



NON-FINANCIAL  
STATEMENT  
FY 2021-2022

# Building the future

Rising to the challenges. Laying the foundations for a better tomorrow for all. Creating our own opportunities. Being of service and making people's lives easier.

In 2021, El Corte Inglés accelerated the transformation of its business model to adapt to the changing landscape and stay ahead of the future.

We aim to leverage the resilience of our retail operations, digitalisation, sustainability and diversification to set the stage for further growth. We are building our future together.

## CHAIRWOMAN'S STATEMENT



2021 was a year of much hard work, sheer determination, excitement and good results, as shown throughout this Non-Financial Statement, which I have the pleasure of introducing. Our stores came back to life. Our diversification policy and alliances lived up to expectations. The omnichannel and transformation strategies embarked on last year continued along their roadmaps. And we reinforced our financial structure, as planned. As a result, El Corte Inglés Group returned to profitability and finds itself in a promising position for tackling whatever lies ahead. All of which despite the persistent effects of the health crisis, the lag in the recovery in tourism and the complex economic environment we are navigating, with inflation on the rise, energy prices spiralling higher than ever and consumption growing sluggish on the back of those price increases.

Our Group posted revenue of €12.51 billion, year-on-year growth of 21.9%, EBITDA of €804.3 million, compared to €47.9 million last year, and a net profit of over €120 million. In tandem we reduced our debt substantially, delivering all the targets we had set for ourselves the previous year.

That healthy earnings performance, accompanied by cost-cutting, was rewarded by the main rating agencies, which upgraded the rating outlook assigned to El Corte Inglés to just below investment-grade status. Their assessments were further buoyed by two significant developments: repayment of the first €600-million notes issue, after the reporting date, in March 2022; and the refinancing agreement reached with the company's pool of banks, for up to €2.6 billion, ushering in lower costs and more advantageous terms equivalent to those fetched by investment grade issuers.

That earnings momentum was unlocked by a broad vision of the business, with retail at its core. Product curation and customer care, continuous upgrading of our (online and offline) stores, and the development of new businesses that complement our business proposal of making people's lives easier, are the levers that are enabling us to grow as a company and make good on our commitments to our customers, employees, suppliers, the environment and society at large.

In retail, El Corte Inglés is the major showcase for brands, prestigious Spanish and international labels, which we sell alongside our private labels. Last year, we continued to launch new products and collections, staying true to our commitment to delivering quality, service, curated range selection, innovation and specialisation in every area of our retail business: fashion, home furnishings and décor, electronics and domestic appliances, sports, leisure, health and beauty, etc. In food retailing we closed an important transaction, acquiring the Sanchez Romero supermarket chain, reinforcing our position as the benchmark in the high-end segment of the market.

Our physical and virtual stores are in constant evolution, showcasing the latest trends and providing comfortable and attractive places where our customers can enjoy a wide variety of culinary, cultural and personal care experiences, to name a few. Our determination to constantly improve led us to undertake significant refurbishments, an effort that included, for example, the flagship Madrid department stores on Castellana and Preciados, and the Girona establishment.

On the digital front, we continued to launch new services, including the Extended Catalogue and Ask an Expert initiatives, which allow us to increase the product choices and advisory services we can provide our customers. Thanks to the Extended Catalogue tool, all of the organisation's establishments have the more than two million SKUs populating the company's catalogue at their fingertips, including models and brands that are not stocked in a given department store. The Ask an Expert service offers customers immediate and personalised online advice from an expert salesperson via chat, phone or video.

The strength of the El Corte Inglés' brand and the mutual trust we inspire around us has opened the door to developing new businesses and striking strategic alliances with leading players in their respective sectors, some of which gained traction in 2021. Worth singling out is the deal signed in insurance with Mutua Group, which has not only acquired 50.01% of each of the two companies comprising that business, it is taking a vested interest in the Group's fortunes by taking an 8% equity interest in El Corte Inglés, purchasing own shares. That strategic alliance, which closed in 2022 after securing the corresponding permits from the authorities, will drive growth at both business groups, namely El Corte Inglés and Mutua Madrileña.

I would also like to underscore the agreement reached between El Corte Inglés Travel and Logitravel for the creation of a new company with the ambition of becoming the leading agency in the Spanish-speaking travel business, one that is well positioned to do so. That alliance will also enable us to take new steps in the digitalisation of the travel business and improve our product offering in the leisure, business and MICE segments.

SICOR Group, which we set up in 2020, is achieving the targets set in the alarm and end-to-end home and business security markets.

Another new development during the year was the creation of El Corte Inglés Advanced Logistics with the aim of leveraging the company's logistics experience and know-how to expand the business and provide services to third parties.

We launched many new initiatives last year and have many more under development, but our values and principles as a business group remain steadfast. A corporate culture and universe of values that orbit around ethical conduct that guarantees responsible and sustainable growth of the business. To that end we continue to move forward in line with best practices in corporate governance, transparency, managerial effectiveness and responsibility. Indeed, the Board of Directors last year decided to reinforce the Compliance Function and the company's shareholders voted to boost its sustainability strategy by amending its bylaws. Those amendments paved the way for creation of the Sustainability Committee, which has replaced the former Corporate Social Responsibility (CSR) Committee.

We are a responsible and committed firm that is making constant progress toward upholding best practices in the environmental, social and governance (ESG) areas. That process is being steered by our 2021-2025 Master Sustainability and CSR Plan which is articulated around five major lines of action: responsible production and consumption; digital transformation; climate action; corporate culture; and good governance.

We have also renewed our commitment to the United Nations Global Compact and contribute to the delivery of the United Nations Sustainable Development Goals (SDGs) most closely related with our business activities, i.e., responsible production and development; gender equality and women's empowerment; decent work and economic growth; and climate action.

To advance on those goals, we are carrying out responsible consumption awareness campaigns with customers and employees, we are broadening our sustainable product offer, we are conducting regular ESG audits at the factories and workshops that make our private-label clothing and we are committing to responsible waste management and circular economy criteria.

I would like to highlight the Zero Waste project we are rolling out all along our sales network to certify the fact that at least 90% of the waste generated at our establishments gets recovered. We met our target for this year, with 108 El Corte Inglés establishments and logistics platforms certified under the AENOR Zero Waste seal. By 2022 all El Corte Inglés establishments will have earned that seal, with all of our Supercor establishments following suit by 2025. The involvement and dedication of our teams, in this and other social and environmental initiatives, is making an invaluable difference to that effort.

Because El Corte Inglés' most important asset is its human capital, the commitment, motivation and dedication of our employees are what is enabling us to achieve our customer and society service objectives and make progress on delivery of our growth and sustainability goals. We are one of the biggest employers in Spain and as such it is our duty to guarantee decent work, framed by appropriate equality and diversity policies.

In 2021, the consequences of the health crisis once again forced us to roll out a voluntary staff restructuring plan which affected 3.3% of our headcount. Framed by peaceful management-labour relations, they are all participating in an outplacement programme managed by a prestigious firm which has a very good track record finding work for its clients.

As a firm, we also have a significant impact on the business population through the business we provide our extensive supplier base, which numbered over 36,800 in 2021. Their collaboration and a relationship built on mutual trust allow us to provide the hallmark standards of quality and service that set El Corte Inglés apart.

All of which translates into happy customers, our end goal. Our department stores received over 510 million visits last year, with our websites welcoming nearly 800 million. Meanwhile, El Corte Inglés store card users numbered 11.6 million. Numbers that endorse our effort to create the best places to shop, best products and best standards of service in every area of our business.

That drive and determination have cemented us as one of the best-reputed firms in Spain. The leading reputation studies say so. But more importantly, that is how citizens and society in general feel. That sentiment encourages us, obliges us even, to improve day after day, become more efficient, look after our surroundings better and be more sustainable. In sum, to be the best version of ourselves.

That is what we have always done and that is what we will continue to do going forward.



**Marta Álvarez**  
Chairwoman



## BASIS OF PREPARATION

[GRI 102-1] [GRI 102-5] [GRI 102-10] [GRI 102-45] [GRI 102-46] [GRI 102-48] [GRI 102-49]  
[GRI 102-50] [GRI 102-52] [GRI 102-54]

This Non-Financial Statement (2021 NFS) is presented as a separate document, albeit part of El Corte Inglés Group’s Consolidated Management Report for the year ended 28 February 2022.

It has been published in compliance with the requirements stipulated in Spanish Law 11/2018, of 28 December 2018, amending Spain’s Code of Commerce, the consolidated text of the Corporate Enterprises Act, enacted by Legislative Royal Decree 1/2010, of 2 July 2010, and Spain’s Audit Act (Law 22/2015), as regards to non-financial and diversity reporting. The 2021 NFS meets the same approval, filing and publication criteria as the Management Report, both of which have been approved by the Board of Directors of El Corte Inglés, S.A.

This report refers to the activities of El Corte Inglés, S.A. and its subsidiaries (“El Corte Inglés Group”, or the “Group”) throughout the year elapsing between 1 March 2021 and 28 February 2022 (“FY 2021” or “2021”) and covers all of the countries where it does business.

Framed by the Group’s commitment to transparent reporting, this report provides, among other things, the information needed by the reader to understand the Group’s evolution, results, situation and key performance indicators along the environmental, social and governance (“ESG” dimensions).

It also identifies the risks and opportunities inherent to the Group’s activities and the policies and management tools in place across the various companies for addressing non-financial matters.

A multidisciplinary team from a number of areas of the Group participated in the drafting of this report, which is, moreover, based on the non-financial reporting principles and standards outlined in Chapter 5, “Reporting principles and transparency” of this report. Appendix II and Appendix III provide the tables containing the indicators required under Law 11/2018 and the other reporting standards followed, referencing the various sections of this Non-Financial Statement where the corresponding information can be found.

Lastly, the 2021 NFS takes into account the sector context and regulations, stakeholder demands and best practices in the sector to determine, by way of report contents, which non-financial matters are material for the Group.

The information included in this document was assured by Ernst & Young, S.L. as independent assurance services provider, according to the wording in Law 11/2018 (28 December 2019) of article 49 of the Code of Commerce.

<sup>1</sup> Defined as the corporate enterprises in which the El Corte Inglés Group holds ownership interests of over 50%. El Corte Inglés Group’s 2021 consolidated financial statements include a list and breakdown of subsidiaries. It is worth noting that for the first time in FY 2021, the Group, through Supercor, consolidated the Sanchez Romero supermarket chain, acquired last year. Note in relation to the merger between Viajes El Corte Inglés, S.A. and Logitravel, whereby the former took a 75% interest in the resulting Newco, with the latter holding the remaining 25%, that since the definitive merger deeds were executed on 28 February 2022, the last day of Viajes El Corte Inglés, S.A.’s financial year; the 2021 NFS does not include any ESG information in respect of Logitravel.

CONTENTS

1.	El Corte Inglés in 2021 .....	12
2.	Our Business Model .....	17
3.	Our Esg Performance .....	51
	3.1. Our Corporate Governance .....	59
	3.2. Our Social Dimensión .....	79
	3.2.1. Our Customers.....	79
	3.2.2. Our Team.....	99
	3.2.3. Our Supply Chain.....	129
	3.2.4. Our Relationship with Society .....	143
	3.3. Our Environmental Management .....	161
4.	Risk and Opportunity Management .....	191
5.	Reporting Principles and Transparency .....	199
6.	Appendices.....	215
	I. Table of non-financial indicators .....	216
	II. GRI indicator cross-references.....	229
	III. Disclosures required under 11/2018 and the Regulation (EU) 2020/852 - Taxonomy .....	243
7.	External assurance report .....	251

# El Corte Inglés in 2021

2021 was a very important year for El Corte Inglés. It was a year of renewed momentum and of new projects with an exciting future, despite the complex economic environment and the challenges caused by the lingering Covid-19 restrictions.

## FORWARD-LOOKING PROJECTS

1

With the retail at the heart of the business, we shored up our growth platform, which is articulated around the trust inspired by the brand and the principles and values that set El Corte Inglés apart: quality, service, range, innovation and ability to change.

2

We consolidated our position as one of the best-reputed companies in Spain, underpinned by our business model and our performance in recent years.



## STRATEGIC ALLIANCES

3



We sealed a strategic deal with **Mutua Group**, which is taking an 8% shareholding in El Corte Inglés, in addition to a 50.01%-interest in El Corte Inglés Insurance Group.

4

We reinforced our leadership of the tourism sector thanks to the merger between **Viajes El Corte Inglés and Logitravel**, a deal designed to make us the biggest travel agency in the Spanish-speaking market.



5

And we acquired the **Sanchez Romero** supermarket chain, a deal which will help consolidate our position as leader in the high-end supermarket segment.

## RETAIL AT THE HEART OF THE BUSINESS

6

Retail lies at the heart of El Corte Inglés' business. **We defended our solid positioning as the major showcase for brands**, a unique physical and online platform that is home to the most prestigious Spanish and international brands, alongside the Group's private-label brands.



7

We drove the development of **new products, services and private-label brands**, alongside the attributes of quality, meticulous range selection and innovation that single us out in every area of our business.

8

Our policy of continually **updating and refurbishing our establishments** led us to undertake major reforms at our department stores on Castellana and Preciados-Callao (Madrid) and in Girona. All of which with the aim of offering our customers an unbeatable shopping experience.

9

We transformed a few El Corte Inglés establishments - including those in Arapiles (Madrid), East Seville, Mijas (Malaga), Guadalajara and Marineda (Coruña) - into outlets. And we revamped our outlets' sales proposition, which has been very well received by our customers.

## OMNICHANNEL PRESENCE AND DIGITALISATION

10

We reinforced the omnichannel concept by setting up new, user-friendly areas for **picking up orders placed online in our stores**. Examples of the department stores offering that service include the Nervión and Plaza del Duque establishments, both in Seville, the San José de Valderas store in Madrid, and the Malaga store.



11

We strengthened and broadened our range of digital services and our omnichannel presence to add more value for our customers. With the launch of the **Ask an Expert and Extended Catalogue** initiatives, we managed to expand the product ranges and advisory services El Corte Inglés provides its customers so that they enjoy the same experience no matter what channel they use, whether physical or online.

12

We launched a **specific app for the Portuguese market** in December 2021, framed by our ongoing digitalisation strategy.



DIVERSIFICATION

13

We devoted resources to building our **Sweno** brand, which offers our customers a competitive and high-quality virtual mobile and fibre operator.

14

**SICOR** consolidated its business lines, particularly in household security and alarms.



15

We created a new company, **El Corte Inglés Advanced Logistics**, to facilitate growth in logistics and expand the business to provide services to third parties.

SUSTAINABILITY



16

We foster **local development** in the places where we do business, promoting Spanish and Portuguese products. To that end we collaborate very closely with our more than 36,000 suppliers.

17

We signed a pioneering multi-sector agreement with Spain's leading unions which covers our entire **supply chain**; that agreement is aimed at advancing towards a sustainable industry that is respectful of human, labour, social and environmental rights.

18

We increased our **sustainable offer** by over 9% year-on-year, which is above the target we had set ourselves. In all, we now offer more than 122,000 sustainable SKUs.



19

We obtained **Zero Waste** certification from AENOR at 108 El Corte Inglés establishments and logistics platforms in Spain and Portugal.

SOCIETY

20

We collaborate with the authorities on a range of activities. For example, we made our facility in Arapiles (Madrid) available to the health authorities as a Covid-19 **vaccination centre**; it was used to vaccinate the general population and our employees for a period of three months.



21

We maintain close relations with our **community**, carrying out a host of cultural, sporting and philanthropic activities.



ARCO Madrid 2022. Santiago Picatoste Exhibition. El Corte Inglés, Preciados, Madrid.

# Our Business Model

[GRI 102-2] [GRI 102-7] [GRI 102-10] [GRI 102-15] [GRI 102-18] [GRI 102-19]  
[GRI 102-20] [GRI 102-22] [GRI 102-23] [GRI 102-26] [GRI 103]

El Corte Inglés articulates its business model around a series of commitments along ethics, sustainability and responsibility lines towards our customers, our employees, our suppliers, our owners, society and the environment. After more than 80 years in existence, El Corte Inglés is a benchmark in quality retailing but it has also been able to grow and diversify, building a large business group that is capable of creating new formats, entering new market segments and tapping new business opportunities in a host of sectors. That ability to adapt to and even remain ahead of its customers' needs and demands, marrying the physical and digital worlds, makes El Corte Inglés a company of utility to citizens, a firm that can really make their lives easier.



That enthusiasm for turning challenges into opportunities, driving the digitalisation thrust and committing seriously to sustainability are the cornerstones of the forward-looking platform El Corte Inglés Group is putting together.

2021 was a very important year in the company’s history. After a 2020 marked by the health crisis, the sharp contraction in economic activity and the absence of tourism, in 2021 it was possible to make up some of the ground lost and return to profitability, despite the difficulties implied by the lingering mobility restrictions, successive Covid variants and scant recovery in tourism. All of which in a complex economic environment, with inflation spiralling unexpectedly, leaving energy prices at record levels and, ultimately, eroding consumption.

Faced with those adversities, El Corte Inglés Group navigated a crucial year, delivering results close to those of 2019, right before the onset of the pandemic, leaving aside the effects of the lag in the recovery in tourism. The management model put into place unlocked revenue of €12.51 billion, year-on-year growth of 21.9%; while EBITDA topped the €804 million mark, up €756.5 million from FY 2020; and net profit topped €120 million, marking a strong recovery from FY 2020. The Group’s robust earnings performance is also evident in the €298-million net financial debt reduction last year.

The strong business momentum, cost-cutting effort and good management decisions were acknowledged by the main rating agencies, which upgraded the rating outlooks assigned to El Corte Inglés to just below investment-grade status. In short, the company delivered the targets set in the Strategic Plan it presented at the 2021 Annual General Meeting.



A GROWTH STORY THAT LEVERAGES THE RETAIL BUSINESS

To attain its objectives, El Corte Inglés has a series of competitive advantages, notably including its extensive customer base and the relationship of mutual trust built up over time. The robustness of El Corte Inglés’ brand equity and the confidence it inspires are tangible in the more than 11.6 million people who are El Corte Inglés card holders, a tool which enables the Group to communicate with its customers in a personalised and respectful manner, tailored for their individual tastes and needs.

Retail lies at the heart of El Corte Inglés’ business. It is at the centre of everything and is what has enabled the Group to develop new business lines and diversify, while advancing on its digitalisation and omnichannel strategies in parallel.

In retail the company is solidly positioned as the major showcase for brands, a unique physical and online platform that is home to the most prestigious Spanish and international labels, alongside the Group’s private-label brands. Last year, El Corte Inglés intensified the development of new products and brands and the launch of new trend-setting fashion collections. Quality, specialisation, curated range selection, innovation and the constant introduction of new products and services targeted at satisfying customer needs are the attributes that sets the company apart in every area of its retail business: fashion, home décor, beauty, electronics and domestic appliances, sports, food, leisure and entertainment, etc.

El Corte Inglés, whether in its physical establishments or over its virtual platforms, is a venue for experiences: users can ask for personalised fashion advice, find the best gastronomic solution, book a beauty treatment, attend a cultural event or participate in a children’s workshop, among many other activities.

The importance of the role played by the retail business in the Group as a whole also positions it well to take advantage of new opportunities, including last year, for example, the chance to acquire the Sanchez Romero supermarket chain. That transaction strengthens El Corte Inglés’ footing as the leader in high-end supermarkets, with a broad and unique sales proposition, to which it can add the best products and latest market innovations. In the medium term it paves the way for opening standalone, on-street El Corte Inglés Supermarkets.

That commitment to customer service and the care and dedication it puts into each and every one of its department stores has translated into a significant refurbishment effort in recent years. In 2021, the flagship department store on the Castellana in Madrid was overhauled, allowing for the introduction of new areas and brands; on Preciados-Callao, likewise in the Spanish capital, the food and restaurant area was totally refurbished; and in Girona, the establishment received a top to bottom makeover.

In tandem the Group transformed a few El Corte Inglés establishments - including those in Arapiles (Madrid), East Seville, Mijas (Malaga), Guadalajara and Marineda (Coruña) - into outlets. And the outlets’ sales proposition has been revamped, a move which has been very well received by our customers.

In other establishments the reform thrust was concentrated on reinforcing the omnichannel platform by creating new and user-friendly areas for picking up online orders, so enhancing the customer experience. Some of the department stores offering that

facility are the Nervión and Plaza del Duque establishments, both in Seville, the San José de Valderas store in Madrid, and the Malaga store.

The omnichannel and digital transformation thrusts are evident in the launch of new services, such as the Extended Catalogue, with the aim of expanding the ranges and advisory services El Corte Inglés provides its customers, so that they enjoy the same experience across all sales channels, whether physical or digital. The Extended Catalogue or Item Search tool exponentially increases the products customers can purchase at any El Corte Inglés establishment. Our sales professionals, irrespective of the size of the establishment, have access to the software they need to offer customers all of the SKUs present in the company's digital catalogue, including many models and brands that are not physically present in the department store most convenient to them.

Elsewhere, the Ask an Expert service provides online shoppers with immediate access to a specialist salesperson by means of chat, phone or video. That service has been designed to enable El Corte Inglés to provide personalised advice to customers using its website or apps and resolve any issues they may have exactly as if they were in one of its stores.

## DIVERSIFICATION AND BROADNESS OF VISION

El Corte Inglés' transformation thrust has led it to articulate a universe of pre-existing retail and non-retail businesses (travel, insurance and financial services), alongside a firm strategic commitment to diversification into new businesses under development. Against that backdrop, El Corte Inglés has reached agreements with leading players in their respective areas of activities, so allowing the company to make progress on execution of its growth strategy.

In the insurance business, it has struck a major alliance with Mutua Group under which the latter will take a vested interest in El Corte Inglés' future plans by taking an 8% stake (purchasing own shares). In parallel, Mutua will acquire 50.01% of El Corte Inglés' two insurance companies, namely SECI (life and accident insurance) and CESS (insurance brokerage). That strategic alliance is expected to bolster growth at both business groups, i.e., El Corte Inglés and Mutua Madrileña.

Another major deal closed last year was the agreement reached between El Corte Inglés Travel and Logitravel to set up a new company positioned to lead the travel sector and become the number-one player in the Spanish-speaking market. That alliance not only creates a unique platform for the development of new businesses and international expansion, it also marks a milestone in the digitalisation of the business and lays the foundations for enhancing the customer experience in all segments: leisure, business travel and MICE (meetings, incentives, conferences, and exhibitions).

El Corte Inglés' diversification strategy has also brought it into the telephony sector thanks to an alliance with MásMóvil for the launch of a virtual mobile and fibre operator, under the Sweno brand, which will offer customers top coverage and quality standards.



Atrium. El Corte Inglés, Castellana, Madrid.



The financial services arm has also arranged new agreements with third parties, launching a new El Corte Inglés Store Card together with Mastercard, which will make it universal, in other words, usable anywhere in the world.

The Group also rolled out a number of new projects, including SICOR Alarms, a competitively priced, comprehensive home protection package enabled by state-of-the-art technology. SICOR Alarms is one of the key strategic lines of SICOR Security, another area of the Group’s offering, one in which it has extensive experience. SICOR Alarms leverages that experience, together with advanced technology in electronic security, to offer end-to-end, personalised services to households and businesses.

The Group has also taken a new step in its strategy of making maximum use of its logistics capabilities by setting up a new company: El Corte Inglés Advanced Logistics. The goal is to grow in the logistics business by taking advantage of the Group’s solid existing internal infrastructure used in its own retail business to expand the business and provide services to third parties.

Lastly, in real estate, the company has selected the prestigious English architecture firm Heatherwick Studio to design a cutting-edge office building spanning nearly 15,000m2, adjacent to the flagship El Corte Inglés department store on Madrid’s Paseo de la Castellana. The building will be paragon of sustainability and efficiency.



UNWAVERING PROGRESS ON ESG MATTERS

As a responsible and committed firm, El Corte Inglés is making constant progress toward upholding best practices in the environmental, social and governance (ESG) areas. With the aim of building a better future for all and contributing to making our planet more sustainable, the company has worked hard to rationalise its use of scarce resources, tighten its management of waste, foster responsible manufacturing and reinforce its ties with society.

It has also taken important steps on the corporate governance front. In fact, the Board of Directors has decided to reinforce the compliance function. Also, El Corte Inglés’ shareholders, in General Meeting, agreed to amend the company’s bylaws so as to bolster its sustainability strategy. As a result, it has set up a Sustainability Committee, which has replaced the former Corporate Social Responsibility (CSR) Committee.

The 2021-2025 Sustainability and CSR Master Plan, which is based on the Green Deal and the European and Spanish economic recovery plans, is making good progress on the targets set across all five of its core lines of action: responsible production and consumption; digital transformation; climate action; corporate culture; and good governance.

To advance towards its goals, the company is carrying out awareness and sensitivity campaigns to encourage employees and customers to consume responsibly; increasing its assortment of sustainable products considerably; and conducting periodic social and environmental audits at the factories and facilities that make our private-label goods.

One major project is the Zero Waste initiative which encompasses all retail establishments. At year-end, 108 El Corte Inglés establishments and logistics platforms had already earned the AENOR Zero Waste seal, which indicates that at least 90% of the waste generated in those establishments gets recovered. The goal is to have all El Corte Inglés department stores and logistics platforms certified in 2022 and all Supercor establishments, by 2025.

That task is made possible by the engagement of El Corte Inglés’ human team and a corporate culture based on equality, diversity, and social commitment, common traits that run through each and every one of the Group’s business lines. Those principles keep us close to society and translate into a range of social, cultural and sporting activities and initiatives that benefit society at large.





KEY FINANCIAL FIGURES

[GRI 102-48]

The hard work put in by all of the Group companies, coupled with good management decisions and a better market environment, unlocked significant growth across all the key financial indicators. Despite ongoing stagnation in the tourism sector last year, Group revenue climbed 21.9% higher year-on-year to €12.51 billion. EBITDA came in at €804.3 million, compared to €47.8 million in FY 2020, while net profit topped €120 million.

In addition, the net financial debt was reduced by €298 million. In FY 2022, as a result of the Mutua Group’s investment in El Corte Inglés, the Group will be in a position to deleverage considerably (a deal pending completion at the date of this report).

That healthy earnings performance, bolstered by cost-cutting, was acknowledged by the main rating agencies, which raised their outlooks for El Corte Inglés’ ratings. Their improved outlooks were further underpinned by two significant developments: repayment of the first €600-million notes issue, after the reporting date, in March 2022; and the refinancing agreement reached with the company’s pool of banks, for up to €2.6 billion, ushering in lower costs and more advantageous terms equivalent to those fetched by investment grade issuers. The new agreement includes a new tranche of €600 million which was used entirely to repay the notes issued in 2020.

Note lastly, that capital expenditure amounted to €305 million in FY 2021, most of which was earmarked to refurbishing certain department stores and improving the customer shopping experience on and offline.



The key financial metrics for FY 2021 by business line are shown in the table below:

Business line	Revenue			EBITDA		
	FY 2021	FY 2020*	FY 2019*	FY 2021	FY 2020*	FY 2019*
Retail businesses**	11,325.67	9,721.04	12,238.18	699.55	36.79	915.14
El Corte Inglés Travel Group	984.39	309.01	2,864.99	(56.78)	(136.63)	65.03
SICOR Group	163.67	135.95	84.95	15.21	15.53	8.61
Other businesses	141.20	141.59	188.25	26.62	12.99	18.97
Consolidation adjustments and eliminations	(107.32)	(49.66)	(293.02)	119.69	119.14	125.40
EL CORTE INGLÉS GROUP	12,507.61	10,257.94	15,083.34	804.28	47.83	1,133.15

Amounts in € million. The revenue figures have been aggregated.  
\*: The data corresponding to FY 2020 and FY 2019 have been restated following the deconsolidation of the Insurance Group companies, following their classification as discontinued operations.  
\*\*: The figures corresponding to Telecor, S.A. are included in this heading.

EL CORTE INGLÉS GROUP FOOTPRINT

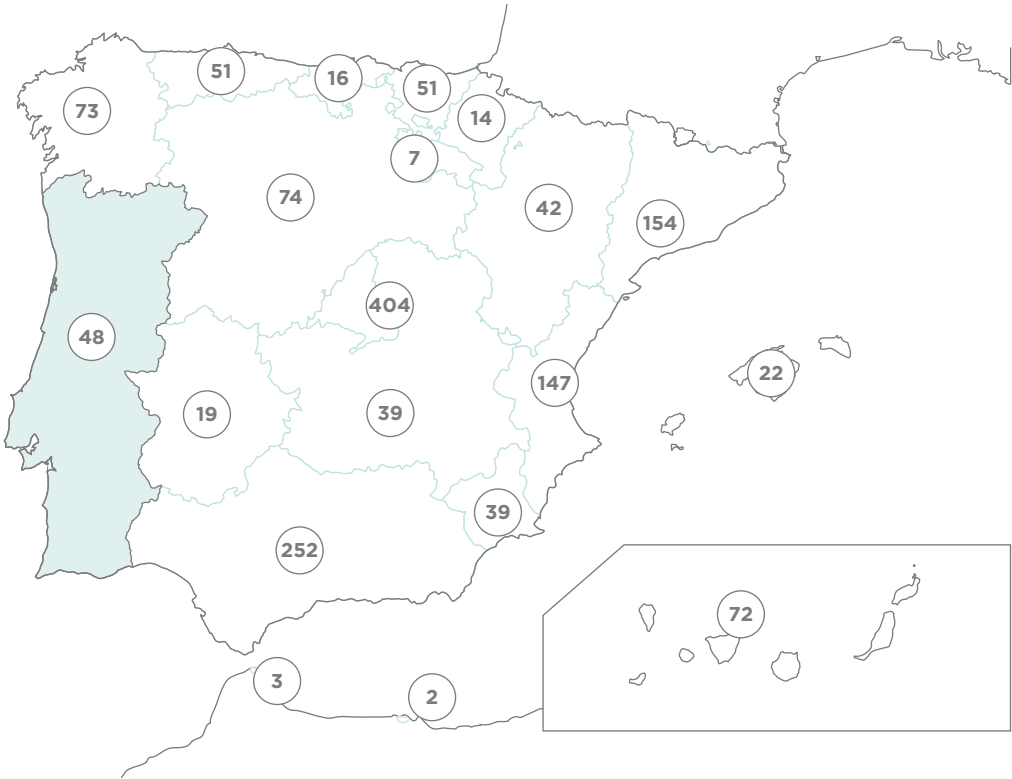
[GRI 102-4] [GRI 102-6]

El Corte Inglés Group footprint

Points of sale by business line	2021				TOTAL 2020
	SPAIN	PORTUGAL	OTHER COUNTRIES	TOTAL	
Retail	686	23	313	1,022	1,056
El Corte Inglés	498	17	313	828	869
Department stores	79	2		81	87
ECI Supermarkets	52	2		54	56
Hipercor supermarkets	37			37	38
Sfera	177	10	313	500	514
• Standalone stores	100	8	57	165	167
• Stores in ECI department stores	77	2		79	85
• Franchises			256	256	262
Outlets	54	1		55	56
Sportown	11			11	12
TMJ	3			3	6
Bricor	71	2		73	79
• Large-scale stores	1	2		1	3
• Bricor PoS in dept. stores	70			72	76
El Corte Inglés Business offices	14			14	21
Supercor supermarkets	188	6		194	187
El Corte Inglés Travel Group	612	23	142	777	786
• Agencies	482	19	142	643	634
• Other points of sale	130	4		134	152
El Corte Inglés Insurance Group	161	2		163	151
• Insurance Centre agencies	136	2		138	126
• ECI Insurance agencies	25			25	25
SICOR Group	21			21	21
CERA Publishing	1			1	1
Total points of sale	1,481	48	455	1,984	2,015

Total number of proprietary stores and agencies in:

Spain:	1.481
Portugal:	48



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

Country	Standalone Sfera stores	Sfera franchises	Travel Group
Argentina	-	-	3
Saudi Arabia	-	7	-
Chile	-	54	11
Colombia	-	-	17
Costa Rica	-	7	-
Cypress	-	2	-
Ecuador	-	-	2
El Salvador	-	12	-
Arab Emirates	-	3	-
US	-	-	2
France	-	-	1
Greece	3	-	-
Guatemala	-	10	-
Ireland	-	18	-
Reunion Island	-	2	-
Italy	-	-	1
Mexico	51	-	92
Nicaragua	-	3	-
Panama	-	9	6
Paraguay	-	6	-
Peru	-	39	4
Poland	3	-	-
Qatar	-	1	-
Dominican Republic	-	-	1
Switzerland	-	53	-
Thailand	-	30	-
Uruguay	-	-	2
Total	57	256	142

Markets in which our products and services are available <sup>(1)</sup>

África	América	Asia	Europa	Oceanía
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	

(1) Subsequent to year-end, business dealings with certain countries have been adapted in line with the provisions stipulated in the corresponding European regulations.



Extra virgin olive oil El Corte Inglés Selection, awarded at the New York International Olive Oil Competition.

OUR BUSINESS LINES

[GRI 102-2] [GRI 102-6] [GRI 102-7]


RETAIL BUSINESSES

The retail businesses are the jewel in the Group’s crown. They are a landmark for society. Trust in the El Corte Inglés brand has been and remains a key growth lever.


Last year our stores and teams have once again demonstrated their ability to adapt - swiftly - to new situations. Over the course of 2021, the Group’s stores, product ranges and services were constantly fine-tuned in response to shifting needs, which continued to be marked significantly by the restrictions imposed to tackle successive waves of Covid-19 infections.

Quality remains a fundamental hallmark of all businesses and areas of activity. In food and fast-moving consumer goods, El Corte Inglés received a number of accolades endorsing its strategic commitment to quality and meticulous assortment selection.


Prizes received




**Mares Para Siempre from MSC**  
Recognition of the company’s support for MSC’s ‘Seas Forever’ initiative in Spain since it was created in 2011, and its commitment to responsible and sustainable fishing through use of the MSC ecolabel.



**5 Salute To Excellence awards**  
For the innovation and quality embodied in five private-label FMCG products at PLMA’s 2021 World of Private Label International Trade Show.




**7 Vertex Awards**  
Gold New Brand Vertex for the packaging designed for the El Corte Inglés Selection range, in addition to four gold prizes and two silver prizes for other private-label brands.



**Pentawards**  
5 awards for private-label FMCG brands. One gold, two silver and two bronze.



**Gold Medal at the New York International Olive Oil Competition**  
Prize for two premium olive oil products branded under the El Corte Inglés Selection label.



**Barcelona Beer Challenge**  
Silver medal for the El Corte Inglés Pale Ale’s high quality standards.



EL CORTE INGLÉS

>2  
million product SKUs  
listed on our websites

Our private labels  
are stocked in

35  
countries

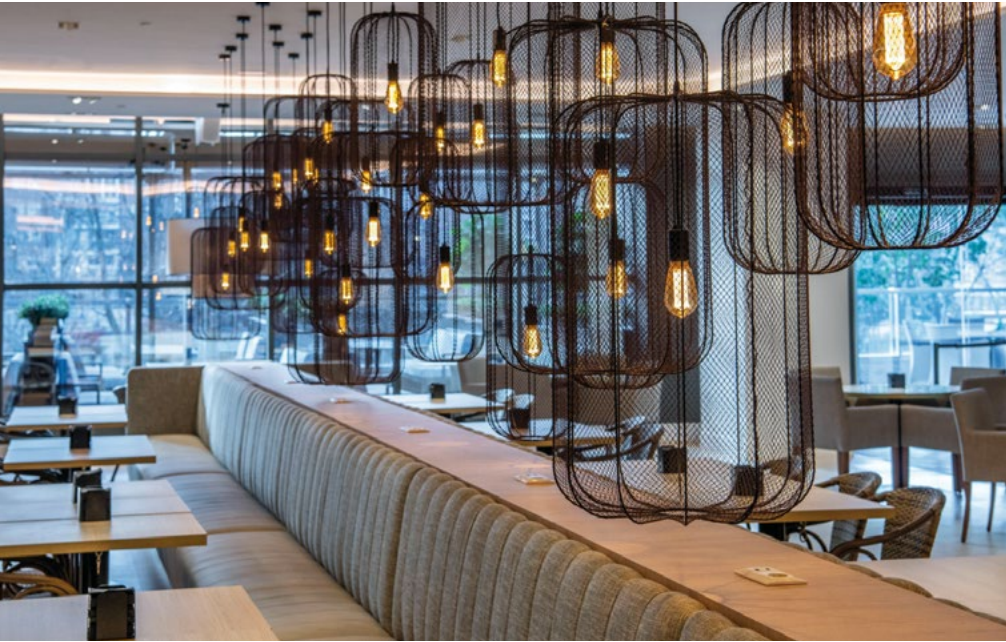
767.6  
million visits to our  
websites and apps (+3.8%  
vs. 2020)

91.4%  
compliance with our  
online order delivery slots  
(82% in 2020)

Gold Medal at the New  
York International Olive  
Oil Competition

El Corte Inglés is the major showcase for Spanish and international brands in all product categories. Its revenue accounts for 90.6% of the Group total, making it our most significant company. Our strategic commitment to building an omnichannel platform in recent years has unlocked rapid growth in online sales, which accounted for 12.3% of the company’s overall revenue in FY 2021.

Last year we continued to digitalise our channels by adding new brands to the online ranges along with a number of new website and app features; we added a virtual gift card as method of payment on the website and app; we created the ‘Thinking Dressing Room’, a tool for searching for items by browsing images and the ‘Body Scanner’, which records personal measurements for more accurate fitting.



Cafeteria. El Corte Inglés, San José de Valderas, Madrid.

We refurbished several departments stores and their restaurants and cafeterias, moving toward experience-driven layouts where customers can check out the latest arrivals and newest trends, while getting personalised and thoughtful customer care.

We also added new spaces to some of our establishments. A good example is the María Porto & Leticia Hervás Art Gallery inaugurated within our flagship store on the Castellana in Madrid. The art gallery aims to advise private art collectors, provide institutions and businesses with end-to-end design projects, act as intermediary in the purchase or sale of works of art and provide appraisals.

Elsewhere, we launched a new outlet concept in which we strive to create special offers without renouncing our hallmark aesthetics, quality or range diversification in areas in which there is already another El Corte Inglés department store. As part of that strategy we have struck agreements with 150 brands in order to target more price-sensitive shoppers. In 2021 we inaugurated outlets in Arapiles (Madrid), Colón (Valencia), Guadalajara (Castile-La Mancha), Itaroa (Pamplona), Marineda (Coruña), Mijas (Malaga), part of the San José de Valderas complex (Madrid) and East Seville. There are currently 55 outlets (54 in Spain and one Portugal).



Outlet Sevilla Este.

In all of those establishments we attempt to provide a top selection of products in each category so that our customers encounter a fine array of quality products, curated with good judgement and care.

BUSINESS LINES

FOOD AND FAST-MOVING CONSUMER GOODS

- El Corte Inglés is increasingly committed to selling products sourced nearby and collaborating with local producers. Last year it promoted products carrying the Tierra de Sabor regional guarantee mark as well as certified fish sourced from Avilés and Santa Pola, to name a few examples.
- 29% of online orders were picked up using the Click&Car service.
- ‘El Corte Inglés Selection’, the premium private-label brand, is now available on the shelves of the Sanchez Romero supermarkets.



LUXURY FOODS AND RESTAURANTS

- Inauguration of Las Nubes Market at the Preciados department store: a new hospitality concept offering a wide variety of cuisines in different spaces and views over the Madrid skyline.
- Installation of a Club del Gourmet Food Truck at the Diagonal department store in Barcelona during the summer selling iconic Club del Gourmet counter products.
- Reinforcement of the online sale of ready-made dishes with over 20 choices for home delivery. A special website was set up at Christmas with a seasonal selection.
- Updating of Gourmet restaurants, cafeterias and stores: several departments stores in Madrid, Catalonia, Burgos, Badajoz, Marbella and Santiago.

FASHION AND ACCESSORIES

- Strategic commitment to private labels:
  - In womenswear, El Corte Inglés reinforced the positioning and image of brands such as Énfasis, Easy Wear and Couchel and introduced a more bohemian line to the Lloyd’s label which has bolstered its value proposition.
  - In menswear we focused on better orienting the range towards a younger and more urban target audience.
  - In childrenswear we launched new private labels to cover all age segments and styles: Kids El Corte Inglés, with more comfortable and fun clothing; Baby El Corte Inglés, with a modern and colourful style for babies; and Coconut, classic, timeless clothing for babies and children of different ages.
- We also introduced new brands to an already-extensive catalogue in all categories (women’s, men’s and children’s).
- Lastly, we continued to promote fashion made in Spain in order to support the home industry.



Lloyd’s. Boho Collection.



HOME FURNISHINGS AND DÉCOR

- In this line we adapted our offering for our customers’ new needs having spent more time at home during the pandemic, prompting them to reconfigure the layout and purchase more comfortable and personalised furnishings.
- Technology as a key enabler:
  - Rollout of software capable of designing entire rooms: furniture for living rooms, bedrooms and other areas of the home.
  - ‘Sofa Atelier’, a tool for personalising sofas using a web-based configurator.
  - Placement of tablets and large screens in our stores so our teams can show the Extended Catalogue and all product options to shoppers.
- Décor Studio, an interior decoration service that provides customers with personalised advice and bespoke solutions.
- Interactive catalogues that make it easier for customers to visualise the ranges available and look up information in a more user-friendly way.
- Bricor, meanwhile, continued to develop its urban DIY offering within the El Corte Inglés department stores.

ELECTRONICS AND DOMESTIC APPLIANCES

- We expanded ranges in response to the growth in demand for this category. A lot of work also went into to being able to guarantee the supply of electronics products.
- Launch of the online ‘Repurchase’ service: customers can sell their mobile phones for second-hand use or simply make sure they get recycled properly.
- Demand has grown for the used domestic appliance collection service, enabling us to recycle over 18,000 tonnes of this product category in 2021.
- Reinforcement of the online domestic appliance sales channel: >2,000 online-only SKUs.

LEISURE AND ENTERTAINMENT

- Toys and video games:
  - Inauguration of Toys that ‘Look After the Planet’ stores-in-stores in over 70 department stores selling over 400 sustainable toy SKUs, more than 100 of which are private-label products.
  - Digitalisation of the physical toy stores by adding QR labels to shelf labels to provide customers with additional information and ideas for complementary products.
  - Creation of a toy showroom to showcase the revamped El Corte Inglés private label which for the first time has been unified under a single value proposition. We also renewed the packaging and designs of our private-label toys, updating them for the latest trends.
  - The Christmas toy catalogue was more interactive than ever with two well differentiated areas: one targeted at children for picking out their gifts, writing their letters (online), playing games and enjoying different activities and the other for adults, enabled for shopping.
- We saw considerable growth in the purchase of books online, particularly in the comics segment.
- We brought back sections devoted to the sale of vinyl records and were able to resume record and book signing events, among other cultural events, following all health and safety protocols.
- We strengthened ties to the world of e-sports by sponsoring the second El Corte Inglés Superleague, the second division of the Professional Video Game League and the e-LaLiga competition, organising special events in our department stores.



Toys. El Corte Inglés, Sanchinarro, Madrid.

HEALTHY AND BEAUTY

- We launched MIMO, a customised loyalty programme targeted at women and men which provides a ‘bespoke’ experience, as it is designed around each individual’s tastes, needs and interests. Encompassing over 500 brands, MIMO offers more than 2,000 products across the perfume, cosmetics, nutricosmetics and OTC pharmacy categories and over 100 beauty, hair and make-up treatments and services.
- We also introduced Modiface, a virtual reality system available online and in our stores whereby users can visualise the effect of a product without having to try it on.
- Lastly, we bolstered the Clean Beauty line by introducing new brands of natural, organic and sustainable products in response to growing demand from customers for beauty products of this nature.





Sports. El Corte Inglés, Girona.

SPORTS

- The strategy pursued in this line has been to group the products sold around sporting disciplines, whereas they were previously articulated around brands. We also added a new mobility area for bikes and scooters, a yoga and pilates category and a sports nutrition range.
- The online channel has sought to embrace new trends and sports such as motorcycling, croquet, scuba diving and horse-riding, among others.
- We offered a skiing and snowboarding equipment rental service for collection at select ski stations.
- We launched a new experience-based concept at the flagship Castellana store (Madrid): the sports floor has been transformed to offer a wide assortment, simulators and other specialist services.

PETS

- We are selling a wide range of pet products under a large variety of brands in response to the significant increase in household pets.
- We are committed to offering healthy and natural food that guarantee pet wellness.
- We ran online food collection drives for pets in collaboration with the national animal protection association, ANDA, to cover the food needs of the nearly 50,000 animals taken care of in around 100 animal shelters every year.
- ‘Lend a paw’ is the punny name given to another charitable drive rolled out over our social media handles in order to raise money for the associations that work to combat animal abuse and abandonment.
- And we collaborated with a charity race whose name translates as ‘Dogathon’ organised in Madrid to promote the adoption and responsible care of pets and to combat pet abandonment and abuse. Participants were able to register for the race through El Corte Inglés and the welcome packs were distributed through our department stores.

TAKING OUR BRANDS INTERNATIONAL

Our private-label brands are sold in more than 30 countries around the world. Last year the company continued to reinforce its international footprint by adding new SKUs and categories in the home furnishings and décor segment, adding to the existing offering in fashion and food. To do that, El Corte Inglés allies with strategic partners in each country which in turn become the store windows for our ranges.

In 2021, the El Corte Inglés household furnishings brand made its international debut in Centre Comercial Andorrà (CCA), in a store-in-store which echoes the brand image presented in the Spanish department stores. We were already selling private-label women’s, men’s and children’s fashionwear in that same shopping centre.

In food we added to our existing agreements by striking an alliance with Shinsegae, a South Korean department store franchise, which has begun to sell Club del Gourmet-branded products. We also expanded the scope of our collaboration with the Soriana supermarkets in Mexico to include the sale of El Corte Inglés BIO products and Veckia-branded personal care products.

And we sealed new agreements that will see our food, fashion and home furnishing brands enter new markets in 2022, for example with the ERA Department Store in Cyprus.

Sfera is our most international fashion and accessory brand. It is present in 20 countries and 323 points of sale, including 65 proprietary standalone stores, 256 franchised stores and two store-in-store concepts (in Portugal). A significant percentage of Sfera’s international business is generated in Latin America, Mexico being home to the highest number of establishments.

Online, the international website, [www.elcorteingles.com](http://www.elcorteingles.com), registered year-on-year growth of 21% last year, and reinforced its positioning vis-a-vis its customers, as is evident in the fact that the number of repeat purchases increased by 8.5%. The array of products available for purchase internationally was also increased in the electronics, domestic appliances and beauty categories.

We reinforced our presence on the home page of La Redoute’s marketplace, where Sfera has joined the range of fashion labels available for purchase, and new categories (Club del Gourmet and a selection of toys) have been added. We improved our logistics and customer care operations so that international shoppers can get real time information about the status of their orders. And for the first time we sent out a special newsletter with Christmas decorations based on a selection of products.

OTHER BUSINESS LINES

REAL ESTATE

El Corte Inglés Real Estate is the business unit tasked with managing the Group’s and third-party properties.

One of the most noteworthy projects undertaken in 2021 was the refurbishment of a number of our establishments. Specifically, we completed phase two of the refurbishment of the flagship El Corte Inglés department store on the Castellana (Madrid) and phase one of the plans to upgrade the department store on Preciados-Callao (Madrid), where we inaugurated an innovative space devoted to ready-made dishes, a next-generation supermarket and a new restaurant concept, Las Nubes Market. We also transformed the Burgos department store (Castile and León) to enhance its positioning and unify the sales offering to facilitate the shopping experience and we overhauled the department store in Girona, a project that included development of Salvador Dalí Square, with a focus on creating green spaces. The San José de Valderas (Madrid), Plaza del Duque (Seville) and Marineda (Coruña) department stores also underwent a makeover to update the commercial mix.

The external catering service providers at the Marbella department store were reorganised and a new Club del Gourmet image was introduced. In Barcelona the terrace restaurants overlooking Avenida Diagonal were revamped. Lastly, the department stores that have been transformed into outlets were also refurbished and the Eibar department store (Basque region) was given a new lease of life with the introduction of a dark store and call centre for the online business.

In parallel, El Corte Inglés Real Estate began to lay the foundations for an innovative office project to be erected on the site located at Paseo de la Castellana 69 (Madrid), which the company owns. It will be the last newly built property in Madrid’s central business district and will span 16,000m2 over four storeys, as well as a landscaped terrace on the roof and two floors for car parking. The building will be a paragon of sustainability by using carbon-light building materials and renewable sources of energy, framed by blueprints designed with circular consumption and resilience in mind, aligned with the latest ESG criteria. More specifically, the building’s designs are con-

ceived of to meet the UN’s 2030 and 2050 Agenda objectives and delivery circular economy criteria. The façade and building facilities are designed to deliver a net-zero energy footprint, by making use of renewable sources.

Last year El Corte Inglés rolled out environmental initiatives at a number of department stores to deliver the priority targets set down in the 2021-2025 Master Sustainability and CSR Plan. Work began on installing photovoltaic panels and control and measurement systems across our energy-consuming infrastructure. We are fine-tuning our building energy system control methods and introducing electric vehicle charging stations in collaboration with strategic partners. And we embarked on the process of obtaining LEED certification at Torre Azca (Madrid).

The Real Estate business also embarked on the implementation of Building Information Modelling (BIM) methodology, a universe of processes and methods for the generation and management of data over a building’s life cycle using a digital model aligned with international standards that has the ability to reduce the time and resources needed to design, build and manage an asset.

As for projects carried out for third parties, the company focused primarily on offices and the hospitality sector. During the year, the division remodelled some prestigious hotels, notably including the Only You Hotel in Valencia, which overhauled its image to align it with its new strategy of transforming itself into a luxury city hotel; one of the most emblematic hotels in Marbella; another hotel in San Sebastián; and one in the Canary Islands with over 400 rooms and extensive grounds. It also completed construction of an office building in Madrid whose sustainability credentials have been certified by Passivhaus and refurbished other office blocks for major corporations.

SWENO

El Corte Inglés, in the midst of transforming its business model, has launched a new brand, Sweno, a virtual mobile and fibre operator with national coverage designed to meet its customers’ connectivity needs, offering them the premium quality standards and assurances they have come to associate with the company.

This new telecommunication service line is the result of a strategic alliance between El Corte Inglés and Grupo MásMóvil. The alliance unlocks the possibilities created by combining hardware and telecommunication services, with a strategic focus on smart home solutions. The launch of next-generation services such as these is driving business diversification.

Sweno services are sold in El Corte Inglés department stores all over Spain.



EL CORTE INGLÉS-GRANDES ARMAZÉNS (PORTUGAL)

50.9

million visits to our online store (+9% vs. 2020)

683k

social media followers (+6% vs. 2020)

€252.9

million worth of goods purchased from Portuguese suppliers

Marketeer Award

Best Department Store

Third year in a row

In 2021, El Corte Inglés-Grandes Armazéns celebrated its twentieth anniversary. The Group currently has two department stores, one in Lisbon and the other in Gaia Porto, six Supercor establishments and one outlet in Portugal. To commemorate that anniversary, El Corte Inglés published a magazine celebrating traditions but also looking to the future, highlighting prominent Portuguese figures and brands. It also organised a fashion show in the Carlos Lopes Pavilion which was attended by 500 guests. Famous people from Portuguese society sashayed down the catwalk to the beat of fado sung by Ana Moura. Gaia also celebrated its fifteenth anniversary with a concert in Casa da Música. 2021 was also the year El Corte Inglés organised its first online fashion show which reached 173 thousand people.

Digitalisation was a top strategic priority last year. A specific app for the Portuguese market, with novel services, was launched in December 2021. By year-end, the app already had 44,538 registered users and featured in the top 10 of downloaded platforms.

The Portuguese retail business sells 633,379 SKUs, of which 52% are sourced from Portuguese suppliers. Like its Spanish counterpart, the Portuguese retail business continues to increase its sustainable product range and number of local suppliers. Against that backdrop, El Corte Inglés entered into an agreement with the Portuguese investment and foreign trade board, AICEP, for the promotion of Portuguese brands over its new marketplace. In that way El Corte Inglés can raise the profile of Portuguese brands vis-a-vis international expansion.

On the corporate social responsibility front, 2021 was a very important year thanks to attainment of Zero Waste certification at the stores in Lisbon and Gaia and the business’s two logistics centres, which means that 97% of the waste produced in the course of the company’s business activities is handled and recovered. The company has been working for years to reduce food waste and is involved in the national movement under the slogan ‘United Against Waste’, whose aim is to rally society around the fight against food waste and to encourage responsible consumption. In 2021 it rolled out a circular economy project which consists of making beer from leftover bread collected from the company’s Portuguese supermarkets. That beer is then sold in the company’s supermarkets and some of the revenue is donated to Crescer, an association which provides shelter to homeless people and people at risk of social exclusion.



El Corte Inglés. Vila Nova de Gaia, Portugal.

El Corte Inglés Portugal received the prize, for the third year in a row, from the Marketeer magazine in the Best Department Store category, acknowledging the service and quality El Corte Inglés provides its customers.

El Corte Inglés-Grandes Armazéns’ diversity and inclusion policies were singled out. In 2021 it obtained the diversity seal in five of the categories awarded by the Portuguese Diversity Charter and the Inclusive Employer seal (with honourable mention) awarded by Portugal’s employment and professional training institute. At present 2.3% of its employees have disabilities. El Corte Inglés was the first private company to earn this accolade, back in 2017, for its exemplary inclusion practices. Since then it has retained that seal year after year and in 2021 it was the first firm to receive an honourable mention. El Corte Inglés has also endorsed the national gender equality target, specifically committing that 40% of its management positions will be held by women by 2030.



SUPERCOR

95.5%

of employees under permanent contracts

75

Supercor stores with accessibility certification

76.8

million visits to our stores

188

establishments throughout Spain

Supercor is the Group’s neighbourhood supermarket chain. It has Supercor and Supercor Express establishments all over Spain. It offers a wide and high-quality product range assortment adapted for local tastes and produce, staying close to its customers as well as to regional suppliers. Another trait that sets the chain apart is its extended opening hours, aimed at meeting society’s demands. The strength of the brand is predicated in its quality, warranty, innovation and service attributes.

The Sanchez Romero chain - 10 establishments and 400 employees - was brought under Supercor’s management in 2021, after El Corte Inglés acquired the Madrid-based brand in July 2021 to consolidate its position as the leader in high-end supermarkets.

The company inaugurated two new Supercor establishments in 2021, one in Madrid and the other in Ibiza (the first on the Balearic island), bringing the national tally to 188 supermarkets. The newer stores are equipped with measures designed to contribute to energy efficiency and minimise their carbon footprint, including closed display cases fitted with LED light strips that use more environmentally-friendly refrigerants. Those same measures are being rolled out in other Supercors as they are refurbished in order to likewise make them more sustainable.

That supermarket upgrade effort also includes improving and certifying their accessibility. Seventy-five Supercor supermarkets have already been certified with the target being to certify them all.

Sustainability is also permeating the business proposition. For example, Supercor offers its customers shopping bags made 70% from recycled plastic or paper sourced from sustainably managed forests. The chain has continued to pare back the use of plastic, especially in packaging and single-use formats.

In order to promote responsible consumption, the chain is using its website to drive awareness of the importance of preventing food waste by offering tips and recipe ideas.



NON-RETAIL BUSINESSES

We are making firm progress on our business diversification goals, tapping new opportunities that have led us to set up a universe of non-retail businesses. They all share the values embodied by the El Corte Inglés brand, however.



Atelier Utópica. Travel El Corte Inglés. Serrano, 16, Madrid.



EL CORTE INGLÉS TRAVEL GROUP

61.9%

of management positions held by women

21.9

training hours per employee receiving training

Silver Medal from EcoVadis

26.2

million visits to our websites (+79% vs. 2020)

1.8

million social media followers

Prize for the best travel agency for family holidays in 2021 awarded by La Razón

El Corte Inglés Travel Group is a leading player in the travel sector. It is active in the leisure travel, business travel and event management, or MICE (meeting, incentives, conferences and exhibitions), segments. Its mission is to help and guide people with their travel plans and events, striving to create wellbeing, promote destinations and making progress on sustainability matters.

The company has a wide network of travel agencies: 612 in Spain, 23 in Portugal, one in Italy, another in France and 140 in different countries in the Americas. The agencies and head offices are staffed by a multidisciplinary team made up of nearly 6,000 professionals across the various companies that comprise the El Corte Inglés Travel Group.

In November 2021, the Spanish anti-trust authorities authorised the merger between Viajes El Corte Inglés and Logitravel in respect of the Spanish market. That ruling marks an important milestone in the organisation’s growth plans as the underlying transaction is set to consolidate the company’s sector leadership and boost its international expansion. That transaction closed on 28 February 2022. The new company created by the merger has a presence in over 20 countries, including a strong position in Spain, Portugal, Italy and France; it is the only outbound travel group with a meaningful presence in more than 10 countries in the Americas.

El Corte Inglés Travel’s 2020-2025 Strategic Plan is designed to radically transform the business in a host of areas: omnichannel approach; digital transformation; customer focus; international expansion; and the synergies implicit in a brand as respected as that of El Corte Inglés. The company plans to: improve its positioning in hotels; consolidate its four tour operators; launch a business line in collaboration with certain hotels and transport companies; and create four technology hubs in the Balearics, Madrid, Andalusia and the Canarys in order to tackle a host of business opportunities.

One of the top strategic priorities is to relaunch the personalised, luxury travel segment through Utópica, the agency devoted to offering the highest standards of service. To that end the company inaugurated Atelier Utópica on Madrid’s prestigious calle Serrano, a unique venue where travel experts work to turn travellers’ dreams into memorable experiences, offering tailored and meticulous customer service and care.

The Travel business also launched its own inbound tour operator or destination management company (DMC) under the name of ‘Contigo’, which translates as ‘With you’, in an alliance with Alpitour Group and Jumbo Tours.

The Group has also sealed a deal with Spain’s group of national heritage hotels, Paradores, whereby the latter will set up a dedicated area for the sale of the experiences it has to offer. The first such point of contact and sale is located in the El Corte Inglés department store on Preciados (Madrid).

On the sustainability front, AENOR has verified the Travel Group’s work procedures with corporate clients and compliance with the applicable environmental requirements. In November 2021, the business obtained ISO 9001 certification for its quality management system and ISO 14001 certification for its environmental management system. Another important milestone was inscription of the company’s carbon footprint in the dedicated register set up by the Spanish Ministry of Ecological Transition, unlocking receipt of the corresponding seal.

Accolades

- EcoVadis Silver Medal
- Prize for the best travel agency for family holidays awarded by daily newspaper, La Razón
- ‘Family-Friendly Tourism Seal’ from the Spanish Large Families Federation
- Two awards at the FITUR tourism trade fair in 2022: commitment to environmental respect and commitment to design
- ‘Responsible and Sustainable Tourism’ award extended by the InterMundial Foundation
- ‘Calculate, Reduce, Offset’ seal awarded by the Ministry of Ecological Transition

While the situation generated by the pandemic has hurt the tourism sector in general, it has hit the business travel segment particularly hard. Faced by that situation, and with the aim of remaining competitive in that segment, the company has seen fit to make significant changes in terms of organisation, processes and digitalisation. Those decisions have led to workforce restructuring, including furloughs and permanent redundancies (refer to Our team).





INSURANCE GROUP

>2.6

million insurance policies  
(+7% vs. 2020)

320%

solvency ratio

98.6%

of employees under  
permanent contracts

51.0%

of management positions  
held by women

El Corte Inglés Group operates in Spain’s and Portugal’s insurance markets through two companies: Centro de Seguros y Servicios, Correduría de Seguros, S.A. (insurance brokerage and financial agent), and Seguros El Corte Inglés (life and accident insurance and pension fund management).

In 2021, the two entities posted combined revenue of €216.8 million (excluding non-recurring savings insurance premiums) and EBITDA of €97.8 million, year-on-year growth of 5.7%. For the eleventh year in a row, the Insurance Group posted record profits and margins. A performance that is particularly remarkable in light of the business restrictions and other challenges tackled in 2021 on account of the successive waves of Covid-19.

At year-end, the Insurance Group was managing, whether as distributor or underwriter, depending on the line of insurance, over 2.6 million policies (year-on-year growth of 7%), corresponding to more than 1.5 million customers. All lines of household insurance (home contents, car, healthcare, life, casualty and burial), the Insurance Group’s the core product range, saw their policy portfolios grow in 2021. Customer assets under management (savings schemes, investment funds and pension funds) registered growth of 22% to €926 million.

Last year, the Group’s Sustainability Committee supervised the first Sustainability Master Plan for the Insurance Group, aligned parent’s plan. That Plan addresses endorsement of best practices in the insurance sector, the digitalisation of all interactions with customers, cybersecurity and the promotion of financial education and an insurance culture. It also embeds ESG risks and standards into risk management and investment decisions.

INSURANCE BROKERAGE

At year-end, the Insurance Brokerage business had 138 points of sale (136 in Spain and 2 in Portugal). It also conducts its business online ([www.seguros.elcorteingles.es](http://www.seguros.elcorteingles.es)) and offers personalised service and telephone sales, making use of two proprietary contact centres in Madrid and Seville, as well as third-party services.

2021 was marked by an intense effort to consolidate the omnichannel brokerage customer service strategy along all customer touch points over the life of a policy, from upfront advice to sale, purchase, renewals and customer service in the event of a claim. That process was facilitated greatly by the rollout of a new enterprise resource planning (ERP) system, which provides a 360° vision of the brokerage’s customers, policies and transactions, interactions and needs across all channels, at any point in time.

From a business perspective, 2021 was marked by consolidation of the recently launched burial insurance line at the national level thanks to the addition of a range of products designed exclusively by the brokerage to cover all of the needs brought to it by El Corte Inglés’ customers in respect of this line of cover. The brokerage also reinforced its commitment to a unique combination of price, coverage and service for all insurance against damage and theft and warranty extensions over electronic appliances, phone devices, home appliances and, in general, any object of value or subject to risk of breakage that is sold at the El Corte Inglés department stores or on its website.

Work also advanced on fully updating the image of the insurance agencies located inside El Corte Inglés department stores with the overriding goal of enhancing the customer experience.

Lastly, the brokerage continued to enhance its governance system last year, updating and rounding out its catalogue of corporate policies and formulating contingency plans in the event of situations that could jeopardise business continuity (e.g. cyberattacks) or threaten service quality.



EL CORTE INGLÉS INSURANCE

Premiums earned amounted to €185.2 million in FY 2021. Stripping out savings in-surance premiums – which are somewhat unpredictable – recurring revenue came to €121.2 million. That amount corresponds to premiums for our core product range: life and accident insurance. EBITDA and profit registered year-on-year growth of 4% in both instances, marking new records.

The solvency ratio at year-end stood at 320%, net of the effect of the planned distribu-tion to the business’ sole shareholder of a dividend of €230 million during the first half of 2022, evidencing the company’s ample financial legroom.

On the investment side of the business, the company continued to integrate ESG fac-tors into its decision-making. The company is identifying, measuring and monitoring those ESG factors and using that information to guide its decisions as to whether to make an investment and whether to keep it in the portfolio. All of which is intended to align its investment strategy with the SDGs most closely correlated with the Group’s business activity, namely SDG #5 (gender equality), #8 (decent work and economic growth), #12 (responsible production and consumption) and #13 (climate action).

Lastly, in relation to its pension plan management business, note that all of the plans under its management posted positive returns in 2021.

STRATEGIC ALLIANCE FOR THE DEVELOPMENT OF THE INSURANCE BUSINESS

El Corte Inglés and Mutua Group reached an agreement to forge a major strategic alliance in October 2021. The alliance will enable both companies to grow and will provide their customers with a better and more comprehensive and personalised in-surance offering. As part of the arrangement, Mutua Group has acquired 50.01% of El Corte Inglés’ two insurance companies, namely SECI (life and casualty insurance) and CESS (insurance brokerage). That transaction closed in May 2022 having obtai-ned the corresponding regulatory approvals.

Mutua has become the exclusive insurance supplier, in life and non-life, and the provi-der of mutual and pension fund management for El Corte Inglés customers, framed by the goal of enhancing the product and service provided. CESS is transforming into an agency that will only sell Mutua products under the El Corte Inglés Insurance brand.

SICOR GROUP



SICOR Group, which provides end-to-end services to retail and corporate customers, completed its first full year in business last year, having been incorporated in July 2020 following the acquisition of Mega2, a security firm. Over the course of the year, SICOR fleshed out its business model by setting up some of its planned companies. It updated the uniforms worn by its security staff, giving them more modern outfits, better suited to the services they provide.

The SICOR companies currently in action are:

SICOR Security	Provision of tailored responses to any security need, whether personal or corporate. It offers <b>physical security</b> (guards, personal protection and bodyguards, security dogs) and <b>electronic security</b> , leveraging cutting-edge technology (solution engineering and design, installation and maintenance, cybersecurity, alert centre and telephone support), so ensuring high quality after-sales service.
SICOR Integral Services	Provision of support services to businesses and individuals looking for efficiency: particular types of staff (hostesses, concierges, drivers, etc.), comprehensive building solutions, production outsourcing, social services and point of sale technologies, among others.
SICOR Integra	A job centre that helps companies take the steps needed to participate in the integration of people with physical, mental or sensorial disabilities into the workplace. The company has been certified by the Madrid regional authorities to provide the following services: general building cleaning, office building access control and concierge services, combined administrative services, phone line manning and packaging and boxing activities (management, storage, picking and handling of merchandise).
SICOR Interservicios ETT	A temping agency that brings individuals and companies together to bolster the competitiveness of the latter by providing them with the talent they need to attain their business objectives.

EL CORTE INGLÉS ADVANCED LOGISTICS

El Corte Inglés has taken another important step in its diversification strategy by getting into the logistics business. Having set up a new company - El Corte Inglés Advanced Logistics - in August 2021, in January 2022 the retail group transferred all its logistics assets other than properties to the new subsidiary set up to operate in the sector. All of which took effect on 1 March, the start of the new financial year.

The new company has received 3,500 employees who used to be on El Corte Inglés’ payroll and worked in the logistics area, mainly in the Group’s various logistics platforms distributed across Spain and Portugal. Those logistics assets include machinery and contracts with service and product suppliers.

The goal is to enhance and unlock growth in the logistics business. El Corte Inglés boasts solid logistics infrastruc-ture which is currently devoted to providing in-house service to the retail business, specifically to stock the Group’s El Corte Inglés, Hipercor, Supercor and Sfera establishments and fulfil online sales orders. Those internal customers will now be joined by new external customers with scope for doubling El Corte Inglés’ revenue in the logistics busi-ness in the medium term, in light of the boom being observed in e-commerce. Indeed, the new logistics business unit will focus in particular on omnichannel fulfilment.

Our numerous suppliers have trusted us to handle their logistics end to end, something which El Corte Inglés was already doing to a degree in light of the breadth of its supply chain.





# Our ESG Performance

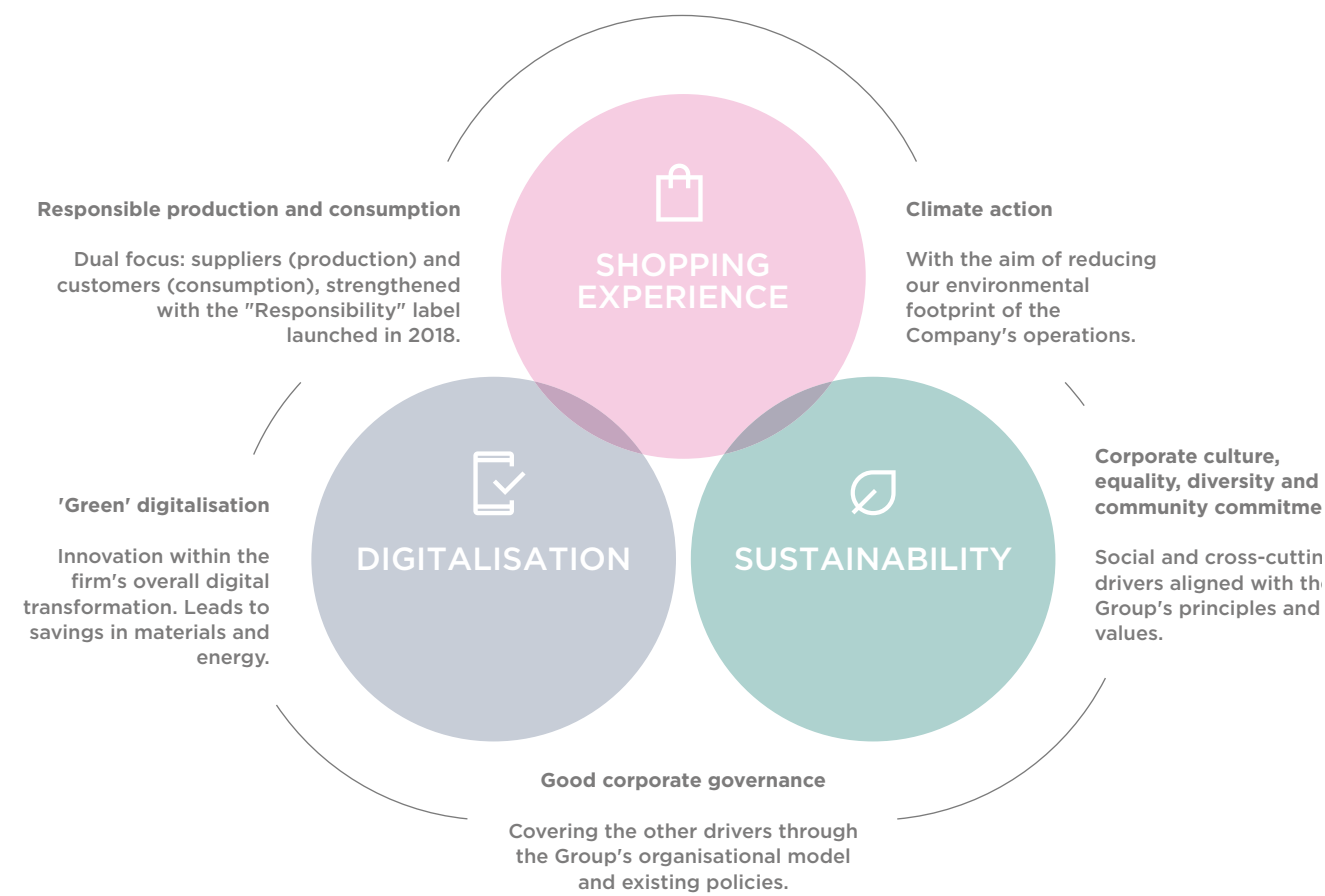
- OUR CORPORATE GOVERNANCE
- OUR SOCIAL DIMENSION
  - OUR CUSTOMERS
  - OUR TEAM
  - OUR SUPPLY CHAIN
  - OUR RELATIONSHIP WITH SOCIETY
- OUR ENVIRONMENTAL MANAGEMENT

From the very beginning, El Corte Inglés has embedded sustainability criteria into its business model. Its first CSR Master Plan, drawn up in 2017, laid the foundations for the company's effort along ESG dimensions. The company also has a Group-wide Sustainability and Corporate Social Responsibility Policy designed to generate trust and shared value.

The **2021-2025 Master Sustainability Plan**, approved in 2020, places sustainability at the heart of the company’s growth strategy. It is aligned with the EU’s and Spain’s economic recovery plans. It is also the result of active listening to the Group’s various stakeholders in order to respond to their legitimate expectations. The Plan is articulated around the three dimensions of sustainability: environmental, social and governance (ESG).

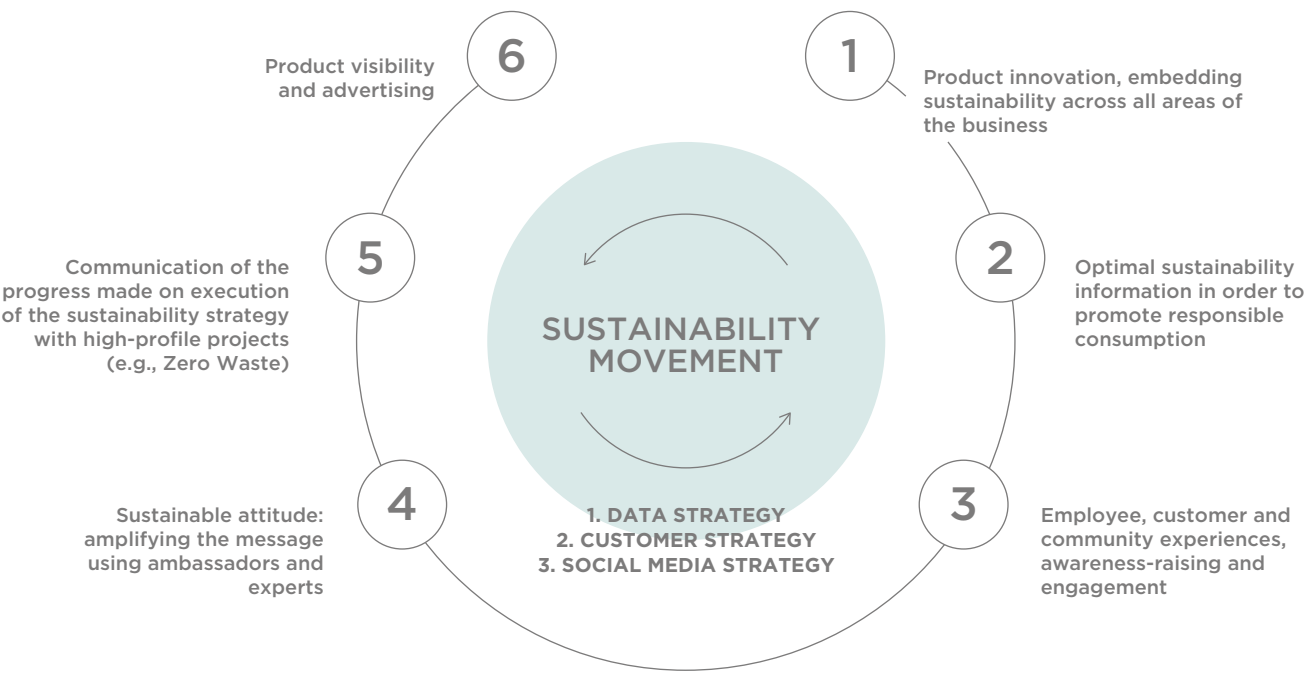
It is underpinned by the Group’s three strategic pillars: shopping experience, digitalisation and sustainability, which are turn structured around five core drivers. It factors in the European Green Deal and the goal of decarbonising the economy by 2050, as well as the United Nations Sustainable Development Goals (SDGs) for 2030.

STRATEGIC PILLARS AND DRIVERS








Our **Sustainability Movement** is underpinned by a series of strategic pillars so as to advance towards a more sustainable business model and way of living. To that end we have set the following targets:

- Gradually increasing the number of sustainable SKUs in our product offering.
- Reinforcing sustainability-driven alliances with the different brands present in our business.
- Further intensifying engagement with our stakeholders.
- Constantly providing our employees with sustainability-related trainin.






The Group carries out a range of activities that contribute to delivery of all of the Sustainable Development Goals. However, the nature of its business model and its underlying strategic drivers has led it to focus on making a difference in the following SDGs:

SDGs	MASTER PLAN PROGRAMME	KEY INITIATIVES	KPIs
<div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div>	Health lifestyle, safety and wellbeing  Committed team	Workplace health and safety	Certified health and safety management system  86 in-house health centres staffed by 78 doctors and 104 nurses  26,532 occupational health and safety training course attendees  54,000 antigen tests purchased  >10,000 air quality samples taken
		Health services for all of society	60,000 Covid-19 vaccines administered to Group employees and residents of Madrid
		Cancer prevention activities and research funding	More than €77,000 donated to cancer research through a number of organisations
		High standards of process and product quality and safety	9,928 food samples analysed  1,200 food safety audits performed
		Continuous staff training	1,416,051 hours of training  €16 million invested in training
<div><div>4</div><div>QUALITY EDUCATION</div><div></div></div>	Cultura Corporativa, Igualdad, Diversidad y Compromiso social	University studies for employees at CEURA	1,062 students
<div><div>5</div><div>GENDER EQUALITY</div><div></div></div>	Equipo comprometido	Support for women at work and their career development	63.3% of Group employees are women  36.7% of management positions held by women  Equality Plans across the Group companies  Equal employer seal

SDGs	MASTER PLAN PROGRAMME	KEY INITIATIVES	KPIs
<div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div>	Sustainable products, services and businesses  Local economy and proximity  Committed team  Policies, responsibility and due diligence	Quality work	93.0% of workforce has a permanent contract  55.9% of our new hires under the age of 30
		Good labour practices	Employees' starting salary exceeds the statutory minimum by 17.1% on average across the Group companies, and by 24.1% in the case of female employees.  New incentive scheme  Flexible working arrangements and right-to-disconnect measures
		Application of due diligence measures along our supply chain	2,337 ESG audits at private-label product supplier factories
		Human rights training	1,535 security professionals trained in 2021
		Economic and social value creation	€12.79 billion of value generated and €12.27 billion of value distributed
		Business model committed to workforce inclusion	1,367 employees with disabilities  Randstad prize for the best employer in retail  Special recognition from the Integra Foundation
		Strategic commitment to generational diversity	12.4% of the workforce is under the age of 30; 57.8% is aged between 30 and 50; and 29.8% is older than 50
<div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div>	Committed team	Physical and digital accessibility	75 Supercor stores with accessibility certification  Accessible websites and apps
		Strategic alliances with food banks	€1.5 million raised in two major food collection drives
		Connection with society through sports, cultural and community action activities	2,062 interactions with society in Spain and abroad



SDGs	MASTER PLAN PROGRAMME	KEY INITIATIVES	KPIs
<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	Sustainable consumer habits Sustainable products, services and businesses Local economy and proximity	Extended information on product labels	Sustainable product guide
		Sustainable SKUs	122,329 sustainable product SKUs, up 9% year-on-year
		Boost to local production in Spain and Portugal	Mñ, Made in Spain label (local production) 88.5% of suppliers based in Spain or Portugal
		Reduction of food waste Donation of surplus food from our supermarkets	Donation of 376,651 kg of pet food Donation of 3,406,861 kg of food products
<div>13</div> <div>CLIMATE ACTION</div> <div></div>	Sustainable consumer habits Sustainable logistics and mobility Environmental footprint reduction	Energy efficiency measures Renewable energy thrust	Energy consumption cut by 243,436,457 kWh (-16.5%) in last five years 99.98% of electricity purchased in Spain comes from renewable sources Installation of photovoltaic panels at our establishments with power sent back to the grid
		Sustainable packaging and plastic reduction plan	Supermarkets' plastic footprint reduced by 13.9%
		Reduction of logistics carbon footprint	Efficient management of international and national transport routes Formulation of Green Handbook for Home Deliveries Over 300 EV charging stations
		Waste recovery	54,000 tonnes of waste recovered at the Group in 2021 108 establishments with Zero Waste certification
<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div></div>	Políticas, responsabilidad y diligencia debida	Red de alianzas estratégicas estables y sólidas	Membership of 228 organisations and institutions
		Diálogo permanente con grupos de interés	Open Day for stakeholders Dedicated stakeholder communication channels





# Our Corporate Governance

El Corte Inglés Group's corporate governance model is based on a series of values and principles that are vital to making a success of the business and generating value for all stakeholders. Application of best practices in the corporate governance arena guarantees an architecture of policies and an allocation of responsibilities that ensure adequate and transparent management of key business matters and sustainable growth.

#### Related material topics

- Good practices in corporate governance and ethical conduct
- Cybersecurity and information security
- Brand identity (purpose and values of the corporate brand)



OUR PRINCIPLES, VALUES AND COMMITMENTS

[GRI 102-16] [GRI 102-17] [GRI 102-25] [GRI 102-26] [GRI 103] [GRI 406-1] [GRI 418-1]

El Corte Inglés Group has always, from the very beginning, seen ethical business conduct as a vital requirement for guaranteeing and safeguarding an appropriate balance between its stakeholders’ rights and society’s interests in general. It strives to pursue its business ambitions in an ethical and responsible manner, making sure its principles and values are upheld across all of its business activities.

Those principles and values are embedded into El Corte Inglés’ corporate culture of ethical conduct, and are formally set down in its Ethics Code, a living document first approved by the Board of Directors in 2017.

El Corte Inglés Group’s Ethics Code:  
<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2018/08/09/code-of-ethics.pdf>

Corporate principles, values and commitments



Integrity and responsibility



Guarantees and customer service



Respect for Human Rights



Relationship and engagement with society and communities



Respect for the environment and commitment to sustainable development

Our corporate culture of ethical conduct consists not only of compliance with prevailing legal rules and regulations, but also the internal rules, codes of conduct and good practices endorsed by the Group voluntarily in order to guide all members of the organisation. The Group’s body of internal rules and regulations implements the Ethics Code in the form of corporate policies, a dedicated compliance programme, a conflict of interest management procedure and a Whistle-Blowing Channel for reporting any breaches.

1. Corporate policies:

- Compliance
- Corporate crime prevention
- Anti-money laundering and counter-terrorist financing
- Anti-corruption and anti-fraud
- Three policies addressing integrity:
  - Gifts and business courtesies
  - Donations and sponsorships
  - Relations with public officials and private entities
- Corporate social responsibility
- Human resources
- Equality and diversity
- Data protection
- Risk control and management
- IT security
- Tax
- Internal control over financial reporting systems
- Corporate finance

2. The **Compliance Programme**: outlines, in a structured manner, the measures El Corte Inglés has put in place to prevent, detect and manage compliance risks, particularly those related with corporate crime, to ensure delivery of the Group’s compliance goals.

3. The **Corporate conflicts of interest management policy**: The objective is to provide the right channels so that if a potential conflict arises it can be resolved without adverse effects of the Group’s business, its ethics principles or the legitimate interests of the vested parties. This procedure has been broadly disseminated and is readily accessible on the corporate website. It is binding upon on all Group employees irrespective of their positions or job categories.

4. El Corte Inglés Group has set up a Whistle-Blowing Channel to handle any query, discrepancy or impropriety in relation to compliance with the Ethics Code. It is a confidential communication channel for all members of the organisation and

other stakeholders and is governed by **the Corporate procedure for handling notifications received through the Whistle-Blowing Channel**. That procedure guarantees due confidentiality, whistle-blower protection and the absence of retaliation against reports lodged in good faith.

Notifications can be submitted to the Whistle-Blowing Channel using different communication channels:

- Email: [etica@elcorteingles.es](mailto:etica@elcorteingles.es)
- Website: [www.elcorteingles.es/informacioncorporativa/es/](http://www.elcorteingles.es/informacioncorporativa/es/)
- Corporate intranet
- Mail: El Corte Inglés, S.A. C/ Hermosilla, 112, 28009 Madrid. Chief Compliance Officer

In 2021 we received a total of 133 notifications via the Whistle-Blowing Channel, down from 596 the previous year. Of the total, 75% were received via the website.

Fifty-two corresponded to business-related claims which were ultimately sent to the corresponding customer service areas for correct resolution. The remaining 81 notifications had to do with data protection and employment related matters, including, for example, occupational health and safety and employee conduct in violation of the Group’s ethics principles.

Following receipt, it is up to the Chief Compliance Officer to analyse the content of the notifications and take the appropriate steps, following the specific procedure.

At year-end, 11% of those claims were still in the process of being resolved.

Judging by the feedback gleaned from the whistle-blowers who shared their opinion, 77% are satisfied with how their complaints were handled.

OUR CORPORATE GOVERNANCE MODEL  
[GRI 102-18] [GRI 102-19] [GRI 102-20] [GRI 102-22] [GRI 102-23] [GRI 102-26]

The corporate governance model is aligned with best practices and regulatory recommendations to ensure effective management and supervision of the Group.

El Corte Inglés has a solid Corporate Governance structure, given its status as a Public Interest Entity, and its commitment to comply with the standards applicable to listed companies.

One of the main developments in 2021 was approval of the High Level Sustainable Corporate Governance Plan and the subsequent Detailed Plan for Sustainable Corporate Governance.

The former, which was approved by the Board of Directors on 30 June 2021, stems from the need to continue to align the company’s corporate governance architecture with the latest trends in the field, so as to forge an exemplary and sustainable model that is aligned with the Company’s Strategic Plan.

The Detailed Plan for Sustainable Corporate Governance lays out the roadmap for attaining sustainable governance, and is intended as a transformation tool providing a legal framework for the business, its directors and its executives. The Detailed Plan was approved by the Board of Directors on 24 November 2021.

Within the Group’s corporate governance structure, the Board of Directors of El Corte Inglés, S.A. is the highest decision-making body in relation to all matters not reserved to the Annual General Meeting, the ultimate governance body, in which all of the company’s shareholders come together and participate.



The Board of Directors has three advisory and reporting committees, i.e., they don't have executive duties; their role is to inform, advise and make proposals within their respective purviews. They are the Audit and Control Committee, the Appointments and Remuneration Committee and the Sustainability Committee.

### ANNUAL GENERAL MEETING

[GRI 102-5]

El Corte Inglés, S.A.'s shareholders resolve on the matters within the purview of the Annual General Meeting, as set down in the company's Bylaws. General meetings can be ordinary or extraordinary and must be called by the Board of Directors. The Annual General Meeting is the main source of information for the company's shareholders.

In 2021 El Corte Inglés, S.A. held the following shareholder meetings:

#### A. ANNUAL GENERAL MEETING

In Madrid on 23 July 2021. The quorum was 99.43% of subscribed voting share capital and the resolutions carried notably included:

- Approval of the separate and consolidated annual financial statements and management reports for the financial year ended 28 February 2021, duly audited.
- Approval of the Non-Financial Statement for the financial year ended 28 February 2021, duly assured.
- Grant of discharge to the Board of Directors for the financial year ended 28 February 2021, additionally ratifying the measures taken by the Board of Directors to address the crisis induced by the Covid-19 pandemic.
- Approval of El Corte Inglés, S.A.'s 2021-2026 Strategic Plan and the incentive plans associated with the related targets.
- Approval of the director remuneration policy.

#### B. EXTRAORDINARY GENERAL MEETING

In Madrid on 26 January 2022. The quorum was 99.99% of subscribed voting share capital. The following resolutions were carried:

- Ratification the alliance sealed with Mutua Madrileña Automovilista, including the acquisition by Mutua of 8% of the share capital of El Corte Inglés, S.A., provided the closing condition is met.
- Approval of a capital reduction at El Corte Inglés via the cancellation of own shares.

- Amendment of four articles of the Bylaws and introduction of a new article to align their wording with certain of the recommendations in the Code of Good Governance for listed companies (approved by Spain's securities market regulator, the CNMV); to update the duties vested in the Audit and Control Committee; and to set down the duties of the Sustainability Committee.
- Re-election of Víctor del Pozo Gil as director and appointment to the Board of Mutua Madrileña, to be represented by that entity's chairman and CEO, Ignacio Garralda, so long as the transaction closing condition is met.

#### Shareholder structure as at 28 February 2022

The shareholders with interests of more than 10% in the share capital of El Corte Inglés, S.A. are: Fundación Ramón Areces, with 40.04% shareholding; Cartera de Valores IASA, S.L., with an interest of 18.40%; and PrimeFin, S.A., with a stake of 11.07%.

### BOARD OF DIRECTORS

[GRI 405-1] [GRI 102-19] [GRI 102-23] [GRI 102-27] [GRI 102-31]

The Board of Director's modus operandi and duties are set down in El Corte Inglés' Bylaws.

It must meet at least eight times a year and at least once a quarter.

The various committees must inform the company's directors about any matters addressed in their respective meetings at each Board meeting, also submitting any proposals they have approved for authorisation by the Board itself.

In FY 2021 the Board of Directors met on 11 occasions.

The composition of El Corte Inglés' Board of Directors at year-end 2021 was as follows:

- Marta Álvarez Guil: Chairwoman
- Víctor del Pozo Gil: Chief Executive Officer
- José Ramón de Hoces Íñiguez: Board Secretary
- Cristina Álvarez Guil: Director
- Fernando Becker Zuazua: Director
- Manuel Pizarro Moreno: Director
- Shahzad Shahbaz: Director

- Paloma García Peña (representing Cartera Mancor, S.L.): Director
- Carlota Areces Galán (representing Corporación Ceslar, S.L.): Director

Among the key developments affecting the Board of Directors of El Corte Inglés in 2021 it is worth highlighting:

- The resignation from the Board of Directors of Florencio Lasaga Munárriz at the meeting held on 26 May 2021. El Corte Inglés is grateful to Carlos for his service throughout his more than 51 years on its Board of Directors.
- The appointment as director, subject to satisfaction of the closing condition, of Mutua Madrileña Automovilista, Sociedad de Seguros a Prima Fija and the appointment of Ignacio Garralda Ruiz de Velasco as its representative, at the Extraordinary General Meeting of 22 January 2022.

BOARD COMMITTEES

A. AUDIT AND CONTROL COMMITTEE

[GRI 102-29] [GRI 102-31]

In keeping with El Corte Inglés’ Bylaws, the Audit and Control Committee must be made up of between three and six directors, all of whom non-executive and the majority of whom, independent.

In FY 2021 that committee was made up by the director Fernando Becker Zuazua, who has been serving as its chairman since June 2020, and two female directors, Cristina Álvarez Guil and Paloma García Peña; José Ramón de Hoces Íñiguez, the Board secretary-director, serves as the committee’s secretary.

The committee met 11 times in FY 2021.

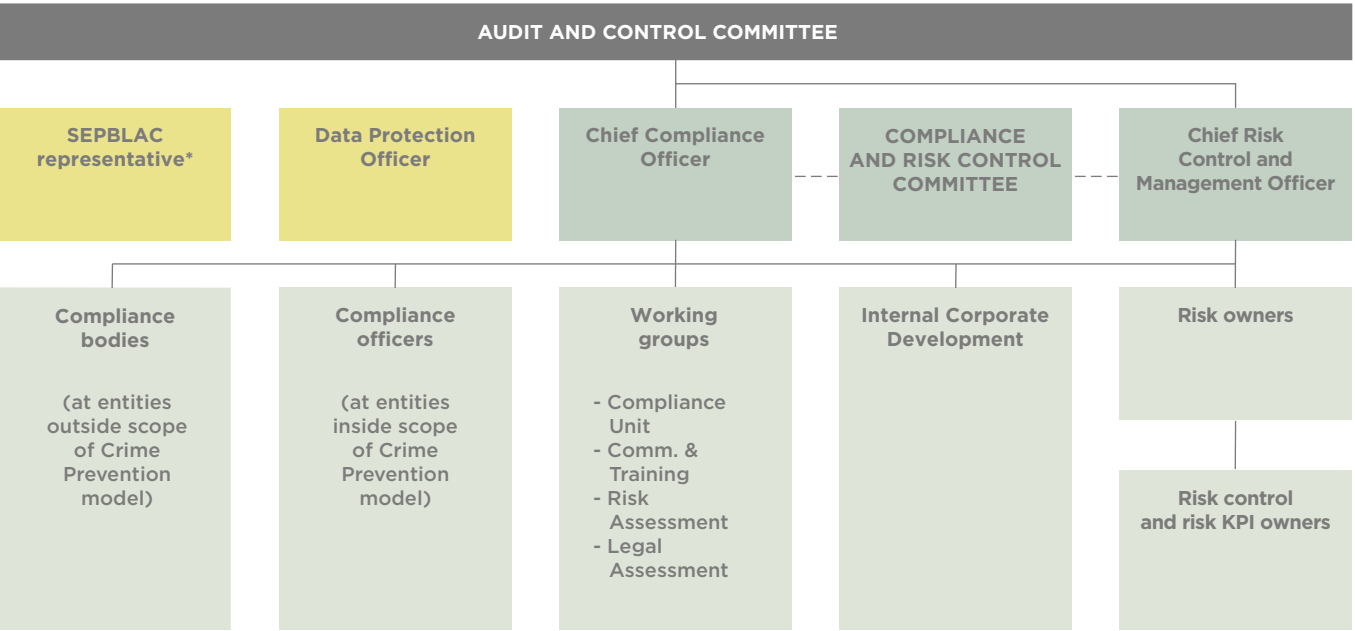
The Audit and Control Committee’s general duties notably include:

- Reporting at the Annual General Meeting, through its chairperson or secretary, on the matters dealt with within its purview, specifically including the outcome of the external audit.
- 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 external auditor’s independence.

- Supervising the Compliance Function.
- Analysing tax matters and significant transactions with related parties.

The Audit and Control Committee also directly and continuously supervises the Compliance Function and the Risk Control and Management Function, areas of great relevance for ESG purposes.

The organisational structure put in place for the Compliance and Risk Control and Management Functions to report to the Audit and Control Committee is depicted below.



\*SEPBLAC: the acronym in Spanish for the Executive Branch of the Commission for the Prevention of Money Laundering and Monetary Infractions.

A.1 COMPLIANCE FUNCTION

[GRI 102-30] [GRI 102-33] [GRI 103]

The Compliance Function, framed by the Ethics Code and corporate policies, is tasked with detecting, evaluating, managing and reporting to the Audit and Control Committee on internal and external compliance risks deriving from all of the activities and businesses carried on by the El Corte Inglés Group companies. More specifically, the Compliance Function:

- Identifies and assesses potential compliance risks and determines appropriate action, mitigation and prevention procedures.
- Reports on potential risks arising from legislative changes. To that end, a Regulation Assessment Group has been set up to provide the Audit and Control Committee with a regular report detailing relevant regulatory developments that could affect El Corte Inglés’ businesses.
- Develops and supervises the compliance management system.
- Disseminates and updates the Ethics Code and its implementing policies and supervises compliance via the Whistle-Blowing Channel.
- Fosters employee and executive awareness and training on the importance of compliance.

To enable the correct execution of the Compliance Function, the Group has:

- A Chief Compliance Officer (CCO) whose task is to carry out the duties vested in the Compliance Function, above all to drive and supervise the adequate functioning of the organisation’s compliance management system in general and the corporate crime prevention management system in particular. He reports directly to the Board of Directors via the Audit and Control Committee. The CCO is also in charge of taking receipt of and handling notifications submitted through the Whistle-Blowing Channel.
- An Internal Corporate Development (ICD) Department, which, under the guidance of the CCO, coordinates and leads the field work in the compliance arena.

The Compliance Function was reinforced in 2021 in order to boost its effectiveness in mitigating emerging risks related with anti-trust issues and the prevention of market abuse and to bolster control of possible risks emanating from the transfer of parent company businesses to investees.

As part of its ethics and compliance awareness campaigns, in 2021 the Group provided its employees with dedicated training. In total 66,092 employees received compliance-related training (year-on-year growth of 10.6%) and the Group provided 44,584 hours of dedicated training (increase of 70% with respect to the previous year).

A.2 RISK CONTROL AND MANAGEMENT FUNCTION

The main mission of the Risk Control and Management Function is to help identify, assess, control and monitor the operational, financial and strategic risks that could affect El Corte Inglés Group, reporting on their status and prognosis to the rest of the Group professionals and bodies that constitute its first line of defence, including the key management personnel and the Board of Directors, through its Audit and Control Committee.

To that end the Group has implemented an integrated risk control and management system, which is supervised by the Audit and Control Committee and, ultimately, by the Board of Directors, and is underpinned by an adequate definition and allocation of roles and responsibilities at the operating level and an architecture of supporting procedures, methodologies and tools, including:

- Establishment of a universe of policies, procedures, guidelines, risk indicators and tolerance thresholds, along with the corresponding approval and implementation mechanisms.
- Regular identification, analysis, monitoring and control of the potentially relevant risks.
- Measurement and control of potential risks following uniform procedures and standards that are common to the whole Group.
- Maintenance of an internal control system to provide reasonable assurance regarding compliance with the established policies, procedures, guidelines and limits, including any contingency plans needed to mitigate the impact of those risks if they were to materialise. A cornerstone of the integrated risk control and management system is the corporate risk map, which is reviewed and reported on to the Audit and Control committee regularly.

Integration and coordination of the Risk Control and Management Function within the Group’s governance model is articulated by:

- The Group’s key management personnel, through a number of committees and working groups, tasked with effective implementation of the risk strategy, dissemination of the control culture and establishment of the processes and technology underpinning the Group’s risk control and management system.
- The Chief Risk Officer, who is tasked with driving and supervising the Group’s operational, financial, compliance and strategic risk control and management system.

The main risks and opportunities identified by El Corte Inglés Group, and further details about the control and management effort, are outlined in Chapter 4, “Risk and opportunity management”.



B. APPOINTMENTS AND REMUNERATION COMMITTEE

[GRI 102-24] [GRI 102-27] [GRI 102-28] [GRI 102-35] [GRI 102-36] [GRI 102-37] [GRI 201-3]

As per the company’s Bylaws, the Appointments and Remuneration Committee may comprise between three and six directors. Presently, it is made up of four directors: Marta Álvarez Guil (as chairwoman since 24 March 2021), Cristina Álvarez Guil, Paloma García Peña and Shahzad Shahbaz. José Ramón de Hoces Íñiguez, the Board secretary-director, serves as its secretary. The committee met on four occasions in FY 2021.

Its key duties notably include:

- Evaluating the universe of skills, knowledge and experience needed on the Board of Directors and defining the roles and capabilities required of the candidates for each vacancy.
- 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.

Each year the Appointments and Remuneration Committee assesses the skills and knowledge represented in the boardroom, submitting its findings in a report to the Board of Directors, which must in turn present it at the Annual General Meeting.

- Analysing and planning the succession of the chairperson of the Board of Directors and the company’s chief executive, submitting resolutions to the Board of Directors so that that succession takes place in an orderly and planned fashion, as appropriate.
- Reporting on proposals to appoint the remaining classes of directors for designation via co-option or for submission at the Annual General Meeting, including proposals for the re-election or removal of such directors.
- Reviewing the director and key management personnel remuneration policy and making proposals to the Board of Directors for its update as necessary.

Note that, in keeping with the company’s Bylaws, the directors are entitled to receive a fixed annual stipend which, on aggregate, may not exceed the cap determined to that end by the company’s shareholders in general meeting. Independent external experts are brought in to help formulate remuneration policies and rules that are put to vote at the Annual General Meeting. It is up to the Board of Directors to determine exactly how much to pay its directors within that limit as a function of the duties and responsibilities vested in each and, if necessary, the accrual of that remuneration over the course of each financial year.

The corresponding directors are also entitled to receive remuneration for the performance of their executive duties, again within the limit set at the Annual General Meeting. The variable remuneration provided to the executive directors, key management personnel and other key executives is tied to delivery of the targets set down in the company’s Strategic Plan.

Director and key management personnel remuneration

The average<sup>2</sup> remuneration received by the members of the Board of Directors of El Corte Inglés, S.A., including remuneration for membership of the boards of other Group companies, was €1,697,034 in the case of the female directors and €1,566,555 in the case of the male directors.

The directors, in their capacity as such, are entitled to receive a fixed annual stipend which, on aggregate, may not exceed the cap determined to that end by the company’s shareholders in general meeting. That amount remains intact until changed by means of a shareholder resolution.

The company’s directors may also be remunerated via the delivery of company shares, share options, other share-based instruments or remuneration schemes tied to the value of the company’s shares.

Irrespective of the foregoing, the executive directors are entitled to receive remuneration for the performance of their executive duties, again within the limit set at the Annual General Meeting. Whenever a member of the Board of Directors is given executive duties, he or she must enter into a contract with the company which must be first approved by the Board of Directors. Those contracts stipulate all the items of remuneration the director may earn in exchange for the performance of his or her executive duties, possibly including: (i) fixed remuneration;, (ii) incentives; (iii) variable remuneration and bonuses; (iv) termination benefits in the event of early termination; (v) compensation for non-compete clauses; and (vi) insurance premiums or contributions to savings plans by the company. Directors may not receive any remuneration whatsoever for the performance of executive duties whose amounts or nature are not contemplated in those contracts.

The average amount of remuneration received by the company’s key management personnel in FY 2021 was €585,778 in the case of the male executives. As that team only comprises one female executive, the average remuneration of female officers is not applicable.

Note that the long-term variable remuneration provided to the executive directors, key management personnel and other key executives is tied to delivery of the targets set down in the company’s Strategic Plan, as regulated in the Rules Governing the Incentive Plan Tied to the Strategic Plan and the Rules Governing the Incentive Plan Tied to El Corte Inglés’ IPO.

Note additionally that none of the directors are beneficiaries of pension or saving schemes.

<sup>2</sup> For additional details, refer to Appendix I (p. 216).



**C. SUSTAINABILITY COMMITTEE**

[GRI 102-29] [GRI 102-31] [GRI 102-32]

At the Extraordinary General Meeting held on 26 January 2022, the company’s shareholders agreed to add a new article to its Bylaws in order to specifically regulate this committee (whose name was changed to Sustainability Committee as from that date).

The Sustainability Committee is made up of Manuel Pizarro Moreno, who has been chairing it since June 20202, Cristina Álvarez Guil, Cartera Mancor (represented by Paloma García Peña) and Corporación Ceslar (represented by Carlota Areces Galán). José Ramón de Hoces Íñiguez, the Board director-secretary, serves as its secretary. The Sustainability Committee met 10 times in FY 2021.

The duties vested in the Sustainability Committee include the following:

- Understanding, driving, orienting and supervising the company’s objectives, action plans, practices and policies along the environmental and social dimensions.
- Monitoring and assessing the company’s environmental and social strategies, policies and practices.
- Monitoring and assessing the company’s sustainability strategies and policies.
- Verifying compliance with the company’s product health and safety standards.
- Verifying compliance with the most stringent environmental standards, fostering the conservation of biodiversity and the sustainable management of natural resources in the use of raw materials, in the company’s productive processes, in the products it sells and in its store operations.
- Verifying compliance with the company’s human rights policies all along the value chain.
- Verifying the sustainability reporting process in keeping with benchmark international standards.
- Driving a coordinated strategy encompassing community work, sponsorships and patronage, framed by corporate policy.
- Supporting and supervising the company’s contribution to delivery of the Sustainable Development Goals (SDGs) endorsed by the United Nations.
- Following up on all matters or initiatives that could impact the company’s sustainability.

The Board’s Sustainability Committee is supported by the Executive Sustainability Commission, made up of heads of the company’s main functions, and by the CSR committee, an advisory body, on which representatives from all Group subsidiaries sit.

The highlights of the work performed by the Sustainability Committee in FY 2021 include:

- Issuance of the 2020 NFS, which, following presentation to the Audit and Control Committee, was approved by the Board of Directors in May 2021.
- Supervision of all of the Group subsidiaries’ sustainability plans.
- Strategic thinking about the ESG matters of relevance to the business.
- Development of the Sustainability Dashboard for monitoring the main ESG key performance indicators associated with the Master Sustainability Plan.



SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 28 March 2022:

- Víctor del Pozo Gil resigned from the Board of Directors.
- The Board of Directors:
  - Appointed Javier Rodríguez-Arias Ambrosini as director via co-option.
  - Approved the new management structure for the Executive Committee.

The Executive Committee is chaired by Marta Álvarez Guil, who also chairs the Board of Directors of El Corte Inglés, and also includes the Board’s general secretary and director José Ramón de Hoces Íñiguez and Javier Rodríguez-Arias Ambrosini, likewise a director.

The company’s two new managing directors will also sit on the committee as permanent attendees: José María Folache González-Parrado and Santiago Bau Arrechea. The former will run the retail businesses and the latter will head up the existing and any newly-created corporate businesses. Both will report directly to the Executive Committee.

The Board of Directors believes that, in response to the new scenario emerging in the wake of a highly complex macroeconomic environment, it is time to embark on a new phase to tackle the challenges that lie in store with a fresh team of professionals with expertise in the various areas to be pursued by the Group.

On 11 May 2022, Spain’s anti-trust authority, the CNMC, approved Mutua Madrileña’s equity investment in El Corte Inglés, specifically the acquisition of 8% of its share capital, in addition to the purchase of 50.01% stakes in El Corte Inglés Insurance Group companies.

OTHER THER BOARD-RELATED MATTERS

A. ANTI-CORRUPTION, BRIBERY AND MONEY LAUNDERING EFFORT

To prevent potential risks in the areas of corruption, bribery and money laundering, and to tackle them in the event of materialisation, the Group has a series of cross-cutting policies so that it can implement any and all organisational, technical and disciplinary measures that may be needed to react swiftly to any incidents and control reputational risks before they materialise.

Those policies are:

- 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

Here at El Corte Inglés we closely monitor all new regulatory developments in the prevention of corruption, bribery and money laundering, framed by our ethical commitments to all our stakeholders. To that end, every year we revise and fine-tune our Corporate anti-money laundering and counter-terrorist financing policy, in keeping with Law 10/2010 on the prevention of money laundering and terrorist financing, which was amended in 2021 upon effectiveness of Royal Decree-Law 7/2021 on the prevention of money laundering. Those regulatory developments did not imply substantial changes in El Corte Inglés’ procedures; however, the updates introduced were nevertheless overseen by the Internal Control Body and approved by the Board of Directors.

To ensure correct implementation of that policy, three key bodies are tasked with the review and updating work: a representative of El Corte Inglés Group before SEPBLAC (the acronym in Spanish for the Executive Branch of the Commission for the Prevention of Money Laundering and Monetary Infractions); the Internal Control Body; and the money laundering prevention unit.

Collaboration between all three bodies enabled the formulation of a series of specific procedures in relation to customer on-boarding; employee and officer hiring fitness tests; money laundering prevention training; and the analysis and reporting of suspicious transactions.

To deliver the level of transparency and ethical conduct our stakeholders expect of us, every year we verify compliance with all aspects of the above-mentioned policies and procedures and submit our findings to an independent outside expert for assurance.

As legally required, in 2021 we made all required statements to SEPBLAC in relation to the money laundering prevention effort, no incidents were recorded.

B. INFORMATION SECURITY AND CYBERSECURITY

Digitalisation is currently key to our business development and our ability to provide excellent service. As a result, we must have a robust IT system that is capable of preventing, detecting, reacting to and recovering from possible incidents or threats. To regulate the key principles of our IT and cybersecurity effort, in 2020 the Board of Directors approved the Corporate Information Security Policy, which applies to all Group companies, as implemented and revised by the IT Security Committee, the IT Security Steering Commission and the Security Operations Centre.

Corporate Information Security Policy:  
<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2018/01/30/corporate-information-security-policy72432.pdf>

The IT Security Committee, on which representatives from all Group departments and companies sit, is in charge of reviewing the policy and drawing up new procedures in the event of legislative developments or in response to incidents arising during the year. It is also tasked with rolling out specific cybersecurity training for all employees.

The IT Security Steering Commission, meanwhile, is made up of professionals from the legal advisory, human resources, systems, corporate development and cybersecurity departments and is tasked with taking the executive measures needed to drive the committee’s work forward.

Lastly, the Security and Cybersecurity Operations Centre’s mission is to analyse and respond to any cyber threats materialising during the year, in coordination with the team specifically tasked with responding to all IT security incidents and the crisis committee put in place to manage the Group’s actions in the face of potential risks.

A number of different technology solutions were implemented in 2021 in a bid to constantly upgrade the security system:

- Zscaler Internet Access: online browsing protection for our users wherever they are located.
- Paloalto CORTEX-XDR: next-generation software which detects malware and responds to anomalous patterns detected in corporate equipment.
- Sailpoint Identity IQ: software for the centralised management of application identities and permissions.
- Transmit Security: integrated authentication system that protects remote access to the corporate network by asking for a second authentication factor.

In 2021, the IT Security Committee worked with the compliance and risk management functions to incorporate the risks related with information security into the company’s risk map. The risks related with these matters are itemised in Chapter 4, “Risk and opportunity management”.







RECOGIDA  
PEDIDOS ONLINE

**510.2**

million visits to our retail establishments  
(+24.7% vs. 2020)

**122,329**

sustainable product SKUs in retail

**>797**

million visits to our websites and apps

**>909**

million visits to our social media

**13.9**

million online orders in retail

**6.7**

million social media followers

**>11.6**

million El Corte Inglés store card users

## OUR SOCIAL DIMENSION

# Our Customers

[GRI 102-2]

We are always there for our customers, forging strong relationships based on long-term mutual trust. We are true enablers of people's lives by constantly tailoring our range of products and services to meet society's needs. We offer an attractive and varied range of products and services, with quality, innovation and sustainability at its core.

The 2021–2025 Sustainability and CSR Master Plan seeks to make changes in consumer habits — increasingly digital and sustainable — part of the Group's roadmap by offering products and services that respect the environment and society.

The principles guiding our relationship with customers are set out in El Corte Inglés Group's Sustainability and CSR Policy.

### Related material topics

- Customer service and service excellence
- Cybersecurity and information security
- Confidentiality and data protection
- Product safety
- Responsible marketing
- Information on products and services
- Responsible purchasing practices
- Wide variety of products and services, and value for money
- Consumer regulations

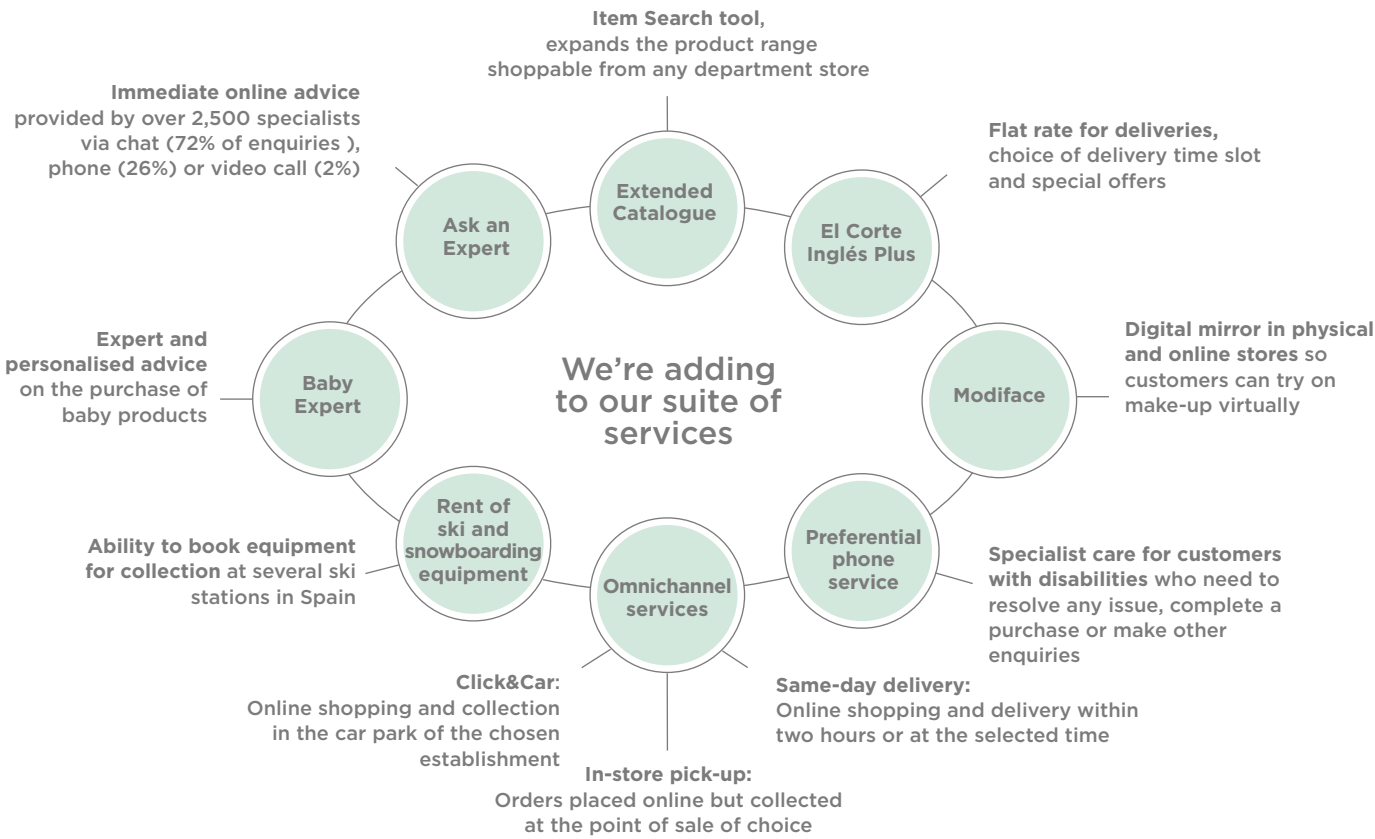
A BROAD PORTFOLIO OF SERVICES

Service excellence is a cornerstone of our business strategy. We work hard to ensure that our customers enjoy a memorable shopping experience through our commitment, personalised attention and the specialised training of our employees. To succeed, we have developed a suite of new solutions, including expert advice and innovative telecommunications, security and travel organisation services.

El Corte Inglés is also a space packed with experiences, where visitors can receive custom advice on fashion and style, enjoy a beauty treatment or two, find a tantalising assortment of eating options, take in a cultural event or take part in a children’s entertainment workshop, among many other activities.

As the customer is at the heart of our business, we endeavour to provide a top quality, fully accessible and multi-channel customer service, whether in person at our department stores or by telephone, email, social media or web forms. The service is staffed by qualified professionals adept at resolving customer queries, processing claims and requests, managing payment methods and related transactions and receiving customer suggestions to pass them on to the corresponding departments, among other functions.

During the year, the 2021–2026 Strategic Plan focused on further enhancing the company’s wide range of services and ensuring growth and the ability to anticipate change so as to provide greater value to our customers and to always be there for them. Notable new services include Ask an Expert, Extended Catalogue, Baby Expert, Modiface and a special helpline for people with disabilities.



We also enhanced various existing services, such as Hands-Free Shopping, so that the customer can now collect all the purchases made in the different departments at a single collection point; Personal Shopper, or international customer service, among many others.

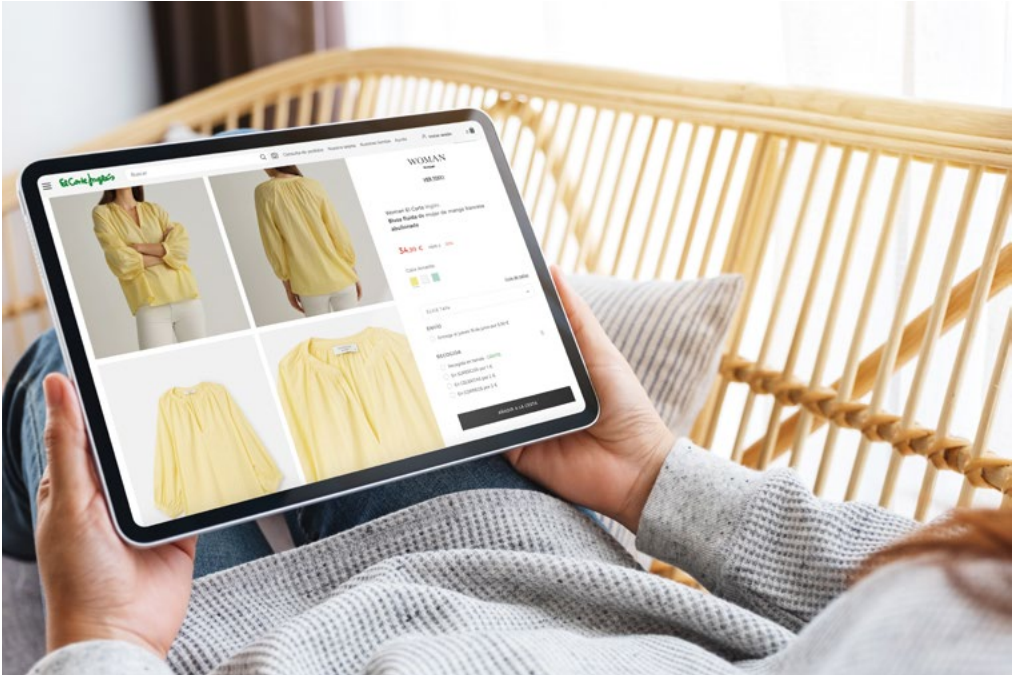
To make our customers’ experience in our stores all the more pleasant, we pay close attention to our choice of ambient music, which depends on the type of department, the type of visitor and the season of the year and if a special action or event is going on, the music will be picked accordingly. Some stores feature live music as a differentiating element, with the aim of improving the shopping experience of our customers.

El Corte Inglés Travel has launched various initiatives targeting a younger public, offering personalised products in all areas. Utópica is a brand specialising in luxury travel, offering exclusive services and experiences

OUR OMNICHANNEL CUSTOMER

Innovation has always been a hallmark of El Corte Inglés. Indeed, digitalisation is now one of the cornerstones of the company’s strategic plan, a project that involves the entire company and places the customer at the heart of everything we do. This has allowed us to become a unique space, both physical and online and available to users 24 hours a day.

Notably, El Corte Inglés now relies on various technologies such as artificial intelligence, Internet of Things (IoT), Big Data, Robotic Process Automation (RPA) and Low Code to digitalise business processes and thus make its operations more efficient and sustainable.





More than 10.2 million customers were registered on our retail websites in 2021 (up from 8.6 million in 2020), while the El Corte Inglés store card was again the most used payment method.

Key e-commerce metrics in 2021

13.9 million online orders in retail
>797 million visits to our websites and apps
>2 million SKUs posted on the El Corte Inglés website
91.4% service ratio <sup>3</sup>
74% of deliveries made within 24-72h.
1.2 million multi-channel customers
10.2 million customers registered across our retail websites

As for omnichannel services, our In-Store Collection service accounted for 12% of total revenue generated via the El Corte Inglés website and app in 2021, while the Same-Day Delivery service generated 8% of the total. Meanwhile, 29% of online supermarket purchases selected the Click&Car collection option. As demand for these services increases, we have adapted specific areas of our establishments for the preparation of online orders in order to speed up processes and optimise times, thus supporting the order preparation service provided by our central warehouses.

El Corte Inglés App

New features and services have been added to the app launched in 2020 to make the purchasing experience easier and faster than ever:

- Book turns at supermarket counters and customer service
- Book appointments for certain services
- Handsfree shopping and new purchase card (carta de compra) so you can collect and pay for everything right at the end of your visit
- Automatic licence plate recognition in car parks, doing away with the need to find the nearest payment machine
- Book a table, meaning no more queuing in cafeterias
- Manage your affairs with us without having to turn up in person: payment of returned bills, requests for invoices, duplicate receipts or lists of purchases

The app is predominantly used (84.8%) to purchase articles, browse product categories and process orders or arrange the card payment service at our stores

Little surprise then that our app has been downloaded more than 2.4 million times.

We have also strengthened our omnichannel capacity at our physical stores, thus allowing visitors to manage their online orders, finance their online purchases and manage online promotions in-store.

<sup>3</sup> Service ratio = proportion of deliveries completed within the period stated at time of purchase.

El Corte Inglés Plus

We have been offering our customers El Corte Inglés Plus – our flat rate delivery service – since 2020. A total of 162,000 customers were subscribed to this service at year-end 2021. We have also made progress in optimising processes and adding new functionalities.

El Corte Inglés Store Card

This payment method was designed to make shopping easier for our customers and has become one of the most popular and widely used payment methods in Spain, with more than 11.6 million users. We have recently launched our new El Corte Inglés Store Card for employees, which can also be used at other non-group establishments. It will subsequently be made available to all customers. Key features of the new card:

- **Universal:** for purchases at any El Corte Inglés Group store, with all the usual benefits, and at any other physical or online retailer. It also lets you withdraw cash from any ATM in the world.
- **Free:** no issue, renewal or maintenance fees.
- **Digital:** for paying, finding information, buying or carrying out any other transaction through the website or the El Corte Inglés Store Card app.
- **Unique:** absolute flexibility for deferring payment of purchases made in El Corte Inglés stores or in third-party establishments.



Aside from our store card, we accept other payment methods such as Bizum, Alipay and WeChat. We also offer an in-store gift card which, as of 2021, can also be used virtually via smartphone.

Our technological capabilities have been strengthened following the integration of El Corte Inglés Travel and Logi-travel. This, together with the experience we have amassed, has allowed us to develop initiatives tailor-made for our customers. Meanwhile, we are developing technology hubs in different cities across Spain to respond to people’s needs and unlock new business.



MOST DIVERSE AND HIGHEST QUALITY PRODUCT AND SERVICE OFFERING

We strive year in, year out to ensure the utmost quality and meet the needs of our customers as part of our pledge to provide unrivalled levels of service. As part of what we are, we shape our sales proposition around a series of principles: assortment, expertise, quality, service, warranty, sustainable innovation and continuous dialogue.

THE FINEST ASSORTMENT OF PRODUCTS AND SERVICES

We are widely known as the great showcase for brands, offering the finest and most varied selection of products, which is ultimately a hallmark of our business model. Thanks to the diversification of the Group’s companies, we are able to offer a wide range of products and services that we make available to our customers to make their daily lives that bit easier.

Prestigious Spanish and international brands, private labels and up-and-coming new names can all be found at our establishments to satisfy customers with different tastes, interests and budgets.

In November 2021, we launched our **Extended Catalogue**, which exponentially expands the range of products available to customers from the website or any El Corte Inglés establishment across all product categories. This new tool improves upon our existing ordering service by allowing customers to reserve a product that is not currently available at our department stores for collection on another day at their store of choice or to request home delivery.

In this effort to offer the finest assortment of products, our 2021-2025 Sustainability and CSR Master Plan sets out to champion sustainable consumption habits as a central theme of our product offering, as we seek to become the first choice among our customers for responsible and sustainable purchasing.

A. OUR SUSTAINABLE OFFER

**Our commitment:** to increase the supply of sustainable SKUs by at least 5% annually through to 2025

El Corte Ingles’sustainable product range comprises both sustainable private label and external brand SKUs. A sustainable SKU is one that features at least one sustainability attribute. This aspect is checked at the time the product is negotiated and arranged with the supplier.

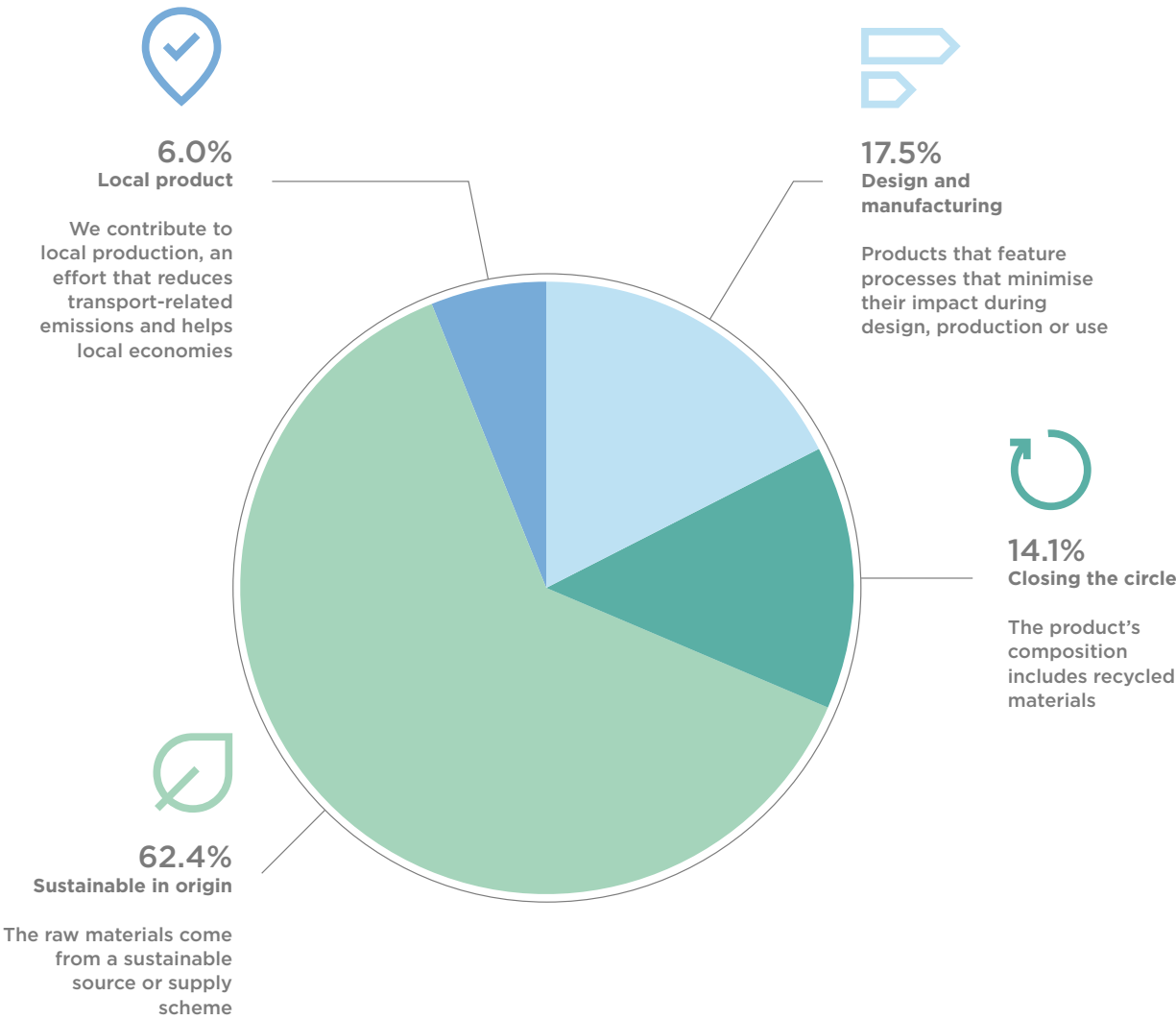
The sustainability attributes accepted by El Corte Inglés are laid out in the Sustainable Product Guide for buyers and suppliers approved in November 2018, the latest version of which is dated 1 March 2021.

The Sustainable Product Guide was drawn up by the Sustainability department, in close collaboration with the Procurement and Sourcing departments and a selection of

specialised external partners. The guide reflects our internal sustainability criteria and was presented to stakeholders as part of the Stakeholder Working Group.

El Corte Inglés brings together its extensive range of sustainable products through the four programmes envisioned in its Sustainable Product Guide.

Product breakdown by sustainability programme



We increased the range of sustainable products of El Corte Inglés by more than 9% during the year, thus delivering on our objective of increasing our offering on an annual basis. In total, we have 122,329 SKUs.

Sustainable SKUs	2021	% of total	Change vs. 2020
No. of SKUs – Private label	62,613	51.2%	-0.2%
No. of SKUs – Third-party brands	59,716	48.8%	+21.2%
<b>Total no. of SKUs</b>	<b>122,329</b>	<b>100.0%</b>	<b>+9.2%</b>

To achieve these objectives, we work on two fronts: with our own brand or private label, with strict regard for the requirements set out in our Sustainable Product Guide; and with third-party brands, by aligning their strategies with our priorities. El Corte Inglés received the **MSC Track Record in Sustainable Fishing** award in recognition of its efforts to source more in the way of certified sustainable fish products.

Various initiatives were carried out in 2021 to make sustainability a bigger part of the business, as set out in the 2021-2025 Sustainability and CSR Master Plan.

In perfumery and beauty, our new Clean Beauty line is a high point, available in both physical and online stores and featuring sustainable, natural and non-animal-tested cosmetics brands.

Indeed, we have been making further improvements in the field of animal welfare in response to growing awareness of the need to ensure humane animal living conditions, such as:

- **European Chicken Commitment for private label products:** we have pledged to renounce the marketing of private label, fast-growing fresh chicken. Thus, 100% of our current supply of this type of chicken comes from slow-growing, animal welfare-certified breeds. We are working with our suppliers to achieve, by the end of 2026, the targets associated with this commitment for all private label products (whether fresh, frozen or processed chicken) containing 50% or more chicken.
- **Fresh cage-free eggs:** we have already fulfilled our commitment to ensure that 100% of our private label eggs come from cage-free hens and combined systems (barn, free-range or organic). Today, 100% of the private label eggs we sell and those we serve in our cafeterias and restaurants come with animal welfare assurance. In addition, by 2025 we will have extended this commitment to fresh eggs supplied by third-party brands and to all private label products containing fresh eggs.

Incorporation of the **Animal Welfare Certificate** for private label white pork sausage (cured ham, cold cuts, cooked ham and other products). This label is already present on 35% of SKUs and this figure will climb to 50% during the first quarter of this year.

In 2021, we pledged to certify our fresh fish counters at El Corte Inglés by the end of 2022, in accordance with the MSC (Marine Stewardship Council) **Chain of Custody Standard**. This latest agreement, which seeks to promote sustainable fishing and the protection of marine ecosystems, is a further progression of our existing agreement with MSC. On this point, we already have 40 SKUs of canned fish bearing this seal.

**Top 10 sustainability attributes**

Better Cotton Initiative (BCI)
Oeko-tex Standard 100 certification
Recycled Polyester
Forest Stewardship Council (FSC) certification
Hecho en España (Made in Spain) label
Organic Content Standard (OCS) certification
100% Organic Content Standard (OCS) assurance
Natural organic fibre
Recycled cotton
Global Organic Textile Standard (GOTS) certification

As part of its 2021–2025 Sustainability and CSR Master Plan, El Corte Inglés is working to redefine its medium-term sustainable purchasing objectives. This will entail a review of our internal control procedures and require the Group to remain in line with recent legislative developments and corporate commitments, notably the Fashion Pact. Along these lines, we have embraced the following commitments for our private label products over the year ahead:

- Definition of specific brands with a global commitment to sustainability, Green Coast fashion line for young women and Southern Cotton fashion line for women.
- Increase in SKUs made from natural and recycled fibres.

**B. RANGES TO SUIT ALL CUSTOMERS**

We support local produce and constantly incorporate new items to keep up with the changing habits of consumers. We have a wide range of fresh produce, having sold 132,082,990 kilos during the year.

We have improved the nutritional composition of a wide selection of our own label products (less added sugars, saturated fats and salt), following the successful culmination of the plan to improve the composition of food and drink promoted by AESAN (Spanish Agency for Food Safety and Nutrition), within the broader framework of the Nutrition, Physical Activity and Obesity Prevention Strategy (NAOS)).

**Special needs**

We cater to people with special needs by curating our product range to offer a wide range of options. We have no fewer than 9,391 food SKUs suitable for coeliacs, diabetics or people with food intolerances. We also offer 325 multicultural, kosher and halal products.

We offer an extensive assortment of own labels across all segments of our range: from food, fashion and textiles, to sports, furniture, homeware, stationery, toys, electronics and household appliances. At the end of the reporting period, our stores had a total of 229,021 private label products in stock, accounting for 14.7% of our total products.

In food and consumer goods, the number of private label SKUs stood at 5,395, all available both in-store and online and all meeting the highest quality standards.

We also offer a wide range of furniture and décor private labels to suit the different tastes and lifestyles of our customers: El Corte Inglés Room, Mini Home, *Nuestro Mejor Precio* (Our Best Price), *Vida al Aire Libre* (Outdoor Life) and *Oficina en Casa* (Working from Home).

C. QUALITY AND SAFETY

[GRI 103] [GRI 416-1]

We carry out rigorous inspections every year to ensure the quality and safety of our products. We pursue continuous improvement in relation to food safety, with highlights here including the certification of our own production plants under the ISO 22000 standard. This is a major milestone, as it means that we can offer our customers the highest levels of quality and food safety in our products.

Our quality teams focus on three key areas: food and consumer goods, soft lines (textiles) and hard lines.

Key figures in 2021

Food – FMCG	Textiles	Other
9,928 food samples analysed	5,087 garment and footwear tests to ensure that they meet the quality standards of El Corte Inglés.	11,973 verifications and tests of assorted other items
Private label food and FMCG		
486 tests of food products	25 factory visits	



Pastry making. CEPA, Valdemoro, Madrid.

FOOD – FMCG

We have a **Food Safety Management System** in place to ensure the quality and safety of our food products. We verify the effectiveness of the system through our food safety audit plan, both of our facilities and those of external operators present at our stores. We also have an analytical plan to ensure that the strictest hygiene measures are implemented and observed at all facilities.

Following our acquisition of the Sanchez Romero supermarkets, the chain’s operating procedures have been integrated to align them with the Group’s own management system.

In 2021, we carried out 1,200 food safety audits at our centres, up 36% on the previous year

In the realm of own-label food products, we insist that our suppliers are certified under food safety standards recognised by GFSI (Global Food Safety Initiative).

In 2021, we implemented our **Food Safety Culture Plan** under the terms of Commission Regulation (EU) 2021/382 and our Food Safety Policy was also approved during the year. The plan seeks to raise awareness and foster a preventive approach among Group employees so that they consider the impact that their actions can have on the safety of our products.

SOFT LINES (TEXTILES)

For textile products, we have implemented our **Textile, Footwear and Accessories Safety Standard**, to which all suppliers of clothing, footwear, accessories and home textiles manufactured for El Corte Inglés and marketed under one of our private labels must adhere. This standard regulates the following key aspects:

- Chemical substances, the presence of which in soft line products is limited or restricted to protect the health of consumers (Restricted Substances List – RSL).
- Strict specifications to ensure child safety.

We have a sampling plan in place, whereby we categorise the risks identified to test all the specifications required under the safety standard. We ensure compliance with these requirements before the garments are manufactured and production will not commence until the laboratory confirms product conformity.

This standard, together with other processes such as our **Textile Testing Procedure**, can be found on our corporate website.





The Group rigorously applies the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation and recommendations to ensure the absence of banned substances and compliance with limits on restricted substances in its private label clothing and textile goods. In 2021, we implemented a new double-check protocol, where selected products undergo a second inspection by point of sale. This process will allow us to obtain new indicators and provide added assurance for end consumers when it comes to the quality of the products they buy from us.

Our teams are constantly on the look out for legislative changes and/or emerging industry risks in relation to hazardous substances in garments. In these cases, we identify any products that may be affected and then run new controls to test for these new substances as part of our continuous improvement process. Notably, work began in late 2021 on the preparation of a Manual of Good Practices for the Use of Chemicals in Manufacturing (known as the Manufacturing Restricted Substances List, or MRSL). This handbook insists that we provide our suppliers with a list of chemical substances that should be avoided at all costs or otherwise restricted during the manufacturing process, thus promoting worker safety and environmental protection by minimising polluting spills.

Year	Number of clothing, textiles and footwear safety control reports	Percentage of clothing reports related with hazardous chemical substance controls
2021	8,583	73%
2020	8,471	70%

### HARD LINES

All products sold under the hard lines category (homeware, electrical appliances, toys, childcare, sports, etc.) are subject to strict inspection and review procedures before they may be sold.

Firstly, all suppliers must comply with the specific set of standards applicable to the category of goods they supply, as established by El Corte Inglés and set out in the GECI Quality Requirement. We use these standards to inform manufacturers about legal requirements, laboratory tests to be carried out at origin and certified tolerance limits that the products must meet, among other aspects.

Hard line items are then placed into different risk categories, depending on the level of risk they carry.

The following categories define the scope and associated procedures for effective control of identified risks:

ELECTRONIC EQUIPMENT	TOYS
We ensure compliance with the RoHS (Restriction of Hazardous Substances) Directive, which restricts the use of certain chemical substances in electrical components, all of which also underwent strict customs control during the year.	We carry out an analysis of physical, mechanical, chemical and flammability hazards, in addition to the controls on substances and materials required under Directive 2009/48/EC and subsequent amendments on the safety of toys.
PRODUCTS IN CONTACT WITH FOOD	CANDLES, AIR FRESHENERS AND INCENSE
All products that come into contact with food are subject to further, more stringent safety inspections. In addition to regulated substances, our specifications for certain materials include the criteria set out in the guidelines published by the Joint Research Centre (JRC), which provides scientific and technical advice to the European Commission.	As these products are potentially capable of emitting substances harmful to health, we analyse their composition in line with the CLP Regulation (on classification, labelling and packaging of chemical substances and mixtures) and the product labels bear the corresponding hazard symbols (pictograms).

We have a fast and efficient product recall procedure in place to ensure that any potentially unsafe items flagged by our internal controls or the subject of an official alert are promptly withdrawn from sale. In all such cases, we carry out the relevant analyses and checks under the strictest parameters.

### Certifications

Some of our business lines are certified under international quality standards such as ISO 9001:2015. As a further show of our commitment to quality, at El Corte Inglés Business Services we have three ISO 9001:2015 certified systems up and running (ER-1225/2011 for supplies, ER1006/2011 for public procurement with the armed forces and state security forces and corps, and ER-0207/1997 for the production of professional attire), while at El Corte Inglés Real Estate we maintain ER-0207/1997 certification for the performance of building refurbishment work and refurbishment and outfitting of spaces, in addition to ISO 45001:2018.

At SICOR we have ISO 9001:2015 and 14001:2015 certification (scope: Community of Madrid) and the ISO 45001:2018 Health and Safety Management System with national scope.

D. PRODUCT LABELLING

[GRI 417-1]

We provide consumers with rigorous and transparent information about the composition and quality of the products we sell, through the packaging, instruction manuals, labels and additional information available on the El Corte Inglés website.

As of 2021, all products capable of being plugged into electrical energy sources (household appliances, lighting, home automation, etc.) bear the new EU energy labels These new labels display the energy efficiency rating of the product, with the aim of encouraging customers to reduce their energy consumption and carbon footprint.

In line with the regulation, a QR code has been added to all new labels, which consumers can scan to find additional information about the product (dimensions or test results). This information is stored in the EPREL (European Product Registry for Energy Labelling) database, which aims to provide a list of similar products marketed in Europe under the same categories.

CONTINUOUS IMPROVEMENT AND PERMANENT DIALOGUE

We like to stay close to our customers through fluid, two-way communication, thus ensuring the continuous improvement of our business. We have various dynamic communication channels in place to be able to support and interact with our customers, while also allowing us to gauge their concerns and therefore live up to their expectations and keep them informed about what we do.

We anticipate their needs and strive to identify opportunities for improvement, while always respecting their privacy and the confidentiality of their personal data.

PERMANENT MULTI-CHANNEL COMMUNICATION

We have a highly qualified, accessible and multi-channel customer service on hand. Customers can talk to us face-to-face at any of our stores or contact us by telephone, email, social media, web form or letter, among other channels.

Every year more and more people rely on us for their purchases. We therefore offer various channels for responding to each and every person who contacts us directly and for resolving their doubts, listening to their suggestions and providing regular updates on our products and services.

Key figures in 2021

27.5 million incoming calls from customers
4.5 million outgoing calls to customers
>498,000 SMS sent
1.8 million emails received
1.1 million emails sent
>909 million visits to our social media
47,354 interactions with social media users
>6.7 million social media followers
>76,700 queries dealt with through our Ask an Expert channel
>2.2 million incoming live chats

In our quest for improvement, we assess the quality of the delivery services, facilities and repair and alteration services used by our customers by asking for their feedback every six months. In 2021, we conducted a total of 69,836 surveys, revealing an overall satisfaction rate of 93.5%. This marks an improvement of 1.6 percentage points in our customers' perception of the quality and management of the services associated with the sale. This figure is all the more significant when we consider the ongoing Covid-19-related restrictions (91.9% in the previous period). For yet another year, the alterations services earned the highest score, with a 96.2% satisfaction rating.

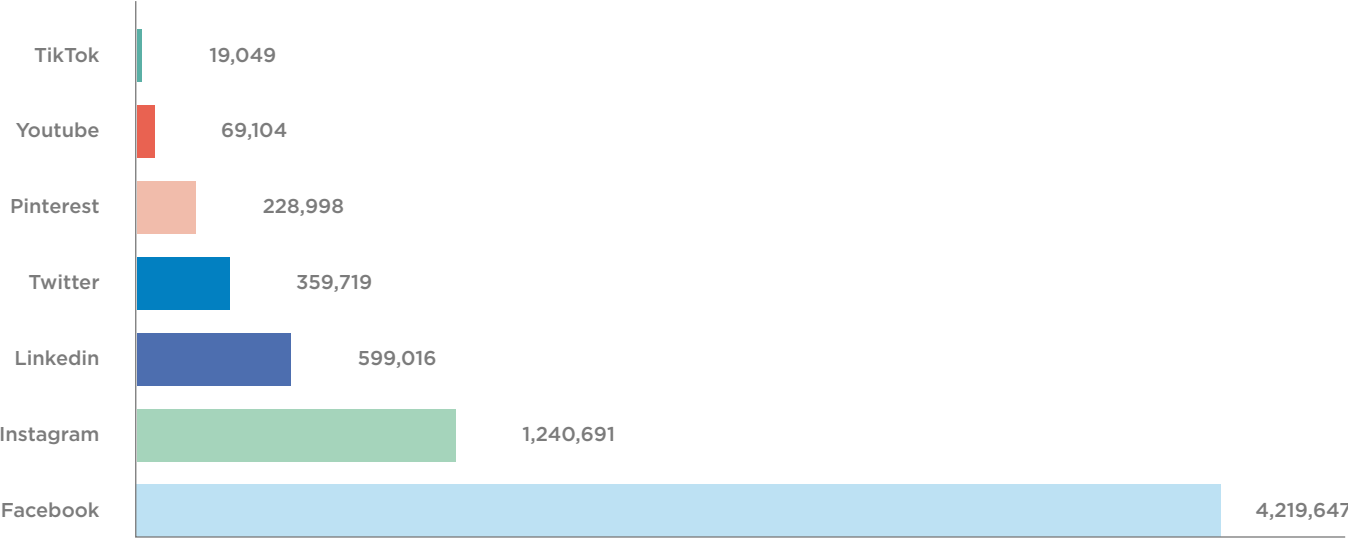
Meanwhile, El Corte Inglés Travel, El Corte Inglés Insurance and El Corte Inglés Business Services conducted a total of 102,625 satisfaction surveys. El Corte Inglés Travel scored 8.4 points out of 10 for holiday customer satisfaction and 8.6 points for corporate customers (down by 6% and 3%, respectively, on the previous year). The Insurance Group obtained a similar score to the previous year (7.8 in 2021, compared to 7.9 in 2020), while the satisfaction rating at El Corte Inglés Business Services was 7.4 out of 10 (8.4 in 2020).

Social networks have become increasingly popular in recent years as a two-way communication channel, both for dealing with requests, doubts or suggestions and as a showcase for the latest news and trends. Here, we constantly appraise our strategy to optimise our content and responses.

We are present in all of the most widely used social networks in Spain: Facebook, Twitter, Instagram, YouTube, Pinterest and LinkedIn. We also strengthened our positioning on TikTok in 2021 in a bid to respond to the needs and preferences of children and youngsters with entertaining and accessible content to build a whole community around this channel.

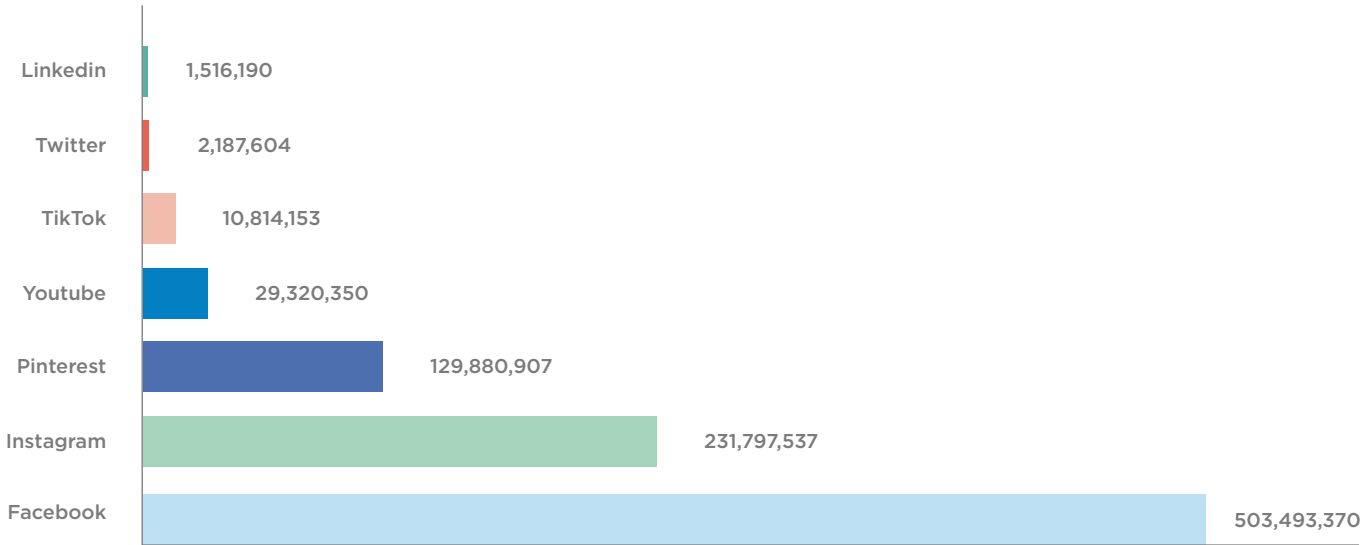
In 2021 we had 6,736,224 followers across all our channels (roughly 5 million in 2020), with Facebook leading the way, with over 4.2 million followers, followed by Instagram, with more than 1.2 million followers.

Social media users in 2021



We also monitor the impact of our content by tracking annual visits to different social media platforms. In 2021, we recorded more than 909 million visits across all social networks, predominantly Facebook (503.5 million visits) and Instagram (231.8 million visits).

Social media visits in 2021



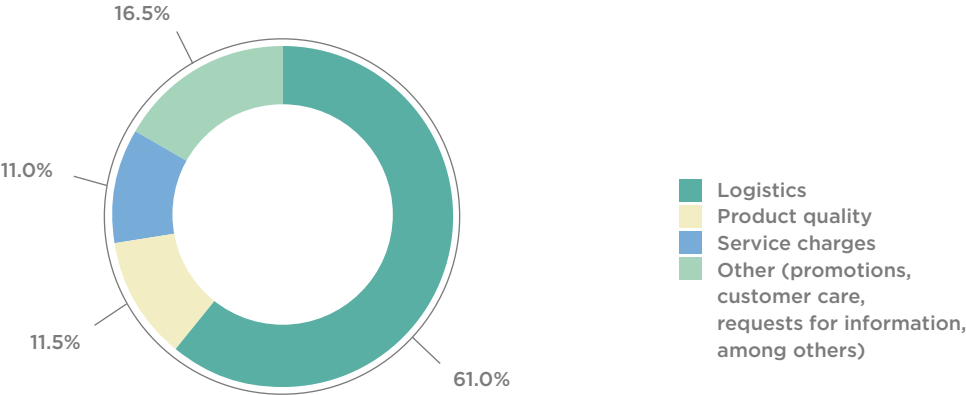
INCIDENT MANAGEMENT

One of our top priorities is to provide customers with a satisfactory, efficient and timely response to any incidents and complaints that may arise.

We have a management model for addressing incidents, suggestions, complaints, claims or praise received through the customer support service available in store, the call centre and other channels (social networks, web forms, email or letter).

- At El Corte Inglés, our management system recorded a total of 477,660 customer incidents in 2021, 20% fewer than in 2020, despite a nearly 22% increase in the number of transactions. Most of these incidents were resolved within 48 hours. Of the total, only 0.9% related to official complaints, 12.3% less than in the previous year (4,483 complaints in 2021 compared to 5,510 in 2020), with an average resolution time of 6.6 days. In addition, more than 216,000 customer enquiries were handled through the various channels. The following pie chart breaks them down by type.

Reasons for customer interactions



- The other Group companies received a total of 7,362 official claims or complaints, with the following breakdown by business line:

COMPANY	Number of claims	Average resolution time (days)
Supercor	898	7.0
El Corte Inglés-Grandes Almacéns	569	0.9
El Corte Inglés Business Services (Refurbishment and Supplies)	5 - 18	38.0 - 46.0
El Corte Inglés Travel Group	794	10.5
El Corte Inglés Insurance Group	5,078	17.0

The reasons for the claims are varied, depending on each company’s specific activity. Therefore, resolution times depend on the complexity of the activity.



**DATA PROTECTION**

[GRI 103] [GRI 418-1]

The protection and processing of data is part and parcel of our commitment to our customers and we have a Data Protection Policy in place to ensure compliance throughout the Group.

**Corporate Data Protection Policy:**

<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2021/08/03/politica-corporativa-proteccion-de-datos-2021.pdf>

The policy is there to prevent, detect and respond to any personal data breaches that may occur, with the overriding aim of protecting the fundamental rights and freedoms of natural persons and, in particular, their right to the protection of their personal data, thus ratifying our commitment to human rights. Under the terms of this policy, we continue to analyse the risks of record keeping and the purposes for which data is processed within the Group.

We have a Data Protection Officer (DPO) to provide counsel and supervision on such matters. All clauses, statements, express consents or any other information that could carry a risk of non-compliance with the General Data Protection Regulation are reviewed and closely monitored. We updated our data protection structure in 2021 to integrate the new businesses and strategies of the Group companies.

In 2021, we delivered training in data protection to department store management personnel so as to make them aware of the importance of properly handling any type of sensitive customer data and to show them that any error when recording data or using it for the wrong purpose could constitute non-compliance with prevailing law and regulations.

To ensure that all data records remain secure, we use the “ePrivacy V6” tool, a comprehensive privacy management system that allows us to identify the risk level of records of processing activities carried out during the year.

No loss of our customers’ personal data was detected in 2021 and no complaints were received from third parties or from the Spanish Data Protection Agency (AEPD) in relation to breaches of the privacy of customers of El Corte Inglés Group. Only five communications were received from the AEPD relating to claims lodged by data subjects, of which four were dismissed and one was pending a decision at year-end.



**TRANSPARENT COMMERCIAL COMMUNICATION**

[GRI 103]

As part of our commitment to customers, we know that transparency and ethics must always come first when managing commercial information. Indeed, for years we have been part of AutoControl, the self-regulatory body for advertising in Spain tasked with ensuring consumer protection in relation to any commercial content published in the country through all channels available.

As a member of AutoControl, every three months we draw up a compliance report detailing any and all incidents to have occurred in connection with our commercial communications. This is further complemented by the Copy Advice® service, a tool for ensuring regulatory compliance and avoiding potential reputational risks related to advertising.

We have also drawn up various internal protocols for each product category, specifying the relevant legal requirements when it comes to commercial information, thus enabling us to keep close track of any related claims or complaints.

As a result of all this, in 2021 we once again renewed our Corporate Social Responsibility certificate from AutoControl, not only showing that we have done well in complying with the association’s code of conduct, but also that no claims or complaints concerning commercial communications were received over gender-based discrimination.



**79,804**  
employees in the Group

**93%**  
of employees under  
permanent contracts

**70.7%**  
of employees working  
full-time

**16.1**  
years' average length  
of service

**>€16**  
million invested in training

OUR SOCIAL DIMENSION

# Our Team

[GRI 103]

Our business model is people-oriented. That is why our employees are the key to our growth and to offering the best service to customers and society. Our team is devoted to the company and we in turn nurture their professional development and ensure good working practices, equal opportunities and team diversity, as well as a safe and healthy working environment.

The Group's Corporate Human Resources Policy aims to ensure the development of every single person who makes up our team, by designing plans and strategies to foster their engagement, trust and commitment.

- Related material topics**
- Equal opportunities, diversity and inclusion
  - Work-life balance and shared responsibility
  - Health and safety

OUR TEAM IN FIGURES

[GRI-102-7] [GRI 102-8] [GRI 405-1]

Our employees certainly showed the best of themselves in what was a difficult year for everyone, with constant changes, requiring a tremendous capacity to adapt. The Restructuring Plan, launched in 2021, will help the company get back on track and adapt to the new normal. The plan attracted 4,321 applications, with 3,292 employees ultimately agreeing to avail themselves of the plan. The plan was unanimously ratified by trade union representatives of CCOO, Fasga, Fetico and UGT.

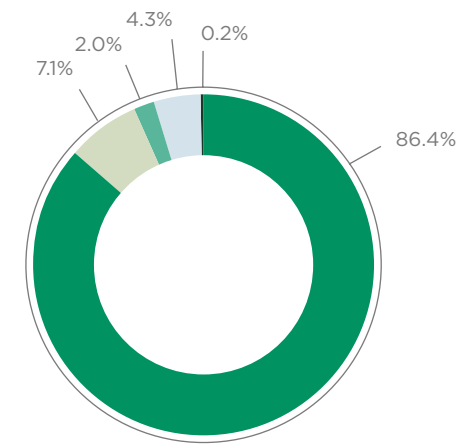
At 28 February 2022, we had 79,804 employees across the Group, 50,544 women and 29,260 men, down 1.2% from 80,814 employees at 28 February 2021.

Aside from our own staff, there are a further 23,325 external employees working in and around the retail spaces where all the different brands sell their wares at our department stores.

A total of 412 employees from the merged Sanchez Romero supermarkets joined us in 2021. They were assigned to work at Supercor and included in the Group’s total headcount.

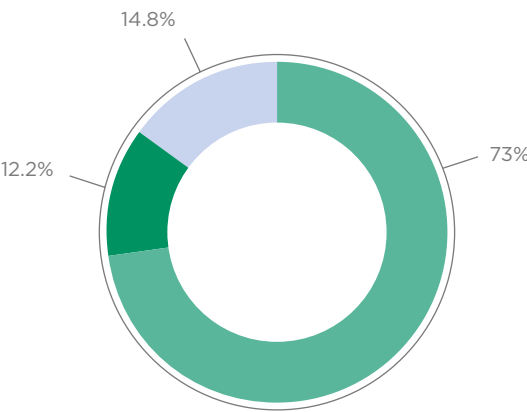
Total headcount – 2021: 79,804				
63.3% Women		36.7% Men		
12.4% aged under 30 years		57.8% from 30 to 50		29.8% aged over 50
9.8% Managers	4.2% Coordinators	6.4% Skilled professionals	67.6% Other professionals	12.0% Staff

Our team by business line



- Retail companies
- Travel
- Insurance
- SICOR group
- Other

Our team by groups



- Sales
- Services
- Administration

The majority of our employees are on permanent contracts (93.0%) as opposed to temporary contracts (7.0%). Temporary staff are typically hired to provide support during peak periods, such as Christmas or during sales.

The entry into force of Royal Decree 902/2020 of 13 October, on equal pay for women and men, has led to the reclassification<sup>4</sup> of occupational categories to bring them in line with the categories set out in the Collective Bargaining Agreement for Department Stores. Following this change, the category of Managers now includes Heads of Department, Managers and Other executives. Meanwhile, a new category has been created including only Coordinators (previously merged with Managers).

The distribution of the workforce in 2021 by job category is as follows:

Workforce breakdown by job category	
Managers	7,270
Coordinators	3,333
Skilled professionals	5,530
Professionals	54,052
Staff	9,619

Workforce breakdown by contract type and job category		
Permanent contracts	Managers	7,811
	Coordinators	3,275
	Skilled professionals	5,058
	Professionals	52,554
	Staff	5,559
Temporary contracts	Managers	8
	Coordinators	25
	Skilled professionals	69
	Professionals	1,404
	Staff	4,041

<sup>4</sup> For this reason, all the information reported by professional group in the 2021 financial year is not comparable with that of the 2020 and 2019 financial years (available in Annex I) and is reflected in the chapter “Our Team”.



Workforce breakdown by employment type and job category

Full-time	Managers	7,356
	Coordinators	3,018
	Skilled professionals	4,138
	Professionals	36,266
	Staff	5,632
Part-time	Managers	463
	Coordinators	282
	Skilled professionals	989
	Professionals	17,692
		3,968

Average annual contracts by contract type, employment type and job category

Permanent contracts	Full-time	Managers	6,954
		Coordinators	3,072
		Skilled professionals	4,444
		Professionals	35,992
		Staff	2,553
	Part-time	Managers	493
		Coordinators	311
		Skilled professionals	1,054
		Professionals	18,286
		Staff	1,520
Temporary contracts	Full-time	Managers	7
		Coordinators	26
		Skilled professionals	55
		Professionals	883
		Staff	1,923
	Part-time	Managers	0
		Coordinators	0
		Skilled professionals	2
		Professionals	290
			1,799

Average annual contracts by job category

Managers	7,455
Coordinators	3,409
Skilled professionals	5,555
Professionals	55,451
Staff	7,794

Average annual contracts by gender

Men	29,014
Women	50,650

Average annual contracts by age bracket

Under 30	8,828
30 to 50	46,476
Over 50	24,360

Geographically, 93.6% of the work centres are located in Spain, 4.2% in Portugal, 1.3% in Mexico and 0.9% in other countries around the world. For more information on the structure of the workforce at year-end and its trend over the last three years, please see Appendix I to this report.

RESTRUCTURING PLAN

On 23 March 2021 El Corte Inglés signed an agreement with the unanimous backing of the trade unions (CCOO, Fasga, Fetico and UGT) to roll out a restructuring plan in the form of a furlough scheme on the grounds of production and organisational needs.

The agreement ratified unanimously by the members of the Negotiating Committee composed of the trade union organisations contained the following key provisions:

- Compensation of 33 days of salary for voluntary and compulsory termination of contract, subject to a maximum of 24 monthly payments.
- Plus a bonus of between 5% and 20% of the subject’s gross annual salary, depending on their length of service at the company, for workers who adhere to the plan voluntarily and in order to minimise the impact of the restructuring process.
- Employees aged over 50 were not eligible for the plan, as they were considered to be the age group that might have the hardest time finding another job; nor were employees on temporary or part-time contracts, nor those who had previously taken leave of absence.
- As part of our pledge to find the best conditions for those employees who decided to leave the company, two prestigious outplacement companies (LHH and ManpowerGroup) were engaged to help them find a new job befitting their profile and professional interests. At the time of writing this report, the outplacement companies have indicated that 80% of those subject to the redeployment plan had already relied on their services.
- The agreement also envisaged the relocation of some of the Group’s employees by extending the use of measures that involve a change of position, to cover new needs arising from the transformation at certain El Corte Inglés establishments.

A monitoring committee was also set up in April 2021 to oversee the effective deployment of the plan in line with applicable law and regulations.

In addition, El Corte Inglés Travel had no other option than to resort to successive furlough schemes due to the particular problems affecting the tourism sector. On 21 July 2021, a new agreement was signed affecting all of the company’s work centres in Spain, meaning that a total of 4,656 employees saw their working hours reduced or their employment contract temporarily suspended. While these measures were initially expected to last until 31 October 2021, low levels of activity within the sector led to two further extensions.

In February 2022, El Corte Inglés Travel signed an agreement with union representatives to implement a workforce restructuring plan that included a voluntary redundancy scheme, affecting a maximum of 475 employees.

As a significant event following the end of the year and as activity recovered within the sector, in May 2022 El Corte Inglés Travel Group decided to end the furlough scheme that had been in effect since 1 March 2022. As a result, all El Corte Inglés Travel employees are now working their full working hours following more than two years of successive furlough schemes.

TALENT ATTRACTION AND RETENTION

[GRI 103] [GRI 401-1]

A good talent management strategy has a direct impact on employees’ job satisfaction, commitment and individual well-being, thus enhancing our company’s value as an employer brand. To succeed, we have innovative procedures in place with the aim of offering stable, quality employment that allows us to put together a diverse and specialised team.

This way, we are ready and willing to discover new talent keen to join our team and our selection processes are based on responsible, transparent and objective criteria.

In 2021, our external job portal attracted more and more users, reaching 2.5 million log-ins and upwards of 380,000 registered users on the platform. We made further progress towards the strategy initiated the year before of automating and digitalising our recruitment processes, notably including tests with a chatbot – a virtual assistant who communicates with users and allows us to arrange a first interview with registered candidates. It also lets users complete their profile automatically, thus speeding up the process of managing applications and making the experience more efficient and personal.

During the year, we focused on our own talent at the Group’s various companies and at Central Services. A particular highlight here is our Internal Jobs Portal, which aims to make employees aware of openings and other needs within the Group so as to ensure their development and help them climb the ladder.

A total of 2,552 employees were hired on permanent contracts during the year, compared to 791 the year before, of whom 55.9% were under 30 years of age

The increase in the number of new hires on permanent contracts was due to the regulatory changes that occurred during the year, which ultimately led to greater job stability. The rate of new hires with permanent contracts was 3.3% of total employees on the payroll at the end of the reporting period, compared to 1.0% in 2020. In addition, a total of 12,058 people joined and left during the year, the vast majority being temporary staff hired specifically for one or other campaign.

Meanwhile, a total of 890 employees on permanent contracts took voluntary redundancy during the year (559 employees in 2020), giving a voluntary turnover rate for permanent staff of 1.1% (0.7% in 2020). This figure should be read in conjunction with the other 21,489 departures that took place during the year. It includes the 3,901 people subject to the Restructuring Plan, the 12,058 people hired during the year on temporary contracts and who left during the same year and the 770 involuntary terminations unilaterally imposed by the Group, whose distribution by gender, age group and job category is shown in the following table. The breakdown of these departures can be viewed along with other workforce indicators in Appendix I of this report.

Breakdown of involuntary terminations imposed by the company by gender

Women	373
Men	397

Breakdown of involuntary terminations imposed by the company by age group

Under 30	164
30 to 50	389
Over 50	217

Breakdown of involuntary terminations imposed by the company by job category

Managers	121
Coordinators	13
Skilled professionals	33
Professionals	431
Staff	172

The experience of our teams is an added value for ensuring quality of service, in line with our principles and values. Note that 20.9% of our employees have a length of service at the Group of between five and 15 years, while 54.7% have been with us for more than 15 years. The average age of our workforce is 43.8.

Recognition for length of service

We are especially proud that our people often commit to the company for many years. We recognise this bond by awarding badges to employees who complete 15 or 25 years of service with us. In 2021, a total of 5,287 employees were awarded these badges, giving a total of 15,493 over the last three years.

<b>GOLD – 25 years</b>	<b>SILVER – 15 years</b>	<b>TOTAL – 2021</b>
<b>1,006</b>	<b>4,281</b>	<b>5,287</b>

CAREER DEVELOPMENT

We are firmly committed to the personal and professional growth of our team through various initiatives to develop their knowledge and skills, all of this with the aim of improving their engagement and trust within an environment of collaboration, teamwork and continuous improvement.

TRAINING PROGRAMMES

[GRI 103] [GRI 403-5 (2018)] [GRI 404-1] [GRI 404-2]

We continued to promote a blended training model throughout 2021, combining traditional classroom training with virtual training, in its two versions: online courses, through our Aul@ECI platform, and live courses, through our virtual classrooms at the stores connected to the learning platforms hosted by our Herrera Oria training centre.

Of the 548 courses available on the Aul@ECI platform, the following proved to be the most popular:

Main courses of Aul@ECI	No. of students
Crime Prevention I. Consumers and products	48,384
I am your customer, I am your colleague	36,418
Crime Prevention II. Business ownership and personal privacy	35,504
Let's talk about shared parental responsibility	32,789
Face masks. It's up to everyone, it's up to you	29,954
Extended Catalogue. How it all works	26,513
Welcome British	24,373
New El Corte Inglés card payment procedure	22,713
Extended Catalogue. El Corte Inglés in your hands	22,689
Pick & pack. Mobile order management II	19,670

A total of 99,310 unique employees received training in 2021, compared to 90,851 in 2020.

Main training indicators in 2021

Total training hours <sup>5</sup>	1,416,051
Training hours per employee (calculation based on total employees at year-end)	15.4
Training hours per employee (calculation based on total employees trained)	12.4
Number of students involved in training activities	880,589
Investment in training (€ million)	16.0

The number of training hours increased by 22.0% during the year, mainly due to the resumption of face-to-face training, albeit with certain restrictions. Online training remained constant, especially for shorter training actions, which are suited to the online method due to the subject matter involved. Although face-to-face training has been steadily recovering, it has yet to return to pre-pandemic levels, as the groups of students are still significantly smaller than was previously the case due to the lingering effects of the health crisis.

Investment in training grew compared to the previous year to over €16.0 million (€14.3 million in 2020).



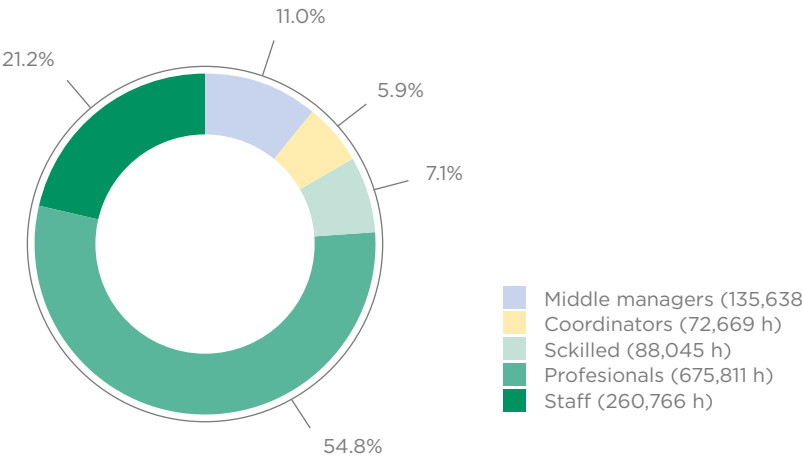
Training Course. Herrera Oria, Madrid.

<sup>5</sup> Of the total training hours delivered in 2021, 183,122 were provided to people who were not employees at the time of training (22,460 people).



Area	Training actions	Hours	Students	Student hours
Commercial/Sales	4,421	21,699	37,240	206,442
Product, trades and occupational risk prevention	4,384	30,704	31,878	299,128
Sales and IT admin tasks	1,882	13,065	14,885	107,571
Management and executive skills	2,091	10,791	14,078	64,198
Languages	941	34,180	3,265	126,839
Other	323	4,182	3,318	23,063
<b>TOTAL (Face-to-face training)</b>	<b>14,042</b>	<b>114,621</b>	<b>104,664</b>	<b>827,241</b>
Virtual classroom training	27,899	57,259	114,741	239,140
Online training			661,184	349,670
<b>TOTAL</b>	<b>41,941</b>	<b>171,880</b>	<b>880,589</b>	<b>1,416,051</b>

Distribución de horas de formación por categoría profesional



Average hours of training by job category and gender

Managers	Women	15.3
	Men	18.5
Coordinators	Women	28.6
	Men	21.4
Skilled professionals	Women	16.9
	Men	21.9
Professionals	Women	13.1
	Men	11.9
Staff	Women	31.5
	Men	22.3

Key training programmes in 2021:

- In a bid to improve levels of customer service, training on the subject was delivered to department store staff, as well as specific courses on the operation of mobile payment terminals, Extended Catalogue, SAP tools, among other training actions.
- We continued to train our staff assigned to food departments, such as our meat and fish counters or the cafeteria and Gourmet Experience areas, with the ultimate aim of improving customer service by making our staff more adept at new techniques and cutting-edge practices.
- We made further progress in deploying the training plan for department store managers to make them more proficient in the leadership, management and assessment of their teams.

UNIVERSITY TRAINING

In addition to ongoing occupational training, we offer our employees university-level studies through our Centro de Estudios Universitarios Ramón Areces. In 2021, a total of 1,062 employees underwent this training on the path to earning the following degrees from the Universidad Nacional de Educación a Distancia (UNED) and Universidad de Alcalá de Henares.

University	Degree	No. of students in 2021
UNED	University entrance for over-25s	182
	Bachelor's degree in Law	190
	Bachelor's degree in business administration	254
	Bachelor's degree in psychology	411
Universidad Alcalá de Henares	Master's degree in cybersecurity	25
<b>TOTAL</b>		<b>1,062</b>

ACADEMIC INTERNSHIPS

In 2021, 435 of our employees were promoted, of whom 69.7% were women and 30.3% men

We also continued to support the education system by offering internships to young students, including both university and vocational training students. During the year, a total of 320 students were awarded internships at various Group companies. We launched our new Excellence Internship Programme, aimed at a select group of academically outstanding students studying at prestigious universities.

PERFORMANCE REVIEW AND CAREER PLANS

[GRI 404-3]

We conduct regular performance reviews of our employees, allowing us to design action plans that promote learning, opportunities for improvement, engagement and orientation for the people who work within our organisation.

Employees undergo these reviews once they have worked within the Group for at least six months, allowing us to gauge their progress over a meaningful period of time. In 2021, a total of 61,547 employees underwent this review process, compared to 61,232 in 2020. Employees who demonstrate outstanding performance during these reviews can earn promotions to positions of greater responsibility.



BEST EMPLOYMENT PRACTICES

SOCIAL DIALOGUE AND TRADE UNION REPRESENTATION

[GRI 102-8] [GRI 102-41] [GRI 102-43] [GRI 103] [GRI 402-1] [GRI 403-4]

We view ongoing social dialogue as an essential enabler of good industrial relations. We therefore uphold the rights of trade union representation, freedom of association and collective bargaining among all of our employees, based first and foremost on applicable law and regulations in each country.

Organisational changes are negotiated with the union representation of our workers to ensure the absolute protection of their rights. Excellent examples of this are the staff restructuring plan and geographic mobility measures described previously.

In Spain and Portugal, where we mainly carry out our activities, all employees are covered by a variety of collective bargaining agreements, specific to each sector, extending to 97.9% of the Group's total workforce worldwide. Outside Spain and Portugal, our employees are subject to collective bargaining agreements in those countries where such agreements exist. In regions where there are no such arrangements, the Group takes appropriate action to protect its workers' rights in line with the corporate culture. Appendix I of this report provides a breakdown of the workforce covered by collective bargaining agreements across the different countries in which the Group operates.

The following table shows the collective bargaining agreements in effect at year-end among the various companies of El Corte Inglés Group.

Collective agreement	Companies affected	Status	Date of signing	Term	Signatory trade union/s
Collective bargaining agreement for the department store sector (ANGED)	El Corte Inglés (Spain)	Active	March 2021	2021 and 2022	CCOO, FASGA, UGT, FETICO
Collective labour agreement between the Portuguese Association of Distribution Companies and the Portuguese Federation of Trade, Office and Service Unions	El Corte Inglés-Grandes Armazéns	Active	May 2010	-	APED, FEPCES
Supercor collective agreement	Supercor	Approved, pending publication in the BOE (Official State Gazette)	December 2021	2022 and 2023	FASGA, FETICO, UGT
Collective agreement for the travel agency sector, specific to Spain, Portugal, France and Italy	El Corte Inglés Travel	Active	December 2021 in the case of Spain	2019-2022	CEAV (employers' representation) and SPV, CCOO, UGT (trade union representation)
Collective agreement for insurance, reinsurance and mutual undertakings	El Corte Inglés Insurance	Active	November 2021	2020-2024	Business associations UNESPA, AMAT, CEM, ASECORE and trade union organisations CCOO and UGT

Collective bargaining agreements set minimum standards in accordance with legal requirements, which Group companies may then decide to supplement following negotiations with the trade unions to improve the working conditions of the workforce. Measures governed by these agreements include:

- **Organisation of working hours.** Working hours differ among Group companies depending on their respective collective bargaining agreements. Certain companies also have supplementary arrangements for the distribution of working hours, which take into account factors such as the type of activity performed or seasonal needs or circumstances. For example, in the case of El Corte Inglés department stores, the working day is distributed into different shifts to cover the needs of the business and all staff members know their annual holiday leave and time off right from the beginning of the year. In addition, working hours are planned quarterly in line with the El Corte Inglés Working Hours Agreement (2018), thus allowing the Group to inform its employees of their working hours and rest times in due course.
- **Minimum notice periods ahead of operational changes.** All Group companies observe the legally required notice periods when communicating significant changes that affect employees and/or their representatives. The length of the notice period depends on the situation. For changes in El Corte Inglés employees; scheduled working hours, minimum notice of seven business days is required, while for substantial changes in working conditions 15 days’ notice is required. El Corte Inglés Travel’s collective agreement does not specify notice periods for these changes, which are governed instead by the provisions of the Workers Statute (Article 41 of which also insists on 15 days’ notice for substantial changes to contract terms and conditions).

The collective agreements also address occupational health and safety issues, meaning that these matters are effectively regulated through collective bargaining. Without prejudice to the specific remit of each work centre, the Intercentre Committee may take action when similar situations affecting more than one work centre arise. The agreements also envision further employee support measures, such as topping up their pay under the social security system in the event of medical leave due to temporary incapacity, as included in the collective agreement for the department store sector.

In addition, an agreement was reached with the Intercentre Committee covering all Group staff over early retirement for reasons attributable to the employee. The agreement improves upon the conditions for employees who choose to take early retirement, so as to circumvent the reduction provided for under Law 21/2021 of 28 December.

FLEXIBLE WORKING ARRANGEMENTS, WORK-LIFE BALANCE AND RIGHT-TO-DISCONNECT MEASURES

[GRI 401-3]

In 2020, El Corte Inglés Group implemented a raft of measures to adjust its job structure to the emerging health crisis, promoting teleworking for those positions that could be effectively performed from any place of work. On-site work has gradually recovered to reach near pre-pandemic levels.

Employees of the Insurance Group’s central services may voluntarily take up teleworking under the terms of the agreement reached by their legal representatives. Meanwhile, the management team of the sales network can take flexible working hours, allowing them to reconcile their personal and professional lives.

In the specific case of El Corte Inglés, the first **Remote Working Agreement** was approved during the year following negotiations with the Works Council. The agreement is effective as of 1 March 2022 and covers more than 700 employees attached to the customer service, telephone sales and customer management departments. It recognises all of the following rights and assurances provided for in Royal Decree-Law 28/2020 of 22 September 2020, as well as the provisions of the collective agreement for the department store sector dated 11 June 2021, including the **right to disconnect**:

- Promoting and respecting the right of employees to disconnect from their electronic devices provided by the company when not at work (outside of working hours, or when taking holiday or medical leave).
- Vowing not to send work-related communications outside of the established working hours, barring an emergency that requires an immediate response.

Likewise, the work-life balance measures offered by El Corte Inglés include the provisions of both the collective bargaining agreement and the equality plan. Highlights include:

- **Back-to-work plan following leaves of absence**, thus ensuring these employees are ready and able to return to their jobs.
- **Minimum number of weekends off per year** among department store employees who work more than five days per week on average. The company’s collective agreement recognises at least six weekends off per year. The company agreement improves this to eight weekends for those centres that remain open throughout the year.
- **Requests for modified shifts** and possible re-posting to a different department. Such requests are analysed by the company and enable changes of area, department or division where this is conducive to a healthy work-life balance.



In Portugal, further progress has been made in improving **work-life balance policies**. Through the FLEXI ECI programme, the Company actively contributes to the well-being of its employees by recognising flexible working and teleworking measures, among other initiatives.

All the work-life balance measures on offer are explained on each company’s corporate intranet.

A total of 1,503 Group employees took parental leave in 2021. The following table shows employee reincorporation and retention rates, which are closely monitored to gauge the effectiveness of the work-life balance measures put in place by the Group.

Employees entitled to parental leave	Women	Men	Total 2021
Employees who took parental leave	78.2%	89.6%	83.1%
Employees who returned to work	67.6%	83.4%	74.4%
Retention rate (1 year later)	75.6%	71.0%	73.9%



INTERNAL COMMUNICATION WITHIN EL CORTE INGLÉS

Constant communication with our employees allows us to improve their engagement and sense of belonging to the Group and to involve them in our strategies and objectives through various internal communication channels.

**NEXO**, with its app version and web platform, has become the Group’s main internal communication tool, allowing us to deliver important messages on business strategy, relevant organisational changes, and any other news that might interest our employees. It is further complemented by the company’s traditional channels, such as internal newsletters and public address systems.

In 2021, we launched the *Somos sostenibles* (We are sustainable) space in NEXO, a meeting place where users can learn about all the Group’s sustainability initiatives. We also launched our Conectados (Connected) podcast – a more agile and entertaining way of communicating with our department store employees.

We strive to ensure two-way dialogue and so NEXO also includes channels for employees to ask questions and voice concerns. The specific channel for dealing with employee suggestions, doubts or incidents is known as “Talk to ECI”. Communications are either addressed directly by the NEXO team or passed on to the corresponding department. A total of 2,070 queries were received through this channel in 2021, all of which were resolved satisfactorily.

NEXO in figures

Unique users	77,225
Sessions	37,378,126
Page views	155,502,613

Other Group companies also have specific communication channels. El Corte Inglés Insurance has two main channels: the *Seguros concilia* e-mail box, where employees can make suggestions and raise queries; and the *Seguroteca* digital magazine, featuring articles of interest on the sector, interviews with employees, and news on the company’s projects.

At El Corte Inglés Travel we have a channel known as *VECI News*, which we use to communicate news or events affecting the work of our employees. This might include operational changes in systems and procedures, new commercial campaigns, general company information, and incentives and special activities aimed at employees (such as raffles and promotions). Employees can also use this platform to send suggestions or comments. In 2021, a total of 58 comments were received, 58.6% of which were resolved with a positive finding.

EMPLOYEE WELLNESS TRACKER

[GRI 403-4] [GRI 403-6]

The Group is acutely aware of the importance of promoting employee wellness and of the health impacts of psychosocial factors. It therefore sees to it that these concerns are properly managed among its employees. The **Employee Wellness Questionnaire**, which El Corte Inglés store employees are asked to complete, analyses factors related to work organisation, while simultaneously providing a channel of communication whereby employees can voice their concerns and we can get them involved in looking after the business in order to improve their engagement and productivity.

The results of the 2021 review, which were collected by the **Employee wellness tracker**, revealed an average score of 3.53 out of 5. A total of 35,834 questionnaires were received from employees, giving a response rate of 59.0% of the total workforce of El Corte Inglés. These work climate surveys allow us to detect new needs or interests among our employees and thus promote their well-being within the company.

The topics that earned the highest scores as part of this survey were: relationship with colleagues, with 4 points out of 5; environmental conditions, with 3.94 points; working hours, with 3.81 points; and performance training, which also received 3.81 points.

At the end of 2021, a Framework Action Plan 2022-2025 was presented that includes the lines of intervention to be developed in the next four years for the management of psychosocial factors, based on the results obtained in this evaluation. One of the proposed measures is the new incentive system, which is set out in the following section.

REMUNERATION MODEL<sup>6</sup>

[GRI 202-1] [GRI 405-2]

Our remuneration scheme is based on an overall compensation concept. Our pay policy is based on career development, engagement, internal and external equity, equality and non-discrimination.

The fixed pay structure follows the parameters set by collective bargaining, while for variable pay we apply short-, medium- and long-term formulas linked to measurable, individual and global results based on the achievement of objectives. Notably, our employees in Spain receive a starting salary that is higher than the statutory minimum wage; i.e. 17.1% higher for men and 24.1% for women.

El Corte Inglés reached an agreement with the trade unions (CCOO, Fasga, Fetico and UGT) to revise the incentive scheme in place for sales staff, which had been in effect since 2014. When undertaking this reform, we relied on the perceptions of our employees obtained from the Wellness Assessment carried out in the summer of 2021.

The new incentive scheme, which came into force in January 2022, features the following improvements:

- The incentive payment system is now monthly instead of annual.
- Exempt sales are eliminated, meaning that the incentives begin to accrue from the very first sale.

On the subject of variable remuneration, we also have our **Plan+**, a flexible remuneration system whereby employees can choose to receive part of their gross annual remuneration in kind (restaurant cards, childcare vouchers, transport passes and private medical insurance), with all the tax relief this entails in accordance with the law.

In addition, El Corte Inglés is now (effective 2022) paying employees their wages in 14 instalments throughout the year, as opposed to the traditional 16 payments. This agreement, which was ratified by the company and the Intercentre Committee in February 2020 with the aim of increasing the monthly purchasing power of employees, was delayed following the emergence of the pandemic.

As a further show of our commitment to equality, we define our remuneration policies on the basis of gender equity and non-discrimination. As a key indicator for the evaluation of our remuneration system, we analyze the results of the salary gap analysis every year, taking into account the differences by gender in comparable positions for each professional group. In the 2021 financial year, the Group's salary gap was 8.2% (9.1% in 2020 and 7.9% in 2019). For the 2021 financial year, its analysis has been more comprehensive as part of the application of Royal Decree 902/2020, of October 13, which regulates specific measures to make effective the right to equal treatment and non-discrimination between women and men in remuneration matters. Therefore, the Group not only prepared a remuneration register for the entire workforce in 2021, but also calculated the pay gap individually for each El Corte Inglés Group company, as shown in the following table. The calculation was made on the basis of average pay and gaps for each job category.

Pay gap at El Corte Inglés Group by company<sup>7</sup>

El Corte Inglés	17.6%
El Corte Inglés-Grandes Almacenes	7.8%
Supercor	10.18%
El Corte Inglés Travel Group	12.5%
Insurance and Services Centre	6.6%
El Corte Inglés Insurance	3.4%
SICOR Group	2.2%

Pay equity exists within the Group. The differences we can see are due to variables such as length of service, which determines the pay structure by gender in each job category. The following table shows average gross remuneration in 2021 by gender, job category and age bracket at the various Group companies.

<sup>6</sup> This section applies to our employees in Spain.

<sup>7</sup> 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.

El Corte Inglés

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	49,943	58,618	56,425
Coordinators	28,130	30,569	29,453
Skilled professionals	38,946	44,099	40,818
Professionals	24,410	24,963	24,574
Staff	17,048	16,070	16,829
Total	24,200	29,369	26,044

El Corte Inglés-Grandes Armazéns

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	39,578	55,417	47,982
Coordinators	15,121	17,513	15,884
Skilled professionals	21,110	23,596	21,771
Professionals	12,829	13,851	13,147
Staff	10,622	10,489	10,571
Total	14,740	19,503	16,383

Supercor

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	20,532	25,962	23,340
Coordinators	N/A	N/A	N/A
Skilled professionals	19,592	25,107	23,001
Professionals	15,233	16,866	15,848
Staff	13,679	13,703	13,689
Total	15,796	18,715	17,040

El Corte Inglés Travel Group

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	32,101	45,844	37,280
Coordinators	33,358	36,155	34,518
Skilled professionals	25,170	30,335	26,042
Professionals	21,544	22,087	21,612
Staff	18,379	18,355	18,375
Total	24,360	33,435	26,134

Insurance and Services Centre

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	43,442	55,351	49,026
Coordinators	N/A	N/A	N/A
Skilled professionals	30,803	36,131	32,780
Professionals	23,162	24,198	23,414
Staff	15,964	16,575	16,112
Total	22,534	28,491	24,173

El Corte Inglés Insurance

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	49,584	75,484	63,912
Coordinators	N/A	N/A	N/A
Skilled professionals	31,478	27,869	29,874
Professionals	22,692	21,664	22,489
Staff	16,881	18,762	17,351
Total	28,900	43,976	34,262

SICOR Group

Average gross remuneration by job category and gender (€)

	Women	Men	Total average
Managers	49,192	76,422	71,356
Coordinators	23,970	29,530	28,399
Skilled professionals	30,491	40,675	37,680
Professionals	19,548	19,733	19,704
Staff	14,246	14,397	14,329
Total	16,053	18,994	18,092

Group companies – Average gross remuneration by age bracket (€)

	El Corte Inglés	El Corte Inglés-Grandes Armazéns	Supercor	El Corte Inglés Travel Group	Insurance and Services Centre	El Corte Inglés Insurance	SICOR Group
Under 30	17,449	11,315	14,168	20,313	17,137	19,126	15,112
Between 30 and 50	25,966	16,720	17,515	24,519	23,365	28,606	18,150
Over 50	31,944	26,261	20,288	33,683	32,950	47,829	20,279
Total	26,044	16,383	17,040	26,134	24,173	34,262	18,092



OTHER EMPLOYEE BENEFITS

[GRI 401-2]

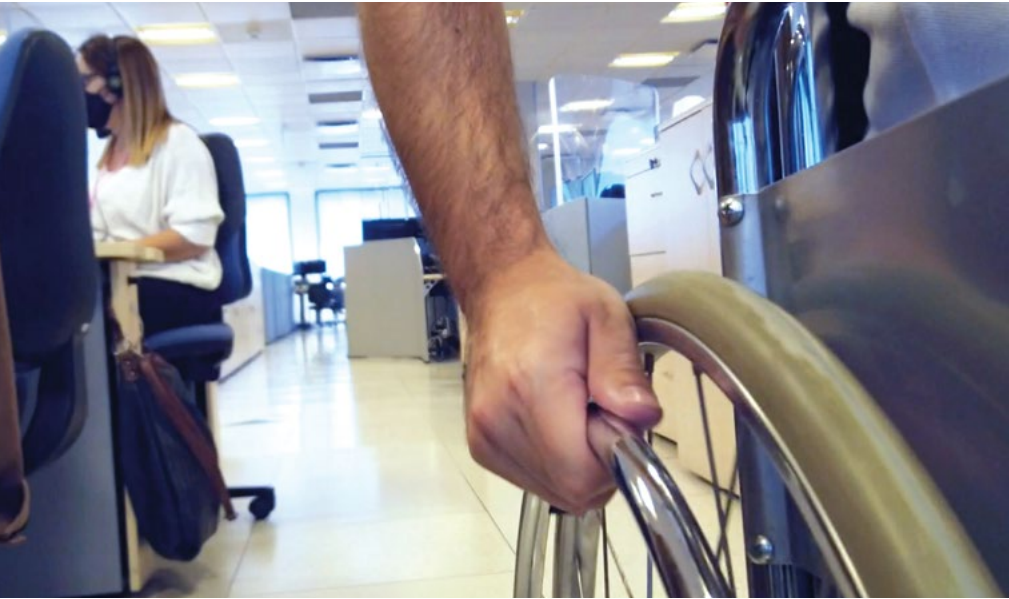
All our employees receive the same benefits, no matter the type of contract they have, some of which we discussed earlier in this report. We also offer a number of benefits to increase employee satisfaction and improve quality of life by belonging to the Group’s companies. Notable examples here include the following benefits offered by El Corte Inglés Group and El Corte Inglés Insurance:

EL CORTE INGLÉS GROUP

Through the joint committee of the César Rodríguez and Ramón Areces foundations, we offer grants for employees’ children to study at the levels of post-compulsory secondary education, vocational training, university education and postgraduate study. In 2021, the foundations granted 4,293 grants worth a total of €5.0 million.  
For employees with children with disabilities, we provide financial support for studies, which in 2021 amounted to €415,770.

EL CORTE INGLÉS INSURANCE

The Insurance Group, aside from the measures applied across the Group, also offers an insured pension plan to all its employees, fully financed by the company. Under this plan, annual contributions are made and become vested following five years of service with the company, covering the risks of death, disability, serious illness, unemployment and retirement. In 2021, the company paid more than €470,000 into this plan.



EQUAL OPPORTUNITIES, DIVERSITY AND INCLUSION

We are firmly committed to developing an inclusive culture that respects and values differences among our employees, while promoting equal opportunities for all people related to the Group.

We promote respect for all people and non-discrimination on grounds of race, age, gender, marital status, ideology, nationality, religion, sexual orientation or any other condition among employees, customers, suppliers and society.

The **El Corte Inglés Group’s Equality and Diversity Policy** embodies our principles of action in this realm and is aligned with the Corporate Human Resources Policy and the Corporate Social Responsibility Policy as a global framework steering our actions in these areas.

**Corporate Equality and Diversity Policy:**  
<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2018/01/30/igualdad-y-diversidad-politica-corporativa.pdf>

We apply these principles from the start of the employment relationship. They are therefore an integral part of our selection processes and continue to be honoured throughout the working lives of our employees.

Key equality, diversity and inclusion indicators in 2021

Equal opportunities and gender diversity	Women account for 63.3% of the Group's workforce: 33.2% of Managers, 47.9% of Coordinators, 67.6% of Skilled professionals, 68.8% of Professionals and 60.4% of Staff.
	36.7% of positions of responsibility are held by women
	57.1% of new hires on permanent contracts are women
Cultural diversity	Of our total employees, 2,716 are non-Spanish nationals. In total, 81 nationalities other than Spanish are present in the Group.
Integration of vulnerable groups	1,367 employees have some form of disability
	We collaborate with 44 special employment centres

In 2021, 44,029 employees received training on equal opportunity, diversity and inclusion, compared to 4,925 employees in 2020. We also have various agreements in place to foster these values:

Partner	Action
Red Cross and Secretary of State for Equality and Against Gender Violence	Training workshops for women victims of gender violence in Seville and Pamplona, as part of the signing of a collaboration protocol with the Red Cross and the Secretary of State.
Adecco Foundation	We are part of the CEO for Diversity alliance of the Adecco Foundation, through which we champion innovation in diversity, equity and inclusion strategies at Spanish companies, in partnership with the leaders and teams of numerous prominent companies operating across various sectors.
Fundación ONCE	Agreement on corporate social responsibility, universal accessibility, and employment and training for people with disabilities.
SERES Foundation	We are involved in the Diversity, Demographics and Social Impact Labs. The aim of this partnership is to engage the companies in improving society through responsible actions aligned with our strategy and generating value for all.
CEO Alliance for Diversity	This alliance seeks to promote innovation in diversity, equity and inclusion strategies at Spanish companies. Promoted by the CEOE Foundation, the Adecco Foundation and more than 60 CEOs of Spanish companies.
Amfori-UN Women	Signatories of the Women Empowerment Principles (WEP). 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.
Target Gender Equality (TGE), United Nations Global Compact	We are part of this initiative, which involves more than 300 companies from 19 countries to tear down 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.
Secretariado Gitano Foundation	Training and inclusion in the labour market of young Roma people through an internship programme at our stores.

In 2021, El Corte Inglés-Grandes Armazéns was honoured for its diversity and inclusion policies, earning the diversity seal in five categories from the Portuguese Diversity Charter. It was also awarded the Inclusive Employer Seal of Excellence by the Institute for Employment and Vocational Training in Portugal.

SPECIFIC EQUALITY, DIVERSITY AND INCLUSION MECHANISMS

Procedure to address and prevent instances of moral and sexual harassment

As part of our commitment to equality, we work to eradicate harassment by displaying zero tolerance for harassment in any of its forms. To succeed in this task, we have set up a procedure for preventing and responding to instances of moral and sexual harassment in collaboration with trade union representatives. As part of this procedure, we have the Instructing Committee for the Treatment of Harassment Situations (“CITSA”), comprising professionals from the various Group companies, all with different profiles and specific training in the matter. The committee is tasked with reviewing and assessing all reports or complaints of moral or sexual harassment within the company.

In 2021, CITSA received and handled 17 harassment complaints. Of these, six related to harassment at work with a negative finding, two to sexual harassment (one with a positive finding that led to the termination of the employment relationship) and nine were not investigated by CITSA, either because no response was received from the complainant (four cases), or because they were rejected by the complainant (two), or redirected to other specific channels of the Group (two to the Whistle-Blowing Channel and one redirected to El Corte Inglés Insurance Centres as that was where the claim had originated).

Equality Plan and governance structure

All Group companies in Spain and Portugal have an Equality Plan in place and a **Corporate Equality Unit** is also up and running. The unit comprises representatives from each of the Group’s companies and meets quarterly to monitor the equality plans and measures implemented throughout the year.

Monthly reports are also drawn up to assess compliance with the General Disability Act and annual follow-up reports are delivered to the monitoring committees of each Group company to review compliance with the objectives and programmes established for the year under those plans. The 2021 review revealed commendable levels of compliance with the programmes in place, and at the end of the year negotiations were under way with the workers’ legal representatives to adapt the equality plans to the new state regulations.

In Portugal, El Corte Inglés-Grandes Armazéns has an Equality Committee and is a member of the Portuguese Diversity Charter.

In addition, the remuneration register has been drawn up for the entire workforce, in accordance with Article 5 of Royal Decree 902/2020 of 13 October, on specific measures to ensure respect for the right to equal treatment and non-discrimination between women and men in matters of remuneration. Before the register was drawn up, and following the relevant provisions on remuneration transparency, an agreement was reached with the workers’ legal representatives on how best to make it part of the Group’s equality plans.

AWARDS AND ACCOLADES

Equal employer seal	Recognition awarded by the Ministry of Equality for good practices in equality and diversity.
Special recognition from the Integra Foundation	El Corte Inglés earned an award from the Integra Foundation for its ongoing commitment to vulnerable segments of society.
Randstad award for best retailer employer	The Randstad Foundation handed El Corte Inglés this award in recognition of its work to improve employer branding.
Recognition from the Red Cross for Galicia and Andalusia for our employment plan	Contribution to job creation among vulnerable groups.
Forbes Female-Friendly Award	El Corte Inglés was included on the Forbes list of 100 "female-friendly" companies working for gender equality.
ONCE Awards	The ONCE Foundation recognised the valuable work of El Corte Inglés in the Canary Islands in helping to integrate people with disabilities and break down physical and intellectual barriers.
Inclusive Employer Seal of Excellence from the Portuguese Institute for Employment and Training	The Portuguese Institute for Employment and Training awarded El Corte Inglés-Grandes Armazens this badge of excellence in recognition of its valuable work in integrating people with disabilities.

A SAFE AND HEALTHY WORKING ENVIRONMENT

[GRI 103]

The health and well-being of our employees is one of the Group’s key priorities and we constantly strive to ensure a safe and healthy working environment for our teams. As a clear example of this pledge, more than €1.1 million was channelled into employee health and safety in 2021 across the Group’s various establishments and workplaces.

Aside from the customary actions of the Group’s prevention services, additional measures – adapted to the course of the various phases of the pandemic – were put in place to provide a rapid and effective response to Covid-19.

Lines of action in 2021:

Continuous improvement in health and safety management systems

Specific measures to respond to the health crisis	54,000 antigen tests purchased and more than 12,000 air quality samples taken
Employee training on occupational safety and health	26,532 employees trained
Collaboration with public authorities in setting up vaccination centres	More than 60,000 vaccinations administered to employees and the wider public
Monitoring of occupational safety and risk indicators	11.9 frequency rate at El Corte Inglés

The company’s in-house health service provides medical examinations for its employees and makes non-work related medical and health care services available to them. Main health surveillance campaigns and programmes carried out in 2021:

- General health promotion programme in the form of tests carried out voluntarily by employees. These tests may be carried out at the worker’s request or on the recommendation of a physician, independently of any further tests the worker may be required to undergo due to the specific risks of his/her job. A total of 6,929 employees took part in these processes in 2021.
- Flu campaign to provide comprehensive vaccination protection among all employees and thus reduce the likelihood of catching the flu. A total of 11,675 vaccines were administered during the 2021 vaccination campaign.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS

[GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-6] [GRI 403-8]

El Corte Inglés Group has a joint prevention service and 86 in-house health services, staffed by more than 182 professionals, 78 doctors and 104 nurses, all fully qualified to guarantee the best health services within the workplace.

All Group companies have independent occupational health and safety management systems and individual action plans, but follow common guidelines to achieve the highest standards across the Group:

- Making occupational health and safety an integral part of all areas and hierarchical levels within the organisation.
- Fostering continuous improvement, beyond compliance with legal obligations, and voluntary embracing other commitments.
- Developing risk control systems that allow us to detect, correct or minimise risks throughout all stages of the business.
- Promoting employee wellness and a healthy lifestyle.
- Getting our employees engaged and delivering information and training on these aspects.
- Reducing the accident rate.

**Occupational health and safety management systems** are in place at all Group companies in Spain, covering 100% of the workforce. This includes the Occupational Health and Safety System up and running at all El Corte Inglés workplaces, which is certified every four years by an independent external body.



These management systems include various processes to steer the actions of the prevention teams, such as periodic assessments of the risks to which employees are exposed, investigation of any incidents that occur, definition of specific prevention plans to incorporate the improvements identified during the assessment processes, and occupational health surveillance measures. They also include processes for workers to report any risks or hazardous working conditions they may notice while at work, so that the matter can be appraised by the prevention teams and the necessary improvements implemented, following the principle of continuous improvement.

RESPONSE TO THE HEALTH CRISIS

[403-4]

In 2021, we continued with the measures put in place in 2020 to respond to the pandemic. These include personal protective measures, organisational measures and indoor air renewal, along with other measures to protect the health and safety not only of our employees, but also of our customers, suppliers and external partners. This has allowed the Group to continue operating at all times throughout the crisis in compliance with the health protocols in place. The following activities were carried out in 2021 in response to Covid-19:

- Provision of face masks: two deliveries of face masks took place during the year, with a total of 154,300 packs handed out.
- Indoor air quality monitoring plan: officially approved portable equipment was acquired to take indoor air quality measurements. A total of 10,969 samples were taken at the Group’s various stores and centres.
- Collaboration with public institutions: El Corte Inglés set up a Covid-19 vaccination centre for employees and the wider public of the Community of Madrid at its premises in Calle Arapiles, Madrid. The centre remained open for three months and was staffed by 38 El Corte Inglés doctors and nurses, along with personnel from security, occupational risk prevention and information systems, among other departments. Employees from the Andalusia, Valencia and Zaragoza work centres were also vaccinated. A total of 60,000 vaccines were administered.
- Rapid response to the sixth wave of Covid-19: we were ready to respond to the sixth wave of the pandemic before it struck, having drawn up a contingency plan to bolster the Group’s medical services and anticipated staffing needs through replacements and new hires. This was made possible thanks to the analysis we conducted in December 2021 alongside the Centre for Advanced Analytics to predict the likely course of Covid-19 in the short run.
- In late December we drew up an internal procedure for tracing and managing Covid-19 cases during wave six in order to raise awareness of the various communication channels between the Group’s employees, trackers and medical team. As a result, our medical services were able to focus on monitoring and responding to positive cases among the workforce. During the year, we trained a total of 185 trackers and launched a major internal awareness campaign.

EMPLOYEE TRAINING ON OCCUPATIONAL SAFETY AND HEALTH

[GRI 403-5]

Occupational health and safety training was given to 26,532 employees in 2021, after the 84,598 employees trained in 2020.

- Number of Covid-19 courses taken by employees:
- Six online training actions with a total of 42,678 hours of follow-up.
  - Six in-person training actions involving a total of 2,138 sessions and 2,452 hours.

We also delivered specific training courses on the use of semi-automated external defibrillators (AED) in large spaces to security staff at our department stores, including both own employees and subcontractor personnel, following the regulations in force in each autonomous community. In 2021, we trained a total of 988 in-house employees and 165 subcontractor personnel so that they were fully able to keep our own team safe and secure, as well as customers and other external parties present at our stores.

SAFETY INDICATORS

[GRI 403-9] [GRI 403-10]

By measuring and monitoring the safety indicators identified by the Group, we are able to assess the effectiveness of the measures put in place at our establishments. It also allows us to draw up action plans to ensure the continuous improvement of our occupational health and safety management systems.

Total hours of absenteeism due to non-occupational illness or accident (6,798,241.7 hours) were down 13.4% from the year before due to the lower incidence of Covid-19 among the Group’s workforce and affecting the wider population. For more information on this and other related indicators, please see Appendix I.

Aside from Covid-19, there were 1,403 cases involving medical leave in 2021 (1,347 in 2020); 768 affecting women and 635 affecting men. This accounted for 238,663.4 hours of absenteeism in the year, as compared to 235,271.8 hours in 2020. Cases of work-related illness were down on the previous year, with 17 confirmed cases in 2021 (26 in 2020), none of which resulted in the death of the employee. The illnesses were predominantly due to overexertion, cuts with sharp objects or blows, with seven cases affecting men and 10 affecting women.



**36,806**  
suppliers

**€9.49**  
billion of goods and  
services purchased  
by the Group

**2,337**  
factory ESG audits in 2021

OUR SOCIAL DIMENSION

# Supply Chain

[GRI 103]

Our business performance also encompasses responsible management of our supply chain, where we require our suppliers to share the Group's commitments and best ESG practices. This helps us prevent and mitigate risks while creating strong ties with suppliers by supporting local development in the host communities where we operate.

A suitable choice of suppliers helps us assure the quality of our goods and services by tracking supplier performance and inspecting their facilities, with a special focus on verifying respect for human rights.

- Related material topics**
- Supply chain human rights
  - Value chain traceability and sustainability criteria

In 2021, the key developments in supply chain management were:

Key developments	Description
Pioneering multi-sector agreement with Spain's leading unions which covers our entire supply chain	Master agreement between El Corte Inglés and the industry unions CCOO Industria and UGT FICA for union involvement in applying international standards in the domains of human rights, labour relations, and social and environmental responsibility, and compliance monitoring throughout the supply chain. The agreement provides an additional mechanism for reinforcing protection of the rights of workers who make private-label goods for El Corte Inglés, and is the first multi-sector agreement of its kind – global in scope and applicable to all private-label products – signed by a Spanish company, with the goal of moving towards a more sustainable industry.
El Corte Inglés joins SAC	<p>In 2021, El Corte Inglés joined the Sustainable Apparel Coalition (SAC), an international alliance of more than 250 leading brands in fashion and related industries – including footwear and textiles, retailers, vendors, service providers, and trade associations – alongside non-profits and academic institutions. SAC members have joined forces to reduce their environmental footprint and support social justice throughout global supply chains.</p> <p>SAC has developed and published the Higg Index, a suite of tools for the standardised measurement of value chain sustainability for all industry players. The tools assess the social and environmental performance of production throughout the value chain. Using these data points, the industry can identify critical issues, continuously improve sustainability performance and deliver the environmental and social transparency that consumers demand. By joining forces in a coalition, members can address urgent systemic challenges that are too wide-ranging to be dealt with by individual firms.</p> <p>The Higg Facility Environmental Module (FEM) provides a clear picture of the environmental footprint of a facility and helps identify and prioritise opportunities to improve environmental performance. The scope of assessment by the Higg FEM includes environmental management systems, energy use and greenhouse gas emissions, water use, wastewater management, atmospheric emissions (if any), waste management and handling of chemicals.</p> <p>In 2021, El Corte Inglés invited its private-label manufacturers to undergo assessment using the Higg FEM. The module reports to manufacturers, brands and retailers on the environmental performance of individual facilities, thus enabling them to scale up any sustainability improvements. In 2021, we shared our 2022 plan and goals with the SAC to meet our coalition membership requirements. The plan and its outcomes will be reviewed annually.</p> <p>To fulfil its SAC membership requirements, in 2022 El Corte Inglés will undergo the Higg Facility Social &amp; Labor Module (FSLM) as a valid social performance assessment embedded within the Social and Labour Convergence Program (SLCP), a multi-stakeholder initiative that aims to improve labour conditions. We are also benchmarking the assessment against our own Code of Conduct, both internally and working alongside our key stakeholders in this area.</p>
International Accord among the leading fashion industry groups	The International Accord for Health and Safety in the Textile and Garment Industry, formerly known as the Bangladesh Accord, took effect on 1 September 2021. The agreement is intended to extend good practices in fire and building safety beyond Bangladesh so that manufacturing facilities in other underprivileged regions become safer. The agreement attracted wide-ranging support and was signed by 160 apparel groups, including El Corte Inglés.

A GLOBAL AND DIVERSIFIED SUPPLY CHAIN<sup>8</sup>

[GRI 102-4] [GRI 102-9] [GRI 102-10] [GRI 102-15] [GRI 204-1]

To offer our customers a wide range of goods and services, we rely on an extensive network of highly specialised suppliers. By volume of purchases, our largest suppliers are those serving our retail division, specifically, our suppliers of fashion (38.3% of sales), fast-moving consumer goods (25.9%), leisure and the arts (20.2%), household goods (12.3%) and miscellaneous categories (3.3%).

We distinguish between external brand suppliers and private-label suppliers depending on the source and brand ownership of the goods we sell. Own-label suppliers are subject to additional assessment, as described in the section on due diligence.

Over the year, El Corte Inglés Group companies engaged in business relations with 36,806 suppliers, 16.9% more than in 2020.

No. of Group suppliers we did business with

Business lines	Spain	Other countries in the EU	Third countries	Total 2021	Total 2020	Total 2019
Retail companies	17,475	3,479	1,823	22,777	24,282	28,507
Insurance Group	1,277	27	5	1,309	373	388
El Corte Inglés Travel Group	9,607	1,266	729	11,602	6,638	29,222
SICOR Group	653	1	-	654	195	N/A
Other businesses <sup>9</sup>	453	5	6	464	N/A	N/A
TOTAL	29,465	4,778	2,563	36,806	31,488	58,117

<sup>8</sup> From (and including) 2020, figures for Telecor, Industrias del Vestido and Confecciones Teruel are included within retail companies, while data for Tourmundial and CDEV are included within the El Corte Inglés Travel Group. From this report onwards, figures for UK-based suppliers will be reported as non-EU figures.

<sup>9</sup> This figure includes the suppliers of Group companies operating the Point of Sale Advertising business, and the Group companies Iniciativas Inmobiliarias Valderas, Construcciones Inmobiliarias Alcoral, Garanair, Editorial Cera, Canal Club de Distribución de Ocio y Cultura, Promociones Inmobiliarias Gallegas, Uria Veinte, Ingodel, Izaro Films, Esgueva, Ason and Parinver, presented for the first time as “Other businesses”, as shown in the following tables. If suppliers to “Other businesses” are stripped out, the increase in the number of Group suppliers in 2021 was 15.4%.



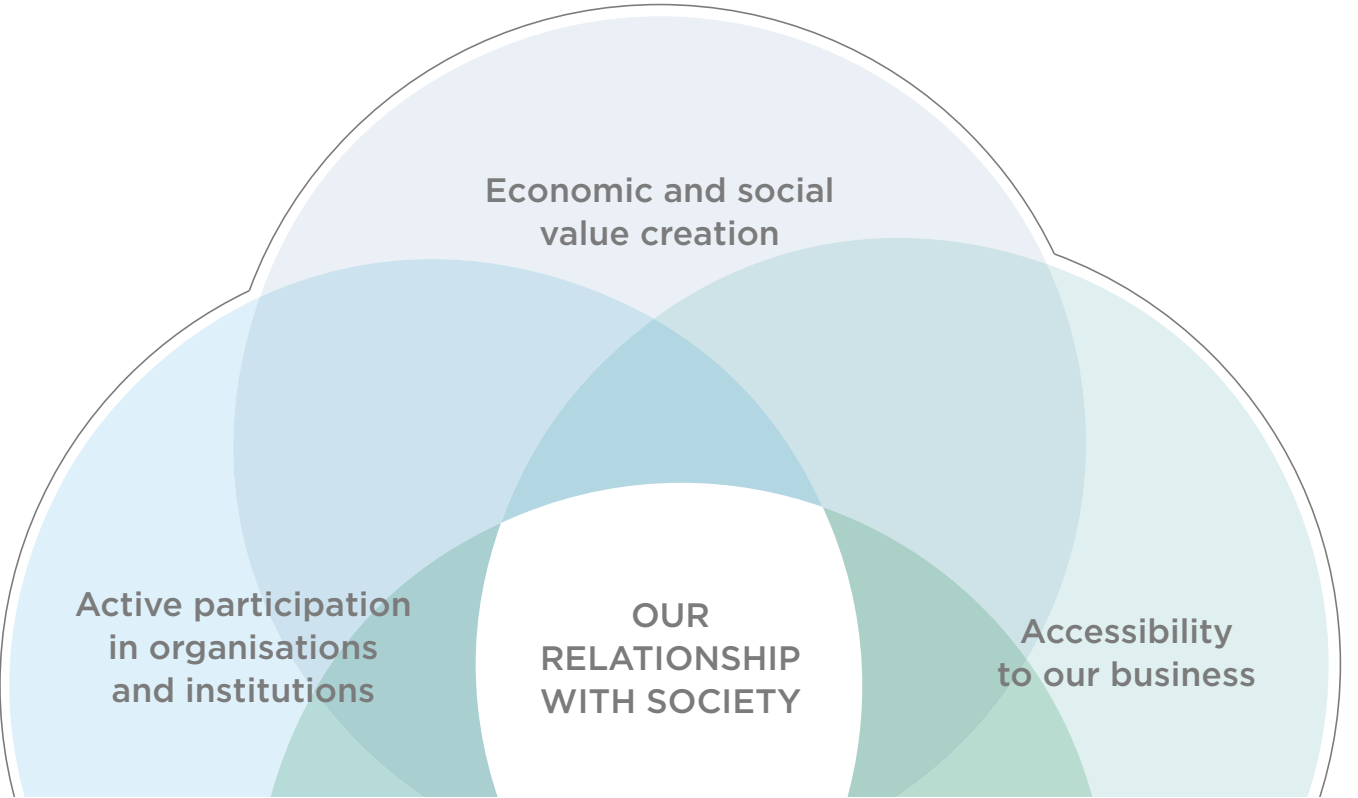
Group purchase volumes (€ million)

Business lines	Spain	Other countries in the EU	Third countries	Total 2021	Total 2020	Total 2019
Retail companies	7,469.42	730.02	586.28	8,788.01	8,182.53	9,538.15
Insurance Group	20.43	0.37	0.17	20.97	10.88	9.72
El Corte Inglés Travel Group	539.87	49.18	66.22	655.28	176.02	1,413.48
SICOR Group	27.41	0.12	-	27.53	8.51	N/A
Other businesses	5.33	0.00	0.01	5.34	N/A	N/A
TOTAL	8,062.46	779.69	652.68	9,494.83	8,377.94	10,961.35

The retail division increased its purchase volume by more than 7.4%, yet the number of suppliers declined by 6.2%. That reduction reflects the Group’s ongoing effort over the past few years to streamline and optimise the supplier base, enabling us to concentrate and redirect our purchasing volume towards vendors that comply with our ESG principles.

SUPPLIERS IN SPAIN AND PORTUGAL	SUPPLIERS IN THE REST OF THE WORLD
<p>Delivering on our commitment to the economic and social progress of the countries where we operate, we purposely seek out local suppliers and local goods and produce. We define a “local” supplier as a vendor whose registered office is located in the country where we make our purchases. Most of our suppliers (88.5%) are based in Spain and Portugal, the region where we do most of our business.</p> <ul style="list-style-type: none"><li>Of the 36,806 suppliers that constituted the Group’s supply chain in 2021, 80.1% were located in Spain; moreover, those suppliers accounted for 84.9% of total purchase volumes.</li><li>70.6% of the firms that supply El Corte Inglés’ department stores in Portugal are based in that country; they accounted for 85.7% of volumes.</li></ul> <p>Our “MÑ Made in Spain” sustainability label is an initiative that points out the local sourcing of our own-brand fashion garments and accessories.</p>	<p>We also work with suppliers based in other European Union countries and in third countries, especially in the retail division. Our geographically diverse supply chain constitutes a global network across 132 countries.</p> <ul style="list-style-type: none"><li>11.5% of suppliers are based outside Spain and Portugal.</li><li>Those vendors account for 11.9% of purchase volumes.</li><li>100% of our third-country suppliers are subject to enhanced due diligence, as described in the following section.</li></ul> <p>As in the previous year, the pandemic called for special efforts to keep up business relations with third-country suppliers. Aware of the difficulties, ahead of the 2021 Christmas campaign we placed our orders with suppliers early, with a twofold goal: preventing shortages at our shops and helping our suppliers to overcome any financial hardship they might face.</p>

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		
Braga (Portugal)	Germany	India	UK
New York (US)	Bangladesh	Indonesia	Romania
Tangier (Morocco)	Belgium	Ireland	Singapore
Istanbul (Turkey)	China	Italy	Sweden
Hong Kong (Hong Kong)	South Korea	Luxembourg	Switzerland
Shanghai (China)	Denmark	Morocco	Thailand
Dhaka (Bangladesh)	US	Netherlands	Taiwan
Ho Chi Mihn (Vietnam)	Spain	Pakistan	Turkey
Gurgaon-New Delhi (India)	France	Poland	Vietnam
	Hong Kong	Portugal	

**SUPPLY CHAIN DUE DILIGENCE**  
[GRI 102-11] [GRI 102-15] [GRI 102-17] [GRI 102-30] [GRI 102-43] [GRI 103] [GRI 308-1] [GRI 308-2] [GRI 406-1] [GRI 407-1] [GRI 408-1] [GRI 409-1] [GRI 410-1] [GRI 412-1] [GRI 412-2] [GRI 412-3] [GRI 413-2] [GRI 414-1] [GRI 414-2]

Business experience has taught us that poor performance by suppliers can involve several risks. We have therefore put in place a range of **due diligence** procedures to prevent or mitigate any adverse impact that might arise.



By doing our due diligence, we encourage responsible management throughout our supply chain and help spread good practices among our vendors along ESG dimensions. The cornerstone of due diligence is respect for and protection of human rights. The Group’s various business divisions have developed a number of systems for responsible management of this topic.

The suppliers of El Corte Inglés, Supercor and El Corte Inglés-Grandes Armazéns (the Portuguese division) are integrated into a single management system that follows a **cycle of good practices** inspired by the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organization (ILO).

Suppliers of non-retail companies (El Corte Inglés Travel Group, Insurance Group and SICOR Group) are subject to one of two procedures, depending on whether a supplier is common to several Group companies or specific to one of them.

- Suppliers that provide services to non-retail companies and are also in the supply chain of El Corte Inglés, Supercor or El Corte Inglés-Grandes Armazéns are embedded in the retail companies’ cycle of good practices and the procedures of this management system prevail.

- Suppliers that are exclusive to El Corte Inglés Travel Group, El Corte Inglés Insurance Group or SICOR Group are subject to those companies’ own procedures for responsible management of suppliers, in line with the Group’s values and guidelines. Moreover, El Corte Inglés Travel Group inserts special clauses in its agreements with suppliers that, if triggered by a breach, may lead to contract termination.

**Cycle of good practices at the retail companies**



**1. SUSTAINABILITY AND CSR POLICY**

In accordance with our Sustainability and CSR Policy, we comply with the mandate of the Board of Directors to conduct our business consistently with the principles of due diligence, based on the Fundamental Conventions of the ILO. Our commitment to responsible management of the supply chain is articulated, in the form of this policy, at the highest level of the Group.

**2. RISK ANALYSIS AND ESG APPROVAL PROCEDURE**

Every potential supplier must successfully undergo the Group’s ESG approval procedure. The first step is a **risk analysis**, which examines the supplier’s legal compliance performance and financial solvency. Once candidates have successfully passed this initial screening:

- External-brand suppliers (who account for 79.5% of total sales) must expressly endorse the Group’s codes of conduct by signing the ESG Commitment Letter, binding them to El Corte Inglés’ Ethics Code and the Group’s corporate policies. By endorsing the letter, a candidate undertakes to abide by human rights within the framework of decent social, labour and environmental conditions (clause 6).

**ESG commitment letter:**

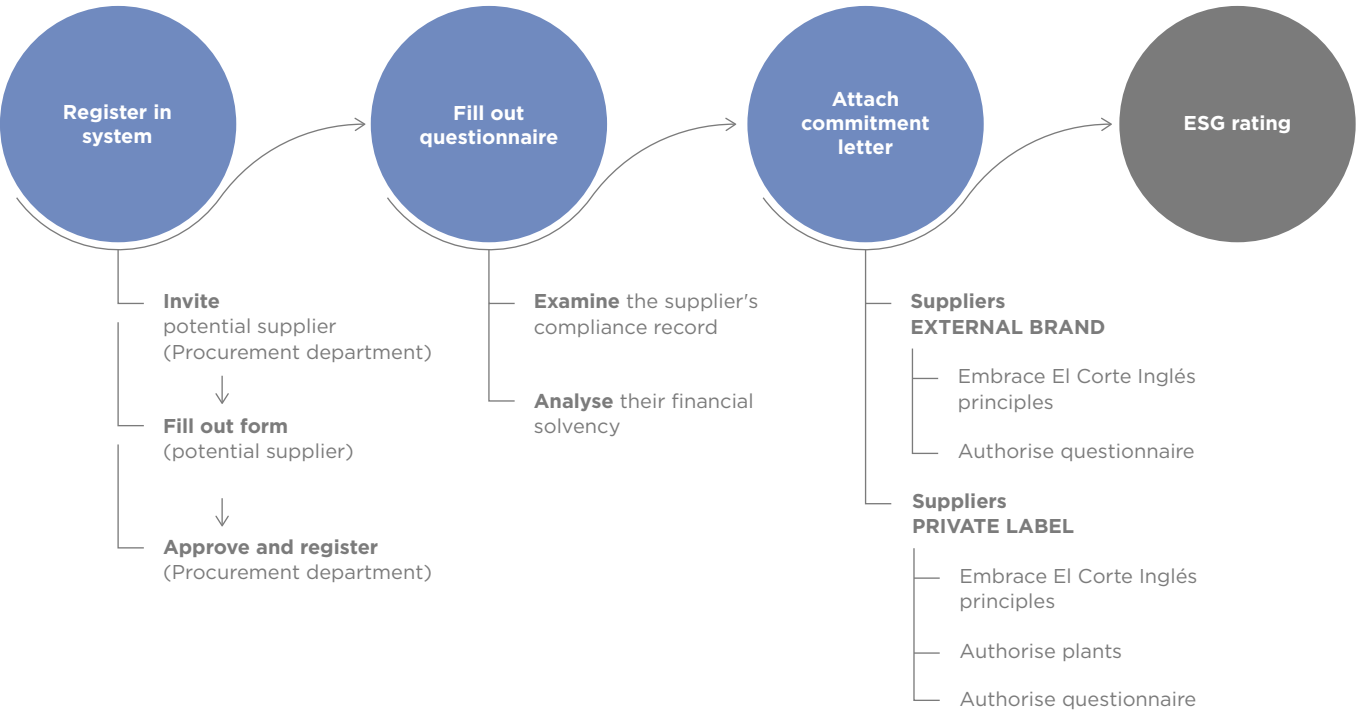
---

<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2017/07/19/carta-de-compromiso-de-cumplimiento.pdf>

---

- Private-label suppliers (who account for 20.5% of total sales) must sign the Commitment Letter and, in addition, must disclose all their production facilities and agree to an ongoing procedure of ESG approval by means of audits. This ongoing vigilance mechanism is an essential requirement for the Group to start a business relationship with a private-label supplier.

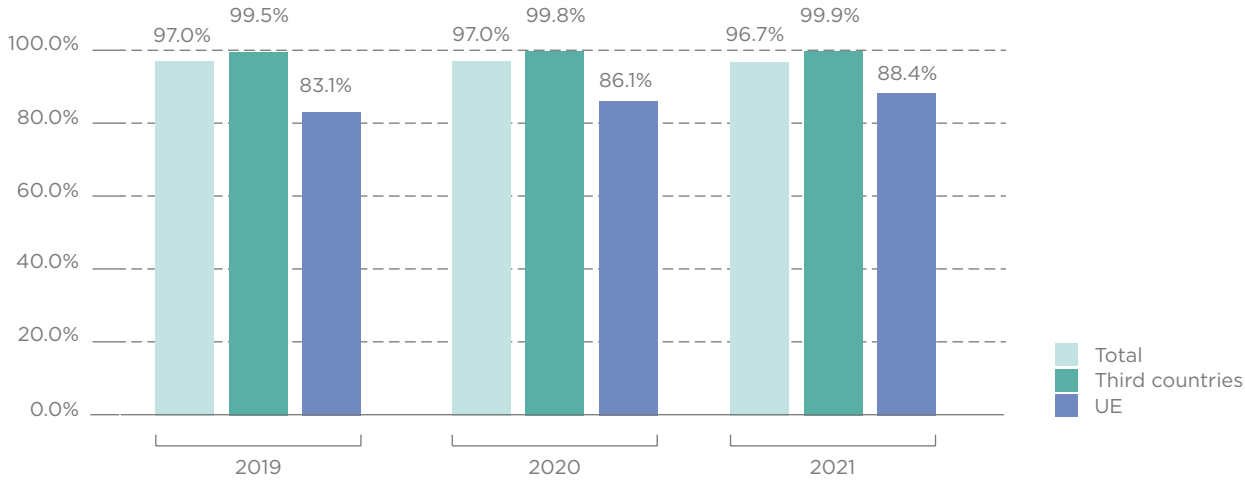
B2B supplier ESG rating en El Corte Inglés supplier portal



3. MONITORING AND ONGOING IMPROVEMENT

For the purposes of risk identification, a private-label supplier must, for each of its facilities, regularly submit an ESG audit report issued by an auditing entity approved by us. The ratio of audited facilities to total declared facilities was 96.7% in 2021, which was slightly below the ratio for 2020 owing to the higher weight within total retail suppliers this year of EU-based suppliers.

Cobertura fábricas



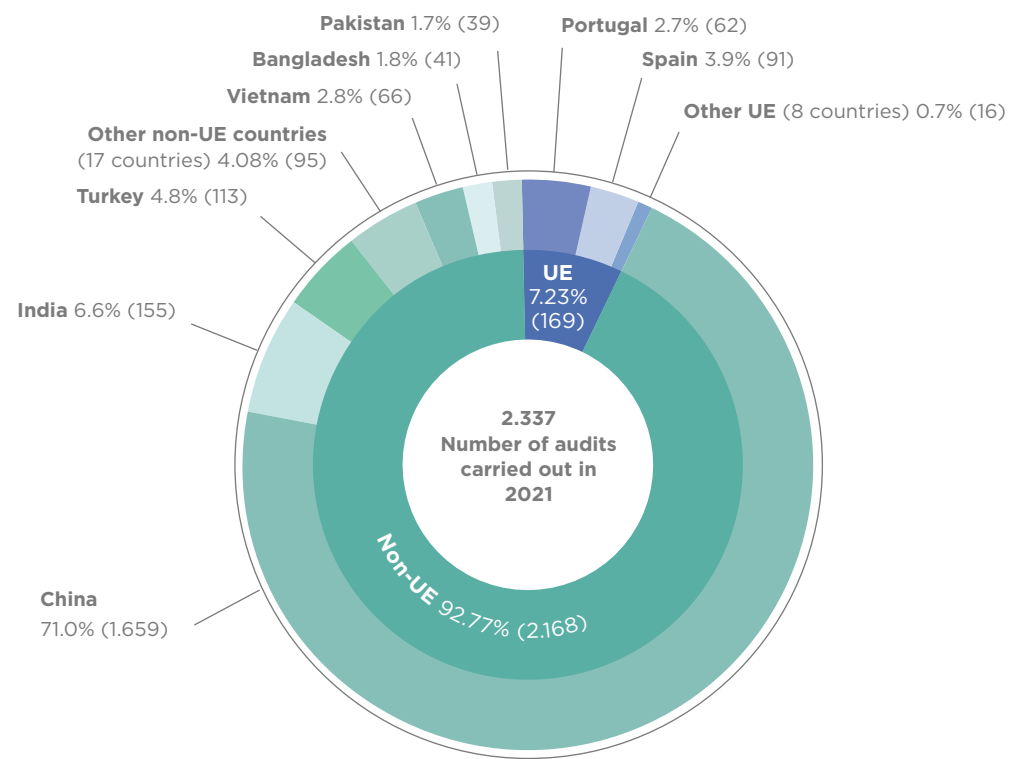
**ESG monitoring** watches over the performance of facilities as part of our ongoing due diligence. El Corte Inglés accepts a range of different auditing standards, such as SEDEX SMETA, ICS, and ECI-FASP, but amfori BSCI audits are predominant, accounting for 73.4% of total assessments conducted over the year.

% Auditorías ASG evaluadas por estándar en el ejercicio 2021





2,337 audits were conducted on facilities in 2021. The geographical breakdown of those audits is shown below:



Facility rating — (Degree of compliance with El Corte Inglés' Code of Conduct)	Distribution of total audits in 2021	Distribution of total audits in 2020	Change in 2021 v. 2020	Distribution of total audits in 2019
A (86-100%)	8.4%	5.8%	+2.6 pp	5.9%
B (71-85%)	9.9%	7.4%	+2.52 pp	7.6%
C (51-70%)	79.5%	84.5%	-5.01 pp	82.4%
D (30-50%)	2.2%	2.2%	-0.03 pp	4.0%
E (1-20%)	0.0%	0.0%	0.0 pp	0.0%
ZT (0%)	0.0%	0.1%	-0.09 pp	0.0%

Of the factories assessed in 2021, facilities rated A, B or C (the passing scores, showing compliance with more than 50% of El Corte Inglés' Code of Conduct) remained stable (97.8% in 2021 compared to 97.7% in 2020), while facilities rated “excellent”, A, or “very good”, B, grew with respect to C-rated sites.

We are members of the amfori BSCI international initiative and have adopted the related Code of Conduct. The code, which is mandatory for our private-label suppliers, provides the framework for verifying compliance with ESG good practices at each reported supplier facility.

amfori BSCI Code of Conduct:

<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2017/07/19/2a-codigo-amfori-resumen-ejecutivo-espanol.pdf>

Although the Code of Conduct is also concerned with environmental protection and good governance, its key focus is respect for human rights, as shown in the table on audited ESG matters and the related outcomes. In 2021, the first indicator – management system and effects – showed an especially good performance, with non-conformities decreasing by 13.1%. This shows that the human rights protection systems put in place at facilities are proving effective.



ESG matter	Percentage (%) Non-Conformance by ESG aspect audited	2021	2020	Decrease (-) / Increase (+) in Non-Conformance in FY21 vs. FY20	2019	Universal Declaration of Human Rights of the United Nations General Assembly of 10 December 1948	Cross-cutting GRI indicators	Specific GRI indicators	ILO fundamental conventions	Associated SDG	Zero Tolerance
Weighted ESG	Overall results of the amfori BSCI and ECI FASP audits conducted	2.20%	2.31%	-0.11%	3.99%						
	ESG aspects audited										
G	1. Management system and cascade effect	57.21%	70.35%	-13.14%	71.01%					8.5, 8.8	
S	2. Worker engagement and protection	0.98%	1.54%	-0.56%	1.76%	23				8.5, 8.8	
S	3. Freedom of association and collective bargaining	0.05%	0.00%		0.05%	0.08%	23	407-1	X	8.5, 8.8	
S	4. Non-discrimination	0.26%	0.13%		0.13%	0.16%	2	406-1	X	8.5, 8.8	
S	5. Decent pay	0.66%	0.94%	-0.28%	2.64%	23				8.5, 8.8	
S	6. Decent working hours	73.55%	75.86%	-2.31%	72.85%	24				8.5, 8.8	
S	7. Occupational health and safety	6.39%	7.06%	-0.67%	9.88%	3, 25	413-2, 414-1, 414-2, 412-1			8.5, 8.8	X
S	8. Zero tolerance of child labour	0.05%	0.04%		0.01%	0.08%	26	408-1	X	8.5, 8.7, 8.8, 16.2	X
S	9. Special protection for younger workers	0.11%	0.00%		0.11%	0.13%	23, 25			8.5, 8.7, 8.8, 16.2	
S	10. Zero tolerance of undocumented work	0.05%	0.05%	0.00%	0.26%	22				8.5, 8.7, 8.8	
S	11. Zero tolerance of forced labour	0.10%	0.09%		0.01%	0.04%	4	409-1	X	8.5, 8.8	X
A	12. Environmental protection	0,20%	0.51%	-0.31%	1.01%			308-1 308-2		8.4	
G	13. Ethical business conduct	0.15%	0.47%	-0.32%	0.31%					8.5, 8.8	X

Among the matters assessed, we have a special Zero Tolerance or ZT category: child labour, forced labour, imminent risk to workers’ health and unethical behaviour. If any such breach is detected and remediation efforts are unsatisfactory, the Group company concerned is entitled to terminate the business relationship with the supplier at fault. In 2021, there were 11 detected cases of ZT: nine for unethical behaviour and two for workplace safety breaches. Eight suppliers were suspended, two rectified the breach satisfactorily, and one is still under investigation.

4. SPEAK-UP MECHANISMS

To help our suppliers perform properly, we monitor their speak-up mechanisms closely in order to evaluate any suspected breach of the Group’s ethical requirements.

- First, as part of our oversight of our private-label suppliers’ facilities, we check whether they have any speak-up mechanism of their own that enables their stakeholders to report any suspected human rights violation.
- We also evaluate reports received over the speak-up channels used by the Group itself. El Corte Inglés Group recognises several misconduct reporting and grievance mechanisms, including the amfori BSCI and International Accord mechanisms and our own whistleblowing channel). In 2021, as a further development, we recognised another amfori BSCI mechanism that was recently set in motion in the context of the Supply Chain Grievance Mechanism: Speak for Change (S4C). The new channel, which is managed by an external party (including the grievance investigation and remediation phases), provides transparent information and is compatible with the amfori BSCI Code of Conduct. A pilot of the new channel was launched in May 2021 for all amfori BSCI-registered suppliers and facilities in Vietnam. The approach is based on dialogue and continuous learning among stakeholders.

The breakdown of complaints received over all Group channels is shown below.

Grievance mechanism	No. of grievances in 2021	Subject of the grievance	Stage of processing
Ethics Code	4	100% HR	2 not warranted, 1 closed, 1 being resolved
amfori	0	-	
S4C of amfori	9	100% HR	100% being resolved
International Accord	17	100% HR	100% closed
Total	30	All of HR	

5. TRAINING

The Group trains its employees in human rights and fundamental freedoms. Training was provided to 1,535 SICOR Group security employees in 2021 (1,370 people in 2020). The training was made extensive to 193 employees of other companies performing duties at our stores (221 people in 2020).

Moreover, in 2022 El Corte Inglés-Grandes Armazéns has made plans to train its Portuguese private-label suppliers on the employability of people with disabilities.

Our focus on people leads us to commit to create value for wider society, in an economic sense and, beyond that, along the environmental, social and governance dimensions. For that reason we select our suppliers with the utmost care to ensure they uphold best practices in responsible production. Our highest priority is to make sure that human rights are respected all along the supply chain. We achieve this by forming alliances at home and internationally, as described throughout this chapter. We also engage in ongoing dialogue with our key stakeholders and, to continue on our journey in this domain, we interact digitally with suppliers on ESG approval topics and partner with them in collaborative initiatives.



€12.27  
billion of economic  
value distributed

75  
Supercor stores with  
accessibility certification

2,062  
social, cultural and  
sports activities

Group membership  
of over  
**220**  
institutions and  
associations

€1.78  
billion tax contribution

OUR SOCIAL DIMENSION

# Our Relationship with Society

Public trust in the El Corte Inglés brand is a powerful lever for exerting a positive influence on society and supporting economic and social development in our host communities. We work with non-profits and institutions to reach various sectors of society and have a direct positive impact on social, cultural and sports activities.

In 2021, we sought to mitigate the effects of continuing pandemic-related restrictions on society through several initiatives. We made our facility in Arapiles, Madrid, available to the regional health authorities as a Covid-19 vaccination centre; it was used to vaccinate the general population and our employees. We also set up vaccination centres for company staff in Andalusia, Valencia and Zaragoza.

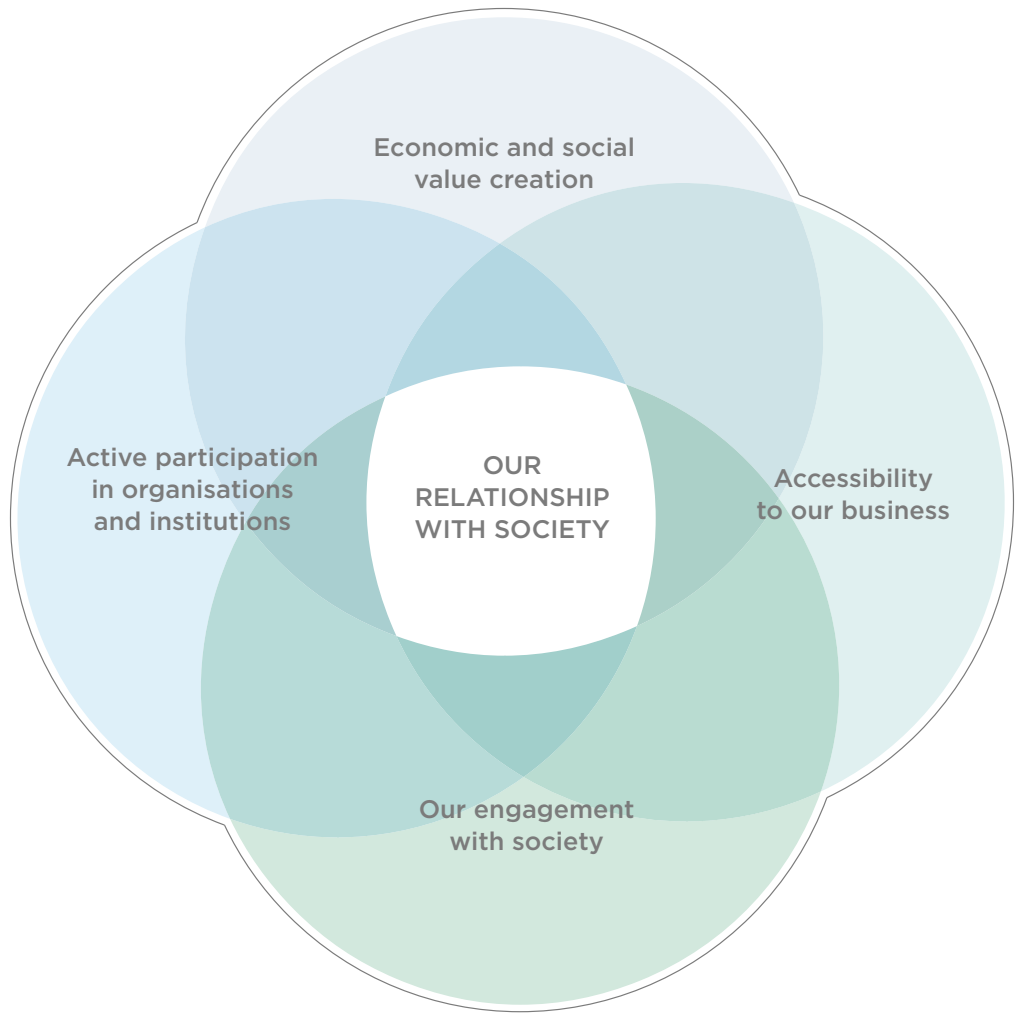
- Related material topics**
- Value creation at a local level
  - Social action and engagement
  - Accessibility



Our pledge to society is one of the five vectors of the Group’s Sustainability and CSR Policy that guide our initiatives in line with our business model. Our pledge rests on the following principles:

- To embed our business in the community and work with institutions, non-profits and forums in the business world and in the realm of conservation and promotion of arts and culture.
- To engage actively with stakeholders by engaging in ongoing dialogue about community expectations and challenges.
- To use the Group’s businesses as a springboard for social action that creates shared value for the community and supports long-term sustainability.
- To support specific supply chain-related projects in emerging countries and humanitarian crisis areas.

Our relationship with society is founded on the following concerns:



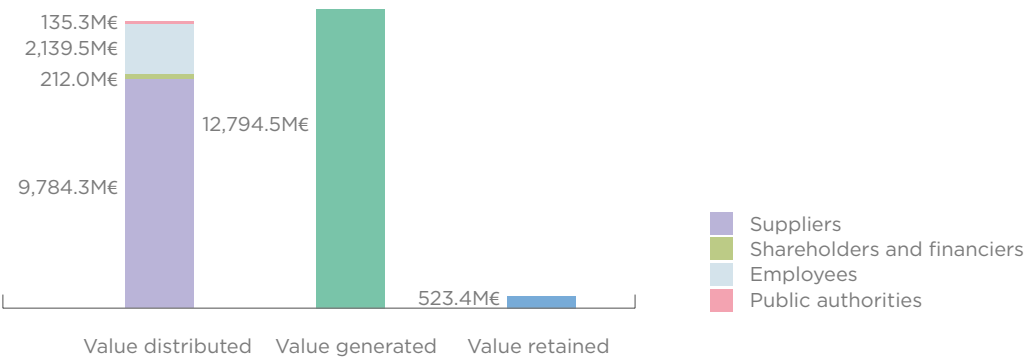
**ECONOMIC AND SOCIAL VALUE CREATION<sup>10</sup>**  
[GRI 103] [GRI 201-1]

Our business in Spain and Portugal promotes economic and social development. The Group is one of Spain’s largest private-sector employers and also generates indirect and induced employment. Moreover, the breadth of our supplier base and our large purchase volumes help many other enterprises remain in business, thus having an even wider economic ripple effect.

Our revenue and tax payments create value as a result of our tax strategy.

In 2021, economic value generated by the Group’s operations totalled €12.79 billion (2020: €8.90 billion), with operating income representing 99.1%.

Of that value, 95.9%, or a total of €12.27 billion (2020: €10.71 billion), was distributed among social agents, so the value retained in 2021 was €523.4 million (2020: -€1.81 billion).



<sup>10</sup> The data corresponding to FY 2020 have been restated following the deconsolidation of the El Corte Inglés Insurance Group companies, after their classification as discontinued operations.

CORPORATE TAX STRATEGY AND POLICY

[GRI 102-12] [GRI 207-1] [GRI 207-2] [GRI 207-3]

Aware of the impact of the Group’s businesses on their host communities, we believe our responsible approach to taxation and our tax contribution effectively create value in the countries where we operate, boosting their economic and social development.

El Corte Inglés has a dedicated corporate tax policy which embodies and specifies the Group’s tax strategy. Its key aims are to ensure compliance with applicable tax laws and regulations, and to achieve consistency in tax decisions and practices across all Group companies.

The corporate tax strategy and policy, the first version of which was published on 25 November 2020, is approved by the El Corte Inglés Board of Directors, which is also in charge of reviewing and updating the document annually. Our tax policy, moreover, is compliant with the principles enshrined in the Ethics Code, including our commitment to sustainable development.

Tax policy:

<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2018/01/30/politica-fiscal-corporativa17075.pdf>

General principles of the corporate tax policy

- 1. 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.
- 2. Preventing and mitigating significant tax risks.
- 3. Maintaining due diligence to prevent, detect and eradicate any illegality or misconduct.
- 4. Fostering relations with public authorities and regulators based on upholding the law, loyalty and mutual confidence, collaboration and good faith.
- 5. Ensuring that financial reporting, accounts, contracts and ancillary documents reflect accurately the nature of the underlying transactions carried out by Group companies.
- 6. Avoiding duplication and inefficiencies in taxation.
- 7. 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.

El Corte Inglés’ Board of Directors is the body in charge of approving any transaction or investment decision with material tax implications.

In order to exercise its tax-related powers and duties fully and effectively, the Board consults the Audit and Control Committee. The role of the Committee includes:

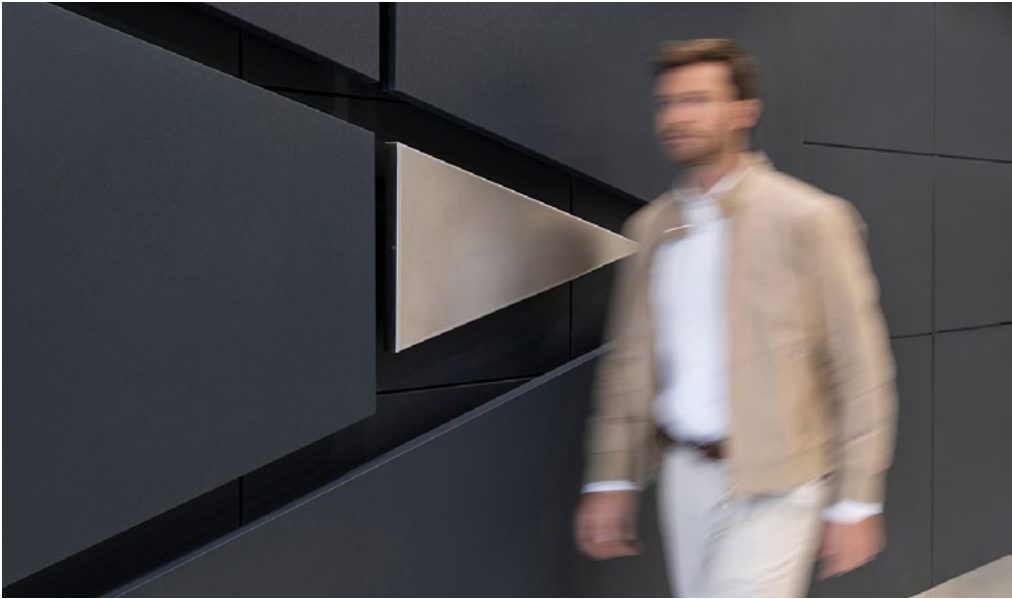
- Overseeing the internal system of risk assessment and management (including tax risks) operated by the Internal Audit department.
- Overseeing compliance with corporate governance rules and internal codes of conduct, compliance with external laws, regulations and standards. This includes monitoring complaints received via the Whistleblowing Channel in connection with tax matters, based on reports from the Compliance area.
- Debriefing the head of El Corte Inglés’ tax advisory department on the tax criteria applied over the year, and on the tax implications of material transactions and other matters that must be submitted to approval by the Board.

El Corte Inglés Group has been subscribing to the Spanish taxation authorities’ Code of Best Tax Practices since 2010.

El Corte Inglés Group is also a founding member of the Spanish forum of large companies, Foro de Grandes Empresas. That forum provides a framework for collaboration between members and the tax authorities on the basis of transparency and mutual trust. Forum members share and discuss the issues they encounter in the application of tax rules.

In accordance with good tax practices, the Group commits to forming and using corporate structures and legal arrangements responsibly, such that any such structure is fully justified by business reasons and value creation. The Group disavows opaque corporate structures driven by tax considerations or corporations domiciled in listed tax havens or uncooperative jurisdictions.

The Group may, however, hold interests in companies or establishments that would fall within the scope of the corporate structures referred to in the above paragraph if such presence is grounded solely in business reasons. The business rationale is reviewed and approved case by case by the Board of Directors.



**TAX CONTRIBUTION<sup>11</sup>**  
[GRI 207-4]

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

The Group’s tax contribution in 2021 totalled €1.78 billion (2020: €1.62 billion) broken down as follows:

- €688 million of taxes and duties borne (2020: €682.8 million), of which €178.1 million related to taxes (€17.1 million to corporate income tax) and €509.9 million to social security paid by Group companies.
- €1.09 billion were taxes and duties collected (2020: €940.3 million), of which €755.6 million related to taxes, €107.9 million to employer social security contributions, and €226 million to employee personal income tax withholdings.

The Group received grants and public assistance totalling €27.3 million in 2021 (2020: €55.6 million), of which €25.6 related to grants and close to €1.7 million to other assistance (2020: €54.1 million and €1.5 million, respectively). Of grants received, 95.2% were awarded in Spain and 4.8% in Portugal (2020: 93.7% in Spain and 6.3% in Portugal).

Refer to Appendix I Non-Financial Indicators for disclosures of tax metrics country by country (p. 153-156).

<sup>11</sup> The figures for 2020 are restated with respect to those reported last year as a result of adjustments to certain Group companies.

**ACCESSIBILITY**

Our relationship with society involves creating inclusive communities, starting with our own stores. We are well advanced in adapting our stores by removing any physical or other barrier to accessing our goods and services. We also train our staff so that they have the skills to help people with disabilities.

The improvements at our stores include physical restructuring and technological enhancements that guide customers on their way through the premises while ensuring their safety and comfort. Our Supercor supermarket chain, for instance, now has 75 of its stores certified for good accessibility management.

**Our commitment:**

Supercor runs an annual accessibility programme to ensure that all its stores – including new openings and refurbished sites – remain suitably accessible and retain their certificates. In addition, the programme sets a target number of new store adaptations and certifications for each year

Our first Supercor Express store in Madrid holds the highest AIS (Accessibility Indicator System) certification level (5 stars) and was also certified by Fundación para la Accesibilidad y Responsabilidad Social (ARS), and IMG Ibérica. The store is also equipped with Beepcons: Bluetooth Low Energy devices that guide blind or visually impaired customers around the store and departments.

Over the year, 62 Supercor stores were inspected and retained their certificates, while 13 new supermarket sites were also certified.

The Insurance Group’s headquarters is also physically adapted to enable people with disabilities to do their jobs in comfort and safety.



Supercor Expres. María de Maeztu, Madrid.



At El Corte Inglés, we also support accessibility by leveraging omnichannel access, and thus continue to adapt our websites to make them fully accessible and provide a uniform, frictionless experience. Our goal is for the entire browsing and shopping flow to be easily completed by any of our customers, regardless of any disability. Forward steps in 2021 included:

- Reprogramming HTML markup in the semantic, hierarchical and enrichment fields using specific attributes for screen readers.
- Reviewing the contrast ratio in the graphic sections of all pages.
- Modifying the content manager to include data for screen readers.
- Optimising the most common navigation flows by providing keyboard shortcuts.
- Introducing flexible design, where user choice of fonts and images takes precedence over design guidelines.

We also now provide people with disabilities and the elderly, who might find it difficult to travel to our stores in person, with a preferential helpline staffed by specialists. This range of actions promotes barrier-free accessibility for everyone, both physically and in terms of understanding and using our services.



Cultural Area Space.

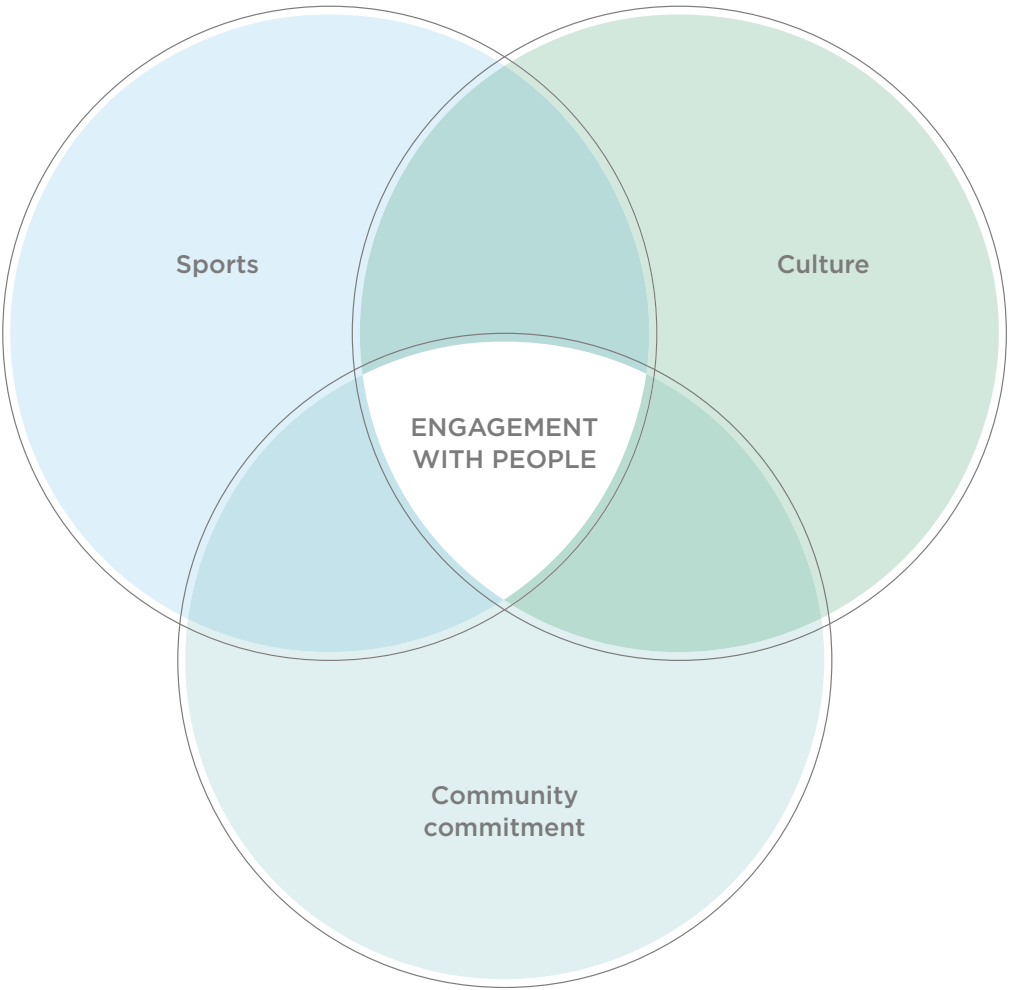
OUR ENGAGEMENT WITH SOCIETY

[GRI 103] [GRI 203-1] [GRI 203-2] [GRI 413-1]

Our commitment:

Over the course of 2021, the Group donated €2.9 million to foundations and non-profits, 19.7% more than last year (2020: €2.4 million). We set in motion more than 2,062 charitable activities in Spain and internationally, 36.0% more than last year (2020: 1,500 activities).

Our commitment to society leads us to maintain close relations with local people and the host communities where we do business. We support a wide range of local, national and international activities in the domains of sport, arts and culture and community engagement. We are especially aware of and sensitive to vulnerable sectors of the population.



SPORTS

El Corte Inglés views sport as an invaluable tool for society’s progress, in that it instils timeless values, such as respect and consideration for others, teamwork, inclusiveness, and the will to become the best one can be. We support initiatives such as fun runs, international competitions and a wide range of tournaments that lend visibility to different causes while encouraging a healthy lifestyle.

In 2021, we resumed our sponsorship or other support of a number of sports activities as and when allowed by the gradual lifting of pandemic-related restrictions. We sponsored a total of 132 sports initiatives and spent more than €1.2 million.

Flagship sports sponsorships in 2021
<div><div><div>• LaLiga</div><div>• World Padel Tour pro tournaments</div><div>• The Davis Cup</div><div>• Royal Spanish Tennis Federation</div><div>• Royal Spanish Winter Sports Federation</div><div>• Spanish Motocross Championship</div><div>• Club de Baloncesto Estudiantes (basketball club)</div><div>• Murcia Women's Race</div><div>• Barcelona Sports World Values Champions Trophy</div><div>• Horse racing at Pineda racecourse in Seville</div><div>• “Bandera El Corte Inglés” <i>trainera</i> boatrace</div></div></div>

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 Real Madrid Foundation and the Atlético de Madrid Foundation.

ARTS AND CULTURE

We view culture and the arts as a driver of development and a tool for social cohesion. We therefore seek to bring the arts to the community by supporting artists, public and private institutions, cultural events and other initiatives that uphold the value of the arts.

We have 21 arts and culture facilities throughout Spain and three in Portugal. We host book presentations, art exhibitions, musical performances, and courses and conferences, thus embracing different realms of culture to spark interest in a wide range of audiences. Last year, owing to the ongoing pandemic-related restrictions, we had to adapt our cultural activities and move them to a streaming platform. Many of our physical facilities remained closed until after the summer. However, we streamed almost all of our activities at our Callao arts centre over Facebook, YouTube and Instagram: we hosted a total of 104 events and drew an estimated audience of 222,300 viewers.

Over the course of 2021 we made a gradual return to in-person events, but continued to use the hybrid format. This omnichannel strategy allows us offer our audience the option of following events in person at the arts centre itself or watching a live stream on social media. This means we engage in a richer interaction with the audience and can maxi-

mise the reach of our activities beyond the confines of their physical location. We hosted 761 in-person activities at our arts centres in Spain, drawing a total audience of 32,128 people. In Portugal, we streamed close to 150 events over social media, attracting a large viewership, and hosted more than 50 in-person book presentations, especially later in the year, when the pandemic-related restrictions were less stringent.

In 2021, in a pioneering initiative in the retail world, we produced a podcast series with teasers and highlights of our arts and culture events so that people can enjoy the content at any time, wherever they are.

We also bring culture and the arts to a younger audience through our Pitiflú project, a full gamut of fun activities - more than 300 workshops, live storytelling and performances - staged at El Corte Inglés stores for children aged 3 to 10 years.

Pitiflú activities for children			
Activity type	Number of sessions	Number of participants	Venue
Workshops, directed play, exhibitions and performances	157	7,258	Valencia, Basque region, Galicia, Asturias, Andalusia, Murcia, Aragon, La Rioja and Madrid
Live storytelling and podcasts	163	23,656	Valencia, Murcia and online
Films for kids	6	240	Extremadura
Total	326	31,154	

Besides the wealth of activities hosted at our stores, we sponsor museums, theatres, leading cultural institutions and projects and even incipient initiatives that are just starting out. Throughout 2021, we undertook a total of 156 arts and culture sponsorships.

Flagship cultural sponsorships in 2021
<div><div><div>• The Prado Museum</div><div>• Madrid Royal Theatre</div><div>• Spanish federation of friends of museums (FEAM)</div><div>• The Madrid international contemporary art fair (ARCO)</div><div>• “Premio Jaén” International Piano Competition</div><div>• “Flamenco On Fire” Festival</div><div>• Bilbao Fine Arts Museum</div><div>• Portuguese Academy of Gastronomy</div><div>• National Museum of Ancient Art, Portugal</div><div>• Portuguese Association of Publishers and Booksellers</div></div></div>

COMMUNITY ENGAGEMENT

We build lasting alliances with foundations and charities to set in motion initiatives that have a measurable impact on society, contribute to progress in the community and support vulnerable groups. Some of our recent initiatives have focused on mitigating the effects of the pandemic.

To measure the impact on society of initiatives launched from El Corte Inglés’ headquarters, we work with the Ma-sImpact™ tool, based on the international frameworks of the London Benchmarking Group (LBG) and the ONLBG benchmarking group for non-profits (the latter also looks to the UN Sustainable Development Goals and their targets. The tool provides an internationally recognised methodology for categorising, managing, measuring and reporting our community-facing activities in the form of easily understood indicators.

We focus our efforts on three vectors of action:

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

In 2021, El Corte Inglés earmarked €1,134,916 to community work initiatives at the national level, and made further efforts at the regional level and through other Group companies. Of the nationwide activities, 70% of the contribution was accounted for by cash donations and 30% by donations in kind. Most of the contribution was allocated to initiatives concerning health and well-being (77%), followed by efforts aimed at children and youth (17%) and inclusive local development (6%). Moreover, after further donations made at the regional level and through other Group companies are considered, our total charitable contribution comes to a total of approximately €1.3 million.

	Total
Community engagement initiatives	431
Investment in community engagement initiatives	€1,291,392



HEALTH AND WELL-BEING








In the health and well-being area, we continue to deliver on our pledge to fight breast cancer by funding research projects sponsored exclusively by us through AECC, the Spanish cancer research association.

Initiative	Entity	Specific commitment
Fight against cancer		<ul style="list-style-type: none"><li>• <b>#ECISeVisteDeRosa campaign:</b> On the occasion of the WHO's International Day against Breast Cancer, we placed themed products on our shelves and allocated part of the proceeds to breast cancer research. We also lit up the façades of our department stores with pink light and launched a line of themed shopping bags.</li><li>• <b>Initiatives marking the International Day against Breast Cancer:</b></li><li>• <b>We are funding research</b> by a multidisciplinary team at several hospitals: Clínic de Barcelona, Doce de Octubre (Madrid), Vall d'Hebron (Barcelona) and Clínica Universidad de Navarra. Signed in 2020, the funding agreement entails a commitment to donate €1 million over the course of five years.</li></ul>
		<ul style="list-style-type: none"><li>• <b>Childhood cancer research:</b> We donated €71,147 to the fight against childhood cancer using the proceeds of sales of Unit brand charity T-shirts.</li></ul>
		<ul style="list-style-type: none"><li>• <b>In Portugal, we funded research sponsored exclusively by El Corte Inglés through LPCC, the Portuguese league against cancer.</b> El Corte Inglés-Grandes Armazéns is one of the largest contributors thanks to the involvement of employees, customers and suppliers in the Outubro Rosa campaign. In 2021, donations totalled €36,000.</li></ul>
		<ul style="list-style-type: none"><li>• <b>Improving the quality of life of children with cancer:</b> El Corte Inglés Insurance Group continues to work with ASION through a charitable raffle to fund Christmas gifts. The company supplements the available funds by matching the proceeds of ticket sales with a donation.</li></ul>



CHILDREN AND YOUTH

El Corte Inglés is strongly committed and sensitive to the rights of children, and accordingly includes their protection in several facets of its corporate policies. In 2021, we ran initiatives to donate toys and other resources to children in vulnerable situations, especially over the Christmas season. Specifically, over the course of 2021 we donated more than 2,500 toys through our partner charities.

Initiative	Entity	Specific commitment
Toy drive		<ul style="list-style-type: none"><li>Donation of €80,000 to <b>UNICEF</b> thanks to our toy drive in support of children at risk of social exclusion.</li></ul>
		<ul style="list-style-type: none"><li>Celebration of Children's Day with a donation of more than 1,000 toys to the charity.</li></ul>
Support for children in hospital		<ul style="list-style-type: none"><li>Partnership involving the purchase of 500,000 ceramic figurines from the Aladina Foundation to be hidden as surprises in the Twelfth Night Cakes or roscones de Reyes made at El Corte Inglés, Supercor and Hipercor in-house bakeries.</li><li>Partnership with the LaLiga football league and its employees in support of the Aladina Foundation to give toys to children and adolescents staying in hospital over Christmas. El Corte Inglés played the role of logistics partner by facilitating the purchase and delivery of toys at destination. In addition, we matched every two donated toys with a donation of our own.</li></ul>
Toy recycling and donations		<ul style="list-style-type: none"><li>Since 2015, we have had partnership with the Crecer Jugando Foundation's 'share and recycle' campaign, a drive to collect used toys and give them a new life in the homes of children at risk of social exclusion.</li></ul>
Donation of Lego pieces		<ul style="list-style-type: none"><li>Partnership with the A la Par charity whereby Lego pieces rendered unsaleable by damage to their packaging are provided to young people with intellectual disabilities. The reassembled Lego toys are then sold at El Corte Inglés stores and the entire proceeds are donated to the charity.</li></ul>
Toy donation drives		<ul style="list-style-type: none"><li>For the fifth consecutive year, El Corte Inglés and Caixabank joined forces to donate more than 400 toys through the Spanish Red Cross to children in need.</li><li>In Portugal we undertook two toy donation campaigns for the children's centre operated by the Portuguese Red Cross.</li></ul>
Christmas gifts to vulnerable families		<ul style="list-style-type: none"><li>El Corte Inglés Travel Group joined forces with the charity Cooperación Internacional for the project titled Una sonrisa por Navidad ("A smile for Christmas"), distributing gifts and food over the Christmas season to families at risk of social exclusion.</li></ul>

INCLUSIVE LOCAL DEVELOPMENT

The social and economic development of the areas where we operate is a priority for us. Again in 2021, therefore, we supported a range of entities that undertake relevant projects.










Initiative	Entity	Specific commitment
Developing female talent		<ul style="list-style-type: none"><li><b>Partnership agreement</b> to stimulate, attract and develop the talent of girls and young and adult women to support their growth and encourage them to take a central role in the equality transformation thrust. The entity is concerned with four fields of action: sports, education, culture and the arts, and employment.</li></ul>
Food drive		<ul style="list-style-type: none"><li><b>Close cooperation with food banks:</b> We again hosted the Operación Kilo food drive in October and the Gran Recogida food bank initiative in November at all El Corte Inglés, Supercor and Hipercor stores and over our online supermarket. The campaigns raised €1,514,024 in 2021 (€662,754 for Operation Kilo and €851,270 for Gran Recogida).</li></ul>
Lightbulb disposal drive		<ul style="list-style-type: none"><li>We ran the <b>SolidariLAMP</b> public awareness campaign in partnership with AMBILAMP. The general public were invited to dispose of their spent lightbulbs at our stores, where our partner picked them up for waste management. For each collected lightbulb, 1 kg of food was donated to FESBAL. The campaign collected 134,576 lightbulbs, donated 134,576 kg of food and planted 1,346 trees.</li></ul>
Food donations		<ul style="list-style-type: none"><li>We ran two campaigns in cooperation with the <b>Portuguese Red Cross</b>, in the course of which more than 2.5 tonnes of food was donated.</li></ul>
Last mile with impact on society		<ul style="list-style-type: none"><li><b>Agreement with Enagás e ILUNION</b> to promote sustainable mobility and impact society. Through Llewo, a social and eco-sustainable logistics management company, the venture will create more than 150 direct jobs, while promoting the inclusion of people with disabilities and population groups who would otherwise struggle to find jobs.</li></ul>
Support for the employability of people with disabilities		<ul style="list-style-type: none"><li>El Corte Inglés Insurance Group worked alongside the John XXIII Roncalli Foundation by outsourcing its envelope-filling requirements to firms employing people with disabilities, in aid of developing their employability.</li></ul>

ACTIVE PARTICIPATION IN ORGANISATIONS AND INSTITUTIONS  
[GRI 102-13]

To analyse and understand the economic, political and regulatory context of our industry and thus stay ahead of potentially disruptive change in the business, we work with a wide range of economic and business forums and associations.

In 2021, we continued to be involved and work together with more 228 associations, with seats on their management bodies, sector committees and working groups. Some of the main entities we engage with are listed below:

Association/ Institution	Country	Association/ Institution	Country
	Spain		Portugal
Cámaras territoriales	Spain		Portugal
	Spain		Portugal
CEPYME	Spain		Portugal
	Portugal		Portugal
	Portugal		Portugal

Association/ Institution	Country	Association/ Institution	Country
RETAIL INDUSTRY			
	Spain		Portugal
	Spain		Portugal
	Spain		International
	Portugal		Spain
INSURANCE INDUSTRY			
	Spain		Spain
	Spain		Spain
	Spain		Spain
	Spain		International
TRAVEL INDUSTRY			
	Spain		Spain
	International		Portugal

We are committed to sustainable development through active involvement in business and multilateral forums and initiatives. In 2021, we worked with 16 Spanish and international institutions, such as the Spanish Network of the Global Compact, the Climate Change, Transparency and Social Innovation clusters of Forética, the SERES Foundation, the Lealtad Foundation and the Socially Responsible Recruitment Forum (CONR). Internationally, we are signatories or members of the International Accord, the Sustainable Apparel Coalition, the Fashion Pact, amfori, the UN Fashion Industry Charter on Climate Action and the The Consumer Goods Forum.



108

Zero Waste certified  
El Corte Inglés  
establishments and  
platforms

99.98%

of electricity consumed  
in Spain with renewable  
Guarantee of Origin

94.6%

of waste recovered at  
stores and platforms with  
a Zero Waste system

# Our Environmental Management<sup>12</sup>

[GRI 102-11] [GRI 102-15] [GRI 102-29]

Environmental protection is a priority in everything we do and we allocate the resources necessary to minimise negative impacts on the environment. Our environmental commitment is enshrined in El Corte Inglés Group's **Sustainability and CSR Policy**, which sets out the following basic principles on this front:

- Minimising the consumption of resources (energy, water and materials) in operating processes and using clean energies and eco-friendly materials.
- Helping alleviate the effects of climate change by making good use of, and preserving, natural resources, preventing contamination and striving at all times to reduce our greenhouse gas emissions and water footprint.
- Extending circular economy processes in our operations by promoting initiatives that complete the cycle to ensure waste is effectively reduced and to make the best use of resources.
- Preserving biodiversity of the ecosystems, landscapes and surroundings where the Group has operations.
- Encouraging collaboration with institutions, initiatives and systems designed to further this commitment.

**Related material topics**

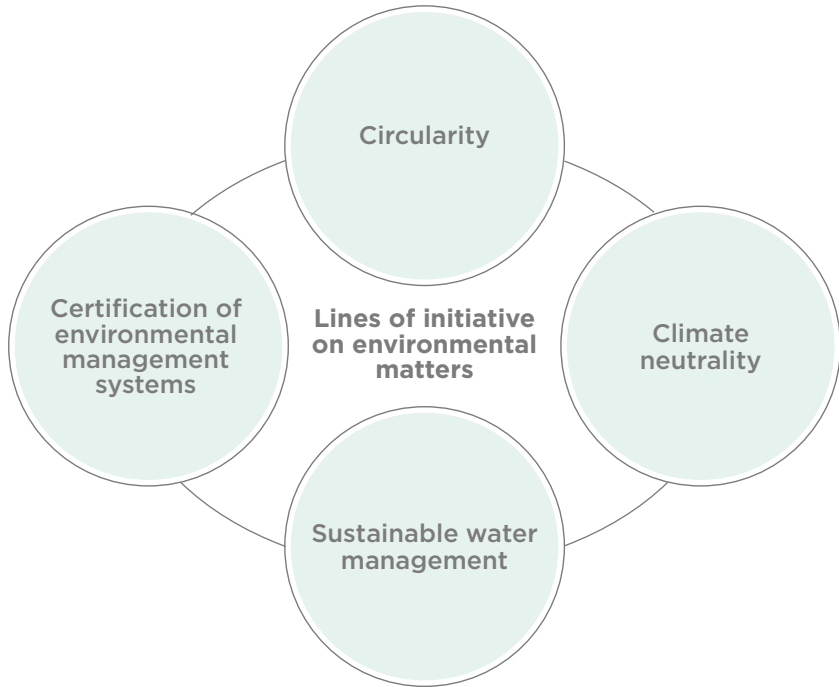
- Circular economy and Zero Waste
- Sustainable containers and packaging
- Climate-related risks
- Energy efficiency and sustainable logistics

<sup>12</sup> The boundary for data includes the retail companies in Spain and Portugal, the Insurance Group, the El Corte Inglés Travel, 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 El Corte Inglés Travel.



In keeping with these principles and in alignment with the 2030 Agenda, we have rolled out major programmes and projects addressing the environmental topics that are most closely related to our business. These are outlined in our 2021-2025 Sustainability and CSR Master Plan, which sets certain environmental objectives and key performance indicators (KPIs) along the environmental dimension to address the demands of our stakeholders.

Our environmental management actions focus primarily on four cores:



Key developments	Description
Increase in Zero Waste certified establishments	We extended the deployment of the waste management system in Spain (Andalusia, Balearic islands, Catalonia, Valencia, Extremadura and Murcia) and Portugal and ended the year with 108 El Corte Inglés establishments and logistics platforms certified under this system.
Registration and offset of greenhouse gas emissions (GHG)	We improved greenhouse gas emission calculation and transparency processes to contribute to climate change adaptation. <ul style="list-style-type: none"><li>El Corte Inglés Travel registered its carbon footprint for the first time with the Spanish Climate Change Office of the Ministry for Ecological Transition (MITECO).</li><li>The Castellana, Madrid department store offset emissions through a reforestation project in Ejulve, Teruel, in partnership with Sylvestris.</li></ul>
Identification of EU taxonomy-eligible economic activities	Pursuant to the disclosure requirements of Regulation (EU) 2020/852 (Taxonomy), we analysed the proportion of El Corte Inglés Group’s EU taxonomy-eligible and taxonomy non-eligible economic activities.
Progress in strategic alliances	We made further progress on the voluntary commitments undertaken by the Group, which include the following projects: <ul style="list-style-type: none"><li>Private label initiative: Ellen MacArthur New Plastics Economy Global Commitment.</li><li>Commitment to reduce our plastic footprint in supermarkets by 5% a year.</li><li>Initiative in textile, fashion and accessories: Fashion Pact with the Fashion Industry Charter for Climate Action - UNFCCC.</li></ul>

CIRCULARITY<sup>13</sup>

Production models need greater traction and natural resources must be used efficiently and responsibly if we want to ensure sustainable growth. This would also open up a business opportunity by encouraging optimal use of raw materials, extending the useful life of materials and minimising waste generation.

In turn, **circular economy** models allow materials used into the value chain to be reused as raw materials through recycling, reuse and other recovery operations. This minimises environmental impact of both the products we sell and of our operations.

The success of our Zero Waste programme encourages us at El Corte Inglés to continue moving towards achieving circular economy models in food, textile and other classes of products.

SUSTAINABLE PACKAGING PLAN

[GRI 301-1] [GRI 301-2] [GRI 301-3]

Our commitments:

- Increase the percentage of recycled post-consumer plastic in packaging from 2021
- Eliminate excessive plastic packaging at physical and online stores, and even B2B, by 2025
- Use only plastic that can be reused, recycled or composted (primary and secondary packaging) by 2025
- Reduce our plastic footprint in supermarkets by 5% a year to 2026

El Corte Inglés has a sustainable packaging policy in place to ensure it uses packaging that minimises its environmental impact. Aware of the importance of promoting sustainable material usage to prevent resource depletion, this policy, formulated by the Sustainable Packaging Committee, sets guidelines for the Group on the use of packaging materials.

The guidelines consider several sustainability principles:

- **Composition:** considering materials or combinations of materials that include recycled components and ensure recyclability.
- **Optimisation:** minimising the consumption of packaging materials.
- **Communication and training:** raising awareness among staff and customers to deliver reuse and recycling targets.

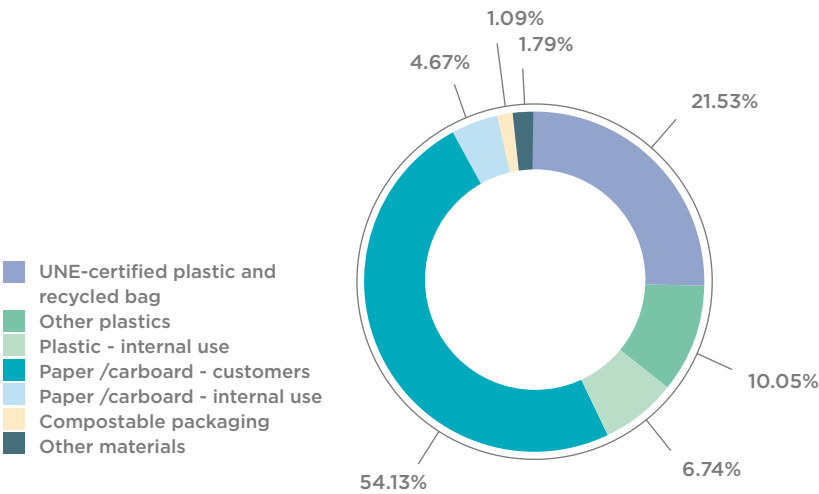
<sup>13</sup> The boundary for data on waste refers to the calendar year.

Thanks to the efforts made throughout 2021, we lowered the plastic footprint of our business further by decrease the amount of plastic containers and increasing the use of other reusable materials:

- We started drawing up a “Green Handbook” for rational use of containers and packaging in home deliveries. The analysis in the first phase was on food and consumer goods deliveries.
- We reduced consumption of plastic bags by offering a choice of paper bags and increasing the availability in our stores of UNE15930 certified reusable bags made with at least 70% recycled post-consumer plastic.
- We used only compostable gloves in self-service areas in the Group’s supermarkets.
- We replaced all bags in the meat and fish sections of our supermarkets with bags made of compostable material.
- We used single material three-layer bags for coffee for easier recycling.
- We encouraged offering the choice of reusable sales bags made of recycled fabric or 100% recycled PET at all El Corte Inglés, Hipercor and Supercor stores.
- We replaced plastic with cardboard packaging for LED lights at Bricor stores.
- We began testing a new type of recycled bubble wrap.

Consumption of containers fell sharply during the year (by more than 3,900 Tm of containers) even though the measurement scope was widened considerably. The plastic footprint in supermarket areas was reduced by 13.9% thanks to the measures implemented.

Breakdown of packaging 2021



This circularity came 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.
- Plastic hangers that can be reused or recycled into new plastic chips for making new hangers.
- Reusable baskets and pallets.

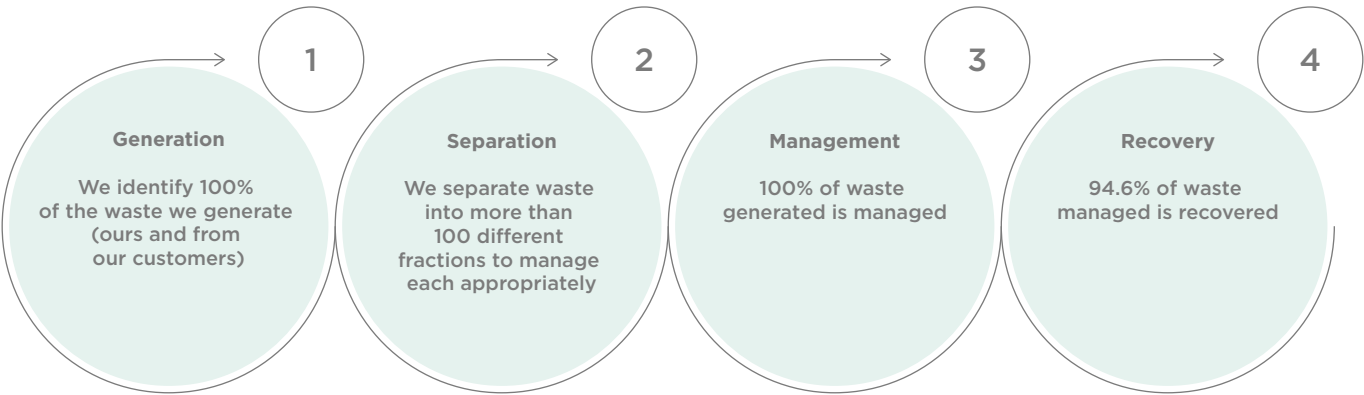
ZERO WASTE

[GRI 306-2] [GRI 306-3] [GRI 306-4] [GRI 306-5]

One of El Corte Inglés’ key circular economy projects is the Zero Waste system. This system completes the circular economy since it is predicated on the idea that “all waste is managed and all managed waste is recovered”. Our operations generate different types of waste, which are sorted for recovery, mainly at the Group’s department stores and logistics platforms. AENOR certification of our Zero Waste system attests to over 90% recovery of waste generated at our establishments. This is a major tool in helping us deliver the 2030 Agenda goals.

With the Zero Waste system, we can optimise our waste management by:

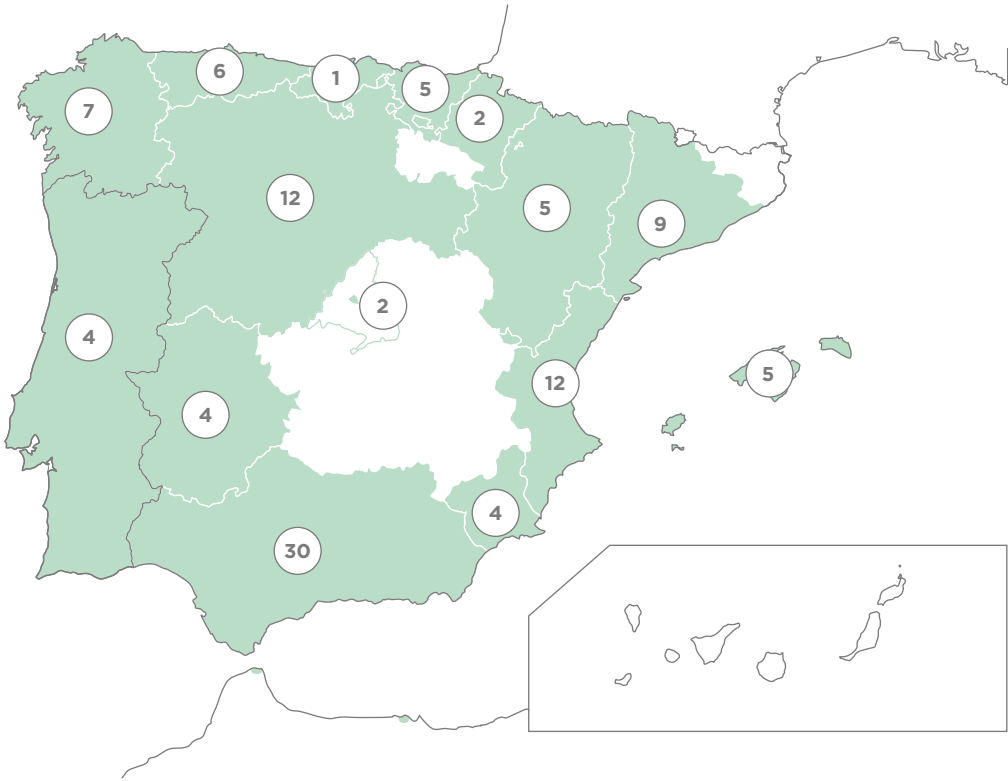
- Reorganising our facilities and containers to enhance management and traceability of waste flows.
- Separating waste to a greater extent (111 waste fractions) for better recovery.
- Providing specific training on the Zero Waste system to all staff involved.
- Creating an app for maximum transparency and traceability in waste management.
- Optimising the paths related to storage and shipment of waste.
- Working side-by-side with the best local waste managers and recovery operators.
- Cooperating with charities and non-profit organisations to maximise the correct use of products that are past their sell-by date by still fit for human consumption, thus helping the needy at the same time.



Zero Waste at El Corte Inglés started in Galicia in 2019 and has since been extended to Asturias, Castile & Leon, Cantabria, Aragon, Navarre, Basque Country, Valencia, Murcia, Andalusia, Catalonia, Balearic Islands, Extremadura and Portugal, taking the total number of El Corte Inglés establishments and platforms with this management system to 108. New establishments added to the system during the year included one of our most emblematic stores, the El Corte Inglés Castellana store in Madrid.

At the end of the reporting period, the Group had a total of 108 Zero Waste certified establishments (buildings) and platforms. The following map shows the distribution in Spain (by region) and Portugal.

No. of Zero Waste certified establishments by region and Portugal



Our commitment:

To have all El Corte Inglés establishments and logistics platforms Zero Waste certified by the end of 2022 and all Supercor establishments by 2025

Waste generated at all El Corte Inglés stores increased by 4.8% in 2021, mostly as business picked back up compared to the year before, while we continued to implement the Zero Waste system in our establishments.

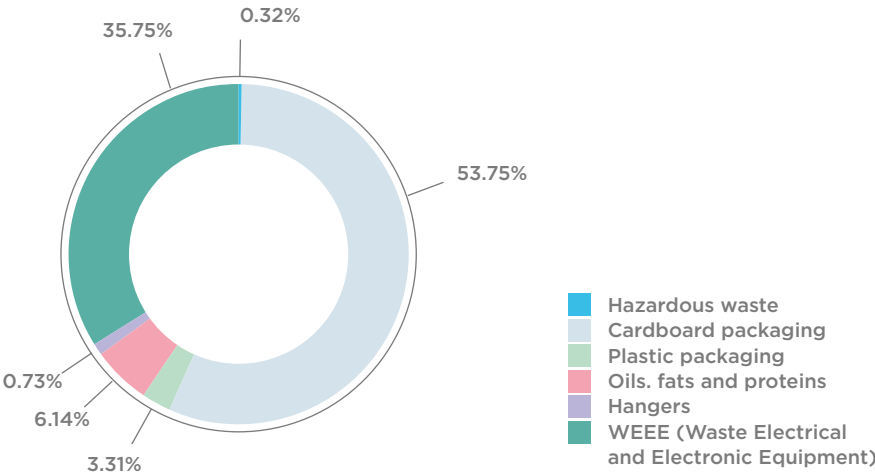
Waste destined for recovery	2021 (t)	2020 (t)	2019 (t)	Recovery operation
Hazardous waste	181	193	175	Recycling/controlled disposal
Cardboard packaging	30,561	28,528	32,734	Production of recycled paper pulp
Plastic packaging	1,884	1,352	1,593	Production of recycled chips
Oils, fats and proteins	3,491	2,886	3,392	Biodiesel and manufacture of animal feed
Hangers	416	424	562	Reuse/Production of recycled chips
WEEE*	20,329	20,788	19,604	Reuse/Recycle of parts
Total	56,861	54,171	58,060	

\* WEEE Waste electrical and electronic equipment.



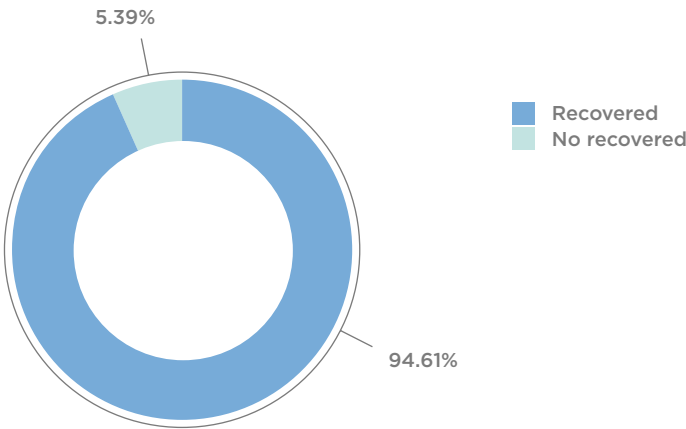


Type of waste

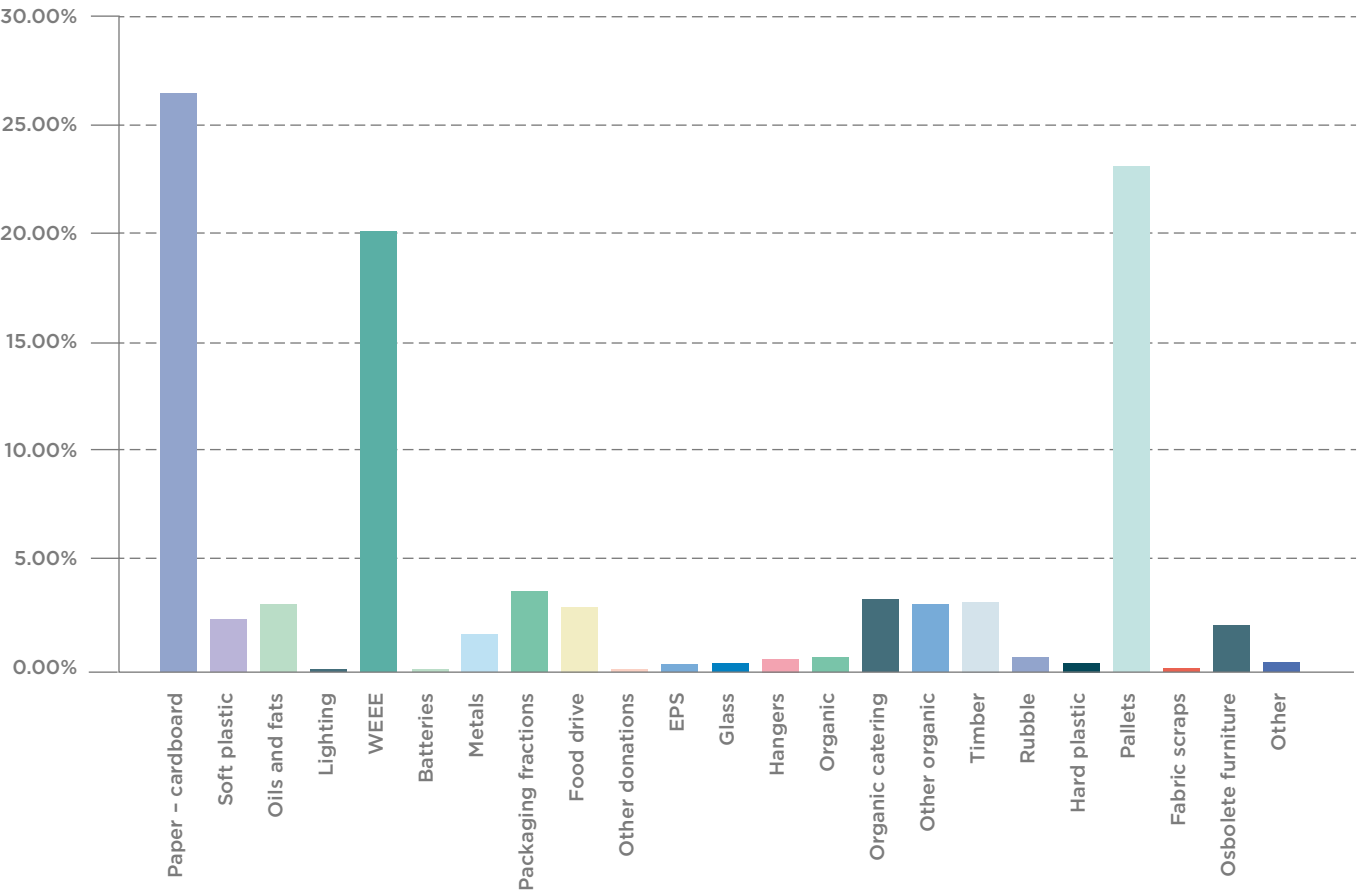


Waste recovered in 2021 at establishments and logistics platforms where the Zero Waste system is in place reached 94.61% of the total.

Waste recovery



Waste recovery by type



El Corte Inglés and FUTUDIS sign deal through the Zero Waste programme

We have pledged to donate products from the Home Entertainment and Household Goods departments to the Fundación FUTUDIS charity through its Zero Waste programme. Our first donation was 161 kilos of toys and entertainment goods in Castile & Leon, helping both people with intellectual disabilities and the environment.

OTHER CIRCULAR ECONOMY PROJECTS

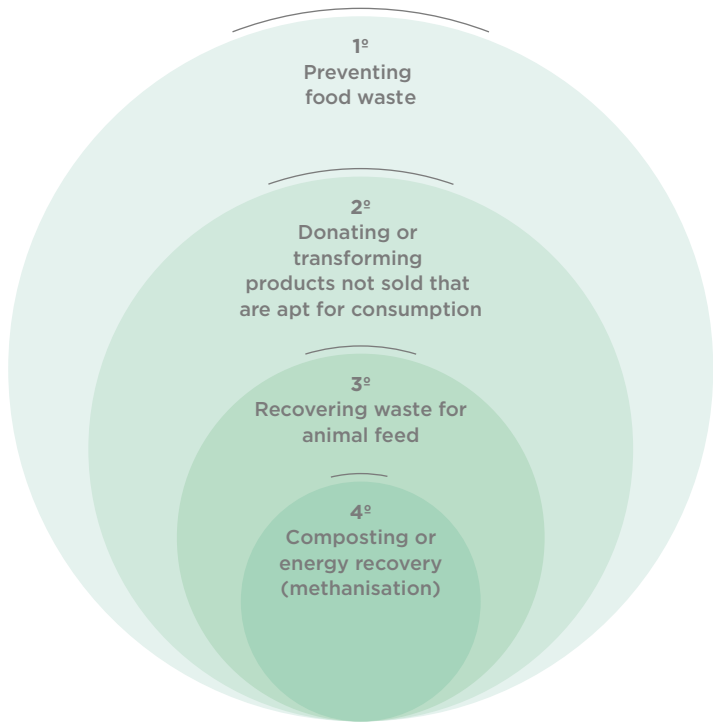
Alongside all the initiatives outlined in the Sustainable Packaging Plan, El Corte Inglés Group carries out other actions to promote circular economy projects on a variety of fronts:

FOOD: FOOD WASTE REDUCTION PROJECT

Food waste is a priority challenge to achieving the SDGs and we are fully aware of its social, economic and environmental impact. Therefore, our initiatives to reduce food loss focus on three key areas: prevention, redistribution/recovery and awareness-raising about responsible consumption.

Among prevention initiatives, we worked on internal purchasing and procurement processes to adapt supply to demand, with strict controls over cold chain handling and maintenance to keep products from spoiling.

We promoted initiatives to recover and make use of leftover food past its sell-date and still fit for consumption. This enabled us to donate 3,406,861 kilos to food banks and other organisations, thus reducing impact from the social dimension.



Continuing with the hierarchy of management priorities, we teamed up with local livestock farms and zoos, donating 376,651 kilos of leftover food during the year for use as animal feed. Leading food-related cooperation agreements:

<b>Andalusia:</b> <ul style="list-style-type: none"><li>• Bioparc de Fuengirola nature park</li><li>• Parque de Fauna Silvestre Collado el Almendral wildlife park</li></ul>
<b>Valencia:</b> <ul style="list-style-type: none"><li>• Bioparc de Valencia nature park</li><li>• Río Safari Elche</li></ul>
<b>Catalonia and Balearic Islands:</b> <ul style="list-style-type: none"><li>• Reserva de Puig Galatzó wildlife reserve</li></ul>
<b>Murcia:</b> <ul style="list-style-type: none"><li>• Terranatura nature park</li></ul>
<b>Galicia:</b> <ul style="list-style-type: none"><li>• Pastos do Enxilde farm</li></ul>
<b>Cantabria:</b> <ul style="list-style-type: none"><li>• Cantur nature park</li></ul>
<b>Asturias:</b> <ul style="list-style-type: none"><li>• Zoológico El Bosque zoo</li></ul>
<b>Basque Country:</b> <ul style="list-style-type: none"><li>• Ezkurtxerri Basque Porks</li></ul>
<b>Castile &amp; Leon:</b> <ul style="list-style-type: none"><li>• Fundación Luna</li></ul>
<b>Madrid:</b> <ul style="list-style-type: none"><li>• Faunia wildlife park</li></ul>
<b>Extremadura:</b> <ul style="list-style-type: none"><li>• Fundación Bas de Arus</li></ul>

Lastly, we sent fractions of organic waste for composting, minimising the amount sent to landfills.

We know we have a close connection with our customers. Therefore, once again in 2021 we participated in responsible consumption awareness-raising and communication actions targeting customers and employees. The year featured the 4th food waste action week spearheaded by the Spanish association of foods manufacturers and distributors (AECOC), which coincided with the International Day of Awareness of Food Loss and Waste.

For the first time in 2021, El Corte Inglés-Grandes Armazéns in Lisbon undertook a circular economy and social aid pilot project, launched in conjunction with Crescer, a non-profit organisation, and local craft beer brewer 8ª Colina. Through this project, organic beer is produced from leftover bread in supermarkets. It is also a socially-driven project, with over 50% of sales donated to Crescer, whose work focuses on integrating people at risk of social exclusion into the labour market and creating jobs for the most vulnerable. The aim is to expand the reach of this project in 2022 to include Spain.

FASHION: MODA RE- PROJECT

The fashion industry has one of the greatest environmental impacts of any sector. Therefore, El Corte Inglés steers a great deal of its environmental efforts towards managing textile products.

Through our partnership agreement with Cáritas Moda re-, we play an active role in the MODA re- project for managing and using unsold clothes or clothes donated at the Group’s collection points. As part of this project, we set up a network of clothes containers in our stores. Reuse is always the priority, where feasible. There are several destinations for clothes that cannot be reused, such as sorting for textile recycling projects or energy recovery, thus completing the circular economy cycle.

As the following table illustrates, more than 375,214 kg of textile products were managed in 2021.

Lines of initiative	2021	2020
El Corte Inglés Group collection points	56	49
Amount of clothes collected at establishments	348,762 kg	239,943 kg
Reuse of clothes collected	59.0%	50.3%
• Conversion of clothing into new fibres (recycling)	34.8%	41.1%
• Energy recovery	6.2%	8.6%
Amount of clothes collected at offices	26,452 kg	-

WASTE ELECTRICAL AND ELECTRONIC EQUIPMENT

We have containers at our establishments to encourage the delivery of waste electrical and electronic equipment (WEEE) and guarantee that it is recycled and reused. In 2021, we collected more WEEE, achieving one of our goals despite the pandemic.

El Corte Inglés has a “Repurposing” space, to give semi-new electronic devices a new purpose and extend the life of products that otherwise would be turned into waste even if they still work perfectly well. We review each product thoroughly, so it has El Corte Inglés’ maximum seal of approval.



CLIMATE NEUTRALITY

Our commitment:

Have 100% of energy consumed in our operations from renewable sources and encourage this in the supply chain (Fashion Pact initiative)

We all must be involved in addressing the climate emergency to help achieve a carbon neutral production and consumption model. El Corte Inglés Group is committed to combating climate change, which is one of the main lines of action of the 2021-2025 Sustainability and CSR Master Plan.

El Corte Inglés endeavours to reduce its environmental footprint through new, more efficient and low-carbon products and working methodologies that lower emissions and adapt to climate change. Meanwhile the Group’s various countries are starting to assess ways of offsetting their carbon footprint.

El Corte Inglés partnered with Sylvestris on a carbon absorption project entailing a multi-year reforestation and forest management programme. It unlocks the value of natural resources in Spain’s regions, specifically in the town of Ejulve in Teruel. This area lost 8,000 hectares to one of Spain’s largest ever forest fires, in 2009. This project includes the reforestation of some 14.4 hectares. In this way, the Company will offset 2,875 Tn of CO<sub>2</sub> emissions (through growth of the forest over the next 50 years), equal to the annual emissions of the Castellana, Madrid department store. The project also helps regenerate a forest area that was devastated by the fire, along with its biodiversity, while at the same time driving growth of the local economy.

El Corte Inglés Group discloses its climate change risks and opportunities in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). It also reports on its climate change performance via the Carbon Disclosure Project (CDP) platform.

GOVERNANCE AND STRATEGY

El Corte Inglés Group is well aware of the importance and impacts of climate change. Accordingly, oversight is performed by its highest governance body through the Audit and Control Committee.

Climate action is one of the key pillars of the 2021-2025 Sustainability and CSR Master Plan, which sets out initiatives and programmes that help the Group’s climate change mitigation efforts. The Group is drawing up a carbon neutrality plan designed to achieve net zero emissions by 2050.

As part of its environmental strategy, 99.98% of electricity consumed in Spain in 2021 came from renewable sources.



CLIMATE RISK ASSESSMENT

El Corte Inglés Group’s integrated risk control and management system also identifies and tracks the climate-related risks that may affect the Group. These risks are also reported in questionnaires of the Carbon Disclosure Project (CDP), a not-for-profit charity that helps companies and cities with their environmental reporting. The assessment is based on the potential scale of the impact and the probability of occurrence considering the Company’s direct operational management

The main climate-related risks in the assessment are:

Risk type	Relevance & inclusion	Description
Current regulation	Not relevant, included	Low relevance, with visible impact (not high) on our operations and business performance
Emerging regulation	Always relevant, included	Relevant, with potential impact on our operations and business performance
Technology	Always relevant, included	Energy consumption or emissions can variable considerably depending on the technology used
Legal	Not relevant, included	Climate-related risk does not pose any legal problems and risks to the Company's operational management
Market	Not relevant, included	Climate-related risk could have a relative impact on the market, prompting certain customers to choose specific modes of transportation or tourism packages that include positive aspects relative to climate change.
Reputation	Relevant, sometimes included	Climate change could provide a benchmark for comparisons among companies in the same sector, giving rise to both risks and opportunities
Acute physical	Relevant, not included	In only one situation (Storm Filomena) were stores closed and services halted because of climate change.
Chronic physical	Not relevant, explanation provided	A climate-change related process rarely has a persistent physical impact on our facilities.

Based on the findings, we drew up lines of initiative for responding to and overseeing climate-related risks and seizing climate-related opportunities.

PERFORMANCE INDICATORS

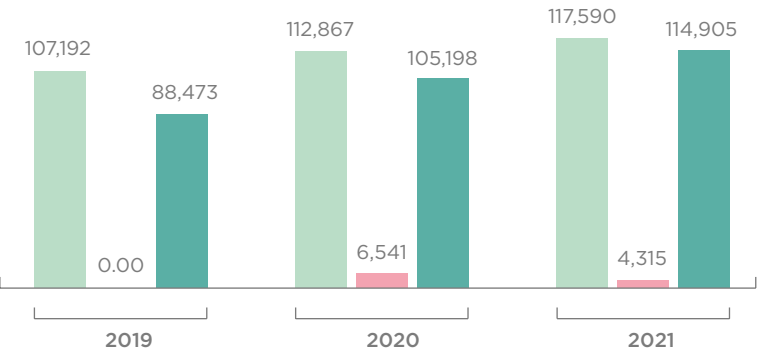
[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4] [GRI 305-5]

GHG emissions are calculated for the Group’s main companies each year so that the climate change-related commitments are monitored correctly.

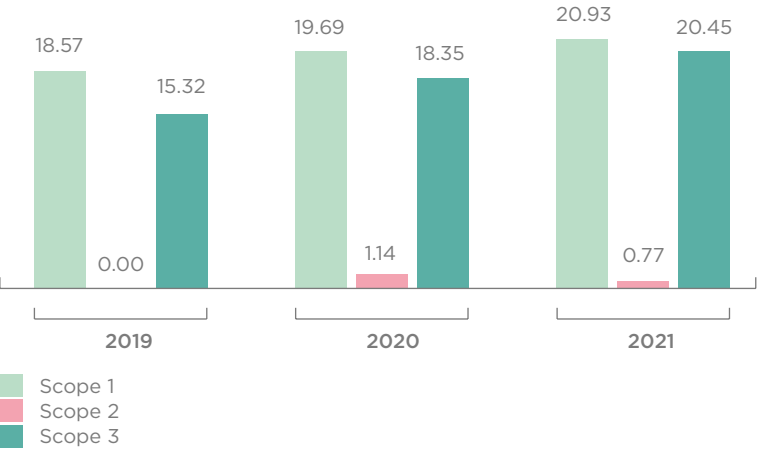
2021 featured an increase (5.43%) in the various scopes of GHG emissions driven by the increase in retail activity and changing consumer habits, above all with respect to higher-emitting online sales.

Greenhouse gas emissions<sup>14</sup>

Tm CO<sub>2</sub>eq



Kg CO<sub>2</sub>eq/m<sup>2</sup>



**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.

<sup>14</sup> 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) for 2021. Scope 1 was improved and recalculated for a wider measurement scope. 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 2021 tool. The boundary for data in 2020 and 2021 includes the retail companies in Spain and Portugal, the Insurance Group, El Corte Inglés Travel, and SICOR Group. The data for 2019 did not include figures for SICOR Group.

El Corte Inglés Travel, committed to calculating and reducing emissions

El Corte Inglés Travel went a step further in 2021, registering its carbon footprint for the first time in the Spanish Registry of Carbon Footprint, Offsetting and CO<sub>2</sub> Removal (section A), promoted by the Spanish Climate Change Office of the Ministry for Ecological Transition (MITECO). The registered footprint included scopes 1, 2 and 3 (corresponding to business travel, commuting to and from work, and travel for outsourced work engagements) and is AENOR certified in accordance with the ISO 14064-1 standard.

This action earned El Corte Inglés Travel the MITECO “Calculate, reduce, offset” seal. The MITECO seal recognises organisations’ efforts in calculating and reducing the GHG emissions caused by their operations and encourages them to, fully or partially, offset their carbon footprint by carrying out a series of projects.



The Group’s climate change performance is primarily the result of the measures and lines of actions taken on two fronts:

- Logistics
- Energy consumption and efficiency

A. LOGISTICS

El Corte Inglés’ carbon footprint is considerable given the logistics operations related to its business. To minimise our CO<sub>2</sub> emissions, we gear our efforts towards more efficient and sustainable merchandise shipping strategies.

To achieve an efficient logistics system, we undertake several initiatives, classified by type of transport: national or international.

El Corte Inglés is a member of Spain’s sustainable mobility business forum, created to promote the sustainable mobility of businesses in respect of both their employees and shipments from their B2C and B2B operations.

National transport

- Agreement with tugboat company BOLUDA to transport containers by train rather than lorry from our central warehouse in Madrid to the appropriate port. The represents an average of 35-40% of the normal flow of containers.
- Addition of a new, truly sustainable logistics operator, LLEWO, which runs eco-labelled vehicles in its home delivery service.
- Progress in replacing the fleet of vehicles with alternative fuel vehicles for supermarket deliveries in Madrid, Toledo, Guadalajara and Albacete. We had 15 alternative fuel vehicles at the end of the reporting period, representing 16% of the total fleet for this service.



International transport

El Corte Inglés knows that maritime container transport is the most carbon-efficient method of freight shipping. Of total cubic metres shipped in 2021, 97% were by ship, 2% by air and the remaining 1% by road.

The increase in volume of cargo shipped in 2021 compared to the year before led to a 12.22% increase in GHG emissions. We have several measures in place that help optimise efficiency in terms of environmental impact to minimise emissions from this activity.

Maritime transport
<p>Most of our shippers apply the IMO 2020 standard, approved by the International Maritime Organization (IMO), which limits the sulphur in the fuel oil used on board ships to 0.5%.</p> <ul style="list-style-type: none"><li>• In 2021, Asia accounted for 82% of our imports of goods from third countries, and they were shipped by sea. Because of this, not to mention the efforts made by our shippers to reduce their environment impact, we can safely say that most of the volume of cargo transported internationally is done so in an increasingly sustainable manner.</li><li>• Nearly 60% of our merchandise is shipped by Maersk, one of the strongest champions of environmental policies in maritime transport.</li><li>• Roughly 80% of containers have cargo in a single destination warehouse.</li></ul>
Air transport
<p>Air transport increased by 10.80% in 2021 as activity returned to normal after falling in 2020 because of the Covid-19 pandemic.</p>
Road transport
<p>Protocols are followed to help reduce the impact of emissions from road transport:</p> <ul style="list-style-type: none"><li>• Our main shipper by road in Morocco is certified to the ISO 14001 international standard and its fleet is certified for carbon footprint control and reduction.</li><li>• We work with megatrailers (i.e. box trailers featuring a hanging garment system) on routes between Bulgaria and Spain, thereby reducing the number of vehicles on the road. We also use containers that weigh 14 tonnes less than normal, which reduces fuel consumption.</li></ul>

El Corte Inglés Travel was a winner at the inaugural Renfe-Alanzas Comerciales (Renfe-Business Alliance) awards held at the 2022 edition of 2022 FITUR international tourism trade fair. These awards are given to companies and institutions that promote rail as a sustainable mode of transport.

El Corte Inglés Travel also signed two agreements during the year, one with biotech firm Kimitec, and one with urban transport manager Imbric, to promote the sustainable management of business travel.



B. ENERGY CONSUMPTION AND EFFICIENCY

[GRI 302-1] [GRI 302-3] [GRI 302-4] [GRI 302-5]

ECI Group has systems in place to control and monitor the energy consumed by its operations. We promote energy efficiency and the use of renewable energies to gradually reduce GHG emissions.

Energy consumption increased by 3.67% in 2021 after falling sharply the year before due to temporary closures, partial closures, and changes in opening and closing hours during certain months of the pandemic.

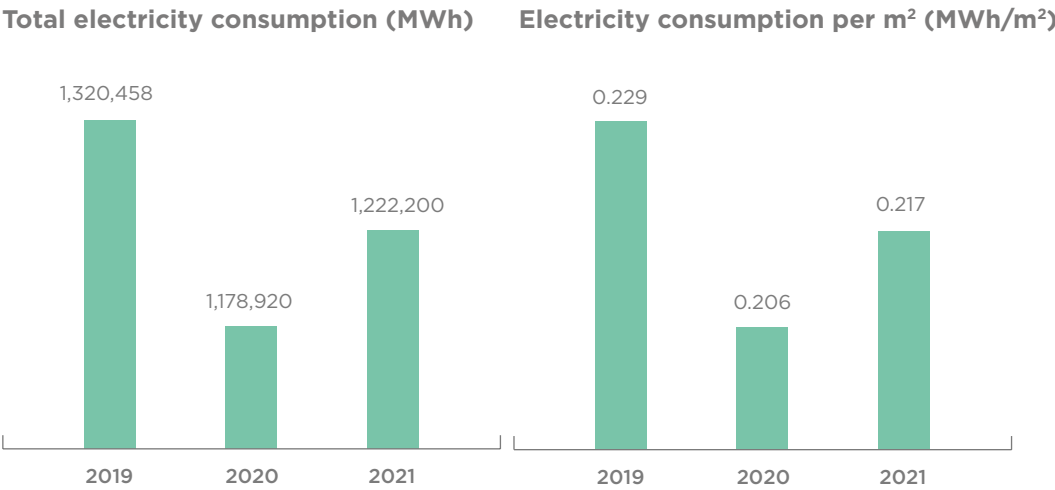
Over the past five years, the Group has cut consumption by more than 16.5%. This equates to a reduction in consumption of 243,436,457 kWh, about the amount consumed by some 75,100 homes.

Furthermore, at El Corte Inglés we continue to search for more sustainable energy solutions:

- In a bid to help contribute to the mobility of tomorrow, we installed new electric vehicle (EV) charging stations at our department stores. We had over 300 EV charging stations at year-end 2021. All of the power supplied is from renewable sources and from Spain.

In line with the commitment to energy efficiency included in its environmental commitment, not to mention its ongoing specialisation in power management, the Group participated directly in wholesale production markets through a director consumer, thus becoming more active involved in the energy sector.

The Group's electricity consumption<sup>15</sup>

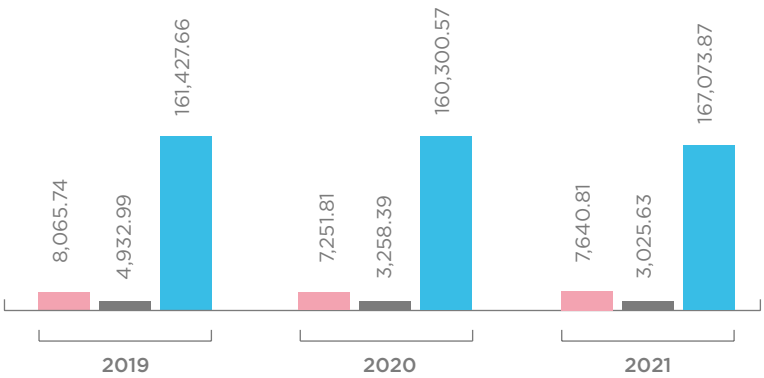


<sup>15</sup> The boundary for data includes the retail companies in Spain and Portugal, Insurance Group, El Corte Inglés Travel, and SICOR Group.

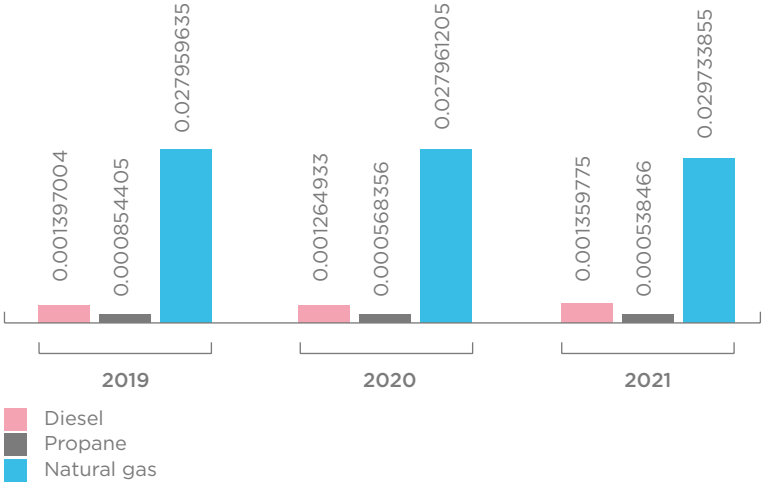


Fuel consumption<sup>16</sup>

Total fuel consumption (MWh)



Fuel consumption per m² (MWh/m²)



SUSTAINABLE WATER MANAGEMENT

[GRI 303-1] [GRI 303-2] [GRI 303-3] [GRI 303-4] [GRI 303-5] [GRI 306-1]

Given the nature of its operations, water consumption is one of El Corte Inglés Group’s smallest environmental impacts. The Group is committed to protecting the environment and in this spirit, we endeavour to ensure that this resource is used in a sustainable manner at our stores and establishments.

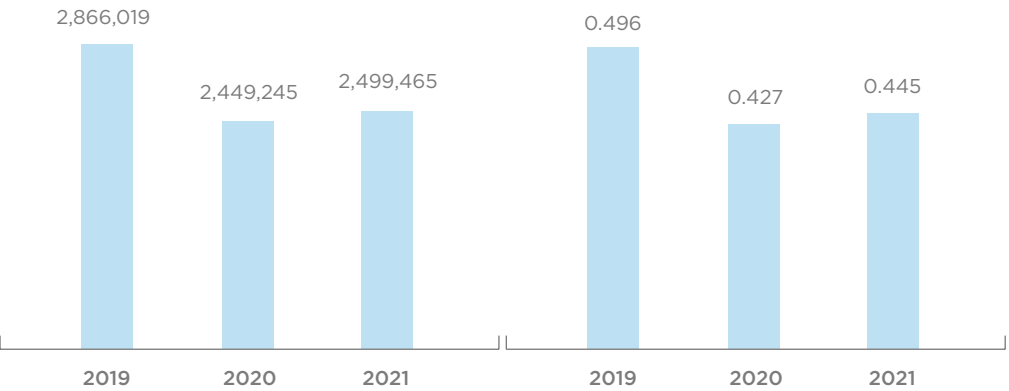
Our commitment:

Have a sustainable water management policy that includes recommendations for efficient and responsible use of this resources.

The water consumed at the Group’s establishments is supplied from public networks and has no impact on protected habitats. A total of 2,499,465m³ of water was consumed in 2021, up slightly from 2,449,245m³ in 2020.

Total water consumption (m³)

Water consumption per m² (m³/m²)



To preserve the quality of wastewater, we have a network of equipment using microbial fermentation and physical filtering treatments. The only significant discharge is of water from the toilets in department stores and offices, which in any event is discharged to the pertinent urban public network under the specific legal conditions.

For reject water (e.g. water from sinks at our stores), we carried out projects so we can use it internally and reintroduce it to the circuit.

El Corte Inglés Real Estate is the Group’s business unit involved in the development, construction and management of real estate assets. As such, its involvement with water is much greater. This unit has spent years working on measures to make better use of water, installing water-saving devices at points of consumption (e.g. tap diffusers, timers), reviewing discharge and flow levels, performing ongoing control of water quality of cooling towers to minimise consumption and adapting sanitary water cleaning and disinfection protocols to minimise waste during projects.

<sup>16</sup> The boundary for data includes the retail companies in Spain and Portugal, Insurance Group, El Corte Inglés Travel, and SICOR Group.

ENVIRONMENTAL CERTIFICATIONS

[GRI 102-11]

The Group’s various companies have environmental management systems in place, which are often certified in accordance with international standards or other certification schemes. The Group applies the precautionary principle through these systems, identifying the main environmental impacts it could potentially have and establishing appropriate procedures for prevention and control.

The table below lists the Group’s main environmental certifications, which increase each year.

AREA/COMPANY CERTIFIED	TYPE OF CERTIFICATION	SCOPE CERTIFIED	CERTIFIER
El Corte Inglés	Waste management traceability system <b>Zero Waste</b>	Establishments in: <ul style="list-style-type: none"><li>• Galicia</li><li>• Asturias</li><li>• Castile &amp; Leon</li><li>• Cantabria</li><li>• Aragon</li><li>• Navarre</li><li>• Basque Country</li><li>• Valencia</li><li>• Murcia</li><li>• Catalonia</li><li>• Balearic Islands</li><li>• Andalusia</li><li>• Extremadura</li><li>• Castellana department store (Madrid)</li></ul>	AENOR RC-2019/0001 AENOR RC-2020/0004 AENOR RC-2021/0004 AENOR RC-2021/0007 AENOR RC-2021/0017 AENOR RC-2021/0026 AENOR RC-2022/0008
El Corte Inglés- Grandes Armazéns	Waste management traceability system <b>Zero Waste</b>	Department stores: Lisbon and Gaia. Warehouses: Alcochete (Alcochete) and Olival (Gaia).	AENOR RC-2021/0011
El Corte Inglés Business Services	Environmental Management System <b>UNE-EN ISO 14001</b>	Sale of products for promotional campaigns, kitchen utensils, consumables, sanitary material and clothing for professionals. Sale of furniture, material and construction equipment to third parties. Storage and management of the distribution of this merchandise. Sites: <ul style="list-style-type: none"><li>• El Corte Inglés Business Services– Supplies, c/ Conde de Peñalver (Madrid) and Las Canteras (Madrid).</li><li>• El Corte Inglés Real Estate – External projects, c/ Conde de Peñalver (Madrid) and Las Canteras (Madrid).</li></ul>	AENOR GA-2007/0668
SICOR Security	Environmental management system <b>ISO 14001</b>	Video surveillance and alarm system design, assembly, installation and maintenance. Private surveillance service in Madrid.	BUREAU VERITAS ES118061-1
El Corte Inglés Travel	Environmental Management System <b>UNE-EN ISO 14001</b>	Business travel management	AENOR GA-021/0251
El Corte Inglés Travel	Carbon (CO <sub>2</sub> ) footprint calculated <b>ISO 14064-1</b>	Emissions from operations carried out by the organisation and workplaces located in Spain, including 333 agencies.	AENOR HCO-2021/0066

EU TAXONOMY

The EU’s growth strategy, the roadmap of which is provided by the European Green Deal, aims to transform the current economic model into a sustainable economy. Against this backdrop, sustainable finance is crucial for building a decarbonised economy to achieve the Paris Agreement’s and the UN’s Agenda 2030 goals. The EU’s action plan on financing sustainable growth is a step in this direction.

One of the plan’s key actions involves the EU Taxonomy, understood as a classification system for sustainable activities to redirect investments towards more sustainable businesses and technologies.

The EU Taxonomy regulatory framework comprises Regulation (EU) 2020/852 of the European Parliament and of the Council and delegated acts. Those applicable to 2021 are Delegated Regulation (EU) 2021/2139 (climate change mitigation or adaptation) and Commission Regulation (EU) 2021/2178 (information to be disclosed).

To classify which economic activities are sustainable, the Taxonomy defines those that contribute substantially to any of the six environmental objectives and the social objective needed for sustainable development.

The Taxonomy differentiates between economic activities that are:

- **Eligible:** those described in Commission Delegated Regulation (EU) 2021/2139 for their ability to contribute substantially to the related climate objective (mitigation and/or adaptation), irrespective of whether the economic activity meets any or all of the technical screening criteria.
- **Aligned:** eligible activities that, in addition to being covered in the Regulation, contribute substantially to an environmental objective and cause no significant harm to any of the other environmental objectives (protection of water, circular economy, pollution prevention, biodiversity) and meet the minimum social safeguards.

To date, the EU Taxonomy has only developed the environmental objectives of climate change mitigation and adaptation. Therefore, the disclosure requirements for el ejercicio 2021 outlined in Regulation (EU) 2020/852 of the European Parliament and of the Council only require organisations to identify the proportion of their Taxonomy-eligible and Taxonomy non-eligible economic activities in terms of turnover, CapEx (capital expenditure) and OpEx (operating expenditure) for these two environmental objectives. The alignment of these activities with the Regulation will be assess in subsequent years.

ELIGIBILITY ASSESSMENT

Taxonomy eligibility must be expressed in three financial KPIs, calculated as the proportion of turnover, CapEx and OpEx considered Taxonomy-eligible (numerator) divided by the Group’s total turnover, CapEx and OpEx defined by the Taxonomy (denominator).

According to Commission Delegated Regulation (EU) 2021/2178 on disclosure of Taxonomy information, the items and accounting policies used to calculate the numerator and denominator are:

- 1. **KPI related to turnover.** The proportion of turnover referred to in Article 8(2), point (a), of Regulation (EU) 2020/852 was calculated as the part of the net turnover derived from products or services, including intangibles, associated with Taxonomy-aligned economic activities (numerator), divided by the net turnover (denominator) as defined in Article 2, point (5), of Directive 2013/34/EU: “The amounts derived from the sale of products and the provision of services after deducting sales rebates and value added tax and other taxes directly linked to turnover”.

The turnover also covers the revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a), as adopted by Commission Regulation (EC) No 1126/2008.

In calculating the indicator for El Corte Inglés Group, the denominator included revenue and income from ordinary EU Taxonomy-eligible activities.

- 2. **KPI related to capital expenditure (CapEx).** The proportion of CapEx referred to in Article 8(2b) of Regulation (EU) 2020/852 was calculated as capital expenditure (intangible and tangible assets) related to assets or processes that are associated with Taxonomy-aligned economic activities and investments related to individual measures that enable or lead to greenhouse gas reductions that implemented and operational within 18 months (numerator) divided by total additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes (denominator). The denominator also covers additions to tangible and intangible assets resulting from business combinations.

For El Corte Inglés Group, these additions are described in notes 5 Property, Plant and Equipment, Notes 6 Property Investments and 8 Other intangible assets to the 2021 consolidated financial statements. Leases that do not lead to the recognition of a right-of-use over the asset were not counted.

- 3. **KPI related to operating expenditure (OpEx).** The proportion of OpEx referred to in Article 8(2b) of Regulation (EU) 2020/852 includes in the numerator the part related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development; and the part of operating expenditures related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures.

The denominator covers direct non-capitalised costs that relate to research and development, building renovation measures, short-term leases, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets. In addition to these items, non-financial undertakings that apply national generally accepted accounting principles and are not capitalising right-of-use assets must include lease costs.

The KPIs were calculated based on an assessment performed to identify El Corte Inglés Group’s eligible economic activities, which involved consultation with external experts. The eligibility criteria were reviewed by the external verified of our 2021 Non-financial statement. The amounts allocated to each activity were obtained from the accounting records of the related Group companies; i.e. the amounts of turnover, CapEx and OpEx based on the previous definitions fully linked to the eligible activities. Amounts of unidentified items were considered to be immaterial. Data of the consolidated KPIs (turnover, CapEx and OpEx) were obtained from the 2021 consolidated financial statements.



El Corte Inglés. Santa Cruz de Tenerife.

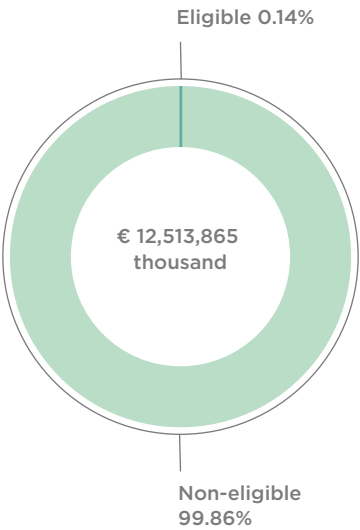


EU Taxonomy activities	Description of the EU activity	Remarks regarding ECI Group activities
4.1 Electricity generation using solar photovoltaic technology	Construction or operation of electricity generation facilities that produce electricity using solar photovoltaic (PV) technology.	Turnover from electricity generated at buildings with solar PV panels installed
5.5 Collection and transport of non-hazardous waste in source segregated fractions	Separate collection and transport of non-hazardous waste in single or comingled fractions aimed at preparing for reuse or recycling.	Activities related to the Zero Waste circular economy programme
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	Purchase, financing, renting, leasing and operation of vehicles designated as category M1 and N1, both falling under the scope of Regulation (EC) No 715/2007 of the European Parliament and of the Council, or L (2- and 3-wheel vehicles and quadricycles).	Leasing/renting of the related category of vehicles
6.6 Freight transport services by road	Purchase, financing, leasing, rental and operation of vehicles designated as category N1, N2 or N3 falling under the scope of EURO VI, step E or its successor, for freight transport services by road.	Acquisition and rental/leasing under an operating leases of the related category of transport equipment
7.1 Construction of new buildings	Development of building projects for residential and non-residential buildings by bringing together financial, technical and physical means to realise the building projects for later sale as well as the construction of complete residential or non-residential buildings, on own account for sale or on a fee or contract basis.	CapEx related to the Group's building construction projects
7.2 Renovation of existing buildings	Construction and civil engineering works or preparation thereof.	CapEx and OpEx related to the Group's building and infrastructure refurbishment and maintenance projects
7.3 Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting in installation, maintenance or repair of energy efficiency equipment.	CapEx related to the installation, maintenance and repair of energy efficiency equipment in the Group (e.g. replacements of accumulators and inter-accumulators, recirculation pumps, etc.)
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	Installation, maintenance and repair of charging stations for electric vehicles in buildings and parking spaces attached to buildings.	Installation and operation of electronic vehicle recharging stations
7.6 Installation, maintenance and repair of renewable energy technologies	Installation, maintenance and repair of renewable energy technologies, on-site.	Photovoltaic panels
7.7 Acquisition and ownership of buildings	Buying real estate and exercising ownership of that real estate.	CapEx, turnover and OpEx related to leases and right-of-use assets (recognised in accordance with IFRS 16) of spaces in buildings owned by, or under the control of, Group companies
8.1 Data processing, hosting and related activities	Storage, manipulation, management, movement, control, display, switching, interchange, transmission or processing of data through data centres, including edge computing.	CapEx related to the Alcalá de Henares DPC and IT development projects, OpEx for DPC, hosting and Cloud hosting services, etc. And turnover mainly from hosting services.

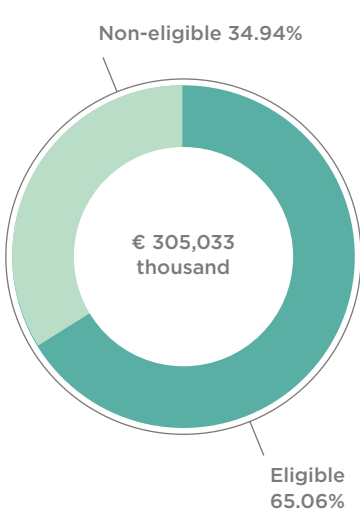
The results of the assessment taking the El Corte Inglés Group scope of consolidation in 2021 are described below. To avoid double counting, where an El Corte Inglés Group activity in 2021 was identified that, according to the above-mentioned criteria, could qualify as eligible for different Taxonomy-eligible economic activities, the core business of the activity was considered for disclosure of the related financial indicators.

For El Corte Inglés Group, **0.14%** of turnover, **65.06%** of CapEX and **28.10%** of OpEx are Taxonomy-eligible. Accordingly, El Corte Inglés Group’s activities have scant representation in the list of economic activities of the Taxonomy Delegated Regulation for climate change mitigation and adaptation objectives. This does not, in any case, imply that the Group’s activities are considered environmentally harmful, but rather that their contribution to climate change adaptation and mitigation, as defined by the EU Taxonomy, is not considered substantial.

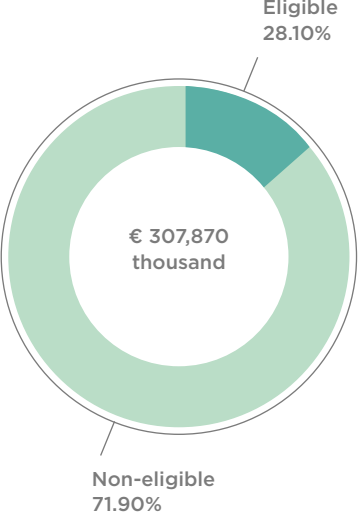
Turnover



CapEx



OpEx



The following table provides detailed disclosure of the financial indicators calculated.

Sustainable economic activities according to the EU Taxonomy	Turnover (%)	CapEX (%)	OpEX (%)
A - TAXONOMY ELIGIBLE ACTIVITIES	0.14%	65.06%	28.10%
4-Energy	0.0003%		
4.1. Electricity generation using solar photovoltaic technology	0.0003%		
5-Water supply, sewage, waste management and remediation activities		0.1310%	
5.5. Collection and transport of non-hazardous waste in source segregated fractions		0.1310%	
6-Transport		0.0384%	0.7035%
6.5. Transport by motorbikes, passanger cars and light commercial vehicles			0.2402%
6.6. Freight transport services by road		0.0384%	0.4633%
7-Construction and Real Estate	0.0904%	26.7127%	18.4553%
7.1. Construction of new buildings		0.1493%	18.4284%
7.2. Renovation of existing buildings		25.6851%	0.0269%
7.3. Installation, maintenance and repair of energy efficiency equipment		0.3262%	
7.4. Installation, maintenance or repair of charging station for electric vehicles in buildings (and parking spaces attached to buildings)		0.0089%	
7.6. Installation, maintenance and repair of renewable energy technologies		0.5431%	
7.7. Acquisition and ownership of buildings	0.0904%		
8-Information and communication	0.0497%	38.1749%	8.9411%
8.1. Data processing, hosting and related activities	0.0497%	38.1749%	8.9411%
B - TAXONOMY NON-ELIGIBLE ACTIVITIES	99.86%	34.94%	71.90%
TOTAL (A+B)	100.00%	100.00%	100.00%

The future publication of the technical screening criteria for the rest of the environmental and social objectives will expand Taxonomy reporting by organisations in the coming years, extending the consideration of “sustainable” to other activities, such as those carried on by El Corte Inglés Group.

El Corte Inglés Group’s main contribution to sustainable development, by type of activity carried out, focuses on the transition to a circular economy. Therefore, the Group is likely to deliver more noteworthy results for this Taxonomy objective.



Woman fashion. El Corte Inglés. Burgos.





# Risk and Opportunity Management

[GRI 102-11] [GRI 102-15] [GRI 102-29] [GRI 102-30] [GRI 102-33]  
[GRI 102-34] [GRI 102-44] [GRI 201-2] [GRI 403-2]

EL Corte Inglés is a global, diversified enterprise. As such, identifying, assessing and controlling risks effectively is paramount for it to address those that could impact the business.

We have an integrated risk control and management system in place to monitor and classify current and emerging risks so we can act accordingly, addressing potentially adverse impacts and seizing the opportunities that could arise from our assessment.



This system is in place and supervised regularly by the Audit and Control Committee, under the responsibility of the Board of Directors.

The main achievements in risk control and management in 2021 included:

- Improving our approach to evaluating the criticality of risks.
- Identifying and monitoring, on an ongoing basis, certain corporate risks through KPI dashboards
- Strengthening the task force for coordinated management of the various risk control and management models in place in the Group that are monitored using a single shared platform (SAP GRC).
- Making improvements to the identification and definition of IT risks and controls and continuous monitoring through the corporate SAP GRC tool.
- Strenghtening the information security risk control and management model through SAP GRC.
- Rolling out updated risk maps (Corporate Risk Map and risk maps of several Group subsidiaries)
- Analysis and monitoring, on a recurring basis, the most significant risks identified in leading Spanish and international journals and/or publications to assess their potential impact on our risk map.
- Training and raising awareness, on an ongoing basis, among executives about risk control and management.

Our business environment is constantly changing and adapting, which forces us to continuously improve and take action, such as formally drawing up the business continuity plan, control policies and procedures related to access, segregation of duties, cybersecurity operational measures, changes in applicable regulations, etc.

The Risk Control and Compliance Committee held four meetings in 2021, at which it took decisions related to the integrated risk control and management system.

PRINCIPAL RISKS

Once risks are identified, they are then classified by importance based on their potential impact (financial, reputational and/or on corporate responsibility) and the likelihood they could materialise. Taking the most widely used benchmark models, we classified risks in four large categories:

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

\* Risks with significant ESG (environmental, social and governance) impact

We identified, classified and assessed each risk, then drew up the necessary procedures for their early detection based on key indicators to avoid them or to mitigate the adverse effects if they materialised. Our system is aligned with the ERM-COSO (Enterprise Risk Management-Committee of Sponsoring Organizations of the Treadway Commission) model.

STRATEGIC

Social and political environment

Potential 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 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 consumer goods and services retail. 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, social and political risk has had an unprecedented impact on global tourism. Hit especially hard, El Corte Inglés Travel has worked towards promoting safe and responsible tourism that complies 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 cope with the restrictions and measures implemented. 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, etc.) 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 business lines 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 CSR standards through appropriate environmental management and energy efficiency.

The demographic challenge poses another significant risk, with populations in some Spanish cities declining and baby boomers retiring, resulting in a huge loss of purchasing power. This issue 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 constantly 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, such as a 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 in, operation of, holding and, as appropriate, divestment of properties. 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 has caused real estate management risk to rise as our establishments have seen activity fall sharply and the number of transactions decline. However, as the situation improves, real estate transactions and the serviceability of properties should recover.

OPERATIONAL

Supply and logistics chain

Our customers have become more omnichannel (demanding immediately delivery) and socially responsible, and this impacts the Group’s purchasing and logistics. This behaviour has become more evident in the last couple of years because of the Covid-19 outbreak, with the increase in online sales posing logistical challenges (especially last-mile and reverse logistics). Accordingly, the Group is committed to rising to the challenges and is looking at the opportunities that may arise in the new paradigm. An example is the creation of the new ECI Advanced Logistics business line.

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 or 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 or 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 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 during the year because of the heath crisis. We implemented specific health-protection measures, not just for our employees, but also our customers, suppliers and external partners. 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. This further illustrates how El Corte Inglés was ability to find opportunities amid the changing environment. It turned working from home into a source of improvement in employees’ conditions through greater flexibility, thus achieving a high level of efficiency.

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, for instance, 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. Our stakeholders are lobbying more and more for solidarity-based management of local, regional, national and international taxes.

The Group has several automatic and manual prevention and detection controls in place.

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. It has a Compliance Function that works together with the entire company to identify, assess, measure and oversee the different compliance risks. The Compliance area groups its work into two major categories:

- Internal rules and regulations
- Legislation:
  - 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 external and/or internal rules and regulations affecting the Group’s various areas.

Specific compliance-related actions are presented in the “Compliance function” section of the “Our governance” chapter.





# Reporting Principles and Transparency

## PRINCIPLES USED TO PREPARE THE REPORT

This report has been prepared using the Global Reporting Initiative (GRI) Standards for sustainability reporting, in accordance with the GRI Standards: Core option. It also took into consideration the principles of the United Nations Global Compact, of which El Corte Inglés is a signatory since 2002, and the Sustainable Development Goals (SDGs).

The report addresses the recommendations of the Spanish National Securities Market Commission's *Guide for the preparation of management reports of listed companies*, and Law 11/2018 on non-financial and diversity reporting.

The main principles applied to prepare this report were:

Principles of report content	Stakeholder inclusiveness	ECI Group maintains ongoing dialogue with stakeholders through a variety of communication channels to gain insight into their demands and expectations and respond accordingly.
	Sustainability context	The Group is fully committed to sustainability and CSR. This is reflected in the 2021-2025 Sustainability and CSR Master Plan, which places sustainability at the heart of the company's strategy.
	Materiality	The Group updated the materiality assessment in 2021 to ensure that the material topics identified were aligned with stakeholders' 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 with other sector companies that adhere to these standards, and analyse the Group's performance on certain material issues.
	Reliability	The Non-Financial Statement (NFS) 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.

MATERIALITY ASSESSMENT

[GRI 102-44] [GRI 102-47]

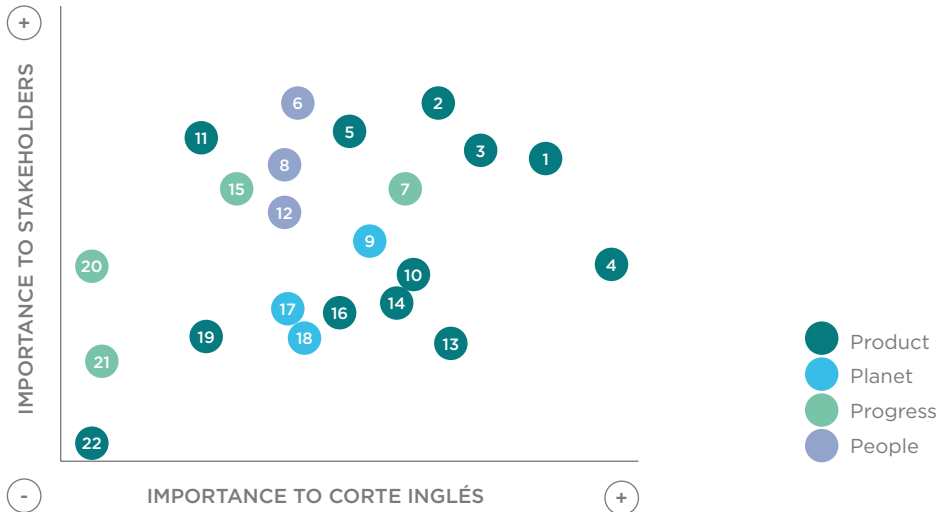
In line with the principles of the GRI standard, the Non-financial Report responds to the expectations and needs that El Corte Inglés Group stakeholders have identified as relevant topics.

Taking as a starting point the 2019 materiality assessment, we made updates the next two years to align the findings with expectations in the current situation.

- The materiality assessment performed in 2019 consisted of interviewing internal and external stakeholders, and reviewing regulatory framework and industry trends, sustainability index requirements and non-financial reporting standards.
- In 2020, we assessed the potential impact of the Covid-19 health crisis on material topics and in 2021 we reviewed the changes in rating agency requirements, trends in regulation and stakeholder expectations.

The material topics identified that are most relevant to El Corte Inglés Group in 2021 are shown below, together with their level of internal and external importance. The topics were grouped around El Corte Inglés Group's four lines of action in sustainability: Product, Planet, Progress and People.

2021 Materiality matrix



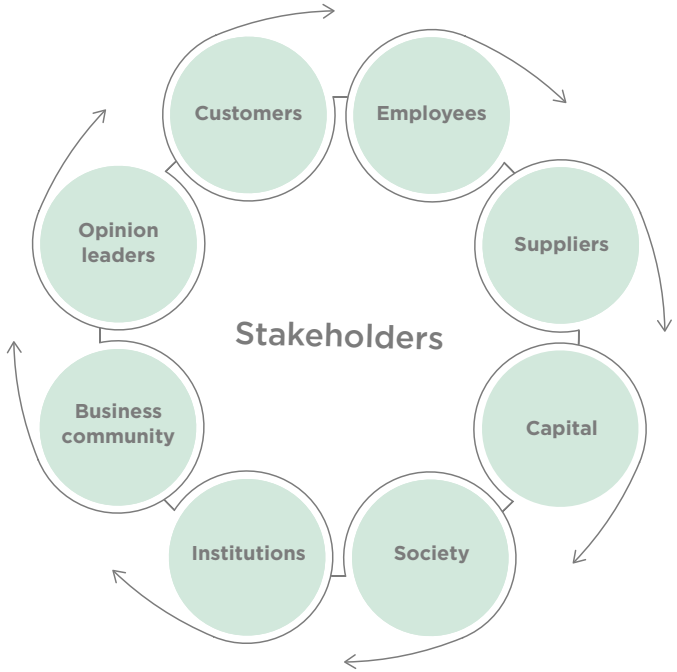
Boundary	Scope	Material topics
Product	Customer well-being and satisfaction	4. Customer service and service excellence
		11. Customer loyalty
	Compliance	3. Cybersecurity and information security
		1. Confidentiality and data protection
		14. Consumer regulations
	Responsible products and services	5. Product safety
		13. Adaptation, promotion, transparent reporting and encouragement of responsible consumer behaviour
		16. Eco-design and sustainable product and service innovation
		22. ESG criteria in investments (El Corte Inglés Insurance Group-specific)
	Responsible supply chain	2. Supply chain human rights management
		10. Supply chain traceability and sustainability criteria
Planet	Climate change	9. Climate-related risks
	Circular economy	17. Sustainable containers and packaging
		18. Zero Waste
Progress	Good governance and transparency	7. Good practices in corporate governance and ethical conduct
	Responsible performance and socio-economic impact of the business	20. Responsible economic performance
		15. Responsible tax behaviour
	Brand	21 - Brand identity
People	Committed Team	6. Equal opportunities, diversity and inclusion
		8. Work-life balance and shared responsibility
		12. Health and safety

El Corte Inglés Group plans to carry out a thorough review of the material assessment in 2022 following a “double materiality” approach. With this approach, it can assess the impacts of the topics identified on the Group’s performance and El Corte Inglés Group’s impact on its environment and society.

STAKEHOLDER ENGAGEMENT

[GRI 102-3] [GRI 102-43]

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. Feedback provided in communications was used in preparing this report and helped the Group’s design its strategy.



Customers	Consumers of our products and services: <i>our raison d’etre</i> .
Opinion leaders	Media, analysts and social media influencers. They provide the quickest way to communicate with the rest of our stakeholders.
Business community	Spanish and international business associations and bodies with which we share experiences.
Institutions	The governments and local, regional and international representatives with which we work for the betterment of society.
Employees	Our team is the Group’s main asset for carrying on its business.
Suppliers	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. We include rating agencies in this block, as they are essential for drawing up and managing our agenda.
Society	Local communities, NGOs, academia, civil society and environmental organisations.



El Corte Inglés Group uses a broad range of communication channels to notify each of its stakeholder groups of its most important developments and news:

- Customer service department
- Social media
- Corporate website
- El Corte Inglés store websites and app
- Whistle-blowing channel
- Complaint box
- Surveys
- Forums
- Events
- 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 2021.

The 3rd Active Stakeholder Participation day of 2021 was held on 17 February 2022, via streaming. The event was designed above all to present El Corte Inglés Group’s sustainability and CSR strategies. The virtual meeting was attended by more than 200 representatives of 40 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 (a score of 4.5 out of 5). 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 <a href="http://www.elcorteingles.es">www.elcorteingles.es</a>
SPECIFIC COMMUNICATION CHANNELS
E-commerce
<b>Telephone:</b> 900 373 111 available 365 days a year  <b>E-mai:</b> <a href="mailto:clientes@elcorteingles.es">clientes@elcorteingles.es</a>
General information about El Corte Inglés
<b>Telephone:</b> 900 373 900 Monday - Saturday, 9:00 a.m. to 10:00 p.m. Sunday, 10:00 a.m. to 9:00 p.m.  <b>E-mai:</b> <a href="mailto:servicio_clientes@elcorteingles.es">servicio_clientes@elcorteingles.es</a>
Media, sponsorships and patronage
Service exclusively for media and matters related to sponsorships and patronage  <b>Switchboard:</b> 914 018 500 Monday to Friday, 9:30 a.m. to 2:00 p.m. and 4:00 p.m. to 6:30 p.m.  <b>Sponsorship email:</b> <a href="mailto:comunicacionelcorteingles@elcorteingles.es">comunicacionelcorteingles@elcorteingles.es</a>  <b>Correo electrónico patrocinio:</b> <a href="mailto:patrocinio@elcorteingles.es">patrocinio@elcorteingles.es</a>

Lastly, to integrate everyone and in keeping with our commitment to non-discrimination, we have a free telephone number specifically to provide preferential treatment to customers with disabilities. This number is 900 293 611 and it is available Monday-Sunday from 9:00 a.m. to 10:00 p.m.



OUR CAMPAIGNS

We know our advertising campaigns reach millions of people, so we put a great deal of effort into planning, designing and carrying them out, in line with our commitment to the world around us.

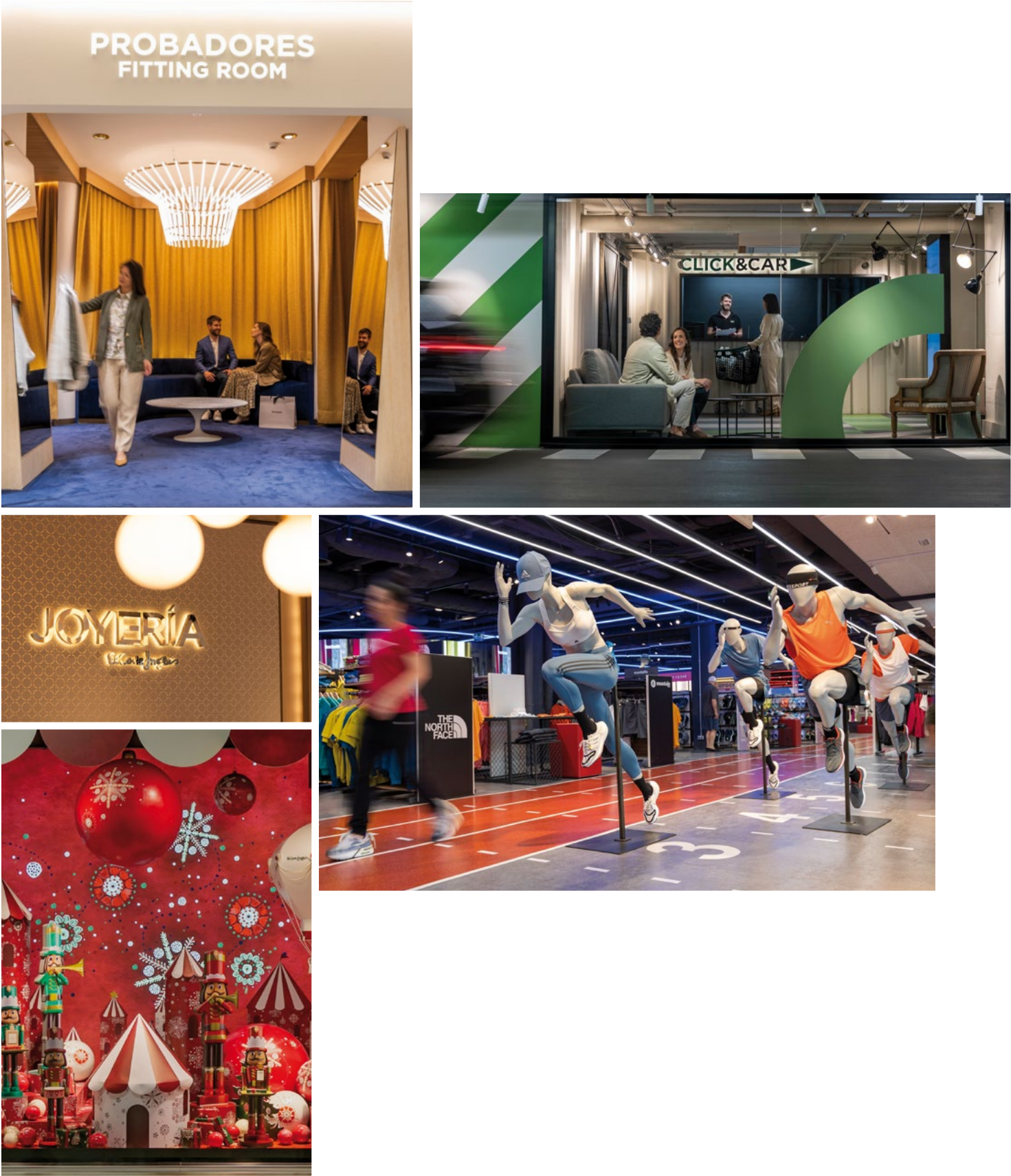




OUR ‘EVER-CHANGING’ STORES

Our goal is to offer customers the best shopping experience. To achieve this, we revamped stores in several ways and introduced myriad innovations last year.

Several enhancements are already on display at the Barcelona, Burgos, Madrid, Badajoz, Seville, Tenerife, Bilbao, Las Palmas, Girona, Córdoba and Marbella stores.









SURPRISING CUSTOMERS WITH UNIQUE EXPERIENCES

Visiting our stores goes way beyond just enjoying maximum quality service; we want to take customers on an experiential journey when they come to our stores and give them a lasting impression when they leave.





# APPENDICES



I. NON-FINANCIAL INDICATORS

OUR GOVERNANCE

INDICATOR	Female	Male
Average remuneration by gender of members of the Board of Directors in 2021		
Remuneration associated with the performance of director duties	€1,375,982	€735,849
Wages and salaries*	€321,052	€830,706
Average remuneration excluding termination benefits	€1,697,034	€1,566,555
Termination benefits	-	-
Average remuneration 2021	€1,697,034	€1,566,555
Average remuneration by gender of members of the Board of Directors in 2020		
Average remuneration 2020*	€1,558,149	€1,257,358
Average remuneration by gender of members of the Board of Directors in 2019		
Average remuneration 2019	€1,150,849	€2,812,057

\*: Does not include the amount of the CEO’s incentive plan.

OUR CUSTOMERS

INDICATOR	2021	2020	2019
Product quality and safety			
Number of food safety audits at our establishments	1,200	882	1,194
Customer incident management			
Number of incidents	485,022	784,395	307,317

OUR TEAM<sup>17</sup>

INDICATOR	2021	2020	2019
Workforce breakdown by gender			
Female	50,544	51,646	55,542
Male	29,260	29,168	29,701
Total	79,804	80,814	85,243

INDICATOR	2021	2020	2019
Workforce breakdown by country			
Spain	74,728	75,902	79,839
Portugal	3,372	3,164	3,355
Mexico	999	961	1,152
China	157	173	186
Chile	117	127	162
Bangladesh	74	84	85
India	52	57	58
Colombia	52	53	72
Greece	41	40	46
Argentina	30	32	36
Vietnam	29	34	36
Poland	26	30	38
Morocco	21	25	26
Turkey	21	21	24
Peru	19	20	28
Hong Kong	13	16	15
Panama	11	12	18
United States	10	23	23
Ecuador	10	11	13
France	8	10	10
Italy	6	7	7
Uruguay	5	9	10
Dominican Republic	3	3	4
Bulgaria	-	-	-
Total	79,804	80,814	85,243
Workforce breakdown by age			
Under 30	9,908	8,684	12,427
30 to 50	46,097	47,323	49,571
Over 50	23,799	24,807	23,245
Total	79,804	80,814	85,243
Workforce breakdown by job category			
Executives and managers	-	92	112
Middle managers and coordinators	-	11,594	11,804
Skilled professionals	-	3,737	3,982
Professionals	-	58,485	58,827
Staff	-	6,906	10,518
Total	-	80,814	85,243

<sup>17</sup> Figures for 2021 for employee indicators related to distribution by job category are included in the Our team chapter. The Group reclassified its job categories in 2021 to adapt to Royal Decree 902/2020 (of 13 October 2020) on equal pay for men and women. As a result, executives and managers were included in the category of Managers. Data for 2021 are not comparable with prior periods given the difficulty recalculating figures for 2020 and 2019.

INDICATOR		2021	2020	2019
Workforce breakdown by area				
Sales		58,256	62,550	67,732
Administration		11,809	8,795	9,812
Services		9,739	9,469	7,699
Total		79,804	80,814	85,243
Workforce breakdown by business line				
Retail		68,956	71,262	77,350
Travel Group		5,641	5,879	6,329
Insurance Group		1,601	1,438	1,347
SICOR Group		3,419	2,069	N/A
Other		187	166	217
Total		79,804	80,814	85,243
Workforce breakdown by seniority				
Less than 5 years		19,451	16,756	21,836
From 5 to 15 years		16,674	19,839	22,694
Over 15 years		43,679	44,219	40,713
Total		79,804	80,814	85,243
Workforce breakdown by contract type and gender				
Permanent contracts	Female	47,280	49,049	49,537
	Male	26,977	27,360	26,529
Temporary contracts	Female	3,264	2,597	6,005
	Male	2,283	1,808	3,172
Workforce breakdown by contract type and age				
Permanent contracts	Under 30	6,957	6,225	6,611
	30 to 50	43,776	45,566	46,542
	Over 50	23,524	24,618	22,913
Temporary contracts	Under 30	2,951	2,458	5,816
	30 to 50	2,321	1,759	3,029
	Over 50	275	188	332
Workforce breakdown by contract type and job category				
Permanent contracts	Executives and managers	-	92	112
	Middle managers and coordinators	-	11,562	11,726
	Skilled professionals	-	3,689	3,793
	Professionals	-	56,800	55,953
	Staff	-	4,266	4,482
Temporary contracts	Executives and managers	-	0	0
	Middle managers and coordinators	-	32	78
	Skilled professionals	-	48	189
	Professionals	-	1,685	2,874
	Staff	-	2,640	6,036

INDICATOR			2021	2020	2019
Workforce breakdown by employment type and gender					
Full-time	Female		30,790	31,509	33,151
	Male		25,594	26,191	26,159
Part-time	Female		19,754	20,137	22,391
	Male		3,666	2,977	3,542
Workforce breakdown by employment type and age					
Full-time	Under 30		5,735	5,670	7,599
	30 to 50		32,227	32,678	33,858
	Over 50		18,422	19,352	17,853
Part-time	Under 30		4,173	3,013	4,828
	30 to 50		13,870	14,647	15,713
	Over 50		5,377	5,454	5,392
Workforce breakdown by employment type and job category					
Full-time	Executives and managers		-	91	107
	Middle managers and coordinators		-	10,796	10,942
	Skilled professionals		-	3,071	3,247
	Professionals		-	39,451	39,092
	Staff		-	4,419	5,922
Part-time	Executives and managers		-	1	5
	Middle managers and coordinators		-	798	862
	Skilled professionals		-	666	735
	Professionals		-	19,034	19,735
	Staff			2,487	4,596
Average annual contracts by contract type, employment type and gender <sup>18</sup>					
Permanent contracts	Full-time	Female	28,880	29,721	29,842
		Male	24,135	24,496	24,495
		Total	53,015	54,216	54,337
	Part-time	Female	18,893	19,542	20,808
		Male	2,771	2,567	2,699
		Total	21,664	22,110	23,508
Temporary contracts	Full-time	Female	1,648	2,108	3,452
		Male	1,246	1,469	2,006
		Total	2,895	3,577	5,458
	Part-time	Female	1,230	1,240	2,344
		Male	861	559	1,114
		Total	2,091	1,799	3,458

<sup>18</sup> 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, data for averages considered all staff weighted by length of service. Therefore, the total is the sum of the breakdowns.

INDICATOR			2021	2020	2019
Average annual contracts by contract type, employment type and age <sup>18</sup>					
Permanent contracts	Full-time	Under 30	3,595	4,005	4,270
		30 to 50	31,021	31,024	32,108
		Over 50	18,398	19,187	17,959
		Total	53,015	54,216	54,337
	Part-time	Under 30	2,325	2,177	2,464
		30 to 50	13,600	14,192	15,278
		Over 50	5,739	5,741	5,766
		Total	21,664	22,110	23,508
Temporary contracts	Full-time	Under 30	1,476	1,932	3,075
		30 to 50	1,278	1,487	2,172
		Over 50	141	158	211
		Total	2,895	3,577	5,458
	Part-time	Under 30	1,432	1,285	2,702
		30 to 50	577	466	655
		Over 50	82	48	102
		Total	2,091	1,799	3,458
Average annual contracts by contract type, employment type and job category <sup>18</sup>					
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
		Total	-	54,216	54,337
	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
		Total	-	22,110	23,508
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
		Total	-	3,577	5,458
	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
		Total	-	1,799	3,458

INDICATOR		2021	2020	2019					
Employees with disabilities									
Total		1,367	1,223	1,393					
Breakdown of involuntary terminations decided on unilaterally by gender									
Female		373	306	759					
Male		397	296	545					
Total		770	602	1,304					
Breakdown of involuntary terminations decided on unilaterally by age									
Under 30		164	50	115					
30 to 50		389	310	707					
Over 50		217	242	482					
Total		770	602	1,304					
Breakdown of involuntary terminations decided on unilaterally by job category									
Executives and managers		-	0	9					
Middle managers and coordinators		-	161	274					
Skilled professionals		-	47	83					
Professionals		-	351	834					
Staff		-	43	104					
Total		-	602	1,304					
Average hours of training by job category and gender									
Executives and managers	Average hours - women	-	96.9	2.9					
	Average hours - men	-	10.2	36.5					
	Total hours of training	-	1,371	3,917					
Middle managers and coordinators	Average hours - women	-	18.1	27.6					
	Average hours - men	-	14.3	26.3					
	Total hours of training	-	176,187	305,041					
Skilled professionals	Average hours - women	-	20.2	29.7					
	Average hours - men	-	17.7	27.5					
	Total hours of training	-	71,859	115,080					
Professionals	Average hours - women	-	11.0	13.8					
	Average hours - men	-	9.9	14.4					
	Total hours of training	-	607,906	798,197					
Staff	Average hours - women	-	27.1	25.5					
	Average hours - men	-	17.5	18.8					
	Total hours of training	-	154,550	234,981					
Average gross remuneration by job category									
	2021			2020			2019		
	F	M	Av.	F	M	Average	F	M	Average
Executives and managers	-	-	-	192,960	256,905	254,725	200,209	269,920	268,070
Middle managers and coordinators	-	-	-	34,268	44,670	40,830	35,106	45,647	42,659
Skilled professionals	-	-	-	31,856	35,710	33,278	31,268	35,509	34,749
Professionals	-	-	-	19,304	20,833	19,744	19,752	21,121	20,183
Staff	-	-	-	15,289	14,909	15,140	15,640	15,258	15,503
Total	-	-	-	20,848	28,047	23,368	20,973	28,156	24,055



INDICATOR	2021	2020	2019		
Average remuneration by age <sup>19</sup>					
Under 30	-	15,749	15,943		
30 to 50	-	21,738	22,158		
Over 50	-	28,809	29,909		
Total	-	23,368	23,473		
Breakdown of female workers by job category					
Executives and managers (%)	-	5.4	4.5		
Middle managers and coordinators (%)	-	37.4	37.1		
Skilled professionals (%)	-	62.9	62.9		
Professionals (%)	-	69.9	71.2		
Staff (%)	-	59.3	64.3		
Breakdown of female workers by age					
Under 30 (%)	57.1	56.4	60.6		
30 to 50 (%)	66.1	66.7	67.9		
Over 50 (%)	60.5	61.2	61.6		
Employees entitled to parental leave					
Employees entitled to and who took maternity/paternity leave (%)	83.1	96.2	96.7		
Employees that returned to work (%)	74.4	77.6	79.1		
Retention rate (1 year after) (%)	73.9	85.3	86.4		
Absentee rate (common illness + non-occupational accidents) by company and gender <sup>22</sup>					
	F (21)	M (21)	T (21)	TOTAL (20)	TOTAL (19)
El Corte Inglés <sup>20</sup>	6.92	4.50	5.99	6.74	4.74
El Corte Inglés-Grandes Armazéns	0.00	0.00	0.01	-	-
Supercor	6.26	5.82	6.09	7.21	5.54
Sfera	-	-	-	3.78	4.67
Insurance Brokerage	10.64	6.76	9.49	8.44	4.59
El Corte Inglés Insurance	6.39	1.97	4.75	4.13	3.16
El Corte Inglés Travel	3.94	3.99	3.95	4.27	3.70
Club de vacaciones	1.34	0.37	1.13	-	-
Tourmundial	4.27	2.38	3.81	-	-
Number of hours of absenteeism (corporate + non-occupational accidents)			2021	2020	2019
Total			6,798,241.66	8,889,500.97	-
Number of hours of absenteeism due to occupational accidents			2021	2020	2019
Total			238,663.41	235,271.8	-
Number of cases of occupational accidents with lost days			2021	2020	2019
Female			768	800	930
Male			635	546	642
Total			1,403	1,346	1,572

<sup>19</sup> Unlike previous years, figures for average remuneration in 2021 were provided by El Corte Inglés Group stores in the Our team chapter.  
<sup>20</sup> Unlike in 2019 and 2020, figures for El Corte Inglés in 2021 include data for Sfera after the information was uploaded to the El Corte Inglés systems.

INDICATOR	2021	2020	2019		
Number of work-related fatalities <sup>21</sup>					
Female	0	0	0		
Male	0	2	0		
Total	0	2	0		
Number of cases of occupational disease					
Female	10	19	29		
Male	7	7	19		
Total	17	26	48		
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 <sup>22</sup>					
Injury rate: (No. of injuries/total hours worked) *1,000,000	F (21)	M (21)	T (21)	TOTAL (2020)	TOTAL (2019)
El Corte Inglés	10.58	13.96	11.90	11.85	12.94
El Corte Inglés-Grandes Armazéns	4.72	8.02	5.71	18.57	-
Supercor	19.52	21.42	20.36	18.47	28.14
Sfera	-	-	-	2.92	10.42
Insurance Brokerage	2.22	1.67	2.05	0.00	1.15
El Corte Inglés Insurance	0.00	0.00	0.00	3.46	7.99
El Corte Inglés Travel	0.52	0.66	0.55	1.70	2.32
Club de vacaciones	0.00	0.00	0.00	-	-
Tourmundial	0.00	0.00	0.00	-	-
Severity rate: (Lost days/working hours) *1,000	F (21)	M (21)	T (21)	TOTAL (2020)	TOTAL (2019)
El Corte Inglés	0.27	0.31	0.29	0.27	0.26
El Corte Inglés-Grandes Armazéns	0.39	0.77	0.50	0.49	0.26
Supercor	0.30	0.33	0.31	0.31	0.50
Sfera	-	-	-	0.02	0.16
Insurance Brokerage	0.01	0.01	0.01	0.00	0.02
El Corte Inglés Insurance	0.00	0.00	0.00	0.09	0.05
El Corte Inglés Travel	0.01	0.01	0.01	0.08	0.06
Club de vacaciones	0.00	0.00	0.00	-	-
Tourmundial	0.00	0.00	0.00	-	-

<sup>21</sup> The two deaths recorded in 2020 were caused by cardiovascular accidents.  
<sup>22</sup> Unlike in 2019 and 2020, figures for El Corte Inglés in 2021 include data for Sfera after the information was uploaded to the El Corte Inglés systems. Figures for Sfera for 2020 were 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 Bricor from 1 October 2019.

Incidence rate: (No. of incidents/total employees)*100	F (21)	M (21)	T (21)	TOTAL (2020)	TOTAL (2019)
El Corte Inglés	1.15	1.76	1.37	1.42	1.47
El Corte Inglés-Grandes Armazéns	4.72	8.03	5.71	3.40	1.47
Supercor	2.11	2.47	2.26	2.06	2.96
Sfera	-	-	-	0.27	1.02
Insurance Brokerage	0.22	0.18	0.21	0.00	0.13
El Corte Inglés Insurance	0.00	0.00	0.00	0.38	1.16
El Corte Inglés Travel	0.08	0.11	0.08	2.76	0.18
Club de vacaciones	0.00	0.00	0.00	-	-
Tourmundial	0.00	0.00	0.00	-	-

Employees covered by collective bargaining agreements by country in 2021 <sup>23</sup>

Country	Percentage of employees covered
Spain	100%
Portugal	100%
Mexico	-
China	-
Chile	-
Bangladesh	-
India	-
Colombia	-
Greece	-
Argentina	-
Vietnam	-
Poland	-
Morocco	-
Turkey	-
Peru	-
Hong Kong	-
Panama	-
United States	-
Ecuador	-
France	100%
Italy	100%
Uruguay	-
Dominican Republic	-
Bulgaria	-

SOCIETY

	2021					
	Taxes borne (€000)			Taxes collected (€000)		
	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
Alemania	-	-	-	-	-	8.7
Saudi Arabia	6.4	-	-	-	-	-
Argentina	0.1	-	28.1	6.4	30.0	91.1
Bangladesh	-	-	-	129.7	-	67.4
Belgium	-	-	-	-	-	4.1
Chile	19.1	83.1	70.3	84.4	160.2	183.1
China (Shanghai)	38.5	-	1,277.3	-	-	499.5
Colombia	11.7	86.2	43.7	7.1	19.9	93.1
Costa Rica	-	-	-	-	-	-
Ecuador	-	16.3	15.4	0.4	11.2	1.6
Spain	20,443.4	158,569.9	494,618.3	215,210.6	98,157.9	709,720.6
France	-	30.2	64,5	19.7	36.8	1,088.1
Greece	-	6.3	140.4	32.1	99.8	1,011.1
Hong Kong	-3.4	-	-115.9	-	-	-
India	0.3	2.4	0.4	-	-	-
Ireland	-	-	-	-	-	3.6
Italy	2.5	3.8	18.4	9.9	3.5	13.0
Luxembourg	-	-	-	-	-	1.0
Malt	-	-	-	-	-	1.8
Morocco	-	2.4	56.6	97.8	15.0	1.8
Mexico	1,236.5	943.5	989.8	688.0	377.1	75.4
Netherlands	-	-	-	-	-	6.8
Panama	-	39.8	46.5	61.2	43.7	11.2
Peru	8.3	81.3	27.2	26.9	-	-
Poland	-	-	61.0	13.9	63.7	109.4
Portugal	-4,655.5	1,100.1	12,347.8	9,566.4	8,877.4	42,359.8
Dominican Republic	0.7	2.2	1.8	6.1	0.5	5.6
Romania	-	-	-	-	-	1.2
Sweden	-	-	-	-	-	1.3
Turkey	-	0.1	149.6	.	.	.
Uruguay	2.7	13.0	5.5	6.5	9.2	7.7
United States	0.8	59.3	26.6	46.2	26.0	215.6
Total	17,101.9	161,040.0	509,873.3	226,013.4	107,932.0	755,583.6

<sup>23</sup> All ECI Group employees in countries that have collective bargaining agreements are covered by them. These are Spain, Portugal, France and Italy.

2020						
	Taxes borne (€000)		Taxes collected (€000)			
	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
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

2021					
	(€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
Saudi Arabia	-	-	-	17.2	-
Argentina	2,728.5	39.2	-389.1	2,099.6	-
Chile	18,069.3	746.4	-1,050.9	4,801.0	19.4
China (Shanghai)	95.5	8,087.8	303.7	22.9	-75.4
Colombia	5,379.5	28.4	-361.6	528.8	90.2
Ecuador	1,462.9	5.0	-196.0	420.7	-
Spain	12,224,884.9	984,615.8	319,104.1	7,691,703.3	-38,690.8
France	2,124.6	-	-241.7	18.1	-
Greece	5,183.0	-	-262.1	1,596.1	-
Hong Kong	29.8	2,304.9	26.5	128.9	-3.4
Italy	422.9	-	-111.7	6.3	-1.8
Mexico	134,124.7	1,058.2	5,964.9	46,103.4	-12.3
Panama	1,904.2	12.7	-696.1	1,386.7	-345.1
Peru	5,437.5	16.9	-139.3	628.1	-168.2
Poland	2,031.7	-	-1,826.6	1,443.4	-
Portugal	515,138.8	4,683.4	26,097.4	314,709.7	14.9
Dominican Republic	42.6	1.0	-117.1	198.3	-
United Kingdom	-	-	-	0.3	-
Russia	-	-	-	0.2	-
Uruguay	591.9	41.0	-32.0	408.8	-2.7
United States	3,205.5	1,688.4	99.3	2,065.7	-1.7
Total	12,923,237.6	1,003,328.9	346,171.7	8,068,287.2	-39,176.8



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. GRI INDICATOR CROSS-REFERENCES

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
GRI 102: GENERAL DISCLOSURES				
ORGANISATIONAL PROFILE				
102-1 Name of the organization	Basis of preparation (p. 9)			
102-2 Activities, brands, products, and services	2. Our business model (p. 17) 2.3. Our business lines (p. 29) 3. Our customers (p. 79) 3. Our team (p. 99)			
102-3 Location of headquarters	Communication channels and contact details (p. 205)			
102-4 Location of operations	2. El Corte Inglés Group footprint (p. 25-26) 3.2.3. A global and diversified supply chain (p. 131)			
102-5 Ownership and legal form	Basis of preparation (p. 9)			
102-6 Markets served	2. El Corte Inglés Group footprint (p. 25-26) 2.3. Our business lines (p. 29)			
102-7 Scale of the organization	2. Our business model (p. 17) 2.3. Our business lines (p. 29) 3.2.2. Our team in numbers (p. 100) 6. Appendices - Appendix I. Non-financial indicators (p. 216)			
102-8 Information on employees and other workers	3.2.2. Our team in numbers (p. 100) Social dialogue and labour relations (p. 111) 6. Appendices - Appendix I. Non-financial indicators (p. 216)		6	8.5 10.3
102-9 Supply chain	3.2.3. A global and diversified supply chain (p. 131) 3.2.2. Our team in numbers (p. 100)			
102-10 Significant changes to the organization and its supply chain	Chairwoman’s statement (p. 5) 2. Our business model (p. 17) A global and diversified supply chain (p. 131) Basis of preparation (p. 9)			
102-11 Precautionary Principle or approach	Due diligence in the supply chain (p. 134) 3.3. Our environmental management (p. 161) Environmental certification (p. 182) 4. Risk and opportunity management (p. 191)			

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
102-12 External initiatives	3. Our ESG performance (p. 51) Corporate tax strategy and policy (p. 146)	Main charters of which El Corte Inglés is a signatory: <ul style="list-style-type: none"><li>• United Nations Global Compact</li><li>• Principles on Business and Human Rights</li><li>• Fundamental Principles and Rights at Work of the International Labour Organisation</li><li>• Children’s Rights and Business Principles</li><li>• Global Code of Ethics for Tourism</li><li>• Sustainable Development Goals</li><li>• UN Fashion Industry Charter on Climate Action</li></ul>		
102-13 Membership of associations	Active participation in organisations and institutions (p. 158)			
STRATEGY				
102-14 Statement from senior decision-maker	Chairwoman’s statement (p. 5)			
102-15 Key impacts, risks, and opportunities	Chairwoman’s statement (p. 5) 2. Our business model (p. 17) A.1 Compliance function (p. 68) A global and diversified supply chain (p. 131) 3. Our ESG performance (p. 51) 4. Risk and opportunity management (p. 191)			
ETHICS AND INTEGRITY				
102-16 Values, principles, standards, and norms of behavior	3.1.1. Ethical and responsible governance (p. 60)	The Appointments and Remuneration Committee stipulates directors’ training needs on good corporate governance and training plans are developed accordingly.	10	16.3
102-17 Mechanisms for advice and concerns about ethics	3.1.1. Ethical and responsible governance (p. 60) Due diligence in the supply chain (p. 134)		10	16.3

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
GOVERNANCE				
102-18 Governance structure	3.1.2. Our corporate governance model (p. 63)			
102-19 Delegating authority	3.1.2. Our corporate governance model (p. 63)			
102-20 Executive-level responsibility for economic, environmental, and social topics	3.1.2. Our corporate governance model (p. 63)			
102-21 Consulting stakeholders on economic, environmental, and social topics	Stakeholder engagement (p. 203)			16.7
102-22 Composition of the highest governance body and its committees	3.1.2. Our corporate governance model (p. 63)			5.5 16.7
102-23 Chair of the highest governance body	3.1.2. Our corporate governance model (p. 63)			16.6
102-24 Nominating and selecting the highest governance body	B. Appointments and Remuneration Committee (p. 70)			5.5 16.7
102-25 Conflicts of interest	3.1.1. Ethical and responsible governance (p. 60)			16.6
102-26 Role of highest governance body in setting purpose, values, and strategy	3.1. Our corporate governance model (p. 63) 3.1.1. Ethical and responsible governance (p. 60)			
102-27 Collective knowledge of highest governance body	B. Appointments and Remuneration Committee (p. 70)			
102-28 Evaluating the highest governance body’s performance	B. Appointments and Remuneration Committee (p. 70)			
102-29 Identifying and managing economic, environmental, and social impacts	A. Audit and Control Committee (p. 66) A.1 Compliance function (p. 68) C. Corporate Social Responsibility Committee (p. 72) 3.3. Our environmental management (p. 161) 4. Risk and opportunity management (p. 191)	Notes the ECI Group consolidated financial statements: Note 25		16.7
102-30 Effectiveness of risk management processes	A.1 The compliance function (p. 68) A. Anti-corruption, bribery and money laundering effort (p. 75) 4. Risk and opportunity management (p. 191)			
102-31 Review of economic, environmental, and social topics	A. Audit and Control Committee (p. 66) A.1 Compliance function (p. 68) C. Corporate Social Responsibility Committee (p. 72)			

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
<b>102-32</b> Highest governance body's role in sustainability reporting	C. Corporate Social Responsibility Committee (p. 72)			
<b>102-33</b> Communicating critical concerns	A.1 The compliance function (p. 68) 4. Risk and opportunity management (p. 191)			
<b>102-34</b> Nature and total number of critical concerns	4. Risk and opportunity management (p. 191)			
<b>102-35</b> Remuneration policies	Director remuneration (p. 71) B. Appointments and Remuneration Committee (p. 70) 6. Appendices - Appendix I. Our governance (p. 216)	Notes to the ECI Group consolidated financial statements: Note 24.2		
<b>102-36</b> Process for determining remuneration	Director remuneration (p. 71) Remuneration model (p. 116)			
<b>102-37</b> Stakeholders' involvement in remuneration	Remuneration model (p. 116)	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
STAKEHOLDER INCLUSIVENESS				
<b>102-40</b> List of stakeholder groups	Stakeholder engagement (p. 203)			
<b>102-41</b> Collective bargaining agreements	Social dialogue and labour relations (p. 111)		3	8.8
<b>102-42</b> Identifying and selecting stakeholders	Stakeholder engagement (p. 203)			
<b>102-43</b> Approach to stakeholder engagement	Social dialogue and labour relations (p. 111) Due diligence in the supply chain (p. 134) Stakeholder engagement (p. 203)			
<b>102-44</b> Key topics and concerns raised	4. Risk and opportunity management (p. 191) Materiality assessment (p. 201)			

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
Reporting practice				
<b>102-45</b> Entities included in the consolidated financial statements	Basis of preparation (p. 9)			
<b>102-46</b> Defining report content and topic Boundaries	Basis of preparation (p. 9)			
<b>102-47</b> List of material topics	Materiality assessment (p. 201)			
<b>102-48</b> Restatements of information	2.1. Key financial metrics (p. 24) Basis of preparation (p. 9)			
<b>102-49</b> Changes in reporting	Basis of preparation (p. 9)			
<b>102-50</b> Reporting period	Basis of preparation (p. 9)			
<b>102-51</b> Date of most recent report		6 June 2021		
<b>102-52</b> Reporting cycle	Basis of preparation (p. 9)	Annual		
<b>102-53</b> Contact point for questions regarding the report	Stakeholder engagement (p. 203)			
<b>102-54</b> Claims of reporting in accordance with the GRI Standards	5. Reporting principles and transparency (p. 199)			
<b>102-55</b> GRI content index	6. Appendices - Appendix II. GRI indicators (p. 229)			
<b>102-56</b> External assurance	7. External assurance report on the consolidated non-financial statement (p. 251)			
MATERIAL TOPICS				
ECONOMIC TOPICS				
Economic performance				
<b>103</b> Management approach	Chairwoman's statement (p. 5) 3.2.4. Economic and social value creation (p. 145) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			
<b>201-1</b> Direct economic value generated and distributed	3.2.4. Our ESG performance – Economic and social value creation (p. 145) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			8.1 8.2 9.1 9.4 9.5
<b>201-2</b> Financial implications and other risks and opportunities due to climate change	4. Risk and opportunity management (p. 191)			13.1



Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
<b>201-3</b> Defined benefit plan obligations and other retirement plans	Director remuneration (p. 71) 6. Appendices - Appendix I. Non-financial indicators - Our governance (p. 216) See the notes to the consolidated financial statements			
<b>201-4</b> Financial assistance received from government	3.2.4. Tax contribution (p. 148) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			
Market presence				
<b>103</b> Management approach	2. Our business model (p. 17) 2.3. Our business lines (p. 29)			
<b>202-1</b> Ratios of standard entry level wage by gender compared to local minimum wage	Remuneration model (p. 116)			1.2 5.1
<b>202-2</b> Proportion of senior management hired from the local community		El Corte Inglés Group operates primarily in Spain. Therefore, most senior managers are Spanish.		8.5
Indirect economic impacts				
<b>103</b> Management approach	Our team in numbers (p. 100)			
<b>203-1</b> Infrastructure investments and services supported	3.2.4. Engagement with people (p. 151) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			5.4 9.1 9.4 11.2
<b>203-2</b> Significant indirect economic impacts	3.2.4. Engagement with people (p. 151) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			1.2 1.4 3.8 8.2 8.3 8.5
Procurement practices				
<b>103</b> Management approach	Due diligence in the supply chain (p. 134)			
<b>204-1</b> Proportion of spending on local suppliers	A global and diversified supply chain (p. 131)			8.3
Anti-corruption				
<b>103</b> Management approach	A.1 Compliance function (p. 68) A. Anti-corruption, bribery and money laundering effort (p. 75)			

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
<b>205-1</b> Operations assessed for risks related to corruption	A. Anti-corruption, bribery and money laundering effort (p. 75)	Significant risks identified: <ul style="list-style-type: none"><li>• Private corruption</li><li>• Public corruption</li><li>• Money laundering and terrorist financing</li><li>• Illegal financing of political parties</li><li>• Corruption in international business transactions</li><li>• Bid rigging in public tenders and auctions</li></ul>		
<b>205-2</b> Communication and training about anti-corruption policies and procedures	A. Anti-corruption, bribery and money laundering effort (p. 75)	Number of employees with training on anti-corruption procedures affected by anti-money laundering regulations: 2,936 (92.9%): <ul style="list-style-type: none"><li>• Managers: 208</li><li>• Coordinators: 8</li><li>• Professionals: 2,720</li></ul>	10	16.5
<b>205-3</b> Confirmed incidents of corruption and actions taken	A.1 Compliance function (p. 68)	De las 10 notificaciones recibidas, en 8 no se han evidenciado irregularidades, 1 ha supuesto un plan de mejora para mitigar el riesgo y 1 ha sido desestimada.	10	16.5
Anti-competitive behaviour				
<b>103</b> Management approach	A.1 Compliance function (p. 68)			
<b>206-1</b> Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices		In 2021, the Group did not receive any fines or monetary sanctions for non-compliance with laws for anti-competitive behaviour, anti-trust and monopoly practices.		16.3
Tax				
<b>103</b> Management approach	Corporate tax strategy and policy (p. 146)			
<b>207-1</b> (2019) Approach to tax	Corporate tax strategy and policy (p. 146)			1.1 1.3 10.4 17.1 17.3
<b>207-2</b> (2019) Tax governance, control, and risk management	Corporate tax strategy and policy (p. 146) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			1.1 1.3 10.4 17.1 17.3
<b>207-3</b> (2019) Stakeholder engagement and management of concerns related to tax	Corporate tax strategy and policy (p. 146) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)			1.1 1.3 10.4 17.1 17.3
<b>207-4</b> (2019) Country-by-country reporting	6. Appendices - Appendix I. Non-financial indicators - Society (p. 153 and 225)	Notes to the ECI Group consolidated financial statements: Note 22		1.1 1.3 10.4 17.1 17.3

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
ENVIRONMENTAL TOPICS				
Materials				
103 Management approach	Sustainable Packaging Plan (p. 163)			
301-1 Materials used by weight or volume	Sustainable Packaging Plan (p. 163)		7	8.4 12.2
301-2 Recycled input materials used	Circularity (p. 163)		8	8.4 12.2 12.5
301-3 Reclaimed products and their packaging materials	Sustainable Packaging Plan (p. 163)		8	8.4 12.2 12.5
Energy				
103 Management approach	B. Energy consumption and efficiency (p. 179)			
302-1 Energy consumption within the organisation	B. Energy consumption and efficiency (p. 179)		7 and 8	7.2 7.3 8.4 12.2 13.1
302-3 Energy intensity	B. Energy consumption and efficiency (p. 179)		8	7.3 8.4 12.2 13.1
302-4 Reduction of energy consumption	Performance indicators (p. 175) B. Energy consumption and efficiency (p. 179)		8 and 9	7.3 8.4 12.2 13.1
302-5 Reductions in energy requirements of products and services	B. Energy consumption and efficiency (p. 179)		8 and 9	7.3 8.4 12.2 13.1
Water				
103 Management approach	Sustainable water management (p. 181)			
303-1 (2018) Interactions with water as a shared resource	Sustainable water management (p. 181)			
303-2 (2018) Management of water discharge-related impacts	Sustainable water management (p. 181)			
303-3 (2018) Water withdrawal	Sustainable water management (p. 181)		7 and 8	6.3 6.4 6.A 6.B 12.4
303-4 (2018) Water discharge	Sustainable water management (p. 181)			
303-5 (2018) Water consumption	Sustainable water management (p. 181)			
Biodiversity				
103 Management approach		El Corte Inglés Group’s facilities are located on land zoned as urban and have no significant impacts on biodiversity of protected areas or areas of high biodiversity, so this indicator is not considered material. Considering ECI Group’s business, this indicator is not material.		
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas				

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
304-2 Significant impacts of activities, products, and services on biodiversity		Considering ECI Group’s business, this indicator is not material.		
304-3 Habitats protected or restored		Considering ECI Group’s business, this indicator is not material.		
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations		Considering ECI Group’s business, this indicator is not material.		
Emissions				
103 Management approach	Performance indicators (p. 175)			
305-1 Direct (Scope 1) GHG emissions	Performance indicators (p. 175)		7 and 8	3.9 12.4 13.1 14.3 15.2
305-2 Energy indirect (Scope 2) GHG emissions	Performance indicators (p. 175)		7 and 8	3.9 12.4 13.1 14.3 15.2
305-3 Other indirect (Scope 3) GHG emissions	Performance indicators (p. 175)		7 and 8	3.9 12.4 13.1 14.3 15.2
305-4 GHG emissions intensity	Performance indicators (p. 175)		7 and 8	13.1 14.3 15.2
305-5 Reduction of GHG emissions	Performance indicators (p. 175)		7 and 8	14.3 15.2
305-6 Emission of ozone-depleting substances (SAO)		El Corte Inglés Group does not emit any SAO.	7 and 8	3.9 12.4
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions		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
Effluents and waste				
103 Management approach	Zero Waste (p. 165)			
306-1 Waste generation and significant waste-related impacts	Zero Waste (p. 165)		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	Zero Waste (p. 165)		8	3.9 6.3 11.6 12.4 12.5
306-3 Waste generated	Zero Waste (p. 165)		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. 165)		8	3.9 11.6 12.4 12.5

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
<b>306-5</b> Waste directed to disposal	Zero Waste (p. 165)		8	3.9 6.6 11.6 12.4 12.5 14.2 15.1 15.5
Environmental compliance				
<b>103</b> Management approach	A.1 Compliance function (p. 68)			
<b>307-1</b> Non-compliance with environmental laws and regulations		In 2021 and 2020, 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. Notes to the ECI Group consolidated financial statements: Note 25	8	16.3
Supplier environmental assessment				
<b>103</b> Management approach	Due diligence in the supply chain (p. 134)			
<b>308-1</b> New suppliers that were screened using environmental criteria	Due diligence in the supply chain (p. 134)		8	
<b>308-2</b> Negative environmental impacts in the supply chain and actions taken	Due diligence in the supply chain (p. 134)		8	
SOCIAL TOPICS				
Employment				
<b>103</b> Management approach	Talent attraction and retention (p. 104)			
<b>401-1</b> New employee hires and employee turnover	Talent attraction and retention (p. 104) 6. Appendices - Appendix I. Non-financial indicators - Breakdown of involuntary terminations (p. 221)		6	5.1 8.5 8.6 10.3
<b>401-2</b> Benefits provided to full-time employees that are not provided to temporary or part-time employees	Other employee benefits (p. 120)	All employees have the same benefits, irrespective of their contract type.		3.2 5.4 8.5
<b>401-3</b> Parental leave	Flexible working, work-life balance and digital disconnect measures (p. 113)		6	5.1 5.4 8.5
Labour-management relations				
<b>103</b> Management approach	Social dialogue and labour relations (p. 111)			
<b>402-1</b> Minimum notice periods regarding operational changes	Social dialogue and labour relations (p. 111)		3	8.8

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
Occupational health and safety				
<b>103</b> Management approach	Occupational health and safety systems (p. 125) Training programmes (p. 106)			
<b>403-1</b> (2018) Occupational health and safety management system	Occupational health and safety systems (p. 125)			8.8
<b>403-2</b> (2018) Hazard identification, risk assessment, and incident investigation	Occupational health and safety systems (p. 125) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216) 4. Risk and opportunity management (p. 191)			3.3 3.9 8.8
<b>403-3</b> (2018) Occupational health services	Occupational health and safety systems (p. 125)			3.3 3.9 8.8
<b>403-4</b> (2018) Worker participation, consultation, and communication on occupational health and safety	Employee wellness tracker (p. 116) Response to the health crisis (p. 126)			8.8 16.7
<b>403-5</b> (2018) Worker training on occupational health and safety	Training programmes (p. 106) Employee training on occupational health and safety (p. 127)			8.8
<b>403-6</b> (2018) Promotion of worker health	Occupational health and safety systems (p. 126) Employee wellness tracker (p. 116)			3.3 3.5 3.7 3.8
<b>403-8</b> (2018) Workers covered by an occupational health and safety management system	Occupational health and safety systems (p. 126)			8.8
<b>403-9</b> (2018) Work-related injuries	Safety indicators (p. 127) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)			3.6 3.9 8.8 16.1
<b>403-10</b> (2018) Work-related ill health	Safety indicators (p. 127) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)			3.3 3.4 3.9 8.8 16.1
Training and education				
<b>103</b> Management approach	3.2.2. Our team (p. 99)			
<b>404-1</b> Average hours of training per year per employee	Training programmes (p. 106) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)		6	4.3 4.4 4.5 5.1 8.2 8.5 10.3
<b>404-2</b> Programs for upgrading employee skills and transition assistance programs	Training programmes (p. 106)			8.2 8.5
<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	Performance review and career plans (p. 110)		6	5.1 8.5 10.3



Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
Diversity and equal opportunities				
103 Management approach	3.1. Our governance (p. 59) 3.2.2. Our team (p. 99)			
405-1 Diversity of governance bodies and employees	El Corte Inglés Board of Directors at 28 February 2022 (p. 65) Our team in numbers (p. 100) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)		6	5.1 5.5 8.5
405-2 Ratio of basic salary and remuneration of women to men	Remuneration model (p. 116) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)		6	5.1 8.5 10.3
Non-discrimination				
103 Management approach	3.2.2. Our team (p. 99) 3.1.1. Ethical and responsible governance (p. 60)			
406-1 Incidents of discrimination and corrective actions taken	3.1.1. Ethical and responsible governance (p. 60) Equal opportunities, diversity and inclusion (p. 121)	In 2020, there were 20 complaints of harassment, 15 of which were investigated and resolved.		5.1 8.8
Freedom of association and collective bargaining				
103 Management approach	Due diligence in the supply chain (p. 134)			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Due diligence in the supply chain (p. 134)		3	8.8
Child labor				
103 Management approach	Due diligence in the supply chain (p. 134)			
408-1 Operations and suppliers at significant risk for incidents of child labour	Due diligence in the supply chain (p. 134)		5	8.7 16.2
Forced or compulsory labour				
103 Management approach	Due diligence in the supply chain (p. 134)			
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	Due diligence in the supply chain (p. 134)		4	8.7
Security practices				
103 Management approach	Due diligence in the supply chain (p. 134)			
410-1 Security personnel trained in human rights policies or procedures	Due diligence in the supply chain (p. 134)			16.1

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
Human Rights assessment				
103 Management approach	Due diligence in the supply chain (p. 134)			
412-1 Operations that have been subject to human rights reviews or impact assessments	Due diligence in the supply chain (p. 134)	No reports of human rights abuses in the supply chain were received in 2020 via either of the ECI channels (the Whistle-Blowing Channel and the amfori BSCI grievance channel). We received two reports in 2019, which were handled applying due diligence.	1 and 2	
412-2 Employee training on human rights policies or procedures	Due diligence in the supply chain (p. 134)		1	
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Due diligence in the supply chain (p. 134)		2	
Local communities				
103 Management approach	3.2.4. Our relationship with society (p. 143)			
413-1 Operations with local community engagement, impact assessments, and development programs	3.2.4. Our relationship with society (p. 143) Engagement with people (p. 151)		1	
413-2 Operations with significant actual and potential negative impacts on local communities	Due diligence in the supply chain (p. 134)		1 and 2	1.4 2.3
Supplier social assessment				
103 Management approach	Due diligence in the supply chain (p. 134)			
414-1 New suppliers that were screened using social criteria	Due diligence in the supply chain (p. 134)		2	5.2 8.8 16.1
414-2 Negative social impacts in the supply chain and actions taken	Due diligence in the supply chain (p. 134)		2	5.2 8.8 16.1
Public policy				
103 Management approach	A. Anti-corruption, bribery and money laundering effort (p. 75)			
415-1 Political contributions		According to El Corte Inglés Group's Ethics Code, no Group employee contributed to any political party and/or their representatives in 2021.	10	16.5

Reporting framework / GRI indicator and description	Section of the report	Comments/Scope limitations or omissions	Global Compact	SDGs
Customer health and safety				
103 Management approach	3.2.1. Quality and safety (p. 88)			
416-1 Assessment of the health and safety impacts of product and service categories	3.2.1. Quality and safety (p. 88) 6. Appendices - Appendix I. Non-financial indicators - Our customers (p. 216)			
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services		In 2021, 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.		16.3
Marketing and labelling				
103 Management approach	C. Quality and safety (p. 88) Transparency (p. 97)			
417-1 Requirements for product and service information and labelling	C. Quality and safety (p. 88)			12.8
417-2 Incidents of non-compliance concerning product and service information and labelling		In 2021, 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 2021, 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	Incident management (p. 95) Data protection (p. 96)			
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Incident management (p. 95) Data protection (p. 96) 3.1.1. Ethical and responsible governance (p. 60)			16.3 16.10
Socioeconomic compliance				
103 Management approach	A.1 Compliance function (p. 68)			
419-1 Non-compliance with laws and regulations in the social and economic area		In 2021, the Group did not receive any fines or monetary sanctions for non-compliance with laws in relation to socioeconomic matters.		16.3

III. DISCLOSURES REQUIRED UNDER LAW 11/2018 AND THE REGULATION (UE) 2020/852 - TAXONOMY

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Business model			
Description of the Group's business model	Brief description of the group's business model, including disclosures relating to its business environment, organisation and structure, markets in which it operates, objectives and strategies, and the main trends and factors that may affect its future development.	Chairwoman's statement (p. 5) 2. Our business model (p. 17) 2.3. Our business lines (p. 29) 3.2.1. Our customers (p. 79) 3.2.2. Our team (p. 99) 2.2. El Corte Inglés Group footprint (p. 25-26) A global and diversified supply chain (p. 131)	
Environmental matters			
Policies	Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been taken.	3.3. Our environmental management (p. 161)	
Principal risks	The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short-, medium- and long-term risks.	Climate risk assessment (p. 174) 4. Risk and opportunity management (p. 191) A. Audit and Control Committee (p. 66) A.1 Compliance function (p. 68)	

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
General	Effects of the company's activities on the environment, health and safety	3.3. Our environmental management (p. 161) 4. Risk and opportunity management (p. 191) A. Audit Committee (p. 66) A.1 Compliance function (p. 68) C. Corporate Social Responsibility Committee (p. 72)	
	Environmental assessment or certification procedures	C. Corporate Social Responsibility Committee (p. 72) 3.3. Our environmental management (p. 161) Environmental certification (p. 182)	
	Resources dedicated to the prevention of environmental risks	A. Audit Committee (p. 66) A.1 Compliance function (p. 68) C. Corporate Social Responsibility Committee (p. 72) 3.3. Our environmental management (p. 161) 4. Risk and opportunity management (p. 191)	
	Application of the precautionary principle	Due diligence in the supply chain (p. 134) 3.3. Our environmental management (p. 161)	
	Amount of provisions recorded or guarantees extended for environmental claims	A.2 Risk Control and Management Function (p. 69)	
Pollution	Measures to prevent, reduce or repair carbon emissions that seriously affect the environment, taking into account any type of air pollution specific to an activity, including noise and light pollution	3.3. Our environmental management (p. 161) B. Energy consumption and efficiency (p. 179)	
	Measures to prevent pollution	3.3. Our environmental management (p. 161) Performance indicators (p. 175)	
Circular economy and waste prevention and management	Waste prevention, recycling, reuse, and other forms of recovery and disposal. Initiatives undertaken to eliminate food waste	Sustainable packaging plan (p. 163) Zero Waste (p. 165)	
Sustainable use of resources	Water consumption and supply, in keeping with local limitations	Sustainable water management (p. 181)	
	Consumption of raw materials and measures taken to use them more efficiently	Sustainable packaging plan (p. 163)	
	Direct and indirect energy consumption	B. Energy consumption and efficiency (p. 179)	
	Energy efficiency measures taken	B. Energy consumption and efficiency (p. 179)	
	Use of renewable sources of energy	B. Energy consumption and efficiency (p. 179)	

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Climate change	Greenhouse gas emissions	Performance indicators (p. 175)	
	Measures taken to adapt for the consequences of climate change	3.3. Our environmental management (p. 161) Performance indicators (p. 175)	
	GHG emission-reduction targets	Performance indicators (p. 175)	
Biodiversity protection	Measures taken to preserve or restore biodiversity		El Corte Inglés Group's facilities are located on land zoned as urban and have no significant impacts on biodiversity of protected areas or areas of high biodiversity, so this indicator is not considered material.
	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 impacts on biodiversity of protected areas or areas of high biodiversity, so this indicator is not considered material.
Social and employee-related matters			
Policies	Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been taken.	Director remuneration (p. 71) B. Appointments and Remuneration Committee (p. 70) Talent attraction and retention (p. 104) Other employee benefits (p. 120) 3.2.2. Our team (p. 99)	
Principal risks	The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short medium- and long-term risks.	4. Risk and opportunity management (p. 191) A.2 Risk Control and Management Function (p. 69) A.1. The compliance function (p. 68)	



Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Employment	Total number and breakdown of employees by gender, age, country and job category	El Corte Inglés Board of Directors at 28 February 2022 (p. 65) Our team in numbers (p. 100) 6. Appendices - Appendix I. Non-financial indicators – 3. Our team in numbers (p. 216)	
	Total number and breakdown by contract type	Our team in numbers (p. 100) 6. Appendices - Appendix I. Non-financial indicators – 3. Our team in numbers (p. 216)	
	Average annual number of permanent, temporary and part-time contracts by gender, age and job category	3. Our team in numbers (p. 100) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216)	
	Number and breakdown of dismissals by gender, age, and job category	Talent attraction and retention (p. 116) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216) Breakdown of involuntary terminations (p. 221)	
	Average remuneration by gender, age, job category or equivalent metric	Remuneration model (p. 116) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)	
	Pay gap	Remuneration model (p. 116)	
	Remuneration per equivalent job or company average	Remuneration model (p. 116) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)	
	Average remuneration of directors and executives, by gender	Director remuneration (p. 71) B. Appointments and Remuneration Committee (p. 70) 6. Appendices - Appendix I. Our governance (p. 216)	See the notes to the consolidated financial statements
	Right to disconnect measures	Social dialogue and labour relations (p. 111)	
	Employees with disabilities	Equal opportunities, diversity and inclusion (p. 121) Social dialogue and labour relations (p. 111)	
	Organisation of working hours	Social dialogue and labour relations (p. 111)	
	Number of hours of absenteeism	Social dialogue and labour relations (p. 111)	
	Measures to facilitate work-life balance	Flexible working, work-life balance and digital disconnect measures (p. 111)	
Health and safety	Health and safety at work	A safe and healthy working environment (p. 124) 4. Risk and opportunity management (p. 191) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216)	
	Injury rates by gender	Occupational health and safety systems (p. 125) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216)	
	Occupational diseases	Occupational health and safety systems (p. 125) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216)	

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Social relations	Organisation of social dialogue	Social dialogue and labour relations (p. 111)	
	Percentage of employees covered by collective bargaining agreements	Social dialogue and labour relations (p. 111) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216)	
	List of collective bargaining agreements with respect to occupational health and safety	Occupational health and safety systems (p. 125) 6. Appendices - Appendix I. Non-financial indicators – Our team (p. 216)	
Training	Training policies	3.2.2. Our team (p. 99) Training programmes (p. 106) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)	
	Training hours by job category	Training programmes (p. 106) 6. Appendices - Appendix I. Non-financial indicators - Our team (p. 216)	
Accessibility	Universal accessibility of people with disabilities	3.2.2. Our team (p. 99) 3.1. Ethical and responsible governance (p. 60) Equal opportunities, diversity and inclusion (p. 121) Our relationship with society (p. 143) Accessibility to our business (p. 149)	
Equality	Gender equality measures	Equal opportunities, diversity and inclusion (p. 121) 3.1. Ethical and responsible governance (p. 60)	
	Equality plans	3.2.2. Our team (p. 99) 3.1. Ethical and responsible governance (p. 60) Equal opportunities, diversity and inclusion (p. 121)	
	Measures to promote employment	Talent attraction and retention (p. 104) Training programmes (p. 106)	
	Protocols against sexual and gender-based harassment	3.2.2. Our team (p. 99) 3.1.1. Ethical and responsible governance (p. 60) Equal opportunities, diversity and inclusion (p. 121)	
	Anti-discrimination and diversity management policy	3.2.2. Our team (p. 99) 3.1.1. Ethical and responsible governance (p. 60) Equal opportunities, diversity and inclusion (p. 121)	
Respect for Human Rights			
Policies	Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been taken	Due diligence in the supply chain (p. 134)	

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Principal risks	The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short medium- and long-term risks.	4. Risk and opportunity management (p. 191) A.2 Risk Control and Management Function (p. 69) A.1. The compliance function (p. 68) Due diligence in the supply chain (p. 134)	
Human Rights	Application of due diligence procedures	Due diligence in the supply chain (p. 134)	
	Prevention and management measures of possible abuses	3.1.1. Ethical and responsible governance (p. 60) Due diligence in the supply chain (p. 134)	
	Reports of human rights abuses	3.1.1. Ethical and responsible governance (p. 60) Due diligence in the supply chain (p. 134)	
	Promotion and compliance with ILO provisions	3.1.1. Ethical and responsible governance (p. 60) Equal opportunities, diversity and inclusion (p. 121) Due diligence in the supply chain (p. 134)	
Anti-corruption and bribery effort			
Policies	Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been taken.	A. Anti-corruption, bribery and money laundering effort (p. 75)	
Principal risks	The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short medium- and long-term risks.	4. Risk and opportunity management (p. 191) A.2 Risk Control and Management Function (p. 69) A.1. The compliance function (p. 68) Anti-corruption, bribery and money laundering effort (p. 75)	

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Corruption and bribery	Anti-corruption and bribery measures	Anti-corruption, bribery and money laundering effort (p. 75) 3.1.1. Ethical and responsible governance (p. 60)	
	Anti-money laundering measures	Anti-corruption, bribery and money laundering effort (p. 75)	
	Contributions to foundations and non-profit organisations	Active participation in organisations and institutions (p. 158) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225) Engagement with people (p. 151)	
Society matters			
Policies	Policies pursued by the group, including due diligence processes implemented to identify, assess, prevent and mitigate significant risks and impacts and for assurance and control, and the measures that have been taken.	A global and diversified supply chain (p. 131) 3.2.4. Our relationship with society (p. 143)	
Principal risks	The principal risks related to those matters linked to the group's operations including, where relevant and proportionate, its business relationships, products or services which are likely to cause adverse impacts in those areas, and how the Group manages those risks, explaining the processes undertaken to detect and assess them in accordance with national, EU-based or international frameworks for each. Disclosures should be included on the impacts detected, with a breakdown of the risks, in particular the principle short medium- and long-term risks.	4. Risk and opportunity management (p. 191) A global and diversified supply chain (p. 131) A.1 Compliance function (p. 68)	
Commitment of the Company to sustainable development	Impact of the undertaking's activities on society in terms of employment and local development	Engagement with people (p. 151) A global and diversified supply chain (p. 131) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)	
	Impact of the undertaking's activities on society in terms of local communities and territories	Engagement with people (p. 151) A global and diversified supply chain (p. 131) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)	
	Engagement with local communities	Reporting principles and transparency - Stakeholder engagement (p. 203) Our relationship with society (p. 143)	
	Membership of associations and sponsorships	Active participation in organisations and institutions (p. 158) Economic and social value creation (p. 145) Engagement with people (p. 151) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)	

Contents of Law 11/2018 on non-financial reporting		Section of the report	Comments/Scope limitations or omissions
Subcontracting and suppliers	Inclusion in the procurement policy of social, gender equality and environmental matters	Due diligence in the supply chain (p. 134)	
	Contemplation in relations with suppliers and subcontractors of their social and environmental records	Due diligence in the supply chain (p. 134)	
	Supervision and audit systems and their outcomes	Due diligence in the supply chain (p. 134) 3.1.1. Ethical and responsible governance (p. 60)	
Consumers	Consumer health and safety measures	Quality and safety (p. 88) Transparency (p. 97) Incident management (p. 95) Data protection (p. 96) 3.1.1. Ethical and responsible governance (p. 60) 6. Appendices - Appendix I. Non-financial indicators - Our customers (p. 216)	
	Complaint and grievance management system	Incident management (p. 95)	
Tax information	Profit or loss by country	Economic and social value creation (p. 145) Corporate tax strategy and policy (p. 146) 6. Appendices - Appendix I. Non-financial indicators (p. 225)	
	Income tax paid	Economic and social value creation (p. 145) Corporate tax strategy and policy (p. 146) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)	
	Government grants received	Tax contribution (p. 148) Corporate tax strategy and policy (p. 146) 6. Appendices - Appendix I. Non-financial indicators - Society (p. 225)	
Disclosures required under Regulation (EU) 2020/852 - TAXONOMY			
Requirements of the regulation		Section of the report	Comments/Scope limitations or omissions
Taxonomy Climate	Taxonomy-eligible and Taxonomy non-eligible economic activities	EU Taxonomy (p. 183)	El Corte Inglés proprietary methodology based on art. 8 of Regulation (EU) 2020/852, on Taxonomy, and delegated regulations (Delegated act (EU) 2021/2139 (Climate) and Delegated act (EU) 2021/2178 (Disclosure).
	Eligibility	EU Taxonomy (p. 183)	Reconciliation of the information disclosed with the accounting information (annual financial statements).

# External assurance report



Independent Assurance Report on the Consolidated Non-Financial  
Report for the year ended February 28, 2022

EL CORTE INGLÉS, S.A. AND SUBSIDIARIES



Ernst & Young, S.L.  
Calle de Raimundo Fernández Villaverde, 65  
28003 Madrid

Tel: 902 365 456  
Fax: 915 727 238  
ey.com

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, 2022 of El Corte Inglés, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group’s 2021 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 “Disclosures required by Law 11/2018 and the (EU) Regulation 2020/852 - Taxonomy” and “GRI Indicators cross-references”, 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 “Disclosures required by Law 11/2018 and the (EU) Regulation 2020/852 - Taxonomy” and “GRI Indicators cross-references”, 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.

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 2021 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 2021 NFR and its correct compilation from the data provided.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Paragraph of emphasis

Regulation (EU) 2020/852 of the European Parliament and the Council, June 18 2020, on the establishment of a framework to facilitate sustainable investments settles the obligation to disclose information on how and to what extent the company's activities are associated with economic activities that are considered environmentally sustainable in relation to climate change mitigation and adaptation objectives for the first time for the financial year 2021, provided that the Statement of Non-Financial Information is published as of January 1 2022. Consequently, comparative information on this matter has not been included in the accompanying Consolidated Management Report. Additionally, information has been included, for which the shareholders of El Corte Inglés, S.A. have chosen to apply the criteria that, in their opinion, best enable compliance with the new obligation and which are defined within the “EU Taxonomy” chapter of the accompanying Consolidated Management Report. Our conclusion has not been modified in relation to this matter.



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, 2022 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 “Disclosures required by Law 11/2018 and the (EU) Regulation 2020/852 - Taxonomy” and “GRI Indicators cross-references”, included in the accompanying NFR.

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.

(Signed in the original version)

Alberto Castilla Vida

June 17, 2022

