



**Annual Evaluation Report of
Tendam Portugal's PPR
May 2025**

Tendam Portugal – PUBLIC DOCUMENT

Owner: President of the Ethics Committee

- Approved May 5, 2025 -

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1. INTRODUCTION

1.1. Legal Framework

On the 18th of March, the Portuguese Government approved the final version of the National Anti-Corruption Strategy for 2020-2024 under the terms of the Resolution of the Council of Ministers no. 37/2021 of 6th April. Considering this Strategy, the following anti-corruption measures were undertaken through the Decree-Law no. 109-E/2021, of 9th December: i) the creation of the National Anti-Corruption Mechanism ("MENAC"); and ii) the approval of the General Regime for the Prevention of Corruption (*Regime Geral da Prevenção da Corrupção*, – "RGPC"). Additionally, considering the EU Directive 2019/1937, Portuguese legislators transposed it to Law no. 93/2021, of 20th December, which establishes the general regime for the protection of the whistleblower.

Pursuant to the RGPC, the execution of the Prevention Plan for Risks of Corruption and Related Offences ("PPR") is subject to the following controls:

- The preparation, in the month of October, of an **interim evaluation report for situations identified with high or maximum risk**; and,
- The preparation, in the month of April of the following year, of the **annual evaluation report**, which must include, namely, the **quantification of the degree of implementation of the identified preventive and corrective measures**, as well as their **respective progress status**, in a continuous improvement perspective.

In this regard, considering the PPR approved by Tendam Retail, S.A. ("Tendam") and its subsidiaries in Portugal ("Tendam Portugal") for the period of 2025-2027, and its publication on Tendam's intranet and on its official website at <https://www.tendam.es/en/compliance/>, and in compliance with the aforementioned legal framework, Tendam Portugal presents its **Annual Evaluation Report of the Prevention Plan for Risks of Corruption and Related Offences** ("Report").

1.2. Purpose and Scope of the Annual Evaluation Report

In regard with the Decree-Law no. 109-E/2021, mentioned in the Legal Framework, to comply with the obligation set forth in the RGPC regarding the monitoring of the PPR's implementation, Tendam prepares this Report, which provides a **quantification of the degree of implementation of the identified preventive and corrective measures**, as well as their **respective progress status**, in a continuous improvement perspective.

The periodic monitoring of the PPR is ensured through the **review and periodic testing of controls belonging to Tendam Portugal's Internal Control System**, with the **Compliance Manager function**, delegated by the RCN [currently the President of the Ethics Committee] being primarily responsible for monitoring the identified risks and the degree of implementation of preventive and corrective measures. Additionally, it is the responsibility of the **Directors of the relevant areas** to monitor the risk events identified in the Plan that pertain to their respective areas.

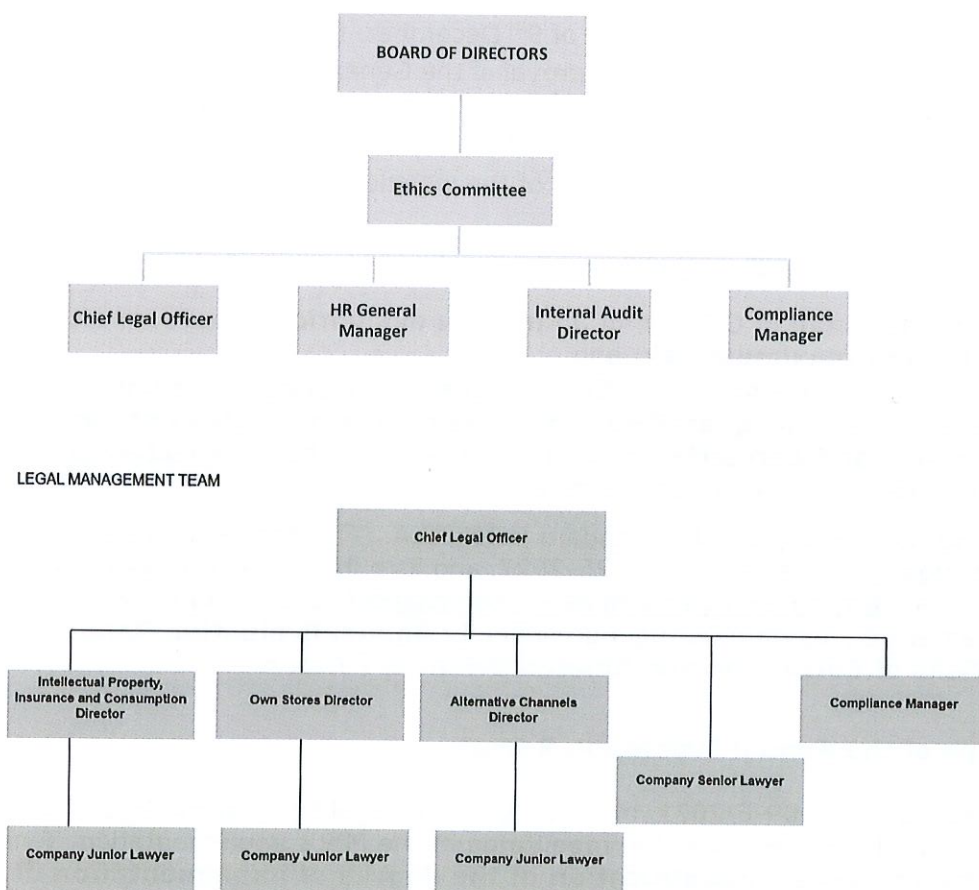
1.3. Compliance Reporting Line within the Tendam Group

Tendam's Compliance function is part of the Legal Management Team and is led by the Compliance Manager, who also serves on the Ethics Committee, a key component of Tendam's compliance structure.

The Compliance Manager function and the Ethics Committee are centralized at Tendam's headquarters (Spain). Considering Tendam's activity and given the current Compliance structure presented, the Responsible for Compliance Function regarding RGPC is the Compliance Manager,

delegated by the Responsible for Regulatory Compliance ("RCN"), namely the President of the Ethics Committee, as Tendam Portugal is part of an international group located in Spain which has a clearly established Compliance Function.

Figure 1: Compliance reporting line within the Tendam Group:



Source: Tendam's Organisation Chart - February 2025

2. ANNUAL EVALUATION

2.1. Risk Evaluation Summary

Within the scope of this exercise, **31 risk events** ("ER") were identified across **8 criminal risks** ("RP"), with the inherent risk events identified at Tendam Portugal being classified as:

- 9 are classified as having a "**Low**" risk level;
- 16 are classified as having a "**Medium**" risk level; and,
- 6 are classified as having a "**High**" risk level.

The identification of 31 ERs across 8 RPs was based on a **corporate risk assessment previously conducted by Tendam Group** (not exhaustive over corruption and related offenses risks), which identified a total of 83 ERs across 52 RPs, including, among others, risks related with **Corruption and Related Offenses**. To maintain consistency with the original risk assessment, and for purposes of mapping of the information, the references to the original RPs and ERs were preserved, even

though not all are reflected in the PPR [of a total of 83 ERS only 31 ERs are related to corruption and related offenses].

Overall, it was concluded that the controls effectively mitigate the identified inherent risks, with only **four risk events classified as Medium residual risk**, being the remainder considered **Very Low and Low** across the business activity.

The **internal control system** includes as key standard the Code of Conduct. Additionally, it includes a set of ABC-related policies (Procurement Policy, Reporting irregularities and Recruitment Guidelines) and other controls ensured in partnership with other internal functions (Financial Controls, Risk Management assessments, Internal Audit, Information Security Principles, Whistleblowing, among others).

At the moment, it is important to highlight that the **Integrity Policy for Corruption Prevention** policy **is currently under review and approval**. This policy defines best practices for preventing, detecting, combating, and, where applicable, sanctioning any form of corruption, in compliance with applicable legislation. Additionally, it includes guidelines on various topics related to the prevention of corruption, namely facilitation payments, relations with public officials and authorities, relations with suppliers and other commercial agents, conflicts of interest, political contributions, sponsorships, and donations.

2.2. Corrective Measures

Although several controls are already in place within Tendam Portugal and the current measures are generally considered **satisfactory**, four initiatives have been **identified in the PPR as corrective actions**, namely:

- Implement the Compliance Regulatory Program;
- Review the Code of Ethics to align with legislative requirements and regulatory standards;
- Implement a training program on the Prevention of Corruption and Related Offenses Risks, as well as the whistleblowing Channel and related regulations; and,
- Review Third Party Risk Management operating model.

Regarding the corrective measures identified earlier, the following should be noted:

Correctives Measures	Owner	Is the measure adopted?	Effectiveness of the measures / reasons for their non-adoption	Corrective Measures to implement
Implement the Compliance Regulatory Program through the leadership and execution of the RCN, carried out through the Compliance Manager function.	Ethics Committee	In Progress.	RCN appointed by the Board of Directors (duly designated by the resolution instrument dated as January 2025).	No potential additional measures identified.
Review the Code of Ethics to align with legislative requirements and regulatory standards.	Compliance Manager	Not started.	Review of the Code of Ethics has not yet commenced, and no specific start date has been established.	No potential additional measures identified.
Implement a training program for all its managers and	Compliance Manager	In Progress.	There is a budget line in 2025 to address this point. However, its	Currently, a biannual training session is

employees on the Prevention of Corruption and Related Offenses Risks, as well as the whistleblowing Channel and related regulations.			implementation has not yet commenced, and no specific start date has been established.	conducted on the code of conduct, which addresses, among others, whistleblowing channel, conflicts of interest themes.
Review Third Party Risk Management operating model to ensure it includes definition of Counterparty Risk Factors and Due Diligence Process.	Compliance Manager	In Progress.	The execution of tenders in the procurement procedure is planned for items identified as high risk (according to transaction volume, geography, or another factor).	An internal audit planned for 2025 will review the procurement selection procedure and ensure that all implemented procedures are being correctly followed.

Correctives Measures	Owner	Is the measure adopted?	Effectiveness of the measures / reasons for their non-adoption	Corrective Measures to implement
Implement a due diligence and background check process for all new employees and adopting formal procedures for declaring potential conflicts of interest.	Compliance Manager/HHRR	Not started.	[Classify the measure according to its current effectiveness]	[Identify potential additional measures]
Publish the disciplinary regime of the internal code of conduct for Tendam Portugal employees, in accordance with section 6.2 of the Code of Conduct.	Compliance Manager/HHRR	In progress.	[Classify the measure according to its current effectiveness]	[Identify potential additional measures]
Expand the specific training program to include topics related to fraud, bribery, and corruption risks, incorporating practical cases and studies relevant to the company's risks.	Compliance Manager/HHRR	In progress.	[Classify the measure according to its current effectiveness]	[Identify potential additional measures]

Nonetheless, it is important to highlight that the implementation of the identified measures is under **continuous monitoring** to ensure the strengthening of Tendam Portugal's internal control system.

3. REPORT APPROVAL & DISCLOSURE PROCESS

3.1. Disclosure Process

As requested by RGPC, the Annual Report, after its approval, will be made available on Tendam's intranet and on its official website at <https://www.tendam.es/en/compliance/> within **10 days**, as displayed in paragraph 6 of Article 6 of the annex to Decree-Law No. 109-E/2021.

In addition, and within the same timeframe, the **Annual Report must be submitted to the MENAC, through the RGPC platform**, in accordance with the applicable legislation and regulations (MENAC Guide No. 1/2023).

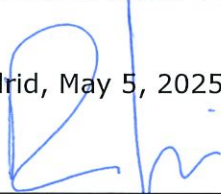
3.2. Report Approval

The Annual Report is approved by the RCN, after consideration by the Ethics Committee.

4. SIGNATURE OF THE RCN

For credibility purposes, the present Report is signed by the RCN, duly designated by the resolution instrument dated as January 31, 2025.

Madrid, May 5, 2025.



Responsible for Regulatory Compliance