



TENDAM

GLOBAL FASHION RETAIL

Sustainability Report

Non-financial
Information Statement

2019

CORTEFIEL

Pedro del Hierro

SPRINGFIELD

women'secret

FIFTY

hoss
INTROPIA



This report is available in its PDF version at tendam's website:

<https://www.tendam.es/en/corporate-responsibility/#sustantibility-report>



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www.tendam.es/en/home/

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Message from the Chairman and CEO

Dear stakeholders,

2019 has been an excellent year for Tendam as we have achieved many of the goals we set in the strategic plan launched in 2016. The group closed the year with the strongest financial position in the last 15 years, achieving the highest turnover in its history, with well-positioned brands and a profitable omnichannel ecosystem thanks to linking our customer clubs with an advanced CRM, data analysis, and an efficient e-commerce operation integrated with our far-reaching network of stores.

Our Annual Sustainability Report for 2019 reflects non-financial information and diversity as a separate document from the Management Report. It contains the information needed to assess performance and progress made not only in economic and commercial terms but also regarding social and environmental aspects with significant progress concerning matters such as integration, social action, and the fight against climate change.

Starting the new financial year on 1 March 2020 with a healthy company and a clear strategy has been key in the face of the health, economic, and social crisis caused by the declaration of the COVID-19 pandemic. Although these are events that have occurred after the reporting period, I feel that I must briefly mention this period in which I am currently addressing you. Tendam has faced the challenge by establishing a plan with two key objectives: protecting the company's health—which means protecting the health of employees, customers, and business partners as well as financial protection in terms of cash—and actively helping to minimise the social impact of the COVID-19 crisis.

This plan included active inventory management, reducing operating expenses, and non-strategic investments. In the financial sphere, the company increased its financial capacity through its revolving line and an additional credit of 132.5 million euros with guarantees from the Spanish government managed by the Official Credit Institute (ICO, for its acronym in Spanish).

Thanks to our cash position at the end of 2019, we have also been able to support our employees and society in facing this historic challenge. The company topped up the salaries of all furloughed employees to 100% while operations were stopped as well as offered them interest-free microloans, which were taken up by over 2,000 employees.



Tendam made its global logistics and supply resources available to health authorities and other important companies such as Openbank and CLH, managing the acquisition and donation of over 2 tonnes of protective material worth nearly one million euros to hospitals and nursing homes. Our brands have also donated a million euros' worth of garments and accessories through direct donations. These donations have been managed thanks to the commitment of our employees at our headquarters and our e-commerce and logistics platforms along with the brands' effort and their social networks to fulfil more than 600 orders. 50,000 garments have covered healthcare professionals', patients', and residents' urgent need for clothing and footwear at major health centres throughout Spain during the most critical point of the pandemic with the "El hilo que nos une" #TodosSumamos (The thread that connects us #AllTogether) initiative.

But the impact of the crisis that occurred at the beginning of our 2020 financial year must not take the spotlight away from the year we are now presenting. In 2019, Tendam's revenues increased by 3.2% after totalling 1,187.3 million euros versus 1,150.8 million the previous year. All Tendam brands grew in like-for-like sales, while traffic also increased progressively

over the twelve months. All Tendam brands grew in like-for-like sales while foot traffic also increased progressively over the twelve months. Sales in the fourth quarter increased by 6.4% in total and by 5% on a like-for-like basis. Online sales increased by 28% (+30.5% during the fourth quarter), representing nearly 10% of total sales in Spain in 2019.

Gross margin climbed 0.2 p.p. to 62%, driven by the positioning of the brands and management of gross stock before depreciation, which stood at 164.4 million euros at the end of February (almost 5 million less than in February 2019). Recurring EBITDA pre-IFRS totalled 162 million euros (versus 161.7 million euros in 2018). Taking into account IFRS16, it stands at 297 million euros.

At year-end, free cash flow generation after interest had improved amounting to a total of 83.1 million euros (+14.2 million euros representing growth of 20.6% versus February 2019). Net debt was 430.6 million euros, representing a debt-to-EBITDA ratio of 2.7x (down from 2.8x the previous year). Pre-IFRS16 profit before tax amounted to 81.2 million euros (+0.5%).

As part of its business model, Tendam has continued to recruit customers to its loyalty clubs, which currently have over 26 million members, up 9% versus last year. Our differential advantage is these customers' connection with Cortefiel and Pedro del Hierro, Springfield, Women'secret, and now also Fifty, which has launched its new Club.

Tendam has also continued to improve its impact on society and the environment and has made significant progress on most of the Sustainable Development Goals during 2019, strengthening the commitment it made within the framework of the United Nations Global Compact and joining the United Nations' new global initiatives such as the Fashion Industry Charter for Climate Action and the Business Ambition for 1.5°C. The company also signed up to the Fashion Pact that emerged from the G7 summit in the fight against climate change and protecting the oceans and biodiversity, becoming involved in its operational management boards. In my case, I have assumed the responsibility of being part of its Management Committee along with other Chairman and CEOs to promote achieving its science-based targets or SBTs.

In line with these initiatives, the company has reduced its CO₂ emissions during the year by 30%, which is equivalent to 16,222 fewer tonnes, and has signed an agreement in 2020 to supply energy with a guarantee of origin from renewable energy sources throughout its sales network, buildings and facilities in Spain, its headquarters and main market.

The group has continued to work towards a more sustainable product line led by Springfield with its R[ECO]NSIDER collections, which have become established as environmentally friendly collections accounting for 15% of the brand's products. All of the brands now have sustainable collections such as Eco-friendly at Cortefiel and Pedro del

Hierro, Honest at Women'secret, and, recently, Lifeway at Fifty, working with new sustainable fibres and fabrics, organic and recycled materials, and less water-intensive processes. In 2019, we have managed for over 50% of our denim to be produced with low water consumption through processes called H2Ø (H to Zero) that minimise consumption in manufacturing processes up to 90%.

Our commitment is to increase the weight of sustainable products, reaching 50% in 2030. To do so, a group has been set up across the organisation called WE CARE which is coordinated by Sourcing and Quality. It brings together members of the Design and Purchasing Departments from all our chains as well as other corporate departments to promote and coordinate procedures, initiatives, and proposals related to textile sustainability and innovation. Its main aim is to make the team aware of areas for improvement and market trends for their implementation and thus contribute to the transformation towards a more sustainable model.

In plastics reduction, Springfield has launched the 3R project to minimise the use of non-commercial packaging, leading the process for the rest of the group.

The aim of the processes in the value chain is also to improve the company's social impact so we continuously undergo reviews both through Tendam's third-party social audit system and amfori's BSCI common system as a member of the organisation. This year audits have increased by 10% with the inspection of 478 factories.

Tendam is a company that is 84% women and 56% of them hold management positions. To seek more balance and encourage participation in the company's management in 2019, we launched the Tendam Women Sponsoring Program initiative with the aim of 60% of management positions and 50% of Management Committee seats being held by women by 2030.

Volunteer activities that were beginning to emerge in recent years have been strengthened and fully activated with the formal launch of Somos Voluntarios Corporate Volunteer Program this year. 167 volunteers have done 872 hours of social and environmental volunteering.

Regarding strategic alliances that have an impact on the Sustainable Development Goals, the company has continued to support universities and business schools dedicated to developing new talent for the fashion world in terms of design as well as management. This is in addition to the aforementioned alliances within the scope of the United Nations and the Fashion Pact and its participation in multi-stakeholder initiatives such as the Fashion Social Forum in Spain, among other sectoral alliances. The Tendam Chair at ISEM and supporting its seedbed for start-ups, Atelier, and the Sustainability and Ecodesign Classroom at the Universidad Politécnica de Madrid's CSDMM stand out. This year, a special end-of-degree award in sustainable design has been launched.

This year, Tendam's Involucrados initiative reached a record of 152,170 euros with the charitable sale of pieces from our brands and the participation of volunteers from Tendam and NGOs selected by the jury. These funds will be used to fund social projects in Spain, Cambodia, and Cameroon. On its fifteenth anniversary, it has already accumulated 1.6 million euros in donations that have funded 53 projects and directly benefited 500,000 people around the world.

In the area of social action, the brands also signed collaboration agreements and carried out awareness campaigns such as "Perfectos Imperfectos" (a campaign focused on disabilities) by Cortefiel and the Cadete Foundation, "Fashion 2nd Life" by Pedro del Hierro and Universidad de Navarra's CIMA (its biomedical research centre) for research into Alzheimer's, "Let's save our Mediterranean" by Springfield with National Geographic for conserving *Posidonia oceanica*, and the #GirlsGetEqual campaign supported by Women'secret and launched by Plan International. Fifty has strengthened its volunteer collaboration with the Daughters of Charity of Madrid's meal programme.

I would especially like to highlight the award given to Women'secret by the prestigious SERES Foundation. The foundation has awarded the #SIMEIMPORTA project for its innovative nature and for creating value for women. The campaign is the result of a long-standing collaboration between our leading intimate apparel brand and the Dexeus Foundation in its fight against breast cancer that began with the launch of the Post Surgery Bras collection.

As a result of the improvement process set by the strategic plan over the last three years, consolidated by a good financial year in 2019, and taking into account the uncertainties but also the opportunities for change and improvement presented by the COVID-19 crisis, Tendam is in an excellent position to lead the sector into the future where there will be five key elements: exponential growth in online business, more responsible consumers, fashion which is more timeless but offers greater added value, the need to integrate sustainability into every facet of our lives, and companies taking a more active role in contributing to a better society.

Jaume Miquel
Chairman and CEO of Tendam

Subsequent events: COVID -19

The SARS-CoV-2 coronavirus (COVID-19) outbreak in China at the end of 2019 and its subsequent categorisation as a pandemic by the World Health Organization (WHO) in March 2020 has caused an unprecedented global health, economic, and social crisis.

The company, whose activity in the first quarter of financial year 2020/21 has been significantly affected for this crisis, has developed actions on different fronts:

- ◆ Actions to protect the health and safety of employees, customers and suppliers.
- ◆ Measures to protect its business and own financial health.
- ◆ Social, solidarity, and active collaboration initiatives.

Tendam believes that being an active and responsible part of society is an unswerving commitment and, to this end, has launched several initiatives to collaborate and fight against the spread of the virus.

Providing medical supplies

Since the beginning of the crisis, Tendam has made its international supply network available to Spanish authorities and other companies in its environment for purchasing medical supplies.

Tendam has managed to purchase and ship more than 1 million euros worth of medical supplies to Spain. Part of this has been fully funded by Tendam and part has been funded in collaboration with other companies such as Openbank and CLH. This operation has resulted in delivering some 2.5 tonnes of medical supplies to Spanish health authorities.

#TodosSumamos (#AllTogether) Initiative El hilo que nos une (The thread that connects us)

In solidarity with those who have been most affected, Tendam Group's brands Cortefiel, Pedro del Hierro, Springfield, Women'secret and Fifty have joined forces and made their garments available to healthcare professionals, institutions, and nursing homes for free through the 'El hilo que nos une' campaign.

They have responded to more than 600 requests from hospitals, health centres, nursing homes, and field hospitals and donated over 50,000 garments worth more than 1 million euros.

The following groups, among others, have received free garments from Tendam's brands:

- ◆ Healthcare professionals who have relocated from their usual place of residence to fight the pandemic,
- ◆ Sick people in isolation
- ◆ Residents and staff at nursing homes.

Protecting our employees

The company's management has aimed to preserve jobs and protect employees at all times. The company has taken steps to protect its workers such as:

- ◆ A cash benefit as part of the Temporary Redundancy Plan (ERTE) in Spain: the company has complemented the public benefit of each employee affected by the ERTE to make up the shortfall up to 100% for its entire duration. It has also made micro-credits at zero interest available to them to deal with any incident or delay in receipt of government social benefits.
- ◆ Promoting teleworking and putting safety, health and hygiene measures and protocols into place at stores and offices.

Protection programme at stores

The reopening of the Group's network of stores has been progressive, following the standards and guidelines required and/or recommended by the competent authorities in each country. Strict safety, health and hygiene protocols have been developed and implemented to protect customers and workers.

The measures that have been put into place include using masks, gloves and hydroalcoholic gels; store capacity limits; practising physical distancing; sanitising clothing; disinfecting changing rooms after each use; changing store layout to improve traffic flows; and encouraging payment by mobile phone or card.

1. Tendam

Our company

Tendam around the world

Our brands

This year's milestones

139 years of history





Our company



Tendam is one of the European leading groups in the specialised fashion segment, recognised for its history, experience and growth over its nearly 140 years of history.

We are specialised in the management of brands in the premium mass market segment that bridges the gap between fast fashion and accessible luxury.

The sum of our brands: Cortefiel, Pedro del Hierro, Springfield, Women'secret, Hoss Intropia and Fifty exponentially multiplies the scope and expansion of an innovative company with an international vision. We distribute our collections through almost 2,000 points of sale spread across four continents.

Our brands have special advantages that ensure that they are complementary brands, with no overlap, offering flexibility in retail formats and adapted to different sized markets. Each targets a specific audience and has its own creative, design and sales teams, sharing management centres and common services.

We are taking on the challenge of managing our operations in an efficient and environmentally friendly manner, setting ourselves specific goals that allow us to tackle the industry's challenges in the fight against climate change and the protection of the environment. We assess the greatest risks in these matters and identify the best opportunities to minimise their effects.

The company's headquarters are located in Madrid, and in Spain we have another office in Barcelona. We also have other commercial offices in the countries with business under our own management. To manage the global supply chain, we have international offices in Hong Kong, India and Bangladesh.

The parent company's central offices encompass the administrative, financial, technological, legal, expansion, procurement, operations and human resources functions that support each of the brands. This structure allows us to efficiently manage a multi-format business model.

The logistics centre in Madrid acts as a consolidation centre and sole distributor for Europe. The company has another distribution centre in Spain (Cuenca) from where it manages online operations and three other logistics centres in Hong Kong, Mexico and Russia.

C O R T E F I E L

Pedro del Hierro

SPRINGFIELD

women'secret

FIFTY

hoss
INTROPIA

2019 in figures



MARKETS

1,990

points of sale

86

countries in which
we operate

385,879

Sqm sales area



CUSTOMERS

1,187

€ million in turnover

26

million members

91

million garments



EMPLOYEES

10,735

employees

84%

women

33

average age of the
workforce



ENVIRONMENT

800

stores using renewable
energy

50%

of denim made with
less water

30%

reduction in CO₂
emissions within
the last year

Tendam around the world



86
Countries



almost **2,000**
points of sale



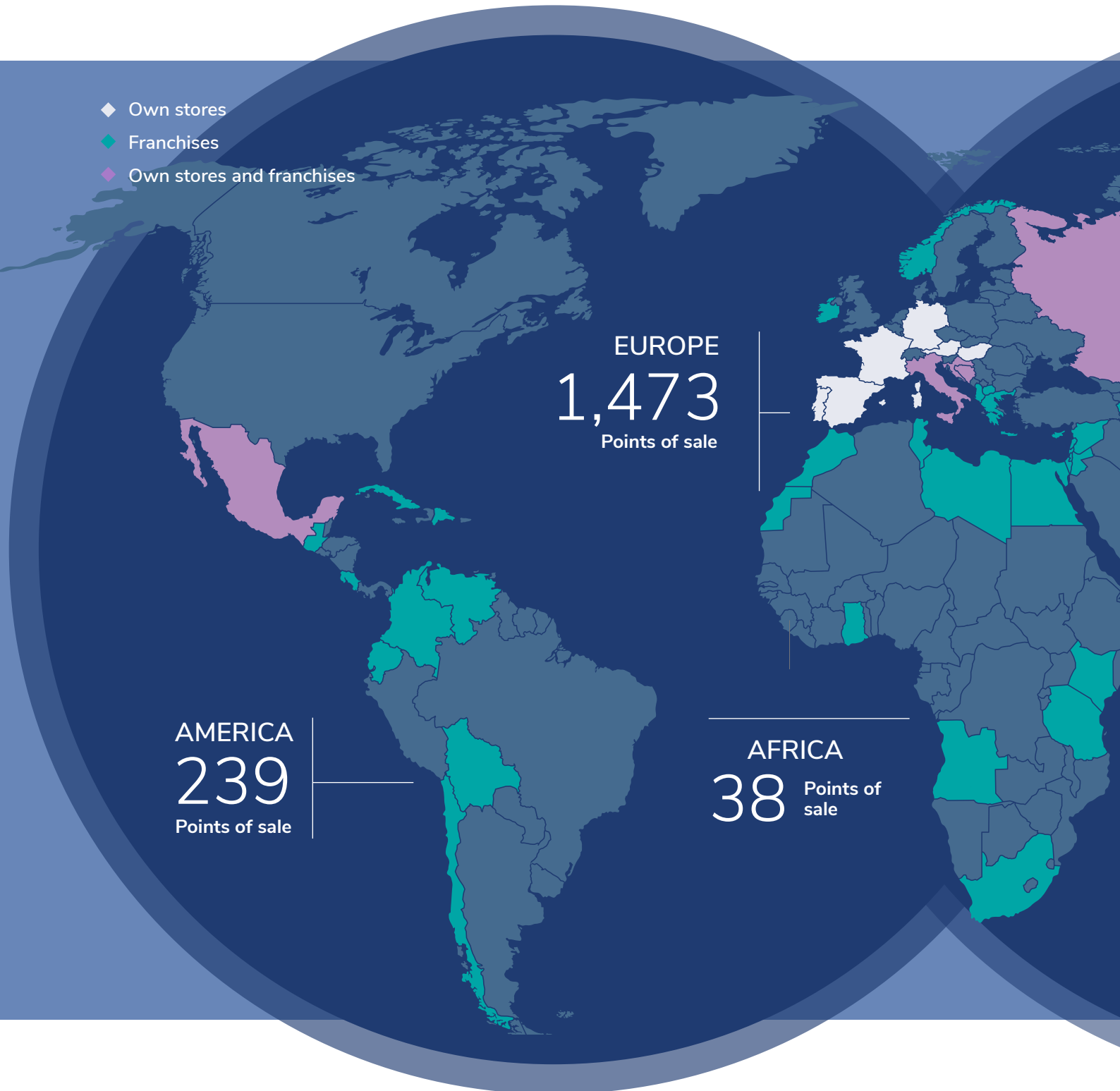
Online markets:
47

- ◆ Own stores
- ◆ Franchises
- ◆ Own stores and franchises

EUROPE
1,473
Points of sale

AMERICA
239
Points of sale

AFRICA
38 Points of sale





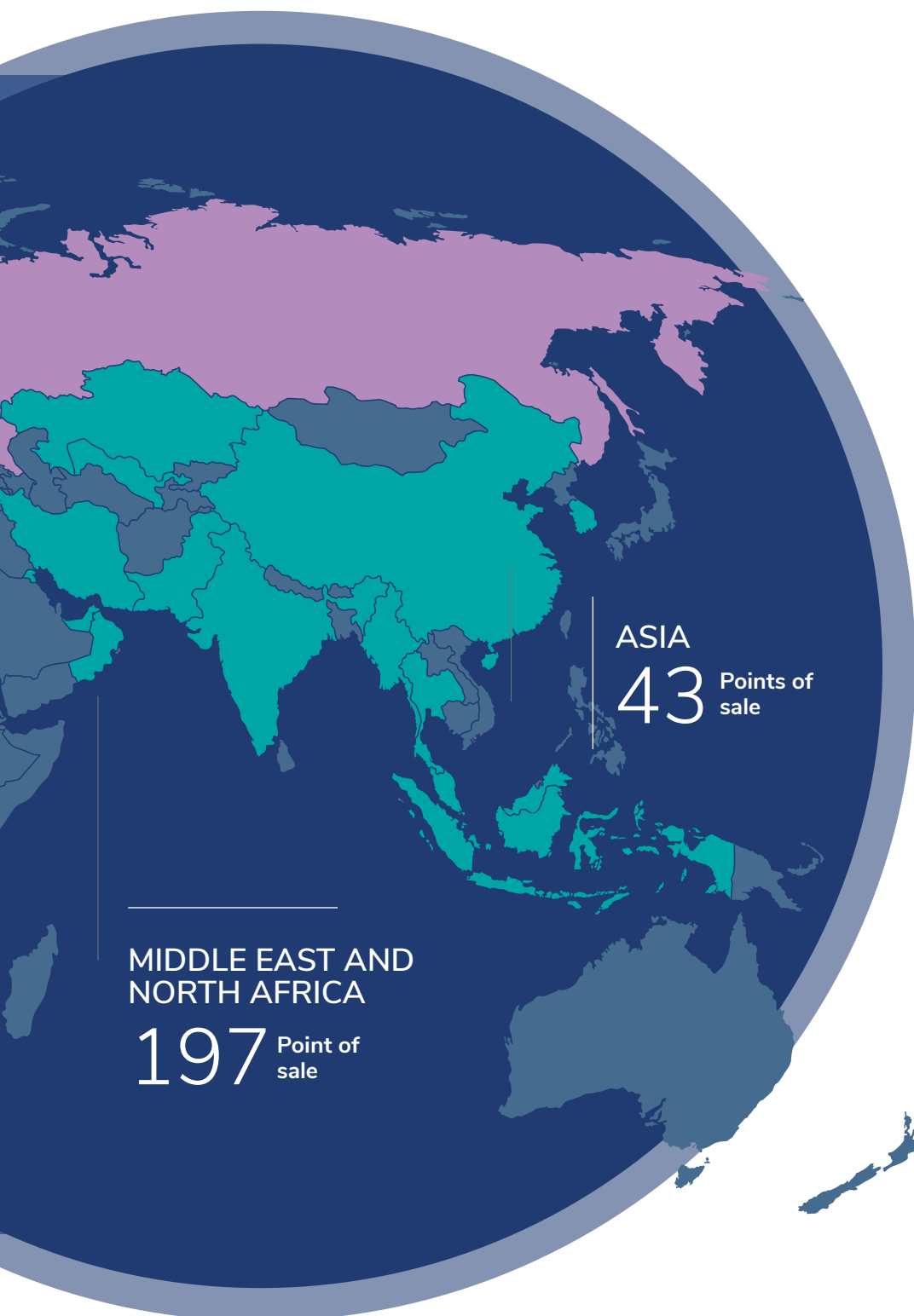
1,367

Own stores



623

Franchises



Own stores

- Belgium
- Bosnia
- Bulgaria
- Croatia
- France
- Germany
- Hungary
- Italy
- Luxembourg
- Mexico
- Montenegro
- Portugal
- Russia
- Serbia
- Spain

Franchises

- Albania
- Andorra
- Angola
- Armenia
- Austria
- Azerbaijan
- Bahrain
- Belarus
- Bermuda
- Bolivia
- Bosnia
- Chile
- Cyprus
- Colombia
- Costa Rica
- Croatia
- Cuba
- Curaçao
- Czech Republic
- Dominican Republic
- Ecuador
- Egypt
- Estonia
- Georgia
- Ghana
- Gibraltar
- Greece
- Guatemala
- India
- Indonesia
- Iran
- Iraq
- Ireland
- Italy
- Jordan
- Kazakhstan
- Kenya
- Kuwait
- Latvia
- Lebanon
- Libya
- Macedonia
- Malta
- Mauritius
- Mexico
- Montenegro
- Morocco
- Myanmar
- Norway
- Oman
- Pakistan
- Paraguay
- Peru
- Philippines
- Qatar
- Reunion island
- Russia
- Saudi Arabia
- Serbia
- Slovenia
- Tunisia
- Ukraine
- United Arab Emirates
- Uzbekistan
- Venezuela

Own stores

EUROPE	CTF	PDH	SPF	WS	FF	Total
Germany	-	-	9	-	-	9
Belgium	-	-	17	12	-	29
Bosnia	1	-	7	6	1	15
Bulgaria	1	-	1	1	-	3
Croatia	-	-	9	10	1	20
Spain	141	6	312	305	57	821
France	-	-	57	5	-	62
Hungary	-	-	14	12	1	27
Italy	-	-	46	-	-	46
Luxembourg	-	-	5	1	-	6
Montenegro	1	-	1	1	-	3
Portugal	23	-	64	55	11	153
Russia	-	-	26	64	-	90
Serbia	1	-	18	20	1	40

AMERICA	CTF	PDH	SPF	WS	FF	Total
Mexico	-	-	24	18	1	43



- ◆ CORTEFIEL
- ◆ PEDRO DEL HIERRO
- ◆ SPRINGFIELD
- ◆ WOMEN'S SECRET
- ◆ FIFTY

Franchises

EUROPE	CTF	PDH	SPF	WS	Total
Albania	1	-	1	1	3
Andorra	2	-	4	2	8
Armenia	-	-	1	2	3
Austria	-	-	2	2	4
Belarus	-	-	1	6	7
Bosnia	-	-	1	-	1
Cyprus	12	-	14	6	32
Croatia	-	-	-	1	1
Slovenia	-	1	3	2	6
Estonia	2	-	3	5	10
Georgia	1	-	-	2	3
Gibraltar	-	-	1	1	2
Greece	-	-	1	6	7
Ireland	-	-	12	1	13
Italy	-	-	-	1	1
Latvia	1	-	1	2	4
Macedonia	-	-	4	2	6
Malta	1	-	3	3	7
Montenegro	-	-	-	1	1
Norway	-	-	1	-	1
Czech Republic	-	-	2	-	2
Russia	-	-	4	-	4
Serbia	-	-	2	2	4
Ukraine	-	-	8	11	19

AFRICA	CTF	PDH	SPF	WS	Total
Angola	7	-	7	7	21
Ghana	-	-	1	1	2
Reunion Island	-	-	2	2	4
Kenia	6	-	-	1	7
Mauritius	1	-	1	2	4

AMERICA	CTF	PDH	SPF	WS	Total
Bermuda	-	-	-	1	1
Bolivia	2	1	2	2	7
Chile	3	-	-	17	20
Colombia	-	-	-	9	9
Costa Rica	1	1	6	6	14
Cuba	-	-	1	1	2
Curaçao	1	-	1	1	3
Ecuador	-	-	24	12	36
Guatemala	1	1	1	-	3
Mexico	11	-	23	23	57
Paraguay	-	-	1	2	3
Peru	10	-	13	1	24
Dominican Rep.	1	-	-	2	3
Venezuela	3	-	5	6	14

MIDDLE EAST AND NORTH OF AFRICA

	CTF	PDH	SPF	WS	Total
Saudi Arabia	9	-	13	38	60
Bahrain	-	-	-	1	1
Egypt	3	-	7	6	16
Arab Emirates	-	-	14	15	29
Iran	5	-	15	7	27
Iraq	1	-	1	1	3
Jordan	4	-	3	-	7
Kuwait	-	-	-	8	8
Lebanon	9	-	13	3	25
Libya	1	-	1	-	2
Morocco	-	-	-	3	3
Oman	-	-	-	2	2
Qatar	-	-	1	5	6
Tunisia	-	-	4	3	7
Uzbekistan	-	-	-	1	1



ASIA	CTF	PDH	SPF	WS	Total
Azerbaijan	-	-	-	2	2
Myanmar	-	-	3	1	4
Philippines	3	8	6	4	21
India	-	-	-	1	1
Indonesia	-	-	-	3	3
Kazakhstan	-	-	5	1	6
Pakistan	2	2	-	2	6

C O R T E F I E L

Cortefiel was the first brand created by the group. From its beginnings in 1945 it has operated on the basis of values such as the elegance, quality, comfort and functionality of its garments. It is proud of its textile heritage, its experience in clothing and its commitment to society through its charitable actions.



This year, Cortefiel has become a benchmark brand and a leader in fashion. Maintaining its “timeless” focus, it has created collections for every moment in life, prioritising innovation and sustainability. Its experience and customer service have allowed it to gain the trust and loyalty of its shoppers. Today, they are part of a club that has been running for 40 years and that has more than six million members.

The natural elegance that its garments transmit and its wide variety of products have led it to become a model of fashion that has been growing to such an extent that it now has more than 272 points of sale in 34 countries, both own stores and franchises.

In 2019 Cortefiel has strengthened its commitment to society through the campaign Perfectos Imperfectos (Perfectly Imperfect), an initiative carried out together with the Cadete Foundation, with the aim of demonstrating to the world the beauty of the imperfect, giving visibility to children born with a disability.





2,380
Employees



1945
Established



315.93
Million turnover
(Includes PdH turnover)

CORTEFIEL



272
Points of sale

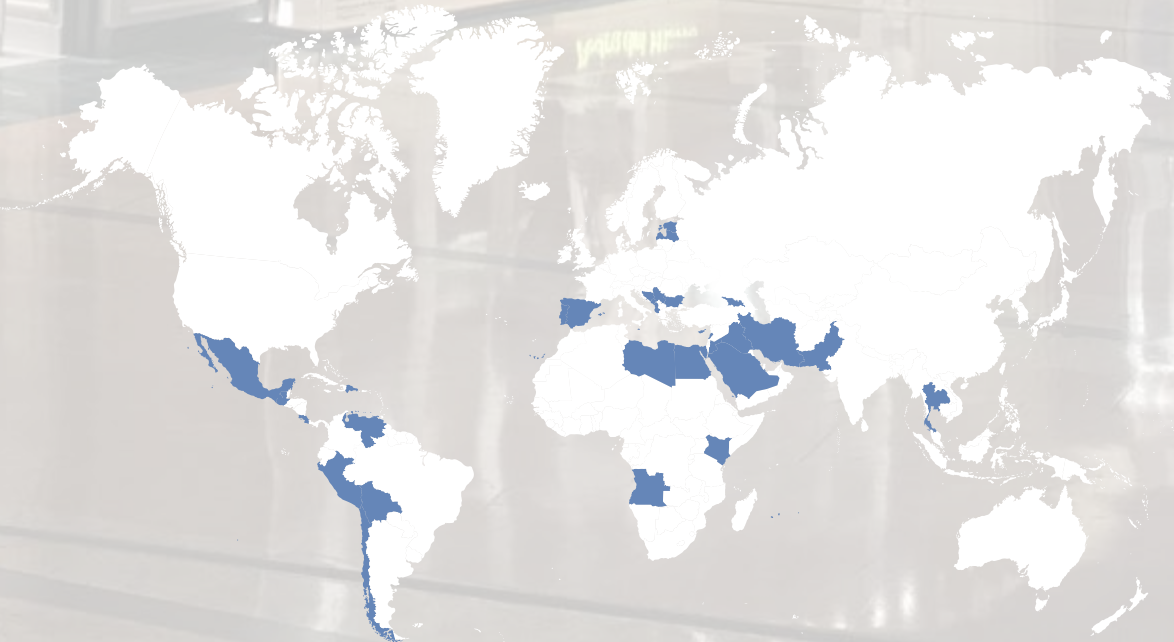


26.6%
Turnover on the
total of Tendam



34
Countries

- Albania ♦ Andorra ♦ Angola ♦ Bolivia ♦ Bosnia ♦ Bulgaria ♦ Chile ♦ Costa Rica ♦ Curaçao ♦ Cyprus
- Dominican Republic ♦ Egypt ♦ Estonia ♦ Georgia ♦ Guatemala ♦ Iran ♦ Iraq ♦ Jordan ♦ Kenya ♦ Latvia ♦
- Lebanon ♦ Libya ♦ Malta ♦ Mauritius ♦ Mexico ♦ Montenegro ♦ Pakistan ♦ Peru ♦ Philippines ♦ Portugal ♦
- Saudi Arabia ♦ Serbia ♦ Spain ♦ Venezuela



Pedro del Hierro

Pedro del Hierro is a Spanish fashion brand that has a long tradition in haute couture in the country. Created in Madrid in 1974 by the designer whose name is devoted to, it exclusively joined Cortefiel in 1989 and has been owned by the Group since 1992.

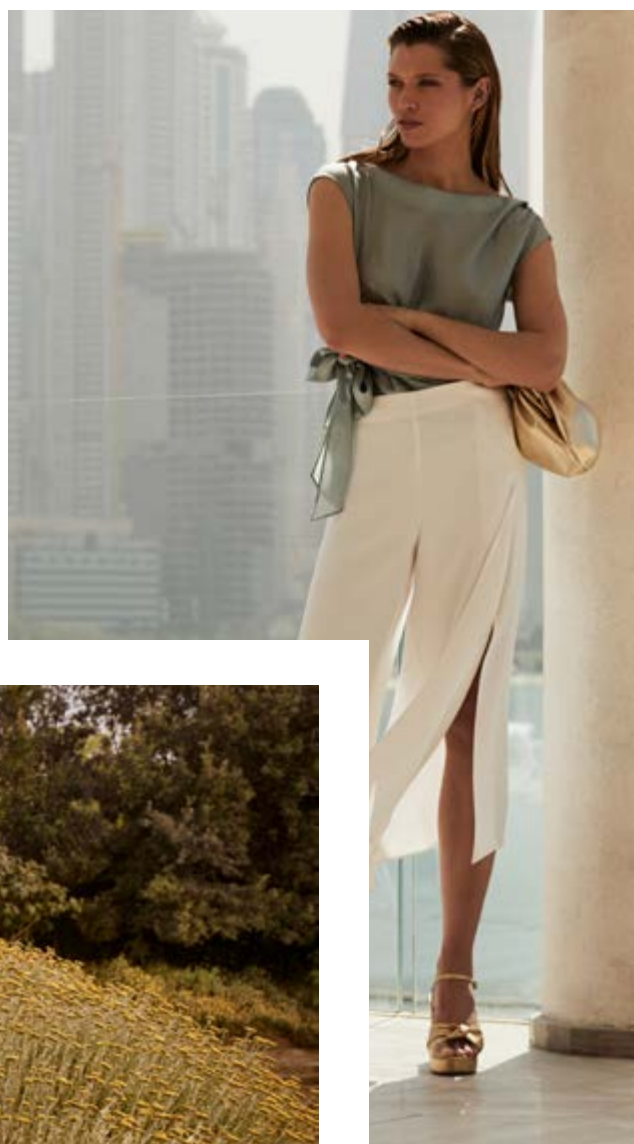
True to its values of style, elegance and quality, it carefully combines the colour and delicacy of fabrics with exclusive and unique designs, offering customers affordable luxury.

The brand's concept and personality are based on values such as tradition, culture, architecture and art, but, above all, the designer's legacy can still be found in the brand's DNA, adapting it to the latest trends, from everyday clothing to Red Carpet collections.

Being a symbol of Spanish artisan heritage, Pedro del Hierro is an exclusive brand for beauty lovers.

"My designs will always be a form of expression that helps to find one's best qualities"

Pedro del Hierro





42

Employees in Spain



1974

Established

Pedro del Hierro



292

Points of sale



20

Independent stores



35

Countries

- Albania ♦ Andorra ♦ Angola ♦ Bolivia ♦ Bosnia ♦ Bulgaria ♦ Chile ♦ Costa Rica ♦ Curaçao ♦ Cyprus ♦ Dominican Republic ♦ Egypt ♦ Estonia ♦ Georgia ♦ Guatemala ♦ Iran ♦ Iraq ♦ Jordan ♦ Kenia ♦ Latvia ♦ Lebanon ♦ Libya ♦ Malta ♦ Mauritius ♦ Mexico ♦ Montenegro ♦ Pakistan ♦ Peru ♦ Philippines ♦ Portugal ♦ Saudi Arabia ♦ Serbia ♦ Slovenia ♦ Spain ♦ Venezuela





SPRINGFIELD

A brand for real people with attitude in their daily lives, which is strongly committed to a new generation of demanding consumers. It offers them an attractive vision based on principles such as sustainability and innovation.



In keeping with this, since 2018 Springfield has been promoting its R[ECO]NSIDER label, which in 2019 has beaten its growth targets to account for 15% of the brand's products. The garments offer sustainable features with initiatives such as the use of natural and recycled fibres, as well as its H2Ø programme focused on the use of laser and ozone technologies in denim finishing processes. Innovation in the fabric has also led the brand to create its ZERO GRAVITY line of jeans and its KEEP IT WARM! coats, both with the aim of making the lives of Springfield's shoppers easier.

The "easy to wear" collections, competitive prices and very affordable fashion are the key concepts driving the rapid growth and expansion of the brand. In 1993 Springfield went international by opening its first store in Portugal. In 2002, the Springfield Club was born and is currently present in Spain, Portugal, Belgium and France with more than eleven million members and in 2006, the brand's women's line was launched. All of this has turned Springfield into a global, authentic, inclusive, active and natural brand, values that define it and that have shown themselves capable of adapting to events.

Currently, Springfield is present in around 60 countries with a retail network of 853 points of sale around the world through own stores and franchises and, since 2012, through its online sales channel.





4,064
Employees



1988
Established



446.02
Million turnover

SPRINGFIELD



853
Points of sale

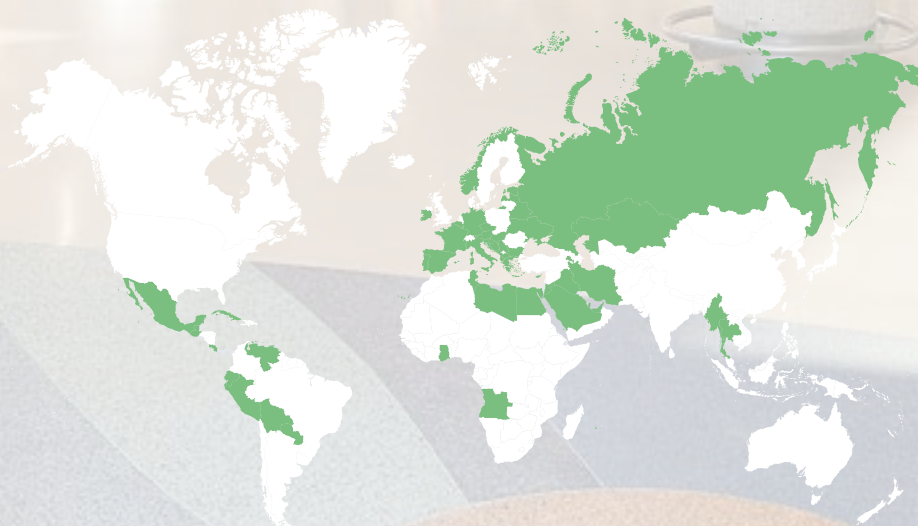


37.57%
Turnover on the total of Tendam



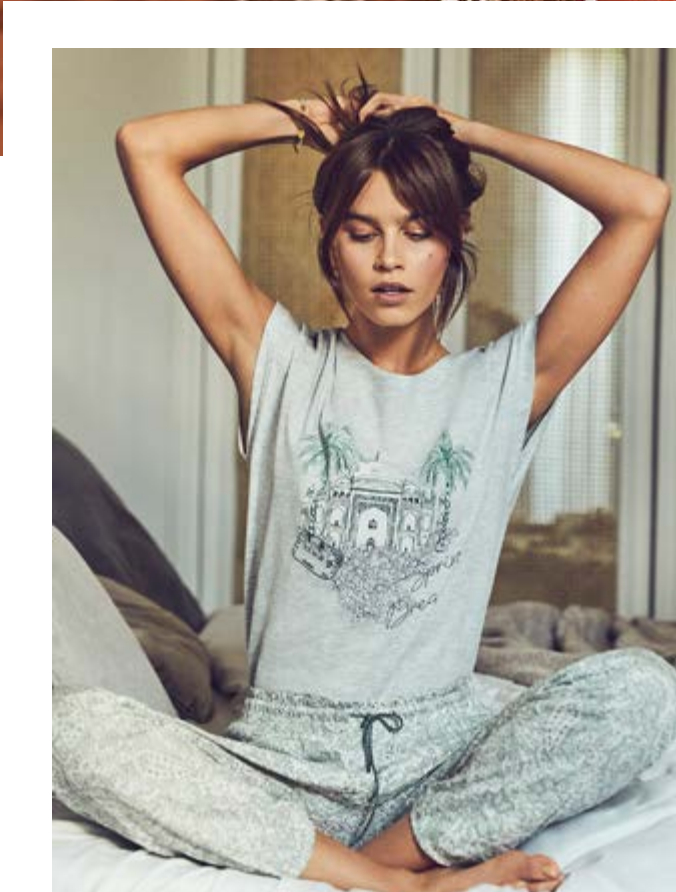
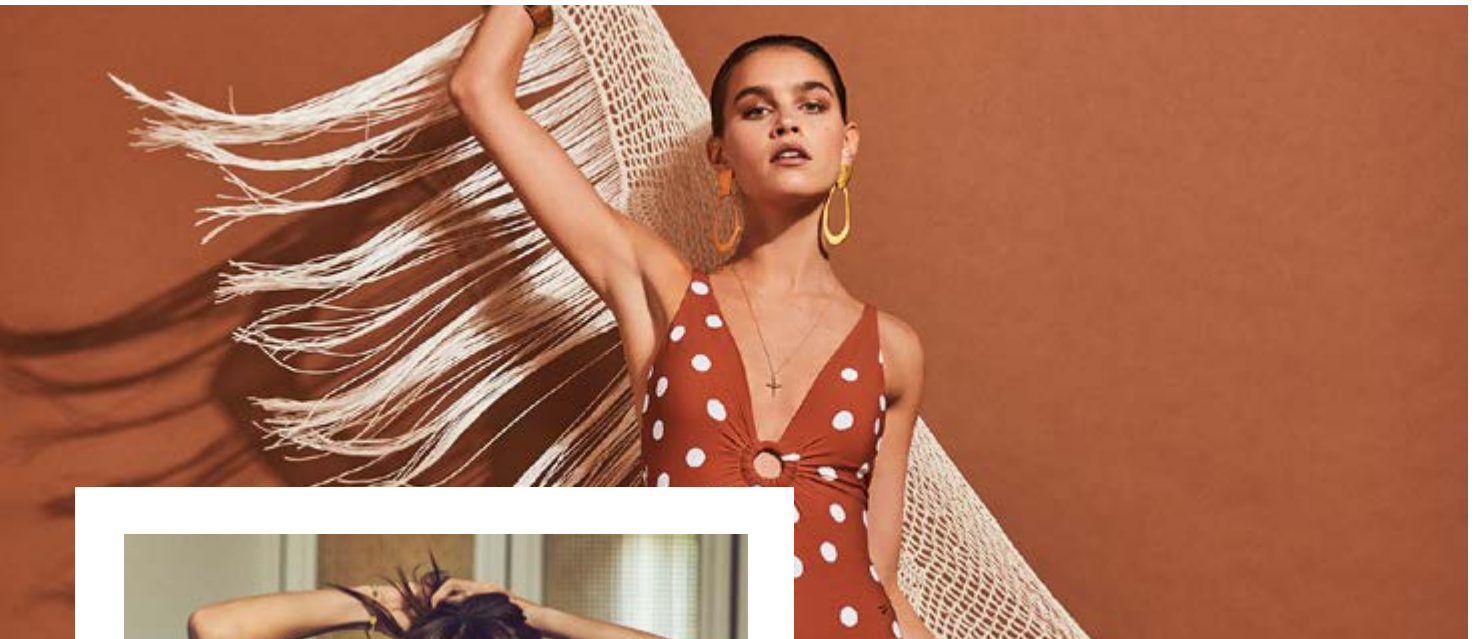
58
Countries

- Albania ♦ Andorra ♦ Angola ♦ Armenia ♦ Austria ♦ Belarus ♦ Belgium ♦ Bolivia ♦ Bosnia ♦ Bulgaria ♦
- Costa Rica ♦ Croatia ♦ Cuba ♦ Curaçao ♦ Cyprus ♦ Czech Republic ♦ Ecuador ♦ Egypt ♦ Estonia ♦ France
- ♦ Germany ♦ Ghana ♦ Gibraltar ♦ Greece ♦ Guatemala ♦ Hungary ♦ Iran ♦ Iraq ♦ Ireland ♦ Italy ♦ Jordan
- ♦ Kazakhstan ♦ Latvia ♦ Lebanon ♦ Libya ♦ Luxembourg ♦ Macedonia ♦ Malta ♦ Mauritius ♦ Mexico ♦
- Montenegro ♦ Myanmar ♦ Norway ♦ Paraguay ♦ Peru ♦ Philippines ♦ Portugal ♦ Qatar ♦ Reunion Island ♦
- Russia ♦ Saudi Arabia ♦ Serbia ♦ Slovenia ♦ Spain ♦ Tunisia ♦ United Arab Emirates ♦ Ukraine ♦ Venezuela



women'secret

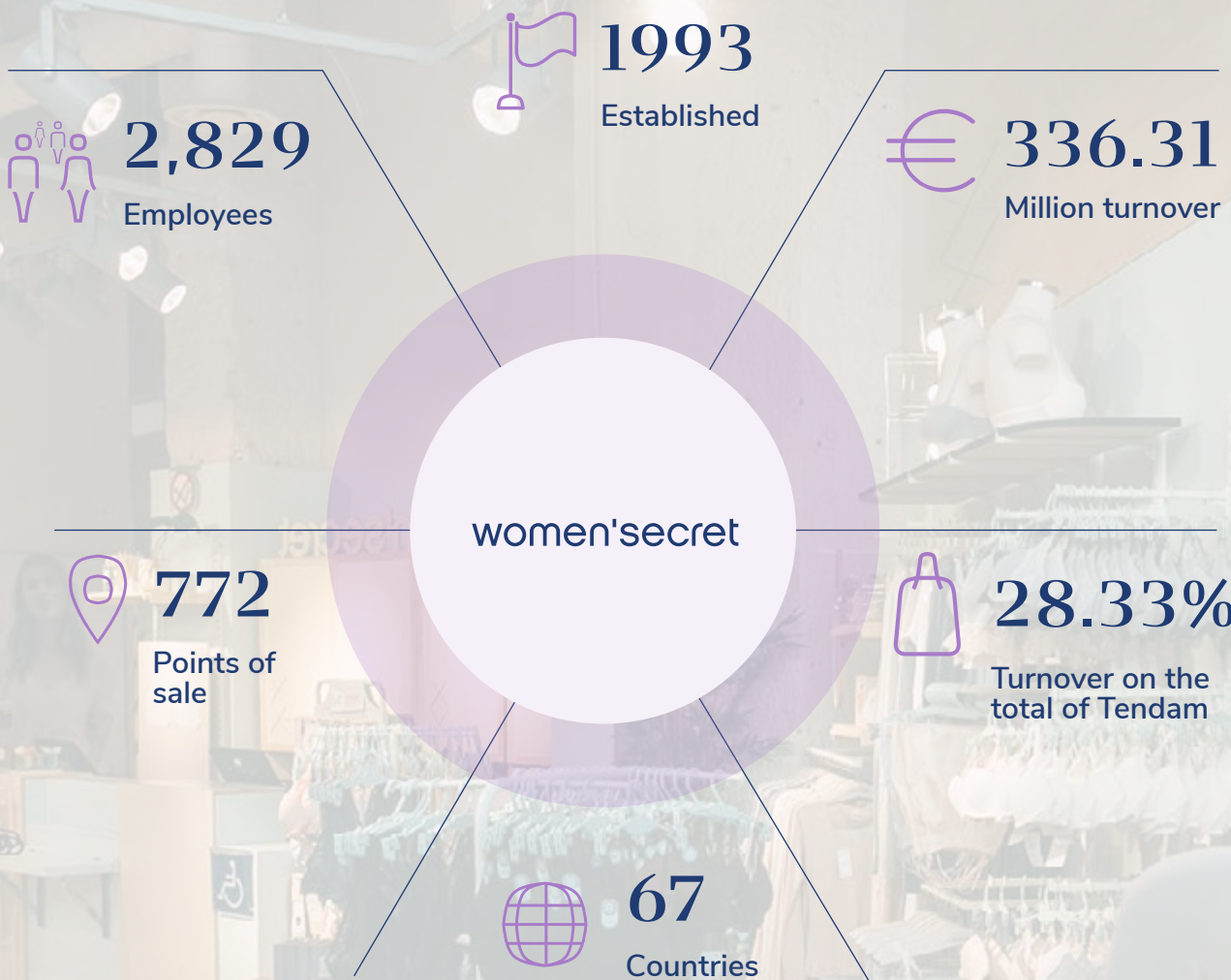
Women'secret was established in 1993 as a specialist in the female intimate segment. The brand was created by women for women and specialised in lingerie, nightwear and swimwear, managing to combine elegance, femininity, comfort and quality. In 2001, it embarked upon international expansion. Today, it is present in 67 countries and at 772 points of sale.



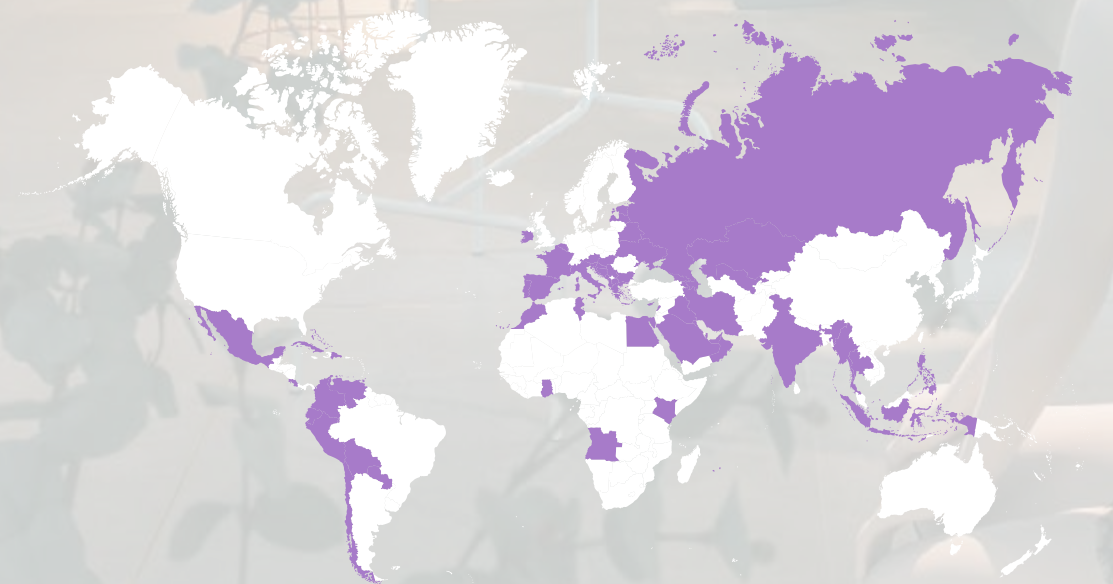
The brand is focussing on an environmentally-friendly future and working to improve processes and select more sustainable raw materials. This year it has launched Honest by Women'secret, a new clothing line made with organic cotton and recycled materials, taking another step in caring for and respecting the ecosystem of our planet.

For 25 years, Women'secret has maintained a strong commitment to society and to causes related to issues that are especially important or concerning for women. This is why, seven years ago, the joint project with Dexeus Mujer was born. This helps to normalise the daily lives of women who have had breast cancer.

"We work to make the daily lives of all women easier. We believe that it is very important for women to feel comfortable with their style and their bodies, which is why each season we create a versatile range that meets the needs of all our customers."

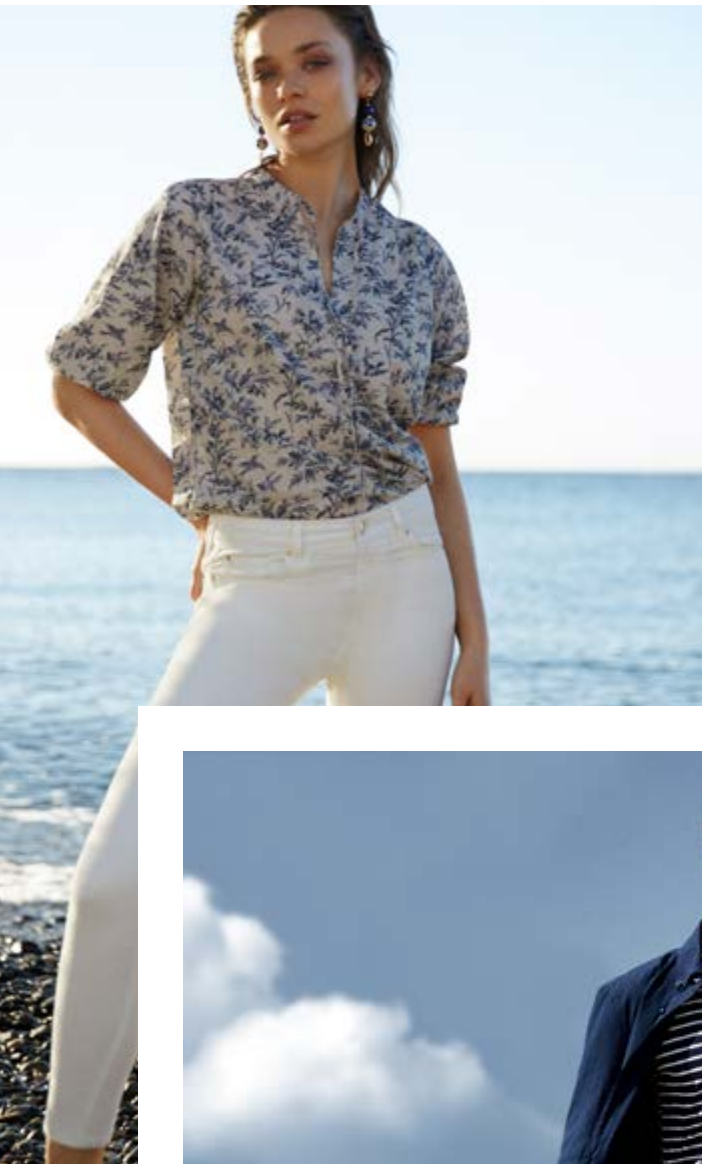


- Albania ♦ Andorra ♦ Angola ♦ Armenia ♦ Austria ♦ Azerbaijan ♦ Bahrain ♦ Belarus ♦ Belgium ♦ Bermuda ♦ Bolivia ♦ Bosnia ♦ Bulgaria ♦ Chile ♦ Colombia ♦ Costa Rica ♦ Croatia ♦ Cuba ♦ Curaçao ♦ Cyprus ♦ Dominican Republic ♦ Ecuador ♦ Egypt ♦ Estonia ♦ France ♦ Georgia ♦ Ghana ♦ Gibraltar ♦ Greece ♦ Hungary ♦ India ♦ Indonesia ♦ Iran ♦ Iraq ♦ Ireland ♦ Italy ♦ Kazakhstan ♦ Kenya ♦ Kuwait ♦ Latvia ♦ Lebanon ♦ Luxembourg ♦ Macedonia ♦ Malta ♦ Mauritius ♦ Mexico ♦ Montenegro ♦ Morocco ♦ Myanmar ♦ Oman ♦ Pakistan ♦ Paraguay ♦ Peru ♦ Philippines ♦ Portugal ♦ Qatar ♦ Reunion Island ♦ Russia ♦ Saudi Arabia ♦ Serbia ♦ Slovenia ♦ Spain ♦ Tunisia ♦ Ukraine ♦ United Arab Emirate ♦ Uzbekistan ♦ Venezuela



FIFTY

FIFTY is Tendam's multibrand chain operating in 7 countries with 73 points of sale. It offers products from its own brand Milano and outlet products from Cortefiel, Pedro del Hierro, Springfield and Women'secret.



Since 1997, reinvention, innovation and effectiveness have led the chain to undertake international expansion with a high level of recognition, thus encouraging "Smart shopping", an essential pillar of our successful business system, offering a unique omnichannel buying experience in the outlet sector.

It has its own brand, MILANO, which is brimming with its own DNA with urban fit, trendy and modern garments. FIFTY offers great discounts without compromising on providing the best design and quality.

The chain has embarked on a production process adapted to the new policies and in keeping with the company's strategy, focussing on a new concept based on an eco-friendly line.

As part of the brand's expansion process, in 2019 it opened its first stores in Croatia and Mexico, expanding its presence to seven countries.





799
Employees



1997
Established



87.44
Million turnover

FIFTY



73
Points of sale



7.36%
Turnover on the total of Tendam



7
Countries

Bosnia ♦ Croatia ♦ Hungary ♦ Mexico ♦ Portugal ♦ Serbia ♦ Spain



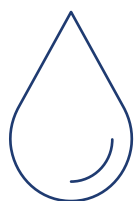
This year's milestones

MORE SUSTAINABLE

Tendam joined the Fashion Pact

This coalition involve the leading global fashion companies committed to common environmental goals focussed on protecting the climate, biodiversity and the oceans.

Our brands are focussing on sustainable collections



H2O

Springfield has expanded its R[ECO]NSIDER collection, Women'secret has launched Honest by Women'secret and Cortefiel has strengthened its Eco-friendly collection. In addition, 50% of the denim in our brands is H2O, meaning that it uses up to 90% less water in its production processes.



Renewable energy in our stores

In 2020 our electricity supply contract guarantees that 100% of the energy acquired is from renewable energy. This covers the Tendam brands' almost 800 retail premises in Spain, as well as the group's operating facilities in the country.

Recognised by Business Ambition for 1.5°C

The company continues to make progress with its sustainability strategy and has received recognition from the United Nations Global Compact for signing up to the Business Ambition for 1.5°C initiative, the largest climate action movement.

We provided volunteers to help out with COP25

Our volunteers helped out in the Green Zone of COP25, encouraging visitors to find out more about the Sustainable Development Goals (SDG) and the 2030 Agenda.

WE CONTINUE GROWING

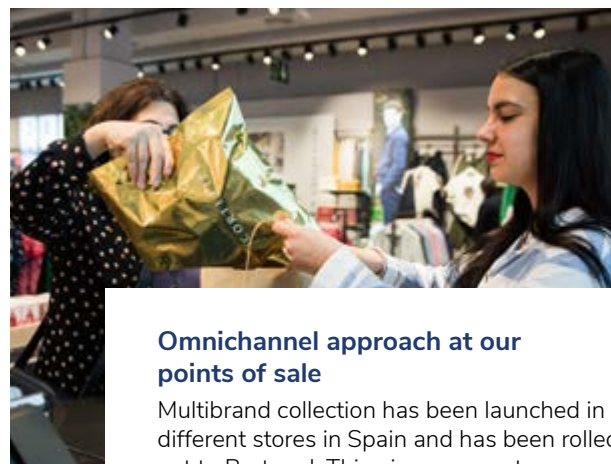
Tendam has expanded its portfolio and continues growing

The company acquired the Hoss/Intropia brand that has been added to its portfolio. This new adquisition reflects the Group's strategy of evolution and growth, having reached 1,990 points of sale with large-scale openings nationally and internationally.



Growth online in the last year

Digital sales grew by 28% as a result of the progress and ongoing evolution of Tendam's omnichannel strategy. Women'secret and Springfield now offer online sales in Hungary.



Omnichannel approach at our points of sale

Multibrand collection has been launched in different stores in Spain and has been rolled out to Portugal. This gives our customers the option to collect their online order in another of the group's stores.

OUR TEAM

We have received the Top Employer 2019 certification

The company has been recognised once again as one of the companies offering the best working conditions in our country, as a result of the great dedication and joint effort of everyone working at Tendam to make the company an excellent place to work.

Culture of well-being

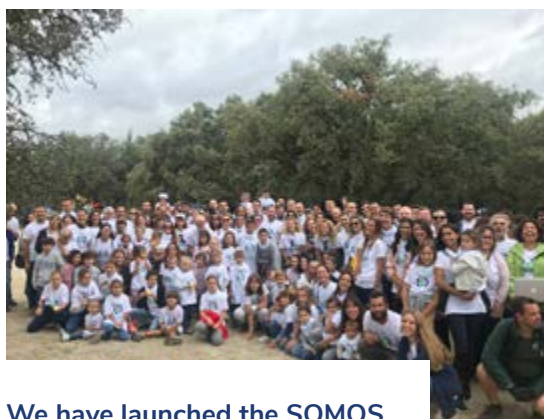
New initiatives have been developed to promote a culture of well-being: yoga classes, mindfulness, laughter therapy workshop and physiotherapy sessions.

Committed to equality

The company has received the Diploma from the Diversity Charter and recognition from the Directory of Companies Committed to Equality, rewarding it for the work carried out to promote diversity and its commitment to the principles of non-discrimination.

Business recognition from the Spanish Red Cross

Each year we welcome hundreds of students from different education institutions, improving their education and allowing them to develop their full potential. As a result, the Spanish Red Cross has recognised the company for its work in helping vulnerable people play a more active role in society and the labour market.



We have launched the SOMOS VOLUNTARIOS programme

More than 167 employees have taken part in the company's volunteering activities this year, mainly focussed on the environment and supporting groups at risk of social exclusion.



COMMITTED TO SOCIETY

Social Innovation Award for Women'ssecret

Women'ssecret continues to focus on the health of women suffering from breast cancer through the #Simeimporta project, run in collaboration with the Dexeus Mujer Foundation. The initiative has received an award from the Seres Foundation for being an innovative project that generates value for women, and it has received the National Marketing award in the Social Marketing Category.

Pedro del Hierro auction against Alzheimer's

Working with the Clinic at the University of Navarra, the brand organised the "Fashion 2nd Life. Let nobody forget their memories" auction that raised €15,500 to fund research projects run by the Clinic's research centre to fight Alzheimer's disease.

The social initiative Involucrados has raised more than €152,000

The raising have been divided among the Gil Gayarre Foundation, the Spanish Association of Amyotrophic Lateral Sclerosis (ADELA), the NGO Sauce and the Recover Foundation.

Cortefiel has launched its Perfectos Imperfectos collection to support charity

Through the charity project Perfectos Imperfectos from the Cadete Foundation, the brand has designed a capsule collection to support the rehabilitation treatments that allow disabled children to have a better future.

Tendam sponsors the Business Women Empowerment initiative

Once again this year, the company has joined the Cinnamon News initiative with the aim of contributing to the empowerment of women in the financial and business world.

Women'ssecret joins the #GirlsGetEqual movement

Thanks to the Women Power campaign that involved the sale of bracelets to celebrate International Women's Day, the brand has donated more than €50,000 to Plan International for its education project in Bangladesh.

139 YEARS OF HISTORY

From Grupo Cortefiel to Tendam

1880

The García-Quirós brothers open a small haberdashery store in Madrid, on Romanones st. in Madrid

1933

The La Palma shirt factory opens

1960

The company exports to the **USA** with the **Cortefiel** brand that is sold in Macy's and Saks

1945

The first men's suits with the **Cortefiel** label leave the tailoring factory

1988

Launch of Springfield, the hallmark of young casual fashion

1985
Launch of Milano,

the brand specialising in tailoring

1991

International expansion

begins with the opening of stores in Portugal and France

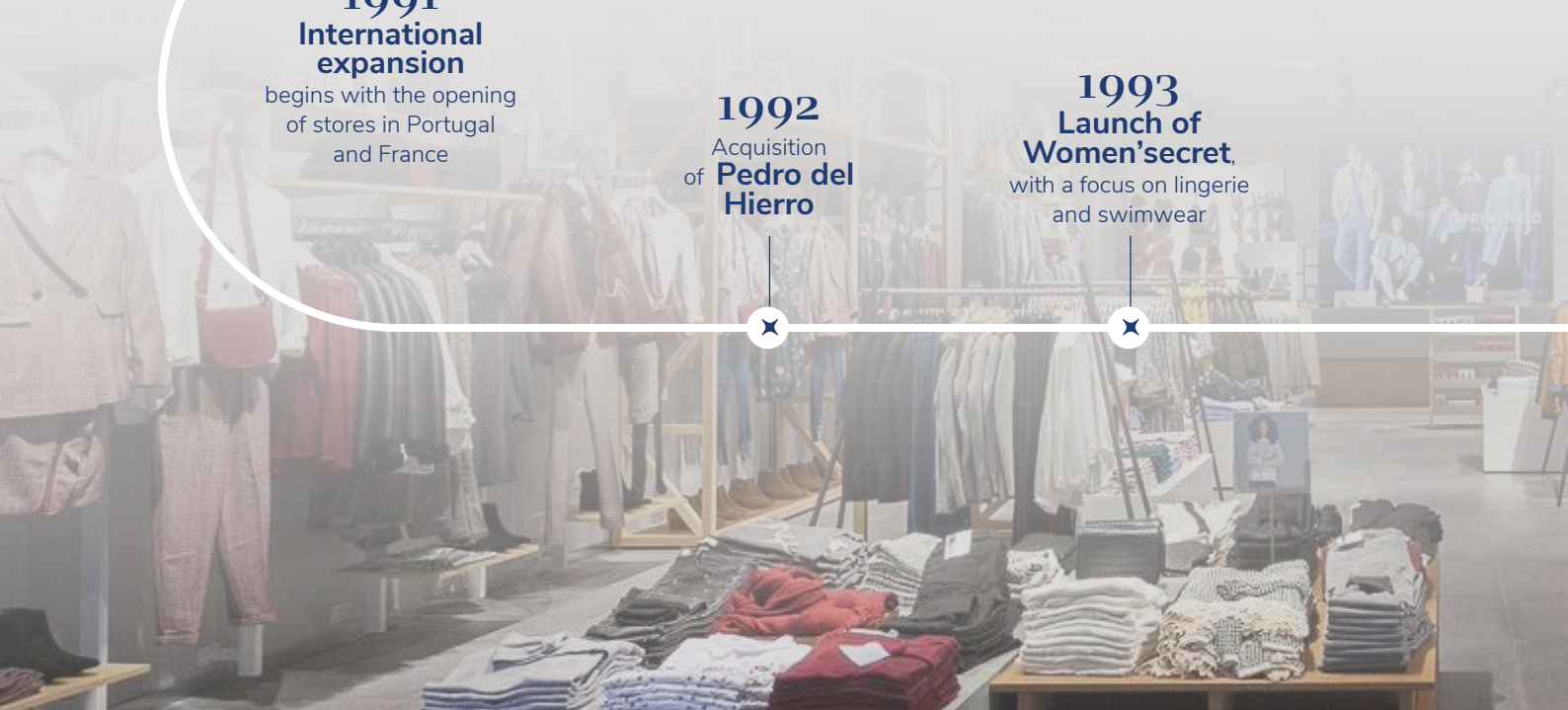
1992

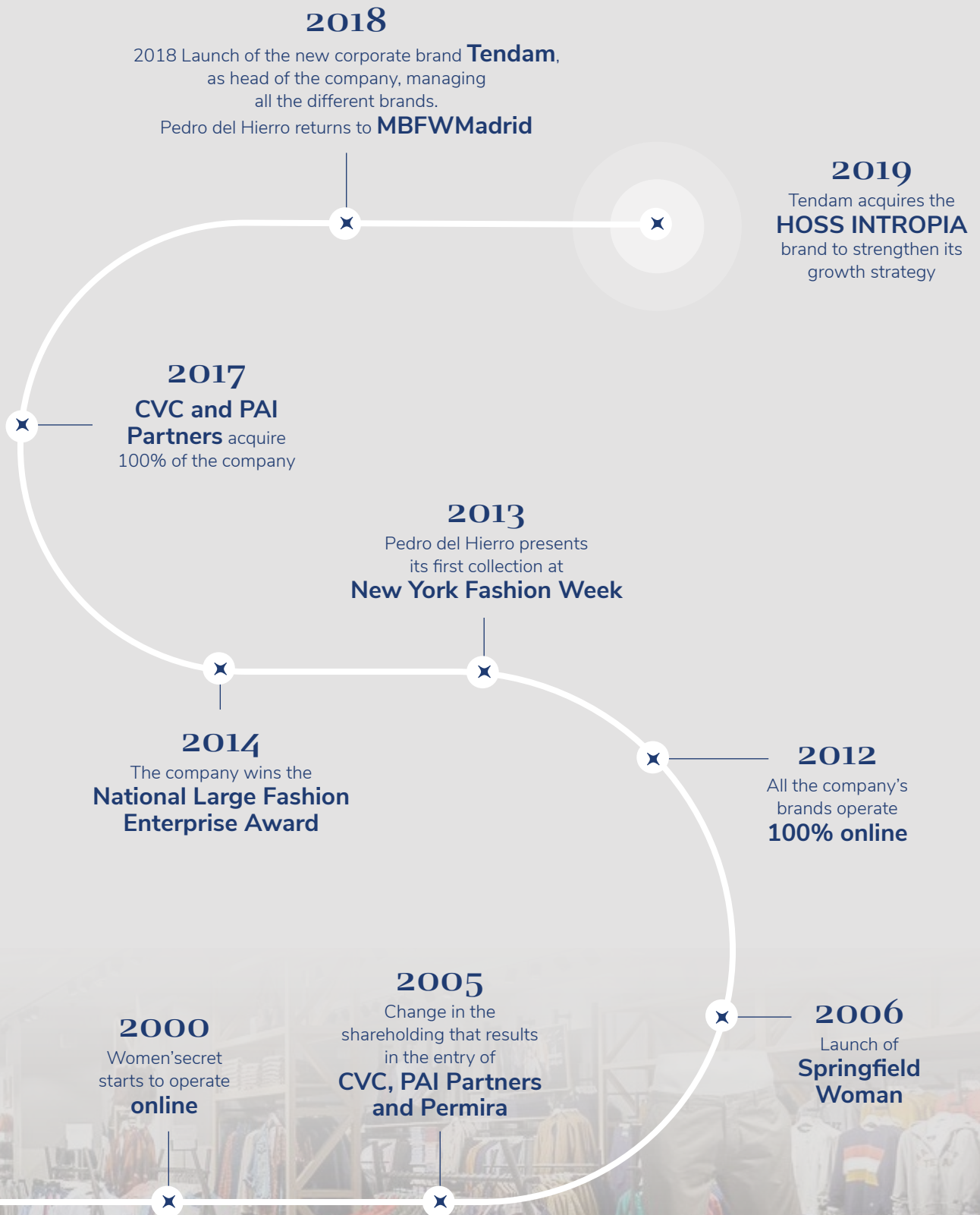
Acquisition of **Pedro del Hierro**

1993

Launch of Women'secret,

with a focus on lingerie and swimwear







2.

Sustainable Commitment

Our corporate identity

Sustainable business approach

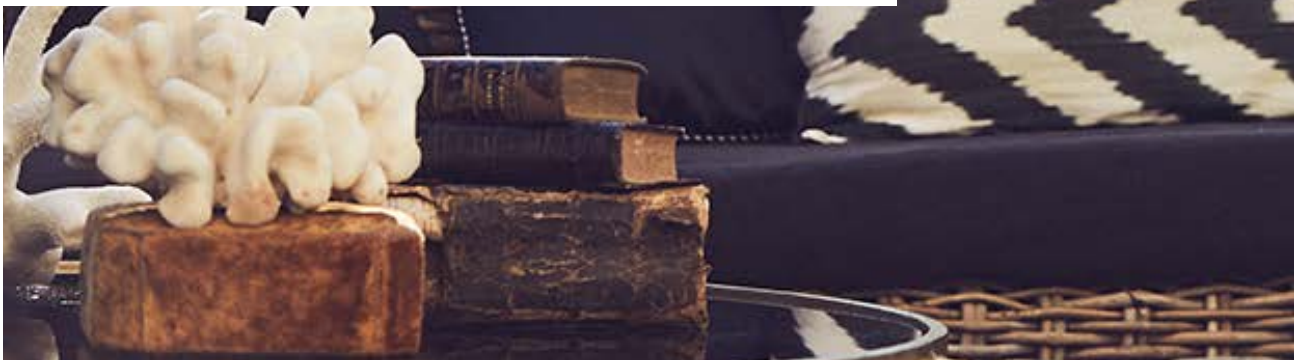
Materiality analysis

Our commitments

Relation with stakeholders

Committed to the 2030 Agenda

Respect for Human Rights





Our corporate identity

The company's identity encompasses our mission, vision and way of working. It is essential to aspiring to create a more sustainable company, with a value proposal adapted to each segment of the population to which our commercial offer is directed, adopting innovation as a strategic challenge and distinguishing feature in our culture.

Our mission

What we work for every day



To be a leading group worldwide in the lifestyle fashion sector, focused on meeting the needs of our customers, helping our employees to grow and contributing to the development of society.

Our vision

The goal we want to achieve



To offer our customers the best fashion; global fashion that is consistent with and committed to their lifestyle, different and diverse, represented by leading international brands.

Our values

The behaviour that identifies us



They reflect the beliefs that guide our behaviour.

Customer first

The most important thing for us is the customer. We work for and on behalf of them. Those of us who work at Tendam always put the customer at the centre of our decisions and we do our best to meet their current needs and anticipate their future ones. Our goal is for our products and services to surpass the expectations of our customers.

Honesty

We believe in a culture of truth, trust, transparency, respect and responsibility. We act honestly with each other and with third parties, respecting society, the environment and our surroundings.

Integrity

Integrity plays a key role in our values, and our success is thanks to the people who comprise our teams. Acting in keeping with what we think and say helps with our personal and professional development and reinforces our objectivity, credibility and leadership. This, in turn, contributes to the sustainable growth of our business.

Excellence

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

Innovation

We are all part of and contribute to a common project. Promoting the generation of innovative and effective ideas and launching revolutionary initiatives contributes to generating value for our customers, employees, suppliers, subcontractors and franchisees and, in general, for society.

Collaboration

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

Ambition

We want to be leaders, the best at what we do. The ambition of all of us at Tendam is to surpass our goals, to challenge ourselves and to exceed expectations every day, to offer our customers the best fashion.

Sustainable business model

To maximise our positive impact and integrate responsible behaviour into the management of the business and our income statement, we work to keep responsibly managing our business activity. The company is committed to promoting best practices in sustainability and is aware of its role to help improve the social and economic environment where it operates.

Our business model is centred around a way of working that allows us to improve quality of life and contribute to a healthier future for our employees, consumers, suppliers and society.

Our Team

Tendam is committed to integrity, ethics and responsibility regarding our behaviour and decision making. Our team is a key element in value creation, which is why we work on developing initiatives that encourage their professional growth, as well as on promoting diversity and equality, work-life balance, well-being and the safety of all.

Economic growth

The company maintains a sound financial position that allows us to retain the confidence of our shareholders, customers and suppliers, as well as the financial institutions. This, at the same time, allows us to generate opportunities for growth.

Environmental sustainability

Our commitment to sustainability is part of our day-to-day work. With the challenge of minimising the environmental impact of its activity, the company focuses its efforts on promoting the circular economy, the fight against climate change, commercialization of sustainable clothing and energy efficiency in both stores and offices.



Human Rights

Tendam is permanently committed to respecting and promoting Human Rights which is reflected since 2020 in its corporate policies. This commitment is shown through joining the United Nations Global Compact with the integration of the Ten Principles in the company's strategic vision to design and run projects that promote a responsible environment and the dissemination of best practices in the industry.

Investment in society

Social commitment is a key part of Tendam's sense of responsibility and fits firmly within the company's corporate values. The group works closely with the communities where it operates to promote sustainable development.

Sustainable garments

We are committed to sustainable development that meets our needs today without compromising the needs of future generations in a way that respects the environment, social well-being and economic growth. Our brands support the search for new processes and raw materials that help us to be more sustainable every day.



Materiality analysis

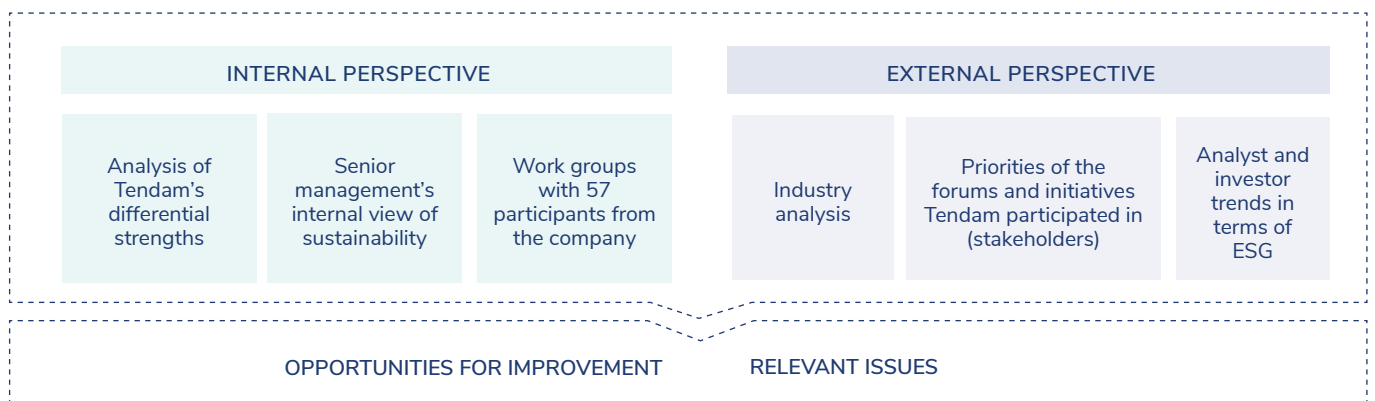
Seeking what is important

In 2019, the materiality matrix presented in the company's latest sustainability report was updated.

The materiality matrix update has been done through a two-step analysis and consultative process. The perceptions of stakeholders and the capacities and strengths of the business model have been assessed to define opportunities for improvement.

This materiality study makes it possible to focus on the priorities of the company's sustainability plans and programmes.

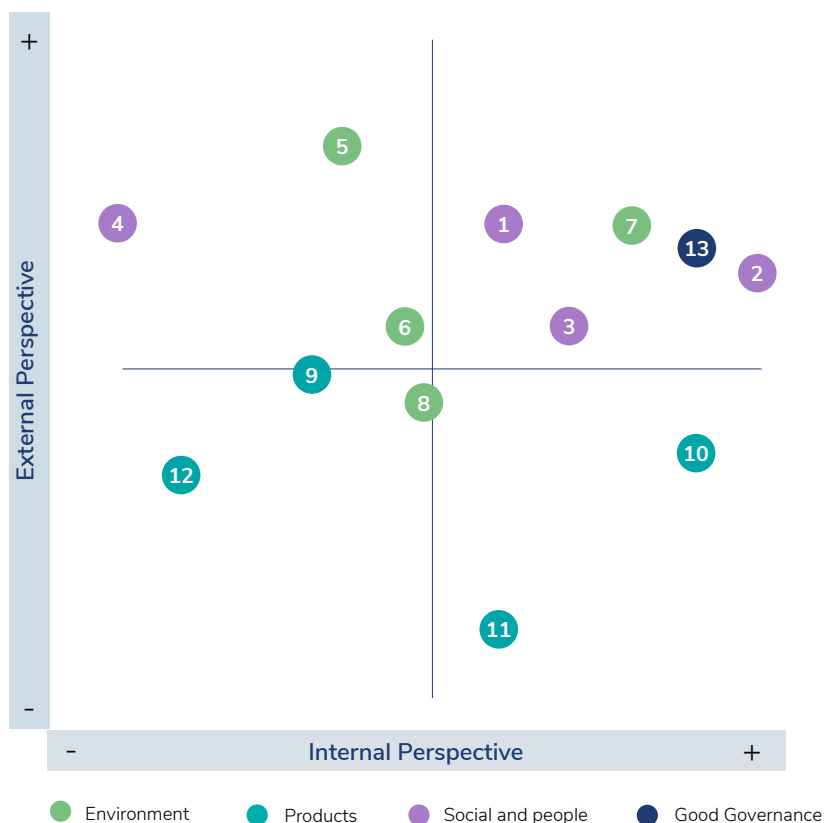
The following methodology has been carried out:



Methodology

1. Analysis of industry trends regarding sustainability with a special focus on innovation and processes.
2. Analysis of stakeholders' priorities through the forums and initiatives Tendam participates in.
3. Trend analysis of analysts' and investors' priorities on sustainability issues.
4. Analysis of the business model and the company's differential strengths.
5. Focus group with employees key for management, with the participation of different business areas not necessarily linked to specific sustainability issues.
6. In-depth interviews with senior management.

Materiality matrix



From the analysis that has been carried out, it can be seen how aspects related to the minimisation of environmental impacts are more of a priority than in previous years, such as using renewable energies and measures to reduce the environmental impact of products and replacing plastics. Issues relating to the working conditions of both the company's employees and protecting Human Rights in the supply chain remain key elements of how the business is managed.

Important matters

Social dimension	1	Working conditions in the supply chain	Ensuring fundamental Human Rights throughout the entire manufacturing process, having safe working conditions, guaranteeing fair wages and ensuring there is no forced or child labour in the supply chain.
	2	Attraction and retention of talent	Acquisition of profiles that can adapt, are resilient, and have business acumen. To be a brand that is an employer offering attractive jobs with long-term opportunities for development, training and remuneration.
	3	Diversity and inclusion	Promoting diversity at the company through inclusive measures and contexts to create and maintain a pluralistic workplace focused on gender, generational, and cultural diversity and different skills.
	4	Impact on society	Commitment to society through social action and solidarity initiatives carried out by the company.
Environmental dimension	5	Mitigation and adaptation to climate change	Policies, measures and targets to prevent and reduce greenhouse gas emissions, use of renewable energy and commitments to combat climate change.
	6	Efficient use of natural resources	Optimisation and promotion of efficient use of raw materials (mainly cotton) and consumption of natural resources (e.g. water) during manufacturing processes.
	7	Environmental impact	Minimisation of the environmental impact throughout the entire production process including extracting raw materials while seeking a minimum impact on biodiversity, reducing the use of chemicals, optimising transport processes and reducing packaging.
	8	Recycling and circular economy	Development of garment collection and recycling initiatives involving consumers in environmental commitments to turn textile waste into new garments.
Product dimension	9	Product and material innovation	Creation of new products and materials through eco-design and innovation as drivers to improve competitiveness by designing garments that do not conform to the temporary nature of the industry.
	10	Traceability and transparency in the supply chain	Monitoring controls at factories and production centres to optimise the supply chain together with improvements in computerised data processing systems.
	11	Replacing plastic	Creating alternatives to plastic both in products (polyester) and in packaging processes and store fixtures.
	12	Product quality and safety	Guarantees in production processes to prevent defective final products by working with quality standards and competing in the market with products that ensure customer safety.
Good governance dimension	13	Ethics and good governance	Conduct based on a set of ethical principles such as honesty and integrity, good governance and transparency applicable to the company's governing bodies.

Our commitments

Social responsibility is naturally integrated into our activities, viewing this responsibility as an inherent part of the organisation, promoting a commitment to sustainable development.

Our commitment is based on the five areas that cover the most relevant issues related sustainability, which the company has used to make its public commitments and create its short and long term strategy in order to achieve its goals while contributing to the Sustainable Development Goals (SDGs) at the same time.

Our commitment to sustainability



Strategic Plan ESG 2019-2021

We have established specific, measurable, achievable, realistic and time-bound objectives, which reflect our commitment to being a company that generates value with its activity for all its stakeholders.

	Topic	SDG	Action plan	Implementation Steps	Status
Environment	Carbon Footprint	SDG 13	Carbon Emission Reduction	<ul style="list-style-type: none"> New GHG emissions report. New commitments to reduce CO₂ emissions. 	
	Energy efficiency	SDG 7	Energy Efficiency Plan (Net reduction 9%)	<ul style="list-style-type: none"> Establish a new Energy Efficiency Plan at stores and headquarters. 	
	Circular economy: Waste	SDG 13	Waste Management	<ul style="list-style-type: none"> Implement selective collection systems at headquarters: packaging; electrical and electronic devices; textile waste. Put in place additional measures to the current ones donating items that were on display, returned or defective through clothing recirculation programs in the market and recycling when appropriate. 	
	Circular economy	SDG 12	Ecofriendly product inclusion in the group brands offer (>15% group collections in 2020-2021)	<ul style="list-style-type: none"> Define a Group common commitment with ecofriendly products and materials. Creation a technical Committee (WE CARE). 	
	Sustainable Buying	SDG 12	Buying & Procedures Policies	<ul style="list-style-type: none"> Specific trainings for Designers and Buyers in environmental matters. Sustainable & innovation Suppliers Map. 	
	Consumption Reduction	SDG 13	Reduce 30% Paper consumption	<ul style="list-style-type: none"> Implementation of a new digital document signing system. Replacement of individual printers with collective ones with efficient printing characteristics. 	
Social	Diversity	SDG 10	Dissability Integration Plan	<ul style="list-style-type: none"> Promote the direct hiring of people with disabilities in HR teams and chains. Internal Communication and Sensibilization Plan. Agreement with Inserta-ONCE Foundation. 	90%
		SDG 5	Gender Parity	<ul style="list-style-type: none"> Approval of the second Equality Plan. Carry out a detailed study of the Gender Wage Gap. 	
	Talent Attraction & Retention	SDG 5	Gender parity in management bodies	<ul style="list-style-type: none"> Women talent retention. Tendam Women Sponsoring Program for the promotion of women in the company. 	
		SDG 3	Work-life balance	<ul style="list-style-type: none"> Establish a Wellbeing activities & sport activities Plan for employees. Negotiate benefits for employees in external activities. 	
Governance	Good Governance	SDG 16	Supervision of ESG matters by the Board	<ul style="list-style-type: none"> Regular Reporting ESG topics to the Board. 	
	Transparency - STK	SDG 16	Adapt non-financial reporting to new scenarios	<ul style="list-style-type: none"> Inclusion of the non-financial reporting in the annual accounts management report. 	
		SDG 17	Social dialogue: Improve the communication channels with stakeholders	<ul style="list-style-type: none"> Engage in sectorial initiatives with Trade Unions and NGOs. Improve engagement at International Level. 	
		SDG 16	Supply Chain Transparency policies (country risk map)	<ul style="list-style-type: none"> Reach sector best practices on supply chain transparency. Create a suppliers social risk map. 	
External Stakeholders	Reduction Supply chain risks	SDG 12	Improve the Standardization Plan for Supply Chain Audits	<ul style="list-style-type: none"> Extend BSCI scheme in our supply chain and (65% suppliers at 2021) homogenize social certifications. Social supplier Risk Tool (75% factories integrated in 2020). H&S Standards: Implemented new Reach Standards in 2020. Environmental audits for the supply chain. 	
	Social Contribution	SDG 17	Aligned SDG contributions Develop new corporate volunteering Plan	<ul style="list-style-type: none"> Agreements with Foundations aligned with brands profile and interest aligned with SDG. Creation of new Corporate Volunteering Plan. Promote individual volunteering for employees. 	

Relation with stakeholders

Trust is key for creating long-term value. This is why the company works to ensure a close relationship with stakeholders, these being understood as the individuals and organisations that directly or indirectly affect the company's activity and/or are affected by it.

We are committed to a business model where listening to the stakeholders allows it to take advantage of the opportunities available in the market. The company is committed to transparent, two-way dialogue that allows it to deal with the challenges and opportunities that arise while carrying out the activity. The company provides its main stakeholders with several communication channels that encourage participation and involvement and that promote a framework of relationships based on transparency, continuous improvement and fluent and ongoing dialogue.

These communication channels are managed by the relevant areas of the company according to each stakeholder. Through a consultative process, different actions, work groups (customers, employees, unions, suppliers, social entities, etc.), and individual actions with different organisations about relevant issues are managed.

We actively participate in learning circles as discussion forums that are very useful tools. We are a member of many leading national and international organisations in the industry, actively taking part through their management committees and working groups to share experiences and analyse trends.

ACME (Asociación de Creadores de Moda de España)

ACOTEX (Asociación Empresarial del comercio Textil, Complementos y piel)

AEC (Asociación Española de la Calidad)

AMFORI (Trade with Purpose)

ANGED (Asociación Nacional Grandes de Empresas de Distribución)

ASECOM (Federación Moda España)

ASEPAM (Asociación Española del Pacto Mundial de Naciones Unidas)

EBCA (European Branded Clothing Alliance)

FMRE (Foro de Marcas Renombradas Españolas)

Foro Inserta-Once

Foro Social Industria de la Moda

Lealtad Foundation

Mesa Nacional de la Moda

Seres Foundation

The Fashion Pact

UN Fashion Industry Charter For Climate Action

United Nations Global Compact



Our stakeholders

GROUP	TOOLS	RELEVANT ISSUES
CUSTOMERS 	<ul style="list-style-type: none"> ◆ Corporate website ◆ Brand websites ◆ Sales channels ◆ Loyalty clubs ◆ Customer service ◆ Social networks 	<ul style="list-style-type: none"> ◆ Satisfactory shopping experience ◆ Quality of the products and services provided ◆ Customer service and loyalty ◆ Protection of health through toxic-free garments ◆ Protection of security and privacy of data
EMPLOYEES 	<ul style="list-style-type: none"> ◆ Corporate intranet ◆ Whistleblower Channel ◆ Work councils ◆ Social networks 	<ul style="list-style-type: none"> ◆ Protection of Human Rights ◆ Quality of employment ◆ Social benefits and work-life balance ◆ Safety, health and prevention of occupational risks ◆ Training and professional development
SUPPLIERS 	<ul style="list-style-type: none"> ◆ Supplier portal ◆ Whistleblower Channel ◆ Corporate website ◆ Meetings and periodic visits 	<ul style="list-style-type: none"> ◆ Relationship based on trust and working together ◆ Fulfilment of Human Rights ◆ Commitment to sustainability and innovation ◆ Stability in business relationships ◆ Fair hiring and payment agreements
FRANCHISEES 	<ul style="list-style-type: none"> ◆ Communication platforms ◆ Product conventions ◆ Training and guidance 	<ul style="list-style-type: none"> ◆ Comprehensive management service ◆ Fluid and ongoing communication ◆ Training and guidance ◆ Transparent relationship
INSTITUTIONS AND SOCIETY 	<ul style="list-style-type: none"> ◆ Corporate website ◆ Whistleblower Channel ◆ Social networks ◆ Agreements and collaborations ◆ Participation in forums and associations 	<ul style="list-style-type: none"> ◆ Innovation ◆ Promoting employment ◆ Diversity and equality ◆ Responsible use of resources ◆ Energy efficiency ◆ Commitment to ecodesign and the use of sustainable raw materials
INVESTORS 	<ul style="list-style-type: none"> ◆ Corporate website ◆ Relationship with investors ◆ Reporting results ◆ Press releases 	<ul style="list-style-type: none"> ◆ Financial and economic stability ◆ Corporate governance ◆ Sustainability and corporate social responsibility ◆ Transparency and ethics

Committed to the 2030 Agenda

At Tendam, we take a step further in our commitment to sustainable development and we make these commitments adapting them to the context in which we operate.

The company has incorporated the Sustainable Development Goals approved by the UN into its business strategy, taking into account that our efforts must be directed especially at the goals we can have the most influence over

This year, specialised training in the Sustainable Development Goals has been provided as part of the Be Talent & Mentors initiative.. The employees have been able to learn first-hand about these goals, understanding sustainable development and our contribution as a company..



1 NO POVERTY

- ◆ The commitment to this goal is reflected in the different social actions, such as the Involucrados project. In 2019, €152,170 were raised by supporting entities such as the Gil Gayarre Foundation, the Asociación Española de Esclerosis Lateral Amiotrófica (ADELA), the NGO Sauce and the Recover Foundation.

3 GOOD HEALTH AND WELL-BEING

- ◆ As part of the Health Plan, new initiatives have been launched to promote a culture of well-being: yoga classes, mindfulness, laughter therapy workshops, and physical therapy sessions.
- ◆ Women 'secret has promoted the #Simeimporta movement, through which it sells bras adapted for women affected by breast cancer.
- ◆ A safe and healthy working environment for employees is promoted through the Occupational Risk Prevention and Medical Service at the head offices.
- ◆ The company ensures compliance with appropriate labour requirements in the supply chain through the process of social auditing of suppliers and factories.

4 QUALITY EDUCATION

- ◆ Thanks to our commitment to learning and the professional development of our teams, we continue to encourage the growth of people at the company thanks to our training programmes: in-person training, gamification, Talent&Mentors mentoring programme, and e-learning.
- ◆ As part of the Volunteer Programme, employees give training sessions to students from the Fundación Síndrome de Down de Madrid, specialising in job interviews and personal styling.
- ◆ Women'ssecret collaborates with Plan International on International Women's Day by supporting their #Girlsgetequal project which will help ensure the right to education of Rohingya girls in Bangladesh.

5 GENDER EQUALITY



- ◆ The company is a staunch defender of the role of women in its activity, which is why it takes on, through its equality plan, the commitment to implement labour relations based on equal opportunities and non-discrimination.
- ◆ Our volunteers collaborate with the Quiero Trabajo Foundation to accompany women at risk of social exclusion for their integration into the labour market.
- ◆ For a second year, we sponsored the Business Women Empowerment initiative with the aim of contributing to the empowerment of women in the economic and business world.
- ◆ Through the Women Sponsoring Program, the company commits to promoting the recruitment of women in management positions.

7 AFFORDABLE AND CLEAN ENERGY



- ◆ Since January 2020, 100% of the energy acquired in Spain is from renewable sources, covering 800 stores as well as operating facilities.

8 DECENT WORK AND ECONOMIC GROWTH



- ◆ Tendam is signed up to the INSERTA employment programme of the ONCE Foundation to promote the social and employment integration of people with disabilities.
- ◆ The company is committed to guaranteeing decent work in its entire supply chain, ensuring, effective measures, through its External Code of Conduct to eradicate forced labour, slavery and human trafficking.
- ◆ Once again, we received the TOP EMPLOYER 2019 certification as recognition for being one of the companies with the best working conditions in our country.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



- ◆ Our brands continue to invest in sustainable collections: Honest by Women 'secret', R[ECO] NSIDER by Springfield, and Cortefiel with its eco-friendly seal.
- ◆ 50% of our brands' denim is H2Ø, which reduces up to 90 per cent water in manufacturing processes.
- ◆ We promote training for responsible design through the Aula de Sostenibilidad y Ecodiseño (Sustainability and Ecodesign Workshop) at the Universidad Politécnica de Madrid.

13 CLIMATE ACTION



- ◆ The company has joined Fashion Pact, the coalition of leading global fashion companies committed to shared environmental goals that are key to protecting the climate, biodiversity and the oceans.
- ◆ We continue to make progress regarding our sustainability strategy by promoting solutions to combat climate change and its effects through joining in the Business Ambition for 1.5°C initiative.
- ◆ To implement the principles of the Fashion Industry Charter for Climate Action, Tendam has joined the Fashion Industry Charter for Climate Action, overseen by the United Nations climate change Office, to define action steps. It has also set an initial target to reduce GHG emissions by 30% by 2030.

17 PARTNERSHIPS FOR THE GOALS



- ◆ Our contribution to the SDGs is materialized through collaboration with other entities to promote networking, innovation and talent management, contributing to the improvement of society. In 2019 we have strengthened our commitment to sustainability through partnerships with the Fashion Pact, the Business Ambition for 1.5° and the UN Fashion Charter for Climate Action. Our contribution to society is made in collaboration with different entities such as ONCE, the Dexeus Mujer Foundation, Atelier by ISEM, the Aula de Sostenibilidad (Sustainability Workshop) of the UPM and the Business Women Empowerment, among others.

Respect for Human Rights

Respect and effective guarantee of Human Rights are fundamental and indispensable elements for the sustainable development of the company and the environment in which it operates.

We are committed to respecting the Human and Labour Rights recognised in national and international legislation, aligning our internal policies and guidelines with the rights recognized in:

- ◆ The International Bill of Human Rights
- ◆ The Declaration of the International Labour Organization and the fundamental conventions they develop
- ◆ The United Nations Guiding Principles on Business and Human Rights
- ◆ The OECD Guidelines for Multinational Enterprises
- ◆ United Nations Global Compact

All these commitments inspire us to work to promote Human Rights and manage possible violations both within our organisation as well as in our supply chain as part of our Corporate Responsibility strategy.

We have been signatories of the United Nations Global Compact since 2002 when we formalised our commitment to respecting Human Rights in all our activities.

Our commitments are included in these policies/procedures:

◆ **Internal Code of Conduct**

This Code is a key element of our business culture and reflects the principles that inspire it, through the exemplary behaviour, integrity and honesty of all the people who are part of Tendam.

◆ **Code of Conduct for suppliers**

This code sets out the fundamental principles that must be respected by all suppliers and other entities within the framework of their relationship with the company.

◆ **Responsible Purchasing Policy**

This policy sets out the principles for incorporating social and environmental aspects into the entire procurement process, defining the procedures for acquiring or ordering indirect goods or services.

◆ **Policy on Due Diligence and Auditing of relations with third parties**

This document establishes a series of Due Diligence measures (review and control processes) applicable to certain markets, customers and suppliers based on Risk criteria.

These functions are entrusted to the Third Party Due Diligence Group (TDDG), made up of the Suppliers, Internal Audit, Franchising, Sourcing and Legal Departments.

Relevant issues regarding the company’s impact on Human Rights*



Management



Employees



Suppliers



Customers

Policies and Code of Conduct	Recruitment and remuneration	Managing the supply chain	Product liability and quality
Due diligence	Freedom of association	Decent work	Health and Safety
Multi-stakeholder initiatives	Health and Safety	Freedom of association	Consumer information
Transparency	Diversity and Inclusion	Fair conditions	Data privacy

* Self-Assessment done based on the methodology of the SERES Foundation’s Human Rights LABs

We protect the fulfilment of Human Rights regarding stakeholders, making specific commitments for each of them.

Our team

The company has appropriate internal policies and procedures aimed at ensuring respect for Human Rights in the relationship with our employees, Tendam's most important asset.

We want to create a workplace that promotes integrity, teamwork, excellence, diversity and trust. Thus, Human Rights are deemed a fundamental pillar, aligned with the ones in the Code of Conduct and Human Resources policies.

These commitments are primarily fulfilled through:

- ◆ Compliance with current applicable legislation.
- ◆ Respecting and promoting diversity and equality opportunities.
- ◆ Not allowing any form of harassment or abuse or any type of discrimination based on sex, ideology, race and/or religion.
- ◆ Guaranteeing freedom of expression and opinion.
- ◆ Implementing corruption prevention measures.
- ◆ Ensuring there is no child labour or forced labour.
- ◆ Respecting freedom of association and collective bargaining.
- ◆ Promoting measures that facilitate work-life balance.
- ◆ Looking after professionals' health by providing safe workspaces and preventing occupational risks.
- ◆ Motivating and contributing to boosting growth and professional development through talent management and training.

Our suppliers

Suppliers are a key piece in the supply chain and carrying out our activity. Accordingly, the company promotes practices and behaviours aligned with its values through its strategic policies and alliances, taking part in initiatives aimed at eradicating Human Rights violations and guiding our customers, suppliers, partners and franchisees to work towards the same goal.

Tendam joined AMFORI in 2017, to strengthen its capability of assessing and monitoring suppliers throughout the value chain. The initiatives BSCI (Business Social Compliance Initiative) and BEPI (Business Environmental Performance Initiative), they provide an international framework to support actions aimed at reducing risks associated with the supply chain.

Our customers

Respecting customers' Human Rights is an essential part of our commitment, rejecting any kind of discrimination against them, respecting their right to privacy at all times and protecting their health and safety.

We collect, store and manage a significant amount of personal data belonging to our employees and suppliers but especially to our customers and members of our loyalty clubs too. They all express their trust in us by allowing us access to their personal data and, in return, we provide them with our commitment to the security, confidentiality and integrity of the data and to ensuring it is used under the terms permitted by applicable regulations.

The company participates in the Artificial Intelligence (IA) and Human Rights Laboratory managed by the Seres Foundation as a tool for knowing the risks, better understanding the challenges and opportunities of AI, staying ahead, and including all groups of society. The Data Science and Legal departments work to ensure responsible and inclusive AI that improves the connection with our customers and satisfies their needs, preventing the development of biases related to technological advances or unauthorized use of your personal data.

Complaint mechanisms

We have established communication, query, complaint and reparation processes that are available to the people affected by our activity.

The company has not received any complaints about Human Rights violations this year.

We have a Whistleblower Channel that can be accessed both from the intranet and from the company's website. It allows any employee or third party to report possible irregular or unethical behaviour or behaviour that goes against the principles set out in the Code of Conduct or violations of Human Rights.

To preserve the independence, transparency and security of the process, the Whistleblower Channel is managed externally, guaranteeing confidentiality and security throughout the process.

3.

Corporate Governance

Ownership structure

Governance

Corporate ethics and regulatory compliance

Information security

Risk management





The company incorporates practices and recommendations, both national and international, in its management in the area of good governance, ethical behaviour and regulatory compliance.

Ownership structure

The share capital of Tendam Brands, S.A. amounts to 5,000,000 euros, represented by 5,000,000 shares of 1 euro par value each, belonging to a single class and series. The company is wholly owned by the Luxembourg company Castellano Investments, S.a.r.l.

Tendam Brands, S.A. is the owner of 100% of the share capital of Tendam Fashion, S.L.U. (formerly known as MEP Retail España, S.L.U.) and, through this, of 94.26%¹ of the share capital of Tendam Retail, S.A. (formerly known as Cortefiel, S.A.).

The controlling shareholders of the Tendam Group are the private capital firms CVC Capital Partners and PAI Partners.



Governance

The General Shareholders Meeting

The General Shareholders Meeting is the sovereign body of the company, where the shareholders come together to discuss and decide on matters and affairs in their domain, in accordance with the law and Articles of Association.

The General Shareholders Meeting meets once in the first six months of the financial year, to evaluate the company's management and approve the annual accounts for the previous financial year. Extraordinary meetings take place whenever they are necessary to make other decisions.

The General Shareholders Meeting that approved the annual accounts for the 2018 financial year was held on Friday, 30 August 2019.

The Board of Directors

The Board of Directors is responsible for the representation, administration, direction, management and control of the company, and it is responsible for establishing its general guidelines, policies and strategies. It also protects the interests of shareholders, employees, customers and other stakeholders.

The Board of Directors has two advisory committees: the Audit and Risk Committee and the Appointments and Remuneration Committee.

The Audit Committee oversees the preparation and presentation of the financial information, monitors compliance with legal requirements and supervises and evaluates the company's risk management and corporate governance systems. It also supervises compliance with policies on sustainability and corporate social responsibility.

Meanwhile, the Appointments and Remuneration Committee establishes and reviews the criteria that must be followed for the remuneration of the company's directors and the members of its management team.

The company's Board of Directors comprises seven members: a chair, who also holds the position of CEO, and six members, three representing each of the controlling shareholders. The Board's secretary is not a director.

One of the Board's members is a woman, representing 14.28% of the total (and 25% including the Board's secretary).

Its size, structure as well as the qualifications of its members are in line with the structure, complexity and needs of the group, and allow for the diligent and streamlined management of any issues that may arise.

1. Formally, the holding of Tendam Fashion, S.L.U. in the share capital of Tendam Retail, S.A. is 92.29%. Leaving aside the company's treasury stock, the effective holding and the associated voting rights represent 94.26%. The remaining shares are owned by a small group of minority shareholders.

◆ ◆ Jaume Miquel Naudí

CEO since August 2016 and Chairman since June 2019. He was the managing director for the brands Cortefiel and Pedro del Hierro (2015) and Women'secret (2006). He previously held leadership roles at Timberland, Dockers and Levi Strauss, among others. He has a degree in Economic Sciences from the University of Barcelona and has taken a Business Management Development programme at the IESE.

Commissions: N/A

◆ Federico Conchillo Armendariz

He is a partner at Abac Capital and from 2007 to January 2019, he was a partner at PAI Partners. He began his professional career at Boston Consulting Group and later worked at Merrill Lynch. He studied Applied Economics at the Katholieke Universiteit Leuven in Belgium and has an MBA from the University of Chicago GSB.

Commissions: Member of the Audit Committee and the Appointments and Remuneration Committee

◆ Theatre Directorship Services Delta, S.A.R.L., represented by:

Álvaro Sendagorta Cudos

Investment Manager for CVC. Before joining the company in 2015, he worked at McKinsey & Co. for four years. He has a degree in Aeronautic and Space Engineering from the Polytechnic University of Madrid and has an MBA from Harvard Business School.

Commissions: Member of the Audit Committee and the Appointments and Remuneration Committee

◆ Laura Muries Fenoll

She is a partner at PAI Partners, joining the company in 2007. She began her professional career in the Investment Banking Department of Merrill Lynch in Madrid. She has a degree in Business Administration and Law from the Carlos III University of Madrid.

Commissions: Chairwoman of the Audit Committee and member of the Appointments and Remuneration Committee

◆ Theatre Directorship Services Beta, S.A.R.L. represented by:

José Antonio Torre de Silva y López de Letona

He is a partner at CVC, joining the company in the year 2000. Before joining CVC, he worked at Paribas. He has a degree in Industrial Engineering from the ICAI Technical Engineering School and an MBA from the IESE (Barcelona).

Commissions: Chairman of the Appointments and Remuneration Committee and member of the Audit Committee

◆ Fabrice Andre Paul Fouletier

He is a partner at PAI partners, joining the company in 2001 as a member of the retail and distribution team. He began his professional journey at Bankers Trust/ Deutsche Bank and then moved to the bank's European acquisition funding group in Paris and London. He graduated from HEC Paris in 1998.

Commissions: N/A

◆ Theatre Directorship Services Alpha, S.A.R.L., represented by:

Javier de Jaime Guijarro

Managing Partner at CVC. Before joining CVC in 1997, Javier worked at 3i PLC in Madrid for five years and in the United Kingdom for two years. He has a law degree from the ICADE University of Madrid and has an MBA from Houston University (US A).

Commissions: N/A

◆ Mar Oña

Non-director secretary of the company since December 2018, she was previously the general secretary and secretary for the Board of Directors of Prosegur Cash. She previously worked with the British law firm Clifford Chance. She has a degree in law from the Autonomous University of Madrid and a postgraduate degree in international law from the Bucerius Law School in Hamburg (Germany).

Commissions: Secretary of the Audit Committee and of the Appointments and Remuneration Committee

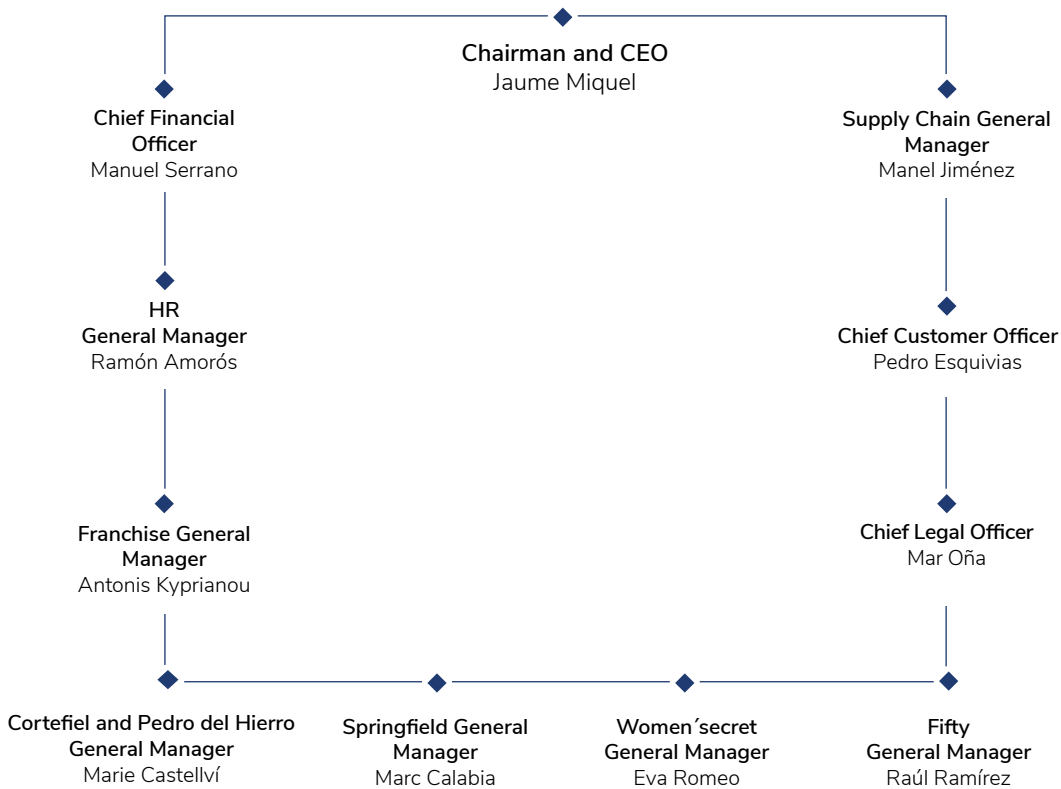
*Miguel Ibarrola, Chairman of the company since May 2016, stepped down in May 2019

The Management Committee

The Management Committee is responsible for ensuring the implementation of the guidelines determined by the Board of Directors, doing so by establishing operating strategies for the different chains and corporate units. It is a body strongly focused on achieving goals.

Each of the commercial chains also has its own committee for the operational and commercial management of the group's different brands.

The Management Committee comprises 11 members, 3 of whom are women (i.e. 27.3%).





Remuneration of directors and senior management

Pursuant to the Articles of Association, Board members will not receive, in their capacity as such, any remuneration. The chair and the directors who have executive duties will have the right to receive the remuneration that, within the limits set by the General Shareholders Meeting, is established by the Board of Directors. Their remuneration may consist of a fixed amount, a variable amount related to targets, remuneration in kind or contributions to long-term savings plans. They may also receive redundancy payments and compensation for any post-contractual non-compete obligations.

Pursuant to this, the chair and CEO is the only Board member that receives remuneration for his executive duties. This payment includes a fixed amount plus a variable amount related to targets, while also having the right to redundancy payments and compensation for his post-contractual non-compete obligations.

For its part, remuneration of the senior management also includes a fixed amount, plus a variable component linked to the achievement of targets. The senior management of the company are understood to be those people who perform managerial functions directly reporting to its CEO.

During the 2019 financial year, the remuneration for the chair and CEO and the directors of the company, for all concepts, amounted to a total of 4,712,587 euros (gross). By gender, it is a total of 419,869 euros gross per year on average for men and 405,026 euros for women.

Conflicts of interest

The directors have the obligation to notify the Board of Directors of any direct or indirect situation of conflict, that they or people related to them may have with the company's interests, and have, in this case, the obligation to refrain from taking part in the corresponding decision making. Likewise, they are banned from conducting activities, on their own behalf or on behalf of a third party, which entail effective competition with the company.

Corporate ethics and regulatory compliance

Ethical behaviour and compliance with the current legislation are essential elements in the company's culture and strategy. Tendam requires its managers, executives and personnel to commit to behaving ethically and in strict compliance with the law when conducting their activities.

Internal and External Code of Conduct

The Internal Code of Conduct is the fundamental set of rules at Tendam. It is regularly updated, and the current version was approved by the Board of Directors on 26 July 2019.

It establishes the values, principles and behaviour that the company requires from all its professionals, based on the principles of transparency, integrity, ethics and responsibility.

The Code of Conduct details the general principles on which it is based:

- ◆ Compliance with the law
- ◆ Commitment to Human and Labour Rights
- ◆ Respect for people
- ◆ Honesty, integrity and excellence
- ◆ Respect for the environment

It also promulgates TENDAM's mission, vision and values and develops the standards of conduct required regarding:

- ◆ Health and safety of people
- ◆ Using and protecting corporate resources
- ◆ Corporate image and reputation
- ◆ Conflicts of interest
- ◆ Political neutrality
- ◆ Confidentiality, market behaviour and respect for free competition
- ◆ Money laundering and payment irregularities
- ◆ Counterfeiting of means of payment
- ◆ Transparency and record keeping
- ◆ Privacy of personal information
- ◆ Corruption and bribery
- ◆ Intellectual and industrial property

The commitment to these principles and conduct guidelines is possible thanks to an extensive training programme which different groups of the company participate in periodically including the Management Committee itself, other executives and middle managers.

Tendam extends the commitment to its values and principles to its supply chain and other third parties it relates within its business activity. It does so through the External Code of Conduct, which requires suppliers and franchisees to follow the same principles of transparency, integrity, ethics and responsibility that it requires for itself. The mandatory formal acceptance of the External Code of Conduct by all suppliers improves the traceability of the control process.



Internal Code of Conduct



External Code of Conduct

Compliance Programme

Tendam also has a Regulatory Compliance Programme that establishes control measures, policies and procedures applicable to the company's different areas of activity, all designed to prevent and manage different types of risks and, specifically, the risk of non-compliance with current regulations. This programme includes conduct guidelines in the areas of crime prevention, anti-corruption, the defence of competition and unfair competition, intellectual property, data protection and money laundering, among others.

In addition, to ensure respect not only for regulatory obligations but also for ethical, organisational, environmental and social ones, Tendam has a set of procedures and protocols affecting areas such as procurement, supply chain, information security and product quality that help to prevent and/or mitigate risks associated with the company's activity.

The management of the Internal and External Code of Conduct and the Compliance Programme, as well as their dissemination and the promotion of best practices in this area, are the responsibility of the Ethics Committee, comprised of the Human Resources, Legal and Internal Audit departments, which, in turn, reports to the Audit and Risk Committee.



Procedures

To monitor compliance with regulatory or voluntary obligations of an ethical, organisational, environmental or social nature, a set of procedures and protocols is available to help prevent and mitigate associated risks.

- ◆ Internal Code of Conduct
- ◆ External Code of Conduct for suppliers
- ◆ Social Audit Protocol for suppliers
- ◆ Product Quality and Safety Protocol
- ◆ Information Security Policy
- ◆ Policy on donations to social service agencies
- ◆ Policy on the procurement of goods and services
- ◆ Recruitment Policy
- ◆ Travel and Expense Policy
- ◆ Occupational risk prevention plan
- ◆ Protocol for the prevention of sexual harassment
- ◆ Pregnancy and breastfeeding protocol
- ◆ Internal Management Regulations at stores

Whistleblower Channel

The company has a Whistleblower Channel that can be accessed both from the intranet and from its website. It allows any employee or third party to report possible irregular or unethical behaviour or behaviour that goes against the principles set out in the Code of Conduct. It is managed by an external company, which ensures the anonymity, confidentiality and security of the entire reporting process.

Complaints that are received are filtered by the Internal Audit department, investigated and managed by the corresponding corporate unit, and ultimately reported to the Ethics Committee. It is up to the latter, as circumstances warrant, to make the final decision.

During 2019, the Whistleblower Channel received 1,089 visits and 44 incidents were reported (24% fewer and 51% more than the previous year, respectively), all related to labour and fraud issues. Of these, 88.63% were resolved with confirmation of the reported incident and the application of the corresponding disciplinary measures.



Training Programme

The company has had a specific ongoing training programme on the Code of Conduct since 2016. It also has other training programmes on Regulatory Compliance such as online training on crime prevention and training activities on data protection. These initiatives are geared towards different groups within the company, depending on their areas of activity and levels of responsibility.

In addition, as a promotional and awareness-raising measure, periodic awareness and informative actions are carried out on these matters through various internal communication channels such as publishing newsletters, sending out informative e-mails and sharing messages through the corporate intranet.

Measures against fraud, corruption, bribery and money laundering

Tendam is a company committed to the fight against fraud, corruption, bribery, money laundering and the financing of terrorism.

To guarantee transparency and fight against practices and behaviours that are unethical and lacking integrity, the company has different procedures, measures and controls, including:

- ◆ A ban on accepting in-store payments, in cash, for sums of more than €2,500 in a single payment or in several instalment payments.
- ◆ Means of payment verification procedures to combat the entry into circulation of counterfeit money or the fraudulent use of credit or debit cards.
- ◆ The establishment of control measures in the cash register systems (POS in store).
- ◆ Control measures for payments in cash, through bearer cheques in foreign currencies, or to people, entities or accounts domiciled in tax havens.
- ◆ Due diligence procedures and the mandatory prior approval of suppliers and franchisees, based on RBA (risk-based approach) principles.
- ◆ A ban on giving or accepting gifts or other benefits that, due to their value, characteristics or circumstances, may influence or alter professional relationships and/or create conflicts of interest.
- ◆ Reimbursement of expenses linked to and conditional on the prior presentation of the corresponding bill or receipt.

Training on the Code of Conduct

1,592 employees / **3,184 h.**

Training on crime prevention

38 employees / **38 h.**

Training on data protection

84 employees / **126 h.**

Contributions to non-profit foundations and organisations

Tendam is a company committed to social issues and regularly collaborates with foundations, associations and other non-profit organisations, as detailed in chapter 8.

However, Tendam has control protocols in place to ensure transparency and integrity in the financing of philanthropic activities and contributions to non-profit foundations and organisations.

There is a procedure for the management and control of any contributions and/or donations made by the company. In any case, the prior signing of collaboration agreements that set the terms and commitments adopted is required. Control mechanisms are also established for financial transactions and the issuing of the corresponding donation certificates is always required.

The transparency analyses proposed by the Lealtad Foundation are used when choosing third sector organisations.

The goal of the Lealtad Foundation is to evaluate the suitability of the organisations with which partnerships are established, opting in a majority of cases for certified entities.

Financing political activities

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

Information security and data protection

We live in a world that is more and more connected, where the Internet and information technologies are part of our daily lives. Tendam has been working for years to improve its infrastructures and business processes to better adapt to the needs of its customers in an increasingly virtual world and with a clear commitment to protecting one of its main assets: its customers' data and data related to the business.

Tendam's commitments regarding information security and data protection are reflected in the development and constant adaptation of policies, guidelines and procedures, not only in a strictly technological sense but also as part of its corporate culture. Tendam involves each member of the organisation in defending this business culture and has training and awareness plans suitable for each profile.

The group's various privacy policies are in line with current data protection regulations in each of the countries where it operates.

Tendam has a data protection officer (DPO) who is in regular contact with all the relevant members of the company.

It has also security protocols designed to prevent, identify, and remedy possible information security breaches. These protocols regulate the actions of the company's different areas and departments such as IT, Security and Systems and Legal, etc. as well as other departments whose job it is to communicate with stakeholders such as Marketing, Sales, Sourcing, and Corporate Communication.

The company has put the following policies in place regarding information security and privacy, among others:

- ◆ General privacy policies (both internal ones, including the Code of Conduct, and external ones, aimed at customers)
- ◆ Data protection policy in the workplace
- ◆ Security breach management procedure
- ◆ Business Continuity Plan (BCP), including ITv continuity measures, among others



Risk management

Appropriately monitoring and managing risks is one of the basic pillars for value creation by the company, especially with regard to achieving its strategic, commercial and operational goals.

The company has a risk map that groups risks into different categories depending on their nature which is supervised by the Audit and Risk Committee. It has the task of assessing and classifying them based on their potential impact, their likelihood and the level of preparation of the group to deal with them, as well as establishing the measures to mitigate or remedy their impact. This year a Risk Committee was also set up and comprises several members of the Management Committee. The Risk Committee meets quarterly or holds extraordinary meetings as circumstances warrant.

During the year, the Risk Committee's priority objectives were to carry out an in-depth review of the risk map and to update it and develop a new monitoring and control tool adapted to the new risk map based on risk indicators.

Tendam also has a set of specific risk control rules, protocols, and procedures and response plans. Examples of these are the controls for the approval of investments, for the use of information and/or the controls on the access to accounting systems or the controlling of expenses. Other examples are the continuity plan for the business, designed to deal with situations of a catastrophic nature or those that put the operating capacity of the company at risk, the measures for monitoring compliance with the Code of Conduct and the measures for physical and technological security and occupational health and safety.

The company's risk management system is managed by a specific Risk Committee and is structured around a set of basic principles:

- ◆ The identification, assessment, control and reporting of risks
- ◆ The definition of tolerable risk levels
- ◆ The assessment of risks using methodologies and indicators that allow them to be measured objectively
- ◆ The establishment of corporate policies and procedures to minimise risks and their possible impact and to maximise opportunities
- ◆ The monitoring and reporting of the results of the assessment and the effectiveness of the measures applied
- ◆ The supervision of the system by the Audit and Risk Committee.

1. Strategic risks

Sustainable organic growth, the integration of new technologies, new sales channels and international expansion are key factors for Tendam's business.

The continuous analysis of the risks in each country or region is essential when defining the growth strategy of the group in the countries where it operates, the expansion into new markets and the exposure to a certain country or region as regards procurement.

The commitment to integrating sales channels (omnichannel presence) and to new technologies represents, on the one hand, a way to diversify the risk associated with the more traditional business model and, on the other, a new focus on its specific risks.

- ◆ The geopolitical risk of the countries where Tendam operates or plans to operate is analysed based on the specific country risk profile prior to establishing operations, or regularly once these are active.
- ◆ Tendam continuously monitors various performance indicators and the evolution of its digital business.
- ◆ The company has established procedures for due diligence, prior mandatory approval and supplier and franchisee auditing based on RBA (risk-based approach) principles.
- ◆ On the issue of breaches of logistics security, the company has control and review mechanisms, technical contingency systems and third-party applications to anticipate and/or mitigate the consequences of these risks taking place.

2. Operational and business development risks

The constant analysis of the specific issues that, from an operational, logistics and human resources management point of view, affect the company's activity sector, as well as the constant monitoring of the geographic areas in which the company operates and sources its supplies, make it possible to reasonably predict possible changes, minimise their impact, and even generate new opportunities.

The company also faces risks related to the improvement and investment and the security and integrity of its technological infrastructure and its databases.

3. Compliance and reputation risks

The group is vulnerable to regulatory risks derived from the various legislations in effect in the countries where it operates and in those from where it obtains its supplies. The company assesses and manages the different regulatory risks, including risks of a tax, customs, employment, criminal, consumption, personal data, privacy and intellectual property nature.

The inadequate management of aspects relating to ethics or corporate reputation can directly influence stakeholder perceptions of the group, and, particularly, customer perceptions.

4. Financial and reporting risks

Tendam is vulnerable, in the normal running of its business, to risks of a financial nature, such as exchange rates, interest rates, counterparty and credit risks, along with those related to the funding of working capital. The company is also vulnerable to risks related to the preparation of its financial information.

5. Risks associated with climate change and Sustainability

Tendam is vulnerable, as part of its normal operations, to risks associated with the current climate crisis and the impact on the environment and population that may affect its business model.

-
- ◆ Risks such as the increase in the cost of procurement due to a rise in the price of raw materials or higher labour costs are monitored at the source so they can be appropriately managed.
 - ◆ The company has contingency plans and preventive maintenance measures to manage the risks associated with the logistics of the merchandise that could result in a breakdown of supply, whether due to incidents during transport or in the logistics centres.
 - ◆ The company has continuous review mechanisms and internal and external measures for the prevention, detection, resolution and coverage of breaches of security and cyberattacks.
-

- ◆ The company has a Compliance Programme to prevent and manage the risk of non-compliance with the current legislation and to mitigate the risks derived from the growing complexity of the international regulations in the countries where it operates.
 - ◆ The company ensures the security of its products by implementing control mechanisms at the source.
 - ◆ The group establishes procedures and mechanisms to mitigate reputation risk, including the active management of relationships with the media and the monitoring of the company's corporate image on social media.
-

- ◆ The company has mechanisms for financial control, debt management, rules and criteria for the approval of investments and efficient management principles for working capital.
 - ◆ With the gradual implementation of an internal financial information control model (SCIIF), the company is making progress with raising awareness about the control, quality, traceability and integrity of its financial information.
-

- ◆ The issue of natural resources and biodiversity involves monitoring source materials and the company is moving towards incorporating more sustainable materials as well as more efficiently managing resources and energy.



4.

Our customers

The customer

More efficient and eco-friendly stores

Sustainability of our garments

Permanent dialogue with our customers

Communication with values





The customer

The customer is at the core of Tendam's activity, which is why we want to guarantee a good multichannel service. The company searches for new solutions to improve the omnichannel shopping experience, both in physical stores and online, benefiting from the complementarity of these channels.

A culture of innovation is promoted that allows us to adapt to the ever-changing market and provide our customers added value, ensuring a high level of quality of both our offline and online sales services.

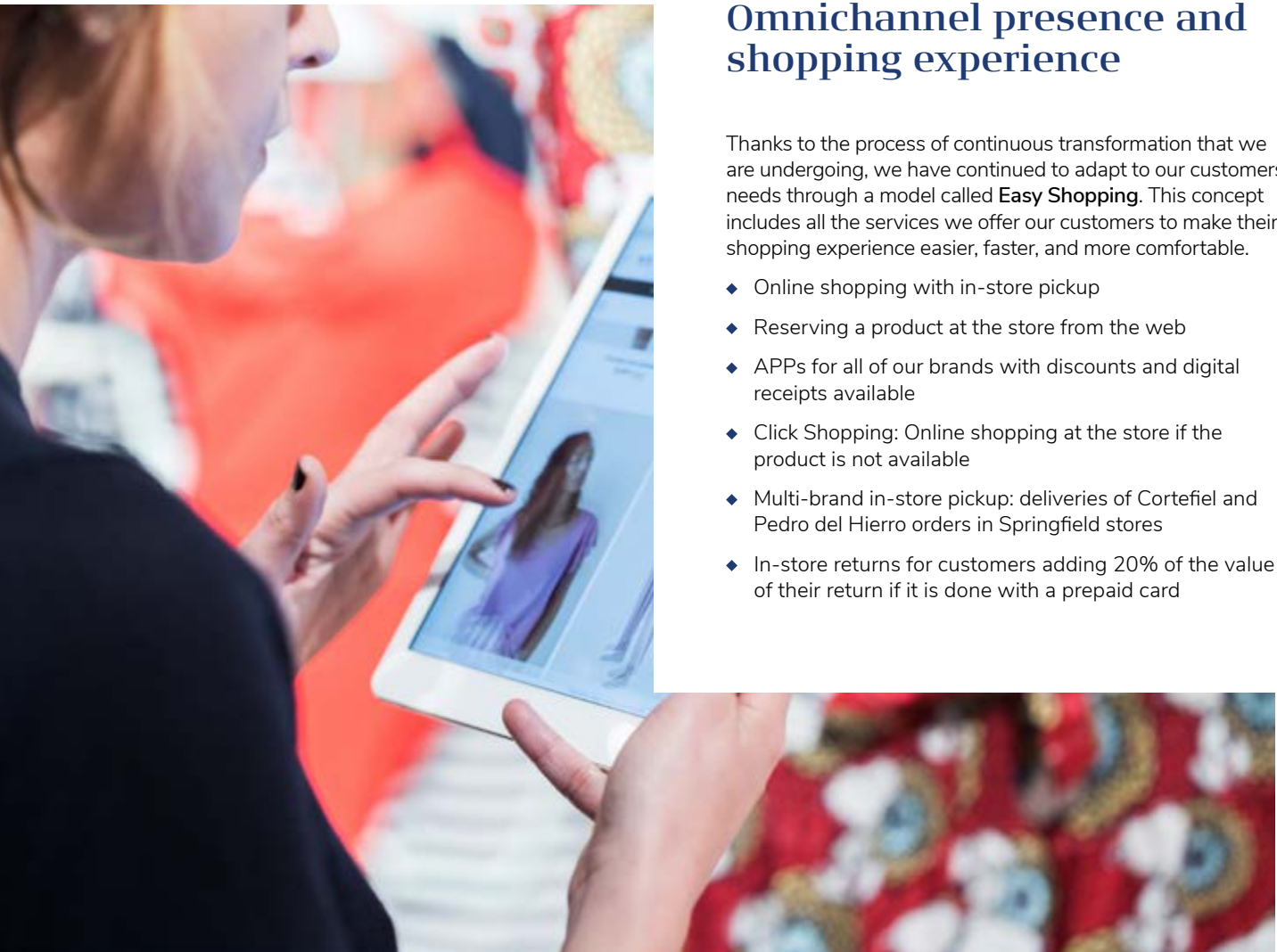
Customers are more and more connected and wish to be able to make their purchases quickly and efficiently, seeking greater flexibility. All the details that create an excellent shopping experience for the customer are taken into account.

All of the company's brands have had an e-commerce channel and they currently operate in **47 online markets**. Online sales have shown steady growth that has increased considerably for all of the brands in recent years. In 2019, the company's online sales grew by 28.7% and now represent 9.6% of the total turnover.

Omnichannel presence and shopping experience

Thanks to the process of continuous transformation that we are undergoing, we have continued to adapt to our customers needs through a model called **Easy Shopping**. This concept includes all the services we offer our customers to make their shopping experience easier, faster, and more comfortable.

- ◆ Online shopping with in-store pickup
- ◆ Reserving a product at the store from the web
- ◆ APPs for all of our brands with discounts and digital receipts available
- ◆ Click Shopping: Online shopping at the store if the product is not available
- ◆ Multi-brand in-store pickup: deliveries of Cortefiel and Pedro del Hierro orders in Springfield stores
- ◆ In-store returns for customers adding 20% of the value of their return if it is done with a prepaid card





Thanks to a new application, shop assistants have access to all the product information they need using their device, in real time and with a single click, and without having to leave the customer at any time. The application provides information on the level of inventory and its availability, offers suggestions for cross-selling, including looks created by shop assistants at all stores, and alternatives for when a product is not available using image recognition. It also helps with online sales at the store if the product is not available at that time.



In order to make shopping easier for our customers, multi-brand pickup has been made available at more than **140 Springfield points of sale**.

in Spain and Portugal for online order pickup from Cortefiel and Pedro del Hierro. Springfield is the group's brand with the largest number of points of sale and that is why we wanted to use this brand to increase the delivery points for Cortefiel and Pedro del Hierro customers.

This allows us to improve the accessibility of the service for more dispersed populations that do not have points of sale for all brands. This year, more than **22,000 orders** have been placed delivered this method.



This end-to-end omnichannel experience allows us to offer new online services and we have developed new APPs for all brands.

Through the new features, the experience in brick and mortar stores is enhanced by offering consumers the option to scan the product's label and obtain all the information available on the website for that garment or accessory and see its availability in the store, make a reservation or buy it online.

Also, this year we have included the function of being able to look for products similar to any product the user has seen in a photo at all Tendam's brands.

Furthermore, it allows the over **26 million Tendam club members** to include their club cards and receipts in the application in order to access their promotion points through their mobile phone.



We have done away with paper receipts that were included in all online orders. These receipts have been replaced by digital receipts that are attached to the order confirmation emails. Additionally, on the brand apps, you can see all of your receipts for your purchases.

Since it has been rolled out in May 2019, over **1 million paperless orders** have been placed, consequently resulting in lesser environmental impact.



More efficient and eco-friendly stores

Stores are a way to connect with customers and transmit the brands' values through their design and the creation of unique spaces. Each store has its own personality, consistent with the brand, which adapts to the commercial offer and is constantly updated so that it can offer the customer unique shopping moments.



The omnichannel experience has meant the adaptation and integration of the physical points of sale and online channels, making it possible to have the latest technologies in the store itself, offering the customer a more complete shopping experience. There you will find every facility to be able to complete the shopping process like mobile payment or the availability of pickup points for online orders at some stores.

Through the physical points of sale, the customer connects with the most tangible reality of the brand, which is why the company must ensure that this point of contact is excellent. Furthermore, the staff in our stores are specially trained to provide a tailored and personalised service every day.

The points of sale are located in areas close to our customers, occupying spaces in the main streets and commercial areas specially designed to provide convenience and ease of access.

That is why nearly 40% of the pickups and returns from online orders are done at our stores, minimising the financial and environmental impacts of the last mile transport.

As part of Tendam's commitment to the environment, environmental principles are followed that make it possible to minimise consumption.





Since January 2020, all the electricity at our **stores in Spain, logistics centres and headquarters** is **renewable** with a Guarantee of Origin Certificate (GoO), reducing our carbon footprint and preventing the emission of an estimated 30,000 tonnes of CO₂ into the atmosphere.



The **paper bags** have a PEFC or FSC sustainable forest management certificate and the plastic bags contain 70% recycled material. We have saved millions of plastic bags at the source thanks to our collaboration with suppliers.



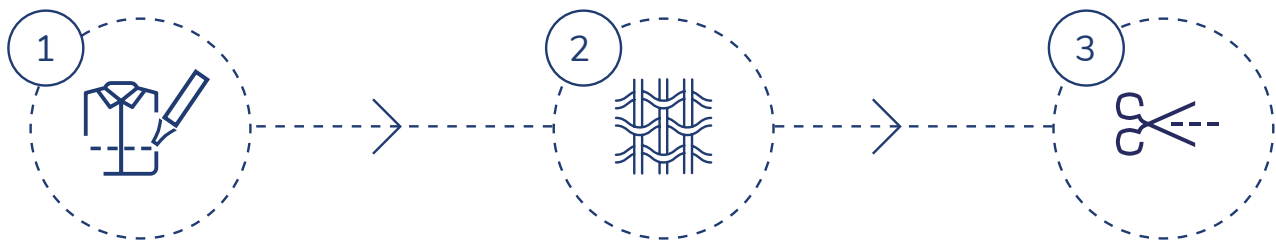
All the new store openings and renovations are planned and implemented to ensure accessibility for people with reduced mobility. The adaptation of spaces, entrances and exits, fitting rooms and elements in stores comply with current legal regulations and are a result of our commitment to our customers.

Sustainability of our garments



Our organisation and model are centred around customers who are looking for the latest fashion trends but also timeless quality design. We share the same awareness for protecting the environment. That is why we work every day to offer more sustainable garments and services.

Committed to working in a more sustainable way, our brands are expanding their collections with eco-friendly materials and processes. To make our garments more environmentally friendly, we are focusing on three key stages within our value chain.



Design

The design is the first chance in our value chain to incorporate sustainable goals from the beginning of the process.

Our employees have received specific training sessions aimed at raising awareness and approaching these issues with our product and purchasing departments.

Within the scope of ecodesign, research is being carried out on new materials and the use of more sustainable techniques in the design process and finishes of garments with lower water and energy consumption, such as ozone and laser techniques.

Raw materials

During the design stage when the collections are taking shape, selecting the fabrics and materials to be used is a key part of the process. We are using more natural raw materials to manufacture our garments to make them more environmentally friendly.

Production processes

Creating more sustainable garments is also achieved through more environmentally friendly processes which involve reducing chemicals in our garments as well as using water appropriately.

All our brands have evolved significantly in manufacturing more sustainable garments under their different collections. Currently, 7% of the group's total production is carried out under more sustainable terms and the goal for 2020-2021 is to reach 15% on a global level.

R[ECO]NSIDER

With R[ECO]NSIDER, Springfield's commercial offer already reaches 15% on an individual level with garments with sustainable characteristics and initiatives like using natural and recycled fibres as well as its H2Ø programme focused on using laser and ozone techniques in denim finishing processes.

honest by women'secret sustainable collection

Honest by Women'secret, aims to improve processes and select raw materials that are more environmentally friendly. Its line of bras and panties is made with organic cotton grown on land certified to be free of toxic substances, pesticides and artificial fertilizers.

ECO-FRIENDLY

Cortefiel with its Eco-friendly line, opts for a selection of garments made with sustainable or recycled fibres. They are manufactured with processes that use fewer chemicals and reduce water consumption.

Garment safety

One of the pillars that the quality of Tendam brands' garments are based on is strict product control which ensures compliance with required quality standards and levels.

From the careful selection of raw materials and the approval of suppliers it will work with to the controls prior to launching the finished garment, the manufacturing process is rigorously monitored until each garment reaches the customer. This manufacturing process is subject to exhaustive quality controls that guarantee customers' safety and compliance with the specific legal requirements of each country where the garments are sold.

At the beginning of the chain, periodic audits are carried out at the suppliers' factories to ensure compliance with regulations and manufacturing standards, product safety,

etc. and to make sure the supplier complies with the technical specifications and Tendam's quality standards of each one of the ordered products.

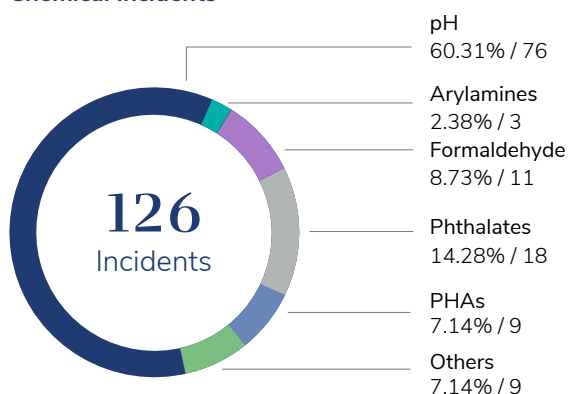
Each model that goes on the market is subjected to physico-chemical testing that must be carried out at accredited external laboratories (Aitex, Bureau Veritas or SGS) in order to guarantee the customer's health and safety and the absence of substances harmful to the environment. Testing for pilling, colour fastness, shrinkage, seam resistance and the absence of toxic substances, among others, is carried out for each of the items.

The results of the tests are received by the Quality Department before the orders leave the suppliers' factories so that it allows them to monitor the condition of the garment at all times and to correct possible deviations and non-compliant garments that have been detected in a timely manner.

Chemical testing of garments

Sustancias	Natural fibres	Synthetic fibres	Leather	Plastics	Metal components	Coatings	Plastisol prints
Formaldehyde	◆	◆	◆				
pH	◆	◆	◆				
Arylamines (azo dyes)	◆	◆	◆				
Phenol	◆		◆				
Lead				◆	◆	◆	◆
Cadmium				◆	◆	◆	◆
Nickel					◆		
Chromium VI			◆				
Carcinogenic dyes (EG)		◆					
SCCPs (chlorinated paraffins)			◆			◆	
Phthalates							◆
PAH (polycyclic aromatic hydrocarbons)				◆			◆
PFOS						◆	
Dimethyl fumarate				Only Silica Gel			

Chemical Incidents



11,242
Patterns analysed



98.9%
Favourable chemical tests

Permanent dialogue with the customer

Direct contact and multichannel communication are a key piece of the company's customer service model, with the main objective being to ensure customer satisfaction. Improving the shopping experience is only possible through transparent communication based on ethical and responsible behaviour, which is key to offer a service that meets the needs of the customers.



The company has put measures in place to communicate with its customers respectfully and clearly, ensuring that it complies with current laws regarding consumer and data protection, with the international and national requirements and standards of the countries where it operates.

We are working on an omnichannel tool that is integrated with the company's systems, which makes it possible to immediately answer customer queries in a streamlined and dynamic way and through the channel they prefer, from a single interface and in an integral way.

Our members

The loyalty clubs of each of the brands are very important assets for the company. Tendam currently has **more than 26 million members** in the Cortefiel, Springfield and Women'secret loyalty clubs.

Their mission is to create a solid and long-lasting relationship with their members, based on providing exclusive content and benefits. Through two-way communication that is reinforced with messages, emails, websites and social networks, Tendam receives feedback on its products and customers' needs, improving the customisation of what it provides customers.

New Cortefiel & Pedro del Hierro club card

The Cortefiel & Pedro del Hierro Club has launched a new MasterCard payment card that is completely free. In addition to all the club's advantages, offers its users other additional advantages such as the accumulation of discounts worth 1% of the purchases they have made in other establishments.

This card provides new instalment payment options (6 months without interest or commissions) and the chance to enjoy exclusive promotions, gifts and other benefits.



Social networks

Social networks play a key role in the communication strategy of Tendam's brands. They allow our brands to communicate directly with their customers and to build a relationship between them based on listening and proactiveness. They are an excellent means of communication that brings us closer, creates emotional relationships with brands and strengthens trust.

We are committed to communication on social networks and we create content that strengthens the commitments we have with society:

- ◆ Springfield focused its Salvemos nuestro Mediterráneo (Let's Save Our Mediterranean) campaign together with National Geographic by contributing €1 for each #SalvemosNuestroMediterraneo hashtag that was shared on their Instagram. With this communication, users were made aware of the environmental problems the oceans are facing and were also able to participate in the cause directly through the digital platform.



- ◆ Cortefiel promoted its Perfectos Imperfectos (Perfectly Imperfect) initiative with the Cadete Foundation through the #SoyPerfect (I'm Perfect) campaign on the Instagram of celebrities such as Eva González, Nuria Roca and Saúl Craviotto. Through this campaign, messages were spread promoting the inclusion of all people, regardless of their abilities.

- ◆ Women'secret activated its Women Power project by celebrating International Women's Day together with Plan International by focusing its message on influencer's posts and stories in Social Media. Like this, they created emotional messages focused on recognising the strength of all women, who are the essence of the brand.



Customer service

We are close to our customers with an impeccable and personalised service and we keep different channels open to establish ongoing two-way communication.

To guarantee top-quality service and to adapt to customers' needs, we have a Customer Service Department (CSD) that is fully accessible and multichannel via telephone, social networks, email, post and the company's website. The Customer Service Department is structured to provide a comprehensive and customised response to all its users, providing timely and effective solutions.



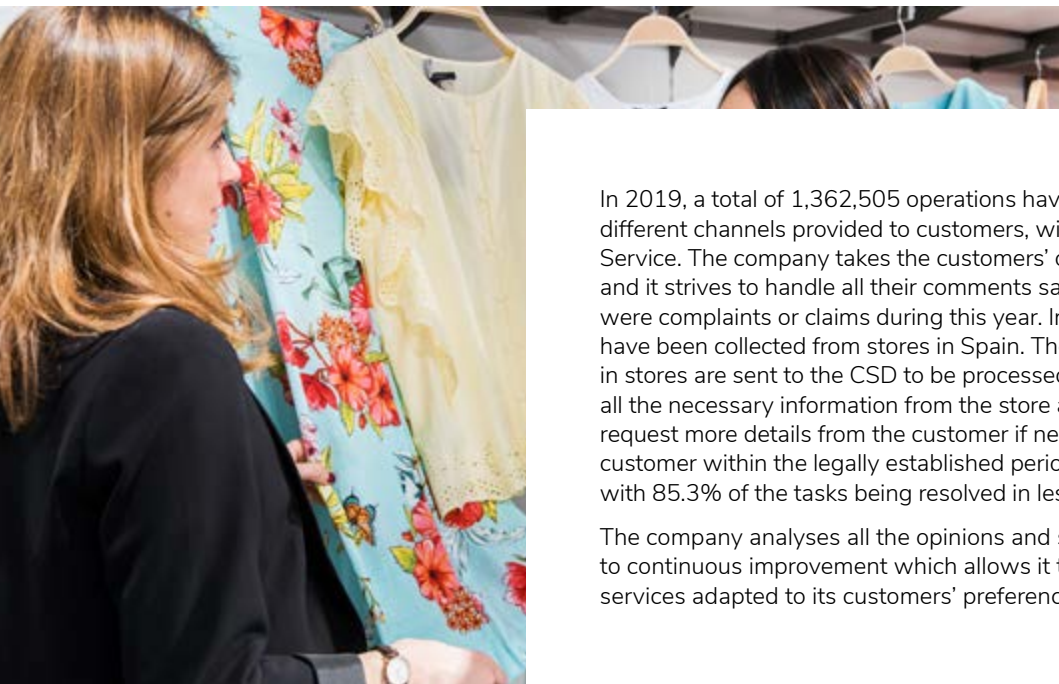
722,853 Cases handled by the CSD



94% level of customer service



88% Consider the service they have received to be excellent or very good



In 2019, a total of 1,362,505 operations have been carried out through the different channels provided to customers, with a **94%** level of service in Customer Service. The company takes the customers' opinions strongly into consideration and it strives to handle all their comments satisfactorily, achieving that only 0.63% were complaints or claims during this year. In 2019, 1,155 complaints forms have been collected from stores in Spain. The complaints forms that are received in stores are sent to the CSD to be processed. To manage these, experts gather all the necessary information from the store and the departments involved and request more details from the customer if necessary. The decision is sent to the customer within the legally established periods, which range from 10 to 30 days, with 85.3% of the tasks being resolved in less than 14 days.

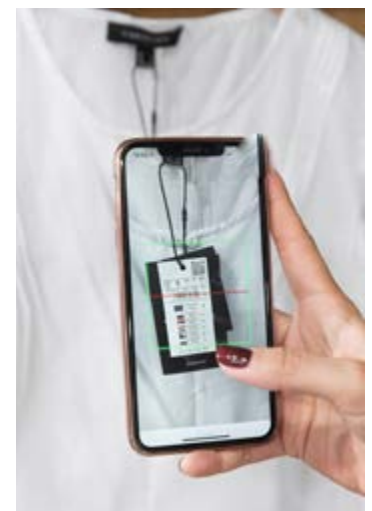
The company analyses all the opinions and suggestions it receives. This leads to continuous improvement which allows it to provide top-quality products and services adapted to its customers' preferences.

Customer information

Tendam maintains an ongoing dialogue with its customers through our relationship with the members who have joined our brands' loyalty programmes. Our conversation brings us closer to them to engage them, personalise their shopping experience and offer solutions for their tastes and needs. In short, we want to get to know them better.

We are responsible for ensuring that this communication is secure so we follow the current data protection and privacy regulations in each of the markets where we operate. In addition, our data management teams have knowledge and training to use the data appropriately. We want our customers to feel safe at all times.

Regarding garment labels, users can find all the necessary information adapted to the demands of international standards and the demands of various countries in which they are sold. This includes, in all languages necessary, relevant information such as origin, composition and care instructions.



Communication with values

Tendam believes it is essential to establish communication based on respect and equality towards its stakeholders. This must be responsible and sustainable communication that is committed to the new needs of society, taking into account that this diverse and global world requires confidence to be generated among its employees and customers.



The company focuses its responsible communication on equality, respect and diversity:

Equality

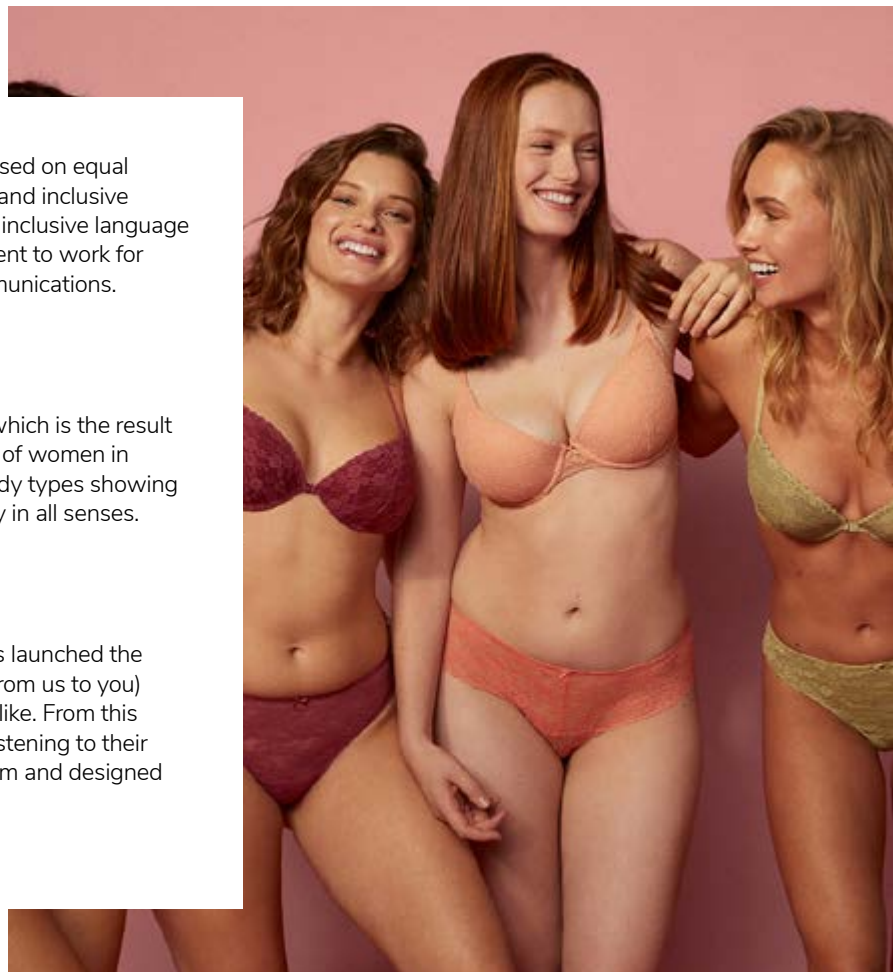
A key objective is the development of labour relations based on equal opportunities and non-discrimination, fostering an open and inclusive working environment. We have developed a protocol on inclusive language in our internal communication channels as a key instrument to work for equality through the language used in all company communications.

Respect

We have an internal policy on using images of women, which is the result of our commitment to disseminating appropriate images of women in advertising campaigns, promoting using models with body types showing healthy beauty standards and respecting people's dignity in all senses.

Diversity

Women'secret, our brand created by and for women, has launched the communication campaign 'De nosotras para vosotras' (From us to you) which is a tribute to all women, no matter what they are like. From this viewpoint, Women'secret is committed to real women, listening to their needs, creating intimate apparel collections made for them and designed with the diversity of their bodies in mind.



Inclusion

We believe in the beauty of imperfection and in the fact that being different does not limit your opportunities for a better future. Based on this essential value, Perfectos Imperfectos (Perfectly Imperfect) project was born, the Cadete Foundation' solidarity initiative which Cortefiel has joined.

Thanks to this collaboration, our most special models were the foundation's children with disabilities, who have received funding for rehabilitation treatments thanks to the profits earned on sales of the solidarity capsule collection.



5.

Our people

Committed to people

Work-life balance and social benefits

Health and safety

Diversity, inclusion, and equality

Talent management

Training opportunities and professional development





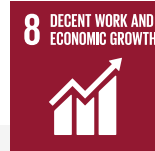
Committed to people

Our team is a key piece for creating value, perfectly representing our company's values such as respect, transparency, equal opportunities, ongoing communication, and diversity.

Over 10,700 professionals make up a diverse and talented team that carries out its daily work with passion and commitment. Our team is located in our corporate headquarters in Madrid and Barcelona; our international offices in Hong Kong, Bangladesh and India; our logistics centres; and our entire commercial network of stores.

The company provides quality working conditions, offering opportunities to all groups equally, promoting professional development and ensuring the health and safety of our employees.

It also makes sure that salary ranges are established based on the levels set in the corresponding agreements or countries, according to the employee's occupational group and seniority, regardless of their gender or any other factor.



Top Employer 2019

One more year, Tendam has been certified as a Top Employer in Spain, recognised for more than 10 years as one of the companies with the best conditions for its employees.



Our commitments

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

Labour relations and social dialogue

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

The workforce in Spain, Belgium, France, Mexico, and Portugal is 100% covered by the corresponding collective agreements. In the rest of the countries, the corresponding labour law is applied in each country.

In Spain, the best-represented trade unions are CCOO and UGT. At the regional level, CIGA in Galicia, ELA in the Basque Country and Intersindical Canaria in the Canary Islands also stand out. Tendam applies the 52 provincial collective agreements of the textile trade.

They have available effective and confidential channels to manifest any kind of non-compliance or violation in this respect. These two-way channels ensure that employees are listened to and that there is a permanent dialogue with them, and they facilitate the relationship between management and staff, enabling the different needs to be met and the employee to be kept permanently informed.



100%

Workforce covered by a collective agreement and the corresponding labour law



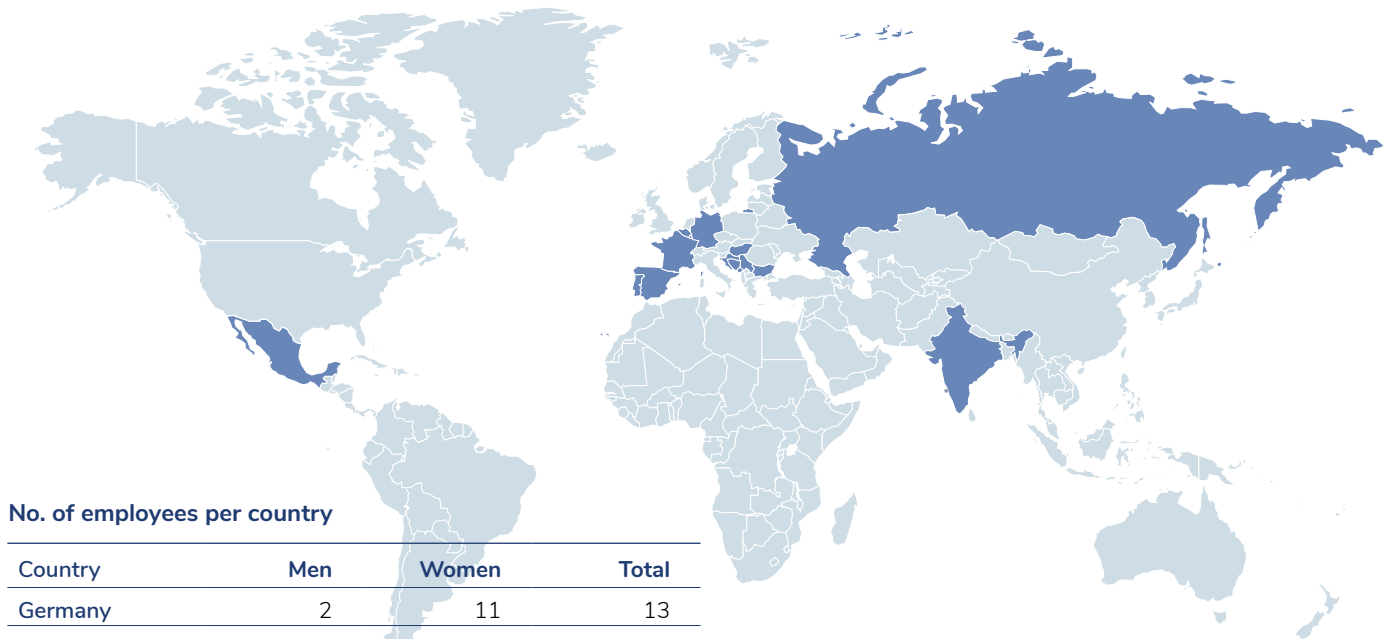
There are currently 28 company committees across Spain, and a total of 292 staff delegates and committee members.

In 2019, 43 meetings were held with the employees representatives, facilitating fluid and constant communication, through effective and confidential channels, in order to be able to express any type of non-compliance or breach in this regard, ensuring workers are heard and that there is an ongoing dialogue.

In Spain, Portugal and Mexico, Whistleblower Channel acts as a regulatory channel for the processing of reports of non-compliance with our code of ethics.



Our team in numbers



No. of employees per country

Country	Men	Women	Total
Germany	2	11	13
Bangladesh	3	2	5
Belgium	20	119	139
Bosnia	3	90	93
Bulgaria	0	18	18
Croatia	3	99	102
Spain	1,257	6,124	7,381
France	35	118	153
Hong Kong	20	33	53
Hungary	26	159	185
India	5	7	12
Luxembourg	1	25	26
Mexico	84	192	276
Montenegro	0	21	21
Portugal	175	1,142	1,317
Russia	61	621	682
Serbia	16	243	259

No. of employees by age

Age range	Total	%
Under 25	2,205	21.9%
Between 25 and 35	4,627	46%
Between 35 and 50	2,689	26.7%
Over 50	532	5.3%
Total	10,053	

Reach 93.6% of the workforce

No. of employees by gender and professional category

Executives and senior management

115
43.9%
men

262
2.4%

147
56.1%
women

Middle management

451
21.8%
men

2,070
19,3%

1.619
78.2%
women

Shop assistants, administrative and other

1,145
13,6%
men

8,403
78.3%

7.258
86.4%
women

Type of contract by gender and professional category

Type of contract	Gender		Professional category		
	Men	Women	Senior management	Middle management	Shop assistants and other
Permanent contract	1,286	6,041	253	2,025	5,049
Fixed-term contract	425	2,983	9	45	3,354
Total	1,711	9,024	262	2,070	8,403

Type of contract by age

Age range	Permanent	Fixed-term	Total
Under 25	1,121	1,084	2,205
Between 25 and 35	2,969	1,658	4,627
Between 35 and 50	2,074	615	2,689
Over 50	481	51	532
Total	6,645	3,408	10,053

Reach 93.6% of the workforce



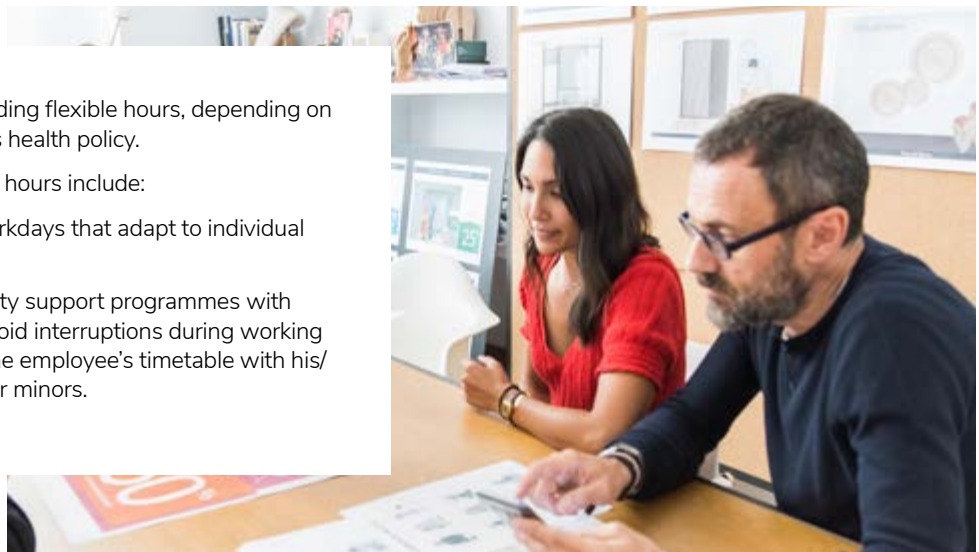
Work-life balance and social benefits

Work-life balance and organising working time are key, achieving a balance between our personal and professional lives. That is why the Human Resources policy includes specific measures for contributing to a flexible, open, and tolerant environment for the benefit of employees, which is key for attracting and retaining talent, especially for younger generations.

The company has measures regarding flexible hours, depending on the position, within the scope of its health policy.

These measures regarding flexible hours include:

- ◆ Flexible hours and reduced workdays that adapt to individual needs.
- ◆ Personal maternity and paternity support programmes with continuous working days to avoid interruptions during working hours as well as overlapping the employee's timetable with his/her partner's in order to care for minors.



Number of days of absence due to the birth of a child

	Spain		International	
	Men	Women	Men	Women
Nº of days	953	28,723	0	47,345

Permissions and leaves of absence (data for Spain)

Number of employees	Men	Women	Total
MATERNITY/PATERNITY LEAVE			
Maternity and paternity leave	28	328	356
Risk during pregnancy	0	287	287
REDUCTION IN WORKING HOURS / LEAVES			
Reduction for guardianship of a child under 12	16	816	832
Reduction for caring for family members	0	5	5
Reduction for personal reasons	1	22	23
Reduction for caring for sick children (minors)	0	10	10
Leave	24	111	135

Employees are offered social benefits that adapt differently to the requirements of the sales network and corporate services.

- ◆ Canteen and medical service at the headquarters
- ◆ Full medical examinations
- ◆ Well-being programme: physiotherapy, yoga, and mindfulness
- ◆ Childcare assistance
- ◆ Medical insurance
- ◆ Reduction in working hours for taking care of minors under 12
- ◆ Education grants for all children of the employees under 16
- ◆ A discount card for all the Group's brands
- ◆ Discounts at other companies
- ◆ Meal tickets
- ◆ Public transport card
- ◆ Training benefits

The company is committed to providing its employees with a Flexible Remuneration Program that allows the remuneration policy to be adapted to the employee's particular needs including products and services with advantageous conditions such as childcare assistance, health insurance, education grants, and purchasing.



Type of workday by gender, age, and professional category

Gender	Full-time	Part-time
Women	3,883	5,141
Men	1,026	685
Professional category		
Executives and senior management	242	20
Middle management	1,766	304
Shop assistants, administrative and other	2,901	5,502
Age*		
Under 25	621	1,584
Between 25 and 35	1,866	2,761
Between 35 and 50	1,521	1,168
Over 50	376	156

* Reach 93.6% of the workforce

Health and safety

We look after the health and well-being of our employees by providing a safe work environment that fosters greater commitment and results in our people being more satisfied.

Through our health protection plan, we contribute to safety and wellbeing through:

Cardiac-Protected Spaces

We have committed to creating cardiac-protected spaces that have automated defibrillators at the headquarters in Madrid, the logistics centre of Aranjuez, and some stores. In addition, we have established a comprehensive cardiac protection plan for any cardiac emergency. Last year, 17 employees renewed their cardiopulmonary resuscitation (CPR) training to be able to act quickly until emergency services arrive.

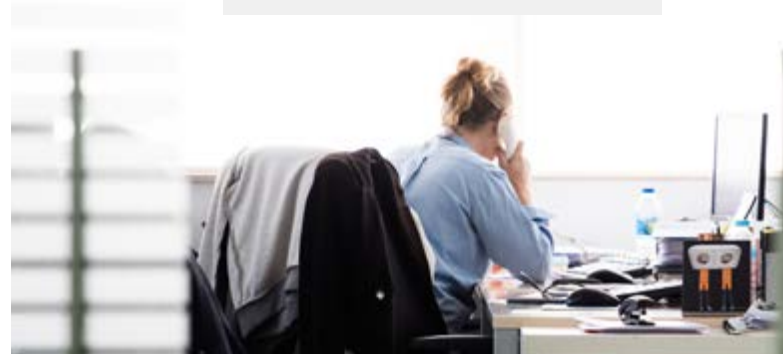
A Culture of Well-being

At our headquarters, we have a health programme that aims to make a positive impact on our employees' well-being and motivation. Be!Healthy was created with the premise that professional performance depends heavily on physical and emotional well-being.

- ◆ **Mindfulness and Yoga:** Initiatives with sessions done individually or in a group, which help employees take care of their psychological health by providing the support and tools they need to manage their emotions and stress.
- ◆ **Physiotherapy service** at our headquarters thanks to our agreement with Ilunion-Grupo ONCE. We offer a personalised service with the aim of each patient recovering, applying manual therapy treatments.
- ◆ **Health campaigns:** We have created an internal communication space to post about various topics related to health to promote a healthy lifestyle.
- ◆ **Laughter therapy workshops:** In-person sessions to promote a deep sense of well-being and to learn to value the importance of optimism for our health.
- ◆ **Gympass APP:** An online platform accessible anywhere in Spain that gives employees access to a wide network of sports centres and exercise programmes.



The medical service and prevention activities focus on providing a safe work environment and a healthy life for employees.



Medical Service

The Medical Service at our headquarters, made up of its own staff, carries out preventive and care activities that ensure the safety of the different jobs. It supervises temporary disability leave and meets with an external medical team on a monthly basis to establish aid procedures to move up medical appointments and tests.

The following tasks are carried out at our headquarters:

- ◆ General practice consultation that dispenses medicine and prescriptions.
- ◆ Nursing care: monitoring blood pressure, blood sugar, dressings, injections, etc.
- ◆ Initial care for work emergencies and accidents in order to be referred to a health centre.
- ◆ Coordination of periodic medical examinations for employees at headquarters and warehouses.
- ◆ Flu vaccine campaigns.
- ◆ Visual and oral health campaign.
- ◆ Stress management workshops are available.
- ◆ Information about preventive vaccinations for trips abroad and subsequent vaccination if necessary.
- ◆ Optician and dental service arrangements.
- ◆ Collaboration with the Madrid Transfusion Centre.

Healthcare (data for Spain)

Medical examinations performed	1,464
General medical consultations	9,537
Nursing services	4,020
Medication dispensed	8,900
Employees receiving flu vaccination	99
Employees receiving other vaccinations	70
Employees participating in blood donation campaign	85

Absenteeism hours

	Men	Women	Total
Number of hours*	108,455	817,258	925,713

*Hours not worked due to occupational accident and common illness.



Occupational Risk Prevention Service

Our Occupational Risk Prevention Service includes the specialities of safety, ergonomics and hygiene and an external Health Monitoring Service. In Spain, the company has 44 prevention officers across 22 provinces and quarterly meetings are held with the 16 Health and Safety Committees. These local committees allow us to implement and consolidate the objectives that have been set regarding health and safety by continuously analysing and following up on planned preventive actions.

During the 2019 financial year, the following actions have been carried out:

- ◆ Studying, detecting and preventing possible problems in the work environment at the work centres with 65 assessments of psycho-social factors, both in stores and at the headquarters.
- ◆ Carrying out or reviewing the Risk Assessments and the Evacuation and Emergency Plans in 292 stores.
- ◆ Health and safety training has been strengthened by training 1,119 employees through the online tool.

On an international level, it is worth noting that during 2018, Mexico has established and updated its Health and Safety Teams. It has also implemented quarterly inspections to identify critical safety points and took relevant actions to prevent and mitigate them. In addition, a study was conducted in each city to identify occupational risks (fires) prevention training courses that train these teams on how to act in the event of an emergency.

There is no significant incidence rate or risk of suffering occupational diseases as regards professional activities carried out at the company, not having detected any in this year.

Accidents at work (data for Spain)

		Men	Women
Accidents with leave at the workplace	Minor	14	88
	Serious- Fatal	0	0
Accidents at other workplace	Minor	9	46
	Serious- Fatal	0	0
Total Accidents		23	134

Health and Safety Training (data for Spain)

Employees who have received ORP training	Men	Women
Managers	28	168
Shop assistants	110	813
ORP training hours	1,087.5	7,430

Equality, diversity and inclusion

We promote equal opportunities for people who want to grow in the company, regardless of their gender identity, age, culture, religion, or values. The equality, diversity and inclusiveness of the teams reflect the diversity of our customers, our different brands and the countries where we operate.

Gender equality

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

We have made great strides in our equality strategy:

- ◆ **Raising awareness.** We have conducted several training actions in relation to the equality plan such as information pills on equality for staff in key positions and specific training to learn how to deal with situations of domestic violence.
- ◆ Through our **Internal and External Code of Conduct**, we guarantee equal opportunities and non-discriminatory, fair, and impartial treatment of people in all areas of our company, including both employees and our suppliers.
- ◆ The company has a **protocol for preventing sexual harassment** in its efforts to protect the dignity of all workers at work, stating that sexual harassment will not be tolerated.
- ◆ The **Equality Plan**, approved in 2012 and drawn up in collaboration with the CCOO and UGT trade unions, includes policies and actions aimed at promoting diversity and equality among all groups in the company. The company is working on the second edition of the plan that will include its objectives and strategies regarding gender equality for the coming years.
- ◆ The **Women Sponsoring Program** Program has been launched as a new internal mentoring project to promote female leadership in middle management and in senior management and look for proportionality.
- ◆ As part of our commitment to more respectful communication for women, we have developed a **protocol on inclusive language** in our communication channels. In addition, we have an **internal policy on using images of women**, which is the result of our commitment to spreading appropriate images of women in advertising campaigns, promoting using models with body types showing healthy beauty standards and respecting people's dignity in all senses.
- ◆ We have an **Equality Officer** who designs, directs, coordinates, streamlines, implements, manages and evaluates plans, programmes, projects and positive action campaigns regarding equal opportunities and gender equality in different areas of the company.
- ◆ As a reflection of our commitment to the values of equality and diversity, we have once again signed the **Diversity Charter**, a European initiative that promotes companies and institutions voluntarily fostering diversity and respect in the work environment. This way, Tendam promotes a society that shares the same principles and that improves people's quality of life and work.
- ◆ We have joined the **Directory of Companies Committed to Equality** by strengthening the values of our work and ensuring we incorporate gender equality in all areas of our activity.



We are a global company that embraces diversity and promotes a high-quality work environment based on respect and personal and professional growth.



Women

84%

at the company

56%

female executives



Diversity and inclusion

In an industry like fashion, having different skills, visions and experiences brings value to the company as it fosters learning, enriches people, and allows us to develop the best ideas to meet customers' needs. Our objective is the development of labour relations based on equal opportunities and non-discrimination, fostering an open and inclusive working environment.

We seek diversity in all areas and encourage the recruitment of people with different skills in our job offers. The company has an integration action plan focused on growing our workforce with people with disabilities as well as incorporating other inclusion elements that promote offering adapted products and services.

In 2018, the company signed a collaboration agreement with the ONCE Foundation, under which it joined the INSERTA Programme, to continue promoting employing people with disabilities in its workforce and implementing accessibility measures that contribute to improving the living conditions of people with disabilities. At the end of the year, it had 88 employees with disabilities in Spain: 76 women and 12 men.



Selection processes

We guarantee best practices when searching for, selecting and retaining talent, ensuring the principles of equal opportunities and nondiscrimination. The company chooses professional profiles that not only have the required technical skills but that also fit in with our corporate culture and values. When establishing recruitment and remuneration conditions, it studies the employees' worth, regardless of their gender, country of origin, religion, disabilities or sexual orientation.

In 2019, we carried out different actions regarding disabilities:

Awareness:

- ◆ Awareness Sessions for employees to encourage hiring people with disabilities.
- ◆ To celebrate INSERTA Agreement's signing anniversary, we have carried out an internal awareness-raising campaign by sharing some of our colleagues' stories.
- ◆ We actively participate in volunteer activities for people with disabilities.
- ◆ We have created a specialised training module for store management on hiring people with disabilities.

Commitment to integration into the labour market:

- ◆ Analysing jobs and new recruitment sources to promote the integration of people with disabilities
- ◆ Creating a more inclusive selection and hiring process
- ◆ Personalised support for employees with disabilities
- ◆ Adaptation of our facilities both at headquarters and in stores
- ◆ Carrying out an internship programme with collaborating entities to encourage subsequent recruitment

Talent management

We firmly believe that our employees are our most important asset. That is why we work every day to attract, develop, and retain talent, as we are aware that this is a key issue for the profitability and sustainability of our business.

Talent management is based on shared objectives defined in our HR strategy, following the principles of ethics, collaboration, equal opportunities and respecting differences.

The tools for talent management are combined into three pillars: assessment, development, and attraction. The aim is to get to know the professionals, promote their development, and optimise mobility and promotion.

Commitment to internal promotion

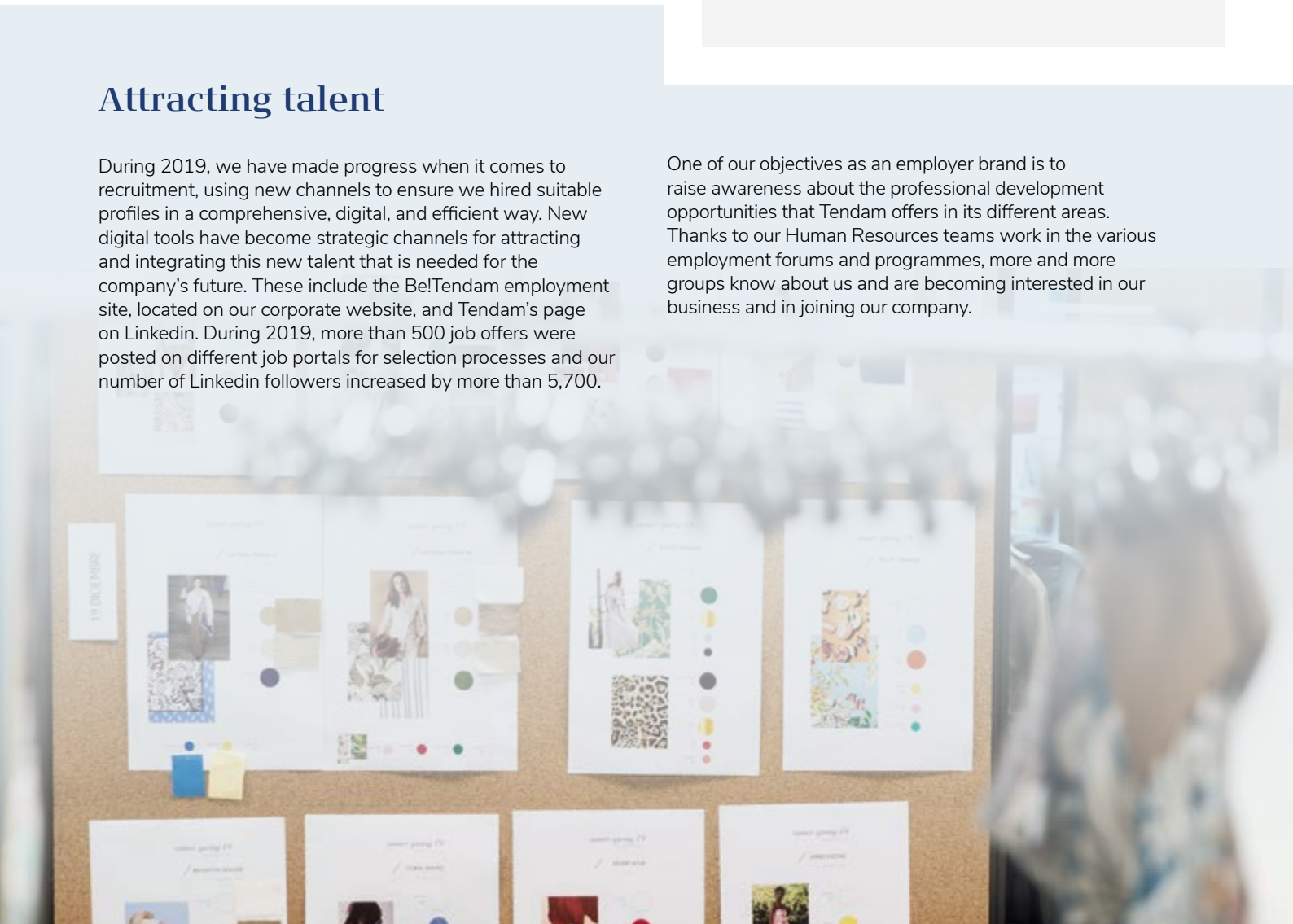
Internal mobility is one of the key elements for employees' development. It fosters learning and professional development. A vast majority of the managers and team leaders come from internal promotion, the result of a firm policy in this regard and of a motivated workforce, which is flexible and able to take on new responsibilities. Through internal promotion, the company seeks to recognise talent and retain it within the company, offering staff the possibility of professional growth suited to their objectives.

145
Promotions

Attracting talent

During 2019, we have made progress when it comes to recruitment, using new channels to ensure we hired suitable profiles in a comprehensive, digital, and efficient way. New digital tools have become strategic channels for attracting and integrating this new talent that is needed for the company's future. These include the Be!Tendam employment site, located on our corporate website, and Tendam's page on LinkedIn. During 2019, more than 500 job offers were posted on different job portals for selection processes and our number of LinkedIn followers increased by more than 5,700.

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



Some of the initiatives we have launched to attract talent are:

Supporting young talent

We continue to support young talent, working to create opportunities through our professional internship plan. To do so, we seek out people who are passionate about learning our trade, with an attitude reflecting the company's values and motivated by excellent advice regarding what is most important to us, our customers.

Our task: to provide them with the tools and work with them, mentoring them on site; to do so, the company also has other collaborations through training agreements with 300 regulated educational training institutions for employment, public institutions and social entities with

which it seeks to promote the inclusion of young people and groups at risk of exclusion in the labour market.

In these past years, at Tendam we have trained hundreds of young people, offering them guarantees of success and a high rate of subsequent recruitment, which this year was 22%. All this positions us as a benchmark for leading associations on a national level, with which we share resounding successes each season thanks to the training, recruitment and employability of their members.

Commitment to integration in the labour market

We are committed to continuing to make progress regarding integration in the labour market, promoting integrating people with disabilities and employing people at risk of social exclusion so that they live and work in a society where equal opportunities are guaranteed for all.

The company supports programmes for different groups:

300 training schools
1,278 internship students
22% subsequently employed

Sumando oportunidades

Our Sumando Oportunidades (Adding Opportunities) programme, aimed at young people at risk of social and workplace exclusion, is based on detecting talent, developing the talent pool and creating new opportunities through the training and subsequent possible recruitment of these students. With this programme, 215 young people aged from 16 to 30 have received training at our points of sale in 23 centres as sales staff and fashion advisers throughout 2019.

215 young people

52%
subsequently employed

Incorpora Programme

Through La Caixa's Incorpora Programme, 68 people at risk of exclusion have been added to the workforce this year following a training period in our stores. This programme seeks to boost the recruitment of women who have suffered domestic violence, people over the age of 45, as well as people with disabilities and young people at risk of social exclusion.

68
people hired

Fórmate con Garantía

This year, we have signed up to the Fórmate con Garantía programme run by the Secretariado Gitano Foundation to give training on employment and personal development skills, as well as theoretical and practical training for young people under the age of 30 in order to fight against exclusion and discrimination in the training and employment of the Romani population. 114 young people have benefited from this programme over the past year.

114 young people

Training opportunities and professional development

Our commitment to learning and the teams' professional development is based on the belief that we must all be part of an individuals' growth in the company. The training plan has the objective of making available to the employees the necessary resources to boost their skills and competences for their professional development, and offers a catalogue of courses adapted to the profile of each employee.



Professional development

The professional development of employees is key to achieving objectives and providing customers with an efficient and appropriate response.

The objective is to provide employees with the necessary resources to enhance their skills and competencies for their professional development.

The strengths and professional development needs of each employee are identified each year through a performance assessment. The aim is to identify and manage the company's talent, allowing the strong points and areas to improve that have been detected to be reflected on, thus establishing individual action plans to continue growing.

This year 1,000 assessments have been done for our store teams (managers and assistant managers). In addition, the same process has been launched for the first- and secondline teams of our Corporate Services (approximately 250 employees), resulting in talent mapping as a strategic management and planning tool for the company.

Performance assessment by gender and professional category

Corporate Services		
Senior management	Middle management	Specialist
15.23%	33.59%	51.17%
Men		Women
36.71%		63.28%
Stores		
Managers		Shop assistants
52.68%		47.32%
Men		Women
18.44%		81.56%



Training programme

Our commitment to learning is based on the belief that each person is responsible for their own development.

The professional development of employees is key to achieving objectives and providing customers with an efficient and appropriate response. The main goal is to provide adequate resources and means so they can develop professional skills, aiming to respond to the employees' real needs and thus permanently boosting their knowledge and skills.

As we are committed to providing equal opportunities, we create a Training Plan each year aimed at covering multiple professional disciplines, languages and other areas for personal improvement. We have specific training plans for each position, with both in-person and digital formats, for our sales network and corporate services.



At the international level, different in-person training activities were carried out throughout the year, depending on the strategic and operational needs that were detected.

These actions cover a wide variety of content, including sales techniques, inventory, products, click shopping and management skills. They have contributed to the teams improving their ability to perform their tasks and have also made a positive impact on business development in the countries.



6,831

employees who have received training



42,937

training hours



16.39%

men



83.61%

women

Training hours by professional category

Corporate Services			Stores	
Senior management	Middle management	Specialist	Managers	Shop assistants
303 h.	2,155 h.	7,040 h.	17,821 h.	15,618 h.

In-person training

The objective of our training policy is to support the achievement of the company's strategic objectives. That is why once the Training and Development Department has identified the training needs each year, it designs a catalogue of courses for boosting technical knowledge as well as developing professional skills.

Among other things, this year we have launched productivity programmes in stores with a new application for managing staff data and schedules. On the other hand, we have given continuity the in-person language programmes at our offices in Madrid and Barcelona and at our logistics centre in Aranjuez; and we have worked with Emotional Management (Mindfulness) programmes, providing resources and techniques for 'full attention'.



1,445

store employees



1,060

Corporate Services employees



20,274

hours of in-person training

Be! TALENT & MENTORS

During 2018, an internal training program given by employees was launched with excellent results, making the most of all the organisation's internal talent. A school was created for each area, allowing each employee to choose the courses of most interest to them and attend the various courses in person.

This year, we have continued with this very successful project and we have completed it by improving the courses that are offered and their quality. Thanks to the mentors, their knowledge and their professional and personal experience, the courses have received a higher rating and there has been a higher level of satisfaction than last year.

1,739

participants

23

mentors

5,668

hours

E-learning

We are committed to professional development within the company and using a digital format allows more knowledge to reach the maximum number of employees. This is why we have Be!Talent, our training and development portal that all our employees can access as soon as they join us.

The courses are designed to be completed in a short period of time and are adapted to our employees' schedules. The portal has a learning management system that allows us to track their progress and create personalised programmes.



Training using digital tools

We also work with gamification methodologies using the Be!Talent&Game app which aims to boost participants' motivation through game playing using competition and reward techniques: gaining points, moving up levels, challenges, etc.

Gamification has already been introduced in Spain for Cortefiel, Pedro del Hierro, Women'secret and Springfield and in Portugal, Russia, and Mexico for Women'Secret and Springfield with very positive results. The project will soon be expanded to include new brands and countries.

75%
of shop employees
registered*

80%
game users*

* Data in Spain

Average remuneration by professional category (euros)*

	Executives and senior management	Middle management	Shop assistants, administrative and other	Average
Germany	0	44,784	22,812	25,140
Bangladesh	0	0	7,812	7,812
Bosnia	0	10,884	6,852	7,632
Bulgaria	0	27,540	13,164	18,576
Croatia	56,328	13,278	8,269	10,083
Spain	78,791	29,891	20,136	24,572
France	95,112	32,088	25,356	29,136
Hong Kong	84,811	49,002	35,366	45,120
Hungary	62,659	16,605	11,884	12,651
India	17,759	6,564	6,264	8,435
Mexico	44,940	14,988	6,768	9,972
Montenegro	0	10,703	7,008	7,817
Portugal	130,212	20,772	13,932	15,756
Russia	145,116	21,755	12,120	15,732
Serbia	69,170	10,563	6,379	8,445

Average remuneration by gender (euros)*

	Men	Women	Average
Germany	35,916	22,560	25,140
Bangladesh	7,560	8,184	7,812
Bosnia	15,504	7,332	7,632
Bulgaria	18,516	18,588	18,576
Croatia	9,120	10,104	10,080
Spain	32,130	22,833	24,572
France	30,780	28,572	29,136
Hong Kong	58,098	37,376	45,120
Hungary	13,255	12,542	12,651
India	9,396	7,728	8,424
Mexico	11,376	9,312	9,972
Montenegro	0	7,817	7,817
Portugal	20,460	14,988	15,756
Russia	29,592	14,136	15,732
Serbia	25,173	7,323	8,445

Average remuneration by age (euros)*

	<25	25-35	35-50	>50
Germany	11,766	17,275	27,377	24,165
Bangladesh	0	7,812	0	0
Bosnia	7,020	6,624	9,288	17,964
Bulgaria	14,496	18,012	30,252	0
Croatia	8,904	9,888	11,568	30,132
Spain	18,249	21,190	29,155	39,602
France	27,506	26,188	28,621	44,407
Hong Kong	22,848	28,956	51,036	44,988
Hungary	10,735	11,802	16,870	15,816
India	2,424	7,668	10,944	0
Mexico	6,144	8,772	20,448	0
Montenegro	5,688	7,620	8,688	0
Portugal	13,476	14,280	20,028	30,816
Russia	13,044	18,012	39,012	0
Serbia	6,345	6,579	11,663	16,203

*Calculated on the total remunerations of the workforce (fixed + variable) converted from local currency to euros.

Difference in average remuneration by professional category and gender (data for Spain)

General	Central services			Stores	
	Executives and senior management	Middle management	Shop assistants, administrative and other	Middle management	Shop assistants, administrative and other
29.19%	34.22%	2.96%	19.21%	9.31%	1.26%

These figures have been calculated solely on the total wage gap between men and women (fixed+variable remuneration) without taking into account other factors that allow an accurate comparison of equivalent works.

The total wage gap of the group is 29.9% calculated taking into account the weighting of each country with regard to the group.

Number of dismissals by gender

	Spain		International		Total
	Men	Women	Men	Women	
Number of dismissals	64	268	67	240	639

Number of dismissals by professional category

	Spain			International		
	Senior management	Middle management	Shop assistants, administrative and other	Senior management	Middle management	Shop assistants, administrative and other
Number of dismissals	6	94	232	3	56	248

Number of dismissals by age

	Spain	International	Total
Under 25	58	41	99
Between 35 and 50	177	45	222
Between 25 and 35	92	18	110
Over 50	5	7	12
Total	332	111	443

Scope 93.6% of staff

On an international level, dismissals are concentrated in the 25 to 35 years range

Accidents at work (data for Spain)

	Men	Women
Frequency Rate *	6.91	9.75
Severity Rate **	0.38	0.36
Days missed due to accidents	777	3,226

* Frequency rate = (no. of accidents with sick leave in work centre *1,000,000) / Hours worked

** Severity rate = (days of sick leave per accident in work centre *1,000) / Hours worked

Accidents at work (international data)

	Men	Women
Frequency Rate *	8.64	15.23
Severity Rate **	0.15	0.29
Days missed due to accidents	127	1,413

* Frequency rate = (no. of accidents with sick leave in work centre + commuting *1,000,000) / Hours worked

** Severity index = (days of sick leave per accident in work centre + commuting *1,000) / Hours worked

6.

Responsible supply chain

Our suppliers

External Code of Conduct

Responsible supply chain

Logistics management





Our suppliers

Currently, Tendam works with suppliers from 50 countries, to manufacture garments and all types of products and services in the countries where the company operates directly.

The company bases its selection of suppliers on three pillars: transparency, equal opportunities and mutual interest. Choosing suppliers is an intensive process that involves researching and evaluating them according to quality standards, product, production capacity and social aspects.

The Third Party Due Diligence Group (TDDG) carries out review and control processes for certain markets, customers and suppliers based on certain risk criteria.

Country risk exposure is monitored and those controls required by third parties (suppliers or franchisees) are evaluated based on their specific circumstances due to the critical nature of the operations.

Transparency and communication

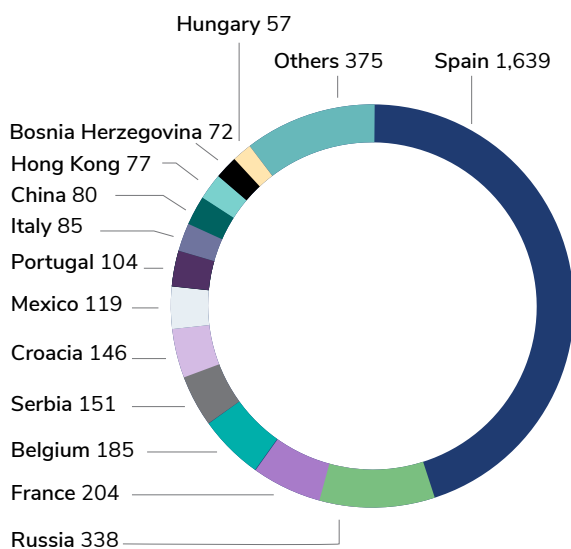
Communication with the supplier must be done in a direct and transparent way, both during the contracting phase and when services are provided.

The purchasing processes of general services, the application, awarding and contracting processes will be done according to the type and amount of product or service, taking the company's interests into consideration and continuously pushing for transparency, efficiency and agility in the purchasing and contracting processes.

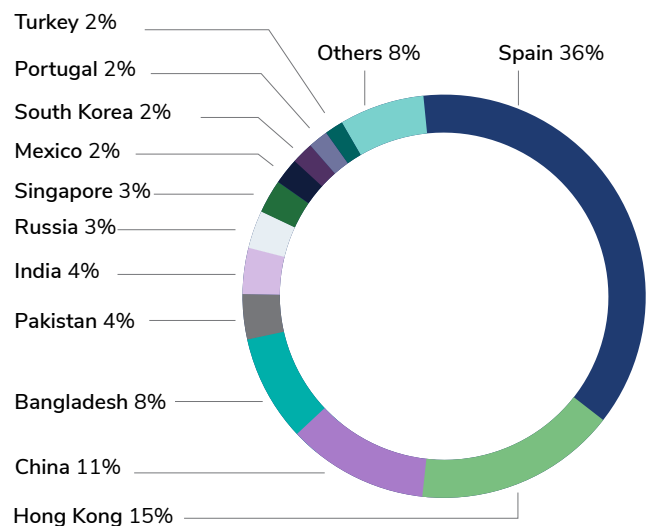
To manage garment and product purchases, there is a supplier portal that allows them to have a single centralised point for access to all the documentation and necessary applications in a fast and simple way. Every supplier can connect to the portal from anywhere in the world and access all the information and applications for which it has authorisation. The status of orders and invoices can be checked at any time, as well as the phase of the approval process they are in.

The company has an Whistleblower Channel service which can be accessed both from the intranet and on the company's website. It allows any employee or third party to report possible irregular or unethical behaviour or any behaviour that goes against the principles set out in the Code of Conduct.

Number of Active Suppliers (garments, products, and services)



Distribution of Payments to Suppliers (garments, products, and services)



External Code of Conduct

In line with its values and commitments regarding ethical and responsible behaviour, the company extends accountability to its supply chain through the External Code of Conduct. The ultimate goal of this Code is to include respect for Human Rights in all parts of the supply chain.

To ensure that all suppliers work under responsible working conditions, the code includes 12 fundamental principles based on the principles of the United Nations Global Compact and the guidelines of the International Labour Organisation (ILO).

The mandatory formal acceptance of the External Code of Conduct by all suppliers improves the traceability of the process, thus ensuring everyone is aware of it.

Furthermore, for garment suppliers it is a contractual clause in commercial contracts, and they are subjected to periodic audits and evaluations to guarantee their workers' working and social conditions.



External Code of Conduct link

1.

Protection of
Human Rights

2.

Dignity
and respect

3.

Health, safety, and
hygiene

4.

Wages and
benefits

5.

Working hours

6.

Freedom of
association and
collective bargaining

7.

Forced and
compulsory labour

8.

No child labour

9.

Non-discrimination

10.

Respect for the
environment

11.

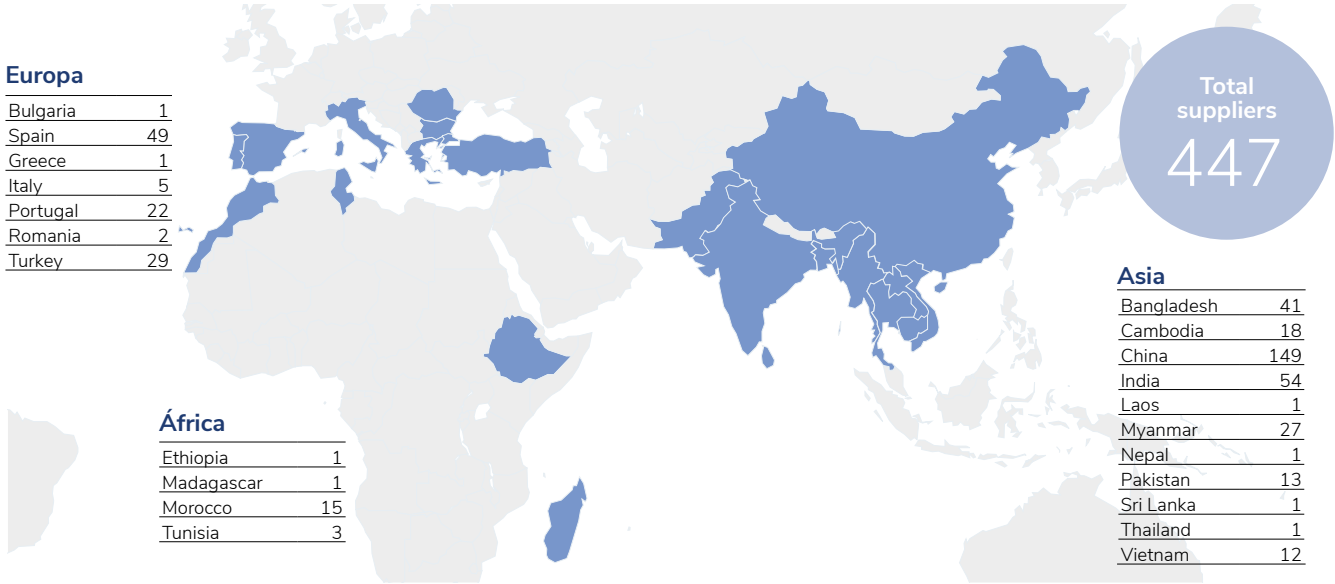
Compliance
with laws

12.

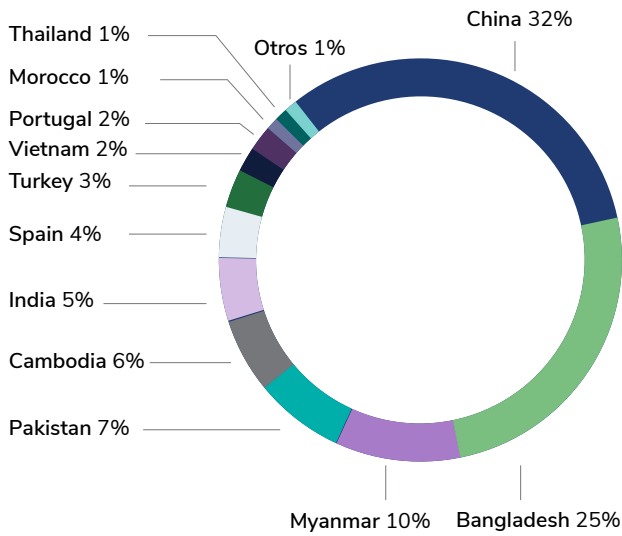
Supervision

Responsible Supply Chain

Garment suppliers classified by source



Distribution of garment purchases by origin

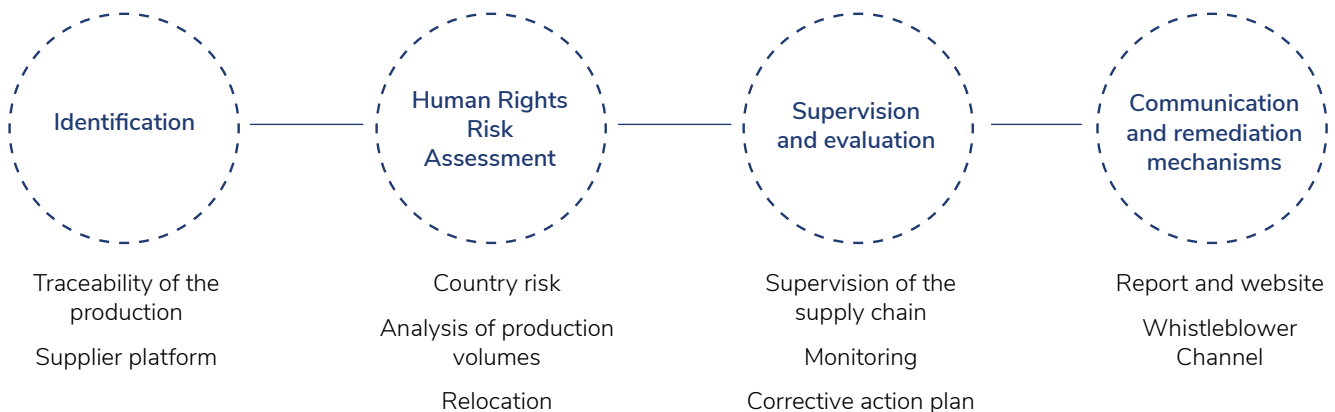


Tendam works under the premise of promoting best practices in the supply chain, based on a relationship of mutual trust with suppliers, long-term collaboration, permanent dialogue and joint planning.

Within its global supply chain, it has established a process of researching and approving suppliers according to quality standards, product, production capacity and social aspects to ensure the quality of the products and its suppliers' working and social conditions.

Suppliers management and production from the different geographical areas are controlled from its sourcing offices in Hong Kong, India, Bangladesh and Madrid. Its principal function is to coordinate with suppliers and continually supervise factories with audits for quality and compliance with the Code of Conduct.

Due diligence mechanisms for Human Rights



17 PARTNERSHIPS
FOR THE GOALS

AMFORI is a global association for open and sustainable trade whose main mission is to improve society and encourage the sustainable use of resources. Through the initiatives BSCI (Business Social Compliance Initiative) and BEPI (Business Environmental Performance Initiative), they provide an international framework to support actions aimed at reducing risks associated with the supply chain.

Amfori BEPI offers a wide range of services that enable companies to drive environmental improvements throughout their supply chain and carry out sustainable trade. It covers 11 environmental performance areas ranging from energy use and greenhouse gases to chemical management.

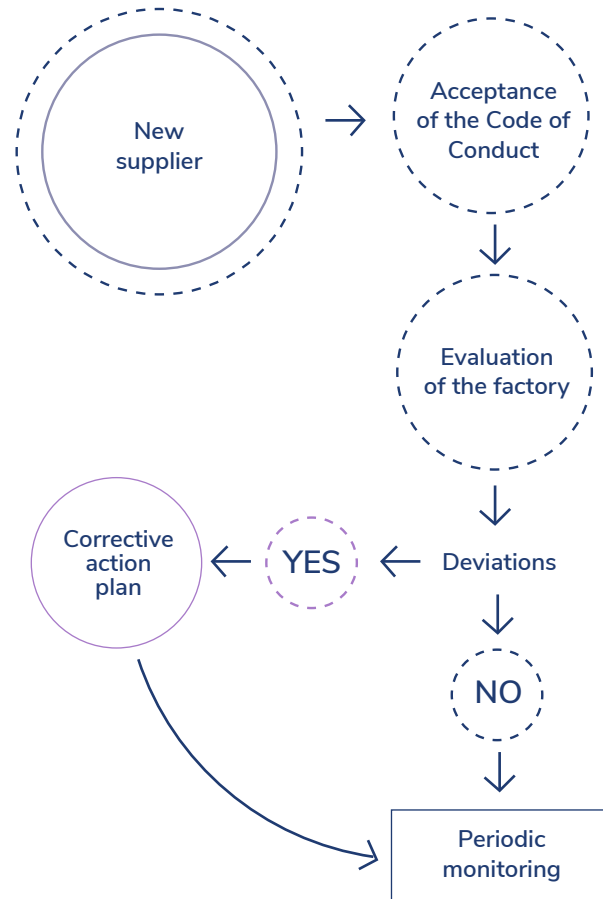
Tendam has been a member of AMFORI since 2017, with the objective of strengthening the capability of assessing and monitoring suppliers throughout the value chain by sharing knowledge and experience with all the members of the initiative.



Traceability

In order to better supervise and monitor products, a system has been put in place that improves the traceability of the supply chain with all the information related to suppliers, factories where each order is produced and the technical production data. This system allows the purchasing and auditing teams to have information on the traceability of each order immediately.

Supplier social assessment



Acceptance of the Code of Conduct

Before beginning any work relationship with a supplier, we check that all suppliers meet our minimum requirements and must accept our Code of Conduct reflecting their commitment to integrity, Human Rights and the environment.

Evaluation and validation

In order to place an order, any supplier that works for the first time for any of the Tendam brands must undergo an evaluation by the company's technicians on their technical capacity: processes, machinery, production capacity, etc.

The evaluations are carried out at each of the factories expected to take part in manufacturing the orders for the company. If it does not pass the technical audit, it will fail and the evaluation process will be over, although the factory will be provided a period of time to implement the necessary actions to comply with the requirements.

In addition to the technical evaluation, an evaluation of the working and social conditions is carried out. In order to meet the requirements that have been established, the factory can present a certification in accordance with international schemes that will be validated and verified by the company's technicians or subjected to an audit by accredited independent entities.

During these audits, visual inspections, interviews with management and employees and evidence review are carried out. If they get an unsatisfactory result, a six-month extension is provided so the factory can adapt to the company's requirements. With this system, the company works on maintaining stable relationships with its suppliers so that it is committed to continuous improvement. Ties are established and suppliers are supported to resolve possible shortcomings in social and labour matters.

The suppliers system makes it possible to know the status of the evaluations of each of the factories that work for the different suppliers so orders can only be placed for factories that are already in the system with a positive evaluation. Otherwise, the process must be started again.

Zero tolerance

If during the audit process serious violations of Human Rights, forced labour and/or child labour or lack of freedom of association are detected, the audit will be evaluated with a negative result following the 'Zero Tolerance' criterion defined in the Social Audit System. The company will not work with that factory until it adapts its situation to the minimum requirements that have been established.

Periodic audits and reviews

The periodic visits of Tendam's quality technicians to the suppliers' factories allow Tendam to have additional first-hand information about the monitoring of working conditions, production capacity and the suppliers' compliance with environmental and quality standards.

Not less frequently than every three years, each factory is completely re-evaluated. By using these tools, the company ensures that its suppliers work in a responsible manner and it can detect and correct possible deviations and non-compliance.

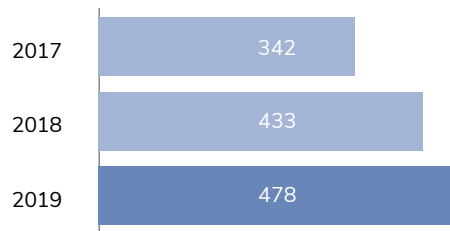
Semi-announced Audit Program

The company has a semi-announced Audit Program that will be carried out for factories that obtained a low score in the previous audit, as well as for factories that have a significant production volume.

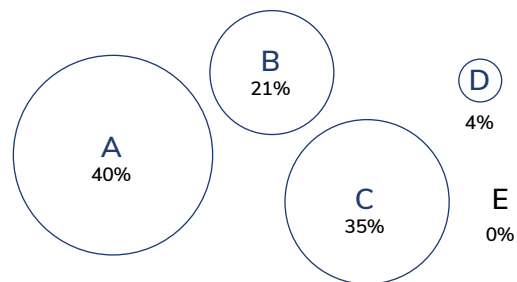
Assessed factories

Countries	New	Renewals	Total
China	49	163	212
Bangladesh	22	50	72
Myanmar	16	22	38
India	10	26	36
Turkey	19	14	33
Morocco	4	13	17
Spain	3	13	16
Pakistan	10	6	16
Cambodia	4	11	15
Vietnam	3	6	9
Portugal	1	5	6
Sri Lanka	3	1	4
Tunisia	0	2	2
Thailand	0	1	1
Romania	1	0	1
TOTAL	145	333	478

Number of assessed factories: graph of the evolution over the last three years



ABCDE supplier classification



Classification conducted under Tendam's own criteria depending on the result of the social assessments of the factories.

Five levels are established (A-B-C-D-E) based on the degree of compliance with the principles of the Code of Conduct in line with the Amfori BSCI classification for suppliers.

61% of the factories fall into the A and B categories as they have no significant deviations, 39% into categories C and D as they have deviations that entail following the Corrective Action Plan for a year, and category E, with severe breaches in the review process, would require another audit in less than six months.

Towards purchasing more sustainable products

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

- ◆ An internal work group, WE CARE, has been created to promote and coordinate our teams' and suppliers' initiatives and proposals related to sustainability and textile innovation.
- ◆ A collaborative platform has been created to share market trends and spread knowledge for the transformation towards a more sustainable model.
- ◆ An internal procedure for sustainable certifications and licensing has been established to support all brands by setting out clear criteria on what documentation is required as well as the different implementation stages of each of these standards/certifications.
- ◆ Specific training is provided, especially for the Purchasing and Design teams, on sustainable products and processes, certifications and standards, as well as the main environmental implications of the supply chain.

Logistics management

A key aspect in supply chain performance is the logistical efficiency of managing the products, from the time they leave the factory until they reach the stores. Tendam channels this management through two strategic distribution centres.

On the one hand, there is a multi-brand consolidation centre in Hong Kong where merchandise from Asian suppliers is distributed to the Group's franchise network and its own stores in Mexico through cross-docking. In addition, in the Central American country there is a specific distribution centre for deliveries to the group's own stores and the Mexican franchises.

The main logistics centre is located in Madrid which acts as a franchise consolidation centre for merchandise from suppliers in the Euro-Mediterranean region. It is the sole distributor for all its own stores in Europe. This logistics centre, located in Aranjuez, receives merchandise from suppliers from all countries. From there, it provides stock

to 100% of its own stores and 70% of all the brands' franchised stores as well as two of the group's e-commerce warehouses in Spain and Russia.

The Madrid logistics centre is certified as a regulated agent and known consignee by the National Aviation Safety Agency. This ensures that the supply chain is safe and that customs processes and controls are complied with, in addition to significantly shortening delivery times.

Multi-brand distribution means a considerable decrease in transport and deliveries to stores outside of business hours in order not to hinder the activity and to minimise the effects of traffic and pollution in urban areas.



5 Logistics centres

135,000 sqm
of storage surface area

107 million
garments dispatched

7.

Environmental management

Committed to environmental
sustainability

Eco-friendly garments

Commitments to climate change

Energy efficiency

Emissions





Committed to environmental sustainability



Circular economy

Working on the principles of circularity at all our brands including using more sustainable materials, efficiency in processes, minimising resources, and recycling and extending the useful life of products.

Educating and raising awareness

Developing innovative approaches for our teams as well as educating the next generations of designers and raising consumers' awareness of how they can participate in these global commitments.

Promoting intersectoral collaboration

Working with partners, competitors and suppliers, as well as support platforms, that allow for intersectoral collaboration to obtain key solutions that make greater impacts together viable and scalable.

Improving traceability and measurement

Improving internal traceability processes and measuring and monitoring results, as well as measuring the impacts of operations.

Eco-friendly garments



Committed to working in a more sustainable and environmentally friendly way, our brands are increasing their collections with eco-friendly materials and processes. Using new production methods and new types of innovative fibres and fabrics helps us to reduce the environmental impact of our products.

All our brands have evolved significantly in the production of more sustainable garments under their different collections. Currently 7% of the group's total production is made under more sustainable terms and the goal for 2020-2021 is to reach 15% globally, a volume already achieved by Springfield with its R[ECO]NSIDER line.

R[ECO]NSIDER

honest
by women'secret



Fibres

Organic cotton

Its seeds are not genetically modified and it is grown without chemical fertilizers or pesticides. It needs 90% less water than conventional cotton.

Recycled polyester

Recycled polyester is the same quality as virgin polyester but uses fewer resources and emits less CO₂ in its manufacturing process.

Recycled wool

Wool is a renewable, biodegradable, insulating, and durable material that prevents bad odours from building up.

SORONA® Dupont™

This synthetic fibre is a biopolymer partly made of natural materials. Producing it uses less energy, reduces CO₂ emissions and uses renewable natural resources instead of petroleum products.

Water use

Water is the most important natural resource we have that we must conserve. Reducing water consumption in our garment manufacturing processes is one of our major goals.

Using innovative techniques in denim manufacturing processes allows us to reduce the environmental impact of the finishes of this type of garment.

Laser and ozone technologies are the two initiatives that our denim garments include, two key techniques for reducing the strong environmental impact of the finishing processes of these types of garments.



Nanobubbles: quality finishes with the minimum amount of water and no waste since this technology allows water, energy and chemicals products to be saved compared to conventional processes

Ozone: it naturally allows for oxidation with a large decrease in the consumption of water and chemical products such as chlorine and permanganate.

Laser: technology to make denim looked distressed through a dry process that does not use water.



WE care

WE CARE is an internal work group coordinated by Sourcing and Quality Department that brings together members of the Design and Purchasing departments of all our commercial chains, as well as other corporate departments to promote and coordinate procedures, initiatives and proposals related to textile sustainability and innovation. Its main aim is to make the team aware of areas for improvement and market trends for their implementation and thus contribute to the transformation towards a more sustainable model.

ECOVERO™

LENZING™ Ecovero™ fibre is a viscose obtained from sustainable wood and cellulose which comes from certified sources. Its manufacturing process reduces emissions and impact on water resources by 50 per cent.

TENCEL® LYOCCELL

Biodegradable fabrics made from the wood of eucalyptus trees from forests that are managed in a sustainable manner. It is very pleasant to the touch and very resistant to stretching and wrinkles due to its moisture management property.

RDS (RESPONSABLE DOWN STANDARD)

It is an independent, voluntary global standard that ensures a process without cruelty to animals. The down is 100% natural and biodegradable and guarantees lightness, insulation, and maximum breathability.

THERMOLITE®

THERMOLITE T-Down EcoMade provides a new generation of recycled synthetic fibre designed to replace down. It is GRS approved and made from 100% recycled PET fibre.

Plastics

The fight against plastics and micro-plastics is one of the priority areas for protecting the oceans. At Tendam, we see it as one of the most difficult challenges that we have ahead of us.

In recent years, plastic shopping bags have been replaced by paper or recycled plastic (min. 70%). The paper bags, which are delivered to the customer, are PEFC or FSC certified. These certifications evaluate the whole line of forest production, from the tree to the final product, verifying that its origin is environmentally friendly.



3R Project – Pre-consumer plastics

Tendam works to reduce pre-consumer plastic generated in the supply chain by reducing or replacing polyethylene poly bags that protect the products from dirt and moisture until they reach consumers.

By introducing the 3R PROJECT years ago, Springfield has achieved very significant savings and its results are being applied to the rest of the group's brands according to the particularities of their garments and fabrics. The 3R Project is based on eliminating single-use polyethylene bags and replacing master poly bags with wax-coated paper which protects all the garments in each box.

The WE CARE group is currently coordinating a new project to replace traditional poly bags with thinner alternatives containing recycled material. The next steps are based on looking for alternatives to eliminate petroleum-based polymers. To this end, different solutions are being analysed in terms of their viability and resistance. Alternatives are being tested with paper, biodegradable materials and water-soluble polymers.

Waste

In recent years, we have been implementing different measures to know and manage the waste generated by the company directly and indirectly to apply the most efficient solutions. Thus, we have introduced procedures to improve and optimise the use of resources by promoting reusing and recycling.



Packaging

Seventy per cent of the boxes that arrive at the logistics centre from suppliers are reused during picking for store replenishment, optimising the use of materials and reducing the generation of new waste.

In addition, to reduce waste generation at consumers' homes, measures are carried out to replace packaging materials with others that have a lower environmental impact and to get rid of unnecessary elements.

Textile waste

We have a firm social commitment to managing textile waste and using garments that cannot be sold in order to prevent destroying or incinerating the garments and waste generation.

That is why we have a social programme, launched more than 15 years ago, which makes the most of these products through two mechanisms: donations in kind to non-profit organisations so they can be directly used in programmes for people at risk of exclusion and, secondly, the Involucrados project, where social projects are funded by selling these items in charity markets, which socially maximises the value of these out-of-market resources.

This year, we have directly donated 23,430 garments and, on the other hand, we have donated garments worth €152,000 through the Involucrados project.

Another 6,897 kg of pre-consumer waste was processed through an authorised agent, of which 98.88% was reused in the second-hand market and the remaining 1.12% was recycled.

Paper

To reduce substantially paper at our central services, we have introduced signing contracts with third parties via electronic signature using the DocuSign tool, which allows documents to be approved, finalised and signed quickly and securely from any device without needing to print any documents. The Legal Department handled 752 contracts using this tool.

Replacing paper receipts with electronic ones for online purchases has resulted in an estimated reduction of 1 million paper receipts since it was introduced in May 2019.

In addition, this year the individual printers have been replaced by efficient collective printers with the aim of reducing paper consumption.

Management and Reuse of Electric and Electronic Equipment

Inadequately handling electronic waste creates serious health problems due to its hazardous components, and management processes without the proper means and facilities with qualified personnel pose an additional threat to the planet.

A total of 9,724 kg of waste electrical and electronic equipment (WEEE) has been disposed of during 2019, mainly screens, desktop PCs and large equipment.

The disposal of obsolete equipment at facilities and stores by an authorised agent includes safely erasing the information stored in all the memory units.

Equipment susceptible to second use is restored, prioritizing reuse as the best treatment option. Of the waste managed, 6.92% by weight of desktop PCs have been reused and 35% of all other devices have been reconditioned.

Commitments to climate change

In 2019, the company has made great progress in its commitment to climate change, aligning its goals with international initiatives that, through sectoral and multinational cooperation, join forces to achieve the challenge of decarbonisation by 2050.

Currently, the company is involved in the process of defining a new climate change strategy that will allow it to make more progress and fulfil all the commitments it has made.



The Fashion Pact

Tendam has joined the Fashion Pact, the grand coalition of leading global fashion companies committed to shared key environmental goals based on the Paris Agreement goal of limiting the planet's temperature rise to below 1.5°C.

As part of its strategy to manage operations in the most efficient and environmentally friendly way, specific quantitative targets have been set to address the industry's challenges regarding the fight against climate change, protecting the oceans and biodiversity conservation. All of this is done within the framework of the Science Based Targets (SBT) initiative.

Our firm commitment to this initiative has led us to join their Executive Committee as well as their Management Committee, actively participating in decision-making.

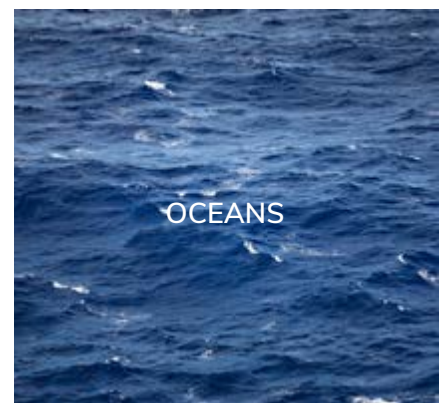
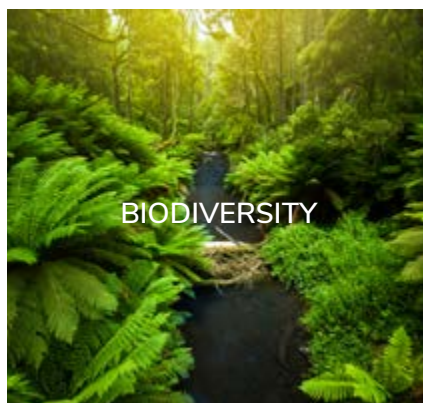
"We're forging ahead in our sustainability strategy and joining the Fashion Pact is a sign of our commitment. This translates into clear control policies in operations in which we are directly involved, while consistently pursuing maximum efficiency and minimum consumption".

Jaume Miquel, Chairman and CEO of Tendam

THE FASHION PACT



3 Pillars



Business ambition for 1.5°C

Regarding the 2019 United Nations climate change Conference (COP25), Tendam has been recognised by the United Nations Global Compact for joining the Business Ambition for 1.5°C initiative which will set targets for reducing global temperature rise to 1.5°C in accordance with the limit agreed upon by the scientific community to prevent the worst social and environmental impacts.

This commitment to a significant reduction of carbon for a future with net-zero emissions by 2050, also shared by the Fashion Pact, is part of the most ambitious effort, carried out by companies that demonstrate leadership at a time of environmental, social and economic concern and uncertainty.



UN Fashion Industry Charter for Climate Action

In order to implement the principles of the Fashion Industry Charter for Climate Action, Tendam is committed to working together with stakeholders to achieve the targets that have been set.

Tendam has joined the Fashion Industry Charter for Climate Action, overseen by the United Nations climate change Office, to define action steps as well as to set an initial target to reduce GHG emissions by 30% by 2030 and other specific measures such as phasing out carbon sources in supply chains.



Goals for 2020-2022

- ◆ Defining a new climate change strategy
- ◆ Carbon Disclosure Project
- ◆ Defining SBTi reduction targets



Energy efficiency

With over 1,300 own points of sale all over the world, the stores become the heart of the activity and need to adapt to the needs of each space and the specific and differentiated commercial offer of each of our brands.



They are one of the critical factors in terms of electricity consumption from our direct activities. This is why environmental factors and the design of each of the spaces turn every opening or renovation into a rational energy consumption project in itself, where we must take into account lighting as well as heating and cooling installation improvements to achieve greater energy efficiency and to maximise our sustainability criteria.

The Aranjuez logistics centre has a photovoltaic system covering the entire roof of the building, equipment such as low-energy lighting, automated systems that turn on or off depending on the ambient light, compartmentalisation of areas, and automation systems.

Renewable Energy

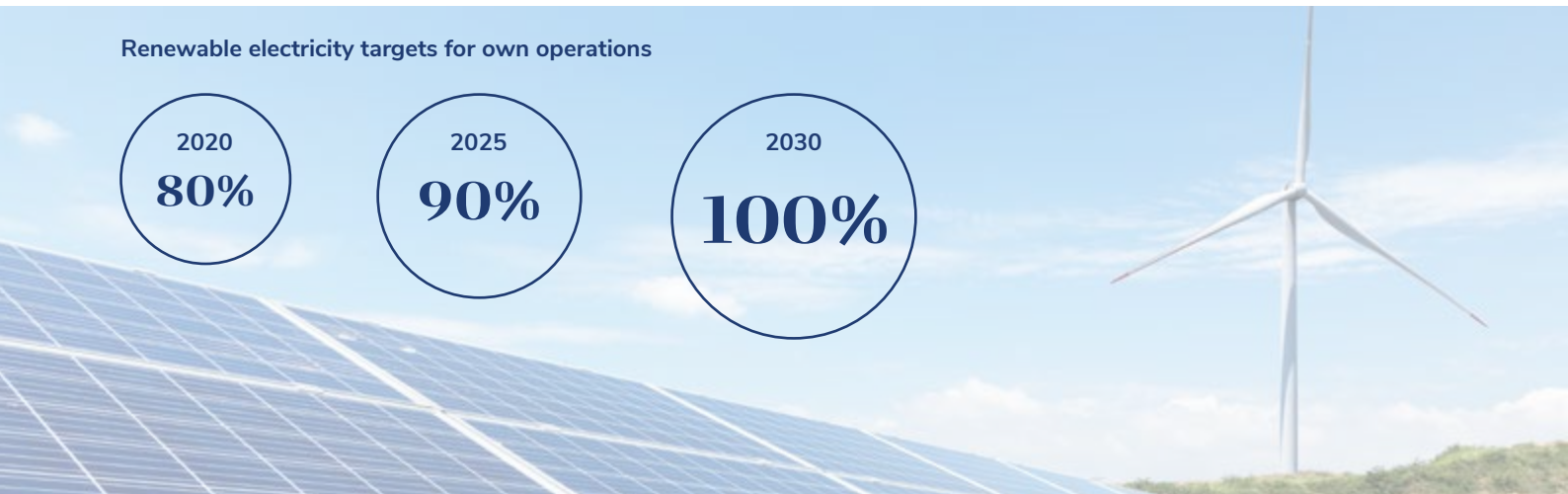
Tendam has committed to renewable energy acquisition. During 2020, all the energy consumed for the group's operations in Spain, which is 80% of the electricity purchased for its own operations, will be renewable.

The contract to supply renewable energy represents a total volume of about 80GWh/year and covers the 800 stores that Tendam's brands have in Spain as well as the group's operational facilities in the country, its headquarters, and logistics centres.

Thus, 100% of this energy will be certified with Guarantee of Origin (GoOs) issued by the National Commission on Markets and Competition (CNMC, for its abbreviation in Spanish) during 2020. This way, the carbon footprint will be significantly reduced as it will prevent the emission of an estimated 30,000 tonnes of CO₂ into the atmosphere.



Renewable electricity targets for own operations





12.04%
Acquired renewable
energy



Electrical Power Consumption (KWh)

	2017	2018	2019
Stores *	93,746,266	91,052,450	94,054,997
Headquarters and offices	2,779,144	2,917,517	2,848,431
Logistics Centres	3,499,093	3,152,991	2,671,605
Total	100,024,503	97,122,958	99,575,033
Acquired renewable energy**	0%	0%	12.04%

* Only taking into account energy consumption in our own stores (without corners), this represents 98.9% of the total commercial surface area of our own stores.

** Renewable energy acquired in Spain

Energy consumption by country (KWh)

Countries	2017	2018	2019
Spain	81,306,146	78,752,681	80,352,604
Belgium	1,480,978	1,288,627	1,208,207
Croatia	4,800	51,513	570,000
France	641,937	712,856	910,050
Hungary	1,205,268	1,203,071	1,202,089
Luxembourg	389,099	398,590	272,799
Mexico	1,440,043	1,240,629	1,525,793
Montenegro	n/a	n/a	n/a
Portugal	12,300,344	12,301,184	12,206,541
Russia	839,518	852,527	916,000
Serbia	245,000	321,280	315,450
Total	100,024,503	97,122,958	99,575,033

Efficient Logistics

Logistical decisions directly impact environmental consequences. This year, air transport has once again been reduced, decreasing emissions from imports as well as long-distance exports. This is the direct result of applying a business model that is not focused on fast fashion but on more planning and a high-quality commercial offer that lasts longer.

Regarding land transport, **efficiency measures when filling boxes and trucks** also reduce the emission of greenhouse gases for each tonne transported.

Efficient distribution to all stores is achieved thanks to two main areas: the distribution centre in Aranjuez (Madrid) and the cross-dock centre in Hong Kong.

Multi-brand distribution means a considerable **decrease in transport** and deliveries to stores outside of business hours in order not to hinder the activity and to minimise the effects of traffic and pollution in urban areas.

Emissions

Calculation Period: Financial year: 1 March 2019 to 29 February 2020

Calculation method: GHG emissions calculated in accordance with the 'Greenhouse Gas Protocol (GHG Protocol). Corporate Accounting and Reporting Standard' established by the WRI (World Resources Institute) and WBCSD (World Business Council for Sustainable Development).

Direct emissions

Fuels
Leased vehicles
Air conditioning recharges

SCOPE 1

Indirect emissions

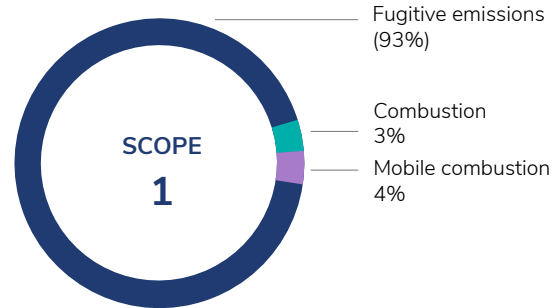
Electricity acquired	Transport from supplier to logistics centre - IMPORT Transport to franchises - EXPORT Transport to own stores Transport for e-commerce/online Employee trips
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SCOPE 2

SCOPE 3

SCOPE 1: DIRECT EMISSIONS: 3,198 TnCO₂ e

- ◆ **Fuels:** Emissions from using heating fuel in stores and facilities.
- ◆ **Coolants:** Leaked emissions from air conditioning units in stores in Spain, Portugal and Belgium.
- ◆ **Vehicles:** Emissions from vehicle fuel consumption (as they do not have their own fleet, it refers to leased vehicles only).



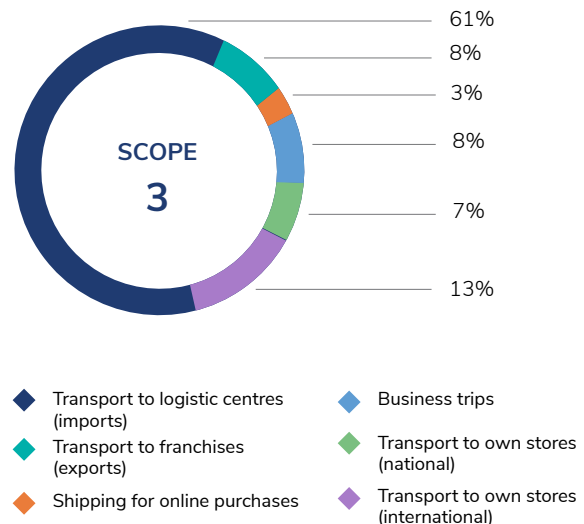
SCOPE 2: Indirect electricity-related emissions: 23,747 TnCO₂ e

- ◆ **Electricity:** Emissions derived from electricity consumption at the headquarters, Aranjuez logistics centre (Madrid), warehouses, country headquarters and the entire network of our own stores.

Scope 2 has been reduced by 32% with respect to the previous year due to the acquisition of renewable energy and because the decarbonisation measures are reducing the emission factor of the electricity mix of the Spanish supply companies.

SCOPE 3: Indirect transport-related emissions: 19,003 TnCO₂ e

- ◆ **Imports:** Emissions due to the transport of goods from suppliers to the Hong Kong and Aranjuez (Madrid) logistics centres.
- ◆ **Logistics:** Emissions due to the transport of goods from the logistics centres to the entire network of our own stores.
- ◆ **Exports:** Emissions due to transport to the entire network of franchise stores.
- ◆ **E-commerce:** Emissions due to the transport of goods from online sales.
- ◆ **Travel:** Emissions from employee business trips.



	2017	2018	2019
Scope 1	3,206	4,218	3,198
Scope 2	36,067	35,139	23,747
Scope 1+2	39,273	39,357	26,945
Scope 3	21,816	22,813	19,003

Total emissions have decreased by more than 30% compared to 2018. The main variation is in scope 2 (emissions from electricity) due to the acquisition of renewable energy and the fact that the emission factor of the supplier in Spain (which accounts for almost 80% of total consumption) has dropped considerably as decarbonisation has led electricity companies to change their energy mix. In scope 3, emissions also decrease due to streamlining air transport.

Direct GHG emissions

Type	CO ₂ (Tn CO ₂)	CH ₄ (Tn CO ₂ e)	N ₂ O (Tn CO ₂ e)	refrigerant gases (Tn CO ₂ e)	GEI (Tn CO ₂ e)	%
Stationary combustion	96.19	0.30	0.10	-	97	3%
Mobile combustion	121.13	0.03	1.73	-	123	4%
Refrigerant gases - fugitive emissions	-	-	-	2,978.99	2,979	93%
TOTAL (Tn CO₂ e)	217.32	0.33	1.83	2,978.99	3,198	100%

Indirect GHG emissions from electricity

Electricity	23,747.31 (Tn CO₂ e)	100.0%
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OTHER INDIRECT GHG EMISSIONS

Description	CO ₂ (Tn CO ₂)	CH ₄ (Tn CO ₂ e)	N ₂ O (Tn CO ₂ e)	GHG (Tn CO ₂ e)	%
Transport to own stores (National)	1,284.69	0.29	16.59	1,302	7%
Transport to own stores (international)	2,394.50	0.26	28.21	2,423	13%
Transport to logistic centres (Imports)	11,594.64	1.96	106.39	11,703	62%
Transport to franchises (Exports)	1,552.56	0.26	15.37	1,568	8%
Shipments from online purchases	523.27	0.03	3.74	527	3%
Business trips	1,465.89	0.43	13.42	1,480	8%
Total (Tn CO₂ e)	18,815.55	3.23	183.73	19,003	100%

Consumption ratios and indirect emissions from electricity use in stores

Countries	KWh - stores	KWh/m ²	Tn CO ₂ e	kg CO ₂ e / m ²
Spain	74,914,916	266	17,241	61
Belgium	1,193,924	215	247	45
France	903,007	212	37	9
Hungary	1,193,688	195	335	55
Luxembourg	272,799	205	83	62
Croatia	570,000	144	111	28
Portugal	12,169,920	259	3,298	70
Serbia	315,450	46	219	32
Russia	900,000	79	342	30
Mexico	1,525,793	177	697	81
Total	93,959,497	249	22,612	60

Only taking into account the electricity consumption at its own stores (without corners), this represents 98,79% of the total commercial surface area of its own stores.

Calculated based on the emissions factors of the International Energy Agency (IEA 2016) and MITECO 2020.

8.

Committed to society

Strategic alliances

Social impact projects

Corporate Volunteering





Strategic alliances

We are a company that wants to have a positive impact on our society, becoming an agent of change, promoting diversity, inclusion, and the well-being of the communities where we operate.

Our contribution is materialised through collaborations with other entities to promote networking, innovation and talent management, contributing to the betterment of society.



SERES Foundation

We are part of the SERES Foundation together with 140 other companies with the objective of driving the social actions of companies and transforming business reality to create a better and healthier society.



Lealtad Foundation

The Lealtad Foundation is an independent non-profit organisation that seeks to strengthen society's confidence in social action foundations and associations to increase cooperation among companies and individuals. Since 2003, thanks to the close cooperation between both parties, Tendam has supported the task of propagating transparency in the third sector.



The Fashion Pact

We have joined the coalition of leading global fashion companies committed to shared environmental goals that are key to climate change, biodiversity and the oceans.



Foro Social de la Industria de la Moda

It has been created as a platform for dialogue made up of organisations linked to the fashion industry in Spain. Through our participation in the Forum, we strengthen companies' commitment to improving society with responsible actions, acting as a tool for dialogue and promoting good practices.



UN Fashion Industry Charter for climate change

The fashion industry is moving towards a commitment to climate action and the launch of the Fashion Industry Charter in 2018 is a result of this. This Charter sets out common objectives for reducing emissions, as well as analysing and establishing a decarbonisation approach for the fashion industry based on the methodologies of the Science-based Targets Initiative.

Tendam is a member of many leading national and international organisations in the industry, actively taking part through their management boards, committees and working groups and contributing with the corresponding necessary fees. ACME (Asociación de Creadores de Moda de España), ACOTEX (Asociación Empresarial del comercio Textil, complementos y piel), AMFORI (BSCI - Foreign Trade Association), ANGED (Asociación Nacional Grandes de Empresas de Distribución), ASECOM (Asociación de Empresas de Confección y Moda de la Comunidad de Madrid), ASEPAM (Asociación Española del Pacto Mundial de Naciones Unidas), EBCA (European Branded Clothing Alliance), FEDECON, and FMRE (Foro de Marcas Renombradas Españolas).

We are committed to training and talent



Aula Tendam with the Universidad Politécnica de Madrid

We participate in the Aula Tendam on Sustainability, Responsibility, and Innovation in Fashion Design in collaboration with the **Centro Superior de Diseño de Moda de Madrid (CSDMM)**, affiliated with the Universidad Politécnica de Madrid. This collaboration is another example of the company's commitment to society and it allows it to fulfil its educational mission with three goals: to support talented young people, to train professionals and to professionalise the industry. It also clearly supports sustainable innovation through the design process.

Chair at the ISEM Business Fashion School

The Tendam Chair at ISEM, a University of Navarra center—the first business school specialised in fashion companies in Spain—focuses on promoting young talent and fostering their professional growth as strategic pillars to boost their employability. Tendam shares the aim of training professionals to work in the fashion industry by building their negotiation and leadership skills.



Atelier by ISEM

Tendam collaborates on the Atelier by ISEM project, the start-up accelerator run by the ISEM Business School, the University of Navarra's business school focused on the fashion industry. In this third edition of the project, we have joined up with other major companies to promote new alliances with entrepreneurs and start-ups and to be able to add new technologies to the development of the industrial base of the retail industry specialising in fashion.

Business Women Empowerment

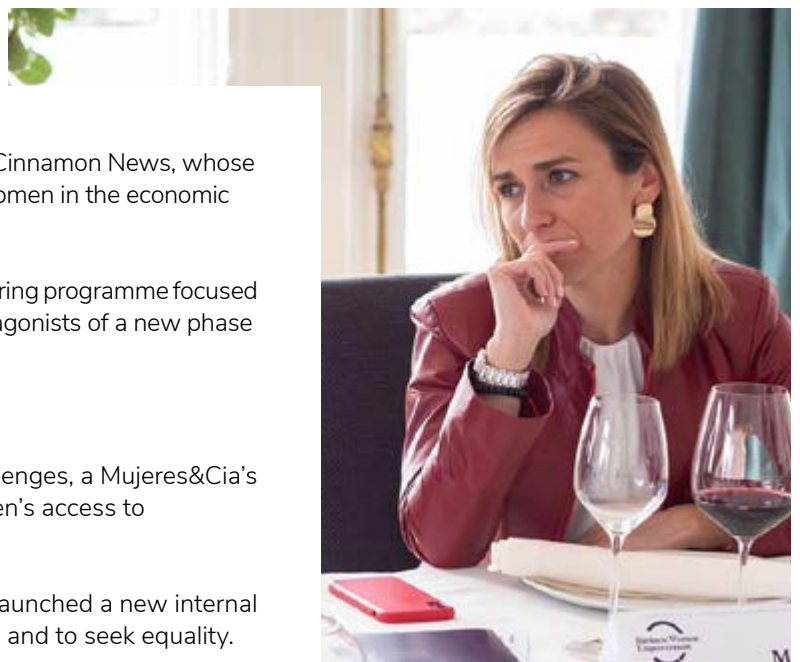
The company sponsors this initiative, promoted by Cinnamon News, whose objective is to contribute to the empowerment of women in the economic and business world.

Within this framework, **Woman2Woman** is a mentoring programme focused on searching women with vocation to become protagonists of a new phase to transform the business world towards equality.

EngageMEN, engaging men

Our CEO has participated in the EngageMEN challenges, a Mujeres&Cia's initiative, with a clear challenge to speed up women's access to management positions.

As a result of this participation, the company has launched a new internal sponsoring program to promote female leadership and to seek equality.



Social impact projects

We maintain a strong commitment to our social programs as a means to contribute to the Sustainable Development Goals, strengthening the well-being of the community. We pay special attention to developing programmes that help improve people’s personal and professional skills, reflecting our commitment to our employees and our willingness to be an actor in development.



#SIMEIMPORTA (#IDOCARE) movement for cancer prevention

Through the collaboration they have had since 2013, Women'secret and the Dexeus Mujer Foundation have taken another step towards preventing hereditary breast cancer. This year, they have launched the 'A mí, me importa. ¿Y a ti?' ('It matters to me. What about you?') campaign, a solidarity initiative with which the brand wanted to call on all women to join the #SÍMEIMPORTA movement, whose objective is to contribute to improving the quality of life of women with cancer and normalising the disease.

The **Post Surgery Bras** project was created six years ago to support and contribute to normalising the lives of women who have suffered from breast cancer with the aim of making their daily lives easier. It is a line of lingerie and swimwear created for women who have had this cancer, designed to be able to adapt to being worn with a prosthesis or to being worn post-surgery.

In recent years, there has been an increase in breast cancer diagnoses in young women, which is often hereditary. To prevent them, the Dexeus Mujer Foundation does genetic testing for women who may have a hereditary risk. The campaign presented by both brands this year aims precisely at enhancing prevention. It involves selling an underwear collection to obtain funds to help make these tests free for women who are at risk.



SERES Award for Social Innovation

The SERES Foundation firmly believes in social innovation as a key element for facing today’s challenges of society and organisations. The SERES 2019 awards have recognised the best strategic and innovative actions that create value for society and companies. The foundation has awarded the #SIMEIMPORTA project for its innovative nature and for creating value for women.

INVOLUCRADOS (INVOLVED) with the community

In 2005, the Involucrados (Involved) project was born as the result of the company's commitment to the development of society, contributing to the health and well-being of the community. Through a public call, with requirements and a transparent process, four projects from different social organisations are chosen to be the beneficiaries of all the money raised from the pieces sold through the company's charity sales.

With this social action programme, we support projects that promote social and labour market integration and the fight against poverty and exclusion, as well as contributing to International cooperation projects carried out in developing countries to fight poverty and exclusion.



In 15 years, we have done big things:

53
projects funded
around the world

+€1.6
million euros

+500,000
beneficiaries



Gil Gayarre Foundation

The Foundation carries out its Water and Rhythm programme by providing a therapeutic approach to emotional and health issues related to intellectual disabilities. Its main aim is to fix and alleviate problems related to intellectual disabilities that further limit the person's adaptation and development comprehensively and harmoniously. The therapy is individualised with two rehabilitative/therapeutic treatments using hydrotherapy and music therapy.

€40,369/ Spain
178 families

Asociación Española de Esclerosis Lateral Amiotrófica

The Near to you programme by the Asociación Española de Esclerosis Lateral Amiotrófica (ADELA, for its abbreviation in Spanish) focuses on personalised care and independent living for people with Amyotrophic Lateral Sclerosis and their family members. This programme meets the need for physiotherapists, speech therapists, psychologists and other professionals working with people with ALS in order to improve their quality of life and their social and home environment.

€35,943/ Spain
500 Beneficiaries

Sauce Foundation

The Foundation promotes the inclusion of people with disabilities and/or who are at risk of exclusion in the labour market in the Battambang Textile Association (Cambodia). This centre has become a tool for local textile manufacturing and for creating opportunities as a source of employment for people who would never have had the chance to join the labour market.

€37,225/ Cambodia
40 Workers with a disability

Recover Foundation

With the slogan 'a ghost detectable in time', the Recover Foundation focuses on the detection of cervical cancer in women in Cameroon. Cervical cancer is a disease that is easy to diagnose and treat by trained healthcare professionals, so the death of thousands of women can be prevented through the early diagnosis of this type of cancer.

€38,632/ Cameroon
2,000 Women

PERFECTOS IMPERFECTOS (PERFECTLY IMPERFECT) to raise awareness of disabilities



Cortefiel supports the Cadete Foundation with the Perfectos Imperfectos project with the aim of positively highlighting how children born with a disability are imperfect, different, and original.

100% of the money raised from selling the capsule collection made up of different menswear and womenswear garments has been put towards it. Fifty-six children with different types and levels of disabilities have been provided financial assistance to receive rehabilitation treatment at 37 centres in the Community of Madrid.



€49,000/ Spain

56 children have received financial assistance

Solidarity Bracelets WOMEN POWER



Women'secret has collaborated with the #GirlsGetEqual campaign launched by Plan International. It is a worldwide movement for the equality of girls and young women that takes place in more than 75 countries and seeks to ensure that girls are equally seen, heard and valued.

The action consisted in selling bracelets designed for the International Women's Day. Thanks to Women'secret's Women Power campaign were raised €50,000 to contribute to funding Plan International's education programme in collaboration with AECID (the Spanish Agency for International Development Cooperation) in the fields of Cox's Bazar (Bangladesh). This project directly benefits over 3,610 children, young people and women, both Rohingya and Bangladeshi refugees, promoting education and equality for girls.

Women Together



€51,273/ Bangladesh
3,610 Children

Salvemos nuestro Mediterráneo (Let's save our Mediterranean)



Under its eco-friendly label, R[ECO]NSIDER, and as part of its strategic commitment to caring for the environment, Springfield is collaborating with National Geographic and Manu San Félix on the Salvemos nuestro Mediterráneo project.

The initiative is part of the communication campaign for the premiere of the documentary directed by marine biologist Manu San Felix focused on the Posidonia Maps project, aimed at conserving Posidonia oceanica on the Mediterranean seabed in the Balearic Islands.

€10,000 for Posidonia Map



FASHION 2ND LIFE for Alzheimer's



With the slogan 'Fashion 2nd Life: Let nobody forget their memories', Pedro del Hierro held an auction with its exclusive creations to fund research for finding a cure for Alzheimer's disease.

All the money has gone towards funding a research project based on immunotherapy led by CIMA - University of Navarra (Center for Applied Medical Research). The project studies how the olfactory system can modulate the immune system and the effects of immune activation or suppression on memory. The results will contribute to the search for a cure for Alzheimer's disease.

€15,500

for Alzheimer's research

Telva Solidarity Award for the Andrés Marcio Foundation



For another year, Tendam has sponsored the XXVI edition of the TELVA Solidarity Awards that recognises five social projects.

On this occasion, the company has collaborated with the Andrés Marcio Foundation by donating €9,000 to fund miniature subcutaneous holter devices to prevent the sudden death of children with laminopathy. This is a rare disease with severe congenital muscular dystrophy that has no cure at this time.

Currently, only eight cases have been identified in Spain.

€9,000
donated to the foundation



Employee collaborations



The Women's secret teams organised an in-company solidarity market to help a co-worker whose son has Hereditary Spastic Paraparesis, a rare neurodegenerative disease.

The proceeds went entirely to the Division of Molecular Genetics at Columbia University Medical Center, one of the few research centres in the world on this rare disease, to support research (KIF1A Research) to better understand the genetic basis of the disease, its natural history, what support is most useful for people who have it and possible new treatments in the future.

Advances in research are key for developing treatments.

€11,404
raised for researching the disease

Clothing donations

At Tendam, there is a firm social commitment to making the most out of our defective samples and garments that cannot be sold on the market, thus avoiding the destruction of the garments and the consequent generation of waste.

As a result, there is a social programme, launched more than 15 years ago, which makes the most of these products through two mechanisms: donations in kind to non-profit organisations so they can be directly used in programmes for people at risk of exclusion and, secondly, the Involucrados project, whereby social projects are funded by selling these items in charity markets, which socially maximises the value of these out-of-market resources.

The most direct way of using these leftovers is donating them, but we also use them to generate economic resources that allow for the creation of a much greater benefit to society. In this way, resources that the company would not benefit from in its regular commercial management are maximised, avoiding the generation of textile waste.

23,430
units donated with a value of
€156,200



Corporate volunteering

Through our corporate volunteer programme, 'Somos Voluntarios', employees can actively collaborate in various social and environmental programmes that give them the chance to add value to society. With this initiative, the company provides the talent of its professionals to third sector organisations to make an internal and external impact, bringing it closer to the community.

The programme revolves around two main lines of action: integrating groups at risk of social exclusion and protecting the environment.



167 volunteers 872 hours



Supporting women with the Quiero Trabajo Foundation

Over 15 volunteers from Tendam collaborate with the Quiero Trabajo Foundation, boosting the employability of women who are at risk of social exclusion due to their situation: migrants, persons seeking international protection and refugees, women over 45 years old, single mothers, etc.

The volunteers have helped 18 women, offering styling and mentoring sessions with the aim of empowering them and increasing their self-esteem so that they can feel confident and secure during recruitment processes.

Teaching Students of the Síndrome de Down de Madrid Foundation

More than 20 volunteers give workshops to the students of the Foundation's FOCUS training programme where young people with disabilities are provided with a space for their personal and educational development once they finish their schooling. As part of the business, hospitality and tourism modules, Tendam's volunteers provide training workshops on personal styling and job interviews for their future incorporation into the labour market.

We participated in COP25

Tendam supported the Madrid City Council with the volunteer programme for COP25 that was held in December.

As a company and because of our commitment to sustainability and climate change, we wanted to participate in this world-class event directly. A group of volunteers participated at the Sustainable Development Goals and Agenda 2030 stand located in the Green Zone, sharing the SDGs and their contribution to achieving a better world.



We celebrated World Cleanup Day

On Saturday, 21 September, we celebrated World Cleanup Day by joining more than 150 countries that came together that same day to clean up streets, parks, beaches and forests. We invited all employees to participate along with their families, challenging them to bring together the most volunteers and to collect as much waste as possible in a competition with other international companies.

We carried out waste removal actions in the Valmayor reservoir as part of the Libera Project in collaboration with SEO Birdlife and Ecoembes.

9.

About this Report

The report's scope and coverage

Economic contribution

Principles of the Global Compact

Information requested under the Law 11/2018

External Verification





The report's scope and coverage

This 2019 Sustainability Report includes all the activities of tendam brands, s.a. as the parent company, and of the companies directly or indirectly controlled by it, which comprise the Tendam Group.

The Report includes the consolidated Statement of Nonfinancial Information (ENIF) of the Company and its group, corresponding to the corresponding to the fiscal year between March 1, 2019 and February 29, 2020. It is submitted as a separate report, forming part of the consolidated management report of the Company and its group.

The 2019 Sustainability Report has been prepared by the Board of Directors of the Company and was signed by all its members on 30 July 2020¹.

The contents of this report have been produced in accordance with international standards such as the Global Reporting Initiative, and following the guidelines and principles established in the SRS Standards (Comprehensive application level).

The Report includes all the information required by Spanish Law 11/2018, of 28 December, which modifies the Commercial Code (Código de Comercio), the consolidated text of the Spanish Corporate Enterprises Act (Ley de Sociedades de Capital) approved by Royal Legislative Decree 1/2010, of 2 July, and Spanish Law 22/2015, of 20 July, on Account Auditing, in relation to non- nancial information and diversity.

For the preparation of the report, the relevant environmental and social aspects of the business have been considered in the significant geographical areas where the activity is carried out. In the case of limitations in some contents, these are detailed in the corresponding section of the report or in the corresponding index, and there is a commitment to continue working on internal data management to present the most complete information.

The characteristics of the organization and the expectations of the interested parties have been taken into account.



The basic principles followed to produce this report are:

- ◆ Except where expressly indicated otherwise, the data included refer to the position on 29 February 2020.
- ◆ For comparative purposes, quantitative information from the previous year is included, either in the contents of each chapter or in the "Main KPIs" table in this section.
- ◆ The information and data extracted from the different internal management systems of the Tendam Group have been validated by the people responsible for the different departments.
- ◆ The information provided is not exclusively limited to quantitative indicators. Supplementary information of a qualitative nature makes it possible to provide an appropriate assessment of sustainability.
- ◆ All image and graphic resources used are owned by the Company or have been appropriately licenced for use in this report.

1. In accordance with the deadlines set out in Royal Decree Law 8/2020 of 17 March on urgent extraordinary measures to deal with the economic and social impact of COVID-19 and Royal Decree Law 19/2020 of 26 May adopting supplementary measures in the agricultural, scientific, economic, employment and social security and tax fields to alleviate the effects of COVID-19.

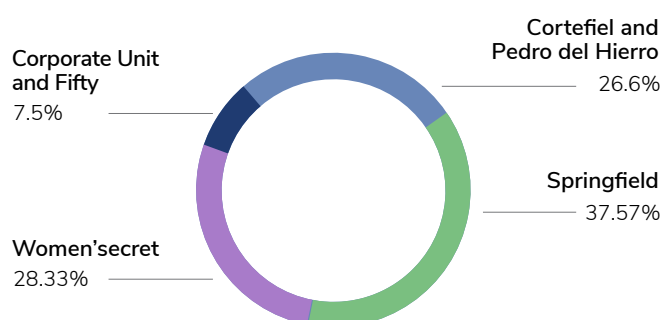
Economic contribution

Main Figures (Millions of euros)

	2018	2019
Non financial fixed ass	1,015.78	1,382.08
Financial fixed assets	21.57	21.70
Stock	157.67	154.31
Customers	15.40	24.91
Comercial suppliers	223.40	228.36
Total discontinued operations income	1,150.83	1,187.28
Gross margin / Income	61.74%	61.97%
Operating profit	119.91	125.10
Recurring EBITDA	161.71	296.97
Stock / Sales	13.79%	13.08%
Customers / Sales	1.35%	2.11%
Suppliers / Sales	19.55%	19.36%

Income (Millions of euros)

	2018	2019
Cortefiel and Pedro del Hierro	312.92	315.93
Women'secret	312.21	336.31
Springfield	444.21	446.02
Fifty	79.41	87.44
Corporate Unit	2.08	1.58



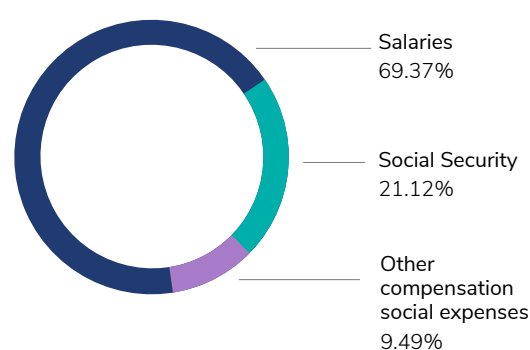
Environment provisions:

The Company does not have environmental provisions in place. It considers that the damages and responsibilities that, as the case may be, could derive from incidents of this nature are sufficiently covered by the insurance policies taken out by the group.

Distribution of expenditures (Millions of euros)

	2018	2019
Employee remuneration	220.97	235.16
Provisions	440.35	451.50
Other operating costs	328.37	205.50

Remuneration of employees 2019



Results before taxes (Millions of euros)

	2018 (pre-IFRS16)	2019 (pre-IFRS16)	2019 (post-IFRS16)
Spain	45.90	70.65	64.98
Portugal	11.17	12.30	11.41
Others	23.75	-1.70	-3.98
Total	80.82	81.25	72.41

During the 2019 financial year, new accounting standards came into force, among which the IFRS16 applicable to the accounting treatment of leases stands out. Data for the year ended February 29, 2020 are included both with or without the effect of the application of this standard, in order to facilitate comparison with the data from the previous year.

Corporation tax paid:

In the 2018/19 financial year, a total of €8.92 million was recorded as corporation tax paid.

Public grants:

The Company does not receive public grants, except on the subject of employment training in Spain (Fundae) equivalent to €0.32 million provided in the form of a reduction on social security contributions.

Main KPIs 2018-2019

MAIN KPIs		2018	2019
TENDAM			
Business	Countries in which we operates	84	86
	Points of sale	1,993	1,990
	Own Stores	1,361	1,367
	Franchises	632	623
	Online markets	38	47
	Millions of garments produced	90	91
CORPORATE GOVERNANCE			
Training Code of Conduct	Trained employees	2,118	1,592
	Training hours	4,236	3,184
Whistleblower Channel	Visits to the Whistleblower Channel	1,435	1,089
	Incidents (Whistleblower Channel)	29	44
	Ratio of complaints per employee (%)	0,22%	0,44%
Governance	% Women on the Board of Directors	12.50%	14.28%
	% Women on the Management Committee	27.30%	27.30%
OUR CUSTOMERS			
Online	Online markets	38	47
	Online sales growth	30%	28,7%
	Online turnover in relation to total	8%	9,6%
Loyalty clubs	No. of members	22 millions	26 millions
Garments security	Analyzed patterns	11,399	11,242
	Favorable chemical tests	98.91%	98.9%
CSD	Operations performed	1,209,814	1,362,505
	Customer Service	95%	94%
	Complaint forms	1,074	1,155
OUR PEOPLE			
Employees	Number of employees	10,647	10,735
	% Store staff	75%	78%
	% Corporate Services Staff	25%	22%
	% Women	83%	84%
Employees by gender	No. of men	1,772	1,711
	No. of women	8,875	9,024
Employees by country	Germany	16	13
	Bangladesh	-	5
	Belgium	153	139
	Bosnia	83	93
	Bulgaria	23	18
	Croatia	115	102
	Spain	7,434	7,381
	France	174	153
	Hong Kong	55	53
	Hungary	176	185
	India	10	12
	Luxembourg	31	26
	Mexico	203	276
	Montenegro	23	21
	Portugal	1,284	1,317
	Russia	632	682
	Serbia	235	259
Employees by age	Under 25	2,165	2,205
	Between 25 and 35	4,725	4,627
	Between 35 and 50	2,448	2,689
	Over 50	470	532

MAIN KPIs		2018	2019
Employees by professional category	Executives and senior management	261	262
	Middle management	2,022	2,070
	Shop assistants and other	8,412	8,403
Contract type by gender	Permanent contract-Men	1,271	1,286
	Permanent contract-Women	5,605	6,041
	Permanent Total	6,876	7,327
	Fixed-term Men	501	425
	Fixed-term Women	3,270	2,983
	Fixed-term total	3,771	3,408
Contract type by professional category	Permanent contract - Senior management	253	253
	Fixed-term - Senior management	8	9
	Permanent contract - Middle management	1,950	2,025
	Fixed-term - Middle management	72	45
	Permanent contract - Shop assistants and other	4,673	5,049
	Fixed-term - Shop assistants and other	3,691	3,354
Contract type by age	Permanent contract - Under 25	492	1,121
	Permanent contract- Between 25 and 35	2,868	2,969
	Permanent contract- Between 35 and 50	2,220	2,074
	Permanent contract- Over 50	463	481
	Fixed-term- Under 25	1,673	1,084
	Fixed-term - Between 25 and 35	1,857	1,658
Annual average: type of contract (Spain)	Fixed-term - Between 35 and 50	228	615
	Fixed-term - Over 50	7	51
	Permanent contract - Men	917,25	951,58
	Permanent contract- Women	3,672,92	3,957,00
	Fixed-term - Men	460,75	353,50
	Fixed-term- Women	2,570,75	2,351,75
	Permanent contract- Senior management	205,92	208,58
	Fixed-term - Senior management	8,50	7,33
	Permanent contract - Middle management	1,413,25	1,465,00
	Fixed-term - Middle management	27,83	19,25
	Permanent contract - Shop assistants and other	2,971,00	3,235,00
	Fixed-term - Shop assistants and other	2,995,17	2,678,67
Permanent contract - Under 25	233,58	336,17	
Permanent contract - Between 25 and 35	2,245,58	2,279,42	
Permanent contract - Between 35 and 50	1,708,58	1,858,33	
Permanent contract - Over 50	402,42	434,67	
Fixed-term - Under 25	1,373,67	1,204,33	
Fixed-term - Between 25 and 35	1,499,50	1,306,08	
Fixed-term - Between 35 and 50	149,92	184,58	
Fixed-term- Over 50	8,42	10,25	

MAIN KPIs		2018	2019
Type of workday by gender	Full-time - Men	1,054	1,026
	Full-time - Women	3,747	3,883
	Total Full-time	4,801	4,909
	Part-time - Men	718	685
	Part-time - Women	5,128	5,141
	Total Part-time	5,846	5,826
Type of workday by professional category	Full-time - Senior management	237	242
	Full-time - Middle management	1,713	1,766
	Full-time - Shop assistants and other	2,851	2,901
	Part-time - Senior management	25	20
	Part-time - Middle management	308	304
	Part-time - Shop assistants and other	5,513	5,502
Type of workday by age	Full-time - Under 25	399	621
	Full-time - Between 25 and 35	2,037	1,866
	Full-time - Between 35 and 50	1,445	1,521
	Full-time - Over 50	342	376
	Part-time - Under 25	1,766	1,584
	Part-time - Between 25 and 35	2,688	2,761
	Part-time - Between 35 and 50	1,003	1,168
	Part-time - Over 50	128	156
Annual average: type of workday (Spain)	Full-time - Men	805,50	774,92
	Full-time - Women	2.265,33	2.230,00
	Total Full-time	3.070,83	3.004,92
	Part-time - Men	572,50	530,17
	Part-time - Women	3.978,33	4.078,75
	Total Part-time	4.550,83	4.608,92
	Full-time - Senior management	189,17	193,83
	Full-time - Middle management	1.159,17	1.193,75
	Full-time - Shop assistants and other	1.722,50	1.617,33
	Part-time - Senior management	25,25	22,08
	Part-time - Middle management	281,92	290,50
	Part-time - Shop assistants and other	4.243,67	4.296,33
	Full-time - Under 25	252,08	242,58
	Full-time - Between 25 and 35	1.514,75	1.361,75
	Full-time - Between 35 and 50	1.008,00	1.076,92
	Full-time - Over 50	296,00	323,67
	Part-time - Under 25	1.355,17	1.297,92
	Part-time - Between 25 and 35	2.230,33	2.223,75
	Part-time - Between 35 and 50	850,50	966,00
	Part-time - Over 50	114,83	121,25
Accidentality (Spain)	Frequency Index - Men	15.00	6.91
	Frequency Index - Women	11.20	9.75
	Severity Index - Men	0.40	0.38
	Severity Index - Women	0.20	0.36
Accidentality (International)	Frequency Index - Men		8.64
	Frequency Index - Women		15.23
	Severity Index - Men		0.15
	Severity Index - Women		0.29
Absence	No. of hours - Men	121,792	108,455
	No. of hours - Women	669,672	817,258
	Total absence hours	791,464	925,713

MAIN KPIs		2018	2019
Dismissals by gender	No. of dismissals - Men	122	131
	No. of dismissals - Women	461	508
Dismissals by professional category	No. of dismissals - Senior management	12	9
	No. of dismissals - Middle management	102	150
	No. of dismissals - Shop assistants and other	469	480
Dismissals by age (93,6% reach)	No. of dismissals - Under 25	133	99
	No. of dismissals - Between 25 and 35	260	222
	No. of dismissals - Between 35 and 50	90	110
	No. of dismissals - Over 50	15	12
Disability	No. of employees with disabilities	18	88
	No. of trained employees	6,013	6,831
Training	No. of training hours	58,738	42,937
	Training hours - Senior management	456	303
	Training hours - Middle management	2,997	2,155
	Training hours - Technicians	8,634	7,040
	Training hours - Managers	26,152	17,821
	Training hours - Shop assistants	20,499	14,457
SUPPLY CHAIN			
Suppliers	Total number of suppliers	3,932	3,632
	No. of garment suppliers	464	447
Social audits	Factories evaluated Social Audit	433	478
ENVIRONMENT			
Energy consumption	In-Store Consumption (MWh)	91,052,450	94,054,997
	Consumption in Headquarters (MWh)	2,917,517	2,848,431
	Consumption in logistics centres and warehouses (MWh)	3,152,991	2,671,605
	Total Energy Consumption (MWh)	97,122,958	99,575,033
Renewable energy	% Renewable energy acquired	0	12.04%
Fuel consumption	Natural gas (m ³)	34,219	27,928
	Gasoil (litres)	3,612	2,890
Emissions	SCOPE 1 (TnCO ₂ eq)	4,218	3,198
	SCOPE 2 (TnCO ₂ eq)	35,139	23,747
	SCOPE 3 (TnCO ₂ eq)	22,813	19,003
Sustainable garments	Percentage of sustainable production in the group	n.d.	7%
SOCIETY			
Social contribution	Direct donations to the third sector (€)	215,327	298,230
	No. of beneficiaries - Proyecto Involucrados	57,747	26,206
	Donation in kind - number of items	17,700	23,430
	Donation in kind - monetary value of the garments (€)	118,000	156,200

Principles of the Global Compact





Tendam signed up to the United Nations Global Compact in 2002. Since then, it has submitted progress reports on an annual basis to inform its stakeholders, as well as society in general, about its progress towards commitments made upon subscribing to the Global Compact Principles.

It follows best practice for the preparation of Global Compact Progress reports and, given the analysis performed on the Sustainability Report's materiality and content relevance, integrates the topics aligned with the 10 Global Compact principles which can be found in different report points, linked to the indices required by Global Reporting Initiative.



This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

AREA	UN GLOBAL COMPACT PRINCIPLES	SRS STANDARDS
 HUMAN RIGHTS	Principle 1. Businesses should support and respect the protection of internationally proclaimed Human Rights.	GRI 103-2, GRI 410-1, GRI 411-1, GRI 412-1, GRI 412-2, GRI 412-3, GRI 413-1, GRI 413-2
	Principle 2. Business should make sure they are not complicit in Human Rights abuses.	GRI 414-1, GRI 414-2
	Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	GRI 102-41, GRI 407-1, GRI 402-1
 LABOUR	Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labour.	GRI 409-1
	Principle 5. Businesses should uphold the effective abolition of child labour.	GRI 408-1
	Principle 6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	GRI 102-8, GRI 103-2, GRI 202-1, GRI 202-2, GRI 404-1, GRI 414-2, GRI 406-1
 ENVIRONMENT	Principle 7. Businesses should support a precautionary approach to environmental challenges.	GRI 201-2, GRI 301-1, GRI 302-1, GRI 303-1, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-6, GRI 305-7
	Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.	GRI 307-1, GRI 308-1, GRI 308-2, GRI 103-2
	Principle 9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	GRI 302-4, GRI 302-5, GRI 305-5
 ANTI-CORRUPTION	Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.	GRI 102-16, GRI 102-17, GRI 205-1, GRI 205-2, GRI 205-3, GRI 415-1

Information requested under the Law 11/2018

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
GENERAL INFORMATION		
A brief description of the group's business model, which will include its business environment, its organisation and structure, the markets it serves, its objectives and strategies, and the main factors and trends that may affect its future evolution.	102-2 102-3, 102-4, 102-6, 102-7, 102-15	Page 10 -29 Page 36-37
A description of the policies that the group applies to these issues, which will include the due diligence procedures in place for the identification, assessment, prevention and mitigation of significant risks and impacts and procedures for verification and control, including the measures that have been adopted.	102-2 102-3, 102-4, 102-6 102-15	Page 33 Page 36-39 Page 42-43 Page 52-51, 54-55
The results of these policies, which must include key indicators of relevant non-financial results that allow for the monitoring and assessment of progress, and that favour comparability between companies and sectors, in accordance with the national, European and international frameworks of reference used for each issue.	102-2 102-3, 102-4, 102-6 102-15	Page 54-55 Page 90-95
The main risks related to these issues linked to the group's activities, including, when relevant and proportionate, its commercial relations, products or services that may have negative effects in these areas, and how the group manages these risks, explaining the procedures used to detect and assess them in accordance with the national, European and international frameworks of reference for each issue. Information on the impacts detected must be included, offering a breakdown of these, especially about the main risks in the short, medium and long term.	102-15	Page 54-55
INFORMATION ABOUT ENVIRONMENTAL ISSUES		
Detailed information on the current and foreseeable effects of the Company's activities on the environment, health and safety, the environmental assessment and certification procedures, the resources dedicated to the prevention of environmental risks, the application of the precautionary principle and the quantity of provisions and guarantees for environmental risks.	103-2, 103-3, 102-11 102-15 307-1	Page 121
POLLUTION		
Measures to prevent, reduce or remedy carbon emissions that seriously affect the environment, taking into account any specific form of atmospheric pollution of an activity, including noise and light pollution.	305-6, 305-7	Page 102-107
CIRCULAR ECONOMY AND PREVENTION AND MANAGEMENT OF WASTE		
Prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste	306-2	Page 100-101 (1)
SUSTAINABLE USE OF RESOURCES		
Water: the consumption and supply of water in keeping with the local limitations.	303-1	(2)
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	301-1	Page 62 Page 98-99
Energy: direct and indirect consumption, measures taken to improve energy efficiency, use of renewable energies	302-1, 302-1, 302-3	Page 104-105

(1) Food waste does not apply to the activity of the company.

(2) Based on the results of our materiality analysis, we consider that the indicators related to water consumption are not material for retail activity.

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
CLIMATE CHANGE		
The important elements of emissions of greenhouse gases generated as a result of the Company's activities, including the use of the goods and services it produces.	305-1, 305-2, 305-3	Page 106-107
The measures adopted to adapt to the consequences of climate change.	201-2	Page 102-103 Page 106-107
The voluntarily reduction targets established in the medium and long term to reduce emissions of greenhouse gases and the methods implemented for that purpose.	305-5	Page. 37 Page. 102-103 Page. 106-107
PROTECTION OF BIODIVERSITY		
Measures taken to preserve or restore biodiversity	304-3	Page 102
Impact caused by activities or operations in protected areas	304-2	(3)
INFORMATION ON CORPORATE AND PERSONNEL MATTERS		
EMPLOYMENT		
Total number and distribution of employees by gender, age, country and personal classification.	102-8, 405-1	Page 72-73
Total number and distribution of contract types and annual average of permanent contracts, fixed-term contracts and part-time contracts by: gender, age and professional classification.	102-8	Page 73,75 Page 122-123
Number of dismissals by gender, age and professional classification	401-1	Page 87
Average remuneration and its evolution broken down by gender, age and professional classification. Wage Gap, the remuneration of equal jobs or the average for the Company.	102-38, 102-39	Page 86-87
The average remuneration of the directors and executives, including variable remuneration, allowances, indemnifications, payments into long-term savings and benefits schemes and any other payments broken down by gender.	102-38, 102-39	Page 49
Disconnecting from work policies.	103-1; 103-2; 103-3	(4)
Employees with disabilities.	405-1	Page 79
ORGANISATION OF THE WORK		
Organisation of the working time: number of hours of absenteeism	403-2	Page 77
Measures aimed at facilitating a work-life balance and promoting the shared use of these by both parents.	401-3	Page 74-75
HEALTH AND SAFETY		
Occupational health and safety conditions.	403-3	Page 76-77
Workplace accidents, in particular their frequency and severity as well as occupational diseases; broken down by gender.	403-2	Page 77 Page 87

(3) 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 protection of biodiversity since the indirect impacts of the activities affect globally.

(4) Disconnection policies have not yet been formalized, but a corporate policy on the matter to be implemented is being worked on in the exercise 20-21.

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
SOCIAL RELATIONSHIPS		
Organisation of the social dialogue, including procedures to inform and consult the staff and negotiate with them.	102-43, 402-1	Page 71
Percentage of employees covered by a collective agreement by country.	102-41	Page 71
The balance sheet of collective agreements, particularly in the field of occupational health and safety.	403-4	Page 76-77
TRAINING		
The policies implemented in the field of training.	404-2	Page 82-85
The total number of training hours by professional category.	404-1	Page 83
UNIVERSAL ACCESSIBILITY		
Universal accessibility of people with disabilities	103-1; 103-2; 103-3	Page 60-61
EQUALITY		
Measures adopted to promote equal treatment and opportunities for women and men.	404-2	Page 78-79
Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for effective equality between women and men), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration into the labour market and the universal accessibility of people with disabilities.	404-1	Page 78-79
The policy against all types of discrimination and, where necessary, for the management of diversity.	406-1	Page 51 Page 78-79
INFORMATION ON RESPECT FOR HUMAN RIGHTS		
Implementation of due diligence procedures on the subject of Human Rights.	103-2, 103-3, 102-15, 412-1	Page 42-43 Page 92
Prevention of risks of Human Rights violations and, where necessary, measures to mitigate, manage and remedy possible abuses committed.	412-1	Page 42-43 Page 92
Complaints about cases of Human Rights violations.	103-1; 103-2; 103-3	Page 43
Promotion and compliance with the fundamental conventions of the International Labour Organisation related to respect for the freedom of association and the right to collective bargaining; the removal of job and employment discrimination; the abolition of forced or mandatory labour; and the effective abolition of child labour.	408-1, 409-1	Page 42-43 Page 71
INFORMATION ON THE FIGHT AGAINST CORRUPTION		
Measures adopted to prevent corruption and bribery.	103-2, 103-3, 102-15, 205-2	Page 52
Measures to fight against money laundering.	205-2	Page 52
Contributions to non-profit foundations and associations.	201-1	Page 52 Page 108-117

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
INFORMATION ABOUT THE SOCIETY		
COMMITMENTS OF THE COMPANY TO SUSTAINABLE DEVELOPMENT		
The impact of the Company's activity on employment and local development.	103-2, 103-3 ,413-1	Page 90-95
The impact of the Company's activity on local and regional populations.	413-1	Page 90-95
The relationships maintained with the agents in the local communities and the methods for dialogue with these.	102-43	Page 38-39 Page 71
Association or sponsorship actions.	103-1; 103-2; 103-3	Page 108-117
SUBCONTRACTING AND SUPPLIERS		
The inclusion in the procurement policy of social, gender equality and environmental matters.	103-2, 103-3	Page 90-93
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility.	308-1, 414-1	Page 90-93
Supervision systems and audits and their results.	308-2, 414-2	Page 93-94
CONSUMERS		
Measures for the health and safety of consumers.	416-1	Page 63
Complaints systems, complaints received and their resolution.	418-1	Page 64-66
TAX INFORMATION		
Profits obtained country by country.	201-1	Page 121
Corporation taxes paid.	201-1	Page 121
Public subsidies received.	201-4	Page 121

External Verification



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Independent Assurance Report on the Sustainability Report of Tendam Brands, S.A. for the year 2019

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the shareholders of Tendam Brands, S.A.:

Pursuant to article 49 of the Spanish Code of Commerce, we have provided limited assurance on the Sustainability Report 2019 (hereinafter the Report), that includes the Non-Financial Information Statement Consolidated (hereinafter NFIS) for the year ended 29 February 2020 of Tendam Brands, S.A. (hereinafter the Parent) and subsidiaries (hereinafter the Group) which forms part of the Group's 2019 consolidated Directors' Report.

The Sustainability Report 2019 includes additional information to that required by prevailing mercantile legislation governing non- financial information that has not been subject of our assurance work. In this regard, our assurance work was limited only to providing assurance on the information contained in table "Information requested under the Law 11/2018" of the accompanying Sustainability Report.

Directors' responsibilities

The Board of Directors of the Parent is responsible for the contents and the authorisation for issue of the NFIS included in the 2019 Group's Directors' Report. The NFIS has been prepared in accordance with prevailing mercantile legislation and selected Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in accordance with each subject area in table "Information requested under the Law 11/2018" of the aforementioned 2019 Sustainability Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the NFIS is free from material misstatement, whether due to fraud or error.

The Parent's directors are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the NFIS was obtained.

Our independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including international independence standards) issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed

We conducted our review engagement in accordance with the Revised International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units of the Parent that participated in the preparation of the NFIS, in the review of the processes for compiling and validating the information presented in the NFIS and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Parent personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the NFIS based on the materiality analysis performed by the Parent and described in the section "Materiality Analysis" considering the content required in prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the NFIS for 2019.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the NFIS for 2019.
- Corroboration, through sample testing, of the information relative to the content of the NFIS for 2019 and whether it has been adequately compiled based on data provided by internal and external information sources or third-party reports.
- Procurement of a representation letter from the Directors and management.



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 2019 that includes the NFIS of Tendam Brands, S.A. and subsidiaries for the year ended 29 February 2020 has not been prepared, in all material respects, in accordance with prevailing mercantile legislation and the content of the selected GRI Standards, in accordance with that mentioned for each subject area in the table "Information requested under the Law 11/2018" of the aforementioned Sustainability Report.

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 Viñuales

30 July 2020

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