



Sustainability Report 2020

PRONOVIAS GROUP
CRAFTING JOY

“ Sustainability is a key part of Pronovias Group’s ESG -Environmental, Social and Corporate Governance- strategy. As a company dedicated to dressing the dreams of women around the world, we recognize the importance of protecting the planet, for brides of today and for the generations to come. For us, it is important to focus on the short and long term, and work towards sustainable practices, not only for our own company, but to help lead the bridal industry as a whole. ”

AMANDINE OHAYON, Chief Executive Officer



Contents

1. Introduction	4	7. Pronovias Group personnel information	38
2. Pronovias Group business model	5	7.1. Employment	39
2.1. Pronovias Group history and current affairs	6	7.2. Work organization	46
2.2. Strategy and objectives	7	7.3. Health and safety	51
2.3. Factors and trends that may affect its evolution. Focus on the impact of the health crisis caused by COVID-19	8	7.4. Social relations	53
3. Pronovias Group and its corporate management	9	7.5. Training	54
4. Pronovias Group and the respect for Human Rights	14	7.6. Equality	55
4.1. Supplier Code of Conduct	15	7.7. Remuneration	56
4.2. Modern Slavery and Human Trafficking Statement	15	8. Pronovias Group's contribution to the well-being of society	60
5. Pronovias Group and the fight against corruption and bribery	17	8.1. The company's commitment to sustainable development	61
6. Pronovias Group and the environment	19	8.2. Supply chain, subcontracting and suppliers	62
6.1. Greenhouse Gas Emissions (GHGs)	20	8.3. Consumers	64
6.2. Light pollution	29	8.4. Donations to foundations and non-profit organizations	67
6.3. Noise pollution	30		
6.4. Biodiversity protection	30		
6.5. Recycling and waste management	33		
6.6. Packaging	34		

1. Introduction

This Statement of Non-Financial Information ("NFI") is intended to reflect the impact that the activities of Catiberia Acquisition Holdco, S.L.U. and its subsidiaries (hereinafter also the "Pronovias Group", the "Group" "Pronovias" or the "Company") have on human rights, environmental protection, anti-corruption and bribery, tax compliance and personnel matters.

The NFI is an annual report, and this is the third report that the Pronovias Group has prepared, in accordance with the requirements established by Law 11/2018 of 28 December 2018 on non-financial information and diversity, approved on 13 December 2018 by the Spanish Congress of Deputies, amending the Commercial Code, the revised Capital Companies Law and Audit Law 22/2015, of July 20, 2015, as regards non-financial information and diversity. The aforementioned regulations have been taken into account in its preparation, taking the GRI Standards as a reference for guidance.





2. Pronovias Group business model

2.1. Pronovias Group history and current affairs

Pronovias Group is a business group founded in Barcelona in 1964, with an international presence, whose core business is the design, manufacture, sale and distribution of wedding, ceremony and party dresses, as well as accessories.

In late 2017, the private equity fund BC Partners acquired a majority stake of Pronovias Group with a view to boosting its growth from its leading position in the bridal fashion market. Since then, the Pronovias Group has added two more companies to the Group, both dedicated to bridal fashion: in July 2018 it acquired the Italian company Nicole Fashion Group and in July 2019 the Dutch company Lady Bird, B.V.

Although the Pronovias Group's corporate headquarters are located in Barcelona (El Prat de Llobregat), since 2018 the Group has decentralized its sales and marketing functions in order to be closer to its customers in the markets where it is most present and to benefit from the headquarters of the companies acquired in the last two years. The Group therefore counts with four hubs in New York (USA), Huizen, Amsterdam (The Netherlands), Centallo, Cuneo (Italy) and Shanghai (China).

Currently, the Group markets its products under the following brands and collections: Atelier Pronovias, Pronovias, Pronovias Privée, Pronovias The Party Edit, St. Patrick, St. Patrick Studio, St. Patrick La Sposa, White One, Les Accessoires, Nicole, Jolie, Colet, Aurora, Romance and LadyBird.

All products are marketed through different distribution channels depending on the brand and collection; (I) sales to end consumers through "PRONOVIAS" and "NICOLE" stores managed directly by the Group; (II) sales to "PRONOVIAS" store franchisees and (III) sales to multi-brand outlets managed by authorized resellers. During 2020 the Group discontinued sales to end consumers through its online channel (e-commerce).

The Pronovias Group is made up of a diverse team of around 1,000 people located in 12 countries. The values they share are respect, teamwork, empowerment, focus on results and innovation.

PRONOVIAS

NICOLE
MILANO



WHITE
One

Ladybird
LUCKY IN LOVE

2.2. Strategy and objectives

After its majority acquisition by the BC Partners fund in 2017, a new chapter began in the Pronovias Group focused on achieving sustainable, long-term geographic growth. It is essential to put the bride and the customer at the center of its interest, creating an omnichannel model in a traditional fashion sector.

As such, 2018 and 2019 were dedicated to change and transition; the reorganization of the management team, the brand portfolio and creative team, the incorporation of new collaborations with famous designers (Zac Posen) or renowned models (Ashley Graham), the strengthening of its retail presence in the United States through the opening of a new flagship store in New York, the opening of 6 new stores (Miami, Boston, Houston, Philadelphia, Austin and Los Angeles), and finally the opening of its first store in Shanghai, China.

In 2020 the group has continued to grow through new collaborations with influential designers in the bridal industry; a) Marchesa, with a new collection for the PRONOVIAS brand; b) Carlo Pignatelli, who will market a collection of men's wedding fashion for PRONOVIAS from 2021, allowing it to diversify its gender product while remaining linked to the bridal textile industry; and c) a collaboration with an American designer whose identity will be unveiled during 2021.



2.3. Factors and trends that may affect its evolution.

Focus on the impact of the health crisis caused by COVID-19

Prior to the onset of the COVID-19 health crisis (hereinafter referred to as "COVID-19"), the global bridal fashion market continued to grow.

Even so, the Pronovias Group had long been rethinking its strategy to meet the challenges of the sector; the fragmentation of competition and the need to digitalize a typically traditional fashion sector.

The onset of COVID-19 was the biggest downturn in the global economy in decades and the most challenging year the bridal fashion industry has ever faced. Tightening measures imposed by all governments to curb and contain the advance of COVID-19 have had two types of direct impact on the Pronovias Group's business:

(I) The temporary closure of commercial activities has led to a direct reduction in turnover; on the one hand, due to lower turnover from own stores, and, on the other hand, due to lower order requests from franchisees and authorized resellers;

(II) The significant constraint on crowds and, consequently, the impossibility of celebrating weddings in the format initially planned by the bride and groom, forcing couples to reconsider and/or postpone their wedding.

Consumer behavior patterns with respect to orders placed in stores managed by the Pronovias Group have shown that the tendency has not been to cancel the wedding. Brides-to-be have preferred to renegotiate

the terms of their dress purchase to align the dress delivery dates with a possible new wedding date.

Faced with this scenario, and with no date foreseeable for a relaxation of the restrictive measures, during 2020 the Pronovias Group has focused its efforts on protecting its liquidity, containing spending, and adapting its operations according to the needs of its customers.

Consequently, as will be indicated below, certain objectives planned for 2020 and announced in the Statement of Non-Financial Information for fiscal year 2019 could not be met, as the Pronovias Group had to reconsider its priorities in order to cope with the crisis.





3. Pronovias Group and its corporate management

In Spain, the Pronovias Group is headed by the company CATIBERIA ACQUISITION HOLDCO, S.L.U. As of December 31, 2020, the Board of Directors of this parent company is composed of 3 members, 2 women and 1 man (a chair, a board member and a secretary board member).

At the end of 2020, the Executive Committee of the Pronovias Group was composed of a total of 14 executives, 5 women and nine 9 men, as detailed:

- Chief Executive Officer
- Chief Financial Officer
- Legal Director
- Chief People Officer
- Chief Information Officer
- Supply Chain Director
- Marketing Director
- Chief Creative Director
- Artistic Director LadyBird
- Southern Europe, Middle East and Oceania Managing Director
- Northern & Eastern Europe Managing Director
- Americas Managing Director
- Asia Managing Director
- Retail Director



In 2013 the Pronovias Group, on the advice of the law firm Garrigues, analyzed the main criminal risks affecting the Group's activity, in order to draw up a risk map and a specific Crime Prevention Program. The risks are specified in detail throughout this report.

As a result, the Pronovias Group drew up a criminal risk prevention model, by reviewing the main risks (indicated in the Code of Conduct), the schemes for detecting non-compliance and the definition of a control structure to supervise the above.

Specifically:

- *Code of Conduct*: The Pronovias Group has a binding Code of Conduct for all its employees and collaborators, which disseminates ethical values and establishes the line of conduct for members of the organization in carrying out their professional and business activities anywhere in the world. Based on these ethical values, all Pronovias Group professionals show respect in the workplace, act with integrity in the marketplace, guarantee ethics and responsibility in our professional and commercial activity.
- *Supplier Code of Conduct*: The Group has developed a Code of Conduct applicable to its suppliers, in order to align them in compliance with human and fundamental rights, as well as other rights and obligations that concern the fashion world (i.e. environment, intellectual property rights, data protection, among others). See section 4 below for a more detailed explanation.
- *Whistleblowing channel*: At the end of 2019 the Group introduced a whistleblowing channel through the NAVEX GLOBAL external

provider's Internet and telephone support platform, through which all Pronovias Group employees can report violations of the Group's internal rules on conduct and regulatory compliance. In 2020, three complaints were received and processed through this channel, none of them related to the violation of human rights.

The Ethics Committee is the body responsible for investigating complaints processed through this channel.

- *Ethics Committee*: Overseeing compliance with and ensuring knowledge of the Code of Conduct, as well as any Group policies and regulations deriving therefrom lies with the Ethics Committee. The Ethics Committee is configured as an autonomous body when exercising its functions, organically and functionally dependent on the Board of Directors, whose main mission is to ensure compliance with the Code of Conduct and related policies, as well as any internal rules or protocols adopted in order to strengthen the commitment to compliance with the law and the prevention, control and prosecution of regulatory violations, especially of a criminal nature. The Ethics Committee is composed of three members, who are those holding the following positions: human resources management, financial management and legal counsel management.
- *GDPR Committee*: Additionally, and as part of the project to adapt to the European General Data Protection Regulation carried out during 2018, the Pronovias Group appointed the GDPR Committee, a body composed of legal department, systems department members and external advisors, geared towards drafting, reviewing and ensuring proper compliance with the regulations on

data protection, information society and systems security.

During 2021, it is planned to approve the appointment of a Data Protection Officer (DPO) on a voluntary basis, in order to have a specific representative dedicated to the protection of personal data.

Finally, in terms of corporate social responsibility, during 2018 the Group created an internal committee composed of executives (CEO, CMO, Human Resources Director, COO, Creative Director, Communication Director and Legal Director) dedicated to the analysis, definition and implementation of a strategy that correctly identifies the Group's values and mission. At the end of 2018, the Group conducted a review of its positioning with the advice of PricewaterhouseCoopers, and during 2019 defined the strategy to be put in place and developed over the 2020-2025 period, which is based on the following two pillars (I) the care and preservation of the planet and (II) women's empowerment in society.



2020, objectives achieved

Due to COVID-19 it has not been possible to meet all the objectives that had been proposed for 2020, since the pandemic caused internal resources (both personal and material) to be focused primarily on the management of issues arising from the crisis and the impact on the Group's activity. Notwithstanding the above, the following has been achieved:

- Implementation of a specific internal policies and procedures management software ("PolicyTech") developed by the external supplier NAVEX GLOBAL.
- Initiating the criminal risk prevention model review under Italian criminal law, taking into account the Group's high volume of business and presence in Italy.

Our commitment for the 2021 financial year:

Throughout 2021, the Pronovias Group is committed to:

- Review the risk map to adjust and adapt the risk prevention model;
- Review and update the Code of Conduct;
- Adopt a specific whistleblowing policy in compliance with European Directive 2019/1937 on the protection of persons who report breaches of Union law. Although this type of whistleblowing is currently provided for in the Code of Conduct, we hope that the adoption of a specific policy and appropriate training for employees will reinforce the protection of those weaker workers in our organization;
- Finalize the review of the criminal risk prevention model under Italian criminal law.



4. Pronovias Group and the respect for Human Rights

The Pronovias Group is fully committed to Human Rights protection in all its activities and to respecting international human rights principles, including, but not limited to, those expressed in the United Nations Declaration of Human Rights, in the standards of the International Labor Organization and the Modern Slavery Act 2015.

During 2020, the Pronovias Group did not receive any complaints regarding cases of human rights violations, consistent with the previous year's trend.

The Pronovias Group and its employees must comply with the current legislation in each of the countries in which it operates, including respect for human rights, and must adhere to the Code of Conduct, as well as internal rules and regulations and any instructions that may be approved in its development.

It is hereby stated that there is no child labor in any of the companies that make up the Pronovias Group and that all of them comply with the current legislation in the corresponding territory, particularly with regard to workers' rights. As indicated in the Code of Conduct, the Pronovias Group recognizes and protects the rights of workers, both individually and collectively, established by the ILO (International Labor Organization), the applicable legal system and internal policies.

4.1. Supplier Code of Conduct

The Pronovias Group has a Supplier Code of Conduct, which requires all our suppliers to respect fundamental human rights and the dignity

of the individual at all times and not to practice or tolerate any form of discrimination in the workplace in terms of hiring, compensation, promotion or termination based on race, ethnicity, nationality, religion, disability, gender, sexual orientation, age, marital status, pregnancy, union membership, political affiliation or other applicable prohibited basis.

Suppliers have agreed to comply with applicable labor and safety laws and to provide safe and healthy working conditions for employees in accordance with applicable laws and other relevant industry standards.

In addition, the Supplier Code of Conduct, as well as the Code of Conduct, prohibits child labor, referring to persons under 16 years of age or under the minimum legal age for employment in the country. Workers under the age of 18 may never perform duties that could jeopardize their health or safety, including night shifts and overtime.

Suppliers must ensure that any subcontractors involved in the supply of raw materials and/or production processes comply with the Group's Supplier Code of Conduct, which implies a responsibility to communicate its content and ensure that all measures are implemented accordingly.

4.2. Modern Slavery and Human Trafficking Statement

In April 2019, the Pronovias Group CEO signed the first Modern Slavery and Human Trafficking Statement, pursuant to the provisions set out in the 2015 English law bearing the same name, whereby the Pronovias Group recognizes slavery as a heinous crime against humanity and a morally reprehensible act

that today still represents a real problem for millions of people around the world, including in developed countries, who are exploited and victims of various forms of slavery.

Through this Statement, our Group has publicly committed to a zero-tolerance approach to slavery and human trafficking in our operations and supply chain. Our commitment is to act ethically and with integrity in all business relationships and to implement and enforce effective systems and controls to ensure that the Pronovias Group never works with any supplier that has demonstrably and repeatedly failed to comply with the core standards of the International Labor Organization.

The Group is currently preparing the Modern Slavery and Human Trafficking Statement for the 2020 fiscal year.





5.
Pronovias
Group and the
fight against
corruption and
bribery

The Pronovias Group approved its "Anti-Bribery and Corruption Policy" in March 2019 in order to reduce its exposure to regulatory risks of a criminal nature, and in particular to crimes related to corruption, fraud and bribery, pledging to conduct its business in an ethical and honest manner and to act with fairness and integrity in all business dealings. The guiding principles of this policy are legality, ethics and respect for international laws and regulations for the prevention of corruption and bribery.

Between 2019 and the beginning of 2020, the Group provided online training on the aforementioned Anti-Bribery and Corruption Policy, with 295 employees of the Group having participated in it.

Furthermore, the Group has contracted DOW JONES, an external provider of risk and compliance services, to improve the 'know your customer' process. This service includes a database consultation tool that identifies and evaluates criminal risks when establishing new business relationships with relevant customers and contracting services and products with key suppliers.

Our commitment for the 2021 financial year: The Group has proposed to review and draft a 'know your customer' policy to manage the customer registration process, ensuring compliance with internal regulations on corruption and bribery.

Finally, it is worth mentioning that the Group has not been aware of any legal proceedings concerning corruption or bribery affecting it in 2020.





6. Pronovias Group and the environment

The Pronovias Group remained committed in 2020 to complying and enforcing compliance in its supply chain with applicable environmental legislation and international standards, with special attention to pollution prevention, minimizing, as far as possible, the potential environmental impact generated by its supply chain, both on natural resources and on people.

In 2020, the Pronovias Group produced almost 198,000 products, including approximately 142,000 Pronovias brand products (wedding dresses, evening dresses and accessories), 37,000 Nicole brand products (wedding dresses and evening dresses), plus Ladybird brand products (19,000 wedding dresses).

We are aware that these figures reflect an environmental impact on natural resources resulting from the production and transportation of our products. Therefore, we have the duty to contribute to the preservation of the environment and, as such, we envisage initiatives that are sustainable in our production chain and distribution logistics.

6.1. Greenhouse Gas Emissions (GHGs)

During 2020, the Pronovias Group succeeded in strengthening its commitment to sustainable development, minimizing the environmental impact of its activities throughout the entire life cycle of its products until their final disposal, i.e. at each stage of the design, manufacturing, distribution and sales process, and specifically in relation to Greenhouse Gas emissions.

Following the indications received in 2019 from the verification, testing and certification services company SGS, Pronovias elaborated the inventory of Greenhouse Gas emissions (CO₂, N₂O, CH₄, HFCs) for the year 2020, following the requirements of the GHG Protocol.

The inventory was prepared following the methodology contained in the "Control and Monitoring of Greenhouse Gas Emissions" according to the following calculation formula:

"t of CO₂ - eq = Activity Data x Emission Factor".

It is important to note that, for the data of the subsidiary Lady Bird, B.V. (hereinafter, "Ladybird"), for lack of access to the supporting documentation to calculate the data due to the relocation of the offices, the amounts have been estimated based on the data provided in 2019 and reducing the consumption proportionally to the months in which the subsidiary has operated. Thus, consumption has been reduced by taking as average data for the calculation a shutdown period (COVID-19 quarantine) of 45 days/year (1.5 months).

For each emission source, and according to scope, the results obtained following the methodology of the aforementioned procedure are shown below, showing the data compared to the previous year.



SCOPE 1 - DIRECT EMISSIONS

1. Fixed combustion: Natural gas (San Patrick and Ladybird)

Natural gas (San Patrick)					
Scope				1	
Activity data		784.203		612.561	kWh(PCI)
Emission factor	2019	0,203	2020	0,203	kg CO2 / kWh(PCI)
Emissions		159.193		124.350	kg CO2

Natural gas (Ladybird)					
Scope				1	
Activity data		9.326		8.176	m3 <i>estimation</i>
Emission factor	2019	2,03053	2020	2,03053	kg CO2 e/ m3
Emissions		18.937		16.602	kg CO2

2. Fixed combustion: Diesel

Diesel (San Patrick)					
Scope				1	
Activity data		150		150	L
Emission factor	2019	2,493	2020	2,493	kg CO2 / L
Emissions		374		374	kg CO2

3. Mobile combustion: company vehicles (San Patrick, Nicole and Ladybird): Ladybird's mileage and Nicole's vehicle mileage have been estimated according to the criteria mentioned at the beginning.

Company vehicles					
Scope	1				
PRONOVIAS					
Activity data		889.509		889.509	km
Emission factor	2019	0,155	2020	0,155	kg co2 e / km
Emissions		138.228		137.874	kg co2e
LADY BIRD					
Activity data		5.215		4.572	L <i>estimation</i>
Emission factor	2019	2,491	2020	2,491	kg co2 e / L
Emissions		12.989		11.389	kg co2e
NICOLE					
Activity data		150.293		131.764	km <i>estimation</i>
Emission factor	2019	0,163	2020	0,163	kg co2 e / km
Emissions		24.457		21.477	kg co2e
TOTAL		175.674		170.740	kg co2e

4. Leakage of refrigerant gases: in contrast to 2019, 2020 reports no direct fugitive emissions from refrigerant gas leaks.

Refrigerant gas leaks								
Refrigerants used		Discharge Amount (DA)	EF kg CO2e / kg	Emissions (kg CO2e)		Discharge Amount (DA)	EF kg CO2e / kg	Emissions (kg CO2e)
R134A	2019	66	1.430	94.380	2020	0	1.430	0
R410A		14	2.088	29.232		0	2.088	0
R407C		0	1.774	0		0	1.774	0
TOTAL				123.612			TOTAL	

SCOPE 2 - INDIRECT EMISSIONS

5. Energy consumption (electricity):

Site	Number of sites	Consumption (kWh)	Emissions (kg CO2e)	Consumption (kWh)	Emissions (kg CO2e)	EF (kg CO2e/kWh)	
Production site	1	1.711.281	598.948	1.442.695	504.943	0,35	
Offices	1	962.812	336.984	742.311	259.809	0,35	
Spain	28	1.771.554	620.044	1.365.624	477.968	0,35	
Belgium	1	30.396	6.687	0	0	0,22	Store closed
France	6	401.537	14.054	193.550	6.774	0,035	
Germany	1	49.032	22.604	0	0	0,461	Store closed
Italy	2	348.201	141.370	215.676	87.564	0,406	
Portugal	2	110.846	28.266	94.051	23.983	0,255	
UK	1	154.194	21.322	166.565	22.986	0,138	
Mexico	2	118.190	62.286	21.581	11.373	0,527	
USA	5	174.567	91.124	230.508	120.325	0,522	
Ladybird (The Netherlands)	4	45.337	18.815	39.748	16.495	0,415	estimation
Nicole (Italy)	6	389.484	158.131	326.304	132.479	0,406	
TOTAL	60	6.267.432	2.120.634	4.838.613	1.664.701	0,338	

SCOPE 3 - OTHER INDIRECT EMISSIONS

6. Pronovias airplane imports:

Pronovias airplane imports						
Scope				3		
Activity data		8.548.759	tkm		6.038.008	tkm
Emission factor	2019	1,13174	kg CO2e/tkm	2020	1,13174	kg CO2e/tkm
Emissions		9.674.973	kg CO2e		6.833.455	kg CO2e

7. Nicole airplane imports:

Nicole airplane imports						
Scope				3		
Activity data		624.781	tkm		1.128.067	tkm
Emission factor	2019	0,041	kg CO2e/tkm	2020	1,13174	kg CO2e/tkm
Emissions		25.710	kg CO2e		1.276.679	kg CO2e

8. Pronovias truck imports:

Pronovias truck imports						
Scope				3		
Activity data		159.127	tkm		58.476	tkm
Emission factor	2019	0,2147	kg CO2e/tkm	2020	0,2147	kg CO2e/tkm
Emissions		34.165	kg CO2e		12.555	kg CO2e

9. Distribution from Barcelona:

Truck distribution from Barcelona						
Scope				3		
Activity data		576.451	tkm		174.482	tkm
Emission factor	2019	0,2147	kg CO2e/tkm	2020	0,2147	kg CO2e/tkm
Emissions		123.764	kg CO2e		37.461	kg CO2e

10. Distribution from Nicole:

Nicole truck distribution						
Scope				3		
Activity data		24.000	tkm		20.580	tkm
Emission factor	2019	0,2147	kg CO2e/tkm	2020	0,2147	kg CO2e/tkm
Emissions		5.153	kg CO2e		4.419	kg CO2e

11. Corporate air travel: border closures and the inability to travel during 2020 have substantially reduced the volume of travel.

Corporate air travel						
Scope				3		
Activity data		12.358.483	km		1.976.000	km
Emission factor	2019	0,188	kg CO2e/km	2020	0,188	kg CO2e/km
Emissions		2.320.680	kg CO2e		371.488	kg CO2e

12. Corporate rail travel: as in the previous section, the volume of rail travel has fallen sharply in 2020.

Corporate rail travel						
Scope				3		
Activity data		624.781	km		3.654	km
Emission factor	2019	0,041	kg CO2e/km	2020	0,188	kg CO2e/km
Emissions		25.710	kg CO2e		687	kg CO2e

13. Commuting from home to work (company bus):

Company bus						
Scope				3		
Activity data		12.872	tkm		10.651	tkm
Emission factor	2019	0,921	kg CO2e/km	2020	0,921	kg CO2e/km
Emissions		11.854	kg CO2e		9.810	kg CO2e

14. Fixed combustion Natural Gas Nicole warehouse: calculated by estimation with respect to 2019 consumption and considering temporary shutdowns due to closures resulting from the pandemic.

Nicole natural gas warehouse						
Scope				3		
Activity data		28.019	m3		24.565	m3 <i>estimation</i>
Emission factor	2019	2,031	kg CO2e/m3	2020	2,031	kg CO2e/m3
Emissions		56.893	kg CO2e		49.891	kg CO2e

15. Fixed combustion Propane Gas Distribution Center USA: estimated following the same criteria as above.

Propane gas distribution center USA						
Scope				3		
Activity data		306	t		268	t <i>estimation</i>
Emission factor	2019	2.936,86	kg CO2e/t	2020	2.936,86	kg CO2e/t
Emissions		899.425	kg CO2e		787.883	kg CO2e

16. Electricity consumption at distribution centers: for these centers, consumption has been estimated following the criteria indicated above.

Electricity consumption at distribution centers (scope 3)								
Site		Consumption	EF	Emissions		Consumption	EF	Emissions
Nicole		70.863	0,406	28.770		61.957	0,406	25.154 <i>estimation</i>
Nicole		43.138	0	0		0	0	0
HK	2019	1.489	0,766	1.141	2020	1.302	0,766	997 <i>estimation</i>
USA		5.617	0,522	2.932		4.911	0,522	2.564 <i>estimation</i>
TOTAL		121.107	0,271	32.843		68.170	0,271	28.715

17. Water consumption: water consumption is estimated for stores, Nicole and Ladybird according to the criteria mentioned above.

Water consumption								
Location		DA (m³)	EF	Emissions (Kg CO2e)		DA (m³)	EF	Emissions (Kg CO2e)
Spain		9.465	0,395	3.739		4.885	0,395	1.929
Other	2019	9.278	0,344	3.192	2020	8.134	0,344	2.798 <i>estimation</i>

18. Waste management: Spanish data refer to those declared in the DARI; Ladybird data have been estimated by comparing 2019 dress production (that is about 38,000 units) with 2020 production (19,000 units).

Waste management								
Waste		Quantity (t)	EF (kg CO ₂ /kg waste)	Emissions (kg CO ₂)		Quantity (t)	EF (kg CO ₂ /kg waste)	Emissions (kg CO ₂)
SAN PATRICK								
Plastic	2019	8,96	0,12009	1.076	2020	5,54	0,12009	665
Remainder fraction		110,34	0,64518	71.189		62,67	0,64518	40.433
Organic		29,32	0,63211	18.533		28,95	0,63211	18.300
Paper / Cardboard		102,58	0,05641	5.787		46,68	0,05641	2.633
WEEE		520,09	0,02135	11.106		0	0,02135	-
TOTAL		771,29	0,13962	107.691		143,84	0,13962	62.032
LADYBIRD <i>estimation</i>								
Remainder fraction	2019	10,27	0,58651	6.023	2020	5,14	0,58651	3.015
Paper / Cardboard		7	0,02135	149		3,5	0,02135	74,725
TOTAL		17,27	0,35744	6.173		8,64	0,35744	3.088
TOTAL		788,56	0,14439	113.864		152,48	0,14439	22.017

6.2. Light pollution

As part of the environmental impact reduction we promote and to combat light pollution, Pronovias has continued in 2020 with the established schedules for turning on and off the lights both in its own stores and at its headquarters. This schedule is generally established as follows: at the headquarters from 7am to 10pm and in stores from 9am to 11pm, although these schedules can be modified according to local bylaws in each of the locations where Pronovias is present.

Moreover, we have established a schedule for turning on and off the air conditioning system at our headquarters, which is active from 6am to 4pm, in order to reduce energy consumption.

Also, at our headquarters, we have modified the access schedule to the facilities at night and on weekends. Until 2019, the facilities could be accessed at any time during the whole week, but since mid-2020 access to the facilities has been restricted from midnight to 7 a.m. the following day, and on weekends, completely closing the building known as "Autovía", thus reducing energy consumption in those time intervals.

During the Government's state of emergency, Pronovias ceased its activities, disabling the lighting schedules of its stores and headquarters to save energy consumption. In addition, during the same period, temporary agreements were signed with electricity suppliers to reduce the contracted power and reduce energy costs, in accordance with the regulations published by the government.

Moreover, as part of our commitment to reduce greenhouse gases, a project

was started in 2019, with gradual implementation until 2022, to replace the halogen lights installed both at headquarters and in our own stores, with low consumption LED lights. This project has been compromised by restrictions and the move towards remote working in order to contain the spread of the pandemic, which means that its implementation in 2020 was affected. As a result, Pronovias has agreed to review the LED lighting implementation schedule at its headquarters and plans to complete it in 2023.

LED implementation in stores, due to the circumstances arising from the COVID-19 crisis, has been interrupted and remains the same as in 2019, i.e. 11 of the Group's 54 stores (both Pronovias and Nicole brand stores) currently have LED lighting. Over the next 3 years, the objective is to complete replacement of lighting in all stores, since energy-saving lighting has already been installed from the outset in the case of new openings.



6.3. Noise pollution

The Pronovias Group's activity does not have a significant impact on noise pollution. Facilities where the production center is located have a valid license for the use for which they are intended.

6.4. Biodiversity protection

Pronovias considers biodiversity safeguarding an essential part of our planet's health, as well as of the fashion industry's ability to sustain itself. The Pronovias Group believes that by using materials responsibly and working with suppliers to minimize impact, even small to medium-sized brands can reduce their environmental impact.

As an integral part of our internal strategy, in 2019 Pronovias began assessing all activities that directly and indirectly contribute to affecting biodiversity and ecosystem services along value chains, with the aim of continuously improving our sustainability and awareness.

Pronovias included biodiversity protection as part of a broader ESG plan, launched in 2019, whose guiding principle would be to avoid, minimize, restore and offset.

In 2020 Pronovias launched its first #WeDoEco collection. It is composed of thirty-nine dresses ranging from 360° Eco dresses, with a fully sustainable approach, to those Eco-friendly, i.e. made of sustainable materials.

All of these dresses demonstrate various factors in terms of sustainability,



including where they are produced, what they are made of and how they are packaged. Fifteen dresses are 360° Eco, having been produced entirely in Spain or Italy and are made from certified eco-friendly materials and delivered in eco-friendly packaging.

Incorporating materials such as embroidery and beading made from 100% recycled glass to zippers made from recycled PET bottles, each dress is designed in Barcelona or Milan, from fabrics certified by globally recognized sustainability authorities.

6.4.1. Raw materials: extraction, production and processing of raw materials such as cotton, viscose, polyester, metals, petrochemicals, paper, etc.

As previously stated in 2020, eco, environmentally friendly collections were presented for the Atelier Pronovias, Nicole, White One and San Patrick brands with a selection of dresses having at least one eco-material attribute relating to the materials used. This primarily includes GRS certificate for recycled polyester, OEKO TEX certificate, GOTS certificate for various materials and FSC certificate for paper components.

In addition, discussions have been initiated in 2020 with external partners to evaluate the possibility of reconvertng withdrawn stock materials from sale into new fabrics, as well as reducing surplus materials and reintroducing them into the textile industry circuit using marketplace platforms specialized in circular economy. The first initiative requires further research work to identify the right partner to carry out this work, however, as for the second initiative it is scheduled to go live in the second quarter of 2021.



In the packaging and trimmings category, Pronovias succeeded in reaching its target for all the Group's brands in 2020, by searching for, selecting and introducing new components (such as labels, covers, hangers and boxes) with at least one eco-material aspect, in relation to the materials used.

6.4.2. Manufacturing: the processing and assembly of raw materials into intermediate and final garment products.

The Pronovias Group remains committed to mitigating the potential negative impact on biodiversity generated by factories where products are produced and does not allow operations in any protected areas or areas that may pose a risk to endangered species, which is ensured through full transparency on the locations of manufacturing sites, including those of suppliers and subcontractors.

6.4.3. Transportation: the distribution of finished or partially finished products from the facilities where they are manufactured to our distribution centers.

By 2020, driven by further planning and project consolidation, we had a target of increasing the use of sea and road transport to 20% of the total volume of product transported. However, owing to the fact that the crisis resulting from COVID-19 caused severe disruptions in our supply chain in the main countries of both origin and destination of shipments and because we avoided passing the problem on to the end consumer, who was already suffering delays in his orders, we were not able to make as much use as we would have liked of the slower transport model, such as transport via sea and achieve the target set for 2020.

Nevertheless, it was possible to achieve 3% of total transport by sea and 8% by road.

By 2021, we are still aiming to achieve a minimum of 20% of transport by alternative means to air transport.

6.4.4. Product life cycle: the possibility of giving our products a second life

In 2020, a first range of products was designed and developed for the Nicole and Pronovias brands (to be launched in 2021) with a clear objective of allowing multiple uses for them, either by offering special fixings or by complementing them with predefined accessories. If this launch is well received, we will expand this initiative to all brands by 2022 to integrate circularity as part of our design and industrialization process.

6.4.5. Water management

Pronovias continues its focus on the introduction of a formal water resources policy as part of the long-term ESG strategy. Due to the numerous unforeseen contingencies that had to be dealt with during 2020 it was not possible to implement it, but it is planned to do so in 2021.

In addition, it is planned to evaluate our first-tier suppliers (see dedicated section) during the second quarter of 2021, and water management (existing policies and measures in place) will be one of the areas under review.

6.5. Recycling and waste management

Our waste management program is aimed at reducing waste by improving its segregation for subsequent recycling, as part of our strategy to reach the target of 50% recycled waste by 2025. This is measured as the recovery rate, i.e. the total waste generated by internal operations destined for recycling. The first actual measurement of the recovery rate was estimated to be given in 2020, but due to circumstances, a direct comparison cannot be made on this.

In 2019, the correct procedure was established to segregate plastic and cardboard waste produced at our San Patrick Production Center, thus facilitating recycling by the company, with a Pronovias Group employee dedicated to this task 8 hours a day. This procedure has continued to be applied throughout 2020, albeit with the conditions and restrictions caused by the pandemic.

Although in 2020 the Pronovias Group's intention was that this waste segregation procedure would be implemented across the entire network of its own stores, as well as in the Group's other subsidiaries, the situation has not been conducive to achieving this objective. At present, each of the stores continues to be governed, in terms of waste separation, by the local regulations of each city in which they are located.

Data (in tons) extracted from the "Annual Waste Declaration" of San Patrick S.L., respectively for 2018, 2019 and 2020, are reported below:

	2018	2019	2020
Mixing of municipal waste (code 200301)	206,88 TONS	110,34 TONS	62,76 TONS
Paper and cardboard (code 200101)	103,96 TONS	102,58 TONS	46,68 TONS
Market waste (code 200302)	33,47 TONS	29,32 TONS	91,71 TONS
Plastics (code 200139)	0,21 TONS	0,12 TONS	5,54 TONS
Plastic (code 170203)		8,76 TONS	
Plastic packaging (code 150102)		0,08 TONS	0 TONS

There was a significant reduction in the volume of cardboard and paper generated, largely due to closures resulting from government orders and a lower volume of purchases and imports. In contrast, plastic waste has increased in 2020 compared to 2019 due not only to the proliferation of single-use packaging due to the pandemic, but also to the return to the use of plastic bottles and better implementation of the current process of separating plastic components. The use of PPEs (disposable masks, gloves, etc.) has also increased the volumes of market waste. In 2020, Pronovias continues to maintain a collaboration agreement with the company AMBILAMP for the management of special waste (fluorescent bulbs and

light bulbs). In 2019, 520.09 kg net of this waste was generated. However, it has not been necessary to request any collection of this type of waste in 2020 due to periods of forced closures and lack of office use. Also, the management of battery waste continues to be carried out through the company FOMENT DEL RECICLATGE.

Pronovias Group's investment in the management and segregation of waste for its correct recycling amounted to approximately 7,500 euros in 2020.

Another of the Group's objectives for this year has continued to be the minimization of organic waste. The Stop Food Waste program to reduce food waste was implemented by our catering supplier EUREST in the past, which involves a more conscientious sourcing of food so as not to waste it. In 2019 we managed to save 230 kg of discarded food, and for every kilo of food the Eurest Foundation donated €1 to the Vicente Ferrer Foundation to help San Vicente Ferrer school's orphan children with food, school supplies and educational projects. In 2020, the canteen facilities were closed for several months due to COVID-19. The program's ideology was maintained during this period of operation. Meanwhile, our caterer's strict protocols to avoid food handling have led Pronovias to the frequent use of recyclable single-dose containers to serve food.

Unfortunately, the situation experienced in 2020 has forced Pronovias and its Italian subsidiary, Nicole Fashion Group S.p.A. to temporarily disable the KMO company's osmosis water filtration equipment, installed in 2018 and 2019 respectively, to ensure the health and safety of workers and prevent the spread of the virus, which enabled a reduction in consumption of approximately 17,800 plastic bottles in the past fiscal year.

The initiative to complete the installation program in all the Group's stores has been suspended in 2020 and is planned to resume in 2022.

At the head offices in El Prat de Llobregat (Barcelona) we continue to provide a free shuttle bus for employees in the building that connects them directly to the train station, thus encouraging the use of public transportation in an effort to minimize the use of private vehicles. In 2020, the service was reduced or even canceled due to low demand during periods of restricted mobility.

6.6. Packaging

At Pronovias, we are aware of the amount of waste generated by our packaging once products are purchased by customers.



We have implemented a number of initiatives to make our supply chain more sustainable, including the reduction of excess materials at the end of the season (implementing an on-demand model, combined with improved forecasting accuracy and a high degree of material reuse).

In 2020, we delayed the development and introduction of new brand images for the entire product line to the next fiscal year, aware of the importance of reducing stock and optimizing purchasing to cope with the global crisis. This has had an immediate effect on surplus stock of auxiliary materials (packaging). This replanning, together with a tighter analysis of purchasing and sourcing needs, shortening stocks to 6 months instead of longer lead times, has allowed us to reduce the value of our main packaging stock by 40%.

Other measures introduced include: reducing in-season material changes and better stock management; implementing an end-to-end sustainability loop to gradually introduce more sustainable materials along the decoration and packaging chain (FSC paper, recycled plastic, WPC hangers) and standardizing packaging across brands to avoid waste due to re-branding.

In 2020 we have made significant progress in the sustainability loop, proposing more environmentally friendly packaging materials and standardizing the materials used for packaging production across brands. This facilitates the management and planning of purchases of these materials, both in terms of minimum purchase quantities and by reducing product stocks and surpluses at the end of each season.

This is all part of a long-term business strategy that envisions converting all of our packaging (including labels, trims, boxes, ribbons, sleeves, bags and hangers) into 100% sustainable products by 2025.



Our 2021 commitment:

Throughout 2020, the Pronovias Group had proposed to carry out different measures to reduce its Greenhouse Gas emissions by at least **5%**, in order to reach the targeted reduction of up to **30%** of GHGs by **2025**.

In addition, it plans to adopt an environmental policy and a more specific energy and water consumption and waste management policy.

Initiatives planned for the coming year include:

- Launching **the first 100% eco-sustainable capsule** for the Atelier Pronovias line collection in all its components, and 3 other capsules for the White One, Studio SP and Nicole collections with products with at least **50% eco-sustainable components**. These capsules are not considered a single project, but the beginning of a new stage in which, from now on, all collections will have an increasing proportion of eco-friendly materials and components integrated in the process. The goal is to **reach 80% of ecological materials** in the collections **in the next 5 years**.
- The **"Sustainability Circuit" project**, which aims to introduce a minimum of 4 new packaging components introduced globally (all brands have eco-options) and a further **8 ongoing developments to be introduced by 2021**. This project started in November 2019 and the first step was to map the entire life cycle of our products in terms of packaging involved along the entire value chain. We have identified 12 components (labels, boxes, hangers, covers, etc.) that could be sourced with more eco-sustainable options and will be gradually integrated into our sourcing and purchasing starting in early 2020. The long-term goal is for **100% of our packaging** and **80% of our labeling materials** to be made from sustainable materials by **2025**.
- Raising employee awareness and implementing best practice campaigns in offices and stores (climate control, switching off equipment, people detectors in low-traffic areas, use of stairs instead of elevators, etc.).
- **Reducing GHG emissions** on a global scale through a combination of internal practices and extended supply chain initiatives (shipping more consolidated and less frequent shipments, increasing shipping and trucking versus air freight, etc.).
- Encourage **waste reduction** and separation of packaging materials by adding biodegradable materials.
- Prioritizing rail travel over air travel. Requesting distance data for company trips from the travel agency. Improving the collection of distance data: establishment of a systematic system of km readings taken in company vehicles.
- Improving document management by setting up a system for storing invoices (water, electricity, gas).
- Completing inventories of fire extinguishers and refrigeration equipment in the stores and LED lighting system for the stores.



7.
Pronovias Group
personnel
information

7.1. Employment

As of December 31, 2020, the Pronovias Group was made up of 959 people from different backgrounds, cultures and nationalities.

In relation to gender diversity, the majority presence of women is one of the most relevant characteristics of the workforce. Therefore, 88% of employees are women, compared to 12% men.

The distribution of employees by country and gender is as follows:

	2019		
COUNTRY	Man	Woman	Total
Germany	2	1	3
Brazil	1		1
China	2	10	12
Spain	98	521	619
France	1	35	36
The Netherlands	4	22	26
Italy	11	122	133
Mexico	2	17	19
Poland		5	5
Portugal		18	18
United Kingdom	1	26	27
USA	9	60	69
TOTAL	131	837	968

	2020		
COUNTRY	Man	Woman	Total
Germany	2	1	3
Brazil	1		1
China	2	9	11
Spain	88	509	597
France	1	42	43
The Netherlands	2	21	23
Italy	10	115	124
Mexico	1	25	26
Poland		4	4
Portugal		16	16
United Kingdom	1	25	26
USA	10	74	84
TOTAL	118	841	959

The classification of the workforce by **type of contract** and **age** is as follows:

2019													
CONTRACT TYPE	<21	>70	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	TOTAL
Indefinite Full Time		1	24	73	112	96	113	125	90	75	42	4	755
Indefinite Part Time		1	4	15	17	16	14	20	15	5	4	3	114
Temporary Full Time	1		16	11	7	10	5	4	6	4			64
Temporary Part Time			10	8	2	1	1	5	1	2	5		35
TOTAL	1	2	54	107	138	123	133	154	112	86	51	7	968

2020													
CONTRACT TYPE	>70	21 - 25	26 - 30	31 - 35	36 - 40	41 - 45	46 - 50	51 - 55	56 - 60	61 - 65	66 - 70	TOTAL	
Indefinite Full Time		24	77	114	95	112	118	92	73	34	3	742	
Indefinite Part Time	1	7	20	23	16	8	30	16	11	4	2	138	
Temporary Full Time		4	16	5	6	4	7	5	2	2		51	
Temporary Part Time		3	8	2	2	1	4	4	1	3		27	
TOTAL	1	38	121	144	119	125	159	117	87	43	5	959	

Classification by **country** and **age**:

2019													
COUNTRY	<21	>70	21	26	31	36	41	46	51	56	61	66	TOTAL
			- 25	- 30	- 35	- 40	- 45	- 50	- 55	- 60	- 65	- 70	
Germany		1				1			1				3
Brazil								1					1
China				1	5	4	1			1			12
Spain		1	21	57	81	73	100	107	82	55	38	4	619
France			7	6	7	3	4	4	1	2	2		36
The Netherlands				5	2	3	4	3	2	4	2	1	26
Italy	1		12	15	19	22	11	21	16	13	3		133
Mexico			1	3	3	3	1	5	2		1		19
Poland				1		1		1		2			5
Portugal				1	4	4	3	2	2	2			18
UK			3	2	4	4	3	8	1	2			27
USA			10	16	13	5	6	2	5	5	5	2	69
TOTAL	1	2	54	107	138	123	133	154	112	86	51	7	968

2020													
COUNTRY	>70	21	26	31	36	41	46	51	56	61	66	TOTAL	
		- 25	- 30	- 35	- 40	- 45	- 50	- 55	- 60	- 65	- 70		
Germany								2			1	3	
Brazil							1					1	
China			2	3	4	1			1			11	
Spain	1	10	52	81	70	92	116	84	59	29	3	597	
France		8	7	10	5	3	6	1	1	2		43	
The Netherlands			9	4	1	1	2	2	2	1	1	23	
Italy		6	20	21	18	11	19	15	12	3		124	
Mexico			4	5	6	3	3	4		1		26	
Poland			1			1	1		1			4	
Portugal				2	3	5	2	1	2	1		16	
UK		2	3	4	2	4	6	3	2			26	
USA		12	23	14	10	4	3	5	7	6		84	
TOTAL	1	38	121	144	119	125	159	117	87	43	5	959	

Classification by **type of contract** b y **country**:

2019													
CONTRACT TYPE	Germany	Brazil	China	Spain	France	The Netherlands	Italy	Mexico	Poland	Portugal	United Kingdom	USA	TOTAL
Indefinite Full Time	3	1	6	499	31	9	99	18	1	12	15	61	755
Indefinite Part Time				81	1	10	8				6	8	114
Temporary Full Time			6	18	3	2	24		4	4	3		64
Temporary Part Time				21	1	5	2	1		2	3		35
TOTAL	3	1	12	619	36	26	133	19	5	18	27	69	968

2020													
CONTRACT TYPE	Germany	Brazil	China	Spain	France	The Netherlands	Italy	Mexico	Poland	Portugal	United Kingdom	USA	TOTAL
Indefinite Full Time	3	1	5	483	35	6	95	14	1	14	16	69	742
Indefinite Part Time			2	85	7	8	12	4		2	3	15	138
Temporary Full Time			3	13	1	3	14	8	3		6		51
Temporary Part Time			1	16		6	4				1		27
TOTAL	3	1	11	597	43	23	125	26	4	16	26	84	959

As can be seen from the above table, almost 92% of the Group's employees are permanent employees, 84% of whom are hired on a full-time basis.

The classification by **type of contract** and **professional category** is as follows:

2019						
CONTRACT TYPE	Executive Committee	Senior Manager	Manager	Specialist	All other employees	TOTAL
Indefinite Full Time	14	39	39	35	629	756
Indefinite Part Time			1	1	111	113
Temporary Full Time					64	64
Temporary Part Time					35	35
TOTAL	14	39	40	36	839	968

2020						
CONTRACT TYPE	Executive Committee	Senior Manager	Manager	Specialist	All other employees	TOTAL
Indefinite Full Time	14	36	36	34	621	741
Indefinite Part Time			1	1	136	138
Temporary Full Time				1	51	52
Temporary Part Time					28	28
TOTAL	14	36	37	36	836	959

The classification by **country** and **professional category** is as follows:

2019						
COUNTRY	Executive Committee	Senior Manager	Manager	Specialist	All other employees	TOTAL
Germany		1			2	3
Brazil					1	1
China	1	1		1	9	12
Spain	9	30	36	31	513	619
France					36	36
The Netherlands	2		1	1	22	26
Italy	2	4	1	3	123	133
Mexico					19	19
Poland					5	5
Portugal					18	18
United Kingdom		1			26	27
USA		2	2		65	69
TOTAL	14	39	40	36	839	968

2020						
COUNTRY	Executive Committee	Senior Manager	Manager	Specialist	All other employees	TOTAL
Germany		1			2	3
Brazil					1	1
China	1	1		1	7	10
Spain	9	27	32	31	498	597
France					43	43
Hong Kong					1	1
Italy	1	4	2	3	115	125
The Netherlands	2		1	1	19	23
Mexico					26	26
Poland					4	4
Portugal					16	16
United Kingdom		1			25	26
USA	1	2	2		79	84
TOTAL	14	36	37	36	836	959

The Group was forced to adopt economic regulation measures in order to preserve employment due to the impact of COVID-19 on the company's activity, which was compelled to close its stores for several months during 2020 and continues to face restrictions in terms of store activity as of the date of this report. In particular, the adoption of a temporary layoff plan for force majeure was approved for store personnel in Spain and a temporary layoff plan for economic reasons was approved for head office personnel in Barcelona. Furthermore, similar measures were adopted, in accordance with each country's regulations, and applied to the personnel of: (I) stores in Portugal; (II) stores and wholesale in France; (III) stores in the United Kingdom; (IV) stores in Poland; (V) stores in the USA; (VI) store personnel in Mexico; (VII) stores in Italy, both Pronovias and Nicole stores.

Disability and employment: At the end of the 2020 fiscal year, 1.5% of the total number of the Group's employees (14 people in total) are people with a disability of between 33% and 65%, which is the same percentage as the 2019 fiscal year when there were 15 people with disabilities employed and compared to 0.6% of disabled workers in the 2018 fiscal year.

In all cases these people perform jobs that are not affected by their disability, so no specific adaptation of the job is necessary.

The number of terminations in fiscal year 2020 totaled 39 (13 men and 26 women). The breakdown by age and professional category is as follows:

2020

CATEGORY	Man	Woman	Total
Executive Committee	2	2	4
Senior Manager	3	1	4
Manager	1		1
All other employees	7	23	30
TOTAL	13	26	39

2020

AGE	Man	Woman	Total
21-25	1	1	2
26-30	1	5	6
31-35	1	3	4
36-40	1	7	8
41-45	1	3	4
46-50	5	4	9
51-55	1	2	3
56-60	2		2
61-65		1	1
TOTAL	13	26	39

The number of terminations in fiscal year 2019 totaled 70 (14 men and 56 women). The breakdown by age and professional category is as follows:

2019			
CATEGORY	Man	Woman	Total
Executive Committee	4	1	5
Senior Manager	1	1	2
Manager	1	2	3
Specialists	1		1
All other employees	7	52	59
TOTAL	14	56	70

2019			
AGE	Man	Woman	Total
21-25	2	4	6
26-30	1	9	10
31-35	2	7	9
36-40	1	8	9
41-45	1	11	12
46-50	4	9	13
51-55	3	2	5
56-60		4	4
61-65		2	2
TOTAL	14	56	70

The Group has a headhunting and recruitment policy, which includes mobility and internal promotion processes, internship selection and integration programs, as well as a candidate recruitment policy. This policy also includes the processes to be followed depending on the position to be filled, enabling the recruitment and selection of the best talent for each of the company's key positions.

7.2. Work organization

The Pronovias Group promotes measures to facilitate work-life balance.

The Group's central offices have policies that favor flexible work, such as flexible working hours (flexible start and finish times whenever the job allows it), as well as personal and professional reconciliation for workers with specific needs who are allowed to work from home. Production area teams work intensive hours, as do teams that, for service reasons or in order to adapt to the schedules they manage, cannot take advantage of flexible working hours (because they serve markets with time differences, they work intensive morning or afternoon shifts). Store opening hours vary depending on the opening hours in each location. However, Pronovias respects annual rest and working hours specifications set by the applicable agreements and regulations in each case.

In 2019, the Pronovias Group adopted specific measures to help reconcile the professional and family worlds of employees at the head offices in Barcelona who are fathers or mothers.

These measures consist of:

- Special working hours for pregnant women.
- Two weeks of adaptation for fathers and mothers when joining the company after paternity or maternity leave.
- The application for a compacted working day after maternity or paternity leave.

During 2020, six of the 349 people working at the Group's head offices have taken advantage of the reduced working hours for pregnancy and one person has taken advantage of the compacted working day after maternity leave.

In 2020, the Group has approved the alignment of paternity leave time with maternity leave recognized in the applicable labor legislation, thus extending the paternity leave time recognized by the regulations. In 2020, the legal right to paternity leave was 12 weeks, the other 4 weeks were applied through paid leave by the company. This measure was applied only at the Barcelona headquarters, since almost all store employees in Spain are women. In 2020, 2 employees who became fathers during 2020 took advantage of these measures.

Nationally, the number of people with a reduction for legal guardianship during 2020 was 96.

7.2.1. Absenteeism

Data relating to absenteeism is detailed below.

2020		
SPAIN		
624.544,86	67.391,44	10,79%
Total hours	Total absenteeism	Absenteeism percentage

2019		
SPAIN		
1.257.545,00	105.803,99	8,5%
Total hours	Total absenteeism	Absenteeism percentage

Breakdown 2019 and 2020:

2019						
GENDER	Strike	Leave	Sickness	Maternity	Breastfeeding	Accident
MAN	29,25	765,52	4.535,17	0,00	0,00	192,00
WOMAN	99,50	4.234,18	75.891,91	15.328,45	1.520,64	3.207,38
Overall total	128,75	4.999,70	80.427,08	15.328,45	1.520,64	3.399,38

2020							
GENDER	Leave	Sickness	Maternity	Breastfeeding	Accident	Paternity	High-risk pregnancy
MAN	194,35	6.527,96	0,00	0,00	0,00	2.455,49	0,00
WOMAN	3.147,80	41.714,90	9.370,16	1.634,18	1.326,61	0,00	1.019,99
Overall total	3.342,15	48.242,87	9.370,16	1.634,18	1.326,61	2.455,49	1.019,99

For the subsidiaries in Italy (Nicole) and The Netherlands (Ladybird), this is the breakdown of absence hours:

BRANCH/GENDER	Maternity	Accident	Leave	Sickness	Total
Ladybird	656,00			4.116,80	4.772,80
MAN				72,00	72,00
WOMAN	656,00			4.044,80	4.700,80
Nicole	4.680,00	96,00	2.692,00	12.147,04	19.615,04
MAN				216,00	216,00
WOMAN	4.680,00	96,00	2.692,00	11.931,04	19.399,04
Overall total	5.336,00	96,00	2.692,00	16.263,84	24.387,84

7.2.2. Labor disengagement:

In 2020 an agreement was signed with the workers' representatives of the companies San Patrick, S.L.U. and Estudio San Patrick, S.L.U. in which the following was established:

- To regulate compliance with the legal obligation to record the daily workday at San Patrick, S.L.U. and Estudio San Patrick, S.L.U. so that employees are aware of how it works and the obligations and rights deriving from it.
- To regulate the form of requesting absences from work.
- To determine the groups of workers that present certain particularities in the recording of the working day.
- To establish the criteria for organizing and documenting the daily workday register.

This agreement also establishes the measures for digital disengagement, regulating:

- 1) Communications by means of corporate email, WhatsApp and company telephone carried out outside the working day.

Employees shall have the right not to respond to any communication, regardless of the means used (email, WhatsApp, telephone, etc.), once their working day is over, unless there are justified exceptions that involve a serious or evident business detriment, whose temporary urgency requires an immediate response.

In such cases, the employee must be contacted beforehand to inform him/her of the cause of urgency that motivates such situation. In this way, the work time thus required shall be classified as effective working time in order to be considered as an extension of the working day.

Therefore, in order to make the most efficient use of the working day and to respect rest time, communications shall be sent by any means, respecting the working hours of the employees, avoiding sending them outside these hours or during weekends, holidays or holiday eves.

2) Vacations and rest periods.

The Company Management of San Patrick and Estudio San Patrick will guarantee the employees' right to digital disengagement for the duration of their vacations, in accordance with the terms set forth in the previous section.

These measures were communicated to employees through the corporate intranet.

7.3. Health and safety

The Group companies have contracted an outside prevention service to provide safety, hygiene, ergonomics and occupational medicine services for all the Group's work centers in Spain.

The Group's companies have an occupational risk assessment prepared by the external prevention service, which identifies the occupational risks of the different jobs and provides a breakdown of the corresponding preventive measures. The Pronovias Group complies with all applicable regulations on health and safety of workers in all countries in which it is established.

At Pronovias Group headquarters there is a Health and Safety Committee for the company San Patrick, S.L.U., made up of 3 people, who meet periodically, and a Health and Safety Delegate for the company Estudio San Patrick, S.L.U. and another one for the store located in Barcelona.

For the rest of the work centers, any issue related to the health and safety of the workers is channeled through the people in charge, who contact the HR department and the Prevention Mutual Insurance Company, if applicable.

Breakdown of occupational accidents by group company and gender in 2020:

Company	Gender	Days
SAN PATRICK, S.L.U.	Woman	8
SAN PATRICK, S.L.U.	Woman	7
FINANCIERA PRONOVIAS, S.A.	Woman	20
FINANCIERA PRONOVIAS, S.A.	Woman	6
FINANCIERA PRONOVIAS, S.A.	Woman	152
FINANCIERA PRONOVIAS, S.A.	Woman	16
FINANCIERA PRONOVIAS, S.A.	Woman	171
NICOLE	Woman	12
PRONOVIAS UK LTD	Man	7
PRONOVIAS RETAIL MEXICO	Woman	2
PRONOVIAS FRANCE	Woman	25
PRONOVIAS PORTUGAL UNIPESOAL LDA	Woman	9

Gender	Days	No. Accidents Person	No. Employees	Percentage
MAN	7	1	117	0,85%
WOMAN	428	11	841	1,31%
Total	435	12	958	

In 2020 the number of accident hours is 1,326 with the following breakdown by gender:

Gender	Accident Hours	Percentage
MAN	0	0,00%
WOMAN	1.326,61	0,26%
Total	1.326,61	0,21%

During 2020 there were a total of 1,326.61 hours of occupational accidents, all of which were "slight" category accidents, none of which were occupational diseases.

The frequency and severity rates are as follows:

- Frequency: $7 \text{ accidents} / 624,544 \text{ hours worked} \times 106 = 11.21$
- Severity: $380 \text{ accident days} / 624,544 \text{ hours worked} \times 1000 = 0.61$

2019		
Gender	Accident Hours	Percentage
MAN	192,00	0,01%
WOMAN	3.207,38	0,22%
Total	3.399,38	0,23%

As detailed later in the training section, Pronovias provides training to all employees of all Group companies (with the exception of Lady Bird, B.V.) in occupational risk prevention (ORP), whose objective is to train all employees in occupational safety, adapted to their job position.

A psychosocial study for the head office was initiated at the end of 2019. However, this study was not completed due to the pandemic. A first analysis of the workforce and satisfaction surveys were conducted, but neither the results have been studied nor measures have been sought to complete the study because of COVID-19 as of March 2020.

Moreover, yoga classes were held once a week at Group headquarters to encourage employees to engage in health-enhancing activities, but were discontinued in March 2020 as a result of COVID-19.

Between March and May 2020, face-to-face activity at headquarters was kept to a minimum, with most of the teams that normally provide services from headquarters working remotely.

At the end of May 2020, when the limitations imposed by COVID-19 allowed it, the on-site reincorporation to headquarters in rotating shifts took place. As regards health and safety for the return to work, together with the corresponding Health and Safety Committees, the protocol to be followed was established, consisting of the following documents:

- "PLAN FOR REINCORPORATION TO POST COVID-19 PRONOVIAS Central ACTIVITY", a document agreed with the Headquarters Committee where all the procedures and measures to be followed are established.

- "Welcome Back H&S Protocol ES v6" Central. Document given to workers to inform about the procedures and safety standards to be complied with.
- "COVID-19 Health Safety Protocol for HQ v4 phase 1 ES" Stores. Document for store workers (national and international).

During the confinement period in 2020, employees received weekly corporate newsletters "Together from home" with various types of content. Currently, a monthly "Pronovias People" newsletter is sent out.

Another highlight in the area of health was the celebration of the PINK OCTOBER in collaboration with the Spanish Association Against Cancer (AECC), an initiative that has been carried out for several years. Through this collaboration, the employees of the central offices in Spain purchased AECC products, collaborating directly with this cause.

7.4. Social relations

The entire workforce in Spain is covered by a collective bargaining agreement, depending on the position to which each employee is assigned. At the national level, provincial agreements are applied in the stores. At the head offices, the applicable agreement is the national textile industry agreement. The following table shows the agreement to which each of the employees in Spain adheres.

PROVINCE	AGREEMENT CODE	PROVINCE	AGREEMENT CODE
A CORUÑA	15003955012002	JAÉN	23000285011983
ALICANTE	03000855011981	LAS PALMAS	35000795011982
ASTURIAS	33000245011979	MADRID	28000795011982
BADAJOS	06000155011981	MÁLAGA	29004865011992
BALEARIC ISLANDS	07000195011981	MURCIA	30000285011981
BARCELONA	08000795011994	PAMPLONA	31002305011981
BARCELONA_HQ	99004975011981	SAN SEBASTIÁN	20000355011981
CÁDIZ	11000725011981	SEVILLA	41003455011998
CASTELLÓN	12000145011966	TENERIFE	38000465011984
CIUDAD REAL	13000085011982	VALENCIA	46000555011982
CÓRDOBA	14000025011981	VALLADOLID	47000075011983
GIRONA	17000035011994	VIZCAYA	48000595011982
HUELVA	21001905012002	ZARAGOZA	50000305011982

The following table also shows the labor legislation for countries where there are sector-specific regulations.

FRANCE	Convention collective nationale du commerce de détail de l'habillement et des articles textiles
PORTUGAL	CCT PARA O COMÉRCIO DO DISTRITO DE LISBOA
ITALY	CCNL Confcommercio
BRAZIL	CONVENÇÃO COLETIVA DE TRABALHO

The Pronovias Group respects current labor legislation in each of the different countries in which it is established and, as indicated above, the Pronovias Group recognizes and protects the rights of workers, both individually and collectively, established by the ILO (International Labor Organization), the applicable legal system and internal policies. At the individual level, the organization places special importance on the reconciliation of personal and professional life and the setting of wages taking into account the functions actually performed, always respecting at least the wages set in the applicable Collective Bargaining Agreements. At a collective level, the right to Legal Representation of Workers is of the utmost importance for the organization in order to channel and solve all collective conflicts that may exist, as well as all those personnel proposals that could be framed within the functions corresponding to the legal representation bodies.

The Group has Works Councils in the companies San Patrick, S.L.U. and Estudio San Patrick, S.L.U. in compliance with the applicable regulations.

In addition, Financiera Pronovias, S.A.U. has Staff Representatives or Works Councils in the following work centers: Madrid, Valencia, Alicante, Zaragoza, Barcelona, Las Palmas, Murcia and in addition Pronovias France has a Personnel Delegate in Paris covering all of France. The Group is not obliged by the applicable regulations to have more Works Councils. Employees' social dialogue is directly with the employees in cases where there are no employee representatives.

7.5. Training

The Pronovias Group has a 2020 Training Plan that groups specific knowledge required to perform the functions of a specific job position by professional families. Training under the umbrella of professional families is organized in "schools" that respond to training needs linked to strategic objectives and areas of specialization. These schools are: language school for head office employees and corporate school for employees of all Group companies, with the exception of Lady Bird, B.V.

The corporate school included in 2020 the training actions detailed below:

- **Welcome Days** for new employees at the central offices, offering knowledge about the general operation of the company, as well as the main departments.
- **Onboarding Days** at the central offices in Barcelona for certain positions, as well as in-store training for positions that require it, which have been carried out online due to the reduced presence in the office during 2020.

- **Pronovias Academy**, which is carried out online and mainly includes training in occupational risk prevention (ORP), explained above, Code of Conduct training, which aims to disseminate the ethical values of Pronovias and establish the lines of conduct of the members of the organization in the performance of their professional and business activity anywhere in the world, Harassment Protocol training, which aims to provide resources to understand the scope of harassment situations, as well as to learn about the internal procedure and how each of the phases are carried out, and finally, training in the Anti-Bribery and Corruption Policy.
- The Pronovias Academy also provides store personnel with specific training that is useful in the performance of their duties.
- During 2020, the Pronovias Academy launched a new content repository called "The Skillbrary", which is a set of interesting content related to day-to-day life, classified into various categories such as: product, computer skills, languages, health and wellness, etc.
- In 2020, Nicole Fashion Group, S.p.A. employees will have access to the Pronovias Academy platform.
- In the course of 2021, access to the Pronovias Academy platform will be given to Lady Bird, B.V. employees, the only ones who currently do not have access to the platform.

In 2020 the total number of classroom training hours was 8,489, of which 3,182 correspond to online training, 857 hours correspond to classroom training, and the remaining 3,240 hours are those dedicated to the language

school at headquarters, which is mixed between online and classroom. However, from mid-March 2020 until the end of the course in June 2020, the classes that were taught on-site were held remotely.

The total number of hours of classroom training in 2019 in all Group companies was 6,601 hours, those corresponding to virtual platform training were 1,756 hours and blended training, which combines classroom and online training, corresponding to language training for employees at headquarters which amounted to 4,770 hours.

7.6. Equality

Pronovias has been committed to promoting gender equality since 2011 through an Equality Plan, drawn up for the San Patrick, S.L.U. Company.

The Equality Plan was scheduled to be updated in 2020 and an Equality Committee was set up for this purpose. Also, an internal survey was carried out to gather the feedback of the employees on this matter and a deadline of March 13, 2020 was established to participate in the aforementioned survey. However, due to the COVID-19 crisis, this project was put on hold.

The Pronovias Group, as established in its Code of Conduct, in its commitment to respect diversity, upholds a policy of "zero tolerance" for conduct that constitutes harassment and discrimination. No person will be discriminated against on the basis of race, physical disability, illness, religion, sexual orientation, political opinion, age, nationality or gender, and special consideration will be given to the care and integration of people with disabilities or handicaps.

Employees must act, in compliance with the Group's Code of Conduct, on the basis of respect, dignity and fairness in their working relationships with other employees. All forms of physical, sexual, psychological or verbal harassment or abuse, as well as any other conduct that could create an intimidating or hostile work environment, are prohibited.

The Pronovias Group makes available to all personnel the corresponding reporting or complaint protocols to ensure a safe working environment. As mentioned in the section on training, the Pronovias Group has a workplace harassment protocol and a sexual and gender-based harassment protocol. During 2019, there have been three complaints of workplace harassment all of them were resolved by activating the protocol and with the action of the Harassment Committee.

Also, as a result of Pronovias' deep commitment to the empowerment of women, in 2018 Pronovias adopted a pioneering agreement on the eradication of gender-based violence, establishing measures that represent an improvement to Organic Law 1/2004 of 28 December on Integrated Protection Measures against Gender Violence, aimed at supporting victims of gender-based violence employed by the Group. The agreement provides, among other measures, for paid leave, economic allowances with or without reimbursement, change of location within the work center, schedule follow-up, attendance and social benefits. In addition, the agreement established a Gender Violence Support Committee made up of a member of the legal team and another person from the Works Committee to help and guide victims of gender violence, guaranteeing maximum confidentiality and discretion in all cases.

7.7. Remuneration

Pronovias Group employees' remuneration is structured in different ways, depending on the position they hold.

In addition to the base salary that corresponds to each person according to their professional category, certain job positions receive a variable remuneration that can be:

- Bonus payments: For certain positions of responsibility. A distinction is made between: Specialist, Manager, Senior Manager and Executive. Also, the objectives set for these positions are: company, collaboration and individual, with a different weight depending on the employee's position.
- Bonuses/commissions: monthly amounts are calculated based on various parameters (sales, absenteeism, appointment attendance, etc.) for the following groups: Customer; wholesale representatives; production teams (shipping, quality control and product development).

Company canteen: Employees at the Group's headquarters in Barcelona have a canteen service contracted with the company Eurest, part of which is deducted from employees' payroll who make use of this service and part of which is paid for by the company. This service was suspended for several months during 2020 due to the COVID-19 crisis since the teams that had the possibility of working from home remotely were working in this way, both during the State of Emergency approved in Spain between the months of May and June, and afterwards until the date of this report since the Pronovias Group follows the guidelines and recommendations regarding

remote work established by the authorities, particularly those issued by the Generalitat de Catalunya since the Group's central offices are located in that Autonomous Community.

Flexible remuneration plan: At Pronovias we have a Flexible Remuneration Plan for employees of Spanish companies, through which employees can allocate up to a maximum of 30% of their remuneration to contracting products such as: health insurance, childcare, training, transport ticket or restaurant ticket, with the consequent tax benefits. This plan is managed through an external platform contracted with the supplier "COMPENSA", where employees are registered once they join the company.

Performance review: every year employees set their objectives, which are reviewed by their direct manager, and at the end of the year the degree of compliance is reviewed.

The Pronovias Group rewards all employees above the minimum wage applicable in each of the countries in which it has employees.

As can be seen in the tables, the average salary is substantially higher than the minimum legally established in each country.



2020					
	Minimum Wage/Monthly	Minimum Wage/Annual	Average Salary Pronovias	No. of people	COMPARISON
Germany	1.589,00	19.068,00	62.741,43	3	329%
Brazil	238,33	2.860,00	16.740,00	1	585%
China	320,00	3.840,00	47.267,20	17	1231%
Spain	1.050,00	12.600,00	37.230,65	698	295%
France	1.521,22	18.254,64	25.855,74	54	142%
Italy	**		27.785,27	131	
Mexico	148,26	1.779,12	7.220,80	33	406%
Poland	616	7.392,00	14.904,34	6	202%
Portugal	700,00	8.400,00	13.355,46	21	159%
The Netherlands	1.684,80	20.217,60	35.619,60	30	176%
United Kingdom	1.596,52	19.158,20	27.142,66	31	142%
USA	1.968,00	23.616,00	45.289,41	117	192%

* Expressed in local currency and according to local regulatory information provided by our local labor advisors in each country.

** IMW in Italy is not published as of this report date.

2019					
	Minimum Wage/Monthly*	Minimum Wage/Annual	Average Salary Pronovias		COMPARISON
Germany	1.589,00	19.068,00	39.961,03		210%
Belgium	1.593,80	19.125,60	25.402,22		133%
Brazil	238,33	2.860,00	28.121,60		983%
China	320,00	3.840,00	38.168,61		994%
Spain	1.050,00	12.600,00	34.893,76		277%
France	1.524,56	18.294,72	25.278,74		138%
Italy	**		28.460,98		
Mexico	148,26	1.779,12	8.193,54		461%
Poland	531,00	6.372,00	14.448,29		227%
Portugal	700,00	8.400,00	12.878,85		153%
The Netherlands	1.635,60	19.627,20	42.178,71		215%
United Kingdom	1.596,52	19.158,20	26.937,35		141%
USA	982,00	11.784,00	53.093,39		451%

* Expressed in local currency and according to local regulatory information provided by our local labor advisors in each country.

** IMW in Italy is not published as of this report date.

7. Pronovias Group personnel information

If we perform a category-by-category analysis of the wage gap, i.e. gross annual salary of men over women, the result is as follows for the years 2019-2020:

2019 SALARY GAP COMPARISON			
Division / Category	Number Men	Number Women	% Gap
All areas except Retail			
Executive Committee	9	5	-32%
Senior Manager	14	15	23%
Manager	17	26	22%
Specialist	12	26	1%
All other employees	64	296	26%
Retail			
Senior Manager	0	5	n/a
All other employees	15	464	23%
Total employees	131	837	968

2020 SALARY GAP COMPARISON			
Division / Category	Number Men	Number Women	% Gap
All areas except Retail			
Executive Committee	9	5	-33%
Senior Manager	16	16	12%
Manager	10	27	17%
Specialist	13	23	-1%
All other employees	59	287	17%
Retail			
Senior Manager	0	4	n/a
All other employees	11	479	11%
Total employees	118	841	959

In general, there is not a very high salary gap, although the salary data for the Executive Committee category is particularly relevant, where, despite the existence of a slight gender difference, the salary gap is positive for women.



8.
Pronovias Group's
contribution to
the well-being
of society

8.1. The company's commitment to sustainable development

The COVID-19 crisis has challenged civilization. Companies from all sectors have tried to make their contribution to society, and the Pronovias Group has been no exception. The Pronovias Group did not want to be left behind, creating a collection called "HEROES COLLECTION", to show its gratitude to the female healthcare personnel who have been on the front line of the fight against the coronavirus around the world (doctors, nurses, cleaners and cafeteria staff), and donating 1,232 dresses from that collection to those healthcare personnel whose wedding was scheduled during 2020.

In addition, through an initiative coordinated with SEAT employees and the Martorell City Council, the Group's sewing staff volunteered their support to manufacture 2,000 face masks for healthcare personnel.

Besides the specific initiatives carried out during the health crisis, the Group has followed up on initiatives that form part of its corporate strategy aimed at promoting the empowerment of women:

- **BRIDES DO GOOD** (<https://www.bridesdogood.com/>) - Donation of dresses for fundraising for women's empowerment: the Pronovias Group continues to collaborate with this company by donating wedding dresses from previous collections. During 2020 the Pronovias Group donated 113 products to Brides do Good which, through its sales channel, raised GBP 23,196.99 from the sale of Pronovias Group products. Brides Do Good will donate GBP 7,655 of this total to Plan International's "Safe Schools for Refugees" initiative in Ethiopia, which aims to build schools in refugee camps in Ethiopia to improve the future of girls by providing them with an education that will help them avoid marginalization and improve their future.

- **PINK OCTOBER** - Initiative against breast cancer: For yet another year, the Pronovias Group has reiterated its commitment to the cause to mark World Breast Cancer Day. In October 2020, the Group donated 100% of the proceeds from the sale of certain wedding dresses to customers of its "Pronovias" and "Nicole" stores to breast cancer associations. For the stores in Spain and Portugal this campaign was carried out in collaboration with the Spanish Association Against Cancer (AECC), for the stores in the United Kingdom, France, Germany and Poland, through collaboration with the Future Dreams organization in the United Kingdom, with the Breast Cancer Research Foundation (BCRF) for the stores in the United States and Mexico, and with Lilt in Italy. A total of 22,584.13 euros and USD 2,890 was raised in this initiative.



8.2. Supply chain, subcontracting and suppliers

One of the main objectives of the Pronovias Group is to strive to research and develop new styles, patterns, fabrics and designs in keeping with the latest fashion trends and with a high demand for quality geared towards satisfying the needs of its customers. This is achieved through a strong supply chain, made up of fabric suppliers, final product suppliers, monitored by a rigorous quality control and distributed through logistics suppliers.

8.2.1. Network of product suppliers

The Pronovias Group's products are manufactured and supplied in various parts of the world.

In the 2019 Statement of Non-Financial Information, the Group's commitment to reduce by at least 10% the number of active suppliers by the end of 2020 was announced, reducing the exposure of suppliers located in high-risk countries by a further 10%. During 2020, the Pronovias Group has continued to pursue this objective in order to rationalize the number of suppliers (with a distinction between 1st and 2nd tier suppliers) and, to the extent that the product category allows it, to diversify suppliers by favoring those located in lower risk countries.

Therefore, from 88 active suppliers in 2019, of which 58 with operations in Asia, in 2020 the Group has reduced the number of suppliers with at least one purchase order in the system (reference: ERP M3) to 80 with 82 factories in total, of which 44 located in Asia and the other 38 in countries of proximity (Spain, Italy, Ukraine, Morocco). In 2020, the Group entered into partnerships with other suppliers in Europe (Lithuania, Latvia, Ukraine, Portugal), and in 2021, it plans to continue to reduce the number of active Asian suppliers.

8.2.2. Product quality control

The Pronovias Group has several quality control platforms (in Spain, Italy and Asia) to verify that the product distributed meets the Group's quality standards.

In 2020, the Pronovias Group has carried out several initiatives around quality control management, always with the aim of providing its customers with the best possible experience. Among these initiatives, the most significant are listed below:

1. Aligning quality standards, inspection methods and defect definition across all warehouses, by preparing a monthly quality report that is shared with all product suppliers, highlighting the most recurrent failures and identifying corrective actions.
2. Introducing additional care instructions (e.g. separators between products or filling) for suppliers and logistics operators on how products are packaged and shipped to customers.
3. Introducing quality control at origin. By adding third-party inspection directly at production sites (or at the nearest consolidation point), the Group aims to significantly reduce the rate of rejects or minor defects detected at destination. This will enable us to resolve problems in a more timely manner and avoid unnecessary long-distance shipments back and forth with the associated impact on the environment. The first quality control at the factories is scheduled to be launched in April 2021.

8.2.3. Logistics and product distribution

The Group has logistics platforms in Europe, North and South America and Asia, from which products are distributed to the various distribution channels around the world.

8.2.4. Supplier selection

The selection of suppliers is governed by criteria of objectivity and transparency, reconciling the Group's interest in obtaining the best conditions with the convenience of maintaining stable relationships with ethical and responsible suppliers. The Group's Spending Approval Committee, which reviews the spending proposals and budgets provided by the various suppliers, is required to apply the principles outlined above.

Since 2019, the Pronovias Group has introduced a Strategic Supplier Management ("SSM") function whose main objective is to impart to the entire Group strict guidelines for supplier selection and onboarding, conducting periodic supplier evaluation reviews based on performance and risk analysis, and providing strategic guidelines aimed at optimizing the supplier base, as explained below.

8.2.5. Supplier evaluation and monitoring system

In November 2019, the Pronovias Group presented to its board of directors a five-year strategy for specific supplier compliance (factory improvement program or "FIP Program") and the same was integrated into the Group's corporate social responsibility strategy.

Following the FIP Program execution, the Group developed the first Group Compliance Standards ("GCS"), which include:

- a) a classification of types of non-compliance by product suppliers (categorized between non-compliances that cannot be tolerated and those from highest to lowest level of relevance);
- b) a formal supplier authorization process; and
- c) all procedures for enforcing the code of conduct at different stages of a supplier collaboration.

The Pronovias Group signed a 3-year collaboration with supplier ECOVADIS in 2019 to carry out a corporate social responsibility supplier rating service through a global software platform in order to execute the FIP Program. Suppliers are ranked based on 3 criteria (country risk index, business involvement and previous proven compliance experience) and are contracted in order of priority.

The Group was agreed to suspend the launch of the evaluation of the factories to be carried out by ECOVADIS because it could not afford to travel to the site due to the COVID-19 crisis. In 2021, we plan to resume the program, starting with a first remote phase.

Pronovias Group will apply an approach aimed at obtaining inputs through the collaboration of suppliers, limiting on-site audits (SMETA 4 pillars) to cases of serious non-compliance detected during the assessment processes, in order to achieve the highest number of participants in the FIP Program. This year, the ECOVADIS rating system will also include a specific mention

on carbon emissions information provided by suppliers, as well as two sub-reports, one examining the risk of health crisis and the other the preparedness of supply chains prior to COVID-19.

Participation in the FIP program will be a mandatory prerequisite for starting or continuing the business relationship with the Pronovias Group. The SSM will monitor the outcome of the FIP Program and the evaluation of suppliers. The objective is to steadily increase the degree of supplier participation year after year to achieve a minimum participation of 80% of the supplier base (first and second tier) by 2025 and to have in the same period a minimum of 80% of suppliers scoring above the satisfactory level.

8.3. Consumers

8.3.1. Consumer satisfaction

Every day, we work to exceed our customers' expectations. That is why, since 2018, the Group has been aiming to constantly improve the consumer experience in its stores. The Group works to this end with the company Medallia, which is responsible for obtaining customer feedback to enable the Group to improve the relationship with the consumer and their satisfaction with the service it offers throughout the sales process (the "Satisfaction System"). The Satisfaction System also helps us in the development of action plans for improvement and development of the Retail Excellence 2.0 strategy.

The Satisfaction System is operational in all "PRONOVIAS" stores, and in 2020 it was also activated in "NICOLE" stores. During 2021, we plan to extend it to our franchise network.

The objectives of the Satisfaction System are as follows:

- to move from isolated perceptions to real-time customer feedback based on the transactions handled in the store;
- to obtain information on the evolution of the in-store experience in real time;
- to take action and win back dissatisfied customers, developing action plans based on their reasons for dissatisfaction.

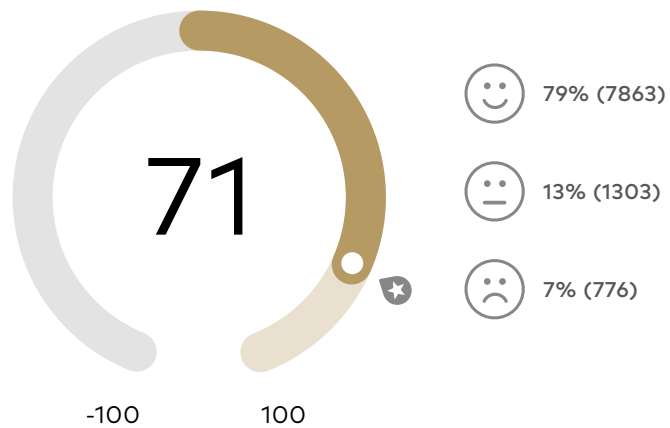
The Satisfaction System is measured at several points of contact with customers:

- By digital channels: we measure customer satisfaction when requesting an appointment and/or while browsing the website.
- In the "PRONOVIAS" and "NICOLE" store: we ask customers their satisfaction after their first appointment to try on wedding or party dresses and at the time of the second wedding dress fitting.

The main metric of the Satisfaction System is the Net Promoter Score ("NPS"), which measures the likelihood of customers to recommend the Group's service and stores. There are also other metrics to assess the level of satisfaction with the product variables, the attention and service received, the store environment and the communication received.

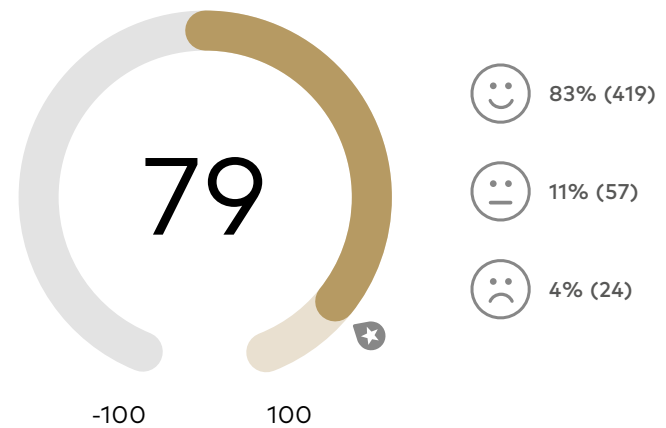
See below the NPS results for the year 2020, and their comparison with the previous year:

PRONOVIAS stores



★ All Stores: 71

NICOLE stores (no 2019 comparison). NPS first appointment



NPS on appointment request: 60 (+6 points vs 2019)

NPS at first appointment (see graph): 71 (+ 2 points vs 2019)

NPS in second test: 80 (+ 5 points vs 2019)

Furthermore, the Pronovias Group, as a customer-focused company, is active in managing requests by its customers through different communication channels (telephone, email and social networks), dealing with queries and incidents on all kinds of issues related to products, the sales process, the in-store experience (as much as possible in COVID-19 times), and queries about prices or product availability in store.

During 2020 we received a total of 3,291 complaints from "PRONOVIAS" store customers compared to 1,377 received in 2019. It should be noted that any incident reported by a customer of the referred stores managed by the Group is considered a "complaint". The increase in cases in 2020 related to issues arising from the wedding dress purchase contract is due to COVID-19 and the modification of customers' wedding plans. Specifically, 75% of the complaints received during 2020 relate to request for change in delivery date or change of chosen dress, since the wedding plans of these customers were postponed due to COVID-19, as mentioned in section 2.3 above.

It should be mentioned that most of the complaints have been satisfactorily resolved by the Pronovias Group's internal customer service department, being closed within the 2020 fiscal year itself, although 657 were still open at December 31, 2020, mostly due to the request to postpone the delivery date on more than one occasion by the same customer. Pronovias has only received a residual number of these complaints (less than 1%) that have culminated in proceedings before the ordinary courts, with a favorable outcome for Pronovias in some of these cases.

In addition to the above, the Group continuously monitors reviews on Google, Yelp and Facebook regarding "Pronovias" stores, with the aim of improving the average rating and responding to our customers. In 2020,

the "PRONOVIAS" brand stores achieved a score of 4.63 on Google, which is 5% higher than in 2019.

Despite the negative impact of COVID-19 on commercial activities, the "Pronovias" and "Nicole" stores have not stopped improving month after month in the rating of the service offered to customers and the management of their expectations. The Group takes special care with any feedback from any customer communication channel, and transforms it into an opportunity for improvement.

8.3.2. Consumer information

The products marketed by the Pronovias Group comply with the applicable regulations regarding the protection of the health and safety of consumers and users. No complaints have been received in 2020 (or in 2019 and 2018) regarding the health and safety of consumers and users.

Relations with our customers and consumers must be based on criteria of consideration, respect, impartiality and dignity.

Our products are manufactured in accordance with the highest international standards in terms of product quality and safety and meet the regulations applicable to the labeling and characteristics of dresses, so that our customers and consumers have the guarantee that our products do not pose any risk to their health.

Similarly, the information provided to our customers and consumers, both in our commercial activities and in the promotion and advertising of Pronovias

Group products, is truthful and relevant, and is conveyed in a clear manner so as not to offer false, misleading or deceptive information. Furthermore, our advertising campaigns will not present images that could induce or promote unhealthy or dangerous behavior.

The Pronovias Group ensures legal security by establishing general conditions of sale to customers and the security of the means of payment used in the Company's stores, in order to guarantee the proper functioning and traceability of billing and collection procedures, the protection of customer data and the prevention of fraud.

8.4. Donations to foundations and non-profit organizations

In 2020, the Pronovias Group made direct contributions to foundations and non-profit entities totaling USD 10,000.

In 2019, the Pronovias Group had made direct contributions to foundations and non-profit entities in the total amount of €6,198.89 to the EPIC Foundation.



PRONOVIAS GROUP

CRAFTING JOY

THE FIRST GLOBAL BRIDAL GROUP SHAPING THE FUTURE
OF OUR INDUSTRY FOR EVERY BRIDE