



Desigual Sustainability Report 2021

Desigual.

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Designal.

Introduction

This Sustainability Report outlines Desigual's performance in 2021, a year that was still suffering the effects of the coronavirus pandemic. Despite the widespread vaccination campaigns and the gradual reduction of risk, restrictions and preventive measures intended to combat fresh waves of COVID-19 continued to determine our behaviour.

Against this background, the efforts of our more than 2,700 employees around the world to ensure the continuity of the business and return to a path of growth are especially noteworthy. Once again, they demonstrated a remarkable ability to adapt to the circumstances and incredible commitment to the values that characterise us as a brand. But that's not all, in addition to focusing on day-to-day tasks and our goal of continuing to innovate and excite our consumers during a tumultuous period, in 2021 we launched various strategic projects that we believe are essential to facing the new challenges within the sector.

Indeed, an objective and critical perspective is all it takes to recognise the profound transformation that every aspect of the fashion world is currently undergoing. The acceleration of digital sales, the growing concern of consumers about the social and environmental impact of their purchases, and new models of work organisation are factors that have a decisive effect on our activity, and we believe they should be tackled with urgency and humility.

At Desigual, we have been able to successfully adapt to this rapid transformation because we had already been working to do so for a few years. The decision to reinforce our e-commerce and a sustainable vision of our business had been integrated into our strategy since before the pandemic began. Thanks to this foresight and the professionalism of our teams, we have faced this extraordinary situation competently, accelerating our planned objectives and developing new solutions.



In this regard, we are particularly proud of the implementation of the four-day workweek at our Barcelona headquarters, a pioneering project for the fashion sector that was designed and developed in record time. The goal was to offer a genuine solution to the increasing demand for flexibility that resulted from the growth of remote working, while also improving the work-life balance of our personnel. The proposal received overwhelming support from the employees and established Desigual, once again, as a benchmark company. In the same vein, as an example of the practical application of our CSR and Sustainability Plan, I would like to highlight the milestones of successfully making 50% of the garments in our collection sustainable ahead of schedule, removing single-use plastics from our product packaging across the entire collection from fall-winter 2021, and reducing our carbon footprint by 57% compared to 2019.

On the other hand, as I mentioned, reflecting on new ways of doing things has led us to recognise the difficulty of facing new challenges from the perspective of values like ambition or competition. The new generations are teaching us a new way of understanding the world based on collaboration, a holistic vision and the pooling of talent. This is not an entirely new philosophy for Desigual, historically we have worked with a vision focused on integrating the abilities of very diverse professionals when it comes to defining our brand image, our communication campaigns and, of course, our collections.

Today, we believe that this way of working, of understanding the world, must be an integral part of all the company's operations under our "Open Desigual" philosophy. In 2021, we applied it to such exciting projects as the startup accelerator Awesome Lab, the first in our sector in Spain, which will allow us to develop advanced solutions to improve the service we deliver to our customers while propagating the culture of innovation internally.

The pages of this 2021 Sustainability Report, which includes the indicators related to non-financial information, also detail other actions that convey this new collaborative methodology, which we consider essential for the sensible and sustainable evolution of Desigual and of the fashion world as a whole at a global level.

Alberto Ojinaga
Managing Director, Desigual

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2021 in figures

371 million euros in turnover. **33** million euros invested in retail, logistics and IT. **4** logistics centres: two in Barcelona, in Viladecans and Gavà; one in the United States; and one in Hong Kong. **6** product categories **Woman, Man, Kids, Sport, Accessories, Shoes**. **10** distribution channels. **Monobrand:** retail seasonal, retail outlet, franchises and authorised dealers; **Digital:** desigual.com, e-tailers and flash sales; **Multibrand:** wholesale, department stores and travel retail. Operating in **110** countries. **408** monobrand stores. More than **2.700** employees worldwide. Our **main markets** are Spain, France, Germany, Italy, Japan, USA and Mexico. **31%** of sales are made through digital platforms (desigual.com, e-tailers and flash sales). **32%** sustainable references in our 2021 collections and **100%** sustainable denim in our fall-winter collection.



01

About this report

Contents

- 1.1. Scope and methodology
- 1.2. Our stakeholders
- 1.3. Análisis de materialidad

1.1.

Scope and methodology

This Sustainability Report covers the most relevant information and the main indicators of the performance of the company Abasic, S.A. and its dependant companies (hereinafter referred to as Desigual) from 1 January to 31 December 2021.



The content and structure of this report address the most relevant aspects for the company's stakeholders, which are defined in the materiality assessment detailed in section 1.3 of this chapter. The European Commission's guidelines on the submission of non-financial reports (2017/C 215/01) stemming from Directive 2014/95/UE and the criteria established in the Global Reporting Initiative Standards have been followed.

Accordingly, this report complies with Law 11/2018 of 28 December 2018 which modifies the Commerce Code; and the related provisions from the consolidated text of the Capital Company Act approved by the Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on Account Auditing, with regard to non-financial information and diversity.

This Sustainability Report compiles the information and data provided by the managers of the company's departments or the professionals assigned by them for this purpose. Regarding the nature of said data, they comprise both quantitative

indicators and qualitative and contextual information to explain the company's strategy and actions for the assessed period. In some cases, the information from 2021 is completed with references to previous years or actions planned for the short and medium term, with the aim of providing an appropriate frame of reference for the content or to provide continuity from previous reports.

In compliance with Law 11/2018 on non-financial information and diversity, this report has been verified by a provider of third-party verification services.

1.2.

Our stakeholders

In accordance with Desigual's activity, impact and relationship with the environment, the following priority stakeholder groups have been established:



Employees

Definition: all those professionals who are part of the company's workforce in any country in the world, whether based in offices, points of sale or logistics centres.

Objectives: to provide them with a safe and healthy working environment, with decent conditions that also allow for their proper professional development and optimal work-life balance. In line with Desigual's values, we offer specific training resources to promote the creativity of our workforce and ensure their knowledge is always up to date.



Customers

Definition: an individual who acquires a product marketed by Desigual in any country in the world and through any of the company's distribution channels, primarily physical or e-commerce stores.

Objectives: to be relevant to modern and creative individuals between 30 and 40 years old, mainly through our garments, products and authentic stories, which spark excitement and respond to values related to sustainability and a concern for the environment. This creative and distinctive vision extends to the shopping experience through signature store concepts, personalised e-commerce processes and exclusive loyalty schemes.



Suppliers and collaborators

Definition: the companies that make up Desigual's value chain and the professionals employed by them to carry out design, production and product distribution (supply chain) processes, and any other activities specific to said companies (financial, marketing, services, etc.).

Objectives: to consolidate a stable and trusted portfolio of suppliers and collaborators that will enable their significant involvement in the company's strategy, and to guarantee that Desigual's strict standards are met in terms of quality, transparency and sustainability.



Sector entities and associations

Definition: companies and professionals whose activity is directly related to the fashion sector, including the design, production and distribution of products, sector associations and specialist media outlets, among others, both at national and international level.

Objectives: to actively contribute to the advancement of the fashion sector as a driving force for economic growth, through maximum involvement with the current challenges related to every aspect of sustainability (compliance with human rights, protection of the natural environment, supply chain transparency, sustainable products, etc.).



NGOs and other entities

Definition: public or private entities not directly related to the fashion sector that operate in Desigual's immediate surroundings and with which the company engages in regular collaboration. We also attend to information requests about our activity from NGOs operating in various fields.

Objectives: to carry out social and cultural actions, especially those focused on the improvement of employability and education for young people, children and women. Regarding NGOs, our goal is to maintain a relationship based on transparency and ongoing collaboration to disseminate information about the company.

1.3. Materiality assessment

The GRI 101: Foundation Standard was applied to conduct the materiality assessment that determines the content of this report. This methodology relies on identifying the key material aspects that are key to the company through analyses from various sources and the subsequent prioritisation of the results from the point of view of our stakeholders and Desigual's internal vision.

Methodology

The key sources analysed to compile the opinion and assessments of the stakeholder groups concerned are:

- **Employees:** employment satisfaction surveys.
- **Customers:** market research to gain insights about the brand's global health, and reports about our customer service.
- **Suppliers and collaborators:** audit reports on compliance with Desigual's standards.
- **Sector entities and associations:** internal reports on benchmarking and market evolution, macrotrend research carried out by sector associations, and monitoring and analysis reports on our impact in the media.



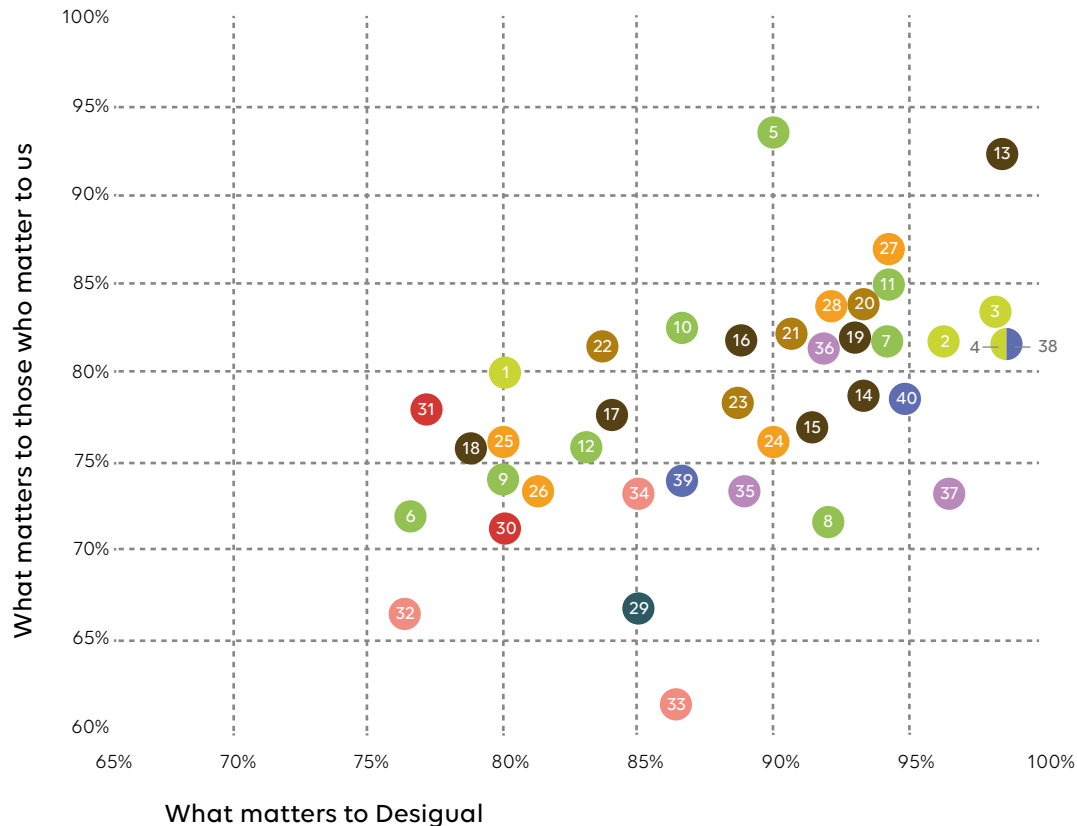
- **NGOs and other entities:** analysis of the information requested by NGOs and from the reports arising from the content provided.
- **Other relevant sources:** interviews with the managers of the company's main departments and internal presentations on the evolution of the market and the business.

The information obtained from these sources has been classified in a list of topics and prioritised according to the interests of our stakeholders. Alongside this, we have conducted interviews with members of the Steering Committee to prioritise those

aspects that are relevant to the company's strategy and objectives. The identified aspects are linked to the value chain with the goal of identifying whether they are considered relevant internally or externally, which of Desigual's areas of operation generate impact, and the extent of the company's ability to manage and control them.

Lastly, the identified topics and their materiality were validated through a final process involving the managers and directors of the departments concerned and, finally, part of the Steering Committee and the Board of Directors. The result is the materiality matrix presented below.





Materiality matrix

- People**
 - 1. Transparency in communication with employees
 - 2. Protocol for returning to the office after the most critical periods of the pandemic and safety at the workplace (protection against COVID-19)
 - 3. Adapting to the new needs of the business
 - 4. Implementation of the 4-day workweek and its implications
- Consumers**
 - 5. Safety at the point of sale (protection against COVID-19)
 - 6. Customer data protection
 - 7. New ways to reach the customer (Designal at Home, Personal Shopper, etc.)
 - 8. New store model
 - 9. Distribution network optimisation
 - 10. Responding to the concerns of consumers (Love the World)
 - 11. Improvement of the shopping experience on designal.com
 - 12. Reactivation of brand experiences in the different markets
- Product**
 - 13. Sustainable product
 - 14. Training teams on sustainable design
 - 15. Product quality, health and safety
 - 16. Sustainable product labelling
 - 17. Materials policy
 - 18. Managing chemicals throughout the supply chain
 - 19. Product circularity projects
- Supply chain**
 - 20. Supply chain traceability
 - 21. Compliance with human rights throughout the supply chain
 - 22. More sustainable production processes
 - 23. Responsible purchasing practices
- Circularity and efficient use of resources**
 - 24. Waste prevention and management (circularity)
 - 25. Environmental management and consumption of power and water
 - 26. Sustainable use of resources (packaging, consumables, etc.)
 - 27. Reduction of plastic usage
 - 28. Climate change (carbon footprint reduction)
- Fiscal transparency**
 - 29. Fiscal compliance and tax contributions
- Social action**
 - 30. Relationship with our stakeholders
 - 31. Commitment to the community
- Corporate governances**
 - 32. Corporate governance
 - 33. Risk management and control systems
 - 34. Corruption and bribery
- Brand**
 - 35. Image and reputation
 - 36. Transparent communication
 - 37. Restoring the brand's relevance and generating value for our consumer (purpose, claim, differentiation)
- Business**
 - 38. Recovery of sales and turnover (goal EBIT 0*)
 - 39. Technological innovation (digital showroom, Apolo project, etc.)
 - 40. Activation of Awesome Lab (startup accelerator)

* The term "EBIT" (earnings before interest and taxes) refers to the company's profit before applying interest and taxes.

Protection against COVID-19 and new corporate challenges: priority aspects

The impact of the COVID-19 pandemic, which continued to critically influence Desigual's operations in 2021, emerges as one of the priority aspects for both the company and its stakeholders at the time of updating the materiality matrix. This impact can be observed at various levels: economic, health and safety (the protection of employees and customers against infection) and changes to the supply chain, such as the acceleration of the e-commerce strategy. However, the most relevant aspect to the company during this financial year was the process of defining, internally voting on, and applying

the new employment flexibility measures (four-day workweek) and its public repercussions. In addition to this, all aspects related to environmental sustainability remain relevant and of interest to both collectives. The main change compared to the 2020 matrix is the inclusion of the section about the four-day workweek, while the degree of relevance and interest for aspects related to the pandemic remains the same.



The 5 most relevant aspects for the company

1 Adapting to the four-day workweek and its implications

2 Recovery of sales and turnover (goal EBIT 0)

3 Adapting to the new needs of the business

4 Sustainable product

5 Protocol for returning to the office after the most critical periods of the pandemic and safety at the workplace (protection against COVID-19)

The 5 most relevant aspects for stakeholders

1 Safety at the workplace (protection against COVID-19)

2 Sustainable product

3 Reducing plastic use

4 Improving the shopping experience on [desigual.com](https://www.desigual.com)

5 Supply chain traceability



02

Brand values

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- 2.2. Creativity, innovation and collaboration, a formula for the future
- 2.3. Our contribution to the Sustainable Development Goals
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Brand values

In 2020, we officially revived the slogan that has been with us since the beginning of the company, “La Vida es Chula” (Life is Awesome), to continue to spread joy and optimism in a scenario shaped by the impact of the coronavirus pandemic. In 2021, we focused on adapting these values to the current reality through an analysis process that defined the three most urgent SDGs in our corporate strategy. Ultimately, any actions we carry out in relation to these three cornerstones must contribute, indirectly, to complying with all the objectives defined by the United Nations.



Strategic objectives	2021 milestones
<ul style="list-style-type: none"> To increase the visibility of the brand globally, restore its relevance and position Desigual as the preferred brand for consumers aged 30-40 due to its optimistic outlook on life, its creativity and its commitment to sustainability. 	<ul style="list-style-type: none"> Actions like approving the new four-day workweek, launching Awesome Lab, the gradual renovation of the store network and the support for our digital services have had a remarkable impact, thereby strengthening the brand's values and image
<ul style="list-style-type: none"> To develop a collaborative working style and methodology that is open to contributions from external professionals (designers, startups, artists and other types of professionals), as the only route for the advancement of the company and the sector itself. 	<ul style="list-style-type: none"> The “Open Desigual” philosophy was applied in two main areas: product design by boosting collaborations with renowned professionals, and innovation through the launch of Awesome Lab.
<ul style="list-style-type: none"> To extend the company's commitment to the three areas of sustainability (environmental, social and economic), in accordance with the Sustainable Development Goals (SDG) of the United Nations. 	<ul style="list-style-type: none"> We defined the priority SDGs for Desigual with the aim of carrying out actions that are truly meaningful to our stakeholders.

2.1.

Our story

Desigual came into being in 1984 in the Barcelona neighbourhood of El Raval, when Thomas Meyer designed a jacket that is now considered to be one of the fashion sector's first upcycled products. In those early days, filmmaker Isabel Coixet suggested a word, “Desigual”, and accompanied it with the slogan “no es lo mismo” (it's not the same).

Spanish graphic designer, photographer, illustrator and sculptor, Peret, doodled the first logo, the “Humans” (a man and a woman holding hands... naked). And architect Tonet Sunyer designed the first Desigual store, in the port of Ibiza, in 1986.

Those years were a meeting point for many people who were fascinated by that free, authentic, optimistic, unapologetic and Mediterranean universe which, from Barcelona, continues to inspire the world almost four decades on.

In 2006, we began crossing borders. Our first international destination was Singapore, and from there we expanded into the Asian market. Later on, we would land in the United States, where we opened a store in New York in 2009. In 2010, Desigual opened its first Latin American store in Colombia.

In June 2019, we began a new chapter with a refreshed image more in tune with the what, why and how of what we do: the identity of a brand that transforms and adapts to new consumption habits and trends and a new omnichannel model to engage with consumers, wherever they are and whenever they need us. This evolution is expressed by delivering a distinct experience to anyone who comes into contact with the brand.

In 2020, the COVID-19 pandemic upset all our plans. In the face of widespread dejection, we realised that the only message that comes from the heart is *"La vida es chula"* (Life is awesome) and we need to live it accordingly, thus bringing back our historical claim. During one of the most complex years for everyone,

we decided to review our principles and dreams: new collaborations and more sustainable collections emerged, we accelerated our digital commerce platforms and boosted our sustainability strategy by engaging in new partnerships and commitments.

And in 2021, in a context that was still extremely complex, we continued to boost our development by launching new benchmark projects in the fields of corporate culture (the four-day workweek) and innovation (Awesome Lab), as well as strengthening our 2020-2023 Sustainability and CSR Strategic Plan. Across all of this we also started to apply a renewed collaborative vision of the business under the "Open Desigual" philosophy.



100%
Desigual since 1984.

Journey.



1983

Thomas Mayer, the brand's founder, created a new garment: a jacket drawn from scraps of jeans and jeans buttons with leather appliqués on the cuffs. This jacket, now known as the iconic jacket, embodied many of the keys of our aesthetic universe: like patchwork and handcrafting, with a clear intent to use a technique our work today. The jacket became the first product by Desigual, which would come into being a year later.

1984

Our iconic jacket became a trend: it could be thrown by. From an idea suggested by hotel owners, we chose "Desigual" as the brand name, which was supported by a slogan that provided it a very different "it's not the same". From our language, we have succeeded in writing its values apart, and it would bring us its second life through the mouth of our garments.

1986

On 23 July we opened our first store in Plaza Parc. It was designed by Juan Sanyer and the logo a couple of months later. The first one hundred people to arrive signed our store as Barcelona's Plaza de Gracia would emerge dressed head to toe in new Desigual clothes.

1993-1995

Desigual grew stronger and sold its first store in London in 1993. In 1995, it was the first to be bought specifically in France and Portugal, and discovered the challenge of crossing borders.

1998

We launched the Desigual 10 website and opened a store in Hong Kong, marking our first venture into Asia.

2003

We developed an innovative strategy: the Plaza Parc. We discovered our store with the support of our stock, collaborators and customers, who, armed with paint, brush and rollers, expressed themselves on the walls of what would soon become a functioning store.

2006

We traveled to Singapore to set up our first store outside of Spain.

2005

The Barcelona City Council established the law prohibiting nudity on the street. The change in the law allowed us to launch a collection inspired by 17 February 2005. Naked. This initiative positioned us among the first one hundred people to arrive signed at our store as Barcelona's Plaza de Gracia would emerge dressed head to toe in new Desigual clothes.

2004

We launched our first collection for kids.

2007

Desigual's growth began to solidify, we opened in London with a store on Regent Street.

2010-2011

We signed up French designer Ph. Clutton-Lobraz, who designed a line of garments for us in his signature style. In 2011, we launched our 10th anniversary.

2012

We moved to Barcelona in June we officially opened our new headquarters in Barcelona.

2014

We reinforced our growth strategy by including investment group in our collection. We opened our Boutique Barcelona store on Plaza Catalunya and our store space in Rome.

2015

Our biggest achievement in 2015 was the launch of our new brand: appearing and knowing the world and the way we lived on an emotional and joyful that brought us closer to our customers around the world. We launched our Everic jeans campaign, which allowed us to expand our own jeans line. We introduced our 2016 collection plan for in new Desigual.

2009

We set foot in America with the opening of a store in New York. At the same time, our garments were being sold in 100 independent stores across the United States.

2018

We relaunched our first garment, the iconic jacket, and redesigned it to our new brand. We designed special collections and the store who sold a large stock of clothing. We introduced the new store design and we moved forward with our transformation plan.

2017

We brought in French artist Jean-Paul Goude on an artistic advice to collaborate with him, we presented our 10th collection in New York Fashion Week, putting on a radically different fashion show based on an urban jungle theme. We consolidated our commitment to entering Mexico, a key strategic market for Desigual.

2016

We entered a new stage in our evolution towards a business model based on the consumer and led by the customer. We continued to engage with the public, while always trying to be a reference brand in our industry.

2019

We began a new chapter in Desigual's history by launching a new image that included a new logo, we renewed our products by designing more urban, versatile and sustainable garments and accessories, and we introduced a new shopping experience that we have rolled out to our most stores across Asia, America and Europe. We did all this by engaging with our long-term partners to ensure that we shared more business than ever, while remaining true to our commitment to our customers and the planet.

2021

The impact of the COVID-19 pandemic, which continued throughout the year, did not hinder the company's creative and innovative spirit. The higher level of the fashion industry, at headquarters, globalized the attention of the sector and media in the world around the world. It was an incredible year made up of the first collection in a matter of just a few days in store. The demand for return of the market, which was opened by 80% of the staff - and the strong commitment to work in balance and flexibility, showed that we were preparing ourselves for the future and the launch of Autumn 2021, the first collection in Spain's fashion sector, which needs to provide the implementation of innovative jobs and new business models of innovation.



2.2.

Creativity, innovation and collaboration, a formula for the future

The 2021 financial year marked the beginning of a new stage of growth in the history of Desigual, based on an even more decisive commitment to two of the concepts that have historically defined the journey of the company: creativity and innovation. The coronavirus pandemic accelerated a series of trends that had already been seen with aspects like the development of e-commerce, the implementation of technology into the shopping experience, public concern regarding sustainability, and the relationship model between consumers and brands, with higher value given to sustainable and locally sourced products.

All of this defined a brand-new field of action that required companies to rethink previously defined strategies and to demonstrate their resilience and ability to adapt in order to perform in this new scenario. Desigual has faced this challenge by strengthening the values that sets it apart as a brand and by developing the "Open Desigual" concept.

Optimism and differentiation

"*La Vida es Chula*", or "Life is Awesome", the company's longstanding claim, conveys a radically optimistic message that is integral to Desigual's DNA: a positive, inclusive and rebellious attitude driven by curiosity and a desire to think and do things in a different and bold way.

In 2021, this philosophy led us to carry out strategic projects that are crucial to the future of the company and involve three large areas:

- **Corporate culture:** renewing our culture through an even more determined commitment to health and wellbeing, sustainability, equality, work-life balance and flexibility. The new four-day workweek is just the first initiative in the development of a renewed corporate culture model that is now adapted to the real needs of the company and its employees.
- **Sustainability (Love the World):** a remarkable advancement of the goals set in the 2020-2023 Sustainability and CSR Plan, reinforcing the monitoring and support of our suppliers, the traceability of our product and the transparency of the supply chain. Our dynamic of continuous improvement allowed us to achieve certain goals sooner than originally expected, like the percentage of sustainable garments in our new collections.
- **Innovation (Awesome Lab):** a collaborative vision and commitment to innovation converged in the launch of a startup accelerator aimed at responding to the main technological challenges faced by the fashion sector. We also include other actions carried out by the company in the field of innovation and technological development under this concept.

“Open Desigual”: collaboration as a competitive tool

Until now, Desigual's differentiating strategy pivoted on two elements: the design of unique and singular garments with a very strong personality, and disruptive and bold communication that succeeded in building a preference for the brand. Now, the company has added a third pillar to this strategy: collaboration.

Desigual views collaboration as a way to delve into and discover which direction society and the needs of the various generations should progress so it can act accordingly. In this sense, Desigual regards it as a mission which, given its dimension and need for continuous updating, transcends the organisation itself and requires the incorporation of external talent and skills.

Hence the commitment to an Open Desigual that will promote collaboration as the competitive tool that will allow us to stand out. This is a company-wide concept that applies to every specialisation area of the company. However, its launch is focused on two specific actions:

- **Open Desigual and creativity in the collection:** our commitment to collaborating with artists and designers to create new garments and capsule collections started in 2019 and intensified in 2021, through a much more significant involvement from collaborators in our new collections and with a focus on digital channels.
- **Open Desigual and innovation alongside Awesome Lab:** commitment to open innovation as a key factor for the company's growth plan, based on an open model that seeks to get closer to startups at an early stage to implement their solutions or help them boost their business in a more strategic way.



Always true to Desigual's principles

The projects promoted in 2021 further develop the brand's principles, to which the company has stayed true throughout its 38 years of history.

We are 100% Desigual

At Desigual, everyone can be the best version of themselves, and we understand that we all evolve differently and are not the same at each stage. We don't believe in hierarchies or strict rules. You decide how you want to grow and in what direction, which is why we promote autonomy, responsibility and maturity.

Driven by the joy of living

We have always been different and optimistic. We believe in joy as a catalyst for energy, as a machine that drives the world and as an honest and direct message that is so very necessary during the times we are living in. So always remember... life is awesome!

And all the while, we respect the environment

We seek harmony between us and our surroundings. We believe this is vital, and that is why we strive every day to reduce our environmental impact by trying to repay the planet for the gifts it has given us.

We believe we're better together

We are a company that is young at heart, where diversity and creativity thrive. We live everyday life with passion and intensity. We like to celebrate our achievements and spread positive energy.



Life Is Awesome (SS22) collection, energy and good vibes

The SS22 collection accurately conveys Desigual's dynamic and optimistic spirit: with vibrant colours, fun prints and versatile and comfortable garments.

Naturally, it encapsulates the commitment to sustainability that applies to all our collections: garments made from materials like BCI cotton (100% of our denim), Lenzing™ Ecovero™, Livaeco viscose, Tencel™ Lyocell and recycled fibres.

100% Desigual creatives

Our collaborations with designers are reinforced and complemented by Desigual's own collections, and we choose collaborators that share our life philosophy, values and international view of the business.

The involvement of new collaborators also means a restructuring of our work methodology to integrate this creativity into the new collections in a quicker, more successful way.

The following designers collaborated with us in 2021:

- **Esteban Cortázar**
- **María Escoté**
- **Monsieur Christian Lacroix**

2.3.

Our contribution to the Sustainable Development Goals

As part of our commitment to sustainable growth, our 2020-2023 Sustainability and CSR Plan analysed the United Nations Sustainable Development Goals (SDG) and identified the objectives that are more directly related to the actions carried out by Desigual. In 2021, this analysis process allowed us to choose the three SDGs that define our strategy and lines of work so that they will ultimately contribute, indirectly, to complying with all the goals defined by the United Nations.



5 GENDER EQUALITY



This goal focuses on empowering women and girls to reduce gender inequality, with the aim of combatting social isolation:

- Approval and implementation of the company's Plan for Equality of Men and Women, which compiles a set of measures to ensure equality in terms of treatment and opportunities across the organisation.
- Diverse and inclusive casting for marketing actions and campaigns to avoid falling into exclusionary beauty standards.
- Participation in Women's Week by publishing inspiring stories about women and carrying out internal awareness actions.
- Gradual increase of the number of women in executive positions within the company.
- Requiring compliance with social and employment rights in our relationships with our suppliers.
- Participation in the women's empowerment programme WEPS Activator, promoted by amfori and UN Women, which allows the companies involved to access tools and training services to carry out gender-related action plans.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



An objective that is directly linked to ensuring sustainable consumption and production methods with milestones that will affect Desigual's entire value chain:

- Removal of single-use plastics and the use of polybags made from recycled materials.
- Reduction of waste generation through recycling measures and the reuse of materials.
- Working towards increased product circularity: recyclable sustainable products, the improvement of the longevity of garments and the development of new ways to extend their useful life.
- Gradual increase of sustainable fibres in the collections and promotion of the product's sustainability in our communication campaigns and the labelling.
- Control of stock to minimise losses.
- Carrying out awareness campaigns with employees.
- Improvement of the box reuse systems in our logistics operations.

13 CLIMATE ACTION



A global goal of adopting urgent measures to fight climate change and its effects:

- Development of a project to reduce our carbon footprint by 25% by 2025, and by 45% by 2030.
- A steady increase of recycled materials and more sustainable options that have a smaller impact on the ecosystem, both in the main product (garments, accessories and footwear) and the packaging.
- Incorporation of sustainability requirements into our relationships with our suppliers.
- Purchasing renewable energy for our offices, logistics centres and retail stores.
- Implementation of operational and energy efficiency measures.

2.4.

Collaboration with local entities

As part of the company's philosophy and values, and in accordance with one of the goals established in our 2020-2023 Sustainability and CSR Plan, Desigual maintains a relationship of ongoing collaboration with various entities from the social, cultural and sporting sectors. Most of these associations are located in the area of the Barceloneta neighbourhood, which is home to the company's headquarters.

In 2021, collaboration with local entities was affected by the social distancing measures imposed due to the pandemic, which necessitated the restriction of a great number of programmes and actions run by these associations. Despite this, the company was involved in some of the most significant events in Barceloneta through the donation of products or by making economic contributions.

Actions carried out in 2021:

- Associació de Veïns de la Barceloneta:** once again, Desigual supported this association's initiatives by donating close to 3,000 products (bags, earbuds, laptop cases, pillow-blankets, manicure sets and backpacks) for the neighbourhood's festivities, which take place in late September. Barceloneta's residents' association is one of the organisations with which we have long maintained a close relationship. In 2022, we will work together to design new actions that will have a more direct impact on the neighbourhood's



economic and social development, such as the promotion of employment among young people and collaborations with the merchants from the Barceloneta Market, among other initiatives.

- Port Vell:** a contribution of €5,000 as the sponsors of Moll de la Fusta's Christmas Market, a fair that runs from 9 December to 6 January. This event is one of the most important popular events in Barcelona's Christmas celebrations, which were held again in 2021 after the mandatory cancellation in 2020.

- Club Natació Barcelona:** donation of materials (travel kits and toiletry bags) to be included in the bag given to participants of the IV Aquatló Jove CNB - I Aquatló Absolut CNB, a duathlon that took place in May.
- Club Natació Atlètic Barceloneta:** we also supported the organisation of events run by the club through the donation of materials for sports days held in June and November.

In 2021, we also continued to collaborate with two non-profit associations, which Desigual supports in the pursuit of their respective goals. Specifically, we donated materials for the activities organised by **Associació Aprenem Autisme** (www.associacioaprenem.org), which supports children with autistic spectrum disorders, and **Fundación No Somos Invisibles** (<https://nosomosinvisibles.org>), which focuses on the integration into society and the working world of people with cerebral palsy and other severe physical disabilities.





Cleaning Mar Bella beach alongside Pachamama BCN

To mark the occasion of World Earth Day, we collaborated with the Pachamama BCN association to clean Mar Bella beach. The more than 100 volunteers who took part in this initiative cleared close to half a tonne of waste from the sand and the sea floor. Desigual also collaborated by donating €1,500 and organising a streaming meditation session with SUCO Sessions to raise awareness of this action.



In 2020, Desigual donated a total of €6,184 to social initiatives. In 2021, this increased to €6,500. The company did not engage in any sponsorships in 2020 or 2021.

03

Value chain

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Value chain

In 2021, Desigual completed new stages in the development of an omnichannel distribution model that will allow us to provide a differential customer care and shopping experience to our consumers in any setting: the points of sale, the digital channel or other hybrid solutions being developed.



Strategic objectives	2021 milestones
<ul style="list-style-type: none"> To integrate the latest technologies into the design process to contribute to sustainability and reduce time to market, while preserving our handmade and experimental philosophy in the most creative stages of the process. 	<ul style="list-style-type: none"> Using 3D design techniques to anticipate needs and risks in the production process, and applying sustainability right from the very creation of the concept. Beginning collaborations with the startups involved in Desigual's acceleration programme, Awesome Lab (SXD and Resortecs), focused on minimising the generation of waste and improving end-of-life.
<ul style="list-style-type: none"> To consolidate a stable portfolio of suppliers to guarantee Desigual's standards at a social, environmental and quality level, and support them in their continuous improvement. 	<ul style="list-style-type: none"> Once the portfolio of Tier 1 suppliers and factories has been established, our goal for 2022 is to bring visibility to our Tier 2 factories to improve the transparency and traceability of our supply chain.
<ul style="list-style-type: none"> To strengthen the omnichannel nature of our distribution chain to ensure customers have access to our products in all settings and environments. 	<ul style="list-style-type: none"> Effectively implementing the digital channel's globalisation strategy through the desigual.com expansion project. Regarding our physical store network, we continued to roll out the new store concept and integrated technologies to improve the shopping experience.

3.1.

Business model

Desigual's business model revolves around our goal to connect with our consumers in any shopping setting and our ability to service them as quickly as possible in any country in the world. For the past few years, the company has been building

on this vision by developing an omnichannel model that determines both the direct touchpoints with our consumers and the management of the supply chain to guarantee a satisfactory service.

The work done in previous years allowed Desigual to put the necessary infrastructures and processes in place to effectively address the acceleration of new consumer habits brought on by the coronavirus pandemic. To continue to cater to these new demands, in 2021 we reinforced the following two lines of action:

- Development of digitalisation across all stages of the life cycle of our products, from design and manufacturing to distribution, with a special focus on the globalisation of online sale channels and synergies with physical stores. The development of digital channels also allows geographical diversification to be boosted to ensure that 60% of turnover comes from the digital channel or geographies outside of Europe by 2023.
- Refurbishment and optimisation of the point of sale network by being present at strategic locations and integrating innovative solutions to provide a differential shopping experience. To this end, the new store concept was extended to stores worldwide in 2021, and new flagships that delve deeper into the brand's DNA were opened.

This omnichannel model relies on a very strong supply chain, based on a group of trusted suppliers, who are able to respond to Desigual's demanding quality standards and the transparency required by the company, as well as the complexity of the market. In 2021, the ability to anticipate purchases and manage stock appropriately to prevent surplus was key to facing the risks associated with the logistics difficulties that affected retail on a global scale.



3.2.

From idea to product

3.2.1.

Philosophy: garments that spark joy

It doesn't matter how many years go by, Desigual continues to stand by its purpose: to create innovative and affordable products that spark joy. The mission of the company is to create garments to dress and excite people primarily between the ages of 30 and 40, who are open-minded, creative and modern. This was the only way to consolidate ourselves as the most authentic, inspiring and contemporary fashion brand, one that believes in an inclusive and prejudice-free world where people can express themselves differently.

To allow creativity and authenticity to thrive, Desigual has dressmaking, graphic design and fashion design teams which, either working by hand or using the latest 3D prototyping techniques, stay true to our philosophy, Made with love, while always paying attention to every detail and integrating our commitment to sustainability, innovation and quality.

Our creative process

Doing everything with love influences our deep creative and artistic spirit. At Desigual, we want our garments to spread this attitude to anyone who buys them for themselves or as a gift. This is why the five steps of our design process are unique:



Creative direction

Thomas Meyer meets with his whole team and shares his ideas for the coming season before starting work on each collection



Arty inspiration

From these guidelines, the designers find inspiration and research their proposals for the collection so they can put them on paper (they visit art exhibitions, consult books and fashion magazines, look for ideas on their travels, etc.).



Kick-off

Every proposal is discussed. The final outcome is digitised, marking the starting point for the development of the collections.



Development of the collection

Each design is created by the product and graphic designers, who work on the various parts of the collection by forming a team with experts on fabrics, quality, product and dressmaking.

The graphic design team work on and develop the prints that will be featured on the shapes, volumes and patterns that the fashion design team is concurrently creating.



Supervision

Every last detail of every line, garment and part of the collection is created with the supervision and editing of the creative director. The ambiances that will make up the collection are created during this stage.

3.2.2.

New collections

The collection launches in 2021 continue to build upon the product philosophy we implemented two years ago: collections that stay close to the preferences of our customers, with urban, versatile and combinable garments. All the while never sacrificing the colour and boldness that characterise us, and with our unmistakable upcycling and the gradual increase in sustainable fibres as our hallmarks.

In 2021, collaborations came from new friends and old acquaintances who share a drive to surprise and captivate. Among the new faces, we have been lucky enough to be joined by Colombian designer Esteban Cortázar, whose first collaboration with Desigual is a collection inspired by deeply personal memories. As the year progressed, we also welcomed two new María Escoté collections and celebrated the 10th anniversary of our collaboration with the maestro Monsieur Christian Lacroix, something which Desigual is extremely proud of. An even older friend and an icon of the brand, Mickey Mouse, stayed with us as a timeless symbol which, season after season, renews its presence in ever more surprising collections.



SS21 COLLECTION

El Now

Here and now. In a context of disillusionment due to the impact of the pandemic, the SS21 collection chose life, colour, joy and femininity. In short, it chose 100% Desigual attributes which were needed more than ever. This philosophy was conveyed through pieces like dresses featuring XXL flowers, Mickey Mouse's own collection and hybrid garments. Almost 30% of the collection was made from sustainable materials, a percentage that has significantly increased in more recent collections.



SS21 COLLABORATIONS

Desigual x Esteban Cortázar: "Cada día es para siempre" (Every day is forever)

In 2021, Desigual's team of collaborators welcomed Colombian designer Esteban Cortázar. His first range alongside the brand conveys joy, colour, diversity and fun. A tribute to summer dreams, childhood memories, art and love, created by someone who was once the youngest designer to have a show at New York Fashion Week. Inspired by the summers of his childhood in Miami with his dad – painter Valentino Cortázar – the collection takes us to the melting pot of 1990s South Beach through authentic imagery populated by supermodels, drag queens, Latino culture and an endless summer. It's a diverse, versatile, easy and unisex collection that features garments conceived for all kinds of bodies which can be enjoyed anytime and anywhere. Shirts that are dresses, full-colour printed jeans, and patchworks recreating never-ending sunsets on eco-friendly fabrics that love and respect the world. A capsule infused with summer spirit and a timeless flavour.



Desigual x Esteban Cortázar



SS21 COLLABORATIONS

Desigual x Monsieur Christian Lacroix *Forever*

The tenth anniversary of our collaboration with Monsieur Christian Lacroix deserves a violet-coloured celebration of happy encounters, ornamental nature and a passion for design. Monsieur Lacroix invites us to a party in a lavender field in Provence with silky tulles, eco-friendly fabrics and floral prints that create short dresses, two-piece total looks, fitted pinafores and majestic kimonos. And in the midst of this blossoming daydream, there's a celebration of a real-life dream come true: 10 years and 20 seasons of the designer's collaboration with Desigual. "To say that these ten years are the high point of my career as a fashion designer is no exaggeration," said the maestro.



Desigual x Monsieur Christian Lacroix



SS21 COLLABORATIONS

Desigual x Maria Escoté: *The color oracle*

In her second collaboration with Desigual, María Escoté proposes a spring filled with colour and good vibes where you can shed your skin for an explosion of flowers, snakes and arcade references in bright tones and touches of neon. A feminine and powerful collection made up of 18 garments and accessories, with shapes that create volume and pieces with a street essence. "I wanted to create my own goddesses of colour, those colour activists who will bring us the chromatic energy we need for this spring-summer," declared the designer at the launch.

In the campaign, actor Milena Smit – nominated for best supporting actress at the Goya awards for her performance in Pedro Almodóvar's *Madres Paralelas* – becomes a 3D avatar thanks to the synchronous shooting of 114 cameras that give shape to a hypnotic visual universe, halfway between a videogame and special effects.



Desigual x Maria Escoté



SS21 COLLABORATIONS

Desigual X Mickey: *Play!*

A collection that celebrates Desigual's origins and declares that fun knows no age: bright and eye-catching colours adorn comfortable and iconic garments in loose, versatile and extremely urban shapes. The main features: comfort, fun and, of course, Mickey, a loyal friend who has been with us since Desigual's very first day. As a way to celebrate him and our adventure together, we bring back our Iconic jacket transformed into a gilet, and return to the original design of "the 86" in black and red. We also welcome a two-material parka in khaki, with back and sleeve embroidery where Mickey reigns supreme in a distressed vintage effect.



FW21 COLLECTION

Mind, Body, Soul

The FW21 collection advocates joy and colour while standing out for the balance of its chromatic palette and the versatility of its pieces: comfortable garments with unisex shapes to allow for endless combinations. All while, it never loses Desigual's essence in the combination of fabrics (ribbing, nylon, faux fur, organic cotton, recycled polyester and washed-effect) and the variety of prints (animal, cosmic/moon, flowers on dark colours, etc.). And, of course, taking a step forward in terms of sustainability: 53% sustainable garments in Woman and 46% across all collections, achieving 100% in some families like Denim.





FW21 COLLABORATIONS

Desigual X Monsieur Christian Lacroix

Eclectic, hypnotic and athleisure: Monsieur Christian Lacroix's capsule for the FW21 season in a nutshell. A reinvention of the aesthetic language shared by the brand and the maestro in which athletic garments are built around sporty and comfortable shapes with sophisticated and boho textures. Leggings, fitness-style bra tops and trekking-inspired padded coats are constructed with technical materials while exploring volumes which highlight the silhouette and paint it in bold colours that borrow from fauvism. Dark tones with neon accents, pictorial designs, flowers and patchwork, tulle combined with denim, and sneakers and hats finishing off every look all shape this new fantasy capsule that transforms everyday and sporty items into chic and memorable pieces.



Designal x Monsieur Christian Lacroix





FW21 COLLABORATIONS

Desigual X Maria Escoté: *Sexy planet*

“Sexy Planet speaks of diversity, of a planet inhabited by different people, of difference as a sign of identity, of the magic of feeling different from the rest, of blending and mixing, inviting us to go out and reconquer this planet,” explains María Escoté herself with regard to her FW21 collection. Her proposal features garments that wrap around all bodies, regardless of their shape or age, advocating difference and self-worth as a strength and sign of identity. Street casual combined with chic, oversized shapes alongside fitted cuts; these feminine and unisex garments promote the individuality and authentic style of each individual. In the background, an orgy of patterns, flowers and animal print, where fantasy gives rise to the impossible cross-breeding of species on Japanese-inspired backgrounds.

In the campaign, five strong, talented and empowered women share powerful messages from their own life experiences: Ilona “Cicciolina” Staller, Lea T, Carla Díaz, Bikôkô and María Escoté herself.



FW21 COLLABORATIONS

Desigual X Mickey Mouse: *Friends since 1984*

Desigual is celebrating the friendship it has shared since 1984 with Disney's Mickey Mouse in a capsule collection where denim and print take centre stage. An ode to positive nostalgia where urban and vintage set the trend for the season. The collection merges two lines that pay tribute to our trusty companion. Revival Inspiration comes packed with washed out garments in all-over prints created from vintage Disney comic book covers. A proposal that embodies the Desigual essence on youthful shapes and volumes such as the cropped oversize jacket, denim flares, miniskirts and bodysuits. The recipe also encompasses Heritage Inspiration, with prints and placements featuring a surprised and surprising Mickey who we depict in maxizoom and distressed effect. A work of art in the purest vintage style complemented by sustainable fibres, and even the little ones can get in on the fun with a mini spin-off version.



A GLIMPSE OF THE COLLECTIONS FOR 2022

Life is Awesome (SS22)

A collection named after the brand's longstanding claim could only be synonymous with positivity and comfort for women, filled with looks for enjoying every moment to the full. A range of garments created in comfortable, ultra-feminine and versatile shapes; painted in a thousand colours that form patterns depicting jungles, tie-dyes, flowers, newspapers and seafloors; sewn with fibres and materials that care about the planet and ooze Desigual spirit. The magic of this formula comes from a unique combination of forms, prints and fabrics: long dresses with cut-outs or short ones that hug the silhouette; open backs on bodies or exposed shoulders on tops share prominence with effortlessly cool shirts, sweatshirts and monochrome jumpers, alongside a swimwear line and a multitude of accessories.



A GLIMPSE OF THE COLLECTIONS FOR 2022

Manifesto (FW22)

This collection seeks to excite and stimulate the search for emotions. Smiling, screaming and dreaming through colour, prints, fabrics and decorations. Playing with vibrant tones like yellow, red, indigo and orange, combined on arty and patchwork patterns characteristic of Desigual. Hallucinating with squares, patches and unexpected metallic effects on padded jackets and coats in WOW textures, shapes and volumes. Vibrating and creating reworked shapes and contemporary styles for sweatshirts, dresses (casual, short and tight with cut-outs), T-shirts, maxi and mini multifunction accessories and sneakers. Loving each step of the process, treating every garment with the utmost care right from the design stage and the choice of fabrics, and increasing our commitment to sustainability.

3.2.3. Quality

Alongside the creativity and associated values, Desigual's garments are also defined by their quality. The company is deeply devoted to this aspect through a strict testing process that complies with the most demanding international regulations. Desigual's commitment to quality was acknowledged in 2021 when it received the best ever results in customer ratings.

At Desigual, the management of quality always has special relevance due to three factors that set the company apart:

- **Raw material traceability:** the Raw Materials department is exclusively devoted to controlling and ensuring that both the selected suppliers and the materials used comply with the required standards.
- **The technical complexity of the product:** Desigual's garments are characterised by our ongoing innovation in fabrics, shapes and finishes. Each style poses a challenge for our dressmakers and manufacturers and all the professionals involved in planning the manufacturing processes. To this end, special attention is paid to the technical characteristics of any new products and materials, and a detailed risk matrix is developed for each.
- **Quality assurance:** in order to guarantee the quality standards in the production processes, we have implemented a technical authorisation called Technical Audit as part of our policy for authorising suppliers. This assessment allows us to verify whether quality management and assurance are correct. In other words, whether the management and execution of the quality systems are adequate according to our standards.



Following the guidelines from the Quality department, various other departments within the company work together on the development, implementation and control of these three pillars. More specifically, the teams involved are Quality Expertise, Quality Control, Dressmaking and Health & Safety, and they ensure the control of quality throughout the value chain: from the design of the product to its implementation at the stores.

Continuous improvement of customer ratings

To assess the effectiveness of the overall quality control process, Desigual works with the analysis system PQS (Product Quality Satisfaction), which uses a questionnaire to assess customer satisfaction with a product (materials, manufacturing, printing, fit) two months after purchase, while measuring the amount of complaints made. The result is the assessment of the perceived quality of the garments from each season in three areas: women's collections, accessories collections and overall assessment. This indicator has consistently improved over the past few years, with a decrease in complaints, ultimately achieving our best ever results with the SS21 collection.

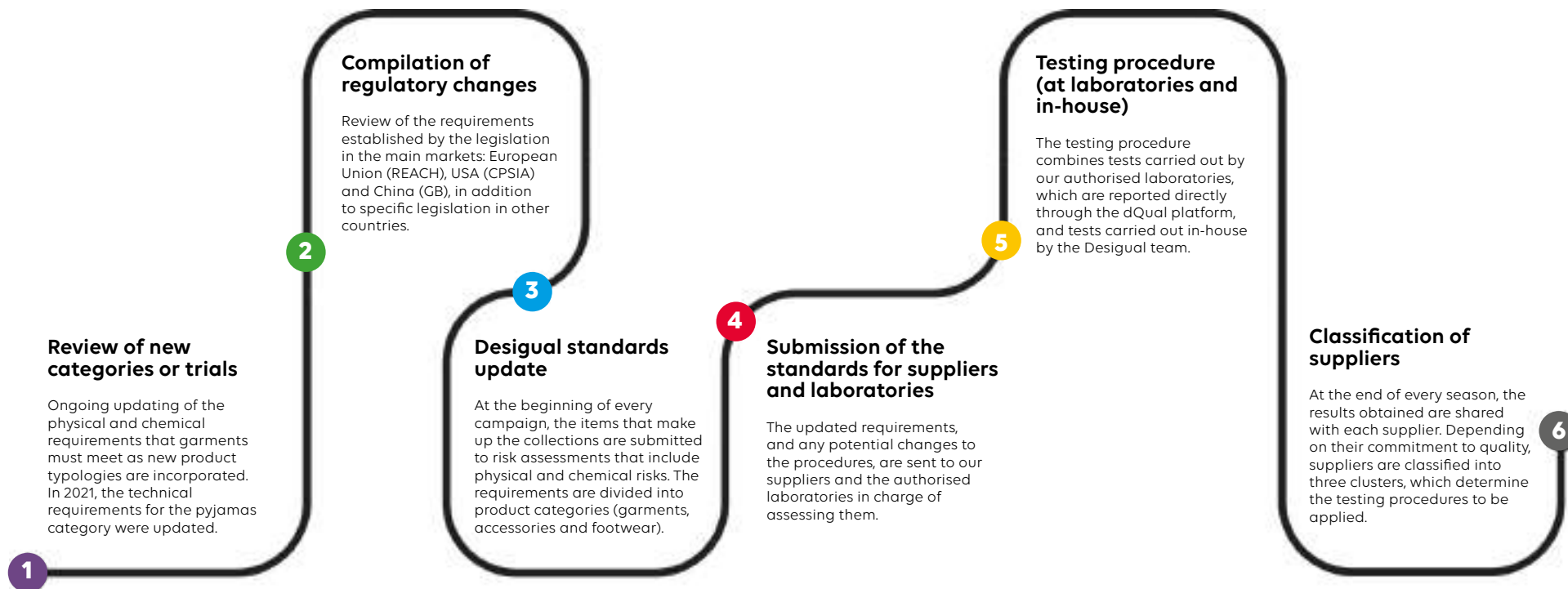
SS21 PQS RESULTS*:



*These percentages indicate the volume of complaints with respect to the total number of assessments. Full details on claims and complaints can be found in section 3.4.3 Customer Support.

Testing process: ongoing risk updates

Desigual's quality management system includes our own garment testing process, which combines audits conducted by authorised laboratories with internal controls carried out by the Quality team. These analyses adhere to quality standards that are more demanding than the requirements established by the regulations of the main markets in which we operate.



3.2.4.

Strategic partnerships involving the Product

The commitment to collaborative work that is at the heart of the “Open Desigual” process is also expressed through the synergies and key partnerships the Product department maintains with international benchmark entities and collectives. Our decision-making process takes into account the interests and expectations of our stakeholders, as well as the standards defined by these organisations and the commitments we have engaged in with them.



Sustainable Apparel Coalition (SAC)

An organisation focused on promoting best practices in the supply chain and measuring the social and environmental impact of the main players in the textile industry. It is made up of more than 250 brands, manufacturers and institutions from 36 countries, and is the main driving force behind the Higg Index, a benchmark within the industry that allows companies, manufacturers and brands to measure their social and environmental impact.

www.apparelcoalition.org



Better Cotton Initiative (BCI)

The largest cotton sustainability programme in the world. Focused on improving and securing the future of the world's cotton production by improving working conditions and reducing the impact on the environment. Made up of more than 1,800 members, who are involved in the various stages of the cotton supply chain.

www.bettercotton.org



Textile Exchange

A global non-profit organisation working with everyone involved in the supply chain for textile products to minimise and even revert the negative effect this industry has on water, soil, animals and human populations. More than 600 members represent the main brands, retailers and suppliers from the international textile industry.

www.textileexchange.org



Asociación Española de la Calidad (AEC)

A private non-profit entity whose aim is to promote quality as a driver for the competitiveness and sustainability of professionals and companies in Spain, while integrating the companies' management departments and stakeholders. It is made up of more than 1,000 companies and 3,500 professionals.

www.aec.es



Asociación Española de Normalización (UNE)

The entity legally responsible for the development of technical standards in Spain. Desigual is part of the CTN 40/GT 8 “Safety of children's clothing” group, which works with other purchasing centres to assess, create and modify standards related to this issue.

www.une.org

Participation in landmark events

In 2021, representatives of Desigual's Sustainability team attended the Textile Sustainability Conference, which was held in November in Dublin and was organised by the Textile Exchange and the SAC. Also noteworthy is the company's participation in the Textile Exchange's biodiversity and fibres benchmark, the results will be released alongside those of the rest of the participating companies in 2022.

3.3.

Supply chain management



3.3.1.

Supplier profile

In the 2021 financial year, the management of the supply chain continued to be determined in various ways by the impact of the coronavirus pandemic. On the one hand, industrial operations gradually began to normalise again after the significant lulls from the previous year, which were still being felt in early 2021. However, as the year progressed, difficulties related to logistics became more relevant, posing a serious risk of collapse for the chain. This situation forced us to adapt purchase plans and to anticipate, as much as possible, the risks associated with distribution, and to strengthen the stock control policy that the company has been applying in recent financial years. The aim of this policy is to prevent production surplus and therefore comply with one of our commitments to sustainability.

Despite the difficulties of this scenario, Desigual continued to prioritise the consolidation of a solid portfolio of suppliers and the configuration of a stable and sustainable supply chain, which are essential requirements for quick and flexible responses to market demands. To accomplish this, we have sustained a progressive reduction in the number of suppliers and factories over recent years, halting business with those who did not meet the sustainability and compliance requirements established by the company, which in turn minimised a long tail of suppliers (with small production volumes).

In this regard, the efforts of Desigual to provide its suppliers with support and guidance on continuous improvement processes is noteworthy. Our monitoring model relies on an authorisation process based on the three pillars of compliance: social, environmental and quality.



Furthermore, the company regularly follows up on its suppliers by combining third-party audits and its own relationship channels, thereby guaranteeing that all suppliers meet the required standards. Some of the most significant achievements of 2021 include the improvement of the data reporting system and the broadening of sustainability-related requirements.

Alongside consolidating the portfolio of suppliers, another key line of work for the short and medium term is prioritising more local production through the gradual increase of purchase volumes in the EMEA region. In 2021, the instability of the supply chain in EMEA countries caused a minor increase in production in Asia, which we expect to revert in the coming financial years.

Table 1.
Distribution of production by geographical areas

	2021	2020
EMEA	27%	31%
Asia and Oceania	73%	69%

Table 2.
Active suppliers and units produced

	2021	2020
Active suppliers	79	81
Units produced	15.601.038	10.330.989



With the aim of preventing and avoiding behaviours contrary to its values and ethical standards, Desigual has a strong culture that is maintained through the implementation of various measures and corporate procedures. The general conduct guidelines applicable to Desigual and all its human resources and collaborators are the *Code of Ethics* and the *Code of Conduct* for suppliers. Through said codes, we promote the general principles that define ethical behaviours in the company. These codes aim to establish the general conduct guidelines applicable to Desigual and its human resources and collaborators. These codes promote the main principles that define ethical behaviour at Desigual and also contain, among other international regulations, the fundamental provisions and agreements from the ILO.

The document that specifically regulates our relationship with our suppliers is the Code of Conduct for suppliers, which stems from the Code of Ethics and is aimed at ensuring that Desigual's requirements, values and culture are understood and applied. This document contains aspects primarily related to:

- Respect for human rights and compliance with the law.
- Employee rights and working conditions (prohibition of child labour and forced labour, non-discrimination, contractual agreements, working hours, salaries, bargaining freedom, etc.)
- Environmental regulations (permits and licences, waste and chemical product management, emissions, etc.)
- Quality and safety

To complement the above, Desigual puts a reporting channel at the disposal of the employees of its suppliers and subcontractors, which they can use to anonymously and confidentially inform Desigual of any irregularities that, in their judgment, constitute or may constitute a breach of this Code of Conduct. These reports can be sent via post (to the following address: Passeig Mare Nostrum 15, 08015 Barcelona, addressed to the Ethics Committee Reporting Channel) or email (to the email address: socialcompliance@desigual.com). In 2021 and 2020, Desigual did not receive any reports related to non-compliance with laws and/or regulations in social and economic areas, or related to the infringement of human rights.

3.3.2. Control and auditing systems

The authorisation and monitoring of suppliers are managed through a bespoke system that guarantees their operations adhere to the principles of the company.

Third-party audits and permanent support

Following the Code of Conduct is mandatory for all direct suppliers and for their subcontractors and stakeholders. Therefore, all new suppliers joining our supply chain are authorised on the basis of the criteria compiled in said document.

Compliance with the code of conduct by suppliers that are already working with us is verified through a system of audits carried out by third-party entities. These entities allowed us to have 100% of our manufacturing factories (Tier 1) audited in 2021. Through our partnership with amfori and SEDEX, our entire supply chain is audited according to the BSCI and SMETA international standards.

Detailed below is the weighting of each audit carried out to control the supply chain:

BSCI	64%
SMETA	30%
Higg FSLM	4%
WRAP	2%

Nota: Information reported for the first time in the 2021 Non-Financial Information Statement.

Some of these audits have taken into account aspects related to the protection of workers against the coronavirus pandemic (the use of personal protective equipment, compliance with safe distances, etc.).

One of the primary objectives of our partnership with the Sustainable Apparel Coalition (SAC) is for our supply chain to be assessed according to the standards established by this international organisation: Higg FSLM (social scope) and Higg FEM (environmental scope). These standards are being gradually implemented with the following goals:

1. Ensuring that factories are made aware of the working conditions they provide for their employees on the basis of self-assessments and room for improvement.
2. Reducing excess audits and the overlapping of various standards (auditing fatigue).
3. Standardising the data to achieve consistent metrics and be able to put in place strategies that will allow for the improvement of working and environmental conditions at our factories.



These standards can be verified with the aim of ensuring that the data conform to objective analysis criteria.

Based on the results obtained through the various auditing and assessment systems, all factories are classified into our own categories according to the standards defined by Desigual. In the event that a serious non-conformity is detected which constitutes non-compliance with the minimum requirements established, the factory is removed from our portfolio of suppliers, or, depending on the result obtained and the willingness of the supplier, guidance is provided to implement an immediate improvement and contribute to the achievement of the minimum requirements. This guidance is also provided if minor non-conformities are detected in order to improve their rating. No serious or zero-tolerance non-conformities were detected in 2020 or 2021.

In relation to this, we engage in ongoing dialogue with our entire portfolio of suppliers so that we can work together to detect any opportunities for improvement and measure their progress. As was the case for the previous financial year, prevention measures related to the pandemic prevented on-site factory visits and forced us to use a remote monitoring and control system. This led to the improvement of the data submission system through the implementation of an online form that streamlines the process for the supplier and facilitates the consolidation of indicators on Desigual's own digital platform.



Environmental audits of factories

In addition to monitoring Tier 1 suppliers, we also run environmental audits on Tier 2 factories, with a focus on wet processes. These audits are also carried out by independent third-party entities, which verify that all the environmental requirements we have defined are complied with. This provides us with regular feedback on their degree of compliance so that we can act swiftly when non-conformities are detected.

In 2021, environmental audits were carried out for the first time following the Higg FEM standard, whose goals are the same as those detailed for Higg FSLM. 40 Higg FEM audits were carried out, 38% of which have been verified.

Among the new implementations from this financial year and as part of our continuous process of updating our requirements, the company has now made it compulsory for factories to comply with sustainability standards relating to aspects like the certification of sustainable product. Compiling new environmental data at the factory has also been improved with the aim of detecting any breaches of requirements and improving the calculation of the overall environmental footprint of the entire supply chain. For instance, new requirements for the reporting of electric consumption and its sources have been introduced, as is the case for the management of water, chemical substances and waste.

These new indicators help to improve the calculations of Desigual's overall carbon footprint and allow strategies to be implemented to minimise environmental

impact. The goal for 2022 is for the entire factory network to be able to provide sustainable, recycled or organic products, and to ensure their traceability through the relevant certifications of the process right up to the finished garment. We have also made it compulsory to have documentation for the journey of the materials so that, in those cases where Desigual deems it appropriate, traceability audits can be conducted to ensure the origin of the products on the market.

Emphasis on transparency and traceability

Alongside our management and auditing system and every other device aimed at ensuring the transparency and traceability of our supply chain, we carry out new actions to emphasise these processes. This is a goal that has guided Desigual's relationships with its suppliers from the beginning and which is elevated to the status of strategic pillar in the company's 2020-2023 Sustainability and CSR Plan. In this regard, in 2021 we have worked to develop an order monitoring pilot project, which is expected to be officially launched in the second half of 2022.

Our goal of examining our supply chain more closely included the publication of a Tier 2 factory list in 2021. However, the complexity of the monitoring and traceability tools have made it impossible to produce a complete list of this type of facility. To avoid putting forward a partial view of the network, the decision was made to postpone this publication until a complete and fully reliable overview is available.

An updated list of our Tier 1 factories is available on our website. This list is also published on the website of the Open Apparel Registry, where the original 2020 list is still available as part of our transparency efforts.

64% of the workers in our Tier 1 factories are women, and 43% of them hold managerial or coordinator positions. By region, China and EMEA are the most egalitarian areas (51% men and 49% women), and the region with the broadest gap is India.

Note: this calculation does not take into account the fact that, when a factory employs a larger proportion of women, there should be more women in higher positions. In addition to this, we are talking about Manager or Coordinator positions, but we do not have specific figures for Managers alone, therefore the bias could potentially be greater.

	Production workers Men	Production workers Women
China		
China	2,568	4,893
EMEA		
Bulgaria	14	95
Spain	32	24
Morocco	1,047	546
Portugal	17	57
Romania	3	42
Tunisia	2	3
Turkey	685	880
India		
India	811	311
Other		
Indonesia	72	800
Tax free		
Cambodia	7	2
Myanmar	161	1,828
Total	5,419	9,481

	Managers and coordinators Men	Managers and coordinators Women
China		
China	457	441
EMEA		
Bulgaria	1	4
Spain	3	2
Morocco	79	91
Portugal	3	7
Romania	1	1
Tunisia	2	6
Turkey	76	46
India		
India	276	51
Other		
Indonesia	4	1
Tax free		
Cambodia	14	2
Myanmar	36	56
Total	952	708

Empowering women in the supply chain

In 2021, Desigual was among the companies that actively promoted the extension of the WEPs Activator women's empowerment programme to the supply chain. Promoted by amfori and UN Women, the original goal of the programme was to promote access for the participating companies to tools and training services for developing gender-related action plans. However, after confirming the high level of commitment from the participating companies, the decision was made to extend the programme to other members of the supply chain. To this end, Desigual has pushed the nomination of two of its suppliers, located in China and India, which will have to comply with the precepts of amfori and UN Women in aspects like salary equality, feminine hygiene conditions, protocols against sexual violence, etc.



3.3.3.

Strategic partnerships in our relationships with suppliers

Joining international associations and programmes that promote sustainability across the various stages of the supply chain allows us to deepen our trusting relationships with our suppliers, as we can provide them with access to new auditing tools and training resources that contribute to their constant improvement. The two associations specifically linked to these areas are amfori and Sedex.



amfori

A world-leading businesses association focused on open and sustainable trade. It comprises more than 2,400 retailers, importers, brands and associations in more than 40 countries. Its mission is to equip its members with the skills required to run their businesses successfully and sustainably, while helping them to monitor and improve the social and environmental performance of their supply chains.

www.amfori.org



Sedex

An international organisation dedicated to promoting improvements in responsibility and ethical business practices in the global supply chain. Sedex provides tools, services and a community network that helps businesses to carry out more responsible and sustainable trading practices. This platform allows companies and suppliers to work together to better manage their social and environmental performance and to protect the rights of the people who work in the supply chain, by promoting audits on ethical trading, among other practices. Desigual joined Sedex in 2020 with the aim of improving the traceability and transparency of our supply chain and incorporating SMETA audits into our procedures.

www.sedex.com

3.4.

Customers and points of sale

3.4.1.

Acceleration of the digital strategy

Globalisation of desigual.com

Either the launch of the new desigual.com online store in late 2019 allowed Desigual to successfully cope with the increase in the use of the digital channel and cater to new consumer habits during the most difficult stage of the pandemic. The continuous improvements made to the services and conditions allowed us to close 2020 with sales through online channels (desigual.com, e-tailers and flash sales) representing 28% of the overall turnover, twice as high as the percentage from 2019.

In 2021, we took a new and decisive step forward in our strategy to globalise the digital channel through an expansion project aimed at desigual.com. This has allowed us to open the online store in two new countries, bringing us to a total of 109. The project was based on cross-border electronic commerce technologies to integrate



the franchises into the online business in those markets where the company already had a retail presence. In the first stage, the franchisees from countries with monobrand stores were incorporated, and later on, the model was extended to all franchisees.

New relationship model with franchises

Desigual has started a project through which its online business platform (desigual.com) is put at the service of franchisees. This has allowed franchises to take on the entire management of their stock through said platform, which the company has made available to them. The ability to use the same technological tool in all markets has allowed Desigual to deliver a consistent brand experience at a global level and guarantee the same quality standards for the shopping process and customer service. This has also strengthened the collaboration between the company and its franchises through a successful formula for establishing itself in new markets alongside local partners.

At the close of the 2021 financial year, sales through the digital channel had increased by 16% compared to 2020, and they now represent 31% of the company's overall turnover. Furthermore, Desigual achieved its planned growth goals for markets like Japan, the United States, Canada and China, where Desigual products are marketed through T-Mall. As a short-term goal, the company aims for 60% of sales to come through the digital channel or from geographical areas outside of Europe by 2023, this percentage currently stands at 55%.

Sales from digital channels:

- 2020: 28%
- 2021: 31%

Sales from digital channels or geographical areas outside of Europe:

- 2020: 50%
- 2021: 55%
- Goal for 2023: 60%



Desigual Shopping Festival, a differential online shopping experience

The combination of the boost to the digital channel, the brand's distinctive communication style and its passion for emotionally engaging with its customers gave rise to the Desigual Shopping Festival. This event took place on 20 March to mark the start of the spring Mid-Season Sales. It was carried out online and allowed all participants to access discounts, promotions, draws and exclusive content from the brand.

The event benefitted from the participation of TV presenter Cristina Pedroche, fashion journalist and author Marita Alonso and comedian and actor Raúl Gómez. It also had its own TV programme entitled Desigualzame, in which stylist and TV presenter Cristina Rodríguez gave three people a live makeover. Designer and Desigual collaborator María Escoté, the band Delaporte, singer Alba Reche, TV presenter and DJ Jordi Chicletor, comedian and actor Silvia Abril and model Clara Mas also took part.



3.4.2.

Transformation of the store network

Alongside the evolution of the digital channel, in 2021 Desigual continued to expand its new concept for physical stores which was devised by the company's founder, Thomas Meyer. A concept inspired by art galleries was the result of Thomas' personal reflection on the new reality and the need to create more harmonious spaces that allow people to reconnect with themselves. The goal of this project is to ensure the products take centre stage. To accomplish this, the spaces become more relaxed and open, with fewer garments being displayed in a more strategic manner to generate more of an impact on the customer throughout their experience. This allows customers to have better visibility of the styles and fabrics, which become the main feature of the space. Moreover, this setting favours a more leisurely shopping experience and conveys a feeling of calm to customers during their journey around the store, which taps directly into new consumer priorities and habits. Thanks to the features of the materials and solutions for display and communication, such as modular elements, the global implementation of this new style of point of sale also allows for a more sustainable store model.

Another characteristic of our new establishments is the response to the company's new omnichannel model, which increasingly blurs the line between the physical and online channels. For example, the stores use a digital tool called Ask Me which allows customers to access the full collections and request a garment even if it is not physically available at the store. It is then delivered to their home free of charge.

The implementation of the new store concept began in late 2020 in a selected group of stores in Spain. It was extended internationally in 2021 with the renovation of 63 points of sale, both seasonal stores and outlets, across Europe, Japan and Canada. It is expected that this new model will reach another hundred stores in 2022.

Joy & Fun at the restyling of the Madrid Preciados and Barcelona Plaza Catalunya flagships

In November 2021, we unveiled the restyling of two of Desigual's flagship stores in Spain: the iconic spaces of Madrid Preciados and Barcelona Plaza Catalunya. In a new representation of the Open Desigual philosophy, for both renovations we worked with disruptive artist Pepo Moreno, who created exclusive mural pieces based on the Joy & Fun that characterises Desigual's DNA.

The restyling of the Madrid store, with an area of 1,800 m2 spread across six floors, sees the art gallery concept being pushed to the limit thanks to multicolour murals that express diversity and universality. The Barcelona renovation focused more on the store's connection with the city, thanks to its large windows and the groundbreaking and fun spirit of the brand, which takes the form of a slide that connects the two floors. Garments are now displayed on hangers suspended from the ceiling to draw the attention of visitors.





This new technology allows for an experience that minimises contact, with a secure payment and self-checkout method. The test was conducted at five stores in Barcelona and Madrid.

Personalised size recommendations through anthropometric technology

The second pilot test involved the online shopping experience and a technology created by the startup Naiz Fit. This solution allows sizes to be recommended to each customer using statistical and anthropometric data.

On the "Find your size" section of desigual.com, we collect the user's most important details (age, sex, height and weight) in a private and anonymous way so they can be compared to a vast database of body information. The main innovation is the option to incorporate the anthropometric traits of each customer through photographs which the system processes and then deletes. Thanks to artificial intelligence and machine learning, the images are translated into measurements, producing a size recommendation that is tailored to each person and also takes into account the specific characteristics of the garments (material, cut, shape, etc.).

Naiz Fit is currently integrated as a tool in Desigual's e-commerce.



3.4.3. Customer support

Another of the brand's key touchpoints with its customers are the interactions that occur through the Customer Support centre, which deals with queries made by telephone, e-mail or chat (accessible from the desigual.com website). Located in Barcelona, it is made up of a team of professionals that service customers in ten languages (Spanish, Catalan, English, French, Italian, Dutch, Portuguese, Japanese and Polish).

The development of the digital channel and the increase in sales have caused a new surge in the interactions managed by this centre: in 2021, some 373,000 interactions were attended to, 8% more than the previous year, with 246,000 of them being issues. 75% of the time, they were managed on first contact, and 95% were responded to within 48 hours. Online purchases were the subject of most interactions: 81% were related to e-commerce processes and 13% were associated with queries about physical stores, although most were regarding orders made through Ask Me.

Technologies that revolutionise the shopping experience

With the same goal of offering a personalised and differentiating response to the new demands and needs of customers, in 2021 Desigual developed two pilot tests that integrate advanced technologies to guarantee a unique shopping experience on every channel.

In-store smartphone self-checkout shopping

This solution, developed in collaboration with the startup MishiPay, allows the immediacy of the online experience to be brought to in-store shopping. Shoppers scan the barcode on products and pay through their phones without having to go to the checkout. The process is very simple:

1. Upon arrival at the point of sale, customers can download the app or access the web app.
2. They then move freely around the store, scanning the barcodes of their chosen garments. Once they have made their selections, they can pay instantly through their phones, using a convenient range of payment methods.
3. Once they have made the purchase, they can head to a receipt control and alarm-tag removal point by the exit.

Notable among the indicators for the Customer Support service was the remarkable increase in customer satisfaction, which at 4 out of 5 was a major improvement compared to the 2.1 out of 5 achieved in 2020. This significant increase is primarily a result of the changes implemented to the processes and the service's focus on quality for customers. Moreover, it is worth noting the impact that the general dissatisfaction of customers due to the closure of physical stores had on last year's ratings.

Over the course of this year, the company strengthened the internal management tool for the queries service, which it began using in late 2020, and which allows following up on cases to be streamlined while improving the overall quality of the service. Regarding outsourced services, also worth noting is the integration of a chatbot on [desigual.com](https://www.desigual.com) in Spain which allows common queries to be resolved without the need to contact Customer Support directly. This service is expected to be extended to all other markets in 2022.

Table 3.
Performance of the Customer Support Centre

	2021	2020
Interactions attended to	373.000	227.291
Resolved on first contact	75%	78%
Resolved within 48 hours	95%	85%



Commitment to emotional loyalty

Throughout 2021, Desigual worked on the design of its new loyalty programme, which will promote a new style of relationship with the brand's most loyal customers. A study carried out with brand lovers detected the need to establish a more emotional relationship – not solely linked to direct discounts on purchases – that was more closely related to the brand's values and more long-term. Taking these preferences into account, a programme has been designed to integrate new services (personal shopper or subscription boxes), a new cashback-based discount system and prize draws for experiences outside the fashion sphere (sports, culture, health and wellbeing, etc.). The new loyalty programme is expected to be launched globally in the second half of 2022.



04

Corporate culture

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- 4.1. The pillars of the new culture
- 4.2. New workweek: $3 + (1) = 4$
- 4.3. Health and safety: protection against COVID-19
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 - 4.8.1. Compliance with the regulations for crime prevention
 - 4.8.2. Ethical culture
 - 4.8.3. Reporting channel

Corporate culture

The values of creativity, innovation and collaboration also define the evolution of Desigual's corporate culture and its relationship with its employees. The example that best illustrates this renewed philosophy is the implementation of a four-day workweek, which positioned Desigual as a global pioneer of work flexibility and work-life balance.



Strategic objectives	2021 milestones
<ul style="list-style-type: none"> To develop a corporate culture model that will contribute to increasing the happiness of employees and their commitment to the company. 	<ul style="list-style-type: none"> Defining the five new pillars of the corporate culture and the projects to implement them in the short and medium term.
<ul style="list-style-type: none"> To prioritise work flexibility and work-life balance measures and respond to specific needs related to protecting employee health and safety. 	<ul style="list-style-type: none"> Proposal and implementation, in record time, of the four-day workweek after the employees voted in favour. Developing and activating a plan to also improve flexibility and work-life balance for store employees, taking into account the impossibility of applying a four-day workweek in these cases. Implementing COVID-19 prevention measures during the gradual return of employees to the head offices and on-site activities.
<ul style="list-style-type: none"> To develop specific equality programmes in compliance with the current laws and the philosophy of diversity and inclusion that characterises the brand. 	<ul style="list-style-type: none"> Approval from the Ministry of an Equality Plan and organising specific awareness actions to mark Women's Week.
<ul style="list-style-type: none"> To extend training plans to all employee profiles within the company and develop specific soft-skills programmes. 	<ul style="list-style-type: none"> Developing the digital platform and rethinking the training programme based on the principles of the new corporate culture.

4.1.

The pillars of the new culture

Desigual's new corporate culture represents a step forward from the previous People First programme, which focused on building a workplace in which people could grow both personally and professionally.

This renewed philosophy keeps people at the heart of every decision the company makes, but broadens its scope and commits to policies that will contribute to increasing the happiness of employees and their commitment to the organisation, with the aim of turning them into Designal ambassadors. To this end, the new culture is built upon five strategic pillars:

- **Work-life balance and flexibility**, the prime example of which is the implementation of the four-day workweek at the headquarters in 2021. New formulas are already underway to extend flexibility and work-life balance to the rest of the employees who are unable benefit from this measure due to their roles or type of work.
- **Health and wellbeing** through initiatives that promote a healthy lifestyle. Among others this incorporates exercising, healthy catered food at the Kantina – including options for employees with specific dietary needs – and an in-house medical advice service.
- **Diversity and equality**, a commitment that Designal has engaged with from its inception in 1984 and that grows every year with new actions. In 2021, this was demonstrated by the approval of the Equality Plan.
- **Sustainability and CSR**, by permanently raising awareness among employees about respect for the environment, sustainable mobility initiatives and training projects related to product and design.
- **Fun & profit**, with the aim of restoring Designal's essence after some complex months, internal events and team-building activities are organised to make working at Designal a source of pride and wellbeing.



General workforce information

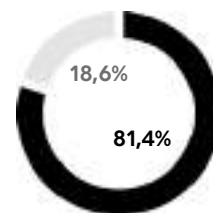
2.755 / 96

25 / 35

11.353

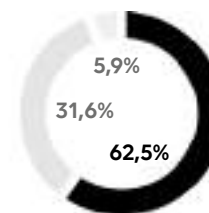
2.755 employees. **96** nationalities.
 Communicating in close to **25** languages.
 An average age of **35**. **11.353** hours of training.

Sex:



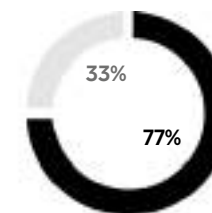
● Women
 ● Men

Age:



● < 30
 ● 30-50
 ● > 51

Female presence:



● Middle Management
 ● Executive team

4.2.

New workweek:

$$3 + (1) = 4$$

On 7 October 2021, 85% of the employees affected by the measure voted "yes" to Desigual's proposal to implement a four-day workweek (Monday to Thursday) with the option of working remotely on one of these days. Almost the entire staff participated in the vote (98% of those invited to participate), with the measure being put in place on the day following the vote.



Why?

The proposal to implement a four-day workweek shows Desigual's desire to maintain the spirit of constant transformation that characterises it. Regarding its relationship with employees, the company believed that this ambition should include offering a flexible working model adapted to the new circumstances, one which would help attract talent and appeal to both the new generations and current employees.



How?

Desigual announced the proposal for the new four-day workweek on 8 September 2021. The measure affected close to 500 people based at headquarters and would involve some changes to the contractual terms of employees, who would start working 34 hours per week instead of 39.5 hours. If implemented, there would be a salary reduction associated with the adjustment to working hours (13%), but this reduction would be shared by the company, which would assume 50% of the difference. Therefore, employees would only see a 6.5% reduction in salary. The proposal would have to achieve a minimum of 66% votes in favour for it to be implemented.



When?

The vote was held on 7 October 2021 at the company's headquarters in Barcelona. Participation was 98% and 85% of the votes were in favour of the proposal. The votes were counted live and under the supervision of a notary public to guarantee the utmost transparency. After the positive vote, implementation of the measure began the following day.

Results of the vote

- Number of voters: 484 employees
- Participation: 98% (15 employees did not vote)
- YES: 400 (85.3%)
- NO: 66 (14.1%)
- Void: 3 (0.6%)



Where?

The measure mainly affects the employees based at Desigual's headquarters in Barcelona, but is part of a wider plan to offer disruptive employment and work-life balance models. This plan includes the implementation of improvements for those collectives that are unable to benefit from this workweek due to the specific nature of their positions, such as store staff, sales teams and operations teams (logistics).



Internal communication campaign

The development of the proposal for a new workweek was supported by a strong internal communication campaign aimed at raising awareness of the measure among employees, with complete transparency to enable them to vote accordingly. The campaign began with Thomas Meyer and Alberto Ojinaga presenting the proposal to the directors and managers and, later, to the entire headquarters collective. Both presentations were delivered in person and streamed. During the four weeks that separated the announcement and the vote, various articles were published on the intranet and supporting emails were sent out.

As in any election campaign, signs were put up to encourage voting for both options, and all kinds of materials were produced (pin badges, T-shirts, mugs, etc.). Lastly, a true "election day" was organised, which was livestreamed for 7 hours and featured interviews with voters. The internal campaign was completed with the publishing of the impact of the initiative in the media, a video summarising the voting day and the publication of the remote working policy.

External communication: "Desigual's is shorter"

The approval of the new workweek also had a big impact on media outlets and social media. The general director gave interviews to various media outlets, journalists were invited to the voting day and a press release that attracted international attention was issued. True to the brand's disruptive and irreverent spirit, the subsequent social media campaign featured the motto "Desigual's is shorter". This same message was displayed on a giant banner outside the company's headquarters in Barcelona.



4.3.

Health and safety: protection against COVID-19

Faced with the prolonged duration of the pandemic and certain restrictions, the company's actions regarding health and safety focused mainly on protecting employees against the risks of contracting and spreading the virus. Following the same protocols that were put in place in 2020, the Health & Safety department engaged in continuous monitoring of the information related to the coronavirus in every country where Desigual employees are based. This meant that we always had the necessary data at hand to assess any potential disruptions and consider the measures to apply.

In accordance with the progress of the pandemic in each country, prevention and safety measures were maintained at corporate centres and points of sale. In this regard, special emphasis was put on ensuring compliance with



said measures through internal communication campaigns and other actions. Notable among these was the appointment of COVID agents in September, who were responsible for ensuring compliance with basic prevention rules (using masks, maintaining a safe distance, respecting maximum capacities, etc.) as employees returned to work at the headquarters.

From January to September, a protocol was implemented to split the office staff into two groups so that they could alternate two weeks working at the office and two weeks working from home to reduce occupation to 50%. As of 1 September, the entire staff returned to the office. Strict safety rules were put in place for this, including measures like working at a fixed spot; respecting time slots at the canteen, with the option of ready-to-go meals to eat at a distance; and the distribution of approved masks.

Benchmark protocols

Given their strict and safe nature, the actions developed by Desigual to address the pandemic were viewed as a benchmark for the fashion sector. For example, the design of specific prevention protocols for photoshoots with models, which took place both at the company's facilities and other locations, or the plan devised to safely organise an in-person conference for the Supply Chain team.

In 2021, the company increased the number of preventive PCR tests performed on employees compared to 2020, mainly due to the resumption of business trips and certain in-person events being allowed to take place. The company's rigour in this regard meant that no intracompany infections were recorded throughout the financial year.

Table 4.
Tests carried out by Desigual

Scope	2021 tests
Headquarters	987
Logistics	148
Points of sale	31
Travel	308
Other	73
Total	1.547

Occupational risks

Prevention efforts related to the pandemic were the focus of the actions carried out by the Health & Safety department in 2021. Among the other actions carried out, the development of a self-assessment remote working protocol for each employee, and the maintenance of the standards for quality, protection and self-protection against fires at the main stores and logistics centres are noteworthy.

As established in the applicable bargaining agreement, the Health and Safety Committee meet regularly as part of their efforts to control the number of accidents.



Table 5.
Workplace accidents

	Sex	2021*	2020*
Workplace accidents with sick leave	Men	4	3
	Women	19	3
	Total	23	6
In itinere accidents	Men	2	N/D
	Women	15	N/D
	Total	17	N/D
Workplace accidents without sick leave	Men	4	N/D
	Women	18	N/D
	Total	22	N/D
Fatalities	Men	0	0
	Women	0	0
	Total	0	0
Days of absence due to workplace accidents	Men	105	8
	Women	491,72	196
	Total	596,72	204
Frequency rate**	Men	8,24	6,92
	Women	12,24	3,89
Severity index**	Men	0,14	0,01
	Women	0,18	0,25
Occupational illnesses	Men	0	0
	Women	0	0
	Total	0	0

	2020*
Workplace accidents – men	8
Workplace accidents – women	22
Total workplace accidents	30

Nota: The data for 2021 are global (headquarters, logistics centres and Desigual-owned stores in all countries), while the data for 2020 are exclusively from Spain (headquarters, logistics centres and Desigual-owned stores in Spain).

Severity index: no. of workdays missed due to workplace accidents with sick leave / no. of worked hours * 1,000

*The improvements made to reporting systems in 2021 allowed for a more detailed breakdown of workplace accidents and for the calculation of frequency and severity indexes to be carried out taking into account all of the company's businesses; therefore, these indexes cannot be compared to those from last year because the scope has been broadened.

**In 2020, these data are only representative of headquarters, Desigual-owned stores and logistics centres in Spain, as data on days of absence due to accidents could not be obtained for the rest of the points of sale. In 2021, there were 62 workplace accidents (30 workplace accidents in 2020). The increase in workplace accidents is associated with the increase in working hours, either because stores that were closed due to the pandemic were reopened, employees had returned to headquarters to join their respective shifts, or working shifts were increased to enable the provision of services to certain areas.

4.4.

Diversity and equality

The working philosophy and corporate values of Desigual require a diverse and cooperative working environment in which every professional can carry out their work in a free and creative way. Respecting various sensibilities – either in relation to nationality, age or gender – is a unique value that enables the exchange of ideas and the advancement of the company.

The profile of our employees responds to this principle of diversity. At the close of 2021, Desigual's staff was made up of 81.4% women and 18.6% men, the same percentages recorded the year before. These figures show that Desigual continues to set an example for the integration of women in the workplace.

In terms of age, the structure remains balanced, combining the flexibility and ability to adapt of younger professionals (millennials and generation Z) with the experience and sector expertise of more senior professionals (baby boomers and generation X). In 2021, the percentage of employees under 30 was 31.6% of the overall staff, 1.2% higher than in 2020. The percentage of employees that fall into the 30-50 age range was 62.55% of the overall staff, as opposed to 65% in 2020. Lastly, the figure for over 50s reached 5.9%, 0.09% higher than the previous year.

Desigual closed 2021 with a workforce of 2,755 employees, which represents just a 0.4% decrease (11 employees) compared to 2020.

Table 6.

Total number and distribution of employees by sex, age and professional category

Category/Sex	2021			2020		
	Female	Male	TOTAL	Female	Male	TOTAL
Directors and Managers	40	39	79	39	40	79
< 30 years old	0	0	0		2	2
30 to 50 years old	37	34	71	37	34	71
> 50 years old	3	5	8	2	4	6
Staff	317	168	485	374	179	553
< 30 years old	29	15	44	31	17	48
30 to 50 years old	269	138	407	323	150	473
> 50 years old	19	15	34	20	12	32
Store	1.840	260	2.100	1.781	261	2.042
< 30 years old	703	116	819	652	118	770
30 to 50 years old	1.033	137	1.170	1.031	138	1.169
> 50 years old	104	7	111	98	5	103
Logistics	46	45	91	47	45	92
< 30 years old	1	6	7	1	4	5
30 to 50 years old	40	34	74	41	37	78
> 50 years old	5	5	10	5	4	9
TOTAL	2.243	512	2.755	2.241	525	2.766

Nota: employee data from 31/12/2021. The CEO is included in the "directors" category. These figures are based on headcounts, regardless of working hours.

Table 7.
Percentage of employees by professional category and sex

Cat./Sex	2021				2020			
	Female		Male		Female		Male	
Directors and Managers	40	1,78%	39	7,62%	39	1,70%	40	7,60%
Staff	317	14,13%	168	32,81%	374	16,70%	179	34,10%
Store	1.840	82,04%	260	50,78%	1.781	79,50%	261	49,70%
Logistics	46	2,05%	45	8,79%	47	2,10%	45	8,60%
TOTAL	2.243	100%	512	100%	2.241	100%	525	100%

Table 8.
Percentage of employees by professional category and age group

Cat./Age	2021						2020					
	< 30 years old		30 to 50 years old		> 50 years old		< 30 years old		30 to 50 years old		> 50 years old	
Directors and Managers	-	0,00%	71	4,12%	8	4,91%	2	0,20%	71	3,90%	6	4%
Staff	44	5,06%	407	23,64%	34	20,86%	48	5,80%	473	26,40%	32	21,30%
Store	819	94,14%	1.170	67,94%	111	68,10%	770	93,30%	1.169	65,30%	103	68,70%
Logistics	7	0,80%	74	4,30%	10	6,13%	5	0,70%	78	4,40%	9	6%
TOTAL	870	100%	1.722	100%	163	100%	825	100%	1.791	100%	150	100%



Remuneration policy

Desigual's compensation policy is built upon a set of criteria and guidelines that determines the optimal compensation for each position by finding a balance between efficiency, internal equality and market competitiveness. This policy is based on an objective and competitive Total Compensation Package that allows segmentations to be defined according to various criteria (merit, talent and criticality of each position) to ensure adequate internal equality and suitability to the company's goals. This compensation policy also integrates a variable compensation system adjusted to each collective, which is aimed at providing motivation for the achievement of targets.

In accordance with the company's policy of promoting equality and respect for diversity, compensation policies and salary update processes are based solely on the merit, level of responsibility and talent of each employee, thereby avoiding any kind of discrimination on the basis of sex, culture, religion, sexual orientation, age, etc.

Desigual's 2021 pay gap is 1.19% in favour of the female collective.

Table 9.
Pay gap

	2021	2020
Weighted pay gap	-1,19%	0,25%

Nota: The pay gap is calculated based on the average salary according to our categories, which in turn is weighted in accordance with the total number of employees at each level. A negative magnitude indicates that the pay gap tilts in favour of women. The average salary was calculated in consideration of the employees of the company on 31/12/2021. Fixed full-time compensation with no variable has been included, taking the FTE into consideration. The salary of the CEO is not included because it would misrepresent the real situation at the company.

Table 10.
Average remuneration by sex and professional category

Sex	2021		2020	
	Female	Male	Female	Male
Average salary	23.791	33.181	24.822	34.807

Category	2021	2020	2019
	Average salary	Average salary	Average salary
Directors and Managers	80.143	88.720	87.786
Staff	37.466	39.343	37.812
Store	20.973	21.194	21.086
Logistics	20.358	20.372	19.172

Nota: Only employees up to 31/12/2021 are included. Fixed full-time compensation with no variable has been included, taking the FTE into consideration. The salary of the CEO is not included because it would misrepresent the real situation at the company. The difference with respect to 2020 stems from the switch from 5 to 4 working days (from October) across virtually the entire HQ collective (directors and managers, staff).

Table 11.
Remuneration by average age

Age range	Average salary		
	2021	2020	2019
< 30 years old	19.051	19.921	20.120
30 to 50 years old	28.325	29.584	29.268
> 50 years old	30.670	31.761	32.434

Nota: Only employees up to 31/12/2021 are included. Fixed full-time compensation with no variable has been included, taking the FTE into consideration. The salary of the CEO is not included because it would misrepresent the real situation at the company.

Table 12.
Employees covered by the works council

Country	Works council		
	2021	2020	2019
Belgium	100%	100%	100%
Spain	14%	14%	18%
France	100%	100%	100%

Nota: Works councils are set up in Belgium, Spain and France. In Belgium and France, they cover the entirety of the staff; in Spain, they cover 14% of the staff, who are based in the stores in Barcelona, Bilbao, Palma Festival Park, Palma San Miguel, Almería Mediterráneo and Granada.

Table 13.
Employees covered by the collective agreement

Country	Collective agreement		
	2021	2020	2019
Austria	100%	100%	100%
Belgium	100%	100%	100%
Spain	100%	100%	100%
France	100%	100%	100%
Italy	100%	100%	100%
The Netherlands	100%	100%	100%
Portugal	100%	100%	100%
Sweden	n/a	100%	100%
Switzerland	100%	100%	100%

Nota: Those countries which are covered by a collective agreement – listed in the table above – are 100% covered. The percentage of employees covered by a collective agreement from the total staff in 2021 is 82%, versus 81% in 2020. In Germany, Canada, Hong Kong, Japan, Poland, the United Kingdom, Singapore and the United States, employees are not covered by a collective agreement, but Desigual complies with the regulations in force in each country. In 2021, the Swedish company, which is in the process of liquidation, had only one employee in the first two months of the year.

Equality and work-life policies

Desigual's Code of Ethics specifically outlines the company's commitment to equal opportunities and **non-discrimination**, as well as other key aspects aimed at guaranteeing that all employees act responsibly towards our stakeholders.

This commitment was materialised in December 2021 through the approval of the Men and Women Equality Plan II, which contains a set of measures to ensure equal treatment and opportunities within the organisation while guaranteeing the absence of any kind of discrimination on the basis of gender. This document contains actions like the creation of the equality officer role; the dissemination of said plan and its main plans across the staff; the development of specific training on equal opportunities and gender perspective; the request to suppliers that they comply with the current regulations with regard to the equality of men and women; the creation of a mentoring programme for women aspiring to an internal promotion; and support to employees after returning from their paternity or maternity leave. The measures laid out in this plan are proposed after carrying out a diagnostic assessment of the situation in all the companies that make up Desigual, and it therefore applies to every professional collective within the company. The Equality Plan was agreed upon with staff representatives and approved by the Ministry of Equality. It will be valid for four years, until December 2024, and has become the primary tool for incorporating equality into the management and culture of the companies.

The main conclusion of our equality plan is that Desigual has integrated a gender perspective into its human resources processes. One of the most relevant aspects, as shown by the diagnostic assessment that was conducted, is segregation by gender. Globally, the company is made up of 81% women and 19% men, with 88% women and 12% men in point-of-sale positions; 63% women and 37% men based in the headquarters; and 50-50 equality in



our logistics centres. Moreover, in the past few years, a high percentage of internal promotions were given to women. Out of 149 promotions in 2021, 80.5% went to women; in 2020 there were 171 promotions, and 74.3% of those went to women.

We have also published the Non-Sexist Communication Guidelines, which is for internal use and provides a set of practical tips for using inclusive language when writing documents and communiqués. This guide is available to all employees on the corporate intranet.

In 2021, various internal actions were carried out to mark Women's Week (March), in line with the brand's equality message and the initiatives promoted by People. Social distancing measures due to the pandemic forced us to focus these efforts on a digital environment, with actions that highlighted the work-life benefits for employees and the measures put in place under the framework of the Equality Plan. Specific content was also published on the intranet, with recommendations of profiles and books by women from various disciplines whose values mirror those of Desigual. Lastly, a questionnaire was designed to reflect on the role of women in classic TV shows and films. A prize draw for 16 books written by inspiring women was held among the participants, in collaboration with bookshop +Bernat.

With regard to the inclusion of people with disabilities, we regularly monitor the obligations defined by the regulations in each country and design the corresponding action plans to ensure they are complied with. These plans include direct hiring of people with disabilities and the development of alternative measures.

Measures to ensure work-life balance

The implementation of the new four-day workweek acts as a complement to the benefits that promote work-life balance which were already in place at Desigual. Flexibility of working hours from Monday to Friday (with a start time ranging from 7:30 to 9:30 and an end time ranging from 16:45 to 18:45) and measures that facilitate disconnection from the workplace have been maintained. For example, the office lights are switched off at 19:00. To work after 21:00, employees must request a special permit, and working outside of office hours is considered an exception. Those teams who provide support to other geographies have special timetables to allow them to cover said areas.

Additionally, when an employee is not carrying out their duties because they are on holiday or maternity or paternity leave, they activate an automatic response on Outlook to notify anyone who tries to contact them about their absence and let them know who will be filling in for them during this period.

We also have various benefits to promote work-life balance among our employees. We have a programme for extra holidays during the year for those plans that are pending, we subsidise meals at our cafeteria, as well as providing coffee, water, teas, fruit, and a service for personal deliveries, among other things. We also have a sports club to promote professional health, and our office is also equipped with changing rooms and showers.

Lastly, the company has a flexible compensation system to maximise salaries in the event that employees need nursery schools, transport, restaurant vouchers, etc.

Prestaciones diferenciales en bajas por maternidad o paternidad

Notable among the work-life balance measures offered by the company are the employee benefits related to maternity and paternity, which go far beyond the legal requirements:

- **Breastfeeding:** one hour a day until the baby turns one (the Workers Statute establishes a 9-month period), or from 18 to 22 days of breastfeeding leave.
- **100% salary coverage** for those benefits not covered by Social Security, including maternity.
- **Flexible hours**, in accordance with the characteristics of each position and the company's organisational needs.

Table 14. Maternity or paternity leave

	Number of periods of leave	
	2021	2020
Women	200	220
Men	19	16
Total	219	236



4.5.

Training and continuous development

In the area of continuous training, for the past few years Desigual has been developing a plan to make training programmes available to the largest possible number of employees and to broaden the topics covered with content that will be valuable for their professional development (branding, product, human rights, sustainability, etc.).

By the end of the year, a total of 2,762 employees took part in training programmes, accumulating 11,353 hours of training, 34.5% less than in 2020, when 17,403 hours were accumulated. This decrease in training hours is mainly caused by the extraordinary increase recorded in 2020 due to the need to support point of sale teams with training that deals with emotional management and new ways of selling in a context characterised by the psychological impact of the pandemic. In 2021, training on sale models was mainly focused on the digital environment, in addition to sessions on the new store concept and new needs related to window displays (visual merchandising).



Also continuing on from last year, when almost all sessions were migrated to the virtual environment, in 2021 we maintained the use of digital tools, which allow for more dynamic training and greater closeness to the employee outside of traditional on-site formats. Using virtual platforms is especially convenient when it comes to point of sale employees who do not have access to a computer, and in future programmes will be extended to employees from logistics and headquarters. At the end of the financial year, almost 97% of training hours were carried out on virtual platforms (88% on the app and 9% through virtual classrooms or other resources, such as Teams). In 2020, the percentage of distance learning hours reached 80%.

Regarding the content, the training related to the four-day workweek as a work-life balance measure stands out. In this regard, new content was drafted to give the teams practical tips on how to achieve maximum productivity during the working day (how to organise a meeting, how to be more efficient, etc.). This content will be disseminated over the course of 2022. Also in 2022, the company will be working to redesign the training programme to adapt it to the brand's new approach to innovation and creativity (Open Desigual), which will integrate new soft skills training that will be given to all staff.

Alongside training programmes, another key resource for the development of our professionals is the "Be Extraordinary" programme, which is based on our values and competencies model. This programme involves holding periodic conversations between all employees and their respective managers to share feedback and set expectations and goals together. This programme will also be reviewed in 2020 in order to analyse current needs and adapt it to the new reality.

Table 15. Training hours by category and sex

Professional category	2021				2020			
	Male		Female		Male		Female	
	Participants	Hours	Participants	Hours	Participants	Hours	Participants	Hours
Directors and Managers	35	222	53	278	76	288	4103	477
Staff	47	241	111	640	129	436	276	843
Store	341	1.377	2.175	8.595	334	1.923	2.028	13.427
Logistics	-	-	-	-	1	1	1	8
Total	423	1.840	2.339	9.513	540	2.648	2.408	14.755

4.6.

Governing and management bodies

The Board of Directors is Desigual's most senior governing body. It is responsible for defining the group's mission and values, in addition to establishing its corporate strategy.

The company La Vida Es Chula, S. L. U. holds 99% of Desigual shares. This company acts as the chair of the Board of Directors and is represented by Thomas Meyer.



The Board of Directors is made up of three members, with Thomas Meyer as chair and director, Celso Gomáriz as director, and Jordi Ramírez as director and secretary.

The members of the Board of Directors received a total of 900,000 EUR in 2021, the same as the previous year. This remuneration includes all compensation items. The average compensation was 300,000 EUR, also the same as the previous year. To calculate this figure, the total number of members making up the Board this year was taken into account.

Desigual's Steering Committee is the single executive body that brings together the functions and representative duties of the company. The general manager leads the Steering Committee, which is in charge of implementing and developing the strategy defined by the Board of Directors.

The Steering Committee is made up of 9 members, 3 of them women, representing 33% of said Committee. In 2021, two members left the Committee: the Director of People, which was covered internally, and the Director of Channels Strategy. The average compensation for the Steering Committee in the 2021 tax year was 178,083 EUR. In 2020, the Steering Committee was made up of 9 members, 2 of them women, representing 22% of said Committee. The average compensation was 248,495 EUR.

Table 16.
Average Steering Committee compensation by sex

Male	Female
196.135€	136.801€

Nota: The salary of the CEO has been included, as have every perceived compensation item. Last year, a breakdown of this data was not provided for confidentiality reasons, since the Steering Committee only had two female members.

4.7.

Risk management and control systems

The current context of market transformation, in a scenario of international economic uncertainty exacerbated by the impact of the healthcare emergency, has led to an increase in events that could put the company at risk. Identifying and assessing these risks is a critical strategic priority for which the Executive Committee is responsible.



The Executive Committee permanently assesses the different types of risks that could affect Desigual, and is equipped with the necessary auditing and control measures and processes, both internal and external. Depending on their nature, said risks are classified as follows:

- 1. Market risks:** these are the risks that are caused by external factors, mainly arising from changes in the economic, political or demographic context of the markets in which we operate.
- 2. Reputational risks:** mainly related to any risks that could damage the image of the brand.
- 3. Operational risks:** these are risks that directly relate to the creation, production and distribution processes of our products, from disruptions in the supply chain to any disastrous events that could affect our logistics operators or any potential breaches of environmental or human rights regulations.
- 4. Financial risks:** these are mainly related to potential liquidity risks, bankruptcy of our debtors or significant fluctuations in the exchange rates of the currencies with which we trade.
- 5. Personnel risks:** attracting and retaining talent, and any aspects related to the health and safety of our employees.
- 6. Technological risks:** related to the proper functioning of our technological infrastructures and the safety of the data stored on our systems.
- 7. Regulatory risks:** compliance with all regulations – legal, fiscal and intellectual property – and anything related to the fight against corruption and bribery.

The Executive Committee reviews the risk map periodically to assess the probability and impact of any identified risks and to define specific action plans for each one.

The COVID-19 pandemic was considered a far-reaching risk that affected all the risk categories defined by the company.

4.8.

Ethics and compliance

Over the course of 2021, Desigual's Compliance Programme has continued to be executed and monitored with the aim of preventing criminal risks associated with the nature of the business (Risk Map) and seeking to ensure it is correctly, efficiently and uniformly implemented and adopted by the various control and monitoring bodies. The exceptional situation brought about by the coronavirus pandemic prompted the development of a specific analysis programme to assess the measures to be taken, led by several committees that were set up on an ad-hoc basis.



4.8.1.

Compliance with the regulations for crime prevention

Desigual has a regulatory compliance model for crime prevention aimed at mitigating any potential criminal risks that may arise from the everyday operations of Desigual and, more specifically, regarding crimes related to corruption, fraud, bribery and money laundering. For this purpose, Desigual has defined an array of risks and controls that serve as the foundation of its regulatory compliance model for crime prevention. As a result, we follow a compliance and criminal prevention manual which regulates and consolidates Desigual's organisational and criminal risk management model (which is referred to as the Compliance Programme).

Desigual's organisational structure, which is responsible for implementing and monitoring the Compliance Programme, is based on three lines of defence consisting of:

1. **First line:** made up of the parties responsible for business departments and internal committees (internal monitoring).
2. **Second line:** made up of the Compliance Office (coordination).
3. **Third line:** made up of the Board of Directors and the Auditing Committee (approval and supervision).

The actions carried out in 2021 to monitor and follow up on the Compliance Programme involved:

1. Monitoring compliance with controls associated with the Risk Map defined by Desigual.
2. Monitoring changes related to processes, risks and controls.
3. Proposing improvements or, when applicable, creating new controls to reinforce our coverage of risk.

Furthermore, the Compliance Programme is completed with the inclusion of action plans that are monitored on a yearly basis at the time of the drafting of the Compliance Report, and which contain proposals for improving Desigual's control environment and the Compliance Programme itself (the Action Plan).

Action Plan

The Compliance Programme is complemented with action plans, which contain proposals for improving Desigual's control system and the programme itself. The Action Plan details the actions and initiatives that the control bodies must carry out to avoid or mitigate any irregularities related to criminal risks detected through the Risk Map and, if applicable, warn of the emergence of new risks.

The main goals of the Action Plan are:

1. Periodically reviewing any criminal risks that could potentially affect the Desigual Group (Risk Map).
2. Defining the control mechanisms currently in place to mitigate said risks.
3. Establishing any necessary corrective measures to ensure these controls are truly effective or, if applicable, introducing new ones.
4. Obtaining formal commitments from each silo and person in charge regarding the formalisation and execution of the actions and measures included in the Action Plan.

All actions and measures included in the Action Plan are prioritised according to their criticality, and all the actions and measures that are to be adopted are assigned to a silo and/or person in charge. It falls under the responsibility of the controlling bodies and, specifically, the silos and/or persons in charge, to review the Action Plan on a regular basis and propose improvements to the current controls, and also to fulfil their commitment to executing specific actions regarding the assigned controls within a specific period. The control bodies review the Action Plan once a year as part of the self-assessment process.

4.8.2. Cultura ética

In an effort to prevent and avoid any behaviours that would contravene its values and ethics, Desigual has built a robust culture that functions through the implementation of various measures and corporate procedures. The general guidelines for behaviour applicable to Desigual, including all its employees and collaborators, are included in the Code of Ethics and the Code of Conduct for suppliers. Through said codes, we promote the main general principles that define what constitutes ethical behaviour within the company.

Our Code of Ethics is inspired by the following general principles:

- All our activities must be guided by integrity, ethics and responsibility.
- Desigual and its collaborators must act in accordance with the general principles established in the Code of Ethics and in compliance with current regulations.
- All individuals interacting with Desigual must be treated fairly and decently, in full compliance with human rights.
- All of Desigual's actions must be carried out in a way that respects the environment while promoting the protection of biodiversity and the sustainable management of natural resources.

In turn, the Code of Conduct for Suppliers defines the minimum standards for ethical and conscious behaviour that must be observed by our suppliers, which allow Desigual to build inspiring and reliable relationships with said suppliers. Respect for and observance of human, social and employment rights are the essence of this Code.



This Code of Conduct for suppliers stems from and complements the Code of Ethics, and is therefore based on Desigual's values, culture and way of acting.

Both codes, which are available on Desigual's intranet and website, are put at the disposal of all employees and sent to our collaborators, attached to all contracts for reference purposes.

These codes make up the basic regulations and main axes that we have established as a reference to define and design our Regulatory Compliance Model for Crime Prevention, taking into account, among other things, the principles of due diligence and criminal responsibility that apply to all legal persons.

Likewise, and with the aim of ensuring the effective functioning of the Ethical Committee, which is responsible for guaranteeing compliance with and the dissemination of the Code of Ethics, a set of internal regulations has been defined, based on which, among other measures, an annual calendar for periodic meetings has been defined.



4.8.3.

Reporting channel

With the objective of enabling both employees and collaborators to report any information they may have regarding irregularities or breaches of the Code of Ethics or the regulations, Desigual has set up a reporting channel that is managed by the Ethical Committee in coordination with the Compliance Office.

Desigual's reporting channel guarantees maximum confidentiality at all times with regard to the information obtained through the complaint, in particular and among other aspects, regarding the identity of the complainant. Therefore, it is strictly prohibited to take any measures against a complainant in response to a complaint filed in good faith that could be considered as retaliation or negative.

All complaints are subject to investigation and, depending on the nature of the complaint, will be dealt with by the Ethical Committee or the corresponding internal body, in line with Desigual's reporting protocol.

Desigual is not aware of any criminal court procedures related to corruption or bribery concerning the company in 2020 or 2021.



05

Love the World

Contents

- 5.1. 2020-2023 Sustainability and CSR Strategic Plan
- 5.2. Commitment to the climate
- 5.3. Sustainable products
- 5.4. Sustainable packaging and consumables
- 5.5. Strategic partnerships related to the environment

Love the World

5. Love the World

The Love the World concept encapsulates Desigual's awareness of the impact of its actions on the environment. By developing the 2020-2023 Sustainability and CSR Strategic Plan, the company strives to contribute to sustainable and mindful growth, maximising the positive return of its operations. Significant advances were made in 2021 towards the established goals, reaching milestones that were planned for subsequent years and establishing new challenges.



Strategic goals	2021 milestones
To continue to correctly implement the goals from the 2020-2023 Sustainability and CSR Strategic Plan	<ul style="list-style-type: none"> Removing single-use plastics from the product packaging of the entire collection starting from autumn-winter 2021 Reducing the carbon footprint by 57% compared to 2019 (baseline) 67% of the cotton used in 2021 collections was more sustainable
Analysis of Desigual's actual contribution to the Sustainable Development Goals (SDG) defined by the United Nations as a global sustainability standard	<ul style="list-style-type: none"> Defining priority SDGs for the company, from which the United Nations 2030 Agenda will be worked on.

5.1.

1 2020-2023 Sustainability and CSR Strategic Plan

The protection of the environment is one of the fundamental pillars of the 2020-2023 Sustainability and CSR Strategic Plan, which encapsulates the principles of the Love the World philosophy and establishes the company's sustainability goals for the short and medium term. Given its influence on every process involved in the supply chain, the environmental aspect is far-reaching in this plan, which also includes the dissemination of a culture based on sustainability among employees.

Desigual has always been driven by change and remained in a constant state of transformation. This is an approach and way of acting that permeates everything we do, and it has also allowed us to continue to move forward in a way that is consistent with our commitment to reducing the impact of our operations on the environment. This commitment to the environment is one of the main pillars of our 2020-2023 Sustainability and CSR Plan, which allows us to continue to develop the actions we carried out over the past few years and to accelerate our journey towards achieving our goals.



All of this is achieved through a strategy comprised of three main lines of action:

1. **Commitment to the climate:** reducing emissions and developing an energy efficiency strategy.
2. **Sustainable product:** the gradual increase of sustainable items in our collections.
3. **Sustainable packaging and consumables:** with a specific commitment to fully removing single-use plastics from the packaging of our products.

Fulfilling our commitments to sustainability

Desigual has a specific Sustainability department in charge of developing and complying with company policies in this regard. This department is made up of two professionals and is managed by Adrián Branco (ad.branco@desigual.com).

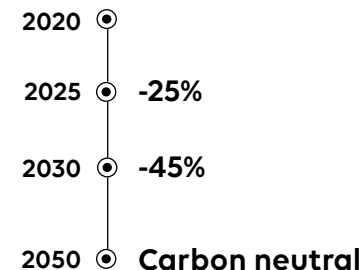
Furthermore, our commitment to sustainability is fully integrated into the company's business strategy through the work of the Corporate Social Responsibility Committee, who meet every two months and are joined by Desigual's managing director; the directors of the Product, Marketing and People departments; and representatives from the various departments involved. This Committee is responsible for monitoring and assessing ongoing projects. The Sustainability department has representation in the Steering Committee through the Product director.

5.2.

Commitment to the climate

The "Commitment to the climate" pillar of the 2020-2023 Sustainability and CSR Plan includes the specific goal of reducing emissions and, as a result, the carbon footprint generated by our operations. Given its influence on the entire value chain, this project is the most far-reaching of all those included in the plan and involves up to ten departments. Together with the main goal of reducing the carbon footprint, it brings an opportunity to get the whole company involved and disseminate a culture of sustainability.

The 2021 review of the plan has set a new medium-term goal that comes before the final goal of being carbon neutral by 2050. To the goal of reducing the carbon footprint by 25% by 2025 (with respect to 2019 indicators), we have now added the goal of reducing it by 45% by 2030, which necessitates an acceleration of the measures that were already being taken so far and demonstrates Desigual's ambitions in this regard.



To reach these goals, 20 strategic actions that involve teams across the organisation have been defined. Both the end goals of the plan and its medium-term goals must be considered as live objectives, since in our organisation we work from a perspective of constant improvement that allows us to overachieve and go the extra mile.

Calculating our carbon footprint

As part of our overall goal of improving our processes, the review of the calculation of the carbon footprint in its three scopes, which we have been carrying out since 2011 according to ISO 14064:2018 is noteworthy. The work done over the past few years to ensure continuous improvements on the calculation of scope 3, the one for which gathering data is most difficult, particularly stands out.

A new highlight for 2021 in scope 3 is the inclusion of energy and water consumption data from Tier 2 factories, which has allowed us to improve the consolidated data on carbon footprints and the use our consumers make of our products. Alongside these data, in the calculation of this scope we also take into account indicators such as: waste generated; imports of end products and consumables; business trips; product transport and distribution; the product's end-of-life; employee commuting; and the purchase of goods and services, among others. We have also recalculated the data from our franchises with more accurate information, which allows us to be even more precise in our measuring of emissions.

The reduction of the carbon footprint has been maintained in 2021, with a reduction of 57% compared to 2019 and 2% compared to 2020.

All these improvements were also applied to calculate the 2019 carbon footprint in order to make both scopes comparable. The results show that in 2020 we maintained a trend of continuous improvement in terms of reducing our carbon footprint, although the results for said year must be considered as exceptional given the impact of the COVID-19 pandemic on all analysed processes. In 2021, we have continued to reduce our carbon footprint, with a reduction of 57% with respect to 2019 and 2% with respect to 2020.

The significant improvement achieved for scope 2 stands out, due primarily to the increased purchasing of renewable energy. Indicators for scope 1 continue to stay very close to the baseline.



Table 17.

Corporate carbon footprint results across all three scopes

	Scope 1 emissions (tCO ₂ e _q)	Scope 2 emissions (tCO ₂ e _q)	Scope 3 emissions (tCO ₂ e _q)	Total
2021	539	2.088	63.060	65.687
2020	492	6.809	55.558	62.859
2019	528	12.491	139.217	152.236

Note: For carbon footprint calculations, we use Defra 2021 and Ecoinvent v 3.7 as resources, alongside other additional supports. The calculation tool employed is Simapro.

Following the ISO 14064:2018 standard, we have updated the scopes in the new categories, from 1 to 5.

To calculate Scope 1 emissions, we took into account the emissions from the consumption of refrigerant gases at our headquarters, the consumption of natural gas at our platforms, the estimated consumption of fuel from our own fleet of vehicles, and an estimation of emissions due to journeys made with the commercial fleet. For Scope 2, we used the mark-based method. The reduction of this set of data is due to the procurement of renewable energy in 2021 for Germany and Italy. Using the location-based method, the overall emissions totalled 7,770 tCO₂e_q.

For categories 3, 4 and 5 (Scope 3 emissions) we took into account the information on energy and water consumption from our suppliers and franchisees, along with indicators like waste generated; imports of end products and consumables; business trips; product transport and distribution; the product's end-of-life; employee commutes; and the purchase of goods and services, among others.

At Design, we take 2019 as a base year for our carbon footprint reduction goals. This is why we keep 2019 data on our report.

Table 18.

Intensity of emissions

The tCO₂/store indicator increased due to a lower number of physical stores and the longer period they remained open compared to 2020, when multiple closures happened as a result of the COVID-19 pandemic.

Indicator	2021	2021	2021
t CO ₂ /M€	2177	174,06	258,46
t CO ₂ /tienda	210	133	321,17
kg CO ₂ /received item	5,62	6,01	7,78
kg CO ₂ /sold item	5,07	4,86	7,76

Note: the only indicator that increased in 2021 was the one for the impact of sold items, due to a bigger increase of production and imports compared to sales.

The tCO₂/store indicator increased due to a lower number of physical stores and the longer period they remained open compared to 2020, when multiple closures happened as a result of the COVID-19 pandemic.

At Desigual, we take 2019 as a base year for our carbon footprint reduction goals. This is why we keep 2019 data on our report.

Energy consumption

In line with our goal to provide more representative data for each environmental indicator, we performed a calculation of the internal energy consumption of our operations. In 2021, consumption was 22,180,591 kWh at the headquarters, logistics centres and points of sale, compared to 21,640,702 kWh in 2020. At our franchises, consumption reached 3,615,629 kWh, compared to 4,710,786 kWh in 2020. Due to the consequences of COVID-19, which carried on into 2021, we took into account the opening time of the facilities in each country, adjusting for periods of enforced closure. Furthermore, we improved the calculation of external consumption provided by the franchises.



The reduction of emissions directly linked to our energy consumption is facilitated by the purchase of energy from renewable sources in the countries in which we operate, and through initiatives aimed at optimising the running of our branches. In this regard, we use energy from renewable sources in Spain (headquarters, logistics centres and points of sale), France, Portugal, Germany, Italy and Belgium, totalling 18.59 GWh (14.28 GWh in 2020), which translates to 84% of our consumption (an improvement compared to the 66% from last year). Thanks to the renewable sources of this energy, we prevented a combined total of 4,037 tonnes of CO₂eq (3,735 tonnes of CO₂eq in 2020) from being emitted in the listed countries.

The efficient use of energy resources is a fundamental part of our sustainability strategy, which promotes the rational and efficient use of energy across the value chain to control and reduce emissions. Controlling energy consumption at our offices and logistics centres allows us to optimise the buildings to minimise any inefficiencies and propose projects to improve their performance.

Regarding energy efficiency at our logistics centre, it is noteworthy that our centre in Viladecans has been awarded the GOLD level LEED certification. With regard to our points of sale, two of our most important flagships in Barcelona have received the maximum PLATINUM level LEED certification, and several stores in France have been certified by LEED and BREEAM, the two most prestigious sustainable building certifications in the world, both of which are acquired voluntarily.

In 2021, we were able to develop a store analysis project to identify the degree to which sustainability is integrated into each centre. To do so, a grading system was created taking as a reference the LEED and BREEAM standards, the two most prestigious sustainable building certifications in the world, both of which are acquired voluntarily. From these, the company has designed its own standard to classify the stores in terms of efficiency and sustainability on a scale from A (best result) to D (poorest result). This classification takes into account factors like mobility, use of water and power, materials and waste.

After performing this analysis, 46% of stores were identified as being grade D; 52% were in grade C; and only 2% in grade B. For 2022, the following certification goals have been established:

A: 10% B: 20% C: 38% D: 32%

Table 19.
Electricity consumption

Country	Electricity consumption (kWh)	
	2021	2020
Spain	11.748.229,12	11.130.243,00
Germany	1.555.968,98	2.251.106,47
Italy	2.808.043,70	2.938.353,00
France	1.673.185,65	1.964.304,00
Japan	1.349.664,82	613.387,50
USA	23.627,86	321.092,45
Portugal	526.847,42	516.000,00
The Netherlands	211.283,14	178.254,00
Austria	276.181,94	371.881,15
Belgium	283.125,81	278.829,12
Singapore	912.616,99	321.636,98
Switzerland	228.345,40	281.981,77
Canada	211.024,85	109.686,06
United Kingdom	158.283,59	63.781,25
Poland	214.162,12	243.061,37
Sweden	-	57.103,96
TOTAL	22.180.591,39	21.640.702,08

Note: The electricity consumption for Sweden was not recorded this year because it is in the process of being liquidated.

Table 20.
Fuel consumption

Fuel consumption (Kwh)	
2021	2020
364.000	242.000



Table 21.
Natural gas consumption

Country	Natural gas consumption (kWh)	
	2021	2020
Germany	5.687	17.380
Austria	3.593	-
Belgium	-	-
Canada	23.249	22.338
Spain	1.373.601	779.959
Italy	16.038	7.867
USA	-	10.951
Portugal	-	559
The Netherlands	-	-
TOTAL	1.422.168	839.054

Note: the increase in natural gas consumption is due to an increase in our logistics platforms in Spain.

Water consumption

In 2021, the overall water consumption at Desigual's offices and points of sale amounted to 31,332 m3, compared to 29,973 m3 in 2020. This difference shows the impact of the pandemic, which has also conditioned the calculation system used for this indicator. As in the case of power consumption, we took into account the time the facilities were open in each country, modified by the enforced closure periods. Moreover, we improved the water consumption calculation for franchises.

We also worked to minimise consumption estimations as much as possible. With these criteria, we estimated consumption in the points of sale for which we did not have specific data based on the floor space in square metres, which allowed us to make an estimation that is close to reality.

At Desigual, we also apply widespread efficiency measures for water consumption across our workplaces, which are regularly assessed according to the criteria established by the company. This system analyses the efficiency of dry toilets, water treatment and the reuse of grey water from the toilets and showers in our headquarters. The data obtained in 2021 on treated and reused water are biased due to the exceptional nature of this particular year, as the office was only partially occupied and showers remained closed for the majority of the year. Of the 4,820 m3 consumed, 900 m3 were recirculated as grey water, which was used for cisterns and irrigation systems. In 2020, consumption amounted to 4,800 m3.



Following the example of electricity consumption, we also carried over our commitment to saving water to the requirements for new stores and the restyling of our points of sale. In this case, it is done by installing aerators and cisterns as water saving systems, and solenoid valves to control water leaks and the air conditioning system. The use of water will also be one of the indicators included in future building records for points of sale to gather useful information for implementing improvements regarding usage and control.

Additionally, we are working to carry out a project to improve the manufacturing processes of our garments to guarantee that this resource is used efficiently throughout our supply chain.

In line with our commitment to using energy resources efficiently, 84% of the electricity consumed across all our branches, logistics centres and stores comes from renewable sources. This percentage is a significant increase compared to the 66% achieved in 2020.



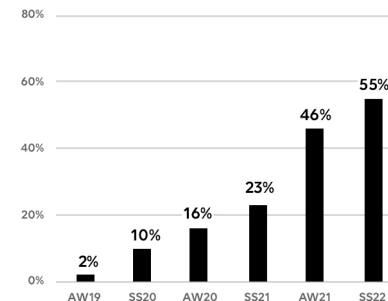
5.3.

Sustainable products

For Desigual, each garment is a challenge to which we want to give added value, this also involves paying attention to the conditions under which it is designed, manufactured and distributed to minimise its impact on the environment. For this reason, our 2020-2023 Sustainability and CSR Plan makes product one of its main pillars and incorporates sustainability criteria that cover its entire life cycle, from selecting raw materials to the manufacturing and logistics processes involved. To this end, very specific goals have been set for the introduction of sustainable fibres into collections. Among these, the following stand out:

- Succeeding in having **50% of items considered as sustainable by 2023**, a goal towards which very significant advances have been made over the past collections, to the point of achieving it a year earlier than expected: the SS22 collection is already made up of 55% sustainable items.*

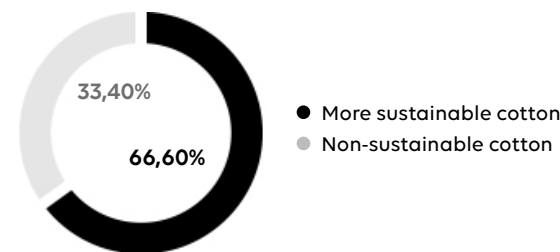
Progression of sustainable items



Note: at the date of finalising this document, the SS22 collection was yet to be finished, which may lead to some minor variations in the final percentage of sustainable items.

- Ensuring that 100% of the cotton used in our items comes from more sustainable sources by 2025. In 2021, 67% of the cotton used met this goal, thanks mainly to the use of cotton certified by the Better Cotton Initiative (BCI) and organic cotton.

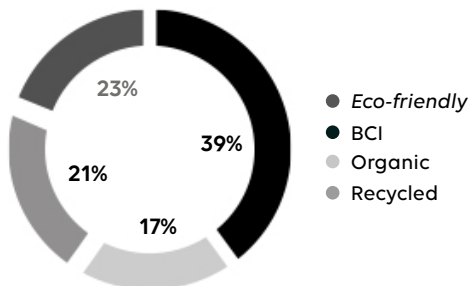
Percentage of cotton used in 2021



Commitment to new sustainable fibres

As part of our commitment to the sustainability of our products, we have drafted a more ambitious sustainable fibre roadmap for 2025 in addition to specific goals related to using 100% more sustainable cotton. Notable is the commitment to ensuring that 100% of MMCF (man-made cellulose fibres) such as viscose, lyocell or acetate, among others, are sourced exclusively from certified sustainable forests. We are also committed to gradually increasing the content of recycled fibres in our collections.

Label share percentage in 2021 collections



In 2021, we also focused on the circularity of our products by providing training on this aspect to the entire design team. Additionally, regarding the control of the supply chain, 20 audits were conducted in 2021 (10 were carried out in 2020) on the traceability of sustainable fibres. The use of sustainable laundry methods for Desigual items has also been audited. The goal is to ensure that the sustainable certification standards from the Textile Exchange are correctly applied to the chain and to use the results of said audits to implement corrective action plans.

Sustainability information on product labels

In order to properly inform customers of the sustainable composition of garments, a new labelling model was also developed in 2021 that communicates the category of each garment. According to current regulations, for a garment to be able to be classified as "organic", "recycled" or "eco-friendly", it must meet certain minimum requirements and be appropriately certified:

- Recycled: at least 30% of materials must come from recycled sources (except in the case of cotton, the minimum requirement for which is 20%).
- Eco-friendly: at least 50% of the materials must come from a sustainable source.
- BCI-certified (Better Cotton Initiative): at least 50% of materials must be Better Cotton, and mixing or blending with conventional cotton is not permitted.
- Furthermore, in 2021 the "Love Processes" label was also included, which expresses Desigual's commitment to sustainable products. To be able to use this label on some of our products, their manufacturing processes must integrate a significant improvement in the consumption of power and water and the use of chemicals.





Main players at Re.Love, the sustainable pop-up store

Vía Outlets, one of Desigual's partners in the outlet channel, carried out the Re.Love project in 2021. This initiative consists of a multibrand space built around the concept of sustainability, both in terms of the product being sold as well as the materials used in the store itself and the messages being conveyed. Desigual was one of the main brands at Re.Love, with a concession where we raised awareness about our Love the World manifesto and sold our collaboration with Ecoalf – made entirely from recycled pieces – and sustainable garments from the FW20 collection. Re.Love took place in two Vía Outlets venues: Batavia Stad (The Netherlands) and Freeport Lisboa (Portugal). The success of the initiative allowed it to run for longer than expected.

5.4.

Sustainable packaging and consumables

Our commitment to sustainability also extends to the materials used in our packaging. In 2021 we met one of our main goals in this regard: to completely phase out single-use plastics from our product packaging. This process involved removing plastic elements and substituting them with more sustainable materials that have less impact on the environment.

The removal of single-use plastics has meant that 100% of the materials used in our product packaging are now sustainable. The packaging of our e-commerce shipments is 100% recycled cardboard. The paper used for bags that are given out at the stores, the paper used for catalogues and magazines, and the paper used at the offices is certified by the FSC and PEFC standards, which guarantee that the paper has been sourced from sustainably managed forests. Regarding the bags used to transport product from manufacturing centres to our stores (polybags), they are certified and made from 100% recycled plastic.



Consumption of raw materials

Regarding the consumption of raw materials in our operations, excluding production processes, it is noteworthy that 90% of the raw materials used in 2021 came from renewable sources and were 100% recyclable (2,249,226 kg of paper, cardboard and wood, which amounted to 1,234,677 kg and 72% in 2020). The cardboard we use contains a minimum of 85% recycled components and the paper is either recycled or certified by the FSC or PEFC.

Concerning the consumption of refrigerant gases, in 2021 we recharged the cooling devices in our headquarters with 78 kg of gas and those at our platforms with 24 kg, compared to 120 kg the previous year.

Table 22. Sustainable packaging

Material	Weight (kg)	
	2021	2020
Paper	1924.040	647865
Cardboard	320.564	378.041
Plastics	227.504	453.577
Metals	22.560	20.794
Wood	4.622	208.771
	2.499.290	1.709.048

Note: information reported for the first time in the 2021 NFIS.



New 100% recyclable mannequins

With the same objective to apply sustainability criteria to all point of sale elements, a project was started in 2021 to gradually replace the current mannequins made from glass fibre with others made from 100% recycled and recyclable materials. More specifically, a type of bust has been selected that is made with ResistTek, a mixture of 100% recyclable plastic resins (PE) obtained from old mannequins. This is a fully circular material, since it can be recycled forever, which therefore reduces the use of virgin materials.

Responsible waste management

In 2021, Desigual managed to recover 97% of the 1,188 tonnes of waste generated in offices and stores in Spain (compared to 95% of the 1,255 tonnes generated in 2020), which means that only 3% ended up being disposed of. Moreover, the generation of waste was reduced by 5.6% compared to 2020.

Of this waste, 99.95% was non-dangerous, while only 0.05% was of a dangerous origin.

Table 23. Waste

Material	Weight (Kg)	
	Tonnes	Percentage
Cardboard and paper	76,458	64%
Rubbish	322,76	27%
Plastic	43,72	4%
Others	56,45	5%

Note: the breakdown for the generation of waste by material is reported for the first time in the 2021 NFIS.

5.5.

Strategic partnerships related to the environment

A global alliance of companies from the fashion industry and textile sector that promotes collaboration across the entire value chain to collectively mitigate the impact of operations on the environment. It makes it easier for member companies to comply with the Sustainable Development Goals (SDG), and provides the industry with a platform to accelerate change and increase its impact by directing efforts in the same direction under a shared agenda.

www.thefashionpact.org

This global coalition is specifically focused on accelerating and increasing the impact on environmental sustainability through the collective action of the textile and fashion sectors. In more specific terms, it promotes actions aimed at curbing climate change and the preservation



and restoration of biodiversity and the oceans. Furthermore, our membership of this organisation and the others mentioned allows us to access tools and resources that help to identify, assess and mitigate the main environmental risks associated with our operations. As members of The Fashion Pact, we are committed to implementing various initiatives linked to the three pillars on which this pact is built: climate, biodiversity and oceans. Regarding the biodiversity pillar, we will develop strategies to preserve biodiversity focused on our sourcing processes and our supply chain. In this way, we seek to prevent the disappearance of species and the deterioration of natural ecosystems. With regard to the oceans pillar, we have phased out single-use plastics from our product packaging, and our polybags are made from 100% recycled and certified plastic.



06

Awesome Lab

Contents

- 6.1. A company-wide culture of open innovation
- 6.2. Spain's first startup accelerator in the fashion sector
- 6.3. Collaborations and events

Awesome Lab

Another of the company's 2021 milestones was the launch of **Awesome Lab**. Conceived as a pioneering startup accelerator for the sector in Spain, the project has much more ambitious objectives as a pillar of the Open Desigual strategy: it seeks to make a long-term impact on both the business model and the corporate culture itself.



Strategic objectives	2021 milestones
<ul style="list-style-type: none"> To respond to the challenges faced by the company and the fashion industry as a whole by developing technological solutions that will improve customer service in collaboration with companies that are pioneering in their respective fields. 	<ul style="list-style-type: none"> Launching Awesome Lab as the first startup accelerator in Spain's fashion sector. The project was designed and implemented in record time and has made a significant impact.
<ul style="list-style-type: none"> To consolidate an open innovation culture among the company's employees. 	<ul style="list-style-type: none"> Launching initiatives that give internal visibility to the activities carried out by Awesome Lab.
<ul style="list-style-type: none"> To position Desigual as a benchmark company within the sector's innovation ecosystem. 	<ul style="list-style-type: none"> Taking part in the major events of the technology and innovation sector, and developing collaborations with public and private institutions, with a special focus on the teaching field.

6.1.

A company-wide culture of open innovation

In its broadest sense, Awesome Lab is an acceleration and open innovation programme whose goal is to get all departments and levels within the company involved in innovation. Desigual believes that this innovation is what will keep the unwavering spirit of transformation that characterises the organisation alive throughout the entire value chain, from the design of the product to the understanding of the business itself, including the customers' shopping experience and the product's end-of-life.

In this regard, Awesome Lab intends to respond to the challenges faced by the company and the fashion industry through technological solutions and new ways of working that will come about through interaction with startups and the innovative processes they develop. To this end, the chosen startups

must respond to the 10 challenges put forward by the company, which on one hand are linked to product design and development; and on the other, to the relationship with customers. Regarding the shopping experience, one of the greatest challenges is to enable consumers to easily access anything they need so they can buy it right away, regardless of the channel, which is in line with the company's commitment to omnichannelling and its strategy for international growth online. Alongside the development of Awesome Lab, in 2021 the company carried out actual pilot tests for these new technologies, like the smartphone self-checkout experience at the stores or the personalised recommendation of sizes by means of anthropometric technology on desigual.com. Both solutions were developed in collaboration with startups.

Alongside the improvement of the shopping experience, technological innovation can also respond to the circularity challenges faced by fashion: new technologies that allow for the creation of platforms for garment rental, exchange, repair, and so on.

6.2.

Spain's first startup accelerator in the fashion sector

This Accelerator was introduced in July 2021, and the names of the seven shortlisted startups were made public in October. The first call for applications involved more than 150 startups from 25 different countries, after identifying and analysing more than 800 startups that responded to the proposed challenges. The company's management, the Innovation department, Plug and Play and professionals from various fields were involved in the process of shortlisting the seven finalists.

After being selected, these startups have enjoyed various resources and benefits to help them promote their project, such as access to Desigual's headquarters in Barcelona, equipment, key contacts, a network of suppliers and logistics-related services, depending on the needs of each one. Over a nine-month period, these new businesses are developing proofs of concept with Desigual so that they can be introduced at a Demo Day to guests from the venture capital industry, such as investment funds and business angels, among others. The calendar for this first cycle of the accelerator also includes holding an Innovation Day, an event focused on reflecting on and discussing innovation that will involve experts from the sector.



The first generation of Awesome Lab startups



Exonode (Múnich, Alemania)
Founded in 2021

Field of action: Last mile delivery and returns. Traceability. Inventory systems. Exonode is launching a new customer-centric solution focused on minimising return rates. Its machine-learning algorithm identifies those offers that make customers change their minds and motivates them at the time of requesting a return, in a personalised way and taking into account their browsing and shopping history.

www.exonode.ai



Personify XP (Madrid, España)
Founded in 2018

Field of action: E-commerce tools. End-to-end commerce journey. Personify XP analyses and interprets the behaviour of visitors in real time, anonymously and using artificial intelligence and machine learning. It then identifies their preferences automatically and shows the most relevant content to them from the first interaction.

<https://personifyxp.com>



Resortecs (Bruselas, Bélgica)
Founded in 2017

Field of action: End of life. Circular economy. Resortecs® makes recycling easier thanks to its large-scale automatic garment disassembly system. Its patented system is five times faster than existing methods, allowing up to 90% of the original fabric material to be recycled, as well as smart sorting and recycling on a global scale.

<https://resortecs.com/>



Swearit (Madrid, España)
Founded in 2020

Field of action: Product interactions. Traceability. Inventory Systems. Swearit transforms traceability into transparency: the integration of a Swearit QR allows you to share with consumers everything they want to know about the organisation, its products and its services. And all of it is verified using blockchain technology.

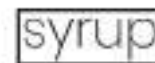
www.swearit.io



SXD (Nueva York, EE. UU.)
Founded in 2021

Field of action: End of life. Circular economy. Thanks to artificial intelligence and a patented design method that allows designs to be optimised from their creation, startup SXD successfully reduces fabric waste to 0 and reduces costs by 55%.

www.shellyxu.design



Syrup Tech (Boston, EE. UU.)
Founded in 2020

Field of action: Product interactions. Traceability. Inventory Systems. Syrup Tech is a machine-learning engine for optimising inventories. Its goal is to increase the direct sales of inventories at full price, avoid stock shortages, reduce unnecessary stock surplus and, as a result, reduce overproduction.

www.syrup.tech



Vestico (Londres, Reino Unido)
Founded in 2020

Field of action: Phygital. Vestico combines artificial intelligence and content generated by users to show shoppers how garments would look on them before they make a purchase. To this end, Vestico's engine creates a match between the shopper's details and the images published by other people with similar bodies who bought the garment before. Moreover, the details of shoppers are compiled so as to continuously improve the shopping experience, thereby contributing to reducing product returns.

<https://vestico.co/>



Innovation Day

An event organised to promote the company's innovation efforts. It includes startup presentations as well as panels and expert speakers from the sector.



Mentorings & workshops

Themed educational sessions specifically aimed at the startups. They offer relevant content that directly impacts the development of their projects: best practice analysis, trends, design-thinking sessions and corporate breakfasts.



Demo Days

The big event to mark the end of Awesome Lab 2021. The startups present their progress to an audience made up of investors and players from the innovation ecosystem.

Towards an internal culture of innovation

With the aim of generating a culture of innovation in the company, the Awesome Lab project has received special promotion internally and through various channels. Particularly noteworthy is the organisation of Breakfasttech, a series of talks on innovation and technology focused on Awesome Lab, which in its first edition brought together 220 employees. This initiative will be continued in 2022. Furthermore, to elaborate on the Awesome Lab project, special coverage has been provided on the intranet, including a presentation of the participating startups and the working methodology that the programme will follow.

6.3.

Collaborations and events

Alongside the development of the company's Innovation Lab programme, the Digital Innovation department continues to make great efforts to consolidate Desigual's positioning as a company that is attentive to the new challenges faced by the sector and as a technological role model within the fashion field.

To this end, it participates in specialised forums and engages in constant contact with prominent figures from the sector (schools and universities, government institutions, startups, etc.).



Noteworthy forums attended by the team in 2021 include:

- Believe Intech (Chamber of Commerce of Lleida and Girona): participation in a round table alongside companies like SEAT and Telefónica to discuss how Desigual approaches innovation in the fashion sector and how it can be driven through collaborations
- Innobus (Baix Llobregat): a bus route with stops and explanations of the experience. Aimed at young people from high schools and universities
- Attendance of trade shows and conferences, with a special focus on Israel (a market in which multiple contacts are being made relating to technology)
- Scouting with the Chamber of Commerce of Israel
- Champions ScaleLab (La Salle): scouting focused on the company's strategic challenges and workshops with students
- Focused scouting with Accio and Everis
- 4YFN: match-making and networking event
- South Summit: participating in the Open Innovation Stage and customising the event's uniform with Desigual T-shirts
- Barcelona Tech Spirit: events, workshops and networking
- Web Summit: participating in the event through various fields of action (search, networking and learning)
- Web Summit, Lisbon: presentation of Awesome Lab alongside ICEX



07

Annexes

Contents

7.1. Annexed tables

7.1. Annexed tables

Table 1.
Profit by country

Country	2021	2020
	Euros	Euros
Germany	1.514.991	-257.272
Austria	166.265	245.032
Belgium	-52.841	-32.411
Canada	67.768	21.124
Spain	4.689.782	-51.299.469
France	-852.575	-431.516
The Netherlands	2.004	18.722
Hong Kong	253.914	416.117
Italy	114.996	53.914
Japan	-325.885	-240.319
Poland	47.169	41.997
Portugal	-2.954	-38.618
Singapore	198.782	-31.840
Sweden	4.221	-473.147
Switzerland	-607.300	-567.779
United Kingdom	39.437	-1.303.680
USA	210.069	2.181.214
Total	5.467.843	-51.697.931

Table 2.
Taxes paid by country

Country	2021	2020
	Euros	Euros
Germany	-	-
Austria	13.439	16.051
Belgium	-	-
Canada	-	97.854
Spain	1.908.066	-
France	-	203.890
The Netherlands	-	-
Hong Kong	80.905	1.073
Italy	75.338	79.000
Japan	191.626	121.448
Poland	45.824	63.314
Portugal	-	-
Singapore	6.623	66.712
Sweden	-	22.557
Switzerland	941.601	925.091
United Kingdom	-	-
USA	2.688	1.171
Total	3.266.110	1.598.161

Table 3.
Subsidies by country

Country	2021	2020
	Euros	Euros
Germany	8.629.162	-
Austria	1.564.059	484.143
Belgium	-	-
Canada	228.684	-
Spain	-	737.629
France	4.751.371	-
The Netherlands	286.280	-
Hong Kong	-	-
Italy	919.593	309.051
Japan	15.704	193.089
Poland	-	-
Portugal	61.865	-
Singapore	465.176	26.174
Sweden	2.356	-
Switzerland	76.641	-
United Kingdom	33.648	-
USA	-	-
Total	17.034.539	1.750.086

Table 4.
Total number of employees by country

Country	2021	2020
	Employees	Employees
Germany	78	83
Austria	36	53
Belgium	26	28
Canada	38	45
Spain	223	270
France	1.319	1.300
The Netherlands	238	256
Hong Kong	13	11
Italy	2	2
Japan	455	406
Poland	117	126
Portugal	24	26
Singapore	55	40
Sweden	75	59
Switzerland	0	1
United Kingdom	37	38
USA	19	22
Total	2.755	2.766

Nota: the negative difference in some countries is due to point-of-sale closures related to company restructuring, while the positive difference is due to the opening of points of sale. The company in Sweden, which is in the process of being liquidated, only had one employee for the first two months of the year in 2021.

Table 5.

Total number and distribution of types of employment contracts

Employees by type of contract	2021	2020
Permanent full-time	1.240	1.258
Permanent part-time	777	931
Fixed-term full-time	137	100
Fixed-term part-time	601	477
TOTAL	2.755	2.766

Nota: the increase in permanent staff is due to a growing trend of fixed-term contracts in the sector.

Table 6.

Annual average distribution of working hours by gender

Working hours	2021		
	Female	Male	TOTAL
Full-time	1.040	379	1.419
Part-time	1.114	129	1.243
TOTAL	2.154	508	2.662

Working hours	2020		
	Femenino	Masculino	TOTAL
Full-time	1.066	420	1.486
Part-time	1.458	177	1.635
TOTAL	2.524	597	3.121

Table 7.1.

Annual average of permanent contracts, fixed-term contracts and part-time contracts by gender, age and professional category

Professional category/gender	2021									
	Permanent FT		Permanent PT		Fixed-term FT		Fixed-term PT		TOTAL	
	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Male
Directors and Managers	40	39	1	0	1	0	0	0	42	39
< 30 years old	0	0	0	0	0	0	0	0	0	0
30 to 50 years old	37	35	1	0	1	0	0	0	39	35
> 50 years old	3	4	0	0	0	0	0	0	3	4
Staff	301	160	16	2	16	10	0	0	333	172
< 30 years old	20	13	0	0	3	1	0	0	23	14
30 to 50 years old	261	133	16	2	13	9	0	0	290	144
> 50 years old	20	14	0	0	0	0	0	0	20	14
Store	564	118	716	82	70	7	381	45	1731	252
< 30 years old	110	24	222	44	31	4	222	30	585	102
30 to 50 years old	421	89	448	37	35	3	139	15	1043	144
> 50 years old	33	5	46	1	4	0	20	0	103	6
Logistics	47	42	0	0	1	3	0	0	48	45
< 30 years old	1	5	0	0	0	0	0	0	1	5
30 to 50 years old	41	33	0	0	1	3	0	0	42	36
> 50 years old	5	4	0	0	0	0	0	0	5	4
TOTAL	952	359	733	84	88	20	381	45	2154	508

Nota: The CEO is included in the "Directors" category. FTE has been taken into account.

Table 7.1.

Annual average of permanent contracts, fixed-term contracts and part-time contracts by gender, age and professional category

Professional category/gender	2020										
	Permanent FT		Permanent PT		Fixed-term FT		Fixed-term PT		TOTAL		
	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Male	Fem.	Male	
Directors and Managers	39	43	4	0	0	0	0	0	0	43	43
< 30 years old	0	1	0	0	0	0	0	0	0	0	1
30 to 50 years old	39	37	4	0	0	0	0	0	0	39	37
> 50 years old	3	5	0	0	0	0	0	0	0	3	5
Staff	333	187	29	3	12	6	0	1	415	197	
< 30 years old	23	15	1	0	3	2	0	1	31	18	
30 to 50 years old	290	155	28	3	9	4	0	0	360	162	
> 50 years old	20	17	0	0	0	0	0	0	23	17	
Store	1731	122	909	109	60	16	516	64	2.019	311	
< 30 years old	585	31	308	54	25	8	307	46	771	139	
30 to 50 years old	1043	89	551	52	33	8	179	18	1.138	167	
> 50 years old	103	2	50	3	2	0	30	0	109	5	
Logistics	48	43	0	0	1	3	0	0	47	46	
< 30 years old	1	4	0	0	0	0	0	0	1	4	
30 to 50 years old	42	36	0	0	1	3	0	0	41	39	
> 50 years old	5	3	0	0	0	0	0	0	5	3	
TOTAL	2154	395	942	112	73	25	516	65	2.524	597	

Note: The CEO is included in the "Directors" category. FTE has been taken into account.

Table 8.

Number of dismissals by gender, age and professional category

Professional category/gender	2021			2020		
	Fem.	Male	Total	Fem.	Male	Total
Directors and Managers	4	2	6	11	12	23
< 30 years old	0	0	0	0	0	0
30 to 50 years old	3	1	4	8	9	17
> 50 years old	1	1	2	3	3	6
Staff	36	7	43	57	18	75
< 30 years old	0	0	0	3	2	5
30 to 50 years old	35	7	42	49	11	60
> 50 years old	1		1	5	5	10
Store	80	10	90	232	49	281
< 30 years old	24	3	27	90	23	113
30 to 50 years old	54	7	61	116	26	142
> 50 years old	2		2	26	0	26
Logistics	2	1	3	2	2	4
< 30 years old	0	0	0	0	0	0
30 to 50 years old	2	1	3	1	2	3
> 50 years old	0	0	0	1	0	1
TOTAL	122	20	142	302	81	383

Note: Terminations as of 01/01/2021 have not been considered. If the individual's relationship with the company ended on 01/01/2021, it means they were no longer part of the workforce in 2021. The CEO is included in the "Directors" category. Headcounts are included regardless of working hours.

Table 9.
Employees with disabilities

Professional category/gender	2021			2020		
	Total employees	People with disabilities	% People with disabilities	Total employees	People with disabilities	% People with disabilities
Directors and Managers	79	0	0,00%	79	0	0,00%
Staff	485	2	0,41%	553	3	0,50%
Store	2.100	20	0,95%	2.042	23	1,10%
Logistics	91	0	0,00%	92	0	0,00%
TOTAL	2.755	22	0,80%	2.766	26	0,90%

Nota: Staff on 31/12/2021. The CEO is included in the "Directors" category. Headcounts are included regardless of working hours.

Table 10.
Number of hours of absence by gender

	2021		2020	
	Female	Male	Female	Male
Non-occupational illness	217.244,00	30.124,39	234.856,23	40.327,77
Occupational accident	3.933,78	840,00	2.393,56	1.704,81
Maternity/paternity	202.187,83	10.521,00	227.864,80	4.100,26
Other	20.535,28	3.655,81	24.752,49	4.281,27
TOTAL	443.900,89	45.141,20	489.867,08	50.414, 11

Nota: Hours of absence include non-occupational illness hours, occupational accidents involving sick leave, maternity leave, paternity leave, paid leave, medical appointments, non-justified absences, and training. They are calculated taking into account the maximum hours from each country weighted according to each employee's working hours. The hours of absence for the full year have been extracted (the report includes no filters) not considering holidays. All days of absenteeism in the year 2021 have been included.

Content required by law 11/2018 on non-financial and diversity information

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
MBUSINESS MODEL				
General information	A brief description of the group's business model, which includes its business environment, organisation and structure, the markets in which it operates, its goals and strategies, and the main factors and trends that may affect its future evolution.	GRI 102-2	34-35	
		GRI 102-4	7	
		GRI 102-6	9-10, 34-35	
		GRI 102-7	7	
		GRI 102-15	11-15, 16, 32, 64, 85-86, 92, 110	
	Reporting framework used	Standards GRI	8	
Materiality analysis	GRI 102-47	11-15		
INFORMATION ON ENVIRONMENTAL ASPECTS				
Policies	Policies applied by the group, including the due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, in addition to the measures adopted and the result of said policies regarding environmental aspects.	GRI 103-2	93-94	
Main risks	The main risks related to matters linked to the group's activities, including, whenever relevant and proportionate, any trading relationships, products or services that may have negative effects on said fields and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with national, European or benchmark international frameworks for each aspect. Must include information on the impacts detected, through an itemised list, specifically the main risks in the short, medium and long term.	GRI 102-15	11-15, 46-54, 92-110	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON ENVIRONMENTAL ASPECTS				
Environmental management	Current and foreseeable effects of the company's activities on the environment and, when relevant, on health and safety.	GRI 103-2		We continue to take the SWOT analysis into account, as no substantial changes have affected our operations in the year of this report.
	Environmental certification or assessment procedures	GRI 103-2	51-52, 95-96, 102-104, 109-110	
	Resources devoted to environmental risk prevention	GRI 103-2	92-110	
	Application of the principle or precaution	GRI 102-11	85-86	
	Provisions and guarantees for environmental risks	GRI 103-2		Regarding the amount of provisions and guarantees for environmental risks, Abasic is covered by liability insurance that covers damages to third parties and/or their goods caused by accidental pollution. However, the group's operations do not pose a significant environmental impact that may cause an incident due to its nature. In 2020 and 2021, neither Abasic nor any of its dependent companies have been sanctioned for environmental reasons. Desigual does not have environmental liability insurance.

Content required by Law 11/2018 on non-financial and diversity information	Estándar	Reference page	Comments
INFORMATION ON ENVIRONMENTAL ASPECTS			
Pollution	Measures to prevent, reduce or fix the carbon emissions that have a severe effect on the environment, taking into account any form of atmospheric pollution specific to an activity, including noise and light pollution	GRI 103-2 27, 51-52, 94-97	<p>With regard to light pollution, since 2017 all our stores have had a system installed to switch off signs, lights, store windows and even the inside of the store if it is significantly exposed to the street after closing time. To do so, we have a clock on the electric board that switches everything off automatically, minimising our light pollution.</p> <p>Noise is not applicable to Desigual since our facilities (offices, logistics centres, points of sale) do not generate any.</p>
Circular economy and waste prevention and management	Measures for preventing, recycling, reusing, other forms of recovery and elimination of waste	GRI 306-1 (2020) 28, 108-109	
		GRI 306-2 (2020) 28, 108-109	
		GRI 306-3 (2020) 28, 108-109	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON ENVIRONMENTAL ASPECTS				
Circular economy and waste prevention and management	Measures for preventing, recycling, reusing, other forms of recovery and elimination of waste	GRI 103-2		Regarding actions to prevent the wasting of food, this is not relevant to the company, as it is not a field of action or production for Desigual. However, Desigual's Kantina committee is made up of individuals from various departments who meet to follow up on the food service offered at Desigual's headquarters.
Sustainable use of resources	Water consumption and supply in accordance with local limitations	GRI 103-2	100-102	Desigual only consumes the water supplied by its providing company.
		GRI 303-3	100-102	
	Consumption of raw materials and the measures taken to improve the efficiency of their use	GRI 103-2	107-108	
		GRI 301-1	107-108	
		GRI 301-2		
		GRI 301-3	107-108	
	Power: direct and indirect consumption; measures adopted to improve energy efficiency; use of renewable energies	GRI 103-2	97-100	
		GRI 302-1	97-100	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON ENVIRONMENTAL ASPECTS				
Climate change	Important elements of the greenhouse gas emissions generated as a result of the company's operations, including the use of goods and services it produces.	GRI 305-1	95-97	
		GRI 305-2	95-97	
		GRI 305-3	95-97	
		GRI 305-4	95-97	
	Measures taken to adapt to the consequences of climate change	GRI 103-2		The company develops policies and procedures that help to foresee and control any potential consequences caused by climate change. One of them is the project to reduce our carbon footprint. This project affects the entire value chain, which makes it the most overarching project in our plan, with ten departments involved. At Desigual, we are constantly working with various strategic partners in the field of sustainability and the environment. Most of these partnerships focus on analysing the consequences of climate change and setting goals for the industry to mitigate its impact through actions aimed at preserving and restoring biodiversity, caring for protected areas and reducing the generation of atmospheric pollution. Moreover, being a member of these organisations allows us to access tools and resources that contribute to identifying, assessing and mitigating the main environmental risks related to our operations.

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON ENVIRONMENTAL ASPECTS				
Climate change	Voluntarily established reduction goals for the medium and long term aimed at reducing greenhouse gas emissions, and the means implemented for such purposes	GRI 103-2	95-97	
Protección de la biodiversidad	Measures adopted to preserve or restore biodiversity	GRI 103-2	89-90	
		GRI 304-3	31, 45, 109-110	
	Impacts caused by activities or operations in protected areas	GRI 304-1		This aspect is not relevant to Desigual, since the company's operations are not carried out in protected areas.
INFORMATION ON SOCIAL MATTERS RELATED TO PERSONNEL				
Policies	Policies applied by the group, including the due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, in addition to the measures adopted and the result of said policies regarding personnel aspects.	GRI 103-2	11-15, 85-91	
Main risks	The main risks related to matters linked to the group's activities, including, whenever relevant and proportionate, any trading relationships, products or services that may have negative effects on said fields and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with national, European or benchmark international frameworks for each aspect. Must include information on the impacts detected, through an itemised list, specifically the main risks in the short, medium and long term	GRI 102-15	11-15, 85-91	
		GRI 102-30	83-84	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON SOCIAL MATTERS RELATED TO PERSONNEL				
Employment	Total number and distribution of employees by gender, age, country and occupational classification	GRI 102-7	66	
		GRI 405-1 b)	74-75	
	Total number and distribution of employment contract types	GRI 102-8	122	
	Annual average of permanent, temporary and part-time contracts by gender, age and professional category	GRI 102-8	123	
	Number of dismissals by gender, age and professional category	GRI 401-1 b)	124	
	Average remunerations and their evolution broken down into gender, age and professional category or an exact value	GRI 405-2	76-77	
	Pay gap	GRI 405-2	76	
	Remuneration of exact positions or average remuneration of the company	GRI 202-1	76-77	
	The average remuneration for directors and executives, including variable pay, meals, compensations, the payments to long-term saving schemes and any other payment, broken down by sex	GRI 102-35	84	
	Implementation of workplace disconnection measures	GRI 103-2	84	
	Employees with disabilities	GRI 405-1 b)	125	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON SOCIAL MATTERS RELATED TO PERSONNEL				
Organisation of work	Organisation of working hours	GRI 103-2	67-69, 80	
	Number of absenteeism hours	GRI 103-2	125	
	Measures aimed at ensuring work-life balance and promoting the co-responsibility of both parents	GRI 103-2	67-69, 78-81	
Health and safety	Health and safety conditions in the workplace	GRI 403-1	69-71	
	Accidents at the workplace (frequency and severity) broken down by sex	GRI 403-9 (2018)	72-73	
	Occupational illnesses (frequency and severity) broken down by sex	GRI 403-10 (2018)	72-73	
Social relations	Organisation of social dialogue, including the procedures aimed at informing, consulting with and negotiating with employees	GRI 103-2	67-69	We have a closure policy that defines communication deadlines for informing employees affected by the closure of points of sale. In general, the provision is to follow the advance notice established by the regulations currently in force in each country, with a minimum of at least one month's notice.
		GRI 402-1		
	Percentage of employees covered by a collective agreement by country	GRI 102-41	77	
	Assessment of collective agreements, especially in relation to health and safety at the workplace	GRI 403-4 (2018)	77	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON SOCIAL MATTERS RELATED TO PERSONNEL				
Training	Policies implemented in the field of training	GRI 103-2	81-83	
		GRI 404-2	81-83	
	Total number of training hours by professional category	GRI 404-1	83	
Accessibility	Universal accessibility for people with disabilities	GRI 103-2		
Equality	Measures adopted to promote equal treatment and opportunities for men and women	GRI 103-2	29, 78-81	
	Equality plans (Chapter III of Organic Law 3/2007 of 22 March on the effective equality between women and men)	GRI 103-2	78-79	
	Measures adopted to promote employment	GRI 103-2	30, 81-83	
		GRI 103-2	30, 81-83	
	Protocols against sexual and gender-related harassment	GRI 402-1	78-79	
	Integration and universal accessibility for people with disabilities	GRI 102-41	79	
Policy against all forms of discrimination and, if applicable, policy on diversity management	GRI 403-4 (2018)	78-79		

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON RESPECT FOR HUMAN RIGHTS				
Policies	Policies applied by the group, including the due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, in addition to the measures adopted and the result of said policies regarding aspects related to human rights	GRI 103-2	47-49, 85-86, 89-90	
Main risks	The main risks related to matters linked to the group's activities, including, whenever relevant and proportionate, any trading relationships, products or services that may have negative effects on said fields and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with national, European or benchmark international frameworks for each aspect. Must include information on the impacts detected, through an itemised list, specifically the main risks in the short, medium and long term	GRI 102-15	11-15, 90-91	
Human rights	Application of due diligence procedures related to human rights	GRI 103-2	47-49, 85-86, 89-90	
	Prevention of risks of breaches of human rights and, if applicable, measures to mitigate, handle and repair any potential abuses committed	GRI 103-2	47-49	
		GRI 412-1		
		GRI 410-1		Subcontracted security personnel receive training on human rights provided by the subcontracted company.

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON RESPECT FOR HUMAN RIGHTS				
Human rights	Complaints related to breaches of human rights	GRI 102-17	49	
		GRI 103-2	49	
	Promotion of and compliance with the provisions of the ILO's fundamental agreements related to respecting all rights of freedom of association and the right to collective bargaining, the elimination of discrimination in the workplace and in employment, the elimination of forced or mandatory labour and the effective abolition of child labour	GRI 103-2	47-48	
INFORMATION RELATED TO THE FIGHT AGAINST CORRUPTION AND BRIBERY				
Policies	Policies applied by the group, including the due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, in addition to the measures adopted and the result of said policies regarding the fight against corruption and bribery	GRI 103-2	85-86	
Main risks	The main risks related to matters linked to the group's activities, including, whenever relevant and proportionate, any trading relationships, products or services that may have negative effects on said fields and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with national, European or benchmark international frameworks for each aspect. Must include information on the impacts detected, through an itemised list, specifically the main risks in the short, medium and long term	GRI 102-15	87-91	In 2020 and 2021, we did not need to manage any court procedures related to corruption or bribery that may affect Desigual.
		GRI 102-30	87-91	
		GRI 205-1		

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION RELATED TO THE FIGHT AGAINST CORRUPTION AND BRIBERY				
Corruption and bribery	Measures adopted to prevent corruption and bribery	GRI 103-2	87-91	
	Measures to combat money laundering	GRI 103-2	87-91	
	Contributions to foundations and non-profit organisations	GRI 201-1	30-31	
		GRI 203-2	30-31	
	GRI 415-1		Desigual does not make any contributions to political parties or representatives, as is established in its Code of Ethics.	
INFORMATION ON THE COMPANY				
Policies	Policies applied by the group, including the due diligence procedures applied to the identification, assessment, prevention and mitigation of significant risks and impacts, and for verification and control, in addition to the measures adopted and the result of said policies regarding aspects related to the company	GRI 103-2	27-31	
Main risks	The main risks related to matters linked to the group's activities, including, whenever relevant and proportionate, any trading relationships, products or services that may have negative effects on said fields and how the group manages said risks, explaining the procedures used to detect and assess them in accordance with national, European or benchmark international frameworks for each aspect. Must include information on the impacts detected, through an itemised list, specifically the main risks in the short, medium and long term	GRI 102-15	85-86	

Content required by Law 11/2018 on non-financial and diversity information		Estándar	Reference page	Comments
INFORMATION ON THE COMPANY				
Commitments of the company to sustainable development	Impact of the company's operations on employment and local development	GRI 203-2	30-31	
		GRI 413-1	30-31	
	Impact of the company's activity on local populations and territories	GRI 203-2	30-31	
		GRI 413-1	30-31	
	Relationships with actors from the local communities, and the types of dialogue used with them	GRI 102-43	30-31	
Association or sponsorship actions	GRI 102-13	30-31, 44-45, 55		
Subcontracting and suppliers	Inclusion of social, gender equality and environmental aspects in the purchasing policy	GRI 308-1		
		GRI 414-1		
	In the relationships with suppliers and subcontractors, consideration of their social and environmental responsibilities	GRI 414-1	47-52	
		GRI 308-2	47-52	
	Monitoring systems and audits and their results	GRI 414-2	47-52	
GRI 414-2		47-52		
Consumers	Measures to guarantee the health and safety of consumers	GRI 103-2	9-10	
		GRI 416-1	41-43	
		GRI 417-1	28, 105	
	Complaint systems, complaints received and their resolution	GRI 103-2	61-63	
Fiscal information	Profit obtained by country	GRI 201-1	118	
	Taxes paid on profit obtained	GRI 201-1	119	
	Public funding received	GRI 201-4	120	

Desigual.

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