Strategic Sustainability Plan

The company has made specific commitments which have been translated into policies and internal procedures, as well as into its Strategic Sustainability Plan. This plan guides strategic decision-making and process management throughout the value chain.

The company launched its first Strategic Sustainability Plan in 2018, covering the 2019–2021 period. This subsequently evolved into the 2022–2025 ESG Plan.

This Strategic Sustainability Plan establishes an ESG (environmental, social and governance) management framework based on the principle of double materiality. The purpose of this framework is to focus actions on the most relevant areas, structure the company's sustainability ambitions, reinforce its commitment, and highlight the impact generated by its activities. It is a comprehensive plan that defines Tendam's strategy for generating economic, social and environmental value, promoting continuous improvement, and demonstrating its contribution to the environment in which it operates.

It also reinforces the company's alignment with the UN Sustainable Development Goals (Agenda 2030), prioritising ten of them as fundamental to its operations. Tendam's sustainability strategy is based on its "The sum that multiplies to make fashion that matters" purpose and is transversal to the different areas through the "We Care" culture.

The plan comprises initiatives organised into four strategic pillars and has been endorsed by the Board of Directors and its Sustainability Committee. The Sustainability and Human Rights Committee is responsible for monitoring compliance and ensuring proper implementation. To date, the company has implemented 91% of the plan, thereby consolidating the progress made in ESG. The plan is an evolving instrument, and the remaining initiatives will be integrated and reinforced in the next strategic cycle. Work is currently underway on a new, more ambitious plan that is fully aligned with the company's global strategy for 2026–2030. This plan further strengthens the company's long-term commitment to the Sustainable Development Goals, integrating sustainability as a strategic lever for future competitiveness, responsible innovation, and value creation for all stakeholders. It also enhances the business's resilience to emerging global challenges.

Sustainability Plan 2022–2025

Completed ● Ongoing ◑ Pending ○

	THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
ENVIRONMENT	Climate Change	Carbon footprint	◆ Extend the calculation of Scope 3 emissions (GHGP) ◆ Provide training on climate change ◆ Develop an action plan for the fulfilment of the SBTi objectives ◆ Participate in carbon offset projects	● ● ● ◑	
		Sustainable mobility programme	◆ Incentivise the use of low-carbon transport for employees ◆ Continue work on electric charging points	● ●	SDG 13
		Climate risk identification and management	◆ Define a structured process for managing climate-related risks and opportunities ◆ Align climate-related risk and opportunity analysis with TCFD recommendations	◑ ●	
	Circular economy: waste	Waste management strategy	◆ Conduct audits to map waste generation points ◆ Analyse and control waste generated in the store and corrective plans	● ●	
		Plastics	◆ Develop a B2B and B2C plastic substitution and elimination plan	●	
	Circular economy: product	Textile collection and recycling	◆ Collect post-consumption garments in store	●	SDG 12
		Sustainable consumption strategy (customers)	◆ Establish an environmental awareness plan for the customer ◆ Collect information on the life cycle and environmental impact of garments and good environmental practices for their care	● ●	
		More sustainable product	◆ Achieve product traceability ◆ Increase the line of sustainable products ◆ Participate in initiatives to promote circularity	● ● ●	
	Energy	Renewable energy	◆ Extend initiatives to achieve 100% renewable energy supply by 2030	●	SDG 13
	Construction	Measuring and management of sustainable criteria in our buildings	◆ Measure and manage store information to improve efficiency and sustainability	●	
	Water	Water consumption management and reduction plan.	◆ Map water consumption points along the value chain ◆ Design and implement corrective measures to improve water consumption efficiency	● ○	SDG 6

Completed ● Ongoing ◑ Pending ○

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

Completed ● Ongoing ◑ Pending ○

EXTERNAL PARTNERSHIPS

THEME	STRATEGIC LINES	ACTIONS	PROGRESS	SDG
Multi-stakeholder initiatives	Strategic alliances with global impact	◆ Participate in the Business Environmental Performance Initiative (BEPI) ◆ Expand participation in ZDHC and Better Cotton ◆ Join new initiatives in the sector: SAC - HIGG Index ◆ Establish multi-stakeholder partnerships with potential impact on the protection of human rights.	● ● ● ●	SDG 17
Supply chain	Social audits	◆ Maintain the programme of semi-announced social audits	●	SDG 2
	Traceability	◆ Achieve supply chain mapping and product traceability	●	
	Environmental audits	◆ Expand the environmental audit programme	●	
	Risk map	◆ ESG country risk map	○	
	Selection of suppliers	◆ Establish criteria for prioritising suppliers in terms of greenhouse gases and water treatment.	○	
	Chemical control	◆ Encourage our supply chain to adopt the ZDHC guidelines	●	
Corporate Volunteering	Volunteer scheme	◆ Corporate volunteering programme and encouraging employee participation ◆ Extend volunteering initiatives to the environmental field	● ●	SDG 13
Human rights	Due diligence and risks	◆ Design and implement a Human Rights Policy ◆ Initiate the implementation phase of Due Diligence	●	SDG 17
	Communication and remediation channel	◆ Define the procedure for the effective handling of human rights complaints.	●	
	Monitoring and control	◆ Update the corresponding internal procedures following the approval of the Human Rights Policy	●	
	Transparency and reporting	◆ Disseminate the policy internally and externally to relevant groups. ◆ Develop an awareness and training plan at corporate level by function	● ●	
Sustainable financing	ESG-linked supplier financing	◆ Study and implement, where appropriate, improvements in supplier financing according to ESG criteria	●	SDG 16

Completed ● Ongoing ◑ Pending ○

GOVERNANCE

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

Objectives and progress

Completed ● Ongoing ◑ Pending ○

PILLAR (ESG PLAN)	TARGET	YEAR[3]	KPI 2025	STATUS	REPORT REFERENCE
Diversity and inclusion	60% women in management positions	2025	78% of women in Senior Manager and Mid Level positions	●	Page 99
	50% women on the Board of Directors	2025	29% women on the Board of Directors (2 out of 7 members)	◑	Page 99
	Establishment of the Diversity and Inclusion Committee	2024	-	◑	-
Circular economy: product	50% apparel with sustainable features according to Tendam's Sustainable Product Standard	2025	57%	●	Page 129
	50% demand for Better Cotton in our apparel	2025	84%	●	Page 130
Climate Change	46.2% reduction in scope 1 and 2 GHG emissions (baseline year 2019)	2030	-79.16%	●	Page 135
	62% GHG emission reduction per €M of turnover of Scope 3 (base year 2019)	2030	-33.98%	◑	Page 135
Energy	100% renewable energy consumption	2029	88.75%	◑	Page 139
	50% of stores with LED lighting in Spain	2026	48.06%	◑	Page 132
	30% of stores with AA efficient equipment	2026	Nd	◑	
Construction	Having an environmentally certified logistics centre	2025	Illescas Logistics Centre with Leed Platinum Certification	●	Page 92
Circular economy: waste	100% elimination of B2C non-recycled single-use plastics	2025	100% paper boxes and envelopes for online shipments 99.4% of bags in stores are made of paper	◑	Page 150
	100% elimination of B2B non-recycled single-use plastics	2030	-	◑	Page 150

[2] Fiscal year set for meeting the target.