

# ETHICS CHANNEL

PROCEDURE FOR THE PROCESSING OF INCIDENTS RECEIVED  
THROUGH THE ETHICS CHANNEL OF THE ECI GROUP







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# Introduction

**1.** The El Corte Inglés Group (henceforth, the Group) has implemented a Code of Ethics. This establishes the ethical and behavioural principles it is committed to in its business activity, and defines the behavioural framework to be followed by its employees and executives in the performance of their professional duties.

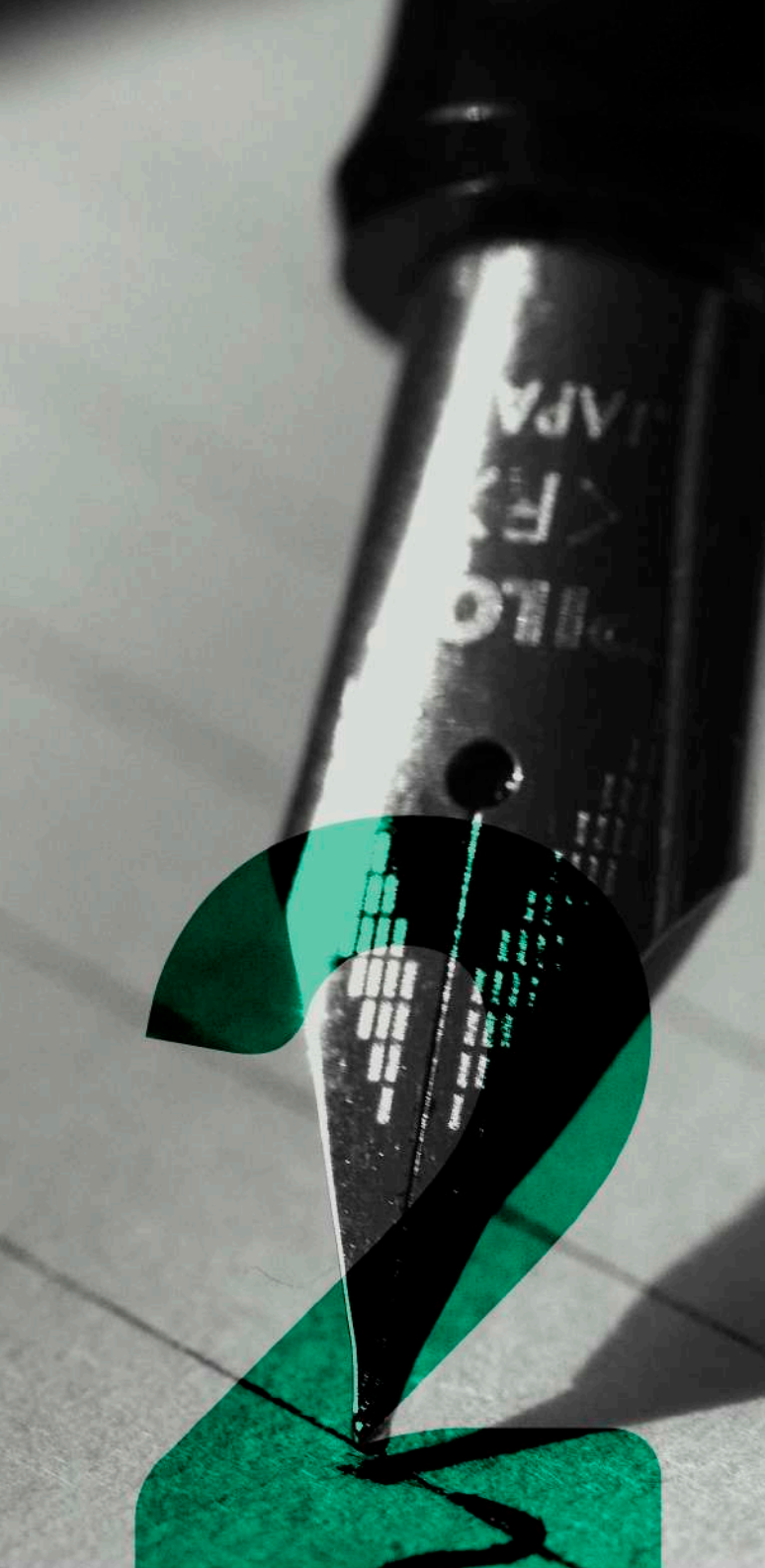
**2.** In order to provide an adequate response to any doubt, discrepancy or irregularity in the fulfilment of that Code, and also to collaborate in monitoring compliance with all the standards applicable to the companies of the Group and its employees and executives, this Ethics Channel is activated as a communication and knowledge channel, through the procedure which is regulated.

**3.** The Ethics Channel is therefore a confidential and transparent means of communication so that both the people who make up the Group and other stakeholders have an adequate channel to report those behaviours which might be construed as an irregularity or an act that contravenes the legality of the behavioural standards of the Code of Ethics and other applicable internal standards, whether they are committed by other members of the Group or by representatives or employees of companies which collaborate with it in its different activities.

**4.** The purpose of this document is to outline the procedure of this communication channel.







# Management of the Ethics Channel

**1.** Management of the Ethics Channel corresponds to the Chief Compliance Officer, who undertakes the work of receiving, verifying and processing the allegations received through the channels provided for that purpose. Throughout the verification process, the fundamental rights of privacy, defence and the presumption of innocence of the people involved in it will be guaranteed.

**2.** The information directed to the Ethics Channel will be sent to:

- Email: [etica@elcorteingles.es](mailto:etica@elcorteingles.es)
- Website: [www.elcorteingles.es](http://www.elcorteingles.es)
- Corporate Intranet
- Postal address:

**El Corte Inglés, S.A.**  
**Chief Compliance Officer**  
**C/ Hermosilla, 112**  
**28009 Madrid**



## Regulatory Principles of the Ethics Channel

**1.** The people who make up the companies of the Group, as well as other stakeholders, who have rational and reasonable indications of any irregularity or any act which is contrary to legality or to the standards of conduct of the Code of Ethics and other applicable internal regulations which the Group voluntarily adopts, must report them to the Chief Compliance Officer through the Ethics Channel.

In the case of people who have labour relations with the Group, a commercial relation or the provision of a service, that obligation is considered a vital part of good faith in the contractual fulfilment.

**2.** The identity of the person who reports an irregular action through the Ethics Channel will be treated as confidential information. Therefore, it will not be revealed to those who may be the object of a verification process.

The data of the people who send the communication may only be revealed to the administrative or legal authorities if they are required as the result of the proceedings deriving from the object of the communication, as well as the people involved in any subsequent investigation or legal proceedings initiated by or as a result of it. The transfer of the data will be performed in accordance with legislation on the protection of data of a personal nature.

**3.** The El Corte Inglés Group requests this collaboration in order for its services to function in a better way; therefore, its use is welcomed and promoted. Only if, as the result of the investigation, it is verified that the allegation was made in bad faith, and if there is a labour relationship with the whistleblower, will the Human Resources Department be informed so that it can take the necessary measures.

**4.** An allegation in bad faith will be understood to be: (1) one which is not based on facts or indications which could reasonably be interpreted as indicative of an anomalous occurrence or irregular behaviour; (2) one which is made even though the author is aware of the falsity of the claim and/or voluntarily misrepresents it; (3) one which is made with the intention of seeking revenge, harassment or defamation, or when the allegation seeks only personal or professional damage to the person affected or the companies which make up the El Corte Inglés Group.







**1.** Reports in good faith, whether made by people related to the Group or external parties, may not give rise to any negative consequences, as it is a behaviour which the Company welcomes and promotes, one which improves business performance.

**2.** If the whistleblower in good faith is an executive or employee, and he or she suffers any kind of detrimental decision, he/she will inform the Chief Compliance Officer. The latter will seek to have it cancelled immediately and include an account of that in his/her Report to the Governing Bodies.

## Guarantees of Whistleblowers in Good Faith





# Processing of the Communications made through the Ethics Channel

**1. Competition:** The processing of the communications presented through the Ethics Channel corresponds to the Chief Compliance Officer, who, under his/her responsibility, may delegate that task to qualified people by means of specific designation for that purpose. That management includes:

- Receipt of the allegation.
- Initial examination of its content.
- Assignment of a reference, acknowledgement of receipt to the sender and, where applicable, information to the person accused.
- Investigation or verification of the facts.
- Resolution and proposal for action.
- Basic registration and preparation of performance reports.

The processing of allegations may be delegated by the Chief Compliance Officer to one or more persons, depending on the nature and complexity of those allegations.

**2. Communications or allegations:** The communications or allegations must contain the following in order to be processed:

- The identification of the whistleblower.
- Events or behaviours which it affects, their repercussions on the Company, the accuser, colleagues, customers or third parties.
- Available evidence or accreditation (documents, witnesses, etc.), which could be attached or referenced, to speed up processing of the allegation.

**3. Receipt:** The information received through the different means of access to the Channel will be attended to.

**4. Initial Analysis:** The communication/allegation received will be analysed immediately. Communications will not be processed if: the person implicated is not sufficiently identified or it is obvious that the behaviour which is the subject of the communication does not constitute any irregularity or any act which contravenes the legality of the standards of behaviour included in

the Code of Ethics. Within the initial analysis, it will be considered whether the matter should be referred to other parts of the Company, because it does not fall within the remit of this Channel or because other, specific procedures are applicable. It will also be decided whether to include the investigation in other, similar procedures already in progress. The initial analysis must not take longer than seven days.

#### **5. Acknowledgement of receipt and information:**

When starting processing of the allegation, it will be assigned a reference and a standardised registration form will be filled in. The sender will be informed of that, and the person or area implicated will be informed of the basic content of the communication received and the alleged behaviour. However, in those cases in which there is a considerable risk that that notification could endanger the ability to investigate the allegation effectively, or to gather the necessary evidence, the notification may be delayed for as long as that risk exists. In any case, it may not be postponed beyond two months.

**6. Investigation:** The investigation will be undertaken by the person or people assigned by the Chief Compliance Officer, depending on the type of allegation and the verifications which are necessary. In the course of the investigation, the following actions may be taken:

**1st.** Request for clarification/additional information: In those cases which require it, the person who made the allegation will be asked to clarify or complement it, providing any documents and/or data he or she may have in order to accredit the existence of the irregular behaviour or action.

**2nd.** Verification of the veracity and accuracy of the communication in relation to the behaviour described, respecting the rights of those affected. All employees and executives of the companies of the Group are obliged to collaborate loyally during the verification process. The interventions of witnesses and those affected will be strictly confidential. Notes or reports may be requested from the affected departments or areas.

**3rd.** Interview with the person allegedly responsible for the behaviour described in the communication. Respecting their rights, they will be informed of the content of the communication so that they can present their version of events and can provide any proof/evidence they may have. Likewise, private interviews will be held with all the people who could be involved.

**4th.** Expert reports by internal or external professionals.

**5th.** Access to documents related to the reported events, including corporate emails of the accused, in accordance with the rules established in that regard.

**6th.** Other actions which are considered necessary during the process.

**7. Final Report and Resolution:** Once the process has been concluded, a report will be issued, including a description of the case, the results obtained in the investigation and, where appropriate, a proposal for corrective measures, which will be decided by the Chief Compliance Officer. The procedure must be completed as quickly as possible, no longer than three months, unless the nature of the matter investigated makes it necessary.

**8. Effects of the Resolution:** If the resolution concludes that an employee and/or executive has committed an irregularity or any act contrary to legality or the standards of behaviour of the Code of Ethics, the corrective measures will be applied and, where applicable, it will be referred to the HR Department for application of the corresponding disciplinary measures, or to the Legal Consultancy Department, for the appropriate actions.

If the allegation is in regard of a company which supplies goods, services and/or supplies, the Chief Compliance Officer will refer it to the Department or Area which contracted it or which is responsible for the fulfilment of its commitments.

Independently of the above measures, if the actions verified could entail the commission of a crime or require administrative or judicial action by the company, Legal Consultancy and the competent authorities will immediately be informed.



**9. Concurrent legal or administrative actions:** If, at any time during the processing, it is revealed that there are ongoing legal or administrative proceedings related to the same events, the actions of the Ethics Channel will be halted and will only be recommenced if there are relevant aspects which are not decided in those proceedings.

**10. Registration and Reporting:** In all cases, a record of the communications received, their consideration and resolution will be created, without personal details, in order to undertake the corresponding studies and reports, and to promote the correction of those situations as appropriate. The result will be reported to the Audit and Control Committee.





If the communication or denunciation is anonymous, the Chief Compliance Officer or the person designated by him/her, in light of the information provided and exercising due diligence, may undertake verification of the events and formulate the appropriate conclusions and/or proposals for action in this regard.

That verification will not be subject to the procedures established in Chapter V, above, but will depend on the nature of the events under study, in all cases respecting the guarantees which corresponds to the people it may affect.

The result will be reported to the Audit and Control Committee.

## Non-formal processing





## Protection of data of a Personal Nature

**1.** The data provided through the Ethics Channel will be processed for the management of the communications sent to the Ethics Channel, and also to undertake the investigative actions necessary to determine whether any infraction or crime has been committed.

**2.** The El Corte Inglés Group undertakes to treat data of a personal nature with strict confidentiality at all times and in accordance with the purposes envisaged in this procedure, adopting the technical and organisational measures necessary to ensure the security of the data and to prevent their alteration, loss, unauthorised processing or access, all of this in compliance with the legislation on the protection of data of a personal nature applicable at each time. In the forms, the El Corte Inglés Group will use the texts required by law to clearly inform the affected parties of the purposes, use and treatment of the personal data which are gathered.

**3.** The people who send communications through the Ethics Channel must ensure that the personal data provided are true, precise, complete and up to date. In any case, the data which are processed in the framework of the investigations will be deleted as soon as those investigations have been completed, unless the measures adopted give rise to administrative or judicial proceedings. Likewise, the aforementioned data will be duly blocked during the times when the allegations made or the actions carried out could give rise to liabilities.

**4.** Users of the Ethics Channel may at any time exercise the rights of access, rectification, deletion, limitation, opposition and portability, by means of a written communication addressed to:

**El Corte Inglés, S.A.**

**Ref. Data Protection Law**

**c/ Hermosilla, 112**

**28009 Madrid**

**or to [etica@elcorteingles.es](mailto:etica@elcorteingles.es)**



Together with the receipt of communications through the Ethics Channel and their processing, the following will also be responsibilities of the Chief Compliance Officer:

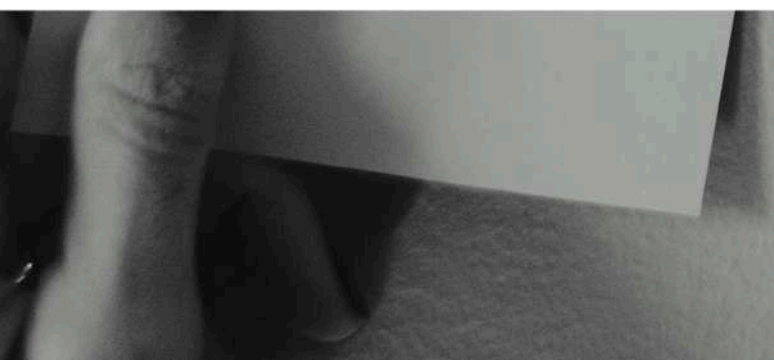
- The management and maintenance of the archive of cases received and the files generated (documents and reports deriving from the processing).
- The review and control of the functioning of the Ethics Channel.
- The preparation of an annual report on its initial implementation and subsequent functioning.
- The incorporation of the modifications to be implemented in the Ethics Channel.

## Management and Updating of the Ethics Channel





## Commitments of the Compliance Function



**1.** The Chief Compliance Officer as well as the persons who acted at his/her delegation and in support of him/her, and any person who intervenes in the management and processing phases of the Ethics Channel or in the processing of communications, must act in compliance with the Statutes of the Regulatory Compliance Function, carrying out the work with the greatest diligence and confidentiality, abstaining from revealing information, data or precedents to which they have access in the performance of their functions, as well as from using them to their own benefit or that of third parties.

**2.** The Chief Compliance Officer and any person who collaborates in the management procedure of the Ethics Channel must abstain from acting if, due to the people affected by the report or the matter it addresses, there is a conflict of interest, notifying the Compliance Committee and assigning the processing to a qualified person who does not have a conflict of interest.



This Ethics Channel replaces the reporting procedure envisaged in the Code of Ethics of the Procurements Centre. On the other hand, it does not repeal or replace other specific procedures which are in force in the company, such as that of the Committee for the Investigation and Treatment of Situations of Harassment (CITSH), which will continue to be governed by their specific regulations.

If an allegation received through the Ethics Channel affects the sphere of competency of the CITSH, it will be referred to it by the Compliance Officer.

## Relation with other Current Procedures







## Approval, Entry into Effect and Updating

**1.** This Ethics Channel procedure was approved by the Board of Directors of El Corte Inglés, S.A. at a meeting thereof held on 27/09/2017.

**2.** From that moment on, it is in full force in all its terms.

**3.** This Ethics Channel Procedure must be kept up to date at all times. To that end, it must ordinarily be reviewed annually, and, extraordinarily, each time there are changes in the strategic objectives or the applicable legislation, and the CCO will present a proposal for modification, having first consulted the CC, to the Audit and Control Committee, which, where appropriate, will refer it to the Board of Directors for its approval.

# LOG OF CHANGES

## ETHICS CHANNEL

### **Second version**

Date of approval: 27/9/17

Compliance Doc. Ref.: 4/17

### **Date of annual review**

Agreement of Board of Directors

### **Conformity**

28-11-18

### **Proposed Modification**

Audit and Control Comm.





## **APPENDIX I: PRIVACY CRITERIA OF THE ETHICS CHANNEL**

### **1. Purpose**

The purpose of this Appendix to the Ethics Channel procedure is to inform those sending communications of the processing of the data that will be carried out for the management and handling of denunciations made through that channel. To that end, the privacy criteria of the Ethics Channel will also be defined on the corporate website.

For the correct configuration and design of the Ethics Channel, the Group fully complies with the applicable data protection regulations, in particular Regulation (EU) 2016/679 of the European Parliament and of the Council, of 27 April 2016, on the protection of natural persons with regard to the processing of personal data and on the free movement of such data and its implementing regulations.

Likewise, the Ethics Channel has been designed in accordance with Legal Report 0128/2007 of the Spanish Data Protection Agency, "Creation of internal denunciation systems in companies (Whistleblowing Mechanisms)" and with Report 1/2006 on the application of the data protection regulations of the European Union to internal whistleblowing mechanisms in the sphere of accountancy and internal audit controls, the fight against fraud and banking and financial crimes, of the Working Group of Article 29 of the European Commission.

### **2. Processing of your personal data and legitimization**

The purpose of the Ethics Channel is to manage the notifications received regarding irregularities or non-fulfilments of the regulations, committed by managers, employees or companies of the Group, to carry out the investigation of the events reported and to adopt the relevant corrective measures.

It is a confidential communication channel for employees, customers, suppliers and stakeholders related to the Group and the companies of the Group.

It may be used to report any possible irregularity or non-fulfilment related to financial, accounting, commercial or regulatory compliance malpractice committed by managers, employees or companies of the Group.

The information provided will be kept for a period of 3 months from the time the case is resolved, or for 10 years if the denunciation is related to money laundering.

It is legitimated by means of the consent which was given through the Ethics Channel.

### **3. Recipients of personal data**

The information sent will only be accessible to the Chief Compliance Officer of the El Corte Inglés Group, as well as the collaborators authorised by that officer.

The data will not be given to third parties, save legal obligation, in which case the information will be made available to the Public Authorities, Judges and Courts in order to address any possible liabilities.

### **4. Exercise of rights**

At all times, the interested party may exercise the rights of access, opposition, rectification and deletion in accordance with that set forth in Regulation (EU) 2016/679 of the European Parliament and of the Council.

In certain circumstances, those persons may request the limitation of the treatment of their data, in which case the Ethics Channel will conserve them solely for the handling or defence of the allegations. If it is technically possible, the interested party may request the portability of his/her data to another data processing officer/entity.



In order to exercise those rights, in accordance with current legislation, the interested parties may use the email account [etica@elcorteingles.es](mailto:etica@elcorteingles.es), attaching a copy of an accrediting document (National Identity Document or Passport) and expressly indicating the right they are invoking.

The interested parties may present a complaint to the Spanish Data Protection Agency, particularly if they are not satisfied with the exercise of their rights. For further details, consult the website <https://www.agdp.es>.

## 5. Principle of proportionality and minimisation of data

- With regard to the personal data gathered in the framework of the Ethics Channel, their use will be limited to that which is strictly and objectively necessary for the processing of denunciations, and, if applicable, to verify the reality of the events reported;
- At all times they will be handled in accordance with the applicable data protection regulations, for legitimate, specific purposes in relation to the investigation which may arise as a result of the denunciation;
- They will not be used for incompatible purposes;
- They will be adequate and not excessive in relation to the aforementioned purposes.

## 6. Restriction of access to data

Access to the data contained in these systems will be restricted exclusively to those entities entrusted with internal control and compliance functions.

Only if it is appropriate to adopt disciplinary measures against a worker will the processing of the data by the personnel with Human Resources control and management functions be permitted.

Likewise, and as indicated, the Group may engage the services of professional third parties, for the provision of certain services related to the management of the Ethics Channel.

## 7. Security and confidentiality measures

The Group will ensure that all the necessary technical measures to preserve the security of the data are adopted in order to protect them from unauthorised disclosures or accesses.

For those purposes, the Group has adopted appropriate measures to guarantee the confidentiality of all the information, and it will ensure that the data related to the identity of the whistleblower are not revealed to the person accused, in all cases respecting that person's fundamental rights, without prejudice to any actions which may be taken by the competent legal authorities.