TENDAM

GLOBAL FASHION RETAIL

Sustainability report 2023

women'secret SPRINGFIELD CORTEFIEL Pedro del Hierro hoss INTROPIA SLOWLOVE High Spirits DASH AND STARS OOTO OUT OF THE OFFICE HI&BYE FIFTY

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About this report

Tendam, committed to transparency and sustainable development, presents this 2023 Sustainability Report. It reports on the most relevant sustainability issues for the company and its stakeholders and its performance for the financial year from 1 March 2023 to 29 February 2024.

Report scope and coverage

This Sustainability Report of Tendam Brands, S.A.U. (hereinafter Tendam or the company) includes the consolidated Non-Financial Statement (NFS) of the company and its group, in accordance with Law 11/2018 on Non-Financial Information and Diversity, the contents of which are included in the table in section 7.3 of this Report.

The Sustainability Report 2023 is presented as a separate annex to the Consolidated Directors' Report of the company and its group, but it is considered as part of the same, formulated by the Board of Directors of the company and signed by all its members on May 10, 2024.

This Sustainability Report covers the activities of Tendam and its investees, as detailed in Annex I[1] of the company's Consolidated Financial Statements for the year ended on 29 February 2024. It also includes relevant information on the company's supply chain[2], which includes independent suppliers and manufacturers that are not part of the group.

The report includes all Tendam's information required by Law 11/2018 of 28 December, amending the Commercial Code, the consolidated text of the Corporate Enterprises Act approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on the audit of accounts, with regard to Non-Financial Information and Diversity.

The report has been verified by an independent external auditor in accordance with the requirements of the revised International Standard on Assurance Engagements 3000 (ISAE 3000 Revised) and with the Guidelines for the verification of non-financial information issued by the Spanish Institute of Chartered Accountants (Instituto de Censores Jurados de Cuentas de España).

The report has been prepared considering the relevant environmental, social and governance aspects of Tendam's business in the geographical areas where the activity is carried out. In the event of any limitations in the scope, these are detailed in the corresponding section of the report or in the table of correspondence with Law 11/2018 of 28 December, in section 7.3 of this report, and there is a working plan to improve the internal management of the figures in order to present the most complete information.

In particular, for the data included in Human Resources section (chapter 5), there are some limitations of scope given the complex traceability of data from international countries.



1. Except for the company Multifiel, S.A. (no activity)
2. This report does not include indicators of the supply chain and purchasing (suppliers, subcontractor, distributor, franchisees and other third parties in the value chain).

How we report

The content of this report has been prepared with reference to international standards such as the use of the Global Reporting Initiative (GRI) Standards or GRI Standards, in their most updated version: GRI Universal Standards 2021.

This report provides a detailed analysis of climate risks and opportunities in line with the recommendations by the Task Force on Climate Related Financial Disclosures (TCFD). For further details, please refer to the dedicated chapter in this report, which follows the structure of the four blocks described by the TCFD: Governance, Strategy, Risk Management and, Metrics and Targets.

The characteristics of the organisation and the expectations of its stakeholders have been taken into account.

The following principles have been applied in the preparation of this report:

- The information reported is as of 29 February 2024 unless otherwise stated. For comparative purposes, quantitative information from previous years is included in the content of each chapter.
- All information and data from Tendam's various internal management systems have been provided by the heads of the various departments.
- The information is not limited to quantitative indicators only, but also includes qualitative information to give an adequate overview of our sustainability.
- The images and graphic resources used are company specific or have been duly licensed or assigned for this report.

Data quality

To ensure data quality, we use a non-financial information management tool, which ensures data quality by centralising information to guarantee consistency and accuracy. This instrument it digitises the entire reporting process: data collection, validation, verification, and management, facilitating the detection and correction of errors in real time. This means that the data are reliable and comply with international reporting standards.



Contact

Your feedback on this report or on any aspect of sustainability at Tendam is very important to us.

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Letter from the Chairman and CEO



I am pleased to present the 2023 Annual Sustainability Report, which includes the Statement of Non-Financial Information and Diversity of Tendam Brands and its consolidated group.

As an annex to the Consolidated Directors' Report of the company and its group, it provides the information necessary to assess Tendam's economic, social, environmental and governance performance.

Our purpose at Tendam, "the sum that multiplies making fashion that matters", guides our actions in all these areas, helping to create a positive impact on society and the planet. It is based on three pillars: sustainability, equity, and quality garments.

All of the group's economic, social, environmental and governance aspects have made progress in 2023 and are the result of the combined efforts and commitments of our teams to each other and in partnerships with society.

We believe that Sustainability is not possible without economic sustainability, but it is essential to ensure optimal value creation. Accordingly, in terms of economic performance, in 2023 we once again exceeded our historical sales figures, with incremental gains in margin and operating leverage.

This progress has been made possible thanks to the launch and brand management strategy and the strengthening of our digital efficiency, both commercial and managerial, which has been fully deployed thanks to the Tendam 5.0 Strategy. This strategy has consolidated a unique omnichannel ecosystem based on key segments of highly loyal customers, own and third-party brands, with a common management platform, where data and advanced analytics lie at the heart of the strategy.

New store concepts of the future are already present in the form of the MySpringfield and Women store concepts. The full integration of digital with physical stores has strengthened our operational capabilities, driving digital capabilities in both logistics and store management.

The management of stock by store personnel and its close link with online operations, the expansion of click-shopping and the ability to recommend customers at the point of sale are a differentiating advantage of our capillary store model, breathing new life into the physical stores, protecting the commercial fabric and structuring the territory, particularly in medium and small cities at risk of depopulation.

In 2023, consolidated revenues amounted to €1,288 billion, up 6.4% year on year. Comparable sales also showed a positive performance with growth of 6.9%.

Digital sales accounted for 14.6% of the company's total turnover and increased by 8.9% over FY 2022.

New growth initiatives under the Tendam 5.0 strategy already accounted for 6.2% of total sales and generated 27% of the group's net growth.

In own-label brands we launched HI&BYE, which specialises in young intimate apparel, and Springfield Kids as part of Tendam portfolio. They join Hoss Intropia, Slowlove, High Spirits, Dash and Stars and OOTO, which were launched in 2021 and 2022, brands that have recorded positive EBITDA and comparable sales since their first year of launch.

In terms of third-party brands, which are incorporated into our websites as part of the "multi-brand curated assortment" concept, we have managed to add more than 160 brands in our digital channel and in some of our stores in 2023, with a target of more than 200 in the medium term.

The gross margin stood at 62.5% amid a very complicated international setting due to the impact of the supply chain and

international transport crises, the war in Ukraine and the Red Sea crisis.

Thanks to its premium mass market positioning, away from fast fashion, with an expanded portfolio of own and third-party brands, as well as its robust business model with flexible sourcing capabilities and active management of promotions, Tendam has been able to cushion the impact of the international environment and tensions in global supply chains, while protecting its growth in profitability and market share.

Recurring EBITDA, taking into account the current IFRS16 standard, amounted to €313.3 million compared to €285.4 million in the previous year, up 9.8%.

The consumer and the real value-added we offer are at the heart of our business success. Tendam has continued to increase the number of members in its loyalty clubs, which currently have more than 35 million members (24 million of unique members).

Tendam has again improved its environmental, social and governance performance this year, achieving the 'Platinum Medal' level, the highest rating from ESG rating agency EcoVadis. This result places the company in the top 1% of peer companies assessed and recognises the organisation's work in 4 ESG areas: Environment, Labour Practices and Human Rights, Ethics and Sustainable Procurement.

The ESG Strategic Plan has enabled us to make significant progress on our product sustainability commitments by meeting targets and goals ahead of schedule. In 2023 we reached 51% in units with sustainability content in line with our sustainable products standard, exceeding our target of 50% by 2025. In terms of stock value, this represents 57%.

By joining the Better Cotton initiative, 62% of the total cotton used in our apparel is considered more responsible in line with our own Sustainable Products standard. We have made decisive progress in eliminating single-use plastics with the introduction of 99% paper bags and cardboard packaging in stores and 100% certified cardboard/paper packaging for online shipments.

In the sphere of environmental impact, this report details our progress in contributing to the Sustainable Development Goals by embracing the commitments acquired in United Nations' global initiatives, such as the Fashion Industry Charter for Climate Action and the UN Global Compact's Business Ambition for 1.5°C. We also actively participated in the work and progress of The Fashion Pact, Zero Discharge of Hazardous Chemicals (ZDHC), Better Cotton and the Sustainable Apparel Coalition (Cascale).

In 2023, for the fourth consecutive year, we reported individually to the Carbon Disclosure Project (CDP) on our development and initiatives to reduce greenhouse gas emissions, maintaining a leading position with an A- rating and an assessment of our strategies and policies in favour of decarbonisation, which are more demanding in an environment of growth and expansion such as the one Tendam is experiencing.

Taking into account our current growth, emissions measured in intensity, i.e. emissions per million euros of turnover, have decreased by 3% compared to 2022.

Compared to 2019 (the baseline year) there has been a reduction of 74% in Scopes 1 and 2, direct emissions and energy consumption, and 9% in Scope 3, indirect emissions in the value chain, reducing total emissions by 11%.

The certified renewable energy supply already reaches 100% of our commercial network, buildings, and facilities in Spain, Tendam's headquarters and main market, and 76% of the energy of our own facilities worldwide. However, the severe impact of the energy crisis has distorted the supply markets, particularly in the renewable energy markets, delaying our intermediate targets, although after the end of the year the contract for the supply of energy with a renewable energy certificate from Portugal was signed, bringing us very close to the 100% target set for 2030.

In 2023 the company launched the review of its science-based reduction targets and its decarbonisation plan compared to 2019 (the baseline year) that were approved by the SBTi (Science Based Targets initiative) in 2021 as part of the strategy to achieve carbon neutrality by 2040.

One of the most important actions with an impact on the climate is carried out by Springfield. The brand has taken a major step forward in its commitment to the environment and forest regeneration with the #BosqueSpringfield reforestation initiative. With the support of drone technology, 40,000 new trees have been planted in 2023, bringing the total number of trees planted since the project began to 150,000, offsetting more than 145,000 tonnes of CO_2 equivalent over the full cycle, 70,000 of which were offset this year.

Tendam continues to lead the way with the main companies in the sector in the implementation of the Collective System of Extended Producer Responsibility. The Association for Textile Waste Management has made significant progress in 2023 in the design and architecture of the voluntary collective system for a more circular management of textile waste, in partnership with public administrations and with the support of multi-sectoral entities and initiatives. It highlights the cooperation agreement with the Textile and Fashion Observatory to channel public-private and multi-sectoral collaboration.

In the area of governance, following the approval of the public Human Rights Policy, and with the impetus of the Delegated Sustainability Commission and the Sustainability Committee, a programme to monitor and review the Strategic Sustainability Plan and the reformulation of the Climate Roadmap was established, a new decarbonisation plan was drawn up, and a comprehensive training plan on human rights and due diligence for employees and managers was launched with the SERES Foundation.

The Whistleblower Channel was expanded to include third party human rights categories by introducing a protocol for handling and monitoring complaints, which was also translated into the main languages used in the supply chain. The Global Framework Agreement with the main trade union federations to monitor and promote decent work and human rights in our international supply chain accelerated its activities with two new joint visits to suppliers and trade unions in Pakistan and the People's Republic of China in 2023.

In terms of diversity, Tendam is made up of 86% women and 62% of the management positions are held by women, ahead of proposed targets. The Board of Directors maintains a parity of 50% women in

the company's highest governance body, including the non-director Secretary of the Board of Directors, making us one of the pioneering companies.

In the fifth year of the Somos Voluntarios [We are volunteers] Corporate Volunteering Programme, we brought together the main activities in the 'Solidarity Week in Tendam', participating in six volunteering programmes with 108 volunteer places and 245 volunteer hours for initiatives such as the integration of women into the labour market with the Quiero Trabajo Foundation, with an interesting visit to the Alcalá-Meco prison, the integration of people with disabilities into the workplace and the creation of an urban garden with the Down Madrid Foundation, and the return of the Family Volunteering Days with a waste collection activity in the Special Bird Protection Area of the Valmayor reservoir, in the mountains near Madrid, together with SEO Birdlife and Ecoembes.

In the area of social action, all the brands have activated collaboration agreements and awareness campaigns such as Perfectos Imperfectos [Perfectly Imperfect] by Cortefiel and the Cadete Foundation on disability, the aforementioned #BosqueSpringfield or Women'secret's commitment to women through the Real Changers initiative to provide training scholarships and promote equality through testimonials from successful women in areas traditionally reserved for men.

This year I would like to congratulate the firm Pedro del Hierro for the impact of ByBy women's solidarity project. The project brought together eight inspiring women, leaders in their fields, who, together with Nacho Aguayo, creative director of Pedro del Hierro Women, have designed the ByBy collection of capes, the profits from which have gone to support one of the eight women's micro-entrepreneurship and social impact projects presented and supported by prestigious figures such as Cruz Sánchez de Lara and Charo Izquierdo.

Hoss Intropia's 'Save Posidonia Project' and Slowlove's Ropa Guapa [Pretty Clothes] campaigns have managed to connect with their customers and achieve a high level of complicity, with the aim of raising awareness about the health of our oceans and our minds.

The #SÍMEIMPORTA [Yes I care] movement by Women'secret with the Dexeus Foundation celebrated ten years since its first launch with the Post-Surgery Bra, helping to improve the quality of life of women with breast cancer. This year's campaign focused on restoring intimate well-being after cancer and featured author Megan Maxwell.

The Involucrados [Involved] project, which raises funds for social action through the sale of pre-consumer goods, raised more than 164,000 euros, a record in the programme's 19 years of existence.

Both projects demonstrate the consistency and perseverance of our commitment to making a positive impact on people through their level of success, recognition and longevity.

We have a strong commitment to academia, collaborating with leading universities and business schools in Spain, especially those focused on fashion management and design, such as ISEM University of Navarra and CSDMM Polytechnic University of Madrid. At a European level, we have successfully completed the European Erasmus+ programme for employability in sustainability, in collaboration with universities and business schools across the continent. Once again, we opted for sustainability forums to raise awareness in the sector, preparing the fifth Sustainable Design Conference of the Polytechnic University of Madrid and the Fashion Sustainability Shot opinion forum of Modaes.es.

With the adoption this year of the Sustainable Corporate Reporting and Due Diligence and Sustainability, Consumer Empowerment and Green Claims Directives, the changes to the legislative framework that will transform our industry are already underway. They are a challenge and a great opportunity for change. We will continue to work for harmonised implementation across the European Union and, where possible, in coordination with other international economic areas.

For our part, Tendam's positioning in timeless and quality fashion, a profitable omnichannel retail ecosystem with high growth capacity and social and sustainability values integrated into our strategy are the best roadmap to successfully navigate this new future that is already here, with the support of all employees and collaborators, the Board of Directors, suppliers, customers, franchisees and allies from civil society and academia, to whom I once again express my gratitude.

Jaume Miquel

Chairman and Chief Executive Officer of Tendam

01 We are tendam





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2023 Milestones

★ Women'secret launches HI&BYE: a new brand of women's lingerie and everyday wear with vibrant colours and vitality aimed at teenagers. It is distributed on womensecret.com and in 70 Women'secret stores in Spain and Portugal.



★ Pedro del Hierro brings together eight inspirational women who are leaders in their respective fields to co-design – with the help of Nacho Aguayo, creative director of Pedro del Hierro Women – the 'ByBy' charity collection, the profits from which have been earmarked to support one of the eight female micro-entrepreneurship and social impact projects presented by the inspirational women.



★ Women'secret and Springfield celebrate their 30th and 35th anniversaries, respectively, bearing witness to the continuity of the brands and their values. The intimate apparel brand reaches 9.5 million members in its WOW club and Springfield reaches 15.7 million.

★ Tendam joins The Spanish Retail Textile Association (ARTE) to contribute its vision for the sector, and to actively contribute to tackling, together with the rest of the ARTE's members, the main challenges and opportunities currently facing the textile trade in Spain. The association started its activities by focusing on collective bargaining.

★ Springfield Kids is created, the group's first children's line, designed for boys and girls aged 5 to 12, and characterised by its comfort and versatility.



★ Slowlove, which is strongly committed to the protecting mental health, strengthens its collaboration with the Manantial Foundation by supporting its Ropa Guapa [Pretty Clothes] project to raise awareness of people with problems in this field of medicine.

★ Our social action initiative Involucrados [Involved], which began in 2005, breaks its annual record by raising more than EUR 164,000 for the four foundations selected for this year: The ANAR Foundation, Bombay Smiles, Down Syndrome Madrid and the Bobath Foundation.

★ Tendam has achieved the EcoVadis Platinum medal for its progress and the initiatives it implemented this past year demonstrating it has a solid management system that addresses sustainability criteria.

★ The Women'secret intimate apparel brand is the first of Tendam's flagship brands to be available in India, a market with strong growth prospects. The brand arrives both online and with three franchised physical stores.

★ Tendam adds more than 160 brands to its multi-brand omnichannel platform, demonstrating the ecosystem's ability to reach more than 400 million customers and generate synergies.

★ Tendam joins the Sustainable Apparel Coalition (SAC) (Cascale) as part of the company's commitment to driving ESG practices in the supply chain using the HIGG modules as tools to assess and measure the environmental and social impact.

★ The second edition of Tendam's Solidarity Week is held, in which around 100 volunteers employed by the company took part in six social and environmental volunteering activities.



2023 Awards



At the Fundatul Foundation's Fourth Annual CSR Meeting, Tendam was recognised as a company committed to inclusion and disability for its work in the Professional Experiences for Employment Programme (EPES) in partnership with Fundatul and the Andalusian Regional Government.



Tendam receives the 'Diversity & Inclusion' award at PAI Partners' annual Sustainability Club meeting. This award recognises all Tendam teams' work on creating and building a company that is open and committed to diversity and inclusion.



Elle Eco Awards honours Slowlove with its sustainable design award. Sara Carbonero and Isabel Jiménez, the creative directors of Slowlove, received an award for their work on promoting the environmental importance they add to the brand through their commitment to sustainable fashion.



Tendam's Chair and CEO, Jaume Miquel receives the 'Leaders with a Purpose' award from the Vocento Editorial Group on behalf of the company.



Tendam was also awarded at the Adelias Foundation's 1st annual 'Awards Against the Digital Divide' held in Madrid with the support from CyberLideria. This award recognised the company's donation of 150 computers to the 'Digital Resources Bank'.



Descombinadas' – Women'secret's advertising campaign – took the prize in the Strategic Thinking category of the IAB Inspirational awards. This global advertising association created these awards to spotlight quality advertising projects in the digital environment.



At the third annual Women's Talent Day, Tendam was awarded the Diversity Leading Company award, as a leading company in diversity and inclusion, and the Empowering Women's Talent Seal, for its commitment to female talent. Both awards highlight the company's commitment to diversity and inclusion in its internal management policies.



Orquídea, Pedro del Hierro's feminine fragrance, won the Best Lifestyle Perfume for Women at the 16th edition of the awards organised by the Perfume Academy, a cultural foundation dedicated to the dissemination and promotion of the world of perfume with an emphasis on its artistic and cultural facet.

The Group

We are a leading company in the textile industry and a pioneer in driving its transformation. We have created one of Europe's top omnichannel groups in the specialised fashion sector.

We have extensive presence in over 80 countries on four continents and a solid track record backed by the experience of more than 140 years of history.

We specialise in creating and building brands in the premium mass-market segment. We offer a quality alternative with our brands: Women'secret, Springfield, Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove, High Spirits, Dash and Stars, OOTO, Hi&Bye, Milano and Fifty. Each brand has a specific target audience, but when combined they ensure the reach and capillarity of an innovative and international group whose collections are distributed in more than 1,758 points of sale and online stores around the world.

Our headquarters are in Madrid, and we have offices in Barcelona and other strategic markets. We have international purchasing units in Spain, Hong Kong, India and Bangladesh that guarantee our global supply chain, ensuring compliance with our code of conduct.

In Spain, the logistics services have a main centre, located in Aranjuez, Madrid, which acts as the sole distributor for the Group's own stores in Europe, and two other centres in Tarancón (Cuenca) and Seseña (Toledo). Internationally, we operate two logistics centres, located in Hong Kong and Mexico.

296
Points of sale in
America

20
Points of sale in
Africa

1,252
Points of sale in
Europe

159
Points of sale in
Middle East and North Africa

31
Points of sale in
Asia

1,758
Points of sale

1,158
Directly operated stores

600
Franchises

67
Countries with in-person sales

59
Countries with online sales

History

143 years of history



1880

The García-Quirós brothers open a small haberdashery store on Calle Romanones in Madrid



1933

Opening of La Palma shirt factory



1945

The first Cortefiel men's suits are produced in the tailoring factory



1960

The company exports to the United States under the Cortefiel brand, which is distributed at Macy's and Sacks



1985

Launching of Milano, the brand specializing in tailoring

1988

Launching of Springfield, the youth casual fashion brand



1991

International expansion begins with the opening of stores in Portugal and France

1993

Launching of Women'secret, committed to intimate apparel and swimwear



1999



Acquisition of the Pedro del Hierro brand

2000

Women'secret starts operating online

2005

A shareholder change takes place, bringing in CVC, PAI Partners and Permira

2006

Launching of Springfield Woman

2012

All of the company's brands operate online

2013

Pedro del Hierro unveils its first collection at New York Fashion Week



2014

The company wins the National Large Fashion Company Award

2017

CVC and PAI Partners acquire 100% stake in the company

2018

Launching of the new corporate brand Tendam as parent company for the management of the different brands. Pedro del Hierro returns to MBFWMadrid

2019

Tendam acquires the brand Hoss Intropia to strengthen its growth strategy

2020

Incorporation of third-party brands into physical and online sales channels

Levi's · Vero Moda · Selected Homme · Pepe Jeans · Only · Jack&Jones · UGG · Only Play · mamalicious

2021

Acquisition of Slowlove and launching of High Spirits



2022

Launching of OOTO and Dash and Stars men's fashion brands specialising in sportswear

2023

Launching of HI&BYE brand, aimed at teenagers, and the Springfield Kids line for children.

2023 in figures

Trust is based on data

Tendam

12 Brands

Over **+80** countries in which we are present

59 countries with online presence

1,758 points of sale

Over **+95** million garments sold

1,288 million euros in turnover

14.6% of total turnover comes from online sales

28.5% growth of the online channel over the previous year

35.2 million members in 5 loyalty clubs (24 million of unique members)

Value chain

288 garment and accessory suppliers

520 Tier-1 factories

379 Tier-2 factories

100% of garment and accessory suppliers agree to Tendam's code of conduct

354 social audits

77 semi-announced factory audits

Our planet

1,038,465 tCO_2e Carbon footprint

11% reduction achieved based on 2019 (baseline year)

74% absolute CO_2 reduction in Scope 1 and 2 based on 2019 (baseline year)

16% CO_2 intensity reduction in Scope 3 based on 2019 (baseline year)

76% renewable energy in own operations globally

100% renewable energy in own operations in Spain

51% more sustainable garments according to internal company standard

The Springfield Forest

40 mil trees planted

70 mil tCO_2 offset in full cycle

Our team

10,063 employees on our team

86% women

42,999 training participants

8,912 people trained

80,703 training hours

€ 277,708 allocated to social action

Good governance

50% women on the Board

62% women in management positions

Code of Conduct

14,242 hours in staff training

6,565 people trained

Tendam's identity

The company's identity encompasses our mission, vision and way of working through our values. Together we work to create beauty through responsibility and commitment. We want our passion for fashion to drive confidence for a more sustainable future that provides well-being and trust.



Mission

To lead the transformation of the textile industry with customers at the heart of our business and to contribute to society's progress.

Vision

To offer our customers the best fashion: coherent and committed, diverse and enduring, represented by leading brands in the sector.

Valores

The customer comes first: Our customers are what is most important to us, and they are always at the forefront of our decisions. We do our best to meet their current needs and anticipate future ones. Our goal is to exceed their expectations.

Integrity: Integrity plays a central role in how we work at Tendam. Acting in accordance with what we think and say contributes to our development as a company and that of our staff as individuals.

Innovation: We are all part of a shared project. Promoting the generation of innovative and effective ideas and launching revolutionary initiatives contributes to generating value for our customers, employees, suppliers, subcontractors and franchisees and, ultimately, for society.

Excellence: We are passionate about fashion, our brands and our products. But we can improve and we are constantly working to do so. The passion for our business and our attitude of constant improvement is reflected in what we do each day.

Honesty: We believe in a culture of truth, trust, transparency, respect and responsibility. We are honest and respectful of the surroundings we work in: socially and environmentally.

Collaboration: The diversity of our teams reflects the variety of our markets and customers. This plurality and teamwork help us to better understand our customers and consolidate our long-term growth.

Ambition: We want to be leaders, not just follow trends. Our teams have the ability to go beyond the established objectives and look for challenges so we can offer the best fashion, with the best products and in the most efficient way to improve the shopping experience for our customers.



Purpose

The sum that multiplies to make fashion that m

We are a company specialised in managing fashion brands that join forces to multiply exponentially their positive social and economic impact. Positioned in the premium mass market segment, we create quality fashion that makes a difference in people's lives, society and the planet. Our work and products, and the way we attain them, must generate a positive impact on society and the environment, while contributing to the continued success of Tendam and those who are part of the Group.

Our purpose is the central pillar of our vision and our roadmap's guiding light.

The sum

Tendam is the corporate umbrella under which the brands in the company's portfolio are organised, all complementary to each other but sharing the same corporate purpose and culture. Third-party brands are also part of our ecosystem in our multi-brand omnichannel platform.

At Tendam, they add up to more than 10,000 employees working for the company and the presence of its brands in over 80 markets.

The company's culture encompasses our mission, vision and way of working through our values. It is essential for a responsible company like Tendam to have a value and quality proposal adapted to the customer, which integrates innovation as a strategic challenge and differential feature.

That multiply

By creating and incubating our own brands, in 2023 we now have 12, this allows us to accompany our customers in the various stages of their lives. All of them are accessible through an omnichannel ecosystem where the physical and digital stores work together and complement each other.

We multiply our impact because we believe in having a capillary network of physical stores integrated into our omnichannel ecosystem. That is, we have modern physical stores that are adapted to new commercial realities without losing their essence. Our network generates value, employment and local wealth, and acts as a multiplier that supports the territory and the commercial fabric.

We also multiply our impact because, from our position as a relevant company, we work to contribute responsibly to society.

To make fashion

We promote a value chain with sustainability at the centre and guiding decision-making. In this way, our model allows for the ethically responsible production of each garment, seeking to extend our commitment as a brand to quality, valuable, and responsible fashion production.

We make fashion that improves the quality of life and contributes to a healthier future for our employees, consumers, suppliers, and society as a whole.

That matters

We are moving towards sustainability so that the way we work and our products have a positive impact on society and the environment.

Our motto of "making a difference in people's lives" includes the customer, but also our team and suppliers. We strive to make a positive impact on the world, investing in people to improve their lives and to build a better future for all.

The Tendam 5.0 Strategy

Tendam has become a unique omnichannel ecosystem that maximises the potential of its consumers.

The model is the result of the Tendam 5.0 strategy, designed in 2020 and accelerated over the past few fiscal years, which is based on four pillars: customers, our own and third-party brands, an omnichannel network, and a transversal structure for our corporate services. In this context, the new initiatives (mainly new brands and a multi-brand omnichannel platform) are the group's growth lever and contributed 6.2% of sales and generated a 27.0% growth in group sales.

The model is designed to be an ecosystem that seamlessly connects the digital to the physical, brick-and-mortar stores become a veritable hub connected to the digital stores, with customers at the centre.

The multi-brand platform reaches 160 third-party brands

Since the end of 2020, our e-commerce business has evolved into a multi-brand digital platform delivering outstanding performance and demonstrating the robustness of the model.

The multi-brand platform gives third-party brands specialised in fashion and complementary to the company's own brands access to the more than 202 million visitors to the Group's websites and to its 35 million club members (24 million of unique members).

Since its beginnings, the multi-brand platform has exceeded expectations and reached 160 third-party brands, which are distributed in the digital channels of our own brands: Cortefiel, Pedro del Hierro, Slowlove, Springfield and Women'secret.

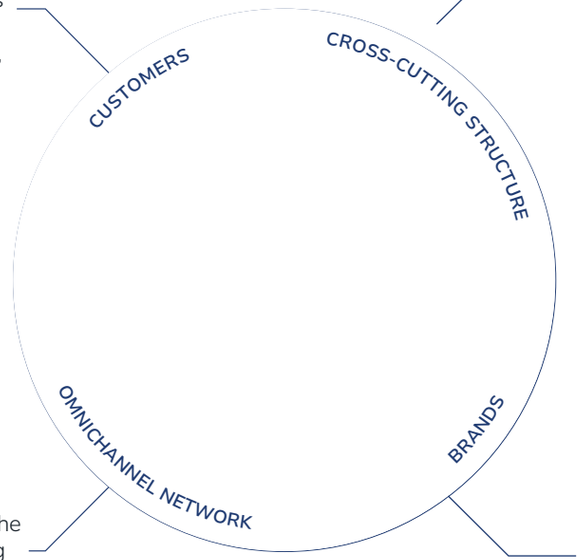
The platform allows customers to benefit from a growing number of carefully selected third-party branded products, with all the advantages and benefits traditionally associated with Tendam's online shopping.

CUSTOMERS: LOYALTY, PERSONALISATION AND DIGITALISATION

As pioneers in implementing loyalty clubs, we currently have five clubs associated with the brands Women'secret, Springfield, Cortefiel, Hoss Intropia and Fifty, with over 35 million members (24 million of unique members), which are at the core of the company's strategy.

OUR OMNICHANNEL NETWORK

With more than 1,750 physical points of sale, our stores continue to be the main point of contact between our customers and our brands. We have a capillary network of physical stores that are nearby and accessible, which provides the backbone of the territory, helping generate employment and wealth in the local area. We believe in having physical stores that fully integrate the digital environment, a more agile physical store model, which has expanded its role to also become a hub that provides a comprehensive service.



THE TRANSVERSAL STRUCTURE OF OUR CORPORATE SERVICES

Our brands maintain their independence and autonomy to grow on their own, taking advantage of their own identity and the flexibility of different commercial formats. Each brand has its own creative teams for design, product and marketing, but they share corporate services in a transversal manner.

OWN AND THIRD-PARTY BRANDS. A POWERFUL MULTI-BRAND OMNICHANNEL PLATFORM

Our growth is based on incubating, developing and creating our own brands targeting different customer segments. Specialist brands that complement each other so that we can follow our customers throughout their lives. An ecosystem that is currently open to more than 160 third-party brands that are marketed through our multi-brand omnichannel platform.

Much more than brands

The sum of our brands multiplies our strength exponentially, positioning us as an international leader open to new challenges. All of them work with passion to make fashion that matters and that aspires to create a more responsible company. We offer a value proposal adapted to each segment of the population to which our commercial offer is aimed, understanding innovation as a strategic challenge and differential feature in our culture.



women'secret

Women’secret is intimate apparel for confident women, offering lingerie, sleepwear and bathing suits that combine femininity, comfort and quality.

This year the brand celebrated its 30th anniversary by becoming the Group’s first brand available in India.

It shows its commitment to society by supporting causes that are particularly important to women.



- In collaboration with the Dexeus Mujer Foundation, Women’secret continued with its #SíMeImporta [Yes I Care] movement to support the fight against breast cancer and improve the quality of life and normalise the daily routines of breast cancer survivors. This year, #SíMeImporta aims to provide visibility to the problems related to sexuality experienced by women who have faced cancer and its treatment, through the ‘COMING BACK to sex after cancer’ podcast campaign together with writer Megan Maxwell.
- The brand is launching the third edition of its #RealChangers Scholarships to further the education of all women who want to fulfil their professional dreams and pursue the studies of their choice.
- Women’secret has earmarked all the profits from November and December sales of its Baby Pelones doll collection to buy furniture for the garden of the Maternity Hospital in Málaga, with the aim of creating spaces to attend to the emotional well-being of all the patients who use them.



30.7%
turnover of the specialist segment (Women’secret, Dash and Stars and HI&BYE) out of the group’s total

692
points of sale (428 directly operated stores, 9 corner stores and 255 franchises)

80
countries in which it is present (physical and online)

27%
of Tendam’s workforce

SPRINGFIELD

Created in 1988, Springfield is an urban brand with a versatile and diverse style that offers its followers their own lifestyle. It began its international expansion in Portugal in 1993.

Its presence extends to 54 countries with 743 points of sale.

The mySPRINGFIELD.com stores incorporate the digital and technological environment into physical stores to provide customers a complete omnichannel experience.

In 2023, the brand expanded its offer with the launch of Springfield Kids, a clothing line for boys and girls aged 5 to 12. This line is designed to cover the children's fashion segment including both basic apparel and the latest trends, as well as accessories.



- The brand, whose emblem is the Tree, has continued to drive the growth of the Springfield Forest by reaching the mark of 150,000 trees reforested since 2020 in deforested or fire-ravaged areas in Spain and Portugal.
- Springfield has joined up with Roots Studio on a project in India to bring indigenous culture to the world of fashion. Working with artisan communities preserving culture, tradition, creativity and protecting their cultural heritage.
- Continued expansion of R[ECO]llect, the in-store collection initiative for second-hand garments, increasing the number of collection points in Spain and Portugal by 69.



34.9%
turnover in the youth segment (Springfield, Springfield Kids and High Spirits) out of the group's total

720
points of sale (423 own points of sale, 66 corner stores and 231 franchises)

71
countries in which it is present (physical and online)

34%
of Tendam's workforce

CORTEFIEL

Cortefiel offers the confidence of being well-dressed with total everyday looks for both women and men. Since its inception in 1945, the brand has been committed to quality fabrics and garments to provide maximum versatility and comfort.

It is approachable and is committed to its customers and to caring for the planet and society. It was the first brand created by Tendam and is currently present in 46 countries with more than 246 points of sale in addition to cortefiel.com.



- For the 5th year running, Cortefiel contributed to the Cadete Foundation's PERFECTOS IMPERFECTOS [Perfectly Imperfect] campaign. This charity initiative finances therapies for children with disabilities so they can achieve their full potential.
- Cortefiel unveiled its new multi-brand 'La Comunidad Cortefiel' ['The Cortefiel Community'] campaign, in which it is showcasing all the brands in the company's adult segment (Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO), and showing how it represents a synergistic community, in which all the brands coexist with and complement each other by sharing the same home, but each with its own personality, style and life.



26.6%
turnover of the adult segment (Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO) out of the group's total

246
points of sale (156 stores directly operated and 90 franchises)

46
countries in which it is present

23%
of Tendam's workforce

Pedro del Hierro

Pedro del Hierro is the Spanish firm inspired by tradition, culture and art, which presents exclusive and affordable luxury collections for men and women. The brand belongs to Tendam since 1999.

It is a benchmark on the MBFWM catwalk and on the red carpets of the most important Spanish and international awards and events. Pedro del Hierro is the brand chosen by Spanish actors, actresses and celebrities for special occasions. The creative directors design versatile, innovative and functional collections, with elegant garments perfect for any occasion.



- The brand presented the 'ByBy' charity campaign that brought together eight inspiring women who have designed a capsule collection made up of eight layers that represent female strength and leadership, and whose profits will go to one of the eight female entrepreneurship and social impact initiatives that have been part of the project.
- Antonio Banderas and Nicole Kimpel brought Spanish fashion to the 2023 Oscars night at the Dolby Theatre in California with their Pedro del Hierro looks.
- 'Orquídea', Pedro del Hierro's women's fragrance, was awarded the Best Women's Lifestyle Perfume award by the Perfume Academy.
- Pedro del Hierro consolidated its relationship with Tamara Falcó by unveiling its new spring/summer 2023 collection inspired by the most important women in her life.



26.6%
turnover of the adult segment (Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO) out of the group's total

17
independent points of sale

+125
points of sale integrated in Cortefiel

10
countries in which it is present with independent points of sale

hoss INTROPIA

Hoss Intropia is designed for authentic, creative women who have their own style and do not follow trends, with a Mediterranean, bohemian/sophisticated spirit and its own personality. It pays special attention to the design, quality and handcrafted details of its embroidered garments, both for everyday wear and for special occasions.

Hoss Intropia was created in 1994 and, after becoming renowned with a successful track record and strong international growth, Tendam acquired it to relaunch it in 2021, maintaining the brand's initial essence.



- Hoss Intropia contributed to the Save Posidonia Project to preserve the marine plant Posidonia oceanica for the third consecutive year. With its #EcoHoss initiative, the brand managed to sponsor a total of 52,482m^2 of Posidonia meadows on the coast of the island of Formentera, thus helping to regenerate the marine ecosystem.
- Hoss Intropia increased its presence on the peninsula by opening new stores in Spain and Portugal. With these new openings, the brand now has 57 points of sale and has strengthened its presence in 7 countries.



26.6%
turnover of the adult segment (Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO) out of the group's total

14
independent points of sale

43
points of sale with a brand presence in Cortefiel stores in Spain and in Portugal

7
countries in which it is present

SLOWLOVE

The terms ‘free’ and ‘versatile’ are written into Slowlove’s DNA through its ‘urban folk’ essence. The brand was created by Sara Carbonero and Isabel Jiménez in 2015.

It joined Tendam in 2021, but Carbonero and Jiménez are still its creative directors, continuing their signature urban folk style.

Slowlove collections are currently available on the Slowlove and Cortefiel websites and in over 150 physical Cortefiel stores across Spain and Portugal.



- Since 2019, Slowlove has been pitching in to the Manantial Foundation’s Ropa Guapa [Pretty Clothes] project, a charity clothing project that aims to support people with mental health problems and to work to overcome the social stigma caused by mental illness.
- This year, Initiative Association, Slowlove and people from the Manantial Foundation’s Day Centre travelled to Morocco to bring clothes to the villages of Tazouka and Midelt. In total, they donated over 1,000 garments to 150 families in these villages.
- Sara Carbonero and Isabel Jiménez, the creative directors of Slowlove, received a sustainable design award for their work on promoting the environmental importance they contribute to the brand through their commitment to sustainable fashion.



26.7%

turnover of the adult segment (Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO) out of the group’s total

150

sales spaces in stores of the group’s other brands in Spain and Portugal

High Spirits

High Spirits, free-spirited, wild and non-conformist, the High Spirits woman is spontaneous and authentic; she likes to live life in its purest form and to be the master of her own style.

The proposed collections represent different facets of the HighSpirits woman: Dreamer Spirit, natural, cosmopolitan and fashionable; Creative Spirit, bohemian, carefree and nomadic; and Authentic Spirit, daring, carefree and cool.

It is available

+116

Springfield stores and through the Springfield marketplace.

In its first years it expanded its business with the opening of points of sale in Portugal, Mexico and Hungary.



DASH AND STARS

Dash and Stars is Tendam's top sportswear and womenswear brand for athletic women who like to take care of themselves and live a healthy life.

It was created in March 2022 and is aimed at all women who like to keep fit. It is marketed through the multi-brand online platform and is present in 47 physical Women'secret, Cortefiel and Springfield stores in Spain and Portugal.

149

points of sale in physical stores Women'secret, Cortefiel and Springfield stores in Spain and Portugal.



OOTO
OUT OF THE OFFICE

In 2022, Andrés Velencoso founded the menswear brand OOTO (Out Of The Office) together with Cortefiel, designed for conscientious, determined and fun-loving customers.

Clothes for rebels with a cause who value their time and are committed to the planet. Its Mediterranean-inspired collection is mainly made up of casual garments for all uses and moments, from the office to after work.

102

points of sale in Spain and Portugal and at Cortefiel.com.



HI&BYE

HY&BYE is the new brand aimed at girls aged 14 to 18 that reflects teenage girls' desire to express themselves, to be themselves and to show their positive attitude; girls who value authenticity, who know that beauty is imperfect and who are discovering their path.

It aims to become a brand that accompanies them on a daily basis. It is sold in Women'secret stores and on the women'secret.com website.

91

points of sale in Spain and Portugal, France and Belgium.



FIFTY

A chain of outlet stores where the Milano brand and other brands of the Group (Semi'Secret, Springfield, Cortefiel and Pedro del Hierro) are sold, as well as third-party brands that are present in the online channel and in selected stores.



It has its own brand, MILANO, which is brimming with its own DNA with urban fit, fashionable and modern garments. In addition, its smart shopping model allows customers to experience an omnichannel shopping experience that is unique in the outlet sector.

Present in 6 countries with 69 points of sale. As part of the process of expanding the brand, it has opened its first stores in Croatia and Mexico.



7.7%	69	6	8%
of the Group's total turnover	points of sale	countries in which it is present	of Tendam's employees work for the brand

Our worldwide presence

Our international expansion is based on two management models: corporate-owned stores and franchises. Thus, Tendam is present in more than 80 countries with more than 1,758 physical points of sale and more than 59 online markets across five continents: Africa, North and South America, Asia, and Europe.

The Tendam Group manages 1,758 points of sale for the Cortefiel, Pedro del Hierro, Hoss Intropia, Springfield, Women'secret and Fifty brands. In these spaces, our brands Pedro del Hierro, Hoss Intropia, Slowlove, High Spirits, OOTO, Dash and Stars and HI&BYE are marketed, which is why they do not appear as their directly operated stores in the following information tables, since they are part of the directly operated stores identified below.



Directly operated stores

Directly operated stores - Europe

	CTF	PDH	SPF	WS	HOSS	FF	TOTAL
Belgium			8	6			**14**
Bosnia	1		7	5			**13**
Bulgaria	1		1	1			**3**
Croatia			6	8		1	**15**
Spain	127	2	272	287	4	54	**746**
France			48	1			**49**
Hungary			12	12		1	**25**
Italy			25				**25**
Luxembourg			4	1			**5**
Montenegro	1		1	1			**3**
Portugal	25		61	58	1	10	**155**
Serbia	1		17	22		1	**41**
Total	**156**	**2**	**462**	**402**	**5**	**67**	**1,094**

Directly operated stores - Americas

	CTF	PDH	SPF	WS	FF	Total
Mexico			27	35	2	**64**

Franchises

Franchises in Africa

	CTF	PDH	SPF	WS	Total
Nº points of sale	8	0	6	6	**20**

Franchises in America

	CTF	PDH	SPF	WS	HOSS	Total
Nº points of sale	34	3	106	83	6	**232**

Franchises in Asia

	CTF	PDH	SPF	WS	Total
Nº points of sale	3	7	8	13	**31**

Franchises in Europe

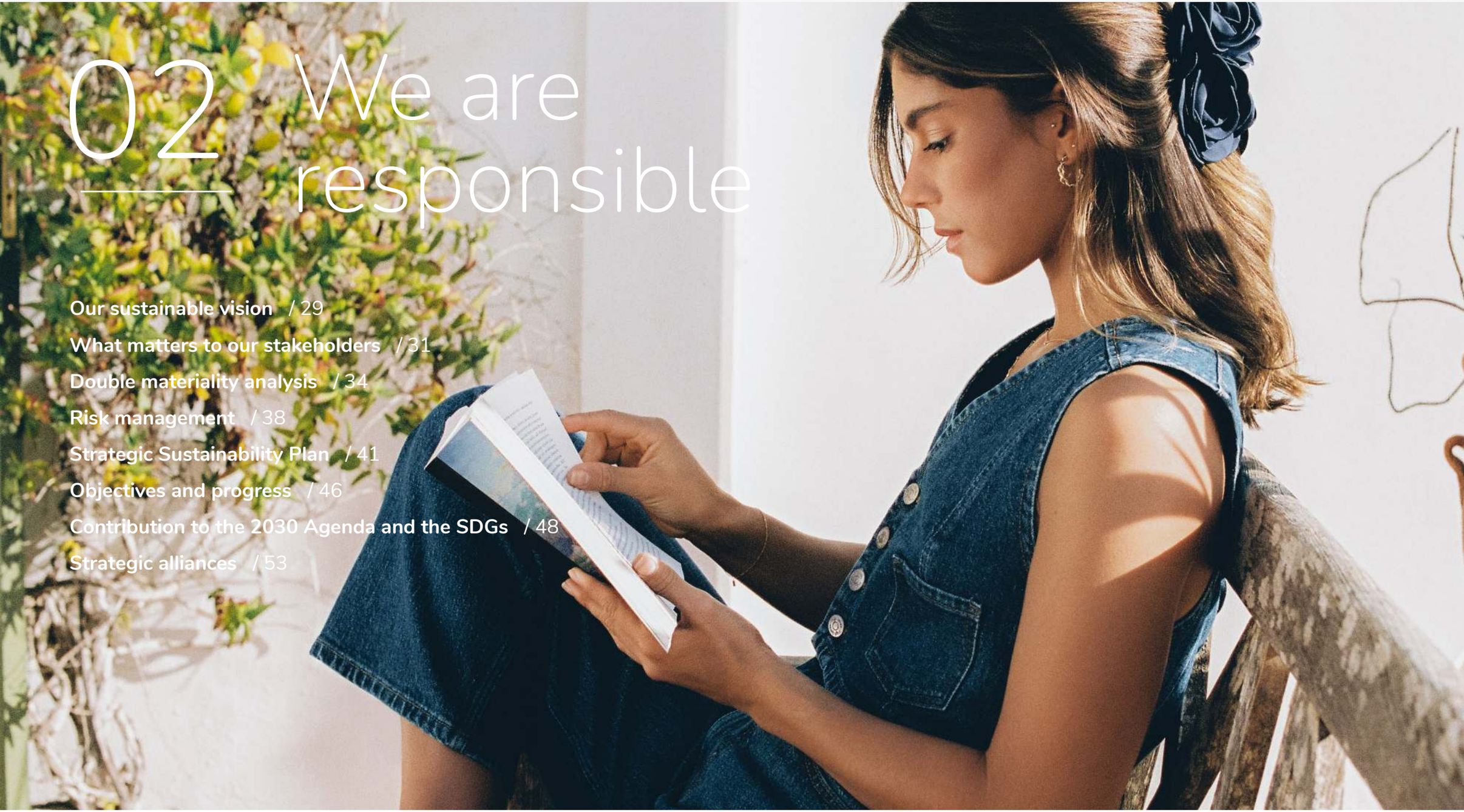
	CTF	PDH	SPF	WS	HOSS	Total
Nº points of sale	19	5	57	74	3	**158**

Franchises in the Middle East and North Africa

	CTF	PDH	SPF	WS	Total
Nº points of sale	26	0	54	79	**159**

02 We are responsible

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Our sustainable vision

As one of Europe's leading fashion companies, our size and global reach allows us to focus on continuous improvement through our business, social and environmental responsibilities and our business model based on leadership and transparency.

We continually seek to align our business with the needs of our stakeholders by extending ESG (social, environmental and governance) focused practices throughout our value chain. We face significant challenges, including the promotion of a circular economy, waste management, garment traceability and compliance with human rights and International Labour Organisation principles.

With these considerations and industry trends in mind, we have developed our sustainability strategy with a comprehensive and long-term approach that aims to minimise negative environmental impacts, improve the well-being of our people and add value to society, without compromising the prosperity and economic viability of the business.



Milestones in our progress towards sustainability

2001

- Publication of the first Code of Conduct for suppliers and manufacturers.

2002

- We join the United Nations Global Compact.
- Creation of the Corporate Social Responsibility Department.

Pacto Mundial Red Española | OBJETIVOS DE DESARROLLO SOSTENIBLE

2006

- Publication of the first Sustainability Report based on the guidelines of the Global Reporting Initiative (GRI).

2008

- First development of an ethical code of conduct as a first step towards a company-wide code of conduct.

2012

- We publish our first Equality Plan.
- We calculate the CO_2 emissions of our operations for the first time.

2013

- We launch an anonymous and confidential Ethics Channel accessible to third parties.

2015

- We join the Diversity Charter.

2017

- We become a member of the AMFORI network.

amfori Trade with purpose

2018

- We launch our first sustainable collection.
- We sign an agreement with the ONCE Foundation's INSERTA programme to recruit people with disabilities.



2019

- Tendam joins The Fashion Pact to formalise its commitment to biodiversity, oceans and climate change.
- We receive the Business Ambition 1.5ºC. recognition from the United Nations Global Compact at COP25 in Madrid.
- We join the United Nations Fashion Industry Charter for Climate Action.

TENDAM signs FASHION PACT G7 FRANCE

2021

- Our science-based emissions reduction targets are endorsed by the Science Based Target Initiative (SBTi)
- Publication of a new Responsible Purchasing Policy.
- We join the Better Cotton Initiative (BCI) and Zero Discharge of Hazardous Chemicals.
- An international agreement is signed with trade unions to work together on concrete actions in the supply chain.
- Approval of the company's 2nd Equality Plan.



2022

- The Delegated Sustainability Commission, reporting to the Board of Directors, and a Sustainability and Human Rights Committee, comprising various cross-functional areas are formalised.
- A rating is obtained in the Carbon Disclosure Project.



- The Gold rating in the Ecovadis Sustainability Rating is maintained.

2023

- Ecovadis Sustainability Rating achieves the highest rating of Platinum.



- We become a member of the Sustainable Apparel Coalition (Cascale).

What matters to our stakeholders

Our stakeholders are an integral part of our business model, as we recognise the value they bring to the company and the impact our activities have on them.

We seek to maintain a fluid and ongoing dialogue with our stakeholders, encouraging their participation and providing them with the most appropriate channels of communication to incorporate their needs into the company's decision-making process.

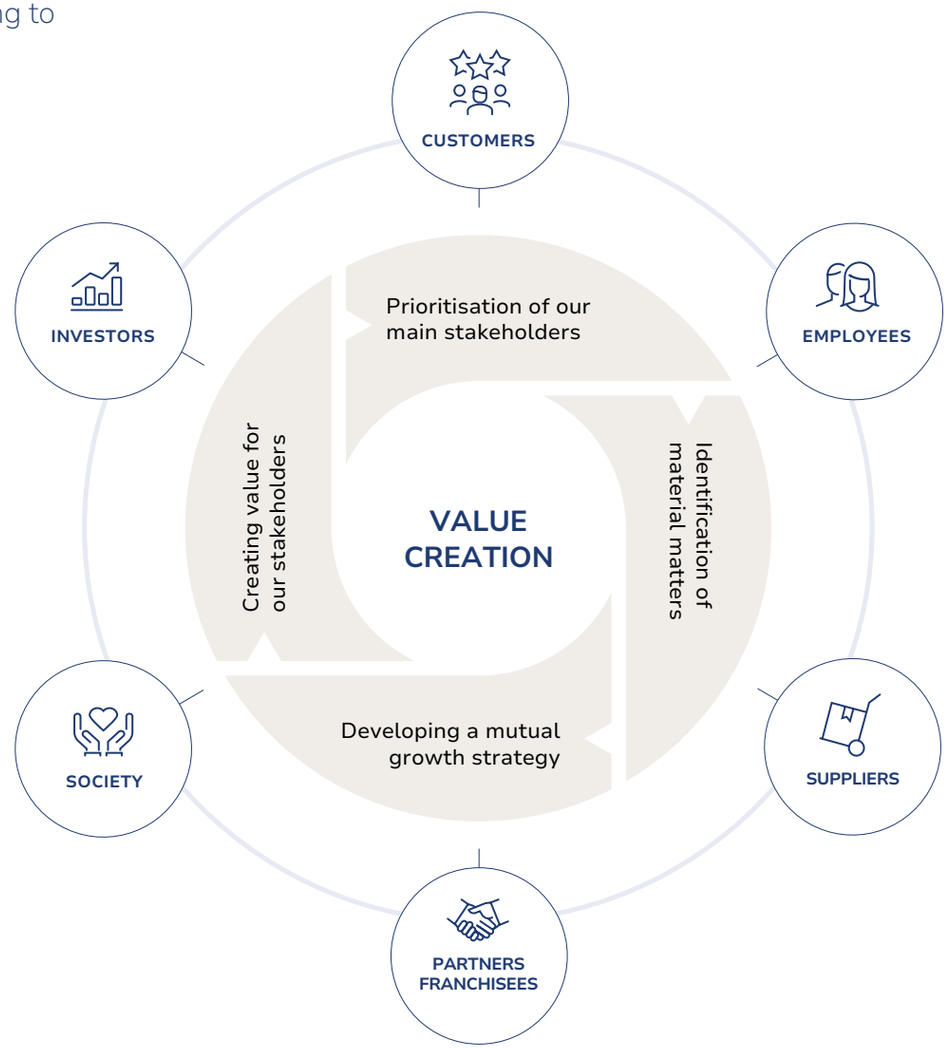
On the other hand, we participate in various initiatives with our stakeholders, such as discussion forums and learning circles, and we are present in national and international industry organisations in order to be informed about the latest trends, to contribute to the transformation of our industry and to stay close to the main market players.

Stakeholder identification and prioritisation

In 2022, as part of its double materiality analysis, Tendam carried out a study to identify and analyse its stakeholders, using the current definition as a reference and comparing it with those of its main competitors in order to identify best practices.

In order to prioritise the stakeholders, a two-way impact analysis was carried out in terms of their importance to Tendam and vice-versa.





CUSTOMERS

- Presence in 80 countries
- 1,758 points of sale
- Over 95 million garments sold
- 35.2 million loyalty club members
- 28.5% growth in the online channel
- 69.7% satisfaction rate
- 202 million visits to Group brand websites

COMMITMENTS

- Satisfactory shopping experience
- Product and service quality
- Customer service throughout the entire buying process, including after-sales
- Customer loyalty
- Health protection through quality garments
- Increasing the supply of more sustainable garments
- Data privacy and security protection
- Respect for human rights
- Inclusive, transparent communications that embrace diversity
- Accessibility

RELATIONSHIP TOOLS

- Corporate website
- Brand websites
- Loyalty clubs
- Customer service
- Social media
- Media
- Physical stores
- Whistleblowing channel

EMPLOYEES

- 10,063 employees
- 62% women in management positions
- 8,912 employees trained
- 80,703 hours of training
- €255.53 million invested in salaries and social security contributions

COMMITMENTS

- Protection of human rights
- Protection of employment rights
- Quality and stability of employment
- Employee benefits and work-life balance
- Occupational safety, health, and risk prevention
- Training and professional development
- Equal employment opportunities

RELATIONSHIP TOOLS

- Nexus corporate intranet
- Whistleblowing channel
- Works councils
- Social media
- Internal marketing
- Courses and training days
- Sales conventions

SUPPLIERS

- 288 garment and accessories suppliers
- 354 social audits
- 77 semi-announced factory audits
- 100% of garment and accessory suppliers sign the Code of Conduct

COMMITMENTS

- A relationship based on trust and teamwork
- Compliance with human rights
- Compliance with labour rights
- Commitment to sustainability and innovation
- Stability in business relationships
- Fair contracting and payment arrangements
- Trusting and stable relationship

RELATIONSHIP TOOLS

- Supplier portal
- Whistleblowing channel
- Corporate website
- Regular meetings and visits
- Global agreement with trade unions
- External code of conduct
- Regular meetings and visits

PARTNERS FRANQUICIADOS

- Present in 58 countries
- 600 franchised points of sale
- 2 annual conventions
- 5.4% of sales come from franchisees

COMMITMENTS

- Full service management
- Smooth and ongoing communication
- Training
- Consulting
- Transparent relationship

RELATIONSHIP TOOLS

- Newsletter
- Communication platforms
- Seasonal conventions
- Training
- Consulting
- Whistleblowing channel

SOCIETY

- 15 non-profit projects supported
- €277,708 donated
- 17.7% reduction in the carbon footprint
- 40,000 trees planted, offsetting 70,000 tCO_2
- 19,470 garments worth €129,800 donated to social organisations

COMMITMENTS

- Development of innovative solutions
- Promotion of employment
- Ensuring equality and diversity
- Commitment to innovative and more sustainable design
- Respect for the environment
- Ensuring compliance with the regulation
- Engaging with the communities in which we operate.

RELATIONSHIP TOOLS

- Corporate website
- Whistleblowing channel
- Social media
- Agreements and collaborations
- Media

INVESTORS

- S&P's B+ rating with positive outlook
- Moody's B1 rating with positive outlook
- Ecovadis Platinum medal
- 6.4% increase in turnover
- €313.3 million Recurrent EBITDA
- 9.9 (negligible risk) Sustainalytics ESG Risk Rating

COMMITMENTS

- Financial and economic stability
- Good corporate governance
- Sustainability and Corporate Social Responsibility
- Proactive, two-way communication based on transparency
- Financial and economic stability

RELATIONSHIP TOOLS

- Corporate website
- Investors department
- Results reporting
- Press releases
- Specific email account

Double materiality analysis

The methodological approach used in our 2022 materiality study is based on the dual materiality approach (ESRS 1 and 2), analysing the impacts generated directly by our activities or through our value chain and, in turn, the impact of sustainability issues on financial performance.

This approach focuses on assessing potentially material sustainability issues from this dual perspective:



From an **impact materiality** perspective ('From the inside out'), taking into account Tendam's impact on its environment.



From a **financial materiality** perspective ('From the outside in'), which considers the impact of sustainability issues on Tendam's performance.

The following methodology has been applied:

1. Stakeholder identification, validation and prioritisation

Tendam updated the list of stakeholders in the 2022 financial year, based on the previous study carried out by the group and supplemented by a sectoral analysis of best practices.

A two-way impact analysis was then carried out, assessing the relevance of the stakeholders to Tendam and vice-versa, resulting in an updated list of the company's stakeholders, prioritised according to their relevance.

2. Identification and validation of material issues

The universe of potentially relevant sustainability issues has been updated and expanded through an in-depth analysis of Tendam's context. This analysis took into account national and international sustainability initiatives and trends, as well as the reporting frameworks and best practices of the Group's sectoral peer.

3. Evaluation and assessment of the relevance of material issues

The material issues identified in the previous phase were subject to an external and internal assessment[1] by each of the identified stakeholders.

The following specific steps were taken:

- **3.1.** Preliminary assessment
- **3.2.** Consultation with external stakeholder representatives and Tendam employees
- **3.3.** Consultation with Tendam employees in the finance area

4. Consolidation of results and development of the materiality matrix

Finally, a double materiality matrix was created, bringing together the relevant issues from both an impact materiality and a financial materiality perspective, considering as material those issues that were identified as priorities from either perspective.

1. The time horizon envisaged for the evaluation is the short term (1-3 years). Tendam's objective is to extend this analysis in the coming years to also consider medium and long-term horizons.

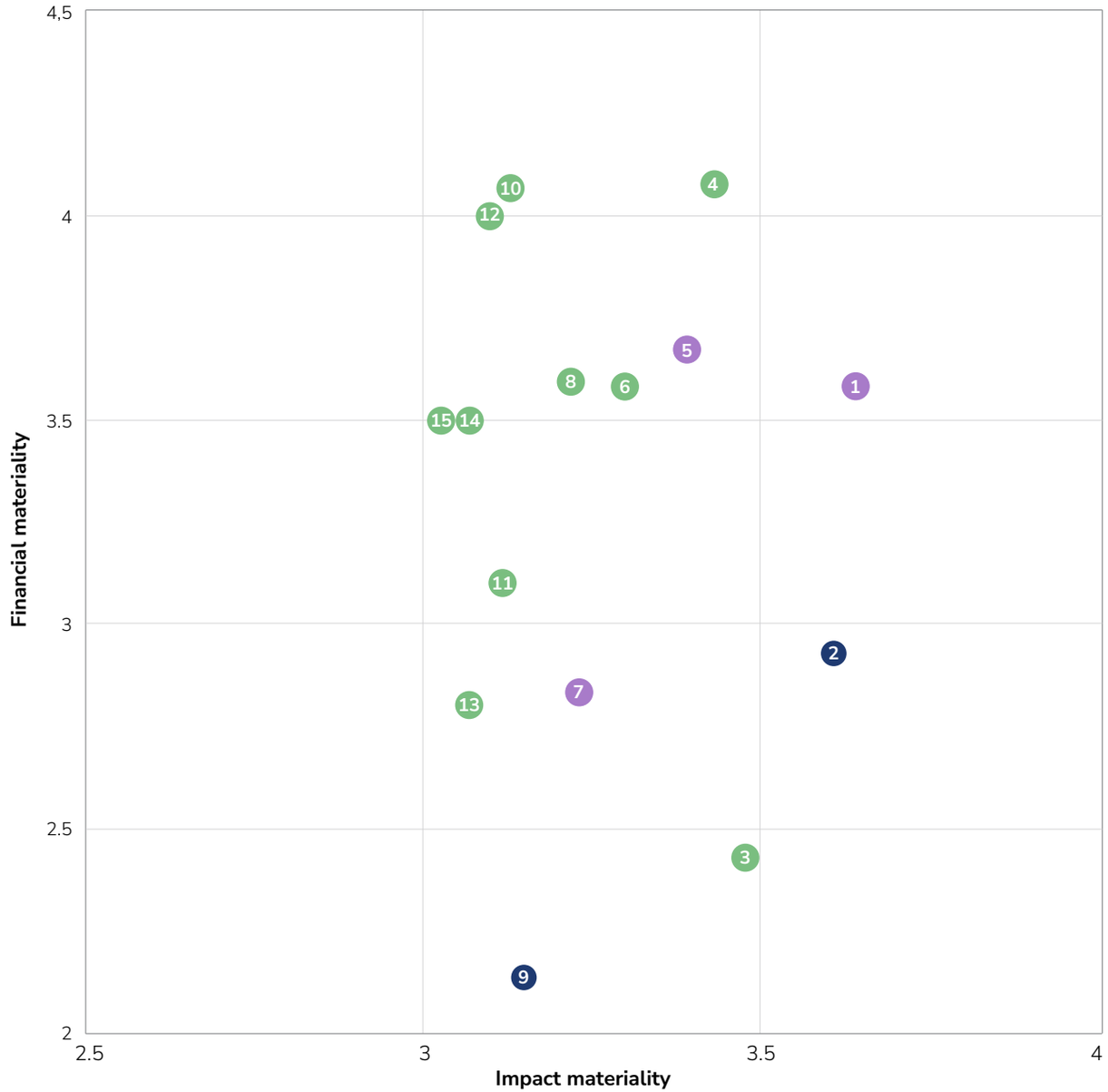
Materiality matrix

The analysis led to the identification of a total of 15 material issues. The issues identified are presented below in order of importance and grouped according to the ESRS classification.

ENVIRONMENTAL SOCIAL GOVERNANCE

List of material matters

1	Respect for human and labour rights in the supply chain
2	Transparency in management
3	Management of GHG emissions
4	Waste management
5	Fair remuneration
6	Mitigation of water pollution
7	Product quality and safety
8	Replacing plastics
9	Corporate Culture and Codes of Conduct
10	Garment collection and recycling
11	Water management
12	Energy management
13	Minimising the impact on biodiversity
14	Efficiency in the use of raw materials
15	Minimisation of packaging



Material Matter

MATERIAL MATTER	MATERIALITY REASON	STRATEGIC LINE	IMPACT	SDG
1. Respect for human and labour rights in the supply chain	Due to the internationalisation of the sector and the size of the company, it is necessary to establish due diligence measures to ensure respect for human and labour rights in the supply chain. Companies need to establish action plans to ensure that suppliers' conditions and activities are in line with international standards such as the UN Global Compact, International Labour Organisation's Core Conventions, etc.		Risk	SDG 8
2. Transparency in management	An organisation's communication of its management, financial and sustainability performance in accordance with recognised reporting standards in order to be accountable to its stakeholders.		Opportunity	SDG 16
3. Management of GHG emissions	Achieving the goal of limiting the temperature increase to 1.5°C is only possible by developing ambitious and proactive strategies to reduce and offset the emissions released into the atmosphere as a result of the organisation's activities.		Risk	SDG 13
4. Waste management	This material issue refers to activities that promote the prevention and reduction of waste generated by our operations and along our value chain.		Risk	SDG 12
5. Fair remuneration	It refers to the adoption of measures to ensure that employees are remunerated in a way that allows them to maintain a decent standard of living for themselves and their families, and that reflects their level of experience and skills, as well as their contribution to the success of the business.		Risk	SDG 8
6. Mitigation of water pollution	The production of the apparel may pose a risk of water pollution. It is therefore necessary to take measures to reduce water pollution throughout the value chain, from the design of garments and the selection of suppliers to the implementation of measures to control and prevent discharges during production.		Risk	SDG 12
7. Product quality and safety	Our garments and accessories are at the heart of our business and we work to ensure that we meet the highest standards of quality and safety to provide our customers with collections that meet their expectations.		Risk	SDG 12
8. Replacing plastics	In recent years, efforts have focused on minimising and eliminating plastic-based components used to protect, present and distribute products, which contribute to soil and water pollution along the value chain (packaging, plastic bags, etc.).		Cost	SDG 12

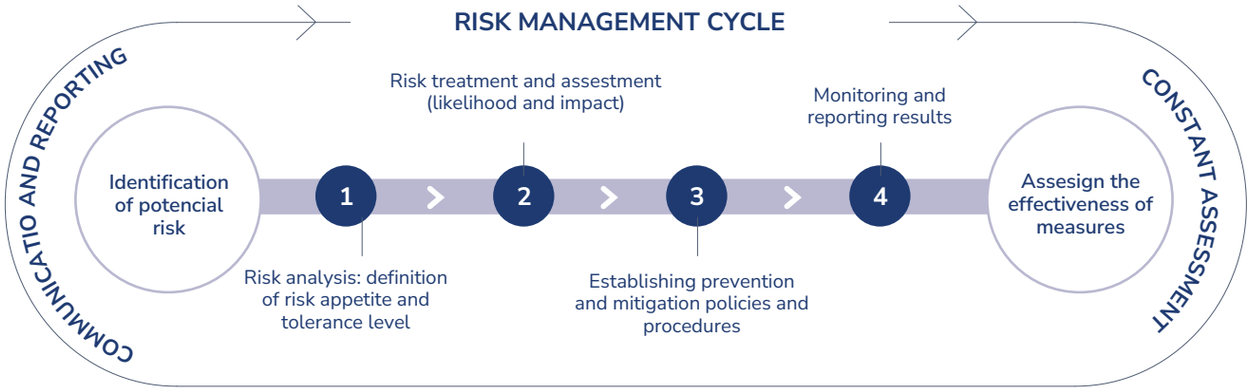
Strategic Lines: Human Rights · Transparency · Reporting · Climate change · Circular economy · Equality, Diversity and Inclusion · Nature · Controls · Chemicals · Good governance · Garments

MATERIAL MATTER	MATERIALITY REASON	STRATEGIC LINE	IMPACT	SDG
9. Corporate culture and codes of conduct: ethical principles, honesty and integrity	This encompasses the set of values, ethical principles and integrity that should guide all members of an organisation towards responsible conduct and practices, with reporting channels for potential instances of non-compliance. These conduct guidelines must be aligned with sustainability benchmarks and/or best practices (e.g. UN Global Compact, International Labour Organisation Core Conventions, etc.)		Risk	SDG 16
10. Garment collection and recycling	Establishing measures to reduce the amount of textile waste, collecting apparel that can be reused and giving it a second life, and/or nonreusable textile waste for proper management and recycling, promoting the circular economy and the conversion of textile waste into new garments.		Opportunity	SDG 12
11. Water management	This material issue is related to establishing measures to optimise water use throughout our value chain, thereby contributing to the fight against water scarcity and waste.		Risk	SDG 12
12. Energy management	Energy management refers to the control and evaluation of electricity and fossil fuel consumption for the introduction of energy efficiency measures in the organisation, contributing to the reduction of consumption and greenhouse gas (GHG) emissions.		Opportunity	SDG 13
13. Minimisation of the impact on biodiversity	Establishing measures to minimise the impact of the Group's activities and value chain on local ecosystems, such as the depletion of natural resources and their impact on deforestation and species extinction as a result of the extraction of raw materials and the use of chemicals.		Risk	SDG 12
14. Efficiency in the use of raw materials	Raw materials are an essential element in the production process and have a direct impact on the cost and efficient management of clothing. Therefore, measures to optimise the use of raw materials in the business and along the organisation's value chain must be promoted.		Opportunity	SDG 12
15. Minimisation of packaging	The use of packaging is necessary in Tendam's business and, therefore, minimising its consumption is material for the transport and provision of products by the organisation and along its value chain.		Opportunity	SDG 12

Strategic Lines: Human Rights · Transparency · Reporting · Climate change · Circular economy · Equality, Diversity and Inclusion · Nature · Controls · Chemicals · Good governance · Garments

Risk management

The Tendam Group's risk management system is deployed transversally as part of the company's daily operational activity, which takes into account the material issues for the organisation and the interests and expectations of stakeholders. Risk management comprises the identification, analysis and control of risks, as well as establishing action plans for their prevention, mitigation and monitoring. Periodic communication and reporting on its evolution and action plans is carried out.



The company incorporates various activities on a regular basis for the proper control and management of risks:

- There are specific committees in the different areas of action (e.g. the Cybersecurity Committee, the Sustainability and Human Rights Committee, the Working Group for digital activity in stores, etc.). These committees promote the control environment for those risks that have a cross-cutting impact on the different areas.
- Risks are measured using defined monitoring and control indicators. The risk map shows the risks identified for each type, together with their assessment, risk tolerance and action plans.
- Regular meetings are held with the various business units to review the status of risks, risk indicators and action plans, which are periodically monitored by the Risk Committee.

This information is reported to the Audit and Risk Committee at least once a year.

Risk management culture

Various initiatives are in place to promote and enhance a risk management culture and to disseminate risk management values and attitudes:

- In the commercial network, the control environment is strengthened through continuous monitoring of own stores by the business areas and by the internal audit department, in order to improve the effectiveness and efficiency of operations and to prevent and deter situations where fraud may occur.
- Policies and protocols are in place to encourage proper implementation of the company's existing compliance framework.
- An ad hoc training plan is offered to promote a risk management culture, including training on the Code of Conduct and other ethical compliance issues, as well as training on the prevention of corruption and fraud.
- We extend the Whistleblower Channel to the various stakeholders as a tool that allows us to detect behaviour that is contrary to the ethical values, commitments and best practices established by Tendam. This channel can also be used to make enquiries about our Code of Conduct.
- Regular communication is carried out via the corporate intranet on various aspects of business ethics, including policy updates and reminders, dissemination of the existence of the Whisteblower Channel and ongoing training. continuas, entre otros.

Risk management

Tendam has a risk management model that defines the level of risk it is willing to take.

The model includes the following concepts:

Risk appetite: the risks that the group and its brands are willing to take in order to achieve its strategic goals.

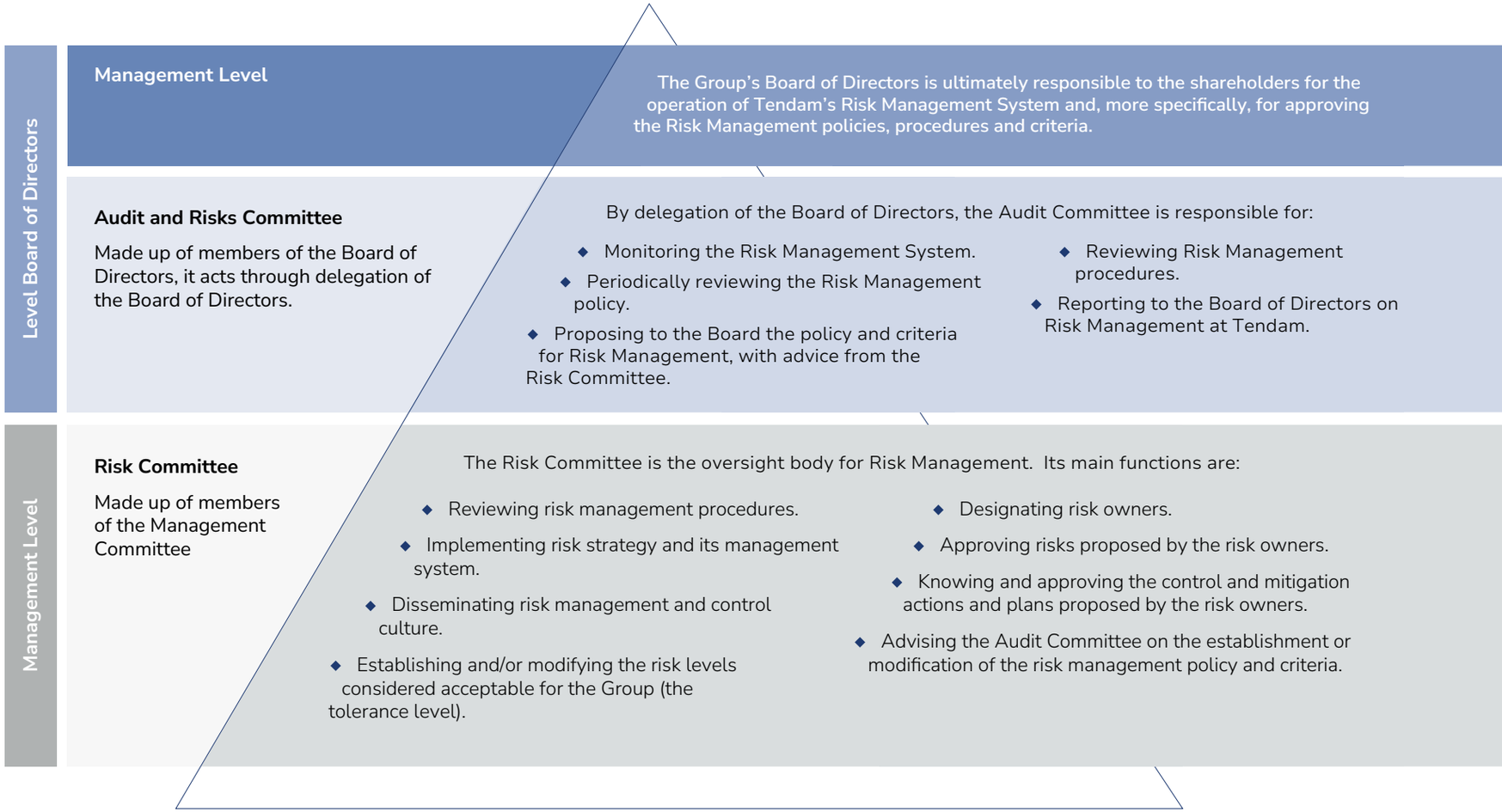
Risk tolerance: the decision on the difference or deviation from the organisation's risk appetite.

Risk limits: maximum leeway to meet the risk appetite within the defined tolerance.

Indicators: facilitate the continuous monitoring of risks in the assessment and follow-up phases.

Risk management governance

The risk management system at Tendam has a dual structure according to its function: on the one hand, a supervisory structure that corresponds to the governing bodies of the Board of Directors, and on the other hand, a coordination and execution structure at the management level.



Risk map

Tendam has a risk map and indicators that are periodically reviewed by the Risk Committee. The risks are grouped into different categories according to their nature. In order to control them, monitoring is carried out on the basis of follow-up indicators and action plans implemented or planned.

Sustainability and climate change risks are included into the group's risk map under the category of Strategic Risks.

These risks are:



Type of risk

Strategic risks	Operational and business risks	Compliance risks	Financial and reporting risks
Related to cybersecurity and data protection, sustainability, and corporate reputation	Related to business, supply chain and human resource management risks affecting the different geographical locations where the business is located	Related to internal regulations and compliance with the legislation in force in the countries in which the Group operates and sources its supplies	Related to financial activity and the obligation to disclose financial and non-financial information

EMERGING RISKS "WATCH LIST"

Related to the supply chain	Risks arising from the supply chain's need to manage indirect risks and comply with new regulatory requirements.
Related to the transformation of business models and new technologies	Risks due to changes in business models and disruptive emerging brands, associated with the technological speed to adapt the business and the value offer to the consumer
Consumer 4.0: greater awareness of sustainability	Risks derived from increased and growing expectations about business and product sustainability from the customers
Talent management, employee needs and expectations	Risks of adapting to the demands of employees, the need to develop new skills in staff to cope with the changing environment and fostering the link between employees and the company
Emergence of new market risks and geopolitical constraints	Risks arising from the impact of regulation and measures in international markets and changes in the geopolitical context, which may affect the logistics of operations, production and movement of goods
Increasing complexity of the ESG regulatory framework	Risks arising from the impact of new regulations, mainly in the EU framework, which may affect the logistics of operations, production and movement of goods

Strategic Sustainability Plan

The Group makes specific commitments that are embodied in internal policies and procedures, as well as in the Strategic Sustainability Plan, which is the sustainability roadmap for decision-making on processes and strategic decisions throughout the value chain.

In 2018, the company approved its first Strategic Sustainability Plan 2019-2021, which was subsequently updated with the 2022-2025 ESG Plan, set to be reviewed again in 2024 to better adapt to the regulatory impact in this area and the significant changes that the sector is undergoing.

1.

The Strategic Sustainability Plan proposes ESG (Environment, Social and Governance) management based on double materiality, focusing our work on the most relevant issues and responding to the need to structure our ambition, demonstrate our commitment and highlight the impact of our activities.

2.

This transversal plan highlights our strategy to create economic, social and environmental value with a proposal for continuous improvement, making visible our contribution to the environment in which we operate and, globally, to the United Nations Sustainable Development Goals (Agenda 2030), contributing to the ten goals considered priorities for our activity.

3.

Tendam's roadmap is based on the *The sum that multiply making fashion that matters goal* and is transversal to the different areas through the 'We Care' culture. A culture that emanates from a commitment to sustainability shared by the different Tendam teams together with our employees, and which is supported by Management.

4.

The plan, which integrates 64 actions in four main strategic axes, stems from the mandate of the Board of Directors and its Sustainability Committee. The Sustainability and Human Rights Committee is the body responsible for monitoring compliance with the Strategic Plan.



SUSTAINABILITY PLAN 2022-2025

Completed ● Ongoing ◑ Pending ○

	THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
ENVIRONMENT	Climate Change	Carbon footprint	◆ Extending the calculation of Scope 3 emissions (GHGP) ◆ Providing training on climate change ◆ Develop an action plan for the fulfilment of the SBTi objectives ◆ Participate in carbon offset projects	● ○ ◑ ●	SDG 13
		Sustainable mobility programme	◆ Incentivising the use of low-carbon transport for employees ◆ Continue work on electric charging points	◑ ○	
		Climate risk identification and management	◆ Incentivising the use of low-carbon transport for employees ◆ Continue work on electric charging points	◑ ●	
	Circular economy: waste	Waste management strategy	◆ Conduct audits to map waste generation points ◆ Analyse and control waste generated in the store and corrective plans	◑ ○	SDG 12
		Plastics	◆ Develop a B2B and B2C plastic substitution and elimination plan	●	
	Circular economy: product	Textile collection and recycling	◆ Post-consumption garment collection in store	●	
		Sustainable consumption strategy (customers)	◆ Establish an environmental awareness plan for the customer ◆ Collect information on the life cycle and environmental impact of garments and good environmental practices for their care	● ◑	SDG 12
		More sustainable product	◆ Achieve product traceability ◆ Increase the line of sustainable products ◆ Participate in initiatives to promote circularity	◑ ● ●	

	THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
ENVIRONMENT	Energy	Renewable energy	◆ Extend initiatives to achieve 100% renewable energy supply by 2030	◑	SDG 13
	Construction	Measure and manage sustainable criteria in our buildings	◆ Measure and manage store information to improve efficiency and sustainability	●	SDG 13
	Water	Water consumption management and reduction plan.	◆ Map water consumption points along the value chain ◆ Design and implement corrective measures to improve consumption efficiency	○ ○	SDG 6

	THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
SOCIAL	Diversity and inclusion	Inclusion in employment and disability	◆ Evaluate and expand new initiatives targeting vulnerable groups ◆ Promote the hiring of people with disabilities	● ◑	SDG 10
		Wage Gap	◆ Broaden the scope of the wage gap study and identify the categories where the gap is most pronounced ◆ Articulate an Action Plan with corrective actions to mitigate the disparity (where it exists)	◑ ◑	SDG 5
	Attracting and retaining talent	Equality Plan	◆ Boost the representation of women in management positions (Tendam Women Sponsoring)	●	SDG 5
	Communication	Internal Communication Plan	◆ Design/implement communication actions with stores ◆ Articulate a system for monitoring employee proposals, needs, conflicts and suggestions	● ◑	SDG 8
	Training	Training Programme	◆ Articulate a system for monitoring employee proposals, needs, conflicts and suggestions	●	SDG 4
		ESG training	◆ Deliver training sessions on ESG issues	●	

EXTERNAL PARTNERSHIPS

THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
Multi-stakeholder initiatives	Strategic alliances with global impact	◆ Participating in the Business Environmental Performance Initiative (BEPI) ◆ Expand participation in ZDHC and Better Cotton ◆ Join new initiatives in the sector: SAC - HIGG Index ◆ Establish multi-stakeholder partnerships with potential impact on the protection of human rights.	◑ ● ● ●	SDG 17
Supply chain	Social audits	◆ Maintain the programme of semi-announced social audits	●	
	Traceability	◆ Achieve supply chain mapping and product traceability	◑	SDG 12
	Environmental audits	◆ Expand the environmental audit programme	●	
	Risk map	◆ ESG country risk map	○	SDG 13
	Selection of suppliers	◆ Establish criteria for prioritising suppliers in terms of greenhouse gases and water treatment.	○	
	Chemical control	◆ Encourage our supply chain to adopt the ZDHC guidelines	●	
Corporate Volunteering	Volunteer scheme	◆ Corporate volunteering programme and encouraging employee participation ◆ Extend volunteering initiatives to the environmental field.	● ●	
Human rights	Due diligence and risks	◆ Design and implement a Human Rights Policy ◆ Initiate the implementation phase of Due Diligence	●	
	Communication and remediation channel	◆ Define the procedure for the effective handling of human rights complaints.	●	SDG 16
	Monitoring and control	◆ Update the corresponding internal procedures following the approval of the Human Rights Policy	●	
	Transparency and reporting	◆ Disseminate the policy internally and externally to relevant groups. ◆ Develop an awareness and training plan at corporate level by function	● ●	
Sustainable financing	ESG-linked supplier financing	◆ Study and implement, where appropriate, improvements in supplier financing according to ESG criteria	◑	

	THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
GOVERNANCE	**Good governance**	**Policies and procedures**	◆ Develop a Sustainability Policy and review and adapt to new regulatory requirements ◆ Developing sustainability policies ◆ Define a human rights complaints procedure	◑ ◑ ●	SDG 16
		Environmental responsibilities	◆ Structure the tree of responsibilities of management and each area with the Climate Change Strategy ◆ Report to management on the status of the strategy and the achievement of actions ◆ Report and oversee the identification and assessment of climate-related risks by the Risk Committee.	● ● ●	SDG 13
	Remuneration and incentives	Variable remuneration linked to ESG criteria	◆ Align monetary targets to incentivise the implementation of the Climate Strategy. ◆ Implement a system of non-monetary incentives for all employees.	○ ◑	SDG 13
	Transparency and reporting	ESG assessments and ratings	◆ Tendam's reporting improvement plan (TCFD, SASB, GRI, ECOVADIS, CDP) ◆ Review and update of reporting in line with new European legislation	● ◑	SDG 16
	Risk assessment and risk management	Human Rights Risks	◆ Develop an ad hoc agenda in case of relevant human rights events for discussion and treatment by the Sustainability and Human Rights Committee.	◑	SDG 16
	New business models	Circularity	◆ Assess the feasibility of new business models and/or establish partnerships (subscription/rental/second-hand models).	◑	SDG 12

Objectives and progress

Completed ● Ongoing ◑ Pending ○

Pillar (ESG Plan)	TARGET	YEAR*	KPI 2023	Status	Report Reference
Diversity and inclusion	60% women in management positions	2025	62% of women in management positions	●	P. 60
	50% women on the Board of Directors	2025	50% women on the Board of Directors (with the secretary)	●	P. 60
	Establishment of the Diversity and Inclusion Committee	2024	-	◑	-
Circular economy: product	50% garments with sustainable features according to Tendam's Sustainable Product Standard	2025	51%	●	P. 79
	50% demand for Better Cotton in our apparel	2025	62.28%	●	P. 81
Climate Change	46.2% reduction in scope 1 and 2 GHG emissions (baseline year 2019)	2030	-74%	●	P. 129
	62% GHG emission reduction per €M of turnover of Scope 3 (baseline year 2019)	2030	-16.2%	◑	P. 129
Energy	100% renewable energy consumption	2029	76%	◑	P. 126 P. 129 P. 136
	50% of stores with LED lighting	2026	36%	◑	P. 99 P. 137
	30% of stores with AA efficient equipment	2026	Na	◑	

Pillar (ESG Plan)	TARGET	YEAR*	KPI 2023	Status	Report Reference
Construction	Having an environmentally certified logistics centre	2025	-	◑	
Circular economy: waste	100% elimination of B2C non-recycled single-use plastics	2025	100% paper boxes and envelopes for online shipments 99.2% of bags in stores are made of paper	◑	P. 126 P. 139-141
	100% disposal of non-recycled single-use plastics disposal B2B	2030	-	◑	P. 126 P. 139-141

*Fiscal year set for meeting the target.



Contribution to the 2030 Agenda and the SDGs



Related material matters: Fair remuneration.

PRIORITY GOALS	ACTIONS	INDICATORS
5.1 Ending all forms of discrimination against all women and girls around the world.	◆ We ensure best practice in recruiting and retaining talent, ensuring that we adhere to the principles of equal opportunity and non-discrimination. ◆ A specific training pack on equality and non-discrimination is provided to promote an inclusive culture.	◆ Our team is **86% female** ◆ 574 hours of **training** on non-discrimination and equality issues / 292 employees trained
5.5 Ensuring the full and effective participation of women, and equal opportunities for leadership at all decision-making levels in political, economic, and public life.	◆ We promote the **Women Sponsoring Program** for the promotion of women in the company's management positions. ◆ We are part of the **Empowering Women's Talent** initiative promoted by Teams and Talent. ◆ We set up collaborations with business schools and universities to offer training programmes and scholarships aimed at the women in our team. ◆ We are signatories of the **Diversity Charter** for the 2020-2023 period	◆ **62%** of women hold managerial positions. ◆ We were awarded the **Empowering Women's Talent** seal at Talent Day 2023, recognising our work to promote equality and empower women in the workplace.
5.c Adopting and strengthening sound policies and laws applicable to promote gender equality and empowerment of all women and girls at all levels.	◆ We ensure compliance with the **2nd Equality Plan**, making our commitment to equal opportunities between women and men visible, following the guidelines established by the applicable legislation. ◆ We have the figure of the Equal Opportunities Officer and the Equal Opportunities Committee, which ensure non-discrimination of women who are part of Tendam, as well as compliance with the 2nd Equal Opportunities Plan. ◆ Various procedures aimed at protecting and empowering women are promoted: Equality Plan, breastfeeding policies, sexual harassment prevention protocol and protocol on inclusive language and the use of women's image in communication messages.	◆ **50% female representation on the Board of Directors** (including secretary), ahead of the target of parity by 2025.

8 DECENT WORK AND ECONOMIC GROWTH

Related material matters: **Respect for human and labour rights in the supply chain.**

PRIORITY GOALS	ACTIONS	INDICATORS
8.5 By 2030, achieving full and productive employment and decent work for all women and men, including young people and persons with disabilities, and equal pay for work of equal value.	◆ We have renewed the cooperation agreement we signed with the ONCE Foundation in 2019 to join the **INSERTA Programme**, with the aim of making our commitment to creating jobs for people with disabilities more visible. ◆ We remain committed to young talent and are working to create opportunities through our **Professional Internship Plan**, in partnership with more than 250 entities. ◆ Through our **work inclusion programme**, we promote the recruitment of people with disabilities and people at risk of social exclusion to ensure that they live and work in a society where equal opportunities are guaranteed for all.	◆ 822 trainees or scholarship holders in stores ◆ 27.73% rate of recruitment of trainees or scholarship holders in stores ◆ We work with 72 organisations to promote inclusion in the labour market
8.7 Taking immediate and effective action to eradicate forced labour, putting an end to contemporary forms of slavery and human trafficking, and ensuring the prohibition and elimination of the worst forms of child labour, including recruitment of child soldiers, and the effective abolition of child labour in all its forms by 2025.	◆ We have been a member of AMFORI since 2017. Its social and environment audits provide an international framework to support actions aimed at reducing the risks associated with the supply chain. ◆ The **External Code of Conduct** extends the company's values and commitments to the Supply Chain, ensuring effective measures to eradicate forced labour, slavery and human trafficking. ◆ **Social audits** are carried out to detect any violation of the commitments made, along with semi-announced visits to the factories. ◆ In 2022, the first **Global Framework Agreement (GFA)** was signed together with global unions to further promote the implementation of international labour standards in the Group's supply chain.	◆ 354 social audits and 77 semi-announced factory audits have been carried out to ensure compliance with the ethical principles set out in the company's Code of Conduct. ◆ 100% of our garment and accessory suppliers are signatories to the External Code of Conduct.
8.8 Protecting labour rights and promoting a safe work environment, without risks for all workers, including migrant workers, particularly migrant women, and people with precarious employment.	◆ Thanks to our **Health Protection Plan**, we contribute to the safety and well-being through cardioprotected spaces, medical service, and workplace risk prevention. ◆ We carry out recurrent Psychosocial Assessments to detect and address possible work climate problems in the workplace. ◆ Our Internal Information System, in which we highlight Tendam's **Whistleblower Channel**, which allows employees and third parties to communicate, directly and confidentially, queries and/or possible breaches of Tendam's Code of Conduct. ◆ We have **29 Health and Safety Committees** that enable the implementation and consolidation of the goals established in health and safety matters, through continuous analysis and monitoring of the programmed preventive activity.	◆ 100% of the workforce is covered by a collective bargaining agreement and/or the relevant labour law. ◆ OHS Policy and Prevention Plan in place ◆ 113 psychosocial assessments ◆ No occupational diseases have been detected ◆ 100% of the group's facilities are covered under the Health and Safety Policy. ◆ 14,324 hours of OHS training / 7,280 employees trained

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Related material matters: **Product quality and safety, Plastic substitution, Garment collection and recycling, Efficiency in the use of raw materials, Minimisation of the impact on biodiversity, Mitigation of water pollution, Water management and Minimisation of packaging.**

METAS PRIORITARIAS	ACTUACIONES	KPI'S
12.2 By 2030, achieving sustainable management and efficient use of natural resources	◆ Our brands are still committed to creating collections with more environmentally friendly materials and processes, under our own **Sustainable Product** standard. ◆ Strict product control that ensures compliance with required quality standards is one of the pillars on which Tendam brands bases the quality of its apparel. ◆ In 2023 the company was certified in the following Textile Exchange sustainable standards: GOTS and OCS for organic content, and GRS and RCS for recycled content.	◆ 51% of our garments have sustainable criteria. We have surpassed, ahead of schedule, the target of reaching 50% by 2025. ◆ 62% of the cotton is Better Cotton. Our goal is for 50% of the company's cotton demand to be BC by 2025, supporting more responsible cotton farming. ◆ 13,080 models analysed / 99.72% favourable analysis
12.5 By 2030, considerably reducing waste generation through prevention, reduction, recycling and reuse.	◆ We have a selective collection system in our Madrid and Barcelona offices. ◆ We have carried out a project to minimise and/or eliminate single-use plastics in our products, both in the plastic elements used to transport the apparel to the point of sale, and in the redesign of the packaging and the elements that allow us to protect and present the products. The **recycled plastic** used in the Polybags is certified according to the UNE EN 15343 standard. ◆ As a result of its commitment to circularity and respect for the planet, this year Springfield launched the **R(ECO)LLECT** project, which pursues three goals: to recover, reuse and recycle apparel. ◆ We have a **textile reuse** programme: the sale of apparel through the Involucrados [Involved] project and donations to non-profit organisations.	◆ More than 99% of in-store bags and 100% of packaging used for online shipments are made of FSC and PEFC certified paper/cardboard. ◆ RECOLLECT project for the collection post-consumption apparel in Springfield stores: 56,314 units/ 112,628 kg ◆ La Caixa Reutilízame Programme: 109 pieces of furniture donated. ◆ 19,470 garments have been donated to third sector organisations to the value of €129,800.
12.6 Encouraging businesses, especially large and transnational companies, to adopt sustainable practices and incorporate information on sustainability in their reporting cycle.	◆ We increase the transparency of our business by including public information on sustainability in various channels: websites, social media, Sustainability Report, garment labelling, etc. ◆ Through brand communication channels, we share information about the impact that our garments have in the hands of the consumer, and raise awareness of the impact on the environment, offering advice to extend the life cycle of the product.	◆ We promote transparency by participating in ESG assessments: Carbon Disclosure Project (CDP) climate change, obtaining an A- rating in 2023, and in Ecovadis, achieving a Platinum medal. ◆ We use various reporting frameworks to improve our sustainability reporting: TCFD, Carbon Footprint (GHG Protocol) and European Taxonomy.



Related material matters: **Gestión de emisiones de GEI, Gestión de residuos y Gestión de la energía.**

METAS PRIORITARIAS	ACTUACIONES	KPI'S
13.1 Strengthening resilience and adaptability to risks related to weather and natural disasters in all countries.	◆ The risks and opportunities arising from climate change are part of the company's current Risk Map. ◆ We have aligned our climate-related reporting to the recommendations of the **TCFD (Task Force on Climate-related Disclosures)** ◆ We have consolidated the Sustainability Committee within the Board of Directors to oversee sustainability in the Group and its brands.	◆ 822 trainees or scholarship holders in stores ◆ 27.73% rate of recruitment of trainees or scholarship holders in stores ◆ We work with 72 organisations to promote inclusion in the labour market
13.2 Introducing measures related to climate change in national policies, strategies, and plans.	◆ We made progress in developing the **decarbonisation roadmap** towards the Decarbonisation Plan. ◆ We continue our Bosque Springfield [Springfield Forest] emissions offsetting programme. ◆ We expand the use of renewable energy and implement energy efficiency measures in our stores. ◆ Promote sustainable mobility actions.	◆ Participation and involvement in environmental initiatives: Fashion Pact, 1.5° C Business Ambition, UN Fashion Charter for Climate Action and UN Global Compact. ◆ 100% of the energy purchased in stores, offices and logistics centres in Spain is renewable (76% overall) ◆ We added 40,000 trees to our Bosque Springfield [Springfield Forest] programme. ◆ Sustainable mobility 74.4% eco taxis ◆ 97% waste recovery

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Related material matters: **Transparency in management, corporate culture and codes of conduct.**

METAS PRIORITARIAS	ACTUACIONES	KPI'S
16.5 Substantially reducing corruption and bribery in all their forms.	◆ We are committed to fighting fraud, corruption, bribery, money laundering and the financing of terrorism. To ensure transparency and to combat unethical and dishonest practices and behaviour, the company has put in place various procedures, measures, and controls. ◆ We have a robust ethics and compliance training programme, including specific training on corruption and bribery, criminal compliance and the code of conduct. ◆ The Compliance Department and the Compliance Manager have been consolidated.	◆ 2,822 hours of Internal Control training in stores to prevent unethical behaviour / 83 trained employees ◆ 90% of the group's own stores have been audited for internal control purposes ◆ 65% of the total workforce in Spain has been trained in the Code of Conduct since its incorporation
16.6 Creating effective, transparent, and accountable institutions at all levels.	◆ Our ethical principles are set out in the **Code of Conduct**, which requires a commitment to ethical behaviour and strict compliance with the law in the performance of our activity, rejecting any illegal business practice, as well as any inappropriate behaviour in the working environment.	◆ **100% of garment manufacturers accept the Code of Conduct**, therefore ensuring the extension of the company's values throughout the supply chain. ◆ 100% of employees have signed the Internal Code of Conduct.

17 PARTNERSHIPS FOR THE GOALS



METAS PRIORITARIAS	ACTUACIONES	KPI'S
17.16 Enhancing the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilise and share knowledge, expertise, technology and financial resources, to support the achievement of the Sustainable Development Goals in all countries, particularly developing countries.	◆ Our contribution to the **Sustainable Development Goals** is materialised through collaboration with other entities to promote networking, innovation and talent management, contributing to the betterment of society. ◆ We participate in various initiatives together with our stakeholders such as discussion forums and learning circles and we are present in national and international industry organisations to keep abreast of the latest trends, contribute to the transformation of our industry and stay close to the main market players.	◆ Our participation in these various initiatives has resulted in an investment of €209,905 in 2023.

Strategic alliances

To make a positive contribution to our activities and to achieve the sustainable development goals, we encourage the strengthening of alliances. It is essential for the company to engage in transparent discussions, alliances and collaborations with other entities.

We are represented in many national and international reference organisations in the sector. We actively participate in working groups and management committees by embracing their commitments, working towards common strategic goals and sharing experiences and success stories.

Sustainable Apparel Coalition (Cascale)

In 2023, as a Candidate, we joined the Sustainable Apparel Coalition, a platform of more than 250 textile manufacturing companies and institutions from 36 countries to promote responsible production and best practices in the supply chain. Joining as a candidate provides a smoother transition path to full membership, allowing us to participate in its community and access its Higg Index tools without having to immediately meet all the membership requirements.

Association for the Management of Textile Waste (AGRT)

Tendam and other leading companies, such as Decathlon, H&M, IKEA, Inditex, Kiabi and Mango, have created an association for the collective management of textile waste in Spain. The aim is to move towards a circular production model through the appropriate treatment of this type of waste.

The association intends to comply with the extended responsibility of the producer, resulting from the transposition process of Directive 2008/98/EC on waste through the new Law 7/2022 on waste and contaminated soil for a circular economy.

Textile and fashion observatory

Tendam is vice-president of this forum, which aims to transform the textile and fashion sector towards sustainability and circularity, in line with the European Union's 2030 strategy.

It is a space for business cooperation and public-private coordination to drive the necessary change in the entire value chain of the sectors concerned. The Observatory is a joint alliance between the Spanish Fashion Confederation and the Spanish Intertextile Council.

Better Cotton

In 2021, we joined the Better Cotton initiative, created to improve the sustainability of the cotton production process and reduce its impact on the climate through less intensive farming worldwide. BCI is a not-for-profit organisation that brings together stakeholders along the value chain with three main objectives: incorporating sustainable agricultural practices and policies; improving well-being and economic development and boosting global demand for sustainable cotton.

Tendam is committed to improving cotton growing practices and has set itself the target of sourcing at least 50% of its cotton requirements from Better Cotton by 2025.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets Corporate Climate Action (SBTi)

This initiative provides a clear path to companies to reduce their carbon footprint in line with the goals of the Paris Agreement. Launched in 2015, it is an alliance between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF).

The company submitted its science-based targets to the SBTi in 2020 and was approved in 2021.

Ø ZDHC
Zero Discharge of Hazardous Chemicals

Zero Discharge Hazardous Chemicals (ZDHC)

Tendam joined the Roadmap to Zero programme in 2021 as a partner of this organisation that brings together more than 150 brands, suppliers and chemical suppliers to the textile and footwear industry. The project aims to reduce the chemical footprint of the supply chain in order to achieve a more sustainable manufacturing process. This will protect consumers, workers and the planet's ecosystems. This initiative provides valuable information about the chemicals and products used in the value chain, which has enabled Tendam to optimise its product health and safety standards and environmental sustainability.

CDP
DRIVING SUSTAINABLE ECONOMIES

Carbon Disclosure Project (CDP)

This not-for-profit organisation helps companies - as well as cities - to disclose their environmental impact. Based in the UK, Germany and the USA, it is one of the most internationally recognised standards. We achieved an A- climate rating in 2023. This achievement is recognition of our environmental management leadership, driven by the establishment of the Climate Roadmap in 2020 and the approval by SBTi of our science-based CO_2 emission reduction targets in 2021.

UN GLOBAL COMPACT
United Nations Global Compact

UN Global Compact

The United Nations Global Compact is one of the largest corporate sustainability initiatives and aims to align business strategy and operations with ten principles in the areas of human rights, labour rights, the environment and anti-corruption. Tendam joined the Global Compact in 2002 and is working to become an agent of change, extending sustainability and promoting human rights throughout its value chain.



The Fashion Pact

Tendam has joined a coalition of leading global fashion companies that have committed to environmental goals related to climate change, biodiversity, and the oceans. We are actively involved in the decision-making process of this organisation through our participation in its Operating Committee.

Business Ambition for 1,5°C

We are one of the 500 signatories of this campaign led by the Science Based Targets Initiative, to unite efforts to reduce emissions to limit global warming to 1.5°C above pre-industrial levels and to commit to greater efforts to decarbonise by 2050.

Foro Social de la Moda

This is a platform for dialogue that brings together organisations linked to the fashion sector in Spain. Through our participation we promote the commitment of companies to promote social, environmental and economic sustainability.

Seres

We are part of the Seres *Foundation* along with 150 other companies, with the aim of promoting actions to benefit society and promote individual and collective learning. The ultimate purpose is to generate value for all parties.

Fundación Lealtad

A not-for-profit organisation, of which we have been a member since 2003, to support the work of disseminating transparency in the third sector and promoting its best practices. Its mission is to promote society's trust in foundations and associations and to increase cooperation with individuals and institutions.

Alliances with sectoral organisations

The Tendam Group is present in various national and international reference organisations, actively participating through its governing bodies, committees and working groups, and contributing by paying the appropriate quotas.

- Asociación de Creadores de Moda de España (ACME)
- Asociación Empresarial del Comercio Textil, Complementos y Piel (ACOTEX)
- Asociación Española de Calidad (AEC)
- Asociación Nacional Grandes Empresas de Distribución (ANGED)
- Confederación Moda España
- Asociación Española del Pacto Mundial de Naciones Unidas (ASEPAM)
- European Branded Clothing Alliance (EBCA)
- Federación Española de Empresas de la Confección (ASECON)
- Foro de Marcas Renombradas Españolas (FMRE)
- Foro Inserta-Once
- Foro Social de la Industria de la Moda
- Spanish Textile Retail Association (ARTE)

03 We are good governance



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Corporate Governance

The Tendam Group's corporate governance model is based on the principles of ethics, transparency and continuous improvement, efficiency and rigour in managing its business.

Our goal of sustainable growth is based on seeking profitability and creating value for our stakeholders. Our internal organisation incorporates national governance and compliance practices and recommendations as part of the organisation's compliance system.

Tendam's corporate governance structure is made up of bodies charged with direction, management, supervision and control.

GENERAL SHAREHOLDERS' MEETING

BOARD OF DIRECTORS

- **Audit and Risks Committee**
  - **Ethics Committee**
- **Ethics Committee**
- **Appointment and Remuneration Committee**
- **Sustainability Committee**

MANAGEMENT COMMITTEE

- **Risk Committee**
- **Sustainability and Human Rights Committee**

General shareholders' meeting

The General Meeting is the body in which shareholders are represented. Its powers and functioning are regulated by the Articles of Association and current legislation.

Its functions include approving the financial statements and the proposed allocation of profits, the performance of the Board of Directors, the remuneration of the board members and the Group's Strategic Plan. The Sustainability Report is part of the Management Report and is therefore subject to approval by the Board.

General meetings may be annual or extraordinary. The Annual General Meeting is held within the first six months of the financial year, and the 2023 General Meeting was held on 24 July 2023.

Shareholder composition

Tendam Brands, S.A.U., is the parent company of the set of companies that make up Tendam.

The share capital of Tendam Brands, S.A., is EUR 5,000,000, represented by 5,000,000 shares with a par value of EUR 1 each, belonging to single class and series. The company is 50% owned by CVC Capital Partners and PAI Partners through the company Castellano Investments, S.a.r.l.

Tendam owns 100% of the share capital of Tendam Fashion S.L.U., and through it, 94.26% of the share capital of Tendam Retail S.A. Formally, Tendam Fashion S.L.U.'s holds a 92.29% stake. Leaving aside the Company's treasury stock, the effective holding and the associated voting rights represent 94.26% of the share capital. The remaining shares are owned by a small group of minority shareholders.

Shareholder and investor relations

Throughout 2023, the company maintained continuous and ongoing contact with shareholders, analysts and investors to meet their information needs on the Group's overall performance.

We currently hold four investor meetings per year, publishing financial and non-financial results on a quarterly, half-yearly and annual basis.

The Investor Relations Department stays in permanent contact with the market to provide information and attend to these stakeholders' requests, proposals and expectations.

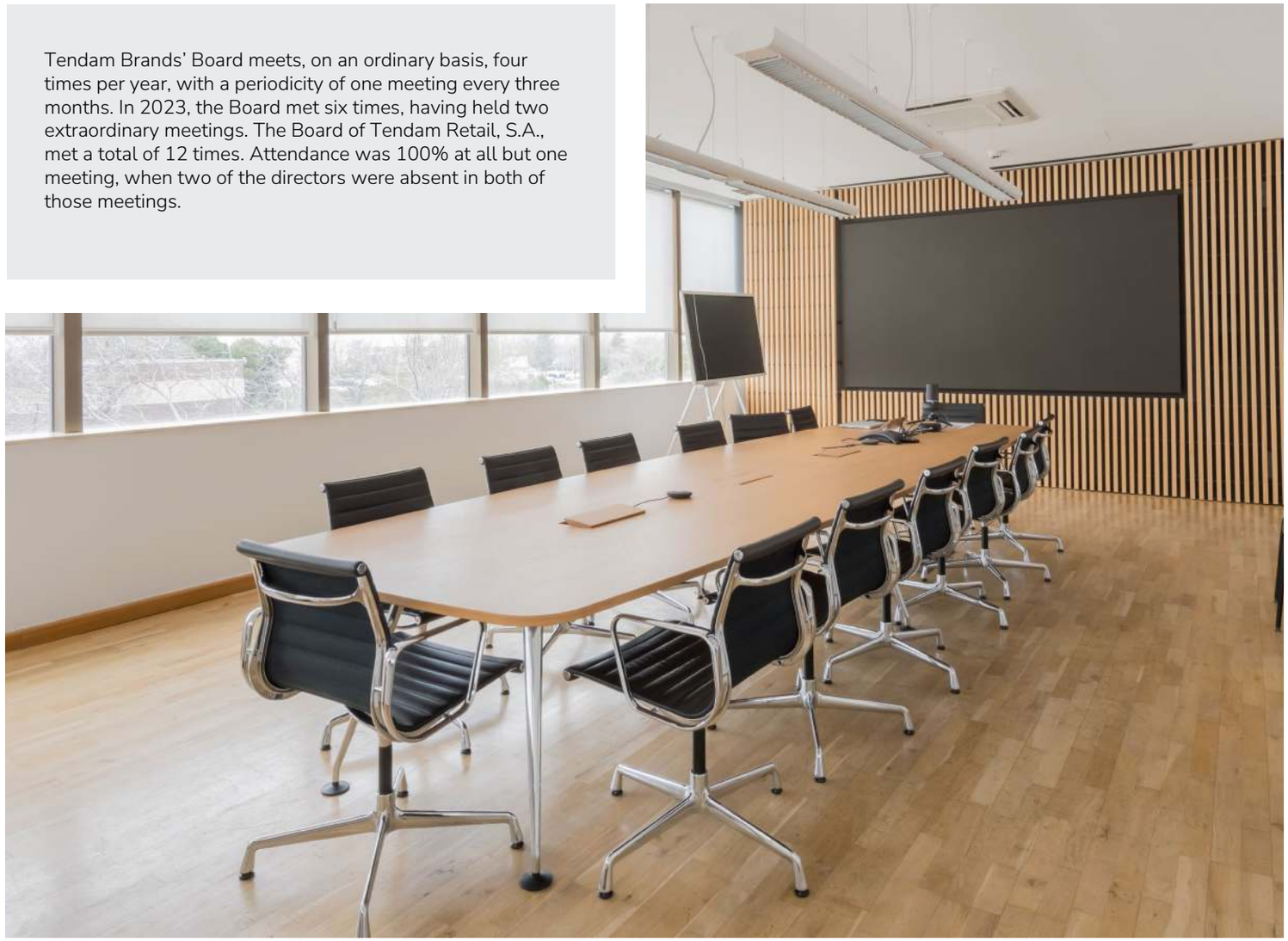
Board of directors

The Board of Directors is the highest body responsible for the representation, direction, management and control of the Tendam Group. Among its functions, as defined in the Articles of Association, are establishing general guidelines, policies and strategies, supervising and controlling operations and looking after the interests of shareholders, employees, customers and other stakeholders.

Tendam Brands' Board of Directors has seven members: a chair, who also holds the position of CEO, and six members, three representing each of the controlling shareholders. The secretary of the Board, who is also the Chief Legal Officer, is not a member of the Board.

The size, composition and qualifications of Board members is adapted to the structure and needs of the Tendam Group, with the aim of managing the business with due care and agility. Each director is appointed for the 6-year term under the Articles of Association and may be re-elected for 6-year terms indefinitely.

Tendam Brands' Board meets, on an ordinary basis, four times per year, with a periodicity of one meeting every three months. In 2023, the Board met six times, having held two extraordinary meetings. The Board of Tendam Retail, S.A., met a total of 12 times. Attendance was 100% at all but one meeting, when two of the directors were absent in both of those meetings.



Board Members:

Not including the Secretary of the Board:



Including the Secretary of the Board:



Delegate committees

For its proper functioning, the Board has three delegated committees that are advisory in nature.

- **1.** The **Audit and Risks Committee** oversees the preparation and presentation of the financial information, monitors compliance with legal requirements and supervises and evaluates the company's risk management and corporate governance systems. It also oversees the Internal Audit Department and the Ethics Committee.

  The mission of the **Ethics Committee** is to ensure compliance with the Code of Conduct. In 2023, the Compliance Manager joined the Committee and acts as its secretary.

- **2.** The **Sustainability Committee** oversees sustainability policies in the social, environmental, human rights, health and safety areas of the products marketed by the Group and supervises the preparation of non-financial information. It also monitors compliance with the strategic sustainability plan and recommends actions in this area.

- **3.** The **Appointments and Remuneration Committee** establishes and reviews the criteria that must be followed when determining the remuneration of the Group's directors and the members of its management team. It defines succession plans for the members of the Management Committee and manages conflicts of interest.

● Audit and Risks Committee ● Sustainability Committee ● Appointments and Remuneration Committee

Member	Profile	Committee memberships	Date appointed *
Jaume Miquel Naudí	Chief Executive Officer - CEO	● Chairman	21/09/2017 21/09/2017 31/05/2019
José Antonio Torre de Silva y López de Letona representing Theatre Directorship Services Beta, S.A.R.L.	Non-executive Directo	● Chairman ● Member	27/07/2017
Federico Conchillo Armendáriz	Non-executive Directo	● Member ● Member	27/07/2017
Julie Gautier	Non-executive Directo	● Member	26/03/2021
Álvaro Sendagorta Cudós representing Theatre Directorship Services Delta, S.A.R.L.	Non-executive Directo	● Member	27/07/2017
Marta Martínez Alonso representing Theatre Directorship Services Alpha, S.A.R.L.	Non-executive Directo	● Member	27/07/2017
Laura Muries Fenoll	Non-executive Directo	● Chairman ● Member	27/07/2017
Mar Oña	Secretary	● Secretary ● Secretary ● Secretary	21/12/2018

* The average length of service of Tendam Brands' board members is 5.8 years.

Conflicts of interest

Directors are required to inform the rest of the Board of any direct or indirect conflict of interest that they or persons related to them may have with the company's interests.

Likewise, they are banned from conducting activities, on their own behalf or on behalf of a third party, which entail effective competition with the company.

Management committee

The Management Committee is the body responsible for ensuring the guidelines set by the Board are implemented, and for directing and coordinating the day-to-day management of the business. To this end, it establishes operational strategies for the different brands and corporate units aimed at achieving goals.

Each segment directorate also has its own committee for the management of the Group's different brands.

The Management Committee comprises 11 members, three of whom are women: i.e., 27.3% female representation.

The Management Committee is supported by:

- The **Risk Committee**, which is responsible for defining, supervising and controlling risks, including those related to sustainability, and drawing up and monitoring the risk map.
- The **Sustainability and Human Rights Committee**, which is in charge of promoting and supervising the Sustainability Plan, and overseeing the implementation of, and compliance with, related policies.

Management Committee

Miembro	Funcion
Jaume Miquel	Chair and CEO
Manuel Serrano	Chief Financial Officer
Manel Jiménez	General Manager of Supply Chain and Operations
Pedro Esquivias	Chief Customer Officer
Mar Oña	Chief Legal Officer
Javier Fígar	General Manager of Global Retail and Fifty
Eva Romeo	General Manager of Women'secret, Dash and Stars and HI&BYE (specialist segment)
Carlos Domínguez*	General Manager of Springfield and High Spirits (youth segment)
Marie Castellví	General Manager of Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO (adult segment)
Antonis Kypianou	Franchise General Manager
Ramón Amorós	HR General Manager

(*) On 1 September 2023, Calabia left the company and was replaced as General Manager of Springfield and High Spirits by D. Carlos Dominguez.

Promoting gender diversity in management positions

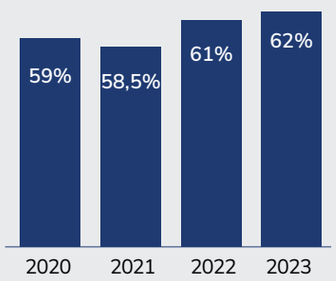
The Appointments and Remuneration Committee is responsible for ensuring that the selection procedure for directors and senior management is inclusive and encourages the presence of women. The goal was to reach the target of 50% women on the Board by 2030, a milestone that was achieved eight years early, in 2022.

As for the percentage of women on the Management Committee, the percentage is 27.3%, although 62% of the management positions are held by women.

Tendam has a specific programme to promote the representation of women in management positions (known as Tendam Women Sponsoring) which is bringing excellent results.

Goals:

Women in management positions



27.3%
women on the Board of Directors

60%
women in management positions

Remuneration policy

In accordance with Tendam's Articles of Association, Board members will not receive, in their capacity as members of the Board of Directors, any remuneration. The chair and the directors who have executive duties have the right to receive the remuneration that, within the limits set by the General Shareholders' Meeting, is established by the Board.

This remuneration may consist of a fixed amount, a variable amount related to targets, remuneration in kind or contributions to long-term savings plans. They may also receive severance pay and compensation for any post-contractual non-compete obligations.

In accordance with the above, in the case of Tendam's Board, the Chairman and CEO is the only one who receives remuneration, given his executive duties, which consists of a fixed amount plus a variable amount based on achieving objectives. He is also entitled to severance pay and to compensation for his post-contractual non-compete obligations.

The remuneration paid to senior management also includes a fixed amount, plus a variable component linked to attaining objectives. The company's senior management are defined as those who perform managerial duties and report directly to the CEO.

In 2023, the remuneration for the company's chair and CEO and its directors, for all types of pay, was EUR 6,905,557(gross). Broken down by gender, the average for men was EUR 660,547 gross per year and EUR 542,593 gross per year for women.

Sustainability governance

Sustainability at Tendam is a commitment made by the Management Committee extending to all levels of the company. This generates a shared and transversal responsibility within the organisation, which is evidence of a strong internal governance system.

This governance model is based on three axes:

- Definition of procedures, policies, and commitments to ensure compliance with the goals related to each strategic priority.
- Initiatives implemented by each of the brands in a manner consistent with the values they uphold to address the specific needs of their customers and their local operations.
- Global projects and alliances that enable the Group to move forward in fulfilling its purpose.

Based on this approach, the Board is responsible for defining the Group's overall sustainability strategy, while the Management Committee is charged with ensuring that this strategy is implemented and carried out. A consultative body, the Sustainability Committee, and an executive body, the Sustainability and Human Rights Committee, are responsible for developing this strategy, which is applied transversally by the various departments of the Group and the brands, which actively participate in the process.

Each area has a designated person responsible for addressing the most salient sustainability issues, who works together with the Sustainability Department and ensures that the area's progress is properly managed, measured and communicated in line with the company's strategy.

The Sustainability Department regularly monitors the Sustainability Plan with the help of the Internal Audit Department, and both are responsible for reporting on its status and possible updates to the Sustainability and Human Rights Committee once every quarter and, twice a year, to the Board's Sustainability Committee.

Sustainability governance in Tendam



Sustainability committee

Since its creation in December 2022, Tendam has had a new Advisory Committee to the Board of Directors, led by Tendam's Chairman and CEO and comprising two other female directors and the Secretary to the Board.

Its main duties are supervising sustainability proposals in the social, environmental, human rights, health and safety areas of the products marketed by the Group. Its responsibilities also include overseeing stakeholder relations and verifying non-financial ESG reporting.

This committee acts as a link between the Group's management and the Board of Directors.

SUSTAINABILITY COMMITTEE
Jaume Miquel Chairman
Julie Gutier Member
Marta Martínez Member
Mar Oña Secretary of the Committee

Sustainability and human rights committee

Following its creation in 2022, the new Sustainability and Human Rights Committee was consolidated in 2023 and works under the coordination of Corporate Management, meeting three times during the year to perform the duties entrusted to it.

- Monitoring the progress of the goals and actions set out in the Strategic Sustainability Plan.
- Monitoring the contributions to the SDGs.
- Monitoring the implementation of the Human Rights and Due Diligence Policy.
- Monitoring compliance with the Human Rights and Due Diligence Policy.
- Monitoring compliance with the external and internal regulatory framework on sustainability and Human Rights.
- Approving minor policies, as well as action protocols.
- Creating and coordinating working groups on ESG matters.
- Monitoring public information on sustainability

Sustainability and Human Rights Committee	Profile
Ignacio Serra	Chief Corporate Officer
Luis Mesa	Chief Internal Audit Officer
Mar Oña	Chief Legal Officer
Manel Jiménez	Chief Supply Chain Officer
Ramón Amorós	Chief Human Resources Officer
Pedro Esquivas	Chief Customer Officer

The role of the CEO in the governance of ESG

The Chairman of the Board of Directors and Chief Executive Officer plays a leading and active role in the definition, development and promotion of sustainability strategies, especially those related to climate, as well as in the provision of adequate financial, human and strategic resources for their proper implementation.

In addition to chairing the Sustainability Committee, the CEO is responsible for reporting on sustainability and climate issues to the full board.

The Sustainability Committee meets twice a year on an regular basis. Through these meetings, the committee monitors the implementation of, and compliance with, the goals set out in the company's ESG Strategy (which incorporates climate and sustainability-related objectives) and proposes changes and updates as necessary.

The Sustainability and Human Rights Committee identifies any possible deviations in relation to meeting climate or sustainability-related targets and, if any are identified, it appoints a team to develop immediate action plans. In addition, it is important to highlight the CEO's participation in several international initiatives related to sustainability and climate change, such as the CEOs Call to Action promoted by CSR Europe. He is also a member of the Board of Trustees and Executive Committee of the Responsible Society and Companies Foundation (SERES).

Ethics and transparency

Tendam maintains its firm conviction and commitment to carrying out its business activity through ethical behaviour, based on integrity, transparency and honesty.

The company thus integrates the values that reinforce our ethical behaviour into our corporate culture and strategies through the following levers:

- Our **Internal Code of Conduct,** which sets out the values, principles and behavioural guidelines required of our directors, managers and employees.
- The **External Code of Conduct for suppliers and franchisees**, which extends our ethical culture to the supply chain. Signing this is mandatory for all suppliers and franchisees that work with us.
- Our **Awareness and Training Plan** on our culture of ethics, compliance and crime prevention.
- Our **Whistleblower System**, especially Tendam's Whistleblower Channel, which allows employees and third parties to directly and confidentially submit queries and report possible breaches of Tendam's Code of Conduct.
- The **Ethics Committee**, a competent body in the company whose objective is to promote a culture of ethics, compliance, and prevention of criminal offences, and that is responsible for monitoring and promoting the company's **Criminal Offence Prevention and Detection Model**, through the Compliance Department and the **Compliance Manager**.

Internal code of conduct

The Code of Conduct is Tendam's fundamental internal regulation. It has been approved by the Board of Directors and all professionals in the group are obliged to understand it and comply with it.

It establishes the values, principles and standards of behaviour required of its directors, managers and employees, which are defined in the following sections:

- Compliance with the law
- Commitment to human and labour rights
- Respect for people
- Honesty, integrity and excellence
- Respect for the environment
- The health and safety of people
- Using and protecting corporate resources
- Corporate image and reputation
- Conflicts of interest
- Political neutrality
- Confidentiality, market behaviour and respect for free competition
- Money laundering and payment irregularities
- Counterfeiting of means of payment
- Transparency and record-keeping
- Personal data privacy
- Bribery and corruption
- Intellectual and industrial property
- External Code of Conduct

The Code of Conduct is available in three languages and is available to all stakeholders on the Group's website and intranet.

When they sign their employment contract, Group employees are required to sign a specific clause stating that they accept the Code of Conduct. In addition, they have to take a specific training course on this internal standard.

The internal Code of Conduct is regularly reviewed and updated as appropriate. Tendam's Board approved the latest version of its Code of Conduct on 27 October 2023.

Link to Code

Onboarding training

At Tendam's headquarters, a new employee onboarding process was implemented in 2021, including a training session on the Code of Conduct.

The Code of Conduct is disseminated to the staff of the store network in Spain through a training plan supported by collaborative tools and audiovisual materials.

External code of conduct

Tendam extends its commitment to ethics and compliance through its values and principles to its supply chain and to other third parties it works with as part of its business activity. It does this through its formal External Code of Conduct, which is compulsory for the suppliers and franchisees with whom it maintains commercial relations.

The External Code of Conduct for suppliers and franchisees is available in 18 languages. To ensure that all its suppliers work in compliance with this regulatory framework, this External Code includes 12 fundamental principles of action based on the United Nations Global Compact, which the Group has adhered to, and the guidelines of the International Labour Organization (ILO).

Ethical principles set out in the external code of conduct:

1. Support and respect for protection of human rights proclaimed internationally in its area of influence
2. No complicity in discrimination or abuse of any kind
3. Compliance with local, national and international laws
4. Health, safety and hygiene in the workplace, facilities and accommodation, if applicable
5. Decent pay and benefits, at least those established by current legislation
6. Maximum working hours according to the applicable national legislation
7. Defence of freedom of association and the right to collective bargaining
8. Elimination of all forms of forced and compulsory labour
9. Zero tolerance for child labour
10. Responsible use of personal data
11. Respect for the environment in accordance with the national regulatory framework and under the principle of a responsible attitude of respect for the environment
12. Supervision of compliance with the external Code of Conduct

Link to external COC

Communication to suppliers

The Group's Procurement Policy stipulates that its commercial contracts must include the contractual obligation to adhere to the External Code of Conduct. This is a prerequisite for entering into a business relationship with our suppliers and other business partners, as well as a way to promote ethical and responsible business models.

In 2023, Tendam added a new clause to its standard terms of business for suppliers of garments and accessories that requires them to inform their employees and subcontractors of the existence of the Whistleblower Channel and the content of Tendam's External Code of Conduct.



Ethics and compliance training and awareness

Tendam has specific Training and Awareness Plans on the Code of Conduct and other matters related to its ethical and compliance culture, developed under its Crime Prevention and Detection Model, such as:

- Prevention of criminal offences
- General Data Protection Regulation
- Information security
- Training programme on internal fraud control and prevention in stores

Since 2023, Tendam has continued to raise awareness of its Code of Conduct through training for its teams in Spain, Portugal and Mexico.

Both the Code of Conduct and the corporate policies and procedures are available to employees and other stakeholders through the Group's intranet and corporate website.

65%

of the current workforce in Spain has been trained in the Code of Conduct

In 2023, **Criminal Compliance** training was carried out for managers and other employees located at our headquarters in Madrid.

Criminal Compliance Training	2023
Employees trained	**515**
Hours of training	**86**

Each year, e-learning training on the **Code of Conduct** and on **internal control** is provided to employees of the store network group's brands, as well as to specific areas of our headquarters in Madrid.

Training on Internal Controls

	2023	2022	2021
Employees trained	**83**	174	154
Hours of training	**2,822**	2,940	3,696

* Training carried out for Managers and employees of the Tendam headquarters in Spain.

Training on the Code of Conduct*	2023	2022	2021	2020
Employees trained	**6,565**	5,123	597	486
Hours of training	**14,242**	8,143	1,194	972

* Training on the Code of Conduct for staff in Spain, Portugal and Mexico. In Portugal and Mexico, the training is provided through gamification systems.



Whistleblower channel

The company has a Whistleblower Channel as part of Tendam's Whistleblower System, available in eight languages and accessible from the corporate website, as well as from the Group's intranet. In 2023, the Whistleblower Channel was translated into new languages: Arabic, Chinese, Urdu, Burmese and Bengali.

This channel allows any worker or third party to directly and confidentially submit queries and report possible breaches of Tendam's Codes of Conduct.

Tendam's Board has appointed the Ethics Committee to be in charge of the Whistleblower System for its proper functioning, which in turn has delegated management of the Whistleblower Channel to the Group's Compliance Manager and the secretary of the Ethics Committee.

The principles of action that inspire the Whistleblower System and, consequently, govern the functioning of the Whistleblower Channel, are as follows:

- Accessibility
- Compliance with the law
- Non-Disclosure
- Anonymity
- Effective handling of reports filed
- Presumption of innocence and the right to honour
- Right of defence
- Principle of unrestricted weighing of evidence
- Independence, impartiality and absence of conflicts of interest
- Principle of good custodial practice
- Reasonableness and proportionality
- No reprisals

In addition to the Whistleblower Channel, any employee can contact the Ethics Committee, via a specific email address, and make any enquiries regarding the Code of Conduct or submit any questions related to Tendam's Crime Prevention and Detection Model.

The official channel that the company makes available as a mechanism for reporting breaches of the Code of Conduct is the Whistleblower Channel.

In 2023, the Whistleblower Channel received 1,400 visits, 71% more than the previous year. 85 incidents were reported, of which 7 were validated, 8 were rejected and 5 were customer complaints. 89% of the complaints received during the period were in the Human Resources category (Spain). At the end of the year, there were 11 complaints pending resolution.

In relation to the Whistleblower Channel, the Whistleblower System Policy and the Whistleblower Report Management Procedure were approved by the Board in 2023.

85 Complaints received

- 72 valid complaints
- 5 customer complaints outside the scope of the whistleblower channel
- 8 complaints rejected

43 Day average resolution time

- 64 Spain HR
- International HR
- 7 Fraud
- 0 Compliance

Category	Related matters	FY2023	FY2022	FY2021
HR	Harassment, discrimination and abuse	41	32	18
	Conduct contrary to corporate standards	17	8	14
	Conflicts of interest	1*	1	0
	Manifest and repeated negligence in performance	2	1	0
	Other categories	4	3	6
Fraud	Theft or removal of company property by employees and/or suppliers	1	0	1
	Corruption with suppliers or customers	0	0	1
	Other legal or regulatory breaches	5	1	0
	Other categories of fraud	1	2	0
Compliance		0	0	0
Human Rights		0	0	-
Rejected		8	0	8

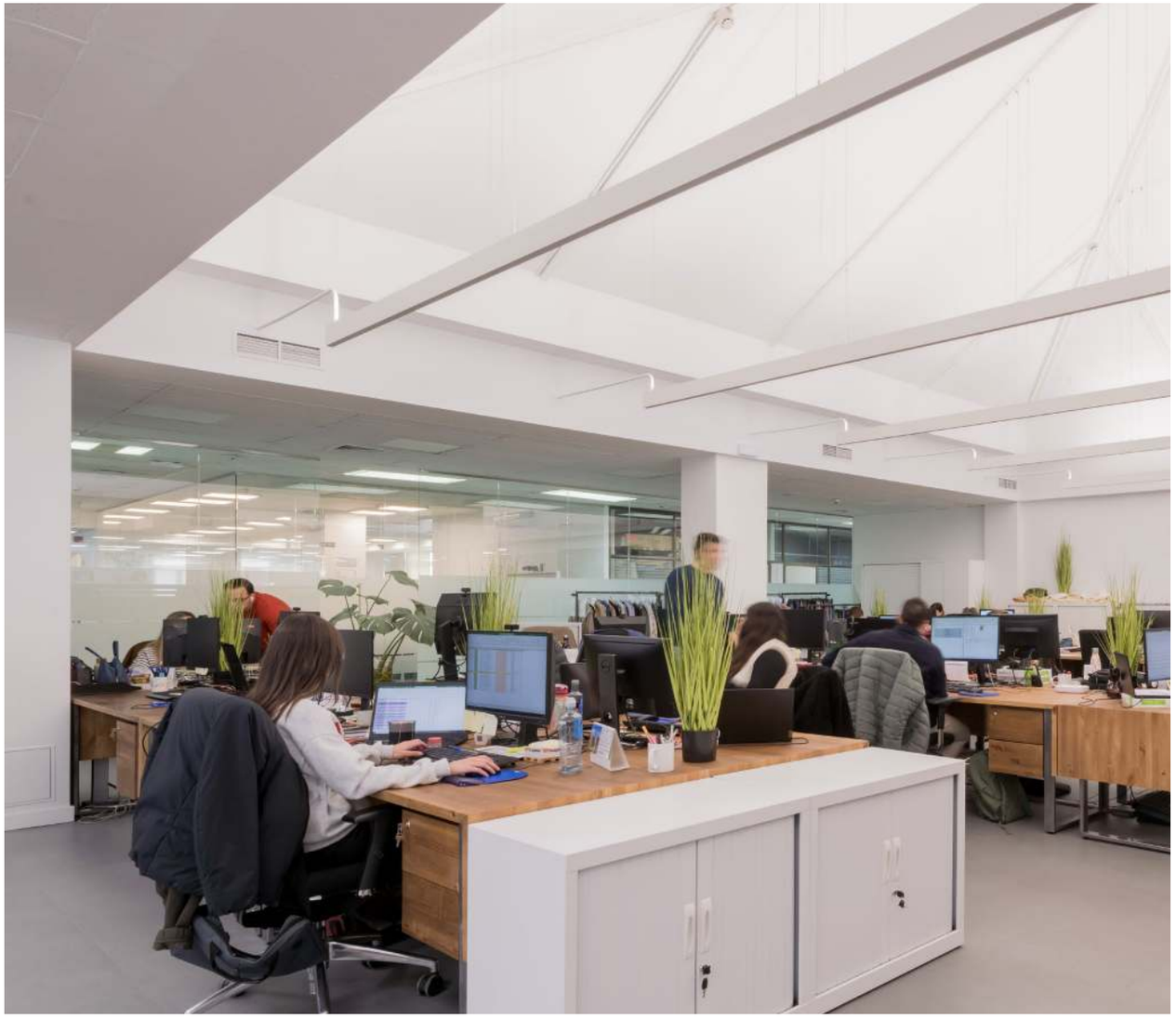
*Complaint related to the International HR category

Whistleblower Report Management Procedure

The Whistleblower Report Management Procedure is an integral part of Tendam's Whistleblower System and is governed by the principles and rules set out in the Whistleblower System Policy approved by the Board.

The procedure follows defined steps to ensure complaints and reports are tracked and followed up on at all times.

1. Access to the channel
2. Submitting reports/complaints and classification by category.
3. Receiving and filing the reports/complaints. Preliminary assessment of the reports/complaints and the evidence provided.
4. Assessment of admissibility or inadmissibility.
5. Investigation/inspection phase. Investigations into reports will be governed by the Protocol for Investigating Reports/Complaints received through the Whistleblower Channel.
6. Report on conclusions
7. Preparation of a Remediation Plan (where appropriate)



Ethics committee

The Ethics Committee is composed of the Human Resources, Legal, Internal Audit and Compliance Managers. It reports to the Audit and Risks Committee.

Its duties include:

- Promoting and monitoring Tendam's ethical and compliance culture.
- Promoting and monitoring compliance with its Code of Conduct.
- Promoting, supervising and adapting the Crime Prevention and Detection Model.
- Establishing, where appropriate, the necessary actions to remedy any detected ethics and compliance incidents.
- Examining projects that need to be aligned with the Group's ethical and compliance culture.

The Ethics Committee meets regularly, although it may hold special meetings where circumstances and needs dictate. In 2023, the committee met formally on two occasions.

Crime prevention and detection manual

At Tendam, we have mechanisms in place for preventing crime that are provided in the Group's Crime Prevention and Detection Model. Specifically, we have a Crime Prevention and Detection Manual that aims to promote a culture of ethics and compliance and to help prevent crimes from being perpetrated within the organisation. This manual defines the basic lines of the design, structure and operation of **Tendam's Crime Prevention and Detection Model**, as well as the rest of the rules, protocols and/or procedures that emanate from the Manual and develop it in its different areas of deployment.

As Tendam's senior decision-making and supervisory body in charge of controls at the company, the Board approves this Manual and its subsequent modifications. In addition, it regularly monitors and supervises, through the Audit and Risk Committee, its effectiveness and content so that they are aligned with Tendam's vision, mission and values. The latest revised version of the Crime Prevention and Detection Manual was approved by the Board on 27 January 2023.

Channels of communication and transparency

As part of its duty of transparency, the Group and its commercial brands have various internal and external communication channels that are made available to stakeholders to inform them of news of interest to them, to enable listening mechanisms and also to facilitate access to the complaints and claims system.

- Customer service
- Social networks
- Corporate website
- Group brand websites and apps
- Loyalty clubs
- Complaints channels
- Whistleblower channels (enquiries section)
- Corporate intranet
- Surveys and Focus Groups
- Conferences and other events
- Newsletters



Regulatory compliance

Tendam has integrated into its corporate culture strict compliance with the local, national and international laws that apply to its businesses in Spain and the rest of the world. To this end, it implements mandatory control measures, policies and procedures within the Group's perimeter, as well as for its value chain.

Tendam's internal regulations are based on its Code of Conduct, deployed in policies, procedures, protocols and other controls that are mandatory for the organisation, which assumes commitments and processes of good practices applicable to all members of the company.

Human Resources	Equality Plan
	Protocol for the prevention of sexual harassment
	Occupational Risk Prevention Plan
	Travel and expenses policy
	Pregnancy and breastfeeding protocol
Governance	Internal Code of Conduct
	External Code of Conduct for suppliers and franchisees
	Human Rights Policy
	Corporate Security Policy
	Information Security Policy
	Third-party due diligence procedure
	Whistleblower report management procedure
	Disciplinary regime
	Complaints management procedure
	Protocol for investigating complaints.
Clothing and Accessories Suppliers	Responsible Purchasing Policy
	Protocol for social and environmental audits of suppliers
	Environmentally responsible manufacturing standard
	Responsible employment manufacturing standard
	Sustainable products standard
Customer	Product quality and safety protocol

Business	Procedure for approving and signing contracts
	Franchise contracting procedure
	Corporate Purchasing Policy
	Policy on internal controls in stores
Data protection and security	Policy on data protection by design and by defect
	Awareness-raising policy
	Guideline on audits of applications
	Data protection policy in the workplace
	Safety information Policy
	Policy on documentation and data processing in stores
	Policy on using technological resources provided to employees
	Internal policy on using social networks
	Security breach management procedure
	Action protocol for security incidents
	Protocol for monitoring and accessing technological resources provided to workers
	Protocol on processing CVs in stores
	Protocol on using Tendam's video surveillance installations
Social	Policy on donations to entities with social purposes
Whistleblower Channel	Internal Investigation System Policy
	Whistleblower Report Management Procedure
	Investigation Protocol
	Whistleblower Channel Privacy Policy

Corruption and bribery prevention and AML/CFT

Tendam is a company committed to the fight against unethical and immoral practices and behaviour. The Group has a number of procedures, measures and controls in place, including:

- A ban on accepting in-store payments, in cash, for sums of more than €1,000 in a single payment or in several instalment payments.
- Not agreeing, without the appropriate verifications, to pay large sums to third parties in cash, by means of bearer cheques or into a bank account opened in a country other than the country where they are domiciled.
- Under no circumstances may Tendam employees offer, request or accept gifts, presents, payments, promises, benefits, aid, etc., with the aim of directly or indirectly obtaining advantages for Tendam or for the employees themselves.
- Prohibition against receiving payments without the appropriate contractual coverage.
- Means of payment verification procedures to combat the entry of counterfeit money into circulation or the fraudulent use of credit or debit cards.
- The establishment of control measures in the cash register systems (in-store POS).
- Control measures for payments in cash, through bearer cheques in foreign currencies, or to people, entities or accounts domiciled in tax havens.
- Due diligence procedures and the mandatory prior approval of suppliers and franchisees, based on risk-based approach principles.

Contributions to foundations and non-profit entities

We are a company that is committed to social issues, and we regularly collaborate with foundations, associations and other non-profit entities.

The company has a policy on donations to corporate entities that includes control protocols to ensure transparency and integrity in the financing of philanthropic activities and contributions to foundations and non-profit entities.

Contributions to foundations and non-profit entities are made by properly analysing the entity receiving the gift or sponsorship, as well as its reputation and financial transparency.

In all cases, collaboration agreements must be signed, after first being reviewed and approved by the CSR Department, that set the terms and commitments adopted. Control mechanisms are also established for financial transactions and the issuing of the corresponding donation certificates is always required.

To select which charities to contribute to, Tendam uses the transparency analyses of the Lealtad Foundation, which assesses the suitability of the charities with which partnerships are established, giving priority to those with some kind of certificate.

Financing political activities

Tendam does not take part in or finance political activities in any country or community where it operates. In this regard, it recognises and respects the rights of freedom of expression, political thought and, in general, of participation in public life for its employees, of whom it only requires that they keep their exercising of these rights to their private life.



90% of the group's directly operated stores were audited for internal control purposes in 2023

Respect for Human Rights

The Universal Declaration of Human Rights is the international standard that guarantees the recognition of individual freedoms and dignified living conditions for everyone in the world. Central to securing these rights is the role of companies whose businesses have an international influence and wide-ranging human rights impacts.

Making fashion that matters is not only about making environmentally responsible garments but also about ensuring respect for human rights throughout the value chain. This implies strict compliance with current legislation in the countries in which Tendam operates and a commitment to the most demanding standards, complied with voluntarily, based on best practices and applied to the entire supply chain.

We believe that respecting and effectively guaranteeing human rights are fundamental and indispensable elements for the sustainable development of the company and the environment in which we work. In accordance with Tendam's Human Rights Policy, both our Internal Code of Conduct and our External Code of Conduct for Suppliers and Franchisees describe our commitment to respect human and labour rights throughout our global value chain, as well as our absolute commitment to respond and cooperate in the event of any breach, we encourage our employees, suppliers and any third parties to communicate any information or complaint to us.

Human rights governance and compliance

Supervision of respect for Human Rights in Tendam is the responsibility of the Management Committee, which carries out this task through the Sustainability and Human Rights Committee, in charge of managing and monitoring its development and compliance. This Committee acts in coordination with the Ethics Committee for the proper management of the Whistleblower Channel and with the common goal of ensuring compliance with the Code of Conduct.

Due diligence and operational oversight of processes with a human rights impact are also the responsibility of the Sustainability and Human Rights Committee. The Committee is composed of representatives from internal audit, the corporate/ sustainability department, human resources, operations/ supply chain, the legal department and customer relations. Through each of these areas, Tendam transversally deploys the commitments established in the company's Human Rights Policy throughout the organisation.

Tendam's firm position on Human Rights has been formalised in our Code of Conduct since 2012, from which our commitments emanate in relation to the people in our value chain.

As a general principle, we are commited to being responsible for the impact we generate on the people with whom we interact through our operations, regardless of the country where they are located.

Human rights policy and domestic regulatory framework

Tendam's commitment to Human Rights is the result of a maturity analysis and emanates from its values and ethical principles, as well as from its way of relating to those who make up its value chain. Tendam's positioning in the fashion industry, far from fast fashion, contributes to the sustainability of its business model, which is also based establishing long-lasting commercial relationships based on the principles of loyalty and commitment to people.

The regulatory framework includes the Human Rights Policy, which addresses the different impacts of the company's activities that could directly or indirectly affect the human rights of the people impacted by these activities and of any third parties with whom it maintains business relations.

The purpose of the policy is to identify, prevent, mitigate and manage actual and potential impacts that the company's operations may have on people's fundamental rights, including the implementation of complaint, remediation and compensation mechanisms.

Policies and Procedures related to human rights

- Human Rights Policy
- Code of Conduct for employees
- Code of Conduct for suppliers and franchisees
- Responsible Purchasing Policy
- Due diligence and Auditing of relations with third parties
- Responsible Communication Protocol
- Employee Responsibility Standard



Identification of impacts in the value chain

Using the Seres Foundation's LabS methodology, a study was carried out on the maturity of the management of relevant human rights issues. It showed the potential risks in the value chain, as well as opportunities for improvement with groups and individuals, whom we call right holders, whose fundamental rights we can impact with our work.

	Our employees	Supplier employees	Customers	People in local communities
RELEVANT ISSUES	Fair hiring and remuneration	Fair hiring conditions and freedom of association (ILO compliance)	Health and safety (product use)	Environmental protection and safety (use of chemicals)
	Health and safety	Traceability and supplier control	Responsible, transparent and inclusive communications, generating conscious consumers	Inclusive business
	Freedom of association	Traceability and control of the supply chain back to raw materials	Data privacy and use	Dialogue with communities
	Diversity and equality	Responsible purchasing practices		Promoting effective governance
		Local empowerment		
RELATIONSHIP FRAMEWORK	Mutual respect, trust, equity, fair treatment and zero tolerance for abuse of authority or harassment	Stable, long-lasting and trusting relationships	Security, transparency and data protection	Positive contribution to local development
	Positive and stimulating work	Collaboration for continuous improvement of environmental, labour and human rights issues		

Complaints and remedetion mechanisms

The mechanism provided extends to our partners and suppliers throughout our entire production chain, including human rights clauses and information on the Whistleblower Channel in the contracts signed by both parties, support in the form of awareness-raising programmes and a monitoring programme through audits from the start of our collaboration.

We have an Information System that guarantees the rights of our stakeholders and those who report an incident in this area and that they are respected, as set out in our procedure on managing human rights complaints, incidents and submissions.

The possibility of a report or complaint is mainly articulated through the Whistleblower Channel, which can be accessed via the corporate Intranet and the website,

In 2023, the Whistleblower Channel did not receive any reports of human rights violations by third parties. However, there have been 41 allegations classified by the complainant as “harassment, discrimination and ill-treatment” received through the Whistleblower Channel without the complainant’s classification as such implying that the conduct complained of, effectively corresponds to such an infringement.



Human Rights Training

It is essential to integrate respect for human rights into the company’s culture through training and awareness-raising on the importance of acting responsibly and without negative impacts.

Recurrent training courses are designed according to the risks of each area and each position. Training is provided at various levels, ranging from face-to-face training for the management committee to training pills for all employees on the introduction to the compliance model.

982 **hours of e-learning**

498 **people trained through e-learning**

Global partnership agreement with trade unions

Tendam has a Global Agreement with the CCOO Industry and the UGT Industry Federation trade unions as representatives also of their international federations, to work together on verifying and applying international labour standards in the supply chain, at a global level.

In particular, this strengthens their joint work on labour rights such as the right to safety and health, non-discrimination, prohibition of child and forced labour, and on eradicating any form of abuse, harassment and intimidation. All these aspects are covered by our external Code of Conduct and have been subject to internal and external audits since the international purchasing and sourcing offices were created in the 1990s.

Multi-stakeholder partnerships

Tendam’s partnerships strengthen its commitment to human rights. The company is therefore part of a number of multi-stakeholder initiatives to address major challenges.

Transversal:

- Company LabS and Human Rights of the SERES Foundation, which we have belonged to since its foundation in 2018
- The Forética Ethics Forum

Social:

- AMFORI (Trade with Purpose)
- Business Social Compliance Initiative (BSCI)
- ASEPAM (Spanish Association of the United Nations Global Compact)
- Inserta-Once Forum
- Business Women Empowerment
- Foro Social de la Moda [The Fashion Social Forum]
- Diversity charter

Environmental

- The Fashion Pact
- UN Fashion Industry Charter for Climate Action
- Global Climate Action
- Sustainable Apparel Coalition (SAC)
- Zero Discharged of Hazardous Chemicals (ZDHC)

Information security

Tendam considers information to be a strategic asset. Therefore, it must be adequately protected in all the countries where it operates, and the development of its business model must be ensured to maintain customer confidence.

The company has an **Information Security Policy** that constitutes the regulatory reference framework aimed at defining, managing, administering and implementing the necessary security measures to ensure that the integrity, confidentiality and availability of customer, supplier and employee information cannot be compromised.

Under these guidelines, the **Security Master Plan** has been drawn up and two governing bodies have been formed:

- The **Executive Cybersecurity Committee** is tasked with monitoring the Master Plan and it reports on the status of compliance with it to the Board once a year. This committee also deals with urgent issues and measures not included in the budget. It meets quarterly and is made up of the CEO and the Supply Chain, Internal Audit, Organisation and Systems, and Information Security Directors.
- The **Information Security and Privacy Working Group** ensures compliance with the guidelines of the Information Security Policy. Among other tasks, it also develops new policies and protocols and handles incident resolution. The working group is made up of the Organisation and Systems, Security, Legal, Human Resources and Information Security Directors. In addition, the Data Protection Officer is also in the working group. It meets three times a year and reports to the chairman and CEO.

We are members of the ISMS Forum

This is a non-profit organisation founded to promote the development, knowledge and culture of Information Security in Spain and to act for the benefit of the entire community involved in the sector.

To comply with information and personal data security guidelines and legislation, the company has implemented, among others, the following information security and privacy policies and procedures:

- Data protection by design and by defect
- Policy on documentation and data processing in stores
- Policy on using technological resources provided to employees
- Internal policy on using social media
- Data protection policy in the workplace
- Security breach management procedure

The company has designed a **Business Continuity Plan** (BCP) that contemplates various risk scenarios for the business and for its critical processes and regulates the mechanisms to be put in place in the event of an incident or crisis, establishing minimum recovery periods.

To ensure that the systems and contingency plans are robust, the Business Continuity Plan is reviewed annually, and training is provided to the heads of the departments involved.

To reinforce this security system, external data protection audits are carried out on a regular basis. The monitoring systems and the ability to detect and respond to an attack are assessed on an ongoing basis. Network team audits, cyber crisis incident response simulations, application and infrastructure security audits and vulnerability tests are carried out.

2 Audits

2 Vulnerability tests carried out

During the period, 1 security breach of the Business Email Compromise type was detected. An investigation was carried out that identified the cyber offenders. Measures were put in place to improve security and awareness among employees.

Cybersecurity and data protection

Cybersecurity risks jeopardise the continuity of the company's business and we employ measures and techniques to safeguard the data and information we handle within the company. Information security systems are a key part of ensuring business continuity.

We are aware that the source of attacks and data breaches may lie outside our systems. The value chain has to be aligned with the importance of information security and we must engage everyone who is involved.The security policy and measures to ensure the protection of information and data protection are binding for our suppliers and are transmitted to them in a contract.

In the field of data protection, we have a specific data protection officer (DPO) who ensures the rigorous implementation of policies and procedures.

Specific data protection audits are carried out, such as a review for implementation of the Spanish Whistleblower Protection Act [Ley de Protección del Informante] and an external audit of compliance with the General Data Protection Regulation.

Tendam has a Training and Awareness Plan to establish a solid foundation and culture of cybersecurity and data protection. This plan includes various training and informative actions focused and designed for each area or hierarchical level. There are also other tools such as sending out informative posters and internal communications on a regular basis on issues such as phishing, fraudulent calls, use of personal data, credit cards, etc.

In 2023, several mandatory training courses were provided to various groups on this subject.

- On **Security Breaches**, addressed to customer service staff.
- Training on **how to identify members of our loyalty clubs** without asking for their ID card as their first identification data, aimed at all store staff in Spain and Portugal.
- General training on **Data Protection in the field of HR**, including all areas (recruitment, personnel, training, etc.) for all HR department staff in a Teams session, plus reinforcement via e-learning pills, as well as official communication to all store staff in Spain on how to handle personal data in relation to HR issues.
- At the end of the year, training on **Information Security** was provided to all employees at the headquarters and stores in Spain who had not previously taken the training.



Training	No. of employees trained	No. training hours
Training on security breaches for customer service staff	20	2
Loyalty club membership identification training for store employees in Spain	2,801	467
Loyalty club membership identification training for store employees in Portugal	988	165
General training on Data Protection in the field of HR	33	55
Reinforcement training on Data Protection for HR	49	12
Training for Spanish stores on Data Protection in HR matters	5,866	1,466
Information Security Training for sites and stores in Spain	4,754	9,508

04 We are fashion



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We make fashion that matters

Our history defines us by creating timeless fashion that goes beyond design. In recent years, we have been committed to creating garments in a more responsible way, using more sustainable materials and following circular design principles. The value chain[1] integrates sustainability measures into the different stages, from the design of the garment to its sale in the Group's retail network[2]. We pay attention to the conditions in which each garment is designed, produced and distributed in order to minimise its impact on the environment and society.

VALUE CHAIN



GARMENT DESIGN

Our designers are at the forefront of our commitment to sustainability, seeking to prioritise the most appropriate processes and materials to ensure that our product standards are met. We incorporate sustainable objectives into the design process to ensure the quality and durability of our garments.

PRODUCTION AND SOURCING

The production of textile apparel uses large amounts of energy, water and chemicals that can have a significant impact if not managed properly. We work with our suppliers to implement the environmental and social standards and best practices that will enable us to continue our journey towards sustainability. We continue to invest in our products to improve quality and focus on reducing, reusing and recycling the waste we produce. The production and sourcing phase is carried out by third parties, however, Tendam decides and selects suppliers according to its manufacturing processes, social requirements, or environmental conditions.

TRANSPORT AND LOGISTICS

We strive for maximum efficiency in managing the logistics of products from the time they leave the factory until they reach the stores or are sent directly to the customers. We work with different suppliers (third party) to achieve the best combination of shipping options based on speed, costs and sustainability, and we take measures to minimise energy use and reduce waste throughout this process.

CONSUMER SALES

We connect with customers and communicate the values of our brands through their design and the creation of unique spaces. Each store has its own concept and personality and offers a unique interactive experience. We connect with our customers through innovative and inspiring experiences and promote respect for the environment through our distribution channels.

1. The company does not own any of the real estate in which it operates (offices, logistics centres and stores). The logistics, manufacturing and procurement process is carried out in factories and/or third party facilities and the entire model is coordinated, managed and controlled by Tendam.
2. The Value Chain described does not include third party brands (acquired exclusively for distribution and sale).

Our journey towards a more conscious fashion

Under the slogan Make fashion that matters, the company has embarked on an ambitious journey to reduce its environmental impact, recognising that reducing Scope 3 emissions depends primarily on reducing emissions associated with the production process and on the use of the garment in the hands of the customer.

To this end, we have focused on the following four ways to reduce the major environmental impacts that occur throughout the lifecycle of our apparel.

1. Reducing the impact of our products

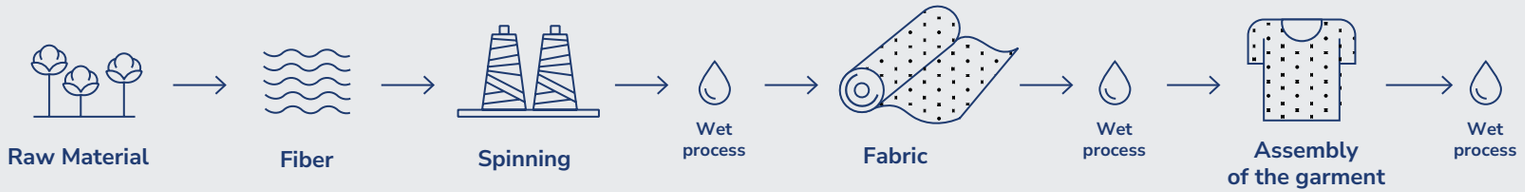
2. Decarbonisation of the production chain

3. Circular economy

4. Encouraging responsible customer consumption

We recognise that it takes a holistic effort across the value chain to make a real change in the way we design and create our apparel.

Garment production





We promote sustainability in our activity from the following perspectives:

Product

- More responsible design
- Choice of sustainable raw materials
- Traceability from the creation of the garment

Climate impact

- Reduction of CO_2 emissions linked to the value chain
- Product life cycle
- Circularity

Supply chain

- Selection of responsible suppliers
- Detection of risks and critical issues
- Due diligence and human rights

Impact on the environment

- Preservation of biodiversity and fight against deforestation
- Animal welfare
- Respect for local communities

More responsible garments

We work with the ambition to use our position and reach to drive social and environmental improvements, by encouraging innovation throughout our value chain, from the sourcing of raw materials to the manufacture of finished products.

We aim to progressively increase the proportion of sustainable sourcing across all brands, while continuing to work to improve the traceability and transparency of our supply chain. We also foster an environment of continuous collaboration with our suppliers to drive improvements in areas such as chemical management, traceability and innovation in production processes, to join together towards circularity.



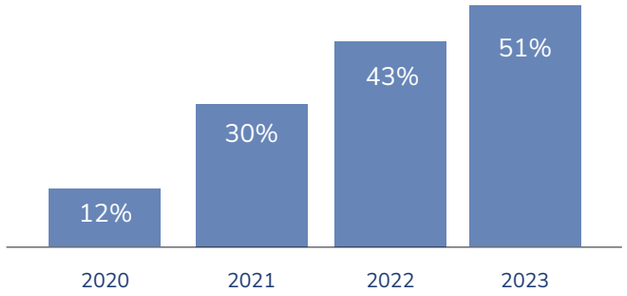
What is a sustainable product for Tendam?

The company has a **Sustainable Product Standard** which sets out the requirements that our apparel must meet to be considered as having sustainable characteristics. It is based on the need to know the different existing alternatives in order to choose the best option and apply traceability from the origin of the materials to the consumer.

These are the two criteria that make our garments sustainable:

- Selection of raw materials with more sustainable origin and treatment
- More environmentally friendly production processes, including measures to reduce chemical products in our apparel, circularity measures, innovation in technology and some other good practices agreed in the sector.

Evolution of garments considered as sustainable under our own standard



51% of our garments are considered more sustainable under the Internal Sustainable Product Standard.

This is ahead of our target of 50% by 2025.

Product sustainability

In 2023, we focused on three key areas to further advance our goal of minimising environmental and social impacts throughout the lifecycle of our products.

1. Raw materials and processes

We are developing impact measurement tools to help our design teams make informed decisions and prioritise the selection of materials with the lowest environmental impact. We work closely with our brands to set ambitious targets for the use of priority materials in the development of our apparel and accessories.

To identify the most sustainable fibres, we have carried out the following developments:

- A lifecycle analysis was conducted on 3 selected samples, representing 3 different product categories and 46% of the total purchase volume in the two seasons of 2023. The aim of this analysis is to understand the impact of each stage of the lifecycle of each of our references. Thanks to these results, we can approximate the impact generated at each stage, which can be reduced through specific actions from the design phase onwards.
- With the help of an external textile consultant, a full inventory of the raw materials used in our apparel has been conducted to identify the main risks associated with the materials and processes used in production, and to explore the different production processes that can be used to reduce the impact.

2. Supply chain traceability

The traceability of a product is the common thread that allows us to know its complete history, from the raw material to the end consumer. It includes information on its composition, the actors and processes involved at each stage of its lifecycle, including production, transformation and distribution.

In the textile industry, traceability is a major challenge, especially given the complexity of globalised supply chains and the number of actors involved. However, its implementation opens the way to a more sustainable and transparent future.

At Tendam we are embarking on a process to strengthen the reliability of our data, with a focus on the traceability of our supply chain.

These developments will enable us to:

- Improve decision making and supply chain management with reliable information
- Provide clear and accurate information to consumers about the origin and production practices of garments
- Identify and reduce environmental impacts at each stage of the product lifecycle

3. Communicate sustainability with integrity

We are committed to transparent reporting on the sustainability of our products, thus avoiding greenwashing and fully complying with regulatory requirements. To ensure that our messages are clear and not misleading, Tendam is committed to integrating internal multidisciplinary working groups into its management model to address issues such as the correct use of sustainability-related terms and how to properly substantiate environmental attribute claims, among others.

The aim is to develop a set of resources including the formalisation of internal procedures for product declarations and training for the different teams.

Raw material certifications

In 2023 the company was certified in the following Textile Exchange sustainable standards: GOTS and OCS for organic content, and GRS and RCS for recycled content.

These certifications allow us to:

- Align with the latest Textile Exchange requirements, where brands are also required to be certified.
- Be better positioned for forthcoming EU legislation on eco-declarations, consumer empowerment and due diligence.
- Use these logos on our products.
- Give consumers the opportunity to make informed purchasing decisions.

Raw materials and processes

All fibres, from cotton to synthetics, have social and environmental impacts throughout their lifecycle. In a context where the stability of fibre supply is largely dependent on sustainable practices, it is essential to address the environmental and social impacts of our products.

Our work focuses on five priorities:

- Minimising and managing water use
- Increasing the use of reused and recycled materials
- Reducing the use of chemical products
- Continuing to ensure the quality of apparel
- Managing waste in the process (reduce, recycle and reuse)

We focus on the processing of cotton, polyester and cellulose-based fibres, which are the main raw materials we use.

Cotton

We are a member of the Better Cotton (BC) initiative. Our aim is to source 50% of our cotton requirements from BC by 2025, thereby contributing to responsible cotton farming. This organisation develops training programmes for farmers to implement sustainable practices such as more efficient use of water, reduced use of chemicals and pesticides.

Our demand for Better Cotton is made through a system called Mass Balance which means that it can be blended with conventional cotton but from a certified farmer who invests in BC.

Synthetic fibres

Recycled polyester, unlike virgin polyester, which is made from petroleum, is a fibre made from recycled materials (plastics, original polyester fabrics, etc.). It retains the technical properties of the original polyester, as the recycling process reconstitutes the fibre at molecular level, but with the advantage of a lower environmental impact.

This material helps the environment by avoiding petroleum-based manufacturing, reducing its demand and associated ecological impact. As a result, atmospheric CO_2 emissions can be reduced by up to 75%.

Wood-based fibres

We work closely with our key suppliers to manage wood-based fabrics, in particular to ensure the traceability of the origin of cellulosic fibres (viscose, lyocell, etc.).

We prioritise the purchase of materials such as Tencel™, Lyocell or EcoVero™ that are sourced from sustainably managed forests and have more environmentally friendly production processes compared to conventional production processes for these fibres.

19,525
tonnes of cotton

62%
more sustainable cotton

Our goal is for
50%
of the company's cotton demand to be Better Cotton by 2025.



Responsible use of water

Within the textile value chain, water is used as an essential element in the cultivation phases of raw materials such as cotton, as well as in various stages of the production process: in washing, dyeing and also in finishing. In general, the global textile industry generates what is known as water stress, especially where garments are produced.

The sector is currently experiencing great difficulty in obtaining quantitative information on water use due to the complexity of the supply chain. Companies are making great efforts to improve the traceability of products throughout their lifecycle and to understand the impact on water at each stage of production.

In this sense, the company is committed to reviewing its processes as part of an efficient water use strategy, which includes reducing water use wherever possible, for example through measures such as reuse.

In 2023 we formalised our membership of the Sustainable Apparel Coalition (Cascale) which will enable us to use the Higg Index to assess the environmental performance of suppliers. Through the Higg's Facilities Environmental Module (FEM), we work to collect data on water consumption in Tier 1 and 2 factories and learn about their water management and treatment initiatives.

With the help of an external textile consultancy, and using the data from the Higg FEM, we will make progress in measuring, monitoring and managing water use over the coming years.



Chemical control

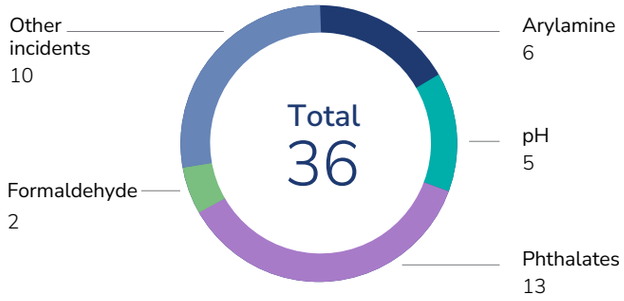
Chemicals are critical to manufacturing and are used at all stages of the supply chain. While they are essential, we recognise that their discharge can have a negative impact on water quality, air quality and general health.

We are committed to ensuring responsible practices in the use of chemicals by promoting a two-pillar approach that takes a holistic view of chemicals management:

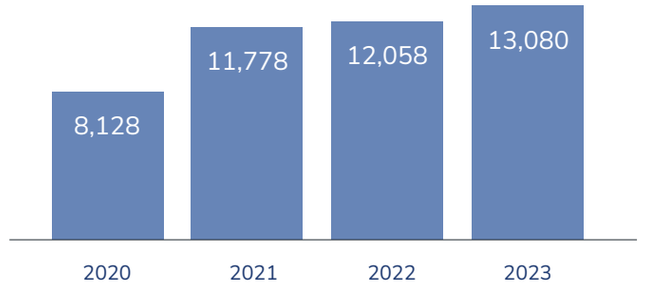
- **Standards and policies:** we have developed standards for chemical management during manufacture and in the final product, which we extend to our supplier network to ensure compliance with industry regulations such as REACH, as well as company-led documents: the ZDHC Restricted Substances List (RSL), the ZDHC Manufacturing Restricted Substances List (MRSL) and the ZDHC Wastewater Guideline.
- **Evaluation and control:** strict product control that ensures compliance with required quality standards is one of the pillars on which Tendam brands bases the quality of its apparel. From the careful selection of raw materials and approval of the suppliers we work with, to the pre-sale checks on the finished garment, the production process is rigorously controlled until each garment reaches the customer.

This production process is subject to exhaustive quality controls to ensure customer safety and compliance with the specific legal requirements of each country where our garments are sold.

No. of chemical incidents:



Evolution of models analysed





13,080
models analysed

99.72%
chemical tests without incident

The process we follow can be summarised as follows:

1

At the beginning of the chain, periodic audits are carried out at the suppliers' factories to ensure that they comply with the applicable regulations and production standards, product safety, etc. We also verify that the supplier complies with the technical specifi-cations and quality standards defined by Tendam for each of the products requested.

2

The references that enter the market are subjec-ted to physicochemical tests that must be carried out in authorized external laboratories (Aitex, Bureau Veritas or SGS). This guarantees the health and safety of the client and the absence of harmful substances for the environment. Pilling tests are carried out (to control the fiber beads or "balls" that appear in the fabrics), as well as others regarding fastness, shrinkage, seam re-sistance, and the absence of toxic substances.

3

The results of the tests are received in the Quality Department before the order shipment from the suppliers' factories. In this way, the state of the garments can be always controlled, and any detected deviations and non-conformities corrected in time.

4

Tendam's quality team continually reviews patterns and updates product quality and sa-fety programs. Extensive protocols have been developed for compliance with applicable regulations on quality and industrial safety, in addition to the company's own standards.

5

In the case of detecting a possible inci-dent with any of our products, the case is investigated and, if applicable, the procedure detailed in the action pro-tocol is applied, which involves quickly withdrawing the product from sale.



Zero discharge of hazardous chemicals (zdhc)

Tendam joined ZDHC in 2021 with the aim of implementing a roadmap to help us avoid the use of restricted substances during production and manufacturing, and to ensure that the final product complies with the health and quality regulations of the countries in which we market our products.

The ZDHC Manufacturing Restricted Substances List (MRSL) is a list of chemicals that are banned in facilities that process textiles, footwear, and other materials. ZDHC's MRSL goes beyond traditional approaches to chemical restrictions that apply only to finished products, offering an approach that also minimises the potential impact of banned hazardous chemicals on production workers, local communities and the environment.

At Tendam we have mapped the supply chain, which has enabled us to know what our suppliers' facilities and processes are like throughout the production chain. The first step is to identify wet processes, i.e. those that take place in the aqueous phase of production, such as pretreatment, dyeing, identification and finishing.

To make further progress in our efforts to extend our engagement throughout the supply chain, we require a number of actions from specific suppliers.

We use the following assessment and measurement tools:

- Own environmental audits or, where appropriate, environmental assessment by other organisations such as Higg FEM (Higg Facility Environmental Module).
- Wastewater analysis and compliance with Textile Testing for Restricted Substances (RSL) in accordance with current RSL regulations and the ZDHC Manufacturing Restricted Substances List (MRSL).

We encourage and promote membership of the ZDHC for those facilities that have not yet done so, with the aim of joining an organisation that is committed to chemical footprint management.

The monitoring and measurement of our results is rigorously carried out by setting specific targets and commitments:

- Integration of ZDHC into corporate policy and strategy
- Integration of adopting at least the MRSL
- Commitment to wastewater guidelines
- Communication of MRSL commitments to production chain partners
- Requirement for production chain partners to adopt MRSL ZDHCs (mrsl.roadmaptozero.com)
- Requirement for some suppliers to register on the portal
- Motivate suppliers to adopt and implement the wastewater guidelines

Number of factories in our supplier network using the following tools:

242 factories are part of ZDHC

262 factories with clearstream report

165 factories with Incheck reports



Production and sourcing

We work closely with our suppliers, applying the same values and operating principles as the Group, promoting benefits, transparency and mutual interest.

We are committed to working with our suppliers to promote more responsible management of procurement processes, including quality, sustainability and efficiency measures.

The General Purchasing Department manages the relationship with the Group's suppliers, while the Sourcing (Supply Chain) Department, together with the Purchasing and Design Departments, manages the relationship with garment and accessory suppliers. These latter suppliers are subject to different requirements than corporate suppliers.

Supplier network profile

3,977
suppliers of apparel, products and services

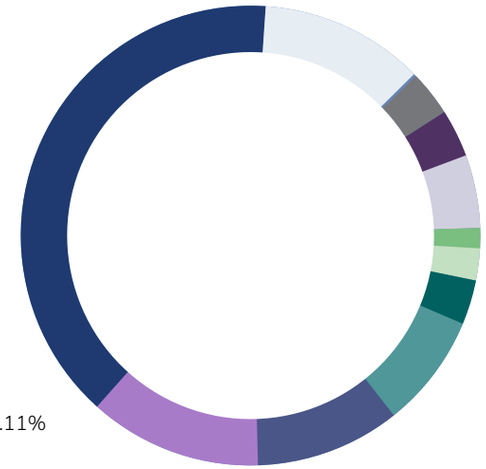
Expenditure on payments to product suppliers (apparel and accessories) accounted for
59.2% in 2023

Number of active suppliers (apparel, products and services)



Spain 51.87%
France 4.55%
Hong Kong 1.96%
Hungary 2.24%
India 1.79%
Italia 1.56%
Mexico 5.28%
Portugal 5.03%
Russia 2.56%
Serbia 3.34%
Other 8.15%
Bangladesh 1.13%
Belgium 3.22%
Bosnia and Herzegovina 2.11%
China 2.79%
Croatia 2.41%

Distribution of payments to suppliers (apparel, products and services)



Spain 39.56%
Hong Kong 11.52%
India 3.38%
Mexico 3.49%
Pakistan 5.11%
Portugal 1.44%
Serbia 1.96%
Singapur 3.30%
Other 7.97%
Bangladesh 9.73%
China 12.54%

Management policies

To achieve our goal of responsible supply chain management, we have a number of policies and standards in place to ensure understanding and compliance with our standards of ethical behaviour towards employees and the environment.

We continue to move towards continuous improvement through recurrent control measures and by ensuring compliance with the best social and environmental standards.

With all suppliers:

- Periodic reviews: sourcing policies and standards are reviewed and updated to ensure alignment with internal company standards and current regulations.
- Mandatory compliance: The terms set out in the company's contracting conditions require compliance with the External Supplier Code of Conduct throughout the supply chain as a first step in entering into commercial contracts.



With the suppliers of apparel and accessories:

- **Comprehensive strategy:** Tendam's strategy combines management systems, monitoring programmes for suppliers and manufacturers, as well as the extension of an audit programme (social and environmental) through which we seek to ensure that our suppliers operate at a high ethical level and meet our performance standards.
- **Transparency:** each supplier must know its supply chain and pass on Tendam's social and environmental requirements to subcontractors.
- **Pre-screening:** Suppliers and manufacturers who wish to be part of Tendam's supply chain are pre-screened through a rigorous validation process.

To achieve this excellence and ethical commitment, the following policies and procedures are applied throughout the supply chain.

- External Code of Conduct
- Third Party Due Diligence
- Responsible Purchasing Policy
- Corporate Purchasing Policy
- Sustainable Product Standard
- Environmentally Responsible Manufacturing Standard
- Responsible Manufacturing Standard for workers

Política de Compra Responsable

This new policy was approved in 2021 and, framed within the principles of the External Code of Conduct, articulates the minimum standards that any member of our garments and accessories supply chain must meet. The Responsible Purchasing Policy is linked to the publication of specific standards for sustainable products, environmentally responsible production and responsible production for workers.

Among the measures it contains, the following stand out:

- Respect for the Human Rights as defined by the United Nations.
- Compliance with applicable laws, including a public commitment to comply with applicable anti-corruption and anti-bribery laws.
- Protection of intellectual property and responsible use of personal data.
- Extension of the obligation to comply with this Policy not only to the direct supplier of the product, but also to all its business partners and collaborators.
- Establishment of minimum requirements in the different areas of employee working conditions in line with the External Code of Conduct.
- Commitment to the implementation of health and product safety legislation.
- Respect for animal welfare.
- Acting in an environmentally responsible manner in accordance with the legislation of the country in which they are located.

Corporate Purchasing Policy

This internal standard applies to the validation and supervision of general purchases of goods and services executed at corporate level, excluding clothing and accessories. Areas with contracting capacity have an obligation to be aware of and comply with this policy.

To ensure compliance, periodic reviews are carried out by the Internal Audit Department in collaboration with the Corporate Purchasing Department. Depending on the findings, appropriate action will be taken in the event of non-compliance.

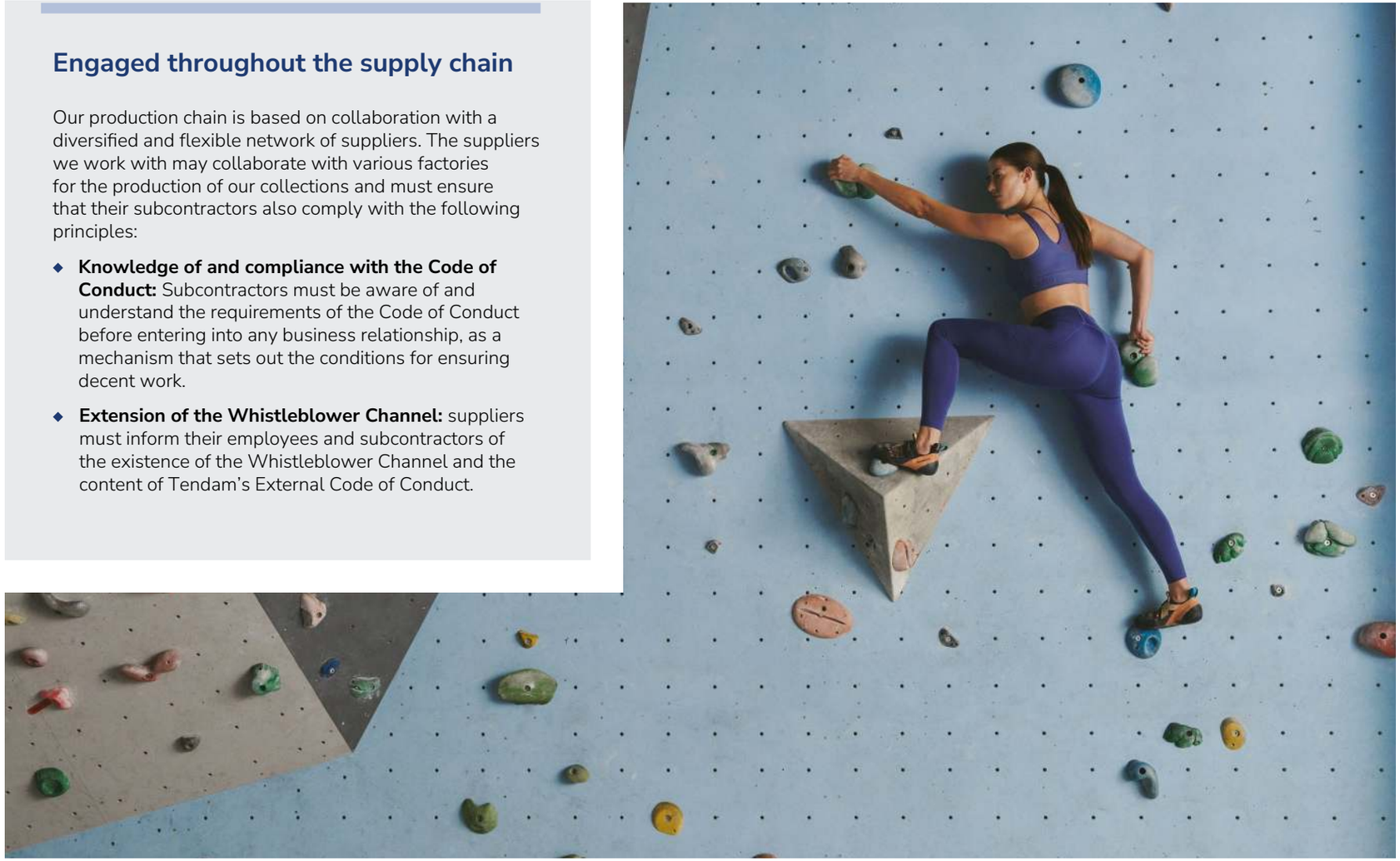
The Corporate Purchasing area is responsible for overseeing the procurement arrangements relating to purchases of goods and services as set out in this policy.

In the last update, in 2021, a specific clause on sustainable sourcing was included. It explicitly states that environmental criteria will play an important role in the decision to award or approve a tender. In this way, the company aims to align its suppliers with the Sustainable Development Goals and the principles of the United Nations Global Compact.

Engaged throughout the supply chain

Our production chain is based on collaboration with a diversified and flexible network of suppliers. The suppliers we work with may collaborate with various factories for the production of our collections and must ensure that their subcontractors also comply with the following principles:

- **Knowledge of and compliance with the Code of Conduct:** Subcontractors must be aware of and understand the requirements of the Code of Conduct before entering into any business relationship, as a mechanism that sets out the conditions for ensuring decent work.
- **Extension of the Whistleblower Channel:** suppliers must inform their employees and subcontractors of the existence of the Whistleblower Channel and the content of Tendam's External Code of Conduct.



Clothing and accessories suppliers

Number of suppliers of apparel and accessories classified by Made In and percentage of purchase*:

Europa	Nº	% Purchase
Bulgaria	1	0.01%
Spain	23	1.52%
Italy	3	0.05%
Portugal	6	0.41%
Romania	1	0.01%
Serbia	1	0.01%
Turkey	27	2.07%

Africa	Nº	% Purchase
Egypt	2	0.11%
Ethiopia	2	0.66%
Madagascar	1	0.05%
Morocco	8	0.83%
Rwanda	1	0.27%
Uganda	1	0.07%

Asia	Nº	% Purchase
Bangladesh	40	29.35%
Cambodia	9	0.97%
China	112	30.61%
India	47	5.98%
Myanmar	24	14.21%
Pakistan	17	11.27%
Sri Lanka	1	0.01%
Vietnam	6	1.55%

* We have two suppliers located in Brazil and Tunisia with an insignificant purchase amount (no more than 0.00%) and therefore they are not reflected in the map.

288
garment and accessory suppliers

520
factories tier 1 (Clothing)

379
factories tier 2 (Wet processes on finished garment)

Communications with our suppliers

To ensure the smooth running of the supply chain, our sourcing offices in Hong Kong, Bangladesh, India and Madrid are responsible for monitoring both at the contract and service delivery stages. To this end, we have a supplier portal where all brand orders worldwide can be tracked and identified in real time. This platform allows them to track their orders, payments and other authorised information.

Human rights and social dialogue

The commitment to respect Human Rights has a holistic approach within the Tendam Group. Social dialogue is encouraged to create a resilient supply chain that respects workers.

The company has a Global Framework Agreement (GFA) with UGT and CCOO and their international federations to promote the application of international labour standards in the Group's supply chain. This opens up new avenues of cooperation, allowing the unions to visit suppliers' workplaces and try to resolve and/or report any incidents they find.



Sustainable Apparel Coalition (Cascale)

In 2023 we formalised our membership of the SAC as Candidates. This alliance is made up of more than 300 members representing all links in the global apparel, footwear and textile value chain.

It drives the goal of transforming companies to drive the sustainability of the industry. To this end, they make their Higg Index measurement tool available to members to create a comprehensive approach to measuring and assessing the social and environmental impacts of value chains and products

In 2023:

32
factories carried out an FSLM (Social) Assessment

192
factories with an FEM (Environmental) Assessment

Joining AMFORI

Our collaboration with AMFORI dates back to 2017. This organisation promotes responsible production through practices that improve supply chain management and minimise risk.

This alliance streamlines continuous improvement by mapping, analysing and monitoring progress. The BSCI (Business Social Compliance Initiative) monitors the social performance of suppliers. The BSCI Code of Conduct contains principles ranging from fair remuneration to zero child labour.

It takes a step-by-step approach to supply chain transformation, allowing companies to monitor, engage and train on an ongoing basis. We are currently expanding the use of this system to assess environmental performance.



Selection and approval of apparel and accessory suppliers

We encourage our suppliers and the various links in our value chain to align with our commitments. Before entering into a relationship with a new supplier we check that their processes, policies and protocols fit with our sustainability commitments.

At Tendam, a rigorous investigation, assessment and validation process is carried out to ensure the ethics and quality of all processes and products. This process involves analysing the technical and productive capacities, as well as the social aspects and environmental impact of each of the suppliers with which it enters into a relationship.

In this first stage of the relationship with the company, two types of assessments are made of the factories with which the company will work: technical and social. If they pass, they must accept the monitoring process that, within the audit programme, is developed in order to be able to follow up their correct evolution. Those who have not achieved satisfactory results are given an extension of up to 6 months to adapt to the company's requirements.

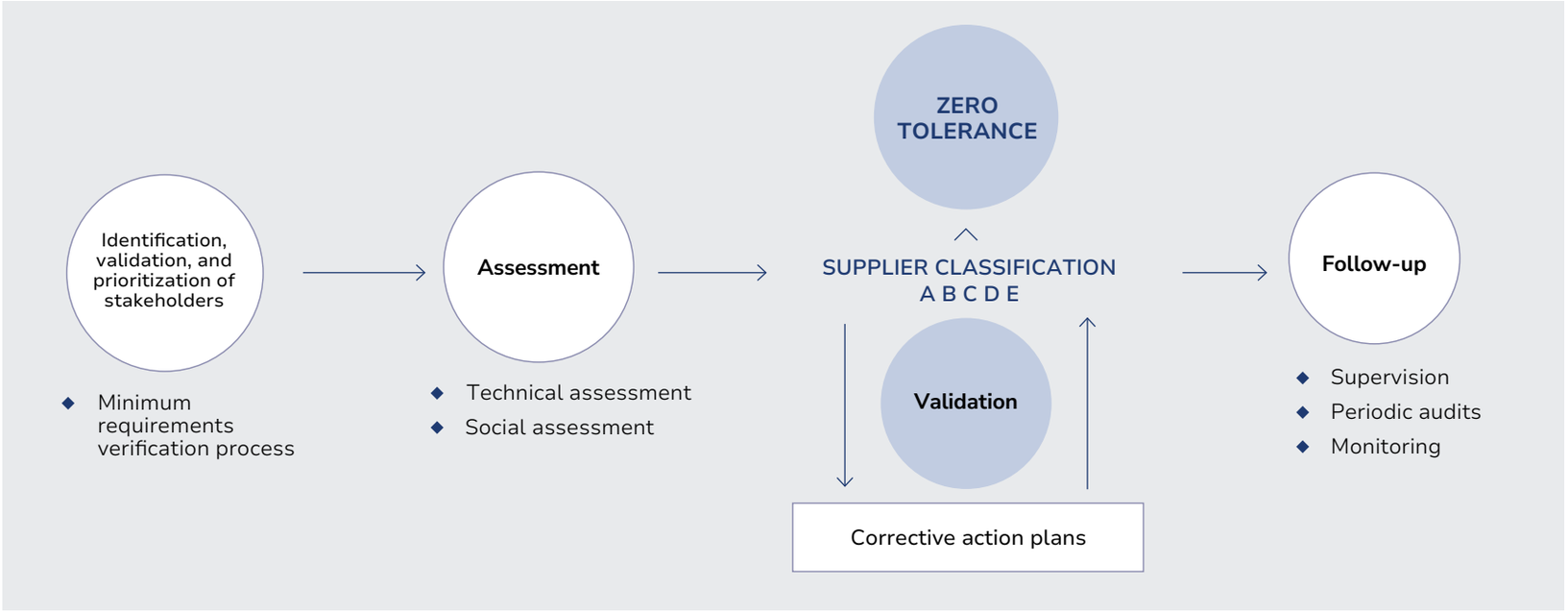
Technical assessment

The technical assessment examines the suppliers' ability to meet production expectations. It focuses on the testing of processes, machinery and production capacity. This step is critical to the rest of the assessment process, so factories that do not pass this step satisfactorily will have their relationship with the company terminated until they meet the requirements.

Social assessment

To demonstrate proper working conditions in the factories and respect for workers' fundamental rights, suppliers can present internationally valid certifications or undergo independent accredited social audits, which are confirmed and verified by Tendam's technicians.

Within the Group, we have a formalised procedure for assessing working and social conditions that includes respect for human rights by those involved in production. These actions include the implementation of decent working conditions, the provision of correct information to employees about their labour rights, the setting of working hours within the legal limits and fair remuneration, among others.



Validation and follow-up

The Group conducts a series of social and environmental audits and regular follow-up assessments to ensure proper implementation and action in the event of any non-compliance and/or complaints. Through comprehensive and regular monitoring of factories, we ensure the smooth running of operations and seek ethical and sustainable performance from suppliers in their operations and communities.

We have a supplier system that keeps their status up to date from the moment they enter the tendering process and throughout their business relationship with Tendam. If a factory fails to meet the requirements or implement corrective plans, the platform will cancel and prevent further production until a new review.

Social Audits

A recurring social audit programme verifies suppliers' compliance with social principles and respect for human rights, which is verified at the beginning of the contractual relationship with each supplier as a prerequisite for joining the supplier network. These are on-site audits conducted by a third party and renewed every two years.

We review our suppliers' social audits internally to ensure that they are operating responsibly.

Evolution of the number of audited factories

2023	**354**
2022	367
2021	369
2020	495

No. of social audits carried out in factories per country (2023)

Bangladesh	68
Cambodia	15
China	172
Egypt	1
Ethiopia	5
India	27
Italy	2
Madagascar	1
Morocco	9
Myanmar	11
Pakistan	12
Portugal	5
Rwanda	1
Spain	7
Sri Lanka	2
Tunisia	3
Turkey	8
Vietnam	5
Total	**354**

1. Classification system for Social Audits

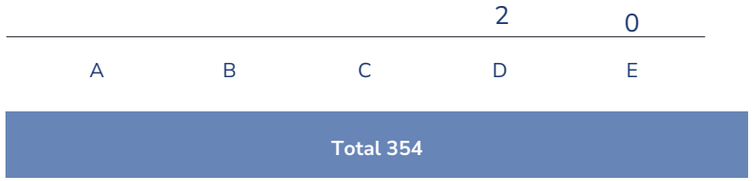
Among our 520 (garment) factories, categories have been defined according to the degree of compliance with the external Code of Conduct and following the principles established by AMFORI.

We currently have 5 categories graded from A to E, with A being the highest.

- A - B > Can produce. The audit is renewed every two years.
- C - D > Can produce. The audit will be reviewed annually and a full audit will be repeated after two years.
- E > Can produce and corrective plans will be followed up every 6 months.
- Zero Tolerance > The factory is rejected. No production can take place. If the remediation plan is implemented and validated by an auditing body, we may consider reinstatement. In the case of reinstatement, if the factory gets a D for the second consecutive time, we will reject the factory permanently.

The Sustainable Apparel Coalition uses the Facility Social & Labour Module (FSLM) tool to assess the social and labour conditions of workers in the value chain. The company has validated the SAC's FSLM and included it as a third-party social audit alongside the others that were already accepted: SMETA, BSCI, ETI, SA8000, among others.

Results and ranking of social audits



2. Zero tolerance

Any audit process with a negative result on social components will result in Tendam immediately refusing to work with the supplier. We have a zero-tolerance approach to suppliers who do not respect human rights policies such as physical integrity, forced and child labour or lack of freedom of association. The Social Audit scheme is designed to encourage and promote good practice and factories can re-apply once their situation has been brought into compliance.

3. Corrective plans

Where potential conflicts or areas for improvement are identified, a corrective plan is drawn up at the end of the audit. This plan is a mutually agreed document setting out the non-conformity issues and improvement targets according to the circumstances and conditions of each case. It must be signed and approved by both the auditor and factory management and will serve as a guide for future audits and monitoring.

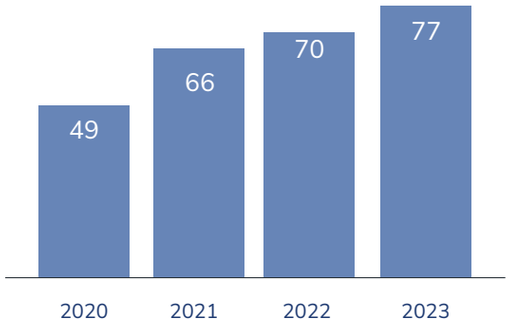
Tendam has an internal management platform for coordinating the sourcing department with suppliers. The platform serves as a space for monitoring information on supply chain assessments, as well as for tracking sustainability improvement aspects, including environmental audits.

Its benefits include robust traceability. It is also accessible to suppliers, who can track key issues for their progress and action plans.

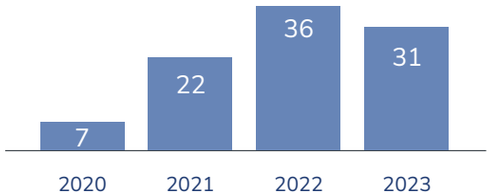
4. Semi-announced audit programme

We have a semi-announced audit programme which is undertaken at factories which have obtained a low score in a previous audit, as well as for factories that have significant production volumes with regard to the total. Any audit process that results in negative social findings will result in Tendam immediately terminating its relationship with the supplier. We have a zero tolerance approach to those who do not respect our human rights policy on physical integrity and freedom of association, forced labour and child labour.

Evolution of the number of semi-announced audits



Evolution of the number of factories audited since the start of the programme



Environmental audit programme

We continue to promote the Environmental Audits Programme, launched in 2020, for suppliers with wet process factories (Tier 2 and Tier 4) following environmental management criteria.

The aspects included in this assessment requirement are the environmental management system and responsible management of water chemicals, apparel, waste and emissions, among others. The audit not only checks the factory, but also the environmental documentation: technical environmental documentation, such as permits for wastewater discharge, confirmation that the plant has an environmental impact assessment, verification of agreements with hazardous waste managers, and more.



Transport and logistics

Efficient logistics management is a key aspect of our strategy as a fundamental part of the supply chain. The need to reduce the environmental impact while maintaining the efficiency and profitability of our logistics is an ongoing challenge for Tendam.

The location of our logistics centres plays a crucial role in optimal transport and logistics management.

We currently operate in six different distribution centres in four key locations: three distribution centres in Spain, one in Hong Kong and two in Mexico, supporting our international operations. Our main distribution centres have different profiles and serve separate purposes in our supply chain network, receiving stock from suppliers which they process and package before shipping to our company-owned stores, franchisees and online channel customers.

Central logistic centre (Aranjuez)

Our Aranjuez distribution centre is our central distribution centre, located in the centre of Spain. It has a usable area of approximately 100,000 square metres and is certified as an Accredited Agent and Known Consignor of the State Security Agency.

Our Aranjuez distribution centre serves as a storage, handling and packaging centre for our products, before they are delivered to our company-owned stores, our franchises or online customers.

Approximately 50% of the inbound flows of this warehouse are of the cross-dock model, aimed at minimising storage time and logistics costs.

E-commerce operations (Aranjuez, Tarancón, Seseña and Mexico)

We currently have four distribution centres, managed by an external logistics company, to handle orders from the online channel. Three of these distribution centres are in central Spain, in Aranjuez, Tarancón and Seseña (the latter two with a total area of approximately 52,000 square metres). A fourth distribution centre is located in Mexico, near Mexico City, and is also operated by an external logistics company.

International operations (Mexico and Hong Kong)

Our distribution centres in Mexico and Hong Kong are key to the continued development of our international business given their location outside Spain. Our Hong Kong distribution centre receives merchandise from our Asian suppliers and distributes it to our international franchisees or to our distribution centre in Mexico, located near Mexico City and operated by an external logistics company, which also distributes our merchandise to our company-owned stores in Mexico and Central and Latin America.

Centralising multi-brand distribution means more efficient use of travel and therefore reduced emissions.



Import and export (B2B)

We closely monitor the company's transport operations in order to develop strategies to optimise them and reduce their environmental impact. We therefore prioritise land, sea and rail transport over air for our import and export operations, using air in exceptional cases.

Last mile logistics (B2C)

We work with our suppliers to implement improvements in last-mile logistics through partnerships with leading logistics companies that are committed to achieving carbon neutrality and have climate change programmes in place to offset the carbon footprint of their logistics and transport activities.

Notably, some of our major carriers have ISO 14001 certified environmental management systems and are implementing various initiatives to reduce emissions from their vehicles, such as increasing the fleet of green vehicles, reducing plastic and paper consumption, and improving waste management, among others.

Another important aspect of our logistics is optimising the filling of boxes and their transfer to the transport vehicles. At Tendam we are aware that these measures have a direct impact on the reduction of greenhouse gases.



The customer

The customer is at the heart of everything we do, which is why we strive for customer satisfaction through a multi-channel service. Thousands of consumers visit our physical stores every day or do so through our online channel.

Today's customers are increasingly better informed, more connected and more aware. They expect to be able to shop quickly and efficiently, in the way they choose, with greater flexibility. We integrate these expectations in order to create a shopping experience that is both simple and excellent. We have developed new solutions to offer the possibility to interact in a fully omnichannel way, taking advantage of the complementarity of the physical stores and online channels.

We have adapted our approach to be more present and available to our customers, listening to them and involving them in decision-making. We seek to build long-term relationships based on mutual trust and open dialogue.

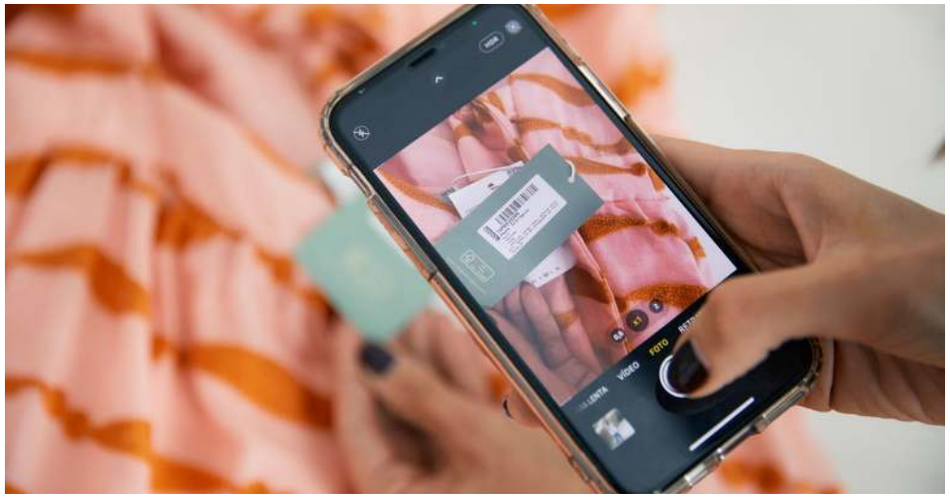
Since 2022, the company has been incorporating third-party brands into the e-commerce channels of its own brands, which currently represent 10% of the group's online sales, with the presence of more than 160 third-party brands. This project is one of the main axes of the company's transformation plan, which aims to increase the attractiveness of digital stores.

Always in continuous growth, our e-commerce has been launched in Croatia and India, adding these countries as new digital sales markets. We began online sales of the two new brands launched by the company in 2023: Hi&Bye and Springfield Kids.

Our loyalty clubs have a customer base of around **35 million members** (24 million of unique members). We currently have an online presence in **59 countries**.

202,139,600 visits to Tendam's websites

998,786 downloads of the Group's APPS



Customer relationship model:

- **We know our customer:** we use all the information and knowledge we have about our customer to develop a tailored value proposition. We use the data we obtain through research and analysis to make decisions to better meet their needs.
- **Digital channels:** we get closer to our customers through our digital platforms, which allow us to maintain a two-way relationship and listen to their opinion at all times. We deliver communications that add value to the customer, providing the opportunity to participate in various initiatives.
- **Fluid dialogue:** we are constantly expanding and improving the support we offer our customers to ensure they can reach us at any time of the day through the channel of their choice: phone, email, social media or physical presence. We currently offer customer service support in 10 languages.
- **Management engagement:** the management teams of the Group's various brands receive regular updates on the sales performance and reputational assessment of each brand. This allows them to maintain and develop their knowledge about customer trends, as well as about potential issues and how to resolve them.
- **Customer interviews:** Focus groups involving the customer and the e-commerce team to analyse browsing experiences or market research.

Experiencia onmicanal “easy shopping”

Purchase online with store pickup and product reservation from the web → Apps of all brands with discounts and digital ticket available → Click Shopping: buy online from the store if the product is not available → Possibility of buying at one brand and picking up the order at a store of another of the Group’s brands → Returns in the store giving the customer a discount of 20% of the value if the return is made with a credit card

Our customers enjoy their best shopping experience through the implementation of a series of initiatives designed to achieve customer satisfaction and loyalty.

- **Innovative in-store assisted sales systems** that use a tablet to show stock levels and availability of a product. This technology offers cross-selling suggestions and alternatives for when a product is not available through visual recognition.
- All our brands have active **APPs** with functionalities that are updated on a recurring basis. Consumers can scan a product label and access all the information on the website for that particular garment or accessory, view available stock in store, make a reservation or purchase online.
- The customer is offered various **options for collecting** orders placed via the online platforms, ranging from in-store collection in the next few days, or even the same day if the product is available, by making a ‘product reservation’ in the chosen store, to home delivery. **‘Click and Collect’** points have been set up in some stores for online collection, facilitating a better customer experience.
- Possibility of **multi-brand collection** enabled in different points of sale in Spain and Portugal, giving the customer the option to collect online orders of our brands in a store of another brand. This improves the accessibility of the service in smaller towns that do not have sales outlets for all brands.
- Implementation in selected stores of a pilot programme of **RFID** (Radio Frequency Identification) **technology** in Spain, which makes it possible to read a code associated with a product, cash register or other element.



Ongoing communication with the customer

Direct contact and multi-channel communication are key elements in the company’s customer service model, which seeks customer satisfaction as its main objective. Improving the shopping experience is only possible through transparent communication, based on ethics and responsibility, that responds to customer requirements.

We have an omnichannel tool integrated with the company’s systems, which allows us to respond quickly and dynamically to customer queries at the time and through the channel they prefer, from the same interconnected platform.

We act in accordance with the data protection and privacy regulations in force in each of the markets in which we operate. In addition, the teams in charge of data management have the necessary knowledge and training to use data appropriately within the limits authorised by our customers.

Security is another priority for us. For this reason, the labelling of the apparel includes all the necessary information, adapted to the requirements of international regulations and the different countries where they are marketed.

This includes relevant information such as origin, composition and care instructions in all pertinent languages.

Customer service

To ensure the highest quality of support, we have a multi-channel Customer Care Service (CCS), accessible by telephone, social media, email and post, as well as through a contact form on the company's website.

We train our teams to respond appropriately and provide quality, personalised service to customers in each of the over 80 countries in which we operate.

In 2023, a total of 2,692,245 procedures were carried out through the aforementioned channels. There was a year-on-year decrease due to the automation of processes such as credit notes. An overall satisfaction rate of 69.7% was achieved according to the post-customer service surveys conducted.

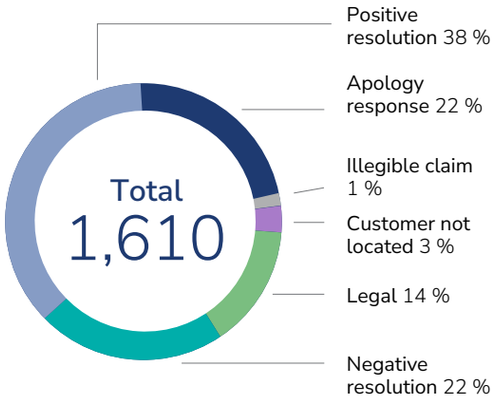
Over the course of the year, we received 1,610 complaints, of which 1,417 of which were official complaint forms. The complaint forms store are sent to the CCS for processing. To manage these, experts gather all the necessary information from the store and the departments involved and request more details from the customer if necessary. The decision is processed within the statutory time limits, which range from 10 to 30 days.

The company analyses the nature and content of complaints, as well as the opinions and suggestions received, with the aim of achieving continuous improvement that allows it to offer products and services of the highest quality, adapted to the preferences of its customers.

Depending on the final resolution, complaints are classified as follows:

- Apology response: these correspond to complaints of various kinds in cases where there is no problem to be solved.
- Positive resolution: the customer's request is met.
- Negative resolution: these are claims that are not admissible.
- Illegible claim: claims that have not been processed because the physical medium is illegible.
- Customer not located: it has not been possible to locate the customer in order to respond to them.
- Legal: claims handled directly by the legal department.

Breakdown of complaints by type of decision



24
countries where we have a Customer Care Service

10
languages served

903,882
customers served in 2023

8 channels of communication with customers

- Email accounts
- International toll-free numbers
- Social media accounts
- SMS message accounts
- Postal mail
- WhatsApp contact numbers
- Chats integrated into e-commerce websites
- Internal communication channels from other parts of the business

Loyalty clubs

The Cortefiel, Pedro del Hierro, Springfield, Women'secret and Hoss Intropia brands have loyalty clubs with more than 35 million members, with whom we want to build a solid and long-lasting relationship based on our product offer and exclusive benefits.

Two-way communication via mobile messaging, email, the website or social media allows us to get feedback on our products and customer preferences and needs, enabling us to improve in customizing our offer.



Our stores

We are committed to operating our stores, whether owned or franchised, in the most efficient way and with the lowest possible environmental impact.

Renewable energy

Since January 2020, all the electricity in our stores in Spain, logistics centres and headquarters has been renewable energy with a Guarantee of Origin Certificate (GoO). This reduces the carbon footprint and avoids the emission of an estimated 16,000 tonnes of CO_2 into the atmosphere per year.

Energy efficiency

Since 2020 we have been installing Eco Smart solutions in our stores based on the Internet of Things (IoT), aimed at consuming less energy and achieving greater comfort by offering the optimum lighting and temperature at all times. Energy consumption has been reduced between 19 and 32% in Cortefiel, Pedro del Hierro, Slowlove and Hoss Intopia stores depend on the area (Madrid, Andalusia and North area) where it has been implemented.

36% of our stores have LED lighting and we aim to reach 50% by 2026.

Sustainable materials

The use of eco-labelled materials in the renovation of furniture, lighting and flooring in stores has increased to ensure continuous, incremental improvement and greater energy efficiency with a smaller carbon footprint.

In-store efficiency improvements

In new store openings and renovations, older air conditioning systems are being replaced with new systems that allow for better adaptation and greater energy efficiency in the store.

Adapted spaces

All new store openings and renovations are planned and developed to ensure accessibility for people with reduced mobility. The in-store spaces, accesses, changing rooms and store features are all fully adapted, complying with legal regulations and reflecting our commitment to our customers. Regular assessments by our Occupational Health and Safety team help us to continually improve accessibility and progress towards an adapted shopping experience.

Shopping bags

More than 99% of our in-store bags contain paper from PEFC or FSC chain-of-custody certifications, through which we verify that the wood and forest products used come from forests managed according to sustainability criteria.

In addition, this year we decided to charge customers for the bag to encourage responsible consumption and reuse.

Store-to-store circular economy

When a store closes due to market conditions or the crisis situation, its assets are used to refurbish other retail spaces or for the opening of new stores. This practice has a positive impact on a number of environmental sustainability aspects:

- Less generation of solid construction waste as the elements are reused instead of ending up in landfills.
- Reduction of CO_2 emissions by avoiding the logistics involved in the purchase of new materials and products.







05 We are people

Our team / 101

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Our team

The people who are part of an organisation are its greatest asset, and we are confident that guaranteeing equal opportunities allows us to achieve sustainable growth, enrich our human capital and be more competitive.

We are committed to talent, and we understand that talent is irrespective of gender, disability, race, religion, and sexual orientation. That is why we believe in diversity as a competitive business advantage and we advocate equal opportunities and non-discrimination within the organisation, from recruitment processes to promotion and career development models.

Our team is located throughout our corporate headquarters in Madrid and Barcelona, our international offices, our logistics centres, and our entire commercial network of stores.

'Changes in organisations are only brought about and made by people, and our obligation at Human Resources is to provide our employees with the tools and training they need to meet these challenges and not be left behind'

Ramón Amorós,
Director of Human Resources

Our commitments to our employees:

- To have the best team of people, ensuring their health and well-being.
- To promote a work environment that is motivating and personally satisfying.
- To implement a remuneration system that helps to attract and motivate people.
- To promote inclusive recruitment, which allows us to select top talent.
- To have a team that allows the company to grow, making the most of their innovation capacity.
- To value all people based on equality and non-discrimination.
- To provide new challenges and fostering professional development so employees reach their highest professional potential.

10,063 employees on our team

8,649	1,414
Women	Men
86%	14%

87% Staff in stores

13% Staff in offices and logistics centres

Senior managers
230 (2%)
Women (62%)
Men (38%)

Middle managers
2,280 (23%)
Women (80%)
Men (20%)

Technicians and assistants
7,553 (75%)
Women (88%)
Men (12%)

Number of employees per country and their evolution

Country	2023	2022	2021
Bangladesh	8	8	6
Belgium	57	67	79
Bosnia	68	71	71
Bulgaria	16	14	16
Croatia	82	96	103
Spain	7,495	7,261	6,798
France	94	102	121
Hong Kong	49	48	51
Hungary	189	183	175
India	9	10	10
Luxembourg	25	24	24
Mexico	345	290	273
Montenegro	23	19	18
Portugal	1,334	1,276	1,270
Russia	21	193	356
Serbia	248	255	248
Total	10,063	9,917	9,619

Number of employees by gender, age and professional category

		2023		2022		2021	
Gender	Men	1,414	14%	1,417	14%	1,401	15%
	Women	8,649	86%	8,500	86%	8,218	85%
	Total	10,063	100%	9,917	100%	9,619	100%
Age range	Under 25	2,108	21%	1,980	20%	1,911	20%
	Between 25 and 35	3,841	38%	4,103	41%	4,123	43%
	Between 35 and 50	3,416	34%	3,190	32%	2,988	31%
	Over 50	698	7%	644	6%	597	6%
	Total	10,063	100%	9,917	100%	9,619	100%
Professional category	Managers	230	2%	232	2%	236	2%
	Middle management	2,280	23%	2,347	24%	2,397	25%
	Technicians	7,553	75%	7,338	74%	6,986	73%
	Total	10,063	100%	9,917	100%	9,619	100%





Distribution of staff and annual average by type of contract

Permanent contract		2023		2022		2021	
Gender	Men	1,267	1,270	1,271	1,262	1,163	1,174
	Women	7,276	7,229	7,209	7,043	6,073	6,011
Professional category	Managers	230	231	232	233	236	238
	Middle management	2,198	2,181	2,267	2,291	2,314	2,290
	Technicians	6,115	6087	5,981	5,790	4,686	4,658
Age range	Under 25	1,404	1,278	1,315	1,167	895	772
	Between 25 and 35	3,252	3,331	3,510	3,425	3,019	3,028
	Between 35 and 50	3,207	3,203	3,023	3,014	2,737	2,780
	Over 50	680	688	632	639	585	605

Temporary contract		2023		2022		2021	
Gender	Men	147	157	146	179	238	256
	Women	1,373	1,476	1,291	1,545	2,145	2,333
Professional category	Managers	0	1	0	0	0	6
	Middle management	82	99	80	85	83	74
	Technicians	1,438	1,532	1,357	1,638	2,300	2,509
Age range	Under 25	704	774	665	758	1,016	1,013
	Between 25 and 35	589	639	593	725	1,104	1,303
	Between 35 and 50	209	205	167	207	251	262
	Over 50	18	14	12	12	12	11

Distribución de la plantilla y promedio anual por tipo de jornada

Full-time working day		2023		2022		2021	
Gender	Men	880	891	899	907	887	905
	Women	3,444	3,475	3,531	3,549	3,465	3,480
Professional category	Managers	209	212	214	178	218	224
	Middle management	1,908	1,889	1,995	2,014	2,032	2,008
	Technicians	2,207	2,265	2,221	2,228	2,102	2,153
Age range	Under 25	355	370	429	456	493	426
	Between 25 and 35	1,644	1,683	1,795	1,794	1,766	1,832
	Between 35 and 50	1,819	1,803	1,734	1,725	1,652	1,676
	Over 50	506	510	472	482	441	452

Part-time work		2023		2022		2021	
Gender	Men	534	536	518	534	514	526
	Women	5,205	5,229	4,969	5,038	4,753	4,864
Professional category	Managers	21	20	18	17	18	20
	Middle management	372	391	352	363	365	356
	Technicians	5,346	5,354	5,117	5,190	4,884	4,014
Age range	Under 25	1,753	1,681	1,551	1,564	1,418	1,360
	Between 25 and 35	2,197	2,288	2,308	2,356	2,357	2,499
	Between 35 and 50	1,597	1,606	1,456	1,482	1,336	1,367
	Over 50	192	192	172	169	156	164

Number of dismissals by gender, age and professional category and their development

Contrato indefinido		2023	2022	2021
Gender	Men	120	98	135
	Women	602	477	556
Professional category	Managers	12	57	23
	Middle management	184	281	177
	Technicians	526	237	491
Age range	Under 25	211	177	162
	Between 25 and 35	315	242	299
	Between 35 and 50	173	131	188
	Over 50	23	25	42

Average remuneration by country (€)*

	Professional category			Gender		Age range				Average remuneration 2023	Average remuneration 2022
Country	**Managers**	**Middle management**	**Technicians**	**Men**	**Women**	**< 25 Years**	**25-34 Years**	**35-49 Years**	**>50 Years**		
Bangladesh	16,184	-	7,025	8,345	7,674	5,340	6,877	7,292	16,184	8,176	8,913
Belgium	-	50,138	32,029	46,539	35,398	29,626	32,595	35,907	54,742	37,224	35,412
Bosnia	-	13,329	10,601	28,024	11,296	11,163	10,064	13,447	32,799	11,837	10,081
Bulgaria	-	14,423	10,393	10,308	12,477	11,858	13,627	11,546	-	12,299	10,029
Croatia	87,561	15,156	12,587	14,797	14,602	13,702	14,987	15,507	13,011	14,607	11,571
Spain	83,928	32,932	22,047	35,869	24,930	19,900	22,850	29,297	38,854	26,639	25,755
France	115,330	37,783	28,297	31,623	31,926	30,215	29,930	31,728	38,646	31,872	33,790
Hong Kong	106,412	59,386	36,829	59,459	49,341	-	49,420	52,314	54,938	52,827	49,411
Hungary	51,785	16,741	12,646	14,857	14,818	12,763	14,256	19,579	24,599	14,825	15,094
India	16,818	7,528	7,368	7,528	9,163	-	7,022	8,563	36,192	8,632	10,099
Luxembourg	-	46,279	42,554	51,750	43,513	59,993	36,558	45,066	48,895	43,635	38,324
Mexico	33,718	16,377	11,252	12,681	14,628	10,076	13,862	20,024	10,257	14,065	12,103
Montenegro	-	14,952	10,094	-	12,112	10,266	11,571	12,885	-	12,112	9,459
Portugal	110,399	20,857	16,515	23,226	17,748	16,036	17,244	21,495	34,658	18,393	17,294
Russia	101,132	8,215	11,413	61,665	11,353	8,436	11,258	35,048	-	14,865	6,101
Serbia	93,353	11,221	8,495	27,376	9,567	8,881	8,477	14,943	21,109	10,616	10,521

* Calculated based on the total remuneration of staff (fixed + variable) converted from local currency to euros.

SDG 5 SDG 10

Equality, diversity and inclusion

We promote equal opportunities for people who want to join and grow in the company, regardless of their gender identity, age, culture, religion, or values. We believe that diversity, in all its forms, fosters creativity and accelerates innovation.

We work with a focus on empowering talent within the Group, so our employees can achieve their own growth and development which, in turn, will contribute to the growth and development of the company.

We guarantee best practices when searching for, selecting and retaining talent, ensuring the principles of equal opportunities and non-discrimination. Tendam chooses professional profiles that have the required technical skills and also fit in with our corporate culture and values. When establishing recruitment and remuneration conditions, it studies the employees' worth, regardless of their gender, country of origin, religion, disability, or sexual orientation.

At the same time, we are also committed to equality, diversity and inclusion for the customers of our various brands in the countries where we are present.



We use various tools to make good on our commitment to equality:

- An Internal Code of Conduct for Employees and an External Code of Conduct for Suppliers.
- A sexual harassment prevention protocol that compiles the basic recommendations on preventing situations of sexual or gender-based harassment at Tendam and establishes action guidelines.
- Protocol on using inclusive language in our communication channels.
- An internal protocol on using women's images that is applied to advertising campaigns, supporting healthy beauty standards and respect for personal dignity in all its facets.
- An Equality Officer who is in charge of the plans, programmes, projects and positive action campaigns regarding equal opportunities and gender equality in different areas of the company.
- A specific training programme on equality and non-discrimination.
- The 'Women Sponsoring Program' initiative to promote women's leadership in the quest for proportionality in senior management.
- We have joined the 'Empowering Women's Talent' initiative promoted by Teams and Talent. This is a programme on developing female talent, equality, and diversity that offers training and skills development programmes for women and mentoring and networking programmes.
- We are part of the 'Business Women Empowerment' initiative launched by Cinnamon News to help empower women in the fields of business and economics.
- 2nd Equality Plan.

86% of the workforce are women

62% of women are in management positions

50% of women are on the Board of Directors

The targets of 50% women on the Board of Directors and 60% women in management by 2025 have been achieved ahead of schedule.

574 hours of training on issues related to equality and non-discrimination

292 participants trained

Recognised for our commitment to equality and diversity

At the third annual Women's Talent Day, Tendam was awarded the Diversity Leading Company Seal, as a leading company in diversity and inclusion, and the Empowering Women's Talent Seal, for its commitment to female talent. Both awards highlight the company's commitment to diversity and inclusion in its internal management policies.

Tendam received the 'Diversity & Inclusion' award at PAI Partners Investors' annual Sustainability Club meeting. This award recognises all Tendam teams' work on creating and building a company that is open and committed to diversity and inclusion.





II Equality Plan

Tendam's Equality Plan presents a set of measures to promote equal treatment and opportunities between women and men in the company, eliminating discrimination on the grounds of sex. In the Plan, approved in 2021 and signed by the Negotiating Committee formed by the employees' legal representatives (RLT) and the company, specific objectives have been set, establishing the strategy and actions to be taken, as well as the monitoring systems that will allow their achievement to be evaluated. This Equality Plan applies to all company personnel, without distinction of any kind.

Goals of the Equality Plan:

Long term:

- Ensuring equal treatment and opportunities for women and men in access, hiring, recruitment, promotion and training, work-life balance, occupational health, sexual and/or gender-based harassment, gender-based violence, communication and corporate culture.
- Preventing and tackling gender discrimination in the workplace, especially indirect discrimination.
- Helping the company's employees balance their family, personal and work lives, promoting shared responsibility between women and men.
- Applying a gender perspective to all of the company's areas, policies and decisions (gender mainstreaming)
- Training key positions on sexual and gender-based harassment and gender-based violence.
- Standarising equality criteria and gender perspective in all areas of Human Resources policies.
- Ensuring equal pay for work of equal value by eliminating all forms of gender discrimination.

Short term:

Considering the general targets that have been set, objectives and actions are implemented that in some cases involve taking proactive steps. The short-term objectives and areas of action are oriented towards the following areas:

- Commitment to equality
- Working conditions
- Recruitment and hiring
- Promotions and professional development
- Remuneration policy
- Continuous training
- Organisation of working time, work-life balance and shared responsibility
- Occupational health
- Preventing and dealing with sexual harassment
- Communication: Awareness raising and Equality Gender-based violence

Wage gap

Tendam aims to guarantee that all its employees receive fair wages, based on objective criteria.

Tendam's adjusted pay gap in Spain has been calculated by segmenting between corporate services and stores. This concept comes from the difference between the average pay of men and women in equal circumstances, including factors such as having the same pay rate, age, seniority, geographical location and others. The result is drawn from the statistical analysis of multiple linear regression to isolate the possible impact of gender on wage gaps. Among the various analytical methods available, the one chosen for this report is the so-called "semi-logarithmic linear regression".

Wage Gap in Spain

	2023	2022	2021
Corporate office	**0.90%**	0.70%	0.80%
Stores	**1.10%**	0.80%	0.80%

Perimeter: 74% of the group's total workforce. The total workforce is not included as there are not digital systems for data processing in international countries. The scope will be extended in the coming years.



Workplace inclusiveness programme

The company has an inclusiveness programme focused on hiring people in vulnerable situations, including people with disabilities. This plan is based on the values of inclusion, equal opportunities and non-discrimination, and it also identifies and supports the talent and motivation of people at risk of social exclusion and people with disabilities. On the other hand, work is being done on incorporating elements of inclusion that promote offering adapted products and services.

At year-end, it had 55 employees with disabilities, of whom 45 were women and 10 men.

This Integration Programme groups together the following initiatives that are carried out to help integrate people with disabilities into the workforce, creating a favourable working environment where they can be welcomed and offered the ideal tools for their professional development.

In particular, these include:

- Active participation in volunteer activities for people with disabilities.
- A specialised training module for store managers to encourage them to recruit people with disabilities.
- Improvements to the hiring and recruitment procedure to make it more inclusive, based on job analysis to strengthen the possibility of recruitment from this group.
- Development of an internship programme for potential employees with disabilities in collaborating entities with the ultimate aim of hiring them.

The INSERTA Programme with the ONCE Foundation

Since 2019, Tendam has been working with the ONCE Foundation on its INSERTA Programme, which is periodically renewed every three years to promote the integration of people with disabilities into the workplace within the Group's companies. This initiative is supported by providing employees with the appropriate information through internal communication campaigns with the main objective of raising their awareness.



We are committed to continuing to make progress on inclusiveness in the workplace, promoting hiring people with disabilities and people at risk of social exclusion, so that they live and work in a society where equal opportunities are guaranteed for all. That is why Tendam promotes programmes aimed at different groups by working together with over 70 entities.

Initiatives and partnerships to promote workplace inclusiveness:

- Sumando oportunidades [Adding opportunities]: a programme aimed at young people at risk of social and employment exclusion, with the aim of detecting talent and generating employment opportunities through training, potentially hiring these students.
- Incorpora [Inclusion] Programme: an initiative of the La Caixa Foundation which we joined to promote the recruitment of women who have suffered gender-based violence, people over 45 years of age, people with disabilities and young people at risk of social exclusion.
- Fórmate con Garantía [Secure Training]: a joint project with the Secretariado Gitano Foundation to train young people under the age of 30 in skills for employment and personal development, in both theory and practice, with the aim of fighting against exclusion and discrimination of the Romani population.
- Historias de Vida [Life Stories]: a programme to accompany, through mentoring sessions, young people from 16 years of age in the development of key competences for their incorporation into the labour market.
- The Quiero Trabajo [I want to work] Foundation: a partnership with the foundation of the same name, to boost the employability of women who are at risk of social exclusion due to their situation as migrants, applicants for international protection and refugees, women over 45 years old, single mothers, etc.
- Project in partnership with the Castellón Down Foundation for the integration of its students into the workplace as part of the Social Responsibility actions linked to the company.

The Access Prize in the Secretariado Gitano Foundation Programme

The company received the prize awarded by the Secretariado Gitano Foundation in the category of “Transforming Company”, recognition given for our drive to incorporate Romani people into the labour market through sustained collaboration over time with the foundation’s employment programme.

2023 ‘Red Cross Employment Plan in Burgos’ recognition of the company

Our commitment and continued collaboration with the Red Cross and its employment plan was recognised by the Red Cross at a ceremony held in Burgos, where we were presented with this distinction.

Taking part in International People with Disabilities Day

On 3 December, we held a day of inclusive sport together with the Spanish Sports Federation for People with Physical Disabilities and the Madrid Basketball Federation. Over 40 employees travelled to the courts of the Caja Mágica to play, in wheelchairs, 3x3 games alongside the Federation’s professional players.



Agreement with Fundatul

The Group has signed an agreement with the Andalusian Regional Government so that people with disabilities can do practical training in the stores of our commercial network for three months, receiving financial compensation. This way we help to train them as sales representatives, improving their employability and increasing their chances of finding work.

At the Fundatul Foundation’s Fourth Annual CSR Meeting in 2023, the company was recognised as a company committed to inclusion and disability for our work in the Professional Experiences for Employment Programme (EPES) our partnership with Fundatul and the Andalusian Regional Government.



SDG 3

Safety, health and well-being

We look after our employees' health and well-being, as we consider guaranteeing proper health and safety conditions in the workplace to be one of our basic principles and one of our fundamental objectives, especially by eliminating occupational hazards and strictly complying with regulations.

To this end, we assume the obligations established under the Spanish Occupational Risk Prevention Act [Ley de Prevención de Riesgos Laborales] and its implementing regulations and consider them to be the minimum level of action in this respect. The company has an Occupational Risk Prevention Policy that is reviewed annually and that applies to all our workplaces and to all our staff. The Policy is approved and signed by the Chairman and CEO.

Through this Policy the company has committed to:

- Establish an occupational risk prevention system that has the appropriate means to achieve its aims.
- Encourage a preventive culture and promote actions that are not limited to merely correcting detected risk situations.
- Develop training and information activities aimed at promoting greater awareness of the risks arising from work and the preventive measures to be adopted.
- Encourage employees to ask questions and get involved in managing occupational risk prevention.
- Develop preventive and action plans aimed at continuously improving occupational risk prevention.
- Promote the planning of prevention by seeking a coherent whole that integrates technique, social relations, organisation and working conditions.
- Establish procedures for preventing and resolving possible situations of workplace harassment. Develop, implement and keep the prevention plan up to date. Integrate preventive activity at all levels and actions of the company.

Occupational Risk Prevention Service

Tendam has its own Prevention Service in Spain that covers the specialities of Safety at Work, Ergonomics and Psychosociology and Industrial Hygiene and an external service for Health Monitoring.

In Spain, the company has 85 Prevention delegates distributed in 31 provinces, representing 5,899 employees on ORP matters. Communication is constant and quarterly meetings are held with the 29 Safety and Health Committees that allow us to implement and consolidate the objectives that have been set regarding health and safety by continuously analysing and following up on planned preventive actions.

In 2023, the following actions in the area of occupational risk prevention were of particular note:

- Studying, detecting and preventing possible problems in the work environment at the work centres with 113 in-store assessments of Psycho-Social Factors.
- Carrying out or reviewing the Risk Assessments and the Evacuation and Emergency Plans in 182 stores.
- Training in Basic Life Support and semi-automatic defibrillation is provided and renewed every two years. During this period 5 employees went through the training.
- Health and safety training has been strengthened by training 7,280 employees through the online tool.
- Coordination of periodic medical examinations for employees at headquarters and warehouses. A total of 1,427 medical examinations were carried out.

5 facilities with a self-protection plan

2 of which were designed in 2023

5 facilities with defibrillators

100% Investigation of accidents and incidents

No occupational diseases were detected

There is no significant incidence rate or risk of suffering occupational diseases in the professional activities carried out in the Group and its brands.

With regard to indirect staff, we carry out coordination work to ensure that our suppliers' activities and operations are carried out in accordance with the agreed and legally required safety specifications, terms and conditions, to protect all the workers' health and safety.

Medical service at headquarters

The medical service at our headquarters, made up of its own staff, carries out preventive and care activities that ensure the safety of the different jobs.

- General practice consultation that dispenses medicine and prescriptions.
- Nursing care: monitoring blood pressure, blood sugar, dressings, injections, etc.
- First aid for work emergencies and accidents so they can be referred to a health centre.
- Flu vaccine campaigns.
- Optician and dental service arrangements.
- Collaboration with the Madrid Transfusion Centre.
- Internal communication campaigns focused on protecting mental health.
- Blood donation campaign.

Healthcare Assistance (Headquarters - Madrid)

General medical consultations	**5,965**
Medical and nursing actions	**6,163**
Medication dispensed	**2,750**
Employees who have taken part in the blood donation campaign	**64**
Employees receiving flu vaccination	**150**
Medical examinations	**1,427**

Be!HEALTHY

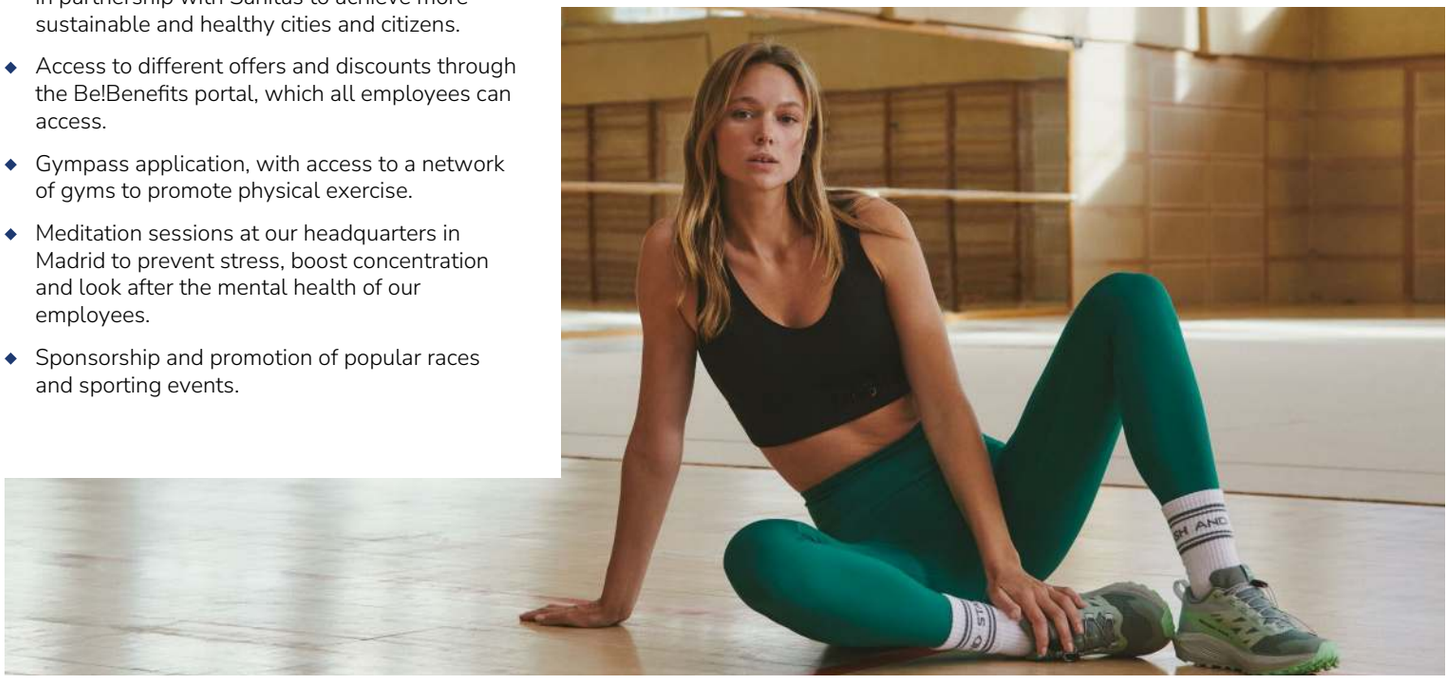
Tendam has an employee care programme called Be!Healthy, based on the premise that professional performance depends to a large extent on physical and emotional well-being.

The following actions were carried out in 2023 to promote employee well-being:

- Physiotherapy service at the central offices.
- Inter-company paddle tennis league that promotes sport among employees and contributes to creating healthy habits and strengthening team relationships.
- The Healthy Cities Challenge, developed in partnership with Sanitas to achieve more sustainable and healthy cities and citizens.
- Access to different offers and discounts through the Be!Benefits portal, which all employees can access.
- Gympass application, with access to a network of gyms to promote physical exercise.
- Meditation sessions at our headquarters in Madrid to prevent stress, boost concentration and look after the mental health of our employees.
- Sponsorship and promotion of popular races and sporting events.

Slowlove raises the profile of mental health

Our Slowlove brand continues to show its support for people with mental health problems by sponsoring the Manantial Foundation's 12th Charity Race for Mental Health. This action is in addition to the collaboration that the brand has been offering for several years to the Ropa Guapa [Pretty Clothes] initiative, the Foundation's charity clothing project managed by people with mental illnesses. In addition, on the occasion of Mental Health Day 2023, Slowlove took part in the annual charity trip that the Manantial Foundation organises with these people to hand out the clothes collected in the clothes drive to villages in Morocco.



Cardiac-Protected Spaces

We have created a series of cardiac-protected spaces that have automated defibrillators at the headquarters in Madrid, the logistics centre in Aranjuez, and in some stores. In addition, we have established a comprehensive cardiac protection plan to respond to any cardiac emergencies.

	Spain		International		
Accidents with sick leave	**Men**	**Women**	**Men**	**Women**	**Total**
Minor	16	142	13	72	243
Serious or very serious	0	0	0	0	0
Days missed due to accidents	450	4,257	265	1,138	6,110
Accidents without leave	20	86	-	-	106

Scope: no data on accidents without sick leave are available for international staff

Occupational accidents

	Men	Women
Frequency rate* (Number of accidents with sick leave at the workplace + while commuting x 1,000,000) /Hours worked	11.44	15.78
Severity rate** (Days of leave due to occupational accidents + while commuting x 1,000) /Hours worked	0.28	0.40
Days missed due to accidents	715	5,395

* (Number of accidents with sick leave at the workplace + while commuting x 1,000,000) /Hours worked

** (Days of leave due to occupational accidents + while commuting x 1,000) /Hours worked.

Employees trained in ORP

		Men	Women	Total
Staff in offices	Senior management	2	3	5
	Middle management	8	15	23
	Technicians	62	197	259
Staff in stores	Managers	222	1,559	1,781
	Assistants	523	4,689	5,212
	Total	**817**	**6,463**	**7,280**
ORP training hours		1,596	12,728	14,324

74% of the total workforce.

Evolution of ORP training

	2023	2022	2021
Number of employees trained	7,280	5,496	2,516
Training hours	14,324	16,243	14,677

74% of the total workforce

Absenteeism from work*

	2023	2022	2021
Men	75,470	141,681	129,207
Women	577,782	1,156,881	1,135,970

* Number of hours not worked due to accidents at work and common illnesses

Labour relations and social dialogue

Tendam encourages communication with trade unions, ensuring freedom of affiliation and the right of workers to be represented to defend and protect their labour rights.

The collective bargaining agreements in force represent improvements on working and employment conditions in relation to the legal minimum required under each legal system. The workforces in Spain, Belgium, Luxembourg, France, Mexico and Portugal is 100% covered by their respective collective bargaining agreements, with the sum of these countries representing about 93% of the total workforce. The corresponding labour law in each territory applies in the other markets where we are present.

In general, the procedures for informing, representing and consulting employees are included and regulated in the various collective bargaining agreements and are arranged through the labour representative bodies regulated within them. In Spain, the best-represented trade unions are UGT and CCOO. At a regional level, CIGA in Galicia, ELA in the Basque Country and Intersindical Canaria in the Canary Islands also stand out. Tendam applies the 52 provincial collective agreements of the textile trade.

Employees have effective and confidential channels at their disposal to report any type of infringement or breach of their collective bargaining agreements, such as the whistleblower channel. This ensures that the company is permanently listening to and entering into dialogue with its workers, and they improve the relationship between management and the workforce, making it possible to meet the different needs and keep employees informed at all times.

There are currently 31 company committees across Spain, and a total of 307 staff delegates and committee members. In 2023, there were 44 meetings with workers' representatives in Spain and 21 in the other countries.



About **93%**
of the workforce is covered by collective bargaining agreements.
All the employees in Spain are represented by a trade union.

Training and development

Tendam's commitment to the learning and professional development of our teams is based on the conviction that having our employees grow in the company drives excellence at work, while building and consolidating solid and lasting relationships.

We offer training for employees on a wide variety of topics, offering a course catalogue adapted to each employee's profile. We also believe that professional development is key to achieving objectives, as well as to providing an efficient and appropriate response to customers.

Each year, we draw up a Training Plan for implementation in Spain based on the principle of equal opportunities. Its content covers multiple professional disciplines, languages and knowledge for personal improvement. We have specific training plans for each role, with both in-person and digital formats, for our sales network and corporate services. Using an e-learning training method makes it possible to convey more knowledge to the maximum number of employees.

We believe in our employees' potential and provide career opportunities for those who want to learn and grow with us. For this reason, the company has established partnership agreements with various universities and business schools, offering discounts on postgraduate and master's degrees.

Our stores' teams are a fundamental part of our value chain. That is why from the moment they are hired, they have an 'Onboarding' training programme that will help them to get to know the brand, their duties, etc., followed by continuous training on skills (via Be!Talent) as well as product knowledge (via Be!Player). All this training will accompany them in their day-to-day work with content that will boost their performance. Furthermore, store managers participate in our Sales Schools, which are specific programmes that cover all the necessary content for carrying out their work as a manager.

As a novelty this year, 2023, we launched a 'Tailor-made training' programme. Employees can access their own personalised channel, after taking a test on their interests and skills, and can enjoy training in different areas such as sales, fashion, health and wellness and technology.

The data reported below are only applicable to employees in Spain, as no face-to-face or e-learning training is carried out in other countries where the company has its own staff, and training is exclusively carried out through the Gamification app.

In 2023

80,703 training hours

42,999 participants in training activities

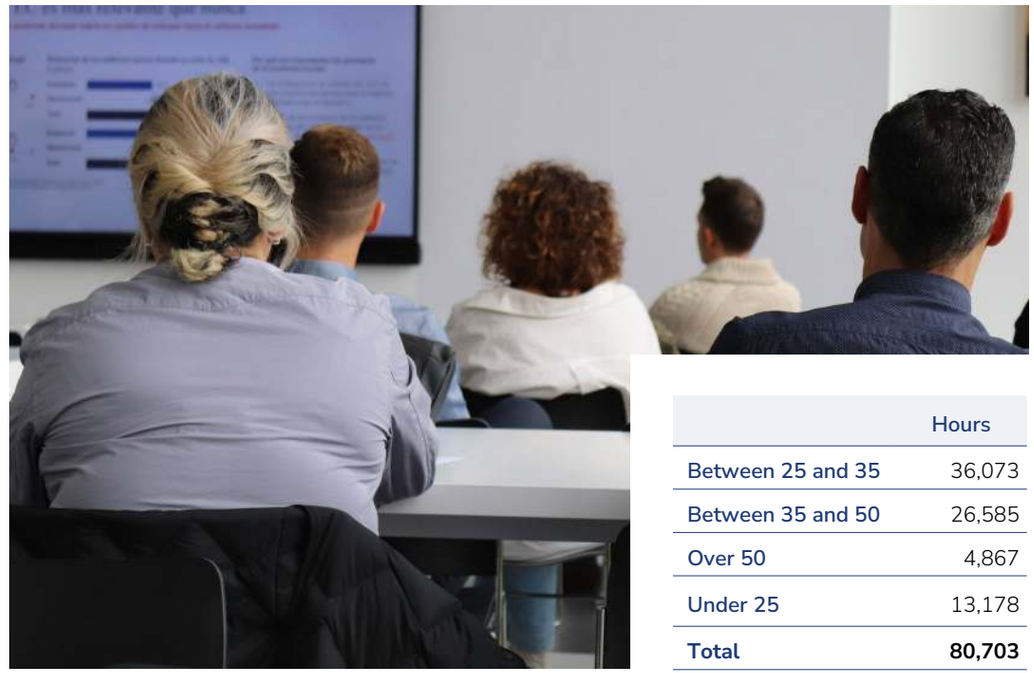
8,912 employees trained

14% men

86% women

Hours of training by professional category in Spain and its evolution

		2023	2022	2021
Corporate services	Senior management	**387**	335	153
	Middle management	**1,625**	1,179	935
	Technicians	**6,493**	4,367	3,101
Stores	Managers and assistant managers	**26,646**	27,653	14,010
	Assistants	**45,552**	34,080	5,625
Total		**80,703**	67,613	23,824



	Hours
Between 25 and 35	36,073
Between 35 and 50	26,585
Over 50	4,867
Under 25	13,178
Total	**80,703**

The training development and growth of our team is promoted through these initiatives:

Be!TALENT

Be!talent is the name of our online training and development portal that all our employees are given access to from the moment they are hired. It contains customised digital courses on skills (leadership, creativity, resilience, etc.) as well as mandatory courses (Risk Prevention, Compliance, etc.)

41,483
e-learning participants trained

96%
of total training

68,996
hours of e-learning training

85%
of total training

BUSINESS MANAGEMENT SCHOOLS

A training programme that takes place both in person and online, aimed at store personnel in Spain, both for managers and assistant managers.

- **Junior School:** for promoted employees or new hires, its objective is to train this group in personnel management, leadership, omnichannelling, ratios, etc.
- **Senior School:** for profiles that have been in the company for a longer period of time and need an update of contents related to their profile (Productivity, Situational leadership, Boosting sales, etc.).

Store employees trained:

62
Managers trained

93
Assistant managers trained

3,974
Training hours

Be!PLAYER

A gamification methodology that we use to provide store employees knowledge about products and the marketplace. It is a mobile phone app that seeks to increase participants' motivation through the game by means of competition and reward techniques such as accumulating points, moving up levels, challenges, etc.

Gamification has already been implemented for store staff training in Spain, Portugal, Hungary, Croatia, Mexico and Serbia, with very positive results. Our employees greatly value participating in this form of learning.

	Participants	Hours
Spain	13,328	14,135
Portugal	3,371	1,115
Croatia	36	11
Mexico	358	429
Total	**17,096**	**14,690**

Talent management

SDG 3

We firmly believe that our employees are what sets us apart. That is why we work every day to attract, develop, and retain talent, as we are aware that these are key issues for the profitability and sustainability of our business.

Our talent management is guided by the principles of ethics, collaboration, equal opportunity and respect for differences. Our strategy is based on attracting, developing and evaluating professionals through objective selection processes, personalised training, and internal promotion and mobility.

One of our objectives as an employer brand is to raise awareness about the professional development opportunities that Tendam offers within its different areas. Thanks to the work of our Human Resources teams in the various employment forums and programmes, more and more groups are aware of us and are showing an interest in our business and in joining our company.

As a talent management tool, we have a Management by Objectives programme which applies to all employees with variable remuneration. Each manager sets objectives for employees that are linked and aligned to the company's strategy in order to generate synergies between the company's purpose and that of each individual. These objectives have clear, measurable and quantifiable indicators agreed between the head of department and the employee.

For office staff, the departments distribute the objectives according to the director's criteria, always maintaining the rule of 20% qualitative and 80% quantitative objectives. The purchasing and design teams have 10% of the variable remuneration to sustainability objectives.

Internal promotion

Internal mobility is crucial for employees' development, since it fosters learning and professional development.

Some of our managers and team leaders have been appointed through internal promotion processes, the result of a firm policy in this regard and of a motivated workforce, which is flexible and able to take on new challenges and responsibilities. Through internal promotion, Tendam seeks to recognise talent and retain it within the company, offering each employee the possibility of professional growth suited to their objectives.

Promotions in 2023 in Spain:

86 promotions in offices — **77.90%** women

111 promotions in stores — **86.49%** women

Be!Growth – Performance Assessment Programme

Our employees' development is reflected in their annual performance. The company has a Performance Assessment Programme in Spain that serves to identify each employee's strengths and areas for improvement. It is carried out through an online portal, where each employee evaluates the performance of their work competently and each manager evaluates their employees. After the assessment, feedback interviews are held in order to establish individual action plans to enable the employee to continue to grow.

Scope of the performance assessment programme (in Spain):

Corporate Headquarters:

945 employees assessed

301 men / **644** women
58 Executives / **186** Middle Management / **670** Technicians

Stores:

1,360 employees assessed

195 men / **1.165** women
655 managers / **705** assistant managers

Committed to youth employment

We are committed to young talent, working to create opportunities through a Professional Internship Plan. The aim is to find people who are eager to learn our trade, with an attitude in line with the company's values and motivated to provide excellent advice to our customers. We provide them with the tools they need and personalised mentoring from the field.

Tendam has agreements with more than 330 regulated educational training institutions for employment, public institutions and social entities with which we seek to promote the inclusion of young people and groups at risk of exclusion from the labour market.

We have spent years training hundreds of young people, offering them guarantees of success and a high rate of subsequent recruitment. All this positions us as a benchmark for leading associations in Spain, which we share our good results with each season thanks to the training, recruitment and employability of their members.

Internships and new hires in Spain

	Headquarters	Stores
Alumnos prácticas	203	822
Subsequent Recruitment to Staff	16.75%	27.37%

Work-life balance

Work-life balance and organisation of working time is fundamental for our employees, for them to balance their work with their personal lives. That is why the company offers specific measures to contribute to a flexible, open, and tolerant environment for the benefit of employees, which is key for attracting and retaining talent, especially for younger generations.

To facilitate their work-life balance, the company offers its employees in Spain a Flexible Remuneration Programme that includes products and services on advantageous terms, such as childcare vouchers, health insurance, study assistance and the purchase of computers, among others. In addition, Tendam also has a digital disconnection policy that applies to the entire workforce.

86% of the workforce are women, which means that an extra effort is made to try to facilitate work-life balance, including protective measures during pregnancy. In fact, the company has protocols for pregnancy and breastfeeding, ensuring compliance with the legal requirements of the country in which the employees work in, in terms of maternity and paternity leave.

In addition, the workforce in Spain receives social benefits that are adapted to the sales network and corporate services profiles.

Employee benefits in Spain:

- Canteen and medical service at the headquarters.
- Full medical examinations.
- Well-being programme: physiotherapy, mindfulness and promotion of sporting activities.
- Childcare vouchers.
- Medical insurance.
- Education grants for all children of employees under 16.
- A discount card for all the Group's brands.
- Be!Nefits employee benefits club.
- Meal vouchers.
- Public transport passes.
- Training benefits.
- Remote working (from home) once a week

Number of leave days due to the birth of a child

	Spain		International	
	Men	Women	Men	Women
No. of days	1,945	29,301	8	44,515

Leave days and leaves of absence in Spain by number of employees

	Men	Women	Total
Maternity and paternity leave	2	3	**5**
Risk during pregnancy	0	281	**281**
Reduction in working day for guardianship of a child under 12	15	779	**794**
Reduction in working day for caring for family members	3	14	**17**
Reduction in working day for personal reasons	0	10	**10**
Reduction in working day for caring for sick children (minors)	3	14	**17**
Voluntary leave	44	254	**298**
Leave of absence to care for family members	0	12	**12**
Maternity or paternity leave	2	114	**116**
Compulsory leave	0	0	**0**
Special leave	1	27	**28**

Scope: Spain (74% of the workforce)

The company has a planning and time management tool for store staff in Spain, called SISQUAL, which allows them to plan their schedules and keep track of their working hours thanks to a fingerprint-based clocking in system.

Giving back to society

We are committed to acting for the benefit of society by making financial contributions and implementing projects with a positive social impact. Our contribution is also manifested through donations in kind, as well as through our direct involvement in corporate volunteering.



We strive to bring out the best in the people who are part of our team, putting our assets and capabilities at the disposal of the communities in which we operate. We seek to intensify our contribution to society in the short and long term.

Collaboration with the Lealtad Foundation

To select which charities to contribute to, Tendam uses the transparency analyses of the Lealtad Foundation, which aims to assess the suitability of the entities with which partnerships are established. In most cases, it chooses certified organisations.

Acting in emergency situations:

- In response to the earthquake in Morocco in September, the company mobilised a donation of warm clothing through the ONCE Foundation and the Inserta Forum, who organised the sending of an emergency contingent to the people affected by the earthquake.
- In response to the catastrophe caused by Hurricane Otis in Acapulco, we activated a clothing donation with which we have been able to help more than 2,000 families. Thanks to the collaboration of 5 representatives from the 'Inclúyeme' [Include Me] Foundation and 50 local volunteers, 2,000 packs of clothes were organised and distributed in one week.
- In collaboration with the NGO Olvidados, an organisation focused on protecting underprivileged children, the company organised a campaign to collect soft toys to comfort children affected by the war and the earthquake in Syria. A total of 180 soft toys were collected.

Training and promotion of talent

- **Tendam Sustainability Classroom with the Polytechnic University of Madrid**
  The Tendam Classroom on Sustainability, Responsibility, and Innovation in Fashion Design in collaboration with the Advanced Fashion Design Centre of Madrid (CSDMM), affiliated with the Polytechnic University of Madrid (UPM), carries out a training mission with a threefold objective: supporting talented young people, training and professionalising the sector, as well as showing a clear commitment to sustainable innovation from the design process.
- **Professor position at ISEM Fashion Business School.** The Tendam Professor at ISEM, a business school of the University of Navarra specialising in fashion, focuses on fostering young talent and motivating their professional growth to promote employability. Tendam shares the aim of training professionals to work in the fashion industry by building their negotiation and leadership skills.
- **European University Programme on sustainability and employability.** We participated as a benchamark partner in this sustainability programme promoted by Glasgow Caledonian University and financed by the European Erasmus+ programme. The programme aims to provide the next generation of professionals in the sector with all the necessary knowledge on sustainable matters. We participated in this initiative in collaboration with various academic institutions: The Polytechnic University of Valencia, Villanueva University of Madrid and other schools in Portugal and France.
- **Future Retail Challenge.** This is a competition that brings together teams from different corners of the world, within the framework of the World Retail Congress, in which the company is a jury member. This year the challenge was to present a project that would revitalise a famous shopping centre in their city that had closed many of its stores after the pandemic.

Conference to improve youth employability

The **Quiero Trabajo Foundation and the Pinardi Federation** held a conference to improve youth employability within the framework of the 'First Professional Experience' programme, which aims to provide job and training opportunities for young people in vulnerable situations. The conference was attended by 100 young people and 50 mentors from leading companies, including Tendam, with the head of corporate head office recruitment participating as a speaker in a day in which an inclusive approach was presented that breaks down the barriers that often exist between young people and companies.

Always on the side of women

- **#Simeimporta movement.** This project celebrates ten years with the Dexeus Foundation and Women'secret, helping to normalise the daily lives of women who have lived through breast cancer. This year, #símeimporta wanted to give visibility to a topic that is still not talked about: sex after cancer, together with the writer Megan Maxwell. In addition, the proceeds from the collection of charity panties designed by the brand were donated to the 'Recovery of intimate well-being after cancer' programme.
- **Real Changers scholarship.** For the third consecutive year and on the occasion of International Women's Day, Women'secret promoted this initiative through which it offers three scholarships of up to EUR 8,000 through a competition so that three women can make their academic dream come true.
- **ByBy Women's solidarity project.** Pedro del Hierro brings together eight inspirational women who are leaders in their respective fields to co-design – eight capes with the help of Nacho Aguayo, creative director of Pedro del Hierro Women – the 'ByBy' Collection, the profits from which have been earmarked to support one of the eight female micro-entrepreneurship and social impact projects presented by these inspirational women.



Other initiatives with a social impact:

- **The Save *Posidonia* Project by Hoss Intropia.** Hoss Intropia contributed to the Save Posidonia Project to preserve the marine plant Posidonia oceanica for the third consecutive year. With its #EcoHoss initiative, the brand managed to sponsor a total of 52,482m2 of Posidonia meadows on the coast of the island of Formentera, thus helping to regenerate the marine ecosystem.
- **The Telva Solidarity Awards.** Just as we have been doing for the last 13 years, this year we also sponsored the TELVA Solidarity Awards. Tendam presented the 2nd national prize of the Telva Solidarity Awards 2023, destined for the ASPACE LEÓN Foundation for its project for the rehabilitation of the children of the La Luz Special Education School in León.
- **Aladina Xmas Weekend.** In December, the 'Xmas Weekend' of the Aladina Foundation was held, in which our brand Pedro del Hierro had a stand of women's clothing donated by the brand. The proceeds from the market were donated to the children and adolescents supported by the Foundation to help them cope with cancer.
- **Caps for a new life.** Since 2016, we have been collaborating with the Seur Foundation in its Tapones para una nueva vida [Caps for a new life] project, which consists of collecting plastic caps, that are recylced and the proceeds go on to facilitate access to medical treatment for children with rare diseases. Since the collection began, we have delivered over 1,300 kg that have helped more than 16 children improve their quality of life.
- **Women'secret continues to collaborate with the Juegaterapia Foundation.** The brand has added the Juegaterapia Foundation's Baby Pelones doll collection to its website. On the occasion of Childhood Cancer Day, the profits from the 1,592 Baby Pelones sold in November and December were donated to the 'El Jardín de mi Hospi' [My hospital's garden] project at the Children's Hospital of Málaga. The funds raised were used to buy three swings for the children to play on during their stay while they receive their treatment.
- **Perfectly imperfect to raise awareness of disabilities.** For the fifth consecutive year, Cortefiel and the Cadete Foundation are joining forces in a charity initiative whose main objective is to raise awareness of the reality of disability. This year the new collection of T-shirts called 'Tiny Cottons X Perfectos Imperfectos: Sin límites' [Tiny Cottons X Perfectly Imperfect: No Limits] has been created in collaboration with Tiny Cottons, and its designs have been created by Barbara Bruno, the brand's artist and mother of Greg, a child with autism.
- **Pitching in with the 'Reyes Magos de verdad' [Three Real Wise Men] initiative.** Once again, we joined the 'Reyes Magos de verdad' campaign in a year in which, more than ever, high spirits are essential. More than 100 people from the Central Headquarters participated in the initiative to collect 180 gifts, both for children as well as for the elderly living in senior citizens homes.
- **Our employees go to the soup kitchen.** For the fifth consecutive year, a group of Fifty employees visited the Soup Kitchen of the Saint Vincent de Paul Daughters of Mercy of María Inmaculada School in Madrid, aimed at people with fewer economic resources and at risk of social exclusion. The brand provided a financial donation of EUR 2,000, in addition to the active collaboration of our volunteers.
- **The Involucrados [Involved] project:** this year's project was a record-breaker. The Involved Project aims to promote different social actions related to disability, women and progressive neurodegenerative diseases. The 2023 call for proposals ended with the selection of the ANAR Foundation, Bombay Smiles, Down Syndrome Madrid and the Bobath Foundation. A total of EUR 164,475 was donated. This is the highest amount that has been donated since the project began in 2005.
- **Slowlove makes mental health visible.** The brand has been collaborating with the Manantial Foundation since 2019 with several projects, 'Ropa Guapa' [Pretty Clothes] a charity clothing project, participating as a sponsor of the 12th Race for Mental Health and in the trip to Morocco to the villages where Initiative Association carries out development projects. The aim of all these initiatives and of the foundation is to support people with mental health problems and to work to overcome the social stigma caused by mental illness.

The 'Overcoming the Digital Divide' Awards

Tendam was also awarded at the Adelias Foundation's 1st annual 'Awards Against the Digital Divide' held with the support of CyberLideria. This award highlighted the company's donation of 150 computers to the 'Digital Resources Bank', created by the foundation and the network of directors with the aim of reducing the digital divide between boys and girls in education.



Donation of clothes

In the company, we encourage the reuse of our garments to help charity organisations. For this reason, we have implemented a donation programme based on two main initiatives:

- Through the **Involucrados** [Involved] project, we promote the use of the samples we use to design garments, as well as in our e-commerce department or in our showroom, which cannot be put on the market for sale, and that, through their sale in solidarity with this project, we manage to give an economic value that benefits the entities selected for each edition.
- Furthermore, we encourage **donations to non-profit organisations** for their own use or so they can sell the products in their own charity shops, with the profits going to the organisation itself.



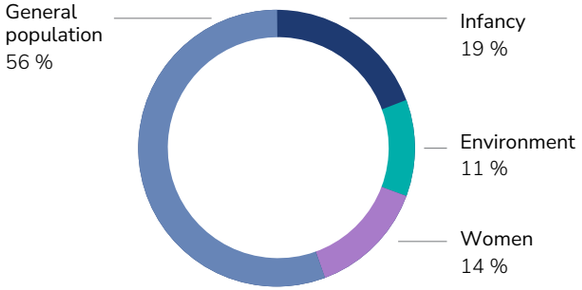
	2023	2022	2021
Garments donated	**19,470**	35,460	29,550
Monetary value (€)	**129,800**	236,400	197,000
Requests accepted	**132**	121	105

Item	Entity	Amount (€)
TELVA Solidario	ASPACE LEÓN Association	9,000
Perfectos Imperfectos	Cadet Foundation	18,000
Save Posidonia Project	Formentera Island Government	29,414
Slowlove Morocco trip	Manantial Foundation	5,000
University of Navarra Clinic/ Children against cancer	Applied Medical Research Foundation	1,200
TENDAM Solidarity Week	Libera Project (SEO BIRDLIFE)	2,175
	Madrid Down Syndrome Foundation	1,000
	Quiero Trabajo Foundation	2,500
Involved	Down Syndrome Foundation	36,491
	Bobath	54,222
	Anar Foundation	40,156
	Smiles for Bombay	33,605
International People with Disabilities Day	Spanish Federation of Sports for People with Physical Disabilities	4,000
Women'secret	Fundación Dexeus Mujer	35,945
Charity donation	CODESPA Foundation	5,000
	TOTAL	**277,708**

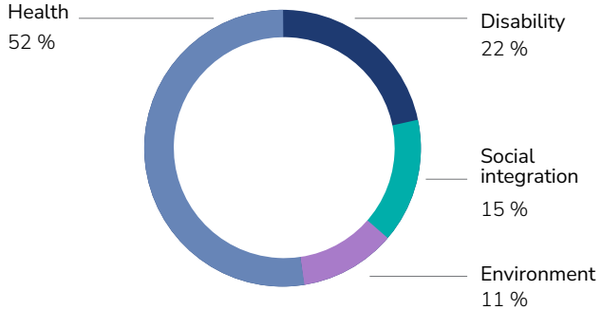
Other contributions: partnerships

Item	Amount (€)
Annual fee SERES Foundation	20,900
Annual fee Lealtad Foundation	5,000
Tendam Chair - U. of Navarra/ISEM	30,000
Tendam Chair - Polytechnic University of Madrid	20,000
Leading Brands Forum	12,000
Total	**87,900**

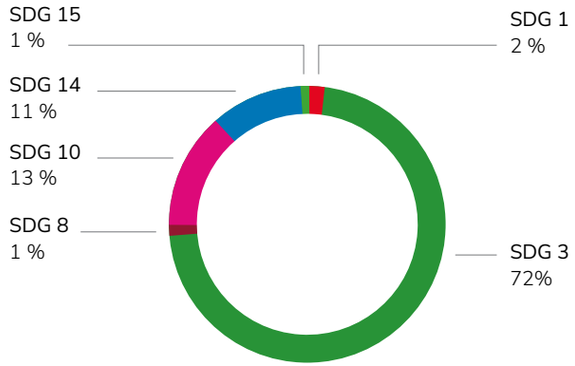
Social impact generated by beneficiary group



Social impact generated by sphere of activity



Impact generated on the SDGs to which Tendam's social action contributes





SDG 5 SDG 8 SDG 10

Corporate volunteering

Through the corporate volunteer programme, Somos Voluntarios [We Are Volunteers], employees actively collaborate in various social and environmental programmes that give them the chance to add value to society. With this initiative, the Group puts the talent of its professionals at the service of charities. This generates a positive internal and external impact that brings us closer to society.

Solidarity Week at Tendam

The Tendam's Solidarity Week was held from 26 to 30 September 2023, within the framework of the 8th anniversary of the approval of the SDGs. This event offers the company's employees the opportunity to participate in social and environmental volunteering activities.

Six volunteer rounds with a total of 108 slots were made available to give employees the opportunity to devote their time to social and environmental volunteering.

On a social level, with the activities carried out in collaboration with the Quiero Trabajo Foundation, the Madrid Down Syndrome Foundation and the Paula Montal Project associated with CaixaBank's social action programme, more than 50 people were helped directly. On an environmental level, together with SEOBirdlife and Ecoembes, the volunteers contributed to improving the state of the Valmayor reservoir.

Solidarity Week is an initiative that is part of this company's corporate volunteering programme, Somos Voluntarios [We Are Volunteers], which enables our employees to contribute value to society. Volunteering is a mark of Tendam's identity. With these volunteer actions we have contributed to three of the six priority SDGs for Tendam: Gender Equality (SDG5), Climate Action (SDG13) and Partnership to Achieve the Goals (SDG 17).

108 volunteers

245.5 volunteer hours



06 We are planet



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Committed to the planet

Our commitment to the environment is based on the belief that our future growth depends on actively addressing the challenges facing our industry and the world in which we live.

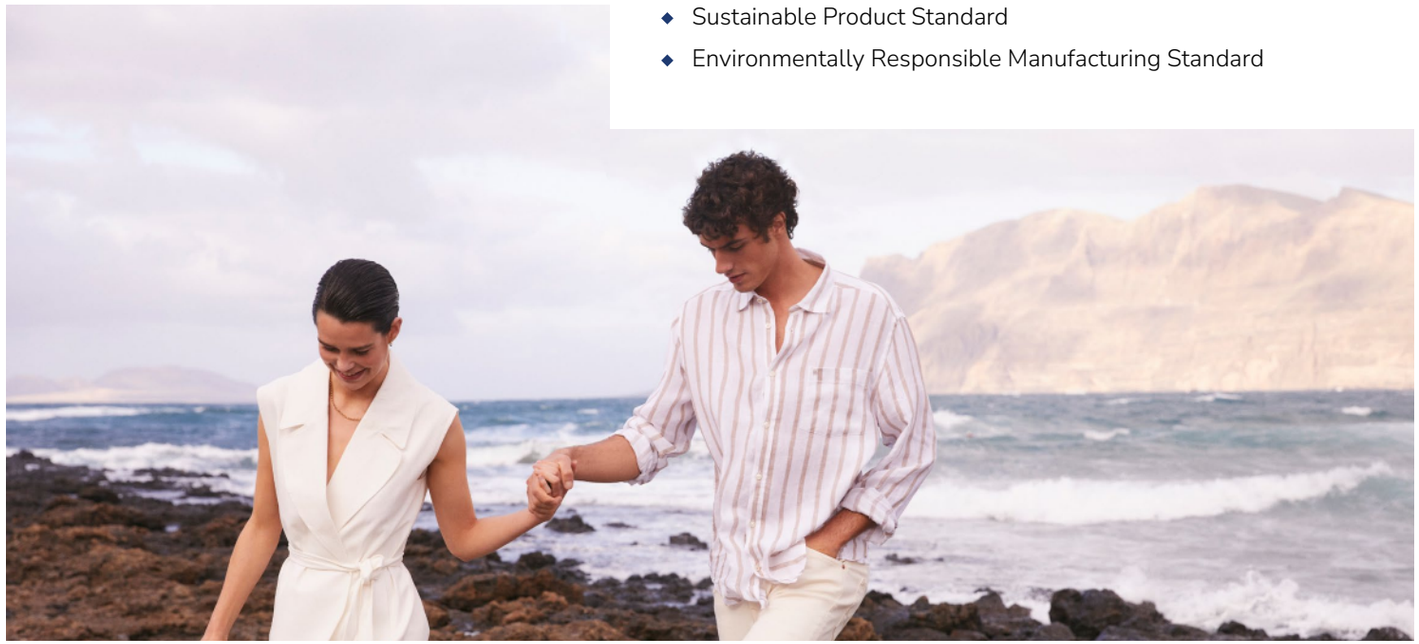
The environment is seen as a critical factor in our operations, and we are constantly working to review and improve the impact of our operations and the production cycle of our apparel.

Our Strategic Sustainability Plan includes actions on environmental issues, where we set specific targets in different areas related to circularity and waste management, emissions reduction and energy efficiency, among others.

Internal environmental regulatory framework:

Tendam has a comprehensive internal regulatory framework that ensures respect for the environment in our operations.

- Corporate Purchasing Policy
- Responsible Purchasing Policy
- nternal Code of Conduct
- External Code of Conduct for Suppliers
- Sustainable Product Standard
- Environmentally Responsible Manufacturing Standard



External assessments of Tendam's sustainability performance

Every year, in accordance with Spanish legislation, we publish the Company's Non-Financial Information Statement, which details Tendam's sustainability commitments and performance, and whose content is verified by an independent third party.

In addition, we measure our performance through various rankings and/or assessments according to international standards, as a sign of our firm commitment to the environment and our commitment to responsible transparency. In 2023 we obtained an A- rating in the Carbon Disclosure Project (CDP) Climate, the result of which consolidates Tendam as a benchmark company in the fight against climate change and maintains its leadership position.

This year we have been awarded the Ecovadis Platinum Medal, the highest rating, thanks to the company's good practices in the areas of the environment, labour and human rights, ethics and sustainable sourcing. This steady progress has placed us in the top 1% of companies in terms of sustainability.

We use the results of these assessments to take an in-depth look at our performance and identify opportunities for process improvement.

Partnerships to join forces for the planet

At Tendam we recognise the need to work with others to further advance climate action and make a real contribution to the Sustainable Development Goals, which is why we voluntarily work with other companies and cross-sector associations.

THE FASHION PACT

The Fashion Pact is a global alliance of fashion and textile companies focused on accelerating and scaling up the environmental sustainability through collective action. We have been part of the Fashion Pact since 2019, and we are actively involved in the organisation's decision-making process through our participation in its Operating Committee.

Through this partnership, we are committed to the three pillars of the Fashion Pact, with the aim of achieving the following goals in each pillar:

Mitigating climate change

Targets	Progress
Members must have established targets in Scopes 1, 2 and 3 (validated by SBTi or approved alternatives)	We have committed to emissions reductions through the adoption of our science-based targets in Scopes 1, 2 and 3 (validated by SBTi)
Ensuring that 25% of key raw materials have a lower climate impact by 2025	We support climate adaptation and resilience through sustainable sourcing of key raw materials with the target of 50% of garments with more sustainable features by 2025
Achieving 100% renewable energy in all our operations by 2030	The company sources approximately 76% of its energy consumption from renewable sources and we have set a target of 100% by 2030 (validated by SBTI)

Restoring biodiversity

Targets	Progress
Developing individual biodiversity, research and capacity building projects	We are working to understand and prioritise our relationship with biodiversity and will develop biodiversity strategies in the coming years that will enable us to prioritise the actions we need to take in our supply chain.
Supporting zero deforestation and sustainable forest management by 2025	The protection and sustainable management of forests is a priority for us. 99% of our paper bags and paper/board packaging for online shipments are Chain of Custody (CoC) certified: PEFC (Programme for the Endorsement of Forest Certification) or FSC (Forest Stewardship Council) certification, which guarantee that the wood or other forest products used come from forests managed according to sustainability criteria.

Protecting the oceans

Targets	Progress
Eliminating problematic and unnecessary plastics from B2C packaging by 2025 and B2B packaging by 2030	Our strategy includes measures to eliminate 'single-use plastics' in B2C packaging by 2025 and in B2B packaging by 2030 In 2023: 100% packaging online shipments in paper-cardboard. More than 99% of the bags in the store are made from certified paper. The recycled plastic used in the polybags is certified according to the UNE EN 15343 standard.
Ensuring that at least half of all plastic packaging has 100% recycled content, by 2025 for B2C and by 2030 for B2B.	

United Nations Global Compact Business Ambition 1.5°C

We are continuing our efforts to set science-based target emissions reduction targets by joining to the United Nations' Business Ambition 1.5°C initiative. This initiative is aligned with The Fashion Pact and sets a target of net zero emissions by 2050.

United Nations Fashion Industry Charter for Climate Action

We are part of this initiative led by the United Nations Climate Change Office and are reinforcing our commitment to the 16 principles set out in the Fashion Industry Charter for Climate Action. These principles, which focus on the fight against climate change, are linked to the main goal of reducing emissions by 2030, and membership implies acceptance of the Charter's commitments.



Retailers por el Clima

Since 2022, we have been part of Retailers por el clima. This is a strategic environmental alliance presented by companies from the retail sector: Alcampo, Ecoalf, Ikea, L'Oréal, Mango, Sepiia and Tendam, whose main objective is to achieve a recovery based on carbon neutrality, in line with European targets and SDG 13, Climate Action. Its climate commitments are fivefold: transparent and committed partnership, a fair and sustainable future, a circular approach to our products, inspiring more sustainable living and working together for the climate.

Collective System of Extended Producer Responsibility (SCRAP)

In 2022, together with Decathlon, H&M, IKEA, Inditex, Kiabi and Mango, the company promoted the creation of the Association for the Management of Textile Waste (AGRT), with the aim of managing textile and footwear waste generated in the Spanish market through a Collective System of Extended Producer Responsibility (SCRAP). This alliance will make it possible to comply with the new regulations and actively contribute to the construction of an economic and productive system of a circular nature, based on an increasingly consolidated and efficient system of collective recycling of textile waste.

Environmental strategy

Given the growing importance of our environmental activities, a climate roadmap has been defined within the Sustainability Plan in line with the objectives of the Paris Agreement. It consists of a holistic approach with five strategic pillars, based on continuous innovation and collaboration with all members of the value chain.

Climate Roadmap

Status of completion of the actions listed in the Climate Roadmap: Completed ● In process ◑ Pending ○

PILLARS	Corporate governance and climate change strategy	Carbon neutrality	Circular economy	Commitment	Transparent reporting and communication
TARGET	Develop internal sustainability policies and the creation of a highlevel, organisation-wide climate change issue responsibility map.	Monitor the carbon footprint and define reduction strategies.	Expand sustainable product lines and develop sustainable design tools. Use of recycled materials and promoting recycling of our products at the end of their life cycle.	Promote climate awareness among Tendam's stakeholders and promote transformation in all phases of our value chain, internally and externally.	Promote transparency as the basis of our commitment to positive performance.
ACTIONS	● Redefining the structure of responsibilities associated with the climate change strategy in government bodies. ○ Setting up a system of monetary and non-monetary incentives linked to the achievement of environmental goals. ● Creation and implementation of a new methodology to assess climate risks and opportunities. ○ Implementation of financial tools that support the evaluation of projects and initiatives related to climate change.	● Reviewing and extending the scope of the carbon footprint calculation to the entire value chain, setting up specific goals and the implementation of an internal monitoring tool. ○ Evaluating the incorporation of sustainable criteria in buildings through a Global Policy. ◑ Increased consumption of renewable energy in all operations and promotion of its use in the supply chain. ◑ Evaluating the implementation of a Sustainable Mobility Program. ◑ Evaluating the participation in emission offsetting programs.	● Implementing a tool to monitor sustainable materials. ○ Developing a Responsible Design Policy. ◑ Implementing training programs in sustainable design for the areas in charge. ◑ Developing a global waste reduction program for phases with higher generation.	◑ Designing an engagement and collaboration strategy with stakeholders to promote good practices related to sustainability and climate change. ◑ Extending the collaboration with sectoral and global projects and initiatives. ◑ Designing and developing a training program on sustainability and climate change for suppliers. ◑ Updating the sustainable purchasing procedures, enhancing the criteria related to climate change.	● Implementing improvements to the annual sustainability report at all levels, following the pertinent recognised standards. ● Updating the internal reporting system on climate issues. ● Extended participation in performance and disclosure initiatives relevant to the organization.

In line with our climate roadmap, the company has set specific, measurable targets that define the goal we want to achieve in combating climate change and promoting the transition to a low-carbon economy.

In 2021, Tendam's targets were endorsed by the Science Based Target initiative (SBTi) with 2019 taken as the baseline year. SBTi is a partnership between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) that promotes the establishment of science-based standards and targets for reducing emissions.



SHORT-TERM TARGETS (2030)

SCIENCE BASED TARGETS

Scopes 1 and 2 Direct emissions and emissions from energy consumption	"We commit to an absolute reduction of greenhouse gas emissions in Scopes 1 and 2 by 46.2% in 2030 with 2019 taken as the baseline year."	46.2% Reduction by 2030
Scope 3 Product-related emissions	"We commit to a reduction of greenhouse gas emissions per €m of scope 3 turnover by 62% by 2030, with 2019 as the baseline year."	62% Reduction by 2030
Renewable energy	"We commit increasing renewable energy in our operations to 100% by 2030."	100% Renewable energy by 2030



Governance of environmental issues

The value that Tendam places on environmental management, in line with its strategy, is embodied in an ad hoc system of governance that starts with its governing bodies and has in the figure of the CEO its figure of maximum responsibility.

The corporate sustainability team works closely with the various departments of the company, especially those linked to product and marketing of our brands, as well as human resources, supply chain, customer and legal, among others.

Governance structure for material matters

Structure level	Body	Functions
Board of Directors	**Sustainability Committee** Comprising Tendam's chairman and CEO and two female directors.	Its main functions are to oversee the company's proposals in the social, environmental, human rights, health and safety areas of the products marketed, as well as relations with the various stakeholders within the scope of its competencies.
	Audit and Risks Committee Comprising members of the Board of Directors, it acts as an advisory body reporting to the Board of Directors.	The Audit and Risk Committee is responsible for overseeing enterprise risk management and mitigation activities across a range of risks, including environmental risks.
Management Committee	**Sustainability and Human Rights Committee** Comprising the general managers of supply chain, sustainability, legal, customer, HR and internal audit.	A collegial body responsible for the oversight of the ESG roadmap, as well as the implementation and enforcement of ESG policies and contribution to the SDGs.

For its part, the sustainability department implements and monitors sustainability policies, targets and indicators.

Specifically:

- It reports directly to the Chief Executive Officer and to the relevant designated bodies, which report to both the Management Committee and the Board of Directors.
- It monitors key indicators and progress against defined targets with senior management -CEO, CFO, chief risk, security and compliance officer.
- It works with the brands, coordinating and motivating their managers to implement the company's sustainability purpose and strategy.

Climate change risks and opportunities

The risks and opportunities arising from climate change are part of the company's current risk map and therefore the Board of Directors oversees the climate strategy. The Audit and Risk Committee, one of the Board's key advisory bodies, is tasked with ensuring compliance with the mitigation and correction plans related to climate risks.

Identifying and assessing climate-related risks and opportunities is critical to managing our business and defining our short, medium and long-term strategies.

We are committed to assessing climate risks in order to make further progress in mitigating climate change, strengthening our adaptive capacity and preparing for its impacts.

We have adopted the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD) to improve our understanding and reporting on the risks and opportunities derived from our activity in relation to the climate.

For more information on this topic, please refer to the relevant section in Chapter 7.

Greenhouse gas emissions

During the 2023 financial year, a rigorous and exhaustive analysis has been carried out to calculate the carbon footprint following the structure and methodology of the international Greenhouse Gas (GHG) Protocol standard and the Scope 3 technical guidelines as the basis for the calculations.

The carbon footprint describes the total amount of CO_2 and other greenhouse gas (hereinafter GHG) emissions caused directly or indirectly by our activities.

The GHG Protocol provides the requirements and guidance for quantifying and publicly reporting an inventory of GHG emissions and removals at the organisational level, across the value chain. It also enables transparent disclosure of corporate GHG inventories and continuous improvement over time, supporting phased implementation approaches. In addition, it adapts to the business and facilitates the development of an informed GHG reduction strategy throughout the value chain.

For the calculation of the carbon footprint, Tendam includes direct and indirect emissions generated at its headquarters, offices, own stores, warehouses and logistics centres located in 16 countries. Indirect emissions generated throughout our value chain are also included. We continue to improve our footprint calculation year on year and conduct internal data analysis so that our calculation is based entirely on real data.

Evolution of total emissions per year in tCO_2e

	2019-20	2020-21	2021-22	2022-23	2023-24
Scope 1 (tCO_2e)	2,980	1,990	2,391	2,177	1,851
Scope 2 (tCO_2e)	26,716	4,634	4,958	5,527	5,962
Scope 3 (tCO_2e)	1,134,140	771,965	940,782	996,980	1,030,652
Total (tCO_2e)	**1,163,835**	**778,588**	**948,131**	**1,004,684**	**1,038,465**



Tendam's total carbon footprint during 2023 reached **1,038,465 tCO_2e**. Of this figure, Scope 3 emissions were the most significant, with 1,030,652 tCO_2e, a figure representing 99% of the total. In second place were the indirect Scope 2 emissions with 5,962 tCO_2e, 0.5% of the footprint. Scope 1 indirect emissions came last with a share of 0.2%, equivalent to 1,851 tCO_2e.

Looking at total emissions in recent years, there is a significant increase in our emissions in 2022, which is due to the resumption of production activity at a normal pace after the pandemic.

Overall, the 2023 carbon footprint is an 11% reduction compared to 2019, the baseline year for the climate targets set by the company and approved by the Science Based Target initiative.

Scope 1

Direct emissions from stationary combustion sources, mobile combustion sources and emissions associated with the leakage of refrigerant gases.

- **Stationary combustion**: emissions from the use of heating fuels in stores and facilities. Natural gas: 13,700 m^3
- **Mobile combustion:** emissions from leasing/renting vehicles (it does not have its own fleet). Fuel consumption: 48,430.54 l[7]
- **Refrigerant gases:** Fugitive emissions from refrigeration equipment in stores and facilities. Consumption: 858.39 Kg

This year, Scope 1 emissions have decreased by 38% compared to the baseline year 2019 and by 15% compared to the previous year 2022.

Scope 1 emissions ↓ 38% compared to the baseline year 2019

Direct emissions by source type

Direct emissions by source type	$TC0_2$ e	%
Fugitive-Refrigerants	1,525.44	82
Mobile combustion	293.31	16
Stationary Combustion	32.50	2

* For those countries where fuel consumption (litres) is not available, it has been calculated with the distance in Km (1,097,876 Km)

Scope 2

Indirect emissions associated with electricity. Includes the electricity consumption of the headquarters and other offices, logistics centres and warehouses, and the network of own-managed stores.

This year we have made progress in the quality of the data by including in the calculation the most accurate electricity consumption for some of our facilities for which complete information was not previously available, carrying out a more exhaustive study of the data collected. Due to this improvement, we have done new adjustment of the calculations for Scope 2 data from previous years (updating the total GHG emissions).

Scope 2 emissions ↓ 78% compared to baseline year 2019

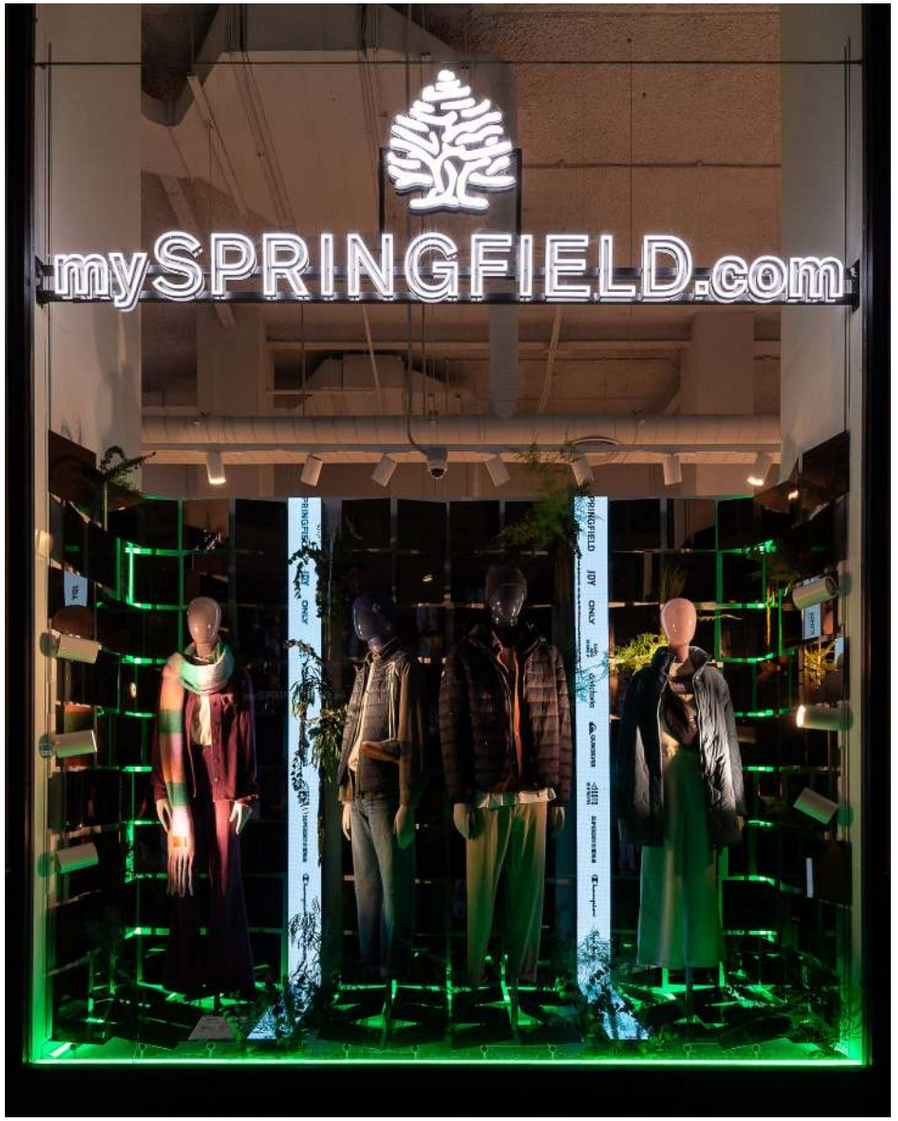
Evolution of electricity consumption (KWh) and GHG emissions 2023 by facility type

Type of facility	Electricity consumption (KWh)			GHG emissions 2023
	Stores*	2022	2023	tCO_2e
Stores*	72,710,363	76,312,116	74,724,705	5,793
Head Office and offices	2,705,883	2,713,438	2,627,574	117
Logistics centres and warehouses	2,188,768	2,514,940	2,760,567	51
Total	**77,605,014**	**81,540,494**	**80,112,846**	**5,962**

Evolution of electricity consumption (KWh) and GHG emissions 2023 by country

Country	Electricity consumption 2023		Emisiones GEI 2023	
	kWh	kWh/m²	tCO_2e	kg CO_2e/m^2
Bangladesh	61,116,213	143.96	0.00	0.00
Belgium	11,731	45.65	6.80	26.45
Bosnia	608,200	253.42	82.41	34.34
Bulgaria	330,253	127.81	226.36	87.60
Croatia	89,668	127.73	36.62	52.17
France	732,642	246.76	109.31	36.82
Hong Kong	357,053	166.54	18.53	8.64
Hungary	158,790	54.38	101.37	34.72
India	1,036,185	165.86	373.03	59.71
Luxembourg	14,798	47.15	10.55	33.61
Mexico	170,467	147.81	17.08	14.81
Montenegro	2,568,807	166.23	1,044.99	67.62
Portugal	100,748	162.50	36.92	59.56
Russia	10,135,932	216.08	2,012.19	42.90
Serbia	17,746	121.22	6.44	43.96
Total	2,663,613	356.05	1,879.45	249.98
Total	**80,112,846**	**155.00**	**5,952.70**	**11.52**

Only considering the electricity consumption in own stores, without corners, it represents 98.6% of the total retail area of own stores.



Scope 3

This scope includes indirect emissions that occur throughout the value chain. The calculation of the carbon footprint is based on the structure and methodology of the international standard GHG protocol and the Scope 3 technical guidelines. Tendam has included 12 of the 15 categories indicated in the GHG Protocol standard for the calculation of its footprint. The three categories not included in our inventory are excluded as they do not present significant emission sources or do not apply to our business:

During this financial year and in line with our commitment to climate action, we have extended our carbon footprint stydy in its scope 3 by including a new category (category 8: upstream leased assets). As a consequence of this, we have recalculated the values obtained in previous years.

Scope 3 emissions

↓ 9% compared to baseline year 2019

Scope 3 emissions have decreased by 9% compared to the baseline year and have experienced an increasement of 3% compared to the previous year´s emissions. Using intensity metrics (tCO_2e /€M), there was a reduction in Scope 3 emissions intensity of 16.2% compared to the baseline year and 3% compared to 2022.

tCO_2e según categoría de Alcance 3 y su evolución

Scope 3		tCO_2e				
Categories	**%***	**2023**	**2022**	**2021**	**2020**	**2019**
1. Goods and services purchased: emissions from the purchase of goods and services (apparel)	46.37%	477,958.21	466,573.90	401,827.35	332,419.56	485,191.36
2. Capital assets: emissions produced in the extraction, production and transportation of capital assets purchased or acquired by the company.	2.43%	25,040.75	29,259.50	34,062.12	20,575.58	38,617.22
3. Fuel and energy related activities: upstream emissions (extraction, production and transport), not accounted for in Scope 1 or 2.	0.14%	1,451.78	5,074.22	4,915.95	2,754.31	3,578.52
4. Upstream transportation: emissions derived from the transport of goods from the suppliers to the logistics centres in Hong Kong and Aranjuez (Madrid).	0.79%	8,143.71	9,220.62	17,581.50	8,919.83	14,299.82
5. Waste generated in operations: emissions associated with waste disposal	0.01%	58.14	54.67	50.26	35.08	53.59
6. Business trips: emissions from employees' business trips.	0.12%	1,274.87	1,042.06	738.73	307.41	1,803.82
7. Employee commuting: includes emissions from employees commuting from home to their workplace	1.12%	11,543.40	11,562.79	10,797.59	3,276.30	13,176.69
8. Upstream leased assets: emissions generated by the use of leased assets that have not been included in Scope 1 and 2.	0.02%	195.09	183.44	168.64	117.72	179.83
9. Downstream transportation: emissions derived from the transportation of goods from logistics centres to the entire network of own-managed stores to franchises and online sales merchandise	0.57%	5,866.50	5,653.90	5,581.13	2,847.75	5,646.95
11. Use of products sold: emissions from the use by consumers of the goods and services sold.	46.91%	483,482.03	452,647.52	450,470.35	387,432.66	554,303.42
12. End-of-life products sold: includes emissions from the treatment of end-of-life products sold by the company.	1.08%	11,164.24	10,663.47	9,473.86	7,854.76	11,297.75
14. Franchises: includes emissions from energy consumption for the operation of franchises not included in Scope 2.	**0.43%**	**4,473.45**	**5,043.52**	**5,114.51**	**5,423.65**	**5,990.53**
Total		**1,030,652.19**	**996,979.62**	**940,781.98**	**771,964.61**	**1,134,139.52**

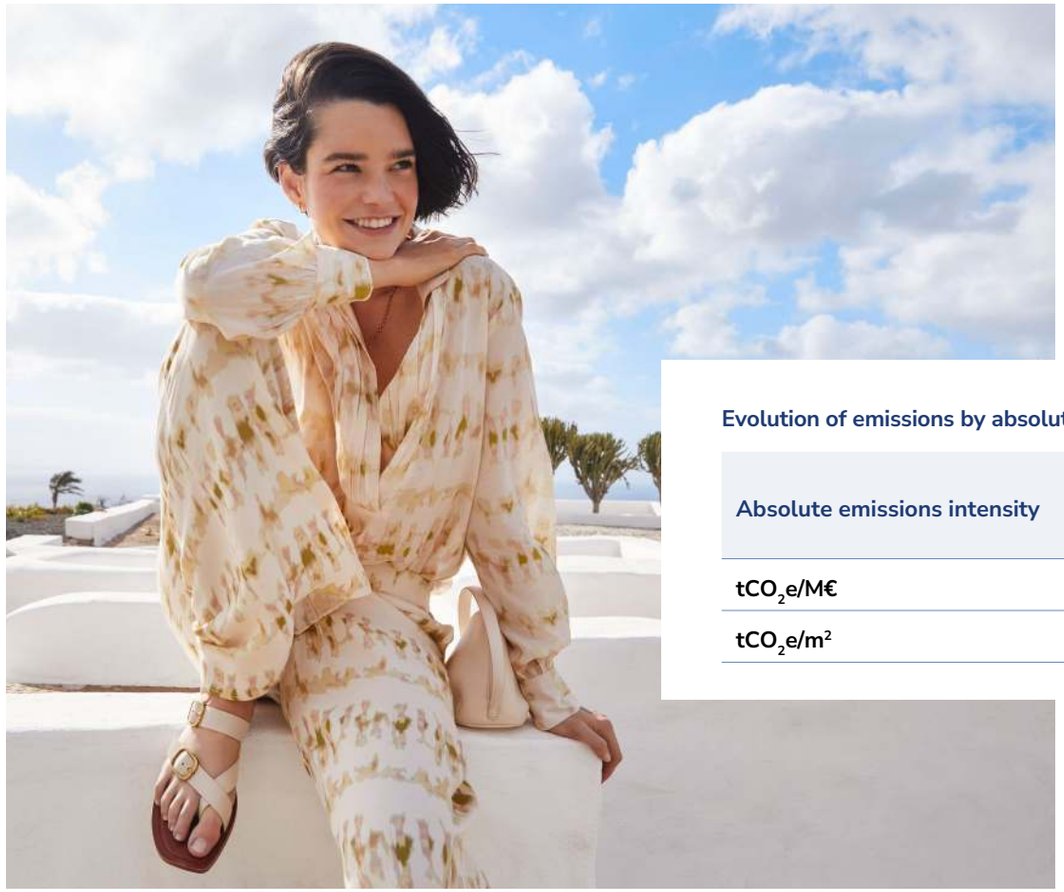
Calculation period: FY 2023 (1 March 2023 to 29 February 2024)

Method of calculation: The study carried out on FY 2023 for the calculation of the carbon footprint has followed the structure and methodology of the international standard GHG Protocol and the technical guidelines of Scope 3 as the basis for the calculations.

(*) Percentage share of emissions related to each category out of total Scope 3 emissions.

Emissions evolution

At an overall level the current carbon footprint has been decreased by 11% with respect to 2019, the baseline year. We have reduced our direct and indirect emissions generated as a result of our own activity (Scope 1 and 2 emissions) by 74% and indirect emissions produced in the value chain (Scope 3 emissions) by 9%.



Baseline year emission reductions by scope

	tCO_2e	Emission reductions (compared to baseline year 2019)
Scope 1	1,851	-38%
Scope 2	5,962	-78%
Scope 1+2	7,813	-74%
Scope 3	1,030,652	-9%
Total	**1,038,465**	**-11%**

Using the intensity metrics (tCO2e/€M), there was a reduction in Scope 3 emissions intensity of 16.2% compared to the baseline year and 3% compared to last year.

Evolution of emissions by absolute intensity

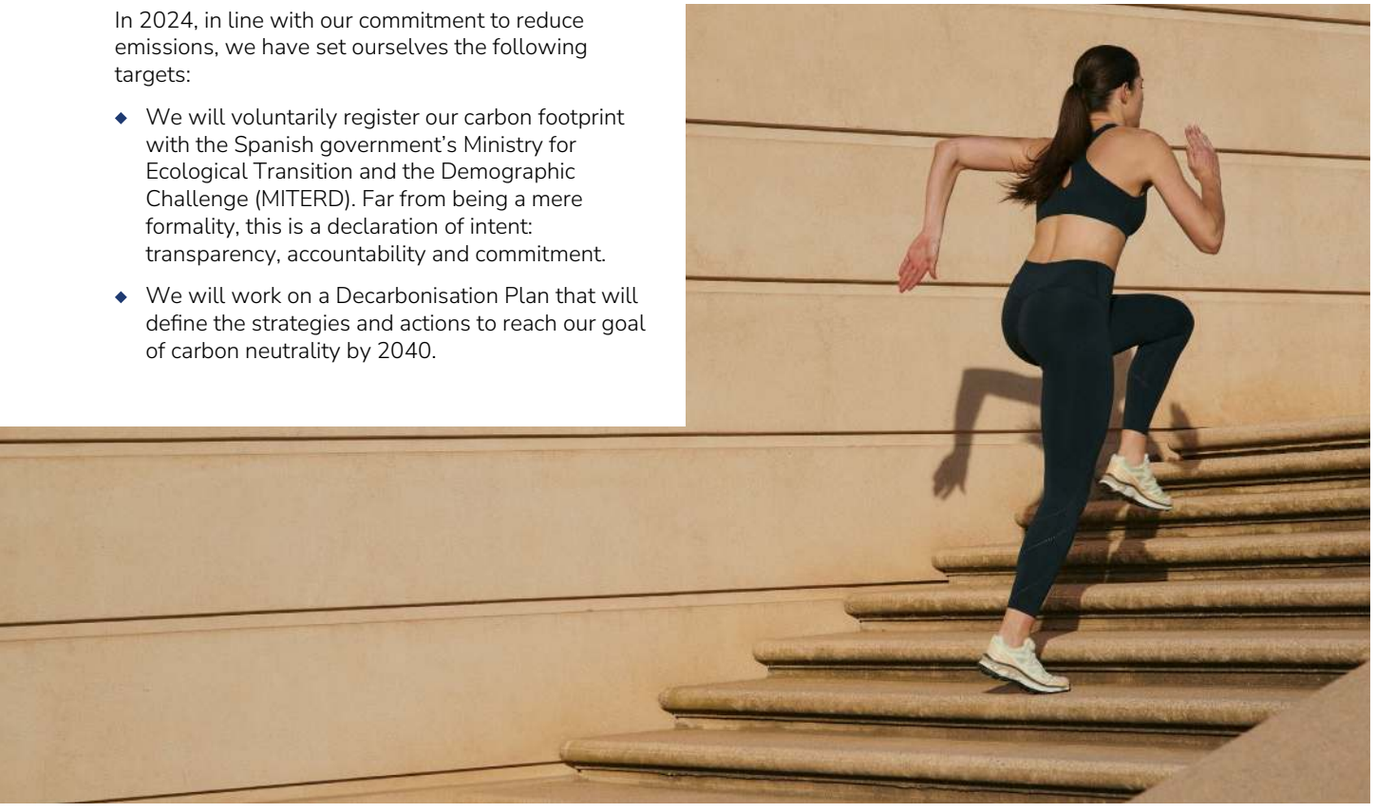
Absolute emissions intensity	2023	2022	2021	2020	2019	Emission reductions % (vs. 2019)	Emission reductions % (vs. 2022)
$tCO_2e/M€$	0.81	0.83	0.85	1.00	0.98	-17.7%	-3%
tCO_2e/m^2	0.80	0.82	0.84	0.99	0.96	-16.2%	-3%

Initiatives to reduce emissions

We are making progress in improving our calculations and in obtaining the most realistic data possible, which will allow us to know the impact of our activities on the planet, measured thanks to the calculation of the Carbon Footprint.

In 2024, in line with our commitment to reduce emissions, we have set ourselves the following targets:

- We will voluntarily register our carbon footprint with the Spanish government's Ministry for Ecological Transition and the Demographic Challenge (MITERD). Far from being a mere formality, this is a declaration of intent: transparency, accountability and commitment.
- We will work on a Decarbonisation Plan that will define the strategies and actions to reach our goal of carbon neutrality by 2040.



Our progress in combatting climate change

Renewable energy

We continue to work on our commitment to source renewable energy in our own operations. We have renewable electricity in more than 750 stores, as well as logistics centres, warehouses, and offices in Spain.

76% renewable energy globally in own operations

100% renewable energy in our stores, offices and logistics centres in Spain

Target 2030: Reaching 100% renewable energy globally

Energy efficiency

Energy efficiency means improving the use of energy sources. At Tendam, we implement consumption models based on clean energy and involve our stakeholders to use less energy resources and minimise our impact on the environment, while maintaining the performance of our activity, including cost savings.

Electricity consumption has a significant impact on our operations, especially in our stores. For this reason, we have launched a programme to apply sustainability criteria to the management of these spaces with measures to improve energy efficiency.

1. LED Lighting

We have been using LED lighting in our own stores since 2015, offering eco-efficient features that help reduce energy consumption. Currently 36% of our stores are equipped with this technology, allowing up to 80% more efficiency and a reduction in power consumption of between 10% and 20%.

100% of new or renovated stores have LED lighting.

2. Internet de las Cosas (IOT)

Since 2020 we have been installing Eco Smart solutions in some of our stores based on the Internet of Things (IoT), aimed at consuming less energy and achieving greater comfort by offering the optimum lighting and temperature at all times. In a selection of Cortefiel stores in Comunitity of Madrid, Andalusia and North area, this energy efficiency system has been implemented, achieving savings of between 19% and 32% approximately, depending on the community in which they are located.

3. Storefronts with new technologies

There are new technologies for optimising the switching on and off of lights throughout the store and intelligent temperature regulation systems, among others, that reduce energy consumption..

4. Responsible air conditioning

In terms of air conditioning, all our stores comply with current regulations, following the guidelines of Royal Decree-Law 14/2022, on energy efficiency measures, which means that the temperature in the store does not exceed 27ºC and does not drop below 19ºC. This achieves greater energy efficiency and creates a more comfortable environment for our customers by minimising the temperature difference between the inside and outside of the stores.

In addition, in new store openings and refurbishments, older air conditioning systems are being replaced with new systems that allow better control and energy efficiency.

5. Printing systems

Individual printers have been replaced by efficient shared printers in our offices in Madrid, Barcelona and in the logistic centre in Aranjuez. This centralisation continues to consolidate as it allows us to reduce hardware and achieve a 0% waste rate.

With regard to in-store printing systems, we have extended our agreement with the supplier, thereby extending the life of the equipment without compromising print quality. In addition, the Springfield, Women'secret and Fifty stores use technology that reduces environmental impact by using up to 50% less energy than colour laser devices and reducing consumables by 94% along with packaging waste.

Sustainable mobility

Sustainable mobility is positioned as a fundamental tool for environmental protection, but its scope goes far beyond that.

As a company, we are tackling sustainable mobility on several fronts and promoting various initiatives:

- We are committed to integrating clean and efficient technologies into transport systems. To this end, we include electric or hybrid vehicles in the company fleet for those employees who need them for their work. In addition, we have installed charging points for electric vehicles at our headquarters in Madrid to facilitate the adoption of this type of mobility by our employees.
- We encourage employees to use sustainable means of transport by including in the company's travel policy the prioritisation of sustainable criteria by employees in travel decisions, thanks to the comparative emissions information provided by our travel agency, allowing employees to choose the most environmentally friendly alternative.
- We promote a culture of sustainable mobility through the use of eco-taxis for employee travel. By 2023, 74.4% of journeys will be made using this type of vehicle, reducing CO_2 emissions by 50.5% compared to the previous use of conventional taxis.
- At our offices, we offer one day of teleworking per week on a permanent basis as an ideal measure to reconcile family and professional life.

Biodiversity

The link between biodiversity loss and climate change is already evident. So is nature's assistance in combating the effects of the climate crisis and its important role in mitigating climate change through the role of ecosystems as carbon stores and sinks.

To adequately respond to the challenges posed by the interdependence of climate change, biodiversity loss and ecosystem degradation, we need to see biodiversity not only as a recipient of climate impacts and risks, but also as our ally in combating and adapting to climate change.

At Tendam, we are working to integrate biodiversity into our strategy and promote circularity as a tool to halt and reverse biodiversity loss. We carry out specific actions that demonstrate our responsibility and commitment to the environment.

Our progress:

- Since 2019, we have been part of the Fashion Pact, a coalition of textile and fashion companies fighting climate change, biodiversity conservation and ocean protection.
- We include biodiversity principles (deforestation and animal welfare) in our Responsible Purchasing Policy, which applies to our suppliers of garments and accessories.
- We care about our forests and continue to promote the use of PEFC or FSC certified materials (packaging and labels), which guarantee the sustainable management of the forests from which the raw materials are sourced. More than 99% of our bags are made from PEFC or FSC paper and 100% of our price tags are FSC certified.
- Our brands carry out projects directly aimed at preserving biodiversity, such as Cortefiel's protection of the Iberian lynx with the WWF, Hoss Intropia's preservation of the Posidonia mediterranea and Springfield's reforestation projects.
- In the case of raw materials, we work with responsible farming organisations such as Better Cotton, whose mission is to help cotton communities survive and thrive while protecting and restoring biodiversity and the environment.

In the coming years, we will undertake a more detailed study of the various impacts on biodiversity along the value chain, with a view to measuring, monitoring and managing them, and defining an appropriate sustainability plan.

Today, our water and energy strategies, which are incorporated in the Strategic Sustainability Plan, are closely linked to biodiversity.

Bosque Springfield [Springfield Forest]

For Tendam, forests play a key role in climate, biodiversity and oceans. They help protect the climate by absorbing CO_2, are the most species-rich habitats in the world and also regulate rainfall and are part of the water cycle.

#BosqueSpringfield is one of our flagship environmental projects. In 2023, 40,000 trees were planted in Galicia with an estimated full-cycle CO_2 sequestration target of 70,000 tonnes. Since 2020, thanks to this project, a total of 150,000 trees have been added, offsetting more than 145,000 tonnes of CO_2.



Circularity

Tendam is committed to a circular economy model that focuses on the efficient use of raw materials, more efficient production, longer product life and responsible waste management.

We focus on circularity, from our products and packaging to the waste generated in our logistics centres, stores and offices, and we promote projects and actions in each of them that contribute to a circular economy.

Target: ZERO Single-use non-recycled plastics

As part of our commitment to protect the oceans through the Fashion Pact, we are taking action to eliminate single-use plastics.

Targets for the elimination and reduction of non-recycled single-use plastics:

100% elimination of B2C plastics by 2025

100% elimination of B2B plastics by 2030

These are some of the actions we are taking:

On our garments and products

We use different elements to protect, present and distribute our garments and products, such as the packaging that guarantees the good condition of the product during transport from the factory to our customers, or the packaging we use for online orders, among others.

Packaging:

In recent years, we have taken steps to minimise and/or eliminate the use of single-use, non-recycled plastics in our products, both in the plastic elements used to transport the garments to the point of sale and in the redesign of the packaging and elements that allow us to protect and display the products.

All the polybags of our apparel now have a composition of 100% recycled plastic certified according to the UNE EN 15343 standard.

In addition, all the elements of the packaging and product presentation have converted to recycled plastic or non-plastic material.



Online shipping:

We ship online in two formats: envelopes and boxes. Both are made from certified paper/cardboard, recyclable and reusable, and designed so that the customer can reuse them in the event of a return, as they are prepared with a double self-adhesive closure. The envelopes are made from 70% virgin fibre and 30% PEFC certified board, while the boxes are made of 70% FSC recycled board.

At our logistics centres

From our logistics centres, we promote recycling through a number of actions:

- 65% of the boxes we receive from suppliers are reused to transport goods back to the stores.
- The pallets we use in the Aranjuez and Tarancón logistics centres, from which goods are distributed to other logistics centres, are made of recovered/reused wood (69%) or recycled plastic (31%)

We participate in the Naeco Rewards programme, promoting and contributing to the direct recycling of plastic packaging for transformation into pallets. Through the programme we certify that in 2023 we will contribute to the recycling of

2,486,653
plastic containers



In our stores

To minimise our impact as much as possible, we continue to work on the 'de-plasticisation' of bags in our stores.

Currently 99.2% are made from paper. Compared to 2022, 11% fewer units have been placed on the market as a result of the bag charge introduced this year.

Our paper bags come from a Chain-of-Custody (CoC) with PEFC or FSC certification, which guarantees that the wood or other forest products used come from sustainably managed forests. This year we have reversed the weight of our Cortefiel and Springfield bags, which are now 70% recycled and 30% virgin. They are also printed with water-based inks, are PVC-free and, of course, contain no heavy metals or abrasive chemicals.

Another measure taken this year to eliminate plastic is that all gift and return cards produced are now made from chain-of-custody certified paper (FSC or PEFC). On the other hand, we will continue to promote the virtual loyalty card in order to reduce the production of physical cards. Thanks to this initiative, we have managed to reduce the number of physical cards by 13% this year.

Circular bags

From 2024 we will make tote-bags made from our own recycled material available in our Cortefiel, Springfield and Women'secret stores. Our partner also sorts the textile waste brought in at a plant where jobs are provided for people in vulnerable situations and with difficulties in accessing the labour market.

In addition, as a measure to reduce waste, when a store closes, its assets are used to renovate other commercial space or to open new stores. This practice has a positive impact on a number of environmental sustainability aspects:

- Reduced generation of solid construction waste, as the elements are recycled instead of going to landfills.
- Reduced CO_2 emissions by avoiding the logistics involved in sourcing of new materials and products.



In our offices

From our offices in Madrid and Barcelona we monitor the management of paper, lighting, packaging, bio-sanitary products, batteries and toner in offices, stores and logistics centres in Spain.

The initiative to reduce non-recycled single-use plastics and replace them with other materials that allow for greater circularity also extends to our headquarters in Madrid, an example of which is the carton water in the vending machines.

With regard to paper consumption in central services, the electronic signature of contracts with third parties has been implemented through digital tools.

Reuse Me Programme

In 2023 we joined Caixabank's ReUtilízame [ReUse Me] programme, allowing us to give a second life to the disused furniture in our offices. The aim of this project is to improve the equipment of social entities while extending the useful life of surplus material in good condition of the companies. So far, we have managed to donate 109 pieces of furniture distributed among 7 associations.



Circular textile management

We carry out different initiatives that allow us to reuse apparel in good condition and recycle them if they cannot be reused. In this way, we avoid wasting resources and minimise the generation of textile waste.

- The Involucrados [Involved] Project, launched more than 15 years ago, which finances social projects through the sale of apparel from our brands at solidarity flea markets, maximising the social value of these resources outside the market.
- Donations in kind to non-profit organisations. During the year, 19,470 items of clothing were donated directly to 132 organisations for a value of €129,800.
- 1,841 kg of textile waste has been managed through an authorised manager and has been destined for recycling.



R[ECO]LLECT for a circular future

In 2022, Springfield launched this project with three main objectives:

- Reusing apparel in good condition, which are identified as second-hand collectors' items.
- Reusing apparel or fabrics that can no longer be worn. They will then be transformed into other products such as recycled fashion collections or cleaning cloths.
- Recycling the rest of the apparel and fabrics that will be transformed for later use as insulating materials, for example.

Currently, we have implemented the R[ECO]LLECT project in 69 stores in Spain and Portugal.

112,628 kg collected

56,314 garments

Responsible waste management

Beyond legal compliance, we recognise the importance of good waste management and are working to minimise our impact on the planet and build a more sustainable future. We have procedures in place to improve and optimise waste management and to promote reuse and recycling.

This year, we have carried out a complete waste analysis for Spain in logistics centres, offices and stores, and we continue to work on extending our reach within our stores. A study on commercial and industrial waste management in stores will be carried out this year.

For more than 10 years we have been a member of Ecoembes, a non-profit organisation that promotes sustainability and care for the environment through recycling. With a renewed commitment to circularity, we present our Ecoembes Business Plan for Prevention (2024-2028).

At a global level, we also continue to work to increasing information on waste from other countries.

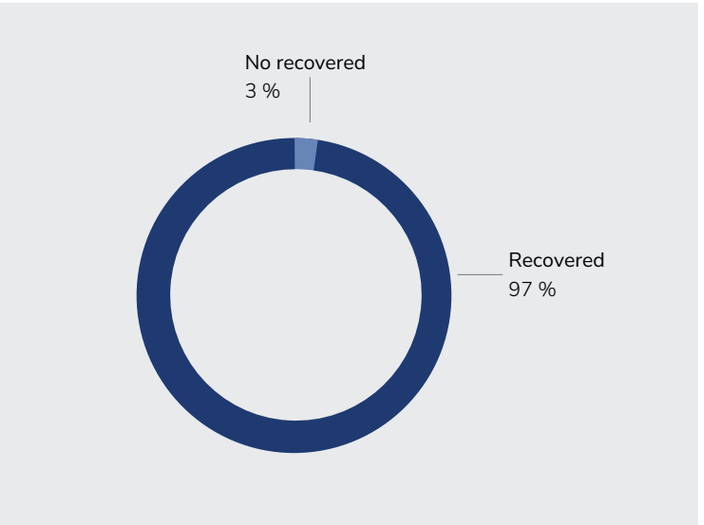
We work with authorised waste managers for the collection, management and treatment of the waste generated.

We classify waste as hazardous and non-hazardous, according to Law 7/2022 of 8 April on waste and contaminated soils for a circular economy. The category Other includes non-hazardous waste such as toners, batteries, lighting, bio-sanitary and electrical and electronic equipment.

This year we recovered 97% of the total waste for Spain in logistics centres, offices and stores.

Sorting by waste type and destination

		Total	Recycling (%)	Reuse (%)	Valorization Energy (%)	Operations before recovery (%)	Vertedero (%)
Non-hazardous	Cardboard-Paper	1,244,367.00	100.00%				
	Voluminous	122,266.00			100.00%		
	Wood	160,515.00	46.37%	53.63%			
	Plastics and packaging	10,001.00	97.49%			2.51%	
	Textiles	1,841.00	100.00%				
	Other	50,326.28	12.20%	0.11%		1.82%	85.87%
Hazardous waste		1,638.20	40.23%			59.39%	0.38%
		1,590,954.48					



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Economic Contribution

Main Figures (Millions of euros) [8]

	Feb. 2024	Feb. 2023	Feb. 2022
Non-financial assets	1,295.25	1,285.13	1,270.08
Financial assets	23.00	29.75	34.46
Stocks	185.18	189.73	145.84
Customers	13.79	9.99	13.5
Trade suppliers	322.00	325.78	285.88
Total operating income	1,288.05	1,211.07	1,113.39
Gross margin/income	62.47%	61.26%	62.04%
Operating profit	161.00	121.67	122.00
Recurring EBITDA	313.31	285.37	277.22
Inventories/Sales	14.43%	15.75%	13.20%
Customers/Sales	1.08%	0.83%	1.22%
Suppliers/Sales	25.10%	27.04%	25.87%

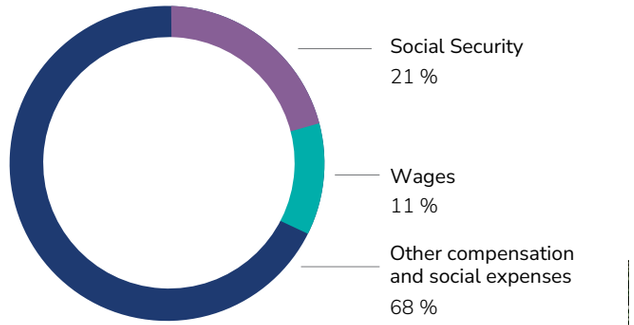
Profit/(loss) before tax* (Millions of euros) *Post IFRS

	Feb. 2024	Feb. 2023	Feb. 2022
Spain	54.22	56.37	50.67
Portugal	13.21	10.21	10.28
France	-0.76	0.53	2.47
Mexico	4.5	-2.25	1.24
Russia	-0.42	-7.56	0.08
Others	6.49	4.41	4.4
Total	**77.24**	**61.71**	**69.14**

*Post IFRS

Distribution of expenditure (Millions of euros)

	Feb. 2024	Feb. 2023	Feb. 2022
Employee remuneration	255.53	236.70	222.15
Procurement	483.35	469.15	422.63
Other operating expenses	237.76	232.25	195.17





8. See chapter 2.2 Alternative Performance Measures (APM) on February 29, 2024 of the management report for more details on the APM presented by the Group.

Revenues (Millions of euros)

	2023	2022	2021
Adult Segment (Cortefiel, Pedro del Hierro (PdH), Hoss Intropia, Ooto and Slow Love)	343.00	313.21	282.77
Youth Segment (Springfield and High Spirits)	395.39	429.48	385.37
Specialist Segment (Women'secret, Dash&Stars and Hi&Bye)	449.07	366.83	349.42
Outlet Segment (Fifty)	99.69	100.59	94.94
Corporate Unit	0.89	0.96	0.89



Taxes on profits paid

In the financial year 2023, a total of 8,028 thousand euros has been recorded as income taxes paid.

Public subsidies

The company has received 123,414 euros in training for employment in Spain in the form of a rebate on social security contributions (Fundae).

Environmental provisions

The company has no environmental provisions. It believes that any damages and/or liabilities that could result from incidents of this nature are sufficiently covered by the insurance policies taken out by the group.

Application of the European Taxonomy

Regulatory context

For FY 2023, Tendam is required to report data on the percentage of its turnover, CapEx and OpEx associated with economic activities considered eligible under the EU Taxonomy framework; and to report on the proportion of these indicators that are aligned with the activities defined in the EU Taxonomy.

The EU Taxonomy is based on Regulation (EU) 2020/852, which defines the standards that an economic activity must meet to be considered environmentally sustainable. This framework is complemented by the following delegated acts:

- Delegated Regulation (EU) 2021/2139 (delegated act on climate taxonomy), which sets out the technical criteria for assessing alignment with the Taxonomy in terms of climate change mitigation and adaptation.
- Delegated Regulation (EU) 2021/2178 (delegated act on disclosure), which specifies the content, methodology and contextual information that companies must disclose regarding environmentally sustainable economic activities.
- Delegated Regulation (EU) 2023/2486 (delegated act on environmental taxonomy), which sets out the technical criteria for the remaining four objectives, namely: Sustainable use and protection of water and marine resources, Transition to a circular economy, Pollution prevention and control, and Protection and restoration of biodiversity and ecosystems.

In addition, the different communications (FAQ) that the European Commission has issued, which deal with the interpretation and application of the legal provisions related to the Taxonomy, have been taken into consideration, as this encompasses highly technical aspects and companies are still in the process of adapting to this new regulation.

Tendam is fully committed to the adoption of the European Taxonomy, moving forward in the field of sustainability and delving further in exploring and complying with the new reporting requirements. This commitment is reflected in its continuous pursuit of best practices and adaptation to align with evolving standards within the regulatory framework.

In applying the European Taxonomy, the activity of Tendam Brands S.A. and subsidiaries (hereinafter Tendam Group) has been assessed according to the scope established in its consolidated annual accounts. Within this framework, Tendam has examined its accounting information to determine the proportion of its accounting information that can be considered in line with the Taxonomy. Within the six objectives set out in the European Taxonomy, an in-depth analysis of eligibility and alignment is required specifically in relation to the Climate Change Adaptation and Mitigation objectives, while for the remaining four objectives, only the eligibility study has to be carried out, without the need for further analysis of alignment.

This process is based on the current understanding of the requirements of the Taxonomy and the additional guidelines of the European Commission. As a result, progress has been made in the calculation of the taxonomy during the current financial year through the development of the following taxonomies:

- Comprehensive analysis to determine the eligibility of activities related to the four new objectives set.
- Follow-up and deeper understanding of the taxonomy associated with the two objectives of the previous year.
- Internally, a more dynamic working approach has been promoted to address these issues, thus facilitating more agile decision-making and implementation of relevant actions.

Although the main activity carried out by the Tendam Group is not among the activities included in the Taxonomy, as a result of an exhaustive evaluation of the activities carried out by the Tendam Group, the following activities have been identified as eligible on the basis of the European Taxonomy.

7.3. Installation, maintenance and repair of energy efficiency equipment.

7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.

8.1. Data processing, hosting and related activities.

8.2. Data-driven solutions to reduce greenhouse gas emissions.

Given that this year the remaining environmental objectives need to be addressed and considering the close relationship of the Tendam Group's activities with the Circular Economy goal, the following actions have also been envisaged.

5.1 Repair, refurbishment and remanufacturing.

5.4 Sale of second-hand goods.

5.6 Market for trade in second-hand goods for re-use.

The following table lists the taxonomic activities with their possible imputation to Tendam Group operations

Taxonomic Activities	Eligibility Description	Tendam Activities
5.1 Repair, refurbishment and remanufacturing	Repair, refurbishment and remanufacturing of goods that have been previously used for the purposes intended by a customer (natural or legal person).	The Tendam Group has analysed this activity because the textile sector is closely linked to the environmental objective of the Circular Economy.
5.6 Market for trade in second-hand goods for re-use	Development and operation of marketplaces and classifieds for the trade (sale or exchange) of second-hand products, materials or components for re-use, where marketplaces and classifieds act as intermediaries to match buyers seeking a service or product with sellers or suppliers of such products or services.	The Tendam Group has analysed this activity because the textile sector is closely linked to the environmental objective of the Circular Economy. In addition, the development of a business line focused on the second-hand clothing market is being promoted. Market studies are carried out to evaluate the Tendam Group's entry into this segment.
7.3 Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting of the installation, maintenance or repair of energy-efficient equipment.	Maintenance and replacement of luminaires and air-conditioning systems in Tendam Group facilities.
7.5 Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings	Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings.	Intelligent systems for measuring the energy efficiency of Tendam Group installations.
8.1 Data processing, hosting and related activities	Storage, manipulation, management, circulation, control, monitoring, display, switching, exchange, transmission or processing of data through data centres, including edge computing.	Use of data storage systems.
8.2 Data-driven solutions to reduce greenhouse gas emissions	Development or use of ICT solutions for data collection, transmission, storage, modelling and use, where such activities are primarily aimed at providing data and analysis to reduce GHG emissions.	Development of data solutions focused on reducing carbon footprint and aligning with SBTi targets.

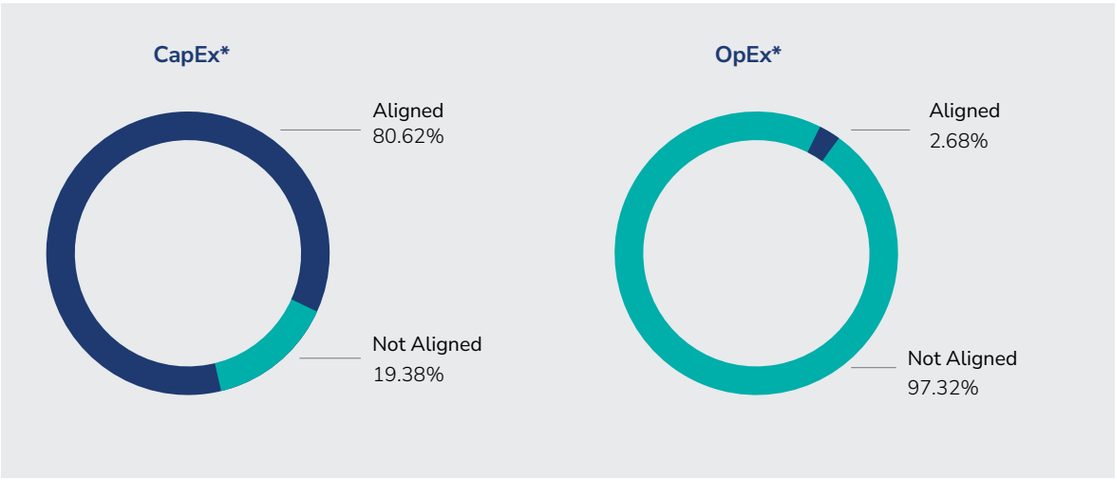


Data relating to Revenue, CapEx and OpEx indicators in relation to the eligibility of taxonomic activities are presented below. This analysis encompasses a study of how these elements are integrated within the company's operational framework, providing a clear and comprehensive view of its financial performance.

Revenues (Millions of euros)

	Eligible	Non-eligible
Revenues	0%	100%
CapEx	0.58%	96.91%
OpEx	3.09%	99.42%

After the eligibility analysis, the results of the alignment, derived from a thorough study on various financial and operational aspects, are shown. It is worth mentioning that compliance with the European Taxonomy alignment requires that the activity in question meets the technical criteria of substantial contribution, the Do No Significant Harm (DNSH) criterion and the Minimum Social Safeguards. This makes the alignment of activities more complex to achieve.



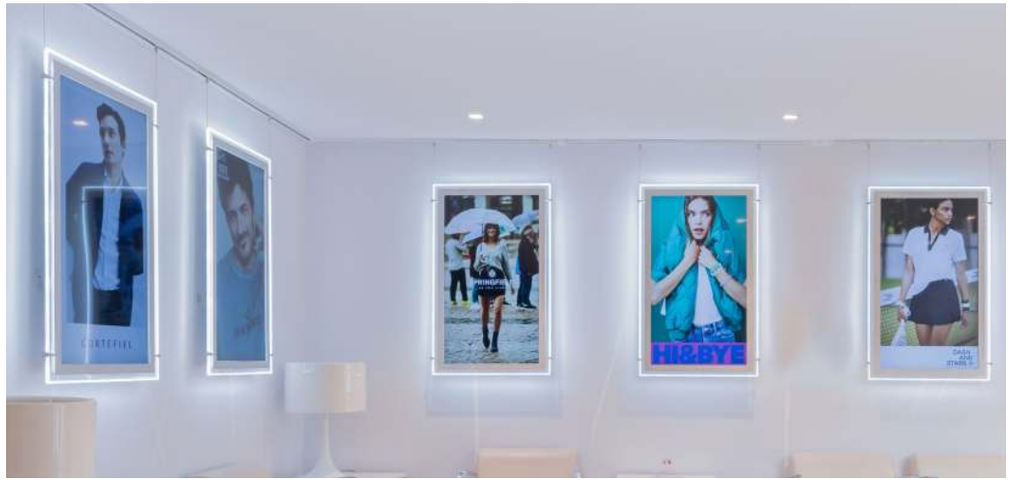
*Alignment percentages are performed on the total eligible for each indicator.

Compliance with minimum safeguards criteria

Compliance with the Social Minimum Safeguards indicates that a company is adopting practices and policies aimed at preserving and promoting human rights and social welfare, in line with different sustainability-related standards. These safeguards are designed to ensure that economic activities are sustainable not only from an environmental perspective, but also from a social point of view.

The Tendam Group demonstrates a strong focus on respect for Human Rights, which is a fundamental pillar underpinning all the Group's operations throughout its value chain. In line with the frameworks established by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, the Group is developing a comprehensive management system. This system comprises policies, protocols, committees, implementation and monitoring processes, as well as grievance mechanisms, including the Human Rights Policy, the Due Diligence Policy and the Code of Conduct.

Tendam also provides training programmes as a preventive measure against corruption and money laundering. In addition, it provides mechanisms to protect and manage data, as well as procedures to comply with competition and fiscal responsibility regulations.



Calculation methodology and results

Based on the consolidated financial data of the Group, which encompasses all consolidated entities, the Tendam Group has carried out a procedure to identify the items related to three essential indicators: the volume of operations, capital expenditure (CapEx) and operating expenses (OpEx). These indicators are associated with the activities covered by the Taxonomy, either in terms of their eligibility or their conformity with the criteria set out in the Taxonomy.

For this purpose, the accounting and management information used in the preparation of the Group's consolidated income statement was analysed. Throughout the process, measures have been implemented to avoid duplication of accounting records, taking into account the adjustments made in the consolidation process and using a single source of information for each item, as well as reviewing the traceability and accuracy of data.

Regarding the construction of the numerators of the indicators, the items identified as eligible or aligned according to the Taxonomy have been considered, while regarding the denominators:

- For turnover, ordinary income for the year was taken, i.e. the total income recorded in the consolidated profit and loss statement.
- For CapEx, items related to fixed assets, intangible assets and rights of use associated with each company within the Group's scope have been considered.
- For OpEx, non-capitalised direct costs related to research and development, building renovation, short-term leases, maintenance and repairs, as well as other direct expenses necessary for the continuous and efficient operation of fixed assets, included in the expense accounts (Group 6 of the General Chart of Accounts), have been taken into account.



The results obtained for the 2023 financial year are shown below, together with the corresponding explanations:

Proportion of turnover from products or services associated with economic activities that conform to the Taxonomy - disclosure for 2023:

Financial year 2023	Year			Substantial contribution criteria						"DNSH criteria ('Does not significantly harm')"									
Economic activities	Codes	Absolute turnover (Mill. €)	Proportion of turnover, year 2023	Climate change mitigation	Adaptation to climate change	Water	Pollutioin	Circular econocmy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Circular econocmy	Pollutioin	Biodiversity	Minimum safeguards	Proportion of turnover with taxonomy-aligned (A.1) or taxonomy-eligible (A.2), year 2023	Category (enabling activity)	Category (transition activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																			
enabling activities																			
transition activities																			
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
A. Turnover of Taxonomy eligible activities (A.1+A.2)																			
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		1,287.00	100%																
TOTAL		1,287.00	100%																

Proportion of CapEx derived from products or services associated with economic activities that conform to the Taxonomy - disclosure for 2023.

Financial year 2023	Year			Substantial contribution criteria						"DNSH criteria ('Does not significantly harm')"									
Economic activities	Codes	CapEx (Mill. €)	Proportion of CapEx, year 2023	Climate change mitigation	Adaptation to climate change	Water	Pollutioin	Circular economcy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Circular economcy	Pollutioin	Biodiversity	Minimum safeguards	Proportion of CapEx with taxonomy-aligned (A.1) or taxonomy-eligible (A.2), year 2023	Category (enabling activity)	Category (transition activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3.	0.83	0.47%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.08%	F	
"Installation, maintenance, and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings"	CCM 7.5.	0	0.00%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S	0.03%	F	
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.83	0.47%	0.47%						S	S	S	S	S	S	S	0.11%		
enabling activities		0.83	0.47%	0.47%						S	S	S	S	S	S	S	0.11%	F	
transition activities																			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation, maintenance, and repair of energy efficiency equipment	CCM 7.3.	0.2	0.11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.51%		
Data processing, hosting and related activities	CCM 8.1.	0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.95%		
CapEx of Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.2	0.11%	0.11%													4.46%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		1.03	0.58%	0.58%													4.57%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Capex of Taxonomy-non-eligible activities (B)		175.32	99%																
TOTAL		176.35	100%																

Proportion of OpEx from products or services associated with economic activities that conform to the Taxonomy - disclosure for 2023:

Financial year 2023		Year			Substantial contribution criteria						"DNSH criteria ('Does not significantly harm')"									
Economic activities	Codes	Opex (Mill. €)	Proportion of OpEx. year 2023	Climate change mitigation	Adaptation to climate change	Water	Pollutioin	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water	Circular economy	Pollutioin	Biodiversity	Minimum safeguards	Proportion of OpEx with taxonomy-aligned (A.1) or taxonomy-eligible (A.2). year 2023	Category (enabling activity)	Category (transition activity)
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Installation. maintenance. and repair of instruments and devices to measure. regulate. and control the energy efficiency of buildings	CCM 7.5.	0.051	0.07%	S	N	N/EL	N/EL	N/EL	N/EL	S	S	S	S	S	S	S		F	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0.051	0.07%	0.07%						S	S	S	S	S	S	S			
enabling activities		0.051	0.07%	0.07%						S	S	S	S	S	S	S		F	
transition activities																			T
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation. maintenance. and repair of energy efficiency equipment	CCM 7.3.	0.52	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
Data processing. hosting and related activities	CCM 8.1.	1.67	2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3.06%		
Data-driven solutions to reduce greenhouse gas emissions	CCM 8.2.	0.02	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL										
OpEx de actividades elegibles según la taxonomía pero no medioambientalmente sostenibles (actividades que no se ajustan a la taxonomía) (A.2)		2.21	3.02%	3.02%													3.06%		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		2.261	3.09%	3.09%													3.06%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Opex of Taxonomy-non-eligible activities (B)		71.01	96.91%																
TOTAL		73.271	100%																

Spanish Law 11/2018 correlation table

Non-financial information to be reported	GRI* Correspondence Standards	Report Page
General information		
A brief description of the Group's business model, which will include its business environment, its organisation and structure, the markets it serves, its objectives and strategies, and the main factors and trends that may affect its future performance.	GRI 2-6 (2021) GRI 2-1 (2021) GRI 2-2 (2021) GRI 2-6 (2021) GRI 2-9 (2021) GRI 3-3 (2021	P. 8-26 P. 41-47
A description of the policies that the group applies to these issues, which will include the due diligence procedures in place for the identification, assessment, prevention and mitigation of significant risks and impacts and procedures for verification and control, including the measures that have been adopted	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021)	P. 60 P. 69 P. 71 P. 87-88 P. 105-107 P. 110 P. 125
The results of these policies, which must include key indicators of relevant non-financial results that allow for the monitoring and assessment of progress, and that favour comparability between companies and sectors, in accordance with the national, European and international frameworks of reference used for each issue	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021)	P. 13 P. 46-47 P. 102-104 P. 107 P. 112 P. 135 P. 142
The main risks related to these issues linked to the group's activities, including, when relevant and proportionate, its commercial relationships, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and assess them in accordance with the national, European and international frameworks of reference for each issue. Information on the impacts detected must be included, offering a breakdown of these, especially about the main risks in the short-, medium- and long-term.	GRI 3-2 (2021)	P. 38-40

Non-financial information to be reported	GRI* Correspondence Standards	Report Page
Reporting framework used	GRI 1 (2021)	P. 3-4 P. 146
Principle of materiality and material matters	GRI 3-1 (2021) GRI 3-2 (2021)	P. 34-37
Information on environmental issues		
Detailed information on the current and foreseeable effects of the company's activities on the environment, health and safety, the environmental assessment and certification procedures, the resources dedicated to the prevention of environmental risks, the application of the precautionary principle and the quantity of provisions and guarantees for environmental risks	GRI 3-3 (2021) GRI 201-2 (2016) GRI 2-23 (2021)	P. 76-99 P. 125-130
Pollution		
Measures to prevent, reduce or remedy carbon emissions that seriously affect the environment, taking into account any form of activity-specific air pollution, including noise and light pollution.	GRI 3-3- (2021) GRI 305-6 (2016) GRI 305-7 (2016)	P. 99 P. 126-127
Circular economy and waste prevention and management		
Measures to prevent, to recycle and to reuse other forms of waste recovery and disposal; actions to combat food waste .	GRI 3-3 (2021) GRI 306-3 (2020)	P. 139-142
Sustainable use of resources		
Water: the consumption and supply of water in keeping with local constraints.	GRI 3-3 (2021) GRI 303-3 (2018)	P. 82
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	GRI 3-3 (2021) GRI 301-1 (2016)	P. 79-82
Energy: direct and indirect consumption; measures taken to improve energy efficiency, use of renewable energy.	GRI 3-3 (2021) GRI 201-2 (2016) GRI 302-1 (2016)	P. 131-137

Non-financial information to be reported	GRI* Correspondence Standards	Report Page
Climate change		
The important elements of emissions of greenhouse gases generated as a result of the company's activities, including the use of the goods and services it produces.	GRI 305-1 a 305-3 (2016)	P. 131-134
The measures adopted to adapt to the consequences of climate change. Voluntary reduction targets set for the medium and long term to reduce greenhouse gas emissions and the means implemented to this end.	GRI 3-3 (2021) GRI 201-2 (2016) GRI 305-5 (2016)	P. 99 P. 136-137
Biodiversity protection		
Measures taken to preserve or restore biodiversity.	GRI 3-3 (2021) GRI 304-3 (2016)	P. 138
Impacts caused by activities or operations in protected areas.	GRI 3-3 (2021) GRI 304-31 a 304-2 (2016)	[10]
Information on corporate and personal issues		
Employment		
Total number and distribution of employees by gender, age, country and occupational classification.	GRI 2-7 (2021) GRI 405-1 (2016)	P. 102-104
Total number and distribution of contract types and annual average of permanent contracts, temporary contracts and part-time contracts by: gender, age and professional category	GRI 2-7 (2021)	P. 102-104
Number of dismissals by gender, age and professional category.	GRI 401-1 (2016)	P. 104
Average remuneration and its trends broken down by gender, age and professional classification. Wage gap, the pay for equal or average jobs in society.	GRI 3-3 (2021) GRI 405-2 (2016)	P. 104
The average remuneration of the directors and executives, including variable remuneration, allowances, indemnifications, payments into long-term savings and benefits schemes and any other payments broken down by gender.	GRI 405-2 (2016)	P. 60
Implementation of work disconnection policies.	GRI 3-3 (2021)	P. 117
Employees with disabilities	GRI 3-3 (2021) GRI 405-1 (2016)	P. 108-109

[10] There have been no direct impacts on protected areas caused by the company's direct activity, but there is a commitment to working to protect biodiversity, as the indirect effects of its activities have a global impact.

Non-financial information to be reported	GRI* Correspondence Standards	Report Page
Work organisation		
Number of hours of absenteeism	GRI 3-3 (2021) GRI 403-2 (2016	P. 112
Measures aimed at facilitating a work-life balance and to encourage co-responsibility for the benefit of both parents	GRI 3-3 (2021) GRI 403-3 (2018) GRI 401-3 (2016)	P. 117
Health and Safety		
Occupational health and safety conditions.	GRI 3-3 (2021) GRI 403-1 (2018)	P. 110-111
Workplace accidents, in particular their frequency and severity as well as occupational diseases; broken down by gender.	GRI-403-2 a 403-3 (2018) GRI 403-9 (2018)	P. 112
Social relations		
Organisation of the social dialogue, including procedures to inform and consult the staff and negotiate with them.	GRI 3-3 (2021)	P. 113
Percentage of employees covered by collective bargaining agreements, by country	GRI 2-30 (2021)	P. 113
Summary of collective bargaining agreements, particularly in the field of occupational health and safety.	GRI 3-3 (2021) GRI 403-4 (2018)	P. 113
Training		
Training policies implemented.	GRI 404-2 (2016)	P. 114-115
The total number of training hours by professional category	GRI 3-3 (2021) GRI 404-1 (2016)	P. 114
Universal Accessibility		
Universal Accessibility for people with disabilities	GRI 3-3 (2021)	P. 108
Equality		
Measures adopted to promote equal treatment and opportunities for women and men.	GRI 3-3 (2021)	P. 105-107
Equality plans (Chapter III of Spanish Organic Law 3/2007, of 22 March, for effective equality between women and men [Ley Orgánica 3/2007, para la igualdad efectiva de mujeres y hombres]), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration into the labour market and the universal accessibility of people with disabilities	GRI 3-3 (2021) GRI 2-23 (2021)	P. 105-107
The policy against all types of discrimination and, where necessary, for the management of diversity.	GRI 3-3 (2021) GRI 2-23 (2021)	P. 105-107

Non-financial information to be reported	GRI* Correspondence Standards	Report Page
Information on respect for human rights		
Implementation of due diligence procedures on the subject of human rights.	GRI 3-3 (2021) GRI 2-26 (2021)	P. 71
Prevention of risks associated with human rights violations and, where necessary, measures to mitigate, manage and remedy possible abuses committed.	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021)	P. 71
Complaints about cases of human rights violations.	GRI 2-23 (2021) GRI 406-1 (2016)	P. 66
Promotion and compliance with the fundamental conventions of the International Labour Organisation related to respect for the freedom of association and the right to collective bargaining; the removal of job and employment discrimination; the abolition of forced or mandatory labour; and the effective abolition of child labour.	GRI 3-3 (2021) GRI 2-23 (2021) GRI 408-1 (2016) GRI 409-1 (2016)	P. 64 P. 71
Information on the fight against corruption		
Measures adopted to prevent corruption and bribery	GRI 2-23 (2021) GRI 2-25 (2021) GRI 2-26 (2021) GRI 205-2 (2016)	P. 64 P. 71
Measures to fight money laundering.	GRI 2-23 (2021) GRI 2-25 (2021) GRI 2-26 (2021) GRI 205-2 (2016)	P. 70
Contributions to non-profit foundations and organisations	GRI 2-28 (2021) GRI 201-1 (2016)	P. 70
Company information		
Company commitments to sustainable development		
The impact of the company's activity on employment and local development.	GRI 3-3 (2021)	P. 48-52 P. 73 P. 116 P. 118-122
The impact of the company's activity on local and regional populations.	GRI 3-3 (2021)	P. 48-52 P. 116

Non-financial information to be reported	GRI* Correspondence Standards	Report Page
Relations with stakeholders from the local communities and types of dialogue with them.	GRI 3-3 (2021)	P. 31-33 P. 70 P. 118-122
Association or sponsorship actions.	GRI 3-3 (2021) GRI 2-28 (2021)	P. 70 P. 118-122
Subcontracting and suppliers		
The inclusion of social, gender equality and environmental elements in the procurement policy.	GRI 3-3 (2021)	P. 87-88
Consideration of suppliers' and subcontractors' social and environmental responsibility.	GRI 2-6 (2021) GRI 308-1 (2016) GRI 414-1 (2016)	P. 86-93
Oversight mechanisms, audits and their results.	GRI 2-24 (2021) GRI 308-2 (2016) GRI 414-2 (2016)	P. 92-93
Consumers		
Measures for consumer health and safety	GRI 3-3 (2021) GRI 416-1 (2016)	P. 87
Complaints systems, complaints received and resolutions.	GRI 2-16 (2021) GRI 418-1 (2016)	P. 98
Tax information		
Profits obtained country by country.	GRI 207-4 (2019)	P. 144
Corporate taxes paid.	GRI 207-4 (2019)	P. 144
Public subsidies received	GRI 201-4 (2019)	P. 145
European Taxonomy	Reglamento (UE) 2020/852	P. 146-152

Table of alignment with the TCFD framework

Climate at the centre: uncovering risks and opportunities

Among the strategic priorities set out in Tendam's Strategic Sustainability Plan 2022-2025 is the dissemination of climate-related information. Along this line, we are working on bringing our climate change management and disclosure structure in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as well as with other frameworks in this area.

The actions carried out by Tendam around the four main aspects that make up the TCFD framework are presented below: governance, strategy, risk management and metrics and objectives.

Governance

Disclose the organisation's governance of climate-related risks and opportunities.

Strategy

Disclose the current and potential impact of climate-related risks and opportunities on business, strategy and planning financial information of the organisation where such information is material.

Risk management

Disclose how the organisation identifies, assesses and manages climate-related risks

Metrics and targets

Disclose metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.



Progress in aligning with TCFD recommendations

Gobernanza

The Board is made up of three delegated committees: the Audit and Risk Committee, the Appointments and Remuneration Committee and the new Sustainability Committee, which is responsible for climate change issues.

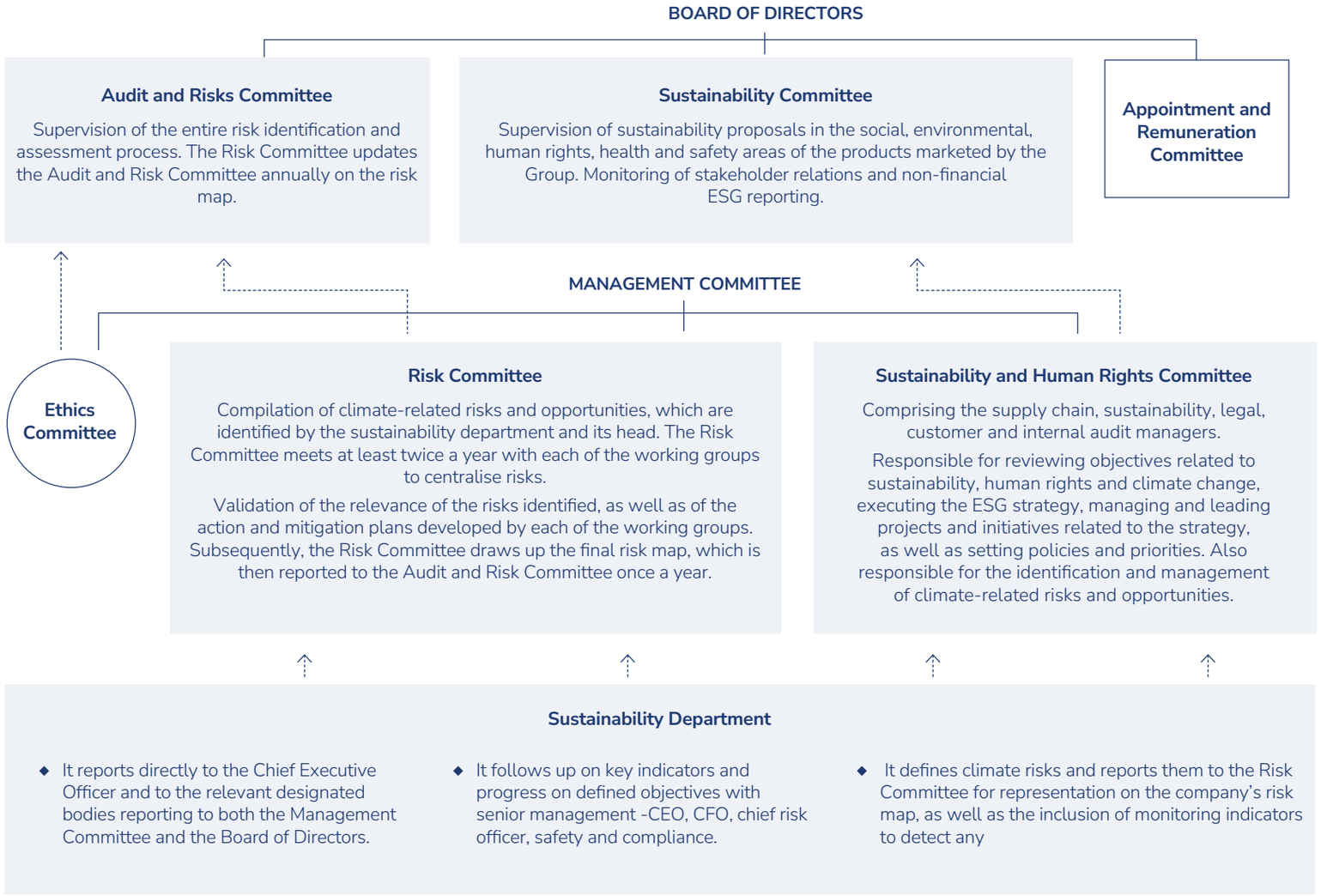
The Audit and Risk Committee is responsible for overseeing the entire risk management process, including climate-related risks. The Audit and Risk Committee meets four times a year and is briefed once a year by the Risk Committee to update the risk map.

The CEO and chairman actively oversees sustainability performance through direct communication with the head of the area, as well as the Sustainability and Human Rights Committee. He also oversees related risks, including climate risks, as head of the Risk Committee.

In turn, the head of sustainability reports on climate-related issues to the Sustainability Committee at least once a year. The Sustainability Committee meets at least twice a year and, among its functions, oversees the implementation and fulfilment of the objectives set out in the ESG Strategy and proposes changes and updates as necessary.

In addition, a new Sustainability and Human Rights Committee has been set up within the Management Committee to deal with climate-related issues. This Committee is responsible, inter alia, for the follow-up and monitoring of the 2022-2025 Strategic Plan.

The Sustainability department and its head are responsible for detecting climate change risks within the universe of risks identified by the Risk Committee and other working groups within the company.



Strategy

Global warming caused by the increase in GHG emissions in recent decades poses major medium- and long-term challenges for Tendam's business model. Due to the complexity of the risks that climate can cause in different areas of the value chain, it is very difficult to know the exposure and impacts that Tendam could experience. In this context, in 2022, Tendam conducted a study for the identification, assessment and quantification of risks and opportunities related to climate change.

Our study was based on the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework in order to address the following points:

Climate forecast in 2030 and 2040

Tendam selected three horizons, 2025 as the short term, 2030 as the medium term and 2040 as the long term. Our study found that the physical hazard impacts of climate change (e.g. floods, droughts, extreme heat, etc.) are most noticeable in the medium to long term, when higher levels of GHG emissions have occurred and lead to changes in weather patterns. On the other hand, transition risk impacts tend to be more pronounced in the short and medium term, while uncertainty levels increase considerably in the longer term.

Differences between an intermediate and a high emissions scenario

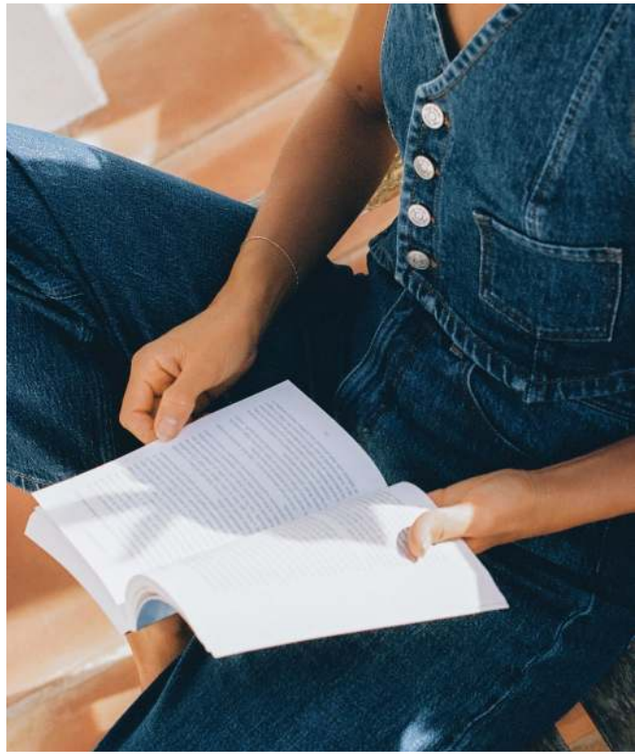
Como el futuro es incierto, el uso de escenarios es As the future is uncertain, the use of scenarios is an important and useful tool for understanding the strategic implications of climate-related risks and opportunities. The scenarios are not market forecasts, rather they represent different plausible futures. Tendam selected two physical risk scenarios (RCP 4.5, RCP 8.5) with the objective of analysing the scenario more aligned with current trends in the trajectory of actual emissions and the current rate of warming (RCP 8.5) and a scenario more aligned with the Paris Agreement and involving the implementation of emissions management and mitigation policies (RCP 4.5).

The physical hazards that were analysed in depth were extreme heat, river and coastal flooding, water stress and drought, fires and cyclones. For each of the climate risks, different climate variables, provided by the IPCC and other sources, were used. These variables were analysed for both the current situation and its projection in the selected scenarios. The result was a matrix of probability of occurrence and risk intensity.

Differences between the STEPS scenario and the SDS scenario

For transition risks, Tendam relies on two scenarios provided by the IEA. These are the STEPS (Stated Policy Scenario), as a starting point, and the SDS (Sustainable Development Scenario), to analyse the changes towards a low-carbon scenario. Transition risks discussed in depth were carbon mechanisms, stricter environmental and climate regulation, changes in consumer preferences towards more sustainable clothing, diversification of raw materials and use of low-carbon materials, and use of energy from renewable or low-carbon sources.

The following is a list of climate risks[11] and opportunities[12] identified through this analysis, as well as the associated impact and mitigation measures.



[11]. These risks are not yet integrated in Tendam's risk map, but are included or considered within a generic risk category called "Strategic risks".

[12]. Climate risks and opportunities are coded as follows: operational compliance (R/O-CO), market and technology (R/O-MT), brand and reputation (R/O-BR) and physical impacts (R-P).

Transition risks

Transition risks	Description	Impact	Time horizon	Description of the financial impact
Carbon mechanisms	New carbon mechanisms and taxes could in the future affect imports of goods and may increase the price of energy and fuel supply.	Medium	Short term	◆ Direct or indirect cost increases due to new taxes on imports of goods or energy.
Stricter environmental and climate regulation	On waste and plastics, the new Waste and Contaminated Land Act for a Circular Economy will increase taxes or extended liability. This law will include a Green Tax on single-use plastics (€0.45/kg) and may have an impact on packaging costs. Laws that may affect the sale of specific apparel and products in a country.	High	Short term	◆ Reduced revenue because certain legislation may prevent a garment from entering the market. Partial cessation of activity in a country. ◆ Increased direct or indirect costs due to tax payments
Product regulation and labelling	Regulations on traceability, end-of-use and eco-labelling that may affect apparel. The European Commission is analysing a possible Digital Product Passport for sectors with a potential for circularity.	Medium	Short term	◆ Increased direct or indirect costs due to changes in product composition and management throughout the product life cycle.
Supply disruption due to climate change	Partial disruption of the supply chain due to climate change.	Low	Medium term	◆ Reduced revenue due to supply interruption. ◆ Impact on stocks and sales. ◆ Impact on stock availability.
Price increases due to availability of raw materials	This risk is a consequence of all the indirect risks that can occur at the origin of raw materials, etc. (extreme heat, water stress). Tendam considers this risk low due to the diversification of suppliers.	Low	Long term	◆ Increased raw material costs. ◆ Impact on stocks and sales. ◆ Impact on stock availability.
Changing customer and investor expectations on transparency and more sustainable models	Tendam's reputation may be affected by the increased demands in reporting to different stakeholders (e.g. Corporate Sustainability Due Diligence Directive (CDP).	Medium	Short term	◆ Increased disclosure compliance costs.

Physical risks

Physical risks	Description	Impact	Time horizon	Description of the financial impact
Increased temperatures. Increased energy demand in stores	Increased energy demand in stores and logistics centres as a result of extreme heat.	Medium	Medium term Long term	◆ Increased direct operational costs due to increased energy demand.
Floods. Damage to own facilities.	Increased flooding can lead to physical damage to facilities and partial paralysis of supply (i.e. logistics centres). Currently, only the Hong Kong logistics centre is exposed to this risk.	Low	Medium term Long term	◆ Reduced revenues or increased costs due to damage and temporary closure of certain strategic locations. ◆ Impact on stock availability. ◆ Impact on sales. ◆ Increased health and safety costs
Extreme weather events (cyclones). Damage to own facilities.	Extreme weather events such as cyclones, storms, etc. can disrupt supply activities (i.e. logistics centres). Mexico's logistics hub is exposed to this risk.	Low	Medium term Long term	◆ Reduced revenues or increased costs due to damage and temporary closure of certain strategic locations. ◆ Impact on stock availability. ◆ Impact on sales. ◆ Increased health and safety costs.
Extreme weather events	Cyclones pose a high risk to the supplier located in Bangladesh and the cotton crops in India and Pakistan.	—	Medium term Long term	◆ Indirect cost increase due to change of alternative supplier ◆ Reduced revenue due to delays in receipt of goods
Rising temperatures	Rising commodity prices due to rising temperatures are currently a low risk for Tendam's management. All cotton crop and supplier locations currently offer a high risk of extreme heat.	Low	Medium term Long term	◆ Indirect cost increase due to change of alternative supplier ◆ Reduced revenue due to delays in receipt of goods
Water stress	Rising commodity prices due to increased water stress is currently a low risk for Tendam's management. All cotton growing locations currently offer a high risk of water stress	Low	Medium term Long term	◆ Indirect cost increase due to change of alternative supplier ◆ Reduced revenue due to delays in receipt of goods
Floods	Supplier locations in China and Bangladesh offer a high risk of flooding.	—	Medium term Long term	◆ Indirect cost increase due to change of alternative supplier ◆ Reduced revenue due to delays in receipt of goods

Opportunities arising from climate change

Transition opportunities	Description	Impact	Time horizon	Impact
Shifts in consumer preferences towards more sustainable apparel	The shift in consumer behaviour and preferences towards more sustainable apparel offers Tendam an opportunity to position itself against its competitors.	Medium	Short term Medium term	◆ Increased revenues due to better positioning of Tendam's products compared to competitors.
Diversification of raw materials and use of low carbon materials	Tendam is aware of the great opportunity to use more sustainable raw materials.	High	Short term	◆ Increased revenues due to better positioning of Tendam's products compared tobcompetitors. ◆ Reduction of indirect costs due to carbon emission reductions.
More efficient production and distribution processes	Tendam sees more efficient energy use in its stores and offices as an opportunity to reduce direct electricity costs.	Low	Short term	◆ Direct cost reductions due to more efficient energy use
Use of energy from renewable or low-carbon sources	Tendam sees this as one of the best opportunities to reduce indirect emissions.	High	Short term Medium term	◆ Reduction of indirect costs due to lower carbon emissions. ◆ Reduction of costs associated with the increase in the price of fossil fuels. Reducing their dependency.
Incentives and financial support	Incentives and economic support for the textile sector such as the PERTE Circular Economy - investment aid. Circularity investment programmes. Incentives for renewable or low-carbon energy	Bajo	Short term	◆ Reduction of direct or indirect operational costs through investment support for circular economy or renewable projects.
Changing customer and investor expectations on transparency and more sustainable models	Tendam's reputation can benefit from the good response to the reporting requirements of different stakeholders (e.g. Corporate Sustainability Due Diligence Directive (CDP).	Medium	Short term	◆ Increased investment

One of the main risks facing the organisation in the short term is the regulatory tsunami in the area of sustainability - among others, legislation linked to circularity, eco-design or human rights due diligence. In this context, climate change is a cross-cutting aspect of numerous initiatives within Tendam's ESG Plan. Thus, several actions have been defined with funding to achieve the objectives defined in this regard in the short-medium term, such as defining an internal carbon price, defining a system of incentives linked to climate indicators or extending the calculation of Scope 3 emissions to new categories.

The company defined a Climate Roadmap that has been integrated into the 2022- 2025 ESG Plan, which can be consulted in detail in the section Combatting climate change in Chapter 5, We are the Planet.

Risk management

As indicated above, Tendam's Risk Committee meets at least twice a year to monitor the risks identified by them and validate action plans. Identified risks are assessed and prioritised based on their impact, likelihood of occurrence and exposure. The risk map, including climate risks, is drawn up and regularly reported to the Audit and Risk Committee. Action measures to mitigate, transfer or control risks are defined by each of the working groups and then validated during Risk Committee meetings.

The climate risk and opportunity identification, assessment and quantification study developed by Tendam in 2022 is integrated into Tendam's existing risk management system.

Metrics and Targets

Tendam has carried out a preliminary identification and mapping exercise of appropriate indicators for monitoring and managing its climate risks and opportunities. Indicators identified include scope 1, 2 and 3 GHG emissions, renewable energy use, waste management and product with sustainable characteristics.

The indicators and metrics used are described in more detail in Chapter 5. We are the Planet.

We have ambitious emission reduction targets approved by the Science Based Target Initiative (SBTi):

- 46.2% reduction in Scope 1 and 2 GHG emissions in FY 2030 compared to FY 2019
- 62% reduction in GHG emissions per €M of Scope 3 turnover in FY 2030 compared to FY 2019
- 100% renewable energy consumption by 2030

Moving towards climate neutrality

The company has implemented emissions reduction initiatives that have enabled us to achieve a 74% reduction in Scope 1 and 2 emissions since 2019. The various initiatives are described in the section Our progress in combating climate change in Chapter 5. We are the Planet.

For the methodology used to calculate greenhouse gas emissions, see the Greenhouse gas emissions section of Chapter 5. We are the Planet.

In addition, Tendam is in the process of developing a new remuneration system subject to climate-related metrics. This system - defined as a line of action to be addressed included in the ESG Plan 2022-2025 - would imply that a small part of the Management Committee's variable remuneration (around 10%) is linked to a scope 1, 2 and 3 emission reduction target[13]. These targets will then be transferred to the first circle of managers as more specific objectives depending on the activity of each group.

[13] Scope 1, 2 and some of the Scope 3 categories of emissions for recent years are calculated and disclosed in the Sustainability Report. These calculations have an associated history (2019, 2020 and 2021) calculated on the basis of the GHG Protocol.

TENDAM

GLOBAL FASHION RETAIL

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women'secret SPRINGFIELD CORTEFIEL Pedro del Hierro hoss INTROPIA SLOWLOVE High Spirits DASH AND STARS OOTO OUT OF THE OFFICE HI&BYE FIFTY

Independent Verification

Deloitte.

Deloitte, S.L.
Plaza Pablo Ruiz Picasso, [illegible]
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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails

INDEPENDENT LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY REPORT - CONSOLIDATED NON-FINANCIAL STATEMENT OF TENDAM BRANDS S.A. AND SUBSIDIARIES FOR 2023

To the Shareholders of Tendam Brands S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the accompanying sustainability report - consolidated non-financial statement (NFIS) for the year ended 29 February 2024 of Tendam Brands, S.A. (the Parent) and its subsidiaries (the Group), which forms part of the Group's consolidated directors' report for 2023.

The content of the NFIS includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting, that was not the subject matter of our verification. In this regard, our work was limited solely to verification of the information identified in the "Spanish Law 11/2018 correlation table" table included in section 7.3 of the accompanying NFIS.

Responsibilities of the Directors

The preparation and content of the NFIS included in the Group's consolidated directors' report are the responsibility of the Parent's directors. The NFIS was prepared in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected Global Reporting Initiative Sustainability Reporting Standards (GRI standards), as well as other criteria described as indicated for each matter in the "Spanish Law 11/2018 correlation table" of section 7.3 of the NFIS.

These responsibilities of the directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the NFIS to be free from material misstatement, whether due to fraud or error.

The Parent's directors are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFIS is obtained.

Deloitte, S.L. Inscrita en el Registro Mercantil de [illegible] Hoja [illegible], Inscripción 96ª, C.I.F. [illegible] Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements regarding sustainability report - non-financial statements.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, consequently, the level of assurance obtained is substantially lower.

Our work consisted of making inquiries of management and the various units of the Group that participated in the preparation of the NFIS, reviewing the processes used to compile and validate the information presented in the NFIS, and carrying out the following analytical procedures and sample based review tests:

- Meetings held with Group personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external review.

- Analysis of the scope, relevance and completeness of the contents included in the 2023 NFIS based on the materiality analysis performed by the Group and described in the NFIS, taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2023 NFIS.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters presented in the 2023 NFIS.
- Verification, by means of sample-based review tests, of the information relating to the contents included in the 2023 NFIS, and the appropriate compilation thereof based on the data furnished by the information sources.
- Obtainment of a representation letter from the directors and management.

Emphasis of Matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, based on the Delegated Acts adopted in accordance with the provisions of that Regulation, establishes the obligation to disclose information on how and to what extent an undertaking's activities are associated with eligible economic activities in relation to the environmental objectives of the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control and the protection and restoration of biodiversity and ecosystems (the other environmental objectives), and in respect of certain new activities included in the climate change mitigation and climate change adaptation objectives, for the first time for 2023, in addition to the information referring to eligible and aligned activities required in 2022 in relation to the climate change mitigation and climate change adaptation objectives. Therefore, the accompanying NFIS does not include comparative information on eligibility in relation to the other environmental objectives indicated above or to the new activities included in the climate change mitigation and climate change adaptation objectives. Also, since the information relating to 2022 was not required with the same level of detail as in 2023, the information disclosed in the accompanying NFIS is not strictly comparable either. In addition, it should be noted that the Parent's directors have included information on the criteria which, in their opinion, best enable them to comply with the aforementioned obligations and which are defined in section 7.2 "Application of the European Taxonomy" of the accompanying Consolidated Non-Financial Information Statement. Our conclusion is not modified in respect of this matter.

Conclusion

Based on the procedures performed in our verification and the evidence obtained, nothing has come to our attention that causes us to believe that the consolidated NFIS of Tendam Brands, S.A. and its subsidiaries for the year ended 29 February 2024 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the "Spanish Law 11/2018 correlation table" table included in section 7.3 of the NFIS.

Use and Distribution

This report has been prepared in response to the requirement established in corporate legislation in force in Spain and, therefore, it might not be appropriate for other purposes or jurisdictions.

DELOITTE, S.L.

Bruno Rodríguez Martínez

17 may 2024