



# TENDAM

GLOBAL FASHION RETAIL

## Sustainability Report

Non-financial  
Information Statement

# 2018

CORTEFIEL

Pedro del Hierro

SPRINGFIELD

women'ssecret

FIFTY

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This report is also available with more extensive content, including multimedia material at:  
[www.memoriaaudiovisualtendam.es](http://www.memoriaaudiovisualtendam.es)

For more information about Tendam. Visit our website:  
[www.tendam.es](http://www.tendam.es)



### CONTACT US

Your opinion of this report or any aspect of Sustainability at Tendam is very important to us. Please contact us at:  
**Communication and Corporate Responsibility Department**  
 Avda. Llano Castellano, 51 - 28034 Madrid (Spain)  
[www.tendam.es](http://www.tendam.es)  
[prensa@tendam.es](mailto:prensa@tendam.es)

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## Message from the CEO



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**TENDAM** was born thanks to the track record, experience and growth of the Grupo Cortefiel, a group with **138 years of history**.

Dear stakeholders,

Once again this year I have the pleasure to introduce our Annual Sustainability Report. This is our thirteenth edition of a document that makes us especially proud. Tendam is a Company committed to society, the surroundings and transparency, and this Report is a reflection of that. This year, the Statement of non-financial Information forms part of the Sustainability Report, produced as a separate document and included in the Management Report. This is in response to new legal requirements on the issue of non-financial information and diversity.

The year 2018 was the launch of our group's new brand, Tendam, but it was also the year of its consolidation in the market. Our new name was well received and adopted quickly and efficiently. The new name has helped to improve the perception of the Company as a whole, and by extension of its commercial brands Cortefiel and Pedro del Hierro, Springfield, Women'secret and Fifty, fully representing the diversity of the Company.

In late 2016 we set a new strategic plan in motion, which was then accelerated in 2017 and that, in 2018, reached its cruising speed with the result that Tendam is an operationally and financially healthy Company. Our transformation plan is

respected in the sector today, as confirmed by us receiving the Retail Transformation and Re-invention Award in April 2018, on the occasion of the World Retail Congress held in Madrid.

Within this framework, we have consolidated our operational improvement and remedied the financial situation, accelerated the Company's omnichannel strategy, innovated in technology and data management and strengthened the presence of our commercial brands in the market.

Last year will be remembered by the retail industry as one defined by volatility and the need for flexibility and the ability to adapt. Tendam foresaw this need.

Between 1 March 2018 and 28 February 2019, the income of the current parent company of the group, Tendam Brands, in its first full financial year, reached €1,150.83 million.

Recurrent EBITDA stood at €161.7 million and EBT reached €80.8 million. This has been achieved thanks to the management of stock, making our product rotation more efficient, protecting the gross margin and reducing our financial leverage.

Online sales were very important for our business, as they have grown by 30% and now represent 8% of turnover in Spain. These figures strengthen Tendam's omnichannel proposal,

which has managed to combine the various sales channels in a profitable way thanks to an integrated and efficient logistics, expenditure, commission and operating structure, allowing each brand to offer its customers an experience that is consistent with their values and preferences in its shops, in the shops of other brands in the group, in person and digitally, serving them at the delivery point of their choosing.

None of this would be possible without our customers who have once again renewed their trust in our brands: Cortefiel, Pedro del Hierro, Springfield, Women'ssecret and Fifty. An example of this is that the loyalty clubs and programmes have continued to grow and we now have over 22 million members across all the brands. But this is nothing new, it is in the DNA of the Company. Understanding the customer and establishing a dialogue is what we do, giving them the value they seek, creating an emotional bond. In this sense, key CRM strategies such as multiclub, multichannel and personalisation were accelerated. We implement digital projects that make a difference, such as in-store reservation, multibrand collection and the expansion of click-shopping to some of our own managed markets. In 2018 we also continued with our international expansion, gaining visibility and positioning for our brands with, among others, the return to MBFW Madrid and a significant investment in communication.

The people who form part of Tendam around the world and their talent are our best asset and they are responsible for the Company's success, which is why we constantly work following the principles of excellence and training, flexibility and quality.

As part of a modern and inclusive society, we are taking firm steps towards having a diverse and inclusive workforce. So, we have signed an agreement with the ONCE Foundation's Inserta Programme as part of one of our key objectives: the development of labour relations based on equal opportunities and non-discrimination, promoting an open and inclusive working environment.

Future talent is also important, which is why we embarked on initiatives such as Aula Tendam, which deals with Sustainability, Responsibility and Innovation in fashion design in the School of Fashion Design at the Polytechnic University of Madrid. In another area, the Atelier program by ISEM of Navarra University, of which we are a part, together with the ISEM Fashion Business School, allows the group to actively contribute and provide real industry knowledge, supporting fashtech start-ups. Also in this area, at Pedro del Hierro, and working with the IED Madrid and The Woolmark Company, we took part in Merino Traveller, a fashion project bringing together design, renewable raw materials and employment training.

We continue strengthening our most emblematic social projects, such as Involucrados, thanks to the work of volunteers from the Company and social organisations. Since we started

with this initiative, we have raised over €1.4 million, which have been split between more than 53 projects run by over 40 non-governmental organisations.

Another initiative of which we are very proud is "I do care", an initiative promoted by Women'ssecret, but that has been adopted by everyone at Tendam, aimed at women with breast cancer. The brand, together with the Foundation Dexeus Women's Health has created a lingerie line that is known as the Post-surgery Bra (PSB). This project has achieved the recognition of society, which has been translated into winning awards in the field of innovation and corporate social responsibility from several media organisations, such as Expansión and Cinco Días.

Tendam will continue welcoming new challenges with which it can generate a positive impact by providing solutions to major social issues.

In the field of human rights, we have a firm commitment to our global supply chain. We continue with the supervision programmes that we began more than 15 years ago, improving traceability and implementing due diligence measures that allow us to make progress regarding guarantees.

Part of our commitment to society is also linked to sustainability. Examples such as the aforementioned Merino Traveller or R[eco]nsider, a collection launched by Springfield in September 2018 based on the use of organic fibres and sustainable technologies in denim finishing processes, are added to our commitment to climate change and the circular economy. We are strongly committed to caring for the environment and this is implemented through taking the appropriate steps, adapted to the reality and in a constant and sustained way.

With these initiatives and our daily work, we want to continue progressing with our commitments to the Global Compact and taking steps to achieve the United Nations Sustainable Development Goals.

Our surroundings are constantly changing and present challenges. In 2018, Tendam has shown that it is capable of overcoming these with flexibility and the ability to adapt. And we will continue to do so.

**Jaume Miquel**  
CEO





# 1.

# Tendam

A company with 138 years  
of history.  
Specialized in the premium  
mass market segment

# Our company

## Tendam

In April 2018, Grupo Cortefiel changed its name to Tendam as part of its strategic plan launched in 2016. The creation of Tendam is backed by Grupo Cortefiel's track record, experience and growth during its almost 140 years of history.

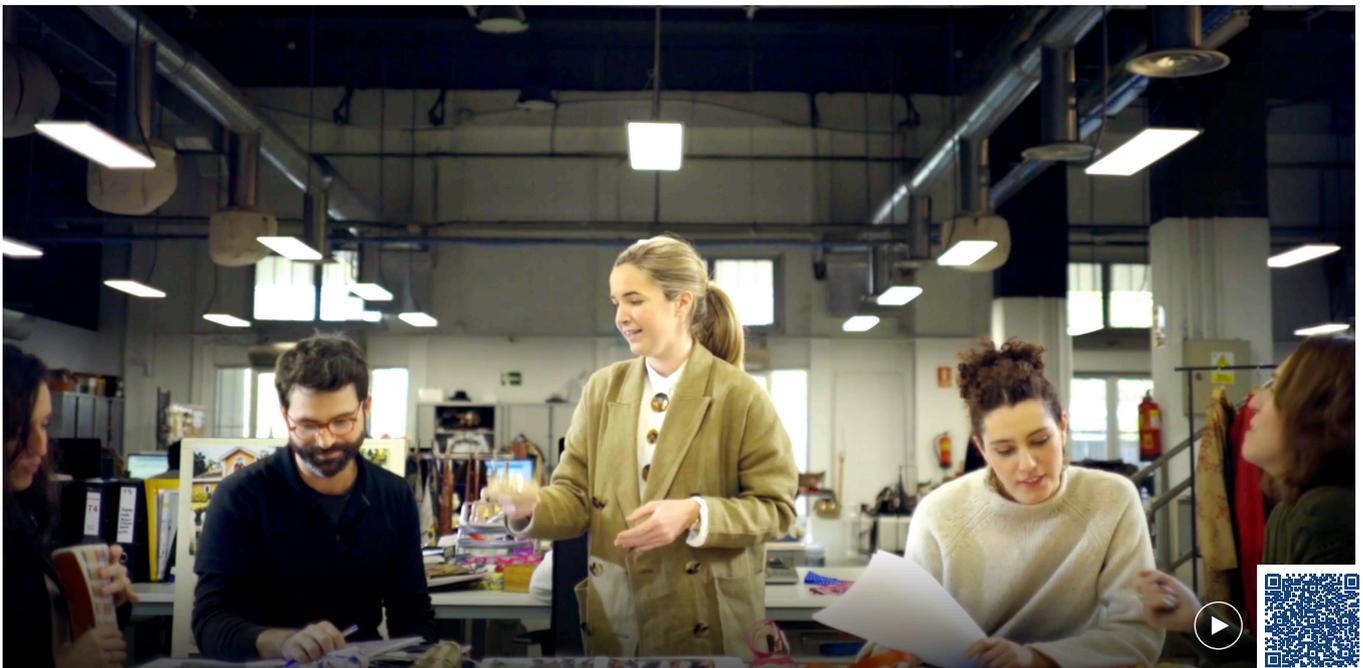
Tendam is one of the leading European companies in the fashion sector and specialised in brand management in the premium mass market segment

The sum of its brands: Cortefiel, Pedro del Hierro, Springfield, Women'secret and Fifty exponentially multiply the scope and expansion of an innovative company with an international vision. Tendam's brands distribute its collections at nearly 2,000 points of sale located on four continents.

The Company has 5 brands: Cortefiel, Pedro del Hierro, Springfield, Women'secret and Fifty

Each of the brands that comprise Tendam targets a specific audience and has its own creative, design, sales and management teams. Administrative, financial, technological, expansion, supply, operations and human resources functions converge at the parent company's central services, providing support to each of the brands. This structure facilitates the efficient management of a multi-format business model.

Madrid is home to its headquarters but it has offices in Barcelona and some European cities to manage its network of corporate stores. To manage its global supply chain, the company also has international offices in Hong Kong, India and Bangladesh.



link to the video

## Our Figures



**1880**  
Established



**5**  
Brands



**1,150**  
Turnover in million of euros



**38**  
Online markets



**84**  
Countries where it is present



**90**  
Million garments

## Evolution of points of sale

(Data at February 28<sup>th</sup>, 2019)



## Our team



**10,647**  
Employees

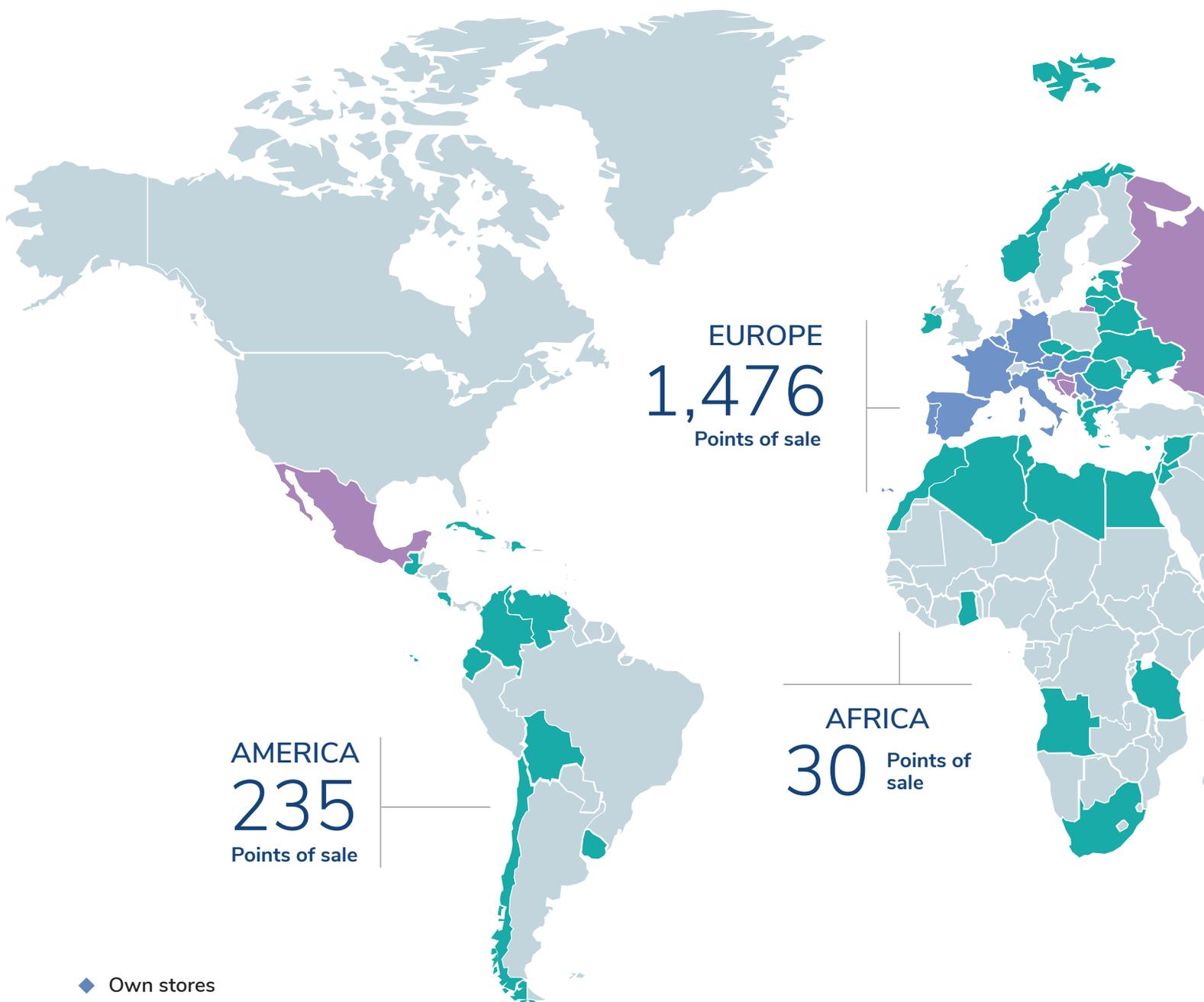


**7,434**  
Employees in Spain



**83%**  
Women

## Tendam international presence



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



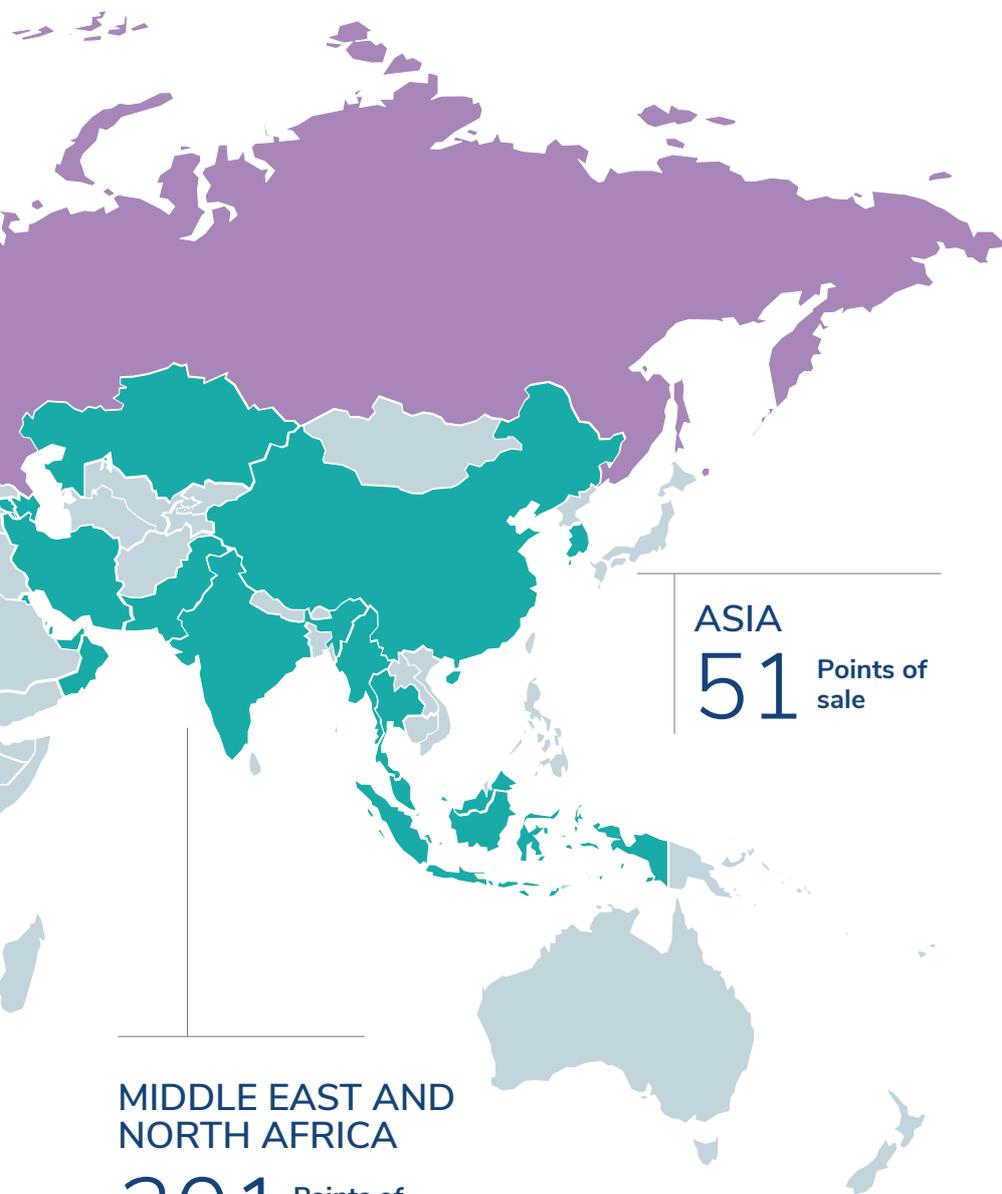
**84**  
Countries



Almost **2,000**  
points of sale



Online markets  
**38**



ASIA  
51 Points of sale

MIDDLE EAST AND NORTH AFRICA

201 Points of sale

**1,361**  
Own stores

**632**  
Franchises

Own stores

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

Franchises

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

## Own stores

EUROPE	CTF	PDH	SPF	WS	FF	Total
Germany	-	-	9	-	-	9
Belgium	-	-	17	12	-	29
Bosnia	1	-	6	5	1	13
Bulgaria	1	-	2	1	-	4
Croatia	-	-	9	10	-	19
Spain	142	7	322	298	53	822
France	-	-	59	6	-	65
Hungary	-	-	13	12	-	25
Italy	-	-	55	-	-	55
Luxembourg	-	-	5	1	-	6
Montenegro	1	-	1	1	-	3
Portugal	23	-	64	54	10	151
Russia	-	-	28	60	-	88
Serbia	1	-	17	17	1	36

AMERICA	CTF	PDH	SPF	WS	Total
Mexico	-	-	20	16	36



## Franchises

EUROPE	CTF	PDH	SPF	WS	Total
Albania	1	-	1	1	3
Andorra	2	-	4	2	8
Armenia	-	-	-	2	2
Austria	-	-	1	1	2
Belarus	-	-	1	7	8
Bosnia	-	-	1	-	1
Cyprus	11	-	14	6	31
Croatia	-	-	-	1	1
Slovakia	-	-	2	1	3
Slovenia	-	1	3	2	6
Estonia	2	-	3	5	10
Georgia	-	-	-	1	1
Gibraltar	-	-	1	1	2
Greece	-	-	1	5	6
Ireland	-	-	12	-	12
Iceland	1	-	1	1	3
Italy	-	-	-	1	1
Latvia	1	-	1	2	4
Macedonia	-	-	4	2	6
Malta	1	-	3	3	7
Montenegro	-	-	-	1	1
Czech Republic	-	-	2	1	3
Romania	-	-	-	3	3
Russia	-	-	5	2	7
Serbia	-	-	2	1	3
Ukraine	-	-	7	10	17

AMERICA	CTF	PDH	SPF	WS	Total
Bermuda	-	-	-	1	1
Bolivia	2	1	2	2	7
Chile	5	-	-	17	22
Colombia	-	-	-	10	10
Costa Rica	1	1	6	6	14
Cuba	-	-	1	1	2
Curaçao	1	-	1	1	3
Ecuador	-	-	18	9	27
Guatemala	1	1	1	-	3
Mexico	12	-	23	26	61
Panama	-	-	-	1	1
Paraguay	-	-	1	2	3
Peru	10	-	12	2	24
Dominican Republic	1	-	2	2	5
Uruguay	-	-	2	-	2
Venezuela	3	-	5	6	14

AFRICA	CTF	PDH	SPF	WS	Total
Angola	7	-	7	7	21
Ghana	-	-	2	1	3
Reunion Islands	-	-	2	2	4
Mauritius	-	-	-	2	2



# Our brands

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C O R T E F I E L

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Pedro del Hierro

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SPRINGFIELD

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women'ssecret

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FIFTY

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## Franchises

MIDDLE EAST AND NORTH AFRICA	CTF	PDH	SPF	WS	Total
Saudi Arabia	9	-	12	37	58
Algeria	1	-	1	4	6
Bahrain	-	-	-	1	1
Egypt	2	-	7	6	15
United Arab Emirates	-	-	14	13	27
Iran	5	-	15	7	27
Iraq	1	-	1	1	3
Jordan	6	-	4	-	10
Kuwait	-	-	2	8	10
Lebanon	7	-	12	6	25
Libya	-	-	1	-	1
Morocco	-	-	-	3	3
Oman	-	-	-	2	2
Qatar	-	-	3	5	8
Tunisia	-	-	3	2	5

ASIA	CTF	PDH	SPF	WS	Total
Azerbaijan	-	-	-	3	3
Burma	-	-	3	1	4
Philippines	2	8	8	4	22
India	-	-	3	3	6
Indonesia	-	-	-	3	3
Kazakhstan	-	-	5	-	5
Pakistan	3	3	-	2	8

# C O R T E F I E L

Cortefiel was the first brand to be created by the group. From its beginnings in 1945, the brand is based on values such as the elegance, quality, comfort and functionality of its garments and proudly represents its textile tradition and its experience in making clothing.

Decade after decade, Cortefiel has become an established brand and a leader in fashion that has been adapting, revamping our stores and collections to provide styles for every moment. Its experience and customer service has led it to gain the trust and loyalty of its shoppers. Today, they are part of a Club with over six million members.

The natural elegance that its garments transmit and its wide variety of products have led it to become an established brand and a leader in fashion which has been adapting until reaching over 260 points of sale in more than 30 countries, both own stores and franchises.



[Link to the video](#)



**1945**  
Established



**267**  
Points of sale



**32**  
Countries



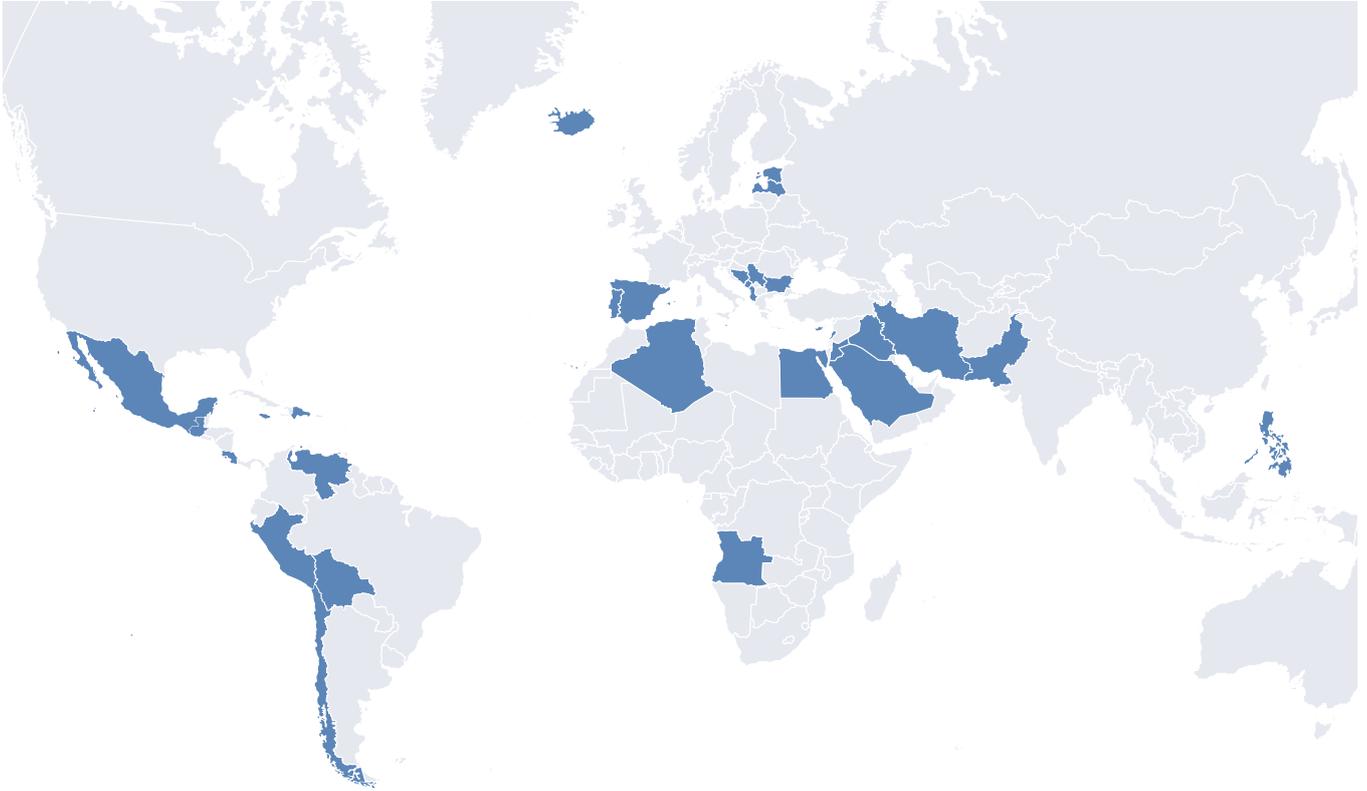
**312.9**  
Turnover in Million of Euros



**27.19%**  
Turnover on the total of Tendam



**2,129**  
Employees in Spain



Albania ♦ Andorra ♦ Angola ♦ United Arab Emirates ♦ Algeria ♦ Bolivia ♦ Bosnia ♦ Bulgaria ♦ Chile ♦ Cyprus  
♦ Costa Rica ♦ Curaçao ♦ Egypt ♦ Spain ♦ Estonia ♦ Filipinas ♦ Guatemala ♦ Iran ♦ Iraq ♦ Iceland ♦ Jordan ♦ Latvia  
♦ Lebanon ♦ Malta ♦ Mexico ♦ Montenegro ♦ Pakistan ♦ Peru ♦ Portugal ♦ Dominican Republic ♦ Serbia ♦ 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 1974 by the designer from Madrid who shares the same name, 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 concept and the personality of the brand are based on values such as tradition, culture, architecture and art, but above all, the designer's legacy is maintained in its DNA. A symbol of Spanish artisanal heritage. Pedro del Hierro is an exclusive brand for beauty lovers.

“My designs will always be a form of expression that will help seek the best qualities of oneself”.

**Pedro del Hierro**



[Link to the video](#)



**1992**  
Joining year



**289**  
Points of sale



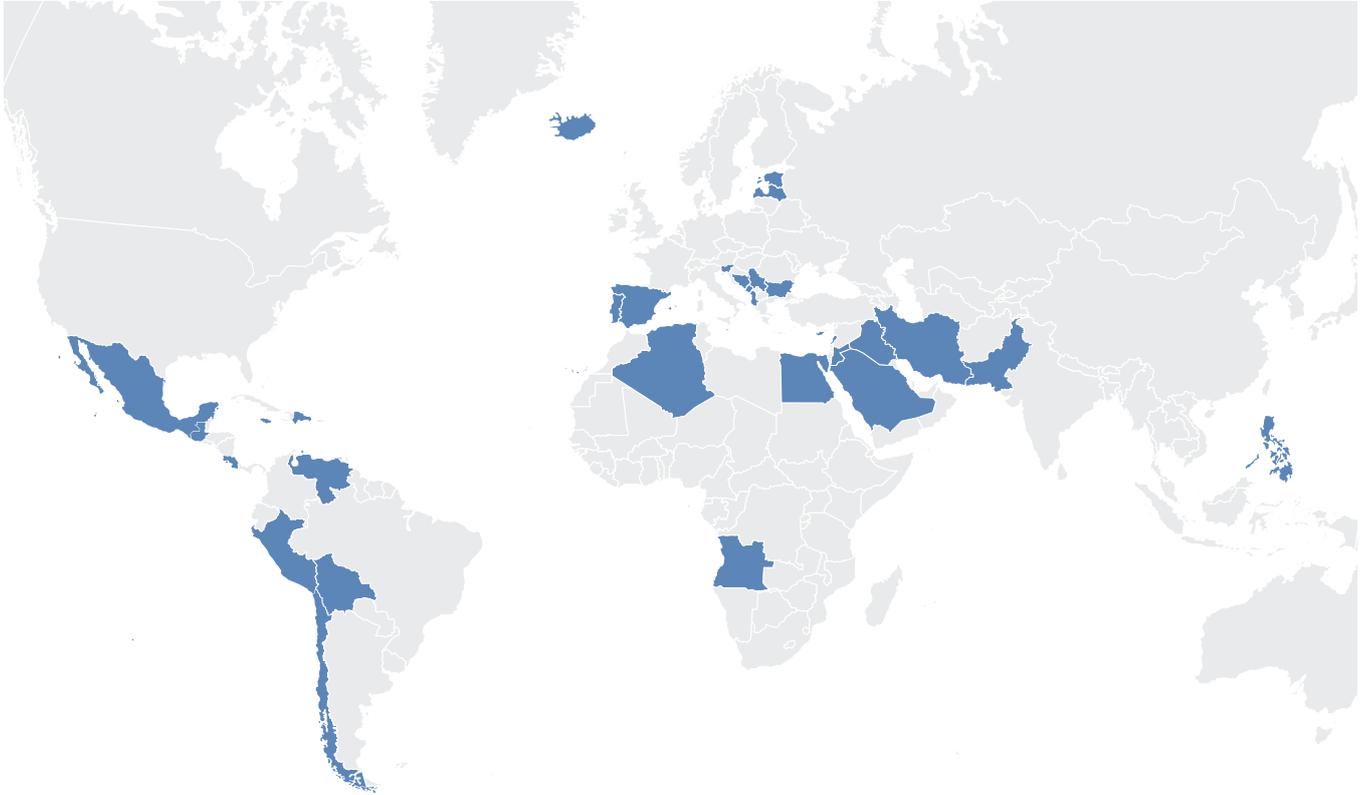
**33**  
Countries



**22**  
Independent stores  
(PdH Woman)



**46**  
Employees in Spain  
PDH Woman



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

\*Independent PdH stores + Cortefiel points of sale



# SPRINGFIELD

With a european spirit, Springfield was born in 1988 as a casualwear brand offering an urban style with a modern appeal for men and women around the world between 25 and 35 years old.

A brand for real people with attitude in their daily lives, which is strongly committed to a new generation of demanding consumers to whom it offers an attractive approach to new trends, both with its more casual side and through its well-known daily smart, a concept used each season to approach a more formal style with which to meet the needs of the brand's customers without losing the Springfield DNA.

The "easy to wear" collection, competitive prices and very affordable fashion are the key concepts that drive the rapid growth and expansion of the brand. As a result, in 1993 Springfield went international by opening its first store in Portugal. In 2002, the Springfield Club was born which is currently present in Spain, Portugal, Belgium and France with more than ten million members and in 2006, the brand's women's line was launched.

Currently, Springfield is present in 62 countries with a commercial network of more than 875 points of sales around the world through chain stores and franchises as well as through its online sales channel since 2012.



**1988**  
Established



**875**  
Points of sale



**62**  
Countries



**444.2**  
Turnover in Million of Euros



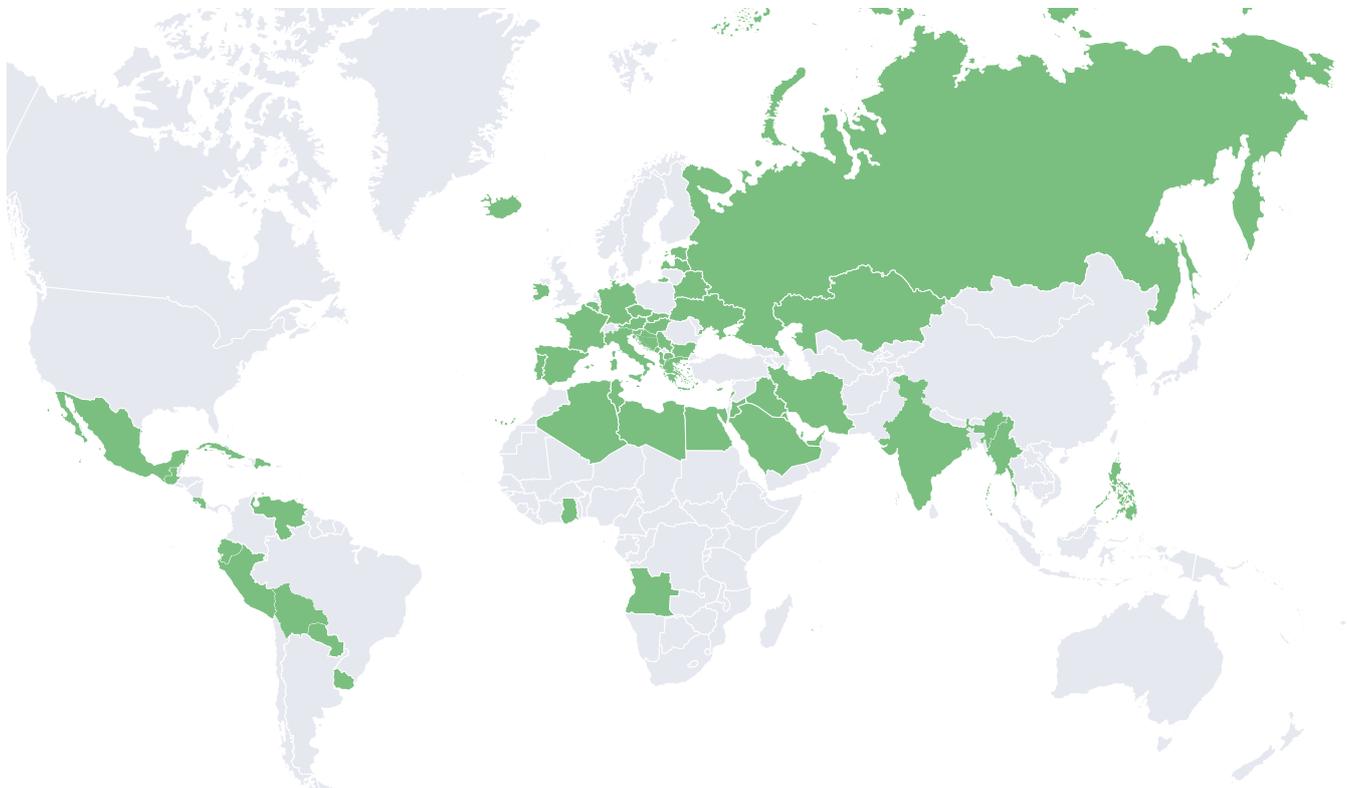
**38.6%**  
Turnover on the total of Tendam



**2,676**  
Employees in Spain



[Link to the video](#)



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



# women'ssecret

Women'ssecret is born in 1993 as a specialist in the female fashion sector. It is a brand created by and for women, specialised in underwear, nightwear and swimwear. It is able to mix prestige, femininity, contemporaneity and affordable prices. In 2001, it embarked upon international expansion. Today, it is present in 69 countries and at 764 points of sale.

We work to create a global brand capable of making the daily lives of all women easier. We believe that it is very important for all women to feel comfortable with their style and their bodies, which is why each season we create a versatile range that perfectly suits our customers.

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



[Link to the video](#)



**1993**  
Established



**764**  
Points of sale



**69**  
Countries



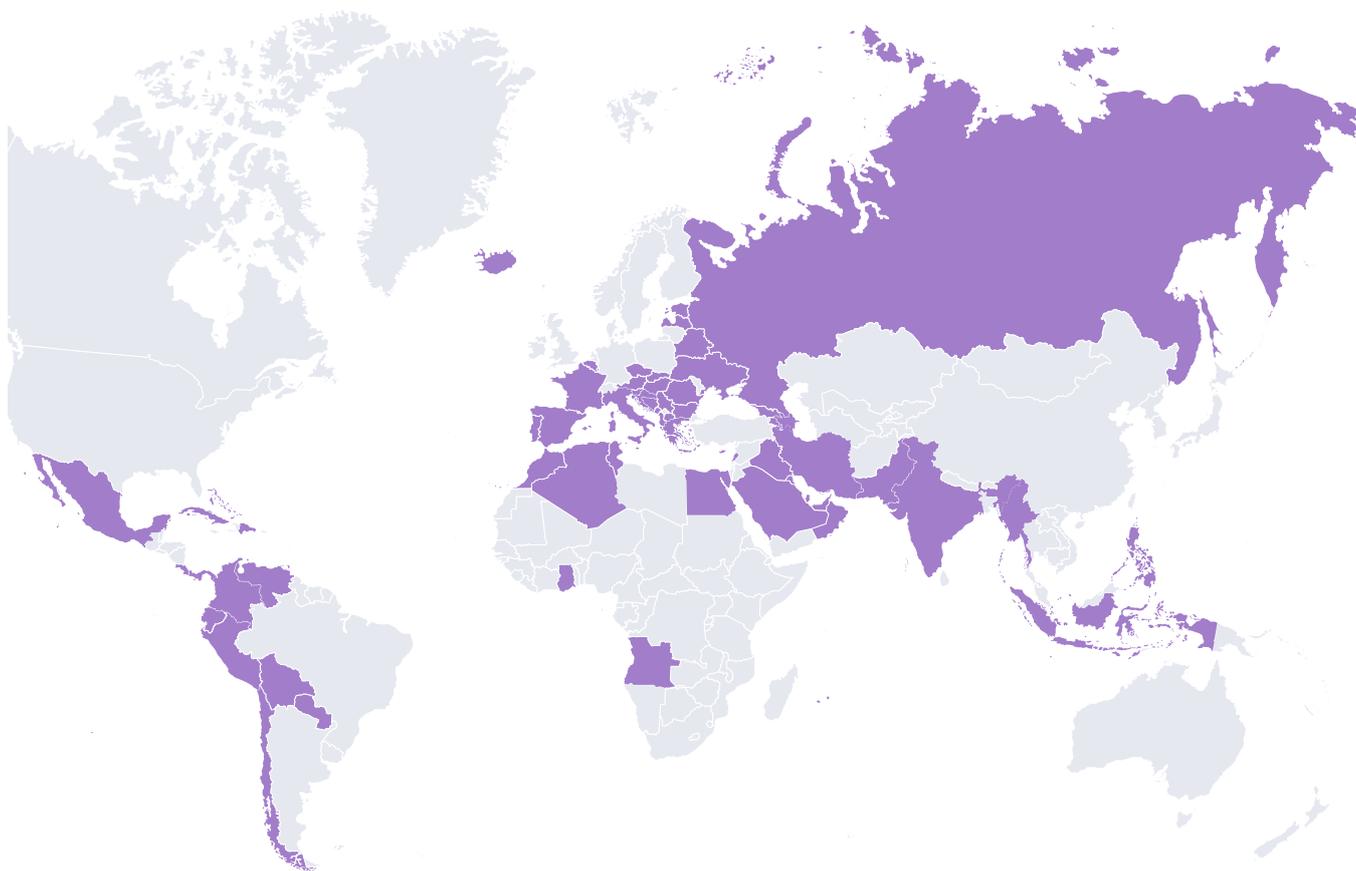
**312.2**  
Turnover in Million of Euros



**27.13%**  
Turnover on the total of Tendam



**1,548**  
Employees in Spain



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



# FIFTY

Tendam’s outlet store chain with 65 points of sale in Spain, Portugal, Bosnia and Serbia, and an online shop. Offering its customers designs from its own Milano brand, and “outlet” products from Cortefiel, Pedro del Hierro, Springfield and Women’ssecret.

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.

Since 1997, reinvention, innovation and effectiveness has 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.

 **1997**  
Established

 **65**  
Points of sale

 **4**  
Countries

 **599**  
Employees in Spain



[Link to the video](#)

First multibrand Outlet specialized in fashion.



# Year's milestones

## TENDAM

### April

#### New corporate brand

The Cortefiel group becomes Tendam, the new corporate brand that encompasses the following commercial brands: Cortefiel, Pedro del Hierro, Women'ssecret, Springfield and Fifty.

#### World Retail Awards

The strong performance of the Company was recognised with the Retail Transformation and Re-invention Award in the 12th edition of the World Retail Congress Awards.



### June

#### Women'ssecret increases its international presence

Women'ssecret initiates an expansion plan in Europe and Mexico, with the opening of 44 points of sale.

#### Women'ssecret receives the award for business innovation

The *I do care* initiative has been recognised in the 11th edition of the Cinco Días Innovation Awards.



### August

#### Springfield launches R[ECO]NSIDER

With this sustainable collection, it strengthens its commitment to the environment, focussing on sustainable development that meets consumer needs.

### July

#### Women'ssecret donates €44,000 for the preservation of the fertility of women with cancer

The brand continues investing in its commitment to woman and donates €44,000 to the Dexeus Mujer Foundation as part of the *I do care* initiative.

#### Pedro del Hierro is present at the Mercedes Benz Fashion Week Madrid

After a break of 16 years, the brand returns to the national catwalk with new proposals.

### September

#### Recognition for commitment to equality

The Gender Unit programme, promoted by Gijón City Council, recognises the company's work in incorporating gender equality in its business management.

## October

### Women'secret takes the #Idocare movement to all women

The brand launches charitable knickers on the market, allowing all women to contribute to supporting those who have had breast cancer.

### Presentation of the Hot Retail Cities study

The study, promoted by Tendam alongside the IE and Cinnamon News, lists for the first time the hundred most appealing global cities for retail.

## November

### New mobile applications for all brands

The Company makes progress with its commitment to a global omnichannel strategy where the customer is the focal point.

### Pedro del Hierro expands to Slovenia

The brand opens its first shop in the country where the Company already has five points of sale for Springfield and Women'secret.



## December

### Women'secret and Springfield focus on a strategy of international growth

They both add six points of sale in Costa Rica and strengthen their expansion in Europe by opening shops in Austria and Georgia.

### Women'secret receives the award for the brand most committed to women

It has been recognised in the third edition of the Objetivo Bienestar awards for the "I do care" initiative.

### Commitment to technological innovation in the fashion sector in the second edition of Atelier by ISEM

The Company is once again a part of Atelier by ISEM, supporting the development of technological business projects focused on innovation and fashion companies.



## January

### Tendam raises €156,032 in the 13th edition of "Involucrados"

The proceeds were split between the Pequeño Deseo Foundation, Itwillbe, the Síndrome de Down Madrid Foundation and the Amigos de los Mayores Foundation.

### Women'secret launches its online platform in Russia

The brand continues with its internationalisation and omnichannel plan, taking new functionalities to the country.

## February

### Tendam signs up to the INSERTA employment programme of the ONCE Foundation

With this agreement, it initiates joint projects aimed at promoting and achieving the social and workplace integration of people with disabilities.

### Tendam is certified as a Top Employer in Spain in 2018

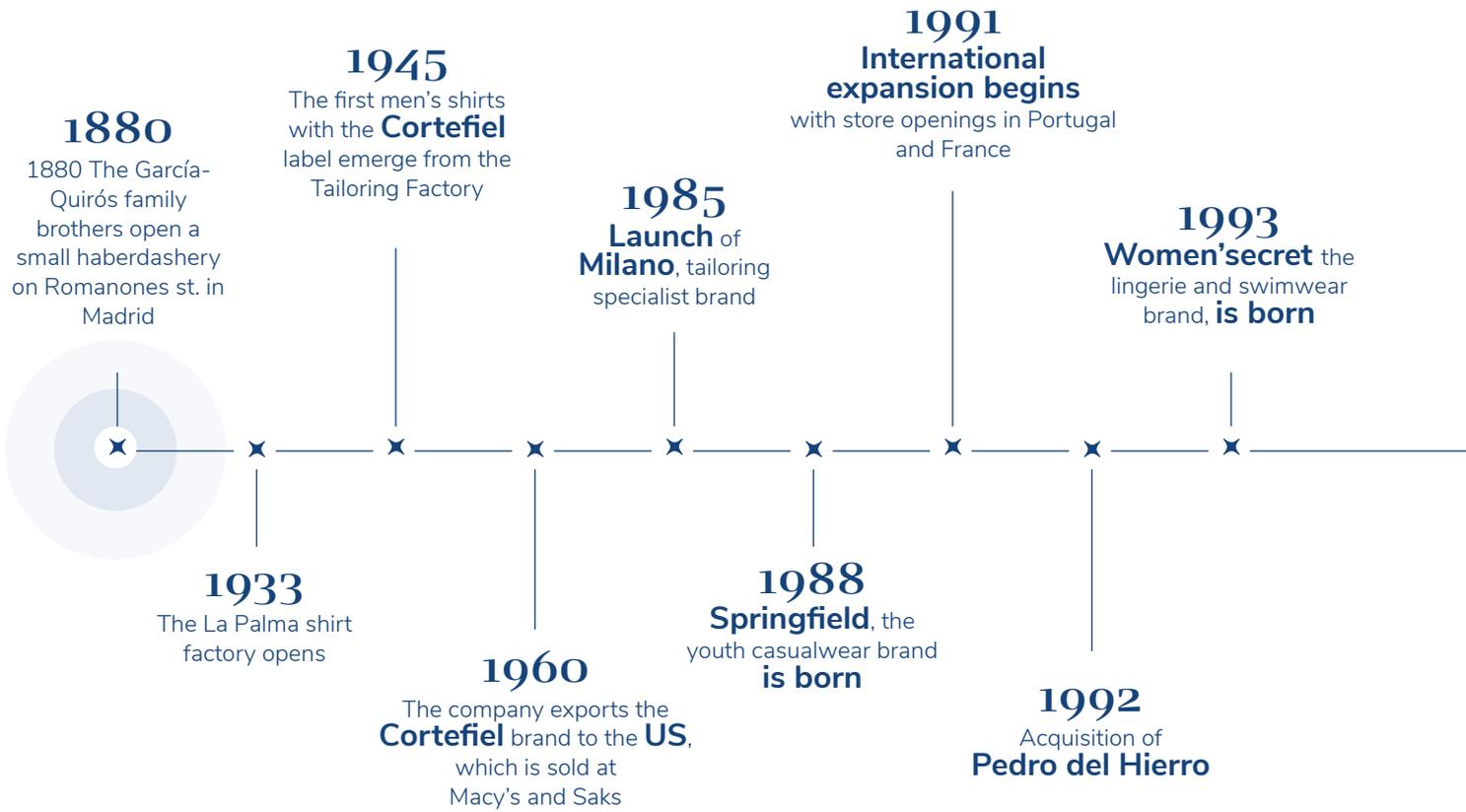
It has been recognised for good human resources practices, supporting and promoting talent and the terms offered to employees.

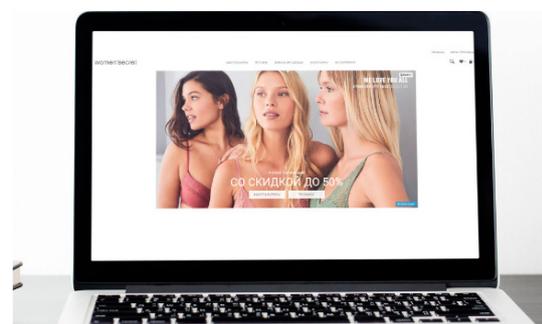
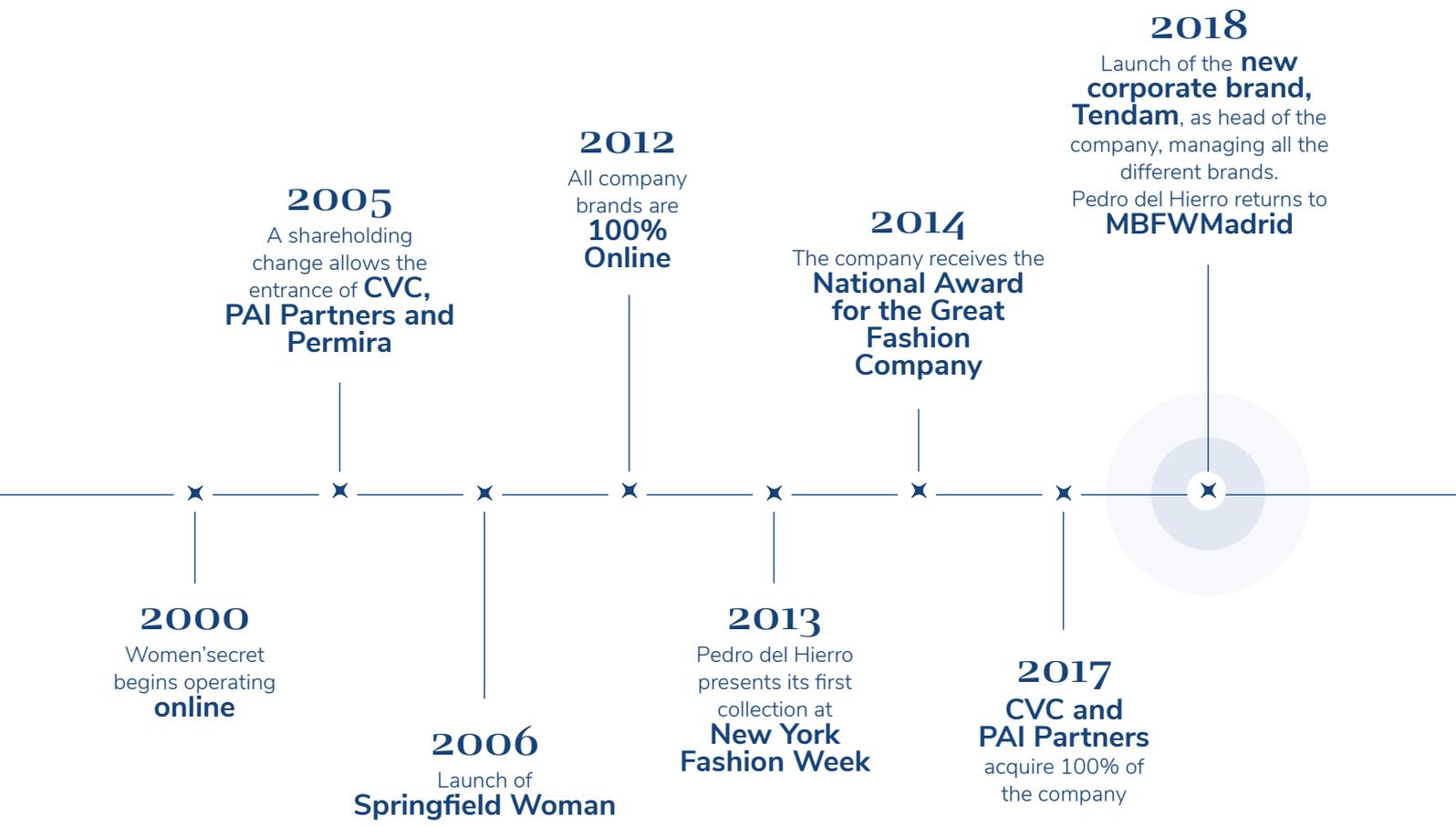
### Fifty launches a new website and click shopping in Portugal

With this new technology it is making progress by offering a series of benefits that provide the customer with an improved shopping experience.

# 138 years of history

## From Grupo Cortefiel to Tendam







# 2.

# Sustainable commitment

A constant and realistic  
commitment to the future

# Mission, vision and values

<p><b>Our mission</b></p>	<p>What we work every day for</p> <p>&gt;</p> <p>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.</p>
<p><b>Our vision</b></p>	<p>The goal we want to achieve</p> <p>&gt;</p> <p>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</p>
<p><b>Our values</b></p>	<p>The behaviour that identifies us</p> <p>&gt;</p> <p>They reflect the beliefs that guide our behaviour</p>

## The 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.

## Our ambition

The ambition of all of us at Tendam is to surpass our goals, to challenge ourselves and to exceed expectations every day, in order to offer our customers the best fashion.

# Materiality analysis

Principles that determine the contents of the report:

## 1 | Priorisation

In accordance with the Materiality Principle set out within the Global Reporting Initiative (GRI), the information presented in this Sustainability Report 2018 is intended to cover the most significant aspects of Tendam's activities, with a view to providing a faithful account of its actions in terms of finances, social activities, environmental matters, and corporate governance.

## 2 | Participation of stakeholders

The methodology followed to identify relevant issues, for the Company and for its stakeholders, is based on quantitative and qualitative analysis, taking an internal and external perspective.

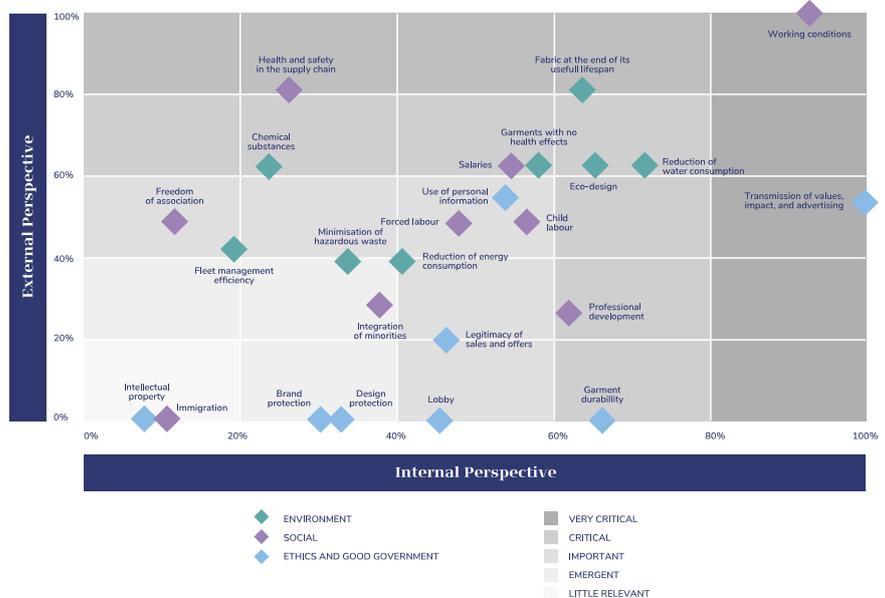
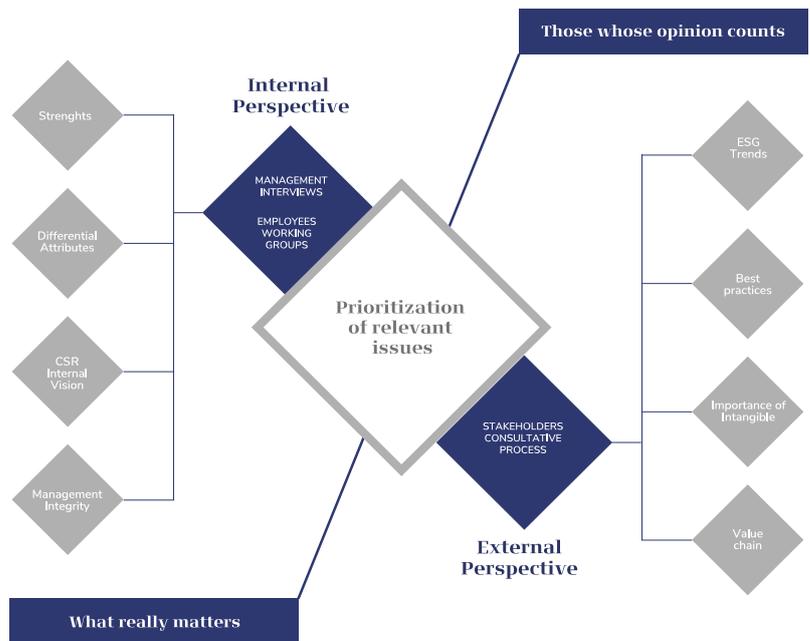
## 3 | Sustainability context

This materiality analysis has allowed us not only to focus the content of this report so that it gives a transparent and satisfactory response to the expectations of the different internal and external audiences of Tendam, but also to obtain detailed information that can help us in the future to improve the internal management of issues identified as relevant.

## 4 | Thoroughness

This report includes all of Tendam's activities that are corporately managed for the different brands and structured businesses. In the event of limitations to some contents, these are detailed in the section for each or in the GRI index.

The results obtained by combining the perspective of those "whose opinion counts" let us see "what really matters".



# Sustainable approach

The development of suitable solutions for the customers, promoting the creation of shared value throughout the entire value chain.

We work to naturally integrate social responsibility into our activities, viewing this responsibility as an inherent part of the organisation, promoting a commitment to sustainable development.

This is structured around the five areas that encompass the most relevant matters on the issue of sustainability, related to environmental aspects, the supply chain and the well-being of the workforce.

## Our commitment to Sustainability is structured around 5 strategic areas

### Governance



To promote the implementation of a responsible and sustainable business management model based on integrity, transparency and direct participation and creating value for the stakeholders.



### People

To be an attractive company that creates opportunities for development and fosters talent and diversity as a driver of change in society. To achieve an exemplary performance in our commitment to employees, in creating a healthy environment free of discrimination where we can attract and promote talent with a long-term outlook.

### Supply Chain



To properly monitor suppliers in the supply chain. To raise awareness about social responsibility among the people involved in the group's procurement process. To guarantee consistency of the procurement policy with other existing policies, and promote collaboration with suppliers to continue improving environmental and social criteria.



### Sustainability

To be a benchmark in high-quality, sustainable fashion products, being leaders in the sector with initiatives that increase the capabilities of the fashion industry using new technologies in the manufacturing processes to minimise the environmental impact.



### Social Contribution

To collaborate in improving people's quality of life as an organisation that generates a positive social impact and to share these values with all of the employees. To search for partners we can work with to respond to social challenges and promote communication on social aspects with the various stakeholders.

## Over three business pillars

TRANSPARENCY

CUSTOMER

INNOVATION

With the goal of maximising its positive impact and integrating responsible behaviour into the management of the business and the income statement, Tendam works to maintain the responsible management of its supply chain, a close relationship with its customers, a work environment that helps attract and retain talent, environmentally-friendly behaviour and active participation in contributing to the economic and social development of the countries where we operate. This is especially important in the fashion sector, a sector full of challenges and opportunities.



### Financial

The Company works to maintain a sound financial position that allows it to retain the confidence of its shareholders, customers and suppliers, as well as the financial institutions. This in turn allows it to generate opportunities for growth.



### Environmental

With the challenge of minimising the environmental impact of its activities, the Company focuses its efforts on the promotion of the circular economy, with the sustainable design of products and the energy efficiency of its facilities and logistics.



### Labour

The relationship between the Company and one of its main assets, its employees, is defined by its internal code of conduct and the various collective bargaining agreements established. We also work continuously on the development of initiatives that enhance their professional and personal development, as well as on the promotion of diversity.



### Human Rights

Given the importance of human and employment rights strategies in the textile sector, the Tendam External Code of Conduct has become a key factor in monitoring possible violations of these rights. It establishes the action frameworks for its suppliers and extends the corporate social responsibility strategy to the entire supply chain.



### Society

The Tendam internal code of conduct reflects its corporate values and its commitment to integrity, ethics and responsibility in the way of acting and making decisions in the Company. With the goal of maximising its impact on society, and thanks to the influence of the Company through its points of sale and customers, a commitment has been made to social action. The involvement of the employees and customers is key to achieving the established goals.



### Products

Communication with the customers is based on transparency and the ethical principles that govern the Company's behaviour. To ensure the safety of its customers, the Company subjects its garments to the strictest quality controls and verifies the absence of substances harmful for people's health or that damage the environment.

## Relation with stakeholders

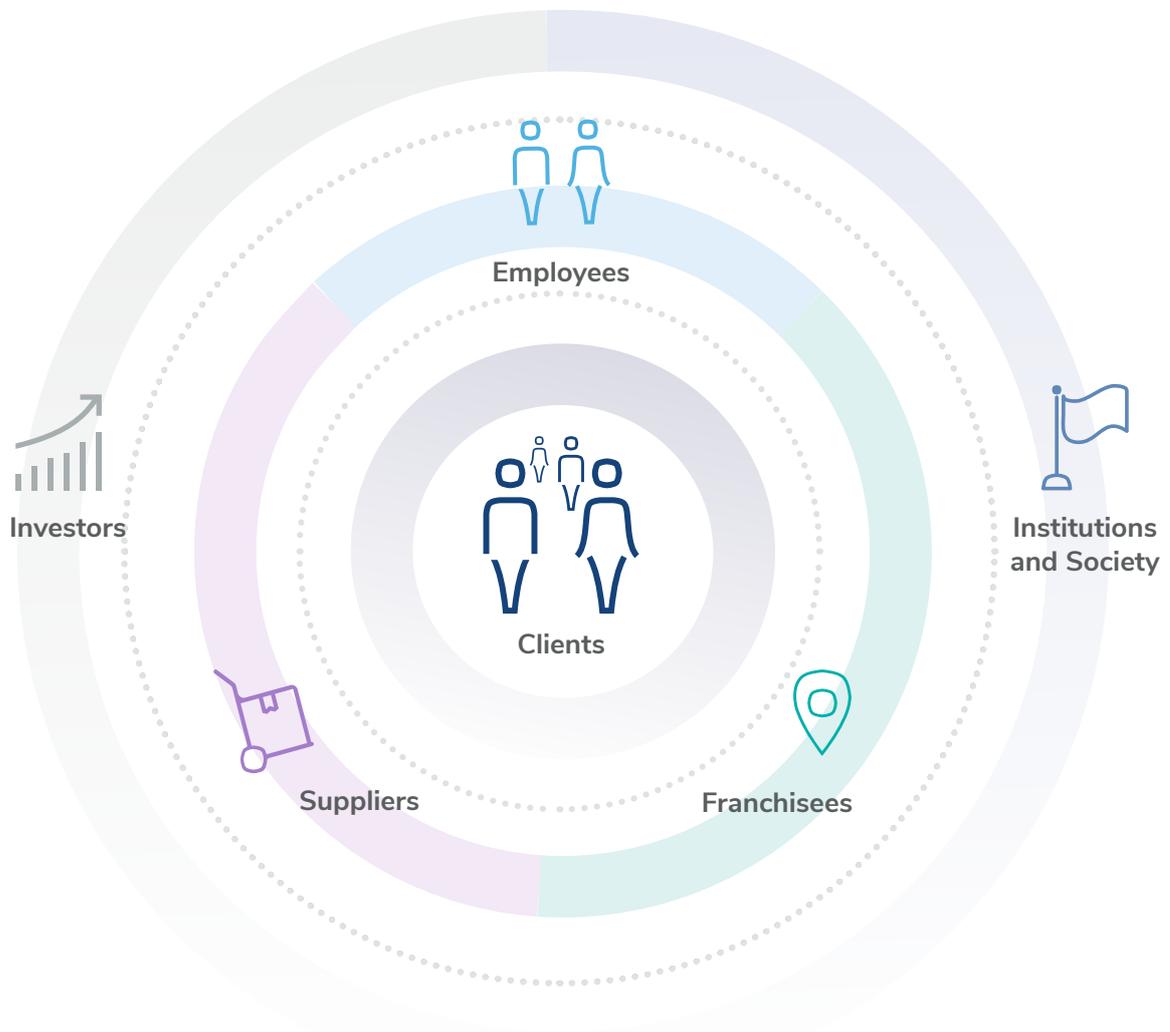
The Company works to ensure a close relationship with all stakeholders, these being understood as the individuals and organisations that directly or indirectly affect the Company’s activity and/or are affected by it.

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 depending on the stakeholder in question. Through a consultation process, different actions and working groups are managed including: customers, employees, unions, suppliers, social organisations, etc., along with specific initiatives with different organisations on relevant topics.



## Our stakeholders

GROUP	TOOLS	RELEVANT MATTERS
<b>CLIENTS</b> 	<ul style="list-style-type: none"> <li>◆ Corporate website</li> <li>◆ Brand websites</li> <li>◆ Sales channels</li> <li>◆ Customer club</li> <li>◆ Customer service</li> <li>◆ Social networks</li> </ul>	<ul style="list-style-type: none"> <li>◆ Satisfactory shopping experience</li> <li>◆ Quality of the products and services provided</li> <li>◆ Customer service and loyalty</li> <li>◆ Protection of health through toxic-free garments</li> <li>◆ Protection of the security and privacy of data</li> </ul>
<b>EMPLOYEES</b> 	<ul style="list-style-type: none"> <li>◆ Corporate intranet</li> <li>◆ Whistleblower channel</li> <li>◆ Work councils</li> <li>◆ Social networks</li> </ul>	<ul style="list-style-type: none"> <li>◆ Protection of Human Rights</li> <li>◆ Quality of employment</li> <li>◆ Social benefits and work-life balance</li> <li>◆ Safety, health and prevention of occupational risks</li> <li>◆ Training and professional development</li> </ul>
<b>SUPPLIERS</b> 	<ul style="list-style-type: none"> <li>◆ Supplier portal</li> <li>◆ Whistleblower channel</li> <li>◆ Corporate website</li> <li>◆ Meetings and periodic visits</li> </ul>	<ul style="list-style-type: none"> <li>◆ Relationship based on trust and working together</li> <li>◆ Fulfilment of human rights</li> <li>◆ Commitment to sustainability and innovation</li> <li>◆ Stability in commercial relations</li> <li>◆ Fair agreements in contracting and payments</li> </ul>
<b>FRANCHISEES</b> 	<ul style="list-style-type: none"> <li>◆ Communication platforms</li> <li>◆ Product Conventions</li> <li>◆ Weekly meetings (Skype)</li> <li>◆ Training and advice</li> <li>◆ Corporate Intranet</li> <li>◆ Email and Social Networks</li> </ul>	<ul style="list-style-type: none"> <li>◆ Integral service in the management</li> <li>◆ Fluid and permanent communication</li> <li>◆ Training and advice</li> <li>◆ Transparent relationship</li> </ul>
<b>INSTITUTIONS AND SOCIETY</b> 	<ul style="list-style-type: none"> <li>◆ Corporate website</li> <li>◆ Whistleblower channel</li> <li>◆ Social networks</li> <li>◆ Agreements and collaborations</li> <li>◆ Participation in forums and associations</li> </ul>	<ul style="list-style-type: none"> <li>◆ Innovation</li> <li>◆ Promoting employment</li> <li>◆ Diversity and equality</li> <li>◆ Responsible use of resources</li> <li>◆ Energy efficiency</li> <li>◆ Commitment to ecodesign and the use of sustainable raw materials</li> </ul>
<b>INVESTORS</b> 	<ul style="list-style-type: none"> <li>◆ Corporate website</li> <li>◆ Relationship with investors</li> <li>◆ Reporting results</li> <li>◆ Press releases</li> </ul>	<ul style="list-style-type: none"> <li>◆ Financial and economic stability</li> <li>◆ Corporate governance</li> <li>◆ Sustainability and Corporate Social Responsibility</li> <li>◆ Transparency and ethics</li> </ul>

# Contribution to sustainable development

Aware of the role that the Company plays in providing opportunities for people and the planet, Tendam has added the sustainable development goals approved by the UN to the Company's strategy.



## SDG. 1

### NO POVERTY



- ◆ The commitment to this goal is reflected in the different social actions, such as the **Involucrados** project.

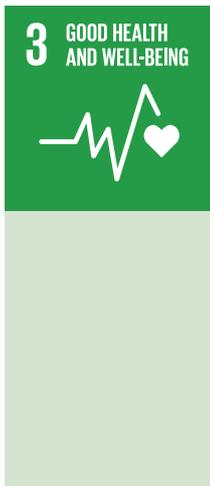
In 2018, it managed to collect **€156,000** through charity markets, thanks to the voluntary work of the employees and the beneficiary NGOs, making it possible to run aid projects to eradicate poverty by helping organisations such as Itwillbe, Amigos de los Mayores and the Síndrome de Down Madrid Foundation.

**€156,000**  
raised

More than  
**80** volunteers  
in the project

## SDG. 3

### GOOD HEALTH AND WELL-BEING



- ◆ Women'secret has promoted the **#ldocare movement**, through which it sells bras adapted for women affected by breast cancer.
- ◆ As part of its health plan, the Company has signed up to **Gympass**, a network of affordable gyms that promote an active lifestyle.
- ◆ A safe and healthy working environment for employees is promoted through the occupational **Health and Safety and Medical Service** in the head offices.
- ◆ The Company ensures compliance with appropriate labour requirements in the chain of supply through the process of **social auditing of suppliers and factories**.

**40,000**  
adapted bras sold

More than  
**200** people  
registered with  
Gympass

## SDG. 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.
- ◆ Throughout this year, the Company has taken part in various initiatives, such as **Business Women Empowerment**, where it seeks to raise the profile of businesswomen and female executives.

83%

of the workforce are women

## SDG. 8



## DECENT WORK AND ECONOMIC GROWTH

- ◆ All the Company's suppliers of garments and textile products work with values and commitments established in the **Tendam Code of Conduct**.
- ◆ "Sumando Oportunidades" is a programme designed to offer young people at risk of exclusion work experience and the opportunity to develop a career in retail.
- ◆ 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 to eradicate **forced labour, slavery and human trafficking**.

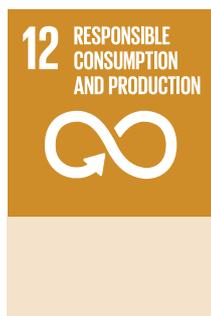
100%

of suppliers accept the Code of Conduct

47%

of the students involved in "Sumando Oportunidades" (Adding Opportunities) have been given an employment contract

## SDG. 12



## RESPONSIBLE CONSUMPTION AND PRODUCTION

- ◆ In the framework of ecodesign, Springfield has the **R[ECO]INSIDER** collection and the **H2Ø jeans** line, focussing on new sustainable fabrics and a lower use of water and energy.
- ◆ In the entire sales network it promotes measures that ensure the rational and efficient use of energy, implementing technology-based **energy saving measures**.
- ◆ Promotion of training for responsible design through the Aula de Sostenibilidad y Ecodiseño (Sustainability and Ecodesign Workshop) in the Polytechnic University of Madrid.

2.3 Million environmentally-friendly garments

## SDG. 17



## PARTNERSHIPS FOR THE GOALS

Tendam collaborates with its stakeholders, establishing partnerships to achieve the sustainable development goals. In 2018, the most notable partnerships were with Amfori, Cotton Made in Africa, Inserta, the Dexus Women'S Health foundation, Atelier by ISEM, the Aula de Sostenibilidad (Sustainability Workshop) of the UPM and Business Women Empowerment, among others.



# 3.

## Corporate Governance

Focused on the interest  
of stakeholders



The Company is committed to the implementation of the best practices and recommendations, both national and international, in the area of good governance, ethical behaviour and regulatory compliance.

## Ownership structure

The share capital of Tendam Brands, S.A. is €5,000,000 represented by 5,000,000 shares of €1 par value, 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%<sup>1</sup> 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

### General 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 Corporate 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 2017 financial year was held on Friday, 31 August 2018. An extraordinary General Shareholders' Meeting was held on 17 May 2018 to approve the change of name to Tendam.

### 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 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.

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 Board of Directors is comprised of eight members: Chairman, CEO and three directors representing each of the controlling shareholders. The Board's secretary is not a director. 12.5% of its members (22.2% including the Board Secretary) are women.

Its size, structure and the qualifications of its members are in line with the 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. was 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.

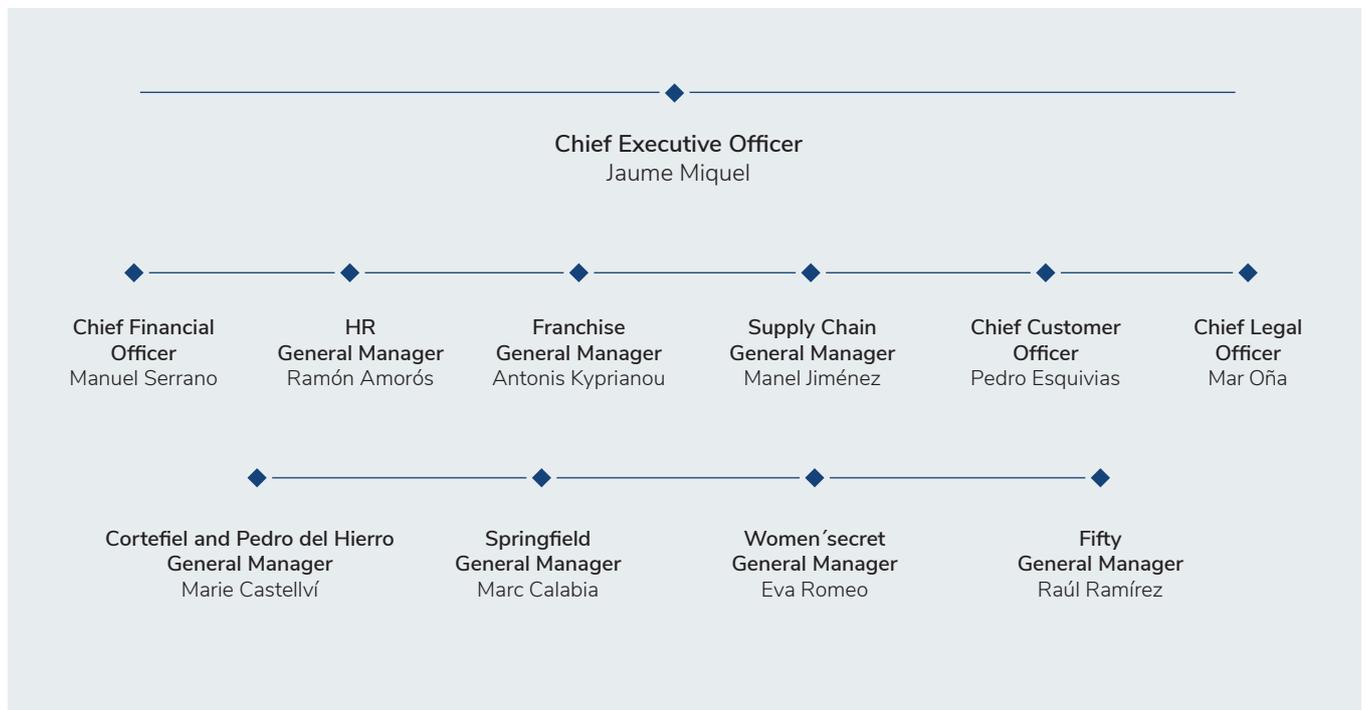
- Chairman** ◆ **Miguel Ibarrola López**  
Chairman of the Company since May 2016, he has been a member of the Board of Directors of Berlys, CEO of the Zena group for twelve years and finance director and vice-president of operations in Spain for Campofrío, among others. He has a degree in Economic and Business Sciences from the University of Seville and also has an MBA from the IESE.
- CEO** ◆ **Jaume Miquel Naudí**  
CEO since August 2016, he has been Managing Director for the Cortefiel, Pedro del Hierro and Women'secret brands. 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.
- Director** ◆ **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.
- Director** ◆ **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 Aeronautics and Space Engineering from the Polytechnic University of Madrid and has an MBA from Harvard Business School.
- Director** ◆ **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 and she has a degree in Business Administration and Law from the Carlos III University of Madrid.
- Director** ◆ **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).
- Director** ◆ **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.
- Director** ◆ **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).
- Secretary (Non-director)** ◆ **Mar Oña**  
Secretary (Non-director) 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).

## The Steering 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 focussed 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 is comprised of 11 members, 27.3% of whom are women.



## Remuneration of directors and senior management

Pursuant to the articles of association, the members of the Board of Directors will not receive, in their capacity as such, any remuneration. The Chairman 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-competition obligations.

Pursuant to this, the Chairman of the Board receives a fixed amount as fees for professional services. The CEO is paid for his executive duties, this payment including 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-competition obligations.

The remuneration of the senior management also includes, as well as a fixed amount, 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 2018 financial year, the remuneration for the directors and senior managers of the Company, for all concepts, amounted to a total of €3,915,903 gross per year. By gender, it is €353,180 gross per year, on average for men, and €303,408 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 all members of its governing bodies, executives and personnel to commit to behaving ethically and in strict compliance with the law when conducting their activities.

### Code of Conduct and Compliance Programme

The Internal Code of Conduct is the fundamental set of rules in Tendam. 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 behaviour required on the issues of conflicts of interest, corruption, fraud, privacy and relationships with customers and suppliers, among others.

These commitments are possible thanks to an extensive training programme in which everyone is regularly involved, from the Management Committee itself to other managers, middle managers and other groups in the Company.

Tendam extends the commitment to these values to its supply chain through the External Code of Conduct, which imposes the same principles of transparency, integrity, ethics and responsibility on suppliers and franchisees.

The mandatory formal acceptance of the External Code of Conduct by suppliers improves the traceability of the process.

Tendam also has a Compliance Programme that establishes control measures designed to prevent and manage risks of non-compliance with the current legislation. It establishes the principles for behaviour in relation to the areas of anti-corruption and crime prevention, the defence of competition and unfair competition, data protection and money laundering, among others.

The management of the Code of Conduct and the Compliance Programme, their dissemination and the promotion of the best practices, are the responsibility of the Ethics Committee, comprised of the Human Resources, Legal and Internal Audit departments, and that reports to the Audit and Risk Committee.

### Training on the Code of Conduct

 **2,118**  
People trained

 **4,236**  
Training hours

### Whistleblower Channel

The Company has 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.

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

During the 2018 financial year, the Whistleblower Channel has received 1,435 visits, and 29 incidents have been reported, all relating to labour and management issues. Of these, 83% were resolved with confirmation of the reported incident and the application of the corresponding disciplinary measures. This implies a ratio of 0.22% complaints per employee.

The Company has not received any complaints about violations of Human Rights.

## 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:

- ◆ The ban on accepting in-store payments, in cash, for sums of more than €2,500 in a single payment or several instalment payments.
- ◆ Means of payment verification procedures to combat the entry into circulation of fake 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.
- ◆ The ban on accepting gifts whose value exceeds the maximum amount authorised.
- ◆ Reimbursement of expenses linked to and conditional on the prior presentation of the corresponding bill or receipt.

## Contributions to nonprofit 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.

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.

# Risk management

The appropriate management of risks is one of the basic pillars for creating value 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, and its supervision is the responsibility of the Audit and Risk Committee. This 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 and the corresponding control and management systems and measures. The risk map is regularly reviewed to keep it updated.

Tendam has a series of risk control rules 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 structured around a series of basic principles:

- ◆ The identification, assessment, control and reporting of risks.
- ◆ The definition of tolerable risk levels.
- ◆ The evaluation of risks in accordance with methodologies that allow for their objective measurement.
- ◆ 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.

Risks can be grouped into four broad categories depending on their nature:

## 1. Strategic risks

Sustainable organic growth, the integration of new technologies and 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 (onmichannel presence) and to new technologies represents a way to diversify risk.

- ◆ 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 on a regular basis once these are active.
- ◆ 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

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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.

- ◆ 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 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 cyber-attacks.

## 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 particular, 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 corporate ethics, sustainability, the environment or corporate reputation can directly influence stakeholder perceptions of the group, and particularly customer perceptions.

- ◆ 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 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.

## 4. Financial and reporting risks

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Tendam is vulnerable, in the normal running of its business, to risks of a financial nature, such as exchange rate, interest rate, 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.

- ◆ 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 control over financial reporting, the Company is making progress with raising awareness about the control, quality, traceability and integrity of its financial information.



Petro del Hierro

# 4. Our customers

Our business model is created  
and designed for the customers.



The customer is at the core of the activity of the brands, which is why we want to guarantee a good multichannel service. The Company searches for new solutions to improve the shopping experience of the customers, both in physical shops and online, benefiting from the complementarity of these channels.

## Omnichannel presence and customer experience

Improving the customer shopping experience means committing to an omnichannel experience that involves the complete integration of physical points of sale and online channels. Customers are more and more connected and wish to be able to make their purchases quickly and efficiently, seeking greater flexibility.

Tendam is committed to an omnichannel company culture, ensuring a high level of quality of both the offline and online sales services. All the details that create an excellent shopping experience for the customer are taken into account. Since 2012, **all of the Company's brands have had an e-commerce channel and they currently operate in 38 online markets.** Since then, sales have shown steady growth that has increased considerably for all of the brands in recent years.

In 2018, online sales grew by 30% and now represent 8% of the turnover in Spain.

There has been progress in the integration of the shopping process at our physical and online stores throughout this last year, offering the possibility of **paying with a mobile phone** at all our brands in Spain. **Delivery options** have been improved, whether it be direct home delivery or through collection at the store.

In this context, new projects have been implemented such as **Click Shopping**, which provides the option for the customer to order the product while in the shop if they can't find it, so that it is delivered to their house or in a shop, whichever they prefer. This system is currently available in four countries: Spain, Portugal, Belgium and France.

As a new development, in 2018 we provide the customer with easier options by offering the possibility to make **in-store reservations**, giving them the option to reserve the product from the website, and then have 24 hours to go and pick it up from the chosen store, paying when they collect the order.

We are still working on digitising the in-store purchase experience, which is why new **mobile applications** have been launched **for all brands**, with the goal of uniting the online and offline environments.

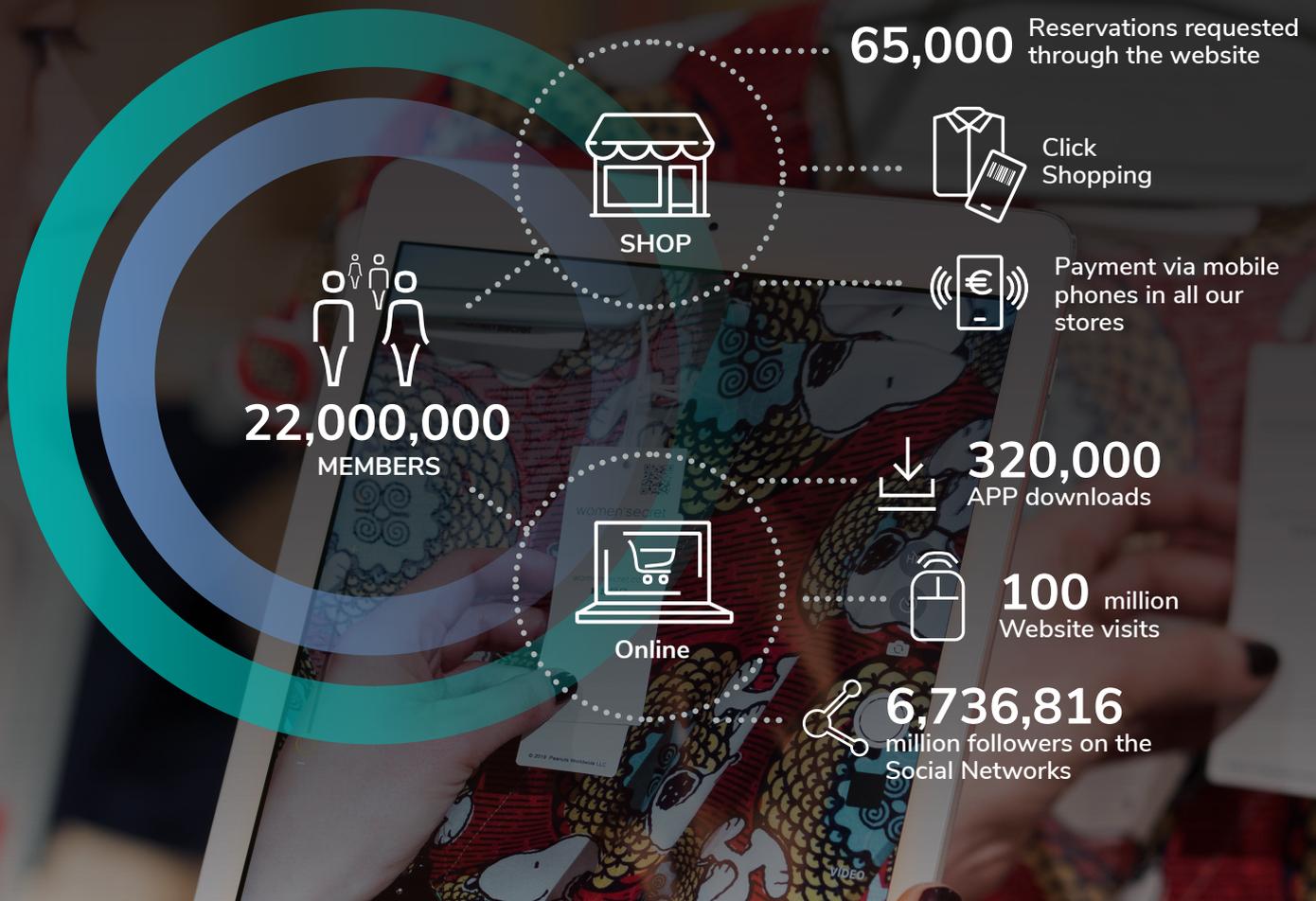


[Link to the video](#)

↑ + 30%  
Growth Online channel

€ 8%  
Online Turnover

Innovation in the shopping experience



**New APPS for all brands**

The Company continues to be committed to the omnichannel approach and is offering new online services, which is why new Mobile Applications have been developed for all brands.

Through the new features, the experience in physical shops 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 shop, make a reservation or buy it online.

Furthermore, it allows the over 22 million Tendam club members to include their club cards and receipts in the application, in order to access their club points through their mobile phone.

Applications are an easy and personalised way of communicating with customers, as they build their experience together with other elements in their daily lives, such as Google Maps to tell them the shortest route to their nearest shop.



Discover the latest trends



Track your orders



Scan to check stock availability



Check your discount vouchers



Access your receipts



Find your shops

## Our shops

The shops are a means to connect with customers and transmit the brands' values through their design and the creation of unique spaces. Each shop 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 shop itself, offering the customer a more complete shopping experience.

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 and offers something that cannot be obtained online. Furthermore, the staff in our shops are specially trained to provide excellent service to our customers every day.



The shop team is our added value when it comes to winning the loyalty of the customer, offering them the best shopping experience.



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.

As part of Tendam's commitment to the environment, some environmental principles are followed that make it possible to minimise consumption and create sustainable spaces. Improvements in terms of lighting and the energy efficiency of the heating and cooling systems are always geared towards promoting the minimum use of energy.



## Accessibility

All the new shop 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 the shop are a result of our commitment to our customers.

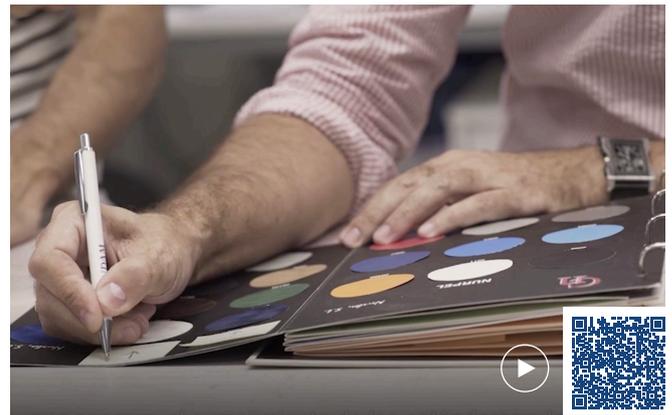


## Garment innovation and sustainability

At Tendam we work to improve the product offering so that we meet our customers' needs.

The Company is committed to improving the production processes and selecting more sustainable raw materials; using new materials and technologies that are more environmentally-friendly. Research is conducted to improve the source of the materials, reduce water consumption, make efficient use of energy; in short, to ensure that fashion is a model of sustainability.

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.



[Link to the video](#)



### Sustainable Materials

**Springfield** has launched the **R[ECO]NSIDER** collection, which uses 100% organic cotton, recycled polyester or Tencel® to produce garments including t-shirts, sweatshirts, truckers or shirts; while the polyester brings with it quilted jackets and coats. This makes it possible to obtain more sustainable fibres from recycled cotton fabrics mixed with new fibres, thus creating fabrics with the same appearance and resistance as traditional cotton.



### Water saving

The **H2Ø collection**, through laser and ozone technologies, replaces the traditional methods in the finishing process for jeans, achieving denim that is more sustainable and uses less water (up to 90% less in the case of ozone, and 50% less with laser) and energy and also avoiding the use of chemical products such as permanganates and bleaches.



### Cotton made in Africa

A collection of t-shirts has been designed under this sustainability standard that uses African cotton, thus supporting farmers in Sub-Saharan Africa in order to improve their living conditions and those of their families, as well as protect nature. This cotton is grown under strict sustainability standards: it is only cultivated using rainwater, and not using dangerous pesticides or GMOs.



### Innovation with fabrics

**ZERO GRAVITY by Springfield** uses new technologies to produce a new collection of jeans and pants using the Bi Stretch and Body Shape technologies, two clothing production processes used for our garments that provide greater freedom of movement. The Bi Stretch and 4 Way Stretch fabrics add movement to each of the fibres in the garments. The result is comfort, freedom of movement and crease-resistance.

## Product safety



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

From the careful selection of raw materials and the approval of the suppliers with which they will work, to the controls prior to selling the finished garment, the manufacturing process is rigorously controlled during each of its stages until each garment reaches the customer's hands.

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

At the beginning of the chain, regular audits are carried out at the suppliers' factories to ensure compliance with regulations and manufacturing standards, product safety, etc.; and to make sure that the supplier complies with

the technical specifications and quality standards of each of the ordered products.

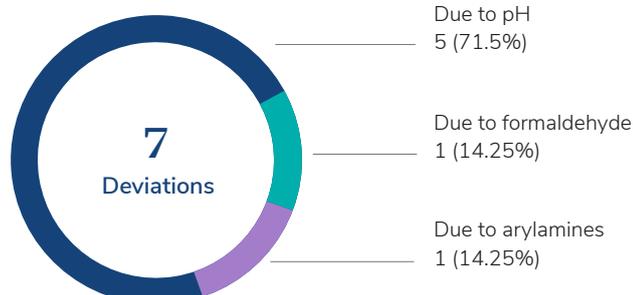
Each model that goes on the market is subjected to physico-chemical testing that must be carried out at accredited external laboratories (Aitex, Bureau Veritas or SGS) in order to guarantee the customer's health and safety and the absence of substances harmful to the environment. Testing for pilling, 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 garments at all times and to correct possible deviations and non-compliant garments that have been detected in a timely manner.

### Chemical testing of garments

Substances	Natural fibres	Synthetic fibres	Leather	Plastics	Metal components	Coatings	Plastisol patterns
Formaldehyde	◆	◆	◆				
pH	◆	◆	◆				
Arylamines (azo dyes)	◆	◆	◆				
Phenol	◆		◆				
Lead				◆	◆	◆	◆
Cadmium				◆	◆	◆	◆
Nickel					◆		
Chromium VI			◆				
Carcinogenic dyes (EG)		◆					
SCCPs (chlorinated paraffins)			◆			◆	
Phtalates							◆
PAH (Polycyclic Aromatic Hydrocarbons)				◆			◆
PFOS						◆	
Dimethyl fumarate	Only Silica Gel						

### Chemical incidents



**11,399**  
References analysed



**99.91%**  
Positive chemical tests

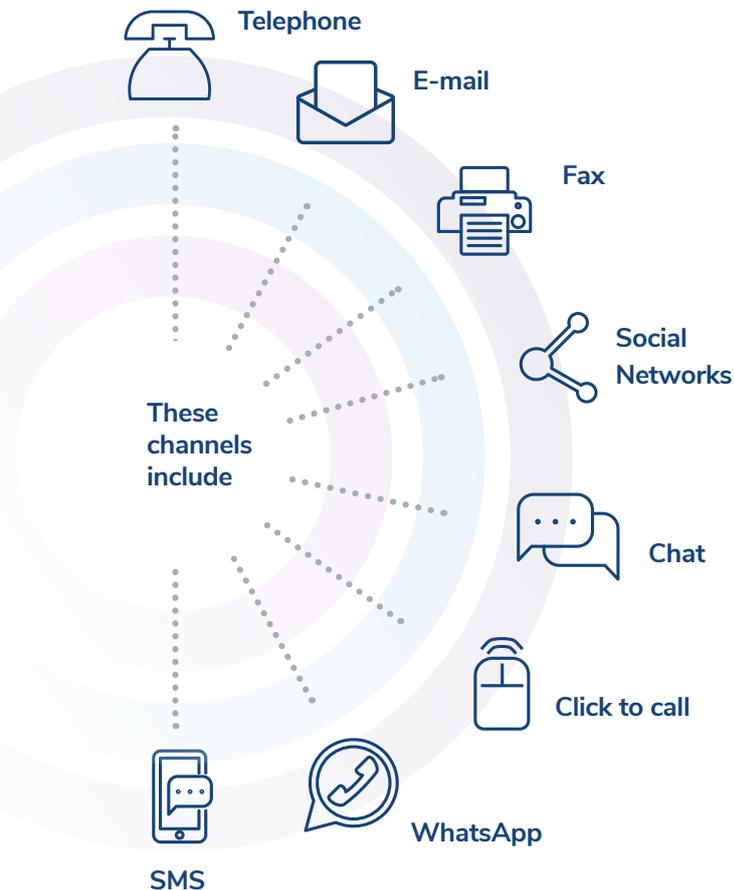
# Multichannel communication

Direct contact and multichannel communication are a key piece of the Company’s customer service model, seeking its satisfaction as the main objective.

Improving the shopping experience is only possible through transparent communication based on ethical and responsible behaviour, which is key to providing a service that meets the needs of the customers.

The Company has put measures in place to communicate with its customers in a respectful and clear way, ensuring that it complies with current legislation on Consumer Protection, Data Protection and complying with international and national requirements and standards of the countries in which the garments are sold.

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.



## Loyalty cards

The loyalty Clubs of each of the brands are a very important asset for the Company. Tendam currently has more than 22 million members in the Cortefiel, Springfield and Women’ssecret customer clubs.

Their mission is to create a strong 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 the needs of its customers, which is what works to improve the customisation of what it provides customers.

 **22** million members

## Customer service

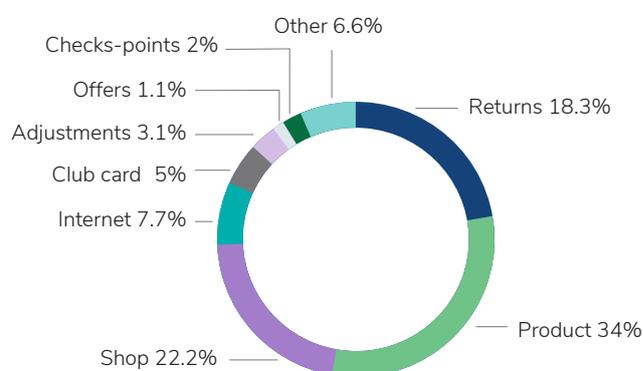
To guarantee top-quality service and to adapt to customers' needs, it has a Customer Service Department (CSD) that is fully accessible and multichannel via telephone, social networks, email, post and the Company's website. There are also currently freephone numbers in 18 countries for the integral management of operations in online stores. The Customer Service Department is structured to provide a comprehensive and customised response to all its users, providing timely and effective solutions.

In 2018, Tendam carried out a total of 1,209,814 operations through the different channels provided to its customers, with a 95.40% level of service in Customer Service. The Company is very concerned about the opinions of its customers and endeavours to respond to all their comments in a satisfactory way. Of all the operations involving customers, only 0.47% related to complaints or claims. Complaints received directly in the shops are managed in accordance with the legislation applicable in each country. In Spain, complaints forms are sent to the CSD to be processed.

To manage these, experts gather all the necessary information from the shop 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.

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

### Complaints



**651,699**  
Emails processed



**365,846**  
Calls processed



**1,074**  
Complaints forms from shops in Spain



**8.2**  
Level of satisfaction with customer service

# Responsible communication

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 focusses 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 work environment. One of the tools for working towards equality is the use of inclusive language in all internal company communications.



## Respect

Our commitment to disseminating an appropriate image of women in advertising campaigns:

- ◆ Body models in accordance with healthy beauty standards.
- ◆ Respecting people's dignity in all areas
- ◆ Not using images that are offensive towards women's dignity, nor those that may represent or could be interpreted as domestic violence.



## Diversity

On the occasion of its 25th anniversary, Women'secret has shown its commitment to women's diversity by launching the **#MuyNosotras** campaign, which pays homage to all the women who have accompanied the brand during these twenty-five years. The protagonists are women of all ages, very different and very real, who were selected through the social network accounts of Women'secret, and were chosen for their attitude, naturalness and differences. From this viewpoint, Women'secret is committed to real women.



## Information security and data protection

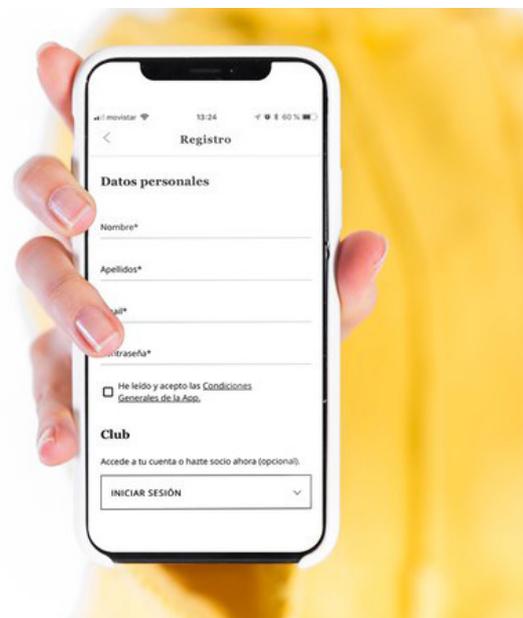
We live in a connected world where the Internet and information technologies are present in our daily lives. That is why Tendam has been working for years to improve its infrastructures and business processes with a clear commitment to protecting one of its main assets: our customers' data and those inherent to the business.

This commitment involves developing policies, guidelines and procedures, not only in the technological area but also in the cultural one. They involve each member of the Company through appropriate awareness-raising schemes that are appropriate for each profile.

The project for adapting to the new data protection regulation was completed this year. Privacy Policies have been fully adapted to this new regulation, as well as the international requirements on the issue of privacy in all the countries where the Company operates.

A Data Protection Officer (DPO) has been appointed, who is in regular contact with all the relevant members of the Company.

As part of the project, Tendam has designed a privacy network that is responsible for identifying possible security breaches and taking protection and prevention measures. This network is made up of many of the Company's departments from specific areas such as IT, Security and Systems, Security and Legal to others focused on communication with its stakeholders such as Marketing, Sales, Sourcing, Communication, etc.



**TENDAM**  
GLOBAL FASHION RETAIL



# 5. Our Team

Our team is  
an essential factor in  
generating value



## Commitment to people

A multidisciplinary, dynamic and demanding team is the key factor in the Company generating value. The main goal of the people who work at Tendam is to offer their customers the best service.



**10,647**

Employees



**25%**

Corporate Services staff



**75%**

Point of sale staff



**83%**

of the workforce are women

Over 10,500 employees are part of a diverse team full of talent, making each of them experts in their professional activity.

The Company also establishes measures that promote mobility and internal promotion, fostering professional development through Tendam's different brands.

To meet its employees' needs, Tendam strives to guarantee high quality working conditions, offering opportunities to all groups equally, promoting professional development and ensuring their health and safety.

It is also ensured that the 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.

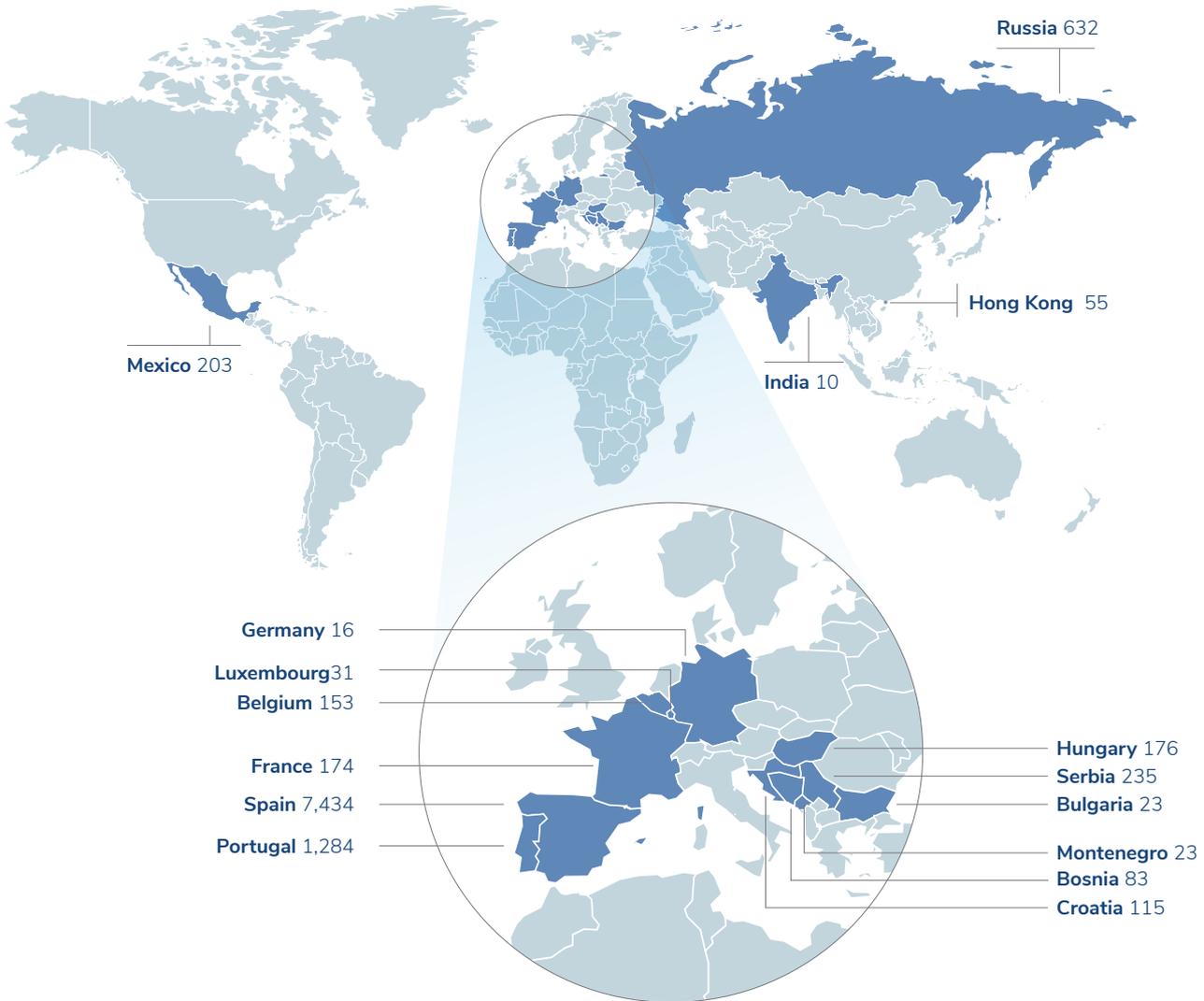


### Top Employer 2018

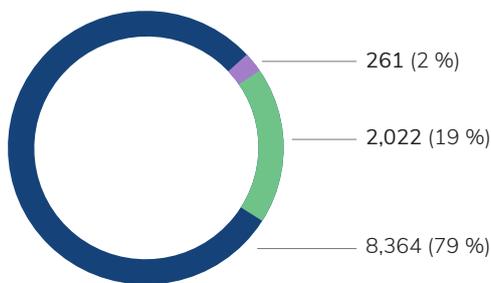
Once again this year, Tendam has been certified as a Top Employer in Spain. For over 10 years, the Company has continuously received this certificate due to its work in the area of human resources. The demanding standards established by the Top Employers Institute in its global HR Best Practices Survey have been successfully met. This survey assesses 600 development practices across ten areas: Talent Strategy, Workforce Planning, Talent Acquisition, On-boarding, Learning and Development, Performance Management, Leadership Development, Career and Succession Management, Compensation and Benefits, and Culture.



Distribution of employees by country

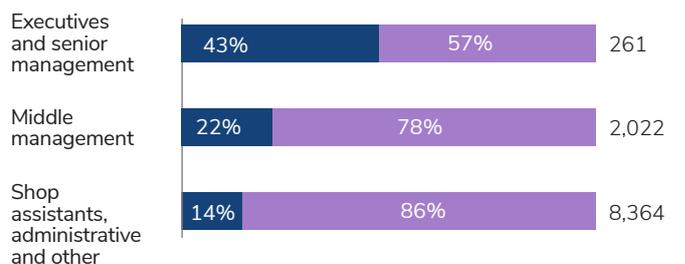


Distribution of employees by professional category



- ◆ N° of employees - executives and senior management
- ◆ N° employees - middle management
- ◆ N° employees - shop assistants, administrative and other

Distribution of employees by professional category and gender



- ◆ Men Total: 1,772
- ◆ Women Total: 8,875

### Distribution of employees by age

Age range	Spain	International	Total
Less than 25	1,437	728	2,165
Between 25 and 35	3,629	1,096	4,725
Between 35 and 45	1,949	499	2,448
Older than 50	419	51	470
<b>Total</b>	<b>7,434</b>	<b>2,374</b>	<b>9,808</b>

Reach 92% of the workforce

### Type of contract by gender

Type of contract	Spain		International		Total
	Men	Women	Men	Women	
Permanent	930	3,768	341	1,837	6,876
Fixed-term	381	2,355	120	915	3,771
<b>Total</b>	<b>1,311</b>	<b>6,123</b>	<b>461</b>	<b>2,752</b>	<b>10,647</b>

### Type of contract by professional category

Type of contract	Spain			International			Total
	Executives and senior management	Middle management	Shop assistants, administrative and other	Executives and senior management	Middle management	Shop assistants, administrative and other	
Permanent	205	1,453	3,040	48	497	1,633	6,876
Fixed-term	8	29	2,699	0	43	992	3,771
<b>Total</b>	<b>213</b>	<b>1,482</b>	<b>5,739</b>	<b>48</b>	<b>540</b>	<b>2,625</b>	<b>10,647</b>

### Type of contract by age

Age range	Spain		International		Total
	Permanent	Fixed-term	Permanent	Fixed-term	
Less than 25	268	1,169	224	504	2,165
Between 25 and 35	2,242	1,387	626	470	4,725
Between 35 and 45	1,775	174	445	54	2,448
Older than 50	413	6	50	1	470
<b>Total</b>	<b>4,698</b>	<b>2,736</b>	<b>1,345</b>	<b>1,029</b>	<b>9,808</b>

Reach 92% of the workforce

## Labour Relations

The Company ensures freedom of affiliation and the right of workers to be represented to defend and protect their labour rights. Trade union representatives are guaranteed the right to exercise their trade union negotiation, participation and representation duties freely.

The workforce in Spain, Belgium, France, Luxembourg, Mexico and Portugal is 100% covered by the corresponding collective agreements.

In Spain, the biggest membership 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.

There are currently 29 company committees across Spain, and a total 282 staff delegates and committee members. In 2018 there were 50 meetings with committee representatives, facilitating smooth and constant communication.

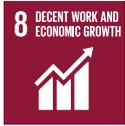
There are effective and confidential channels to be able to raise queries or report any type of non-compliance. These two-way channels ensure that the Company is permanently listening to and entering into dialogue with the employees and improve the relationship between the management and the workforce, making it possible to meet the different needs and keep the employees informed.

Furthermore, information to the workforce and queries or requirements when necessary, are approached through the management line and, where necessary, with the involvement of the Personnel and Human Resources Department. Regulatory channels through the Company's committees are used in the case of special situations or collective bargaining.

The Whistleblower Channel works like a regulatory channel for the processing of reports of breaches of our Code of Conduct.



# Work-life balance and social benefits



The Human Resources policy includes specific measures to create a flexible, open and tolerant environment for the benefit of the employees.

The Company has measures regarding flexible hours and social benefits, framed within the scope of work organisation and health policies, which adapt differently to the requirements of the sales network and corporate services.

The measures regarding flexible hours include:

- ◆ Flexible hours and reduced workdays adapted 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 maternity/paternity leave

	Spain		International	
	Men	Women	Men	Women
Nº of days	893	30,057	276	49,226

### Permissions and leave of absence (data for Spain)

Nº employees	Men	Women	Total
<b>MATERNITY / PATERNITY LEAVE</b>			
Employees with maternity and paternity leave	30	345	375
Employees with part-time maternity leave	-	2	2
Employees with transfer of the maternity leave to the father	2	-	2
Employees at risk during pregnancy	-	303	303
<b>REDUCTION IN WORKING HOURS / LEAVES</b>			
Employees with reduction in working hours for legal guardianship reason - children	13	807	820
Employees with reduction in working hours for legal guardianship reason - relatives	0	4	4
Employees with reduction in working hours for personal reasons	1	24	25
Employees with temporary maternity leave	0	68	68
Employees leave for family care	0	2	2
Employees with unpaid leave	40	98	138



[Link to the video](#)

The Company has social benefits that adapt differently to the requirements of the sales network and corporate services. The headquarters has company canteen and medical services, with health-related prevention campaigns and specific examinations for all sales network and corporate services.

The Flexible Remuneration Program allows the remuneration policy to be adapted to the employee's particular needs, with measures such as health insurance, childcare assistance and other benefits.

Employees also have other benefits such as:

- ◆ A discount card for all the Group's brands.
- ◆ Discounts at other companies.
- ◆ The Benefits portal that offers special terms to employees for a wide range of products and services.
- ◆ Education grants for all children of the employees aged up to 16 years.
- ◆ The Gympass APP that provides access to over 1,900 gyms across Spain and more than 300 activities with just one payment.

#### Type of workday by gender and professional category

Type of Workday	Gender		Professional category		
	Men	Women	Executives and senior management	Middle management	Shop assistants, administrative and other
Full-time	1,054	3,747	237	1,713	2,851
Part-time	718	5,128	25	308	5,513
Total	1,772	8,875	262	2,021	8,364

#### Type of workday by age

Type of Workday	Spain		International		Total
	Full-time	Part-time	Full-time	Part-time	
Less than 25	236	1,201	163	500	2,100
Between 25 and 35	1,441	2,188	596	91	4,316
Between 35 and 50	1,037	912	408	10	2,367
Older than 50	301	118	41	565	1,025
Total	3,015	4,419	1,208	1,166	9,808

Reach 92% of the workforce



# Equality, diversity and inclusion



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

Tendam promotes equal opportunities for people who want to grow in the Company, regardless of their gender identity, age, culture and religion. The equality, diversity and inclusiveness of the teams reflects the diversity of the customers, the brands that comprise Tendam and the countries where it operates.

## Equality Plan

The first equality plan produced in collaboration with the CCOO and UGT unions was signed in 2012. As of now, the Company is working on the second edition of the Plan that will include objectives, strategies and practices regarding gender equality for the coming years.

Tendam adopts commitments to:

- ◆ Ensuring equal treatment and opportunities for women and men.
- ◆ Guaranteeing there is no wage discrimination based on gender.
- ◆ Promoting professional development for women and men at the Company.
- ◆ Ensuring that human resources management is up-to-date with current requirements regarding equal opportunities.
- ◆ Promoting work-life balance measures and making sure they are implemented.
- ◆ Making progress regarding joint responsibility between men and women.

This year there have been several training actions conducted 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 aimed at human resources staff.



[Link to the video](#)

### Harassment prevention protocols

The Company has a protocol for the prevention of sexual harassment as part of its effort to safeguard the labour dignity of all workers. Tendam is committed to creating and maintaining a working environment that is respectful of dignity and personal freedom.

As a result, it has declared that sexual harassment will not be tolerated in our facilities or establishments. These situations will be considered professional misconduct and will lead to the appropriate sanctions.

## Diversity and inclusion

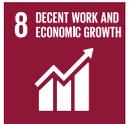
In an industry such as fashion, having different skills, visions or experiences allows you to be more creative and to develop the best ideas to meet customers' needs.

Our objective is the development of labour relations based on equal opportunities and non-discrimination, fostering an open and inclusive working environment.

At year-end, the Company has 18 employees with disabilities in the workforce in Spain and has adopted measures to reach the recruitment targets, including a plan of action to increase the direct recruitment of people with disabilities. As a result, a collaboration agreement has been signed with the ONCE Foundation through which Tendam has joined the INSERTA Programme, with the aim of continuing to promote the integration of people with disabilities into its workforce, and to continue to set in motion accessibility measures that contribute to improving the living conditions of people with disabilities. In this sense, with the objective of covering work positions that become available, Tendam will have INSERTA for the preselection and training of the candidates, who will be hired on the basis of competitiveness and labour market conditions.



 More than **65** nationalities



### Selection processes

The Human Resources Department applies best practices when searching for, selecting and retaining talent, ensuring the principles of equal opportunities and non-discrimination. The Company selects the professionals who are best suited for the jobs and when establishing recruitment and remuneration terms, it studies the employees' worth, regardless of their gender, country of origin, religion, disabilities or sexual orientation.

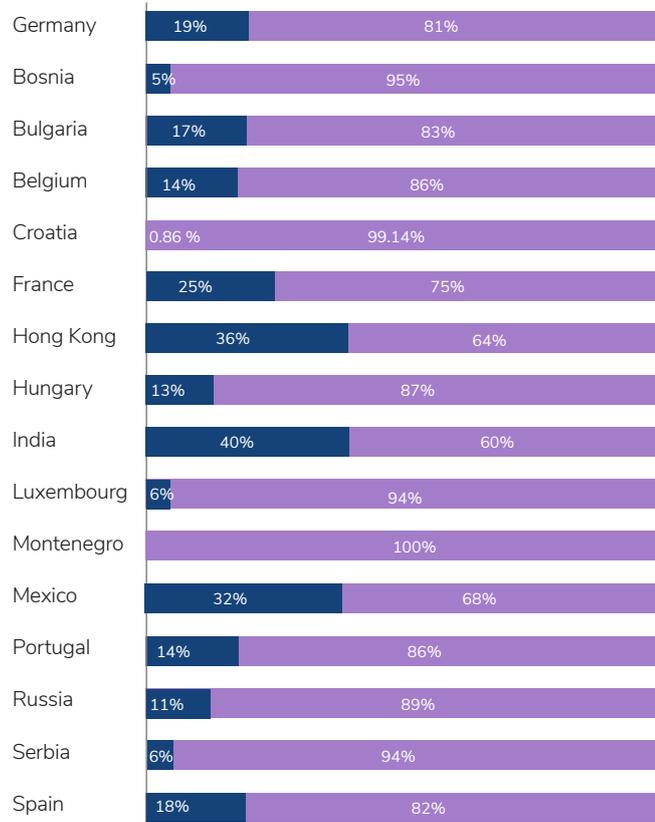
Through local internal selection teams, Tendam wants to increase its efficiency and quality and respond to the particular needs of each of its shops in the best possible way, offering the same career opportunities to all its employees.



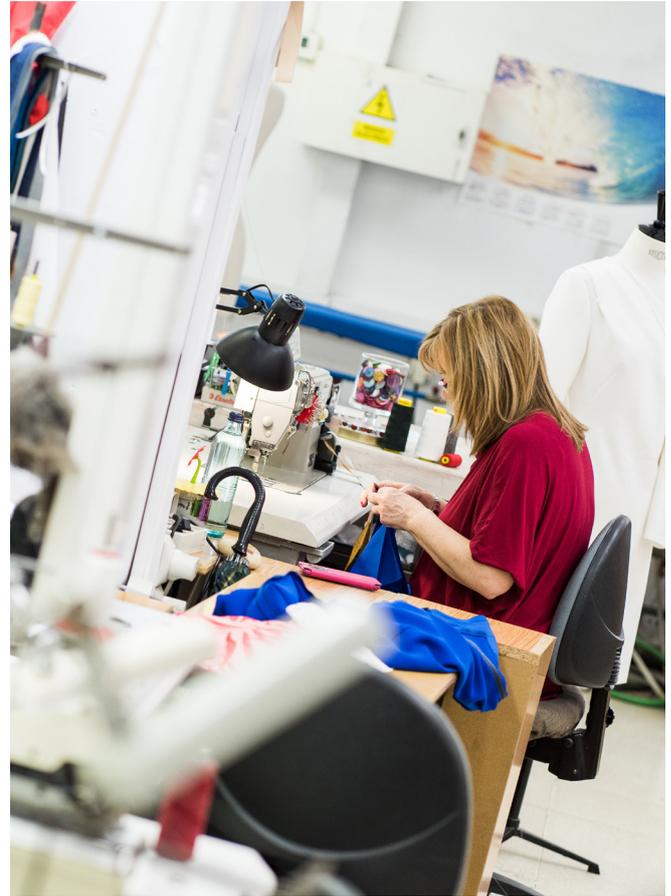
### INSERTA-ONCE Foundation agreement

In 2018, Tendam has signed an **INSERTA agreement** with the **ONCE Foundation** with the objective of adding to the workforce, within the next three years, people with disabilities in both its central offices as well as its shops. This agreement forms part of the operating programmes for Social Inclusion and Social Economy (Poises), and Youth Employment (POEJ), which the ONCE Foundation is developing through INSERTA, with co-funding from the European Social Fund and the Youth Employment Initiative, in order to increase the training and employment of people with disabilities.

**Distribution of employees by gender and country**



◆ Men Total: 17%    ◆ Women Total: 83%



**Distribution of employees by professional category, gender and age (data for Spain)**

	< 25 years	25 to 35 years	35 to 50 years	> 50 years	Total
<b>Men</b>					
Executives and senior management	0	8	49	28	85
Middle management	3	111	184	77	375
Shop assistants, administrative and other	247	388	141	75	851
<b>TOTAL</b>	<b>250</b>	<b>507</b>	<b>374</b>	<b>180</b>	<b>1,311</b>
<b>Women</b>					
Executives and senior management	8	22	87	11	128
Middle management	8	479	567	53	1,107
Shop assistants, administrative and other	1,171	2,621	921	175	4,888
<b>TOTAL</b>	<b>1,187</b>	<b>3,122</b>	<b>1,575</b>	<b>239</b>	<b>6,123</b>

# Talent management

Tendam makes available to its employees the necessary resources to contribute to their professional development.

## 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.

Tendam conducts actions and programmes adapted to each job position and in accordance with experience levels. To do so, a **performance assessment program** has been developed. The professional development strengths and needs of each employee are identified each year through performance assessment, with the objective of identifying and managing the Company's talent and thus establishing individual action plans to continue growing.

During this exercise an evaluation was carried out in our store teams (almost 1,000 employees, managers and seconds in charge, are assessed each year). In this coming year we plan to continue assessing performance in the Corporate Service teams.

### Commitment to internal promotion

A great 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 to the staff the possibility of professional growth suited to their objectives.



# 60

internal promotions in the organisation

### Performance Evaluation by gender and Professional Category (data for Spain)

	Men	Women	Store managers	Seconds in charge
Percentage evaluated	19.30%	80.61%	51.36%	48.64%



[Link to the video](#)

## Actions to promote employment

The Human Resources department is committed to programs for the creation of employment and development of talent.

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 the work of our Human Resources teams in the various **employment forums and programs**, more and more groups know about us and are becoming interested in our business and in joining our company.

### Internship plan

At Tendam, we are not only committed to talent, but we also work to develop people by generating opportunities. 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 in relation to what is most important to us, our customers.

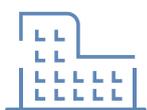
Our task: to provide them with the tools and work with them, mentoring them on site. To do so, the Company also has other collaborations through training agreements with 300 regulated educational training institutions for employment, public institutions and social entities with which it seeks to promote the inclusion of young people and groups at risk of exclusion in the labour market.

Students in Work Centre Training (W.C.T.) programmes in sales, marketing or similar studies, as well as students in the programs with entities that work with young people who are at risk of social or labour exclusion, have tutors who accompany and guide them during the training period.



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 32.5%.

All this position 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.



**300**  
training  
schools



**1,097**  
internship  
students



**357**  
students  
recruited



**32.5%**  
subsequently  
employed

The Company promotes programmes aimed at various different groups with the objective of boosting high quality employment for everyone.

### Youth employment

Through our Internship Program in our shops across Spain, we offer specific point of sale training for young people who are coming to the end of their training in retail and marketing.



### Incorpora Program of the La Caixa Foundation

Through the **Incorpora Program** from the La Caixa Foundation, a total 58 people at risk of exclusion have been added to our workforce this year following a training period in our stores. This program 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.



**58** people have been employed in 2018 following a training period in our shops

### Adding opportunities

Our **Sumando Oportunidades** (Adding Opportunities) program, 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 program, **199 young people** aged from 16 to 30 have received training at our points of sale in 19 centres as sales staff and fashion advisers throughout 2018.

**47% of the program's participants have been given a work contract by Tendam**, in some cases even before completing their training.

**199** participants  
subsequently employed



### Fórmate con Garantía Secretariado Gitano Foundation

This year, we have signed up to the **Fórmate con Garantía** program 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 Roma community.

# Training

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.



**6,013**

employees who have received training



**58,738**

training hours



**17%**

of those trained are men



**83%**

of those trained are women

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

The training is offered both face-to-face and online, aimed at the sales network and corporate services, and is focused on the textile business and customer service.



## Training hours by professional category

	Corporate services			Stores	
	Senior Managers	Intermediate Managers	Technical Managers	Managers	Vendors
Number of hours	456	2,997	8,634	26,152	20,499



**FACE-TO-FACE**  
training

Courses at Headquarters and in the Zone

School of mentors



**E-LEARNING**



E-learning through Be!Talent



Gamification

## Face-to-face training

The objective of our training policy is to support the achievement of the Company's strategic objectives. To do so, the Training Department has expanded the catalogue of available courses, to provide more customised training that strengthens the necessary aspects in terms of both technical knowledge and professional skills.

As a new development, training on leadership skills has been given in Portugal and the Balkans, aimed at managers/area managers, as well as product training for the entire shop workforce.

### Some outstanding face-to-face training programs

	Assistants	Hours
<b>Corporate Services</b>		
English program	203	5,285
Microsoft Excel	195	1,084
<b>Sales network</b>		
New managers program	133	4,296
Program of seconds in charge	204	3,264
Preparation of inventories	309	2,472

### SCHOOL OF MENTORS Internal training program

An internal training program has been implemented with excellent results, taking advantage of all the organisation's internal talent.

The level of employee participation has surpassed initial expectations: 24 mentors have contributed their experience and shared their knowledge, greatly enhancing the value of the action. A school has been created for each area, allowing each employee to choose the courses of most interest to them and attend the various courses in person.

**866** participants  
**24** Mentors  
**32** Courses



**3,241**

attendance at face-to-face training



**1,773**

store employees



**1,468**

Corporate Services employees



**17,315**

hours of face-to-face training



## E-learning training

The **Be!Talent** platform is an accessible knowledge space designed so that each employee can take the courses that will accompany them throughout their professional journey, in accordance with their tastes and interests and the requirements of their job.

This same tool also allows a talent matrix to be managed where, through a performance evaluation, each manager can see the competency profile of their teams and thus participate in the development they require according to their needs in their position.

### Some outstanding e-learning training programs (Spain)

	Assistants	Hours
<b>Corporate Services</b>		
Code of Conduct	40	80
Product	65	121
<b>Sales network</b>		
Code of Conduct	2,078	4,156
Program of seconds in charge	3,211	4,580
POS (dataphone)	3,243	3,243



**16,479**  
attendance at  
e-learning training



**16,233**  
store  
employees



**246**  
Corporate Services  
employees



**28,944**  
hours of e-learning  
training



**Be!**  
**TENDAM**  
GLOBAL FASHION





Supplementing Be!Talent, the sales network apps for training through games have been a great success in their first year of being implemented.

## GAMIFICATION

In 2018, the Atrivity APP was launched, which promoted training through gamification. It is a new tool that supplements the **Be!Talent** portal and assesses the knowledge of the employees through games.

This seeks to increase the training of the sales network on key aspects of the business, therefore helping them achieve the global sales targets.

This application has been implemented in Spain and Portugal, for Women'secret and Springfield, with very positive results. The project will soon be expanded to include new brands and countries.

**85%**  
of shop employees  
registered



**90%**  
are active  
game users

### HOW DOES IT WORK?

1. Employees register on the app.
2. The app offers them training contents related to their chain
3. The app asks a series of questions about the content and rewards the employees with points.
4. They can challenge their colleagues to win more points.
5. These points are added up to create a ranking that allows them to compete for certain prizes.

# Health and safety

## Occupational risk prevention service

Tendam's Occupational Risk Prevention Service includes the specialities of safety, ergonomics and hygiene and an external Health Monitoring Service.

In Spain, Tendam has 56 prevention officers across 26 provinces and quarterly meetings are held with the 11 Health and Safety Committees.

The prevention service activities focus on providing a safe work environment in every respect, as well as promoting a healthy life and the employees' well-being.

During the 2018 financial year, the following actions have been carried out:

- ◆ Studying, detecting and preventing possible problems in the work environment at the work centres with 140 assessments of psycho-social factors, both in shops and at the headquarters.
- ◆ Carrying out or reviewing the risk assessments and the evacuation and emergency plans in 299 shops.

In general terms, workers are not exposed to professional diseases or those related to the work that can be considered of risk.

On an international level, it is worth noting that during 2018 Mexico has seen the establishment and updating of the Health and Safety teams; as well as initiating the implementation of the quarterly inspections to identify

### Absenteeism hours

	Men	Women	Total
Number of hours*	121,792	669,672	791,464

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

### Accident at work (data for Spain)

	Men	Women
Accidents with leave at the workplace	Minor	100
	Serious	0
	Very serious	0
	Fatal	0
Commuting accident with leave	Minor	64
	Serious	0
	Very serious	0
	Fatal	0
<b>Total Accidents</b>	<b>40</b>	<b>164</b>

### Health and Safety Training (data for Spain)

Employees who have received training in Occupational Risk Prevention	Men	Women
Store Managers	5	72
Store dependents	90	630

<b>Training Hours in ORP</b>	<b>4,110</b>
------------------------------	--------------

critical safety points and take the relevant actions to prevent and mitigate them. A study in each town has also been conducted to identify the occupational risk (fires) prevention training courses that train these teams on how to act in the event of an emergency.



**56**

prevention officers



**11**

Health and Safety committees



**5,519**

workers represented



**26**

provinces with representation

**Global Work Accident (includes In Itinere)**

	Spain		International		Total
	Men	Women	Men	Women	
Number of accidents with sick leave	40	164	11	28	240
Days lost due to accidents	1,357	4,687	147	602	6,793

## Medical service

The Medical Service of the headquarters, made up of its corporate 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.

**Healthcare (data for Spain)**

	2018
Medical check-ups	1,236
General medical consultations	8,404
Nursing services	3,556
Medications dispensed	2,865
Employees receiving flu vaccination	100
Employees receiving other vaccinations	72
Employees participating in blood donation campaign	73

The following tasks are carried out at Tendam's headquarters:

- ◆ General practice consultation at headquarters that dispenses medicine and prescriptions.
- ◆ Nursing care: monitoring blood pressure, blood sugar, dressings, injections, etc.
- ◆ Initial care for 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.

### CARDIAC-PROTECTED SPACES

Tendam is committed to creating cardiac-protected spaces. The headquarters in Madrid, the logistics centre and some shops already have automated defibrillators and a comprehensive cardiac protection plan for any cardiac emergency. For another year, 17 employees have renewed their cardiopulmonary resuscitation (CPR) training to be able to act quickly until emergency services arrive.



## Other data

### Average remuneration by professional category (euros)

	Executives and senior management	Middle management	Shop assistants, administrative and other	Media Country
Bosnia	0	8,948	6,274	6,872
Croatia	52,320	13,135	7,664	9,392
France	64,801	30,960	24,793	27,559
Spain	72,451	29,342	18,621	22,882
Germany	0	44,784	21,475	23,724
Hong Kong	92,927	45,252	31,351	42,600
Hungary	73,399	16,757	10,173	12,429
India	17,931	0	6,084	8,149
Mexico	39,457	15,711	7,491	10,546
Montenegro	0	11,870	7,939	8,747
Portugal	101,697	20,257	13,389	15,138
Serbia	73,535	10,401	6,264	8,516

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

### Average remuneration by gender (euros)

	Woman	Man	Media
Bosnia	6,550	11,768	6,872
Croatia	9,391	9,424	9,392
France	27,777	26,947	27,559
Spain	21,362	29,167	22,882
Germany	21,330	33,600	23,724
Hong Kong	36,431	54,088	42,600
Hungary	12,305	13,123	12,429
India	7,850	8,466	8,149
Mexico	9,908	11,888	10,546
Montenegro	8,747	0	8,747
Portugal	14,445	19,100	15,138
Serbia	7,121	26,772	8,516

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

### Average wages by age (euros)

	<25	25-35	35-50	>50
Bosnia	6,321	5,809	8,732	1,010
Croatia	8,380	9,336	10,885	0
France	25,824	26,107	29,415	32,087
Spain	16,667	19,842	28,620	34,577
Germany	9,408	16,863	25,969	23,895
Hong Kong	20,104	27,461	48,015	45,367
Hungary	10,074	11,213	18,379	18,074
India	0	7,010	9,119	37,915
Mexico	6,519	9,862	22,995	3,763
Montenegro	6,782	8,465	9,588	0
Portugal	12,859	13,801	20,643	18,552
Serbia	6,034	6,329	11,659	18,921

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

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

General	Corporate Services			Stores	
	Executives and senior management	Middle management	Shop assistants, administrative and other	Middle management	Shop assistants, administrative and other
24.57%	32.57%	18.90%	0.37%	12.48%	2.68%

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 a comprehensive study comparing equivalent jobs. The total wage gap of the group is 26.2% calculated taking into account the weighting of each country with regard to the group.

### Number of dismissals by gender

	Spain		International		Total
	Men	Woman	Men	Woman	
N° of employees	59	251	63	210	583

### Number of dismissals by professional category

	Spain			International		
	Executives and senior management	Middle management	Shop assistants, administrative and other	Executives and senior management	Middle management	Shop assistants, administrative and other
N° of employees	9	66	235	3	36	234

### Number of dismissals by gender, age and professional category (data for Spain)

	< 25 years	25 to 35 years	35 to 50 years	> 50 years	Total
<b>Men</b>					
Executives and senior management	0	0	2	2	4
Middle management	0	3	6	0	9
Shop assistants, administrative and other	9	31	4	2	46
<b>TOTAL</b>	<b>9</b>	<b>34</b>	<b>12</b>	<b>4</b>	<b>59</b>
<b>Women</b>					
Executives and senior management	0	1	2	2	5
Middle management	0	33	23	1	57
Shop assistants, administrative and other	45	115	29	0	189
<b>TOTAL</b>	<b>45</b>	<b>149</b>	<b>54</b>	<b>3</b>	<b>251</b>

The dismissals corresponding to the international area are concentrated in the range between 25 and 35 years.

### Work Accident (data for Spain)

	Men	Women
Frequency index*	15	11.2
Severity index**	0.4	0.2
Days lost due to accidents	947	2,226

\* frequency index = (no. of accidents with sick leave in work centre \*1,000.000) / worked hours

\*\* severity index= (days of sick leave per accident in work centre \*1,000) / worked hours

### Work Accident (data for International)

	Total
Frequency index*	7.3
Severity index**	0.1
Days lost due to accidents	749

There is no data disaggregated by gender

\* frequency index= (no. of accidents with sick leave in work centre + commuting \*1,000.000) / worked hours

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

Type of contract by professional category, gender and age (data for Spain)

			< 25 years	25 to 35 years	35 to 50 years	>50 years	Total
PERMANENT	Men	Executives and senior management	0	8	49	28	85
		Middle management	2	109	181	77	369
		Shop assistants, administrative and other	50	229	123	74	476
		TOTAL	52	346	353	179	930
	Women	Executives and senior management	2	20	87	11	120
		Middle management	6	464	561	53	1,084
		Shop assistants, administrative and other	208	1,412	774	170	2,564
	TOTAL	216	1,896	1,422	234	3,768	
FIXED-TERM	Men	Executives and senior management	0	0	0	0	0
		Middle management	1	2	3	0	6
		Shop assistants, administrative and other	197	159	18	1	375
		TOTAL	198	161	21	1	381
	Women	Executives and senior management	6	2	0	0	8
		Middle management	2	15	6	0	23
		Shop assistants, administrative and other	963	1,209	147	5	2,324
	TOTAL	971	1,226	153	5	2,355	



Type of workday by professional category, gender and age (data for Spain)

		< 25 years	25 to 35 years	35 to 50 years	>50 years	Total	
FULL TIME	Men	Executives and senior management	0	8	48	28	84
		Middle management	3	110	176	74	363
		Shop assistants, administrative and other	45	153	102	49	349
		TOTAL	48	271	326	151	796
	Women	Executives and senior management	8	22	64	10	104
		Middle management	8	415	360	43	826
		Shop assistants, administrative and other	172	734	293	99	1,298
	TOTAL	188	1,170	711	150	2,219	
PART TIME	Men	Executives and senior management	0	0	1	0	1
		Middle management	0	1	8	3	12
		Shop assistants, administrative and other	202	235	39	26	502
		TOTAL	202	236	48	29	515
	Women	Executives and senior management	0	0	23	1	24
		Middle management	0	64	207	10	281
		Shop assistants, administrative and other	999	1,888	634	78	3,599
	TOTAL	999	1,952	864	89	3,904	





# 6.

## Responsible Supply Chain

Ethics, transparency, efficiency and agility are an essential part of the relationship with our suppliers

## Our suppliers

The Company bases its selection of suppliers on three pillars: transparency, equal opportunities and mutual interest.

Currently, Tendam works with suppliers from over 50 countries, for manufacturing garments and for all types of products and services in the countries where it operates.

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.

### Transparency and communication

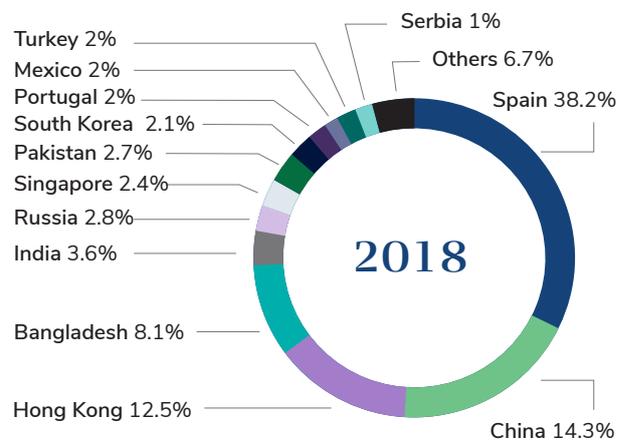
Communication with the supplier must be done in a direct and transparent way, both during the contracting phase and when services are provided.

The purchasing processes of general services, the application process and awarding and contracting 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.

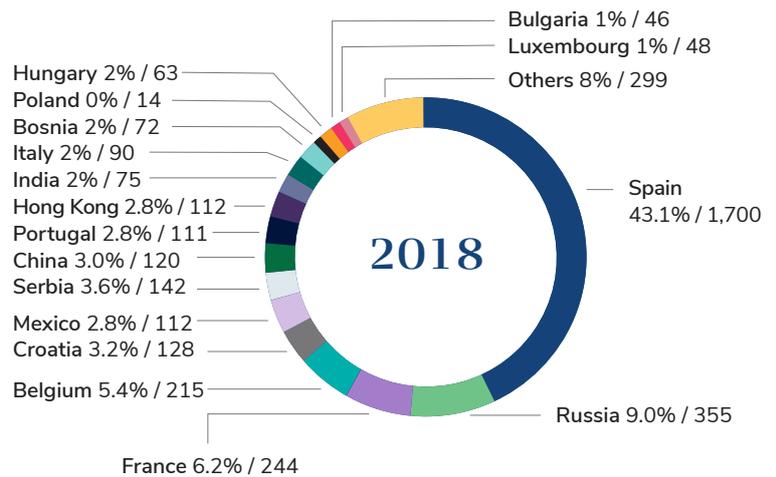
To manage garment and product purchases, there is a Supplier Portal that allows them to have a single centralised point for access to all the documentation and necessary applications in a fast and simple way. Every supplier can connect to the portal from anywhere in the world and access all the information 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 Whistleblower Channel allows suppliers to communicate any possible irregular or unethical behaviour, as well as behaviour that go against the principles established in the Code of Conduct.

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



**Number of active 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.

To ensure that the entire supply chain works 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.

12 fundamental principles for monitoring compliance with Human Rights

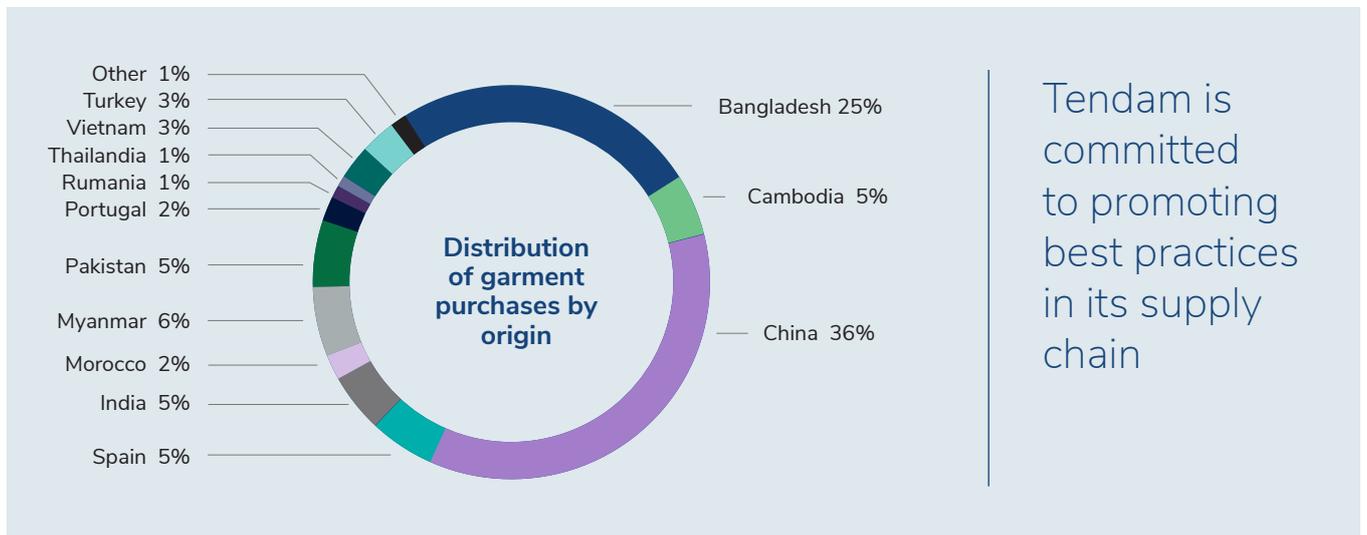
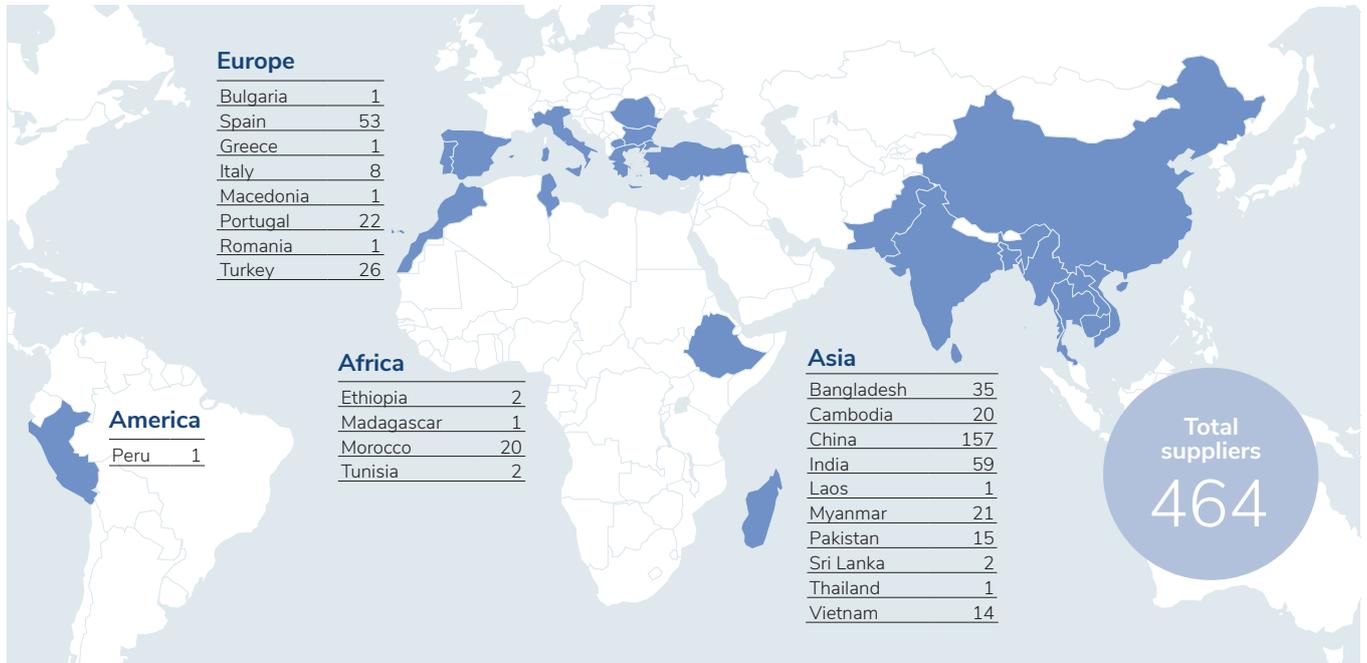
- ◆ 1. Human Rights Compliance
- ◆ 2. Dignity and respect
- ◆ 3. Health, safety and hygiene
- ◆ 4. Wages and benefits
- ◆ 5. Working hours
- ◆ 6. Freedom of association and collective bargaining
- ◆ 7. Forced and compulsory labour
- ◆ 8. No child labour
- ◆ 9. No discrimination
- ◆ 10. Respect for the environment
- ◆ 11. Compliance with laws
- ◆ 12. Supervision



[Link to the PDF](#)

# Responsible Supply Chain

Garment suppliers classified by source



## Human Rights due Diligence

Identification	Human Rights Risk Assessment	Supervision and evaluation	Communications and remediation mechanisms
Production traceability	Risk Country	Supervision of the supply chain	Report and Website
Supplier platform	Analyses of production volumes	Monitoring	Whistleblower Channel
	Relocation	Action plans	



With the commitment to promoting the best practices in the supply chain, aspects such as long term cooperation with suppliers, constant dialogue and joint planning make it possible to establish relationships based on mutual trust.

Within its global supply chain, Tendam has established an intensive 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.

That is why the Group has four sourcing offices in Hong Kong, India, Bangladesh and Madrid where suppliers are managed and production from the different geographical areas is controlled. Its principal function is to coordinate with suppliers and continually supervise factories with audits for quality and compliance with the code of conduct.

## Traceability

The system implemented to improve the traceability of the supply chain, collects all the information related to the supplier's data, factories where each of the orders are produced or technical data. Thanks to this system, it is possible a better monitoring of productions.

## Approval and social audit process

Before placing an order, any supplier that works for the first time for any of the Tendam's brands must undergo an evaluation by the Company's technicians of 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 supervision of the working and social conditions is carried out. In order to meet the requirements established, the factory can present a certification in accordance with international schemes that will be validated and verified by the Company's technicians or undergo an audit by accredited independent entities.

### Joining AMFORI

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.

Tendam joined AMFORI in 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.



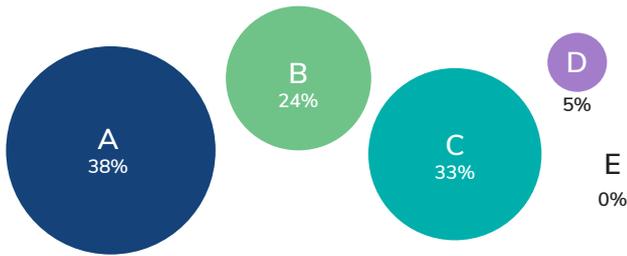
During these audits, visual inspections, interviews with management and employees and evidence review are carried out. If they get an unsatisfactory result, there is a six-month extension so the factory can adapt to the Company's requirements. With this system, the Company works on maintaining stable relationships with its suppliers so that they are 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 is 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 established.

### 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.

62% of the factories fall into the A and B categories as they have no significant deviations, 38% 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.

### Periodic 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.

No less frequently than every two 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.

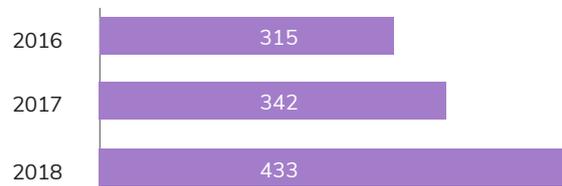
### Semi-announced audit programme

These audits 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 in 2018

Countries	New	Renewals	Total
Bangladesh	17	43	60
Cambodia	8	8	16
China	63	126	189
India	19	39	58
Italy	3	-	3
Morocco	6	-	6
Myanmar	11	11	22
Pakistan	6	16	22
Portugal	11	-	11
Romania	3	-	3
Spain	15	-	15
Sri Lanka	1	1	2
Thailandia		1	1
Tunisia	3	-	3
Turkey	14	-	14
Vietnam	2	6	8
<b>Total</b>	<b>182</b>	<b>251</b>	<b>433</b>

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



[Link to the video](#)

# Logistical efficiency

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 corporate stores in Mexico through cross-docking. In addition, in the Central American country there is a specific distribution centre for deliveries to corporate stores and the Mexican franchises.

The main logistics centre is located in Madrid and acts as a franchise consolidation centre for merchandise from suppliers in the Euro-Mediterranean region. It is the sole distributor for all corporate and online 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 corporate stores and 65% of franchised stores of all Tendam's brands.

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 involves 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.



[Link to the video](#)



**4** Logistics Centers



**130,000** sqm  
of storage surface area



**105 Million**  
garments shipped





# 7.

## Environmental management

Working together for a more  
sustainable future

# Environmental management

The Company shares the concerns of society about the future of our planet, and is focused on understanding and managing the impact it generates directly and indirectly.

This concern has led to the implementation of measures for energy efficiency, waste management and the responsible use of resources, and to working in accordance with the principles of the circular economy. We are working on solutions that allow society to enjoy a more sustainable future, improving and optimising the use of resources and promoting the reusing and recycling of products.

## Waste

In order 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.

70% of the boxes that arrive at the logistics platform from suppliers are reused during picking for store replenishment, thus optimising the use of raw materials and minimising waste generation.

### Selective waste collection

In 2018, the separate collection of packaging waste from the headquarters was implemented, thus expanding the integral management of waste separated into paper, packaging, toners and other waste.



### Reuse of Electric and Electronic Equipment

In 2018, a total 31,120 kg of Waste Electric and Electronic Equipment (WEEE), mainly screens, desktop computers and large devices, have been removed.

- ◆ The secure deleting of information held in all memory units.
- ◆ Recovery of equipment that can be used again, prioritising reuse as the best waste handling option. A total of 20.34% of the PCs, 8% of the laptops and 13.26% of the peripheral devices and large devices have been recovered.
- ◆ Sending to the final manager of the non-reusable waste for them to be recycled and recovered.

## Materials

In the framework of **ecodesign and the reuse** of materials, all of the brands are working on the development of new materials and on the use of more sustainable techniques in the design process. Springfield, Cortefiel and Pedro del Hierro have produced garments that reflect this new development based on the use of organic cotton, recycled polyester and Tencel®. Laser and ozone technologies are replacing traditional methods in the finishing process of jeans, decreasing the consumption of water and energy while also doing away with the use of chemical products such as permanganates and bleaches.

The bags given to customers are made of paper, and in the case of Springfield, they 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.

The use of natural fibres such as merino wool and linen and hemp are other sustainable developments that enable the use of natural materials.

### R[ECO]NSIDER

This hallmark, used for the garments in the man & woman collections, represents one of the strategic lines to which the Company is most committed, where initiatives such as the use of organic cotton or its H2Ø programme continue to be the main driving forces of the project.

The use of organic cotton, recycled polyester and Tencel® are the key proposals within the field of sustainable fibres. Cotton is used in garments such as t-shirts, sweatshirts, truckers and shirts, while polyester is used to produce quilted jackets and coats.

The H2Ø programme, through the laser and ozone technologies, achieves a more sustainable denim by using less water (up to 90% less in the case of ozone, and 50% less in the case of laser).

The use of recycled cotton represents 21% of the composition of each pair of jeans. This makes it possible to obtain more sustainable fibres from recycled cotton fabrics mixed with new fibres, thus creating fabrics with the same appearance and resistance as traditional cotton.



# Energy Efficiency

With almost 2,000 points of sale all over the world, the stores become the heart of the activity and need to adapt to specific needs and the specific and differentiated commercial offer of each brand.

In the design of the sales areas, environmental factors are assessed and there is a rational use of energy. In each opening or renovation project, lighting, as well as thermal and cooling installation improvements, are taken into account in order to achieve greater energy efficiency and to maximise our sustainability criteria.

This year an energy efficiency project which began in 2017 with a pilot in Madrid and Valencia, and has yielded great results in kWh savings, has been extended to the Cortefiel stores in Spain. In 2017, this project won the Smart Building Energy award.

The Aranjuez logistics center 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.

## Efficient logistics

Logistics decisions are taken from both an economic and environmental point of view. Air shipments have been reduced and efficiency measures when filling boxes and trucks have been implemented that considerably 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 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.

### Evolution of electricity consumption\*\*

	2016	2017	2018
Stores (kWh*)	99,514,839	93,746,266	91,052,450
Headquarters and offices (kWh)	3,068,705	2,779,144	2,917,517
Logistic centers (kWh)	3,961,733	3,499,093	3,152,991
<b>Total Consumption</b>	<b>106,545,277</b>	<b>100,024,503</b>	<b>97,122,958</b>

\* Only taking into account the electricity consumption in direct operated stores (without corners), this represents 98.9% of the total commercial surface area of direct operated stores.

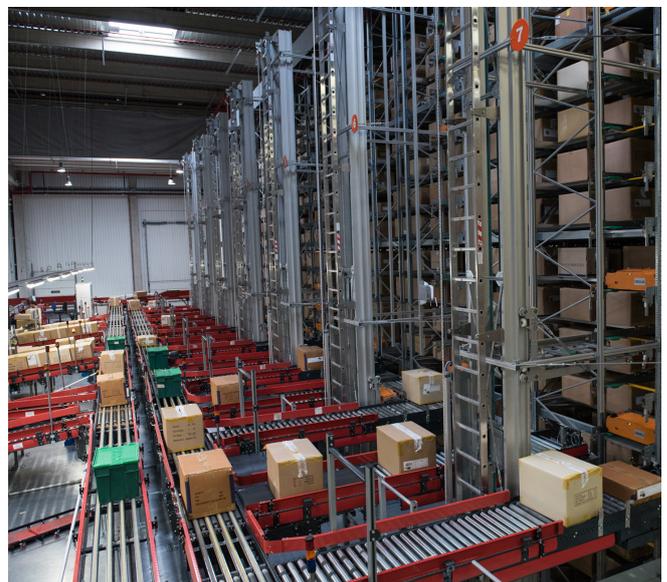
\*\* All the electricity comes from the energy distribution network provided by the energy companies in each country.

Therefore, the % of renewable energies depends on the electricity mix in each country.

### Evolution of the ratio for electricity consumption and emissions per sales surface\*

	2016	2017	2018
Energy ratio kWh/sqm	264	257	241
Emission ratio TnCO <sub>2</sub> /sqm		95	87

\* Only taking into account the electricity consumption in direct operated stores (without corners), this represents 98.9% of the total commercial surface area of direct operated stores.



# Emissions

In the context of the global concern about climate change, operations are managed in the most efficient and environmentally friendly way, assessing the greatest risks and identifying the best opportunities to minimise their effects.

This commitment leads to control policies over those operations in which it intervenes directly, always seeking maximum efficiency and lower consumption. To that end, a carbon footprint measurement and management process is carried out with the objective of evaluating the impact of greenhouse gas emissions on an annual basis and taking necessary measures.

## Scope 1: Direct emissions

- ◆ **Fuels:** Emissions from using heating fuel in shops and facilities.
- ◆ **Coolants:** Leaked emissions from air conditioning units in shops 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

- ◆ **Electricity:** Emissions derived from electricity consumption at the Headquarters, Aranjuez logistics platform (Madrid), Warehouses and country headquarters and the entire network of direct operated stores.

## Scope 3: Indirect activity-related emissions

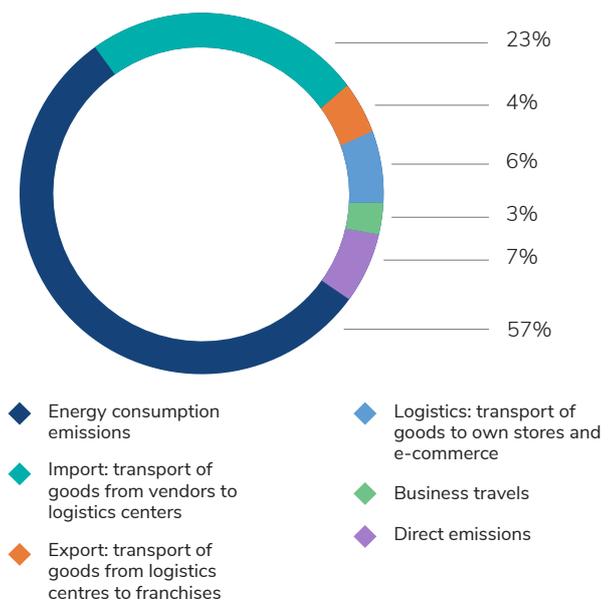
- ◆ **Import:** Emissions due to the transport of goods from suppliers to the Hong Kong and Aranjuez (Madrid) logistics centers.
- ◆ **Logistics:** Emissions due to the transport of goods from the logistics centres to the entire network of direct operated stores.
- ◆ **Export:** Emissions due to transport to the entire network of franchises.
- ◆ **Ecommerce:** Emissions due to the transport of goods from online sales.
- ◆ **Travel:** Emissions from employee business trips.

## Total GHG Emissions 2018: 62,171 Tn CO<sub>2</sub> eq

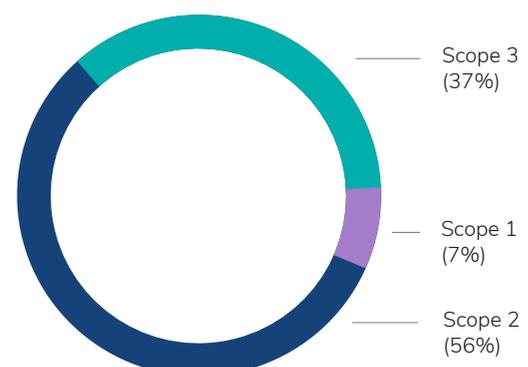
**Calculation period:** 1 March 2018 to 29 February 2019.

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

## Origin of Greenhouse Gas Emissions



## Greenhouse Gas Emissions



**Fuel consumption – On-site fossil fuel combustion**

Type	Consumption	Unit	Energy total (TJ)	Emissions CO <sub>2</sub> (Tn CO <sub>2</sub> )	Emissions CH <sub>4</sub> (Tn CO <sub>2</sub> e)	Emissions N <sub>2</sub> O (Tn CO <sub>2</sub> e)	Emissions GHG (Tn CO <sub>2</sub> e)
Natural Gas	34,219	m <sup>3</sup>	1.32	74.37	0.20	0.03	74.60
Fuel	20,344	liters	0.78	58.35	0.23	0.12	58.70
			2.10	132.71	0.43	0.16	133.30

**Total electricity consumption**

	Electricity consumption kWh
Stores	91,052,449.93
Headquarters and offices	2,917,517.33
Logistics centers	3,152,991.00
<b>Total consumption</b>	<b>97,122,958.26</b>

**Electricity consumption - Emissions**

Countries	Electricity consumption (KWh)	Emissions GHG (TnCO <sub>2</sub> e)
Spain	78,752,681	29,926.02
Belgium	1,288,627	266.75
Croacia	51,513	10.05
France	712,856	29.23
Hungary	1,203,071	338.06
Luxembourg	398,590	121.17
Mexico	1,240,629	566.97
Portugal	12,301,184	3,333.62
Russia	852,527	323.96
Serbia	321,280	223.29
<b>Total</b>	<b>97,122,958</b>	<b>35,139.11</b>

Calculated based on the emissions factors of the International Energy Agency (IEA 2016) and MITECO 2019.

**Consumption of refrigerant gases - Fugitive emissions**

	Kg	Emissions GHG (Tn CO <sub>2</sub> e)
<b>Total</b>	<b>1,969</b>	<b>3,969</b>

**Ratio of indirect Emissions due to the use of electricity in stores**

Countries	KWh - stores	KWh/sqm	Tn CO <sub>2</sub> e	kg CO <sub>2</sub> e / sqm
Spain	72,772,654	255	27,654	97
Belgium	1,275,385	225	264	47
Croacia	46,513	13	9	2
France	702,525	162	29	7
Hungary	1,190,935	213	335	60
Luxembourg	398,590	299	121	91
Mexico	1,240,629	174	567	79
Portugal	12,273,075	260	3,326	70
Russia	830,864	73	316	28
Serbia	321,280	51	223	35
<b>Total</b>	<b>91,052,450</b>	<b>241</b>	<b>32,843</b>	<b>87</b>

Only taking into account the electric consumption in direct operated stores (without corners), this represents 98.9% of the total commercial surface of direct operated stores.

## Indirect emissions from transport and travel

Description	CO <sub>2</sub> Emissions (Tn CO <sub>2</sub> )	CH <sub>4</sub> Emissions (Tn CO <sub>2</sub> e)	N <sub>2</sub> O Emissions (Tn CO <sub>2</sub> e)	Emissions GHG (Tn CO <sub>2</sub> e)
Transport to own stores (Iberia)	1,227.62	0.32	14.80	1,242.74
Transport to own stores (international)	2,245.84	0.24	26.09	2,272.17
Transport to logistic centers (Import)	14,403.58	1.80	133.44	14,538.82
Transport to franchises (Export)	2,664.58	0.33	26.61	2,691.52
Shipments from online purchases	304.55	0.03	2.17	306.75
Business travels	1,745.07	0.44	15.82	1,761.33
<b>Total (Tn CO<sub>2</sub>e)</b>	<b>22,591.24</b>	<b>3.16</b>	<b>218.94</b>	<b>22,813.34</b>

## Total emissions by type of GHG

CO <sub>2</sub> Emissions (Tn CO <sub>2</sub> )	CH <sub>4</sub> Emissions (Tn CO <sub>2</sub> e)	N <sub>2</sub> O Emissions (Tn CO <sub>2</sub> e)	Refrigerant emissions (Tn CO <sub>2</sub> e)	TOTAL (Tn CO <sub>2</sub> e)
57,978	4	221	3,969	62,171
93.26%	0.01%	0.36%	6.38%	100.00%





# 8. Social Commitment

Committed to the economic and sustainable development of society

Social commitment is an essential value that fits firmly within the Company’s corporate values. The group works closely with the communities where it operates to promote sustainable development.

## Strategic alliances

The Company promotes inclusive and sustainable growth, taking on the need to cooperate with other agents and support joint work through strategic alliances.



### Seres Foundation

Seres Foundation is a non-profit organisation that promotes the commitment of companies to improving society. The Company is a part of the 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, as well as stronger companies.



### United Nations Global Compact

This is an international initiative that promotes 10 universally accepted principles to enhance sustainable development in the areas of Human Rights and companies, Labour Regulations, the Environment and the Fight Against Corruption in activities and the business strategy of companies. Tendam, one of the first Spanish companies to sign up to the Global Compact in 2002, is committed to the integration of these principles into the Company’s strategic vision so that it can design and run projects that promote a responsible environment and disseminate best practice across the sector.



### Lealtad Foundation

The Lealtad Foundation is an independent non-profit organisation that seeks to enhance 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 publicising the transparency in the third sector promoted by the Foundation.

Tendam is a member of many leading national and international organisations in the sector, actively taking part through their 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, Lealtad Foundation, Seres Foundation, FMRE (Foro de Marcas Renombradas Españolas).

# Involucrados Project



The **Involucrados** project was established in 2005 as a result of the Company's commitment to contributing to the social and sustainable development of society by focusing on investing in the community, including the health and well-being of society.

Through a public call, through which any organisation meeting the requirements could submit their proposals, **four projects** from different social organisations are chosen, which will be the beneficiaries of all the money raised in the charity markets held by the Company each year.

The project selection is conducted based on criteria that guarantee their integrity and that the money will be used to create a real and direct impact for the beneficiaries.

## Objectives of the project

- ◆ To generate economic value for the funding of social.
- ◆ To create synergies with the third sector that make it possible to maximise the value and impact of the social action.
- ◆ To involve employees, managers and the general public by including them in the social action projects.
- ◆ To align the Company's social action projects with the interests of its employees and customers.
- ◆ To achieve the greatest publicity for the project with the goal of raising the profile of the initiatives of the beneficiary organisations.



**€156,000**  
donated in 2018



The following have been funded since 2005:

**53** projects run by  
**41** organisations



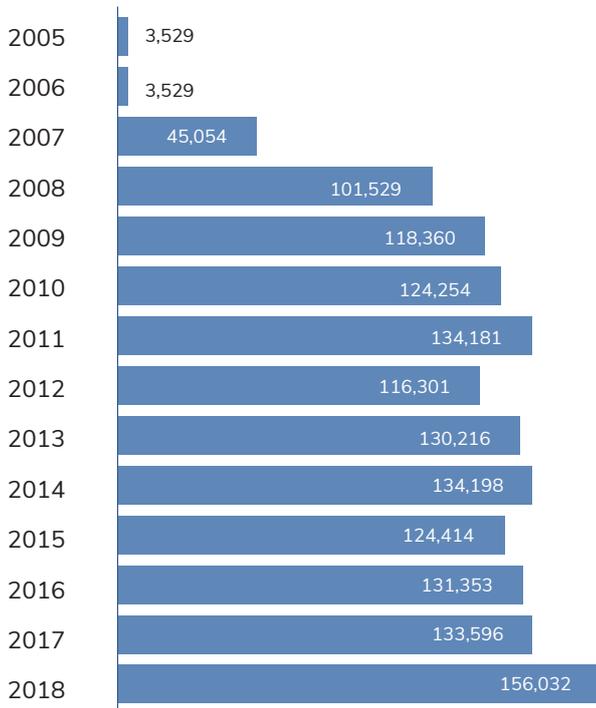
A total of  
**€1,476,834**  
raised since 2005



[Link to the video](#)

### Evolution of the Involucrados project 2005-2018

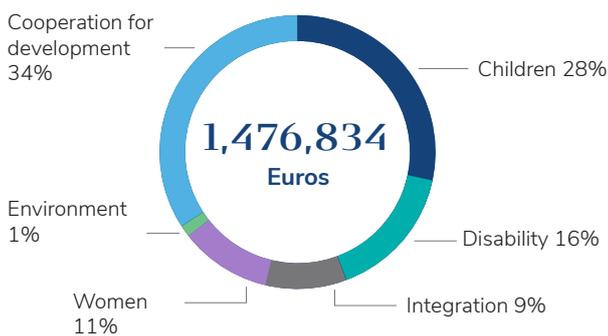
Contribution (€)



### Distribution by geographical area



### Distribution by action area



## Selected projects

### Pequeño Deseo Foundation



With the **Tejiendo Sonrisas** (Making Smiles) project, the foundation wants to help make the wishes of children with chronic diseases or with a poor prognosis come true, to support them emotionally. It has been demonstrated that positive emotions help to better withstand illness and that hope and happiness have a very positive impact on the well-being of the child, and therefore help them be stronger in the fight against the disease.

€ DONATION €42,202

100 children's wishes fulfilled

Spain



## Amigos de los mayores Foundation



The Foundation has developed the “Ningún Mayor Solo” (No Elderly Person Alone) project, supporting elderly people. The objective is to contribute to the well-being of elderly people, mainly those who are isolated and/or have physical or psychological difficulties, offering them emotional and social support through the work of qualified volunteers.

€ DONATION €32,341

729 elderly people accompanied

Community of Madrid, Galicia and the Basque Country



## ITWILLBE



The NGO runs a project to ensure the protection of children who are living on the streets, fighting against exploitation by Mafia organisations in different railway stations in India. Itwillbe promotes the use of new technologies to optimise the social work given that this is such a significant social problem. To do so, they have developed the **PPA-People's Protection APP**, a technological solution that allows the NGOs in the ChildMISS network to identify children using a biometric system that is very reliable, even with children: it combines facial, finger and palm prints (the latter does not change with age). PPA allows the network to have a unique database where the NGOs can share information, conduct better monitoring, optimise resources and have reliable data on the issue, which will allow them to design better programmes and increase the social impact of the project.

€ DONATION €39,202

39,800 children in reception centres  
15,000 identified with the app

India



## Síndrome de Down de Madrid Foundation



Thanks to the “**Involucrados con la salud una apuesta de futuro**” (Involved with health a bet for the future) project, they contribute towards improving the quality of life of children with disabilities who attend their centres. The children struggle each day with their motor development problems or health issues such as myofunctional, swallowing, sensory integration, digestive and respiratory issues.

If we are to include these children in the society of the future and allow them to be involved as full-fledged citizens, it is essential to start working with them at an early age. With this project, Down Madrid allows them to actively take part in their surroundings from a young age.

€ DONATION €42,287

216 people with intellectual disabilities cared for

Madrid

# #Idocare movement



Breast cancer is the most common tumour among women worldwide. **15% of women** who suffer this disease are **aged 25 to 45**, in many cases being diagnosed before they have children. This is why Women'secret believes that, in addition to getting over the disease, we have to go one step further and help these women get back to normal.

Fortunately, thanks to medical and technological advances, survival rates are increasing, the cure rate among Spanish patients is 90%. Most overcome this disease and go on to have a good quality of life and a desire to have children.

Women who have had part or all of their breast removed due to cancer face a major psychological challenge, in which the normalisation of everyday activities makes a huge difference in helping them overcome this disease.

This normalisation involves making day-to-day life for these women easier and more bearable. And, among other things, providing them with post-surgery bras that are comfortable, sexy and affordable, contributes to this feeling of normality.

Regaining a sense of normality is no mean feat. In the case of lingerie, there was very little variety in terms of garments suited to their ergonomic and medical requirements. Furthermore, price used to be a problem when purchasing more than one model, in addition to which the shopping process was difficult because they had to go to specialist shops.



This desire gave rise to the project to create a collection of Post-Surgery Bras. Its two main objectives were and are: to allow women to retain their sense of femininity and to make a real contribution so that breast cancer does not prevent them from continuing to be the same woman they were before - attractive, flirtatious, a partner and/or mother.

Women'secret, as a brand specialised in women's underwear and committed to women, and the **medical institution [Dexeus Women's Health]**, as a leading comprehensive women's health center and a pioneer in gynaecological and breast cancer, started cooperating over five years ago and continue to do so with retail initiatives geared towards supporting the fight against breast cancer through charity initiatives, under the **#Idocare movement** slogan.

**40,000**  
Units sold

**7,000**  
members  
have  
purchased  
the PSB



**MOVEMENT #IDOCARE**

**€44,000** donated from the  
resulting profits



[Link to the video](#)

## POST SURGERY BRA

This project began in 2013, when it launched the first collection of Post Surgery Bras, a range of underwear for women who have been operated on for breast cancer and designed for the use of prosthetics the first of its kind in the market, created with the advice of experts in Gynaecological Oncology and Mastology from Dexeus Women's Health.

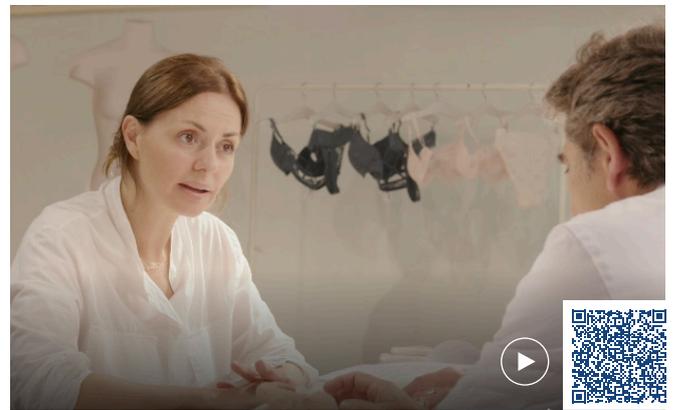
COSAS  
QUE SÍ  
IMPORTAN



In 2015, a range of swimwear was also launched, inspired by the Women'secret collections but designed to adapt to the use of prosthetics. The aim of the brand was to offer comfortable, feminine and affordable garments that would also meet all their medical requirements

In 2017, we went one step further and expanded the collection of Post-Surgery Bras with a new collection of bras for use immediately after surgery. Women'secret and Dexeus Women's Health launched the "I do care" project, whereby Women'secret pledged to donate all the profits from the sale of the PSB collection to the Fertility Preservation Program for Cancer Patients run by the Foundation Dexeus Women's Health. In total, this initiative raised more than €44,000.

In the 2018 edition, a new post-surgical cotton bra was launched with a zip fastening at the front, to facilitate mobility; along with an international range of women's underwear to raise money for charity, made up of three designs of knickers in different fabrics and shades of pink for all women, to continue raising money for the Fertility Preservation programme.



[Link to the video](#)



**The 11th edition of the Cinco Días awards for business innovation has recognised the "I do care" project with an award.**

Our initiative, developed by Women'secret and the Foundation Dexeus Women's Health, has been considered a positive commitment to innovation because it provides a better quality of life for women affected by a breast tumour and, especially, because of the support it offers all the young women affected by cancer who can benefit from the fertility preservation plans offered by the Foundation Dexeus Women's Health.

# Other charity initiatives



The commitment to the community in which the Company operates can be seen from the different social action initiatives, generating a positive impact on society. Throughout the year, the employees have taken part in different social campaigns such as: charity markets, blood donation campaigns, food collection campaigns, Christmas toy campaigns, etc.



## Cesal Association

With the “Un hogar al que volver” (A home to go back to) project it aims to improve the basic living conditions of families that are victims of the conflict and that have fled to refugee camps outside Aleppo, Syria.

The project will take place in the Misad neighbourhood with the families who have had their lives destroyed by bombings. The organisation works with Father Ibrahim, of the Franciscan Order, who belongs to the Custody of the Holy Land. CESAL has been supporting them since 2015 and through an emergency centre they currently look after more than 10,000 people.

€ DONATION €5,155

140 homeless refugees

Aleppo, Siria



## Tierra de hombres

The “Viaje hacia la vida” (A trip for life) program was launched in 1995 with the objective of making the appropriate medical-surgical treatments for children who suffer severe but curable diseases a reality. However, a large percentage of the population in less developed countries does not have access to the required medical resources, due to a lack of appropriate medical structures, specialised departments or specific equipment.

In the framework of this serious health situation, Tierra de hombres tries to search for an immediate alternative that allows it to prevent the death or disability of a significant number of children through operations inside and outside the country, and it also helps strengthen local structures and capabilities.

€ DONATION €1,000

Charity Christmas competition for employees

Africa

## TELVA Solidarity Awards

Tendam is a sponsor of the Telva Solidarity Awards. The objective, over the past 25 years, has been to study and reward different development projects devised by NGOs, especially those created recently, that are small and that have few resources at their disposal.

This year, Tendam has taken part in one of the awards by supporting the Nuestros Pequeños Hermanos Foundation. Through their “Talleres Vocacionales” (Vocational workshops) project they facilitate the return to the labour market of young people in Guatemala. With this donation they will be able to invest in new work equipment and materials for cooking, bakery, sewing, carpentry and blacksmith workshops. The young people who benefit are orphans or were abandoned, and the centres run by this foundation home them and give them an education and a future.

€ DONATION €9,000

Guatemala



## Corporate volunteering

Through Corporate Volunteering, the Company looks to contribute to changing society by involving the employees in charitable causes.

This year, employees have taken part in different social activities, becoming especially involved in the Involucrados project. Some employees took part in a volunteering day at the San Juan Bautista (Madrid) soup kitchen in order to care for and spend time with homeless people.

## 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 12 years ago, through which these products are put into value using 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.

 **17,700**  
units donated

€ With a value of **€118,000**

 **111** Collaborations

## Projects with impact



The Company's relationship with the different stakeholders has resulted in the fostering of collaboration, generating a positive impact on society.

### Commitment to innovation

#### Chair with the ISEM Business Fashion School

ISEM, a University of Navarra center, is the first business school in Spain specialising in fashion companies. The Tendam Chair is the result of several years of cooperation in order to promote young talent and motivate their professional growth as strategic factors in promoting employability. Tendam shares the objective of training professionals to work in the fashion industry through improving their negotiation and leadership skills.



#### Aula Tendam-Polytechnic University of Madrid Workshop

The Madrid School of Fashion Design (CSD- MM) is a private higher education centre specialising in fashion, affiliated to the Polytechnic University of Madrid. The Tendam workshop on sustainability, responsibility and innovation in fashion design was created as a result of this agreement. 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 sector.



#### Atelier by ISEM

Within these initiatives is 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 second edition of the project, Tendam has joined up with other major companies to promote new alliances with entrepreneurs and start-ups and add new technologies to the development of the industrial base of the retail sector specialising in fashion.



## WOMEN'S EMPOWERMENT through Business Women Empowerment

Tendam is involved with this initiative, promoted by Cinamon News, whose objective is to contribute to the empowerment of women in the economic and business world. The project focuses on Spanish society and its economy with the aim of increasing the presence of women in the area of business decision-making.



**Woman2Woman** is a mentoring program that arose in the framework of Business Women Empowerment (BWE) to search for women with the desire to become key players in a new phase in the transformation of the business world towards equality. This project, launched in 2018, aims to create a network of professional contacts and facilitate contact between women who are leaders in the business world in various sectors and other young female professionals who are in the early stages of their careers.



## PROMOTION OF YOUNG TALENT with the Merino Traveller Project by Pedro del Hierro

The Merino Traveller project is an initiative supported by Pedro del Hierro and The Woolmark Company, the global authority on Australian merino wool, to promote the talent of young design students at the Istituto Europeo di Design (IED). Its objective is to combine training, employment, design, knowledge of renewable raw materials and the quality of the product, to create stunning collections.

Fashion students at the IED have taken part in the first edition of this initiative in Spain, run by the three institutions, with the aim of designing and creating an item of women's clothing using merino wool, in harmony with Pedro del Hierro's travel collection. This is a significant challenge, to reflect the spirit of the brand in the garment's design using this 100% natural and environmentally-friendly fibre, which decomposes without polluting, is renewable, doesn't crease and protects the skin from cold and heat.







# 9.

## About this Report

## The report's scope and coverage

This 2018 Sustainability Report includes all the activities of Tendam Brands, S.A. (the “**Company**”) as the parent company, and of the companies directly or indirectly controlled by it, which comprise the Tendam Group (the “**Tendam Group**”)¹.

The 2018 Sustainability Report includes the consolidated Statement of Non-financial Information of the Company and its group, corresponding to the year ended on 28 February 2019. It is submitted as a separate report, forming part of the consolidated management report of the Company and its group.

The 2018 Sustainability Report has been prepared by the Board of Directors of the Company and was signed by all its members on 31 May 2019.

During the period ending on 28 February 2019, the following changes to the consolidated perimeter have taken place: on 10 January 2019 and 25 February 2019 respectively, the liquidation processes for the dependent companies SPF Polska Sp. Zo. O. and Cortefiel Polska Sp. Zo. O. were completed, leading to their exit from the consolidation perimeter in accordance with IFRS 10, without this having a significant impact on the group's consolidated statement of financial position.

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-financial information and diversity.

The most relevant environmental and social aspects of the business in the geographical areas where it has significant activity have been taken into account for the production of the Report. The characteristics of the organisation and the expectations of interested third parties have also been taken into account. In the event of restrictions to the scope of any of its contents, these are detailed in the report's corresponding section or index. The Company takes on the commitment to work on and progress with the internal management of data so that it can present the most complete information possible.

The basic principles followed to produce this report are:

- ◆ Except where expressly indicated otherwise, the data included refer to the position on 28 February 2019.
- ◆ 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. Tendam Brands, S.A. (formerly known as Masaria Investments, S.A.) was incorporated on 6 July 2017 and became the parent company of the Tendam group (formerly known as the Cortefiel group) in September 2017. In April 2018, the Cortefiel group changed its name to the Tendam group. As Tendam Brands, S.A. only had five months of activity as the parent company of the group, it was decided for the 2017 Sustainability Report to reflect the activities of the then-named Cortefiel, S.A. (today known as Tendam Retail, S.A., subsidiary of Tendam Brands, S.A. through Tendam Fashion, S.L.U.) and its subsidiaries. However, the change in the consolidation perimeter does not materially affect the comparability of the non-financial information relating to previous financial years and the historical series, as only companies that owned shares were included in the consolidation perimeter. Therefore, data of a non-financial nature reported in the year 2017 have been maintained for comparison purposes.

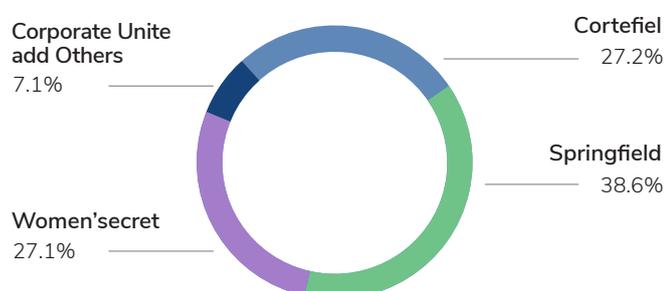
# Economic contribution

## Main Figures 2018

	Millions of euros
Non financial fixed assets	1,015.78
Financial fixed assets	21.57
Stock	157.67
Customers	15.40
Commercial suppliers	223.40
Total discontinued operations income	1,150.83
Gross margin / Income	61.74 %
Operating profit	119.91
Recurring EBITDA	161.71
EBT	80.82
Stock / Sales	13.79 %
Customers / Sales	1.35 %
Suppliers / Sales	19.55 %

## Chain income

	Millions of euros
Cortefiel y PdH	312.92
Women'secret	312.21
Springfield	444.21
Others	79.41
Corporate Unit	2.08



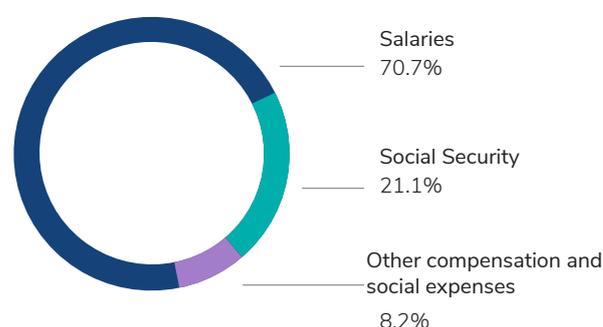
## Environment provisions:

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
Employee remuneration	220.97
Provisions	440.35
Other operating costs	328.37

## Remuneration of employees



## Results before taxes

	Millions of euros
Spain	45.90
Portugal	11.17
Serbia	1.05
Bosnia	0.41
Croatia	0.24
Montenegro	0.31
Hungary	0.63
Others	21.11
<b>Total</b>	<b>80.82</b>

## Corporation tax paid:

In the 2018/19 financial year, a total of €10.15 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 (Forcem) equivalent to €0.3 million provided in the form of a reduction on social security contributions.



## 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.

AREA	UN GLOBAL COMPACT PRINCIPLES	SRS STANDARDS
 HUMAN RIGHTS	<b>Principle 1.</b> 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
	<b>Principle 2.</b> Business should make sure they are not complicit in human rights abuses.	GRI 414-1, GRI 414-2
	<b>Principle 3.</b> 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	<b>Principle 4.</b> Businesses should uphold the elimination of all forms of forced and compulsory labour.	GRI 409-1
	<b>Principle 5.</b> Businesses should uphold the effective abolition of child labour.	GRI 408-1
	<b>Principle 6.</b> 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	<b>Principle 7.</b> 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
	<b>Principle 8.</b> Businesses should undertake initiatives to promote greater environmental responsibility.	GRI 307-1, GRI 308-1, GRI 308-2, GRI 103-2
	<b>Principle 9.</b> Businesses should encourage the development and diffusion of environmentally friendly technologies.	GRI 302-4, GRI 302-5, GRI 305-5
 ANTI-CORRUPTION	<b>Principle 10.</b> 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
<b>GENERAL INFORMATION</b>		
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 8-27
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 32-33 Page 34-35 Page 44-47 Page 86-90
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 44-47 Page 86-90
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 46-47
<b>INFORMATION ABOUT ENVIRONMENTAL ISSUES</b>		
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 94-99 Page 115
<b>POLLUTION</b>		
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 97-99
<b>CIRCULAR ECONOMY AND PREVENTION AND MANAGEMENT OF WASTE</b>		
Prevention, recycling, reuse, other forms of recovery and disposal of waste; actions to combat food waste	306-2	Page 94-95
<b>SUSTAINABLE USE OF RESOURCES</b>		
Water: The consumption and supply of water in keeping with the local limitations.	303-1	(1)
Consumption of raw materials and the measures adopted to improve the efficiency of their use.	301-1	Page 54 Page 95
Energy: Direct and indirect consumption, measures taken to improve energy efficiency, use of renewable energies	302-1, 302-1, 302-3	Page 96 Pág 98

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
<b>CLIMATE CHANGE</b>		
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 97-99
The measures adopted to adapt to the consequences of climate change.	201-2	Page 97-99
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 97-99
<b>PROTECTION OF BIODIVERSITY</b>		
Measures taken to preserve or restore biodiversity	304-3	(1)
Impact caused by activities or operations in protected areas	304-2	(1)
<b>INFORMATION ON CORPORATE AND PERSONNEL MATTERS</b>		
<b>EMPLOYMENT</b>		
Total number and distribution of employees by gender, age, country and personal classification.	102-8, 405-1	Page 62-64; 70
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 64; 67; 82-83
Number of dismissals by gender, age and professional classification	401-1	Page 81
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 80-81
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 43
Disconnecting from work policies.	103-1; 103-2; 103-3	(2)
Employees with disabilities.	405-1	Page 69
<b>ORGANISATION OF THE WORK</b>		
Organisation of the working time: Number of hours of absenteeism	403-2	Page 78
Measures aimed at facilitating a work-life balance and promoting the shared use of these by both parents.	401-3	Page 66-67
<b>HEALTH AND SAFETY</b>		
Occupational health and safety conditions.	403-3	Page 78-79
Workplace accidents, in particular their frequency and severity as well as occupational diseases; broken down by gender.	403-2	Page 78-79 Pág 81

(1) In accordance with the results of our materiality analysis, we believe that the indicators relating to biodiversity and water consumption are not material in retail activity.

(2) Disconnection policies have not yet been formalised, but a corporate policy on this issue is being developed and will be implemented in the financial year 2019-20.

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
<b>SOCIAL RELATIONSHIPS</b>		
Organisation of the social dialogue, including procedures to inform and consult the staff and negotiate with them.	102-43, 402-1	Page 65
Percentage of employees covered by a collective agreement by country.	102-41	Page 65
The balance sheet of collective agreements, particularly in the field of occupational health and safety.	403-4	Page 78
<b>TRAINING</b>		
The policies implemented in the field of training.	404-2	Page 74-77 Page 72-73
The total number of training hours by professional category.	404-1	Page 74
<b>UNIVERSAL ACCESSIBILITY</b>		
Universal accessibility of people with disabilities	103-1; 103-2; 103-3	Page 53
<b>EQUALITY</b>		
Measures adopted to promote equal treatment and opportunities for women and men.	404-2	Page 68-69
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 68-69 Page 71-73
The policy against all types of discrimination and, where necessary, for the management of diversity.	406-1	Page 68-69 Page 58
<b>INFORMATION ON RESPECT FOR HUMAN RIGHTS</b>		
Implementation of due diligence procedures on the subject of human rights.	103-2, 103-3, 102-15, 412-1	Page 44 Page 86-90
Prevention of risks of human rights violations and, where necessary, measures to mitigate, manage and remedy possible abuses committed.	412-1	Page 46-47 Page 86-90
Complaints about cases of human rights violations.	103-1; 103-2; 103-3	Page 44
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 65 Page 87-90
<b>INFORMATION ON THE FIGHT AGAINST CORRUPTION</b>		
Measures adopted to prevent corruption and bribery.	103-2, 103-3, 102-15, 205-2	Page 44-45
Measures to fight against money laundering.	205-2	Page 44-45
Contributions to non-profit foundations and associations.	201-1	Page 44-45 Page 102-111

Non-financial information to be reported	Indicative Equivalent GRI Standard	Page of the Report
<b>INFORMATION ABOUT THE SOCIETY</b>		
<b>COMMITMENTS OF THE COMPANY TO SUSTAINABLE DEVELOPMENT</b>		
The impact of the Company's activity on employment and local development.	103-2, 103-3 ,413-1	Page 86-91
The impact of the Company's activity on local and regional populations.	413-1	Page 86 - 91
The relationships maintained with the agents in the local communities and the methods for dialogue with these.	102-43	Page 34-35
Association or sponsorship actions.	103-1; 103-2; 103-3	Page 102-111
<b>SUBCONTRACTING AND SUPPLIERS</b>		
The inclusion in the procurement policy of social, gender equality and environmental matters.	103-2, 103-3	Page 86 - 87
Consideration in relationships with suppliers and subcontractors of their social and environmental responsibility.	308-1, 414-1	Page 86 - 87
Supervision systems and audits and their results.	308-2, 414-2	Page 88-90
<b>CONSUMERS</b>		
Measures for the health and safety of consumers.	416-1	Page 55
Complaints systems, complaints received and their resolution.	418-1	Page 56-57
<b>TAX INFORMATION</b>		
Profits obtained country by country.	201-1	Page 115
Corporation taxes paid.	201-1	Page 115
Public subsidies received.	201-4	Page 115

## External Verification



KPMG Asesores, S.L.  
Pº de la Castellana, 259 C  
28046 Madrid

### **Independent Assurance Report on 2018 Sustainability Report of Tendam Brands, S.A.**

(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 attachment (hereinafter the Report), that includes the Non-Financial Information Statement Consolidated (hereinafter NFIS) for the year ended 28 February 2019, of Tendam Brands, S.A. (hereinafter the Parent Company) and subsidiaries (hereinafter the Group) which forms part of the 2018 consolidated Group's Directors' Report.

#### **Directors' and Management responsibilities**

The Board of Directors and Management of the Parent Company are responsible for the preparation and presentation of the Report, according to the Sustainability Reporting Standards of Global Reporting Initiative (GRI standards).

The Directors are also responsible for the preparation of the NFIS included in the Report and its content. The NFIS has been prepared in accordance with prevailing mercantile legislation and the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards) selected pursuant to that mentioned for each subject area in table "Information requested under the Law 11/2018" of the aforementioned 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 Company's directors are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the report was obtained.

#### **Our independence and quality control**

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants 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

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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 International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000), 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 Company that participated in the preparation of the Report, in the review of the processes for compiling and validating the information presented in the Report and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Parent Company 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 Company 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 Report for the fiscal year ended in 28 February, 2019.
- Review of the information relative to the risks, policies and management approaches applied in relation to the material aspects presented in the Report for the fiscal year ended 28 February 2019.
- Corroboration, through sample testing, of the information relative to the content of the Report for 2018 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.



3

### **Conclusion**

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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 that includes the Non-Financial Information Statement Consolidated of Tendam Brands, S.A. and subsidiaries for the fiscal year ended 28 February 2019 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 section "Information requested under the Law 11/2018" of the aforementioned consolidated Directors' Report.

### **Use and distribution**

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This report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain in relation to NFIS, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

*(Signed on original in Spanish)*

Patricia Reverter Guillot

31 May 2019

C O R T E F I E L

Pedro del Hierro

SPRINGFIELD

women'ssecret

FIFTY

TENDAM

GLOBAL FASHION RETAIL

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28034 Madrid

[www.tendam.es](http://www.tendam.es)

