

El Corte Inglés

NON-FINANCIAL
STATEMENT
2020-2021



Everyone's hard work

At the beginning of 2020, nobody could have imagined that just two-and-a-half months later, the country, the whole world, would grind to a halt. It was a tough time for everyone. And for us, the most difficult year in our history. The crisis and its consequences also presented us with an opportunity to demonstrate our ability to serve society, the motivation that moves us forward and the effort we put in to the most challenging tasks.

The report that follows pays tribute to the effort, resilience and commitment we were able to draw on when it was needed the most. A tribute to the ability to turn challenges into opportunities. A tribute to what makes it all possible: teamwork, everyone's hard work.

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Chairwoman's letter



This Non-Financial Statement, which I am delighted to introduce, is an account of a period that required an extraordinary effort, a vast amount of talent, innovation capacity and effectiveness in our tireless quest for excellence. Happily, today we can talk about new times, reached after much hard work. This, has allowed us to lay the foundations for the company's future, a future of broad horizons in which our customers and society will find a major business group at the service of citizens, replete with new propositions with a forward-looking horizon.

In this context of ongoing transformation, El Corte Inglés managed to surmount the most challenging year of its more than 80 years of history. We turned a crisis into an opportunity for undertaking far-reaching reforms and providing fresh impetus to our various business lines. And we did so remaining true to our steadfast identity and hallmark values, those on which we have built up mutual trust with society.

In this new scenario of hope, projects and long-term vision, we have drawn up an ambitious business plan articulated around three cornerstones: digitalisation, diversification and sustainability, all of which customer-centric.

On the digitalisation front, it is fair to say that El Corte Inglés has taken decisive steps in its omnichannel strategy. We have become a fully digital company that provides solutions - through a broad spectrum of possibilities - to increasingly versatile customers, who can choose the channel that best suits their needs at any given time.

We launched a new app that gives users access to millions of products and services across all our business areas. That development effort continues full speed ahead with lots of new ideas, spurred on by our strengths. This technological transformation, which will soon make the

"El Corte Inglés in your pocket" project a reality, coupled with the extraordinary circumstances of 2020, has considerably enhanced the weight of our online sales, marking year-on-year growth of 130%.

The second cornerstone underpinning our plan for the coming years is diversification. We are working on myriad new projects, including the launch of a new mobile and fibre operator that will combine technology and telecommunication services in the smart home environment; the supply of energy, a project due for launch in 2021; the provision of end-to-end services including security, facility maintenance and home alarms; and the creation of a new logistics company to service third parties. To achieve all of that we have tapped the optimal resources for each line of activity: in some instances we have allied with expert players, while in other we have developed the businesses ourselves. A case in point is SICOR, a group of companies that will offer tailored products and services to both corporate and retail customers.

We have also embarked on new projects in the financial services arena, leveraging the experience built up by our insurance companies to develop new services related with fund and wealth management. We are even introducing substantial changes in relation to our emblematic store card: we are planning to introduce new features so that it can be used to pay for all manner of products and services within and beyond the Group's establishments. Indeed, it will be possible to use it as a payment card not only in Spain and Portugal, but all over the world.

This transformation process is set to turn us into a genuine service ecosystem focused on making our customers' lives easier in any way possible. It is, in short, a business model that will offer more services, add more value and shore up the Group's growth.

The third cornerstone propping up our business plan is sustainability, to which we are firmly committed. As a responsible company, we have renewed our commitment to the United Nations Global Compact, set in motion our 2021-2025 Sustainability and CSR Master Plan, and taken up the gauntlet of contributing to delivery of the United Nations Sustainable Development Goals (SDGs) most closely related with our business activities, i.e., responsible consumption and production; gender equality, work/life balance and diversity, in relation to human resources; decent work and economic growth, concerning respect for human rights; and climate action, as it relates to the efficient use of resources.

Framed by those commitments, we made important progress rationalising our resource consumption and improved how we manage and recover the waste we generate in our operations.

Those three key driving forces behind our strategic plan depict our growth roadmap, which is additionally underpinned by the provision of a unique shopping experience aligned with new times and society's emerging needs.

It is important to stress that all this transformation took place in an extremely challenging context on account of the situation induced by Covid-19, which had a significant impact on our establishments' ability to open and trade normally and paralysed tourism, a sector that is essential for our travel business and for shopping tourism.

That highly complex situation also brought out the best in those who are closest to us. To all of you, most especially our shareholders, our suppliers and our employees, I would like to express the Board's and my own most sincere gratitude.

To our shareholders, thanks for your support during difficult times, for giving us the ability to navigate the situation with confidence and with an eye on the future.

To our suppliers, thanks for maintaining product quality and service levels even though your businesses suffered the fallout from the closure of stores and contraction in consumption.

And to our employees, thanks for your motivation, dedication and commendable efforts to serve society. Without wanting to get bogged down in details I remain moved today, now that the worst of the pandemic is behind us, when I recall how many of you volunteered for the work that could and needed to be done: in call centres, fulfilling orders and even delivering them in your neighbourhoods. With a team that willing we can only reiterate that you are the company's most important asset.

That is why we continue to invest significantly in training and strive to promote professionals from within El Corte Inglés. I should also point out our first voluntary redundancy programme, to which over 3,000 employees have signed up, framed by a climate of harmony, dialogue and understanding.

We are currently poised to embrace new and exciting strategic, technological, competitive, cultural, scientific, ecological and social changes. Here at El Corte Inglés we plan to tackle those changes with an open mind in order to make the most of and spearhead them. Our track record shows we can do it.

Today El Corte Inglés is in a position to say to its customers, suppliers, shareholders, employees and society at large that it will emerge from this pandemic crisis healthier and in fine financial mettle. That is evident in the financing agreement arranged on 1 April 2020 and the senior notes issued last September, which were four times oversubscribed. Liquidity at year-end stood at over €3.5 billion, a testament to our financial stability and the markets' receptiveness to our plan. Indeed, one of our financiers is the European Central Bank, which rated El Corte Inglés as eligible for its asset purchase programme.

Starting from this new reality, we look to the future with optimism and new business prospects, underpinned by a realistic, modern and ambitious business plan; a Board of Directors that is supportive of the transformation and growth roadmap we have embarked on; and a management team, headed up by our CEO, Víctor del Pozo, full of new ideas, with the business experience and managerial acumen needed to execute them.

For all those reasons, society at large can continue to count on the El Corte Inglés they know and love so well, the El Corte Inglés that wants to be of service and make people's lives easier.

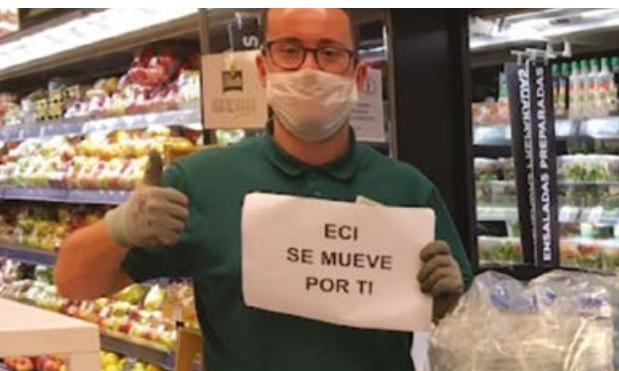
If 2020 was the year of hard work all round, 2021 looks set to be the year of excitement and achievement all round.



Marta Álvarez
Chairwoman

El Corte Inglés in 2020

Thanks to dedication of all our stakeholders - shareholders, suppliers, employees and customers - we navigated a particularly complex year by tapping our ability to transform, adapt and innovate.



Health measures

1

2020 was marked from the outset by Covid-19 and the restrictions put in place, which forced us to close many of our businesses. El Corte Inglés tackled the situation leveraging transformation, adaptation and innovation.

2

We set up a Health Alert Committee ahead of the 14 March state of alarm declaration to analyse risks, get ready and stock up our stores.

3

We protected the health and safety of our customers and employees: masks, protective screens, ventilation systems, social distancing guides, garment and store disinfection, among other measures.



Guaranteed supply

4

We guaranteed the supply of essential products. Our supermarkets, hypermarkets and Supercor convenience stores, the platform in Valdemoro, the CEDIAL and the new platform in Alcalá de Henares (in Madrid) made sure the population had access to the products needed at all times.



5

We worked very closely with our more than 31,000 suppliers, particularly our local suppliers, supporting and bolstering products made in Spain and Portugal.

Store adaptation

6

We adapted the physical stores for the omnichannel paradigm, reinforcing the digitalisation thrust and our Click&Car, in-store pickup and same-day delivery services to help our customers and society at a time of particular difficulty.



7

We broadened our stores' purpose by turning them into hubs for online order fulfilment and customer service. Online sales volumes increased by 8.6 million orders (+130.8% vs. 2019) to 15.2 million orders.



8

We rolled out special shopping services for our customers and prioritised the over 65's and healthcare professionals, offering the latter free home delivery.



Our professionals

9

We organised our professionals into teams and asked them to take on different tasks to tackle new priorities at the stores that stayed open, preparing home delivery orders and serving customers over the available channels. And we fostered remote working wherever feasible.



10

We topped up the salaries of our employees who we were forced to put on furlough following the declaration of the state of alarm in March 2020 so that they received 100% of their pay.



11

We boast a team of skilled professionals, 94.5% of whom are permanent and 63.9% of whom are female.



12

We fostered training, one of the keystones of the company's strategy. In 2020 we went to lengths to adapt our programmes for the new paradigm, investing €14.3 million in training.



Community support

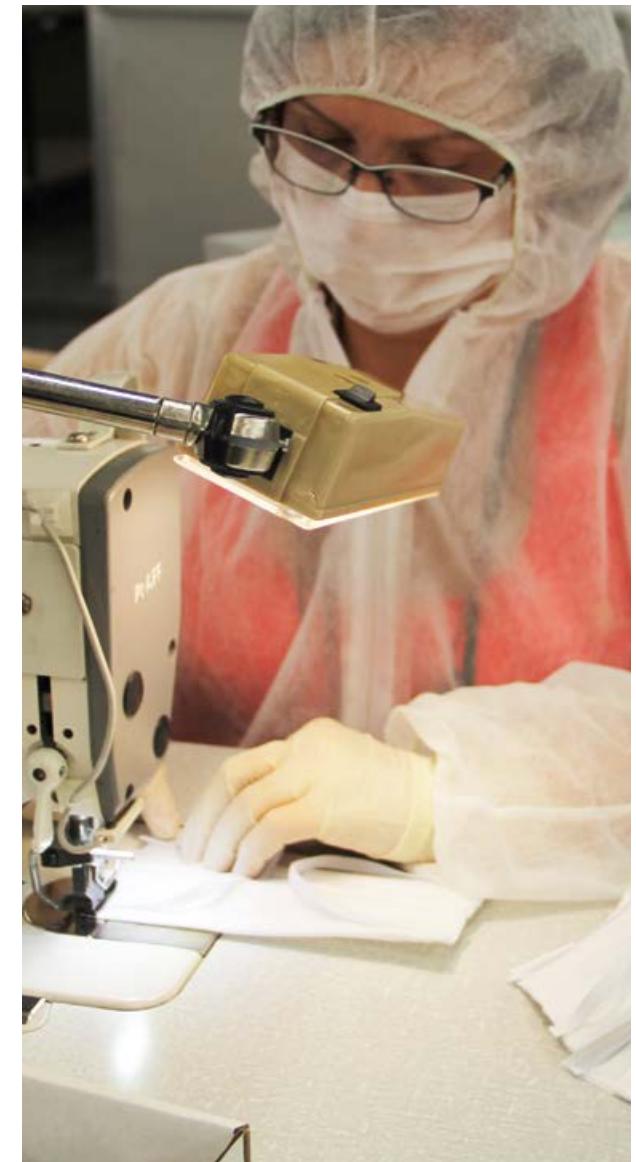
13

We lent our support to the authorities: our sales office in Asia facilitated the purchase of PPE for the state and regional governments; we provided use of the Ayre Gran Colón Hotel, the first hotel to be medicalised in Madrid; we supplied bedding and other accessories to the makeshift hospital set up at the IFEMA conference centre in Madrid; and we donated textiles and other items to makeshift hospitals in various regions in Spain and Portugal.



14

We repurposed our sewing workshop in Madrid to make face masks at a time of significant scarcity on account of high demand.



15

We gave back to society to help mitigate the effects of the pandemic: we collected €1.8 million for the needy as part of the Food Bank's major fund-raising drive; we donated over 1.7 million kilograms of food, so avoiding food waste, and we delivered more than 50,000 toys to a range of NGOs.

16

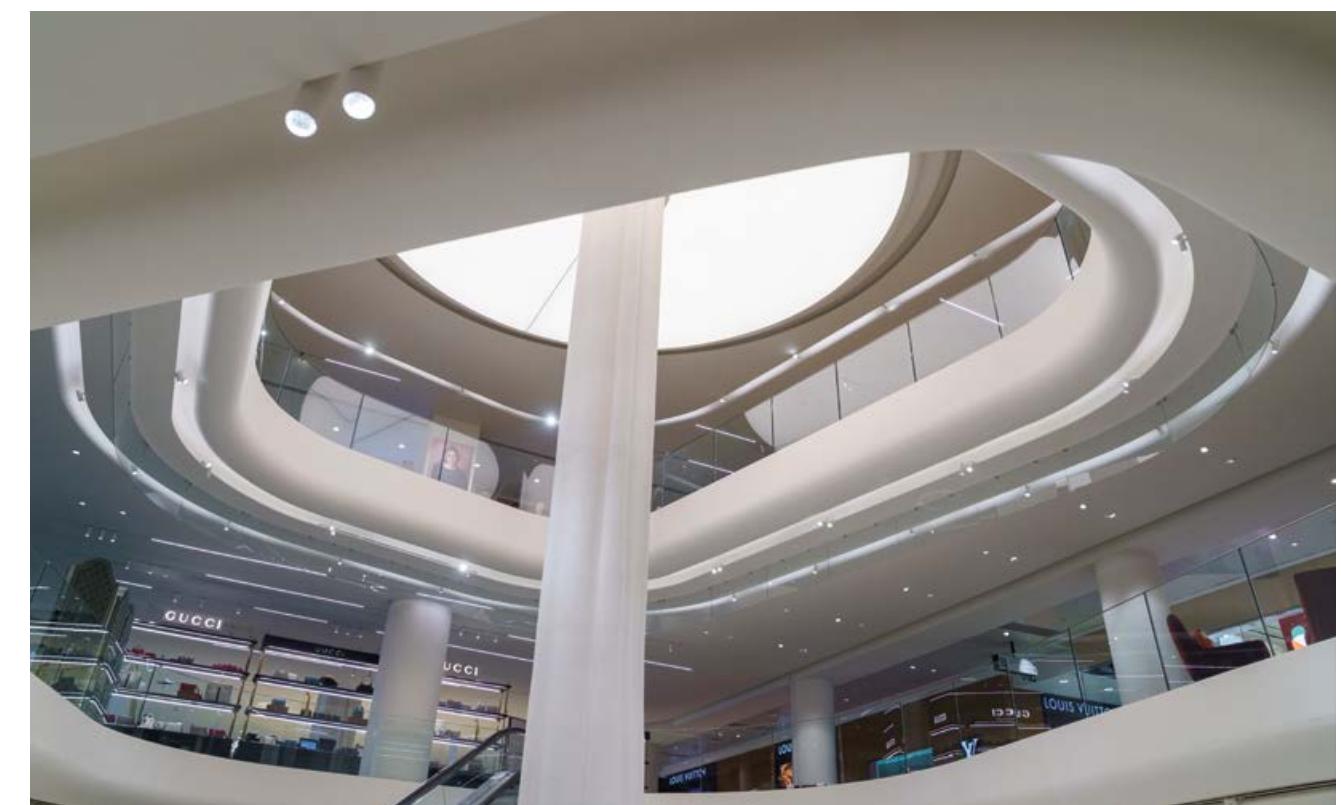
We worked with society on three core areas: sports, culture and community commitment. We undertook over 1,500 initiatives, many of which had to be reimagined as virtual events; we reinforced our commitment to medical research, education and childcare through agreements with Spain's cancer society, the AECC, the Red Cross and the Aladina Foundation, among others.



El Corte Inglés in 2020

Building the future

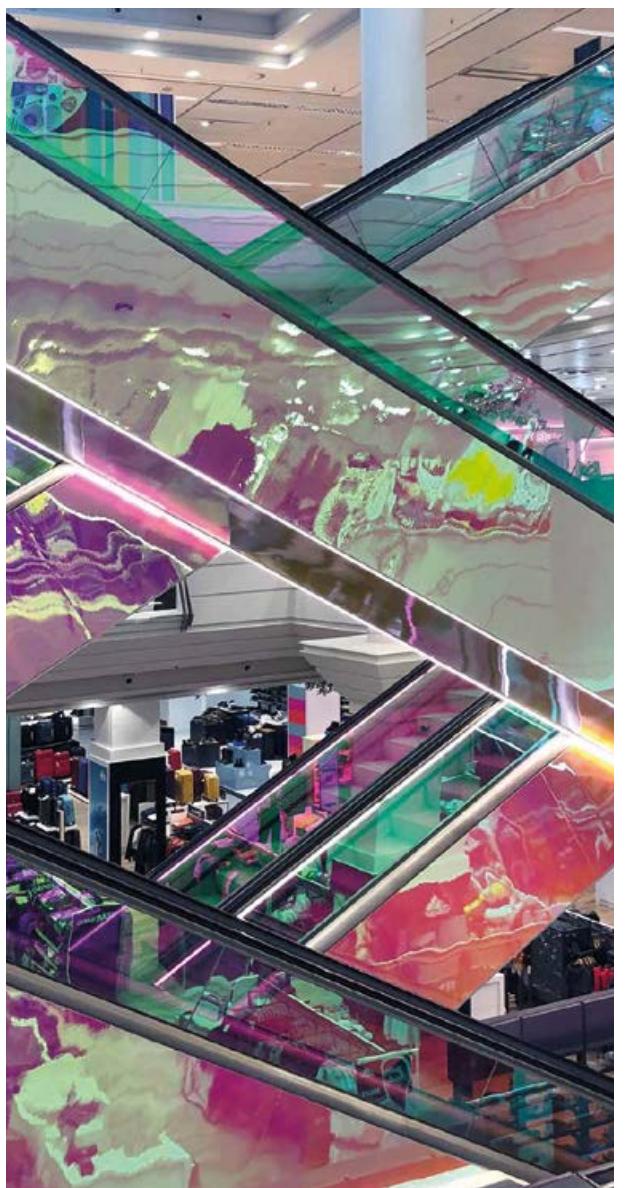
We accelerated the transformation of our business model to make it more digital, diversified and sustainable.



Diversification

1

We strive to make sure our centres are always comfortable and attractive and feature all the latest developments and trends.



2

We launched a new app and a flat delivery rate, El Corte Inglés Plus, paving the way for more personalised communication with our digital users. By year-end, the app had received 21.1 million visits and been downloaded nearly a million times.

3

We set up a new company - SICOR - to operate in a number of businesses, including security, home alarm systems, cleaning, facility maintenance and logistics.



4

We entered into a strategic alliance with Más-Móvil Group for the development of innovative commercial initiatives, and we readied the Sweno trademark for the launch of a virtual mobile and fibre operator.

5

We refurbished our flagship department store on Madrid's Castellana, where we offer our customers a unique shopping experience.



6

We stepped up the digital transformation of our department store in Lisbon, which this year celebrates its 20th anniversary.

Sustainability

7

We view sustainability as one of the company's key strategic drivers, to which end we are fostering responsible production and consumption. We have a Sustainable Product Guide for El Corte Inglés buyers and suppliers and we increased the number of SKUs with one or more sustainability attributes to 107,000.



8

We remain committed to respecting the environment in any way it affects our business operations in our drive to contribute to sustainable development. 100% of the energy purchased in Spain comes from renewable sources.

9

We made progress on our Zero Waste management system, one of the measures articulating our transition towards a circular economy model. We already have 41 department stores and 10 logistics platforms within that system, which enabled us to recover 91.5% of the waste generated.



E-commerce logistics platform in Valdemoro (Madrid).

Our business model

We transformed challenges into new opportunities for forging a business model aligned with digitalisation, diversification and sustainability. All of which with our customers front and centre.

El Corte Inglés is a business group with an extensive trajectory in the retail business. It is a benchmark in high-end retailing. Its unwavering ability to adapt to society's emerging needs and demands and to seek out new business opportunities consistently throughout its more than 80 years in business have enabled it to create new formats and diversify its business activities. The story of El Corte Inglés is one of a firm that has remained at the cutting edge, set trends, driven change and developed new concepts.

In the last year, constrained by the situation derived from the health emergency, that ability to adapt and innovate was crucial to the Group's business performance. Upholding the same values as always, sticking to our steadfast principles of ethical and responsible conduct vis-a-vis our customers, employees, suppliers, society and the environment, we evolved towards an omnichannel model more aligned with digitalisation, diversification and sustainability. Without ever taking our eyes off the product and service quality, expertise, cura-

ted selections, guarantees and innovation we promise our customers.

To move in that direction, we are drawing on two strengths: our profound customer knowledge, thanks to the fact that we have over 11.6 million El Corte Inglés store card users, and the mutual trust we have built throughout all these years. As a result we are in a position to manage a large database, responsibly and in accordance with each person's preferences, so that those users who wish to receive information get timely updates about our latest offers and new market launches. That experience has made us a curator, a vehicle for offering services with the ultimate goal of making people's lives easier.

OMNICHANNEL AND DIGITALISED

Digitalisation is a cornerstone of the company's business plan. The interplay between the physical and online worlds has created versatile customers who are versed in multiple channels and switch between them depending on their needs at any given moment in time. Growth in the use of mobile devices to browse and shop online prompted us to fully overhaul our online platform in 2019, redesigning it for mobile browsing. For that same reason, in September 2020, we launched a new app that melds the online and offline worlds so that they complement each other, unlocking new synergies by making the most of the advantages offered by each. In that manner our customers have access to over 1.7 million SKUs across all departments (fashion, sports goods, electronics, household goods, food, etc.); they can personalise their home page to suit their preferences and receive the offers of greatest interest to them; they can search for items in forums or by scanning bar codes; and they can pay using the ECI store card from the app in just one click, or by scanning a QR code. They can also shop in our stores and request home delivery from the app, or pay for parking in our retail establishments without having to stop by a pay station.

We have launched a flat-rate annual delivery fee of €19.90 which also entitles customers to schedule delivery within a two-hour time slot.

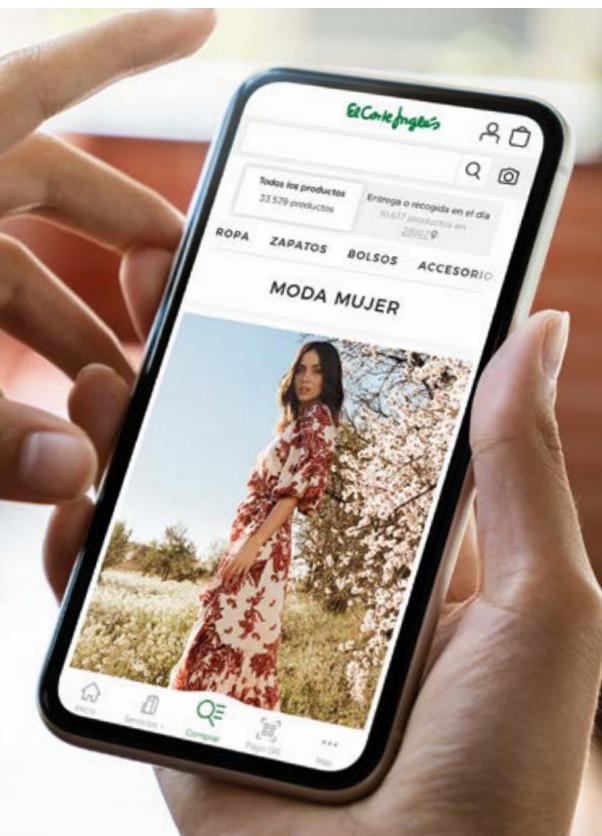
All of which has been made possible by the technology and logistics upgrades implemented, which have delivered a unified vision of stocks, while boosting delivery options. Users can choose to receive their orders at home or at work, opt for standard or express delivery, or pick up their shipping at any El Corte Inglés department store, Supercor supermarket or Correos post office.

In this new paradigm, the El Corte Inglés establishments have become logistics hubs that complement the services offered from the central warehouses, enabling same-day delivery for over 300,000 SKUs in 54 cities in Spain.

The synergies between the online and offline worlds have led the company to shore up three services:

- Same-day delivery: Online shopping and delivery within two hours or at the selected time.
- Click&Car: Online shopping and curbside pickup at the chosen establishment.
- In-store pick-up: Orders placed online but collected at the point of sale of choice.

That comprehensive digitalisation thrust, coupled with the special circumstances that marked 2020, drove the weight of our online sales to 17.4% of total retail revenue.



Our customers can buy over 1.7 million products from our app for either home delivery or pick-up at the store of their choice.

DIVERSIFICATION AND LEADERSHIP

Diversification is a core component of El Corte Inglés' long-term strategy. In the past year, that ability to seek out and tap new business opportunities has led to the completion of important agreements with third parties and the rollout of new lines of business. The company already has experience with similar lines of initiative: El Corte Inglés (ECI) Travel and Insurance businesses are clear examples of businesses that were created to provide a service in-house that, having built up the required know-how and business volumes, began to be provided to third parties, ultimately becoming leaders in their respective sectors (travel and insurance agencies).

2020 marked a new milestone in our diversification strategy with the creation of new business units.

- We have allied with Masmóvil to launch a virtual mobile and fibre operator which will allow us to offer our customers a full suite of convergence-enabled fibre and mobile telecommunications services with optimum coverage and quality, under the trademark, Sweno. The goal is to combine the technology offering with the telecommunications services, with a particular focus on the smart home niche.
- We have also started the administrative work and obtained the corresponding permits for becoming an energy supplier. This project, which will be launched on the market in 2021, will be carried out by our group company, Telecor, and will similarly operate under the Sweno trademark.
- The security sector, in its multiple manifestations, is an area ripe with new opportunities and possibilities for a group such as El Corte Inglés. In fact, having acquired the security firm, Mega2, the group incorporated SICOR in July 2020, a company that will pursue a number of lines of business with the aim of offering retail and corporate/institutional customers a suite of services ranging from home security and alarms to facility cleaning, maintenance and logistics, among many others. To that end, a number of dedicated companies have been set up under the umbrella of the SICOR Group to offer specialist products and services in each of those areas.
- Our logistics know-how, built up by stocking our establishments, enabling our business operations and reaching our customers directly, has laid the groundwork for opening this business up to third parties and taking on the management of their end-to-end logistics systems, whether international, national, regional or local.
- And in the financial services arena, the experience of our insurance companies and the scope for striking agreements with other specialist players are opening the door to the development and provision to customers of products related with fund management, wealth management, among others.

On top of all of that, we launched another series of activities last year that are gaining momentum, such as the Real Estate business for the management of group and third-party properties.

SUSTAINABILITY

El Corte Inglés has been working for years to make the planet more sustainable and forge a better future for everyone. To that end, we have taken action on several fronts to foster decent and responsible manufacturing conditions, rationalise resource consumption and waste generation and tighten our bond with society and the environment.

Those lines of initiative have been guided by the various corporate social responsibility (CSR) master plans put in place since 2017. The slogan selected for the first such plan, which concluded in 2020, was "It is up to everybody" and it was articulated around listening and responding to the group's various stakeholders. Now we are embarking on the new 2021-2025 Sustainability and CSR Master Plan, which was approved by the Board of Directors in November 2020. The new plan is clearly designed to place sustainability at the heart of strategy going forward and it is based on the European Green Deal and its carbon neutrality target for 2050; it is also articulated around the United Nations Sustainable Development Goals for 2030 and the milestones established in the Paris Agreement on Climate Change for 2050.

To contribute to those goals, our Sustainability and CSR Master Plan is structured into five key lines of initiative underpinned by a number of specific programmes. Those lines are:

- **Responsible production and consumption.** This means, firstly, concentrating our efforts on the supply chain, encouraging our suppliers to embrace best practices in responsible production. Secondly, it implies engaging customers in an attempt to encourage them to consume responsibly by raising the profile of the "Responsibly" label launched in 2018.
- **"Green" digitalisation** within the firm's overall digital transformation.
- **Climate action** with the aim of reducing our activities' environmental footprint. Here it is worth singling out the Zero Waste programme already implemented successfully in Spain, in seven regions, and in certain establishments in Portugal since April 2021. The idea is to extend the scheme to all El Corte Inglés and Supercor establishments in the years to come.



Our plastic bags contain 70% recycled plastic, while our paper bags are made using paper sourced from sustainable-forests.



We use sustainably-made raw materials and fibres obtained from recycled materials in our private-label collections.



El Atrio, the new and spacious entrance that connects the upper and lower floors of our flagship store on the Castellana (Madrid).

PRODUCT AND SHOPPING EXPERIENCE

Our business model is based on an attractive, varied and high-quality sales proposition and the constant addition of pioneering products and services that provide a suitable response to our customers' needs. We are a major showcase for brands, a blended physical and online venue which brings together the main fashion, home décor, beauty, electronics, domestic appliances, sports, food, leisure and entertainment brands. And alongside those brands, our own brands, which offer the latest trends and the highest standards of stringency and traceability.

El Corte Inglés offers a series of characteristic hallmarks that set us apart: quality retailing, a wide assortment of specialist products, good value for money, personalised customer care, unique services designed to make customers happy in order to build share of mind, and no-fuss guarantees on all purchases. Our experience over the years has turned us into fine curators of the best products and services and that really makes El Corte Inglés stand out. As a result, we have earned the people's confidence and become a genuine "facilitator" of their lives.

That relationship of mutual trust with our customers is what has enabled us to evolve towards a business model that is a vehicle for the sale of all manner of products and services for people, households and corporates. That ties into our diversification strategy. We are not just about fashion, food, travel or insurance; we can also install an alarm-based home security system, provide advice on asset and wealth management, set up energy supply agreements from our establishments and allow our customers to pay for their purchases monthly with the ECI store card.

We provide the customers who come through our doors with unique experiences by offering them the best places to shop, places where they can find the last fashion trends and tech products, as well as the finest food and drink, personalised beauty advice and even tickets to a cultural event. And all of the above with their respective online arms.

The circle is closed by digitalisation and our seamless omnichannel presence which enables constant interaction between the physical world and online environment so that users can locate these products and services in-store, on our website or using our apps.

CONTRIBUTION TO THE SUSTAINABLE DEVELOPMENT GOALS

El Corte Inglés Group is fully in sync with the Sustainable Development Goals (SDGs). It seeks to engage all of its stakeholders, by means of different sales and community initiatives, with the effort to deliver the 2030 Agenda sustainable development commitments.

While we are committed to helping deliver all the SDGs, our strategic lines of initiative are centred on those that are more closely related with our lines of business.

SDGs	KEY ACTIONS	KPIs
2 ZERO HUNGER 	<ul style="list-style-type: none"> Strategic alliances with food banks. Donation of surplus food to our supermarkets. 	<ul style="list-style-type: none"> The major drive of December raised 1.8 million. 1.7 million kilograms of food.
3 GOOD HEALTH AND WELL-BEING 	<ul style="list-style-type: none"> Employee health and safety. Health services at work. Cancer prevention activities and research funding. High standards of process and product quality and safety. Continuous staff training. Trade Learning Centre with government-certified courses. University studies for employees at CEURA. Support for women in the workplace and for their career development. 	<ul style="list-style-type: none"> 84,598 people attended occupational health and safety training courses. 16 million invested in health and safety materials. Rollout of a Covid-19 safety protocol. 3,105 internal Covid-19 audits and 4,581 air quality checks. 31,408 rapid antibody tests. 2,884 antigen tests. In-house health service staffed by 84 doctors and 148 nurses. 448 private label product analyses. 882 food safety audits performed. 1,160,781 hours of training. €14.3 million invested in training. 1,315 students. 63.9% of Group employees are women. 37.1% of management positions held by women. Commitment that 50% of new management position be occupied by women by year-end 2020 delivered.
4 QUALITY EDUCATION 		
5 GENDER EQUALITY 		
7 AFFORDABLE AND CLEAN ENERGY 	<ul style="list-style-type: none"> Purchase of power generated from renewable sources. Installation of photovoltaic panels at our establishments with power sent back to the grid. Installation of energy consumption control devices. 	<ul style="list-style-type: none"> 100% of energy acquired in Spain is renewable. 141,538,632 kWh reduction in energy consumption. >4,000 energy consumption remote metering points.

SDGs	KEY ACTIONS	KPIs
8 DECENT WORK AND ECONOMIC GROWTH 	<ul style="list-style-type: none"> Employment. We hire young people. Use of due diligence procedures in our supply chain to verify, via ESG audits¹, that human rights are being respected. Business model committed to workforce inclusion. Strategic commitment to generational diversity. We hire female victims of domestic violence. Sensitivity to LGBTI rights. Zero Waste management system. Installation of electric vehicle charging stations. 	<ul style="list-style-type: none"> 94.5% of workforce has a permanent contract. 46.7% of our new hires under the age of 30. 2,647 ESG audits at private label product supplier factories. 1,223 employees with disabilities. 10.7% of the workforce is under the age of 30; 58.6% is aged between 30 and 50; and 30.7% is older than 50. 54,171 tonnes of waste recovered at our centres. 264 EV charging stations.
10 REDUCED INEQUALITIES 		
11 SUSTAINABLE CITIES AND COMMUNITIES 		
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	<ul style="list-style-type: none"> Responsible supply policies. Product and service range based on the Sustainable Product Guide. Implementation of Zero Waste system. Collaboration with Cáritas Moda re-on the collection of used clothing for reuse and recycling. Sustainable tourism packages. Sustainable Packaging Plan. Actions designed to mitigate climate change. 	<ul style="list-style-type: none"> Over 107,000 unique product SKUs with one or more sustainability attributes. Pledge to certify 100% of El Corte Inglés department stores and Supercor supermarkets as Zero Waste establishments by 2050. 51 department stores and platforms boast Zero Waste management systems. 239,943 kg of clothing and footwear managed. 49 collection points. Sustainable Packaging Guide for buyers Emissions have been cut by 8.5% since 2018.
13 CLIMATE ACTION 		
17 PARTNERSHIPS FOR THE GOALS 	<ul style="list-style-type: none"> Network of stable and solid alliances. 	<ul style="list-style-type: none"> Participation in over 200 organisations and institutions.

¹ ESG: environmental, social and governance



The city of Madrid paying tribute to Isidoro Álvarez, Chairman of El Corte Inglés for over 25 years, by naming a street after him in the Arganzuela neighbourhood.

Our governance

Our corporate culture and values guide our ethical conduct and ensure responsible business growth.

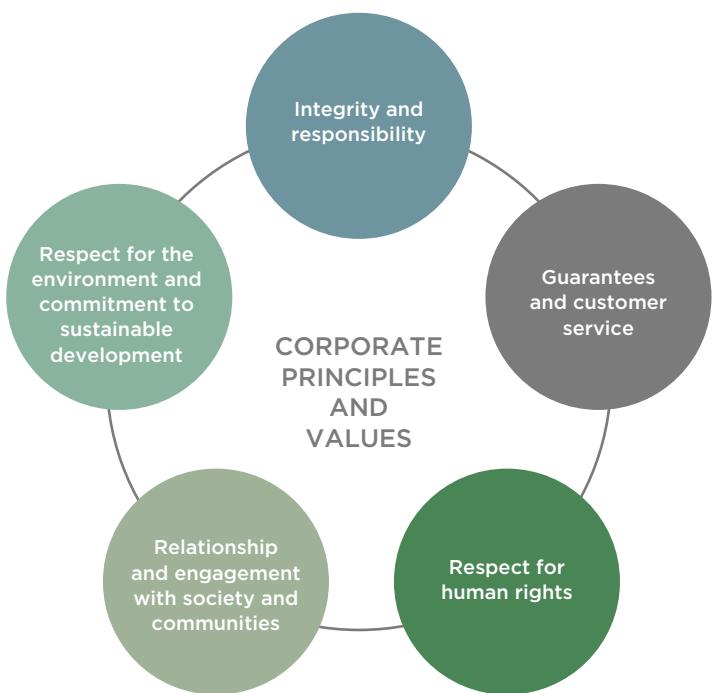
El Corte Inglés Group has articulated its corporate governance around the best applicable practices and observation of a series of ethics values and principles that are essential to safeguarding the transparency, effectiveness and responsibility management of its business model. The ultimate goal is to earn the confidence of its shareholders and investors and to create shared and sustainable value for all of its stakeholders.

Related material topics

- Good practices in corporate governance and ethical conduct
- Anti-money laundering
- Cybersecurity and information security

OUR PRINCIPLES, VALUES AND COMMITMENTS

El Corte Inglés fosters a corporate culture and values that guide its ethical conduct and ensure the responsible growth of the business.



El Corte Inglés' business model is underpinned by its customer pledge, transparent collaboration with suppliers, respect for employees, accountability vis-a-vis shareholders and giving back to society. All of that is enshrined in the Ethics Code, approved by the Board of Directors in September 2017. That document commits the Group to carrying on its business activities in accordance with those responsible values and ethics.

The Ethics Code is implemented mainly through:

- **1. The corporate policies**, which stipulate the rules of conduct the Group's employees and managers must uphold in relation to specific matters, namely:
 - Compliance
 - Corporate crime prevention
 - Anti-money laundering and counter-terrorist financing
 - Anti-corruption and anti-fraud
 - On integrity:
 - Gifts and business courtesies
 - Donations and sponsorships
 - Relations with public officials and private entities
 - Corporate social responsibility
 - Human resources
 - Data protection
 - Risk control and management
 - Equality and diversity
 - IT security
 - Corporate taxation
 - Corporate finance

These last four corporate policies were approved by the Board of Directors in 2020.

- **2. The Compliance Programme**, whose purpose is to define the system for organising the prevention, management and control of compliance risks at El Corte Inglés, bringing together existing procedures and controls, in keeping with the requirements laid down in Spanish law on the management of corporate crime risks.
- **3. The corporate conflicts of interest management policy**, which lays down the rule of conduct and procedures to be followed by all El Corte Inglés Group companies and their boards, executives and employees in order to prevent, avoid, manage and resolve any potential conflicts of interest.

The policies and procedures are publicly available on the corporate website, www.elcorteingles.es/informacioncorporativa/es/gobierno-corporativo/etica-y-cumplimiento/politicas-corporativas



In addition to the Ethics Code, El Corte Inglés has had a Whistle-Blowing Channel in place since 2017, providing a channel for direct, confidential and transparent communication and fostering a climate of trust with Group members and other vested parties. Through that channel is possible to report any conduct believed to be irregular, unlawful or in breach of the rules of conduct of the Ethics Code and other internal rules and regulations by members of the Group or by people from companies that collaborate with El Corte Inglés in its various businesses.

In 2020, the Group received 596 notifications through the Whistle-Blowing Channel, of which 530, which were purely commercial in nature, were sent on to the customer care departments for more effective resolution.

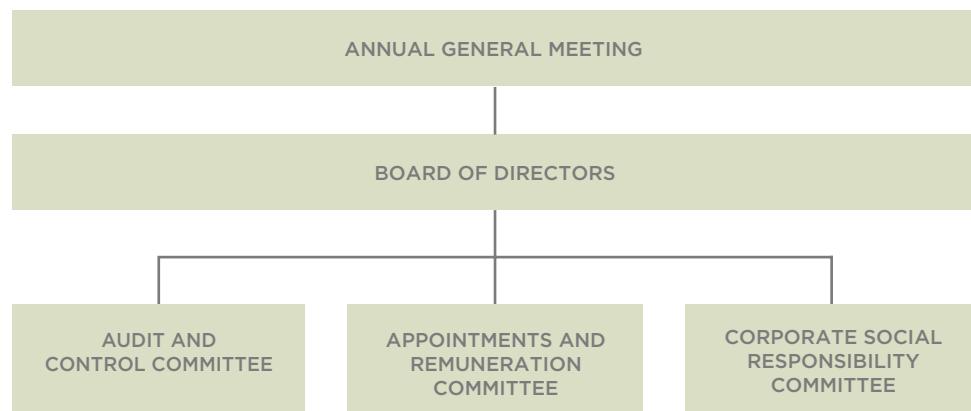
Of the remaining 66, one was referred to the dedicated committee for handling potential cases of harassment (CITSA) and 65 were ruled on by the Compliance Function. Forty-eight related to potential breaches of the principles contained in the Ethics Code and 17 related to specific matters in the areas of labour law, health and safety and data protection.

By comparison with the previous year, the number of claims not related with commercial matters increased from 50 to 66, including 13 directly related with Covid-19 safety measures.

In a year marked so significantly by the Covid-19 pandemic, the fact that the notifications related with the coronavirus safety measures numbered just 13 evidences how well a Group with over 80,000 employees and around 2,000 points of managed the health crisis.

OUR CORPORATE GOVERNANCE MODEL

Framed by its commitment to embracing best practices in corporate governance, in recent years the Board of Directors of El Corte Inglés has been championing significant changes in the Group's governance regime. More specifically, it has set up three new committees, following official recommendations, particularly those set down in Spain's Code of Good Governance for listed companies and the CNMV's Technical Guide 3/2017 on audit committees at public-interest entities.



Except for matters reserved exclusively for resolution at the Annual General Meeting, the Board of Directors is the company's highest decision-making body. The Board of Directors is governed by the Bylaws of El Corte Inglés, which detail the rules governing how it and its committees operate.

Among the developments in the Board of Directors of El Corte Inglés in 2020 it is worth highlighting:

- The appointment of José Ramón de Hoces Íñiguez as director.
- The re-election of Marta Álvarez Guil, Cristina Álvarez Guil and Shahzad Shahbaz as directors.

Those resolutions were ratified at the Annual General Meeting held on 26 July 2020.

- The resignation of Juan Moral de la Rosa as (non-director) Vice-Secretary at a meeting of the Board of Directors held on 16 September 2020.
- The departure of Carlos Martínez Echavarría from the company's Board following his resignation in October 2020. El Corte Inglés is grateful to Carlos for his service throughout his more than 29 years on its Board of Directors.

In 2020, the Board of Directors of El Corte Inglés, S.A. met 11 times.

BOARD OF DIRECTORS OF EL CORTE INGLÉS AS AT 28 FEBRUARY 2021



- (1) Represents Cartera Mancor, S.L.
- (2) Represents Corporación Ceslar, S.L.
- (3) Members of the Audit and Control Committee.
- (4) Members of the Appointments and Remuneration Committee.
- (5) Members of the Corporate Social Responsibility Committee.
- (6) Secretary of the Audit and Control Committee.
- (7) Secretary of the Appointments and Remuneration Committee.
- (8) Secretary of the Corporate Social Responsibility Committee.

DIRECTOR REMUNERATION

Director remuneration is set in accordance with the criteria set down in the company's Bylaws. It is up to the Board of Directors to determine how much to pay its directors within the limit set at the Annual General Meeting as a function of the duties and responsibilities vested in each and, if necessary, the accrual of that remuneration over the course of the financial year.

The average remuneration received by the members of the Board of Directors in their capacity as directors of El Corte Inglés, S.A. (including certain officers) and for membership of the boards of other Group companies is shown below:

Average director remuneration

Item	Women	Men
Average remuneration 2020 ²	€1,558,149	€1,797,113
Average remuneration 2019	€1,150,849	€2,812,057
Average remuneration 2018	€1,340,434	€3,104,926

Note that none of the directors are beneficiaries of pension or saving schemes or life insurance policies.

AUDIT AND CONTROL COMMITTEE

The Audit and Control Committee is a permanent internal advisory and reporting body, without executive duties but with the power to inform, advise and propose within its purview.

It is made up of an independent director, who is also its chair, Fernando Becker Zuazua, and two other directors, Cristina Álvarez Guil and Paloma García Peña. José Ramón de Hoces Íñiguez, a company director, serves as the committee's secretary.

The Audit and Control Committee's general duties include:

- Supervising effectiveness of the internal control environment, internal audit function and risk management and control systems.
- Overseeing the financial reporting process.
- Supervising the external financial statement audit and making proposals to the Board for the selection, appointment, re-election and replacement of the financial statement auditor.
- Gathering information from the external auditor regarding its independence, the financial statement audit process and issuing a report on the auditor's independence.
- Supervising the Compliance Function.
- Analysing tax matters and significant transactions with related parties.
- Reporting to the Board on financial information, the creation of or acquisition of interests in special-purpose vehicles, related-party transactions and other matters within its purview.

The Audit and Control Committee met 11 times in 2020.

² For additional details, refer to Appendix I (página 211).

APPOINTMENTS AND REMUNERATION COMMITTEE

The Appointments and Remuneration Committee is a permanent body, without executive duties but with the power to inform, advise and propose within its purview. It is made up of four directors: Marta Álvarez Guil, Cristina Álvarez Guil, Paloma García Peña and Shahzad Shahbaz. José Ramón de Hoces Íñiguez, a director, serves as its secretary.

Its main duties include:

- Evaluating the universe of skills, knowledge and experience needed in the boardroom.
- Bringing proposals to the Board of Directors for the appointment of directors, independent or otherwise, and for the re-election or removal of directors, for submission at the Annual General Meeting.
- Making recommendations to the Board of Directors regarding director and officer remuneration and reviewing that policy regularly.

The Appointments and Remuneration Committee met on three occasions in 2020.

Marta Álvarez Guil was named chairwoman of this committee after the end of the reporting period, specifically at a meeting held on 24 March 2021.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee is a permanent body, without executive duties but with the power to inform, advise and propose within its purview. It is made up of one independent director, Manuel Pizarro Moreno, and three other directors, Cristina Álvarez Guil, Cartera Mancor (represented by Paloma García Peña) and Corporación Ceslar (represented by Carlota Areces Galán). José Ramón de Hoces Íñiguez, a director, serves as its secretary.

Its main duties include:

- Supervising execution of the CSR Master Plan and the stakeholder commitments assumed.
- Defining the corporate brand purpose and analysing reputation- and ESG-related risks.
- Supervising the Non-Financial Statement and the Progress Report with respect to the United Nations Global Compact and its Sustainable Development Goals (SDGs).

Notably in 2020 this committee approved the 2021-2025 Sustainability and CSR Master Plan and authorised the issue of the 2019 Non-Financial Statement for approval by the Board of Directors.

The CSR Committee met seven times in 2020.

SHAREHOLDER STRUCTURE AS AT 28 FEBRUARY 2021

The shareholders with interests of more than 10% in the share capital of El Corte Inglés, S.A. are: Fundación Ramón Areces, with a 37.39% shareholding; Cartera de Valores IASA, S.L., with an interest of 22.18%; and PrimeFin, S.A., with a stake of 10.33%.

In the latter months of 2020 the company bought back shares from employees and minority shareholders. As a result the percentage of own shares held as treasury stock increased to 9.07%.

COVID-19 RESPONSE

The Covid-19 health crisis was addressed for the first time at the Audit and Control Committee meeting of 25 February 2020, at which the committee members asked for a report to assess the risks to which the Group's activities were exposed. At a Board meeting held on 17 March 2020, it was decided to set up a Health Alert Committee and the first measures were taken to protect the health and safety of all Group employees, customers and other stakeholders, in keeping with the measures taken by the Spanish government and the various regional authorities.

In successive meetings of the Board of Directors additional measures were taken to mitigate the effects of the pandemic, not only in terms of health and safety, but also in the employment and finance areas to ensure business stability throughout the economic crisis.

COMPLIANCE

COMPLIANCE FUNCTION

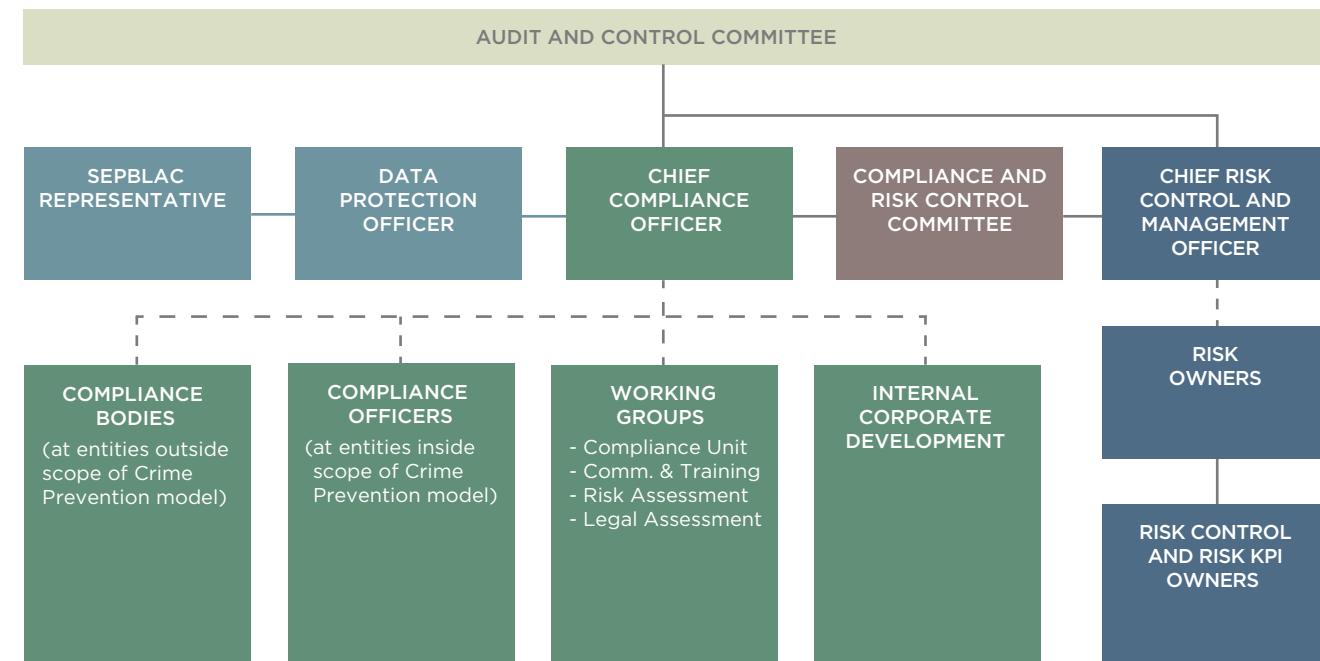
The Compliance Function, as set down in its rules of operation (statute, rules and programme), acts as an independent function, guided by the Ethics Code and corporate policies, to detect, evaluate, manage and report to the Board on internal and external compliance risks deriving from all of the activities and businesses carried on by the El Corte Inglés Group companies.

Its main duties include:

- Identification and assessment of compliance risks at the Group and analysis of the fit for purpose of the controls and procedures in place to prevent and mitigate those risks.
- Assessment and reporting of the impact of possible compliance risks derived from new regulatory developments.
- Supervision of the compliance management system in general and the crime prevention effort in particular.
- The publicity, updating and monitoring of the Ethics Code and Whistle-Blowing Channel and the Group's compliance policies.

Coordination of the Compliance Function within the Group's governance model is articulated by:

- The Board of Directors, in its capacity as the body ultimately responsible for applying and supervising the Group's corporate policies, through the Audit and Control Committee.
- Management, who are responsible for applying the policies and procedures and conducting the business in keeping with the Group's ethics and social responsibility principles.
- The Chief Compliance Officer (or CCO), whose mission is to advance and supervise the compliance risk management system. He reports directly to the Board of Directors via the Audit and Control Committee.
- The Compliance and Risk Control Committee, the executive decision-making body tasked with advising the CCO and the head of risk management at the Group on all matters deemed relevant.
- The Internal Corporate Development (ICD) Department, which, under the guidance of the CCO, coordinates and leads the field work in the compliance arena.



Among the most important work done by the Compliance Function in 2020, it is worth highlighting:

- Its participation in the update of the Corporate Risk Map to layer in the impact of the health crisis derived from the Covid-19 pandemic.
- Transformation of the Compliance Committee, which had been an advisory body until 2020. In January 2021 it was turned into an executive, decision-making body focused on the key compliance activities, integrated under the Risk Control Committee, in order to speed up decision-making and make better use of the time and resources dedicated by its members.

The Compliance Function's work plan in 2020 was aimed primarily at disseminating the Group's values and codes of conduct in order to mitigate compliance risks.

In terms of the ethics and compliance communication and education effort, a number of specific messages related with the function were published on the intranet, NEXO, monthly under a dedicated hashtag which translates as #EthicsComplianceIntegrity.

As for the continuous ethics culture, principles and compliance training plan, the metrics attained in 2020 were as follows:

Ethics and compliance training	Number
Employees trained	59,743
Hours of training	26,264

ANTI-CORRUPTION, BRIBERY AND MONEY LAUNDERING EFFORT

The Group's effort to prevent corruption, bribery and money laundering is compliant with national legislation (Spanish Law 10/2010 on anti-money laundering and counter-terrorist financing) and international regulations in the countries in which it does business, but also adheres to more stringent standards assumed voluntarily.

The policies established by the Group to tackle these threats in the context of criminal risk control and management are the following:

- Corporate anti-corruption and anti-fraud policy
- Corporate anti-money laundering and counter-terrorist financing policy
- Gifts and business courtesies policy and procedures
- Relations with public officials and private entities policy and procedures
- Donations and sponsorship policy and procedures

The purpose of those policies is to implement the organisational, technical and disciplinary measures needed from preventative and proactive standpoints and to establish effective control of these risks in all areas of its business activity.

The organisational structures have been put in place to comply with the Group's obligations under Law 10/2010, specifically:

- A Representative has been appointed to act before the Executive Branch of the Commission for the Prevention of Money Laundering and Monetary Infractions ("SEPBLAC" for its acronym in Spanish).
- An Internal Control Body has been set up to address this issue on which representatives from the Group's various business areas with 'bound parties' as defined in that legislation, sit.
- A special anti-money laundering unit has been put in place and there are technical units devoted to analysing certain transactions.

To complement that effort, a number of specific procedures have been put in place to prevent money laundering at the Group companies which regulate and implement the following matters, among others: customer approval policy; employee and officer screening; specific training for affected staff; and transaction analysis and reporting.

Lastly, the system in place is monitored and reviewed annually. That assessment is assured by an external independent expert.



Tarragona store.

INFORMATION SECURITY AND CYBERSECURITY

Due to the ongoing digitalisation thrust, information security and cybersecurity have been growing in importance in recent years. Moreover, Covid-19 has accelerated the implementation of new ways of working that have required additional and tighter security measures.

On 25 November 2020, the Board of Directors of El Corte Inglés approved the corporate information security policy with the aim of guaranteeing adequate protection of its information such that the Group companies are prepared to prevent, detect, react to and recover from any potential security incidents. That policy establishes the general principles governing the processing of information across all Group companies.

The Group has a dedicated cybersecurity area which communicates constantly with other technical departments in order to unlock synergies so as to erect an effective barrier against cyber threats.

The Group has other permanent and operational structures that draw up and approve the regulatory and control aspects of the information security effort. They include the Information Security Committee and a number of taskforces set up to draw up rules and procedures and work to broaden employee knowledge and training in these areas. Lastly, the Group has a Security Operations Centre with the capacity to analyse and respond to cyber incidents 24 hours a day, seven days a week, as well as series of operational 'cells' that are activated when there are alert signals or a crisis is brewing, including a security incident response team and a Crisis Committee.

INFORMATION FOR SHAREHOLDERS

The most important channel for engaging with the shareholders of El Corte Inglés, S.A. is the Annual General Meeting (and Extraordinary General Meetings, if any).

They are called one month before their scheduled date, at which point all of the documentation regarding the motions to be submitted for ratification is made available to shareholders.

Shareholders can find the following information on the website at www.elcorteingles.es/informacioncorporativa/es/:

- Financial information
- Corporate governance
- CSR
- Annual reports



Our staff of the frontline providing society with a key and essential service during the toughest moments of the pandemic.

Our environment

Our ability to adapt and innovate enabled us to tackle 2020 - a year marked by Covid-19 and the attendant health measures from beginning to end - with determination and dedication to service.

A YEAR SHAPED BY COVID

The pandemic that affected all of 2020 can be traced back to a series of milestone dates:

- Towards the end of 2019, China began to register the first cases of Covid-19 and to implement restrictions that had a direct impact on our supply chain.
- On 11 March 2020, the World Health Organization declared the public health crisis triggered by the SARS-COV-2 virus (Covid-19) a global pandemic.
- On 14 March 2020, the Spanish government declared a state of alarm, limiting citizens' freedom of movement to specific circumstances and ordering the closure of most business and all leisure, education and cultural centres. That measure marked the start of the nationwide lockdown.

The year ended 28 February 2021 was marked from the outset by the Covid-19 pandemic, which has had a significant impact on all of the El Corte Inglés Group companies. The effects of the health emergence rippled through every link of the value chain, from our suppliers to our customers, from our retail premises to the professionals who work in them. As did many Spanish companies, we took a battering from a health, social and economic situation without precedent.

Our retail business was hit particularly hard, first due to the closure of our establishments other than for the provision of essential services and later due to the continual and varying restrictions faced from one region to the next all year long. However, the business area affected the most by the health crisis was unquestionably the Travel business, in which revenue plunged by nearly 90%.

All of which truly tested our responsiveness and agility. From the onset of the crisis, we began to take measures to minimise the financial ramifications of a situation that has had an impact on Spanish society as a whole. We executed new projects, got behind new initiatives and searched for new opportunities for shoring up our future as a business group. We did that taking action at the digitalisation, diversification, financial and sustainability levels. We guaranteed the supply of essential products across our stores, reinforced our IT systems, fine-tuned our logistics capabilities, improved customer service, arranged new financing and sought out new future-looking opportunities, as outlined throughout this report.



Visit by the President of Spain, Pedro Sánchez, to our sewing workshop, which was repurposed to make face masks.

It is fair to say that 2020 was a year like no other.

However, although it was challenging from the business standpoint, from the social and human perspectives we are satisfied that we were able to help Spanish society as a whole at a time of great need. During the months of harsh lockdown, we responded altruistically to the vast majority of requests that came our way, donating food, hygiene and disinfection products, health materials, equipment for hospitals, care homes and shelters, aid for victims of domestic violence, toys for children in hospital, and more. We responded swiftly to facilitate health professionals' food shops by offering them free home delivery and we set the standard by giving the elderly and other vulnerable groups priority access to our establishments in the form of dedicated shopping times and checkout lanes.

We also made our resources available to the authorities (central, regional and local governments), as detailed next. The Group's ties with all levels of government enabled us to host institutional visits at our facilities.

Specifically, we received Their Majesties, the King and Queen of Spain, accompanied by members of the governments and other authorities, at our Distribution and Food Centre in Madrid. We were also visited by the President, Pedro Sánchez, at the sewing workshop in Madrid where we made masks for health workers. And we organised numerous tributes to the state security forces and bodies outside our El Corte Inglés department stores the width and breadth of Spain. One such act was held at the entrance to our department store on Preciados street (Madrid), which was attended by the president of the regional government of Madrid, Isabel Díaz Ayuso, and the city's mayor, José Luis Martínez-Almeida. Not to mention a host of other institutional visits at the regional and local levels.



What counts the most is that the assistance we provided reached nearly every corner of Spain and Portugal, particularly the towns that suffered the most from the pandemic. El Corte Inglés stood, one again, at society's side.

Below we summarise how El Corte Inglés responded to the situation. These aspects are complemented by additional specific pandemic-related content provided in the various chapters of the 2020 Non-Financial Statement.

Our customers	Our employees	Our suppliers
<ul style="list-style-type: none"> Special services to prioritise shopping by the elderly and health workers. Our at-home repair and teleassistance services for electronic devices during the lockdown. Reinforcement of omnichannel services: Click&Car, in-store pickup and same-day delivery. Health and safety in our establishments: social distancing, capacity control and ventilation. Supply of essential products: increased buffer stocks. 	<ul style="list-style-type: none"> New health measures: masks, hand gel, biological screens. Remote working for all jobs for which feasible. Testing protocol and health checks. Provision of assistance to partner firms with safety measures: more than 18,000 employees. Safety training and awareness-raising. 	<ul style="list-style-type: none"> Close collaboration with local suppliers, many of which affected by the closure of the hospitality sector. Support and visibility for local and national products. Increased number of national suppliers, mainly in FMCG and household appliances.

Visit by Their Majesties, the King and Queen of Spain, to our Distribution and Food Centre in Madrid.

Social response

Collaboration with the authorities

We made our sales office in Asia available to the Spanish government for the purchase of health materials.

First medicalised hotel: the Hotel Ayre Gran Colón was made available to the regional government of Madrid.

Reconversion of our sewing workshop in Madrid (Tomás Bretón street) to make face masks at a time of significant scarcity on account of high demand.

Donation of bedding to the makeshift hospital set up at the Ifema conference centre.

Help for the most vulnerable

Fund-raising through charitable drives ('Together We Do More') in collaboration with: Caritas, Red Cross, Spanish food bank association (FESBAL), ONCE Foundation and UNICEF Spain.

Donation of food in collaboration with public and charitable organisations: Operation Virtual Kilogram and major food collection drive in collaboration with the food bank.

Donations in the form of ECI gift cards to NGOs.

Donation of toys to the Aladina Foundation for hospitalised children.



Donation of bedding and other goods to the homeless shelter set up by the City Council of Zaragoza in March 2020.

El Corte Inglés provided goods and aid throughout Spain and Portugal through local initiatives.

Andalusia

- Donation of towels to Cordoba city municipal shelters
- Cleaning products for the police in Cordoba
- Clothing for shelters in the city of Seville and other associations
- Donation of tablets for hospital ICUs
- Beds and mattresses for El Neveral de Jaén Hospital
- Collaboration with Jerez city council
- Cleaning and disinfection products in Mijas and Marbella

Aragon

- Bedding for over 100 beds for the homeless shelter in the city of Zaragoza.
- Clothing for several care homes (IASS)
- Products for food banks and face masks and gloves for the deliveries

Baleares Islands

- Donation of domestic appliances and water to the Palma de Mallorca city shelter
- Donation of caps to the Son Espases Hospital
- Donation of diving masks to the Son Llatzer Hospital

Canary Islands

- Bedding and kitchenware for the maternity hospital

Cantabria

- Cleaning, disinfection and personal protective equipment for local police and ambulance staff

Castile - La Mancha

- Products for the General Teaching Hospital in Albacete
- Bedding to the makeshift hospital in Albacete
- PPE for the Perpetuo Socorro Hospital

Castile & León

- Tablets/mobiles and pyjamas for the makeshift hospital in Valladolid
- Donation of gloves, caps and gowns to the regional government
- Bedding and kitchenware for the municipal shelters in Valladolid and Salamanca
- Raw materials for PPE in Salamanca and Leon

Catalonia

- Safety and disinfection materials for the urban police and fire-fighters in Barcelona
- TVs and hygiene kits for centres run by Barcelona city hall
- Donation of protective glasses for the Viamed Hospital in Tarragona
- Towels and footwear for destitute people helped by Caritas (Girona)

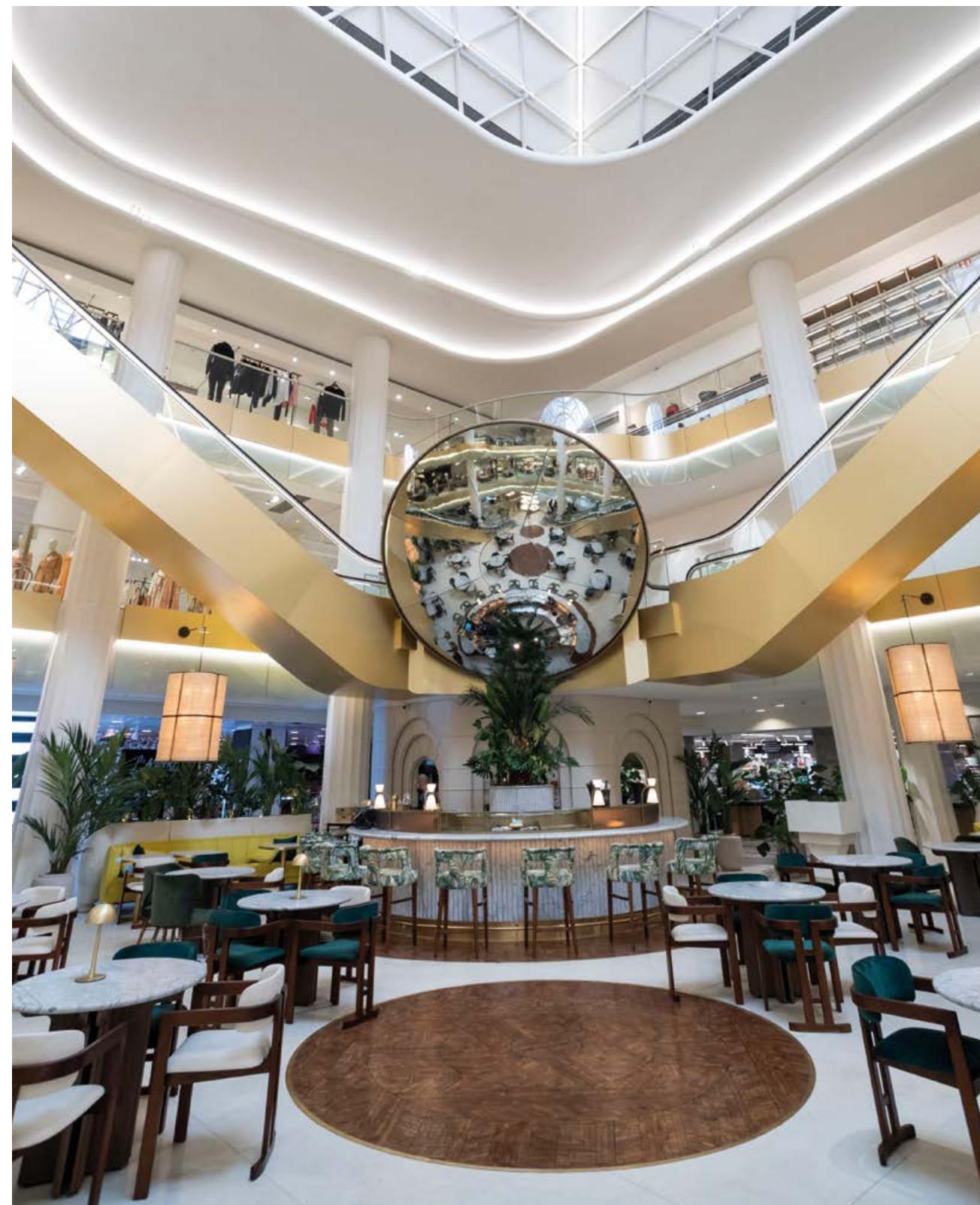
Madrid Community

- Hospital materials for Doctors without Borders for hospital add-ons
- Food vouchers for vulnerable families in collaboration with Madrid city hall
- Donation of food and baby products to shelters, care homes and associations
- Gift cards for the Red Cross, Caritas, Integra Foundation
- Clothing for victims of gender violence

Valencian Community	<ul style="list-style-type: none"> • Donations to food banks in Valencia, Castellon and Alicante • Donation of cleaning products to the police in Valencia • Donation of clothing, household goods and hygiene kits to a number of associations in Valencia and Alicante
Extremadura	<ul style="list-style-type: none"> • Donation of bin bags and seals to the Air Force for making gowns for care homes • Food donations for vulnerable families attended to by Caritas • Toy collection drive in collaboration with the national police force of Badajoz
Galicia	<ul style="list-style-type: none"> • 200 food vouchers for destitute families in collaboration with Santiago de Compostela city hall • Donation of clothing to the homeless shelter in Palacio Riazor (A Coruña) • Food for charities in collaboration with the city halls in A Coruña and Vigo
Navarra and La Rioja	<ul style="list-style-type: none"> • Food and essential products for the Hermanitas de los Pobres care home • Material for the Pamplona municipal shelter
Basque Country	<ul style="list-style-type: none"> • Donation of food/home delivery in collaboration with Eibar city hall and the Red Cross • Donation of bedding to the Red Cross shelter in Bilbao
Principality of Asturias	<ul style="list-style-type: none"> • Bedding for 150 beds for the makeshift hospital set up by Gijón city hall • Food donations.
Región of Murcia	<ul style="list-style-type: none"> • Food donations for Caritas and the Red Cross • TVs for shelters
Portugal	<ul style="list-style-type: none"> • Donation of bedding to a makeshift hospital in Oporto. • Materials for two homeless shelters • Food preparation in collaboration with a number of associations • Fund-raising drives for the Red Cross, UNICEF and a victim support association



Children's toy drive at the Cruces Teaching Hospital in Barakaldo (Bizkaia).



El Patio del Espejo, a new avant-garde restaurant concept created inside the Castellana flagship store (Madrid).

Our business lines

Our business ecosystem is articulated to make peoples' lives easier, seek out new business opportunities and adapt swiftly to changing situations.

El Corte Inglés Group is characterised by constant innovation in every aspect of its business operations: technology, logistics processes and the products and services it offers.

In a year marked by the onset of Covid-19, El Corte Inglés remained true to its commitment to society, adapting swiftly to the changing situation by realigning its retail propositions, driving digitalisation forcefully at all levels and rolling out new measures and services, such as those offered by SICOR Group.

KEY FINANCIAL FIGURES

The Group's earnings performance in 2020 (the year ended 28 February 2021) was shaped by the impact of the health crisis, which triggered the closure of many of our businesses during the initial lockdown (March, April and May 2020), followed by new closures ordered by the regional governments later on in the year.

Group revenue declined by 31.6% year-on-year to €10.43 billion. That decline is attributable to reduced business volumes as a result of the above-mentioned closures but, above all, the drastic collapse in national and international travel. The lack of mobility and absence of tourists had a major impact on the El Corte Inglés Travel business, where revenue plummeted 89%; that shortfall of visitors also had an impact, albeit less significant, on the retail business. On top of all that, in January, right at the start of the sales season, much of Spain was hit by the Filomena storm, which had a particularly severe impact on Madrid, which ground to a halt for over a week in the wake of the biggest snowfall in a century.

The retail business, where revenue declined by 19% year-on-year, was able to mitigate the effects of the pandemic thanks to the decisive commitment to the omnichannel strategy and digitalisation, facilitating synergistic fusion between the online and offline environments. The boost to services such as same-day delivery, in-store pickup and Click&Car, and the use of the Group's stores as logistics platforms to fulfil and dispatch orders, were key to business performance.

Other areas of the business such as the El Corte Inglés Insurance business displayed tremendous resilience, defending their sales volumes in a year as complex as 2020.

The Group prioritised customer service and its commitments to its suppliers and employees over profitability, a decision that had the corresponding impact on EBITDA, which nevertheless amounted to €141.73 million.

EBIT (before non-recurring provisions) was a negative €466.7 million. In line with prudent accounting criteria, the Group recognised €2.5 billion of provisions in 2020, including fixed asset, inventory and tax asset impairment charges and provisions related with the workforce restructuring plans. As a result, the Group reported a net loss of €2.95 billion.

In parallel, the Group reinforced its liquidity which stood at €3.55 billion at year-end, enabling the firm to service all of its obligations without incident or delay.

Business line	Revenue			EBITDA		
	FY 2020	FY 2019(1)	FY 2018	FY 2020(3)	FY 2019	FY 2018
Retail companies	10,523.56	13,014.36	12,892.89	52.42	930.52	881.93
El Corte Inglés Travel Group	309.10	2,731.65	2,721.98	(136.60)	65.06	63.84
El Corte Inglés Insurance Group	211.10	215.58	199.46	92.52	89.68	81.12
SICOR Group (2)	32.15	-	-	1.61	-	-
Other businesses	35.26	38.92	39.55	11.26	12.17	12.75
Consolidation adjustments and eliminations	(679.17)	(739.73)	(767.39)	120.53	127.29	0.67
EL CORTE INGLÉS GROUP	10,432.00	15,260.78	15,086.49	141.74	1,224.72	1,040.31

Amounts in millions of euros.

Note: The revenue figures have been aggregated.

(1): The retail business figures have been restated to reflect the Sfera merger, which had no effect at the consolidated level.

(2): The SICOR figures correspond to seven months of operation, i.e., as from the date on which the Group obtained control of the business.

(3): Includes the impact of IFRS 16.



The recently refurbished ECI travel agency within the Castellana flagship store (Madrid).

KEY DEVELOPMENTS OF 2020

Due to the lockdown decreed on 14 March 2020, forcing the closure of our establishments, other than for the provision of essential services, the Group took a series of employment and financial measures to guarantee the company's sustainability.

- On the **employment front**, in March 2020, El Corte Inglés presented the paperwork required to avail of the furlough scheme set up by the government via Royal Decree 463/2020 (14 March 2020), declaring the state of alarm. Until June, the company, which availed of the measure due to force majeure, topped up the contributions made by the state so that its employees received their full salaries. Over the course of the year other furlough schemes were implemented in line with the measures and restrictions imposed at the regional level.

Subsequent to year-end, due to the duration of the pandemic and its consequences, the Group reached a unanimous agreement with its unions (CCOO, Fasga, Fetico and UGT) for the rollout of a - voluntary - workforce restructuring plan.

- On the **financial front**, in April 2020, El Corte Inglés entered into a new €1.34 billion financing agreement with a pool of 14 Spanish and international banks. That facility complemented the agreement previously entered into on 26 February 2020, raising €2 billion.

In July 2020, it entered into another agreement, raising up to €974.9 million, secured by Spain's official credit institute, ICO. Moreover, the Group was able to transfer part of the credit facility arranged on 1 April to that new state-backed agreement. As a result, the Group locked in liquidity for more than one year without having to provide any collateral. The banks that did not participate in the ICO loan stayed on in the revolving credit facility, due April 2021.

In addition, the company placed €600 million of senior notes on the market at the end of September 2020. Strong demand for the issue, which was four times oversubscribed, prompted the company to increase the original size from €400 million to €600 million. The notes mature in March 2024.

- Turning to the **corporate arena**, it is important to note the merger of Sfera into El Corte Inglés, a deal designed to enhance the customer proposition. The transaction extended the corporate restructuring thrust embarked on in 2017 with the merger of Hipercor, followed in 2018 by the merger of Bricor, measures designed to unlock synergies between the various formats and eke out efficiency and margin gains. Elsewhere, SICOR was set up under the umbrella of the Group's business diversification strategy: the new group encompasses a range of business activities from home security and alarms to facility maintenance and logistics management, among many others.

- Lastly, on the **commercial front**, we struck new alliances, notably including the agreement reached with MásMóvil for the development of innovative commercial initiatives that will benefit both companies' customers, including the launch of a virtual mobile and fibre operator. The new convergence-enabled telecommunications services will be marketed under our Sweno trademark. The Travel business has also rolled out a plan for creating a tourist group that is destined to position itself as a leader in Spanish-speaking travel agencies.



The chief executives of El Corte Inglés, Víctor del Pozo, and the MásMóvil Group, Meinrad Spenger, ratify the agreement.

EL CORTE INGLÉS GROUP FOOTPRINT

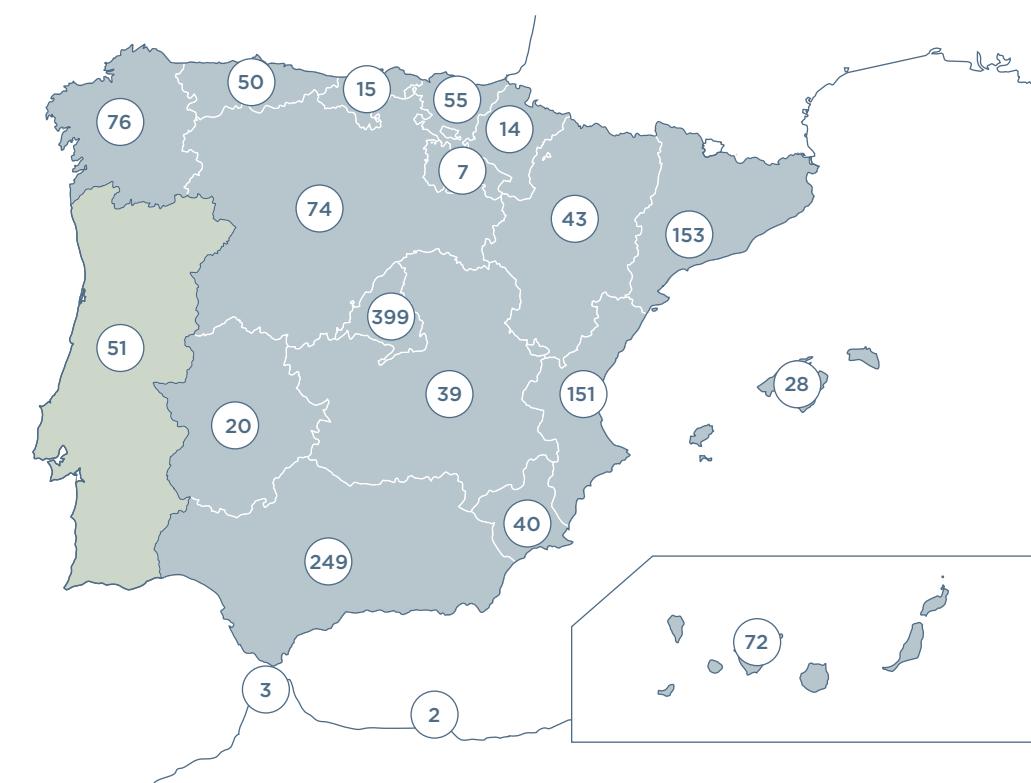
Points of sale by business line	Spain	Portugal	Other countries	Total 2020*	Total 2019**
Retail	693	23	320	1,036	1,089
El Corte Inglés	512	17	320	849	902
Department stores	85	2		87	90
ECI supermarkets	54	2		56	57
Hiperkor supermarkets	38			38	39
Sfera	186	10	318	514	566
Standalone Sfera stores	103	8	56	167	167
Sfera stores in ECI department stores	83	2		85	93
Sfera franchises			262	262	306
Bricor	57	2		59	60
Large-scale Bricor stores	2			2	4
Bricor PoS in department stores	55	2		57	56
El Corte Inglés Business offices	19		2	21	21
Outlets	55	1		56	50
Other retail establishments	18			18	19
Supercor	181	6		187	187
Convenience stores	181	6		187	187
El Corte Inglés Travel Group	627	26	133	786	804
Agencies	480	21	133	634	637
Other points of sale	147	5		152	167
El Corte Inglés Insurance Group	149	2		151	152
El Corte Inglés Insurance Centre agencies	124	2		126	126
El Corte Inglés Insurance agencies	25			25	26
SICOR Group	21			21	
Sales offices	15			15	
Offices (workplaces)	6			6	
Other	1			1	1
CERA Publishing	1			1	1
Total	1,491	51	453	1,995	2,046

2020*: Includes the ECI supermarkets for the first time and the newly incorporated Sicor Group.

2019**: Footprint restated to remove the ECI IT offices and add in the ECI supermarkets to make the numbers comparable with those of 2020.

Total number of proprietary stores and agencies in:

Spain: 1,491
Portugal: 51



**Total number of proprietary stores,
franchises and agencies in other countries**

Country	ECI Business Services	Standalone Sfera stores	Sfera franchises	Travel Group
Argentina	-	-	-	3
Saudi Arabia	-	-	7	-
Chile	-	-	58	10
Colombia	-	-	-	17
Costa Rica	-	-	6	-
Ecuador	-	-	-	2
El Salvador	-	-	11	-
Arab Emirates	-	-	1	-
United States	-	-	-	2
France	-	-	-	1
Greece	-	3	-	-
Guatemala	-	-	11	-
Ireland	-	-	18	-
Reunion Island	-	-	2	-
Italy	-	-	-	1
Mexico	-	50	-	88
Nicaragua	-	-	3	-
Panama	1	-	8	4
Paraguay	-	-	6	-
Peru	1	-	42	2
Poland	-	3	-	-
Qatar	-	-	1	-
Dominican Republic	-	-	-	1
Switzerland	-	-	60	-
Thailand	-	-	28	-
Uruguay	-	-	-	2
Total	2	56	262	133

Websites by country

Página web	País
www.elcorteingles.es	Spain
www.elcorteingles.pt	Portugal
www.elcorteingles.com	International
www.elcorteingles.es/empresas	Spain
www.hipercor.es	Spain
www.primeriti.es	Spain
www.sporttown.es	Spain
www.latiendaencasa.es	Spain
www.supercor.es	Spain
www.sfera.com	Spain
www.viajeselcorteingles.es	Spain
www.viagenselcorteingles.pt	Portugal
www.viajeselcorteingles.com.ar	Argentina
chile.viajeselcorteingleslatam.com	Chile
www.viajeselcorteingles.com.co	Colombia
www.viajeselcorteingles.com.ec	Ecuador
www.viajeselcorteingles.com.mx	Mexico
www.viajeselcorteingles.com.pa	Panama
www.viajeselcorteingles.com.uy	Uruguay
www.ecitravel.com	United States
www.tourmundial.es	Spain
www.clubdevacaciones.es	Spain
www.ventedemaraton.es	Spain
www.seguros.elcorteingles.es	Spain
www.seguros.elcorteingles.pt	Portugal
www.cerasa.es	Spain
www.gruposicor.com	Spain

Markets in which our products and services are available

Africa	America	Asia	Europe	Oceania
Angola	Argentina	Saudi Arabia	Albania	Australia
Algeria	Bolivia	Bahrein	Germany	New Zealand
Cape Verde	Brazil	Bangladesh	Andorra	French Polynesia
Cameroon	Canada	China	Armenia	
Chad	Chile	South Korea	Austria	
Congo	Colombia	Dubai	Azerbaijan	
Ivory Coast	Costa Rica	Philippines	Belgium	
Egypt	Cuba	Hong Kong	Bosnia	
Ethiopia	Ecuador	India	Denmark	
Gabon	El Salvador	Iraq	Spain	
Gambia	US	Israel	France	
Guinea Bissau	Granada	Japan	Georgia	
Ecuatorial Guinea	Guadalupe	Jordan	Gibraltar	
Kenya	Guatemala	Kazakhstan	Greece	
Malawi	French Guiana	Kuwait	Netherlands	
Morocco	Haiti	Lebanon	Hungary	
Mauritius	Honduras	Libya	Ireland	
Nigeria	US Virgin Islands	Macao	Iceland	
Reunion Island	Jamaica	Malaysia	Turks and Caicos Islands	
Senegal	Martinique	Maldives	Italy	
Sierra Leona	Mexico	Mauritania	Liechtenstein	
South Africa	Nicaragua	Mongolia	Lithuania	
Tanzania	Panama	Myanmar	Luxembourg	
Tunisia	Paraguay	Oman	Moldavia	
Zimbabwe	Peru	Pakistan	Norway	
	Dominican Republic	Qatar	Poland	
	Trinidad and Tobago	Singapore	Portugal	
	Uruguay	Taiwan	UK	
	Venezuela	Thailand	Czech Republic	
		Vietnam	Russia	
			Serbia	
			Sweden	
			Switzerland	
			Turkey	
			Ukraine	



RETAIL BUSINESSES

The keystone of the El Corte Inglés Group – a leading name in the distribution industry – is the retail business. Our retail strategy for the future navigates the interrelationship between the physical and online worlds. All the Group's formats - department stores in Spain and Portugal, Hipercor hypermarkets, Supercor supermarkets, Bricor home-improvement stores and Sfera fashion stores - are interconnected and moving towards an increasingly digital omnichannel model.

2020 proved a challenging year in which the online business grew even faster. In the wake of the nationwide lockdown introduced by Royal Decree 463/2020 of 14 March 2020, declaring a national state of emergency, El Corte Inglés set in motion special measures to provide customers with reliable service and meet the spike in demand for online purchases. Our stores – and the food and essential service areas especially – became platforms capable of meeting the needs of the public at a particularly difficult time. During the lockdown, home deliveries increased sixfold, and we rolled out a range of omnichannel services. We were able to successfully meet public demand thanks to the fine-meshed physical reach of the El Corte Inglés Group.

Since the onset of the pandemic, all Group stores and shops introduced strict safety, signage and hygiene protocols so as to operate as safely and reliably as possible and assure both customers and employees that the right sanitary measures were in place.

In 2020, Capital Finance International (CFI) magazine awarded a prize to El Corte Inglés as Spain's best retailer in the field of ESG (Environment, Social and Governance) performance. The prize salutes a range of sustainability achievements, such as our assortment of responsibly produced goods (more than 100,000 in 2019) and our Zero Waste programme.

In 2020, our retail areas posted combined revenue of €10.52 billion and EBITDA of €52.42 million.



Capital Finance International (CFI) magazine names El Corte Inglés Spain's best retailer in 2020 in the field of ESG (Environment, Social and Governance).

EL CORTE INGLÉS

1.7

million SKUs
in stock

694.5

million visits to our
websites and apps
+48.9% vs. 2019

35

countries where our
own labels are present

14.4

million online orders
+126.4% vs. 2019

CFI magazine award
for **best Spanish
retailer** in ESG
performance

El Corte Inglés accounts for 88.8% of the Group's business, and is hence our core company.

In this especially tough year, our ability to innovate and anticipate the needs of the public, our relationship of mutual trust with our customers and our commitments to quality and service excellence enabled us to be closer to society than ever. During the lockdown, only the business segments qualifying as "essential services" remained active – our other businesses temporarily shut down. But this did not stop us from taking the initiative and rolling out special new services at our shops and stores, such as arranging priority time-slots for older shoppers and setting up online shopping channels specifically for healthcare staff, who at that time were in need of support. For people not connected to the Internet or not at ease with online shopping technology, we set up telephone hotlines so that they could order home deliveries.

The Dark Store in Alcalá de Henares (Madrid), which was put together in just a fortnight at the onset of the pandemic to bolster the delivery of food and other staples.



Faced with the difficulties of the new situation, we worked hard to boost digitalisation and omnichannel availability. Physical and online stores worked in tandem to gradually improve our response to the needs of customers and society as a whole. We also bolstered services such as Click&Car, same-day delivery and local store pickup so that customers could shop online or over the telephone and then have their orders home-delivered or drive and pick up the goods themselves in the carpark of their chosen store. For our same-day delivery service, we increased the number of available products, which are now more than 300,000 in 54 cities across Spain.

Our ability to respond swiftly to changing circumstances came to the fore in April 2020: in just 15 days, facing a huge volume of online orders, we set up a "dark" supermarket in Alcalá de Henares. Later, we created a similar facility in Murcia to fulfil orders throughout the entire south-east coast area.

The next step was the launch in September 2020 of a highly responsive and intuitive mobile phone app for shopping online. The app provides access to special offers and personalised content tailored to the shopper's tastes. New functionalities

are added frequently. One of the most recent new options lets you pay for your parking space using your phone, without having to go by the payment machine, while the new "ask the expert" functionality lets you ask an employee for advice as if you were inside the physical store. In addition, we introduced our El Corte Inglés Plus flat fee of €19.90 for year-round home deliveries.

Our El Corte Inglés physical stores also adapted to the new situation. From June 2020 onwards, when to one extent or another our stores were allowed to reopen to the public, we resumed many of our social and arts-related activities. Some of the time, we combined in-person presence with the new possibilities offered by technology for people to attend events remotely.

El Corte Inglés continues to be an immense showcase for brands across all business segments, ranging from fashion and home furnishing to electronics, sport, leisure and food.

We offer a hugely varied range of brands that meet the needs of all sorts of customers, and our physical and online stores provide a wide catalogue of high quality own labels.

BUSINESS AREAS

All our business areas continued to innovate and constantly adapt to our customers' needs:

FMCG

Our **supermarkets and hypermarkets** qualified for the purposes of the state of emergency as "essential services" and thus stayed open throughout the year, even through the lockdown, to ensure that staple consumer goods remained always available. We worked very closely with local suppliers to provide them with support and boost the visibility of **local and Spanish products**.

The supermarkets business unit delivered on its commitment to **personalisation, quality and assured standards** at its physical and online stores, thus becoming a benchmark in the sector. Customers are offered the same range of goods on both channels, as the website and the mobile phone app provide the same possibilities as the physical store: for instance, you can even specify the type and fineness of cut of foods from the meat, fish, cheese and deli counters.

We also launched our new food label, "**El Corte Inglés Selection**", which brings together 600 premium-quality SKUs.

Luxury foods and catering

El Corte Inglés decided to partner with home delivery companies that specialise in ready meals and restaurants to **bring our catering to customers' homes**, particularly during the months when the lockdown was at its strictest. The catering business specifically grew by 2% year on year. We also set up a scheme to support the external restaurant and catering businesses that operate on El Corte Inglés premises.

Another major project was the refurbishment of our **Gourmet Experience** luxury foods space at our Castellana department store in Madrid. With premises of more than 2000 m², the standouts are the wine cellar and the long bar running down the centre of the shop floor. We offer a wide range of luxury-label goods and our Club del Gourmet section. Also at our Castellana site, we opened **El Patio del Espejo**, an avant garde restaurant concept.

We opened the **Las Nubes** restaurant at our Diagonal site in Barcelona.



Above: Gourmet Experience in the Castellana flagship store (Madrid).
Below: Las Nubes Restaurant, in the department store on the Diagonal (Barcelona).

Fashion and accessories

We are a leading, trend-setting name in fashion. This year, our already extremely wide range welcomed new labels in both women's and men's fashions.

We also set up **Designers**, a special section of our elcorteingles.es website that offers a curated selection of premium-label garments and accessories. Personal shoppers at our Serrano, Castellana and Marbella El Corte Inglés sites put together orders using special packaging and send them to the customer's location anywhere in Spain.

Moreover, our **dress codes** area adapted swiftly to the new situation by creating special collections that were warmly received.

Énfasis and Southern Cotton, two of our own-label women's fashion brands, launched a "homewear" line of comfortable garments designed especially for the home.

In **children's fashions**, customers can now buy school uniforms and First Communion suits and dresses over the website or using the phone app, and make appointments to try on garments at our physical sites.

Entertainment

This year, there was increased demand for family games and board games, kits and materials for home-made arts and crafts and video games and consoles. We also strengthened our range of toys that support sustainability, which now comprises more than 600 SKUs.

To make shopping easier for our customers – over Christmas especially – we extended our **click and collect option for toys to Supercor supermarkets**. And we set up a phone app-based textbook reservation service that ended up processing more than 92,000 orders.

Continuing our support for arts and culture, for the third consecutive year our El Corte Inglés booksellers awarded their **Un año de libros** prize to the year's best authors and books on Spain's literary landscape.

Electronics and domestic appliances

This was one of the areas that stayed open during the months when the lockdown was strictest. To meet the needs of people working from home and to accommodate increased technology use, we widened our range of goods in this segment.

This year, we launched new services for customers working from home, such as a smartphone and tablet repair service with home pickup and delivery, and a free telephone helpline for troubleshooting work-from-home issues. Many people found this support to be invaluable during the toughest months of the lockdown.



Home furnishings and décor

Since people were compelled to stay at home during the lockdown, consumer habits changed, turning their focus to home décor and furnishing, kitchen utensils, mattresses, and outdoor furniture.

To meet the new demand, we created **Sofá Atelier**, a sofa customisation service that lets you use a web-based design-your-own-sofa app to pick a sofa model and choose its upholstery, fabrics and colours.

We also launched **Decor Studio**, an end-to-end interior decoration service that provides customers with personalised advice and bespoke solutions. When you want to give your home a new look and style, we provide a "home ambassador" – a design expert with in-depth knowledge of the latest trends – who will work with you side by side throughout the entire process.

Sports

There is increased **demand for sports goods**, especially for home-based fitness and outdoor activities. So our already very wide range has welcomed many new suppliers. In addition, we created a personalised "ask the expert" service for fitness and cycling enthusiasts, who can seek advice using messaging apps, video calls and phone calls.

The surging popularity of **cycling** led to a 110% spike in the number of bicycles sold over our website. As customer support, we set up an **assembly service** for all bikes purchased over the El Corte Inglés or Hipercor websites. The demand for bicycle repairs increased accordingly, so we set in motion a **repairs service with home pickup and delivery** that customers can sign up online. The pros pick up your bike at your home, repair it and drop it off again.



OTHER BUSINESS LINES

Taking our brands international

El Corte Inglés continued its bid to internationalise its own brands across different categories, especially our fashion and food labels. Throughout 2020, we struck new deals with international distributors and reinforced relationships we had started in previous years. This enabled us to continue to expand, and our labels in the women's, men's and children's fashions, accessories, sports goods and food segments are now present in 35 foreign markets.

El Corte Inglés also internationalises its brands **online** via elcorteingles.com, which offers a range of more than 150,000 products and services tailored to customers outside Spain. The online channel bolsters the value of our own brands and those of our partners, who continue to increase. Spanish vendors in particular are leveraging the growth of the online market to go international in partnership with El Corte Inglés. We have positioned ourselves in foreign mar-

kets as a benchmark for quality products designed or manufactured in Spain.

Elsewhere, on the LaRedoute.fr marketplace, El Corte Inglés offers a widely varied catalogue of own labels. Customers have warmly received our home furnishing goods and young people's fashions, which have attracted high ratings.

Sfera is the Group brand with the widest international presence, with 326 points of sale: 64 own stores and 262 franchised stores. In the own-stores segment, our fashion brand Sfera operates 50 stores in Mexico, eight in Portugal, three in Greece and three in Poland. In addition, Sfera is present in Switzerland with 60 franchised points of sale, and in Ireland with 18. In Latin America, the fashion brand has 58 franchised partners in Chile, 42 in Peru and 6 in Paraguay. The label is also present in Guatemala, El Salvador, Nicaragua, Costa Rica and Panama. In addition, there are a number of franchised stores in Thailand, Saudi Arabia, Qatar, the United Arab Emirates and Reunion Island.

As for **agreements with international distributors**, Germany is one of the markets where the Boomerang and Mountain Pro sports brands have the greatest presence, with a total of 120 points of sale through an alliance with the Galeria Karstadt Kaufhof department store. We also have deals in place with other international operators to sell some of our own brands in Russia, Andorra and Paraguay, among other countries. In Paraguay, in 2020 we reached an agreement with Nueva Americana, a local chain with more than 70 years of history.

Spaces bearing the El Corte Inglés image were installed for more than ten of our own men's, women's, children's and sports fashion brands (Unit, Boomerang, EasyWear, Free Style and Bass10). We intend to extend the deal to home furnishing and toy brands.

This year also saw a stronger alliance to sell Unit brand products through Aliexpress Plaza. The deal will enable us to add new brands and drive our international expansion in Central Europe and Belarus, Russia and Ukraine.

In the **food** segment, El Corte Inglés is present in several Latin American countries. In Ecuador, our private-label products are sold through La Favorita supermarkets, the country's leading FMCG retailer. Grupo Rey supermarkets in Panama also successfully sell a wide range of our private-label products.

In Mexico, the El Corte Inglés range is present in the Soriana supermarket chain, while Club del Gourmet brand products are available at flagship sites of the Palacio de Hierro department store chain. In Cuba, our food and personal hygiene products continue to be sold through several chains.

El Corte Inglés also maintains a distribution agreement with Supermercados Peruanos in Peru, through the Plaza Vivanda and Plaza Vea chains, and in Colombia we are partnered with Grupo Éxito for distribution of our goods via its Carulla and Éxito supermarkets. In Paraguay, our highly appreciated range of own brands is available at Vierci group stores, which offer high standards of image, quality and service.

El Corte Inglés has deals in place with major retailers in foreign markets to strengthen its presence, brand image and sales: in Asia, we are present in China, the Philippines, Thailand, Hong Kong and Mongolia; in the Middle East, our goods are sold in Lebanon, Bahrain, Kuwait and Saudi Arabia.

Finally, in Europe we have an agreement with the Ahold-Delhaize group for distribution of our food range in Belgium and Luxembourg and our Club del Gourmet-branded goods through two major luxury food chains, Globus in Switzerland and La Grande Épicerie in France.

Real Estate

El Corte Inglés Real Estate is the Group's business unit that engages in the development, construction and management of real estate. Established in 2019, business unit brings together all areas of the Group tied to real estate and employs specialists in construction, architecture, engineering, development projects and construction work, and interior design and decoration.

El Corte Inglés, one of the largest real estate owners in Spain, has a long track record in real estate development and construction – mostly retail stores, but also real estate developed for third parties.

The real estate business unit manages a total of 12 million m², of which 11 million m² is under ownership, across more than 1,400 properties (both owned and rented). The unit comprises the following divisions:

- **Asset Management**.
- **Transactions and Property Management**, which handles one-off disposals and portfolio turnover.
- **Operations**, which employs architects, engineers and construction work managers.
- **Facility Management**, maintains all our real estate assets.



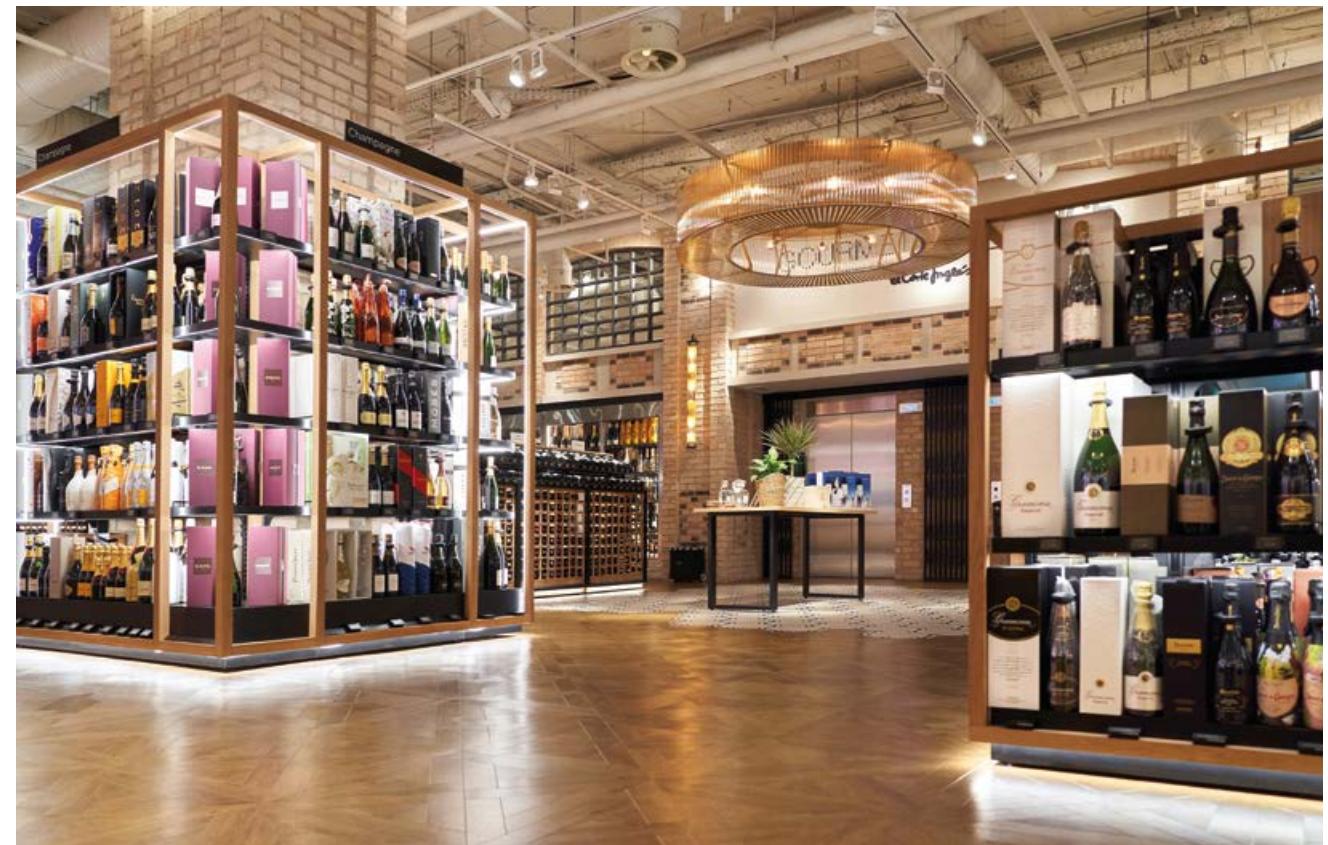
Our recruitment and training areas, refurbished by El Corte Inglés Real Estate.

When the real estate business unit was created, we classified our assets by purpose: retail, offices, logistics, land and "other premises". In 2020 specifically, we bolstered the business area that actively manages the Group's office buildings – whether used by us or leased to third parties – to optimise utilisation and revenue generation.

Over the year, several El Corte Inglés sites were refurbished. A standout was the refurbishment of our Castellana site in Madrid, which now boasts a new cutting-edge design and spectacular lighting (10,400 LED lights in different colours and 2,000 m of LED strips). We created El Atrio, a large new entrance hall that connects upper and lower floors, and El Patio del Espejo, an open-air space with a new escalator hub. We also refurbished the Gourmet space, which now has its own street-level entrance. The new, larger space is decorated in a variety of contemporary styles. At the El Corte Inglés site on the Diagonal boulevard in Barcelona we refurbished the cafeteria and the alfresco dining area.

In April 2020, El Corte Inglés Real Estate converted, in record time, the 4,000 m² Bricor building in Alcalá de Henares near Madrid into the Group's first "dark" store.

As for third-party projects, we started construction of an office building in Madrid under Passivhaus certification, a standard that certifies building sustainability. We also refurbished other office buildings and a prestigious hotel in Lanzarote.



New Gourmet Experience in the Castellana flagship store (Madrid).

EL CORTE INGLÉS-GRANDES ARMAZÉNS (PORTUGAL)

46.7

million visits to the Portugal website
+74% vs. 2019

Marketeer award
for “Best Large Commercial Space”

86.4%

of goods and services sourced from Portuguese suppliers

NEXO
prize, Best Intranet at the 2020 Communication Awards

Ámbito Cultural's activities reached

1.5

million people

El Corte Inglés-Grandes Armazéns, S.A., the Group's department store chain in Portugal, celebrates its 20th anniversary this year. The Lisbon site opened in 2001 and the Gaia Porto site in 2006. The chain also operates six Supercor supermarkets.

In 2020, the digital transformation of the Portuguese company accelerated, largely as a result of the two-month lockdown in response to the pandemic. This led to an increase in the online business. Logistics operations were reinforced to meet the large number of home delivery orders from supermarkets and other categories. Alongside this, we launched same-day delivery services to make shopping easier for our customers while complying with pandemic measures. In 2020, the online store saw a 74.8% spike in unique visitors with respect to the previous year, topping 46.7 million visits.

Marketing campaigns focused on Portuguese-sourced foods so as to support local suppliers. In Portugal, 86.4% of goods and services purchased were sourced locally: this was warmly received by customers looking for local products. Currently, we purchase food products from more than 800 Portuguese suppliers.

In response to the hardships caused by the pandemic, we launched several initiatives to help the most vulnerable.

The pandemic forced the cancellation of Ámbito Cultural's scheduled in-person events in Portugal, so the entire arts programme was reorganised and moved online.

We hosted 136 online activities relating to music, literature, poetry, history, film and current affairs. Video footage of our activities was uploaded to our social media, and drew an audience of 1.5 million people.

For the second consecutive year, El Corte Inglés in Portugal won the Marketeer award for “Best Large Retail Space”. The prize recognises our specialised quality service and the advantages of being able to find the most exclusive brands in one place. In addition, NEXO, our internal platform aimed at employees, won the “Best Intranet” prize at the 2020 Communications awards hosted by Medios y Publicidad magazine, which honours the best projects in the field of communication in Portugal.



The terrace at our Lisbon (Portugal) department store.

SUPERCOR

93.4%

of employees under permanent contracts

62

Supercor stores with accessibility certification

70.8

million visits to our stores

181

stores at the frontline of the pandemic relief effort

Our Supercor supermarket chain was created to meet basic shopping basket needs. Our stores have long opening hours and uphold the commitment to quality, service and reliability that is the hallmark of the El Corte Inglés Group. This year, our Supercor and Supercor Exprés convenience stores played a key role: despite the restrictions in response to the pandemic, they stayed open so that customers could shop for food and other basics. In March, April and May, when the lockdown was at its strictest, we saw a spike in telephone orders.

We have always given priority to sourcing our products locally; this year, however, we worked even more closely with local suppliers to support them through these tough times, lending visibility to Spanish produce and ensuring that customers had all the basics available at all times.

The 181 Supercor and Supercor Express stores widened the scope of their customer services. From Christmas 2020 onwards, customers can buy toys from the El Corte Inglés online catalogue and pick them up at the Group's supermarkets. Soon afterwards, we added electronics and domestic appliances to the same scheme. Now customers can place orders with in-store checkout staff and pick up the goods at the store itself or, if the goods are large or heavy, have them home-delivered instead.

These new services are layered on top of the option to buy goods on the El Corte Inglés website and pick them up at any Supercor or Supercor Exprés store: the approach adapts to the needs of omnichannel customers.

Moreover, we opened a new Supercor Exprés store in Madrid city centre which obtained the highest AIS (Accessibility Indicator System) certification level (5 stars) and was also certified by Fundación para la Accesibilidad y Responsabilidad Social (ARS). This is the first store in the chain to have "beepcon" wireless beacons installed that help customers with sensorial disabilities find their way around. The wireless beacon initiative helps the sensorially disabled in their day-to-day lives by giving them the independence to shop for themselves at our stores.



NON-RETAIL BUSINESSES

The non-retail business ecosystem is similarly framed by the Group's overall philosophy of helping people and making their lives easier. Our ability to seek out and tap new business opportunities has led to the start-up of a number of lines of business that resolve our customers' needs.



TRAVEL GROUP

99.3%

of employees under permanent contracts

32.4

training hours per employee

61.9%

of management positions held by women

13.8

million visits to our websites

Best Family Tourism

Travel Agency 2020

prize awarded by
La Razón newspaper

El Corte Inglés Travel Group is a highly versatile business, with extensive experience in holiday travel and event hosting. In 2020, we were hard hit by the pandemic in line with the rest of the tourism industry, which was mostly shut down. The Travel business was forced to avail of the furlough scheme introduced by the Spanish government (force majeure). It was later followed by a second furlough on "economic or organisational" grounds, which affected most of our employees and led to the temporary shutdown of 70% of our offices. These steps enabled us to keep our people in their jobs.

Over the year, we intensified employee training in digitalisation, corporate social responsibility and customer service, so as to be ready for when the situation returns to normal.

ECI Travel has laid down its strategic plan for 2020-2025, which will drive the business's transformation to ensure a profitable and sustainable future. Our key goals are: providing omnichannel service; digital transformation; customer focus; internationalisation; and leveraging the hallmarks of the El Corte Inglés brand to achieve Group-wide synergies.

We also produced our first corporate social responsibility master plan for the 2021-2025 period, in alignment with the Group plan. The plan sets out 14 actions that rest on four pillars that will be essential for the company's future: Progress, People, Planet and Product.

The Travel business launched the new U. Cruises brand, to market and distribute cruise packages offered by Celebrity

Cruises and Azamara Club Cruises. Cruises offered by these two premium providers will be distributed throughout all our travel agencies in Spain.

Whenever the changing situation created openings for organising travel and events, our teams proved swiftly responsive and provided customers with high quality personalised solutions. These challenges prompted the company to reinforce telephone customer service from call centres so as to uphold service quality in step with changing circumstances. During the pandemic, we proved highly capable of replacing major face-to-face conventions with large online events. Standouts included the national convention of the Spanish pneumology and thoracic surgery society, with 2,000 registered online attendees, the national convention of the Spanish allergology and clinical immunology society, with 1,500 online attendees, and the Latin American convention on cardiac rhythm, with 800 online attendees.

The Travel Group has two tour operators, Club de Vacaciones and Tourmundial, which sped up their digitalisation by boosting their online channels. Tourmundial met customers' new needs by revamping its range to include open-dated package tours supported by warranties. This tour operator also provided online training for more than 4,500 travel agents. Club de Vacaciones kept in touch with customers and vendors to continue working on its package tour offering in the light of the new situation.

INSURANCE GROUP

+144%

policies issued over the website

96.4%

complaints resolved in 2020

97.3%

of employees under permanent contracts

46.8%

of management positions held by women

The Insurance Group operates in the Spanish and Portuguese insurance markets through two companies: Centro de Seguros y Servicios, Correduría de Seguros, S.A. ("Insurance Brokerage"), and Seguros El Corte Inglés, Vida, Pensiones y Reaseguros, S.A. for life and accident insurance and pension fund management ("ECI Insurance").

In 2020, the two entities posted combined revenue of €211.1 million (excluding non-recurring savings insurance premiums) and EBITDA of €92.5 million (+3.16% with respect to 2019). Despite the difficulties of the 2020 pandemic, the insurance division remained profitable.

Household insurance (home contents, car, healthcare, life and accident) is the core product range, and all policy portfolios in this segment grew over the year.

The insurance division adopted a corporate social responsibility master plan for 2021-2025 to adhere to best practices in the insurance industry, continue to evolve in digitalisation and cybersecurity and support financial literacy and an insurance culture. Moreover, our investment and asset management decisions now take account of ESG risks and standards.

INSURANCE BROKERAGE

At year-end, the Insurance Brokerage business had 126 points of sale (124 in Spain and two in Portugal). Through the website seguros.elcorteingles.es we offer personalised service and telephone sales. We have two of our own contact centres in Madrid and Seville, and we provide other services to third parties.

In 2020, all our efforts focused on keeping up service to our customers and continuing to sell policies, even in the face of the lockdown and the restrictions on the retail sites where most of

our insurance brokerages are located. We gave our customer service unit a powerful boost, and during the months of strict lockdown the unit handled double the usual volume of calls.

In 2020, online sales increased by 144% in terms of new policy issuance; this was offset by the decline in face-to-face signings. This growth was made possible by the digitalisation of almost our entire product range, a comprehensive revamp of our website, a redesign of the website members' area to introduce improvements and new functionalities, and integration of the insurance offering with the new El Corte Inglés phone app.

As to new products, we launched funeral insurance nationwide, encompassing a range of exclusive options designed by our brokers to meet all customers' needs in this area.

We overhauled our damage, theft and warranty extension product range for electronics, phones and domestic appliances, and rolled out new household and life insurance products. These developments bolster the business model driven forward by our brokerage, whose catalogue combines insurance products designed in-house with a choice selection from the leading insurers in Spain and Portugal.

We made good progress in our end-to-end image revamp for offices operating within El Corte Inglés department stores.

This year saw the implementation in Spanish national law of Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution. This statute governs the company's business. To comply with the new rules, we introduced new rules in the fields of product control and governance, remote sales transparency, and conflicts of interests in insurance-based investment product distribution.

ECI INSURANCE

In 2020, accrued premiums came to €225.7 million. Stripping out savings insurance premiums – which are somewhat unpredictable – recurring revenue came to €122.9 million. This amount comprised premiums for our core product range: life and accident insurance. EBITDA and profit were 9% up on the previous year.

At year-end, our solvency ratio stood at 389%, displaying the strength of our balance sheet.

In line with Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector, ECI Insurance now takes account of ESG (environmental, social and governance) criteria in its investment decision-making. The company accordingly undertakes to identify, measure and monitor those aspects to inform its decisions on whether to make an investment and how long to hold it in the portfolio. ECI Insurance is committed to aligning its

investment strategy with the SDGs most relevant to its business: 5 (gender equality), 8 (decent work and economic growth), 12 (responsible production and consumption) and 13 (climate action).

Finally, in 2020 all pension plans under our management posted positive returns. Three out of the four pension plans that we manage ranked among the top ten by annual return in their respective categories.



SICOR GROUP

81%
of employees under permanent contracts

87.3%
of employees work full-time

The SICOR Group was created in July 2020 after El Corte Inglés acquired Mega2, a security firm. The takeover was part of the Group's diversification strategy, which in the past gave rise to our travel and insurance divisions. In both those cases, the business units at first provided internal services only. After they built up volume and experience, they opened up to third parties to become profitable businesses in their own right.



The end-to-end service group comprises seven companies across the following market segments:

- **Security:** The group has a long track record in physical security (guards, personal protection and bodyguards, security dogs) and electronic security (solution engineering and design, installation and maintenance, cybersecurity, alert centre and telephone support) to ensure a high quality after-sales service. Under our deal with MásMóvil, we shall also sell cutting-edge home alarm systems.
- **End-to-end services:** This unit provides solutions and support for individuals and businesses in the form of staff (hostesses, concierges, drivers, among others), comprehensive solutions for buildings, production outsourcing, social services and point of sale technologies, among others.
- **Cleaning and maintenance:** General cleaning, buildings, construction sites, window repair and replacement, floor treatments and car park maintenance.
- **Logistics:** As part of the Group's drive towards online sales and an omnichannel strategy, we have created an independent logistics business. El Corte Inglés has its own robust logistics infrastructure that engages in internal services for its own retail business.
- **Integra:** This special employment centre helps find jobs for people with physical, mental and sensorial disabilities.
- **Interservicios temping:** This company will provide other businesses with temporary staff.
- **Supplies:** Supply to third-party companies of staff uniforms, individual protection equipment and other products.





Façade of El Corte Inglés in Preciados street (Madrid) in the middle of the last century.

Our cornerstones

Our business has been evolving over its more than 80-year history but has never strayed from its core values. Our steadfast principles of ethical and responsible conduct vis-a-vis our customers, employees, suppliers, society and the environment have enabled us to evolve towards a model more aligned with digitalisation, diversification and sustainability.

El Corte Inglés has been working for years to make the planet more sustainable and forge a better future for everyone. To that end, we are taking action on several fronts to foster suitable and responsible manufacturing conditions, rationalise resource consumption and waste generation and tighten our bond with society and the environment.



Decoration of our toy floor.

759.7

million visits to our websites and apps

15.2million online orders in retail
+130.8% vs. 2019**1.7**

million SKUs posted on the El Corte Inglés website

+107,000

sustainable product SKUs in retail

5

million social media followers

11.6

million El Corte Inglés store card users

Our customers

Our customers are our reason for being. The mutual trust built up with them has made us a curator and a steadfast ally in making their lives easier.

Customers are the lifeblood of our business and we work hard to earn and maintain their steadfast trust. Our business model is based on an attractive, varied and high-quality sales proposition, which is constantly updated to add pioneering products and services in response to emerging needs.

Digitalisation and our omnichannel platform enable constant interaction between the physical world and online environment so that users can locate our products and services on either channel.

As a result, adding in the experience built up over time, we have earned the people's confidence and become a genuine "facilitator" of their lives. In 2020, with the onset of Covid-19, all of the Group companies transformed their activities in one way or another to accompany our customers at such a difficult time.

Related material topics

- Customer service and service excellence
- Cybersecurity and information security
- Confidentiality and data protection
- Product safety
- Consumer regulations
- Adaptation, promotion, transparent reporting and encouragement of responsible consumer behaviour
- Eco-design and sustainable product and service innovation
- Customer loyalty
- Brand identity

SERVICE EXCELLENCE

Personalised customer care and service vocation are hallmarks that set us apart. We boast a team of highly specialised professionals who guarantee the provision of excellent service. We have dedicated customer service departments within our department stores, where customers can get help with any enquiries, fill in paperwork and provide suggestions, among other things, helping us build a relationship of mutual trust with our customers.

Specifically, we pioneered the provision of innovative services to facilitate online shopping and prioritise certain groups of shoppers with special needs. In March, we set up dedicated checkout lanes for people over the age of 65 and we prioritised their shops so that they could do their errands quickly and spend as little time away from home as possible. They were also given preferential access first thing in the morning.

Elsewhere, to acknowledge the extraordinary efforts made by our health professionals, we set up a dedicated phone line and an exclusive email address for them so that they could place orders quickly and without hassle; they were also offered free home delivery.

The synergies between the online and offline worlds have enabled us to reinforce three services that had already been deployed but found themselves in great demand in 2020:

CLICK & CAR | **RECOGIDA EN TIENDA** | **ENTREGA EN EL DÍA**

El Corte Inglés assesses the overall customer experience in order to continuously do things better. Over the course of the year, the Group carries out numerous studies to analyse variables such as product knowledge, customer preferences, perceived service levels and customer satisfaction.

Each year we draw up a barometer designed to map the level of satisfaction with El Corte Inglés' alteration services, facilities and deliveries. In 2020 we conducted nearly 69,000 customer surveys (2019: 78,275), obtaining a very good overall satisfaction score of 91.9% (2019: 92%). That performance is particularly positive in light of the difficulties faced in keeping our standards of service at the levels we are known for despite Covid-19. The alterations services obtained the highest score, of 95.7%.

The Group companies that operate in the Insurance and Travel sectors and the ECI Business Services arm also conduct their own customer satisfaction surveys, which altogether numbered 35,164 in 2020. The Travel business obtained a score of 9 points from leisure travellers (same result as in 2019), and 8.8 from business travel customers (8.4 in 2019). The Insurance business improved its customer satisfaction score by 0.3 percentage points (7.9 in 2020 vs. 7.6 in 2019), while the Business Services area saw its score improve by 0.1 percentage points (8.3 in 2020 vs. 8.2 in 2019). Considering the extraordinary circumstances induced by Covid-19, those figures are viewed as positive.



INNOVATION AND DIGITALISATION

Innovation in the broadest sense is essential at El Corte Inglés. In recent years, a significant part of its innovation effort has been focused on the digitalisation of all of the Group's lines of business. The onset of Covid-19 has accelerated the omnichannel strategy and paved the way for making decisive progress on the transformation of our business model. We continue to work towards becoming a 100%-digital company.

The online business has proven crucial during the health crisis. The department stores remained closed for several months with the exception of the areas selling food and other essential products. Thanks to our online presence, we were able to sell additional products and services and keep our customers company from a distance. In addition, during the lockdown, we monitored our customers' habits and needs constantly in order to detect opportunities and fix problems.

Key e-commerce metrics in 2020

15.2 million online orders in retail (>130.6% vs. 2019)
759.7 million visits to our websites and apps (>41.4% vs. 2019)
8.6 million registered users across our retail websites
7.8 million customers with an online account (>33.7% vs. 2019)
> 1.6 million customers shopped using one of our online channels
1.4 million omnichannel customers (>46.4% vs. 2019)

Growth in the use of mobile devices to browse and shop online prompted El Corte Inglés to fully overhaul its online store, redesigning it for mobile browsing. In 2020, El Corte Inglés took that strategy a step further, launching its new app and its annual flat-rate fee, El Corte Inglés Plus. These developments are changing how we interact with our customers. The new app, for example, opens the door to more personalised communication with digital users. It encompasses online browsing and shopping services on www.elcorteingles.es and introduces new features. Between its launch in October 2020 and the end of February 2021, the El Corte Inglés app has registered 21.1 million visits and almost one million downloads.

Our new website also went live last year, offering a more user-friendly browsing experience and enhanced personalisation options. Users can shop over 1.7 million SKUs across all categories and brands. We offer same-day delivery on more than 300,000 SKUs and, since September 2020, 50,000 food products. In 2020 we received a total of 759.7 million visits across the Group's various websites, growth of 41.3% from 2019.

In line with the growth in traffic over smartphones, we paid special attention to the mobile-friendly version of the website and the app. We added Bizum as a payment method for online orders. Bizum facilitates the shopping experience by offering a secure and simple process in which shoppers only have to introduce their phone number followed by two-factor authentication.

Those advances have made it possible to offer our customers better service and handle the high demand for orders processed online as a result of new habits acquired in the wake of the health crisis.

The number of customers registered on our retail websites reached 8.6 million in 2020. The most widely used payment method was the El Corte Inglés store card.

EL CORTE INGLÉS STORE CARD

The El Corte Inglés (ECI) store card was created with the idea of facilitating our customers' shopping experience. It has become one of the most popular and widely used payment cards in Spain, with over 11.6 million users. The new app has the ECI store card embedded, making it possible to pay for purchases made on any of the Group's websites from mobile handsets, to consult card movements and, for those who don't have the card yet, to apply for it from their phones via an entirely digital process. The store card offers countless benefits, such as financing, parking discounts and discounts at service stations, among others.

We once again won five Salute To Excellence prizes at the Private Label Manufacturer Association (PLMA) 2020 Fair, evidencing the quality and innovation of our private label products. Those awards assess and reward quality and innovation excellence in fast-moving consumer goods in both the food and non-food categories.

Our commitment to innovation was also evident in the invitation to participate in the Innovation in Company forum, set up to encourage sustainability within the Spanish start-up ecosystem. Three goals were set to that end: efficient and responsible management of ESG matters in the supply chain; measurement and communication of products' environmental and social footprints; and product traceability from source to end customer.

MOST DIVERSE AND HIGHEST QUALITY PRODUCT AND SERVICE OFFERING

Our quality and guarantee commitments are the foundations of our business model. We also pledge to offer a variety of choice, innovation, alignment with market demand and service vocation. As a result, we supervise our processes closely, to ensure the highest quality products and services and diversify our lines of business to adapt to new needs and offer the widest array of choices. All of which framed by our steadfast principles of ethical and responsible conduct with our customers.



VARIETY

El Corte Inglés Group strives to diversify its business by adding new business lines that enable it to continue to grow and adapt to an ever-changing society and business environment.

In the retail business we are known as the major showcase for brands, offering a mix of prestigious Spanish and international firms, private labels and up-and-coming new names to satisfy customers with different tastes, interests and wallets. In food we sell typical Spanish products (many with protected designations of origin and protected geographic indications) alongside well-known international products.

That strategy translates into a broad range, made up of environmentally-friendly products and services covering all categories, aimed at encouraging our customers to lead healthy lifestyles. In 2020 our retail businesses had a total of 1.7 million SKUs on sale.

We also launched a project we have dubbed the “Extended Catalogue” initiative in order to bring the entire range of products and services sold by El Corte Inglés anywhere in Spain, marking a fresh milestone in our omnichannel strategy. **In 2020 we expanded the number of firms available to shop from our website, adding 162 new brands to bring the total to 887.**

During such an atypical year, one of our top priorities was to guarantee product suppliers without renouncing service standards or breadth of assortment. To do that we committed strategically to locally sourced products, collaborating closely with our Spanish suppliers and the regional economies. In 2020 we sold 165,964,767 kilograms of fresh produce, up 12.6% from 2019.

TODO EL CORTE INGLÉS ESTÁ PARA TI CON EL **BUSCADOR DE ARTÍCULOS**



PRIVATE LABEL

We boast a diversified range of private labels in all segments: fashion, sport, furniture, home textiles, stationary, toys, electronics and domestic appliances. In fashion and footwear we have some 69 private label brands which between them offer a wide range of products targeted at all audiences: women, men and children.

In food and fast-moving consumer goods, we sell 620,937 SKUs under the following private labels: El Corte Inglés, Aliada, Special Line, Club del Gourmet, All Intense, Veckia, Fred & Rita and Katakan. All of those products are sold in-store and online and for years have been associated with assured quality.

Private label innovation extends to assortment: we continually add new SKUs in all product categories to respond to new demands. In 2020, it is worth highlighting the launch of the El Corte Inglés Selection trademark, made up of around 600 SKUs of premium quality products whose unique packaging is aligned with its high-end attributes.

We also added to our range of products in the balanced diet category. To do that we reformulated the composition of a number of private label products to enhance their nutritional and health properties. El Corte Inglés is participating in the Spanish government's so-called Collaborative Effort to Improve the Composition of Food and Drinks with the aim of reducing product salt, sugar and fat levels. It is part of the Nutrition, Physical Activity and Obesity Prevention strategy being pursued by AESAN, Spain's food safety and nutrition agency, and the World Health Organization.

In the home décor segment we offer a broad range of private labels in furniture and décor products targeted at different life-styles: El Corte Inglés room, Mini Home, *Nuestro mejor precio*, *Vida al aire libre* and *La oficina en casa*.



SPECIAL NEEDS

Sensitive towards the food requirements resulting from specific diseases and intolerances, we have more than 6,700 SKUs suitable for people who are gluten and lactose intolerant and diabetics, growth of 16.2%. We also offer multi-cultural products, including 371 kosher and halal products.

Within our bio corner - La Biosfera - we have lifted the range of environmentally-friendly, organic foods and products to 2,990 SKUs.

And in fashion we cater to diverse needs by offering made-to-measure tailoring, special sizes, preemie baby clothes and 100%-cotton uniform options.

In the OTC pharmacy sections of our department stores, we have pharmaceutical professionals and specialist dieticians who can provide personal advice on health and personal care products.



NEW SPACES, LIFE STYLES AND FORMS OF ENTERTAINMENT

The measures adopted in the wake of Covid-19 have ushered in new habits. That has meant adding new items to our ranges, such as face masks, hand gels, pulse oximeters, contactless thermometers, and specific products for skin issues caused by the frequent use of masks and gel, as well as reinforcing our vitamins and immune-boosting products.

Our new routines include new ways of dressing, different ways of working and new forms of entertainment. To that end we launched homewear collections with garments suited for our current lifestyle.

Homes have taken on new roles, becoming places of work in addition to place of entertainment and rest. As a result, we reinforced the categories related with home fittings, offering over 1,000 small domestic appliance SKUs with same-day delivery and more than 600 large appliance SKUs with delivery guaranteed in 24 to 48 hours.

Lastly, we added to our assortments in categories related with home fitness and individual outdoor sports such as cycling, running, trekking, tennis and golf, bringing in new suppliers to cater to the peaks in demand.



QUALITY AND SAFETY

Product and service quality is one of the principles that guides all our business lines. We work tirelessly to guarantee traceability and safety as the means to meeting our customers' expectations.

Best range at best price

Our professionals are essential to upholding the standards of quality promised by the Group. For that reason, our skilled professionals received training during the year about sector developments and legislative updates related with quality and safety that affect the items we sell.

In 2020, we reinforced the procedures in place for detecting and anticipating situations that could generate alerts affecting any of our products and for intervening swiftly and effectively to fix any such problems and eliminate potential risks.

The work done by the quality management teams is divided into three main lines: food and FMCG, textiles and assorted other items.

Key figures in 2020

Food - FMCG	Textiles	Other
9,847 food samples analysed	5,125 garment and footwear tests to verify quality: the El Corte Inglés Standard	14,773 verifications and tests in other categories
Private label food and FMCG		
448 product analyses		
31 factory visits		

FOOD - FMCG

Our **quality standards and management model** proved vital tools in navigating the challenges thrown up by the pandemic. They proved to be reliable, robust and flexible, enabling us to maintain and reinforce the high standards that characterise us.

Our preventative systems, underpinned by simple approaches and processes, are articulated around a series of rules, procedures and tools designed to enable us to assure that the products we sell meet all required standards.

To verify their effectiveness, we continued with the **food safety audit plan for retail premises**, which takes in supermarkets and eating areas. We pass our demands along to the operators that sell their brands in our establishments, further bolstering the quality of the products and services we offer.

Furthermore, because the hospitality and Club del Gourmet businesses have expanded how they reach their customers by offering delivery, we have established new processes to make sure our products reach our customers' homes in as good condition as if they had been purchased in person.

In relation to the products we make ourselves (bakeries and catering kitchen) we intensified our quality and food safety process requirements by adopting the ISO 22000 standard.

In 2020, we conducted 882 food safety audits (down 26% from 2019 to the impact of and limitations caused by Covid-19).

The quality and safety processes were ongoing at all times to assure our customers safe shopping; in addition to the usual aspects analysed, we added the revision of the procedures rolled out to ensure Covid hygiene and safety.



Roscones de Reyes being made at our bakery.

TEXTILES

The Quality Assurance Policy at El Corte Inglés Group implies a range of procedures designed to ensure the highest standards of quality and compliance across all products. One example is the Textile Testing Procedure, whereby suppliers are sent the Group's requirements and a copy of its 'Safety standard for clothing, footwear and accessories', both of which are available for consultation on the El Corte Inglés corporate website.

The Group applies the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation and internal standards rigorously to ensure the absence of banned substances in its private label clothing and textile goods. It is also monitoring the legislative amendments to the REACH Regulation due to take effect from November 2021. El Corte Inglés has updated its policies and procedures so that its products are made under those new criteria. We have also informed our suppliers of the need to update their procedures for the new REACH Regulation safety criteria.

As part of its constant search for the highest safety standards, El Corte Inglés verifies that its clothing and shoes carry composition labels and tests them for colour solidity and other physical properties. To do that it carries out a series of physical and mechanical tests at its labs, in collaboration with a benchmark external expert, during pre-production. In addition to those verification tests, we carry out tests post-production, an effort that has improved how we engage with our suppliers.

Of particular importance are the tests carried out to ensure the mechanical safety of baby and children's products to prevent the risk of swallowing or flammability.

Ej.	Number of clothing, textiles and footwear safety control reports	Percentage of clothing reports related with hazardous chemical substance controls
2019	10,535	72%
2020	8,471	70%

OTHER

We keep files tracking all the tests and certificates that need to be performed to guarantee the safety of our toy, household product and domestic appliance brands, which are based on European legislation.

In response to Covid-19 we had to develop and implement technical procedures for validating the various classes of face masks (hygiene, surgical and PPE) sold by El Corte Inglés. Those procedures include the definition of the tests to be performed by the external labs we work with to certify compliance and the level of protection in this new product category, in keeping with applicable legal standards.

In addition, some of our business lines are certified under international quality standards such as ISO 9001:2015. Evidencing our commitment to quality, in 2020 we certified our third quality management system (ER-1225/2011, in addition to the ER-1006/2011 and ER-0207/1997 processes under ISO 9001:2015) and we expanded the scope of the ER-0207/1997 certification to include the performance of building rehabilitation and refurbishment works and space fitting at ECI Business Services. SICOR boasts ISO 9001 certification and its health and safety system is OHSAS 18001 compliant.



CONTINUOUS IMPROVEMENT AND PERMANENT DIALOGUE

Smooth communication with our customers is vital to our business performance and plans, allowing us to detect new opportunities for improvement or growth in order to continue to offer excellent service and product choice. By means of continuous dialogue we learn about what our customers need from and expect of us, gathering feedback about suggestions they may have, helping us respond quickly and effectively.

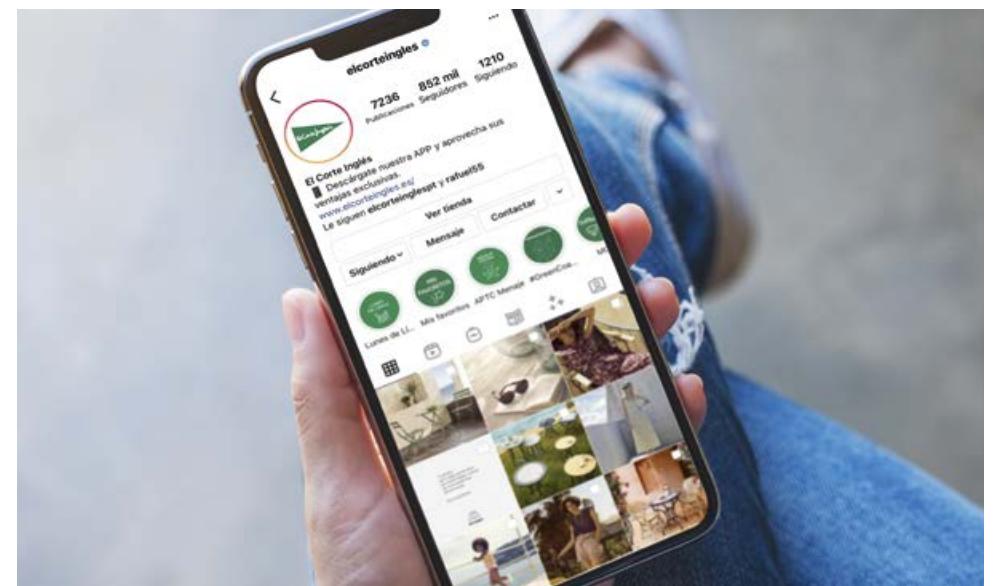
PERMANENT OMNICHANNEL COMMUNICATION

We offer our customers a wide variety of user-friendly channels for communicating with us in a bid to maintain a close relationship with them.

The Covid-19 pandemic brought major challenges but also ushered in new opportunities. We decided to transform our customer care centre by adding new technological processes and systems. As a result, we are in a position to pioneer and innovate using alternative contact channels, customer self-management tools and experience indicators, which are some of the core components of the transformation of our Digital Contact Hub.

The number of customers who put their trust in us and provide us with express consent to contact them continues to increase. Some 7.4 million people have already provided us with their contact details through the various channels (email, mobile phone, postal address and our app) so that we can reach out to them directly and tell them about the advantages of our products and services. Among our Portuguese-speaking customers (265,921 people contacted in 2020), the figure increased by 64.1% from 2019.

We received over 44 million calls (up 87.5% from 2019) and 4 million emails (year-on-year growth of 99.7%), triggering the reinforcement of our customer service resources to meet those growing needs.



Our social media following hits the 5 million mark.

Key figures in 2020

44 million incoming customer calls and 3 million outgoing calls to customers

Over 512,000 SMS sent

4 million emails received

Over 1.6 million emails sent

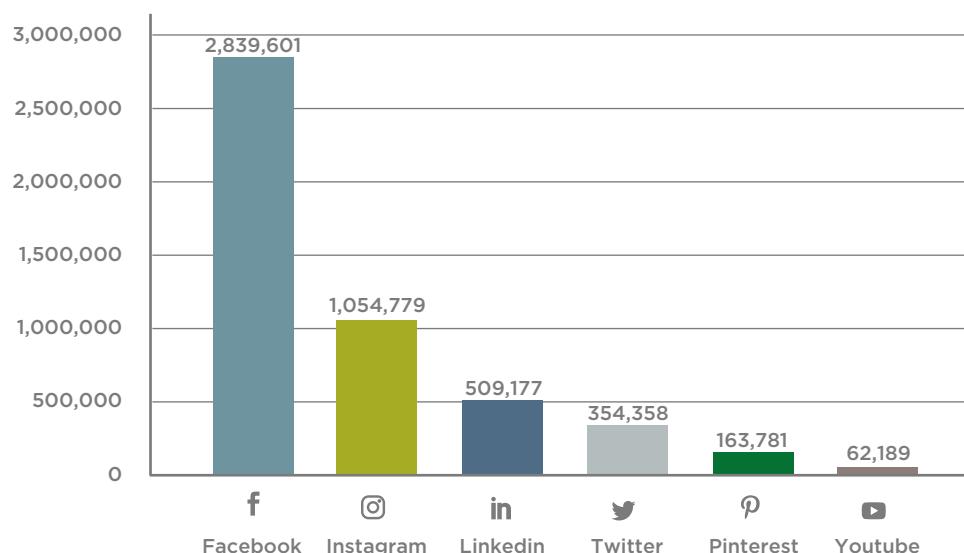
Over 156,000 contacts managed on social media

5 million social media followers

We have a presence on the leading social media, including Facebook, Twitter, Instagram, LinkedIn, Pinterest and YouTube. Accessible to all citizens, they are good channels for customers to make suggestions and learn about our main initiatives, developments and launches.

Our social media community reached 5 million followers³ in 2020 (3.5 million in 2019), driven by considerable growth in Pinterest, LinkedIn and Instagram. Our social media handle with the most followers is our Facebook page, with 2.8 million followers, and our second most popular handle is Instagram, with 1.1 million. Another new milestone was our first foray into TikTok, at Christmas time, which proved highly popular.

Social media users in 2020



³ Includes for the first time, unlike in 2019, the followers of Supercor, the Portuguese department stores and ECI Travel.

INCIDENT MANAGEMENT

Our customer management model enables us to provide appropriate and swift responses to any incidents that arise.

Incidents notified at the El Corte Inglés department stores are managed using the Salesforce platform; the rest of the Group companies have their own incident reporting and management platforms.

The first few months of the financial year coincided with the start of the state of alarm, when movement and non-essential business activities were restricted, forcing us to close sections of our establishments and adapt the way we did things in order to cater to huge peaks in demand for online orders in a short period of time. That triggered an unprecedented logistics response. The number of incidents increased in line with that exponential growth in online shopping: in 2020 the Group recorded 784.4 thousand incidents, compared to 307.3 thousand in 2019. Most were related with logistics issues and compliance with indicated delivery time slots.

The increase recorded in the number of requests for information had to do with the inclusion in the Salesforce management platform of food-related claims and requests for technical assistance for large domestic appliances for the first time. Incidents registered at El Corte Inglés department stores that were managed using the Saleforce platform were remedied in 3.7 days on average. The El Corte Inglés department stores in Portugal recorded an average incident resolution time of 1.13 days; Supercor reported a time of 15 days; the Insurance business took 18 days on account of the complexity of its operations; while the Travel business took 44 days due to the high number of booking cancellations and requests for reimbursement. In addition, some of the customer service staff were on furlough, which slowed the process down.

DATA PROTECTION

In the current context, data security is one of the biggest risks facing businesses. At the Group we work hard to safeguard the privacy and personal data of our customers and view that protection as key to maintaining the trust they deposit in us.

We reinforced cybersecurity and information security in response to the stress to which the operating networks and systems were exposed during the year. The growth in the online business and new ways of working are increasing our exposure to cyber threats.

In 2020 we kept tight control over the personal data processed, applying the technical and organisation measures required to ensure private and security. Our data protection effort is framed by compliance with prevailing legislation, specifically the General Data Protection Regulation at the European level (Regulation 2016/679), the equivalent legislation transposing the GDPR into Spanish law (Organic Law 3/2018 on data protection and digital rights) and the commitments assumed by the Group internally to ensure diligent data protection.

Thanks to the efforts made on that front, the Group did not receive any claims related with breaches of privacy from third parties or regulatory authorities in 2020. Nor did it identify any incidents of data leakage, theft or loss.

Lastly, in relation to the technical and organisation measures, the Group worked to perfect and expand the management of its Processing Records using ePrivacy V6, an end-to-end privacy management tool that classifies all data processing activities as high or low risk.

TRANSPARENCY

Here at El Corte Inglés we pledge to exercise the freedom of commercial communication responsibly by means of the advertising self-regulation scheme. To that end we are members of Autocontrol, Spain's independent advertising self-regulation body, which works to ensure advertising upholds standards of ethics and consumer rights.

The Corporate Social Responsibility certificate awarded by Autocontrol certifies the fact that El Corte Inglés has complied with the body's Code of Advertising Conduct in its commercial communications. It also certifies that no claims have been received about gender discrimination in El Corte Inglés advertisements.

We draw up a compliance report quarterly to itemise the potential incidents/claims received from consumers via Autocontrol. Complementing that effort, before we release certain campaigns, we proactively use the Copy Advice® service, a tool used widely in the Spanish advertising industry to ensure compliance and prevent infractions or reputational risk.

We also have internal protocols that list, by product category, the information that customers must legally be provided in relation to the items sold under our trademarks.

SUSTAINABILITY MOVEMENT

Responsible production and consumption (SDG 12) are strategic thrusts that run through our business activities and form the basis of the Sustainability Movement, an initiative launched in 2019 in order to continue to progress towards a more sustainable business model and lifestyle.



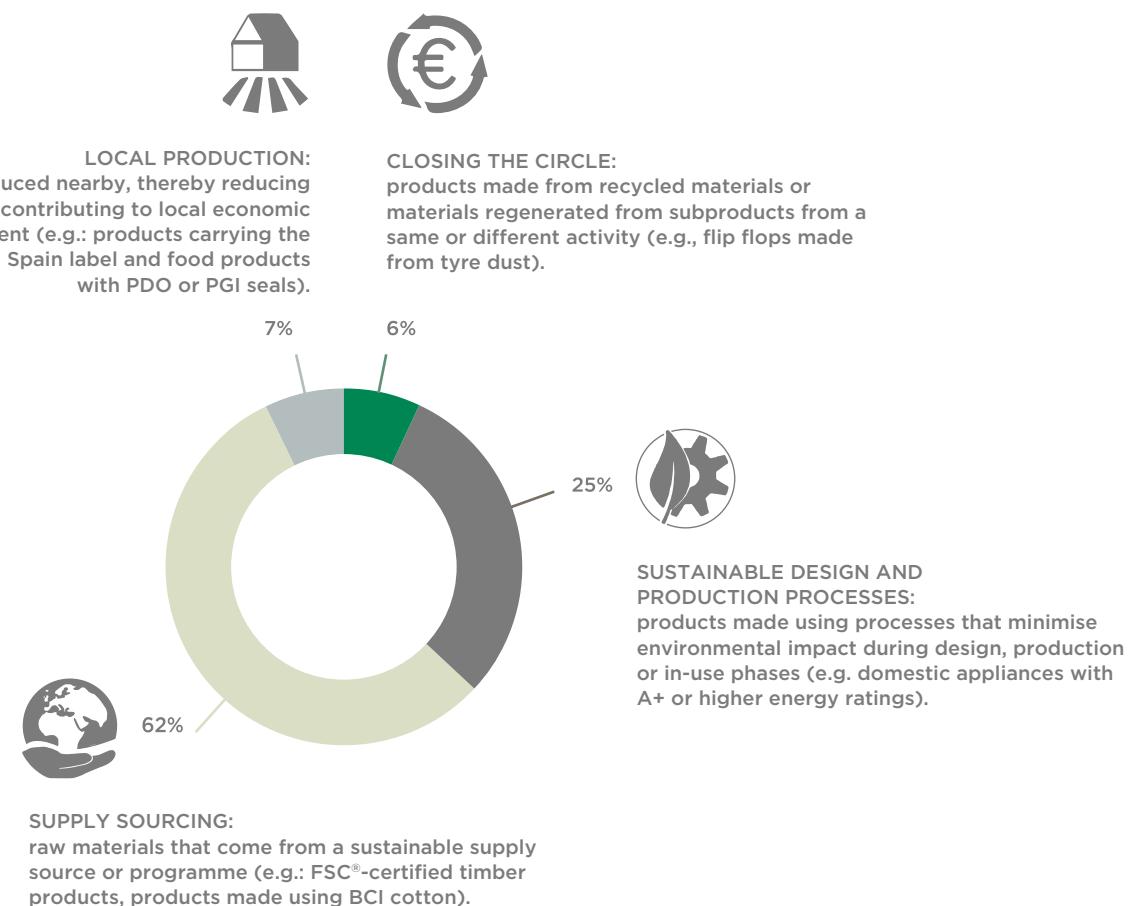
In 2020, the Board of Directors approved the new 2021-2025 Sustainability and CSR Master Plan, articulated around key lines of initiative in the sustainability arena over the coming years. The Plan defines 270 actions grouped under nine programmes aligned with the Sustainable Development Goals:

Setting sustainability in motion	Responsible consumption	Responsible production	'Green' digitalisation	Climate action	Corporate culture, equality, diversity and community commitment	Corporate governance
Sustainable Development Goals	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	9 INDUSTRY INNOVATION AND INFRASTRUCTURE 	13 CLIMATE ACTION 	4 QUALITY EDUCATION 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
1. Sustainable consumer habits						
2. Health lifestyle, safety and wellbeing						
3. Sustainable products, services and businesses						
4. Digital product passport						
5. Local economy and proximity						
6. Sustainable logistics and mobility						
7. Environmental footprint reduction						
8. Team engagement						
9. Policies, accountability and due diligence						

RESPONSIBLE PURCHASING

In 2020, we developed a new version of the Sustainable Product Guide for El Corte Inglés buyers and suppliers, which includes four programmes and more than 100 sustainability attributes deemed to add value to a product at one or more stages of its lifecycle, thus reducing its environmental footprint. Our guide has been endorsed by OCU, UNED, AECOC, Slow Fashion Next and Navarra University.

Sustainable product guide programmes



Quality is a true ally in the business transformation quest, specifically the effort to adapt for circular economy models and promote responsible purchasing. At El Corte Inglés we vouch for quality products with long useful lives. And we offer alteration and repair services to give the products we sell a second life.

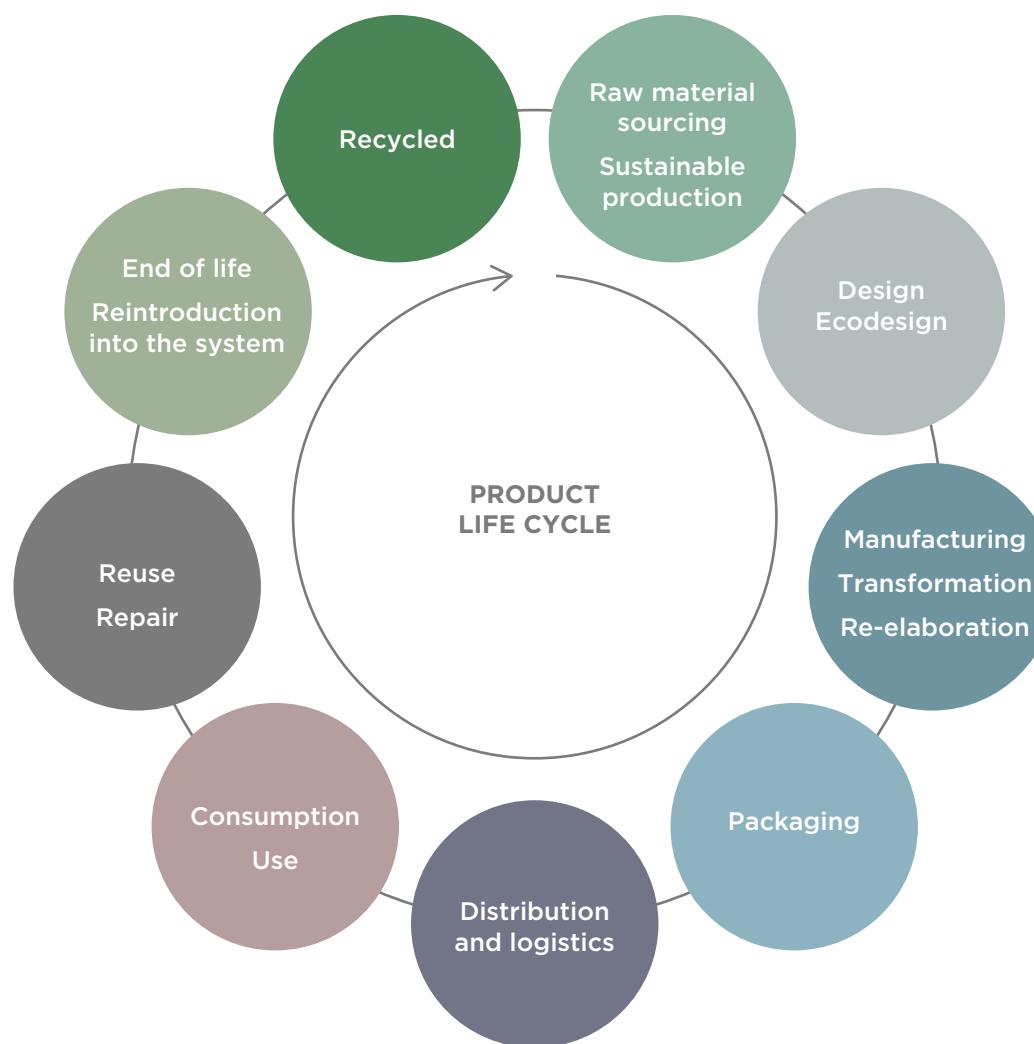
To structure that effort, the Group has a Responsible Purchasing Committee and a number of sub-committees that have rolled out a host of initiatives based on the guidelines enshrined in the 2021-2025 Sustainability and CSR Master Plan and the corporate commitments assumed by the Group (notably including the Fashion Pact). A specific roadmap has been devised for each line of initiative. Some of the commitments assumed by the company and already set in motion:

	2021	2022	2023	2025	2027
	<ul style="list-style-type: none"> • 30% of cotton under BCI programme • 10% of cotton organic or recycled • 10% of polyester recycled • 100% of buyers and designers trained on recyclability ecodesign • 100% of buyers and designers trained on packaging ecodesign 	<ul style="list-style-type: none"> • 40% of cotton under BCI programme • 25% of cotton organic or recycled • 30% of polyester recycled • 10% of wool recycled • 10% of viscose certified • 15% of denim made using water-saving techniques • 10% of wool recycled • 20% of viscose certified • 30% of denim made using water-saving techniques • Growth of 15% in mono materials • Growth of 10% in mono materials • 100% sustainability attributes 	<ul style="list-style-type: none"> • 50% of cotton under BCI programme • 30% of cotton organic or recycled • 40% of polyester recycled • 15% of wool recycled • 20% of viscose certified • 50% of denim made using water-saving techniques • Growth of 20% in mono materials 	<ul style="list-style-type: none"> • 75% of cotton organic or recycled • 100% of polyester recycled • 30% of wool recycled • 75% of viscose certified • 75% of denim made using water-saving techniques • Growth of 30% in mono materials 	<ul style="list-style-type: none"> • 75% of cotton organic or recycled • 100% of polyester recycled • 30% of wool recycled • 75% of viscose certified • 75% of denim made using water-saving techniques • Growth of 30% in mono materials

ANNUALLY
Minimum growth of 5% in SKUs with sustainability attributes.

FROM 2021
20% of sales campaigns to include sustainable products.

In 2020 we also worked on several projects aimed at transforming the life cycle of products and services in order to identify alternative uses and move from a linear to a circular business model:



OUR SUSTAINABLE RANGES

Production of our private label products is framed by rigorous sustainability standards that are propitious to development of our business communities and add value for customers. We sell 107,044 SKUs with one or more sustainability attributes, marking year-on-year growth of 11.6% (95,945 in 2019). Some products have more than one associated attribute.

Sustainability attributes	2020	% of total	Change vs. 2019
No. of sustainability attributes - private label	62,753	56.0%	+24.0%
No. of sustainability attributes - third-party brands	49,289	44.0%	-1.1%
Total number of attributes	112,042	100.0%	+11.5%

Top 10 sustainability attributes

Attribute	No. of attributes	Programme
Better Cotton Initiative (BCI)	37,921	Sustainable Sourcing
Oeko-tex Standard 100 certification	21,108	Sustainable Design and Production
Organic Content Standard (OCS) certification	9,181	Sustainable Sourcing
Forest Stewardship Council (FSC) certification	7,544	Sustainable Sourcing
Global Organic Textile Standard (GOTS) certification	4,581	Sustainable Sourcing
Made in Spain - Spanish Fashion label	4,442	Local Purchasing
Organic Production Certification	3,212	Sustainable Sourcing
Energy rating of A+ or higher ⁴	3,069	Sustainable Design and Production
Programme for the Endorsement of Forest Certification (PEFC) certification	2,997	Sustainable Sourcing
Recycled PET	2,585	Closing the Circle

⁴ Under the new domestic appliance energy rating labelling scheme, which took effect on 1 March 2021, the energy rating above which we consider a product to present sustainability attributes is now a B-rating.



Sustainability is part of every aspect of our ranges. In 2020 we increased the sustainability attributes embedded into our products.

AREA	NOTEWORTHY INITIATIVES
FMCG	<p>Our private label toilet paper features the ECOLABEL seal and all of our tissue paper products are either FSC or PEFC certified.</p> <p>Our 1-litre extra virgin olive oil bottles have a 51% rPET content (made entirely from materials recycled after consumption).</p> <p>We launched three cold cuts SKUs with animal wellbeing certification, "Welfair", adding to other products in this category that already carry that seal.</p> <p>We work with local breeders and products that carry protective geographic indications.</p> <p>We have had a sustainable fishing policy since 2011 with the aim of enhancing marine life and ocean sustainability. Specifically we have:</p> <ul style="list-style-type: none"> • 20 private label products with Marine Stewardship Council (MSC) certification, which manages impacts on wild fish populations and their ecosystems. • Products certified with the Aquaculture Stewardship Council (ASC) seal, leveraging responsible fish farming practices. • We have a local purchasing model for supplying establishments located close to the coast (local platforms, purchases from fresh fish markets, agreements with fishing guilds, etc.). <p>We have local bread and pastry suppliers for regional specialities.</p> <p>In Portugal, the private label gift wrap is FSC/PEFC certified and the fruit departments have increased the use of trays made from compostable materials.</p>
Fashion	<p>We have increased the percentage of Better Cotton Initiative (BCI) and organic cotton in our clothing.</p> <p>We are developing and expanding products made from recycled materials (nylon, polyester and cashmere).</p> <p>We have increased the clothing ranges made locally.</p> <p>We have replaced plastic packaging with more sustainable materials such as FSC-certified board and biodegradable plastic.</p>
Home décor	<p>Here too we have increased the percentage of Better Cotton Initiative (BCI) cotton.</p> <p>We have reinforced the assortment of furniture and textiles made responsibly thanks to GOTS, FSC and PEFC seals that verify the use of processes that minimise environmental damage and improve traceability.</p>
Entertainment	<p>We have increased the number of SKUs with sustainability attributes (FSC certification) in nearly all toy categories.</p> <p>We are championing circular economy initiatives in electronics by introducing new products made of wheat straw (30%) and thermoplastic polyurethane (TPUs) (60%).</p>





Our employees working during the harshest months of the pandemic,
serving customers and preparing orders.

80,814

employees in the
Group

94.5%

employees under
permanent contracts

71.4%

of employees work
full-time

€6.9

million invested in
the health and safety
response to Covid-19

16.6

years' average length
of service

€14.3

million invested in
training

Our Team⁵

Employees drive our business. Their exemplary hard work and unwavering commitment to our customers and society were key to navigating 2020.

Our employees are the engine of our business: a team of people moving forward to drive the growth of a responsible, digital and diverse enterprise. Our multidisciplinary staff specialise in each of our lines of business to ensure that our customers are provided with excellent service. Our hallmarks are teamwork, training, inclusiveness, diversity and equality of opportunity for all our employees.

Related material topics

- Equal opportunities, diversity and inclusion
- Work-life balance and shared responsibility
- Occupational health and safety

Note: For comparative figures over the past three years for the key disclosures in this chapter, see Appendix I (pages 212-220).

⁵ This chapter covers Group employees in Spain and Portugal (El Corte Inglés-Grandes Armazéns, ECIGA) and includes workforce structure disclosures that relate to the entire Group.

OUR TEAM IN 2020

El Corte Inglés nurtures close ties with all its employees. We look after our people and constantly adapt to new needs as they emerge. The impact of the Covid-19 pandemic brought out our employees' strong commitment to society as a whole. Even in the toughest months of the pandemic, our people kept up their efforts at the stores that stayed open, preparing home delivery orders and serving customers over the available channels.

We followed the guidelines given by the health authorities and introduced new protocols for all our staff. Wherever possible, we arranged for employees to work from home. Our goal at all times was to safeguard all our people's health and safety.

At 28 February 2021, the El Corte Inglés Group employed 80,814 people, as against 85,243 in 2019. The difference is accounted for by retirements, voluntary departures and terminations. Besides our own staff, a further 18,170 external employees work at our retail sites as salespeople or service providers.

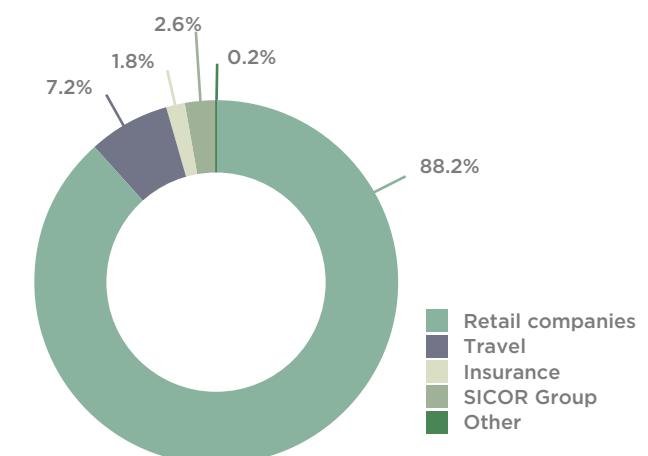
The wide diversity of our lines of business requires that we employ people with highly varied skillsets and areas of expertise so that we can fulfil a wide range of requirements.

Our teams comprise people of different generations who create value in the company by sharing their skills and knowledge. The average age of our employees is 44.1 years, which shows we are good at retaining talent. By sex, women are more numerous within the Group, accounting for 63.9% of staff, while men are 36.1%. By geography, 93.9% of employees work in Spain, 3.9% in Portugal, 1.2% in Mexico and 1% in the other 20 other countries around the world where we are present.

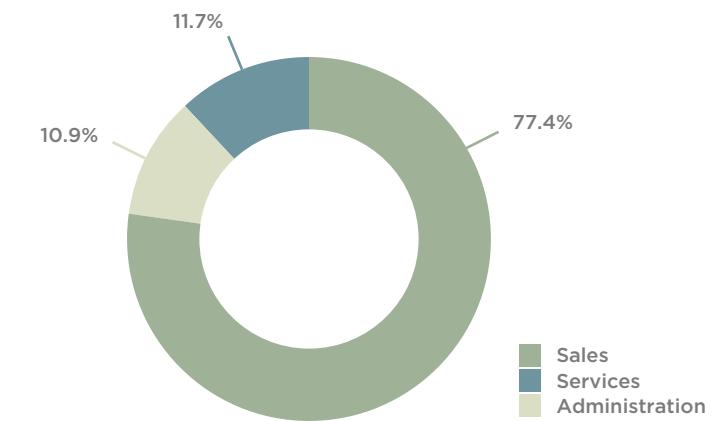


Our teams designing and preparing the window displays for rollout across our stores.

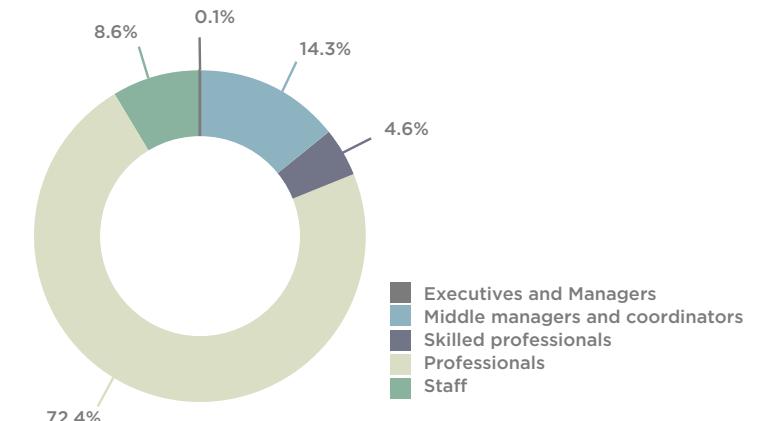
Our Team by business line



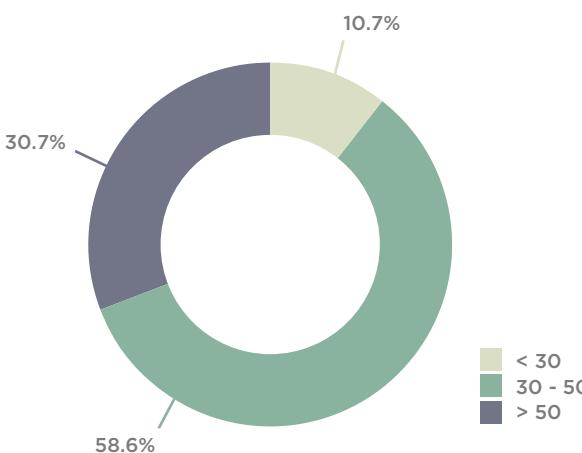
Our Team by groups



Our Team by job category



Our Team by age

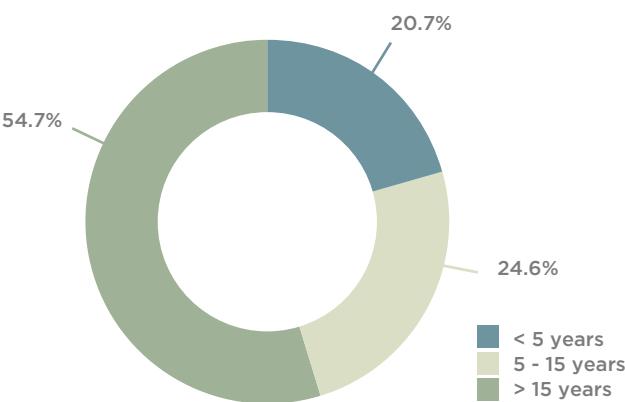


As in previous years, in 2020 permanent contracts (94.5%) predominated over temporary contracts (5.5%). The year-end distribution of employees by contract type and working time is disclosed in Appendix I (page 214-216).

The annual average number of contracts in effect throughout 2020 was 81,702 (86,761 in 2019), of which 93.4% (89.7% in 2019) were permanent contracts.

In March 2020, restrictions imposed by the Government in response to the pandemic compelled us to temporarily shut down our stores, except for areas selling food and other basic goods. For the first time in its history, El Corte Inglés presented the paperwork required to avail itself of the furlough scheme set up by the Government via Royal Decree 463/2020 (14 March 2020), declaring a state of emergency. Until June, the company, which implemented the furlough due to force majeure, topped up the contributions made by the Government so that its employees received their full salaries. Over the course of the year other furlough schemes were implemented in line with the measures and restrictions imposed at the regional level.

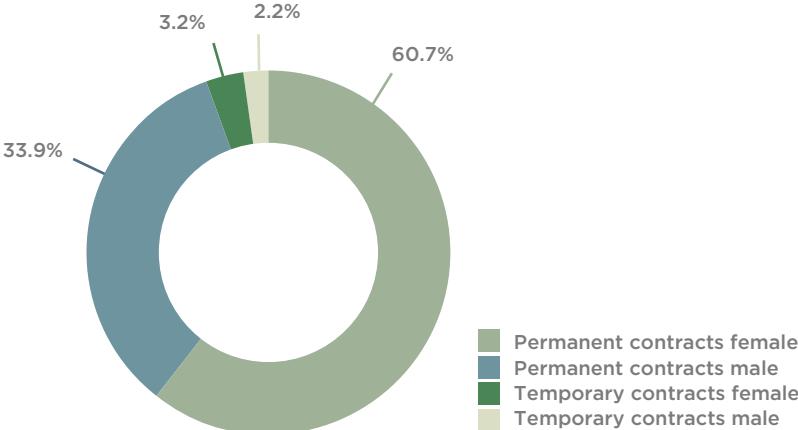
Our Team by seniority



In total, 38,792 employees of the El Corte Inglés Group were furloughed, 81% as a result of the first scheme, implemented in March 2020.

The period relevant to this report is 2020, which ended on 28 February 2021. However, early in the current period, El Corte Inglés reached a unanimous agreement with its unions (CCOO, Fasga, Fetico and UGT) for the rollout of a - voluntary - workforce restructuring plan.

Workforce breakdown by contract type and gender



TALENT ATTRACTION AND RETENTION

One of the cornerstones of the El Corte Inglés Group's business success is the talent of our experts and specialists. We undertake several initiatives to attract and retain talent and discover up-and-coming professionals who seek to join our team.

Our goal is to find people who genuinely want to commit to the values of El Corte Inglés. Our selection processes are responsible and transparent, and based on three key vectors of action: sustainability, diversity and equality.

The rise of the omnichannel model and the growth of online sales has created new job positions in all business areas that require specialised skillsets. The landscape of job vacancies has accordingly changed, as has the way of advertising vacancies on our jobs website. We now assess candidates' attitudes using technical tests.

Our jobs website has now grown to 1,300,000 registered users, and has become our main gateway to employee recruitment.

The exceptional circumstances of this pandemic year prompted us to adapt selection processes by introducing new procedures, methods and online tools. Face-to-face interviews were largely replaced by video interviews, which are better suited to the new requirements and skillsets.

We also fill vacancies and new job positions by running internal selection processes, in line with the El Corte Inglés Group's ongoing support for internal talent and the professional growth and career development of our people. This year, moreover, some employees were affected by organisational changes and restructuring in some Group business areas, and we strove to place them in new positions.

In 2020, we hired 791 people under permanent contracts, 46.7% of whom were aged under 30. The ratio of new hires to total permanent staff in 2020 came to 1%, as against 1.2% in 2019, when we hired 1,024 people under permanent contracts.

In addition, 3,850 people joined us under temporary contracts that expired within the year. Most temporary employees worked in the El Corte Inglés and Supercor food areas and other sales services within the Group.

Permanent employees who left us of their own volition were fewer than last year (559 versus 1,150 in 2019); this translated to a turnover rate of 0.7% in total permanent staff (1.3% in 2019). There were 602 non-voluntary terminations as against 1,304 in 2019.

We are especially proud that our people often commit to the company for many years. We recognise this bond by awarding accolades to employees who complete 15 or 25 years of service with us. In 2020, there was a 57.3% rise in such awards with respect to the previous year.

GOLD 25 years	SILVER 15 years	TOTAL 2020
1,784	4,455	6,239



At El Corte Inglés, we believe that a person's first job in the real world is a key step in their personal and career development, when they can start to apply the skills they have studied. Every year, therefore, we welcome interns from universities, schools and other educational institutions, bringing a variety of special skills and levels of academic attainment. The pandemic forced us temporarily to suspend internships, but we resumed our arrangements once the situation became more stable. We were even able to offer more internship openings by signing new partnership deals with universities and other educational institutions.

CAREER DEVELOPMENT

Training is one of the keystones of the company's strategy insofar as it is a mainstay of our people's career development and makes the difference for us as a business. Our priority is ongoing improvement in our people's skills and aptitude for teamwork.

TRAINING

We adapt our training to the new roles and skills that society requires, using innovative methods that leverage online tools. The Group's training schemes boost our people's diverse talents.

Key indicators in 2020

Total training hours ⁶	1,160,781
Training hours per employee (calculation based on total employees)	12.8
Number of employees receiving training	90,851
Investment in training (€ million)	14.3
Average number of training activities per employee	9

The implications of the pandemic prompted us swiftly to move many of our training programmes to an online format. Face-to-face training is now provided only for the longer, more technically complex courses that require in-person presence to be effective.

The wide possibilities of online training enabled us to adapt to the new situation and reach a larger number of people (818,823 trainees in 2020 as against 582,761 trainees in 2019). Many training programmes could be completed flexibly using any device (smartphones or tablets).

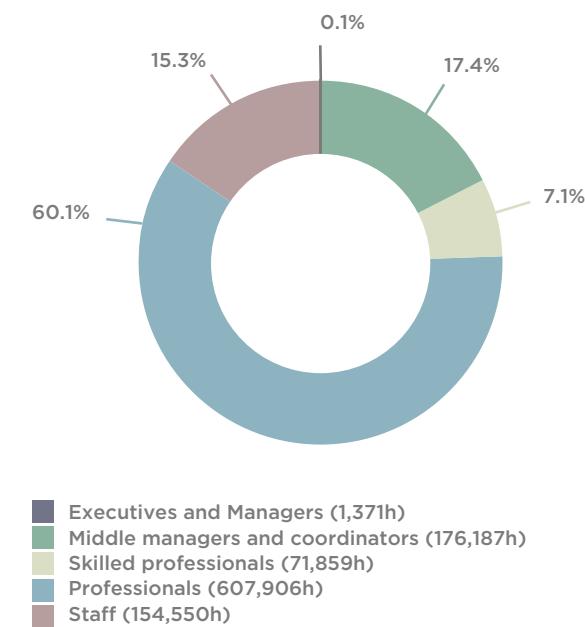
Online training was already an established feature in previous years, but 2020 saw the key development of a standardised content creation model for mobility-enabled courses.

Pandemic-related strictures also limited the number of training hours provided in 2020 (1,160,781 hours, versus 1,671,461 hours in 2019). Moreover, since the costs of online training are lower than for face-to-face, we spent less on training (€14.3 million in 2020 versus €23.1 million in 2019).

⁶ Of the total training hours delivered in 2020, 148,907 training hours were provided to people who were not employees at the time of training (12,839 people).

Areas	Training actions	Hours	Students	Student hours
Sales	3,665	25,683	29,412	152,715
Product, trades and OHS	3,666	20,624	34,617	206,418
Sales and IT admin tasks	709	11,270	6,705	117,180
Management and executive skills	482	6,168	5,329	45,791
Languages	933	22,029	1,853	73,209
Other	244	3,902	4,957	19,520
TOTAL (face-to-face training)	9,699	89,677	82,873	614,833
Virtual classroom training	16,421	37,097	82,808	163,930
Online training	-	-	653,142	382,018
TOTAL	26,120	126,774	818,823	1,160,781

Breakdown of training hours by job category



In line with our policy of ongoing improvement, we consider the new training requirements of the business and our people so as to adapt our programmes to emerging societal and business realities. Hence training plans are under constant review to ensure that all our content is innovative and of a high standard.

Key training programmes

New range of courses to ensure awareness of the healthcare measures introduced in response to Covid-19.	Courses include: "Safe Activity at Retail Sites", "Covid-19 Preventive Measures", "Covid-19: General Cleaning and Disinfection Plan".. Over 62,000 hours of training.
Training provided to head office employees to provide support to telephone and online sales during peak demand periods.	Online and face-to-face training. Programmes focusing on customer service, order-taking, of sales, personnel management and general goods. Almost 89,000 hours.
Training provided to sales teams to integrate online and face-to-face sales, acquire product knowledge and become aware of market trends.	26,690 employees trained in omnichannel sales. More than 51,000 attendees at courses on product knowledge through the roll-out of our second virtual classroom at our retail sites, which enabled us to increase training activities considerably.
Management skills programmes.	5,329 students. The standouts were "Competencies Analysis" and "Performance Assessment".
CSR training.	49,096 employees trained.

We provided training in the "lean" methodology to optimise our processes in the logistics platforms so as to implement cross-cutting projects relating to goods acceptance, storage and distribution. We also provided training for the opening of our "dark" store in Alcalá de Henares: all staff were trained in the necessary tools and procedures.

In addition to ongoing occupational training, employees can undertake university-level studies through our Centro de Estudios Universitarios Ramón Areces. In 2020, 1,316 employees took university-level courses – 35% more than in the previous year.

University	Degrees	No. of students in 2020
UNED	University entrance for over-25s	248
	Bachelor's degree in law	214
	Bachelor's degree in business administration	310
	Bachelor's degree in psychology	481
	Bachelor's degree in IT engineering	7
Universidad Alcalá de Henares	Master's degree in data science and Big Data	29
	Master's degree in cybersecurity	27
TOTAL		1,316

As a new education and training feature, we set in motion our first online master's degree in cybersecurity, taught by the Centro de Estudios Universitarios Ramón Areces in partnership with the Universidad Alcalá de Henares.

PERFORMANCE REVIEW

Performance review is a key tool for the development of our teams that has a positive effect on our people and on the company as a whole. This enables the Group to make organisational decisions on working time, roles, career plans and other measures.

In addition, performance review boosts employee motivation and helps our people focus their efforts on improving their skills where needed.

This year, newly implemented tools enabled us to conduct most performance reviews by online means. Employees subject to review are those who have worked with the Group for at least six months, which is regarded as the minimum time for this procedure to have any value. In 2020, we used these tools to assess 61,232 professionals, 83% of the employees subject to performance evaluation.

CAREER PLANS AND PROMOTIONS

We create career plans for our employees so as to offer them the opportunity to take their careers forward within the Group. We use internal processes that enable us to identify employees who are suited for more senior positions.

The average length of service of our employees (16.6 years) confirms that we are doing something right – 54.7% of our people have worked for us for more than 15 years. Over the year, there were 1,563 internal promotions, 66% women and 34% men.

BEST LABOUR PRACTICES

ORGANISATION OF WORKING HOURS

The pandemic also affected the way in which we organise working time, and all companies were required to react promptly. The El Corte Inglés Group set in motion new tools for both sales-floor and office employees – our office staff specifically were allowed to work from home.

During the months of the lockdown, moreover, many of our people voluntarily did work beyond their job descriptions to provide support in the business areas where action was most needed at that time.

The exceptional situation over the year and the need to adapt to society's new requirements prompted us to negotiate with union representatives to put in place a system for employees to move between different roles. This enabled us to assign functions outside standard job descriptions so as to meet emerging requirements. This meant we were able to cover the activities where demand soared since the onset of the pandemic, including the food area and electronic commerce. By applying this internal flexibility approach, we were able to bring furloughed employees back into work in new roles.

All Group employees in Spain and Portugal are covered by their respective collective bargaining agreements (accounting for 97.8% of the Group's workforce), as in the previous year. In the other countries where we operate, we comply with the prevailing laws and regulations, where collective bargaining agreements are not always mandatory.

During the current year, on 24 March 2021, we adopted the new ANGED (retail distributors' association) collective bargaining agreement, which will remain in effect until December 2022. One of the central concerns of the collective bargaining agreement is to accommodate the realities of the post-pandemic era within the retail industry and address the resulting arrangements for working time so as to sustain business competitiveness in the new digital landscape. Key topics include working from home and the "right to disconnect". The collective bargaining agreements covering Supercor, ECI Travel and ECI Insurance are pending renegotiation and renewal.

Our collective bargaining agreements set annual average working hours and the parameters for how those hours are spread over the working day, having regard to the type of business, seasonality and peak and off-peak periods.

Thanks to these agreements, employees are secure in the knowledge that they will be notified suitably in advance of any organisational or other change that might affect them.

LABOUR-MANAGEMENT RELATIONS

We keep up an active, ongoing dialogue with the main workers' committee and the other union bodies that represent Group employees. We work with them to negotiate all plans and measures that affect our staff, beyond the strict terms of the respective collective bargaining agreements.

In May 2020, the union committee provided for in the ANGED collective bargaining agreement was set up. The committee comprises representatives of the four majority unions that signed the agreement: CCOO, Fasga, Fetico and UGT. This committee was formed to react to the effects of the Covid-19 pandemic on employment; it is a forum for ongoing dialogue with a view to adapting swiftly and flexibly to any situation that might emerge from the pandemic and address any issue in a spirit of consensus and transparency.

The Group is committed to ensuring full freedom of association and we respect the right of workers to unionise. We also uphold a policy of non-discrimination by reason of membership of any union.

INTERNAL COMMUNICATION WITHIN EL CORTE INGLÉS

Our employees are the engine of our business. Therefore, it is a priority for us to be aware of and fulfil their needs. Our internal tools and channels enable us to carry on open, broad-ranging and friendly communications.

NEXO, in its website and phone app versions, is our main internal communication channel. At year-end, NEXO reached 97.2% of the El Corte Inglés Group's workforce. Using NEXO, we can communicate quickly and easily, connect all our employees and effectively broadcast our business messages and strategy.

NEXO is part of the Group's digitalisation and innovation strategy. With the onset of the Covid-19 pandemic and the concomitant requirement to work from home, we have bolstered content relating to use of online collaborative tools and information security.

NEXO in figures

Unique users	81,264
Page views	168,197,123

Through our Habla con ECI section, we strengthened our two-way communication. This space within the NEXO website and phone app enables us to address queries and issues and receive suggestions from our people. In 2020, we logged more than 4,600 comments and opinions posted by El Corte Inglés Group employees.

In addition, each Group company has its own specific communication channel. For instance, the insurance division operates a work-life balance mailbox for employees to send suggestions and queries about work-life balance measures and equality plans, which are dealt with by a specific committee.

In April 2020, we set in motion a "support, listen, guide" programme for El Corte Inglés and Supercor. This is a pioneering scheme in human resources management. A multidisciplinary team of doctors, psychologists and other in-house professionals offered telephone counselling to employees regarding healthcare, psychological or preventive support and work-related queries, so as to provide a coordinated response to the uncertainty brought about by the pandemic. Over the three months of the programme, we handled 1,500 queries and achieved a high degree of user satisfaction, as shown by subsequent surveys.

We run workplace surveys among employees at El Corte Inglés sites to gauge the situation and identify possibilities for improvement. Topics assessed included working hours, work-life balance, emotional and cognitive needs, workload, compensation, and relations with colleagues and managers. In our last survey, the average satisfaction score was 3.36 out of 5.



NEXO, the Group's main internal communication channel.

REMUNERATION MODEL

Our remuneration scheme is based on an overall compensation concept. The El Corte Inglés Group's pay policy is based on career development, motivation, internal and external fairness, equality and non-discrimination. The structure of fixed pay follows the parameters set by collective bargaining. For variable pay, we apply short-, medium- and long-term formulas tied to the achievement of individual and collective targets.

Our employees' starting salary exceeds the statutory minimum by 8.3% on average across Group companies. Moreover, during the first furlough (March to June 2020) implemented by reason of force majeure, we topped up our employees' unemployment benefit so as to match their fixed pay, including holiday bonuses. In Portugal, in April, May and June 2020, El Corte Inglés-Grandes Armazéns ensured that furloughed employees would stay on full pay instead of having to take the statutory 33% cut.

In addition, our Plan+, a flexible remuneration scheme, enables employees to choose to replace part of their annual gross pay with remuneration in kind that attracts a range of tax breaks, such as luncheon vouchers, crèche services, travel cards and medical insurance.

Equality is one of the keystones of our commitment to our people. The Group identifies and measures any gender pay gap that may arise among its employees. We calculate⁷ the gender pay gap based on average salaries and gaps within each job category, weighted by the proportion of that category to total staff.

Total weighted pay gap⁸

2020	2019	2018
9.1%	7.9%	7.9%

The differences in pay are shaped by length of service, which affects the structure by gender within each job category; accounting for those differences, salaries are fair as between the sexes.

In 2020, average total remuneration – including fixed and variable pay – across the Group came to €23,368 gross per annum.

OTHER EMPLOYEE BENEFITS

Our employees are also rewarded with benefits such as collective life insurance, support for employees with disabled children, exclusive offers for travel and leisure activities, and soft loans.

- **El Corte Inglés Group:** The joint committee of the César Rodríguez and Ramón Areces foundations grants study bursaries for employees' children at the levels of post-compulsory secondary education, vocational training, university education and postgraduate study. In 2020, the foundations granted 3,954 bursaries worth a total of €3.9 million. In addition, employees with disabled children were granted 771 aid packages, for a total of €387,875. By reason of the 2020 pandemic, the company offered a range of concessional loans to furloughed employees.
- **Insurance division:** We provide an assured pension plan that is fully funded by the company. 100% of our employees have subscribed to the scheme. We pay annual contributions, and the pension rights vest after five years of length of service. Benefits are available for death, disability, serious illness, unemployment, and early or statutory retirement.



⁷ The gender pay gap calculation formula is: (average male remuneration - average female remuneration) / (average male remuneration) *100. The figures include fixed and variable pay, including bonuses, incentives and gratuities.

⁸ To ensure a like-for-like comparison with 2020, the figures for previous years have been recalculated stripping out IECISA from the scope of consolidation.

EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION

The El Corte Inglés Group fosters a corporate culture that prizes diversity among our teams, independently of age, sex, race, nationality, marital status, disability, sexual orientation, culture, religious creed or political views. One of our priorities is equal opportunities for everyone.

In October 2020, the Board adopted the El Corte Inglés Group's equality and diversity policy. Many of the measures under the policy had been in place for some time, and were now formally placed at centre-stage. Compliance with the equality and diversity policy is essential to our selection processes.

At year-end, 1,223 of our employees were people with a disability. We also retained ties with 42 special employment centres (52 in 2019). Specifically, ECI Travel continued to work with the special employment centres Interlabora and Coolaboro and with Hoteles in Spain. In Colombia, we work with charities that help businesses to hire people in vulnerable positions or recruit them to work placement schemes.

Over the year, 4,925 employees took specific diversity and equality training. More than 100,000 people have now benefited from such training since it was launched in 2016.

Delivering on our commitment to diversity and inclusion, at El Corte Inglés we work with several charities and NGOs:

Partners	Actions
Cruz Roja	Employability workshops for survivors of violence against women and girls. Training programme for customer service jobs aimed at people at risk of exclusion (Navarre region).
Fundación ONCE	Framework Agreement with Fundación ONCE on employment and training for people with disabilities. Involvement in conferences on diversity. Involvement in regional advisory boards to agree on joint action plans. Involvement in Por Talento Digital, a project that provides digital skills training to people with different abilities.
Inserta	Under its "Inserta" scheme, this entity promotes direct and indirect employment, training and improved living conditions for people with disabilities.
ILUNION	Advice on physical and website accessibility. Support for this partner's application for the Bequal certificate.
Integra Foundation	Awareness campaign on the fight against gender-based violence aimed at the entire Group's workforce through internal communication channels. Our managers implement training activities to improve the employability of women at risk of social exclusion.
REDI (Red Empresarial por la Diversidad e Inclusión LGBTI)	Training and awareness-raising activities to foster an inclusive and respectful environment for the LGBTI community. Conference on LGBTI diversity at companies hosted by organisations including REDI and Mujeres Avenir.

Fundación Trabajando en Positivo	Involvement in "HIV-responsible businesses", a project that promotes non-discrimination and equal treatment in this field.
CEO por la Diversidad	This project promotes business ethics, innovation, training and corporate social responsibility in the business environment. It also advocates gender equality, improved employability and the labour-market inclusion of groups facing special difficulties.
SERES Foundation	Involvement in producing the first white paper on older talent management, promoted by the Adecco Foundation, so as to take a proactive stance to the consequences of the ageing of the population for the job market and the economy.
TGE (Target Gender Equality, United Nations Global Compact)	Involvement in setting ethical guidelines for responsible and inclusive artificial intelligence.
WEP (Women Empowerment Principles)	We are part of this initiative, which involves more than 300 companies from 19 countries to address barriers to women's economic empowerment and contribute to achieving SDG target 5.5, which calls for women's full and effective participation and equal opportunities for leadership by 2030.
Instituto Aragonés de la Mujer	We follow the principles for women's empowerment established by UN Women and the UN Global Compact, which guide companies on how to promote gender equality and women's empowerment in the workplace and in society.
Diagrama Foundation	Partnership agreement to carry out social and employment support actions for survivors of violence against women and girls.
	Partnership agreement, through the Nodus Network, to implement training activities for the social and job-market inclusion of young people within the foundation's programmes in Castellón.

At El Corte Inglés, diversity is a cross-cutting concern that involves several lines of initiative:

- Cultural diversity.** We employ 2,194 non-Spanish nationals. 89% of non-Spaniards are nationals of other European countries or countries in the Americas. 98% of staff at Group stores and offices located outside Spain are recruited locally in support of our commitment to the development of host communities.
- Generational diversity.** We engage in a range of initiatives to encourage understanding between the different generations that coexist within the Group, to retain talent, enhance motivation and lend visibility to the value created by our employees at each stage of their lives.
- LGBTI diversity.** We are members of REDI, a body that reflects a common commitment to foster an inclusive and respectful atmosphere within organisations and acknowledge the value of talent independently of gender identity, gender expression or sexual orientation. We also helped produce the ADIM LGBT+ Guide. Inclusion of sexual orientation and gender identity diversity in businesses and organisations as part of a European Union project.

In Portugal, El Corte Inglés-Grandes Armazéns continued to raise awareness of diversity and inclusion in employment matters. A standout project this year was SuperStar, a programme that trains people in situations of vulnerability to work in a range of supermarket roles by rotating them through the different sections.

EQUAL OPPORTUNITIES

The El Corte Inglés Group seeks to create and maintain relationships of trust with its employees and safeguard fundamental rights such as equality of opportunity.

Our Corporate Equality Team comprises representatives of the equality schemes within each Group company. Each Group company itself has a monitoring committee that assesses equality schemes on an annual basis to examine the state of progress and check whether targets have been met. The Corporate Equality Team meets every quarter to monitor developments, share proposals and report on activities.

El Corte Inglés-Grandes Armazéns, for its part, set up its own equality committee and adhered to Portugal's diversity charter.

Our management model continues to support women's career development to contribute to equality between men and women within our teams. This year, we achieved the target we had set ourselves in the 2014-2020 equality plan, to the effect that 50% of newly created management roles should be taken up by women.

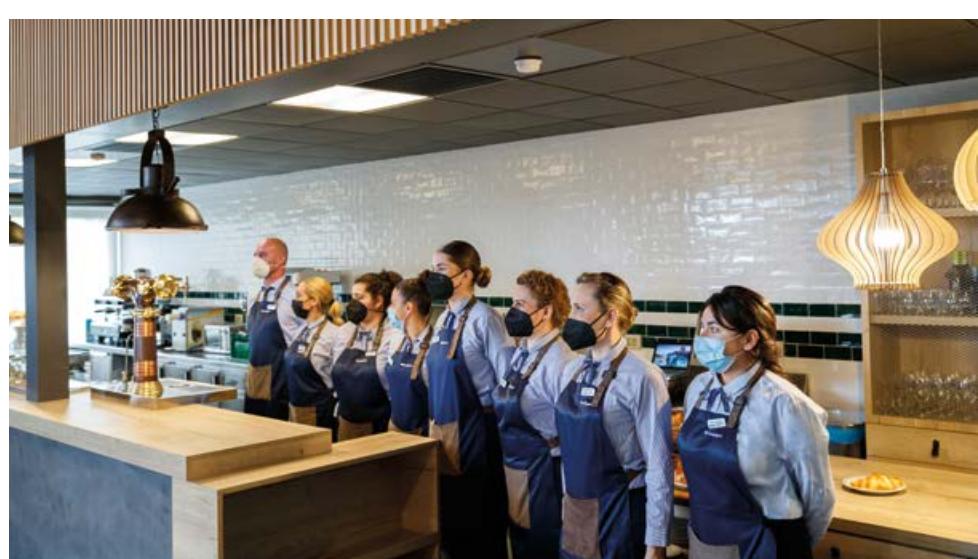
Job category	% women in 2020
Executives and senior managers	5.4%
Middle managers and coordinators	37.4%
Skilled professionals	62.9%
Professionals	69.9%
Staff	59.3%

Age	% women in 2020
Under 30	56.4%
30 to 50	66.7%
Over 50	61.2%

All equality plans set out a protocol of action in response to sexual harassment or gender-based discrimination to ensure that no discriminatory treatment takes place. We also have a harassment investigation committee that deals with complaints or issues that might arise at any Group company. We have specific harassment response protocols in India and Bangladesh.

In line with the commitments set down in our equality plans, moreover, we have created an online course on co-responsibility. The course is mandatory for all Group employees so as to ensure that they are aware of the importance of shared responsibility.

The new ways of working implemented in response to the pandemic have posed significant challenges to work-life balance. We have accordingly taken additional measures, as agreed with the union committee. A standout measure is the option for an employee to take unpaid leave of up to 3 months for Covid-19-related work-life balance reasons, beyond the limits set down in the collective bargaining agreement. In addition, employees can elect to take special unpaid leave while their job position is set aside for them on a secure basis up until 31 December 2021.



Hospitality in Practice sessions at our training centre in Madrid.

We also operate a post-leave resettlement scheme to ensure that employees who have taken a break can return to work smoothly and with no impairment in their career development. This plan supports our commitment to work-life balance and shared responsibility.

Employees entitled to maternity/paternity leave	Men	Women	Total 2020
Employees entitled to and who took maternity/paternity leave	89.4%	100.0%	96.2%
Employees that returned to work	97.3%	66.3%	77.6%
Retention rate (1 year after)	88.3%	83.7%	85.3%

Using tools such as training activities, we raise awareness among our employees about human rights, diversity and equality. Over the year, 4,925 employees took courses in this area, while 100,287 people had already benefited from such training since it was launched in 2016.

ACCOLADES

FEDEPE award for the development of women with disabilities	Award for commitment to the employment of women with disabilities, promotion of equality and diversity, and specific awareness-raising projects within the framework of our partnership with the Inserta Programme and Forum.
Special recognition from the Fundación Integra	Recognition of the work done for job-market inclusion of people at risk of social exclusion.
Recognition from the Seville Red Cross for our employment plan	Contribution to job creation among vulnerable groups.
HR Forum distinction	"Distinction" awarded for our initiatives during the current crisis.
Badge awarded by Fundación Down Zaragoza	El Corte Inglés sites in Aragón were awarded this badge as a company that integrates people with cognitive disabilities.

A SAFE AND HEALTHY WORKING ENVIRONMENT

At El Corte Inglés, we have always accorded priority to maintaining a safe and healthy working environment for all our employees. In 2020, this became all the more challenging in the midst of the pandemic. The company rolled out all necessary measures to assure our employees' health and safety in all respects.

Over the year, a total of 84,598 people were trained in workplace health and safety, as against 31,981 people in 2019 (some employees took more than one course). In 2020, the Group spent more than €6.9 million on health and safety protection at all retail sites and other workplaces.

Key expenditure on health and safety	Amount (€)
Staff training in Covid-19 measures	489,000
Covid-19 screening tests for employees	687,920
Protective equipment and disinfectant gel	3,098,238
Separation screens (materials)	881,233
Signage and notices (material)	593,288

The Group's joint prevention service safeguards the health and safety of all employees under a system certified by an external assessment body every 4 years. The health and safety system includes procedures for employees to notify any occupational hazards they become aware of when doing their jobs. Our health and safety teams then assess detected risks and investigate incidents as they emerge. All procedures are regulated within our health and safety system.

In addition, the El Corte Inglés Group has its own medical staff: 84 doctors and 148 nurses who provide care to employees at their workplaces. Our medical team conduct checkups and work within the occupational health monitoring system, which is designed for early detection of work-related harm to health so as to avoid assigning tasks incompatible with a person's health. This year, the medical team was engaged in intensive prevention and detection of Covid-19.

We set in motion a plan of Covid-19 preventive measures, based on four vectors:

1. Employee health and safety. We set in motion personal protection measures for our own and our contractors' employees, including mandatory use of sanitary masks, disinfectant gel dispensers, biological screens and workstations, and so forth. Highlight initiatives included:

- Strategy for diagnosis, vigilance and control facing exposure to Covid-19, set out in a paper that specifies uniform principles of action for the entire Group.
- Immunological memory analysis: from the onset of the pandemic, our healthcare services conducted 31,408 rapid antibody tests to ascertain the proportion of our staff who had developed an immune response. We also conducted 2,884 antigen tests.

Number of Covid-19 courses taken by employees:

- 6 online training actions with a total of 42,678 hours of follow-up.
- 6 in-person training actions involving a total of 2,138 sessions and 2,452 hours.

2. Organisational measures, such as social distancing and customer traffic control. Vinyl signs have been placed in all our sites as a permanent reminder of the need to keep a safe distance.

El Corte Inglés helped partner companies operating at our sites (2,300 companies and more than 18,000 employees) to implement preventive measures against Covid-19 in line with our Contingency Plan.

We also modified the way work is organised. We put in place staggered shifts, leaves of absence, unpaid leave and adaptations of working hours to support work-life balance.

3. Premises and common spaces. Indoor air ventilation and replacement is ongoing at all our sites to minimise the risk of aerosols concentrating to dangerous levels. To measure air quality, we conducted 4,581 checks across Group sites.

From the onset of the pandemic, we reinforced disinfection efforts at our sites, focusing on surfaces that receive frequent contact. We used authorised antiviral products in accordance with a company-specific cleaning and disinfection plan.

No. of samples taken to verify Covid-19 contamination	Number of sites where samples were taken	Audits conducted
2,194 surface samples	381	3,105
160 air samples		

4. Information and communication. The Group actively uses its communication channels to make its employees aware of the measures to be taken at all times.

SAFETY INDICATORS

Our effort to safeguard our employees' health and safety is reflected in our accident rate, which in 2020 was lower than in previous years. These indicators enable us to examine the effectiveness of measures put in place by our health and safety teams and thus achieve ongoing improvement. Hours of work lost by reason of non-occupational illness and accidents increased as a result of the pandemic. Details of these indicators and the changes over the past few years can be found in Appendix I (pages 219-220).

Apart from Covid, there were 1,347 cases involving sick leave in 2020 (1,572 in 2019), of which 547 were in men and 800 in women. This accounted for 235,272 hours of absenteeism in the year, as compared to 256,496 hours in 2019. Occupational illnesses were fewer than in the previous year: 26 cases in 2020 (48 in 2019). There were no deaths. Illnesses were mainly due to posture-related injury and repetitive strain injury: seven cases arose in men and 19 in women.





We foster responsible and sustainable procurement, in collaboration with our suppliers, and we prioritise the purchase of products sourced locally through agreements with local suppliers.

31,488

Suppliers

84.8%

of goods and services purchased by the Group sourced in Spain

2,647

factory ESG Audits in 2020

€8.38

billion of goods and services purchased by the Group

Supply chain

Our suppliers are the first step in satisfying our customers' needs. Their hard work meant we were able to continue to provide the quality and service standards that characterise us throughout 2020.

The supply chain is the first step in satisfying our customers' needs. For that reason we select our suppliers with the utmost care to ensure they uphold best practices in responsible production so that we can deliver our quality pledge. We build relationships of mutual trust with our suppliers, which allows us to contribute to local development in the countries in which we do business.

Our priorities include making sure that human rights are respected all along the supply chain. Supplier training and factory audits allow us to continuously improve our supply chain management.

Related material topics

- Supply chain human rights
 - Supplier health and safety
 - Supply chain traceability and sustainability criteria

A GLOBAL AND DIVERSIFIED SUPPLY CHAIN⁹

The wide variety of businesses pursued and the level of choice we offer in the retail business mean that our supply chain is complex. It is predominantly made up of business partners located in Spain, but includes suppliers based in other EU markets and also in third countries.

No. of Group suppliers we did business with during the year

Business lines	Spain	Other EU countries	Third countries	Total 2020	Total 2019	Total 2018
Retail companies	18,216	3,536	2,530	24,282	28,507	30,614
Insurance Group	348	20	5	373	388	402
Travel Group	5,496	826	316	6,638	29,222	27,184
SICOR Group	194	1	0	195	N/A	N/A
TOTAL	24,254	4,383	2,851	31,488	58,117	58,200

Group purchase volumes (€ millions)

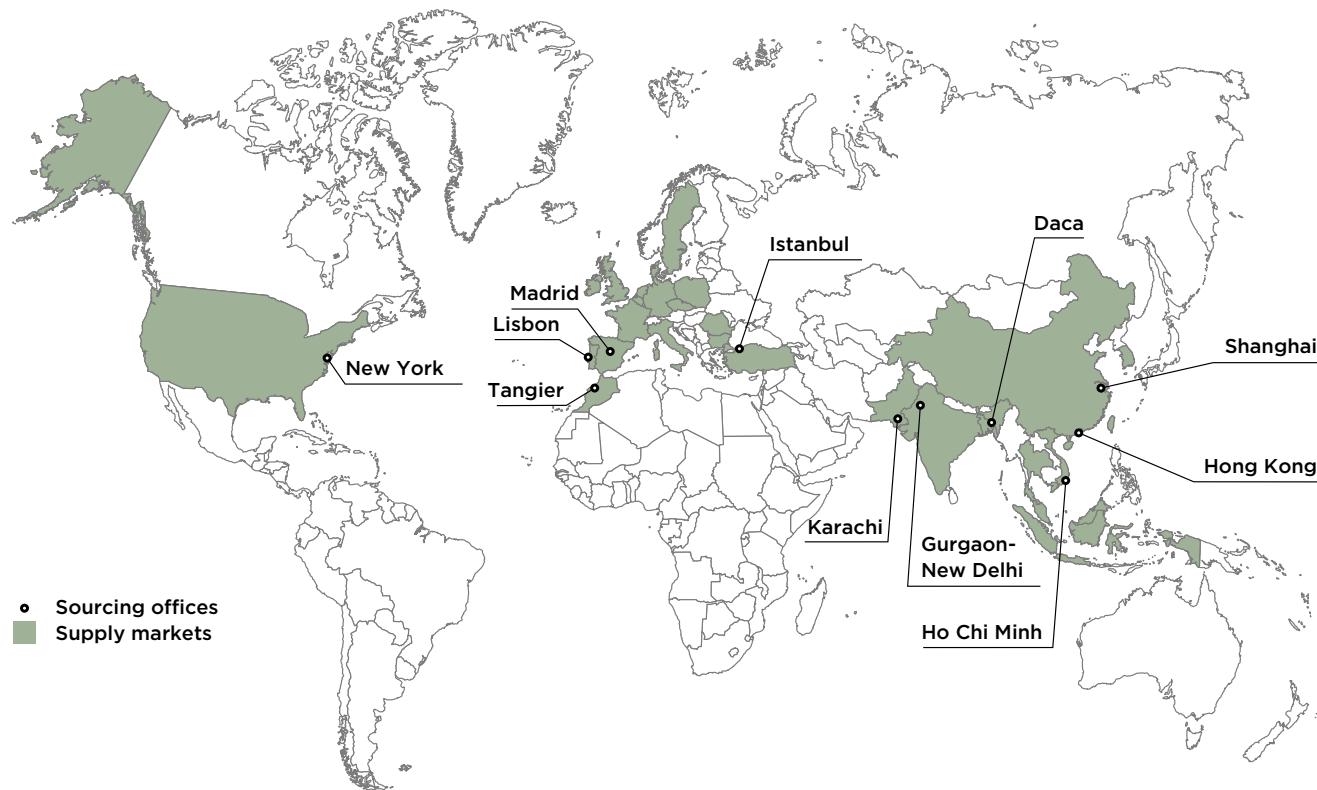
Business lines	Spain	Other EU countries	Third countries	Total 2020	Total 2019	Total 2018
Retail companies	6,936.75	654.62	591.16	8,182.53	9,538.15	9,586.91
Insurance Group	10.61	0.20	0.06	10.88	9.72	10.59
Travel Group	148.40	22.38	5.25	176.02	1,413.48	1,531
SICOR Group	8.47	0.04	0.00	8.51	N/A	N/A
TOTAL	7,104.23	677.24	596.47	8,377.94	10,961.35	11,127.50

In 2020, El Corte Inglés Group did business with 31,488 suppliers in total, down 45.8% year-on-year due to: (i) the impact of the Covid-19 pandemic, which triggered the closure of significant chunks of the business, affecting the Travel business in particular; and (ii) the ongoing supplier base concentration strategy embarked on by the Group three years ago.

In retailing, most of the private label suppliers are located in third countries. During the pandemic, the Group went to great lengths to maintain its business relationships with its suppliers in those countries, honouring the orders already placed, even though a significant part of the business had to be shut down.

Specifically, El Corte Inglés followed the principles embodied in the “Call to Action” put out by the International Labour Organisation (ILO).

The diversity of our supplier base means that we work from both our head offices in Madrid and from other sourcing offices in the Canary Islands, Portugal and third countries in order to facilitate due diligence at the local level. The geographic breakdown of those offices is shown on the map below:



Sourcing offices	Main supply markets in retailing		
Madrid (Spain)	Germany	India	UK
Lisbon (Portugal)	Bangladesh	Indonesia	Czech Republic
New York (US)	Belgium	Ireland	Romania
Tangier (Morocco)	Bulgaria	Italy	Singapore
Istanbul (Turkey)	China	Luxembourg	Sweden
Hong Kong (Hong Kong)	South Korea	Malaysia	Switzerland
Shanghai (China)	Denmark	Morocco	Thailand
Daca (Bangladesh)	Spain	Netherlands	Taiwan
Karachi (Pakistan)	US	Pakistan	Turkey
Ho Chi Mihn (Vietnam)	France	Poland	Vietnam
Gurgaon-New Delhi (India)	Hong Kong	Portugal	

⁹ In 2020, for the first time, the retail business figures include the supplier numbers and purchase volumes for the following companies: Telecor, Industrias del Vestido and Confecciones Teruel. The data pertaining to Tourmundo and CDEV are included under the Travel business. The Insurance business figures for 2019 and 2018 have been restated to make them comparable with those of 2020, which exclude the broker agent numbers. The UK is considered non-EU in 2020.

SUPPLIERS IN SPAIN AND PORTUGAL

We encourage and foster responsible and sustainable product and service procurement, in collaboration with our suppliers, and we prioritise the purchase of products sourced locally through agreements with local suppliers. That effort is part of our commitment to contributing to economic and social progress in the countries in which we operate.

In 2020, we worked closely with our suppliers based in Spain so as to be able to guarantee the supply of essential products in our stores during periods of peak demand and to help enterprises, particularly SMEs, affected by the business closures, notably in the hospitality sector.

- Of the 31,488 suppliers that constituted the Group's supply chain in 2020, 77% were located in Spain; moreover, those suppliers accounted for 84.8% of total purchase volumes.
- 70.4% of the firms that supply El Corte Inglés' department stores in Portugal are based in that country; they accounted for 86.4% of volumes.

In Spain it is worth highlighting the following initiatives carried out with suppliers:

- The organisation of special events in a number of regions, including Extremadura, Castile & León and Cantabria, to support national suppliers and raise the profile of local products.
- The Group increased the number of Spanish-based domestic appliance suppliers, which accounted for 70% of all suppliers in this product category.
- Ongoing participation in the MÑ campaign promoting fashion and accessories Made in Spain by some of the Group's private label clothing brands, such as Emidio Tucci, Énfasis Black and Gloria Ortiz. The MÑ initiative, which dovetails with the local and responsible production sustainability attributes, adds value to our private labels.

DUE DILIGENCE

As a responsible firm, El Corte Inglés supervises the application of best practices along the environmental, social and governance (ESG) dimensions and respect for human rights all along its supply chain using a range of tools including risk assessments, audits and training programmes. That is what we refer to by due diligence. It is articulated by means of a responsible management system which encompasses all of the Group's retail companies (El Corte Inglés, Supercor and El Corte Inglés Grandes-Armazéns).

In addition to that system, which is common to all suppliers, El Corte Inglés Business Services continually assesses its performance based on delivery with the agreed-upon deadlines, the level of service provided and incident management, in keeping with its ISO 9001, 14001 and PECL 2110 certifications.

Similarly, the Group's non-retail companies (Travel, Insurance and SICOR Group) have their own management systems:

- **The Travel group** continues to make progress on the certification of its network of suppliers. At the end of 2020 it sent a selection of suppliers a questionnaire whereby they endorse the El Corte Inglés Ethics Code by means of a Corporate Commitment letter. It also rolled out a collaborative project with its trade partners to familiarise them with CSR management policies and ESG criteria in a bid to move towards more responsible tourism.
- **The Insurance group** presents overlap of 63% with the parent's supplier portfolio such that its suppliers are already integrated in the corporate ESG certification system.
- **SICOR Group** has its own purchasing and supplier assessment policy, certified under ISO 9001, ISO 14001 and OHSAS 18001. Since February 2021, it has also taken on board all El Corte Inglés policies. The process of sending its suppliers the Group's Corporate Commitment letter for endorsement has begun and is expected to conclude in 2021.

Each Group company manages its supply chain in accordance with the nature of their suppliers and the classes of risks detected.

GOOD PRACTICE CYCLE

Due diligence is articulated around the good practice cycle recommended by the UN Guiding Principles on Business and Human Rights. Those principles require business enterprises to ensure human rights are respected all along their value chains using mechanisms designed to verify compliance. Those mechanisms are:



1. CSR Policy

Approved by the Board of Directors in 2018, this policy enshrines the Group's commitment as a business to exercising due diligence in all its activities. As outlined in its foreword, that policy is based on the ILO's fundamental conventions, among other principles.

2. ESG Risk Assessment

The diversity of suppliers and markets we work with exposes us to risks that require proactive management. The main such risks are: supplier country; productive sector; purchase volumes and brand ownership. They are assessed on the basis of internal experience and also in collaboration with various stakeholders (NGOs, union associations, consumer organisations and academics).

Based on that risk analysis, El Corte Inglés structures its due diligence effort as follows:

- External brand suppliers: these suppliers are required to complete the Group's supplier certification process which begins with an examination of their compliance records and is rounded out with financial solvency analysis. They must also expressly endorse the Group's codes of conduct by signing the Commitment Letter, binding them to El Corte Inglés' Ethics Code. Both the El Corte Inglés Commitment Letter and the Ethics Code are available on the corporate website: <https://www.elcorteingles.es/informacioncorporativa/es/>
- Private label product suppliers: In addition to the above requirements, these suppliers are obliged to report their production facilities and present an ESG audit accepted by El Corte Inglés for each from which compliance with the Group's Code of Conduct can be gleaned.

3. ESG Audits

Private label product suppliers have to provide a list of production factories and an audit with an ESG certification accepted by El Corte Inglés. As members of the international amfori BSCI platform, we require our private label product suppliers to endorse their code of conduct. On that basis, we verify respect for good practices in ESG matters at each of the factories reported by our suppliers and monitor their performance.

The following chart illustrates the dominant share of amfori BSCI audits by comparison with the other audits accepted by El Corte Inglés, in line with the trend observed in recent years.

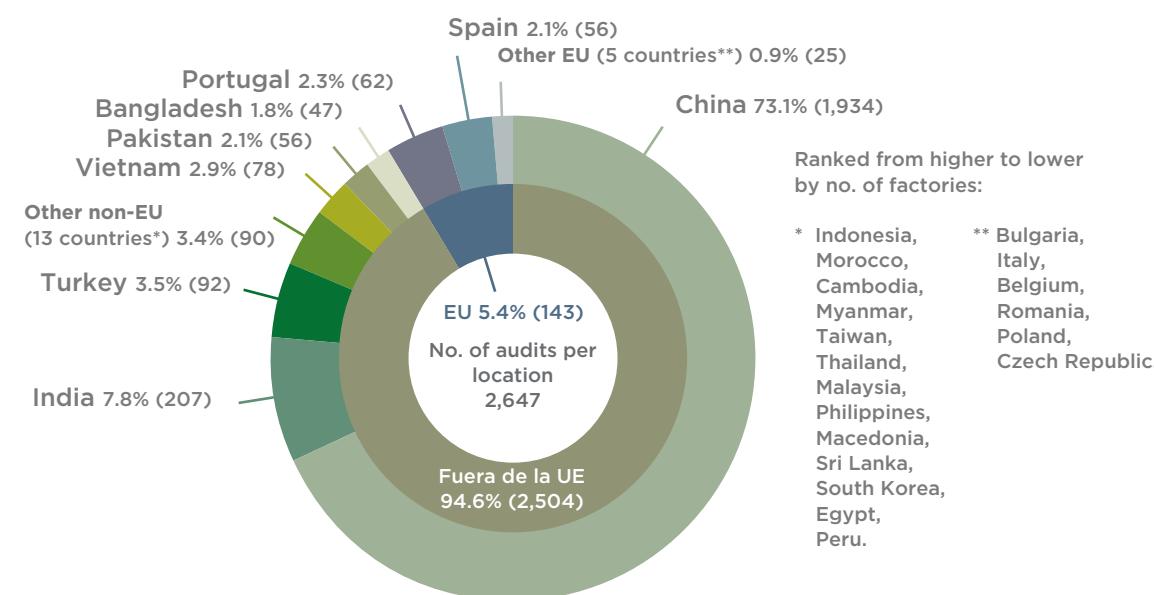
% of ESG Audits by standard in 2020



BSCI
SEDEX
ECI-FASP
Other ICTI
SA8000
WRAP
ICS
RBA

In 2020, suppliers were exceptionally provided an extra three months to furnish audits that were due for renewal during the first quarter (with scope for further extensions depending on market circumstances) in response to the situation induced by the pandemic. By the end of the year, audit activity was back at its normal pace, particularly in third countries.

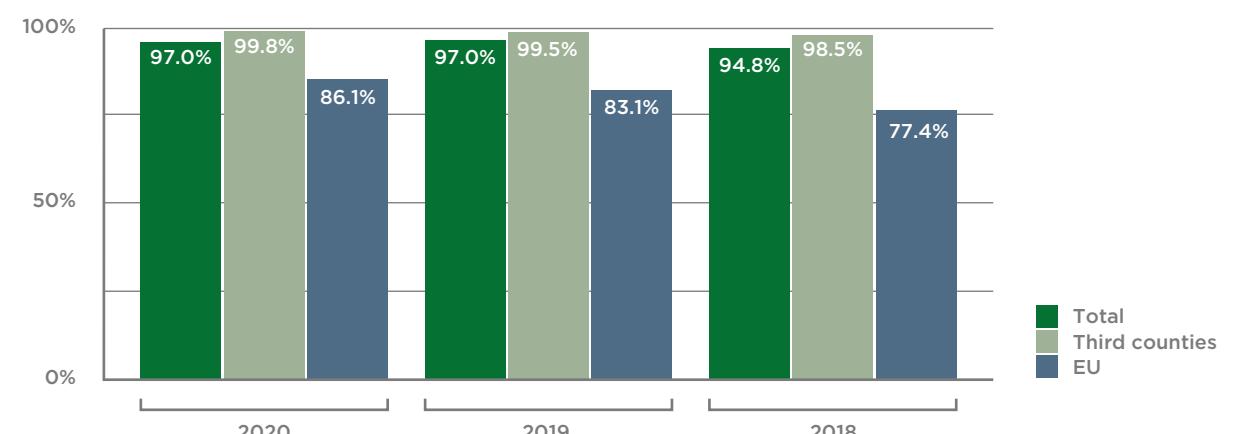
Number of audits carried out



The following table presents the positive results of the factory auditing effort over the past three years.

Factory score	Percentage of all audits carried out in 2020	Percentage of all audits carried out in 2019	Trend 2019-2020	Percentage of all audits carried out in 2018	Comments
A	5.78%	5.93%	- 0.15 p.p.	6.91%	The factories authorised by El Corte Inglés to produce for it have performed well over the last three years (93.0% in 2018; 96.9% in 2019; and 97.7% in 2020)
B	7.40%	7.64%	- 0.24 p.p.	6.98%	
C	84.51%	82.44%	+ 2.07 p.p.	79.09%	
D	2.23%	3.95%	- 1.72 p.p.	6.69%	In line with the comment above, it is worth highlighting the significant reduction in the number of factories turned down, evidencing the effort made to optimise the private label product supply chain
E	0.00%	0.04%	- 0.04 p.p.	0.18%	
ZT	0.09%	-	+ 0.09 p.p.	0.15%	

Factory coverage



Coverage is the ratio of factories monitored over total factories reported.

The next table illustrates the general improvement in the Group manufacturers' performance. It is worth highlighting the positive trend in all aspects audited, although the working hours indicator continues to require further improvement, a process that is underway.

Percentage (%) Non-Conformance by ESG aspect audited	2020	2019	Decrease (-) / increase (+) in Non-Conformance in FY20 vs. FY19	2018	Cross-cutting GRI indicators	Specific GRI indicators	ILO fundamental conventions	Associated SDG
Overall results of the amfori BSCI and ECI FASP audits conducted	2.31%	3.99%	-1.68%	7,02%				
ESG aspects audited								
1. Management system and cascade effect	70,35%	71,01%	-0,66%	67,65%				8.5, 8.8
2. Worker engagement and protection	1.54%	1.76%	-0.22%	3.16%				8.5, 8.8
3. Freedom of association and collective bargaining	0.00%	0.08%	-0.08%	0.26%				8.5, 8.8
4. Non-discrimination	0.13%	0.16%	-0.03%	0.33%			X	8.5, 8.8
5. Decent pay	0.94%	2.64%	-1.70%	4.62%			X	8.5, 8.8
6. Decent working hours	75,86%	72,85%	3.01%	69,42%	414-1, 414-2, 412-1			8.5, 8.8
7. Occupational health and safety	7.06%	9.88%	-2.82%	13.12%				8.5, 8.8
8. Zero tolerance of child labour	0.04%	0.08%	-0.04%	0.29%	408-1	X		8.5, 8.7, 8.8
9. Special protection for younger workers	0.00%	0.13%	-0.13%	0.61%	408-1	X		8.5, 8.8
10. Zero tolerance of undocumented work	0.05%	0.26%	-0.21%	0.29%				8.5, 8.8
11. Zero tolerance of forced labour	0.09%	0.04%	0.05%	0.40%	409-1	X		8.5, 8.8
12. Environmental protection	0.51%	1.01%	-0.50%	1.43%	308-1, 308-2			8.4
13. Ethical business conduct	0.47%	0.31%	0.16%	0.99%				8.5, 8.8

In 2020 the Group certified 860 potential suppliers once they had substantiated compliance with the social and environmental prerequisites.

4. Grievance Mechanisms

Another aspect evaluated during the ESG Audits conducted at our suppliers' factories is the existence of some form of internal grievance mechanism whereby workers can report suspected human rights violations.

The channels accepted by El Corte Inglés - the amfori BSCI grievance mechanism and the Group's own Whistle-Blowing Channel - are also monitored. No claims were made through the amfori BSCI grievance channel affecting El Corte Inglés suppliers or their factories in 2020; however, four Zero Tolerance cases, i.e., incidents related with child labour, forced labour, imminent worker health risks or unethical conduct, were filed and their remediation remains ongoing. The Group's Whistle-Blowing Channel received and handled one claim related with unreported outsourcing affecting our national supply chain.

Lastly, in March 2020, El Corte Inglés joined the amfori BSCI Project Group working on the Supply Chain Grievance Mechanism managed by a third party. The pilot test will kick off in Vietnam in 2021.

5. Training

The Group provides a lot of human rights training. During the first quarter of the year, El Corte Inglés rolled out a project for the digitalisation of the exchange of sustainability data to foster interaction between the company and its suppliers.

Phase two of that project has involved the start of a training programme for buyers on ESG certification, human rights due diligence and aspects of responsible purchasing. As a result, our procurement professionals can share their knowledge with our suppliers and encourage them to use the corporate platform actively. In 2021 the rest of the teams involved with these dimensions will also complete the training course.

Sfera's professionals were also trained on these matters, thereby completing their full integration into the Group's ESG system.

In Turkey, El Corte Inglés, along with other local and international brands, organised a training cycle on the impacts of Covid-19 with the aim of boosting suppliers' resilience and preparedness in the event of new challenges.

In addition, the amfori academy gave 147 courses on ESG matters to our private label product suppliers.

El Corte Inglés also stepped up the human rights-related training provided to the subcontracted security staff who work in our establishments. More specifically, in 2020 the company provided training to 1,370 people employed by Group subsidiary SICOR and to 221 employed by third-party security service providers.

STAKEHOLDER ALLIANCES

Internationally we enter into agreements with our stakeholders in order to back projects that promote respect for human rights. The table below outlines the main initiatives we participate in.

Country	Line of initiative	Goals	Progress as of 28 February 2021
Bangladesh	Accord on Fire and Building Safety	Programme for the verification and improvement of garment factory safety and worker health in Bangladesh	The Transition Accord, signed in 2018, has been extended in Bangladesh in the form of the Ready-Made Garment Sustainability Council (RSC) since July 2020.
Bangladesh	Agreement with UNICEF	Programmes for the protection of maternity and children's rights in the garment sector	El Corte Inglés' collaboration agreement with UNICEF in Bangladesh has been extended until December 2021, due to the fallout from Covid-19.
Bangladesh	Sexual harassment protocol	Prevention of sexual harassment at the El Corte Inglés international office in Bangladesh	In 2020 it was agreed to set up an anti-harassment committee in the Bangladesh office. The office staff were asked to fill out an anonymous questionnaire as the starting point for preparing the course, which was provided in February 2021.
India	Tamil Nadu Multistakeholder	Eradication of female exploitation in the garment supply chain	Training was provided at 65 knitting factories to get them ready for a sustainability transition and equip them to continue to provide the training on their own. At the end of the project, the factories can choose to complete further training online.
India	Footwear industry in Agra: Fair Labor Association	Eradication of child labour in the footwear sector	307 children (131 boys and 176 girls) benefitted from the MUSKAAN project. Of the total, 183 children were accepted in formal schooling thanks to the grants received. During the pandemic the team has continued to interact with the remaining 124 children at home. Community efforts were also deployed, including education drives on how to avoid catching Covid-19. During the term of the project, the continued presence of 535 children at school was monitored to make sure they did not leave education to work.
India	Sexual harassment protocol	Prevention of sexual harassment at the El Corte Inglés international office in India	No complaints were received in 2020. A training programme is being put together for next year.
Turkey	Refugees workers from Syria: United Work	Protection of refugee workers' rights under national Turkish legislation	At year-end 2020, 48 Syrians were working in our Turkish factories. The pandemic forced some of those workshops to close fully or continue to operate with fewer workers due to the drop in orders. That has led to a reduction in the number of Turkish and Syrian workers in our supply chain.
Portugal	"Made in Portugal" with two associations, ATP and ANIVEC	Development of an ESG compliance system associated with the "Made in Portugal" label	The sourcing office in Portugal is working on a new sustainability attribute articulated around the "Made in Portugal" concept, in collaboration with the country's two leading textile industry associations, ATP and ANIVEC. The idea underpinning this project is to raise the profile of all the private label products made in Portugal using qualifying ESG criteria.



Vertical garden at the El Corte Inglés on Constitución (Valladolid).

51

department stores and platforms boast Zero Waste management systems

91.5%

of recovered waste at stores with a Zero Waste system

10.7%

decrease in electricity consumption vs. 2019

100%

of our shopping bags are certified

8.5%

reduction in CO₂ emissions vs. 2018

Environment¹⁰

Sustainability and care for the environment are embedded into our corporate purpose. That is why we go to lengths to uphold our commitment to respecting the environment in any way it is affected by our business operations.

We are committed to respecting the environment in any way it affects our business operations in our drive to contribute to sustainable development.

We gear the bulk of our efforts towards preventing and recovering waste, reducing our consumption of resources (water, energy or fuel) and carrying out initiatives to complete the circular economy. We subscribe to several initiatives that set a targeted framework for addressing the situation of the planet.

Related material topics

- Circular Economy and Zero Waste
- Sustainable containers and packaging
- Climate-related risks
- Energy efficiency and sustainable logistics

¹⁰ The boundary for data includes the retail companies in Spain and Portugal, the Insurance Group, the Travel business, and SICOR Group. Other companies are not considered either due to lack of data or because of their scant contribution to the total. The boundary for 2019 data includes the retail companies in Spain and Portugal, the Insurance Group and the Travel business.

Initiative	Areas affected	Specific commitment	Year
Ellen MacArthur New Plastics Economy Global Commitment	Private labels	Eliminate excessive plastic packaging at physical and online stores, and even B2B	2025
		Use only plastic that can be reused, recycled or composted (primary and secondary packaging)	
		Increase the percentage of post-consumer plastic in packaging from 2021	
		Reduce virgin plastic by 20% from 2020	
Fashion Pact with the Fashion Industry Charter for Climate Action - UNFCCC	Textile, fashion and accessories	Have 50% of energy consumed in our operations come from renewable sources and encourage this in the supply chain	2025
		Have 100% of energy consumed in our operations come from renewable sources and encourage this in the supply chain	2030
		Achieve the decarbonisation of the fashion industry by acting on the 16 commitments of the Fashion Industry Charter on Climate Action	2050

These initiatives complement the CSR Master Plan, which sets our targets and lines of initiative for the 2021-2025 period.

The key objectives of our environmental management practices are:

1. **Circular economy and Zero Waste:** Implement a waste management system to minimise the waste produced and recover at least 90% of waste through a variety of circular economy projects.
2. **Sustainable packaging:** Draw up a plan that includes design, selection of materials, storage and logistics so packaging contributes to the Group's sustainable model.
3. **Climate change action:** Implement initiatives to reduce electricity and fuel consumption, and optimise logistics.

CIRCULAR ECONOMY AND ZERO WASTE¹¹

The Group encourages measures to help it transition to a circular economy. Scarce resources and a huge shortage of raw materials to produce what we consume, not to mention the amount of waste generated and not recovered, are leading us towards an alternative economic model, where everything generated is an input for a new process.

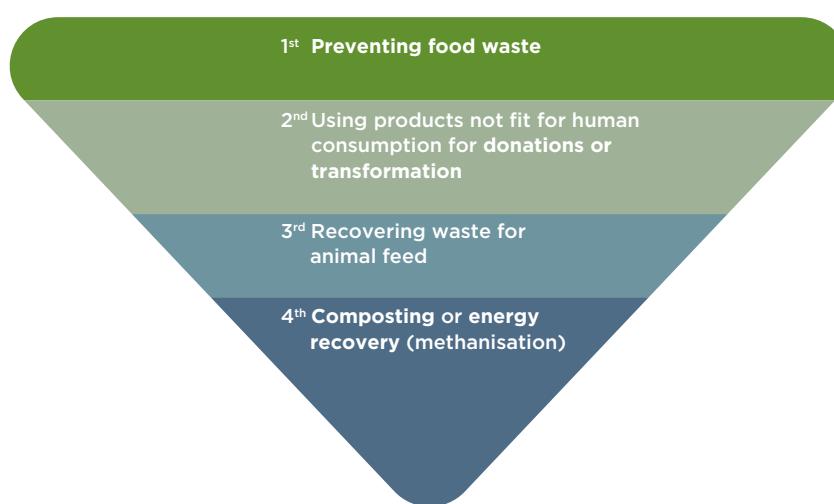
Aware of this reality, El Corte Inglés is committed to addressing the following environmental challenges:

- Circular Economy – projects
- Zero Waste – expanding borders

CIRCULAR ECONOMY – PROJECTS

Among circular economy projects, we promoted reuse over recovery during the year:

- We took several steps to mitigate **food waste**, aware of how important this is and its impact on the environment, society and the economy.



We tightened controls to minimise food waste and better manage unsold food.

Products still fit for human consumption are donated to several entities (see Society chapter). For fractions not fit for human consumption, we collaborate with several animal parks and farms; we delivered 51,777 kg of excess fruit and vegetables in 2020. We also increased the fractions of organic waste for composting, minimising the amount sent to landfill.

¹¹ The scope of the waste data refers to the calendar year.

Spanish Regions	Collaboration agreements for inedible fractions of food
Galicia	Collaboration with the Pastos do Enxilde and Mourelas Valles farms
Principality of Asturias	Agreement with the El Bosque Zoo
Basque Country	Agreement with the Ezkurtxerri Basque Porks livestock farm
Valencian Community	Agreement with the Bioparc nature park
	Agreement with the Río Safari Elche natural park
Region of Murcia	Agreement with the Terranatura nature park

- El Corte Inglés entered into an agreement with Cáritas moda re- to manage **fashion textiles**, unsold clothes and clothes received at collection points in circular economy projects. These complete the waste hierarchy, where reuse is at the top if possible, before other types of recovery, such as recycling and energy recovery.

Lines of initiative	Ejercicio 2020	Ejercicio 2019
El Corte Inglés Group collection points	49	49
Amount of clothes collected	239,943 kg	268,071 kg
Reuse of clothes collected	50.3%	57.0%
Conversion of clothing into new fibres (recycling)	41.1%	35.0%
Energy recovery	8.6%	8.0%

- In 2020, we collected more **waste from electrical and electronic equipment** (WEEE) than the year before, achieving one of our goals in spite of the pandemic. We increased the fraction of equipment earmarked for reuse and ensured that WEEE collected at our department stores was recycled.
- The circular economy comes into play in everything we do by using:
 - Recycled cardboard boxes from used cardboard packaging.
 - Recycled plastic bags using chips from our plastic packaging waste.
 - Reused hangers, baskets and pallets.
 - Toys, wood, metals, and raw materials for other processes.
- We took part in circular economy-related research projects, such as Life EPS Sure, with which we have been collaborating since 2017. That initiative demonstrated the possibility of obtaining recycled chips from expanded polystyrene (EPS) to produce new recycled EPS food packaging.

ZERO WASTE

The Zero Waste system completes the circular economy since it is predicated on the idea that “all waste is managed and all managed waste is recovered”. The model’s success is borne out by the fact that over 90% of waste produced is recovered.

The project kicked off in April 2019 in Galicia, and was later extended to Principality of Asturias, Cantabria and Castile & Leon. In 2020, we obtained Zero Waste certification in Aragon, Navarre and the Basque Country and completed the first stage of certification in Comunidad Valenciana and Región de Murcia, giving 41 department stores and 10 logistics platforms with this management system. The system was implemented in Portugal after the end of the reporting period.

El Corte Inglés’ goal is to have all its logistics centres and platforms certified by the end of 2022 and all Supercor establishments by 2025.

In 2019, El Corte Inglés became Spain’s first retailer to receive Zero Waste certification by AENOR, at its retail establishments and logistics platforms in Galicia. In October 2020, we won an award in the Spain section at the 2019/2020 European Business Awards for the Environment given by the European Commission and organised by the Biodiversity Foundation of the Ministry for Ecological Transition and Demographic Challenge. This accolade recognises the company’s efforts to integrate sustainability into its business management.



Zero Waste certified stores and platforms (AENOR Residuo Cero)

Region	Province	Store	
Galicia	A Coruña	Ramón y Cajal department store	
		Marineda department store	
		Santiago de Compostela department store	
		Altamira platform	
	Pontevedra	Vigo department store	
		Porriño platform	
	Principality of Asturias	Avilés department store	
		Gijón department store	
		Salesas department store	
		Oviedo Edif. I and II department stores	
		Asturias platform	
Castile & Leon	Valladolid	Zorrilla department store	
		Constitución department store	
		Monasterio department store	
		Cobalto platform	
	Burgos	La Moneda Edif. I and II department stores	
		Parque Burgos department store	
	León	Leon department store	
		Puente Castro platform	
		Salamanca department store	
Cantabria	Cantabria	Bahía de Santander department store	
	Aragon	Sagasta department store	
Aragon		Gran Casa department store	
		Puerto Venecia department store	
		Independencia department store	
		Malpica platform	
		Itarao department store	
		Pamplona department store	
Basque Country	Bizkaia	Gran Vía Edif. I and II department stores	
		Galdakao platform	
	Gipuzkoa	Eibar department store	
	Araba	Vitoria department store	

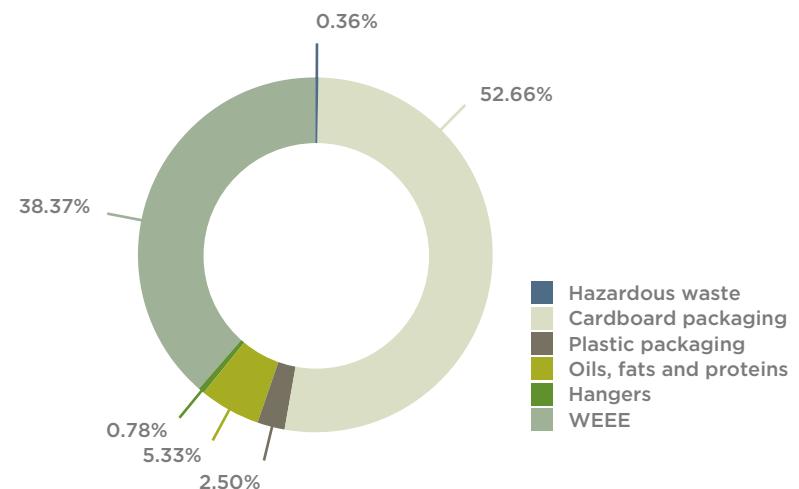
The AENOR ZERO WASTE certification recognises organizations that recover the various waste fractions they generate, within the defined scope, thereby avoiding the landfill as their ultimate destination.


**First stage of Zero AENOR Waste certification
AENOR Residuo Cero**

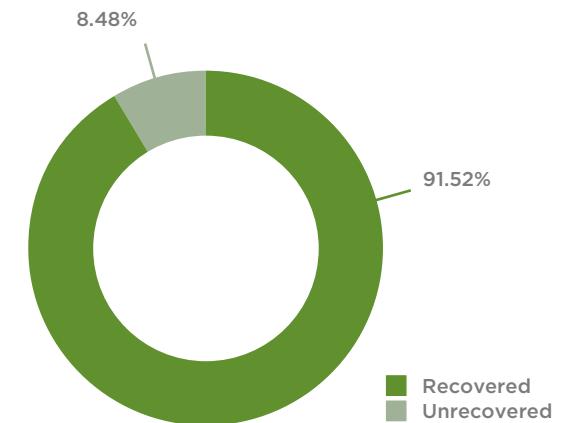
Region	Province	Store
Valencian Community	Valencia	Pintor Sorolla department store
		Ademuz department store
		Nuevo Centro Edif. I and II department stores
		Avenida de Francia department store
	Castellon	Colón department store
		La Reva platform
		C.C. Castellón
		C.C. Maissonave
Region of Murcia	Murcia	C.C. Ciudad de Elche
		C.C. Federico Soto
		Atalayas platform
		Libertad department store
		Cartagena department store
		Salzillo department store
		Molina Segura platform

Waste generated at all El Corte Inglés stores decreased by 6.7% in 2020, mostly as certain activities were shuttered because of the pandemic.

Waste destined for recovery	2020 (t)	2019 (t)	2018 (t)	Recovery operation
Hazardous waste	193	175	200	Recycling/controlled disposal
Cardboard packaging	28,528	32,734	31,767	Production of recycled paper pulp
Plastic packaging	1,352	1,593	1,433	Production of recycled chips
Oils, fats and proteins	2,886	3,392	2,584	Biodiesel and manufacture of animal feed
Hangers	424	562	571	Reuse/Production of recycled chips
WEEE	20,788	19,604	20,334	Reuse/Recycle of parts
Total	54,171	58,060	56,889	



Waste managed in Zero Waste systems

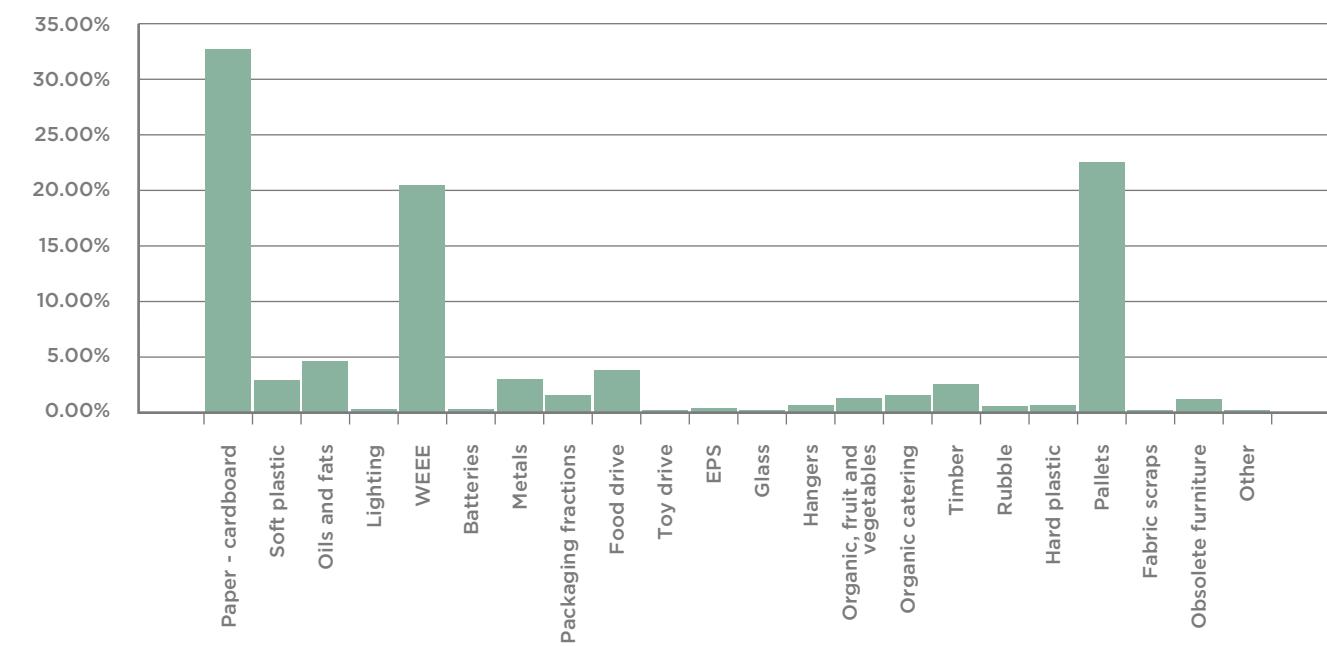


Data on recovered waste (%) at stores with a Zero Waste system:
Galicia, Principality of Asturias, Castile & Leon and Cantabria.

Zero Waste systems afford tight control over waste and how it ends up being managed, allowing us to report on the proportion of waste recovered and unrecovered:

Zero Waste system	Recovered waste	Unrecovered waste	Scope
2020	91.52%	8.48%	Galicia: 4 department stores and 2 platforms
2019	93.61%	6.39%	Galicia, Principality of Asturias, Castile & Leon and Cantabria: 18 department stores and 5 platforms

NOTE: The boundary for data includes the facilities with Zero Waste management systems for which date on waste generation for a full year are available.



SUSTAINABLE PACKAGING PLAN

El Corte Inglés is convinced that a good package or container must not only be environmentally-friendly, but that it must also protect the product and provide information on its contents to respond to current consumer habits. Priorities include securing how the package or container ends up being managed and ensuring that it upholds the following principles:

- Choosing the most suitable material or combination of materials taking into account sustainability and recyclability, and using the minimum amount needed to fulfil its purpose as a package.
- Supporting the circular economy by completing the recycling cycle and encouraging reuse of packaging and products, and prioritising the use of recycled raw materials.
- Reducing the consumption of packaging materials to the bare minimum necessary to serve their purpose as packaging.
- Helping employees and customers to achieve their reuse and recycling objectives.

To this end, our Sustainable Packaging Committee drew up an internal sustainable packaging handbook for purchasing departments as a guide to make private label packaging more sustainable and reduce its environmental impact.



We have increased the percentage of rPET in our private-label packaging.

With this in mind, we carried out initiatives on a number of fronts:

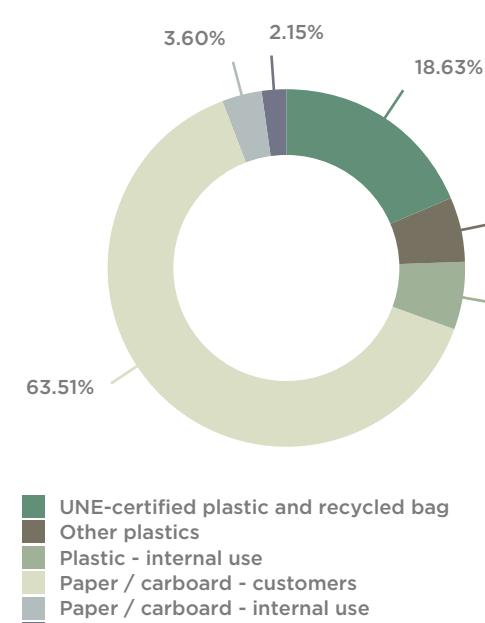
FOOD	<p>Offering dual certification of shopping bags in checkout lanes: reusable (UNE 15 certified for use) bags and bags that contribute to the circular economy (Blue Angel seal, with over 80% of recycled post-consumer plastic).</p> <p>Offering a new type of FSC-certified paper bag as an alternative to plastic bags.</p> <p>Switching light plastic bags for consignment to compostable bags.</p> <p>Switching all light plastic bags for FSC-certified paper bags for produce, bakery, and pastry boxes.</p> <p>Switching all light plastic bags for compostable bags for meat, fish, cold cuts and fresh prepared meals.</p> <p>Migrating from virgin plastic to compostable gloves for use by customers in the produce section.</p> <p>Replacing polystyrene trays with compostable fibre, cellulose or sugarcane trays in accordance with the sales environment.</p> <p>Substituting polystyrene trays with PET trays with a percentage of recycled material for meat products from suppliers.</p> <p>Reducing the range of packaged eco-fruit and vegetables and expanding the La Biosfera bulk range.</p> <p>Improving the packaging materials for private label products: increasing the percentage of rPET in juice, oil, and gazpacho bottles and improving the paper (FSC-certified) of milk, milkshakes and fruit juice cartons. Coffee pods are also made with compostable material.</p>
NON-FOOD	<p>Offering dual certification of shopping bags: reusable (UNE 15 certified for use) bags and bags made with more than 80% of recycled post-consumer plastic (Blue Angel seal).</p> <p>Gift wrapping using paper with PEFC or FSC certification.</p> <p>Recovering hangers.</p>
DELIVERY	<p>Using reusable baskets for supermarket deliveries.</p> <p>Using recycled cardboard boxes or FSC- or PEFC-certified paper instead of plastic for same-day delivery.</p> <p>Using recycled plastic bubble wrap or bags to protect merchandise during delivery.</p> <p>Offering dual certification of plastic bags to protect merchandise during delivery: reusable (UNE 15 certified for use) bags and bags made with more than 80% of recycled post-consumer plastic (Blue Angel seal).</p>
LOGISTICS	<p>Recovering 100% of packaging material in logistics processes by applying the Zero Waste management system..</p>



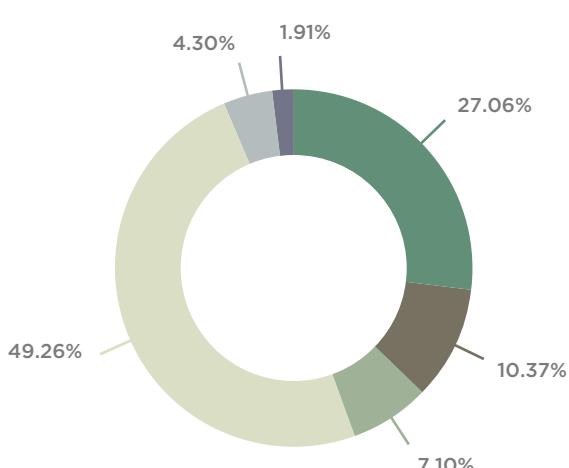
REDUCTION IN MATERIAL CONSUMPTION

El Corte Inglés lowered its plastic footprint in 2020 despite the jump in online orders and, accordingly, home deliveries, which require more packages. To help achieve this, we eliminated single-use bags and changed the type of material used, in addition to other measures. The following charts provide a breakdown of packaging and wrapping materials:

Breakdown of packaging 2020



Breakdown of packaging 2019



NOTE: The percentage change was due partly to the increase in the boundary of the analysis thanks to improvements in measurement.

To further reduce our plastic footprint, we are currently drawing up a Green Handbook to implement new sustainable-packaging measures for home deliveries.

CLIMATE CHANGE ACTION

Well aware of the impacts of climate change, we help drive the transition to a low-carbon economy by promoting environmentally-friendly products and services. We also encourage energy efficiency and we are working to establish specific consumption reduction targets, including measures to foster the gradual reduction of greenhouse gas emissions across the organisation. The Group has a governance model and strategy in place setting out the actions required to lead us on this path.

GOVERNANCE AND STRATEGY

According to the Group's organisational model, the highest governance body oversees the topics that are material to our business. Climate change risk is one of the most material topics to us. Indeed, climate action is one of the five lines of action of the 2021-2025 Sustainability and CSR Master Plan.

In line with the Group's environmental strategy, 100% of its electricity in Spain and 55% in Portugal came exclusively from renewable sources. Our commitment to renewables helps us to achieve our goal of reducing the environmental footprint of our business by implementing new environmentally-friendly measures.

RISK ASSESSMENT

We updated our climate change risk and opportunity analysis in 2020, which is aligned with the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

We analysed the potential financial implications of each risk and opportunity identified, the probability, impact and time horizon, and the business areas affected. Based on the findings, we drew up lines of initiative for responding to and overseeing climate-related risks and seizing the opportunities.

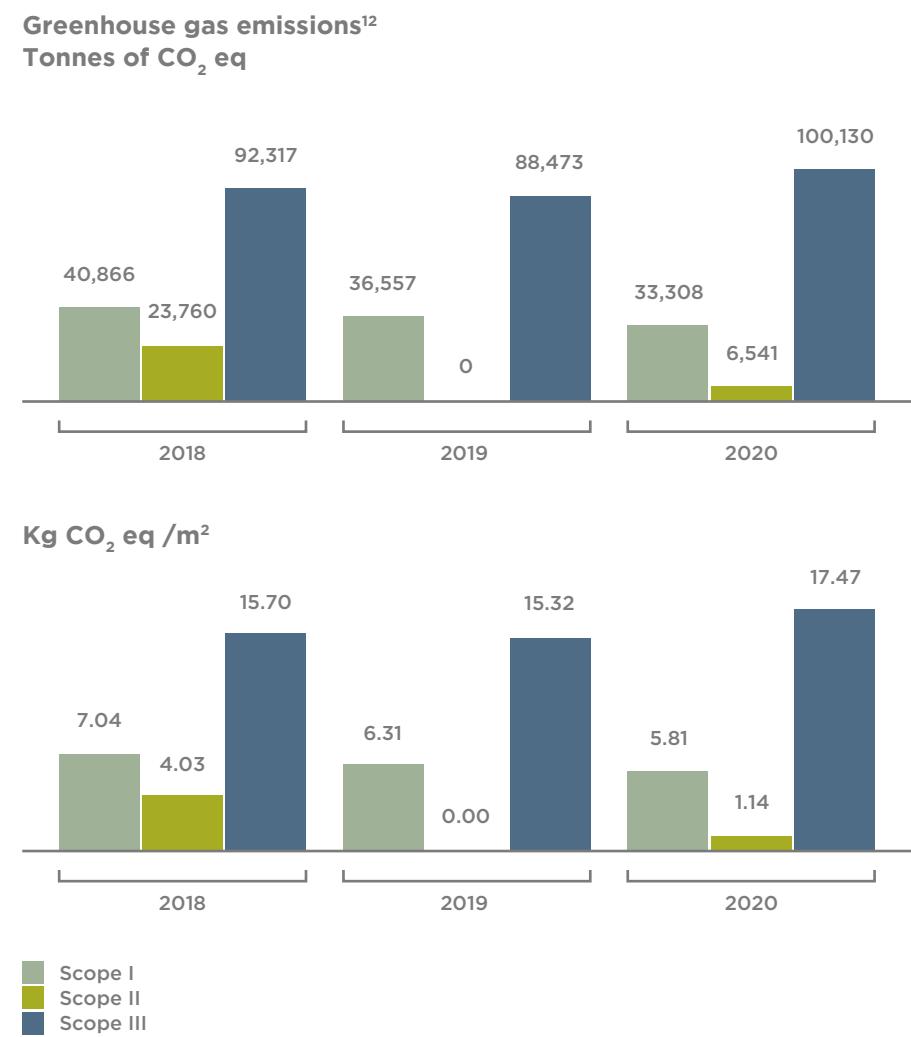
PERFORMANCE INDICATORS

El Corte Inglés stepped up its commitment to environmental transparency in 2020, disclosing its environmental impact for the first time through the CDP (Carbon Disclosure Project), a not-for-profit charity running the world's leading disclosure system for environmental impacts.

This was only the beginning and the Group intends to continue reporting on impact to the CDP in coming years, while reinforcing its commitment to the environment and transparency.

We have reduced our carbon footprint considerably over the past few years and are currently looking at other avenues, such as offsetting emissions through investment in external emission-reduction projects. Meanwhile, the Group is pursuing collaboration with service providers, e.g. for the purchase of carbon-neutral fuel through its shipping companies. This way we can certify the sustainability of the ships and help cut CO₂ emissions.

While taking action to reduce emissions, the pandemic also affected our energy consumption and all our carbon-footprint scopes in 2020.



Scope 1: Emissions from the direct use or consumption of energy.

Scope 2: Emissions from consumption of electricity.

Scope 3: Emissions from employees commuting to and from work, employee business travel, and leased car fleet

¹² We calculated our emissions by multiplying consumption by the corresponding emission conversion factor. For fuel and electricity, we used the factors provided by the Ministry for the Ecological Transition and the Demographic Challenge (MITECO) dated 15 June 2020. For mobile sources and business travel (to and from work and business trips), we used the emission conversion factors from the UK Government GHG Conversion Factors for Company Reporting 2020 tool. The scope of the 2020 data encompasses the retail companies in Spain and Portugal, the Insurance Group, the Travel business and SICOR Group. The data corresponding to 2019 and 2018 have been recalculated to reflect the deconsolidation of the IECISA Group.

LOGISTICS

Online sales rose because of the pandemic, resulting in a sharp increase in shipments for home delivery through our logistics operations and subcontractors. This caused our emissions to rise by 14.42% compared to 2019.

To deliver our emission-reduction target, we undertook several initiatives, classified by type of transport: national or international.

National transport

Increase in delivery points (El Corte Inglés, Supercor and post offices): This allowed for combined rather than individual deliveries. Combined deliveries reduced distance in kilometres and, accordingly, CO2 emissions.

- **Increase in routes using mega-trucks:** We saved on travel by using two mega-trucks (i.e. vehicles measuring over 25 metres and weighing over 40 tonnes) for each daily route.
- **Green vehicles:** We added gas and/or electric vehicles to subcontracted transport services in deliveries to local warehouses or post-sales service.
- **Maritime transportation:** We added gas-powered vessels for this type of transport for 17% of merchandise delivered from the Valdemoro (Madrid) warehouse to stores in the Canary Islands.

International transport

We nearly met our targets for reducing volumes shipped by air and road because of Covid-19, since the majority of flights were grounded temporarily and road transportation was minimal. This lowered our environmental impact as illustrated by the following metrics:

- 97% maritime
- 2% air
- 1% land

We implemented several measures according to transport mode, achieving a 48.54% reduction in GHG emissions from the year before.

Maritime

Shippers:

- Have environmental policies and commitments to reduce CO₂ emissions.
- Comply with International Maritime Organization (IMO) regulations, barring a few exceptions which are currently being addressed.
- Use slow steaming (i.e. operating at less than maximum speed) to reduce fuel costs.
- Are energy efficient and less pollutant in Asia.

Partners:

- Are members of the Clean Cargo Working Group, which promotes responsible shipping.
- Are members of the Global Logistics Emissions Council (GLEC) developed by the GLEC framework, the global method for calculating and reporting freight transportation emissions.

Other:

- Consolidate shipments at warehouses to optimise container stowage.
- Follow a consolidation-at-source protocol to maximise container stowage and reduce the fleet; 80% of containers have cargo in a single destination warehouse.
- Following a protocol at El Corte Inglés platforms to minimise movement within the warehouse.

Air

- Reduce air transport volumes.
- Consolidate cargo to make fewer trips.

Land

Bulgaria:

- Use mega-trailers.

Turkey:

- Use ferries versus land transport in the main lines.
- Work with shippers to reduce road distance and combine land with rail and maritime transport.

Valencia - Valdemoro:

- Implement an intermodal (rail and land) model.

ENERGY CONSUMPTION AND EFFICIENCY

The pandemic had a major impact on energy consumption in 2020. Store operations were hit with temporary closures, partial closures, and changes in opening and closing hours. This required us to exercise exhaustive control over consumption, with daily monitoring and analysis.

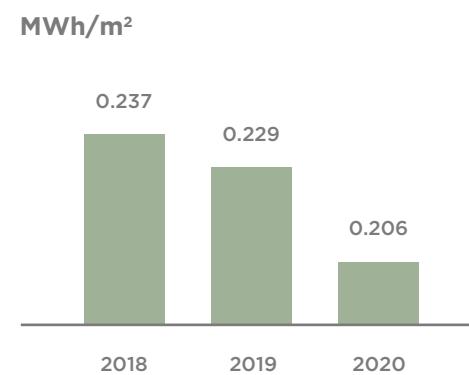
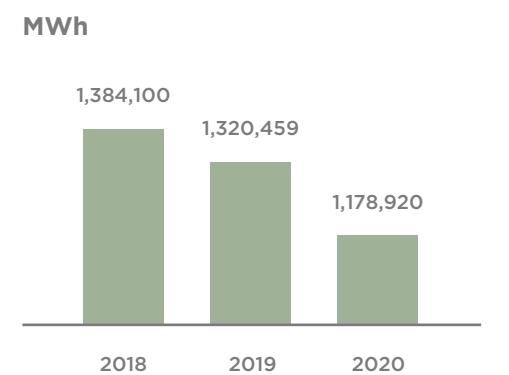
The consumption control project put in place enabled us to learn more about energy usage, identify patterns of behaviour, make comparisons and uncover anomalies in each consumption system to help see where adjustments needed to be made to facilities and achieve continuous improvements in operations. We have over 4,000 remote metering points, installed in the vast majority of El Corte Inglés stores.

Alongside this control system, we performed nightly energy audits (on top of those of past years), while maintenance officers also carried out initiatives.

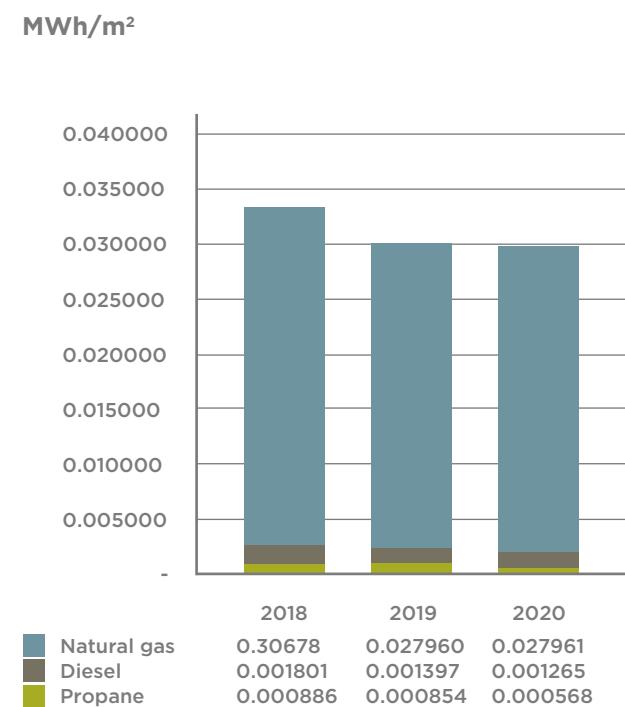
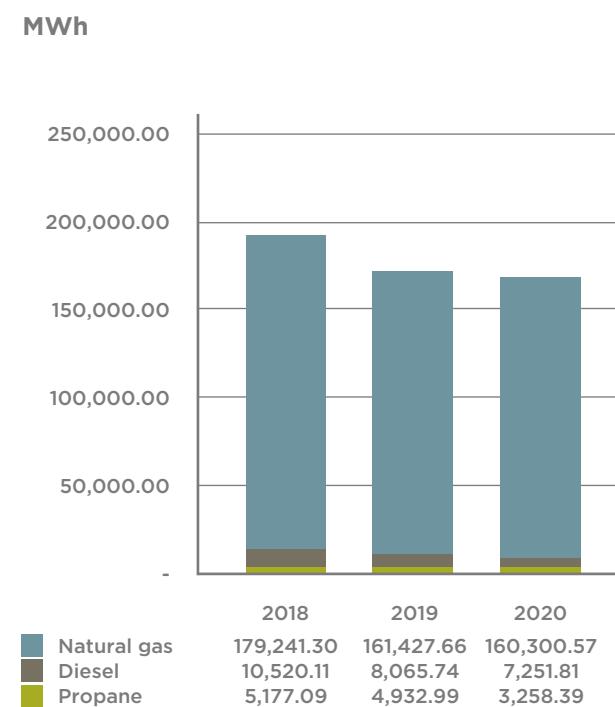
We achieved a larger reduction in consumption in 2020 than in previous years: -10% from 2019, in part owing to the state of alarm, and restrictions on store hours and business activity. This equates to a reduction in consumption of more than 141,538,632 kWh, about the amount consumed by some 43,000 homes. Over the past five years, the Group has cut consumption by more than 24%.

As part of its ongoing specialisation in energy management, El Corte Inglés embarked on a process for directly participating in wholesale markets in 2020 through a direct consumer, thus becoming more actively involved in the energy sector.

The Group's electricity consumption¹³



Fuel consumption¹⁴



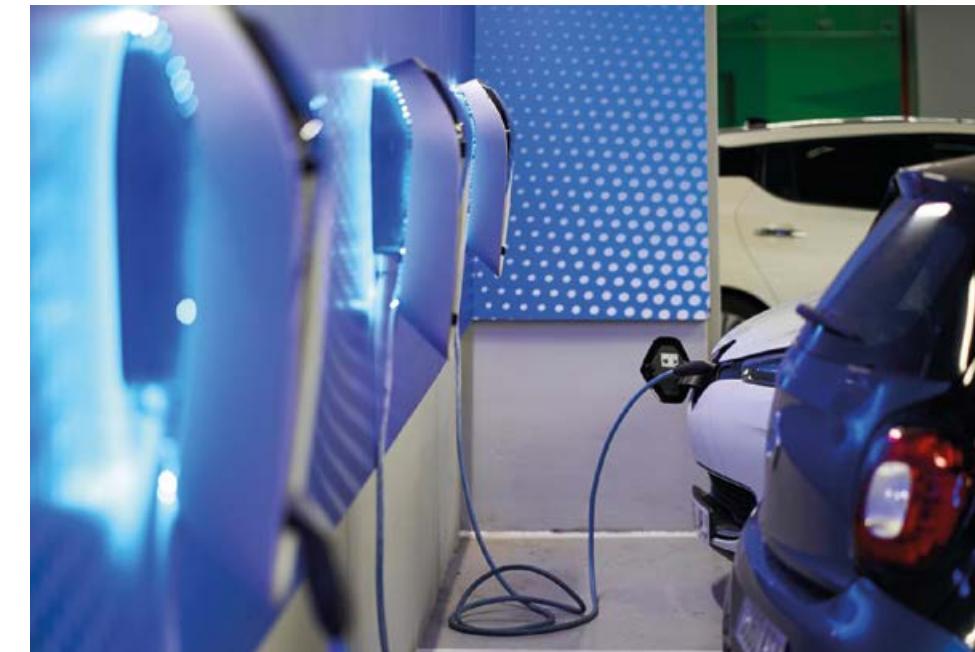
CONTRIBUTING TO THE MOBILITY OF TOMORROW

As a show of its commitment to sustainability mobility, El Corte Inglés installed more electric vehicle (EV) charging points at its department stores last year.

We had over 200 EV charging points at our stores at year-end, giving customers free power for 327,608 kWh. We do this to support and promote e-mobility, with the added value

that 100% of this power is from renewable sources with certificate of origin in Spain.

El Corte Inglés works tirelessly on delivering on this commitment, encouraging the use of more environmentally-friendly technologies and raising awareness among its customers.



¹³ The boundary for data includes the retail companies in Spain and Portugal, the Insurance Group, the Travel business, and SICOR Group. The data for 2019 and 2018 have been recalculated to reflect the deconsolidation of the IECISA Group.

¹⁴ The boundary for data includes the retail companies in Spain and Portugal, the Insurance Group, the Travel business, and SICOR Group. The data for 2019 and 2018 have been recalculated to reflect the deconsolidation of the IECISA Group.

ENVIRONMENTAL CERTIFICATION

AREA/COMPANY CERTIFIED	TYPE OF CERTIFICATION	SCOPE CERTIFIED	CERTIFIER
El Corte Inglés	Waste management traceability system Zero Waste	Department stores: Marineda, Ramón y Cajal, Santiago de Compostela and Vigo, in Galicia; Oviedo, Salesas, Avilés and Gijón, in Principality of Asturias.	AENOR RC-2019/0001
		Warehouses: Altamira and Porriño, in Galicia; Llanera, in Principality of Asturias.	
	Department stores: Monasterio, Zorrilla and Constitución, in Valladolid; Burgos, León, and Salamanca in Castile & Leon; and Santander, in Cantabria.	Department stores: Cobalto (Valladolid) and Puente Castro (León).	AENOR RC-2020
		Warehouses: Sagasta, Gran Casa, Puerto Venecia and Independencia, in Aragón; Itarao and Pamplona, in Navarre.	AENOR RC-2021/0004
	Warehouses: Malpica (Zaragoza). Department stores: Gran Vía, Vitoria and Éibar in the Basque Country.	Warehouses: Galdakao (Bizkaia).	AENOR RC-2021/0007
		Department stores: Lisbon and Gaia.	AENOR RC-2021/0011
El Corte Inglés-Grandes Armazéns	Warehouses: Alcochete (Alcochete) and Olival (Gaia)	Warehouses: Alcochete (Alcochete) and Olival (Gaia)	
		Offices: Conde de Peñalver (Madrid)	AENOR GA-2007/0668
El Corte Inglés Business Services	Environmental Management System UNE-EN ISO 14001	Warehouses: Las Canteras (Madrid)	ES-2007/0668
SICOR Seguridad	Environmental Management System ISO 14001	Video surveillance and alarm system design, assembly, installation and maintenance. Private surveillance service in Madrid	BUREAU VERITAS ES118061-1



El Corte Inglés employees taking part in community work.

€10.82

billion of economic value distributed

€1.62

billion tax contribution

62

Supercor stores with accessibility certification

over 1.7

million kilograms of food donated from our stores

over 1,500

social, cultural and sports activities

over 200

institutions and associations with participation by the Group

Society

We feel a bond with people and their needs and concerns. We drive development in the places we do business and we are committed to giving back to society.

Just as commitment to service is a hallmark of El Corte Inglés, so is its commitment to communities. We help society improve by promoting local development through myriad initiatives and actively engaging with several institutions and organisations. Our purpose is to do business while driving the social and economic development of the communities where we do it.

Our engagement with society became even more important in 2020 because of the health crisis. We worked hand in hand with public authorities to help the most vulnerable groups, providing resources and giving assistance through various initiatives across Spain.

Related material topics

- Responsible tax behaviour
- Responsible economic performance



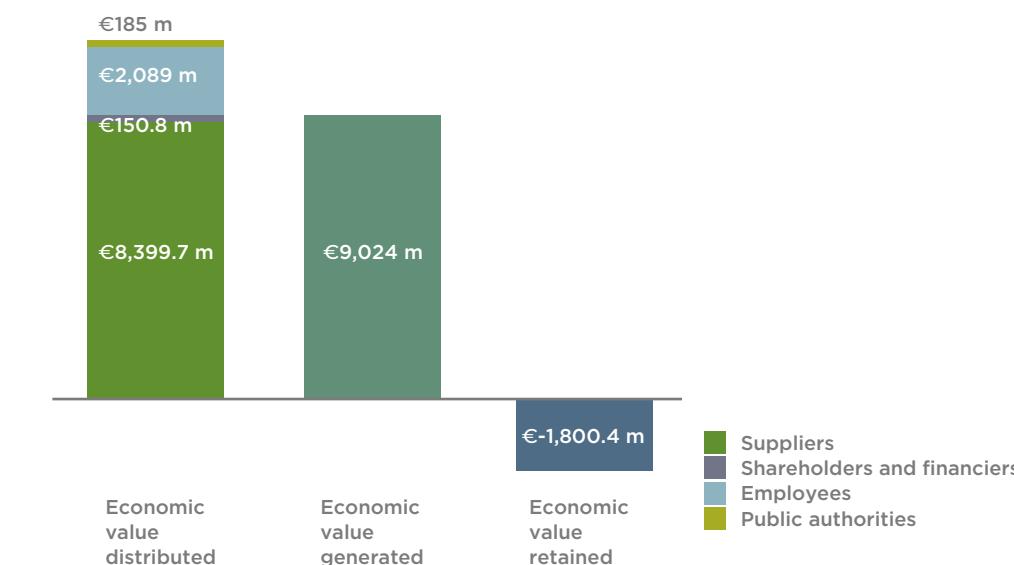
ECONOMIC AND SOCIAL VALUE CREATION¹⁵

El Corte Inglés Group has positive impacts on the economy and society, generating wealth and creating jobs in its footprint countries, especially in Spain and Portugal. This also has knock-on effects on its supply chain.

Several metrics illustrate the scale of our economic and social impact; e.g. revenue, number of suppliers and purchasing volume, direct, indirect and induced employment created -ECI is one of Spain's largest private employers- and tax contribution.

In 2020, economic value generated by the Group's operations in its sectors totalled €9.02 billion (2019: €15.58 billion), with operating income representing 117.7%.

Because of the challenging situation in 2020, El Corte Inglés Group put offering quality service to society first and foremost, with economic value distributed among social agents amounting to €10.82 billion (2019: €14.70 billion). As a result, economic value retained was a negative €1.8 billion (2019: €884.15 billion).



¹⁵ Calculated in accordance with GRI 201-1.

CORPORATE TAX STRATEGY AND POLICY

El Corte Inglés has always been a fierce defender of business ethics. As such, we observe and comply scrupulously with applicable legislation at all times and particularly tax laws. As a business group, we can contribute significantly to the economic and social development of the countries where we have operations.

We have traditionally implemented a tax policy predicated on:

- Ensuring compliance with applicable tax laws.
- Ensuring coordination in Group companies' tax decisions and tax practices.

The Board of Directors approved the Corporate Tax Policy at its meeting of 25 November 2020. The policy sets out guiding principles in taxation for all companies in the business group, including:

- Complying with and enforcing compliance with applicable laws anywhere and at all times, and with internal rules of conduct and any fiscal and tax-related rules or regulations undertaken voluntarily.
- Preventing and mitigating significant tax risks.
- Performing due diligence to prevent, detect and root out any non-compliance with laws or misconduct.
- Fostering relations with public authorities and regulators based on upholding the law, loyalty and mutual confidence, collaboration and good will.
- Ensuring that financial reporting, accounts, contracts and ancillary documents reflect accurately the nature of the underlying transactions carried out by Group companies.
- Avoiding duplication and inefficiencies in taxation.
- Considering that the taxes paid by El Corte Inglés Group companies are its main contribution to sustaining public finances and, accordingly, one of the Group's main contributions to society.

The Corporate Tax Policy also sets out specific guidelines for Group companies to comply with their tax obligations, grouped into four key areas:

1. Good Corporate Governance

- El Corte Inglés' Board of Directors is responsible for approving and regularly updating the policy, and encouraging compliance with it.
- A structure has been devised to ensure that the Board of Directors exercises its non-delegable powers in tax matters. The policy defines new roles and functions for: the Audit and Control Committee, the Internal Audit Department and the Tax Advisory Department.

2. Compliance

- All tax laws, regulations and internal rules must be complied with.
- Tax returns must be filed correctly and on time.

3. Best Tax Practices

- Tax-related decision-making should be based on the most reasonable interpretation of tax laws.
- Efforts shall be made to engage with tax authorities, promoting cooperation and communication based on transparency, legitimate trust and good faith.

By way of illustration, El Corte Inglés Group has subscribed to the Spanish taxation authorities' Code of Best Tax Practices since 2010.

4. Training and raising awareness among employees about tax matters

- Staff whose work relates to taxation are trained and receive refreshed courses as needed.

TAX CONTRIBUTION

El Corte Inglés contributes considerably to government tax revenue. The contribution includes taxes actually borne paid in the year by Group companies, and taxes collected in our business operations. We also pay into Social Security.

The Group's **tax contribution** in 2020 totalled €1.62¹⁶ billion (2019: €1.93 billion) broken down as follows:

- **€682.8 million** of taxes and duties borne (2019: €763.2 million), of which €189.6 million related to taxes (€29.8 million to corporate income tax) and €493.2 million to social security paid by Group companies.
- **€940.2 million** were taxes and duties collected (2019: €1,164.0), of which €580.6 million related to taxes, €146.8 million to employee social security contributions, and €212.8 million to employee personal income tax withholdings.

Geographically, in 2020 the Group paid corporate income tax in Spain (76.6%), Portugal (19.5%), Mexico (3.0%) and other countries (0.9%). The breakdown of income tax paid in 2019 was 60.8% in Spain, 34.5% in Portugal, 4.2% in Mexico and 0.5% in other countries.

The Group received grants and public assistance totalling €55.1 million in the year (2019: €18.1 million), of which €53.7 million related to grants and €1.4 million to other assistance (2019: €11.9 million and €6.2 million, respectively). Of grants received, 93.6% were in Spain and 6.2% in Portugal (2019: 100.0% in Spain).

See Appendix I Non-Financial Indicators for disclosures of tax metrics by country (pages 221-222).

ACCESSIBILITY TO OUR BUSINESS

Facilitating access to everyone is one part of our commitment to society. To improve accessibility, we adapt spaces by removing structural, architectural and technological barriers, and train staff on how to help people with special needs.

We opened a new Supercor Expres store in Madrid in 2020 which obtained the highest AIS (Accessibility Indicator System) certification level of (5 stars) and was also certified by Fundación para la Accesibilidad y Responsabilidad Social (ARS), and IMG Ibérica. We also added Beepcons; i.e. devices using Bluetooth Low Energy to guide blind or visually impaired customers around the store and departments.

This makes 62 Supercor stores with accessibility certification, after adding 13 in 2020.

The El Corte Inglés Insurance Group's head offices also comply with physical and sensory functional diversity criteria. The reforms undertaken in 2019 had made it user-friendly, enabling people with disabilities to get around comfortably and safely.

El Corte Inglés Group provides customers a broad array of online and telephone shopping options to remove barriers to accessibility. It can reach almost anyone anywhere, so they do not have to leave home. This is particularly important for certain groups of people, such as the elderly or people with physical disabilities.

In 2020, we engaged ILUNION to assess accessibility to our elcorteingles.es and elcorteingles.es/supermercado/ websites to identify barriers and improvements we can implement to make them fully accessible.

These initiatives are part of El Corte Inglés' engagement with society and commitment to listening to addressing people's concerns.



Our Express Supercor store on calle Barquillo (Madrid), with AIS's highest 5-star accessibility rating.

¹⁶ VAT and IGIC (Canary island indirect tax) is the net settlement with taxation authorities.

OUR ENGAGEMENT WITH SOCIETY

El Corte Inglés Group geared a great deal of its efforts towards addressing the impact of the pandemic, especially on the most vulnerable groups. It donated €2.4 million to foundations and non-profit entities. This was 11% more than in 2019 (€2.2 million), mostly because of extraordinary contributions to mitigate the effects of Covid-19.

We also kept up our commitment to other charitable causes, sports and culture, with which we have been working for many years. Our relationship with society focuses on three core areas: sports, culture and community commitment. We carried out over 1,500 initiatives on these fronts in 2020, compared to 7,300 the year before, mostly because of restrictions imposed as a result of the pandemic. We also spent over €2.6 million on sponsoring initiatives and events.

SPORTS

We actively support sport and the values it teaches; e.g. teamwork, interdependence, self-improvement, which are also at the heart of our principles.

We sponsored and partnered with several institutions and sporting events in 2020, including charity races and different kinds of tournaments. Because of the health crisis, some of these became virtual events, while others were cancelled. Key initiatives sponsored:

Key initiatives. Sports sponsorship

- Official sponsor of the La Liga football league
- World Padel Tour tournaments
- “Revolution On Ice” ice skating show
- Inter Movistar indoor football team
- The “La Cursa El Corte Inglés” charity run in Catalonia
- Bandera El Corte Inglés row boat (trainera) regatta in Portugalete
- Bandera de Traineras El Corte Inglés

We also worked together with foundations and sports schools on a number of charities that promote education and inclusion through sport. For instance, we donated to LaLiga Genuine and Fundación Deporte y Desafío to support the inclusion of people with disabilities, and to other projects spearheaded by the Atlético de Madrid Foundation.

CULTURE

We are convinced that culture is a powerful driver for development of society. In line with this conviction, we promote artistic, literary, musical and other initiatives, and support several public and private institutions that champion the values of culture.

2020 was certain atypical on the culture front for us. The pandemic forced us to cancel in-person activities at our stores and turn them into digital initiatives. We launched events using Zoom from March to June, before resuming our in-room programming, with no audience, after summer, streaming broadcasts on social media. In fact, in 2020 we stepped up our programming to bring culture closer to people.

Cultural area venues in Spain

75 activities broadcast via Zoom and Facebook	58 broadcasts via in-room streaming
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- 1.9 million streams
- Almost daily programming
- 24 venues

Activities organised include: #YoMeQuedoEnCasayLeo, II National Living Poetry Award (Premio Nacional de Poesía Viva), the Spring Novel Award (Premio Primavera de Novela) and the 25 Springs Award (Premio 25 Primaveras), Book year (Un año de libros), Hotel Florida, Ateneo de Sevilla award, Valencia national painting award, L de lírica award (poetry on Instagram)

El Corte Inglés-Grandes Armazéns' activities in the field of culture in Spain followed a similar path. A new, fully online schedule was created with music, literature, poetry, history, film and other current topics. It staged 136 video activities with the participation of dozens of Portuguese celebrities. The videos were played on our social media, reaching 1.5 million people.



Ámbito Cultural forging ahead with its activities online during the lockdown and, once the circumstances permitted, with in-person initiatives, framed by stringent safety measures.

Pitiflú children's activities

In-person	The #estamosatulado (we are with you) campaign	On social media
114 initiatives	125 Pitiflú home videos	95 Pitiflú videos
2,334 participants	Over 321,000 views	Over 59,000 views
Key activities: crafts, creative workshops, science workshops, workshops on sustainable materials, storytelling and activities, activities to promote reading, puppets, magic shows, children's theatre and concerts for the entire family.	Children's videos for kids during lockdown.	Key activities: four videos a week on different topics (science, workshops and crafts, fairy tales, and entertainment activities; e.g. magic, music, series and other).

Aside from the myriad in-store activities, we continued to team up with institutions from all areas of culture. Social distancing restrictions caused several musical and artistic events to be cancelled. However, we still managed to take urban art to our stores. For the first time, we sponsored Spain's national graffiti league in a bid to lend greater visibility to this type of painting, especially among younger people.

Collaboration with cultural institutions

- Madrid Royal Theatre
- The Prado Museum
- The Baluarte Congress Center and Auditorium of Navarre in Pamplona
- The Museu d'Art Modern i Contemporani Es Baluard museum of modern art in Palma de Mallorca
- Academia de Bellas Artes de San Carlos (San Carlos Royal Academy of Fine Arts) in Valencia
- The PHotoESPAÑA (Spain photo) festival
- The Madrid international contemporary art fair (ARCO)
- The National Graffiti League

COMMUNITY COMMITMENT

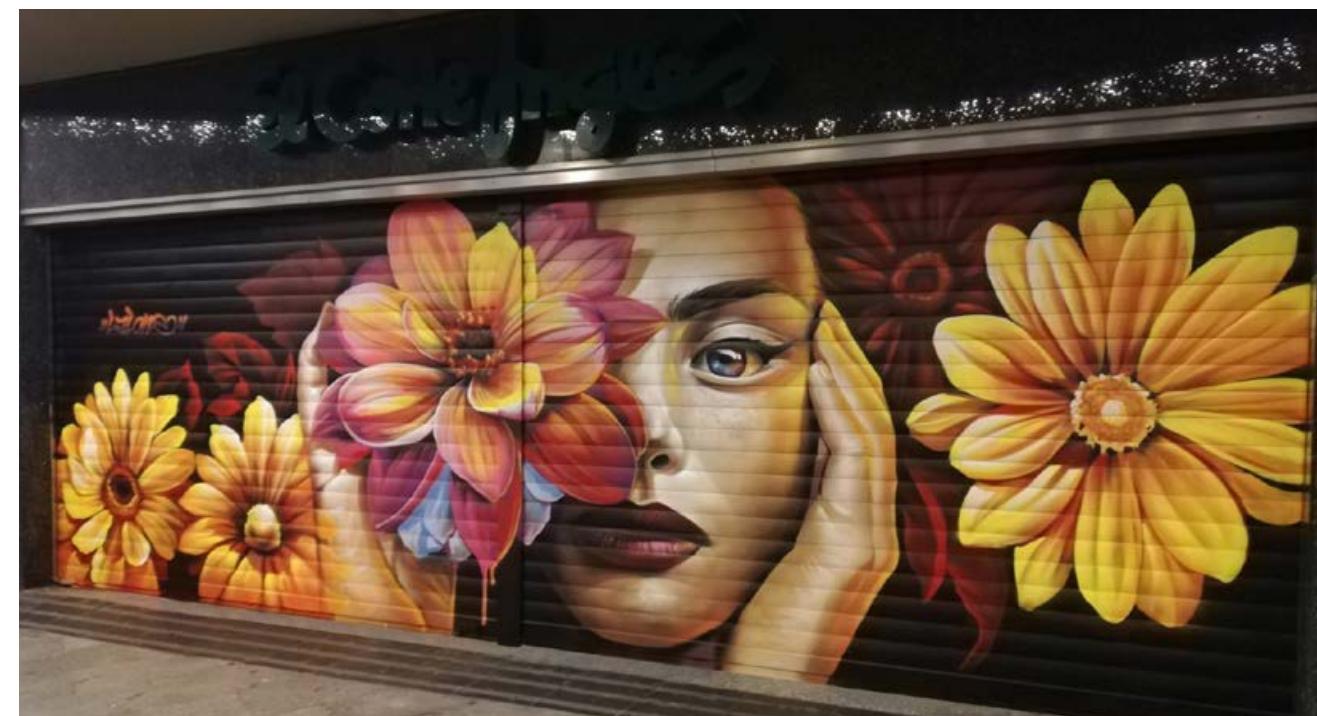
El Corte Inglés Group's contribution to society in 2020 revolved around mitigating the effects of Covid-19 on people through donations and collaboration with several institutions and associations. El Corte Inglés kept the commitments it undertook in previous years with strategic partners in three main areas:

- Children and youth
- Health and well-being
- Inclusive local development

	No. of initiatives
Community commitment initiatives	368
Covid-19-related initiatives	68
Total	436

These initiatives exemplify El Corte Inglés' commitment to addressing the needs of society, especially of the surrounding community, and taking part in those that help the less fortunate.

The Group implemented masimpactTM of London Benchmarking Group (LBG), a tool for managing and measuring the social impact of the initiatives we promote. We use the criteria of the internally renowned ONLBG methodology to measure impact and share information about companies' social activities.



Sponsorship of the Graffiti National League to showcase this style of painting, much loved by our youth, to the rest of society.

CHILDREN AND YOUTH

We are strongly committed to protecting children's rights and this commitment is enshrined in our corporate policies and activities. We undertake initiatives that promote education and well-being of children and adolescents.

Initiative	Institution	Specific commitment
Toy drive		<ul style="list-style-type: none"> 10th annual "Toys for charity" campaign: We raised €85,000. Under this campaign, we donate 20% of the sales of a selection of toys to UNICEF. Donation to paediatric oncology units: Through the Aladina Foundation, we delivered 3,000 toys worth around €60,000 to more than 15 hospitals in Spain, where visits to children by their families were restricted because of the pandemic. Master Chef Junior 8: we delivered 32 pallets full of toys to more than 3,000 Aladina Foundation units. Charity bus: We set up a charity bus from Madrid's public transport manager (EMT) at the Castellana store. For every toy donated by a customer, El Corte Inglés and EMT each donated one to the Aladina Foundation. Largest ever toy donation: some 50,000 toys were donated to NGOs (e.g. A Compartir, Aladina Foundation, Crecer Jugando, Bomberos Ayudan, El Pato Amarillo) to help bring Christmas spirit despite the pandemic. Share and recycle: Collaboration with the toy manufacturers' association of Spain (AEFJ) on the "share and recycle" campaign for the sixth straight year under the slogan "You can get a lot of fun out of your toys". Bridging the digital divide in education: Together with Spanish Red Cross, we delivered 1,600 tablets through Ramón Areces Foundation worth €181,000 to students with limited resources in the second stage of their primary education and compulsory secondary education in a bid to help bridge the digital divide in education. The pandemic forced classes to move online and many families lacked the technology for their children to attend and continue learning from home.
Toy drive		
Second life toys		
Commitment to children's education		

HEALTH AND WELL-BEING

We advocate healthy lifestyles through our product range, awareness-raising and cooperation in a variety of initiatives. We also fund medical research projects, above all cancer research.

Initiative	Institution	Specific commitment
		<ul style="list-style-type: none"> "#ECISEVISTEDEROSA" Campaign: We remain firmly committed to the Spanish Cancer Society (AECC), supporting several breast cancer research projects. The "#ECISEVISTEDEROSA" (ECI dress pink) campaign took in €197,000, while raising awareness among customers, employees and the wider committee as part of our commitment.
Fight against cancer		<ul style="list-style-type: none"> Child cancer research: We donate a share of the proceeds from children's fashion collections and ad-hoc events to the El Sueño de Vicky Foundation to fund childhood cancer research projects.
		<ul style="list-style-type: none"> Pink month: El Corte Inglés-Grandes Armazéns collaborates with the Portuguese League Against Cancer on the Pink Month initiative, under we donated €1 for every item sold and launched merchandising for employees and coupons for customers, raising over €36,000.
		<ul style="list-style-type: none"> Improving the quality of life of children with cancer: The ECI Insurance arm works with the Children's Cancer Association of Madrid (ASION) to improve the quality of life of children with cancer and their families. Through these collaborations, it received the ASION 2020 award in the COMPANIES category for its charity work and involvement in the fight against childhood cancer.

INCLUSIVE LOCAL DEVELOPMENT

We support local development, especially socio-economic development, wherever we have operations, undertaking a variety of initiatives in collaboration with associations and institutions to have a wider impact.

Initiative	Institution	Specific commitment
Food drive and fight against food waste		<ul style="list-style-type: none"> Close cooperation with food banks: In May, we donated €800,000 through Operation Virtual Kilogram using a new donation system adapted to the pandemic. The major drive of December raised €1.8 million, 33% more than the €1.2 million of 2019. Fight against food waste: Food waste management remains a top priority and hallmark of our food operations. In 2020, we donated 1,741,586 kg of surplus food to food banks and other charities (2019: 1,038,320 kg). The food was still edible but would have gone to waste, so it was distributed among a large number of households. This aim of this charity initiative is to make better use of food and redistribute surplus food.

Fight against food waste	AECOC La Asociación de Fabricantes y Distribuidores
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Textile recycling	
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- **Food waste action week:** Once again last year, we joined the Food waste action week spearheaded by the Spanish association of foods manufacturers and distributors (AECOC), which coincided with the first International Day of Awareness of Food Loss and Waste.

- **Awareness-raising initiatives** about the need to reduce food waste, mostly in the home.

- **Circular economy in collaboration with Cáritas:** The textile recycling project made further strides in 2020. We now have more 49 containers installed in our department and outlet stores across Spain. This project has an underlying social impact, since it creates jobs and provides training to people at risk of social exclusion. In 2020, a total of 239,943 kg of clothes and footwear were collected.

Specific actions aimed at mitigating the effects of the pandemic

Initiative	Institution	Specific commitment
	Local donation of materials throughout Spain	<ul style="list-style-type: none"> • Regional field hospitals: donation of beds and mattresses, bed linen, cleaning and disinfection products, hats and pyjamas, tablets and mobile phones. • Hostels in most communities in Spain: donation of clothes, bed linen, towels, utensils, appliances and water. • Victims of domestic violence: donation of clothes and footwear. • Nursing homes: donation of food, personal hygiene and disinfection products, household linen, clothing and other materials. • Collaboration with Doctors Without Borders: donation through Ramón Areces Foundation of furniture such as shelves, chairs, drip stands, tablets, tables and stretchers, to convert two buildings in Madrid into medical facilities. • In Portugal: donation of bed linen to a field hospital in Porto; material to two homeless shelters; and prepared meals in collaboration with associations (400 soups and pieces of fruit per day during the months of lockdown). We also held fund-raising drives for the Red Cross, UNICEF and APAV (a victim support association).
Charity cards in El Corte Inglés, Hipercor and Supercor supermarkets	    	<ul style="list-style-type: none"> • 'Together We Do More': donation of €3 charity cards in boxes at supermarkets, raising €247,948. Customers can choose which charity they want to support: Cáritas, Red Cross, Spanish food bank association (FESBAL), ONCE Foundation and UNICEF Spain.
Gift cards		<ul style="list-style-type: none"> • "Red Cross Responds" donation of 4,000 gift cards of €80 each for a total of €320,000 to buy food and essentials for the disadvantaged (approx. 4,000 families).
Local government		<ul style="list-style-type: none"> • €100,000 worth of gift cards: Through Ramón Areces Foundation and thanks to a contribution by Goldman Sachs, the donation went to help cover basic food needs, buy cleaning products, sheets, towels, and perishables. • €40,000 worth of gift cards: The donation went to Integra Foundation to buy food and essentials for the most disadvantaged (e.g. victims of domestic violence, ex-convicts, ex-addicts, the homeless).
		<ul style="list-style-type: none"> • Gift cards for needy families: delivery of El Corte Inglés gift cards that can be redeemed at the Group's supermarkets for food and essentials. Cards were delivered to 500 families in Madrid.

Our employees also take up charitable causes to help the most vulnerable. Over the course of the year, El Corte Inglés Group employees carried out several corporate volunteering actions related to some of the initiatives described above (e.g. Operation Kilogram, toy drive and donation, etc.). One of the most noteworthy actions was the programme to bridge the digital divide carried out in conjunction with the Red Cross. Group employees answered children's questions and addressed issues regarding the use of digital devices and tools.



Collaboration with the Aladina Foundation on the toy collection drive for children with cancer.

ACTIVE PARTICIPATION IN ORGANISATIONS AND INSTITUTIONS

El Corte Inglés Group actively participates in numerous leading national, regional, local and international industry associations and institutions. Our goal is to assess and understand the economic, political and regulatory landscape so we can take the best decisions for the business before the situation changes.

We are involved and work together with more 200 associations, with seats on their management bodies, sector committees and working groups.

Association/Institution	Collaboration and participation
Cámaras de Comercio de España	Public law corporations set up to represent, promote and defend our corporate interests at regional, national and European level.
CEOE Empresas Españolas	Defending our corporate interests in decisions by the government, trade unions, political parties, and other international institutions.
CEPYME	We are a member of the Spanish confederation of small- and medium-sized enterprises.
Retail	
ANGED	We are involved with the National Association of Large Retailers defending the interests of retailers across Spain.
ACES Asociación de Cadenas Españolas de Supermercados	The Spanish Association of Supermarket Chains coordinates, represents and defends the interests of food retailers.
AECOC La Asociación de Fabricantes y Distribuidores	Through the Spanish Association of Commercial Coding, we keep close contact between industry, retailers and middlemen.
Insurance	
ICEA el valor del consumo	Cooperative Research Between Insurance Companies and Pension Funds (ICEA), whose work includes gathering industry statistics, research, training and advisory in insurance. Seguros El Corte Inglés, S.A. is an ICEA member and helps draw up studies and give training courses.
inverco	Spanish Association of Collective Investment Schemes and Pension Funds. INVERCO comprises nearly all the Spanish collective investment undertakings, pension funds, and foreign collective investment undertakings. Seguros El Corte Inglés, S.A. is a member of the association and manages four pension funds.
UNESPA ASOCIACIÓN EMPRESARIAL DEL SEGURO	The Spanish Association of Insurers and Reinsurers is the main liaison with the Directorate-General for Insurance and Pension Funds, Spain's insurance and pension fund watchdog. Seguros El Corte Inglés, S.A. is a UNESPA member and plays an active role in all working groups.



Spanish association of professional insurance intermediaries and insurance brokers. Among other activities, AEMES negotiates **labour matters and collective agreements**. We play an active role on all AEMES committees, working groups and events held by the association.



Spanish risk insurance management association. We have a seat on the agers management board, board committees, and working groups, and take part in events to advance and promote **risk and insurance management** among Spanish companies.

Travel



Viajes El Corte Inglés collaborates with the Spanish Union of Travel Agencies (UNAV) to defend the interests and raise the profile of travel agencies. Through UNAV, we belong to the Spanish Confederation of Travel Agencies (CEAV), whose purpose is to unite the industry and protect travel agencies.



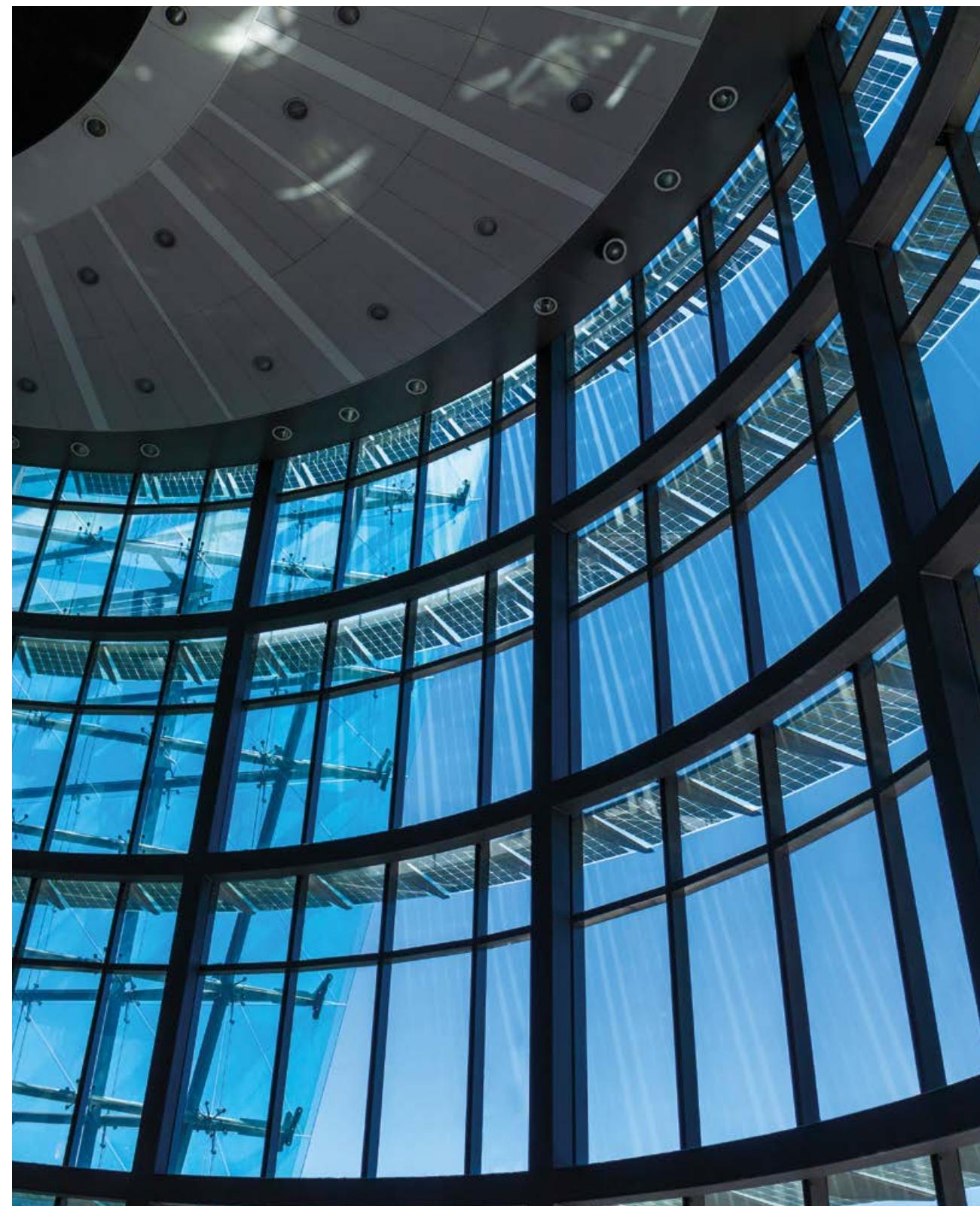
The Guild of European Business Travel Agents is the leading business travel organisation and a CEAV member. Its platform ensures appropriate public and private sector business travel and MICE (Meetings, Incentives, Conferences and Events) in Spain.



In collaboration with Spain's tourist board (Turespaña), an autonomous body of the General State Administration, we enhance Spain's image as a tourist destination for shopping and promote international tourist arrivals, above all Asian and American tourists.

In Portugal, the main retail trade foundation is Associação Portuguesa de Empresas de Distribuição. Internally, there is the internationally the International Association of Department Stores (IADS), among other organisations.

On the CSR front, our commitment to sustainable development includes actively participating in business and multilateral forums and initiatives. These include the Spanish chapter of the Global Compact, Forética's climate change, transparency and social innovation clusters, the SERES Foundation, Spain's fashion industry social forum and the sustainability mobility business forum. Internationally, we are a signatory of the Fashion Pact, Amfori, the UN Fashion Industry Charter on Climate Action, Bangladesh Transition Accord and The Consumer Goods Forum, to name a few.



Risk and opportunity management

By properly identifying and assessing the risks that could affect our business, we are able to anticipate issues and turn potential difficulties into opportunities.

To tackle the risks and opportunities that can impact our business, we first have to identify and assess them appropriately. This is crucial for ensuring our business remains stable in today's challenging and changing landscape.

El Corte Inglés Group has an integrated risk control and management system that can minimise the impacts of each risk and turn threats into new business opportunities. The system identifies and measures potential, existing or emerging risks, allowing the required mitigation measures to be taken sufficiently in advance. This helps the Group deliver both its financial and non-financial strategic objectives.

The risk management and control system is predicated on correctly determining and assigning duties and responsibilities and includes the strategies, policies, processes and procedures and the necessary reporting to ensure an adequate level of internal control. The Board of Directors is responsible for the risk management and control system and, with the assistance of the Audit and Control Committee, its implementation, formalisation and supervision (see diagram on page 38).

Key advances in risk control and management in 2020 included:

- Updating the Corporate Risk Map and setting up the Risk Control and Compliance Committee (see chapter entitled "Our governance").
- Amending the Risk Control and Management Policy to adapt to the operation of the new committee.
- Creating and running a task force for coordinated management of the various risk control and management models in place in the Group and monitoring using a single shared platform (SAP GRC).
- Embedding the activities of the specific information security risk control and monitoring function in the current control models through SAP GRC.

- Expanding risk work in the Group's various areas.
- Updating climate-related risks in accordance with TCFD guidelines.
- Training and raising awareness among executives about risk control and management.
- Devising risk maps for certain newly created projects.

El Corte Inglés sees risks as an opportunity to grow and undertake new initiatives that create value. The Covid-19 pandemic is a case in point. The pandemic has had negative impacts in many ways, but also helped speed up our digital transformation, online channel, logistics and real estate management programmes, and diversify our service mix, while we continued to deliver on our commitment to customers and other stakeholders.

MAIN RISKS

We define and assess risks that can affect the achievement of the Group's objectives and rank them by importance (measured in terms of their financial and reputational impact) and probability of occurrence.

MAIN RISKS IDENTIFIED

STRATEGIC	OPERATIONAL	FINANCIAL	COMPLIANCE
<ul style="list-style-type: none"> • Social and political environment • Digital transformation and omnichannel retailing • Customer and stakeholder engagement • Sustainability and demographic challenge • Climate change • Real estate management 	<ul style="list-style-type: none"> • Supply and logistics chain • Merchandise for sale • Systems and technology: availability, integrity and security • Human resources and talent management 	<ul style="list-style-type: none"> • Finance • Responsible tax behaviour • Financial and management reporting 	<ul style="list-style-type: none"> • Compliance • Regulatory: <ul style="list-style-type: none"> • Criminal law • Corporate regulations

The risk control and management system defines and identifies the responsibilities for each of those risks and the others included in the scope. These criteria determine the Group's tolerance to each risk, the applicable policies and procedures, the controls to mitigate or reduce risks, monitoring and continuous improvement. Our risk control and management system is aligned with benchmarks for this type of system, in particular the COSO (Committee of Sponsoring Organizations of the Treadway Commission) model.

STRATEGIC**Social and political environment**

Loss of customer purchasing power due to economic crises and wider social inequalities is a major risk. The threat is even greater now given the impact of Covid-19 on Spain and the rest of the world.

Political, legal and regulatory changes can heavily impact the Group's operations and its core business of distributing consumer goods and services. Examples could include tax hikes, which would reduce consumer purchase power; new regulations on store hours; changes in limits on cash payments; or changes in labour laws.

The Group assesses the possible scenarios so it can react quickly and take the right decisions to minimise the adverse effects on the main variables directly affecting the business.

Given the health crisis in 2020, social and political risk had an unprecedented impact on global tourism. Hit especially hard, the Travel group worked towards promoting safe and responsible tourism that complied with health and safety recommendations.

The Group is monitoring the pandemic constantly. Depending on the circumstances, the company's various areas work together to respond quickly and appropriately.

Digital transformation and omnichannel retailing

Technological changes have opened the door to new entrants with more aggressive commercial policies, price discounts and great flexibility to make change. Moreover, the health crisis has prompted several other competitors to start up and/or bolster online sales.

Especially at the beginning, the pandemic prompted the Group to speed up its digitalisation and expand its omnichannel presence to tackle the challenges. El Corte Inglés plays to its competitive strengths (e.g. prime locations in many towns, best-in-class service quality to meet customers' needs) and adapts as fast as possible to the availability of resources at any given time.

The Group has the right tools to carry out its digital transformation quickly. It seeks innovation constantly through new technologies, strategic partnerships, and digital platforms.

Customer and stakeholder engagement

Fluid dialogue with customers and other stakeholders creates value and fosters trust in our company. We have control tools (e.g. the model for measuring potential reputational risks, ongoing monitoring of mass and social media, surveys) to help ensure a consistent and coherent message that earns the trust of our stakeholders.

In its efforts to continuously improve, El Corte Inglés uses this dialogue to identify potential opportunities in other sectors so it can offer all its stakeholders a broader product and service offering. The main achievements in the year are discussed in the chapter entitled "Our business model".

Sustainability and demographic challenge

Sustainable management is a broad concept requiring analysis and monitoring of several activities. The aim is for all our businesses to perform responsibly. Risks on this front include upholding corporate social responsibility (CSR) standards through appropriate environmental management and energy efficiency.

The demographic challenge poses another risk, with populations in Spanish cities declining and baby boomers retiring, resulting in a huge loss of purchase power. As with other risks, the demographic challenge is factored into our business strategy. We take a series of short-, medium- and long-term actions to mitigate this risk, such as tailoring our offering to new profiles, coming up with new services, and varying our assortment of products and services.

Climate change

We know just how much climate change can affect supply and sales and we try to minimise our environmental impact and adapt to the effects of climate change.

The risk for supply can come directly through a reduction in key raw materials for production or indirectly through drastic climate changes and reduction in soil fertility. The Group is currently diversifying between short- and long-term cycles to prevent excessive reliance on countries that are more vulnerable to these climate changes, which are already occurring.

For sales, changes in weather patterns are forcing us to adapt the product and service range accordingly. We mitigate this risk by closely managing our assortment of products and services and seasonal inventory levels.

A detailed assessment of climate-related risks and opportunities is provided in the "Environment" chapter.

Real estate management

We manage real estate with a view to optimising our investment, operation, holding and, as appropriate, divestment. To achieve this, we consider both the current stage of the real estate cycle and the inherent changes (e.g. liquidity, prices, time to complete transactions). One of our greatest assets is our real estate, so we strive to find ways to enhance the quality and prospects of our real estate portfolio.

The health crisis caused real estate management risk to rise as our establishments saw activity fall sharply and the number of transactions decline during the period.

OPERATIONAL**Supply and logistics chain**

Our customers have become more omnichannel (demanding immediate delivery) and socially responsible, and this impacts the Group's purchasing and logistics. This behaviour became more evident last year with the Covid-19 outbreak, with the increase in online sales posing logistical challenges (especially last-mile and reverse logistics). The Group is committed to rising to the challenges and is looking at the opportunities that may arise in the new paradigm.

Our supply chain includes a vast array of merchandise from varying sources and with varying destinations. Efficient supply chain management is crucial for the company's operating and financial performance.

We manage the various logistics models at corporate level to control supply chain risks, coordinating with and optimising all the areas involved through point-of-sale demand and supply planning and forecasting using next-generation technology.

Merchandise for sale

Risk related to merchandise available for sale includes measurement, rotation, potential obsolescence, shifts in demand for certain products and shrinkage (e.g. theft, waste, errors).

We take several steps to control and manage this risk; e.g. automated inventory measurement, ongoing merchandise turnover analysis, review of product and service assortment based on sales, radio frequency labelling (RFID) in the supply chain.

Systems and technology: availability, integrity and security

Operationally, we must control and limit situations like loss of availability due to failures in equipment or systems, inability to continue operations due to natural disasters or social unrest, and increases in system response time. All these can have major financial, reputational and even legal consequences.

Covid-19 heightened this risk: office personnel had to work from home and the online sales business increased exponentially in a short span of time. The Group immediately became aware of these risks and promptly involved teams of experts to monitor and manage them.

To protect IT infrastructure, the data processing centres (DPC) have contingency plans in place to ensure service continuity. These plans included DPC redundancy, communications, critical services and information, along with regular testing to verify capacity and effectiveness.

These risks are monitored and managed, as described in further detail in the "Information security and cybersecurity" section of the "Our governance" chapter.

Human resources and talent management

Employees' commitment to corporate objectives and culture (as set out in the Ethics Code) and their career development assessment and expectations are key features of human resources (HR) management. Also included are the management of workers' rights and obligations and relations with subcontractors.

We must also abide fully with Occupational Health and Safety (OHS) legislation. Mitigating this risk at all times was a top priority 2020 because of the health crisis. We implemented specific health-protection measures, not just for our employees, but also our customers, suppliers and external partners. We focused strongly on planning and coordinating how to ease restrictions with the right protection. The Health Alert Committee put a raft of measures in place to control health-related risks.

Restrictions on mobility gave rise to the need for teleworking, thus changing how we work. All Group areas had to be adapted to deal with these circumstances and minimise the related risks.

Meanwhile, before the year-end, the Group informed the trade unions that it needed to downsize. In 2021, El Corte Inglés reached a unanimous agreement with its unions (CCOO, Fasga, Fetico and UGT) for the rollout of a workforce restructuring plan.

FINANCIAL**Finance**

The Group's business activities expose it to various types of financial risk: market risk (including foreign currency, interest rate and price risk), credit risk and liquidity risk.

Management of these risks focuses on reducing inherent uncertainty in these markets and seeks to minimise the potential adverse effects on the Group's profitability. We are keenly aware of the increasing importance of sustainable finance and have multidisciplinary teams working to minimise risks and maximise opportunities.

Responsible tax behaviour

Risk related to responsible tax behaviour covers actions by the Group that could involve taking the wrong decisions regarding taxes that could give rise to contingent liabilities, penalties, or long-term tax assets whose recovery could be difficult or critical. Our stakeholders are lobbying more and more for solidarity-based management of local, regional, national and international taxes.

The Corporate Tax Policy was approved during the year and responsible tax behaviour is one of its core principles.

The Group has several automatic and manual prevention and detection controls in place, resulting in positive findings in the tax audits carried out.

Financial and management reporting

For us to use information effectively and efficiently in our decision-making, it must be of good quality. We have to have accurate financial and management information.

The Group has embarked on projects to ensure it has reliable and timely information from the finance and management analysis and control areas. Increasing non-financial reporting requirements on several fronts poses a risk. To address this risk, work is being done to improve management of the information requested, its quality and its communication.

In terms of financial reporting, El Corte Inglés has an Internal control over financial reporting (ICFR) system that complies with the requirements of Spain's securities market regulator (Comisión Nacional del Mercado de Valores or "CNMV").

COMPLIANCE

The Group is subject to compliance with myriad regulations. The Compliance area works together with the entire company to assess, identify, measure and oversee all compliance risks. The area has grouped related initiatives into two major categories:

- Criminal law: focusing on all non-compliance risks expressly defined as criminal in Spain's Criminal Code.
- Corporate regulations: assessing all risks related to specific rules and regulations affecting the Group's various areas.

Specific compliance-related actions are presented in the "Regulation" section of the "Our governance" chapter.

About this report

The purpose of El Corte Inglés Group's 2020 Consolidated Non-Financial Statement (the "2020 NFS") is to disclose information relating to environmental, social and governance (ESG) performance of El Corte Inglés, S.A. and subsidiaries¹⁷ during the period from 1 March 2020 to 28 February 2021.

This document also contains relevant information on the Group's activity related to the risks and impacts identified, the management policies in place and the non-financial key performance indicators to the extent necessary for an understanding of the performance and non-financial position and the diversity of El Corte Inglés Group companies.

To enable a like-for-like comparison, the data corresponding to 2019 and 2018 in the 2020 NFS have been recalculated to reflect the deconsolidation of the IT business (Informática El Corte Inglés, S.A. and subsidiaries, collectively "IECISA Group") in 2019. Note additionally that in 2020 Sfera was merged into El Corte Inglés and SICOR Group companies were incorporated.

A multidisciplinary team with members from different El Corte Inglés Group management areas was involved in preparing the 2020 NFS.

¹⁷ The El Corte Inglés Group's 2020 consolidated financial statements include a list and breakdown of subsidiaries..

COMPLIANCE WITH THE NON-FINANCIAL REPORTING REGULATION

The 2020 NFS was drawn up in keeping with the requirements stipulated in Spanish Law 11/2018, of 28 December, amending Spain's Code of Commerce, the consolidated text of the Corporate Enterprises Act, enacted by Legislative Royal Decree 1/2010, of 2 July, and Spain's Audit Act (Law 22/2015), as regards disclosure of non-financial and diversity information.

This report has been prepared in accordance with the GRI Standards: Core option. It also took into consideration the principles of the United Nations Global Compact, to which El Corte Inglés is a signatory since 2002, and the Sustainable Development Goals (SDG).

The 2020 NFS is included in the consolidated management report and presented as a separate document. It meets the same requirements for approval, filing and publication as the management report, with both reports approved by the Board of Directors of El Corte Inglés, S.A. Accordingly, it conveys the strategic importance of sustainability among the highest governance body's priorities.

Appendix II (page 225-255) to this report includes the tables with the indicators required by Law 11/2018 and information about the related indicators.

EXTERNAL ASSURANCE

The 2020 NFS was assured by Ernst & Young, S.L. as independent assurance services provider according to the wording in Law 11/2018 of article 49 of the Code of Commerce.

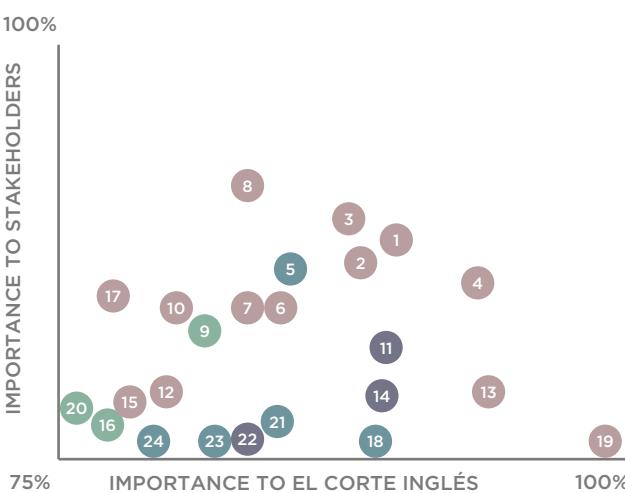
MATERIALITY ASSESSMENT

The 2020 NFS addresses the reporting expectations that our stakeholders identified as relevant to our business and includes the materiality assessment carried out in 2019. This assessment was updated in 2020 to identify the impact of the Covid-19-related health crisis on the material topics and on stakeholders' expectations.

With the update, all 24 of the most relevant issues identified for 2019 were maintained, but their importance to all stakeholders changed. The new reality was considered in selecting the content for this report and drawing up the 2021-2025 Sustainability and CSR Master Plan.

MOST MATERIAL TOPICS

Group Integrated Materiality Matrix



Material topics are those with >75% of the maximum score (on a scale from 1 to 5).
Each number in the chart corresponds to a material topic.

The most relevant topics were grouped around four large areas, which are El Corte Inglés Group's priorities in terms of CSR and sustainability: Product, Planet, Progress and People.

Issues material to the Group and its stakeholders

Boundary	Scope	Material topics
Product	Customer Well-Being And Satisfaction Compliance	8 Customer service and service excellence 13 Customer loyalty
	Responsible Products And Services	2 Cybersecurity and information security 3 Confidentiality and data protection 6 Consumer regulations
Planet	Responsible Supply Chain Management	4 Product safety 10 Adaptation, promotion, transparent reporting and encouragement of responsible consumer behaviour 12 Eco-design and sustainable product and service innovation 19 ESG criteria in investments*
	Climate Change Circular Economy	9 Climate-related risks 16 Sustainable containers and packaging 20 Zero Waste
Progress	Good Governance And Transparency Responsible Performance And Socio-Economic Impact Of The Business	5 Good practices in corporate governance and ethical conduct 23 Anti-money laundering 21 Responsible economic performance 18 Responsible tax behaviour
	Brand	24 Brand identity (purpose and values of the corporate brand)
People	Committed Team	11 Equal opportunities, diversity and inclusion 14 Work-life balance and shared responsibility 22 Occupational health and safety

* Material topic specific to ECI Insurance

PRINCIPLES USED TO PREPARE THE REPORT

Principles of report content	Stakeholder inclusiveness	El Corte Inglés Group has a variety of communication channels to maintain ongoing dialogue with all its stakeholders so it can know their expectations and identify the Group's management areas they consider most relevant.
	Sustainability context	The Group is fully committed to sustainability and CSR. Indeed, it approved the new 2021-2025 Sustainability and CSR Master Plan, which places sustainability at the heart of the company's strategy.
	Materiality	The Group updated its 2019 materiality assessment because of the Covid-19 health crisis to ensure that the material topics identified were aligned with current stakeholder needs and expectations.
	Completeness	The NFS includes coverage of the material topics identified in the materiality assessment and the related impacts.
Principles of report quality	Accuracy	Qualitative and quantitative information is reported so all stakeholders can assess the Group's sustainability and CSR performance.
	Balance	The reported information reflects all aspects of El Corte Inglés Group's performance to enable a reasoned assessment of overall performance.
	Clarity	Information is presented in a manner that is understandable, organised and accessible to all stakeholders.
	Comparability	The report mostly follows the international GRI reporting standards, which include indicators that enable stakeholders to make comparisons with the previous year and analyse the Group's performance on certain material issues.
	Reliability	The Non-Financial Statement is subject to assurance by an independent third party.
	Timeliness	El Corte Inglés Group publishes the NFS annually for each financial year and makes it available to all stakeholders on the corporate website, in Spanish and English.

STAKEHOLDER ENGAGEMENT

El Corte Inglés Group establishes ongoing dialogue with stakeholders to know and address their needs and expectations, the ultimate purpose being to keep their trust. In this vein, the Group has made various communication channels available to encourage stakeholder inclusiveness and active listening.

Feedback provided in communications was used in preparing this report and helped the Group's design its strategy.

Our stakeholders

Customers	Consumers of our products and services: our raison d'être.
Employees	Our team: The Group's main asset for carrying on its business.
Suppliers and business partners	The brands and companies with which we develop long-term business relationships based on ethics and trust.
Capital	Natural persons, legal persons and equity holders. They provide us with the financial resources to achieve sustainable growth.
Society	Local communities, NGOs, academia, civil society and environmental organisations.
Institutions	The governments and local, regional and international representatives with which we work for the betterment of society.
Business community	Spanish and international business associations and bodies with which we share experiences.
Opinion leaders	Media, analysts and social media influencers. The loudspeaker for reaching out to our stakeholders faster.

Communication channels

- Customer service
- Social media
- Corporate website
- El Corte Inglés website and app
- Specific communication channels:
 - Whistle-blowing channel
 - Sales force: grievances/claims
- Surveys
- Participating in forums
- Staging specific events and meetings
- Participating in organisations and institutions
- Sending out newsletters

Since 2005, El Corte Inglés has had steady and ongoing dialogue with a stakeholder working group comprising representatives of consumer associations, trade unions, organisations, NGOs and the academic world. This working group held two formal meetings in 2020.

The 2nd Active Stakeholder Participation day was held on 25 February 2020, this time remotely. The event was designed above all to showcase the strategies underpinning the El Corte Inglés Group's 2021-2025 Sustainability and CSR Master Plan. The virtual meeting was attended by more than 70 representatives of 50 organisations, ending with a Q&A session with the event organisers via chat. A short satisfaction survey was sent to all of them afterwards and the overall opinion was extremely positive. The feedback and questions received are a valuable tool for reinforcing our sustainability and CSR strategy.

COMMUNICATION CHANNELS AND CONTACT DETAILS

The Group has put in place several communication channels in a bid to uphold its commitment to maintaining fluid dialogue with its stakeholders.

GLOBAL CONTACT

Grupo El Corte Inglés
Hermosilla, 112
28009 Madrid
www.elcorteingles.es



Specific communication channels

E-Commerce

Telephone:
900 373 111
Available 365 days a year
E-mail:
clientes@elcorteingles.es

General information about El Corte Inglés

Telephone:
901 122 122
Monday - Saturday, 9:00 a.m. to 10:00 p.m.
Sunday, 10:00 a.m. to 9:00 p.m.
E-mail:
servicio_clientes@elcorteingles.es

Media, sponsorship and patronage

Exclusive service for the media and topics related to sponsorship and patronage
Switchboard:
+34 914 018 500
Monday - Friday, 9:30 a.m. to 2:00 p.m and 4:00 p.m. to 6:30 p.m
Communications e-mail:
comunicacionelcorteingles@elcorteingles.es
Sponsorship e-mail:
patrocinio@elcorteingles.es

Telephone hotline for customers with disabilities

900 293 611 (free)
Monday to Saturday
from 9:00 a.m to 10:00 p.m.

Appendices

I. NON-FINANCIAL INDICATORS

OUR GOVERNANCE

Indicator	Women	Men
Average remuneration by members of the Board of Directors by gender. 2020.		
Remuneration associated with the performance of director duties.	€1,401,667	€710,237
Wages and salaries	€156,482	€1,086,776
Average remuneration excluding termination benefits	€1,558,149	€1,797,113
Termination benefits	-	-
Average remuneration	€1,558,149	€1,797,113

OUR CUSTOMERS

Indicator	2020	2019	2018
Product quality and safety			
Number of food safety audits at our establishments	882	1,194	811

Indicator	2020	2019	2018
Customer incident management			
Number of incidents	784,395	307,317	307,317

OUR TEAM

Indicator	2020	2019	2018
Workforce breakdown by gender			
Female	51,646	55,542	56,674
Male	29,168	29,701	30,795
Total	80,814	85,243	87,469
Workforce breakdown by country			
Spain	75,902	79,839	82,083
Portugal	3,164	3,355	3,334
Mexico	961	1,152	1,085
China	173	186	200
Chile	127	162	183
Bangladesh	84	85	92
India	57	58	64
Colombia	53	72	67
Greece	40	46	46
Vietnam	34	36	39
Argentina	32	36	39
Poland	30	38	35
Morocco	25	26	31
United States	23	23	28
Turkey	21	24	25
Peru	20	28	30
Hong Kong	16	15	20
Panama	12	18	18
Ecuador	11	13	13
France	10	10	10
Uruguay	9	10	11
Italy	7	7	7
Dominican Republic	3	4	4
Bulgaria	-	-	5
Total	80,814	85,243	87,469
Workforce breakdown by age			
Under 30	8,684	12,427	13,194
30 to 50	47,323	49,571	54,057
Over 50	24,807	23,245	20,218
Total	80,814	85,243	87,469

Indicator	2020	2019	2018
Workforce breakdown by job category			
Executives and managers	92	112	124
Middle managers and coordinators	11,594	11,804	11,624
Skilled professionals	3,737	3,982	3,866
Professionals	58,485	58,827	59,948
Staff	6,906	10,518	11,907
Total	80,814	85,243	87,469
Workforce breakdown by area			
Sales	62,550	67,732	69,394
Administration	8,795	9,812	10,028
Services	9,469	7,699	8,047
Total	80,814	85,243	87,469
Workforce breakdown by business line			
Retail	71,262	77,350	79,623
Travel	5,879	6,329	6,354
Insurance	1,438	1,347	1,222
SICOR Group	2,069	N/A	N/A
Other	166	217	270
Total	80,814	85,243	87,469
Workforce breakdown by seniority			
Less than 5 years	16,756	21,836	22,349
From 5 to 15 years	19,839	22,694	25,360
Over 15 years	44,219	40,713	39,760
Total	80,814	85,243	87,469
Workforce breakdown by contract type and gender			
Permanent contracts	Female	49,049	49,537
	Male	27,360	26,529
Temporary contracts	Female	2,597	6,005
	Male	1,808	3,172
Workforce breakdown by contract type and age			
Permanent contracts	Under 30	6,225	6,611
	30 to 50	45,566	46,542
	Over 50 years	24,618	22,913
Temporary contracts	Under 30	2,458	5,816
	30 to 50	1,759	3,029
	Over 50 years	188	332
			209

Indicator		2020	2019	2018
Workforce breakdown by contract type and job category				
Permanent contracts	Executives and managers	92	112	124
	Middle managers and coordinators	11,562	11,726	11,564
	Skilled professionals	3,689	3,793	3,689
	Professionals	56,800	55,953	57,198
	Staff	4,266	4,482	4,676
Temporary contracts	Executives and managers	0	0	0
	Middle managers and coordinators	32	78	60
	Skilled professionals	48	189	177
	Professionals	1,685	2,874	2,750
	Staff	2,640	6,036	7,231
Workforce breakdown by employment type and gender				
Full-time	Female	31,509	33,151	33,391
	Male	26,191	26,159	27,015
Part-time	Female	20,137	22,391	23,283
	Male	2,977	3,542	3,780
Workforce breakdown by employment type and age				
Full-time	Under 30	5,670	7,599	8,213
	30 to 50	32,678	33,858	37,249
	Over 50 years	19,352	17,853	14,944
Part-time	Under 30	3,013	4,828	4,981
	30 to 50	14,647	15,713	16,808
	Over 50 years	5,454	5,392	5,274
Workforce breakdown by employment type and job category				
Full-time	Executives and managers	91	107	116
	Middle managers and coordinators	10,796	10,942	10,627
	Skilled professionals	3,071	3,247	3,221
	Professionals	39,451	39,092	39,667
	Staff	4,419	5,922	6,775
Part-time	Executives and managers	1	5	8
	Middle managers and coordinators	798	862	997
	Skilled professionals	666	735	645
	Professionals	19,034	19,735	20,281
	Staff	2,487	4,596	5,132

Indicator		2020	2019	2018
Average annual contracts by contract type, employment type and gender¹⁸				
Permanent contracts	Full-time	Female	29,721	29,842
		Male	24,496	24,495
Temporary contracts	Full-time	Female	19,542	20,808
		Male	2,567	2,699
Part-time	Female			
		Male	2,108	3,452
Full-time	Female			
		Male	1,469	2,006
Part-time	Female			
		Male	1,240	2,344
			559	1,114
Average annual contracts by contract type, employment type and age¹⁸				
Permanent contracts	Full-time	Under 30	4,005	4,270
		30 to 50	31,024	32,108
		Over 50 years	19,187	17,959
Part-time	Full-time	Under 30	2,177	2,464
		30 to 50	14,192	15,278
		Over 50 years	5,741	5,766
Temporary contracts	Full-time	Under 30	1,932	3,075
		30 to 50	1,487	2,172
		Over 50 years	158	211
Part-time	Full-time	Under 30	1,285	2,702
		30 to 50	466	655
		Over 50 years	48	102

¹⁸ Data for average annual contracts were reported for the first time in 2019. Therefore, figures for 2018 are not included and comparisons are with workforce numbers at year-end 2018. Similarly, for the average data, the employee figures have been weighted based on the length of time they have been part of the workforce. Thus, the total is sum of the breakdowns.

Indicator		2020	2019	2018
Average annual contracts by contract type, employment type and job category¹⁸				
Permanent contracts	Full-time	Executives and managers	97	115
		Middle managers and coordinators	10,819	11,102
		Skilled professionals	3,065	3,310
		Professionals	37,844	37,226
		Staff	2,391	2,584
Temporary contracts	Part-time	Executives and managers	4	8
		Middle managers and coordinators	863	953
		Skilled professionals	678	708
		Professionals	19,133	19,986
		Staff	1,432	1,852
Temporary contracts	Full-time	Executives and managers	0	0
		Middle managers and coordinators	32	54
		Skilled professionals	50	131
		Professionals	1,755	2,349
		Staff	1,740	2,924
Temporary contracts	Part-time	Executives and managers	0	0
		Middle managers and coordinators	3	28
		Skilled professionals	1	42
		Professionals	417	479
		Staff	1,378	2,910

Indicator		2020	2019	2018
Employees with disabilities				
Total		1,223	1,393	1,158
Breakdown of involuntary terminations by gender				
Female		306	759	602
Male		296	545	446
Total		602	1,304	1,048
Breakdown of involuntary terminations by age				
Under 30		50	115	116
30 to 50		310	707	641
Over 50 years		242	482	291
Total		602	1,304	1,048
Breakdown of involuntary terminations by job category				
Executives and managers		0	9	6
Middle managers and coordinators		161	274	176
Skilled professionals		47	83	54
Professionals		351	834	724
Staff		43	104	88
Total		602	1,304	1,048
Average hours of training by job category and gender				
Executives and managers	Average hours - women	96.9	2.9	7.1
	Average hours - men	10.2	36.5	24.0
	Total hours of training	1,371	3,917	2,869
Middle managers and coordinators	Average hours - women	18.1	27.6	30.0
	Average hours - men	14.3	26.3	30.4
	Total hours of training	176,187	305,041	339,031
Skilled professionals	Average hours - women	20.2	29.7	37.4
	Average hours - men	17.7	27.5	69.9
	Total hours of training	71,859	115,080	191,741
Professionals	Average hours - women	11.0	13.8	11.5
	Average hours - men	9.9	14.4	12.6
	Total hours of training	607,906	798,197	687,205
Staff	Average hours - women	27.1	25.5	30.4
	Average hours - men	17.5	18.8	27.6
	Total hours of training	154,550	234,981	338,039

¹⁸ Data for average annual contracts were reported for the first time in 2019. Therefore, figures for 2018 are not included and comparisons are with workforce numbers at year-end 2018. Similarly, for the average data, the employee figures have been weighted based on the length of time they have been part of the workforce. Thus, the total is sum of the breakdowns.

Indicator	2020			2019			2018		
	F	M	Average	F	M	Average	F	M	Average
Average gross remuneration by job category									
Executives and managers	192,960	256,905	254,725	200,209	256,830	268,070	242,396	269,618	258,687
Middle managers and coordinators	34,268	44,670	40,830	35,106	45,647	42,659	35,873	47,001	44,035
Skilled professionals	31,856	35,710	33,278	31,268	35,509	34,749	32,490	36,133	35,618
Professionals	19,304	20,833	19,744	19,752	21,121	20,183	19,916	21,384	20,373
Staff	15,289	14,909	15,140	15,640	15,258	15,503	15,420	14,943	15,247
Total	20,848	28,047	23,368	20,973	28,156	24,055	20,965	28,607	24,115
Indicator									
2020			2019			2018			
Average remuneration by age									
Under 30		15,749			15,943			16,065	
30 to 50			21,738			22,158			22,445
Over 50 years				28,809		29,909			31,366
Total		23,368		23,473		23,650			
Breakdown of female workers by job category									
Executives and managers (%)		5.4			4.5			4.8	
Middle managers and coordinators (%)			37.4			37.1			34.2
Skilled professionals (%)			62.9			62.9			61.5
Professionals (%)			69.9			71.2			71.3
Staff (%)			59.3			64.3			63.7
Breakdown of female workers by age									
Under 30 (%)			56.4			60.6			59.6
30 to 50 (%)			66.7			67.9			67.6
Over 50 (%)			61.2			61.6			60.7
Employees entitled to parental leave									
Employees entitled to and who took maternity/paternity leave (%)			96.2			96.7			96.5
Employees that returned to work (%)			77.6			79.1			80.5
Retention rate (1 year after) (%)			85.3			86.4			87.9

Indicator	2020			2019		2018	
	F (20)	M (20)	T (20)	TOTAL (19)	TOTAL (18)		
Absentee rate (common illness + non-occupational accidents) by company and gender²⁰							
El Corte Inglés	7.75	5.17	6.74		4.74		4.23
El Corte Inglés-Grandes Armazéns	2.83	1.90	-		-		-
Supercor	5.83	3.54	7.21		5.54		4.80
Sfera	4.01	2.06	3.78		4.67		4.22
Insurance Brokerage	9.47	6.14	8.44		4.59		3.65
ECI Insurance	6.03	0.90	4.13		3.16		2.97
ECI Travel	4.64	2.92	4.27		3.70		3.61
Number of hours of absenteeism (corporate + non-occupational accidents)							
Total			8,889,500.97		-		-
Number of hours of absenteeism due to occupational accidents							
Total			235,271.8		-		-
Number of cases of occupational accidents with lost days							
Female			800		930		1,012
Male			546		642		714
Total			1,346		1,572		1,726
Number of work-related fatalities¹⁹							
Female			0		0		0
Male			2		0		0
Total			2		0		0
Number of cases of occupational disease							
Female			19		29		26
Male			7		19		12
Total			26		48		38

¹⁹ The two deaths recorded in 2020 was caused by cardiovascular accidents.²⁰ Figures for Sfera for 2020 was calculated up to October 2020. Aggregated data for the full year cannot be reported due to availability of data in the Group's corporate tool. Therefore, figures are from inclusion in El Corte Inglés. El Corte Inglés includes data for Brico from 1 October 2019.

Indicator	2020			2019			2018		
Number of work-related fatalities arising from an occupational disease									
Female	0			0			0		
Male	0			0			0		
Total	0			0			0		
Work-related injury rates by company and gender ²⁰									
Injury rate: (No. of injuries/total hours worked)*1,000,000	F (20)	M (20)	T (20)	TOTAL (2019)		TOTAL (2018)			
El Corte Inglés	11.75	12.01	11.85	12.94		13.745			
El Corte Inglés-Grandes Armazéns	16.65	23.05	18.57	-		-			
Supercor	16.59	20.78	18.47	28.14		27.41			
Sfera	2.89	3.13	2.92	10.42		11.58			
Insurance Brokerage	0.00	0.00	0.00	1.15		0.61			
ECI Insurance	4.22	1.81	3.46	7.99		0.00			
ECI Travel	1.69	1.72	1.70	2.32		1.30			
Severity rate: (Lost days/working hours) *1,000	F (20)	M (20)	T (20)	TOTAL (2019)		TOTAL (2018)			
El Corte Inglés	0.28	0.25	0.27	0.26		0.28			
El Corte Inglés-Grandes Armazéns	0.67	0.41	0.49	0.26		0.29			
Supercor	0.24	0.40	0.31	0.50		0.49			
Sfera	0.02	0.02	0.02	0.16		0.20			
Insurance Brokerage	0.00	0.00	0.00	0.02		0.01			
ECI Insurance	0.11	0.04	0.09	0.05		0.00			
ECI Travel	0.03	0.09	0.08	0.06		0.02			
Incidence rate: (No. of incidents/total employees)*100	F (20)	M (20)	T (20)	TOTAL (2019)		TOTAL (2018)			
El Corte Inglés	1.32	1.59	1.42	1.47		1.55			
El Corte Inglés-Grandes Armazéns	3.60	3.30	3.40	1.47		1.55			
Supercor	1.76	2.48	2.06	2.96		2.95			
Sfera	0.26	0.32	0.27	1.02		1.15			
Insurance Brokerage	0.00	0.00	0.00	0.13		0.07			
ECI Insurance	0.21	0.46	0.38	1.16		0.00			
ECI Travel	2.70	2.99	2.76	0.18		-			

SOCIETY

Indicator	2020					
	Taxes borne (€000)		Taxes collected (€000)			
Corporate income tax paid	Other taxes	Employer social security contributions	Employee personal income tax withholdings	Employee social security contributions	Taxes collected excluding employee personal income tax withholdings	Taxes collected excluding employee personal income tax withholdings
Argentina	1.1	50.1	42.4	13.1	51.7	70.9
Bangladesh	-	0.8	-	-	-	-
Chile	11.2	70.8	84.2	79.7	414.0	160.4
China	32.3	49.6	798.1	-	-	506.0
Colombia	11.8	158.5	45.5	3.3	20.2	28.4
Ecuador	-	22.8	18.2	0.3	14.8	5.7
Spain	22,825.5	157,166.5	480,169.3	203,936.9	140,637.8	544,373.8
France	-	9.6	38.1	23.5	29.6	50.8
Greece	-	6.4	117.6	21.0	92.7	450.6
Hong Kong	25.6	0.1	41.0	-	-	-
India	-	-	0.4	-	-	-
Italy	4.8	8.9	26.4	17.5	7.4	6.1
Morocco	-	2.2	59.2	-	-	-
Mexico	886.3	427.7	810.0	717.6	303.2	7.3
Panama	204.2	62.4	57.7	9.0	20.8	-
Peru	5.4	111.7	40.3	24.2	-	30.2
Poland	-	-	55.8	12.7	56.5	159.5
Portugal	5,802.2	1,498.0	10,676.8	7,842.0	5,116.1	34,667.5
Dominican Republic	-	5.4	2.3	5.7	0.7	8.4
Turkey	-	0.1	106.8	-	-	-
United States	1.8	64.4	34.4	56.2	33.8	157.6
Uruguay	3.2	18.5	5.0	4.5	9.5	3.6
Total	29,792.9	159,734.6	493,229.6	212,767.2	146,808.6	580,686.6

²⁰ Figures for Sfera for 2020 was calculated up to October 2020. Aggregated data for the full year cannot be reported due to availability of data in the Group's corporate tool. Therefore, figures are from inclusion in El Corte Inglés. El Corte Inglés includes data for Brico from 1 October 2019.

Indicator	2020				
	€ 000				
	Revenue from third-party sales	Revenue from intragroup transactions with other countries	Profit/(loss) before tax and consolidation adjustments	Tangible assets other than cash and cash equivalents	Income tax accrued
Argentina	1,591.4	49.8	-948.8	1,597.3	-73.4
Chile	13,484.8	1,408.6	-1,771.0	5,282.3	74.4
China	133.4	8,572.0	330.9	25.3	19.3
Colombia	3,630.5	37.8	-346.2	619.4	-35.4
Ecuador	1,247.1	15.0	-225.7	431.5	0.0
Spain	10,176,724.9	781,469.7	-2,373,623.0	7,975,041.2	-53,170.9
France	797.0	0.0	-215.6	23.9	0.0
Greece	2,767.1	0.0	-1,315.6	1,585.2	0.0
Hong Kong	93.5	2,823.9	140.1	201.8	-7.0
Italy	180.9	0.0	-190.8	10.5	-2.5
Mexico	92,916.6	909.7	-11,623.1	49,595.3	4,696.8
Panama	1,875.3	55.1	-422.1	1,346.9	31.3
Peru	3,031.8	17.9	-694.1	837.7	29.5
Poland	1,454.8	0.0	-1,928.7	1,786.7	0.0
Portugal	397,663.0	3,862.4	-85,815.8	335,266.5	756.5
Dominican Republic	353.4	9.6	-92.0	203.3	-3.4
United States	1,283.9	1,334.9	-830.8	2,466.6	-15.1
Uruguay	549.0	20.7	-138.3	392.4	-3.2
Total	10,699,778.4	800,587.1	-2,479,710.6	8,376,713.8	-47,703.1

II. CONTENT INDEX REQUIRED UNDER LAW 11/2018 AND GRI INDICATORS

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
GRI 102: GENERAL DISCLOSURES					
Organisational profile					
102-1 Name of the organisation		• About this report (p. 201).			
102-2 Activities, brands, products and services	• Description of the Group's business model.	• Our business model (p. 18-25). • Our business lines (p. 50-83). • Our customers (p. 86-111).			
102-3 Location of headquarters		• Communication channels and contact details (p. 206).			
102-4 Location of operations	• Description of the Group's business model.	• El Corte Inglés Group footprint (p. 56-61). • A global and diversified supply chain (p. 136-139).			
102-5 Ownership and legal form		• Shareholder structure (p. 37). • About this report (p. 201).			
102-6 Markets served	• Description of the Group's business model.	• El Corte Inglés Group footprint (p. 56). • Our business lines (p. 70-73).			
102-7 Scale of the organisation	• Description of the Group's business model. • Total number and breakdown of employees by gender, age, country and job category.	• Our business model (p. 18-25). • Our business lines (p. 50-83). • Our team in 2020 (p. 113). • Appendix I. Non- financial indicators (p. 211-222).			

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
102-8 Information on employees and other workers	<ul style="list-style-type: none"> Total number and breakdown of employees by gender, age, country and job category. Average annual number of permanent, temporary and part-time contracts by gender, age and job category. Organisation of working hours. 	<ul style="list-style-type: none"> Our team (p. 112-117). Organisation of working hours (p. 124). Appendix I. Non-financial indicators (p. 211-222). 		6	85/ 10.3
Internal framework: quantitative and quality description of the HR system.					
102-9 Supply chain	<ul style="list-style-type: none"> Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Supply chain (p. 136-147). 			
Internal framework: qualitative description of the consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors.					
102-10 Significant changes to the organisation and its supply chain		<ul style="list-style-type: none"> Chairwoman's statement (p. 5-7). Our business model (p. 18-25). About this report (p. 201). 			
102-11 Precautionary principle or approach	<ul style="list-style-type: none"> Principal risks related to environmental matters. Environmental assessment or certification procedures. Application of the precautionary principle to environmental matters. 	<ul style="list-style-type: none"> Due diligence (p. 140-146). Environment (p. 148-168). Risk and opportunity management (p. 195). 			

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
102-12 External initiatives			<ul style="list-style-type: none"> Contribution to the sustainable development goals (p. 26-27). Life cycle of best practices (p. 141-146). Stakeholder alliances (p. 146-147). Corporate tax strategy and policy (p. 174-175). 		
102-13 Membership of associations		<ul style="list-style-type: none"> Association or sponsorship actions. 	<ul style="list-style-type: none"> Our engagement with society (p. 178-186). Active participation in organisations and institutions (p. 187-188). 		
Strategy					
102-14 Statement from senior decision-maker			<ul style="list-style-type: none"> Chairwoman's statement (p. 5-7). 		
102-15 Key impacts, risks, and opportunities		<ul style="list-style-type: none"> Description of the Group's business model. Principal risks related to environmental matters. Current and foreseeable impacts of the undertaking's activities on the environment and, as appropriate, on health and safety. Measures taken to adapt for the consequences of climate change. Principal risks related to social and employee-related matters. Principal risks related to the respect for human rights. Principal risks related to anti-corruption and bribery. 	<ul style="list-style-type: none"> Chairwoman's statement (p. 5-7). Our business model (p. 18-25). Compliance (p. 37-40). Supply chain (p. 136-147). Environment (p. 148-168). Risk and opportunity management (p. 190-198). 		

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Ethics and integrity					
102-16 Values, principles, standards and norms of behaviour		• Our principles, values and commitments (p. 30-32).		10	16.3
102-17 Mechanisms for advice and concerns about ethics	• Reports of human rights abuses. • Whistle-blowing mechanisms, concerns reported and their resolution.	• Our principles, values and commitments (p. 30-32). • Incident management (p. 102). • Life cycle of best practices (whistle- blowing channel p. 145).		10	16.3
Governance					
102-18 Governance structure		• Our corporate governance model (p. 33-37).			
102-19 Delegating authority		• Our corporate governance model (p. 33-37).			
102-20 Executive-level responsibility for economic, environmental, and social topics		• Our corporate governance model (p. 33-37).			
102-21 Consulting stakeholders on economic, environmental, and social topics		• Life cycle of best practices (p. 141-146). • Stakeholder alliances (p. 146). • Stakeholder engagement (p. 205-206).		16.7	
102-22 Composition of the highest governance body and its committees		• Our corporate governance model (p. 33-37).	5.5 / 16.7		
102-23 Chair of the highest governance body		• Our corporate governance model (p. 33-37).	16.6		
102-24 Nominating and selecting the highest governance body		• Appointments and Remuneration Committee (p. 36).	5.5 / 16.7		
102-25 Conflicts of interest		• Our principles, values and commitments (p. 30-32).	16.6		

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
102-26 Role of highest governance body in setting purpose, values, and strategy					
		• Our principles, values and commitments (p. 30-32). • Our corporate governance model (p. 33-37).			
102-27 Collective knowledge of highest governance body		• Appointments and Remuneration Committee (p. 36).			
102-28 Evaluating the highest governance body's performance		• Appointments and Remuneration Committee (p. 36).			
102-29 Identifying and managing economic, environmental, and social impacts					
Internal framework: Civil liability insurance taken out by El Corte Inglés to cover environmental risks.					
		• Current and foreseeable impacts of the undertaking's activities on the environment and, as appropriate, on health and safety. • Environmental assessment or certification procedures. • Resources dedicated to the prevention of environmental risks.			
102-30 Effectiveness of risk management processes		• Principal risks related to environmental matters. • Environmental assessment or certification procedures. • Principal risks related to social and employee- related matters. • Principal risks related to the respect for human rights. • Principal risks related to anti- corruption and bribery.			
		• Compliance function (p. 37-39). • Anti-corruption, bribery and money laundering effort (p. 39-40). • Due diligence (p. 140-146). • Environment (p. 148-169). • Risk and opportunity management (p. 190-198).			
102-31 Review of economic, environmental, and social topics		• Audit and Control Committee (p. 35). • CSR Committee (p. 36).			

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
102-32 Highest governance body's role in sustainability reporting		• CSR Committee (p. 36).			
102-33 Communicating critical concerns		• Compliance function (p. 37-38). • Risk and opportunity management (p. 190-198).			
102-34 Nature and total number of critical concerns		• Risk and opportunity management (p. 190-198).			
102-35 Remuneration policies	• Policies on social and employee- related matters. • Average remuneration of directors and executives, by gender.	• Director remuneration (p. 35). • Appointments and Remuneration Committee (p. 36). • Best labour practices (p. 124-127). • Appendix I – Our governance (p. 211).	• ECI Group – 2020 Financial Report: Note 24.2.		
Internal framework: the El Corte Inglés Group internal HR system		• Appointments and Remuneration Committee (p. 36). • Remuneration model (p. 126).			
102-36 Process for determining remuneration	• Average remuneration of directors and executives, by gender.				
Internal framework: the El Corte Inglés Group internal HR system					
102-37 Stakeholders' involvement in remuneration		• Organisation of working hours (p. 124). • Remuneration model (p. 126).	• Our Group is subject to collective bargaining, with union representation in the various sectors of our businesses, determining the various remuneration items. This is done with the knowledge of our works council.	16.7	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Stakeholder inclusiveness					
102-40 List of stakeholder groups			• Stakeholder engagement (p. 205-206).		
102-41 Collective bargaining agreements		• Percentage of employees covered by collective bargaining agreements by country.	• Organisation of working hours (p. 124). • Labour- management relations (p. 124).	3	8.8
102-42 Identifying and selecting stakeholders			• Stakeholder engagement (p. 205).		
102-43 Approach to stakeholder engagement		• Organisation of management- labour engagement. • Engagement with local communities.	• Labour- management relations (p. 124). • Life cycle of best practices (p. 141-146) • Stakeholder alliances (p. 146) • About this report (p. 201-206).		
102-44 Key topics and concerns raised			• Risk and opportunity management (p. 190-198). • Materiality assessment (p. 202-203).		
Reporting practice					
102-45 Entities included in the consolidated financial statements			• About this report (note 13) (p. 201).		
102-46 Definition of report content and topic Boundaries			• About this report (p. 201).		
102-47 List of material topics			• Materiality assessment (p. 202-203).		
102-48 Restatements of information			• El Corte Inglés Group key financial metrics (p. 52-53). • Tax contribution (p. 173). • About this report (p. 201).		

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
102-49 Changes in reporting		<ul style="list-style-type: none"> About this report (p. 201). 			
102-50 Reporting period		<ul style="list-style-type: none"> About this report (p. 201). 			
102-51 Date of most recent report			<ul style="list-style-type: none"> 16 June 2020. 		
102-52 Reporting cycle		<ul style="list-style-type: none"> About this report (p. 201). 			
102-53 Contact point for questions regarding the report		<ul style="list-style-type: none"> Communication channels and contact details (p. 206). 			
102-54 Claims of reporting in accordance with the GRI Standards		<ul style="list-style-type: none"> Compliance with the non-financial reporting regulation (p. 202). 			
102-55 GRI content index		<ul style="list-style-type: none"> Appendix II Content index required under Law 11/2018 and GRI indicators (p. 225-255). 			
102-56 External assurance		<ul style="list-style-type: none"> Independent assurance report on the consolidated non-financial statement (p. 257-259). 			

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
MATERIAL TOPICS					
ECONOMIC TOPICS					
Economic performance					
103 Management approach			<ul style="list-style-type: none"> Chairwoman's statement (p. 5-7). Economic and social value creation (p. 173). Appendix I. Non-financial indicators - Society (p. 221-222). 		
201-1 VDirect economic value generated and distributed		<ul style="list-style-type: none"> Contributions to foundations and non-profit organisations. Association or sponsorship actions. Profit or loss by country. Income tax paid. 			8.1 / 8.2 / 9.1 / 9.4 / 9.5
Internal framework: amount of benefits paid			<ul style="list-style-type: none"> Our engagement with society (p. 170-186). Tax contribution (p. 176). Appendix I. Non-financial indicators - Society (p. 221-222). 		
201-2 Financial implications and other risks and opportunities due to climate change		<ul style="list-style-type: none"> Principal risks related to environmental matters. Measures taken to adapt for the consequences of climate change. 			13.1
201-3 Defined benefit plan obligations and other retirement plans		<ul style="list-style-type: none"> Average remuneration of directors and executives, by gender. 			
201-4 Financial assistance received from government		<ul style="list-style-type: none"> Government subsidies received. 			
		<ul style="list-style-type: none"> Tax contribution (p. 176). Appendix I. Non-financial indicators - Society (p. 221-222). 			

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Market presence					
103 Management approach	<ul style="list-style-type: none"> Description of the Group's business model. Our business model (p. 18-25). Our business lines (p. 50-83). 				
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none"> Remuneration per equivalent job or company average. 	<ul style="list-style-type: none"> Remuneration model (p. 126). 	1.2 / 5.1		
202-2 Proportion of senior management hired from the local community		<ul style="list-style-type: none"> El Corte Inglés Group operates primarily in Spain. Therefore, most senior managers are Spanish. 	8.5		
Indirect economic impacts					
103 Management approach	<ul style="list-style-type: none"> Impact of the undertaking's activities on society in terms of employment and local development. Impact of the undertaking's activities on society in terms of local communities and territories. Our team in 2020 (p. 114-117). Suppliers in Spain and Portugal (p. 140). 				
203-1 Infrastructure investments and services supported	<ul style="list-style-type: none"> Impact of the undertaking's activities on society in terms of employment and local development. Impact of the undertaking's activities on society in terms of local communities and territories. Association or sponsorship actions. Appendix I. Non-financial indicators - Society (p. 221-222). Our engagement with society (pág. 178-186). 		5.4 / 9.1 / 9.4 / 11.2		

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
203-2 Significant indirect economic impacts					
	<ul style="list-style-type: none"> Contributions to foundations and non-profit organisations. Impact of the undertaking's activities on society in terms of employment and local development. Impact of the undertaking's activities on society in terms of local communities and territories. 	<ul style="list-style-type: none"> Appendix I. Non-financial indicators - Society (p. 221-222). Our engagement with society (p. 178-186). 		1.2 / 1.4 / 3.8 / 8.2 / 8.3 / 8.5	
Procurement practices					
103 Management approach	<ul style="list-style-type: none"> Inclusion of ESG matters in the procurement policy. Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 		<ul style="list-style-type: none"> Due diligence (p. 140-146). 		
204-1 Proportion of spending on local suppliers		<ul style="list-style-type: none"> Impact of the undertaking's activities on society in terms of employment and local development. 	<ul style="list-style-type: none"> A global and diversified supply chain (p. 138-139). Suppliers in Spain and Portugal (p. 140). 		8.3
Anti-corruption					
103 Management approach	<ul style="list-style-type: none"> Policies on anti-corruption and bribery. Measures taken to prevent corruption and bribery. Measures taken to combat money laundering. 		<ul style="list-style-type: none"> Our principles, values and commitments (p. 30-32). Anti-corruption, bribery and money laundering effort (p. 41). 		
205-1 Operations assessed for risks related to corruption		<ul style="list-style-type: none"> Principal risks related to anti-corruption and bribery. 	<ul style="list-style-type: none"> Compliance (p. 161). Due diligence (p. 37-41). 	10	16.5
205-2 Communication and training about anti-corruption policies and procedures		<ul style="list-style-type: none"> Measures taken to prevent corruption and bribery. Policies on anti-corruption and bribery. 	<ul style="list-style-type: none"> Anti-corruption, bribery and money laundering effort (p. 161). 	10	16.5

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
205-3 Confirmed incidents of corruption and actions taken	• Measures taken to prevent corruption and bribery.	• Compliance (p. 37-41).		10	16.5
Anti-competitive behaviour					
103 Management approach		• Compliance (p. 37-41).			
206-1 Legal actions for anti-competitive behaviour, anti- trust, and monopoly practices		• In 2020, the Group did not receive any significant fines or monetary sanctions for non-compliance with laws for anti-competitive behaviour, anti- trust and monopoly practices.		16.3	
Tax		• Society (p. 170-176).			
103 Management approach					
207-1 (2019) Approach to tax	• Profit/(loss) country-by-country; corporate income tax paid and government grants received.	• Economic and social value creation (p.173-176).		1.1 / 1.3 / 10.4 / 17.1 / 17.3	
207-2 (2019) Tax governance, control, and risk management	• Profit/(loss) country-by-country; corporate income tax paid and government grants received.	• Tax contribution (p. 176). • Appendix I. Non- financial indicators - Society (p. 221-222).		1.1 / 1.3 / 10.4 / 17.1 / 17.3	
207-3 (2019) Stakeholder engagement and management of concerns related to tax	• Profit/(loss) country-by-country; corporate income tax paid and government grants received.	• Tax contribution (p. 176). • Appendix I. Non- financial indicators - Society (p. 221-222).		1.1 / 1.3 / 10.4 / 17.1 / 17.3	
207-4 (2019) Country- by-country reporting	• Profit/(loss) country-by-country; corporate income tax paid and government grants received.	• Tax contribution (p. 176). • Appendix I. Non- financial indicators - Society (p. 221-222). • ECI Group - 2020 Financial Report: Note 22.	• Supplementary information contained in the notes to the 2020 consolidated financial statements.	1.1 / 1.3 / 10.4 / 17.1 / 17.3	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
ENVIRONMENTAL TOPICS					
Materials					
103 Management approach					
	• Circular economy. Waste prevention and management measures. Actions to eliminate food waste. • Consumption of raw materials and measures taken to use them more efficiently.	• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157). • Climate change action (p. 161-164). • Society. Community commitment (p. 181-186).			
301-1 Materials used by weight or volume					
	• Circular economy. Waste prevention and management measures. • Consumption of raw materials and measures taken to use them more efficiently.	• Circular economy - Projects (p. 151-152). • Climate change action (p. 161-164). • Society. Community commitment (p. 181-186).		7	8.4 / 12.2
301-2 Recycled input materials used					
	• Circular economy. Waste prevention and management measures. • Consumption of raw materials and measures taken to use them more efficiently.	• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157).		8	8.4 / 12.2 / 12.5
301-3 Reclaimed products and their packaging materials					
	• Circular economy. Waste prevention and management measures. • Consumption of raw materials and measures taken to use them more efficiently.	• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157). • Climate change action (p. 161-169).		8	8.4 / 12.2 / 12.5
Energy					
103 Management approach					
	• Energy: Direct and indirect consumption; measures taken to enhance energy efficiency and use renewable sources.	• Climate change action - Governance and strategy (p. 161). • Energy consumption and efficiency (p. 165-166).			

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
302-1 Energy consumption within the organisation	• Energy: Direct and indirect consumption; measures taken to enhance energy efficiency and use renewable sources.	• Energy consumption and efficiency (p. 165-166).		7 and 8	7.2 / 7.3 / 8.4 / 12.2 / 13.1
302-3 Energy intensity	• Energy: Direct and indirect consumption; measures taken to enhance energy efficiency and use renewable sources.	• Energy consumption and efficiency (p. 165-166).		8	7.3 / 8.4 / 12.2 / 13.1
302-4 Reduction of energy consumption	• Measures to prevent pollution. • Energy: Direct and indirect consumption; measures taken to enhance energy efficiency and use renewable sources.	• Our business model. Contribution to the Sustainable Development Goals (p. 26-27). • Energy consumption and efficiency (p. 165-166).		8 and 9	7.3 / 8.4 / 12.2 / 13.1
302-5 Reductions in energy requirements of products and services	• Measures to prevent pollution. • Energy: Direct and indirect consumption; measures taken to enhance energy efficiency and use renewable sources.	• Sustainability movement (p. 104-111). • Climate change action - Governance and strategy (p. 161). • Energy consumption and efficiency (p. 165-166).		8 and 9	7.3 / 8.4 / 12.2 / 13.1
Water					
103 Management approach	• Water consumption and supply, in keeping with local limitations.		• The Group's water is supplied from public, authorised supply networks.		
303-1 (2018) Interactions with water as a shared resource	• Water consumption and supply, in keeping with local limitations.		• The Group's water is supplied from public, authorised supply networks.		
303-2 (2018) Management of water discharge-related impacts	• Water consumption and supply, in keeping with local limitations.		• The Group's water is supplied from public, authorised supply networks and has no impact on protected habitats.		

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
303-3 (2018) Water withdrawal	• Water consumption and supply, in keeping with local limitations.			7 and 8	6.3 / 6.4 / 6.A / 6.B / 12.4
303-4 (2018) Water discharge	• Water consumption and supply, in keeping with local limitations.				Given El Corte Inglés Group's operations, the only significant water discharge is from the toilets in department stores and offices, which in any event is discharged to the urban public network under the specific legal conditions.
303-5 (2018) Water consumption	• Water consumption and supply, in keeping with local limitations.				• The Group's water is supplied from authorised public networks. A total of 2,449,245m ³ of water was consumed in 2020, down from 2,866,019m ³ in 2019 and 2,873,949m ³ in 2018.
Biodiversity					
103 Management approach	• Measures taken to preserve or restore biodiversity. • Impacts caused by activities or operations in protected areas.				• El Corte Inglés Group's facilities are located on land zoned as urban and have no significant impact on biodiversity in protected areas or areas of high biodiversity value, so that this indicator is not considered material.

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> Impacts caused by activities or operations in protected areas. 		<ul style="list-style-type: none"> El Corte Inglés Group's facilities are located on land zoned as urban and have no significant impact on biodiversity in protected areas or areas of high biodiversity value, so that this indicator is not considered material. 		
304-2 Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none"> Impacts caused by activities or operations in protected areas. 		<ul style="list-style-type: none"> El Corte Inglés Group's facilities are located on land zoned as urban and have no significant impact on biodiversity in protected areas or areas of high biodiversity value, so that this indicator is not considered material. 		
304-3 Habitats protected or restored	<ul style="list-style-type: none"> Measures taken to preserve or restore biodiversity. 		<ul style="list-style-type: none"> El Corte Inglés Group's facilities are located on land zoned as urban and have no significant impact on biodiversity in protected areas or areas of high biodiversity value, so that this indicator is not considered material. 		
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none"> Impacts caused by activities or operations in protected areas. 		<ul style="list-style-type: none"> El Corte Inglés Group's facilities are located on land zoned as urban and have no significant impact on biodiversity in protected areas or areas of high biodiversity value, so that this indicator is not considered material. 		

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Emissions					
103 Management approach	<ul style="list-style-type: none"> Greenhouse gas emissions. Measures taken to adapt for the consequences of climate change GHG emission-reduction targets. 	<ul style="list-style-type: none"> Climate change action (p. 161-169). 			
305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> Greenhouse gas emissions. 	<ul style="list-style-type: none"> Climate change action (p. 161-169). 		7 and 8	3.9 / 12.4 / 13.1 / 14.3 / 15.2
305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> Greenhouse gas emissions. 	<ul style="list-style-type: none"> Climate change action (p. 161-169). 		7 and 8	3.9 / 12.4 / 13.1 / 14.3 / 15.2
305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> Greenhouse gas emissions. 	<ul style="list-style-type: none"> Climate change action (p. 161-169). 		7 and 8	3.9 / 12.4 / 13.1 / 14.3 / 15.2
305-4 GHG emissions intensity	<ul style="list-style-type: none"> Greenhouse gas emissions. 	<ul style="list-style-type: none"> Climate change action (p. 161-169). 		7 and 8	13.1 / 14.3 / 15.2
305-5 Reduction of GHG emissions	<ul style="list-style-type: none"> Measures to prevent pollution. Measures taken to adapt for the consequences of climate change. 	<ul style="list-style-type: none"> Contribution to the Sustainable Development Goals (p. 26-27). Climate change action. Performance indicators (p. 161). 		7 and 8	14.3 / 15.2
305-6 Emission of ozone-depleting substances (ODS)			<ul style="list-style-type: none"> El Corte Inglés Group does not emit any ODS. 	7 and 8	3.9 / 12.4
305-7 Nitrogen oxides (NOXX), sulphur oxides (SOXX), and other significant air emissions	<ul style="list-style-type: none"> Measure to prevent pollution (including noise and light pollution). 		<ul style="list-style-type: none"> El Corte Inglés Group does not have NOx and SOx emissions or cause any relevant light or noise pollution to respond to this section of the law. 	7 and 8	3.9 / 12.4 / 14.3 / 15.2

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Effluents and waste					
103 Management approach	• Circular economy. Waste prevention and management measures.	• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157).			
306-1 Waste generation and significant waste-related impacts	• Circular economy. Waste prevention and management measures.	• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157).	8	3.9 / 6.3 / 6.4 / 6.6 / 11.6 / 12.4 / 12.5 / 14.1	
306-2 Management of significant waste-related impacts	• Circular economy. Waste prevention and management measures.	• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157).	8	3.9 / 6.3 / 11.6 / 12.4 / 12.5	
306-3 Waste generated		• Circular economy - Projects (p. 151-152). • Zero Waste (p. 153-157).	8	3.9 / 6.3 / 6.6 / 11.6 / 12.4 / 12.5 / 14.1 / 15.1	
306-4 Waste diverted from disposal		• Zero Waste (p. 153-157).	8	3.9 / 11.6 / 12.4 / 12.5	
306-5 Waste directed to disposal		• Zero Waste (p. 153-157).	8	3.9 / 6.6 / 11.6 / 12.4 / 12.5 / 14.2 / 15.1 / 15.5	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Environmental compliance					
103 Management approach			• Compliance (p. 37-41). • Environment (p. 149-168).		
307-1 Non-compliance with environmental laws and regulations		• Amount of provisions recorded or guarantees extended for environmental claims.		• In 2020 and 2019, the Group did not receive any significant fines or monetary sanctions for non-compliance with environmental laws. El Corte Inglés has civil liability insurance covering its environmental risks. • ECI Group - 2020 Financial Report: Note 25	8 16.3
Supplier environmental assessment					
103 Management approach		• Inclusion in the procurement policy of social, gender equality and environmental matters.	• Life cycle of best practices (p. 141-145).		
308-1 New suppliers that were screened using environmental criteria		• Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. • Supervision and audit systems and their outcomes.	• Life cycle of best practices (p. 141-145).		8
308-2 Negative environmental impacts in the supply chain and actions taken		• Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. • Supervision and audit systems and their outcomes.	• Life cycle of best practices (p. 141-145).		8

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
SOCIAL TOPICS					
Employment					
103 Management approach					
Internal framework: qualitative description of the organisation of working hours	<ul style="list-style-type: none"> Policies on social and employee-related matters. Measures taken to foster employment. 	<ul style="list-style-type: none"> A year shaped by Covid (p. 43-49). Talent attraction and retention (p. 118-119). 			
401-1 New employee hires and employee turnover	<ul style="list-style-type: none"> Number and breakdown of dismissals by gender, age, and job category. 	<ul style="list-style-type: none"> Talent attraction and retention (p. 118-119). Appendix I. Non-financial indicators - Breakdown of involuntary terminations (p. 217). 	6	5.1 / 8.5 / 8.6 / 10.3	
Internal framework: the El Corte Inglés Group internal HR system					
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none"> Policies on social and employee-related matters. 	<ul style="list-style-type: none"> All employees have the same benefits, irrespective of their contract type. 		3.2 / 5.4 / 8.5	
401-3 Parental leave	<ul style="list-style-type: none"> Measures to facilitate work-life balance. 	<ul style="list-style-type: none"> Equal opportunities (p. 130). 	6	5.1 / 5.4 / 8.5	
Labour-management relations					
103 Management approach	<ul style="list-style-type: none"> Implementation of measures in relation to the right to disconnect from work. Organisation of management-labour engagement. 	<ul style="list-style-type: none"> Organisation of working hours (p. 130-132). Labour-management relations (p. 124). 			
402-1 Minimum notice periods regarding operational changes	<ul style="list-style-type: none"> Implementation of measures in relation to the right to disconnect from work. Organisation of management-labour engagement. 	<ul style="list-style-type: none"> Organisation of working hours (p. 124). Labour-management relations (p. 124). 	3	8.8	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Occupational health and safety					
103 Management approach					
403-1 (2018) Occupational health and safety management system					
Internal framework: the El Corte Inglés Group internal HR system					
403-2 (2018) Hazard identification, risk assessment, and incident investigation		<ul style="list-style-type: none"> Health and safety at work. 	<ul style="list-style-type: none"> A year shaped by Covid (p. 43-49). A safe and healthy working environment (p. 133-175). Life cycle of best practices (p. 141-147). 		8.8
403-3 (2018) Occupational health services		<ul style="list-style-type: none"> Health and safety at work. 	<ul style="list-style-type: none"> A safe and healthy working environment (p. 133-175). Life cycle of best practices (p. 141-147). 		3.3 / 3.9 / 8.8
403-4 (2018) Worker participation, consultation, and communication on occupational health and safety		<ul style="list-style-type: none"> Health and safety at work. 	<ul style="list-style-type: none"> A safe and healthy working environment (p. 133-175). Safety indicators (p. 135). Appendix I. Non-financial indicators (p. 218-220). Risk and opportunity management (p. 191-198). 		8.8 / 16.7
403-5 (2018) Worker training on occupational health and safety		<ul style="list-style-type: none"> Health and safety at work. 	<ul style="list-style-type: none"> Career development - Training (p. 122). 		8.8
403-6 (2018) Promotion of worker health		<ul style="list-style-type: none"> Health and safety at work. 	<ul style="list-style-type: none"> A safe and healthy working environment (p. 133-135). 		3.3 / 3.5 / 3.7 / 3.8
403-8 (2018) Workers covered by an occupational health and safety management system		<ul style="list-style-type: none"> Balance of collective agreements. 	<ul style="list-style-type: none"> Organisation of working hours (p. 124). 		8.8

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
403-9 (2018) Work-related injuries	<ul style="list-style-type: none"> Workplace accidents, in particular their frequency and severity, and occupational diseases, broken down by gender. Number of hours of absenteeism. 	<ul style="list-style-type: none"> Safety indicators (p. 135). Appendix I. Non-financial indicators (p. 218-220). 		3.6 / 3.9 / 8.8 / 16.1	
403-10 (2018) Work-related ill health	<ul style="list-style-type: none"> Workplace accidents, in particular their frequency and severity, and occupational diseases, broken down by gender. Number of hours of absenteeism. 	<ul style="list-style-type: none"> Safety indicators (p. 135). Appendix I. Non-financial indicators (p. 218-220). 		3.3 / 3.4 / 3.9 / 8.8 / 16.1	
Training and education					
103 Management approach	<ul style="list-style-type: none"> Policies in place in relation to training. 	<ul style="list-style-type: none"> Compliance function (p. 38-39). Training (p. 120-123). Life cycle of best practices (p. 146). 			
404-1 Average hours of training per year per employee	<ul style="list-style-type: none"> Training hours by job category. 	<ul style="list-style-type: none"> Training (p. 120-123). Appendix I. Non-financial indicators - Our team (p. 217). 	6	4.3 / 4.4 / 4.5 / 5.1 / 8.2 / 8.5 / 10.3	
404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none"> Policies in place in relation to training. Measures taken to foster employment. 	<ul style="list-style-type: none"> Training (p. 120-123). Life cycle of best practices (p. 146). 		8.2 / 8.5	
404-3 Percentage of employees receiving regular performance and career development reviews		<ul style="list-style-type: none"> Performance review (p. 123). 	6	5.1 / 8.5 / 10.3	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Diversity and equal opportunities					
103 Management approach	<p>Internal framework: qualitative description of the main actions taken to ensure universal accessibility for people with disabilities</p> <ul style="list-style-type: none"> Measures taken to foster equal treatment and opportunities for men and women. Equality plans. Anti-sexual/gender harassment protocols. Integration of and accessibility for persons with disabilities. Anti-discrimination policy and, where applicable, diversity management policy. 	<ul style="list-style-type: none"> Our team (p. 113-135). 			
405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none"> Total number and breakdown of employees by gender, age, country and job category. Employees with disabilities. 	<ul style="list-style-type: none"> El Corte Inglés Board of Directors at 28 February 2021 (p. 34). Our team in 2020 (p. 113-117). Equality, diversity and inclusion (p. 128-131). Appendix I. Non-financial indicators - Our team (p. 212-220). 	6	5.1 / 5.5 / 8.5	
405-2 Ratio of basic salary and remuneration of women to men	<p>Internal framework: the El Corte Inglés Group internal HR system</p> <ul style="list-style-type: none"> Average pay and trend broken down by gender, age, job category or equivalent metric. Gender pay gap. Remuneration per equivalent job or company average. 	<ul style="list-style-type: none"> Remuneration model (p. 126). Appendix I. Non-financial indicators - Our team (p. 220). 	6	5.1 / 8.5 / 10.3	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Non-discrimination					
103 Management approach	<ul style="list-style-type: none"> Universal accessibility of people with disabilities. Equality plans. Anti-sexual/gender harassment protocols. Integration of and accessibility for persons with disabilities. Anti-discrimination policy and, where applicable, diversity management policy. Promotion and compliance with ILO provisions. 	<ul style="list-style-type: none"> Our team (p. 113-135). 			
406-1 Incidents of discrimination and corrective actions taken	<ul style="list-style-type: none"> Anti-discrimination policy and, where applicable, diversity management policy. 	<ul style="list-style-type: none"> Our principles, values and commitments (p. 30-31). Equality, diversity and inclusion (p. 128-131). 	<ul style="list-style-type: none"> In 2020, there were 20 complaints of harassment, of which only 15 were investigated and resolved. 	5.1 / 8.8	
Freedom of association and collective bargaining					
103 Management approach	<ul style="list-style-type: none"> Promotion and compliance with ILO provisions. 	<ul style="list-style-type: none"> Our team (p. 113-135). Supply chain (p. 137-147). 			
407-1 407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<ul style="list-style-type: none"> Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 	3	8.8	
Internal framework: qualitative description of the organisation's approach to eliminating job and workplace discrimination					

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Child labour					
103 Management approach	<ul style="list-style-type: none"> Promotion and compliance with ILO provisions. 	<ul style="list-style-type: none"> Our team (p. 113-135). Supply chain (p. 137-147). 			
408-1 Operations and suppliers at significant risk for incidents of child labour		<ul style="list-style-type: none"> Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 	5	8.7 / 16.2
Forced or compulsory labour					
103 Management approach	<ul style="list-style-type: none"> Promotion and compliance with ILO provisions. 	<ul style="list-style-type: none"> Our team (p. 113-135). Life cycle of best practices (p. 141-147). 			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour		<ul style="list-style-type: none"> Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 	4	8.7
Internal framework: qualitative description of the organisation's approach to eliminating forced or compulsory labour					
Security practices					
103 Management approach	<ul style="list-style-type: none"> Prevention of risks of human rights abuses. 	<ul style="list-style-type: none"> Supply chain (p. 137-147). 			
410-1 Security personnel trained in human rights policies or procedures	<ul style="list-style-type: none"> Prevention of risks of human rights abuses. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 			16.1

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Human rights assessment					
103 Management approach	<ul style="list-style-type: none"> Human rights policies. Human rights due diligence procedures. Prevention of risks of human rights abuses. Reports of human rights abuses. Promotion and compliance with ILO provisions. Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Our principles, values and commitments (p. 30-31). Our team (p. 113-135). Supply chain (p. 137-147). 			
412-1 Operations that have been subject to human rights reviews or impact assessments	<ul style="list-style-type: none"> Prevention of risks of human rights abuses. Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). Stakeholder alliances (p. 146-147). 	<ul style="list-style-type: none"> No complaints regarding human rights breaches in the supply chain were received in FY20 through either of ECI's grievance mechanisms (Whistle-Blowing Channel & amfori BSCI). In 2019, two complaints were received that were handled using the stipulated due diligence procedures. 	1 and 2	
412-2 Employee training on human rights policies or procedures	<ul style="list-style-type: none"> Human rights policies. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 		1	
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). Alliances with stakeholders (p. 146-147). 		2	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Local communities					
103 Management approach			<ul style="list-style-type: none"> Society (p. 171-188). 		
413-1 Operations with local community engagement, impact assessments, and development programs			<ul style="list-style-type: none"> Impact of the undertaking's activities on society in terms of employment and local development. Engagement with local communities. Impact of the undertaking's activities on society in terms of local communities and territories. Universal accessibility of people with disabilities. 		1
413-2 Operations with significant actual and potential negative impacts on local communities			<ul style="list-style-type: none"> Suppliers in Spain and Portugal (p. 140). Society (p. 171-188). 		
			<ul style="list-style-type: none"> Impact of the undertaking's activities on society in terms of employment and local development. Engagement with local communities. Impact of the undertaking's activities on society in terms of local communities and territories. 		
			<ul style="list-style-type: none"> Impact of the undertaking's activities on society in terms of employment and local development. Impact of the undertaking's activities on society in terms of local communities and territories. 		
			<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 	1 and 2	1.4 / 2.3

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Supplier social assessment					
103 Management approach	<ul style="list-style-type: none"> Inclusion in the procurement policy of social, gender equality and environmental matters. Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Supply chain (p. 137-147). 			
414-1 New suppliers that were screened using social criteria	<ul style="list-style-type: none"> Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 	2	5.2 / 8.8 / 16.1	
414-2 Negative social impacts in the supply chain and actions taken	<ul style="list-style-type: none"> Human rights due diligence procedures. Consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors. Supervision and audit systems and their outcomes 	<ul style="list-style-type: none"> Life cycle of best practices (p. 141-147). 	2	5.2 / 8.8 / 16.1	
Internal framework: qualitative description of the consideration of social and environmental responsibility concerns in relations with suppliers and subcontractors.					

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Public policy					
103 Management approach	<ul style="list-style-type: none"> Contributions to foundations and non-profit organisations. 	<ul style="list-style-type: none"> Our principles, values and commitments (p. 30-31). Anti-corruption, bribery and money laundering effort (p. 39-40). Our engagement with society (p. 178). 			
415-1 Political contributions	<ul style="list-style-type: none"> Contributions to foundations and non-profit organisations. 	<ul style="list-style-type: none"> Our engagement with society (p. 178). 		<ul style="list-style-type: none"> According to El Corte Inglés Group's Ethics Code, no Group employee contributed to any political party and/or their representatives in 2020. 	10 16.5
Customer health and safety					
103 Management approach	<ul style="list-style-type: none"> Consumer health and safety measures. 	<ul style="list-style-type: none"> Quality and safety (p. 96-99). Incident management (p. 102). 			
Internal framework: quantitative information on complaints received and their resolution	<ul style="list-style-type: none"> Whistle-blowing mechanisms, concerns reported and their resolution. 				
416-1 Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none"> Consumer health and safety measures. 	<ul style="list-style-type: none"> Quality and safety (p. 96-99). Appendix I. Non-financial indicators - Our customers (p. 211). 			16.3
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none"> Consumer health and safety measures. 			<ul style="list-style-type: none"> In 2020, the Group did not receive any significant fines or monetary sanctions for non-compliance with laws relating to the health and safety of the products and services offered to consumers. 	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Marketing and labelling					
103 Management approach	• Consumer health and safety measures.	• Quality and safety (p. 96-99). • Transparency in reporting (p. 103).			
417-1 Requirements for product and service information and labelling	• Consumer health and safety measures.	• Quality and safety (p. 96-99).		12.8	
417-2 Incidents of non-compliance concerning product and service information and labelling		• In 2020, the Group did not receive any significant fines or monetary sanctions for non-compliance with laws relating to labelling, presentation and/or information of the products and/or services offered to consumers.		16.3	
417-3 Incidents of non-compliance concerning marketing communications		• In 2020, the Group did not receive any significant fines or monetary sanctions for non-compliance with laws on marketing and/or commercial communications.		16.3	
Customer privacy					
103 Management approach	• Whistle-blowing mechanisms, concerns reported and their resolution.	• Incident management (p. 102). • Data protection (p. 103).			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	• Whistle-blowing mechanisms, concerns reported and their resolution.	• Incident management (p. 102). • Data protection (p. 103). • Our principles, values and commitments (p. 30-31).		16.3 / 16.10	

Reporting framework/ GRI indicator and description	Contents of Law 11/2018 on non-financial reporting	Section of the report	Comments/ Scope limitations or omissions	Global Compact	SDGs
Socio-economic compliance					
103 Management approach		• Compliance (p. 37-39). • Risk and opportunity management (p. 191-198).			
419-1 Non-compliance with laws and regulations in the social and economic area		• In 2020, the Group did not receive any significant fines or monetary sanctions for non-compliance with laws in relation to socio-economic matters.			16.3

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL STATEMENT



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**Independent Assurance Report on the Consolidated non-Financial Report
for the year ended February 28, 2021**

EL CORTE INGLÉS, S.A. AND SUBSIDIARIES

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL REPORT

Translation of a report originally issued in Spanish. In the event of discrepancy,
the Spanish-language version prevails

To the shareholders of EL CORTE INGLÉS, S.A.:

Pursuant to article 49 of the Commercial Code, we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Report (hereinafter NFR) for the year ended February 28, 2021 of El Corte Inglés, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group's 2020 Consolidated Management Report.

The content of the NFR includes additional information to that required by prevailing mercantile regulations in relation to non-financial information report that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in "Index of content required by Law 11/2018 and GRI Indicators", included in the accompanying NFR.

Responsibility of the Board of Directors

The preparation of the NFR included in the Consolidated Management Report of the Group, as well as its contents, is the responsibility of the directors of El Corte Inglés, S.A. The NFR was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) according to core option, as well as other criteria, including Financial Services Sector Disclosures, described in the section provided for each subject matter in "Index of content required by Law 11/2018 and GRI Indicators", included in the accompanying NFR.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFR that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFR is obtained.

Our Independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.

Domicilio Social: C/Pedro Fernández Villaverde, 65, 28003 Madrid. -Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, folio 130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1.
Inscripción 1ª: Madrid 9 de Marzo de 1.989. A member firm of Ernst & Young Global Limited.





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The engagement team consisted of experts in the review of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report. Our review has been performed in accordance with the requirements established in prevailing International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFR, reviewing the process for gathering and validating the information included in the NFR, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meeting with the Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analyzing the scope, relevance and integrity of the content included in the NFR based on the materiality analysis made by the Group and described in section "About this Report", considering the content required by prevailing mercantile regulations.
- ▶ Analyzing the processes for gathering and validating the data included in the 2020 NFR.
- ▶ Reviewing the information on the risks, policies and management approaches applied in relation to the material aspects included in the NFR.
- ▶ Checking, through tests, based on a selection of a sample, the information related to the content of the 2020 NFR and its correct compilation from the data provided.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group's NFR for the year ended February 28, 2021 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) according to core option, as well as other criteria, including Financial Services Sector Disclosures, described in the section provided for each subject matter in "Index of content required by Law 11/2018 and GRI Indicators", included in the accompanying NFR.



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Use and distribution

This report was prepared in response to the requirement established by prevailing company law in Spain and may not be appropriate for other uses and jurisdictions.

ERNST & YOUNG, S.L.

This report relates to the stamp no.
01/21/13048 issued by the Spanish
Institute of Chartered Auditors
(Instituto de Censores Jurados de
Cuentas de España)

(Signed in the original version in Spanish)

Alberto Castilla Vida

June 16, 2021

El Corte Inglés

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elcorteingles.es