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NEXTIL GROUP'S CONSOLIDATED
STATEMENT OF
NON-FINANCIAL INFORMATION
YEAR 2020

NEXTIL
GROUP



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Report check Independent

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“We want to be and do better, we want our actions to be increasingly more respectful and committed, even in these times of great uncertainty, fostering businesses that help create a better world.”



2020 has been a year of unprecedented challenges, but also unique opportunities. The collaboration between different sectors of society resulted in solidarity initiatives that addressed both the needs of people and the market.

In this context, companies demonstrated remarkable adaptation capabilities at a previously inconceivable speed. They were able to build new models adapted to the basis of the new normal, allowing the world not to halt amid a global health emergency by enabling steady, uninterrupted global international trade and chain supply operations.

Companies managed to operate though this challenging context reconciling, on one hand, its commitments to shareholders, customers, suppliers, and employees, and on the other, with the additional responsibilities they had undertaken, contributing to social initiatives, or even providing resources and allocating production capacity to support the public healthcare system.

This paradigm shift and rapid adaptation shows that we are prepared to ensure the transition towards new production and con-

sumption models that allow us to operate with respect for the environment, building more sustainable businesses models that include social, environmental, and strategic governance aspects. We believe that we must be an integral part of the efforts of the textile and fashion industry to face climate emergency, increasing transparency and ensuring respect for the planet and human rights.

We have come a long way since creating our first Nextil Group sustainability strategy back in 2019. Today we have better visibility and transparency about our social and environmental impacts, and we have managed to define tangible goals and targets that will allow us to achieve concrete and quantifiable results.

We are aware that we still have a long way ahead of us in driving positive change. This is one of the many challenges we face as a company and as human beings.

We want to be and do better, we want our actions to be increasingly more respectful and committed, even in these times of great uncertainty, fostering businesses that help create a better world.

Alfredo Bru
NEXTIL GROUP CEO AND SHERPA CAPITAL
FOUNDING PARTNER

01

CRITERIA FOR PREPARING THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION

This report presents NEXTIL GROUP's consolidated statement of non-financial information as of December 31, 2020, prepared according to the requirements established in Spanish law Act 11/2018, of December 28, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Act 22/2015, of July 20, regarding Accounts Auditing, on matters of non-financial information and diversity.



The Consolidated Statement of Non-Financial Information for the year 2020 was prepared in parallel with the implementation of an adequate internal control system that allows us to collect information from all GROUP's subsidiaries but to date the implementation process has not yet been completed, therefore, for some indicators and in specific geographic areas, it was not possible to obtain some information, although, from the standpoint of the Board of Directors of the GROUP's holding company, it is not relevant to demonstrate the pursued objective, considering the Consolidated Statement of Non-Financial Information as a whole. Throughout the present document, these cases are identified as "not available (NA)" or similar terminology.

It should be noted that, for comparative purposes, quantitative information from the previous year is included, except for the following sections or details in which such information was not available or was presented differently in the previous year, thus not being comparable. The most relevant information is: raw materials consumption data (section 7.3), calculation of the carbon footprint for Spain (section

7.3.), annual average of permanent and temporary contracts by age (section 8.1.1.), annual average of open-ended contracts and temporary contracts by professional category (section 8.1.1.), employee turnover (section 8.1.1.) and absenteeism (section 8.3.1.).

To better understand this report, we have included point 12 in this document which contains a table with the relationship between legal requirements and GRI standards.

Following GRI Standards, the contents included in this Consolidated Statement of Non-Financial Information comply with the principles of comparability, materiality, relevance and reliability, therefore the information herein included is accurate, comparable and verifiable.

In accordance with the commercial regulations in force, this Consolidated Statement of Non-Financial Information has been subject to verification by the auditing firm GABINETE AUDIWORK, S.L. The independent verification report is included in this Consolidated Statement of Non-Financial Information as Annex I.

02

ORGANIZATIONAL PROFILE

NEXTIL GROUP operates through various subsidiaries.



NUEVA EXPRESIÓN TEXTIL, S.A. is the holding company of a group of several Companies whose activities are complementary, performing transactions amongst them.

The activity carried out by NEXTIL GROUP comprises the manufacture and sale of all kinds of knitted fabrics made from natural, artificial or synthetic fibers, as well as the manufacture of garments for the luxury goods, swimwear, athleisure and underwear markets.

NUEVA EXPRESIÓN TEXTIL, S.A shares are listed on two of the four Spanish stock exchanges and are listed on the continuous market.

2.1 GROUP STRUCTURE

NEXTIL GROUP operates through various subsidiaries. The dependent societies which integrate the Consolidated Group on December 31, 2020 are:

NEXTIL GROUP SUBSIDIARIES

Elastic Fabrics of America, Inc.

Dogi Spain, S.L.U.

Trípoli Investments, S.L.U.

Géneros de Punto Treiss, S.L.U.

Qualitat Técnica Tèxtil, S.L.U.

Elastic Fabrics, S.L.U

Ritex 2002, S.L.U.

Next Luxury S.L.U.

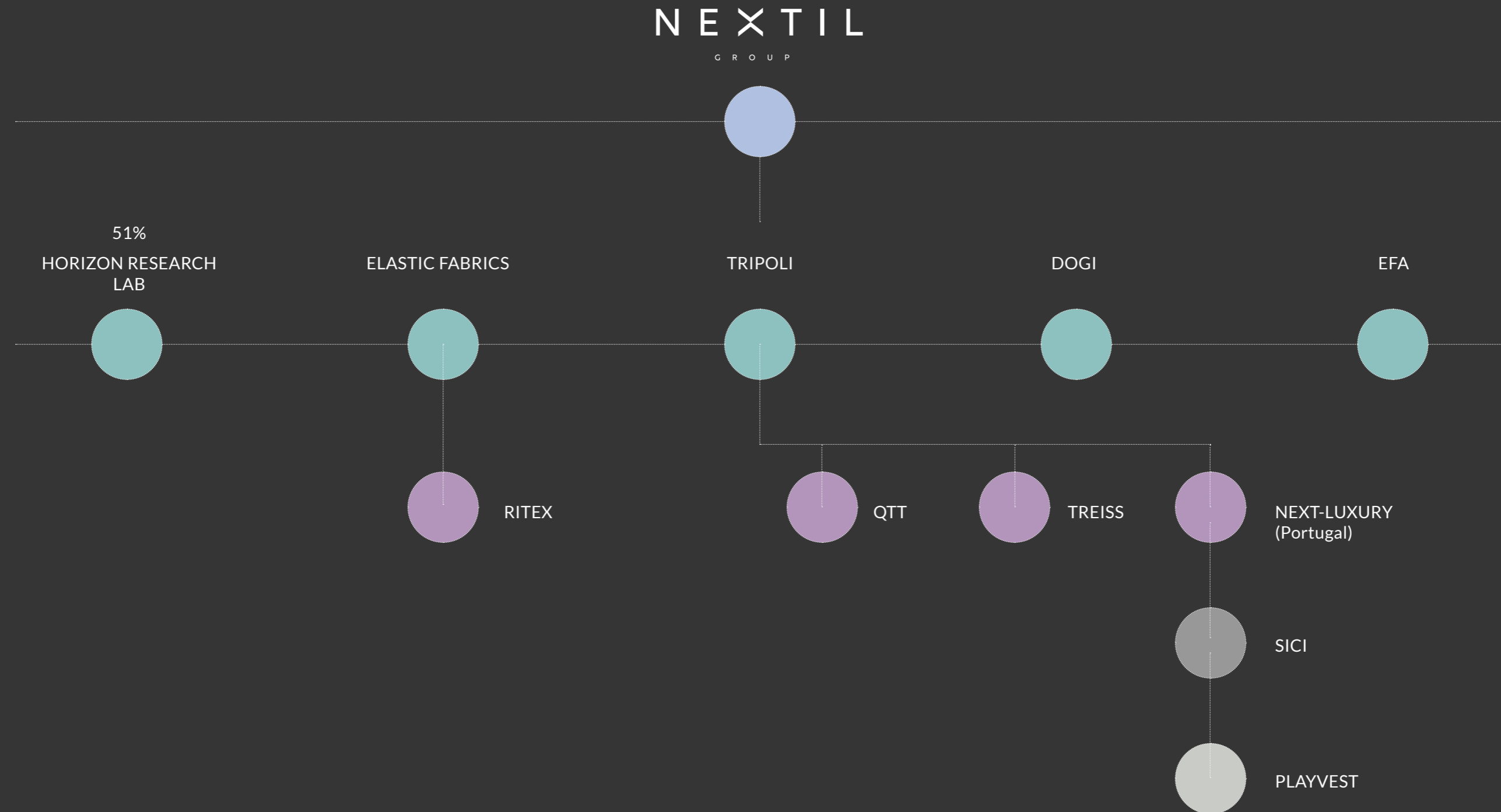
SICI 93 Braga, S.A

Playvest, S.A

Horizon Research Lab, S.L.

CORPORATE SCHEME

Regarding the Companies that were part of the Consolidated Group on December 31, 2019, New Gotcha, S.L.U was merged with Tripoli Investments, S.L.U and the companies QTT Portugal and Qualità Tecnica Tessil, S.r.l. were liquidated during the year 2020, HENCE are not included in the following corporate scheme:



NEXTIL
GROUP

NUEVA EXPRESIÓN TEXTIL, S.A.

is the Holding company whose main activity is focused on the holding and management of share or membership interests in the GROUP's different companies, as well as the provision of central services to those companies.

DOGI

DOGI SPAIN, S.L.U.

manufactures and sells elastic fabric at the industrial facilities of El Masnou (Barcelona).

EFA

ELASTIC FABRICS OF AMÉRICA, INC. (EFA, Inc.)

activity is the manufacture and sale of elastic fabric, located in Greensboro (North Carolina, USA).

TREISS

GÉNEROS DE PUNTO TREISS, S.L.U.

focuses its activity on the design, manufacture and sale of women's fashion knitwear for large fashion brands, as well as men's or women's swimwear and sportswear for Premium customers, mainly commissioning production from third parties.

QTT

GRUPO QTT

focuses its activity on the manufacture of knitted fabrics, promoting environmentally sustainable lines, made from organic cotton and recycled materials and with natural dyes.

RITEX

RITEX 2002, S.L.U.

manufactures and sells elastic fabrics for the swimwear and ready-to-wear industries.

SICI93

SICI 93 BRAGA, S.A.

is engaged in the production of high-quality fashion garments, especially aimed at the luxury market.

playvest

PLAYVEST, S.A.

specializes in the development, weaving, finishing and manufacturing of garments using seamless technology, high complexity or traditional Jacquard for the sports, athleisure, underwear and maternity fashion markets.

GDYES
GREEN DYES. NATURAL COLORS.

HORIZON RESEACH LAB, S.L.

is an innovation laboratory in the textile field specialized in the development of dyeing processes based on natural dyes.

2.2 NEXTIL GROUP'S BUSINESS MODEL

Reinventing fashion industry through innovation and sustainability

Our companies comprise one of the largest fashion groups in the world in the field of knitted and elastic fabrics, verticalized from fabric design to garment manufacture. We vertically integrate into a single group: design, technique, patternmaking, production, logistics, quality, sales and R&D, managing all stages in the supply chain from the creative process of garments and fabrics to their weaving, dyeing, finishing and manufacture.

This verticalization allows us to reduce, from an early stage, any negative impact on nature, creating products with a lower environmental impact and generate value by materializing synergies across R&D, product creation and operations cycle. This provides the Group with a strong strategic position in the market.

We offer custom-made design, production and delivery service, taking care of every single detail and ensuring strict compliance with deadlines and requirements adapting our processes to your standards.

Our Mission is to create fashionable fabrics and garments with unique design, quality and sustainability, always with the utmost respect and responsibility for the environment, our workers and our customers.

Our Vision is to be an international leader in innovation, quality and respect for the environment in the fashion industry, meeting the

highest standards of our customers and consumers.

NEXTIL GROUP is an industrial group with 3 owned factories in Europe and USA, as well as partner subcontracted facilities in Morocco, Turkey, Portugal and Bulgaria, with market presence on five continents, supporting the main fashion, luxury, swimwear, sportswear and lingerie companies in the world.

The main pillars of NEXTIL Group's value proposition are:

- Excellence in every step; from individuals to the team, from procurement to production, from design to delivery.
- The commitment to sustainability which opens new horizons for fashion industry
- The adoption of innovative technologies as a key factor for a dynamic and changing environment.

Our Group's companies develop their activities in constant synergy, combining their historical knowledge with the latest technological innovations in the production of clothing and creation of fabrics.

Trademarks

The GROUP includes different specialized brands in several sectors of the textile value chain from fabric creation and design to garments operational and logistics management.

DOGI

DOGI SPAIN, S.L.U. supplies the market with value-added, innovative and creative elastic fabrics at competitive prices and with high levels of quality and service. Its activity focuses on the design, industrialization and manufacture of fabrics for underwear, swimwear and sportswear industries.

With a factory in Masnou, Barcelona, DOGI is equipped with the most advanced weaving, finishing and dyeing technologies used in the industry, allowing to supply a sector as technological and advanced as the elastic fabrics sector, with products that meet high performance technical specifications.

EFA

ELASTIC FABRICS OF AMÉRICA, INC. (EFA, Inc.) is the main global supplier of elastic fabrics offering quality, service and innovation to the underwear, swimwear, sportswear and medical/industrial markets.

It has a factory in Greensboro, North Carolina - USA, equipped with high technology for weaving, finishing and dyeing of elastic fabrics, allowing EFA to supply a sector as technological and advanced as the manufacture of fabrics for the medical or intimate sector

QTT

GRUPO QTT focuses its activity on the production of sustainable knitted fabrics with respect for the environment. The company designs and manufactures ready-to-wear fashion garments, both in knitted fabrics and in a wide variety of materials (like cotton, polyester, polyamide, wool, viscose, metallic threads, among others).

It has its own R+ D+ i plant, which allows us to anticipate customers and market needs and is extensively equipped with weaving, conventional, digital dyeing and pattern-printing machinery.

QTT is a brand that specializes in the design and manufacture of knitted fabrics for large fashion brands and their suppliers, following Cradle-to-Cradle principles.

RITEX

RITEX 2002, S.L.U. is specialized in high-quality elastic fabrics in polyamide and polyester in both solid colors and patterns, offering a wide range of fabrics for swimwear, ready-to-wear and sportswear industries. Its designers' team is constantly creating new season patterns. It has a strong presence in the European swimwear fabrics market, selling to more than 60 countries around the world and to global leading market players.

Its synergies with EFA and DOGI are clear, being part of a single supply chain. RITEX is the brand specialized in the design of patterns and textiles for swimwear and technical fabrics for sports industries.

TREISS

GÉNEROS DE PUNTO TREISS, S.L.U. is a company engaged in the design, pattern-making and manufacture of knitwear, swimwear and sportswear. It has a qualified design team that uses the most advanced technologies for design, pattern-making, fabric and manufacture engineering in order to offer finished products to the world's leading fashion clients. The company can handle short production lead times required for design, fabric provision and clothing manufacture.

It has its own tailoring team, complemented by partner factories in Morocco, Turkey and Bulgaria. TREISS is the brand that develops clothing design, pattern-making and manufacturing of Fast-Fashion, swimwear and sportswear industries for leading international brands.



SICI 93 BRAGA, S.A. manufactures high-quality fashion garments, especially aimed at the luxury market, working closely and effectively with some of the most prestigious fashion houses and designers in the world. In addition, it provides integrated services of development (samples), pattern-making, operations management in the supply chain (control of delivery times, quality control of raw materials and accessories) and clothing manufacture. It has 2 production units, one packaging unit, and a central office headquarters, where cutting, quality inspection and sample development are performed.

playvest

PLAYVEST, S.A. specializes in the Development, weaving, finishing and manufacturing of garments using seamless and traditional technology for the sports, athleisure, underwear and maternity fashion industries. It supplies a wide list of customers from the best companies, in the international fashion market,



Through NEXTIL GROUP's synergies with one of its companies, **HORIZON RESEARCH**, the GROUP offers technology and product licensing of **GREENDYES**, a natural dyeing solution for organic or synthetic fabrics and garments, using natural and non-polluting substances, as well as low temperature and water consumption, when compared with conventional dyeing process.

2.3 STRATEGIC APPROACH

Textile Industry Outlook

The effects of Covid-19 on textile industry

The year 2020 is affected by exceptional circumstances that began in March with the declaration of a global pandemic and its impacts determine the course for society and global economy. COVID-19 could cause the biggest economic recession in recent history, affecting all sectors of activity, from finance to the families' economy. With regard to the fashion industry, given its discretionary nature, this sector is particularly vulnerable to its effects.

The pandemic has hit both the supply and demand sides of the industry: a highly integrated global supply chain means companies have been under great pressure trying to manage crises on multiple fronts as blockages occur. Simultaneously, spending freeze had a major impact, along with the generalized closure of stores in a sector that still depends to a large extent on physical channels, in addition to the consumers need to prioritize what is really necessary over discretionary products, as well as lifestyle changes and consequent consumption behavior changes.

The crisis as an opportunity. The challenge of sustainability in the fashion industry

This health crisis has forced the sector to rethink the current system of an industry that, in recent years, has become one of the industries with the highest impact and influence at a global level, due to its business turnover, its environmental impact and the number of people it directly and indirectly employs. Such fact increases the importance of recognizing the need to develop sustainable solutions to face climate emergency and of responding to consumers' growing demands by adopting responsible, ethical social and good governance practices.

Industry stakeholders have long acknowledged the need to reform the textile sector by incorporating sustainability into their business strategies, including social, ethical and environmental impacts as operational, regulatory, reputational, market and financial risks and opportunities.

The textile industry transformation is also accompanied by an evolving consumer trend towards responsible consumption. Consumer behavior already showed signs of shifting towards different paths before the pandemic. What we call "consumer quarantine" resulting from the pandemic may have boosted some of the following changes in consumers:

- In Europe and the USA, more than 65 percent of consumers expect to decrease their spending on clothing, while only 40 percent expect to decrease total household spending.
- The pandemic will increase the focus on sustainability related values further polarizing opinions concerning overconsumption and irresponsible business practices.
- According to a McKinsey survey, 15 percent of consumers in the U.S.A. and Europe expect to buy more environmentally friendly and socially sustainable clothing.
- Focus on sustainability will be especially important for Gen Z and Millennial buyers, whose concerns for the environment had already heightened before the crisis.

The current industry context presents **opportunities** to incorporate sustainability into its business strategies. Far from being pushed aside by the urgency of taking immediate action to face the impacts of the health crisis in the industry, the sustainability agenda grows in order to achieve a robust development in the future:

- Building **brand trust** and **brand loyalty**: Brands capable of reorganizing their

missions and business models in more sustainable ways have new loyalty opportunities, in line with the evolution of consumer behavior. The attention devoted to fashion brands' social practices and safety measures to protect workers and consumers has increased inasmuch as consumers increasingly take social and environmental aspects into consideration in their purchasing decisions.

- Working to progress towards **new business models** focused on reuse, recycling and circularity. It is time to combine new business models with innovative designs, technologies and materials that eliminate waste and pollution and generate a positive impact on the entire fashion value chain. The immediate crisis of overstock presents an opportunity to face the challenge of adapting to the demands of the circular economy, that is, the use of recycled raw materials instead of virgin raw materials, considering the use of those with less social and environmental impact.
- Developing a **social and environmental impacts map throughout the value chain**. The ability to track where and how products are manufactured is the first step to assess risks concerning human rights, climate and biodiversity.
- **Strengthening and balancing relationships with suppliers**. Companies have the opportunity to jointly invest in long-term businesses, establishing strategies with their supply chain partners to safeguard and pursue labor relations which respect human rights. This crisis presents the opportunity to work with suppliers as a means to support sustainability agendas and anticipate future crises.
- **Governments and supranational entities impose increasingly stringent requirements**. The European Green Deal, the new growth strategy of the European Commission, incorporates a series of regulatory measures, which turn environmental and social sustainability

issues into mandatory requirements for company's products, components and disclosures. Examples of this are the climate law of the European Union, the action plan for circular economy and the strategy for sustainable chemistry.

NEXTIL GROUP's strategic lines

The ability to anticipate and react to our customers' demands and offer them responsible fashion items is the basis of the Group's business model, which aims to become a fully integrated and sustainable textile industrial group.

The Group's growth strategy has been based on its great potential to create a large textile holding company, holding an excellent stance to seize market opportunities. There is a business plan involving the development of a Group with a turnover of 150 to 200 million, mainly through incorporating within the Group's perimeter new companies that are synergistic with existing ones, thus leading the Group to the path to profits.

With aims to overcoming the challenges caused by COVID-19, the Holding Company's Directors drafted a business plan for the following years entailing important changes in several aspects, resulting in several restructuring processes.

In some of our markets, expected turnover for 2021 will still take time to equal 2019 figures due to the ongoing impact of the pandemic. Nevertheless, necessary measures have been taken to achieve a robust and profitable growth.

Following an analysis of costs, operations and searching potential support within the supply chain and, considering the technical impossibility of an internal solution, given the structural limitations of the facilities in El Masnou, activities that had a strong negative impact in factory profitability shall now be subcontracted. These outsourced activities shall have a positive impact on the results of the Fabrics Unit in El Masnou.

The changes made in our sales structure, reorganizing into five sales divisions: Luxury, Sportswear, Swimwear, Underwear and Medical Clothing, allocating resources to each one of them, as well as focusing our sales network efforts, will boost our presence in all markets.

The COVID pandemic has impacted all Group's activities during 2020. The health crisis had a negative impact on the Group with a sudden sales drop in 2020 and the stagnation of productive and commercial activities in different markets, as a result of the decline of orders due to the temporary closure of customers' stores and global consumer recession.

In El Masnou, the plant was closed for four months due to total lockdown in Spain. Subsequently both a temporary and a definitive restructure was deemed necessary. The Group's management decided to reduce production capacity in order to adjust personnel costs to activity levels, which led to a personnel restructuring at TREISS, employee lay-off from April 1st, with prior agreement of workers' representatives, in all Spanish companies, and finally to the application of new measures. In December 2020, the group signed a Redundancy Plan in Spanish companies in order to adapt the workforce to current production demands, which is expected to take place in the first half of 2021.

The American subsidiary, closed in alternate weeks, in order to continue providing services to active customers, mainly in the medical market. The US government granted non-refundable subsidies to finance wage costs arising from job preservation.

NEXTIL GROUP's sustainability strategy

Today, more than ever, it is clear that the world needs to change outdated business models which, despite having been paramount in building the highest levels of global prosperity we have witnessed in

the History of Mankind, have generated negative impacts in society and the environment, replacing them by new models which maximize opportunities and address risks as part of the solution.

We believe every industry must take its responsibility and we are committed to do our part by placing sustainability at the very core of our business model, incorporating social, ethical, and environmental impacts as market and financial operational, regulatory, and reputational risks and opportunities.




Our commitment

We are building a sustainable business model; a model that creates long-term value for shareholders, increasing competitiveness and generating social, environmental and economic well-being for stakeholders.



We want to drive positive change in the fashion industry and operate within planetary boundaries to meet the needs of future generations.


Our strategy

We base our sustainability strategy on three main pillars that can drive positive change:

	PEOPLE Provide a respectful, safe and healthy work environment. Promote transparency, ethical conduct and good governance.
	PRODUCT Sustainable raw materials. Supply chain traceability.
	PLANET Efficient use of water, energy and chemical substances. Climate change.

GOALS & TARGETS

	PROVIDE A RESPECTFUL, SAFE AND HEALTHY WORK ENVIRONMENT	<p>Target A. By 2021 Assess social and labor conditions in owned facilities using the Higg Facility Social & Labor Module (FSLM) - Portugal, Spain and the USA.</p> <p>Target B. By 2023, Achieve an 80% score in the verified Higg FSLM index in owned facilities: Portugal, Spain and the USA.</p> <p>Target C. By 2021 Certify integrated management systems - Quality (ISO 9001), Environment (ISO 14001) and Safety (ISO 45001) - Portugal Facilities</p>
	PROMOTING TRANSPARENCY, ETHICAL CONDUCT AND GOOD GOVERNANCE	<p>Target D. By 2021 Establish business ethics management systems and provide the necessary resources to identify and assess risks and measure compliance. - Portugal, Spain and the United States</p> <p>Target E. Ensure transparency through the annual disclosure of the Sustainability Report in accordance with the Global Reporting Initiative (GRI) Standards. - Portugal, Spain and the United States</p>
	SUSTAINABLE RAW MATERIALS	Target F. By 2021 increase the sustainability of our raw materials mix; Procure more sustainable cotton, replace virgin fibers with recycled polyester fibers and source artificial cellulosic fibers from certified non endangered forests, manufactured using a more sustainable process. - Portugal, Spain and the United States
	SUPPLY CHAIN TRACEABILITY	<p>Target G. By 2021 Map and trace tier one and two suppliers and subcontractors</p> <p>Objective H. By 2022 Assess supply chain sustainability risks and opportunities</p>

	EFFICIENT USE OF WATER, ENERGY AND CHEMICAL PRODUCTS	<p>Target I. By 2021 Measure and assess owned facilities environmental performance using the Higg Facility Environmental Module (Higg FEM)</p> <p>Target J. By 2021 Implement energy and water efficiency programs and increase consumption of renewable energy sources.</p> <p>Target K. Lead the textile industry in reducing dyeing pollution.</p>
	CLIMATE CHANGE	<p>Target L. By 2022 Report Scope 1 and 2 carbon emissions in accordance with the Corporate Accounting and Reporting Standard of the GHG Protocol</p> <p>Target M. By 2023 Establish and commit to Science Based Targets for carbon footprint reduction.</p>

2.4 NEXTIL GROUP IN FIGURES

NUMBER OF CUSTOMERS	+ 500	CUSTOMERS OF MAJOR FASHION AND CLOTHING BRANDS.
NUMBER OF EMPLOYEES	503	EMPLOYEES ON DECEMBER 31, 2020. 95% WITH PERMANENT CONTRACTS.
PRODUCTION CENTERS	3	OWNED FACTORIES IN EUROPE 1 IN THE USA AS WELL AS PARTNER SUB-CONTRACTED FACILITIES IN MOROCCO, TURKEY, PORTUGAL AND BULGARIA.
TURNOVER	58.511.308	EUROS
NUMBER OF SUPPLIERS	+100	GREAT MULTINATIONAL SUPPLIERS.
PURCHASE VOLUME	33.145.950	EUROS
INVESTMENT IN R&D	2,2	MILLION EUROS, INVESTED IN THE LAST TWO YEARS.

03

CORPORATE GOVERNANCE

The General Board of Shareholders is the representative body of all shareholders and the highest decision-making body of the GROUP.



3.1 NEXTIL GROUP'S CORPORATE BODIES

On December 31, 2020, the significant shareholders of the GROUP's dominant firm are: BUSINESSGATE, SL. 60.23%, AUDENTIA CAPITAL SICAV, PLC - TRINITY PLACE FUND 5.45%, the remaining is free float capital.

The Board of Directors is the body in charge of managing and representing the Company, notwithstanding the powers granted to the General Board of Shareholders of the Group's holding company, which is the highest supervisory and control body.

Maximizing Company's value shall necessarily be carried out by the Board of Directors to (i) comply with the requirements imposed by law, (ii) fulfill in good faith the explicit and implicit contracts with workers, suppliers, investors and customers, and (iii) in general, observe the ethical duties reasonably imposed by a responsible business management.

BUSINESS MANAGEMENT. COMPOSITION OF THE BOARD OF DIRECTORS OF THE GROUP'S HOLDING COMPANY ON 12-31-2020

NAME OR CORPORATE NAME OF THE DIRECTOR	DIRECTOR CATEGORY	POSITION ON THE BOARD
Sherpa Capital 2, S.L.	Proprietary Outside Director	Chairman
Lantanida Investment. S.L.U. (formerly denominated Sherpa Desarrollo SL)	Executive Director	Managing Director
Ferso Management, S.L.	Proprietary Outside Director	Director
Jethro Management Consulting, S.L.	Independent Outside Director	Director
Lhotse Estudios, S.L.	Independent Outside Director	Director
Mr. Manuel Juan Martos Gutiérrez	Executive Director	Director
Mr. Juan José Rodríguez Navarro Oliver	Proprietary Outside Director	Director

In 2020, the Board of Directors of the Group's holding company gathered 10 times .

Currently, there is no female presence on the Board. When incorporating new or replacing current directors, female applicants with an appropriate profile to the Company shall be considered. The criteria for the selection and appointment of Directors approved by the its Board of Directors establishes that the company, when choosing its directors, shall take into consideration gender diversity, to ensure equal opportunities as determined in the regulatory framework .

NEXTIL shall likewise ensure that amongst members of the Board of Directors there is not only gender diversity, but also geographical, age and professional experience diversity. Thus, during director selection process, candidates shall be assessed based on criteria of equality and objectivity, avoiding unconscious biases that could imply any discrimination and, in particular, hinder the selection of female directors.

The Regulations of the Board of Directors establish that the Board shall verify that its members' selection procedure favors diversity of gender, experience and knowledge and does not entail unconscious biases that might imply any discrimination, particularly facilitating the selection of female directors.

Furthermore, in line with the provisions of Recommendation 14 of the Unified Good Governance Code of Listed Companies, the Company's Board of Directors intends to approve a directors selection policy according to the provisions of the aforementioned recommendation.

Board Committees

Audit Committee

Committee dependent on the Board of Directors responsible for overseeing the internal control of the Holding Company and therefore of the GROUP, for internal audit and risk management systems. It consists of a chairman and two voting members:

COMISIÓN DE AUDITORIA		
NAME	POSITION	TPOLOGY
Jethro Mangement Consulting, SL (Represented by Mr. Richard Rechter Leib)	Chairman	Independent Outside Director
Lhotse Estudios, S.L. (Represented by Mr. Fernando Diago de la Presentación)	Voting member	Independent Outside Director
Ferso Management, S.L. (Represented by Mr. Jorge Fernández Miret)	Voting member	Proprietary Outside Director

¹ As determined in Spanish law Equality Act (March 22, 2007), in Royal Decree-Law 18/2017, of November 24, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010, of July 2, and Act 22/2015, of July 20, regarding Accounts Auditing , on matters of non-financial information and diversity, and in Act 11/2018, of December 28, which amends the Commercial Code, the revised text of the Capital Companies Act and Act 22/2015, of July 20, regarding Accounts Auditing , on matters of non-financial information and diversity.

The Audit Committee gathered 4 times during the year 2020.

During 2020, the Audit Committee performed its duties when its intervention was required and in particular, all matters regarding review and prior information to the Board of Directors on financial and non-financial information that the Company must disclose from time to time.

The responsibilities of the aforementioned corporate body include:

- To supervise the effectiveness of the company's internal control, internal audit and risk management systems;
- To inform in advance the Board of Directors on all matters provided for in the Law, in the Corporate Bylaws and in the Regulations of the Board of Directors and, in particular, on the financial and non-financial information that the Company must disclose from time to time;
- Supervise compliance with corporate governance rules and Company's internal codes of conduct, thus ensuring that corporate culture is aligned with its purpose and values;
- Supervision of general policy application on matters of economic-financial, non-financial and corporate information disclosures, as well as communication with shareholders and investors, proxy advisors and other stakeholders the Company might approve. Likewise, the Committee shall oversee how the entity communicates with and relates to small and medium shareholders;
- Assessment and periodic review of the Company's corporate governance system and environmental and social policy that, when applicable, the Company approves, in order to fulfill its mission of promoting social interest, taking into account, as appropriate, the legitimate interests of other stakeholders;

- To supervise and guarantee that the Company's practices on environmental and social matters comply with established policies;
- To supervise the preparation and presentation processes of regulated financial and non-financial information; ;
- Communicate financial and accounting irregularities to the Audit Committee, in addition to eventual breaches of the code of conduct and irregular activities in the organization.

Appointments and Remuneration Committee

The Advisory committee oversees the appointment, re-election and assessment of directors and is responsible for recommending their remuneration. It is composed of a president and two voting members. Among its functions, the Appointments Committee recommends the Board of Directors the remuneration policy applicable to Directors and General Directors or those with senior management functions reporting directly to the Board of Directors, executive committees or Managing Directors, as well as, the individual remuneration and other contractual conditions of executive directors, ensuring its compliance.

The Committee is also responsible for establishing a goal of representation, for the less represented gender on the Board of Directors and defining guidelines on how to achieve this objective, as well as, issuing the report on the adoption or otherwise of any measures, such as opening an internal investigation, requesting the resignation of an Administrator or advise their dismissal in the event of situations that could harm Company's credit and reputation, and in particular any criminal proceedings in which the Director is under investigation and that must necessarily be reported to the Board of Directors.

The Appointments and Remuneration Committee composition is as follows:

APPOINTMENTS AND REMUNERATION COMMITTEE COMPOSITION

NAME	POSITION	TPOLOGY
Lhotse Estudios, S.L. (Represented by D. Fernando Diago de la Presentación)	Chairman	Independent Outside Director
Jethro Management Consulting, SL (Represented by D. Richard Rechter Leib)	Voting Member	Independent Outside Director
FFerso Management, S.L. (Represented by D. Jorge Fernández Miret)	Voting Member	Independent Outside Proprietary

The Appointments and Remuneration Committee gathered 4 times during 2020.

According to the Directors' Remuneration Policy, they are entitled to a fixed remuneration in the form of allowances, with no variable parcel, including the amount received by the Group's General Director as executive director for the functions he performs.

AVERAGE REMUNERATION OF DIRECTORS (IN THOUSAND €):

TYPE OF REMUNERATION	2020	2019
Retribución media de los consejeros	39	26

In 2019, Nextil's Board of Directors recommended Nextil's General Shareholders Board the approval of a new directors' remuneration policy for the years 2020-2022, with effects as of January 1, 2020. The main change is to adapt the current policy to the new composition of the administration body, which describes the characteristics of the remuneration to be received by all directors, for all their functions.

The structure of the Company's governing bodies, as well as their functions, procedures and rules of organization and operation, and the rules of conduct for its members are set out in the Regulations of the Board of Directors.

The composition, operation and activity of the Company's governing bodies and their main responsibilities are described in detail in the Annual Corporate Governance Report, which is submitted annually to the National Securities Market Commission (CNMV).

Nueva Expresión Textil SA has a website with a specific section (<https://www.nextil.com/es/accionistas-e-inversores>) where information on corporate governance and other information on general meetings are available.

3.2 SIGNIFICANT CHANGES IN THE ORGANIZATION DURING THE REPORTING PERIOD

There have been no significant changes in the organization during the reporting period. In any case, the following two less relevant organizational restructurings have been carried out:

- The reverse merger of New Gotcha, S.L.U. in favor of Tripoli Investments, S.L.U. in January 2020;
- As well as the liquidation of two inactive companies (QTT Portugal and Qualità Tecnica Tessile, S.r.l) in the last quarter of the year; these companies, in the previous year, were already transferring part of their activity and assets to other Group's companies.

04

PRIORITY STAKEHOLDERS AND MATERIAL TOPICS

For the development of our activities, we are aware of the importance of responsibly managing Stakeholders' relevant topics, in order to include them into decision-making processes.



4.1 NEXTIL'S STAKEHOLDERS

We maintain relationships with eleven stakeholder groups, in the operations in Spain, U.S.A. and Portugal, considering them a priority, especially with regard to knowing their expectations and needs.

Customers

NEXTIL GROUP addresses its customers' needs by establishing and implementing mandatory standards for all its products. The Group assumes, leads and promotes a commitment to quality by providing the necessary resources to achieve excellence and establishing the appropriate measures to ensure that this principle is practiced by all employees.

Employees

The relationship with GROUP's employees is oriented to foster a respectful, safe and healthy work environment and allow the development of their performance in the GROUP, encouraging training and equal opportunities.

Shareholders and investors

The purpose of NEXTIL GROUP is the continuous value creation, committing to share objective, transparent, adequate and timely information on the evolution of the GROUP

and under equal conditions for all shareholders of the Holding Company.

Suppliers and subcontractors

NEXTIL GROUP sees its suppliers and partner companies as key players to achieve its goals of growth and product quality improvement.

Suppliers selection is governed by criteria of objectivity and transparency, reconciling the interest of the company in obtaining the best conditions with the convenience of maintaining stable relationships with ethical and responsible suppliers.

International industry standards bodies

We are part of the main and most important initiatives, groups and associations in the sector, which set reference standards on sustainability and ethical, social and environmental performance for the different actors in the textile industry at a global level.

Certifying Entities

We analyze the requirements of the organizations responsible for assessing and certifying compliance with sustainability standards and ethical, social and environmental

performance regulations, applicable to different actors in the textile industry at a global level, whether with regard to the product, service, or management system..

Regulatory Agencies / Local and National Entities

We develop tools for systematic access and identification of legal and regulatory requirements applicable to our products and services.

Financial entities

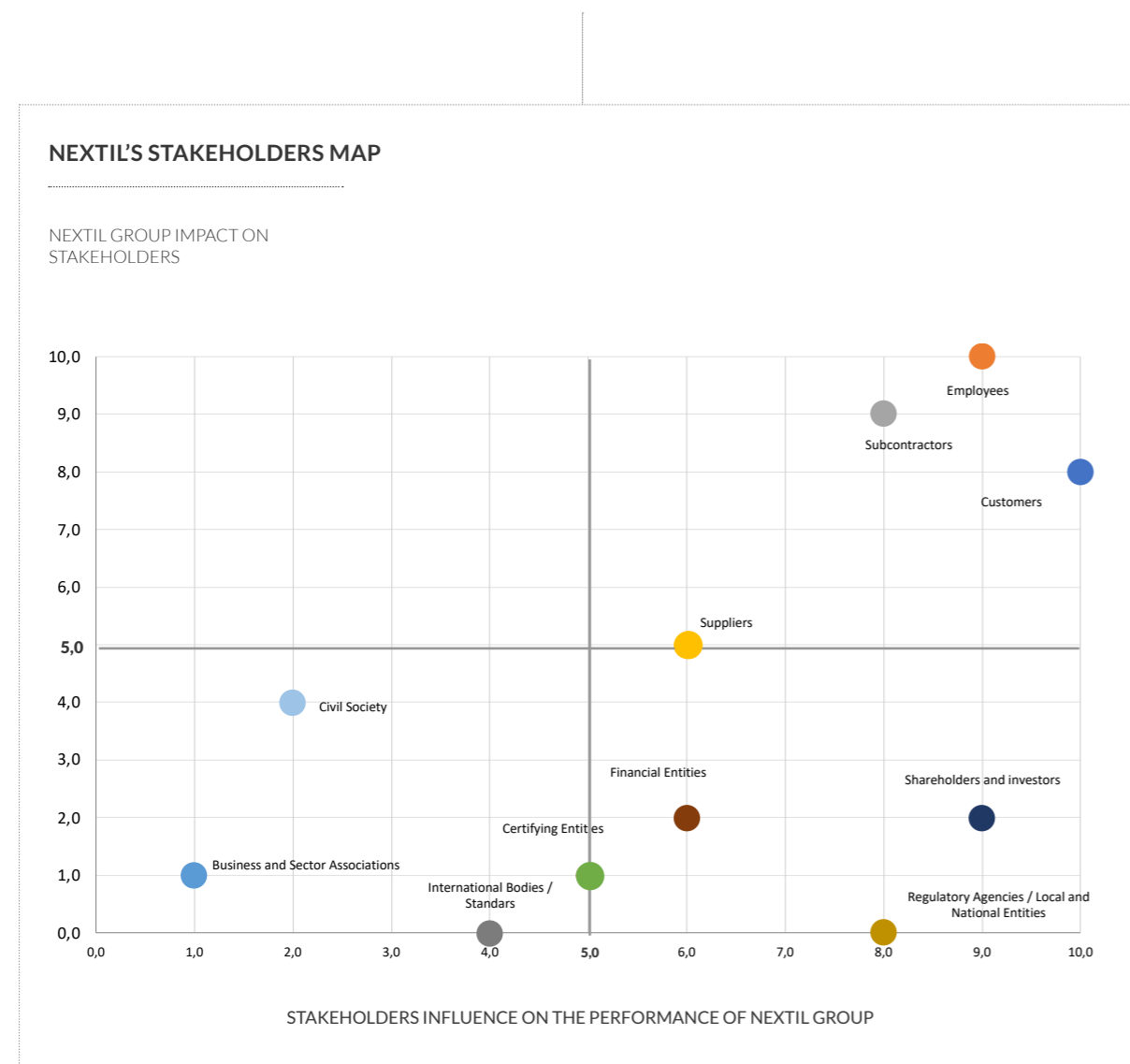
NEXTIL Group establishes relationships with financial entities based on principles of transparency and trust.

Civil Society

We promote active listening of a wide range of civil society entities such as non-governmental organizations (NGOs), policy expert groups, research institutions, trade unions, social movements, community organizations, business associations and other socio-economic and labor market actors.

Business and Sector Associations

Nextil maintains an active collaboration with entities in the textile sector guided by the exchange of knowledge and experiences, as well as the promotion and defense of the sector’s interests.



4.2 MATERIALITY ANALYSIS

The stakeholder consultation was the basis for prioritizing the material topics of our activity and defining a materiality matrix.

The followed methodology has allowed us to obtain results in accordance with the guidelines set by the GRI (Global Reporting Initiative) non-financial reporting standard in its G4 Guidelines version.

Through a questionnaire, we have updated the materiality exercise that started in 2019. During 2020 an internal and external consultation was carried out, in order to prioritize the material topics that, in the opinion of our stakeholders, reflect our activity’s most significant impacts.

The process has been the following:

1. Mapping and validation of stakeholders to be consulted.

2. Identification of material topics to be assessed: Internal work based on the topics included in the GRI document “Sustainability Topics for Sectors: What do stakeholders want to know?“, which includes a selection of main impacts for the textile industry, constructed with the participation of stakeholders from this industry at a global level.

We have identified 53 material topics, grouped in 6 dimensions.

SUPPLY CHAIN	
A.1	Transparency of production sites
A.2	Ethical standards at the workplace in the supply chain
A.3	Collaboration with the supply chain
A.4	Due diligence in risk management
A.5	Responsible purchasing practices
A.6	Health and safety of suppliers and manufacturers
A.7	Respect for labor rights in the supply chain
A.8	Transparency and traceability of the supply chain
A.9	Supply selection
ENVIRONMENT	
B.1	Supply of raw materials and products
B.2	Cotton supply strategies and policies
B.3	Packaging
B.4	Life cycle analysis
B.5	Water use efficiency
B.6	Wastewater treatment

ENVIRONMENT	
B.7	Water pollution
B.8	Energy consumption
B.9	CO ₂ Emissions
B.10	Climate change
B.11	Waste
B.12	Textile waste management
B.13	Microplastics
B.14	Circularity and recycling
B.15	Deforestation
B.16	Biodiversity
B.17	Chemical Substances Discharge

PRODUCT	
C.1	Product information and labeling
C.2	Product Quality, Safety and Health
C.3	Chemical management and sustainable process in manufacturing
C.4	Use of hazardous chemicals and nanomaterials

SOCIAL AND LABOR CONDITIONS	
D.1	Discrimination and gender
D.2	Child labor
D.3	Safety and health at work
D.4	Living Wage
D.5	Freedom of association and collective bargaining
D.6	Forced or compulsory labor
D.7	Diversity and Inclusion
D.8	Labor practices
D.9	Sexual harassment and gender-based violence
D.10	Risks of human trafficking

SOCIETY	
E.1	Collaboration with NGOs
E.2	Volunteering
E.3	Investments in the community
E.4	Relationship with stakeholders
E.5	Responsible practices
E.6	Socio-economic impact on society

GOVERNANCE	
F.1	Transparency
F.2	Traceability
F.3	Risk management and control systems
F.4	Regulatory and legal compliance
F.5	Privacy/Data Protection
F.6	Taxes
F.7	Corruption and Bribery

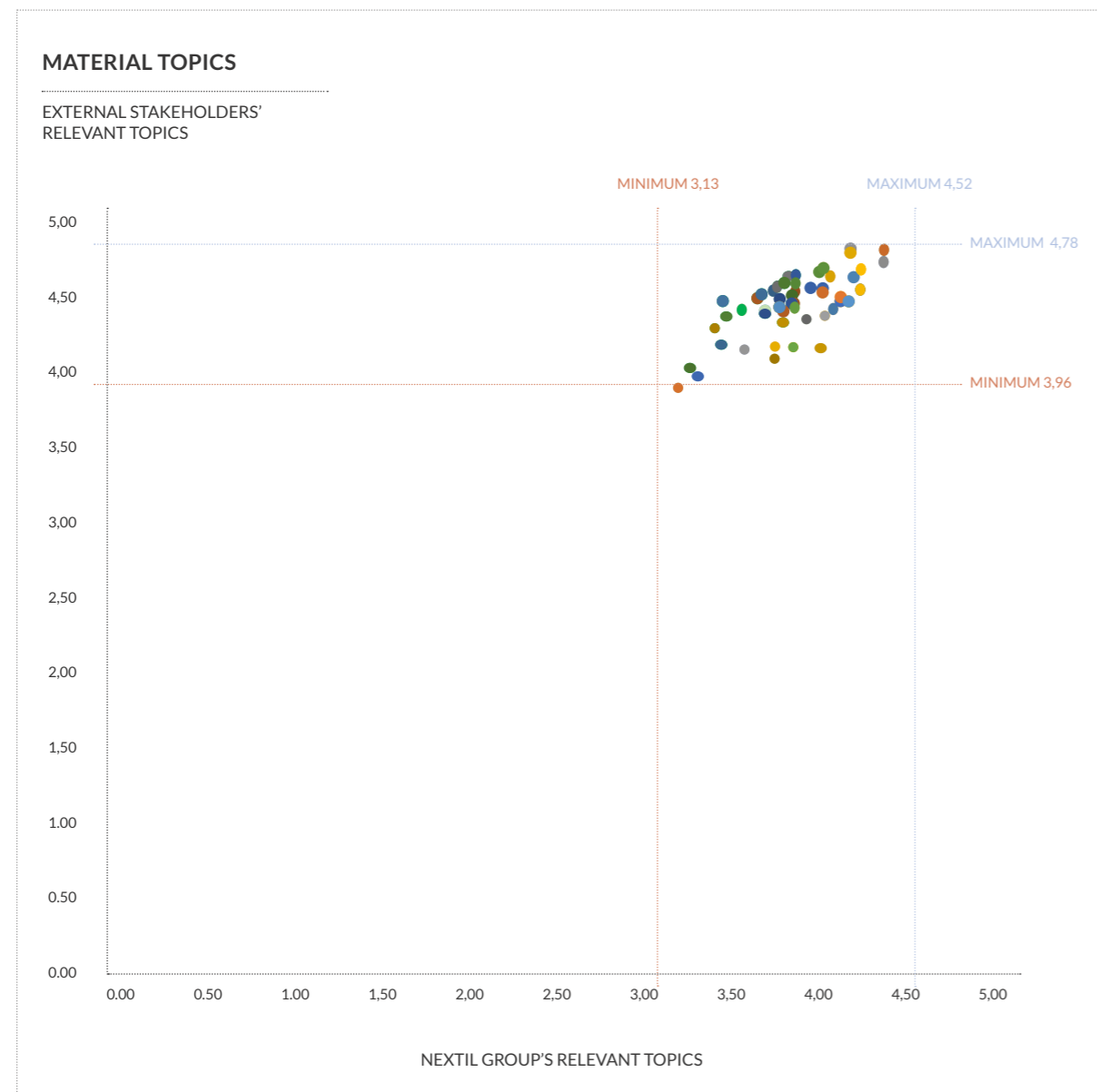
3. Launching internal and external stakeholders consultation through a questionnaire, according to the importance that each consulted member attributes to the 53 assessed material topics.

Consultation has been carried out at the end of 2020 including Spain, Portugal and the USA.

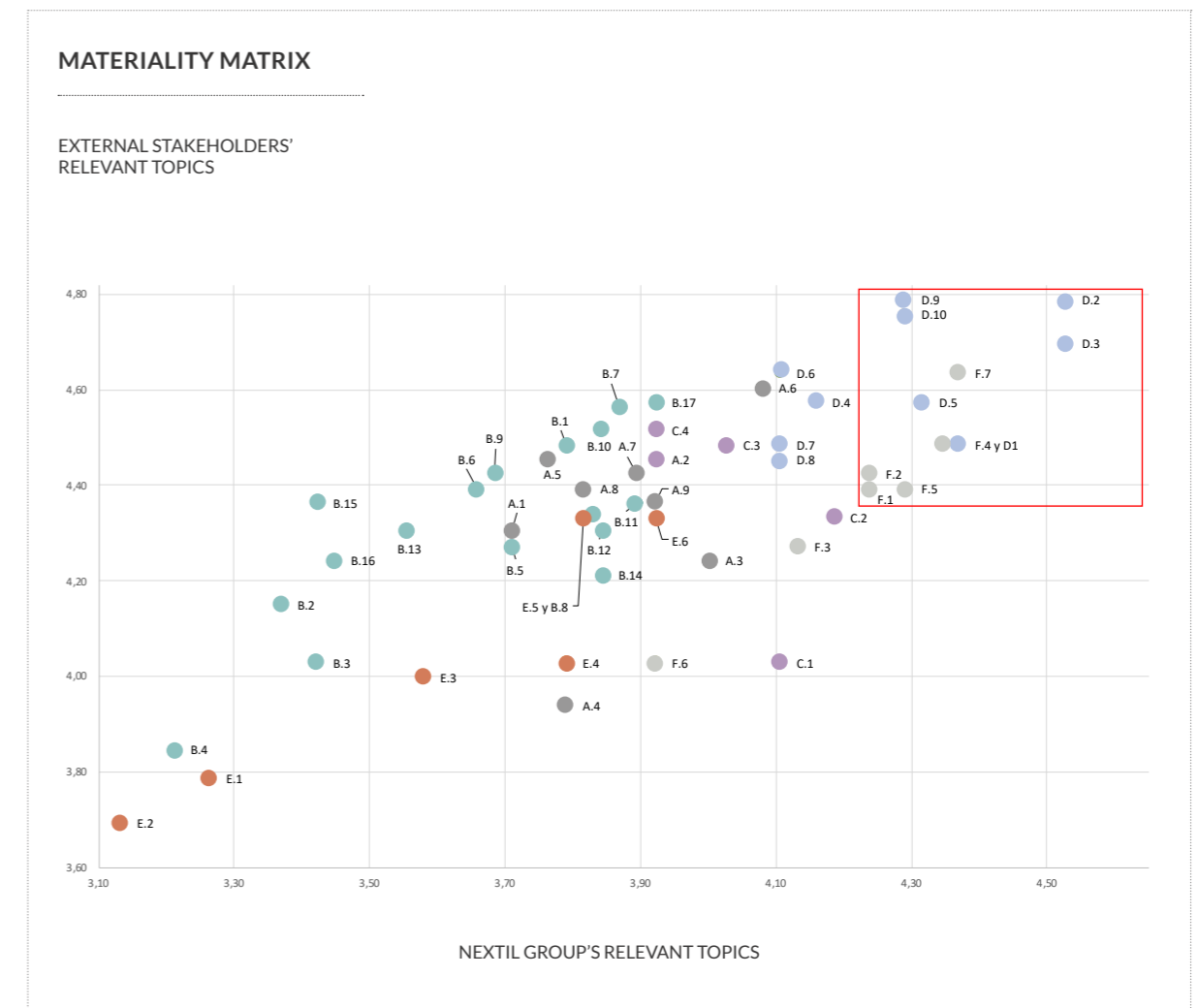
54% of the analyzed responses correspond to internal stakeholders and the remaining 46% to external stakeholders, of which 42% have been responses from customers and 51% from suppliers and provisioners.

4. Data analysis and validation. The results obtained were concentrated in a narrow area of the proposed range of values (1 to 5). The results corresponding to external stakeholders concentrate 92% of the topics

in valuations above 4, as shown in the following chart. The relevance indicated on the internal results axis - horizontal axis - oscillates between 3,13 and 4,52; while the importance attributed by external stakeholders ranges between 3,96 and 4,78. All the topics submitted to stakeholder's assessment are presented as highly relevant and with little differentiation between them.



5.0 AS A RESULT, THE FOLLOWING MATERIALITY MATRIX WAS OBTAINED.



The box colored in red in the representation of the materiality matrix shows the topics in that the valuation correlates with higher values (> 4.20) on both axes. The elements included are:

SOCIAL AND LABOR CONDITIONS		GOVERNANCE	
D.1	Discrimination and gender	F.1	Transparency
D.2	Child labor	F.2	Traceability
D.3	Safety and health at work	F.4	Regulatory and Legal Compliance
D.5	Freedom of association and collective bargaining	F.5	Privacy/Data Protection
D.9	Sexual harassment and gender-based	F.7	Corruption and Bribery
D.10	Risks of human trafficking		

05

RISK MANAGEMENT



The most significant basic principles defined by the GROUP in its risk management policy are:

- Complying with the rules of good corporate governance.
- Each business and corporate sector defines the markets and products in which it can operate based on the knowledge and capabilities available in order to ensure an effective risk management.
- Businesses and corporate sectors establish for each market in which they operate their predisposition to risk in a manner consistent with the defined strategy.

The Audit Committee is the company's body responsible for drawing up and implementing the Risk Management and Control System, including tax audit and for any breaches of the Code of Conduct and other irregular activities in the organization.

During the year 2020, we made progress in the phases of the Corporate Compliance Program started in the previous year, drawing up all the necessary elements of the Management System: approval of the Code of Ethics, Criminal risks Map, Compliance System Manual. After its approval, all the elements required for its communication and the internal training plan were prepared but, due to the extraordinary circumstances arising from the effects of

COVID-19, they have been scheduled for the first semester of the year 2021. In addition to communication and training, the following complementary actions to the Compliance System are expected to be carried out in 2021:

- Extended contracting and purchasing regulations
- Extended fraud and good tax practices protocol
- Extended anti-money laundering prevention manual
- Development of elements in the HR Policy that include:
 - _ Review/Update of the employee incentive policy and methods for their assessment
 - _ Welcome guide for new employees
 - _ Description of staff duties
 - _ Review/Update of the expense policy
 - _ Review/Update of the gifts and hospitality policy
- IT Policy
- Review/Update of the environmental policy (GROUP)

- Extended authorization matrix
- Implementation of the Whistleblowing Channel

After its implementation, the Regulatory Compliance Manual - which, together with our Code of Ethics, is part of our Compliance Program - shall be mandatory for all of those working at NEXTIL.

Corporate Compliance, as an effective risk management system, includes the strategies, processes, information and procedures required to continuously identify, measure, supervise, manage and notify the risks to which companies are or may be exposed.

On the other hand, the Code of Ethics gathers and synthesizes our organization's principles and values.

To carry out this organization and prevention model, we followed a method which allowed the detection of risks that may arise inside the GROUP. This task was carried out by means of specialized questionnaires and personal interviews, through the approach to the operation of the GROUP, analyzing the procedures established for the practice of its daily activity and the protocols followed in accordance with the rules established in the different fields that affect the GROUP. After the conclusion of this process, a risks map adapted to the GROUP was obtained.

The risks map includes the corporate crimes of money laundering, bribery, corruption, fraud, against the Public Treasury and Social Security, against workers' rights, cybercrime, crimes relating to intellectual and industrial property,

personal data protection, and punishable insolvency. Along with the description of each one of them and their risk level scale, the responsible bodies and the control measures are defined.

For its implementation, the establishment of an anonymous whistleblowing channel is foreseen, which shall serve as a means of communication to make the GROUP aware of possible criminal offenses that may occur and may somehow affect it, so that appropriate verification or opportune investigation can be initiated, as well as taking the appropriate measures. A control and supervision body shall also be created, serving simultaneously as a body for the investigation, classification, filing and processing of complaints or communications received by the GROUP. Finally, mechanisms for supervising and updating the model shall also apply.

In 2020, in addition to NEXTIL's Compliance, the Compliance of all Spanish companies has also been approved.

During 2020, SICI93 and PLAYVEST have developed a Risk Management and Assessment System that incorporates political, economic, social, technological and environmental aspects, as well as a risk level rating, defining action and monitoring plans.



DUE DILIGENCE

NEXTIL GROUP maintains a Corporate Governance model based on a series of values and ethical principles which are fundamental to guarantee success and business best practices. The corporate principles and values support our Code of Ethics, which guides the behavior of all our employees and directors.



Ethical Principles of Action

Our principles of action are the basis of our Code of Ethics and define the way we develop our activity, consolidating the prestige of our company in the market.

We try with all means at our disposal that our employees share and apply these principles, in the interest of achieving a common vision.

Among these **principles**, the following are included:

- _Legality
- _Integrity
- _Professionalism
- _Sustainability

The behavior of our professionals must be righteous, ethically acceptable, legally valid, environmentally responsible and socially fair.

Our partners and suppliers are aware of our Ethical Principles of Action, therefore NEXTIL Group tries to know and respect the Ethical Principles of Action of the companies with which it maintains business relationships.

Legal and regulatory compliance relationships.

NEXTIL Group's professionals shall strictly comply with the legislation in force in the place where they carry out their activity, according to the spirit and purpose of the rules, and shall observe the provisions of the Code of Ethics, basic procedures and internal regulations that rule NEXTIL Group's activity, as well as the commitments assumed in their contractual relationships with third parties.

Likewise, all of NEXTIL Group's companies shall equally comply with other applicable Codes arising from the national legislation of the countries in which they operate, as well as with certified standards, internal policies, or with the content of national or international agreements and conventions.

NEXTIL GROUP identified and assessed the main risks of its activity, implemented actions and measures intended to mitigate their effects. Each of the GROUP's companies undertakes its commitments through Policies which are cross applied in all business areas, in order to respond to risks and impacts of the activity on different stakeholders. We indicate below each policy and its scope.

Company	Management Policies and Procedures	Description	Included Stakeholders	Date
NUEVA EXPRESIÓN TÉXTIL S.A	Code of Ethics and Conduct	The Code of Ethics is the document which establishes the company's commitment to proper business ethics in relation to adequate corporate responsibility. One of its main purposes is the adoption of a commitment to comply with the applicable legislation and the Company Bylaws, as well as with the company's internal procedures.	It applies to all professionals, directors and employees In relation to suppliers, contractors and other people who maintain professional relationships with NEXTIL GROUP, they shall be required to behave in accordance with the principles and standards provided therein.	Updated in November 2020
QTT RITTEX TREISS	Code of Ethics	It includes the Principles of Action that define the way we develop our activity, attending to the criteria of strict compliance with current legislation, basic procedures and internal regulations governing the company's activity, as well as the commitments undertaken in its contractual relationships with third parties.	It applies to all professionals, directors and employees In relation to suppliers, contractors and other people who maintain professional relationships with NEXTIL GROUP, they shall be required to behave in accordance with the principles and standards provided therein.	Updated in November 2020

Company	Management Policies and Procedures	Description	Included Stakeholders	Date
GRUPO NEXTIL	Health and safety policy	It includes the commitment to guarantee the well-being of NEXTIL's staff in order to create a work environment that enhances human growth and in strict compliance, both internally and by suppliers, of all applicable rules, laws and regulations	Employees Suppliers Customers	June 2019
EFA	Human Rights Policy	Declaration of respect for Human Rights, including the principles that apply to the several areas of management, as well as the commitment to continuously supervise compliance with this policy and to adjust actions accordingly.	Employees Suppliers Customers	January 2019
EFA	Environmental Policy	Commitment to providing products and services of excellent quality and value which improve the lives of consumers around the world, conducting environmentally responsible businesses.	Employees Suppliers and subcontractors	January 2019

Company	Management Policies and Procedures	Description	Included Stakeholders	Date
EFA	Associate Safety and Health Policy	It establishes the lines and control mechanisms to proactively ensure, through specific programs, health and safety in the company. It indicates the management principles and the levels of responsibility in their application, as well as the management procedures and their organization, including training.	All employees	January 2000
EFA	Business Ethics Policy	Company policy that establishes the rules of conduct regarding: invitations and gifts, potential conflicts of interest and confidential information.	Company's Management	February 1994
EFA	Anti-Corruption and Bribery Policy	It defines the responsibilities of Elastic Fabrics of America and all employees to observe the company's commitment to preventing bribery and corruption. It includes the procedures and mechanisms to minimize them and to register and control risks, the disciplinary measures in case of violation of this Policy and any other applicable anti-corruption law, as well as the audit mechanism	All employees	January 2019

Company	Management Policies and Procedures	Description	Included Stakeholders	Date
EFA	Supply Chain Policy	It defines the Elastic Fabrics of America's policy regarding supply chain management processes and procedures, as well as the contractual agreements signed by all business units.	All staff involved in the purchase process Suppliers	January 2019
EFA	Equal Employment Opportunity	It reflects the Company's commitment to providing fair and equal employment opportunities to all persons, both job applicants and employees, regardless of race, color, religion, national origin, age, sex, disability or seniority.	Employees Job applicants	September 1994
SICI93 PLAYVEST	Sustainability Policy	Through this policy, the Company undertakes the set of commitments that guide its activity in the development, manufacture and delivery of garments in order to create value for its customers and shareholders, guaranteeing sustainable development, social equity and environmental responsibility. This policy actively encourages all stakeholders in the textile and clothing industry value chain to be aligned with sustainable development practices.	Shareholders Customers Employees Suppliers	Updated in October 2020

Company	Management Policies and Procedures	Description	Included Stakeholders	Date
SICI93	Code of Ethics and Conduct	Adhesion to the respect for human rights and the main labor and environmental protection standards. The principles included herein establish the commitment to high social, ethical and environmental standards, involving all interested parties	Business Partners Employees Customers	Updated in January 2020
PLAYVEST	Code of Conduct	It applies the principles of Ethical Trading Initiative (ETI Base Code)	Business Partners Employees	Updated in June 2020
SICI93 PLAYVEST	Anticorruption and Antibribery Policy	It establishes a zero tolerance attitude towards bribes, corruption and facilitation payments inside the Organization, with the objective of preventing and mitigating the risk of corruption and related practices, reaffirming the commitment to contribute to the fight against corruption in all its forms, including extortion and bribery. The Board of Directors is responsible for the implementation of this Policy and the respective approved implementation measures.	This Policy applies to all employees and members of the Board of Directors of the Organization and its Partners, regardless of their relationship and geographic location.	2020

07

ENVIRONMENTAL ISSUES

7.1 COMMITTED TO ENVIRONMENTAL SUSTAINABILITY

In 2019 Nextil redeveloped its strategy by placing Sustainability - both social and environmental - as the main pillar of all Company's activities. A sustained strategy throughout 2020. The environmental impact of textile industry is tangible, and has come to be one of the concerns of public opinion. For this reason, NEXTIL GROUP's sustainability objectives incorporated in strategic decisions, as evidenced by the Group's Sustainability Department reporting directly to the Board.

The GROUP's commitment to the environment is reflected in its Code of Conduct: "NEXTIL Group assumes the commitment to respect the environment, minimize its environmental impact, contribute to reinforcing the response to the climate emergency and biodiversity preservation, avoid resource depletion and pollution.

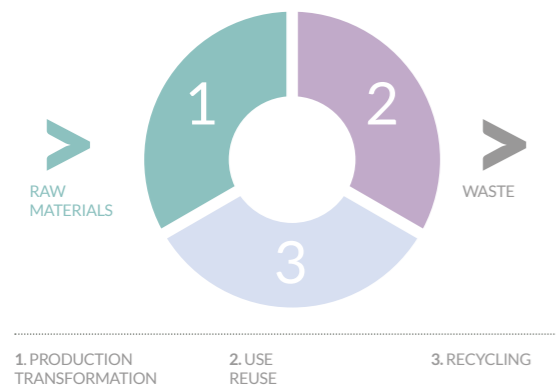
NEXTIL seeks, in addition to complying with all applicable standards established in environmental regulations, to adopt the best prac-

tices and develop technologies and products which improve its environmental performance. These commitments are incorporated in its business model. For this reason, NEXTIL Group has defined a policy and implemented environmental management systems which set goals and targets in order to progressively reduce the environmental impacts of its activities."

To this end, multiple management activities and projects aimed at reducing our activity's carbon footprint have been developed. Technical improvements such as the Greendyes solution, which minimizes water, energy and chemical products consumption, projects to reduce water and energy consumption in Spain, or the obtention of certifications such as STeP by OEKO-TEX®, Global Organic Textile Standard (GOTS), Global Recycled Standard (GRS), as well as the participation in initiatives such as ZDHC Roadmap to Zero, Better Cotton Initiative (BCI), and platforms such as Clean Chain and Higg Index in Portuguese companies are examples of that.

The challenge of circular economy

Circular economy is a design, production and consumption model that allows resources to continue creating value over time, minimizing waste from production processes and their impact on ecosystems.



Changing the linear model for a circular one is a challenge, but a challenge that NEXTIL GROUP has committed to, day by day, implementing actions that allow the reuse of its waste and the use of recycled plastic materials from the sea, and purchasing renewable energy certified at the source in Portuguese facilities.

Textiles committed to the environment

NEXTIL seeks to work with more sustainable and less polluting fabrics, made of recycled or sustainable raw materials, to control the level of chemicals in our garments or textiles, collaborating with initiatives for environmental certification of products or materials, which compel us to promote a more sustainable fashion industry.

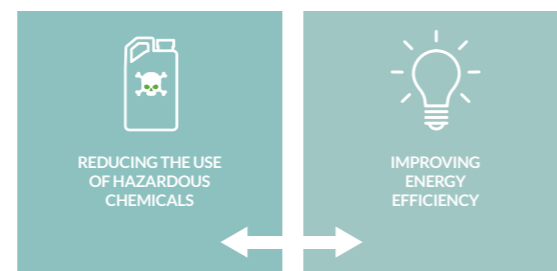
For this reason, we have increased the purchase of more sustainable cotton of BCI and GOTS sources, in Portugal and, in accordance with the standards requirements, we do not use PVC in accessories and garments. In addition, all materials made of paper or cardboard, in direct contact with garments, are recycled or originate from forests with a responsible management system certified by the Forest Stewardship Council (FCS) or by the Program for the Endorsement of Forest Certification (PEFC).

Likewise, all accessories used in GOTS and GRS clothing have STANDARD 100 certification by OEKO-TEX®, which guarantees that they have been tested and do not contain any chemicals that are harmful to human beings.

We have implemented a chemical management system that stipulates the selection, purchase and storage of chemical substances and determines the rules that must be obeyed to comply with the requirements of ZDHC Roadmap to Zero and with other certified standards.



Furthermore, in Portugal, the following environmental goals have been proposed



7.2 ENVIRONMENTAL POLICY

The different NEXTIL GROUP's companies in several countries develop the Group's environmental commitment in their policies and management systems. Therefore, EFA (USA) approved the following policy:

Elastic Fabrics of America is committed to providing products and services of excellent quality and value that improve the lives of the world's consumers. EFA's efforts to conduct its business in an environmentally responsible manner by:

- Conducting our operations in a commercially reasonable manner that protects the environment.
- Making sensible efforts to reduce or prevent pollution from our operations through the continual identification of environmental risks.
- Conforming with laws and regulations applicable to our operations.
- Focusing on continuous improvement, including developing an operational framework to achieve environmental objectives and targets.
- Providing training and instruction to enable conformance with environmental objectives and targets.
- Working with our suppliers and subcontractors to be environmentally responsible in their service to us.
- Communicating this policy to employees, suppliers and subcontractors working on EFA's behalf, and to the public by posting this policy on our website.
- Ensure every employee understands and is responsible and accountable for incorporating environmental considerations in daily business activities.
- We encourage, recognize and reward individual and team leadership efforts to improve environmental quality.
- We also encourage employees to reflect their commitment to environmental quality outside of work.

Our commitment to supporting the environment air, water, land, and natural resources is, and will remain, a priority for this company.

We recognize that environmental progress is a never-ending journey of continuous effort and improvement. However, by focusing on improving the lives of consumers through innovative technologies that work better and more efficiently, we believe we can continue to sustain both the growth of our business and the health of the environment.

Also, Portuguese companies, SIC193 and PLAY-VEST, have subscribed a sustainability policy which describes, among others, their general principles of environmental management.

- Strengthening environmental protection by preventing all forms of pollution, promoting the sustainable use of resources, mitigating and adapting to climate change, and protecting biodiversity and ecosystems.
- Promoting the improvement of the Organization's environmental performance throughout the supply chain and product life-cycle, enhancing the efficiency of energy and water consumption, eliminating the use of harmful chemical substances and improving wastewater treatment, in order to ensure traceability and reduce environmental impacts.

Throughout 2020, we maintained and expanded our certifications of environmentally sustainable products:



GLOBAL RECYCLED STANDARD (GRS) 4.0

GRS is a voluntary and international product standard that applies to any non-food product containing between 95 and 100 percent recycled material. It certifies the presence and quantity of recycled material in a final product and tracks the flow of raw material from its source to the final product.



RECYCLED CLAIM STANDARD (RCS)

International and voluntary standard that sets requirements for third-party regarding the certification of recycled raw materials and chain of custody, which aims to increase the use of recycled materials.



OEKO-TEX CONFIDENCE IN TEXTILES

A certification system for environmentally friendly and socially responsible production facilities along supply chain. STeP enables an integrated view of production conditions from sustainable perspectives. Independent OEKO-TEX® institutes carry out the analysis and scoring in 6 modules: Chemicals management; Environmental performance; Environmental management; Social responsibility; Quality management and Health protection and safety at work.



OEKO-TEX STANDARD 100

World leading eco-label for textile products. With this certification, the consumer is assured that textile products have been tested and controlled for substances that are harmful to health. It is possible to certify threads, fabrics, manufactured products, accessories, as well as foams.



SEAQUAL - Ocean Cleanups

Initiative to recycle materials recovered from the sea and convert them into raw materials for the textile industry.



GLOBAL ORGANIC TEXTILE STANDARD

Recognized as the worldwide leading textile processing standard for textiles made from certified organic fibers, including strict environmental and social criteria for operations along the entire textile supply chain backed up by independent certification.

It certifies that at least 70% organic fibers have been used in the garment. In addition, it analyzes dyes and other chemicals, not accepting a transgenic source..



ORGANIC CONTENT STANDARD (OCS) 2.0

The Organic Content Standard (OCS) is an international, voluntary standard that sets requirements for third-party certification of certified organic input and chain of custody. The goal of the OCS is to increase organic agriculture production.



BETTER COTTON INICIATIVE

The Better Cotton Initiative (BCI) is a global not-for-profit organization and the largest cotton sustainability program in the world. BCI exists to make global cotton production better for the people who produce it, better for the environment it grows in and better for the sector's future.

In addition to textile product certifications, we use the **HIGG index** which is a tool created by SAC that measures the sustainability of clothing and footwear industries. The Sustainable Apparel Coalition (SAC) is a trade association made up of brands, retailers, manufacturers, governmental and non-governmental organizations, and academic experts representing more than a third of the global apparel and footwear market.

We have incorporated the CleanChain management process, an application designed to increase long-term profitability in all supply chains by demonstrating and improving sustainable business practices and procedures. It automates the complex tasks of monitoring, managing, and reporting compliance with Manufacturing Restricted Substances Lists (MRSL) and Restricted Substance Lists (RSL). In 2020, Playvest, a Nextil Group's company

based in Portugal, was audited according to the SMETA 4 PILLARS (Health and Safety, Work Standards, Environment and Business Ethics) methodology.

SMETA is a social and environmental audit procedure that consists of a compilation of good practices in the ethical audit technique. It uses the Base Code of the Ethical Trading Initiative (ETI).

This year we have continued to carry out several chemicals tests specifically requested by our customers, performed by accredited laboratories and internationally recognized certifying entities.

Textile certifications also started to include the suitability of materials used for facial masks production.

Certificate Type	Company	Scope	Certifying entity	Certificate
Production of non-medical masks	DOGI SPAIN S.L.U.	Printed fabric for the production of reusable non-medical masks reference 55002P&H.	ITEL	19946 - issued 07.16.2020
	DOGI SPAIN S.L.U.	Printed fabric for the production of reusable non-medical masks reference 55001P&H.	ITEL	19947 - issued 07.16.2020
	Géneros de Punto Treiss, S.L.	Intermediate seam mask style	AMS LAB	20-010652 issued 10.30.20
	GRUPO NEXTIL	Printed fabric for the production of reusable non-medical masks reference 55002P&H.	Direction General de L'Armement - Ministère Des Armées - République Française	2020-05-29-062_001 - issued 07.09.20

Certificate Type	Company	Scope	Certifying entity	Certificate
Global Recycled Standard (GRS) 4.0	SICI93	Manufacturing, Trading, Washing - Men's apparel T-shirts, singlets 100.0% Recycled Post-Consumer Polyester	Control Union Certifications B.V.	CU-1040742GRS-2020-00080700 - Issued 04.14.20, Expiration date 04.13.2021
HIGG INDEX ENVIRONMENTAL MODULE	EFA	Tool created by SAC that measures the sustainability of clothing and footwear in the industry. The Sustainable Apparel Coalition (SAC) is a trade association made up of brands, retailers, manufacturers, governmental and non-governmental organizations, and academic experts representing more than a third of the global apparel and footwear market.	Sustainable Apparel Coalition (SAC)	ID- 143741 (25.01.21)
	PLAYVEST			ID- 143741 (21.01.21)
	SICI93			ID- 143754 (21.01.21)
	RITEX 2002 S.L.			ID-143852 (25.01.21)
STeP by OEKO-TEX®	SICI93	Design and development, cut and manufacture of knitwear for children and adults	OEKO-TEX®	18001437 CITIVE - Issued 12.18.19, Expiration date 12.31.2022

Certificate Type	Company	Scope	Certifying entity	Certificate
STANDARD 100 by OEKO-TEX®	DOGI SPAIN S.L.U.	Ecocert for textile products	OEKO-TEX®	2020OK1686 - Issue 08.01.2021 - Expiration date 31.01.2022
	EFA	Knitwear made of acid-dyed black and white polyamide/elastane; produced with materials certified according to STANDARD 100 by OEKO-TEX®	OEKO-TEX®	20.HUS.32546 HOHESTEIN HTTI - Issue 25.11.20, Expiration date 30.11.21
	RITEX 2002 S.L.	Class II Product Certification: Knitted fabrics made of 100% organic cotton (GMO not detected), 100% viscose, 100% polyamide, 100% recycled polyamide, 100% polyamide/elastolefin, 100% polyester (Inc. Microfiber and Multifiber) , 100% recycled polyester (PET), polyester/c, 100% acetate, 100% polybutylene (PBT), 100% polypropylene and its blends with virgin or tinted elastane. Patterned fabrics of 100% polyamide and polyamide/elastane, printed fabrics of 100% polyester and polyester/elastane with transfer. Fabrics finished with biocidal products accepted by Oeko-Tex®. Fabrics finished with oil-repellent, anti-stain and waterproof products.	OEKO-TEX®	2003AN4817 - Under renewal process

Certificate Type	Company	Scope	Certifying entity	Certificate
STANDARD 100 by OEKO-TEX®	SICI93.	Knitwear outwear (yarn and piece dyed, including mélange) in cotton, polyamide, lyocell, their respective blends, and blends with polyester and elastane and all over printed in cotton, viscose, lyocell (digital only), their blends, and blends with polyester and elastane. Includes accessories: elastic bands, lace, cords, woven and printed labels.	OEKO-TEX®	499-CITIVE - Issued 01.10.20, Expiration date 30.06.21
Organic Content Standard (OCS) 2.0	Géneros de Punto Treiss, S.L.	Fabric - 100% Organic Cotton OCS 100	Control Union Certifications B.V.	CU1009459OCS 2020-00020450 Issued 26.05.2020, Expiration date 27.05.2021
Global Organic Textile Standard (GOTS) 5.0	SICI93	Manufacturing, trade, washing, printing: Men's clothing Pants, pants 100.0% Organic cotton Men's clothing Sweaters, pullovers, cardigans 0.4% Conventional elastane (Spandex) - 99.6% Organic cotton Women's clothing T-shirts, tank tops 0.1% Conventional Elastane (Spandex) - 99.9% Organic Cotton	Control Union Certifications B.V.	CU1040742GOTS 2020-00080699 - Issued 14.04.2020, Expiration date 13.04.2021

Certificate Type	Company	Scope	Certifying entity	Certificate
R&D&I Management System Certificate - Sistema de gestión de I + D + i según la norma NP 4457: 2007	PLAYVEST	Development and innovation of functional and/or intelligent clothing through the application of seamless technology	AENOR	IDI-0021/2012 -Issued 05.21.12, reviewed 08.21.2018, Expiration date 05.21.2021
Recycled Claim Standard (RCS) 2.0	DOGI SPAIN S.L.U.	Fabrics - Knittingm Trading, Finishing	Control Union Certifications B.V.	2020T80088 - Issued 06.29.2020, Expiration date 06.30.21
	RITEX 2002 S.L.	Fabrics, yarns: storage, trade, others	Control Union Certifications B.V.	2020TE0050 - Issued 06.29.20, Expiration date 03.31.21
	Generos de Punto Treiss, S.L.	Fabric - 100% Pre-consumer Recycled Polyester	Control Union Certifications B.V.	CU1009459RCS 2020-00020449 - Issued 26.05.2020, Expiration date 27.05.2022
Sanitized® License Standard	DOGI SPAIN S.L.U.	Sanitized® treated articles (semi-parts)	SANITZED AG	Issued 07.12.19 - Expiration date 07.12.2020

Certificate Type	Company	Scope	Certifying entity	Certificate
SEAQUAL - Ocean Cleanups	DOGI SPAIN S.L.U.	Use of raw materials recycled from plastics collected from the ocean. Textile Technology: Warp Knitting Market Segment: Swimwear, sportswear	SEAQUAL 4U S.L.	SY042WK2000144 Issued 29.10.20
	RITEX 2002 S.L.	Environment - High quality polyester yarn made from recycled materials including post-consumer plastic bottles and plastic collected from the sea, thus helping to preserve natural resources and to keep oceans cleaner	SEAQUAL 4U S.L.	19090304ES - 2020
Sistema Gestión Química ZDHC Roadmap to Zero	SIC193	Chemicals management system	ROADMAP TO ZERO	Registration number 5105-82222-5 072 (01.21.2021)

7.3 KEY PERFORMANCE INDICATORS

Below we can find data on consumption, waste and emissions, although no conclusions can be drawn on efficiency improvement, because COVID-19 pandemic that

hit us in 2020 caused facilities to be temporarily closed, production reduced and another series of consequences. Therefore, this year's data cannot be compared with other years.

WATER USE

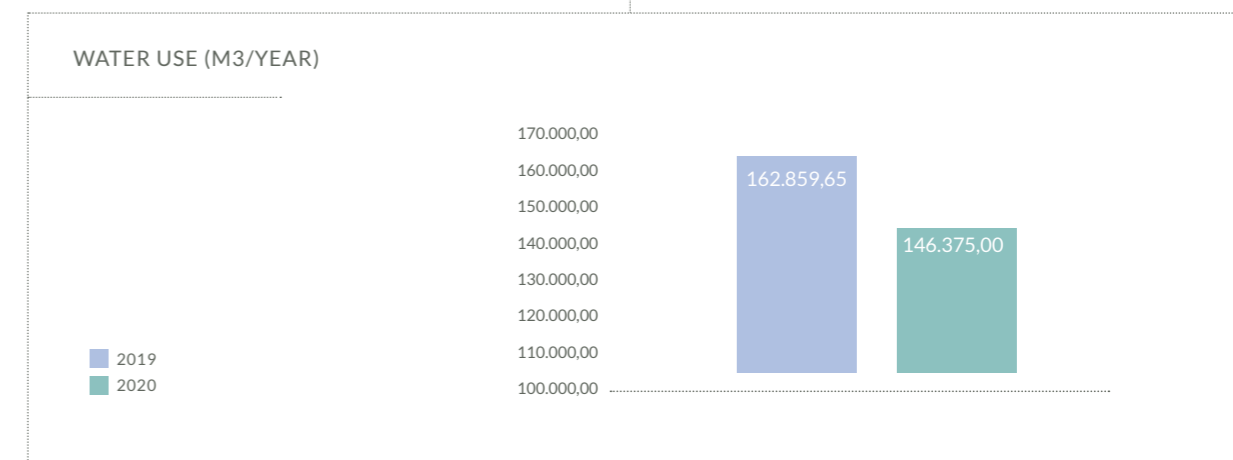
COMPANY/HEADQUARTERS	WATER (M³) 2020	WATER (M³) 2019
MASNOU	64.993	160.298
SIC193	859	515*
PLAYVEST	1.225	1.600
EFA	79.298	445,65**
NEXTIL GROUP	146.375	162.859,65

* Sic's water consumption value has been corrected.

** For comparative purposes, EFAs 2019 water data - not included in that year's report due to unavailability of data - are now included.

Water consumption decreased by 11% compared to 2019, although no conclusions can be drawn on efficiency improvement, because COVID-19 pandemic that hit us

in 2020 caused facilities to be temporarily closed, production reduced and another series of consequences. Therefore, this year's data cannot be compared with other years.



Wastewater

Production activities are different in the several production sites and companies that make up Nextil Group and, therefore, wastewater also differs. In addition, regulatory requirements are very different, even between regions of the same country.

Summarizing, by countries and sites of production:

Spain-MASNOU: It has a Wastewater Discharge License valid until 11.03.2022. Usually inspections are performed quarterly, but due to the lock-down and closure of the dyeing plant, only 2 inspections were carried out, one in January and the other in November.

USA, EFA: It has a Wastewater Discharge License valid until 08.31.2023, and wastewater is analyzed every month.

Portugal: Playvest and SIC193 have a license to use the public drainage system - wastewater discharge valid until 01/22/2021 and 11/24/2023 respectively. However, the two plants do not use water in the production process, therefore, there is no wastewater discharge into the public water network.

Raw materials: paper, cardboard, plastic, wood, dyes, etc.

Raw material consumption data registered in 2020 (it is not possible to include the comparison of the previous year because there is no data available):

MATERIAL CONSUMPTION DATA REGISTERED IN 2020

MATERIA	MASNOU	SIC193	PLAYVEST	EFA	NEXTIL GROUP
Paper (t)	4,50	1.930	270	N/A	2.204,50
Cardboard (t)	ND	23.119	11.086	N/A	34.205,00
Plastic (t)	8,89	13.097	13.197	N/A	26.302,89
Wood (t)	6,58	Not applicable	0	N/A	6,58
Coloring Dyes (tn)	2,78	Not applicable	0,59	15,84	19,21
Auxiliary Dyes (tn)	534,20	Not applicable	0,37	262,92	797,48
Yarn (tn)	759,17	Not applicable	134,57	958,14	1.581,88
Fabric (tn)	153,49	585,23	Not applicable	Not applicable	738,72
Lubrication oil (for looms) (l)	ND	Not applicable	3.000,00	32.705,96	35.705,96
Chemicals (stain remover) (l)	Not applicable	548,00	Not applicable	Not applicable	2.204,50

Waste

REGISTERED WASTE DATA

COMPANY WASTE (T)	EFA		MASNOU		PLAYVEST		SIC193		NEXTIL GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
03 01 05 Sawdust, shavings, cuttings, wood, particle board and veneer other than those mentioned in 03 01 04	0	ND	0	ND	0,54	ND	0	ND	0,54	ND
04 02 22 Waste from processed textile fibers	78,61	ND	0	0	24,36	26,36	33,81	36	136,77	62,36
15 01 01 Paper and cardboard packaging	5,47	ND	26,28	18,04	3,14	4,82	6,70	6,8	41,59	29,66
15 01 02 Plastic packaging	0	ND	0	5,61	0,58	1,3	1,68	1,66	2,26	8,57
15 01 03 Wooden packaging	0,27	ND	6,58	3,25	0	0	0	0	6,85	3,25
15 01 04 Metallic packaging	0	ND	0	ND	0,76	ND	0	ND	0,76	ND
15 01 10* Packaging containing residues of or contaminated by dangerous substances	0	ND	0	0	0,06	0	0	0	0,06	0
15 01 11* Metallic packaging containing a dangerous solid porous matrix, including empty pressure containers	0	ND	0	0	0	0	0,02	0,2	0,02	0,02

REGISTERED WASTE DATA

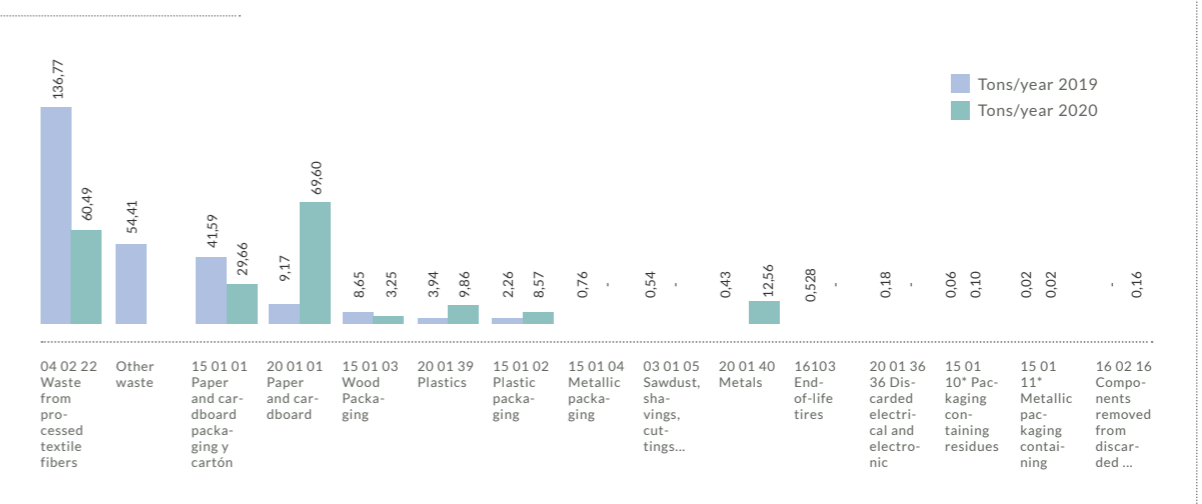
COMPANY WASTE (T)	EFA		MASNOU		PLAYVEST		SICI93		NEXTIL GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
16 01 03 End-of-life tires	0	ND	0	ND	0,28	ND	0	ND	0,28	ND
20 01 01 Paper and cardboard	9,17	ND	0	69,6	0	0	0	0	9,17	69,6
20 01 36 Discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	0	ND	0	ND	0,18		0	ND	0,18	ND
20 01 39 Plastics	3,94	ND	0		0		0		3,94	160
20 01 40 Metals	0,02	ND	0	12,56	0,41	0	0	0	0,43	12,56
16 02 14* Discarded equipment other than those mentioned in 16 02 09 to 16 02 13	0	0	0	0	0	0	0	0,41	0	0,41
16 02 16 Components removed from discarded equipment other than those mentioned in 16 02 15	0	0	0	0	0	0,06	0	0,1	0	0,16
20 01 38 Wood other than that mentioned in 20 01 37	0		0	3,94	0		0		0	3,94
Other waste	54,41		0		0		0		54,41	ND

REGISTERED WASTE DATA

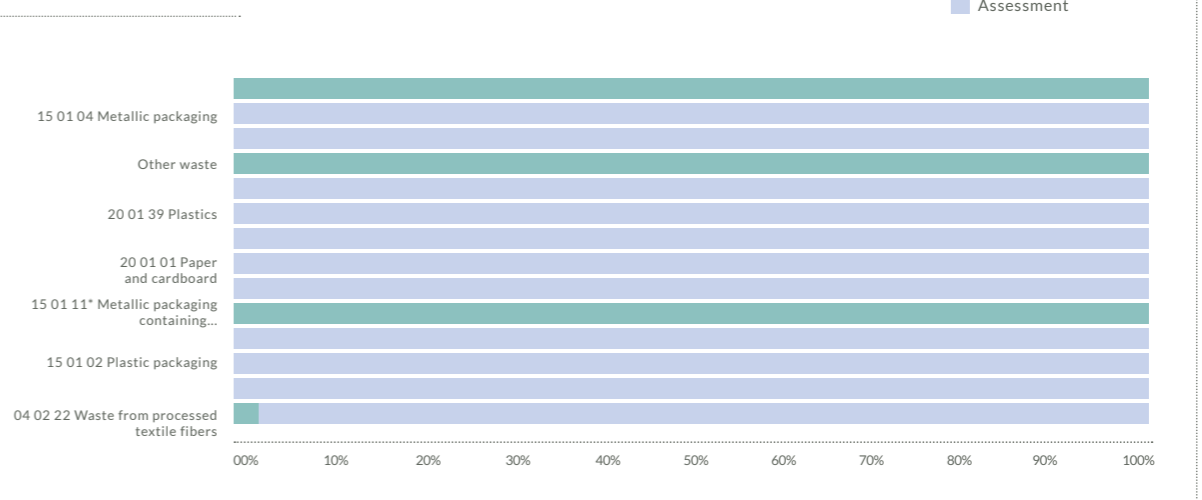
COMPANY WASTE (T)	EFA		MASNOU		PLAYVEST		SICI93		NEXTIL GROUP	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
GROUP Totals	151,89	ND	32,86	183,35	30,31	33	42,21	45,09	257,27	262,1

It should be noted that, given the nature of our activity, the largest amount of waste produced originates from processed textile fibers.

WASTE COMPARISON 2019-2020



WASTE COMPARISON 2019-2020



Waste production registration has been improved in companies located in Portugal, as demonstrated in the following table, although, as mentioned above, it is not possible to compare the generated amounts due to the effects of COVID-19.

WASTE TYPE	2020		
	2020	2109	2018
04 02 22 Wastes from processed textile fibers	58,17	63,02	49,77
15 01 01 Paper and cardboard packaging	9,84	11,62	9,62
15 01 02 Plastic packaging	2,26	2,96	2
15 01 11* Metallic packaging containing a dangerous solid porous matrix (for example asbestos), including empty pressure containers	0,02	0,02	0
16 02 16 Components removed from discarded equipment other than those mentioned in 16 02 15	0	0,16	0
16 01 03 End-of-life tires	0,28	0	0
20 01 36 Discarded electrical and electronic equipment other than those mentioned in 20 01 21, 20 01 23 and 20 01 35	0,18	0	0
20 01 40 Metals	0,41	0	0
03 01 05 Sawdust, shavings, cuttings, wood, particle board and veneer other than those mentioned in 03 01 04	0,54	0	0
15 01 04 Metallic packaging	0,76	0	0
15 01 10* Packaging containing residues of or contaminated by dangerous substance	0,06	0,1	0

Energy efficiency

2020 DATA						
COMPANY LOCATION	GASOLINE / VEHICLES (L)	DIESEL / HEATING (L)	DIESEL / VEHICLES (L)	ELECTRICITY (MWH)	GAS (MWH)	
MASNOU	N/A	Not used	N/A	2.584,32	6.646,241	
SICI93	Not used	2.500	35416	345,67	Not used	
PLAYVEST	Not used	Not used	19.067	681,15	Not used	
EFA	N/A	Not used	N/A	8.910,28	26.246,677	
NEXTIL GROUP 2020	--	2.500,00	54.483,00	12.521,42	32.892,918	

2019 DATA						
COMPANY LOCATION	GASOLINE / VEHICLES (L)	DIESEL / HEATING (L)	ELECTRICITY (MWH)	GAS/ HEATING (LMMSCF/YEAR)	GAS (MWH)	PROPANE HEATING
MASNOU	N/A	N/A	4.589.049,00	Not used	14.917,166	Not used
SICI93	Not used	37.351,71	322.507,00	Not used	Not used	Not used
PLAYVEST	Not used	12.577,00	598.361,00	Not used	Not used	Not used
EFA	N/A	N/A	10.004.366,00	117,045	Not used	108.025,40
NEXTIL GROUP 2019	--	49.928,71	15.514.283,00	117,05	14.917.166,00	108.025,40

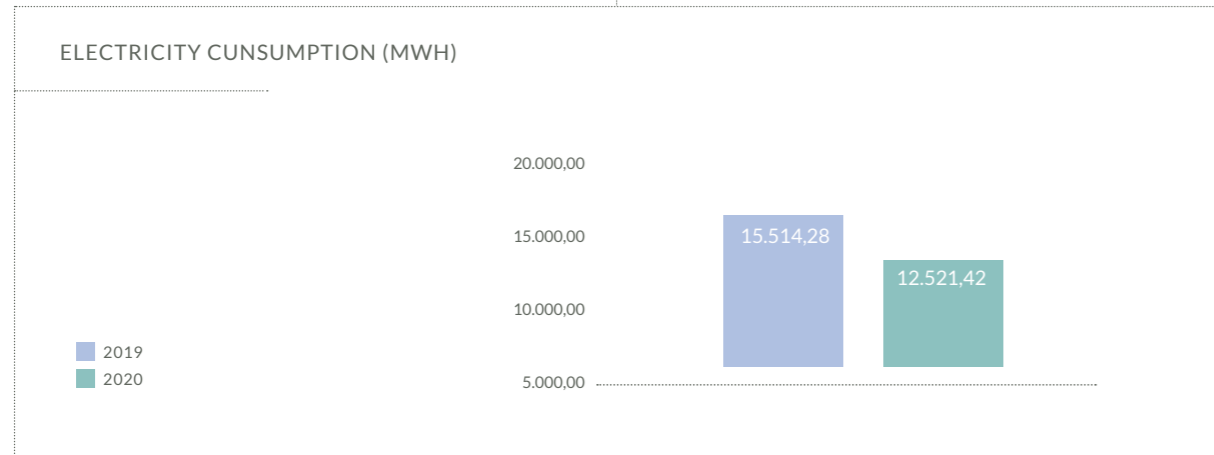
GROUP TOTALS COMPARISON

	NEXTIL GROUP 2020	NEXTIL GROUP 2019
Electricity (Mwh)	12.521,42	15.514,28
Propane	(*)	108.025,40
Gas/ heating	Not used	117,05
Gas (Mwh)	32.892,92	14.917,17
Gasoline/ Vehicles (l)	Non available in facilities where it is used	Non available in facilities where it is used
Diesel/ vehicles (l)	54.483,00	49.928,71
Diesel/ heating (l)	2.500,00	N/A

(*) Switch to Gas in EFA

Nextil Group's electricity consumption in Mwh has decreased by 24%, but as mentioned above, it is not possible to

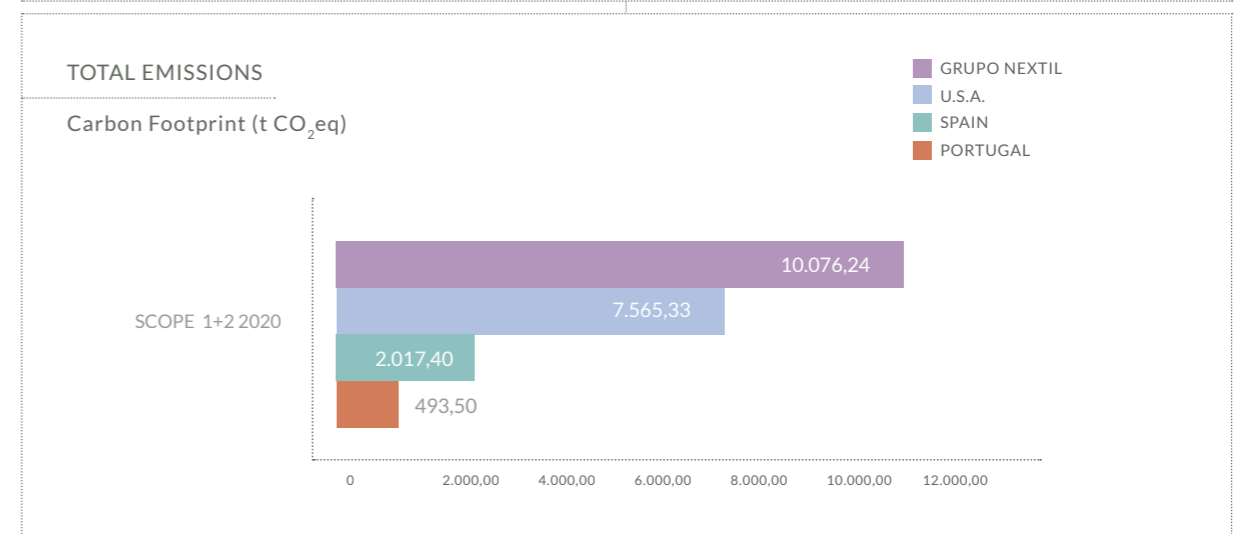
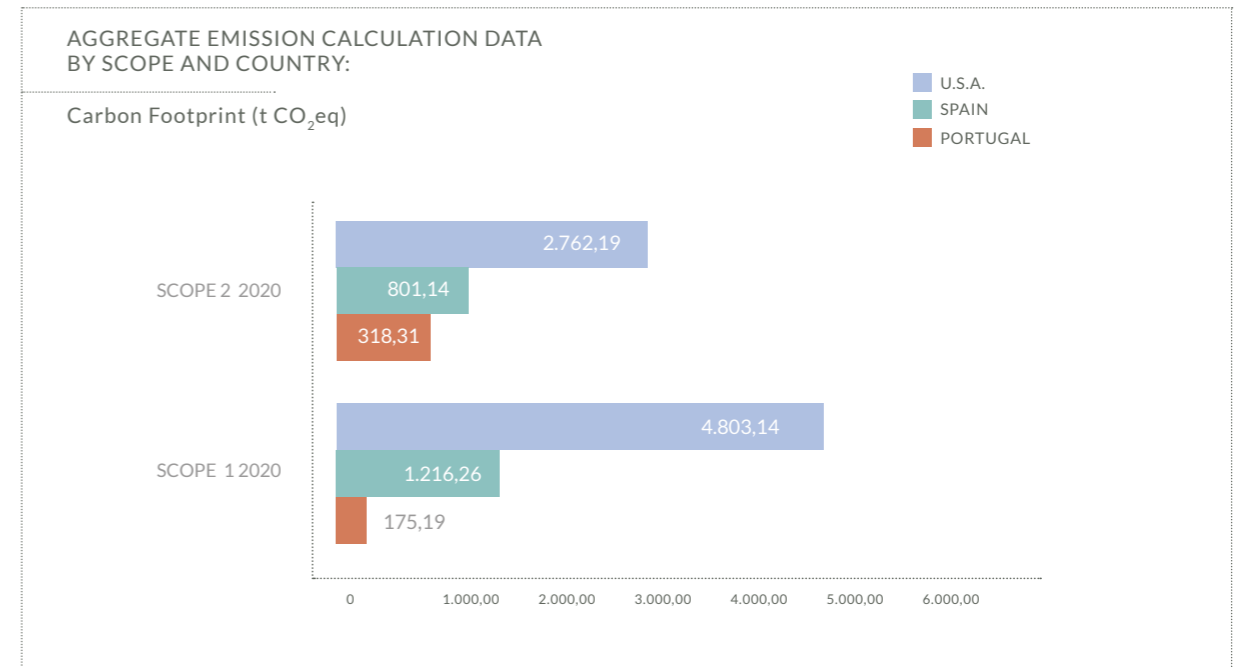
compare the consumed amounts due to the effects of COVID-19.

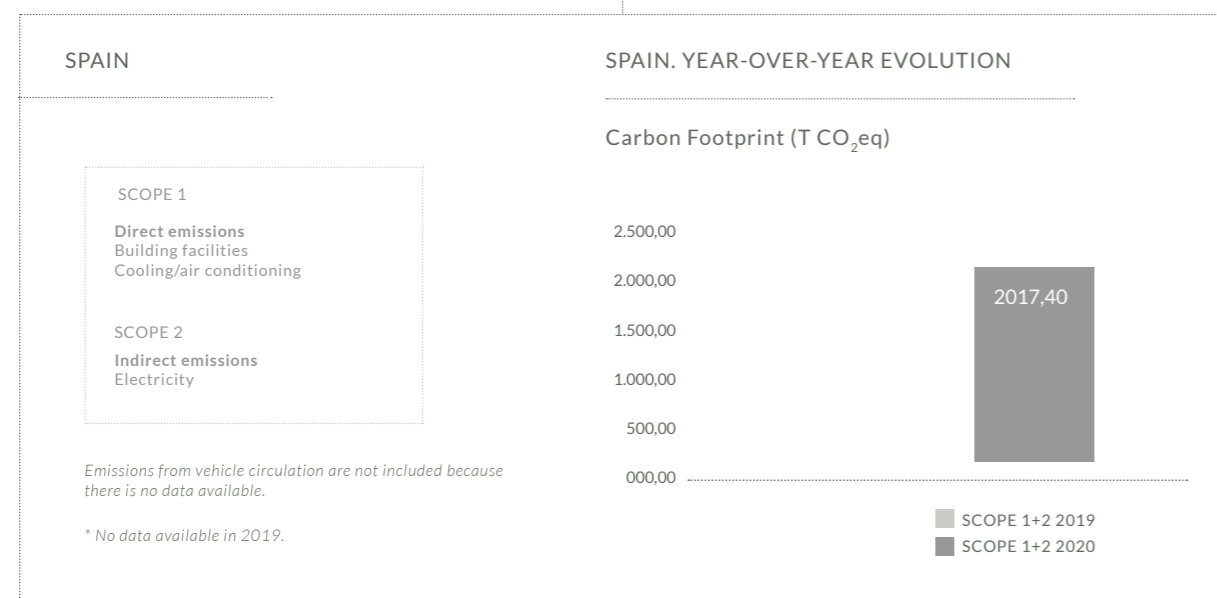
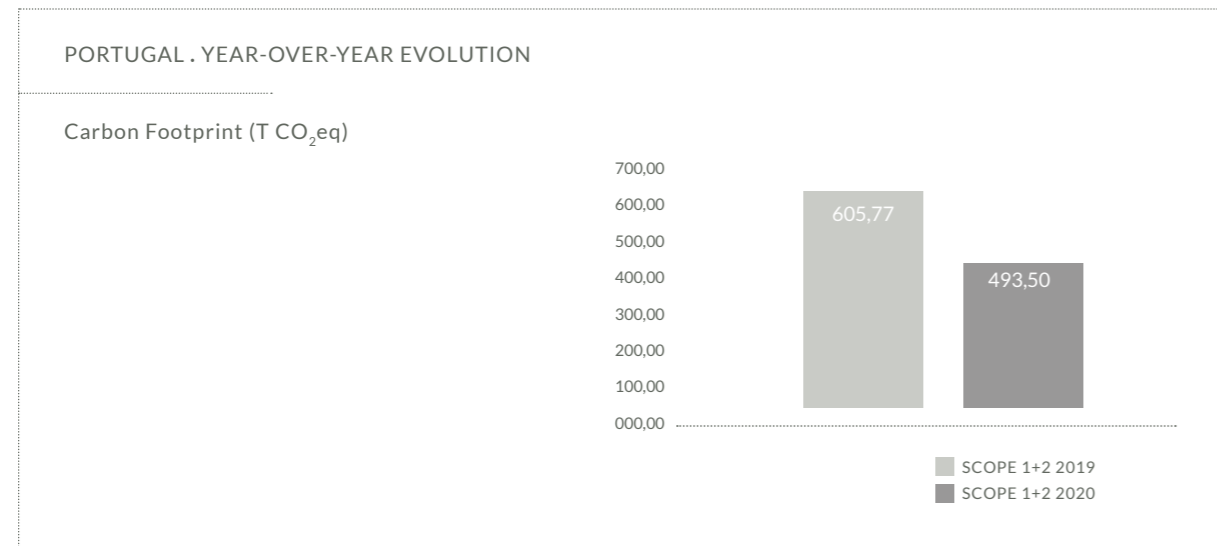
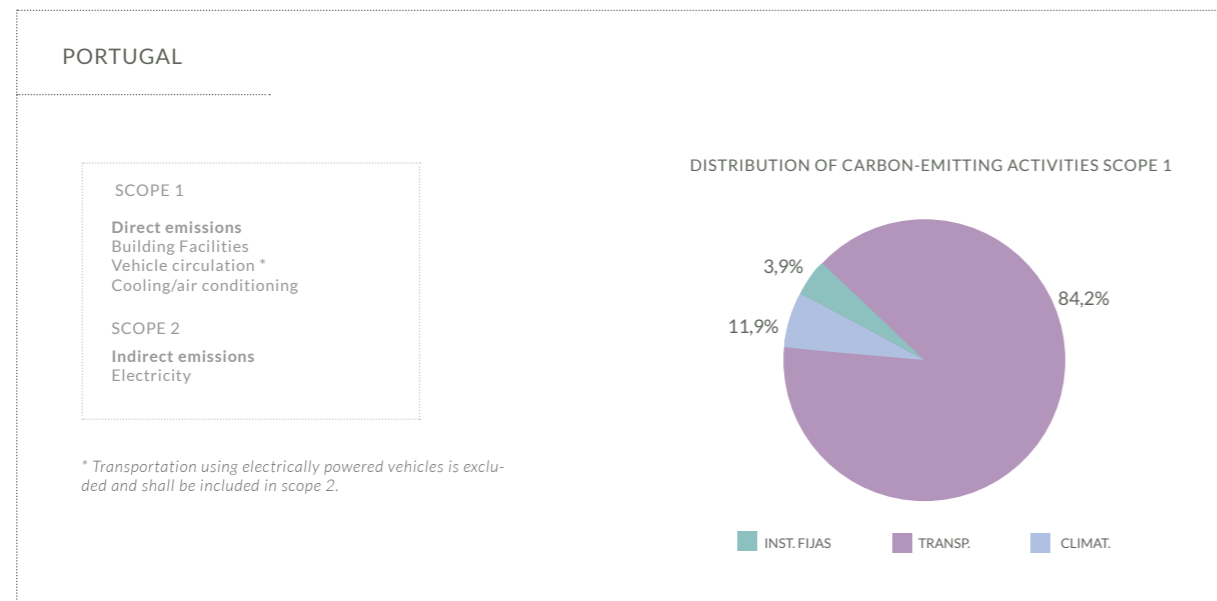


Emissions

To calculate emissions, we used the calculator of the Ministry for Ecological Transition which includes greenhouse gas emissions

related to the activities an organization, considering both direct and indirect emissions from electricity consumption:

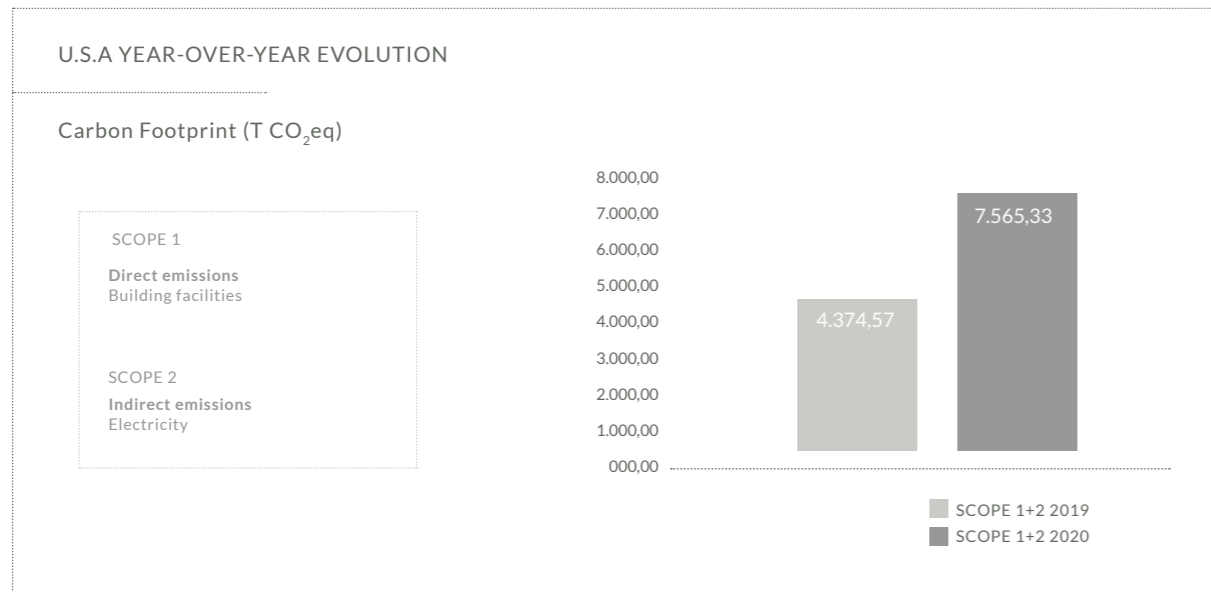




2020 CALCULATIONS PORTUGAL	2019 CALCULATIONS PORTUGAL
<p>Scope 1 Direct emissions: 175,19 t CO₂eq</p> <ul style="list-style-type: none"> Building facilities: emissions from the use of heating fuel at Portuguese facilities. Vehicle circulation: emissions from vehicle fuel consumption. Air conditioning recharges: leaks from refrigeration equipment at Portuguese facilities. <p>Scope 2: Indirect emissions related to electricity: 318,31 t CO₂eq</p> <ul style="list-style-type: none"> Electricity: emissions from electricity consumption at Portuguese facilities. Vehicles: emissions from vehicles' electrical consumption. 	<p>Scope 1 Direct emissions: 228,22 t CO₂eq</p> <ul style="list-style-type: none"> Building facilities: emissions from the use of heating fuel at Portuguese facilities. Vehicle circulation: emissions from vehicle fuel consumption. Air conditioning recharges: leaks from refrigeration equipment at Portuguese facilities. <p>Scope 2: Indirect emissions related to electricity: 377,55 t CO₂eq</p> <ul style="list-style-type: none"> Electricity: emissions from electricity consumption at Portuguese facilities. Vehicles: emissions from vehicles' electrical consumption.

2020 CALCULATIONS ESPAÑA	
<p>Scope 1 Direct emissions: 801,14 t CO₂eq</p> <ul style="list-style-type: none"> Building facilities: emissions from the use of heating fuel at Spanish facilities. Air conditioning recharges: leaks from refrigeration equipment at Spanish facilities. 	<p>Scope 2: Indirect emissions related to electricity: 318,31 t CO₂eq</p> <ul style="list-style-type: none"> Electricity: emissions from electricity consumption at Spanish facilities.

2020 CALCULATIONS EE.UU.	2019 CALCULATIONS EE.UU.
<p>Scope 1 Direct emissions: 4.803,1439 t CO₂eq</p> <ul style="list-style-type: none"> Building facilities: emissions from the use of heating fuel at EFA's facilities in the U.S.A. <p>Scope 2: Indirect emissions related to electricity: 2.762,1878 t CO₂eq</p> <ul style="list-style-type: none"> Electricity: emissions from electricity consumption at EFA's facilities in the U.S.A. 	<p>Scope 1 Direct emissions: 272,7781 t CO₂eq</p> <ul style="list-style-type: none"> Building facilities: emissions from the use of heating/cooling fuel at EFA's facilities in the U.S.A. <p>Scope 2: Indirect emissions related to electricity: 4.101,7901 t CO₂eq</p> <ul style="list-style-type: none"> Electricity: emissions from electricity consumption at EFA's facilities in the U.S.A.



No environmental penalty or sanction has been applied to Nextil Group during the years of 2020 and 2019.



MATTERS CONCERNING PERSONNEL

NEXTIL Group expresses its absolute commitment to respect and protect nationally and internationally.



8.1 HUMAN RESOURCES MANAGEMENT MODEL

The framework of the GROUP's Human Resources management approach embodies the Principles of Action comprising a set of commitments towards NEXTIL GROUP's employees:



- 1. WORKPLACE HEALTH AND SAFETY
- 2. HUMAN AND LABOUR RIGHTS
- 3. EQUALITY AND NON DISCRIMINATION
- 4. RECRUITMENT AND TRAINING
- 5. PROFESSIONAL ACTIVITY RESOURCES

NEXTIL Group's professionals shall strictly comply with the legislation in force in the place where they carry out their activity, according to the spirit and purpose of the laws, and shall observe the provisions of the Code of Ethics, basic procedures and internal regulations that govern NEXTIL Group's activity, as well as the commitments assumed in their contractual relationships with third parties.

Commitment to Human and Labor Rights

NEXTIL Group expresses its absolute commitment to respect and protect nationally and internationally recognized human and labor rights, and its commitment to the principles set out in the United Nations Global Compact, the OECD Guidelines and the Social Policy of the International Labor Organization.

We do not tolerate neither degrading

working conditions, nor involuntary or forced labour, nor child labour.

All NEXTIL Group's employees are required to treat colleagues, superiors and subordinates with respect and must contribute to foster a work environment in which cordiality prevails and no kind of intimidation occurs.

Any manifestation of physical or mental harassment, violence, abuse of authority at work or any other misconduct that creates an offensive or hostile environment for the personal rights of employees is prohibited. Specifically, NEXTIL Group shall promote measures to prevent sexual harassment, whenever deemed necessary.

Our management approach also includes a commitment to maintaining a work environment free from hostile and inhuman treatment, sexual harassment or abuse, physical coercion, or verbal abuse. We reject any manifestation of physical or mental harassment, violence, abuse of authority at work or any other misconduct that creates an offensive or hostile environment for employees personal rights.

Weekly working hours and overtime hours shall not exceed the legal limit established by the legislation of each country. Overtime hours shall always be voluntary and paid in accordance with the law.

Living wages shall be paid according to employees jobs, always respecting the legal minimum wage and complying with the agreements of each sector, as well as the national legislation in force.

NEXTIL Group recognizes and respects the rights of unionization, freedom of association and collective bargaining.

The behavior of our professionals must be righteous, ethically acceptable, legally valid, environmentally responsible and socially fair.

Commitment to non-discrimination and equality

We promote non-discrimination based on age, sex, marital status, sexual orientation, union or political affiliation, religion, ethnicity, nationality, social origin, or any other personal, physical or social condition of our professionals, as well as equal opportunities for them.

In particular, NEXTIL Group shall promote equal treatment for men and women with regard to access to employment, training, promotion of professionals and working conditions.

NEXTIL Group declares its commitment to develop initiatives that promote the conciliation of employees' personal and family life and the balance between their life and work responsibilities.

In addition, EFA has a specific policy on Equal Employment Opportunities which reflects the GROUP's commitment to providing fair and equal employment opportunities to all people, both job applicants and its employees, with no distinction of race, color, religion, nationality, age, sex, disability or seniority. This policy refers to all phases of employment, including recruitment, hiring, promotion, transfer, dismissal, salaries and other compensation, training, use of facilities and participation in associated activities sponsored by the Company. It is the responsibility of all managers to ensure the implementation of this policy in order to avoid any discrimination in each of these domains.

Playvest's code of conduct applies the principles of the Ethical Trading Initiative (ETI) which, among other aspects relating to ethical working conditions, enshrines the principle of non-discrimination when hiring, indemnifying, training, promoting, dismissing or retiring based on race, caste, nationality, religion, age, disability, sex, marital status, sexual orientation, or union or political affiliation.

SICI93's Code of Ethics also includes in its content the principle of respect and equal treatment for all employees.

Likewise, the Regulations of the Board include in its articles the commitment to ensure that its members' selection procedures favor the diversity of gender, experience and knowledge and do not suffer from implicit biases that may imply any discrimination and, in particular, facilitate the selection of female directors.

Section 8.1.1. of this document on staff performance indicators details the structure of employment by gender and age and the wage gap for the different categories of all Group's Companies.

Commitment to rigorous staff selection and employee training

We maintain an objective and rigorous selection program, based on the candidates' academic, personal and professional qualifications, taking into account the needs of NEXTIL GROUP.

Training programs provide equal opportunities for the development of our employees' professional career.

NEXTIL Group's professionals commit to constantly update their technical and management knowledge and to attend training programs provided by NEXTIL GROUP.

GROUP's companies implement their respective training programs which meet the specific needs of their activity and the respective professional updating needs.

The focus on employees, addressed in different GROUP's companies policies, highlights the commitment of senior management to creating conditions to achieve strategic objectives and ensure the participation of people through their qualification and learning, also promoting the exchange of knowledge based on best practices. Section 8.2. of this document details the distribution of employee training hours by category/level and gender.

Commitment to health and safety at work

NEXTIL Group promotes safe and hygienic working conditions and shall adopt the preventive measures, established to that effect in applicable legislation, to prevent and minimize occupational risks, ensuring the protection of employees and avoiding their overexposure to chemical, biological and physical hazards.

Likewise, professionals are responsible for strict compliance with health and safety standards at work, as well as they should also ensure their own safety and the safety of coworkers.

The GROUP promotes health and safety programs at work and shall adopt the preventive measures to prevent and minimize occupational risks.

GROUP's companies implement the appropriate measures related to health and safety conditions in the workplace and to the produced products.

Section 8.3 of this document on health and safety at work details our management approach regarding this matter and its performance in 2020.

Means and resources for the development of professional activity

The Group committed to providing all professionals with the resources and means necessary for the development of their professional activity and professionals commit to making a responsible use of these resources and means, performing exclusively professional activities in the interest of the Group.

Right to privacy of our employees

We respect our employees' right to privacy in all its forms and especially regarding personal, medical and economic data.

We take measures to protect confidential and personal information in our possession by collecting and processing data in accordance with applicable laws, professional obligations and our own data management policies and practices.

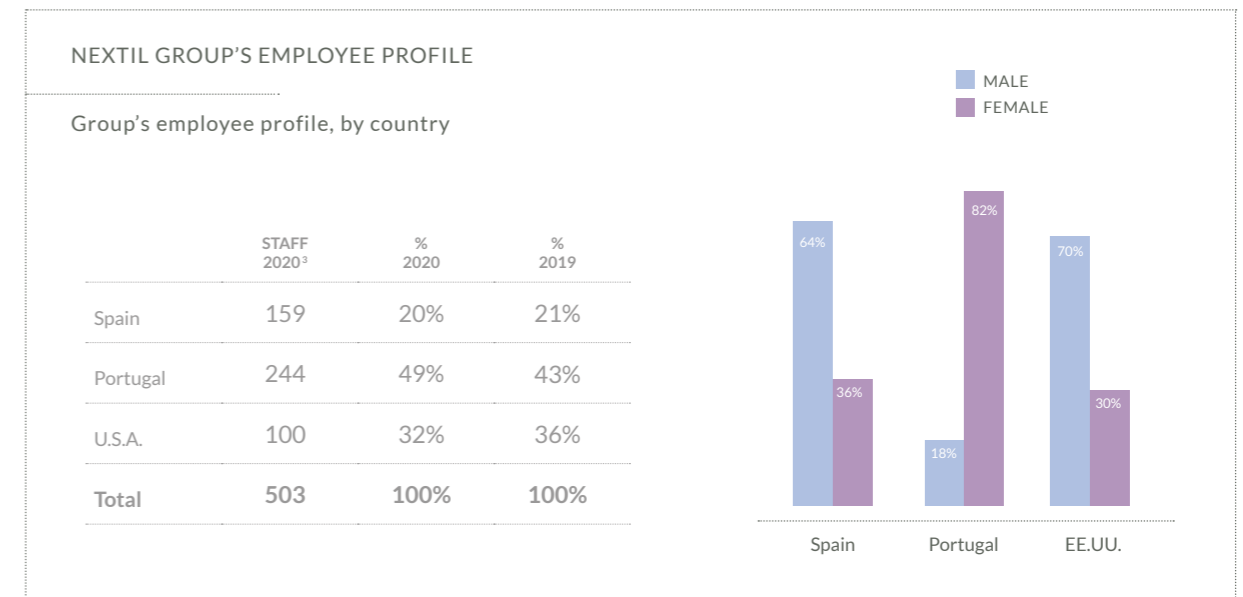
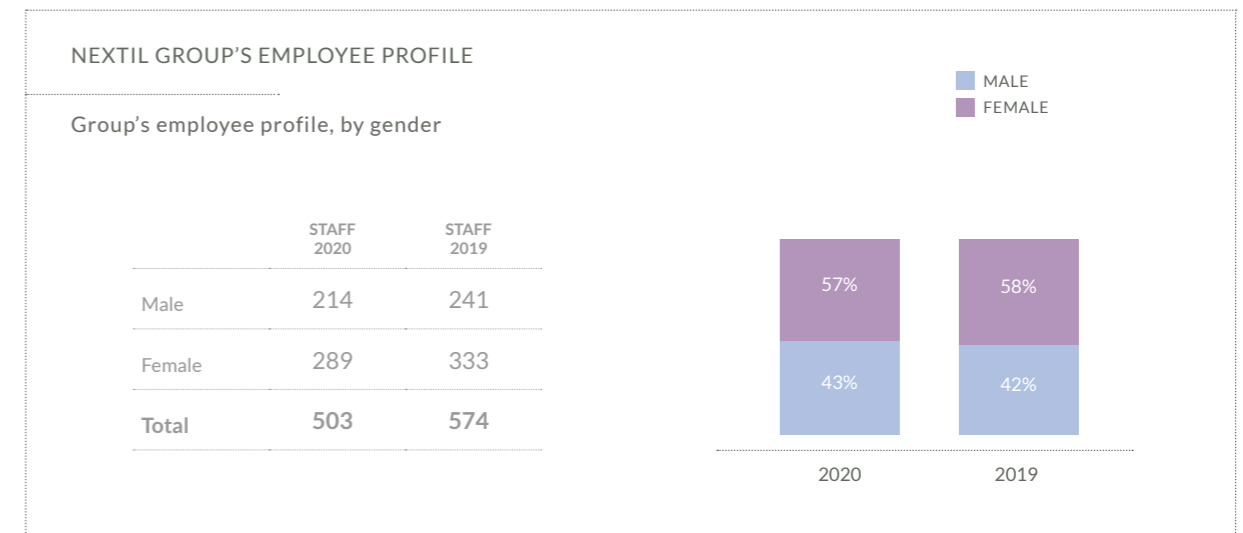
We commit not to disclose personal data of our employees, except with the prior consent of the interested parties and in cases of legal obligation or compliance with a court or administrative order. Professionals' personal data may not, under any circumstances, be processed for purposes other than those legally or contractually foreseen. The use of any of our customers' confidential information for personal or third-party benefit is strictly prohibited.

All these principles, regarding working conditions, are aligned with the codes of conduct of our main customers, who monitor implementation, compliance and due diligence of standards, their respective ethical codes, as well as our companies' commitment to report any serious non-compliance, along with corrective action plan.

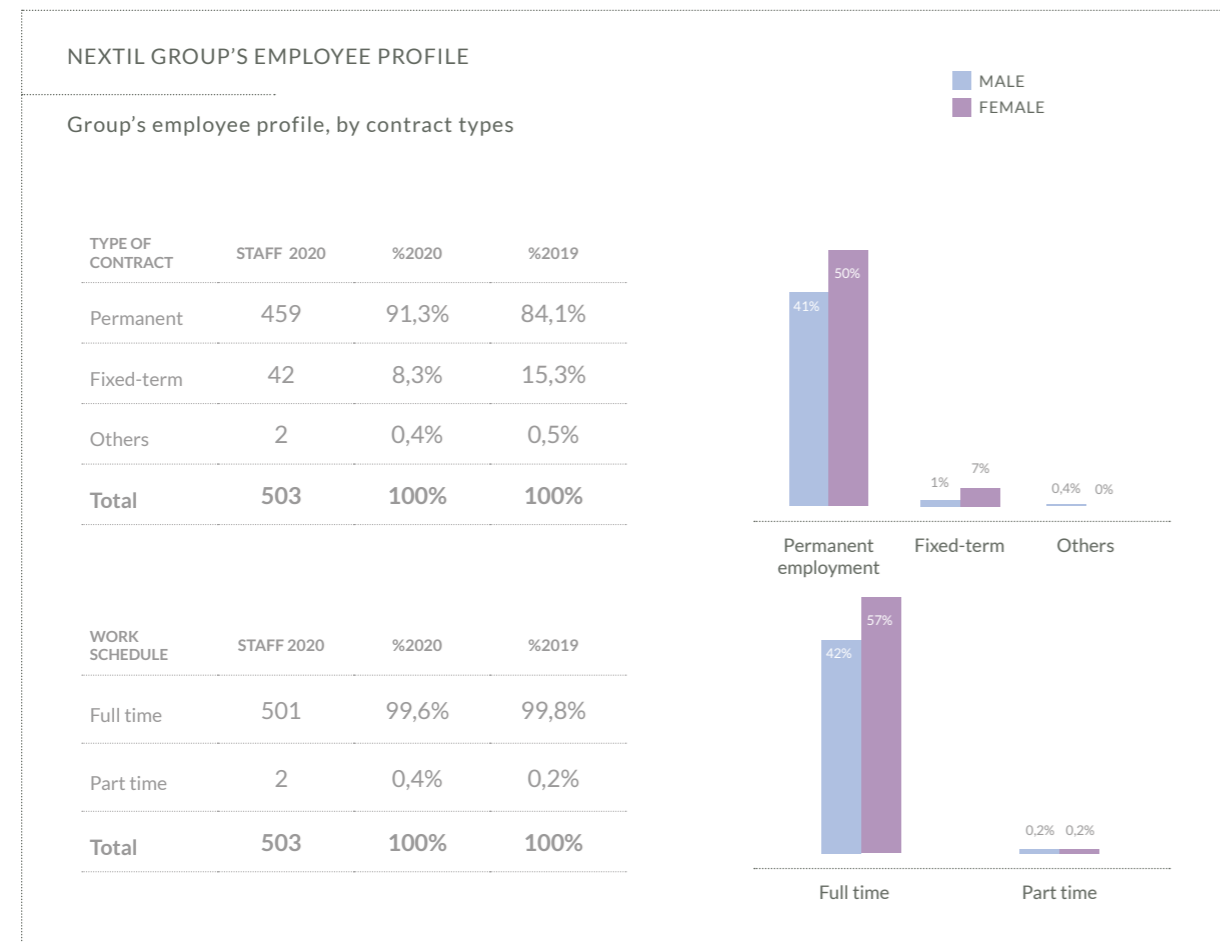
Collective Bargaining Agreements applicable to GROUP's companies:

- NEXTIL, DOGI, TREISS and QTT: Convenio colectivo general del trabajo de la Industria textil y de la Confección [General collective bargaining agreement for Work in the Textile and Clothing Industry] (sept 2018- dec 2020).
- Ritex: Conveni col·lectiu de treball del sector del comerç tèxtil de la província de Barcelona [Collective bargaining agreement for the textile trade sector in the province of Barcelona] (2019-2021).
- SICI93 and Playvest: ANIVÉC/APIVFESETE. Associação Nacional das Indústrias de Vestuário e Confecção. Contrato Colectivo de Trabalho para a Indústria de Vestuário e Confecção. [National Association of Clothing and Apparel Industries. Collective Bargaining Agreement for the Clothing and Apparel Industry] July 2010.

8.1.1 Key performance indicators



Staff on 31 December, 2020. The staff data does not include the personnel of HORIZON RESEACH LAB, SL; it is an affiliated company with a single employee.



PERMANENT AND FIXED-TERM CONTRACTS BY AGE *

	NEXTIL GROUP			SPAIN			PORTUGAL			EE. UU.		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50	< 30	30 - 50	> 50
2020												
TYPE OF CONTRACT												
Permanent	45	243	173	3	89	66	31	123	49	11	31	58
Fixed-term	9	24	9	0	0	1	9	24	8	0	0	0
WORKING SCHEDULE												
Full time	54	267	181	3	89	66	40	147	57	11	31	58
Part time	0	0	1	0	0	1	0	0	0	0	0	0

* Data for comparison are not available in the 2019 report.

PERMANENT AND FIXED-TERM CONTRACTS BY PROFESSIONAL CATEGORY (*)

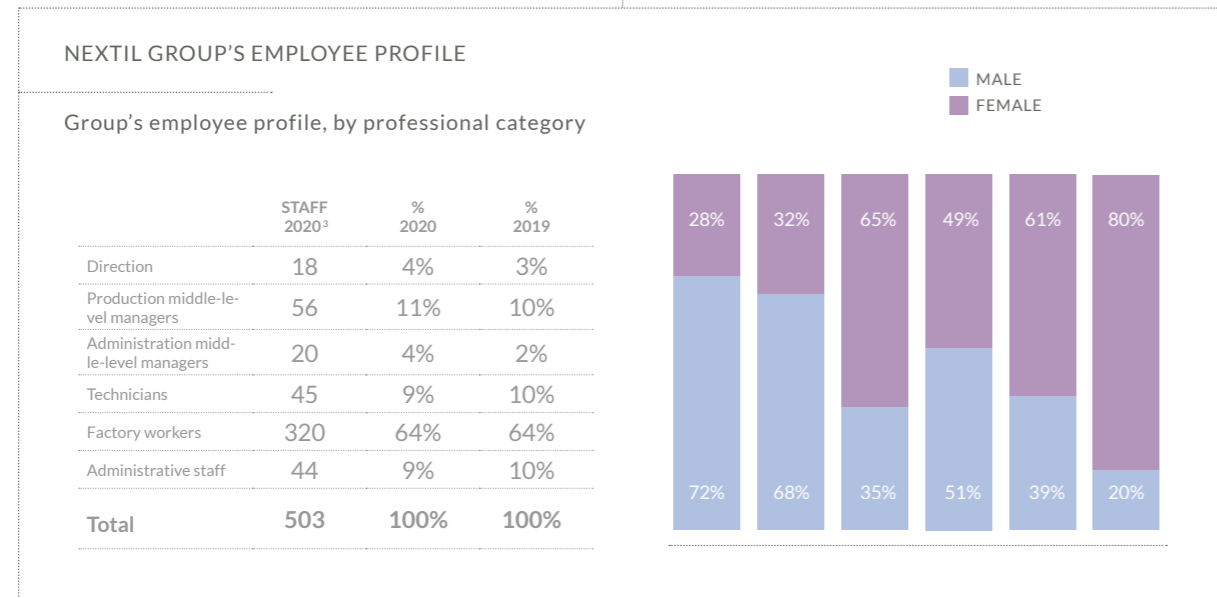
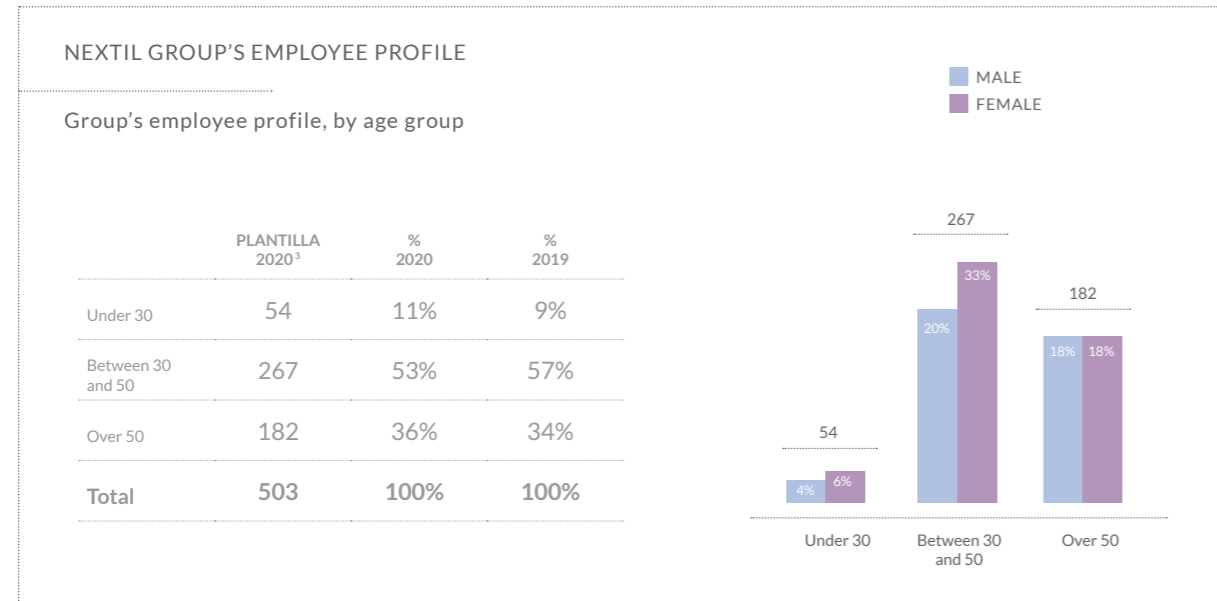
	PERMANENT CONTRACT			FIXED-TERM CONTRACT		
	FULL TIME	PART TIME	TOTAL	FULL TIME	PART TIME	TOTAL
SPAIN						
Direction	7	0	7	0	0	0
Production middle-level managers	29	0	29	0	0	0
Staff/administration middle-level	10	0	10	0	0	0
Technicians	19	0	19	0	0	0
Factory workers	71	1	72	1	0	1
Administrative staff	21	0	21	0	0	0
PORTUGAL						
Direction	8	0	8	0	0	0
Production middle-level managers	15	0	15	2	0	2
Staff/administration middle-level	5	0	5	1	0	1
Technicians	16	0	16	0	0	0
Factory workers	149	0	149	30	0	30
Administrative staff	13	0	13	5	0	5
EE. UU.						
Direction	8	0	8	0	0	0
Production middle-level managers	15	0	15	2	0	2
Staff/administration middle-level	5	0	5	1	0	1
Technicians	16	0	16	0	0	0
Factory workers	149	0	149	30	0	30
Administrative staff	13	0	13	5	0	5

* Data for comparison are not available in the 2019 report.

PERMANENT AND FIXED-TERM CONTRACTS BY GENDER

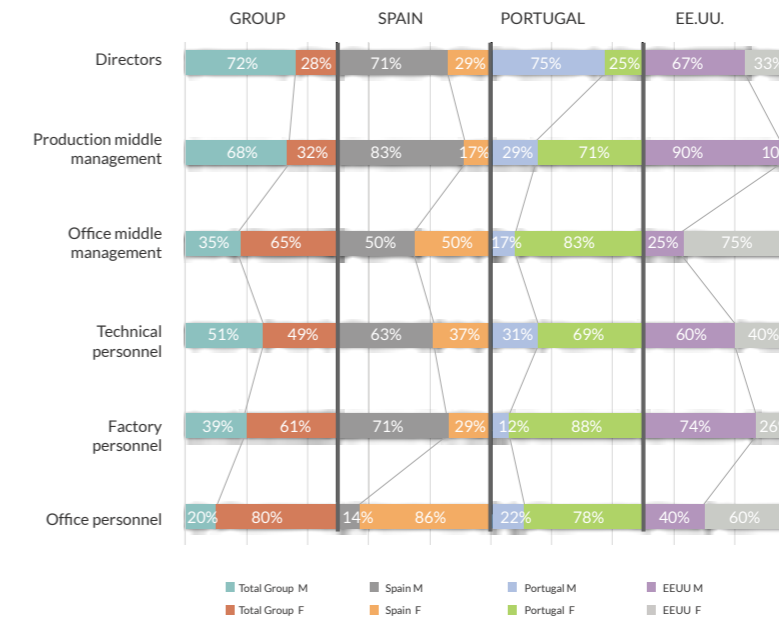
	NEXTIL GROUP		SPAIN		PORTUGAL		EE. UU.	
	H	M	H	M	H	M	H	M
2020								
TYPE OF CONTRACT								
Permanent	209	252	100	58	39	164	70	30
Fixed-term	5	37	1	0	4	37	0	0
WORKING SCHEDULE								
Full time	213	288	101	57	43	201	69	30
Part time	1	1	0	1	0	0	1	0
2019								
TYPE OF CONTRACT								
Permanent	216	267	108	87	34	141	74	39
Fixed-term	22	66	9	4	7	59	6	3
WORKING SCHEDULE								
Full time	241	332	117	90	44	200	80	42
Part time	0	1	0	1	0	0	0	0

Employee diversity



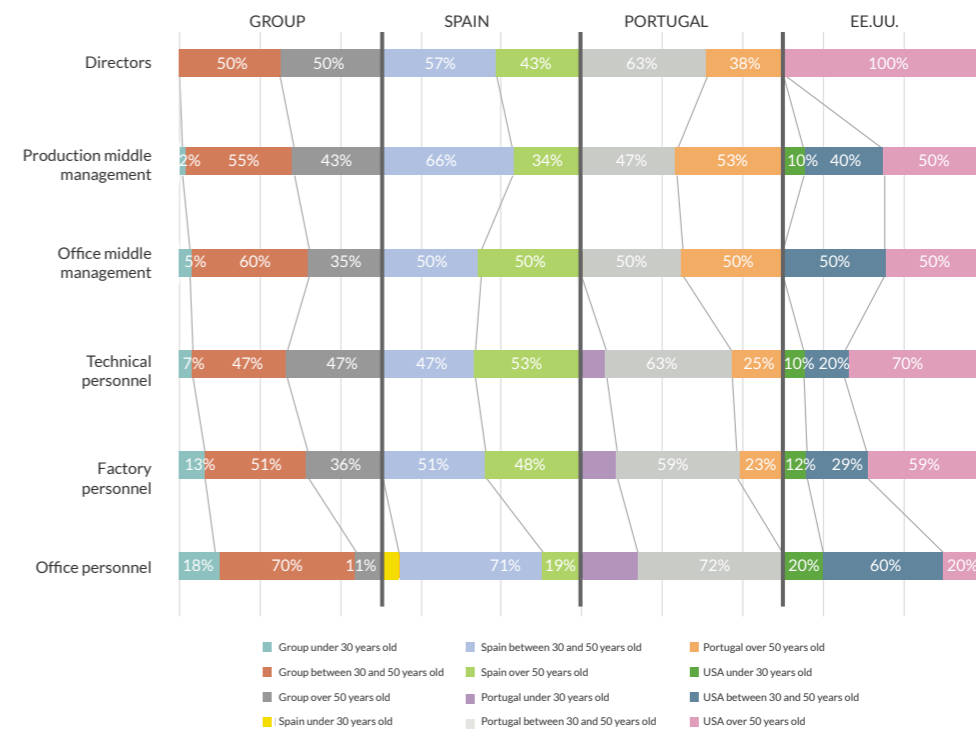
PERCENTAGE OF EMPLOYEES BY CATEGORY

EMPLOYEES BY PROFESSIONAL CATEGORY, BY GENDER AND AGE GROUP



PERCENTAGE OF EMPLOYEES BY CATEGORY

AGE PROFILE BY CATEGORY



Employment: Employee turnover

During 2020, the health crisis caused by COVID-19 led the Group to an abrupt drop in sales and a halt in production and commercial activity in Spain, as a result of the stoppage of orders due to the temporary closure of its customers' physical stores. The group's administration decided to reduce production capacity in order to adjust personnel costs to activity levels. This action led to, especially in the group's companies located in Spain, a restructuring of personnel at Treiss and the use of layoffs in all Spanish companies that, to a greater or lesser extent, have affected practically the entire staff.

- New hires.
- Number of contracts terminated by gender, age and professional category (number of dismissals, retirements + number of voluntary resignations + number of dismissals). All employees are considered, regardless of their type of contract.
- Number of dismissals by gender, age and professional category.
- Turnover rate

DATA 2020	NEXTIL GROUP		SPAIN ⁵		PORTUGAL		EE. UU.	
	M	F	M	F	M	F	M	F
NEW HIRES								
UNDER 30	13	14	0	0	4	9	9	5
Between 30 and 50	8	21	1	0	2	14	5	7
Over 50	6	6	0	0	1	4	5	2
TOTAL	27	41	1	0	7	27	19	14
TERMINATED CONTRACTS *								
Under 30	7	10	0	0	0	7	7	3
Between 30 and 50	22	46	10	27	1	14	11	5
Over 50	19	28	6	10	1	7	12	11
Total	41	74	16	37	2	28	30	19

* Employees voluntarily leaving the organization due to dismissal, retirement or death in service.

⁵ In February 2020 there was a Temporary Redundancy Plan at Treiss involving 28 employees, as well as several dismissals and voluntary resignations in 2020, which are reflected in the table.

DATA 2019	NEXTIL GROUP		SPAIN		PORTUGAL		EE. UU.	
	M	F	M	F	M	F	M	F
NEW HIRES								
UNDER 30	8	14	2	1	3	13	3	0
Between 30 and 50	21	42	14	14	2	27	5	1
Over 50	18	19	13	8	0	10	5	1
TOTAL	47	75	29	23	5	50	13	2
TERMINATED CONTRACTS *								
Under 30	8	10	1	1	2	9	5	0
Between 30 and 50	18	30	9	13	3	14	6	3
Over 50	15	13	9	6	0	6	6	1
Number of contracts terminated	41	53	19	20	5	29	17	4

* Employees voluntarily leaving the organization due to dismissal, retirement or death in service.

DISMISSAL	NEXTIL GROUP		SPAIN		PORTUGAL		EE. UU.	
	M	F	M	F	M	F	M	F
NUMBER OF DISMISSALS BY AGE (*)								
Under 30	0	0	0	0	0	7	7	3
Between 30 and 50	22	46	10	27	1	14	11	5
Over 50	19	28	6	10	1	7	12	11
Total	41	74	16	37	2	28	30	19

* No se dispone de comparable para el cuadro anterior en el informe del 2019.

DISMISSAL	NEXTIL GROUP		SPAIN		PORTUGAL		EE. UU.	
	M	F	M	F	M	F	M	F
NUMBER OF DISMISSALS BY CATEGORY (*)								
Direction	1	0	0	0	0	0	1	0
Production middle-level managers	4	2	1	2	0	0	3	0
Staff/administration middle-level managers	1	0	1	0	0	0	0	0
Technicians	6	2	0	0	0	0	6	2
Factory workers	21	40	3	21	0	2	18	17
Administrative staff	1	7	1	5	0	0	0	2

* Data for comparison are not available in the 2019 report

	SPAIN		PORTUGAL		EE. UU.	
	2020	2019	2020	2019	2020	2019
NEW HIRES RATE						
New hires / total employees	1%	25%	12%	23%	33%	12%
TURNOVER RATE						
Contracts terminated in the period - New hires / total employees	30%	(6%)	(1%)	(9%)	14,6%	5%

Wage Gap

WAGE GAP RATIO ⁶	2020	2019
	Directors	60%
Production middle-level managers	88%	100%
Staff/administration middle-level managers	70%	88%
Technicians	79%	110%
Factory workers	94%	99%
Administrative staff	86%	86%

⁶ Calculation of the wage gap ratio: Average females/average males *100. It includes variable remuneration, subsidies, contributions to long-term pension and savings plans and any other remuneration.

Employees covered by collective agreement

SPAIN	PORTUGAL	EE. UU.
100%	100%	Not used

Data presented in the previous table refer to 2020 and 2019.

Conciliation

PARENTAL LEAVE

	SPAIN		PORTUGAL		SPAIN		PORTUGAL	
	2020				2109			
	M	F	M	F	M	F	M	F
Total number of employees who have been entitled to parental leave	2	1	4	4	2	4	2	5
Total number of employees who have taken parental leave	2	1	4	4	2	4	2	5
Total number of employees who returned to work during the reporting period after termination of parental leave	2	0	4	3	2	4	2	5

Portugal SIC19 and Playvest3:

- During 2020, a total of 7,417 hours were accounted for dependents care, 11% of which correspond to males and 89% to females.
- During 2020, a total of 450 hours under a reduced working hours regime have been accounted for, 100% of which correspond to females. 37 women were absent for childcare in a total of 273 hours.

EFA:

- In the U.S.A., paternity leave is included in the FMLA policy. The FMLA entitles employees the right to unpaid and protected leave for specific family and medical reasons, in which employee health insurance coverage is maintained under the same terms and conditions as if the employee had not taken the leave. In 2020, 11 employees used the benefits granted by FMLA. In each case, EFA assisted these employees, helping them to comply with legal requirements. Of the 11 employees who actually used the benefits granted by FMLA, 4 were males and 7 were females.

⁷ The company deducts 100% of the salary for this type of absences. However, the Portuguese State pays 65% of the employee's salary from the first day up to a maximum of 30 consecutive or interspersed days throughout the year.

Employees with disabilities

SPAIN	PORTUGAL	EE. UU.
2 ⁸	0	0

Data presented below are the same for 2020 and 2019.

⁸ Dogi Spain SL has 2 workers with disabilities. It complies with the law establishing a 2% quota. All other companies are not subject to legal obligation.

8.2 EMPLOYEE TRAINING

- Training hours by professional category and by sex.
- Training hours/year ratio per employee, distributed by gender and professional category.

MASNOU (DOGI TREISS, RITEX, QTT)

	TRAINING HOURS BY PROFESSIONAL CATEGORY IN 2020		TRAINING HOURS BY PROFESSIONAL CATEGORY IN 2019		TRAINING HOURS RATIO BY PROFESSIONAL CATEGORY	
	M	F	M	F	2020(*)	2019(*)
Directors	2	0	8,5	0	0,3	0,9
Production middle-level managers	2	3	95	1,5	0,2	3,4
Staff/administration middle-level managers	1	0	5,5	9,5	0,1	1,4
Technicians	0	3	12	23	0,2	1
Factory workers	2	7	80	24	0,1	1,1
Administrative staff	5	13	4,5	13	0,9	0,6
Total number of training hours provided to employees /Total number of employees					0,24	1,3
Total number of training hours provided to employees /Total number of female employees					0,45	0,8
Total number of training hours provided to male employees /Total number of male employees					0,12	1,8

(*) Training hours ratio by professional category = Total number of training hours provided to each professional category /Total number of each category's employees

PORTUGAL: SICI93 Y PLAYVEST:

	TRAINING HOURS BY PROFESSIONAL CATEGORY IN 2020		TRAINING HOURS BY PROFESSIONAL CATEGORY IN 2019		TRAINING HOURS RATIO BY PROFESSIONAL CATEGORY	
	M	F	M	F	2020(*)	2019(*)
Directors	3	26	5	0	3,6	1,7
Production middle-level managers	20	62,5	43	78	4,9	6,1
Staff/administration middle-level managers	2	23	0	0	4,2	0
Technicians	9	46	0	14	3,4	1,8
Factory workers	62	463,5	50	654,5	2,9	3,9
Administrative staff	9,5	44,5	98	762,5	3	30,7
Total number of training hours provided to employees /Total number of employees					3,16	7
Total number of training hours provided to employees /Total number of female employees					3,41	7,5
Total number of training hours provided to male employees /Total number of male employees					2,45	4,5

(*) Training hours ratio by professional category = Total number of training hours provided to each professional category /Total number of each category's employees

EFA

	TRAINING HOURS BY PROFESSIONAL CATEGORY 2020		TRAINING HOURS RATIO BY PROFESSIONAL CATEGORY	
	H	M	2020(*)	2019(*) ⁹
Directors	19,9	3,3	7,7	ND
Production middle-level managers	89,5	3,3	9,3	ND
Staff/administration middle-level managers	9,9	9,9	5,0	ND
Technicians	377,8	92,5	47,0	ND
Factory workers	507	225,1	10,8	ND
Administrative staff	19,9	9,9	6,0	ND
Total number of training hours provided to employees /Total number of employees			13,68	40,00
Total number of training hours provided to employees /Total number of female employees			11,47	32,90
Total number of training hours provided to male employees /Total number of male employees			14,63	40,20

(*) Training hours ratio by professional category = Total number of training hours provided to each professional category /Total number of each category's employees
In 2019 there were no data available on training by professional category at EFA. The total of provided training was 3.220 hours for males and 1.380 hours for females.

8.3 HEALTH AND SAFETY AT WORK**Model for Health and Safety at Work**

NEXTIL GROUP ensures its employees' health and safety, investing in safe workplaces, going beyond mere legal compliance. In 2019, the GROUP approved the Policy for Health and Safety at Work, which has remained in force in 2020. During this year, the Prevention Plan was included into the Compliance Management System. Said Plan includes the prevention policy which is based, among others, on the following prevention objectives:

- To eliminate or reduce risks arising from work.
- To continuously protect workers' safety and health.
- To establish information, consultation and participation mechanisms required to develop a preventive activity.

Among other issues, roles and responsibilities regarding prevention are established. We only find a Health and Safety Committee in el Masnou, the rest of the companies do not include this committee.

Emergency plans

NEXTIL GROUP ensures its workers' protection in the event of any emergency, defining and periodically updating the emergency plans of the different factories/facilities, and carrying out emergency drills to ensure employee training and the validity of measures already taken.

PORTUGAL

		SICI93 I	SICI93 II	SICI93 III	SICI93 IV	PLAYVEST
Self-protection plan	Approval date	08/08/2012	11/07/2014	27/10/2017	11/09/2018	26/10/2011
Drills	Execution date	28/01/2020	28/01/2020	28/01/2020	28/01/2020	28/01/2020

SPAIN**MASNOU**

Self-protection plan	Approval date	01.27.2020
Drills	Execution date	No se han realizado en 2020

EE.UU.

GREENSBORO

Self-protection plan	Approval date	Not available
Drills	Execution date	04.21.2020

Health surveillance

In accordance with health surveillance parameters, medical examinations have been carried out in the different companies of the group.

MEDICAL EXAMINATIONS CARRIED OUT IN GROUP'S DIFFERENT COMPANIES

	SPAIN		PORTUGAL		EE. UU.	
	2020*	2019	2020	2019	2020	2019
Initial	-	4	39	63	7	0
Periodic	-	137	111	116	30	0
Performed for other reasons	-	3	1	0	0	0
Males	-	82	11	20	21	0
Females	-	62	140	160	16	0
Average age	-	ND	45	ND	39	ND
Maximum age	-	ND	71	ND	63	ND
Minimum age	-	ND	19	ND	21	ND

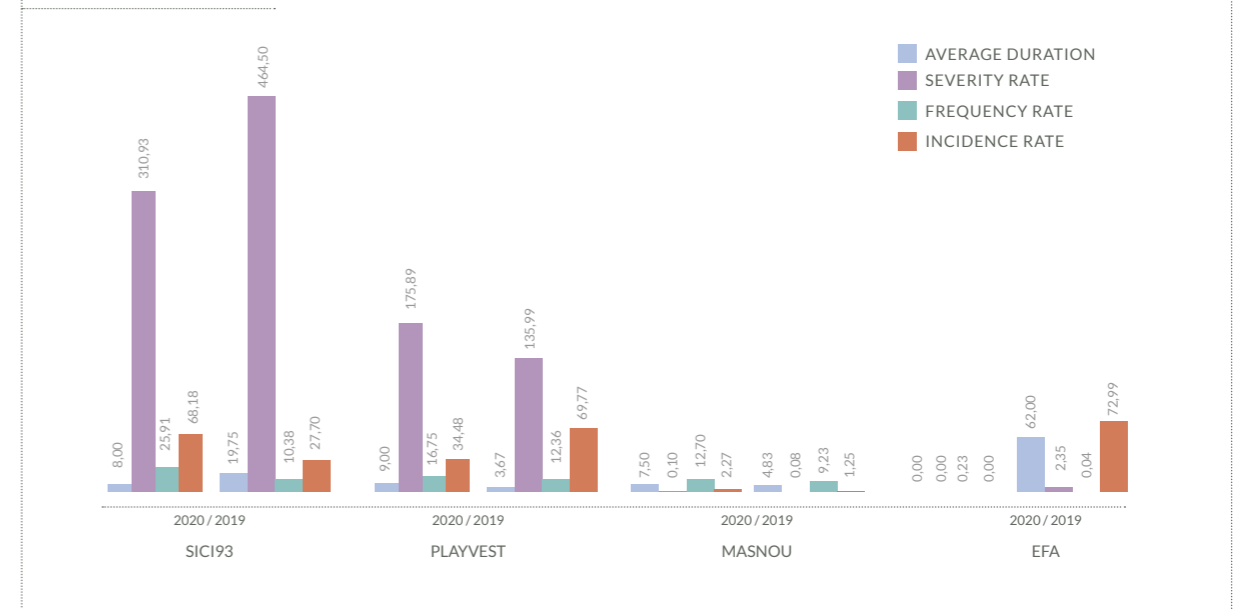
* In Spain, in 2020, only sensitive personnel (COVID) was medically examined, therefore, for reasons of confidentiality, there are no data available and the respective details are omitted.

8.3.1 Key performance indicators

OCCUPATIONAL ACCIDENTS

	NEXTIL GROUP'S AVERAGE 2020	NEXTIL GROUP'S AVERAGE 2019
Incidence rate	26,23	25,65
Frequency rate	13,90	8,94
Severity rate	121,73	170,24
Average duration	6,12	16,03

DISTRIBUTION BY COUNTRIES/LOCATIONS:



Absenteeism

ABSENTEEISM

COUNTRY	ABSENTEEISM RATE * 2020	ABSENTEEISM RATE 2019
Spain	3,06	ND
Portugal	7,39	ND
USA	24,60	ND
NEXTIL GROUP'S AVERAGE	11,68	ND

* Absenteeism rate: number of hours of absence due to professional and common contingencies per 100 hours of work.

Training in Occupational Health and Safety

The necessary training on health and safety is carried out for each workstation and professional category. In the table below are listed all trainings carried out during 2020 by the GROUP's companies:

DETAILED TRAINING ON SAFETY AND HEALTH BY LOCATION/COMPANY IN 2020

COMPANIES	Training Plan/Session	No. of hours Female	No. of hours Male	Total Hours
MASNOU	Biological risks. Exposure to the new coronavirus	29,00	11,00	40,00
SICI93	Environmental and OHS - Handling and storage of chemical products	12,00	40,00	52,00
SICI93	OHS - Work Equipment Safety (Decree-Law 50/2005)	8,00	0,00	8,00
SICI93	OSH, Legislation, Finance - COVID-19	12,00	3,00	15,00
PLAYVEST	Environmental and OHS - Handling and storage of chemical products	40,00	52,00	92,00
EFA	OSHA Recordable Training	93,00	36,00	129,00
EFA	Personal Protective Equipment Training	93,00	36,00	129,00
EFA	Lock Out / Tag Out Training	89,00	36,00	125,00
EFA	COVID-19 Initial Training	103,00	36,00	139,00
EFA	Forklift Driver Training	210,00	9,00	219,00
EFA	Fire Drill / Safely Evacuating	71,00	32,00	103,00
EFA	Emergency Preparedness Training	89,00	38,00	127,00
EFA	COVID-19 Procedural Training	103,00	36,00	139,00
EFA	COVID-19 Updated Training	103,00	36,00	139,00
EFA	Flu Preparations	88,00	39,00	127,00
EFA	Machine Guarding	86,00	40,00	126,00
EFA	First Responder Training	82,00	41,00	123,00
EFA	Back Safety Training	89,00	37,00	126,00

DETAILED TRAINING ON SAFETY AND HEALTH BY LOCATION/COMPANY IN 2019

COMPANIES	Training Plan/Session	No. of hours Female	No. of hours Male	Total Hours
DOGI SPAIN S.L.U.	Work at heights	0,00	12,00	12
	Forklift Operators	0,00	120,00	120
	Workstations/ job positions	10,50	7,50	18
	Occupational Risk Prevention	4,00	24,00	28

DETAILED TRAINING ON SAFETY AND HEALTH BY LOCATION/COMPANY IN 2019

COMPANIES	Training Plan/Session	No. of hours Female	No. of hours Male	Total Hours
RITEX 2002	Forklift Operators	0,00	32,00	32
TREISS	Workstations/ job positions	69,94	17,06	87
QTT	Workstations/ job positions	0,00	2,00	2
PORTUGAL	Chemical handling safety	73,72	640,43	714,15
	Use of PPE in cleaning stations			
	Driving and maneuvering lifting equipment			
	Safety and use of the pressing machine			
EFA	Procedure in the event of a traffic accident	690,00	690,00	1.380
	First Responder Training			
	Safety and health			

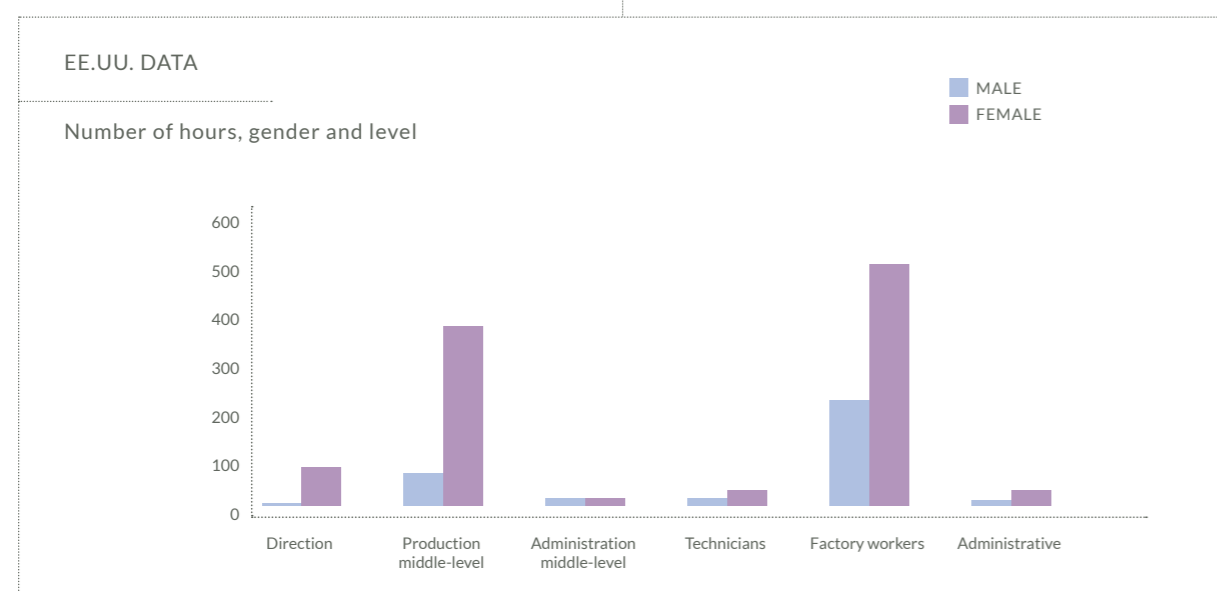
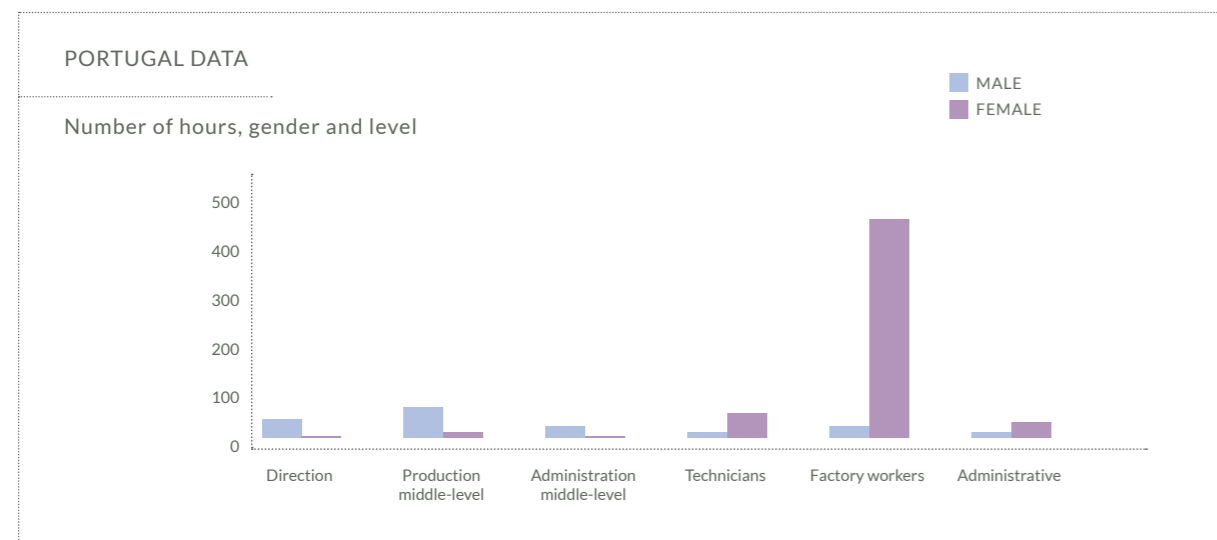
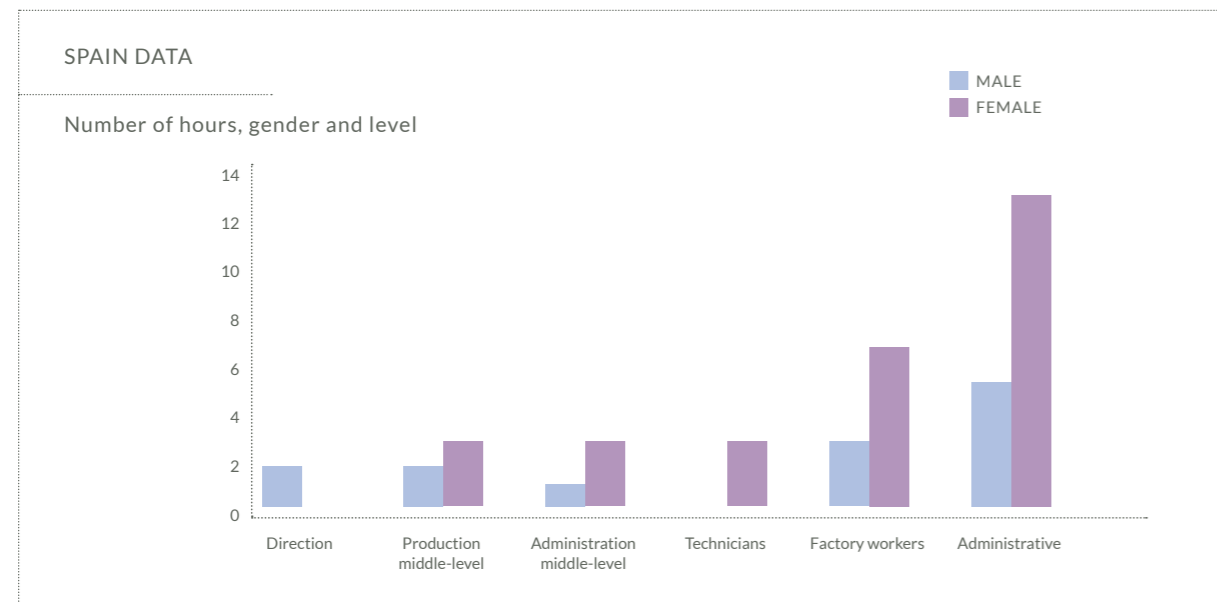
HOURS OF TRAINING IN HEALTH AND SAFETY - GROUP TOTALS COMPARISON

	NEXTIL GROUP 2019			GRUPO NEXTIL 2019		
	F	M	Totals	F	M	Totals
Hours of training in OSH	1.400,00	558,00	1.958,00	848,16	1.544,99	2.393,15

HOURS OF TRAINING IN HEALTH AND SAFETY, DISTRIBUTED BY CATEGORY AND LOCATION IN 2020

	MASNOU	SICI93	PLAYVEST	EFA	NEXTIL GROUP
Direction	2,00	6,00	0,00	23,20	31,20
Production middle-level	5,00	3,00	8,00	92,80	108,80
Administration middle-level	4,00	11,00	0,00	19,80	34,80
Technicians	3,00	3,00	0,00	470,33	476,33
Factory workers	9,00	44,00	44,00	732,06	829,06
Administrative	18,00	3,00	0,00	29,80	50,80

In 2020, we have improved data availability for their distribution by categories. In 2019, there were no data available in the report for distribution by category and location.



Measures taken against COVID-19

In each of its companies, Nextil Group has appointed a person responsible for overseeing the centers' compliance with protection measures against COVID-19 and, specifically, for:

- Ensuring employee training;
- Ensuring the purchase of personal protective equipment and the protocols of with suppliers;
- The clarification of doubts regarding Covid 19 from workers and customers.

Recommendations and legislation on COVID-19 have varied as knowledge about the virus has advanced. Nextil Group has taken the necessary measures to keep the regulatory information updated and to apply such measures by modifying its protocol and its contingency and action plans throughout 2020.

Nextil Group implemented consultation and information mechanisms with and to employees regarding the preventive measures against COVID-19 adopted in workplaces.

In addition, mechanisms for purchasing, replacement and supply of PPE and/or necessary protective material (masks, gloves, disposable wipes, hand sanitizer) have been implemented, ensuring that all of these are adequate and have the corresponding CE marking/Ministry recommendation/efficacy testing, as necessary for the certification of its use.

The Group defined what to do in case of detection of people with symptoms or possible cases, defining protocols and contingency and action plans throughout 2020.

Employees were trained and informed about preventive measures against COVID-19 and specific procedures to clean the workplace (in particular surface cleaning and hygiene,

products to be used, use of protective material (gloves and masks, among others).

The Group analyzed the risks and necessary information on vulnerable and/or sensitive staff (pregnant women, diabetic, hypertensive, immunosuppressed individuals...) and/or staff who may have been infected or remain in quarantine, defining which measures must be taken in such cases.

Whenever possible, Nextil Group's companies have defined work schedules and work shifts (meal shifts, staff entry times, shift work, etc.), as well as the maximum capacity allowed, complying at least with minimum safe distances required by the competent authorities, which are visible through posters and information panels.

The Group also adopted the possibility of gradually incorporating in-person jobs and promoted remote working (whenever possible, analyzing the possible job positions for remote working and establishing the appropriate measures (in reference to ergonomics, psychosocial management guidelines) and resources for it.

Cleaning protocols have been defined, taking into account:

- critical areas with higher risk of exposure
- frequency
- used methods
- used products
- protective equipment for cleaning personnel
- generated waste management
- cleaning and disinfection of areas in case of confirmed cases and suspected cases of Covid-19

Portuguese companies - SICI and Playvest - adopted extraordinary measures between March 16, 2020 and April 20, 2020, to face masks and hand sanitizer shortage in the market, with aims to simultaneously ensure the protection of our employees' health and their economic stability, as well as to guarantee business continuity.

During this period, we reduced the working time of 180 employees, who continued to work in-person, from eight to five hours a day, without applying any temporary redundancy plan, thus keeping their remuneration intact. In total 13,500 hours were granted to employees.

As a responsible company, our priority is to protect our employees' health, hence during the month of April 2020 we produced and

certified 1500 non-medical face masks in cotton fabric offered in a three units packs to all employees of the Portuguese units.

We contributed to the national efforts in the fight against covid-19, mobilizing our productive capacity and supplying personal protective equipment to the medical staff of the Hospital of Braga, producing a total of 9,446 articles with a value of 5,998.22 euros.



SOCIAL INFORMATION

NEXTIL Group is committed to identifying and responding to the internal and external social impacts of its activity, as well as other aspects related to corporate social responsibility, assuming company's ethical responsibilities towards workers and the community.



9.1 GROUP'S COMMITMENTS TO DEVELOPMENT

The Code of Ethics includes our commitment towards society by promoting a culture of Corporate Responsibility in accordance with the fundamental principles and matters of the universally accepted standards of reference and guiding our action according to Sustainable Development criteria that go beyond mandatory legal compliance.

NEXTIL Group is committed to identifying and responding to the internal and external social impacts of its activity, as well as other aspects related to corporate social responsibility, assuming company's ethical responsibilities towards workers and the community.

We aim to integrate Shared Value creation in our business model's strategy, ensuring that NEXTIL Group's benefits correspond to benefits for the communities and that such compatibility defines a sustainable and viable long-term management model. While developing its activities, NEXTIL Group contributes to local development mainly by improving the quality of life and opportunities for the population, as well as attracting and retaining motivated and competent employees.

In addition, concerned about its activities' impacts on the environment, the Group selects its suppliers and subcontractors from developing countries, ensuring that they meet minimum requirements, as explained in "subcontracting and suppliers" section. During 2021 an analysis of the contribution of our corporate management to the agenda of the Sustainable Development Goals (SDG) shall be carried out.

9.2 SUBCONTRACTING AND SUPPLIERS

NEXTIL GROUP expects its suppliers to apply and respect, in all business areas and throu-

ghout the world, the principles included in the codes of conduct of all Group's companies, ensuring suppliers operate under legal compliance, respecting employees and safety at work.

Supplier selection is governed by criteria of objectivity and transparency, reconciling the interest of the company in obtaining the best conditions with the convenience of maintaining stable relationships with ethical and responsible suppliers. NEXTIL Group shall guide supplier selection processes according to criteria of objectivity and impartiality and shall avoid any conflict of interest or favoritism during the selection.

The different NEXTIL Group's companies monitor their suppliers by following additional management systems which complement the Group's systems:

- QTT- Ritex-Treiss-Dogi follow their code of conduct, furthermore customer required controls mechanisms are applied to suppliers, to whom customer supply chain codes of conduct are applicable and its compliance ensured by performing social audits prior to granting permission to contract production suppliers; such is the specific case of Inditex.
- SIC193 and PLAYVEST follow a corporate Social Responsibility policy based on their codes of conduct and Sustainability Policy that include the requirements of STeP by OEKO-TEX® standard, Global Recycled Standard (GRS), Global Organic Textile Standard (GOTS), Ethical Trading Initiative (ETI Base Code), and the Supplier Ethical Data Exchange Organization (SEDEX) systems. In addition, the companies subscribed to their customers' ethical codes and were subject to social audits which verified to compliance with such codes. In 2020, a new supplier assessment procedure was developed in SIC1 and Playvest, incorporating environmental, ethical and social risk criteria.
- SIC193 tracks wastewater test results data from its "upstream" suppliers in accordan-

ce with the protocol and parameters of the ZDHC wastewater standards. These guidelines standardize wastewater testing requirements across the global apparel, textile, and footwear supply chain. They define the standard for wastewater discharge and sludge quality.

- EFA has defined a supply chain management policy that establishes the basis of its management processes and procedures. In addition, its Human Rights policy specifies the inclusion in supplier selection processes of ethical, environmental and human rights elements, with continuous performance assessment and corrective actions whenever necessary, as well as the application of the principles of the ILO Declaration on fundamental principles and rights at work which determine collaboration and commitment.

In 2020, Playvest, a Nextil Group's company located in Portugal, was audited according to the SMETA 4 PILLARS (Health and Safety, Work Standards, Environment and Business Ethics) methodology.

SMETA is a social ethic audit procedure which offers the possibility of assessing the activities of responsible supply chains, considering labor rights, the environment, health and safety, without forgetting business ethics. It uses the Ethical Trading Initiative (ETI) Base Code.

SEDEX is an international non-profit membership organization. It has the world's largest collaboration platform for sharing responsible sourcing data across supply chains. Throughout 2020 there have been no incidents with suppliers, nor have there been any complaints due to incidents with suppliers for labor, social or environmental reasons.

9.3 CUSTOMERS AND CONSUMERS

The customer is at the center of Nextil Group's activity, which is why a continuous

process of analysis of its needs, expectations and satisfaction is developed.

Our working method is mainly based on the relationship with our customers. By working together and understanding their needs, we make a difference. Having a complete knowledge of their requirements, together with our capabilities, allows us to offer the most appropriate solutions and create a greater value. Nextil Group works to find new solutions that enhance satisfaction.

All principles included in the Group's Code of Conduct are aligned with the codes of conduct of our main customers, who evaluate the implementation, compliance and due diligence of the standards of their respective ethical codes, as well as our companies' commitment to report any serious non-compliance, along with corrective action plan.

One of the main responsibilities of NEXTIL GROUP is to ensure that final products do not harm consumers' health. To perform this control, different initiatives - both internal and customer driven- are implemented, such as: testing for softline, performed by SGS upon request of Benetton; Ready to manufacture report, performed by STS Europe, or the STANDARD 100 by OEKO-TEX® which ensures that certified articles comply with the requirements of Annex XVII of REACH (including the use of azo dyes, nickel, etc.), as well as with the American requirements regarding the total content of lead in articles for children, among others.

9.4 TAX INFORMATION

TAX INFORMATION

(Thousand Euros)	2020			2019		
	RESULT (*)	CORPORATE TAX TO BE PAID	SUBVENTIONS	RESULT	CORPORATE TAX TO BE PAID	SUBVENTIONS
SPAIN	(23.611)	1	0	(10.596)	12	0
ITALY	0	0	0	(220)	0	
PORTUGAL	578	810	0	4.838	297	0
EE. UU	(1.217)	0	1.003	(3.015)	0	0
Consolidated non-assignable eliminations	(113)	0	0	0	0	0
Totales	(24.363)	811	1.003	(8.993)	309	0

(*) assignable consolidation adjustments are assigned to each site

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HUMAN RIGHTS

Compliance and respect for Human Rights are incorporated in the Codes of Ethics of all NEXTIL GROUP's companies, enforcing such obligation both to our companies and our suppliers.



The GROUP's stand on Human Rights is reflected in the principles that the respective codes establish:

- Absolute commitment to respect and protect nationally and internationally recognized human and labor rights, and to respect the principles set out in the United Nations Global Compact, the OECD Guidelines and the Social Policy of the International Labor Organization.
- Respect social and labor values of the countries where it operates; commitment to comply with the laws established in the countries in which it operates and to promote compliance with labor standards on freedom of association and negotiation, standards prohibiting child exploitation and standards prohibiting all kinds of discrimination in the workplace.

ELASTIC FABRICS OF AMERICA (EFA) has a specific Human Rights policy, which establishes in its different sections:

Respect for employees:

- To respect our employees' human rights as established in the Declaration of the International Labor Organization (ILO) on Fundamental Principles and Rights at Work. This includes, among others, the prohibition of child labor and forced labor, non-discrimination, freedom of association and the right to collective bargaining in accordance with the laws of the countries in which we operate.
- To promote open communication and direct contact between workers and management whenever representation and collective bargaining are restricted by law.
- To respect employees' privacy rights, particularly their personal data, in accordance with local laws.
- To create a safe work environment, minimizing risks through proper engineering design, administrative controls, preventive maintenance, and safe work practices.

Respect for labor conditions and work environment:

- To continuously improve health and safety performance in all operations.
- To implement programs for energy preservation and waste reduction.
- To monitor, treat and control atmospheric emissions, wastewater, and effluents as required by law before proceeding to any discharge or disposal.
- To obtain, maintain, and comply with appropriate permits, registrations and environmental laws for all facilities.

Respect for suppliers:

- To implement supplier selection procedures which include the revision of ethical, environmental and human rights elements, with continuous performance assessment and corrective actions whenever necessary.
- Application of the principles of the ILO Declaration on fundamental principles and rights at work which determine collaboration and commitment.

Respect for community:

- To support the culture, customs and values of people from the communities in which we operate.
- To encourage our employees' participation in activities for local communities' development with the support of the organization.
- To promote a positive influence on communities in which we operate, manifesting through our actions that we do not tolerate human rights violations.

It also includes ethical business principles that comprise the prohibition of corruption, extortion, embezzlement, bribery or other means to obtain an unfair or inappropriate commercial advantage, the compliance with

all environmental, health, safety and social laws and regulations. All suppliers must also observe these principles and standards.

SIC193 and PLAYVEST, in their respective codes of conduct, declare their strict adherence to the respect for human rights and the main labor standards, as follows:

- International human rights support and protection by creating ethical labor conditions for all employees;
- Freedom of association and effective recognition of the right to collective bargaining and the right to unionization or joining other associations linked to the industrial sector;
- Rejection of child labor and excessive overtime

- Implementation of appropriate measures related to health and safety conditions in the workplace and to produced products;

- Remuneration according to national legislation in force, respecting the defined minimum wage;

- Rejection of forced labor and work in degrading conditions;

- Workplace free from hostile and inhumane treatment, sexual abuse or harassment, physical coercion, or verbal abuse.

In 2020, there were no cases of non-compliance nor communications have been registered through whistleblowing channels of the GROUP's companies.



ANTI-CORRUPTION, BRIBERY AND MONEY LAUNDERING

The GROUP's current ethical code reflects the prohibition of bribery and corruption

The GROUP's current ethical code reflects the prohibition of bribery and corruption, either directly or indirectly, condemning any influence on people's will to obtain any benefit through unethical practices. Likewise, it does not allow other people or entities to use such practices with its employees.

NEXTIL Group establishes rules to prevent and avoid irregular payments or money laun-

dering originating from illicit or criminal activities in the course of its operations.

As a general rule, NEXTIL employees shall not give or accept gifts in the course of their professional activity. They may give and accept gifts of irrelevant economic value which correspond to usual signs of courtesy or business hospitality and are not prohibited by law.

THE GROUP'S CRIMINAL RISK MAP REFLECTS:

	RISK	RESPONSIBLE	CONTROL MEASURES
Business Corruption	Receiving, requesting or accepting benefits or advantages in return for unduly favoring another person during the purchase or sale of goods.	Purchasing Department Commercial Department	Special attention to strict compliance with the legality of contracts in sensitive countries such as China, Ecuador or Colombia.
	Promising, offering or granting benefits to a company's directors, administrators or employees in return for unduly favoring them or a third party over others during the purchase or sale of goods.	Finance Department	Tenders or contracts shall never be obtained through bribery. Internal rule on the absolute rejection of any act of corruption shall be made public. Facilitation payments are not accepted. Principle of transparency in invitations. Invitations to specialty events are accepted unless improper "collateral" expenses are included.
Money Laundering	Acquiring, possessing, using, converting or transmitting goods knowing that they come from criminal activity. Hiding the illicit origin of those goods.	Finance Department	Establishing a clear policy of prevention against money laundering. Knowledge of applicable regulations. Applying due diligence measures. Prohibition of receiving amounts in cash equal to or greater than € 2,500

	RISK	RESPONSIBLE	CONTROL MEASURES
Bribery crimes	a) Passive bribery (committed by employee) BY EMPLOYEE, requesting or receiving, for their own or third-party benefit, an offer or retribution to carry out an action or omission that constitutes a crime, whilst carrying out their professional activities.	Commercial Department Purchasing Department Suppliers	Keeping the preparatory and supporting documentation concerning contracts with the Administration. Take into account the FCPA, the UK Bribery Act and the Circular de la Fiscalía General del Estado 1/2016. Activity outsourcing.
	BY PUBLIC OFFICIAL, legal act performed by a public official, of his own competence, by which he accepts, requests or receives a gift, offer or promise. Usually called facilitation payments. b) Active bribery (committed by an individual), punishing those who try to corrupt authorities or officials through favors, gifts, offers or promises.		

ELASTIC FABRICS OF AMERICA (EFA) has a specific anti-corruption and anti-bribery policy which rejects this kind of practices, and includes the procedures, responsibilities and disciplinary measures to be applied. The purpose of this policy is to establish the responsibility of EFA and all its employees of observing the company's commitment to prevent bribery and corruption.

The commitment to prohibiting bribery and corruption is supported by the development and maintenance of procedures to minimize the risks of bribery. These procedures are carried out by periodically assessing the specific bribery risks faced by the organization.

High-risk cases may require additional procedures, such as enhanced due diligence, which could involve conducting direct inquiries, indirect investigations, or general investigations on proposed business partners, such as agents, joint venture

partners, contractors, suppliers, and other third parties.

Group's companies located in Portugal - SICI and Playvest - have approved an Anti-Corruption and Anti-Bribery Policy in 2020, which reflects the zero-tolerance attitude towards bribery, corruption and facilitation payments.

The adoption and implementation of this Policy aims to prevent and mitigate the risk of corruption and related practices and reaffirms the company's commitment to contribute to the fight against all kinds of corruption, including extortion and bribery. This Policy applies to all employees and members of the Board of Directors of the Organization, as well as to its Partners, regardless of their employment relationship and geographic location.

Regardless of the potential bribery risk impact, the general procedures followed to mitigate any bribery or corruption risk include:

- Participation of the GROUP's Senior Management.
- Risk assessment procedures.
- Communication of this policy to staff.
- Training of the organization's leaders and staff.
- Transparency of transactions and disclosure of information.
- Due diligence of current and potential intermediaries and associated persons; financial and business controls such as proper accounting, auditing, and approval of expenditures.
- Decision making based on procedures of delegation of authority, separation of functions and procedures to avoid conflicts of interest.
- Implementation of whistleblowing channels.
- Application of the Groups' anti-bribery and anti-corruption regulations, detailing the disciplinary processes and sanctions for its non-compliance; supervision, review and assessment of prevention procedures.
- Any knowledge or suspicion of bribery or corruption shall be reported to the relevant law enforcement authorities.

These policies comprise the conducts to be observed in case of bribery, gifts, conflict of interests, the measures for raising awareness and employee training, as well as due diligence procedures and its control mechanisms, including whistleblowing channels.

Currently the Company does not carry out patronage and sponsorship activities. If the company intends to perform such activities in the future, it should be noted these are not prohibited. In fact, they are practices that contribute to the company's good reputation, resulting from its social responsibility policy. However, in some cases, such activities can

be used to cover up acts of bribery. Therefore, the following recommendations for the company that carries out these activities shall apply:

- Contribution shall be transparent, documented and authorized by the competent person.
- The sponsorship of activities related to a public official who must make relevant decisions regarding the company should be avoided.
- Any activity related to patronage and sponsorship shall be properly accounted for and included in the Annual Accounts Report.

In 2020, there were no cases of non-compliance nor communications have been registered through whistleblowing channels of the GROUP's companies.

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ANNEX. TABLE OF CONTENTS REQUIRED BY LAW

CONTENTS REQUIRED BY LAW NO. 11/2018	SECTION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION	LINK WITH GRI CONTENTS	UN GLOBAL COMPACT
<p>General</p> <p>Reference, in the statement, to the national, European or international reporting framework adopted for the selection of key non-financial performance indicators included in each section.</p>	<p>1. Criteria for preparing the Consolidated Statement of Non-Financial Information</p> <p>12. GRI Table of Contents</p>	GRI 102	
<p>Business Model</p> <p>Brief description of the GROUP's business model (business environment and organization).</p> <p>Geographical presence.</p> <p>Objectives and strategies of the organization.</p> <p>Main factors and trends that may affect its future evolution.</p> <p>Organization and structure.</p>	<p>2. Organization's Profile</p> <p>2.1. Group's Structure</p> <p>2.2. NEXTIL GROUP's Business Model</p> <p>2.3. Strategic approach</p> <p>2.4. NEXTIL GROUP in figures</p> <p>3. Corporate Governance</p> <p>3.1. NEXTIL GROUP's corporate bodies</p>	GRI 102	Principle 1
<p>Due diligence</p> <p>Main risks concerning the topics related to GROUP's activities, in particular main short-, medium- and long-term risks.</p> <p>Description of policies applied by the GROUP regarding said topics, which shall include due diligence procedures applied for significant risks and impacts identification, assessment, prevention and mitigation, as well as, verification and control, including which measures have been adopted.</p> <p>Results of these policies, including relevant non-financial key performance indicators for monitoring and assessment of progress and that favor comparability between companies and sectors, in accordance with applied national, European or international reference frameworks.</p>	<p>4. Stakeholders and material topics</p> <p>5. Risk management</p> <p>6. Due diligence</p> <p>10. Human Rights</p> <p>11. Anti-corruption, bribery and money laundering</p> <p>Management approach to the topics developed in the report:</p> <p>7. Environmental issues</p> <p>8. Matters relating to personnel</p> <p>9. Social Information</p> <p>7.2. Environmental policy</p> <p>Key performance indicators sections 7. and 8.</p>	GRI 102 GRI 103	Principle 2 Principle 7 Principle 10

CONTENTS REQUIRED BY LAW NO. 11/2018	SECTION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION	LINK WITH GRI CONTENTS	UN GLOBAL COMPACT
Environment	7. Environmental issues	GRI 102, 103 GRI 301, 302, 303 GRI 305,306, 307, 308	Principle 7 Principle 8 Principle 9
Current and foreseeable effects of the company's activities on the environment and, whenever applicable, on health and safety. Environmental assessment or certification procedures.	7.1. Environmental model		
	7.2. Environmental Policy		
	7.3. Key performance indicators		
Pollution			
Circular economy and waste prevention and management			
Sustainable use of resources Climate change			
Biodiversity protection			
Matters Concerning personnel	8. Matters relating to staff	GRI 102 GRI 401,403, 404, 405 GRI 412	Principle 1 Principle 3 Principle 6 Principle 7
Employment: Total number and distribution of employees by gender, age, country and professional category; total number and distribution of employment contract modalities, annual average of permanent, temporary and part-time contracts by sex, age and professional category, number of dismissals by sex, age and professional category; average remuneration and respective evolution distributed by sex, age and professional category or equal value; wage gap, remuneration for equal jobs or average in the company, average remuneration of directors and executives, including variable remuneration, subsidies, indemnities, contributions for long-term pension and savings systems and any other benefits distributed by sex, implementation of employment termination policies, employees with disabilities.	8.1. HR Management model		
	8.1.1. Key performance indicators		
	8.3. Health and Safety at Work		
Conciliation			
Health and Safety			
Training			

CONTENTS REQUIRED BY LAW NO. 11/2018	SECTION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION	LINK WITH GRI CONTENTS	UN GLOBAL COMPACT
Social information	9. Social information	GRI 102, 103 GRI 203, 204 GRI 413	Principle 1 Principle 2 Principle 10
Company's commitment to sustainable development: impact of company's activity on employment and local development; impact of company's activity on local populations and territory; relationships maintained with local communities stakeholders and modalities of dialogue with them; association or sponsorship actions.	9.1. Company's commitment to development		
	9.2. Subcontracting and suppliers		
	9.3. Customers and Consumers		
	9.4. Tax information		
Subcontracting and suppliers: inclusion of social, gender equality and environmental issues in the procurement policy; consideration for suppliers and subcontractors' social and environmental responsibility in their relationship with the company; supervision and audit systems and respective results.			
Consumers: measures for consumers' health and safety; grievance systems, received complaints and their resolution.			
Tax information: obtained benefits country by country; paid taxes on profits and received public subventions.			
Human rights	10. Human Rights	GRI 404 GRI 406, 407, 408, 409	Principle 1 Principle 2
Application of due diligence procedures in respect to human rights; prevention of human rights violations risks and, whenever appropriate, measures to mitigate, manage and repair possible committed abuses; whistleblowing channels for human rights violations instances; promotion and compliance with the provisions of the fundamental conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labor; effective abolition of child labor.			

CONTENTS REQUIRED BY LAW NO. 11/2018	SECTION OF THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION	LINK WITH GRI CONTENTS	UN GLOBAL COMPACT
Fight against corruption and bribery Measures taken to prevent corruption and bribery; measures to fight money laundering; contributions to foundations and non-profit organizations.	11. Anti-corruption, bribery and money laundering	GRI 205	Principle 10



REPORT
CHECK
INDEPENDENT





INFORME DE VERIFICACIÓN INDEPENDIENTE

DEL ESTADO CONSOLIDADO DE INFORMACIÓN NO FINANCIERA

A los Accionistas de **NUEVA EXPRESIÓN TEXTIL, S.A.**

De acuerdo al artículo 49 del Código de Comercio hemos realizado la verificación, con el alcance de seguridad limitada, del Estado Consolidado de Información No Financiera adjunto (en adelante, el "Informe") del grupo **NUEVA EXPRESIÓN TEXTIL, S.A.** (en adelante, la "Sociedad Dominante") y Sociedades Dependientes (en adelante, el "Grupo") correspondiente al ejercicio anual finalizado el 31 de diciembre de 2020 (en adelante, "ejercicio 2020"), que forma parte integrante del informe de gestión consolidado correspondiente al ejercicio anual terminado en dicha fecha, si bien se presenta separado en el Informe adjunto.

El contenido del Informe que se adjunta separado del informe de gestión consolidado incluye información adicional a la requerida por la normativa mercantil vigente en materia de información no financiera, que no ha sido objeto de nuestro trabajo de verificación. En este sentido, nuestro trabajo se ha limitado exclusivamente a la verificación de la información identificada en la tabla incluida en el apartado 12 "Índice de contenidos exigidos por la Ley" del Informe adjunto.

Responsabilidad de las Administradores

La formulación del Estado Consolidado de Información No Financiera incluido en el Informe que se adjunta separado del informe de gestión consolidado, así como el contenido del mismo, es responsabilidad de los Administradores de la Sociedad Dominante. El Estado Consolidado de Información No Financiera se ha preparado de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los contenidos de los "Sustainability Reporting Standards" de la "Global Reporting Initiative" (en adelante, los "estándares GRI") seleccionados de acuerdo con lo mencionado para cada materia en la tabla incluida en el apartado 12 "Índice de contenidos exigidos por la Ley" del Informe adjunto.

Esta responsabilidad incluye asimismo el diseño, la implantación y el mantenimiento del control interno que se considere necesario para permitir que el Estado Consolidado de Información No Financiera esté libre de incorrección material, debida a fraude o error.

Los Administradores de la Sociedad Dominante son también responsables de definir, implantar, adaptar y mantener los sistemas de gestión de los que se obtiene la información necesaria para la preparación del Estado Consolidado de Información No Financiera.

1

SOCIEDAD DE AUDITORIA INSCRITA EN EL R.O.A.C CON EL N° S0498
MIEMBRO DEL INSTITUTO DE CENSORES JURADOS DE CUENTAS DE ESPAÑA

Pau Claris, 139 5ª 1ª - 08009 Barcelona - Tel.: 93 487 20 28 - Fax: 93 487 12 83 e-mail: barcelona@audiwork.com
Paseo de la Castellana, 114 Esc. 1, 6ª 2ª - 28046 Madrid - Tel. 91 562 13 86 - Fax. 91 561 53 83 e-mail: madrid@audiwork.com



Nuestra independencia y control de calidad

Hemos cumplido con los requerimientos de independencia y demás requerimientos de ética del Código de Ética para Profesionales de la Contabilidad emitido por el Consejo de Normas Internacionales de Ética para Profesionales de la Contabilidad (IESBA por sus siglas en inglés) que está basado en los principios fundamentales de integridad, objetividad, competencia profesional, diligencia, confidencialidad y profesionalidad.

Nuestra firma aplica la Norma Internacional de Control de Calidad 1 (NICC 1) y mantiene, en consecuencia, un sistema global de control de calidad que incluye políticas y procedimientos documentados relativos al cumplimiento de requerimientos de ética, normas profesionales y disposiciones legales y reglamentarias aplicables.

El equipo de trabajo ha estado formado por profesionales expertos en revisiones de Información No Financiera y, específicamente, en información de desempeño económico, social y medioambiental.

Nuestra responsabilidad

Nuestra responsabilidad es expresar nuestras conclusiones en un informe de verificación independiente de seguridad limitada basándonos en el trabajo realizado.

Hemos llevado a cabo nuestro trabajo de revisión de acuerdo con los requisitos establecidos en la Norma Internacional de Encargos de Aseguramiento 3000 en vigor, "Encargos de Aseguramiento distintos de la Auditoría y de la Revisión de Información Financiera Histórica" (NIEA 3000 revisada) emitida por el Consejo de Normas Internacionales de Auditoría y Aseguramiento (IAASB) de la Federación Internacional de Contadores (IFAC) y con la Guía de Actuación actualizada sobre encargos de variación del Estado de Información No Financiera emitida por el Instituto de Censores Jurado de Cuentas de España.

En un trabajo de seguridad limitada los procedimientos llevados a cabo varían en su naturaleza y momento de realización, y tienen una menor extensión que los realizados en un trabajo de seguridad razonable y, por lo tanto, la seguridad se obtiene es también substancialmente menor.

2

SOCIEDAD DE AUDITORIA INSCRITA EN EL R.O.A.C CON EL N° S0498
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Nuestro trabajo ha consistido en obtener conocimiento a través de los responsables del Grupo y de sus colaboradores externos, así como de las distintas unidades del Grupo que han participado en la elaboración, respecto a los procesos implementados para recopilar y validar la información presentada en el Estado Consolidado de Información No Financiera y en la aplicación de ciertos procedimientos analíticos y pruebas de revisión por muestreo que se describen a continuación:

- Conocimiento del modelo de negocio, las políticas y los enfoques de gestión aplicados, los principales riesgos relacionados con esas cuestiones y obtener la información necesaria para la revisión externa;
- Análisis del alcance, relevancia e integridad de los contenidos incluidos en el Estado Consolidado de Información No Financiera del ejercicio 2020 en función del análisis de materialidad realizado por el Grupo y descrito en el apartado 4.2. "Análisis de materialidad", considerando los contenidos requeridos en la normativa mercantil en vigor;
- Análisis de los procesos para recopilar y validar los datos presentados en el Estado Consolidado de Información No Financiera del ejercicio 2020;
- Revisión de la información relativa a los riesgos, las políticas y los enfoques de gestión aplicados en relación a los aspectos materiales presentados en el Estado Consolidado de Información No Financiera del ejercicio 2020;
- Comprobación, mediante pruebas, en base a la selección de una muestra, de la información relativa a los contenidos incluidos en el Estado Consolidado de Información No Financiera del ejercicio 2020 y su adecuada compilación a partir de los datos suministrados por las fuentes de información, y
- Obtención de una carta de manifestaciones de los Administradores y la Dirección.

Conclusión


Basándonos en los procedimientos realizados en nuestra verificación y en las evidencias que hemos obtenido, no se ha puesto de manifiesto aspecto alguno que nos haga creer que el Estado Consolidado de Información No Financiera del grupo **NUEVA EXPRESIÓN TEXTIL, S.A.** y Sociedades Dependientes correspondiente al ejercicio 2020 incluido en el Informe adjunto no ha sido preparado, en todos sus aspectos significativos, de acuerdo con los contenidos recogidos en la normativa mercantil vigente y siguiendo los criterios de los estándares GRI seleccionados de acuerdo a lo mencionado para cada materia en la tabla presentada en el apartado 12 "Índice de contenidos exigidos por la Ley" del Informe adjunto.

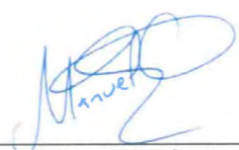


Uso y distribución

Este informe ha sido preparado en respuesta al requerimiento establecido en la normativa mercantil vigente en España, por lo que podría no ser adecuado para otros propósitos y jurisdicciones.

GABINETE AUDIWORK, S.L.


Francisco Lacasa Lobera


Manuel Corral Rodríguez

30 de marzo de 2021

INSTITUTO DE CENSORES
JURADOS DE CUENTAS
DE ESPAÑA

GABINETE AUDIWORK, S.L.

2021 Núm. 20/21/05037

SELLO CORPORATIVO: 30,00 EUR

Informe sobre trabajos distintos
a la auditoría de cuentas



NEXTIL
G R O U P

