

# Corporate Procurement Policy

**Approved by the Board of Directors  
of El Corte Inglés, S.A.  
on 30 October 2024**

Version 1.0 (30 October 2024)

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**NOTE:** The definitions of the most frequently used terms in this document and in the regulations that make up the EL CORTE INGLÉS Compliance Management System are provided in **Annex 1**.

## 1. Introduction

Throughout its history, the companies that make up the El Corte Inglés Group (hereinafter referred to as the 'Group' or the 'Organisation') have maintained a strong business commitment to the various stakeholders in the value chain, based on compliance with the laws applicable in the jurisdictions where the Group operates, as well as the principles and values set forth in its Code of Ethics.

This Corporate Procurement Policy (hereinafter referred to as the 'Policy') is aligned with the Group's values and reaffirms the Group's commitment to contributing to the 17 Sustainable Development Goals of the United Nations and to respecting all applicable regulations, as well as the ethical standards and other regulations and initiatives to which the Group subscribes, such as:

- Universal Declaration of Human Rights
- Paris Agreement
- UN Global Compact
- ILO Declaration on Fundamental Principles and Rights at Work
- UN Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises

To achieve this, the Organisation has established a framework of behavioural principles, applicable to all areas of activity.

This Policy expands on the Code of Ethics and is consistent with other corporate policies, in particular:

- Corporate Human Resources Policy
- Corporate Sustainability Policy
- Corporate Anti-Corruption and Anti-Fraud Policy and the Integrity Policies implementing it<sup>1</sup>
- Corporate Competition Policy

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<sup>1</sup>Integrity Policies:

- Corporate Gifts and Hospitality Policy
  - Corporate Policy on Relations with Public Authorities and Officials and Private Entities
  - Corporate Donations and Sponsorship Policy
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## 2. Purpose of the Policy

This Policy sets out the principles that should guide the entire value chain to promote, maintain, and ensure a high level of accountability in our relationships with Business Partners. This applies not only to compliance with applicable laws but also to adherence to the ethical standards set by the Group, with the aim of fostering long-term, sustainable relationships that contribute to growth and mutual benefit.

## 3. Scope of Application

This Policy is mandatory and applies to all Group companies in all activities related to the value chain, both upstream and downstream, regardless of the country in which they are carried out.

All Members of the Organisation, irrespective of their position or the territory from which they operate, are required to comply with this Policy, as are Business Partners in the conduct of their activities within the Group.

This commitment shall be formalised as set out in Section 6 'Awareness and Statement of Compliance' of this Policy.

## 4. General Principles

The El Corte Inglés Group expects all Members of the Organisation and other interested parties to adhere to the following principles throughout the procurement process, including both indirect purchases and goods intended for sale:

- i. Respect for the Law
- ii. Formalisation of Relations with Third Parties
- iii. Protection of Intellectual and Industrial Property
- iv. Transparency, Independence and Absence of Conflicts of Interest
- v. Customer Focus
- vi. Sustainability and Respect for Human Rights and the Environment
- vii. Confidentiality
- viii. Efficiency, Continuous Improvement and Professionalism
- ix. Information Security and Cybersecurity
- x. Responsible Taxation

**i. Respect for the Law**

- Ensuring compliance with applicable laws in all areas of the Group's operations, particularly in matters such as protecting, preserving, and respecting the environment, human and labour rights and safety at work, both for the Members of the Organisation and for employees involved in the value chain, the fight against fraud and corruption, the prevention of money laundering and the financing of terrorism, the defence of competition law and the respect of intellectual and industrial property, among others.

Where national laws conflict or are inconsistent with human rights and the core labour standards of the International Labour Organisation, the latter shall prevail. The general terms and conditions shall not contain any clauses that are contrary to good faith and the fair balance between the rights and obligations of the El Corte Inglés Group and the supplier. The Group shall also have payment management practices that comply with current legislation.

**ii. Formalisation of Relations with Third Parties**

- Formalising in writing the relationships with our Business Partners and the agreements reached.

To this end, all relationships with Business Partners entered into after the publication of this Policy and the implementation of the action plan established for this purpose shall be supported by a written contract and/or order.

**iii. Protection of Intellectual and Industrial Property**

- Implementing control measures to contribute to the respect and protection of intellectual and industrial property rights in commercial, advertising or promotional relations.

In order to use, record and maximise the informative, commercial and/or promotional value of intellectual or industrial property, intangible assets shall be legally and effectively protected during the relationship with our suppliers or agencies, by signing contractual agreements containing specific clauses to this effect.

**iv. Transparency, Independence and Absence of Conflicts of Interest**

- Acting in accordance with the principles of business ethics and responsible management, in line with the principles and values set out in our Code of Ethics, with transparency and independence, avoiding conflicts of interest when selecting and interacting with our Business Partners.
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- Conducting relationships with our Business Partners with diligence and good faith, impartiality and equality of opportunity, avoiding any undue advantage or conflict of interest. Such relationships shall be based on transparency, objectivity and mutual respect.
- Reporting any situation that may constitute a conflict of interest through established channels.

**v. Customer Focus**

- Ensuring maximum customer satisfaction with the highest levels of service, expertise, quality and assurance.

To this end, all products and services marketed by the El Corte Inglés Group shall be purchased with due diligence in order to comply with all applicable regulations and the Organisation's policies and standards, including ESG criteria and responsible purchasing principles.

**vi. Sustainability and Respect for Human Rights and the Environment**

- Striving for close and lasting business relationships based on genuine interest and respect, through an ongoing dialogue that enables mutual knowledge and confidence in the quality of products and services.
- Promoting local sourcing by diversifying business with different local, national and international Business Partners to contribute to a balanced distribution of wealth and equal opportunities.
- Promoting the production and distribution of products and services that take into account ESG sustainability requirements, the traceability and availability of natural resources and biodiversity, the use of clean energy and circular economy criteria that minimise environmental impact and carbon footprint, and respect for human rights throughout the value chain.

To this end, the Group has published the Guide for Suppliers of Sustainable Products on the Supplier Portal.

**vii. Confidentiality**

- Respecting the confidentiality of third-party data, particularly that of our Business Partners, by complying with applicable regulations and the Organisation's data protection security measures.

**viii. Efficiency, Continuous Improvement and Professionalism**

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- Seeking efficiency and continuous improvement by applying best market practices as a means of adding value and ensuring that contracts take into account environmental, social and good governance aspects, thereby ensuring innovation and continuous improvement.

To this end, the Organisation shall promote the continuous training and professional development of all Members of the Organisation involved in the procurement process.

**ix. Information Security and Cybersecurity**

- Procuring products and services that may have an impact on information security and cybersecurity in accordance with the basic principles of confidentiality, integrity, availability, non-repudiation and auditability of information, providing a robust and secure environment.
- Helping to ensure that Business Partners providing these products and services comply with the principles of transparency in these areas and strictly adhere to the Group's Information Security Policy and Cybersecurity Regulations, as well as applicable legislation and industry best practices.

**x. Responsible Taxation**

- Ensuring compliance with tax regulations and standards of good tax practice in order to conduct the Company's tax affairs in a responsible and accountable manner.

## **5. Due Diligence**

Due diligence refers to the process of selecting, hiring, and managing relationships with El Corte Inglés Group Business Partners across the value chain to ensure their conduct consistently aligns with the Organisation's values, principles of good practice, internal regulations—particularly the Corporate Sustainability Policy—and applicable laws. Therefore, the selection and registration of a Business Partner shall take place as part of the qualification process, following ESG criteria. This process includes accepting and signing the Compliance Commitment Agreement, which incorporates the principles outlined in the Code of Ethics and related Corporate Policies, with a particular focus on human and labour rights as well as environmental responsibility.

In the specific case of the Group's own brand suppliers, the due diligence process is reinforced by verifying that their factories comply with the Group's Code of Ethics and the Code of Conduct for own brand suppliers<sup>2</sup>. To this end, we conduct audits, implement remediation plans, promote training, manage communications received through our Ethics Channel, work with the reporting channels of the associations to which the Group belongs, and generally cooperate with the trade unions under the Framework Agreement.

Therefore, the due diligence process described above aims to:

- Identify, analyse and evaluate the relationship between El Corte Inglés Group companies and their suppliers and, where appropriate, mitigate the risk that this relationship may present to the Group's compliance system. This analysis is carried out at the time of engaging the supplier, as well as at the beginning and during the course of each relationship.
- Establish a business relationship of transparent cooperation, integrity and good faith between the Organisation and its Business Partners, based on social, environmental and corporate governance principles, leading to solid long-term business relationships.

## 6. Awareness and Statement of Compliance

Compliance with ethical rules and standards represents both a corporate commitment and a strategic objective for the Organisation. Therefore, all Members of the Organisation are expected to be familiar with and adhere to the contents of this Policy. Likewise, all Business Partners are expected to act in accordance with its principles.

This commitment shall be formalised through:

- i. Statements of compliance with the principles set out in this Policy by Members of the Organisation, confirming their acceptance of **High Ethical Standards**.
- ii. The inclusion of **specific clauses in contracts** with Business Partners
- iii. **Formal agreements or acknowledgement** by the governing bodies of the companies within the Corte Inglés Group in accordance with applicable internal regulations.

Such agreements and their renewals shall be notified to the El Corte Inglés Group's Chief Compliance and Risk Officer.

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<sup>2</sup> The Amfori BSCI Code of Conduct is the code of conduct for El Corte Inglés own brand suppliers. This document sets out the commitment of Amfori members and their business partners to conduct human rights and environmental due diligence in their global supply chains in line with internationally recognised principles.

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In the event of significant changes to this Policy, – i.e. changes that require formal approval from the Board of Directors at El Corte Inglés, S.A. – the preceding commitments shall be formally renewed.

The Organisation shall respond promptly to any breach of the provisions set out in this Policy, in accordance with its internal regulations and in compliance with all applicable legislation.

## 7. Reporting of Non-compliance

The Chief Compliance and Risk Officer shall be informed of any potential breach of this Policy or applicable law to ensure the matter is addressed promptly and effectively. Accordingly, any Member of the Organisation, Business Partner or Third Party with a direct relationship and legitimate commercial or professional interest, or any other interested party, who becomes aware of a violation of this Policy or who is in doubt as to whether an observed practice may constitute a breach, whether in the public or private sector, shall immediately contact the Chief Compliance and Risk Officer of the El Corte Inglés Group. This should be done via the Ethics Channel, using any of the available options:

- **Digital Channel:**

The El Corte Inglés Group's digital channel can be accessed via the following website:

<https://www.elcorteingles.es/informacioncorporativa/es/gobierno-corporativo/etica-y-cumplimiento/>

Access to this resource is available on the company's website and on the NEXO intranet for the Members of the Organisation.

- **Mailing address:**

El Corte Inglés, S.A.  
Chief Compliance and Risk Officer  
Hermosilla, 112  
28009 Madrid

- **Telephone number of the Compliance Officer:** 91 401 85 00

- **Requesting a face-to-face or virtual meeting**

The information submitted through the Ethics Channel is confidential, as is the identity of the whistleblower. The Organisation values their contribution and guarantees that there will be no retaliation against them.

The Chief Compliance and Risk Officer may also independently investigate any evidence of non-compliance with this Policy.

## 8. Approval, Effective Date and Updating

This Policy shall become effective on the date of its approval by the Board of Directors of El Corte Inglés S.A.

This Policy shall be updated on a regular basis. To this end, it shall be reviewed annually as a standard practice and, additionally, whenever necessary. In particular, the Policy shall be promptly reviewed if there are any changes to the Organisation's strategic objectives or any internal, external, or regulatory changes that require an update or modification.

The Chief Compliance and Risk Officer, with the assistance of the Compliance and Risk Control Committee, shall review any suggested amendments.

If the amendments are substantial, they shall be submitted to the Board of Directors for approval following a recommendation from the Audit and Control Committee.

## 9. Dissemination

Once approved by the Board of Directors of El Corte Inglés, S.A., this Policy shall be accessible on NEXO for all Members of the Organisation and on the corporate website for all ECI Group stakeholders.

The Chief Compliance and Risk Officer shall ensure that the Policy is effectively communicated and understood throughout the Organisation.

## 10. Control, Follow-up and Supervision

### 10.1. Control and Follow-up

The Chief Compliance and Risk Officer shall be responsible for controlling and continuously monitoring compliance with this Policy in accordance with the procedure set out in the Charter and the Regulations of the Compliance Function Bodies.

### 10.2. Supervision

The Internal Audit Function shall review the Group's compliance management system to the extent that the annual audit plan approved by the Audit and Control Committee includes tasks related to this system. An extraordinary review may also be conducted in response to any incidents or irregularities that are identified. Upon completion of the

audits, the Internal Audit Function shall issue a report containing recommendations for any identified areas for improvement.

Any potential areas for improvement identified as a result of these reviews shall be incorporated into the ongoing improvement process of the Criminal Compliance Management System.

## VERSION HISTORY

Version 1.0 approved by the Board of Directors on 30/Oct/2024

Version	Date of amendment	Purpose of the amendment	Sections affected

## Annexes

## Annex 1– Definitions

Below are the definitions of the most frequently used terms in this document and in the regulations that make up the EL CORTE INGLÉS Compliance Management System.

- **Audit and Control Committee:** A standing body of the Board of Directors with an informative and advisory role and, but without executive functions. It has full powers to provide information, offer advice, and make proposals within its remit, which includes Regulatory Compliance and other areas.
- **Board of Directors:** The governing body of El Corte Inglés, S.A., which has ultimate responsibility for the management and results of the Company's activities, its governance structure and its policies. Senior Management reports to and is accountable to the Board.
- **Business Partners:** Any legal or natural person, other than a Member of the Organisation, with whom the Organisation has or intends to have a business relationship. This includes, but is not limited to, intermediaries such as agents or commission agents, external consultants, suppliers, customers, joint ventures and any natural or legal person engaged by any company within the El Corte Inglés Group for the delivery and/or collection of goods and/or the provision of services.
- **Chief Compliance Officer / Regulatory Compliance and Risk Control Department:** A single-person body with independent powers of initiative and control and entrusted with a number of duties, including the supervision of the effectiveness of the Organisation's Compliance Management System, and particularly the Criminal Compliance Management System. The creation of the Criminal Compliance Body fulfils the requirement set out in the Spanish legislation (article 31 bis of the Spanish Criminal Code) regarding the supervision of the Criminal Compliance Management System.
- **Compliance and Risk Control Committee:** A collegial, executive and decision-making body that advises the Chief Compliance Officer and the Chief Risk Officer on all relevant matters in relation to the performance of their respective duties.
- **Criminal Compliance Management System:** A framework for preventing, detecting, managing, and reporting criminal risks. It is integrated into business processes and undergoes regular monitoring and continuous improvement.
- **El Corte Inglés Group / the Group / the Organisation:** Group of companies that make up the El Corte Inglés Group.
- **Environmental, Social and Governance (ESG) criteria:** The Group's guidelines for addressing sustainability issues, aimed at preventing or mitigating negative impacts on the environment, human and labour rights, or ethics across the value chain. These actions align

with the Do No Significant Harm (DNSH) principle, as set out in Article 17 of Regulation 2020/852 of the European Parliament and Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

- **Ethics Channel:** A secure platform that provides confidential and direct communication for Members of the Organisation and Third Parties to report queries or issues related to non-compliance.
- **Members of the Organisation:** This includes Members of the Board of Directors, Senior Management, executives, employees, temporary workers, or employees under collaboration agreements, and volunteers. It also includes anyone who reports to any of these groups.
- **Own brand:** Products bearing a trademark owned by the Group and, therefore, any product imported directly by the Group from outside the EU, licensed to the Group or marketed exclusively by the Group.
- **Procurement of goods:** The acquisition of tangible items for the purpose of selling them as part of the Group's ordinary business activities (direct purchases) or for use in the Group's internal operations to meet the needs of the Organisation's processes (indirect purchases).
- **Procurement of services:** The acquisition of services for the purpose of selling them as part of the Group's ordinary business activities (direct purchases) or for use in the Group's internal operations to meet the needs of the Organisation's processes (indirect purchases). It also includes services for which a Group company acts as an intermediary with customers.
- **Senior Management:** These are employees of the Organisation who are appointed by the Board of Directors. They report to the Board, its committees or one of its members, and they exercise the powers inherent in the legal ownership of the Company and its general objectives. They operate with autonomy and full accountability, subject only to the criteria and direct instructions of the Company's governing bodies.
- **Stakeholders/ Interest groups:** Natural or legal persons other than Business Partners or Members of the Organisation, who may be affected or perceived to be affected by a decision or activity of the Organisation.
- **Third Party:** A natural or legal person or body that is independent of the Organisation.
- **Value chain:** The full range of activities, resources and relationships associated with the company's business model and the external environment in which it operates.