

# Corporate Tax Policy

**Approved by the Board of Directors  
of El Corte Inglés, S.A.  
on 25 November 2020**

Version 2.0 (30 October 2024)

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## 1. Introduction

Since its establishment, El Corte Inglés has upheld the principle that ethical business conduct is a critical element in balancing the rights of all stakeholders and society as a whole. The Company views ethical conduct as a fundamental requirement for achieving its business objectives.

Ethical behaviour requires strict compliance with applicable laws and regulations, as well as with internal rules, codes of conduct, and best practices voluntarily adopted by the El Corte Inglés Group, including those pertaining to tax or fiscal matters.

In this regard, compliance with current tax regulations is a core principle that enables the Group to make a meaningful contribution to economic and social development through its tax payments.

The Board of Directors of El Corte Inglés is responsible for approving the Organisation's tax strategy and corporate policies, including this Corporate Tax Policy.

It is also responsible for approving transactions and investment decisions that have particular tax implications.

In carrying out these responsibilities, the Board of Directors has approved this Corporate Tax Policy, which is part of the Group's corporate governance and regulatory compliance framework and outlines the tax strategy for the El Corte Inglés Group.

This Policy should be interpreted in line with the definitions established in the internal control framework of the El Corte Inglés Group.

## 2. Purpose

The purpose of this Policy is to establish the framework for conduct in the fiscal and tax domain. It is based on the values and principles outlined in the Code of Ethics, as well as compliance with the law and good tax practices, particularly those outlined in the Tax Agency's Code of Good Tax Practices. The values, principles, and best practices that underpin this tax strategy shall guide decision-making across all levels of the Organisation and within all companies of the Group. They shall also inform the behaviour of employees, managers, and directors in their interactions with partners, customers, suppliers, public authorities, private entities, and other stakeholders.

The Group's tax strategy aims to (i) ensure compliance with applicable tax laws and (ii) promote the appropriate coordination of tax decisions and practices across the Group's entities. This approach serves the best interests of the Group, supporting a long-term business strategy that mitigates tax risks and reduces tax inefficiencies in business operations.

### **3. Scope of Application**

#### **3.1. Objective Scope of Application**

This Policy applies to all taxes administered in the jurisdictions where the companies covered by this Policy operate or are present, in accordance with the following provisions.

#### **3.2. Subjective Scope of Application**

This Policy is mandatory and applies to all companies within the El Corte Inglés Group (hereinafter referred to as the 'Organisation') in all activities, regardless of the country in which they are carried out.

All Members of the Organisation, irrespective of their role or location, are required to adhere to this Policy. They shall also actively promote the application of, and respect for, the principles of tax compliance and responsibility outlined in this Policy in their interactions with Business Partners and stakeholders within the value chain.

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

### **4. Fiscal and Tax Compliance Function**

The Fiscal and Tax Compliance Function is responsible for providing guidance, oversight and monitoring of the ECI Group's tax obligations in accordance with the standards set out in this Corporate Tax Policy, as part of the broader tax compliance and risk management system.

Given that all legal or economic events may have tax implications and create tax obligations, all organs, departments, areas, subsidiaries, and individuals within the Organisation must actively contribute to the development of the tax function. This ensures that the decision-making process is conducted in full adherence to the principles of good tax practice adopted by the Organisation and guarantees proper compliance with tax obligations.

#### **4.1. Board of Directors and Senior Management**

The Board of Directors and Senior Management shall actively promote a culture of tax compliance within the Organisation and ensure that the necessary resources are allocated to uphold the principles established in this Policy.

In addition to the general responsibilities of all Members of the Organisation, the Board of Directors and Senior Management of El Corte Inglés have specific responsibilities, outlined as follows:

Board of Directors

- i. Approving the Tax Strategy, the Corporate Tax Policy and any necessary updates.
- ii. Appointing a Tax Compliance Body to oversee the implementation of the Tax Compliance Management System. This body shall be granted autonomous powers of initiative and control, along with adequate financial, material, and human resources to effectively carry out its duties.
- iii. Receiving, reviewing, and responding appropriately to the reports provided by the Corporate Tax Office and the Tax Compliance Body, taking actions as necessary to manage tax risks properly, upon proposals from the Audit and Control Committee, the Tax Compliance Body, or on its own initiative.
- iv. Approving transactions and investment decisions that have specific tax implications.

These responsibilities of the Board of Directors may be carried out by the Audit and Control Committee<sup>1</sup>, as the delegated body responsible for overseeing, monitoring, and reviewing the Tax Compliance Management System, in line with its role in ensuring the effectiveness of the Organisation's internal control, internal audit, and risk management systems.

#### 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.

By virtue of their position, Senior Management is responsible for:

- i. Providing guidance and support to all Members of the Organisation in fulfilling their tax compliance and tax function obligations.
- ii. Ensuring that all Members of the Organisation integrate them into their daily activities within the Organisation.
- iii. Incorporating the requirements of this Policy into all processes and procedures within the Organisation, providing direction and support to all Members in complying with these requirements, and ensuring the effectiveness of the tax compliance management system.
- iv. Ensuring the availability of appropriate and sufficient resources for effective compliance with,

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<sup>1</sup>In any case, with the exception of the non-delegable powers provided for in Article 249 bis of Royal Legislative Decree 1/2010, of 2 July, approving the revised text of the Corporate Law.

and monitoring of, the principles set out in this Policy.

- v. Participating in the approval processes for identifying, analysing, and assessing tax risks.
- vi. Encouraging Members of the Organisation and Third Parties to use the channels provided to report potentially irregular or criminal conduct that could impact the Organisation and its operations, and ensuring that there is no retaliation, discrimination, or sanctions for good-faith reports or actions taken to avoid involvement in criminal activity.

#### **4.2. Chief Tax Officer**

In relation to this Policy, the Chief Tax Officer (CTO) has the following responsibilities:

- i. Drafting, reviewing and periodically updating the Organisation's tax policy for approval by the Board of Directors.
- ii. Advising the Board of Directors and Senior Management on the performance of the functions assigned in the Tax Policy.
- iii. Promoting and monitoring respect for and compliance with the principles contained in the Policy.
- iv. Collaborating with the Organisation's Internal Audit Function, the Tax Compliance Body, and, where appropriate, the Audit and Control Committee in evaluating and improving internal control and risk management systems.
- v. Establishing appropriate mechanisms to prevent, reduce, mitigate, and control tax risks in accordance with the principles, tolerance, and risk appetite defined in the Group's risk management and control system.
- vi. Informing the Audit and Control Committee and, where appropriate, the Board of Directors of the content, implications and tax consequences of the relevant tax aspects and criteria applied during the financial year.
- vii. Advising Senior Management, Operational Directors, and, where appropriate, the Board of Directors, through the Audit and Control Committee, on the tax implications of the Organisation's actions.
- viii. Promoting communication and cooperation with the tax authorities.
- ix. Promoting the training of the Organisation's employees involved in the tax function and fostering a culture of tax compliance.
- x. Ensuring compliance with tax obligations.

The Corporate Tax Department shall oversee the implementation of these functions in coordination with the heads of the Tax Function in each entity within the Organisation. The Tax Officer of each entity shall be responsible for ensuring compliance with tax obligations in their day-to-day operations. This may be achieved either through direct execution of tasks or by collaborating with the Corporate Tax Department of El Corte Inglés.

The Corporate Tax Department shall advise and supervise the Tax Officers in the performance of their tax-related duties.

#### **4.3. Operational Directors**

Directors of centres, departments, and organisational units shall ensure that the policies, standards, and procedures applicable to the Organisation are adhered to. They are expected to act ethically and responsibly at all times.

In this regard, Operational Directors are responsible for:

- i. Maintaining an effective control environment by ensuring that their areas operate in compliance with applicable tax laws and internal policies.
- ii. Ensuring the correct implementation of tax controls by supervising their execution in the relevant areas.
- iii. Coordinating efforts within their teams to ensure the effectiveness of actions aimed at promoting a culture of compliance, particularly in the tax area, and preventing any irregularities.

#### **4.4. Members of the Organisation**

All Members of the Organisation are responsible for:

- i. Understanding, complying with, and applying the provisions of this Tax Policy, and ensuring that decisions are made with appropriate tax advice.
- ii. Reporting any irregularity they are aware of or foresee in the performance of their duties, as well as measures that could reasonably be taken to avoid or remedy it, as soon as possible through the channels provided for this purpose, particularly when such measures have not been taken.
- iii. Participating in the required training sessions on tax matters, as determined by their function or position within the Organisation and their duties within the Corporate Tax Department.
- iv. Collaborating with the Corporate Tax Department and the Tax Compliance Body, upon

request, and promptly providing any information or documentation required in the scope of their duties.

#### 4.5. Tax Compliance Body

El Corte Inglés has established a Tax Compliance Body, which is responsible for ensuring compliance with tax regulations. This body reports to the Regulatory Compliance Body and is tasked with implementing the measures set out in the Tax Compliance Management System to ensure the effectiveness of this Policy.

The Tax Compliance Management System is a comprehensive framework of components, processes, and controls designed to define and evaluate strategies for achieving the organisational objectives, while also identifying, mitigating, and managing any tax risks arising from the Organisation's activities.

The procedure for appointing and operating the Regulatory Compliance Body within the organisational structure is outlined in the Compliance Policy.

In the performance of its duties, the Tax Compliance Body shall:

- i. Promote and supervise the implementation of the Tax Compliance Management System, ensuring that all persons covered by this document have access to the Organisation's rules for the proper execution of the tax function and the prevention of tax risks.
- ii. Promote the identification of tax compliance obligations through the Chief Tax Officer.
- iii. Promote the identification and management of tax risks, analysing and assessing them together with the Chief Tax Officer in order to prioritise actions and allocate resources for the prevention, detection, and management of tax risks.
- iv. Implement awareness and training programmes that equip the persons covered by this document with the necessary knowledge and skills to fulfil their responsibilities in the exercise of the tax function and the prevention, detection, and management of tax risks.
- v. Advise the Board of Directors, Senior Management, and other Members of the Organisation as needed, and report to the Audit and Control Committee, Board of Directors, and Senior Management on the results of the implementation of the Tax Compliance Management System, its performance, and the reports from the various activity blocks.
- vi. Manage the Ethics Channel as a tool to collect information on potentially unlawful behaviour or irregularities.

- vii. Identify the information related to the pillars of the Tax Compliance Management System in the appropriate format, along with the documentation resulting from its implementation. This information shall be made available (except for any confidential materials that are accessible only to specific parts of the Organisation), ensuring that it is suitable for use and allowing for traceability of access and preservation of legibility.
- viii. Measure the performance of the Organisation's Tax Compliance Management System using indicators, monitor that all its components operate correctly and promote its review and continuous improvement.
- ix. Periodically assess the effectiveness of the Tax Compliance Management System and make modifications as necessary if the Officer becomes aware, through any means, of serious non-compliance or if significant changes occur in the Organisation's circumstances, risk assessment, or objectives.

## 5. General Principles

The following principles shall govern the tax strategy of the El Corte Inglés Group and, consequently, guide the tax decision-making process:

- Ensuring compliance with all applicable laws and regulations in all jurisdictions, as well as with internal rules of conduct and any voluntarily adopted rules, particularly those of a fiscal or tax nature.
- Preventing and mitigating significant tax risks.
- Maintaining due diligence to prevent, identify, and eliminate any non-compliance with the law or irregular conduct of a fiscal nature.
- Fostering relationships with public administrations and regulatory bodies based on respect for the law, loyalty, mutual trust, cooperation, and good faith, while respecting the principles outlined, even when disagreements on the interpretation of applicable rules may arise.
- Ensuring that financial information, accounting records, contracts, and supporting documents accurately reflect the nature of the Group's transactions, so that the financial statements provide a true and fair view of the Group's assets, liabilities, financial position, and profit or loss.
- Avoiding duplications and inefficiencies in the fiscal or tax area.
- Recognising that the taxes and duties paid by the El Corte Inglés Group are its primary contribution to supporting public services and, consequently, its contribution to society.

- Promoting continuous improvement of the Organisation's tax compliance management system to uphold these principles.

## 6. Specific Operating Principles

In fulfilling its tax obligations, the El Corte Inglés Group adheres to the following principles:

### 6.1. Good Corporate Governance

1. The Board of Directors shall approve this Corporate Tax Policy and oversee its implementation.
2. To ensure that the Board of Directors effectively and fully exercises its non-delegable powers in tax matters, the Audit and Control Committee shall be promptly informed of the content, implications and tax consequences associated with the criteria and transactions subject to approval, particularly where such implications and consequences are a relevant factor in decision-making or where transactions must be reported by the Audit and Control Committee.
3. Decisions of a fiscal or tax nature shall be made at the appropriate organisational level, including the Board of Directors, when the nature of the transactions, their value or their specific characteristics so require, in accordance with applicable external or internal regulations. This process will ensure the correct identification, assessment, and control of associated tax risks.
4. The Audit and Control Committee, as the body responsible for ensuring the effectiveness of the internal control and risk management systems, shall monitor compliance with this Policy, with the assistance of the Tax Compliance Body. Where necessary, the Committee will coordinate with the relevant Audit Committees of the Group's subsidiaries.
5. Fiscal or tax decisions shall be made based on collaboration among the various departments involved in implementing this Policy, ensuring that all relevant tax implications are thoroughly assessed.
6. Appropriate mechanisms shall be established to prevent, reduce, mitigate and control task risks in accordance with the principles, tolerance levels, and risk appetite defined in the ECI Group's risk management and control system.
7. The Corporate Tax Office shall be provided with the necessary material and human resources to ensure compliance with the Group's fiscal and tax obligations in accordance with the principles outlined in this Policy.

## 6.2. Regulatory Compliance

1. Compliance with legal and regulatory requirements as well as internal fiscal or tax regulations shall be ensured and aligned with best tax practices through continuous monitoring and analysis of regulatory developments.
2. Accurate, complete, and final tax returns shall be submitted on time and in the required format as stipulated by law

## 6.3. Good Tax Practices

1. Tax decisions shall be based on the most reasonable interpretation of tax law. In cases of doubt regarding the interpretation of the law, decisions will be made based on the most accurate interpretation, considering precedents set by administrative bodies or court rulings.
2. When multiple tax options are available under applicable regulations to achieve a similar business objective, the most commercially efficient option shall be chosen, after prudently managing the associated tax risks.
3. Use the instruments provided by tax regulations (such as prior valuation agreements, binding consultations, special depreciation plans, etc.), when appropriate and within the available timeframes, to ensure the best regulatory compliance and the most reasonable interpretation of the rules.
4. Use legal structures responsibly and justify them by the effective performance of economic activities aimed at creating value, avoiding the use of special purpose entities, opaque entities, or entities located in tax havens, non-cooperative jurisdictions, or similar structures.
5. Participation in companies or the establishment of permanent business operations in the territories mentioned in the previous paragraph may be permitted, provided that such presence is solely for legitimate economic and business reasons. These reasons must be reviewed and approved by the Board of Directors on a case-by-case basis.
6. Foster cooperation and communication based on transparency, legitimate trust and good faith in interactions with tax administrations. In all cases, relationships with public officials shall be conducted in accordance with the provisions outlined in the Policy on Relations with Public Authorities and Officials and Private Entities.
7. Provide all fiscal information and documents to the Administration within the required scope and time limits, using the appropriate channels and procedures established for this purpose.
8. Strive to detect and eliminate fraudulent or irregular practices and cooperate in identifying and addressing such practices that may arise in the markets where the Group operates.

9. The Group has a confidential and transparent Ethics Channel, through which any behaviour that may involve irregularities, including fiscal or tax-related issues, can be reported. This includes actions that violate the principles outlined in the Organisation's Code of Ethics and related corporate policies.

In this regard, the Organisation shall respond promptly to any violations of the provisions outlined in this Policy, in accordance with internal regulations and applicable legislation.

#### 6.4. Staff Training and Awareness

All Members of the Organisation shall receive training on regulatory compliance, including tax and fiscal matters. To this end, general training and information activities shall be organised to promote a culture of compliance and integrity in the fiscal and tax areas, in accordance with the principles set out in this Policy and the Code of Ethics.

### 7. 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 **compliance 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.

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.

### 8. Development, Control and Follow-up and Supervision

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### 8.1. Development

The principles outlined above, which will guide the Group's activities in tax matters, shall be developed by the Corporate Tax Department through the implementation of necessary control systems and internal regulations to ensure compliance with current tax legislation and the stated principles.

### 8.2. Control and Follow-up

The Chief Tax 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.

### 8.3. 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.

## 9. Reporting of Non-compliance

In order to ensure the effective implementation of this Policy, the Organisation has established different channels for reporting incidents and any other queries

Any Member of the Organisation, Business Partner or Third Party with a direct relationship and legitimate commercial or professional interest 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.

## 10. 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.

## 11. 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.

## VERSION HISTORY

Version 1.0 approved by the Board of Directors on 25/Nov/2020

Version	Date of amendment	Purpose of the amendment	Sections affected
1.1	30/Nov/2022	<ul style="list-style-type: none"> <li>- Update the system to reflect the recent integration of the Risk Control and Management area into the Compliance Function</li> </ul>	
1.2	28/Jun/2023	<ul style="list-style-type: none"> <li>- Update the scope of application</li> <li>- Include reporting channels for non-compliance in accordance with Law 2/2023.</li> </ul>	<ul style="list-style-type: none"> <li>- Scope of Application</li> <li>- Reporting of Non-compliance</li> </ul>
2.0	30/Oct/2024	<ul style="list-style-type: none"> <li>- Align policy with the requirements of the Corporate Sustainability Reporting Directive</li> <li>- Include objective scope of application</li> <li>- Mention our commitment to inspiring our values in business partners and stakeholders</li> <li>- Identify the parties involved in the fiscal and tax compliance function and describe their respective roles and responsibilities.</li> <li>- Clarify the maintenance of due diligence in tax matters</li> <li>- Commitment to continuous improvement of the SGCT</li> <li>- Include the consequences of non-compliance with the Tax Policy</li> <li>- Include a reference to the new internal rules governing Group companies' compliance with the Corporate Policies.</li> </ul>	<ul style="list-style-type: none"> <li>- Purpose</li> <li>- Scope of Application</li> <li>- Tax and Tax Compliance Function</li> <li>- General Principles</li> <li>- Specific Principles - Good Tax Practices</li> <li>- Awareness and Statement of Compliance</li> <li>- Development, Control and Follow-up and Supervision</li> <li>- Reporting of Non-compliance</li> <li>- Approval, Effective Date and Updating</li> <li>- Dissemination</li> </ul>

<b>Version</b>	<b>Date of amendment</b>	<b>Purpose of the amendment</b>	<b>Sections affected</b>
		<ul style="list-style-type: none"><li>- Update the control, follow-up and supervision system</li><li>- Update digital channels for reporting non-compliance</li><li>- Align update process with Organisation's standards</li><li>- Include dissemination channels</li></ul>	

Last revision, October 2024