About this Review

This is Bata’s second Sustainability Review. The Bata Life Sustainability Review 2015 complements our online Bata Life web pages (www.batalife.com) which were launched in 2014 and are regularly updated. This Review takes a snapshot of our business today and the steps we are taking toward being a sustainable business. The content covers 2014 and 2015 and, unless otherwise stated.
Dear Stakeholders,

It is my pleasure to welcome you to the Bata Life Sustainability Review 2015. Our vision – to make great shoes accessible to everyone – requires Bata to be a best-in-class performer with excellent systems and procedures and the recognised industry leader in our segment worldwide. This Review allows us to reference the great effort and passion that is invested by Bata employees around the world in ensuring that Bata remains a company that people can be proud to be associated with.

The United Nations’ Sustainable Development Goals (SDGs) provide the global framework for addressing the systemic issues our society faces, and represent new opportunities for companies to promote sustainable consumption and production patterns alongside human rights, gender equality and economic empowerment. I am pleased that Bata’s efforts to actively promote the SDGs – through our production and product distribution models, as well as our active programmes aimed at empowering women and children – have been recognised by the Business Call to Action (BCtA) initiative. We wholeheartedly support the SDGs and remain committed to shaping our operating models and community actions around them.

Since our last Sustainability Review, we have focused attention on our supply chain and our community outreach. We have implemented the Bata Supplier Code of Conduct globally, and conducted social and environmental audits of our supply chain in China and India. We have incorporated environmental principles into our product design and our manufacturing processes, and we have extended the Bata Children’s Program to Ecuador, Italy and Vietnam.

To me, there have been two defining features of our sustainability approach: First, our continuing collaboration with organisations to improve labour conditions in our supply chain. Second, our efforts to empower women and to promote equality through our sales programmes in Latin America and in Bangladesh; and our women and youth empowerment programmes in Kenya and Zimbabwe.

We are re-aligning our sustainability priorities around our business goals and are focused on addressing the key social, environmental and economic impacts associated with our operations globally. We have some way to go, but through the dedication and energy of Bata people and their willingness to succeed, we can leverage the power of our brand to drive positive change across our value chain.

Chris Kirk
Bata Group Chairman
WELCOME TO

Bata life
About Bata Life

Bata exists not only to make shoes accessible to everyone, but to use our business model as a means of enhancing the living standards of our employees, our customers and the communities we share. In 1894, Tomás Bata set out to provide shoes for the world. But he understood early on that companies should exist to serve a social purpose; to enhance the lives of people connected to and through the business. The Bata ‘Life Effect’ has been an integral part of building and sustaining our business for more than 120 years, and it remains at the heart of our company.
Serving Our Customers  Extended Family  Responsible Operations  Thriving Communities
About Bata Life

**Design**

**Source**

*Bata life* Cycle
“Our vision - to make great shoes accessible to everyone - requires Bata to be a best-in-class performer...”  
Chris Kirk  Bata Group Chairman
Our business model is proof that the footwear industry can provide a way for people - particularly women - to be helped out of poverty through job creation.
Introduction to Bata

A family business
As a family business, it has always been our priority to look after the needs and the welfare of our people. We make sure that Bata employees and the families and communities that depend on them are cared for. In fact, we consider them to be a part of our ‘extended family’.

Excellence in manufacturing
The Bata brand is synonymous with quality. This quality is ensured through our own manufacturing operations and we expect our suppliers to uphold the same high standards.

Making shoes accessible
For more than 120 years, Bata has offered the best shoe at the best value, and it remains our mission to make great shoes accessible to everyone.

Innovation
Bata has been at the forefront of influencing footwear trends and dressing feet since its inception in 1894. Innovation is not limited to the production and design of new styles of footwear, we continually adapt our business model in response to rapidly changing markets.

International and local
Bata’s reach is worldwide yet our presence is local. Our international manufacturing structure allows Bata facilities around the globe to respond to the unique needs of local customers. As a result, Bata is honoured to be perceived as a local company in each country it serves. We continue to be guided by the same core principle we have followed for over 120 years: to know our customers and to create the best possible products to meet their needs.
Bata is one of the world’s leading footwear retailers and manufacturers, with operations spanning five continents.

WE ARE A FAMILY-OWNED BUSINESS EMPLOYING MORE THAN 30,000 PEOPLE IN OUR RETAIL STORES, PRODUCTION FACILITIES AND OFFICES AROUND THE WORLD.

The future of footwear
Professionals in Bata Shoe Innovation Centres are focused on discovering and using (and re-using) novel shoe materials, developing modern shoe technologies, and creating fresh footwear that marries style with comfort.

Thinking long term
Bata’s success has always come from our ability to think long-term. Our sustainability and corporate responsibility milestones have continued to sit alongside key business developments throughout our history.

<table>
<thead>
<tr>
<th>5</th>
<th>24</th>
<th>90+</th>
<th>1 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Continents</td>
<td>Bata-owned manufacturing facilities in 18 countries</td>
<td>Countries worldwide</td>
<td>Customers served every day</td>
</tr>
</tbody>
</table>
BATA BRANDS

Brands in total
OUR VISION
To make great shoes accessible to everyone.

OUR BELIEFS
Bata’s culture, values and beliefs have been the foundation of our approach to customers, employees and the communities in which we operate.

We believe in dealing fairly and with integrity with all our customers and suppliers and in all our business relationships. We strive to conduct our business in a manner that earns the respect and confidence of our people, customers and the community.

OUR PRINCIPLES
We help people to look and feel good...
...by continuously focusing on product quality, innovation and value

We become the customers’ destination of choice...
...by offering a personal shopping experience to create long-standing customer relationships

We attract and retain the best people...
...by showing great leadership, a passion for high standards, our respect for diversity and a commitment to create exceptional opportunities for professional growth

We strive to be the most respected footwear company...
...by being socially responsible and ethical in everything we do and a credit to every community in which we operate

“Our vision - to make great shoes accessible to everyone...”
HIGHLIGHTS 2014-15

Our 2020 sustainability goals underpin our commitment to be a global leader in providing affordable shoes, made to the highest standards of quality, comfort and responsibility.

100% of Bata-owned new and renovated stores use energy-efficient LED lighting, resulting in a 30% reduction in electricity consumption.

Close to 2 million social media followers are building a global network of Bata Ambassadors across the world.

Bata India, Bangladesh and Malawi nominated best brands in 2015 in their respective countries.

178 store operations managers have undergone training to improve customer service in stores.

BATA Awards launched in 2014 and 2015, where 20,000 people cast their votes, and more than 200 innovative projects and initiatives were submitted resulting in 15 winning teams.

First Bata Training Academy centre launched in Guangzhou, China, with a second centre opening in Limuru, Kenya. Around 350 employees attended courses in 2015. Three additional centres – in Malaysia, Chile and Italy – are scheduled to open in 2016.

Bata Twenty20 Program – 15 people enrolled in this 24-month rotation and development programme, involving 5 women and 10 men.

More than 200 merchandising managers were trained in the Bata Supplier Code of Conduct.

Almost one in four managers are women.

More than 645 Bata employees served 25 years or more with the company.

Best serve our customers

Improve our social performance
More than 170 suppliers in China and India were internally audited against Bata Supplier Code of Conduct.

Bata participated in study on child labour and home-working in leather footwear supply in South India.

By installing modern, efficient servo motors on our hydraulic injection machines, we have saved 60% energy.

In one year, Bata employees doubled the time they donated to volunteering activities, with a total of more than 32,000 hours spent on 200 initiatives benefitting 53,000 children.

Five schools opened by Bata Children’s Program, benefitting almost 500 children in Zimbabwe, South Africa and Vietnam.

Over 11,000 women employed through Bata’s catalogue sales program, Aquarella, in Bolivia, Colombia, Ecuador and Peru.

Bata recognised by Business Call to Action, for its contribution to the UN Sustainable Development Goals.

Bata Women and Youth of Zimbabwe project launched in collaboration with NGO, African Women in Developing Economies. 150 women now operate as Bata merchants selling footwear to rural communities.

Over 2,000 women employed through the Bata Rural Sales Program in Bangladesh, serving 375,000 households in rural communities.

All Bata community programmes are aligned to United Nations Sustainable Development Goals.

Strive for efficient and responsible operations

Engage people in supporting local communities
WHAT SUSTAINABILITY MEANS TO BATA

Taking the best techniques in traditional shoe making and adapting them to new materials and new markets has been a defining aspect of Bata for over 120 years. Bata has always thrived on the challenge of making great shoes accessible, and today we can draw on our considerable experience in the global footwear business to responsibly create, produce and distribute shoes that our customers want and at prices they can afford. Bata has a great heritage, and we should preserve the values and principles that define our business and our brand. Yet, we must be forward looking and be prepared to adjust to new challenges and market opportunities. We also need to use our scale to bring about systemic change in our industry and across the life cycle of our products, from improving livelihoods to lowering the impacts of sourcing, manufacturing, distributing and disposing of our footwear products. Our business model is proof that the footwear industry can provide a way for people - particularly women - to be helped out of poverty through job creation. We have a tremendous opportunity - through our global network of employees, customers, suppliers, business partners and peers - to bring about meaningful change in our industry.

“We need to use our scale to bring about meaningful change in our industry.”
**Governance**

The Chief Executive Officer has ultimate responsibility for sustainability across the Bata Brands company.

Sustainability is led by the Sustainability Director who reports to the Chief Executive Officer.

At Group level, we provide the leadership support, Group-wide policies and tools, and an organising structure that allow our various sustainability programmes and initiatives around the world to flourish.

With Bata’s devolved management structure, sustainability is managed on a day-to-day basis at local managerial level (through, for example, Company Managers, Function Heads and Facility Managers), with support provided through designated roles, such as our audit and compliance teams, and the regional and country coordinators of the Bata Children’s Program.

** Keeping it local**

We believe that sustainability should be an intrinsic and intuitive part of everyday life within the company. We, therefore, encourage sustainability initiatives at a grass-roots level, enabling our employees, managers and business partners to identify and implement business-appropriate solutions to sustainability challenges.

**Our sustainability pillars**

At Bata, sustainability is organised around four pillars:

Each pillar is described in more detail in the following chapters.

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“With Bata’s devolved management structure, sustainability is managed on a day-to-day basis at local managerial level.”
In 2014, we began the process of identifying initial KPIs and associated short-term (to 2015) targets covering some key environmental and social impact areas for the company. While, clearly, these do not necessarily cover all of our most significant impacts, we wanted to focus on a few, relatively accessible indicators while establishing our data management system. During 2016 and 2017, we intend to conduct a more in-depth assessment of our key impact areas.

Guidelines on data collection, a KPI support tool, and a helpline were developed to facilitate data collection across the Bata Group. Webinars were also organised with the KPI reporters in each location.

All countries report data on a monthly basis using Bata’s financial data management system. Using a common reporting system for finance and sustainability ensures that KPI reporters are familiar with the data management system and are able to address incomplete datasets as they arise.

Absolute values were calculated for each reporting country and we consolidated data at Group level. We also ascertained the relative performance specific to each KPI (e.g. litres of water required to produce one pair of shoes) at reporting country and Group levels. During 2015, datasets were screened on a quarterly basis to identify and address outliers. Sources of errors and misunderstandings were corrected, resulting in more robust and reliable data.

Sustainability data for 2014 was reviewed by the senior management team and short-term (to 2015) improvement targets were agreed. Data for the year ending October 2015 were presented to the senior management team, along with updates on progress against each target.

Environmental Impacts

2015 Targets

- **5%** Reduction in energy consumption (using 2014 baseline)
- **10%** Reduction in water consumption (using 2014 baseline)
- **10%** Reduction in waste produced (using 2014 baseline)
MEASURE 2015 TARGET

### ENVIRONMENTAL IMPACTS

<table>
<thead>
<tr>
<th>Measure</th>
<th>2015 Target</th>
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<tbody>
<tr>
<td>Energy Consumption (gas and electricity consumed by Group)</td>
<td>Total kWh (gas and electricity) Reduce energy consumption by 5% (using 2014 baseline)</td>
</tr>
<tr>
<td>Water Consumption (water purchased by Bata-owned factories)</td>
<td>Total Litres Reduce water consumption by 10% (using 2014 baseline)</td>
</tr>
<tr>
<td>Waste Generation (waste produced by Bata-owned factories)</td>
<td>Total Tonnes Waste Reduce waste produced by 10% (using 2014 baseline)</td>
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</tbody>
</table>

### SOCIAL IMPACTS

<table>
<thead>
<tr>
<th>Measure</th>
<th>2015 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender Equality (female/male employees globally)</td>
<td>No. of female managers/supervisors versus no. of male managers/supervisors globally 10% more female than male employees globally (based on 2014 baseline)</td>
</tr>
<tr>
<td>Workplace Safety (Total Recordable Incidents in Bata-owned factories)</td>
<td>Total Recordable Incident Rate (TRIR) Zero incidents</td>
</tr>
<tr>
<td>Volunteering hours spent on supporting Bata Children’s Program</td>
<td>Total Hours Volunteered Increase by 20% (using 2014 baseline)</td>
</tr>
</tbody>
</table>

We will report on our sustainability performance annually from 2016.

**MANAGING PERFORMANCE**

At Bata, we use short-term commitments and targets to steer our progress towards our overarching sustainability goals, which we refer to as our ‘2020 Commitments’. (See Chapter 6: Our Sustainability Performance and Progress.)

**OUR SUSTAINABILITY PROGRAMMES**

Our sustainability programmes directly support our targets and commitments. Details of these programmes appear in the following chapters.

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**Social Impacts 2015 Targets**

- **10%** More female than male employees globally (based on 2014 baseline)
- **0** Incidents recorded
- **+20%** Increase in volunteering hours on BCP (using 2014 baseline)
Serving our CUSTOMERS
Bata has been a pioneer of innovative footwear for more than 120 years. We create shoes based on the needs and desires of our customers in their local markets. To date, Bata operates through 4,900 stores in more than 70 countries. Today, our range extends to more than 30,000 styles across 15 brands, and these are made accessible to customers through Bata stores and franchises and via our business partners, as well as through our enterprising sales programmes, which operate in multiple rural locations. These channels enable us to serve more than one million customers every day.

“We create shoes based on the needs and desires of our customers in their local markets.”
BATA RIGHT FIT, BATA COMFORT AND BATA QUALITY

At Bata’s Shoe Innovation Centres, we conduct research into new technologies, materials and designs that support shoe comfort features and guarantee fashion-forward design. Each Centre takes advantage of market research and the latest design technology to create new and exciting products that offer the best value to customers. Branded products, innovative retail store concepts, lifestyle merchandising, and non-footwear accessory products are just a few of the novel concepts that Bata has introduced.

BATA RIGHT PRICE

At Bata we look at the best quality/price relation for our customers. We respect the need for quality and durability in each pair of shoes we make and sell, which is why we are not prepared to cut corners. Instead, we look at how we can achieve efficiencies in our operations that ultimately benefit the customer. The diagram opposite illustrates how we approach this:

Bata Right Fit, Comfort, Quality and Right Price

Like the expert shoemaker, Bata offers a complete range of formal and casual footwear with distinct design, high quality and competitive fit and comfort, while maintaining an affordable price.

Local production

Our global network of 24 local factories exclusively supplies domestic markets, helping to keep transport costs down.

Eco-efficient operations

All our production facilities are equipped with transparent roofs to optimise natural light during daylight hours, and adopt various other eco-measures, such as energy efficient machinery and bio-mass boilers.

Waste management and recycling

We reduce our overhead costs by recycling materials and end-of-life shoes, minimising factory waste, and reducing waste to landfill in all our facilities.

Selling locally

From our choice of store locations, e-retailing, to the deployment of direct selling programmes in Latin America, Zimbabwe and our Rural Sales Program in Bangladesh, we bring our shoes closer to our customer.

“We respect the need for quality and durability in each pair of shoes we make, which is why we are not prepared to cut corners.”
OUR MANAGEMENT APPROACH

BATA STORES AND FRANCHISES

Our large distribution network works in harmony with our global-local product development. Within each market, Bata operates traditional family stores in provincial areas alongside larger city stores and specialist brand stores in municipalities. Our family stores offer a personal retail experience for our customers, in keeping with our tradition of operating as a local business. Similarly, our specialist brand stores, such as Footin, Primavera, Marie Claire, Bubblegummers, Hush Puppies (in India) and Weinbrennee, are designed to engage loyal customers through a targeted merchandising and customer service approach, while promoting brand profiles to a wider consumer base.

We continuously seek innovative ways to bring the Bata brand closer to customers and enrich their retail experience. This may be through pop-up stores, ecologically designed store formats, or flagship stores which showcase state-of-the-art designs and retail formats.

Bata Stores Go Beyond Green

Bata International’s Store Concept Development department likes to set itself a challenge and with the latest store concepts, City Zeus and Family Mercury, the team embarked on a mission to design retail environments that were safe and healthy for customers and employees, while also factoring in energy saving features.

Keeping safety and health in mind

All of the store fittings used in Bata’s City Zeus and Family Mercury store designs are certified as formaldehyde-free. In accordance with Group policy and current international standards, Bata uses an independent testing, inspection and certification company to ensure that all suppliers meet its specification. In addition, all wood materials and composites in new and renovated Mercury and Zeus stores across Africa, Asia-Pacific, Latin America and South Asia are certified by the Forest Stewardship Council, guaranteeing that these products come from well-managed forests that provide environmental, social and economic benefits. Furthermore, the use of an ultraviolet painting process in Zeus stores delivers a reduction in volatile organic compounds (VOCs) and hazardous air pollutants. All furnishings are delivered to their final destination fully disassembled and flat-packed. This not only minimises the volume of goods being shipped and, therefore, reduces fuel consumption and costs, it results in significantly lower CO₂ emissions. Finally, the team looked at the overall life cycle of store furniture, and ensured that none of the materials uses adhesives, which means that they can be fully disassembled for easy re-use and recycling.

“We continuously seek innovative ways to bring the Bata brand closer to customers and enrich their retail experience.”
Striving for 100% LED lighting in stores

All new and renovated Bata International stores use efficient light emitting diode (LED) lighting systems, which cut energy consumption and deliver significant cost savings from lower energy consumption, reducing the need to replace light bulbs and tubes, and minimising the use of air conditioning required to offset heat emitted from incandescent or fluorescent lighting.

At Group level, Bata closely monitors energy using one of six key performance indicators for sustainability. In Europe, all new stores since 2014 have been equipped with fourth-generation LED lighting. In existing stores, 700 light bulbs were replaced with LED lamps during 2015, decreasing the consumption of each lamp more than ten-fold, from 100 to 9.5 watts. This region alone is estimated to have saved the equivalent of 21 tonnes of CO₂, ensuring a return on investment within one year.

“Our family stores offer a personal retail experience for our customers, in keeping with our tradition of operating as a local business.”
BATA CLUB
Bata Club is our new loyalty programme launched at the end of 2015 worldwide, which offers customers the opportunity to accumulate points every time they purchase a Bata product. Having registered either in the store, online or on a mobile app, customer points translate into rewards, birthday gifts for customers and their children, invitations to new product previews and in-store events, and special discounts on purchases throughout the year. The Club also provides customers with ‘Bata Opinion Leader’ status, enabling them to engage with us and provide candid feedback on preview products as well as sharing their views on any other aspect of our products and our business. With an aim to have 20 million active members of Bata Club by the end of 2017, we look forward to building closer relationships with our existing and new customers through this online community.

BATA.COM
In an increasingly competitive and interconnected marketplace, the ability for a retailer to offer merchandise via the internet is essential. Since January 2015, Bata.com has been the destination of 20 Bata shoe domains. In addition to Bata shoes, all of Bata’s major international brands are now registered and have active domains, providing yet another way for Bata to make great shoes accessible to everyone.

Upholding high standards of customer service is vital if retailers are to earn and retain the loyalty of their customers. At Bata, we regard our online services as an extension of our stores. We offer customers access to a wide range of merchandise – often extending beyond that which they can purchase in their local store – and we provide delivery free of charge to any address within a given country. We also give customers the chance to return unsuitable items ordered online to our stores for an exchange or refund.

www.bata.com

Building a global network of Bata ambassadors
Complementing our Bata.com website and affiliated brand sites, we use social media platforms such as Facebook, Instagram, Pinterest and GooglePlus, to connect with and get closer to consumers. From an early stage, it became clear to us that consumer comments about our products and our stores are so much more genuine, authentic and unbiased than anything we can say about ourselves. In fact, a recommendation from a customer is priceless.

With around two million social media followers, we embrace this generation of ‘authentic marketers’ by actively encouraging consumers to use our platform to share their stories, ideas and feedback and effectively become ambassadors for Bata and our brands. We are also keen to promote bloggers who share their stories through comments and pictures.

In fact, we reached out to one particular Czech blogger, and asked if we could turn her picture wall into a digital magazine, which was a great success! We have also sponsored a virtual, e-gaming team, where we provided Bata shoes and shirts that were viewed by an audience of 16 to 30-year olds. Initiatives such as these present exciting opportunities for brand exposure, and we look forward to engaging in other virtual events in the future.

Looking ahead to 2016, we are focusing on activating the Bata brand by drawing on our heritage and reaching out to new audiences, while deepening the relationships that we have with existing customers through our social media platforms and through Bata Club.

“A recommendation from a customer is priceless.” Pierre Murbach, Brand and Digital Media Manager
BATA BRANDS IN FOCUS

BATA INDIA NAMED TOP INDIAN FOOTWEAR BRAND at the Dun & Bradstreet Corporate Awards 2015, an event rewarding India’s best-performing companies across a variety of business sectors.

BATA BANGLADESH RECEIVES BEST FOOTWEAR BRAND 2015 award from Bangladesh Brand Forum for the third successive year in recognition of our business value and consumer performance.

BATA MALAWI WINS ‘MOST IMPROVED BRAND OF THE YEAR’ in the 2015 Chartered Institute of Marketing’s Awards, in recognition of our brand presence and customer engagement activities.

In our previous Sustainability Review, we profiled three shoes – the Sofia (worn by women in Malawi), the Cholita (worn by women in Bolivia), and Toughees (worn by children in Africa and the UK). More stories about our shoes (such as our Bata Industrials Safety Shoes and Gumboots, Bata Tennis and ‘The One’, a prestige, classically made, formal shoe based on Thomas Bata’s favoured design) can be found on the Bata Life website. In addition, you can find stories relating here to some of our other iconic footwear brands, such as PataPata, in our Thriving Communities section.

www.batalife.com
WHAT EXTENDED FAMILY MEANS TO BATA

“Our belief that the fundamental vitality and strength of our Organisation lies in our people.” Thomas J. Bata
OUR STANDARDS

THE BATA SHOE ORGANIZATION (BSO) CODE OF ETHICS
The BSO Code of Ethics (‘the Code’) establishes certain standards of conduct which Bata expects of its employees. Adherence to the Code’s principles of integrity and fair dealing exists to protect the reputation of BSO companies and their employees. On joining Bata – and in conjunction with changes to existing employment agreements – 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 member of the leadership team in their country.

THE RIGHT TO COLLECTIVE BARGAINING AND FREEDOM OF ASSOCIATION
Bata respects that it is the implicit right of employees to select a union to bargain on their behalf, and Bata recognises the important role that certified local unions play in representing the views of Bata employees.

Bata companies are committed to raising the standards of health, workplace security, economic well-being, education and respect for the environment. We build our businesses in collaboration with stakeholders, based on trust, teamwork, honesty and mutual respect, and we uphold the principles of entrepreneurship, teamwork and rewarding our employees on performance.

Through our Supplier Code of Conduct (see page 48), we expect our suppliers to pay fair wages in accordance with local laws or industry standards and deal with their employees in good faith. We also require that they provide a safe, clean workplace, which maintains high standards of health and safety to ensure employees are protected.

“We build our businesses in collaboration with stakeholders, based on trust, teamwork, honesty and mutual respect, and we uphold the principles of entrepreneurship, teamwork and rewarding our employees on performance.”
MANAGING HUMAN RESOURCES
At Group level, the Bata Human Resources (HR) team, comprising the Group HR Director, Head of Training, and Head of Talent Management, provides leadership on employment matters across the Bata Shoe Organization (BSO), and supports local HR professionals operating locally. A comprehensive HR portal provides universal access to details on relevant policies, programmes, initiatives and tools.

Local country management teams are responsible for talent recruitment and retention, as well as the development and management of human resources. Our Company Managers and HR professionals are best placed to understand the local labour market and legislative framework to ensure that employees receive fair and competitive compensation, are protected from all forms of discrimination and exploitation, and are provided with a safe and healthy working environment.

ATTRACTING AND RETAINING TALENT
Bata HR’s mission is to ‘Attract, retain and develop the best people’.

At Bata, we look to attract a diverse range of skilled and experienced people, as well as those with less experience but with high potential, to help support our business growth.

Through Bata’s global partnership with LinkedIn, we are changing the way we recruit people, by interacting with talent worldwide, developing our branded image as an employer and benefitting from lower recruitment costs. Bata has received more than 4,500 applications for the 12 roles advertised so far, and two new people have been hired (for critical roles in Singapore and Italy). We have seen a significant increase in interest, with more than 12,000 followers, including 3,500 employees. Of these, 40 percent of people work in apparel and fashion and 30 percent in sales.

To visit our LinkedIn career pages, visit:
www.linkedin.com/company/bata/careers

“Local country management teams are responsible for talent recruitment and retention...”
ENGAGING EMPLOYEES

We place particular importance on staff retention, ensuring that the talent we have managed to attract and develop stays within the company as much as possible. We want every employee to feel a part of Bata’s extended family. This means ensuring that everyone who works for Bata feels familiar with Bata’s principles and values, is supported in their work and is encouraged to develop their knowledge and skills, knowing that their contribution to the company is valued. We deploy a number of initiatives to support these aims at company and Group levels. Examples of our Group initiatives include:

We place particular importance on staff retention, ensuring that the talent we have managed to attract and develop stays within the company as much as possible.

INTERNAL COMMUNICATIONS

We use web-based internal communication tools to keep our employees engaged and connected to what is happening within Bata. Bata World News is a dynamic news platform sharing stories from across the Bata global network, and Radio Bata World is a commercial-free, 24-hour selection of the best playlists from across the world. Radio Bata World is played in our stores and facilities worldwide and can be downloaded by employees and customers using a free mobile phone app.

BATA VALUES

Bata Values are five core principles that have guided the company since its beginning, and which continue to hold true in the company today. During 2015, a number of employees across the network were invited to participate in focus groups to help define and refine Bata’s core values. This process culminated in the following five values being agreed: Serve with Passion, Be Bold, Count on Me, Exceed Customer Expectations, and Improving Lives.

During 2016, we plan to raise employee awareness of the Bata Values, to help employees across the business at all levels to understand and apply them.

BATA AWARDS

In 2014, we launched the annual Bata Awards to recognise outstanding employee efforts across ten categories, which, in 2015, included categories linked to Bata’s values. With around 7,000 and 13,000 people respectively casting votes in the 2014 and 2015 awards programmes, it is clear that employees embrace the chance to celebrate their colleagues. Winners of the 2015 awards have been invited to present their innovative projects to company directors in Toronto, Canada in May 2016.

“We place particular importance on staff retention, ensuring that the talent we have managed to attract and develop stays within the company as much as possible.”
THE BATA TRAINING ACADEMY

The Bata Training Academy (BTA) is a global development initiative designed to encourage and foster a culture of continual learning and development among Bata companies and their employees. Through a variety of instructor-led and virtual training courses, local Bata companies are able to benefit from programmes that are delivered through designated training centres and which are designed to equip employees with the skills and confidence to exceed business objectives and increase shareholder value.

Our vision is to achieve excellence by fostering a culture of continual learning and development through:

- developing best-in-class learning programmes that are accessible to all employees;
- standardised training – ensuring consistency in content and execution
- effective training initiatives with defined learning outcomes
- nurturing a change culture within the organisation

The Bata Training Academy covers three main development areas:

**MANAGING AND DEVELOPING SELF**

Courses are designed to develop the skills and techniques needed to increase self-awareness and build personal impact, influence and effectiveness in dealings with ourselves, our workloads and others.

**MANAGING BUSINESS**

Courses equip participants with the know-how and skills to increase their job effectiveness and performance in their business area, covering topics such as negotiation, sales improvement, merchandising and entrepreneurship.

**MANAGING OTHERS**

Programme equips participants with the knowledge and skills required to be an effective leader. Topics include work organisation and delegation, coaching and motivating employees, resource budgeting and allocation, and leading high performing teams.

“Our vision is to achieve excellence by fostering a culture of continual learning and development...”
The first Bata Training Academy centre opened in November 2014, in Guangzhou, China, and since then, more than 350 Bata employees have participated in training courses. In fact, such is the demand for the courses, a second Bata Training Academy centre for Africa opened in Limuru, Kenya in November 2015 and is already fully operational, with 11 courses scheduled for 2016 so far. The third BTA centre, to be located in Asia Pacific – in Kuala Lumpur, Malaysia – will be inaugurated in March 2016. Other BTA centres are expected to open in 2016, including centres in Santiago, Chile for the Latin America region, and in Limena, Italy for the Europe region.

The Academy is supported by a website providing a comprehensive overview of courses, a programme calendar, course outlines, feedback from past participants and photographs. The website forms part of a comprehensive HR portal for the Bata Shoe Organization.
CAREER PROGRESSION

There is a saying in Bata: “We don’t offer jobs. We offer careers.”

At Bata, there is clear career progression. Our programmes, such as ‘Passion to Serve’, equip employees, especially front-line retail associates, with leadership skills, career progression plans, and opportunities for continuous development. There are three main pillars to Bata’s career progression plan: Bata Twenty20; Bata Interchange; and Step Up.

BATA TWENTY20 PROGRAM

The Bata Twenty20 program is an international 24-month rotation and development programme for external candidates that help BSO companies to source new talent in the organisation. The Bata Twenty20 program will also support BSO companies with succession planning for specialists and future managers. The objective is to select at least one new participant per company for BSO companies in Europe, Latin America, Africa and Asia Pacific. The selected candidates will be hired by local BSO companies under local employment agreements, and will be exposed to various types of roles. After a solid two-month induction, participants will be appointed to store and merchandising roles, with challenging objectives, strong supervision and comprehensive training as well.

BATA INTERCHANGE

The Bata Interchange programme is targeted at employees below the age of 30. Selected employees will undertake the six-month interchange programme, by assuming a role as part of a larger operation and in a different country. On returning to their home country, they will be targeted for promotion opportunities.

STEP UP

Aimed at high-potential employees, Bata identifies between 25 and 30 high-potential teams across its regions. These teams are then developed as part of Bata’s talent management programme.

“We don’t offer jobs. We offer careers.”
CELEBRATING LONG-SERVICE

Bata is proud to include amongst its employees a number of people who have served the Bata Shoe Organization for 25 years or more. In fact, generations from the same families work for Bata - testament to our founder’s vision of providing employment for people now as well as for future generations. During 2014-2015, 645 employees celebrated 25 years at Bata.

ENSURING EMPLOYEE SAFETY, HEALTH AND WELLBEING

Ensuring the safety of our employees remains the highest priority for Bata. The Bata Environment, Health and Safety (EHS) Guidebook provides detailed instruction on the Group’s EHS standards, processes and systems. Our Environment, Health and Safety teams globally provide training and awareness sessions on safety topics throughout the year, while health and safety audits of our facilities provide early indication of potential risks as part of our risk management strategy.

PROMOTING DIVERSITY

As a global company, we value and respect the diversity of our workforce in reflecting the markets and cultures in which we operate. The demographic profile of our industry is stereotypical, with female employees dominating our retail workforce and male employees dominating our production workforce. Of course, there are plenty of exceptions to the rule, and, through our recruitment campaigns, development programmes and internal promotions, we encourage a broad mix of abilities, backgrounds and gender balance across our company and across job bands.

“During 2014-2015, 645 employees celebrated 25 years at Bata.”
Bata’s heritage lies in our global manufacturing. In fact, we still manufacture shoes in our own production facilities in 24 factories in 18 countries, with certain processes, such as stitching uppers, being outsourced to closely linked local businesses, known as Associate Business Units (ABUs). In addition, Bata works with suppliers in Europe and Asia who manufacture shoes and accessory products on our behalf.

“Bata is committed to the highest standards of social and environmental responsibility and ethical conduct.”
BATA-OWNED MANUFACTURING FACILITIES

Approximately 50% of our shoes are manufactured in Bata-owned factories. Each of our factories has been developed to cater for the local market, employing local people, sourcing local materials and purchasing from local businesses. We have also built Bata towns, providing our employees and their families with homes, education and community facilities.

24 Bata-owned manufacturing facilities

3,500 people living in Bata towns

- Kenya,
- Zimbabwe,
- India
- Pakistan

1,570 pupils attending four Bata own schools

- Kenya,
- Zimbabwe,
- India
- Bolivia

ASSOCIATE BUSINESS UNITS (ABUS)

Often set up by entrepreneurial employees, these companies are an extension of our local manufacturing. ABUs share the same values and standards as Bata and are considered to be a part of our extended family.

24 Bata-owned manufacturing facilities

12,000 Bata employees in our production facilities

3,500 People living in Bata towns

1,570 Pupils attending Bata schools

60% Of suppliers have worked with Bata for more than 5 years
OUR STANDARDS

BATA SUPPLIERS
Bata works with carefully selected suppliers in Europe (Albania, Czech Republic, Italy, Macedonia, Romania and Spain) and in China and Vietnam. Approximately 60% of suppliers have worked with Bata for more than five years, 40% of suppliers have worked with Bata for between two and five years, and 10% of suppliers have worked with Bata for less than two years.

BATA SUPPLIER CODE OF CONDUCT
Bata is committed to the highest standards of social and environmental responsibility and ethical conduct. Bata suppliers, along with their subsidiaries, affiliates, and sub-contractors, are required to provide safe working conditions, treat workers with dignity and respect, act fairly and ethically, and use environmentally responsible practices wherever they make products or perform services on behalf of Bata.

Bata requires its suppliers to operate in accordance with the principles in the Bata Supplier Code of Conduct and in full compliance with all applicable laws and regulations. The Code, which has been translated into eight languages, extends beyond mere compliance with the law by drawing upon internationally recognised standards to advance social and environmental responsibility. All suppliers are required to post the Code in the local language and to ensure that it is visible to all workers.

Key labour standards covered by Bata Supplier Code of Conduct

Forced labour
Bata requires that suppliers do not use any form of forced labour, harassment, abuse or corporal punishment in their dealings with employees.

Minimum age of employment
Bata requires employees of suppliers to be at least 18 years of age. Suppliers may employ persons aged between 16 and 18 years for light duties, provided there is no risk to the young persons’ well-being, education, physical or psychological, or moral or social development. Under no circumstances may suppliers employ persons under the age of 16 years.

Non-discrimination
Bata requires that suppliers shall not operate business or subject any employees to discrimination on account of gender, race, colour, religion, national origin, age or disability.

Remuneration and benefits
Bata requires suppliers to provide remuneration and benefits to employees that comply with local laws or, in the absence of local laws, which are fair and competitive both within the footwear industry and within the local community in which the supplier operates, at all times dealing with employees in good faith.

Health and safety
Bata requires suppliers to provide a safe, clean workplace which maintains high standards and protects each employee’s health and safety. Suppliers must recognise that all injuries are preventable and take such actions as may be required to identify such risks, including health and safety training.

Suppliers must also ensure that goods supplied to Bata meet or exceed the minimum quality and safety standards specified so that the health and safety of employees and customers is not put at risk. Suppliers are required to fully cooperate in any product safety audit which may be conducted from time to time.

“Bata requires that suppliers do not use any form of forced labour, harassment, abuse or corporal punishment in its dealing with employees.”
OUR PARTNERSHIPS

GLOBAL SOCIAL COMPLIANCE PROGRAM (GSCP)
Bata has been a member of the GSCP since 2013 and all our suppliers in China have been trained on social and environmental management by our sustainability team in China. The GSCP is a business-driven programme which offers a global platform to promote the exchange of knowledge and best existing practices in order to build comparability and transparency between existing social compliance and environmental compliance systems. GSCP has developed a set of reference tools and processes that describe best existing practices and provide a common interpretation of working and environmental requirements and their implementation. All Bata suppliers have received a copy of the GSCP’s Sustainable Management Handbook (which Bata has translated into Mandarin for use by Bata as well as all members of the GSCP).

BUSINESS SOCIAL COMPLIANCE INITIATIVE (BSCI)
Bata is a member of the BSCI, an initiative of the Foreign Trade Association (FTA) which supports retailers, importers and brand owners to improve working conditions in supplying factories and farms worldwide, using a common Code of Conduct and implementation system. Through our membership, Bata has supported the BSCI in a project looking specifically at home-working and child labour in Southern India (see case study on page 53).

BUSINESS CALL TO ACTION (BtA) INITIATIVE
Through Bata Bangladesh’s membership of the BtA, which encourages companies to fight poverty through inclusive business models, Bata aims to recruit 5,500 women by 2020 through our Rural Sales Program.

THE INSTITUTE FOR MANAGING SUSTAINABILITY AT VIENNA UNIVERSITY OF ECONOMICS AND BUSINESS
Bata Group and Bata Bangladesh have been collaborating with the Institute for Managing Sustainability at the University of Vienna since 2015 through an EU-funded project called GLOBAL VALUE. This initiative aims to help inform the development of a framework for measuring and managing business impacts on global sustainable development. The collaboration follows on from Bata’s involvement in the initial scoping phase of GLOBAL VALUE which reviewed current measurement tools using our business model.

(For more information on the project, see www.global-value.eu)
OUR MANAGEMENT APPROACH

MONITORING COMPLIANCE WITH THE BATA SUPPLIER CODE OF CONDUCT

Compliance with the Bata Supplier Code of Conduct is managed through a combination of supplier training, dialogue and monitoring, and social auditing through a third party auditor or our internal audit and compliance team.

In Europe, supplier compliance to the Bata Supplier Code of Conduct is monitored either via formal and ongoing dialogue with our purchasing team. Bata also provides training and support on the Code through workshops and one-to-one meetings.

All suppliers and selected sub-contractors (i.e. material suppliers) in China and India are audited against the Bata Supplier Code of Conduct, by our internal audit and compliance team. Suppliers are awarded a rating based on their level of compliance with the Code (see opposite). Audit findings are formally reviewed through supplier meetings and, where necessary, corrective actions, including re-audits where applicable, are discussed and a timeline is agreed between the supplier and the Bata Company Manager.

Suspected violations of the Code can be reported confidentially to an email address: CoC@bata.com.

<table>
<thead>
<tr>
<th>GRADE SCORE BASED ON LEVEL OF COMPLIANCE WITH BATA SUPPLIER CODE OF CONDUCT</th>
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</thead>
<tbody>
<tr>
<td><strong>GOLD BATA</strong></td>
</tr>
<tr>
<td><strong>SILVER BATA</strong></td>
</tr>
<tr>
<td><strong>BRONZE BATA</strong></td>
</tr>
<tr>
<td><strong>CONDITIONAL</strong></td>
</tr>
<tr>
<td><strong>REJECTED</strong></td>
</tr>
</tbody>
</table>

“Suppliers are awarded a rating based on their level of compliance with the Code.”
MANAGING NON-COMPLIANCE

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.

In China, 4 supplier contracts in 2014 and 5 in 2015 were terminated as a result of Zero Tolerance (ZT) non-compliance with the Bata Supplier Code of Conduct.

In India, 9 supplier contracts in 2014 and 14 in 2015 were terminated as a result of Zero Tolerance (ZT) non-compliance with the Bata Supplier Code of Conduct.

SUPPORTING OUR BUSINESS PARTNERS AND SUPPLIERS

We provide education and support to our ABUs and suppliers on our principles, values, operating standards and processes. We also conduct scheduled and unscheduled audits of manufacturing facilities to monitor compliance with the Bata Supplier Code of Conduct. Our aim is to work with our suppliers to achieve alignment and consistency of standards across our global supply base.

Social compliance training: Share the Change Workshops for China Footwear Services Suppliers

Following a successful Supplier Conference in July 2014, China Footwear Services (CFS) hosted a series of in-depth social compliance workshops. Dubbed ‘Share the Change’, the workshops focused on proactive approaches to promoting knowledge sharing and exchanging best practices. The workshops were offered at the Bata offices in Guangzhou as well as off-site in the Fujian and Zhejiang provinces to accommodate suppliers spread across the eastern coast of China. In total, 65 suppliers and 112 participants attended the four-day programme, which was delivered by the CFS Audit and Compliance Department, a division of Bata with the mission to drive the implementation of Bata Supplier Code of Conduct in the supply chain and improve the lives of workers. Social compliance sessions covered topics including Bata expectations on the Bata Supplier Code of Conduct, hiring practices, environmental protection, and safety procedures for fire, electrical machinery and chemicals, in addition to health and first aid. Bata’s Group Sourcing Director, addressed the first workshop and encouraged participants to have an open, proactive approach to learning while delivering a strong message on partnership. Intensive training sessions followed the opening in which an atmosphere was created for participants to feel comfortable asking questions and participating in discussions. Suppliers identified many opportunities for improvement within their business. Following the sessions, attendees were given a guided tour of the CFS sample workshop and test laboratory. Off-site sessions were followed by visits to production facilities of the host suppliers showcasing best practices currently in place.

Attendees were invited to share anonymous feedback on the workshop. “The training is very helpful for changing mentality and making positive changes in our management practices,” noted one survey respondent. Other comments included “This is a definite help to boost the enthusiasm of the employees,” and “We hope to achieve a win-win for both Bata and our company”.

“Auditing is a good measurement of supplier performance; however, we worked beyond auditing by facilitating workshops that promoted mutual understanding, empowering suppliers to take the right actions to address the social compliance challenge. This was not an easy one but I am glad we made it. We will continue to learn and share from these initiatives,” asserted Salina Ng, Audit and Compliance Supervisor for CFS.

“The training is very helpful for changing mentality and making positive changes in our management practices.”
“During 2015, our Bata-owned manufacturing facilities ran training programmes on Six Sigma covering quality, productivity, cost reduction and waste minimisation.”
UPHOLDING LABOUR STANDARDS

Bata participates in study on child labour and home-working in leather footwear supply

In 2013, the Business Social Compliance Initiative (BSCI), in partnership with Hivos, an NGO based in the Netherlands, facilitated a dialogue with industry and civil society stakeholders to understand issues relating to child labour and homeworking in the leather footwear supply chains of Southern India. This revealed a clear lack of knowledge and understanding of working conditions and practices when leather footwear production is sub-contracted.

In 2015, Bata was invited as one of five footwear companies (alongside Clarks, Bugatti, Deichmann and El Cortes Inglés), to collaborate in a pilot study focusing on eight villages within the Vellore district. The aim was to understand the living and working conditions prevailing in communities involved in footwear production, with special consideration being given to home-working and child participation. This study, conducted by two Indian organisations, Association for Stimulating Know-How (ASK) and T-Group Pvt Ltd, revealed that:

- Home-based hand stitching of leather footwear is a major provider of household income, especially for households in lower income brackets;
- Home-workers are primarily married women;
- While it is common for children to participate in home-working after school, arrangements or types of work that could harm children’s development, education or health are unlikely;
- There was no indication of systemic child labour in footwear manufacturing for export in the communities observed;
- Most villages had acceptable school enrolment rates, awareness of school education, and school infrastructure.

Identified challenges included:

- A residual risk of child labour, which may occur in rare cases when factors come together, such as deep poverty, low appreciation of education by parents, and harmful cultural or normative values;
- Most involved families are poor and, for most women in the communities, home-working is the only way to earn money while staying at home due to family-commitments or cultural norms;
- The salaries paid to home-workers are low, yet shoe stitching is a highly valued skill and is considered by workers to be more lucrative than other forms of home-working (such as tobacco (beedi) rolling).

The study concluded that it is unlikely that the five participating companies are causing or contributing to negative human rights impacts in the communities observed. Home-based shoe stitching provides an important source of income to poor communities and that stopping the sub-contracting work to home-workers is likely to reduce the ability of people to enjoy their human rights. Nevertheless, the companies recognise that their supply chains extend to home-workers in communities that are often very poor and vulnerable. They are committed to further improving the situation for those engaged in home-working, and helping to ensure that children receive the education that is available. The companies will continue to work together to engage with relevant footwear manufacturers in the area to build awareness of the issues and to seek dialogue on improvement opportunities.

“Bata will continue to build awareness of the issues and to seek dialogue on improvement opportunities.”
GREENING OUR SUPPLY CHAIN

- Reducing our carbon footprint
- Minimising water consumption
- Promoting responsible leather production
- Managing safety through responsible chemicals use
- Eliminating waste
- Re-using materials

Bata has followed an active environmental programme since the early 1980s. Today, we continue to aspire to sustainable excellence, working closely with our employees, ABU owners and suppliers to identify further opportunities to save energy, reduce our carbon footprint, use less water and generate less waste.

Reducing our carbon footprint

Reducing carbon emissions in our operations is an important contribution to the environment and an essential goal for us. As a priority, we aim to improve energy efficiency in our manufacturing facilities and in our retail stores (see Serving Our Customers, pages 30/31). By installing modern, efficient servo motors on our hydraulic injection machines, we have saved approximately 60% of the energy needed to mould our shoes. A typical machine that previously used 100 kWh of electricity now only uses between 40 and 45 kWh. The project has been rolled out to 42 of our 61 machines worldwide, saving over 3,000,000 kWh annually, which corresponds to almost 2,500 tonnes CO₂.

In addition, we are aware of the need to reduce impacts from product transportation and staff travel and we have therefore set targets to reduce the number of miles travelled by product/by people, and to offset the miles that are travelled through investment in renewable energy projects.

We are also aware that other climate impacts happen along our value chain and outside of our operations, including in the production of raw materials such as cotton and rubber, which is why we assess suppliers on their environmental management as part of our supplier social and environmental audit procedure. We are also specifically tackling energy consumption in our own and our suppliers’ tanneries through our goal to have all leather production facilities certified by 2020.

“Today, we continue to aspire to sustainable excellence by identifying further opportunities to save energy, reduce our carbon footprint, use less water and generate less waste.”
Bata Kenya: Finding business and environmental benefit from energy saving technologies

Bata Kenya enjoys significant cost reductions in its factories following the installation of a biomass boiler in May 2014 and subsequent, smaller, investments in energy efficient technologies, such as a condensate recovery system and a replacement air compressor.

The biomass boiler works by burning biological matter as fuel and re-using the resulting water and heat. Wood pellets or other biological materials are fed into a combustion chamber where they are ignited. The hot gas and air produced travel through a flue and are then passed through a heat exchanger, which transferring the heat to water, which can be re-used in the heating system.

In addition to the biomass boiler, Bata Kenya installed a condensate recovery system and a new generation compressor. The condensate recovery system, which stores steam and mixes it with fresh water prior to it being used as boiler feed water, achieved annual savings of US$98,000 against an initial investment of US$16,000. Furthermore, the new generation compressor was 66% more energy efficient than the existing compressor, resulting in annual savings of US$95,000 after an initial investment of US$36,000.

Mayank Goel from the Engineering department comments that, “the critical point for Kenya has been that cost reduction is not necessarily about a single idea, rather numerous smaller ideas, implemented in a disciplined manner.”
Minimising water consumption

Throughout our operations we are committed to conserving water, as part of our sustainability commitments and our focus on process improvements and efficiency optimisation. In addition, we want to help ensure that vital resources, such as water, are being shared fairly between their different users and that we consider the needs of both present and future generations. For example, the Bata South Africa factory at the foot of the Drakensberg Mountains supplies water from its tanks to the rural township of Loskop, which is located some 30 kilometres from the nearest town.

The way our facilities impact local water resources depends on water availability and how much water is withdrawn. We assess suppliers on their water management as part of our social and environmental audits, and we are also specifically tackling water consumption in our own and our suppliers’ tanneries through our goal to have all leather production facilities certified by 2020.

The total litres of water consumed by Bata globally is measured as part of our sustainability KPIs. We also have a target in place to reduce water consumption by 10% by 2015.

(See Our Sustainability Performance and Process, page 70.)

Promoting responsible leather production

Within the leather industry, the ability of companies to trace material is variable depending on the scope of production, the geographic location and the type of material processed. Typically, companies sourcing direct from slaughterhouses have better traceability than the majority of companies that buy through traders or produce through semi-processed material.

Approximately 30% of Bata shoes are made using leather. Since 2013, Bata has participated in the multi-stakeholder Leather Working Group (LWG), which exists to promote sustainable and appropriate environmental stewardship practices within the leather industry. We have committed to ensuring that all tanneries used by Bata (including our company-owned facilities) will be certified to LWG standards by 2020.

Bata also works with the BCL Leather Technology Center, which provides technical advice and guidance on local and global legislation, as well as access to a range of product specifications and other online resources.

“Bata South Africa factory at the foot of the Drakensberg Mountains supplies water from its tanks to the rural township of Loskop, which is located some 30 kilometres from the nearest town.”
Managing safety through responsible chemicals use

Chemicals are a necessary part of the materials we use in everyday life, including the footwear we use. Our responsibility is to uphold the strictest standards for handling chemicals and eradicate any hazardous chemicals in our supply chain. Beyond looking at our own products, it is important that we ensure safe working conditions for the people making our products and the environmental impacts of our business processes.

All Bata products sold in Europe have undergone strict material tests in compliance with REACH and our Bata Restricted Substance List (RSL). Our RSL is provided to all our Bata Europe suppliers. We employ the services of an independent testing company to analyse the results of the tests and to conduct regular training with our suppliers to improve the results and the number of recalls due to test failures.

Solvent-based glues are often used in shoe and accessory production and the volatile organic compounds (VOCs) that they contain can be harmful to workers if not handled with sufficient protection. Water-based, solvent-free glues can provide a better alternative. Since 2014, all Bata-owned manufacturing facilities use only water-based and solvent-free adhesives.

Eliminating Waste

Our aim is to send as little waste to landfill as possible. We have set ourselves a goal of becoming a zero waste manufacturing company and, specifically, to achieve zero discharge of hazardous waste and chemicals by 2020.

Following the European waste hierarchy, we aim to prevent the generation of waste material in the first instance, through improved production techniques. For example, much of our production involves injection moulding, where plastic pellets are fed into a moulding machine and are heated and shaped. By modifying these machines to pre-heat the pellets, we have increased productivity in our factories by around 15%, increased quality and minimised the quantity of rejects and, therefore waste, while reducing our energy consumption. We also seek to reduce waste from cardboard, paper and plastic in our stores, distribution centres and offices.

Re-use

We look for opportunities to recycle shoes, re-use and upcycle manufacturing waste and give our customers packaging that can be used again. Through projects, such as our local recycling programmes, we are not only supporting our customers in being environmentally responsible, but we are encouraging entrepreneurs to set up their own businesses.

Bata Zambia: Giving Waste the Boot

The Nakambala Sugar Company is located in a town called Mazabuka and has the largest sugar plantations and refineries in Zambia. For many years, Bata Zambia has been supplying the Nakambala Sugar Company with gumboots. Bata gumboots are made using PVC, which is a material that can be recycled over and over again without the quality of the PVC deteriorating. Ever since Bata began supplying Nakambala Sugar Company with gumboots, the Company has diligently recovered gumboots that are no longer serviceable by requiring employees to hand in their old pair in exchange for new boots. The old boots are then returned to the Bata factory in Lusaka for recycling. On average, Bata receives 57,000 pairs for recycling in one year, which amounts to 93,594 kg. Approximately 10% of recycled PVC is used to make one new pair of gumboots.

“57,000 pairs of gumboots are recycled in one year, saving 93,594 kg of PVC.”
The United Nation’s (UN’s) post-2015 development agenda recognises that eradicating poverty in all its forms is the greatest global challenge and an indispensable requirement for sustainable development. It calls on all stakeholders, including companies, to take the bold and transformative steps that are urgently needed to shift the world onto a sustainable and resilient path. The UN’s 17 Sustainable Development Goals (SDGs) demonstrate the scale and ambition of this new universal agenda. Building on the Millennium Development Goals, it seeks to realise the human rights of all, achieve gender equality and promote the empowerment of all women and girls.

The SDGs are an integral and indivisible part of the way we do business. At Bata, our focus on alleviating extreme poverty and improving access to education – to name just two of the Goals – is not confined to our community programme; it forms a fundamental part of our business model. Manufacturing, distributing and selling one million pairs of shoes daily creates compelling opportunities to provide social and environmental benefits to communities, local businesses and entrepreneurs. Across the world, people rely on Bata, not only to provide shoes, but also to build livelihoods, grow businesses and educate their children. Through building our manufacturing base in the countries where we sell our shoes, our social purpose extends beyond our customers, to include the children who are educated in our schools, the entrepreneurs who have built businesses around distribution and recycling, the small businesses that have grown up alongside our factories and the families who have benefitted from our high standards of employee welfare.

“Eradicating poverty in all its forms is the greatest global challenge and an indispensable requirement for sustainable development...”
The diagram below illustrates just some of the ways that Bata is supporting the SDGs:

<table>
<thead>
<tr>
<th>SUSTAINABLE DEVELOPMENT GOALS</th>
<th>BATA BUSINESS AND COMMUNITY MODELS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NO POVERTY</td>
<td>Bata Rural Sales Program; Bata catalogue sales programme (Aquarella)</td>
</tr>
<tr>
<td>2. ZERO HUNGER</td>
<td>Bata Children’s Program</td>
</tr>
<tr>
<td>3. GOOD HEALTH AND WELL-BEING</td>
<td>Bata-Owned Manufacturing Facilities and Community Healthcare Provision</td>
</tr>
<tr>
<td>4. QUALITY EDUCATION</td>
<td>Bata Children’s Program (e.g. Sarah Bata Primary and Senior Schools, and Early Years Development Centre)</td>
</tr>
<tr>
<td>5. GENDER EQUALITY</td>
<td>Bata Rural Sales Program; Aquarella; Women’s Empowerment Initiatives</td>
</tr>
<tr>
<td>6. CLEAN WATER AND SANITATION</td>
<td>Bata Children’s Program</td>
</tr>
<tr>
<td>7. AFFORDABLE AND CLEAN ENERGY</td>
<td>Eco-Efficiency in Bata-Owned Stores and Manufacturing Facilities</td>
</tr>
<tr>
<td>8. DECENT WORK AND ECONOMIC GROWTH</td>
<td>Bata employment; Associated Business Units; Rural Sales Program; Aquarella; Vocational Skills Training</td>
</tr>
<tr>
<td>9. INDUSTRY, INNOVATION AND INFRASTRUCTURE</td>
<td>Bata-Owned Manufacturing and Distribution Models</td>
</tr>
<tr>
<td>10. REDUCED INEQUALITIES</td>
<td>Bata Rural Sales Program; Aquarella; Women’s Empowerment Initiatives</td>
</tr>
<tr>
<td>11. SUSTAINABLE CITIES AND COMMUNITIES</td>
<td>Supporting Communities Around Bata-Owned Manufacturing Facilities</td>
</tr>
<tr>
<td>12. RESPONSIBLE CONSUMPTION AND PRODUCTION</td>
<td>Shoe Recycling Programmes</td>
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<tr>
<td>13. CLIMATE ACTION</td>
<td>Eco-Efficiency in Bata-Owned Stores and Manufacturing Facilities</td>
</tr>
<tr>
<td>14. LIFE BELOW WATER</td>
<td>Water Treatment Plants in our own factories</td>
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<tr>
<td>15. LIFE ON LAND</td>
<td>Pollution Control in our own factories</td>
</tr>
<tr>
<td>16. PEACE, JUSTICE AND STRONG INSTITUTIONS</td>
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<tr>
<td>17. PARTNERSHIPS FOR THE GOALS</td>
<td>Global Social Compliance Program; Business Call to Action; Leather Working Group</td>
</tr>
</tbody>
</table>
**OUR COMMUNITY ACTIVITIES ARE OUTLINED AS FOLLOWS:**

- **Bata Children’s Program**
- **Vocational Skills Training**
- **Rural Sales Program**
- **Women’s Empowerment Initiatives**
- **Aquarella**

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**BATA CHILDREN’S PROGRAM**

The Bata Children’s Program (BCP) is undoubtedly our largest and most significant community activity. The BCP is a volunteer-led initiative and an extension of Bata’s culture of service, where employees are encouraged to play an active role in making their communities safer and stronger. Launched in 2010, the BCP brings together all Bata community initiatives focused on helping disadvantaged children under one umbrella, allowing for greater cohesion and impact. The BCP is focused on giving disadvantaged children a brighter future, in partnership with local people and institutions. At the core of all BCP initiatives are the volunteers – Bata employees who contribute their time, creativity, skills and passion in supporting their local communities.

Four pillars of action guide the selection of BCP programmes:

1. **CHILDREN’S HEALTH AND SAFETY**
2. **MENTORING AND SKILLS**
3. **EDUCATION FOR THE NEXT GENERATION**
4. **LIVING IN A SUSTAINABLE WORLD**

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**2015**

<table>
<thead>
<tr>
<th>Key Facts</th>
<th>Bata volunteers involved</th>
<th>Volunteer hours donated</th>
<th>Countries in which BCP is active, with the BCP extending to Ecuador, Italy and Vietnam</th>
<th>Children benefitting from BCP</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,000</td>
<td>6,000</td>
<td>26</td>
<td>80,000</td>
<td></td>
</tr>
</tbody>
</table>
All BCP volunteer activity is managed through local Bata Companies for the benefit of their surrounding communities. This ensures that each BCP activity is unique and relevant to the local context. A designated BCP coordinator, who is typically part of the management team, ensures that the BCP is supported by and led from the top.

New employees are introduced to the BCP as part of their orientation to Bata and they are invited to become volunteers. General Managers and Department Managers are encouraged to participate in BCP activities to set a good example to employees, and the efforts of employee volunteers are recognised and shared via our global communications tool, Bata World News.

For examples of how the BCP is making a difference to the lives of disadvantaged children, see our dedicated website, www.batachildrensprogram.org

Bata Children’s Program

Zimbabwe opens new senior school in Gweru

The Sarah Bata Senior School, a brand new high school in Gweru, was inaugurated on May 6, 2015. This follows the opening of the BCP Early Childhood Development Center in 2014, which was set up alongside the neighbouring Sarah Bata Primary School originally established on the Bata estate in the late 1930s to train and educate employees in literacy skills. Today, the School has earned a reputation for providing quality education to approximately 1,000 students, ranking first in the nation for the past nine years, for the results of its based on the results of final primary school examinations sat by 13-year olds. Despite this success, it remained difficult for the School’s graduates, without substantial means, to progress onto high school, with some going to boarding school in a city 160 kilometres away.

The new Senior School houses new and renovated facilities, which include an administration block, an IT laboratory, a science laboratory, and metal and wood workshops. With capacity for 320 students, some 60 children have already enrolled. Together, the three learning establishments in Gweru are helping to ensure that educational opportunities continue to expand for the young people of Zimbabwe’s underserved Midlands province.

“The Bata Children’s Program is undoubtedly our largest and most significant community activity.”
Rural Sales Program

Bata’s most established formal community programme is the Bata Rural Sales Program which, since 2005, has been providing economic empowerment to previously destitute women in Bangladesh, where some of the poorest people in the world live on less than two US dollars per day. In collaboration with CARE, an established humanitarian organisation dedicated to fighting poverty, Bata developed the Program to offer a sustainable source of income, lifting thousands of women out of poverty and offering them a dignified life.

Aparajita is the Bengali name for a ‘woman who never gives up’. Through the Bata Rural Sales Program, our Aparajitas are showing that not only can they improve their situation, but that they are very capable entrepreneurs too. As well as earning a living from selling affordable flip-flops manufactured in Bata-owned factories in Bangladesh, these women have proven their business acumen, earning 10-15% commission from the sale of each pair of footwear. In fact, the success of the Rural Sales Program has attracted other multinational and domestic companies to join the venture, thus expanding the number and variety of products distributed to rural communities.

In 2005

49
Aparajitas when the Rural Sales Program launched

At the end of 2015

2,010
Aparajitas in the Rural Sales Program

By 2016, we aim to have

2,250
Aparajitas operating out of 75 hubs

By 2020, we aim to have

5,500
Aparajitas in 40 districts and serving 10 million new customers

Bata Partner in Rural Sales Program Wins UN Gender Equality Award

Bata’s Bangladesh-based Rural Sales Program, which supports the entrepreneurship of 2,500 women, continues to garner accolades. JITA Social Business, Bata’s partner in implementing this program, recently won this year’s SEED Gender Equality Award, which is sponsored by UN Women and the United Nations Industrial Development Organization. SEED, a global partnership for action on sustainable development and the green economy, bestowed the honor on JITA Bangladesh at an awards ceremony during the 2014 SEED Africa Symposium held in September in Nairobi, Kenya. As part of the award, JITA received a package of individually-tailored support that included technical assistance, access to other supporting institutions and a financial contribution.

Launched in 2005 in the Lalpur Upazila region of the Natore District, a rural area of Bangladesh approximately 150 kilometers northwest of Dhaka, the RSP now involves 2,500 women working in 52 districts, reaching 375,000 under-served rural households and creating job opportunities for more than 270 service personnel.

Cross-sector partnerships, such as Bata’s Rural Sales Program are not just longer-term, higher-value collaborations, they also bring an interesting return in financial and social investment for the communities, the NGOs and the businesses involved.

Looking ahead, we aim to increase volunteer numbers in each of our active countries by 100 employees during 2016. We also plan to host an annual BCP Volunteer Day in each of our active countries by celebrating the positive work carried out by BCP volunteers, and to inspire more people to become involved.

277
Pairs of footwear sold every month on average by each Aparajita

30
Aparajitas on average per sales hub

8,310
Pairs of footwear sold on average each month through sales hubs

80-120
US dollars per month average income earned by each Aparajita, serving 375,000 households through the Rural Sales Program
AQUARELLA

Bata operates a network of local entrepreneurs, who distribute Bata shoes through a catalogue sales programme known as Aquarella. Initially launched in Colombia and Bolivia, the programme was extended during 2015 to Ecuador and Peru, providing Latin American women with opportunities to gain financial independence and to support their families.

Aquarella offers an alternative to traditional employment for those who seek flexibility or who are looking to supplement household income. Entrepreneurs, known locally as ‘promotores’, travel to homes and offices presenting the Bata Aquarella catalogue. Through Aquarella, Bata offers a variety of shoes from the most affordable styles to high-end shoes, and the ‘promotores’ earn a commission on the sale of each pair of shoes they sell. In many cases, this develops into a full-time career.

- **11,000** Promotores in 2015
- **97%** Promotores are female
- **4** Countries: Bolivia, Colombia, Ecuador and Peru
- **14,000** Promotores expected by 2016
- **25,000** Promotores expected by 2020
**WOMEN AND YOUTH OF ZIMBABWE PROJECT**

The Women and Youth of Zimbabwe project was launched in 2015 to create a means of empowerment and income generation for the women and youth of Zimbabwe. Through collaboration with African Women in Developing Economies, a Zimbabwe-based non-governmental organisation (NGO), 150 women have been selected as Bata merchants to sell footwear to rural communities and benefit from the profits they make from each pair of shoes sold. Through these women, approximately 600 men, women and children are expected to benefit from this new channel of income in areas that are experiencing acute economic challenges.

The idea for this project came about when Bata Zimbabwe established its non-retail sales division (NRSD) during a period when NGOs and the government were pushing an economic empowerment agenda in order to alleviate poverty in the country. While the idea may not be novel – Bata Bangladesh implemented a similar concept in the Rural Sales Program in 2005 – the relevance of this initiative speaks directly to the economic woes that many Zimbabweans currently face. It took around eight months to fully conceptualise the intricate details of funding, safety, and pricing, and to ensure that the project would actually provide economic empowerment. Throughout the process, various stakeholders were involved, including internal Bata teams and the Ministry of Women’s Affairs.

So far, approximately 4,000 pairs of footwear have been sold, and the women have replenished their stock twice. We will continue to register more women and we aim to recruit around 1,000 by 2020.

“150 women have been selected as Bata merchants to sell footwear to rural communities and benefit from the profits they make from each pair of shoes sold.”
**VOCATIONAL SKILLS TRAINING**

Bata provides opportunities for disadvantaged members of communities near its factories to develop vocational skills that help to improve their employment prospects or enables them to become involved in grass-roots enterprises.

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*Bata Zimbabwe’s Vocational Training Program Inspires a New Generation of Shoemakers*

At the helm of the largest footwear company in the country, Bata Zimbabwe’s management team recognises that the company’s responsibility to the community goes beyond employment. They carefully consider opportunities to empower people to be financially independent, and an important part of this is providing vocational training to disadvantaged youths and adults. Besides its size – the company produces three million pairs of shoes a year – it also has a 76-year history in Zimbabwe. By setting up a private-public partnership, Bata is teaching disadvantaged through setting up a private-public partnership, Bata young adults how to make shoes and giving them the opportunity to sell their own products.

Working closely with the Mupfare Self-Help Training Centre, which offers vocational training to people who may never have had the opportunity to finish school, Bata Zimbabwe has established a new business model that serves an educational and supply purpose. Bata offers maintenance and engineering support and supplies the raw or part-processed materials. It has also trained both the lecturer and students, refurbished the workshop and machines, and provided health and safety tools and guidance. Within three months, a small team of trainee shoemakers was producing up to 1,500 pairs of shoes a week.

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“*Bata Zimbabwe has established a new business model that serves as an educational and supply purpose.*”
Bata Kenya recognised for its support of underprivileged communities

On January 14, 2016, Bata Kenya was awarded a certificate of appreciation for its efforts in assisting those in need of jobs in the local community, through its partnership with Patronics Infortech. Patronics, based in Limuru, aims to improve living standards in the community by recycling the by-products of manufacturing and turning them into jewelry, art and other items, thereby providing jobs to those who are out of work. The company works closely with Bata Kenya, purchasing by-products from the factory in the form of leather skins to use for its vocational training in producing beads, leather and art works. Patronics has several workshops across Limuru, providing jobs to unemployed youths, women and people with disabilities. Their products are then sold in the same area.

The presentation of the certificate, which took place at Bata Kenya head office in Limuru, was to show appreciation to Bata Kenya and company manager, Alberto Errico, for their contribution to helping underprivileged communities in Kenya. Present at the ceremony were Alex Muturi, company director of Patronics who commented: “Bata Kenya has supported us through the years, and we appreciate the company’s efforts in empowering our community to be self-sufficient and independent. We need more of this support in order to better the living standards of the people around us”.

“In 2016, Bata Kenya was awarded a certificate of appreciation for its efforts in assisting those in need of jobs in the local community.”
**Changing lives through small and beautiful beads**

Ariel Ireri is a manager at Bata’s factory in Limuru, Kenya. Ariel is responsible for Bata’s thong sandals which are part of its PataPata Ashanti project in partnership with Kazuri Beads.

Kazuri, which means ‘small and beautiful’ in Swahili, was the inspiration for Kazuri Beads – a social enterprise which aims to provide and sustain employment opportunities for disadvantaged members of Kenyan society. As a member of the World Fair Trade Organization (WFTO), Kazuri Beads is monitored against the WFTO’s 10 Principles of Fair Trade to ensure that trade works for people and the environment.

Kazuri Beads began in 1975 as a tiny workshop making hand-made ceramic beads using clay sourced from the Mount Kenya area. For more than 40 years, Kazuri Beads has provided employment and an important social gathering place for women – particularly single mothers – who would otherwise have no source of income. The women are trained to produce unique and beautiful beads for thongs as well as for jewellery. Ariel explains how Bata is supporting Kazuri Beads: “At PataPata, we support the hand-painted ceramics that inspire the Ashanti Collection. By bringing people together and helping one another, we are able to spread some joy through beautiful beads that are created with love and in the spirit of ‘Ubuntu’, which means togetherness in Swahili. Through this venture, we are not just building a fashion-forward brand – PataPata – we are also improving the livelihoods of single mothers in Kenya”.

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**Bata Pakistan Celebrates New Stitching Centre Graduates**

An awards ceremony was organised in April 2015 at the industrial school in Batapur, near Lahore, to celebrate 15 trainees who have successfully completed its recently introduced upper-stitching programme. Trainees are awarded a certificate and a cash sum upon completion of the twelve-week course, and Muhammad Qayyum, Company Manager of Bata Pakistan, was on hand to present the certificates and stipends.

The community programme is free of charge, and represents an opportunity for the families of Bata employees, as well as other local residents, to receive hands-on training in a supportive environment. When it first opened, the training facility was only open to women. However, at the request of the community, it has now been extended to include men too, providing greater opportunities to everyone.

To date, 110 women and 15 men have been trained, all of whom are now working in nearby stitching units, helping to provide for their families and contributing to the economic development of the region.

Qayyum commented: “Bata has a legacy to play an active role in the economic growth of the communities in which we operate. Our efforts for the well-being of our employees’ families, and especially for empowering women in the community, are always appreciated”.

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“Bata has a legacy to play an active role in the economic growth of the communities in which we operate.”
Our Sustainability
E & PROGRESS
Our Sustainability Performance and Progress

PROGRESS ON COMMITMENTS

We have established a number of sustainability goals for 2020. In addition, we have set some short-term commitments to ensure that we maintain progress towards our 2020 goals.

KEY PERFORMANCE INDICATORS

**INCREASE**

- **Gender Equity**: +10%
- **Volunteer**: +20%

**REDUCE**

- **Water Consumption**: -10%
- **Waste Production**: -10%
- **Fuel & Electricity Consumption**: -5%
- **Accidents**: 0

SUSTAINABILITY PILLARS

**Serving our customers**

By sharing information about sourcing, production and re-use of products our customers can make informed and socially responsible decisions.

**Extended family**

Being a sustainable business relies upon every employee understanding the role that sustainability plays in supporting our business aims. Through hundreds if not thousands of individual actions, Bata has the potential to deliver significant change on a local and a global scale.

**Responsible operations**

We work with our internal and external supply chain partners to develop more sustainable processes through enhanced monitoring, traceability and certification. Our aims guide us in protecting the environment for the benefit of future generations.

**Thriving communities**

Though our community activities and entrepreneur programmes we support societal development.
“Sustainability vision - To remain the most respected footwear company by being socially and environmentally responsible in our operations and a credit to every community in which we operate today and for generations to come.”

**OUR 2020 COMMITMENTS**
- Develop mechanisms to help our customers to understand where our shoes and accessories are produced
- Involve our customers in making a difference to the social and environmental causes that matter to them by finding ways to dispose of packaging and end-of-life shoes safely and effectively

**OUR SHORT-TERM 2015-2017 COMMITMENTS**
- Achieve 20 million active members of Bata Club by 2017

**PROGRESS ON COMMITMENTS**
- Establish a Bata Training Academy in every region in which Bata operates by 2017
- By 2017 extend internal social audits of suppliers in China, India, Vietnam and Europe.
- By 2017, increase volunteer numbers by 10% in each of our active countries and host an annual BCP Volunteer Day to raise the BCP’s profile and recruit additional volunteers
- By 2017, we aim to have 2,250 Aparajitas operating out of 75 hubs
- By 2017, we expect to have 12,000 promotores in our Aquarella programme

- Increase gender equity (female versus male managers/supervisors) by 10% (using a 2014 baseline)
- Achieve a total recordable incident rate (TRIR) of zero
- Appoint sustainability champions throughout our organisation
- Report on an extended range of diversity measurements including management age and gender
- Conduct a global employee survey and respond to employee feedback in a considered and constructive way
- Foster volunteering for our Bata Children’s Program within our global employee base – Achieved
- Train all relevant employees on responsible purchasing as part of their personal and professional development

- Reduce energy and fuel consumption by 5% (using a 2014 baseline)
- All leather suppliers, including Bata-owned tanneries to be certified to Leather Working Group (LWG) standard by 2020
- Reduce water consumption by 10% (using a 2014 baseline)
- Reduce waste production by 10% (using a 2014 baseline)
- Introduce a number of sustainability key performance indicators (KPIs), with measurable targets and monitoring processes throughout our organisation – Achieved
- Conduct internal social audits of our suppliers in China and India – Achieved
- Conduct third party social audits of all our suppliers
- Ensure the traceability of our supply chain for sourced products, finished shoes and materials
- Have all our leather suppliers certified to a recognised environmental standard (e.g. Leather Working Group)
- Introduce LED lighting in our stores
- Reduce our CO₂ emissions from our manufacturing facilities by 2020
- Implement a carbon offsetting scheme through a global tree planting programme

- Expand the Bata Rural Sales Program to 40 rural districts, by recruiting 5,500 women and reaching 10 million new customers with affordable footwear products by 2020
- Bata Children’s Program to reach 100,000 beneficiaries through 5,000 employee volunteers donating 100,000 volunteer hours annually by 2020
- By 2020, we aim to have almost 25,000 promotores active in our catalogue sales programme, Aquarella
- Increase the number of volunteering hours by 20% - Achieved
- Extend the presence of the Bata Children’s Program (BCP) to new countries
- Develop further social enterprises such as the Rural Sales Program and Aquarella
- Continue to help disadvantaged young people to get internships in our stores, offices and factories through our Bata Children’s Program

- By 2017, increase volunteer numbers by 10% in each of our active countries and host an annual BCP Volunteer Day to raise the BCP’s profile and recruit additional volunteers
- By 2017, we aim to have 2,250 Aparajitas operating out of 75 hubs
- By 2017, we expect to have 12,000 promotores in our Aquarella programme
Since 2012, Bata has been formalising its sustainability approach by identifying
the opportunities, building blocks and partnerships necessary to deliver our
2020 vision to be the most respected footwear company globally. This vision is
underpinned by a series of goals, aimed at driving improvements and delivering
positive impacts on society.

While we still have a long way to go, I have been encouraged by the progress made to date.
We have implemented a sustainability data management system to ensure that
we are monitoring and driving sustainability performance improvements. We have
developed a blueprint for sustainable procurement and established audit and
compliance teams in China and India. We have expanded our social enterprise and
empowerment programmes in Africa and Latin America, and extended the reach
of the Bata Children’s Program. With so much diverse activity and rich stories to
share, we have created the Bata Sustainability website (www.batalife). This focuses
on people – our customers, communities and employees – and the effect our actions
have on their lives. We refer to this as “the Bata Life effect.”

What we have tried to do in this Review, is set out a framework for reporting, to assist
our employees and stakeholders in understanding how we organise and manage the
risks and opportunities linked to sustainability issues throughout our value chain.
From 2016, we will begin the process of formally assessing our most material issues to
manage and report on. We will move to an annual reporting cycle, and we will work
towards aligning our disclosures in line with the internationally recognised reporting
framework developed by the Global Reporting Initiative.

Looking to 2016 and beyond, we will continue to ensure that sustainability remains
an integral part of Bata’s business strategy, decision-making and disclosures.
This will not be about honouring our great heritage and extending our legacy; we
recognise that, as a multinational company, we have a broader responsibility to harness
our global networks and expertise and the passion of our people to contribute to the
Sustainable Development Goals and climate solutions.

We are pleased to share our progress in this and future reports, and we encourage
your feedback on our targets, performance and opportunities.

Nicole Voillat
Bata Sustainability Director