



NON-FINANCIAL
REPORT
2019



EL CORTE INGLÉS, MOVING FORWARD TOGETHER

For El Corte Inglés, each improvement and development made during the 2019 fiscal year are firm steps on our path to the future.

A path that we follow to improve people's lives, protect the environment, encourage responsible consumerism and drive economic development.

A trusted path leading towards a more positive, sustainable and increasingly fair society.

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EL CORTE INGLÉS GROUP IN FIGURES

The 2019 figures not only reflect the group's solid foundations, but also the company's position as a benchmark of the retail industry in Spain, giving us the confidence we need to face the future.

Behind our positive results lies important human capital: our employees, suppliers and customers, all working together to achieve the same goals.

€15,261 MILLION in
TURNOVER
(+1.2% vs. 2018¹)

€1,097 MILLION in
EBITDA

€310 MILLION of
CONSOLIDATED NET PROFIT
(+20.1% vs. 2018)

€344 MILLION in
INVESTMENTS

88,268 WORKFORCE
(89.6% permanent employees)

64% WOMEN

€2,391 MILLION in
PERSONNEL EXPENSES

Over 1.7 MILLION
TRAINING HOURS

2,052 POINTS OF SALE

2.5 MILLION
ACTIVE RETAIL
PRODUCT REFERENCES

+ 700 MILLION
VISITS ANNUALLY
TO OUR STORES

Over 484 MILLION
VISITS ANNUALLY
TO OUR WEBSITES

60,552 SUPPLIERS

€11,345 MILLION in
SALES VOLUME

81% of TOTAL PURCHASES are from
SUPPLIERS REGISTERED
IN SPAIN

+ 2,900 AUDITS
of suppliers' factories

¹ Figures modified for comparative purposes figures due to the discontinuation of IECISA.

LETTER FROM THE CHAIRWOMAN



In its 2019 financial year ended 29 February 2020, the El Corte Inglés Group again showcased the resilience of its business and status as Spain’s retail benchmark. The soundness of the Group, which is also a key player in other sectors (e.g. insurance, travel, real estate and information technology), leaves us in a good position to weather a crisis as big as the one caused by the Covid-19 pandemic.

Activity data in 2019 paint an active and dynamic year. As illustrated throughout this report, the Group performed well and delivered satisfactory results: 2019 was the best of the past five years.

Three main reasons make us satisfied with our earnings last year and extremely hopeful going forward:

First, we obtained a net profit of €310 million, over 20% higher than the year before. Not only were earning higher, but they were of better quality. This figure underlines our skilled management.

Second, net debt was reduced by €638 million, thanks mainly to cash generation. We improved the terms of our bank loans after reaching an agreement in February with 24 institutions. This shows that the financial systems believes in, backs and trusts El Corte Inglés, thanks to the efforts we are making and our earnings outlook.

And third, we showed improved in all metrics: revenue rose 1.2% to €15,261 million, EBITDA was up 5.4% and, more importantly, we raised our profitability.

These three reasons are even more noteworthy considering that our business during the period came amid a gradual economic slowdown, a trend that has been sustained over the past few years: GDP growth peaked in 2015 at 3.8%, before easing to 3% in 2016, 2.9% in 2017, 2.4% in 2018 and 2% in 2019.

LINES OF ACTION

During the period, we stood firm in what defines us as a company. We focused on providing top quality products and customer service, improving our stores as places that provide unique shopping experiences, and strengthening the foundations for developing new businesses, including key partnership agreements with other operators.

Two of the most important agreements were the ones with Grupo GFI and Cellnex. The agreement with GFI resulted in the integration of Informática El Corte Inglés (IECISA) into the French multinational. This deal creates Europe’s new technology leader, generating synergies and guaranteeing a broad international presence. The agreement with Cellnex involved the transfer of exploitation rights to 400 phone antennas in our stores. Among other advantages, the partnership has brought the required technology for 5G into our stores without any additional investment.

Also during the period, we paved the way for the development of new business that add value, increase our diversification and drive the Group’s growth. We set up a real estate business unit to reorganise and transform our real estate assets and worked on expanding our partnerships to boost income at Financiera El Corte Inglés. In logistics, we are currently developing new areas of activity that we expect will begin to produce tangible results soon.

One of our top priorities was, and will continue to be, to take care of and improve our products, which are the real cornerstone of our business. We are constantly renewing the product range. We still boast the widest range of fashion designers, which we continue to expand. We want our store-brand collections to set trends. We work hard to offer the latest in technology. We seek both maximum variety and quality in cosmetics, beauty and household products. And our grocery stores offer one of the most complete selections in the market.

Our goal is still what has been one of the keys to the success of our company: to give El Corte Inglés customers all they want in one visit and with full satisfaction.

That’s why we remain true to our philosophy of turning our stores into places of unique experiences and feelings. This is already the case with our gastronomic proposition, which has made El Corte Inglés a reference destination. The same holds true for our selling spaces, which strive to mirror eminent events, like ARCO, the contemporary art fair held in Madrid. We do so at Christmas, turning our stores into light and colour shows and huge attractions for everyone. We do so on the cultural front, making El Corte Inglés into a go-to place for all kinds of events, such as book presentations and signings. We do so in the virtual reality and health & beauty spaces. And we do so in the area of fashion advice, with our highly regarded exclusive personal shopper service.

Finally, we do so in our online store. El Corte Inglés made significant inroads in its omnichannel approach in 2019. We continued to develop e-commerce, with data showing adequate progress. We made strides in digitalisation and will continue to do so by adding new online tools and developing new areas.

THE BEST PEOPLE

What’s still most important to El Corte Inglés is its people. El Corte Inglés is one of the largest employers in Spain. Guaranteeing quality, stable and prestigious employment before society and opportunities for internal promotion has always been one of our hallmarks and one of the top priorities of our organisation’s management, as well as one of my personal priorities.

The characteristics of our business, predicated on personalised service, means the work of our employees is crucial. That being said, our social responsibility requires us to do much more. It requires us to enforce equal opportunity policies. It requires us to have a certain percentage of staff with disabilities. And it requires us to open our doors to women who are victims of gender violence. In all cases, we do more than just what we are legally required to do.

El Corte Inglés is also at the forefront of responsibility and solidarity with society.

Our company is a living, innovative organisation that is committed to society and has a strong sense of corporate responsibility. An organisation that is fully involved in its surroundings and in economic, cultural, social and environmental development. Each store is a loyal community collaborator and promotes and sponsors public interest initiatives. Each store is a paragon of commitment to customers, collaboration with suppliers, respect for employees’s rights, transparency and care for product and service quality.

To this end, we work together with public administrations and private organisations. We have cooperation agreements signed with food banks, Cáritas, Red Cross, Unicef, AECC, WWF and the Aladina, Integra and Inserta foundations, to name a few.

In sum, we are a business Group that views society from the perspective of future commitments and takes on the challenges of the United Nations’ Sustainable Development Goals (SDG), especially those we feel most identified with. These SDGs refer to responsible consumption and production (SDG 12), human resources, equality, work-life balance and diversity (SDG 5), human rights, decent work and economic growth (SDG 8) and those that take into consideration consumption and climate action (SDG 13).

El Corte Inglés is committed to a sustainable business model and the circular economy. It is reducing its energy usage, using hundred percent renewable energy and expanding its zero waste programme to more stores until it becomes nation-wide.

NEW RECOVERY

For our company, as well as many others, Covid-19 has been a blow that nobody saw coming and the worst we had ever experienced. Shuttering activity, except in supermarkets and certain essential services, for nearly 80 days has tested our own ability to survive. What happened is serious and will hurt us for a long time, but I want to believe that it is just another step along the way.

Right now we are only concerned with one thing: taking decisive action for a new recovery. That’s my intention, that of our CEO, Víctor del Pozo, and all the members of the Board of Directors.

Exciting times lie ahead. We have a that is delivering good results and should continue to do so. And more than that, our future is bright. And we will always implement our business model and stay true to our values. These are the business model and values society has always recognised in our company. The same that El Corte Inglés has had for the past 80 years. The same that El Corte Inglés will have for the next 80 years.

Marta Álvarez
Chairwoman

EL CORTE INGLÉS GROUP

El Corte Inglés leads the way in terms of quality, service, technology, innovation and trends.

As a part of people's lives, our business model evolves and grows thanks to our determination to meet the needs of the society we live in.

- El Corte Inglés
- SUPERCOR supermercados
- (Sfera)
- VIAJES El Corte Inglés
- INFORMÁTICA El Corte Inglés
- El Corte Inglés seguros



OUR BUSINESS MODEL

Over its almost 80 years of existence, El Corte Inglés has consolidated its position as a benchmark in distribution in Spain. It is a business group which has been able to meet the needs of the communities it serves, and at the same time contribute to social and economic development. Its businesses are located across the entire national territory of Spain and it also has a significant presence in Portugal and Mexico, along with other countries in Europe and Latin America, providing services in a variety of different sectors such as retail distribution, insurance and travel.

The geographic distribution of our various retail formats allows us to be located near to a large part of the population. In 2019, there were over 700 million visits recorded to our stores in Spain and Portugal.

El Corte Inglés Group’s business model aims to make its retail offer attractive, varied and high-quality; always looking to add pioneering products and services to its range that satisfactorily respond to and meet the needs of its customers. El Corte Inglés’s history is marked out by it being in the vanguard: setting trends, driving change and creating new concepts.

Our business model is currently omnichannel. The range of products and services are available to customers through brick-and-mortar stores and via other methods, such as our online and telephone sales services. The Group increases its commitment to innovation and technology with new initiatives, partnerships, business lines and services. In the last few years, we have stepped up our digital transformation, which enables, among other things, the integration of bricks-and-mortar and online stores.

In October 2019, a new business unit was set up: El Corte Inglés Real Estate, which arrives on the scene as a new operator in the property market with services aimed at both the Group and outside companies. It will undertake projects to remodel installations and refurbish homes, and any other type of activity that may be required by our corporate customers.

The restructuring of Group companies continued this year. This involved the merger by absorption of Bricor, S.A. by El Corte Inglés, S.A., on 1 October 2019, which was approved by the General Shareholders’ Meeting of El Corte Inglés, S.A. in August 2019.

In addition, in December 2019, the agreement was signed through which El Corte Inglés sold its subsidiary, Informática El Corte Inglés, to the technology group, Groupe Français d’Informatique (GFI). The transaction enables both companies to create synergies, access new markets and enhance their respective IT consulting and services offers. GFI will continue to provide services to El Corte Inglés Group within the digital transformation framework we are developing.



RESPONSIBLE BUSINESS

The values, purpose and mission of El Corte Inglés, lead to us carrying out our business activities responsibly. In parallel with the development our business model, we have created the “Responsibly” brand to identify all the activities and communications related to the Company’s own Corporate Social Responsibility (CSR) actions. A brand that we created because:

- 1. We are a responsible company in all the areas where we operate and with all our stakeholders.
- 2. We are committed to customers, employees, suppliers, society and the environment.
- 3. We want to make the good practices of our partners in Corporate Social Responsibility more visible.



Responsablemente

FIRM COMMITMENT TO THE FINANCIAL MARKETS

On 26 February 2020, an agreement was signed with 24 financial institutions for the refinancing of the Group’s bank debt for a maximum aggregate amount of up to 2,000 million euros. This contract will enable the Group to improve on its existing loan conditions, by secure stable funding with lower cost, longer maturities and no collateral requirement.







Included within the framework of this agreement are a series of sustainability commitments aligned with the Corporate Social Responsibility strategy, compliance with which will reduce the amount of interest the Group has to pay.

- The four commitments to be achieved by 2025 are:
- A 30% reduction in the supermarkets’ plastic footprint.
 - Implement the Zero Waste programme in all El Corte Inglés and Supercor stores in Spain.
 - Increase the number of sustainable items by at least 5% a year.
 - Achieve a 2.1% ratio of workers with disabilities being directly employed at El Corte Inglés.






These four commitments have annual targets which will be verified by an independent third party. Specific action plans will also be made available to respond to each of the commitments by transversal and multidisciplinary working groups.

CONTRIBUTION TO SUSTAINABLE DEVELOPMENT GOALS

El Corte Inglés Group has committed itself to helping achieve the Sustainable Development Goals (SDGs) from the United Nation’s 2030 Agenda and looks to involve all of its stakeholders in doing so. We work with all the SDG, focusing our efforts on and measuring the achievement of those which are most closely related to our activities. As a result, we carry out a variety of actions and commitments, while simultaneously seeking to align our strategies with the SDGs.

ODS	Main actions	Indicators
<div>2</div> <div>ZERO HUNGER</div> <div></div>	<ul style="list-style-type: none">Strategic partnerships with food banks.	<ul style="list-style-type: none">844,441 kg of food collected in “la Gran Recogida” (The Big Collection) in November.
<div>3</div> <div>GOOD HEALTH AND WELL-BEING</div> <div></div>	<ul style="list-style-type: none">Employee health and safety.Medical services in workplaces.	<ul style="list-style-type: none">35,834 wellbeing assessments.93 Health Services.25,371 employee health checks carried out.
<div>4</div> <div>QUALITY EDUCATION</div> <div></div>	<ul style="list-style-type: none">Cancer prevention activities and project funding.High quality and safety standards in processes and products.Improve the nutritional profile of own-brand products for a more balanced diet.	<ul style="list-style-type: none">1,786 own-brand products analysed.1,194 food safety audits.Reduction in fat, sugar and salt in over 100 items.
<div>5</div> <div>GENDER EQUALITY</div> <div></div>	<ul style="list-style-type: none">Ongoing training of employees.Vocational Training Centre with nationally recognised and certified courses.University education for employees at the Ramón Areces University Studies Centre (Centro de Estudios Universitarios Ramón Areces or CEURA).	<ul style="list-style-type: none">1,740,713 training hours.24.2 million euros in training.971 students.
<div>7</div> <div>AFFORDABLE AND CLEAN ENERGY</div> <div></div>	<ul style="list-style-type: none">We support the workplace inclusion of women and promote their career progression.	<ul style="list-style-type: none">64% employed women in the Group.37% women in management positions.Commitment to 50% of new management roles being filled by women by the end of 2020.
<div>8</div> <div>DECENT WORK AND ECONOMIC GROWTH</div> <div></div>	<ul style="list-style-type: none">We buy energy from renewable sources.Installation of solar energy panels in our department stores with the output feeding into the national grid.Installation of energy consumption control systems.	<ul style="list-style-type: none">100% of the energy acquired is renewable.Over 4,000 telemetry points measuring energy consumption.62,239,000 kWh reduction in energy consumption.
	<ul style="list-style-type: none">Commitment to stable and quality employment.Employment of young people.	<ul style="list-style-type: none">1,590 permanent contracts.43% of these contracts with people under 30.
	<ul style="list-style-type: none">We carry out due diligence on our supply chain to verify, through ESG* audits, that they respect Human Rights.	<ul style="list-style-type: none">More than 2,900 ESG audits of own-brand suppliers’ factories.

*ESG: Environmental, Social and Governance audits

ODS	Main actions	Indicators
<div>10</div> <div>REDUCED INEQUALITIES</div> <div></div>	<ul style="list-style-type: none">Business model committed to the workplace inclusion of all groups.Commitment to generational diversity.	<ul style="list-style-type: none">1,409 employees with disabilities.14.5% of the workforce under 30 years of age, 58.4% of the workforce between 30 and 50 years old, 27.1% of the workforce over the age of 50.
<div>11</div> <div>SUSTAINABLE CITIES AND COMMUNITIES</div> <div></div>	<ul style="list-style-type: none">Employment of victims of gender violence.LGBTI awareness.	
<div>12</div> <div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div></div>	<ul style="list-style-type: none">Implementation of Zero Waste in our department stores.Installation of recharging points for electric vehicles.	<ul style="list-style-type: none">57,932 Ton of waste valorisation.208 recharging points.
<div>13</div> <div>CLIMATE ACTION</div> <div></div>	<ul style="list-style-type: none">Responsible supply policies.Range of sustainable products and services based on the Sustainable Products Guide.Implementation of Zero Waste.	<ul style="list-style-type: none">Over 100,000 items with some sustainability attribute.Commitment to all El Corte Inglés and Supercor stores having Zero Waste certification by 2025.
<div>17</div> <div>PARTNERSHIPS FOR THE GOALS</div> <div></div>	<ul style="list-style-type: none">Collaboration with the charity, Cáritas Moda RE, to collect clothing for reuse and recycling.Sustainable tourism products.Sustainable Packaging Plan.	<ul style="list-style-type: none">49 collection points.268,071 kg clothing and footwear managed.
	<ul style="list-style-type: none">Actions aimed at mitigating climate change.	<ul style="list-style-type: none">77.8% reduction in emissions since 2016.6,050.7 Ton CO2 equivalent offset.
	<ul style="list-style-type: none">Stable and solid network of strategic partnerships.	<ul style="list-style-type: none">Participation in over 240 organisations and institutions.

GOOD CORPORATE GOVERNANCE

We strive to implement the best practices of corporate governance to propel and consolidate our development.

The actions and decision-making of our governing bodies adhere to a strict Code of Ethics driven by transparency and responsibility with all our stakeholders, society, and the world we live in.

El Corte Inglés Group’s Corporate Governance model is based on a set of ethical and responsible principles which are essential to guaranteeing success and best practices in our business.

- Linked material issues
- Good corporate governance practices and ethics
 - Anti-money laundering

OUR PRINCIPLES, VALUES AND COMMITMENTS

The corporate principles and values underpin our **Code of Ethics**, which guides the behaviour all our employees and executives.

Integrity and responsibility

Customer service and guarantees

Respect for human rights

Relationship and engagement with society and the community

Respect for the environment and commitment to sustainable development



The ethical behaviour of our team is a key requirement in order to guarantee and safeguard the balance between the objectives of our businesses and the expectations of our stakeholders. In this respect, our business model is based on commitment to the customer, transparent collaboration with suppliers, respect for employees, accountability to shareholders and engagement with society.

Our Code of Ethics is developed through:

- **Corporate Policies**, which establish the standards of behaviour that Group employees must follow in specific aspects.
 - Crime prevention
 - Anti-money laundering and counter terrorist financing
 - Anti-corruption and counter-fraud
 - Of integrity:
 - Gifts and hospitality
 - Donations and sponsorship
 - Relationships with civil servants and equivalent
 - Corporate Social Responsibility
 - Data protection
 - Human resources
- **Compliance Programme**
- **The Corporate Procedure for the Management Of Conflicts Of Interest**

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

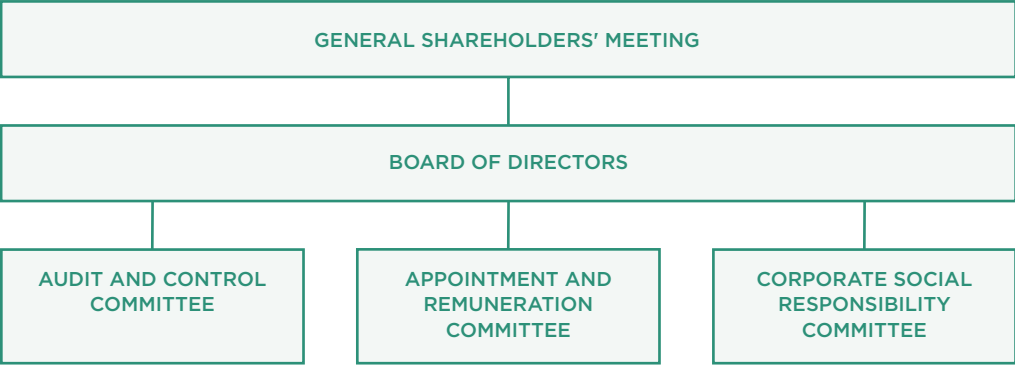
A very important communication channel in the Group is the Whistleblowing Channel, approved by the Board of Directors of El Corte Inglés, which has the purpose of providing an appropriate response to any doubts about the interpretation of the Code of Ethics and to facilitate oversight of regulatory compliance. It is a direct and confidential medium of communication, both for employees and other people or organisations that require the use of this channel to consult and report on possible irregular behaviour, acts against the law or the Code of Ethics and applicable internal regulations, committed by employees of El Corte Inglés or employees of companies which collaborate with Group companies in their various activities.

During the 2019 financial year, 134 reports were received, of which 120 were processed by the head of the Regulatory Compliance Function, with the support of other areas of the organisation, and the rest were sent to other governance or independent compliance bodies.

Likewise, as part of the development of good corporate governance practices, the members of the Board of Directors are given a training course in governance: best corporate practice, functions, structure of the highest corporate body, etc.

OUR CORPORATE GOVERNANCE MODEL

El Corte Inglés continues to make progress in its commitment to good corporate governance practices. In the last few years, the Group’s corporate governance structure has been strengthened, with significant changes in its Board of Directors and the creation of new committees in response to the recommendations of the Good Governance Code of Listed Companies.



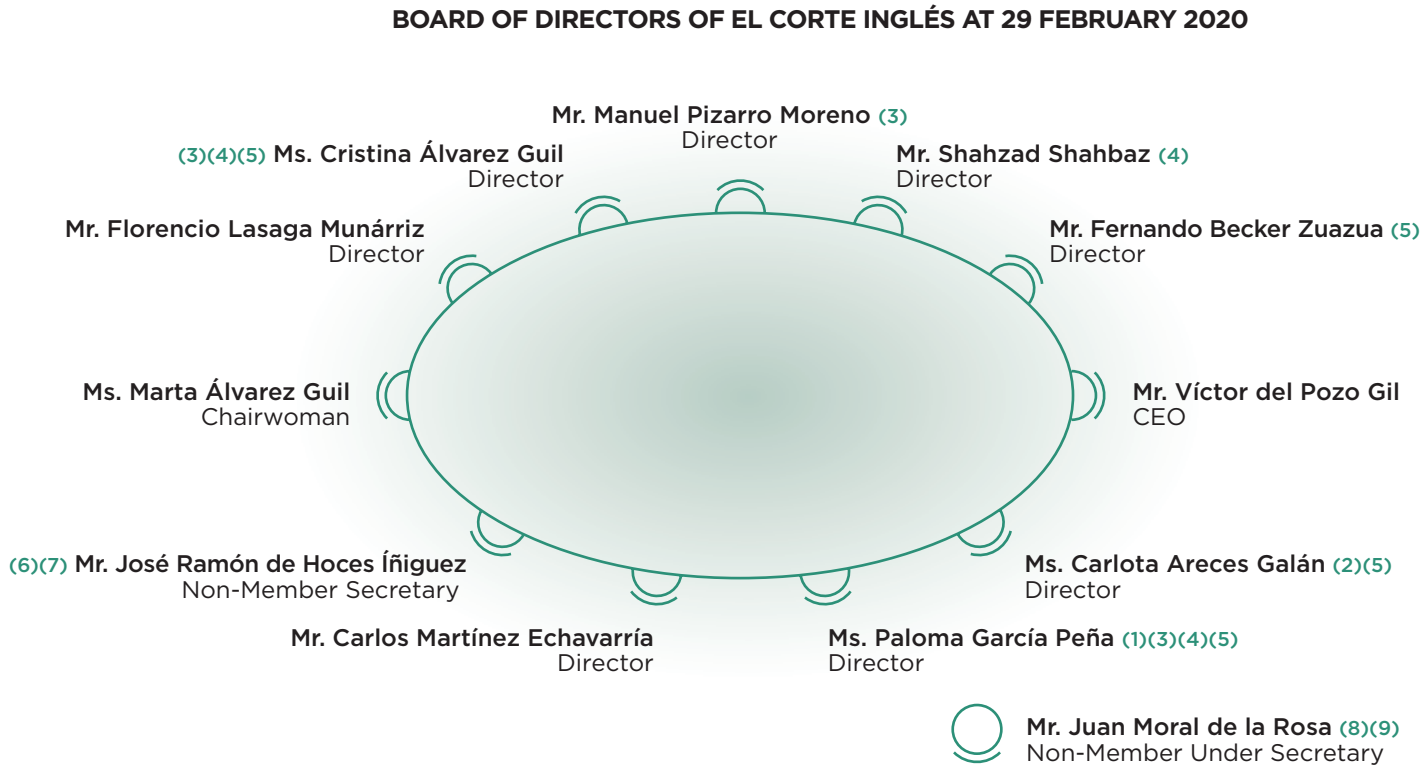
The Board of Directors is governed by the Articles of Association of El Corte Inglés, S.A., where the regulations governing both the Board and its committees are developed.

The Board of Directors of El Corte Inglés at its meeting on 10 July 2019, unanimously approved the appointment of Marta Álvarez Guil as chairwoman of the Group. She has been connected to the Group since the start of her professional career.

Through a resolution adopted in the same meeting, Víctor del Pozo received the backing of the Board to become the CEO of El Corte Inglés.

On 15 January 2020, Antonio Hernández-Gil Álvarez-Cienfuegos sadly died. We are grateful for his commitment and hard work as secretary to the Board of Directors, which was vital to the functioning of the Board of Directors and the good performance of the businesses. In February 2020, José Ramón de Hoces Íñiguez was appointed non-director secretary.





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

BOARD OF DIRECTORS’ REMUNERATION

The average remuneration in El Corte Inglés, S.A. (including Senior Management), and the remuneration for belonging to the Boards of other Group companies, is as follows:

Average remuneration of the Board of Directors in 2019

Item	Women	Men
Remuneration associated with Board membership	961,667€	733,237€
Wages and salaries	189,182€	642,185€
Average remuneration excluding termination benefits 2019	1,150,849€	1,375,422€
Termination benefits	0€	1,436,635€
Average remuneration 2019	1,150,849€	2,812,057€
Average remuneration excluding termination benefits 2018	1,340,434€	1,438,259€
Average remuneration 2018	1,340,434€	3,104,926€

In addition, after the consolidated financial statements were drawn up for financial year 2018, a variable remuneration of 1.4 million euros was approved for financial year 2018.

None of the directors is a beneficiary of any pension or early retirement commitments, or life-savings insurance policies.

The average remuneration received by Executives and Senior Managers during the year² is shown below:

	Women	Men
Average remuneration in 2019	200,209€	269,920€
Average remuneration in 2018*	200,969€	260,727€

*Restated for comparison with 2019 which excludes members of the Board with executive duties.

AUDIT AND CONTROL COMMITTEE

The Audit and Control Committee (ACC), which is a permanent body of an informative and consultative nature, has no executive functions and the duties of informing, advising and proposing within its scope of activity. It was set up under the provisions of Law 22/2015, of 20 July, on Account Auditing and Royal Decree 877/2015, of 2 October, which amends the Regulation of that Law.

It is composed of one independent director, Manuel Pizarro Moreno, as chairman, and two directors, Cristina Álvarez Guil and Cartera Mancor (represented by Paloma García Peña). José Ramón de Hoces Íñiguez acts as secretary and Juan Moral de la Rosa as vice-secretary.

The general duties of this committee are mainly the following:

- To supervise the effectiveness of:
 - Internal control
 - Internal audit
 - Control and risk management systems
- To supervise the process of preparation and presentation of financial information.
- To supervise the external audit of accounts and to escalate to the Board the proposals for the selection, appointment, reappointment and replacement of the auditor.
- To receive information from the external auditor regarding its independence and the audit process, and to issue a report on the auditor’s independence.
- To supervise the Regulatory Compliance Function.
- To analyse tax matters and significant related party transactions.
- To report to the Board of Directors on financial information, the creation or acquisition of stakes in special purpose entities, related party transactions and the rest of the matters subject to its supervision.

The ACC is mainly supported in its supervisory work by the Internal Audit Function and the Regulatory Compliance Function in relation to overseeing compliance with corporate governance regulations, internal codes of conduct, external regulatory compliance and monitoring of the whistleblowing channel in particular. The Audit and Control Committee met 11 times during 2019.

² Including variable remuneration, per diems, termination benefits, long-term pension schemes and payment for any other concept.

APPOINTMENTS AND REMUNERATIONS COMMITTEE

The Appointments and Remunerations Committee (ARC), which is a permanent body with no executive functions, has the duties of informing, advising and proposing within its scope of activity. It is formed by three directors: Cristina Álvarez Guil, Cartera Mancor (represented by Paloma García Peña) and Shahzad Shahbaz. The committee’s secretary is José Ramón de Hoces Íñiguez. At its meeting of 25 August 2019, Marta Álvarez Guil resigned from the committee to allow her to take on her role as chairwoman of the Board of Directors.

- The main duties of this Committee entail:
- To assess the necessary skills, knowledge and experience of the Board of Directors.
 - To escalate to the Board, the proposals for the appointment, re-election or removal of directors, whether independent or not, by the General Shareholders’ Meeting.
 - To propose the directors and Senior Management remunerations policy to the Board and regularly review it.

The Appointments and Remunerations Committee met four times during 2019.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee (CSRC) which is a permanent body with no executive functions, has the duties of informing, advising and proposing within its scope of activity. It is composed of one independent director, Fernando Becker Zuazua, as chairman, and three directors, Álvarez Guil, Cartera Mancor (represented by Paloma García Peña) and Corporación Ceslar (represented by Carlota Areces Galán). The committee’s secretary is Juan Moral de la Rosa.

- The main duties of this Committee entail:
- Approval of Corporate Policy in relation to CSR.
 - Supervision of the execution of the CSR master plan and its commitment to all our stakeholders:
 - Definition of the corporate brand proposition and carrying out reputational, environmental, social and governance risk analysis.
 - Supervision of the Non-Financial Report and the United Nations Global Compact and its Sustainable Development Goals (SDGs) Progress Report.

The CSR Committee has decided that Group companies will develop their own CSR master plans, aligned with that of the parent company.

Corporate Social Responsibility Committee met three times during 2019, a schedule which was determined by the need to submit particular documents, such as the Non-Financial Report 2018 in May 2019.

SHAREHOLDER STRUCTURE AT 29 FEBRUARY 2020

The shareholders with stakes of over 10% in the shareholder structure of El Corte Inglés are: Fundación Ramón Areces (37.39%), Company Cartera de Valores IASA, S.L. (22.18%) and PrimeFin, S.A. (10.33%).

REGULATORY COMPLIANCE

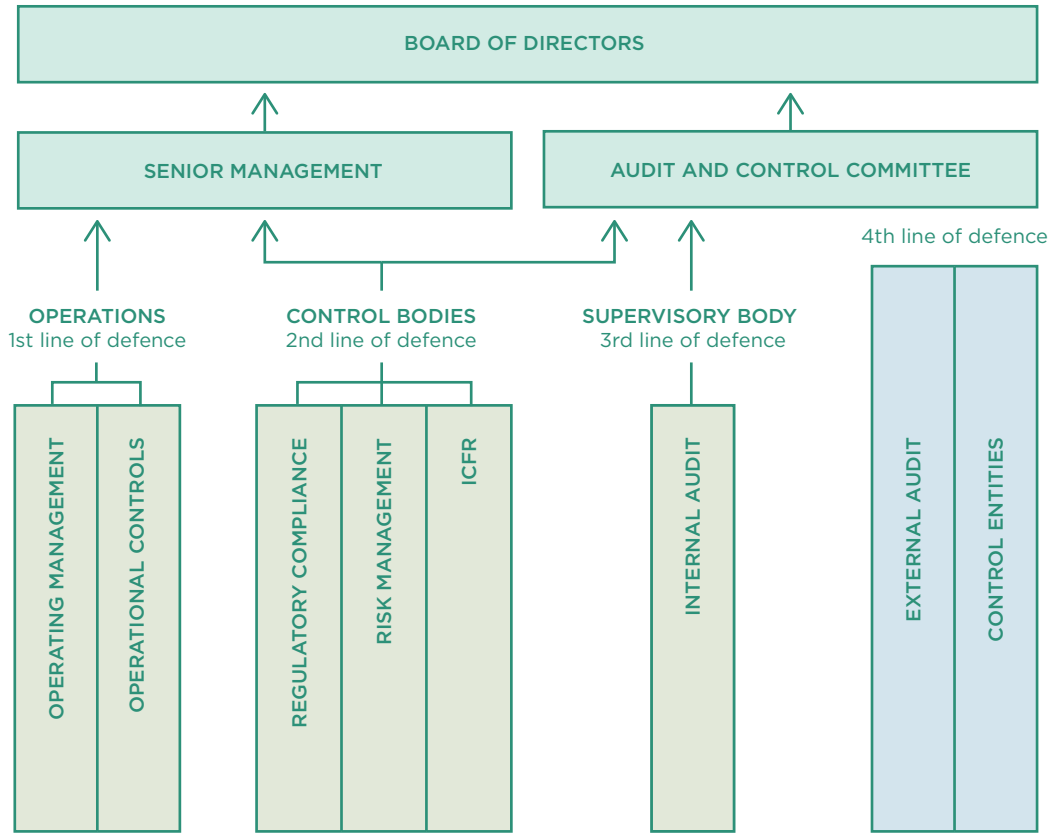
The implementation of the Regulatory Compliance Function is due to its willingness to adopt best corporate governance practices, taking into account and comply with the requirements and recommendation of regulatory bodies and, in particular those included in Technical Guide 3/2017, of 27 June, of the Spanish National Securities Market Commission (CNMV) on audit committees at public-interest entities. Likewise, the standards ISO 19600 on compliance management systems, UNE 19601 on criminal compliance management, the Spanish Criminal Code and Circular 1/2016 of the Spanish Public Prosecutor’s Office on the criminal liability of legal entities.

The Compliance Function is an independent function which, with the support of El Corte Inglés Group’s Code of Ethics, policies and procedures; detects, assesses and manages the compliance risk in relation to applicable internal and external regulations resulting from all the activities and businesses carried out by El Corte Inglés Group companies, developing for that the promotional, advisory, coordination and communication tasks, and reporting necessary for greater efficiency in complying with the standards, in benefit of the Organisation’s objectives.

- Among its main duties are:
- The identification and assessment of the compliance risk in relation to the external regulations applicable to the Organisation, along with the standards and principles by which it has decided to self-regulate or adhere.
 - The determination of the suitability of the Organisation’s compliance procedures and controls.
 - Advise the Board of Directors, through the Audit and Control Committee, on compliance with the legal, regulatory and administrative requirements that affect the Organisation, along with the regulations and principles which it has developed internally or adhered to voluntarily.
 - The prevention of crimes and breaches, and combating corruption and fraud.
 - The promotion and supervision of compliance with the Code of Ethics and the dissemination and management of the Whistleblowing Channel, along with the Corporate Policies they develop.
 - Assessment and information on the impact of any change to the legal and jurisprudence environment, and any emerging risk resulting from it, in the Group’s activities and businesses.

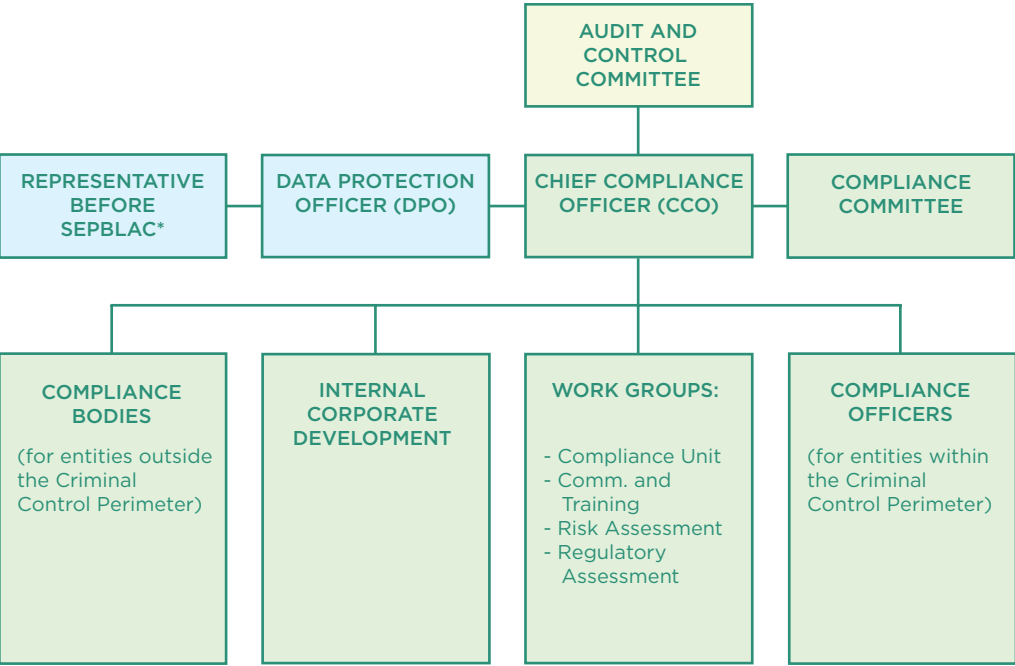


Reports directly to the Board of Directors through the Audit and Control Committee. Its position within the general structure of Corporate Governance is shown in the following diagram:



- The bodies that comprise the Compliance Function are:
- The Board of Directors, as ultimately responsible for the application and supervision, through the Audit and Control Committee, of Corporate Policies.
 - The Management, as responsible for applying policies and procedures, and of acting under ethical and socially responsible principles.
 - The head of Regulatory Compliance (Chief Compliance Officer or CCO) responsible for promoting and supervising the system.
 - The Compliance Committee (CC), as the consultative and advisory body of the CCO.
 - The Department of Internal Corporate Development (ICD) which under the control of the CCO and in collaboration with the CC, coordinates and directs the fieldwork in regulatory compliance matters.

The positions of the compliance bodies within the Group’s Corporate Governance structure is shown in the following organisational chart:



*SEPBLAC: Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences

- The main objective of the Compliance Function’s work plan for the 2019 financial year, has been to consolidate the prevention, training and dissemination of the Group’s behavioural values and principles in relation to the mitigation of regulatory compliance risk. To achieve that objective it has particularly focused on:
- The identification of activities with regulatory compliance risk, establishing the necessary controls for its appropriate mitigation.
 - The review of the Crime Prevention System to bring it in line with standard UNE 19601, in particular, defining perimeters of action within the scope of the Group companies, for the appropriate management of criminal risk.
 - The dissemination and improvement of the Regulatory Compliance system in Group companies.
 - The drawing up of proposals for new Corporate Policies and the implementation of those already approved, and collaboration in the preparation of procedures that facilitate their knowledge and ethical behaviour, integrity and responsibility.
 - The alignment with the general criteria of assessment, control and management of the Group’s risks.
 - The implementation of the external due diligence process in the analysis of suppliers and other business partners.
 - The promotion of the adherence, by all members of the Organisation, to the Ethical Standards of Regulatory Compliance.
 - The in-depth knowledge of regulatory compliance culture and of the Code of Ethics, through training messages and courses.

In 2019, the Regulatory Compliance Function presented its second annual reports on “The Compliance Risk Prevention Management System” and the “Compliance Function”.

- It also submitted to the Board of Directors, through the Audit and Control Committee:
- The Annual Report of the Group’s representative to the Executive Service of the Spanish Commission for the Prevention of Money Laundering and Monetary Offences (SEPBLAC), accompanied by the mandatory annual review of the Anti-Money Laundering and Countering the Financing of Terrorism (AML/CTF) System - by the Group’s Internal Audit Department and the external expert designated by the Board of Directors.
 - The Annual Report of the Group’s Data Protection Officer.

To communicate and disseminate the culture, and ethical and compliance principles, every month, various messages related to this content have been published on the internal NEXO platform under the hashtag #EticaCumplimientoIntegridad (#EthicsComplianceIntegrity).

In addition, a catalogue has been produced on criminal risks, acceptable parameters of conduct and expected behaviour of members of the Organisation.

Work is also continuing on an ongoing training plan which helps to spread the culture, and ethical and compliance principles, among our employees. Monitoring of the main training courses given in the 2019 financial year provided the following results:

Code of Ethics and the Whistleblowing Channel Training	Number
Employees trained	23,748
Training hours delivered	14,152

During 2019, no significant fines were imposed for breaches of any legal regulations applicable to the Group.

SHAREHOLDER INFORMATION

The General Shareholders’ Meeting is the main channel of information for shareholders. The documents concerning the items on the agenda to be dealt with at the Meeting are made available to shareholders a month before the date it is held.

Additionally, those shareholders who are also Group employees can access the financial and non-financial information for each tax year, through NEXO, the corporate intranet. Also personally and exclusively available to employees through this communication channel, is specific information on the shares they hold in El Corte Inglés, S.A. (nominal value, value at 31/12, gross dividend received in the year, etc.).



THE CUSTOMER

A path travelled with our customers.

Consumer loyalty and trust is reaffirmed year after year, a clear sign that we are moving forward in the right direction.

Our customers are at the heart of everything we do and inspire us to keep moving forward. Quality, innovation and sustainability are as important to our customers as they are to us.

Our main priority is the satisfaction of each one of our customers and, with it, the improvement of their experience. For that reason, we work to ensure our brand continues to be characterised by service excellence. We aim to cover society’s latest needs through a wide range of quality products, by personalised and specialised attention, and a commitment to day-to-day innovation and sustainability.

To do this, we establish a permanent communication with customers and make various channels available to them to respond to their expectations.

Linked material issues

- Customer service and service excellence
- Cybersecurity and information security
- Confidentiality and data protection
- Product safety
- Consumer protection legislation
- Adaptation, promotion, transparent reporting and promotion of responsible consumption habits
- Eco-design and sustainable innovation of products and services
- Customer loyalty
- Brand identity



SERVICE EXCELLENCE

We provide our customers with the highest standards of excellence which guarantee the greatest degree of loyalty possible. To ensure this, we closely assess the overall experience of our customers with El Corte Inglés.

We carry out numerous studies which take into consideration a multitude of variables, such as the consumer’s knowledge of the product, their preferences, the quality of our service and the level of satisfaction. One of our studies is on the Recommendation Index, the main aim of which is to measure the level of customer satisfaction with the treatment and attention received.

We have also carried out 78,275 customer surveys to create a satisfaction barometer, which aims to find out the level of acceptance of El Corte Inglés’s repair, installation and delivery services (62,000 surveys last year). The score obtained was 9.2 out of 10 points; in line with the previous year’s result.

Viajes El Corte Inglés also carried out 145,000 customer surveys, 63% more than last year, to find out the level of satisfaction with various services and the attention received. The result was a score of 9 out of 10 points from holiday customers and 8.4 from corporate customers. In addition we managed to achieve customer loyalty of 8.1% in Viajes El Corte Inglés during the year.

Similarly, we increased customer satisfaction in El Cortes Inglés Empresas, with an average score of 8.2 (up 4.2% on last year) and 62% of customers remaining loyal. Equally, Seguros Group increased its customer numbers by 5.7% and carried out over 13,000 customer surveys.

In Portugal, the level of customer satisfaction with El Corte Inglés–Grandes Armazéns reached 8 points.

We have received many messages of thanks from our customers at El Corte Inglés department stores, 3% more than last year, as a result of the efforts of our team in relation to customer service.

11,864 customer acknowledgments 2019

For the fourth consecutive year, Viajes El Corte Inglés was awarded the Prize for Best Business Travel Agency 2019 by IBTA (Iberian Business Travel Association) at its gala in Madrid.

SPECIALISATION

To achieve service excellence we need to have the very best team of professionals, and we recognise them as one of our central pillars. Specialisation in service enables us to differentiate ourselves substantially from our competitors and so we invest in training for our professionals to make them experts in their area of activity.

In 2019, training was given in products and services to ensure that our employees know the latest trends and innovations that the Company has to offer.



INNOVATION AND ECO-INNOVATION

Our business model demands that we are at the forefront of innovation to respond to society’s changing needs. In recognition of the quality and innovation in our own-brand products, we received five “Salute to Excellence” awards at the Private Manufacturers Association’s (PLMA) 2019 World of Private Label International Trade Show, in the food and non-food categories.

We have a team of professionals dedicated to studying and creating trends. In June 2019, we became the first retailer to sell Korean beauty brands and market Vodafone’s 5G service.

We innovate in all our business areas, from retail formats, to catalogues, channels of communication, logistics, information systems, etc. One of the advances this year was the development of a fully interactive toy catalogue which can also be used to entertain children.

Likewise, at the end of 2019, a new Samsung Experience Store was opened in the Colón department store in Valencia, where visitors can experience and interact with the brand’s latest products. There are also similar stores at ECI’s Callao (Madrid) and Bilbao centres. For the first time, this year we have sold tickets to some LaLiga football clubs’ matches through a revolutionary system which offers customers a 3D reproduction of the club’s stadium, simulating the view from their chosen seat before they buy their tickets.

Innovation is also a basic value for Informática El Corte Inglés, which has a structured and open creative model based on cooperation with start-ups, partners, customers, universities, technology centres and its own professionals. In 2019, development continued on five projects, thanks to co-funding from the Centre for Technological Industrial Development (CDTI) and the European Commission’s Horizon 2020 programme.

The Business Travel activity has been undergoing change for a number of years and, similarly, Viajes El Corte Inglés offers a technology upgrade with “Ecosistema Intools”, a portfolio of tools which cover the end-to-end travel management process.

This year, in the area of Back Office, we have seen a positive transformation through the inclusion and optimisation of RFID labels. These labels streamline the traditional bar code system, as they do not require direct reading, as they can be read from inside their packaging, enabling more units to be read in less time. Likewise, RFID technology is effective for just-in-time inventory management, which ensures the reliability of the stock in store, facilitating the automatic detection of stock-outs.

El Corte Inglés has gradually included RFID labels in all its products.

THE MOST DIVERSE AND TOP-QUALITY PRODUCT RANGE

The guarantee and quality of our products and services are the main reason that our customers put their trust in us. Our motto, “If you’re not satisfied, we’ll give you your money back”, backs up these commitments.



QUALITY AND SAFETY

If anything defines our range it is its quality, without ever ignoring price. We have a large group of employees who make every effort to guarantee the highest standards of quality, safety and traceability in our products and services.

The best products at the best price

We achieve the highest levels of food safety through the implementation of prevention systems which cover the entire supply chain. During the year, we have worked on extending these systems to our centres in Portugal, with the aim of standardising methods and processes. Through them, we carry out controls and monitoring of installations, procedures and products, obtaining comparable and representative food safety indicators.

As part of the continuous improvement, we have enhanced the procedures for responding efficiently to potential food alerts. Likewise, we have launched an improvements plan for the systems at our bakery and central kitchen with a view to implementing a quality management standard.

We have also enhanced controls, audits and tests on a large part of the products we sell.

Key figures 2019:

- 12,759 tests and verifications of homeware products
- 9,357 food samples tested
- 6,413 reports to check the quality of clothing, textile articles and footwear

In **food**, the number of analyses rose 46% on the previous year, due to the new analytical plan which includes carrying out more tests in the internal laboratory.

In the course of the year, we carried out 1,786 analyses of own-brand products, carried out in our own laboratory and external laboratories. This is a necessary requirements for them to continue forming part of our product range. Likewise, 66 visits were made to the manufacturers of our best-selling, own-brand products.

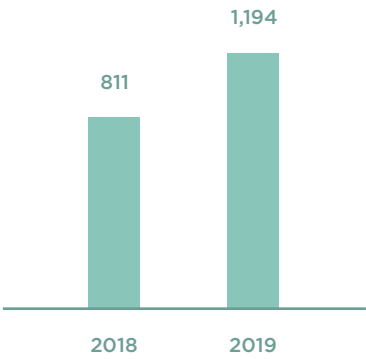
We work with prestigious suppliers who, in the case of own-brand foodstuffs, hold a safety certificate which meets GFSI (Global Food Safety Initiative) standards.

In El Corte Inglés Empresas, in response to contractual requirements and customer specifications, 978 test reports were carried out on our models in the internal laboratory.



In addition to the product controls, we are continuing with our Food Safety Audits Plan for our points-of-sale, which this year has been joined by a specific plan for external food businesses operating in our establishments under their own brands. This has seen 1,194 food safety audits carried out, 47% more than last year. With this plan, we can guarantee compliance with the required food safety standards.

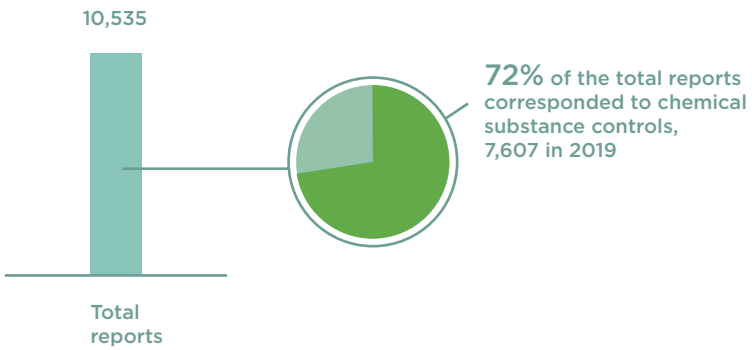
No. of food safety audits in shopping centres



In the area of **textiles**, El Corte Inglés Group has a Quality Assurance Policy, from which various procedures arise which guarantee the highest standards of quality and regulatory compliance in all our products. Examples of this are the “Textile Testing Procedure”, which is sent to suppliers as a reflection of the Group’s requirements, and the “Textile, Footwear and Accessories Safety Standards”, both of which are available on the El Corte Inglés website.

The Group strictly applies the Restrictions of Hazardous Chemicals in Clothing and Textiles (REACH) regulation and our own standards to control the use of banned substances in the production of own-brand clothing and textile products. We are also continuously undertaking monitoring and oversight of any possible changes that may occur in legislation, such as amendments to REACH, which comes into force in November 2021 and for which El Corte Inglés has already prepared by updating its policies and procedures. The Group is fully committed to minimising the impact of hazardous chemicals, together with the sector itself and following best practices.

No. of reports for the safety check on garments, textile articles and footwear



In 2019, we produced 10,535 reports on safety controls of clothing, textile articles and footwear, compared to 11,678 in 2018. This difference is mainly due to the optimisation of controls, thanks to the grouping of models of the same material and the categorisation of suppliers obtained from their historical results.



Also very important in textiles, are the mechanical safety tests on children’s clothing. These tests include the dimensions of shoe laces and tensile resistance of rigid components, to avoid risks such as choking or flammability in nightwear.

As well as the safety aspects, our work on quality assurance includes criteria related to the characteristics of the materials and the clothing, their composition, colour solidity or shrinkage and tensile strength of components.

To verify compliance with our requirements, a series of pre-production tests are carried out, the results of which will serve to determine whether or not a supplier is approved to manufacture the articles. These physical and mechanical controls are carried out in our laboratory in collaboration with an external reference laboratory.

Additional to these validation tests, post-production inspections are carried out, which have enabled us to improve our collaboration framework with manufacturers.

In our own-brand **toys**, home and home appliances products, each range has a quality dossier, which includes all the tests and certifications needed to guarantee their safety on the basis of EU regulations.

The validation of toy safety also includes all those products not specifically aimed at children, which, after studying their likely use, it is considered may be attractive to children and become like a toy for them.

The toy division is taking part in the ICONTOYS labelling project, together with a technology reference laboratory. The packaging of El Corte Inglés brand toys shows, through simple icons, the information the consumer needs to choose the right toys. These details include safety warnings and the skills that they may help a child playing with them to develop.

New this year are the procedures we have implemented to adapt to the regulatory requirements established for the design and manufacture of personal protective equipment (PPE). Products we sell in various sections are affected, including helmets and protective sports equipment, UV protection clothing, etc.

We have quality management systems in place in some of our business lines, which are certified by international standards, such as ISO 9001:2015. In the case of El Corte Inglés Empresas, in 2019 we have certified the third quality management system (ER-1225/2011, being added to the ER-1006/2011 and ER-0207/1997 process certifications of ISO 9001:2015), which covers the production and delivery of corporate apparel, accessories and protective equipment. We have also extended the ER-0207/1997 certification to include the execution of building refurbishment works, and the renovation and furnishing of spaces.

We are work together with the Ministry of Health within the framework of their BEF-1 inspection project for the control of biocides applied to products. To do this, analysis has been made of the labels, including assessment of the active substances, with the aim of verifying their compliance with the appropriate consumer protection guidelines.

RANGE

We have a wide range of products available to meet the needs and wants of all our customers. In 2019, we increased the total number of retail items by 3% to 2.5 million.

In food, we organise our stores in an attractive and customer-friendly way, with the wide variety of our range and the opportunity to taste products being particular attractions. Our choice of fresh produce covers a large part of the product range, as is reflected by the over 147 million kilos of fresh food bought in 2019.

Our shelves are filled with internationally renowned items, along with the most typical regional products of traditional Spanish cuisine, many of which are certified with designation of origin marks.

Products and services for people with special requirements

Our extensive product range has also been developed to satisfy the needs of those people with special requirements. In food, we have considerably increased our own-range of products and those groups with specific needs can now enjoy 5,777 own-range items, suitable for people who are coeliacs, diabetics or lactose-intolerant, which is an increase of 47% on last year.

Our range also includes multicultural products, catering for the cultural and ethnic minority groups that live in the markets where we operate. This year, our kosher and halal food customers have 337 products available to them which meet these specifications.

The pharmacies in our department stores have pharmacists, health and diet advisors, and skin and hair analysts, to offer our customers an exclusive service. These professionals advise on special products for all skin types and also on a wide range of reading glasses. In our orthopaedic marketplace, there is also furniture, such as chairs and beds, available which is adapted for special needs.

In the area of fashion, we also have products which are suitable for our customers needs on every occasion. Made-to-measure first communion dresses and suits, special sizes, Mini Cotton clothing for premature babies and orders for special uniforms made from 100% cotton.

Healthy products

We are working to extend our product range to respond to the needs of those customers who want to maintain a balanced and healthy diet.

We have progressed with the reformulation of a wide range of own-brand bread, confectionery and biscuits, dairy, ready-made meal and soft drink products, in line with the collaboration plan to improve the composition of food and drink products, signed with the Ministry of Health. As part of this reformulation agreement, we are reducing the sugar, fat and salt content of over 100 of our own-brand items.

The European Union Regulation was published this year, which limits the presence of trans fats other than those naturally occurring in foodstuffs. Our own-brand products already meet this requirement, thanks to the work we began a number of years ago on adapting to the recommendations of the World Health Organization (WHO) on limiting these kinds of fats.

Along this line of promoting a healthy lifestyle, in April 2018, Seguros El Corte Inglés launched its “VidaMovida” insurance policy under the slogan “*andar es ganar*” (it pays to walk). This product has an app associated with it, which measures the number of steps taken each day and calculates an accumulated sum of money every quarter. In 2019, a total of 6,620 customers have downloaded this app and through counting their steps have earned gift cards worth in excess of 44,000 euros.



CONTINUOUS IMPROVEMENT AND PERMANENT DIALOGUE

For the continuous improvement of the business, we maintain a two-way communication with our customers, which we consider to be essential to achieving excellence.

Being a benchmark for customers requires knowing their needs and expectations, and being able to respond quickly. We work on the basis of five central pillars, which structure our relationship with customers:

- Permanent multi-channel communication
- Incidents management
- New solutions and digital transformation
- Security and data protection
- Transparency of information

PERMANENT MULTI-CHANNEL COMMUNICATION

We seek a close communication with customers, making various channels available to them to establish a continuous dialogue.

In 2019, we received over 18 million calls and increased the number of SMS sent by more than 40%. Personalised and permanent attention acquires particular importance when it involves providing service for our online customers, for whom the Remote Sales Division (RSD) has a telephone helpline available 365 days a year and an email address to which they can send their communications.

The number of calls made to customers fell compared to 2018, as greater use was made of social media and email to respond to their needs.

2019	2018
18.1 million calls received from customers	19.1 million calls received from customers ³
Over 3 million calls made to customers	Around 4 million calls made to customers
Over 859,000 SMS sent	Over 608,000 SMS sent
2 million emails received/Over 1.3 million emails sent	1.5 million emails received ⁴ / Over 700,000 emails sent
72,000 contacts managed on social media	76,000 contacts managed on social medi
8.6 million registered users on our websites	More than 7.5 million registered users on our websites.
3.5 million followers on social media	3.2 million followers on social media

A large part of our efforts are concentrated on the online channel, increasingly in demand by consumers. During the year, there were 480 million visits to our retail websites, a rise of 12% on last year (432 million visits in 2018).

The number of registered users on our websites also increased, up by 15% from 2018 at 8.6 million. Our online catalogue continues to expand and our El Corte Inglés website alone includes over 2 million items, compared to the 1.5 million published the previous year

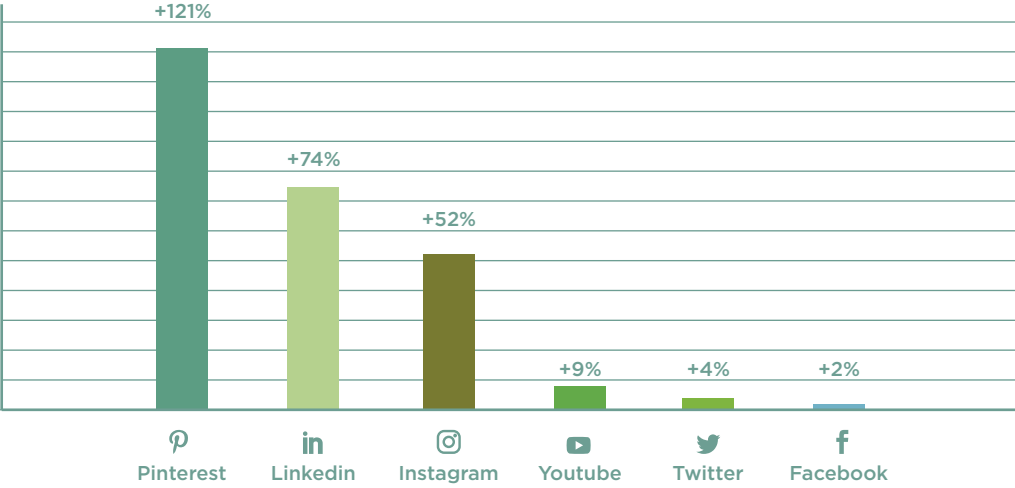
³ Includes, unlike the data reported in Non-Financial Report 2018, the calls received in the Remote Sales Division of El Corte Inglés, Viajes El Corte Inglés and Seguros El Corte Inglés, to make the data comparable with 2019.
⁴ Includes, unlike the data reported in Non-Financial Report 2018, the emails received in the Remote Sales Division of El Corte Inglés to make the data comparable with 2019.



We are present on various platforms and social media through which we can inform people about our initiatives and launches, while at the same time taking note of their suggestions and reactions. You can find us on Facebook, Twitter, Instagram, LinkedIn, Pinterest and YouTube.

We increased our social media community by 5% in 2019, to over 3.5 million users/followers. The distance between Facebook and Instagram was reduced, with the latter adding 52% more followers, though Facebook continues to occupy first place with more than 2 million followers.

Increase in users by social network in 2019 vs 2018



INCIDENTS MANAGEMENT

Given the large number of commercial transactions that take place with customers, it is vital to provide immediate and personalised attention to satisfactorily respond to the incidents we face.

Since the customer relationship management platform, Salesforce, was rolled out in El Corte Inglés department stores in November 2018, the average resolution time for incidents received in this tool has fallen considerably, from 3.7 to 2.6 days, a reduction of 30%.

Customers contacts in 2019

Contacts	299,086
Days average resolution time	2.6 days

In the rest of the Group companies, a total of 33,996 incidences were recorded, with over 92% of these complaints being resolved. Of these, 3,890 correspond to Seguros El Corte Inglés Group, which represents a far lower percentage, taking into account both the volume of business and the number of claims processed during the year.

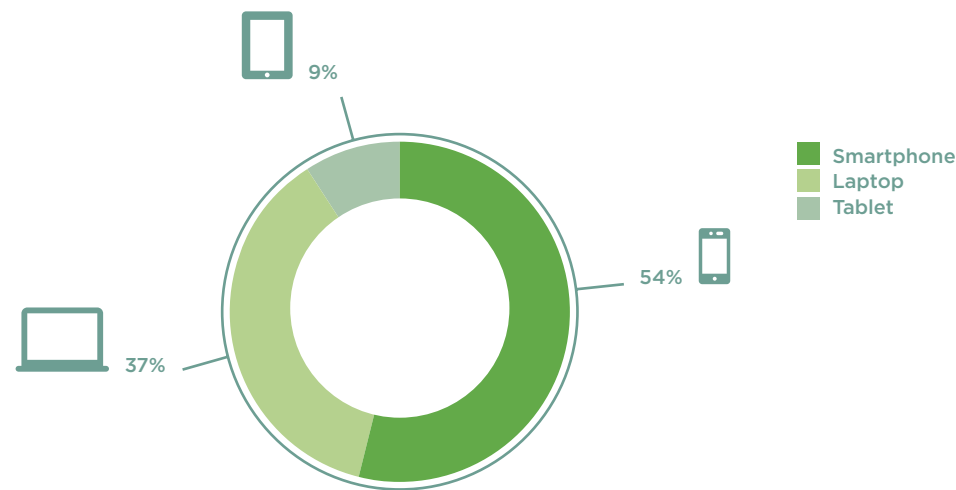
NEW SOLUTIONS AND DIGITAL TRANSFORMATION

Our technology advances at the rate that our customers require, and we work to make their shopping experiences through all online and offline channels, simpler and easier.

To help us do this, we have developed new partnerships to develop the internationalisation of our own brands through AliExpress and other operators, taking advantage of the global e-commerce network. Likewise, since 2018 we have enhanced the opportunities that social media platform Instagram offers through Instagram Shopper, enabling direct shopping from this channel.

The interrelationship between the physical and the online worlds has driven the growth of a versatile and multichannel customer, who chooses one or other channel indistinctly, depending on the moment and their needs. In 2019, we had around 1 million very active multichannel customers which translated into 5.5 million orders, up 22% on last year. Also of note, is the strong growth in online shopping by smartphone compared to other mobile devices such as laptops or tablets.

Online order distribution by device in 2019 (%)



The synergies between the online and offline worlds has led us to develop three star services: Click&Collect (orders on the internet with collection from the selected store), Click&Car (purchases in the virtual supermarket and collection from the selected store) and Click&Express (online purchases with delivery in less than two hours or in the chosen time slot). Looking for a moment at the 2020 financial year, these remote shopping methods are playing an important role in the COVID-19 health crisis, as they have enabled customers to do their shopping by internet or phone and have it delivered to their homes or collect it themselves in the carpark of their chosen store.

In 2019, the service ratio, the percentage of deliveries made within the time period established with the customer, was 89.9%. As for payment methods, the highlight was our El Corte Inglés store card achieving over 11.5 million users.



STORE CARD

The El Corte Inglés store card was introduced over fifty years ago, as a new payment concept to make shopping easier for its customers, and it has become one of the most popular and used in Spain, with over 11.5 million users. The card offers various payment options and financing of purchases for up to 60 days, free of charge to the customer. Among other advantages, holders can use it online from any device, enjoy two hours free parking when they spend over 35 euros in any of our stores and obtain cashback when filling up at Repsol, Campsa and Petronor petrol stations.

Also, with the aim of adapting ourselves to the needs of society and to continue innovating our range of services, since 2019, El Corte Inglés customers have been able to pay for their purchases through the Repsol Waylet app and WeChat Pay, the latter having over 800 million users in China.

SECURITY AND DATA PROTECTION

El Corte Inglés Group ensures the privacy and security of our customers’ personal data, giving them maximum importance.

This year we have been reviewing our corporate policies and procedures in relation to privacy and data protection, to ensure the technical and organisational measures implemented in the Group are aligned with Regulation (EU) 2016/679 of the European Parliament and of the Council (GDPR), and Organic Law 3/2018 on Protection of Personal Data and Guarantee of Digital Rights (known by its Spanish acronym, “LOPDGDD”). The Department of Internal Corporate Development (ICD) acts as the support and internal control body in this matter for all the various areas of the business.

No material facts and/or substantial regulatory developments were detected in the review of the policies and procedures which justified any changes; nor was it necessary to report to the Audit and Control Committee.

With regard to the technical and organisational measures, new procedures and/or standards have been implemented, along with their corresponding controls. To clarify certain concepts relating to GDPR, 13 internal standards have been published. In addition, the Security Breaches Notification procedure was approved and the Privacy Policy implemented, to enhance customer transparency and accessibility.

The main management of controls to mitigate data protection risk is carried out with a monitoring tool through which 56 Data Processing Activity Registers have been analysed, which have been grouped and classified into 30 processing categories. In total, 139 different purposes have been defined.

The objective assessments of the 12 most significant processing categories for the Group’s strategy have been analysed.

The claims and complaints received can come from the Spanish Data Protection Agency (AEPD), if it involves a request in relation to a complaint from a third party, or directly from a third party via the channels available in the Group (email, telephone, post or customer services offices). All the claims and complaints are channelled through the Group Data Protection Officer who opens a file and manages each case individually.

TRANSPARENCY OF INFORMATION

El Corte Inglés is firmly committed to transparency of information. As members of Autocontrol, the Spanish advertising industry’s independent self-regulatory body, we once again undertook the ethical commitment to responsibly exercise our freedom of expression in advertising through the self-regulation system.

Likewise, we produced our Quarterly Compliance Report, which includes the potential incidents/claims received from consumers via Autocontrol. For another further year, we have received the certification from this body, which recognises El Corte Inglés’s advertising as having complied with Autocontrol’s Advertising Code of Conduct.

We also have internal protocols in place which cover, by product category, the legal requirements in relation to customer information for the own-brand products we sell.

OUR SUSTAINABILITY MOVEMENT

In the last few years, we have taken firm steps forward in our commitment to sustainability, including it in the actions and decision-making across the whole Group. In 2019, we created our **Sustainability Movement**, which has the objective of moving towards a more sustainable business model and lifestyle, and to make progress on the commitments reflected in our Manifesto:

OUR MANIFESTO



WE’RE COMMITTED TO ACHIEVING ZERO WASTE BY 2025



WE ONLY WITH SUPPLIERS CAPABLE OF DEMONSTRATING A COMMITMENT TO THE ENVIRONMENT AND HUMAN RIGHTS



WE PROMOTE CIRCULAR ECONOMY



WE COMMIT TO MORE SUSTAINABLE RAW MATERIALS



WE’RE REDUCING OUR PLASTIC FOOTPRINT ONE STEP AT A TIME



OUR ELECTRICITY CONSUMPTION IS ALREADY 100% FROM RENEWABLE SOURCES



WE HAVE POINTS TO RECHARGE YOUR ELECTRIC VEHICLE



WE GIVE A SECOND LIFE TO YOUR CLOTHES, ELECTRICAL APPLIANCES, TOYS AND EVEN BOOKS



“There’s still a lot for us to do, but now we’re moving”

We have established our global business commitments through our adherence to various programmes, which are summarised in the following table:

Business commitments


Name of initiative	Areas affected	Specific commitment	Year
Training	All	100% of designers and buyers trained in eco-design for recycling	2020
		100% of designers and buyers trained in eco-design for packaging	2021
Better Cotton Initiative (BCI)	Fashion and home textiles areas	Purchasing of 15% of cotton based on BCI principles in 2020	2020
		Purchasing of 50% of cotton based on BCI principles in 2023	2023
Fashion Pact	Textiles, fashion and accessories	Climate: Promote climate adaptation and resilience – raw materials with a low climate-change impact (organic, recycled, regenerative, sustainable) at least 25%, starting with cotton, viscose and leather	2025
Fashion Pact and United Nations Fashion Industry Charter for Climate Action	Textiles, fashion and accessories	Climate: 50% use of renewable energies in own operations and incentivised in the supply chain	2025
		Climate: 100% use of renewable energies in own operations and incentivised in the supply chain	2030
		Decarbonisation of the fashion industry acting on the 16 principles of the United Nations Fashion Industry Charter for Climate Action	2050
Marine Stewardship Council Malta Pact	Fish products	Gradual increase in certified own-brand and fresh products	Annual review

The Sustainability Movement aspires to offer our customers the most extensive and innovative range of products and services with sustainability attributes, while at the same time providing the most complete information to all our stakeholders, as shown in the following diagram:




RESPONSIBLE PROCUREMENT GUIDE


To clearly establish what a “sustainable product” is at El Corte Inglés, we have produced, together with experts and stakeholders, our sustainable products guide for buyers and suppliers, which sets out four programmes for the retail areas:




SUSTAINABLE ORIGIN:
Raw materials come from a sustainable source
(e.g., FSC viscose)



CLOSING THE CIRCLE:
The product is made of recycled or regenerated material from by-products of the same activity or another
(e.g. tyre dust flip flops)



SUSTAINABLE DESIGN AND MANUFACTURING-PROCESSES:
The product incorporates processes that minimise the impact on design, production or use phase
(e.g. ozone finishes)



LOCAL:
Local production reducing shipping and promoting the local economy
(e.g. MÑ “Hecho en España” (Made in Spain))

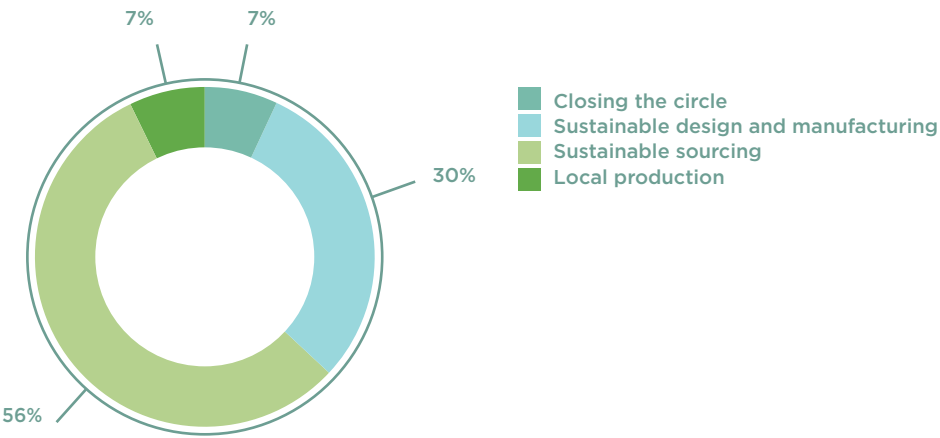


Sustainable product references

		of total
No. Unique Product References	95,945	—
No. Own-brand attributes	50,610	50.4%
No. Other-brand attributes	49,857	49.6%

Note: the same product reference may have several sustainability attributes.

Distribution of sustainable products in the four sustainability programmes



During 2019, we have extended the sustainable product range, which our designers and buyers develop in line with the guidelines set out in the sustainable products guide.

Sustainable products

		3,700 products with Designation of Origin and Protected Geographical Indication
		3,125 organic production products available in the 21 Biosphere spaces
		We add Fair Trade sugar in the making of the “Roscón de Reyes” cake.
		21,218 FSC-certified furniture, stationery and toys
		Over 400 environmental protection products promoting a sustainable lifestyle at home (urban gardens, biodegradable paints or elements for recycling)
		3,845 products under the MÑ Made in Spain label, including Gloria Ortiz shoes
		24,516 Oekotex Standard 100® or Made in Green products for men, women, lingerie, swimwear, sports and home textiles
		52 products in the Emidio Tucci Collection with Dry Indigo® technology
		164 references in Easy Wear with Recover® recycled cotton yarn from the textile collected in the Cáritas moda re- containers in our stores
		14,926 organic cotton products in home textiles, fashion collections, and under the Free Style, Cotton Juice, UNIT and Sfera brands
		Feather and down-filled products in Neokdun® recycled technical bed

The launch of the Sustainability Movement in September 2019 was accompanied by numerous initiatives and actions, with over five million people receiving information about it. One of the initiatives is a public awareness campaign via the company’s website (www.elcorteingles.es/sostenibilidad), which provides consumers with information on shopping choices and advice for a more sustainable and healthy lifestyle.

Similarly, an awareness campaign was carried out through the organising of various Eco-Events and practical workshops in which experts and other relevant people participate. Among the most popular in 2019 were “The aware consumer”, “Zero waste” and “Measuring the impact”. Of particular interest among the workshops held was “Look after your clothes and sort out your wardrobe”, in partnership with Slow Fashion Next, where a sustainable fashion expert explains how to choose clothes, combine them, extend their life and organise them for a greener wardrobe.

The Viajes El Corte Inglés area has produced a sustainable tourism development guide in collaboration with the Spanish Network of the United Nations Global Compact and with help from the major stakeholders identified in the tourist industry (UNICEF, WWF, FAADA, ECODES). Training has taken place with over 150 Viajes El Corte Inglés buyers based on this guide; which accounts for 99% of the procurement staff. Additionally, Viajes El Corte Inglés has published its third sustainable tourism development brochure and applies the “Ten Commandments on Eco-Tourism” in all its activities (<https://inbusiness.viajeselcorteingles.es/es/viajes-el-corte-ingles/rsc/>).

In 2019, El Corte Inglés Empresas adhered to the Green Building Rating Tools (or certification) of the Green Building Council of Spain (GBCe), which aims to contribute to the transformation of the market towards more sustainable construction through its sustainable buildings assessment methodology.



El Corte Inglés-Grandes Armazéns has also taken important steps in this area with the signing of the Lisbon European Green Capital Pact and the Mobility Pact.

In January 2020, the Executive Sustainability Committee was set up. This completes the governance structure which is headed up by the Corporate Social Responsibility Committee of the Board of Directors, which enables sustainability to be addressed both at the highest level and transversally.

COMMITTED TEAM

A team committed to reaching our goals.

Expertise and a passion for the work they do are hallmarks of our employees. We look after and support our team so that we are all moving forward in the same direction.

Our employees are a key part of the guarantee of the success of our business model. For this reason, we are committed to their professional development and the provision of a motivational environment.

Linked material issues

- Equal opportunity, diversity and inclusion
- Work-life balance and co-responsibility
- Occupational health and safety

Although this report covers the 2019 financial year (ending 29 February 2020), at the start of the 2020 financial year, as a result of the Covid-19 outbreak, El Corte Inglés has been forced to temporarily close its stores and cease its usual activity, except for those involving food and other essential products. In March 2020, this led the Group to introduce an employment furlough scheme (known as “ERTE” in Spain), under the measures included in Royal Decree 463/2020, of 14 March, due to force majeure, and with the aim of maintaining jobs.

88,268

EMPLOYEES
in the Group

89.6%
employees with a
PERMANENT
CONTRACT

70.4%
employees
WORKING
FULL-TIME

15.2 years
AVERAGE
SENIORITY
of the workforce

OUR TEAM

To be able to attend and provide service to our customers we need a large team of employees specialised in all of our lines of business.

On 29 February 2020, El Corte Inglés Group had a workforce of 88,268 people, to which must be added around another 24,300 external staff who also work at our El Corte Inglés centres, both in retail activities and services. Of the total Group workforce, 93.5% work in Spain, 3.8% in Portugal and 2.7% in the other 22 countries around the world; 64% of our employees are women and 36% are men.

The number of employees at year-end was 1,736 lower than last year, largely due to retirement, voluntarily departures and termination of contracts. The greater efficiency of the human resources in the organisation has compensated for this fall in headcount, with the quality and service that characterise the Company being maintained.

Our team contains all types of profiles to cover the various needs and obtain the best results.



Breakdown of the workforce by gender

Gender	Workforce 2019	% 2019	% 2018
Female	56,450	64.0%	63.9%
Male	31,818	36.0%	36.1%
TOTAL	88,268	100%	100%

Breakdown of the workforce by country

Country	Workforce 2019	% 2019	% 2018
Spain	82,546	93.5%	93.7%
Portugal	3,391	3.8%	3.7%
Other countries	2,331	2.7%	2.6%
TOTAL	88,268	100%	100%

Breakdown of the workforce by age range

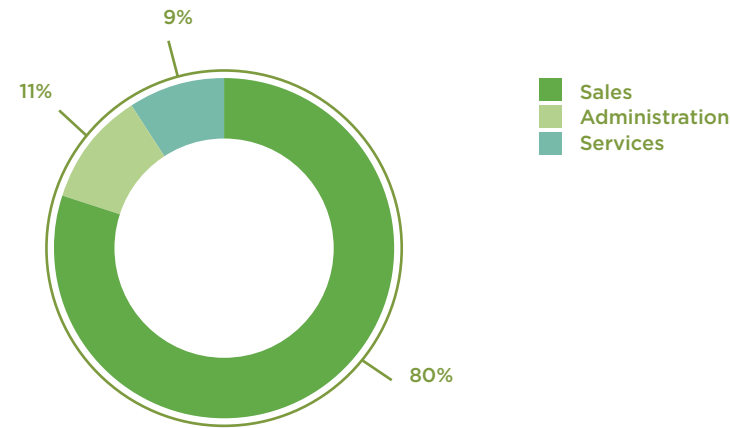
Age	Workforce 2019	% 2019	% 2018
Under 30	12,833	14.5%	15%
30-50	51,519	58.4%	62%
Over 50	23,916	27.1%	23%
TOTAL	88,268	100%	100%

Breakdown of the workforce by professional category

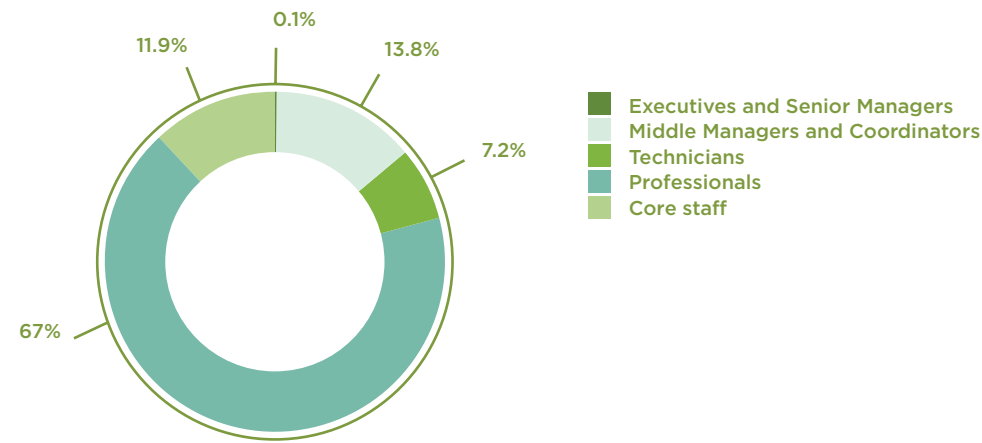
Professional category	Workforce 2019	% 2019	% 2018
Executives and senior managers	118	0.1%	0.1%
Middle managers and coordinators	12,139	13.7%	13.3%
Technicians	6,312	7.2%	6.4%
Professionals	59,178	67.0%	67.0%
Core staff	10,521	12.0%	13.2%
TOTAL	88,268	100%	100%

By group, 80% of the workforce is employed in retail sales, while the remaining 20% are involved in administration and services activities. Our team has a great generational diversity, with the average age of the workforce being 42.

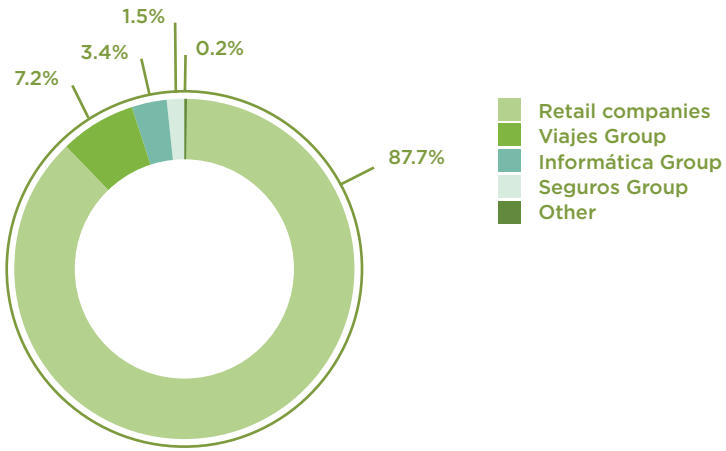
Our team by Groups



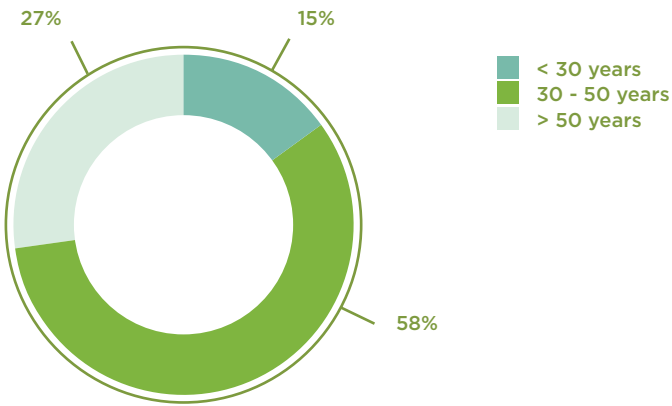
Our team by Professional Group



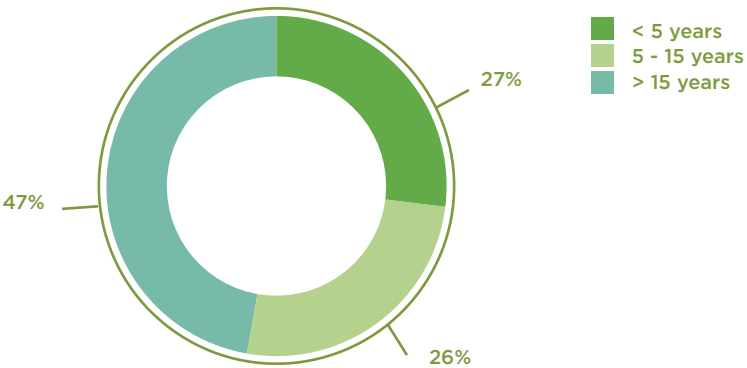
Our team by business line



Our team by age intervals



Our team by seniority intervals



89.6% of the workforce has a permanent contract, a higher proportion than last year. Its breakdown by gender, age and professional category is shown in the following tables:

Breakdown of the workforce by contract type and gender

Gender	Permanent contract 2019	% Temporary contract / gender 2019	% Permanent contract/ gender 2018	Temporary contract 2019	% Temporary contract/ gender 2019	% Temporary contract/ gender 2018
Female	50,440	89.4%	88.6%	6,010	10.6%	11.4%
Male	28,637	90.0%	88.7%	3,181	10.0%	11.3%
TOTAL	79,077	89.6%	88.6%	9,191	10.4%	11.4%

Breakdown of the workforce by contract type and age

Age	Permanent contract 2019	% Permanent contract/ age 2019	% Permanent contract/ age 2018	Temporary contract 2019	% Temporary contract/ age 2019	% Temporary contract/ age 2018
Under 30	7,006	54.6%	51.8%	5,827	45.4%	48.2%
30-50	48,487	94.1%	93.7%	3,032	5.9%	6.3%
Over 50	23,584	98.6%	99.0%	332	1.4%	1.0%
TOTAL	79,077	89.6%	88.6%	9,191	10.4%	11.4%

Breakdown of the workforce by contract type and professional category

Professional category	Perm. contract 2019	% Perm. cont./ Prof. category 2019	% Perm. cont./ Prof. category 2018	Temporary contract 2019	% Temp. cont./ Prof. category 2019	% Temp. cont./ Prof. category 2018
Executives and senior managers	118	100.0%	100%	0	0.0%	0%
Middle managers and coordinators	12,061	99.4%	99.5%	78	0.6%	0.5%
Technicians	6,113	96.9%	96.9%	199	3.1%	3.1%
Professionals	56,300	95.1%	95.5%	2,878	4.9%	4.5%
Core staff	4,485	42.6%	39.3%	6,036	57.4%	60.7%
TOTAL	79,077	89.6%	88.6%	9,191	10.4%	11.4%

70.4% of our workforce are full-time compared to 69.7% last year. Of the professionals that work full-time, 55% are women and 45% are men.

Breakdown of own workforce by type of work schedule and gender

Gender	Full-time 2019	% Full-time/ gender 2019	% Full-time/ gender 2018	Part-time 2019	% Part-time/ gender 2019	% Part-time/ gender 2018
Female	33,876	60.0%	59.2%	22,574	40.0%	40.8%
Male	28,223	88.7%	88.2%	3,595	11.3%	11.8%
TOTAL	62,099	70.4%	69.7%	26,169	29.6%	30.3%

Breakdown of the workforce by type of work schedule and age

Age	Full-time 2019	% Full-time/ age 2019	% Full-time/ age 2018	Part-time 2019	% Part-time/ age 2019	% Part-time/ age 2018
Under 30	7,990	62.3%	62.9%	4,843	37.7%	37.1%
30-50	35,616	69.1%	69.6%	15,903	30.9%	30.4%
Over 50	18,493	77.3%	74.4%	5,423	22.7%	25.6%
TOTAL	62,099	70.4%	69.7%	26,169	29.6%	30.3%

Breakdown of the workforce by type of work schedule and professional category

Professional category	Full-time 2019	% Full-time/ Profesional category 2019	% Full-time/ Profesional category 2018	Part-time 2019	% Part-time/ Profesional category 2019	% Part-time/ Profesional category 2019
Executives and senior managers	113	95.8%	93.8%	5	4.2%	6.2%
Middle managers and coordinators	11,264	92.8%	91.6%	875	7.2%	8.4%
Technicians	5,418	85.8%	86.3%	894	14.2%	13.7%
Professionals	39,379	66.5%	66.2%	19,799	33.5%	33.8%
Core staff	5,925	56.3%	56.9%	4,596	43.7%	43.1%
TOTAL	62,099	70.4%	69.7%	26,169	29.6%	30.3%

The annual average number of contracts in the complete 2019 financial year was 89,599, of which 90% were permanent contracts.

Annual average number of contracts by type of contract, work schedule and gender

Gender	Permanent contract 2019			Temporary contract 2019		
	Full-time	Part-time	Total 2019	Full-time	Part-time	Total 2019
Female	30,538	20,989	51,527	3,454	2,344	5,799
Male	26,400	2,748	29,149	2,011	1,114	3,125
TOTAL	56,938	23,737	80,676	5,465	3,458	8,924

Annual average of contracts by type of contract, work schedule and age range

Age ranges	Permanent contract 2019			Temporary contract 2019		
	Full-time	Part-time	Total 2019	Full-time	Part-time	Total 2019
Under 30	4,668	2,473	7,141	3,081	2,702	5,783
30-50	33,709	15,466	49,176	2,173	655	2,828
Over 50	18,561	5,798	24,359	211	102	313
TOTAL	56,938	23,737	80,676	5,465	3,458	8,924

Annual average of contracts by type of contract, work schedule and professional category

Professional category	Permanent contract 2019			Temporary contract 2019		
	Full-time	Part-time	Total 2019	Full-time	Part-time	Total 2019
Executives and senior managers	121	8	129	0	0	0
Middle managers and coordinators	11,430	967	12,396	54	28	82
Technicians	5,173	860	6,033	136	42	178
Professionals	37,611	20,051	57,662	2,351	479	2,830
Core staff	2,603	1,852	4,456	2,924	2,910	5,834
TOTAL	56,938	23,737	80,676	5,465	3,458	8,924

ATTRACTION AND RETENTION OF TALENT⁵

The Group’s commercial activity varies according to the time of year and this requires strengthening the workforce to attend to the different needs of each period. The Human Resources Department seeks to attract the best candidates through a series of meticulous processes, identifying people committed to ethical behaviour and the Company’s values. We also prioritise internal talent and the professional development of our workers.

In 2019, we made further progress with our candidate selection model via the Employment Portal of our website, which was launched in 2018 and has become the chief source of recruitment for all Group companies.

The reputation of our employer brand has been further enhanced by the high number of visits to this Portal, where over 400,000 applications have been received for the job offers published, both for the retail companies and our other companies in Spain and Portugal.

The main pillars of the selection processes are framed in the Group’s social orientation:



⁵ Scope of data: employees of Group companies in Spain and El Corte Inglés-Grandes Armazéns (ECIGA).



In the academic field, El Corte Inglés Group has agreements in place with the major universities, business schools and centres of education, which every year enables us to recruit students from practically all subject areas and academic levels; from professional training to graduate and postgraduates.

Of particular note are the Group’s involvement with the Fundación Ramón Areces Chair in Retail Distribution at the University of Oviedo, the IECISA Chair at Madrid Polytechnic University and in the Community of Madrid’s “4º ESO+Empresa” programme, through which over 70 school students have the chance to find out about the retail business.

Our involvement with education in 2019, saw us directly participate along with a benchmark Spanish professional training centre in the conversion to dual modality of the Higher Level professional training course in Transport and Logistics.

We also take part in the main job fairs and events where we have been able to showcase the number and variety of quality employment opportunities that exist in our companies.

In 2019, a total of 1,590 people were hired on permanent contracts, 40% of them under 30, demonstrating our belief in young talent. To that, we must add the more than 11,300 people who joined on temporary contracts as seasonal reinforcements, who also left us in the same financial year.

No. of people hired during the year on permanent contracts

Age	People 2019	% 2019	% 2018
Under 30	683	43.0%	40.7%
30-50	819	51.5%	55.5%
Over 50	88	5.5%	3.8%
TOTAL	1,590	100.0%	100.0%

The ratio of new hires to the total permanent workforce was 1.9%.

In 2019, 1,333 employees with permanent contracts left voluntarily, giving a turnover rate for permanent employees of 1.5% of the total workforce. There were 1,332 involuntary departures.

Breakdown of involuntary departures by gender

Gender	People 2019	% 2019	% 2018
Female	766	57.5%	43.3%
Male	566	42.5%	56.7%
TOTAL	1,332	100.0%	100.0%

Breakdown of involuntary departures by age range

Age	People 2019	% 2019	% 2018
Under 30	116	8.7%	10.8%
30-50	726	54.5%	61.4%
Over 50	490	36.8%	27.8%
TOTAL	1,332	100.0%	100.0%

Breakdown of involuntary departures by professional category

Professional category	People 2019	% 2019	% 2018
Executives and senior managers	9	0.7%	0.6%
Middle managers and coordinators	280	21.0%	16.9%
Technicians	100	7.5%	6.6%
Professionals	839	63.0%	67.7%
Core staff	104	7.8%	8.2%
TOTAL	1,332	100.0%	100.0%

In addition, recognition of the hard work, loyalty and dedication of employees is reflected in the award of long-service badges to those who complete 15 and 25 years service with the Group. Last year a total of 4,008 employees were given this recognition; 3.6% more than in 2018.

Long-service badges awarded

GOLD 25 years	SILVER 15 years	TOTAL 2019	TOTAL 2018
768	3,240	4,008	3,867

PROFESSIONAL DEVELOPMENT⁶

Our employees have the opportunity to develop an extensive professional career in the Group, as the more than 15 years average seniority of the workforce demonstrates. Furthermore, 47% of our team have worked for us for more than 15 years.



TRAINING

Training has been a differentiating feature of El Corte Inglés since its origins and is a strategic element in ensuring the permanent innovation of products and services.

We believe that investing in training has a positive effect for both parties and, for this reason, in the 2019 financial year we allocated over 24 million euros to it, in line with 2018.

In particular, El Corte Inglés-Grandes Armazéns has increased its investment in staff training and resources this year, with various awareness activities on corporate social responsibility and good employment practices. Training has been given on the areas of specialisation, service and product, as well as other more general courses.

During 2019, over 59,300 Group employees have been trained in CSR, due to El Corte Inglés’s involvement in this area.

We are committed to training which enables our professionals to become more specialised and, therefore, we have a widely experienced team, capable of designing and planning appropriate training, using the latest teaching methodologies.

⁶ Scope of data: employees of Group companies in Spain and El Corte Inglés-Grandes Armazéns (ECIGA).

Our strategy in this area has led us to develop 57% more classroom-based training activities, with in excess of 27,000 being carried out in 2019. To these we must add online training, where Aula Virtual (Virtual Classroom) was launched, which gives employees access to training from their own workstation.

The Virtual Classroom consists of a “mother” classroom in our training centre at Herrera Oria (Madrid), from where short and specific training activities are delivered, which is connected to the 86 classrooms in our department stores. This gives students the opportunity to take part in real time, through a virtual community created for each event.

Classroom-based and online training

Areas	Training activities	Hours 2019	Students 2019	Hours per student 2019*	Hours per student 2018*
Sales	2,891	40,168	34,539	312,954	276,111
Products, professional skills and OHS	9,044	48,986	67,806	465,673	494,996
Administrative sales processes and IT	1,789	15,370	22,255	173,069	355,595
Executive and management skills	1,228	12,464	14,379	129,692	62,268
Languages	956	34,290	4,480	152,819	148,891
Other	165	6,869	1,501	32,856	38,513
TOTAL (Classroom-based training)	16,073	158,147	144,960	1,267,063	1,376,374
Virtual classroom training	11,152	22,488	38,203	70,856	-
Online training	-	-	408,783	402,794	363,937
TOTAL	27,225	180,635	591,946	1,740,713	1,740,311

* Includes 214,246 hours in 2019 and 127,855 hours in 2018, delivered to people not contracted at the time of training.

Of particular note among the varied activities carried out this year, is the training of sales staff in the Salesforce app: a tool which helps improve customer relationships; and the training in the new Order Management System, which substantially improves the ability to track the availability of goods requested by customers in their nearest stores.

Likewise, specific classes were given on professional skills and products, support has been provided for the implementation of various SAP modules, and the management skills training plan for department store heads has continued.

183,163 students participated in classroom-based courses and 408,783 in online classes. A total of 1,337,919 training hours were delivered in classroom-based courses 402,794 and in online courses.

In 2019, there was a total of 1,740,713 training hours. On average each employee has taken part in seven training activities and received 17.8 hours of courses. Likewise, newly appointed staff received over 214,000 hours of training before joining the Company.

Average training hours by professional category and gender

Professional category	Total hours 2019	Average hours Men 2019	Average hours Women 2019	Total hours 2018
Executives and senior managers	4,348	38.3	2.9	2,998
Middle managers and coordinators	316,019	26.5	27.8	348,920
Technicians	165,190	26.8	28.2	230,706
Professionals	805,928	14.6	13.8	691,791
Core staff	234,982	18.8	25.5	338,039
TOTAL HOURS	1,526,467	17.8 hours/employee		1,612,454

In addition to ongoing training, employees have the chance to study at university, which we organise through our Ramón Areces University Studies Centre. During this financial year, 971 employees took part in this training.

University education/training by Group employees 2019

University	Qualification	No. of students
UNED	University access for the over 25s	125
	Law degree	171
	Business Administration and Management degree	248
	Psychology degree	298
	Computer Engineering degree	8
	Master's degree in Data Science and Big Data	51
Nebrija University	Classroom-based master's degree in New Technologies Applied to Travel Agency Management	24
	Online master's degree in New Technologies Applied to Travel Agency Management (Mexico City)	46
TOTAL		971

PERFORMANCE APPRAISAL

Team managers carry out the appraisal of their staff’s performance. This enables them to check the extent to which the objectives set in the previous appraisal have been achieved and the employee’s professional development, in such a way that they can implement measures to improve their future career path.

This process is also a useful communication and motivation tool for the workforce, providing a meeting between the professionals and their managers in which to talk and to highlight their development, aspirations and concerns within the Group.

92% of El Corte Inglés’s employees underwent performance appraisal over the last year.



CAREER PLANS AND PROMOTION

At El Corte Inglés Group we have transversal career plans conceived so that professionals can have a comprehensive knowledge of the business, with the aim of developing their skills in different jobs.

In this regard, the Seguros Group launched an app in 2019 to allow its staff to complete their profile, with the purpose of creating synergies and broadening their career horizons in El Corte Inglés Group.

During the year, a total of 2,199 employees were promoted in their jobs, of these 58.3% were women and 41.7% men.

BEST LABOUR PRACTICES⁷

ORGANISATION OF WORKING TIME

All employees of Group companies in Spain and of El Corte Inglés in Portugal are covered by their respective collective bargaining agreements (this represents 97% of the total Group workforce), the same percentage as the previous year.

In 2019, the Collective Bargaining Agreement for the National Sector of Private Insurance Brokerage Companies 2019-2022, was signed, which affects the company, Centro de Seguros y Servicios (CESS).

The collective bargaining agreements, depending on each company’s activity, establish the annual number of working hours and the parameters for how they can be distributed, taking into account seasonality and the periods of greater or lesser activity, among others.

Through these agreements, employees are guaranteed compliance with the legal minimum advance notice of any communication or major change which could affect them. Also, through the working time organisation systems, every person knows in advance what their work schedule will be and the established holiday periods.

Our employees also have additional benefits to those set out in the respective collective bargaining agreements, such as two days paid leave a year for parents or guardians to take children under-12 to a medical appointment; or leave to accompany a seriously or chronically ill immediate family member.

The types of activities carried out by Group companies, require an irregular distribution of working hours. For this reason, and with the aim of compensating any overtime which may accumulate at the end of the year, all the collective bargaining agreements establish special mechanisms such as time-off-in-lieu and overtime payments. Other measures have also been adopted, such as the reduction of Sundays and bank holidays worked in certain autonomous communities, and a reduction in extended opening hours.

Similarly, Group companies have signed an agreement with the four trade unions (CC.OO., FASGA, FETICO and UGT) which represent them, to comply with Royal Decree-Law 8/2019 on urgent measures for social protection and combating job insecurity in the working day. The agreement establishes the bases for recognising the start and end of the working day of all employees, at the same time as preserving the particular features in relation to the work schedule and distribution of working time of the various Group companies affected.

TELEWORKING

The development and improvement of work systems has led some Group companies to trial the implementation of teleworking at the start of 2020. Viajes El Corte Inglés is one of them, and it has been launched with certain teams teleworking for two days a week. El Corte Inglés Empresas has created a special team to roll out its teleworking policies, while El Corte Inglés has successfully introduced teleworking in the first few months of the 2020 financial year.

At year-end 2019, measures were being studied to establish a disconnection policy across the entire Group. However, given the nature of our business, only a small part of our workforce requires any specific rules relating to this.

⁷ Scope of data: corresponds to employees of Group companies in Spain and El Corte Inglés-Grandes Armazéns (ECIGA) in the 2019 calendar year.



SOCIAL DIALOGUE

Social dialogue with employees formally takes place through the workers’ representatives in the Inter-Store Committee and the various trade unions with which a permanent relationship is maintained. Negotiations take place with them on the various plans and measures which affect the workforce outside the collective bargaining agreement, which itself is negotiated by the Spanish employers’ organisation, National Association of Large Distribution Companies (ANGED).

The Group guarantees the right to freedom of association and collective bargaining, along with the right to join any trade union and not to be discriminated against for doing so. A permanent dialogue is maintained with the trade union representatives of the various organisations.

Elections were held during the year to vote for the trade union representatives of the employees in CESS, Sfera and those El Corte Inglés centres which did not have elections in 2018.

The merger by absorption of Bricor, S.A. by El Corte Inglés, S.A. took place on 1 October 2019, under which the latter assumed the capacity of employer of all the employees of Bricor, guaranteeing the continuation of all labour rights pre-existing the business succession.

INTERNAL COMMUNICATION IN EL CORTE INGLÉS

At El Corte Inglés we are committed to close and transversal communication with our professionals, with the employee as the focus, driving force and leader of it. The internal tools, content and channels developed aim to respond to this philosophy.

The main internal communication channels are the NEXO portal, our intranet, and its mobile app. The two platforms have a total of over 80,000 unique users a month and an average of more than 2 million monthly visits, for which reason it is a vital mechanism for employee involvement and participation. In 2019, both the NEXO platform and app were launched in Portuguese, to drive the internal communication of El Corte Inglés-Grandes Armazéns employees; keeping them up to date with the latest and most important company news both in Portugal and the Group as a whole.

These platforms, and the tools available on them (email, internal social media, Outlook, Yammer and Teams communities), give us a more connected workforce. This facilitates team working and knowledge transfer, while at the same time promoting internal initiatives, providing visibility and developing pride in being part of the Company. It also serves as a channel for circulating corporate policies and general regulations among staff.

Likewise, the various Group companies have their own specific communication channels. For example, Seguros Group has the “Seguros concilia” (Seguros work-life balance) mailbox, where employees can send suggestions and questions about work-life balance or equality plans, which are handled by a special committee.

A common practice in El Corte Inglés Group is to regularly carry out a work climate survey to discover the views of the members of our team on basic issues surrounding the working environment, which we constantly adapt to meet the needs detected.

REMUNERATION MODEL

Our remuneration policy is based on professional development and merit, and equality and non-discrimination. The remuneration structure comprises a fixed component agreed through collective bargaining and a variable component linked to the achievement of individual and global targets.

We offer our team a starting salary which is, taking the average among Group companies, 15% higher than the legally-established minimum.

El Cortes Inglés Group uses the pay gap as a remuneration indicator for its employees, to analyse the salary differences which exist between the sexes in our workforce. The calculation⁸ has been made on the basis of the average salaries and gaps in each professional category with each one weighted according to their importance in the total workforce, with a result of 8.2% being obtained. This means that the pay gap remains stable with respect to last year (8.2% in 2018⁹).

Total weighted pay gap: 8.2%

⁸ The formula used to calculate the pay gap is: (average remuneration of men - average remuneration of women) / average remuneration of men) *100. Comprises both fixed and variable remuneration, including incentives, bonuses and fringe benefits.
⁹ The 2018 pay gap has been calculated by ungrouping the categories of “Executives and senior managers” and “Middle managers and coordinators”.



Average gross remuneration by professional category

Professional category	Av. Rem. Men 2019 (€)	Av. Rem. Women 2019 (€)	Av. Average 2019(€)	Weighting Prof. category/ total workforce 2019(€)	Av. Rem. Men 2018 (€)	Av. Rem. Women 2018 (€)	Av. Average 2018 (€)
Executives and senior managers	269,920	200,209	268,070	0.1%	260,727	200,969	258,687
Middle managers and coordinators	46,604	35,586	42,659	13.7%	47,819	36,392	44,035
Technicians	37,113	32,463	34,749	7.0%	37,872	33,525	35,618
Professionals	21,169	19,787	20,183	67.3%	21,433	19,950	20,373
Core staff	15,258	15,640	15,503	11.9%	14,943	15,420	15,247
TOTAL	29,116	21,217	24,055	100.0%	29,372	21,185	24,115

Although the figures reflect certain pay differences, we can confirm that equal pay exists between men and women. These differences are due to certain factors like seniority and the structure of each professional category by gender.

In 2019, the average overall gross remuneration of the Group stood at 24,055 euros a year (including both fixed and variable components).

Average gross remuneration by age

Age	Average gross annual remuneration 2019 (€)	Average gross annual remuneration 2018 (€)
Under 30	16,251	16,247
30-50	22,730	22,968
Over 50	30,687	31,996
TOTAL	24,055	24,115

Since 2018, employees have been able to choose the personalised flexible remuneration scheme (Plan+). This plan is voluntary and employees can decide how much of their salary they want to receive in tax-advantaged products, such as health insurance, restaurant vouchers, transport season tickets and childcare vouchers.

Other social benefit are the group life insurance policy, grants to the children of employees with special needs, exclusive travel offers and leisure activities, and special terms on financing.

Educational grants are also awarded to employees’ children for senior high school, medium- and higher-level professional training and university studies. In 2019, and in line with the previous year, 3,900 study grants were awarded for a total of 3.8 million euros, by the Joint Committee of the César Rodríguez and Ramón Areces Foundations. A further 765 grants were also awarded to the children of employees with special needs.

DIVERSITY AND INCLUSION¹⁰



From the outset, the Group has been characterised by its inclusive business model that facilitates the labour market integration of people at risk of social exclusion.

At year-end, there were 1,409 employees recorded with some type of disability, a 20% increase on 2018 (1,171 employees). In addition, as part of the Group’s commitment in this area, we continue to work in partnership with 52 Special Employment Centres.

One of the major milestones is the Inserta Agreement, signed between El Corte Inglés and the ONCE Foundation in 2018, which aims to incorporate 500 disabled people into the Group’s workforce over the next five years. During the 2019 financial year, 104 people were employed from this group and they have achieved a very positive level of inclusion both socially and economically.

Another notable agreement is that reached with Down Coruña (Down Syndrome association in A Coruña), to assist with the “supported employment” service’s social and workplace inclusion of people with learning disabilities.

In Portugal, El Corte Inglés-Grandes Armazéns has again been awarded the inclusive employer quality mark. Ove the last two years, the company has taken part in over 70 projects, aimed at promoting the inclusion of people with disabilities.

The Seguros Group has agreements with employment training centres that enable social and labour market integration of people with learning disabilities, for the outsourcing of some of its services.

We are also part of the campaign, “Companies for a Society Free of Gender Violence”, promoted by the Ministry of Health, Social Services and Equality, and have signed agreements with:

- Spanish Red Cross. We deliver workshops on improving employability, aimed at women who are victims of gender violence, in which El Corte Inglés professionals help them to prepare for a job interview and advise them on their personal image and appearance.
- Integra Foundation. El Corte Inglés executives undertake volunteering activities aimed at improving the employability of women who are victims of gender violence.

In this regard, we have drawn up an internal procedure for hiring women who are victims of gender violence, with the aim of facilitating their access to and inclusion in all Group companies. In addition, it has been established that those employees who are in this situation, have four days’ paid leave available to them if they have to move home or are responsible for children under 18 or with a level of disability greater than 65%.

Similarly, we also consider other groups at risk of social exclusion and work with the Spanish Red Cross and Fundación Secretariado Gitano (Gypsy Secretariat Foundation) on the Digital Skills Workshop; with the Asociación Trabajando en Positivo (Positive Working Association)

and the Ministry of Health, Consumer Affairs and Social Welfare, offering the facilities at some of our department stores to carry out awareness campaigns to stop discrimination against people with HIV. We also collaborate with Fundación Más Humano (More Human Foundation) to promote youth entrepreneurship through the funding of their projects; in 2019 we awarded a prize and financed the Timpers project carried out by blind or visually-impaired workers.

Similarly, Sfera has made donations of clothes in support of Fundación Quiero Trabajo (I Want to Work Foundation). This association provides support and prepares women for job interviews, offering them an orientation and advice service on their image, and the clothing and accessories appropriate for an interview.

We are convinced that cultural diversity of our team considerably increases our skills and abilities, while at the same time enriching us as a Group. For this reason, El Corte Inglés has signed up to the “Alianza CEO por la Diversidad” (CEOs for Diversity Alliance), which has the mission of uniting companies around a common and innovative vision of diversity, equality and inclusion. This project is promoted by the foundations: Fundación Adecco and Fundación CEOE.

For its part, El Corte Inglés-Grandes Armazéns signed the Portuguese Diversity Charter and in 2019 held Diversity Week, with 2,000 employees and outside speakers.

- We consider diversity from a variety of areas all of which we continue working on:
- Cultural diversity. We now have over 2,615 non-Spanish nationals in our workforce, 9% more than in 2018. Among the different countries represented, those of Europe and Latin America stand out, with 92% of these employees originating from there. In the Group’s department stores and offices outside Spain, 95% of the workforce is local, thereby strengthening our commitment to development.
 - LGBTI diversity. On 27 February 2019, El Corte Inglés joined REDI, the Business Network for LGBTI Diversity and Inclusion, with the common commitment to promote an inclusive and respectful environment in organisations, and value talent regardless of identity, gender expression or sexual orientation. Prior to this, we signed an agreement with the Ministry of Health, Social Services and Equality in Spain, to take part in the European Project ADIM, with the aim of advancing in LGBTI diversity management in the public and private sector.
 - Generational diversity. There are five different generations represented in El Corte Inglés Group. To highlight this diversity and encourage interaction between the different age groups, we have launched the “Generaciones El Corte Inglés” (El Corte Inglés Generations) project.

AWARDS

ONCE Commitment to the Community Award	In May 2019, El Corte Inglés of Pamplona received the ONCE award to organisations and people for their commitment to the community. It was commended for its sustained efforts over time in relation to employability of people at risk of exclusion and the development of various community projects for the improvement of the quality of people’s lives and their social inclusion.
Francisca de Pedraza Prize	The Association of Progressive Women of Alcalá de Henares (AMPAdH) awarded this prize to El Corte Inglés for its campaign against gender violence and improving the employability of these women.
Integra Foundation Special Mention Award	El Corte Inglés received a prize for its special awareness and involvement with the project for the inclusion of women who are victims of gender violence and other vulnerable groups.

¹⁰ Scope of data: employees of Group companies in Spain and El Corte Inglés-Grandes Armazéns (ECIGA).

EQUAL OPPORTUNITIES, WORK-LIFE BALANCE AND CO-RESPONSIBILITY¹¹

Equal opportunities is the basis on which we establish the relationship with our employees. To guarantee this basic right, we have Equality Plans for all El Corte Inglés Group companies and the Corporate Equality Group formed by those responsible for the various Equality Plans.

All the plans have monitoring committees made up of company and trade union representatives and all of these committees held meetings in 2019.

We continue to make progress in our commitment to gradually increase the number of women in positions of responsibility and we are close to achieving our target of, at least, 50% of new management posts being occupied by women by the end of 2020 (47% in 2019). Among Group companies, Sfera stands out, with 85% of management positions occupied by women. Next comes Viajes El Corte Inglés, with 61% of women in positions of responsibility.

One of the most important projects in this area is “*Nosotras Somos El Corte Inglés*” (We Women are El Corte Inglés), developed to highlight the role of women in the Group. This initiative has served to enhance the philosophy contained in the equality policies and plans, and to show the diverse professionals roles and areas in which our female staff work.

Percentage of women by professional category and age range

Professional category	% 2019	% 2018
Executives and Senior Managers	4.2%	4.7%
Middle managers and coordinators	36.7%	33.9%
Technicians	49.8%	50.9%
Professionals	71.1%	71.2%
Core staff	64.3%	63.7%
Age	% 2019	% 2018
Under 30	59.6%	59.0%
30-50	66.5%	66.5%
Over 50	60.8%	60.0%

All the equality plans include a sexual harassment and discrimination action protocol. We also have an Instructional Committee for the Treatment of Situations of Harassment, through which complaints or situations of this kind at all Group companies are channelled.

Through our employees’ training, we raise awareness of a variety of aspects related to human rights and, in particular those regarding diversity and equality. Over 10,187 people undertook training in this area this year, to add to the 90,100 who had already done so since the course was launched in 2016.

We promote measures that support the work-life balance, maternity and breastfeeding. To do this, certain distribution of working hours models have been developed in some Group companies, which adapt to their specific type of business. For example, irregular length of working days that permit an early finish on Fridays, earlier starts/finishes in summer and at Christmas, flexible start and finish times, taking turns to have holidays in line with school holidays, etc.

¹¹ Scope of data: employees of Group companies in Spain and El Corte Inglés-Grandes Armazéns (ECIGA).

We have prepared a co-responsibility course, delivered via “Aul@ECI” for the Group’s entire workforce, with the aim of raising awareness and sensitising employees about the benefits of shared responsibility.

Men with the right to paternity leave

	Men	Women	TOTAL 2019	TOTAL 2018
% of employees with the right to maternity/paternity leave who exercised that right	90.7%	100.0%	96.5%	96.1%
Return-to-work index	97.9%	68.6%	79.7%	81.0%
Retention rate (1 year later)	87.7%	83.7%	85.0%	87.7%



A SAFE AND HEALTHY WORKING ENVIRONMENT¹²

One of the priorities of El Corte Inglés is to guarantee safe working environments and promote occupational health for the entire workforce.

The Group’s investment in preventive measures, and occupational health and safety management systems, puts us in an advantageous position with respect to our peers and increases our prestige as a committed and quality employer. In total, 32,349 employees received training in occupational health and safety in the 2019 financial year. An example of this is training delivered to the regional Prevention Services on “Employee wellbeing/Health strategies to cope with acute stress at work”, with 217 workers attending a total of 21 courses.

One of this year’s main milestones was the launch of the wellbeing assessment in our department stores, thanks to which we can analyse the management of psychosocial factors in our employees.

Our work in this area was recognised in the Asepeyo Annual Awards, in which El Corte Inglés received the prize in the category “Best risk control practices” with its “Particularly sensitive workers procedure”.

El Corte Inglés has carried out 25,371 health examinations among its employees, the results of which were used to launch the Occupational Health Monitoring Procedures System. This method focuses on the early and systematic detection of work-related illnesses, to avoid the assignment of tasks incompatible with a person’s health conditions.

We also participate in numerous conferences and meetings that enable us to be in the vanguard of occupational health and prevention systems. Here, it is worth highlighting the participation in the workshops on the management of psychosocial factors for Human Resources executives in Castile and Leon, the Sociedad Valenciana de Medicina y Seguridad del Trabajo (Valencian Society for Medicine and Safety at Work) workshops, the Cántabro de Seguridad y Salud en el Trabajo (Cantabrian Institute of Health and Safety at Work) workshops, and the involvement with the International Association of Department Stores (IADS), where the results and latest objectives of El Corte Inglés’s psychosocial research were presented.

- In 2019, we carried out, among others, the following campaigns and initiatives:
- The promotion of general good health at national level: This campaign groups together the voluntary and specific medical tests according to the employees’ job, with 9,610 participants this year.
 - Anti-flu campaign 2019: through which a total of 5,551 people were vaccinated.
 - Online course: “Look after your health: Cancer”: Now completed by 19,000 people.
 - “Pilot Prevent” programme: Held again this year in the department stores of Pozuelo (Madrid), Santander (Cantabria) and Elche (Community of Valencia), with the aim of taking preventive measures to stop varicose veins.
 - “Keep an eye on your retina” campaign: For the early detection of changes to the retina in asymptomatic employees. 4,682 employees have taken part this year.
 - Local stop smoking programmes.
 - “Protect yourself and enjoy the sun” campaign: To make an early diagnosis of unusual growths or marks on the skin, which this year had 191 participants.
 - Prevention and control of high blood pressure programme: To prevent and control high blood pressure.
 - Information and awareness campaign together with Fundación Freno al Ictus (Stop Ischaemic Stroke): To raise awareness of the importance of developing a healthy lifestyle to prevent ischaemic stroke.

¹² Scope of data: employees of Group companies in Spain and El Corte Inglés-Grandes Armazéns (ECIGA). The data on the absenteeism rate and accident ratios correspond to the natural year as this is the period for which it is extracted by the Group’s IT tools. These data do not include ECIGA and Viajes El Corte Inglés, as they were not centralised in the Group’s corporate tools.



ABSENTEEISM

Absenteeism due to common illness and non-workplace accidents in the Group accounted for over 5,628,067 hours in 2019 (5,135,000 hours in 2018).

Breakdown of the absenteeism rate by company and gender

Company	Men 2019	Women 2019	TOTAL 2019	TOTAL 2018
El Corte Inglés	3.434 %	5.575 %	4.736 %	4.226 %
Supercor	3.893 %	6.842 %	5.543 %	4.796 %
Sfera	2.861 %	4.877 %	4.667 %	4.216 %
Bricor	1.633 %	2.517 %	1.942 %	3.002 %
Informática Group	1.004 %	2.722 %	1.523 %	1.662 %
Seguros Group	2.422 %	5.542 %	4.590 %	3.646 %

WORKPLACE ACCIDENTS

In 2019 1,516 cases were recorded with absence from work compared to 1,647 in 2018, of which 643 were men and 873 were women (701 men and 946 women in 2018), with over 247,080 hours of absenteeism as a result. There were 48 cases (38 in 2018) of work-related illnesses recorded during the year, mainly resulting from forced posture and repetitive movements; 19 of these related to men and 29 to women (12 men and 26 women in 2018).

Breakdown of occupational accidents by company and gender

Company	(No. Cases/Hours worked) *1,000,000				(Days lost/Working hours) *1,000				(No. Cases/Workforce) *100			
	Frequency ¹³				Severity ¹⁴				Incidence ¹⁵			
	Men	Wom.	TOTAL 2019	TOTAL 2018	Men	Wom.	TOTAL 2019	TOTAL 2018	Men	Wom.	TOTAL 2019	TOTAL 2018
El Corte Inglés	14.140	12.144	12.937	13.745	0.292	0.232	0.255	0.285	1.735	1.313	1.468	1.545
Supercor	25.312	30.454	28.143	27.413	0.411	0.560	0.495	0.486	2.708	3.155	2.958	2.948
Sfera	9.562	10.526	10.423	11.580	0.127	0.158	0.155	0.201	0.978	1.029	1.024	1.154
Bricor	21.063	19.795	20.623	18.744	0.351	0.365	0.356	0.394	2.186	1.980	2.113	2.300
Informática Group	0.686	0.807	0.722	2.768	0.011	0.002	0.008	0.073	0.095	0.110	0.099	0.392
Seguros Group	-	1.669	1.147	0.615	-	0.025	0.017	0.013	-	0.183	0.128	0.065

El Corte Inglés Empresas has certified its occupational health and safety management system, based on standard OHSAS 18001, with the certifying body AUDELCO since 2010.

¹³ Frequency index: Accidents with absence from work, excluding “in itinere” and “relapses”.

¹⁴ Severity index: (Days lost from accidents with absence from work, excluding “in itinere” and “relapses”).

¹⁵ Incident index: (Number of accidents with absence from work from the workforce at 31 December 2019).

SUPPLY CHAIN

We share the same commitment to quality, responsibility and transparency as our suppliers.

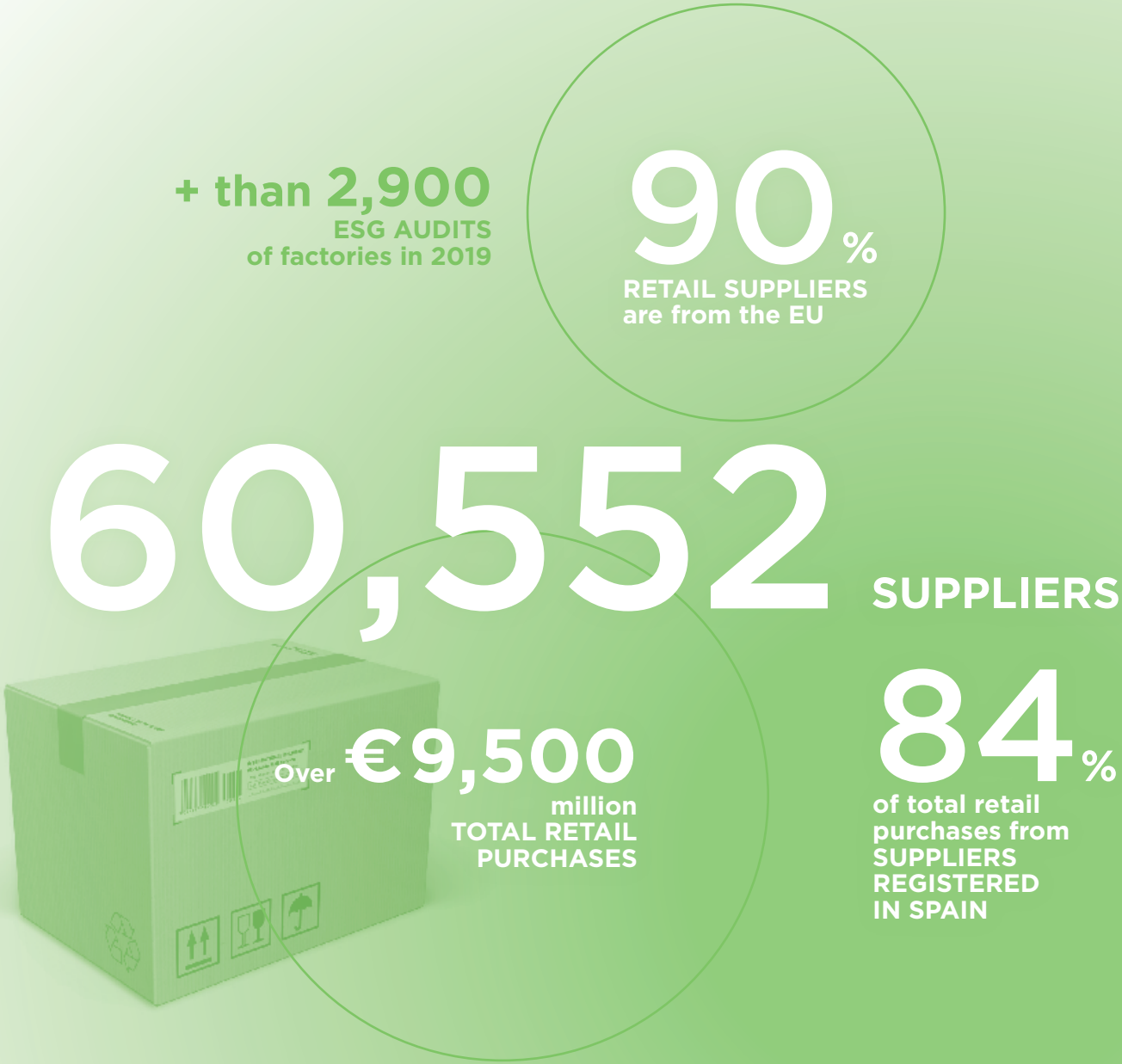
All of our suppliers follow our Code of Ethics to ensure compliance with national and international legislation, with respect for people and the environment taking centre stage.

Our corporate social responsibility management system pays particular attention to the supply chain, and monitoring takes place of the suppliers and factories we work with. The quality of our products must be accompanied by respect for and compliance with each of the basic standards and we only work with those suppliers who accept our values and principles as their own. The assessment and training of our suppliers and factories allows us to undertake the continuous improvement of our supply chain.

Linked material issues

- Human Rights in the supply chain
- Supplier health and safety
- Traceability and sustainability criteria in the supply chain

Our supplier adhere to our Code of Ethics through the Letter of Commitment. For our part, we carried out due diligence on our own-brand supply chain for over 2,700 suppliers and more than 4,000 factories during the year.



OUR SUPPLY CHAIN¹⁶

Number of suppliers of the Group at 29 February 2020

Business lines	Spain	Other EU countries	Third countries	Total 2019	Total 2018	Change vs. 2018
Retail companies	21,502	4,173	2,832	28,507	30,614	-6.9%
Seguros Group	1,335	21	5	1,361	1,315	3.5%
Informática El Corte Inglés Group	1,311	107	44	1,462	1,631	-10.4%
Viajes El Corte Inglés Group	15,902	9,804	3,516	29,222	27,184	7.5%
TOTAL	40,050	14,105	6,397	60,552	60,744	-0.3%

Total Group purchases (millions of euros) at 29 February 2020

Business lines	Spain	Other EU countries	Third countries	Total 2019	Total 2018	Change vs. 2018
Retail companies	7,995	830	713	9,538	9,586	-0.5%
Seguros Group	17	0.04	0.2	17	18	-1.6%
Informática El Corte Inglés Group	326	46	5	377	488	-22.8%
Viajes El Corte Inglés Group	894	336	183	1,413	1,531	-7.7%
TOTAL	9,232	1,212	902	11,346	11,623	-2.4%

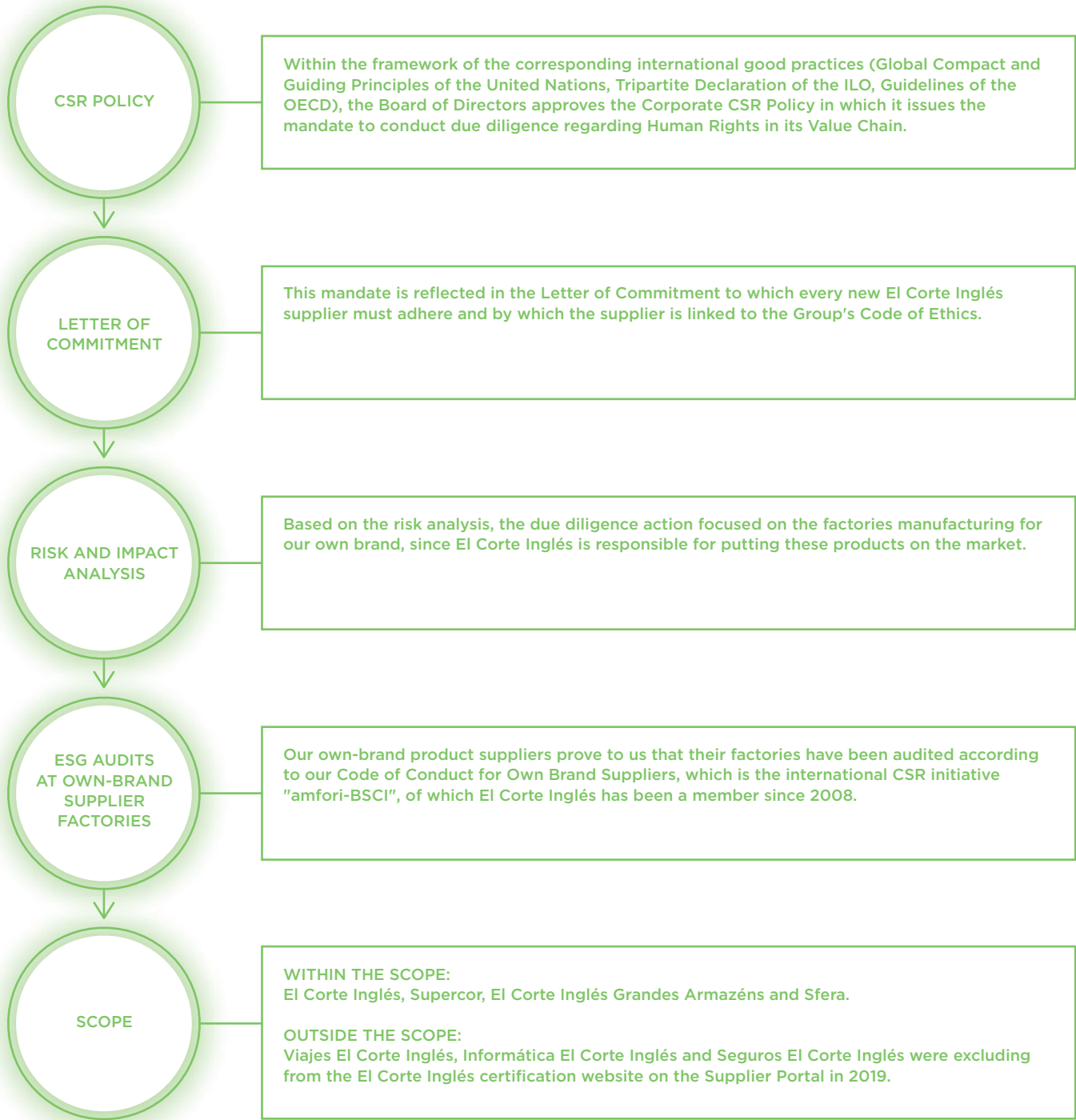
We manage our value chain globally, promoting local development. Currently, 66% of the Group’s suppliers are located in Spain and they represent 81% of the total volume of purchases. We also favour local products in our stores in Portugal. In 2019, 95% of the suppliers of El Corte Inglés-Grandes Armazéns were located in Portugal, while the volume of purchases from local suppliers was 87%. Lastly, 89% of suppliers come from within the EU, with a volume of purchases of 92%.

Likewise, we provide support for small and medium-sized enterprises which form an essential part of the business fabric, with 89% of the suppliers of our retail business in Spain being SMEs (extrapolated from a representative sample).

¹⁶ The data for retail and insurance for the FY2018 have been recalculated to make them comparable with the FY2019, to avoid the double-counting of common suppliers between Group companies, along with inter-group and associated company transactions. The data from insurance agents has been included for Seguros Group.

MANAGEMENT SYSTEM APPROACH IN THE SUPPLY CHAIN

At El Corte Inglés, we carry out due diligence on our supply chain and for that purpose we have a management system in place which aims to safeguard good practices and respect for human rights in all our suppliers. This management system is built on the following pillars:



RESULTS OF THE APPLICATION OF THE RESPONSIBLE MANAGEMENT SYSTEM

The management system is applied in two main spheres of activity: the certification of suppliers stage and the due diligence stage, checking the environmental, social and good governance (ESG) criteria in the production centres of our own-brand suppliers.

CERTIFICATION OF SUPPLIERS

All potential suppliers go through the certification process which starts with the analysis of their performance in the area of legal compliance and is extended to an analysis of their financial solvency in the case of possible Spanish suppliers.

Once they have passed this initial screening, we require the formal commitment of the supplier to human rights by their adherence to the Letter of Commitment (<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2017/07/19/esp-nuevacartacompromiso.pdf>), and through which the supplier is tied to El Corte Inglés's Code of Ethics, both of which are available on the Group's website (<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2018/01/30/codigo-etico-28-11.pdf>).

In the financial year, 99% of the 1,780 suppliers invited to take part in the process were certified as conforming with environmental and social criteria (94% of 1,769 suppliers last year).



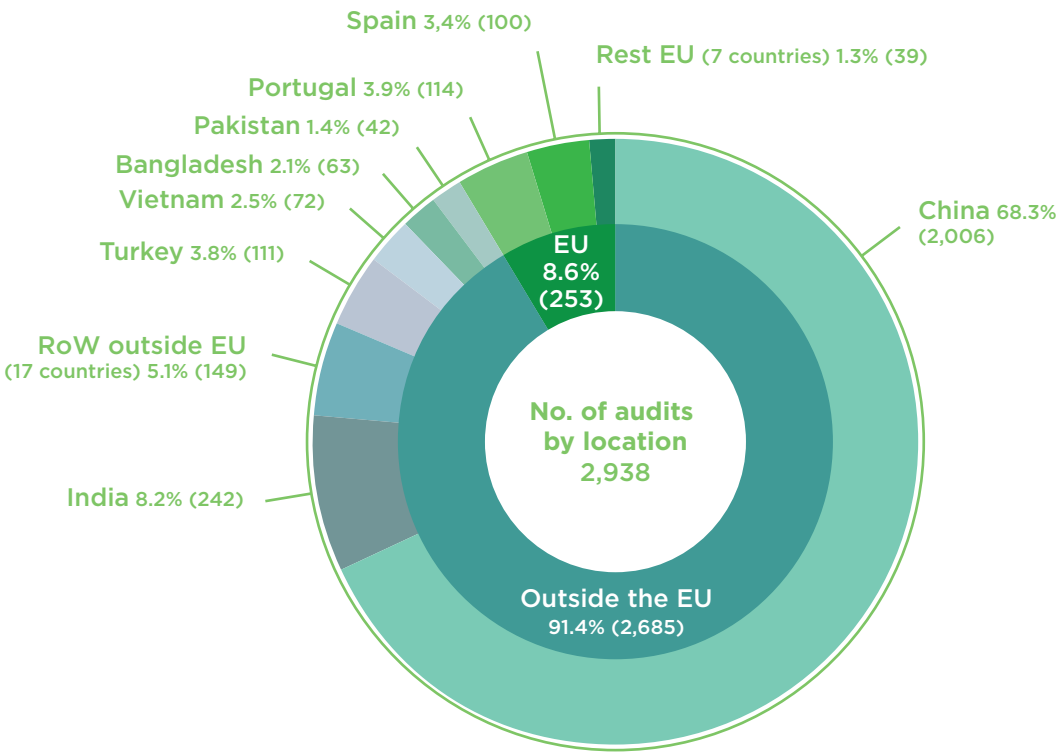
DUE DILIGENCE IN ESG CRITERIA

As part of the certification process, suppliers of our own-brand products have to declare the list of their factories and provide an Environmental, Social and Governance (ESG) audit or certification recognised by El Corte Inglés.

As members of the “amfori-BSCI” international initiative, we adopt their Code of Conduct, which is of mandatory compliance for all our own-brand suppliers (<https://www.elcorteingles.es/recursos/informacioncorporativa/doc/portal/2017/07/19/codigo-de-conducta-bsci.pdf>). On this basis we verify the respect for good ethical, social, employment and environmental practices along the entire supply chain; monitoring their performance.

In the 2019 financial year, 75% of the ESG audits assessed corresponded to the amfori BSCI system. 17% belonged to other international ESG standards or certifications accepted by El Corte Inglés, such as SEDEX SMETA, SA8000, ICS, ICTI or WRAP.

The remaining 8% of ESG audits were carried out by El Corte Inglés itself, on the basis of the El Corte Inglés/amfori BSCI Code of Conduct, by both its own qualified auditors and by an international audit firm.



At the end of the last quarter of the year, it was not possible to carry out ESG audits in China, particularly in Hubei province, due to the lockdown measures and limits on interprovincial movement introduced by the Chinese authorities in response to the coronavirus (Covid-19) outbreak.

On the basis of the ESG audit reports, our CSR Department is responsible for assessing the level of the factory’s compliance with the Code of Conduct and to do this it classifies them into different categories.

Factory classification	% compliance of the factory with El Corte Inglés/ amfori BSCI Code of Conduct	El Corte Inglés’s assessment	Period of authorisation validity	Percentage of total FY2019 audits	Percentage of total FY2018 audits	Comments
A	From 86% to 100%	Factory authorised for El Corte Inglés production	2 years	5.93%	6.91%	The percentage of audits where authorisation is approved has increased to 96.01%, compared to 92.98% in 2018; a rise of 3 percentage points.
B	From 71% to 85%			7.64%	6.98%	
C	From 51% to 70%		1 year	82.44%	79.09%	
D	From 30% to 50%	Factory rejected for El Corte Inglés production	In certain exceptional cases it may be appropriate to authorise it for a period of less than one year (average of six months), if the own-brand supplier first agrees to implement a remedial plan.	3.95%	6.69%	The percentage of audits where authorisation is rejected has reduced to 3.99%, compared to 7.02% in 2018; a fall of 3 percentage points.
E	From 0% to 29%		-	0.04%	0.18%	
ZT	0%			-	0.15%	

With the aim of optimising the management of our supply chain and to choose suppliers with a better ESG performance, we have reduced the number of own-brand suppliers by 7% and the number of factories by almost 5%. This reduction has enabled us to optimise the management and selection of suppliers, and as a result to improve the results of the ESG audits.

In this regard, we try to monitor as many of the audited factories as possible from the total list declared by our suppliers. The number of audits carried out in 2019 has allowed us to increase the level of this monitoring by 2 percentage points, to 97% of our own-brand production centres. The total number of audits fell by 12% compared to the previous financial year, which is a result of the effects of the optimisation process on our supplier and factories portfolio.

Market	Coverage 2019	Coverage 2018	YOY growth
Third countries	99.5%	98.5%	+1.0%
EU	83.1%	77.4%	+5.7%
TOTAL	97.0%	94.8%	+2.2%

The assessment of the non-conformities with ESG criteria detected in amfori BSCI audits and El Corte Inglés’s own audits (83% of the total audits assessed) in 2019 provided two main conclusions:

- The progress made in the eradication of Zero Tolerance cases, i.e. those related to child labour, forced labour, health and safety at work risks and unethical behaviour (including undeclared or unauthorised subcontracting of own-brand production).
- There is a need to continue making progress in aspects related to Management Systems and Fair Working Hours, since 80% of our authorised audits still fail to reach the A or B levels of excellence that we want for the factories of all our evaluated suppliers.

Percentage (%) of Non-Conformities (ratings E, D or ZT) by Audited ESG aspect	FY2019	FY2018	Decrease (-) / increase (+) in Non-Conformities in FY2019 vs FY2018	Cross-referenced GRI indicators	Specific GRI indicators	ILO core conventions	Related SDG
Overall results of amfori BSCI and ECI FASP audits	3.99%	7.02%	-3.03%				
Audited ESG aspects							
1 Social Management & Cascade Effect	71.01%	67.65%	+3.35%	414-1, 414-2, 412-1			8.5, 8.8
2 Workers Involvement & Protection	1.76%	3.16%	-1.40%				8.5, 8.8
3 Right to Freedom & Association	0.08%	0.26%	-0.18%			X	8.5, 8.8
4 No Discrimination	0.16%	0.33%	-0.17%			X	8.5, 8.8
5 Fair Remuneration	2.64%	4.62%	-1.98%				8.5, 8.8
6 Decent working hours	72.85%	69.42%	+3.43%				8.5, 8.8
7 Occupational Health & Safety	9.88%	13.12%	-3.24%				8.5, 8.8
8 No child labour	0.08%	0.29%	-0.21%		408-1	X	8.5, 8.7, 8.8
9 Protection of young workers	0.13%	0.61%	-0.48%		408-1	X	8.5, 8.8
10 No precarious employment	0.26%	0.29%	-0.03%				8.5, 8.8
11 No bonded labour	0.04%	0.40%	-0.36%		409-1	X	8.5, 8.8
12 Protection of the environment	1.01%	1.43%	-0.42%		308-1, 308-2		8.4
13 Ethical Business Behaviour	0.31%	0.99%	-0.68%				8.5, 8.8

RESPECT FOR HUMAN RIGHTS

El Corte Inglés adheres to the criteria of the UN Global Compact and the UN Guiding Principles on Business and Human Rights to integrate respect for human rights into its supply chain through three tools: employee and supplier training in human rights, a whistleblowing channel as a radar for the early detection of potential ESG risks, and partnerships with stakeholders who are active in human rights protection.

EMPLOYEE AND SUPPLIER HUMAN RIGHTS TRAINING

Internal training

- Internal classroom-based training was given to responsible store brand buyers in the first quarter of the 2019 financial year. These training activities enabled them to review the Management System and focus on integrating respect for human rights as good practices in responsible purchasing.
- The sales managers of the childcare department organisation received a course on due diligence and human rights in February 2020. It is planned to extend this pilot test to the rest of the sales departments.

External training

- The El Corte Inglés Training Centre held a training day in September 2019 for a select number of Spanish store brand suppliers on the contents and application of the textile collective bargaining agreement given by the business and union associations in the sector.
- Of all the suppliers we manage through the amfori BSCI platform, personnel from 187 factories belonging to over 160 suppliers received training in due diligence in human rights and environmental issues either in-person or via e-learning.
- The different purchasing offices abroad train suppliers in human rights.
- Hired security personnel receive training in human rights, which is an essential topic for us that enables them to identify and avoid conduct that is contrary to these rights and guarantee adequate attention to clients. A total of 1,220 people from these teams were trained in this area throughout 2019, representing 59% of this group.

WHISTLEBLOWING CHANNELS

El Corte Inglés relies on two mechanisms to perform this function: amfori BSCI and a proprietary Ethics Channel. Regarding human rights, while both channels are not intensive in terms of quantity, they are nevertheless in relevance to the reported matter. There was one complaint of this nature registered in each channel in 2019, which were resolved according to the Management System.



STAKEHOLDER PARTNERSHIPS

When human rights impacts are systemic in a country, efforts should be joined with other distributors and benchmark stakeholders. The work of El Corte Inglés with the trade union, Comisiones Obreras (CC.OO.) is developed in this framework, which led us to make joint trips to the supply markets of Romania and Bulgaria in 2019 to monitor ESG conditions.

We also made progress in developing the ten partnerships lines that began in the previous year.

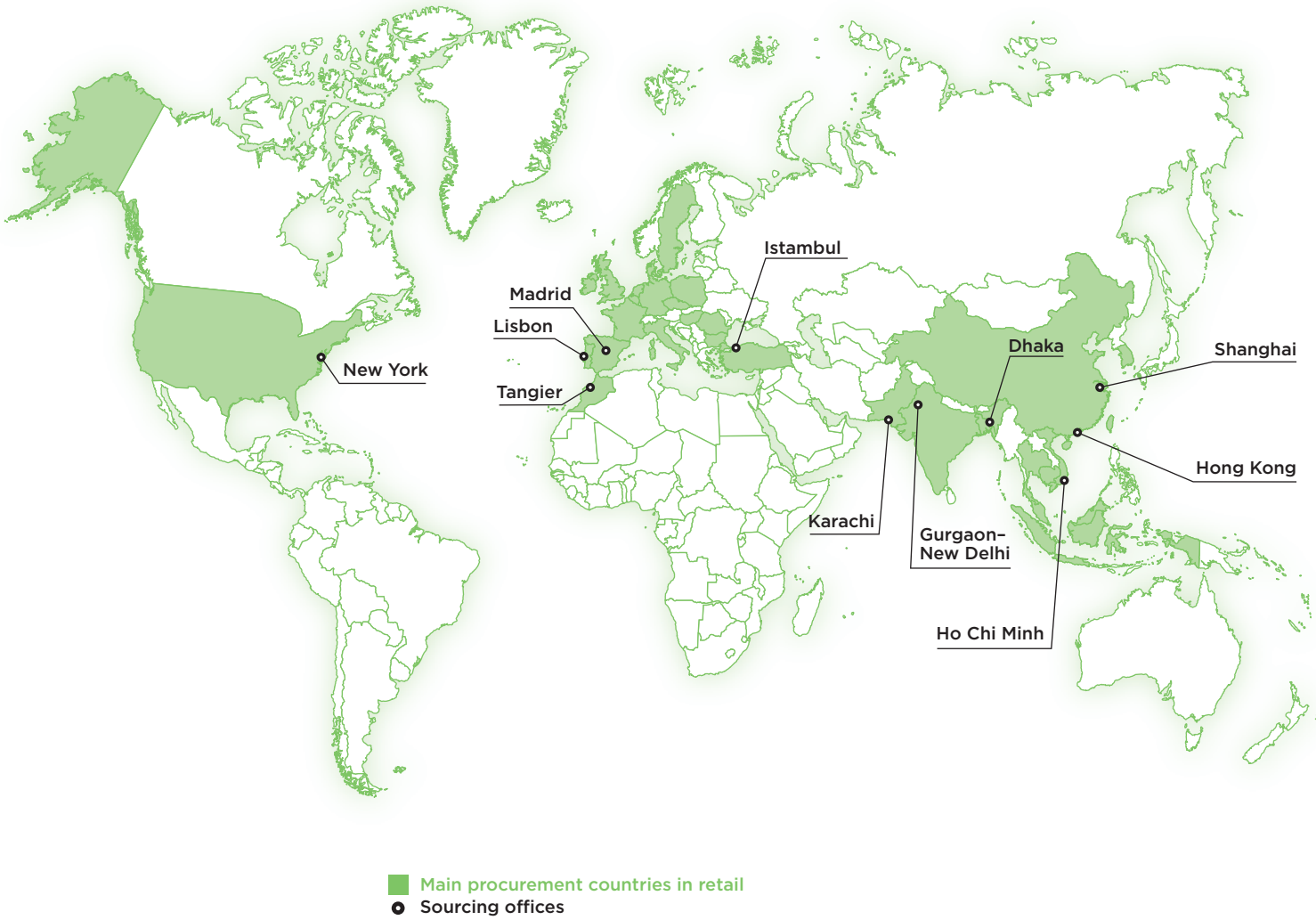
Country	Line of action	Objective	Progress at 29 February 2020
Bangladesh	Accord on Fire & Building Safety	Programme of verification and improvement of factory safety and the health of textiles workers in Bangladesh	The Accord remains valid thanks to the “Transition Accord”. The agreement with the employers’ association BGMEA signed on 8 May 2019 is being finalised so that it is CSR (RMG Sustainability Council) that manages the continuation of this agreement. This transition is expected to be finalised in 2020.
	UNICEF agreement	Programs to respect the inherent rights of motherhood and childhood in the textile sector	In 2019, considerable progress was made in the project, now implemented in five El Corte Inglés production factories in Bangladesh. A study was made to ascertain the ages of factory worker children, the proportion who are living away from their parents and their access to education. Nursing rooms were set up in all factories for mothers authorised to take time off work to breastfeed their babies.
India	Tamil Nadu Multistakeholder	Eradication of the exploitation of women in the textile supply chain	In 2019, training was provided in 34 spinning factories, empowering women and instructing them so that they can continue to train women in their community successively. In January 2020, El Corte Inglés and Ethical Trading Initiative made a joint visit to one of these factories to verify the achievements of the project: No child labour, reduced workplace absenteeism thanks to employee health and safety training, improved communication between workers and managers, implementation of policies and standards in the workplace. Within the framework of this project, over 29,000 working women and almost 450 managers received training.
	Footwear industry in Agra: Fair Labour Association	Eradication of child labour in the footwear manufacturing industry	This year, we have seen some 200 children between the ages of 6 and 12 abandon domestic work to access an education that, without an agreement, families could not finance. These children receive education and daily support at the school.
	Sexual Harassment Protocol	Prevention of this offence in El Corte Inglés’ international office in India	In 2019, no complaints were brought to the Committee in India and the Harassment Protocol was drawn up in Bangladesh and will be effective throughout 2020. The first step will be the training on the matter for the entire office staff.



Country	Line of action	Objective	Progress at 29 February 2020
Philippines	Artisan home workers: Build A Nest	Transition to the formal economy of groups of women artisans in rural communities specialising in making “nido de abeja” (honeycomb)	Due to the complexity of the project and the reduction of orders in the Philippines, this project could not advance in 2019.
Turkey	Refugee workers from Syria: United Work	Respect of refugee workers rights within the framework of Turkish national legislation	El Corte Inglés received an honourable mention from United Work for the work done and for promoting in its supply chain the proper registration of workers in accordance with the pertinent legislation currently in force. At the end of the year, 192 workers in the El Corte Inglés supply chain secured work permits and 45 are in the process of securing one. El Corte Inglés referred 35 of its factories to United Work.
Morocco	Public-Private Partnership for development	Joint project with Spanish Agency for International Development Cooperation (AECID) to promote CSR in Moroccan SME exporters	In late November 2019, a 24-month extension of the execution period was requested.
Spain	Foro Social de la Industria de la Moda de España (Spanish Fashion Industry Social Forum)	Multi-stakeholder initiative that seeks to add value to the Spanish fashion industry through good social and environmental practices	Consensus document between the different interest groups to promote sustainability in the fashion industry. This agreement was reached after holding a seminar on “Due Diligence: concept and practice to promote sustainability from the Spanish fashion industry”, held on 25 September 2019 at the Pontifical University of Comillas ICAI-ICADE, Madrid.
	Spanish Federation of Clothing Companies (FEDECON); MÑ “Hecho en España” (Made in Spain)	Development of an ESG compliance assurance system linked to the MÑ clothing label	In 2019, El Corte Inglés partnered with MÑ through a pilot test to align MÑ’s ESG assurance project with international standards (Global Compact, ILO, amfori BSCI, SA8000).

A GLOBAL AND DIVERSIFIED SUPPLY CHAIN

The Group has a global and diversified supply chain in retail, whose due diligence is governed by a single management system throughout all markets. The various sourcing offices where due diligence is exercised locally are vital in this regard.



Sourcing offices	Main procurement countries in retail		
Madrid (Spain)	Germany	Hong Kong	Poland
Lisbon (Portugal)	Bangladesh	Hungary	Portugal
New York (USA)	Belgium	India	United Kingdom
Tangier (Morocco)	Bulgary	Indonesia	Czech Republic
Istanbul (Turkey)	Cambodia	Ireland	Romania
Hong Kong and Shanghai (China)	China	Italy	Singapore
Dhaka (Bangladesh)	South Korea	Luxembourg	Sweden
Karachi (Pakistan)	Denmark	Malaysia	Thailand
Ho Chi Minh (Vietnam)	United States	Morocco	Taiwan
Gurgaon - New Delhi (India)	Spain	Netherlands	Turkey
	France	Pakistan	Vietnam



ENVIRONMENT

We are firmly devoted to protecting the environment and improving sustainability.

Our primary goals are to reduce our energy, water and material consumption, while also striving to lower our greenhouse gas emissions and manage wastes.

ENVIRONMENT¹⁷

We are permanently committed to the environment and a continuous effort to improve upon impacts related to our commercial activity. This commitment appears in the 2017-2020 CSR Master Plan, a strategic document that sets the lines of action to minimise these impacts. Observations from our materiality analyses and relationships with different stakeholders show that our greatest environmental impact comes from waste and greenhouse gas emissions, arising mainly from electricity consumption and shipping goods.

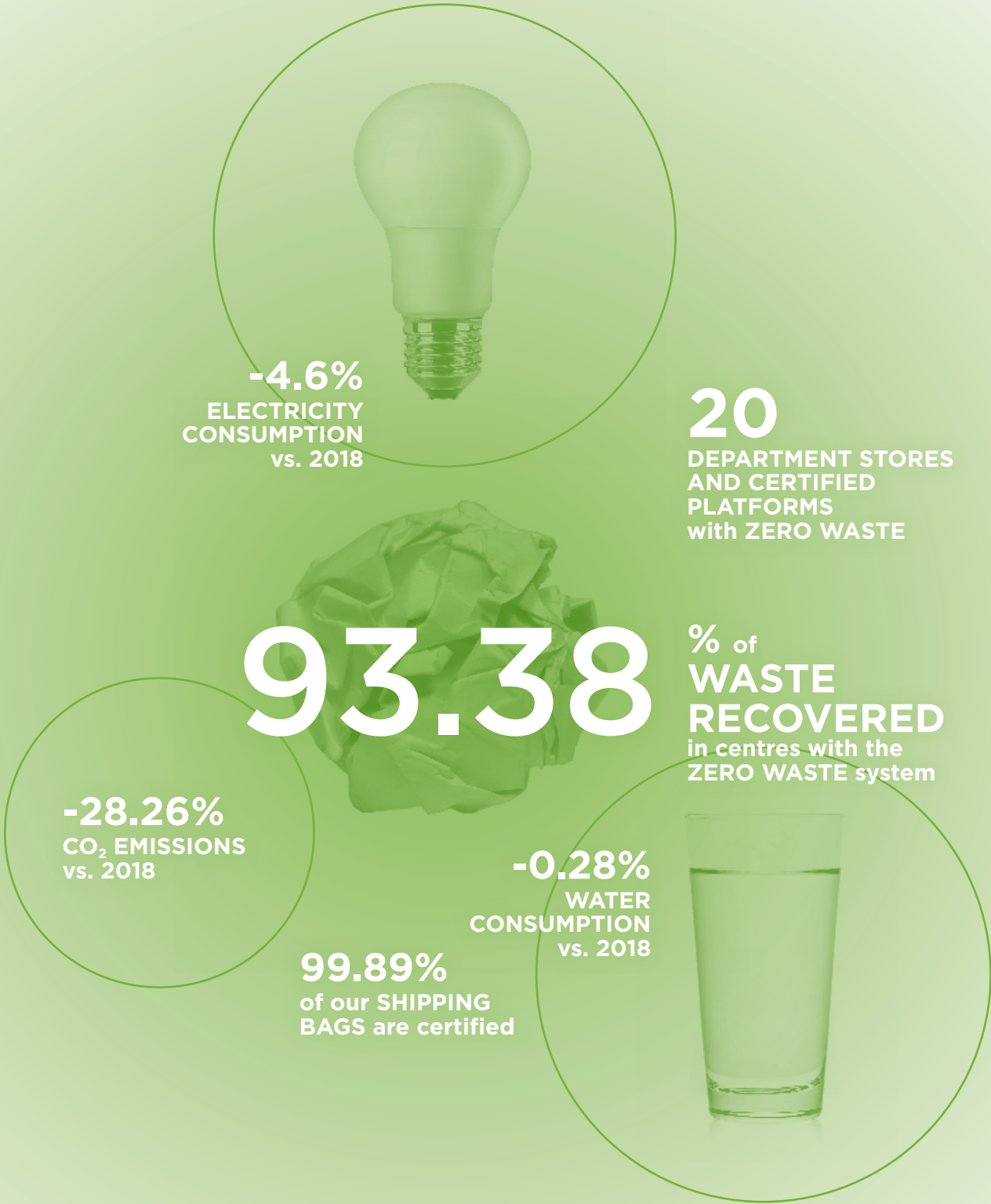
Our environmental management lines of work have the following main objectives:

- Recovering at least 90% of the waste generated in all our sales establishments and logistics platforms while also minimising waste generation.
- Reducing emissions through actions to reduce energy consumption in terms of electricity, fuel and logistics, and also establishing emission offsets to achieve carbon neutrality.

Linked material issues

- Climate change risks
- Sustainable containers and packaging
- Sustainable logistics
- Zero Waste

¹⁷ The scope of the data corresponds to the Retail companies in Spain and Portugal, Informática El Corte Inglés, Grupo de Seguros and Viajes El Corte Inglés. The rest of the companies are not included as either the information is unavailable or has minimal effect on the total.



CIRCULAR ECONOMY

The Group is immersed in the process of transition towards a circular economy model that prioritises resource optimisation and the use of fewer raw materials. This is part of our alignment with the European Strategy for Plastics in a Circular Economy and the main international commitments we have undertaken. In this regard, we have stepped up our efforts in the sustainable management of packaging materials and in the implementation of the best possible solution in terms of waste management. Our main lines of work are:

- Sustainable container plan
- Our circular economy projects
- Zero Waste
- Reduction in the use of materials



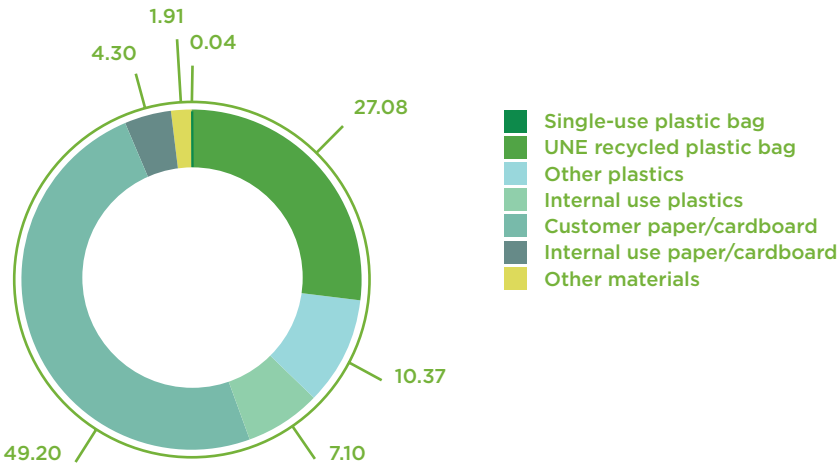
A. SUSTAINABLE CONTAINERS PLAN

El Corte Inglés is aware that our consumption of materials has an impact on the depletion of natural resources and on the pollution associated with production and shipping. However, we are also aware that containers have an essential functional role that includes protecting the contents, preventing contamination or breakage, extending their useful life, simplifying shipping and handling, and even informing about the characteristics of the product, its manufacturer, best before dates and other legal requirements.

In light of the need to use different materials to respond to current consumption habits, the company has adopted a non-discrimination policy for materials available in the marketplace, which entails choosing the best material for a specific product while always respecting the principles of: Eco-design, Circular Economy, control of consumption, and communication to and sensitisation of our employees and customers.

These are the premises of the steps taken this past year, resulting in the Company’s current packaging footprint as indicated in the following chart.

Container map (%)



The percentage of single-use plastic represents 10.4% of the total packaging, of which 4% corresponds to plastic wrap, for which there is currently no technical alternative to ensure long-lasting and uncontaminated food.

This figure is a big step forward from the previous year, in which single-use plastic stood at 11.5%. Overall, we consumed 3.3% less containers versus 2018.

These results stem partly from a growing public awareness seeking a more rational use of packaging, especially in transport. The Group is also acting responsibly, providing measures and solutions in collaboration with its suppliers. In this regard, we are working in several actions:

Food

- Actions taken:
- Double certification of box line transport bags: reusable (certified as per standard UNE 15 Uses) and promoting circular economy (Blue Angel seal, with over 80% recycled material).
 - New benchmark in paper transport bags, FSC certified, plastic alternative.
 - Replacing all light plastic bags with paper bags in fruit and vegetable areas.
 - Improved packaging materials in own-brand products: increased percentage in rPET packaging for juices, oils and gazpachos, and improved brick paper for milk, smoothies and juices. Coffee capsules are made with compostable material.

- Actions initiated:
- Replacing all light plastic bags with compostable bags for meat, fish, delicatessen and ready-made meals.
 - Migration from virgin plastic to compostable plastic gloves for use by customers in the fruit and vegetable section.
 - Replacing light plastic bags on consignment with reusable models.

- Substituting polystyrene trays with trays made of compostable fibre, cellulose or sugar cane, depending on the sales environment.
- Substituting polystyrene trays with PET trays with a percentage of recycled material for meat products from the supplier.
- Reduction in the range of packaged fruit and vegetables and more bulk-buying options in the La Biosfera organic range.

Non-food

Actions taken:

- Double certification of goods transport bags: reusable (certified UNE 15 Uses) and made from over 80% recycled material (Blue Angel seal).
- PEFC or FSC certified gift packaging.
- Clothes hanger recovery circuit.



Delivery

Actions taken:

- Reusable baskets for Supermarket deliveries.
- Click&Express deliveries use recycled cardboard boxes and FSC or PEFC certified paper bags, replacing plastic.



Logistics

Actions taken:

- Recovery of all (100%) packaging material in logistics processes since application of the Zero Waste management system.
- Development of an internal sustainable packaging guide so that buyers have all the information on the best environmental options for product packaging.

B. OUR CIRCULAR ECONOMY PROJECTS

moda re-

Collaboration agreement between El Corte Inglés and Cáritas moda re- for collecting textile and pre-consumer goods (samples and garments not sold to end customers) and post-consumer goods (used garments that customers deposited at in-store collection points) and processing them for reintroduction into the textile circuit and adaptation to various uses.

2019 Data

El Corte Inglés Group collection points	49
Amount of clothing collected	268,071 kg
Reuse of clothing collected	57%
Fabric-to-fibre conversion (recycling)	35%
Energy valorisation	8%

EPS Sure 2017- 2020

El Corte Inglés participates with other companies and associations in a Life project that seeks to find a viable technical, environmental and economic solution for expanded polystyrene (EPS) waste from fish boxes, and thus convert them into new food containers.

rECicla

It promotes selective waste collection at El Corte Inglés Group office buildings.

2019 Data - Hermosilla

Steel containers	10,350 kg
Plastic containers	4,660 kg
Glass containers	7,288 kg
Office paper	254,380 kg

Collaboration project to increase the percentage of WEEE (Waste from Electrical and Electronic Equipment) destined for reuse

We collaborate with the Ecotic waste management system in the collection of WEEE generated by clients to be reused or recycled. Both parties have agreed to work to increase the WEEE reuse quota in both categories.

2019 base year - Current reuse quota at 2.5% (487,843 devices)
2020 Target - Reuse quota at 3% (584,383 devices)

Circular Economy Think Tank

We work jointly with private companies operating at different links in the supply chain to participate in various circular economy projects, combining efforts and improving the environmental impact of our activity. We are currently participating in recycled PET (rPET) water bottles and organic waste valorisation analysis projects.



Food waste

We have a food waste plan the objectives of which are focused on three main lines: prevention, redistribution and awareness-raising.

Within the scope of prevention, from the very beginning we work on aspects contributing to improving internal processes, paying special attention to purchasing and supply systems, with the aim of optimising and reducing stocks. Some examples of this are tools that adapt orders based on demand forecasting, control and maintenance of the cold chain and the correct handling of products at all stages of the chain.

We also have additional food redistribution specific actions, especially through donations (see the Society-Social Commitment section), and waste recovery solutions, particularly for animal feed or biofuel generation.

All this is accompanied by awareness actions to prevent food waste.

C. ZERO WASTE

In April 2019, El Corte Inglés became the first Spanish distribution company to secure the AENOR Zero Waste certification. While the first step covered department stores and platforms in Galicia, the measure has already extended to other geographical areas, namely Asturias, Castile and Leon and Cantabria, and more will be added. Zero Waste means that a system has been implemented so that at least 90% of all generated waste is managed and recovered to avoid landfill.

The positive results achieved with the Zero Waste model have promoted a new goal: secure this certification for all El Corte Inglés stores by 2022 and Supercor establishments by 2025.

We currently have 15 department stores and 5 platforms which are Zero Waste certified, as shown in the following table.

Region	Province	Stores	Zero Waste Certificate
Galicia	A Coruña	Ramón y Cajal DS	
		Marineda DS	
		Santiago de Compostela DS	
		Altamira Platform	
	Pontevedra	Vigo DS	
		Porriño Platform	
Principality of Asturias	Asturias	Avilés DS	
		Gijón DS	
		Salesas DS	
		Oviedo DS	
		Asturias Platform	
Castile and Leon	Valladolid	Zorrilla DS	
		Constitución DS	
		Monasterio DS	
		Cobalto Platform	
	Burgos	Burgos DS	
	León	León DS	
		Puente Castro Platform	
	Salamanca	Salamanca DS	
Cantabria	Cantabria	Bahía de Santander DS	



The Zero Waste model lets us minimise waste-related environmental impacts, as it entails reorganizing waste into fractions, optimising logistics routes and vehicle loading, and collaborating with different managers, locally whenever possible.

The Zero Waste model affords full traceability of the waste from generation to delivery to the final manager for subsequent recovery. In this regard, an internal computer application was developed to provide data from all stages in the waste life cycle.

However, information regarding waste will be given in two different ways until we implement Zero Waste throughout the organisation:

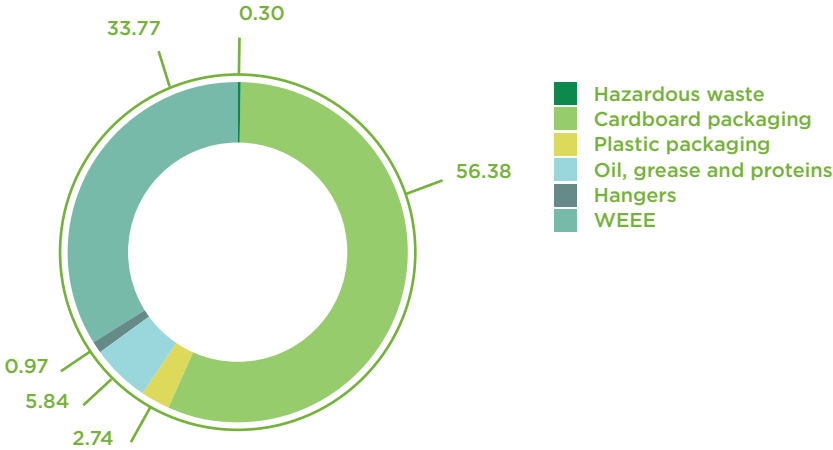
- Similar to previous reports, a general way in which recovered waste will be detailed for all the companies of El Corte Inglés Group.
- The second will be more detailed, in which information will be collected on both recovered and non-recovered waste. We currently can only provide this information for department stores and platforms in Galicia, though this will grow as we glean full-year data for Zero Waste certified organisations.

General information

Waste tagged for recovery in 2019

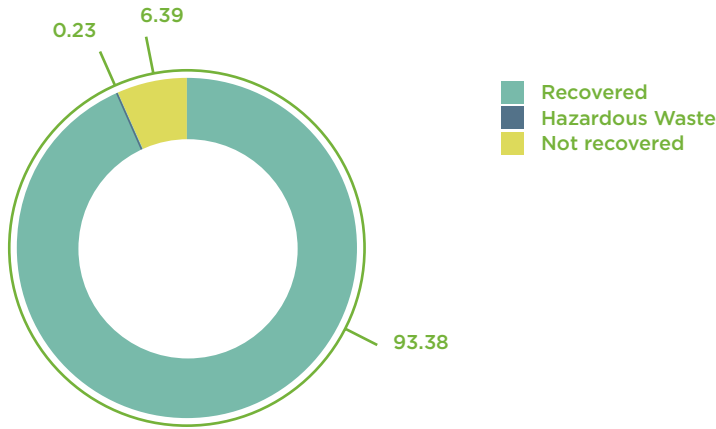
	2017 (t)	2018 (t)	2019 (t)	Recovery operation
Hazardous waste	318	200	175	Controlled Reuse/Elimination
Cardboard packaging	31,638	31,772	32,742	Manufacture of recycled paper fibre
Plastic packaging	1,394	1,433	1,593	Manufacture of recycled chaff
Oils, fats and proteins	2,311	2,584	3,392	Biodiesel
Clothes hangers	200	571	562	Manufacture of recycled chaff
WEEE	30,552	20,336	19,612	Reuse/Recycling of parts
Total	56,413	56,896	58,076	

Waste (%)



Detailed information

Waste managed in Galicia 2019 (%)



In 2019, the waste valorisation carried out by El Corte Inglés in the autonomous community of Galicia included: Cardboard, soft plastic, oils and fats, lighting, WEEE (Waste from Electrical and Electronic Equipment), metals, food donations, glass, organic waste, etc.

D. RREDUCTION IN THE USE OF MATERIALS

One of our main lines of action is to reduce the amount of materials used in our daily activities. In addition to plastics and packaging, we also work to reduce the use of paper, cardboard and other materials. In this regard, we began a salient electronic signature project at our travel agencies, which also improves effectiveness and customer experience.

We are also working to eliminate the commercial documentation for each maritime shipment in the transport invoice.

El Corte Inglés Empresas uses recycled materials to make the covers that protect the uniforms it manufactures for both public and private institutions; thus reducing the amount of raw materials in manufacturing processes. Promotional gift items have also been made with not only bamboo fibre, sugar cane, natural cardboard, rice fibre, recycled paper, recycled cotton and even wheat fibre, but also: USB with recycled plastic, notebooks with recycled cardboard covers, recycled cotton and polyester bags, recycled PET umbrellas, etc.



COMBATING CLIMATE CHANGE

Our medium-term goal entails progressively reducing emissions to achieve carbon neutrality. To do so, we focus on mitigation actions (using renewable energy sources, reducing energy consumption, logistics enhancements, etc.), and offsetting initiatives for what we cannot mitigate just yet.

RISK ANALYSIS

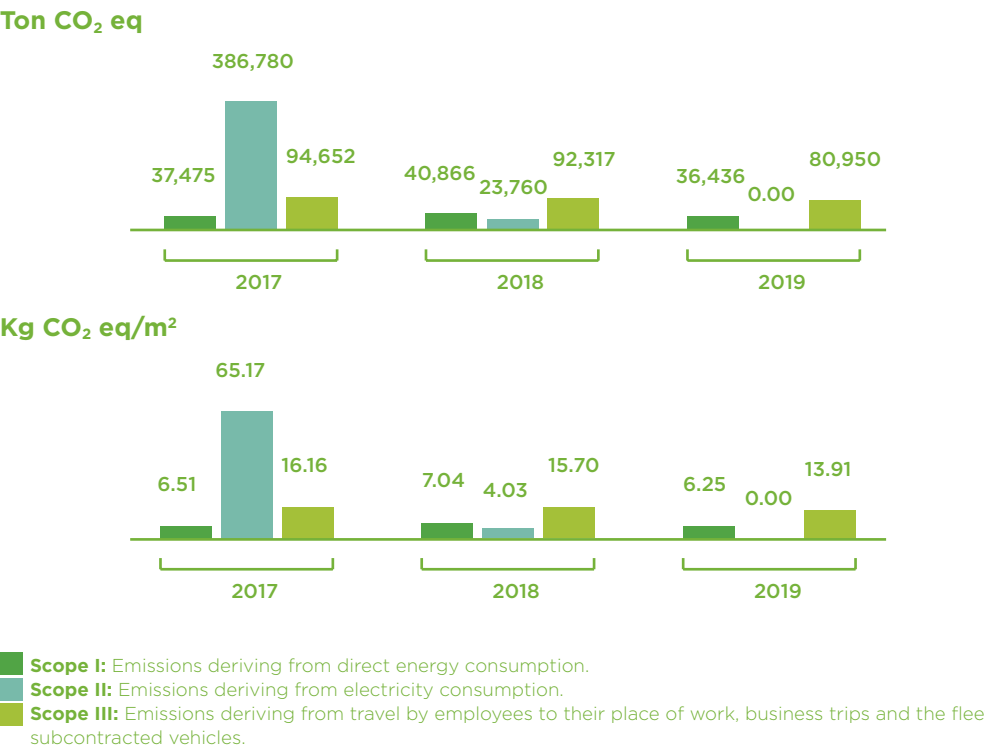
In 2019, we integrated climate change related risks into our management strategy. We did this after a detailed analysis according to the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures).

This analysis, supported by an external consultant, assessed climate risks in the four TCFD categories at the corporate level and each different business line. This analysis will be updated annually, resulting in actions to mitigate and supervise the identified risks.

RENEWABLE SOURCES

As part of the Group's environmental strategy, 100% of electricity supply comes exclusively from renewable energy sources with a Guarantee of Origin and no CO2 emissions, compared to 98.5% from the previous year. We also have solar energy generation installations to feed into the power grid.

Greenhouse gas emissions¹⁸



¹⁸ Emissions are calculated by multiplying consumption by the corresponding emission factor. MITECO (Ministry for Ecological Transition) emission factors (Version 12, April 2019) have been used for fuel and electricity. For travel by employees (to their place of work and business trips), the emission factors used are those of the UK Government GHG Conversion Factors for Company Reporting 2018 (Version 1.01). For Scope II and III, full scope of the data.

LOGISTICS

We generate emissions from own and subcontracted vehicles at a national level, and from the various forms of international logistics transportation.

We have implemented different actions to reduce our carbon footprint:

NATIONAL SHIPPING

- Expansion of customer delivery points, in addition to existing El Corte Inglés and Supercor establishments and post offices. This sort of distribution permits joint instead of individual deliveries, which means fewer kilometres travelled, less CO₂ emissions, and a decrease in failed deliveries.
- Expansion of drag routes with Megatruck vehicles (trailers of over 40 tonnes that are longer than 25 metres). With this, we can make each daily assortment route to a specific centre possible with 2 Megatrucks, thus saving the use of one trailer per route.
- Incorporation of “eco” vehicles (gas and/or electric) for subcontracted shipping services from local warehouse expeditions or after-sales services.
- Incorporation of gas-powered maritime transport for 17% of the merchandise from the Valdemoro (Madrid) warehouse to the stores in the Canary Islands.

INTERNATIONAL SHIPPING

The Supply Chain department works jointly with the Purchasing Centre to achieve the best planning for its import orders to reduce air and road shipping volumes, reflected in the percentage distribution of cubic metres transported:

- 96% sea
- 3% air
- 1% road

If we break this down by transport method, a great number of measures have been implemented.

Sea

Most of our imports come from Asia, where we work with the market’s largest shipping companies, which, in addition to complying with regulations on sustainability, operate energy-efficient and less polluting fleets.

Many of the shipping companies and logistics operators that work with El Corte Inglés are part of the Clean Cargo Working Group, a prestigious initiative that involves the major global brands, ocean freight carriers and forwarders dedicated to reducing the environmental impacts of global goods transportation and promoting responsible shipping.

Some of them also participate in the Global Logistics Emissions Council, an industry-led collaboration to establish and implement a universal and transparent way to calculate logistics emissions.

All our shipping companies rigorously apply Slow Steaming, i.e., they operate their vessels at a speed significantly lower than their maximum speed. This initiative began in 2007 to reduce fuel consumption (operating at 12-18 knots instead of the usual 20-24): this practice can reduce consumption by 59%, which also entails lower CO₂ emissions.

Our partner logistics operators consolidate merchandise in their warehouses and then optimise containers loading for shipping.

Optimising container loading enables significant savings in maritime transport. Containers with prior consolidation of merchandise are approximately 34% of the total imported.

Consolidation at origin also reduces domestic transport to a minimum, since it is sent directly from the ports of arrival to the nearest destination warehouse, thus minimising road transport. A consolidation at origin protocol is in place for international routes to not only maximise container occupancy and reduce freight but also obtain a higher percentage of pure containers (merchandise for a single destination warehouse): 81% of our import containers are pure.

In collaboration with El Corte Inglés logistics platforms, a container loading protocol has been implemented to keep in-warehouse movements to a minimum.

Air

We currently use “board consolidation” with other clients to optimise space. In other words, all the merchandise for different recipients is grouped together, thus reducing trips, emitting less CO₂ and achieving energy savings.

Road

We try to optimise overland shipping as best as possible. In Bulgaria, for example, we use Megatrailers with a capacity of 114m³ (ideal for high-volume loads or with a height of nearly 3 metres).

We are also replacing some overland routes in Turkey with specialised large cargo ferries. There is an estimated 33% reduction in CO₂ emissions.

As a result of these efforts the greenhouse gas emissions for these concepts have been reduced by 16.56% from last year.



ENERGY CONSUMPTION AND EFFICIENCY

Energy efficiency is part of our environmental commitment. There was a significant reduction in energy consumption during the year: 4.6 less than the previous year, thus continuing our trend. This decrease means that consumption decreased by 62,239,000 kWh, equivalent to the expenditure of some 19,000 households in one year.

Over the last 5 years, the Group has reduced energy consumption by over 18%.

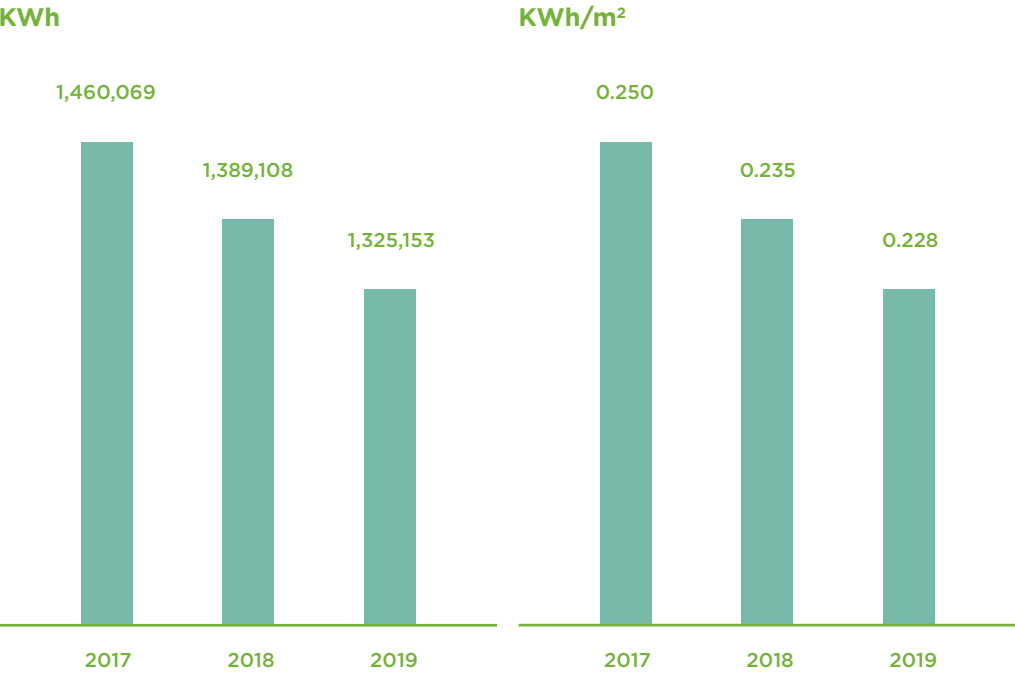
We have achieved these results through various actions, including the creation of a Consumer Control Centre for permanently monitoring and analysing facilities and identifying possible energy savings.

Beginning in early 2018, this project helped us substantially increase our knowledge of how we use energy and entails over 4,000 remote measurement points integrated in most El Corte Inglés department stores. We reached our target in 2019 by implementing them in all department stores.

This control system is accompanied by nightly energy audits (supplementing audits conducted in previous years) and hundreds of actions by maintenance managers to achieve highly significant savings. For example, consumption outside opening hours has fallen by over 20%.

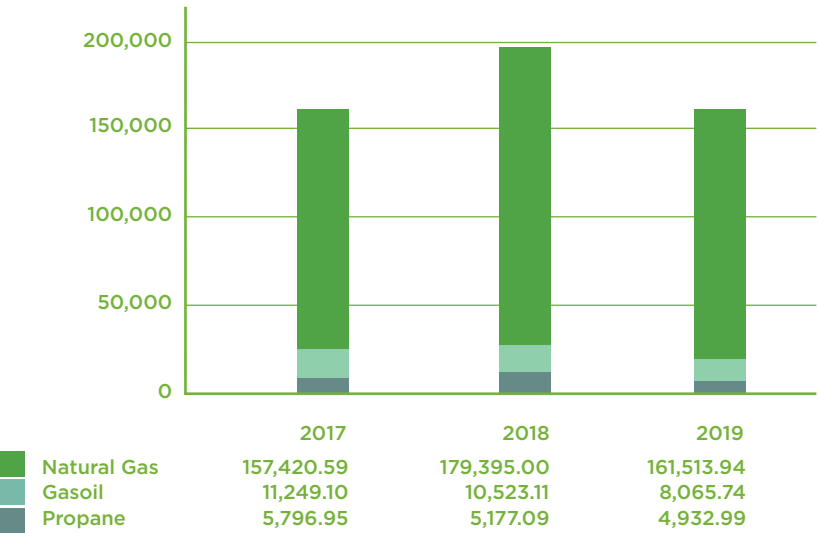
Some post-audit improvements addressed include the distribution of emergency lighting circuits, installation of presence sensors, adjustments in night-time shutdowns and even starting and stopping procedures in different facilities.

Group electricity consumption:

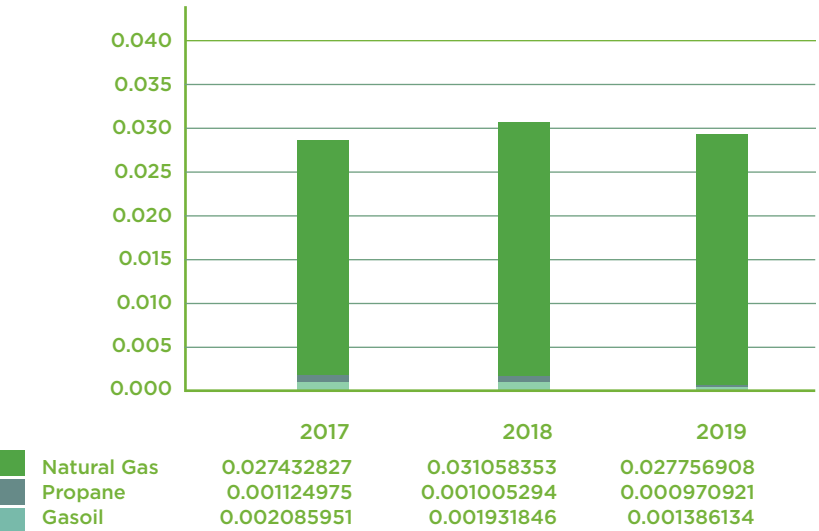


Fuel consumption:

MWh



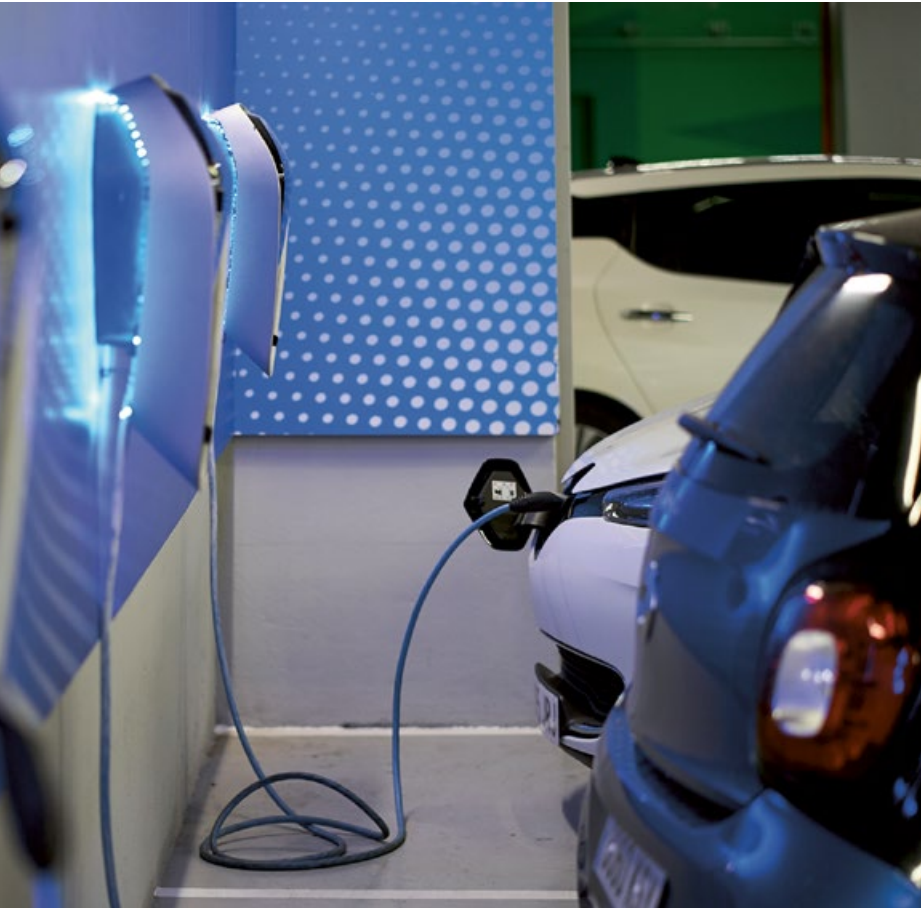
MWh/m²



SUSTAINABLE CONSTRUCTION

We incorporate sustainability criteria in all the work we carry out on our buildings. For example, the new Seguros Group headquarters in Madrid headquarters, which was designed and developed following environmental guidelines in its remodelling and refurbishment project; and the Viajes El Corte Inglés building for corporate customers.

The headquarters of Informática El Corte Inglés Group has also been awarded LEED Gold certification. This quality seal certifies that the building meets environmental sustainability criteria, measuring aspects including yet not limited to its energy efficiency.



Informática El Corte Inglés has been meeting its transparency objective for public management since 2018 by reporting its CO2 emissions to the Spanish Climate Change Office, with figures audited by an external entity.

CONTRIBUTION TO FUTURE MOBILITY

We accelerated the installation of new electric vehicle charging points in department stores this past year. We currently have over 200 charging points at our establishments, which will increase throughout 2020 to nearly 300, covering the entire Iberian Peninsula.

We also installed 26 points at our central offices to provide service to the electric fleet for our management personnel and possible visitors driving plug-in electric vehicles (PEV).

Informática El Corte Inglés’ central services car park has six charging points for electric vehicles and seeks to promote the use of electric vehicles among employees. It is also available for visitors.

We also participate as a founding member of the Companies for Sustainable Mobility Platform (@PlataformaEMS), a forum dedicated to promoting sustainable mobility for consumers and consumer goods through collaborations between the different member organisations.

OFFSETTING EMISSIONS

Considering the current state of the art, we still cannot reach the goal of ZERO emissions with mitigation actions alone. To do so, we would need external projects to reduce emissions or create sinks.

- In this regard, steps have been taken in the following areas:
- Carbon footprint offsetting of passengers, i.e., staff from El Corte Inglés Group companies who flew in 2019 for a business trip through the Iberia Group. After investing in its project portfolio, 1,272 Ton CO₂eq. have been offset.
 - The estimated emissions offsets of a full year from our department stores in Castellana and Campo de las Naciones (Madrid) were 2,987.82 and 1,800.25 Ton CO₂eq., respectively. In total, 4,787.70 Ton CO₂eq. through an Amazon Conservation project in Madre de Dios (Peru).

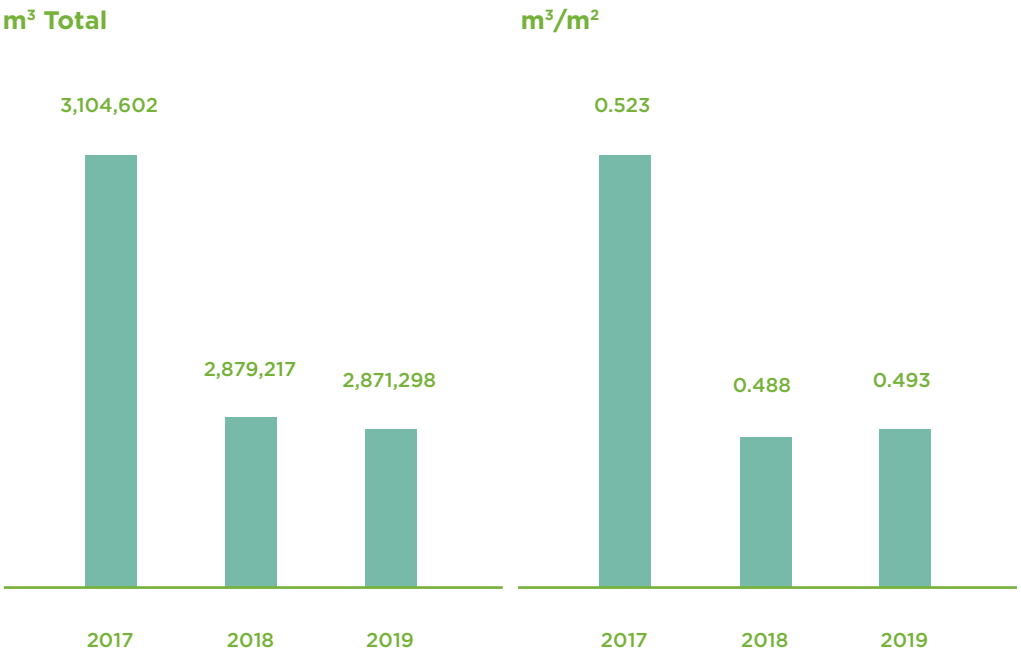
SUSTAINABLE WATER MANAGEMENT

We manage water from a comprehensive dimension through our Sustainable Water Management Plan. To achieve this, we have an efficient water use policy and a set of recommendations to prevent waste.

We have been working on minimising water consumption for years with work to recycle waste water internally. This element comes from both the process of osmosis and the sinks of our centres, being reintroduced into the flush valve circuit.

This is only one of the measures we have put in place for achieving a 0.28% reduction in water consumption compared to last year.

Water consumption:



We also took steps to preserve the quality of the discharged water by expanding the treatment network through two systems:

- Microbial fermentation treatment equipment: 88 units installed.
- Physical filtration treatment equipment: 15 units installed.

ENVIRONMENTAL CERTIFICATIONS



CERTIFIED AREA/COMPANY	CERTIFICATE TYPE	CERTIFICATE SCOPE	CERTIFYING ENTITY
El Corte Inglés	Waste Management Traceability System Zero Waste	Department stores: Marineda, A Coruña, Santiago de Compostela and Vigo, in Galicia; Oviedo, Salesas, Avilés and Gijón, in Asturias. Warehouses: Altamira (A Coruña) and Porriño (Pontevedra), in Galicia; Llanera, in Asturias.	AENOR RC-2019/0001
		Department stores: Monasterio, Zorrilla, Constitución (in Valladolid), Burgos, León, Salamanca, in Castile and León; Bahía de Santander, in Cantabria. Warehouses: Cobalto (Valladolid) and Puente Castro (León).	AENOR RC-2020/0004
El Corte Inglés Companies	Environmental Management System UNE-EN ISO 14001	Offices at Conde de Peñalver (Madrid) Warehouse in Las Canteras (Madrid)	AENOR GA-2007/0668 ES-2007/0668
Informática El Corte Inglés	Environmental Management System UNE-EN ISO 14001	Offices at Mirasierra (Madrid) Warehouse at Granada 50 (Madrid)	AENOR GA-2003/0302 ES-2003/0302
	Carbon Footprint Register	Madrid headquarters and all operational areas in Spain	Spanish Climate Change Office Ministry for Ecological Transition
	CF	Madrid headquarters and all operational areas in Spain	Applus+ CF-0063/19
Investrónica	Environmental Management System UNE-EN ISO 14001	Warehouse at Granada 50 (Madrid)	AENOR GA-2003/0301 ES-2003/0301

SOCIETY

Our path has always been shaped by its close connection to people and the environment around us.

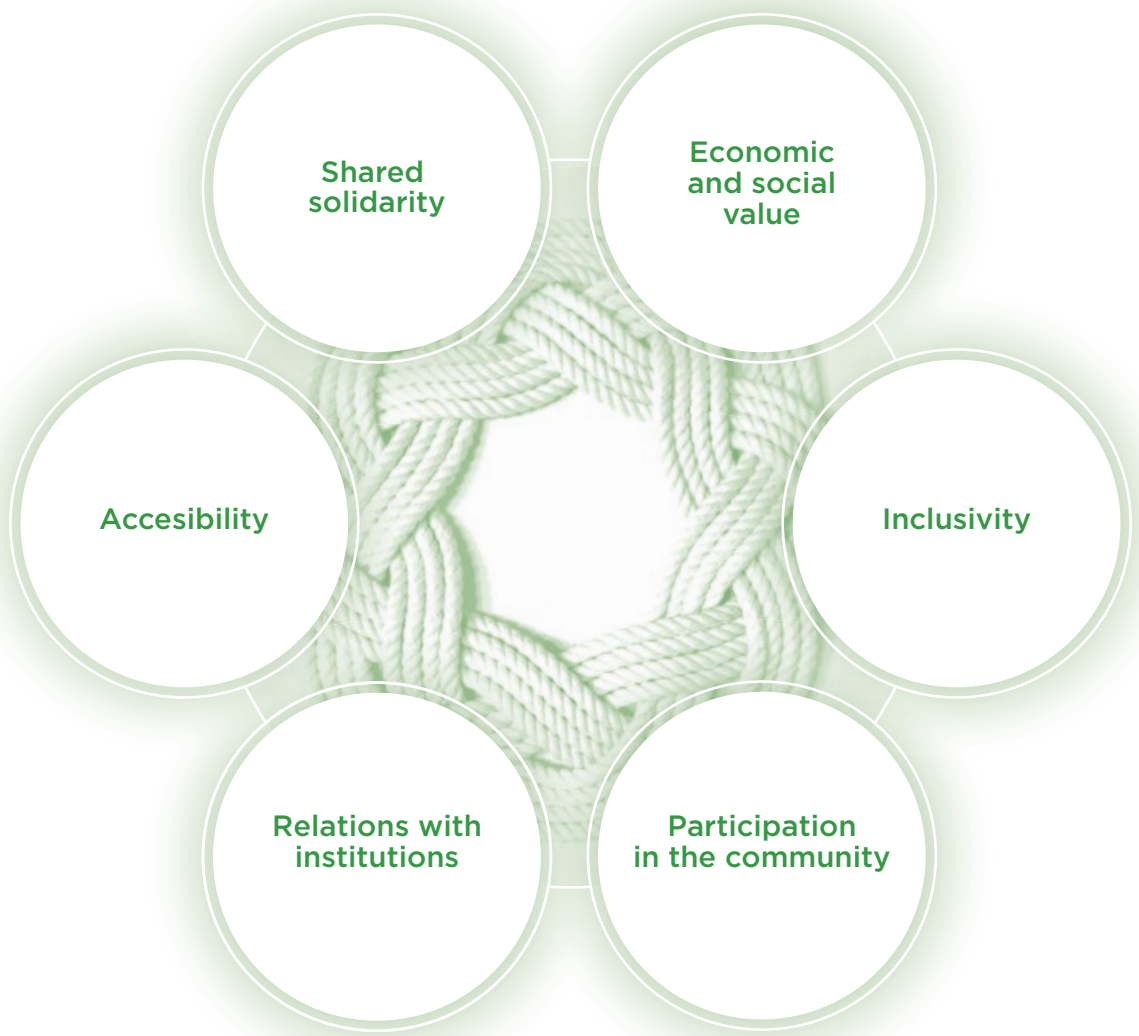
We have taken a proactive role in society over the last eighty years, making us much more than just a company. We are an important driver of economic, cultural, social and environmental development wherever we conduct our business.

El Corte Inglés Group companies are committed to society and thus cultivate close relationships with people and the environment. From the very beginnings of our group, we have been closely linked with society, and participate in numerous local, regional, national and international activities.

We are committed to the fundamental principles of social responsibility, defining strategic lines for actively participating in the economic, cultural, social and environmental development of the communities in which we are present.

- Linked material issues
- Responsible taxation
 - Responsible economic performance





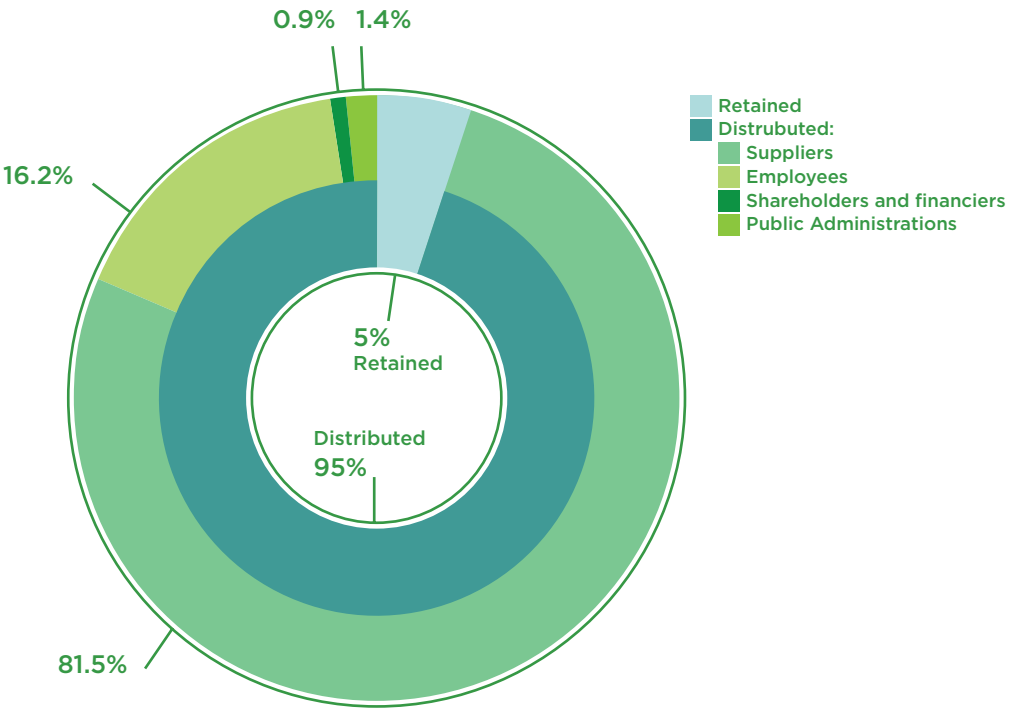
GENERATING ECONOMIC AND SOCIAL VALUES

El Corte Inglés Group contributes to value creation and economic and social growth, and has a positive effect on employment, government revenue and the economy in general.

The Group adheres to and adequately fulfils the Code of Good Taxation Practices. The Group correctly files its tax returns in a timely manner.

ECONOMIC VALUE GENERATED IN 2019¹⁹

In 2019, the Group’s activities generated economic value of 15,580.73 million euros (15,480.49 million euros in 2018), almost all of it corresponding to operating income. 95% of this amount (14,796.60 million euros) was distributed to society in general (14,728.24 million euros in 2018), while the remaining 5% was retained.



The Group’s activity has enabled it to continue contributing to economic growth in the countries where we operate, particularly in Spain, which accounts for 93.7% of the workforce and 81.4% of our purchases from suppliers. Consolidated net profit was over 310 million euros; a 20.1% increase on the previous year.

At the end of 2019, profit before taxes and consolidation adjustments in the different countries where we operate amounted to 624.80 million euros (497.35 million euros in 2018), of which 574.73 million euros correspond to Spain (450.28 million euros in 2018), 40.07 euros to Portugal (38.87 euros in 2018) and 10 million euros to other countries (8.20 million euros in 2018).

¹⁹ Calculated in line with GRI Standards indicator 202-1. The figures calculated do not include Informática El Corte Inglés Group, as it is treated as a discontinued operation in the Consolidated Financial Report.

CONTRIBUTION TO GOVERNMENT REVENUE

El Corte Inglés Group contributes significantly to government revenue. This contribution comes from both the VAT paid by Group companies during the year, and the taxes we pay as a result of our business activities. To this we must also add Social Security contributions.

The **Group’s contribution to government revenue** in 2019 totalled 2,043.12²⁰ million euros (2,035.04 million euros in 2018), distributed as follows:

- **808.74 million euros** relates to **taxes and duties paid** (795.76 million euros in 2018), of which 245.20 million euros correspond to taxes (39.78 million euros to income tax on profit) and 563.54 million euros to Social Security on behalf of Group companies.
- **1,234.38 million euros** relates to **taxes and duties collected** (1,239.27 million euros in 2018), of which 847.28 million euros correspond to taxes, 119.60 million euros to Social Security collected on behalf of employees, and 267.50 million euros to withholdings from employee salaries.

From the geographic viewpoint, income tax on Group profits was divided between Spain (53.3%), Portugal (30.5%), Mexico (14.0%) and other countries (2.2%). In 2018, the income tax paid was distributed in 53% for Spain, 36% for Portugal, 8% México and 3% other countries.

The Group also secured government grants and aid amounting to 8.0 million euros (the same amount as in 2018), of which 6.5 million euros correspond to grants and 1.5 million euros to aid for other concepts (7 million euros and 1 million euros, respectively, in 2018). 99.5% of the government grants received correspond to Spain and 0.5% to Portugal (the same percentages as 2018).

²⁰ The VAT of IGIC is the net settlement amount paid to the tax authorities.

ACCESSIBILITY AT OUR STORES

We continually improve the accessibility of our facilities. We adapt our spaces by removing architectural barriers, incorporating braille and high-relief signposting, investing in training our staff to serve people with functional diversity.

One of the highlights of 2019 has been the incorporation of ‘beepcons’, smart beacons developed by Ilunion Tecnología y Accesibilidad for mobile phones to give blind and disabled people more independence when doing their shopping. Supercor was the first commercial distribution brand to implement it. It also has 49 AIS-certified centres (AIS - Accessibility Indicator System), after adding 12 new certified establishments in the year.

In 2019, El Corte Inglés Empresas also secured the AIS-589-2019 accessibility certificate in accordance with standard AIS 1/2018 for the department store in Conde de Peñalver (Madrid).

In this regard, another highlight this year was the refurbishment of the Seguros El Corte Inglés Group headquarters in Madrid to meet the criteria for functional diversity, both physical and sensory to increase the comfort, safety and usability of the building for people with disabilities.

Our online and telephone purchase options also let us reach nearly anyone from anywhere without having to move, which is a great help to certain groups such as the elderly or physically disabled.

We are also an accessible business in terms of the products we offer. Another milestone this year was the intervention of the Toy Technological Institute (AIJU) in our toy catalogue, thus identifying the most suitable for children with hearing, visual or motor disabilities. We also designed the El Corte Inglés and Hiperco toy catalogues to make them inclusive in terms of diversity and avoid reflecting gender roles.



ENGAGEMENT WITH SOCIETY

We support the development of the communities in which we are present in the sport, cultural and social fields, with more than 7,300 activities in the year.

Contributions and collections destined to foundations and non-profit entities in 2019 exceeded 2.2 million euros (3 million euros in 2018), while the amount allocated to sponsorship of initiatives and events amounted to 5.8 million euros.

SPORT

The values associated with sport, such as respect, training, improvement, inclusiveness and teamwork share the philosophy that El Corte Inglés Group has maintained since its origins. We support initiatives such as public races or tournaments of various kinds that make different causes visible, while promoting a healthy lifestyle. Some examples of this year’s sponsorships are the Marbella Ironman, the Cadet Basketball Cup and the ON BIKING 100k MTB 2019 endurance MTB team event on the Canary Islands Circuit.



In 2019, we were once again official sponsors of La Liga professional football and ACB basketball competitions. We also support the “Revolution on Ice” ice skating show and various National Sports Federations, such as tennis or winter sports, whose members we dress with our firm Emidio Tucci and own brands.

We signed an agreement this year to sponsor the World Padel Tour’s professional padel circuit for the next three seasons.

Our employees proudly participated in solidarity sports tournaments such as the VI Inclusion Cup Solidarity Tournament for the disabled. El Corte Inglés Empresas in turn participated in the annual Northern Spain Marriott Business Council dinner gala to support the Alex Foundation, which works for the inclusion of people with Down Syndrome through sport.

In June 2019, El Corte Inglés organised the Wellness Sunday sport and healthy lifestyle festival, linked to the world of fitness, yoga, running and cardio, which tallied 900 participants.

Seguros El Corte Inglés provided free accident risk insurance for participants in the VI Popular Stop Sanfilippo Race, a fund-raising event for Sanfilippo syndrome research.

Spanning over 40 years, the El Corte Inglés Cursa is one of the most popular races. Each year, it brings together thousands of participants in Barcelona, having become one of the main races held in its category.

CULTURE

El Corte Inglés believes that culture is an essential value, and we work to bring it closer to citizens. We have thus continued promoting a multitude of initiatives related to literature, theatre, music, art, history, cinema, photography and dance throughout 2019.

One of our most relevant projects in 2019 was “Decorating the Prado” to mark the Museum’s bicentennial. El Corte Inglés has decorated the façades of the Madrid building with some of its most iconic masterpieces. The Prado Museum has thus made itself visible to the street with a new image during its anniversary celebration. Within the framework of this bicentennial agreement, El Corte Inglés shot ‘Arte y Moda’, a short film in which experts from both entities analyse the influence of fashion on art against four representative works from the Museo del Prado and representatives of the project.

We have also reinforced our collaboration with other institutions including yet not limited to Teatro Real in Madrid, the Museum of Fine Arts in Bilbao, the Museu d’Art Modern i Contemporani Es Baluard in Palma de Mallorca, the Academy of Fine Arts of San Carlos in Valencia.



Another particularly relevant initiative was the exhibition of the digital “Scroll” project in the windows of El Corte Inglés premises at Preciados and Serrano, in Madrid. The artist Daniel Canogar used algorithms taken from the El Corte Inglés website and converted them into a flow of abstract images. The Ámbito Cultural de El Corte Inglés (El Corte Inglés Cultural Area) project is part of the activities of ARCOMadrid 2020; an International Contemporary Art Fair which began over 15 years ago and that has the backing of the Ministry of Culture and Sports, Madrid City Council and Community of Madrid.

Cultural Area Venues

- 2,312 activities
- 23 Venues
- 140,106 participants
- Almost daily scheduling
- Some of the activities organised: #LunesDeLírica, National Live Poetry Award (Premio Nacional de Poesía Viva), 23rd Spring Novel Award (Premio Primavera de Novela) and tribute to Hotel Florida

In the Cultural Area, El Corte Inglés-Grandes Armazéns organised over 334 cultural events that tallied 38,000 visits during the year, including leading personalities and opinion leaders. There are two venues for such events in Lisbon and one space in Porto.

Pitiflú Children’s Activities

- 2,184 activities
- 222 talks
- 53 stores
- 87,343 people
- Some of the activities organised: creative workshops, science workshops, and workshops with sustainable materials, storytelling and activities to encourage reading, puppets, magic shows, children’s theatre, Baby News Talks and concerts for the whole family

Of particular note in 2019 was the sponsorship of one of the most important musical events in Europe, the MTV EMA and MTV Music Week, held in Seville.

On the occasion of the Urban Exhibition “Meninas Madrid Gallery”, four of the designed meninas were sponsored by El Corte Inglés and two of them were created by our employees, whose ideas were winners of the internal contest that we organised. The money we raise every year from the meninas auction goes to social action projects. This time the beneficiaries were the Aladina Foundation and the Lukas Foundation.

In the field of digital culture, our Instagram web series “Pipol in Da House” received the Silver Award for Effectiveness from the Inspirational Festival. This award recognizes digital quality and excellence while highlighting projects that carry a message of inspiration and new paths for the online industry.

Music	MTV EMA, Alejandro Sanz tour in Spain, musicals Love the 90’s and Love the Tuenti’s, etc.
Photography	PhotoEspaña
Art	“Meninas Madrid Gallery”, ARCO, “Art and Fashion at the Prado”, etc.
Audiovisual	Pipol in Da House webseries, retransmission of radio programs from shop windows in collaboration with Onda, flashmobs in shopping malls, short Art and Fashion at the Prado, etc.
Literature	World Poetry Day, “A year of books” contest (Un año de libros), #LunesDeLírica, National Live Poetry Award (Premio Nacional de Poesía Viva), Spring Novel Award (Premio Primavera de Novela), activities to foster reading, etc.
Traditions	Carnival on Santa Cruz de Tenerife, Málaga Fair, etc.



SOCIAL COMMITMENT

In recent years, the Group has focused its efforts on establishing lasting alliances with different foundations and public utility associations to launch projects with a measurable impact and clear social return.

Social Commitment: 293 Initiatives

Fruit of the collaboration with stakeholders, including our employees, it establishes three primary lines of action:

- Children and Youth
- Health and Wellbeing
- Social contribution and food use

CHILDREN AND YOUTH

Through the strategic alliance forged with UNICEF in 2017, we became the first large Spanish distribution company committed to protecting children’s rights through our business policies and activities. We planned fundraising and awareness actions throughout 2019 with clients, employees and the general public so they can join our commitment.

Under this agreement with UNICEF, we contributed a total of 296,598 euros in 2019 from actions including yet not restricted to the sale of solidarity cards worth €1, €3 and €5 in the cash lines of our food brands, the “Solidarity Toys” campaign in our Christmas toy catalogue or the “Back to School” campaign.

El Corte Inglés-Grandes Armazéns also renewed the agreement with UNICEF in addition to supporting additional social projects through some 50 entities. In this regard, awareness-raising campaigns, fundraising and outreach actions were also organised at Cultural Area venues.

Viajes El Corte Inglés also hosted another “A Smile for Christmas” campaign for vulnerable groups of children. Informática El Corte Inglés partners with the Fundació BCN FP to support training for young people at risk of exclusion.

The Insurance Group held its solidarity raffle for the Exit Foundation, which aims to reduce educational abandonment in young people at risk of social exclusion. It also conducted corporate volunteer days with extra-hospital leisure activities and therapeutic gymkhanas (treasure hunts) in the department stores at Goya and Preciados (Madrid). Children receiving cancer treatment were given therapeutic play to work on orientation, social skills and motor skills.

Through El Corte Inglés Empresas, we became patrons of the Port Aventura Foundation. This foundation aims to promote the recovery of children and young people with serious illnesses so that they can enjoy time with their families with a free 6-day stay full of emotions and adventures at the Port Aventura leisure park.

HEALTH AND WELLBEING

The second axis of our social action strategy is guided by Sustainable Development Goal 3: Good Health and Well-being. Our proposal promotes a healthy lifestyle and well-being for everyone, starting with customers and employees. This mindset can be seen through the involvement with various initiatives.

We enhanced our close collaboration with the Spanish Cancer Association (AECC) by financing projects to prevent and fight against breast cancer. In October, we mobilised our employees, customers and society in general for another year with the #ECISeVistedeRosa campaign, through special actions, sale of solidarity products, façade lighting at department stores, etc. For the third consecutive year, El Corte Inglés sponsored the Cadena 100 Por Ellas concert to benefit the AECC.

We are also committed to supporting children’s oncology by collaborating on projects with different foundations such as the Aladina Foundation (with its Lego ‘Build to Give’ campaign), the Fundación Unoentrecienmil (One in three hundred thousand Foundation), ASION (Children’s Oncological Association of the Community of Madrid) and El Sueño de Vicky (Vicky’s Dream).

Viajes el Corte Inglés in turn promoted its own initiative against cancer by donating €1 for every trip reserved for Disney products and cruises between 10 and 20 October 2019. A group of employees also dedicated 2 hours a week of their free time to play with children admitted to the Oncology Unit at Niño Jesús Hospital in Madrid within the framework of the alliance signed with the Aladina Foundation.



El Corte Inglés Empresas has continued promoting health and well-being by participating in conferences on the humanisation of health care (Renueva Sanidad), collaboration with foundations focused on improving the socio-sanitary environment for patients and their families (Humans Foundation), and the design and creation of special rooms in hospitals so that relatives of hospitalised children can be closer to the patients and thus contribute to a faster recovery.

We also support the fight against other types of diseases. In 2019, supermarkets El Corte Inglés, Hipercor, Supercor and Supercor Exprés in Madrid donated 5% from the sale of apples to raise funds to help fight multiple sclerosis..

SOCIAL CONTRIBUTION AND FOOD USE

We are also working on various actions to contribute to SDG 2 “Zero Hunger”, locally and nationally. We have been collaborating with food banks for over 10 years. This collaboration is articulated in two ways: through our various “kilo operations” together with our employees and clients, and through direct donations of food made from our department stores (products that for commercial reasons cannot be put on sale but are perfectly fit for consumption). This also contributes to our Circular Economy project (see Environment section).



Our November “Great Collection” food drive was particularly prominent, in which El Corte Inglés made over 6,000 reusable bags specially designed for the occasion available to customers; and 844,441 kg of food was collected throughout Spain. In addition to the contribution made by employees and customers during this drive, El Corte Inglés Group collaborates with food banks is by donating 10% of the total collected in own-brand products.

The second means of collaborating with food banks focuses on the direct donation programme from department stores, which also prevents food waste. In 2019 we delivered a total of 1,038,320 kg of food.

Similarly, the Altius Foundation collected the surplus of dishes prepared from our department stores in the Community of Madrid for its own community dining room, reaching a total of 10,970 kg.

Regarding sensitisation and social awareness, we contributed through participation in various initiatives in 2019 such as “The second week against food waste”, held nationwide and coordinated by AECOC. We have thus offered solutions to improve food handling and use in homes, promoting responsible consumption. During that week, we organised a series of initiatives to promote good practices; for example, cooking workshop with prestigious chefs in the Callao Cultural Area (Madrid), who show how to make a better use of food with imagination. Likewise, we partnered with AECOC in the 7th Meeting Point against Food Waste by sponsoring the presentation “Educational experiences against food waste”.

We once again backed the 7th edition of the Soul Food Nights to benefit Action Against Hunger. For each plate in this charity dinner, El Corte Inglés Empresas helped this NGO with its social and labour insertion programmes in Spain.

ACTIVE PARTICIPATION IN ORGANISATIONS AND INSTITUTIONS

Our relationship with society is also reflected through the numerous associations and institutions in which the different companies of El Corte Inglés Group are present. Overall, there are more than 240 entities, ranging from the most relevant national business representation institutions such as Chambers of Commerce and Spanish Confederation of Business Organisations (CEOE), to others of a sector-specific nature such as the National Association of Large Distribution Companies (ANGED), the Association of Spanish Supermarket Chains (ACES) or the Spanish Confederation of Small and Medium-Sized Enterprises (CEPYME). We are also present in other Institutions such as the Spanish Tourism Institute (TURESPAÑA), Spanish Supply Company Association (AESMIDE) and Spanish Commercial Coding Association (AECOC). In Portugal, the main foundation is Associação Portuguesa de Empresas de Distribuição and, internationally the International Association of Department Stores (IADS) is particularly prominent among so many others.

Within the scope of CSR, we are committed to Sustainable Development through active participation in forums and initiatives both business and multistakeholders. In this way, we work with a number of clusters such as the ones for Climate Change and Social Innovation of Forética, the Social Forum of the Fashion Industry in Spain, the AECOC Sustainability Committee or the Forum of Companies for Sustainable Mobility, etc.

SOCIAL SUPPORT

The commitment of El Corte Inglés Group during the coronavirus crisis has been of firm support for Spanish society as a whole. Although the health emergency has taken place in the 2020 financial year, we want to place on record in this report, the main lines of assistance that we have followed to minimise the impact of the pandemic on society.

- 1. **RESOURCES AVAILABLE TO PUBLIC INSTITUTIONS:**
Workshops making sanitary masks, Ayre Gran Hotel Colón as a temporary hospital, etc.
- 2. **DONATION OF URGENT EQUIPMENT:**
Donation of personal protective masks, bedclothes for various hospitals, personal hygiene equipment for various social centres, donation of tablets for hospital ICUs in partnership with Fundación Ramón Areces.
- 3. **SUPPORT FOR DISADVANTAGED PEOPLE:**
Gift cards exchangeable for food for disadvantaged families, food donations to vulnerable people, collaboration on various activities with organisations such as food banks, Cáritas, the Spanish Red Cross, ONCE Foundation, UNICEF and Integra Foundation.
- 4. **SPECIAL AND PRIORITY SHOPPING SERVICES:**
Priority checkouts for senior citizens (over-65s), priority shopping service for healthcare workers, reinforcement of online and telephone services for orders of food and other essential goods.

In addition to these four main axes, we have extended our aid to virtually the entire nation, thus responding to the needs required by hospitals, nursing homes, local corporations, NGOs, local police and vulnerable groups.



COMMENTS BY BUSINESS LINE

Diversification and innovation are key to strengthening our brand.

Customer satisfaction is at the core of our business. We offer a varied range of products and services that suit different tastes, interests and budgets.

Each of our business lines increases the value, and the growing trust in our brand.

COMMENTS
BY BUSINESS LINE

El Corte Inglés Group has had a customer service policy from its very beginnings coupled with a constant interest in adapting to the changing tastes and needs of society. This has led the company to create different retail formats, ranging from large El Corte Ingles department stores, Supercor supermarkets, Sfera fashion and accessories shops, Viajes El Corte Inglés travel agencies, Informática El Corte Inglés to the Insurance Group (Seguros).



EL CORTE INGLÉS GROUP MAIN
FINANCIAL FIGURES 2019

Throughout financial year 2019 (ending 29 February 2020), the Group posted consolidated revenue of 15,260.8 million euros; a 1.2% increase on last year. Consolidated net profit rose by 20.1% to 310 million euros and EBITDA by 5.4% to stand at 1,097.1 million euros.

The revenue and the EBITDA corresponding to financial year 2019 obtained by the different business lines of El Corte Inglés Group were as follows:

Business line	Revenue (millions of euros)	Change vs. 2018 ²¹ (%)	EBITDA ²² (million euros)	Change vs. 2018 (%)
<i>Retail companies</i>	13,27.88	0.9	930.52	5.4
Viajes El Corte Inglés Group	2,731.65	0.4	65.06	1.9
Seguros El Corte Inglés Group	215.58	8.1	89.68	10.6
Other business lines	38.92	-1.6	12.17	5.3
Consolidation adjustments and eliminations	-853.25	2.9	-0.34	<100.0
El Corte Inglés Group	15,260.78	1.2	1,097.09	5.4

FY 2019 was marked by a sum of significant events for the entire Group. The most recent was the agreement signed in February 2020 to refinance bank debt for a maximum aggregate amount of up to 2,000 million euros. The contract, which ensures stable financing, at a lower cost, with longer terms and without guarantees, was signed by 24 financial entities, thus showing their support for the company’s management and business plan. The agreement has allowed the terms to be extended until February 2025 and the Group’s current bank financing to be reduced by 50 million euros.

The merger by absorption of El Corte Inglés and Bricor (absorbed company) was also approved in the year. This integration was made to improve and complement the product range, whilst harnessing the synergies between the two formats in terms of procurement and sales. This new structure also helps optimise the range of products and services available to customers.

El Corte Inglés continues to innovate in the development of new areas of activity, and this year the creation of a new Real Estate business unit for real estate asset promotion and management particularly stood out. El Corte Inglés is one of the companies with the largest real estate assets in Spain, which is why this new line of activity has emerged in the market, serving both the Group itself and external companies.

Likewise salient in the year was the agreement signed with the GFI Group to integrate Informática El Corte Inglés (IECISA) into the French group, thus forging a great European technology leader. The operation was approved by the competent authorities as early as 2020.

Global activity at the end of the 2019 and start of the 2020 financial years was hit by the effects of Covid-19. This factor, will have a notable impact on earnings in the coming financial year.

²¹ Figures modified for comparative purposes after the exit of Informática Group from the scope of consolidation and its treatment as a discontinued operation.
²² Excludes the effect of IFRS 16.

RETAIL COMPANIES

The distribution business, which sets the foundation of El Corte Inglés Group, comprises the El Corte Inglés department store, Hipercor hypermarkets, Bricor stores, Supercor convenience stores chain and Sfera fashion brand. In recent years, one of the central axes has been the exploitation of synergies between the different companies of the Group and, especially, between all the companies that make up the retail business. In 2019, the total revenue of the retail areas was 13,127.9 million euros, representing a 0.9% increase versus the previous year, with an EBITDA of 930.5 million euros, 5.4% more than the previous year.

This framed the merger of Bricor and El Corte Inglés this year and the previous Hipercor and El Corte Inglés merger in 2017. These operations sought to gain efficiency and profitability, which translate into a series of competitive advantages for customers.



EL CORTE INGLÉS

Key figures:

9.2/10
customer satisfaction score

+ 443
million visits to our websites annually

Over 1.9
million product references

Over 1,000
in-store services

17
years average seniority of the workforce

El Corte Inglés represents 77.9% of the Group’s business, which makes it the commercial format with the highest specific weight. In 2019, it achieved revenue of 11,887.2 million euros.

The variety of the assortment, innovation, adaptation to market demands and a vocation for service bolster the bases of this business model together with quality and guarantee commitments. When linked to an omnichannel approach, our customers get a positive shopping experience.

El Corte Inglés is the showcase for brands, the place to find the latest news in fashion, beauty, home, food, technology, leisure, culture and catering, with over 1.9 million product references. Renowned, national and international companies; our own brands and other emerging brands, coexist in the Company’s stores to satisfy customers with different tastes, interests and budgets.

The desire to adapt to market demands has led El Corte Inglés’s stores to become places where customers can meet, enjoy, entertain and live new experiences and sensations. This has also led the stores to become communication channels to connect with society. In this regard, our shop windows have become radio studios where live programmes are broadcasted; our customers have been surprised by flashmobs such as the one for the opera Il Trovatore at the Preciados department store or even the one for the musical El Medico at Castellana (both in Madrid). We even built a vertical garden on the façade of our Valladolid centre, and almost all of our stores sported pink lighting in support of the fight against cancer.

El Corte Inglés has also created an innovative project under the motto # MásColor (More Colour) for illuminating department stores with a colour palette of 6 shades. Over 300 brands joined in this initiative, which included unique in-store experiences, suggestive and chromatic window dressings, pop-up proposals with a selection of original items, brands with products specially designed for the occasion and interactive actions. This campaign, launched in February 2020, was created to surprise and awaken an explosion of emotions

using springtime colours. The most unique proposals of # MásColor extended to fashion, accessories, home, beauty, sports, leisure, technology, electronics and food.

The virtual reality areas, gastronomic experiences, healthcare and beauty spaces, sports, cultural and children’s activities can thus coexist in commercial establishments, in addition to the numerous products and services that can be purchased or contracted.

The principles of innovation and service have also encouraged us to sign of agreements with other companies to enrich our commercial offer.

El Corte Inglés has expanded its alliance with Repsol in several areas. Firstly, we have an agreement to sell electricity and gas by which the energy company has already installed over 45 contracting points in centres throughout Spain. Additionally, department store customers can now pay for their purchases with the Repsol Waylet app and enjoy special benefits.

Services	Stores
Lottery Administrations	56
Children's Attractions	38
Medical certification centre	10
Healthcare clinic	6
Movie theatres	2
Dentist	23
Repair	34
Aesthetics	41
Florists	40
Automatic Photography	52
Gyms	2
Car wash	68
Manicures	17
Children's Leisure	28
Post Offices	56
Optical	95
Orthopaedics	4
Hair dressers	74
Podiatry	7
Shoe repair and locksmithing	70
SPA	6
Watchmaking workshop	77
Mechanics (garage)	53
Dry cleaners	73





We also bolstered our partnership with Alibaba, adding new brands to the assortment offered by AliExpress and integrating Alibaba Cloud systems. In order to continue strengthening ties with the Asian market, we signed an agreement with WeChat Pay, the mobile payment platform with the most users in China, thus offering a more personalised service for customers in this country who regularly visit our stores.

In **fashion**, we consolidated our brand repositioning to offer customers a differentiated and exclusive proposal. For this same reason, we launched El Corte Inglés Woman, which has successfully completed its first year as a firm and achieved its objective of offering the widest range of essentials together with new design collections for women of all types. As proof of this, its campaign models were Group employees. This brand launched different lines such as Woman Plus, for larger sizes; Woman Fiesta, with an innovative and wide range of dresses for events; and El Corte Inglés Woman Limited for women looking for a more elegant style. Lloyd’s has established itself as a quality brand for women who enjoy the outdoors and nature.

Redefining own brands has led to a turn for the Tintoretto firm, with proposals for casual style with a bohemian touch. All these brands have transformed the image of their spaces in the store, creating unique environments to continue growing and satisfying the different styles of customers.

This year, El Corte Inglés inaugurated a new showroom intended to enhance the company’s own brands and work more closely with stylists and fashion experts to advance the trends of our upcoming collections and gain in terms of more fluid communication.

The men’s firm Emidio Tucci returned to work with actor Antonio Banderas as the face of the brand, and has dressed LaLiga football athletes, players from the Royal Tennis Federation and professional skiers, within the framework of the company’s sponsorship agreements.

El Corte Inglés has also worked with the Prado Museum to produce a short film in which fashion and art come together, two elements that are historically important for department stores and that have served to enhance the capacity that both disciplines have to conquer and connect millions of people.

In the **home** category, we opted to expand the offer of sustainable products in line with our commitment to society and the environment. In this regard, we have more FSC-certified products to contribute to responsible forest management; now including textile references made with recycled raw materials and sustainable cotton. We also maintain our commitment to product customisation by offering customers a new customisable assortment. We also added new brands and collections to the assortment that are characterised by the quality and design of their products, which are especially aimed at a young target audience. This was how Room was born as an own brand characterised by a modern and ground-breaking style that has been a hit with customers.

The launch of Decor Studio has also been particularly salient. This decoration service is already available at 10 stores and that will soon be available via the El Corte Inglés website. Over 200 interior designers use the latest design tools to carry out all kinds of projects, ranging from renovating a small space to a large reform work plan.

The **technology and leisure** area uses top brands and newest models in the marketplace, enabling us to be at the forefront of commercial proposals. In line with this innovative positioning, we strengthened our commitment to experiential spaces with the opening of the Samsung Experience Store in Valencia, the third one of its kind following the ones that both companies launched in Madrid and Bilbao. We have also pioneered the first 5G service commercialised in Spain, launched by Vodafone.

The possibility of enjoying and feeling new sensations has also reached toy shops with the opening of “ready to play” spaces at the Sanchinarro and Callao stores in Madrid, with a goal of helping children tap into their imaginations, have fun with numerous activities and try the latest toys. Along these lines, El Corte Inglés has partnered with LEGO and Disney to bring a life-size Star Wars X-Wing fighter to Spain.

Our bookstore professionals once again formed a panel to award the prizes for the second edition of the “A Year of Books” Award, which recognises the best literary works and the most outstanding authors.

In **gastronomy and catering**, the company opted to renovate its spaces to offer a better customer experience and a wide and varied culinary proposal. In this regard, El Corte Inglés has reinvented its Gourmet Experience at the Goya (Madrid) store, where this mould-breaking format originated 10 years ago when retail merged with tasting high-quality products.

In recent years, the company has had above-market growth in the catering area. This has also accelerated transformation in the design of its traditional cafés and restaurants, and increased the percentage of healthy, local and trendy products in its commercial offer.

We have renovated many of the spaces for selling prepared dishes, incorporating a new, more functional aesthetic, an area in which El Corte Inglés was already a pioneer in Spain. It also highlights the important presence of Spanish products and, above all, the traditional roots and production of the Group’s entire gourmet offer.

El Corte Inglés also signed an agreement to manage the innovative food space in Caleido, the new urban complex in the Cuatro Torres Financial District of Madrid. It is a new supermarket concept that will operate with a new brand within El Corte Inglés Group, and also focus on innovation in perishable products, local suppliers, natural products and the most varied range of takeaways. The aesthetics and design of this new concept, which is being fully developed by the El Corte Inglés Real Estate team, will be equally unique with natural materials and clearly sustainable construction.



In the **food area**, we continue working with our suppliers to provide quality products with added value to customers. We are especially committed to local purchases to offer a greater assortment of products of this type as a guarantee of freshness and to help regional economies. We have also reinforced our healthy food selection and spaces dedicated to organic products, especially showcasing fresh products, dairy products, oils, infant food, etc., all from a constantly evolving omnichannel environment to provide customers with different purchasing options and services such as online sales, telephone orders and even Click&Car to pick up orders at the selected centre’s parking area.

OTHER ACTIVITY LINES

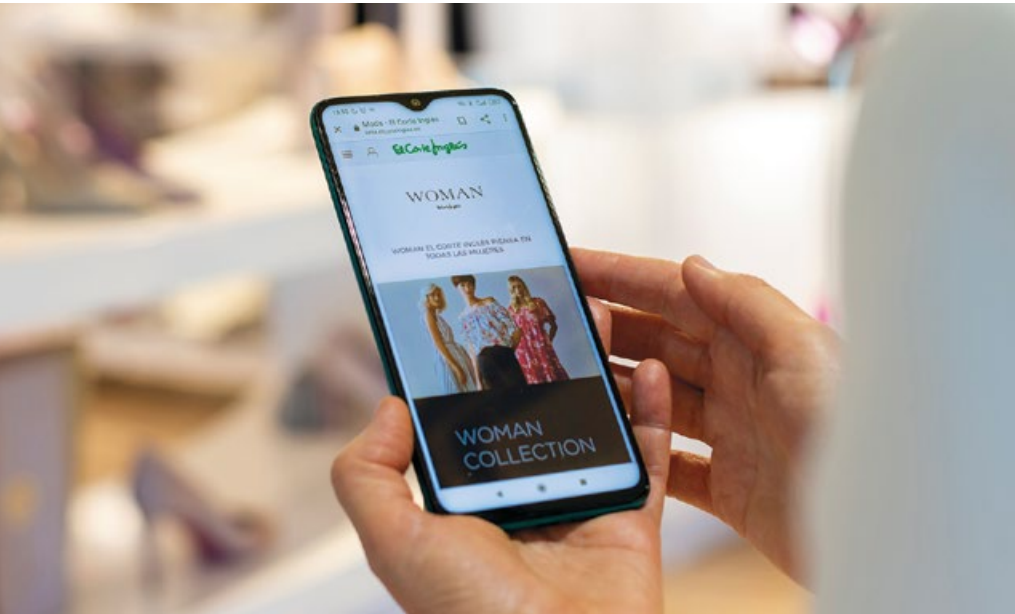
Online

In line with our natural vocation for constant innovation, El Corte Inglés has focused an important part of the strategy on the development of new functionalities and online services to continue adapting to the needs of omnichannel customers.

During 2019, the El Corte Inglés website has increased the range of brands and number of products available in each of them. The wide assortment of online products is now very similar to the range found in the company’s largest stores. [Elcorteingles.es](https://www.elcorteingles.es) provides over two million products, including own and collaborator brands.

There has been a particularly prominent increase in mobile devices for browsing (representing 70% of the total) and shopping (47%). We have thus completely redesigned our website in response to the increase in mobile navigation, and the brand image has been adapted in the web design.

We also renewed “My Account”, the customer’s private area, so that users can create their own digital wallet by registering their payment methods securely so they don’t have to enter them for each transaction. Self-service options have been added to order queries so customers can easily make changes to the address, decrease order quantities, cancel orders or even request a return.





The new system lets customers select the delivery or pick-up method that is best for them.

Users can thus receive orders at home or workplace, through standard or express delivery, or pick up their purchase at any of the company’s stores, Supercor establishments and post offices.

This is only possible with the technology and logistics improvements implemented so we can not only have a single vision of goods in stock but also gain in distribution options.

In this context, El Corte Inglés’s stores have become logistics centres to complement the services offered from the central warehouses. We have also fostered Same-Day Delivery service in 54 cities, with 200,000 references available. Orders can also be handled by the large logistics centres for organisational reasons or availability of the assortment, and whenever they may be more convenient or when goods can be delivered directly to the customer’s home more quickly.

Quality tourism

El Corte Inglés continues its strategy of promoting Spain as a quality tourist destination and positioning its cities at par with major European destinations, promoting high-value, environmentally-friendly tourism.

Most of the company’s efforts is aimed at distant markets, especially Asia, the United States, Latin America, the Middle East and Russia, which have great tourism potential and are key to receiving a major impact on wealth creation in our country.

Fruit of the efforts made in recent years, our stores provide a commercial and services offer that is particularly attractive to international customers. The wide range of globally recognised brands, specialised attention in the languages of our customers, and a firm commitment to innovation are some of the keys that make us different. We also sealed a deal with WeChat as a further step from the agreement with Alipay in 2018. Both payment systems make it possible to strengthen ties with China and simplify things for Asian visitors to pay and carry out the Tax Free process via their mobile devices.

The 2019 trend was very positive with increased market share and growth of over 10% across the company’s stores.

MAD-FD Madrid FashionDistrict

Over the last year, El Corte Inglés has worked to create MAD-FD, a new concept of innovative and ground-breaking shopping centre designed for new experiences. The Company, along with the brands, carried out a comprehensive transformation of the Arroyosur shopping centre (Leganés, Madrid) into the new MAD-FD Madrid FashionDistrict concept.

Over 150 major fashion, beauty, accessories, sports, home, jewellery, watchmaking, technology and catering firms will offer users differentiated experiences and personalised services in a new and ground-breaking shopping centre concept. It will also have a wide range of entertainment activities throughout the year as a venue for fashion shows and workshops, first-rate art exhibitions, and even internationally relevant musicals.

Internationalisation of own brands

El Corte Inglés has focused much of its efforts on promoting the internationalisation of its brands in categories such as yet not limited to fashion, food and sport. Throughout 2019, the group signed agreements with distributors from other countries that have allowed it to continue its expansion, with a presence in 23 international markets, with food products and fashion items for women, men, children, accessories and sporting goods.

Germany is one of the markets where El Corte Inglés has a greater presence. The deal with the Karstadt Kaufhof Gallery (GKK) department store has allowed us to be present in some 200 points of sale in this country. Our own sports brands Boomerang, Mountain Pro and Tijuana have been sold in German department stores since 2018, though their presence has increased considerably last year.

Some of our brands such as Easy Wear, Green Coast, Dustin, Brotes y Jo & Mr. Joe are being sold in large shopping centres in Andorra and Russia, and we expect to expand them further into other countries.

We also expanded our partnership with AliExpress with an agreement that will allow the Group to expand internationally in Central Europe and boost online sales in these markets. Six new El Corte Inglés fashion brands have started to commercialise through the Chinese portal (Easy Wear, Fórmula Joven, Green Coast, Free Style, Boomerang and Mountain Pro). They join Unit, the first brand to be sold on the Asian platform after the agreement was signed.

In food, El Corte Inglés is operating in different Latin and Central American countries. We are selling own label products in Ecuador’s Favorita supermarkets, the country’s leading consumer product distributor. Grupo Rey supermarkets in Panama continue to successfully market a wide assortment of our products.

The Mexican Soriana supermarket chain has been promoting us and Palacio de Hierro department stores also sell Club del Gourmet and El Corte Inglés brands. Cuba in turn has food and personal hygiene products in various chains. We are also continuing our distribution agreement with Supermercados Peruanos in Peru, for its flagships at Plaza Vivanda and Plaza Vea, and the collaboration agreement signed with Grupo Éxito in Colombia for distribution in its Carulla and Éxito supermarkets. We have also begun selling references through the popular distribution group Vierci in Paraguay.

El Corte Inglés has also reached agreements with various operators in Asian markets, including Philippines, Thailand, Hong Kong and Mongolia, and in the Middle East, namely in Lebanon, Bahrain, Kuwait and Saudi Arabia.

We also signed a prominent food-related agreement with the Ahold-Delhaize group for distribution of an assortment in this company’s stores in Belgium and Luxembourg.



Casa Andina Premium San Isidro (Lima). Proyecto diseñado y ejecutado por El Corte Inglés Empresas en Perú.

Real Estate

El Corte Inglés Group created El Corte Inglés Real Estate, a business unit specialising in the development, construction and management of real estate assets. The new business unit integrates all Group areas involved in property-related activities, and harnesses the extensive experience of its construction, architecture, engineering, works and projects and interior design and decoration teams.

El Corte Inglés has one of the largest property portfolios of any company in Spain, coupled with longstanding experience in real estate development and construction projects, mainly retail stores, but also other types of assets developed for third parties.

This initiative involved the merger of three divisions: Works and Construction, Real Estate Operation and Management, and El Corte Inglés Empresas. The Works and Construction division comprises a team of architects, engineers and professionals specialising in building shopping centres; the Real Estate Operation and Management division focuses on the purchase and sale of a wide range of properties, and on real estate management and operation; while El Corte Inglés Empresas is aimed at external customers and is dedicated to the creation and renovation of hotels and offices, offering an extensive range of solutions for carrying out all types of refurbishments, installations and fittings. It also has its own interior design and decoration studio.

In June 2019, El Corte Inglés Empresas joined Port Aventura World to inaugurate the new decoration of two hotels in the Tarragona leisure park, in addition to other highly prestigious hotel projects.

EL CORTE INGLÉS-GRANDES ARMAZÉNS (PORTUGAL)

Key figures:

Marketeer Award
as Best Large Retail Space

8/10
customer satisfaction score

100%
complaints resolved and **1.43**
days average resolution time

29.5
training hours per employee

49
Social action activities

El Corte Inglés-Grandes Armazéns, S.A. (ECIGA) is the Group’s Portuguese company which manages the retail sale of consumer goods. It began commercial activity in Portugal in 2001, opening its first store in Lisbon. ECIGA currently has two department stores, one in the capital and the other in Gaia, a city nearby Porto; and also 6 Supercor flagship supermarkets and the online store.

The El Corte Inglés brand in Portugal is positioned in the medium-high segment, since the stores are located in the main cities of the country. The establishments offer standards of service, brands and products that are above the average for commerce in Portugal.

The online store has had grown considerably in sales, incorporated brands and number of customer visits, which mostly have a young and urban profile.

The investment has mostly focused on specialisation and assortment quality, especially in the luxury area. New high-end brands in fashion, accessories, perfumery and cosmetics have been incorporated. In addition, the luxury area in Lisbon has been adapted to the needs of international clients calling for such products to position itself as a place of reference to acquire exclusive brands in this city. Over 100,000 travellers visited our stores in Portugal, where we have already become a reference destination for tourism.

We also promote innovation of the spaces and customer experiences with original shop window decoration and attractive displays for summer and Christmas collections. Gourmet Experience, inaugurated in 2018, has continued gaining notoriety, and has welcomed a broad range of important culinary experts.

The Marketeer Prize was another major highlight for El Corte Inglés in Portugal, which received the award in the category of Best Large Retail Space in recognition of the highly specialised and quality service offered by the company, and the advantage of being able to find the most exclusive brands in one place.



SUPERCOR

Key figures:

92%
staff with permanent contract

49
Supercor stores certified for accessibility

Over 92
million visits annually to our stores

47%
women in management positions

Supercor supermarkets offer a wide assortment of quality products, thus making them a benchmark in convenience shopping. One of the supermarket chain’s most notable attributes is the commercial offer adapted to the environment and local tastes, thus maintaining a policy of closeness to citizens and regional suppliers. Customers can find over 12,000 references in these supermarkets. Another differential element is the long opening hours to adapt to the needs of our society and provide the best service.

One of its most distinctive features is the fresh assortment, especially in fruit and vegetables, meat, fish and the delicatessen, which are restocked daily. In response to the high demand for organic products, the number of references has been increased to suit an informed consumer concerned with health and well-being.

Supercor’s 2019 turnover was 714.6 million euros.

Omnichannel was promoted throughout the year, focusing part of the strategy on promoting Click&Collect, to collect and return products purchased on the El Corte Inglés website at Supercor stores. Home deliveries and all the advantages associated with the El Corte Inglés purchase card were also promoted.

The supermarket label has continued to reform its establishments to reinvent its image and simplify purchasing, with more spacious spaces, simple and intuitive distribution, and the incorporation of new frozen furniture. The management tools at all stores were also bolstered to optimise processes and continue innovating in supply and service.

In order to further promote seasonal produce, promotional campaigns linked to seasonality were intensified nationally, regionally and locally.



As for the human component, the number of women store managers increased by about 1%. In addition, a team of 25 people from central and supermarket coordination offices conducted a Superior Retail Marketing Programme. Steps were also taken to include groups with some type of disability, with a 2% increase in the number of people incorporated into the workforce.

At the end of 2019, Supercor had 181 stores throughout Spain and 6 in Portugal.

SFERA

Key figures:

- Presence in **19** markets
- 473** Points of sale:
167 own stores and **306** franchises
- Over 52**
million visits to our stores
- + 17**
million visits to our website annually
- Eightfold** increase in online sales since the
launch of the website
- 89%**
of the workforce are women
- 85%**
women in management positions
- 33**
is the average age of the workforce

Sfera has had very positive growth in the last year with the opening of new stores, with an overall tally of 473 points of sale. Most of the efforts were directed at enhancing brand value, bringing the latest fashion trends to stores, renewing the image of the points of sale and with a notable improvement in the quality of the finishes, fabrics and garment pattern design. All this has had a positive influence on revenue, which stood at 461 million euros; an increase of 8% on the previous year.

Over the last year, there has been a significant shift towards a younger customer profile, both in bricks-and-mortar stores and online channels, and with greater spending power, which has allowed it to reach a wider audience and enhance brand positioning.

Regarding the expansion of new stores of the fashion brand, two were opened in Spain, one in Zaragoza and the other in Seville; four in Mexico, with a total of 51 establishments in this market. At 29 February 2020, Sfera had 167 own stores present in 5 countries worldwide.



42 franchise points of sale opened in different markets in 2019. 26 of these points of sale opened in Central America, specifically in Costa Rica, El Salvador, Guatemala, Nicaragua, and 8 in Panama.

There were 8 new stores launched in Lima (Peru) to give a total of 4 own-stores in this country and 38 corners in stores.

There were 7 new corners opened in Thailand to bring the tally to 25 points of sale in this Asian country.

At year-end, Sfera now operates in 19 markets with 167 own stores and 306 franchised points of sale.

NON RETAIL COMPANIES

VIAJES EL CORTE INGLÉS GROUP

Key figures:

“2019 Best Business Travel Agency” award
for the 4th straight year

80%
of the workforce are women

61%
women in management positions

8%
increase in customer loyalty

29,222
suppliers

25
training hours per employee



Viajes El Corte Inglés Group reported revenue of 2,731.7 million euros, up 0.4% year-on-year. EBITDA stood at 65.1 million euros.

This growth is largely due to the implementation of a new customer management system and advanced marketing tools that help us better understand our customers and deepen their relationship with Viajes El Corte Inglés. Another important step has been the implementation of the digital itinerary to improve process efficiency and maximise automation, thus permitting electronic signatures for documentation, which improves effectiveness and customer experience.

The Viajes El Corte Inglés Group is operating in 14 countries: France, Italy, Portugal, Argentina, Chile, Colombia, Ecuador, the USA, Mexico, Panama, Peru, Dominican Republic, Uruguay and Spain. The commitment to international expansion was maintained throughout the year, thus adding a total of 143 offices outside Spain.

Viajes El Corte Inglés has two tour operators, namely Club de Vacaciones and Tourmundial. The first specialises in over-60s travellers looking for long-term itineraries or short breaks. Tourmundial has over 40 catalogues, covering more than 2,800 different travel programs across five continents. Throughout this financial year, both companies have closed new deals that bring them to nearly 9,500 points of sale, thus providing new value to traveller and diversifying their range of products, and thus contributing to consolidating its benchmark status for tour operation in Spain.

Utópica, a Viajes El Corte Inglés brand celebrating its first anniversary, stands prominent by offering customers a complete experience from a different perspective so that the trip becomes a vehicle for cultural exchange.

Business Travel Centre, the division for companies of Viajes El Corte Inglés, has maintained its vocation of service, innovating in the personalisation of the offer, incorporating advanced technological tools that allow effective solutions, streamlining procedures and adapting to the specific needs of booming segments. This business line provides services to a portfolio of over 16,000 corporate clients representing 25% of the market.

In keeping with El Corte Inglés Group’s CSR strategy, we have drawn up a “Sustainable Development Tourism Guide” as a decision-making guideline when hiring sustainable tourism products. We also promote our main suppliers’ commitment to ethical and universal principles to help achieve the 2030 agenda.

Viajes El Corte Inglés joined forces with the Global Compact in an event entitled “Sustainable development goals, lines of action” at the Fitur international tourism fair. This is a framework of the alliance sealed between the Spanish Network and a group of companies in the tourism sector committed to promoting social responsibility in the sector.

As additional assurance for the Group’s corporate line, a regulatory compliance system was also implemented in the year to maintain and provide evidence of the Company’s ethical commitment in all areas of activity. For this purpose, a training plan was developed to provide courses on the Code of Ethics, CSR and Information Security.

INFORMÁTICA EL CORTE INGLÉS GROUP

Key figures:

99.5%
staff with permanent contract

91%
employees working full-time

21%
ratio of new hires

25.6
training hours per employee

19
quality and environment certifications

Founded in 1988, Informática El Corte Inglés is a specialised technology consulting firm with high added value projects, especially in the area of digital transformation. Revenue in the last financial year amounted to 667.8 million euros and EBITDA was 30.9 million euros.

The 2019 financial year was especially significant for the company after El Corte Inglés and the GFI Group signed an agreement in which the GFI Group acquired all of the shares in Informática El Corte Inglés. This alliance will give the Spanish technology consultancy the opportunity to commence a stage of growth in the hands of a large specialised group with an extensive international presence. The transaction enables both companies to create synergies, access new markets and enrich their respective consulting and services offers.

The resulting technology group has over 23,000 employees and a revenue of over 2,300 million euros. It will also continue providing services to El Corte Inglés Group within the framework of the digital transformation carried out by the Spanish distribution company.

After receiving the pertinent approval by competition authorities and the green light from the Spanish government, the El Corte Inglés board of directors authorised the transaction for 2020.

Informática El Corte Inglés is an expert in transforming jobs, one of the consulting firm’s strengths. This year, it has continued accompanying SMEs, large companies and public administrations in their transition to a digital work environment, as the Intelligent Workplace area resumes its increasingly prominent growth in the business.

The consultancy maintains a fluid relationship with leading technology manufacturers, and can thus promote successful projects in different fields. These projects include prominent development of cloud-based solutions and cloud computing, thus contributing improved systems operation and final user experience. This technology is being applied in the Mobility

as a Service project that IECISA is developing together with the Madrid Municipal Transport Company, since the consultancy is currently implementing the validation and ticketing solution for EMT, Madrid’s public transport company. Experiences in the Spanish capital have also been transferred to other cities such as Malaga and other sectors such as tourism.

The Digital Onboarding business line is another area worth mentioning. IECISA has developed and implemented biometric boarding, thus permitting passenger boarding without stopping at the doors and controls, all while maintaining the required security. The pilot project was launched together with Iberia and Aena at the Adolfo Suárez airport in Madrid Barajas.

Informática El Corte Inglés operations in Latin America and Portugal has been shored up with important projects such as the Editorial Santillana Customer Service Centre, which meets the requirements of customers in 18 countries. IECISA has consolidated its development outside Spain with projects related to security, customs, workplace control and corporate management systems, both in native companies and accompanying Spanish corporations in their international expansion.

Innovation is an essential value and a differentiating element of Informática El Corte Inglés, which has defined and implemented an open and cooperative innovation model in 2019 for the participation of company professionals and external agents. IECISA launched the first corporate intra-entrepreneurship initiative based on challenges that are innovation priorities for the company. The action has been remarkably successful with over 275 ideas received and a 75% participation rate of professionals.

Informática El Corte Inglés actively participates in the European Union’s Horizon 2020 research and innovation program, with the NeEDS (Network of European Data Scientists), Immerse (Integration Mapping of Refugee and Migrant Children) and BD4QoL (Big Data for Quality of Life).



SEGUROS GROUP

Key figures:

675,000 policies issued

96% complaints resolved in 2019

97% staff with permanent contract

91% employees working full-time

56% women in management positions

123 training hours per employee

163,685 training hours



El Corte Inglés Group is present in the Spanish and Portuguese insurance markets through two companies: Centro de Seguros y Servicios (insurance brokerage) and Seguros El Corte Inglés (insurance entity operating in the life and accidents branches and as a pension fund manager).

2019 revenue (excluding premiums issued by non-recurring savings insurance) amounted to 215.6 million euros, up 8.1% year-on-year, with an EBITDA of 89.7 million euros, up 10.6%. This enabled a ROE²³ for the year of over 20% in this business.

New insurance production hit a new record, with over 675,000 new policies issued in a year. This increased the current policy portfolio by 8.1% compared to the previous year.

All family insurance branches (home, cars, health care, life risk and accidents) whose commercialisation constitutes the main core of the activity, have grown during the year.

To support the commercialisation of the different insurance products and services, several marketing and communication initiatives were launched. One of the most remarkable milestones was the Ondas Award 2019 for the Best National Radio Campaign for “Ruiditos”, in recognition of the great creative idea as a simple and notorious solution.

The Children’s Oncology Association of Madrid (ASION) awarded El Corte Inglés Seguros the XV Annual Award in the Companies category, in recognition of its work and initiatives in recent years to help children and adolescents in their fight against cancer.

CENTRO DE SEGUROS Y SERVICIOS

At the year end, Centro de Seguros y Servicios had 126 points of sale, of which 124 were in Spain and 2 in Portugal. It also operates through the website seguros.elcorteingles.es, and offers personalised customer care and sales services by telephone.

2019 saw strong commercial activity in the main insurance branches, leading to an increase of 7.1% in the total number of customers for the brokerage company.

Brokerage maintained the effort to continue updating and improving its commercial proposal in order to respond to the new needs of the market. This has led to launching new products and redesigning others previously marketed in the main branches of distributed insurance. This thus strengthens the brokerage business model, whose catalogue combines the offer of self-designed insurance with others from highly prestigious insurance entities in Spain and Portugal such as Allianz, Asisa, Axa, Generali, Liberty, Mapfre, Ocaso, Pelayo, Sanitas, SegurCaixa Adeslas and Seguros El Corte Inglés.

The 2019 web channel development was particularly relevant, registering significant growth in both traffic and contracts. The project to revamp the image of the company’s offices at El Corte Inglés department stores likewise made progress.

In terms of technological innovation, Centro de Seguros y Servicios doubled its efforts on the digitisation plan, and made notable progress in its objective to ensure that all its main insurance lines are digitally issued and managed by 2020.

SEGUROS EL CORTE INGLÉS

Premiums accrued in the year totalled 229.57 million euros. Without the sharp growth in savings insurance (which is less stable and predictable), recurring revenue would have been 127.49 million euros (+8.1%). This amount corresponds to life-risk and accident insurance premiums, which are the mainstay of the Company’s activity.

The solvency ratio stood at 353%, reflecting the Company’s sound asset base.

Likewise, all managed pension plans yielded positive returns in 2019.

²³ ROE: Return on Equity, equivalente a la rentabilidad del capital.

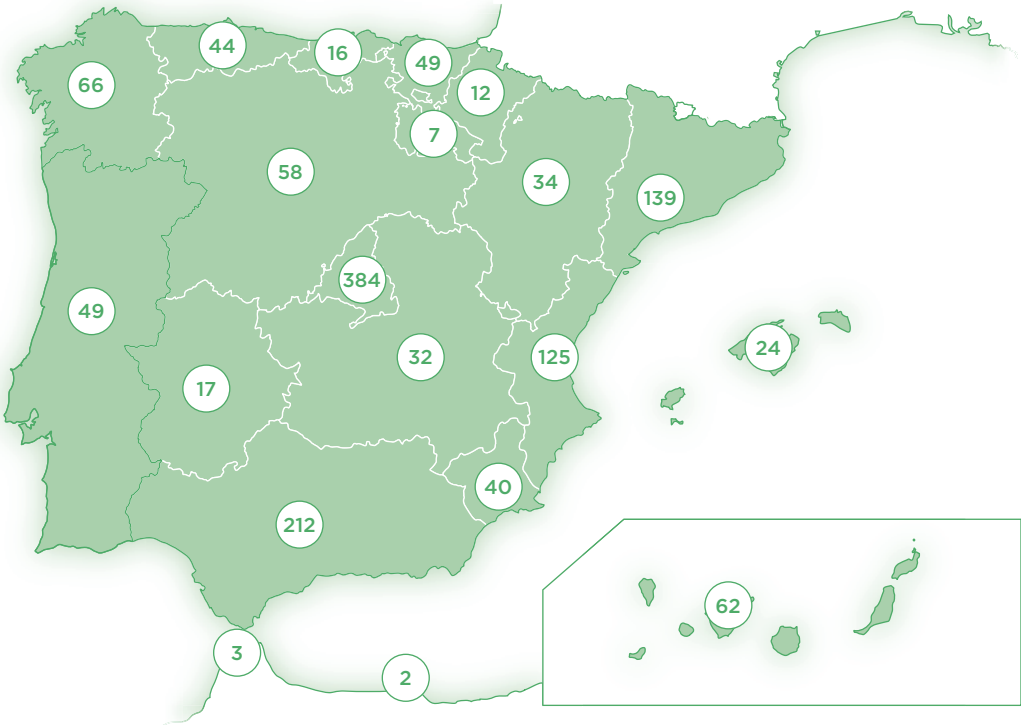
BREAKDOWN OF EL CORTE INGLÉS GROUP OPERATIONS

Points of sale by bussiness lines	Spain	Portugal	Other Countries	Total 2019	Total 2018*
Retail	653	23	366	1,042	1,014
El Corte Inglés	277	7	3	287	237
Department stores	88	2			
Hipercor hypermarkets	39				
Bricor Centres	4				
Bricor PoS in Shopping Centres	54	2			
El Corte Inglés Empresas Delegations	19		2		
Outlets	48	2			
Others stores	19				
Online	6	1	1		
Supercor	182	6		188	185
Convenience stores	181	6			
Online	1				
Sfera	194	10	363	567	527
Own stores	102	8	57		
Corners in Shopping Centres	91	2			
El Corte Inglés					
Franchises			306		
Online	1				
Grupo Viajes El Corte Inglés	659	29	131	819	813
Delegations	494	22	121		
Other points of sale	161	6			
Online	4	1	10		
Grupo Informática El Corte Inglés	22	1	12	35	34
Delegations	18	1	11		
Other points of sale	3				
Online	1		1		
Grupo Seguros El Corte Inglés	151	3		154	146
Centro de Seguros El Corte Inglés	124	2			
Delegations					
Seguros El Corte Inglés Delegations	26				
Online	1	1			
Otros	2			2	
Editorial CERA	1				
Online	1				
Total	1,487	56	509	2,052	2,007

*Note: The breakdown of operations in 2018, includes 27 online sales websites.

Total number of own stores and branches in:

Spain: 1,326
Portugal: 49



Total own stores and branches in other countries

Country	ECI Empresas	Sfera	Viajes Grup	Informática Grup
Argentina	-	-	3	1
Brazil	-	-	-	1
Chile	-	-	11	1
Colombia	-	-	12	1
Costa Rica	-	-	-	1
Ecuador	-	-	2	1
United States	-	-	3	1
France	-	-	1	-
Greece	-	3	-	-
Italy	-	-	1	-
Mexico	-	51	79	1
Panama	1	-	4	1
Peru	1	-	2	1
Poland	-	3	-	-
Dominican Republic	-	-	1	1
Uruguay	-	-	2	-
Total	2	57	121	11

Markets in which our products and services are present

Africa	America	Asia	Europe	Oceania
Algeria Cape Verde Ethiopia Ghana Morocco Mali Nigeria Senegal Tanzania Tunisia South Africa	Argentina Antigua and Barbuda Bahamas Bolivia Brazil Canada Chile Colombia Costa Rica Ecuador El Salvador United States Guadalupe Guatemala French Guiana Honduras Martinique Mexico Nicaragua Panama Paraguay Peru Puerto Rico Dominican Republic Réunion Trinidad y Tobago Uruguay Venezuela	Afghanistan Saudi Arabia Bangladesh Bahrain Brunei Qatar China South Korea United Arab Emirates Philippines Hong Kong Israel Iraq Japan Jordan Kuwait Lebanon Malaysia Maldives Mongolia Pakistan Singapore Thailand Turkey Vietnam	Albania Germany Andorra Austria Belgium Denmark Spain France Georgia Greece Netherlands Hungary Ireland Iceland Italy Macedonia Malta Moldavia Norway Poland Portugal United Kingdom Czech Republic Romania Russia Sweden Switzerland Ukraine	Australia New Zealand



Websites per country

Website	Country	Website	Country
www.elcorteingles.es	Spain	www.viajeselcorteingles.com.do	Dominican Rep.
www.elcorteingles.pt	Portugal	www.viajeselcorteingles.com.ec	Ecuador
www.elcorteingles.com	International	www.viajeselcorteingles.com.mx	Mexico
www.elcorteingles.es/empresas	Spain	www.viajeselcorteingles.com.pa	Panama
www.hipercor.es	Spain	www.viajeselcorteingles.com.uy	Uruguay
www.primeriti.es	Spain	www.ecitravel.com	USA
www.sportown.es	Spain	https://reservaciones.tourmundial.mx	USA
www.latiendaencasa.es	Spain	www.tourmundial.es	Spain
www.supercor.es	Spain	www.clubdevacaciones.es	Spain
www.sfera.com	Spain	www.ventedemaraton.es	Spain
www.viajeselcorteingles.es	Spain	www.iecisa.com	Spain and International
www.viagenselcorteingles.pt	Portugal	www.seguros.elcorteingles.es	Spain
www.viajeselcorteingles.com.ar	Argentina	www.seguros.elcorteingles.pt	Portugal
chile.viajeselcorteingleslatam.com	Chile	www.cerasa.es	Spain



RISK AND OPPORTUNITY MANAGEMENT AT EL CORTE INGLÉS GROUP

Social context and the marketplace, a two-way path for our business.

Correctly identifying and evaluating the risks and opportunities that arise is key to our development. To this end, our Internal Risk Management and Control System is able to minimise the effects of each threat and turn difficulties into new business opportunities.

RISK AND OPPORTUNITY MANAGEMENT AT EL CORTE INGLÉS GROUP

The El Corte Inglés Group is fully aware of its exposure to various risks inherent to its different areas, activities and businesses. For these purposes, we have a Risk Control and Management System working to ensure that potential problems, whether current or emerging, are identified and measured, to implement the necessary management measures to mitigate them in order to meet the Group’s strategic objectives.

The Risk Control and Management System is based on an adequate definition and assignment of functions and responsibilities including strategies, policies, processes, response procedures and information necessary to guarantee an adequate level of internal control. The system is integrated into the organisational structure and decision-making process of the agents who exercise essential functions in the Group’s governance model. The Board of Directors is responsible for this risk system, whose implementation, formalisation and supervision is carried out with the support of the Audit and Control Committee.

The main advances in 2019 were:

- Updating the Corporate Risk Map, presented in the Audit and Control Committee and subsequently approved by the Board of Directors.
- Formalisation of the Risk Control and Management System: The Risk Control and Management System Policy was presented to the Audit and Control Committee on 25 February 2020 and approved by the Board of Directors.
- The expansion of risk work in different areas of the Group.
- The creation of a working group for the annual review of climate change risks.

Although the announcement of the state of emergency due to the Covid-19 health crisis came after the end of the financial year, it should be mentioned that the Risk Map was examined by the Audit and Control Committee (CAC) in April and May 2020 (before preparing the financial statements and approving the Non-Financial Report 2019) and it was duly updated taking into consideration the various measures launched as part of El Corte Inglés Group’s Covid-19 Contingency Plan.



KEY FIGURES

El Corte Inglés Group Risk Management and Control System is aligned with benchmark standards for this type of system, namely the COSO Model (Committee of Sponsoring Organisations of the Treadway Commission). Risks that could affect the achievement of the Group’s objectives are defined in detail, analysed and prioritised, considering their importance (in terms of economic and/or reputational impact) and the probability of their occurrence.

Main identified risks			
Strategic	Operations	Financial	Compliance
Socio-political environment	Supply and logistics chain	Financing	Compliance: <ul style="list-style-type: none">• Penal Regulations• Transversal Regulations
Digital transformation and omnichannel approach	Goods for sale	Responsible Taxation	
Dialogue with customers and stakeholders	Systems and Technology: availability, integrity and security	Financial and Management Information	
Sustainability, Climate Change and Demographic Challenge	Human Resources and Talent Management		
Real Estate Management			

The Risk Control and Management System has a definition for each of the above risks and other risks within the scope, including identification of responsibilities, criteria for the organisation’s risk tolerance, applicable policies and procedures, controls intended to mitigate or reduce the risk to established levels and procedures for monitoring and continuous improvement.



STRATEGIC

Socio-political environment

A major risk is the loss of the consumer purchasing power as a result of an economic recession or increased social inequalities.

Developments in the social, political, legal and regulatory environments can have a significant impact on the Group’s operations, whose main activity is the distribution of consumer goods and services. These could be tax pressure, regulation of business hours or cash payments and changes in labour regulations.

With a view to securing a quick response, the Group analyses the different scenarios provided by various agents and makes decisions based on these sensitivity analyses to reduce the adverse effects on the main variables of the Group as much as possible.

Digital transformation and omnichannel approach

Technological changes have ushered in the entry of new operators with very aggressive commercial policies, price discounts and great flexibility to make changes.

El Corte Inglés develops strategies for optimising its competitive advantages such as preferred locations in many regions and the proven quality of customer service. Store shopping experiences are continuously analysed and improved with the implementation of new services sought after by omnichannel customers: for instance, Home Delivery, Click & Car, Click & Collect, Click & Express, free in-store return, etc.

The Group has the right tools to face the fast and essential digital transformation process and is constantly seeking innovation, identifying new technologies, investing directly or through alliances with strategic partners or digital platforms.

Dialogue with customers and stakeholders

Fluid dialogue with customers and other stakeholders generates value and trust, which is harnessed intensively in various ways.

The existence of conflicting or non-aligned messages could generate concerns and doubt in the trust of our stakeholders and, therefore, affect our image and reputation. We have control tools in place for these types of situations, such as a model for measuring and monitoring potential reputational risks, continuous monitoring of mass media and social media, carrying out surveys, etc.

Sustainability, Climate Change and Demographic Challenge

Sustainable management is a broad concept entailing the analysis and monitoring of various activities. The objective is to achieve a responsible performance of the Group’s business. Risks can entail the risks related to compliance with Corporate Social Responsibility (CSR) standards, proper environmental management, energy efficiency, impacts on the environment and adaptation to the effects of climate change.

At the Group, we are aware that the effects of climate change can have consequences for supply and sale, so we seek to reduce the impacts on the environment and adapt to the effects of climate change.

In the supply area, this could arise from either the reduction of some essential raw materials for production or to associated situations (drastic climate changes, reduction of fertile land, etc.). The Group currently monitors the mix between the short and long circuits to mitigate over-dependence on countries exposed to emissions.

Regarding sales, non-existent autumns, hotter winters, drier springs and longer summers force us to adapt the commercial offer to the new seasonality. This situation is mitigated by the detailed management of the assortments and the level of stocks per season.

In addition, the falling populations in some Spanish cities and the retirement of the “baby boom” generation with a significant loss of purchasing power, makes the demographic challenge another risk, which likes the others, is taken into consideration in the Group’s strategy, and short-, medium- and long-term mitigation actions are carried out to mitigate them.

Real Estate Management

Real estate management aims to optimise real estate through excellence in investment, operations, maintenance and, where appropriate, divestment. It is thus essential to consider our current phase of the real estate cycle and the changes that this would entail (liquidity, prices, terms of execution of operations, etc.). To mitigate these risks, El Corte Inglés Group has numerous measures and actions in place managed by a qualified team with a great deal of experience in the real estate sector.

OPERATIONS

Supply and logistics chain

Changes in consumer habits, increasingly omnichannel (demand for more immediate deliveries) and socially more responsible, impact the Group’s purchasing and logistics. Our supply chain includes multiple types of merchandise from different origins and destinations. For this reason, efficient management is key for our results.

To control the risks related to this situation, we have established transversal management of the different logistics models; coordinating and optimising all areas involved with demand planning and forecasting, and supply of the points of sale through the use of cutting-edge technology tools.

Goods for sale

The risks affecting goods for sale include yet are not limited to aspects such as value, rotation, possible obsolescence and unknown loss (theft, loss, errors, etc.). Various actions were carried out to control and manage this risk, including the use of automated inventory systems, continuous analysis of goods rotation and sales-based product range reviews, and implementation of Radio Frequency Identification (RFID) tags in the supply chain.

Systems and Technology (availability, integrity and security)

From an operational point of view, situations such as lack of continuity of the computer service or increased response times should be controlled and mitigated. This risk could lead to substantial financial, legal or reputational implications.

As related control and management activities related to cybersecurity, data protection and system operation with assured levels of quality, we have a General Information Security Policy and an Identity Management System, which are defined by the Information Security Committee.

Additional actions refer to the proper management of the Data Processing Centre (DPC), which has service continuity guarantees such as contingency plans, replicated critical services, existence of several separate DPCs, etc. Redundancy has also been established in communications, automated alert systems against massive unauthorised access to systems, etc.

Human Resources and Talent Management

Our workers’ commitment to objectives and corporate culture (reflected in the Code of Ethics), and their assessment and expectations for professional development are the essentials of Human Resources management. The scope of this area also includes the management of rights and obligations, and relationships with workers of subcontracted companies.

It is also essential to comply with Spanish Law 31/1995 of 8 November and subsequent updates, on Occupational Health and Safety (OHS).

Human Resources works jointly with other areas to control and manage these risks, which are described in greater detail in the “Committed Team” section of this report.

FINANCIAL

Financing

The Group’s activities are exposed to various types of financial risks: market (including exchange, interest rate and price risks), credit and liquidity risks. Risk management focuses on the uncertainty of the financial markets with a view to minimising the potential adverse effects on Group profitability.

Responsible Taxation

This concept entails risks arising from incorrect tax-related decisions that generate contingent liabilities, sanctions, long-term tax assets or criticism from our stakeholders, and thus requires unified taxation management at the local, regional, national and international levels.

The Group has implemented and applies a variety of (both automatic and manual) prevention and detection controls; thanks to which positive results have been obtained in the tax inspections.

Financial and Management Information

The quality of the information is essential for effective and efficient use in decision-making. It is therefore vital that the Group works with correct financial and management information.

The Group’s Finance and Management Control Areas have launched projects to ensure reliable and timely information reporting.

El Corte Inglés has implemented a system for Internal Control over Financial Reporting (ICFR) that is aligned with the requirements of the Spanish National Securities Market Commission (CNMV).

COMPLIANCE

In light of the extensiveness of pertinent legislation, laws and regulations, the Group’s Compliance Area works with the entire organisation to analyse, identify, measure and monitor different risks of this nature. The Compliance Area has established two large blocks:

- Criminal: focused on all non-compliance risks according to the classification included in the Spanish Penal Code.
- Transversal regulations: analysing all risks of specific regulations that affect various areas of the Group.



ABOUT THIS REPORT

This El Corte Inglés Group Non-Financial Report 2019 includes the most significant social, environmental and corporate governance information for all the Group’s activities in the year from 1 March 2019 to 29 February 2020.

Throughout this document, which constitutes an essential pillar for dialogue with our stakeholders, we present our management and performance framework in the field of CSR and Sustainability information that can significantly influence the decision-making of these stakeholders. We aim to provide an integrated vision of our activities, focusing on material issues that allow us to continue contributing to the creation of value in the short, medium and long terms in all the environments where we carry out our business.

This document was drawn up to improve the coherence and comparability of non-financial information with respect to the previous year, regarding environmental and social issues, and also aspects related to personnel, respect for human rights, ethics, transparency and good corporate governance. This year’s report was also drawn up in accordance with Spanish Law 11/2018 on non-financial and diversity reporting and following the guidelines of the Global Reporting Initiative (GRI), namely the GRI Standards version, Core option. To ensure the quality of the report, GRI recommended principles have been applied, which are listed in the section “Principles followed when drawing up the present report.” United Nations Global Compact has been taken as a reference, to which El Corte Inglés has been an adhered member since 2002.

SCOPE AND COVERAGE

The scope of the information disclosed in this report is the same as the financial information included in the Group’s consolidated financial statements, specifically concerning El Corte Inglés S.A. and its subsidiaries. When the scope of the information does not correspond to the above description, it is indicated in the corresponding section of the non-financial report.

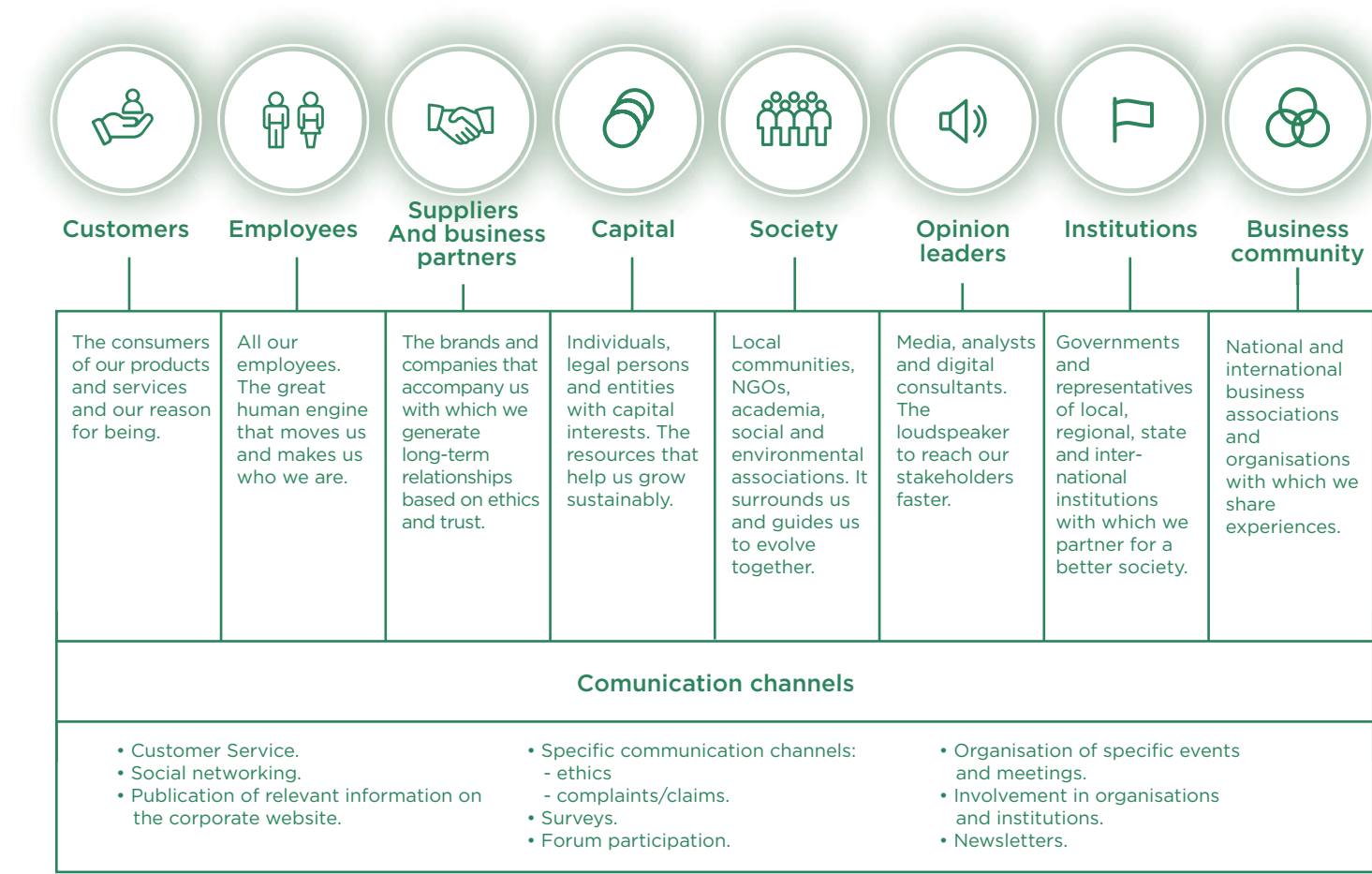
Principles followed when drawing up the present report

Principles of content	Stakeholder inclusion	El Corte Inglés Group kindles a permanent dialogue with all its stakeholders through different communication channels to ascertain their expectations and identify the areas of Group management that they consider most relevant.
	Sustainability context	The Group is fully committed to sustainability and CSR, reflected in actions such as the Sustainability Movement, by which it seeks to involve its stakeholders in the challenge of building a healthier, more sustainable and prosperous environment for the planet. The management approach for the different areas of sustainability and how the Group creates value for its stakeholders are explained throughout the report.
	Materiality	The Group conducted a new materiality analysis with a high level of detail, both at the Group level and for each corresponding business line. This analysis was useful for more accurately defining the most relevant contents to include in this report and the strategic lines in CSR and Sustainability for the future.
	Completeness	This document addresses the material issues identified in the analysis and also the associated impacts.
Principles of quality	Precise	The information contained in this document is accurate in qualitative and quantitative terms so that all El Corte Inglés stakeholders can assess and analyse our performance in CSR and Sustainability.
	Balance	The report contains the main issues related to the relevant topics identified in the materiality analysis that are also part of the El Corte Inglés business model.
	Clarity	All areas have worked diligently to present the information in an understandable, orderly, clear and accessible way for stakeholders.
	Comparability	The information is presented in accordance with international standards and comparisons of indicators have been established through the different sections with respect to the previous year to assess the Group’s performance on certain relevant issues.
	Reliability	El Corte Inglés Group has been drawing up this Non-Financial Report for several years, and it is externally verified by an independent third party.
	Timeliness	El Corte Inglés publishes its Non-Financial Report every year and makes it available to all its stakeholders.

STAKEHOLDER DIALOGUE

The stakeholder map was reviewed in 2019 to improve our dialogue and communication with all our stakeholders. This work was part of the new materiality analysis to identify the most relevant issues for El Corte Inglés Group in terms of CSR and Sustainability.

2019 Stakeholder map



El Corte Inglés has also fostered stable and permanent dialogues since 2005 with a stakeholder working group in which consumer organisations, trade unions, environmental organisations, NGOs and academics have been represented. This group had two formal meetings in 2019.

One relevant milestone this year was the active participation day for stakeholders on 27 February 2020 at the Callao centre’s Cultural Area in Madrid. This event was a platform to share the initial data on the materiality analysis with over 50 agents representing different stakeholders, thus expanding active listening beyond the usual working group. We also had the opportunity to glean comments and proposals for consideration when drawing up our next CSR Master Plan.

MATERIALITY ANALYSIS

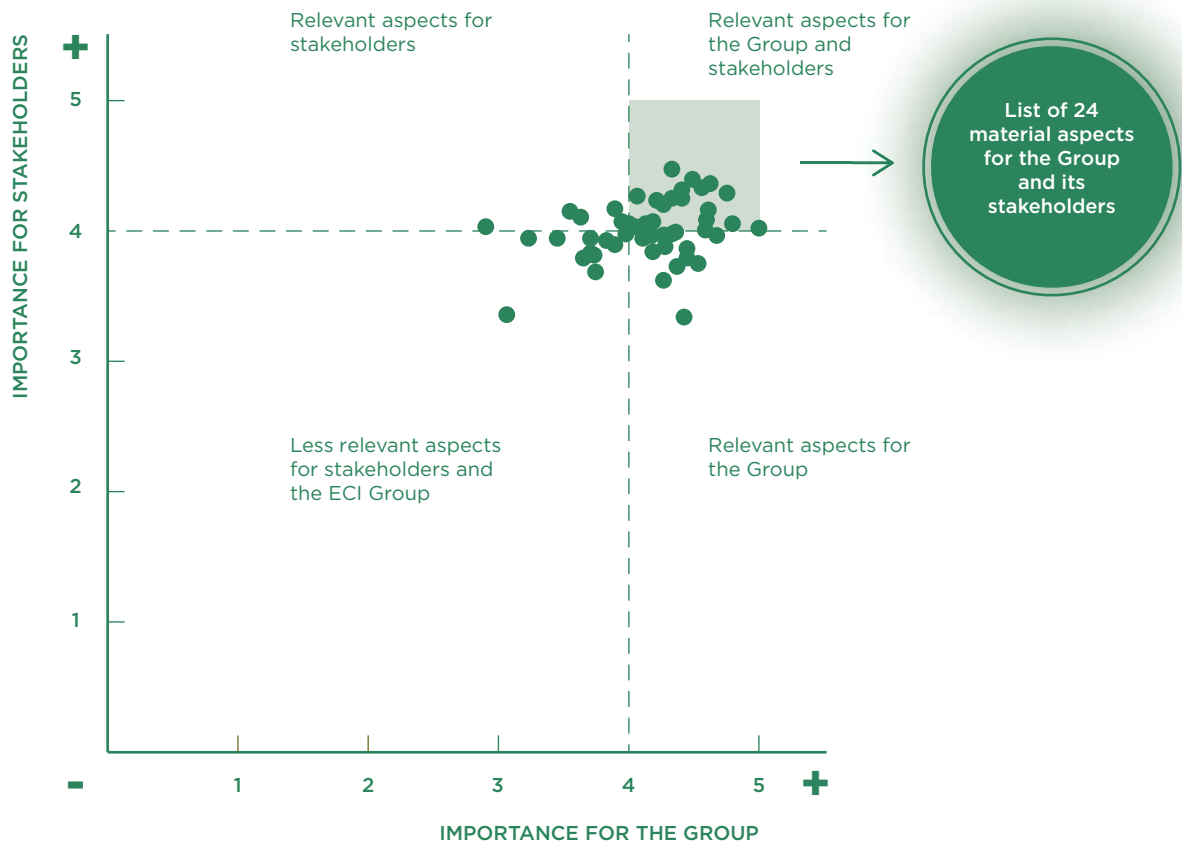
Backed by an external consultant, we conducted a new materiality analysis in 2019 at El Corte Inglés Group level and for each business line: retail, travel, insurance and IT. The objective was to update and identify new material aspects for El Corte Inglés Group and its stakeholders with respect to the previous analysis, from a perspective of not only communication and dialogue but also CSR and Sustainability strategies. We drew from this analysis for the aspects reported in the present document.

Throughout the materiality analysis, we assessed 50 different aspects and carried out activities such as:

- Surveys and interviews with leading stakeholders.
- Internal interviews with Group professionals.
- Review of the regulatory framework and sector trends
- Analysis of the requirements of sustainability indices and non-financial reporting standards.

This analysis helped us identify the 24 most relevant issues encompassed within 4 major areas, which are the Group’s priorities in terms of CSR and Sustainability: Product, Planet, Progress and People.

50 aspects evaluated, at the Group level and by business line



Material aspects fall within > 75% of the maximum score (on a scale of 1 to 5)

List of 24 material aspects for the Group and its stakeholders

Universe	Scope	Material aspects
Product	Customer satisfaction and wellbeing	Customer service and service excellence
		Customer loyalty
	Regulatory Compliance	Cybersecurity and information security
		Confidentiality and data protection
		Consumer protection legislation
	Responsible products and services	Product safety
		Adaptation, promotion, transparent reporting and promotion of responsible consumption habits
		Eco-design and sustainable innovation of products and services
		ESG criteria in investments*
	Responsible supply chain management	Human rights in the supply chain
Supplier health and safety		
Sustainable logistics		
Traceability and sustainability criteria in the supply chain		
Planet	Climate Change	Climate Change Risks
	Circular Economy	Sustainable containers and packaging
		Zero Waste
Progress	Good Governance and Transparency	Good corporate governance practices and ethics
		Responsible taxation
		Anti-money laundering
	Responsible performance and socioeconomic impact of the activity	Responsible economic performance
		Brand
People	Committed Team	Equal opportunity, diversity and inclusion
		Work-life balance and co-responsibility
		Occupational health and safety

* Specific material aspect for Seguros El Corte Inglés

EXTERNAL ASSURANCE

Indicators are based on the Company’s own indicators using internal data.

EY verified the non-financial information included in this report in accordance with the scope and terms set down in its independent assurance report on El Corte Inglés Group Non-Financial Report for 2019.

COMPLIANCE WITH THE NON-FINANCIAL REPORTING REGULATION

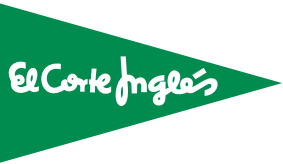
This report was drawn up based on the requirements established under Law 11/2018 of 28 December, which amends the Code of Commerce, the consolidated text of the Corporate Enterprises Act approved by Legislative Royal Decree 1/2010 of 2 July, and Law 22/2015 of 20 July, on account auditing, regarding non-financial information and diversity.

This Report meets the same criteria for approval, submission and publication as the Management Report, both approved by the Board of Directors. The strategic nature of sustainability is thus also transferred within the priorities of the highest governance body.



COMMUNICATION AND CONTACT CHANNELS

In the Group’s commitment to maintain fluid dialogue and communication with its stakeholders, below are several communication channels available to them.



Global contact:
Grupo El Corte Inglés
Hermosilla, 112
28009 Madrid
www.elcorteingles.es

Specific communication channels

E-commerce	General information about El Corte Inglés	Media, sponsorship and patronage
<p>Telephone: 900 373 111, available 365 days a year</p> <p>E-mail: clientes@elcorteingles.es</p>	<p>Telephone: 901 122 122 Monday-Saturday, 9 a.m. to 10 p.m. Sunday, 10 a.m. to 9 p.m.</p> <p>E-mail: servicio_clientes@elcorteingles.es</p>	<p>Media, sponsorship and patronage Exclusive service for the media and topics related to sponsorship and patronage</p> <p>Switchboard: +34 914 018 500 Monday-Friday, 9:30 a.m. to 2 p.m. and 4 p.m. to 6:30 p.m.</p> <p>Communications e-mail: comunicacionelcorteingles@elcorteingles.es</p> <p>Sponsorship e-mail: patrocinio@elcorteingles.es</p>



INDEX OF CONTENT REQUIRED BY LAW 11/2018
AND GRI INDICATORS

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
GRI 102: GENERAL CONTENT			
Organisational Profile			
102-1 Name of the organisation		<ul style="list-style-type: none">About this report (p.187-193).	
102-2 Activities, brands, products and services	<ul style="list-style-type: none">Description of the group's business model.	<ul style="list-style-type: none">El Corte Inglés Group in figures (p.7-9).Letter from the Chairwoman (p.11-13).El Corte Inglés Group. Our business model (p.17).The customer. The most diverse and top-quality product range (p.43-48).Comments by business line (p.147-177).	
102-3 Location of headquarters		<ul style="list-style-type: none">About this report (p.187-193).	
102-4 Location of operations	<ul style="list-style-type: none">Description of the group's business model.	<ul style="list-style-type: none">El Corte Inglés Group. Our business model (p.17).Supply chain. A global and diversified supply chain (p.104).Comments by business line. Breakdown of El Corte Inglés Group operations (p.174-177).	
102-5 Ownership and legal form		<ul style="list-style-type: none">About this report (p.187-193).	
102-6 Markets served	<ul style="list-style-type: none">Description of the group's business model.	<ul style="list-style-type: none">Letter from the Chairwoman (p.11-13)El Corte Inglés Group. Our business model (p.17).Comments by business line (p.147-177).	
102-7 Scale of the organisation	<ul style="list-style-type: none">Description of the group's business model.Total number of employees by gender, age, country and professional classification.	<ul style="list-style-type: none">El Corte Inglés Group in figures (p.7-9).El Corte Inglés Group. Our business model (p.17).Committed team. Our team in 2019 (p.66-72).Comments by business line (p.147-177).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
102-8 Information on employees and other workers Internal framework: quantitative and qualitative description of the HR system.	<ul style="list-style-type: none">• Total number of employees by gender, age, country and professional classification.• Total number and distribution of employees by employment contract.• Annual average number of permanent contracts, temporary contracts and part-time contracts by gender, age and professional classification.• Organisation of working time.	<ul style="list-style-type: none">• Committed team. Our team in 2019 (p.66-72).• Committed team. Best labour practices (p.80-83).• Comments by business line (p.147-177).	The trend of annual average contract data should be compared with the workforce data at the end of FY 2018, since this report includes the annual average data for the first time.
102-9 Supply chain Internal framework: qualitative description of the consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">• Supply chain. (p.91-105).	
102-10 Significant changes to the organisation and its supply chain		<ul style="list-style-type: none">• Letter from the Chairwoman (p.11-13).• El Corte Inglés Group in figures (p.7-9).• El Corte Inglés Group. Our business model (p.17).	
102-11 Precautionary principle or approach	<ul style="list-style-type: none">• Key environmental risks.• Environmental assessment or certification procedures.• Application of the precautionary principle in environmental matters.	<ul style="list-style-type: none">• The customer. The most diverse and top-quality product range (p.43-48).• Supply chain (p.91-105).• Environment (p.107-127).• Risk and opportunity management at El Corte Inglés Group (p.179-185).	
102-12 External initiatives		<ul style="list-style-type: none">• Society. Active involvement in organisations and institutions (p.144).	
102-13 Membership of associations	<ul style="list-style-type: none">• Association or sponsorship actions.	<ul style="list-style-type: none">• El Corte Inglés Group. Contribution to Sustainable Development Goals (p.20-21).• Society. Active involvement in organisations and institutions (p.144).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Strategy			
102-14 Statement from senior decision-makers		<ul style="list-style-type: none">• Letter from the Chairwoman (p.11-13).	
102-15 Key impacts, risks and opportunities	<ul style="list-style-type: none">• Description of the group's business model.• Key environmental risks.• Current and foreseeable effects of the activities of the company in the environment and, where appropriate, health and safety.• Measures adopted to adapt to the consequences of climate change.• Key risks related to social and employee-related matters.• Key risks regarding the respect of human rights.• Key risks related to anti-corruption and bribery.	<ul style="list-style-type: none">• Letter from the Chairwoman (p.11-13).• Good corporate governance. Regulatory compliance (p.31-34).• Supply chain. Results of the application of the Responsible Management System (p.96-99).• Environment (p.107-127).• Risk and opportunity management at El Corte Inglés Group (p.179-185).	
Ethics and integrity			
102-16 Values, principles, standards and norms of behaviour		<ul style="list-style-type: none">• Good corporate governance. Our principles, values and commitments (p.25-26).	
102-17 Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none">• Complaints of incidents of violations of human rights.• Grievance system, complaints received and resolution.	<ul style="list-style-type: none">• Good corporate governance. Our principles, values and commitments (p.25-26).• The customer. Continuous improvement and permanent dialogue (p.50-54).• Supply chain. Respect for human rights (p.100-103).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Governance			
102-18 Governance structure		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-19 Delegating authority		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-20 Executive-level responsibility for economic, environmental and social topics		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-21 Consulting stakeholders on economic, environmental and social topics		<ul style="list-style-type: none">• About this report (p.187-193).	
102-22 Composition of the highest governance body and its committees		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-23 Chair of the highest governance body		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-24 Nominating and selecting the highest governance body		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-25 Conflicts of interest		<ul style="list-style-type: none">• Good corporate governance. Our principles, values and commitments (p.25-26).• Good corporate governance. Regulatory compliance (p.31-34).	
102-26 Role of highest governance body in setting purpose, values and strategy		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-27 Collective knowledge of highest governance body		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).• Good corporate governance. Regulatory compliance (p.31-34).	
102-28 Evaluating the highest governance body's performance		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
102-29 Identifying and managing economic, environmental and social impacts	<ul style="list-style-type: none">• Current and foreseeable effects of the activities of the company in the environment and, where appropriate, health and safety.• Environmental assessment or certification procedures.• Resources allocated to prevent environmental risks.	<ul style="list-style-type: none">• Environment (p.107-127).• Risk and opportunity management at El Corte Inglés Group (p.179-185).	
102-30 Effectiveness of risk management processes	<ul style="list-style-type: none">• Key environmental risks.• Environmental assessment or certification procedures.• Key risks related to social and employee-related matters.• Key risks regarding the respect of human rights.• Key risks related to anti-corruption and bribery.	<ul style="list-style-type: none">• Supply chain. Results of the application of the Responsible Management System (p.96-99).• Environment (p.107-127).• Risk and opportunity management at El Corte Inglés Group (p.179-185).	
102-31 Review of economic, environmental and social topics	<ul style="list-style-type: none">• Current and foreseeable effects of the activities of the company in the environment and, where appropriate, health and safety.	<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).• Environment (p.107-127).	
102-32 Highest governance body's role in sustainability reporting		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	
102-33 Communicating critical concerns		<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).• Risk and opportunity management at El Corte Inglés Group (p.179-185).	
102-34 Nature and total number of critical concerns		<ul style="list-style-type: none">• Risk and opportunity management at El Corte Inglés Group (p.179-185).	
102-35 Remuneration policies Internal framework: El Corte Inglés Group internal HR system	<ul style="list-style-type: none">• Social and employee-related policies.• Average remuneration of directors and senior executives by gender.	<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).• Committed team. Best labour practices (p.80-83).	
102-36 Process for determining remuneration Internal framework: El Corte Inglés Group internal HR system	<ul style="list-style-type: none">• Average remuneration of directors and senior executives by gender.	<ul style="list-style-type: none">• Good corporate governance. Our corporate governance model (p.27-30).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
102-37 Stakeholders' involvement in remuneration		<ul style="list-style-type: none">Committed team. Best labour practices (p.80-83).	<ul style="list-style-type: none">Our Group is subject to Collective Bargaining with trade union representation in the various sectors of our activity to determine remuneration in its various concepts. This is all done with the knowledge of our Works Councils.
Stakeholder engagement			
102-40 List of stakeholder groups		<ul style="list-style-type: none">About this report (p.187-193).	
102-41 Collective bargaining agreements	<ul style="list-style-type: none">Percentage of employees covered by collective bargaining agreements by country.	<ul style="list-style-type: none">Committed team. Best labour practices (p.80-83).	
102-42 Identifying and selecting stakeholders		<ul style="list-style-type: none">About this report (p.187-193).	
102-43 Approach to stakeholder engagement	<ul style="list-style-type: none">Organisation of social dialogue.Relationships with local communities.	<ul style="list-style-type: none">About this report (p.187-193).Corporate Social Responsibility (CSR) Policy. https://www.elcorteingles.es/informacioncorporativa/es/	
102-44 Key topics and concerns raised		<ul style="list-style-type: none">About this Report (p.187-193).Risk and opportunity management at El Corte Inglés Group (p.179-185).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Reporting practice			
102-45 Entities included in the consolidated financial statements		<ul style="list-style-type: none">About this report (p.187-193).	
102-46 Defining report content and topic Boundaries		<ul style="list-style-type: none">About this report (p.187-193).	
102-47 List of material topics		<ul style="list-style-type: none">About this report (p.187-193).	
102-48 Restatements of information		<ul style="list-style-type: none">Refer to notes on the chapters: The customer. Continuous improvement and permanent dialogue (p.50-54).Committed team. Best labour practices (p.80-83).Supply chain. Our supply chain (p.94).	
102-49 Changes in reporting		<ul style="list-style-type: none">About this report (p.187-193).	
102-50 Reporting period		<ul style="list-style-type: none">About this report (p.187-193).	
102-51 Date of most recent report			<ul style="list-style-type: none">August 2019.
102-52 Reporting cycle		<ul style="list-style-type: none">About this report (p.187-193).	
102-53 Contact point for questions regarding the report		<ul style="list-style-type: none">About this report (p.187-193).	
102-54 Claims of reporting in accordance with the GRI Standards		<ul style="list-style-type: none">About this report (p.187-193).	
102-55 GRI content index		<ul style="list-style-type: none">Index of content required by Law 11/2018 and GRI Indicators (p.195-219).	
102-56 External assurance		<ul style="list-style-type: none">Independent Assurance Report on the consolidated Non-Financial Report (p.221-223).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
THEMATIC CONTENT			
Economic Topics			
Economic performance			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach		<ul style="list-style-type: none">Letter from the Chairwoman (p.11-13).Society. Generation of economic and social value (p.133).Comments by business line. El Corte Inglés Group's main financial figures (p.149).	
201-1 Direct economic value generated and distributed Internal framework: amount of benefits paid	<ul style="list-style-type: none">Income taxes paid.Contributions to foundations and non-profit organisations.Profits obtained by country.Association or sponsorship actions	<ul style="list-style-type: none">Society. Generation of economic and social value (p.133).Society. Engagement with society (p.136).Society. Active involvement in organisations and institutions (p.144).	
201-2 Financial implications and other risks and opportunities due to climate change	<ul style="list-style-type: none">Key environmental risks.Measures adopted to adapt to the consequences of climate change.	<ul style="list-style-type: none">Environment (p.119-125).	
201-3 Defined benefit plan obligations and other retirement plans	<ul style="list-style-type: none">Average remuneration of directors and senior executives by gender.	<ul style="list-style-type: none">Good corporate governance. Our corporate governance model (p.27-30).GRI 201-3. See Consolidated Financial Statements, note 24.	
201-4 Financial assistance received from government	<ul style="list-style-type: none">Government grants received.	<ul style="list-style-type: none">Society. Generation of economic and social value (p.133).	
Market presence			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Description of the group's business model.	<ul style="list-style-type: none">Letter from the Chairwoman (p.11-13).El Corte Inglés Group. Our business model (p.17).Comments by business line (p.147-177).	
202-1 Ratios of standard entry level wage by gender compared to local minimum wage	<ul style="list-style-type: none">Remuneration of equal or average jobs in the company.	<ul style="list-style-type: none">Committed team. Best labour practices (p.80-83).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
202-2 Proportion of senior management hired from the local community			<ul style="list-style-type: none">The main country of operations of El Corte Inglés Group is Spain. Therefore, the majority of the management team is of Spanish nationality.
Indirect economic impacts			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Impact of the company's activity on local employment and development.Impact of the company's activity on local populations and the region.	<ul style="list-style-type: none">Society. Generation of economic and social value (p.133).Society. Engagement with society (p.136).Society. Social support (p.145).	
203-1 Infrastructure investments and services supported	<ul style="list-style-type: none">Impact of the company's activity on local employment and development.Impact of the company's activity on local populations and the region.Association or sponsorship actions.	<ul style="list-style-type: none">Society. Engagement with society (p.136).Society. Active involvement in organisations and institutions (p.144).Society. Social support (p.145).	
203-2 Significant indirect economic impacts	<ul style="list-style-type: none">Contributions to foundations and non-profit organisations.Impact of the company's activity on local employment and development.Impact of the company's activity on local populations and the region.	<ul style="list-style-type: none">Society (p.129-145).	
Procurement practices			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Inclusion of ESG criteria in the procurement policy.Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).Supply chain. A global and diversified supply chain (p.104).	
204-1 Proportion of spending on local suppliers	<ul style="list-style-type: none">Impact of the company's activity on local employment and development.	<ul style="list-style-type: none">Supply chain. Our supply chain (p.94).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Anti-corruption			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Anti-corruption and bribery policies.• Anti-corruption and bribery measures.• Anti-money laundering measures.	<ul style="list-style-type: none">• Good corporate governance. Our principles, values and commitments (p.25-26).• Good corporate governance. Regulatory compliance (p.31-34).	
205-1 Operations assessed for risks related to corruption	<ul style="list-style-type: none">• Key risks related to anti-corruption and bribery.	<ul style="list-style-type: none">• Good corporate governance. Regulatory compliance (p.31-34).• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
205-2 Communication and training about anti-corruption policies and procedures	<ul style="list-style-type: none">• Anti-corruption and bribery measures.• Anti-corruption and bribery policies.	<ul style="list-style-type: none">• Good corporate governance. Our principles, values and commitments (p.25-26).• Good corporate governance. Regulatory compliance (p.31-34).• Supply chain. Respect for human rights (p.100-103).	
205-3 Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none">• Anti-corruption and bribery measures.	<ul style="list-style-type: none">• Good corporate governance. Regulatory compliance (p.31-34).	
Anti-competitive behaviour			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach		<ul style="list-style-type: none">• Good corporate governance. Regulatory compliance (p.31-34).	
206-1 Legal actions for anti-competitive behaviour, anti-trust and monopoly practices			<ul style="list-style-type: none">• In 2019, no financially significant penalties were received for non-compliance with regulations on anti-competitive behaviour, anti-trust and monopoly practices.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Environmental Topics			
Materials			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Circular economy. Waste prevention and management. Actions to fight against food waste.• Consumption of raw materials and measures taken to improve the efficiency of their use.	<ul style="list-style-type: none">• Environment. Circular economy (p.110-118).• Society. Engagement with society (p.136).	
301-1 Materials used by weight or volume	<ul style="list-style-type: none">• Circular economy. Waste prevention and management.• Consumption of raw materials and measures taken to improve the efficiency of their use.	<ul style="list-style-type: none">• Environment. Circular economy (p.110-118).	
301-2 Recycled input materials used	<ul style="list-style-type: none">• Circular economy. Waste prevention and management.• Consumption of raw materials and measures taken to improve the efficiency of their use.	<ul style="list-style-type: none">• Environment. Circular economy (p.110-118).	
301-3 Reclaimed products and their packaging materials	<ul style="list-style-type: none">• Circular economy. Waste prevention and management.• Consumption of raw materials and measures taken to improve the efficiency of their use.	<ul style="list-style-type: none">• Environment. Circular economy (p.110-118).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Energy			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Energy: Direct and indirect consumption; Measures to boost energy efficiency; Use of renewable energies.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
302-1 Energy consumption within the organisation	<ul style="list-style-type: none">Energy: Direct and indirect consumption; Measures to boost energy efficiency; Use of renewable energies.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
302-3 Energy intensity	<ul style="list-style-type: none">Energy: Direct and indirect consumption; Measures to boost energy efficiency; Use of renewable energies.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
302-4 Reduction of energy consumption	<ul style="list-style-type: none">Anti-pollution measures.Energy: Direct and indirect consumption; Measures to boost energy efficiency; Use of renewable energies.	<ul style="list-style-type: none">El Corte Inglés Group. Contribution to Sustainable Development Goals (p.20-21).Environment. Combating climate change (p.119-125).	
302-5 Reductions in energy requirements of products and services	<ul style="list-style-type: none">Anti-pollution measures.Energy: Direct and indirect consumption; Measures to boost energy efficiency; Use of renewable energies.	<ul style="list-style-type: none">The Customer. Our Sustainability Movement (p.55-61).Environment. Combating climate change (p.119-125).	
Water			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Consumption and supply of water according to local limitations.	<ul style="list-style-type: none">Environment. Sustainable water management (p.126).	
303-1 Water withdrawal by source	<ul style="list-style-type: none">Consumption and supply of water according to local limitations	<ul style="list-style-type: none">Environment. Sustainable water management (p.126).	<ul style="list-style-type: none">The Group's water supply comes from public supply networks or authorised networks.
303-2 Water sources significantly affected by withdrawal of water	<ul style="list-style-type: none">Consumption and supply of water according to local limitations.	<ul style="list-style-type: none">Environment. Sustainable water management (p.126).	<ul style="list-style-type: none">The Group's water supply comes from public supply networks or authorised networks which have no impact on protected habitats.
303-3 Water recycled and reused	<ul style="list-style-type: none">Consumption and supply of water according to local limitations.	<ul style="list-style-type: none">Environment. Sustainable water management (p.126).	<ul style="list-style-type: none">El Corte Inglés Group does not carry out activities of the recycling or reuse of waters to any significant degree.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Biodiversity			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Biodiversity conservation or restoration measures.Impacts caused by activities or operations in protected areas.		<ul style="list-style-type: none">El Corte Inglés Group facilities are located on land classified as urban and without significant impacts on the biodiversity of protected areas or areas of high biodiversity. We therefore do not consider this indicator to be material.
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none">Impacts caused by activities or operations in protected areas.		<ul style="list-style-type: none">El Corte Inglés Group facilities are located on land classified as urban and without significant impacts on the biodiversity of protected areas or areas of high biodiversity. We therefore do not consider this indicator to be material.
304-2 Significant impacts of activities, products, and services on biodiversity	<ul style="list-style-type: none">Impacts caused by activities or operations in protected areas.		<ul style="list-style-type: none">El Corte Inglés Group facilities are located on land classified as urban and without significant impacts on the biodiversity of protected areas or areas of high biodiversity. We therefore do not consider this indicator to be material.
304-3 Habitats protected or restored	<ul style="list-style-type: none">Biodiversity conservation or restoration measures.		<ul style="list-style-type: none">El Corte Inglés Group facilities are located on land classified as urban and without significant impacts on the biodiversity of protected areas or areas of high biodiversity. We therefore do not consider this indicator to be material.
304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	<ul style="list-style-type: none">Impacts caused by activities or operations in protected areas.		<ul style="list-style-type: none">El Corte Inglés Group facilities are located on land classified as urban and without significant impacts on the biodiversity of protected areas or areas of high biodiversity. We therefore do not consider this indicator to be material.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Emissions			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Greenhouse gas emissionsMeasures adopted to adapt to the consequences of climate change.GHG emissions reduction goals.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
305-1 Direct (Scope 1) GHG emissions	<ul style="list-style-type: none">Greenhouse gas emissions.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
305-2 Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none">Greenhouse gas emissions.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
305-3 Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none">Greenhouse gas emissions.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
305-4 GHG emissions intensity	<ul style="list-style-type: none">Greenhouse gas emissions.	<ul style="list-style-type: none">Environment. Combating climate change (p.119-125).	
305-5 Reduction of GHG emissions	<ul style="list-style-type: none">Anti-pollution measures.Measures adopted to adapt to the consequences of climate change.	<ul style="list-style-type: none">El Corte Inglés Group. Contribution to Sustainable Development Goals (p.20-21).Environment. Combating climate change (p.119-125).	
305-6 Emissions of ozone-depleting substances (ODS)			<ul style="list-style-type: none">El Corte Inglés Group has no ODS emissions.
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	<ul style="list-style-type: none">Anti-pollution measures (including noise and light pollution)		<ul style="list-style-type: none">El Corte Inglés Group has neither NOx nor SOx emissions, and no light or noise pollution sufficiently relevant to respond to this part of the law.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Effluents and waste			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Circular economy. Waste prevention and management.	<ul style="list-style-type: none">Environment. Circular economy (p.110-118).	
306-1 Water discharge by quality and destination	<ul style="list-style-type: none">Circular economy. Waste prevention and management.		<ul style="list-style-type: none">Given the nature of the activities carried out by El Corte Inglés Group, the only significant discharge is that of the waters from the toilets of the stores and offices, which in all cases are discharged into the urban public network in the legally specified conditions.
306-2 Waste by type and disposal method	<ul style="list-style-type: none">Circular economy. Waste prevention and management.	<ul style="list-style-type: none">Environment. Circular economy (p.110-118).	
306-3 Significant spills			<ul style="list-style-type: none">Given the nature of the activities carried out by El Corte Inglés Group, the only significant discharge is that of the waters from the toilets of the stores and offices, which in all cases are discharged into the urban public network in the legally specified conditions.
306-4 Transport of hazardous waste			<ul style="list-style-type: none">The transport of hazardous waste is carried out by companies authorised by the corresponding Administration. Exactly the amount of waste generated is transported, reported in the chapter on waste.
306-5 Water bodies affected by water discharges and/or runoff			<ul style="list-style-type: none">Given the nature of the activities carried out by El Corte Inglés Group, the only significant discharge is that of the waters from the toilets of the stores and offices, which in all cases are discharged into the urban public network in the legally specified conditions.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Environmental compliance			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach		<ul style="list-style-type: none">• Good corporate governance. Regulatory compliance (p.31-34).• Environment (p.107-127).	
307-1 Non-compliance with environmental laws and regulations Internal framework: qualitative description of provisions and guarantees for environmental risks	<ul style="list-style-type: none">• Provisions and guarantees for environmental risks		<ul style="list-style-type: none">• In 2019, no financially significant penalties were received for non-compliance with environmental regulations. In this regard, El Corte Inglés has civil liability insurance to cover environmental risks.
Supplier environmental assessment			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Inclusion of social, gender equality and environmental issues into the purchasing policy.	<ul style="list-style-type: none">• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
308-1 New suppliers that were screened using environmental criteria	<ul style="list-style-type: none">• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.• Oversight and audit systems, and audit findings.	<ul style="list-style-type: none">• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
308-2 Negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none">• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.• Oversight and audit systems, and audit findings.	<ul style="list-style-type: none">• Supply chain. Results of the application of the Responsible Management System (p.96-99).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
SOCIAL TOPICS			
Employment			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach Internal framework: qualitative description of the organisation of working hours	<ul style="list-style-type: none">• Social and employee-related policies.• Measures adopted to promote employment	<ul style="list-style-type: none">• Committed team (p.63-89).	
401-1 New employee hires and employee turnover Internal framework: El Corte Inglés Group internal HR system	<ul style="list-style-type: none">• Number of dismissals by gender, age and professional classification.	<ul style="list-style-type: none">• Committed team. Attraction and retention of talent (p.63-89).	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	<ul style="list-style-type: none">• Social and employee-related policies.		<ul style="list-style-type: none">• El Corte Inglés Group does not establish significant differences between the social benefits offered to its employees, whether part-time, full-time, temporary or permanent.
401-3 Parental leave	<ul style="list-style-type: none">• Measures that facilitate work-life balance.	<ul style="list-style-type: none">• Committed team. Equal opportunities, work-life balance and co-responsibility (p.86-87).	
Worker-company relations			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Implementation of disconnection measures.• Organisation of social dialogue.	<ul style="list-style-type: none">• Committed team. Best labour practices (p.80-83).	
402-1 Minimum notice periods regarding operational changes	<ul style="list-style-type: none">• Implementation of disconnection measures.• Organisation of social dialogue.	<ul style="list-style-type: none">• Committed team. Best labour practices (p.80-83).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Occupational health and safety			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Occupational health and safety conditions.	<ul style="list-style-type: none">Committed team. A safe and healthy working environment (p.88-89).	
403-1 Workers representation in formal joint management-worker health and safety committees	<ul style="list-style-type: none">Organisation of social dialogue.Balance of collective bargaining agreements.	<ul style="list-style-type: none">Committed team. Best labour practices (p.81).Committed team. A safe and healthy working environment (p.88-89).	<ul style="list-style-type: none">El Corte Inglés Group in Spain has worker representatives through Health and Safety Committees and prevention delegates whenever deemed necessary because of the number of workers or as resolved by union elections, and these Committees and delegates cover all (100%) employees represented by them.
403-2 Types of injury and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	<ul style="list-style-type: none">Number of hours of absenteeism.Work-related injuries (frequency and seriousness) by gender.Work-related illnesses (frequency and seriousness) by gender.	<ul style="list-style-type: none">Committed team. A safe and healthy working environment (p.88-89).	
403-3 Workers with high incidence or high risk of diseases related to their occupation	<ul style="list-style-type: none">Work-related injuries (frequency and seriousness) by gender.Work-related illnesses (frequency and seriousness) by gender.	<ul style="list-style-type: none">Committed team. A safe and healthy working environment (p.88-89).	
403-4 Health and safety topics covered in formal agreements with trade unions	<ul style="list-style-type: none">Balance of collective bargaining agreements.	<ul style="list-style-type: none">Committed team. A safe and healthy working environment (p.88-89).	<ul style="list-style-type: none">As indicated in the applicable regulations, the Committees deal with the health and safety aspects applicable to our activities.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Training and education			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Training policies implemented.	<ul style="list-style-type: none">Committed team. Professional development (p.76-79).	
404-1 Average hours of training per year per employee	<ul style="list-style-type: none">Training hours by professional category.	<ul style="list-style-type: none">Committed team. Professional development (p.76-79).	
404-2 Programs for upgrading employee skills and transition assistance programs	<ul style="list-style-type: none">Training policies implemented.Measures adopted to promote employment.	<ul style="list-style-type: none">Committed team. Professional development (p.76-79).	
404-3 Percentage of employees receiving regular performance and career development reviews		<ul style="list-style-type: none">Committed team. Professional development (p.78).	
Diversity and equal opportunity			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach Internal framework: qualitative description of the main actions implemented to guarantee universal accessibility for people with disabilities	<ul style="list-style-type: none">Measures adopted to promote equal treatment and opportunities of men and women.Equality plans.Sexual and gender-based harassment protocols.Integration and universal access of people with disabilities.Policy against all types of discrimination and, where appropriate, diversity management.	<ul style="list-style-type: none">Committed team. Best labour practices (p.80-83).Committed team. Diversity and inclusion (p.84-85).Committed team. Equal opportunities, work-life balance and co-responsibility (p.86-87).	
405-1 Diversity of governance bodies and employees	<ul style="list-style-type: none">Total number of employees by gender, age, country and professional classification.Employees with disabilities	<ul style="list-style-type: none">Committed team. Our team in 2019 (p.66-72).Committed team. Diversity and inclusion (p.84-85).	
405-2 Ratio of basic salary and remuneration of women to men Internal framework: El Corte Inglés Group internal HR system	<ul style="list-style-type: none">Average remuneration and breakdown of its trend by gender, age and professional classification or equal value.Pay gap.Remuneration of equal or average jobs in the company.	<ul style="list-style-type: none">Committed team. Best labour practices (p.80-83).	<ul style="list-style-type: none">Basic salary remuneration is defined in the applicable collective bargaining agreements and there are no differences by gender

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Non-discrimination			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Universal access of people with disabilities.• Equality plans.• Sexual and gender-based harassment protocols.• Integration and universal access of people with disabilities.• Policy against all types of discrimination and, where appropriate, diversity management• Promotion of and compliance with ILO standards.	<ul style="list-style-type: none">• Committed team. Diversity and inclusion (p.84-85).• Committed team. Equal opportunities, work-life balance and co-responsibility (p.86-87).• Society. Accessibility at our stores (p.135).	
406-1 Incidents of discrimination and corrective actions taken Internal framework: qualitative description of the organisation's approach to eradicating job and posting discrimination	<ul style="list-style-type: none">• Policy against all types of discrimination and, where appropriate, diversity management.	<ul style="list-style-type: none">• Committed team. Equal opportunities, work-life balance and co-responsibility (p.86-87).	<ul style="list-style-type: none">• No cases were processed in relation to discrimination on the grounds of race, colour, religion, political opinions, national extraction or social origin, in accordance with the ILO's definition.
Freedom of association and collective bargaining			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Promotion of and compliance with ILO standards.	<ul style="list-style-type: none">• Committed team. Best labour practices (p.80-83).	
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Internal framework: qualitative description of the consideration in relations with suppliers and subcontractors of their social and environmental responsibility	<ul style="list-style-type: none">• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">• Committed team. Best labour practices (p.80-83).• Supply chain. Results of the application of the Responsible Management System (p.96-99).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Child labour			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Promotion of and compliance with ILO standards.	<ul style="list-style-type: none">• Committed team. Best labour practices (p.80-83).• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
408-1 Operations and suppliers at significant risk for incidents of child labour Internal framework: qualitative description of the organisation's approach to abolishing child labour	<ul style="list-style-type: none">• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
Forced or compulsory labour			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Promotion of and compliance with ILO standards.	<ul style="list-style-type: none">• Committed team. Best labour practices (p.80-83).• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour Internal framework: description qualitative description of the organisation's approach to eliminating forced or compulsory labour	<ul style="list-style-type: none">• Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">• Supply chain. Results of the application of the Responsible Management System (p.96-99).	
Security practices			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">• Prevention of the risks of human rights violations	<ul style="list-style-type: none">• Supply chain. Respect for human rights (p.100-103).	
410-1 Security personnel trained in human rights policies or procedures	<ul style="list-style-type: none">• Prevention of the risks of human rights violations	<ul style="list-style-type: none">• Supply chain. Respect for human rights (p.100-103).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Human rights assessment			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components. 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Human rights policies.Application of human rights due diligence processes.Prevention of the risks of human rights violationsComplaints of incidents of violations of human rights.Promotion of and compliance with ILO standards.Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).	
412-1 Operations that have been subject to human rights reviews or impact assessments Internal framework: quantitative information on complaints received about human rights violations	<ul style="list-style-type: none">Prevention of the risks of human rights violations.Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).Supply chain. Respect for human rights. Whistleblowing channels (p.101).	<ul style="list-style-type: none">Two complaints were received in the 2019 financial year, which were managed with the application of the due diligence principle. No complaints were received in 2018.
412-2 Employee training on human rights policies or procedures	<ul style="list-style-type: none">Human rights policies.	<ul style="list-style-type: none">Good corporate governance. Regulatory compliance (p.34).Supply chain. Respect for human rights. Employee and supplier training in human rights (p.100).	
412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Local communities			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Impact of the company's activity on local employment and development.Relationships with local communities.Impact of the company's activity on local populations and the region.Universal access of people with disabilities.	<ul style="list-style-type: none">Society (p.129-145).	
413-1 Operations with local community engagement, impact assessments and development programmes	<ul style="list-style-type: none">Impact of the company's activity on local employment and development.Relationships with local communities.Impact of the company's activity on local populations and the region.	<ul style="list-style-type: none">Society (p.129-145).	
413-2 Operations with significant actual and potential negative impacts on local communities	<ul style="list-style-type: none">Impact of the company's activity on local employment and development.Impact of the company's activity on local populations and the region.	<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).	
Supplier social assessment			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Inclusion of social, gender equality and environmental issues into the purchasing policy.Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">Supply chain. Management System approach in the supply chain (p.95).Supply chain. Results of the application of the Responsible Management System (p.96-99).	
414-1 New suppliers that were screened using social criteria	<ul style="list-style-type: none">Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.	<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).	
414-2 Negative social impacts in the supply chain and actions taken Internal framework: qualitative description of the consideration in relations with suppliers and subcontractors of their social and environmental responsibility	<ul style="list-style-type: none">Application of human rights due diligence processes.Consideration in relations with suppliers and subcontractors of their social and environmental responsibility.Oversight and audit systems, and audit findings.	<ul style="list-style-type: none">Supply chain. Results of the application of the Responsible Management System (p.96-99).	

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Customer health and safety			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Customer health and safety measures.Grievance system, complaints received and resolution.	<ul style="list-style-type: none">The customer. The most diverse and top-quality product range (p.43-48).The customer. Continuous improvement and permanent dialogue (p.50-54).	
Internal framework: quantitative information on complaints received and their resolution			
416-1 Assessment of the health and safety impacts of product and service categories	<ul style="list-style-type: none">Customer health and safety measures.	<ul style="list-style-type: none">The customer. The most diverse and top-quality product range (p.43-48).	
416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<ul style="list-style-type: none">Customer health and safety measures.		<ul style="list-style-type: none">In 2019, no financially significant penalties were received for non-compliance with regulations on health and safety of products and services.
Marketing and labelling			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Customer health and safety measures.	<ul style="list-style-type: none">The customer. The most diverse and top-quality product range (p.43-48).The customer. Continuous improvement and permanent dialogue (p.50-54).	
417-1 Requirements for product and service information and labelling	<ul style="list-style-type: none">Customer health and safety measures.	<ul style="list-style-type: none">The customer. The most diverse and top-quality product range (p.43-48).The customer. Continuous improvement and permanent dialogue (p.55-61).	
417-2 Incidents of non-compliance concerning product and service information and labelling			<ul style="list-style-type: none">In 2019, no financially significant penalties were received for non-compliance with regulations on product and service labelling.
417-3 Incidents of non-compliance concerning marketing communications			<ul style="list-style-type: none">In 2019, no financially significant penalties were received for non-compliance with regulations on marketing communications.

Reporting framework/ GRI Indicator and description	Content of Law 11/2018 NFS	Report Section	Comments/Scope limitations or omissions
Customer privacy			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach	<ul style="list-style-type: none">Grievance system, complaints received and resolution.	<ul style="list-style-type: none">The customer. Continuous improvement and permanent dialogue (p.50-54).	
418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<ul style="list-style-type: none">Grievance system, complaints received and resolution.	<ul style="list-style-type: none">The customer. Continuous improvement and permanent dialogue (p.50-54).	
Socioeconomic compliance			
103-1 Explanation of the material topic and its Boundary 103-2 The management approach and its components 103-3 Evaluation of the management approach		<ul style="list-style-type: none">Good corporate governance. Regulatory compliance (p.31-34).Society. Generation of economic and social value (p.133-134s).	
419-1 Non-compliance with laws and regulations in the social and economic area	<ul style="list-style-type: none">Complaints of incidents of violations of human rights.		<ul style="list-style-type: none">In 2019, no financially significant penalties were received for non-compliance with regulations on social or economic issues.

INDEPENDENT ASSURANCE REPORT ON THE CONSOLIDATED NON-FINANCIAL REPORT



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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, 29 2020 of El Corte Inglés, S.A. and subsidiaries (hereinafter, El Corte Inglés Group), which is part of the El Corte Inglés Group 2019 Consolidated Management Report.

The content of the NFR includes additional information to that required by prevailing mercantile regulations in relation to non-financial information report that has not been subject to our verification. In this regard, our review has been exclusively limited to the verification of the information shown in “Index of content required by Law 11/2018 and GRI Indicators”, included in the accompanying NFR.

Responsibility of the Board of Directors

The preparation of the NFR included in the Consolidated Management Report of El Corte Inglés Group, as well as its contents, is the responsibility of the directors of El Corte Inglés, S.A. The NFR was prepared in accordance with the content required by prevailing company law and in conformity with the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) according to core option, as well as other criteria, including Financial Services Sector Disclosures, described in the section provided for each subject matter in “Index of content required by Law 11/2018 and GRI Indicators”, included in the accompanying NFR.

The Board of Directors are also responsible for the design, implementation and maintenance of such internal control as they determine is necessary to enable the preparation of an NFR that is free from material misstatement, whether due to fraud or error.

They are further responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the NFR is obtained.

Our independence and quality control

We have complied with the independence and other Code of Ethics requirements for accounting professionals issued by the International Ethics Standards Board for Accountants (IESBA), which is based on the fundamental principles of integrity, objectivity, professional competence, diligence, confidentiality and professionalism.

Our Firm complies with the International Standard on Quality Control No. 1 and thus maintains a global quality control system that includes documented policies and procedures related to compliance with ethical requirements, professional standards, as well as applicable legal provisions and regulations.



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 of El Corte Inglés Group 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 El Corte Inglés 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 El Corte Inglés 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 2019 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 2019 NFR and its correct compilation from the data provided.
- ▶ Obtaining a representation letter from the Board of Directors and Management.



Conclusions

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that El Corte Inglés Group NFS for the year ended February 29, 2020 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and the criteria outlined in the *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards) according to core option, as well as other criteria, including Financial Services Sector Disclosures, described in the section provided for each subject matter in "Index of content required by Law 11/2018 and GRI Indicators", included in the accompanying NFR.

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 16, 2020

