



2022 Sustainability Report

TENDAM
GLOBAL FASHION RETAIL

women'ssecret

 SPRINGFIELD

C O R T E F I E L

Pedro del Hierro

hoss
INTROPIA

SLOWLOVE

High Spirits

**DASH
AND
STARS** 

 **OOTO**
OUT OF THE OFFICE

FIFTY

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About this report

This Tendam Brands, S.A.U. Sustainability Report includes the company and its Group's consolidated Non-Financial Information Statement (NFIS) from March 1, 2022 to February 28, 2023. It is presented as a separate report, which is part of the company and its Group's Consolidated Management Report.

SCOPE AND COVERAGE OF THE REPORT

The 2022 Sustainability Report has been drafted by the company's Board of Directors and signed by all its members on May 25, 2023. The contents that make up this report have been prepared in accordance with international standards such as the Global Reporting Initiative, and following the guidelines and principles established in the SRS Standards. The report has also been drawn up using the GRI Standards as a reference.

The report includes all the information required by Law 11/2018, of December 28, which amends the Commercial Code, the revised text of the Capital Companies Act approved by Royal Legislative Decree 1/2010 of July 2, and Law 22/2015 of July 20, on the auditing of accounts, regarding Non-Financial Information and Diversity.

To prepare the report, we have considered the relevant environmental and social aspects of the business in the significant geographical areas where the activity is carried out. In the case of some contents being restricted, the details can be found in the corresponding section or index. We are committed to continue working on the internal management of the data to present the most complete information.

The organization's distinctive features and the expectations of its stakeholders have been taken into consideration. The basic criteria adopted to prepare this report are as follows:

- The information reported is presented as of February 28, 2023, unless expressly indicated. For comparative purposes, quantitative information from previous years is also included in each chapter.
- All the information and data obtained from the different internal management systems of the brands have been provided through the heads of the different areas. The information is not limited exclusively to quantitative indicators since the complementary qualitative information helps to reflect an adequate sustainability balance. The images and graphic resources used are the company's own or have been duly licensed or handed over for the purpose of this report.

CONTACT

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Letter from the Chairman and Chief Executive Officer

Dear stakeholder:

I am pleased to share the 2022 Annual Sustainability Report reflecting the Non-Financial Information and Diversity Statement.

As part of the Management Report, it contains the information necessary to assess Tendam's economic, social, environmental, and governance performance and evolution.

Our purpose at Tendam ("We join efforts in order to multiply, making fashion that matters") governs our actions in all these activity areas, contributing to generate positive impact on society and the planet. It is based on three pillars: sustainability, equity, and quality garments.

In terms of economic performance, in 2022 we exceeded our historical sales figures thanks to the positive evolution of our consolidated brands, the contribution of new own brands and the growth of the multi-brand business.

Consolidated revenues amounted to €1.211 billion, up 8.8% year-on-year. Comparable sales also showed a positive performance with growth of 10.4%.

Digital sales accounted for 15% of the company's total sales and increased by 10.6% over FY2021.

New growth initiatives under the umbrella of the Tendam 5.0 strategy already accounted for 4.8% of total sales and generated 28.3% of the group's net growth.

The new launches in Tendam's portfolio have been own brands Dash and Stars, specialized in sports fashion, and OOTO, specialized in men's fashion and created by Andrés Velencoso, joining Hoss Intropia, Slowlove and High Spirits, which were launched in 2021 and have already registered positive EBITDA and comparable sales in their first year.

As far as third-party brands incorporated into our websites under the "multi-brand curated assortment" concept, more than 120 brands are selling in our digital platform in 2022, and our goal is to reach 200 in the medium term.

The gross margin remained at a level of over 61% in a complicated international environment due to the post-COVID-19 impact of the supply chains and international transport crises, the war in Ukraine, and the sharp increase in energy prices.

Due to the situation in Ukraine, Tendam suspended its operations in Russia during the year, which will cease completely in the first quarter of 2023.

Thanks to the company's positioning with an expanded portfolio of own and third-party brands, as well as its robust business model with a flexible sourcing capacity and active promotion management, Tendam has been able to cushion the impact of the international environment with high inflation and tensions in global supply chains, while protecting its growth in profitability and market share.

Considering the current IFRS16 regulations, recurring EBITDA amounted to €285.37 million

compared to €277.22 million in the previous year, an increase of 2.94%.

This progress has been possible thanks to the strategy of launching and managing brands and strengthening our digital efficiency, both commercial and managerial, which has been deployed in full force thanks to the Tendam 5.0 transformation process, consolidating a unique omnichannel ecosystem based on key segments of extremely loyal customers and own and third-party brands with a common management platform, where data and advanced analytics are the strategy's focal point.

The full connection of the digital sphere with physical stores has strengthened our operational capabilities, with the implementation of OMS and RFID in our store network, advancing in digital functionalities in both logistics and store management. Stock management by store personnel and its intimate connection with the online operation, the extension of click-shopping and the ability to recommend customers at the point of sale are a differential advantage of our "capillary store model", giving a new life to the physical store, protecting the commercial fabric, and therefore structuring the territory, especially in small and medium-sized cities at risk of depopulation.

For our company's success, the priority is the consumer and the true differential value we provide. Tendam has continued to grow in the number of members of its loyalty clubs, with currently more than 33 million members.

In the area of sustainability and environmental impact, this Report details our progress with the Sustainable Development Goals and the commitments acquired in the United Nations' global initiatives, such as the Fashion Industry Charter for Climate Action and the Global Compact's Global Business Ambition for 1.5°C. The company has also actively participated in The Fashion Pact, in Zero Discharge of Hazardous Chemicals (ZDHC) and in Better Cotton activities. In 2022 we joined new initiatives such as Retailers por el Clima and started the process of joining the Sustainable Apparel Coalition.

For the third consecutive year, in 2022 we reported our evolution and initiatives in the reduction of greenhouse gas

emissions to the Carbon Disclosure Project (CDP) Climate, obtaining an A rating and becoming part of the leadership group with the "CDP A List Member" recognition (compared to the A- we obtained in 2021 and the B+ of the first report in 2020), which highlights the importance of our strategies and policies in favor of decarbonization. CDP values constant improvement and we are aware of the challenge this entails.

Despite the full return to post-COVID-19 activity in 2022, tensions in transportation and global supply chains, the energy crisis and the company's growth led to a 6% increase in total CO2 and other greenhouse gas emissions; however, emissions measured in intensity (that is, emissions per million euros of turnover) were reduced by 2% compared to 2021.

Compared to 2019 there was a reduction of 74% in scopes 1 and 2 (direct emissions and energy consumption) and of 14% in scope 3 (indirect emissions in the value chain), with total emissions being reduced by 16%.

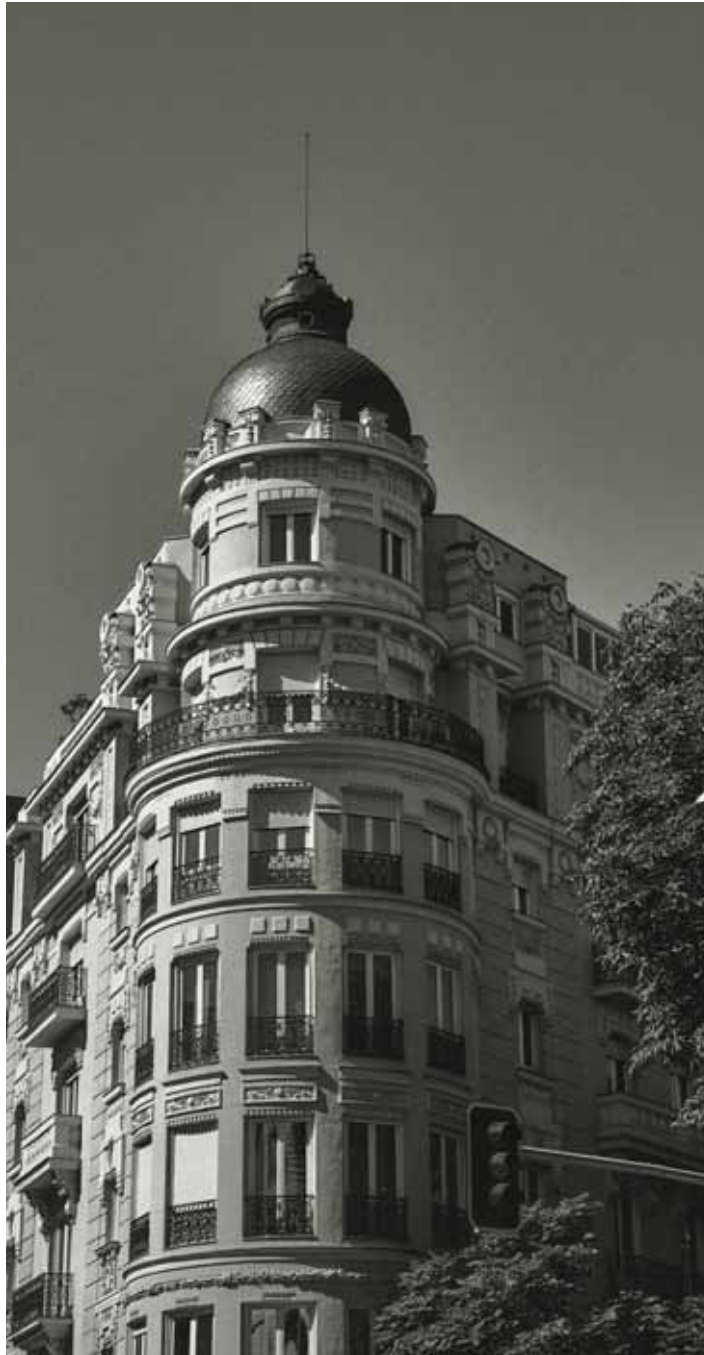
The energy supply with renewable energy certification already reaches 100% of our commercial network, buildings, and facilities in Spain, Tendam's headquarters and main market, and 79% of the energy of our own facilities globally. We have also signed a PPA (Purchase Power Agreement) that is structured around a solar photovoltaic energy generation infrastructure, contributing to the increase of renewable energy generation capacity. However, the strong impact of the energy crisis caused by the conflict in Ukraine has caused a great distortion in the markets, particularly in renewable energies, delaying the adaptation of the company's energy supply sources in other countries as planned.

For all these reasons and due to the current changes in measurements and criteria, in 2023 the company will review its science-based reduction targets and its decarbonization plan compared to 2019 that were approved by the SBTi (Science Based Targets initiative) to meet the carbon neutrality commitment by 2040.

In terms of climate impact, the Springfield brand has made decisive progress in its commitment to the environment with forest regeneration under the #BosqueSpringfield reforestation initiative.

“ In 2022, we have surpassed our historical sales figures thanks to the positive evolution of our consolidated brands, the contribution of our new own brands and the growth of the multi-brand business.”





In 2022, with the support of drone technology, 22,000 new trees were planted, reaching a total of 110,000 trees between Spain and Portugal, thus contributing to offsetting more than 70,000 tons of CO₂ equivalent, of which 22,668 were offset this year.

Tendam has improved again this year in assessing its environmental, social and governance performance, increasing its score and obtaining a gold medal from ESG rater EcoVadis. This places the company among the top 1% of comparable companies assessed and recognizes the organization's work in four ESG areas: environment, work practices and human rights, ethics and sustainable procurement.

The ESG strategic plan has allowed us to make substantial progress in our product sustainability commitments, advancing objectives and goals. In 2022, we reached 43% (in units) of product with sustainable attributes, very close to our target of 50% by 2025. In value terms, this would represent 47% of our inventory. We have also made decisive progress in the elimination of non-recycled single-use plastics and in the implementation of paper packaging: 97% of bags and cardboard packaging in stores and 100% in online shipments, both of which are certified.

Tendam has been very active in collective circularity initiatives together with other leading companies in the sector, promoting the creation of the Textile and Fashion Observatory and the Association for the Management of Textile Waste. The former brings together the main employers' associations of clothing, design, and distribution, as well as manufacturing, fabrics and spinning led by the ModaEspaña Confederation and the Intertextil Council, seeking to develop public-private collaboration in the use of resources and the promotion of the sector's innovation and transformation in its broadest sense. The second, created by some of the main textile and fashion distribution companies, aims to implement

a collective system of Extended Producer Responsibility (EPR) for the circular management of textile waste.

In the area of governance, the Board of Directors has approved a Human Rights Policy and set up a Sustainability Committee, which also oversees the ESG Strategic Plan and the activity of the ESG and Human Rights Committee, strengthening due diligence aspects in Tendam's value chain and in accordance with the roadmap designed with the SERES Foundation. More than 160 company managers have received a specific ESG training course from ISEM-University of Navarra in 2022, and a complete training plan with the SERES Foundation on human rights and due diligence for employees and managers is underway.

Regarding human rights in relation to third parties, we established a protocol for the attention and follow-up of complaints, which has also been translated into the main languages throughout the supply chain. The Global Framework Agreement of collaboration with the main trade union federations for the monitoring and promotion of decent work conditions and human rights in our international supply chain started its activities with a first trip to Bangladesh with positive results and progress for both parties. The joint working group has already made a second trip to Pakistan in the first months of the 2023 fiscal year.

As far as diversity is concerned, Tendam is made up of 86% women and 61% of management positions are held by women, two percentage points more than last year. In 2022, progress was made on the Board of Directors with the incorporation of a new female director, which places the current proportion of women in the highest governing body, including the non-director Secretary of the Board, at 50%. We are one of the pioneering companies in reaching parity in its highest governing body.

In the fourth year of the Somos Voluntarios corporate volunteering program, employees have continued to collaborate in several initiatives such as the job placement of women with the Quiero Trabajo Foundation, the job integration of people with disabilities with the Argandini Association or bringing back family days of environmental volunteering with tree-planting in the Henares river basin together with Reforesta.

In the field of social action, the brands also signed collaboration agreements and carried out awareness campaigns such as Cortefiel's Perfectos Imperfectos, on disability by Cadete Foundation, the above-mentioned #BosqueSpringfield or Women'secret's commitment to women through the Real Changers initiative to provide training scholarships and promote equality through accounts from successful women in areas traditionally reserved for men.

Unfortunately, cancer (especially female cancer) is one of our customer's main concerns. This year we have continued to promote Women'secret's #SIMEIMPORTA movement together with the Dexeus Foundation, to improve the quality of life of women with breast cancer. Among our actions, we should highlight Slowlove's collaboration with the Un Paso Más Foundation, raising 100,000 euros for the Por Verte Sonreír campaign, which fights against childhood cancer and supports the research being carried out by the clinic of the University of Navarra.

The Involucrados project to raise funds for social action with the sale of pre-consumer stock has returned to its open public call and once again has exceeded 120,000 euros in collection.

We also actively participated in helping Ukrainian women and children displaced in Madrid through the Acompaña Program. Among other actions, almost 3,000 items of clothing were donated. We

also contributed to humanitarian work in the field by supporting International Red Cross projects with 100,000 euros.

Our social contribution and for a better impact on the industry is also focused on academia. We collaborate with the main universities and business schools in Spain teaching fashion management and design, such as ISEM University of Navarra and CSDMM Polytechnic University of Madrid. At the European level, we also participate in the European Erasmus+ Program for sustainability employability in collaboration with universities and business schools across the continent. Along the same lines, we have sponsored new sustainability forums to raise awareness of the industry and prepared the fourth sustainable design conference at the Polytechnic University of Madrid and the Fashion Sustainability Shot opinion forum by Modaes.es.

Great progress has been made in a particularly intense year for sustainability, with changes in the legislative framework that will transform our industry. I am confident that it will be regulated in a harmonized way throughout the European Union and, to the extent possible, in coordination with the rest of the international economic spaces. To face a complex but encouraging future for our positioning in timeless and quality fashion, we have created an omnichannel retail ecosystem that is distinctive, profitable, and with a high capacity for growth, where social and sustainability values are integrated into our strategy.

All of this has been possible thanks to the commitment and support of our partners, board members, suppliers, customers, franchisees and allies from civil society and academia, to whom once again I would like to express my gratitude.

— **JAUME MIQUEL**
Chairman and CEO of Tendam



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Landmarks of the year

MARCH 2022

- Dash and Stars is born, a new brand specialized in sportswear that is marketed through the multi-brand online platform and in Cortefiel, Springfield and Women'secret's physical stores in Spain, Portugal, and Lebanon.
- Hoss Intropia is launched at the 75th edition of Madrid Fashion Week with the spring-summer collection following the "See now, buy now" trend, with online availability so that customers can buy and wear without having to wait.



- €100,000 donation to the International Red Cross for direct aid to refugees from Ukraine.

APRIL

- Pedro del Hierro presents an exclusive collection with the TFP by Tamara Falcó brand, the designer's first collaboration as a creative director and brand ambassador, together with Nacho Aguayo, the brand women's creative director.
- Hoss Intropia lands in Portugal with its first two stores in the NorteShopping malls, located in Senhora da Hora, and CascaíShopping in Alcabideche, strengthening its capillarity in the country.
- Fourth year of Cortefiel's Perfectos Imperfectos, together with the Cadete Foundation. On this occasion, the brand donated 100% of the profits from the sale of a collection of T-shirts signed by designer Algo de Jaime to help the families of children with disabilities.
- The second edition of Women'secret's Real Changers project was launched, awarding its educational scholarships to women who have a clear project that makes them progress as individuals and professionals.



MAY

- Pedro del Hierro, first benefactor of the Academia de la Moda Española Foundation to encourage the promotion and recognition of designer fashion, promoted by the Asociación Creadores de Moda en España (ACME).
- Tendam's legal department wins the Iberian Legal Summit & Awards 2022 for the best legal department in the retail & consumer sector.
- Cortefiel joins WWF in defense of the Iberian lynx, a collaboration that is materialized in the launching of a capsule collection of polo shirts and T-shirts with the silhouette of this feline as its logo.



JUNE

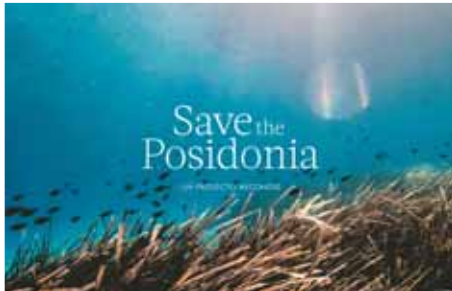
- Celebration of World Environment Day by joining a strategic environmental alliance launched within the retail sector: Retailers por el Clima. Together with other leading companies, Tendam joins efforts in favor of sustainable development.



- We participate in the European ERASMUS + program, the Sustainable Fashion Employability Skills project funded by the European Union to develop university content to serve as a guide to define the skills needed to work in sustainability in the business environment.

JULY

- Hoss Intropia once again collaborates with Save Posidonia Project to preserve the Mediterranean tapeweed, sponsoring a total of 19,500 m2 to contribute to the regeneration of the marine ecosystem.



SEPTEMBER

- Springfield launches a new omnichannel multi-brand store model that incorporates the digital and technological environment into a physical store to provide a complete customer experience. Under the name mySPRINGFIELD.com, it is the spearhead of an omnichannel strategy that will be developed over the next few years.



- Andrés Velencoso, Spanish actor and model, joins Tendam as creative director and brand ambassador, for the launching of OOTO (Out of the Office), a menswear brand.

OCTOBER

- Launching the “Become an explorer. Explore your breast” campaign by Women'ssecret, in collaboration with Dexeus Mujer, to promote early detection of breast cancer through awareness, regular self-examination, and check-ups.



- Launching a training program on sustainability and ESG at the ISEM Fashion Business School of the University of Navarra.

NOVEMBER

- The #BosqueSpringfield project manages to plant 20,000 trees in Galicia, with the aim of repopulating the areas most affected by forest fires in recent years, contributing to the preservation of biodiversity.



- Springfield lands in the metaverse with its first digital collection: Springfield Metacollection, exclusively for Roblox and Decentraland platforms.
- Dash and Stars begins its international expansion with the opening of three corners in Lebanon, in the Dunes Center, GS downtown and Victoria Center shopping malls.

DECEMBER

- Tendam obtains an A rating in the Carbon Disclosure Project (CDP) as a result of progress made in strategy, transparent management, and specific projects to minimize environmental impact and CO2 emissions.
- Launching of the Re-Store training project, in collaboration with the Alcobendas City Council (Madrid), to promote the employability of women who are unemployed or would like to reorient their professional activity.



- Approval of Tendam's Human Rights Policy, which shows the company's commitment to the respect and promotion of human rights, and its principles of action.

JANUARY 2023

- Tendam and the Junta de Andalucía sign an agreement so that people with disabilities can have work experience in the stores of the Group's different brands.
- Together with other leading companies in the textile sector, Tendam has participated in the creation of the Association for the Management of Textile Waste, with the aim of making progress in the management of textile waste generated in the Spanish market through a collective system of Extended Producer Responsibility (EPR).



FEBRUARY

- 140 volunteers joined the environmental volunteer days in collaboration with the Reforesta association to contribute to the reforestation of the Tajo river basin, in the municipality of Villamanrique, near Madrid.



- Women'secret obtained 37 Jappy Kits for children with cancer, thanks to its joint program with the Juegaterapia Foundation and the campaign to sell BabyPelones baby dolls for Christmas.
- Tendam supports the humanitarian work carried out by the Red Cross through a financial donation and the donation of coats and pajamas to the victims of the earthquake in Turkey and Syria.

The Group

We are one of the leading fashion groups in Europe, present in **78 markets** on four continents, with a solid track record that is backed by more than 142 years of history.

We specialize in the management of premium mass market brands, a quality alternative between fast fashion and accessible luxury: Women'secret, Springfield, Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove, High Spirits, Dash and Stars, OOTO and Fifty. The sum of them all ensures the reach and capillarity of an innovative Group with an international vocation, whose collections are distributed in more than 1,866 points of sale and online.

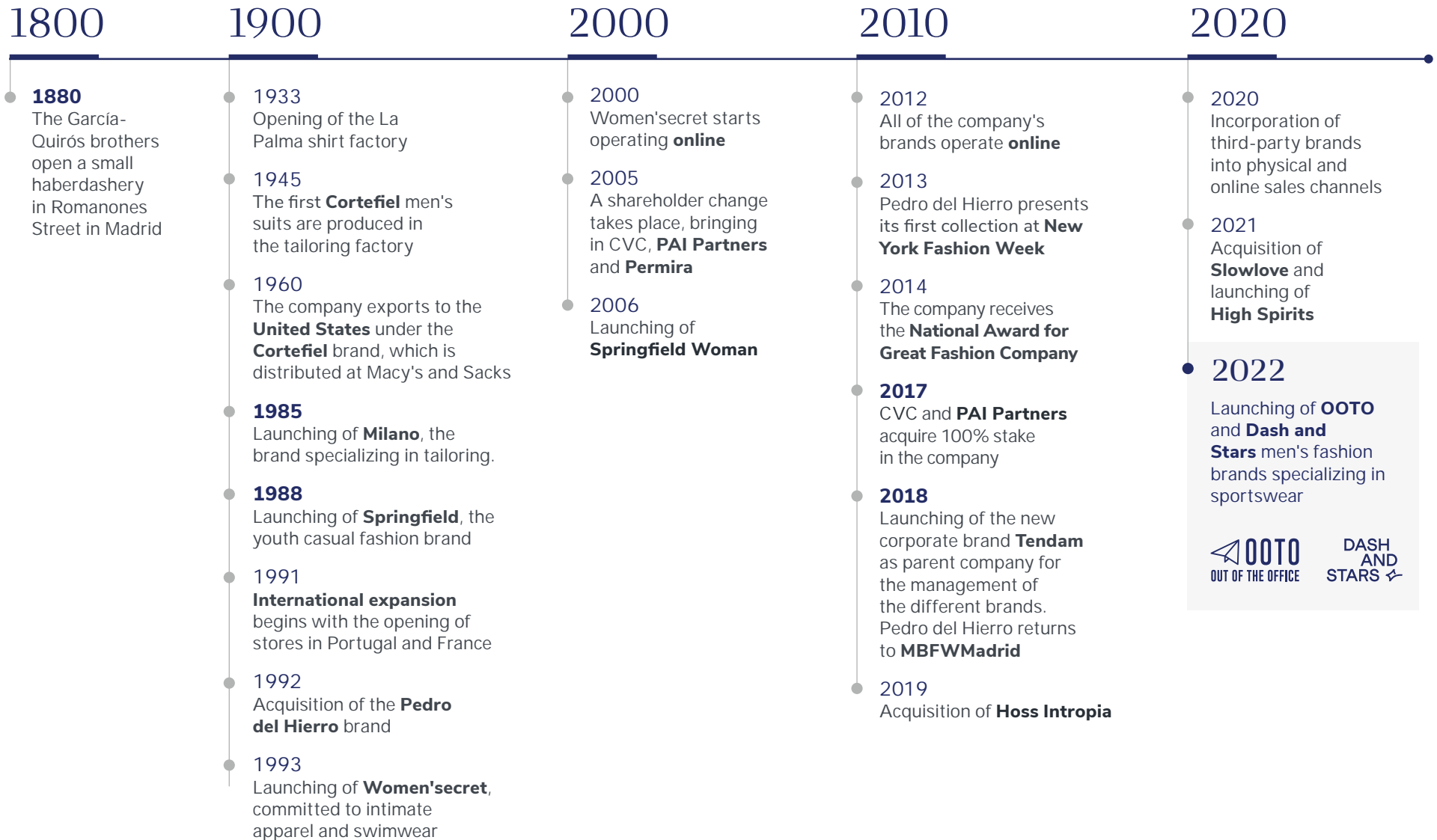
Our headquarters are in Madrid, although we also have offices in Barcelona and other strategic countries for the business. To facilitate better management of the global supply chain, we have international purchasing units located in Spain, Hong Kong, India, and Bangladesh.

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

1,866 points of sale
1,252 company-operated stores
614 franchises
56 markets



History



Our figures



We are Tendam

10 brands
 1,211 million turnover
78 markets
 Strong geographic diversification with online sales in 56 markets
 1,866 points of sale
 87 million garments sold
 33 million members are part of our clubs
 14.6% of business turnover is online



We are People

9,917 people
 87% store personnel
 13% corporate headquarters personnel
86% women are part of the team
50% women on the Board
61% women in management positions
 7,803 employees trained
 67,613 hours of training
 428,808 invested in third-sector projects



We are Responsible

3,381 active suppliers
 312 garment and accessory suppliers
 552 factories
 100% of garment and accessory suppliers agree to our Code of Conduct
 We are a member of **ZDHC** with the goal of driving supply chain best practices in chemical control and water management.



We are Planet

73.5% absolute CO2 reduction in Scope 1 and 2
 14.3% CO2 intensity reduction in Scope 3 compared to fiscal year 2019
 79% renewable energy in own operations globally
 43% of our garments are made with sustainable features
 We have obtained an **A rating** in the CDP climate change questionnaire.

Corporate Identity

The people who are part of the Tendam Group, working for and on behalf of its different brands, share the same purpose and values. The corporate culture encompasses our mission, the vision we would like to achieve and the way we work. These elements integrate a value proposition directed at our stakeholders that is based on innovation, excellence, honesty, and sustainability.

MISSION

What do we work for every day?
To be a worldwide leading group in the fashion/lifestyle industry, focused on satisfying the needs of our customers, helping our employees to flourish, and contributing to the development of society.

VISION

Our goal is to offer the best global fashion, coherent and committed to our customer's lifestyles, different and diverse, represented by leading international brands.



VALUES

Innovation
Customer First
Excellence
Honesty
Integrity
Ambition
Collaboration

PURPOSE

We join efforts to multiply, making fashion that matters

We are a company specialized in managing fashion brands that join efforts to multiply exponentially our positive social and economic impact.

Positioned in the premium mass market segment, we create quality fashion that makes a difference in the lives of people, society, and the planet. Our work and product, as well as the way they are carried out and obtained, 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 and mission are the central pillars of our vision and our roadmap's guiding light.

We join efforts...

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

At Tendam, they add up to more than 9,900 employees working for

the company and the presence of its brands in close to 80 markets.

The company's culture is inspired by our mission, vision, and way of working. 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.

To multiply...

With the creation and launching of our own brands in 2022, there are now more than 10 brands that allow us to accompany customers through the different 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 because we believe in a capillary network of physical stores integrated into an omnichannel ecosystem, that is, modern physical stores adapted to new commercial realities without losing their essence. Our network generates value, employment, local wealth, and acts as a lever with multiplier effect that supports the territory and the commercial fabric.

We also multiply because, from our position as a relevant company,

we work to contribute responsibly to society.

Making fashion...

We promote a value chain with sustainability at the center 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.

What matters...

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

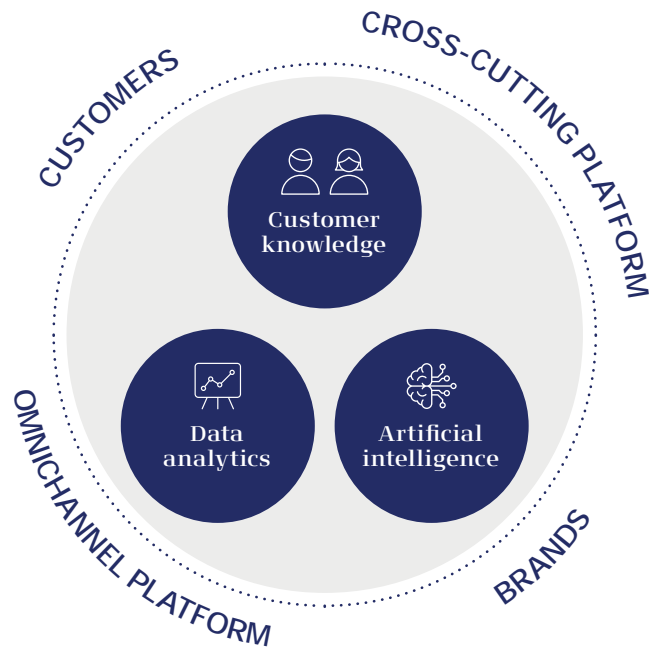
Our motto of "making a difference in people's lives" includes the customer, but also our team and suppliers. We strive to make a positive impact on the world, investing in people to improve their lives and to build a better future for all.



Business model

Since 2020, Tendam has developed a business model that pursues a perfect structuring between digital and physical, where the store becomes a true hub connected to all digital initiatives. This system is based on four pillars:

A powerful CRM to ensure a proactive, ongoing, and long-term relationship with customers.



For a synergistic and efficient business management, leveraging the operational capabilities acquired.

The connected physical store and its expanded role, as the fundamental axis of our omnichannel essence.

Incubation, creation, and development of own brands, as well as the development of the multi-brand omnichannel platform

THE TENDAM 5.0 STRATEGY

The Tendam 5.0 strategy, designed in 2020 and accelerated over the past two fiscal years, is aligned with the Group's business model, and focuses on two growth levers: the strengthening of own brands and the launching of new ones, and the creation of a unique omnichannel ecosystem open to third-party brands.

In 2022, Tendam added two new brands to its portfolio: Dash and Stars, a women's sports brand, and OOTO, the first men's brand to be launched under this model. Between 2021 and 2022, the Group launched five new own brands.

In the year under review, the multi-brand omnichannel platform reached 120 third-party brands marketed under the Tendam ecosystem. As part of a full integration process of the digital business and the physical store, the company has boosted access to its own and third-party brands from all channels and formats, offering the customer maximum flexibility, service, and choice.

New growth initiatives under the umbrella of the Tendam 5.0 strategy already accounted for 4.8% of total sales and generated 28.3% of the group's net growth.

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

- **Own brands.** Tendam bases part of its growth on the incubation, development, and launching of its own brands. Specialized brands that complement each other, where innovation and sustainability play a key role. Our own brands seek to accompany our customers throughout their lives.
- **Multi-brand omnichannel platform.** Tendam's ecosystem includes third-

party brands that are marketed through the multi-brand omnichannel platform, where customers have access to an extended catalog of clothing, sportswear, footwear, home, and cosmetics.

This lever, which recaptures the essence of multi-brand stores, has enhanced the company's expertise in customer segmentation and knowledge, strengthening the attractiveness of our digital stores and consolidating greater economies of scale in a largely profitable digital operation.

CUSTOMERS: LOYALTY, PERSONALIZATION AND DIGITALIZATION

Pioneers in the implementation of loyalty clubs, we currently have five clubs associated with each of the brands (Cortefiel, Springfield, Women'ssecret, Fifty, and Hoss Intropia) and more than 33 million members, with whom we maintain a proactive relationship of loyalty and personalization in the shopping experience.

The members of these programs are at the core of the company's strategy.

We continue to develop initiatives that contribute to a better knowledge and understanding of their preferences, in order to offer what they need at all times, with solutions that integrate both the physical store and the online channel.

We develop our strategy in a digitalized environment, where advanced data analytics are among the main tools for greater efficiency and effectiveness. We are data driven retailers, which allows us to maintain a constant dialogue and interaction with our customers.





OMNICHANNEL CAPILLARY NETWORK

With more than 1,800 physical points of sale, stores continue to be the main contact between our customers and our brands. We have a capillary network of physical stores that are close and accessible, which provides the backbone of the territory, contributing to the generation of employment and wealth at the local level.

We are moving towards a nimbler physical store model, automated and assisted by customer data. Our points of sale have expanded their role to become logistics centers that service online sales, where customers can pick up and return products from other brands.

The indicators show the strength of Tendam's operating model and ecosystem, which connects customers, the digital business, and access to the physical store network.

We understand the physical store as a key part of the omnichannel model. It is the store itself, through its enhanced capabilities, that drives our digital business.

CROSS-CUTTING PLATFORM OF CORPORATE SERVICES

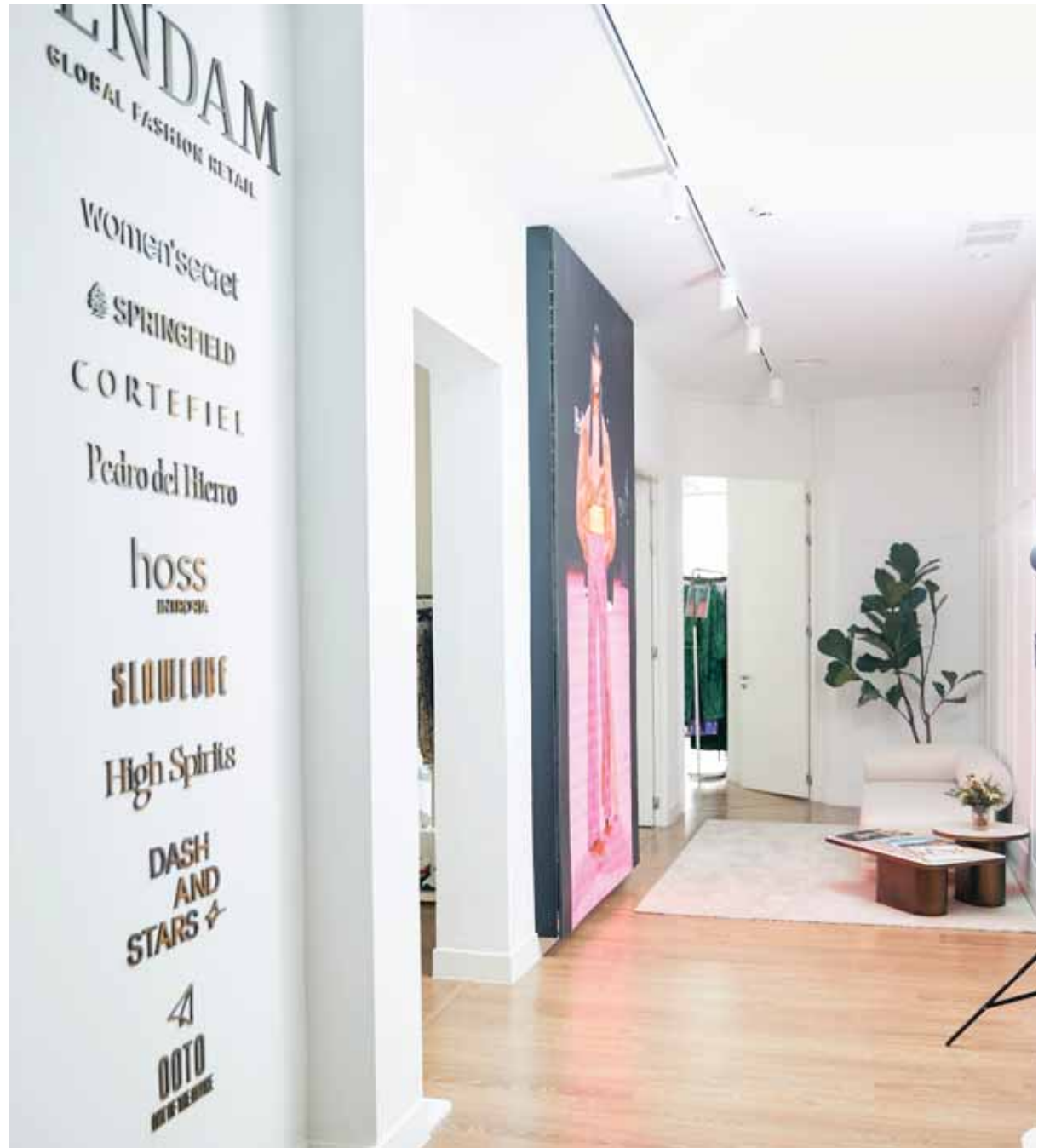
Our brands maintain their independence and autonomy to grow on their own, making the most of their differential advantages and the flexibility of the commercial formats, with no overlap between them.

Each one has its own creative design and commercial team, but they share common corporate services and logistics centers. This results in greater efficiency and nimbleness in operations, which also facilitates the identification of business impacts on the environment and the communities where the Group operates, as well as the detection of risks and opportunities.

A powerful centralized structure, such as Tendam's, allows each of the brands to leverage synergies, capabilities, and expertise to serve customers and business objectives.

Much more than brands

Our brands put together multiply our strength exponentially, positioning the company 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 proposition adapted to each segment of the population to which our commercial offer is directed, understanding innovating as a strategic challenge and differential feature in our culture.





CORTEFIEL

The first brand launched by the group in 1945. It is based on values such as elegance, quality, comfort, and garment functionality, proudly representing its textile tradition with 77 years of experience in tailoring.

It makes its commitment to society visible through solidarity initiatives such as Perfectos Imperfectos, together with the Cadete Foundation, with the aim of showing the beauty of children born with a disability.

In relation to the environment and in favor of the protection of biodiversity, Cortefiel and WWF have closed a collaboration for the preservation of the Iberian Lynx by launching a capsule collection of polo shirts and T-shirts with the silhouette of this feline as a logo, donating 1.5€ for each unit sold.

Thanks to the brand's expertise and high-quality service it has earned the trust and loyalty of its customers. Its loyalty club has more than 40 years of history and in 2022 it reached a record of more than seven million members.

- 26% turnover of Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO out of the group total
- 256 points of sale + online
- Present in 33 countries
- 22% of Tendam's workforce

Pedro del Hierro

Spanish fashion company created in 1974 by Pedro del Hierro, a designer from Madrid, that became part of the Group in 1992. True to its values of style, elegance and quality, the brand adapts its garments and services to new customer demands through creativity and the integration of sustainability in the production chain.

The first collaboration with the TFP by Tamara Falcó Brand took place in 2022, with Tamara Falcó as creative director. It consisted of two collections made up of garments for special occasions designed and made in Spain, one for spring-summer and the second for autumn-winter.

- 19 independent points of sale
- 161 points of sale integrated in Cortefiel
- Present in 10 countries with independent points of sale



hoss

INTROPIA

Brand launched in 1994 and incorporated into the Tendam Group in 2019, strengthening the company's position within the affordable luxury segment with a boho-chic style in women's fashion. Its collections evoke the Mediterranean philosophy and way of life. It was relaunched in 2021.

In 2022, it paraded for the first time at the Mercedes Benz Madrid Fashion Week, a reference event in Spain.

In line with its strong commitment to the environment, the company launched the Save Posidonia Project to preserve the Mediterranean tapeweed, sponsoring a total of 19,500 m² to contribute to the regeneration of the marine ecosystem.

- 57 points of sale + online
- 11 new points of sale in franchise model in 2022
- Presence in 10 countries



SLOWLOVE

Created in 2015 by Sara Carbonero and Isabel Jiménez, it is a digital brand with a strong commitment to sustainability.

In 2021, it joined the Tendam Group with its founders at the head of the creative direction. It targets a segment of women with an urban and casual lifestyle, highly aware of the planet's environmental challenges.

Its social commitment is materialized by supporting causes related to women,

such as the sponsorship of the Mujeres Patrimonio Festival to give visibility to female singers and composers working in traditional, folklore, and avant-garde music. The 2022 edition was held in Sigüenza (Guadalajara).

- 143 sale spaces in stores of other Group brands in Spain and Portugal



SPRINGFIELD

Springfield is a contemporary style brand that targets mainly young people, allowing its followers to express themselves through the best quality-price proposition.

Launched in 1988, it is Tendam's most international brand. Its expansion began in Portugal in 1993. It also has its own loyalty club with more than 14 million members in Spain, Portugal, Belgium, and France.

In 2022, it launched a new omnichannel store model in Pamplona and Madrid that incorporates the digital and technological environment in a physical store to provide a complete customer experience. Under the name mySPRINGFIELD.com, it is the spearhead of an omnichannel strategy that will develop in the coming years.

As part of its commitment to the environment, the brand is developing a reforestation project called #SpringfieldForest, which already totals 110,000 trees planted in Spain and Portugal since it started in 2020.

- 36% Springfield and High Spirits turnover over the group total
- 743 points of sale + online
- Presence in 54 countries
- 35% of Tendam's workforce

women'ssecret

Launched in 1993, it is the brand specialized in women's intimate apparel. It targets self-confident women through its corsetry, nightwear, and swimwear, combining femininity, comfort, and quality. Its commitment to society is shown by supporting the causes that matter most to women.

As a result of the collaboration with the Dexeus Foundation, in 2022 the brand launched the "Become an explorer. Explore your breast" campaign, to promote the early detection of breast cancer through awareness, regular self-examination, and check-ups. It also promotes female empowerment through projects such as the Changers training scholarships for women who have a project and are determined to fulfill their dream.

- 30% turnover of Women'ssecret and Dash and Stars out of the total group turnover
- 704 points of sale
- Presence in 60 countries
- 27% of Tendam's workforce



DASH AND STARS ✨

The Tendam Group's first sustainable women's sportswear brand, launched in March 2022. Aimed at women between 18 and 55 years old, sports lovers, who like to take care of themselves and live a healthy life. It is marketed through the multi-brand online platform and Women'secret, Cortefiel and Springfield's physical stores in Spain and Portugal.

The same year it was launched it began its international expansion with the opening of three corners in Lebanon, in the Dunes Center, GS downtown and Victoria Center shopping malls.

- Presence in 47 physical Women'secret, Cortefiel and Springfield stores in Spain and Portugal
- The brand boosts its international expansion with 4 points of sale in Lebanon under the franchise model



High Spirits

Inspired by boho style fashion, the High Spirits brand was launched in 2021 to serve women with a free, creative, and true spirit, as represented by its ambassador María Pombo. It is marketed through the digital sales channel and in Springfield's physical stores.

It is the first Tendam brand to be launched one hundred percent in the digital environment. The customer buys where the customer decides, through the online portal or in more than 100 physical stores of the different brands.

- 14 independent points of sale
- Presence in 11 countries
- In its first year of life it expanded its business with the opening of points of sale in Portugal, Mexico, and Hungary



OOTO
OUT OF THE OFFICE

New menswear brand with Andrés Velencoso as creative director and main ambassador. The collection, casual and Mediterranean-inspired, is aimed at men who want to enjoy life and give priority to comfort.

The OOTO brand is inspired by the English “out of the office” concept. It is designed for a male audience that wants to break away from the rigid and established dress codes. It declares itself “ego sustainable”, with the certainty that to enjoy the planet first you must take care of it.

In 2022, Andrés Velencoso, its creator, received the Premio Summum awarded by the ABC newspaper for the launching of this brand.

— 100 points of sale in Spain and Portugal

FIFTY

A chain of outlet stores selling Milano and other Group brands —Women’secret, Springfield, Cortefiel and Pedro del Hierro— without giving up the best quality and design.

Since 1997, innovation and effectiveness have led Fifty to an international expansion with a high level of recognition. It nurtures smart shopping, the pillar of its successful business model, providing a unique omnichannel shopping experience in the outlet sector.

- 8% of the Group's total turnover
- 69 sales
- Presence in 6 countries
- 8% of Tendam's workforce



Our presence in the world

The Tendam Group manages 1,866 points of sale of the Cortefiel, Pedro del Hierro, Springfield, Women'secret and Fifty brands. Hoss Intropia, Slowlove, High Spirits, OOTO and Dash and Stars are marketed within the stores of the Group's other brands. They are not counted as company-owned stores, just like the Pedro del Hierro corners located in Cortefiel stores. Tendam currently has a physical presence in 78 countries and an online presence in 56 countries.

● CTF | Cortefiel ● SPF | Springfield ● HI | Hoss Intropia ● HS | High Spirits
● PHD | Pedro del Hierro ● WS | Women'Secret ● FF | Fifty

OWN STORES

Europe	● CTF	● PDH	● SPF	● WS	● HI	● FF	Total
Belgium			9	6			15
Bosnia	1		7	5			13
Bulgaria	1		1	1			3
Croatia			8	9		1	18
Spain	127	3	275	289	42	54	790
France			54	1			55
Hungary			13	12		1	26
Italy			37				37
Luxembourg			4	1			5
Montenegro	1		1	1			3
Portugal	25		63	57	4	10	159
Russia				30			30
Serbia	2		18	22		1	43
Total	157	3	490	434	46	67	1.197

America	● CTF	● PDH	● SPF	● WS	● FF	Total
Mexico			25	28	2	55
Total			25	28	2	55

FRANCHISES

America	● CTF	● PDH	● SPF	● WS	● HS	● HI	Total
Bermuda	1	1					2
Bolivia	3	1	3	3	2		12
Chile			8	16		3	27
Colombia				7			7
Costa Rica	2	1	6	6		1	16
Ecuador			28	14			42
Guatemala	1	1	1			1	4
Mexico	15		30	17			62
Paraguay			1	2	1		4
Peru	10		14	4			28
Puerto Rico			1				1
Dominican Rep.	1		2	3	1		7
Venezuela	2		4	4			10
Total	35	4	98	76	4	5	222

Asia	● CTF	● PDH	● SPF	● WS	Total
Philippines	3	8	7	5	23
Kazakhstan			3	1	4
Pakistan				3	3
Palestine	1		2	2	5
Total	4	8	12	11	35

- CTF | Cortefiel
- PHD | Pedro del Hierro
- SPF | Springfield
- WS | Women'Secret
- HI | Hoss Intropia
- FF | Fifty
- HS | High Spirits

Europe	CTF	PDH	SPF	WS	HI	HS	Total
Albania	1		1	2	1	1	6
Andorra	2	1	4	2	1	1	11
Armenia			1	2		1	4
Belarus			1	4			5
Bosnia			1				1
Cyprus	8		5	6	2	1	22
Croatia				1			1
Slovakia			1	2			3
Slovenia	2	1	3	2			8
Estonia	2		5	4			11
Georgia	1			3			4
Ireland			13	4			17
Italy (Sicily)				1			1
Latvia	1	1	1	2			5
Macedonia			3	1			4
Malta	1		2	3	1	2	9
Montenegro				1			1
United Kingdom (Gibraltar)	1		1	1	1		4
Russia			5				5
Serbia	2		2	2			6
Ukraine			5	12			17
Total	20	3	54	55	6	6	145

Middle East and North Africa	CTF	PDH	SPF	WS	DASH	HS	Total
Saudi Arabia			11	37			48
Egypt	3		6	3			12
United Arab Emirates			7	14		2	23
Iran	4		9	6			19
Iraq	3	1	2	2			8
Jordan	4		2	1		1	7
Kuwait				7			7
Lebanon	12		13	4	4		33
Libya	1						1
Morocco				2			2
Oman				3			3
Qatar				6			6
Tunisia			5	4			9
Turkey				1			1
Uzbekistan				1			1
Total	27	1	55	91	4	3	181

Africa	CTF	PDH	SPF	WS	HS	Total
Angola	4		3	4		11
Ghana			1	2		3
Reunion Island			2			2
Kenya	8		2	2	1	13
Mauritius			1	1		2
Total	12		9	9	1	31

02

We are Responsible



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Our sustainable vision

At Tendam we are involved in the global challenge of promoting sustainable economic growth that contributes to the well-being of society and is respectful of the environment.

As one of the leading companies in Europe's fashion industry, our size and global reach allow us to have a positive influence through a business model that is based on leadership and transparency.

We are aware of the great challenges of today's society and the planet. We are aware of the need to minimize the effects derived from our activity, whether direct or indirect, on the environment and the communities where we operate.

Our company has overcome many changes throughout its 142-year history of progress, improvement, and adaptation to the circumstances. Now we work together to maintain sustainable growth that provides economic benefits and contributes to sustainable development in a balanced way.

Tendam's strategy in sustainability is based on the purpose **"We join efforts to multiply, making fashion that matters"**, as well as on its positioning in the premium mass market segment. This strategy transversally inspires the activity of all areas and companies through the We Care Culture. The Group adopts specific commitments, which materialize in internal policies and procedures, as well as in an ambitious ESG Plan that includes measurable objectives. This plan represents the roadmap for sustainability on the entire value chain's decision-making processes and strategic decisions.

We Care Culture

Tendam's We Care Culture is structured around four commitments:

- **Commitment to people.** The purpose of making a positive difference for people refers to customers, but it also encompasses the team and suppliers. We are at the service of people.
- **Commitment to the environment.** We work to minimize the environmental impact of our activity, promoting the circular economy and the fight against climate change with the Sustainable Development Goals as a reference framework.
- **Commitment to our team.** We strive to keep our team motivated, willing to do their best to contribute to the Group's shared purpose and to the progress of its people and companies.
- **Commitment shared by all.** From senior management, through all levels of the organization, sustainability is incorporated into decision-making, management, and day-to-day performance.

THE PRINCIPLES THAT GUIDE OUR STRATEGY

Our way of working is reflected in the following principles:

1. We integrate sustainability into the business: we strive to normalize sustainable fashion.
2. We set commitments and goals: we constantly look for ways to improve.
3. We move together through alliances: we collaborate with the parties involved in the value chain to extend the positive results beyond our business.
4. We work with integrity: we operate ethically and with transparency.
5. We are ambitious with the future we want: we develop efficient and respectful practices to obtain the best products.
6. Transparency: we share information about our strategy and objectives with our stakeholders, as well as our progress.



LANDMARKS IN OUR PROGRESS TOWARDS SUSTAINABILITY

2000

- **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.
- **2006**
Publication of the first Sustainability Report according to the Global Reporting Initiative (GRI) guide.
- **2008**
First development of ethical action standards, with the approval of the first version of the Code of Conduct.

2010

- **2012**
We publish the first Equality Plan.

We make the first calculation to measure CO2 emissions in our activity.
- **2013**
We set up an anonymous and confidential Complaints Channel accessible to third parties.
- **2015**
We join the Diversity Charter.
- **2017**
We become members of the AMFORI network.
- **2018**
We launch our first sustainable collection.

We sign an agreement with the ONCE Foundation's INSERTA program to hire people with disabilities.

2020

- **2019**
We join the Fashion Pact to formalize our commitment to biodiversity, oceans, and climate change.

We receive the Business Ambition 1.5°C recognition from the United Nations Global Compact within the Madrid COP25 framework.

We adhere to the United Nations Fashion Industry Charter for Climate Action.
- **2021**
Our science-based emission reduction targets are approved by the Science Base Target Initiative (SBTi).

Publication of a new Responsible Purchasing Policy.

We adhere to Better Cotton (BC) and Zero Discharge of Hazardous Chemicals.

We sign an international agreement with unions to work together on specific actions in the supply chain.

The Sustainability and Human Rights Committee is created.

The II Equality Plan is signed.

2022

- The Sustainability Committee is created within the Board of Directors monitoring the Group and brand's sustainability.

We adapt the current ESG Plan for the 2022-2025 period.

Approval of the Human Rights Policy.

A rating obtained in the Carbon Disclosure Project.

Gold rating in the Ecovadis Sustainability Rating.



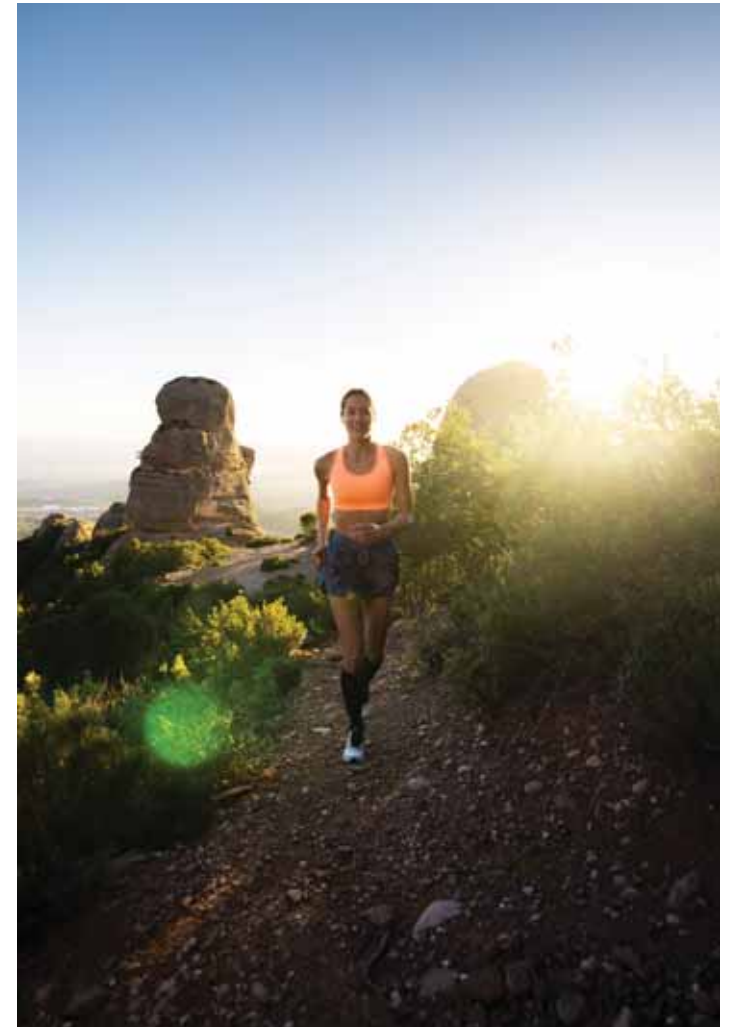
We move forward on our path towards sustainability

Tendam's governing bodies and management are aware that sustainability represents an opportunity for improvement in the management of a business model that is already successful and efficient.

The integration of ESG aspects in decision-making is necessary not only to adapt to current legislation in key territories such as Europe and to the demands of consumers and society in general, but also to add value to our offer of products and services and to maintain our leadership position in the industry and among our clients.

Sustainability integrated into our processes throughout the entire value chain benefits the business and the communities where we operate, as well as all our stakeholders. We are aware that our activity has an impact on the environment, so we are committed to minimizing and offsetting through the initiatives of our 2022-2025 ESG Plan.

Integrated into our values and principles of action, we have defined a series of sustainability pillars that we promote to act more responsibly every day:



“ We are strongly committed to making a relevant and timeless fashion, one that matters and respects the product and its impact in all aspects.”

Ignacio Sierra, Corporate General Director

WE CARE FOR POSITIVE IMPACT

The life cycle of our products integrates sustainability measures in all its phases, from the design of the garments to their sale in the store network. We pay attention to the conditions in which each garment is designed, produced, and distributed to minimize its impact on the environment and society.



Garment Design

Designers are our first level of commitment to sustainability, seeking to prioritize the most appropriate processes and materials that ensure compliance with our product standards. We design incorporating sustainable goals, which allow us to offer top-quality and resistant garments.

- We think about circularity from the point of view of design.
- We promote the consumers' responsible use of garments.
- We offer sustainability training to designers and buyers.
- We ensure the raw materials by requiring certifications.
- We seek to respond to our customer's demands.
- We apply the principles of our Responsible Purchasing Policy.



Production and supply

Large amounts of energy and water are used in the production of textile garments, as well as chemical products that can have a negative impact if not managed properly. Together with our suppliers, we work to implement environmental and social standards and best practices that allow us to continue making progress on the path to sustainability. We continue to invest in product to achieve quality improvements, in addition to focusing on reducing, reusing, and recycling the waste that is created throughout this process.

- We carry out an exhaustive control of chemicals.
- We ensure the quality of the final product.
- We are moving towards complete traceability in the supply chain.
- We carry out social and environmental audits.
- We analyze our suppliers.
- We promote and monitor the implementation of good sustainability practices in the supply chain.
- We extend our commitment to Zero Discharge of Hazardous Chemicals.



Transportation

We seek maximum efficiency for the logistics management of products from the moment they leave the factory until they arrive at the stores or directly to the customers. We look for the best combination of shipping options based on speed, cost, and sustainability, considering measures to minimize energy use and reduce waste throughout the process.

- We seek the choice of transportation with the least impact thanks to our partners' commitment to minimizing emissions.
- We plan to be able to choose the least polluting transport in time.
- We are efficient in box filling and shipping.
- We promote the reduction of plastic in the supply chain.



Sales channels

We connect with customers and share 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 build a connection with our customers through innovative and inspiring experiences, promoting respect for the environment through our sales channels.

- We use renewable energy in our stores in Spain.
- We apply sustainable criteria in the definition of our sales spaces.
- We work to make our customers aware of sustainability at the point of sale.
- We are responsible in the use of resources (energy efficiency and consumption optimization).
- We have accessible spaces.
- We offer quality information about the purchases made by the consumer.

What matters to our stakeholders

Our stakeholders are a key element of the responsible business model developed by the company. We direct our sustainability strategy towards the satisfaction of the stakeholders directly or indirectly impacted by the activity, promoting a framework of lasting relationships based on transparency and constant improvement.

The mission, vision, and values of the Group and the brands that make it up, together with the sustainability strategy, guide our way of working towards the creation of sustainable value shared with stakeholders. In this context, we strive to maintain a fluid and constant dialogue with them, encouraging active participation and making the most appropriate communication channels available in each case. More specifically, in 2022 we carried out the materiality analysis, a survey amongst investors, customers, employees, franchisees and suppliers.

The stakeholder's demands and expectations are incorporated into the organization's decision-making process. On the other hand, we participate in different initiatives together with our stakeholders such as discussion forums and learning circles, and we are present in national and international sector organizations, with the aim of being informed of the latest trends, contributing to the transformation of our industry, and staying close to the main players in the markets.



STAKEHOLDER IDENTIFICATION AND PRIORITIZATION

In 2022, Tendam carried out a study within the framework of its double materiality analysis to identify and analyze its stakeholders taking the current definition as a reference and comparing it with that of its main peers to identify the best practices.

To prioritize the stakeholders, a two-way impact analysis was carried out regarding their importance for Tendam and vice-versa.

The result of the study is the following list of stakeholders, ordered by their relevance:

<p>CUSTOMERS</p> <ul style="list-style-type: none"> Customers in physical store Online store customers Loyalty club members Potential customers 	<p>INVESTING</p> <ul style="list-style-type: none"> Financial entities Financial ratings ESG ratings (MSCI, S&P, etc.) Investors Shareholders
<p>SUPPLIERS</p> <ul style="list-style-type: none"> Direct suppliers Manufacturers Workers Union organizations 	<p>EMPLOYEES</p> <ul style="list-style-type: none"> Store clerks Office employees Union representatives
<p>SOCIETY</p> <ul style="list-style-type: none"> Local communities International organizations Government and Public Administrations NGOs Academy and research Competition ESG initiatives 	<p>PARTNER</p> <ul style="list-style-type: none"> Franchisees Other partners

CUSTOMERS	COMMITMENTS	RELATIONSHIP TOOLS	
<p>Our customers are the core of the company's strategy and guide our way of working. We protect and guarantee the rights of consumers.</p> <p>Our relationship with them is based on three pillars:</p> <ul style="list-style-type: none"> — The protection of their health and safety, by controlling the composition of the garments, as well as compliance with the required standards and quality levels, — The development of inclusive and transparent communication committed to diversity, and — Ensuring the protection of personal data, particularly when obtained in loyalty clubs, which is used in a safe and responsible manner. 	<ul style="list-style-type: none"> Satisfactory shopping experience Quality of products and services Customer service throughout the purchasing process Customer loyalty Health protection through quality garments Increasing the supply of more sustainable garments Protection of data privacy and security 	<ul style="list-style-type: none"> Corporate website Brand websites Commercial channels Loyalty clubs Customer Service Social networks Media 	<ul style="list-style-type: none"> 78 markets 43% garments with more sustainable attributes 33 million members in the Group's loyalty clubs 89.9% stores audited for the detection of possible breaches of internal control at least once a year 4,093,576 procedures carried out with customers through the Customer Service Department 160,375,453 visits to the Group's websites
SOCIETY	COMMITMENTS	RELATIONSHIP TOOLS	
<p>We respect the environment and care for the people in the communities where we operate.</p> <p>We establish specific commitments to reduce the environmental impact of our activity with measures such as reducing the use of plastics, reducing greenhouse gas emissions, responsible management of chemicals, recycling and control of water use in production processes.</p>	<ul style="list-style-type: none"> Development of innovative solutions Promotion of employment Ensuring equality and diversity Commitment to innovative and more sustainable design 	<ul style="list-style-type: none"> Corporate website Complaint's channel Social networks Agreements and collaborations Media Responsible Purchasing Policy 	<ul style="list-style-type: none"> 19 social donation programs €428,808 donated to social projects 17.3% reduction of the carbon footprint in intensity compared to 2019 20,000 trees planted offsetting 22,668 tons of CO2 35,460 garments donated to social entities for a value of €236.00 A rating on CDP Gold medal at Ecovadis
PARTNERS AND FRANCHISEES	COMMITMENTS	RELATIONSHIP TOOLS	
<p>They are a key pillar in Tendam's business model, extending the values throughout the global commercial network. They are our business partners with whom we work as a team, sharing common goals, the highest quality standards, and our environmental and social challenges.</p> <p>They are governed by the Code of Conduct for suppliers and franchisees that includes Tendam's ethical and regulatory framework.</p>	<ul style="list-style-type: none"> Comprehensive management service Fluid and permanent communication Training Advice Transparent relationship 	<ul style="list-style-type: none"> Newsletter Communication platforms Seasonal conventions Training Advice External Code of Conduct 	<ul style="list-style-type: none"> New brand openings through franchisees, with 14 new High Spirits outlets in 11 countries, 11 Hoss Intropia outlets in 8 countries and 4 Dash and Stars outlets in Lebanon. Launching new brands 2 annual conventions

SUPPLIERS	COMMITMENTS	RELATIONSHIP TOOLS
<p>We adopt a collaborative approach to our dealings with suppliers, enhancing the positive impact on these companies and their workers. We have a limited selection of suppliers with whom we establish long-term relationships of trust, with high stability and low turnover. To the extent of our possibilities, we support them with financing or pre-financing measures, as well as by improving contracting conditions to ensure their profitability.</p> <p>We have a Code of Conduct for suppliers and franchisees that is mandatory for all companies that collaborate with Tendam.</p>	<ul style="list-style-type: none"> Relationship based on trust and joint efforts Compliance with human rights Compliance with labor rights Commitment to sustainability and innovation Stability in trade relations Fair agreements in contracting and compliance with payments 	<ul style="list-style-type: none"> Supplier's portal Complaint's channel Corporate website Regular meetings and visits Unions External code of conduct Regular meetings and visits

- Implementing the Responsible Purchasing Policy and its standards.
- Signing a collaboration agreement with the unions.
- 367 social audits.
- 70 semi-announced audits to factories.
- 36 environmental audits at tier-2 factories.
- 100% of garment and accessory suppliers sign the Code of Conduct.

EMPLOYEES	COMMITMENTS	RELATIONSHIP TOOLS
<p>Our workers are the engine of Tendam's activity. We offer employment opportunities based on equality and a workplace where to develop your talent. Respect and trust are the keys to the management of our professionals. The Code of Conduct and human resources policies articulate a relationship framework based on the dignity of people, equity, fair treatment and zero tolerance for abuse of authority and harassment.</p> <p>The diversity of our teams is a competitive factor that reflects the diversity of the markets where we operate and of our customers.</p>	<ul style="list-style-type: none"> Protection of human rights Protection of labor rights Job quality and stability Social benefits and work-life balance Occupational safety, health, and risk prevention Training and professional development 	<ul style="list-style-type: none"> Nexus corporate intranet Complaint's channel Company committees Social networks Internal marketing Courses and training days Commercial conventions

- Implementing the second Equality Plan, Equality Committee and Equality agent.
- 61% women in management positions.
- Occupational risk prevention plan. 16,252 hours of training in ORP.
- 7,803 employees trained.
- 67,613 hours of training.

INVESTORS	COMMITMENTS	RELATIONSHIP TOOLS
<p>We generate profitability and economic growth. We maintain proactive and two-way communication based on transparency through which we report our economic and sustainability performance.</p> <p>Tendam has a specific team that is at the service of shareholders and investors, meeting their demands and expectations individually.</p>	<ul style="list-style-type: none"> Financial and economic stability Good corporate governance Sustainability and Corporate Social Responsibility Transparency and ethics 	<ul style="list-style-type: none"> Investors section on the corporate website Relationship with investors Communicating results Press releases Specific email account

- S&P's B+ rating with stable outlook
- Moody's B1 rating
- A rating on CDP
- Gold medal at Ecovadis
- 9% increase in turnover compared to the previous year
- 19.3% reduction in gross debt after executing a 300 million bond issue

Double materiality analysis

In 2022, Tendam once again carried out its materiality analysis with the aim of anticipating the new requirements of national and European legislation on reporting, within the framework of the Corporate Sustainability Reporting Directive (CSRD) and the new European reporting standards (the European Sustainability Reporting Standards or ESRS).

In this context, Tendam has decided to apply a methodology that is close to the dual materiality approach contemplated by the ESRS (more specifically, by ESRS 1 and 2).

As a novelty compared to the previous materiality analyzes carried out, this new approach is all about the assessment of potentially material sustainability issues from a double perspective:

— From an **impact materiality** perspective (“From the inside out”),

taking Tendam's impact on its environment into account.

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

According to this new approach, Tendam has identified 15 material issues with an impact on the medium-term priorities of the Group's sustainability action plans.

To carry out the double materiality analysis, the subsequent methodology has been followed:

1. IDENTIFICATION, VALIDATION, AND PRIORITIZATION OF STAKEHOLDERS

Tendam has updated the list of stakeholders for the 2022 financial year based on the previous study carried out by the Group and complementing it with a sectoral analysis on good practices.

Subsequently, a two-way impact analysis has been carried out, evaluating the relevance of stakeholders for Tendam and vice-versa, obtaining as a result an **updated list of the company's stakeholders prioritized according to their relevance.**

3. IDENTIFICATION AND VALIDATION OF MATERIAL ISSUES

The material issues identified in the previous phase have been subjected to an external and internal assessment¹ by each of the identified stakeholders. At this point, the following steps have been taken:

3.1. Preliminary assessment

3.2. Seeking opinion of external stakeholder representatives and Tendam employees

3.3. Seeking opinion of Tendam's financial area employees

2. IDENTIFICATION AND VALIDATION OF MATERIAL ISSUES

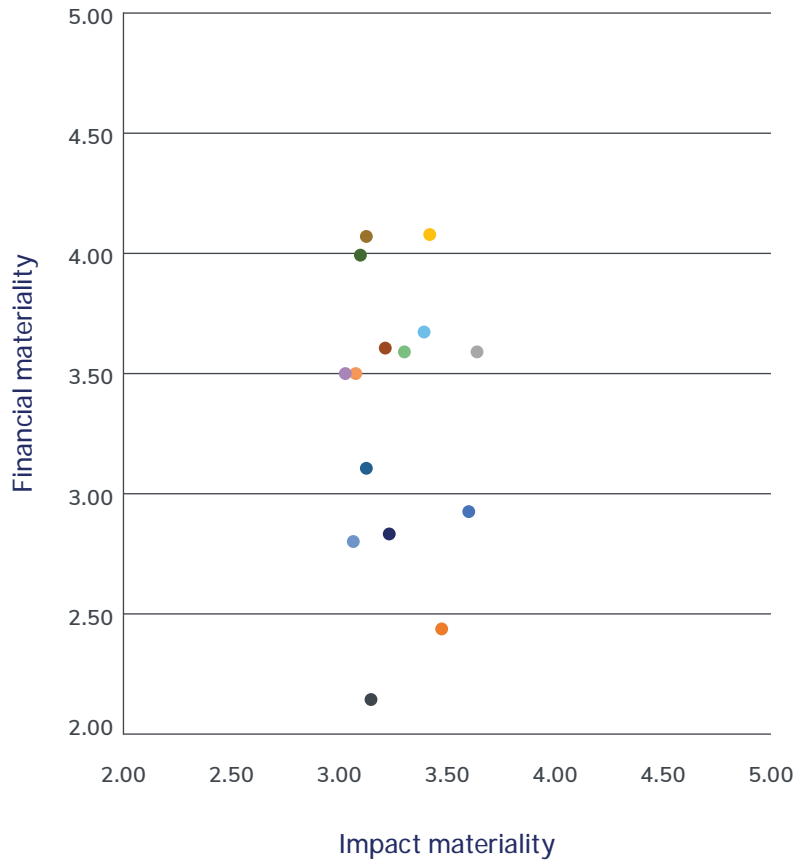
The universe of potentially relevant issues in terms of sustainability has been updated and expanded, carrying out an exhaustive analysis of the Tendam context. This analysis has considered the national and international initiatives and trends in terms of sustainability, as well as the reporting frameworks and good practices presented by the Group's sectoral peers.

4. CONSOLIDATION OF RESULTS AND PREPARATION OF THE MATERIALITY MATRIX

Finally, a **double materiality matrix** has been obtained, which brings together the relevant issues both from the perspective of impact materiality and of financial materiality, considering the issues identified as priorities from both perspectives to be material.



¹ This year, the time horizon for the assessment is the short term (1-3 years). Tendam's goal is to expand this analysis in the coming years to include medium- and long-term horizons.



The issues identified are presented below in order of relevance and grouped according to the ESRS classification.



SOCIAL



ENVIRONMENTAL



GOVERNANCE



1 ● Respect for human and labor rights in the supply chain



2 ● Transparency in management



3 ● GHG emissions management



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 ● Power management



13 ● Minimizing the impact on biodiversity



14 ● Efficiency in the use of raw materials



15 ● Minimization of packaging

1. Respect for human and labor rights in the supply chain.

Establishing due diligence measures, identifying risks of human and labor rights violations in the countries of origin of suppliers.

2. Transparency in management. Communication by an organization of its management, financial, and sustainability results, under recognized reporting standards, in order to render account to its stakeholders on its performance.

3. Management of greenhouse gas emissions. Registration, control, and adoption of measures to reduce GHG emissions that are released into the atmosphere as a result of the organization's activities.

4. Waste management. Activities that favor the prevention and reduction of waste generation of (for instance, through its reuse and/or recycling), derived from the organization's activity and value chain.

5. Fair remuneration. Adoption of measures to ensure a remuneration that allows employees to have a decent standard of living for themselves and their families, and that reflects their level of experience and abilities, as well as their contribution to the company's success.

6. Mitigation of water pollution. Adoption of measures to reduce polluting discharges into water throughout the organization's value chain, both in terms of garment design so that the production does not include polluting or non-biodegradable components, and in terms of control and prevention of discharges during production.

7. Product quality and safety. Adoption of measures that ensure correct compliance with certain quality and safety standards in product components.

8. Replacement of plastics. Minimization and elimination of components derived from plastics that contribute to soil and water contamination in the organization's processes and activities and throughout its value chain (packaging, plastic bags, etc.).

9. Corporate culture and codes of conduct: ethical principles, honesty, and integrity. It encompasses the set of values, ethical principles and integrity that should guide all members of an organization towards responsible conduct and practices, establishing reporting channels for potential cases of non-compliance.

10. Garment collection and recycling. Establishing measures to reduce the amount of textile waste, collecting garments that can be reused and giving them a second use, and/or non-reusable textile waste for proper management and recycling, promoting the circular economy and the conversion of textile waste into new garments.

11. Water management. Establishing measures to optimize the use of water in the Group's activities and throughout its value chain, contributing to the fight against water scarcity and waste.

12. Energy management. Registration, control and assessment of electricity consumption and fossil fuels for the implementation of energy efficiency measures in the organization, which contribute to the reduction of energy consumption and greenhouse gas (GHG) emissions.

13. Minimizing the impact on biodiversity. Establishing measures to minimize the impacts on local ecosystems derived from the Group's activities and its value chain, such as the exploitation of natural resources and its impact on deforestation and the disappearance of species, as a result of the exploitation of raw materials and the use of chemicals.

14. Efficiency in the use of raw materials. Establishing measures to optimize the use of raw materials in the organization's activities and value chain.

15. Minimization of packaging. Minimizing the use of packaging for the transportation and availability of products by the organization and throughout its value chain.



Sustainability roadmap

The 2022-2025 ESG Strategic Plan was launched in 2022 (it was approved the year before), reflecting our commitment to the Paris Agreement, the Sustainable Development Goals and the promotion and respect for human rights.

This roadmap is designed to achieve:

- the firm commitment of senior management to consider ESG in the decision-making related to the business, in all its aspects.
- the improvement of transparency and reporting, considering stakeholder’s demands and expectations.
- compliance and strategy coherence with the new regulatory demands.
- the consolidation of Tendam’s corporate leadership in terms of sustainability.

In 2022, we have worked to define the roadmap for the next few years. Due to the strong regulatory impact at the European level, in 2023 we will carry out a review of the current 2022-2025 ESG Plan to adapt to the new regulatory requirements and to reassess and define more ambitious goals that allow us to take new steps in the incorporation of sustainability to different areas.

To achieve our commitments, we have adopted a wide range of initiatives, policies, and goals. To contribute to a real change in the industry, we need all the teams to be involved and committed, as well as the collaboration of our partners and suppliers.

WE CARE FOR THE FUTURE

- Innovation and new business models
- Traceability and transparency
- Alliances for the progress of the sector

WE CARE FOR PLANET

- Climate, water, and biodiversity
- Driving circularity
- Reduction of plastics and waste management
- Caring for clothes
- Environmental impact of the value chain

WE CARE FOR PEOPLE

- Equality, inclusion, and diversity
- Training and developing people
- Customers at the core
- Respect for human rights
- Impact on the communities where we operate

WE RELY ON

GOVERNANCE

CONTROL MECHANISMS

RISK ASSESSMENT AND MANAGEMENT

MONITORING

REGULATORY FRAMEWORK MEASUREMENT

ROADMAP AND PROGRESS

ENVIRONMENT				
Commitments	Metrics (KPI)	FY2020	FY2021	FY2022
Increasing the line of sustainable products, reaching 50% of garments with a sustainable attribute in 2025	% of references with a sustainable attribute over the total number of garments sold	12%	30%	43%
Circularity and waste management.	Garments collected through the RECOLLECT project	-	-	41,503u 8,645Kg
Making progress towards 100% renewable energy consumption by 2030	% of renewable energy consumption	82%**	80%**	79%
GHG emissions reduction plan in line with SBTi	Scope 1 + 2 GHG emissions (tCO2eq)	6,148	6,840	7,137
	Scope 3 GHG emissions (tCO2eq)	765,578	928,294	987,018
	Scope 3 GHG emissions intensity (tCO2eq/€)	0.99	0.83	0.81
	Scope 1+2 variation compared to 2019 (kg CO2eq)	-77%	-75%	-74%
	Scope 3 variation (intensity) compared to 2019 (kg CO2eq)	-34%	-19%	-14%
Sustainable Mobility Plan.	% variation in emissions linked to transport and logistics*	-50%	-2%	5%
	% variation in emissions linked to business trips*	-83%	-63%	-50%
	% variation in emissions linked to the displacement of employees*	-75%	-19%	-12%

GOVERNANCE				
Commitments	Metrics (KPI)	FY2020	FY2021	FY2022
Bolstering training in the field of compliance, the Code of Conduct and other ethics and good governance issues.	Number of employees trained in ethics and good governance.	486	597	5,123

*% variations compared to 2019

** Global renewable energy

SOCIAL

Commitments	Metrics (KPI)	FY2020	FY2021	FY2022
Increasing the % of people with disabilities	Number of employees with disabilities 5	59	43	48
Promoting the representation of women in management positions (Tendam Women Sponsoring)	% of women in management positions	59%	59%	61%
	% of women on the Board of Directors*	25%	37.5%	50%
Increasing collaboration with entities to boost the recruitment of other vulnerable groups	Number of entities with which we collaborate for inclusion labor	58	58	58
Bolstering training and talent development	No. of training hours (h)	21,154	23,824	67,613

EXTERNAL ALLIANCES

Commitments	Metrics (KPI)	FY2020	FY2021	FY2022
Increasing the program of semi-announced social audits to high-risk tier-1 suppliers	% of suppliers whose factories have been subjected to a semi-announced audit	15%	20%	22%
	Number of semi-announced audits carried out	49 audits	66 audits	70 audits
Supply chain traceability	In 2023, we want to achieve 100% traceability of the supply chain to measure and manage our impacts			
Expanding the environmental audits program	% of suppliers audited according to environmental criteria	2%	7%	12%
	No. of audits	7 audits	22 audits	36 audits
Chemical control and water management through our collaboration with ZDHC	Number of controls carried out on garments	8,128	11,778	12,058
	Number of incidents detected	101	78	68
	Number of factories adhering to ZDHC	-	-	27%

Defining the process to handle complaints on human rights

Work is being done on a comprehensive procedure for the management of complaints in the field of human rights and in the definition of remediation and restoration mechanisms. Work is also underway to disseminate the Tendam Complaints Channel among our suppliers (and among their suppliers) and its extension to human rights.

Developing a human rights awareness and training plan at the national level by functions

In 2023, specific training on human rights will be launched for all staff in Spain.

Developing a new Human Rights Policy

Developing a new Human Rights Policy that came into effect in 2022.

Strengthening communication and complaint's systems and mechanisms

Expanding the Complaints Channel to human rights and translation into local languages.
Translation of the Code of Conduct into local languages and delivery to the factories of the main suppliers.

Maintaining and developing agreements with unions

Adopting a global agreement with unions for the supervision of human and labor rights in the supply chain.

* Including the Secretary of the Council.

Supply chain

We maintain a close collaboration relationship with our suppliers, applying the Group's same values and principles in terms of benefit, transparency, and mutual interest.

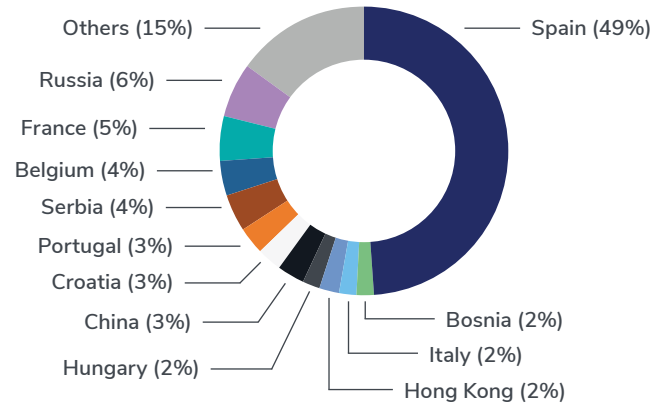
We are committed to supporting our suppliers to extend demanding performance standards to all links in the supply chain. In this way, we promote the responsible management of supply operations, including quality, sustainability, and efficiency measures. More specifically, we support the implementation of good practices in issues such as employee health and safety, product safety, and minimizing environmental impacts.

3.381 suppliers

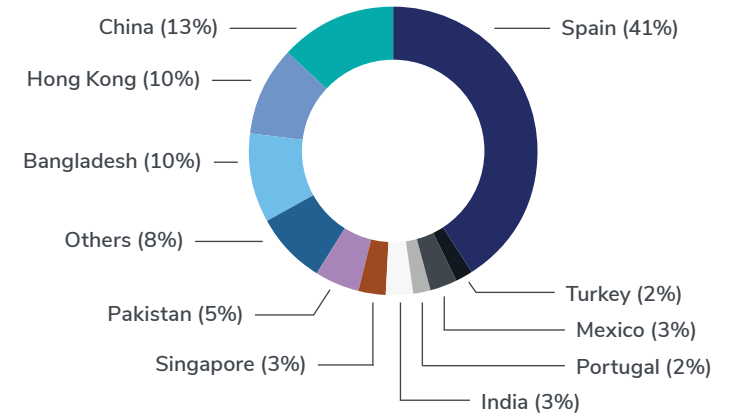
312 garment and accessory suppliers

552 factories

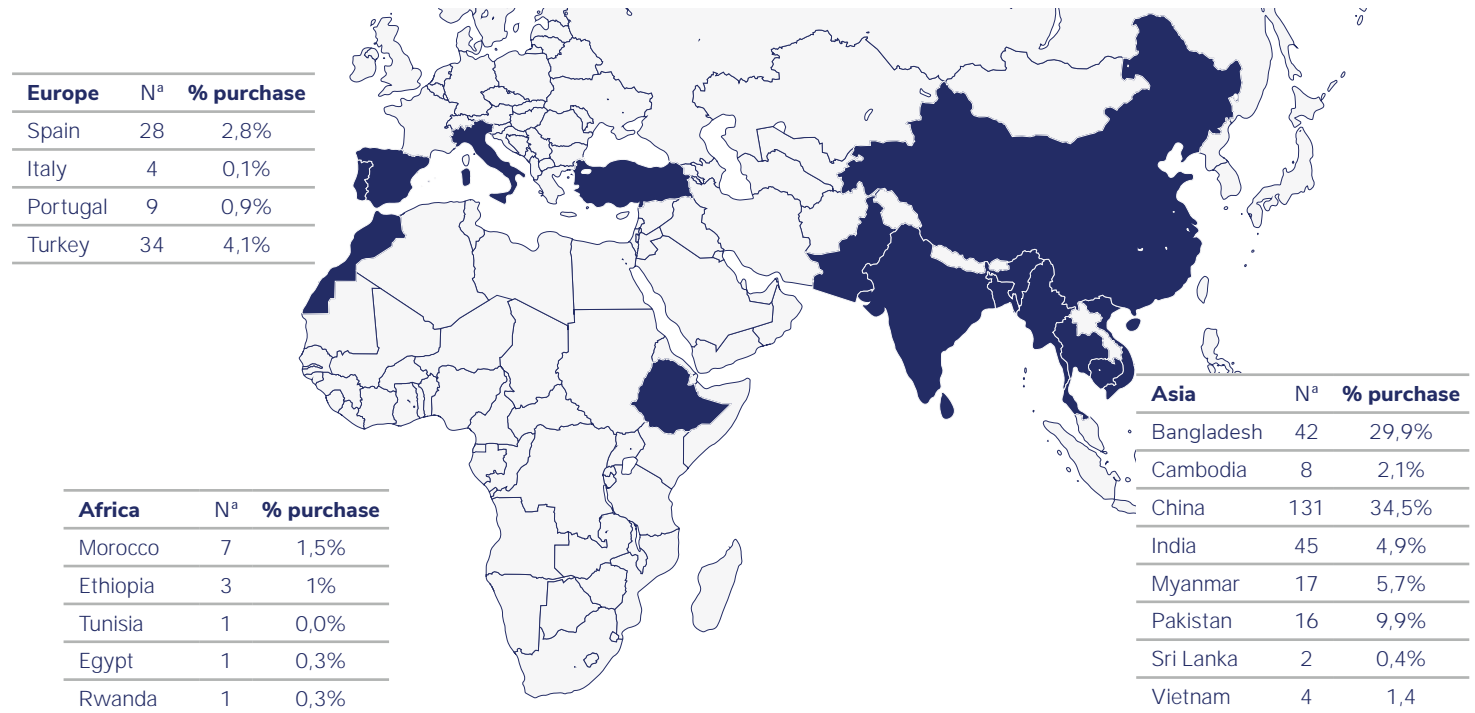
Number of active suppliers (garments, products, and services)



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



Garment suppliers classified by origin and purchase distribution



THE RELATIONSHIP AND COMMUNICATION WITH OUR GARMENT AND ACCESSORY SUPPLIERS

To ensure the proper functioning of the supply chain, our sourcing offices in Hong Kong, Bangladesh, India, and Madrid promote transparency and communication. They are responsible for monitoring both the contracting phase and the provision of the services. To this end, we have a supplier portal where all brand orders worldwide can be tracked and identified in real time. This platform allows you to track your orders, payments, and other authorized information.

With the purpose of achieving the satisfaction of the agents involved in the value chain, suppliers have the Complaints Channel at their disposal, where both employees and third parties can report irregular conduct. This year, its scope has been expanded with the definition of a new process to deal with potential complaints from supplier employees, as well as an action protocol, with the Supply Chain and Sustainability departments involved in its development, implementation, and control.

Human rights and social dialogue

The commitment to human rights within the Tendam Group has a holistic approach. Social dialogue is promoted to create a resilient supply chain that respects workers.

The company has a Global Framework Agreement (GFA) with UGT and CCOO's union representatives, as well as with their international federations, to promote the application of international labor standards in the supply chain. This opens new collaboration avenues that allow unions to visit workplaces, as well as to try to solve and/or report any incidents detected.

GOOD PRACTICES TO MAKE PROGRESS ON THE PATH TO SUSTAINABILITY

We share good practices with the supplier network through a communication platform.

The sourcing department team contacts with them on a recurring basis and offers awareness programs on ESG such as the Code of Conduct, audit protocols and environmental aspects. The supplier network receives constant information from the sourcing area, responsible for communicating contractual requirements, for encouraging compliance with internal policies and for collaborating in the continuous improvement of manufacturing standards, ensuring compliance with current and future legislation.

Tendam's relationship with the suppliers and collaborators of its supply chain is structured around the following commitments.

Transparency and closeness

Visibility and traceability

Constant follow-up

Application of sustainability standards





RESPONSIBLE MANAGEMENT POLICIES OF GARMENT AND ACCESSORY SUPPLIERS

To achieve the goal of responsible management of the supply chain, we have a base of policies and standards that allow us to ensure understanding and compliance with our rules in relation to ethical behavior with workers and towards the environment.

The terms established in the company's contracting conditions require compliance with the External Code of Conduct for Suppliers throughout the supply chain. We have implemented management and control programs to verify adherence to our standards, monitoring activity, identifying problems, and promoting solutions when violations or non-conformities occur.

Through a rigorous validation process for new suppliers and the extension of an audit program (social and environmental), we seek that our suppliers operate with a high ethical level and comply with our performance standards. This excellence and ethical commitment is achieved through the application and extension of the following policies and procedures throughout the supply chain.

External Code of Conduct

The criteria and requirements that govern the management of our suppliers are included in the company's External Code of Conduct. This Code is a conduct manifesto that employees must adhere to and adopt as their own. It integrates the principles of action aligned with the United Nations Global Compact and the guidelines of the International Labor Organization.

The goal is to ensure ethical compliance and respect for human rights of any supplier that is part of our supply chain. In fact, the first approach to Tendam begins with the acceptance of the External Code of Conduct as a declaration of intent that is conditional to the signing of commercial contracts.

The Group carries out a series of social and environmental audits, as well as periodic follow-up assessments to ensure their correct implementation and the adoption of measures in the event of any violation and/or complaint. Through the exhaustive and periodic monitoring of the factories, we ensure the proper functioning of the operations and seek the ethical and sustainable performance of the suppliers in their field of activity and in their communities.

The terms established in the company's contracting conditions are formalized, demanding compliance with the External Code of Conduct throughout the supply chain. Our rules of action help us promote that the operations we carry out through the supplier network comply with the company's ESG standards, as well as with the established health and safety conditions both in relation to the product and its workers.

[Access the External Code of Conduct for suppliers here.](#)

Responsible Purchasing Policy

In 2021, this new policy was approved within the principles of the External Code of Conduct, articulating the minimum standards that any member of our product supply chain must comply with. The Responsible Purchasing Policy joins the existing internal regulations on sustainable products, responsible manufacturing with the environment and responsible manufacturing for workers.

Among the measures it includes, the following particularly stand out:

- Respect for human rights established by the United Nations.
- Compliance with current legislation, which includes the public commitment to observe applicable anti-corruption and anti-bribery laws.
- Intellectual property protection and responsible use of personal data.
- Extension of this Policy's compliance not only to direct suppliers of products, but to all their business partners and collaborators.
- Establishing minimum requirements in the different areas of the working conditions in line with the External Code of Conduct.
- Commitment to apply legislation on product health and safety.
- Respect for animal welfare.
- Acting in a manner that is respectful of the environment, following the laws of the country.

100%

of contracts with our garment and accessory suppliers include clauses with environmental, labor, and human rights requirements.

All garment and accessory suppliers accept our standards of behavior through the Code of Conduct.

Corporate Purchasing Policy

This internal standard applies to the validation and supervision of general purchases of goods and services at the corporate level, excluding garments and accessories. The areas with contracting capacity are required to know and comply with this policy.

To ensure compliance, periodic reviews are carried out by the Internal Audit Department, in collaboration with the Corporate Purchasing area. Depending on the conclusions and if non-compliances are detected, appropriate measures are taken.

The Corporate Purchasing area is responsible for monitoring the contracting agreements relating to purchases of goods and services as established in this policy.

In the last update carried out in 2021, a specific guideline on purchases with sustainable criteria was included. It expressly mentions that environmental criteria have a prominent weight in the decision-making process for awarding a tender or approving a bid. In this way, the company seeks to have suppliers aligned with the Sustainable Development Goals and the principles of the United Nations Global Compact.



SELECTION AND APPROVAL OF GARMENT AND ACCESSORY SUPPLIERS

We encourage our suppliers and the different links in our value chain to be aligned with our commitments. Before establishing a relationship with a new supplier, we check that their processes, policies, and protocols are in line with our sustainability commitments.

A rigorous research, assessment, and validation process is carried out at Tendam to ensure the traceability, ethics, and quality of all processes and products. This process consists of analyzing the technical and production capabilities, as well as the social aspects and environmental impact of each supplier with whom we have a relationship.

The factories with which we work send periodic information that is verified through on-site visits,

visual inspections and interviews with managers and workers.

In this first stage of the relationship with the company, two kinds of assessments are made of the factories with which we are going to work: technical and social. If they pass, they must accept the monitoring process within the audit program, developed to follow up their evolution. On the other hand, those who do not obtain satisfactory results are granted an extension of up to 6 months to adapt to the company's demands.

Technical assessment

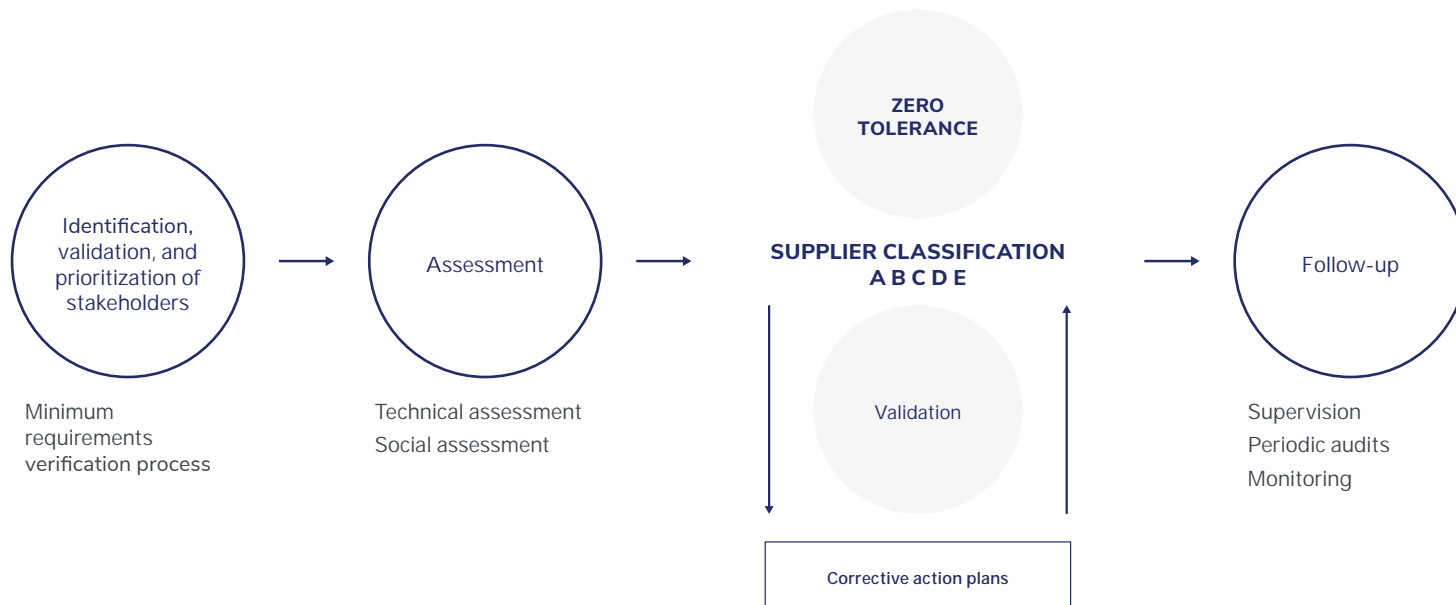
The technical assessment seeks to verify the ability of suppliers to meet production expectations. It focuses on the verification of processes, machinery, and production capacity. This step is decisive for the rest of the assessment process, so the factories that do not pass the technical assessment satisfactorily will terminate

their relationship with the company until they adapt to the requirements.

Social assessment

To certify correct working conditions in the factories and respect for the fundamental rights of workers, suppliers can present an internationally valid certification or submit to authorized independent audits, which will be confirmed and verified by Tendam's technicians.

Within the Group, we have a formalized procedure to assess labor and social conditions, which includes respect for human rights on the part of those involved in production. These actions contemplate the implementation of decent working conditions, the correct information of labor rights to employees, implementing working hours within the margins set by law and fair remuneration, among others.



ENVIRONMENTAL ASSESSMENT

To promote environmental sustainability in the supply chain, some suppliers are asked to carry out the AMFORI BEPI (Business Environmental Performance Initiative) self-assessment, which provides a methodological approach to assess the relevant aspects of environmental performance in supply chains.

VALIDATION AND FOLLOW-UP

A system of periodic audits allows for the monitoring and assessment of factories as a supervisory mechanism in terms of production and social and environmental development. Every two years, factories are comprehensively re-assessed.

We have a supplier system that keeps their status up to date from the time they enter the bidding process and throughout their professional relationship with Tendam. If a factory fails to meet the requirements or to implement corrective plans, the platform cancels and prevents new production until the next review.

PARTNERSHIP WITH AMFORI

Our partnership with AMFORI dates back to 2017. This entity promotes the visibility of responsible production, practices that improve supply chain management, and risk minimization.

This partnership streamlines constant improvement through mapping, analysis, and monitoring of the progress achieved. The Business Social Compliance Initiative (BSCI) monitors the social performance of suppliers. The BSCI Code of Conduct contains principles ranging from fair remuneration to absence of child labor.

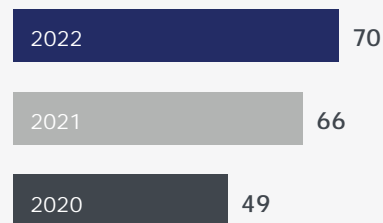
Supply chain transformation is approached from an incremental point of view, allowing companies to monitor, engage, and train on an ongoing basis. We are currently expanding the implementation of this system to assess environmental performance.

SEMI-ANNOUNCED AUDIT PROGRAM

We have a program of semi-announced audits that are carried out in factories with a low score in the previous audit, as well as factories that have a significant volume of production with respect to the total.

Any audit process that results in negative results in social aspects will imply the immediate cessation of Tendam's relationship with the supplier. We follow a zero-tolerance criterion with those who do not respect human rights policies in favor of physical integrity and freedom of association or against forced or child labor.

Evolution of the number of semi-announced audits:



No. of factories audited

Year	No. of factories audited
2022	367
2021	369
2020	495

Audits performed in factories by country	
Countries	No. of factories audited
Bangladesh	46
Cambodia	7
China	201
Egypt	1
Ethiopia	1
India	29
Italy	1
Morocco	4
Myanmar	19
Pakistan	14
Portugal	6
Serbia	2
Spain	10
Sri Lanka	1
Turkey	20
Uganda	1
Vietnam	4
Total	367



SUPPLIER CLASSIFICATION SYSTEM

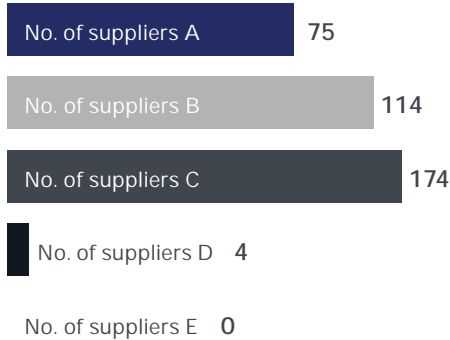
Among the 552 factories, categories have been defined according to the degree of compliance with the External Code of Conduct, following the principles established by AMFORI.

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

- A - B > They can produce. The audit is renewed every two years.
- C - D > They can produce. The audit will be reviewed annually, and a full audit will be repeated after two years.
- E > They can produce, and corrective plans will be followed up every 6 months.

Less than D twice in a row > Factories that do not pass the audit satisfactorily may adapt to the requirements and submit a certification from an authorized body confirming such improvements. Zero tolerance criteria will be applied.

Classification of suppliers



If potential conflicts or areas for improvement are identified, a corrective plan is established at the end of the audit. This plan is a mutually agreed document where the non-compliance problems and improvement goals are set up, according to the circumstances and conditions of each case. It must be signed and approved by both the auditor and the factory management, and will serve as a guide for future audits and monitoring.

Tendam has an internal management platform for coordination between the purchasing and sourcing areas and the suppliers. This platform serves as a space for monitoring information related to the assessments carried out in the supply

chain, as well as for tracking aspects of improvement in terms of sustainability, including environmental audits. Among its advantages, it enables robust traceability. It is also accessible to suppliers, who can track key issues for their progress and action plans.

SUPPLIER MAPPING AND TRACEABILITY

Thanks to an external consultant we are making progress in traceability and supply chain mapping, with the goal of controlling our supply chain beyond tier-1 by 2021-2023.



Contribution to the 2030 Agenda

We take another step in our commitments to sustainable development by adapting them to the context in which we operate. The company has incorporated the Sustainable Development Goals approved by the United Nations into its business strategy, considering that the efforts must specifically address the goals on which we have an influence.

Focusing on our priority SDGs.



5 IGUALDAD DE GÉNERO Gender equality

Priority goals	Actions	KPI's
5.1 Ending all forms of discrimination against women and girls around the world. We guarantee the best practices in the search, selection, and retention of talent, ensuring the principles of equal opportunities and non-discrimination.	Garantizamos las mejores prácticas en la búsqueda, selección y fidelización del talento, asegurando los principios de igualdad de oportunidades y no discriminación.	Our team is made up of 86% women
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.	<ul style="list-style-type: none"> — We have promoted the Women Sponsoring Program for the promotion of women in the company's management positions. — We set up collaborations with business schools and universities to offer training programs and scholarships aimed at the women in our team. — We signed the Diversity Charter for the 2020-2023 period to continue promoting diversity and respect in the workplace. 	61% of women occupy management positions
5.c Passing and strengthening sound policies and laws applicable to promote gender equality and empowerment of all women and girls at all levels.	<ul style="list-style-type: none"> — We ensure compliance with the II Equality Plan, making our commitment to equal opportunities between women and men visible, following the guidelines established by the applicable legislation. — Different procedures focused on the protection and empowerment of women are promoted: Equality Plan, breastfeeding measures, protocol for the prevention of sexual harassment and protocol for inclusive language and on the use of the image of women in communication messages. 	In 2022, we reached parity on the Board of Directors with the addition of a new director (50% of female counting the Secretary of the Board)





Teacher work and economic growth

Priority goals	Actions	KPI's
8.3 Promoting policies aimed at development that support production activities, the creation of decent work, entrepreneurship, creativity, and innovation, and encouraging formalization and the growth of small and medium-sized companies through access to financial services.	<ul style="list-style-type: none"> — Our Internal Code of Conduct reveals and extends the company's values and principles among employees, favoring the consolidation of a business behavior accepted and respected by all employees and managers. — Our Be!Healthy wellness program promotes health and quality in the work environment, together with a Health and Occupational Risk Prevention Service. — Reconciliation measures (flexible hours), social benefits, and medical services are offered (access to health insurance). Since 2021, a day of telecommuting per week has been permanently established as an ideal measure to balance work and family life. 	<p>9,917 people are part of the team.</p> <p>7,803 employees trained.</p> <p>67,613 hours of training.</p> <p>100% of the people who join the headquarters receive training in the Internal Code of Conduct.</p>
8.5 By 2030, achieving full and productive employment and decent work for all women and men, including young people and people with disabilities, as well as equal remuneration for work of equal value.	<ul style="list-style-type: none"> — We renewed the collaboration agreement that we signed in 2019 with the ONCE Foundation to adhere to the INSERTA program with the goal of committing to job creation for people with visible disabilities. — We continue to bet on young talent, working to create opportunities through our Professional Internship Plan, in collaboration with nearly 300 entities. 	In 2022, we signed an agreement with the Junta de Andalucía, in collaboration with Fundatul, to promote the incorporation of people with disabilities and other groups with special difficulties in finding a job in our network of stores. We have also received recognition from the Secretariado Gitano Foundation within its Acceder program in the Empresa Transformadora category.
8.7 Taking immediate and effective action in eradicating forced labor, putting an end to contemporary forms of slavery and human trafficking, and ensuring the prohibition and elimination of the worst forms of child labor, including recruitment of child soldiers, and, by 2025, ending child labor in all its forms.	<ul style="list-style-type: none"> — We have been members 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 labor, 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. 	367 social audits and 70 semi-announced audits have been carried out at factories to ensure compliance with the ethical principles contained in the company's Code of Conduct and the promotion of respect for human rights throughout the supply chain.
8.8 Protecting labor rights and promoting a safe work environment, without risks for all workers, including migrant workers, particularly migrant women, and people with precarious jobs.	<ul style="list-style-type: none"> — This year, the company has signed the first Global Framework Agreement (GFA) together with global unions to further promote the application of international labor standards in the Group's supply chain. — Thanks to our Health Protection Plan, we contribute to the safety and well-being through cardioprotected spaces, medical service, and workplace risk prevention. 	100% of the workforce is covered by a collective agreement and/or by the corresponding labor law. 100% of the Group's facilities are covered under the Health and Safety Policy .



Responsible production and consumption

Priority goals	Actions	KPI's
12.2 By 2030, achieving sustainable management and efficient use of natural resources.	<ul style="list-style-type: none"> — Our brands are committed to the creation of collections with materials and processes that are more respectful of the environment. — The company is working on a sustainability strategy at group level. In 2022, we received a training on sustainability and ESG issues at the ISEM Fashion Business School of the University of Navarra. In addition, the current ESG Plan has been adapted for the 2022-2025 period, thus making progress on our path to promoting sustainable development in the industry. — One of the decisive factors for the quality of our garments is the strict control of products, which ensures compliance with the standards and quality levels required. 	<p>43% of our garments with sustainable criteria.</p> <p>Our goal is to reach 50% by 2025.</p> <p>We are proud to be members of Better Cotton (BC).</p> <p>Our goal is for 50% of our cotton to come from Better Cotton by 2025, supporting a more responsible cotton farming. Better Cotton aims to transform the global cotton production. 12,058 models analyzed.</p> <p>99.4% favorable analysis.</p>
12.5 By 2030, considerably reducing waste generation through prevention, reduction, recycling, and reuse.	<ul style="list-style-type: none"> — Selective collection system at headquarters and stores, as well as reduction of single-use plastics. — We have carried out a project to minimize and/or eliminate single-use plastics in our products, both in the plastics used to transport the garments to the point of sale, and in the redesign of the packaging and the elements that allow us to protect and present the products. — As a result of its commitment to circularity and care for the planet, this year Springfield launched the R(ECO)LLECT project, which pursues three goals: to recover, reuse and recycle garments. 	<p>35,460 garments have been donated to third sector entities for a value of €236,400.</p> <p>Withdrawal agreements have been signed and executed with managing entities for the recycling of textile waste and other categories.</p> <p>100% online packaging of recyclable and reusable paper and cardboard.</p> <p>97% of the bags in the store are made of paper.</p> <p>RECOLLECT project for the collection of post-consumer garments in Springfield stores: 41,503 units/8,645 kg.</p>
12.6 Encouraging businesses, especially large and transnational companies, to adopt sustainable practices and incorporate information on sustainability in their reporting cycle.	<ul style="list-style-type: none"> — Including public information on sustainability through different channels: websites, social media, Sustainability Report, garment labeling, etc. — Through the brand's communication channels we share information on 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. 	<p>We have improved the results in ESG assessments, both from the Carbon Disclosure Project (CDP), improving an A-rating with an A, and from Ecovadis (by reclaiming the Gold medal).</p>



Alliances to achieve the goals

Priority goals	Actions	KPI's
17.16 Enhancing the Global Partnership for Sustainable Development, complemented by multi-stakeholder partnerships that mobilize and exchange knowledge, specialization, technology, and resources to support the Sustainable Development Goals in all countries, particularly developing ones.	Our contribution to the Sustainable Development Goals is materialized through collaboration with other entities to promote networking, innovation, collaboration, and talent management, thus contributing to the improvement of society.	<p>In 2022, we formalized the creation of two alliances linked to environmental issues: Retailers por el Clima and the Spanish textile SCRAP.</p> <p>We highlight our adherence to the Fashion Pact, Business Ambition for 1.5° C, UN Fashion Charter for Climate Action, Unites Nations Global Compact and SERES Foundation, among others.</p>



Climate action

Priority goals	Actions	KPI's
13.1 Strengthening resilience and the ability to adapt to the risks related to weather and natural disasters in all countries.	<ul style="list-style-type: none"> — The risks and opportunities derived from climate change are part of the company's current Risk Map. — In 2022, we made progress in aligning our report with the TCFD (Task Force on Climate-related Disclosures) recommendations, and we are strengthening disclosure about our risks and opportunities related to the climate in the following exercises. — The Sustainability Committee is created within the Board of Directors to supervise the Group and its brands' sustainability. 	Given the growing importance of climate change, in 2022 we carried out a risk and opportunities assessment based on different scenarios, as well as of the associated financial impacts.
13.2 Introducing measures related to climate change in policies, strategies, and national plans.	<ul style="list-style-type: none"> — Participation and adherence to environmental initiatives: Fashion Pact, Business Ambition for 1.5° C, UN Fashion Charter for Climate Action and UN Global Compact. — In 2021, SBTi approved our emission reduction targets for scopes 1, 2 and 3 by 2030. — We have improved the results in ESG assessments, both from the Carbon Disclosure Project (CDP), improving an A- rating with an A, and from Ecovadis (by reclaiming the Gold medal). — In 2021, a new Responsible Purchasing Policy was published including three standards to extend to the suppliers our commitments with the environment, with labor conditions and with the production of sustainable garments. 	<p>One of our most ambitious goals on climate change is to achieve carbon neutrality by 2040.</p> <p>100% renewable energy consumption in stores, offices, and logistics centers in Spain, which represents 79% of all operations globally.</p>



Peace, justice, and strong institutions

Priority goals	Actions	KPI's
16.5 Considerably reducing corruption and bribery in all their forms.	<ul style="list-style-type: none"> — We are a company committed to the fight against fraud, corruption, bribery and money laundering, and financing terrorism. To ensure transparency and the fight against unethical and dishonest practices and behaviors, the company has put in place different procedures, measures, and controls. 	<p>Special training modules with a set of instructions and guidelines to create an internal control environment that seeks to prevent fraud and corruption are made available to employees.</p> <p>In 2022, 90 disciplinary measures were taken for offenses that violated the Code of Conduct.</p>
16.6 Creating effective, transparent, and accountable institutions at all levels.	<ul style="list-style-type: none"> — Our ethical principles are included in the Code of Conduct that requires a commitment to act ethically and in strict compliance with the law, rejecting any illegal business activity, as well as any inappropriate behavior in the work environment. 	100% of garment manufacturers accept the Code of Conduct, therefore ensuring the extension of the company's values throughout the supply chain.

Strategic alliances

Tendam wants to generate a positive impact on society and the environment, acting as a transformation agent in favor of diversity, inclusion, and the well-being of the communities where it operates.

An important part of our positive contribution is made through alliances and the collaboration with other entities. We are present in several of the industry's leading national and international organizations, actively participating through their management committees and working groups with the aim of analyzing the latest trends and sharing best practices and experiences.



Collective System of Extended Producer Responsibility (SCRAP)

In 2022, together with other leading companies such as Decathlon, H&M, IKEA, Inditex, Kiabi and Mango, Tendam created an association for the collective management of textile waste in Spain. The goal is to make progress towards a circular production model through the proper treatment of this type of waste.

The association intends to comply with the extended responsibility of the producer, arising 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. Tendam is a member of this forum that aims to transform the textile and fashion industry towards sustainability and circularity, following the European Union's 2030 strategy.



Tendam is associated with this forum, which aims at the transformation towards sustainability and circularity of the textile and fashion sectors, following the European Union's 2030 strategy, as a space for business cooperation and public-private coordination to promote the necessary change throughout the value chain of the sectors in question. The Observatory is a member of the Spanish Fashion Confederation and the Spanish Intertextile Council.



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 thanks to less intensive farming worldwide. BCI is a non-profit entity that connects 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 in its self-demanding effort it has set the goal of reaching at least 50% sustainable cotton supply in the garments marketed by Group brands by 2025.



This initiative offers companies a clear path to reduce their carbon footprint in line with the goals of the Paris Agreement. Created 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). Tendam's goals were approved in 2021. In our case, the reduction objective of 46.2% of emissions by 2030 has been approved compared to those registered in 2019, which correspond

to scope 1 (direct emissions generated by the company) and scope 2 (indirect emissions generated by the company's energy consumption). The goal in scope 3, referring to the supply chain, is to reduce 62% per million euros of turnover by 2030 compared to 2019.

Ø ZDHC

Tendam joined the Roadmap to Zero program in 2021 as a collaborator of this organization that brings together more than 150 brands and chemical product suppliers from the textile and footwear industry. The aforementioned project aims to reduce the chemical footprint of the supply chain to achieve a more sustainable manufacturing process. In this way, the protection of consumers, workers, and the planet's ecosystems will be achieved. This initiative provides valuable information about the chemical substances and products used in the value chain, an advantage that has allowed Tendam to optimize its product health and safety standards, as well as environmental sustainability.



This non-profit organization helps companies and cities to disclose their environmental impact. Based in the United Kingdom, Germany, and the United States, it is one of the most internationally recognized standards. The rating obtained by Tendam in 2022 has improved from an A- in the 2021 financial year to an A. This achievement involves passing a demanding questionnaire with more than 100 questions on the group's environmental management, including several key issues such as climate change, the use of water, and the impact on forests.



The United Nations Global Compact is one of the largest initiatives in corporate sustainability, whose aim is to align the strategy and operations of companies with ten principles on human rights, labor rights, the environment and anti-corruption. Tendam adhered to the Global Compact in 2002 and works to become an agent of change, extending sustainability and promoting human rights throughout the value chain.

forética

Forética is a reference organization whose mission is to integrate environmental, social, and good governance issues in companies and other types of organizations. Tendam joined in 2020 to strengthen

its commitment to continue making progress in the incorporation of sustainability into its strategic business decision-making.



Tendam has renewed its support for the business statement organized by the We Mean Business Coalition and The B Team. This new declaration, aligned with the Paris Agreement and the Glasgow Climate Pact, deepens the commitment in favor of the implementation of clean energy solutions that require financial support to facilitate the transition towards a more inclusive and fairer future.



Tendam is a signatory of the Charter of commitment with 10 principles to promote equality, diversity, and inclusion, renewing its commitment and adherence every two years. It is a voluntary initiative based on respect in the workplace.



United Nations initiative that is instrumentalized in a portal where the different public and private actors show their progress in favor of the commitment to act against climate change. This online platform was launched in 2014. Tendam participates in this way by presenting the measures it is taking to achieve SDG13 Climate Action.

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 one of the 500 signatory companies of this campaign led by the Science Based Targets Initiative to join efforts around the goal of reducing emissions to slow global warming by 1.5°C compared to pre-industrial levels and to commit to greater efforts towards decarbonization by 2050.



It is constituted as a dialogue platform that integrates organizations linked to the fashion industry in Spain. Through our participation we encourage the commitment of companies in promoting social, environmental, and economic sustainability.





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.



Non-profit organization of which we have been a part since 2003 to support the work of disseminating transparency in the third sector, promoting good practices. Its mission is to foster society's confidence in foundations and associations and increase collaboration with individuals and institutions.

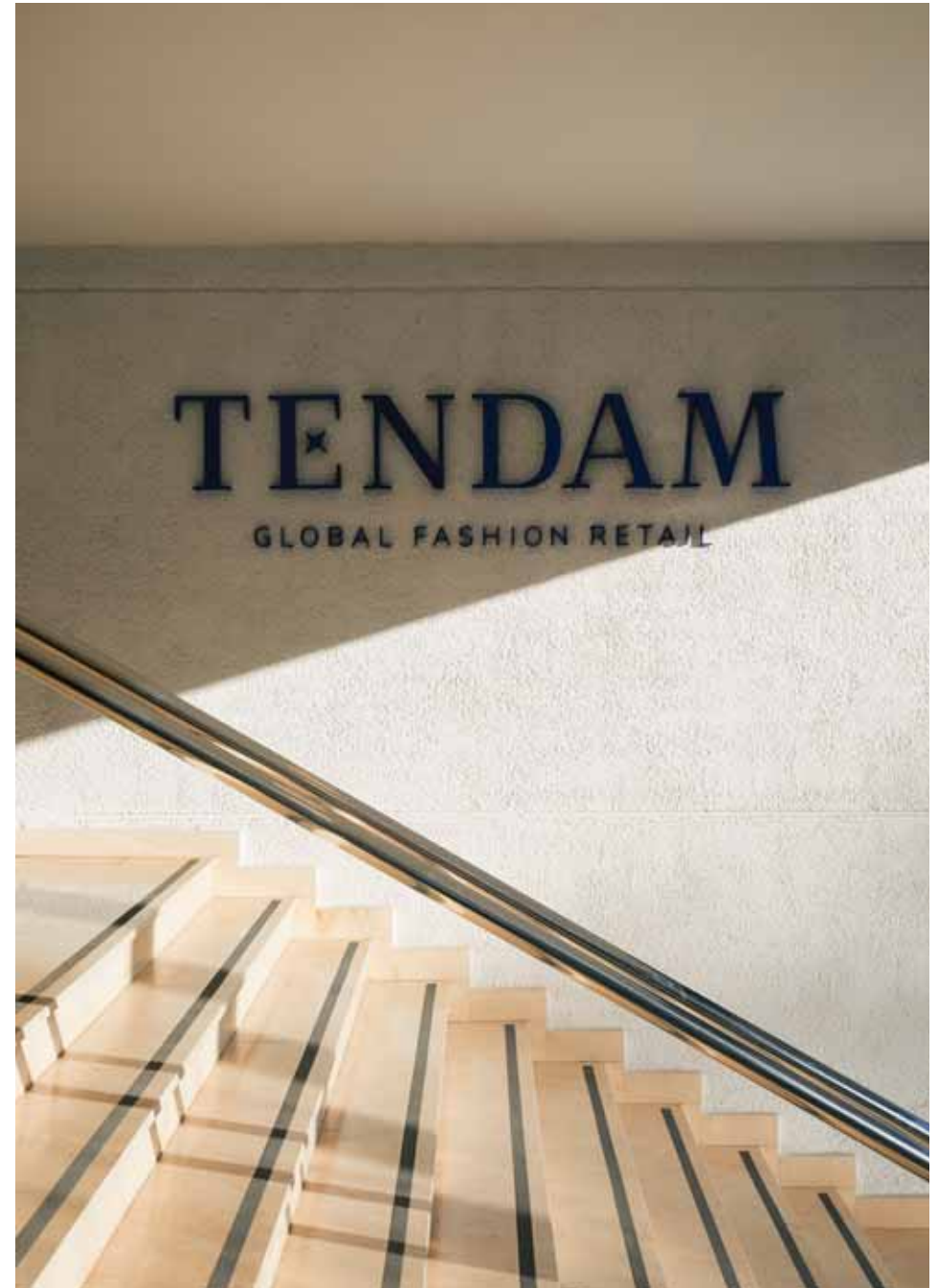
SUSTAINABLE APPAREL COALITION

In 2022, measures were taken for Tendam to join the Sustainable Apparel Coalition, a platform that integrates more than 250 manufacturing companies and institutions in the textile sector, from 36 countries, to promote responsible production and best practices in the supply chain.

Alliances with sector organizations

The Tendam Group is present in different national and international reference organizations, actively participating through its governing bodies, committees and working groups, and contributing with the payment of the corresponding 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)
- Federación Moda España (ASECOM)
- Asociación Española del Pacto Mundial de Naciones Unidas (ASEPAM)
- European Branded Clothing Alliance (EBCA)
- Federación Española de Empresas de la Confección (FEDECON)
- Foro de Marcas Renombradas Españolas (FMRE)
- Foro Inserta-Once
- Foro Social de la Industria de la Moda



03

We are Good Government



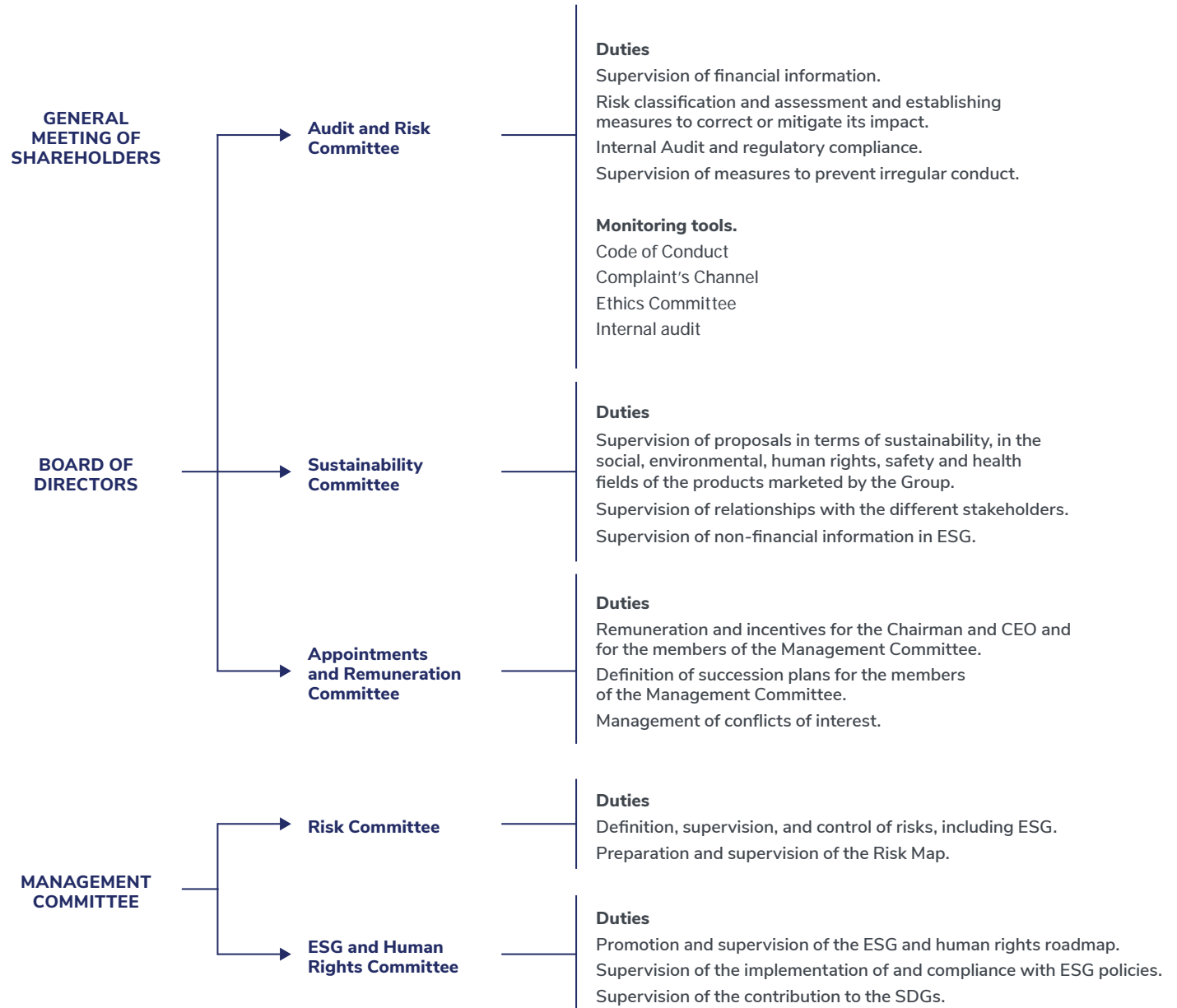
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Corporate governance

The corporate governance model at Tendam Group is based on ethical principles, transparency and constant improvement, efficiency, and rigor in business management.

Our goal of sustainable growth is based on the search for profitability and the creation of value for our stakeholders. Our internal organization incorporates the best practices and recommendations in terms of good regulatory governance, as part of the organization's compliance system.

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



THE GENERAL MEETING OF SHAREHOLDERS

The General Meeting is the representative body of the shareholders, whose powers and operation are regulated by the bylaws and current legislation. The meetings can be ordinary or extraordinary.

The Ordinary General Meeting is held within the first 6 months of the financial year. Among its duties are the approval of the accounts and the application of results, the approval of the management of the Board of Directors, the remuneration of its members and the Group's Strategic Plan. The Sustainability Report is part of the annual accounts and, therefore, must be submitted for approval by the Board.

The Ordinary General Shareholders' Meeting for the year 2022 was held on August 30, 2022. In the year 2022, the company held two other Extraordinary Shareholders' Meetings, on May 5, 2022 and on January 23, 2023.



RELATIONSHIP WITH SHAREHOLDERS AND INVESTORS

Throughout 2022, the company maintained permanent contact with shareholders, analysts, and investors in the Group's debt, to meet their information needs on the Group's general evolution.

Currently, we hold four sessions a year with analysts and investors, publishing financial results quarterly, semi-annually, and annually.

The Investor Relations Department has permanent contact with the market to provide information and meet stakeholder's requests, proposals, and expectations.



Shareholding 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. amounts to 5,000,000 euros, represented by 5,000,000 shares with a face value of 1 euro each, belonging to a 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 94.26% of the share capital of Tendam Retail S.A. Formally, the participation of Tendam Fashion S.L.U in Tendam Retail, S.A is of 92.29%, but without the company's treasury stock, the effective participation and associated voting rights represent 94.26% of the share capital. The rest of the shares correspond to a small group of minority shareholders.

THE BOARD OF DIRECTORS

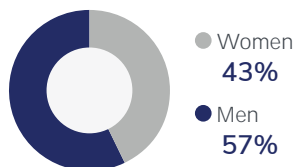
The Board of Directors is the highest administrative and representative body of the Tendam Group. Among its duties, defined in the bylaws, are the establishment of general guidelines, policies, and strategies, supervising and controlling management and ensuring the interests of shareholders, workers, customers, and other stakeholders.

The Board of Directors of Tendam Brands meets ordinarily 4 times a year, once every three months. In 2022, the Board of Directors met 6 times, with 2 extraordinary sessions. The Board of Directors of Tendam Retail, S.A. met a total of 9 times. Attendance was 100% in all the meetings except one (one of the directors was absent).

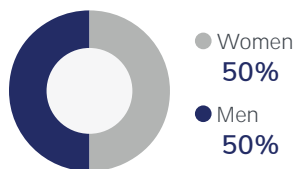
The Board of Directors of Tendam Brands is made up of 7 members: its chairman, who is also the CEO, and 6 members, 3 representing each of the controlling shareholders. The Secretary of the Board, who is also the Chief Legal Officer, does not have the status of director.

The size, composition, and qualification of the Board members is adapted to the structure and needs of the Tendam Group, with the aim of achieving a diligent and nimble management of the business. The appointment of each director has a statutory validity of 6 years and they may be re-elected indefinitely for periods of 6 years.

Board members



Including the Secretary of the Board



DELEGATE COMMITTEES

For its proper functioning, the Board of Directors has 3 consultative committees.

- The Audit and Risk Committee supervises the preparation and presentation of financial information, compliance with legal requirements, and evaluates the company's risk management and corporate governance systems. It also supervises the internal audit and the Ethics Committee.
- The Appointments and Remuneration Committee formulates and reviews the criteria that must be followed to determine the remuneration of directors and members of the Group's management team.

— The Sustainability Committee supervises the company's policy on sustainability - ESG and the preparation of non-financial information on the matter.

CONFLICTS OF INTEREST

The directors have the obligation to notify the Board of Directors of any situation of conflict, direct or indirect, that they or persons related to them may have with the interests of the company. They are also banned from carrying out activities, on their own behalf or on behalf of others, that involve effective competition with the organization.

Board of directors

Members	Profile	Committee of which he is a member	Appointment date
Jaume Miquel Naudi	Chief Executive Officer Chairman	Chairman of the Sustainability Committee	21/09/2017 31/05/2019
José Antonio Torre de Silva y López de Letona on behalf of <i>Theatre Directorship Services Beta, S.A.R.L.</i>	Board Member	Chairman of the Appointments and Remuneration Committee Member of the Audit and Risk Committee	21/07/2017
Federico Conchillo Armendáriz	Board Member	Member of the Audit and Risk Committee Member of the Appointments and Remuneration Committee	21/07/2017
Julie Gautier	Board Member	Member of the Sustainability Committee	26/03/2021
Álvaro Sendagorta Cudós, representing <i>Theatre Directorship Services Delta, S.A.R.L.</i>	Board Member	Member of the Audit and Risk Committee	21/07/2017
Marta Martínez Alonso representing <i>Theatre Directorship Services Alpha, S.A.R.L.</i>	Board Member	Member of the Sustainability Committee	21/07/2017
Laura Muries Fenoll	Board Member	Chairwoman of the Audit and Risk Committee Member of the Appointments and Remuneration Committee	21/07/2017
Mar Oña	Secretary non-Board Member	Secretary of the Audit and Risk Committee, of the Appointments and Remuneration Committee and of the Sustainability Committee	21/12/2018

The appointments made in 2017 will expire in 2023, with all directors scheduled to be re-elected at the company's next General Meeting.

Remuneration of directors and executives

In accordance with Tendam's bylaws, the members of the Board of Directors will not receive any remuneration in their capacity as such. The chairman and the directors who perform executive functions are entitled to a remuneration which, within the limits determined by the General Shareholders' Meeting, is established by the Board of Directors. Such remuneration may consist of a fixed amount, a variable amount based on objectives, as well as remuneration in kind or contributions to long-term savings systems. They may also receive an indemnity for termination of their contractual relationship and compensation for any post-contractual non-competition obligation.

In accordance with the above, in the case of Tendam's Board of Directors, the Chairman and Chief Executive Officer is the only person who receives a remuneration, given his executive duties, consisting of a fixed amount, plus a variable amount depending on the fulfillment of objectives. He is also entitled to severance pay for termination of his relationship with the company and compensation for his post-contractual non-competition obligations.

On the other hand, senior management remuneration also consists of a fixed amount, plus a variable component linked to objectives. Senior management personnel are understood to be the persons who perform

managerial functions reporting directly to the Chief Executive Officer.

During the 2022 financial year, the remuneration of the Chairman and CEO and the company's senior executives, for all concepts, amounted to 6,340,902 euros gross. Disaggregated by gender, the average for men was 616,948 euros gross per year and 468,440 euros gross per year for women.

Management Committee

Member	Position
Jaume Miquel	Chairman and CEO
Manuel Serrano	Chief Financial Officer
Manel Jiménez	Chief Supply Chain and Operations Officer
Pedro Esquivias	Chief Customer Officer
Mar Oña	Chief Legal Officer
Raúl Ramírez*	Director of Global Retail and Fifty
Eva Romeo	Director of Women'secret and Dash and Stars (specialist segment)
Marc Calabia	Director of Springfield and High Spirits (young segment)
Marie Castellví	Director of Cortefiel, Pedro del Hierro, Hoss Intropia, Slowlove and OOTO (adult segment)
Antonis Kyprianou	Director of Franchises
Ramón Amorós	Director of Human Resources

*On May 18, 2023, Mr. Ramirez left the company and was replaced as Director of Global Retail and Fifty by Mr. Javier Figar.

THE MANAGEMENT COMMITTEE

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

Each of the segment divisions has a committee for the management of the Group's different brands.

The Management Committee is made up of 11 members, 3 of whom are women, equivalent to 27.3% female representation.

PROMOTING GENDER DIVERSITY IN MANAGEMENT POSITIONS

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

The Appointment and Remuneration Committee is responsible for ensuring that the selection process for directors and senior managers is inclusive and promotes the presence of women. The goal was to reach the target of 50% women on the Board by 2030, a milestone that has been achieved eight years earlier, in fiscal year 2022.

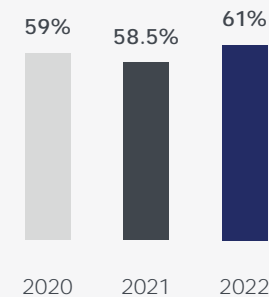
The percentage of women on the Management Committee is 27.3%, while at the lower management level it is 61%.

TARGET
2030

60% WOMEN IN
MANAGEMENT

● Reached in 2022

WOMEN IN MANAGEMENT POSITIONS



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 organization, which is proof of a solid internal governance system.

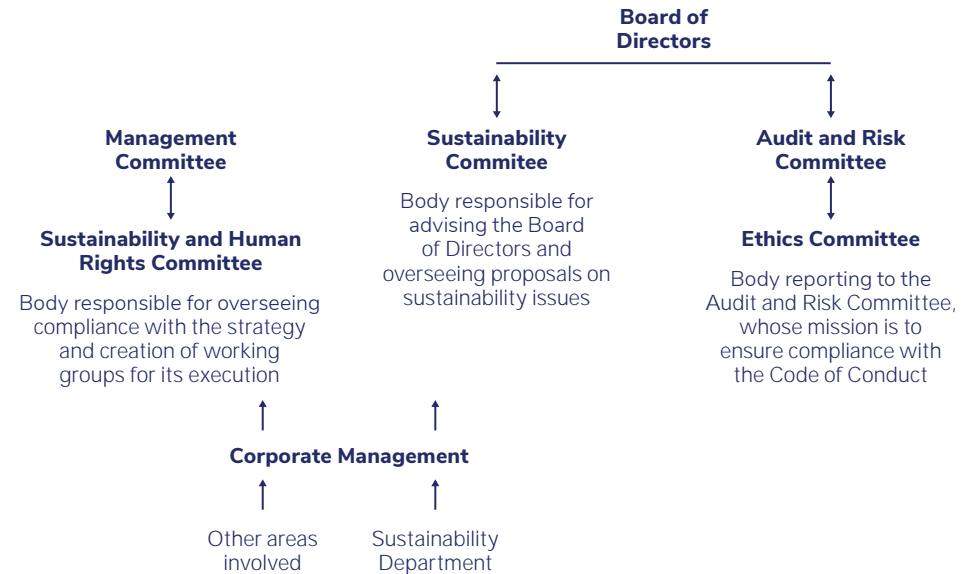
This governance model is based on three pillars:

- 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, it is the responsibility of the Board of Directors to define the Group's overall sustainability strategy and of the Management Committee to ensure its implementation. A consultative body, the Sustainability Committee, and an executive body, the Sustainability and Human Rights Committee, are responsible for the development of the Group's sustainability strategy, applied transversally by the Group's different areas and brands, who actively participate in the process.

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

The Sustainability Department, with the help of the Internal Audit Department, regularly monitors the ESG Plan, and both are responsible for reporting on its status and possible updates to the Sustainability and Human Rights Committee on a quarterly basis and, twice a year, to the Sustainability Committee of the Board of Directors.



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 including two other female directors.

Its main duties are to supervise proposals in the areas of sustainability and in the social, environmental, human rights, safety, and health fields of the products marketed by the Group. Its duties also include overseeing relations with stakeholders and verifying non-financial ESG information.

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

Sustainability Committee

Jaume Miquel	Chairman
Julie Gautier	Member
Marta Martínez	Member
Mar Oña	Secretary of the Committee

Sustainability and Human Rights Committee

The new Sustainability and Human Rights Committee was consolidated in 2022, but it began to work in 2021 under the coordination of Corporate Management, meeting three times during the year to perform the following duties:

- Monitoring the progress of the goals and actions set out in the Strategic Sustainability Plan.
- Monitoring the contribution 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.
- Monitoring public information on sustainability.

Sustainability and Human Rights Committee

Ignacio Sierra	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 Esquivias	Chief Customer Officer



THE ROLE OF THE CEO IN THE GOVERNANCE OF ESG

The Chairman of the Board of Directors and CEO has a prominent and active role in defining, establishing, and promoting sustainability strategies especially related to climate, as well as in providing the appropriate 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-related issues to the full board. The Sustainability Committee meets twice a year on a regular basis. Through these meetings, the committee monitors the implementation of and compliance with the goals set out in the company's ESG Strategy (climate and sustainability-related) and suggests updates and changes when necessary.

The Sustainability and Human Rights Committee identifies possible deviations in relation to meeting climate or sustainability-related goals and, in such a case, appoints a team to develop immediate action plans. We should highlight the CEO's participation in several international initiatives related to sustainability and climate change, such as the Fashion Pact, acting as a member of the Management Committee, or the CEOs Call to Action driven by CSR Europe.

Ethics and transparency

Tendam cuenta con un marco de actuación definido que sitúa la ética en la base de su comportamiento empresarial. La honestidad y la integridad son dos de los valores definidos en el Grupo que orientan nuestra manera de hacer, nuestra cultura y estrategia corporativas.

Our management of ethics in the organization is based on the use of the following tools:

- An **Internal Code of Conduct** that sets out the basic principles of action for all company employees.
- A **Code of Conduct for suppliers and franchisees**, which transfers our ethical culture to the supply chain. Its signature is mandatory for all suppliers and franchisees with whom we collaborate.
- An ad hoc **plan that includes training** related to the Code of Conduct and other ethical compliance matters, as well as training for the prevention of corruption and fraud, especially oriented to store personnel due to the nature of their activity.
- A **Whistleblower Channel** that allows employees and third parties to communicate directly, confidentially and/or anonymously, and in the language they prefer, any possible violation of the Code of Conduct.
- An **Ethics Committee**, the highest competent body within the company for the administration of the Code of Conduct.
- A **Criminal Offense Prevention Model** that describes the principles of crime management and prevention, with the aim of preventing and mitigating the risk of their commission within the company.

PRINCIPLES OF ACTION

- **Compliance with the law:** We respect the laws, contracts, and agreements with third parties, and we behave with integrity in the performance of our activities.
- **Commitment to human and labor rights:** We promote their respect and avoid contributing directly or indirectly to any violations.
- **Respect for people:** We contribute to ensuring that, in our workplace, people are treated with respect, dignity, professionalism, and trust.
- **Honesty, integrity, and excellence are both values and principles:** We create a work environment that promotes integrity, teamwork, excellence, diversity, and trust.
- **Respect for the environment:** We believe in respecting, protecting, and preserving the environment and are committed to following respect and sustainability criteria.



INTERNAL CODE OF CONDUCT

The Code of Conduct is Tendam's key internal rule on ethical behavior, applicable to all professionals and personnel of the centers operating for the Group, who must know and comply with it.

Approved by the Board of Directors, it establishes values, principles, and guidelines for behavior in the following areas:

- Safety and health of people.
- Use and protection of corporate resources.
- Corporate image and reputation.
- Conflicts of interest.
- Political neutrality.
- Confidentiality, market behavior, and respect for free competition.
- Money laundering and payment irregularities
- Counterfeiting means of payment.
- Transparency and record keeping.
- Privacy of personal data.
- Corruption and bribery.
- Intellectual and industrial property.

ONBOARDING TRAINING

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

For the store staff in Spain, the Code of Conduct is disseminated through a constant training program supported by collaborative tools and audiovisual material.

The Code of Conduct is available in 3 languages and at the disposal of all stakeholders on the Group's website and intranet.

Group employees are required to sign a specific clause accepting the Code of Conduct when they sign their employment contract. They must also take a specific training course on this internal standard.

The Internal Code of Conduct is reviewed periodically and updated if necessary. The current version was approved by the Board of Directors on July 26, 2019.

[Click here to access the Internal Code of Conduct.](#)

CODE OF CONDUCT FOR SUPPLIERS AND FRANCHISEES

Tendam extends its commitment to its values and principles to the supply chain and other third parties with whom it relates in its commercial activity. It does so through the External Code of Conduct, which is mandatory for suppliers and franchisees, who must formalize their acceptance.

The External Code of Conduct is available in 18 languages. This year we have included five new translations into the local language of our main suppliers so that it can be disseminated in their factories. To ensure that all suppliers work in compliance with this regulatory framework, this External Code includes 12 key principles of action based on the United Nations Global Compact to which the Group has adhered and the guidelines of the International Labor Organization (ILO).

[Click here to access the Code of Conduct for suppliers and franchisees.](#)

COMMUNICATION TO SUPPLIERS

The Purchasing Policy states that commercial contracts must include clauses with the obligation to adhere to the External Code of Conduct. This is an indispensable condition to collaborate with a third party and a way of accompanying our suppliers in their transition towards socially and environmentally responsible business models.

EXTERNAL CODE OF CONDUCT: ETHICAL PRINCIPLES

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

ETHICS TRAINING AND COMMUNICATION

Since 2016, Tendam has developed a specific continuous training program on the Code of Conduct. Communication campaigns are periodically carried out on the Code of Conduct, which is accessible through several digital platforms used by the company. As a novelty, this year the Code of Conduct training has been extended to Portugal and Mexico through gamification tools. Other courses related to the obligation to comply are available, either on a recurring or one-off basis, on the following topics:

- Prevention of criminal offenses.
- Privacy and data protection.
- Information security.
- Internal control training program and store fraud prevention.

WHISTLEBLOWER CHANNEL

The company has a Whistleblower Channel, accessible 24 hours a day, 7 days a week from both the intranet and the corporate website. This channel allows any employee or third party to report possible conducts that violate the principles established by the Internal and External Codes of Conduct. It is available in 8 languages, including this year the translation into Chinese, Bengali, Urdu, Burmese, and Arabic to reach Tendam's main suppliers. It is managed through an external company, which guarantees anonymity, confidentiality, and security throughout the entire reporting process. The Whistleblower Channel guarantees the protection of any whistleblower, who will never be subject to reprisals for the reports that, acting in good faith, he or she may make.

The complaints received are referred to the different persons in charge depending on the matter. They are then investigated and managed by the corresponding area and supervised by the Ethics Committee. The Ethics Committee makes the final decision in each case.

Any consultation regarding the Code of Conduct or any related incident can be reported to comite.etica@tendam.es.

During fiscal year 2022, the Whistleblower Channel received 818 visits and 48 incidents were reported and validated. The number of visits increased by 42% compared to the previous year. The complaints received were related to labor and fraud. At the end of the year, two complaints were pending resolution.

Internal Control training

The employees of the network of stores of the Group's brands are provided with special training modules to improve internal control and mitigate the risk of fraud and corruption, which will make their work easier.

Internal Control training carried out in Spain

	2022	2021
Employees trained	174	154
Hours of training	2,940	3,696



Code of Conduct training

	2022	2021	2020
Employees trained	5,123	597	486
Hours of training	8,143	1,194	972

Training provided to staff from Spain, Portugal and Mexico.



Complaints received











Category	Related issues	2022	2021
HR	Harassment, discrimination, and abuse	32	18
	Behavior outside of corporate standards	8	14
	Conflicts of interest	1	0
	Manifest and repeated negligence in performance	1	0
	Other categories	3	6
Fraud	Fraud, theft, or misappropriation of company property by employees and/or suppliers	0	1
	Corruption of suppliers or customers	0	1
	Other legal or regulatory non-compliance	1	0
	Other fraud categories	2	0
Compliance		0	0
Human Rights*		0	-
Rejected		2	8

*In 2022, the Whistleblower Channel expanded to include human rights

The operation of Tendam's complaint's mechanisms

The company's complaint's system guarantees the verification of any complaint or report received and, where appropriate, the reparation of the damage in a fair and balanced way.

The procedure follows defined steps to always maintain control and follow-up of the complaint or report.

	1	Receipt of the complaint or report through any of the channels provided, with the Complaints Channel being the preferred tool.
	2	Analyzing the claim or complaint. Proceeding to its classification by category and registration.
	3	Informing those responsible or the areas involved.
	4	Starting the internal investigation procedure.
	5	Actively listening to the person who has made the complaint.
	6	Verification.
	7	Propose options for redress.
	8	Extract lessons learned and take action to avoid similar cases.
	9	Agree on a solution.
	10	Follow up and report within a transparent framework.

ETHICS COMMITTEE

The Ethics Committee is composed of the Human Resources, Legal and Internal Audit departments. It reports to the Audit and Risk Committee.

Some of its duties are as follows:

- Supervising compliance with the Codes of Conduct, analyzing the cases and, if appropriate, taking the necessary steps to solve them.
- Supervising the Compliance System, consisting of the Code of Conduct and the Criminal Risk Prevention Model, among others.
- Reviewing the projects associated with ethical requirements, ensuring that they are in line with the Group and comply with regulatory requirements.

The Ethics Committee meets periodically according to circumstances and needs. During fiscal year 2022, it was formally constituted on three occasions.

CRIMINAL RISK PREVENTION MODEL

At Tendam we have had mechanisms for criminal prevention in place for many years; more specifically, a **Crime Prevention and Detection Manual**, the aim of which is to promote a culture of ethics and compliance, as well as to contribute to preventing the commission of crimes within the organization.

During the 2022 financial year, the Group carried out a process of revision, updating, and adaptation of the Crime Prevention and Detection Manual and the corresponding Criminal Risk Map. The revised version of the Crime Prevention model was approved by the Board of Directors on January 27, 2023.

COMMUNICATION CHANNELS AND TRANSPARENCY

In its duty of transparency, Grupo Tendam and its commercial brands have different internal and external communication channels that are made available to stakeholders to inform of any relevant news, enabling listening mechanisms and facilitating access to the system of claims and complaints.

- Customer service
- Social networks
- Corporate website
- Group brand websites and apps
- Loyalty clubs
- Complaints Channel
- Complaints Mailbox
- Corporate Intranet
- Surveys
- Conferences and other events
- Newsletters

Regulatory compliance

Tendam has integrated into its corporate culture strict compliance with local, national, and international regulations that apply to its businesses in Spain and the rest of the world. Its internal compliance program is structured around mandatory control measures, policies, and procedures within the Group's perimeter, including its supply chain.

Tendam's internal regulations, which are part of its Code of Conduct, are mandatory for the organization, which makes commitments and good practice processes applicable to all company members. Its main instruments are the policies and procedures and the regulatory compliance program.

— **Policies and procedures**, aimed at ensuring that business behavior is in line with current legislation, best practices in ethics and compliance, as well as preventing and mitigating risks arising from the company's activities. They are available to all employees through publication on the corporate intranet.

— **Regulatory compliance program**, which develops the process of prevention, identification, and management of different risks, specifically those arising from non-compliance with current regulations, with special attention to criminal matters.

This program establishes the control measures, policies, and procedures designed for crime prevention, anti-corruption, intellectual property, data protection, and money laundering.

The dissemination and supervision of compliance with the Internal and External Codes of Conduct is the responsibility of the Ethics Committee.

	Equality Plan
	Protocol for the prevention of sexual harassment
Human Resources	Occupational risk prevention plan
	Travel and expense policy
	Pregnancy and breastfeeding action protocol
	Internal Code of Conduct
Governance	External Code of Conduct for suppliers and franchisees
	Human Rights Policy
	Third-party due diligence procedure
	Responsible Purchasing Policy
Supply chain	Protocol for social and environmental audits of suppliers
	Environmentally responsible manufacturing standard
	Responsible manufacturing standard for workers
	Sustainable product standard
Customer	Protocol for product quality and safety
	Contract approval and signing procedure
Business	Franchise contracting procedure
	Corporate Purchasing Policy
	Internal Control Policy in stores
	Data Protection Policy by Design and by Default
Data Protection and Security	Applications Audit Guideline
	Workplace Data Protection Policy
	Information Security Policy
	Data Processing Policy and Store Documentation
	Security Breach Management Procedure
Social	Policy for donations to entities with social purposes



FIGHT AGAINST CORRUPTION, BRIBERY, MONEY LAUNDERING, AND FINANCING OF TERRORISM

Tendam is a company committed to the fight against unethical and dishonest practices and behaviors. The Group has several procedures, measure, and controls in place, including:

- The prohibition of accepting in-store payments, in cash, for amounts greater than €1,000, in a single payment or in several installments.
- Procedures for the verification of means of payment, against the circulation of counterfeit currency or the fraudulent use of credit or debit cards.
- Setting up control measures in cash systems (in-store POS).
- Control measures regarding payments in cash, by bearer check, in foreign currency or to persons, entities, or accounts domiciled in tax havens.
- Due diligence procedures and mandatory prior approval of suppliers and franchisees, based on risk profile criteria.
- The prohibition of offering or accepting gifts, presents or other benefits that, due to their value, distinctive features, or circumstances, may influence or alter professional relationships and/or generate conflicts of interest.



CONTRIBUTIONS TO FOUNDATIONS AND NON-PROFIT ENTITIES

We are a company committed to social issues that collaborates on a regular basis with foundations, associations, and other non-profit entities.

The company has a policy of donations to entities with social purposes, which includes control protocols to ensure transparency and integrity in the financing of philanthropic activities and contributions to foundations and non-profit entities.

There is currently a management and control procedure in place for any collaborations and donations made by the company. Contributions to foundations and non-profit entities are made by adequately analyzing the organization receiving the donation or sponsorship, as well as its reputation and financial transparency.

In all cases, collaboration agreements must be signed beforehand to determine the conditions and commitments made. Control mechanisms for economic transactions are established and the corresponding donation certificates must always be issued.

The selection of third sector entities is based on prior analysis by the Lealtad Foundation, which evaluates the suitability of the organizations, giving priority to those with some kind of certificate.



FINANCING OF POLITICAL ACTIVITIES

Tendam does not participate in or finance political activities in any country or community where it operates. It recognizes and respects the rights of freedom of expression, political thought and, in general, participation in public life of its employees, who are only required to exercise these rights in the private sphere.

89.94%

own stores audited for internal control purposes

INFORMATION SECURITY AND DATA PROTECTION

Our commitments in terms of information security and personal data protection are mainly focused on the management of the information provided by our customers, which we consider a valuable asset, and those inherent to the development of the business.

The privacy policies of the Group and its brands comply with the data protection regulations in force in each of the countries where it operates. Security protocols are designed to prevent, identify, and repair possible information security breaches.

The company has implemented, among others, the following information security and privacy policies:

- General security and privacy policies and procedures (both internal, including the Code of Conduct, and external, directed at the customers).
- Data protection policy in the workplace.
- Security breach management procedure.
- Business Continuity Plan (BCP), including, among others, IT continuity measures.
- Other policies according to the chart on page [67](#).

We also have the specific duty of a data protection officer (DPO) who ensures the rigorous implementation of the above-mentioned policies. Briefings are shared to generate a culture of awareness of information security.

To strengthen this security system, external audits on data protection are carried out periodically.

Specific training

In 2022, two mandatory training sessions were held on this subject. The first was aimed at corporate office personnel (Madrid, Barcelona, and Aranjuez) on Data Protection and Cybersecurity and the second was aimed at all personnel in Spain on Security Breaches. Training was also given to 20 people from the Customer Service Department on Data Protection Awareness.

THREAT TRAINING AND COMPUTER SECURITY TIPS

Threats:

- Phishing (asked to click on a link to give personal data, usually payment)
- Ransomware (virus that renders information unusable by asking for ransom)
- Identity theft
- Fraud in purchases
- Fake job offers
- Fake technical service calls
- Nigerian letter and pyramid scams

Tips:

- Secure devices
- Establish secure connections
- Protect information
- Protect online activity

	Trained employees	Hours of training
Cybersecurity and GDPR awareness*	407	814
Security breaches	2,835	708.75

*This same training has been given to 20 people from the SAC team (not considered part of the Tendam staff) for 2 hours.



Respect for human rights

Respect for human rights implies strict compliance with the laws in force in the countries where we operate and a commitment to the highest standards, acquired voluntarily, based on best practices, and applied to Tendam's entire value chain.

Ensuring and observing human rights is a company priority in all countries where we operate, as well as compliance with the most demanding international framework.

HUMAN RIGHTS GOVERNANCE AND COMPLIANCE

The supervision of respect for human rights at Tendam is the responsibility of the Management Committee, who carries out this task through the Sustainability and Human Rights Committee, in charge of the management and monitoring of 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.

The Sustainability and Human Rights Committee is also responsible for due diligence and operational supervision of processes with an impact on human rights. This Committee

HUMAN RIGHTS INTERNATIONAL FRAMEWORK

- International Bill of Human Rights
- Declaration of the International Labor Organization (ILO)
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- United Nations Global Compact
- Sustainability Due Diligence Directive

is composed of representatives from the internal audit, corporate/sustainability, human resources, operations/supply chain, legal and customer departments. Through each of these areas, Tendam transversally deploys the company's Human Rights Policy throughout the organization.

Tendam's firm position on human rights has been formalized since 2012 in our Code of Conduct, from which our commitments emanate in relation to the people who are part of our value chain: our own employees, employees of collaborators, suppliers, customers, and citizens of the communities where we operate.

As a rule, we are committed to being responsible for the impact we have on the people with whom we interact through our operations, regardless of the country where they are located.



INTERNAL HUMAN RIGHTS REGULATORY FRAMEWORK

Our approach to human rights is holistic. We deal with them in a global manner, from an overall perspective that strengthens our firm position and control of any possible violation.

Tendam's regulatory framework includes the Human Rights Policy, which specifically addresses this issue. This document includes the company's ethical principles contained in the Code of Conduct and other corporate policies that, directly or indirectly, contribute to preserving people's rights.

The Human Rights Policy was approved by the company's Board of Directors on October 28, 2022.

2022

Approval of the Human Rights Policy

INTERNAL 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 Third-Party Relationships
- Responsible Communication Protocol
- Employee Responsibility Standard

Human Rights Policy

This Policy addresses how the company may impact the human rights of people who are part of our value chain through the development of our business, either directly or indirectly. The purpose of the standard also includes the impacts derived from the activity of third parties with whom we

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

THE COMMITMENTS OF OUR HUMAN RIGHTS POLICY:

To promote human rights, the company is committed to:

- Protecting and defending those who defend and promote human rights.
- Promoting effective governance of actual and potential human rights risks.
- Setting up adequate performance standards, beyond legal compliance, in countries and/or issues with less demanding and/or high-risk regulatory contexts.
- Formalizing a due diligence process to identify, prevent, and manage the impact that the company's operations may have on human rights.
- In collaboration with right holders, designing and establishing whistleblowing and complaints mechanisms, and promoting their use as an effective tool to prevent risks.
- Setting up prevention measures and remediation mechanisms for possible violations, particularly through pre-established initiatives for mitigation and/or remediation.
- Engaging transparently and ethically with right holders, especially with those who can exert the greatest influence on people's rights.
- Being publicly accountable for our impact on human rights.
- Collaborating with governments, local organizations, social agents and/or other initiatives in the joint promotion of measures to protect and promote human rights.

[Read Tendam's Human Rights Policy here.](#)



Responsible Purchasing Policy

This internal rule applies directly to the supply chain, referring expressly to direct suppliers, partners, and business collaborators. All suppliers must also comply with the provisions of standards linked to compliance with this policy: Sustainable Product, Environmentally Responsible Manufacturing and Responsible Manufacturing for Workers.

COMPLAINTS AND REMEDIATION MECHANISMS

We have a comprehensive complaints system that guarantees the rights of and respect for our stakeholders. This dispute resolution process is effective and constructive for all parties to avoid burdensome litigation.

The mechanism foreseen extends to our collaborators and suppliers throughout our supply chain, including human rights clauses in the contracts signed by both parties from the beginning of our collaboration, support in the form of awareness programs, and a control program through audits.

The possibility of complaint or whistleblowing is articulated through the Whistleblower Channel, which can be accessed through the intranet and the corporate website. Tendam guarantees that it will protect and not retaliate against any person who, acting in good faith, makes use of this tool. To ensure its accessibility, the Whistleblower Channel has been translated into the local languages of our main suppliers. In addition, the Responsible Purchasing

Policy includes a clause requiring mandatory notification of the existence of this channel.

The Group is working on the consolidation of a common remediation framework to improve the response capacity to possible complaints and the exemplary nature of all actions. As a milestone, work has begun this year on a Complaints and Remediation Protocol.

One of Tendam's main focuses of attention is to ensure compliance with human rights in the supply chain. To this end, assurance mechanisms including periodic, announced, and semi-announced social audits have been put in place.

Tendam extends its commitment to human rights to its stakeholders, integrating them into its policies within a holistic model. Employees, customers, collaborators, unions, experts, and civil society in general participate in several initiatives to multiply the company's positive impact on social issues.

2022

we have not received any complaints from third parties for human rights violations.

INTERNATIONAL COLLABORATION AGREEMENT WITH TRADE UNIONS

Tendam has signed an international agreement with trade unions such as CCOO Industria and UGT's Federación de Industria to collaborate in the verification and application of international labor standards in the supply chain, at a global level.

Joint efforts are multiplied on labor rights such as the right to health and safety, non-discrimination, prohibition of child and forced labor, as well as the eradication of any form of abuse, harassment, or intimidation. All these aspects are covered in our External Code of Conduct and have been subject to internal and external audits since the creation of the international purchasing and sourcing offices in the 1990s.



MULTI-STAKEHOLDER PARTNERSHIPS

Partnerships strengthen Tendam's commitment to human rights. The company is therefore part of several multi-stakeholder initiatives to address major challenges.

Transversal:

- Business and Human Rights LabS of the SERES Foundation: we are partners since its foundation in 2018.

- Forética

Social:

- AMFORI (Trade with Purpose)

- Business Social Compliance Initiative (BSCI)

- ASEPAM

- Foro Inserta-Once

- Business Women Empowerment

- Foro Social de la Moda

- Diversity Charter

Environmental:

- The Fashion Pact

- UN Fashion Industry Charter for Climate Action

- Global Climate Action

- We Mean Business

RIGHT HOLDERS

The Group has conducted a maturity study on the management of relevant human rights issues. From this study, we have identified opportunities for improvement with the groups and individuals (we call them right holders) whose fundamental rights can be impacted through the development of our activity.

More specifically, we follow the SERES Foundation's LabS methodology to detect possible risks in the value chain and design responses to mitigate them.

	Our employees	Suppliers' employees	Customers	People in local communities
Relevant issues	Fair hiring and compensation	Fair hiring conditions and freedom of association (ILO compliance)	Health and Safety	Environmental protection and safety (use of chemicals)
	Health and Safety	Traceability and control of suppliers	Responsible, transparent, and inclusive communication/ Generation of consumer awareness	Inclusive business
	Freedom of association	Traceability and control of the supply chain down to raw materials		Dialogue with communities
	Diversity and equality	Responsible purchasing practices		Promoting effective governance
Relationship framework		Local empowerment		
	Mutual respect, trust, equity, fair treatment and zero tolerance for abuse of authority or harassment	Stable, long-term, and trusting relationships	Security, transparency, and data protection	Positive contribution to local development
	Positive and stimulating work environment	Collaboration for the constant improvement of environmental, labor, and human rights issues		

HUMAN RIGHTS GOALS

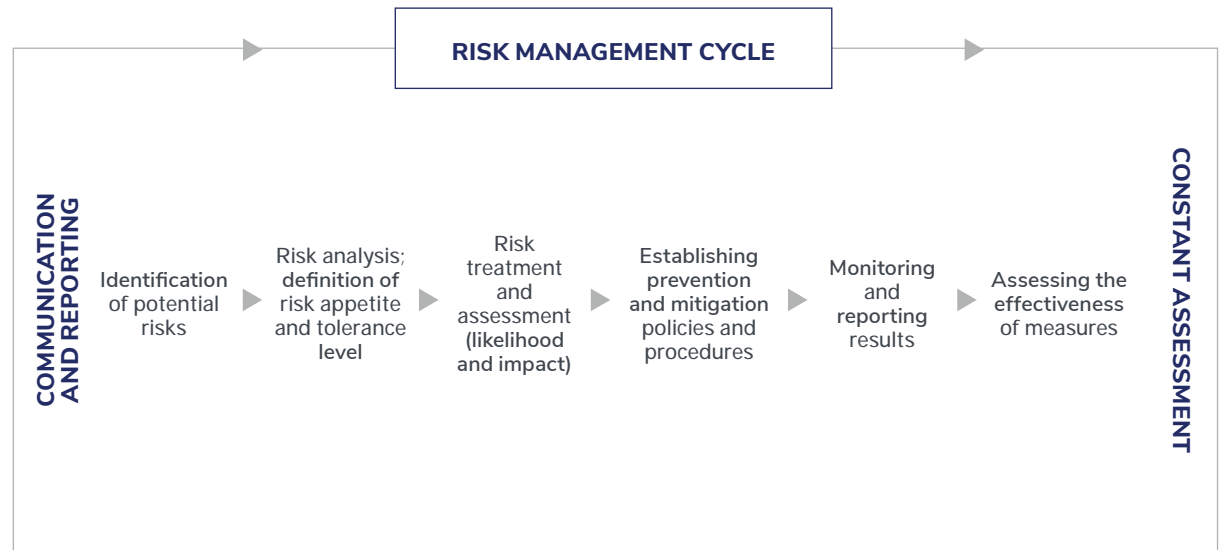
By 2023, we have set the goal of training Spain's entire workforce in human rights, through a program adapted to the different roles and duties.

We have also formalized a due diligence process to identify, prevent, and manage the impact that the company's operations may have on human rights throughout the value chain, integrating suppliers in a specific protocol. We are currently in the midst of the implementation phase, which is being carried out in three stages:

1. Development of a checklist to identify internal and external human rights risks.
2. Prioritization of risks according to their severity, likelihood, and urgency.
3. Definition of mitigation actions based on the results of the monitoring.
4. Documentation of the process, defining internal and external resources, and training for the different areas of the company and third parties.
5. Integration of human rights risks in the global matrix of non-financial risks and implementation of associated risk controls.

Risk Management

The company's risk monitoring and management system is conceived in a transversal way as part of the company's daily operational activity that considers material issues for the organization and the interests and expectations of stakeholders.



A cyclical process has been defined integrating the identification, analysis, management, establishment of action plans for the prevention, mitigation, and monitoring of risks, which ends with the communication and reporting to the company's governing bodies.

The company has developed different tools for the adequate control and management of risks:

- Periodic meetings and specific committees are held for each area, where new risks are identified, and action plans proposed. Accordingly, the creation of a culture focused on risk management is encouraged through constant communication processes.
- Risks are measured through a series of indicators defined for monitoring and control. The risk map includes the risks identified by each strategic area of the company, their assessment, risk tolerance and action plans, and is monitored periodically by the Risk Committee.

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

RISK STRATEGY

Tendam has a risk strategy that defines the level of risk it is willing to take in relation to the organization's capacity, according to the limits decided by the Board of Directors.

The following concepts are considered for risk management:

- **Risk appetite:** risks that the Group and its brands are willing to take to achieve strategic goals.
- **Risk tolerance:** decision on the difference or deviation from the risk appetite taken by the organization.
- **Risk limits:** maximum margins to comply with the risk appetite within the defined tolerance.
- **Alerts:** in the evaluation and follow-up phase, these are indicators used for constant monitoring of risks and compliance with the defined risk appetite.



RISK MANAGEMENT GOVERNANCE

The organization of Tendam's risk management has a dual structure: supervision by the company's governing bodies, and coordination and execution at management level.



Body	Duties
Board of Directors	The Group's Board of Directors is ultimately responsible for the operation of Tendam's Risk Management System and, more specifically, for approving the risk management policy, procedures, and criteria.
Audit and Risks Committee Made up of members of the Board, it acts as a consultative advisory body	The Audit and Risk Committee is responsible for: <ul style="list-style-type: none"> — Monitoring the Risk Management System. — Periodically reviewing the Risk Management Policy, including tax risks. — Suggesting the Risk Management policy and criteria to the Board, with advice from the Risk Committee. — Reviewing the risk management procedures. — Reporting to the Board of Directors on risk management at Tendam.
Risk Committee Made up of certain members of the Management Committee and of the Director of Internal Audit	<ul style="list-style-type: none"> — Reviewing risk management procedures. — Implementing risk strategy and its management system. — Disseminating risk management and control culture. — Establishing and/or modifying the risk levels considered acceptable for the Group, the level of tolerance, and the level of risk management. — Designating risk owners. — Approving risk events identified by risk owners. — Knowing and approving the control and mitigation actions and plans proposed by the risk owners. — Advising the Audit Committee on the establishment or modification of the risk management policy and criteria. — Periodically reporting to the Audit and Risk Committee.



RISK MAP

Tendam has a map of typified risks which is periodically updated and reviewed by the Risks Committee. The specific risks are grouped into different categories according to their nature. To control them, monitoring is carried out based on follow-up indicators, which are reflected in ad hoc reports and in the reporting of the specific action plans.

Sustainability and climate change risks are included in the Group's risk map under a specific category with the same relevance as the rest of the Group's risks.

Type of risk	Concept
Strategic risks	Related to cybersecurity and data protection, human resources, and corporate reputation.
Operational and business risks	Related to operational, logistical, and human resources management issues that affect the activity sector and geographic locations.
Compliance risks	Related to non-compliance with the legislation in force in the countries where it operates.
Financial and reporting risks	Related to financial activity and the obligation to disclose financial and non-financial information.
Sustainability and climate change risks	Related to circularity, the environment and sustainability and its impacts, at a general level and, in particular, the risk of affecting the business model in operational, financial, or reputational terms.

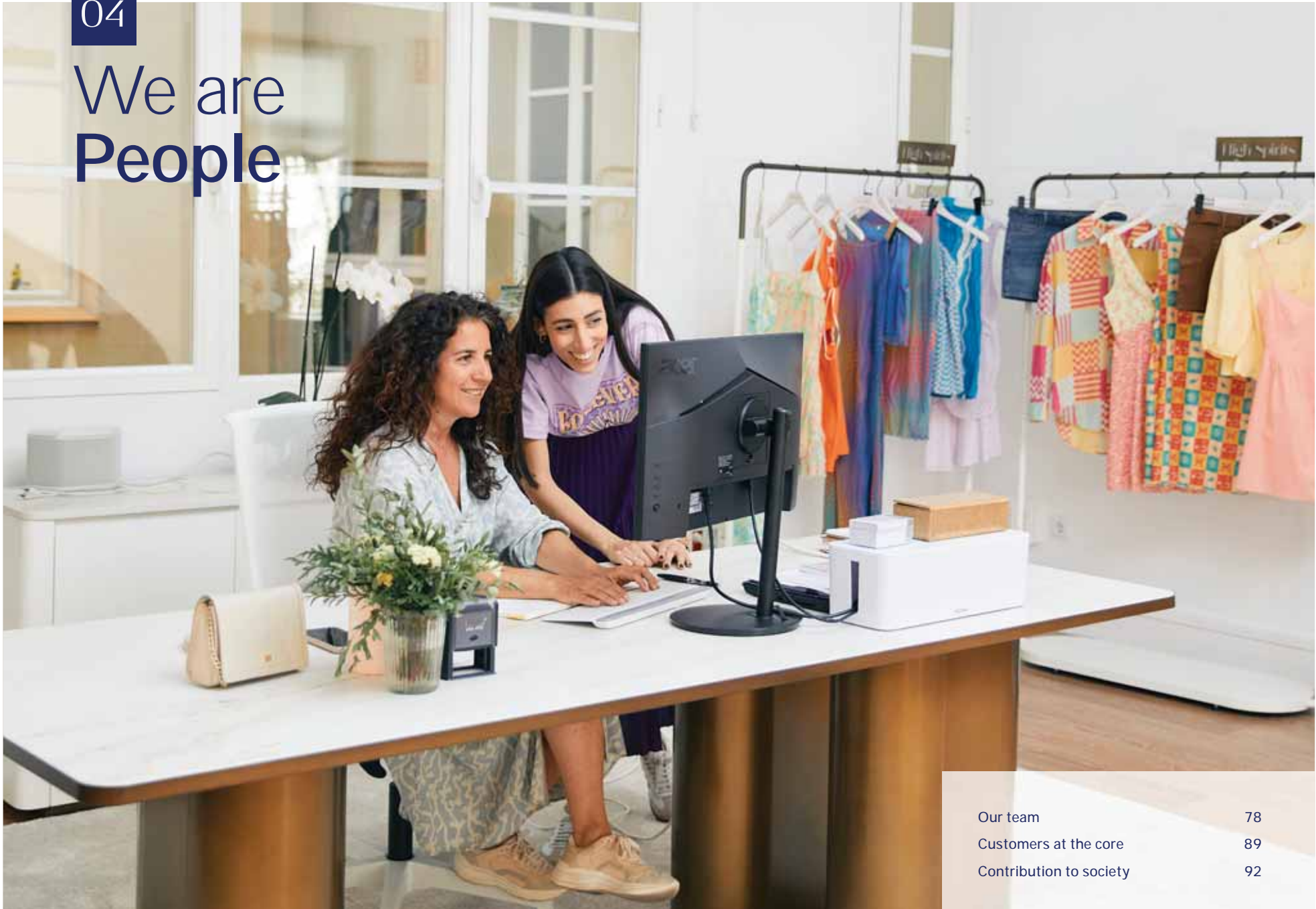
Emerging risks "Watch list"

Related to the supply chain.	Risks arising from supply chain needs to manage indirect risks and comply with new regulatory standards.
Related to the transformation of business models and new technologies.	Risks due to the emergence of changes in business models and disruptive emerging brands, associated with the technological speed to adapt the business and value offer to the consumer.
Consumer 4.0: more aware of sustainability	Risks derived from increased and growing expectations about business and product sustainability from the customers.
New ways of working, employee needs and expectations.	Risks of adapting to the demands of remote work, the need to develop new skills among the staff to cope with the demands of the environment and fostering the link between employees and the company.
Emergence of new market risks and geopolitical conditions.	Risks arising from the impact of regulation and measures on international markets that 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.



04

We are People



Our team	78
Customers at the core	89
Contribution to society	92

Our team

The people who are part of our team are our greatest asset and a key element in the Group and its brands generation of value. We build relationships of respect and transparency, where equal opportunities and diversity are encouraged.

Tendam bases its human resources management on a culture of leadership and excellence. More than 9,900 professionals make up a diverse team full of talent, who live their daily work with passion and commitment.

Our staff is located between the corporate headquarters in Madrid and Barcelona, the international offices in Hong Kong, Bangladesh and India, the logistics centers, and the entire commercial network of stores.

We want everyone who joins our team to fulfill their potential, and we do so by promoting increasingly diverse and inclusive workplaces. We establish quality working conditions, offering equal opportunities to all groups, promoting professional development, and ensuring health and safety. We care about creating the best employee experience, focused on attracting the best professionals and their progress within the Group. We direct our efforts to retain the talent of those who already work in the company through training and internal promotions.

“Changes in organizations are only made by people and our obligation as Human Resources is to provide tools and training to our collaborators so they can meet these challenges and are not left behind.”

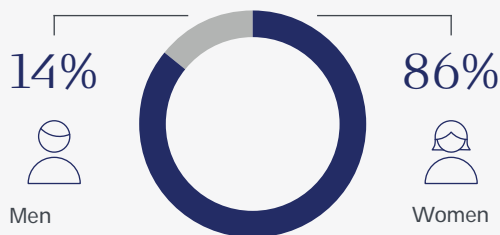
Ramón Amorós, Director of Human Resources

OUR COMMITMENTS TO EMPLOYEES

- Having the best team of people, ensuring their health and well-being.
- Promoting a work environment that ensures motivation and personal satisfaction.
- Implementing a remuneration system that helps attract and motivate people.
- Promoting inclusive recruitment to hire the best talent.
- Having a team that makes the company grow, taking advantage of their capacity for innovation.
- Assessing people's performance based on equality and non-discrimination criteria.
- Offering new challenges and encouraging professionals to reach their potential.

IN 2022:

9,917
people part of
the Tendam
team



232 Senior managers (2%)

2,347 Middle managers (24%)

7,338 Technicians and sellers (74%)

87% Store staff

13% Corporate services staff

Evolution of the number of employees by country

Country	2022	2021	2020
Bangladesh	8	6	5
Belgium	67	79	107
Bosnia	71	71	78
Bulgaria	14	16	15
Croatia	96	103	97
Spain	7,261	6,798	6,798
France	102	121	121
Hong Kong	48	51	52
Hungary	183	175	155
India	10	10	11
Luxembourg	24	24	26
Mexico	290	273	242
Montenegro	19	18	19
Portugal	1,276	1,270	1,150
Russia	193	356	395
Serbia	255	248	259
Total	9,917	9,619	9,529

Number of employees and evolution by gender, age, and professional category

		2022		2021		2020	
		Staff	%	Staff	%	Staff	%
Gender	Men	1,417	14.0%	1,401	14.6%	1,491	25.65%
	Women	8,500	85.7%	8,218	85.4%	8,038	94.35%
	Total	9,917		9,619		9,529	
Age category	Under 25	1,980	20.0%	1,911	19.9%	1,785	18.73%
	Between 25 and 35	4,103	41.4%	4,123	42.9%	4,378	45.94%
	Between 35 and 50	3,190	32.2%	2,988	31.1%	2,785	29.23%
	Older than 50	644	6.5%	597	6.2%	581	6.1%
	Total	9,917		9,619		9,529	
Professional category	Senior managers	232	2.3%	236	2.5%	251	2.63%
	Middle managers	2,347	23.7%	2,397	24.9%	2,381	24.99%
	Technicians	7,338	74.0%	6,986	72.6%	6,891	72.38%
	Total	9,917		9,619		9,526	



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.

Our work is focused on promoting talent within the Tendam Group, allowing our employees to grow and develop because this will contribute to the company's growth and development.

We ensure the best practices in the search, selection, and retention of talent, ensuring the principles of equal opportunities and non-discrimination. The company is committed to professional profiles that meet the necessary technical skills and that suit our corporate culture and values. When establishing the contracting conditions and remuneration policies, the value of the employees is examined without considering their gender, country of origin, religion, functional diversity, or sexual orientation.

We are also committed to the equality, diversity, and inclusion of the customers of the different brands in the countries where we operate.

The management of the commitment to equality is based on different tools:

- II Equality Plan.
- Internal Code of Conduct for employees and External Code of Conduct for suppliers.
- Protocol for the prevention of sexual harassment.
- Protocol on the use of inclusive language in our communication channels.
- Internal protocol for the use of the image of women in advertising campaigns, committed to healthy beauty standards and respect for the dignity of the person in all areas.
- The figure of the Equality Agent, responsible for plans, programs, projects, and positive action campaigns

related to equal opportunities and gender in the company's different areas.

- Training and awareness in equality for the staff.
- Women Sponsoring Program project to promote female leadership in the search for proportionality in senior management.
- We are part of the Business Women Empowerment initiative promoted by Cinnamon News to contribute to the empowerment of women in the economic and business world.

86%
women on staff

61%
women in management positions



II EQUALITY PLAN

The Tendam Equality Plan presents a set of measures to promote equal treatment and opportunities in the company between women and men, eliminating discrimination based on sex. Specific goals have been set in the approved Plan, laying out the strategy and the actions to be adopted, as well as the monitoring systems that will allow their achievement to be assessed. This Equality Plan is applicable to all staff who is part of the company, without distinctions of any kind.

Goals of the Equality Plan:

Long-term

— Ensuring equal treatment and opportunities between women and men in access, selection, hiring, promotion and training, work-life balance, occupational health, sexual and/or gender-based harassment, gender-based violence, communication, and corporate culture.

- Preventing and tackling employment discrimination based on gender, especially indirect discrimination.
- Facilitating the work-life balance of the people who make up the company's staff and promoting co-responsibility between women and men.
- Applying the gender perspective to all company areas, policies, and decisions (gender mainstreaming).
- Training key positions in sexual or gender-based harassment and gender-based violence.
- Homogenizing equality and gender perspective criteria in all areas of human resources policies.
- Ensuring equal pay for work of equal value, eliminating any kind of gender discrimination

Short-term

Considering the general goals, several actions are carried out which, in some cases, involve the application of positive action measures. The short-term goals and actions are oriented towards the following areas:

- Commitment to equality
- Working conditions
- Recruitment and selection
- Promotion and professional development
- Compensation policy
- Continuous training
- Organisation of working time, conciliation and co-responsibility.
- Occupational health
- Preventing and dealing with sexual harassment
- Communication: awareness-raising and equality
- Gender-based violence



WAGE GAP

Tendam's goal is to ensure a fair salary remuneration to all its employees, based on objective criteria.

The adjusted wage gap of the Tendam Group in Spain has been calculated by segmenting between corporate services and stores. This concept is obtained from the

difference between the remuneration of men and women under equal circumstances, including factors such as equal value, age, seniority, geographical location, and others. The result is extracted from multiple linear regression statistical analysis to isolate the possible impact of gender on wage differences.

Wage gap in Spain	2022	2021	2020
Corporate headquarters	0.70%	0.80%	1.80%
Stores	0.80%	0.80%	1.10%

Perimeter: 73% of the workforce (Spain)

The company has an Integration Plan focused on hiring and integrating people with disabilities. On the other hand, work is being done on the incorporation of inclusion elements that favor the offer of adapted products and services.

At year end, the company had 48 employees with disabilities, of whom 41 are women and 7 men.

The Integration Plan is completed with other initiatives:

- Active participation in volunteer activities aimed at people with disabilities.
- Specialized training module aimed at store managers to promote the hiring of people with disabilities.
- Amending the selection and hiring process to make it more inclusive, based on the analysis of jobs to increase the possibility of hiring among this group. It should go hand in hand with the personalized support of people with disabilities on staff.
- Adapting the facilities, both the headquarters and the stores.
- Developing an internship program for potential employees with disabilities together with collaborating entities with the goal of hiring them.

We promise to continue making progress in labor inclusion, promoting the hiring of people with disabilities and people at risk of social exclusion to ensure that they live and work in a society that guarantees equal opportunities for all. For this reason, Tendam promotes programs that are aimed at different groups through collaboration with nearly 60 entities.

LABOR INTEGRATION INITIATIVES

- Sumando oportunidades: a program aimed at young people at risk of social and labor exclusion, with the aim of detecting talent and generating job opportunities through training.
- Incorpora program: La Caixa Foundation initiative to promote the hiring of women who have suffered gender-based violence, women over 45 years of age, people with disabilities and young people at risk of social exclusion.
- Fómate con Garantía: a joint project with the Secretariado Gitano Foundation to train young people under 30 years of age in skills for employment and personal development, theoretically and practically, with the aim of fighting against the exclusion and discrimination of the gypsy community.
- Historias de vida: a mentoring program to accompany young people aged 16 and over in the development of key skills for their incorporation into the labor market.
- Quiero Trabajo Foundation: a collaboration to promote the employability of women at risk of social exclusion.
- Re-Store project: an own initiative, developed in collaboration with the Alcobendas City Council and the expert training company Bejob, to protect the commercial fabric of small towns and update the skills of the women who live there.

INSERTA PROGRAM WITH ONCE FOUNDATION

Since 2019, Tendam collaborates with the ONCE Foundation in the INSERTA program, which is renewed periodically every three years to promote labor insertion for people with disabilities within the Group's companies. This initiative is supported with adequate information for workers through internal communication campaigns to raise awareness.

AGREEMENT WITH FUNDATUL

Tendam collaborates with Fundatul, a foundation whose mission is to create and help keep jobs for people with disabilities and other groups with special professional insertion difficulties in the ordinary labor market. Thanks to this alliance, the Group has signed an agreement with the Junta de Andalucía so that some of these people can receive practical training in one of the stores of our commercial network for three months, with an economic compensation.

2022 SECRETARIADO GITANO FOUNDATION AWARD

In 2022, Tendam received the Secretariado Gitano Foundation award within the Acceder program of the Transforming Company category, thanks to the efforts made in favor of the incorporation into the labor market of people belonging to this community.

SAFETY, HEALTH, AND WELL-BEING

We ensure the health and well-being of our employees through a Protection Plan that is updated annually. This Plan is based on the recommendations of the World Health Organization (WHO) and the corresponding national health authorities. We also have a Health and Safety Policy that is applied in all our work centers, covering our entire workforce.

We seek to guarantee the safety of all employees by implementing different measures to minimize the risk to which our workers may be exposed while carrying out their duties. In some countries, measures have been anticipated based on the application of best practices within the Group, such as:

- Manual for corporate headquarters and stores.
- Provision and delivery of means of protection.
- Guidelines for action against possible infections.
- On-site security.

During the 2022 financial year, the following actions have been carried out to promote the well-being of employees:

- Physiotherapy service at the headquarters, consisting of therapeutic treatments in the workplace.
- Inter-company paddle tennis league that encourages sports practice among employees, helps create healthy habits, and strengthens team relationships.
- Healthy Cities Challenge, developed in collaboration with Sanitas to have more sustainable and healthy cities and citizens.
- Access to different health programs through the BE!Benefits portal, including the Gympass application to promote physical exercise.
- Mindfulness classes at the Madrid headquarters to prevent stress, enhancing concentration and taking care of the mental health of our employees.

The occupational risk prevention service (ORP) is the area within Tendam that encompasses safety, ergonomics, and hygiene, as well as an external health surveillance service.

In Spain, the company has 65 prevention delegates distributed in 29 provinces, representing 6,120 employees in ORP issues. Quarterly meetings are held with the 26 Health and Safety Committees for the implementation and consolidation of the health and safety goals, through constant analysis and monitoring of the programmed preventive activity.

In the 2022 financial year, the following ORP actions particularly stood out:

- Study, detection, and prevention of possible working environment problems, carrying out 95 assessments of psychosocial factors, both in the stores and at the headquarters.
- Risk Assessments and Evacuation and Emergency Plans performance or review for 258 stores.
- Training in basic life support and semiautomatic defibrillation has been given to 28 workers.
- Health and safety training has been bolstered through the online tool, with 5,496 employees participating.

Among the professional activities carried out within the Group and its brands, no special incidence or risk of suffering occupational diseases is perceived, none having been detected this year.

Regarding indirect personnel, we carry out a coordination task to ensure that our supplier's activities and operations are carried out in accordance with the specifications, terms, and safety conditions agreed upon and legally required to protect the safety and health of all workers.

100%

The Health and Safety Policy is applied in 100% of our facilities, covering the entire workforce.

BE!HEALTHY

Tendam has a health program for employees called Be!Healthy, based on the premise that professional performance depends to a large extent on physical and emotional well-being.

Within this initiative, health campaigns are carried out on different topics and access is provided to an online platform with training, nutrition, meditation, and psychology apps, among many others.



Cardioprotected spaces

Some cardioprotected spaces have been created with automatic defibrillators at the headquarters in Madrid, the logistics centre in Aranjuez and some shops. In addition, a cardioprotection plan has been extended to offer a comprehensive response to any cardiac emergency.

Medical service at headquarters

The medical service at the head office, staffed by its own personnel, carries out preventive and assistance activities that guarantee the safety of the different work stations.

- General medical consultation with dispensing of medication and prescriptions.
- Nursing assistance: control of blood pressure, blood glucose, cures, injections, etc.
- Attention to emergencies and accidents at work in first aid for referral to a health centre.
- Coordination of regular medical check-ups for head office and warehouse employees.
- Flu vaccination campaigns.
- Arrangements with ophthalmology and dental clinics.
- Collaboration with the Transfusion Centre of the Community of Madrid.
- Internal communication campaigns focused on the protection of mental health.
- Driving course at the head office.

Healthcare in Spain

No. of general medicine consultations	6,861
Number of nursing actions	7,020
Number of drugs supplied	2,317
Number of workers vaccinated against influenza	150
Number of workers vaccinated with other vaccines	52
Number of medical examinations	83

Accidents in the workplace

	Men	Women
Frequency rate*	14.14	10.11
Severity rate**	0.30	0.18
Days lost due to accidents	734	2,428

* (Number of accidents with sick leave in the workplace + in itinere x 1,000,000)/hours worked.

** (Days of leave due to accident in the workplace + in itinere x 1,000)/hours worked.

Health and safety training

Employees who have received ORP training	Men	Women	Total
Officers	214	1,283	1,497
Clerks	459	3,540	3,999
Hours of ORP training	1,930	14,313	16,243

Training in Spain.

Work absenteeism*

	2022	2021	2020
Men	141,681	129,207	145,380
Women	1,156,881	1,135,970	1,056,472

* Number of hours not worked due to accidents in the workplace and common illness.

	Spain		International		Total
	Men	Women	Men	Women	
Accidents with sick leave					
Mild	19	91	16	45	171
Serious or very serious	0	0	0	0	0
Days lost due to accident	484	1,732	250	696	3,162
Accidents without leave	22	97	0	0	119



LABOR RELATIONS AND SOCIAL DIALOGUE

Tendam promotes communication with union organizations, ensuring the freedom of affiliation and the right of workers to be represented to defend and protect their labor rights.

The collective agreements in force improve the work and employment conditions in relation to the minimum necessary rights of each legislation. The workforce in Spain, Belgium, Luxembourg, France, Mexico, and Portugal is 100% covered by their respective collective agreements, the sum of these countries representing 92% of the total workforce. In the rest of the markets, the labor law corresponding to each territory is applied.

Overall, the information, representation and consultation procedures with workers are included in the different collective agreements, articulated through the labor representation bodies regulated therein. In Spain, the most represented unions are the UGT and CCOO, while CIGA in Galicia, ELA in the Basque Country and Intersindical Canaria in the Canary Islands also stand out at the regional level. Tendam applies the 52 provincial collective agreements on textile trade.

Employees have effective and confidential channels at their disposal to report any type of breach or violation of their collective agreements, such as the Complaints Channel. In this way, a permanent dialogue with the workers is ensured and the relationship between management and the workforce becomes easier, making it possible to attend the different needs and keep the employee permanently informed.

Currently, there are 28 Workers Committees throughout Spain, and a total of 301 staff delegates and committee members. In 2022, 32 meetings took place with worker representatives in Spain and 18 in the rest of the countries.

92%

of the workforce covered by collective agreement or labor law corresponding to their country of origin. All employees in Spain are represented by a union.



TRAINING AND DEVELOPMENT

Tendam's commitment to the learning and professional development of our teams is based on the certainty that the growth of people in the company promotes excellence at work, while solid and lasting relationships are built and consolidated.

Every year, we draw up a Training Plan to be applied in Spain that is based on the principle of equal opportunities. Its content covers multiple professional disciplines, languages, and knowledge for personal improvement. We have specific training itineraries for each position, both face-to-face and digital, aimed at the sales network and corporate services. The use of an e-learning training methodology allows us to reach the maximum number of employees.

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

Store teams are a key part of our value chain. For this reason, in the case of a promotion or incorporation to the position of point-of-sale manager, training is facilitated with specific programs for officers and seconds-in-command that cover all the contents necessary for the management of their day-to-day.



TRAINING THROUGH GAMIFICATION IN STORES AND INTERNATIONALLY

In addition to the Training Plan, gamification methodologies are worked on through the Be!Player app, which seeks to increase the motivation of participants through games, competition and reward techniques such as accumulation of points, level scaling, challenges, etc.

Gamification is already implemented for the training of store personnel in Spain, Portugal, Russia, Hungary, Croatia, Mexico, and Serbia, with very positive results. Our employees greatly appreciate participating in this type of learning.

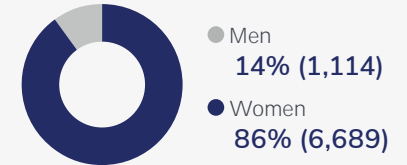
2022

	Users	Hours
Spain	12,403	17,455
Portugal	5,951	2,956
Hungary	79	50
Mexico	227	222
Total	18,660	20,683

67,613
hours of training

34,367
people attending training activities

7,803
employee trained



Data for Spain (73% workforce)

Hours of training by professional category in Spain and evolution

		2022	2021	2020
Corporate services	Senior managers	335	153	180
	Middle managers	1,179	935	1,312
	Technicians	4,367	3,101	3,652
Stores	Officers	27,653	14,010	9,472
	Sellers	34,080	5,625	6,526
Total		67,613	23,824	21,145

TALENT MANAGEMENT

We firmly believe that employees are our differential asset and, therefore, we work every day to promote the attraction, development, and retention of talent, well-aware that these are key issues for the company's' profitability and sustainability.

Talent management is governed by the principles of ethics, collaboration, equal opportunities, and respect for differences. Our strategy is based on attracting, developing, and evaluating professionals through objective selection processes, personalized training, promotion, and internal mobility.

One of our goals as an employer brand is to publicize the professional development opportunities that Tendam offers within its different areas. Thanks to the work that our human resources teams carry out in forums and employment programs, there are increasingly more groups that know about us and show interest in joining our company.

Internal promotion

Internal mobility is essential for the development of employees, as it favors learning and professional development.

Most of the managers and team leaders have been appointed by internal promotion, as a result of an established policy and a motivated, flexible human team capable of assuming new responsibilities. Through internal promotion, Tendam seeks to recognize talent and retain it within the company,

offering the possibility of growth suited to each professional's goals.

Promotions in Spain in 2022:

- 74 promotions in offices
- 102 promotions in stores

Performance evaluation program

The development of our employees materializes in their annual performance. The company has a performance evaluation program in Spain that serves to identify each employee's strengths and needs for improvement. It is carried out through meetings with the direct manager to assess the work and to establish individual action plans to continue growing, which include training and development.

Scope of the performance evaluation program:

Corporate Headquarters

262 men **576** women

Stores

218 men **1,180** women

COMMITTED TO YOUTH EMPLOYMENT

We are committed to young talent, working to create opportunities through a Professional Internship Plan. The goal is to find people who want to learn our trade, with an attitude suited to the company's values and motivated to offer excellent advice to our clients. We provide them with the tools and a personalized tutoring.

Tendam signs agreements with about 330 educational institutions of regulated training for employment, public institutions, and social entities, through which it intends to promote the inclusion in the labor market of young people and groups at risk of exclusion.

We have spent years training hundreds of young people, offering guarantees of success and a high recruitment rate. All this positions us as a reference for important Spanish associations, with which we share our good work every season thanks to the training, insertion, and employability of its users.

Internship students and subsequent hiring of these students in Spain:

	Headquarters	Stores
Interns	89	823
Recruitment	29%	21%



WORK-LIFE BALANCE

The reconciliation and organization of work time is essential for our employees to achieve a balance between personal and work life. For this reason, the company offers specific measures to promote a flexible, open, and tolerant environment for the benefit of employees, key in attracting and retaining talent, especially the new generations.

To promote work-life balance, the company offers its workers in Spain a Flexible Remuneration Program that includes products and services under advantageous conditions, such as childcare vouchers, health insurance, study assistance and computer purchases, among others.

In the workforce, 86% are women, which means making an additional effort to try to facilitate work-life balance, including protection measures at the time of pregnancy. In fact, the company has protocols for pregnancy and breastfeeding, ensuring compliance with the legal requirements of the country where the work activity is carried out in terms of maternity and paternity leave.

Likewise, the workforce in our country enjoys social benefits that are adapted to the sales network and the profiles of corporate services.

Benefits for employees in Spain:

- Canteen and medical service at the headquarters.
- Complete medical examinations.
- Wellness program: physiotherapy and mindfulness.
- Childcare checks.
- Health insurance.
- Short hours for care of minors up to 12 years of age.
- Education assistance for all employees' children up to 16 years of age.
- Discount card for all the Group's brands.
- Discounts in other companies.
- Restaurant vouchers.
- Public transport card.
- Training benefits.

TIMESHEET TOOL

The company has a timesheet planning and management tool for store staff in Spain called SISQUAL, which allows you to plan schedules and keep track of working times thanks to a clock-in system through fingerprints.

Number of days off due to the birth of children

	Spain		International	
	Men	Women	Men	Women
No. days	2,706	25,602	92	53,866

Permits and leave of absence in Spain in number of employees

	Men	Women	Total
Maternity and paternity leave	41	298	339
Risk during pregnancy	0	253	553
Reduction for legal guardian of a child under 12 years of age	20	826	846
Reduction for family care	0	12	12
Reduction for personal reasons	0	14	14
Reduction for care of sick minor children	1	9	10
Voluntary leave of absence	28	152	180
Family care leave	0	1	1
Maternal or paternal leave	0	34	34
Compulsory leave of absence	0	1	1



Customers at the core

Customers are at the core of our activity, which is why we seek their satisfaction through multi-channel service. Thousands of consumers visit our physical stores every day or do so through our online channel.

Customers are increasingly better informed and more connected and aware. They demand to be able to make their purchases quickly and efficiently, in the way they choose, with greater flexibility. We integrate these expectations to create a shopping experience that is both easy and excellent. We have developed new solutions to offer the possibility of interacting in a fully omnichannel way, taking advantage of the complementarity of physical and online channels.

We have adapted our approach to be more present and available to our clients, whom we listen to and involve when making decisions. We seek to develop long-term relationships, based on mutual trust and open dialogue. We have a customer base made up of nearly 33 million members of our loyalty clubs.

We are currently present in 56 countries online with our own sales. In 2022, the company integrated third-party brands into the e-commerce of its own brands, currently representing 10% of the group's online sales, with the presence of 120 external brands. This project is one of the main axes of the company's transformation plan, which seeks to boost the attractiveness of digital stores. Another novelty has been the launch of the cosmetics line.

Always in constant growth, our e-commerce has entered Mexico, adding this country as a new digital sales market. The websites of the Dash and Stars brands, specialized in sports, and of OOTO, aimed at the male public, have also been launched.

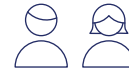
160,375,453

number of visits to Tendam websites

1,067,733

number of downloads of the Group's apps

Relationship model with customers at the core:



We know our customers

We use all the information and knowledge we have of our customers to develop an adapted value proposition. Through research and analysis, we use the data we obtain to make decisions to better meet their needs.



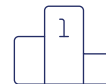
Digital channels

We approach the customer through our digital platforms, which allow us to maintain a two-way relationship and always consider their opinions. We carry out communications that add value to the customer, providing the opportunity to participate in different initiatives.



Fluid dialogue

We are constantly increasing and improving our customer support to ensure that they can contact us at any time of the day through the channel they prefer, whether it's phone, e-mail, social media, or physical presence. We currently offer customer service support in 10 languages.



Management commitment

The management teams of the Group's different brands receive regular updates on the sales results and on the assessment of their reputation. In this way, they can maintain and develop their knowledge about customer trends, as well as about potential problems and how they can be resolved.

THE BEST AND MOST COMPLETE CUSTOMER EXPERIENCE

Omnichannel “easy shopping” experience:

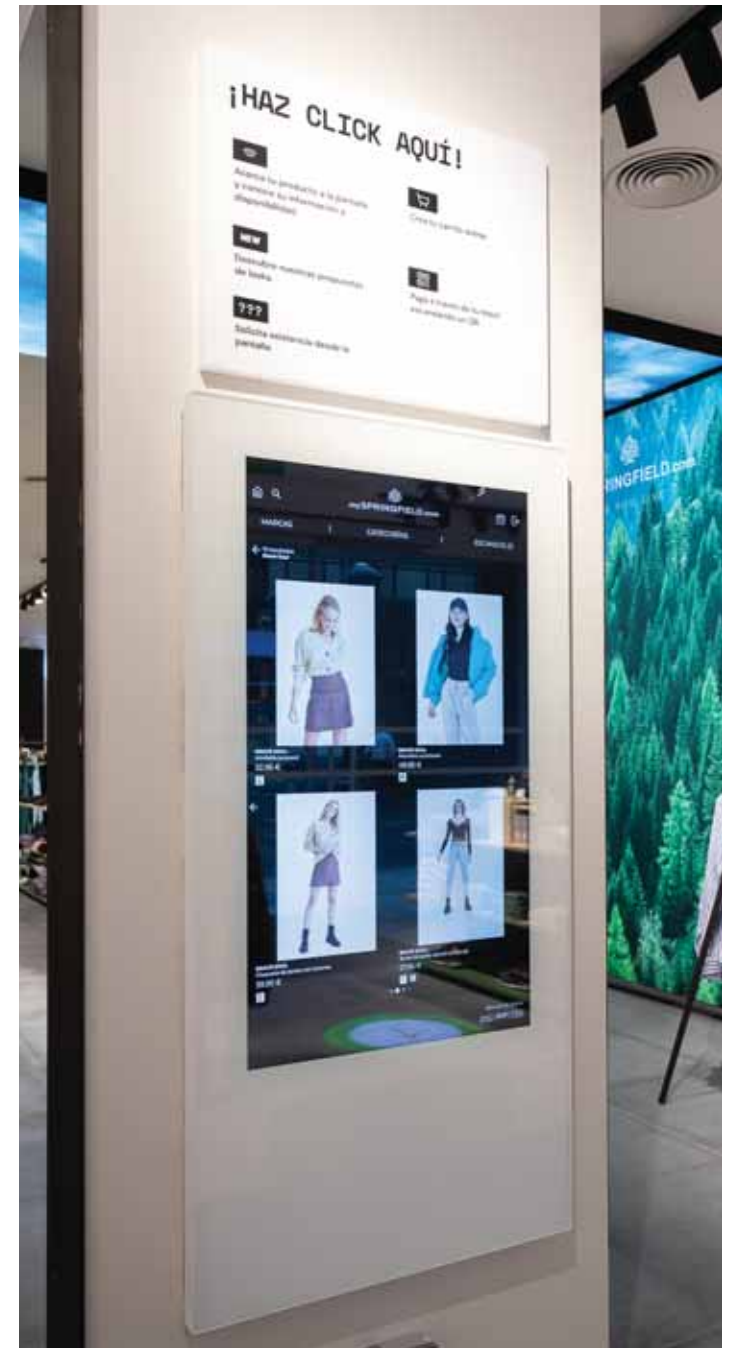


Our customers enjoy the best shopping experience thanks to the implementation of different initiatives to achieve their satisfaction and gain their loyalty.

- We have introduced innovative assisted sales systems in the stores through tablets, to know the inventory level and product availability. This technology offers cross-selling and alternative suggestions 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 are offered the possibility of scanning a product label and obtaining all the information on the website for that specific garment or accessory, being able to check the stock in store, reserve a product, or buy online.
- The customer is offered different methods of collecting orders placed through online platforms, from store collection in the next few days, on the same day if the product is available by making a “product reservation” in the chosen store or else at home. Some “Click and Collect” points have been enabled in stores for online collection, favoring a better customer experience.
- Possibility of multi-brand collection enabled at different points of sale in Spain and Portugal, giving the customer the option of collecting

online orders from our brands in a store of a different brand. In this way, service accessibility is improved in smaller towns where not all brands have points of sale.

- Implementation in selected stores of a RFID Technology (Radio Frequency Identification) pilot program in Spain, whereby you can read a code associated with a product, box, or other element.
- In the online channel, elimination of paper purchase receipts that were included in all online orders, replaced by digital receipts. A reduction in environmental impact is achieved, sending nearly 6 million tickets digitally, thus minimizing paper consumption. Additionally, you can look up all the tickets of the purchases made in the apps of the brands.
- Packaging for online orders made up of 70% virgin materials and 30% recycled materials certified by PEFC in the case of the paper envelope, and 70% recycled cardboard certified by the FSC Forest Stewardship Council for the carton box.



PERMANENT COMMUNICATION WITH THE CUSTOMER

Direct contact and multi-channel communication are key elements in the company's customer service model, which seeks satisfaction as its main goal. Improving the shopping experience is only possible through transparent communication, based on ethics and responsibility, which 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 an interconnected platform.

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

Safety is another of our priorities. For this reason, the labeling of the garments includes all the necessary information, adapted to the requirements of international regulations and of the different countries where they are marketed. Relevant data such as the origin, composition, and washing process of the garments is included in all the necessary languages.

CUSTOMER SERVICE

To ensure the highest quality assistance, we have a multi-channel Customer Service accessible by telephone, social networks, e-mail, and post, as well as through a contact form located at the company website.

In 2022, a total of 4,093,576 procedures have been carried out through the channels, reaching a 78% overall satisfaction rate according to the surveys carried out after the customer service.

Throughout this year, 1,618 claims have been received, 1,315 being official sheets in stores located in Spanish territory. The claim forms that are collected in the store are directed to the Customer Service for processing. To manage them, technicians collect all the necessary information from the store and the affected departments, and more details are requested from the customer if necessary. The resolution is processed within the regulatory deadlines that range between 10 and 30 days.

The company analyzes the nature and content of the claims, as well as the opinions and suggestions received, to constantly improve and offer top-quality products and services, adapted to the preferences of its customers.

24 presence in 24 countries

10 Service provided in 10 languages

1,312,373 customers served in 2022

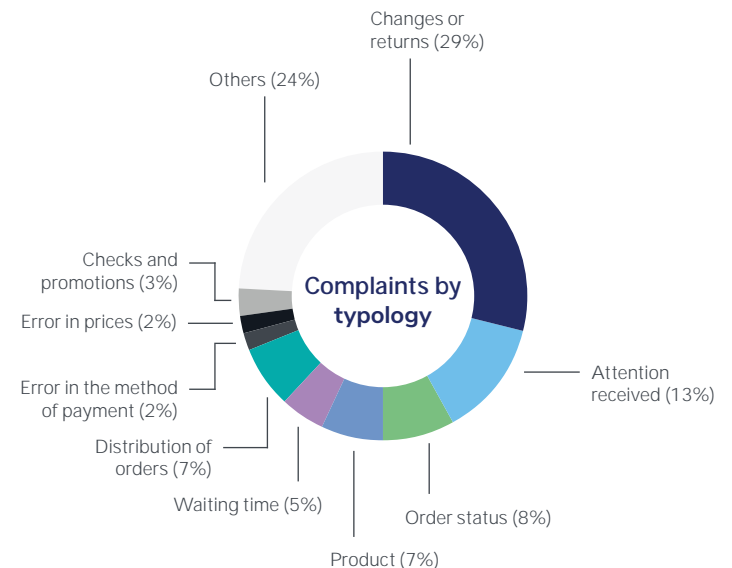
8 communication channels

- E-mail accounts
- Toll-free telephone lines International
- Social media accounts
- SMS messaging accounts
- Post mail
- Whatsapp contact numbers
- Chats integrated into the ecommerce websites
- Internal communication channels from other company areas

LOYALTY CLUBS

The Cortefiel, Pedro del Hierro, Springfield, Women'secret and Hoss Intropia brands have loyalty clubs with nearly 33 million members, with whom we want to create a solid and lasting relationship over time, based on our product offer and exclusive benefits.

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



Contribution to society

We are committed to acting in favor of society through the implementation of projects with a positive social impact. Our contribution is materialized through monetary and in-kind donations, as well as our direct participation in corporate volunteer actions.

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

WE ACT IN EMERGENCY SITUATIONS

— We acted in aid of Turkey and Syria.

Employees have been mobilized to raise funds for the Spanish Red Cross to help in the rescue and care of people affected by the earthquake that shook these two countries in February 2022. The company has also sent a shipment of warm clothes, pajamas, and fleeces.

— Economic aid and donation of clothes for refugees from Ukraine.

Program to help refugees through economic and clothing donations. In the first case, the company donated €100,000 to the International Red Cross for direct aid to refugees, mainly from the Russian invasion of Ukraine. On the other hand, in March, more than 2,500 garments were collected and distributed through different institutions.

— Acompaña project to support

refugees arriving in Madrid. It is an EY and Mahou Foundation initiative, in collaboration with the NGO MAS+ Ayuda y Solidaridad, which Tendam has joined to support refugees arriving in Madrid. A showroom was organized where a total of 2,890 garments from our brands were made available to 350 women and children.

COLLABORATION WITH THE LEALTAD FOUNDATION

In the selection of third sector entities, Tendam resorts to Lealtad Foundation's transparency analyses, which aim to assess the suitability of the entities with which alliances are established, in most cases choosing certified organizations.



TRAINING AND PROMOTION OF TALENT

- **Fundación Academia de la Moda Española:** through its Pedro del Hierro brand, Tendam is the first Fundación Academia de la Moda Española benefactor. This entity aims to promote and recognize national author fashion to ensure the future development of the industry.
- **Tendam Sustainability Classroom with the Polytechnic University of Madrid:** The Tendam Classroom on Sustainability, Responsibility, and Innovation in Fashion Design, in collaboration with the Higher Fashion Design Center of Madrid, attached to the Polytechnic University, has the mission to train talented young people, professionalizing the sector and promoting sustainable innovation from the design process.
- **Chair at ISEM Fashion Business School:** The Tendam Chair at ISEM, a business school at the University of Navarra specializing in fashion, focuses on promoting young talent and encouraging professional growth to improve employability. Tendam shares the goal of training professionals with negotiation and leadership skills to work in the fashion industry.

- **European University Program on sustainability and employability:** Tendam participates in this program on sustainability, promoted by the Glasgow Caledonian University and financed by the European Erasmus+ program, as a reference partner. The goal is to provide the next generations of professionals in the industry with all the necessary knowledge on sustainability. This initiative is carried out in collaboration with different academic institutions, such as the Polytechnic University of Valencia, the Villanueva University of Madrid and other centers in Portugal and France.
- **Future Retail Challenge:** A competition that brings together teams from around the world within the framework of the World Retail Congress, where Tendam acts as a jury. In this edition, students are challenged to reinvent a “fast fashion” model within the context of the circular economy and oriented to meet the demands of customers who are increasingly aware of the environmental crisis.

ALWAYS SUPPORTING WOMEN

- **#Simeimporta Movement:** Nine years ago, this movement was created by the Dexeus Foundation with the aim of normalizing the daily lives of women who have undergone breast cancer. This year, the Women'secret brand donated the proceeds to the Dexeus Mujer Foundation program, which provides psychological support to newly diagnosed patients and their families.
- **“Real Changers” scholarship:** For the second year in a row, Women'secret premiered its first “Real Changers” documentary, which gives voice to three outstanding women in activities traditionally considered masculine. In addition to this initiative, the brand offered three scholarships of up to €10,000 through a contest so that three women could make their academic dream come true.
- **Business Women Empowerment:** Tendam sponsors this initiative driven by Cinnamon News, which aims to contribute to the empowerment of women in the economic and business world. Woman2Woman is a mentoring program specifically focused on finding women who contribute to the transformation of the business world towards equality.
- **Mujeres&CIA:** For the second consecutive year, Tendam collaborated with the Mujeres&CIA portal through the organization of meetings with the aim of raising the visibility of the company's female managers, exchanging experiences, and creating synergies.



OTHER PROJECTS WITH AN IMPACT

- **Save Posidonia Project by Hoss Intropia:** The Hoss Intropia brand joined the Save Posidonia Project to preserve the Mediterranean tapeweed, which is a UNESCO World Heritage Site and one of the main green lungs of the planet. By donating 1% of all purchases made during the summer and the profits obtained from the sale of a necklace designed for this action, Hoss Intropia contributed to the preservation of the seagrass that grows in the Mediterranean.
- **Telva Solidarity Awards:** Tendam has been a sponsor of the Telva Solidarity Awards for 12 years and presented the first national award at the 2022 gala to the IMQ San Rafael Foundation for the "Moviéndonos por ellos" project, which provides support to families with ALS patients.
- **Caps for a new life:** Since 2016, Tendam has collaborated with the SEUR Foundation in the "Caps for a new life" project, which consists of collecting plastic caps to facilitate access to medical treatment for children with rare diseases. In 2022 we have collected 92.55kg of bottle tops, collecting a total of 1,153.49kg since the beginning, which has allowed us to help 15 children.
- **Women'ssecret joins the Juegaterapia Foundation:** Women'ssecret has added the Juegaterapia Foundation's



Baby Pelones collection to its website, making these dolls available for sale in 20 stores. Each purchase contributes to the acquisition of Jappy kit bags with games that are given to children upon admission to the hospital, as well as the purchase of Kiciclos, tricycles with a built-in carrier so that children can play and move around the hospital during their chemotherapy treatment.

- **Perfectos Imperfectos to raise awareness of disability:** Cortefiel and the Cadete Foundation have been collaborating in the solidarity initiative Perfectos Imperfectos for four years, with the aim of raising awareness of the reality of disabilities. In this campaign, t-shirts signed by Algo de Jaime were launched, the profits from which contributed to the social integration of children with disabilities.
- **The "Three Real Wise Men" arrive:** Tendam has joined the "Three Real Wise Men" campaign to collect gifts for children and elderly people living in nursing homes. More than 100 people from headquarters participated in the initiative, collecting 160 gifts.
- **Collaboration with a soup kitchen:** For five consecutive years, a group of representatives from Fifty visited the soup kitchen of the Hijas de la Caridad San Vicente de Paúl of the María Inmaculada school in Madrid. The brand made a financial donation of €2,000 with the active collaboration of volunteers.



RE-STORE PROJECT

In December 2022, the Re-Store project was launched to improve the employability of unemployed women or of those who wish to reorient their careers. This pilot experience was carried out in collaboration with the Alcobendas City Council and has three main goals:

- Protecting the commercial fabric of small towns, avoiding the depopulation or transformation of living cities, especially commuter towns.
- Updating the knowledge of women who lost their jobs in the commercial sector or their small shops due to the crisis and the lack of knowledge of new omnichannel commerce techniques.
- Promoting women's employability and entrepreneurial capacity.

In addition to co-financing the project with municipal funds, Tendam offers job vacancies for some of the students in the course and teaches techniques to conduct a good job interview.

- **Involucrados.** This project aims to promote different social actions related to disability, women, and progressive neurodegenerative diseases. The following proposals were selected for the 2022 call: Pablo Horstmann Foundation, Manos Unidas, Menudos Corazones and the Federación Española de Enfermedades Raras [Spanish Federation of Rare Diseases]. A total of more than €127,000 were awarded.
- **Fight against child cancer.** The Slowlove brand joins the Un Paso Más Foundation on the occasion of the International Childhood Cancer Day to raise funds for an oncological research program and specialized treatments at the clinic of the University of Navarra. The initiative consisted of the sale of limited edition “Por verte sonreír 2023” bracelets, thanks to which €100,000 were raised and donated.
- **“Una mirada en Marte” project.** The Cortefiel brand supports the financing of the project through a donation of €5,000 to finance the inclusive basketball Movistar-Estudiantes school and “Una mirada en Marte” to enable children and young people with intellectual disabilities to take part in physical exercise with intellectual disabilities, which will bring physical, cognitive, emotional, and social benefits.
- **Protecting the Iberian lynx.** Cortefiel and WWF Spain have joined together in a solidarity initiative to support the repopulation and preservation of the Iberian lynx. This campaign translates into the production of a capsule collection of polo shirts and T-shirts with the silhouette of this feline as a logo. The garments are made from 100% sustainable raw materials and 1.5 euros have been donated for each unit sold. Although this is clearly an environmental initiative, as it contributes to the preservation of biodiversity, it also contributes to the benefit of society as a whole.



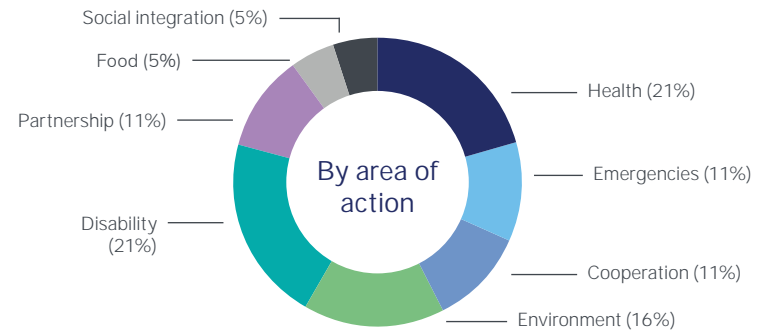
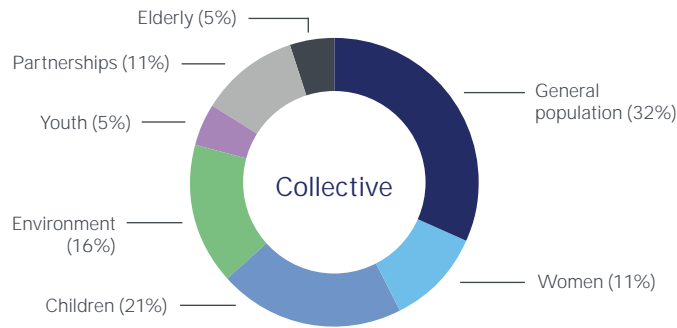
DONATIONS IN KIND

Tendam has a program for the utilization of samples and defective garments that cannot be put on the market for commercialization, to avoid their destruction and, therefore, the generation of waste.

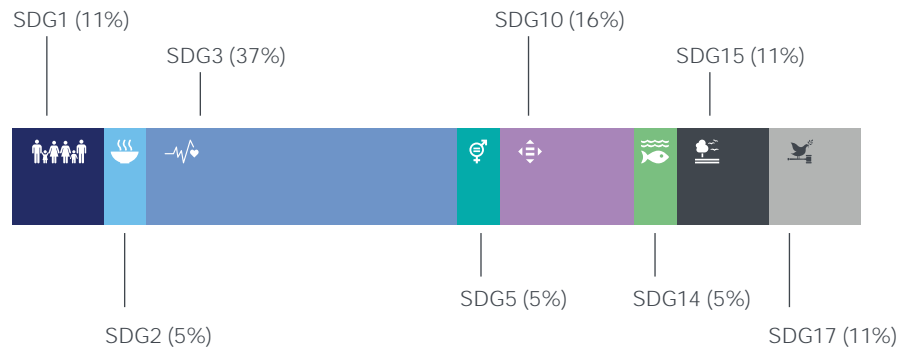
This responsible initiative, which has been in place for more than 16 years, consists of maximizing the value of these off-market products through two mechanisms: in-kind donations to non-profit entities and, on the other hand, participation in the Involucrados project, through which we collaborate with social causes by selling at charity flea markets.

Year	2022	2021	2020
Garments donated	35,460	29,550	26,730
Monetary value	236,400€	197,000€	178,200€
Requests handled	121	105	101

Social impact generated



Impact generated on the SDGs to which it contributes



Other in-kind donations

Concept	Entity	Amount
Aid to Ukraine	Fundación ONCE	86,752 disposable utensils
Donating computers	Adelias Foundation	7,180 units

Other contributions: alliances

Concept	Amount (€)
Annual fee SERES Foundation	19,900€
Annual fee Lealtad Foundation	5,000€
Tendam Chair-University of Navarra-ISEM	30,000€
Tendam Chair-Polytechnic University of Madrid	20,000€
Leading Brands Forum	12,000€
Total	86,900€

Contributions to non-profit entities

Concept	Entity	Amount (€)
TELVA Solidarity	San Rafael Foundation	9,000€
Perfectos Imperfectos	Cadete Foundation	40,174€
Breast cancer	AECC	1,957€
	Dexeus Foundation	34,707€
Soup kitchen	Hijas de la Caridad San Vicente de Paul	2,000€
Cortefiel X La Palma	Red Cross	2,133€
Ukrainian refugees	Red Cross	100,000€
	Balia Foundation	330€
Solidarity Week	Grandes Amigos Foundation	1,592€
	FEDER	10,190€
	Manos Unidas	11,668€
Involved		17,046€
	Menudos corazones	13,335€
	Pablo Horstman	18,114€
		19,641€
Sponsoring the golf tournament	Fundación Hakuna Revolution	2,500€
Save Posdonia Project	Formentera Island Council	32,932€
A look at Marte	Fundación Estudiantes	5,000€
Linx Campaign	WWF	41,627€
Volunteer Day	Reforesta	11,910€
FAME Pedro del Hierro	Spanish Fashion Academy Foundation	15,000€
Total		428,808€

CORPORATE VOLUNTEERING

- **Support for women in the workplace:** We continue to collaborate with the Quiero Trabajo Foundation to promote the employability of women at risk of social exclusion due to their status as migrants, applicants for international protection, refugees, women over 45 years of age, and single mothers, among others. Among the initiatives carried out, online mentoring sessions are held with the aim of empowering these women, increasing their self-esteem, and providing them with confidence and security in their job selection processes.
- **Environmental volunteering workshops with families:** Although Tendam's volunteering focuses mainly on social initiatives, others are also in favor of the environment. One of them is Jornadas Reforesta, with employees and their families. In 2023, 145 trees were planted thanks to the participation of 140 people. These days were held in the Cañada Real Galiana, to the east of the Community of Madrid, with the aim of promoting environmental awareness among children and young people and of highlighting the importance of caring for the planet.



SOLIDARITY WEEK AT TENDAM

Tendam's Solidarity Week was held from 22 to 25 March 2022, offering the company's employees the opportunity to participate in social and environmental volunteering activities.

These include collaboration with the Fundación Grandes Amigos, whose aim is to provide company and affection to elderly people living in solitude, through the development of manual activities. With the Balia Foundation, whose mission is social inclusion through socio-educational programmes for minors at high risk of vulnerability, we carried out a Masterchef activity in teams, preparing what would be the group's afternoon snack.

To end the week, with the help of SEO Birdife, we carried out a series of raids to remove the plastic protectors that had been installed on the banks of the Jarama (Madrid) for years in order to promote reforestation and ensure the growth of trees in the area. A total of 300 kg of plastics were collected.

179
volunteers

686
volunteer
hours

Our team in figures

Distribution of headcount and annual average by contract type

			2022		2021		2020	
			Average		Average		Average	
Indefinite-term contract	Gender	Men	1,271	1,262	1,163	1,174	1,258	1,285
		Women	7,209	7,043	6,073	6,011	6,199	6,164
	Professional category	Senior management	232	233	236	238	244	255
		Middle management	2,267	2,291	2,314	2,290	2,306	2,370
		Technicians	5,981	5,780	4,686	4,658	4,907	4,824
	Age category	Under 25	1,315	1,167	895	772	929	914
		Between 25-35	3,510	3,425	3,019	3,028	3,338	3,240
		Between 35-50	3,023	3,014	2,737	2,780	2,616	2,687
		Over 50	632	639	585	605	574	608
	Temporary contract	Gender	Men	146	179	238	256	233
Women			1,291	1,545	2,145	2,333	1,839	2,426
Professional category		Senior management	0	0	0	6	7	9
		Middle management	80	85	83	74	19	87
		Technicians	1,357	1,638	2,300	2,509	2,679	2,648
Age category		Under 25	665	758	1,016	1,013	856	1,059
		Between 25-35	593	725	1,104	1,303	1,040	1,398
		Between 35-50	167	207	251	262	169	271
		Over 50	12	12	12	11	7	17

Distribution of headcount and annual average by type of workday

			2022		2021		2020	
			Average		Average		Average	
Full-time working day	Gender	Men	899	907	887	905	944	984
		Women	3,531	3,550	3,465	3,480	3,448	3,678
	Professional category	Senior management	214	178	218	224	237	241
		Middle management	1,995	2,014	2,032	2,008	2,036	1,194
		Technicians	2,221	2,228	2,102	2,153	2,901	2,302
	Age category	Under 25	429	456	493	426	427	503
		Between 25-35	1,795	1,794	1,766	1,832	1,938	1,941
		Between 35-50	1,734	1,725	1,652	1,676	1,604	1,741
		Over 50	472	482	441	452	423	480
	Part-time working day	Gender	Men	518	534	514	526	547
Women			4,969	5,038	4,753	4,864	4,590	4,849
Professional category		Senior management	18	17	18	20	18	22
		Middle management	352	363	365	356	104	335
		Technicians	5,117	5,190	4,884	4,014	4,774	5,092
Age category		Under 25	1,551	1,564	1,418	1,360	1,358	1,447
		Between 25-35	2,308	2,356	2,357	2,499	2,440	2,579
		Between 35-50	1,456	1,482	1,336	1,367	1,181	1,265
		Over 50	172	169	156	164	158	168



Average remuneration by country (€)*

	Professional category			Gender		Age category				Average remuneration
	Senior management	Middle management	Technicians	Men	Women	<25	25-35	35-50	>50	
Bangladesh	16,824	0	7,686	9,144	8,281	6,087	7,757	8,046	16,824	8,913
Belgium	111,413	41,677	32,650	32,706	35,873	31,188	31,788	38,784	36,093	35,412
Bosnia	0	11,238	9,196	27,064	9,558	9,920	8,567	11,571	32,513	10,081
Bulgaria	0	11,175	8,730	9,429	10,077	10,778	9,424	9,495	11,079	10,029
Croatia	82,867	12,277	9,636	11,744	11,567	10,811	11,879	12,171	9,838	11,571
Spain	87,615	31,893	20,925	34,997	23,950	19,096	21,777	28,801	38,665	25,755
France	265,342	32,077	26,284	50,208	29,277	27,317	26,439	30,274	74,665	33,790
Hong Kong	94,335	57,743	36,117	55,615	45,658	23,456	34,982	53,850	49,162	49,411
Hungary	68,970	16,783	12,334	14,726	15,161	12,593	13,915	22,344	23,257	15,094
India	22,155	7,122	6,981	8,905	10,754	2,387	7,003	9,317	37,166	10,099
Luxembourg	0	42,879	36,573	37,207	38,332	36,076	34,776	41,198	41,919	38,324
Mexico	29,365	13,702	9,444	11,461	12,390	8,697	12,077	17,853	24,337	12,103
Montenegro	0	11,653	7,842	0	9,459	7,815	8,730	10,327	0	9,459
Portugal	101,718	19,894	15,202	22,735	16,575	14,963	16,033	22,170	24,337	17,294
Russia	38,892	5,420	5,285	22,551	5,618	4,525	6,492	10,208	0	6,101
Serbia	96,333	11,135	8,381	28,930	9,384	8,143	8,261	15,042	22,343	10,521

*Calculated on total staff remuneration (fixed + variable) converted from local currency into euro.

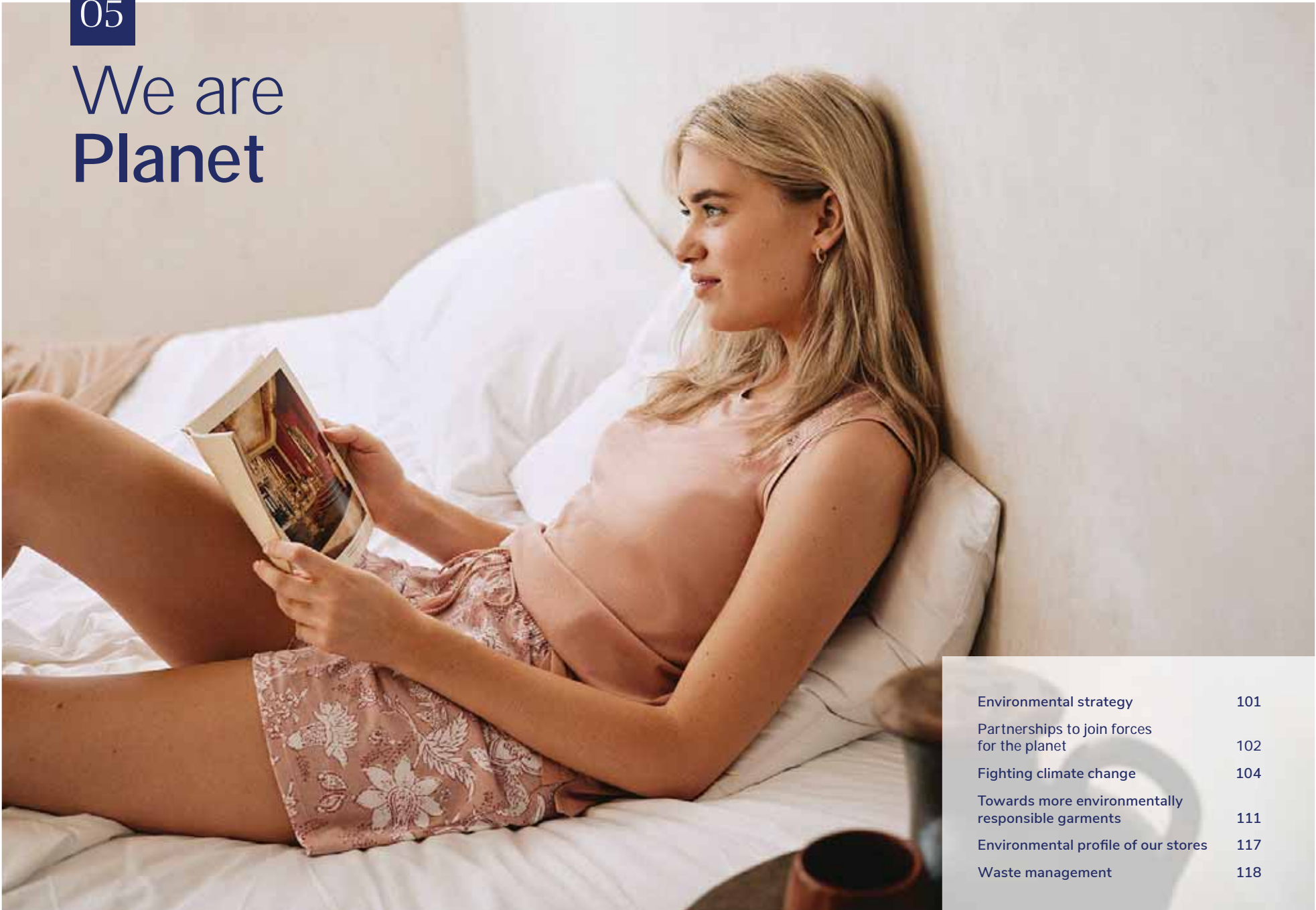
Number of dismissals by gender, age, professional category, and their evolution

		2022	2021	2020
Gender	Men	98	135	122
	Women	470	556	613
Professional category	Senior management	57	23	11
	Middle management	277	177	211
	Technicians	234	491	513
Age category	Under 25	176	162	332
	Between 25 and 35	239	299	264
	Between 35 and 50	128	188	118
	Over 50	25	42	22



05

We are Planet



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Environmental strategy

Our commitment to sustainability is based on the conviction that for our future growth we need to actively address the challenges that our industry and the world are facing.

The environmental factor is already critical for our activity. This translates into the constant review and improvement of the production cycle, as well as the company's own internal management. In our ESG Strategic Plan, we have defined the roadmap for the coming years, including climate actions with set specific goals and intermediate targets.

Our vision of environmental sustainability encompasses all areas and processes of our business: products and customer offerings, supply chain and non-commercial goods such as packaging and items used in store interiors, facilities, and distribution. We act responsibly in the industry where we operate, integrating environmental and sustainable development factors into our decisions.

Among its goals, the 2022-2025 Sustainability Strategic Plan includes issues related to the circular economy, energy efficiency, and the reduction of carbon emissions.

Our commitment to sustainability is based on the conviction that for our future growth we need to actively address the challenges that our industry and the world are facing.

INTERNAL ENVIRONMENTAL REGULATORY FRAMEWORK

Tendam has an extensive framework of internal regulations on matters related to the current or potential impact of operations on the environment:

- Corporate Purchasing Policy

- Responsible purchasing policies
- Internal Code of Conduct
- External Code of Conduct for suppliers
- Sustainable product standard
- Environmentally responsible manufacturing standard

We care

- Governance and policy
- Climate strategy
- Partnerships
- Training

Planet

- Carbon neutrality
- Responsible apparel
- Biodiversity
- Water use

Circular economy

- Packaging
- Plastic disposal
- Waste management

Transparency and traceability

- Measurement
- Communication
- ESG assessments

EXTERNAL ASSESSMENT OF TENDAM'S SUSTAINABILITY PERFORMANCE

Each year the company provides a comprehensive account of its sustainability commitments, practices, and performance through its Sustainability Report, which contains the Statement of Non-Financial Information. This content, as required by Spanish legislation, is verified by an independent third party and published on the company's public channels.

In 2022, our results in the **Carbon Disclosure Project (CDP)** particularly stand out, being recognized for our work in the fight against climate change with an A rating, an improvement over the A- obtained in 2021. Tendam has thus consolidated its position as a benchmark company in the fight against climate change, thanks to an environmental management system focused on decarbonizing operations by constantly improving energy efficiency, reducing the carbon footprint of our garments, and setting ambitious emission reduction targets in accordance with scientifically based objectives.

This year we also retained the **Ecovadis Gold Medal** for the company's best practices in environment, labor practices and human rights, ethics, and sustainable procurement. This Gold Medal recognizes the progress made and the initiatives launched in the past two years, specifically on SBTi CO2 emission reduction targets to achieve carbon neutrality by 2040.

Partnerships to join forces for the planet

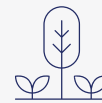


We are committed to the three pillars of the Fashion Pact:



Climate

We are committed to reducing emissions by adopting Science Based Targets (SBTi) for our business. We are committed to implementing the 16 principles of the UN Fashion Industry Climate Charter with the Science Based Targets in mind. We support climate adaptation and resilience through sustainable sourcing of key raw materials with the goal of reaching 50% of garments with more sustainable features by 2025. We have achieved close to 80% of energy use from renewable sources and have set a target of 100% by 2030.



Biodiversity

We want to ensure our contribution to the preservation and restoration of ecosystems and the protection of key species. In the coming years, we will develop biodiversity strategies indicating where priority interventions in our supply chains should be carried out. We prioritize the protection and sustainable management of forests.



Oceans

We are committed to significantly reducing the negative impacts we can have on the marine environment, in collaboration with other leading initiatives. Our strategy includes measures to eliminate single-use plastics in B2C packaging by 2025 and in B2B packaging by 2030. We are committed to ensuring plastic packaging with a higher recycled content for the coming years.

THE FASHION PACT

We have been part of the Fashion Pact since 2019. This coalition of textile and fashion companies has a triple environmental goal: the fight against climate change, the preservation of biodiversity and the protection of the oceans. We actively participate in the organization's decision-making process through its Executive and Management Committees.

UNITED NATIONS GLOBAL COMPACT'S BUSINESS AMBITION FOR 1.5° C

We continue our efforts in science-based target-setting emission reduction by adhering to the Business Ambition for 1.5°C. This initiative is aligned with the Fashion Pact and sets the goal 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 strengthen our commitment to implementing the principles set out in the Fashion Industry Charter for Climate Action. The main goal is to reduce emissions by 2030, and membership implies accepting the Charter's commitments.

WE MEAN BUSINESS COALITION

Tendam has renewed its support for the business statement organized by the We Mean Business Coalition and The B Team to keep the global increase in the planet's temperature below 1.5°C. This new statement, aligned with the Paris Agreement and the Glasgow Climate Pact, deepens the commitment in favor of the implementation of clean energy solutions that require financial support to facilitate the transition to a more inclusive and fairer future.

In 2022, we continued to increase our partnerships to join forces with other relevant actors in the field of sustainability, specifically focused on the fight against climate change and the minimization of impacts on the environment.

RETAILERS POR EL CLIMA

On June 5, on the occasion of the World Environment Day, we joined Retailers por el Clima, a strategic environmental alliance launched by the retail companies Alcampo, EcoAlf, Ikea, L'Oréal, Sepiia and Tendam.

The aim of this initiative is to make a recovery based on carbon neutrality, in line with the goals of the European Union and SDG 13 Climate Action, which promotes taking urgent action to combat climate change and its effects.

COLLECTIVE SYSTEM OF EXTENDED PRODUCER RESPONSIBILITY

Together with some of the leading companies in the textile sector, such as Decathlon, H&M, Inditex, Kiabi and Mango, the company has played an active role in the creation of an association for the collective management of textile waste in Spain. The goal is to work actively for a circular economic and productive system, based on an increasingly consolidated and efficient collective system of recycling textile waste.



Fighting climate change

We strive to reduce our carbon emissions, with the aim of improving business resilience in response to climate-related risks.

2020 was the key year in which we embarked on our climate action plan, which is consistent with the Paris Agreement.

CLIMATE ROADMAP

Given that climate change issues are increasingly relevant, a climate roadmap has been defined within the Sustainability Plan including a holistic approach with five strategic pillars, based on constant innovation and the collaboration of all members of the value chain.

1. Corporate governance and climate change strategy.

- 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.

2. Carbon neutrality

- 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.

3. Circular economy

- 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.

4. Transparent reporting and communication

- Extended application of improvements to the annual sustainability report.
- Updating the internal reporting system on climate issues.
- Extended participation in performance and disclosure initiatives relevant to the organization.





GOVERNANCE ON ENVIRONMENTAL AND CLIMATE AFFAIRS

The value that Tendam places on environmental management, in a manner consistent with its strategy, is materialized in an ad hoc governance system that starts from its governing bodies and has the highest responsibility in the figure of the CEO.

The corporate sustainability team works closely with the company's different areas, especially those linked to the product and marketing of our brands, as well as the human resources, supply chain, customer, and legal areas, among others.

The Sustainability Committee of the Board of Directors was created in 2022, as an advisory body responsible for supervising and controlling proposals and initiatives in the field of sustainability. It is made up of the CEO and two female directors. Its main functions are to monitor the company's proposals in the social, environmental, human rights, health and safety areas of the products sold, as well as the relations with the different stakeholders.

The Audit and Risk Committee is responsible for overseeing business risk management and mitigation actions for a variety of risks, including environmental risks.

In 2021, a Sustainability and Human Rights Committee was created, bringing together the directors of human resources, supply chain, sustainability, legal, client and internal audit. This collegiate body is responsible for supervising the ESG strategy, as well as establishing policies and priorities.

The Sustainability Department executes and monitors the policies, goals, and indicators in this area. More specifically:

- It reports directly to the CEO and the bodies designated dependent on both the Management Committee and the Board of Directors.
- It tracks the key indicators and progress on the goals defined together with senior management (CEO, CFO, Director of Risks, Security and Compliance).
- It collaborates with brands, coordinating and energizing with the aim of implementing the company's vision and strategy in terms of sustainability.

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 supervision of the climate strategy is carried out through the highest governance body, the Board of Directors.

The Audit and Risk Committee, one of the main advisory bodies of the Board, is responsible for ensuring compliance with the mitigation and correction plans associated with climate risks.

The identification and assessment of climate-related risks and opportunities is critical in the management of our activity and in the definition of our short, medium, and long-term strategies.

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 [section 6](#).

GREENHOUSE GAS EMISSIONS

The carbon footprint describes the total amount of CO₂ and other greenhouse gas (hereinafter GHG) emissions caused directly or indirectly by our activity.

The study conducted for the fiscal year 2022 carbon footprint calculation has followed the structure and methodology of the international GHG Protocol (GHGP) standard and the Scope 3 technical guidelines as the basis for the calculations.

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 shops, warehouses and logistics centres located in 13 countries. Indirect emissions generated throughout our value chain are also included. In the 2022-23 period, the calculation has been further improved with the incorporation of a new category that takes into account indirect emissions from waste management and treatment in our own operations.

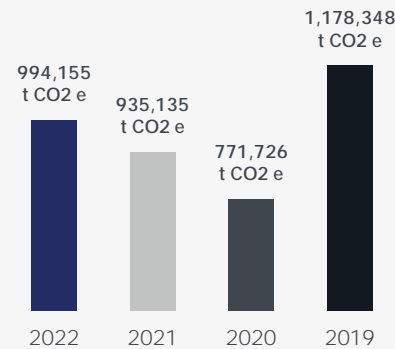
Tendam's total carbon footprint for the 2022 financial year reached 994,155 t CO₂e. Of this figure, direct Scope 3 emissions were the most significant, with 987,018 t CO₂e, a figure that represents 99% of the total. In second place were indirect Scope 2 emissions with 4,960 t CO₂e, 0.5% of the footprint. Scope 1 indirect emissions came last with a share of 0.2%, equivalent to 2,177 t CO₂e.

SCIENCE BASED TARGET INITIATIVE

In 2021, we formalized specific and measurable commitments that show our work to combat climate change and promote the transition to a low-carbon economy.



EVOLUTION OF TOTAL EMISSIONS COMPARED TO BASE YEAR



Overall, the current carbon footprint has resulted in a 16% reduction compared to 2019 (base year).



The total emissions for years 2019, 2020, and 2021 have been modified due to an adjustment of the data used to calculate the "Capital assets" category, affecting the entire scope 3. This new calculation follows the recommendations established in the GHG Protocol.

The adjustment will show differences in the data reported in this Sustainability Report compared to the reports published in previous years.

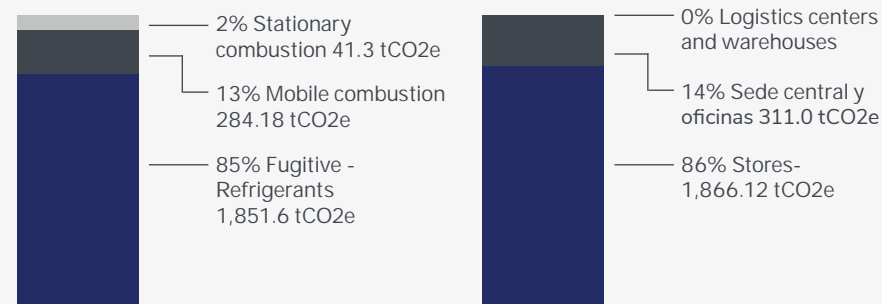
Emission category	2019-20	2020-21	2021-22	2022-23
Scope 1 (t CO ₂ e)	2,980	1,990	2,391	2,177
Scope 2 (t CO ₂ e)	23,972	4,158	4,449	4,960
Scope 3 (t CO ₂ e)	1,151,396	765,578	928,294	987,018

Scope 1, consisting of direct emissions:

Scope 1 emissions have decreased by 27% relative to base year 2019 and 9% relative to 2021. This decrease is due to lower fuel consumption in stationary sources and mobile sources (car rentals) during 2022. In Spain, the number of hybrid vehicles has increased by one unit compared to the previous year.

- Fugitive-refrigerant emissions from refrigeration equipment in stores. Consumption: 1,044.80 tons
- Fixed combustion for heating in stores and facilities. Natural gas: 17,414 m³
- Mobile combustion derived from car rentals, as it does not have its own fleet.

Direct GHG emissions by source and facility type



Scope 2, consisting of indirect emissions associated with the amount and consumption of electricity:

Includes electricity consumption at headquarters, logistics centers and warehouses, offices in other countries and network of own-managed stores.

Scope 2 emissions have decreased by 79% compared to the base year 2019 and increased by 11% compared to the previous year. The increase compared to the 2021 base year is mainly due to the increase in electricity consumption in stores.

Facility type	Evolution of electricity consumption (KWh)			2022 GHG emissions
	2022	2021	2020	T CO ₂ e
Stores	76,312,116	72,710,363	63,919,885	4,932
Headquarters and offices	2,713,438	2,705,883	2,592,081	27
Logistics centers and warehouses	2,514,940	2,188,768	2,439,948	1
Total	81,540,494	77,605,014	68,951,914	4,960

Evolution of energy consumption by country (KWh)

Countries	2022	2021	2020	T CO ₂ e	kWh/m ²
Spain	64,042,610	62,015,590	56,747,647	0.00	252.33
Belgium	566,041	1,011,286	971,507	92.77	195.17
Bosnia	12,606	47,817	nd	10.03	4.97
Bulgaria	101,184	98,278	44,789	37.77	144.14
Croatia	671,244	610,995	396,600	112.23	188.60
France	532,291	622,544	608,770	27.20	117.53
Hungary	1,017,314	941,886	1,003,895	366.23	177.58
Luxembourg	178,963	253,492	233,476	19.29	155.22
Mexico	1,922,467	1,743,908	1,321,320	766.30	185.96
Montenegro	nd	nd	nd	0.00	0.00
Portugal	11,746,607	9,027,833	6,583,941	2,973.54	248.58
Russia	43,967	543,785	733,729	15.78	12.68
Serbia	705,200	687,600	306,240	538.63	90.26
Total	81,540,494	77,605,014	68,951,914	4,959.79	236.76

Scope 3

This scope includes all other indirect emissions in a company's value chain.

- Activities related to fuel and energy scope 1 and 2, goods and services acquired.
- A series of concepts calculated for the first time in the 2021-22 period: franchises, commuting of employees, product end of life.

These emissions have decreased by 14% with respect to the base year and have experienced an increase of 6% with respect to the emissions of the previous year. Using the intensity metrics (tCO₂e/M€), we observe a 16% reduction in the intensity of scope 3 emissions compared to the base year and of 2% compared to last year. The result is positive since the indicator in the SBTi Science-Based Targets uses intensity metrics. However, we should continue working on the reduction of absolute emissions to meet the goals of climate neutrality.

	Emissions (tn Co2)				
	%*	2022	2021	2020	2019
Goods and services: emissions derived from the purchase of goods and services (garments)	47%	466,573.9	401,827.35	332,419.56	485,191.36
Capital assets: emissions produced in the extraction, production, and transportation of capital assets purchased or acquired by the company.	3%	24,689.9	28,742.46	17,362.18	63,054.22
Fuel and energy related activities: upstream emissions (extraction, production, and transportation), not accounted for in scopes 1 or 2.	0%	4,933.9	4,719.87	2,614.63	3,291.00
Upstream transportation: emissions derived from the transport of goods from the suppliers to the logistics centers in Hong Kong and Aranjuez (Madrid).	1%	7,546.2	14,388.81	7,300.05	11,703.07
Business trips: emissions derived from employee business trips.	0%	750.6	553.59	253.92	1,489.98
Commuting of employees: includes emissions from the commuting of employees from home to their workplace.	1%	9,206.2	8,511.80	2,611.88	10,504.49
Downstream transportation: emissions derived from the transportation of goods from logistics centers to the entire network of own-management stores and franchises, and merchandise for sale online.	0%	4,813.2	4,492.07	2,304.77	4,570.25
Use of products sold: emissions from use by consumers of goods and services sold.	46%	452,647.5	450,470.35	387,432.66	554,303.42
End of useful life of products sold: includes emissions from treatment of products sold by the company at the end of their useful life.	1%	10,663.5	9,473.86	7,854.76	11,297.75
Franchises: includes emissions derived from energy consumption for the operation of franchises not included in scope 2.	1%	5,043.5	5,114.51	5,423.65	5,990.53
Total		987,018.74	928,294.66	765,578.06	1,151,396.07

*Percentage of emissions related to each category with respect to total scope 3 emissions.

Calculation period: fiscal year 2022 (March 1, 2022 to February 28, 2023).

Calculation method: The study conducted on FY 2022 for the calculation of the carbon footprint has followed the structure and methodology of the international standard GHG Protocol (GHG Protocol). GHG Protocol (GHGP) international standard and scope 3 technical guidelines as the basis for the calculations.



OUR PROGRESS IN THE FIGHT AGAINST CLIMATE CHANGE

Renewable energy

In 2022, we have continued to work on our renewable energy procurement commitment in owned operations. The company has signed a long-term power purchase agreement to consolidate the supply of renewable electricity to more than 750 stores, as well as logistics centers, warehouses, and offices in Spain.

This agreement includes the supply of 70 GWh of renewable energy per year for a period of 10 years. This brings us closer to meeting the science-based emission reduction targets approved by the SBTi to achieve carbon neutrality by 2040.

79%

renewable energy globally

100%

renewable energy in our stores, offices, and logistics centers in Spain

TARGET
2030

REACHING 100% RENEWABLE ENERGY GLOBALLY.

100%

of new or renovated stores have LED lighting

Energy efficiency

Energy efficiency involves 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 minimize our impact on the environment, while maintaining the performance of our activity, including cost savings.

Electricity consumption is a major impact on our operations, especially in our stores. For this reason, we have established a program to apply sustainability criteria to the management of these spaces with measures to improve energy efficiency.

LED

We have been incorporating LED technology since 2015, through the placement of eco-efficient lighting equipment, which reduces consumption. Currently, 32% of our stores have this technology, allowing up to 80% more efficiency and a reduction in power consumption of between 10% and 20%.

Internet of Things (IOT) in stores

In a selection of the group's stores located in the Community of Madrid, Andalusia and Valencia, an energy efficiency system has been implemented that measures and manages energy performance, achieving savings results of between 22% and 19% approximately, depending on the community.



OFFSETTING EMISSIONS WITH THE BOSQUE SPRINGFIELD INITIATIVE:

Bosque Springfield is one of Tendam Group's flagship environmental projects. In 2022, 20,000 trees were planted in Galicia, achieving an estimated capture of 22,668 t of CO2 at full cycle. Since 2020, thanks to this project, a total of 110,000 trees have been added, offsetting more than 70,000 t of CO2.

Sustainable mobility actions

Tendam is working on a sustainable mobility plan which, in addition to including the transportation and logistics within the value chain, it incorporates initiatives that are already operational.

- Installation of charging points for electric vehicles at the Group's headquarters in Madrid.
- Use of eco-cabs for employee transportation. More specifically, 77.8% of journeys are made in this type of vehicle, which has led to a 49.3% reduction in CO2 emissions compared to the previous use of conventional cabs.
- Fleet of electric or hybrid corporate vehicles within the benefits of the employees who require them to carry out their duties.
- The company's Travel Policy includes the prioritization of sustainable criteria by employees in travel decisions, thanks to the comparative information on emissions provided by our travel agency.

Logistics and transportation

Efficient logistics management is a key aspect of our strategy, ensuring quality as an integral element of sustainability performance. To this end, we have five logistics centers around two main strategic distribution axes:

- The main distribution axis is structured around the Aranjuez logistics center, certified as an Agente Acreditado y Expedidor Conocido [Authorized Agent and Known Shipper] of the Agencia Estatal de Seguridad [State Security Agency]. From there, merchandise is distributed to the company's own brand stores and 70% of the franchises.
- The stock for all e-commerce operations is stored in Cuenca (Tarancón), and the product of the Women'secret brand is stored in Seseña (Toledo).
- On the other hand, in Hong Kong we have a multi-brand consolidation center that distributes merchandise from Asian suppliers to the Asian continent, as well as to our own stores and franchises in Mexico. In this case, we follow a cross-docking model, which consists of direct distribution to the customer without going through prior storage.
- Mexico has its own logistics center for local distribution of merchandise. The centralization of multi-brand distribution means more efficient travel and, therefore, a reduction in emissions. For the same reason, deliveries to stores are made outside business hours.

IMPROVEMENTS IN LAST-MILE LOGISTICS

The company has closed alliances with the main companies in the logistics sector to implement actions that cause less negative impact on the environment.

It is worth noting that our main carriers have an ISO 14001 certified environmental management system. They are also implementing several 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. We also have climate programs to offset the CO2 footprint generated by our logistics and transportation activities, with the commitment to achieve carbon neutrality.

On the other hand, we continue to implement efficiency measures in the filling of boxes and in their transfer to the transport vehicles. This model has a direct impact on the reduction of greenhouse gases.

We are already working on the design of a sustainable mobility plan as established in the climate strategy, which will expand initiatives in this area.

Finally, we should mention that the pallets we use in the Aranjuez and Tarancón logistics centers, from which goods are distributed to other logistics centers, are made of reused wood and recycled plastic.

63% of the boxes we receive from suppliers are reused to transport merchandise back to the stores.



Towards more environmentally responsible garments

Our ambition is to use our position and influence to drive social and environmental improvements, fostering innovation throughout our value chain, from the sourcing of raw materials to the manufacture of finished products.

Our goal is to progressively increase the proportion of sustainable sources in all brands, while we continue working to improve the traceability and transparency of our supply chain. We also foster a constant collaboration with our suppliers to drive improvements in areas such as chemical management, reduction in water use and waste recycling to jointly drive the path towards circularity.

The reduction of scope 3 emissions depends mainly on the reduction of emissions in relation to raw materials and in the use of garment in the hands of customers.

These two features make a garment sustainable:

- Selection of raw materials with a more sustainable origin and treatment: the product must contain between 15% and 50% of these types of fabrics depending on its composition.
- The production of more sustainable garments is also achieved through processes that are more respectful of the environment, which include the implementation of measures to reduce chemical products in our garments, as well as making good use of water.

CIRCULARITY

Integrated into our corporate strategy and our sustainability roadmap, circularity covers the entire business model: from the different processes carried out throughout the value chain to the management of points of sale, including logistics, and the design of the company's products and offices.

Our commitment to reach excellence in our management and production process includes respect for the environment. This means working with a vision focused on preserving natural resources and avoiding waste.

We are promoting sustainability in the different phases of our garments. In recent years, we have launched pilot projects in different fields, focusing on the collection of customer garments in stores, repair services, and donations that allow the reuse or recycling of non-saleable garments.

As part of our strategy, we also focus on finding alternative materials that have a lower environmental impact.

43%
garments with sustainable features

TARGET
2025

REACHING 50% OF GARMENTS WITH SUSTAINABLE FEATURES



We promote sustainability in our activity from the following perspectives:

Product	Climate impact	Supply chain	Impact on the environment
— More responsible design	— Reduction of CO2 emissions linked to the value chain	— Selection of responsible suppliers	— Preservation of biodiversity and fight against deforestation
— Choice of sustainable raw materials	— Product life cycle	— Detection of risks and critical issues	— Animal welfare
— Traceability from the creation of the garment	— Circularity	— Due diligence and human rights	— Respect for local communities

RAW MATERIALS AND PROCESSES

We work to achieve production with less impact on the environment, focusing on five priorities:

- Minimizing and managing the use of water.
- Increasing the use of reused and recycled materials.
- Reducing the amount of chemicals used.
- Improving the quality of garments.
- Managing waste during the process (reduce, recycle and reuse).

We mainly focus on the treatment of cotton, polyester, and cellulosic-based fibers, which are the main raw materials we use.

More sustainable cotton

Cotton is one of the most used fibers in the textile sector. For this reason, we promote the use of cotton fabrics that are worked in a more responsible way.

We are members of the Better Cotton (BC) initiative and our goal is to have 50% of our cotton to be BC by 2025. We collaborate with this organization to promote sustainable practices in cotton farming, such as efficient use of water and reduction of chemicals and pesticides.

Recycled polyester

Recycled polyester is a fiber made from recycled materials, in contrast to conventional polyester that comes from petroleum. The polyester recycling process reconstitutes the fiber at the molecular level, preserving the technical properties of the original polyester, but with less environmental impact.

The use of recycled polyester helps reduce the demand for oil and decrease atmospheric CO2 emissions by up to 75%.

Cellulosic fibers

We work closely with our main suppliers to care for wood-derived fabrics, such as viscose and Lyocell.

We prioritize the procurement of materials such as Tencel™, Lyocell or EcoVero™, which are sourced from sustainably managed forests and have more environmentally friendly production processes compared to conventional processes for these fibers.

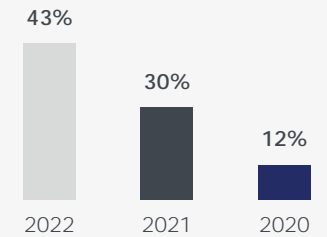
SUSTAINABLE PRODUCT STANDARD

This Tendam Group standard establishes the requirements that our garments 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 to apply traceability from the origin of the materials to the consumer.

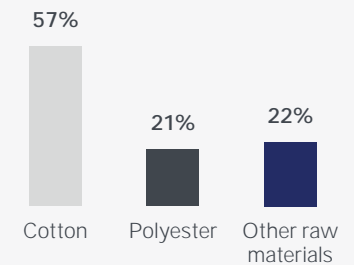
In addition to the application of the external regulatory framework, this standard establishes that a product must contain at least one sustainable raw material and be manufactured under one of the described processes to be able to affirm that it has sustainable properties. In this sense, it is the direct suppliers who are responsible for ensuring compliance with the guidelines established in this document and the traceability of the products.

The sustainable raw materials considered are those mentioned in the corresponding subsection, while the responsible manufacturing processes must include circularity measures, elimination of the use of chemicals, innovation in technology and some other good practices agreed in the sector.

GARMENTS WITH SUSTAINABLE FEATURES



20,923 TONS OF RAW MATERIALS



71%
of cotton is more sustainable

25%
of polyester is recycled

TARGET
2025

50% OF BETTER COTTON

BIODIVERSITY

The care and protection of biodiversity are paramount for us at Tendam. We are analyzing the real and potential impacts, as well as the challenges derived from our commitment to protecting biodiversity in the Fashion Pact framework.

- In relation to raw materials, we collaborate with entities that apply responsible agriculture practices, such as the Better Cotton initiative and Cotton for Africa.
- Regarding animal welfare related to the production of fabrics such as wool or leather, we look for certifications that support responsible treatment, such as the Responsible Down Standard (RDS). We also have the Working Leather Group seal, awarded by a global community committed to sustainable leather production.
- We have incorporated principles on biodiversity, deforestation, and animal welfare in our Responsible Purchasing Policy, which applies to our clothing and accessory suppliers.
- We continue to promote the use of materials (packaging and labels) with cellulosic fibers certified by FSC or PEFC, ensuring the sustainable management of the forests where the raw materials come from.

By 2024, we have set out to define specific actions related to biodiversity and incorporate them into our Strategic Sustainability Plan.

WATER MANAGEMENT

We recognize the impact we have on water at different stages of our production process. In general, the global textile industry contributes to water stress, especially in the areas where garments are manufactured.

In this regard, we are committed to continuously reviewing our processes within a water efficient strategy, which includes measures such as reuse to achieve a reduction.

We track our data with tools like the Sustainable Apparel Coalition, which we are preparing to join in 2023.

In the value chain of our products, water is used in the stages of growing raw materials (such as cotton), washing, dyeing, and finishing.

Responsible use of water in denim

We aim to reduce water consumption in garment manufacturing, especially in the denim garment production process. To achieve this, we use new technologies in our supply chain and introduce efficient materials in our different product ranges.

We promote programs such as Eco Wash or Responsible Wash to treat denim garments with a reduction in the use of water during textile production processes. This avoids the waste of hundreds of liters of water per year and the use of products that are harmful to health, while reducing energy consumption.

We apply laser and ozone technologies to our denim garments to reduce the environmental impact associated with finishing. We also use more innovative technologies such as Dry Indigo or Dry Black Seamless, which allow the dry dyeing of denim, achieving 100% water savings in the dyeing process, an 89% reduction in the use of chemical products and a 65% in energy consumption.

Goal

We are working on the definition of a Water Management and Control Plan, which will include the development of a roadmap based on our commitment to the Zero Discharge of Hazardous Chemicals initiative.





ZERO DISCHARGE OF HAZARDOUS CHEMICALS (ZDHC)

Tendam joined ZDHC in 2021 with the goal of implementing a roadmap that helps us avoid the use of restricted substances during production and manufacturing, as well as ensuring that the final product complies with the health and quality regulations of the countries where we market our products.

The ZDHC Manufacturing Restricted Substances List (MRSL) is a list of chemicals that are prohibited in facilities that process textile, footwear, and other materials. ZDHC's MRSL goes beyond traditional approaches to chemical restrictions that only apply to finished products, offering an approach that also minimizes 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 allowed us to know what the facilities and processes of our suppliers are like throughout the production chain. First, the wet processes are identified, which are those that take place in the aqueous stage of production, such as pre-treatment, dyeing, identification, and finishing.

To keep on making progress in our efforts to extend our environmental commitment throughout the supply chain, we have begun to request a series of measures from specific suppliers. The focus has been placed on facilities that are involved in the manufacture of denim and those that represent a large volume of purchases for the company. These centers are subject to an assessment of their environmental performance through different initiatives:

- Own environmental audits or, where appropriate, the environmental assessment carried out by other

organizations such as Higg FEM (Higg Facility Environmental Module).

- Wastewater analysis and compliance with textile tests for restricted substances (RSL), in line with current regulations on this matter, as well as with ZDHC's Manufacturing Restricted Substance List (MRSL).

We encourage the facilities that have not yet done so to adhere to ZDHC and join an organization that pursues the management of the chemical footprint.

The monitoring and measurement of our results is carried out rigorously through the definition of goals and specific commitments:

- Integration of the ZDHC in corporate policy and strategy.
- Adopting at least the MRSL.
- Commitment to wastewater guidelines.
- Communication of MRSL commitments to partners in the production chain.
- Requiring the partners of the production chain to adopt the ZDHC MRSL.
- Requiring some suppliers to register on the portal.
- Motivating suppliers to adopt and implement wastewater guidelines.

mrsll.roadmaptozero.com

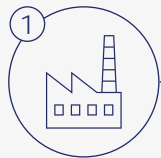
QUALITY PRODUCTION

One of the pillars that explains the quality of the garments of all our brands is the strict control of the products that ensures compliance with the required standards and quality levels. From the careful selection of the raw materials and the approval of the suppliers with whom we work, to the controls prior to the sale of the finished garment, the production process is rigorously monitored until each garment reaches the consumer.

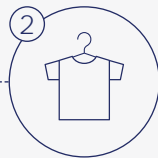
We have made a commitment to progressively eliminate the use and release of unwanted chemicals throughout the manufacturing process of our garments.

Exhaustive quality control measures ensure customer safety and compliance with the specific legal requirements of each country where our garments are sold.

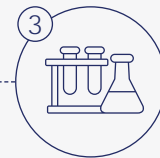
The process can be summarized as follows:



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 specifications and quality standards defined by Tendam for each of the products requested.



The references that enter the market are subjected 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 resistance, and the absence of toxic substances.



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.



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



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

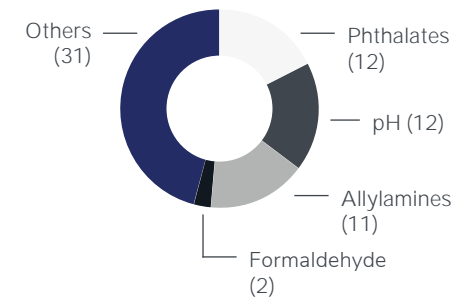
12,058
analyzed models

99.40%
chemical tests without incidents

Evolution of analyzed models

2022	12,058
2021	11,778
2020	8,128

Chemical incidents



Traceability

In recent years, we have worked to define key positive attributes related to a wide variety of environmental programs that drive improvements in the life cycle stages of our garments. Progress has also been made in establishing a product traceability and verification process with three key objectives:

- Setting up a procedure to track and verify all sustainable initiatives at the product level.
- Unifying the purchasing strategy of all brands.
- Adding transparency and traceability of units at all stages of production.

The Sourcing and Product Purchasing departments of the brands work in coordination with suppliers to encourage the use of more sustainable materials and more innovative production techniques.

We have a map of strategic sustainable suppliers with whom we collaborate to make progress on sustainability in garments. We evaluate materials using third-party verifications and certifications.

We share our knowledge and best practices through a collaborative platform with the aim of favoring the evolution towards a more sustainable model.

Restricted Substances List (RSL)

Parameters	Applicable limits	Application areas
Alkylphenols	100ppm	Textiles and leather
Antimony	5 ppm	Polyester textiles
Arsenic	Not detected (0.06 ppm)	All the products
Azo Dyes (Allylamines)	20 ppm	All the products
Benzenes and toluene-carriers	1.0 ppm	Polyester, silk, and wool textiles
Biocides	Not detected (1.0 ppm)	Fibers
Cadmium	5 ppm	Textiles, excluding synthetic leather
	75 ppm	Natural faux fur, metal products
Chrome	3 ppm	Fur products
Dimethyl Fumarate (DMFU)	Not detected (0.1 ppm)	Textiles and leather
Allergic disperse dyes	50 ppm	Textile synthetic fibers
Formaldehyde	16 ppm	All textile and leather products for babies
	75 ppm	All textile and leather products, in direct contact with the skin
	300 ppm	All textile and leather products that are not in contact with the skin
Lead	5 ppm	Textile products excluding synthetic leather
	90 ppm	Synthetic leather, natural leather, and metals
Mercury	Not detected (0.006 ppm)	All the products
	Not detected (0.2 µg/cm ² /week)	Metals that can enter the human body
Nickel	0.5 µg/cm ² /week	For other metal products
	Not detected (0.5 ppm)	Textil products
Pesticides	Not detected (0.5 ppm)	Natural fibers, textiles, and leather
Fluorocarbons (PFCS)	1 µg/cm ² PFOS	Textil products
	Otros: 0.1 ppm	
Phenolic compounds (PCP, TeCP)	0.05 ppm	Textiles and leather for babies
	0.5 ppm	Textiles and leather for children over 3 years old
Phthalates	Uno: 500 ppm Suma < 1.000	PVC articles, flexible plastic, and plastic prints
Polycyclic aromatic hydrocarbons	1 ppm	Synthetic fibers, plastic items, and coated materials
	0.5 ppm	Synthetic fibers, plastic items, and coated materials for babies, in direct contact with their skin
Short chain chlorinated paraffins	Not detected (100 ppm)/	In textiles and leather
Solvent residues	Benzene (5 ppm)	In textiles and leather
	Others: 3,000	

Last updated in September 2022

Environmental profile of our stores

We are committed to managing the activity of stores, whether owned or franchised, more efficiently and with the least possible environmental impact.

Renewable energy

Since January 2020, all the electricity in our stores in Spain, logistics centers, and headquarters is renewable energy with a Certificado de Garantía de Origen [Certificate of Guarantee of Origin] (GdO). This makes it possible to reduce the carbon footprint and avoid the emission into the atmosphere of an estimated 16,000 tons of CO₂ per year.

Energy efficiency

Since 2020, we have installed Eco Smart solutions in our stores based on the Internet of Things (IoT) aimed at consuming less energy and achieving greater comfort by offering optimal lighting and temperature at all times. We have been able to reduce energy consumption by 22-19% in the Cortefiel, Pedro del Hierro, Slowlove and Hoss Intopia stores in Madrid, Andalusia, and Valencia where it has been implemented.

Sustainable materials

Among the materials used by the brands for the furniture, lighting, and flooring in the renovation of their stores, the presence of elements with environmental certifications has increased, focusing on continuous and progressive improvement to obtain greater energy efficiency with a lower impact on the carbon footprint.

Store efficiency improvements

A pilot project has been developed in the Springfield stores with a new shop window technology that allows lighting to be adjusted according to the incidence of light in the environment. This includes both the interior and the exterior shop windows and illuminated signs. In this way,

energy consumption is reduced by always adjusting the necessary light. Other new technologies are available to optimize the switching on and off throughout the store, as well as intelligent temperature regulation systems, among others.

In newly opened and refurbished stores, older HVAC systems are upgraded to new systems that allow for better adjustment and greater energy efficiency.

Adapted spaces

All new store openings and renovations are planned and carried out in accordance with accessibility conditions for people with reduced mobility.

The suitability of the spaces, accesses, fitting rooms, and elements of the store comply with current regulations and respond to the commitment to our customers.

Customer bags

For about 98% of our packaging, we use paper from PEFC or FSC certified Chain of Custody, to verify that the wood and forest products come from forests managed in accordance with sustainability criteria. This year, we have decided to ask the customer to pay for the cost of the bag to promote responsible consumption that encourages reuse.

Circular economy between stores

When a store is closed due to market conditions or a crisis, its assets are used to renovate other commercial spaces or to open new stores. This practice has positive consequences in aspects related to environmental sustainability, such as the lower generation of solid construction waste and the reduction of CO₂ emissions by avoiding the logistics that are generated in the purchase of new materials and products.

100%

renewable energy in Spain

79%

renewable energy globally



Waste management

We have implemented procedures to improve and optimize the use of resources, promoting reuse and recycling. At the same time, we have a responsible management program for the waste generated.

Along with our garments, containers, and packaging materials (bags, labels, and protective elements) are made available to the customer and are managed by the Integrated Containers and Packaging Management Systems available in the markets where we operate. The company pays an authorized non-profit management entity the cost of collecting and managing the containers and packaging distributed to customers.

Circular textile management

Tendam has developed a social program for more than 15 years allowing these products to be valued through two mechanisms: donations in kind to non-profit entities and, on the other hand, the Involucrados project, which finances social projects by selling in solidarity flea markets, thus maximizing the social value of these resources outside the market.

During this financial year, 35,460 garments have been managed by direct donation, for a value of €236,400. In addition, another 8,240 kg of textile waste has been processed through an authorized manager and destined for reuse. In line with our commitment to the circularity of textiles, we manage initiatives that allow us to reuse garments in good condition and to recycle them if they cannot be reused, thus minimizing the generation of textile waste.



WE ACT TO ELIMINATE PLASTICS

One of the pillars of the Fashion Pact is the protection of the oceans through the reduction and elimination of single-use plastics.

Elimination and reduction targets for single-use plastics:

100%

elimination of B2C single-use plastics by 2025

elimination of B2B single-use plastics by 2030

In 2022, the company's commitment has materialized in several milestones:

- 97.4% of the bags in stores are made of paper. In recent years, plastic shopping bags have been replaced by paper, made from 70-80% recycled paper. They also have a PEFC or FSC certificate that guarantees that their origin is environmentally friendly.
- For online shipments, the plastic packaging has been replaced by a single certified paper envelope. These new packages for online commerce are composed of 70% virgin material and 30% PEFC-certified cardboard in the case of the paper envelope, and

70% FSC recycled cardboard for the cardboard boxes. Both are recyclable and reusable and are designed so that the customer can reuse them in case of return, since they come prepared with a double self-adhesive closure. Thanks to this initiative, we have saved a total of 426,645 kg of plastic this year.

- We have carried out a project to minimize and/or eliminate single-use 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 the elements that allow us to protect and present the products. These plastics have been eliminated or replaced by recycled plastic.
- The initiative to reduce non-recycled single-use plastics and replace them with other materials that allow for greater circularity also extends to the Madrid headquarters.
- The Naeco Rewards program, which aims to recognize the contribution to sustainability and respect for the environment, certifies that in 2022 our organization recycled 2,566,047 plastic containers from plastic pallets.

Other waste management projects

- Regarding the consumption of paper in central services, the electronic signature of contracts with third parties has been implemented through digital tools.
- Individual printers have been replaced by efficient collective printers. This project has been extended to stores, allowing us to reduce our environmental impact by consuming up to 50% less energy than color laser devices and generating 94% less supplies and packaging waste.
- A centralized printing project has been launched at the central offices, which implies the optimization of our internal policy, with an estimated reduction of 30% in printing. This initiative is expected to be extended to the Barcelona offices and the Aranjuez logistics center in the coming months.
- In 2022, a total of 9,906 kg of Waste Electrical and Electronic Equipment (WEEE) has been removed.
- We have replaced the bins located in different areas of the corporate headquarters with new selective collection containers that will allow us to separate waste. This initiative will help us to reduce 40,000 plastic bags per year.

Classification by type of waste and destination

	Total kg	Recycling (%)	Reuse (%)	Recovery (%)	Landfill (%)
Cardboard-Paper	1,142,434	100.0%			
Bulky waste	180,720				100%
Wood	138,090	49.1%	50.9%		
Plastics and packaging	14,920	100.0%			
Textile	8,249	2.5%	97.5%		
Others	56,825	4.4%			95%
Hazardous waste	12,166	99.8%		0.2%	0.0%

Information for Spain

R(ECO)LLECT FOR A CIRCULAR FUTURE

As a result of our commitment to circularity and caring for the planet, this year Springfield has launched the R(ECO)LLECT project with three main goals:

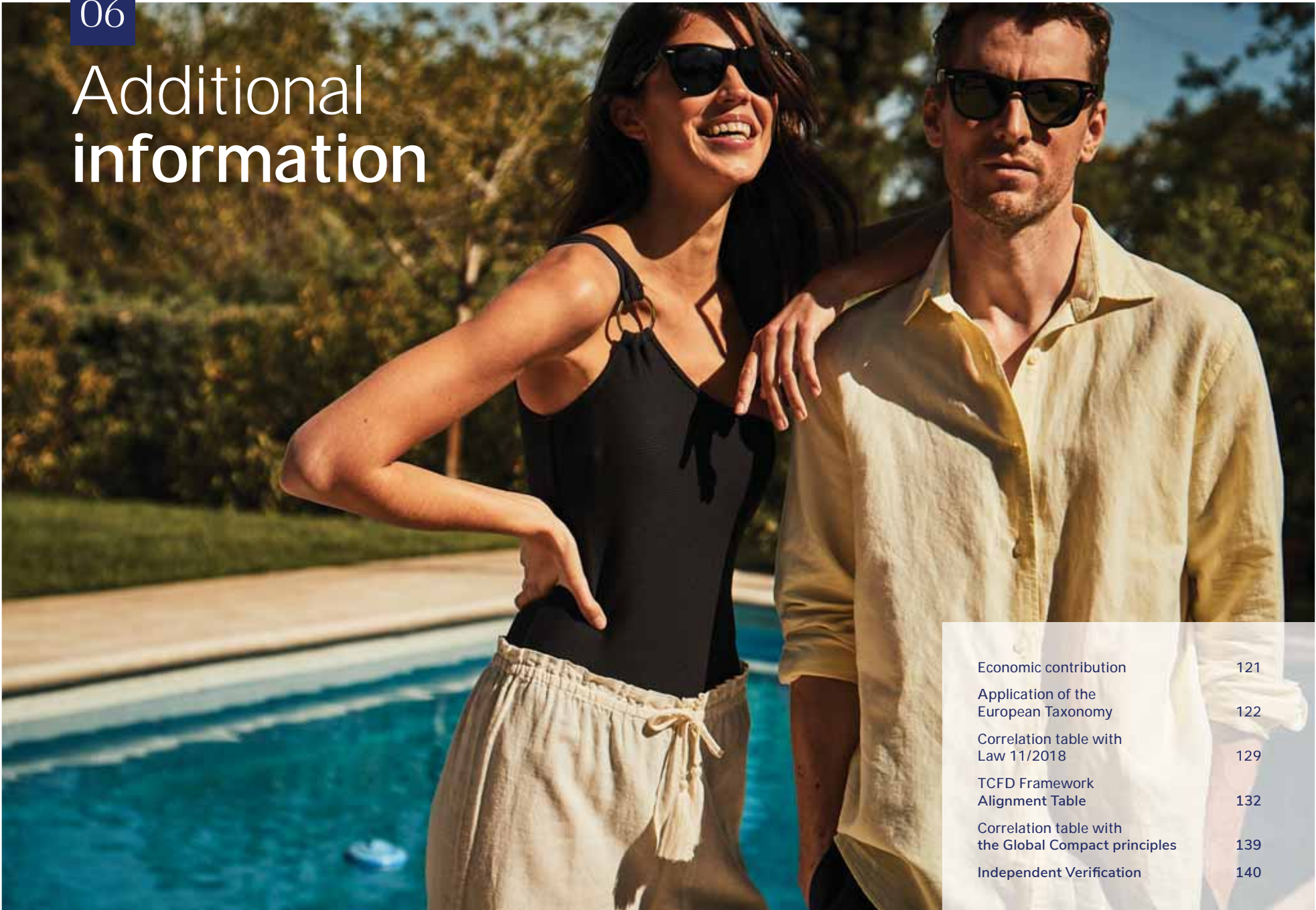
- Reusing garments in good condition, which are identified as second-hand collector's items.
- Reusing clothes or fabrics that can no longer be worn. They will then be transformed into other products, such as recycled fashion collections or cleaning cloths.
- Recycling the rest of the garments and fabrics that will be transformed for later use as insulating materials, for example.

Goal: Extending the project to a greater number of Springfield stores in Spain throughout 2023.



06

Additional information



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Economic contribution

Main Figures (millions of euros)

	2022	2021	2020
Non-financial fixed assets	1,285.13	1,270.08	1,299.85
Financial assets	29.75	34.46	20.82
Stock	189.73	145.84	155.86
Customers	9.99	13.50	10.23
Commercial suppliers	325.78	285.88	250.00
Total operating revenue	1,211.07	1,113.39	777.18
Gross margin/Revenue	61.26%	62.04%	60.26%
Operating profit	121.67	122.00	-83.285
Recurring EBITDA	285.37	277.22	145.83
Stocks/Sales	15.75%	13.20%	20.43%
Customers/Sales	0.83%	1.22%	1.34%
Suppliers/Sales	27.04%	25.87%	32.76%

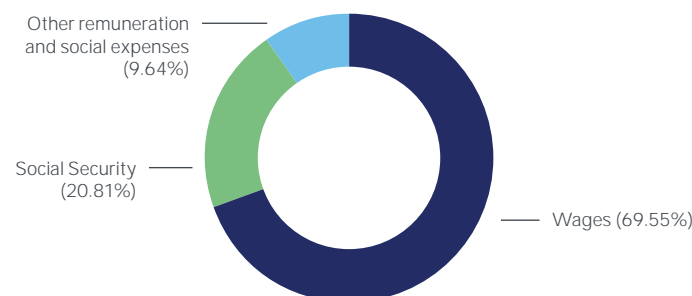
Result before taxes** (millions of euros)

	Feb. 2023	Feb. 2022	Feb. 2021
Spain	56.37	50.67	-101.4
Portugal	10.21	10.28	-1.59
France	0.53	2.47	-10.59
Mexico	-2.25	1.24	-5.97
Russia	-7.56	0.08	-7.29
Others	4.41	4.40	-9.87
	61.71	69.14	-136.72

*Post IFRS

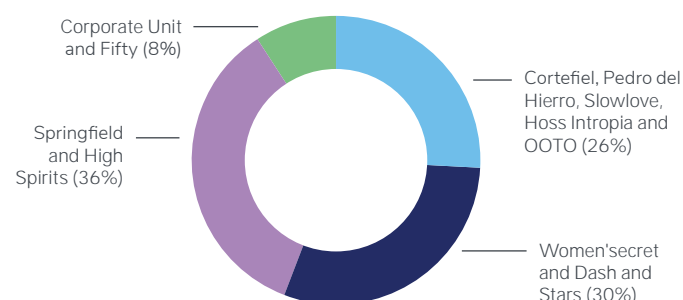
Distribution of spending (millions of euros)

	2022	2021	2020
Employee remuneration	236.70	222.15	213.61
Procurement	469.15	422.63	308.86
Other operating expenses	232.25	195.17	159.36



Revenues (millions of euros)

	2022	2021	2020
Cortefiel, Pedro del Hierro, Slowlove, Hoss Intropia and OOTO	313.21	282.77	179.80
Women'secret and Dash and Stars	366.83	349.42	261.85
Springfield and High Spirits	429.48	385.37	275.19
Other Income (Fifty)	100.59	94.94	58.96
Unidad Corporativa	0.96	0.89	1.39



TAXES ON PROFITS PAID:

In FY 2022, a total of 7,456 thousand euros has been recorded as taxes on profits paid.

PUBLIC SUBSIDIES:

Aid for an amount of 182 thousand euros has been received in certain subsidiaries as support from the different national governments in relation to COVID-19.

The company has also received 126,015 thousand euros in training for employment in Spain, as a bonus for the social security contribution (Fundae) and other related amounts.

ENVIRONMENTAL PROVISIONS:

The company has not set up environmental provisions. It considers that the damages and responsibilities that could derive from incidents of this nature are sufficiently covered by the Group's insurance policies.

Application of the European Taxonomy

REGULATORY CONTEXT

In fiscal year 2021, non-financial companies (Tendam among them) were required to report information regarding the percentage of their turnover, investments in fixed assets (CapEx) and operating expenses (OpEx) corresponding to economic activities eligible under the EU Taxonomy. In 2022, they also had to report the information related to the proportion of these indicators corresponding to activities aligned with the Taxonomy, as well as certain qualitative and contextual information to better understand the results.

The Taxonomy is articulated through Regulation (EU) 2020/852 that establishes the requirements for an economic activity to be considered environmentally sustainable. This is complemented by the following delegated acts:

- Delegated Regulation (EU) 2021/2139, (DR on Climate) establishing the technical selection criteria to determine alignment with the Taxonomy for mitigation and adaptation goals¹.

- Delegated Regulation (EU) 2021/2178 (DR on Disclosure) which specifies the content, methodology and contextual information that companies must disclose regarding environmentally sustainable economic activities.

However, the Taxonomy is still in the development process. This generates doubts in the interpretation by the market and forces companies to constantly review and update their interpretation criteria and application methodologies. In this context, the European Commission has published several communications on the interpretation and implementation of the Taxonomy's legal provisions, thus reducing the current uncertainty.

Even though Tendam's main activity is not contemplated by the current regulatory framework², the Group maintains a strong commitment to sustainability, developing some complementary activities that are included in it. This commitment is materialized through Tendam's sustainability strategy and the new 2022-2025 ESG plan, which integrate sustainability as one of the backbones of the Group's business model.

¹ This first Regulation has been modified by the draft text published by the European Commission on April 5, 2023, which defines the technical selection criteria for the four remaining environmental goals (sustainable use and protection of water and marine resources, transition towards a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems), setting up additional technical selection criteria for economic activities not yet included in the delegated act.

² The draft of the DR published on April 5, 2023 only contemplates activities aimed at the reuse of products at the end of their useful life, sale of second-hand goods, and circular models in its Annex II (transition towards a circular economy).





REGULATORY CONTEXT

In application of the European Taxonomy, the activity of Tendam Brands, S.A. and subsidiaries (hereinafter, Tendam Group) has been considered in accordance with the perimeter included in their consolidated annual accounts. Within this perimeter, Tendam has analyzed its accounting information to determine which proportion of it can be linked to the Taxonomy, more specifically, to Annexes I and II of the DR on Climate. This exercise is based on the current understanding of the requirements contained in the Taxonomy, as well as the additional guidelines issued by the European Commission, and has led to some modifications with respect to the 2021 exercise:

1. Contrary to what was reported in 2021, the company has determined that some of its activities only have the potential to contribute to climate change mitigation and not to its adaptation. Therefore, these activities have been determined to be eligible only under the mitigation goal.

2. In 2021, it was determined that the items associated with the renovation and maintenance projects of the air conditioning equipment of the Group's commercial facilities were eligible within the framework of activity 7.2 of the Taxonomy¹. However, with a better understanding of the criteria, it has been concluded that only those actions that affect the building envelope have the potential to improve energy efficiency in the context of activity 7.2. Tendam has not identified any of these action in 2021 and 2022.
3. In 2022, items with the potential to contribute to climate change mitigation have been identified within the framework of activity 7.5 of the Taxonomy^{2,3}.

After the analysis carried out based on the review of last year's financial year and the breakdown available at an accounting and management level related to turnover, investments, and operating expenses for each of the three key indicators, the following activities contemplated in the taxonomy have been identified, as well as the degree of compliance with the three levels of technical criteria established in the DR on Climate⁴ for each of them:

¹ Renovation of existing buildings.

² Installation, maintenance and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings.

³ By 2022, Tendam has implemented energy management systems in stores by integrating IoT devices. This solution leads to the unified management of multiple headquarters, offices, and meters, as well as the prediction of future consumption and behavior to improve the company's decisions in terms of energy consumption and efficiency.

⁴ The technical criteria of substantial contribution, not causing significant damage and minimum social guarantees.



Taxonomy Activities	Activities of the Tendam Group	Compliance with the technical criteria of substantial contribution to climate change mitigation	Fulfillment of the criteria of not causing significant harm (DNSH):	
			Climate change adaptation	Pollution prevention and control
7.3. Installation, maintenance, and repair of energy efficiency equipment.	Investments associated with the items of installation, renovation and maintenance of lighting and air conditioning of the Group's commercial facilities.	Aligned activities are those that meet the minimum requirements set up for the different components and systems in the Documento Básico HE Ahorro de Energía [HE Energy Saving Basic Document] of the Código Técnico de Edificación ¹ [Technical Building Code], as well as the requirements of the Reglamento de Instalaciones Térmicas en los Edificios [Regulation for Thermal Installations in Buildings] (RITE) ² in terms of energy efficiency, or with other applicable homologous legislation in the case of projects outside of Spain. Tendam has only considered activities whose systems and associated equipment fall within the two highest energy efficiency categories according to EPREL.	Tendam has identified, evaluated, and quantified the risks and opportunities of climate change. In this study, the company has analyzed the physical risks according to the DR on Climate guidelines ³ . Following this analysis, Tendam has identified extreme heat as a material risk factor. This could affect activities 7.3 and 7.5. Tendam has several measures in place to adapt to this material risk ⁴ .	Tendam has analyzed the components and construction materials to determine that the activity does not give rise to the manufacture, commercial sale, or use of substances, alone, in mixtures or dangerous substances in line with the provisions in Appendix C of Annex I of the DR on Climate.
7.5. Installation, maintenance, and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings.	Implementation of energy efficiency systems in stores (Initiatives: IoT in stores and efficient shop windows)	Tendam has only contemplated the items that correspond to the definition included in the Taxonomy for activity 7.5.		N/A

¹ In the case of actions related to lighting.

² In the case of actions related to air conditioning.

³ Two scenarios contemplated by the IPCC have been considered: RCP 8.5 (high emissions) and 4.5 (intermediate emissions) over time through projections in two different time horizons: 2030 and 2040. The main physical risks analyzed have been: extreme heat, river and coastal floods, water stress and drought, fires and cyclones in 23 locations.

⁴ Among these measures, the following particularly stand out: a program for the application of sustainability criteria for the management of stores, logistics centers, and warehouses, which contemplates, among other aspects, the progressive replacement in stores of old air conditioning systems with new ones that allow better adaptation and greater energy efficiency, as well as the purchase of renewable electricity.

In addition to those stated above, the Group undertakes investments and expenses associated with computer applications for the management and administration of the Group's data that could be considered eligible within the framework of activity 8.1. Data processing, hosting, and related activities. However, due to the regulatory uncertainty surrounding the application of the technical criteria related to this activity, and the little margin between the date of publication of this report and the date of publication of the latest communications from the European Commission and the assessment framework applicable in this context¹, we have not been able to assess compliance with the technical alignment criteria for the items related to this activity in the year 2022. However, Tendam will work to meet these criteria in the coming years.

COMPLIANCE WITH MINIMUM PROTECTION CRITERIA

Tendam's commitment to human rights is a key pillar on which the Group's activity is based throughout the entire value chain, acting in accordance with the reference frameworks established by the OECD Guidelines for Multinational Companies and the United Nations Guiding Principles on Business and Human Rights. Accordingly, the Group has a management system, currently under development, made up of policies, protocols, committees, implementation, and monitoring processes, as well as complaint mechanisms, which include the Human Rights Policy, the Due Diligence Policy, or the Code of Conduct. In addition, Tendam has training courses to prevent corruption and money laundering, on data protection and processing mechanisms, compliance procedures, respect for free competition and fiscal responsibility.

¹ Actions related to the activity 8.1. must apply the practices set forth in the most recent version of the European Code of Conduct on energy efficiency in data centers and must be subject to third-party verification at least every three years. Activities identified in this context must also use refrigerants that have a global warming potential of less than 675 in data center cooling systems.

In the frequently asked questions document published by the European Commission in December 2022, it is stated that the Code of Conduct is complemented by an assessment framework to guide auditors in verifying compliance with the practices established in the Code. According to this assessment framework, published in early 2023, to comply with the Code of Conduct, the implementation of all the 106 most relevant best practices listed as expected practices must be reviewed.

CALCULATION METHODOLOGY AND RESULTS

Starting with the Group's consolidated financial information, which includes all the companies that are consolidated and is based on the corporate management control criteria related to business volume, CapEx and OpEx, Tendam has carried out an exercise to identify the items linked to the three indicators that correspond to activities conforming to the taxonomy, either in the form of eligibility or alignment. The main sources of information analyzed are accounting and management information, used for the consolidated income statement.

Throughout the work process, the necessary considerations have been applied to avoid double accounting, considering the adjustments made in the consolidation process, using a single source of information to avoid considering the same item in two ways and reviewing the traceability and accuracy of the information.

For the numerators of the three indicators, the corresponding items identified as eligible or aligned by virtue of the taxonomy are considered. And regarding the denominators, the following aspects have been considered:

- **Turnover:** Ordinary revenue for the year, that is, the total revenue included in the consolidated Profit and Loss account.

- **CapEx:** The items of fixed assets, intangible assets, and rights of use associated with each of the companies that are part of the perimeter.
- **OpEx:** non-capitalized direct costs related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to daily maintenance of property, plant, and equipment assets by the company or a third party to whom activities are outsourced and which are necessary to ensure the continuous and efficient operation of said assets included in the expense accounts (Group 6 of the General Accounting Plan).

The results obtained for FY 2022 are presented below, as well as the associated explanations.



Proportion of turnover from products or services associated with economic activities that conform to the Taxonomy – disclosure corresponding to the year 2022¹

Economic activities	Codes	Absolute turnover	Proportion of significant turnover	Substantial contribution criteria						No significant harm criteria (Does not cause significant harm)						Minimum guarantees	Proportion of turnover conforming to the taxonomy, year N ²	Proportion of turnover conforming to the taxonomy, year N-1	Category (facilitating activity)	Category (transition activity)
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		€	%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	S/N	%	%	F	T	
A. Eligible activities according to the taxonomy																				
A.1. Environmentally sustainable activities (conforming to the taxonomy)																				
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities not conforming to the taxonomy)																				
B. Ineligible activities according to the taxonomy																				
Turnover from non-eligible activities according to the taxonomy		1,204,808.14	100%																	
Total		1,204,808.14	100%																	

¹ The alignment report is mandatory in 2022 for the first time, so the information on 2021 is not provided.

² The values in this column represent the percentage of aligned activities over the total for each indicator (A+B).

The activities subject to reporting by the Group are not revenue-generating activities, so the Group's eligible turnover is close to 0%. This means that this indicator has not experienced any variation compared to the previous year (0%).

Proportion of CapEx derived from products or services associated with economic activities that conform to the taxonomy - disclosure corresponding to the year 2022¹

Economic activities	Codes	Absolute turnover	Turnover ratio	Substantial contribution criteria						No significant harm criteria (Does not cause significant harm)						Minimum guarantees	Proportion of turnover conforming to the taxonomy, year N ²	Proportion of turnover conforming to the taxonomy, year N-1	Category (facilitating activity)	Category (transition activity)
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		€	%	%	%	%	%	%	%	S/N	S/N	S/N	S/N	S/N	S/N	%	%	F	T	
A. Eligible activities according to the taxonomy																				
A.1. Environmentally sustainable activities (conforming to the taxonomy)																				
Installation, maintenance, and repair of energy efficiency equipment	7.3	135,812.50	0.08%	100%	N/A	N/A	N/A	N/A	N/A		S	N/A	N/A	S	N/A	S	0.08%	N/A	F	
Installation, maintenance, and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings	7.5	41,970.00	0.03%	100%	N/A	N/A	N/A	N/A	N/A		S	N/A	N/A	N/A	N/A	S	0.03%	N/A	F	
Data processing, hosting and related activities.	8.1	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A		N/A	N/A	N/A	N/A	N/A	N/A	0.00%	N/A		T
CapEx of environmentally sustainable activities (conforming to the taxonomy) (A.1)		177,782.50	0.11%	100%	N/A	N/A	N/A	N/A	N/A								0.11%	N/A		
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities not conforming to the taxonomy)																				
Installation, maintenance, and repair of energy efficiency equipment	7.3	838,537.37	0.51%																	
Installation, maintenance and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings	7.5	-	0.00%																	
Data processing, hosting, and related activities	8.1	6,518,050.00	3.95%																	
CapEx of environmentally sustainable activities (not conforming to the Taxonomy)		7,356,587.37	4.46%																	
Total (A.1 + A.2)		7,534,369.87	4.57%														0.11%	N/A		
B. Ineligible activities according to the CapEx taxonomy																				
CapEx of ineligible activities according to Taxonomy		157,465,454.58	95.43%																	
Total		164,999,824.45	100%																	

¹ The alignment report is mandatory for the first time in 2022, so the information for 2021 is not provided.

² The figures in this column represent the percentage of aligned activities over the total for each indicator (A+B).

³ Includes the aligned amount and the non-aligned eligible amount.

⁴ Despite the change in criteria with respect to activity 7.2, the value of the eligible CapEx 2022 indicator is comparable to the one corresponding to 2021, since the activities that were considered eligible in the 2021 financial year within the framework of 7.2 would continue to be eligible after reviewing the criteria, but within the framework of activity 7.3.

The value of the eligible CapEx indicator ³ (Total [A.1 + A.2]) stands at 4.57%, remaining stable with respect to the value registered in FY 2021 (5%)⁴. The recorded decrease is a result of the normal evolution of Tendam's activity: even though both the numerator and denominator amounts have experienced an increase, the increase of the denominator has been higher (8.4% and 34.2%, respectively).

Proportion of OpEx from products or services associated with economic activities that conform to the Taxonomy - disclosure for the year 2022¹

Economic activities	Codes	Absolute turnover	Turnover ratio	Substantial contribution criteria						No significant harm criteria (Does not cause significant harm)						Minimum guarantees	Proportion of turnover conforming to the taxonomy, year N ²	Proportion of turnover conforming to the taxonomy, year N-1	Category (facilitating activity)	Category (transition activity)		
				Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Adaptation to climate change	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems						S/N	S/N
A. Eligible activities according to the taxonomy																						
A.1. Environmentally sustainable activities (conforming to the taxonomy)																						
Installation, maintenance, and repair of energy efficiency equipment	7.3	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	S	N/A	S	0.00%	N/A	F			
Installation, maintenance, and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings	7.5	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	S	0.00%	N/A	F			
Data processing, hosting and related activities.	8.1	-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00%	N/A		T		
OpEx of environmentally sustainable activities (conforming to the taxonomy) (A.1)		-	0.00%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0.00%	N/A				
A.2. Activities eligible according to the taxonomy but not environmentally sustainable (activities not conforming to the taxonomy)																						
Installation, maintenance, and repair of energy efficiency equipment	7.3	-	0.00%																			
Installation, maintenance and repair of instruments and devices to measure, regulate, and control the energy efficiency of buildings	7.5	-	0.00%																			
Data processing, hosting, and related activities	8.1	2,034,432.00	3.06%																			
OpEx of environmentally sustainable activities (not conforming to the Taxonomy)		2,034,432.00	3.06%																			
Total (A.1 + A.2)		2,034,432.00	3.06%														0.00%	N/A				
B. Ineligible activities according to the OpEx taxonomy																						
OpEx of ineligible activities according to Taxonomy		64,410,008.35	96.94%																			
Total		66,444,440.35	100%																			

¹ The values in this column represent the percentage of aligned activities out of the total for each indicator (A+B).

² Alignment reporting is mandatory for the first time in 2022, so no information is provided for 2021.

³ Includes the aligned amount and the eligible non-aligned amount.

The eligible OpEx indicator (Total [A.1 + A.2])³, which is around 3.06%, remains stable with respect to the value reported for this indicator in 2021 (3%).

Correlation table with Law 11/2018

Non-financial information to be reported	Correspondence GRI* Standards	Page of the report	Non-financial information to be reported	Correspondence GRI* Standards	Page of the report
General information			Information on environmental issues		
A brief description of the Group's business model, including its business environment, organization and structure, the markets where it operates, its goals and strategies, and the main factors and trends that may affect its future development.	GRI 2-6 (2021) GRI 2-1 (2021) GRI 2-2 (2021) GRI 2-6 (2021) GRI 2-9 (2021) GRI 3-3 (2021)	Page 9-27 Page 39-41	Detailed information on the current and foreseeable effects of the company's activities on the environment, health and safety, environmental assessment or certification procedures, resources devoted to environmental risk prevention, application of the precautionary principle and the provisions and guarantees for environmental risks.	GRI 3-3 (2021) GRI 201-2 (2016) GRI 2-23 (2021)	Page 101-119
A description of the policies applied by the Group regarding such matters, which shall include the due diligence procedures for the identification, assessment, prevention, and mitigation of significant risks and impacts, as well as verification and control, including which measures have been adopted.	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021)	Page 29 Page 31-35 Page 39-48 Page 73-76	Pollution		
The results of these policies should include relevant non-financial key performance indicators to enable monitoring and assessment of progress and to facilitate comparability across companies and sectors, in accordance with the relevant national, European, or international frameworks of reference.	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021)	Page 14-15 Page 65 Page 73-76 Page 42-48	Measures to prevent, reduce or remediate carbon emissions that seriously affect the environment, considering any form of activity-specific air pollution, including noise and light pollution.	GRI 3-3- (2021) GRI 305-6 (2016) GRI 305-7 (2016)	Page 102-110
The main risks related to these issues are linked to the Group's activities, including, where relevant and proportionate, its business 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 evaluate them in accordance with the relevant national, European, or international frameworks of reference. This should include information on the impacts that have been identified, providing a breakdown of these impacts, and more specifically, the main risks in the short, medium, and long term.	GRI 3-2 (2021)	Page 73-76	Circular economy, waste prevention, and management		
Reporting framework used	GRI 1 (2021)	Page 3 Page 101	Measures for prevention, recycling, reuse and other forms of recovery and disposal of waste; and actions to combat food waste.	GRI 3-3 (2021) GRI 306-3 (2020)	Page 118-119 ¹
Materiality principle and material issues	GRI 3-1 (2021) GRI 3-2 (2021)	Page 36-38	Sustainable use of resources		
			Water: water consumption and supply in accordance with local constraints.	GRI 3-3 (2021) GRI 303-3 (2018)	Page 113 ²
			Consumption of raw materials and measures taken to improve their efficiency.	GRI 3-3 (2021) GRI 301-1 (2016)	Page 111-116
			Energy: direct and indirect consumption; measures taken to improve energy efficiency and use of renewable energies.	GRI 3-3 (2021) GRI 201-2 (2016) GRI 302-1 (2016)	Page 106-110 Page 117
			Climate change		
			Significant elements of greenhouse gas emissions 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)	Page 106-110
			Measures to adapt to the consequences of climate change. The reduction targets voluntarily set up in 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)	Page 104-117

*GRI Standards: Global Reporting Initiative

¹ Food waste does not apply to the company's activity.

² Based on the results of our materiality analysis, we consider that the indicators related to water consumption are not material for the retail activity.

Non-financial information to be reported	Correspondence GRI* Standards	Page of the report
Biodiversity protection		
Measures taken to preserve or restore biodiversity.	GRI 3-3 (2021) GRI 304-3 (2016)	Page 113
Impacts of activities or operations on protected areas.	GRI 3-3 (2021) GRI 304-31 a 304-2 (2016)	¹
Information on social and personnel issues		
Employment		
Total number and breakdown of employees by gender, age, country, and job classification.	GRI 2-7 (2021) GRI 405-1 (2016)	Page 79
Total number and distribution of types of contracts and average annual number of permanent contracts, temporary contracts, and part-time contracts by gender, age, and job classification.	GRI 2-7 (2021)	Page 98
Number of dismissals by sex, age, and job classification.	GRI 401-1 (2016)	Page 99
Average remunerations and their evolution disaggregated by sex, age, and job classification. Wage gap, the remuneration of equal or average jobs in society.	GRI 3-3 (2021) GRI 405-2 (2016)	Page 81 Page 99
The average remuneration of directors and executives, including variable remuneration, allowances, indemnities, payments to long-term savings systems, and any other payments disaggregated by gender.	GRI 405-2 (2016)	Page 60
Implementing policies for the disconnection from work.	GRI 3-3 (2021)	²
Employees with disabilities.	GRI 3-3 (2021) GRI 405-1 (2016)	Page 82
Work organization		
Number of absenteeism hours.	GRI 3-3 (2021) GRI 403-2 (2016)	Page 84
Measures aimed at facilitating work-life balance and encouraging co-responsible parenting.	GRI 3-3 (2021) GRI 403-3 (2018) GRI 401-3 (2016)	Page 88

Non-financial information to be reported	Correspondence GRI* Standards	Page of the report
Health and safety		
Health and safety conditions at work.	GRI 3-3 (2021) GRI 403-1 (2018)	Page 83-84
Accidents in the workplace, in particular their frequency and severity, as well as occupational diseases, disaggregated by sex.	GRI-403-2 a 403-3 (2018) GRI 403-9 (2018)	Page 84
Social relations		
Organization of social dialogue, including procedures to inform, consult, and negotiate with employees.	GRI 3-3 (2021)	Page 85
Percentage of employees covered by collective bargaining agreements by country.	GRI 2-30 (2021)	Page 85
The balance of collective bargaining agreements, particularly in the field of occupational health and safety.	GRI 3-3 (2021) GRI 403-4 (2018)	Page 85
Training		
Policies implemented in the field of training.	GRI 404-2 (2016)	Page 86
Total number of hours of training per professional category.	GRI 3-3 (2021) GRI 404-1 (2016)	Page 86
Universal accessibility		
Universal accessibility for persons with disabilities.	GRI 3-3 (2021)	Page 117
Equality		
Measures adopted to promote equal treatment and opportunities between women and men.	GRI 3-3 (2021)	Page 80-82
Equality plans (Chapter III of the Organic Law 3/2007, of March 22, for the effective equality of women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration, and universal accessibility for people with disabilities.	GRI 3-3 (2021) GRI 2-23 (2021)	Page 81
This policy to manage diversity is against all types of discrimination.	GRI 3-3 (2021) GRI 2-23 (2021)	Page 80-81

*GRI Standards: Global Reporting Initiative

¹ No direct impacts on protected areas caused by the direct activity of the company have been identified, but there is a commitment to work for the preservation of biodiversity since the indirect impacts of the activities have a global effect.

² Disconnection policies have not yet been formalized.

Non-financial information to be reported	Correspondence GRI* Standards	Page of the report
Information on respect for human rights		
Implementation of human rights due diligence procedures.	GRI 3-3 (2021) GRI 2-26 (2021)	Page 70-73
Prevention of risks of human rights violations and, where appropriate, measures to mitigate, manage, and remedy possible abuses	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-26 (2021)	Page 70-73
Reporting of human rights abuses.	GRI 2-23 (2021) GRI 406-1 (2016)	Page 70-73
Promotion and enforcement of the core conventions of the International Labor Organization related to respect for freedom of association and the right to collective bargaining; elimination of discrimination in employment and occupation; elimination of forced or compulsory labor; and abolition of child labor.	GRI 3-3 (2021) GRI 2-23 (2021) GRI 408-1 (2016) GRI 409-1 (2016)	Page 45 Page 64 Page 70-73
Information on the fight against corruption		
Measures taken to prevent corruption and bribery.	GRI 2-23 (2021) GRI 2-25 (2021) GRI 2-26 (2021) GRI 205-2 (2016)	Page 68
Measures to fight against money laundering.	GRI 2-23 (2021) GRI 2-25 (2021) GRI 2-26 (2021) GRI 205-2 (2016)	Page 68
Contributions to foundations and non-profit entities.	GRI 2-28 (2021) GRI 201-1 (2016)	Page 68
Information about society		
Company commitments to sustainable development		
The impact of the company's activities on employment and local development.	GRI 3-3 (2021)	Page 49-52 Page 85 Page 92-96
The impact of the company's activities on local populations and the territory.	GRI 3-3 (2021)	Page 49-52 Page 92-96
Relationships with local community stakeholders and methods of dialogue.	GRI 3-3 (2021)	Page 33-35 Page 68 Page 92-95
Partnership or sponsorship actions.	GRI 3-3 (2021) GRI 2-28 (2021)	Page 92-95

Non-financial information to be reported	Correspondence GRI* Standards	Page of the report
Outsourcing and suppliers.		
Inclusion of social, gender equality, and environmental issues in the purchasing policy.	GRI 3-3 (2021)	Page 43-45
Considering social and environmental responsibility in the relationships with suppliers and subcontractors.	GRI 2-6 (2021) GRI 308-1 (2016) GRI 414-1 (2016)	Page 43-48
Monitoring and auditing systems and their results.	GRI 2-24 (2021) GRI 308-2 (2016) GRI 414-2 (2016)	Page 46-47
Consumers		
Measures for the health and safety of consumers.	GRI 3-3 (2021) GRI 416-1 (2016)	Page 115-116
Complaint systems, complaints received and resolution.	GRI 2-16 (2021) GRI 418-1 (2016)	Page 91
Tax information		
Profits earned on a country-by-country basis.	GRI 207-4 (2019)	Page 121
Taxes on profits paid.	GRI 207-4 (2019)	Page 121
Public subsidies received.	GRI 201-4 (2019)	Page 121

*GRI Standards: Global Reporting Initiative

TCFD Framework Alignment Table



CLIMATE AT THE CORE: DISCOVERING RISKS AND OPPORTUNITIES

Among the strategic priorities included in Tendam's 2022-2025 Strategic Sustainability Plan is the disclosure of climate-related information. Along these lines, we are working on aligning our climate change management and disclosure structure with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), as well as with other reference frameworks.

Tendam's actions around the four main dimensions that make up the TCFD framework are presented below: governance, strategy, risk management and metrics and goals.



Governance

Disclosing the organization's governance of climate-related risks and opportunities.



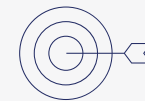
Strategy

Disclosing the current and potential impact of climate-related risks and opportunities on the organization's business, strategy, and financial planning where such information is material.



Risk management

Disclosing how the organization identifies, assesses, and manages climate-related risks.



Metrics and goals

Disclosing metrics and goals used to assess and manage relevant climate-related risks and opportunities where such information is material.

PROGRESS IN ALIGNING WITH TCFD RECOMMENDATIONS

Governance

The Board of Directors consists of three delegated committees: the Audit and Risk Committee, the Appointments and Remuneration Committee and the new Sustainability Committee, which is intended to be responsible for climate change issues.

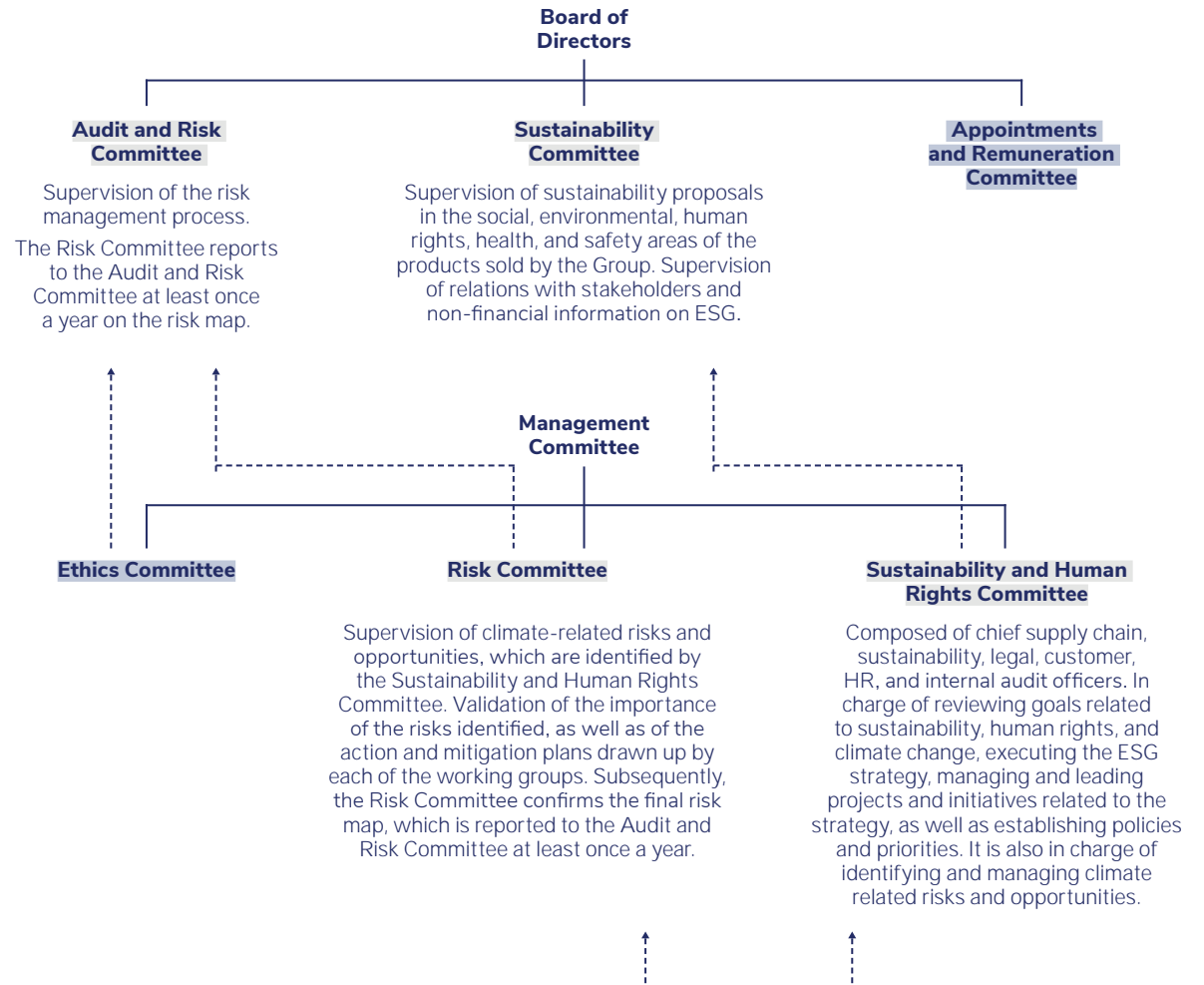
The Audit and Risk Committee is responsible for overseeing the risk management process, including climate-related risks. The Audit and Risk Committee meets four times a year and is informed at least once a year by the Risk Committee to update the risk map.

The Chairman and CEO actively oversees sustainability performance through direct communication from the head of the area, as well as the Sustainability and Human Rights Committee.

He also supervises sustainability-related risks, including climate risks, as head of the Risk Committee, and the head of the sustainability area reports on climate-related issues to the Sustainability Committee at least once a year.

The Sustainability Committee meets at least twice a year. Within the Management Committee, a new committee has also been created called the Sustainability and Human Rights Committee, which is responsible for climate-related issues. This committee is in charge, among other things, of monitoring and supervising the ESG Plan 2022-2025.

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.



Key

Commissions or Committees with direct responsibilities on climate change.

Commissions or Committees without direct responsibilities on climate change.

Corporate Management

The sustainability area (ESG) reports to the Corporate Management:

- It reports directly to the Chief Executive Officer and to the designated bodies in this area, both to the Management Committee and to the Board of Directors.
- It monitors key indicators and progress on the goals defined in this area with senior management.
- It assembles climate risks and reports them to the Risk Committee and the Sustainability and Human Rights Committees for incorporation into the company's risk management system, as well as the inclusion of monitoring indicators to detect any deviations.

Strategy

Global warming caused by the increase in greenhouse gas (GHG) emissions in recent decades poses major medium and long-term challenges for Tendam's business model. Due to the complexity of climate risks in different areas of the value chain, it is hard to predict the exposure and impacts Tendam may experience. In 2022, Tendam conducted a study to identify, assess, and quantify the risks and opportunities related to climate change, following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) framework.

Our study focused on the following points, with the goal of providing an adequate response:

Climate forecast for 2030 and 2040

Tendam selected three horizons: 2025 as the short term, 2030 as the medium term and 2040 as the long term. The study showed that the impacts of the physical risks of climate change (such as floods, droughts, extreme heat, etc.) are most noticeable in the medium and long term, when higher levels of GHG emissions have led to changes in weather patterns. On the other hand, the impacts of transition risks tend to be more evident in the short and medium term, while uncertainty levels increase considerably in the long term.

Differences between an intermediate and a high emissions scenario

Given that the future is uncertain, the use of scenarios is an important tool to understand the strategic implications of climate risks and opportunities. Tendam selected two physical risk scenarios (RCP 4.5, RCP 8.5) to analyze a scenario more aligned with current trends in the trajectory of actual emissions and the current warming rate (RCP 8.5), and a scenario more aligned with the Paris Agreement involving the implementation of emission management and mitigation policies (RCP 4.5).

Physical risks that were analyzed in depth included extreme heat, river and coastal flooding, water stress and drought, fires, and cyclones. For each of these climate risks, we used different climate variables provided by the IPCC and other sources. These variables were analyzed both for the current situation and for their projection in the selected scenarios. As a result, a matrix of likelihood of occurrence and risk intensity was obtained.

Differences between the STEPS and the SDS scenarios

For transition risks, Tendam relies on two scenarios presented by the International Energy Agency (IEA). The STEPS (Stated Policy Scenario) scenario is used as a starting point, while the SDS (Sustainable Development Scenario) scenario is used to analyze the changes towards a low-carbon scenario. Transition risks that were analyzed in depth included carbon mechanisms, stricter environmental and climate regulation, changes in consumer preferences towards more sustainable clothing, diversification of raw materials, and the use of low-carbon and renewable materials and energy.

The climate risks and opportunities identified in this analysis are presented below, along with the associated impact and mitigation measures identified.



¹ These risks are considered generically in Tendam's risk map in the category "Sustainability".

Transition risks

Transition risks	Description	Impact	Time horizon	Description of financial impact
Carbon mechanisms	New carbon mechanisms and taxes in the future could affect imports of goods and may increase the price of energy and fuel supply.	Medium	Short term	— Increased direct or indirect costs due to new taxes on imports of goods or energy.
Stricter environmental and climate regulation	On waste and plastics, the new Law on Waste and Contaminated Land for a Circular Economy will increase taxes or extend 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 garments and products in a country.	High	Short term	— Reduced revenues because certain legislation may prevent a garment from entering the market. — Partial interruption of activity in a country. — Increased direct or indirect costs due to the payment of taxes.
Product regulation and labeling	Regulations regarding traceability, end-of-use and eco-labeling that may affect garments. The European Commission is analyzing a possible Digital Product Passport for sectors with circularity potential.	Medium	Short term	— Increased direct or indirect costs due to changes in product composition and management throughout its life cycle.
Supply disruption due to climate change	Partial disruption of the supply chain due to climate change.	Low	Medium term	— Reduction of income due to interruption of supply. — Impact on stocks and sales. — Impact on stock availability.
Increased prices 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 to be low due to the diversification of suppliers.	Low	Long term	— Increase in raw material costs. — Impact on stocks and sales. — Impact on stock availability.
Changes in customer and investor expectations regarding transparency and more sustainable models	Tendam's reputation may be affected by increased reporting requirements 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 financial impact
Increased temperatures. Increased energy demand in stores	Increased energy demand in stores and logistics centers as a result of extreme heat.	Medium	Medium term Long term	— Increased direct operating costs due to increased energy demand.
Floods. Damage to own facilities	Increased flooding may cause physical damage to facilities and partial shutdown of supply (e.g., logistics centers). Currently, only the Hong Kong logistics center 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 (e.g., logistics centers). The logistics center in Mexico 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 for the supplier located in Bangladesh and the cotton crops located in India and Pakistan.		Medium term Long term	— Increase in indirect costs due to change of alternative supplier. — Reduced revenue due to delays in the receipt of goods.
Temperature increase	Rising commodity prices due to increased temperatures are currently a low risk for Tendam's management. All supplier locations and cotton crops are at high risk for extreme heat.	Low	Medium term Long term	— Increase in indirect costs 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 a low current risk for Tendam's management. All cotton crop locations are currently at high risk for water stress.	Low	Medium term Long term	— Increase in indirect costs due to change of alternative supplier. — Reduced revenue due to delays in receipt of goods.
Floods	Supplier locations in China and Bangladesh are at high risk of flooding.		Medium term Long term	— Increase in indirect costs due to change of alternative supplier. — Reduced revenue due to delays in the receipt of goods.

Opportunities arising from climate change

Physical risks	Description	Impact	Time horizon	Description of financial impact
Shifts in consumer preferences towards more sustainable garments	The shift in consumer behavior and preferences towards more sustainable garments 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 against 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 against competitors. — Indirect cost reduction due to reduced carbon emissions.
More efficient production and distribution processes	Tendam sees a more efficient use of energy in its stores and offices as an opportunity to reduce direct electricity costs.	Low	Short term	— Direct cost reduction due to more efficient use of energy.
Use of renewable or low-carbon energy sources	Tendam sees this as one of the best opportunities to reduce indirect emissions.	High	Short term Medium term	— Indirect cost reduction due to reduced carbon emissions. — Reduction of costs associated with the increase in the price of fossil fuels. Reduced dependence on fossil fuels.
Incentives and financial support	Incentives and economic support for the textile sector such as the PERTE de Economía Circular - investment aid. Circularity investment programs. Incentives for renewable or low carbon energy.	Low	Short term	— Reduction of direct or indirect operational costs through investment aid in circular economy or renewable projects.
Changes in customer and investor expectations regarding transparency and more sustainable models	Tendam's reputation can benefit from good response to reporting requirements to different stakeholders (e.g., Corporate Sustainability Due Diligence Directive, CDP).	Medium	Short term	— Increased investment

One of the main risks that the organization will face in the short term is the regulatory tsunami in sustainability, including legislation related to circularity, eco-design, and human rights due diligence. In this context, climate change is a cross-cutting aspect in many initiatives within Tendam's ESG Plan. Several funding actions have been defined to achieve short-medium term objectives, such as an internal carbon price, an incentive system linked to climate indicators, and extending the calculation of scope 3 emissions to new categories.

The company outlined a Climate Roadmap that has been integrated into the 2022-2025 ESG Plan, which can be examined in detail in the [“Fight against climate change” paragraphs of section 5, We Are Planet.](#)

Risk management

As indicated above, Tendam's Risk Committee meets at least twice a year to monitor the risks identified and validate action plans. The risks identified are evaluated and prioritized based on their impact, probability of occurrence, and exposure. The risk map, which includes climate risks, is prepared and periodically 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 in Risk Committee meetings.

The study for the identification, assessment and quantification of climate risks and opportunities prepared by Tendam in 2022 will be integrated into Tendam's current risk management system.

Metrics and Goals

Tendam has conducted 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 features. The indicators and metrics used are described in more detail in [section 5, We Are Planet.](#)

¹ Scope 1, 2 and some categories of scope 3 corresponding to recent years are calculated and disclosed in the Sustainability Report. These calculations have an associated history (2019, 2020 and 2021) based on the GHG Protocol.

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 revenue in FY 2030 compared to FY 2019.
- 100% renewable energy consumption by 2030
- Carbon neutrality by 2040

We are making progress towards climate neutrality

The company has implemented initiatives that have enabled us to achieve a 74% reduction in scope 1 and 2 emissions since 2019. The initiatives are described in [“Our progress in the fight against climate change” of section 5, We are Planet.](#)

For the methodology used to calculate greenhouse gas emissions, check out the [Greenhouse Gas Emissions paragraphs in section 5.](#)

Tendam is in the process of developing a new remuneration system based on climate-related metrics. This system, defined as a line of action to be addressed in the 2022-2025 ESG Plan, would mean that a small part of the Management Committee's variable compensation (around 10%) would be linked to scope 1, 2 and 3¹ emission reduction targets. These targets would be then transferred to the top directors as more specific targets depending on each group's activity.



Correlation table with the Global Compact principles

Tendami joined the United Nations Global Compact in 2002 and has been active since then, reporting on an annual basis on its commitment to human rights, labor regulations, the environment and anti-corruption.

Our Annual Report, which takes materiality analysis and the contents of the ESG Plan as its starting point, is aligned with the 10 principles of the UN Global Compact in different sections that are linked to the GRI indicators.



Area	Principles of the United Nations Global Compact	GRI Standards
Human Rights	Principle 1. Businesses should support and respect the protection of internationally proclaimed fundamental human rights.	GRI 2-26 GRI 3-3
	Principle 2. Businesses should make sure that they are not complicit in human rights abuses.	GRI 3-3 GRI 2-23 GRI 2-26
	Principle 3. Businesses should respect the freedom of association and the effective recognition of the right to collective bargaining.	GRI 3-3 GRI 2-30 GRI 407-1 GRI 402-1
Labor regulations	Principle 4. Businesses should eliminate all forms of forced or compulsory labor.	GRI 409-1
	Principle 5. Businesses should effectively abolish child labor.	GRI 408-1
	Principle 6. Businesses should eliminate discrimination in employment and occupation.	GRI 3-3- GRI 2-23 GRI 404-1 a 404-2 GRI 406-1
	Principle 7. Businesses should support precautionary methods in environmental issues.	GRI 3-3 GRI 2-23 GRI 303-3 GRI 305-1 a 305-7 GRI 306-3
Environment	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	GRI 201-2 GRI 2-23 GRI 301-1 GRI 302-1 GRI 303-3 GRI 306-3 GRI 307-1 a 307-2 GRI 308-2
	Principle 9. Businesses should encourage the development and dissemination of environmentally friendly technologies.	GRI 3-3 GRI 302-1 GRI 302-4 a 302-5 GRI 305-5 GRI 306-3
Anti-corruption	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	GRI 2-23 GRI 2-25 GRI 2-26 GRI 415-1



3

(Translation from the original in Spanish. In case of discrepancy, the Spanish language version prevails.)

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Sustainability Report 2022 of Tendam Brands, S.A., that includes the Consolidated Non-Financial Information Statement of the Group for the year ended 28 February 2022 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and selected GRI Standards based on each subject area in the "Correlation table with Law 11/2018" section of the aforementioned Sustainability Report.

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 stipulates the obligation to disclose information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable in relation to climate change mitigation and climate change adaptation. This obligation applies for the first time for the 2022 fiscal year, in addition to the information related to eligible activities required in 2021. Consequently, the NFIS included in the accompanying Report does not contain comparative information on alignment. Moreover, given that the information on eligible activities in 2021 was not required in the same level of detail as in 2022, the information on eligibility is also not strictly comparable in the NFIS included in the accompanying Report. Additionally, certain information has been included in respect of which the Directors of the Parent have opted to apply the criteria that, in their opinion, best allow them to comply with the new obligation, and which are those defined in section "Application of the European Taxonomy" of the NFIS included in the accompanying Report. Our conclusion is not modified in respect of this matter.

Use and distribution

This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Ramón Pueyo Vifuales

31 May 2023

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