



Designal Sustainability Report 2022

Designal.

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Desigual.

Introduction

2022 was the year of the “full return to normality”, after two years dominated by the impact of the pandemic. The tremendous speed at which we are all moving, and the significance of the innovations that are emerging (it seems as though generative AI has been with us for a long time but it has only recently appeared) makes us quick to forget the profound lessons that recent years have taught us. We have learned, among many other things, that there are alternatives for organising the way we work that once seemed unthinkable, and that it is essential for everyone to dramatically increase their efforts to protect our planet.

For Desigual, it has also been a time to put to the test, under normal conditions, the major transformation that we are undergoing and which will continue over the next few years. A transformation that reasserts our brand principles: authenticity, optimism and protecting the environment, while strengthening our collaborative spirit and our distinct and innovative way of doing things more than ever, and also more in alignment with the lessons that these last few years have given us. A Desigual way of doing things.

In this regard, 2022 was the first full year of the 4-day workweek (3 on-site days and one remote working day). This initiative, a pioneering step at world level for a major company, was approved by 87% of our teams in October 2021, and responds to the dual objective of achieving an improved work-life balance while at the same time retaining and attracting talent that values flexibility and working in innovative environments. Particularly noteworthy is the rapid adaptation to the new system and the high level of appreciation for the measure among our teams. One year after its implementation, 90% of the workforce say that they are happier with this new model. This is a groundbreaking measure, which this year has continued to attract the attention of the media and companies all over the world due to its social relevance, and its success fills us with pride.

We have also taken an important step forward with the integration of the Open Desigual philosophy. The search for collaborative solutions, the pooling of diverse talents, and cooperation between people from different fields or even between competitors is being highlighted as an alternative approach for progress and development. At Desigual, we firmly believe in this paradigm shift with collaboration as a fundamental pillar of the future competitiveness of companies. We understand that there is more creativity in the world than there can ever be within any organisation. There is more diversity and innovation out there than there can ever be in a small team, no matter how brilliant. In a world of increasing interconnectedness, working by silos, looking inward and focusing on our history and on our processes limits our potential. Collaboration, joining forces, this is the new way of understanding how the world should progress and is increasingly prominent in our society. A vision of how to do things that connects with new generations and looks to the future. We do not compete; we collaborate to build a better planet. In a changing world, the ability to learn and a willingness to change and adapt become key.



This vision is being implemented company-wide, with two milestones that are having a particular impact: collaboration with new creators in the development of collections, campaigns and concepts; and, secondly, the success of Awesome Lab, which seeks innovative technological solutions, and in its first run surpassed expectations. A second call for applications is already underway with even more ambitious objectives that are aligned with the business. These two models of collaboration, with top international creatives and tech startups with great prospects, allow us to maintain our position as a benchmark company for innovation in the sector, with the power to set trends and adapt to the new demands of the industry.

In line with this same vision of moving forward through cooperation, we have developed agreements with companies in the fashion world so that we can respond as effectively as possible to the specific needs of certain markets. This is true of the joint venture signed for Desigual's expansion in China. A collaboration agreement to accelerate our presence in the country through digital channels and the opening of physical points of sale in the country.

In terms of customer relations, I would like to highlight the ongoing improvement of the user experience in the digital environment, through new functionalities and services that streamline information, shopping and customer service processes; and also in the physical environment, through the roll-out of our new store concept to over 80% of the store network. It is worth emphasising the expansion of this omnichannel model at a global level, integrating technological solutions that standardise processes in a very robust and reliable value chain.

Finally, it is essential that I mention a fundamental pillar in the ongoing progress of the company, which, as we said before, we must all work to accelerate: the steady reduction of the environmental impact of our activity.

In this regard, we have succeeded in meeting the targets set for most of the indicators (emissions, sustainable fibres and cottons in the collections, traceability of the supply chain, etc.), which shows that we are continuing to meet our commitment to even more demanding targets and to collaborating with new benchmark organisations.

In the pages that follow in this report, which includes the indicators of the Non-Financial Information Statement, you will find a detailed account of our activity during such an exciting and challenging year. I thank you all for your trust and commitment.

Alberto Ojinaga
Managing Director, Desigual

379.2 • 27.9 • 4 •
6 • 10 • 104 •
377 • 2,500 •
28 • 57 • 100.

2022 in figures

379.2 million euros in turnover. **27.9** 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 and Shoes. 10** distribution channels. **Monobrand**: retail seasonal, retail outlet, franchises and authorised dealers; **Digital**: desigual.com, e-tailers and flash sales; **Multi-brand**: wholesale, department stores and travel retail. Operating in **104** countries. **377** monobrand stores. More than **2,500** employees worldwide. Our main markets are Spain, France, Germany, Italy, Japan, USA and Mexico. **28%** of sales are made through digital platforms (desigual.com, e-tailers and flash sales). **57%** sustainable references in our 2022 collections and **100%** sustainable denim in our fall-winter collection.



01 About this report

Content

[1.1. Scope and methodology](#)

[1.2. Our stakeholders](#)

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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 subsidiary companies (hereinafter referred to as Desigual) from 1 January to 31 December 2022.

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. Moreover, the European Commission's guidelines on the submission of non-financial reports (2017/C 215/01) stemming from Directive 2014/95/EU and the criteria established in the Global Reporting Initiative Standards have been followed.

Likewise, this report complies with Law 11/2018 of 28 December 2018 which modifies the Commercial Code; and the related provisions from the consolidated text of the Capital Company Act approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, 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 during the assessed period.

In some cases, the information from 2022 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 conformity 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 healthy and safe working environment, with decent conditions that also allow for 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 our own 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 utmost 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 ongoing 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 conduct 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 in order to disseminate information about the company.

1.3.

Materiality assessment

GRI Standard 1: Foundation was applied to conduct the materiality assessment that determines the content of this report. This methodology relies on identifying the 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 respective stakeholder groups are:

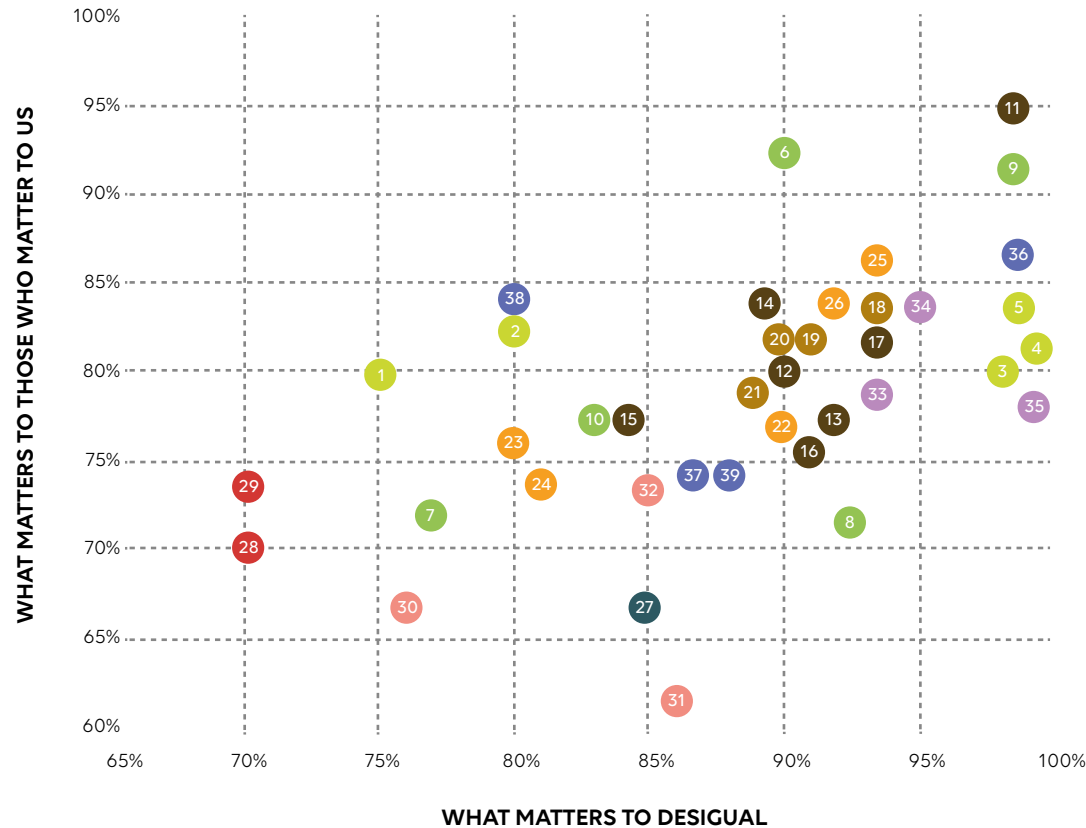
- **Employees:** employment satisfaction surveys.
- **Customers:** market research to gain insights about the brand's global health, and reports about our customer support.
- **Suppliers and collaborators:** audit reports on compliance with Desigual's standards.
- **Sector entities and associations:** 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 categorised 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. Corporate culture (professional development)
- 3. Adapting to the new needs of the business
- 4. Diversity, equity and inclusion
- 5. Evaluation of the four-day workweek



Consumers

- 6. Customer orientation
- 7. Customer data protection
- 8. New store model
- 9. Improvement of the shopping experience on desigual.com
- 10. Brand experiences in the different markets



Product

- 11. Sustainable product
- 12. Training teams on sustainable design
- 13. Product quality, health and safety
- 14. Labelling of sustainable products
- 15. Materials policy
- 16. Managing chemicals throughout the supply chain
- 17. Product circularity projects



Supply chain

- 18. Supply chain traceability
- 19. Respect for human rights throughout the supply chain
- 20. More sustainable production processes
- 21. Responsible purchasing practices



Circularity and efficient use of resources

- 22. Waste prevention and management (circularity)
- 23. Environmental management and consumption of power and water
- 24. Sustainable use of resources (packaging, consumables, etc.)
- 25. Reduction of plastic usage
- 26. Climate change (carbon footprint reduction)



Fiscal transparency

- 27. Fiscal compliance and tax contributions



Social action

- 28. Relationships with our stakeholders
- 29. Commitment to the community



Corporate governance

- 30. Corporate governance
- 31. Risk management and control systems
- 32. Corruption and bribery



Brand

- 33. Image and reputation
- 34. Responsible communication (transparent, committed to social reality, etc.)
- 35. Restoring the brand's relevance and generating value for our consumers (purpose, claim, differentiation)



Business

- 36. Financial performance (EBIT target 0)
- 37. Technological innovation (Apolo project, etc.)
- 38. Optimisation of the distribution network
- 39. Awesome Lab continuation (startup accelerator)

* Note: The term EBIT refers to the company's earnings before interest and taxes.

New corporate challenges and product sustainability, top priorities

The end of the issues associated with the COVID-19 pandemic, which had a major impact on the company's activity in the previous two financial years, is the most significant development in the 2022 update of the materiality matrix. This reorganisation of issues reveals significant differences between the aspects that are a priority for the company and those that are a priority for its stakeholders.

One of the most pertinent issues for the company in the new financial year was the assessment of the four-day workweek in its first full year of implementation. Then came four strategic objectives aimed at consolidating the organisation's recovery process. Among the five aspects prioritised by each of the groups, two common points stand out: economic performance, which is of great relevance for stakeholders due to the

high rating it received from employees, and the improvement of the shopping experience on desigual.com, the issue that is most highly valued by consumers. The most important aspect for the stakeholders as a whole is the availability of sustainable products, which ranks as the sixth priority for the company.

5 most pertinent aspects for the company

1 Assessment of the four-day workweek

2 Restoring the brand's relevance and generating value for our consumers (purpose, claim, differentiation)

3 Financial performance (EBIT target 0)

4 Adapting to the new needs of the business

5 Improving the shopping experience on desigual.com

The 5 most pertinent aspects for stakeholders

1 Sustainable product

2 Customer orientation

3 Improving the shopping experience on desigual.com

4 Financial performance (EBIT target 0)

5 Reducing plastic use





02 Brand values

Content

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[2.2. "Open Desigual", collaboration as a driver of competitiveness](#)

[2.3. Our contribution to the Sustainable Development Goals](#)

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Brand values

The experiences from two financial years as unusual as 2020 and 2021 prompted us to reassert and strengthen the brand's historical values on two levels. On the one hand, by getting closer than ever to the consumer, through all shopping channels and with a differentiated range with the distinctive Desigual hallmark. And on the other, by strengthening the sustainable focus of our actions, through objectives aligned with the Sustainable Development Goals (SDGs). 2022 marked the consolidation of the "Open Desigual" style, based on working with the best collaborators in each speciality to respond to these challenges together.



Strategic objectives	2022 milestones
To increase the visibility of the brand globally, restore its relevance and position Desigual in the minds of consumers aged 25 to 40 through its optimistic, creative and open vision, as well as its commitment to being a sustainable brand.	The recognition and global impact of the four-day workweek, the swift integration of Awesome Lab into the innovation ecosystem, and the improvements in customer service (refresh of digital channels, loyalty programme, etc.) have maintained Desigual's position as a leading brand in the sector.
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.	"Open Desigual" has passed from theory to practice through two main milestones: the incorporation of new collaborations into the design and communication of capsules and collections of products; and the completion of the first run of Awesome Lab, involving the first collaborations with startups and extending innovation culture to the entire company.
To extend the company's commitment to the three areas of sustainability (environmental, social and economic), in accordance with the United Nations' Sustainable Development Goals (SDGs).	The consolidation of Desigual's priority SDGs, defined in 2021, has allowed us to focus our actions aimed at creating value for our stakeholders on specific goals.

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 everything 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. Despite the complex scenario, we committed to reviewing our brand principles and platform based on our values: introducing new collaborations and more sustainable collections, ramping up our digital sales platforms and driving our sustainability strategy forward with new partnerships and commitments.

The gradual return to normality allowed us to maintain momentum in 2021, with the launch of new benchmark projects in the areas of corporate culture (the four-day workweek) and innovation (Awesome Lab), in addition to the reinforcement of the 2020-2023 Strategic Sustainability and CSR Plan. The development of these three pillars also shaped our activity in 2022: the new workweek reached a 90% acceptance rate among the workforce, Awesome Lab successfully completed its first run and launched a second, and sustainability targets were reached ahead of schedule. The "Open Desigual" philosophy was also consolidated, reflecting a refreshed collaborative vision in all areas of the business, with the common goal of providing consumers with the best service and the most attractive offer, taking the brand to the next level.



Desigual, year by year

1983

Thomas Meyer, the brand's founder, created a new garment: a denim jacket made from scraps of jeans with brass buttons and leather appliques on the cuffs. This jacket, now known as the Iconic Jacket, featured many of the keys to our aesthetic universe, such as patchwork and handcrafting, which are traits that still characterise our work today. The jacket was Desigual's first product, and would see the light of day a year later.

1984

Our Iconic Jacket became a sales success, so we needed a brand that would identify us effectively. Based on Isabel Coixet's idea, we chose "Desigual" as the brand name and accompanied it with a motto that conveyed its very definition: "no es lo mismo" (it's not the same). Since our beginnings, we have succeeded in distinguishing ourselves from the crowd, and the adjective "Desigual" aptly expresses the characteristics of our garments.

1986

On 20 July, we opened our first retail store in the port of Ibiza, which was designed by Tonet Sunyer. Our first logo, a graphically synthesised couple (a man and a woman) designed by Peret, was used on the store's bags.

1993-1995

Desigual was consolidated and experienced a significant increase in sales in the Spanish market. We began exporting, specifically to France and Portugal, discovering the challenges of crossing borders in the process.

1998

We launched the Desigual 1.0 website and opened a store in Triangle, Barcelona's most central shopping centre, on Plaça Catalunya.

2003

We developed the innovative Paint Party strategy: we decorated our stores by capitalising on the creativity of our friends, collaborators and customers who, armed with paint, brushes and rollers, expressed themselves on the walls of a store that would be opened to the public soon after.

2007

Desigual's expansion started to consolidate itself: we arrived in London with a store on Regent Street.

2006

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

2005

Barcelona's City Council abolished the regulation prohibiting public nudity. This change in the law allowed us to hold a unique event, called "Naked", on 17 February 2005. This initiative involved a game: the first hundred people to arrive naked at the Passeig de Gràcia store in Barcelona would leave the store clothed in Desigual garments, completely free of charge.

2004

We launched the first full collection for Kids.

2009

We landed in America: we opened a store in New York and our garments were featured in 500 multi-brand stores across the United States.

2010-2011

We recruited French designer M. Christian Lacroix, who collaborated with us on a line of garments attuned to his personal style. In 2011, we also launched our Shoes category.

2012

We arrived in Barceloneta: in June we officially opened our new headquarters in Barcelona.

2014

We reinforced our growth and expansion strategy with the inclusion of investment fund Eurazeo as shareholders. We opened our flagship store on Plaça Catalunya in Barcelona and our 500th store in Rome.

2015

We began operating at the Viladecans logistics centre, the perfect resource for developing an omnichannel strategy that would bring us even closer to customers all over the world. We launched our Exotic Jeans collection, which provided continuity for part of our denim line. We also began the transformation plan for becoming a new Desigual.

2016

We embarked on a new stage of evolving towards a consumer-oriented business model and laying the foundations for a new Desigual that would continue to engage with the public while always remaining loyal to our essence.

2017

We started to work with French artist Jean-Paul Goude as our Artistic Advisor. In collaboration with him, we presented our SS17 collection at New York Fashion Week with a unique catwalk show centred upon an urban-jungle aesthetic. We also consolidated our commitment to Mexico, a strategic market for Desigual.

2020

During a year the likes of which nobody could have imagined, a global pandemic forced us to temporarily close our stores in most countries and to rethink our entire operations to guarantee the health and safety of our employees and customers. At Desigual, our optimism never falters and, in the face of the difficulties created by COVID-19, we reached new markets by opening our first stores in India and South Africa. We continued to grow in Japan and accelerated the development of our online channel to ensure our customers would be able to access our new collections. Alongside this, and in a company-wide fashion, we started to roll out our 2020-2023 Sustainability and CSR Strategic Plan.

2019

We embarked on a new chapter for Desigual by launching a new image, including a new logo; we updated our product by designing more urban, versatile and sustainable garments and accessories; and we presented a new shopping experience that we began rolling out in our main stores across Asia, the Americas and Europe. All of this stems from our brand principles, staying as Desigual as ever and responding to new consumption habits and trends.

2018

We reissued our first garment, the Iconic Jacket, from our Barceloneta workshop and we worked on special collections with artists who contributed a lot of creativity, such as Miranda Makaroff. Thomas Meyer repurchased Eurazeo's shares and we continued with our transformation plan.

2021

The impact of the COVID-19 pandemic, which continued throughout the year, did not hamper the company's creative and innovative spirit. The implementation of the four-day workweek at headquarters grabbed the attention of the sector and media outlets around the world since it was so innovative and made us the first company in the sector to put such a system in place. Another pioneering action from this year was the launch of Awesome Lab, the first startup accelerator in Spain's fashion sector, which seeks to promote the implementation of innovative solutions and an internal culture of innovation.

2022

The "Open Desigual" work philosophy, introduced in the previous year, was extended to the company's most valuable activities, with collaborations with new designers, artists and personalities from the sector leading the way. The first run of Awesome Lab was successfully concluded at all levels and a second instalment was immediately announced. The four-day workweek received recognition from the human resources sector and, above all, was fully established as a differentiating feature of the company's corporate culture. Having overcome the limitations imposed by the pandemic, our expansion continued in strategic markets in Asia with the launch of a joint venture in China, as did our commitment to strategic locations in European markets, with the opening of new shops in Paris and Berlin. At the same time, the online channels continued to be enhanced with new consumer services.



2.2.

“Open Desigual”, collaboration as a driver of competitiveness

The fashion and retail sector has undergone an unprecedented transformation in recent years. The COVID-19 pandemic accelerated trends that had been previously identified, foremost among them sustainability awareness and an omnichannel approach. Now more than ever, consumer trust relies on ensuring the best shopping experience in both the digital and physical environments and the synergies that are built between the two.

Desigual is meeting this new challenge by emphasising the differentiating elements that have distinguished the brand since its beginnings: creativity, innovation and an emotional connection with its consumers. Both elements have traditionally been delivered through attractive and unique collections, as well as bold and uncomplicated communication.

In 2021, the company added a third pillar to this equation: collaboration as a driver of competitiveness which enables it to keep up with market trends and, at the same time, incorporate a fresh and alternative perspective. This philosophy, dubbed “Open Desigual”, also allows for more agile forward motion of the company by integrating external talent and skills which, due to their high degree of specialisation, would entail a high cost for internal training.

This philosophy permeates all of the company's areas of specialisation, with two aspects being priorities due to their direct impact on the prospects of the brand and the relationship with consumers:

- **“Open Desigual” & creativity:** the commitment to collaborating with artists and designers to create new garments and capsule collections began in 2019 and has intensified year after year. Along with direct collaboration on garment design, the presence of new collaborators has also been expanded to other areas of the brand's creativity, such as the communication of new collections and the design of points of sale.
- **“Open Desigual” & innovation:** the launch of the Awesome Lab in 2021 demonstrated the company's unwavering commitment to open innovation as an essential element of its growth plan. The programme aims to identify recently created startups that will enable the company to implement their solutions more strategically and help them to drive their business forward. The first run ended in 2022 and was highly successful in its dual objective of identifying new opportunities and generating a culture of innovation throughout the company, prompting the second run to be organised before the end of the year.

100% Desigual creatives

Collaborations with designers, photographers and stylists are being increased and strengthened season after season. This collaboration model allows for the integration of professionals who share the brand's philosophy and values and contribute a new vision so we can offer consumers diverse and differentiated products that are 100% Desigual.

The addition of new collaborators also entails a restructuring of the working methodology to integrate this creativity into the new collections more quickly and successfully.



In 2022 we have once again worked with **María Escoté** and **Monsieur Christian Lacroix**, while also debuting collaborations with:

- **Johnson Hartig**
- **Stella Jean**
- **Maitrepierre**
- **Nathy Peluso**
- **Gala Meyer**

We have also worked with artists and creatives such as:

- **Mario Sorrenti**
- **Txema Yeste**
- **Elodie David Touboul**
- **Daniel Jackson**
- **Georgia Pendlebury**

And with models that are contributing to changing the perception of the brand:

- **Grace Elizabeth**
- **Maty Fall**
- **Louise Roberts**
- **Michelle Fall**

Always true to Desigual's principles

The projects promoted in 2022 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 life

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, while always being aware of the reality in which we are living.

And all the while respecting the environment

We seek harmony between ourselves 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.



2.3.

Our contribution to the Sustainable Development Goals

As part of our commitment to sustainable growth, the 2020-2023 Sustainability and CSR Plan assessed the United Nations Sustainable Development Goals (SDGs) and determined the three SDGs that Desigual contributes to most directly through the implementation of its strategic pillars.

The focus on these three goals allows for a clearer definition of the company's value-creating actions, which also indirectly contributes to the fulfilment of the other goals defined by the United Nations.



13 CLIMATE ACTION



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

- A project to steadily reduce emissions and thus the carbon footprint of the company's activity, with the ultimate goal of being totally carbon neutral by 2050. In 2022, the intermediate target was revised to a 65% reduction in emissions by 2026.
- A steady increase of recycled materials and more sustainable options that have a smaller impact on the ecosystem, both in the main products (garments, accessories and footwear) and the packaging. Satisfactory progress has been made towards the goal of 100% sustainable materials by 2030.
- 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.

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 alongside 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.
- A gradual increase of sustainable fibres in the collections and the promotion of the product's sustainability in our communication campaigns and labelling.
- The design of communication campaigns aimed at consumers which provide specific recommendations for extending the life cycle of products.
- Control of stock to minimise losses.
- Carrying out awareness campaigns with employees.
- Improvement of the box-reuse systems in our logistics operations.

5 GENDER EQUALITY



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

- Implementation of the company's Plan for Equality of Men and Women, approved in 2021. This plan incorporates 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 conducting internal awareness actions.
- A steady 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.

2.4.

Collaboration with local entities

As part of the company's philosophy and values, and in accordance with one of the objectives established in the 2020-2023 Sustainability and CSR Plan, Desigual maintains a constantly collaborative relationship with various social, cultural and sporting organisations. Most of these collaborations centre on the Barceloneta neighbourhood, which Desigual has maintained a very close relationship with since the relocation of its corporate headquarters in 2012.

Actions carried out in 2022:



Associació de Veïns de la Barceloneta (AVB)

As has become customary, Desigual participated in the neighbourhood's festivities at the end of September by donating products (canvas bags, headphones, laptop sleeves, quillows, manicure sets and backpacks). Beyond this one-off action, in 2022 Desigual and the neighbourhood association set out their desire to carry out joint initiatives that will have a more direct impact on the residents. For example, talks have begun with the Barceloneta Labour Information and Guidance Point (PIOL) to resume the temporary employment of young people from the neighbourhood to work in stores, logistics centres or promotional activities. This initiative has been conducted in the past and several young people have ended up working for the company under permanent contracts.

Hospital del Mar

In 2022, the collaboration with this public hospital, which is also located in the Barceloneta neighbourhood, was restarted after a hiatus caused by the pandemic. Specifically, Desigual participated in fundraising and the donation of scarves for the Marina WalkTrail Nordic walk, organised by the same centre. The aim of the walk was to support breast cancer research being carried out at the Hospital del Mar Medical Research Institute (IMIM) and the hospital itself. Desigual's overall donation to the Amics de l'Hospital del Mar Foundation totalled 1,500 euros.



03

Value chain

Content

3.1. Business model

3.2. From idea to product

3.2.1. Philosophy: garments that inspire

3.2.2. New collections

3.2.3. Quality

3.2.4. Strategic partnerships involving the Product department

3.3. Supply chain management

3.3.1. Supplier profile

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3.3.3. Strategic partnerships in our relationships with suppliers

3.4. Customers and points of sale

3.4.1. Continuous improvement of digital channels

3.4.2. Transformation of the store network

3.4.3. Customer support

Value chain

With the aim of responding to new consumer habits, Desigual continues to work on the development of its own omnichannel distribution model that guarantees the best shopping experience in any environment. In 2022, the tools and resources implemented in previous financial years were reinforced through the expansion and permanent improvement of the e-commerce platform and, concurrently, a new phase in the plan to renovate points of sale in line with the new store model. These channels are supported by an increasingly flexible logistics system that allows us to swiftly meet the demands of the market.



Strategic objectives	2022 milestones
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.	Using 3D design techniques to anticipate needs and risks in the production process, and applying sustainability right from the very creation of the concept.
To consolidate a stable portfolio of suppliers to guarantee compliance with Desigual's standards at a social, environmental and quality level, and support them in their ongoing improvement.	Advances in supply chain mapping through a new partnership with Retraced. Improved visibility of the next tier (Tier 2). The goal is to ensure the integration of orders ahead of the SS24 collection to improve upstream traceability.
To strengthen the omnichannel nature of our distribution chain to ensure customers have access to our products in all settings and environments.	Effectively implementing the digital channel's globalisation strategy through the desigual.com expansion project as well as ongoing improvement of services and customer support channels. A new phase of the plan to expand the new store concept has also been completed and a new loyalty plan has been launched, which targets a more emotional connection with customers.

3.1. Modelo de negocio

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 infrastructure and processes in place to effectively address the acceleration of new consumer habits in the stage of transformation the sector is currently undergoing. To continue to cater to these new demands, in 2022 progress continued to be made with 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 sales channels and synergies with physical stores. The development of digital channels also allows geographical diversification to be boosted to ensure that 61% of turnover comes from the digital channel or geographies outside of Europe by 2023.
- Refurbishment and optimisation of the point-of-sale network, with a presence in strategic locations and the incorporation of innovative solutions for providing a differentiated shopping experience. In 2022, a new phase in the roll-out of the new store concept to our establishments around the world was completed.

This omnichannel model relies on a very robust supply chain, built around a group of trusted suppliers who are able to meet the high standards of quality and transparency demanded by Desigual, as well as respond to the complex market situation. To ensure traceability throughout the chain, in 2022 work began on new tools that allow for complete mapping of the suppliers beyond the garment factories (Tier 1).



3.2.

From idea to product

3.2.1.

Philosophy: garments that inspire

Desigual continues to stand by its purpose: to create innovative and affordable products. 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.

Desigual has dressmaking, graphic design and fashion design teams who, whether working by hand or using the latest 3D prototyping techniques, stay true to our “made with love” philosophy, while always paying attention to every detail and incorporating 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 work starts 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. The ideas gleaned from this research phase are translated into moodboards, which reflect the creative themes of each collection (shapes, textures, dominant colours, etc.).



Kick-off

Every proposal is discussed. The final result 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.

Incorporating 3D into the prototyping process allows for more precise work, significantly reducing the number of physical samples and the environmental impact of this phase of product development.



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 collections launched in 2022 strengthen our determination to establish an even closer relationship with the brand's most loyal consumers while simultaneously engaging with new audiences. For this reason, Desigual is more committed than ever to its most differentiating assets: urban, versatile and combinable garments, with the brand's must-haves as central pieces in each collection (trucker jackets, dresses, sweatshirts and sneakers). All this, combined with new forms of expression, such as the brand's first jewellery collection or limited editions from bold collaborators. And, of course, without sacrificing the colour and fearlessness that are our trademark, coupled with a commitment to steadily increasing the use of sustainable fibres.

The 2022 collaborations also continue to uphold the philosophy of recent years, with a combination of new friends and old acquaintances, who come together to contribute surprising and unique ideas with that unmistakable Desigual hallmark. Among the latest developments are our first collaborations with internationally renowned designers such as Stella Jean, Johnson Hartig and Alphonse Maitrepierre, whose very different approaches to the world of fashion converge in their desire to surprise and delight. Alongside them are the now essential appearances from María Escoté and the maestro Monsieur Christian Lacroix, who in his eleventh year collaborating with Desigual launched two capsule collections that demonstrate his boundless creativity. And, of course, Mickey Mouse, our oldest friend and one of the brand's unmistakable hallmarks since its inception, celebrated his 90th birthday in 2022 and continues to bring joy into our daily lives with collections that show that, despite the passage of time, he is more vibrant than ever.



SS22 COLLECTION

Life is Awesome

The SS22 collection faithfully conveys Desigual's vibrant and optimistic spirit: vivid colours and joyful prints on versatile and comfortable garments. Named after the brand's long-standing claim, they reflect positivity and comfort in a feminine way, with garments designed in comfy, ultra-feminine and versatile shapes.



SS22 COLLABORATIONS

Desigual & Smiley

Created in 1972 by French journalist Franklin Loufrani, the Smiley Brand is one of the most globally recognisable symbols of graphic design. As a timeless synonym for optimism, the yellow grinning face is a perfect match for Desigual's joyful, open and innovative spirit. The two brands have teamed up to celebrate the 50th anniversary of the iconic symbol with a collection comprising around twenty designs. The key piece is a short white dress crafted in a soft ribbed fabric made from sustainable fibres, which, like almost everything else in the collection, is perfect for both summer in the city and a beach setting. The communication campaign was inspired by the metaverse and its aesthetic codes, for which an avatar was created to interact with the model in the images.





SS22 COLLABORATIONS

#DesigualAndDisney: Dance!

In this collection, the strong bond between Desigual and Disney is enriched by an exceptional guest, who also happens to be a good friend of the brand: renowned French designer Monsieur Christian Lacroix. Reflected through his creative prism, the image of Mickey Mouse takes on a new dimension: surrounded by neon colours, hypnotic geometric shapes and an urban vibe. The result is an instantly seductive print that is applied to the capsule's key garment: an oversize hoodie. Denim returns as the backbone of the collection, with comfortable jeans in a jogger or straight cut, as well as a trucker jacket with a Mickey Mouse patch on the back and a mini skirt to go with it. Other highlights include T-shirts with a 2000s feel and accessories such as bags, backpacks and sneakers.



#DesigualAndDisney: Dance!





SS22 COLLABORATIONS

Desigual x Stella Jean

Designer Stella Jean's story is linked to identity, awareness and commitment; values that also define the essence of Desigual. Her first collaboration with the brand is a collection punctuated with prints that reference the African heritage of the designer, whose mother is of Haitian origin. Stella Jean presents a deconstruction of tradition with abstract graphics and organic shapes, which shine through in the collection's star garment: a dress with a neckline that knots at the neck, a ruffled skirt and a tie waist. This homage to Haiti can be felt in the rest of the capsule, which consists of a total of 25 designs (jackets, jumpsuits, skirts, dresses, T-shirts, and more).



Desigual x Stella Jean



SS22 COLLABORATIONS

Designed by Monsieur Christian Lacroix

Flowers are the recurring motif of this collaboration between Monsieur Christian Lacroix and Desigual. The designer transported himself to 18th century Provence and Parisian flower stalls to conjure up fascinating prints in astonishing colours. The collection's pieces include wide trousers with side slits, a crop top with puff sleeves, a stretch T-shirt with a matching skirt, a ruched mini-dress and accessories like pleated bags. Other pieces feature kaleidoscopic prints, flowers blown up to enormous scales, two-tone botanical motifs as well as more abstract reinterpretations.



Designal by Monsieur Christian Lacroix



SS22 COLLABORATIONS

#DesigualXJohnsonHartig

Johnson Hartig, founder of the prestigious Libertine brand, is one of the industry's most disruptive creative geniuses, and he also happens to share the same vision as Desigual: mixing inspirations in a way that is as eclectic as it is meticulous, playing with colour, championing patchwork, combining prints, and the list goes on. In this first collaboration, Hartig has created a multicolour patchwork print that is, in the words of the designer, "incredible and, at the same time, very harmonious". The collection is comprised of 25 truly unique garments. Highlights include total looks made up of a bomber jacket with coloured ribbons and Bermuda shorts, a zip hoodie and Bermuda shorts with sequins and patches, and a blazer and shorts with Vichy checks in different colours and sizes. The collection is completed with graphic print T-shirts, a hat and two pairs of sneakers.



#DesigualXJohnsonHartig



FW22 COLLECTION

Manifesto

The FW22 collection asserts Desigual as a force to be reckoned with in the fashion ecosystem. Eloquently titled “Manifesto”, it aims to reconnect with our audience while at the same time seducing a new generation of shoppers: all those women who share the desire to express their true personality through clothing and accessories. The collection breathes colour: vibrant shades of yellow, red and orange, alongside black, navy blue and white.

Model Grace Elizabeth was the star of the collection's launch campaign, featuring in black and white images shot by photographer Mario Sorrenti that reaffirm Desigual's desire to reach out to new audiences.





FW22 COLLABORATIONS

Designed by Monsieur Christian Lacroix

The FW22 season was kicked off with a new capsule designed by the ingenious Monsieur Christian Lacroix, featuring a wide-ranging and provocative collection of garments and accessories. The key piece is a knit dress with buttons on the front and a patchwork of contrasting elements (antique tapestries, hunting scenes and natural elements, crocheted textures and even pixies) that combine to create a dreamlike motif. Other prints in the collection play with a kaleidoscopic effect, which can be found on T-shirts, sweatshirts and charms on some accessories, in a wide range of colours.



Designed by Monsieur Christian Lacroix





FW22 COLLABORATIONS

#DesigualxMaitrepierre

This is Desigual's first collaboration with French designer Alphonse Maitrepierre, a protégé of Jean Paul Gaultier and a regular at Paris Fashion Week. The focus of his collection is a print inspired by praying mantises, unique creatures that appear to have come from a laboratory or even another planet. Viewed from a distance, the print resembles a classic floral motif, but on closer inspection it reveals a tangle of mantises. "By working on the design from a digital and 3D point of view, we achieved an illusion of real insects on the fabric," explains the designer. In other pieces, Maitrepierre plays with motifs and plain colours, volume and stretch, black and white, orange and fuchsia. The collection is composed of twenty garments, including dresses, trousers, jackets, pullovers, a pair of shoes and two versions of a leather bag.

The collaboration with Maitrepierre was previewed in May with the launch of the official bum bag for the Desigual-sponsored Sónar 2022 festival. The bum bag bears the collaboration's signature print, featuring the image of praying mantises, and conceals a QR code that, when scanned, brings the inspiration to life. The bum bag was included in the festival welcome pack for artists, journalists and VIP attendees, in addition to going on sale at desigual.com.



FW22 COLLABORATIONS

#DesigualAndDisney

The concept and technique of patchwork are at the core of the #DesigualAndDisney collection for the FW22 season. The garments eclectically combine styles, motifs and fabrics: retro vibes and cutting-edge silhouettes, animal print and tapestry inspiration, brocade and denim. This juxtaposition of influences gives rise to a unique proposition, somewhere between craftcore and neofolk, with utterly urban garments – like hoodies, denim outfits and bomber jackets – that retain a certain vintage echo, replete with intricate patches and contrasting panels. The standout piece is a hoodie with a print that recreates a tapestry crafted using the half cross-stitch technique and a retro version of Mickey Mouse on the front.



FW22 COLLABORATIONS

The Pink Panther

One of the surprises of the season was the launch of a small capsule starring the legendary animated character The Pink Panther, featuring designs that are, of course, dyed pink. The key piece is a pullover made from recycled polyester fibres, in an oversize shape, with relaxed shoulders and a fur-effect texture. Other highlights include a stretch mesh dress with a Lenzing™ Ecovero™ lining, a T-shirt in the same fabric, a sweatshirt with a craquelure-effect print, a hoodie, socks, a scarf, sneakers... and even a pair of trousers with an unexpected panther face on the leg.



FW22 COLLABORATIONS

Desigual x Zalio, designed by Gala Meyer

Desigual's first jewellery collection is a set of 57 pieces, plated in 18-carat gold or sterling silver, designed by Gala Meyer. "The words that define the collection are transformation, connection, and love. The pieces reflect the process of discovering yourself, of seeing the person you have become and loving yourself more than ever," explained the designer. The rings, earrings, pendants, chokers and bracelets are dominated by themes like melting hearts, hand-crafted textures, abstract butterflies and even messages in Spanish such as "amar hasta order" and "deshacerse amando".



FW22 COLLABORATIONS

Nathy Peluso stars in the FW22 campaign

"I no longer ask for forgiveness or permission", declares Nathy Peluso in the video for the FW22 campaign, paraphrasing one of her songs. This declaration of intent sums up the philosophy of life that connects Desigual with the artist: staying true to yourself. In the campaign, Nathy Peluso literally bares all in images shot by photographer Txema Yeste that are a celebration of strength, pride, passion and confidence. In the photos, Nathy uses the leather bag from the Maitrepierre capsule to strategically cover her body. The bag is also the central element of the TV ad, directed by Pau Lopez (Manson).

The photographs and video for the campaign were unveiled in September at an event at the flagship store in Madrid (Preciados, 25). Nathy Peluso's fans packed the area around the store to witness the arrival of the artist and the premiere of the campaign, which was screened at the Callao Cinema. This is Desigual's second collaboration with Nathy Peluso, who was the face of the brand in 2019.



Nathy Peluso stars in the FW22 campaign





A GLIMPSE AT THE 2023 COLLECTIONS

New World, New Desigual (SS23)

By connecting with Desigual's free spirit and its journey to becoming a more aspirational and relevant brand, the campaign reflects the changes we are currently living through, the new systems of entertainment, the transformation of relationships and the way we dress, as well as the new social rules that apply to all aspects of our lives. It is about breaking with traditional standards and introducing new fashion statements with iconic garments. Elegance. Self-expression and empowerment. Celebrating diversity with a unique style. New family. All this and more demonstrates how Desigual is taking risks to change, changing to evolve and evolving to exist.



A GLIMPSE AT THE 2023 COLLECTIONS

The Link (FW23)

This collection is a place for meeting, for connection. It is a bridge that connects Desigual with its customer: the Expressionist. Garment designs that are highly commercial in the best sense of the word: pieces that you want to show off. The collection is the result of the confluence between the New Desigual and its heritage, with reinventions of iconic garments. It is a vision that uses trends and Desigual's unique perspective on fashion as a catalyst.

The Link is also the point where the serenity with which we are passing through the present moment and clear joie de vivre come together in balance. It is also a blending of different wearing occasions and concepts: day and night, feminine and masculine, black and white. A genuine and personal approach, which invites us to be part of something global and universal.

3.2.3. Quality

In addition to their creativity and associated values, another differentiating feature of Desigual's garments is their quality. The company is firmly committed to this aspect through a strict testing process that complies with the most demanding international regulations and is regularly updated to ensure that the most stringent controls are successfully passed. Desigual's commitment to the quality of its garments is demonstrated year after year by customer ratings, which in 2022 were once again the best yet.

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

- **Raw material quality control:** a Raw Materials department is tasked with checking that both the selected suppliers and the materials used comply with the required standards. This department is working on the steady expansion of its scope of action with a view to achieving full traceability of the value chain.
- **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, 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.



Under the leadership of 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 incorporation at the stores.

Continuous improvement of customer ratings

To evaluate the effectiveness of the overall quality control process, Desigual uses the PQS (Product Quality Satisfaction) analysis system, which by means of a questionnaire evaluates customer satisfaction with a product (materials, manufacturing, printing, fit) based on the volume of complaints received. This questionnaire was traditionally conducted two months after a purchase, but since 2022 it has been carried out one month later. The result is an assessment of the perceived quality of each season's garments in three categories: women's collections, accessory collections and overall assessment. Continuing the trend of recent years, this indicator showed a further improvement in 2022, so much so that SS22 received the fewest complaints of any spring-summer collection in Desigual's history since this methodology was first applied.

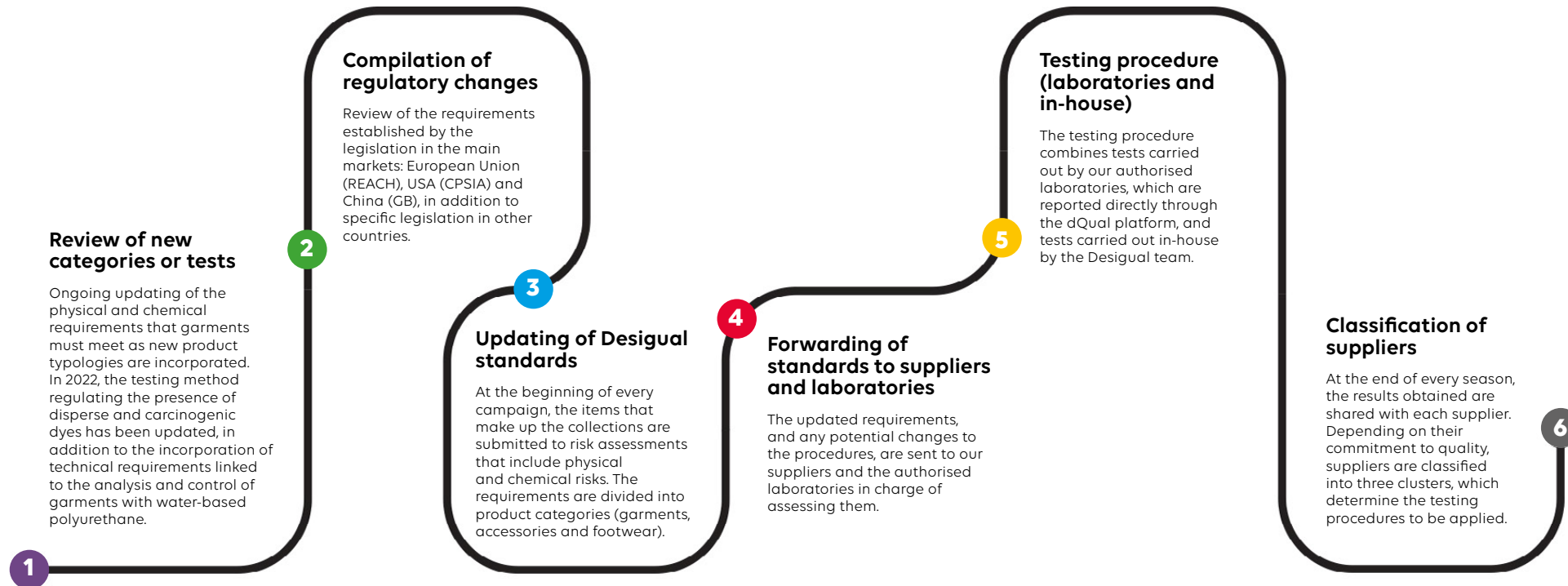
SS22 PQS RESULTS*:



* The percentages indicate the volume of complaints from the total number of people surveyed.

Testing process: ongoing updating of risks

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 department

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 entered into 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 280 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



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 800 companies and 3,500 professionals.

www.aec.es



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 2,500 members, who are involved in the various stages of the cotton supply chain.

www.bettercotton.org



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



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 825 members represent the main brands, retailers and suppliers from the international textile industry.

www.textileexchange.org



Roadmap to Zero

A programme based on collaboration between organisations in the textile, garment, leather and footwear industries, which was launched by the ZDHC Foundation (Zero Discharge of Hazardous Chemicals) in 2011. With the aim of achieving more sustainable management of chemicals in the sector's value chain, it defined the first requirements for brands, manufacturers and suppliers of chemicals when phasing out hazardous substances from their supply chains. Its targets have been regularly revised in recent years to go beyond conventional standards and accelerate the industry's progress towards safer production.

It currently has 150 members from across the industry, including brands, suppliers and chemical suppliers.

www.roadmaptozero.com

3.3.

Supply chain management

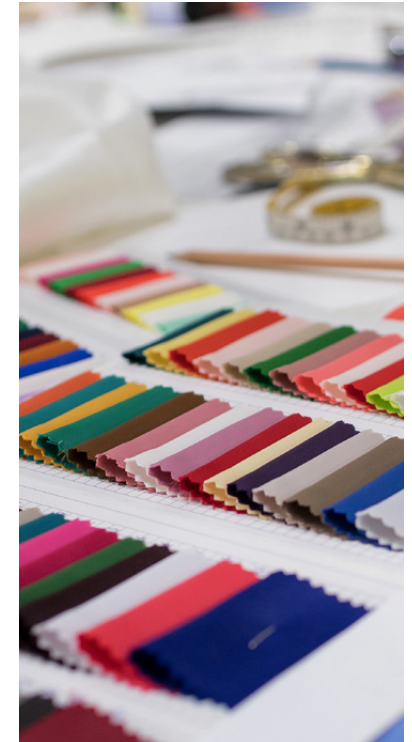


3.3.1.

Supplier profile

External factors, such as the cost of transport and energy in a highly inflationary environment, to a large extent determined the management of the supply chain in 2022. To control costs, the advance planning measures and the adaptation of production to actual market demand, which were implemented in the previous two financial years due to the pandemic-related pauses in activity, were maintained. These measures enable the company's stock control policy to be reinforced, with a view to preventing production surpluses and meeting commitments related to sustainability.

In 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.



In addition to the consolidation of the supplier portfolio, in 2022, work continued on our goal of prioritising local production, based on a steady increase in the volume of purchases from the EMEA region. In the last two years, this goal has been affected by the impact of the pandemic and the war in Ukraine on the political and economic context in Europe, which has prevented a further reduction in production coming from Asia.

Table 1.
Distribution of production by geographical areas

	2022	2021
EMEA	28%	27%
Asia and other*	72%	73%

* "Other" refers to Indonesia (Oceania), which accounts for 2% of production.

Table 2.
Active suppliers and units produced

	2022	2021
Active suppliers	73	79
Units produced	11,609,806	15,601,038

Note: in this edition of the report, the criteria for accounting for the volume of production units has been updated to include deliveries at origin in the reporting year (previously, orders shipped during the year were reported).



With the aim of preventing and avoiding behaviours contrary to its values and ethical standards, Desigual has a robust 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 which promote the main principles that define ethical behaviour at the company. These codes contain the fundamental provisions and conventions of the International Labour Organisation (ILO), among other regulations.

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 the following points:

- 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, health and safety, 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 the company 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 following email address: socialcompliance@desigual.com). In 2022 and 2021, Desigual did not receive any reports regarding non-compliance with laws and/or regulations related to social and economic issues.

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.

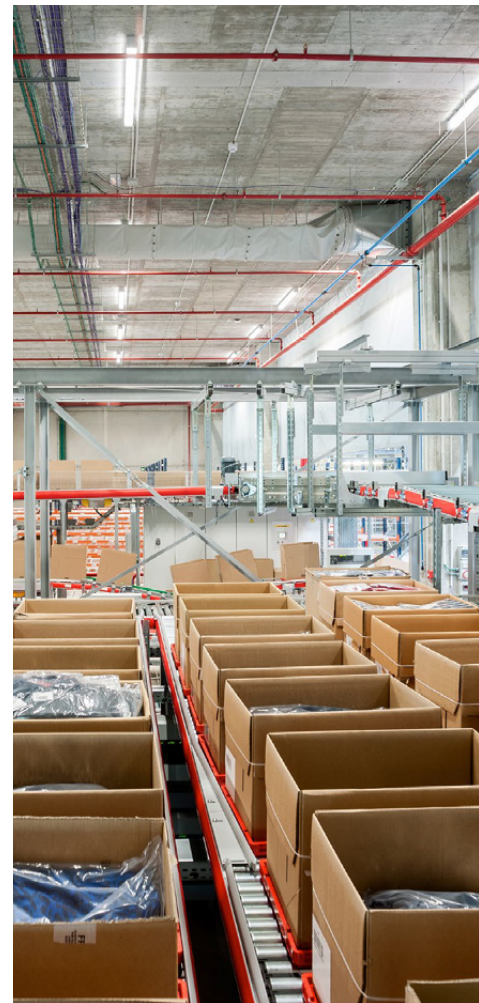
Compliance with the code of conduct by suppliers that are already working with us is verified through a system of audits carried out by third-party entities. This system has allowed us to have 100% of our manufacturing factories (Tier 1) audited in both 2021 and 2022. Through our partnership with amfori and SEDEX, our entire supply chain is audited according to the BSCI and SMETA international standards. A new development for 2022 is that announced audits (specific date of execution) are no longer accepted, and only semi-announced audits (a broad range of dates are issued) or unannounced audits are allowed. This ensures maximum rigour and transparency of the audit process.

Detailed below is the weighting of each of the audits conducted to control the supply chain:

- BSCI: **47%**
- SMETA: **42%**
- Higg FSLM: **11%**

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, namely 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 to 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 2022.

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.

Environmental audits of Tier 2 factories are conducted according to the Higg FEM standard, the goals of which are the same as those mentioned above for Higg FSLM. In 2022, 24 Higg FEMs were conducted, of which 11% have been verified. In 2021, 40 Higg FEMs were conducted, of which 38% were verified.

As part of our continuous process of updating our requirements, in 2021 the company made it compulsory for factories to comply with sustainability standards relating to aspects like the certification of sustainable products. Capturing new environmental data at the factory was also improved with the aim of detecting any breaches of requirements and improving the calculation of the overall environmental footprint of the entire supply chain.

Emphasis on transparency and traceability

Along with our management and auditing system and every other mechanism aimed at ensuring the transparency and traceability of our supply chain, we have added 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 2022, we began collaborating with Retraced, a startup that has developed a technology platform which helps textile and fashion companies to digitise their supply chains, manage compliance data and achieve full production transparency. The first months of this collaboration were focused on mapping suppliers beyond Tier 1, with more than 370 units uploaded to the tool by the end of the year. The objective of the second phase is to implement traceability ahead of the integration of SS24 collection orders. The broadening of traceability to the entire production map makes it possible to anticipate the upcoming tightening of European regulations on due diligence.

With the aim of enhancing the visibility of the supply chain, in 2022 a commitment was made to publish the list of Tier 2 factories, which allows for a complete and reliable overview of the supplier network up to this level (Tier 1 and Tier 2).

An updated list of our Tier 1 factories is available on our website. This list is also published on the Open Supply Hub (formerly Open Apparel Registry) website. As an exercise in transparency, the original listing from previous years has also been retained on this page.

64% of the workers in our Tier 1 factories are women. Manager or coordinator positions are almost equally divided between men (50.1%) and women (49.9%). By region, excluding countries considered "tax free", the highest percentage of women in Tier 1 factories is in China, where they represent 64% of the workforce, and in EMEA this figure is 61.5%, while the region with the lowest proportion of women is India (32%).

Note: the calculation does not take into account that if a factory has a higher proportion of women, it should have more female positions. In addition, it refers to the categories of "manager" or "coordinator", but the category of "manager" is not available separately and therefore the skew could be greater.

Production workers 2022		
	Men	Women
China		
China	2,101	3,905
EMEA		
Bulgaria	14	102
Spain	121	91
Morocco	1,669	2,729
Portugal	65	234
Romania	3	34
Tunisia	10	125
Turkey	1,008	1,440
India		
India	3,040	1,446
Tax free		
Cambodia	648	3,854
Myanmar	212	1,986
Total	8,891	15,946

Managers and coordinators 2022		
	Men	Women
China		
China	167	139
EMEA		
Bulgaria	1	4
Spain	6	6
Morocco	76	89
Portugal	8	9
Romania	0	1
Tunisia	2	6
Turkey	127	94
India		
India	139	33
Tax free		
Cambodia	13	108
Myanmar	7	54
Total	546	543

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 relationship of trust 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.

Continuous improvement of digital channels

One of the most significant consequences of the exceptional situation that occurred in 2020 and 2021, with the severe restrictions on in-person commercial activity, was the dramatic boom of e-commerce in the retail sector. Two years later and after a gradual return to normality, digital platforms continue to be a shopping channel that is regularly used by a large group of consumers.

Desigual anticipated this trend and launched its online store desigual.com in 2019, which enabled it to respond successfully to the growth in digital sales during the most difficult months of the pandemic. Since then, the company has continuously rolled out improvements and expanded the range of available services, with the ultimate goal of guaranteeing the quality of service and an optimal user experience. Given the ongoing growth of the consumer base that uses digital channels, the measures taken in 2022 were aimed at simplifying processes and expanding customer support channels. Notable among these measures is the improvement of the returns system, which allows for a choice of different delivery options (to the store, to a collection point or to the customer's home), at no cost to the consumer.



Expansion of e-commerce to new markets

At the end of 2022, the desigual.com online store was available in 95 countries. To ensure service in as many markets as possible, various e-commerce expansion models have been applied. For example, in 2021, through a project developed in collaboration with the company Global-e, cross-border technology was introduced to integrate the franchises. This system has allowed franchises to fully manage their stock through a shared platform developed by the company for all franchisees. This model makes it possible to provide a consistent brand experience at a global level, as well as to strengthen collaboration with franchisees.

Noteworthy among the measures carried out in 2022 is the joint venture signed in China with E-Shine, one of the most important companies in this country's fashion industry. The agreement, announced in September, aims to achieve a turnover of 40 million euros through digital channels in five years, and also includes the opening of new brick-and-mortar stores. Flagship stores in Shanghai and Beijing and up to 60 other establishments are planned.

By the end of the 2022 financial year, sales through digital channels had decreased by 10% compared to 2021 and represented 28% of the company's total turnover. In addition, the planned growth targets were achieved in markets such as Japan, USA, Canada and China. In the short term, the company's goal is for 60% of its sales to be made through the digital channel or in geographical areas outside of Europe by 2023, a percentage that currently stands at 54%.

Sales from digital channels:

- 2020: 28%
- 2021: 31%
- 2022: 28%

Sales from digital channels or geographical areas outside of Europe:

- 2020: 50%
- 2021: 55%
- 2022: 54%
- Goal for 2023: 61%



Desigual Club, the new loyalty programme

The company launched the new Desigual Club loyalty programme in 2022, which simplifies access to exclusive benefits and allows for a more emotional and direct relationship with the brand's most loyal consumers. The programme features a new system for cashback discounts (savings based on the value of purchases made) and offers exclusive benefits with a series of partners in the world of sport, culture and sexual wellbeing.

Desigual Club members also get early access to sales and special collaborations with designers, a personalised discount on their birthday and can enter prize draws for experiences beyond the world of fashion. The private area of the Desigual Club web page also includes the Personal Shopper functionality with personalised recommendations.



3.4.2.

Transformation of the store network

Alongside the ongoing evolution of digital platforms, a new phase of the refurbishment plan for physical stores was also completed in 2022. This programme was launched in 2020 in response to the new brand-consumer relationship model that emerged from the pandemic and the need to incorporate synergies with digital channels.

The new store concept was the brainchild of the company's founder, Thomas Meyer, and is inspired by art galleries: relaxed, airy and harmonious spaces where the products take centre stage. The design of the space and the strategic arrangement of the garments throughout the interior allows for a calmer shopping experience. The new points of sale also feature the "Ask Me" digital tool, which lets customers access the complete collections and order a garment, even if it is not physically in the store, so that it can be delivered free of charge to their home.

The implementation of the new store concept began at the end of 2020 in a selection of stores in Spain, and over the next two years it was rolled out internationally through re-stylings and new openings. By the end of 2022, the number of refurbished points of sale had reached 193, including both seasonal and outlet stores, representing nearly 75% of the network. The expansion of the new concept is continuing in 2023 with the aim of completing all stores in the short term.



Technologies that revolutionise the shopping experience

With the same goal of offering a personalised and differentiated response to the new demands and needs of customers, Desigual has continued conducting pilot tests in 2022 which integrate advanced technologies to guarantee a unique shopping experience through every channel.

During the year, three proofs of concept (POCs) were developed in collaboration with various startups that contribute specialised technological know-how:

- Vestico:** the introduction of user-generated content (UGC), which enables young users to more easily see themselves represented thanks to the variety of bodies shown and the naturalness of the photographs. It has been integrated on a trial basis for three months in the product information on several of the brand's sites in Europe.
- Replika:** a project geared towards the creation of content for sharing on personal social media accounts, with the aim of driving sales through the online channel. This system allows new communication channels to be established with potential customers, complementing vertical brand-customer communication.
- Syrup:** the implementation of an artificial intelligence and machine learning solution that suggests transfers of items between stores so that stock in the warehouse can be managed more effectively. It has been applied in all retail season stores in Spain and some stores in Italy with very satisfactory results and is expected to be fully implemented in the long term.

An example of a proof of concept that has already been integrated into the shopping experience is the personalised size recommendation system that uses anthropometric technology. This pilot test was conducted in 2021 based on a technology created by the startup **Naiz Fit** and was fully integrated into Desigual's e-commerce in 2022.

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 via telephone, email or chatbot (accessible from the desigual.com website). Located in Barcelona, it is made up of a team of professionals who service customers in ten languages (Spanish, Catalan, English, French, Italian, German, Dutch, Portuguese, Japanese and Polish).

This service is incorporating new functionalities year after year with the aim of guaranteeing faster and more efficient responses to customer requests. A highlight among the development of new customer service channels is the expansion of the chatbot service to all markets (with the only exception being Japan). This tool allows a virtual assistant to provide immediate attention to simple questions and doubts. In 2022, customer service via WhatsApp was also made available through a pilot project initially implemented in Spain.

In 2022, the Customer Support centre handled 304,965 interactions, 18.3% less than the previous year. This decrease is primarily due to improvements introduced to the online purchase and return flows, as well as a slight decline in the number of sales. Of the total number of queries received, 226,000 related to incidents, 8% less than in 2021. Eight out of ten of the interactions (81%) were about online shopping and 13% were in relation to physical stores, the vast majority of which were about AskMe orders.

74% of cases were successfully dealt with on the first contact and 90% received a response in less than 48 hours. The level of customer satisfaction was rated at 3.7 out of 5, slightly below the 4 points achieved in 2021, due in large part to initial doubts about the new online returns management system.

Table 3. Performance of the Customer Support Centre

	2022	2021
Interactions attended to	304,965	373,000
Resolved on first contact	74%	75%
Resolved within 48 hours	90%	95%

New stores in premium locations in Paris and Berlin

In 2022, the French and German capitals welcomed three of the year's most important new store openings: two new points of sale in Paris and one in Berlin, intended to cement the brand's image in two of Desigual's main European markets. The new stores feature the art gallery concept and are situated in premium locations.

The Paris stores, which opened in the first weeks of December, are located in two of the capital's most iconic districts: Le Marais and Saint-Germain-des-Prés. This brings Desigual to a total of 30 stores in France, a country which the brand has a very close relationship with thanks to its collaborations with designers such as Monsieur Christian Lacroix and, as of 2022, Alphonse Maitrepierre.

The new store in Berlin is located in the Mitte district, in the heart of the city. The same building is also home to a showroom and office space for the Desigual team in the country. The commitment to the German market will be reinforced with new openings in cities such as Munich and Cologne throughout 2023.



04

Corporate culture

Content

4.1. Pillars of the Desigual culture

4.2. Consolidation of the new
workweek: 3 + (1) = 4

4.3. Health and safety

4.4. Diversity and equality

4.5. Training and continuous development

4.6. Governing and management bodies

4.7. Risk management and control systems

4.8. Ethics and compliance

4.8.1. Compliance with regulations
for crime prevention

4.8.2. Ethical culture

4.8.3. Reporting channel

Corporate culture

The management of people at Desigual aims to build an innovative, fresh, joyful, creative and responsible working environment and organisation. To this end, Desigual strives to cultivate a differentiated organisational culture, to attract and retain the best possible talent that is aligned with the company's values, and to promote a high level of commitment with a view to achieving the strategic objectives that have been set.



Strategic objectives	2022 milestones
To develop a corporate culture model that will contribute to increasing the happiness of employees and their commitment to the company.	Development of the five pillars of corporate culture and the projects for implementing them in the short and medium term.
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"> A high level of acceptance of the new 4-day workweek that was introduced in 2021, which according to the employees themselves has actively contributed to the improvement of their personal lives and work organisation. Extension of flexibility and work-life balance measures to store employees and employees with other responsibilities that are incompatible with the 4-day workweek. Maintaining COVID-19 prevention measures, beyond the legal regulations in each market.
To develop specific equality programmes in compliance with the current laws and the philosophy of diversity and inclusion that characterises the brand.	Implementation of the Equality Plan approved in 2021 and organisation of specific awareness-raising actions during International Women's Week.
To extend training plans to all employee profiles within the company and develop specific soft-skills programmes.	Development of the digital training platform, with specific courses for management (team management) and store staff (product knowledge and customer service).

4.1.

Pillars of the Desigual culture

Desigual's corporate culture places people at the centre of all the company's decisions, with the aim of cultivating a workplace where all professionals can grow personally and professionally. To achieve this, there is a focus on policies that contribute to increasing the happiness of employees and their commitment to the organisation.

The five strategic pillars of the current corporate culture, defined in 2021, are:

- **Work-life balance and flexibility**, which is best exemplified by the introduction of the four-day workweek in October 2021. In the following year, new formulas were developed to improve the flexibility and work-life balance of the rest of the employees who, due to their roles or type of work, were unable to take advantage of this measure.
- **Health and wellbeing** through initiatives that promote a healthy lifestyle. Among others, this incorporates exercise, healthy 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 Desigual has engaged with from its inception in 1984 and that grows every year with new actions. The Equality Plan was approved in 2021.
- **Sustainability and CSR**, by constantly 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 Desigual's essence in the post-pandemic period through internal events and team-building activities that make working at Desigual a source of pride, happiness, inspiration and excitement.



General workforce information

2,541/96

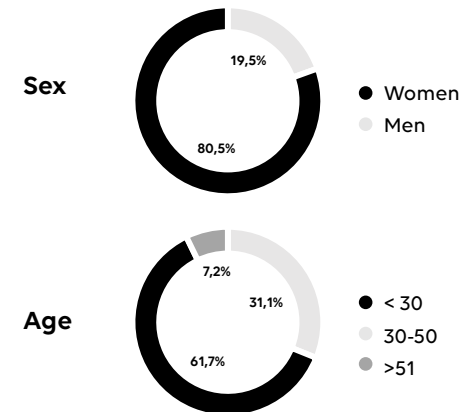
25/35

14,224

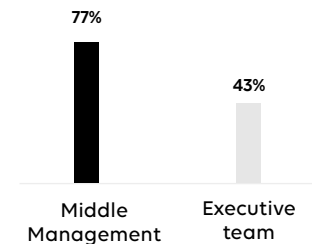
2,541 employees. 96 nationalities.

Communicating in close to 25 languages.

An average age of 35. 14,224 hours of training.



Presence of women:



The Desigual team, the brand's first ambassador

In line with the brand's strategy to focus on younger customers, another main pillar of our internal communications was the execution of actions aimed at informing the staff as a whole – and more specifically, store-based staff – about the characteristics of and inspiration behind the new collections and capsules launched throughout the year. This allows the teams to convey this knowledge to customers at the time of the sale and to become Desigual's first ambassadors.

New product presentations were also held for office-based staff, including news about the new collections and interviews with designers published on our internal communication channels, and the celebration of our now customary Chollo Days, where special prices are offered to employees at the headquarters and the logistics centre in Viladecans.

Lastly, in terms of brand communication to the staff, the creation of the new People News newsletter in 2022 stands out, with various versions tailored to each of the regions into which the organisation is divided. This newsletter is managed by the Human Resources teams for each region in order to better adapt it to the context of the points of sales in each geography. The content includes professional opportunities, interviews, welcome messages for new hires, promotions, internal goal-achievement competitions and challenges, the dissemination of best practices, training actions, etc.



4.2.

Consolidation of the new workweek: 3 + (1) = 4

Implementing the four-day workweek (three at the office and one from home) for the staff at Desigual's headquarters was one of the main milestones for Desigual in 2021 for several reasons. On the one hand, it spearheaded a renewed corporate culture model adapted to the actual needs of the company and its employees regarding work-life balance and flexibility. On the other hand, it became an effective exercise in involving employees in the organisation's day-to-day running, since the initiative was put to a vote so all affected parties could have their say. Participation was 98%, and 86% of votes were positive. With this, Desigual renewed the spirit of continuous transformation that defines it as a company which is able to attract talent and appeal to new generations and current employees alike.

The four-day workweek was established from 8 October 2021, the day after the vote. Six months later, a satisfaction survey was conducted among the employees with the aim of measuring the staff's overall assessment of the new model and identifying potential areas for improvement. The results showed very high satisfaction levels among employees, since 90% of them felt that the measure increased people's happiness. Another relevant point is that almost 80% believe their work-life balance has improved, and they cannot imagine going back to working on Fridays. Each department has worked hard to identify priority tasks and, according to the data from the survey, close to 70% of employees believe their teams are being organised efficiently.



A benchmark measure for labour relations

Alongside this, the initiative attracted a great deal of attention from the media, who dubbed it a pioneering measure for Spain's fashion sector and a model for relationships between companies and their employees.

Hand in hand with this media impact, the company received two prestigious acknowledgments from specialist financial media outlets: the publication *Actualidad Económica* included it among "The Best 100 Ideas in 2021" under the "Training and Employment" category, while the newspaper *Expansión* recognised it in its awards for Innovation in Human Resources with second prize.

Flexibility and work-life balance for other collectives

The 3+1 formula has benefitted employees based at Desigual's headquarters in Barcelona, but it is just part of a larger plan to offer disruptive work and work-life balance models. In an effort to adapt this measure to other worker collectives, a new formula of 4 working days + 1 remote working day, or 3 consecutive days off in alternate weeks has been developed for business profiles or those from technical areas like ICT and Logistics. For point-of-sale employees, an improvement to their weekly rotas has been proposed, including a combination of stable and continuous shifts, as well as other measures such as having more than one weekend off per month or the option to plan their holidays further in advance. In the case of Store Managers, various work flexibility measures have been put in place, such as schedules with two consecutive days off in the same week or rotating shifts.

Satisfaction survey:

**90% of
employees,
happier**

The results from the satisfaction survey on the 3+1 formula showed a very high level of acceptance. The majority of employees believed that this measure had an extremely positive impact on both their personal and professional lives, since it has promoted better work organisation and time management.



How has it impacted your personal life?

86% are happier with the new formula

78% feel that they have a better work-life balance

Has the way your tasks are organised changed?

30% point out that time management has improved

55% acknowledge that they organise themselves more efficiently

Do you think it has affected Desigual's reputation?

80% believe it is a reason to recommend the company as an employer

70% think it allows for the attraction of more and better talent

4.3.

Health and safety

Despite the progressive loosening of official COVID-19 protection measures, Desigual kept in place a policy to guarantee maximum prevention and protection of staff against the risk of infection throughout 2022. For office-based employees, a seven-day quarantine protocol was followed in the event of a positive case, and tests were carried out by accredited professionals before they resumed on-site work.

Across the brand's other locations, the measures put in place in previous years regarding air circulation, separation of workstations and the availability of hand sanitiser and face masks continued to apply. Even though business was gradually adapted to the return to normalcy, the informative and awareness-raising work of COVID agents, a role created in 2021 to ensure compliance with basic prevention measures, also remained in place.

The regular submission of reports to Management, including updated figures on the number of cases detected and the measures taken, also continued in 2022.



Table 4.

Tests carried out by Desigual

Department	2022	2021
HQ	308	987
Logistics	266	148
Points of sale	10	31
Travel	61	308
Various	7	73
Total	652	1.547

Note: the significant reduction of the number of tests carried out in both years relates to the stabilisation of the pandemic.

Psychosocial research

Notable among the actions taken by the Health & Safety division in 2022 was the conducting of psychosocial reports on the various collectives of employees to assess the satisfaction level of personnel in this regard. As part of this, surveys tailored to each professional profile were conducted, and in those cases where the results were binding, work groups were set up to analyse the conclusions and put forward actions for improvement.



Table 5.

Workplace accidents

	Gender	2022	2021
Workplace accidents with sick leave	Men	3	4
	Women	23	19
	Total	26	23
En-route accidents	Men	1	2
	Women	12	15
	Total	13	17
Workplace accidents without sick leave	Men	8	4
	Women	33	18
	Total	41	22
Number of fatalities	Men	0	0
	Women	0	0
	Total	0	0
Workdays missed due to workplace accidents	Men	34	105
	Women	1,056	491
	Total	1,090	596
Frequency index	Men	4.19	8.24
	Women	8.66	12.24
Severity rate	Men	0.05	0.14
	Women	0.40	0.18
Occupational illnesses	Men	0	0
	Women	0	0
	Total	0	0

Frequency index = no. of workplace accidents resulting in sick leave / no. of hours worked * 1,000,000
Severity rate = no. of days missed due to workplace accidents resulting in sick leave / no. of worked hours * 1,000,000.

4.4.

Diversity and equality

Desigual's work philosophy and corporate values require a diverse and cooperative working environment in which each professional is able to carry out their job in a free and creative manner. Respect for the spectrum of sensitivities – whether in regards to nationality, age or gender – is a fundamental value that facilitates the exchange of ideas and the advancement of the company.

The profile of our employees responds to this diversity principle. At the close of 2022, Desigual's staff was made up of 80.5% women and 19.5% men, which represents an increase of one point in the percentage of men compared to the previous year. These figures mean that Desigual retains its position as an example for the integration of women into the labour market.

By age, a balanced structure continues to exist, which combines the flexibility and ability to adapt of younger professionals (millennials and generation Z) with the experience and expertise in the sector of more senior professionals (baby boomers and generation X). In 2022, the percentage of employees under 30 was 31% across the entire staff, showing almost no variation compared to the previous year. The percentage of employees who fall into the 30-50 age bracket was 61.7% across the entire workforce, versus 62.55% in the previous year. Lastly, the over-50 age group rose to 7.1%, 1.3% higher than the previous year.

Desigual closed 2022 with a workforce of 2,541 professionals, which represents a 7.8% (214 employees) decrease from 2021.

Table 6.

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

	2022			2021		
Category/Sex	Women	Men	TOTAL	Women	Men	TOTAL
Directors and Managers	30	32	62	40	39	79
< 30 years old	0	0	0	0	0	0
30 to 50 years old	27	26	53	37	34	71
> 50 years old	3	6	9	3	5	8
Staff	294	159	453	317	168	485
< 30 years old	31	21	52	29	15	44
30 to 50 years old	242	122	364	269	138	407
> 50 years old	21	16	37	19	15	34
Stores	1,667	252	1,919	1,840	260	2,100
< 30 years old	607	115	722	703	116	819
30 to 50 years old	947	130	1,077	1,033	137	1,170
> 50 years old	113	7	120	104	7	111
Logistics	55	52	107	46	45	91
< 30 years old	3	12	15	1	6	7
30 to 50 years old	41	33	74	40	34	74
> 50 years old	11	7	18	5	5	10
TOTAL	2,046	495	2,541	2,243	512	2,755

Note: employee data at 31/12/2022. The CEO is included in the "Directors" category. HC (headcounts) are calculated regardless of working hours.

Table 7.

Percentage of employees by professional category and sex

Cat./Sex	2022				2021			
	Women		Men		Women		Men	
Directors and Managers	30	1.47%	32	6.46%	40	1.78%	39	7.62%
Staff	294	14.37%	159	32.12%	317	14.13%	168	32.81%
Stores	1,667	81.47%	252	50.91%	1,840	82.04%	260	50.78%
Logistics	55	2.69%	52	10.51%	46	2.05%	45	8.79%
TOTAL	2,046	100%	495	100%	2,243	100%	512	100%

Table 8.

Percentage of employees by professional category and age group

Cat./Age	2022						2021					
	< 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	0.00%	53	3.38%	9	4.89%	0	0.00%	71	4.12%	8	4.91%
Staff	52	6.59%	364	23.21%	37	20.11%	44	5.06%	407	23.64%	34	20.86%
Stores	722	91.51%	1,077	68.69%	120	65.22%	819	94.14%	1,170	67.94%	111	68.10%
Logistics	15	1.90%	74	4.72%	18	9.78%	7	0.80%	74	4.30%	10	6.13%
TOTAL	789	100%	1,568	100%	184	100%	870	100%	1,722	100%	163	100%



Remuneration policy

Desigual's compensation policy is built upon a set of criteria and guidelines that determine 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.

At Desigual, the pay gap in 2022 was 3.10% in favour of the female collective. The increase with regard to the previous year (the pay gap was 1.19% in 2021) responds mainly to the update of the collective agreement applicable to store staff, which has a higher presence of women.

Table 9.
Pay gap

	2022	2021
Pay Gap	-3.10%	-1.19%

Note: The pay gap is calculated based on the average salary according to our comparative market levels, 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. This allows us to obtain a global and reliable indicator of the pay gap between men and women from a comparable company. The average salary was calculated in consideration of the employees of the company at 31/12/2022. Fixed full-time compensation with no variable has been included, taking the FTE into consideration. The salary of the CEO was not included.

Table 10.
Average remuneration by sex and professional category

Sex	Average salary	
	2022	2021
Female	24,584	23,791
Male	32,845	33,181

Category	Average salary	
	2022	2021
Directors and Managers	84,378	80,143
Staff	39,044	37,466
Stores	21,658	20,973
Logistics	19,894	20,358

Note: Only employees up to 31/12/2022 are included in the calculation of average salaries. 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 average salary for Logistics employees is reduced compared to the previous year because the compensation tables from the 2022 collective agreement were yet to be updated at the close of the year. Once updated, they will be retroactively compensated in 2023.

Table 11.
Average remuneration by age

Age bracket	Average salary	
	2022	2021
< 30 years old	20,173	19,051
30 to 50 years old	28,586	28,325
> 50 years old	31,618	30,670

Note: Only employees up to 31/12/2022 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.

Table 12.
Employees covered by the works council

Country	Works council	
	2022	2021
Belgium	100%	100%
Spain	14%	14%
France	100%	100%

Note: 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	
	2022	2021
Austria	100%	100%
Belgium	100%	100%
Spain	100%	100%
France	100%	100%
Italy	100%	100%
The Netherlands	100%	100%
Portugal	100%	100%
Switzerland	100%	100%

Note: 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 2022 is 82%, the same percentage as in 2021. 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.



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.

The 2nd Equality Plan for Men and Women, approved in 2021, compiles the measures to achieve equality in treatment and opportunities within the organisation and guarantees the absence of any type of discrimination on the grounds of sex. The document encompasses actions such as the incorporation of the role of equality agent, the dissemination of the plan among the staff, the provision of specific training in equal opportunities and gender perspective, the requirement that suppliers comply with current regulations in relation to equality between men and women, the creation of a mentorship programme for women aspiring to an internal promotion, and the support of employees after parental leave. The plan will be valid for four years, until December 2024, and is a key tool to bring equality into the management and culture of companies.

Desigual also has a non-sexist communication guide for internal use, which offers a list of practical tips to draft documents and announcements using inclusive language. The guide is available to all employees on the corporate intranet.

In 2022, various internal actions were carried out during International Women's Week (in March), in line with the brand's message for equality and the initiatives promoted by People. These initiatives followed the "inspiring women" philosophy, one of which took the form of an internal competition that encouraged the entire staff to share which woman has been and is an inspiration to them in their lives.

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, 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 people have pending, we subsidise meals at our cafeteria, as well as providing coffee, water, teas, fruit, and a service for personal deliveries, among other things.

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

Outstanding benefits maternity and paternity leave

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 period of nine months), or 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 and paternity leave

	Number of periods of leave	
	2022	2021
Women	132	200
Men	28	19
Total	160	219



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, 2,818 employees had taken part in our training programmes, accumulating 14,224 hours of training, 25% more than in 2021, when the accumulated hours amounted to 11,353. This increase in hours of training responds mainly to the resumption of business as usual after the exceptional nature of the previous years, which has allowed us to direct training towards the goals of furthering the business and aligning the teams with the new corporate challenges and targets. Therefore, the training actions carried out in 2022 were mainly focused on supporting the teams to drive their growth and development in line with the achievement of the targets set by the company for the year. In this regard, the training initiatives aimed at the management collective, which included content concerning team management, are noteworthy. Special training actions were also given to the point-of-sale collective about product knowledge, the new brand strategy and customer service.



Continuing on from the previous years, digital tools were used as the main training platforms, as they allow for actions to be global and reach all collectives. The gradual lifting of pandemic restrictions allowed the number of in-person training sessions to be increased. Despite this, at the end of the year, 88% of training hours were conducted through virtual platforms (75% on the app, with the remaining 25% being facilitated by other resources such as Teams, which allows for live interaction with the teams). In 2021, the percentage of distance learning hours was 97%.

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.

Table 15.
Training hours by category and sex

Professional category	2022				2021			
	Male		Female		Male		Female	
	Participants	Hours	Participants	Hours	Participants	Hours	Participants	Hours
Directors and Managers	69	1,288	49	270	35	222	53	278
Staff	21	474	45	1,097	47	241	111	640
Stores	402	1,505	2,223	9,315	341	1,377	2,175	8,595
Logistics	2	70	7	205	0	0	0	0
Total	494	3,337	2,324	10,887	423	1,840	2,339	9,513



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 over 90% 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 male members, with Thomas Meyer as chair and board member, Celso Gomáriz as board member, and Jordi Ramírez as board member and secretary.

The members of the Board of Directors received a total of 956,000 EUR in 2022, the same as the previous year. The average compensation was 318,667 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 sole 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 7 members, 3 of them women, representing 43% of said Committee. The average compensation for the Steering Committee in the 2022 tax year was 220,488 EUR, while average compensation was 178,083 EUR in 2021.

Table 16.
Average Steering Committee compensation by sex

	2022	2021
Men	€259,984	€196,135
Women	€167,826	€136,801

Note: The calculation of this compensation has taken into account all compensation concepts set out by law, which include fixed remuneration, variable remuneration, meal allowances, compensations and the payment of long-term savings systems. The CEO salary has been included. The calculation for 2022 includes the variable remuneration accrued in 2021 and received in 2022.

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 committee regularly reviews the Risk Map to assess each of the identified risks in accordance with their likeliness and impact and to define specific action plans for each of them.



4.8.

Ethics and compliance

Over the course of 2022, 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 adapted 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 to prevent crime:

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 2022 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. Ethical culture

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 operations 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 Ethics 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 regular meetings has been defined.



4.8.3.

Reporting channel

With the objective of enabling both employees and collaborators to report any information that 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 Ethics 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 Ethics Committee or the corresponding internal body, in line with Desigual's reporting protocol.

In 2022, 30 complaints were received through the reporting channel, all related to internal fraud (KPI, fraudulent returns, product and cash theft, information breaches, negligence, conflict of interest and others). Among them, eight reports related to workplace harassment or discrimination were recorded. All the complaints received were investigated over the course of 2022, and four of them are still open and being investigated in 2023. In 2021, no reports were filed with Desigual related to violations of the law and/or regulations of a social or economic nature, or related to the violation of human rights.

Desigual is not aware of any criminal court procedures related to corruption or bribery concerning the company in 2021 or 2022.

05

Love *the World*

Content

5.1. 2021-2023 Sustainability
and CSR Strategic Plan

5.2. Commitment to the climate

5.3. Sustainable product

5.4. Sustainable packaging and consumables

5.5. Strategic partnerships related
to the environment

Love the World

The Love the World concept encapsulates Desigual's commitment and 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 through three main drivers of action: the fight against climate change, the development of sustainable collections and the reduction of plastic and waste. In 2022, significant progress has been made in relation to the established goals, which has led to the achievement of milestones planned for later years and to the setting of new goals.



Strategic goals	2022 milestones
Achievement of the goals from the 2020-2023 Sustainability and CSR Strategic Plan, with specific objectives in terms of carbon footprint reduction, the sustainability of the collections and the use of more sustainable cotton, among other aspects.	<ul style="list-style-type: none">Reduction of the carbon footprint by 62% (absolute value) versus 2019 (baseline) and updating of medium-term goals (-65% by 2026).More than 70% of products are sustainable in the SS23 collection, which is developed in 2022.87% more sustainable cotton, reaching a target originally established for 2025.
Gradual development of circularity by gradually reducing waste and developing recycling programmes.	<ul style="list-style-type: none">An increase in the percentage of recycled fibres used to make garments.The launch of pilot programmes to recover garments that had been initially discarded, and the use of fabrics recycled from our own garments.
Analysis of Desigual's actual contribution to the Sustainable Development Goals (SGD) defined by the United Nations as a global standard for sustainability.	Acting on the company's priority SDGs, through which the United Nations' 2030 Agenda is followed.

5.1.

2020-2023 Sustainability and CSR Strategic Plan

In 2020, Desigual began developing its 2020-2023 Sustainability and CSR Strategic Plan, an ambitious programme that encompasses our specific goals across all fields related to sustainability and the company's relationship with its stakeholders. From its inception, the plan sets out the need to involve

every department within the organisation to reach this common goal. Alongside this and in line with the "Open Desigual" philosophy, the company has joined international organisations and initiatives that promote dialogue and cooperation among the actors from the sector and the fashion industry at large.

The commitment to the environment is one of the pillars of this plan, as it could be considered as a value of the brand since its inception. In this regard, the new plan continued on from the actions carried out previously and accelerated the company's strategy to protect the environment through 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 and the integration of circularity criteria across the value chain.
3. **Sustainable packaging and consumables,** with a specific commitment to fully removing single-use plastics from the packaging of our products.

The strong performance of the organisation over the course of these three years has led to the achievement of many of the goals sooner than expected, which in turn has allowed us to set ourselves even more ambitious goals for the coming years.

Fulfilment of the goals from the 2020-2023 Sustainability and CSR Strategic Plan

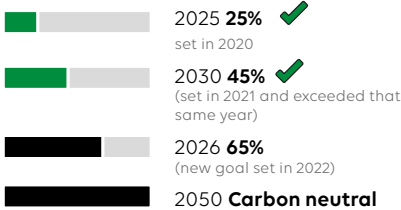


Commitment to the climate

Effective carbon footprint reduction:



Goals:



Note: carbon footprint reduction percentages are calculated against 2019 indicators.



More sustainable cotton

Progress with more sustainable cotton:

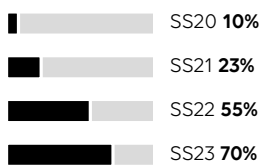


Goal:



Sustainable fibres

Progress with sustainable products:



Goals:



Removing plastic from packaging

Goal:

To remove single-use plastic from our product packaging by 2021

Goal achieved



Monitoring of environmental sustainability objectives

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 Delia Ibáñez (d.ibanez@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 CEO; 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.

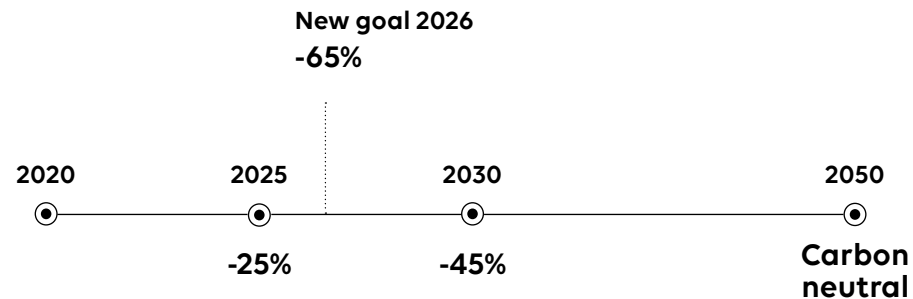


5.2.

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 ultimate goal is to become carbon neutral by 2050, with an intermediate goal that was originally set at 25% by 2025. However, given the effectiveness of the introduction of sustainable materials into successive collections, the development of measures across all departments and the reduction of production due to external factors, we have been able to significantly exceed that original goal and, year after year, more ambitious objectives have been put in place. In 2021, we introduced a 45% reduction target for 2030, and in 2023, a 65% reduction has been set for 2026. Both the end goals of the plan and its intermediate goals must be considered as dynamic objectives, since we work according to an approach of continuous improvement that will allow us to achieve and exceed the established goals.



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 in accordance with ISO 14064:2018 since 2011, is worth highlighting. The work done over the past few years to ensure continuous improvements of the calculation of scope 3, the one for which gathering data is most difficult, is particularly notable.

After including energy and water consumption data from Tier 2 factories in 2021, last year we adapted the calculation to the geographic areas where we sell our products by assuming the combination of power and water consumption, and the care labelling was improved so that the washing of our garments by consumers has a lower impact without compromising its effectiveness. Alongside these data, in the calculation of scope 3 we also take into account indicators such as waste generated; imports of end products and raw materials; business trips; product transport and distribution; the product's end-of-life; employee commuting; and the purchase of goods and services, among other aspects. In 2022, we also recalculated the land transport factor to be more precise in terms of its impact on the company's carbon footprint.

All these improvements were applied to calculate the 2019 carbon footprint in order to make the scopes from later years comparable. 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 2022, we have continued to reduce our carbon footprint, with a reduction of 61.3% with respect to 2019 in absolute values (41% in relative values) and 10% in absolute values with respect to 2021.

The reduction of emissions related to the product (Scope 3) responds both to the decrease of overall production and, mainly, to the reduction of the impact of raw materials and packaging. Less significantly, the adjustment made to the methodology associated with the washing suggestions on the labels is also noteworthy.

Scope 2 emissions, which arise from the consumption of electric power, have increased slightly due to the increase in the number of points of sale open in 2022 compared to the closures that were still being recorded in 2021 due to the restrictions stemming from the pandemic.



Table 17.
Corporate carbon footprint results
across all three scopes

	Scope 1 emissions 1 (tCO2eq)	Scope 2 emissions * (tCO2eq)	Scope 3 emissions (tCO2eq)	Total
2022	529	2,405	55,976	58,910
2021	539	2,088	63,060	65,687
2020	492	6,809	55,558	62,859
2019	528	12,491	139,217	152,236

*Calculation made using the market-based method

Note: For carbon footprint calculations, we used Defra 2020 and Ecoinvent v 3.8 as our main sources, alongside other additional supports. The calculation tool employed is Simapro.

To calculate Scope 1 emissions, we took into account the emissions from the consumption of refrigerant gases at headquarters, the consumption of natural gas at our franchises, 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 market-based method. For Scope 3, the location-based method gave us a total for 2022 emissions of 64,093 tCO2eq. Lastly, in the calculation of scope 3 we take into account indicators such as waste generated, imports of end products and raw materials, business trips, product transport and distribution, the product's end-of-life, employee commuting, and the purchase of goods and services, among others.

Table 18.
Intensity of emissions

Indicator	2022	2021	2020	2019
t CO2/€M	155.28	177	174	258
t CO2/store	191	210	133	321
kg CO2/received item	5.71	5.62	6.01	7.78
kg CO2/sold item	5.11	5.07	4.86	7.76

Note: 2020 results are affected by the impact of the COVID-19 pandemic on the various processes analysed.

Energy consumption

In line with our goal to provide more representative data for each environmental indicator, we perform a calculation of the internal energy consumption of our operations. In 2022, consumption was 22,398,855 kWh at our headquarters, logistics centres and points of sale, compared to 15,584,252 kWh in 2021. At our franchises, consumption reached 2,747,470 kWh in 2022, compared to 3,615,629 kWh in 2021.

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, The Netherlands and Belgium, totalling 18.65 GWh (18.59 GWh in 2021), which translates to 83% of our consumption (an improvement compared to the 66% from 2020).



Thanks to the renewable sources of this energy, we prevented a combined total of 3,623 tonnes of CO2eq (4,037 tonnes of CO2eq in 2021) 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.

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:59% D: 11%

Table 19.
Electricity consumption

Country	Electricity consumption (kWh)	
	2022	2021
Spain	11,191,794	11,748,229.12
Germany	1,407,989	1,555,968.98
Italy	2,957,398	2,808,043.70
France	1,990,224	1,673,185.65
Japan	2,015,657	1,349,664.82
USA	24,894	23,627.86
Portugal	589,221	526,847.42
The Netherlands	275,742	211,283.14
Austria	309,325	276,181.94
Belgium	233,580	283,125.81
Singapore	315,574	912,616.99
Switzerland	302,558	228,345.40
Canada	299,721	211,024.85
United Kingdom	156,910	158,283.59
Poland	328,268	214,162.12
Sweden	-	-
TOTAL	22,398,855	22,180,591.39

Note: Unlike 2021, when a large proportion of stores remained closed in compliance with COVID-19 prevention measures, stores were open all year in 2022.



Table 20.
Fuel consumption for the company-owned vehicle fleet

Fuel consumption (kWh)	
2022	2021
295,964	364,000

Note: fuel consumption was estimated from the number of kilometres travelled. The reduction with respect to 2021 responds mainly to the fact that, previously, the consumption of leased vehicles was calculated according to the maximum kilometres included in the lease. In 2022, we were able to obtain the meter records for some months, which resulted in a more accurate yet lower estimate.

Table 21.
Natural gas consumption

Country	Natural gas consumption (kWh)	
	2022	2021
Germany	-	5,687
Austria	-	3,593
Belgium	-	-
Canada	20,481	23,249
USA	-	-
Spain	1,069,318	1,373,601
France	-	-
Italy	14,141	16,038
The Netherlands	-	-
Portugal	-	-
TOTAL	1,103,940	1,422,168

Note: the variation recorded for Germany with respect to 2021 responds to the fact that we stopped using gas as an air conditioning source at one of the stores in the country.

Water consumption

In 2022, the overall water consumption at Desigual's offices, logistics centres in Spain and points of sale amounted to 35,685 m³, compared to 31,332 m³ in 2021.

We also worked to minimise consumption estimations as much as possible. With these criteria, we estimated consumption at 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. In 2022, of the 4,278 m³ consumed, 553 m³ were recirculated as grey water, which was used for cisterns and irrigation systems. In 2021, consumption amounted to 4,820 m³.



Following the example of electricity consumption, we also carried over our commitment to saving water to the requirements for new stores and the re-styling 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, 76% of the electricity consumed across all our branches, logistics centres and stores comes from renewable sources. In 2021, the percentage of renewable energy was at 84%.

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, we had originally set a series of very specific goals for the introduction of sustainable fibres into collections. In most cases, these have been achieved sooner than expected and have allowed us to set even more ambitious targets for the coming years.

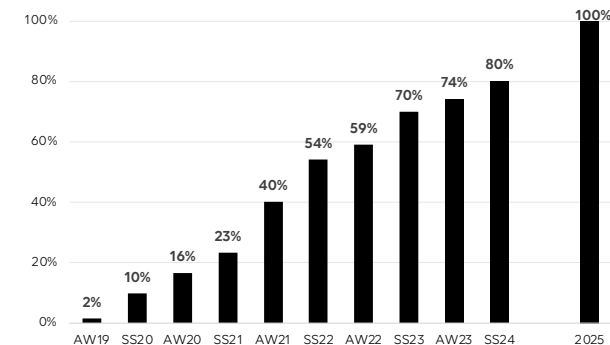


Sustainable collections

The plan's original goal was to ensure 50% of our products were classed as sustainable by 2023, starting from barely 2% in 2019. The company made very significant progress with its 2021 collections, to the point of achieving said target one year early: the SS22 collection (launched in late 2021) was already made up of 55% sustainable items, so in 2022 the ultimate target of 100% sustainable garments was set for 2025.

Graph.

Progress of sustainable products

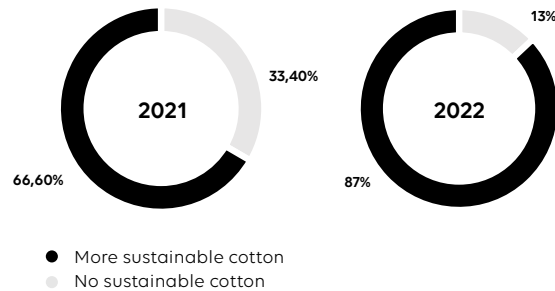


Note: AW and SS refer to Autumn-Winter and Spring-Summer collections, respectively, for each year.

More sustainable cotton

In 2020, we also set the goal of ensuring that 100% of the cotton used in our products comes from a more sustainable source by 2025 (in terms of farming method, treatment or certification), mainly through the use of cotton certified by the Better Cotton Initiative (BCI) and organic cotton. In this regard, the progress made over the past two years also exceeded our original expectations, and close to 90% was achieved by late 2022.

Graph.
More sustainable cotton



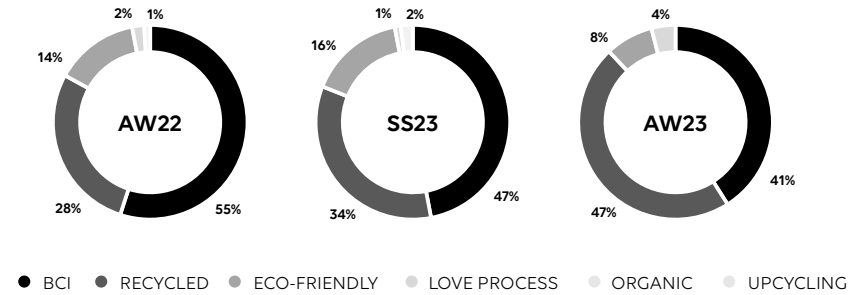
Commitment to new sustainable fibres

As part of our commitment to the sustainability of our products, we also 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, or man-made cellulose fibres (such as viscose, lyocell and acetate, among others), are sourced from certified sustainable forests and have as little impact as possible through the use of the current techniques.

Graph.

Label share percentage in the 2022 collections

Distribution of LOVE THE WORLD labelling



Circularity: recycled garments

Alongside the good results achieved in our introduction of sustainable materials, new goals have been set for other sustainability-related aspects in our garments. One of them, concerning circularity, relates to the increase of the percentage of recycled fibres. In order for a garment to be classified as recycled, it must be made up of at least 30% materials of recycled origin, or 20% in the case of cotton.

The European directive that should regulate this point is still uncertain, but despite this, Desigual has already set itself the goal of integrating circularity into 100% of the collection by 2030. Furthermore, this circularity approach permeates the entire production process for the garments through measures like fabric durability and washing behaviour testing on 100% of the production, as well as the drafting of manufacturing and reinforcement guidelines to ensure maximum durability.

In 2022, we also started working on two pilot projects aimed at reusing garments and textile waste: one of them is focused on repairing faulty garments so that they can be brought back into the market, while the other assesses the reintroduction of textile waste into production by reconvertig it into recycled fabrics. We expect to have results from these pilot projects in 2023.

Communicating sustainability to the customer

Desigual's commitment to sustainability extends to our communications with our customers through actions aimed at providing them with more thorough information on the garments' materials and care instructions. One of the aspects we have focused more on in this regard is the labelling: alongside the information required by the current regulations, Desigual's garments come with "Love the World" labels, which convey clear and direct messages about Desigual's commitment to sustainable products.

In line with this, in 2022 a specific sustainability communication strategy was developed with regard to customers, with specific tips on how to care for their garments on the desigual.com website, social media and newsletters. Moreover, the online store highlights our sustainable garments and collections.

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 at our stores. 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 our suppliers' production processes, it is noteworthy that 90% of the raw materials used in 2022 came from renewable sources and were 100% recyclable (2,210,239 kg of paper, cardboard and wood, which amounted to 2% less than in 2021). 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 2022 we recharged the cooling devices in our headquarters with 132 kg of gas, compared to 102 kg the previous year.

Table 21.
Sustainable packaging

Material	Weight (kg)	
	2022	2021
Paper and cardboard	2,069,633	2,244,604
Plastics	204,413	227,504
Metals	2,354	22,560
Wood	140,606	4,622
Total	2,417,006	2,499,290

Note: the difference in paper consumption with respect to 2021 responds to the purchasing of paper bags in the previous year. In 2022, cardboard boxes were replaced with envelopes, which has allowed for the reduction of the weight in kg for these materials. Regarding metals, the weight calculation for staples was corrected.

The variations in the use of metals and wood respond mainly to the fact that, in 2022, we purchased these consumables, while in 2021 we used materials available in our stock due to the exceptional nature of said year. In the case of wood, the increase is linked to the purchasing of pallets due to greater movement of stock.



Responsible waste management

In 2022, Desigual managed to recover 97.4% of the 1,040 tonnes of waste generated in offices and stores in Spain (compared to 97% of the 1,188 tonnes generated in 2021), which means that only 2.6% ended up being disposed of. Moreover, the generation of waste was reduced by 13% compared to 2021.

Of this waste, 99.97% was non-dangerous, while only 0.03% was of a dangerous origin (batteries and appliances).

Table 22.
Waste

Material	2022	2021	Porcentaje 2022 sobre el total	2022 vs 2021
Cardboard and paper	747.19	764.58	73%	-2%
Rubbish	185.03	322.76	18%	-43%
Plastic	42.65	43.72	4%	-2%
Others	53.47	56.45	5%	-5%
Total	1,028.34	1,187.51	100%	-13%

Note: the variation in the "Rubbish" category relates to changes made to the retail channel and the records available to make calculations. Additionally, segregation/sorting was improved, which led to a decrease in waste classified as "Rubbish" and converting it to quantifiable waste. Previously, this category included textile waste, whereas this is now 100% managed by a specialised management company.

5.5. Strategic partnerships related to the environment



THE FASHION PACT

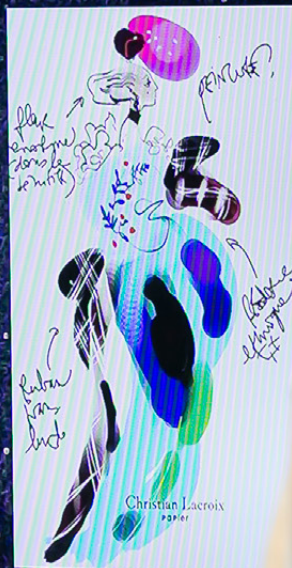
A global alliance of companies from the fashion industry and textile sector that promotes collaboration across the entire value chain to collectively mitigate the impact of operations on the environment. It makes it easier for member companies to comply with the Sustainable Development Goals (SDG), and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

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.

www.thefashionpact.org

e case:

transparencia & NFT's como herramienta de Marketing y fidelización



Awesome Lab

Content

- 6.1. A company-wide culture of open innovation
- 6.2. Spain's first fashion startup accelerator
- 6.3. Expanding our internal culture of innovation

Awesome Lab

The 2021 launch of Awesome Lab, Spain's first fashion startup accelerator, embodied the values and objectives of the "Open Desigual" philosophy: to integrate specialised knowledge into the company in order to tackle the transformation of the sector. The initiative was a great success in 2022, completing its first run and announcing a second instalment with even more ambitious objectives and the evolution of Awesome Lab into an innovation hub.



Strategic goals	2022 milestones
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.	Closing the first instalment of our startup accelerator Awesome Lab, with significant impact being made on the innovation ecosystem and the sector itself. The success of the initiative led to the organisation of a second instalment, aimed at attracting more mature startups that will allow for quicker implementation of solutions into the market.
To consolidate a culture of open innovation among all the company's employees.	Holding three Innovation Days in 2022, events aimed at collective reflection on the future trends for the sector. Moreover, professionals from the company collaborated actively with the startups from the programme through the "buddy" role, and the Awesome Friends community made up of in-house innovation ambassadors was created.
To position Desigual as a benchmark company within the sector's innovation ecosystem.	Participating in the key events for the technology and innovation sector and growing our collaboration with public and private institutions with a special focus on education.

6.1.

A company-wide culture of open innovation

In its broadest sense, Awesome Lab was devised as an acceleration and open innovation programme whose goal was to get all departments and levels within the company involved in innovation. Desigual believes that this company-wide view of 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 shopping experience of our customers and the end-of-life of our products.

In this regard, Awesome Lab was launched in 2021 with the aim of responding to the strategic challenges faced by the company and the fashion industry through the development of innovative technological solutions and the implementation of new ways of working. To achieve this, from its inception the project included two lines of work that complemented one another:

- A startup Accelerator with international scope – the first to be promoted by a fashion company in Spain – which, by collaborating with emerging companies, would help to accelerate the development of solutions to support the transformation of the sector.
- Extending an over-arching innovation culture to the whole company through the involvement of in-house professionals with the startups from the programme and the innovation processes that are collaboratively developed.

6.2.

Spain's first fashion startup accelerator

The first instalment of our startup accelerator ran from July 2021 to July 2022 in partnership with the open innovation platform Plug and Play. After identifying and assessing more than 800 companies, over 150 startups from 25 countries responded to the first call for applicants. Eventually, seven startups were shortlisted through a process that involved the company's Management, the Innovation department, Plug and Play and professionals from various departments within Desigual. The selected startups were Vestico, Syrup Tech, Swearit, Personify XP, Resortecs, Exonode and SXD.

Over the course of the nine months of the programme, and in a collaborative way, Desigual and the startups developed proofs of concept (POC) related to blockchain, artificial intelligence, new materials and machine learning. Throughout this process, they were supported by managers from the company's various business areas and took part in networking and mentoring events with external experts. Lastly, the developed POCs were presented at the Demo Day, which took place in July and brought together investors and experts for three round tables that focused on sustainability, technology and user experience. Alongside representatives from Desigual, Plug and Play and the startups themselves, executives from Clarke Modet and Modaes also took part. At the end of the event, the attendees voted to choose the most 100% Desigual startup.



DEMO DAY 2022

Resortecs and its latest generation of patented threads was the project with the most votes

The Demo Day that marked the end of the first run of Awesome Lab allowed the participating startups to present their solutions to experts and investors.

It was also a day to reflect on the experience: all participants highlighted the learning and growth opportunities their involvement in the programme provided, while thanking the teams of personnel from Desigual and Plug and Play for their generosity.

The event ended with a vote to decide the project that best responded to the objectives of the programme and Desigual's values. The attendees of the event and all of the company's employees participated in the vote and together they chose

Resortecs as the best initiative: a technology for creating patented threads and stitches that facilitate the automated disassembly of garments. This system allows the process to be completed five times faster than the traditional method and, in turn, enables up to 90% of the original fabric of each garment to be recycled, thereby enabling reuse and circularity processes.



Second instalment: a focus on projects that can be quickly applied to the market

The second run of Awesome Lab started in October 2022 with significant changes from the first instalment, demonstrating the company's interest in promoting this work methodology. In the second year, Desigual decided to add flexibility to the programme and to work with startups that are at a more mature stage and will be able to reduce the time it takes to develop POCs and bring value to the industry more quickly. With this, Awesome Lab's format has changed: from the accelerator model seen in the first instalment to an innovation hub model that continues to promote learning, collaborative work and co-creation in order to respond to any new challenges that arise.

To achieve this goal, the company has a new partner: Wayra, Telefónica's open innovation hub and a benchmark for the technological progress and growth of the entrepreneur ecosystem in Spain. Alongside Wayra, Awesome Lab intends to appeal to emerging companies whose projects are related to the following fields of innovation:

- User experience
- Customer- and product-oriented data analysis
- Payment methods
- Optimisation of the logistics channel
- Textile circularity

The second instalment runs from 2022 to 2023 and includes three scouting sprints to identify startups that respond to the various challenges posed. It also includes an open call as part of the 4YFN programme of the 2023 Mobile World Congress Barcelona, which attracts the best digital startups in the world.

6.3.

Expanding our internal culture of innovation

Among the goals achieved in the first year of Awesome Lab was the company-wide diffusion of innovation culture across all departments. In line with the Open Desigual philosophy, our collaboration with new partners must allow us to continue to transform and improve the products and services we provide, as well as our value proposition. To ensure that this vision permeates the entire organisation and to intensify the flow of knowledge and ideas, a series of internal meetings have been set up to raise awareness about the activities of Awesome Lab as well as to disseminate and open up a debate about the trends that define the future of our sector.



With this goal in mind, three **Innovation Days** were held over the course of the year. These events are 100% internal and involve the collaboration of the startups themselves and other companies that have become benchmarks thanks to their innovative nature and disruptive outlook. Each of these events revolved around a trend relevant to the fashion world and were organised in an interactive style to involve all attendees as much as possible at Desigual's headquarters. They were also streamed to other Desigual offices, and the content was made available to the entire staff on the corporate intranet.

The internal community Awesome Friends was also created in 2022 to select the more tech-oriented profiles among corporate staff so that they can get actively involved in extending this innovation philosophy across the company. Through an open call, a 25-member team was formed to represent every division. Some of their most noteworthy roles include acting as innovation ambassadors with their colleagues by discussing trends and challenges affecting the sector and encouraging them to take part in the activities that are organised; identifying challenges and ideas and conveying them to the Innovation team; and disseminating the initiatives and the milestones reached by Awesome Lab. Some of the benefits of being part of Awesome Friends include the opportunity to participate in meetings with entrepreneurs and key players from the innovation ecosystem in Barcelona, attending benchmark events (4YFN and South Summit), and visiting innovation hubs.

Lastly, also in 2022, we organised a new instalment of the **Breakfasttech** meeting, which was started in 2021 to disseminate the latest news from Awesome lab and its work methodology. This instalment focused on introducing the "buddies": members of staff who support the startups in Awesome Lab by providing their knowledge and perspective on Desigual.

Innovation Day: experiencing innovation first-hand

The three Innovation Day events held in 2022 offered a variety of meeting formats to convey the importance of integrating an innovative vision into day-to-day work.



17 March: Innovation Day I sustainability and consumer experience

After the opening presentation from Thomas Meyer, Desigual's founder and president, the first event included several inspiring talks, round tables on innovation and the metaverse, and a design thinking workshop. Moreover, throughout the day, employees were able to give their opinions, make proposals and vote for the best market trends. The event was attended by DressX, the largest digital fashion store with 3D collections, and Amazon Web Services, Amazon's cloud-based product service.



26 May: Innovation Day II hackaton

The second Innovation Day took the form of a hackathon in which nine five-member groups spent the day developing innovative ideas that responded to the challenge "How to increase sales at our Seasonal stores". In the afternoon, the groups presented their ideas to a panel that shortlisted three ideas. Then, the entire Desigual staff were able to vote, either in-person or remotely, for the winning idea.



24 November: Innovation Day III culture and fashion

The third event of the year brought together several entrepreneurs who shared their experiences in the fields of digitalisation, NFTs and innovation culture. The gathering was 100% in person and, afterwards, the videos of the talks and a summary of the day were posted to the intranet. These Innovation Days were followed by around 400 people, including both in-person and virtual attendees.

07

Annexes

Content

7.1. Annexed tables

7.1.

Annexed tables

Table 1.

Profit by country

	2022	2021
Country	EUR	EUR
Germany	1,509,956	1,514,991
Austria	-774,220	166,265
Belgium	-28,767	-52,841
Canada	123,986	67,768
Spain	13,393,976	4,689,782
France	-68,216	-852,575
Hong Kong	195,928	253,914
Italy	-286,837	114,996
Japan	153,619	-325,885
The Netherlands	25,912	2,004
Poland	-125,483	47,169
Portugal	-5,058	-2,954
Singapore	-252,607	198,782
Sweden	-	4,221
Switzerland	-493,049	-607,300
United Kingdom	84,691	39,437
USA	223,275	210,069
Total	13,677,106	5,467,843

Note: the variation with respect to 2021 is due to the gradual recovery of turnover in those countries that were under greater mobility restrictions due to the pandemic in 2021.

Table 2.

Taxes paid by country

	2022	2021
Country	EUR	EUR
Germany	66,256	-
Austria	7,011	13,439
Belgium	-	-
Canada	-	-
Spain	-	1,908,066
France	-	-
Hong Kong	423,801	80,905
Italy	-	75,338
Japan	-	191,626
The Netherlands	-	-
Poland	45,824	45,824
Portugal	-	-
Singapore	-	6,623
Sweden	-	-
Switzerland	55,014	941,601
United Kingdom	-	-
USA	-	2,688
Total	597,906	3,266,110

Note: this calculation takes into account the outflows of the companies for the payment of corporate tax and/or for instalments. The variation with respect to 2021 is linked to the application of various deductions and/or adjustments to the base that reduce the amount payable.

Table 3.

Subsidies by country

	2022	2021
Country	EUR	EUR
Germany	3,904,560	8,629,162
Austria	590,974	1,564,059
Belgium	-	-
Canada	138,735	228,684
Spain	-	-
France	-322,995	4,751,371
Hong Kong	-	-
Italy	354,805	919,593
Japan	-	15,704
The Netherlands	710,825	286,280
Poland	-	-
Portugal	-	61,865
Singapore	17,813	465,176
Sweden	-	2,356
Switzerland	248,783	76,641
United Kingdom	-	33,648
USA	-	-
Total	5,643,500	17,034,539

Note: the variation with respect to 2021 is owed to the lack of subsidies being offered in the countries where the Group operates.

Table 4.

Total number of employees by country

	2022	2021
Country	Employees	Employees
Germany	199	223
Austria	74	78
Belgium	31	36
Canada	26	26
Spain	1,225	1,319
France	193	238
Hong Kong	2	2
Italy	423	455
Japan	114	117
The Netherlands	25	24
Poland	59	55
Portugal	77	75
Singapore	35	37
Sweden	-	-
Switzerland	35	38
United Kingdom	-	13
USA	23	19
Total	2,541	2,755

Note: the negative difference in some countries is due to point-of-sale closures related to company restructuring.

Table 5.

Total number and distribution of types of employment contracts

	2022	2021
Contract type	Employees	Employees
Permanent full-time	1,163	1,240
Permanent part-time	865	777
Fixed-term full-time	90	137
Fixed-term part-time	423	601
Total	2,541	2,755

Note: the decrease in fixed-term contracts relates to a change in Spanish law.

Table 6.

Annual average distribution of working hours by sex

	2022			2021		
Working hours	Female	Male	Total	Female	Male	Total
Full-time	938	381	1,318	1,040	379	1,419
Part-time	1,166	127	1,294	1,114	129	1,243
Total	2,104	508	2,612	2,154	508	2,662

Table 7.

Annual averages of permanent contracts, fixed-term contracts and part-time contracts by sex, age and professional category

Professional category/sex	2022										2021									
	Permanent FT		Permanent PT		Fixed-term FT		Fixed-term PT		TOTAL		Permanent FT		Permanent PT		Fixed-term FT		Fixed-term PT		TOTAL	
	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M	F	M
Directors and managers	28	35	1	0	0	0	0	0	29	35	40	39	1	0	1	0	0	0	42	39
< 30 years old	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 to 50 years old	25	28	1	0	0	0	0	0	26	28	37	35	1	0	1	0	0	0	39	35
> 50 years old	3	7	0	0	0	0	0	0	3	7	3	4	0	0	0	0	0	0	3	4
Staff	278	163	14	2	14	5	0	1	307	170	301	160	16	2	16	10	0	0	333	172
< 30 years old	23	19	0	0	3	0	0	0	26	19	20	13	0	0	3	1	0	0	23	14
30 to 50 years old	234	125	13	2	11	5	0	1	259	132	261	133	16	2	13	9	0	0	290	144
> 50 years old	21	19	1	0	0	0	0	0	22	19	20	14	0	0	0	0	0	0	20	14
Stores	510	113	784	87	55	14	367	38	1,717	252	564	118	716	82	70	7	381	45	1,731	252
< 30 years old	89	22	288	49	22	7	207	27	606	106	110	24	222	44	31	4	222	30	585	102
30 to 50 years old	378	87	445	36	28	6	146	10	998	137	421	89	448	37	35	3	139	15	1,043	144
> 50 years old	43	4	51	2	5	1	14	1	113	9	33	5	46	1	4	0	20	0	103	6
Logistics	52	51	0	0	0	0	0	0	52	51	47	42	0	0	1	3	0	0	48	45
< 30 years old	2	10	0	0	0	0	0	0	2	10	1	5	0	0	0	0	0	0	1	5
30 to 50 years old	39	33	0	0	0	0	0	0	40	33	41	33	0	0	1	3	0	0	42	36
> 50 years old	11	8	0	0	0	0	0	0	10	8	5	4	0	0	0	0	0	0	5	4
Total	868	362	800	89	69	19	367	38	2,104	508	952	359	733	84	88	20	381	45	2,154	508

Note: coordinators are considered as "Staff". Only "Managers"/"Managers2" are "Managers". CEOs are included in "Directors". FTE has been taken into account.

Table 8.

Number of dismissals by sex, age and professional category

Professional category/Sex	2022			2021		
	Female	Male	TOTAL	Female	Male	TOTAL
Directors and Managers	2	3	5	4	2	6
< 30 years old	0	0	0	0	0	0
30 to 50 years old	2	3	5	3	1	4
> 50 years old	0	0	0	1	1	2
Staff	27	14	41	36	7	43
< 30 years old	2	0	2	0	0	0
30 to 50 years old	24	10	34	35	7	42
> 50 years old	1	4	5	1		1
Stores	156	25	181	80	10	90
< 30 years old	62	11	73	24	3	27
30 to 50 years old	85	12	97	54	7	61
> 50 years old	9	2	11	2		2
Logistics	1	0	1	2	1	3
< 30 years old	0	0	0	0	0	0
30 to 50 years old	1	0	1	2	1	3
> 50 years old	0	0	0	0	0	0
Total	186	42	228	122	20	142

Note: Departures as of 01/01/2022 have not been considered. If the individual's relationship with the company ended on 01/01/2022, it means they were no longer part of the workforce in 2022. The CEO is included in the "Directors" category. Headcounts are included regardless of working hours.

Table 9.

Employees with disabilities

Professional category/Sex	2022			2021		
	Total employees	People with disabilities	% people with disabilities	Total employees	People with disabilities	% people with disabilities
Directors and Managers	62	0	0.00%	79	0	0.00%
Staff	453	2	0.44%	485	2	0.41%
Stores	1,919	16	0.83%	2,100	20	0.95%
Logistics	107	1	0.93%	91	0	0.00%
Total	2,541	19	0.75%	2,755	22	0.80%

Note: staff at 31/12/2022. Coordinators are included in the Staff category. Managers and managers2 are included in the Managers category. The CEO is included in the Directors category. Headcounts are included regardless of working hours.

Table 10.

Number of hours of absence by sex

	2022		2021	
	Female	Male	Female	Male
Non-occupational illness	246,759.03	43,467.79	217,244.00	30,124.39
Occupational accident	6,269.39	271.00	3,933.78	840.00
Maternity/paternity	139,076.87	13,358.80	202,187.83	10,521.00
Other	23,383.98	5,021.19	20,535.28	3,655.81
Total	415,489.27	62,118.78	443,900.89	45,141.20

Note: 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 2022 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		Standard	Reference page	Comments
Business 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 2-1	23-24	
		GRI 2-2	23-24	
		GRI 2-6	23-25, 49-51, 52-56	
		GRI 2-9	75-76	
		GRI 2-23	80-81	
		GRI 3-3	75-76	
	Reporting framework used	Selected GRI Standards GRI 2-3 Reporting period, frequency and point of contact GRI 2-5 External verification	6	
	Materiality analysis	GRI 3-1 GRI 3-2	8-9	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
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 2-23 GRI 2-24	77-80, 81-89	
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 3-3	74-76	
Environmental management	Current and foreseeable effects of the company's activities on the environment and, when relevant, on health and safety.	GRI 3-3	81-91	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 3-3	52-54	
	Resources devoted to environmental risk prevention	GRI 3-3	N/A	Desigual has a specific Sustainability department in charge of the design and enforcement of the company's policies in this area.

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on environmental aspects				
Environmental management	Application of the principle or precaution	GRI 2-23	52-54	
	Provisions and guarantees for environmental risks	GRI 3-3	N/A	<p>With regard to 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.</p> <p>In 2021 and 2022, neither Abasic nor any of its dependent companies have been sanctioned for environmental reasons.</p> <p>Desigual does not have environmental liability insurance.</p>
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 3-3	81-83	<p>With regard to light pollution, since 2017 all our stores have had a system installed to switch off power to 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>

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on environmental aspects				
Circular economy and waste prevention and management	Measures for preventing, recycling, reusing, and other forms of recovery and elimination of waste	GRI 306-1 (2020)	88	
		GRI 306-2 (2020)	88	
		GRI 306-3 (2020)	88	
	Actions to combat food waste	GRI 3-3	N/A	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 3-3	86	Desigual only consumes the water supplied by its providing company.
		GRI 303-3	86	
	Consumption of raw materials and the measures taken to improve the efficiency of their use	GRI 3-3	87-89	
		GRI 302-1	87-89	
		GRI 302-2	87-89	
		GRI 302-3	87-89	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on environmental aspects				
Sustainable use of resources	Power: direct and indirect consumption; measures adopted to improve energy efficiency; use of renewable energies	GRI 3-3	84-85	
		GRI 302-1	84-85	
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	81-83	
		GRI 305-2	81-83	
		GRI 305-3	81-83	
		GRI 305-4	81-83	
	Measures taken to adapt to the consequences of climate change	GRI 3-3	N/A	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		Standard	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 3-3	81-82	
Protection of biodiversity	Measures adopted to preserve or restore biodiversity	GRI 3-3	80-81	
		GRI 304-3	90-91	
	Impacts caused by activities or operations in protected areas	GRI 304-1	N/A	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 2-23	58-73	
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 3-3	76-77	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on social matters related to personnel				
Employment	Total number and distribution of employees by sex, age, country and occupational classification	GRI 2-7	68	
		GRI 405-1b)	68-69	
	Total number and distribution of employment contract types	GRI 2-7	99	
	Annual average of permanent, temporary and part-time contracts by sex, age and professional category	GRI 2-7	99-100	
	Number of dismissals by sex, age and professional category	GRI 401-1b)	100	
	Average remunerations and their evolution broken down into sex, age and professional category or an exact value	GRI 405-2	70	
	Pay gap	GRI 405-2	70	
	Remuneration of exact positions or average remuneration of the company	GRI 202-1	70	
	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	Internal criteria	74	
	Implementation of workplace disconnection measures	GRI 3-3	72	
	Employees with disabilities	GRI 405-1. b)	101	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on social matters related to personnel				
Organisation of work	Organisation of working hours	GRI 3-3	64	
	Number of absenteeism hours	GRI 3-3	101	
	Measures aimed at ensuring work-life balance and promoting the co-responsibility of both parents	GRI 3-3	64, 71-72	
Health and safety	Health and safety conditions in the workplace	GRI 3-3	66-67	
	Accidents at the workplace (frequency and severity) broken down by sex	GRI 403-9 (2018) Frequency Index = no. of accidents with sick leave x 1,000,000/ no. of hours worked (excluding accidents in itinere) Severity rate = no. of working days lost x 1,000,000/no. of hours worked (excluding accidents in itinere).	67	
	Occupational illnesses (frequency and severity) broken down by sex	GRI 403-10 (2018)	67	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on social matters related to personnel				
Social relations	Organisation of social dialogue, including the procedures aimed at informing, consulting and negotiating with employees	GRI3-3	64-65	
		GRI 402-1	N/A	We follow a closure policy that defines timeframes for informing the employees affected by the closure of points of sale. In general, the notice period is expected to match that of the regulations in force in each country, allowing at least a minimum of one month.
	Percentage of employees covered by a collective agreement by country	GRI 2-30	70	
	Assessment of collective agreements, especially in relation to health and safety at the workplace	403-4 (2018)	N/A	Committees are present in Belgium, France and Germany. The collective agreement that involves workers in France includes a specific mention of health and safety. There is no mention of it in the collective agreements for Belgium and Germany.
	Mechanisms and procedures in place at the company to promote the involvement of workers in the management of the company in terms of information, consultation and participation	GRI 2-29	64-65	.
Training	Policies implemented in the field of training	GRI 103-2	73	
		GRI 404-2	73	
	Total number of training hours by professional category	GRI 404-1	73	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on social matters related to personnel				
Accessibility	Universal accessibility for people with disabilities	GRI 3-3	71	Desigual facilitates universal accessibility of people with disabilities. For example, with accessible routes around the offices, accessible signage at the entrance to the building and accessible lavatories, among others.
Equality	Measures adopted to promote equal treatment and opportunities for men and women	GRI 3-3	70-72	
	Equality plans (Chapter III of Organic Law 3/2007 of 22 March on the effective equality between women and men)	GRI 2-23	70-72	
	Measures adopted to promote employment	GRI 3-3	22, 68-70	
		GRI 3-3	67	
	Protocols against sexual and gender-related harassment	GRI 3-3	76-78	
	Integration and universal accessibility for people with disabilities	GRI 3-3	71	
	Policy against all forms of discrimination and, if applicable, policy on diversity management	GRI 403-4 (2018)	70-71	

Content required by Law 11/2018 on non-financial and diversity information		Standard	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 2-23 GRI 2-24	74-78	
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 3-3	74-78	
Human rights	Application of due diligence procedures related to human rights	GRI 2-26 GRI 3-3	51-55	
	Prevention of risks of breaches of human rights and, if applicable, measures to mitigate, handle and repair any potential abuses committed	GRI 3-3 GRI 2-26	51-55	
		GRI 412-1	51-55	
		GRI 410-1	N/A	Subcontracted security staff receive training on human rights delivered by the subcontracted company.
		GRI 3-3	51-55	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on respect for human rights				
Human rights	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 3-3 GRI 2-23	51-55	
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 2-23 GRI 2-24	75-76	
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 3-3	75	
		GRI 205-1	75-77	In 2021 and 2022, we did not need to manage any court procedures related to corruption or bribery that may affect Desigual.

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information related to the fight against corruption and bribery				
Corruption and bribery	Measures adopted to prevent corruption and bribery	GRI 2-23 GRI 2-26	75-77	
	Measures to combat money laundering	GRI 2-23	75	
	Contributions to foundations and non-profit organisations	GRI 201-1	20	
		GRI 203-2	20	
		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 2-23 GRI 2-24	17-19	
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 3-3	74-76	

Content required by Law 11/2018 on non-financial and diversity information		Standard	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	18-20	
		GRI 413-1	18-20	
	Impact of the company's activity on local populations and territories	GRI 3-3	18-20	
		GRI 413-1	18-20	
	Relationships with actors from the local communities, and the types of dialogue used with them	GRI 3-3	18-20	
	Association or sponsorship actions	GRI 3-3	18-20	
Subcontracting and suppliers	Inclusion of social, gender equality and environmental aspects in the purchasing policy	GRI 308-1	51-54	
		GRI 414-1	51-54	
	In the relationships with suppliers and subcontractors, consideration of their social and environmental responsibilities	GRI 414-1	51-54	
		GRI 308-2	51-54	
	Monitoring systems and audits and their results	GRI 308-2	51-54	
		GRI 414-2	51-54	

Content required by Law 11/2018 on non-financial and diversity information		Standard	Reference page	Comments
Information on the company				
Consumers	Measures to guarantee the health and safety of consumers	GRI 3-3	48-50	
		GRI 416-1	48-50	
		GRI 417-1	48-50	
	Complaint systems, complaints received and their resolution	GRI 2-16 2-25	58	
Fiscal information	Profit obtained by country	GRI 201-1	99	
	Taxes paid on profit obtained	GRI 201-1	99	
	Public funding received	GRI 201-4	99	

This Statement of Non-Financial Information has been formulated on 31 March 2023 by the Board of Directors of Abasic Group, S.A. and its Subsidiaries, and is signed below by all members in compliance with Law 11/2018, of 28 December 2018.

La vida es chula, S.L.U.
Represented by Thomas Andreas Meyer
Chairman of the Board of Directors

Jorge Ramírez Martinell
Secretary Director of the Board of
Directors

Celso Martínez Orozco
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