate products to charitable causes. One example is the Christmas gift Bata Superstore project. More and more families are currently in financial difficulties, which sadly means that buying (children's) clothing has become a luxury that not everyone can afford anymore. For the 2022 Christmas period, our company has started a cooperation with the Clothing

bank in Best, Netherlands. The Clothing bank helps families who are struggling financially. Since there is a shortage of children's shoes, our company donated children's shoes from the Superstore to support these families.

### 8 HOURS VOLUNTEERING

In the context of sustainability, we consider it important that employees contribute to solving social problems. That is why we give employees the opportunity to spend 8 hours a year paid time off to give back to the communities in which they live and work by volunteering. The projects are initiated by Bata Industrials and employees can participate in group form.

While we have formed first ideas, the volunteer program is still a work in progress. We hereby aim to focus volunteering initiatives that are aligned with our sustainability goals.



In Rotterdam (NL), three passive Litter Traps to efficiently retrieve the plastics from the New Meuse and the Schie.





# SUSTAINABLE AND RESPONSIBLE SOURCING

## OUR SOURCING VISION

At Bata Industrials Europe, we manufacture shoes in our own production facility in Best, Holland. But as a large company, we purchase also products and services from suppliers. We work with suppliers all over the world who manufacture on our behalf. We always say: CSR does not stop at the gate of our company. In addition to direct responsibility for our own operations, we are also responsible for the supply chain of which we are part. We only want to

collaborate with suppliers that work in a responsible manner and treat employees with dignity, honesty, and respect (i.e., providing safe working conditions and paying their workers properly) and adopt environmentally responsible practices wherever they produce or provide services on behalf of Bata Industrials.

This strategy on sourcing is followed by every country under the responsibility of Bata Industrials.

## OUR AMBITIONS

OBJECTIVE	ACTIONS TAKEN IN 2022	FY2025 TARGET
<p><b>Taking care of our people and the communities we work with and live in.</b></p>	<ul style="list-style-type: none"> <li>• Developed a new Supplier Code of Conduct (Hereafter Code) (with the holding company)</li> <li>• Supplier Inventory International on end – products</li> <li>• Two of our primary suppliers are audited against the Sedex Ethical Trade Audit (SMETA)</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of tier 1 and 80% of tier 2 suppliers have signed the new code of conduct and MRSL</li> <li>• 100% of tier 1 suppliers are educated on the new code of conduct and MRSL</li> <li>• 100% of tier 1 suppliers have completed the self-assessment questionnaire</li> <li>• Increase SER audit cover by 15%</li> <li>• 100% of Product and Sourcing teams have received a training on the new code of conduct</li> <li>• 100% of Product and Sourcing teams are trained on Responsible Sourcing</li> </ul>



**SUSTAINABLE AND RESPONSIBLE SOURCING**

# OUR APPROACH

**OUR APPROACH**

At Bata Industrials we work with carefully selected suppliers in Europe, China and India. With most of our suppliers we have sustainable, long-term relationships. This gives them the certainty they need to plan for the future and the ability to better plan production capacity and avoid overtime.

Our relationship with suppliers is based on the standards mentioned in the Bata Supplier Code of Conduct (Hereafter Code). With the Code we want to communicate our values, express our core beliefs, and make sure our suppliers adhere to our high standards of safe and clean working conditions,

fair and respectful treatment of employees, ethical practices and environmental responsibility. We expect our suppliers to operate in accordance with the principles in the Code and in full compliance with all applicable laws and regulations. We do not enter into partnerships with partners who refuse to accept or make no effort to comply with these requirements.

In 2023 our Supplier Code of Conduct is update and send out to our suppliers. The Code extends beyond mere compliance with the law by drawing upon internationally recognized basic standards for working conditions and environmental responsibility.

**KEY POINTS COVERED BY THE SUPPLIER CODE OF CONDUCT:**

<b>FAIR COMPENSATION</b>	Bata requires suppliers to provide remuneration and legal benefits to their employees that comply with required laws, or, in the absence of local laws, which are fair and competitive both within the relevant industry and within the local community in which the Supplier operates, and at all times dealing with its employees in good faith.
<b>FREELY CHOSEN LABOR</b>	Bata requires that suppliers shall not in any way use or support the use of forced labor or involuntary labor, whether in the form of prison, indentured, trafficked, slave, bonded or otherwise.
<b>PREVENTION OF CHILD LABOR</b>	Bata requires employees of suppliers to be at least 18 years old. Suppliers may employ workers who are the applicable minimum legal age for employment. In the absence of a minimum legal age of employment, workers must be at least 18 years old.
<b>NO DISCRIMINATION</b>	Bata requires that suppliers shall not operate business or subject any employees to discrimination including, but not limited to hiring, work assignments, wages, benefits, promotion, discipline, termination, or retirement based on gender, race, color, religion, national origin, age, disability, pregnancy status, physical appearance, sexual orientation, political opinion, social or ethnic origin
<b>OCCUPATIONAL HEALTH AND SAFETY</b>	Bata requires suppliers to provide employees with a safe, healthy, and clean workplace designed and maintained to prevent accidents, illness, and injury to the worker. Suppliers must recognize that all injuries are preventable and take actions as may be required to identify risks, including health and safety training.
<b>ENVIRONMENTAL PROTECTION</b>	Bata requires suppliers to operate their businesses in a manner that recognizes the need to protect the natural environment. Suppliers shall implement responsible measures to mitigate negative workplace and operational impacts on the environment and surrounding community. This includes integrating sustainability principles into business decisions; improving environmental performance by responsibly using natural resources; reducing waste, increasing energy efficiency; adopting cleaner production and pollution prevention measures, and sustainably designing, developing, and building products, materials, and technologies.



## SUSTAINABLE AND RESPONSIBLE SOURCING

### IMPLEMENTATION AND MANAGING COMPLIANCE

Adopting a new Code is only the first step, the real challenge lies in implementing the new code and encouraging suppliers to improve labor and environmental conditions. Our focus for 2023 is to ensure successful implementation of the code at suppliers and monitoring compliance to make sure that ethical standards are incorporated into all supplier activities. This involves training employees and suppliers on the new code of conduct, self-assessments, and auditing by internal and external partners. In 2023 we will first start with compliance checks by means of a self-assessment and on-site visits from our trained employees. Our employees can help spot non-compliance early and take appropriate measures. Based on these results we will continue with third-party auditing in the form of scheduled and unscheduled audits of manufacturing facilities to independently monitor facilities.

### AUDITS

Audit findings will be formally reviewed through supplier meetings and, where necessary, corrective actions, including re-audits where applicable, are discussed and a timeline is agreed. Where needed support is proceeded. Unwillingness to cooperate or repeated serious violations of the Bata Supplier Code of Conduct will impact the business relationship and may result in termination of the supplier.

### RESTRICTED SUBSTANCES

We want to minimize the use of potentially harmful chemicals in our products. Together with the new supplier code of conduct we are releasing a new Manufacturing Restricted Substance List (MRSL) which designates the chemicals that should be minimized or avoided in our products. The updated version will be launched in 2023.

The restricted substances on the list may be included based on government legislation or regulation, due to health and safety concerns for consumers or workers, or because of potential environmental hazards. The RSL is distributed to our suppliers and to relevant employees, so they are aware and comply with our chemical policies.



# CARE – SUMMARY & HIGHLIGHTS

At Bata Industrials, caring for others as if they are our family has always been crucial for us. We truly care about people. This does not only include our own employees, but also our suppliers and the broader communities. It is our goal to take care of them. Therefore, we are in projects that increase diversity and inclusion, employee training and development, and employee health and safety. On top of that, we actively support community engagement and sustainable and responsible sourcing.

## HIGHLIGHTS OF OUR FUTURE CARE AMBTIONS

Until 2025, we aim for a more inclusive and diverse organization with 3% of our workforce to be made up of people with disabilities and 43% of all colleagues to be female. We want to ensure that our full workforce receives a sustainability awareness training, and 100% employees receive a health & safety training. We want all our employees to have access to ASR vitality and to periodical medical health examination. Regarding community engagement, we want to increase the volunteering hours to at least 300. To make steps forward regarding our sustainable

and responsible sourcing, we aim to increase SER audit cover by 15% and have 100% of tier 1 and 80% of tier 2 suppliers have signed the new code of conduct and MRSL.

## HIGHLIGHTS OF OUR ACTIONS

To increase diversity and inclusion at Bata Industrials, we started a pilot to provide opportunities for people with disabilities. We developed guidelines for crafting inclusive job posts and started with a pilot in the Netherlands. To encourage our employees to constantly train and develop themselves, we have created the Bata E-University platform. To keep our employees healthy and safe, we have made several changes, including periodical employee examination, fresh fruit at the workplace and on-going safety education. To engage in communities, we have invested in good causes and offered our employees time to volunteer. To ensure sustainable and responsible sourcing we have developed a new code of conduct for suppliers, made Supplier Inventory International on end products and ensured that Two of our primary suppliers are audited against the SMETA.





chapter 7

# OUR FUTURE GOALS





# OUR FUTURE GOALS

## WE AIM FOR MORE

We certainly have not reached all of our sustainability goals in 2022, but we have started to work towards them. We have built the necessary basis to make larger steps towards more sustainable development. At Bata Industrials, we never stand still. We use the spirit that we have just started – and we aim to reach more. Therefore, we have set goals to reach until 2025 to keep ourselves accountable.

Ultimately, we are aware that sustainability is not implemented overnight – but we do our best to work towards a more sustainable future.

## OVERVIEW OF KPI'S AND TARGETS FOR 2025 (1)

BUILDING BLOCKS	PRIORITY ISSUE	FY2025 TARGET
<b>MATERIALS</b> 	<b>Sustainable materials</b>	<ul style="list-style-type: none"> <li>• Increase the amount of sustainable materials in our EU footwear to 20% <sup>1</sup></li> <li>• Reduce average product carbon footprint (kg CO2e/unit) by 20% of NL produced collections <sup>2</sup></li> <li>• Source 100% of our leather from LWG Silver/Gold-rated tanneries</li> <li>• 100% material transparency <sup>3</sup></li> <li>• 100% of our EU-footwear will comply with the ISO 14021 Environmental labels and declarations</li> </ul>
	<b>Sustainable packaging</b>	<ul style="list-style-type: none"> <li>• Reduce packaging material by 20%</li> <li>• 100% recyclable or reusable packaging</li> <li>• 100% packaging made from recycled and/or renewable materials</li> </ul>
<b>ENVIRONMENT</b> 	<b>Carbon footprint reduction</b>	<ul style="list-style-type: none"> <li>• 30% reduction in average (kwh/) energy consumption by 2025</li> <li>• 20% (MtCo2) absolute reduction in greenhouse gas emissions (of scope 1 and 2) by 2025*</li> <li>• Reduce waste sent to landfills by 30% in our production facilities by 2025</li> </ul>


continued >

1 We define Sustainable materials as those that reduce the environmental impact of a product through better chemistry, lower resource intensity and/or less waste. In the material passport divided in the groups recycled content and renewable/bio-based materials.  
 2 Compared to 2022 score or equivalent model. This includes NL-produced products.  
 3 Every EU available collection will at least contain one key-model with a material passport in line with ISO 1421: 2016. All EU-produced product will have an official LCA.



# OUR FUTURE GOALS

## OVERVIEW OF KPI'S AND TARGETS FOR 2025 (2)

BUILDING BLOCKS	PRIORITY ISSUE	FY2025 TARGET
<b>CARE</b> 	<b>Diversity &amp; Inclusion</b>	<ul style="list-style-type: none"> <li>3% of our workforce to be made up of people with disabilities</li> <li>100% of our employees have received diversity and inclusion training</li> <li>43% of all colleagues are female</li> </ul>
	<b>Training &amp; Development</b>	<ul style="list-style-type: none"> <li>100% of our workforce have received a sustainability awareness training (to increase knowledge about sustainability)</li> <li>Increase knowledge about sustainability among employees (qualitative KPI)</li> </ul>
	<b>Employee Health &amp; Safety</b>	<ul style="list-style-type: none"> <li>100% of our employees received a health &amp; safety training</li> <li>Overall TRIR of zero</li> <li>100% of our employees have access to ASR vitality</li> <li>100% of our employees have access to a periodical medical examination</li> </ul>
	<b>Community Engagement</b>	<ul style="list-style-type: none"> <li>Increase the total volunteering hours to at least 300</li> <li>5 community/civic engagement activities per year</li> </ul>
	<b>Sustainable and Responsible Sourcing</b>	<ul style="list-style-type: none"> <li>100% of tier 1 and 80% of tier 2 suppliers have signed the new Bata Supplier Code of Conduct and MRSL</li> <li>100% of tier 1 suppliers are educated on the new code of conduct and MRSL</li> <li>100% of tier 1 suppliers have completed the self-assessment questionnaire</li> <li>Increase Bata's Social and Environmental (SER) audit cover by 15%</li> <li>100% of Product and Sourcing teams have received a training on the new code of conduct</li> <li>100% of Product and Sourcing teams are trained on Responsible Sourcing</li> </ul>



# APPENDIX





APPENDIX 1

# EXPLANATION ON MATERIALITY ASSESSMENT

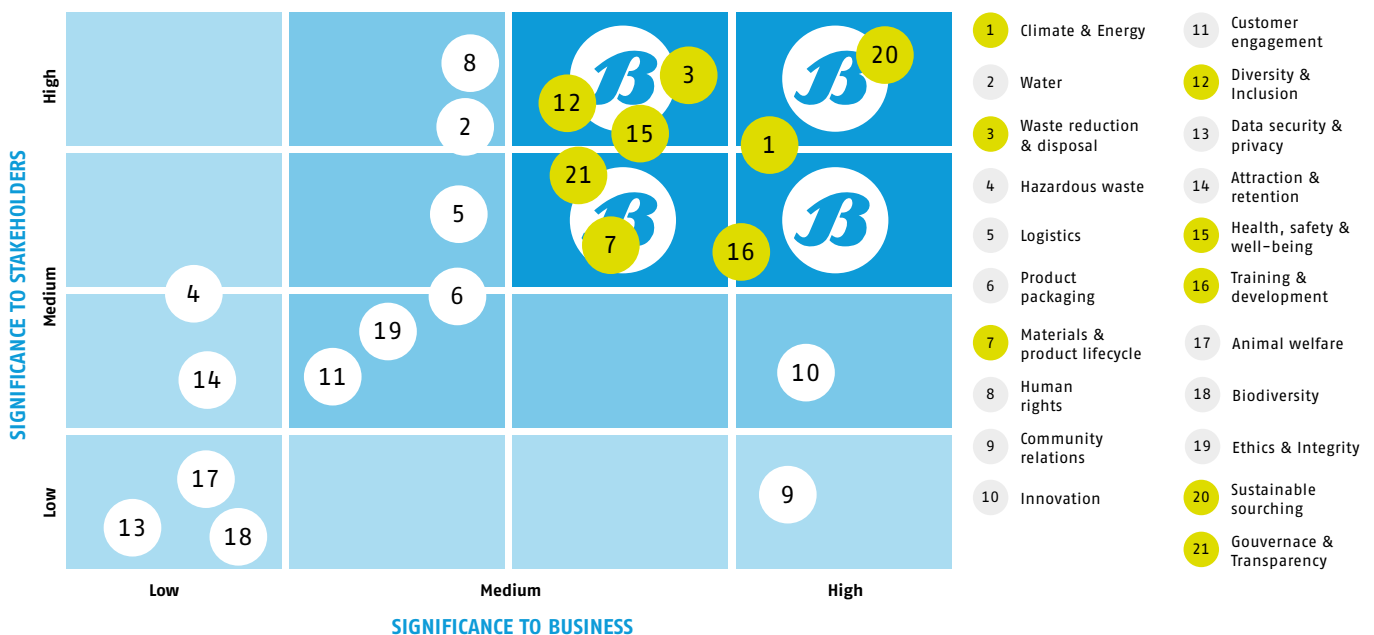
In 2021, we shaped our CSR policy based on a materiality analysis. To identify the relevant themes, we spoke to various internal and external stakeholders and consulted various sources of information. During in-depth interviews with various stakeholder groups (including employees, management, customers and suppliers), we asked which sustainability themes they consider important and expect Bata Industrials to take action and report on.

In addition to assessing the importance of the sustainability topics for stakeholders, we also looked at their scope, potential influence, concerns about the topic within and outside our organization, potential risks, contribution to our success and their relationship to our core processes. Based on this

comprehensive analysis, we identified the high-material sustainability topics for Bata Industrials. We will focus on these priority topics until 2025 by measuring and reporting progress.

The results of the materiality analysis are shown in the matrix below. The vertical axis gives a clear overview of the degree of importance of the respective themes for the stakeholders and the horizontal axis the importance of these themes for Bata Industrials. The themes in the top right corner have top priority.

## MATERIALITY ASSESSMENT MATRIX



APPENDIX 2

# WE CONTRIBUTE TO THE SUSTAINABLE DEVELOPMENT GOALS

With our Corporate Social Responsibility (CSR) strategy and ambitions, we contribute to the United Nation's Sustainable Development Goals (SDGs). The SDGs represent a collective effort by nations to secure a prosperous future for both the planet and its people. As a company, we are committed to playing our part in achieving specific SDGs that are closely tied to our values and business objectives. By prioritizing these goals and incorporating sustainability into our decision-making processes, we aim to make a positive impact and help build a more equitable and sustainable world.



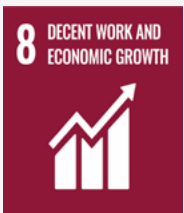
Caring for people is at the heart of our business. We are dedicated to make a meaningful impact in the realization of SDG 3, which places a strong emphasis on promoting good health and well-being for all. To achieve this, we focus on providing safe working environments and invest in initiatives that contribute to health of our employees. We take action to increase the awareness and health of our employees.



We also place a strong emphasis on protecting our planet and are dedicated to implementing SDG 13. Climate change is a global challenge that affects every country and every continent, and we are committed to reducing our emissions, increasing resilience, and promoting a cleaner and greener world. Our goal is to improve sustainability throughout our entire value chain, from using renewable sources and more sustainable transportation to reducing waste and promoting resource efficiency.



We also aim to do more and better with less. Consumption and production are at the core of our business, and we are committed to achieving SDG 12 by promoting responsible and sustainable sourcing. This includes implementing practices such as resource efficiency, material recycling, and ethical procurement. We also want to empower our consumers to make informed choices and aim to improve the transparency and availability of information about the environmental and social impact of our products and practices.



Finally, we are dedicated to promoting inclusive and sustainable economic growth, employment, and decent work opportunities through the realization of SDG 8. Our goal is to drive economic growth while protecting the environment by creating jobs, providing education and training, and ensuring fair and decent working conditions for all.



# QUESTIONS & CONTACT

## WANT TO SUPPORT US ON OUR MISSION?

We are innovators and want to constantly improve. But we know that others might be experts in fields that are new to us. We see the value in collaborations and partnerships. Therefore, we are open to feedback and support. Together, we are much stronger in creating a more sustainable future.





**SERIOUSLY.**