

INDITEX

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Statement made about the contents of the Financial Annual Report

We, the members of the Board of Directors, do hereby state and represent that, to the best of our knowledge and belief, the consolidated annual accounts for financial year 2024 (1 February 2024 – 31 January 2025), stated by the Board of Directors in the meeting held on 11 March 2025, drafted pursuant to the applicable accounting principles, give the true and fair view of the assets, the financial situation and the results of Industria de Diseño Textil, S.A. (Inditex, S.A.) and of the undertakings consolidated taken as a whole, and that the Consolidated Director's Report includes a true review of the evolution and the corporate results, as well as of the position of Industria de Diseño Textil, S.A. (Inditex, S.A.) and of the undertakings consolidated taken as a whole, together with the description of the main risks and uncertainties they face up to.

In Arteixo (A Coruña), on 11 March 2025.

Ms Marta Ortega Pérez
Chair

Mr José Arnau Sierra
Deputy Chair

Mr. Óscar García Maceiras
CEO

Mr Amancio Ortega Gaona
Ordinary Member

Ms Flora Pérez Marcote
Ordinary Member

Mr José Luis Durán Schulz
Ordinary Member

Mr Rodrigo Echenique Gordillo
Ordinary Member

Bns. Denise Patricia Kingsmill
Ordinary Member

Ms. Pilar López Álvarez
Ordinary Member

Ms Belén Romana García
Ordinary Member

Audit Report on Consolidated Annual Accounts

Shape the future
with confidence

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AUDIT REPORT ON CONSOLIDATED FINANCIAL STATEMENTS ISSUED BY AN INDEPENDENT AUDITOR

Translation of a report and financial statements originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails (See Note 34)

To the shareholders of Industria de Diseño Textil, S.A.:

Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Industria de Diseño Textil, S.A. (the Parent) and its subsidiaries (the Group), which comprise the consolidated balance sheet at January 31, 2025, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows, and the notes thereto, for the year then ended (year 2024).

In our opinion, the accompanying consolidated financial statements give a true and fair view, in all material respects, of consolidated equity and the consolidated financial position of the Group at January 31, 2025, and of its financial performance and its consolidated cash flows, for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union (IFRS-EU), and other provisions in the regulatory framework applicable in Spain.

Basis for opinion

We conducted our audit in accordance with prevailing audit regulations in Spain. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with the ethical requirements, including those related to independence, that are relevant to our audit of the consolidated financial statements in Spain as required by prevailing audit regulations. In this regard, we have not provided non-audit services nor have any situations or circumstances arisen that might have compromised our mandatory independence in a manner prohibited by the aforementioned requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

A member firm of Ernst & Young Global Limited.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our audit opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of leases

Description	As of January 31, 2025, the Group operates with a total of 4,429 company-managed stores, most of which are under lease agreements, as well as certain logistics centers and other assets operated by the Group. IFRS 16 application requires to carry out complex estimates, which entails the application of judgments in the definition of the hypotheses considered by Group's Management, mainly for the determination of the lease terms, the impacts of renegotiations and the discount rate applicable to each contract. We have considered this area as a key audit matter due to the significance of the amounts involved, the different nature and characteristics of the lease contracts in force, as well as the complexity of the judgments made by Group Management to determine the value of such leases. The information related to the criteria applied and the corresponding disclosures is included in Notes 3.2.o) and 16 of the attached consolidated financial statements.
Our response	In relation to this area, our audit procedures have included, among others, the following: ▶ Understanding of the process established by Group Management to determine the value of the leases, evaluation of the design and implementation of the relevant controls established in the aforementioned process and verification of the operational effectiveness of said controls, all in collaboration with our specialists in information systems. For these purposes, we have carried out, among other procedures, operational effectiveness tests on (a) access controls and logical security to operating systems, databases and relevant applications, (b) application development, maintenance and operation controls and systems and (c) automation used for the valuation of leases. ▶ Assessment of the consistency of the accounting principles and criteria applied by the Group to estimate lease terms and applicable discount rates with the applicable financial reporting regulatory framework and with those applied in the previous year. ▶ Review, for a representative sample of lease contracts, of the consistency of the valuation of said leases with the terms and conditions of the corresponding contracts, as well as with the accounting principles and criteria applied by the Group. ▶ Review of the disclosures included in the consolidated financial statements and assessment of its adequacy with the applicable financial reporting regulatory framework.

The result of the procedures carried out described in the preceding paragraphs has been satisfactory in relation to the audit objectives pursued.

Valuation of inventories

Description

The Group has registered in the current assets of the consolidated balance sheet as of January 31, 2025, inventories for a net book value of 3,321 million euros, which represent 9.6% of total assets.

The centralized and integrated model of Inditex Group is characterized by managing a large number of references in the different markets in which it operates and by their high turnover levels.

Likewise, consumer behavior and other external factors significantly influence the valuation of inventories, requiring relevant estimates to determine the net realisable value of the references, which entails the application of judgments in the establishment of the hypotheses considered by Group Management in relation to said estimates.

We have considered this area as a key audit matter due to the significance of the amounts involved, the high number of points of sale and references and their high turnover, as well as the complexity of the judgments made by Group Management to determine the net realisable value of inventories.

The information related to the criteria applied and the corresponding disclosures is included in Notes 3.2.h) and 13 of the attached consolidated financial statements.

Our response

In relation to this area, our audit procedures have included, among others, the following:

- Understanding of the process established by Group Management for the management and valuation of inventories, evaluation of the design and implementation of the relevant controls established in the aforementioned process and verification of the operational effectiveness of said controls, all in collaboration with our specialists in information systems. For these purposes, we have carried out, among other procedures, operational effectiveness tests and extended control procedures on (a) access controls and logical security to operating systems, databases and relevant applications, (b) development controls, maintenance and operation of applications and systems and (c) automation used for the management and valuation of inventories.
- Evaluation of the consistency of the accounting principles and criteria applied by the Group's Management for the valuation of the inventories with the applicable financial information regulatory framework and with those applied in the previous year.
- Assessment of the reasonableness of the key assumptions considered by Group Management to determine the net realisable value of inventories and their consistency with Group policy and with other available information, such as historical sales from similar seasons and forecasts of future sale.
- Procedures for recalculation, in collaboration with our specialists in information systems, of the net realisable value of the Group's finished product inventories.

- Review of the disclosures included in the consolidated financial statements and assessment of its adequacy with the applicable financial reporting regulatory framework.

The result of the procedures carried out described in the preceding paragraphs has been satisfactory in relation to the audit objectives pursued.

Revenue recognition

Description	The Group has registered, under "Net Sales" heading of the consolidated income statement as of January 31, 2025, 35,271 million euros corresponding to the net sales made both in company-managed stores and on the online sales platform, which represent 91% of the Group's total sales. The accounting recognition of sales is characterized by being highly automated and supported by the interaction of various information systems, which is why it is essential to maintain a control environment over them that guarantees their correct functioning. Although the recognition of this revenue is not complex, we have considered this area as a key matter in our audit due to the relevance of the amounts involved, the high volume of transactions of not significant individually, and the complexity and high automation of the information systems that support the revenue recognition process, matters that involve a higher risk of material misstatement and require significant effort in our audit work. The information related to the criteria applied and the corresponding disclosures is included in Notes 3.2.n) and 4 of the attached consolidated financial statements.
Our response	In relation to this area, our audit procedures have included, among others, the following: ▶ Understanding of the process established by Group Management revenue recognition, evaluation of the design and implementation of the relevant controls established in the aforementioned process and verification of the operational effectiveness of said controls, all in collaboration with our specialists in information systems. For these purposes, we have carried out, among other procedures, operational effectiveness tests and extended control procedures on (a) access controls and logical security to operating systems, databases and relevant applications, (b) development controls, maintenance and operation of applications and systems and (c) automation used for the revenue recognition. ▶ Analysis, using data processing techniques, of the evolution of billing and collection cycles, and of the correlations between related accounts. ▶ Analytical procedures on sales and margins. ▶ Review, for a random representative sample, of the proper correlation of revenue with their respective cash inflows. ▶ Cut-off procedures for a sample of revenue transactions that occurred on dates close to the end of the fiscal year to verify proper accounting record. ▶ Identification and analysis of significant manual journal entries in the revenue accounting accounts.

- Review of the disclosures included in the consolidated financial statements and assessment of its adequacy with the applicable financial reporting regulatory framework.

The result of the procedures carried out described in the preceding paragraphs has been satisfactory in relation to the audit objectives pursued.

Other information: consolidated directors report

Other information refers exclusively to the 2024 consolidated directors report, the preparation of which is the responsibility of the parent company's directors and is not an integral part of the consolidated financial statements.

Our audit opinion on the consolidated financial statements does not cover the consolidated directors report. Our responsibility for the consolidated directors report, in conformity with prevailing audit regulations in Spain, entails:

a. Checking only that the consolidated non-financial statement and certain information included in the Corporate Governance Report and in the Board Remuneration Report, to which the Audit Law refers, were provided as stipulated by applicable regulations and, if not, disclose this fact.

b. Assessing and reporting on the consistency of the remaining information included in the consolidated directors report with the consolidated financial statements, based on the knowledge of the Group obtained during the audit, in addition to evaluating and reporting on whether the content and presentation of this part of the consolidated directors report are in conformity with applicable regulations. If, based on the work we have performed, we conclude that there are material misstatements, we are required to disclose this fact.

Based on the work performed, as described above, we have verified that the information referred to in paragraph a) above is provided as stipulated by applicable regulations and that the remaining information contained in the consolidated directors report is consistent with that provided in the 2024 consolidated financial statements and its content and presentation are in conformity with applicable regulations.

Responsibilities of the parent company´s directors and the audit and compliance committee for the consolidated financial statements

The directors of the parent company are responsible for the preparation of the accompanying consolidated financial statements so that they give a true and fair view of the equity, financial position and results of the Group, in accordance with IFRS-EU, and other provisions in the regulatory framework applicable to the Group in Spain, and for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the parent company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The audit and compliance committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with prevailing audit regulations in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with prevailing audit regulations in Spain, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and compliance committee of the parent company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit and compliance committee of the parent company with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threads or safeguards applied.

From the matters communicated with the audit and compliance committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

European single electronic format

We have examined the digital files of the European single electronic format (ESEF) of Industria de Diseño Textil, S.A. and subsidiaries for the 2024 financial year, which include the XHTML file containing the consolidated financial statements for the year, and the XBRL files as labeled by the entity, which will form part of the annual financial report.

The directors of Industria de Diseño Textil, S.A. are responsible for submitting the annual financial report for the 2024 financial year, in accordance with the formatting and mark-up requirements set out in Delegated Regulation EU 2019/815 of 17 December 2018 of the European Commission (hereinafter referred to as the ESEF Regulation).

Our responsibility consists of examining the digital files prepared by the directors of the parent company, in accordance with prevailing audit regulations in Spain. These standards require that we plan and perform our audit procedures to obtain reasonable assurance about whether the contents of the consolidated financial statements included in the aforementioned digital files correspond in their entirety to those of the consolidated financial statements that we have audited, and whether the consolidated financial statements and the aforementioned files have been formatted and marked up, in all material respects, in accordance with the ESEF Regulation.

In our opinion, the digital files examined correspond in their entirety to the audited consolidated financial statements, which are presented and have been marked up, in all material respects, in accordance with the ESEF Regulation.

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Additional report to the audit and compliance committee

The opinion expressed in this audit report is consistent with the additional report we issued to the audit and compliance committee on March 12, 2025.

Term of engagement

The ordinary general shareholders' meeting held on July 12, 2022 appointed us as auditors for 3 years, commencing on the financial year ended on January 31, 2023.

ERNST & YOUNG, S.L.
(Registered in the Official Register of
Auditors under No. S0530)

(Signature on the original in Spanish)

Hildur Eir Jónsdóttir
(Registered in the Official Register of
Auditors under No. 18201)

March 12, 2025

CONSOLIDATED ANNUAL ACCOUNTS INDITEX GROUP **2024**

Translation of consolidated annual accounts originally issued in Spanish and prepared in accordance with the regulatory financial reporting framework applicable to the Group in Spain (see below and Note 34). In the event of a discrepancy, the Spanish-language version prevails.



INDITEX

Consolidated income statement

(Amounts in millions of euros)	(Notes)	2024	2023
Net sales	(4)	38,632	35,947
Cost of sales	(5)	(16,288)	(15,186)
GROSS PROFIT		**22,343**	**20,762**
		57.8%	57.8%
Operating expenses	(6)	(11,555)	(10,853)
Other losses and income, net	(7)	(60)	(59)
GROSS OPERATING PROFIT (EBITDA)		**10,728**	**9,850**
Amortisation and depreciation	(8)	(3,174)	(3,041)
NET OPERATING PROFIT (EBIT)		**7,554**	**6,809**
Financial results	(9)	(77)	(11)
Results of companies accounted for using the equity method	(18)	99	72
PROFIT BEFORE TAXES (PBT)		**7,577**	**6,870**
Income tax	(25)	(1,700)	(1,475)
NET PROFIT		**5,877**	**5,395**
NET PROFIT ATTRIBUTABLE TO NON-CONTROLLING INTERESTS		**11**	**14**
NET PROFIT ATTRIBUTABLE TO THE PARENT		**5,866**	**5,381**
EARNINGS PER SHARE, euros	(10)	**1.884**	**1.729**

Consolidated statement of comprehensive income

(Amounts in millions of euros)	(Notes)	2024	2023
Net profit		5,877	5,395
Items that will be reclassified to the income statement in future years			
Other comprehensive income recognised directly in equity:			
Translation differences related to financial statements of foreign operations		(72)	(40)
Cash flow hedges			
Profit	(26)	7	-
Loss	(26)	-	(1)
Tax effect		(2)	(1)
Total		**(67)**	**(42)**
Transfers to the income statement:			
Cash flow hedges			
Profit	(26)	1	14
Loss	(26)	-	-
Tax effect		-	(2)
Total		**1**	**12**
Total comprehensive income for the period		**5,811**	**5,365**
Total comprehensive income attributable to:			
Equity holders of the Parent		5,800	5,351
Non-controlling interests		11	14
Total comprehensive income for the year		**5,811**	**5,365**

Consolidated Balance Sheet

(Amounts in millions of euros)	(Notes)	31/01/2025	31/01/2024
ASSETS			
NON-CURRENT ASSETS		**18,358**	**16,719**
Rights of use	(16)	5,269	5,097
Other intangible assets	(15)	1,411	1,223
Goodwill	(17)	196	197
Property, plant and equipment	(14)	10,005	8,337
Investment property		9	24
Financial investments	(18)	450	398
Other non-current assets	(19)	217	269
Deferred tax assets	(25)	800	1,174
CURRENT ASSETS		**16,356**	**16,016**
Inventories	(13)	3,321	2,966
Trade and other receivables	(12)	1,088	1,038
Income tax receivable	(25)	326	483
Other current assets		94	100
Other financial assets	(26)	25	7
Current financial investments	(21)	5,120	4,415
Cash and cash equivalents	(21)	6,382	7,007
TOTAL ASSETS		**34,714**	**32,735**
EQUITY AND LIABILITIES			
EQUITY		**19,676**	**18,672**
Equity attributable to the Parent		19,676	18,642
Equity attributable to non-controlling interests		-	30
NON-CURRENT LIABILITIES		**4,851**	**5,126**
Provisions	(22)	348	362
Other non-current liabilities	(23)	251	248
Financial debt	(21)	-	-
Non-current lease liability	(16)	4,180	4,123
Deferred tax liabilities	(25)	72	394
CURRENT LIABILITIES		**10,187**	**8,937**
Financial debt	(21)	7	16
Other financial liabilities	(26)	48	26
Current lease liability	(16)	1,542	1,428
Income tax payable	(25)	312	395
Trade and other payables	(20)	8,278	7,072
TOTAL EQUITY AND LIABILITIES		**34,714**	**32,735**

Consolidated statement of cash flows

(Amounts in millions of euros)	(Notes)	2024	2023
Profit before taxes and non-controlling interest		**7,577**	**6,870**
Adjustments to profit			
Amortisation and depreciation	(8)	3,174	3,041
Provisions for impairment		39	24
Results of companies accounted for using the equity method	(18)	(99)	(72)
Lease financial expenses	(9)	223	196
Others		111	125
Income tax paid		(1,539)	(1,460)
Funds from operations		**9,486**	**8,723**
Variation in assets and liabilities			
Inventories		(427)	130
Receivables and other current assets		(164)	(341)
Current payables		392	154
Changes in working capital		**(198)**	**(56)**
Cash flows from operating activities		**9,288**	**8,667**
Payments relating to investments in intangible assets		(465)	(473)
Payments relating to investments in property, plant and equipment		(2,207)	(1,399)
Payments relating to investments in companies		(14)	-
Collections relating to investments in other financial investments		55	78
Payments relating to investments in other financial investments		(4)	(17)
Payments relating to investments in other assets	(19)	(10)	(17)
Collections relating to investments in other assets	(19)	61	11
Changes in current financial investments		(705)	107
Cash flows from investing activities		**(3,288)**	**(1,709)**
Payments relating to non-current financial debt		-	(1)
Changes in current financial debt		(8)	4
Lease payments fixed charge		(1,802)	(1,733)
Dividends		(4,797)	(3,744)
Cash flows used in financing activities		**(6,607)**	**(5,473)**
Net increase in cash and cash equivalents		(607)	1,484
Cash and cash equivalents at the beginning of the year	(21)	7,007	5,561
Effect of exchange rate fluctuations on cash and cash equivalents		(18)	(38)
Cash and cash equivalents at the end of the year	**(21)**	**6,382**	**7,007**

Consolidated statement of changes in equity

(Amounts in millions of euros)	Equity attributable to the Parent										
	Capital	Share premium	Retained earnings	Other reserves	Reserves of companies accounted for using the equity method	Treasury shares	Translation differences	Cash flows	Subtotal	Non-controlling interests	Total equity
Balance at 1 February 2023	**94**	**20**	**16,460**	**540**	**279**	**(130)**	**(244)**	**(11)**	**17,008**	**25**	**17,033**
Profit for the year	-	-	5,381	-	-	-	-	-	5,381	14	5,395
Profit distribution	-	-	(53)	-	53	-	-	-	-	-	-
Dividends distribution	-	-	31	-	(31)	-	-	-	-	-	-
Transfers	-	-	(48)	-	-	-	48	-	-	-	-
Hyperinflation and other movements	-	-	(34)	-	(2)	-	5	-	(31)	-	(31)
Other comprehensive income for the year	-	-	-	-	-	-	(40)	10	(30)	-	(30)
· Translation differences related to foreign operations	-	-	-	-	-	-	(40)	-	(40)	-	(40)
· Cash flow hedges	-	-	-	-	-	-	-	10	10	-	10
Operations with equity holders or owners	-	-	(3,746)	22	-	38	-	-	(3,686)	(8)	(3,694)
· Share-based payments recognition	-	-	-	78	-	-	-	-	78	-	78
· Share-based payments exercise	-	-	(10)	(56)	-	38	-	-	(28)	-	(28)
· Dividends	-	-	(3,736)	-	-	-	-	-	(3,736)	(8)	(3,744)
Balance at 31 January 2024	**94**	**20**	**17,991**	**562**	**299**	**(92)**	**(231)**	**(1)**	**18,642**	**30**	**18,672**
Balance at 1 February 2024	**94**	**20**	**17,991**	**562**	**299**	**(92)**	**(231)**	**(1)**	**18,642**	**30**	**18,672**
Profit for the year	-	-	5,866	-	-	-	-	-	5,866	11	5,877
Profit distribution	-	-	(72)	-	72	-	-	-	-	-	-
Dividends distribution	-	-	44	-	(44)	-	-	-	-	-	-
Transfers	-	-	5	-	-	-	(5)	-	-	-	-
Hyperinflation and other movements	-	-	(25)	-	2	-	24	-	1	-	1
Other comprehensive income for the year	-	-	-	-	-	-	(72)	6	(66)	-	(66)
· Translation differences related to foreign operations	-	-	-	-	-	-	(72)	-	(72)	-	(72)
· Cash flow hedges	-	-	-	-	-	-	-	6	6	-	6
Operations with equity holders or owners	-	-	(4,815)	9	-	45	(6)	-	(4,767)	(41)	(4,808)
· Non controlling interest adquisition	-	-	10	-	-	-	(6)	-	4	(41)	(37)
· Share-based payments recognition	-	-	-	85	-	-	-	-	85	-	85
· Share-based payments exercise	-	-	(28)	(76)	-	45	-	-	(59)	-	(59)
· Dividends	-	-	(4,797)	-	-	-	-	-	(4,797)	-	(4,797)
Balance at 31 January 2025	**94**	**20**	**18,994**	**571**	**329**	**(47)**	**(290)**	**5**	**19,676**	**-**	**19,676**

NOTES TO THE CONSOLIDATED ANNUAL ACCOUNTS OF THE INDITEX GROUP **2024**

At 31 January 2025



INDITEX

1. Activity and description of the Group

Industria de Diseño Textil, S.A. with registered office in Spain (Avenida de la Diputación s/n, Edificio Inditex, Arteixo, A Coruña), is the Parent of the Inditex Group (hereinafter also 'the Group', 'the Inditex Group' or 'the Company'). Inditex is listed on all the four Spanish stock exchanges.

Our main activity consists of offering our customers an inspiring, high-quality and responsibly produced fashion proposal. This activity is carried out through various retail concepts: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home. Each concept operates through an online and store model that is managed directly by companies over which Inditex exercises control through the ownership of all or the majority of the share capital and of the voting rights, except in certain markets where, for several reasons, the business is carried out through franchises.

Certain franchise agreements entered into by the Group include purchase options which, if exercised, would essentially enable the Group to have access to the lease rights over the premises in which the franchised stores operate and the assets associated with these stores. These options may be exercised after a certain period of time has elapsed since the signing of the franchise agreement.

The Group holds joint ownership interests in the entities making up the Tempe Group. Based on an analysis of the contractual arrangements giving it joint control, the Group classified its ownership interest in the Tempe Group as a joint venture. The interest in the Tempe Group was accounted for using the equity method.

The Group does not have any other significant non-controlling interests.

Inditex has a unique business model that is clearly customer-oriented. This model helps face business environment challenges. The competitiveness in the sector, driven by new technologies and an increasingly awareness of environmental challenges, defines a context with a constantly evolving customer profile.

Furthermore, changes in macroeconomic, geopolitical, demographic and socioeconomic environment in supplier or distribution countries, or the retraction in consumption in certain markets, are, among others, factors which could affect the optimal achievement of our business targets. Business can also be affected by potential consequences of environmental factors, which could influence consumer demand patterns and the supply and demand of textile raw materials used to manufacture the garments, among others.

The internationalisation policy, the Group's multi-concept format, its sustainable production commitments and the support for total integration of channels and new technologies as alternatives for customer communication and sales, represent a means of risk diversification that mitigates our overall exposure to risks in the market.

The operation of this business model would not be feasible without the integration and flexibility of every stage of our value chain: design, procurement and manufacturing, logistics and distribution, and lastly, sales in our physical stores and online platforms.

Our designers' creative talent and innate ability to interpret trends, together with the analysis of sales and the daily feedback from our stores and sales teams, consistently enable us to anticipate, and even pre-empt, what our customers want. In addition, their active promotion and search for more sustainable materials and production processes help to raise standards of quality and to reduce the social and environmental impact of our activity.

Manufacturing and procurement is based on environmentally and socially responsible management of the supply chain which ensures dignified working conditions for all the workers of suppliers and manufacturers. Our supply chain has a global presence, organised through 10 supplier clusters with a highly significant part of procurement in areas close to our headquarters in Spain. This, together with short production series, gives us flexibility and control over the process, so we can adapt our commercial offering to changing trends as they arise.

The Group's various brands distribute their stock to stores and online warehouses around the world from centralised logistics hubs, efficiently integrating our store and online operations during the warehousing, shipping and distribution processes. By adopting and developing technologies such as Radio Frequency Identification (RFID) or the Integrated Stock Management System (SINT), we have merged the inventory management of all our brands. Thus, our staff can quickly locate any article, regardless of where it is located, and make it available to customers.

All our physical stores and online platforms are merged into a single sales environment. We take extreme care of all points of contact between our brands and customers: cutting-edge designs, sophisticated spaces and innovative technology to offer the best possible customer experience. We continuously think about how to improve our stores —located in the world's most exclusive shopping hubs and equipped with cutting-edge technology— while launching innovative proposals with high-level fashion editorials for our e-commerce.

The people working in our Company is a key factor to make possible the sustained and sustainable development of this model. A diverse team with 170 nationalities (174 nationalities in 2023), marked by its creative talent, its passion for fashion, teamwork, an enterprising spirit, permanent innovation and responsible effort.

At 31 January 2025, the various Group retail concepts had stores in operation with the following geographical distribution:

Number of stores

	Company Managed	Franchises	Total
Spain	1,051	36	1,087
Rest of Europe	2,443	170	2,613
Americas	603	180	783
Rest of the world	332	748	1,080
Total	**4,429**	**1,134**	**5,563**

At 31 January 2024, the geographical distribution of stores was as follows:

Number of stores

	Company Managed	Franchises	Total
Spain	1,120	37	1,157
Rest of Europe	2,467	160	2,627
Americas	602	172	774
Rest of the world	400	734	1,134
Total	**4,589**	**1,103**	**5,692**

The majority of company-managed store premises are held under leases. Information on the main terms of the leases is provided in Note 16.

2. Basis for preparation

The consolidated annual accounts of the Inditex Group, which Parent is Industria de Diseño Textil, S.A. (Inditex), for 2024 were prepared by the Board of Directors on 11 March 2025 and will be submitted for approval at the corresponding Annual General Meeting. It is considered that they will be approved without any changes. The consolidated annual accounts for 2023 were approved by the shareholders at the Annual General Meeting held on 9 July 2024.

These consolidated annual accounts were prepared in accordance with the International Financial Reporting Standards (IFRS) and related interpretations (IFRIC and SIC) adopted by the European Union (IFRS-EU) and with the other provisions of the applicable regulatory financial reporting framework.

The financial year of the Parent and that of most of its subsidiaries starts on 1 February of each year and ends on 31 January of the following year. The twelve-month period ended 31 January 2025 will hereinafter be referred to as '2024', the twelve-month period ended 31 January 2024 as '2023', and so on.

The consolidated financial statements are presented in euros, since the euro is the Group's presentation currency.

Unless otherwise stated, the amounts shown in these consolidated annual accounts are expressed in million euros.

The separate annual accounts of Inditex for 2024 were prepared by the Board of Directors in a separate document to these consolidated annual accounts.

These consolidated annual accounts present fairly the equity and financial position of the Inditex Group at 31 January 2025, as well as the results of its operations, the changes in equity and the cash flows for the year then ended.

The consolidated annual accounts of the Inditex Group for 2024 were prepared on the basis of the accounting records of Inditex and of the other Group companies.

The Group uses certain performance measures additional to those defined in IFRS, since these measures include information that is essential to assess the evolution of the Group.

In the consolidated income statement, gross profit, EBITDA, EBIT and PBT are defined as follows:

- Gross profit: the difference between sales and the cost of sales. Note 4 and Note 5 contain detailed information on the items included in these line items in the consolidated income statement. The percentage gross profit is calculated as the gross profit in absolute terms as a percentage of net sales.
- Gross operating profit (EBITDA): earnings before financial results, results of companies accounted for using the equity method, taxes, depreciation and amortisation, calculated as the gross profit less operating expenses and other gains and losses, net.
- Net operating profit (EBIT): earnings before financial results, results from companies accounted for using the equity method and taxes, calculated as EBITDA less depreciation and amortisation.
- Profit before taxes (PBT): calculated as EBIT, financial results and results from companies consolidated by equity method.

Other alternative performance measures are as follows:

- Return on capital employed (ROCE): defined as PBT divided by average capital employed in the year, average of equity attributable to the Parent plus average net financial debt for the year. The average capital employed considered for the ROCE calculation by retail concept relates to the non-current assets, excluding the deferred tax assets, of the concept.
- Return on equity attributable to the Parent (ROE): defined as net profit attributable to the Parent divided by average equity attributable to the Parent for the year.
- Working capital: defined as inventories plus receivables minus trade and other payable and income tax payable, in the consolidated balance sheet.
- Net financial position: defined as cash and cash equivalents and current financial investments less current and non-current financial debt, with explicit interest (without considering lease debt).
- Average net financial debt: defined as current and non-current financial debt with explicit interest (without considering lease debt), less cash and cash equivalents and current financial investments (considered zero if the result is negative).

- Store operating profit: income generated by sales, at both physical stores and online, as well as all expenses directly attributable and necessary to generate said income.

- Quarterly results: calculated as the difference between the cumulative income statement at the end of each quarter less the cumulative income statement at the end of the immediately preceding quarter.

- Sales growth at constant exchange rates: year-on-year change in like-for-like sales growth, eliminating the exchange rate effect. This is defined as the calculation of sales in both periods, applying the exchange rate for the comparable period.

- Sales in comparable stores: year-on-year change in sales, considering those stores that have remained open continuously, without closures or refurbishments, throughout the entire period for comparison.

These consolidated annual accounts have been prepared on a going concern basis, in the absence of doubts as to the Group's ability to continue its operations. The assessment that there are no material uncertainties affecting the Group's capacity to continue with its operations was based on the following information:

- The Group obtained positive results in 2024 overall and in all of its operating segments (Note 11).

- Performance forecasts for spring/summer 2025.

- The capacity to adapt the supply chain to changing conditions.

- The flexibility of the model based on sales channel integration.

- The capacity to manage the financial risks to which the Group is exposed (Note 26 Financial instruments and risk management policy).

- The positive net financial position and the existence of sufficient undrawn financing facilities to fund the Group's activities (Note 21 Net financial position).

Macroeconomic environment

The uncertain and challenging macroeconomic and geopolitical environment were again hallmarks of this year. Inflation generally continued to moderate during the year, albeit at times more slowly than initially expected, resulting in a slowdown in the process of rate normalisation by the monetary authorities. The pressure on input costs for goods, services and also labour costs has moderated as a result of this context. Economic growth and consumption lived up to expectations, although some of our markets show signs of fragility accompanied by political and economic uncertainty. Financial markets experienced episodes of volatility during the year. Emerging currencies in particular experienced episodes of volatility, largely influenced by movements in the US dollar.

Geopolitics continued to shape the environment. Although instability in the Middle East continued, our operations were not significantly disrupted. Transport transit times adapted to this new environment and its impact was not material. Geopolitical instability also affected some of our sourcing and manufacturing clusters. Although Bangladesh, now a major textile producer, experienced a sudden political change during the year, our sourcing of goods was not affected.

Operations in our physical and online stores in Ukraine, which were suspended as a result of the outbreak of the conflict in that country in February 2022, were resumed in April 2024.

In this very challenging context, once again the flexibility of our business model has come to the fore. Spending has been systematically and rigorously controlled.

Material estimates and measurement of uncertainty

In preparing the consolidated financial statements as at 31 January 2025 judgements and estimates were made in order to measure certain assets, liabilities, income, expenses and obligations reported herein. Below are the estimates and assumptions most exposed to uncertainty:

- The assessment of possible impairment losses on certain non-current, non-financial assets. In determining the recoverable value of non-current assets (in accordance with the methodology described in Note 3.2.f), estimates are made of the cash flows at cash-generating units (CGUs) for which purpose assumptions are made such as estimated sales growth at comparable stores, the performance of operating expenses and the gross margin of each of the CGUs. These estimates are based on the Group's past experience, as well as on macroeconomic indicators, and the costs incurred by the Group in relation to implementing the sustainability strategy are also considered. Accordingly, these estimates are affected by uncertainty to the extent that they depend on the future performance of each cash-generating unit and on the possibility of there being events outside the Group's control (such as mandatory temporary closures of physical stores), or a general decline in the economic environment that worsens revenue forecasts, as well as the costs increase.

- The determination of inventory costs and its net realisable value. In establishing the recoverable value of inventories (in accordance with the methodology described in Note 3.2.h), estimates of net realisable value are used, based on assumptions linked primarily to the success of the collections, which determines sales performance, stock rotation, the volume of discounted units and the percentage discount. These estimates are affected by uncertainty to the extent that they depend on future events associated with the collections' commercial success.

- The opinions related to the determination of the lease term, as well as the estimation of the discount rates applied in the measurement of the liability under IFRS 16.

- The assessment of counterparty credit risk of financial institutions in which the Group holds cash and cash equivalents and current financial investments.

The remaining estimates, judgements and assumptions considered in preparing these consolidated annual accounts are as follows:

- The consideration of the online business in the model of the non-current assets impairment test.

- The useful life of property, plant and equipment, intangible assets and investment property.
- The fair value of certain assets, mainly financial instruments.
- The assumptions used in the actuarial calculation of liabilities for pensions and other obligations with employees.
- The calculation of the provisions required for contingencies relating to litigation in progress and doubtful debts.
- The recovery of deferred tax assets on the basis of the existence of future taxable profits.

The estimates used took into account the risks deriving from climate change. The costs linked to the sustainability strategy are factored into the Group's budgets and business plans which generally cover a 3-year period, and are used to test the impairment of the Group's non-financial assets (Note 3.2.f). However, given the nature of the Group's assets and the mitigation measures that it is implementing as part of its sustainability strategy (Note 32), the risks deriving from climate change or the costs and investments stemming from compliance with the sustainability objectives established by the Group are not considered to have a material impact on the estimates of the useful lives of assets, the realisable value of inventories or the analyses in the impairment testing of non-financial assets.

These estimates were made using the best information available at the time of preparation of this consolidated annual accounts. However, events that take place in the future might make it necessary to change these estimates. Changes in accounting estimates would be applied prospectively in accordance with IAS 8.

In preparing these consolidated annual accounts the Group omitted any information or disclosures which, not requiring disclosure due to their qualitative importance, were considered not to be material in accordance with the concept of materiality defined in the IFRS Conceptual Framework.

The basis of consolidation and accounting policies applied are disclosed in Note 3.

3. Selected accounting policies

3.1. Basis of consolidation

i) Subsidiaries

Subsidiaries are entities over which the Parent has control and, therefore, the power to govern their financial and operating policies *(Note 1)*. Subsidiaries are consolidated by aggregating the total amount of their assets, liabilities, income, expenses and cash flows, after making the adjustments and eliminations relating to intra-Group transactions. The results of subsidiaries acquired during the year are included in the consolidated annual accounts from the effective acquisition date. A detail of the subsidiaries is provided in Annex I.

For business combinations any excess of the consideration transferred plus the value assigned to non-controlling interests over the net amounts of the assets acquired and the liabilities assumed is recognised as goodwill. Where appropriate, the deficiency, after assessing the amount of the consideration transferred, the value assigned to the non-controlling interests and the identification and valuation of the net assets acquired, is recognised in profit or loss.

Acquisitions of equity interests in businesses subsequent to obtaining control and partial disposals that do not result in a loss of control are recognised as transactions with shareholders in equity.

The non-controlling interests shown in the consolidated statement of changes in equity relate to non-controlling interests in subsidiaries, and they are presented in consolidated equity separately from the equity attributable to shareholders of the Parent.

The profit or loss and each component of other comprehensive income are allocated to the equity attributable to shareholders of the Parent and to non-controlling interests in proportion to their interests, even if this results in the non-controlling interests having a deficit balance.

Agreements entered into between the Group and non-controlling interests are recognised as a separate transaction.

The share of non-controlling interests of the equity and income of the subsidiaries is presented under 'Equity attributable to non-controlling interests' and 'Net profit attributable to non-controlling interests', respectively.

ii) Jointly controlled entities

Jointly controlled entities are those entities over whose activities the Group has joint control, established by contractual arrangement. As indicated in *Note 1*, on the basis of the analysis performed of the contractual arrangements, the Group classified these interests as joint ventures. Pursuant to IFRS 11, Joint Arrangements, these entities are accounted for using the equity method in the consolidated financial statements. A detail of the jointly controlled entities is included in Annex I.

iii) Harmonisation of criteria

Each of the companies included in the consolidation perimeter prepares its annual accounts and other accounting records in accordance with the corresponding reporting standards, based on the legislation in force in the country of origin. Where these recognition and measurement criteria differ from those adopted by the Inditex Group in preparing its consolidated annual accounts, they are adjusted in order to present the consolidated annual accounts using uniform accounting policies.

iv) Intra-Group eliminations

All intra-Group receivables, payables and transactions, and any intra-Group gains or losses not yet realised vis-à-vis third parties, are eliminated in the consolidation process.

v) Translation of financial statements denominated in foreign currencies

The financial statements of companies with a functional currency other than the euro, except in the case of hyperinflationary countries, have been translated as follows:

- Assets and liabilities are translated to euros at the exchange rates prevailing at year-end.
- Items composing the equity of these companies are translated to euros at the historical exchange rates (or, for retained earnings, at the average exchange rates for the year in which they were generated).
- Income and expenses are translated to euros at the exchange rates prevailing at the dates on which they were recognised, while average exchange rates are used in those cases in which the application of this simplifying criterion does not generate significant differences.

The differences arising from the application of these exchange rates are included in consolidated equity under 'Translation differences'.

However, exchange differences arising from trade balances payable and receivable and financing transactions between Group companies, with foreseeable settlement, are recognised in profit or loss for the year.

vi) Financial statements in hyperinflationary economies

Since 31 July 2022 Türkiye has been considered a hyperinflationary economy. Consequently, the Group's financial statements of Turkish subsidiaries (see Annex I) have been integrated into the consolidated financial statements by making the hyperinflation adjustments provided for in IAS 29 in order to reflect changes in the overall purchasing power of their currencies; that is, the financial statements that were at historical values have been restated to current values, applying the corresponding general price index and converted to the Group's presentation currency, considering the closing exchange rate between the euro and the Turkish lira (37.3 Turkish lira per euro). The Consumer Price Index of general acceptance in Türkiye has been used to restate the financial statements at current values. These adjustments were made retrospectively since 1 February 2022.

The Argentine subsidiaries had been considered as hyperinflationary economies since 1 August 2018, and was integrated into the consolidated financial statements by making the hyperinflationary adjustments provided for in IAS 29, until their removal from the consolidation perimeter in December 2023.

Hyperinflation adjustment has not been significant in the net profit attributed to the Parent or the net equity of the Group.

There are no other companies in the consolidation perimeter of the Group, with the exception of the aforementioned, which have been considered hyperinflationary economies.

vii) Companies with a reporting date that differs from that of the Group

Companies with a reporting date that differs from that of the consolidated annual accounts were consolidated using the financial statements at their respective reporting dates (see Annex I). Temporary adjustments are made to reflect the effect of transactions occurring between the reporting date of these subsidiaries and that of the consolidated annual accounts.

viii) Changes in the scope of consolidation

Annex I details all the companies in the consolidation perimeter. In 2024, the following changes occurred in the consolidation perimeter:

- Setting up of the following companies: Bershka Retail India Private Limited, Zara Home Retail India Private Limited, Emea Aspire Trading Fze, Nexfashion International Trading Fze, Tempe Levante, S.L.
- Increase in stakes in subsidiaries or other acquisitions: in September 2024, 14% of the shares of Inditex Trent Retail India Private Limited was acquired, thus giving Industria de Diseño Textil, S.A. 65% of the shares of the aforementioned company. In addition, in November 2024, 100% of the share capital of Montepino Logística Zaragoza, S.L.U. was acquired (later denominated Inversiones Logísticas Zaragoza, S.L.). The aforementioned acquisitions did not have a material impact on the consolidated annual accounts for 2024.
- The following companies were dissolved and, if applicable, liquidated: Pull & Bear Commercial (Beijing) Co. Ltd., Uterqüe Giyim Ithalat Ihracat Ve Ticaret Limited Sirketi, Stradivarius Cis Limited Liability Company, Stradivarius Commercial (Shanghai) Co. Ltd, Bershka Korea, Ltd., Stradivarius Hong Kong, Ltd., Oysho Korea, Ltd., Oysho Macau Limited, Zara Home Hong Kong Limited, Uterqüe Polska Sp. Z O.O., Tempe Giyim Ithalat Ihracat Ve Ticaret Limited Sirketi.

3.2. Accounting policies

Standards effective for application in reporting periods beginning on or after 1 January 2024

The accounting policies used to prepare these consolidated annual accounts are the same as those applied to the consolidated annual accounts for the year ended 31 January 2024, since none of the standards, interpretations or amendments that are applicable for the first time this year have had an impact on the Group's accounting policies.

Standards and amendments issued and approved for application in the EU in reporting periods beginning on or after 1 January 2025

The Group is analysing the impact of the new standards and amendments to the existing ones entering into force in the European Union from 1 January 2025 onwards, although they are not expected to have a material effect on the consolidated annual accounts on the date on which their application becomes mandatory in the European Union.

Standards issued and pending approval for use in the European Union

At the date of preparation of these consolidated annual accounts, the following standards and/or amendments to the standards with potential impact for the Group had been issued by the IASB but were pending approval for their use in the European Union:

- New IFRS 18 Presentation and Disclosure in Financial Statements, which introduces, among other changes, requirements to improve companies' disclosure of their financial performance and provide investors with a better basis for analysing and comparing companies. Mandatory in the years beginning from 1 January 2027.
- Amendments to IFRS 9 and IFRS 7 amending certain criteria for the classification and measurement of financial instruments, and allowing better accounting for renewable energy contracts in the financial statements. Mandatory in the years beginning from 1 January 2026.

The Group is analysing the impact of the new standards and amendments to existing ones, although they are not expected to have a significant effect on the consolidated annual accounts on the date when their application is mandatory in the European Union.

a) Translation of foreign currency balances and transactions

Foreign currency transactions are translated by applying the exchange rates prevailing at the date of the transaction (except in the case of hyperinflationary countries). Monetary assets and liabilities denominated in foreign currencies are translated to euros at the end of the reporting period using the closing rate. Exchange differences arising on translating these items at those exchange rates are recognised in the consolidated income statement for the year as financial result.

In presenting the consolidated statement of cash flows, cash flows arising from transactions in a foreign currency are translated to euros by applying the exchange rates at the date of the cash flow. The effect of exchange rate changes on cash and cash equivalents denominated in foreign currency is presented separately in the statement of consolidated cash flows under 'Effect of exchange rate changes on cash and cash equivalents'.

b) Property, plant and equipment

Items of property, plant and equipment are stated at cost, including any additional costs incurred until the assets are ready for their intended use, less accumulated depreciation and any impairment losses or write-downs that have to be recognised (Note 3.2.f).

Depreciation is taken on a straight-line basis over the estimated useful lives of the assets.

The estimated average useful lives are as follows:

Description	Useful life (years)
Buildings	25 to 50
Fixtures, furniture and machinery	8 to 25
Other property, plant and equipment	4 to 13

The Group reviews the useful lives of its property, plant and equipment at each financial year-end. Any change in the initially established estimates is accounted for as a change in an accounting estimate.

After initial recognition of an asset, only those costs that it is probable will give rise to future economic benefits and that can be measured reliably are capitalised.

Periodic maintenance, upkeep and repair expenses are recognised in profit or loss as they are incurred.

c) Other intangible assets

The main intangible assets of the Group are:

- Industrial property: intellectual property is charged for the amounts paid for the acquisition of title to or the right to use the related items, or for the expenses incurred in registration of the rights developed by the Group. It is amortised on a straight-line basis over a maximum period of ten years.

- Computer software: software is stated at cost and is amortised on a straight-line basis over a five to ten-year period.

- Industrial designs: these items are reflected at their production cost, which includes the cost of samples, staff costs and other directly or indirectly attributable costs, and are amortised on a straight-line basis over an estimated useful life of two years.

- Intellectual property: stated at cost and includes costs of right-of-use and development of online content. Amortised on a straight-line basis in less than one year.

- Other intangible assets: contractual rights relating to the reopening and operation as a franchise of the assets transferred in the sale in 2023 of the business in the Russian market. They are measured at the carrying amount of the asset delivered, and are amortised on a straight-line basis over a maximum period of 11 years.

The Group reviews the useful lives of its intangible assets at each reporting date. Any change in the initially established estimates would be accounted for as a change in an accounting estimate.

d) Equity holdings or instruments

Investments in companies over which the Group does not exercise significant influence are recognised at fair value through income statement.

e) Investment property

Investment property consists of assets held to generate rental income or for capital appreciation or both, and is stated at cost of acquisition less accumulated depreciation and any impairment losses that have to be recognised (Note 3.2.f). Investment property is depreciated on a straight-line basis over the useful lives of the corresponding assets.

f) Impairment of non-current assets

The Group periodically assesses whether there are any indications that its non-current assets, including goodwill, might have become impaired, in order to determine whether their recoverable amount is lower than their carrying amount (impairment loss). In the case of goodwill the impairment tests are performed at least once a year or more frequently if there are indications of impairment.

Impairment of non-current assets (property, plant and equipment and intangible assets) other than goodwill

The Group has developed a general, systematic procedure for carrying out these impairment tests based on the monitoring of certain events or circumstances, principally an analysis of commercial premises that have passed the initial period of consolidation determined by the Group for the generation of profits and which are incurring operating losses, as well as operating decisions regarding the continuity of a particular location, or other circumstances which indicate that the value of an asset may not be recovered in full. This methodology is applied to all the stores, except for those which, because of their importance, are considered to generate flows at a higher aggregation level (retail concept-country), as is the case of flagship stores and corporate assets. Flagship stores are those whose characteristics (basically their being in Premium locations) globally contribute to the overall set of the same brand's cash-generating units located in the country. For the impairment test, flagship stores are considered together with the other cash-generating units of a single retail concept and country.

Corporate assets essentially refer to the distribution centres, and the impairment tests are performed grouping together the cash generating units of each operating segment.

The operating profit is defined as total sales revenue less all the directly attributable expenses required to generate that revenue.

For those cash-generating units (CGUs) that are scheduled to be closed, an impairment loss is recognised using the same methodology.

In determining the assets with each CGU, the Group includes the net carrying amount of property, plant and equipment and intangible assets associated with that CGU, and the rights of use stemming from the lease agreements. Directly-related lease liabilities are not taken into account when determining the carrying amount of the CGU. Hence, in order to ensure consistency, the lease payments associated with this liability are not treated as cash outflows in calculating the cash flows of each CGU.

The recoverable amount of assets is the higher of fair value less costs to sell and value in use. Value in use is determined on the basis of the expected future cash flows for the period in which these assets are expected to generate revenue, expectations about possible variations in the amount or timing of those future cash flows, the time value of money, the price for bearing the uncertainty inherent in the asset, and other factors that market participants would consider in pricing the future cash flows to be derived from the asset.

Recoverable amount is determined for each individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs. Based on the actual management of operations, the Group has defined each of the commercial premises in which it carries out its activities (stores) as basic cash-generating units, although these basic units can be aggregated at retail concept-country level, or even at the level of all the companies located in a given country or all the companies corresponding to a given retail concept (retail concept level). Group assets which are not clearly assignable under this structure (for example industrial or logistics assets) are treated separately in a manner consistent with this general policy but considering their specific nature. In this case, the aforementioned indicator of impairment is applied at a higher aggregation level (retail concept-country, country or retail concept) and if it is necessary to calculate the impairment, all the cash flows generated at that

aggregation level must be capable of ensuring the recovery of all the assets associated therewith.

The Group uses the budgets and business plans, which generally cover a period of three years, of the various cash-generating units to which the assets are assigned. The key assumptions on which the budgets and business plans are based are estimated sales growth in comparable stores and the evolution of the operating expenses and gross profit of each of the cash-generating units, based on experience and knowledge of the trends in each of the markets in which the Group operates and on the macroeconomic indicators that reflect the current and foreseeable economic situation for each market. Considering the Group's business model, online sales and associated costs by retail concept/country are attributed proportionally to the cash-generating units of each retail concept/country.

The estimated cash flows are extrapolated to the period not covered by the business plan using a growth rate and expense structure that are similar to those of the last year of the business plan in the remaining term of the leases for the commercial premises or without any time limit in the case of company-managed premises (perpetual income). Where the growth rates exceed the industry or country rates, the latter reflect Group's best estimates regarding the business performance, based on its understanding of each market.

The discount rate used is based on the weighted average cost of capital (WACC), which reflects the financing cost of the company adjusted for its capital structure (it is considered the lease liability). For its calculation, among other variables, the country risk premium of each of the Group's regions is used, as well as a risk-free rate derived from the curves of the most liquid 10-year bonds on the market.

The after- tax average discount rate, resulting from those applied by the Group in the various markets, used for the purpose of calculating the present value of the estimated cash flows was as follows:

	2024 Average	2023 Average
Spain	10.40%	9.68%
Rest of Europe	12.23%	12.48%
Americas	10.46%	10.90%
Asia and rest of the world	10.79%	9.52%

The recoverable value of the assets calculated with pre-tax discount rates would not differ, since these are in the following averages:

	2024 Average	2023 Average
Spain	10.47%	9.76%
Rest of Europe	12.30%	12.57%
Americas	10.60%	11.06%
Asia and rest of the world	10.88%	9.64%

In testing the impairment of fixed assets, the key assumptions on which the budgets and business plans are built have been updated with the most recent information available, which factors in the uncertainty generated by the current macroeconomic and geopolitical environment, the demand for the products sold by the Group and other considerations affecting the estimated operating margin of each of the cash-generating units.

The results obtained from the 2024 impairment test performed on non-current assets (property, plant and equipment and intangible assets) are shown in the tables of changes included in these Notes 14, 15 and 16 to the consolidated annual accounts relating to property, plant and equipment, other intangible assets and leases.

The related charge for the period amounting to 66 million euros (80 million euros in 2023) (Notes 8, 14, 15 and 16) is due primarily to the impairment corresponding to the closures scheduled and the impairment calculated based on the methods described previously.

Impairment losses reversed in the period amounting to 27 million euros (32 million euros in 2023) (Notes 8, 14, 15 and 16) correspond to those CGUs for which impairment had been recognised in prior years and for which, due to their earnings performance, the calculation for the year shows that the estimated flows make it possible to recover the value of the assets associated with the CGUs and, consequently, the impairment losses recognised in prior years are fully or partially reversed.

In addition, considering the current macroeconomic context, the Group has carried out a sensitivity analysis of the result of the impairment test given the following changes in assumptions:

- A 200 basis point increase in the discount rate.
- A 10% reduction on future flows.

The sensitivity analysis evidences the existence of an additional asset impairment amounting to 3 and 7 million euros for each of the assumptions, respectively.

Impairment of goodwill

Goodwill acquired through a business combination is allocated to the group of basic cash-generating units aggregated at retail concept-country level, for the purpose of performing the related impairment tests. This aggregation is made on the basis of:

- The degree of independence of the cash flows in each case.
- How the Group monitors the economic performance of its operations, and the model with which its operations are conducted.
- The degree to which the CGUs are subject to the same macroeconomic circumstances.
- The level with which the goodwill would be naturally associated on the basis of the business model.

In any case, this aggregation is never larger than an operating segment, as defined in IFRS 8.

Each year, or more often if there are indications of impairment, an impairment test is performed, using the methodology described in the preceding point, unless, if the CGU in question is an acquired company, the cash flow analysis is performed considering a period of five years, after which perpetual income is projected using a perpetuity growth rate of 2% with respect to the growth of the preceding period. The impairment tests for 2024 and 2023 did not give rise to the recognition of any impairment loss on goodwill.

In addition, the Group has performed a sensitivity analysis similar to the one described in the section on non-current fixed assets. This sensitivity analysis does not imply any additional impairment in 2024.

Reversals of impairment losses

Reversals of impairment losses on fixed assets are recognised with a credit to 'Amortisation and depreciation' in the consolidated income statement, up to the limit of the carrying amount that the asset would have had, net of depreciation or amortisation, had the impairment loss never been recognised, solely in those cases in which, once the internal and external factors have been assessed, it can be concluded that the indications of impairment that led to the recognition of the impairment losses have ceased to exist or have been partially reduced.

The reversal of an impairment loss for a CGU is allocated to the assets of the unit, except for goodwill, pro rata with the carrying amounts of those assets and taking into account the limit for the reversal referred to in the preceding paragraph.

An impairment loss recognised for goodwill must not be reversed in a subsequent period.

g) Trade and other receivables

Receivables are initially recognised at fair value and subsequently at their amortised cost in accordance with the effective interest rate method, less the provision for losses through impairment.

A provision for impairment losses of trade receivables is established when the requirements set out in section I) Financial instruments are complied with. The amount of the provision is recognised in the income statement.

h) Inventories

Inventories are measured at the lower of acquisition or production cost and net realisable value.

The cost of inventories comprises all costs of purchase and costs of conversion, as well as design, logistics and transport costs and any directly allocable costs incurred in bringing the inventories to their present location and condition.

The costs of conversion comprise the costs directly related to the units of production and a systematically calculated portion of indirect, variable and fixed costs incurred during the conversion process.

Cost is calculated on a FIFO basis and includes the cost of materials consumed, labour and manufacturing expenses.

At each accounting close, the Group calculates the provision corresponding to the inventories that are estimated to be sold below their acquisition price. This provision is made for each campaign and for each retail concept.

Net realisable value is understood to be:

- Raw materials and other supplies: replacement cost. However, raw materials and other supplies are not written down below cost if the finished goods in which they will be incorporated are expected to be disposed of at or above production cost.
- Goods in progress: the estimated selling price for the corresponding finished goods, less estimated costs of completion.
- Finished goods for sale: estimated selling price in the normal course of business. In this regard, the Group's goods are sold in stores and online. Additionally, and to a very limited extent, goods not sold in stores or online are sold through third parties.

The selling price of goods varies over the course of their commercial lifetime, and during sale season a part of the various collections is sold at a discount.

To determine net realisable value, all costs necessary for the realisation of the sale, both incremental and direct costs specific to the realisation of the sale, are taken into account. In this regard, the Group does not have notable direct and specific costs linked to the sale of provisioned items. However, the Group has indirect selling costs such as staff or store lease expenses; following an accounting treatment similar to that of IAS 36 (definition of 'costs of disposal') and IFRS 5 (definition of 'costs to sell'), the Group considers that these costs should not be taken into account in the determination of the net realisable value provision, as they are not considered direct and specific costs.

Furthermore, the determination of net realisable value is influenced by the evolution of various commercial variables, linked primarily to the success of the collections, which determines sales performance, stock rotation, the volume of discounted units and the discount percentage.

The Group's methodology for estimating the performance of these commercial variables consists of taking as a basis the historical information, the actual performance of the current collection up to the date on which these estimates are made and the end-of-campaign forecasts, i.e. considering not only the performance of the various commercial variables of similar campaigns in previous years, but also the actual data and forecasts of how the current campaign will develop in order to evaluate and consider the impacts associated with possible deviations from the historical performance. This analysis is carried out for each retail concept to ensure maximum reliability of the estimates.

i) Cash and cash equivalents

Cash and cash equivalents include cash on hand and demand deposits at banks. They also include other short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, on initial investment. Investments which mature in less than three months from the acquisition date are also included.

In the statement of cash flows, bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents. Bank overdrafts are recognised in the consolidated balance sheet as financial liabilities relating to bank borrowings.

j) Employee benefits

Obligations to Group personnel to be settled in the long term are estimated based on the dates on which they vest through the application, where appropriate, of actuarial assumptions. The Group has allocated a provision to cover the liability corresponding to the estimated portion vested at year end.

The staff costs incurred in the year are determined based on the best estimate of the degree to which the conditions giving entitlement to payment have been met and the period that has elapsed since the commencement of the vesting period for each of the obligations.

The staff costs incurred in relation to the beneficiaries of the plans referred to in Note 27 to the consolidated annual accounts are recognised with a credit to liability and equity accounts in the period in which the costs are incurred.

k) Provisions and contingent liabilities

Provisions are recognised in the balance sheet when:

- the Group has a present obligation (legal or constructive) as result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are quantified on the basis of the best information available at the date of preparation of the annual accounts and are reviewed at the end of each reporting period.

If it is no longer probable that an outflow of resources will no longer be required to settle the obligation, the provision is reversed. The provision is reversed against the consolidated income statement item where the corresponding expense was recognised.

There are no risks that might give rise to significant future contingencies affecting the Group that have not already been taken into account in these consolidated annual accounts.

On the other hand, contingent liabilities are possible obligations that arise as a result of past events, whose future materialisation is conditioned by whether or not one or more future events beyond the control of the Group occur. Unlike provisions, contingent liabilities are not recognised in the consolidated balance sheet, but are disclosed in the accompanying Notes to the annual accounts, unless the possibility of an outflow in settlement is considered to be remote.

The Group guarantees the debts of certain companies in the Netherlands, pursuant to the provisions of Article 403.1, Book 2, Part 9 of the Civil Code of the Netherlands.

l) Financial instruments

Financial assets

The Group's financial assets are maintained within a business model that aims to collect the contractual cash flows of financial assets, which are exclusively the principal and interest. For this reason, all of the Group's financial assets are valued after the initial recording at amortised cost, with the exception of bonds, investment funds and derivative financial instruments, which are valued at their fair value.

Financial assets recognised at amortised cost: the amortised cost is determined using the effective interest rate method, which is the discount rate that equals the value of all future expected cash flows of a financial asset during its remaining life, excluding losses for impairment, to the value of said financial asset at the time of initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is initially recognised, less the repaid principal amounts, plus interest recognised by the effective interest rate method, less any impairment loss. The interest income derived from the application of the effective interest rate method is recognised as a financial result in the consolidated income statement. However, given that most of the Group's financial assets valued at amortised cost correspond to accounts receivable from customers and temporary financial investments, with maturities in the short term, the impact on the consolidated income statement for the years 2024 and 2023 of the effective interest rate method is not relevant.

Financial assets measured at fair value: investment funds, as well as derivative financial instruments, which are maintained within the exchange rate risk hedging policy, are measured at their fair value. On the other hand, securities (which for the most part correspond to the guarantees of compliance with lease contracts for premises), are valued at their fair value, which does not differ significantly from the value of the consideration given.

Impairment of financial assets

The Group recognises a provision for impairment for financial assets recognised at amortised cost. This provision is updated at each closing date to reflect changes in the credit risk of each financial instrument since its initial recognition.

The Group's policy is to recognise the credit losses expected at 12 months, provided that:

- The credit risk is low at the time of initial recognition of the financial asset.
- The credit risk has not increased significantly since recognition date.

Otherwise, the Group would recognise the expected loss during the life of the financial asset. In such case, interest is calculated on the gross value of the financial asset. Additionally, if after the significant increase in credit risk, objective evidence of impairment of the financial asset is shown, interest is calculated considering the value of the financial asset, net of the recognised impairment. On the other hand, it is considered that a financial asset is unpaid when its expiration date has not been reimbursed.

To measure credit losses expected at 12 months on financial instruments other than trade receivables (Note 26) a methodology is used based on probability of default (PD), loss given default (LGD) and exposure at default (EAD), using market information. This methodology enables expected credit losses from the counterparty to be measured at the time of the initial recognition of the financial assets and allows it to be determined whether, at each accounting close date, there has been a significant increase in the risk of these financial assets or if the counterparty has incurred in default. This information is subject to periodic review by the Group's Management, which determines when there has been a significant increase in the counterparties' estimated credit losses. The estimated impairment loss is not significant, since almost all financial assets have a low risk.

In turn, for accounts receivable of commercial origin (Note 12), the Group has a methodology analogous to the one described above (Note 26), although in this case the measurement of credit risk of the counterparties is based on factors that affect the ability of debtors to meet payment obligations, such as factors of the economic environment where they operate or the history of defaults of the counterparty with the Group.

Likewise, a commercial debtor is considered to have incurred non-payment when it has not met its obligations at maturity, in which case a provision is established based on seniority for the past due balances held with said debtor.

Derecognition of financial assets

Financial assets are derecognised from the consolidated balance sheet when the contractual rights to receive cash flows from the asset expire or when substantially all the risks and benefits associated with their property are transferred to another entity.

m) Derivatives and hedging operations

Financial instruments acquired by the Group to hedge forecast transactions in foreign currencies are initially recognised at fair value.

Foreign currency hedges relating to forecast transactions are treated as cash flow hedges, and therefore any gains or losses derived from measuring the hedging instrument at fair value which correspond to the effective portion of the hedge are recognised in equity. The ineffective portion is charged to finance costs or credited to finance income, as appropriate.

Amounts recognised in equity are taken to income when the forecast transaction takes place with a charge or credit to the income statement heading under which it was recognised. Also, gains or losses recognised in equity are reclassified to finance income or costs when the forecast transaction is no longer expected to occur. The fair value of the hedges is recognised, depending on whether it is positive or negative, under 'Other financial assets' or 'Other financial liabilities' in the accompanying consolidated balance sheet.

In order for these financial instruments to qualify for hedge accounting, they are initially designated as hedging instruments and the hedging relationship is documented. Also, the Group verifies, both at inception and periodically over the term of the hedge, using 'effectiveness tests', that the hedging relationship is effective, i.e. that it is prospectively foreseeable that the changes in the fair value or cash flows of the hedged item (attributable to the hedged risk) will be almost fully offset by those of the hedging instrument. In addition, the ineffective portion of the hedging instrument is recognised immediately in the income statement.

Any gains or losses from changes in the fair value of financial instruments that are not considered to be accounting hedges are recognised directly in the income statement.

The fair value of the instruments was calculated using valuation techniques based on the spot exchange rate and yield curves, according to the fair value hierarchy shown below:

Level 1

Fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Fair value is calculated on the basis of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

A fair value measurement in which some significant variable is based on unobservable inputs for the asset or liability.

The measurement methodology, based on the aforementioned hierarchy, is as follows:

Level 2 instruments

The Group assigns the assets and liabilities associated with its OTC derivative positions to this level and measures them using observable market inputs.

Level 3 instruments

The Group allocates assets and liabilities related to its derivative positions where there are no observable market inputs. They are estimated through implicit market forward curves and extrapolations of observable market data. In the case of options, pricing models based on Black & Scholes formulas are used.

The Group does not have financial instruments included in Level 1.

Accordingly, the fair value of the instruments arranged by the Group is calculated as follows:

Foreign currency forwards
Fair value measurement

Foreign currency forwards are basically measured by comparing the contract strike price (agreed delivery price) with the market forward rate for the maturity of the contract. Once the estimated future settlement of the contract has been obtained based on the aforementioned comparison (in euros), the settlement is discounted using the risk-free zero coupon yield curve (or the interbank yield curve). This risk free valuation is subsequently adjusted to include each party's credit risk, both the risk corresponding to the counterparty (Credit Value Adjustment or 'CVA' or counterparty default risk) and own risk (Debit Value Adjustment or 'DVA' or own default risk).

The CVA and the DVA are calculated by multiplying the estimated exposure by the probability of default and the loss severity (which measures the loss given default). Where possible, the probability of default and the assumed recoverable amount in the event of default are obtained from quoted CDSs or from other observable market inputs. The CVA and the DVA calculations are netted for each counterparty with which the entity has an ISDA master agreement providing for the netting of the derivative positions in the event of default.

Options purchased
Fair value measurement:

The determination of the fair value of the ('Plain Vanilla') options is based on a modified version of the Black-Scholes formula (Garman-Kohlhagen). Fair value is a function of the price of the underlying, the strike price, the time to maturity and the volatility of the underlying. The credit adjustment is carried out by direct discounting with credit spread method curves.

Options sold
Fair value measurement:

The determination of the fair value of the options is based on a modified version of the Black-Scholes formula (Black 76 Model). Fair value is a function of the price of the underlying, the strike price, the time to maturity and the volatility of the underlying.

n) Revenue recognition

Revenue from sales is recognised when the commitment obligations with the customers have been satisfied and which, in general, occurs when the goods are given to the customer. Revenue is recognised by the value of the consideration received. Sales returns, actual and anticipated, are considered part of the total price of each sale transaction. The amount of the provision for expected refunds at the end of the financial year is not relevant in the accompanying consolidated income statement.

Sales of goods to franchises are recognised when control of the goods is transferred to the franchises. On the other hand, income from royalties received from franchisees is recognised as the franchisee makes use of the rights obtained through the franchise agreement.

In the accompanying consolidated balance sheet no assets nor liabilities have been recorded by contract, as they are not considered significant.

There are no significant contracts with financing components.

o) Leases

The Group actively manages a large number of lease contracts (more than 6,000 contracts).

The leases recognised in which the Group acts as the lessee relate mainly to the premises where the stores are located. It has also been determined that certain contracts for logistics services and for other assets are leases based on the terms of said contracts which grant the Group exclusive access to assets where these services are provided.

The contracts are very heterogeneous and the clauses agreed depend to a large extent on the market, the retail concept, the lessor, the specific location, whether they are in shopping centres or are street level stores, etc.; in short, they depend on each location and lessor, although the Group's policy is to always seek maximum flexibility (for example, through the absence of mandatory compliance periods and penalties, the longest possible extension options, variable payments that depend on the performance of the leased asset, etc.).

At the start date of each contract, the Group assesses whether a contract is or contains a lease. For those contracts that qualify as such, the Group recognises a liability for the present value of the lease payments known at the inception, to be made over the term of the lease and an asset for the right to use the underlying asset over the lease term. Right of use assets are measured at cost (which includes initial direct costs incurred, any lease payments made before or at the inception of the lease less incentives received) less accumulated depreciation and impairment losses, and are adjusted for any remeasurement of lease liabilities. The rights of use are amortised on a straight-line basis over the term of the lease.

Lease incentives include amounts received from shopping centre developers or owners of commercial premises as consideration for entering into a lease contract. They mainly correspond to amounts for refurbishing the leased premises to ready them for their intended use (contributions to construction work).

In the case of leases with fixed rents or guaranteed minimum rents, the contributions to construction work diminish the right-of-use asset, whereas in the case of leases with variable rents (for which a right-of-use asset is not previously recognised), these contributions are recognised as a non-current liability under 'Other non-current liabilities' and the portion expected to be taken to income in the following year as a current liability under 'Trade and other payables'. These contributions linked to variable rental lease contracts are credited to income as a reduction in lease expenses under 'Operating expenses' over the lease term.

The right to use the asset is presented under the 'Rights of use' heading in the consolidated balance sheet.

The lease liability is initially measured at the present value of the known lease payments, except for those made before or at the commencement date of the contract. The present value of the lease liability is determined using an incremental interest rate by country, term and currency, based on the type of assets leased.

The lease payments included in the liabilities comprise:

- Fixed payments (including fixed payments in essence), less any incentive to lease receivables;
- Variable lease payments, which depend on an index or rate;
- Amounts the lessee expects to pay as residual value guarantees;
- The exercise price of a call option if the lessee is reasonably sure of exercising that option;
- Payments for penalties resulting from lease termination, if the term of the lease reflects that the lessee will exercise an option to terminate the lease.

Variable lease payments, which do not depend on an index or rate, are not included in the measurement of the lease liability and or of the right-of-use asset, and are recorded as an operating expense as they accrue.

The contingent rents, common expenses and other expenses related to the lease do not form part of the determination of the lease liability and of the right of use, and are recognised as an expense in the income statement on an accrual basis. Fixed-rent payments are replaced by the depreciation of the right of use and the interest recognised over the lease liability.

The lease liability is presented in two separate lines on the consolidated balance sheet, 'Long-term lease liability' for the liability to be settled over a period exceeding 12 months and 'Short-term lease liability' for the portion to be settled in the next 12 months.

After the commencement date, the lease liability is measured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes the corresponding adjustment to the right of use) when:

- There is a change in the term of the lease or a significant change in facts and circumstances that results in a change in the assessment of the exercise of an extension option, in which case the lease liability is measured by discounting the revised payments at the revised discount rate.
- A change in future lease payments results from a change in an index or a change in the expected payables related to a residual value guarantee, in which case the lease liability is measured by discounting the changed payments at the discount rate before the change.
- A lease is amended and the amendment is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments at a revised discount rate.

The Group applies the exemption relating to leases whose underlying asset is considered to be of low value. For these contracts, the Group recognises the lease payments as an operating expense over the term of the contract.

The Group applies IAS 36 to determine whether the right to use the asset is impaired, following the procedures described in section f) 'Impairment of non-current assets' of this note on accounting principles. In particular, the right of use arising under a lease agreement is deemed to be an asset of the cash-generating unit with which it is associated.

Application of IFRS 16 requires significant judgements regarding certain key estimates, such as determination of the lease term and the discount rate (Note 2).

There is also considerable diversity in the terms agreed in the lease contracts, although the Group's policy is always to seek maximum flexibility with short or even non-existent mandatory periods and unilateral extension options for the Group that are as long as possible.

The mandatory term agreed in lease contracts averages less than 3 years. After these non-cancellable periods, the Group can terminate the contract simply by means of notice, generally of between 6 months and one year.

To determine the lease term there is an assessment of whether the lessee has reasonable certainty that they will exercise the lease extension option, or that they will not exercise the option to terminate the lease. The Group determines the lease term as the non-revocable period of the lease plus those unilateral options for extensions over which there is reasonable certainty of execution, and for which the following aspects are considered:

- The costs related to contract termination. There are generally no penalties for contract termination, other than the payment of fixed rents for non-cancellable periods, and there are no residual value guarantees.
- The importance of the leased asset for the Group's operations. The assets leased (individually) are not critical to the Group's operations, although there are certain locations in which very significant investments have been made, where the degree of certainty regarding the execution of extension options or non-execution of cancellation options is higher.
- The conditions to be complied with in order to exercise or not exercise the options. Generally the required conditions are of an administrative nature, such as the deadline by which the intention to exercise the exit option needs to be notified, etc.
- The historical experience and the business plans approved by the Group's Management, which generally cover a 3-year period. These business plans consider the Group's strategic lines in order to anticipate and adapt to the transformation process currently underway in the sector as a result of the development of online sales. The Group periodically reviews these business plans and incorporates, among others, initiatives relating to the stores it plans to absorb or refurbish.

As mentioned above, the Group has a wide variety of lease contracts and has performed a case-by-case analysis to determine the lease term of each contract. This analysis shows that the terms of leases vary widely, in a range of between 2 and 15 years. Stores earmarked for closure are not included in the above range and the term is adapted to the estimated date of closure.

The present value of the lease liability is determined using the implicit interest rate in the lease, and if this cannot be easily determined the lessee will use its incremental debt interest rate. Given the difficulty of determining the implicit interest rate of each lease, the Group uses its incremental interest rate by market, term and currency, based on the type of assets leased. The average weighted rate according to the lease of each contract by geographical area is as follows:

	2024	2023
Spain	3.64%	4.06%
Rest of Europe	3.61%	3.57%
Americas	5.25%	5.19%
Asia and rest of the world	3.16%	3.67%

As stated above, the Group performs very active management of its lease agreements, which leads to a high volume of additions, removals and contractual amendments. These amendments will add an additional variability factor to the Group's trading figures.

The Group has no relevant commitments as lessee in respect of uncommenced leases or residual value guarantees. Neither does the Group have material lease commitments for which it does not yet have the underlying asset at its disposal for use. In general, the lease contracts do not contain any restrictions or covenants with lessors other than those generally governing this type of contract.

p) Finance income and costs

Interest income and interest expenses are recognised on an accrual basis using the effective interest method. Dividend income is recognised when the right to receive payment is established.

q) Income tax

The income tax expense for the year comprises current tax and deferred tax. Current and deferred tax is recognised as income or as an expense and included in net profit or loss for the period, except to the extent that the tax arises from a transaction which is charged or credited, in the same or a different period, directly to equity, or from a business combination.

Current tax is the tax expected to be paid or recovered in the year, using tax rates in force at the consolidated balance sheet date, in respect of the current period, and any adjustment to tax payable or recoverable in respect of prior periods.

Deferred tax is calculated using the balance sheet liability method, which provides for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. Deferred tax liabilities are the amounts of income taxes payable in the future in respect of taxable temporary differences, while deferred tax assets are the amounts of income taxes recoverable in the future due to the existence of deductible temporary differences, tax loss carryforwards or tax credit carryforwards.

The Group recognises deferred tax assets and liabilities for temporary differences, except where they relate to the initial recognition of an asset or liability in a transaction which is not a business combination and which at the time of the transaction affected neither gross accounting profit nor taxable profit (tax loss), and did not give rise to taxable and deductible temporary differences of equal amounts or, in the case of deferred tax liabilities, where the temporary differences relate to the initial recognition of goodwill. Deferred tax liabilities are also recognised for temporary differences associated with investments in subsidiaries, except to the extent that the Parent is able to control the timing of their reversal and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax laws that are in force at the consolidated balance sheet date, and reflecting the tax consequences that would follow from the manner in which the Group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the corresponding unused tax losses or tax credits can be utilised. Deferred tax assets, whether recognised or not, are reviewed at each consolidated balance sheet date.

The Group only offsets current tax assets and liabilities if it has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are recognised in the consolidated balance sheet under non-current assets and liabilities, irrespective of the expected date of realisation or settlement. In accordance with IAS 12, deferred tax assets and liabilities relating to the same entity or tax group have been offset in the consolidated balance sheet.

r) Current and non-current assets and liabilities

The Group classifies assets and liabilities as current and non-current items in the consolidated balance sheet. Assets and liabilities are classified as current when they are expected to be realised or settled within twelve months of the balance sheet date, and are otherwise classified as non-current.

Assets and liabilities are not offset, unless required or permitted by a standard or interpretation.

s) Treasury shares

Treasury shares acquired by the Group are presented separately at cost as a reduction of equity in the consolidated balance sheet, and no gains or losses are recorded as a result of transactions carried out with treasury shares.

Costs incurred in treasury share transactions are recorded as a reduction of equity, after consideration of any tax effect.

4. Net sales

Sales in the consolidated income statement include amounts received from the sale of goods and income from rentals, royalties and other services rendered in the ordinary course of the Group's business, net of VAT and other sales taxes.

The detail of this line item in 2024 and 2023 is as follows:

	2024	2023
Net sales in company-managed stores and online	35,271	32,851
Net sales to franchises	2,850	2,619
Other sales and services rendered	511	477
Total	**38,632**	**35,947**

Group Management believes there are no differentiated income categories with respect to the manner in which the nature, amount, timing and uncertainty of revenues from ordinary activities and cash flows are affected by economic factors. This consideration is consistent with the breakdown of revenues by operating segments (Note 11).

5. Cost of sales

The detail of this line item in 2024 and 2023 is as follows:

	2024	2023
Raw materials and consumables	16,643	14,962
Change in inventories	(391)	208
Changes in provisions	36	16
Total	**16,288**	**15,186**

Raw materials and consumables include mainly amounts relating to the acquisition from or production by third parties of products held for sale or transformation, and other direct expenses related to the acquisition of goods (Note 3.2.h).

6. Operating expenses

The detail of 'Operating expenses' and of the changes therein is as follows:

	2024	2023
Personnel costs	5,643	5,357
Operating leases (Note 16.3)	1,072	989
Other operating expenses	4,840	4,507
Total	**11,555**	**10,853**

The detail of 'Personnel costs' is as follows:

	2024	2023
Wages, salaries and similar	4,688	4,479
Social contributions	955	878
Total	**5,643**	**5,357**

The detail, by category, of the headcount of the Group and its jointly controlled entities at 31 January 2025 is as follows:

	Gender				
Categories	**Women**	**Men**	**Non-binary**	**Others**	**Total**
Manufacturing and logistics	4,854	5,721	-	-	10,575
Central services	7,236	4,794	-	-	12,030
Stores	106,608	32,039	28	803	139,478
Total	**118,698**	**42,554**	**28**	**803**	**162,083**

The detail, by category, of the headcount of the Group and its jointly controlled entities at 31 January 2024 is as follows:

	Gender				
Categories	**Women**	**Men**	**Non-binary**	**Others**	**Total**
Manufacturing and logistics	4,820	5,872	-	-	10,692
Central services	6,943	4,669	-	-	11,612
Stores	107,162	31,768	25	22	138,977
Total	**118,925**	**42,309**	**25**	**22**	**161,281**

The detail of 'Other operating expenses' is as follows:

	2024	2023
Indirect selling expenses	3,031	2,733
Administrative expenses	681	635
Maintenance, repairs and utilities	766	740
Others	362	399
Total	**4,840**	**4,507**

'Indirect selling expenses' includes mainly expenses relating to store and online operations, commissions on credit, debit card payments, logistics and shipping to customers. 'Administrative expenses' includes all kinds of professional services, 'Maintenance, repairs and utilities' includes maintenance and utilities expenses and 'Others' includes mainly travel, communications and other operating expenses.

7. Other losses and income, net

This heading includes extraordinary staff costs incurred in the year as well as the changes in the prices of the debts recognised as a result of the existence of cross call and put options between the Group and the owners of some of the shares of certain subsidiaries, since these cross options are considered to be a deferred acquisition of the shares constituting the underlying. The estimated option strike price is recognised as a liability and changes are recognised in the consolidated income statement (Note 26).

Following there is a description of the main cross put and call options on those investments:

a) Subsidiary domiciled in South Korea: the Group holds a call option on 20% of the share capital of Zara Retail Korea, Ltd. This shareholding belongs to Lotte Shopping Co., Ltd., which in turn has a put option to sell the entire holding to Industria de Diseño Textil, S.A. The strike price is set on the basis of the non-controlling shareholder's share of the equity of the investee when the call option is exercised.

b) Subsidiary domiciled in South Africa: the Group holds a call option on 10% of the share capital of ITX Fashion Retail South Africa (Proprietary), LTD. This shareholding belongs to Peter Vundla Retail (Proprietary), Ltd., which in turn has a put option to sell the entire holding to Industria de Diseño Textil, S.A. The strike price is set on the basis of the non-controlling shareholder's share of the equity of the investee when the call option is exercised.

c) Subsidiaries domiciled in India: the Group holds a call option on 35% and 49% of the share capital of Inditex Trent Retail India Private Limited and Massimo Dutti India Private Limited, respectively. This shareholding belongs to Trent Limited India, which in turn has a put option to sell the entire holding to Industria de Diseño Textil, S.A. The strike price is set on the basis of the non-controlling shareholder's share of the equity of the investee when the call option is exercised.

8. Amortisation and depreciation

The detail of 'Amortisation and depreciation' is as follows:

	2024	2023
Amortisation and depreciation charge (Note 14, 15 and 16)	2,997	2,897
Changes in provisions (Note 14, 15 and 16)	39	48
Profit/(loss) on assets	119	105
Others	19	(9)
Total	**3,174**	**3,041**

9. Financial results

The detail of 'Financial results' in the consolidated income statement for 2024 and 2023 is as follows:

	2024	2023
Finance income	442	380
Foreign exchange gains	74	17
Lease foreign exchange gains	3	9
Total income	**519**	**406**
Finance costs	(130)	(75)
Lease finance costs (Note 16)	(223)	(196)
Foreign exchange losses	(228)	(142)
Lease foreign exchange losses	(15)	(4)
Total expenses	**(596)**	**(417)**
Total	**(77)**	**(11)**

Finance income and costs comprise mainly (excluding lease finance costs), the interest accrued on the Group's financial assets and liabilities during the year (Note 21).

Net foreign exchange differences are due principally to fluctuations in the currencies with which the Group operates (Note 26) between the time when income, expenses and asset acquisitions or disposals are recognised and when the corresponding assets or liabilities are settled or measured in accordance with the applicable accounting principles, as well as the impacts of adjustment for hyperinflation in the amount of 144 million euros (77 million euros in 2023).

10. Earnings per share

Basic earnings per share were calculated by dividing net profit for the year attributable to the Parent by the weighted average number of outstanding shares during the year, excluding the average number of treasury shares held by the Parent (Note 24), which totalled 3,114,452,983 in 2024 and 3,112,836,551 in 2023.

Diluted earnings per share are calculated based on the profit for the year attributable to the holders of equity instruments of the Parent and the weighted average of the ordinary shares outstanding for the dilutive effects of the potential ordinary shares.

As of 31 January 2025, taking into consideration treasury shares that are subject to the long-term incentive plans (Note 24), the calculation of diluted earnings per share would result in an amount of 1.881 euros per share (1.726 as of 31 January 2024).

11. Segment reporting

The principal activity of the Inditex Group comprises the retail and online distribution of clothing, footwear, accessories and household products through various retail concepts targeted at different sectors of the public.

The origin and predominant nature of the risks and rewards of the Inditex Group's business units are influenced mainly by the particular retail concept to which the units belong. The internal structure of the Inditex Group, the business decision-making process and the system for communicating information to the Board of Directors and Group Management are organised by retail concept and geographic area.

The key business indicators, understood as those that are part of the periodic segment reporting to the Board of Directors and the Group Management, and used in the decision-making process, are the sales figure and the profit before taxes by segment.

The segment liabilities, financial results and taxes are not disclosed as they do not form part of the key business indicators defined above or of the segment information reported periodically to the Board of Directors and to the Group Management.

Group Management believes there are no differentiated income categories with respect to the manner in which the nature, amount, timing and uncertainty of revenues from ordinary activities and cash flows are affected by economic factors.

The Inditex Group segment information is as follows:

2024

	Zara / Zara Home	Bershka	Other	Inter-segment	Total
Sales to third parties	27,959	2,941	7,948	(216)	38,632
Profit before taxes	5,409	548	1,623	(3)	7,577
Amortisation and depreciation	2,279	249	646	-	3,174
Segment total assets	28,506	1,786	4,422	-	34,714
ROCE	36%	45%	56%	-	40%
Number of stores	2,150	854	2,559	-	5,563

2023

	Zara / Zara Home	Bershka	Other	Inter-segment	Total
Sales to third parties	26,208	2,634	7,303	(198)	35,947
Profit before taxes	4,968	460	1,407	35	6,870
Amortisation and depreciation	2,162	246	633	-	3,041
Segment total assets	27,041	1,579	4,115	-	32,735
ROCE	36%	42%	52%	-	39%
Number of stores	2,221	856	2,615	-	5,692

For presentation purposes Inditex has integrated the retail concepts of Zara and Zara Home into a single segment due to the existing synergies between both concepts. The goal is to leverage the operational and brand management impact of the combined store and online platform.

In addition, the retail concepts other than Zara, Zara Home and Bershka have been grouped into a single reporting segment due to the similarities in the nature of the products sold and their management and monitoring model.

For the purpose of reconciliation with the consolidated financial statements, the sales to third parties relate to 'Net sales' in the consolidated income statement and the depreciation and amortisation charge corresponds to 'Amortisation and depreciation' in the consolidated income statement.

The segment's profit before taxes refers to 'Profit before taxes' in the consolidated income statement. Income and expenses which might be considered to be corporate in nature or as belonging to all segments were allocated to each of the segments based on distribution criteria considered reasonable by Group Management. Inter-segment transactions are carried out on an arm's length basis.

Total segment assets relate to 'Total Assets' in the consolidated balance sheet.

The ROCE and ROE are calculated as defined in Note 2 to these consolidated annual accounts.

Zara was the first retail concept created by the Inditex Group and its positioning is based on a fashion offering featuring a wide range of products. Zara Home sells household products.

Bershka targets the younger consumers and its aim is to offer the latest fashion at affordable prices.

Geographical reporting

In the presentation of information by geographical segment, revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of assets.

Segment non-current assets do not include 'Deferred tax assets' neither 'Other non-current assets'.

	Net sales		Non-current assets	
	2024	**2023**	**31/01/2025**	**31/01/2024**
Spain	6,228	5,666	6,706	5,606
Rest of Europe	20,657	18,381	7,277	6,500
Americas	7,039	7,104	2,488	2,258
Asia and rest of the world	4,708	4,796	870	912
Total	**38,632**	**35,947**	**17,341**	**15,276**

12. Trade and other receivables

The detail of this line item at 31 January 2025 and 2024 is as follows:

	31/01/2025	**31/01/2024**
Trade receivables (Note 26)	356	298
Receivables due to sales to franchises (Note 26)	390	324
Public authorities	195	284
Other current receivables (Note 26)	147	132
Total	**1,088**	**1,038**

Trade receivables include, inter alia, customer debit/credit card deferred payments pending collection.

Part of the Group's activity is carried on through franchised stores (Note 1). Sales to franchisees are made under agreed collection terms, which are partially guaranteed as described in Note 26.

Balances receivable from public authorities comprise VAT and other taxes and duties incurred by Group companies in the countries in which they operate.

Other current receivables include items such as rental incentives due from shopping centre developers and outstanding balances from sundry operations.

13. Inventories

The detail of this line item at 31 January 2025 and 2024 is as follows:

	31/01/2025	**31/01/2024**
Raw materials and consumables	245	187
Goods in process	76	64
Finished goods for sale	3,000	2,715
Total	**3,321**	**2,966**

The Group takes out insurance policies to cover the possible risks of material damage to its inventories.

14. Property, plant and equipment

The detail of the items composing 'Property, plant and equipment' in the accompanying consolidated balance sheet and of the changes therein is as follows:

	Land and buildings	Fixtures, furniture and machinery	Other property, plant and equipment	Work in progress	Total
Cost					
Balance at 01/02/2023	2,630	11,354	933	270	15,187
Acquisitions	5	1,278	285	408	1,976
Hyperinflation adjustments	-	14	4	-	18
Disposals (Note 8)	(17)	(811)	(230)	(5)	(1,063)
Transfers	44	120	10	(181)	(7)
Foreign exchange translation differences	-	(5)	(2)	1	(6)
Balance at 31/01/2024	**2,662**	**11,950**	**1,000**	**493**	**16,105**
Balance at 01/02/2024	2,662	11,950	1,000	493	16,105
Acquisitions	27	1,571	253	878	2,729
Hyperinflation adjustments	-	62	11	-	73
Disposals (Note 8)	(3)	(764)	(127)	(6)	(900)
Transfers	20	185	8	(202)	11
Foreign exchange translation differences	25	(80)	(10)	1	(64)
Balance at 31/01/2025	**2,731**	**12,924**	**1,135**	**1,164**	**17,954**
Depreciation					
Balance at 01/02/2023	572	6,354	583	-	7,509
Depreciation charge for the year (Note 8)	37	778	213	-	1,028
Hyperinflation adjustments	-	8	3	-	11
Disposals (Note 8)	(8)	(661)	(194)	-	(863)
Transfers	-	(1)	(1)	-	(2)
Foreign exchange translation differences	-	(8)	(2)	-	(10)
Balance at 31/01/2024	**601**	**6,470**	**602**	**-**	**7,673**
Balance at 01/02/2024	601	6,470	602	-	7,673
Depreciation charge for the year (Note 8)	37	712	172	-	921
Hyperinflation adjustments	-	39	8	-	47
Disposals (Note 8)	1	(623)	(117)	-	(739)
Transfers	(3)	3	-	-	-
Foreign exchange translation differences	5	(34)	(4)	-	(33)
Balance at 31/01/2025	**641**	**6,567**	**661**	**-**	**7,869**
Impairment losses (Note 3.2.f)					
Balance at 01/02/2023	-	83	4	-	87
Charge for the year (Note 8)	2	58	3	-	63
Amounts charged to profit or loss (Note 8)	-	(18)	-	-	(18)
Disposals (Note 8)	-	(34)	(1)	-	(35)
Transfers	-	(1)	-	-	(1)
Foreign exchange translation differences	-	(1)	-	-	(1)
Balance at 31/01/2024	**2**	**87**	**6**	**-**	**95**
Balance at 01/02/2024	2	87	6	-	95
Charge for the year (Note 8)	-	51	4	-	55
Hyperinflation adjustments	-	(1)	-	-	(1)
Amounts charged to profit or loss (Note 8)	-	(20)	(1)	-	(21)
Disposals (Note 8)	-	(45)	(2)	-	(47)
Foreign exchange translation differences	-	(1)	-	-	(1)
Balance at 31/01/2025	**2**	**71**	**7**	**-**	**80**
Carrying amount					
Balance at 31/01/2024	**2,059**	**5,393**	**392**	**493**	**8,337**
Balance at 31/01/2025	**2,088**	**6,286**	**467**	**1,164**	**10,005**

'Fixtures, furniture and machinery' includes mainly assets related to stores. 'Other property, plant and equipment' includes, inter alia, information technology equipment and motor vehicles.

'Additions' mainly correspond to assets related to new stores or refurbishments of existing ones and logistical assets.'Disposals' comprise mainly assets related to the commercial premises at which the Group carries out its commercial activities.

The cost of fully depreciated items of property, plant and equipment amounts to 1,734 million euros at 31 January 2025 (1,926 million euros at 31 January 2024), and includes mainly machinery, fixtures and furniture.

The Group performed an impairment test and a sensitivity analysis based on reasonably possible changes in the main variables used in asset measurement, and the results did not vary significantly (Note 3.2.f).

Through its corporate risk management policy, the Group identifies, assesses and controls damage and liability-related risks to which the Group companies are exposed. It does this by compiling and measuring the main risks of damage, loss of profits and liability affecting the Group and implements prevention and protection policies aimed at reducing, to the extent possible, the frequency and intensity of these risks. Likewise, standard measurement criteria are established at corporate level which enable the different risks to which the Group is exposed to be quantified and the assessment policies implemented for insurance purposes to be defined.

Lastly, the Group takes out insurance policies through corporate insurance programs to protect its assets from the various risks, and establishes suitable limits, excesses and conditions in view of the nature of the assets and the financial dimension of the Group.

15. Other intangible assets

'Other intangible assets' includes basically amounts paid for the registration and use of Group brand names, industrial designs of garments, footwear, accessories and household products created during the year, the cost of software applications and the cost of intellectual property development.

The detail of the items comprised under this paragraph in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	Industrial property	Computer software	Other intangible assets	Total
Cost				
Balance at 01/02/2023	40	1,077	264	1,381
Acquisitions	3	358	467	828
Disposals (Note 8)	(15)	(75)	(237)	(327)
Transfers	1	-	-	1
Balance at 31/01/2024	**29**	**1,360**	**494**	**1,883**
Balance at 01/02/2024	29	1,360	494	1,883
Acquisitions	3	359	373	735
Disposals (Note 8)	(1)	(53)	(330)	(384)
Balance at 31/01/2025	**31**	**1,666**	**537**	**2,234**
Amortisation				
Balance at 01/02/2023	28	423	120	571
Amortisation charge for the year (Note 8)	2	122	262	386
Disposals (Note 8)	(15)	(46)	(237)	(298)
Transfers	1	-	-	1
Balance at 31/01/2024	**16**	**499**	**145**	**660**
Balance at 01/02/2024	16	499	145	660
Amortisation charge for the year (Note 8)	2	177	361	540
Disposals (Note 8)	(1)	(46)	(330)	(377)
Balance at 31/01/2025	**17**	**630**	**176**	**823**
Carrying amount				
Balance at 31/01/2024	**13**	**861**	**349**	**1,223**
Balance at 31/01/2025	**14**	**1,036**	**361**	**1,411**

The Group performed an impairment test and a sensitivity analysis based on reasonably possible changes in the main variables used in asset measurement, and the results did not vary significantly (Note 3.2.f).

The Group capitalised 359 million euros in 2024 (358 million euros in 2023) corresponding to software development activities that meet the requirements for capitalisation under IAS 38. In addition, 373 million euros were activated (467 million euros in 2023) corresponding to the development of industrial designs and intellectual property, as well as other intangibles related to the Group's activity,which meet the

requirements established in IAS 38, including, in 2023, 213 million euros corresponding to the amount of the contractual rights generated resulting from the sale in April 2023 of the Inditex Group's business in Russia through the transfer of the shares of JSC New Fashion to a third party (Note 3.2.c).

16. Leases

16.1. Right of use assets

This heading records the measurement of the right to use the asset underlying the lease contracts during the term of the contract, for those contracts in which the Group is the lessee.

The detail of the items comprised under this paragraph in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	2024	2023
Cost		
Opening balance	11,367	10,239
Acquisitions	1,814	1,858
Hyperinflation adjustments	37	15
Disposals (Note 8)	(525)	(724)
Foreign exchange translation differences	(12)	(21)
Closing balance	**12,681**	**11,367**
Amortisation		
Opening balance	6,245	5,297
Amortisation charge for the year (Note 8)	1,536	1,483
Hyperinflation adjustments	16	7
Disposals (Note 8)	(399)	(530)
Foreign exchange translation differences	(10)	(12)
Closing balance	**7,388**	**6,245**
Impairment losses		
Opening balance	25	32
Charge for the year (Note 8)	11	17
Amounts charged to profit or loss (Note 8)	(6)	(14)
Disposals (Note 8)	(6)	(10)
Closing balance	**24**	**25**
Carrying amount	**5,269**	**5,097**

The Group leases commercial premises in which it carries out its business activity. New items for the year relate to additions amounting to 740 million euros (403 million euros in 2023) and sums associated with revaluations and renegotiations of contracts modifying the term and/or future rents amounting to 1,074 million euros (1,455 million euros in 2023).'Disposals' comprises mainly store closures and terminations of or amendments to contracts.

16.2. Lease liabilities

The breakdown of lease liabilities is as follows:

	31/01/2025	31/01/2024
Non-current	4,180	4,123
Current	1,542	1,428
Total	**5,722**	**5,551**

The maturity breakdown of undiscounted lease liabilities is as follows:

	2024	2023
Less than 1 year	1,741	1,619
1 - 5 years old	4,015	3,782
> 5 years old	526	689

16.3. Other information

Amounts recognised in the consolidated income statement:

	2024	2023
Amortisation charge on right of use (Note 8)	1,536	1,483
Lease liabilities interest expenses (Note 9)	223	196
Variable rent payments (Note 6)	678	622
Others * (Note 6)	394	367

* Mainly includes Common expenses and other lease services.

Some of the Group's commercial premises leases contain conditions for the payment of variable rent that are linked to the sales generated in such stores, such that the payment for the lease is linked to the development of the store. Variable rent in these stores amounted to 612 million euros (562 million euros in 2023). The expense for leases to which the low value exemption has been applied is not significant.

The amount of income from leasing and subleasing is not significant. The Group has no relevant commitments for signed lease contracts that have not yet entered into force.

17. Goodwill

The detail of this line item in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	2024	2023
Opening balance	197	193
Foreign exchange translation differences	(1)	4
Closing balance	**196**	**197**
Investee		
Stradivarius España, S.A.	53	53
Itx Portugal - Confecções, S.A.	51	51
Zara Polska, S.p. Zo.o.	34	33
Massimo Dutti Benelux, N.V.	20	20
Itx Retail Mexico, S.A. de C.V.	10	12
Other	28	28
Closing balance	**196**	**197**

The goodwill arising from the acquisition or termination of franchise contracts corresponds to the amount of the intangible assets that did not meet the requirements established in IFRS 3 for separate recognition. These requirements related essentially to the capacity of the assets to generate future cash flows.

The recovery of the goodwill is adequately guaranteed through the profitability of the acquired companies, whose future cash flows support the carrying amount of goodwill at year-end (Note 3.2.f).

Also, sensitivity analyses were performed based on reasonably possible changes in the main variables used in asset measurement, and the recoverable amount is higher than the related carrying amount (Note 3.2.f).

18. Financial investments

The detail of this line item in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	Loans and other credit facilities	Investments accounted for using the equity method	Others	Total
Balance at 01/02/2023	12	317	5	334
Acquisitions	16	72	17	105
Disposals (Note 28)	-	(49)	-	(49)
Transfers	9	-	-	9
Foreign exchange translation differences	-	(1)	-	(1)
Balance at 31/01/2024	**37**	**339**	**22**	**398**
Balance at 01/02/2024	37	339	22	398
Acquisitions	-	99	4	103
Disposals (Note 28)	-	(55)	-	(55)
Transfers	1	-	-	1
Foreign exchange translation differences	-	3	-	3
Balance at 31/01/2025	**38**	**386**	**26**	**450**

The carrying amount of the ownership interest in the Tempe Group in the accompanying consolidated balance sheet does not differ significantly from the value of the Group's share of the net assets of the Tempe Group (Note 28).

There are no significant restrictions of any kind on the Tempe Group's ability to transfer funds to the Group in the form of cash dividends or the repayment of loans or advances granted by the Group.

19. Other non-current assets

The detail of this line item in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	Guarantees	Others	Total
Balance at 01/02/2023	239	39	278
Acquisitions	9	8	17
Disposals	(11)	-	(11)
Transfers	(8)	(1)	(9)
Foreign exchange translation differences	(4)	(2)	(6)
Balance at 31/01/2024	**225**	**44**	**269**
Balance at 01/02/2024	225	44	269
Acquisitions	10	-	10
Disposals	(61)	-	(61)
Transfers	(4)	4	-
Foreign exchange translation differences	-	(1)	(1)
Balance at 31/01/2025	**170**	**47**	**217**

The guarantees and deposits relate mainly to security deposits paid to owners of leased commercial premises to ensure compliance with the conditions stipulated in the leases, and to amounts paid to secure compliance with contracts in force.

20. Trade and other payables

The detail of this line item in the consolidated balance sheet at 31 January 2025 and 2024 is as follows:

	31/01/2025	31/01/2024
Trade payables	5,989	5,090
Personnel	771	723
Public authorities	683	605
Other current payables	835	654
Total	**8,278**	**7,072**

The following table shows the information on the average period of payment to suppliers required by Law 15/2010, of 5 July, in 2024 and 2023:

	2024	2023
	Days	
Average period of payment to suppliers	37.51	39.24
Ratio of transactions settled	38.23	39.69
Ratio of transactions not yet settled	31.24	34.95
	Amount	
Total payments made	5,832	5,136
Total payments outstanding	665	544

	2024	2023
No. of invoices paid within the legal term (in thousands)	335	326
% of total subject invoices (number)	98%	98%
Amount of invoices paid within the legal term	5,718	5,002
% of total subject invoices (amount)	98%	97%

This information relates to suppliers and creditors of Group companies domiciled in Spain.

21. Net financial position

The detail of the Group's net financial position is as follows:

	31/01/2025	31/01/2024
Cash in hand and at banks	1,501	2,386
Short-term deposits	4,629	4,208
Fixed-income securities	252	413
Total cash and cash equivalents	**6,382**	**7,007**
Current financial investments	5,120	4,415
Current financial debt	(7)	(16)
Non-current financial debt	-	-
Net financial position	**11,495**	**11,406**

Cash on hand and at banks includes cash on hand and in demand deposits at banks. Short-term deposit and Fixed-income securities include term deposits and units in money market investment funds that use unitholders' contributions to acquire fixed-income securities with maturities of less than 3 months that have a high credit rating, are highly liquid and convertible to known amounts of cash, and are subject to an insignificant risk of changes in value. All the balances under this line item are unrestricted as to their use and there are no guarantees or pledges attached to them.

'Current financial investments' on the asset side of the consolidated balance sheet relates mainly to investments in fixed-income securities, with maturities ranging from 3 to 12 months, all of which have high credit ratings and are highly liquid.

The detail of the Group's bank borrowings and obligations under other financial operations is as follows:

	Loans	Other financial operations	Total
Current	6	1	7
Non-current	-	-	-
Total 31/01/2025	**6**	**1**	**7**

	Loans	Other financial operations	Total
Current	15	1	16
Non-current	-	-	-
Total 31/01/2024	**15**	**1**	**16**

The total limit of financing facilities available at 31 January 2025 for the Group amounts to 8,446 million euros (8,155 million euros at 31 January 2024). Committed financing facilities amount to 3,572 million euros at 31 January 2025 (3,569 million euros at 31 January 2024), undrawn at year-end. As at 31 January 2025 the subsidiaries had very short-term financing of 6 million euros (15 million euros in 2023). The financing is remunerated at interest rates negotiated by the Group, which usually comprise a money market rate plus a spread according to the creditworthiness of the company holding the debt.

Financial debt is denominated in the following currencies:

	31/01/2025	31/01/2024
Euro	1	1
Hryvnia	6	15
Total	**7**	**16**

The maturity schedule of the Group's bank borrowings at 31 January 2025 and 2024 is as follows:

	31/01/2025	31/01/2024
Less than one year	7	16
One to five years	-	-
Total	**7**	**16**

In addition, through its main banks, the Group made 2,344 million euros (2,320 million euros at 31 January 2024) in supply chain financing programmes available to its suppliers in order to give them access to liquidity. This allows suppliers to choose, on a voluntary basis, to bring forward the collection of their invoices. The initially agreed payment terms remain unchanged, and the debt is therefore recognised under trade payables and shown as operating cash flow. At 31 January 2025 usage of these programmes amounted to 1,385 million euros (1,063 million euros at 31 January 2024).

22. Provisions

The detail of this line item in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	Pensions and similar obligations with personnel	Liability	Other provisions	Total
Balance at 01/02/2023	89	122	72	283
Provisions recorded during the year	68	70	-	138
Disposals	-	(10)	-	(10)
Transfers	(41)	(5)	5	(41)
Foreign exchange translation differences	(3)	-	(5)	(8)
Balance at 31/01/2024	**113**	**177**	**72**	**362**
Balance at 01/02/2024	113	177	72	362
Provisions recorded during the year	68	12	-	80
Disposals	(1)	(31)	-	(32)
Transfers	(62)	-	3	(59)
Foreign exchange translation differences	(1)	(2)	-	(3)
Balance at 31/01/2025	**117**	**156**	**75**	**348**

Provision for pensions and similar obligations to personnel

Certain Group companies have undertaken to settle specific obligations to personnel. The Group has recorded a provision to cover the liability corresponding to the estimated vested portion of these obligations at 31 January 2025.

Provision for liabilities

The amounts shown here correspond to present obligations due to legal claims or constructive obligations arising from past events which will probably result in an outflow of resources and can be reliably estimated. At the date of preparation of these consolidated annual accounts there were no legal proceedings the final outcome of which could significantly affect the Group's equity position.

In estimating the amounts provisioned at year-end, the Group used the following hypotheses and assumptions:

- Maximum amount of the contingency
- Foreseeable evolution and factors on which the contingency depends

The estimated average payment period for the amounts provisioned depends largely on the local legislation of each of the markets in which the Group operates. An analysis is performed each year of the portion that will foreseeably have to be paid the following year and the related amount is transferred to 'Trade and other payables' in the consolidated balance sheet.

The Directors of Inditex consider that the provisions recorded in the consolidated balance sheet adequately cover the risks relating to litigation, arbitration and other contingencies and do not expect any liabilities additional to those recognised to arise therefrom.

23. Other non-current liabilities

The detail of this line item in the consolidated balance sheet and of the changes therein in 2024 and 2023 is as follows:

	Lease incentives	Others	Total
Balance at 01/02/2023	142	80	222
Acquisitions	119	-	119
Changes through profit or loss	-	18	18
Hyperinflation adjustments	3	-	3
Transfers	(85)	(22)	(107)
Foreign exchange translation differences	(7)	-	(7)
Balance at 31/01/2024	**172**	**76**	**248**
Balance at 01/02/2024	172	76	248
Acquisitions	97	-	97
Changes through profit or loss	-	16	16
Hyperinflation adjustments	2	-	2
Transfers	(87)	(21)	(108)
Foreign exchange translation differences	(4)	-	(4)
Balance at 31/01/2025	**180**	**71**	**251**

Lease incentives correspond to incentives received from developers of shopping centres or owners of commercial premises under lease contracts with variable rental payments.

24. Equity

Share capital

At 31 January 2025 and 31 January 2024, the Company's share capital amounted to 94 million euros, and was divided into 3,116,652,000 fully subscribed and paid shares of 0.03 euros nominal value each. All the shares are of a single class and series, carry the same voting and dividend rights.

The Parent's share premium at 31 January 2025 and 31 January 2024 amounted to 20 million euros, while retained earnings amounted to 16,639 million euros and 18,750 million euros, respectively. The Parent's legal reserve, amounting to 19 million euros, was recognised in compliance with Article 274 of the Spanish Companies Act, which establishes that 10% of profit for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of the share capital. The legal reserve is not distributable to shareholders and if it is used to offset losses, in the event that sufficient other reserves are not available for this purpose, the reserve must be replenished with future profits. At 31 January 2025 and 31 January 2024, the Parent had appropriated to this reserve the minimum amount required by the Spanish Companies Act.

The total consolidated reserves at 31 January 2025 include restricted reserves amounting to 1,107 million euros (1,079 million euros at 31 January 2024) whose distribution is limited due to domestic legal requirements (basically bylaw reserves).

Inditex shares are listed on the four Spanish stock exchanges. The shares are represented by book entries. Moreover, pursuant to Article 497 of the Spanish Companies Act, Inditex has contracted Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) to provide the daily share ownership notification service. As per the Parent's Shareholder Registry Book, the members of the Board of Directors directly or indirectly owned, at 31 January 2025 and 31 January 2024, 59.3026% and 59.2986%, respectively, of the Parent's share capital (Note 30). At 31 January 2025 and 31 January 2024, Pontegadea Inversiones, S.L. held 50.010% of the shares of Inditex.

Dividends

The dividends paid by the Parent in 2024 and 2023 amounted to 4,797 million euros and 3,736 million euros, respectively. These amounts correspond to payments of 1.54 euros per share and 1.20 euros per share, respectively.

The distribution proposed by the Board of Directors is shown in Note 29.

Treasury shares

During the Annual General Meeting held on 13 July 2021, shareholders approved the 2021-2025 Long-Term Incentive Plan (Note 26 of the Notes to the consolidated annual accounts for 2021). Similarly, the Annual General Meeting held on 11 July 2023 approved a 2023-2027 Long-Term Incentive Plan (Note 27 to the consolidated annual accounts for 2023), and authorised the Board of Directors to derivatively acquire treasury shares, to cater for these plans.

As at 31 January 2024, the Parent owned a total of 3,582,419 treasury shares, representing 0.115% of the share capital.

During the first quarter of 2024,the first cycle (2021-2024) of the 2021-2025 Long-Term Incentive Plan (which expired on 31 January 2024) was settled and shares were awarded to its beneficiaries, charged to treasury shares. The total of treasury shares delivered was 1,676,573 shares, representing 0.054% of the share capital.

Aside from these share deliveries, there were no other operations involving treasury shares in 2024.

Consequently, at 31 January 2025, the Parent owned a total of 1,905,846 treasury shares, representing 0.061% of the share capital.

Translation differences

Details and variations in translation differences are as follows:

Currency	Balance at 31/01/2025	Reclassification	Variation	Balance at 31/01/2024
Brazilian real	113	11	1	101
Turkish lira	66	(9)	4	71
Mexican peso	123	17	51	55
Japanese yen	18	5	(9)	22
Australian dollar	10	-	1	9
Ukrainian hryvnia	8	-	-	8
Indian rupee	13	6	-	7
US Dollar	(75)	(16)	(13)	(46)
Other	14	(3)	13	4
Total	**290**	**11**	**48**	**231**

25. Income tax

Companies included in these consolidated annual accounts pay the corporate income tax individually, except for certain countries (like Spain or the Netherlands) where they pay taxes under the consolidated tax group regime.

In the case of Spain, the consolidated tax group includes Industria de Diseño Textil, S.A., as the Parent, and those Spanish companies that meet the requirements provided for in Spanish legislation regulating the taxation of the consolidated tax groups as subsidiaries. The subsidiaries composing the aforementioned Spanish tax group are as follows:

Bershka BSK España S.A.	Oysho Diseño S.L.
Bershka Diseño S.L.	Oysho España S.A.
Bershka Logística S.A.	Oysho Logística S.A.
Choolet S.A.	Plataforma Cabanillas S.A.
Comditel S.A.	Plataforma Europa S.A.
Confecciones Fíos S.A.	Plataforma Logística León S.A.
Confecciones Goa S.A.	Plataforma Logística Meco S.A.
Denllo S.A.	Pull&Bear Diseño S.L.
Fashion Logistic Forwarders S.A.	Pull&Bear España S.A.
Fashion Retail S.A.	Pull&Bear Logística S.A.
Glencare S.A.	Stear S.A.
Goa-Invest S.A.	Stradivarius Diseño S.L.
Grupo Massimo Dutti S.A.	Stradivarius España S.A.
Indipunt S.L.	Stradivarius Logística S.A.
Inditex Logística S.A.	Trisko S.A.
Inditex Renovables S.L.	Zara Diseño S.L.
Inditex S.A.	Zara España S.A.
Lefties España S.A.	Zara Home Diseño S.L.
Massimo Dutti Diseño S.L.	Zara Home España S.A.
Massimo Dutti Logística S.A.	Zara Home Logística S.A.
Massimo Dutti S.A.	Zara Logística S.A.
Nikole Diseño S.L.	Zara S.A.
Nikole S.A.	Zintura S.A.

The balance of the 'Current Liability for Income Tax' heading in the consolidated balance sheet corresponds to the provision for Income Tax relating to the profits for the year 2024, net of withholdings and prepayments made in the period. The heading 'Trade and other payables' includes the liability corresponding to other applicable taxes.

The balance of 'Current asset for income tax' in the consolidated balance sheet corresponds, mainly, to amounts to be recovered from tax authorities for such concept. The balance of the 'Accounts receivable' heading in the accompanying consolidated balance sheet includes, among others, the amount by which the input VAT exceeded output VAT for the period.

The income tax expense includes both the part concerning expense for current tax and the corresponding expense for deferred tax. The current tax is the amount to be paid for the income tax related to the fiscal gain of the period and for other fiscal charges derived from compliance with the regulations that regulate the income tax. The deferred tax reflects the amounts of tax on the profits to be paid or recovered in future periods and arises from the recognition of deferred tax assets and liabilities.

The income tax expense comprises the following:

	2024	2023
Current taxes	1,663	1,443
Deferred taxes	37	32

The reconciliation of the income tax expense that would result from applying the standard tax rate in force in Spain to the profit before tax and the income tax expense recognised in the consolidated income statement for 2024 and 2023 is as follows:

	2024	2023
Consolidated accounting profit for the year before taxes	7,577	6,870
Tax expense at tax rate in force in the country of the Parent	1,894	1,717
Net permanent differences	(127)	(112)
Effect of application of different tax rates	(58)	(111)
Adjustments to prior years' taxes	10	(25)
Tax withholdings and other adjustments	103	100
Adjustments to deferred tax assets and liabilities	(3)	(4)
Tax withholdings and tax benefits	(119)	(90)
Income tax expense	**1,700**	**1,475**

The permanent differences correspond, mainly, to expenses not tax deductible and to tax revenues for the contribution of rights to use certain assets to a subsidiary.

The companies that make up the consolidated Group have benefited from the tax benefits provided for in the tax regulations in force in each country amounting to 119 million euros at 31 January 2025 (90 million euros at 31 January 2024). These deductions and bonuses derive, fundamentally, from investments and, to a lesser extent bonuses.

Temporary differences correspond mainly to differences between the carrying amount of an asset or liability in the balance sheet and its tax base, the main difference relating to right-of-use as a result of application of IFRS 16. The consolidated balance sheet closed as of 31 January 2025 includes the assets and liabilities for deferred taxes existing at that date.

The detail of 'Deferred tax assets' and 'Deferred tax liabilities' in the accompanying consolidated balance sheet is as follows:

Deferred tax assets arising from:	2024	2023
Provisions	183	167
Non-current assets	165	183
IFRS 16	206	201
Valuation adjustments	61	54
Tax losses	29	33
Intra-Group transactions	180	224
Other	294	312
Netting of deferred assets and liabilities	(318)	-
Total	**800**	**1,174**

Deferred tax liabilities arising from:	2024	2023
Intra-Group transactions	75	140
IFRS 16	82	65
Non-current assets	138	96
Valuation adjustments	9	11
Other	86	82
Netting of deferred assets and liabilities	(318)	-
Total	**72**	**394**

These balances were determined using the tax rates that, based on enacted tax laws, will be in force in the period when they are expected to reverse, and in some cases these tax rates may differ from the tax rates in force in the present year.

The expense for deferred income tax was adjusted for the difference between the balances calculated at the tax rate in force at the end of the present year and those calculated at the new tax rates at which they will reverse.

The changes in deferred tax assets and liabilities in 2024 and 2023 were as follows:

Deferred tax assets arising from:	2024	2023
Opening balance	1,174	1,203
Charge/Credit to income statement	(55)	21
Charge/Credit to equity	(1)	(8)
Transfers	(318)	(42)
Closing balance	**800**	**1,174**

Deferred tax liabilities arising from:	2024	2023
Opening balance	394	385
Charge/Credit to income statement	(18)	53
Charge/Credit to equity	3	(7)
Transfers	(307)	(37)
Closing balance	**72**	**394**

As at 31 January 2025, the Group had tax losses that can be offset with future profits amounting to 192 million euros (232 million euros as at 31 January 2024) of which 138 million euros are capitalised and shown in the breakdown of deferred tax assets indicated above, with a balance of 29 million euros as at 31 January 2025 (33 million euros as at 31 January 2024). Tax losses that can be offset are mostly not subject to an effective compensation period.

The Group, based on the methodology established to verify the existence of signs of impairment in its non-current assets (Note 3.2.f), constructs the hypotheses to analyse the existence of sufficient fiscal gains in the future that allow to offset such tax losses before they prescribe. Additionally, the reversal in the same entity of deferred tax liabilities related to the same tax authority that may give rise to taxable amounts in sufficient quantity to apply the unused tax losses against them is taken into account.

In addition, some companies that make up the consolidated group have reserves that could be subject to taxation should they be distributed. These consolidated financial statements include the tax effect associated with such distribution insofar as it is likely to occur in the foreseeable future. Temporary differences, associated with investments in subsidiaries, associates and permanent establishments, which have not been registered for the exception provided for in IAS 12, amount to 303 million euros (357 million euros in 2023).

On the other hand, in accordance with the tax legislation applicable to the Parent of the Group, the dividends proposed or declared to the shareholders of said company, before the financial statements have been formulated and that have not been recognised as liabilities, do not generate consequences in the income tax of the Parent.

The years open to inspection in relation to the main taxes vary according to the tax legislation of each country in which the Group operates. Ordinary audits are currently being performed on Group companies in various markets. In any case, it is not expected that, as a consequence of the ongoing verification actions, as well as those that could be carried out in the future in relation to non-prescribed periods, liabilities will be revealed that significantly affect the equity situation or the Group's results.

On 20 December 2024, Law 7/2024 of 20 December 2024 was passed in Spain, establishing a Supplementary Tax to guarantee a global minimum level of taxation for multinational enterprise groups and large-scale domestic groups. This law transposes Council Directive (EU) 2022/2523 of 15 December 2022, which incorporates the global minimum taxation rules into the European legal framework. This law is in effect for tax periods beginning on or after 31 December 2023.

These financial statements include the impact of applying this rule, as well as equivalent rules adopted in the markets in which the Group operates, which is immaterial and limited to jurisdictions where the nominal Corporate Income Tax rate is below 15%. In addition, it should be noted that the Inditex Group applies the mandatory exception to the recognition and disclosure of deferred tax assets and liabilities in relation to the global minimum taxation rules.

26. Financial instruments and risk management policy

Financial risk management policy

The Group's activities are exposed to various financial risks: market risk (foreign currency risk, raw materials risk and interest rate risk) and other risks (credit risk, liquidity risk and country risk). The Group's financial risk management focuses on the uncertainty of financial markets and aims to minimise the potential adverse effects on the profitability of its business.

This note provides information on the Group's exposure to each of the aforementioned risks, the Group's objectives, policies and processes for managing risk, the methods used to measure these risks, any changes from the previous year and the financial instruments used to mitigate the risks.

Foreign currency risk

The Group operates in an international environment and, accordingly, is exposed to foreign currency risk on transactions in currencies, in particular the US dollar (the euro is the Group's reference currency and the functional currency of the Parent). Foreign currency risk arises on future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

Foreign currency risk is managed in line with the corporate risk management model guidelines, which establish the ongoing monitoring of exchange rate fluctuations and other measures designed to mitigate this risk, mainly through the optimisation of the Group's operations, including centralisation, in order to minimise the impact, using natural hedges, the benefits of diversification and the arrangement of financial hedges.

Merchandise and goods for resale are acquired partly through orders placed with foreign suppliers, mostly in US dollars. In accordance with prevailing foreign currency risk management policies, the Group's Management arranges derivatives, mainly foreign currency forwards, to hedge fluctuations in cash flows relating to the EUR-USD exchange rate. The Group also uses non-derivative financial instruments as hedges (e.g., deposits held in currencies other than the euro), and these instruments are recognised under 'Current financial investments'.

The Group's head companies supply their subsidiaries with finished goods for sale to the end customers. With a view to reducing the fluctuations in value of the expected foreign currency cash flows arising from these intra-Group transactions (denominated in currencies other than the euro), the Group occasionally uses financial derivatives such as purchased options, zero-premium option combinations and, occasionally, foreign currency forwards.

Certain Group subsidiaries are granted internal financing denominated in currencies other than the euro. In accordance with prevailing foreign currency risk management policies, derivatives are arranged, mainly forwards, to hedge the changes in fair value related to exchange rates.

As described in Note 3.2.m, the Group applies hedge accounting to mitigate the volatility that would arise in the consolidated income statement as a result of the existence of significant foreign currency transactions. Hedge accounting has been used because the Group meets the requirements described in Note 3.2.m on accounting policies in order to be able to classify financial instruments as hedges for accounting purposes.

The Group applies the hedge accounting rules established in the applicable reporting standards. As a result, certain financial instruments were formally designated as hedging instruments and the Group verified that the hedges are highly effective. The maturity dates of the hedging instruments were negotiated so that they coincide with those of the hedged items. In 2024, using hedge accounting, no significant amounts were recognised in the consolidated income statement either as a result of transactions that ultimately did not occur or as a result of the ineffectiveness of the hedges. Approximately 70% of the cash flows associated with hedges in US dollars are expected to occur in the six months subsequent to year-end, while the remaining 30% are expected to fall due between six months and one year. Also, the impact on the consolidated income statement will foreseeably occur in those periods. With regard to intra-Group transactions, short-term cash flow hedges are occasionally arranged through derivatives, matched to expected cash flows.

The fair value of the hedging instruments was calculated as described in Note 3.2.m.

Raw material risk

As a result of its business model, the Group is also exposed to potential cost volatility and inflation related to the impact resulting from price increases of the many raw materials (both textile and non-textile) consumed directly and indirectly in the Group's operations and in its procurement of goods, primarily our commercial products (garments, footwear, accessories and household products), and services, especially in terms of supply and distribution transport, as well as energy consumption. This risk is measured using 'at risk' methodologies from a portfolio of exposures standpoint.

Economic risk measurement methodology

The Group uses the Cash-Flow-at-Risk (CFaR) methodology in order to estimate the potential impact of exchange rate and raw material price fluctuations on consolidated profit before tax and, if applicable, determine the relevant mitigation strategies. CFaR is a methodology

widely used in risk management. It is an evolution of the Value-at-Risk (VaR) method focused on the possible loss related to future cash flows. Given a portfolio, exposed to one or more risks, the CFaR represents the maximum expected loss for a defined time horizon with a given confidence interval. The CFaR measures risk in aggregate terms, considering the potential diversification benefit resulting from the correlations between the components of the portfolio of exposures.

The underlying portfolio used in the CFaR calculation is composed of future flows denominated in the currency and/or raw material in which the underlying risk is expressed for up to one year. It is estimated that this portfolio represents substantially all of the Group's exposure to foreign currency and raw material price risk and that the possible adverse changes in exchange rates would affect the following year's consolidated profit. The main parameters and assumptions used in the CFaR calculation relate to the horizon of the estimated flows, the scenario simulation technique and the selected confidence interval. The cash flows considered have a duration of up to one year, taking as a time horizon the maturity date of each cash flow. Distributions are simulated using the Monte Carlo method by generating random scenarios based on market changes over the previous three years. A 95% confidence interval is selected. In addition, using the same methodology, the portfolio performance is analysed periodically and repeatedly under highly stressed scenarios based on market movements during historical periods of high volatility.

As regards the limitations of the calculation, it should be noted that the actual maximum loss could be higher than the estimated loss, since when opting for a 95% confidence level there are 5% of scenarios in which the expected loss is higher. In addition, future market changes do not necessarily coincide with the behaviour of the previous three years. It may also be the case that the estimated flows, i.e., the portfolio used for the calculation, differ from the actual flows. In addition, the Group uses the Value-at-Risk (VaR) method to manage foreign exchange risk in relation to the most relevant accounting items.

In accordance with the risk management framework, risk appetite and tolerance levels are set and residual risk is quantified. Furthermore, limits are set and monitored to ensure that residual risk is within the risk appetite and is also compliant with the established risk tolerance level.

It is estimated that the resulting negative impact on the 12-month expected cash flows, attributable to an adverse change in the exchange rate and raw material prices resulting from the CFaR calculation, could be 631 million euros at 31 January 2025 (514 million euros at 31 January 2024).

Credit risk

The Group is not exposed to significant concentrations of credit risk as policies are in place to cover sales to franchises and retail sales represent the vast majority of revenue. Collections are made primarily in cash or through credit card payments.

The Financial Risk Management Policy ensures the measurement, assessment, quantification and mitigation of the credit risk of investment products and the counterparty risk of financial institutions by establishing very detailed analysis criteria and Value-at-Risk (VaR) methodologies.

The VaR methodology implemented takes into account the counterparty's probability of default as estimated by the market, the time horizon of the investments, and the percentage of risk exposure that is not expected to be recovered in the event of default (loss given default). VaR represents the maximum expected loss for a defined time horizon with a given confidence interval. The exposures used are up to one year. Distributions are simulated using the Monte Carlo method by generating random scenarios based on market changes over the previous year. A 95% confidence interval is selected.

As regards the limitations of the calculation, it should be noted that the actual maximum loss could be higher than the estimated loss, since when opting for a 95% confidence level there are 5% of scenarios in which the expected loss is higher. In addition, future market changes do not necessarily coincide with the behaviour of the previous year.

In accordance with the risk management framework, risk appetite and target risk are set and residual risk is quantified. In addition, limits are set and monitored to ensure that residual risk is within the risk appetite and is also compliant with target risk.

It is estimated that the residual risk resulting from the Group's twelve-month cash investments could be up to 6 million euros at 31 January 2025 (13 million euros at 31 January 2024). Residual risk has decreased as a result of market conditions and the process of diversifying the asset portfolio by incorporating high credit quality sovereign debt.

The credit risk resulting from the arrangement of financial derivatives is mitigated by the requirement that such instruments be subject to an ISDA master agreement.

Occasionally, where deemed necessary, the Group requests that additional security be provided in the form of pledged collateral.

In relation to accounts receivable of commercial origin, the Group estimates that at closing date there has not been a significant increase in credit risk since its recognition, which is why the expected loss at 12 months has been estimated, not being significant, and it has not been considered necessary to make valuation corrections in accounts receivable not due.

The main financial assets of the Group are shown in the 'Financial instruments: other information' section below.

Liquidity risk

The Group is not exposed to significant liquidity risk, as it maintains sufficient cash and cash equivalents to meet the outflows required in its normal operations. If the Group has a specific financing requirement, either in euros or in other currencies, it resorts to loans, credit facilities or other types of financial instruments (Note 21).

Note 21 contains a detail of the financial liabilities, along with their scheduled maturities.

Interest rate risk

The Group's exposure to interest rate risk, which in no case is significant, arises principally in relation to the following items:

- Cash and cash equivalents: the interest rate environment remained stable but trended downwards as a result of the improved outlook for the inflation control process by the monetary authorities. Given the Group's investment (Note 21)the profitability of the Group's financial position was above the average of previous years (Note 9).
- Financial debt: given the amount of the Group's external financing (Note 21), any change in interest rates at year-end would not significantly affect consolidated profits.
- Discount rates: used in the calculation of the impairment losses on non-current assets (property, plant and equipment and intangible assets) and goodwill (Note 3.2.f).
- Derivatives: given the type of hedging instruments arranged, the interest rate risk is not material.

The Group does not have any material financial assets or liabilities designated as at fair value through profit or loss. A potential change in fair value would not imply significant impact.

Country risk

The international presence of the Group's business activities exposes it to the country risk of multiple geographical regions, in both its supply and its sales and distribution activities. The Group adapts its administrative and business processes in order to minimise country risk and take advantage of the benefits of geographical diversification. The Group restarted operations in Ukraine in April 2024 (Note 2).

One of the most significant manifestations of country risk is foreign currency risk and the possibility of exposure to limits or controls on the free circulation of cash flows due to a lack of currency convertibility, in current or capital account terms, or to unexpected restrictions on the movement of capital. The Group manages cash at corporate level based on a highly active repatriation policy aimed at reducing the aforementioned risks to a minimum. Country risk is also considered when assessing the jurisdictions in which the Group's cash is located.

At 31 January 2025, there was no significant risk in relation to the repatriation of funds or any material cash surpluses not available for use by the Group or its subsidiaries. Similarly, there are no significant restrictions on the Group's ability to access the assets and settle the liabilities of its subsidiaries.

At 31 January 2025, the Group was not operating in markets in which there was more than one exchange rate.

Capital management

The Group's capital management objectives are to safeguard its ability to continue operating as a going concern, so that it can continue to generate returns for shareholders and benefit other stakeholders, and to maintain an optimum capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments thereto in response to changes in economic conditions. The current capital management policy is based on self-financing through funds generated by operations. The shareholder remuneration policy is detailed in the Consolidated Directors' Report.

There were no significant changes to capital management in the year.

Financial instruments

At 31 January 2025 and 2024, the Group had arranged hedging derivatives consisting basically of forwards on its future purchases in US dollars, forwards to hedge intra-Group financing, and options. The fair value of these derivatives is recognised under 'Other financial assets' and 'Other financial liabilities' depending on the related balance.

In 2023, the Group entered into two VPPA (Virtual Power Purchase Agreement) for the supply of 100%-renewable electricity over a period of 10 and 12 years, with a total nominal capacity of 398 GWh/year, corresponding to an installed capacity of 136 MW. The related projects are in the development phase, in some cases pending final approval, and will come on stream in 2025. It has been booked as a Level 3 financial instrument for which changes in the fair value of the option sold are recognised in the income statement.

The detail of 'Other financial assets' and 'Other financial liabilities' in the consolidated balance sheet is as follows:

Other financial assets	**2024**	**2023**
Fair value of the hedging instruments	25	7
Total	**25**	**7**

Other financial liabilities	**2024**	**2023**
Fair value of the hedging instruments	-	7
Reciprocal call and put options (Note 7)	48	19
Total	**48**	**26**

The detail of the fair value (measured as indicated in Note 3.2.m) of the financial instruments for 2024 and 2023 is as follows:

Other financial assets measured at fair value and classification on a fair value hierarchy:

	OTC derivatives:		
	Foreign currency forwards	**Energy options**	**Total**
Level	**2**	**3**	
Fair value at 1 February 2023	8	-	8
Transfer to income	(4)	3	(1)
Transfer to income from equity	-	-	-
Income recognised directly in equity	-	-	-
Fair value at 31 January 2024	**4**	**3**	**7**
Fair value at 1 February 2024	4	3	7
Transfer to income	7	3	10
Transfer to income from equity	1	-	1
Income recognised directly in equity	7	-	7
Fair value at 31 January 2025	**19**	**6**	**25**

Other financial liabilities measured at fair value and classification on a fair value hierarchy:

	OTC derivatives:		
	Foreign currency forwards	**Energy options**	**Total**
Level	**2**	**3**	
Fair value at 1 February 2023	29	-	29
Transfer to income	(10)	-	(10)
Transfer to income from equity	(13)	-	(13)
Income recognised directly in equity	1	-	1
Fair value at 31 January 2024	**7**	**-**	**7**
Fair value at 1 February 2024	7	-	7
Transfer to income	(7)	-	(7)
Transfer to income from equity	-	-	-
Income recognised directly in equity	-	-	-
Fair value at 31 January 2025	**-**	**-**	**-**

There were no transfers among the various levels of the fair value hierarchy (Note 3.2.m).

Financial instruments: other information

The main financial assets held by the Group, other than cash and cash equivalents and derivative financial instruments, are the loans and receivables related to the Group's principal activity and the guarantees given in relation to the lease of commercial premises, which are shown under 'Other non-current assets'. The main financial assets of the Group are as follows:

	2024	**2023**
Cash and cash equivalents (Note 21)	6,382	7,007
Current financial investments (Note 21)	5,120	4,415
Trade receivables (Note 12)	356	298
Receivable due to sales to franchises (Note 12)	390	324
Other current receivables (Note 12)	147	132
Guarantees (Note 19)	170	225
Total	**12,565**	**12,401**

The main financial liabilities of the Group relate to accounts payable on commercial transactions.

In 2024 and 2023 no significant impairment losses were recognised on financial assets.

27. Employee benefits

Obligations for benefit plans or defined contributions

The Group does not maintain obligations with its employees as a general rule for defined benefit plans or contributions. However, in certain countries, due to the legislation or regulation in force or local labour practice, the Group assumes certain commitments related to the payment of certain amounts for accidents, illness or retirement, among others, sometimes partially paid by the worker and risk is partially or totally externalised through hiring the corresponding insurance policies.

Likewise, in certain countries, the worker participates in a percentage of the profits generated by the Group companies in that country. The liabilities related to these items are recorded in the 'Provisions' and 'Other non-current liabilities' heading in the consolidated balance sheet. The impact of these obligations on the consolidated income statement and the consolidated balance sheet is not significant.

Long-term incentive plans

2021-2025 Long-term incentive plan

The Annual General Meeting held on 13 July 2021 approved a 2021-2025 Long-Term Incentive Plan for members of the management team and other employees of Inditex and its Group of Companies (hereinafter referred to as the '2021-2025 Plan'). Under this Plan, each of the beneficiaries will be entitled, provided the terms and conditions established therein are fulfilled, to receive up to a maximum amount of the incentive allocated.

The 2021-2025 Plan combines a multi-year cash bonus and a promise to deliver shares which, after a specified period of time and verified compliance with the specific objectives, will be paid to the Plan beneficiaries, either in full or at the percentage applicable in each case.

The Plan has a total duration of 4 years and is structured into two mutually independent time cycles. The first cycle (2021-2024) of the Plan ran from 1 February 2021 to 31 January 2024 and has been settled in the first quarter of 2024 (Note 24). The second cycle (2022-2025) of the 2019-2025 Plan runs from 1 February 2022 to 31 January 2025 and is scheduled to be settled in the first quarter of 2025.

The Plan is linked to critical business, sustainability and shareholder value creation targets. The share of sustainability- and environment-linked goals has increased to 25% of the overall Plan, with respect to previous plans.

The 2021-2025 Plan does not expose the Group to any material risks.

2023-2027 Long-term incentive plan

The Annual General Meeting held on 11 July 2023 approved a 2023-2027 Long-Term Incentive Plan for members of the management team and other employees of Inditex and its Group of Companies (hereinafter referred to as the '2023-2027 Plan'). Under this Plan, each of the beneficiaries will be entitled, provided the terms and conditions established therein are fulfilled, to receive up to a maximum amount of the incentive allocated.

The 2023-2027 Plan is consistent with the previous one and combines a multi-year cash bonus and a promise to deliver shares which, after a specified period of time and verified compliance with the specific objectives, will be paid to the Plan beneficiaries, either in full or at the percentage applicable in each case.

The Plan has a total duration of 4 years and is structured into two mutually independent time cycles. The first cycle (2023-2026) of the Plan runs from 1 February 2023 to 31 January 2026. The second cycle (2024-2027) spans the period from 1 February 2024 to 31 January 2027.

The Plan is linked to critical business, sustainability and shareholder value creation targets. The share of sustainability- and environment-linked goals represents 25% of the overall Plan.

The 2023-2027 Plan does not expose the Group to any material risks.

The liabilities related to the plans in cash is shown registered in the 'Provisions' and 'Trade and other payables' item of the consolidated balance sheet, and its annual allocation is included in the 'Operating expenses' item in the consolidated income statement.

The amount relating to the equity-settled component of the plans is recognised under 'Equity' in the consolidated balance sheet and the related period charge is reflected under 'Operating expenses' in the consolidated income statement.

The impact of these obligations on the consolidated income statement and the consolidated balance sheet is not significant.

28. Jointly controlled entities

Inditex has a 50% stake in the group formed by the parent, Tempe, S.A., and its subsidiaries, the detail of which is shown in Annex I.The main activity of these companies is the design, supply and distribution of footwear to Inditex Group companies, their main customer.

Set forth below is the financial information of the Tempe Group, obtained from its consolidated financial statements prepared in accordance with IFRS, together with other relevant financial information:

	2024	2023
Property, plant and equipment	263	252
Others	35	39
Non-current assets	**298**	**291**
Inventories	262	274
Trade and other receivables	608	479
Cash and cash equivalents	24	14
Current assets	**894**	**767**
Non-current liabilities	**(25)**	**(26)**
Trade and other payables	(371)	(337)
Others	(1)	(2)
Current liabilities	**(372)**	**(339)**
Net assets	**795**	**693**

	2024	2023
Net sales	1,614	1,508
Gross profit	**516**	**418**
Operating expenses	(239)	(232)
Amortisation and depreciation	(29)	(27)
Net operating profit (EBIT)	**248**	**159**
Net profit	**205**	**142**

In 2024 the Group received dividends totalling 55 million euros (49 million euros in 2023) from Tempe (Note 18).

29. Proposed distribution of the profit of the Parent

The proposed appropriation of the Parent's profit in 2024 in the amount of 2,705 million euros made by the Board of Directors consists of distributing dividends in a maximum amount of 2,618 million euros as interim dividend and allocate at least 87 million euros to voluntary reserves[1].

The Board of Directors will propose to shareholders at the Annual General Meeting to pay shares with a right to dividend, a dividend of 1.68 (gross) euros per share, being comprised of a 1.13 euros per share ordinary dividend and a 0.55 euros per share bonus dividend.

Out of the total amount of 1.68 euros per share, 0.84 euros per share will be paid on 2 May 2025 as ordinary dividend against 2024 results, and 0.84 euros per share will be distributed against the Parent's unrestricted reserves, payable on 3 November 2025 as ordinary and bonus dividend.

The proposal covers a dividend distribution in the maximum amount of 5,236 million euros, corresponding to 1.68 (gross) euros per share for the entire stake of the Parent (3,116,652,000 shares). The final amount to be distributed will be contingent on the number of outstanding shares with a right to dividend at the payment date. Since the Parent net income in 2024 has reached 2,705 million euros, the difference between the interim dividend and the full dividend will be charged against the Parent's unrestricted reserves.

[1] This is the minimum amount applicable to voluntary reserves, contingent on the final amount to be paid as dividend pursuant to the terms of this proposal

30. Remuneration of the Board of Directors and related party transactions

Remuneration of the Board of Directors

The remuneration earned by Directors of the Parent and Senior Management of the Group in 2024 is shown in the section on related party transactions.

Other information concerning the Board of Directors

At 31 January 2025, as per the Parent's Shareholders Register, the members of the Board of Directors directly or indirectly held the following ownership interests in the share capital of Inditex:

Name or company name of director	% Voting rights attached to shares		% Voting rights through financial instruments		% Total voting rights	From the total number of voting rights attached to shares, indicate, where appropriate, the additional votes attached to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Ms Marta Ortega Pérez	0.0014%	-	-	-	0.0014%	-	-
Mr José Arnau Sierra	0.0010%	-	-	-	0.0010%	-	-
Mr Óscar García Maceiras	0.0026%	-	-	-	0.0026%	-	-
Mr Amancio Ortega Gaona [1]	-	59.2940%	-	-	59.2940%	-	-
Ms Flora Pérez Marcote	0.0027%	-	-	-	0.0027%	-	-
Mr José Luis Durán Schulz	-	0.0001%	-	-	0.0001%	-	-
Mr Rodrigo Echenique Gordillo	0.0006%	-	-	-	0.0006%	-	-
Bns Denise Patricia Kingsmill	-	-	-	-	-	-	-
Ms Pilar López Álvarez	0.0002%	-	-	-	0.0002%	-	-
Ms Belén Romana García [2]	0.0000%	-	-	-	0.0000%	-	-
Total	**0.0085%**	**59.2941%**			**59.3026%**		

[1] Through Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U. (Partler 2006, S.L. holds a 100% stake in the latter's share capital and the former is controlled by Mr Ortega Gaona)

[2] Ms Belén Romana holds 1,518 shares representing a 0.000049% stake in the Company's share capital.

Pursuant to the provisions of section 229 of the Spanish Companies Act, as amended by Act 31/2014, of 3 December, no director of Inditex has communicated during 2024 any situation that, directly and/or indirectly, through their related parties, could place them in a potential conflict of interest with the Parent.

Notwithstanding the foregoing, Mr Rodrigo Echenique Gordillo and Ms Pilar López Álvarez serve on the board of directors or hold managerial positions in Grupo Santander and Microsoft, respectively. Likewise, Ms Belén Romana García also serves on the board of directors of Banco Santander and of Bolsas y Mercados Españoles as independent director.

All three of them serve as independent directors on the board of directors of the Parent, without prejudice to the business relations that Inditex has maintained with these companies for years.

With regard to these situations, Inditex's Board of Directors has considered that none of the business relationships maintained with the aforementioned companies affect the independence of its directors, since none of them take part in the negotiation and execution of the relevant agreements, as currently none of them exert a significant influence on the line of business of Banco Santander, Microsoft or Bolsas y Mercados Españoles, where applicable, with which the Parent Company has business relations. From the perspective of the Company, none of them may be deemed to be significant or relevant business relationships within the meaning of section 529*duodecies*(4)(e) LSC.

In any case, the Board of Directors ensures, through the Audit and Compliance Committee that the transactions with directors, significant shareholders and/or senior managers, or with their respective related parties, are carried out under market conditions and respecting the principle of equal treatment of shareholders.

Furthermore, when the Board of Directors deliberated on the appointment and re-election of a position, the compensation or any other resolution relating to a director or to a person or company related to a director, the affected party was absent from the meeting during the deliberation and voting stages of the relevant resolution.

Related party transactions

Related parties are the subsidiaries, jointly controlled entities (Note 28) and associates detailed in Annex I to the notes to the consolidated annual accounts, the significant or controlling shareholders, the members of the Board of Directors of Inditex and the Senior Management of the Inditex Group, as well as their close family members, as defined in IAS 24, of Commission Regulation (EC) No 1126/2008, of 3 November, adopting certain international accounting standards, and in rule 2, section 3 of Order EHA/3050/2004, of 15 September, on information on related party transactions that issuers of securities listed on official secondary markets must disclose.

Related party transactions were performed on an arm's length basis.

Inditex Group companies

The transactions between Inditex and its subsidiaries, form part of the normal course of business in terms of their purpose and terms and conditions and were eliminated in full on consolidation. Therefore, they are not disclosed in this Note.

The following tables detail the transactions and the outstanding balances between Inditex Group companies and its jointly controlled entities:

Transactions:

	2024	2023
Jointly controlled entities	(1,221)	(1,163)

Corresponding mainly to finished goods procurements.

Balances:

	31/01/2025	31/01/2024
Trade and other receivables	46	33
Non-current financial investments	386	339
Trade and other payables	572	448

The transactions with significant shareholders, members of the Board of Directors and/or Senior Management are detailed below, as the case may be.

Significant shareholders

The transactions performed by the Inditex Group with Pontegadea Inversiones, S.L., Partler Participaciones S.L.U, Partler 2006, S.L. and/or with natural persons and/or companies and entities related to them, and/or with Rosp Corunna Participaciones Empresariales, S.L. and/or with natural persons or companies related to it, were as follows:

Company name of significant shareholder	Nature of relationship	Type of operation	2024	2023
Pontegadea Inversiones, S.L., Partler Participaciones, S.L.U., Partler 2006, S.L. or related entities or persons	Contractual	Lease of assets	(46)	(39)
	Contractual	Services (construction work)	42	40
	Contractual	Other income	1	-
	Contractual	Purchase of assets	-	(46)
Rosp Corunna Participaciones Empresariales, S.L. or related entities or persons	Contractual	Lease of assets	(1)	(1)

A significant part of the related-party transactions that are recognised every year in this section corresponds to the payment of rents associated with the commercial premises that several Group companies have leased for the carrying out of their activity and whose ownership corresponds to companies related to the controlling shareholder or to significant shareholders.

Members of the Board of Directors and Senior Management

The amounts indicated in the following tables and paragraphs referring to remuneration and termination benefits are expressed in thousands of euros in both years.

The following tables show the remuneration and termination benefits of the members of the Board of Directors in 2024:

Name or company name of the Director	Type	Remuneration of Board members[5]	Remuneration for serving on the Committees of the Board of Directors [5]	Fixed remuneration	Variable remuneration 2024	Mult-year variable remuneration (cash and shares) 2024	Compensation	Total 2024
Ms Marta Ortega Pérez	Propietary	1,000	-	-	-	-	-	1,000
Mr José Arnau Sierra	Propietary	180	200	-	-	-	-	380
Mr Óscar García Maceiras	Executive	100	-	2,500	3,680	4,935	-	11,215
Mr Amancio Ortega Gaona	Propietary	100	-	-	-	-	-	100
Ms Flora Pérez Marcote [1]	Propietary	56	-	-	-	-	-	56
Mr Jose Luis Durán Schulz	Independent	100	200	-	-	-	-	300
Mr Rodrigo Echenique Gordillo	Independent	100	200	-	-	-	-	300
Bns Denise Patricia Kingsmill	Independent	100	200	-	-	-	-	300
Ms Pilar López Álvarez	Independent	100	172	-	-	-	-	272
Ms Belén Romana García [2]	Independent	56	112	-	-	-	-	168
PONTEGADEA INVERSIONES S.L. [3]	Propietary	44	-	-	-	-	-	44
Ms Anne Lange [4]	Independent	45	68	-	-	-	-	113
TOTAL		**1,981**	**1,152**	**2,500**	**3,680**	**4,935**	**-**	**14,248**

Notes:

(1) The effective date of her nomination was 10 July 2024.
(2) The effective date of her nomination was 9 July 2024.
(3) Represented by Ms Flora Pérez Marcote. The effective date of its resignation was 9 July 2024.
(4) The effective date of her resignation was 14 July 2024.
(5) In accordance with the criterion followed by CNMV, the amounts payable to directors for holding different positions on the board and/or its committees, which were separately reported before, are now added to the remuneration for board or committees' membership.

The total remuneration and termination benefits earned by Senior Management of the Inditex Group in 2024 were as follows:

2024

	SENIOR MANAGEMENT
Remuneration	117,171
Termination benefits	15,613
Total	**132,783**

The aforementioned remuneration for 2024 includes fixed remuneration and both the short-term and long-term variable remuneration accrued by Senior Managers of the Group in office at 31 January 2025, as well as by those who have performed duties as senior managers at any time during the reporting period, including the corresponding termination benefits.

The directors' remuneration for 2024 includes the fixed terms of the remuneration paid to directors in their status as such and the fixed remuneration and the short-term and long-term variable remuneration earned by the CEO, Mr Óscar García Maceiras from 1 February 2024 through 31 January 2025, for the performance of his executive functions.

With regard to the long-term variable remuneration, included therein is the amount accrued for the second cycle (2022-2025) of the 2021-2025 LTIP. The incentive accrued in 2024 in this regard has amounted to 4,935 thousand euros for the CEO and 56,826 thousand euros for Senior Managers, which has materialized as follows:

- CEO: (i) an incentive in cash in the aggregate amount of 1,331 thousand euros and (ii) an incentive in shares equivalent to a total number of 71,472 shares valued in the amount of 3,604 thousand euros.
- Senior Managers: (i) an incentive in cash in the overall amount of 17,566 thousand euros and (ii) an incentive in shares equivalent to a total number of 778,657 shares valued in the amount of 39,260 thousand euros.

The incentive in cash and in shares will be delivered within the month following the publication of the consolidated annual accounts for 2024.

The change to the total remuneration of the CEO and Senior Managers versus the previous year is primarily due to the strong increase in the long-term variable remuneration as a result of the excellent operating performance of the Company in the performance and vesting period of the second cycle (2022-2025) of the 2021-2025 LTIP that is being settled and the subsequent appreciation of Inditex's stock price by approximately 76.8%, going from €27.93 per share at the beginning of the cycle (average of the 30 trading days before 1 February 2022) to €49.37 at the end of the cycle (average of the 30 trading days before 31 January 2025).

In this same sense, in accordance with the yardstick followed by the Company, the share price considered for the quantification of the part of the incentive that is released in shares corresponds to the share price at the close of trading on the last trading day of the week before the meeting of the Board of Directors at which the level of achievement of the cycle in question is assessed and approved. Thus, Inditex's stock price on 8 March 2024 that was taken into account for the settlement of the first cycle (2021-2024) of the 2021-2025 LTIP (and which was reported in the Annual Report on Remuneration of Directors for 2023), was €40.67 versus €50.42 reached on 7 March 2025, taken as a reference for the settlement of the second cycle (2022-2025) of the 2021-2025 LTIP.

An itemized breakdown of the remuneration of the members of the Board of Directors in 2023 was as follows:

Name or company name of the Director	Type	Remuneration of Board members	Remuneration of the Deputy Chair of the Board of Directors	Remuneration for serving on Committees and other Board of Directors	Remuneration for chairing Committees	Fixed remuneration	Variable remuneration 2023	Multi-year variable remuneration (cash and shares) 2023	Compensation	Total 2023
Ms Marta Ortega Pérez	Propietary	100	900	-	-	-	-	-	-	1,000
Mr José Arnau Sierra	Propietary	100	80	200	-	-	-	-	-	380
Mr Óscar García Maceiras	Executive	100	-	-	-	2,500	3,750	3,971	-	10,321
Mr Amancio Ortega Gaona	Propietary	100	-	-	-	-	-	-	-	100
Mr Jose Luis Durán Schulz	Independent	100	-	150	50	-	-	-	-	300
Mr Rodrigo Echenique Gordillo	Independent	100	-	150	50	-	-	-	-	300
Bns Denise Patricia Kingsmill	Independent	100	-	150	50	-	-	-	-	300
Ms Anne Lange	Independent	100	-	150	-	-	-	-	-	250
Ms Pilar López Álvarez	Independent	100	-	150	50	-	-	-	-	300
PONTEGADEA INVERSIONES S.L. (1)	Propietary	100	-	-	-	-	-	-	-	100
Mr Emilio Saracho Rodríguez de Torres (2)	Affiliate	45	-	66	-	-	-	-	-	111
TOTAL		**1,045**	**980**	**1,016**	**200**	**2,500**	**3,750**	**3,971**	**-**	**13,462**

Notes:

(1) Represented by Ms Flora Pérez Marcote.
(2) The effective date of his resignation was 11 July 2023.

The total remuneration and termination benefits earned by Senior Managers of the Inditex Group in 2023 were as follows:

2023

	SENIOR MANAGEMENT
Remuneration	113,583
Termination benefits	2,888
Total	**116,471**

The aforementioned remuneration for 2023 included the fixed remuneration and both the short-term and long-term variable remuneration accrued by Senior Managers of the Group in office at 31 January 2024, as well as by those who had performed duties as senior managers at any time during the reporting period, including the corresponding termination benefits.

The directors' remuneration for 2023 included the fixed terms of the remuneration paid to directors in their status as such and the fixed remuneration and the short-term and long-term variable remuneration earned by the CEO, Mr Óscar García Maceiras for the performance of his executive functions from 1 February 2023 through 31 January 2024.

With regard to the long-term variable remuneration, it included the amount earned for the first cycle (2021-2024) of the 2021-2025 LTIP. The amount accrued in 2023 for this incentive was 3,971 thousand euros for the CEO and 52,076 thousand euros for the Senior Management, which materialized as follows:

- CEO: (i) an incentive in cash in the amount of 1,183 thousand euros and (ii) an incentive in shares equivalent to 68.562 shares, valued in the amount of 2,788 thousand euros.
- Senior Management: (i) an incentive in cash in the overall amount of 17,866 thousand euros and (ii) an incentive in shares equivalent to 841,162 shares, valued in the amount of 34,210 thousand euros.

The incentive in cash and in shares was settled in the month following the publication of the consolidated annual accounts for 2023.

The change to the total remuneration of the CEO and Senior Managers versus the previous year was primarily due to the strong increase in the long-term variable remuneration as a result of the excellent operating performance of the Company in the performance and vesting period of the first cycle (2021-2024) of the 2021-2025 LTIP which was settled and the subsequent appreciation of Inditex's stock price by approximately 50%, going from €25.88 per share at the beginning of the cycle (1 February 2021) to €38.76 at the end of the cycle (31 January 2024).

In this same sense, in accordance with the yardstick followed by the Company, the share price considered for the quantification of the part of the incentive that is released in shares corresponds to the share price at the close of trading on the last trading day of the week before the meeting of the Board of Directors at which the level of achievement of the cycle in question is assessed and approved. Thus, Inditex's stock price on 10 March 2023 which was considered for the settlement of the second cycle (2020-2023) of the 2019-2023 LTIP (which was reported in the Annual Report on Remuneration of Directors for 2022), was €29.27 versus €40.67 reached on 8 March 2024, taken as a reference for the settlement of the first cycle (2021-2024) of the 2021-2025 LTIP.

31. External auditors

In 2024 and 2023 the fees for financial audit and other services provided by the auditor of the Group's annual accounts, Ernst & Young, or by any firms related to this auditor as a result of a relationship of control, common ownership or common management, were as follows:

	2024	2023
Audit services	7.3	7.2
Other assurance services	0.8	0.6
Total audit and similar services	**8.1**	**7.8**
Tax services	0.1	0.1
Other services	-	-
Total professional services	**8.2**	**7.9**

Furthermore, audit fees for services provided by auditors other than the main auditor, Ernst & Young in 2024 amounted to 0.1 million euros (0.1 million euros in 2023).

32. Environment

Inditex has developed a flexible and integrated business model, with a strong customer focus and a clear approach in sustainability. In this regard, the bases of Inditex's sustainability strategy (which includes both the environmental and social areas) is outlined in its Sustainability Policy, which sets out, among other aspects, the Group's environmental principles, which are applied transversally across all its business areas and throughout its entire value chain.

Inditex has several sustainability objectives, such as the use of 100% lower impact fibres in its products by 2030, reducing our emissions by 53% (including own operations and value chain) by 2030, and reducing water consumption by 25% in the supply chain by 2025, among others.

At the year-end, Inditex has no environmental liabilities, expenses, assets, provisions or contingencies that might be material with respect to its equity, financial position and profits (losses). Climate change has been assessed as part of the estimates and judgements made in the preparation of the consolidated financial statements (Note 2) and is not considered to have a material impact thereupon.

The Group's Consolidated Statement on Non-Financial Information and Sustainability Information includes information on Inditex Group's commitment to sustainability.

33. Events after the reporting period

No significant events have occurred after the reporting date.

34. Explanation added for translation to English

These consolidated annual accounts are presented on the basis of the regulatory financial reporting framework applicable to the Group in Spain (Note 2). Certain accounting practices applied by the Group that conform with that regulatory framework may not conform with other generally accepted accounting principles and rules.

Translation of these consolidated annual accounts are originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Annex 1:
Composition of the Inditex Group

Company	Effective % of ownership	Location	Consolidation method	Reporting date	Concept	Line of business
Subsidiaries:						
Industria De Diseño Textil, S.A. (Inditex, S.A.)	Parent	A Coruña - Spain	Full Consol.	31-jan	—	Parent
Bershka Bsk España, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Bershka	Retail sales
Bershka Commercial (Beijing) Co. Ltd.	100.00%	Beijing - Mainland China	Full Consol.	31-dec	Bershka	Dormant
Bershka Commercial (Shanghai) Co., Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Bershka	Dormant
Bershka Diseño, S.L.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Bershka	Design
Bershka France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Bershka	Retail sales
Bershka Hong Kong, Ltd.	100.00%	Hong Kong SAR	Full Consol.	31-jan	Bershka	Dormant
Bershka Logística, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Bershka	Logistics
Bershka Polska, Sp. Z O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Bershka	Retail sales
Bershka Retail India Private Limited	100.00%	Gurgaon - India	Full Consol.	31-mar	Bershka	Retail sales
Bershka Usa, Inc	100.00%	New York - USA	Full Consol.	31-jan	Bershka	Dormant
Best Retail Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Bershka	Retail sales
Bske, Gmbh	100.00%	Hamburg - Germany	Full Consol.	31-jan	Bershka	Holding company
Kg Bershka Deutschland, B.V. & Co.	100.00%	Hamburg - Germany	Full Consol.	31-jan	Bershka	Retail sales
Limited Liability Company "Bk Garments Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Bershka	Retail sales
Grupo Massimo Dutti, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Massimo Dutti	Retail sales
Kg Massimo Dutti Deutschland, B.V. & Co.	100.00%	Hamburg - Germany	Full Consol.	31-jan	Massimo Dutti	Retail sales
Limited Liability Company "Massimo Dutti Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Massimo Dutti	Retail sales
Massimo Dutti Belux, S.A.	100.00%	Brussels - Belgium	Full Consol.	31-jan	Massimo Dutti	Retail sales
Massimo Dutti Commercial (Beijing) Co. Ltd.	100.00%	Beijing - Mainland China	Full Consol.	31-dec	Massimo Dutti	Retail sales
Massimo Dutti Commercial (Shanghai) Co. Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Massimo Dutti	Retail sales
Massimo Dutti Deutschland, Gmbh	100.00%	Hamburg - Germany	Full Consol.	31-jan	Massimo Dutti	Holding company
Massimo Dutti Diseño, S.L.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Massimo Dutti	Design
Massimo Dutti France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Massimo Dutti	Retail sales
Massimo Dutti Hong Kong, Ltd.	100.00%	Hong Kong SAR	Full Consol.	31-jan	Massimo Dutti	Dormant
Massimo Dutti India Private Limited	51.00%	Gurgaon - India	Full Consol.	31-mar	Massimo Dutti	Retail sales
Massimo Dutti Logística, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Massimo Dutti	Logistics
Massimo Dutti Macau Limitada	100.00%	Macao SAR	Full Consol.	31-dec	Massimo Dutti	Dormant
Massimo Dutti Polska, Sp. Z O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Massimo Dutti	Retail sales
Massimo Dutti Usa, Inc.	100.00%	New York - USA	Full Consol.	31-jan	Massimo Dutti	Retail sales
Massimo Dutti, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Massimo Dutti	Dormant
Master Retail Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Massimo Dutti	Retail sales
"Itx Albania" Shpk	100.00%	Tirana - Albania	Full Consol.	31-dec	Multi-concept	Retail sales
"Itx Kosovo" L.L.C.	100.00%	Pristina	Full Consol.	31-dec	Multi-concept	Retail sales
Cdc Trading (Shanghai) Co. Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Multi-concept	Buyer
Corporacion De Servicios XXI, S.A. De C.V.	100.00%	Mexico City - Mexico	Full Consol.	31-dec	Multi-concept	Services
Emea Aspire Trading Fze	100.00%	Dubai - United Arab Emirates	Full Consol.	31-jan	Multi-concept	Buyer
Fashion Logistics Forwarders, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Multi-concept	Logistics
Fashion Retail, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Multi-concept	Retail sales
Fgi Gestión Mex, S.A. De C.V.	100.00%	Mexico City - Mexico	Full Consol.	31-dec	Multi-concept	Construction
Goa-Invest Deutschland, Gmbh	100.00%	Hamburg - Germany	Full Consol.	31-jan	Multi-concept	Construction
Goa-Invest, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Multi-concept	Construction
Inditex Australia Pty Ltd	100.00%	Sydney - Australia	Full Consol.	31-jan	Multi-concept	Retail sales

Company	Effective % of ownership	Location	Consolidation method	Reporting date	Concept	Line of business
Inditex Belgique S.A.	100.00%	Brussels - Belgium	Full Consol.	31-jan	Multi-concept	Retail sales
Inditex Ceská Republika, S.R.O.	100.00%	Prague - Czech Republic	Full Consol.	31-jan	Multi-concept	Retail sales
Inditex Danmark A/S	100.00%	Copenhaguen - Denmark	Full Consol.	31-jan	Multi-concept	Retail sales
Inditex France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Multi-concept	Dormant
Inditex Logistica, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Multi-concept	Logistics
Inditex Montenegro, D.O.O. Podgorica	100.00%	Podgorica - Montenegro	Full Consol.	31-dec	Multi-concept	Retail sales
Inditex Norge As	100.00%	Oslo - Norway	Full Consol.	31-jan	Multi-concept	Retail sales
Inditex Österreich Gmbh	100.00%	Vienna - Austria	Full Consol.	31-jan	Multi-concept	Retail sales
Inditex Renovables, S.L.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Multi-concept	Services
Inditex Romania, S.R.L.	100.00%	Bucharest - Romania	Full Consol.	31-dec	Multi-concept	Retail sales
Inditex Slovakia, S.R.O.	100.00%	Bratislava - Slovakia	Full Consol.	31-jan	Multi-concept	Retail sales
Inditex Ukraine Llc	100.00%	Kiev - Ukraine	Full Consol.	31-dec	Multi-concept	Retail sales
Inditex Usa, Llc	100.00%	New York - USA	Full Consol.	31-jan	Multi-concept	Holding company
Itx Asia Pacific Enterprise Management, Co., Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Multi-concept	Buyer
Itx Bh D.O.O.	100.00%	Sarajevo - Bosnia Herzegovina	Full Consol.	31-dec	Multi-concept	Retail sales
Itx Bulgaria Eood	100.00%	Sofia - Bulgaria	Full Consol.	31-dec	Multi-concept	Retail sales
Itx Canada, Ltd	100.00%	Montreal - Canada	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Croatia, Ltd.	100.00%	Zagreb - Croatia	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Deutschland, B.V. & Co. Kg	100.00%	Hamburg - Germany	Full Consol.	31-jan	Multi-concept	Retail sales
Itx E-Commerce (Shanghai) Co., Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Multi-concept	Retail sales
Itx Financien III, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Financial services
Itx Financiën, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Financial services
Itx Finland Oy	100.00%	Helsinki - Finland	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Global Solutions Limited	100.00%	Hong Kong SAR	Full Consol.	31-jan	Multi-concept	Services
Itx Hellas Single Member S.A.	100.00%	Athens - Greece	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Hong Kong Limited	100.00%	Hong Kong SAR	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Italia Srl	100.00%	Milan - Italy	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Japan Corporation	100.00%	Tokyo - Japan	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Korea Limited	100.00%	Seoul - South Korea	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Luxembourg S.A.	100.00%	Luxembourg - Luxembourg	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Magyarország Kft.	100.00%	Budapest - Hungary	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Merken, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Services
Itx Nederland Bv	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Portugal - Confecções, S.A.	100.00%	Lisbon - Portugal	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Re Designated Activity Company	100.00%	Dublin - Ireland	Full Consol.	31-jan	Multi-concept	Insurance
Itx Retail Ireland Limited	100.00%	Dublin - Ireland	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Retail Mexico, S.A. De C.V.	100.00%	Mexico City - Mexico	Full Consol.	31-dec	Multi-concept	Retail sales
Itx Retail Suisse Sarl	100.00%	Fribourg - Switzerland	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Rs Doo Beograd	100.00%	Belgrade - Serbia	Full Consol.	31-jan	Multi-concept	Retail sales
Itx S, D.O.O	100.00%	Ljubljana - Slovenia	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Services India Private Limited	100.00%	Gurgaon - India	Full Consol.	31-mar	Multi-concept	Buyer
Itx Sverige Ab	100.00%	Stockholm - Sweden	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Taiwan B.V. Taiwan Branch	100.00%	Taipei - Taiwan, China	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Trading, S.A.	100.00%	Fribourg - Switzerland	Full Consol.	31-jan	Multi-concept	Buyer
Itx Tryfin B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Financial services
Itx Turkey Perakende Ithalat Ihracat Ve Ticaret Limited Sirketi	100.00%	Istanbul - Türkiye	Full Consol.	31-jan	Multi-concept	Retail sales

Company	Effective % of ownership	Location	Consolidation method	Reporting date	Concept	Line of business
Itx Uk Ltd.	100.00%	London - UK	Full Consol.	31-jan	Multi-concept	Retail sales
Itx Usa, Llc	100.00%	New York - USA	Full Consol.	31-jan	Multi-concept	Retail sales
Itx, Gmbh	100.00%	Hamburg - Germany	Full Consol.	31-jan	Multi-concept	Holding company
Itxr Macedonia Dooel Skopje	100.00%	Skopje - North Macedonia	Full Consol.	31-dec	Multi-concept	Retail sales
Lelystad Platform, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Logistics
Nueva Comercializadora Global Xxi, S.A. De C.V.	100.00%	Mexico City - Mexico	Full Consol.	31-dec	Multi-concept	Logistics
Zara Chile, S.A.	100.00%	Santiago de Chile - Chile	Full Consol.	31-dec	Multi-concept	Retail sales
Zara Commercial (Shanghai) Co. Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Multi-concept	Retail sales
Zara Holding II, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Holding company
Zara Holding, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Multi-concept	Holding company
Limited Liability Company "Oysho Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Oysho	Retail sales
Oysho Diseño, S.L.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Oysho	Design
Oysho España, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Oysho	Retail sales
Oysho France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Oysho	Retail sales
Oysho Hong Kong Limited	100.00%	Hong Kong SAR	Full Consol.	31-jan	Oysho	Dormant
Oysho Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Oysho	Retail sales
Oysho Logística, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Oysho	Logistics
Oysho Polska, Sp. Z O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Oysho	Retail sales
Itx Taiwan B.V. Pull & Bear Taiwan Branch	100.00%	Taipei - Taiwan, China	Full Consol.	31-jan	Pull & Bear	Retail sales
Limited Liability Company "Pull And Bear Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Pull & Bear	Retail sales
P&Be, Gmbh	100.00%	Hamburg - Germany	Full Consol.	31-jan	Pull & Bear	Holding company
Plataforma Cabanillas, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Pull & Bear	Logistics
Pro Retail Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Pull & Bear	Retail sales
Pull & Bear Belgique, S.A.	100.00%	Brussels - Belgium	Full Consol.	31-jan	Pull & Bear	Retail sales
Pull & Bear Deutschland, B.V. & Co. Kg	100.00%	Hamburg - Germany	Full Consol.	31-jan	Pull & Bear	Retail sales
Pull & Bear Diseño, S.L.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Pull & Bear	Design
Pull & Bear España, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Pull & Bear	Retail sales
Pull & Bear France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Pull & Bear	Retail sales
Pull & Bear Logística, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Pull & Bear	Logistics
Pull & Bear Polska, Sp. Z O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Pull & Bear	Retail sales
Pull And Bear Hong Kong, Ltd.	100.00%	Hong Kong SAR	Full Consol.	31-jan	Pull & Bear	Dormant
Limited Liability Company "Stradivarius Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Stradivarius	Retail sales
Spanish Retail Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Stradivarius	Retail sales
Stradivarius Belgique, S.A.	100.00%	Brussels - Belgium	Full Consol.	31-jan	Stradivarius	Retail sales
Stradivarius Diseño, S.L.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Stradivarius	Design
Stradivarius España, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Stradivarius	Retail sales
Stradivarius France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Stradivarius	Retail sales
Stradivarius Logística, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Stradivarius	Logistics
Stradivarius Polska, Sp. Z O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Stradivarius	Retail sales
Uterqüe Kazakhstan Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Uterqüe	Dormant
Choolet, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Comditel, S.A.	100.00%	Barcelona - Spain	Full Consol.	31-jan	Zara	Buyer
Confecciones Fios, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing

Company	Effective % of ownership	Location	Consolidation method	Reporting date	Concept	Line of business
Confecciones Goa, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Denllo, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Fsf New York, Llc.	100.00%	New York - USA	Full Consol.	31-jan	Zara	Real estate
Fsf Soho, Llc	100.00%	New York - USA	Full Consol.	31-jan	Zara	Real estate
Glencare, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Indipunt, S.L.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Logistics
Inditex Trent Retail India Private, Ltd.	65.00%	Gurgaon - India	Full Consol.	31-mar	Zara	Retail sales
Inditex Vastgoed Korea, Ltd.	100.00%	Seoul - South Korea	Full Consol.	31-jan	Zara	Real estate
Inditex, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Dormant
Inversiones Logísticas Zaragoza, S.L.	100.00%	Zaragoza - Spain	Full Consol.	31-jan	Zara	Real estate
Itx Finance Asia Limited	100.00%	Hong Kong SAR	Full Consol.	31-jan	Zara	Financial services
Itx Taiwan, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Zara	Holding company
Kg Zara Deutschland B.V. & Co.	100.00%	Hamburg - Germany	Full Consol.	31-jan	Zara	Retail sales
Lefties España, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Real estate
Limited Liability Company "Zara Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Zara	Retail sales
Nikole Diseño, S.L.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Design
Nikole, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Buyer
Plataforma Europa, S.A.	100.00%	Zaragoza - Spain	Full Consol.	31-jan	Zara	Logistics
Plataforma Logística León, S.A.	100.00%	León - Spain	Full Consol.	31-jan	Zara	Logistics
Plataforma Logística Meco, S.A.	100.00%	Madrid - Spain	Full Consol.	31-jan	Zara	Logistics
Retail Group Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Zara	Retail sales
Sci Vastgoed Ferreol P03302	100.00%	Paris - France	Full Consol.	31-dec	Zara	Real estate
Sci Vastgoed France P03301	100.00%	Paris - France	Full Consol.	31-dec	Zara	Real estate
Sci Vastgoed General Leclerc P03303	100.00%	Paris - France	Full Consol.	31-dec	Zara	Real estate
Sci Vastgoed Nancy P03304	100.00%	Paris - France	Full Consol.	31-dec	Zara	Real estate
Snc Zara France Immobilière	100.00%	Paris - France	Full Consol.	31-dec	Zara	Real estate
Stear, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Trisko, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Itx Brasil, Ltda.	100.00%	Sao Paulo - Brazil	Full Consol.	31-dec	Zara	Retail sales
Zara Commercial (Beijing) Co., Ltd	100.00%	Beijing - Mainland China	Full Consol.	31-dec	Zara	Retail sales
Zara Deutschland, Gmbh	100.00%	Hamburg - Germany	Full Consol.	31-jan	Zara	Holding company
Zara Diseño, S.L.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Design
Zara España, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Retail sales
Zara Fashion (Shanghai) Co., Ltd.	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Zara	Retail sales
Zara France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Zara	Retail sales
Zara Logística, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Logistics
Zara Macau Limitada	100.00%	Macao SAR	Full Consol.	31-dec	Zara	Retail sales
Zara Management, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Zara	Holding company
Zara Mexico, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Zara	Holding company
Zara Mexico, S.A. De C.V.	100.00%	Mexico City - Mexico	Full Consol.	31-dec	Zara	Retail sales
Zara Monaco, Sam.	100.00%	Monte Carlo - Monaco	Full Consol.	31-jan	Zara	Retail sales
Zara Polska, Sp. Z O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Zara	Retail sales
Zara Puerto Rico, Inc.	100.00%	San Juan - Puerto Rico	Full Consol.	31-jan	Zara	Retail sales
Zara Retail Korea, Co. Ltd.	80.00%	Seoul - South Korea	Full Consol.	31-jan	Zara	Retail sales
Zara Retail Nz Limited	100.00%	Auckland - New Zealand	Full Consol.	31-jan	Zara	Retail sales

Company	Effective % of ownership	Location	Consolidation method	Reporting date	Concept	Line of business
Zara Retail South Africa (Proprietary), Ltd.	90.00%	Johannesburg - South Africa	Full Consol.	31-jan	Zara	Retail sales
Zara Usa, Inc.	100.00%	New York - USA	Full Consol.	31-jan	Zara	Retail sales
Zara Vastgoed, B.V.	100.00%	Amsterdam - Netherlands	Full Consol.	31-jan	Zara	Real estate
Zara, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Dormant
Zara, S.A.	100.00%	Buenos Aires - Argentina	Full Consol.	31-jan	Zara	Dormant
Zintura, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara	Textile Manufacturing
Limited Liability Company "Zara Home Blr"	100.00%	Minsk - Belarus	Full Consol.	31-dec	Zara Home	Retail sales
Zara Home Australia Pty Limited	100.00%	Sydney - Australia	Full Consol.	31-jan	Zara Home	Dormant
Zara Home Belgique, S.A.	100.00%	Brussels - Belgium	Full Consol.	31-jan	Zara Home	Retail sales
Zara Home Brasil Produtos Para O Lar, Ltda.	100.00%	Sao Paulo - Brazil	Full Consol.	31-dec	Zara Home	Retail sales
Zara Home Commercial & Trading (Shanghai), Co. Ltd	100.00%	Shanghai - Mainland China	Full Consol.	31-dec	Zara Home	Retail sales
Zara Home Diseño, S.L.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara Home	Design
Zara Home España, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara Home	Retail sales
Zara Home France, S.A.R.L.	100.00%	Paris - France	Full Consol.	31-jan	Zara Home	Retail sales
Zara Home Kazakhstan, Llp	100.00%	Almaty - Kazakhstan	Full Consol.	31-dec	Zara Home	Retail sales
Zara Home Logística, S.A.	100.00%	A Coruña - Spain	Full Consol.	31-jan	Zara Home	Logistics
Zara Home Macau Sociedade Unipessoal Limitada	100.00%	Macao SAR	Full Consol.	31-dec	Zara Home	Dormant
Zara Home Mexico, S.A. De C.V.	100.00%	Mexico City - Mexico	Full Consol.	31-dec	Zara Home	Retail sales
Zara Home Polska, Sp. Z.O.O.	100.00%	Warsaw - Poland	Full Consol.	31-jan	Zara Home	Retail sales
Zara Home Retail India Private Limited	100.00%	Gurgaon - India	Full Consol.	31-mar	Zara Home	Retail sales
Zara Home Retail South Africa (Pty) Ltd.	100.00%	Johannesburg - South Africa	Full Consol.	31-jan	Zara Home	Dormant
Jointly controlled entities:						
Tempe, S.A.	50.00%	Alicante - Spain	Equity method	31-jan	Multi-concept	Sale of footwear
Tempe Logistica, S.A.	50.00%	Alicante - Spain	Equity method	31-jan	Multi-concept	Logistics
Tempe Diseño, S.L.	50.00%	Alicante - Spain	Equity method	31-jan	Multi-concept	Design
Tempe Trading Asia, Ltd.	50.00%	Hong Kong SAR	Equity method	31-jan	Multi-concept	Sale of footwear
Tmp Trading (Shanghai), Co. Ltd.	50.00%	Shanghai - Mainland China	Equity method	31-dec	Multi-concept	Sale of footwear
Nexfashion International Trading Fze	50.00%	Dubai - United Arab Emirates	Equity method	31-jan	Multi-concept	Sale of footwear
Tempe Levante, S.L.	50.00%	Alicante - Spain	Equity method	31-jan	Multi-concept	Logistics



INDITEX

CONSOLIDATED DIRECTORS' REPORT **2024**

At 31 January 2024
(Amounts expressed in millions of euros)



INDITEX

Situation of the entity

The information relating to the "Situation of the entity" is detailed in section SBM. Strategy in the Inditex Group's Consolidated Statement on Non-Financial Information and Sustainability Information.

Organisational structure

Inditex's corporate governance is articulated through the following institutional and operational bodies and mechanisms:

/ General Meeting of Shareholders

/ Board of Directors

/ Management Committee

/ Audit and Compliance Committee

/ Nomination Committee

/ Remuneration Committee

/ Sustainability Committee

/ Market Transparency Committee

/ Ethics Committee

On the other hand, Inditex relies on two permanent advisory internal bodies made up of external members:

/ Social Advisory Board

/ Cybersecurity Advisory Committee

Business performance and results

Key financial and non-financial indicators

The Group continues to focus on four key areas: A unique product proposition, enhancing the customer experience, sustainability, and the talent and commitment of our people.

Inditex's fully integrated model had a very strong operating performance over the year. Sales, EBITDA and net income reached historic highs.

In 2024, the collections have been very well received by our customers. Sales grew 7.5% to reach €38.6 billion, showing very satisfactory development both in stores and online. Sales were positive in all concepts. Sales in constant currency grew 10.5%.

In the year, store sales grew 5.9% reflecting incremental footfall and increasing productivity. Our ongoing store optimisation and digitalisation programme continues to be key. The higher level of store sales has been achieved with 2.0% more commercial space and 2.3% less stores than in 2023. In 2024, gross new space increased 5.8%.

Total Selling Space (m2)	2024	2023
Zara (Zara and Zara Home)	3,140,105	3,078,590
Pull&Bear	396,522	377,969
Massimo Dutti	219,611	220,633
Bershka	481,556	470,134
Stradivarius	319,720	311,436
Oysho	93,061	98,409
Total	**4,650,575**	**4,557,170**

Inditex opened stores in 47 markets in 2024. During the year, the Group opened its first stores in Uzbekistan, and remained very active in store optimisation activities (257 openings, 254 refurbishments which include 121 enlargements and 386 absorptions). At the end of FY2024 Inditex operated 5,563 stores.

A list of the number of stores by concept is included in the table below:

Concept	31/01/2025	31/01/2024
Zara	1,759	1,811
Zara Home	391	410
Pull&Bear	800	791
Massimo Dutti	528	544
Bershka	854	856
Stradivarius	835	841
Oysho	396	439
Total	**5,563**	**5,692**

Company-managed stores and franchised stores at the end 2024:

Concept	Company Managed	Franchised	Total
Zara	1,471	288	1,759
Zara Home	299	92	391
Pull&Bear	628	172	800
Massimo Dutti	410	118	528
Bershka	686	168	854
Stradivarius	635	200	835
Oysho	300	96	396
Total	**4,429**	**1,134**	**5,563**

Sales in company-managed and franchised stores:

Concept	Company Managed	Franchised
Zara (Zara and Zara Home)	87%	13%
Pull&Bear	81%	19%
Massimo Dutti	80%	20%
Bershka	84%	16%
Stradivarius	80%	20%
Oysho	81%	19%
Total	**85%**	**15%**

A list of the stores' locations by concepts and by market at 31 January 2025 is included in Annex III.

Online sales also grew satisfactorily at 12.0% to reach €10.2 billion.

Customer engagement remains very high. Active App's reached 218 million. Online visits in FY2024 have grown 10.0% to 8.1 billion visits. The Group has 257 million followers on social media.

Net sales by concept are shown in the table below:

Concept	2024	24/23
Zara (Zara and Zara Home)	27,778	6.6%
Pull&Bear	2,469	4.6%
Massimo Dutti	1,960	6.6%
Bershka	2,930	11.8%
Stradivarius	2,664	14.1%
Oysho	831	11.8%
Total	**38,632**	**7.5%**

Store & Online sales by geographical area are shown in the table below:

Area	2024	2023
Europe ex-Spain	50.6%	48.7%
Americas	18.6%	19.6%
Asia & RoW	15.7%	16.9%
Spain	15.1%	14.8%
Total	**100%**	**100%**

The execution of the business model has been very strong. Gross profit increased 7.6% to €22.3 billion. The gross margin reached 57.8% (+8 bps).

The tight control of operations and the implementation of efficiencies has resulted in operating expenses growth of 6.5%, below sales growth. Including all lease charges, operating expenses grew 126 bps below sales growth.

	2024	2023	24/23
Personnel expenses	5,643	5,357	5.3%
Rental expenses	1,072	989	8.4%
Other operating expenses	4,840	4,507	7.4%
Total	**11,555**	**10,853**	**6.5%**

Including all lease charges, rental expenses grew 5.9%.

EBITDA reached €10.7 billion (+8.9%), EBIT came to €7.6 billion (+11.0%).

The following chart shows the breakdown of financial results:

	2024	2023
Net financial income (losses)	312	305
Lease finance costs	(223)	(196)
Foreign exchange gains (losses)	(166)	(120)
Total	**(77)**	**(11)**

Results from companies consolidated by the equity method came to €99 million.

PBT increased 10.3% to €7.6 billion. The breakdown of PBT by concept is shown below:

Concept	2024	2023
Zara (Zara and Zara Home)	5,407	5,004
Pull&Bear	458	438
Massimo Dutti	402	339
Bershka	548	460
Stradivarius	616	493
Oysho	146	136
Total PBT	**7,577**	**6,870**

Net income increased 9.0% versus 2023 to €5.9 billion.

Return on Equity attributable to the Parent (ROE), defined as net profit attributable to the Parent on average equity attributable to the Parent:

	2024	2023
Net profit attributable to the Parent	5,866	5,381
Equity attributable to the Parent - previous year	18,642	17,008
Equity attributable to the Parent - current year	19,676	18,642
Average Equity attributable to the Parent	19,159	17,825
Return on Equity attributable to the Parent	**31%**	**30%**

Return on Capital Employed (ROCE), defined as profit before taxes on average capital employed (average equity attributable to the Parent plus average net financial debt):

	2024	2023
Profit before taxes	7,577	6,870
Average capital employed:		
Average Equity attributable to the Parent	19,159	17,825
Average net financial debt (*)	-	-
Total average capital employed	19,159	17,825
Return on Capital employed	**40%**	**39%**

(*) Zero when net cash

Return on Capital Employed by concept:

Concept	2024	2023
Zara (Zara and Zara Home)	36%	36%
Pull&Bear	48%	52%
Massimo Dutti	51%	43%
Bershka	45%	42%
Stradivarius	70%	62%
Oysho	51%	52%
Total	**40%**	**39%**

To complement the financial statements included in the consolidated annual accounts of the Inditex Group, attached there is Annex II showing the 2024 results by quarter.

Issues relating to sustainability and employees

This document includes the Group's Consolidated Statement on Non-Financial Information and Sustainability Information, which includes information about issues relating to sustainability and employees throughout the document.

Liquidity and capital resources

Given the strong execution of the business model, lease adjusted funds from operations grew 9.9% and cash from operations grew 8.0%.

	2024	2023
Funds from operations(*)	**7,684**	**6,991**
Change in working capital	(198)	(56)
Cash from operations	**7,486**	**6,934**
Capital expenditure	(2,672)	(1,872)
Free Cash Flow	**4,814**	**5,062**

*The cash lease payments fixed charge has been added back.

The net cash position grew 0.8% to €11.5 billion.

	31/01/2025	31/01/2024
Cash & cash equivalents	6,382	7,007
Short term investments	5,120	4,415
Current financial debt	(7)	(16)
Non current financial debt	-	-
Net financial cash (debt)	**11,495**	**11,406**

Inventory was 12% higher as of 31 January 2025 versus the same date in 2024. Current inventory balance was up 6% versus the same date in 2024. Initial Spring/Summer collections are considered to be of high quality.

	31/01/2025	31/01/2024
Inventories	3,321	2,966
Receivables	1,088	1,038
Payables	(8,590)	(7,467)
Operating working capital	**(4,181)**	**(3,463)**

Capital expenditure for FY2024 including the extraordinary investments came to €2.7 billion.

The Group's capital structure is characterised by the low debt/equity ratio as a result of the practically non-existent financing and the strength of its equity.

The Group's organic growth and its CAPEX needs have been financed substantially in full with the funds generated by the business, which has enabled the Group to maintain its solid cash position.

The Group considers that no changes will arise with regard to the generation and management of liquidity in the coming year.

Additionally, the Group has available credit lines, against which no amounts have been drawn down (Note 21 to the Consolidated Annual Accounts), that guarantee access to such additional funds as might be required.

Analysis of contractual obligations and off balance sheet transactions

The section "Information on the outlook for the Group" outlines the projected execution of investments, mainly in stores, for the next financial year. However, at year-end there were no firm investment commitments of a material amount.

Main risks and uncertainties

In order to facilitate unified and comprehensive risk management, the Group has established a common definition of risk for the Organisation as a whole. Accordingly, the Group defines a risk as “any potential event that may have a negative impact on the achievement of the business objectives”.

The risks reviewed are classified and grouped in the following categories:

Financial risks

Financial risks are threats originating in the macroeconomic sphere, financial markets, global value chains and industry- or company-specific events that may prevent the proposed objectives from being attained.

The normal functioning of the Group's operations exposes it to risks of a financial nature. This category includes market risk, foreign exchange rate risk, counterparty risk, inflation and risk relating to raw material price increases, economic contraction and the competitive environment. The euro is the Group’s presentation currency. Its international transactions require the use of numerous non-euro currencies giving rise to foreign currency exchange risk. The Group has investments overseas whose assets are exposed to the foreign currency exchange risk. Given that the Group consolidates the annual accounts of all its companies in its presentation currency, i.e., in euros, it is exposed to foreign currency exchange risk in the translation of the results of all its entities located outside the Economic and Monetary Union. The Company is also

exposed to the risk arising from the payment and collection flows in currencies other than the euro in relation to the acquisition and provision of goods and services in both Group and non-Group transactions.

The Group is exposed to counterparty risk from its suppliers of goods and services, as well as from its customers and business partners which could impact the normal performance of some of its operations. The majority of its revenue relates to retail sales which are collected on demand, either in cash or through a credit card. There are therefore no significant concentrations of credit risk. The financial solvency of the Group's most important third parties is analysed and monitored as part of an analysis process that also encompasses legal, compliance, reputational and other aspects. The Group is also exposed to the risk that counterparties (mainly financial) fail to comply with their obligations in relation to investing the Company's liquidity, credit policies or other funding and guarantee vehicles, as well as the derivative instruments arranged to hedge financial risks.

Interest rate and liquidity risk are also assessed. The Group manages cash at corporate level based on a highly active repatriation policy aimed at reducing the aforementioned risks to a minimum, also taking into account sovereign or jurisdiction risk. Consideration is also given to the potential impact of inflation affecting costs linked to the acquisition of goods and services. In this regard, it is worth noting the increase in the price of the many raw materials consumed directly and indirectly in the Group's operations and in its procurement of goods and services. The Group is monitoring the evolution of the raw material markets. It actively manages their impact, taking advantage of the flexibility of our business model, which enables the diversification of sources and the adaptability of the value chain based on expected demand forecasting.

Lastly, this category includes risks relating to the competitive environment, meaning the difficulties in adapting to the environment or market in which the Group operates, as regards both the procurement processes and the product retailing and sale activities. It consists of the Group's possible inability to follow and respond to changes in its target market or to adapt to new situations in its supply or distribution countries, considering the difficulties involved in recognising and taking on board the ongoing changes in fashion trends, and in manufacturing, supplying and marketing new items that meet customer expectations. The optimal achievement of business objectives may be shaped by a potential decline in sales resulting from an economic downturn, whether global or limited to one or more of the markets in which the Group operates.

Geopolitical risks

Geopolitical risks arise from a deterioration in the political situation, society's crime levels, changes in the ideology, leadership and regulation of its authorities, politically motivated conflicts at home or between nation states that threaten operations or forecast performance.

Potential instability in the territories where the Group's supply chains are located, as well as where products are marketed, is a significant risk. Sometimes instability manifests itself through frictions that hinder the normal movement of goods during the transport process, whether due to sociopolitical instability, infrastructure saturation or constraints, especially on key routes, which generate bottlenecks due to supply-demand imbalances that limit access to transport and/or erode business margins.

The business model is based on a value chain with multiple geographic origins. The Group's integrated sales model enables it to operate in more than two hundred markets, which ensures a significant level of diversification and resilience. As a result of its broad geographic presence, the Group is directly or indirectly exposed to multiple legislations in the countries where it operates (tax, customs, labour, trade and consumer, industrial and intellectual property, personal data protection and privacy regulations). Regulatory changes, as well as differing or even divergent treatment of legal facts in different jurisdictions, expose the Group to potential negative effects of a financial, compliance and/or reputational nature. The Group restarted operations in Ukraine in April 2024 (Note 2 to the consolidated annual accounts).

Technological risks

The technological risk category includes targeted cyberattacks, collapse of critical infrastructure, industrial accidents with direct or indirect impacts, as well as the inability to adapt to technological advances.

These include the risks associated with the technological infrastructure, the effective management of information, IT and robotic networks and communications. They also include those relating to the physical and technological security of systems, in particular, the risk of cyberattacks on information systems, which could potentially compromise the continuity of operations and/or the confidentiality, integrity and availability of critical data.

These risks may significantly affect the normal functioning of the Group's operations. Some of the operational risks are concentrated at logistics centres and third-party operators transporting goods. The clothing, footwear, accessories and household products of all the retail concepts are distributed from different logistics centres, owned by the Group and operated by third parties, located throughout Spain and complemented by a logistics connection hub in the Netherlands. There are additional smaller logistics centres located in other countries and operated by third parties which carry out small scale distribution operations.

The ability to adapt to technological innovations and evolutions in a broad sense, and digitalisation, both in customer interaction through the development of a satisfactory omni-channel experience, as well as in the improvement of operational processes, is essential to ensure the Group's commercial success in a highly competitive environment. The emergence of disruptive technologies, such as Artificial Intelligence, is playing an increasingly significant role. This represents a transformative opportunity in many spheres such as automation and process optimisation, but also a potential amplifier of other risks, be they technological, social, etc.

Environmental risks

Environmental risks are risks associated with natural disasters, climate change and the interactions resulting from human exploitation of the environment.

Key operations pertaining to business and transport processes could be paralysed as a result of natural disasters (floods, fires, earthquakes, etc.), especially if they affect the Group's critical infrastructures. The Group's performance is exposed to the potential impact of climate change in its various manifestations of physical risk, whether chronic or acute, as well as the risks resulting from the transition to a low-carbon economy.

In this regard, significant changes in weather cycles may affect consumer demand patterns and the supply and demand of textile raw materials used to manufacture the garments, among others. There are potential financial and reputational risks associated with the nature, speed and focus of policy, legal, technological and market changes as society transitions to a low-carbon economy.

There is also a risk arising from the potential adverse environmental effects of the Group's value chain due to the discharge of undesirable or hazardous substances, or potentially resulting in biodiversity loss,

deforestation, soil degradation, shortage of raw materials, among others.

Social risks

The category of social risks includes risks arising from socio-economic trends, including the evolution of preferences in societies, social norms, demographics, as well as the prevalence of diseases and the development of public healthcare systems.

Human resource-related risks pertain to the necessity to adapt the organisational culture to the needs of staff in a new and complex environment, where the sustainability of human capital becomes more relevant and which aims to ensure the quality of employment, health and well-being of staff, work-life balance, diversity, and other factors.

This category includes the risk of infectious diseases. It corresponds to the potential disruption caused by a local, regional or global pandemic as a result of infectious diseases against which there is little or no pre-existing immunity in the human population.

Lastly, this category also includes risks which have a direct influence on the perception of the Group by its stakeholders (customers, employees, shareholders and suppliers) and society in general. They arise from the possibility of the inappropriate management of issues relating to corporate ethics, social and environmental sustainability, responsibility for the health and safety of the products, the corporate image of the Group, as well as its image in social networks, and any other potential breach that might have an impact on the Organisation's reputation.

Governance risk

Governance risks include a set of risks of a different nature. These include non-compliance by the Company, and in particular by its Board of Directors and Senior Management, with the law in a formal or material sense; good governance guidelines and 'best practices'; as well as the commitments that Inditex voluntarily undertakes as a business, and the risks resulting from the tactical and strategic decisions of the Group's Management that may result in the non-fulfilment of the business objectives of the functional areas or of the Group, as well as regulatory risks of a criminal nature, such as crimes related to corruption, fraud and/or bribery, or any other damage to the reputation of the Company.

Risk management in the Group is a process promoted by the Board of Directors and Senior Management and is the responsibility of all members of the Group, the purpose of which is to provide reasonable assurance that the objectives established by the Group will be achieved as a response to the social and environmental challenges, furnishing all stakeholders with sufficient guarantees to ensure that the value generated will be protected.

In this context, the Group's Integrated Risk Management System ('IRMS') is based on the Enterprise Risk Management Policy, which sets out the basic principles, key risk factors and the general framework for risk management and control.

The Enterprise Risk Management Policy is implemented and complemented by specific policies and internal regulations relating to certain units or areas of the Group. The policies and internal regulations developed and implemented by these areas for the management of the different types of risks include: the Financial Risk Management Policy, the Code of Conduct, the Code of Conduct for Manufacturers and Suppliers, the Criminal Risk Prevention Policy, the Sustainability Policy, the Information Security Policy, the Human Rights Policy, the Diversity and Inclusion Policy, the Compliance Policy, and the Anti-Money Laundering and Terrorist Financing Policy, among others.

For further details see the Further information. Responsible risk management on the Consolidated Statement on Non-Financial Information and Sustainability Information Section.

Significant events after the reporting period

No significant events have occurred after the reporting date.

Information on the outlook for the Group

Spring/Summer collections have been well received by our customers. Store and online sales in local currency, adjusted for the calendar effect of an extra trading day in February 2024 due to the leap year, increased 4% between 1 February and 10 March 2025 versus the same period in 2024. In the last commercial week, store and online sales in local currency increased 7% versus the same period in 2024.

We continue to see strong growth opportunities. Our main priorities continue to be the improvement of our fashion proposition and the customer experience, the clear focus on sustainability and taking care of the talent and commitment of our people. Prioritising these areas will drive long-term growth.

The flexibility and responsiveness of our business in conjunction with in-season proximity sourcing allows a rapid reaction to fashion trends and reinforces our unique market position. This provides us with great potential for the future.

The growth of the Group is underpinned by the continual investment in our store network, the advances made to the online sales channel and the improvements to the logistics platforms, with a clear focus on innovation and technology. Sustainability is central to this.

In order to extend our differentiation further we are developing a number of initiatives in key areas for the coming years.

/ Product Proposition

We will continue focusing on the creativity, quality and design of all our products and reinforcing the commercial initiatives of all our concepts. Zara Woman The New, Massimo Dutti Gravity, Pull&Bear We are the Landscape, Bershka Retro Sport, Stradivarius Denim of Interest, Oysho Back to Training and Zara Home Editions are just some of the proposals that will be available throughout 2025.

The collections show our strong commitment to creativity, thanks to our talented team that is focused everyday on innovation and adaptation to what our customers are looking for.

/ Customer experience

We will continue to offer the best shopping experience to our clients.

Regarding our stores, Zara is launching in new locations (Nanjing Xinjiekou, Athens Minion, Eindhoven Rechtestraat and Osaka Umekita), and opening new standalone Zara Man stores such as Zúrich Bahnhofstrasse. The rest of the concepts also continue to open relevant projects. Two examples of this are the recently opened Bershka store in Mumbai Palladium, and Pull&Bear which will open soon on Oxford Street in London.

In terms of new markets in 2025, the Group will launch its first stores in Iraq. Bershka will open its first stores in Sweden, Stradivarius in Austria and Oysho will open for the first time in The Netherlands and Germany.

We continue introducing the new soft tag alarm technology in our stores. This new technology is a significant improvement in customer experience, facilitating interaction with our products and improving the purchasing process. The new system is now fully operational in Zara, and will be available in Bershka and Pull&Bear this year. It will be progressively implemented in the rest of the concepts and is the basis for us to continue deepening the digitalisation of stores and their integration with online platforms in the coming years.

/ Sustainability

Fibres

By the end of FY2024, 73% of the textile fibres used in manufacturing our garments were lower-impact fibres. Our goal is to reach 100% use of lower-impact textile fibres by 2030. Of the total textile fibres used, 39% was made up of recycled fibres, 23% was made up of organic and regenerative fibres and a further 10% was made up of other lower impact fibres.

Innovation

With a view to the 2030 objective, we are investing in innovation in order to drive capacity with respect to lower impact fibres, with a particular focus on textile-to-textile recycled fibres. Innovation is spearheaded by our Sustainability Innnovation Hub which aims to develop the application of fibres through more than 30 pilot programmes and the investment in startups such as the ones executed in 2024 like Infinited Fiber, Galy and Epoch.

Emissions

The progress made in fibres and the initial results of our Supply Chain Environmental Transformation Plan have allowed us to reduce our Scope 1, 2 and 3 SBT GHG emissions target by a further 5% compared to 2018. Our own emissions have been reduced up to 88% in the same period.

/ People

We will continue to promote the talent and commitment of our teams in order to reinforce our attractiveness as a benchmark employer.

At Inditex, we believe that the training and growth of our people form the basis of our transformation and provides a driving force for innovation. During 2024, around 3.3 million hours of training have been provided to our teams. Furthermore, the Group has promoted 9,300 employees over the course of the year. In view of our preference for internal promotion wherever possible, 70% of new positions were filled this way.

We aim to provide opportunities for all people. There are now currently more than 3,100 people with some type of disability employed in Inditex stores, logistics facilities, factories and head office teams around the world. This is more than twice the number of people who worked in the Group three years ago, in line with our public commitment.

Outlook: Strong commitment to profitable growth

Inditex operates in 214 markets. We enjoy a low market share in a sector which remains highly fragmented. This is where the long-term growth opportunity lies. We aim to build upon the significant growth of the business seen in recent years with the launch of various initiatives.

Optimisation of stores is ongoing, and we expect this to drive further gains in store productivity. The growth of annual gross space in the period 2025-2026 is expected to be around 5%. Inditex expects space contribution to sales to be positive in this period, accompanied by strong online sales.

Over the coming year, we are planning investments that will generate efficiencies and increase the competitive differentiation of the Group. We estimate ordinary capital expenditure of around €1.8 billion in 2025. This investment will be mainly dedicated to the optimisation of our commercial space, its technological integration and the improvement of our online platforms.

Our logistics expansion plan in 2024 and 2025 is on track. This extraordinary two-year investment programme focused on the expansion of the business allocates €900 million per year to increase logistics capacities in each of the 2024 and 2025 financial years. The objective of this logistics plan is to strengthen Inditex's capabilities to address strong global growth opportunities in the medium and long term. These investments will have the highest standards of sustainability and use the most up-to-date technology.

The Zaragoza II distribution centre for Zara is expected to commence operating in summer 2025.

At current exchange rates, Inditex expects a -1% currency impact on sales in 2025.

For 2025, Inditex expects a stable gross margin (+/-50 bps).

R&D+I activities

The Inditex Group carries out research, development and innovation activities in all areas of its business with the aim of improving the manufacturing and distribution processes and developing technologies that facilitate business management, either using its own resources or with the help of third parties. In particular, we highlight the activity of designing clothing, accessories and household items, logistics and those related to technology linked to point-of-sale terminals, to administration and inventory management systems, to delivery systems at distribution centres, to communication with stores, to garment labelling and, finally, to the activity linked to the digital transformation of the business.

Acquisition and sale of treasury shares

During the Annual General Meeting held on 13 July 2021, shareholders approved the 2021-2025 Long-Term Incentive Plan (Note 26 of the Notes to the consolidated annual accounts for 2021). Similarly, the Annual General Meeting held on 11 July 2023 approved a 2023-2027 Long-Term Incentive Plan (Note 27 to the consolidated annual accounts for 2023), and authorised the Board of Directors to derivatively acquire treasury shares, to cater for these plans.

As at 31 January 2024, the Parent owned a total of 3,582,419 treasury shares, representing 0.115% of the share capital.

During the first quarter of 2024,the first cycle (2021-2024) of the 2021-2025 Long-Term Incentive Plan (which expired on 31 January 2024) was settled and shares were awarded to its beneficiaries, charged to treasury shares. The total of treasury shares delivered was 1,676,573 shares, representing 0.054% of the share capital.

Aside from these share deliveries, there were no other operations involving treasury shares in 2024.

Consequently, at 31 January 2025, the Parent owned a total of 1,905,846 treasury shares, representing 0.061% of the share capital.

Other salient information

Stock market information

The Inditex share price closed 2024 at 52.72 euros per share on 31 January 2025, presenting an increase of 33%. The average daily trading volume was approximately 2 million shares. In the same period, the Ibex 35 was up by 23% while the Dow Jones Stoxx 600 Retail rose by 17%.

Inditex's market capitalisation stood at 164,310 million euros at the end of the period, up 1,793% on its capitalisation when its shares were admitted to trading on 23 May 2001, as compared with a 28% increase in the Ibex 35 index in the same period.

The dividend for 2023 totalling 1.54 euros per outstanding share was paid in May and November 2024.

Dividends policy

The dividends paid by the Parent in 2024 and 2023 amounted to 4,797 million euros and 3,736 million euros, respectively. These amounts correspond to payments of 1.54 euros per share and 1.20 euros per share, respectively.

Inditex's dividend policy consists of a 60% ordinary payout and bonus dividends. For FY2024, the Board of Directors will propose at the AGM a dividend increase of 9% to €1.68 per share, composed of an ordinary dividend of €1.13 and a bonus dividend of €0.55 per share. The dividend will be made up of two equal payments: On 2 May 2025 a payment of €0.84 per share (ordinary). On 3 November 2025 a payment of €0.84 per share (€0.29 ordinary + €0.55 bonus).

The distribution proposed by the Board of Directors is shown in Note 29 to the Consolidated Annual Accounts.

Other disclosures

Related party transactions
Transactions with related parties are described in Note 28 and Note 30 to the consolidated annual accounts. The Group did not carry out any related party transactions during the year that substantially affected its financial position or results.

Information on average payment periods required by Law 15/2010, of 5 July
The Group's supplier payment policy complies with the periods for payment to suppliers set in the late payment legislation in force. The Group is developing measures to try to reduce the payment period in those rare cases in which the established maximum payment period is exceeded. The aforementioned measures will focus on reducing the length of the processes involved in the receipt, verification, acceptance and accounting of invoices (enhancing use of electronic and technological methods) and improving the procedure for incident resolution in this connection.

Annual Corporate Governance Report
The Annual Corporate Governance Report for 2024 is included herein. It will be filed with the Spanish National Securities Market Commission (CNMV) as an additional regulatory disclosure on 12 March 2025 and shall be available at www.inditex.com and on the CNMV website (www.cnmv.es).

Annual Report on Remuneration of Directors
The Annual Report on Remuneration of Directors for 2024 is included herein. It will be filed with the Spanish National Securities Market Commission (CNMV) as an additional regulatory disclosure on 12 March 2025 and shall be available at www.inditex.com and on the CNMV website (www.cnmv.es).

Non-financial and diversity, equality, non-discrimination and disability information
The Group's Consolidated Statement on Non-Financial Information and Sustainability Information, in sections S1-4. Actions related to own workforce, S1-5/S1-12. Persons with disabilities and related target, S1-9. Diversity metrics, S1-10/S1-16. Compensation metrics includes information on diversity, equality, non-discrimination and disability.

Alternative performance measures

The gross profit, EBITDA, EBIT, PBT, ROCE, ROE, working capital, net financial position, average net financial debt, store operating profit, quarterly results, sales growth at constant exchange rates and sales in comparable stores, are defined in Note 2 to the consolidated annual accounts for 2024.

This document may contain statements regarding intentions, expectations, estimates or forecasts. All statements other than statements of historical facts contained herein, including, without limitation, those regarding our financial position, business strategy, management plans and objectives for future operations, are forward-looking statements. These statements are based on the Company's estimates and expectations, on the basis of the information and knowledge available as at the date hereof, but do not constitute a guarantee of future performance, nor have they been audited or verified by an independent third party. Such intentions, expectations, estimates or forecasts may be subject to risks, uncertainties and other relevant factors which could cause the evolution and actual results achieved to differ materially from the same.

Some of these risks include, without limitation, (i) financial risks, such as the macroeconomic environment of the various geographies where the Group operates, changes to market factors (including, without limitation, foreign exchange or interest rates or the price of raw materials), the financial solvency of counterparties or the competitive environment, (ii) geopolitical risks, such as instability in the different supply markets and the markets where our goods are sold, or the frictions that may hinder the normal movement of goods, (iii) social risks, such as the change in the perception of the Group or the industry by stakeholders, the emergence of infectious or contagious diseases, or labour disputes, (iv) governance risks, such as violation of laws or non-compliance with regulations or good governance recommendations, or risks resulting from tactical and strategic decisions that prevent achieving the business objectives, (v) technological risks, such as cyberattacks, collapse of critical infrastructures, industrial accidents or the fast evolution of technology, and (vi) the different environmental risks associated with natural disasters, climate change, the transition to a low – carbon economy and the interactions resulting from the human exploitation of the environment.

Notwithstanding this, the risks and uncertainties that could potentially affect the information provided are difficult to predict and are, generally beyond the Company's control. Therefore, the Company does not accept any liability arising from statements regarding forecasts and estimates, except in cases where this could not be limited in accordance with a mandatory rule.

The Company does not accept either any obligation to review or update such statements, even in case of unforeseen changes or events that might affect the same.

In view of the above, you are warned of the risk of placing undue trust in such intentions, expectations or future forecasts.

Annex II

Income statement: FY2024 quarterly results:

	2024 Quarterly results			
	Q1	**Q2**	**Q3**	**Q4**
Net sales	8,150	9,915	9,357	11,210
Cost of sales	(3,210)	(4,314)	(3,608)	(5,157)
Gross profit	**4,940**	**5,601**	**5,750**	**6,053**
	60.6%	56.5%	61.4%	54.0%
	13	24	(23)	23
Operating expenses	(2,553)	(2,914)	(2,809)	(3,278)
Other net operating income (losses)	(17)	(17)	(13)	(13)
Gross operating profit (EBITDA)	**2,370**	**2,670**	**2,927**	**2,762**
	29.1%	26.9%	31.3%	24.6%
Amortisation and depreciation	(734)	(765)	(794)	(880)
Operating income (EBIT)	**1,636**	**1,905**	**2,133**	**1,881**
	20.1%	19.2%	22.8%	16.8%
Financial results	21	(9)	2	(90)
Results from companies consolidated by equity method	14	31	22	32
Income before taxes (PBT)	**1,672**	**1,926**	**2,156**	**1,823**
	20.5%	19.4%	23.0%	16.3%
Taxes	(373)	(448)	(474)	(406)
Net income	**1,299**	**1,479**	**1,682**	**1,417**
	15.9%	14.9%	18.0%	12.6%
Minorities	**5**	**5**	**1**	**-**
Net income attributable to the controlling company	**1,294**	**1,474**	**1,680**	**1,417**
	15.9%	14.9%	18.0%	12.6%

Annex III

Detail of stores by concept and market as at 31 January 2025:

Market	Zara	Pull&Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	INDITEX
ALBANIA	1	1	1	2	2	-	1	8
GERMANY	62	18	5	19	4	-	4	112
ANDORRA	2	1	1	1	1	1	1	8
SAUDI ARABIA	52	22	10	30	36	11	6	167
ALGERIA	3	3	1	4	4	2	2	19
ARGENTINA	11	-	-	-	-	-	-	11
ARMENIA	2	3	2	3	2	1	1	14
ARUBA	1	-	-	-	-	-	-	1
AUSTRALIA	17	-	-	-	-	-	-	17
AUSTRIA	11	6	1	8	-	-	2	28
AZERBAIJAN	3	3	4	4	3	2	1	20
BAHREIN	4	2	2	2	2	2	2	16
BELGIUM	26	8	14	13	3	3	5	72
BELARUS	2	2	1	3	3	1	1	13
BOSNIA-HERZEGOVINA	3	4	1	4	4	-	-	16
BRAZIL	45	-	-	-	-	-	9	54
BULGARIA	5	4	5	8	4	5	2	33
CAMBODIA	1	-	-	-	-	-	-	1
CANADA	31	-	3	-	-	-	-	34
CHILE	9	-	-	-	-	-	3	12
MAINLAND CHINA	73	-	42	-	-	2	17	134
HONG KONG SAR	10	-	-	-	-	-	2	12
MACAO SAR	1	-	-	-	-	-	-	1
TAIWAN, CHINA	9	3	4	3	-	-	2	21
CYPRUS	7	6	5	5	6	5	6	40
COLOMBIA	11	11	5	13	12	6	5	63
SOUTH KOREA	30	-	10	-	-	-	5	45
COSTA RICA	2	2	1	2	2	1	1	11
CROATIA	10	7	3	8	7	3	2	40
DENMARK	4	-	-	-	-	-	-	4
ECUADOR	2	3	1	3	3	1	-	13
EGYPT	10	7	6	7	5	5	5	45
EL SALVADOR	1	2	-	2	2	1	-	8
UNITED ARAB EMIRATES	19	10	10	10	9	10	9	77
SLOVAKIA	3	4	2	6	4	1	1	21
SLOVENIA	4	2	1	4	4	-	-	15
SPAIN	256	161	107	158	224	97	84	1,087
U.S.A.	98	-	1	-	-	-	-	99
ESTONIA	2	1	2	1	1	-	1	8
PHILIPPINES	9	5	4	7	4	-	-	29
FINLAND	4	-	1	-	-	-	-	5
FRANCE	106	45	7	54	37	5	15	269
GEORGIA	5	2	5	3	4	3	1	23
GREECE	37	22	11	25	19	15	10	139
GUATEMALA	3	3	1	3	3	1	1	15
NETHERLANDS	24	12	4	15	8	-	5	68
HONDURAS	2	2	1	2	2	1	1	11
HUNGARY	9	9	4	10	8	3	3	46
INDIA	23	-	3	-	-	-	-	26
INDONESIA	17	14	5	8	11	4	3	62

Market	Zara	Pull&Bear	Massimo Dutti	Bershka	Stradivarius	Oysho	Zara Home	INDITEX
IRELAND	10	3	2	5	3	-	-	23
ICELAND	1	-	-	-	-	-	-	1
ISRAEL	25	23	2	14	15	-	3	82
ITALY	88	57	3	68	76	14	19	325
JAPAN	64	-	-	-	-	-	4	68
JORDAN	3	2	2	2	5	2	2	18
KAZAKHSTAN	6	6	5	7	6	6	5	41
KUWAIT	7	4	2	5	5	6	4	33
LATVIA	3	2	3	2	2	2	1	15
LEBANON	3	3	3	5	4	3	3	24
LITHUANIA	4	3	5	4	4	2	2	24
LUXEMBOURG	3	1	2	1	1	1	1	10
NORTH MACEDONIA	2	2	2	2	2	1	1	12
MALAYSIA	7	4	5	-	-	-	-	16
MALTA	1	4	2	2	2	2	3	16
MOROCCO	13	3	3	4	5	3	4	35
MEXICO	84	73	41	70	61	45	27	401
MONACO	1	-	-	-	-	-	-	1
MONTENEGRO	1	1	-	1	1	-	-	4
NICARAGUA	1	1	-	1	1	-	-	4
NORWAY	5	-	-	-	-	-	-	5
NEW ZEALAND	1	-	-	-	-	-	-	1
OMAN	3	1	-	1	1	1	1	8
PANAMA	2	2	1	2	2	1	1	11
PARAGUAY	1	-	-	-	-	-	1	2
PERU	5	-	1	-	1	1	3	11
POLAND	39	34	24	42	45	19	10	213
PORTUGAL	67	44	33	40	41	21	24	270
PUERTO RICO	3	-	-	-	-	-	-	3
QATAR	7	5	4	5	5	5	5	36
UNITED KINGDOM	57	12	11	13	10	2	3	108
CZECH REPUBLIC	5	3	2	5	4	1	1	21
DOMINICAN REPUBLIC	3	1	2	2	2	2	2	14
ROMANIA	26	26	13	30	25	13	9	142
SERBIA	8	9	5	11	9	4	4	50
SINGAPORE	5	2	4	1	-	1	-	13
SOUTH AFRICA	7	-	-	-	-	-	-	7
SWEDEN	7	1	3	-	-	-	-	11
SWITZERLAND	18	4	4	6	3	1	2	38
THAILAND	11	2	3	1	-	1	3	21
TUNISIA	7	4	3	5	5	4	3	31
TÜRKIYE	45	30	24	31	30	29	15	204
UKRAINE	11	15	9	15	14	10	3	77
URUGUAY	2	-	-	-	-	-	2	4
UZBEKISTAN	1	1	1	1	1	1	1	7
VENEZUELA	1	-	-	-	-	-	-	1
VIETNAM	3	2	2	-	1	-	-	8
INDITEX	**1,759**	**800**	**528**	**854**	**835**	**396**	**391**	**5,563**

CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION AND SUSTAINABILITY INFORMATION **2024**



INDITEX

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1. Message from the Chairperson

The solidity of the growth figures detailed in our financial statements for 2024 allow us to continue to look to the future with optimism. We have demonstrated once again that the talent and hard work of our team, our ability to innovate and the ambition with which we approach any new project are key to remaining on the trajectory of growth and profitability that sets Inditex apart.

We remained steadfast in focusing our intention on people. First and foremost, our customers, putting our creativity to work for them, through our collections but also through their experience in our stores, whether in person or online, offering them cutting-edge technology.

Naturally, we continued to go out of our way to provide our employees with a stimulating work environment in which career development is driven by the company's trust in their abilities and commitment. We are proud of our people and their achievements and that translates into a strong sense of belonging and shared pride in making a difference in this venture.

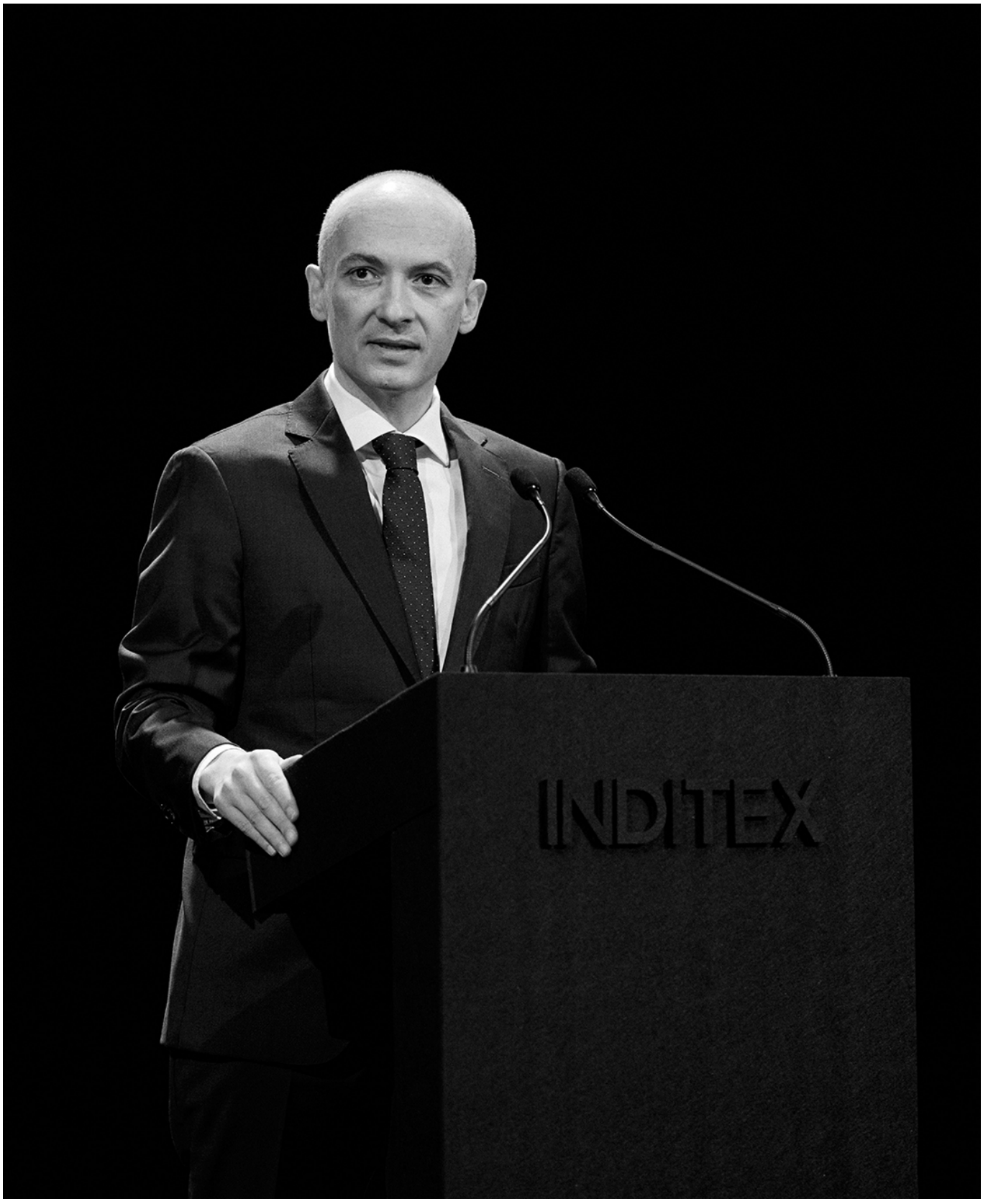
In parallel, we worked hard to consider all of the people who collaborate with us along our supply chain. We work actively to instil our ambition to constantly do better in their workplaces, putting workers at the centre.

We never forget, not even for a minute, that our creative, manufacturing and retailing activities are carried out in communities on which we want to have a positive social and environmental impact. We feel responsible and we act accordingly.

We are working alongside the industry to make our business more sustainable and in 2024 we made some very important progress, which we talk about in this report. We are also looking out for the most vulnerable, once again increasing our contribution through our community investment programmes in 2024.

Far from being satisfied with our achievements, we remain convinced that we can continue to innovate and improve the quality of our work. We are confident that this effort will translate into new accomplishments and the conquest of new challenges, while staying true to our desire to consistently bring excitement, creativity and a dash of the magic that makes Inditex a very unique project.




INDITEX

2. CEO's statement

Inditex is a company with a powerful corporate culture and solid roots. The Group's strong performance in 2024, detailed throughout this Annual Report, is the result of these qualities, our refusal to settle and our innovative drive, which guide everything we do and allow us to navigate any environment, no matter how uncertain or complex, with confidence.

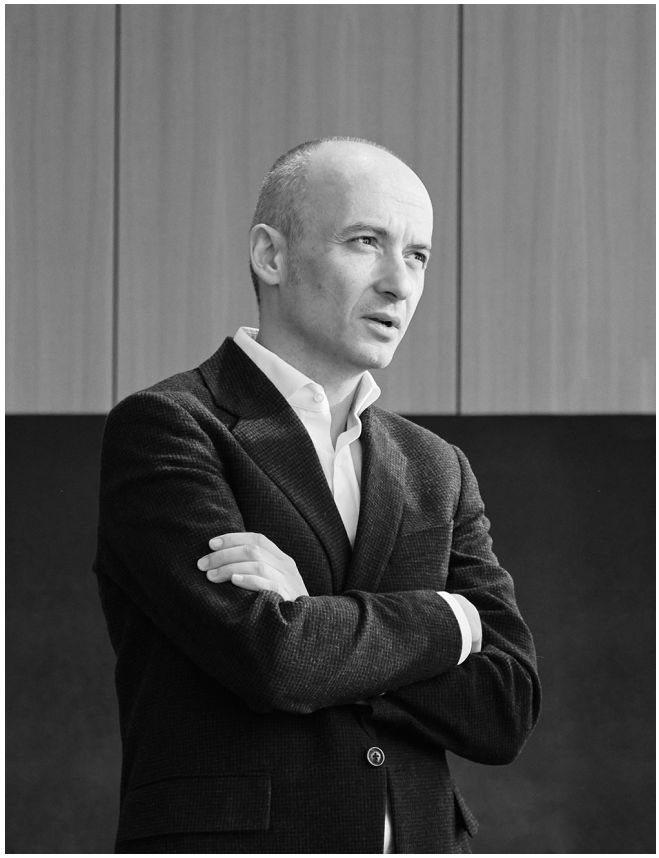
The directions the fashion world will take are difficult to predict. Fashion is, by definition, constant change and innovation. That gives us an advantage: our very business forces us to read and listen to our surroundings constantly in order to respond nimbly, adapt and provide our customers with what they want at any moment of time, always living up to the expectations of society. Our results for 2024, which are very positive, reflect our teams' dedication and success tackling these challenges.

In the last few months, specifically between 1 February 2024 and 31 January 2025, we delivered on the commitments we made to our stakeholders, as detailed throughout the various chapters of this report. Our collections were once again warmly welcomed by our customers: Group revenue increased by 7.5% year-on-year, underpinned by growth across all our retail formats.

These achievements can only be explained by the talent of our designers and creative professionals and the performance of our sales, logistics and corporate teams. The mutual and complementary support provided by our physical stores and online platforms is another key differentiating factor, while all of our brands, without exception, launched innovative projects in 2024. Some aim to reach new customers, while others seek to get closer to their followers in new ways, offering them new experiences, each stamped with their own style and identity. We once again demonstrated that ambition and audacity, not being afraid to launch innovative proposals (some in partnership with prestigious designers and artists), form part of Inditex's identity.

Our brands' physical stores continue to enter new markets (reaching 97 in 2024), accompanied by more visits to our online platforms (over 8,000), more active app accounts (218 million) and more social media followers (257 million across all our brands). By the end of this year, we were selling our fashion proposals to customers in 214 markets thanks to our online reach.

Our execution was framed by efficiency, marked by a record gross margin and stringent control over operating expenses. Net profit was 9% higher than in 2023, while our net cash position topped €11.4 billion.



Getting ready for the future

2024 was also marked by intense work to get ready to take advantage of growth opportunities going forward. We are executing our 2024-2025 logistics expansion plan, increasing our capacity through projects for several of our retail formats in Zaragoza, Lelystad (Netherlands) and Valencia. These are strategic investments that uphold stringent sustainability standards and incorporate cutting edge technology.

In our model, the product and customer experience go hand in hand. That is something we are very much keeping in mind as we look to the future. That is why our brands are driving continuous improvements in the design and image of their retail spaces. All of our formats continue to assess new formulas for using their surface area by tapping into new ways of displaying our products and providing new customer experiences. The combination of technology and our teams' know-how when it comes to looking after each type of customer are the drivers underpinning these advances. Visiting any of our brands' stores will remain a special experience.

Continuous improvement and innovation also guided our progress on the sustainability front in 2024. We made important strides in the use of lower impact and recycled fibres, with the latter already accounting for more than one-third of the textile materials we use.

In this same vein, in 2024, we tightened our ties with promising startups specialised in next-generation fibres under different forms of partnership. We continue to offer them our knowledge of textile processes and fashion and access to our network of partners and suppliers so that they can scale up their activity and align their research and lines of initiative with market demands. In short, so that they can effect change.

Partnership is also the backbone of our Supply Chain Transformation Plan, launched last year. We are leveraging that plan to support and advise our suppliers and manufacturers so that they can meet more ambitious requirements around water management, chemical substances, waste and emissions. As a result of this and other initiatives, we made further progress towards a low-carbon economy: between 2018 and 2024, while our sales registered growth of 47%, our emissions came down by 5%. As for emissions generated by our own operations only, the reduction over that same timeframe increases to 88%.

Looking after our professionals

Facilitating our professionals' career development was a priority once again. Inditex's unwavering effort to do better is underpinned by our teams' commitment, dedication and passion for learning and innovating. In 2024, we provided our people with 3.3 million hours of training and filled 70% of our vacancies through internal promotions.

We remained committed to diversity and inclusion, achieving our goal of doubling the number of employees with disabilities over a two-year period and bringing our For&From platform to new markets. We made these inroads in a year in which Inditex signed the European Union's Diversity Charter, a commitment to fostering the principles of equality, diversity and inclusion in the workplace.

Committed to our surroundings

In 2024, we continued to work to have a positive impact on our business communities beyond the strict sphere of our organic influence as a fashion company. Our people devoted more than 353,600 hours to community initiatives. We supported 953 social and environmental programmes in partnership with 485 community organisations and initiatives.

The corresponding sections of this report outline the most important work done in our communities. I would like to use these lines to specifically recall the tragic floods that engulfed Valencia last October, which affected members of our team and had an extremely hard impact on one of our closest communities.

How Inditex sees the future

The various chapters of this report give a very detailed account of our Group's activities and performance throughout 2024. They also provide a snapshot of how Inditex sees a future filled with major opportunities:

- With a family of well-differentiated retail formats empowered to act autonomously both creatively and commercially;
- With a broad web of partners and suppliers located in dozens of areas;
- With a powerful sales reach so that we can bring our responsibly-made, sophisticated fashion propositions all over the world.
- And with a shareholder and financial structure that locks in the stability and strength needed to continue to invest, changing and innovating as needed.

That is how the creative, international and varied adventure that is Inditex welcomes in 2025, the year in which we will celebrate the 50th anniversary of the first Zara store. We are ready to continue to create quality fashion that helps make people's lives that little bit better.



Óscar García Maceiras
Chief Executive Officer

3. Inditex at a glance

Key data in 2024

2024 milestones



Key data in 2024

214
markets

+8,000 M
visitors to the Group's online stores



Key indicators

38,632M€
net sales

5,866 M€
profit

11,495 M€
net financial position

4,797 M€
dividends

9,341 M€
total tax contribution



A unique team

162,083
employees

170
nationalities

73%
women

70%
of vacancies covered by internal promotion

+3,000
Changemakers
or in-house sustainability ambassadors



Corporate Community Investment

+134 M€
investment

+4.6 M
beneficiaries

7.2 M
donated items from our collections

+353,600
hours contributed by our people to social or environmental initiatives



Supply Chain

6,615
factories

1,817,233
reached by Workers at the Centre during the year

Headquarters effect

6,594
product and general services suppliers in Spain

7,632 M€
invoicing to suppliers in Spain

2024 milestones

Continuous improvement in commercial presence
We continue to improve our commercial presence in all commercial formats with such notable examples as the Zara Rossio store in Lisbon. Massimo Dutti Miami Aventura Mall, Bershka London Oxford Street, Pull&Bear and Oysho on Milan's Via Torino, Stradivarius Bogotá Calle 82, Zara Home Dubai Mall; along with the arrival of Oysho and Stradivarius in Peru, with stores in Lima Jockey Plaza.



Outstanding collaborations
Our brands feature innovative and trend-setting proposals by prominent designers and artists, such as Massimo Dutti's collaboration with renowned artist Marina Abramović for Miami Art Week 2024 to mark the brand's arrival in the US market, Zara's collections with designer Stefano Pilati and with model Kate Moss, Stradivarius' initiatives with Iranian designer Safu Seghatoleslami or Danish designer Jane Kønig, Bershka's venture with British creative director Jamie Reid, or that of Zara Home with Lucinda Chambers, co-founder and creative director of Collagerie.



Store image in constant renovation
The new store design created by Zara's Architecture Studio is reflected in openings, extensions and relocations such as Madrid Hermosilla, Valladolid Constitución, Liverpool One, Dublin South King, Birmingham Bullring, Istanbul Istinye, Thessaloniki Tsimiski, Los Angeles Topanga and Bangalore Mall of Asia. Pull&Bear, meanwhile, has cemented its renewed store image at the flagship store in Rotterdam (the Netherlands), with a large surface area, and in Beaugrenelle shopping mall in Paris (France), with its multi-dynamic space. Oysho has brought its new brand image to the renovation of its flagship store in Plaza de Lugo, A Coruña.

Recognition as an employer
Inditex obtained 'Top Employers' certification in 12 of our most important markets, a distinction granted to companies that place their people at the centre of what they do, creating working environments that generate a sense of belonging, in which they feel accepted, are free to express their ideas and are listened to.



Innovation in sustainability
Inditex has announced a capital investment in Galy, a US startup that has developed innovative technology for lab-growing cotton from cotton stem cells. In August 2024 we launched our second CIRCxZara collection, designed by Zara Studio and made from textile waste. It was also agreed to make an investment in Epoch Biodesign, a startup that uses artificial intelligence to design enzymes that allow the recycling of plastic and textile materials, and in Infinited Fiber, a startup specialised in the recycling of cellulosic materials and creator of Infinna™. Both are alternative to transform waste into new materials, promoting textile-to-textile circularity.

Logistics Expansion Plan
In light of the significant opportunities for future growth, Inditex is implementing a Logistics Expansion Plan in 2024 and 2025. This extraordinary two-year investment programme focused on business expansion allocates 900 million euros to boost our logistics capacity in each of the financial years 2024 and 2025. The main projects will be: a new Zara distribution centre in Zaragoza and an extension to the one in Lelystad (the Netherlands); a new Bershka distribution centre in the region of Valencia and a new Tempe distribution centre in Sagunto (Alicante). These investments meet the strictest sustainability standards and include cutting-edge technology.

Support to those affected by the floods in Valencia
Inditex donated four million euros to the Red Cross and Caritas to support persons hit by the humanitarian emergency. Likewise, more than 350,000 items (clothing, footwear and household kits) were delivered to the Red Cross, Caritas and Fundación Entreculturas to be distributed in the affected area.

Inclusion of people with disabilities
We met our goal set in 2023 of doubling the number of people with disabilities in our workforce. Thus, at the end of 2024, at Inditex we directly employ 3,142 people with disabilities. We promote sustainable hiring with a long-term strategy, ensuring inclusive selection processes for people with different types of disabilities.

Commitment to diversity
We participated in the European Diversity Month, organised by the Diversity Foundation and the Representation of the European Commission in Spain. At this event, Inditex signs the European Diversity Charter in Spain, a commitment based on the promotion of the principles of equality, diversity and inclusion in the workplace.



Renewal of the collaboration with Médicins Sans Frontières (MSF)
The Group contributed a further 2.5 million euros to this organisation's emergency relief, humanitarian and refugee and migrant care programmes. Since 2008 we have earmarked more than 37 million euros for this cooperation, supporting numerous medical-humanitarian response projects in various parts of the world.

Biodiversity protection through The Great People's Forest
Inditex contributed three million euros to The Great People's Forest, one of the largest nature restoration initiatives in southern Asia. This project focuses on conservation in the Eastern Himalayas region, in which more than a billion people reside and which provides one-twelfth of all the Earth's biodiversity. It is important to highlight the mobilizing capacity of this initial contribution.

Nurturing creative talent
By launching the Creatives initiative we identify and foster a talented new generation of designers in our creative teams.

In tandem with the world's top fashion schools, we seek out new talent to whom we offer a unique training and professional development experience, furnishing them with the key tools to overcome the challenges of a constantly evolving industry.

We updated our Code of Conduct
The Group updated and added new commitments to the Code of Conduct that governs our activity, always grounded upon five essential principles: Respect, Honesty, Integrity, Transparency and Responsibility.



Expansion of the for&from project
The for&from project for the inclusion of people with disabilities continues its expansion with the opening of stores in Lisbon (Portugal) and Mexico City (Mexico). The store located in Lisbon, with Zara Home products, is a favourable environment for the social and labour integration of the 17 people on the staff and is carried out in conjunction with the community organisation Asociación VilacomVida. The for&from store in Mexico City, which offers shoes and accessories from several of our brands in collaboration with Tempe, is managed by CONFE.



Continuous improvement in labour practices in partnership with UNI Global
Inditex and the trade union federation UNI Global Union -which represents 20 million workers in more than 150 countries- renewed their Global Agreement to implement best labour practices. The new framework addresses challenges such as the inclusion of workers with disabilities, as well as combating sexual harassment and gender-based violence.

4. General disclosures

[ESRS 2]

BP. Basis for preparation

GOV. Governance

SBM. Strategy

IRO/MDR. Impact, risk and opportunity management



BP. Basis for preparation

BP-1. General basis for preparation of the Report

BP-1_01

In the **2024 Consolidated Statement of Non-Financial Information and Sustainability Information**, we present information concerning the sustainability performance of the Inditex Group (hereinafter also the 'Group', the 'Inditex Group' or the 'Company') —which includes the individual companies consolidated under the Group parent company, Industria de Diseño Textil, S.A. (Inditex, S.A.)— in the financial year 2024 (from 1 February 2024 to 31 January 2025).

Accordingly, we present our Annual Report 2024, including the Inditex Group's Consolidated Annual Accounts, followed by the Consolidated Directors' Report, also comprising the Consolidated Statement of Non-Financial Information and Sustainability Information (hereinafter, the 'Report').

BP-1_02

With regard to the scope of information reported in the Report, it includes all the companies over which the Inditex Group has control or joint control, listed in *Annex I* of the Consolidated Annual Accounts. Any changes therein with respect to 2023 are specified in *Note 3* to the Consolidated Annual Accounts. The jointly controlled entities, which are the entities that make up the Tempe Group (see *Note 28* to the Consolidated Annual Accounts), they are included in this Report at 100% in all reported metrics, unlike in the individual annual accounts, where they are booked using the equity method.

BP-1_03

Considering that this Report contains consolidated information for all the Group companies, all the individual companies that consolidate under the parent company of the Group, Industria de Diseño Textil, S.A. (Inditex, S.A.) are exempt from publishing an independent report under the framework of Spanish Act 11/2018 and under the European Corporate Sustainability Reporting Directive (CSRD).

BP-1_04

The Consolidated Statement of Non-Financial Information and Sustainability Information includes important information about the Company, from the operations themselves (such as the design of our garments and the physical and online sales), to the various stages of the value chain (including both upstream and downstream activities).

The report includes additional information regarding the scope of the indicators referring to the value chain. The breakdown of the relevant metrics is provided in the *Methodological Annex.*

BP-2. Disclosures in relation to specific circumstances

Reporting framework

BP-2_16;
BP-2_17

Through this Report we fulfil the legislative requirements of the Spanish legislation in force, Act 11/2018, on non-financial information and diversity, and we also meet, voluntarily and in advance, the requirements of the CSRD Directive as well as the European Sustainability Reporting Standards (ESRS), which are applicable to us based on our materiality assessment.

Accordingly, this report follows ESRS structure and takes as a reference the 'IG 3: List of ESRS Datapoints' guidance issued by the European Financial Reporting Advisory Group (EFRAG). The correlation with applicable material datapoints is shown in the left-hand margin of the report.

ⓘ More information on the correlation of requirements reported can be found in the *Contents Indexes* section of this Report.

We also comply with the EU Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment).

In addition to responding to legal requirements that apply to Inditex, we also follow the guidelines of the main reporting initiatives and entities, such as:

/ Principles of the Sustainability Accounting Standards Board (SASB) framework

/ Global Reporting Initiative (GRI) Standards or GRI Standards

/ Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

/ The principles of the International Integrated Reporting Framework

How we report

Time horizons

BP-2_01;
BP-2_02

Time horizons referred to in this Report correspond to those established in ESRS 1, section 6.4. This means:

/ **Short-term:** the reporting period in the financial statements, 12 months from the end of the financial year.
/ **Medium term:** from the end of the reporting period up to five years later.
/ **Long term:** more than five years.

For the specific case of the presentation of information relating to chapter *E1. Climate Change*, the time horizons shown differ from these since their definition, which was prior to the entry into force of the CSRD Directive, is in keeping with best practices in disclosure —such as the Task Force on Climate-related Financial Disclosures (TCFD) framework— based on the consideration that the definitions provided best reflect the potential occurrence of climatic events.

The following time horizons are specifically used in this case:

/ Short-term: up to five years.
/ Medium term: between five and ten years.
/ Long term: more than ten years.

However, for the purposes of the materiality assessment, the time horizons of the climate-related impacts, risks and opportunities have been reconciled with those provided in ESRS 1.

Calculation methodology

BP-2_03;
BP-2_04;
BP-2_05

The information on the reported sustainability indicators corresponds to primary, secondary or modelled data[2], expert opinion or a combination of those. When source data are not available, estimates or assumptions based on trends in actual data, as well as information from external sources, are used, provided that there is a reliable source of information and its use is supported by industry or subject experts and that the estimated information meets the qualitative information requirements as defined in ESRS 1.

These estimates are used mainly to disclose emissions and consumption throughout the value chain, as well as to report information relating to raw materials source data, the direct measurement of which is hard to access, given its geographical and operating diversity.

The *Methodological Annex* includes the calculation methodology and scope of the information reported on the metrics and targets and —specifically for the value chain indicators— details on the use of indirect information sources used in their preparation along with the degree of estimation.

BP-2_06

Consequently, it should be noted that the methodologies currently used in the reporting and calculation of sustainability indicators will continue to evolve going forward. Hence, as we move towards globally harmonised reporting, it may be necessary to restate historical data as well as future pathways in the next few years. In particular, for indicators on the value chain, there are currently difficulties in obtaining rigorous and comprehensive information. Nevertheless, in the next few years an improvement in the availability of information is planned, along with the future development of new data sources.

BP-2_07;
BP-2_08;
BP-2_09

On the other hand, throughout this Report, for those metrics that are subject to a high degree of uncertainty, the reasons for said uncertainty have been specified, along with the measurement methodology if applicable (including assumptions and approximations made).

It is also important to highlight that in preparing the Report various future projections were made which, by nature, involve a high degree of uncertainty and inherent risk.

[2] Primary data is defined as data obtained directly from the original source, secondary data as data obtained from bibliographic sources, and modelled data as data obtained from mathematical models in which both primary and secondary data may be used.

Modifications with respect to previous years

BP-2_10; BP-2_12; BP-2_13; BP-2_14

The historical values reported may be subject to changes from those reported in previous years. These modifications may be due to methodological updates, changes in data sources, correction of inaccuracies or other issues. In such cases, and where practicable, we have restated the information from previous years to make it comparable.

ⓘ More information on the indicators subject to modifications can be found in the *Methodological Annex* of this Report.

References to other documents

BP-2_20

It should be noted that in the Consolidated Statement of Non-Financial Information and Sustainability Information no content required by ESRS has been incorporated by reference. However, throughout the document, cross references are included between the different sections of the Report where related information can be found.

In addition, at Inditex we also have public contents where some of the issues dealt with in this Report are expanded. In these specific cases, references have been included to the additional communication materials that are available on our corporate website, remaining outside the scope of the external verification.

External assurance

BP-2_18; BP-2_19

The information included in the Consolidated Statement of Non-Financial Information and Sustainability Information has been verified by an independent third-party, Ernst & Young. The scope and results of this independent verification are described in the Verification Report attached hereto.

This Report has been reviewed in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in Guidelines 47 Revised and 56, issued by the Instituto de Censores Jurados de Cuentas (ICJCE) of Spain on non-financial information verification assignments and considering the content of the note published by the Instituto de Contabilidad y Auditoría de Cuentas (ICAC) on December 18, 2024, based on ISSA 5000 and the non-binding guidelines of COESA.

ⓘ More information in section *9. Independent Verification Report* included in this Report.

GOV. Governance

GOV-1. The role of the governing bodies

Group's Corporate Governance System

Inditex has a Corporate Governance System comprising a series of bodies, rules, procedures and mechanisms to guarantee that the directors and the management team, who are responsible for the governance of the Company, carry out their duties in a diligent, ethical and transparent manner, and are accountable for their activity, which is subject to verification and control, both internal and external. At the same time, it ensures that no individual or small group of individuals holds decision-making power within the Company that is not subject to checks and balances, and that no shareholder receives privileged treatment over other shareholders.

At present, Inditex's Corporate Governance System fully complies with the regulatory requirements set forth in the applicable legislation, and fully adheres to the recommendations outlined in the Good Governance Code (GGC) of Listed Companies of the Spanish National Securities Market Commission (CNMV).

In addition, in 2024, the Group obtained the highest score in the Good Corporate Governance Certification from AENOR, which verifies a high degree of compliance with the best practices applicable in this area.

Organisation of our Governing Bodies



General Meeting of Shareholders

The General Meeting of Shareholders duly convened and with a quorum present in accordance with all statutory requirements and those provided for in its own Regulations, is the supreme and sovereign body for the expression of the corporate will. .

Inditex's 2024 Annual General Meeting (hereinafter, also the '2024 AGM') was held on 9 July 2024 in hybrid format, with in-person and remote attendance and participation. Agenda items included the approval of the Annual Accounts and the grant of discharge to the directors of the Company.

ⓘ More information on the regulation, organisational and operational rules and the details of the resolutions passed at the 2024 AGM in section *B. General Meeting of Shareholders* of the Annual Corporate Governance Report.

Board of Directors

Except for any matters reserved for the General Shareholders Meeting, the Board of Directors is the Company's highest decision-making, supervisory and monitoring body. It has been entrusted with corporate management, administration, operation and representation, generally delegating the management of Inditex's day-to-day business to the management team and the internal committees. Its activity concentrates on the general function of oversight, which includes guiding Inditex's strategy and approving its policies, monitoring the management bodies, assessing the performance of the directors, adopting the most important decisions for the Company and liaising with shareholders.

Organisation and operation of the governing bodies

GOV-1_01; GOV-1_02; GOV-1_07

The composition of the Board of Directors at the end of the financial year was as follows:

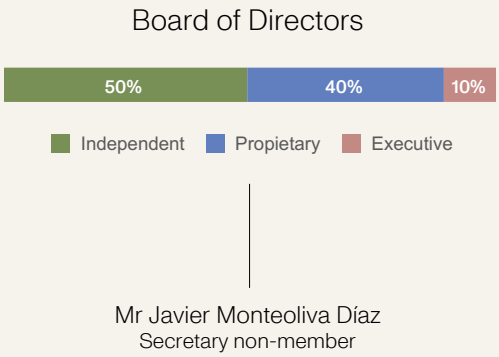
Ms Marta Ortega Pérez
Non-executive Chair

Mr José Arnau Sierra
Deputy Chair

Mr Óscar García Maceiras
Chief Executive Officer

Mr Amancio Ortega Gaona
Founder - Proprietary Director

Ms Flora Pérez Marcote
Proprietary Director



Mr Javier Monteoliva Díaz
Secretary non-member

Ms Pilar López Álvarez
Independent Director

Ms Belén Romana García
Independent Director

Mr José Luis Durán Schulz
Independent Director

Mr Rodrigo Echenique Gordillo
Lead Independent Director

Bns. Denise Patricia Kingsmill
Independent Director

Accordingly, the Board of Directors of Inditex comprises one executive director and nine non-executive directors, of whom four are proprietary and five are independent. Based on the foregoing, there is an ample majority of non-executive directors on the Board and the number of independent directors represents 50% of all members, all in accordance with the GGC recommendations and applicable best practices.

GOV-1_03

There is no direct worker representation on the Company's administrative, management and supervisory bodies, as this is not mandatory under Spanish law and applicable good governance recommendations, unlike in other jurisdictions, nor is it standard market practice among comparable Spanish companies. However, the Company pursues dialogue and relations with its employees through various channels and initiatives, which are described in this Report.

Board of Directors Committees

GOV-1_08; GOV-1_09

To carry out its supervisory duties, the Board of Directors has a series of committees (some of them statutory in nature for being mandatory), internal and permanent bodies, for informative and consultative purposes. They do not have executive functions, but powers of reporting, supervision, advice and proposal within the scope of the duties assigned to them.

These committees are comprised solely of non-executive directors, most of whom must be independent directors.

Sustainability Committee

This Committee, whose existence is not mandatory, was created in 2019 to foster the Group's sustainability strategy.

The main mission of the Sustainability Committee is to support the Board of Directors in aspects relating to the Group's sustainability practices, by supervising its strategy and overseeing proposals in this area, in the social, environmental areas and the area of health and safety of the products marketed by the Company, or by any Group company, as well as to foster the commitment to the Sustainable Development Goals. It is also the body responsible for overseeing effective liaisons with stakeholders in the field of sustainability.

The Committee is also vested with certain powers in connection with the supervision of the process of preparing the sustainability information that the Company discloses publicly (with the scope and limitations detailed below).

Pursuant to the Sustainability Committee's Regulations, its members are appointed in such a way as to ensure that they — and in particular its chair— have the knowledge, expertise and experience to match the functions they are called upon to perform, including, among others, in connection with sustainability, social action initiatives, sustainable management of resources and the design of stakeholder communication policies.

The composition of the Committee at the reporting date was as follows:

Member	Position	Directorship type
Bns. Denise Patricia Kingsmill	Chair	Independent
Mr José Arnau Sierra	Ordinary Member	Proprietary
Ms Pilar López Álvarez	Ordinary Member	Independent
Ms Belén Romana García	Ordinary Member	Independent

Audit and Compliance Committee

The main mission of the Audit and Compliance Committee is to oversee and monitor the independence of the statutory auditor and the effectiveness of the enterprise risk management system covering both financial and non-financial risks — without prejudice to the ultimate responsibility of the Board of Directors. It also has powers of oversight and assessment over the process of compiling and presenting the financial and non-financial (sustainability and corporate governance) information included in the mandatory annual reports, and of the independent verification of that information. These tasks are carried out in coordination with the Sustainability Committee in connection with the matters within its purview (as described below).

In accordance with the provisions of the Audit and Compliance Committee's Regulations, the members of the Committee as a whole —and in particular its chair— must be appointed in consideration of their knowledge and experience in accounting, auditing and risk management, both financial and non-financial, as well as their industry-specific knowledge.

The composition of the Committee at the reporting date was as follows:

Member	Position	Directorship type
Mr José Luis Durán Schulz	Chair	Independent
Mr José Arnau Sierra	Ordinary Member	Proprietary
Bns. Denise Patricia Kingsmill	Ordinary Member	Independent
Ms Pilar López Álvarez	Ordinary Member	Independent
Ms Belén Romana García	Ordinary Member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary Member	Independent

Nomination Committee

The main purpose of the Nomination Committee is to help attract and retain talent in the Company, ensuring that the Company has the best professionals in its governing bodies and Senior Management and that the applicable selection policies are consistent with the Company's strategy.

The composition of the Committee at the reporting date was as follows:

Member	Position	Directorship type
Ms Belén Romana García	Chair	Independent
Mr José Arnau Sierra	Ordinary Member	Proprietary
Ms Pilar López Álvarez	Ordinary Member	Independent
Mr José Luis Durán Schulz	Ordinary Member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary Member	Independent

Remuneration Committee
The Remuneration Committee's main mission is to help attract and retain talent in the Company through the remuneration policies applicable to directors and members of senior management.

The composition of the Committee at the reporting date was as follows:

Member	Position	Directorship type
Mr Rodrigo Echenique Gordillo	Chair	Independent
Mr José Arnau Sierra	Ordinary Member	Proprietary
Bns. Denise Patricia Kingsmill	Ordinary Member	Independent
Mr José Luis Durán Schulz	Ordinary Member	Independent

ⓘ More information on the rules governing the organisation and operation of the Board of Directors and of the Committees in section *C. Company management structure* of the Annual Corporate Governance Report.

Other relevant internal bodies

The Company has a series of permanent internal, consultative bodies, without executive functions, with powers to inform, advise and make proposals to the Company's governing and management bodies, as they discharge their duties.

These bodies are composed entirely by persons from outside the Company to provide strategic and independent advice to the Group's governing bodies on key issues for the Company.

Cybersecurity Advisory Committee
The Cybersecurity Advisory Committee is the independent expert advisory body on information security and, in particular, cybersecurity. This Committee supports and advises the Board —through the Audit and Compliance Committee— and the Chief Information Security Officer (CISO) on such matters so as to ensure an effective system for protecting the Group's information.

The composition of the Committee at the reporting date was as follows:

Member
Mr Christopher Cox Krebs
Ms Hazel Dolores Díez Castaño
Mr José Manuel González-Páramo Martínez-Murillo
Mr Herbert Hugh Thompson
Ms Maria Markstädter
Ms Marene Nyberg Allison
Mr Juan Alberto Yépez

Social Advisory Board
The Social Advisory Board is the expert advisory body on sustainability, both social and environmental, and provides support and advice to the Board —through the Sustainability Committee— and to the Management on these matters. The Social Advisory Board also arranges and institutionalises dialogue with those spokespersons considered key in the civil society in which we develop our business model and plays, in addition, an important role in our double materiality assessment.

The composition of the Social Advisory Board at the reporting date was as follows:

Member
Ms Paula Farias Huanqui
Ms Cecilia Plañiol Lacalle
Mr Ezequiel Reficco
Mr Jean Jacques Salaun
Mr Francisco Javier Sardina López
Mr Victor Viñuales Edó

Management Committee

Inditex's Management Committee is responsible for coordinating the company's management and supports the CEO in the exercise of his duties. Although it has no delegated executive functions, this Committee was set up to promote, in keeping with best practices, an environment of collegiate decision-making at the most senior level, as well as the exchange of opinions and considerations among directors.

The Management Committee has comprised those Group executives who are deemed able to provide a vision conducive to a comprehensive understanding of the Group's reality at all times, thus underpinning the management and implementation of the Group's strategy.

Its composition at the reporting date is as follows:

Member	Position
Mr Miguel Díaz Miranda	Chief Financial Officer & Chief Operating Officer, Zara
Mr Ignacio Fernández Fernández	Chief Financial Officer
Mr Antonio Flórez de la Fuente	Bershka Director
Mr Javier García Torralbo	Chief Digital Officer
Ms Begoña López-Cano Ibarreche	Chief People Officer
Mr Javier Losada Montero	Chief Sustainability Officer
Ms Beatriz Padín Santos	Zara Woman Director
Mr Jorge Pérez Marcote	Massimo Dutti Director
Mr Óscar Pérez Marcote	Zara Director
Mr Jordi Triquell Valls	Stradivarius Director

Diversity in our governing bodies

Diversity in the governing bodies ensures there are multiple perspectives, helping to identify risks and opportunities and, therefore, to achieve corporate objectives. It also encourages the promotion of equal opportunities across the organisation, nurturing a diverse and inclusive workplace.

In this regard, at Inditex, we have: (i) the Diversity and Inclusion Policy, which establishes the framework that promotes the values of diversity, multiculturalism, acceptance and integration in all the Group's entities and is driven by the most senior levels of the Company, and (ii) the Diversity of Board of Directors Membership and Director Selection Policy, which sets forth the criteria for the selection of directors to guide the activities of the relevant corporate bodies.

Furthermore, in accordance with applicable best practices, the Company has a Board Skills Matrix, which identifies the skills of the members of the Board of Directors at any given time, in terms of education and professional experience, among other aspects. The Skills Matrix is updated periodically and whenever there is a change in the composition of the Board. Therefore, the matrix is a useful tool for establishing the criteria for the possible assessment of new candidates.

The Nomination Committee is the Board specialised committee involved in the process of selection, nomination, ratification and re-election of our directors, ensuring an appropriate composition of the Board and its Committees. With regard to gender diversity, the Committee has consistently strived to achieve and retain high levels of female representation on the Board of Directors, as can be seen in the following table:

GOV-1_04;
GOV-1_05;
GOV-1_06

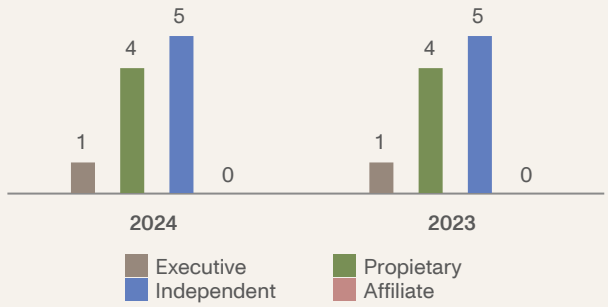
Percentage of women represented in the governing bodies

Governing Body	2024	2023
Board of Directors	50%	50%
Audit and Compliance Committee	50%	50%
Nomination Committee	40%	40%
Remuneration Committee	25%	25%
Sustainability Committee	75%	75%

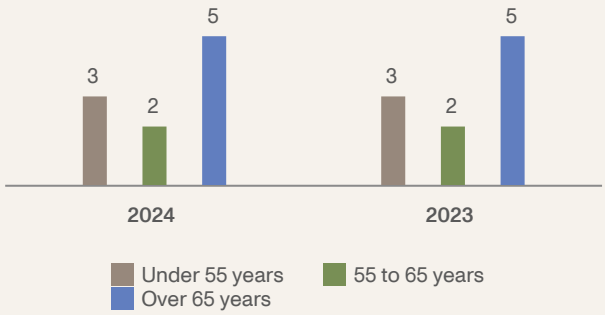
Therefore, the Company currently has an equal representation of men and women on Inditex's most senior governing body, which is above the target established for the least represented gender on the boards of directors of listed companies, as provided in Spanish Organic Law 2/2024, of 1 August, on the equal representation and balanced presence of women and men, which transposes Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.

Main diversity indicators of the Board of Directors of Inditex for financial year 2024 and their performance

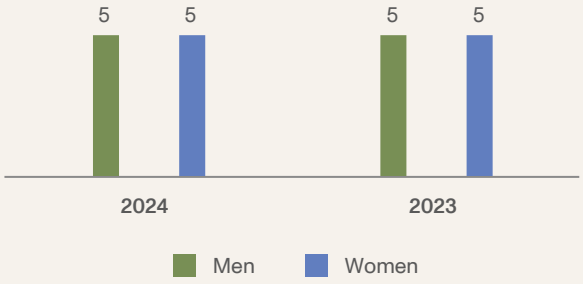
Directorship type



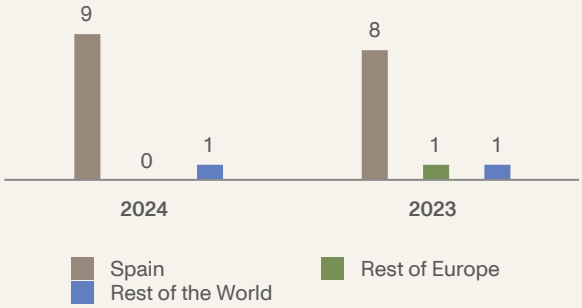
Age



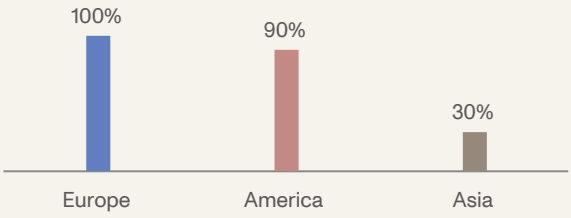
Gender



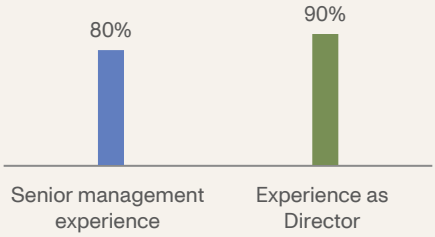
Geographic origin



International experience/ Education

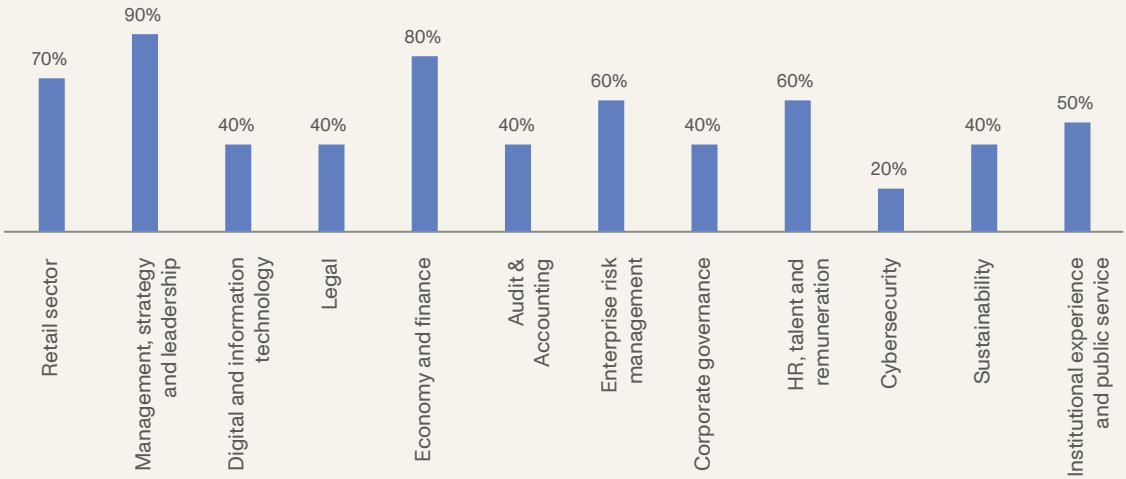


Previous experience



GOV-1_16

Board of Directors Skills Matrix



ⓘ The CV of the members of the Board of Directors is available in the 'Shareholders' section of 'Corporate Governance - Board of Directors' of our corporate website.

GOV-1_15;
GOV-1_17

Overall, in accordance with the updated Board Skills Matrix, the structure and current composition of the Board of Directors to this date is deemed to maintain a high level of balance, stability and diversity that is materialised in the form of an equal presence of men and women and an adequate balance of skills, knowledge and experience, appropriate to the interests of the Group.

In addition, the Company provides its directors with a continuous training programme, ITX Board Academy, to ensure that they are kept abreast and to supplement and reinforce their knowledge in connection with current topics (such as legal developments with an impact on the Group). In 2024, directors received training from prestigious external advisors in connection with the following key areas for the Company: (i) the new scenario-based Risk Management methodology; (ii) the Directors and Officers Civil Liability Insurance, better known as D&O insurance; and (iii) other aspects of sustainability related to climate change, due diligence and human rights, approached from a holistic point of view, including assessment of the risks and opportunities associated therewith.

Likewise, to ensure adequate oversight, the Board and the committees are empowered to seek advice from external advisors whenever deemed necessary.

ⓘ More information on the Company's diversity policies and the role of the Nomination Committee in this area in sections *C. Company management structure C1.5 to C.1.7* of the Annual Corporate Governance Report.

Main roles and responsibilities of governing bodies in relation to the oversight of strategy, risks and opportunities

Definition and oversight of targets and strategy based on risks and opportunities

GOV-1_10;
GOV-1_11;
GOV-1_12;
GOV-1_13;
GOV-1_14

Inditex's Board of Directors undertakes the general function of strategic guidance, with a particular focus on strategic impact issues affecting the business.

For this purpose, the Board of Directors examines the regular reports from the Chair and the CEO outlining a range of financial, operational, business and sales aspects of the Group. In particular, the CEO addresses, among other aspects, matters relating to: (i) snapshot of the current business situation and, in particular, the fulfilment of strategic objectives, (ii) the Management Committee's strategic thinking and main lines of action in this area, (iii) the foremost conclusions and viewpoints gleaned from the quarterly meetings held with investors and analysts, (iv) the evolution of the industry as a whole and of other comparable companies, and (v) the main projects of a more strategic and/or reputational kind (when these do not require express approval by the Board of Directors).

As a cornerstone, the directors and managers of the various brands and subsidiaries are encouraged to appear quarterly to monitor and analyse the performance and outlook of the business in relation to the various commercial concepts and the different markets where the Group operates. The same goes for corporate directors and managers who, together with the CEO, are responsible for establishing the general strategies and policies (for example, concerning Sustainability, People and Innovation) and their related objectives, periodically and whenever they require discussion and/or updating. This gives the Board of Directors a comprehensive and timely overview of business developments and expectations, major risks and related opportunities and targets.

Furthermore, the members of the Sustainability, Remuneration and Nomination committees, including their chairs, also serve on the Audit and Compliance Committee. The overlapping presence of directors on these committees and the report that each committee chair submits to the Board of Directors regarding the main issues discussed at their respective meetings ensure that the most relevant issues on these topics are taken into consideration in the deliberations of the Audit and Compliance Committee and of the Board, allowing for a better identification of the risks and opportunities associated with these matters.

Risk management

The Board of Directors is responsible for overseeing the development and outlook of the business, including the related risks, and is generally in charge of steering the strategy.

One of the main functions of the Audit and Compliance Committee is to support the Board in the oversight and assessment of financial and non-financial risks, such as those arising from the Group's actions pertaining to its social and environmental sustainability practices, or the use of new technologies, such as cybersecurity risks, etc., as well as in monitoring the effectiveness of enterprise risk management systems.

In any event, for an adequate risk control, the Audit and Compliance Committee's agenda is planned annually on the basis of overseeing the most salient risks for the Company, in accordance with the updated performance report, and as identified in the Group's Risk Map.

In this connection, the head of the Enterprise Risk Management department reports regularly to the Committee to outline the critical risks (i.e. those that may affect business performance, included in the Risk Map, and/or those that have undergone significant changes in the annual risk review and that have worsened), and to report on the control mechanisms established for their adequate management and control.

In addition, the head of the Enterprise Risk Management department reports to the Committee whenever there is exposure to a given critical risk, together with the managers and heads of of the Company and/or the relevant control areas.

Oversight functions

The Company also has a number of assurance functions which have their own risk prevention and control models, in connection with cybersecurity risk, compliance risk (including criminal risk), and personal data protection and privacy, as well as those associated with the process of compiling the Group's financial and non-financial information so as to reasonable ensure the accuracy thereof.

- **Compliance:** the Chief Compliance Officer reports periodically to the Audit and Compliance Committee regarding the enforcement of the Codes of Conduct and the findings of the supervision of the Inditex Group's Model of Criminal Risk Prevention and the actions for implementing the Global Compliance Model. More information on the scope of the Compliance function's report to the Committee can be found in section *G1-1. Corporate culture and business conduct*.

- **Cybersecurity:** the CISO reports on matters under their purview to the Audit and Compliance Committee on a half-yearly basis and, when so required, to the Board of Directors.

- **Data Protection and Privacy:** the head of the Data Protection and Privacy department and the Group's Data Protection Officer appear before the Committee to report on, among other aspects, the strategy, data protection and privacy risk management, the main projects and initiatives, the Annual Work Plan, the annual budget and the human and material resources of the function as well as the monitoring of its Privacy Framework.

- **Financial Information and Sustainability Information Control Systems:** within the framework of the supervision of the process of preparing and presenting the financial and sustainability information, the Audit and Compliance Committee periodically receives information concerning the efficacy of those systems from the area head.

Internal Audit function

The Internal Audit Function provides the Board of Directors, the Audit and Compliance Committee and senior management with assurance, advice, knowledge and prospective vision on the suitability and effectiveness of the governance, risk management and control processes for the Inditex Group.

It is part of the organizational structure through its functional dependence on the Audit and Compliance Committee and its hierarchical dependence on the non-executive President of the Board, which makes it possible to exercise its function independently and objectively. The scope of Internal Audit services covers the entire Group.

In the exercise of its functions, Internal Audit coordinates with other second-line functions of the Company, such as the Risk Management or Compliance Departments. It also assists the Audit and Compliance Committee in its work of supervising the external audit services of financial information and external verification of sustainability information, coordinating said services.

The Audit and Compliance Committee oversees the function, including, among others, its authority, its responsibilities, the scope of its services and the adequacy of its human and material resources, approving its budget. It also ensures independence and objectivity in the exercise of its powers. Approves the Annual Internal Audit Plan, ensuring that its activity is focused primarily on the relevant risks of the Group, including reputational risks, and that it is appropriate for the needs of the Company.

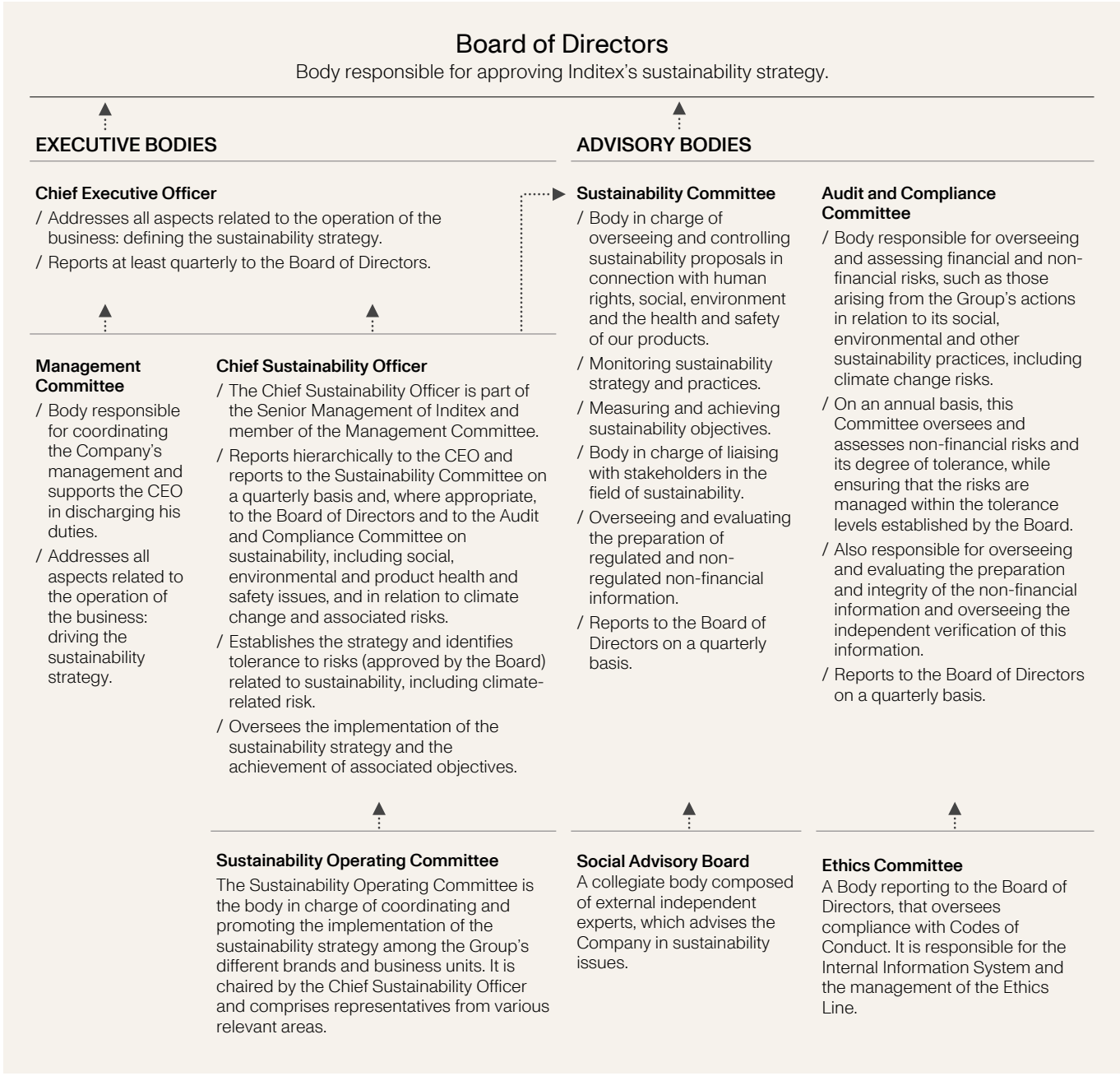
The Chief Internal Audit Officer reports quarterly to the Audit and Compliance Committee about the degree of compliance with the Annual Plan, including possible changes and deviations, incidents and limitations to the scope that may arise in its development, as well as about the work carried out in the different areas of the audit activity and the recommendations issued (with the corresponding action plans, which are monitored). The Audit Committee verifies that senior management takes into account the conclusions and recommendations derived from the reports issued by Internal Audit.

Finally, the Audit and Compliance Committee evaluates the operation of Internal Audit and the performance of its manager at the end of each year.

GOV-2. Information provided to governing bodies and sustainability matters addressed

Sustainability governance

GOV-2_01;
GOV-2_02;
GOV-2_03;
GOV-2_04



The Group's commitment to sustainability is reflected at the highest level of the Company, starting with the most senior governing bodies, with sustainability as a factor integrated in the decision-making process. In this regard, the Board is supported by a number of consultative and executive bodies, represented in the Group's management team, with the involvement, firstly, of the Chief Sustainability Office, who in turn is supported by the Social Advisory Board and the Sustainability Operating Committee.

As an informative and advisory Board committee, the Sustainability Committee is responsible for monitoring our social and environmental sustainability strategy and practices and verifying their compliance with the Sustainability Policy.

The Committee therefore regularly liaises with the CEO and Sustainability management, who define and establish the general sustainability strategy, its targets and the roadmap for achieving it. The Chief Sustainability Officer (CSO) reports, at least quarterly, on the degree of achievement of the strategic targets and the proposals and plans devised to achieve them, in the areas of human rights, social, environmental and product health and safety.

The CSO is also a member of the Inditex Management Committee —which reviews the strategy and business and investment plans in this area too— and chairs the Sustainability Operating Committee —the body in charge of coordinating and promoting the implementation of the sustainability strategy among the various brands and business units— at all times liaising directly with the different corporate and business areas responsible for its execution.

The Sustainability Committee is further tasked with the supervision of the process of preparing regulated and non-regulated sustainability information. With regard to the sustainability information included in the Directors' Report, this oversight is carried out in coordination with the Audit and Compliance Committee, which is responsible for the ultimate oversight and evaluation of the preparation process and the integrity of the sustainability information included in the Directors' Report, ensuring compliance with all legal requirements, and also dealing with the process of independent verification of this information.

Such coordinated action ensures a global view of the effective implementation of policies relative to their respective areas of competency, as well as enhancing transparency by improving the quality of sustainability information made available to the market.

In particular, the Sustainability Committee is responsible for evaluating whether the information included in the mandatory report is consistent with the Company's sustainability policies. As part of the sustainability reporting process, a double materiality assessment is carried out annually to identify the impacts, risks and opportunities that relate to our activity, strategy and business model. The findings of that assessment are reported to the Sustainability Committee, which must then ensure they are taken into account in the aforementioned sustainability reporting.

The result of this double materiality assessment is also taken into account by the Company's management when identifying sustainability risks and opportunities and defining its strategies and action plans. These issues, in turn, shape the agenda of matters addressed by Inditex's corporate bodies and, in particular, by the Board of Directors. In 2024 the Board has tackled the following matters in connection with sustainability, mainly through the reports submitted by the chair of the Sustainability Committee:

/ The approval of the different action plans and roadmap for the compliance with sustainability targets, such as:

- The Fibres Plan, concerning the goal of using lower-impact textile raw materials.
- The Cotton Strategy.
- The Climate Transition Plan, with respect to the net-zero target.

/ The analysis of the supply chain and its clusters

/ Monitoring of the new regulatory framework regarding sustainability reporting and due diligence.

/ The strategy in innovation and, in particular, in sustainability.

Moreover, in 2023 the Board of Directors approved the new sustainability targets presented by the management, which were subsequently announced by the CEO at the 2023 AGM, along with the Group's diversity and inclusion strategy, which is part of the Group's responsible action. These sustainability targets have gradually been added to the variable remuneration components of the Chief Executive Officer and other key positions in the Company.

The main activities carried out by the Board of Directors and the Sustainability and Audit and Compliance Committees in the performance of their respective duties in connection with sustainability and other material topics for the Group in accordance with the double materiality assessment are outlined below.

ⓘ More information on the activities of the Sustainability and Audit and Compliance Committees in section *C2.1* of the Annual Corporate Governance Report.

Activities of the Sustainability Committee:

Monitoring the social and environmental sustainability strategy and practices

- Approval of the Annual Activities Report of the Sustainability Department for 2023 and the annual work plan and budget of that department for 2024.
- Through the reports of the CSO and the CEO, quarterly monitoring of (i) the most relevant milestones and initiatives in these periods, and (ii) the degree of compliance with the sustainability targets in progress.

- Review and acknowledgement of the objectives and main lines of action of the various initiatives featured in the following plans promoted by the Sustainability Department: (i) Climate Transition Plan, (ii) Fibres Plan, and (iii) Cotton Strategy.

- Analysis of other matters, through the reports of the directors and heads of the different Sustainability areas: (i) the Group's supply chain, (ii) the analysis of the Clusters of the Group; (iii) analysis of the carbon footprint calculation methodology, (iv) sustainability innovation strategy and initiatives and (v) legislative updates in connection with due diligence and reporting, and the measures implemented to comply with them.

Oversight of the process of preparing and releasing regulated and non-regulated sustainability information

- Prior favourable report to the 2023 Statement on Non-Financial Information within the scope of its competency (as explained above). This Report was approved by the Board of Directors, also following a favourable report from the Audit and Compliance Committee, with regard to the oversight of the process for preparing this information and the findings of its verification by the external auditors.

- Monitoring of the status of preparedness of the Consolidated Statement of Non-Financial Information and Sustainability Information for 2024 under the new European reporting standards.

- Evaluation of the methodology and results of the double materiality assessment and verification that those results were taken into account in the Consolidated Statement of Non-Financial Information and Sustainability Information for 2024.

Activities of the Audit and Compliance Committee:

Activities in relation to risk oversight and assessment and effectiveness of control systems

- Report by the head of the Enterprise Risk Management department on the work and results of the Risk Map updating, in accordance with a new, scenario-based methodology. The Board of Directors approved the 2025 Risk Map update.

- Analysis on the working of the management systems in place and the conclusions reached, in relation to the risks identified in the Risk Map as critical or relevant. Thus, in 2024 the Audit and Compliance Committee has supervised and monitored the following risks: (i) work-related risks; (ii) risks arising from the geopolitical situation; (iii) third-party risks of the Group and its management model through the corresponding directors' reports; and (iv) risks related to the Group's logistics activity.

Besides, in relation to this risk supervision function, the Committee also carried out the following activities:

/ **Information Security:** approval of the Annual Work Plan and budget for 2024 for the function and, through the CISO reports, a half-yearly analysis of the level of cybersecurity maturity and monitoring of events of interest and incident management (previously analysed in the pertaining meetings of the Information Security Committee).

ⓘ More information on the Group's cybersecurity activity and on the main matters addressed by the Cybersecurity Advisory Committee in section *Additional information. Cybersecurity* of this Report.

/ **Supervision of the Compliance function and internal regulations reporting**: (i) acknowledgement of the periodic reports of the Chief Compliance Officer on the operation of the Global Compliance Model, compliance risk management and the main projects and initiatives (including training and awareness), (ii) approval of the Annual Work Plan for the year 2024, the annual budget and the human and material resources, as well as (iii) the favourable report on certain internal regulations, within its area of competence, prior to their approval by the Board of Directors.

/ **Oversight of the Model of Criminal Risk Prevention:** acknowledgement of the regular reports of the Ethics Committee about the supervision of the Model of Criminal Risk Prevention (i.e. the 2023 annual report and the report for the first half of 2024).

/ **Review of the Ethics Committee´s reports and proceedings:** review and acknowledgement of the Ethics Committee's regular reports on the main activities carried out by in relation to the Ethics Line (i.e. the 2023 annual report and the report for the first half of 2024) and quarterly follow-up of the evolution of the number of cases processed and concerns received through the Ethics Line.

/ **Data Protection and Privacy Report:** through the annual report of the Data Protection and Privacy department and the Group's Data Protection Officer, a monitoring and analysis was carried out on, among other aspects, the strategy, data protection and privacy risk management, the main projects and initiatives, the Annual Work Plan, the annual budget and the human and material resources of the function, as well as the operation of its Privacy Framework.

GOV-3. Integration of sustainability- related performance in incentive schemes

GOV-3_01;
GOV-3_02;
GOV-3_03;
GOV-3_04;
GOV-3_05

Inditex's Directors' Remuneration Policy for 2024, 2025 and 2026, currently in force, was approved at the Annual General Meeting held on 11 July 2023 ('Remuneration Policy') and is effective during the aforementioned years.

Directors' remuneration

The remuneration of directors in their capacity as such, in accordance with applicable best practices, is composed entirely of fixed components. Specifically, the Remuneration Policy establishes the items of annual fixed remuneration that directors may receive in their capacity as such, as well as the relevant amounts thereof, while this Policy is in effect.

Within this limit, which is set by the Annual General Meeting, the Board of Directors determines the manner and timing of payments, based on a proposal from the Remuneration Committee.

ⓘ More information on the principles, foundations and components of the Remuneration Policy, as well as on the remuneration of directors in their capacity as such in sections A and *B of* the Annual Report on Remuneration for 2024.

Remuneration of the Chief Executive Officer for his Senior Management duties

In addition to the remuneration received as a director of the Company, the CEO receives remuneration for the performance of his executive duties.

This remuneration package consists of a fixed component (the amount of which is determined by the Remuneration Policy), a short-term or annual variable remuneration component and a long-term or multi-year variable remuneration component, payable in cash and/or shares.

The Remuneration Policy establishes the possibility of linking both variable components to financial, operational and value creation metrics, and non-financial metrics, such as sustainability indicators. The CEO's variable remuneration, both annual and multi-year, is linked to the fulfilment of certain sustainability targets (environmental, social and corporate governance), consistent with the Group's sustainability strategy, which is a further incentive for the development of that strategy.

/ Short-term or annual variable remuneration

The Board of Directors resolved, at the proposal of the Remuneration Committee, that the CEO´s annual variable remuneration for 2024 would be determined on the basis of certain criteria and, in particular, in relation to progress made in the implementation of Inditex's global sustainability strategy —measured according to the indicators detailed below— in corporate governance and in the implementation of the diversity and compliance programmes, with a total weight of 15%.

The sustainability-related measurement criteria are detailed below:

Target
Progress in the implementation of the strategy towards global sustainability at Inditex:
Performance criteria
(i) Degree of progress in adoption of recycled fibres. (ii) Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals). (iii) Degree of progress in the development of strategic partnerships aimed at the transformation of the industry. (iv) Degree of progress in improving traceability across of our supply chain. (v) Development of additionally mechanisms in the renewable energy infrastructure. (vi) Level of implementation of environmental projects related to the initiative to charge for paper bags and envelopes at stores. (vii) Development of innovation projects in fibres and production processes.

ⓘ More information in the Annual Report on Remuneration.

/ Multi-year or long-term variable remuneration

The Company has various long-term incentive plans in place, consisting of a combination of a multi-year cash bonus and a pledge to deliver shares. The incentive in question may be paid in cash and/or include the release of shares provided that the relevant targets are met. The period for measuring the targets is at least three years.

In line with the Remuneration Policy, the weight of sustainability metrics to which multi-year remuneration is linked in the long-term incentive plans currently in force is 25%, which is above the 20% market median.

The second cycle (2022-2025) of the **2021-2025 Long-Term Incentive Plan** ended on 31 January 2025. In 2024, both cycles of the **2023-2027 Long-Term Incentive Plan** approved by the Annual General Meeting on 11 July 2023 were also in force.

This Plan has a total duration of 4 years and is structured into 2 mutually independent time cycles: (i) the Plan's first cycle runs from 1 February 2023 to 31 January 2026, and (ii) the second cycle spans the period from 1 February 2024 to 31 January 2027.

The sustainability-related measurement criteria, which may account for up to 25% of the total long-term variable remuneration for each of the plans, are detailed below:

Target		
Sustainability index (comprising four indicators):		
Plan 2021-2025 Performance Criteria	**Plan 2023-2027 Performance Criteria**	
Cycle II (2022-2025)	**Cycle I (2023-2026)**	**Cycle II (2024-2027)**
Fibre consumption: measured as the reduction in percentage points of the weight of conventional fibres in total fibre consumption (in t), for the four fibres subject to a public commitment (cotton, polyester, man-made cellulosic fibres and linen).	Consumption of textile raw materials with lower impact (referred to as 'preferred'): measured as the percentage of preferred textile raw materials (organic, in-conversion, regenerative, recycled, certified as European linen, Green viscose in the Hot Button Report by Canopy and EU BAT compliant or 'Next Generation') in the FY2025 winter campaign on the total purchase of the main fibres (cotton, polyester, linen, viscose, modal and lyocell) in said campaign.	Consumption of textile raw materials with a lower impact (referred to as 'preferred'): measured as the percentage of preferred textile raw materials in the FY2026 winter campaign on the total purchase of the raw materials in that campaign.
Water consumption: measured as the percentage reduction of water consumption (litre/kg) in the supply chain.	Water consumption: measured as the percentage reduction in water consumption (litre/kg) in the supply chain between the cycle start date (1 February 2023) and the end date of the cycle (31 January 2026).	Biodiversity improvement: measured as the increase in the number of hectares that are protected, restored, regenerated or under other forms of biodiversity improvement management between the start date of the second cycle (1 February 2024) and the end date (31 January 2027).
Decarbonisation: measured as the percentage reduction in the volume of scope 3 Greenhouse Gas emissions, in the category 'purchased goods and services'.	Decarbonisation: measured in terms of percentage reduction of the volume of scope 3 Greenhouse Gas emissions, in the 'purchased goods and services' category, between the start date of the cycle (1 February 2023) and end date of the cycle (31 January 2026).	Decarbonisation: measured as the percentage reduction in the volume of Greenhouse Gas emissions (scope 3), in the category 'purchased goods and services', between the start date of the second cycle (1 February 2024) and the date of its completion (31 January 2027).
Social: measured as the percentage of suppliers of Inditex products that are classified with a social ranking A and B.	Social: total number of workers who are part of the programmes of the priority impact areas of social dialogue, living wages, health, respect and resilience of the Workers at the Centre Strategy in the period between 1 February 2023 to 31 January 2026 (cumulative data for the three financial years: FY2023, FY2024 and FY2025).	Implementation of the Environmental Improvement Programme for Supply Chain Transformation: measured as the percentage of facilities in which the plan has been implemented over the total facilities targeted by the plan (cumulative data for the three financial years: FY2024, FY2025 and FY2026).

Considering the degree of achievement of the various targets to which the 2024 variable remuneration of the Chief Executive Officer is linked, **the weight of sustainability targets over the Chief Executive Officer's total variable remuneration was approximately 20% and 72% over fixed remuneration.**

ⓘ More detailed information on the targets, measurement criteria and the scales of achievement for each of the sustainability objectives linked to the variable remuneration of the Chief Executive Officer in sections A and B of the *Annual Report on Remuneration.*

Compensation paid to other members of Senior Management

There is a clear alignment between the CEO's and the Senior Management's remuneration structures, coinciding both in their principles and remuneration components and in the design of the incentives, which are broadly consistent throughout the organisation, as well as in the mechanics of the pay review process.

Accordingly, **reaching sustainability targets is also a component of the Senior Management's variable remuneration, as well as a component of other key personnel variable remuneration**, which reinforces the commitment of the Company's people to sustainability.

GOV-3_06

Finally, below is a breakdown of the competencies of the various governing bodies in connection with the approval of the incentives system:

- **Annual General Meeting:** (i) approval of the Directors' Remuneration Policy at least every three years; (ii) determination of the maximum amount of annual remuneration to be paid to all directors in their capacity as such; and (iii) separate approval of incentive plans involving the delivery of shares or remuneration linked to the share price.
- **Board of Directors and Remuneration Committee:** the Remuneration Committee carries out an annual, global assessment of the following proposals: (i) the specific metrics and targets to which the variable annual remuneration of the CEO is linked at the start of every year and the review of their achievement at year end, and (ii) the specific metrics, targets and scales of achievement of each long-term variable remuneration cycle, and the review of their achievement and the associated incentives at the end of each cycle.

Furthermore, the Sustainability Committee previously assesses proposals on sustainability metrics and targets to which variable remuneration —both annual and multi-year— are subject, and their degree of achievement and related incentives, referring them to the Remuneration Committee.

This assessment of the sustainability targets and the degree of achievement thereof to which variable remuneration is linked, is carried out on the basis of the data and results provided by the Sustainability Department and reviewed by external and in-house auditors. In any event, the Sustainability Committee carries out quarterly monitoring of the targets and, at the end of the cycle, assesses their global achievement.

Based on this, the Remuneration Committee draws up a proposal for the variable remuneration, which is submitted to the Board of Directors for approval.

ⓘ More information in the *Annual Report on Remuneration.*

GOV-4. Statement on due diligence

GOV-4_01

Our due diligence process allows us to identify and prioritise the potential sustainability-related negative impacts (including human rights and environmental aspects) throughout the value chain, in order to incorporate the findings into our activities, designing tools to prevent and mitigate those impacts, enriching and continuously complement these tools. This process is based on the United Nations Guiding Principles on Business and Human Rights and on the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

In this regard, due diligence is the second cornerstone of Inditex's human rights strategy (the Human Rights Policy is the first and the grievance mechanisms the third).

Due to its importance, nature and scale, our supply chain is a priority area of the value chain in terms of sustainability. Thus, comprehensive and effective due diligence in a global supply chain entails robust policies, tools and practices designed to identify, prioritise and mitigate the impacts on people and the environment. Inditex has developed a sustainable management of its supply chain with a compliance programme that includes audits (both social and environmental), corrective action plans and training, among other measures. This is accompanied by a social strategy (Workers at the Centre) grounded on identifying and prioritising impacts on human rights.

Furthermore, grievance mechanisms are key elements to improving the due diligence process, as their information facilitates the identification of potential negative impacts, and allows the Company to react and mitigate the risk.

ⓘ More information in sections *G1-1. Corporate culture and business conduct* , *S2. Workers in the value chain* and *G1-2. Management of relationships with suppliers* of this Report.

CORE ELEMENTS OF DUE DILIGENCE	LOCATION IN THE REPORT
Embedding due diligence in governance, strategy and business model	ESRS 2. GOV-1
Identifying and assessing adverse impacts	ESRS 2. IROs
Engaging with affected stakeholders in all key steps of the due diligence	ESRS S1. S1-2
	ESRS S2. S2-2
	ESRS S3. S3-2
	ESRS S4. S4-2
Taking actions to address those adverse impacts; and Tracking the effectiveness of these efforts and communicating	ESRS S1. S1-3
	ESRS S2. S2-3
	ESRS S3. S3-3
	ESRS S4. S4-3
	ESRS E1. E1-3
	ESRS E2. E2-2
	ESRS E3. E3-2
	ESRS E4. E4-3
	ESRS E5. E5-2
	ESRS G1. G1-3

GOV-5. Risk management and internal controls over sustainability reporting

Internal control system on sustainability reporting

GOV-5_01;
GOV-5_02

The Group continues to evolve its Internal Control System on Sustainability Reporting (ICSR) to ensure the quality, accuracy and transparency of the information included in this Report, in compliance with the provisions of Act 11/2018 and considering the new CSRD regulatory framework.

This system was developed considering the synergies between the methodologies of our control models, such as the Internal Control over Financial Reporting System (ICFR). Both systems have been developed in line with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) international standard for internal control. Furthermore, in an exercise of continuous improvement, the ICSR is equipped with more comprehensive controls, to match new regulatory frameworks.

The ICSR covers the control environment, the risk assessment related to the drafting of the report, the specific control activities implemented to mitigate these risks, the activities for supervising the main indicators included in the report and the information and communication to improve the management of the system.

Among the bodies responsible for the existence of the Internal Control System on Sustainability Reporting (ICSR), the Board of Directors is the highest decision-making, supervisory and control body of the Group, including the ultimate responsibility for the existence and maintenance of an adequate ICSR.

ⓘ More information in section *GOV-1. The role of the governing bodies* of this Report.

GOV-5_03;
GOV-5_04

We consider the risks related to the reporting of Sustainability Information to be those understood as the absence or insufficiency of stable and defined processes, which can lead to errors or incompleteness in the presentation of information, and therefore to the reporting of unreliable information.

To achieve this, we use tools and systems that allow us to automatically analyse compliance with the applicable regulations, also introducing a layer of governance and automated workflows. Furthermore, we have manuals for the creation of the indicators, which include the construction methodology, the measurement criteria and the information systems involved.

In this regard, a reporting model was developed for managing and reporting indicators (both qualitative and quantitative), defining different assessment attributes for each indicator that allow reports to be automatically generated, facilitating compliance control.

Likewise, consistency controls are in place to check for variations in the indicators with respect to previous years. Completeness checks have also been introduced as an additional control mechanism.

Parallel to this, for the capture, management and presentation of data from external sources, we have management systems that facilitate the compilation of this data, such as our supplier management systems. Lastly, the information systems involved in the process include mechanisms for controlled access, completeness, change management, continuity and information security.

GOV-5_05

Every year, the ICSR area carries out an assessment of the execution of the controls, identifying any areas for improvement, and, together with the heads of the areas concerned, carry out maintenance and updating of the model. Based on this assessment, the ICSR area compiles a report that is submitted to the management of the areas involved and to the Internal Audit department.

Likewise, the Internal Audit department may carry out, as part of its Annual Audit Plan, operational reviews of the governance, risk management and internal control processes linked to the preparation of the Sustainability Information. In addition, the Consolidated Statement of Non-Financial Information and Sustainability Information is subject to verification by the Company's external auditor.

SBM. Strategy

SBM-1. Strategy, business model and value chain

About Inditex

SBM-1_01

Industria de Diseño Textil, S.A., is the parent company of the Inditex Group, which is listed on all four Spanish stock exchanges. Details of the composition of the Inditex Group as of 31 January 2025 are provided in *Annex I* of the Consolidated Annual Accounts.

Our main activity —the distribution and sale of fashion and household products— is aimed at offering our customers an inspiring, quality and responsibly produced range of products. This activity is carried out through various brands or retail concepts: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home. Each concept operates through an online and store model that is managed directly by companies over which Inditex exercises control through the ownership of all or the majority of the share capital and of the voting rights, except in certain markets where, for several reasons, the business is carried out through franchises.

On the other hand, the Group holds joint ownership interests in the entities making up the Tempe Group. The Group does not have any other significant non-controlling interests.

SBM-1_02

Inditex is focused on producing global fashion aimed at society as a whole, although each of our brands offers a different commercial range, thereby enabling us to address the various market trends and meet our customers' wide-ranging needs. The Group has a presence in 214 markets, with a relatively low market share in most of them and in a highly fragmented sector, meaning that it has strong growth opportunities.

Retail concepts

Zara



Zara is a driver of change in the fashion world, with trends and inspiration within everyone's reach. It's goal is to provide everyone with the fashion they deserve: always up to date, inspiring and responsibly made.

Based on continuous customer feedback, Zara's design team responds to their changing needs, catering for the latest trends and offering new proposals at the right place and time, while weaving sustainability into its processes.

Pull&Bear



Pull&Bear was launched in 1991 with the aim of dressing young people who are committed to their environment, who reject stereotypes and who are part of a community.

The brand takes the latest international trends, combines them with the influences that make up streetstyle and fashion clubs, and reinterprets them, transforming them into comfortable and easy-to-wear garments.

Pull&Bear evolves with its customers, and is always alert for new technologies and the latest trends in art and music,

Massimo Dutti



Massimo Dutti offers a refined vision of natural elegance in today's world, with a sophisticated fashion proposal that responds to the demands of an urban and independent individual for whom stylishness is the reflection of a quality life.

Combining graceful tailoring with the comfortable and timeless style of more informal and relaxed garments, Massimo Dutti embodies a modern, comfortable and yet sophisticated interpretation of natural distinction.

Bershka



Bershka is at home among music, technology and the social community. It offers a creative and immersive experience that connects the coolest city youth with emerging trends.

The brand has three lines —Bershka Women and Men, and BSK Teen— covering different styles and combining everyday garments with special, trendy proposals. The general collection is enhanced by customisation options, limited editions and collaborations with major partners.

Stradivarius



Stradivarius understands fashion as a constantly evolving form of expression, capable of inspiring and reinventing itself. Just like people do, its style changes and transforms. That's why collections are designed with versatility and authenticity in mind, so that, with its garments, each customer can find the freedom to be whoever they want to be, regardless of the occasion.

Stradivarius started out as a family-run women's fashion business and joined Inditex in 1999. Our design teams, made up of passionate professionals who are always open to change, render current trends into unique styles with the aim of inspiring and connecting with each customer.

Oysho



Oysho is a sports and leisure brand that combines innovation, performance and quality. It offers a broad range of technical collections designed to deliver maximum performance and comfort during sports activities.

Oysho's leisurewear collections offer outstanding functionality and versatility, adapting perfectly to every situation and need. With a focus on sport and an active lifestyle, the brand continues to evolve, driving innovation and honing its designs.

Zara Home



Zara Home's collections combine timeless ambiences with refinement. They include everything you need to decorate the various rooms in a house: bedroom, kitchen, dining room, living room and bathroom; as well as a special selection of children's products and a complete collection of home fragrances.

As the brand evolves, Zara Home aspires to continue accompanying customers through a quality offering, developing inspiring proposals for their lifestyle and being a part of all the moments of their life.

SBM-1_03

At the end of the financial year 2024, our Group comprises a team of 162,083 people employed in 56 markets and representing a total of 170 nationalities (161,281 people, 57 markets and 174 nationalities in 2023). The breakdown by geography of our people is as follows:

Distribution by geography

	2024	2023
	Number of employees	Number of employees
Americas	18,743	19,963
Asia and rest of the world	14,139	15,526
Spain	49,915	47,761
Europe (ex-Spain)	79,286	78,031
Total	**162,083**	**161,281**

ⓘ More information on how we calculated employee figures in the *Methodological Annex* of this Report.

SBM-1_05

At Inditex we undertake to market quality products that respect the environment and the health and safety of our customers. Our range of products is global and adapted to cultural criteria, demand and the legislation in force in each market. Accordingly, we do not market products that are prohibited in the markets where we operate.

SBM-1_06;
SBM-1_07;
SBM-1_24

Our main sphere of operation is the retail sale of Textiles, Accessories, Footwear and Jewellery[3]. In 2024 our activity generated revenue amounting to 38,632 million euros.

ⓘ More information in *Note 4. Net Sales* to the Consolidated Annual Accounts of this Report.

SBM-1_08;
SBM-1_09;
SBM-1_15;
SBM-1_17;
SBM-1_19

It is also important to note that the Group does not significantly operate in other ESRS sectors, in particular fossil fuel sectors (coal, oil and gas), chemical manufacturing, weapons manufacturing or tobacco production. In other words, it is not related to impacts (material or otherwise) or risks in other sectors significant for the Group.

Business model

SBM-1_25

Our business model covers all the stages, including the design of our products and their sale in our stores and online platforms. This business model is based on **four drivers,** with the aim of generating maximum value for our customers, investors and other stakeholders:

- A **fashion proposal** built on creativity, innovation, quality and, above all, on permanently listening to the needs and wishes of our customers.
- An **increasingly engaging shopping experience.**
- Our commitment to **sustainability and responsibility.**
- **Our people's** talent.

A model tailored to demand

Our retail concepts excel in their capacity to adapt and respond to any change in the market or the irruption of a new trend, thanks to our fine-tuned production processes, with short runs that are fully adapted to demand. This also allows us to maintain a tight inventory.

So as to guarantee an agile and effective response to this demand, a significant portion of our garments are manufactured in proximity markets near our headquarters, such as Spain, Portugal, Morocco and Türkiye. Furthermore, the integration of the inventory of our physical stores and online platforms allows our customers to access all our products regardless of where they shop, maximising the opportunity to sell the units produced.

[3] ESRS sector, according to the draft pending publication via Delegated Act European Sustainability Reporting Standards – SEC 1 Sector Classification and General Requirements – Exposure Draft.

This **flexible business model** helps us to meticulously manage clothing inventories to **avoid surpluses,** which in 2023[4] represented **0.67%** of total articles sold.

SBM-1_26

Main inputs of our business model

Our fashion proposal requires the commitment of all those involved throughout our value chain —which is described later in this chapter— from sourcing to distribution and sales.

/ **Our teams:** this is one of our most significant inputs. Our talent recruitment and retention strategy allows us to obtain the necessary human resources to carry out our activity, while at the same time taking care of our people's working conditions and creating diverse and inclusive work environments in which they can fulfil their potential.

/ **Raw materials:** this is the key input for manufacturing our products, and includes cotton, man-made cellulosic fibres, polyester and linen, among others. Our manufacturers and suppliers avail themselves of these raw materials in accordance with our instructions and with our Fibres Plan. The Inditex Group does not currently carry out direct raw materials purchases.

/ **Water and energy:** in addition to raw materials, they are the main resources used in the manufacturing processes. In particular, these consumptions are higher in the factories of our supply chain that use wet processes, i.e. dyeing, washing, finishing and printing, among others.

/ **Suppliers and factories of the supply chain:** they are also a fundamental part of the operation of our business. That is why we strive to maintain a relationship of mutual trust and support.

ⓘ More information in sections *S1. Own workforce*, *G1-2. Management of relationships with suppliers*, *S2. Workers in the value chain*, *E1. Climate change*, *E2. Pollution*, *E3. Water and marine resources* and *E5. Resource use and circular economy* of this Report.

SBM-1_27

Main outputs of our business model

Through our business model we want to generate the greatest possible positive impact for our stakeholders.

/ **Customers:** our flexible fashion proposal and our means of analysing their preferences allow us to quickly address their needs. We also aim to continuously improve the customer experience.

/ **Our teams:** we have a Code of Conduct that establishes the Group's commitments to creating work environments that promote their well-being and development.

/ **Suppliers and factories of the supply chain:** the ultimate aim of our Workers at the Centre 2023-2025 strategy is to ensure well-being of the workers in the supply chain and respect for their human rights.

/ **Society:** we work with various stakeholders to promote the sustainable development of the communities where we operate and of society as a whole.

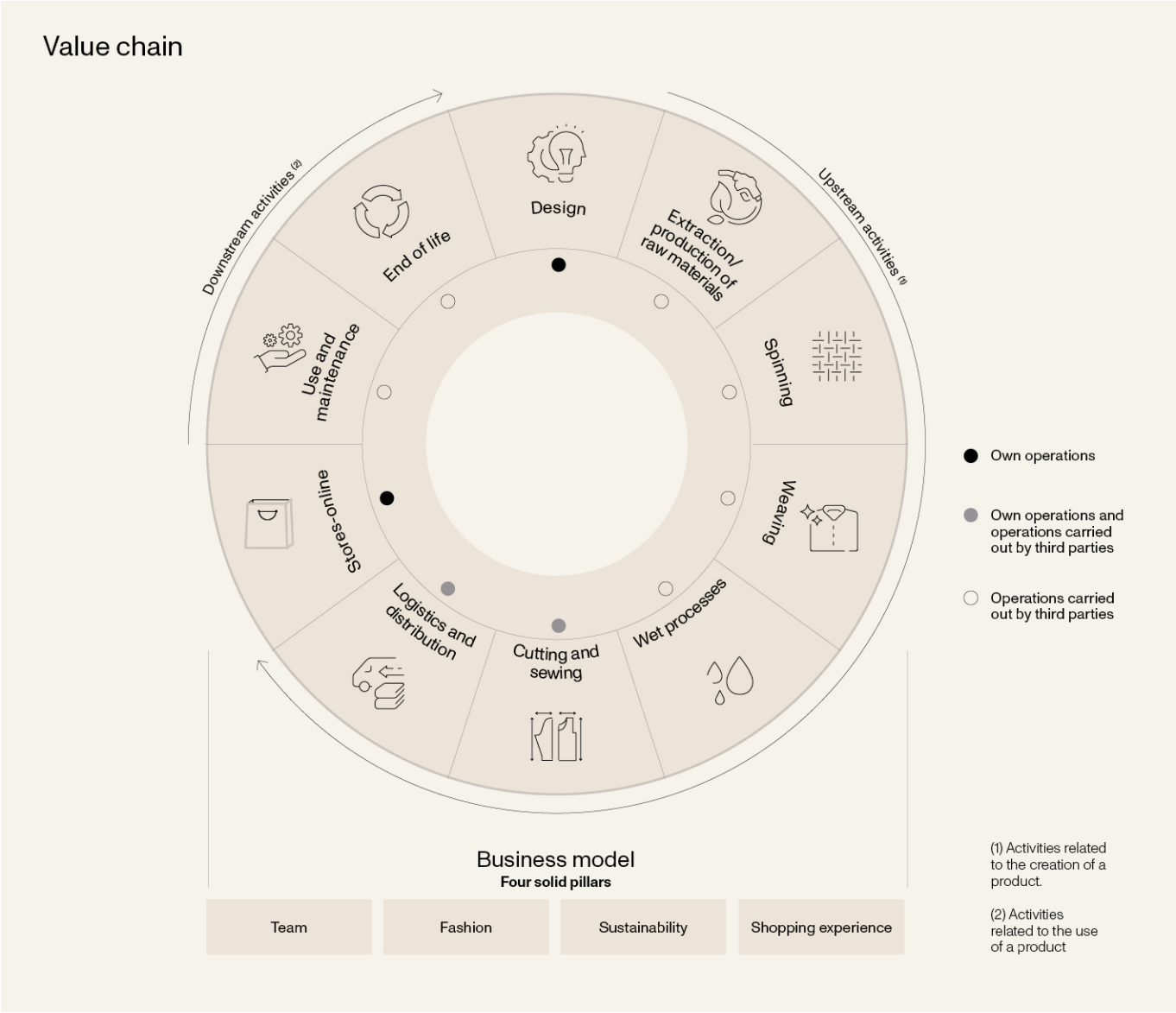
/ **Shareholders:** we implement a policy of transparent and fluid communication. Our shareholder remuneration policy aims to offer an attractive, predictable and sustainable dividend over time.

/ **Environment:** we are committed to carrying out our operations in a more efficient and circular way —for example, by consuming renewable energy, reducing water consumption or using lower-impact fibres in our garments— easing the pressure on resources.

ⓘ More information in sections *S1. Own workforce*, *S2. Workers in the value chain*, *S3. Affected communities*, *S4. Consumers and end-users*, *E1. Climate change*, *E2. Pollution*, *E3. Water and marine resources*, *E4. Biodiversity and ecosystems* and *E5. Resource use and circular economy* of this Report.

[4] Surplus figures are shown for 2023 as the 2024 winter campaign is ongoing in stores at the time of writing this Report, and therefore the surplus inventory has not yet been fully processed.

Our value chain



SBM-1_25; SBM-1_28

The key stages of our value chain are as follows:

/ **Upstream activities:** primarily the design, sourcing of raw materials, manufacturing of our products, logistics and distribution.

/ **Downstream activities:** sales in physical stores and online platforms; and the use and end of life of our products.

Furthermore, these are divided into:

/ **Own operations:** mainly comprising the design and sale phases —via physical and online stores, as well as other ancillary activities carried out in our stores, logistics centres, own factories and our headquarters (where in particular we carry out transversal support activities, such as those related to administration, sustainability, people management, etc.).

/ **Operations conducted by third parties:** raw materials sourcing and product manufacturing; logistics and transport; product use and end of life initiatives.

In the chapter on the materiality assessment, we identified and described those impacts, risks and opportunities that affect both our own operations and our value chain, specifically indicating where the impact is for each one.

Upstream activities

Design:	More than 700 designers; a key factor in the business model.	
	A focus on lower-impact materials and processes.	
	Innovation in alternative raw materials.	
Raw Materials Extraction/Production:	Main categories of fibres: natural (cotton, linen or wool, among others), man-made (cellulosic fibres like viscose or modal, among others) and synthetic (polyester, polyamide and acrylic, among others). The raw material most widely used by the Group is cotton.	
	Raw materials are extracted or produced by third parties independent of the Group.	
Manufacturing:	Non-exclusive suppliers and manufacturers not owned by the Grup[1] organised into 10 clusters in Spain, Portugal, Morocco, Türkiye, India, Pakistan, Bangladesh, China, Cambodia and Vietnam.	
	Process stages:	**Spinning:** production of threads and yarns from the raw materials obtained in the supply stage.
		Weaving: production of fabric from threads and yarns.
		Wet processes: dyeing, washing and printing, among others.
		Cutting and sewing: proximity to headquarters in Spain to boost flexibility and enhance control.
	All these facilities together make up what we call our supply chain. It comprises 6,615 factories that include all stages of our supply chain in 50 markets.	
Logistics and Distribution:	Logistical operations carried out directly by the Group or by third parties. Transport and distribution by independent third parties not owned by the Group.	
	Cutting-edge technologies: RFID and Integrated Stock Control System (SINT).	
	Focus on sustainability: efficiency in transportation, distribution and other logistical operations. Reverse logistics efficiency.	

[1] The only exception are the factories owned by the Group and located in the proximity of the Inditex corporate headquarters in Arteixo (A Coruña), which primarily carry out support duties in production completion processes for certain products.

Downstream *a*ctivities

Stores and Online:	Integration of our physical stores and online platforms into a single sales environment.
	Customer experience: avant-garde stores, advanced technology, innovative proposals.
Use and Maintenance:	Initiatives to extend product life cycles: Zara Pre-Owned: garment repair and care guide.
End of Life:	Circular economy: recycling and reuse of materials, collection programmes and second life for garments.
	Operations carried out by third parties.

Sustainability strategy

We have a sustainability strategy with which, in addition to contributing to the transformation of our business and of the textile industry, we aim to address the demands of civil society, our customers and our people, while meeting the requirements of our investors and the increasingly regulatory framework on sustainability.

Furthermore, we integrate sustainability —one of the drivers of our business model— into all processes and decisions throughout our value chain. To achieve this, we implement actions that foster a culture of sustainability. In 2024, more than 17,000 members of our staff received training in this connection. We also have our Changemakers programme, a community that collects proposals and ideas about sustainability from our people and customers in stores.

In 2024, Inditex's sustainability team comprises 287 people, along with 7,867 external partners dedicated to making progress on our sustainability goals and strategies.

SBM-1_23

The impact: focus of our sustainability strategy

To improve our impact, we continuously analyse the repercussions of our activity throughout the value chain. In this process we work with environmental specialists, academic institutions, international organisations, trade unions and NGOs.

What we want to help protect through our strategy



/ Air / Water / Ecosystems / Land / People

Pillars

/ Circular processes and services
/ Lower-impact fibres
/ Lower-impact production
/ People wellbeing
/ Reduction of emissions
/ Reduction of use of virgin resources
/ Reduction of waste
/ Contribution to biodiversity

ⓘ More information in section *IROs. Disclosures on the materiality assessment process* of this Report.

Levers of change for our strategy



Climate Transition Plan

It enshrines our commitment and action lines to tackle the climate challenge, nurturing the precepts of the circular economy and energy efficiency.

ⓘ More information in section *E1-1. Transition plan for climate change* of this Report.



Supply Chain Transformation Plan

It focuses on boosting our suppliers' and manufacturers' performance to achieve our sustainability targets.

Our Environmental Transformation Plan promotes the reduction of water and energy consumption while improving the management of chemicals, waste and discharge quality at our suppliers' and manufacturers' facilities.

ⓘ More information in section *E1-3. Actions in relation to climate change* of this Report.

On the social front, we have our Workers at the Centre strategy which has five Priority Impact Areas: Social dialogue, Living wages, Respect, Health and Resilience.

ⓘ More information in section *S2-4. Actions related to value chain workers* of this Report.



Fibres Plan

It aims to cement our commitment and ensure that 100% of our garments are made from lower-impact textile fibres by 2030.
We estimate that, by then, about 40% of the fibres we use will be recycled, about 25% will come from organic or regenerative farming, about another 25% will be innovative fibres, which do not yet exist on an industrial scale, and the remaining 10% will be other lower-impact fibres in keeping with benchmarking organisations' indicators.

ⓘ More information in section *E5-2. Actions related to resource use and the circular economy* of this Report.

SBM-1_21;
SBM-1_22

Our goals

Roadmap 2040

2025	2030	2040
/ Obtain 100% of our linen and polyester from preferred or lower-impact sources. ⓘ E5	/ Reduce our emissions a 53%, including our own operations and value chain. ⓘ E1	/ Achieve net-zero emissions, reducing at least 90% of our carbon footprint with respect to 2018. ⓘ E1
/ Reduce water consumption throughout the supply chain by 25%. ⓘ E3	/ Use only textile fibres that have a lower impact. ⓘ E5	
/ Help 10 million people through our corporate community investment programme. ⓘ S3	/ 5 million hectares protected, restores or regenerated, or under other forms of management for biodiversity improvement. ⓘ E4	
/ Reach 3 million people in the supply chain through the Workers at the Centre strategy (fostering progress in the areas of social dialogue, living wages, health, respect and resilience). ⓘ S2		
/ Provide circularity services such as Zara Pre-Owned in key markets. ⓘ E5		

Although our objectives are global and apply to all our product lines, the scopes and specifics of each of them are described in the relevant sections of the table above. It should be noted that our targets related to the consumption of fibres apply only to the fibres referred to in the target statement itself. Meanwhile, our circularity services target does not apply to all the markets where we operate, but only to those considered key.

Furthermore, we believe that the transformation of the sector must be based on a collaborative approach and a commitment to innovation. Hence the importance, for example, of our Sustainability Innovation Hub, through which we support innovation in sustainability, contributing expertise, capital and commitment to explore more responsible materials and processes.

Collaboration is another key to this transformation. Examples of our main collaborations are with entities such as the United Nations Global Compact, the International Labour Organization, UNI Global Union, IndustriALL Global Union, The Fashion Pact, International Apparel Federation, Ellen MacArthur Foundation and Zero Discharge of Hazardous Chemicals.

Human rights strategy

We approach respect for human rights from a **transversal** perspective, weaving it into our everyday processes, decisions and relationships. We have a human rights strategy aligned with the UN Guiding Principles on Business and Human Rights, which pervades all Group operations and articulates our alignment with best practices throughout the value chain.

Pillars of our human rights strategy

Human Rights Policy

Approved in December 2016 and modified by the Board of Directors in February 2024.

It applies to the entire Group.

Due diligence

/ Identifying potential impacts arising from operations and relationships with third parties.

/ Prioritising impacts.

/ Integration of the results in processes.

Grievance mechanisms

Underpin the identification of potential impacts and help strengthen aspects of the due diligence process.

SBM-2. Interests and views of stakeholders

SBM-2_01

Our stakeholders are entities or groups that are related to Inditex —both throughout our value chain and in the communities in which we carry out our activity— and which have the capacity to influence our Company with their decisions and opinions. As detailed in our Sustainability Policy, our relationship with them is based on **transparency**, which helps us to establish a bond of trust with them, and **permanent dialogue**, which allows us to respond to their demands and needs.

To make these principles a reality, we use strategies, goals and channels of communication and dialogue that are constantly being updated. Moreover, we have policies that define the principles of the relationship with each stakeholder group, such as our Code of Conduct, our Code of Conduct for Manufacturers and Suppliers or our Human Rights Policy, adjunct to our Sustainability Stakeholder Relations Policy.

ⓘ More information in section *MDR-P. Policies* of this Report.

SBM-2_05

Our work with stakeholders keeps us aware of the issues and trends that are most relevant to them so that we can respond to their needs more effectively, integrating their views into our strategies.

Furthermore, collaboration with all relevant actors is essential to effect the transformation of the textile sector that our sustainability targets pursue.

SBM-2_02;
SBM-2_03

We thus identify and group our stakeholders according to their link to our business model.

Inditex's main stakeholders	Related standard
Our teams Any person who works at Inditex, including our people and other staff. • *Staff at our stores, offices, logistics centres and our own factories and union representatives*	ⓘ S1
Customers Every person who purchases any product sold by the various brands of the Inditex Group. • *Customers and potential customers of physical and online stores*	ⓘ S4
Suppliers Companies that are part of Inditex supply chain and their respective workers. • *Direct suppliers, manufacturers and workers in the supply chain; trade unions; employers associations and international organisations*	ⓘ G1
Community All those persons or entities that form part of the environment in which Inditex carries out its activity. • *NGOs, governments and public authorities, academic institutions, civil society and the media*	ⓘ S3
Environment Set of natural elements present in the environment in which Inditex develops its business model. • *Environmental organisations, governments and public authorities*	ⓘ E1, E2, E3, E4, E5
Shareholders Any person or entity who owns shares in the Inditex Group. • *Institutional and private investors*	ⓘ Consolidated Directors' Report

SBM-2_04

Our relationship with these groups is organised in the following stages:

/ Identification of all the pertinent topics, issues and trends and all the stakeholders that may be related thereto, throughout the value chain and in the environment in which we operate.

/ Classification and prioritisation of stakeholders based on our business model and value chain.

/ Definition of a strategy for each group of stakeholders, establishing concrete objectives, commitments and dialogue tools.

Among these specific tools, which are detailed throughout the Report, are our **alliances and partnerships** with governments, trade unions, academic institutions, local and international organisations and representatives of civil society. In this regard, it is worth highlighting our agreements with trade union federations UNI Global Union and IndustriALL, with the aim of promoting participation, decent work and labour rights for our people and for supply chain workers, respectively. It is also relevant our framework agreement with the International Apparel Federation in order to promote a transformation in the clothing industry and supply chains, laying the foundations for the implementation of projects that seek to improve working conditions, protect the environment, move towards circularity and promote transparency and traceability in supply chains.

We also have transversal communication tools, such as the Sustainability Committee, the Social Advisory Board, our corporate website, this Report and the materiality assessment itself.

SBM-2_06
SBM-2_07

One of the keys to developing our strategy is to actively listen to and work with our stakeholders. This dialogue and constant engagement informs our decisions, allowing us to permanently update our strategy, which factors in the needs and expectations of our stakeholders.

In addition, every year we conduct a materiality assessment in which our stakeholders play a key role. The findings of this assessment, coupled with the continuous dialogue and collaboration between our teams and our stakeholders, tell us what they need and expect from our Company and the potential impacts, risks and opportunities (IROs) of our business model and value chain.

ⓘ More information in section *IROs. Disclosures on the materiality assessment process* of this Report.

This serves as a very valuable guide that helps us to define priorities and develop the policies and strategies that underpin the Company's principles of action and whose level of ambition is reflected in our targets. To achieve these targets, we have implemented a range of action plans, projects and initiatives that are detailed throughout this Report.

Interaction with our stakeholders is also pivotal to ensure the effectiveness and keep our due diligence processes up to date.

SBM-2_08;
SBM-2_09;
SBM-2_10;
SBM-2_11

With that in mind, there have been no significant changes in our strategy or business model over the course of this financial year.

Governance and stakeholder engagement

SBM-2_12

At Inditex we have been fostering dialogue with our stakeholders on sustainability for decades. For example, in 2002 we set up our **Social Advisory Board**, an advisory body composed of independent external individuals which, among other tasks, is responsible for establishing and institutionalising dialogue with key partners from civil society.

Another key tool that helps us nurture collaboration with and commitment to our stakeholders is our **Sustainability Committee**, set up in 2019. In particular, it is in charge of overseeing and evaluating, both the strategy of communication and relations with the various stakeholders, as well as the procedures and channels of communication in place at Inditex to guarantee proper and seamless communication with them.

The Committee liaises with the Social Advisory Board and is also apprised of the results of the annual materiality assessment, which identifies our sustainability impacts, risks and opportunities.

ⓘ More information in section *GOV-2. Information provided to governing bodies and sustainability matters addressed* in this Report.

Notably, in 2024 we approved our Sustainability Stakeholder Relations Policy, which purpose is to lay the groundwork for the Inditex Group to manage, in an orderly and systematic way, our relations with stakeholders on relevant issues and matters in the area of sustainability.

ⓘ More information in section *MDR-P. Policies* of this Report.

Partnerships

Partnerships with organisations and institutions are paramount for Inditex, as they enable us to deepen our understanding of our stakeholders and join forces with key players to move inexorably towards a positive transformation of our sector, industry, society and planet.

Indeed, these partnerships help us contribute to achieving the Sustainable Development Goals (SDGs) and create economic, social and environmental value both in our value chain and in the communities where we operate.

That is why we cultivate partnerships with a number of governments, trade unions, academic institutions, local and international organisations and representatives of civil society.

In 2024 we preserved essential partnerships, such as those with International Apparel Federation, IndustriALL Global Union or the International Labour Organization, and established new collaborations, such as with the American Apparel & Footwear Association, and we joined initiatives such as RE100, promoted by the Climate Group, and *Pack4good*, a Canopy project. In addition, Inditex's CEO has been appointed in June 2024 as co-chairman of the steering committee of The Fashion Pact, an initiative of which we are co-founding partners.

We also signed up to the Deforestation-Free Call to Action for Leather by Textile Exchange and Leather Working Group, and launched a partnership with Iberia and Repsol to reduce the emissions of cargo flights.

ⓘ For further information, refer to the document *Partnerships* on Inditex's corporate website.

SBM-3. Material impacts, risks and opportunities

Impacts, risks and opportunities

SBM-3_01;
SBM-3_02;
SBM-3_11

Through our materiality assessment, we identify our material impacts, risks and opportunities (IROs).

In this sense, the assessment allows us to know:

/ Through the **impacts**: how our own activity and that of our value chain may positively or negatively affect the environment and people, including human rights.

/ Through the **risks and opportunities:** the potential financial implications stemming from the impacts and/or dependencies on resources, affecting our financial position and performance in the short, medium and long term, from both a negative perspective (risks) and a positive one (opportunities).

In 2024 we continued the review of our IROs, in accordance with the ESRS framework methodology, already anticipated in 2023. We are thus providing greater detail than in previous years, when we reported by groups of material topics. With regard to opportunities, we will continue to work on further analysis and development in order to be able to provide more information in future reporting periods.

Specifically, this year we have identified **47 material impacts, risks and opportunities.** More information on these and on the various related topics can be found in the topical standards in this Report.

Each impact, risk and opportunity has its own identification code to help pinpoint the main actions to which they are linked within each thematic standard.

ⓘ More information in section *IROs. Disclosures on the materiality assessment process* of this Report.

Material Impacts, Risks and Opportunities in 2024

	Type (I/R/O)	Affectation on Human Rights
E1 - CLIMATE CHANGE		
Greenhouse gas emissions (GHG)	I	
Energy consumption	I	—
Physical and transition risks related to climate change	R	—
E2 - POLLUTION		
Impact from the use of chemical substances	I	
Possible emissions of other pollutants and microfibres	I	
Transition risks due to pollution	R	—
E3 - WATER RESOURCES		
Water withdrawal	I	
Water discharge	I	
Physical and transition risks due to water resources	R	—
E4 - BIODIVERSITY AND ECOSYSTEMS		
Impacts relating to the exploitation, degradation and disruption of ecosystems and natural resources	I	
Physical and transition risks due to biodiversity and ecosystems	R	—
E5 - RESOURCE USE AND CIRCULAR ECONOMY		
Possible impact from the use of conventional raw materials	I	
Circularity	I	
Waste generation	I	
Transition risks due to the use of resources and the circular economy	R	—
Opportunity for new business models (e.g. Zara Pre-Owned)	O	—
Opportunity to improve efficiency in the consumption of natural resources	O	—
S1 - OWN WORKFORCE		
Quality employment	I	
Payment of adequate wages	I	
Efficient mechanisms for social dialogue and respect for the rights of freedom of association and collective bargaining	I	
Work-related accidents and occupational diseases	I	
Professional development	I	—
Possible impacts on vulnerable groups	I	
Possible loss of personal data	I	
Risks related to human capital	R	—
Business development opportunities by attracting and retaining talent	O	—

	Type (I/R/O)	Affectation on Human Rights
S2 - WORKERS IN THE VALUE CHAIN		
Working conditions	I	
Achievement of adequate wages	I	
Social dialogue and respect for the rights of freedom of association and collective bargaining	I	
Work-related accidents and occupational diseases	I	
Possible impacts on vulnerable groups	I	
Risks related to value chain workers	R	—
S3 - AFFECTED COMMUNITIES		
Value creation and community investment	I	
Possible violations of local communities' rights	I	
Risks related to local communities' rights	R	—
S4 - CONSUMERS AND END-USERS		
Possible loss of our customers' personal data	I	
Possible impacts related to the health and safety of our products	I	
Possibility of consumer discrimination	I	
Responsible marketing practices and transparency	I	—
Risks related to consumers' rights	R	—
Opportunity to attract new customers through responsible practices	O	—
G1 - BUSINESS CONDUCT		
Possibility of ineffectiveness of the grievance mechanisms	I	
Promotion of regulatory development and industry improvement	I	—
Possibility of corruption, fraud, bribery and other unlawful acts	I	—
Supplier relations management and responsible purchasing practices	I	
Risks arising from the relationship with key suppliers	R	—
Cybersecurity risk	R	—

SBM-3_04;
SBM-3_05;
SBM-3_07

Impact characteristics

Our global and integrated business model places us in direct connection with a globalised environment that implies the existence of impact points where our Company might influence our surroundings, whether positively or negatively. Equally, for us this might translate into negative effects (risks), or positive ones (opportunities), which we endeavour to identify and manage in the best possible way.

Accordingly, in our analysis we consider both our own operations and our entire value chain, from product design right through until their use and end of life. In doing so we take a broad approach that allows us to also consider all those impacts that, while not necessarily linked to our activity, might be related to the communities where we are present (our extended value chain).

Based on this assessment, we observe the relationship between our strategy and business model and the existence of possible environmental, social and/or governance-related impacts:

/ **Environmental:** our production requires the sourcing of raw materials that involve the use of water, land and energy and that may have impact on biodiversity and ecosystems, such as cotton crops. In distribution, we move goods between various markets to reach our costumers, with an impact in terms of the emissions linked to climate change, which we are striving to reduce and mitigate through the initiatives detailed in our Climate Transition Plan. Furthermore, due to the nature of our product, we consider the possible impact linked to the shedding of fibres and microplastics, both during the manufacturing process of our articles and in their life cycle, including their end of life.

/ **Social:** we pay particular attention to those impacts that may affect people, from our own workforce to our consumers, including workers in our value chain and the community. Consequently, we identify the possible impacts on human rights, fair working conditions, diversity and inclusion and the health and safety of our teams in order to promote working environments in which well-being is a priority and to ensure that we have the best talent. We replicate this same approach, where the respect for human rights is paramount, throughout our value chain. With regard to the communities, our approach is based on the respect and protection of their rights, and we also aim to create value by implementing investment projects. Lastly, customer relations and the continuous improvement of their experience are among the drivers of our business model.

/ **Governance:** in line with our principles, we keep unwavering control of our business conduct, identifying the potential impacts linked to our own grievance mechanisms (Ethics Line), to the potential materialisation of unlawful actions, or to our supplier relations and responsible purchasing practices. This information regarding how our business model may impact on the environment and society also allows us to analyse our strategy, helping us to minimise the possibility of negative impacts and risks materialising, while seeking to maximise our positive impacts and opportunities.

In this regard, our efforts are aimed at preventing, mitigating and remedying those impacts that may generate an adverse effect, and promoting positive impacts, both on the environment and on people.

ⓘ More information on stakeholder engagement and our materiality assessment in section *IROs. Disclosures on the materiality assessment process* of this Report.

SBM-3_12

Our assessment also covers specific topics for our Company, beyond those provided by the ESRS. An example of one of these topics is cybersecurity.

Time horizons

SBM-3_06

We assess our IROs in the short, medium and long term. For **risks and opportunitie**s, we have identified a greater tendency towards possible materialisation in the medium and long term, especially notable in the case of environmental categories, associated with the increase in uncertainty factors over time. The materiality of social and governance matters remains constant in the different time horizons, as they are less dependent on external factors.

In terms of the **impacts**, the trend towards the medium term for environmental topics continues. However, we observe more short-term patterns in relation to impacts associated with social and governance matters, linked mainly to the importance of certain topics in the current context, and our actions this year.

SBM-3_10

Resilience

By identifying our impacts, risks and opportunities, we can validate that our strategy includes the most relevant sustainability topics, allowing us to be in a position to prevent and mitigate negative impacts or risks, as well as to harness and enhance our positive impacts and opportunities.

This, in turn, helps us to increase the resilience of our business model and boosts our capacity to tackle the challenges stemming from our activity.

Likewise, the Group is in the process of implementing a scenarios methodology for risk assessment, regardless of their nature, which, due to their criticality, could compromise the continuity of the business model. Based on their idiosyncrasies, risks are assessed in the short, medium and long term. The Group periodically updates its business continuity plan, which aims to ensure that essential operations are not halted in the event of potential disruptions.

Along these lines, we implement specific policies that tackle the various environmental, social and governance themes identified; we set monitoring targets for the key metrics; and we introduce actions aimed at addressing the main aspect detected, thereby helping us to prevent, mitigate and remedy possible effects from our impacts and risks, and to maximise the value of our opportunities.

SBM-3_03

Current and anticipated financial effects of risks and opportunities

With regard to the anticipated financial effects of risks and opportunities, only information relating to environmental standards for climate change (E1) is included.

We are currently in the process of developing a methodology to evaluate the anticipated financial effects relating to: pollution (E2), water (E3), biodiversity and ecosystems (E4) and resource use and circular economy (E5). This methodology will be extended to the rest of the topics covered in the ESRS.

The purpose is to report the information required by the ESRS standards in forthcoming years in accordance with the transitional provision set forth in the CSRD, in ESRS 1, section 10.4.

ⓘ More information in section *E1-9 Anticipated financial effects related to climate change* of this Report.

SBM-3_08

This year, no risks and opportunities were identified for which there is a significant risk that could trigger a material change in the valuation of the assets and liabilities booked in the financial statements for the following financial year.

IRO/MDR. Impact, risk and opportunity management

IROs. Disclosures on the materiality assessment process

IRO-1/IRO-2. Material impacts, risks and opportunities

Materiality assessment

IRO-2_01; IRO-2_02; IRO-2_13

In 2024, for the fourteenth consecutive year, we conducted our materiality assessment, which enabled us to identify the impacts, risks and opportunities to outline in this Report.

In this connection, we include a table of contents in the Annex presenting the disclosure requirements included in this Report and their location in the Report. Furthermore, in keeping with CSRD disclosure requirements, we have identified those paragraphs of the directive, included in *ESRS 2 - General Information, Appendix B* that are material according to our assessment, along with their location in the Report.

ⓘ More information in annexes *Table of contents required by Directive 2013/34/EU* and *Table of contents of information deriving from other EU legislation* of this Report.

IRO-1_01

In our assessment we applied a methodology based on the **European Sustainability Reporting Standards (ESRS**), **IG1: Materiality Assessment Implementation Guidance**, and the guidelines provided in the various supporting documents and recommendations provided by the European Financial Reporting Advisory Group (EFRAG). We also follow the recommendations outlined by the Global Reporting Initiative in its GRI 3: Material Topics 202 standard.

The assessment is based on a **double materiality** focus, examining both our potential impacts on the surrounding (impact materiality) and risks and opportunities for our Company (financial materiality).

IRO-1_05

Our stakeholders —both internal and external— play a very important role during the process:

/ We conducted interviews with organisations representing our different stakeholders, establishing a Materiality Advisory Network, which includes universities, trade unions, business organisations and organisations specialising in environmental and social issues such as: the University of Leeds, the University of Oxford, Zero Discharge of Hazardous Chemicals (ZDHC), Conservation International (CI), the Pacific Institute, ECODES, the Climate Group, the United Nations Global Compact, the International Organisation of Employers (IOE), the Ethical Trading Initiative (ETI) and UNI Global Union.

/ Various workshops were held with relevant areas of the Company.

/ We collaborated and consulted with external specialist teams, such as the sustainability intelligence company Risilience and its academic partner, the Centre for Risk Studies at the University of Cambridge, and Shift, a leading organisation in the United Nations Guiding Principles on Business and Human Rights.

IRO-1_02; IRO-1_07

The double materiality process, detailed throughout this section, comprises **the following main phases.** They are preceded by a continuous process of assessment and understanding of our context, as well as a review and updating of our methodology, which allows us to stay abreast of the latest trends in the field.

1) Identification of impacts, risks and opportunities (IROs).

2) Assessment of impact materiality and financial materiality.

3) Validation of results and approval.

IRO-1_03;
IRO-1_04;
IRO-1_08;
IRO-1_14

1) Identification of impacts, risks and opportunities

To identify the impacts, risks and opportunities, we drew on the analysis of our activity and the relationship with our environment, including both our own operations and our business relationships and value chain. Furthermore, since 2023 we have been using as our preferred source for determining our impacts the list of recommended topics in the European Sustainability Reporting Standards (ESRS), specifically in ESRS 1 - Application Requirement 16.

This identification is fuelled by the results of our due diligence processes in the case of impacts, and by our risk map in the case of risks and opportunities. Other relevant sources include the matters addressed by stakeholders in our ongoing dialogue throughout the year, analysis of industry trends and social and online media, and the issues addressed in our Ethics Line.

In the specific case of environmental matters, we have taken the LEAP approach (Locate, Evaluate, Assess and Prepare) as a reference, and we used a range of science-based databases and indices, such as Exploring Natural Capital Opportunities, Risks and Exposure (ENCORE), Integrated Biodiversity Assessment Tool (IBAT), Critical Habitat – developed by the UN Environment Programme World Conservation Monitoring Centre (UNEP-WCMC)- and the Common International Classification of Ecosystem Services (CICES), among others.

Furthermore, in order to identify risks and opportunities, we examine our impacts to detect their connections with possible negative or positive financial effects and we analyse our dependencies on natural and/or social resources. In addition, to analyse those related to the climate, we used the framework of Task Force on Climate Related Financial Disclosures (TCFD), which has been used in recent years.

With regard to opportunities, this is an area where we will continue to work on further analysis and development in order to be able to provide more information in future reporting periods.

IRO-1_06

2) Materiality assessment

Impact materiality
The impacts identified in the previous phase are assessed based on the following parameters, which are determined based on the information compiled in workshops with our internal specialised areas, interviews with our stakeholders and the advice provided by Resilience.

/ Scale: how grave or beneficial the impact is or would be for people or the environment.

/ Scope: how widespread the impact is, based on the geographic extent of the effects and the stakeholders affected.

/ Remediability: degree of difficulty involved in counteracting or remedying the damage, applying only to negative impacts.

/ Likelihood: chance of a potential impact happening.

In addition, the possible affectation of impacts on **human rights** is also analysed; in such cases, even if the impact is only potential, the probability is assumed to be 100%.

In parallel, we qualitatively evaluate the **time horizon**[5] in which the impact would occur.

Thresholds (defined in accordance with the EFRAG materiality guidelines) are applied to these results to determine the materiality of the impacts.

IRO-1_09;
IRO-1_10;
IRO-1_12;
IRO-1_13

Financial materiality
To gauge the financial materiality of the risks and opportunities, we assess the following parameters, which are determined through workshops with internal expert areas:

/ Magnitude of the financial effect: actual or potential deviation of free cash flows estimated by the Group in the various time horizons discounted on the assessment date.

/ Probability: possibility of a potential risk or opportunity taking place in a specific time horizon.

These parameters are used not only for prioritising sustainability-related risks, but also for those belonging to any other risk category of the Group, since the methodology used in financial materiality is aligned with that used for the Risk Map, a fundamental part of the Group's Integrated Risk Management System (IRMS).

[5] The time horizons defined for this assessment are the same for both financial materiality and impact materiality: short term up to one year, medium term up to five years, and long term from five years onwards.

For the calculation, we enter estimates for the financial variables of the Company's income statement, such as those related to revenues and routine costs. This way, we obtain the stressed cash flow for the different time horizons, which we use to calculate the magnitude of the financial effect. This magnitude, adjusted by the estimated probability of occurrence, gives the resulting financial materiality.

The thresholds applied to determine financial materiality are consistent with those used in the identification and assessment process followed in drawing up the Risk Map. Once the result has been obtained, we consider that a time horizon is material if in at least one of its years the risk or opportunity is material. Likewise, if at least one of the time horizons is material, the risk or opportunity is considered material.

ⓘ More information in section *Additional information. Responsible risk management* of this Report.

3) Validation of results and approval

IRO-1_11

The results of the materiality assessment are validated internally, in the first instance by the Company's management and subsequently by the Sustainability Committee.

At the external level, the Social Advisory Board also takes part in the validation, contributing to the integration of the perspective of different stakeholders in our materiality assessment.

Lastly, it is worth noting that the result of the materiality assessment forms the basis of this Report, which was prepared by the Board of Directors of Inditex, following the favourable report by the Audit and Compliance Committee and the Sustainability Committee, both responsible for verifying and overseeing the information included in it, each in accordance with their respective areas of competence.

Updates to the materiality assessment in 2024

IRO-1_15

In 2024 we continued our methodological update, which commenced in 2023, with a view to full accommodation to EFRAG guidance. Primarily, we have updated our process for determining risks and opportunities to gauge their connections with both impacts and dependencies.

We also changed the way we engage our stakeholders in the materiality analysis, transitioning from a survey-based model to one focused on interviews, which enables us to personalise our interaction with them and glean more valuable information.

Furthermore, we incorporate the latest EFRAG guidance on impact and financial materiality, as well as the industry trends.

MDR-P. Policies

Inditex is committed to creating economic, social and environmental value for all its stakeholders, in order to generate the greatest possible positive impact and contribute to sustainable development.

Our engagement with stakeholders is founded upon constant dialogue and transparency. This same approach is applied to the construction and updating of the Group's Codes of Conduct and policies.

To adapt our policies to legal or organisational changes, and to incorporate best practices, we implement updates whenever this is deemed necessary. In 2024, we can highlight the approval of the **new version of the Code of Conduct** and the execution, during the year, of an ambitious global campaign on the same with the aim of strengthening the corporate ethical culture.

As a result of the update of the Code, legal requirements, good practices or the Group's operations, a major review of internal regulations has also been carried out. Specifically, nine corporate policies have been approved or modified: the Gifts and Invitations Policy, the Conflicts of Interest Policy, the Human Rights Policy, the Criminal Risk Prevention Policy, the Policy on Public Policy, the Enterprise Risk Management Policy, the Internal Regulations Policy, the Policy for Representatives and Attorneys of Companies within the Inditex Group and the Ecosystems and Biodiversity Policy. Along the same lines, in February 2025, four policies were approved or modified: the Sustainability Policy, the Sustainability Stakeholder Relations Policy, the Energy Policy and the Water Policy.

In order to facilitate access to and knowledge of all these Policies, communication and awareness-raising actions have been carried out among the Group by publishing and sending newsletters on them, as indicated in section *G1-3. Prevention and detection of corruption and bribery* of this Report.

The main sustainability policies are listed below. These are available on the corporate intranet (INET) and the corporate website, www.inditex.com.

Transversal action principles	/ Code of Conduct ⓘESRS 2 / Code of Conduct for Manufacturers and Suppliers ⓘESRS 2 / Human Rights Policy ⓘESRS 2 / Sustainability Policy ⓘESRS 2 / Sustainability Stakeholder Relations Policy ⓘESRS 2
Action principles related to environmental standards	/ Energy Policy ⓘ E1 / Water Policy ⓘ E3 / Ecosystems and Biodiversity Policy ⓘ E4
Action principles related to social standards	/ Diversity and Inclusion Policy ⓘ S1 / Global Anti-Harassment Policy ⓘ S1 / Occupational Health and Safety Policy ⓘ S1 / Community Investment Policy ⓘ S3 / Information Security Policy ⓘ S4 / Compliance Policy regarding Personal Data Protection and Privacy ⓘ S4
Action principles linked to governance standards	/ Compliance Policy ⓘ G1 / Due Diligence Policy ⓘ G1 / Policy on Public Policy ⓘ G1 / Criminal Risk Prevention Policy ⓘ G1 / Integrity Policies ⓘ G1 / Anti-Money Laundering and Terrorist Financing Policy ⓘ G1 / Conflicts of Interest Policy ⓘ G1 / Global Policy on Internal Reporting Channels ⓘ G1 / Ethics Line Procedure ⓘ G1

ⓘ More information on Inditex's action principles in the '*Ethical Commitment*' section of our corporate website.

MDR-P_01;
MDR-P_02;
MDR-P_03;
MDR-P_04;
MDR-P_05

This section contains fundamental information on our transversal Policies and Codes of Conduct, that apply across all the standards. The Policies that address specific issues are located in the most representative standard throughout the Report.

Code of Conduct

Approved by the Board of Directors on 17 July 2012 and amended on 6 February 2024

Key contents	/ Ethical commitments as a Company / The principles that guide our conduct as a part of the Inditex team and with respect to external stakeholders (respect, honesty and integrity, transparency and responsibility) / Grievance mechanisms / Four thematic blocks: investing in people's development, maintaining our integrity, driving sustainable development, and protecting our assets and information
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors) / It promotes the alignment of suppliers, factories along the supply chain and third parties engaged with the Group with the Code
Accountable for the implementation	/ Ethics Committee
Third-party standards	/ The UN International Bill of Human Rights / Main ILO Conventions / Principles of the United Nations Global Compact
Consideration given to stakeholders	/ Collaboration in the review process of a representative group of employees and with the Social Advisory Board of Inditex / The European Works Council was informed

Code of Conduct for Manufacturers and Suppliers

Published in 2001 and last updated by the Board of Directors on 17 July 2012

Key contents	/ Minimum standards for an ethical and responsible behaviour that must be observed by all of the Group's manufacturers and suppliers / Pre-requisite to be a part of our supply chain
Scope	/ All manufacturers and suppliers involved in purchasing, manufacturing and finishing of the products sold by the Group
Accountable for the implementation	/ Ethics Committee
Third-party standards	/ Principles of the Organisation for Economic Cooperation and Development (hereinafter, the 'OECD') / Base Code of the Ethical Trading Initiative / Principles of the United Nations Global Compact / ILO Conventions numbers 1, 14, 26, 29, 79, 87, 98, 100, 105, 111, 131, 135, 138, 142, 155, 164 and 182, among others.
Consideration given to stakeholders	/ Consideration of the interests of supply chain factory workers

Human Rights Policy

Approved on 12 December 2016 by the Board of Directors and last updated on 6 February 2024

Key contents	/ Commitment to respect internationally recognised human rights, both labour and non-labour / Identification of the rights most directly linked to the Group's activities and stakeholders
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors)
Accountable for the implementation	/ Sustainability Department and its chief officer
Third-party standards	/ The UN International Bill of Human Rights / ILO Fundamental Conventions numbers 29, 87, 98, 100, 105, 111, 138, 155 and 182 / The ILO Declaration on Fundamental Principles and Rights at Work / The Ten Principles of the UN Global Compact / The United Nations Guiding Principles on Business and Human Rights / OECD Guidelines for Multinational Enterprises / 17 UN Sustainable Development Goals
Consideration given to stakeholders	/ Consideration of stakeholders' expectations and involvement of the Social Advisory Board

Sustainability Policy

Approved by the Board of Directors on 9 December 2015 and amended on 4 February 2025

Key contents	/ The Group's commitment to Sustainability / General principles and action lines for integrating sustainable practices throughout the business model and stakeholder engagement / Commitment to driving a transformation that contributes to the development of a fair and resilient society and a clean, healthy and sustainable environment
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors) / It promotes the alignment of suppliers, factories along the supply chain and third parties engaged with the Group with the Policy
Accountable for the implementation	/ Sustainability Department and its chief officer

Third-party standards	/ The UN International Bill of Human Rights / ILO Fundamental Conventions and Declaration on Fundamental Principles and Rights at Work / ILO Convention 169 concerning Indigenous and Tribal Peoples / The United Nations Declaration on the Rights of Indigenous Peoples / The Ten Principles of the United Nations Global Compact / The United Nations Guiding Principles on Business and Human Rights / OECD Guidelines for Multinational Enterprises / Global Assessment Report on Biodiversity and Ecosystem Services, published by IPBES / The Kunming-Montreal Global Biodiversity Framework / Paris Agreement - United Nations Framework Convention on Climate Change / Intergovernmental Panel on Climate Change (IPCC) / Strategic framework of the United Nations Convention to Combat Desertification (UNCCD) / Principles covered by the CEO Water Mandate initiative
Consideration given to stakeholders	/ Information on the sustainability strategy, the programmes on which it is structured, its goals and progress is shared with stakeholders. In addition, their perspective is factored into the Group's sustainability actions / Participation of the Social Advisory Board

Sustainability Stakeholder Relations Policy

Approved by the Board of Directors on 4 February 2025

Key contents	/ Grounds for managing stakeholder engagement in connection with sustainability
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors)
Accountable for the implementation	/ Sustainability Department and its chief officer
Consideration given to stakeholders	/ Participation of the Social Advisory Board

5. Environmental information
[ESRS E]

E1. Climate change

E2. Pollution

E3. Water resources

E4. Biodiversity and ecosystems

E5. Resource use and circular economy

Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)



E1. Climate change

A. Governance

Our climate governance is aimed at ensuring that the impacts, risks and opportunities linked to climate are adequately tackled to meet the challenges posed by climate change.

In this regard, our sustainability strategy and our climate change policies are approved by the Board of Directors and integrated into our Company's business model and decision-making processes.

Our Climate Transition Plan establishes our targets for advancing towards a low-carbon economy. To ensure that our sustainability actions are aligned with these targets, the Board of Directors —through the Sustainability Committee— carries out quarterly reviews.

Climate governance follows the same processes and is carried out through the same bodies as are the rest of sustainability-related matters.

ⓘ More information in section *GOV. Governance* of this Report.

GOV-3. Integration of sustainability-related performance in incentive schemes

E1.GOV-3_01; E1.GOV-3_02; E1.GOV-3_03

At Inditex we promote mechanisms to advance in achieving our decarbonisation targets, such as our variable remuneration system.

This system links our workforce remuneration to the attainment of the Company's objectives, including our sustainability commitments. For example, both the Chief Executive Officer and Senior Management have specific, annual and multi-year incentives associated with climate change mitigation.

ⓘ More information in the *Annual Report on Remuneration.*

ⓘ More information in sections *GOV-3. Integration of sustainability-related performance in incentive schemes* and *S1-10/ S1-16. Compensation metrics* of this Report.

B. Strategy

E1-1. Transition plan for climate change

Our sustainability commitments

E1-1_02

Since the adoption of our science-based targets (SBTs) in 2020, scientific knowledge on climate change and its effects has evolved, and so has our ambition and that of our stakeholders.

That is why, in July 2023 we unveiled our new **sustainability commitments**, that included more exacting decarbonisation targets, which we submitted to the Science Based Target Initiative (SBTi) for approval.

In 2024, our new SBTs were approved by SBTi in accordance with the Paris Agreement emissions reduction pathway —limiting the average temperature increase of the Earth's surface to 1.5ºC above pre-industrial levels— . Our goal is to reduce our scope 1, 2 and 3 emissions[6] by 53% by 2030 with respect to 2018. To achieve this we will pare our absolute scope 1 and 2 emissions by 95% and our scope 3 emissions by 51% by 2030. As an intermediate milestone to keep up with our progress, we have set ourselves the goal of reducing scope 1, 2 and 3 emissions by 20% by 2027, as compared to 2018.

SBTi also approved our global net-zero emissions target by 2040, thereby slashing our scope 1, 2 and 3 emissions by 90% as compared to 2018. The remaining 10% will be neutralised by eliminating greenhouse gas emissions, as established in the SBTi guidelines.

ⓘ More information in sections *E1-4. Targets related to climate change* and *E1-3. Actions related to climate change* of this Report.

Climate Transition Plan

E1-1_01

Pursuant to our targets, in 2023 we published our new **Climate Transition Plan**, which evidences Inditex's commitment to a more efficient and circular fashion industry, more capable of tackling the climate challenge.

The Plan includes our action lines and intermediate milestones, as well as the resources we estimate will be needed to attain our targets on the pathway to net-zero emissions by 2040.

Our Transition Plan is consistent with our SBTs, pursuing a GHG emissions reduction pathway aligned with the Paris Agreement ambition of limiting global warming to 1.5ºC over pre-industrial levels.

In drawing up the Plan we used the 'announced policies' emissions scenario, given the current level of climate policy ambition around the world. This pathway envisages the global economy decarbonising at a slower rate than Inditex's reduction commitments, outlined in our Climate Transition Plan, which aim to reach net zero by 2040.

In accordance with this commitment, Inditex's future emissions pathways factor in the effect of our own emissions reduction initiatives, as specified in the Transition Plan, and the effect of the announced industry decarbonisation in relation to scope 2 and 3 emissions.

ⓘ More information in the Climate Transition Plan available on Inditex's corporate website.

[6] Our 2030 and 2040 SBTs include the following categories of scope 3 emissions: purchased goods and services (category 1), fuel- and energy-related activities (category 3), upstream transportation and distribution (category 4), waste generated in operations (category 5), business travel (category 6), employee commuting (category 7), end-of-life treatment of sold products (category 12), downstream leased assets (category 13) and franchises (category 14). The base year was chosen in accordance with SBTi's criteria for the completeness, verification, representativeness and ambition of the emissions inventory.

E1-1_03

The decarbonisation levers included in our Climate Transition Plan encompass a series of actions in our operations and value chain, focusing on:

Main decarbonisation levers		Key actions	More information in
Reduction	Use of improved energy sources	/ Own operations: self-consumption, power purchase agreements, sustainable building / Supply Chain Environmental Transformation Plan	*E1-3; E2-2; E3-2; E3-3*
	Optimisation of energy management		
	Promoting circularity and the use of lower-impact materials	/ Sustainability Innovation Hub / Fibres Plan / Pre-Owned	*E5-2; E5-3*
Neutralisation	Promoting and fostering regenerative practices	/ Fibres Plan / Cotton Strategy / Revitalisation of soils and ecosystems to sustain communities and biodiversity / Conservation, protection and restoration of ecosystems and biodiversity	*E4-3; E4-4; E5-2; E5-3*
	Application of other nature-based solutions		
	Application of technological solutions		
Mitigation beyond the value chain	Fostering biodiversity and balanced ecosystems as well as community well-being		

E1-1_04;
E1-1_05;
E1-1_06;
E1-1_13

ⓘ More information on the economic resources allocated to the Climate Transition Plan in sections *E1-3. Actions related to climate change*, *E4-3. Actions related to biodiversity and ecosystems* and *E5-2. Actions related to resource use and circular economy* of this Report.

E1-1_14

Approval of the Transition Plan

As mentioned in our sustainability governance model, our Chief Executive Officer is responsible for defining and approving the sustainability strategy approved by the Board of Directors. In this regard, in particular the Climate Transition Plan was also presented to the Social Advisory Board and the Sustainability Committee, and announced to our shareholders in the General Meeting, thereby ensuring the involvement of our governing bodies in its review and approval.

E1-1_08

Relationship with the taxonomy

As indicated in the section *Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)*, we report information in relation to the Taxonomy since 2021 in accordance with the Commission Delegated Regulation (EU) 2021/2139 (Climate Delegated Act).

Although our main activity is not yet included in the Taxonomy Regulation, we endeavour to implement measures to align our current and future actions with the Taxonomy's technical screening criteria in the activities to which it applies, such as in store refurbishments and openings, construction and refurbishment of corporate headquarters, Group logistics centres and other own facilities, and electricity generation from wind and photovoltaic power. We also have investment plans to align ongoing projects that are scheduled for completion in future years.

ⓘ More information in section *Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)* of this Report.

E1-1_15

Progress to date

Throughout 2024, we have continued to strengthen our commitment to responsible resource management —in particular of energy— and to reducing GHG emissions, through initiatives like:

/ Fostering self-consumption and power purchase agreements.

/ Using renewable energy in our own operations and in the supply chain.

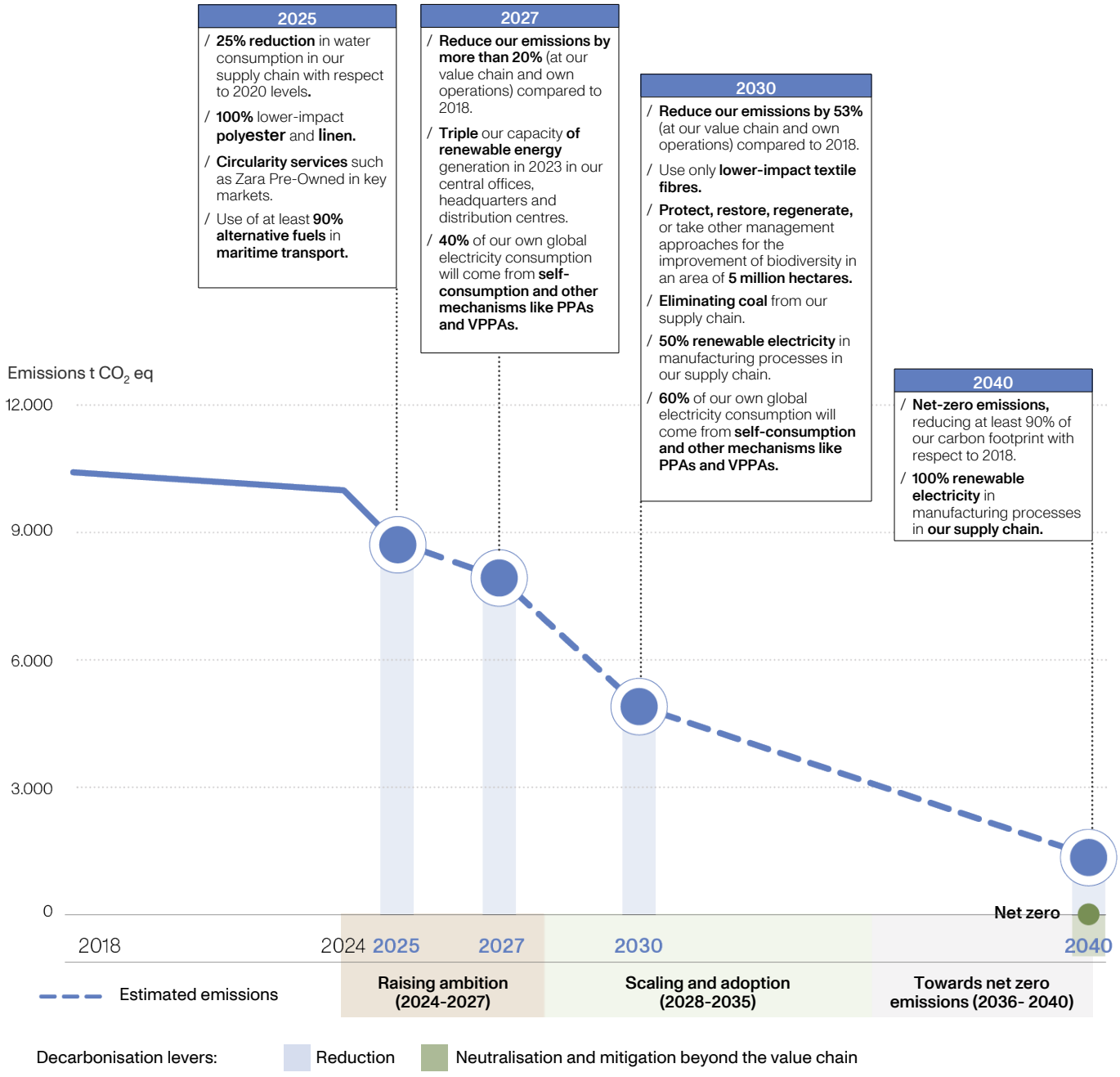
/ Launching the Supply Chain Environmental Transformation Plan 2024-2027.

/ Further headway in our 2030 Fibres Plan.

/ Using alternative fuels rather than fossil fuels in maritime transport.

ⓘ More information in sections *E1-3. Actions related to climate change*, *E1-4. Targets related to climate change* , *E1-5. Energy consumption and mix* and *E5-2. Actions related to resource use and circular economy* of this Report.

Towards net-zero emissions



E1-1_12

In addition, it is worth noting that the Group has not been excluded from the EU Paris-aligned benchmarks, given that the requirements pursuant to Article 12 of Delegated Regulation (EU) 2020/1818 are not applicable.

IRO-1/SBM-3. Material climate-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E1.IRO-1_01; E1.SBM-3_07

The Group's commitment to mitigating the effects of climate change are most notably reflected in our Climate Transition Plan. This understanding of the effects of climate change is also related to our **annual materiality assessment**, in which we identify a list of climate-related impacts, risks and opportunities, by actively listening to our stakeholders.

We also carry out an **analysis of climate scenarios**, through which we studied five emissions pathways and determined the potential impact of the physical and transition risks in our activity and our own facilities and those of our value chain in the short, medium and long term.

In particular, one of our main impacts are atmospheric greenhouse gas (GHG) emissions in our value chain. In this regard, we identified Inditex's current and possible future sources of GHG emissions, in both our own operations and the value chain, in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC – Guidelines for National Greenhouse Gas Inventories, 2006) and the World Resources Institute's GHG Protocol (2015). Furthermore, in calculating and reporting Inditex's current and estimated future GHG emissions (according to our Climate Transition Plan), we follow the same international guidelines.

ⓘ More information in section *E1-6. GHG emissions* and in the *Methodological Annex* of this Report.

Material Impacts, Risks and Opportunities related to climate

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN [1]	RELATED POLICIES
E1.I1	**Greenhouse gas emissions** (GHG)	I	/ Own operations / Value chain	**Transversal policies:** / Sustainability Policy / Sustainability Stakeholder Relations Policy **Specific policies:** / Energy Policy / Ecosystems and Biodiversity Policy / Water Policy
E1.I2	**Energy consumption**	I	/ Own operations / Value chain	
E1.R1	**Climate-related physical and transition risks**	R	/ Own operations / Extended value chain	

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.

ⓘ More information on stakeholder engagement and our materiality analysis can be found in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

With regard to opportunities, this is an area where we will continue to work on further analysis and development. Given that climate-related opportunities also affect other environmental aspects and dimensions, we will include them in the following environmental chapters of this Report. Such is the case of the efficient consumption of natural resources, new business models, the transformation of the sector and innovation, among others.

As for more complex opportunities like the strategic transformation of the Company and its resilience, we will continue to analyse them with a view to providing more information in future reporting exercises.

ⓘ More information in section *E5-2. Actions related to resource use and circular economy* of this Report.

Based on our identification and assessment of climate-related impacts, risks and opportunities, we adapt our sustainability strategy in the short, medium and long term, which applies to all our business areas. For instance, in 2023 we developed our new **Climate Transition Plan**, which evidences our commitment to a more efficient and circular fashion industry capable of tackling the climate challenge. To make headway in these targets, in 2024, we rely on the Fibres Plan and the Supply Chain Environmental Transformation Plan.

Moreover, at Inditex we are convinced that fostering a culture of sustainability in all areas of our company is key to making constant progress towards our sustainability targets. **The Sustainable Fashion School** and **Changemakers** are the product of this vision.

ⓘ More information in sections *E1-1. Transition plan for climate change*, *E1-3. Actions related to climate change*, *E5-3. Targets related to resource use and circular economy* and *S1-4. Actions related to own workforce* of this Report.

Analysis of climate-related risks

E1.IRO-1_02; E1.IRO-1_09; E1.IRO-1_05; E1.IRO-1_17; E1.IRO-1_18; E1.IRO-1_19; E1.IRO-1_20; E1.SBM-3_02

At Inditex we take an integrated approach to risks. By analysing climate scenarios we identify and assess risks and opportunities to ensure the resilience of our strategy in the short, medium and long term. This analysis includes both high emissions pathways and those in line with the 1.5ºC emissions pathways.

To quantify the potential climate-related physical and transition risks, we use a representation of the Group. It is known as a 'digital twin' and is updated annually with information on financial estimates, facilities of our own and our value chain, raw materials used in our products, a geographic breakdown of the business and the Group's scope 1, 2 and 3 greenhouse gas emissions.

The result of the scenario methodology represents the potential losses in estimated cash flows in terms of Earning Value at Risk.

Due to the nature and long-term horizon of climate-related risks, especially in the physical dimension, the Group needs to estimate impacts over time horizons longer than five years. For this purpose, once the Group's expected cash flows for the short-term horizon (0-5 years) have been established, these financial estimates are used to assess the impacts on the different climatic conditions in the medium term (5-10 years) and the long term (more than 10 years)[7]. These time horizons take into account the useful life of our assets[8] and the Group's planning and business cycles.

[7] For the purposes of the materiality assessment, the time horizons of the climate-related impacts, risks and opportunities have been reconciled with those provided in ESRS 1.
[8] The time horizons were established on the basis of the useful life of the assets on the balance sheet. *Note 3.2.* Accounting Policies, b) Property, plant and equipment, which is reviewed annually. The useful life of the Group's assets is currently established in the medium to long term.

E1.IRO-1_03;
E1.IRO-1_10;
E1.SBM-3_01

Below are the short-, medium- and long-term physical and transition risks identified and taken into account for our analysis:

Climate-related risks for our Group

Physical risks

Acute

Caused by natural events, including more severe extreme weather events, like cyclones, hurricanes and floods, among others.

Chronic

Long-term changes in weather patterns that may cause an increase in sea level, chronic heat waves or changes to seasons, among other events.

These physical risks may cause damage to material goods and disrupt the supply chain in the following scenarios:

/ Changes in the availability and quality of water resources.

/ Vulnerability in respect of other specific resources or raw materials on which Inditex depends, such as cotton, viscose, etc.

/ Potential disruption in shipping routes.

/ Workers health and safety.

Transition risks

Market

The markets where we operate may be affected by climate change in different ways, but one of the main ones is through changes in the supply and demand of certain raw materials we use in our operating processes, and the products we sell to our customers.

Regulatory and legal

Government policy actions on climate change continue to evolve towards a low-carbon economy. Generally speaking, their objectives fall into two categories: initiatives aimed at reducing greenhouse gas emissions or policies designed to promote climate change adaptation. In this scenario, the Group's carbon footprint throughout its value chain (scope 1, 2 and 3 emissions) could be subject to the price of carbon.

Another risk to consider in the context of transition comes from the eventual legal liability of companies, depending on the evolution of the socioeconomic context, social perception and the scientific development of climate attribution.

Technology

In today's fast-evolving technological landscape, the Group may be exposed to the possibility of having to undertake sizeable investments in operations and infrastructure to adapt to climate change. It will also have to manage the depreciation and/or obsolescence of existing assets in its own operations that are not suited to a low-carbon economy. The members of our value chain face the same risk, which could eventually be passed on to the Group through higher sales and operating costs.

Reputation

As the pace of society's transition to a low-carbon economy picks up and public opinion changes, the Group's individual contribution may come under increasing scrutiny, especially if the Group's transition, or that of our industry, towards a low-carbon economy fails to meet the market's expectations.

ⓘ More information in section *E1-9. Anticipated financial effects related to climate change* of this Report.

E1.IRO-1_07;
E1.IRO-1_08;
E1.IRO-1_15;
E1.IRO-1_13;
E1.SBM-3_03;
E1.SBM-3_04;
E1.SBM-3_05;
E1.SBM-3_06

Scenario analysis

Through scenario analysis, we can learn about the potential impacts of climate change on our company. This knowledge can be applied to strategic planning, risk management and the evaluation of our resilience.

In 2024, we made further headway in the analysis of the resilience of our value chain so we could include in our analysis the mitigation measures that result from implementing our programmes to reduce our carbon footprint.

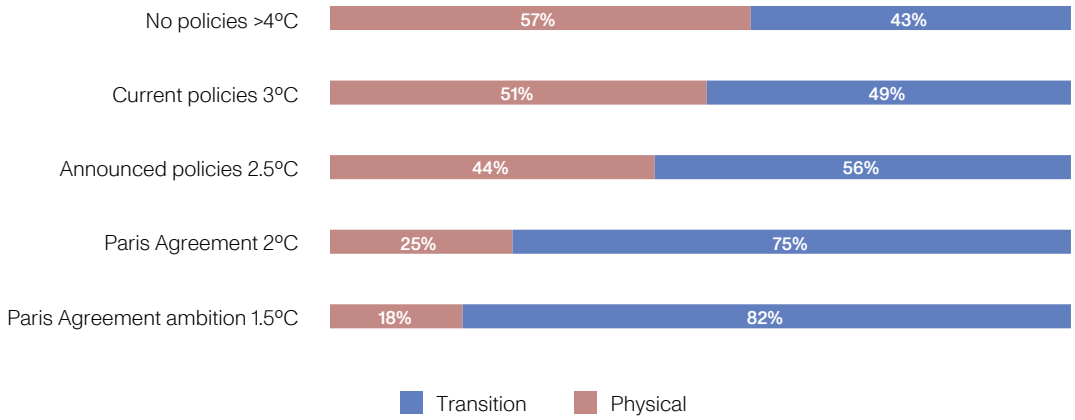
The emissions pathways used in our analysis of scenarios correspond to the latest data published in the Sixth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC).

To assess the potential impacts on the Company stemming from physical and transition risks, we used five scenarios with five different emissions pathways:

/ No policies (>4ºC by 2100)
/ Current policies (3ºC by 2100)
/ Announced policies (2.5ºC by 2100)
/ Paris Agreement (2ºC by 2070)
/ Paris Agreement ambition (1.5ºC by 2050)

Each pathway develops a socio-economic narrative towards regulatory changes, energy outlooks or technological advances on the basis of existing data, probability of occurrence and severity.

With respect to total estimated risk, the table below shows the result of the physical and transition dimensions in each of the pathways[9] in the short term:



ⓘ More information in section *E1-9. Anticipated financial effects related to climate change* of this Report.

E1.IRO-1_16

Furthermore, as stated in *Note 2* to the Consolidated Annual Accounts, in the estimates used to measure certain assets, liabilities, income, expenses and obligations reported therein, climate change related-risks were considered, in particular those associated with the scenarios for those assessments.

E1.IRO-1_04;
E1.IRO-1_06;
E1.SBM-3_06

Physical risks

There are three possible types (dimensions) of physical risks from climate change:

/ Acute risks: caused by extreme weather events.
/ Chronic risks: the result of gradual changes in long-term weather patterns.
/ In some cases, there may be **a combination of both** acute and chronic.

In 2024, the analysis of physical risks was conducted on over 15,700 own and third-party facilities in our value chain. The facilities analysed are of different types: factories, logistics centres, offices, airports, ports, logistics hubs, stores, etc. In the case of our own facilities, we estimate the physical damage associated with extreme weather phenomena and the resulting financial losses, as well as operating losses due to reduced operating capacity and efficiency.

These climate phenomena are considered in the long-, medium- and short-term analysis: heatwave, freeze, water stress, river flooding, coastal flooding, 'extratropical' storm, tropical storm and flash flooding. The choice of these physical phenomena is based on Cambridge University's Centre for Risk Studies relevance criteria for our business.

[9] Climate modelling is a complex discipline that is exposed to three uncertainties: natural climate variability, how accurate the climate model turns out to be, and how accurate the emissions scenario proves to be. Climate scenarios are not forecasts, predictions or sensitivity analyses, but hypothetical constructions of plausible future situations based on science, aimed at assessing the resilience of a company's assets, business model and strategy to such scenarios.

In order to weigh the financial impacts of extreme weather events caused by climate change, the changing probability and severity of each event is used to quantify the increase or reduction of the physical impacts expected at facility level. The base-case scenario also makes it possible to assess existing risks, especially water stress in the catchment areas where the Group's own or third-party facilities are located, particularly in Spain, where the Group's main assets are concentrated.

Over the course of this year we have experienced nine natural disasters in our stores due to extreme weather phenomena (four in Spain, one in Italy, one in Mexico, two in the United States and one in Austria), mainly due to torrential rain, heavy snow or hail, hurricanes or tornadoes. Although they caused damage to our stores, their impact on the Group was immaterial.

Financial impact of physical climate-related risks[(1)]

Physical dimension: Acute 

Scenario

This scenario envisages the possibility that extreme or catastrophic weather events may reduce the productivity of the Group's activities, disrupt its normal performance and/or increase the costs of operations and processes. The vulnerability of facilities to the various climate threats depends on their type and/or their importance for the value chain. According to these attributes, the scenario translates into different impacts and speeds at which the facilities can recover normal operating conditions.

Impact on business model

The disruption may trigger a decrease in expected cash flows due to a decline in Group sales depending on the operations' level of dependence on the affected facility or facilities, possible impairment of property, plant and equipment and loss of inventories.

Main mitigations

/ Most of the facilities are related to the supply chain and our commercial network so there are technical contingency systems in place that would mitigate the consequences of a disruption or shutdown.

/ Continuous review systems, along with the insurance policies, would cover loss of profit and resulting expenses.

/ In the specific case of logistics centres, they have been configured so as to be able to take on storage and distribution capacity for other centres in the event of a contingency caused by extreme weather events.

ⓘ More information in section *Responsible risk management* of this Report.

Physical dimension: Acute and Chronic 

Scenario

This scenario envisages the possibility that unexpected extreme weather events may cause disruptions in estimated revenue in the short term due to changes in consumer demand.

Impact on business model

Extreme weather events can impact short-term normal earnings flows. Sales may be affected by changes to demand if consumers change their behaviour due to the weather, reduced retail traffic or if the value chain experiences local disruptions.

Main mitigations

/ All areas of the Group are geared towards satisfying customer needs and guaranteeing the best shopping experience, which is why our activity begins by actively listening to our customers and identifying their demands and expectations.

/ Flexible, integrated and innovative business model that affords a competitive advantage when it comes to analysis and response in the short, medium and long terms.

ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.

Physical dimension: Chronic 

Scenario

This scenario envisages changes in long-term weather patterns affecting the agricultural productivity of the crops from which the various textile fibres used by the Group are derived (cotton, linen, wool, leather and man-made cellulosic fibres, among others). The effect of such phenomena would be a potential change in the supply and availability of raw materials.

Impact on business model

Losing the supply of these raw materials would disrupt business, potentially resulting in a decrease in sales if the shortage caused by the event cannot be recovered and/or selling costs rise due to a reduced or absent supply of the raw materials.

Main mitigations

/ We have put a Climate Transition Plan in place to drive industry transformation and make progress in the fight against climate change.

/ Our Fibres Plan contains stringent commitments for the use of lower-impact materials.

/ The Group's efforts and work to foster the development of technologies to improve the sustainability of the raw materials and their subsequent recycling, with particular attention to innovation in recycled fibres of textile origin that allow reducing dependence on virgin raw materials.

/ The Group's collaboration with other organisations and institutions to increase the range of materials with better environmental performance, which make more efficient use of natural resources, and with recycled content.

(1) The risk trend reflected here corresponds with the short term.

Transition risks

E1.IRO-1_11; E1.IRO-1_12; E1.SBM-3_06

Transition risks vary significantly depending on the level of ambition of each pathway analysed and affect all areas of our business.

To calculate their financial impact, we have examined five dimensions of transition risks in the short, medium and long term:

/ Regulatory
/ Legal liability
/ Technology
/ Market
/ Reputation

We have found that the largest potential short-term impact on our operations and business model derives from regulatory risk, due to potential policy action by governments to tackle climate change in the transition to a low-carbon economy.

Financial impact of transition risks (1)

Transition dimension: Regulatory

Scenario

Establishing an explicit carbon price is a key mechanism to incentivise the transition to a low-carbon economy. Carbon prices used in our models vary from country to country with the aim of covering all global emissions by 2025.

Impact on business model

In this scenario, the Group would pay a price for the emissions generated throughout its value chain. The Group's carbon footprint in each of the markets in which it operates is considered and the carbon price in each jurisdiction is applied. The Group's financial impact stems from the increase in production and distribution costs, and the cost of raw material procurements.

Main mitigations

/ We have put a Climate Transition Plan in place to drive industry transformation and make progress in the fight against climate change.

/ We have therefore launched two key strategic plans: the Supply Chain Environmental Transformation Plan and the Fibres Plan to advance towards a low-carbon economy model and meet our sustainability targets.

ⓘ More information in sections *E1-1. Transition plan for climate change*, *E1-3. Actions related to climate change*, *E2-2. Actions related to pollution*, *E3-2. Actions related to water resources* and *E5-2. Actions related to resource use and circular economy* of this Report.

Transition dimension:
Legal liability

Scenario

This scenario considers developments in climate-related litigation, a consequence of scientific advances that allow climate change to be linked to specific events, paving the way for potential attributions of liability.

Impact on business model

The intensity of lawsuits related to GHG emissions and climate change that the Group may experience will vary depending on the different emissions pathways. Their probability of occurrence and potential impact will also vary depending on the estimated impact (settlement, legal costs, severance pay, etc.).

Main mitigations

/ Inditex's Climate Transition Plan, Supply Chain Environmental Transformation Plan and Fibres Plan.

/ Inditex's Sustainability Policy, which defines the principles for integrating sustainable practices, in keeping with the Planetary Boundaries and with respect for human rights and those of other living beings, throughout our business model, activities and stakeholder relations.

ⓘ More information in section *MDR-P. Policies* of this Report.

/ Solid Compliance Model in place and a robust corporate governance structure that ensures compliance with regulations, guidelines and best practices in this connection.

ⓘ More information in section *G1. Business conduct* of this Report.

Transition dimension Technology

Scenario

This scenario analyses how the Group's competitiveness might be affected by the development and use of new technologies that are less GHG-emissions intensive, considering their operating costs and the demand for our products.

Impact on business model

Stemming from the depreciation and liquidation value of assets, additional CapEx and increased raw materials costs.

Main mitigations

/ Innovation is an inherent and transversal value throughout the Inditex business model, which is why we collaborate with our suppliers and other organisations to find innovative solutions that may be applied throughout the value chain and life cycle of our products. The Inditex's Sustainability Innovation Hub is a clear evidence seeking to foster the circular economy, contribute to decarbonisation and maximise environmentally-friendly development.

ⓘ More information in section *E5-2. Actions related to resource use and circular economy* of this Report.

Transition dimension: Market

Scenario

This scenario envisages an increasing market interest in sustainable products and services. Potential changes in supply and demand patterns jeopardise the Group's market share and cost of capital.

Impact on business model

The demand impacts are expressed as the loss of earnings and/or failure to comply with growth targets. Investor sentiment translates into an increase in the cost of capital and in the cost of financing. The various emissions pathways determine the scale of these impacts.

Main mitigations

/ The Group's commitment to customers also implies anticipating their demands in diversity, sustainability or transparency matters, among others, while seeking to involve them in the efforts and progress that the Group makes around these issues.

/ Sustainability strategy with a focus on reducing the environmental impact through the Fibres Plan and Supply Chain Environmental Transformation Plan.

Transition dimension: Reputation

Scenario

This scenario considers a context with no progress towards a low-carbon economy, valuing the effects of public opinion, climate activism and investors' perceptions.

Impact on business model

The impacts on demand are materialised through the loss of earnings and/or failure to comply with growth targets. Market sentiment translates into impacts on the capital and financing costs.

Main mitigations

/ Inditex's Sustainability roadmap includes ambitious targets and actions aimed at achieving the long-term goal as a lever of transformation. The Group collaborates with all the actors in the value chain and with stakeholders to tackle global challenges from a holistic standpoint.

ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.

(1) The risk trend reflected here corresponds with the short term.

E1.IRO-1_14

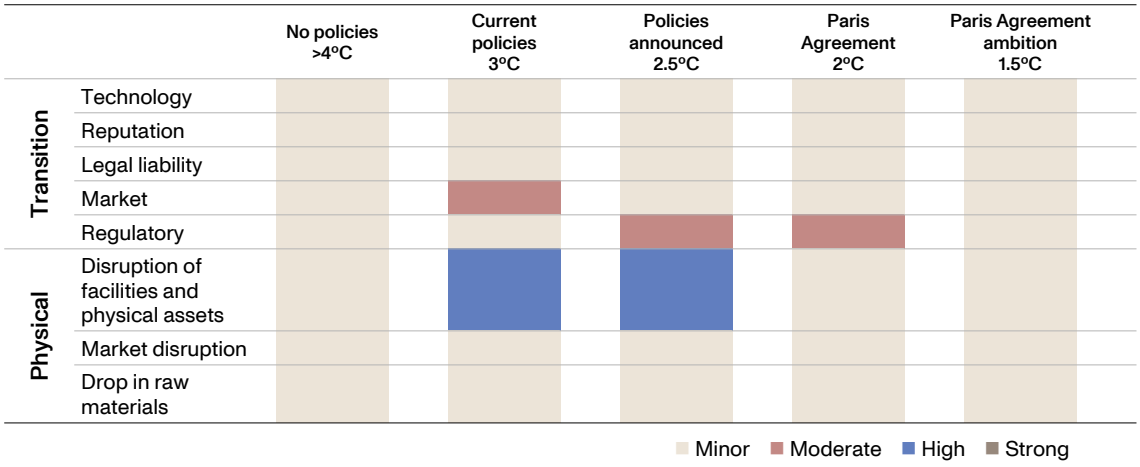
This analysis shows that none of the Company's activities or assets were found to be incompatible with the climate transition, or require significant efforts to guarantee that compatibility.

E1-9. Anticipated financial effects related to climate change

E1-9_08; E1-9_09; E1-9_29;

Based on our analysis of future climate scenarios, we obtained an estimate of the short- (0-5 years), medium- (5-10 years) and long- (more than 10 years) term physical and transitional climate-related risks[10]. The impact of each scenario represents a cash flow at risk deriving from each of the possible emissions pathways, adjusted by the scenario's probability of occurrence and without yet including mitigation measures.

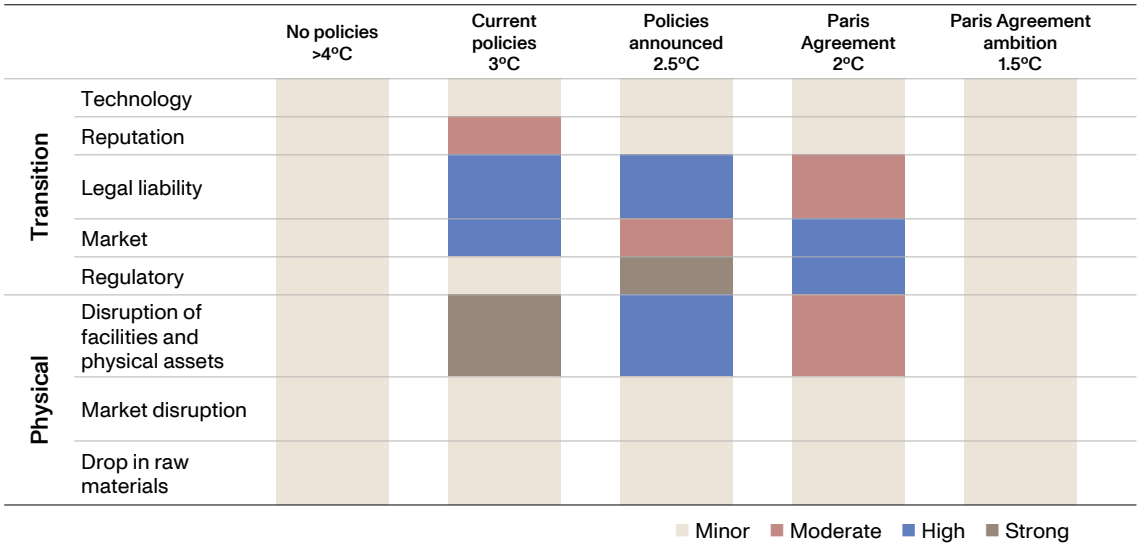
Short-term climate-related risk assessment (0-5 years)



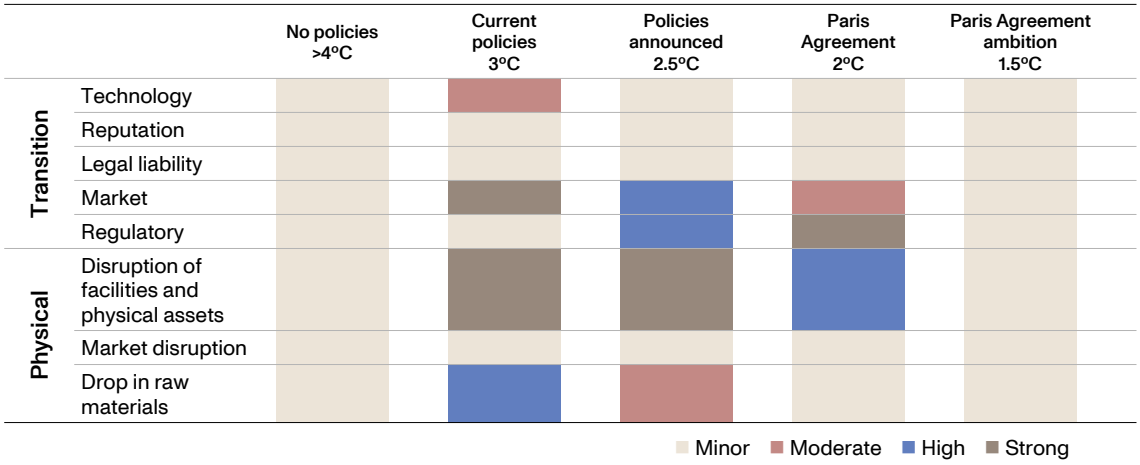
In the next five years, the financial impacts of physical risk are relatively limited to disruptions at key facilities, mainly throughout our value chain, in current policy pathways and announced policies. The probability that acute events could cause significant losses —'catastrophic physical tail risks'— remains low at present. The most impactful weather events for the Group are primarily heatwaves and drought or water stress, followed by coastal flooding.

[10] For the purposes of the materiality assessment, the time horizons of the climate-related impacts, risks and opportunities have been reconciled with those provided in ESRS 1.

Medium-term climate-related risk assessment (5-10 years)



Long-term climate-related risk assessment (+10 years)



E1-9_10;
E1-9_11;
E1-9_18;
E1-9_19

Our climate-related risk assessment methodology is based on that of the University of Cambridge's Centre for Risk Studies. Detailed information on this methodology, including the choice of time frames, climate scenarios and emissions pathways used and the model assumptions, among others, is provided in other sections of this Report:

ⓘ More information in sections *IRO-1/SBM-3. Material climate-related impacts, risks and opportunities* and *in the Methodological Annex* of this Report.

The identification and assessment of physical and transition climate-related risks are subject to numerous uncertainties, arising, among other things, from the complexity of anticipating how the climate may evolve. These uncertainties mean that the data contained in this report may be inaccurate in the future, depending on how the climate and the scientific consensus regarding the process of climate change evolve. Such data therefore represent the best estimate that can be made using existing climate information and models.

C. Impact, risk and opportunity management

E1-2. Policies related to climate change

E1.MDR-P_01-06; MDR-P_01; MDR-P_02; MDR-P_03; MDR-P_04; MDR-P_05

We have recently broadened our ambition by updating our Sustainability Policy and publishing our new Energy Policy -both approved in February 2025-, the latter being key to the development of responsible energy management and a greater capacity for climate change adaptation and mitigation.

We have also approved the new policies Water Policy and Ecosystems and Biodiversity Policy, which strengthen our transversal approach to climate change, acknowledging the need to protect and restore nature and all its resources to contribute to its mitigation.

Policies related to climate change

/ Energy Policy ⓘ
/ Sustainability Policy ⓘ
/ Ecosystems and Biodiversity Policy ⓘ
/ Water Policy ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P – Policies* of this Report.

Energy Policy

Approved by the Board of Directors on 4 February 2025

Key contents	/ Commitment to promote responsible energy sourcing and management that contribute to reduce greenhouse gas emissions in our own operations and in the value chain / Complementary and additional measures to contribute to improve the integrity and resilience of energy infrastructure, as well as actions aimed at transformation
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors) / It promotes the alignment of suppliers, factories along the supply chain and third parties engaged with the Group with the Policy
Accountable for the implementation	/ Sustainability department and its chief officer
Third-party standards	/ Paris Climate Agreement / Task Force on Climate-Related Financial Disclosures (TCFD)
Consideration given to stakeholders	/ Stakeholders' interests and concerns relating to energy were taken into account in developing the policy / Participation of the Social Advisory Board

E1-2_01

Our Sustainability Policy develops the Group's commitment to continuous improvement in **climate change adaptation and mitigation**, as well as our commitment to a fair transition.

This commitment is broadened and updated through our Energy Policy, which reinforces our initiatives to reduce GHG emissions, responsibly manage natural resources and work to transform the industry.

The Energy Policy underscores the role of promoting **energy efficiency** in our operations and value chain, allowing us to reduce our environmental footprint through operating efficiency. Accordingly, we propose strategies for monitoring energy consumption, increasing electrical and thermal efficiency to minimise energy losses and reduce the associated environmental impact by adopting innovative technologies and processes that optimise consumption, the application of best practices for design and construction and the adaptation of infrastructures.

Our Policy also emphasises the importance of **choosing the best energy sources**. This applies both to our operations and our value chain, structured through the supply of lower-impact electricity, and the transition towards alternative energy sources (such as renewable energy sources) and the gradual elimination of fossil fuels.

Moreover, we are also committed to contributing to **sector transformation**, through innovation and collaboration, thereby helping to effect systemic change. In this regard, we include benchmark standards in our analyses, such as the TCFD framework for climate-related risk assessment.

E1-3. Actions related to climate change

E1.MDR-A_01-12; E1-3_01

We continually strive to find solutions that reduce GHG emissions throughout our value chain, with the aim of reaching net-zero emissions by 2040. These efforts centre primarily on our Supply Chain Environmental Transformation Plan, our Fibres Plan, the launch of circularity and efficiency programmes, and the protection and conservation of ecosystems.

Our main measures this year, which we present below, evidence our efforts to mitigate the effects of climate change both at our own operations and in the rest of the value chain, in line with the goals established in our Climate Transition Plan.

ⓘ More information in sections *E1-1. Transition plan for climate change* and *E5-3. Targets related to resource use and circular economy* of this Report.

Initiatives in own operations

Lower-impact consumption

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05; E1-3_03; E1-3_04

At our Company we are committed to generating and procuring energy from renewable sources to help us reduce our GHG emissions. In this section we present the most noteworthy actions of the year, in which we will continue to work going forward, in keeping with our commitments and targets provided in the Group's Climate Transition Plan. In 2024, we reduced more than 434,000 tonnes of GHG in our scopes 1 and 2 with respect to 2018, highlighting the importance of these initiatives in our own operations. We estimate that their implementation by 2030, together with other actions, will allow us to reduce 36,000 tonnes of GHG with respect to 2018.

Moreover, since 2022 we have fulfilled our goal of obtaining 100% of the electricity at our own facilities from renewable sources.

Self-consumption

Related IROs: [E1.I1; E1.I2; E1.R1]

Self-consumption means renewable energy produced on our premises or in nearby locations to meet our energy needs. To achieve this we use photovoltaic and wind power systems to generate renewable energy that helps reduce the environmental impact and GHG emissions associated with this electricity consumption.

In 2024 we have various active photovoltaic generation plants and a wind turbine generator that have a combined installed capacity of more than 5 MW and that produced 9,962 MWh of electricity.

Another notable self-consumption initiative is the development of the Outer Port Wind Facility in A Coruña in collaboration with the city's Port Authority, which will consist of the installation of various wind turbine generators with an installed capacity of 5.5-6 MW. Through this initiative, we aim to generate the renewable energy necessary to cover the annual electricity required by our headquarters in Arteixo, and, in addition, supply clean electricity to the port's own infrastructures. In 2024, the process of administrative and technical approvals necessary to obtain the required licences continued.

Fostering self-consumption —through the different projects included in this section— is aligned with the objectives of our Sustainability Policy and Energy Policy pertaining to the promotion of the efficient management of natural resources, especially energy, and to reducing their consumption and the associated impacts.

These actions will help us meet our target of tripling our current self-consumption capacity of renewable electricity at our headquarters, offices and own distribution centres by 2027, date when we estimate that around one-fourth of the electricity used by these facilities will be generated by self-consumption sources.

Power purchase agreements

Related IROs: [E1.I1; E1.I2; E1.R1]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_05

In addition to implementing self-consumption initiatives, we promote the implementation of new renewable energy sources in our own operations through **power purchase agreements** (PPA), which are long-term agreements between energy consumers and producers.

These agreements enable producers to finance the construction of new renewable energy generation infrastructure, even when there are no incentives or subsidies. They are a way to facilitate the sustainable and long-term implementation of new projects.

At 2024, year-end, we have virtual power purchase agreements (VPPA) in place for periods of 10 and 12 years, with a total installed capacity of 136 MW. The related projects are in development phase, in some cases pending final approval, and will come on stream in 2025.

In 2024 we further developed our energy supply strategies, in particular boosting their alignment with solid criteria of respect for human rights. Consequently, we have established a set of aspects around three fundamental pillars: environmental impact, social implications and support for grid capacity and resilience. In total we have identified 15 criteria for contracting renewable energy projects, distributed in these three key categories, based on best practices, trends and current legislative requirements.

This action, continuously over time, is aligned with our target that, by 2027, 40% of our global electricity should be consumed through mechanisms that help develop additional capabilities, such as self-consumption, or signing new PPAs and VPPAs. By 2030 our goal is to reach 60%.

In line with the objectives of our Sustainability Policy and our Energy Policy, these agreements help promote new infrastructure to generate renewable energy that will allow to reduce the GHG emissions associated with their energy consumption.

MDR-A_04

These agreements allow us to consume renewable energy regardless of the location of our operations, while contributing clean energy to the grid. We aim to continue working in this sphere to generate new renewable energy capacity.

Energy attribute certificates

Related IROs: [E1.I1; E1.I2; E1.R1]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05

When we encounter limitations in the implementation of other mechanisms, we turn to alternatives such as green tariffs and energy attribute certificates.

These third-party-issued certificates evidence that a specified amount of electricity in our own operations was generated from renewable sources, reducing the volume of GHG emissions from our consumption with respect to the consumption of energy from conventional sources. With few exceptions, the renewable energy in the certificates we use is generated in the same electricity market where the electricity is consumed and the certificates are issued and redeemed as close as possible to the energy consumption period in which the instrument is applied.

With regard to the acquisition of certificates, we follow the guidelines established by benchmark organisations, such as CDP and RE100. In 2024, consistent with the previous year, more than 90% of the energy attribute certificates we acquired met these requirements.

This action is aligned with the objectives of our Sustainability Policy and Energy Policy in connection with promoting measures to reduce the environmental impact linked to GHG emissions generated by the production and consumption of energy.

ⓘ More information in section *E1-4. Targets related to climate change* of this Report.

Efficiency and optimisation initiatives

Efficiency on facilities: headquarters, own logistics centres, own factories and stores

Related IROs: [E1.I1; E1.I2; E1.R1]

Headquarters, own logistics centres and own factories

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04

Energy efficiency is an ongoing action that helps us to control the consumption of resources with the aim of reducing and mitigating our impact on the environment. Hence, we make the necessary investments in our headquarters and platforms, and we promote best practices in our teams and processes.

Among these best practices is the application of bioclimatic and sustainable architectural criteria in the design and construction of our headquarters, as compared to conventional design and construction practices. In fact, since 2009 we have been certifying our flagship spaces in accordance with the most widely recognised sustainable construction standards, such as the LEED certifications developed by the US Green Building Council.

These initiatives allow us to promote energy savings —with the consequent reduction in GHG emissions—, optimise water use and responsibly manage construction materials and waste, among other criteria, in line with the main environmental objectives of our Sustainability Policy and our Energy Policy.

In 2024 we had two LEED Platinum, 11 LEED Gold, two LEED Silver, one LEED CI Certified and one BREEAM certification.

MDR-A_05

We also continue to certify our facilities in Spain to the ISO 50001 international standard, which distinguishes efficient and sustainable energy management processes. In 2024, our Central Services, CPD and the logistics platform in Arteixo, the logistics platform and CPD in A Laracha, Indipunt, the Europa logistics platform, the León logistics platform and the Meco logistics platform have all either renewed or obtained this certification.

Own stores

MDR-A_01; MDR-A_02; MDR-A_03

Energy Efficiency —consistent with the objectives of our Sustainability Policy and Energy Policy— and the implementation of best practices are also priorities in our physical and online stores.

Accordingly, we periodically review our standards to align them with best practices and implement new programmes for continuous improvement in the sustainability of our stores.

MDR-A_05

At present, seven stores have LEED Platinum certification, 28 have LEED Gold certification and one has BREEAM certification.

Also notable is that by the end of 2024, 83% of our own stores were connected to the central Inergy platform, which allows us to monitor and optimise energy consumption in order to boost energy efficiency.

MDR-A_04

By applying sustainable construction practices in our stores, we are able to optimise their energy consumption as compared with conventional design and construction practices.

Initiatives in supply chain

Supply Chain Environmental Transformation Plan 2024-2027

Related IROs: [E1.I1; E1.I2; E1.R1; E2.I1; E2.I2; E2.R1; E3.I1; E3.I2; E3.R1; E5.I1; E5.I2; E5.I3; E5.R1; E5.O1; E5.O2]

MDR-A_01; MDR-A_03; E1-3_03; E1-3_04

In accordance with Inditex's roadmap to sustainability and in line with our Sustainability Policy, in 2024 we have launched our Supply Chain Environmental Transformation Plan 2024-2027. This Plan is aimed at fostering the inclusion of environmental best practices and continuous collaboration with our suppliers.

The Plan outlines a series of measures to be phased in over the period, to help transform the textile industry through three lines of action:

/ Gradual increase in the minimum environmental requirements and standards.

/ Extension of the scope of application, adding environmental requirements also for dry processing facilities (spinning, weaving and sewing). Until now, its application was mainly for wet processing facilities.

/ Accompaniment through support and evaluation tools and technical support through specialist consulting.

This Transformation Plan is structured around **five priority environmental impacts**: water consumption, wastewater treatment, chemical products, waste management and carbon footprint. In this chapter we will concentrate on energy and reducing the carbon footprint.

The information on the remaining impacts is provided in the actions sections of the different disclosure requirements: wastewater treatment and chemicals (E2. Pollution), water consumption (E3. Water resources) and waste management (E5. Resource use and circular economy).

The Transformation Plan has been launched at all of the Group's suppliers and manufacturers. This year we also commenced the programmes to accompany our key suppliers and manufacturers. This accompaniment through support tools and technical backing will be gradually provided to our supply chain over the course of the Plan's period.

In 2024 we managed to reduce more than 560,000 tonnes of GHG in the goods and services category of our scope 3, with respect to 2018, thereby underscoring the importance of collaboration with our supply chain. We estimate that the consolidation of this initiative through 2030, along with other measures in our value chain, will allow us to reduce 4.9 million tonnes of GHG with respect to our 2018 emissions, in keeping with our SBTs.

MDR-A_02

Environmental requirements: more ambition for a lower impact

In order to promote not only the reduction of the environmental impact of our production, but also transform the textile industry, we will progressively increase the minimum environmental requirements that our suppliers and manufacturers must meet to be a part of our supply chain.

As these new requirements enter into force, they will be incorporated in our Green to Wear (GtW) standard. We have established a calendar for minimum requirements for the 2024-2027 period to enable our suppliers and manufacturers to plan and execute any necessary improvements.

The scope of the Transformation Plan increases the environmental requirements for mainly wet processing facilities — already included under the GtW standard— and gradually incorporates, from 2025 onwards, environmental requirements for dry processing facilities (spinning, weaving and sewing).

/ Carbon footprint

MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_04

The introduction of cleaner energy sources, along with the improvements in energy efficiency, are key to minimising GHG emissions associated with textile manufacturing processes. These measures are aligned with our Sustainability Policy and Energy Policy and help us comply with out targets of reducing our GHG emissions by 53% by 2030 as compared with 2018, and reaching net-zero emissions by 2040.

Accordingly, we have included in our GtW standard a new minimum requirement for manufacturers in our supply chain, who must design a **decarbonisation plan** that must be in the process of implementation in 2025. This plan should:

/ Meet a specific annual average carbon footprint reduction of at least 4.2%, considering scope 1 and 2 emissions as defined in the GHG Protocol.

/ Be updated in 2026 and 2027, in accordance with future benchmark values, specific to each type of facility, in which we are currently working.

/ Have a duration of at least one year; being recommended that it should entail longer-term actions with a more ambitious decarbonisation time frame.

/ Be ratified and signed by the management of each facility.

Furthermore, we continue to maintain the existing environmental requirements of our GtW standard, such as that no new coal-fired facility may join our supply chain, in line with our commitment to eliminate coal as an energy source.

MDR-A_04

Accompaniment: the key to transformation

At Inditex we implement a range of tools and initiatives to move forward in fostering environmental best practices and accompanying all the suppliers and manufacturers who show commitment to improvement.

Thus, we have four types of tools:

/ Monitoring and assessment tools

These tools focus on monitoring the supply chain and verifying that our mandatory standards are met. We highlight the role of environmental audits, which allow us to verify compliance with the GtW standard requirements across wet and dry processing facilities, and to introduce specific actions to continuously improve the environmental impact. They will be applied to dry processes over the course of 2025.

We have also launched a quarterly data collection portal to compile relevant information on production, such as water and energy consumption. Its purpose is to help these facilities to monitor the reduction of environmental impact reduction periodically.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

/ Diagnostic tools

We provide our suppliers and manufacturers with the tools to diagnose and monitor the environmental impact of the facilities in their supply chain.

These tools allow them to see their own performance diagnosis, showing their level of compliance with environmental requirements additional to minimum requirements through Inditex's suppliers portal

/ Supporting programmes

At Inditex we believe that responsible management of our supply chain implies accompanying our suppliers in improving their environmental performance. For this purpose, we have technical assistance and monitoring programmes, notably including:

- **Corrective Action Plans (CAPs):** for those instances in which breaches of the minimum requirements of our GtW standard are found. This programme accompanies and helps facilities to meet the minimum requirements so as to remain part of our supply chain.
- **Environmental Improvement Plans:** these are offered progressively to the facilities in our supply chain so that they can devise medium-term improvement plans for priority impacts. To devise these plans, we make available to key suppliers a technical support service through our teams and specialist consultants, to analyse the current status of their facilities and identify the action plans needed to meet the more stringent requirements defined.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

/ Best Available Techniques or BATs

Lastly, we have created a tool focused on supporting suppliers and manufacturers in our supply chain in implementing the best available techniques aimed at industrial manufacturing processes. This tool, made in collaboration with a network of experts and specialists, covers the best technologies and measures to reduce the impact in the various impact areas of the Transformation Plan. This is freely accessible and available for anyone interested via our corporate website.

In addition, facilities can access, among other issues, information on the investment needed, the expected effect of consumption reductions and even potential constraints in the implementation of the measures. The platform also provides information on the benefits of the proposed new technologies over conventional ones.

In connection with energy, it addresses and assesses topics like the regionally self-generation of renewable electricity, the signature of power purchase agreements (PPAs), the purchase of certified renewable energy from the grid, the monitoring of the consumption and energy optimisation of equipment and processes or the installation of heat recovery units, among others.

ⓘ More information on Best Available Techniques (BAT) on Inditex's corporate website.

MDR-A_06;
MDR-A_07;
MDR-A_09;
MDR-A_10;
MDR-A_11;
MDR-A_12;
E1-3_05;
E1-3_06

The financial resources allocated to the development of the actions carried out both in our own operations and in the supply chain do not represent a material amount in isolation and are accounted for as OpEx or CapEx depending on their nature (*Note 6.* Operating Expenses or *Note 14.* Property, plant and equipment of the Consolidated Annual Accounts), except for the existing vPPAs that are included in the Other Financial Assets item (*Note 26.* of the Consolidated Annual Accounts). Regarding self-consumption, as reflected in our EU Taxonomy section, throughout this year we have made an investment 2.3 million euros in the Outer Port Wind Facility in A Coruña, and another 1.4 million in photovoltaic installations at our centres in Laracha and Zaragoza (Spain). Both investments are accounted for as CapEx in Property, plant and equipment of the Consolidated Balance Sheet (see *Note 14.* of the Consolidated Annual Accounts). The Outer Port Wind Facility in A Coruña, is planned for launch in 2027 with an estimated investments of 34 million euros, which will be recorded under Tangible Fixed Assets on the Consolidated Balance Sheet as the project is executed.

In addition to these actions, we carry out other initiatives that contribute to our climate change targets, focused on both our own operations and the supply chain. These notably include:

- In 2023 we signed a multi-year collaboration agreement with Naturgy and EDAR Bens, the public company in charge of water treatment in the metropolitan area of A Coruña (Spain), to promote R&D work on biomethane (a renewable gas) production processes in the urban WWTP and food industry sectors as an alternative way of generating renewable energy. In 2024, 1,892 MWh of biomethane were generated, which were included in the commercial supply agreement for Inditex's facilities in Arteixo and A Laracha[11].
- This collaboration agreement has opened up avenues of research into the production of green hydrogen from the biogas generated by the plant and its possible injection into the existing natural gas network.

E1-3_05; E1-3_06; E1-3_07; E1-3_08

- Furthermore, in 2024 the Group has conducted an analysis of its accounting information in order to determine which activities are associated with those described in the Taxonomy in relation to each of the six targets. Hence, we ensure the transparency and accuracy of the data reported as per the requirements of Delegated Regulation (EU) 2021/2178 of the European Taxonomy Regulation. During the year, we have recorded CapEx of 411 million euros in environmentally sustainable activities, and 4,867 million euros in Taxonomy non-eligible activities.

It is important to note, as indicated in the section on the EU Taxonomy, that the Company's main activity —the distribution and sale of fashion items— is not included in the current regulatory framework.

ⓘ More information in section *Taxonomy* of this Report.

Agreements and collaborations

Beyond the framework of these actions, we collaborate with numerous organisations to address both the causes and the consequences of climate change.

In this regard, we have signed up to initiatives like the Fashion Industry Charter for Climate Action (FICCA), led by the United Nations Framework Convention on Climate Change (UNFCCC), the United Nations Business Ambition for 1.5º , and the Fashion Pact.

We have also established partnerships with small organisations and initiatives like Smart Freight Centre and Cargo Owners for Zero Emission Vessels (COZEV). With regard to the shipping and distribution of our products, we reached an agreement with Iberia and Repsol to pursue the supply of sustainable aviation fuel (SAF), setting ourselves the goal of using 5% of this fuel in Inditex's cargo flights from Madrid.

In 2024 we joined RE100, led by the Climate Group. Also, ahead of COP29, we signed the World Economic Forum and the Alliance of CEO Climate Leaders open letter calling on policy-makers and businesses to commit strategically and financially to net zero, recognising the need to work together for a just and equitable transition.

In addition, under our framework agreement with the International Apparel Federation, we collaborate with business organisations, brands and other players to drive the decarbonisation of global apparel and textile supply chains, including this year the launch of pilot programmes in Türkiye and Bangladesh.

D. Metrics and targets

E1-4. Targets related to climate change

E1.MDR-T_01-13

Our **Climate Transition Plan**, available on the Inditex corporate website, includes a series of targets for furthering our climate commitment, in line with the Paris Agreement ambition, which aims to cap the increase in global temperature at 1.5ºC above pre-industrial levels.

ⓘ More information in section *E1-1. Transition plan for climate change* of this Report.

[11] The biomethane is injected into the local network by our natural gas supplier, who delivers us the relevant certificates for its renewable origin. Since GHG Protocol does not presently recognise the use of these market mechanisms for scopes 1 and 3, we do not compute it in Inditex's corporate footprint, but we mention it as a project driven by the Group.

In addition, we have set targets for water consumption in the supply chain, use of lower-environmental-impact raw materials and circularity services that help us progress towards our goals of reducing emissions and fighting climate change.

ⓘ More information on our sustainability targets in section *SBM-1. Strategy, business model and value chain* of this Report.

Our climate targets in depth

• Science-based targets (SBTs)

MDR-T_01

Our emissions reduction targets are aligned with the Paris Agreement ambition. In this regard, we want to achieve net-zero GHG emissions in our entire value chain by 2040. Furthermore, by 2030 we aim to reduce our total emissions by at least 53%, including our own operations and the value chain.

Both targets are directly aligned with four of our main policies: the Sustainability Policy, the Energy Policy, the Water Policy and the Ecosystems and Biodiversity Policy. Specifically, with the commitments to preserve the environment, to consider the consequences of climate change and to implement continuous improvement measures to reduce greenhouse gas emissions.

MDR-T_02;
MDR-T_03;
MDR-T_05;
MDR-T_06;
MDR-T_07;
MDR-T_08;
MDR-T_13;
E1-4_01;
E1-4_02;
E1-4_03;
E1-4_04;
E1-4_15;
E1-4_16

Target: reach net-zero GHG emissions by 2040

Breakdown by scope

/ Reduce scope 1 and 2 GHG emissions by 95% by 2040

/ Reduce scope 3 GHG emissions by 90% by 2040

Target: reduce our total emissions by at least 53% by 2030

Breakdown by scope

/ Reduce absolute scope 1 and 2 emissions by 95% by 2030

/ Reduce absolute scope 3 emissions by 51% by 2030

	Base year	Current year	Target year	
	2018	2024	2030	2040
Total emissions (t CO_2eq)	10,528,872	9,962,965	4,941,090	1,028,108
Scope 1 and 2 (t CO_2eq)	495,584	60,912	24,779	24,779
Scope 3 (t CO_2eq)	10,033,288	9,902,054	4,916,311	1,003,329

MDR-T_10;
MDR-T_11;
E1-4_01;
E1-4_21;
E1-4_22

Our 2040 net zero emissions target and 2030 emissions reduction target have been approved by the SBTi, in accordance with this organisation's criteria and considerations for the 1.5ºC emissions pathway. This ensures that they are consistent with climate science consensus and the Paris Agreement ambition.

E1-4_01;
MDR-T_04

These targets affect both our own operations (scope 1 and 2) and our value chain (scope 3), regardless of their location. With regard to scope 2 emissions, these targets apply to market-based scope 2 emissions. For its part, scope 3 includes the following categories: purchased goods and services (category 1), fuel- and energy-related activities (category 3), upstream transportation and distribution (category 4), waste generated in our own operations (category 5), business travel (category 6), employee commuting (category 7), end-of-life treatment of sold products (category 12), downstream leased assets (category 13) and franchises (category 14).

MDR-T_08;
MDR-T_13

Thanks to our efforts within the framework of our Climate Transition Plan, in 2024 we reduced scope 1, 2 and 3 emissions by 5% of our SBT, as compared to 2018. In 2024, we launched our Supply Chain Environmental Transformation Plan 2024-2027, which will allow us to continue advancing towards our intermediate milestone of achieving a 20% reduction of emissions in all three scopes by 2027.

To achieve these targets, we have focused on the following commitments in key action lines with the ultimate aim of attaining net-zero emissions by 2040:

/ Use at least 90% of alternative fuels in maritime transport by 2025.

In the last few years we have worked with our logistics suppliers to promote this target. In this connection, we highlight the recent agreement with Maersk for the shipping company to use alternative fuels on its vessels, such as green methanol or second-generation biofuels.

/ Triple our current installed capacity of renewable energy generation in our central offices, headquarters and distribution centres by 2027.

We are committed to the generation and purchase of energy from renewable sources as one of the key mechanisms for reducing our GHG emissions. We therefore invest in generating renewable energy at our facilities. Specifically, we have facilities for the generation of photovoltaic and wind energy, as well as geothermal and solar thermal energy.

/ Ensure that 40% of our own global electricity consumption comes from self-consumption and other mechanisms such as power purchase agreements (PPAs) or virtual power purchase agreements (VPPAs) by 2027. And that at least 60% of that consumption comes from this kind of mechanism by 2030.

In addition to implementing self-consumption initiatives, we promote the implementation of new renewable energy sources through PPAs, which are long-term agreements between consumers and energy producers. Our energy sourcing strategy factors in considerations around improvements in environmental impact, along with respect for human rights and support for the capacity and resilience of the grid.

/ Eliminate the use of coal in our supply chain by 2030.

In line with our commitment to the UN Fashion Industry Charter for Climate Action, since July 2023 we do not accept new factories to our supply chain that use coal as an energy source, and we continue to work with our suppliers and manufacturers to reduce coal consumption in those facilities where it was already being used.

/ Use 50% renewable electricity in manufacturing processes in our supply chain by 2030, reaching 100% by 2040.

We want to promote the use of renewable energy in our supply chain, and to do this we work both individually with factories and suppliers through our Supply Chain Environmental Transformation Plan, and collaboratively with our stakeholders through industry partnerships.

MDR-T_03; MDR-T_09; MDR-T_12; E1-4_01; E1-4_18; E1-4_20; E1-4_21; E1-4_25

ⓘ More information in the *Methodological Annex* of this Report.

How we work towards our targets

Under our Transition Plan, we launch various initiatives, in accordance with various decarbonisation levers, to reduce our GHG emissions and thereby move towards attaining our targets.

E1-4_23

ⓘ More information in section *E1-1. Transition plan for climate change* of this Report.

E1-4_24

At Inditex, we take a comprehensive approach to climate change, analysing future climate scenarios and identifying the physical and transition risks, as well as associated opportunities to ensure a resilient short-, medium- and long-term strategy.

Based on our identification and assessment of climate-related impacts, risks and opportunities, we adapt our sustainability strategy, which is integrated into all our business areas.

ⓘ More information on the scenario analysis methodology in sections *IRO-1/SBM-3. Material climate-related impacts, risks and opportunities* of this Report.

E1-5. Energy consumption and mix

E1-5_01; E1-5_02; E1-5_03; E1-5_04; E1-5_05; E1-5_06; E1-5_07; E1-5_08; E1-5_09; E1-5_10; E1-5_11; E1-5_12; E1-5_13; E1-5_14; E1-5_15; E1-5_17; E1-5_18

Our Energy Policy aims to promote the sourcing and the responsible management of the energy consumed by Inditex's activities throughout our value chain, to improve control over resources and reduce the environmental impact.

Our global energy consumption includes energy consumed in:

/ Corporate headquarters and international offices.
/ Own logistics centres.
/ Own factories.
/ Own stores.

In 2024 our global energy consumption amounted to 1,670,262 MWh (6,012,942 GJ), of which 1,543,884 MWh came from renewable sources. This implies 27% reduction in relative energy consumption per square metre as compared with 2018 (in 2024, 636 MJ/m^2).

We also undertake to optimise our energy consumption and to use lower-impact energy sources, in line with our Climate Transition Plan.

ⓘ More information in section *E1-1. Transition plan for climate change* of this Report.

Energy consumption	2024	2023	2018 (base year)
Fuel consumption from coal and coal products (MWh)	0	0	0
Fuel consumption from crude oil and petroleum products (MWh)	21,633	12,621	18,267
Fuel consumption from natural gas (MWh)	97,288	96,130	131,011
Fuel consumption from other fossil sources (MWh)	0	0	0
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	7,457	6,416	1,032,288
Total fossil energy consumption (MWh)	**126,377**	**115,166**	**1,181,566**
Share of fossil sources in total energy consumption (%)	**8%**	**7%**	**58%**
Consumption from nuclear sources (MWh)	**0**	**0**	**0**
Share of consumption from nuclear sources in total energy consumption (%)	**-%**	**-%**	**-%**
Fuel consumption for renewable sources including biomass (also comprising industrial and municipal waste of biologic origin, biofuels, biogas, renewable hydrogen, etc.) (MWh)	57	1,272	1,444
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,534,720	1,605,158	858,706
The consumption of self-generated non-fuel renewable energy (MWh)	9,107	11,015	2,542
Total renewable energy consumption (MWh)	**1,543,884**	**1,617,445**	**862,692**
Share of renewable sources in total energy consumption (%)	**92%**	**93%**	**42%**
Total energy consumption (MWh) [(1)]	**1,670,262**	**1,732,611**	**2,044,258**
Total relative energy consumption (kWh/m^2) [(1)]	**177**	**201**	**243**
Total relative energy consumption (Wh/€) [(1)]	**43**	**48**	**78**

[(1)] The values for the base year and the previous year were recalculated.

E1-5_20; E1-5_21

As defined by the statistical classification of economic activities of the European Union (NACE), our sector may be assigned to group '47.5 Retail sale of other household equipments in specialised stores', considered of high climate impact. Therefore, the total relative consumption provided is equivalent to consumption in sectors with a high climate impact.

To calculate total relative energy consumption (Wh/€) it has been used net sales obtained in 2024, as stated in *Note 4* to our Consolidated Annual Accounts.

E1-5_16

We have not generated any non-renewable energy over the course of the year.

E1-5_05; E1-5_16; E1-5_17

ⓘ More information in section *E1-3. Actions related to climate change* of this Report.

IE1-6. GHG emissions

E1-6_01; E1-6_03; E1-6_04; E1-6_07; E1-6_08; E1-6_09; E1-6_10; E1-6_11; E1-6_12; E1-6_13; E1-6_27

Below we present a breakdown of our absolute emissions by scope and category, in accordance with the GHG Protocol.

	Retrospective				Milestones and target years [1]			
	2024	**2023**	**2018 (base year)**	**Comparison (2024/2023 %)**	**2027**	**2030**	**2040**	**Target (2024/2018 %)**
Scope 1 GHG emissions								
Gross scope 1 GHG emissions (t CO_2eq)	59,572	49,686	76,136	20%	60,909	3,807	3,807	(22)%
Percentage of scope 1 GHG emissions from regulated emissions trading schemes (%)	-	-	-	-	-	-	-	-
Scope 2 GHG emissions								
Gross location-based scope 2 GHG emissions (t CO_2eq)	433,654	448,966	662,799	(3)%	NA	NA	NA	NA
Gross market-based scope 2 GHG emissions (t CO_2eq)	1,340	1,153	419,448	16%	335,558	20,972	20,972	(100)%
Scope 3 GHG emissions[2]								
C1. Purchased goods and services	6,696,995	7,102,152	7,264,232	(6)%	-	-	-	(8)%
C2. Capital goods	275,050	265,644	240,011	4%	NA	NA	NA	NA
C3. Fuel and energy-related Activities (not included in scopes 1 or 2)	42,536	36,576	140,189	16%	-	-	-	(70)%
C4. Upstream transportation and distribution	2,614,230	2,378,464	2,102,728	10%	-	-	-	24%
C5. Waste generated in operations	3,854	2,819	3,583	37%	-	-	-	8%
C6. Business travel	34,980	34,679	49,425	1%	-	-	-	(29)%
C7. Employee commuting	143,878	142,038	174,105	1%	-	-	-	(17)%
C11. Use of sold products	3,250,659	3,105,308	3,148,636	5%	NA	NA	NA	NA
C12. End-of-life treatment of sold products	236,398	225,882	180,123	5%	-	-	-	31%
C13. Downstream leased assets	0	256	0	(100)%	-	-	-	0%
C14. Franchises	129,183	125,012	118,903	3%	-	-	-	9%
Total gross indirect GHG emissions (scope 3) (t CO_2eq)	13,427,762	13,418,829	13,421,935	0%	8,026,630	4,916,311	1,003,329	0%
Total GHG emissions								
Total (location-based) GHG emissions (t CO_2eq)	13,920,988	13,917,482	14,160,871	0%	NA	NA	NA	NA
Total (market-based) GHG emissions (t CO_2eq)	13,488,674	13,469,668	13,917,519	0%	8,423,098	4,941,090	1,028,108	(5)%

[1] Emissions reported in the Milestones and Targets columns refer to the GHG emissions categories for which there are approved SBTs. More information in the targets section of this Chapter.

[2] Categories C8 (upstream leased assets), C9 (downstream transportation and distribution), C10 (processing of sold products) and C15 (investments), were analysed but not included in this inventory of GHG emissions. More information on the reasons for their exclusion can be found in the Methodological Annex of this Report.

In 2024, our GHG emissions were reduced by 5% compared to 2018, based on the emissions categories subject to our SBT targets. The scope 3 purchased goods and services category continues to have the greatest weight in respect of GHG emissions in our value chain. In this category, 38% of emissions correspond to the extraction of raw materials used in our products. In 2024, thanks to the progress of our Fibres Plan, we managed to reduce GHG emissions related to the extraction of raw materials by 21% compared to 2018. In addition, the gradual implementation of our Supply Chain Environmental Transformation Plan will allow us to continue making progress in reducing emissions associated with the production processes in this category.

Finally, during the year, we have managed to reduce our scope 1 and 2 emissions by 88% compared with 2018.

E1-6_18; E1-6_19; E1-6_21; E1-6_22; E1-6_23

As indicated in section **E1-3. Actions related to climate change**, in keeping with our ambition to optimise our energy management, we have entered into power purchase agreements (PPAs), whereby energy producers have access to financing to build new renewable energy generation infrastructure. In 2024, as these projects are yet underway, we have self-generated our electricity and used renewable energy certificates.

In 2024, more than 90% of these renewable energy certificates met the requirements of benchmark organisations such as the CDP. Of all the certificates used, 33% were bundled, and 67% were unbundled.

ⓘ More information in section *E1-3. Actions related to climate change* of this Report.

E1-6_30; E1-6_31

Our emissions intensity in 2024, and its evolution compared with the previous year and the base year, was as follows:

GHG emissions	2024	2023	2018 (base year)
Kg CO_2eq per m^2 (market-based scope 1+2)	6	6	59
Kg CO_2eq per m^2 (location-based scope 1+2)	52	58	88
g CO_2eq per € (market-based scope 1+2)	1.6	1.4	19
g CO_2eq per € (location-based scope 1+2)	13	14	28
g CO_2eq per € (market-based scope 1+2+3)	349	375	532
g CO_2eq per € (location-based scope 1+2+3)	360	387	542

E1-6_32; E1-6_33; E1-6_34; E1-6_35

To calculate the GHG emissions intensity in 2024, we used the total value of our net sales, as indicated in *Note 4* to our Consolidated Annual Accounts. No other revenues were considered that are excluded from the calculation of GHG emissions intensity.

ⓘ More information in *Note 4. Net Sales* of the Consolidated Annual Accounts.

E1-6_17; E1-6_28

Lastly, we have biogenic emissions from biomass combustion or biodegradation in scope 1 and 3. Specifically, in 2024, 20 and 445,969 tonnes of biogenic CO_2 in scope 1 and 3, respectively, were generated by the use of biofuels at some facilities.

How we calculate our emissions

E1-6_15; E1-6_25; E1-6_26

The Methodological Annex of this Report contains details about the methodology used to calculate the Inditex Group's GHG emissions, including the standards used, the scope, the gases considered and the nature of the data used, among other information.

ⓘ More information on the calculation methodology in the *Methodological Annex* of this Report.

The Inditex Group's scope 1, 2 and 3 GHG emissions have been verified independently, in addition to the verification of the information included in this Report by Ernst & Young in accordance with ISAE 3410 standard.

E1-6_02

As stated in our Consolidated Annual Accounts, and based on an analysis of the contractual arrangements that grant joint control, the Group classified its participation in the Tempe Group as a joint venture. Consequently, the Tempe Group's GHG emissions have been consolidated with the emissions of the parent company.

Therefore, the emissions of other participated companies non-consolidated in the Group's financial statements are not applicable, and therefore not disclosed in the table above.

ⓘ More information in *Note 1.* of the Consolidated Annual Accounts.

E2. Pollution

A. Impact, risk and opportunity management

IRO-1. Material pollution-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E2.IRO-1_01

Based on the analysis of our activity, coupled with the materiality assessment and the views of our stakeholders, we compile a list of material pollution-related impacts, risks and opportunities[12].

In the process we have included the assessment of all our activities and those of our value chain, considering the various locations of the facilities, with the aim of identifying all the potential impact pathways.

The results of the assessment allow us to conclude that the pollution-related material impacts, risks and opportunities are linked to the activity of our value chain (mainly to those supply chain stages that involve wet processes, and the use and end of life of articles) and are immaterial in our own operations.

For the current year, in accordance with the transitional provision of the European Directive (CSRD), in the section 10.2 of ESRS 1, the information reported in this chapter in connection with the value chain is of qualitative nature only.

However, in order to broaden the information reported in future reporting periods, we are working to compile information on metrics related to pollution in our value chain.

Consultations with stakeholders

E2.IRO-1_02

Dialogue with stakeholders is a pivotal part of our materiality analysis, as previously detailed in this Report. Specifically, in 2024 we involved specialist organisations like Zero Discharge of Hazardous Chemicals (ZDHC) in our **double materiality assessment**.

Both in the materiality assessment as during the course of our activity, we work with specialist organisations that give us valuable insight into the possible impacts of our activity in terms of pollution. In this regard, we highlight our adherence to ZDHC.

This continuous engagement also allows us to develop new goals and actions linked to the proper management of our impacts, risks and opportunities.

[12] Pollution derived from greenhouse gas emissions is not included, as this is covered in standard E1 - Climate change.

E2.IRO-1_03

Material Impacts, Risks and Opportunities related to pollution

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN [1]	RELATED POLICIES
E2.I1	**Impact from the use of chemical substances**	I	/ Raw materials / Supply Chain [2] / Use and end of life	**Transversal policies:** / Sustainability Policy / Sustainability Stakeholder Relations Policy **Specific policies:** / Ecosystems and Biodiversity Policy / Energy Policy / Water Policy
E2.I2	**Possible emissions of other pollutants and microfibres**	I	/ Raw materials / Supply Chain / Use and end of life	
E2.R1	**Transition risks due to pollution**	R	/ Extended value chain	

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.

[2] Including the facilities mainly carrying out wet processes, as these are the ones that use chemical products, water and energy as the main inputs in their manufacturing processes.

ⓘ More information on our stakeholder engagement and our materiality assessment in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

E2-1. Policies related to pollution

E2.MDR-P_01-06

The principles enshrined in our policies are the foundation of initiatives to reduce the impact relating to pollution, and in particular to avoid the emission of substances of concern in the various stages of the value chain, most notably in manufacturing stages.

Policies related to pollution

/ Sustainability Policy ⓘ
/ Ecosystems and Biodiversity Policy ⓘ
/ Energy Policy ⓘ
/ Water Policy ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* of this Report.

Mitigation of negative impacts related to pollution

E2-1_01

In keeping with our **Sustainability Policy**, we are working to minimise the potential environmental impact generated in our value chain, affecting ecosystems, biodiversity and its environment, as well as people, ensuring compliance with applicable legislation.

ⓘ More information on the measures implemented to avoid pollution and mitigate its effects in section *E2-2. Actions related to pollution* of this Report.

In accordance with our **Water Policy,** we promote adequate wastewater management by improving treatment processes and minimising the water footprint in the value chain. Similarly, we foster measures to reduce potential emissions to soil and freshwater by substances such as nitrogen and phosphorous, from the supply chain and from consumers' domestic laundry. We also take into account possible microfibre shedding in manufacturing and domestic laundry, so we consider aspects relating to water when we design our products and processes.

Pollution derived from the manufacturing and processing of products represents a significant impact on biodiversity and, accordingly, on natural resources, the environment and people. That is why, in line with our **Ecosystems and Biodiversity Policy**, we are committed to:

/ Protection and improvement of fertile soil health.

/ Water quality and access.

/ Protection of biodiversity and promotion on regenerative practices, among other actions.

Furthermore, our **Energy Policy** also covers impacts on climate, air quality and the integrity of the ozone layer, due to their essential role in regulating the Earth's biogeochemical cycles and maintaining temperatures and radiation levels compatible with life.

Minimising the use of substances of concern[13]

E2-1_02

At Inditex we are fully committed to the safety of our articles. Consequently, in accordance with our **Sustainability Policy**, we work to prevent, reduce and eliminate discharges, with a particular focus on potentially hazardous chemicals that might be harmful either to the environment or to people, such as our customers and the supply chain workers.

In line with our **Water Policy,** we are also committed to reducing the impact of emissions and discharges of pollutants into water, including chemical substances. Accordingly, our Green to Wear standard includes requirements relating to the chemical management system (CMS) and production process control.

We also require our suppliers and manufacturers to adhere to the Manufacturing Restricted Substances List, of the Zero Discharge of Hazardous Chemicals (ZDHC) foundation prior to entering into a commercial relationship with us.

In addition, we have made available to the industry the programme The List, by Inditex through ZDHC's Gateway platform. This is a programme carried out in partnership with the chemical industry that includes a classification of chemical products to ensure the safety of the final garments and improve the discharge quality.

ⓘ More information on *The List, by Inditex* on Inditex's corporate website.

Prevention and limitation of the impact on people and the environment

E2-1_03

In line with our Sustainability Policy and in order to avoid pollution-related incidents and emergencies, we identify the main risks in both our own operations and those of the supply chain.

/ **Own operations**: our Environmental Management System, which is certified to ISO 14001 standard, identifies the potential risks in connection with pollution emergencies in terms of logistics facilities and headquarters. This system establishes environmental incident logs, procedural reviews and the deadlines for remediation and improvement, among others, so as to avoid incidents and preserve the environment.

/ **Supply chain**: we carry out environmental audits to verify compliance with our Green to Wear standard and we determine the suitable Corrective Action Plans (CAPs), helping our suppliers to remedy the non-compliances detected.

ⓘ More information on the initiatives carried out in the supply chain in section *G1-2. Management of relationships with suppliers* of this Report

Own standards and certifications

We continuously strive to ensure that the products we sell are safe for our customers, the people who make them, the local communities, our workforce and the planet. To achieve this, we have our **own specific** product and process **standards** that are of general and mandatory application to our entire supply chain, for all the articles we sell[14]. These standards go beyond the requirements of current international legislation and cover processes from design to manufacturing.

[13] The term 'substances of concern', used throughout this Report, also refers to those substances classified by the CSRD as 'substances of very high concern'.
[14] Articles that are outside the scope of Inditex's health and safety standards are subject to minimum requirement reports specifically compiled in accordance with the statutory requirements which apply to the type of product and the markets where they are sold.

In this regard, we have a number of standards focusing on managing chemical products in processes and articles, which we break down in detail below.

Standards linked to chemical safety

	Scope
Green to Wear	Manufacturing processes of textile and leather goods.
The List, by Inditex	Chemical products used in the production of garments, fabrics, footwear, accessories and home textiles.
Clear to Wear	Garments, fabrics, footwear, accessories and home textiles.
i+Cosmetics	Cosmetics.
i+Food Contact Materials	Products in contact with food.
i+Home Fragrances and candles	Home fragrances, candles and their accessories.

With regard to pollution, we highlight our Green to Wear standard, whose chemical management system (CMS) module for the management of chemical products requires suppliers to choose the most adequate chemical products to ensure safety from the outset of the production process. Associated with this programme, we also have The List, by Inditex, to guarantee the use of safe chemical products; and, lastly, our Clear to Wear standard, which focuses on the health and chemical safety of finished products in textile and leather articles, as well as other Inditex health standards that apply to other product types.

We also have other health and safety standards linked to the characteristics of each product type, outlined in section S4. Consumers and end-users.

ⓘ More information in section *S4-4. Actions related to consumers* of this Report.

/ Green to Wear (GtW) standard: environmental impact in manufacturing processes

In order to promote the reduction of the environmental impact of our supply chain, since 2014 at Inditex we have been implementing our Green to Wear standard. This is a key tool to apply best practice in those processes with the highest environmental impact, most notably in wet processes, and thereby to gradually reduce the environmental impact of our garments, by applying a principle of continuous improvement through evaluation, support and monitoring.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

/ Clear to Wear (CtW) standard: product health and chemical safety

Our Clear to Wear (CtW) standard incorporates the strictest global regulations on chemical substances in textile and leather articles. Likewise, it includes the European Union REACH law, which regulates the Registration, Evaluation, Authorisation and Restriction of Chemicals), as a mandatory EU regulation for all our suppliers.

In 2024 we launched a new version of the CtW standard to update it with the latest regulatory developments and to further our alignment with the Restricted Substances List (RSL) of the Apparel and Footwear International RSL Management (AFIRM) Group.

This standard is of general application and mandatory for all garments, footwear, home textiles, fabrics and leather supplied to Inditex, as well as for certain accessories, such as: handbags, belts, scarves, fashion jewellery and similar products.

/ i+Cosmetics and i+Food Contact Materials standards

In order to ensure an adequate response to the specific properties of the various product families —those in contact with food or cosmetics— at Inditex we have developed specific i+ standards. They include both the applicable health and safety parameters, and the documentary and best manufacturing practice requirements, as well the analysis protocols for establishing compliance with the provisions contained in the standards.

In the case of products that come into contact with food, our standard also restricts the transfer of their constituent chemical substances to the food they come into contact with.

/ Certified chemical products

Our environmental improvement strategy promotes the use of certified chemical products and makes this mandatory from 2026 onwards, allowing us to ensure the proper selection of products that do not contain or are low in substances of concern (SOCs), with a particular focus on substances of very high concern included in the formulation of chemical products used by the textile and leather industry.

These certifications include the most stringent level of ZDHC compliance —level 3— along with our **The List, by Inditex** programme, which is a part of the ZDHC —Chemical to Zero— strategy for more sustainable chemical products and is included in the Gateway platform as level 3 certification.

This programme consists of a procedure for classifying chemical products that improves production processes and the health and safety of garments, officially categorised by the ZDHC as Progressive level, in its fifth edition. We therefore provide our manufacturers and suppliers with a list of commercially available chemical products used in the manufacturing processes of textile and leather goods. This gives our manufacturers and suppliers key information with which to determine whether a chemical product meets the requirements of ZDHC's Manufacturing Restricted Substances List (MSRL), the Restricted Substances List (RSL) by AFIRM, and our own Clear to Wear standard.

In this programme, which was updated in 2023, chemical products are classified into a positive or negative list, with two categories ('A' and 'C') to distinguish products that are allowed in Inditex production processes, and those that are banned.

E2-2. Actions related to pollution

E2.MDR-A_01-12; E2-2_01

At Inditex, we implement a range of initiatives to prevent and reduce pollution throughout our own operations and in our value chain, both directly —by establishing restrictions on the use of chemical substances, or minimising microfibre shedding from our garments— and indirectly —by reducing energy and water consumption primarily in the production processes of our supply chain, among others—.

ⓘ More information in sections *E1-3. Actions related to climate change* and *E3-2. Actions related to water resources* of this Report.

Avoid pollution

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; E2-2_02

/ Supply Chain Environmental Transformation Plan 2024-2027

Related IROs: [E1.I1; E1.I2; E1.R1; E2.I1; E2.I2; E2.R1; E3.I1; E3.I2; E3.R1; E5.I1; E5.I2; E5.I3; E5.R1; E5.O1; E5.O2]

The Supply Chain Environmental Transformation Plan, due to its transversal nature, is detailed in standard E1. Climate change. The specific information on priority impacts can be found in the associated standards.

ⓘ More information on other related actions in sections *E1-3. Actions related to climate change*, *E3-2. Actions related to water resources* and *E5-2. Actions related to resource use and circular economy* of this Report.

Within the framework of the Plan, we have implemented the following initiatives linked to pollution-related priority impacts:

- **Wastewater treatment**

At Inditex we work to ensure the application of minimum requirements on discharge quality for all wet process facilities with direct discharge to the environment, in keeping with the water impact reduction goals of our Sustainability and Water Policy. To achieve this, we use the Zero Discharge of Hazardous Chemicals (ZDHC) Wastewater Guidelines, focused on improving the application of minimum discharge quality requirements in all manufacturing countries.

This allows us to progress in gradually reducing the values of the conventional parameters, heavy metals and the presence of chemical substances listed in both ZDHC Wastewater Guidelines and Manufacturing Restricted Substances List (MRSL).

In this regard, we have increased our minimum requirements so that all the wet processing facilities in our supply chain with direct discharge into the environment must reach the foundational level by July 2025, and progressive level by July 2026, in accordance with the provisions of the ZDHC Wastewater Guidelines. In addition, they must comply with applicable national and local discharge legislation.

In addition, within the framework of improvement tools, some of the main actions we recommend for improving wastewater management at a facility are the optimisation of their purification processes and the training of purification plant operators/ technicians, among others.

ⓘ More information on *Best Available Techniques (BAT)* on Inditex's corporate website.

- **Chemical products**

At Inditex we set up the ZDHC Roadmap to Zero programme as a tool for leading the improvement in managing chemical inputs. This initiative allows us to advance in the protection of workers in the supply chain, guarantee the safety of each article and protect the environment from substances of concern, in accordance with our Sustainability Policy.

This initiative applies to wet processing facilities. Furthermore, the scope of control is extended to cover the entire inventory of chemicals for manufacturing (dyes, pigments and ancillary chemicals used in textile manufacturing), except for commodities, cleaning products and products used to purify water.

The initiative involves including new minimum requirements for the management of chemical products in the **Green to Wear** standard. This includes a gradual increase in the minimum percentage of ZDHC level 3 certified product inventory in our facilities to 95% by 2026. Currently, all the products in the positive list (those classified as A) of The List, by Inditex programme are already ranked as level 3.

In addition, all inventoried chemical products that are not certified by ZDHC must be checked using the Group's chemical control methodology during their transition to achieving the 2026 goal.

With regard to the improvement tools, the main initiatives we advise for increasing the use of ZDHC certified level 3 chemical products at a facility are requiring from the chemical product manufacturers certification of their chemical portfolio, and the use of alternative certified chemical products. Likewise, we recommend using support tools such as the repository with the range of certified products, The List, by Inditex report, and the ZDHC gateway chemicals module.

In addition to the transversal implementation of the Environmental Transformation Plan, we have other actions, categorised according to their level in the mitigation hierarchy, mainly focused on **avoiding** and **reducing** pollution.

/ Compliance verification programmes: Picking, APPLABs, Minilabs and continuous improvement programmes: Root Cause Analysis (RCA)

Related IROs: [E2.I1; E2.R1]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05; E2-2_02

To verify compliance with the product chemical safety standards mentioned in the previous section, we continuously work with technology companies, research centres and laboratories of international reference to test that the standards are being properly applied. We also conduct our own programmes to analyse our articles, as well as inspections at manufacturing centres.

Moreover, we focus our efforts on ensuring compliance with our standards at every stage of the product: design, raw material selection, manufacturing processes, storage and distribution.

In this way, we contribute to our Sustainability Policy commitment of complying with the most stringent health and safety standards in developing new products, as well as reducing and eliminating substances of concern and other pollutants generated throughout the value chain.

Additionally, to advance compliance with our standards in these early stages of the product's life cycle, we have a network of in-house control laboratories to carry out preliminary tests in accordance with the most demanding international standards. This makes them a very effective tool for preventing non-conformities with our Clear to Wear and Safe to Wear standards at very early stages of manufacture, thereby minimising the risk of non-conformities, and their consequences, in finished garments.

- ***Picking***

This programme verifies that our products comply with the Group's health and safety standards, Clear to Wear (CtW) , and other Inditex product health standards that apply to other product types.

ⓘ More information in section *S4. Consumers and end-users* of this Report.

The programme identifies potential non-conformities, mainly by taking representative samples of production at supply chain facilities and an analysis conducted by external laboratories approved by our APPLABs programme. All our articles are technically assessed in terms of chemical and physical safety (risk assessment) and 100% of articles with risk-assessment are analysed to verify the product's compliance with our standards.

In 2024, a total of 67,562 Picking inspections were performed and 831,896 analyses and tests[15] were carried out (60,685 inspections and 821,934 analyses and tests in 2023) evidencing a high degree of initial compliance with our standards, of 98.4% (98.2% in 2023), with compliance reaching 99.4% in the case of chemical safety compliance. For those productions that were initially non-compliant, we apply recovery protocols that allow these products to be properly corrected, eliminating the presence of restricted substances and improving parameters such as colour fastness to achieve compliance.

- **APPLABs**

We have our **APPLABs** external laboratory approval programme for the analytical support network of the programmes of The List, by Inditex, Green to Wear (chemical products control) and the Picking programme in the CtW verification. This initiative ensures that the analysis process and the results provided by these external laboratories on our articles are accurate and consistent with the particularities of our model. This confidence is crucial because this information determines whether a production meets our standards.

In 2024, a total of 63 on-site audits were carried out at external laboratories and 62 comparison exercises, which involved analysing 7,823 samples (57 on-site audits, 47 comparison exercises and 6,821 samples in 2023).

- ***Minilabs***

In addition to these inspections, since 2017 we have been deploying **Minilabs** a portable laboratory that allows our external inspectors to conduct, at the supplier's own facilities and at any stage of the production process, up to six screening tests for substances and parameters regulated in the Clear to Wear standard and Physical Testing Requirements.

In 2024, we performed 3,283 Picking inspections with Minilabs and 28,933 analyses and screening tests (3,656 inspections and 31,268 analyses and tests were executed in 2023).

- **Root Cause Analysis (RCA)**

We also strive to improve the supply chain through our **Root Cause Analysis** (RCA), which enables us to conduct technical audits when we identify a non-compliance in the Picking programme. These audits, carried out by specialists, are aimed at finding the root cause of the non-compliance in wet process facilities —dyeing, washing, tannery and printing, primarily— and proposing corrective actions and recommendations to remedy the incident and prevent it from recurring.

In 2024 we carried out 31 RCA audits (36 audits in 2023). The results show that one of the main causes of non-compliance is cross-contamination with other productions. This programme allows us to generate and strengthen our expertise so as to be able to tackle and correct the causes of non-conformities and continue to improve our supply chain.

[15] This includes tests and inspections carried out in 2024 as part of the Picking programme for all the Group's brands. The calculation methodology includes primary data obtained through statements from the service provider and checked against the amounts invoiced by the laboratories in the monitoring controls of the allocated budget.

MDR-A_06;
MDR-A_07

The financial resources linked to the development of these actions are associated with operating expenses, which in isolation do not represent a material amount in terms of CapEx or OpEx. This amount is included under Operating Expenses in the Consolidated Income Statement (see *Note 6* to the Consolidated Annual Accounts).

Reduce pollution

As a complement to our actions, we also implement Research, Development and Innovation (R&D+i) initiatives, which allow us to move forward in our sustainability strategy and work to prevent and reduce pollution. In 2024, we highlight our initiatives linked to chemical products, along with the new ambition of our research programmes and adoption of new measures and technologies stemming from innovation.

Research, Development and Innovation (R&D+i) initiatives related to chemical products

/ R&D+I in analysis methodology:

We have developed different procedures to detect substances that might be potentially hazardous for users, reducing their impact and the associated emissions. These notably include:

- Study of formaldehyde emissions in wood materials.
- Development of a method of analysis to verify the presence of synthetic lipid antioxidants in leather.
- Comparison between methods to detect total fluoride in textile samples and chemical products.
- Study of the application of a hydrolysis-based method to detect the nature of PFAS and to help discriminate between intentional application and cross-contamination.

/ R&D+I in studies and projects:

- Study to find alternatives to sulphones and syntans in leather tanning.
- Study of the impact of finishing treatment on the pH of leather and its link to the tendency to form hexavalent chromium.

/ R&D+I in guides:

- Update of the best manufacturing practices guidelines for the use of safe chemical alternatives to PFAS and minimisation of cross-contamination.

ⓘ More information in the document *Innovation, Collaboration and Continuous Improvement for Chemical Safety* available on Inditex's corporate website.

/ Collaboration initiatives to implement measures and technologies derived from innovation

Related IROs: [E2.I1; E2.I2; E2.R1]

MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_04;
MDR-A_05;
E2-2_02

We take part in collaboration initiatives to implement different innovative measures and technologies, co-developed by the Group through industrial research partnerships with notable organisations such as BASF, CHT, Pulcra, EPSON, Jeanologia and DyStar, among others, that allow us to progress towards our goals, in keeping with our strategy and policies.

The aim of this innovation and development network is to demonstrate that new measures and technologies work on an industrial scale. At the same time, information is provided to carry out case studies to verify the improvements made, facilitating their implementation in other facilities.

Among the foremost research initiatives, in 2024 we highlight the following programmes: The Colouring by Inditex, linked to the wet processing impact; The Materials by Inditex, focusing on fibres and materials; and The Microfibers by Inditex, addressing the emerging challenge of microfibres.

We also have The Mill by Inditex, an initiative to accelerate the adoption of innovative technologies in dyeing processes that reduce our environmental impact, especially in connection with water and energy consumption and the chemical products used in these processes. This initiative, a pioneer in the industry and aimed at the transfer of disruptive technologies, looks forward to demonstrate the technological and economic viability of a net zero facility in terms of emissions, water, waste and microfibres. To achieve this, in 2024, we devised a theoretical model based on three core areas –chemicals, circularity and renewable electrification–. This year, in the pilot demonstrations we have included supplier installations in Morocco, which add to those already carried out in 2023 in Portugal and Türkiye.

Research programmes

/ The Colouring by Inditex

This is our strategic innovation programme linked to reducing the potential impact of wet processes, carried out in collaboration with renowned industrial organisations. Some of its most notable initiatives are:

- PIGMENTURA by CHT, an innovative dyeing solution that not only slashes water consumption by up to 96%, but also prevents microfibre shedding. This novel development, which is the result of our research partnership with CHT that commenced in 2020 and that has been awarded with German Ecodesing Award in the product category this year, is based on a pigment dye that does not require washing and drying processes, thereby reducing the energy needed to heat the water used in conventional production processes. This can save up to 60% of energy compared to other, continuous dyeing technologies.
- SUSTINERI COLORING by PULCRA, another innovative dyeing solution, in this case exhaustion dyeing, that reduces water consumption by up to 58%, prevents the release of microfibres and significantly reduces production times. This development arises through the research alliance with PULCRA and is based on the use of high-performance wetting and dispersing agents, designed to combine pretreatment and colouring operations in a single process.
- Circular Dyeing, focused on the circularity of dyeing systems, through the reuse of water, energy and chemicals in a closed-loop to improve the use of resources and reduce pollution.
- Another solution we have developed is SOKALAN by BASF for the implementation and optimization of the first industrial cold-wash system. This system enables a reduction in both temperature and the number of washing cycles, thereby decreasing water and energy consumption as well as the time required in the conventional production process.

/ The Microfibers by Inditex

We continued to work on a number of measures to prevent both synthetic and natural microfibre shedding, especially in stages of the value chain where this shedding and subsequent release into wastewater is particularly relevant, such as in wet processing. Among the main initiatives of the year was the implementation at suppliers of the first units of the AirFiberWasher, developed in partnership with the Spanish company Jeanología, which aims to help prevent the release of microfibres in domestic washing. Using an innovative, air-based technology makes it possible to remove, prior to selling textile articles, a large part of the microfibres that would otherwise be released later in domestic washing. Furthermore, this is achieved without increasing water and energy consumption or compromising the quality of the treated fabrics.

/ The Materials by Inditex

Our programme for the development of circular fibres and materials, with a lower environmental impact. More information in section *E5. Resource use and circular economy of this Report*.

MDR-A_06; MDR-A_07; E2-2_02

The financial resources linked to implementing these actions, which on their own do not imply a material amount, are included under Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

In addition to these actions, we develop other initiatives, such as compiling the **Clothes Caring Guide**. This guide offers our consumers tips for clothing care to help extend the life of the garments and reduce the environmental impact of garment care processes. This reduces wear and tear on clothing and the amount of water and energy consumed in washing and drying garments.

We also carry out projects to use organic or in transition raw materials, which avoid the use of pesticides and fertilisers that may pollute and degrade the soil. Furthermore, we invest in innovative agricultural projects that apply regenerative practices to preserve soil quality.

ⓘ More information in section *E4-3. Actions related to biodiversity and ecosystems* of this Report.

We also work to minimise the environmental impact from the use of our products and to lengthen their useful life. In this regard, it is worth highlighting our **The Laundry by Zara Home** detergent, designed to reduce microfibre shedding in washing and also reducing energy consumption. We therefore include innovation from our supply chain right through to

our customers, in line with our commitment to mitigate the Group's impact on the environment, especially to reduce the consumption of natural resources and pollution.

ⓘ More information in section *E5-2. Actions related to resource use and circular economy* of this Report.

Agreements and collaborations

As in previous years, we continue the collaboration with Zero Discharge of Hazardous Chemicals (ZDHC). This year we have taken an active part in the Technical Experts Team Chemical to Zero Progressive (CtZ-P) working group to define the Progressive certification framework and system for the Chemical to Zero roadmap, sharing our expertise and experience in the control of chemical products with The List, by Inditex programme. We are also involved in the AFIRM Group to reduce the use and impact of substances of concern for health and the environment through the creation of an industry RSL standard. We are members of the Board of ZDHC and the Management Committee of AFIRM.

Additionally, we design best manufacturing practice guidelines and provide regular training to our suppliers, especially those involved in wet processes. Thus, we continue to move forward in the proper selection, acquisition, handling, storage and use of chemical products.

B. Metrics and targets

E2-3. Targets related to pollution

E2.MDR-T_14-19; MDR-T_20; MDR-T_21; E2-3_01; E2-3_02; E2-3_03; E2-3_04; E2-3_09

As previously indicated, the impacts related to pollution have been identified in our supply chain and the end of life of our products. That is why at Inditex we do not have direct contribution targets.

However, we have launched a series of collaboration initiatives with our supply chain that are materialised through the establishment of targets related to climate, water consumption, wastewater treatment, chemicals, waste management and raw materials.

On the one hand, management of the air pollution generated in our supply chain is closely linked to climate change. In this regard, we have developed various commitments at Company level in relation to the climate, which are set out in the **Climate Transition Plan**.

In turn, through the **Supply Chain Environmental Transformation Plan**, we aim to reduce the environmental impact associated with textile manufacturing, and accordingly any air, water or soil pollution deriving from the production processes of our articles.

Lastly, the **Fibres Plan** contains goals linked to the use of lower-impact raw materials[16], which are also related to pollution management. Thus, the use of these fibres reduces the impact generated during the cultivation and sourcing stage, thereby easing the pressure on the soil and water, and also in the use and end-of-life phases.

ⓘ More information in the Supply Chain Environmental Transformation Plan (*E2-2. Actions related to pollution*), Climate Transition Plan (*E1-1. Transition plan for climate change*) and Fibres Plan (*E5-3. Targets related to resource use and circular economy*) of this Report.

E2-4. Pollution of air, water and soil

Emission of pollutants

E2-4_01

As previously stated, the impacts derived from pollutant emissions are located in different stages of our value chain, mainly in the manufacturing processes of our supply chain, but not in our own operations. However, it is not currently possible to quantify these significant emissions to air (not greenhouse gases), water and soil. The lack of robust information and estimation methodologies with firm and contrasted criteria in the textile industry also precludes making estimates based on scientific or proxy data.

[16] See the *Methodological Annex* for more information on the criteria that fibres and materials must fulfil to be classified as lower-impact.

We are working to compile this data and be able to disclose information in upcoming reporting periods.

Microplastics

E2-4_05

With regard to the potential generation and/or use of microplastics, it has been determined that the impacts identified in the double materiality analysis are located primarily in our value chain during the manufacturing processes and the use of our articles.

In this sense, we consider the applicable legal restrictions in connection with microplastics and we continue to seek alternatives in our articles.

At present, reporting information on microplastics and/or microfibres presents challenges such as the lack of a robust methodology in the industry to calculate these emissions, or the difficulty in obtaining the data from our value chain. Consequently, and considering the degree of uncertainty, no related metrics have been included.

In qualitative terms, we have estimated the Group's impacts derived from microfibre emissions at various stages of the value chain, also addressing their possible mitigation. In this regard, we aim to introduce possible improvements in the production processes of our articles, and during its use.

ⓘ More information in section *E2-2. Actions related to pollution* of this Report.

E2-4_08;
E2-4_09;
E2-4_10

Given how challenging it is to estimate the air, water and soil emissions derived from our supply chain, in the next few years we will work with reference organizations on defining the appropriate measurement criteria which, along with developments in the sector, we hope will enable us to report the related metrics and their evolution.

E2-5. Substances of concern and substances of very high concern

E2-5_01;
E2-5_02;
E2-5_03;
E2-5_04;
E2-5_05;
E2-5_06;
E2-5_07;
E2-5_08;
E2-5_09;
E2-5_10;
E2-5_11;
E2-5_12;
E2-5_13

Substances of concern can be harmful to the environment and people. These substances could be contained in the formulation of different chemical products that are used in certain processes, facilities and products in the supply chain. Accordingly, the safety data sheets (SDS) for chemical products indicates the presence of substances of concern generally above the concentration threshold of 0.1%.

Due to a limitation in the data provided by the manufacturers of chemical products on the formulated substances used in those products, it is not possible to confirm whether the absence of a substance is due to a concentration below these thresholds, or if it is not included in the formulation as an ingredient. Furthermore, there is a lack of homogeneous international requirements when it comes to the classification of substances and legal requirements on disclosure and SDS format, which affects traceability in the supply chain outside the European Union.

Consequently, we cannot quantify the volume of these substances generated and/or used to carry out our value chain activity. Neither is it viable to make science-based or proxy estimates due to the lack of truthful information and estimation methods with firm and contrasted criteria in the textile industry.

In this regard, we consider that the best way to avoid the presence of these substances in our products is by controlling the chemicals used in manufacturing processes. It is crucial that all the industries involved, including the chemical industry, work together to guarantee the availability of technically viable alternatives. Some of the **initiatives** we are currently carrying out, and which help minimise the use of these substances, are:

/ The List, by Inditex.

/ Manufacturing Restricted Substances List (MRSL) by ZDHC.

/ Green to Wear standard's chemical product management module.

/ Digitalisation of the chemical inventory.

/ Performance InCheck Report by ZDHC.

ⓘ More information on these initiatives in section *E2-1. Policies related to pollution* of this Report.

E3. Water resources

A. Impact, risk and opportunity management

IRO-1. Material water resources-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E3.IRO-1_01

Based on the analysis of our activity, coupled with the materiality assessment and the views of our stakeholders, we identify a list of material water resources-related impacts, risks and opportunities.

In the process we have included the assessment of all our activities and those of our value chain, considering the various locations of the facilities, with the aim of analysing in detail the potential avenues of impact associated with the various river basins.

The results obtained allow us to conclude that the material water resources-related impacts, risks and opportunities are associated with our value chain, and are immaterial in respect of our own operations. Regarding value chain and in accordance with the transitional provision of the European Directive (CSRD), in section 10.2 of ESRS 1, the information reported in this chapter is subject to a progressive reporting timeline. However, mindful of our impacts and dependencies on water resources, for some years we have been reporting information on certain metrics relating to our supply chain (specifically, the relative consumption of wet process factories).

As a result of this materiality assessment, we have also found that our activities are not materially dependent on marine resources. With regard to the impacts on the marine environment, we have identified possible chemical substances and microfibre pollution, which we develop further in standard E2. Pollution; however, no other material impacts, risks or opportunities were identified. Consequently, we do not include details concerning marine resources in this standard.

ⓘ More information on identified impacts, risks and opportunities related to water pollution in section *E2. Pollution* of this Report.

Consultations with stakeholders

E3.IRO-1_02

Stakeholder dialogue is a key element of our materiality assessment, as detailed previously in this Report. Specifically, in 2024 we involved specialised organisations like Pacific Institute and ECODES in our **double materiality exercise.**

Both in the materiality assessment as during the course of our activity, we collaborate with specialised organisations that give us valuable knowledge regarding the impacts our activity might have on water resources. In this connection, we highlight our involvement in the United Nations' CEO Water Mandate initiative; and our membership of the Alliance for Water Stewardship (AWS).

This continuous engagement also allows us to develop new goals and actions linked to the proper management of our impacts, risks and opportunities.

Material Impacts, Risks and Opportunities related to water

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN [1]	RELATED POLICIES
E3.I1	**Water withdrawal**	I	/ Raw materials / Supply Chain [2] / Use and end of life	**Transversal policies:** / Sustainability Policy / Sustainability Stakeholder Relations Policy **Specific policies:** / Water Policy / Ecosystems and Biodiversity Policy
E3.I2	**Water discharge**	I	/ Raw materials / Supply Chain [2] / Use and end of life	
E3.R1	**Physical and transition risks related to water resources**	R	/ Extended value chain	

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.
[2] Including only facilities that carry out mainly wet processes, as these are the ones whose manufacturing processes use chemical products, water and energy as the main inputs.

ⓘ More information on our stakeholder engagement and our materiality assessment in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

E3-1. Policies related to water resources

E3.MDR-P_01-06; MDR-P_01; MDR-P_02; MDR-P_03; MDR-P_04; MDR-P_05

Our new **Water Policy** enshrines our commitment to water valuation, incorporating specific principles and lines of action for that purpose.

Similarly, we have broadened the vision through our Ecosystems and Biodiversity Policy in connection with water quality and health, and our Energy Policy due to its interrelation with energy consumption and wet processes.

Policies related to water

/ Water Policy ⓘ
/ Sustainability Policy ⓘ
/ Ecosystems and Biodiversity Policy ⓘ
/ Energy Policy ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* in this Report.

Water Policy

Approved by the Board of Directors on 4 February 2025

Key contents	/ Commitment to water valuation[1] across our own operations and the value chain / Minimising the water footprint impact; protecting, conserving and restoring ecosystems; promoting access to water, sanitation and hygiene; ensuring a good water governance and driving transformation at industry level
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors) / It promotes the alignment of suppliers, factories along the supply chain and third parties engaged with the Group with the Policy
Accountable for the implementation	/ Sustainability Department and its chief officer
Third-party standards	/ Principles on valuing water of the UN High Level Panel on Water
Consideration given to stakeholders	/ The interests of and potential impacts on stakeholders relating to water resources were taken into account in developing the policy / Participation of the Social Advisory Board

[1] Information about its consideration and definition in the Group's Water Policy.

Water management

E3-1_01

Our Sustainability Policy features water as a key part of our environmental perspective, from both the standpoint of aquatic ecosystems and that of the use and pollution of natural resources.

This is further extended by our new Water Policy, which enshrines our commitment to water valuation. Its essential principles include minimising the water footprint impact through practices in our own operations and in the value chain — where the impacts identified in our materiality assessment are concentrated— introducing the implementation of responsible water management as one of the main action lines.

E3-1_02

/ Use and supply

We proactively collaborate to ensure sustainable water management in the regions where our supply chain operations take place, recognizing the importance of joint efforts in preserving the environmental quality of river and marine ecosystems.

Accordingly, our Water Policy includes lines of action associated with water use, such as the identification, assessment and management of material water-related impacts, risks and opportunities in the value chain, the prioritisation of using recycled water and alternative sources, and the reduction of water withdrawal and discharge by promoting technologies and practices for savings at every stage of the value chain. Likewise, we have introduced considerations linked to water supply, such as reducing its consumption in areas of high water stress.

Furthermore, in our Sustainability Policy and our Energy Policy, we underscore reducing water consumption in our industry as a means to reduce energy consumption, thereby acknowledging the direct link between managing water as a resource and climate change.

E3-1_03

/ Treatment

In line with the measures associated with water use and supply, in our Water Policy we undertake to explore innovative technologies in water treatment and reuse, which will allow us to prioritise the use of recycled water and the reuse of water in processes. This allows us to promote sustainable resource management, improving treatment processes and minimising our water footprint throughout the value chain.

E3-1_04

/ Pollution prevention

Through our policies we undertake to advance towards the prevention, reduction and elimination of discharges into water, with special attention to potentially hazardous chemicals and other pollutants or waste generated in the value chain. In this regard, we promote responsible practices for water withdrawal and discharge that positively impact water quality, and we undertake to consider potential pollution throughout the life cycle when designing products and processes, and to explore improvements in treatment technologies. This includes the deployment of action plans and targets for reducing the potential impact of the emission and discharge of polluting substances in the value chain.

E3-1_05

/ Lower-water-impact design

Within the framework of our strategy and progress towards a circular economy, we approach water management in a transversal way in every stage of the production chain, from design and selection of materials to manufacturing and distribution throughout the entire value chain.

In connection with water resources, this ambition is strengthened by our Water Policy, which establishes a commitment to consider water-related aspects in product design and production processes, including the assessment of water use and potential pollution throughout the life cycle, from the sourcing of raw materials and manufacturing, to use by consumers and end of life.

E3-1_06

/ Consumption in areas at water risk

Among the main lines of action included of our Water Policy, we specifically include reducing water consumption in areas of high water stress, for which purpose we establish a range of commitments associated with these areas. Notable among these are the ambition to establish contextualised water consumption reduction targets, based on geolocation and monitoring of the impact associated with the water footprint of the Group's suppliers and manufacturers operating in those locations. In addition, we support suppliers to implement regenerative practices, backing the value chain in the transition to more efficient water management systems that reduce water withdrawal and discharge, and to reduce consumption by implementing closed-loop water systems and regenerative practices, thus promoting long-term water availability in these regions.

We also align our commitment to the efforts of conservation, protection and restoration of freshwater and marine ecosystems through the CEO Water Mandate initiative, focused on preserving freshwater through collective action in highly water-stressed river basins.

E3-1_09

Initiatives linked to seas and oceans

Lastly, also within the framework of our commitment to the CEO Water Mandate initiative, we seek to carry out assessments to identify the critical areas in forested river basins, wetlands, oceanic areas and other relevant ecosystems, and to prioritize conservation and restoration actions to work towards the improvement and protection of the hydrosphere.

In this connection, at Inditex we support various projects linked to the protection of seas and oceans, that foster coordinated and collective action between key agents. These notably include the Fashion Pact, Alliance for Water Stewardship and Arctic Corporate Shipping Pledge (Ocean Conservancy).

E3-2. Actions related to water resources

E3.MDR-A_01-12

At Inditex we are aware of the critical importance of water for life and ecosystems and the challenges posed in terms of availability and quality. To address those challenges, we conduct out initiatives on our own and in partnership with our stakeholders to reduce our environmental impact, located primarily in our supply chain, and preserve ecosystems.

E3-2_03

Water withdrawal is one of our impacts in relation to this resource, especially important when it takes place in areas at high water risk. Consequently, we implement a water management strategy with two differentiated approaches: minimising our negative impacts —with an emphasis on our work relating to the framework of the Supply Chain Environmental Transformation Plan and the Green to Wear and Care for Water standards— and contributing to the positive impact, for example through our commitment to CEO Water Mandate.

/ Supply Chain Environmental Transformation Plan 2024-2027

Related IROs: [E1.I1; E1.I2; E1.R1; E2.I1; E2.I2; E2.R1; E3.I1; E3.I2; E3.R1; E5.I1; E5.I2; E5.I3; E5.R1; E5.O1; E5.O2]

To make progress in achieving of our sustainability targets, we have launched our Supply Chain Transformation Plan 2024-2027. It is structured around five priority environmental impacts: water consumption[17], wastewater treatment, chemicals, waste management and carbon footprint. In this chapter we will focus on water consumption. The information concerning the remaining priority impacts is provided in the various standards, and there is a more detailed description of the Transformation Plan in standard E1.

ⓘ More information in sections *E1-3. Actions related to climate change*, *E2-2. Actions related to pollution* and *E5-2. Actions related to resource use and circular economy* of this Report.

Water consumption

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04

To foster reducing water consumption in the supply chain in keeping with our Water and Sustainability Policies and further our target, we have implemented the Care for Water (CFW) consumption standard. This standard provides benchmark values for water-intensive manufacturing facilities, which in turn are part of the Green to Wear (GtW) standard.

The CFW standard allows us to classify wet processing facilities by their water consumption levels and set minimum water management requirements for the 2024-2027 period.

From November 2024, wet processing facilities in our supply chain must have a water consumption level classified as '*good*' in accordance with the CFW standard. From July 2025 onwards, these facilities must attain a level of 'excellent' for optimal water consumption management. In this regard, the GtW Supporting Documents contain instructions for facilities to calculate their water consumption and their Care for Water target.

We also have support and accompaniment mechanisms that are a crucial part of the Transformation Plan. These include our Best Available Techniques (BAT) tool with detailed information on solutions for improving process optimisation and recipes for pre-treatment, dyeing and finishing; investment in new, more efficient machinery; and wastewater recycling for use in textile processes.

ⓘ More information on the *Best Available Techniques (BAT)* and *GtW Supporting Documents* on Inditex's corporate website.

[17] Throughout this Report, we use the term 'water consumption' to refer to all water withdrawal, including amounts returned to the aquatic environment, as this is the term most commonly used in the sector. For more details about the calculation methodology of the associated metrics, see the *Methodological Annex.*

In addition to this action, we also develop other environmental initiatives to address water-related impacts transversally. These include our initiatives aimed at preventing and mitigating pollution, associated with water quality.

ⓘ More information on collaboration initiatives in section *E2-2. Actions related to pollution* of this Report.

Commitment to valuing water in the value chain

In 2024 we have worked to foster water valuation in our value chain, from the supply of raw materials to the end product, introducing measures to minimise our water footprint and promote the responsible use of this essential resource.

Some examples of our collaborative initiatives for valuing water are:

- **Minimization of the water footprint:** collaboration with suppliers in the implementation of good practices in water usage, associated with our ⓘ Green to Wear standard. We also work on consumer awareness, with the creation of manuals that promote responsible water consumption among our clients (ⓘ Clothes Caring Guide).
- **Protection, conservation and restoration of ecosystems:** establishment of alliances for the restoration and conservation of hydrographic accounts (CEO Water Mandate, ⓘ WWF).
- **Promoting global and equitable access to water, sanitation and hygiene:** collaboration with stakeholders, civil society, manufacturers and suppliers to improve adequate hygiene conditions and access to drinking water (Water.org, ⓘ Workers at the Centre).
- **Drive for transformation and innovation:** improvement of production processes to reduce water consumption and minimise wastewater, such as the installation of closed circuit systems at dyeing plants (ⓘ Circular Dyeing).

Agreements and collaborations

We maintain various collaborations with organisations like the World Wildlife Fund (WWF), the CEO Water Mandate and the Alliance for Water Stewardship. We also work with Water.org to improve access to drinking water and sanitation for low income families in Bangladesh, Cambodia and India.

We also work with industrial partners to drive industry transformation through collaboration and science-based innovation. Our industrial research partners include industry leaders such as BASF, CHT, Pulcra, Jeanología, DyStar and others.

B. Metrics and targets

E3-3/E3-4. Water consumption and related target

Water consumption in our supply chain (entity specific information)

E3-4_01;
E3-4_11

The ESRS define water consumption as the amount of water withdrawn and not discharged back to the water environment: for example, evaporated water or water incorporated into articles. In our business, the amount of water consumed according to this definition is very low, since almost all the water withdrawn is discharged at the end of its use in our supply chain production processes, so it does not imply material consumption.

Therefore, relative to consumption, water withdrawal is the most representative metric of water-related impacts reported under the ESRS E3 standard in the textile sector. However, considering that the most commonly use term is water ‘consumption’, that is the term we use in this Chapter.

That said, it is worth noting that, as previously indicated, water consumption in our own operations is not material considering the nature of our activity. Water consumption is material at our value chain, specially at the production stage of our articles, in particular in wet processes —dyeing, washing, finishing and printing, among others—. Another relevant phase in this connection is raw material production, an area we are working on to provide more information in future reporting periods.

• Reduction in water consumption in the supply chain

E3.MDR-T_01-13; MDR-T_01

We work with our suppliers and the rest of the industry in adopting best available practices, particularly in connection with water management and improving discharge quality.

As part of our approach to water management, we have set ourselves the target of reducing relative water consumption in our supply chain by 25 % in 2025, as compared with 2020. The aim is also to reduce the emissions associated with managing, handling and heating water during manufacturing processes.

This target is related to our Sustainability Policy and our Water Policy. Specifically, with our commitment to taking into account the consequences of climate change, water management and biodiversity protection.

MDR-T_02; MDR-T_05; MDR-T_06; MDR-T_07; MDR-T_08; MDR-T_13; E3-4_01; E3-4_10

Target: 25% reduction of water consumption throughout the supply chain by 2025

	Base year	Current year	Target year
	2020	2024	2025
Water consumption (litres/kg garment)	101	78	76
Reduction percentage		22%	25%

E3-3_01; E3-3_03

This target allows us to directly address our progress in preventing, minimising and remedying impacts linked to our supply chain. This demonstrates our commitment to developing innovation-based initiatives, and in collaboration with our manufacturers, for a responsible water management.

ⓘ More information on these initiatives in section *E3-2. Actions related to water source* of this Report.

This target therefore helps us to transfer an effect to our supply chain that helps reduce the potential impact associated with water withdrawal, especially in water-stressed areas, by improving water management in the wet processes involved in making our products.

It also allows us to prevent associated risks, both physical —susceptibility to production disruptions associated with water scarcity— and in terms of transition —aligning ourselves with the regulatory changes linked to the topic—. This target applies to all geographies where our manufacturers' activities are carried out, being especially relevant in those locations deemed to be at water risk.

ⓘ More information on the scope, methodology and changes in the year in the *Methodological Annex* of this Report.

MDR-T_03; MDR-T_04; MDR-T_09; MDR-T_12; E3-3_08; E3-4_06; E3-4_07

Areas at water risk

To obtain the water necessary to carry out supply chain production processes, and given our global presence, our suppliers and manufacturers withdraw water from various river basins.

E3-4_02

We have located and assessed water-related impacts to which both our own operations and those of our supply chain are exposed. This allows us to identify potential risks linked to our operations, specifically whether our facilities or those of our supply chain are located in water stressed river basins.

Specifically, in our 2024 materiality assessment we analysed the location of our supply chain facilities in relation to water stressed areas. We thus found that Türkiye, Mainland China and Morocco are the main markets with wet processing facilities exposed to material water risk.

E4. Biodiversity and ecosystems

A. Strategy

IRO-1/SBM-3. Material biodiversity and ecosystem-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E4.IRO-1_01; E4.IRO-1_02; E4.IRO-1_03

Based on the analysis of our activity, coupled with the materiality analysis and the views of our stakeholders, we compile a list of material biodiversity and ecosystem-related impacts, risks and opportunities.

In this process, we have taken the **LEAP approach** (Locate, Evaluate, Analyse and Prepare) as a reference, analysing the locations of our own facilities and those of our value chain and identifying the Company's connection to the natural resources needed to produce raw materials and other key value chain processes, as well as the impact and dependencies on nature.

In this regard, we acknowledge our dependency on nature's ecosystem services in order to be able to offer our products and services. The provision of ecosystem services depends on a healthy state of nature and, in some areas across our operational footprint and value chain, these services are sourced from areas where there is a loss of biodiversity and health of ecosystems as a result of various pressures.

The likely material dependencies on ecosystem services identified can be broadly grouped under water, soil and climate regulation in both upstream and downstream operations. However, no material dependencies on ecosystem services have been identified in relation to own operations, transportation and factories of our supply chain that do not perform wet processes.

E4.IRO-1_04

Our risk analysis also included the possible occurrence of systemic risks. In this regard, we have identified two potential risks associated with the collapse of ecosystems from an environmental point of view —unavailability of agricultural raw materials— and the disruption of the supply chain associated with the collapse of ecosystems —paralysis of manufacturing production— .

Consultations with stakeholders

E4.IRO-1_05; E4.IRO-1_06; E4.IRO-1_07

Stakeholder dialogue is a key element of our materiality analysis, as detailed previously in this Report. Specifically, in 2024 we involved specialist organisations like Conservation International in our double materiality assessment.

In addition to the materiality assessment, during the course of our activity we also work with specialist organisations that give us valuable insight into the possible impacts of our activity on ecosystems and biodiversity. We highlight our collaboration with leading organizations as the World Wildlife Fund (WWF), Conservation International and Canopy.

This continuous engagement also allows us to develop new goals and actions linked to the proper management of our impacts, risks and opportunities.

Material Impacts, Risks and Opportunities related to biodiversity and ecosystems

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN[1]	RELATED POLICIES
E4.I1	**Impacts related to the exploitation, degradation and disruption of ecosystems and natural resources**	I	/ Extended value chain	**Transversal policies:** / Sustainability Policy / Sustainability Stakeholder Relations Policy
E4.R1	**Physical and transition risks due to biodiversity and ecosystems**	R	/ Extended value chain	**Specific policies:** / Ecosystems and Biodiversity Policy / Water Policy

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.

ⓘ More information on our stakeholder engagement and our materiality assessment in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

Biodiversity-sensitive areas

E4.IRO-1_08; E4.IRO-1_14; E4.IRO-1_15; E4.SBM-3_01; E4.SBM-3_02 E4.SBM-3_03; E4.SBM-3_04

Our assessment identified certain of our own facilities located near biodiversity-sensitive areas, using indications provided in the IBAT tool. However, they correspond to stores, offices and distribution centres which do not have a material impact on biodiversity due to the profile of their operations.

This matches the results of our materiality analysis, which found that the main impact on biodiversity and ecosystems would be produced in our value chain, with no material impact being found in our own operations.

With regard to our value chain, we are in the process of compiling new information to supplement this report in subsequent years, in accordance with the transitional provision of the CSRD, in ESRS 1, section 10.2.

Occurrence and types of impacts

E4.SBM-3_06

The findings of our materiality assessment do not indicate the existence of impacts on endangered species by our own operations.

E4.SBM-3_05

However, we have identified a possible impact linked to the exploitation, degradation and disruption of ecosystems and natural resources in our value chain, the analysis of which we will develop further in future years.

E4.IRO-1_16

The results of our analysis affirmed the need to continue implementing mitigation measures, which we include in our Sustainability and our Ecosystems and Biodiversity policies, and enforce through the various actions we develop.

ⓘ More information in section *E4-3. Actions related to biodiversity and ecosystems* of this Report.

B. Impact, risk and opportunity management

E4-2. Policies related to biodiversity and ecosystems

E4.MDR-P_01-06

We have broadened our ambition when it comes to protecting biodiversity and ecosystems through the principles compiled in our new **Ecosystems and Biodiversity Policy**, which underpins our commitment in this respect, further supported by other core policies such as the Water Policy.

MDR-P_01;
MDR-P_02;
MDR-P_03;
MDR-P_04;
MDR-P_05;
E4-2_17;
E4-2_20

Policies related to biodiversity and ecosystems

/ Ecosystems and Biodiversity Policy ⓘ
/ Water Policy ⓘ
/ Sustainability Policy ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* in this Report.

Ecosystems and Biodiversity Policy

Approved by the Board of Directors on 10 September 2024

Key contents	/ Commitment to no deforestation, no degradation or no conversion of natural ecosystems, as well as to the betterment of biodiversity and the ecosystem health / Promotion of the balanced and sustainable management, preservation and recovery of ancient and endangered forests and other natural ecosystems
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors) / Suppliers of product and non-product that supply materials, products or services that may pose a material risk, as well as their supply chain
Accountable for the implementation	/ Sustainability department and its chief officer
Third-party standards	/ Accountability framework / Conclusions of the Global Assessment Report on Biodiversity and Ecosystem Services issued by IPBES / The Kunming-Montreal Global Biodiversity Framework
Consideration given to stakeholders	/ Consultations throughout development with expert organisations such as the World Wildlife Fund (WWF), Conservation International and Canopy / Participation of the Social Advisory Board

E4-2_01;
E4-2_02;
E4-2_03

Through our Ecosystems and Biodiversity Policy, and the Sustainability and Water Policies, we establish the Company's principles and commitments in regard to the impacts relating to the exploitation, conversion and degradation of ecosystems and natural resources, and with dependencies on ecosystems and biodiversity, considering physical and transition risks deriving from them.

In this regard, we understand the relevance of comprehending the inter-relationship between the impacts, risks and dependencies, and the opportunities and best solutions to address them. This understanding is essential to tackle pressures leading to biodiversity loss and degradation of nature, such as climate change and pollution.

ⓘ More information in sections *E1. Climate change* and *E2. Pollution* of this Report.

With all this in mind, we design our roadmap and public targets.

E4-2_05;
E4-2_18

Furthermore, consistent with our policies, we endeavour to ensure the coexistence of productive uses and the protection of ecosystems and the environment. For example, by means of regenerative practices aimed at improving fertile soil health, water quality and supply, climate change mitigation, community welfare and biodiversity protection.

In this sense, we estimate that the most likely impact in terms of the conversion and degradation of natural ecosystems is connected to the processes of supply, production and transformation of raw materials and products. To address this, we advocate the following courses of action:

/ Refusal to use materials and products linked to deforestation, sourcing from primary and endangered forests and ecosystem conversion and degradation.

/ Sourcing of products, supplies and raw materials with lower overall impact.

ⓘ More information on regenerative agriculture in section *E5-2. Actions related to resource use and circular economy* and on lower-impact materials in section *E5-3. Targets related to resource use and circular economy* of this Report.

Accordingly, we have additional measures in place, such as collaboration and innovation initiatives in the fashion industry, in productive landscapes related to its procurement sources and other areas of the value chain and and the extended value chain. This is materialised in the following lines of action, among others:

/ Facilitate the transition to improved agricultural management systems.

/ Promote the development and implementation of technological innovations to reduce the environmental impact of products and activities in the value chain.

/ Participate in nature protection initiatives and promote regulation to protect and restore natural ecosystems.

ⓘ More information in the *Ecosystems and Biodiversity Policy*, available on Inditex's corporate website.

E4-2_19

Our policies also take into consideration the protection of oceans. Accordingly, we draw on our new Water Policy, in which we acknowledge the need to pay particular attention to impacts on the hydrosphere (which includes rivers, lakes, wetlands, aquifers and oceans), given its pivotal role as ecosystem services providers, such as the supply of water, the sustenance of biodiversity and their contribution towards mitigation and adaptation to climate change.

We therefore work with NGOs and local authorities in conservation and restoration projects that prevent further deterioration and improve the condition of bodies of water, identifying and prioritising critical areas, such as in initiatives like the Arctic Corporate Shipping Pledge and The Fashion Pact.

ⓘ More information in section *E4-3. Actions related to biodiversity and ecosystems* of this Report

E4-2_06

It is crucial to understand that the impacts on ecosystems and biodiversity also have a social dimension. That is why our policies acknowledge that progress in respect for **human rights** includes fostering the right to a clean, healthy and sustainable environment as a cornerstone of economic development, sustainability, social justice and well-being. We accordingly undertake to address these matters from a holistic perspective.

E4-2_04

Moreover, the Ecosystems and Biodiversity Policy, as part of its goal of reducing the pressures that endanger ecosystems and natural resources, proposes to advance in the **mapping and traceability** of the value chain. The aim is therefore to detect and monitor the evolution of impacts and better understand the local context to address them.

Evidence of our efforts is the improvement in the traceability of natural raw materials.

E4-3. Actions related to biodiversity and ecosystems

E4.MDR-A_01-12

At our Company we understand how important it is to preserve ecosystems to sustain society and life. That is why we are committed to protecting natural ecosystems in all areas of our value chain, but also wherever it is important for the well-being of communities and for biodiversity itself.

E4-3_01;
E4-3_13

Taking as a reference the AR3T framework (Avoid, Reduce, Restore & Regenerate, and Transform) proposed by the Science Based Targets Network (SBTN) and the Taskforce for Nature-related Financial Disclosure (TNFD), we implement a range of initiatives with a continuity perspective based on the principles of:



/ Avoid **/ Reduce** **/ Restore** **/ Regenerate** **/ Transform**

Avoid: thus preventing damage in the first place

We implement actions designed to avoid negative impacts on ecosystems of high biodiversity value, such as primary forests or the habitats of endangered species. In particular, we ensure that all forest raw materials we use —such as wood or pulp— come from certification programmes and initiatives that aim to ensure they are sourced from responsibly managed farming and not from primary and endangered forests. Thus, our paper or wood products and wooden furniture in our stores must be certified by the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or FLEGT-licensed.

Moreover, we only work with suppliers of fibres derived from cellulose pulp that demonstrate their sourcing is free from primary and endangered forests, classified as 'green shirts' in the Hot Button Report by Canopy, an organisation we have been working with since 2014 to further primary and endangered forests protection.

We therefore undertake to avoid a possible effect on areas of High Conservation Value (HCV), the preservation of which is the basis of the certificates that we require.

This corporate responsibility is reinforced with the publication of our Ecosystems and Biodiversity Policy, which replaces the previous Forest Product Policy and broadens its scope.

ⓘ More information in our *Ecosystems and Biodiversity Policy*, and in the report *Ecosystems and Biodiversity Policy* Scope, available on Inditex's corporate website.

ⓘ More information in sections *E1-3. Actions related to climate change*, *E2-2. Actions related to pollution* , *E3-2. Actions related to water resources* and *E5-2. Actions related to resource use and circular economy* of this Report.

Reduce: how we minimise our impact on biodiversity

E4-3_14

After avoiding negative impacts from occurring, our next focus is to reduce the impacts in biodiversity that might arise as a result of our activity.

In this sense, we implement decarbonisation initiatives in our value chain, as well as reducing the impact of pollution and optimising water consumption in our supply chain. Notable among these is the **Supply Chain Environmental Transformation Plan 2024-2027.**

In addition, we work continuously on innovation in materials and processes to reduce their impact on the environment and people, within the framework of our **Fibres Plan**, and in particular in the Cotton Strategy. In this context, it is noteworthy the work developed by the Sustainability Innovation Hub.

ⓘ More information in sections *E1-3. Actions related to climate change*, *E2-2. Actions related to pollution* , *E3-2. Actions related to water resources* and *E5-2. Actions related to resource use and circular economy* of this Report.

Restore: we support the conservation, protection and restoration of ecosystems and biodiversity

E4-3_15;
MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_05

Related IROs: [E4.I1; E4.R1]

We continuously work with various organisations to foster restoration, protection and other forms of improvement through projects such as:

/ The restoration of the forest landscape in Mexico, improving forestry management in harmony with biodiversity in China, and promoting coexistence with wildlife in Brazil and Bolivia in partnership with WWF.

/ The contribution to the implementation of a cross-border collaboration initiative to protect and restore ecosystems and community resilience in India, Bhutan, Nepal and Bangladesh through the Mountains to Mangroves initiative led by Conservation International.

/ The promotion of sustainable forestry in Spain and Portugal in collaboration with the Galician Forestry Association and the Portuguese Forestry Association (Forestis).

/ Monitoring and restoration work with the Brazilian organisation SOS Mata Atlântica, to prevent the degradation of the Atlantic Forest.

/ Fostering coordination among global seed banks in partnership with Kew Gardens to resolve the issue of the lack of seeds for restoration efforts.

In 2024, we achieved the milestone of 622,878 hectares in the process of restoration or restored, 352,484 hectares more than in 2023, through various initiatives carried out globally in our supply chain and, mainly, in the areas and communities where we are present, even if they are not directly linked to our activity.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12

In 2024 we allocated 7.2 million euros to their implementation, included under Operating expenses in the Consolidated Income Statement (see *Note 6* to the Consolidated Annual Accounts) and part of the #BRINGYOUROWNBAG (#TRAETUBOLSA) initiative.

ⓘ More information on the initiative #BRINGYOUROWNBAG in section *S3-4. Actions related to communities* of this Report.

Regenerate: revitalising soils and ecosystems to sustain communities and biodiversity

Related IROs: [E4.I1; E4.R1]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05; E4-3_15

We also promote **regenerative agricultural and land management practices** aimed at fostering a balance between productive land use and healthy ecosystems. These initiatives, which we develop continuously, promote the preservation of nutrients in the soil and enhance its capacity to absorb carbon, positively addressing climate change, as well as improving water management and quality, the conservation of local biodiversity and the resilience of local communities. It is worth underscoring:

/ Fostering regenerative practices in cotton growing in India and Pakistan, in collaboration with Organic Cotton Accelerator (OCA).

/ Support for the transition to regenerative practices in India, fostering communities' resilience in collaboration with Action Social Advancement (ASA), the Laudes Foundation, IDH - the Sustainable Trade Initiative and WWF India.

/ Investment through the Regenerative Fund for Nature alongside Conservation International and the Kering Group to implement regenerative approaches in farming communities in Argentina and South Africa.

As a result, in 2024, we reached 135,656 hectares in the process of regeneration or regenerated, 10,942 hectares more than in 2023, through various initiatives carried out globally in our supply chain and other surrounding or related areas.

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12

In 2024 we allocated 6.2 million euros to the implementation of this action, included under Operating Expenses in the Consolidated Income Statement (see *Note 6* to the Consolidated Annual Accounts) and part of the #BRINGYOUROWNBAG (#TRAETUBOLSA) initiative.

ⓘ More information on the initiative #BRINGYOUROWNBAG in section *S3-4. Actions related to communities* of this Report.

Transform: key to protecting biodiversity in the long term

E4-3_15

The transformation of production processes is essential to preserve ecosystems and biodiversity. This is why we support initiatives aimed at driving this transformation, in particular through coordinated and collective action between key agents.

ⓘ More information in the document *Partnerships* available on Inditex's corporate website.

E4-3_10

Our projects to protect biodiversity and ecosystems mainly involve the following stakeholders:

/ **Environment:** we involve organisations that represent it in the design of our strategies and implementation of our actions, especially those focused on having a positive impact on the environment and biodiversity.

/ **Suppliers:** given that our impacts on biodiversity and ecosystems concentrates in our value chain, the commitment of all actors involved is key to attaining our goals. In this regard, we work with our suppliers to incorporate best practices.

/ **Communities:** in keeping with our goal of contributing to the development of a fair and resilient society and a healthy environment underpinning it, our programmes are aimed at preserving and restoring nature while respecting the rights and well-being of local communities.

ⓘ More information in the *MDR-P. Policies* section of this Report.

E4-3_02

Furthermore, no biodiversity offsets have been used in relation to our actions.

Agreements and collaborations

With the aim of promoting the conservation of ecosystems and biodiversity, we work with a number of specialist organisations and coalitions such as Business for Nature, Open Planet Business for Biodiversity (OP2B), LEAF Coalition and The Fashion Pact, among others.

In this regard, it is worth underscoring our adherence to Deforestation-Free Call to Action for Leather, led by Textile Exchange and the Leather Working Group (LWG), which promotes supply chains that only use deforestation-free leather, and the Pack4Good initiative driven by Canopy to transform the procurement of packaging materials.

ⓘ More information in the document *Partnerships* on Inditex's corporate website.

C. Metrics and targets

E4-4. Targets related to biodiversity and ecosystems

E4.MDR-T_01-13

Our commitment to biodiversity and ecosystems is evidenced by our intention of acting to **protect, restore, regenerate or otherwise improve** biodiversity across five million hectares throughout our value chain and beyond.

Other related commitments, such as GHG emission reduction and climate neutrality targets, are also worth highlighting, given the impact of climate change on natural ecosystems. In addition, the responsible management of natural resources allows us to reduce our environmental impact. Consequently, in keeping with our Fibres Plan, we foster the use of lower-impact fibres and materials[18].

We have also set ourselves the target of a 25% reduction in water consumption in our supply chain by 2025, in line with our Water Policy, as we are mindful of how important water is for biodiversity and ecosystems.

ⓘ More information in sections *E1-4. Targets related to climate change*, *E3-3/E3-4. Water consumption and related target* and *E5-3. Targets related to resource use and circular economy* of this Report.

[18] See the *Methodological Annex* for more information on the criteria that fibres and materials must fulfil to be classified as lower-impact.

- **Protect, restore or regenerate five million hectares**

MDR-T_01

Our key commitment in connection with biodiversity and ecosystems is to protect, restore, regenerate, or take other management approaches for the improvement of biodiversity in an area of five million hectares.

This target is linked to our Sustainability Policy and, more specifically, to our Ecosystems and Biodiversity Policy. They both establish our commitment to the protection of ecosystems and biodiversity —in turn aligned with our pledge to contribute to the development of a fair and resilient society and a clean, healthy and sustainable environment that sustains it-.

MDR-T_02;
MDR-T_07;
MDR-T_08;
MDR-T_13

Target: protect, restore or regenerate 5 million hectares by 2030

	Current year	Target year
	2024	2030
Hectares	758,534	5 million

MDR-T_11

To achieve this target, we collaborate with expert organisations such as the World Wide Fund for Nature (WWF) or Conservation International in the various initiatives to regenerate and restore ecosystems detailed in this standard.

MDR-T_10;
E4-4_06;
E4-4_09

This target, along with the actions for achieving it, addresses the protection and improvement of biodiversity and ecosystems, both within and beyond our value chain, as part of the 'Restore & Regenerate' category of SBTN's action framework, adapting the mitigation hierarchy. We defined this target being aware of the impacts of our activity on the environment and our will to positively contribute to its recovery.

E4-4_05

Furthermore, it is in line with the goals of the European Union Biodiversity Strategy for 2030 and the Kunming-Montreal Global Biodiversity Framework.

MDR-T_03;
MDR-T_04;
MDR-T_05;
MDR-T_06;
MDR-T_09;
MDR-T_12;
E4-4_01;
E4-4_02;
E4-4_03;
E4-4_04;
E4-4_07;
E4-4_08

ⓘ More information on the scope, methodology and calculation changes in the year in the *Methodological Annex* of this Report.

E4-5. Metrics related to biodiversity and ecosystems change

E4-5_01;
E4-5_02

As previously mentioned, our materiality assessment identified certain of our own facilities located near biodiversity-sensitive areas. Nevertheless, we have not found any material negative impacts in those areas.

ⓘ More information in section *IRO-1/SBM-3. Material biodiversity and ecosystem-related impacts, risks and opportunities* of this chapter.

E4-5_04

However, we have identified potential impacts related to our value chain. Consequently, at Inditex we are in the process of compiling new information to supplement the measurement of this impact in our reporting for subsequent years, in accordance with the transitional provision in the CSRD, in ESRS 1, section 10.2.

E5. Resource use and circular economy

A. Impact, risk and opportunity management

IRO-1. Material resource use and circular economy-related impacts, risks and opportunities

Identification of Impacts, Risks and Opportunities

E5.IRO-1_01

The analysis of our activity, coupled with the materiality assessment and the views of our stakeholders, has allowed us to compile a list of material impacts, risks and opportunities related to resource use and circular economy.

In the process we have included the assessment of all our activities and those of our value chain, considering the various resource inflows and outflows at each stage, with the aim of identifying all the potential avenues of impact.

To understand the results of the exercise, it is important to take into account two considerations:

/ In general, purchases of raw materials and fabrics is not part of Inditex's own operations. However, we do take part in the selection of the raw materials used to manufacture our articles, as well as in the specifications of their characteristics. Accordingly, when it comes to the use of resources, the associated impacts, risks and opportunities are mainly concentrated on our value chain.

/ Waste management and outflow is generally focused within the scope of waste generated in our own operations.

Consultations with stakeholders

E5.IRO-1_02

Stakeholder dialogue is a key element of our materiality analysis, as detailed previously in this Report. Specifically, in 2024 we involved specialised organisations such as the University of Leeds in our **double materiality assessment.**

As well as in the materiality assessment, during the course of our activity, we also collaborate with specialised organisations that give us valuable knowledge regarding the impacts our activity might have on resource use and circular economy. Among these, we highlight our involvement with standard-bearing organisations in circularity, in terms of both lower-impact fibres and materials (Textile Exchange and Canopy, as well as many others) and packaging (Ellen MacArthur Foundation).

This continuous engagement also allows us to develop new targets and actions linked to the proper management of our impacts, risks and opportunities.

Material Impacts, Risks and Opportunities related to resource use and circular economy

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN[1]	RELATED POLICIES
E5.I1	**Possible impact from the use of conventional raw materials**	I	/ Raw materials	**Transversal policies:** / Sustainability Policy / Sustainability Stakeholder Relations Policy **Specific policies:** / Ecosystems and Biodiversity Policy
E5.I2	**Circularity**	I	/ Value chain	
E5.I3	**Waste generation**	I	/ Own operations / Value chain	
E5.R1	**Transition risks due to the use of resources and the circular economy**	R	/ Extended value chain	
E5.O1	**Opportunity for new business models** (e.g., Zara Pre-Owned)	O	/ Own operations	
E5.O2	**Opportunity to improve efficiency in the consumption of natural resources**	O	/ Own operations	

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.

ⓘ More information on stakeholder engagement and our materiality analysis can in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

E5-1. Policies related to resource use and circular economy

E5.MDR-P_01-06

Resource management is a key element for us. Consequently, our policies are interrelated to guide the adoption of a business model that focuses on the use of lower-impact raw materials as opposed to conventional ones[19], as well as recyclability, durability and repairability, and proper waste management, to reduce the impact on society and the environment.

Policies related to resource use and circular economy

/ Sustainability Policy ⓘ
/ Ecosystems and Biodiversity Policy ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* in this Report.

Towards lower-impact sourcing

E5-1_01;
E5-1_02

Our **Sustainability Policy** enshrines our unwavering commitment to **circularity**, from the design of the products marketed by the Group to considerations relating to their end of life, and improving resource and waste management throughout the value chain. To do this, we apply the waste hierarchy, we seek to ensure that waste is reconverted into a new resource and we move towards the creation of secondary raw materials as the essence of the circular economy to avoid the use of virgin raw materials.

Our **Ecosystems and Biodiversity Policy** further develops those principles, laying the groundwork to promote best practice in the sourcing and use of natural materials, prioritising the use of materials, inputs and products with a lower environmental impact.

This ambition is enshrined in our **Fibres Plan**, which envisages the use of lower-impact textile fibres, as compared to conventional ones, by 2030. To achieve this target, recycled and next-generation fibres play a key role.

[19] More information on the criteria that fibres and materials must fulfil to be classified as lower-impact in the *Methodological Annex* of this Report.

We are therefore committed to the responsible design of our garments and the careful selection of raw materials, which allows us to source materials and textile fibres through lower-impact production systems.

In addition, our Sustainability Policy also includes the obligation that animal products come from animals treated ethically and responsibly, in accordance with the internationally accepted 'Five Freedoms' of animal welfare.

ⓘ More information in section *E5-3. Targets related to resource use and circular economy* of this Report.

E5-2. Actions related to resource use and circular economy

E5.MDR-A_01-12

Our sustainability strategy covers our aim to progress towards a circular economy model that **transforms waste into resources and that promotes lengthening the life of our products**. Not only is circularity a transformative aspect in our Company and industry, but it represents an opportunity to improve our long-term resilience and efficiency. That is why we endeavour to integrate it at every level of our organisation, from design and production processes to managing our stores, logistics and offices.

To achieve this, we are committed to innovation in materials, production processes and the use and end of life of our products. We base this innovation on collaboration with universities, suppliers, startups, companies from different sectors and social organisations.

Indeed, implementing these innovative projects and providing the sector with fibres and processes that have a lower impact than traditional ones is one of the drivers of our circularity strategy.

Initiatives to progress towards a circular economy model

/ Sustainability Innovation Hub

Related IROs: [E5.I1; E5.I2; E5.R1; E5.O2]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05; E5-2_07

In 2024 we continued to work on our Sustainability Innovation Hub (SIH), a centre for innovation launched in 2020 with an action plan through 2030. This hub was designed to **support the adoption and scaling of innovative fibre, material, production process and traceability technologies in the textile and footwear sector**. The aim is to minimise the environmental impact associated with raw materials and production processes in the textile industry.

To achieve this, we join forces with startups, suppliers, academic institutions and technological centres in proposals that are assessed based on their impact on social aspects, circularity, biodiversity and animal welfare, as well as being subjected to a life-cycle environmental analysis. This assessment covers 16 impacts in areas such as emissions, water and land use.

This action is consistent with our Sustainability Policy, which fosters the use of lower-impact raw materials and processes, and with our Fibres Plan target making 25% of our fibre to be Next Gen by 2030. This is one of the milestone to ensure that 100% of our textile fibres are lower-impact[20] by that date.

In 2024 this platform encompass more than **300 emerging companies** working to incorporate new materials, improve production processes and make headway in connection with traceability, packaging and use and end of life. The Hub also conducted the environmental, technical and commercial analysis of more than 20 new startups and completed more than 40 life cycle analyses.

[20] More information on the criteria that fibres and materials must fulfil to be classified as lower-impact in the *Methodological Annex* of this Report.

Featured initiatives

/ Investments in capital:

- **INFINITED FIBER:** startup specialising in the recycling of cellulose materials and creator of Infinna™, a recycled fibre made from cotton-rich textile waste.
- **GALY:** startup that has developed an innovative and unique process to grow cotton in vitro using stem cell multiplication. We also have a Joint Development Agreement to optimise and perfect this technology, strengthening our commitment to innovation in the textile sector.
- **EPOCH:** startup that uses artificial intelligence to design enzymes that allow the recycling of plastic and textile materials. We have also signed a Joint Development Agreement.

This comes alongside the capital investment we already made in Circ, with a technology to enable the recycling of garments made of more than one material.

/ Catalyst for pilot projects and demonstrations:

In 2024, we carried out pilot projects for more than 30 innovations and we have launched a collection with CIRC x Zara, as the first milestone in our ongoing collaboration. Another striking milestone was the purchase of the first 2,000 tonnes of Circulose®, an innovative textile pulp produced from cotton waste recycled using a chemical process.

Lastly, we also have the research programme The Materials by Inditex, designed to put forward disruptive solutions for fibres and materials on an industrial scale, in partnership with the foremost industry leaders such as BASF, YKK, Velcro and Freudenberg, among others. Among the most noteworthy applications of this programme are Loopamid x Zara, an initiative aimed at proving the viability of the first circular jacket, and Haptex x Tempe, the first synthetic leather designed to be circular.

MDR-A_06; MDR-A_07

The financial resources earmarked for these actions are associated with Investment and Opex, which on their own do not imply a material amount. They are included in Financial Investments and Operating Expenses and (see *Note 18* and *Note 6* of the Consolidated Annual Accounts).

/ Cotton Strategy

Related IROs: [E5.I1; E5.R1; E5.O2]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04

One of the goals of our Fibre Plan is to ensure that, by 2030, 25% **of the fibres we use are fibres from organic or regenerative agriculture.**

To make headway in this goal, in 2024 we launched the Cotton Strategy to help establish a supply of cotton that ensures the well-being and resilience of farmers, communities and related ecosystems (financial, ecological and social), by fostering agricultural best practices in connection with regenerative organic cotton. These agricultural best practices affect air and soil health, biodiversity, water and people.

The **main outcomes** by 2030 we are pursuing with this strategy are:

/ Increase the visibility and transparency of cotton growing practices, through solid systems that ensure the integrity and traceability of the certifications.

/ Promote the reduction of environmental impacts, including GHG emissions and adverse effects on water resources and biodiversity, by improving agricultural soil health.

/ Promote the financial resilience of farmers and respect for decent work in the countryside and the community.

/ Improve the training provided to cotton suppliers, fostering more responsible cotton production.

/ Encourage the development of mechanically recycled cotton and its adoption in the supply chain.

MDR-A_05

ⓘ More information on progress in regenerative and organic cotton consumption in section *E5-4. Resource inflows* of this Report.

MDR-A_06;
MDR-A_07

This action was carried out primarily by our people. The financial resources linked to the implementation of these actions are associated with staff costs along with other external expenses deriving from the operations, which separately do not represent a material amount. Both are included in Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

Use, end of life and waste management

/ Zara Pre-Owned

MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_04;
MDR-A_05;
E5-2_05;
E5-2_08

Related IROs: [E5.I2; E5.I3; E5.R1; E5.O1]

At Inditex we want our products to accompany our customers for a long time. This is why we seek to help them extend the life of their garments and to make our products durable, thereby contributing to a circular economy in our value chain, in keeping with the commitment in our Sustainability Policy. With this goal in mind, we are working on actions that offer innovative options and alternatives to maximise the useful life of our products.

One such initiative is Zara Pre-Owned, a platform we launched in 2022 to provide repair services and facilitate customer-to-customer sales and donations. At present, in line with our aim of introducing circularity services in all the key markets by 2025, Zara Pre-Owned is available in Spain, Germany, Austria, Belgium, Croatia, Slovakia, Slovenia, the United States, Finland, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom, offering the following services:

- **Repair** of any used Zara garment from any season. Our customers can request services such as button and zip replacements or seam repairs either online or in the Zara store of their choice. Our aim is to reach all stores in the markets where the service is available.
- **Customer-to-customer sales** so as anyone can buy and sell Zara garments from any season. The space is organised by product category and provides detailed information on each item, including Zara's original information on the garment and current images from the seller.
- **Donation:** customers can request the collection of clothes from their home to be donated to charitable entities. All collected items are delivered to local organisations that sort them for reuse where possible or to be recycled if they have reached the end of their life cycle, supporting the development of projects in local communities, as explained in the next section.

We have also adhered to the Refashion bonus scheme in France. This is an initiative under the French Anti-Waste for a Circular Economy law (*Loi AGEC*) launched through Refashion. Its mission is to encourage French consumers to repair their clothes and shoes, to promote the traceability of brands and to financially support organisations specialising in textile reuse and recycling.

The bonus allows our customers to reduce the repair costs of clothing, promoting sustainability and extending the lifespan of garments. It is financed by an Extended Producer Responsibility fund, which covers between 6 and 25 euros in certified workshops, and Zara is already certified.

MDR-A_06;
MDR-A_07

Zara Pre-Owned is a service hosted in Zara's own website, so the funds linked to its launch were not significant. The financial resources linked to implementing the associated actions are related to staff costs together with other external operational costs, which separately do not represent a material amount. Both are included in Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; E5-2_05; E5-2_08

/ Clothing collection programme

Related IROs: [E5.I2; E5.I3; E5.R1; E5.O2]

The clothing collection programme allows our customers to donate items they no longer use to **more than 91 local community organisations** in the markets where we operate.

This donation is made physically through containers located in our stores and, in certain markets such as Spain and the United Kingdom or cities such as New York and Paris, we have made Zara.com home collection services available to our customers. In Spain we also work with Caritas to enable the donation of garments by means of containers located in the streets of various Spanish cities.

These organisations receive the donated garments and footwear from our facilities. The purpose of this programme is to classify these articles in accordance with the waste hierarchy principle, in line with the commitment set out in our Sustainability Policy. The organisations that receive the donations sort the garments, and those that are in good condition are donated to vulnerable people or resold to fund their social projects. Products that cannot be reused are sent for recycling.

Therefore, the clothing collection programme **aims to mitigate the environmental impact of textile waste**, mainly by promoting reuse and recycling.

MDR-A_05

In 2024, our clothing collection programme recovered a total of 19,484 tonnes of garments and footwear (20,259 tonnes in 2023) that were donated to our partners in their entirety. To foster transparency in connection with these donations, our partners report to us regularly regarding how the articles received are used. In 2024, they informed us that:

/ 57% of all garments were reused via donations to people in vulnerable situations or by reselling to finance community projects.

/ The remaining 43%, which could not be reused due to their characteristics or condition, were sent to recycling projects (mainly downcycling), or, as a last resort, were sent to energy recovery.

MDR-A_06; MDR-A_07

The financial resources earmarked for these actions are associated with staff costs and other external operating expenses, which separately do not represent a material amount. Both are included in Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

/ Supply Chain Environmental Transformation Plan 2024-2027

Related IROs: [E1.I1; E1.I2; E1.R1; E2.I1; E2.I2; E2.R1; E3.I1; E3.I2; E3.R1; E5.I1; E5.I2; E5.I3; E5.R1; E5.O1; E5.O2]

Our Supply Chain Environmental Transformation Plan 2024-2027 also envisages actions linked to the use of resources and circular economy in our supply chain.

Due to its transversal nature, the detailed description of the Plan, as well as the Plan's energy consumption and emission reduction requirements are provided in chapter E1. Climate Change, information on wastewater treatment and chemicals is provided in chapter E2. Pollution and information on water consumption is provided in chapter E3. Water resources. This chapter includes information concerning waste management.

ⓘ More information on other related actions in sections *E1-3. Actions related to climate change*, *E2-2. Actions related to pollution* and *E3-2. Actions related to water resources* of this Report.

- **Waste management**

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04

At Inditex we want to promote optimal waste management, reducing waste generation, and encouraging reuse and recycling, minimising the amount of waste sent to landfill, and fostering the circularity of textile waste.

Factories in our supply chain generate different types of waste, both hazardous and non-hazardous, which must be properly handled, labelled and stored. The proper handling, control and management of hazardous waste is especially important, to avoid leaks that spread hazardous substances to the environment.

Our **Green to Wear (GtW)** standard includes requirements on proper waste management. This means that the waste must be sorted, properly labelled and stored with adequate ventilation and leakage prevention, especially in the case of hazardous waste.

In order to achieve the goal of proper hazardous waste management, the facility must have a contract in force with an authorised waste manager, a properly covered and updated hazardous waste inventory, a record of deliveries to the authorised waste manager, and a separate storage area where waste can be properly managed.

ⓘ More information on other related actions in sections *E1-3. Actions related to climate change*, *E2-2. Actions related to pollution* and *E3-2. Actions related to water resources* of this Report.

Agreements and collaborations

E5-2_07

At Inditex we want to make headway in the use of recycled materials, which are not dependent on the extraction of virgin raw materials and help reduce waste generation. For this reason, we establish collaborations with organisations like Textile Exchange, OCA, Global Fashion Agenda and Fashion for Good in initiatives like the availability of lower-impact raw materials, design geared to recyclability, the assessment of infrastructure necessary to process waste or the development of new forms of textile recycling.

We are part of ReHubs Europe, a non-profit association of relevant companies and organisation in the European textile and footwear value chain. ReHubs works to expand the current capacities for collection, sorting, preparation for recycling and final recycling of textile waste in Europe to an industrial scale. We are also cofounders of the Association for the Management of Textile and Footwear Waste (AGRTC) and, in 2024, we worked, in line with the activities initiated in 2023, to form the voluntary Collective System of Extended Producer Responsibility (EPR) for the textile and footwear waste stream, Re-Viste, which was launched in October 2024. The AGRTC is awaiting a licence for Re-Viste to start operating as a EPR on a voluntary basis during 2025.

ⓘ More information in the document *Partnerships* on Inditex's corporate website.

C. Metrics and targets

E5-3. Targets related to resource use and circular economy

E5.MDR-T_01-13

So as to move towards a more circular business model that encompasses every phase of our activity, we have set ourselves various targets, ranging from the sourcing of raw materials (promoting the use of lower-impact raw materials, in line with our Fibre Plan) right through the use and end of life of our products, by providing circularity services.

These targets are closely related to our Sustainability Policy, in which we are committed to circularity, a core aspect in our progress towards the decarbonisation of our value chain.

- **Fibres Plan: use of lower-environmental-impact fibres**

MDR-T_01

One of the main commitments in terms of resource use is our Fibres Plan, which is aimed at 100% of the textile fibres used in our products by 2030 having a lower environmental impact as compared with conventional fibres.

This target is related to the commitment to prioritising sourcing raw materials, supplies and products that avoid and reduce negative impacts on ecosystems throughout their life cycle, as set out in our Sustainability Policy and Ecosystems and Biodiversity Policy.

MDR-T_02;
MDR-T_07;
MDR-T_08;
MDR-T_13

Target: use 100% lower-impact fibres (preferred fibres) by 2030

	Current year	Target year
	2024	2030
Total percentage of lower-impact fibres	73%	100%
How this is broken down by type of fibre		
/ Use 25% of next-generation fibres that do not yet exist on an industrial scale and that we are helping to develop	0%	25%
/ Use 40% of textile fibres from conventional recycling	39%	40%
/ Use 25% of textile fibres from organic or regenerative agriculture	23%	25%
/ Use 10% of textile fibres from other preferred options in line with the indicators specified by benchmark organisations	10%	10%
What are the short-term targets		
	2024	2025
/ 100% lower-impact polyester by 2025	89%	100%
/ 100% lower-impact linen by 2025	74%	100%

E5-3_01;
E5-3_02;
E5-3_03;
E5-3_04

We aim to encourage the design of products that last over time and can be recycled at the end of their useful life. With this in mind, we train our designers and sales teams in sustainability criteria and foster those materials with a lower-impact on biodiversity, land use, water consumption and greenhouse gas emissions.

Accordingly, our **Fibres Plan** is a cornerstone for improving our impact and advancing our sustainability strategy. Further details of the main lower-impact fibres used in the latest autumn/winter 2024 campaign are provided below, including the third-party standard to which they belong:

Type of fibre		% over total of the type of fibre
Cotton	Organic cotton (OCS/GOTS)	44%
	Cotton in conversion/transition (OCS/GOTS)	8%
	Recycled cotton (RCS/GRS)	17%
Man-made cellulosic fibres	Recycled (RCS/GRS)	0%
	Other third-party standards (Canopy and Changing Markets[(1)]; or FSC)	91%
	MMCF – innovative fibres	2%
	Other third-party standards (Canopy)	1%
Linen	European linen (European Flax certificate)	74%
	Organic linen (OCS/GOTS)	0%
	Recycled linen (RCS/GRS)	0%
Polyester	Recycled polyester (RCS/GRS/Repreve/Eucertplast/Recyclass/ISCC Plus)	89%
	Polyester – innovative fibres	0%

[(1)] Man-made cellulosic fibres that meet the requirements of the Changing Markets Foundation's Roadmap towards responsible viscose & modal fibre manufacturing.

MDR-T_03;
MDR-T_04;
MDR-T_05;
MDR-T_06;
MDR-T_09;
MDR-T_12;
E5-3_13

ⓘ More information on the criteria and the lower-impact fibres considered, along with the scope, methodology and calculation changes in the *Methodological Annex* of this Report.

MDR-T_01;
MDR-T_02;
MDR-T_03;
MDR-T_07;
MDR-T_08;
MDR-T_13

- **Provide circularity services such as Zara Pre-Owned in key markets**

At Inditex, we want to help our customers extend the useful life of their garments, so our target is to provide circularity services such as Zara Pre-Owned in key markets in 2025. With the addition of the United States in 2024, the programme is now under development in 17 markets.

This target is linked to the commitment enshrined in our Sustainability Policy to resource efficiency, in both the products we sell and our headquarters, stores and logistics centres.

MDR-T_04;
MDR-T_05;
MDR-T_06;
MDR-T_09;
MDR-T_12;
MDR-T_13;
E5-3_13

ⓘ More information on the scope and calculation methodology in the *Methodological Annex* of this Report.

E5-3_01;
E5-3_02;
E5-3_03;
E5-3_04;
E5-3_05;;
E5-3_06;
E5-3_07;
E5-3_08;
E5-3_09

By providing circularity services, we foster the reuse of products, extending their useful life through repair, resale between third parties or donation to community organisations. These organisations sort the garments by their condition and quality, allocating them to the best possible purpose, such as donation to people at risk of exclusion or sale in second-hand shops. These organisations also support the implementation of social projects in their markets.

In cases where a product is not reusable, it is recycled, aiming to limit the amount of waste generated and repurposing the raw materials obtained to make new garments. Considering the tiers of the waste hierarchy —Prevent, Reduce, Reuse, Recycle, Recover, Dispose— this target corresponds primarily to 'Reuse' and 'Recycle'.

At present, manufacturing new garments from recycled used clothing is one of the challenges facing the sector. That is why we endeavour to foster textile innovation and the development of used clothing recovery and management systems.

E5-4. Resource inflows

E5-4_01;
E5-4_02;
E5-4_03;
E5-4_04;
E5-4_05

The design of our products and selection of raw materials are factors that shape the impact of our products. Accordingly, a fundamental aspect of our sustainability strategy is the commitment to use lower-impact fibres, enshrined in our Fibres Plan.

ⓘ More information in section *E5-3. Targets related to resource use and circular economy* of this Report.

In 2024, we consumed 678,596 tonnes of raw materials used in our products (645,623 tonnes in 2023), which, by type, were broken down between 88% fibres and 12% non-fibres. With regard to the category of fibres, 53% were natural fibres[21], 37% synthetic[22] and 10% artificial[23].

	2024			2023
	% of total tonnes of raw material	**Raw material**	**% of total tonnes of raw material**	**% of total tonnes of raw material**
Biological raw materials	57%	Cotton	44%	43%
		Man-made cellulosic fibres	8%	8%
		Linen	2%	2%
		Others(1)	3%	– (3)
Technical raw materials	43%	Polyester	26%	26%
		Others(2)	17%	– (3)

(1) This category includes other raw materials like wool, leather, wood and paper, among others.
(2) This category includes other raw materials like polyamides, glass or certain metals, among others.
(3) The breakdown of raw materials into biological and technical materials has been adapted for the current reporting exercise, in accordance with the ESRS. In 2023, the 'other raw materials' category was reported on a consolidated basis and accounted for 21% of total raw materials.

[21] Natural fibres are filaments obtained from natural sources that can be threaded to obtain strands, threads or twine.
[22] Synthetic fibres are made of polymers that are not naturally produced, but fully created in a chemical plant or a laboratory, almost always using petroleum or natural gas by-products.
[23] Man-made fibres are made using a natural component as a raw material that undergoes a number of processes in a chemical plant or a laboratory.

With regard to the use of recycled materials, in 2024, 33% of all fibres and other raw materials used in our products are recycled, coming from both conventional and next-gen recycling of post-consumer waste (18% recycled materials in 2023). These materials are designed to ensure the technical and durability functions required in certain products, thereby contributing to sustainability and reducing the environmental impact in our supply chain.

In addition to the raw materials used directly to make our articles, we also use different materials in the packaging of our products. In 2024 we estimated that 521,448 tonnes materials were used for this purpose (84% organic packaging and 16% technical packaging). Furthermore, we continue to improve our corporate systems to report the recycled content of our packaging with the required detail.

Moreover, manufacturing processes also require other resources, such as chemicals and water, at certain facilities along the supply chain. At Inditex we have a series of policies and standards that determine our action principles on this topic, and that provide guidelines to prevent the emission of harmful substances in the various stages of the value chain and to promote a more efficient use of water.

ⓘ More information on water resources used in sections *E2-1. Policies related to pollution* and *E3-3/E3-4. Water consumption and related target* of this Report.

E5-4_06

The Methodological Annex of this Report contains a detailed description of the methodology employed to calculate the raw materials used in the manufacture and packaging of our products.

ⓘ More information in the *Methodological Annex* of this Report.

E5-5. Resource outflows

E5-5_01;
E5-5_04;
E5-5_06

At Inditex, our aim is to offer our customers an affordable, inspiring, high-quality and responsibly produced fashion proposal.

We also intend to advance towards a **circular economy model** that permeates every level of our business, from the design and production processes to managing our stores, logistics and offices.

As discussed throughout this chapter, we have numerous initiatives in place to promote the use of lower-impact raw materials and to encourage mechanical and next-generation recycling. In section E5-4. Resource inflows, we report the information concerning the raw materials used in our products, as well as the content of recycled materials used in 2024.

ⓘ *More information in sections E5-2. Actions related to resource use and circular economy, E5-4. Resource inflows and in the Methodological Annex of this Report.*

With regard to the percentage of our products that are recyclable, at present there is no standard methodology in the industry to calculate this information on a comparable way. Consequently, we are working with other important players to be able to report this information in the future.

E5-5_02;
E5-5_03

We are also working to address the lack of standardisation of potential methodological frameworks for measuring and defining the durability and repairability of products. We are currently involved, as members of the Technical Secretariat, with other major industry players, in developing the European Commission's ***Product Environmental Footprint*** **(PEF)** , a new, Europe-wide framework to gauge the environmental impact and provide comparable and harmonised information.

E5-5_05

In turn, our commitment to reducing our products impact also includes those items that accompany our items, such as packaging. Accordingly, at Inditex we have chosen to eliminate single-use plastics that reach customers in the packaging containing our products. Our commitment in this sphere implies a continuous effort in innovation to avoid using single-use plastics in new product lines, at our suppliers and in other Group operations.

We also have the **#BRINGYOUROWNBAG** (#TRAETUBOLSA) initiative, aimed at raising our customers' awareness regarding the importance of choosing reusable alternatives, reducing waste and minimising the consumption of raw materials, water and energy. This initiative, currently present in 79 markets, has reduced the number of bags and envelopes handed out in our stores by 48%. The proceeds from charging for bags and envelopes made from recycled paper in our stores and earmarked for environmental projects since 2021 amount to 120.5 million euros. At the end of the financial year, we allocated 67 million euros from those proceeds[24] to projects in 31 countries.

ⓘ More information on the projects to which the proceeds of #BRINGYOUROWNBAG have been donated in section *E4-3. Actions related to biodiversity and ecosystems* of this Report.

In addition, we promote the collection of packaging materials after use for reuse or recycling. With the aim of going one step further, we are rolling out a service allowing our Zara online customers to choose whether they wish to receive their orders in reused boxes. The service is active in various geographic areas in Spain and we are working to expand its scope into new markets forthwith. In this regard, we are working on improving our systems to report greater detail on these aspects, such as the proportion of recyclable items, in future years.

Waste management

E5-5_07;
E5-5_08;
E5-5_09;
E5-5_10;
E5-5_11;
E5-5_12;
E5-5_13;
E5-5_14;
E5-5_15;
E5-5_17

We work on the properly management and separation of the waste generated by our activity. We see this waste as useful resources that can be repurposed or recycled, maximising its value and improving our impact.

This approach is not confined to properly sorting materials for processing and recycling, but includes rethinking our processes to reduce waste generation at every stage: design, logistics, store and end of life.

In this regard, we have 15 TRUE certifications, processed by Green Business Certification Inc. for our headquarters, logistics centres and own factories —nine Platinum and six Gold certifications—. TRUE certification identifies 'environmentally responsible spaces that have achieved 90% or greater overall diversion from landfill or incineration'.

Waste generation at our headquarters, logistics centres and own factories is presented below[25]:

	2024	
Type of waste	**Tonnes**	**%**
Cardboard and paper	38,413	64%
Wood	6,334	11%
Other non-hazardous waste	5,800	10%
Plastic	8,352	14%
Textile waste	1,054	2%
Metal	261	0%
Hazardous waste	55	0%
Total	**60,269**	**100%**

[24] Due to the time lag between charging for the bags and the formulation of initiatives, the amount currently raised exceeds the contribution allocated to projects.

[25] Waste generated in the Group's own stores is not included, as this information is not yet available at the required level of detail in the Company's systems. An estimate of this waste generation is provided below the table. This year we have expanded the scope of waste reported to include waste generated at operationally controlled e-commerce centres. Waste generated in previous years is not reported as it is not comparable, given the impossibility of recalculating the historical data according to this new scope.

The destination of this waste was as follows, according to its treatment:

	2024				
	HAZARDOUS		NON-HAZARDOUS		
	Tonnes	%	Tonnes	%	Total
Diverted from disposal	**51**	**92%**	**54,910**	**91%**	**54,961**
Recycling	18	32%	54,651	91%	54,669
Other waste recovery operations	26	47%	0	0%	26
Preparation for reuse	7	13%	259	0%	266
Directed to disposal	**4**	**8%**	**5,303**	**9%**	**5,308**
Landfilling	3	6%	4,987	8%	4,990
Other disposal operations	0	1%	0	0%	0
Incineration (with energy recovery)	1	2%	316	1%	317
Incineration (without energy recovery)	0	0%	0	0%	0
Total	**55**	**100%**	**60,214**	**100%**	**60,269**

Thus, in 2024, 9% of the waste generated at our headquarters, logistics centres and own factories will have been diverted for operations other than recycling, representing 5,600 tonnes.

We continue to make every effort to ensure the traceability of waste in the most challenging cases, such as in our stores located in shopping centres that combine the management of all waste.

In this connection, we continue to work to integrate in our systems the available information on the volume of waste generated at our stores. Based on the data available at the reporting date, we have estimated that in 2024 around 116,965 tonnes of waste was generated through the Group's own stores.

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The Methodological Annex of this Report contains a detailed description of the methodology employed to calculate the waste generated at our facilities as a result of our activities.

ⓘ More information in the *Methodological Annex* of this Report.

Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

Regulatory context

The Inditex Group is subject to Regulation (EU) 2020/852 on EU Taxonomy (hereinafter 'Taxonomy'), which stipulates a series of obligations with regard to the disclosure of information relating to 'environmentally sustainable' activities. Since 2021, we have been reporting information concerning the Taxonomy in accordance with the applicable regulations, the scope of which has increased since that date with the publication of Delegated Regulation (EU) 2021/2139 (the Climate Delegated Act), Delegated Regulation (EU) 2021/2178 (the Disclosures Delegated Act) and Delegated Regulation (EU) 2023/2486 (the Environmental Delegated Act).

Companies remain exposed to the need to adapt to new requirements and periodically review their internal activities and management systems, due to the continuous development of new legislation and guidelines in the context of the Taxonomy, in order to ensure that the information provided is comprehensive and adequately compliant with the regulation.

In this context, it is confirmed that for now the Group's main activity — the distribution and sale of fashion and household products—is not currently included in the applicable regulatory framework. Nevertheless, there are other activities linked to the Group's business model that are included, as outlined below.

Scope and assessment of Inditex's activities

The scope of the information on Taxonomy includes all the companies over which the Inditex Group has control or joint control (listed in *Annex I* of the Consolidated Annual Accounts). Within this scope, the Group has conducted an analysis of its accounting information in order to determine which activities are associated with those described in the Taxonomy in relation to each of the six targets.

Methodology and results

To assess the contribution to each of the objectives established by the Taxonomy, we applied the following methodology:

1) **Eligibility analysis by type of activity:** analysing the accounting items linked to the three key indicators and how they match the descriptions of the Taxonomy activities included in Annexes I and II of the Climate Delegated Act and I to IV of the Environmental Delegated Act.

2) **Analysis of alignment by activity type:** we assessed, for all the activities considered eligible, compliance with the established criteria:

   - Technical screening criteria for substantial contribution.
   - The criteria of 'Do No Significant Harm' (DNSH) to the rest of environmental objectives.
   - Compliance with minimum social guarantees.

3) **Calculating the indicators and results:** considering the eligible activities aligned with the Taxonomy in accordance with the conclusions drawn from points 1 and 2.

1. Eligibility analysis of the activities carried out by Inditex

As a result of the assessment of its accounting information, eligible activities were identified within the framework of the climate change mitigation (CCM), climate change adaptation (CCA) and circular economy (CE) objectives.

These activities may be encompassed in four main groups according to the activity type considered by Inditex**: store refurbishments and openings, construction and renovation of corporate headquarters, the Group's logistics centres and other own facilities, and generation of electricity from wind and photovoltaic energy.**

The main conclusions of this analysis in connection with the three key indicators (Turnover, CapEx and OpEx) are presented below.

Turnover: Inditex is mainly dedicated to the distribution and sale of fashion items, and this activity is its main source of revenue. Since this activity is not currently included in the Taxonomy, no turnover items have been identified that could be considered eligible.

OpEx: in keeping with the definition of this indicator provided in Taxonomy, the percentage of eligible OpEx of the Inditex Group for 2024 has been considered to be approximately 0%.

CapEx: a core portion of the Group's CapEx corresponds to investments undertaken in relation with store **refurbishments and openings.** However, in most cases these actions are linked to the design and refurbishment of retail spaces, mainly leased premises, which only exceptionally involve the building's envelope or insulation (which is what has the capacity to influence its energy efficiency). This means that only in these exceptional cases are the Group's activities considered to be eligible in accordance with the description of the 'renovation of existing buildings' activity corresponding to the activity codes 7.2. CCM/CCA, for the climate change mitigation and adaptation objective, and 3.2. CE, for the circular economy objective. In this regard, it is worth noting that both activities describe the activity of renovation of existing buildings identically.

Another significant part of CapEx refers to the **construction and refurbishment of the Group's corporate headquarters, logistics centres and other own facilities**. In this case, with regard to the eligibility of the 'acquisition and ownership of buildings' activity corresponding to activity code 7.7. CCM/CCA, for the climate change mitigation and adaptation objectives. Activities with the capacity to influence the energy efficiency of the buildings analysed have been considered to be eligible.

The Company also carries out investments to foster self-consumption through the **generation of electricity using photovoltaic and wind power** at its own facilities. These investments are considered to be eligible in the framework of activity 'electricity generation from wind power' 4.3. CCM/CCA, in connection with both climate change mitigation and adaptation and the 'installation, maintenance and repair of renewable energy technologies', 7.6. CCM/CCA, in connection with mitigation and adaptation.

Furthermore, the Inditex Group undertakes **other eligible investments**. They are related, among others, with the installation, maintenance and repair of energy efficiency equipment in stores, headquarters and logistics centres, software development and data processing, and the implementation and operation of systems that supervise and optimise energy consumption to boost efficiency, which could be considered to be eligible in the framework of activities 7.3. CCM/CCA (installation, maintenance and repair of energy efficiency equipment), 7.5. CCM/CCA (installation, maintenance and repair of instruments and devices used to measure, regulate and control energy efficiency in buildings) and 8.1. CCM/CCA (data processing, hosting and related activities), respectively. However, these activities, which represent a inmaterial proportion of approximately 0% of the Group's CapEx in 2024, would not meet the technical screening criteria and are not therefore Taxonomy-aligned.

Other taxonomic activities in which the Group is investing were also identified. These notably include: Activity 5.3. CE (preparation for re-use of end-of-life products and product components), activity 5.4. CE (sale of second-hand goods) for the circular economy objective. However, these activities, which also represent a inmaterial proportion of approximately 0% of the Group's CapEx in 2024, would not meet the technical screening criteria and are therefore not Taxonomy-aligned.

According to the analysis carried out, the Group considers the following activities to be eligible in 2024 (solely in terms of CapEx):

Type of activity	Taxonomy objectives	Description of the activity	Inditex Group activities
Renovation of existing buildings	Climate change mitigation (7.2. CCM) Climate change adaptation (7.2. CCA) Circular economy (3.2. CE)	Construction and civil engineering works or preparations for such works	Renovation of stores, headquarters and logistics centres when it is possible to upgrade the building envelope
Acquisition and ownership of buildings	Climate change mitigation (7.7. CCM) Climate change adaptation (7.7. CCA)	Buying real estate and exercising ownership of that real estate	Ownership of headquarters, logistics centres and adjacent buildings by the Group and other facilities owned by it, provided there is a possibility of influencing the energy efficiency of the buildings analysed
Electricity generation from wind power	Climate change mitigation (4.3. CCM) Climate change adaptation (4.3. CCA)	Construction or operation of wind-generated electricity facilities	Electricity generation activities in wind power plants
Installation, maintenance and repair of renewable energy technologies	Climate change mitigation (7.6. CCM) Climate change adaptation (7.6. CCA)	Installation, maintenance and repair of renewable energy technologies, on-site	Installation, maintenance and repair of renewable energy technologies at logistics centres provided they are carried out on-site as building technical installations

2. Analysis of the alignment of activities by type of activity

For each of the eligible activities previously described, an assessment was carried out of the technical criteria in the climate change mitigation and adaptation objectives, specifically for CapEx. As a result, it was observed that the Group's activities contribute solely to the mitigation objective. This is because the actions identified in relation to the taxonomic activities mentioned are not carried out with the purpose of being 'adaptation solutions' or 'transition towards a circular economy' in keeping with the requirements for these activities pursuant to the criterion of substantial contribution to these objectives.

Accordingly, below is a detailed breakdown of the analysis of compliance with the technical screening criteria for the specific activities relating to the **climate change mitigation objective (CCM):**

- **Renovation of existing buildings** (activity 7.2. CCM), which is reported as CapEx in accordance with point 1.1.2.2.a) of the Disclosures Delegated Act, explains the assessment of compliance with the technical criteria relating to substantial contribution and DNSH specific to this activity;
- **Acquisition and ownership of buildings** (activity 7.7. CCM), which is reported as CapEx and investment plan in accordance with points 1.1.2.2.a) and 1.1.2.2. b) of the Disclosures Delegated Act, respectively, as well as explaining the assessment of compliance with the technical criteria and DNSH applicable in the first case, and, for the second case, explaining the criteria considered in the investment plan;
- **Electricity generation from wind power** (activity 4.3. CCM), reported via the CapEx Plan, in line with the applicable criteria.
- **Installation, maintenance and repair of renewable energy technologies** (activity 7.6. CCM), which is reported in point 1.1.2.2.a) of the Disclosures Delegated Act, explains the assessment of compliance with the technical criteria relating to substantial contribution and DNSH specific to this activity;
- Analysis of compliance with **DNSH criteria for the climate change adaptation objective and for the minimum social safeguards**, assessed jointly for the various groups of activities.

/ Renovation of existing buildings (Activity 7.2. CCM)

In 2024, several actions related to the comprehensive refurbishment of three of the Group's stores were identified as being aligned with the Taxonomy under activity 7.2. CCM, as explained below:

i. Compliance with the technical screening criteria for substantial contribution
With respect to the substantial contribution to the climate change mitigation objective, through the review of the works technical projects, it was observed that the action identified in this context implies the intervention on the building's facade and, accordingly, on at least 25% of its envelope, in keeping with the Taxonomy's requirements.

ii. Compliance with the technical screening criteria of 'Do No Significant Harm' (DNSH) specific to the activity

- **Climate change adaptation:** no material physical climate-related risks were identified that might affect the performance of the reported activity pursuant to the provisions of Annex A of the Climate Delegated Act. The detailed breakdown of compliance with this technical criterion is provided in the transversal section 'Compliance with the technical screening criterion of Do No Significant Harm (DNSH) to the climate change adaptation objective'.

- **Sustainable use and protection of water and marine resources:** the buildings analysed have been refurbished entirely, including sanitary fittings such as taps, basins and toilets that meet the minimum requirements as regards maximum water flow and maximum flush volume established by the Taxonomy. It is compliant with the technical guidelines followed by the Inditex Group in connection with plumbing and sanitation in the works it undertakes, which include caps on water flows in the plumbing systems of sanitary facilities in line with the Taxonomy's requirements, promoting a more conscious use of water resources.

- **Transition towards a circular economy:** the actions identified are compliant with the requirements of the Taxonomy, including that at least 70% of non-hazardous construction and demolition waste generated in the work should be recovered. This compliance is reflected in the store's Construction and Demolition Waste Management Plan, which includes building practices that support circularity; in addition to the construction waste management certificates, which confirm that 100% of the waste generated is recovered.

- **Prevention and control of pollution:** the construction components and materials used are compliant with the Taxonomy's requirements as per the record of the relevant affidavits and emission test. This includes the requirements linked to substances in Appendix C of the Climate Delegated Act, formaldehyde and volatile organic components (VOCs). In addition, the building complies with the Group's technical guidelines on indoor air quality and noise, which meet the Taxonomy requirements.

/ Acquisition and ownership of buildings (Activity 7.7. CCM)

(a) Investments in corporate headquarters
With regard to investments in headquarters, we continued to invest in the construction of a new corporate building, which will be a part of the complex of buildings that make up the Group's Arteixo headquarters. This action is presented by means of an investment plan, approved by Inditex Management, which details all the measures in place to ensure that these investments match the Taxonomy requirements within the framework of the climate change mitigation objective through activity 7.7.

Compliance with the technical screening criteria by means of the investment plan
With regard to the new corporate building, in accordance with the provisions of the Disclosures Delegated Act, it is possible to present aligned activities by means of the investment plan that evidences that the investment is earmarked for an activity that will be Taxonomy-aligned within a maximum period of five years. Such a plan must meet a series of requirements as per the provisions of the Disclosures Delegated Act and the guidelines in the FAQ documents published in 2022 by the European Commission[26].

The plan concerning the corporate building includes a detailed set of measures —with their related expense, status of progress of implementation dates— that must be carried out to ensure that the action complies with the technical screening criteria of activity 7.7. CCM. More specifically, the document details the measures to be adopted for compliance with the requirements concerning energy efficiency[27], Life Cycle Analysis[28] and the Study of Air Tightness and Thermal Integrity of the Envelope[29] applicable to large non-residential buildings built from 2020 onwards. Meanwhile, the detailed breakdown of compliance with DNSH is provided in the section 'Compliance with the technical screening criterion of Do No Significant Harm (DNSH) to the climate change adaptation objective'.

[26] Commission Notice on the interpretation and implementation of certain legal provisions of the EU Taxonomy Regulation and links to the Sustainable Finance Disclosure Regulation of 19/12/2022, more specifically in the answer to question 26.
[27] Obtaining an Energy Efficiency Certificate showing that primary non-renewable energy consumption is at least 10% below the energy consumption thresholds established for Nearly Zero-Energy Buildings (NZEB); design and calculation of the climate control installation based on the requirements of the Regulation of Thermal Installations in Buildings (RITE); installation of a Building Management System (BMS) to allow the building to be efficiently managed through energy efficiency control and assessment.
[28] Calculation of the average yearly Global Warming Potential (GWP) for a reference study period of 50 years, resulting from the construction in each stage of the building's life cycle and in accordance with EN 15978 Standard.
[29] Performance of an air tightness and thermal integrity study of the building in accordance with EN 13187 and EN 13829 or equivalent standards.

Construction of this project is scheduled for completion in 2025. Once the execution has been completed, the Group undertakes to periodically assess compliance with the relevant technical criteria in this context and to conduct the related adjustments to its calculations and disclosures where necessary.

(b) Investments in logistics centres, Group-owned adjacent buildings and other Group-owned facilities

This year investments were undertaken at logistics centres, adjacent buildings and other Group-owned facilities (corresponding to a new Group-owned factory), that are considered to be aligned with the Taxonomy under activity 7.7. CCM, as explained below:

i. Compliance with the technical screening criteria for substantial contribution

The aforementioned buildings, built after 2020, present non-renewable primary energy consumption of at least 10% below the energy consumption thresholds established for non-residential buildings in accordance with the Basic Document HE, Energy Savings ('DB HE Ahorro de energía').

The centres cover a surface area of more than 5,000m^2 and during their construction were subject to robust and traceable quality control processes. They are efficiently operated through the continuous oversight and assessment of their energy performance as provided in the Taxonomy for this purpose. Moreover, the Life Cycle Analysis report of these buildings states that the Global Warming Potential (GWP) resulting from their construction was calculated at each stage of their life cycle in accordance with the relevant standards. Inditex formally undertakes to disclose this GWP to investors and/or customers who so request.

ii. Compliance with the technical screening criteria of 'Do No Significant Harm' (DNSH) specific to the activity

- **Climate change adaptation:** no material physical climate-related risks were identified that might affect the performance of the reported activity pursuant to the provisions of Annex A of the Climate Delegated Act. The detailed breakdown of compliance with this technical criterion is provided in the transversal section 'Compliance with the technical screening criterion of Do No Significant Harm (DNSH) to the climate change adaptation objective'.

/ Electricity generation from wind power (Activity 4.3. CCM)

With regard to activity 4.3. CCM, one wind-generated electricity project was identified: the Punta Langosteira Outer Port Wind Facility. This project is aimed at achieving self-consumption between the Inditex Arteixo headquarters and the A Coruña Port Authority, and it will enter into operation in early 2027, so it is reported by means of an investment plan.

Compliance with the technical screening criteria by means of the investment plan

As previously explained in connection with the requirements pertaining to the investment plan for the Punta Langosteira Outer Port Wind Facility, measures are envisaged to ensure that the infrastructure is compliant with the technical screening criteria applicable to activity 4.3. CCM. Specifically, the purpose of electricity generation from wind power is included in the Technical Construction Report, which shows that the purpose of this facility is to generate wind power for self-consumption. Furthermore, an Environmental Impact Study is planned as is the compilation of a document outlining the availability of highly durable, recyclable and easily dismantable equipment and parts for the installation, so as to comply with the applicable biodiversity and circular economy DNSHs, respectively. In turn, the detailed breakdown of compliance with DNSH is provided in the section 'Compliance with the technical screening criterion of Do No Significant Harm (DNSH) to the climate change adaptation objective'

Construction of this project is scheduled for completion in 2027. Once the execution has been completed, the Group undertakes to periodically assess compliance with the relevant technical criteria in this context and to conduct the related adjustments to its calculations and disclosures where necessary.

/ Installation, maintenance and repair of renewable energy technologies (Activity 7.6. CCM)

With regard to activity 7.6. CCM, three photovoltaic projects have been identified at our Laracha logistics centres (expansion of existing facility) and Zaragoza. These projects are intended for self-consumption and are expected to come on stream in 2025.

i. Compliance with the technical screening criteria for substantial contribution

With regard to the substantial contribution to the objective of climate change mitigation, by means of review of the facility's technical projects, it was found that the activity consists of the installation, maintenance and repair of solar photovoltaic systems and auxiliary technical equipment on site as technical installations pertaining to these logistics centres.

ii. Compliance with the technical screening criteria of 'Do No Significant Harm' (DNSH) specific to the activity

- **Climate change adaptation:** no material physical climate-related risks were identified that might affect the performance of the reported activity pursuant to the provisions of Annex A of the Climate Delegated Act. The detailed breakdown of compliance with this technical criterion is provided in the transversal section 'Compliance with the technical screening criterion of Do No Significant Harm (DNSH) to the climate change adaptation objective'.

/ Analysis of compliance with the climate change adaptation DNSH and minimum social safeguards

Compliance with the technical screening criteria of 'Do No Significant Harm' (DNSH) to the climate change adaptation objective

The Inditex Group has analysed the potential impacts in connection with climate change risks, both physical and transition risks, using five emissions pathways aligned with the socioeconomic forecasts of the Intergovernmental Panel on Climate Change (IPCC's Shared Socioeconomic Pathways - SSPs), and considering short (0-5 years), medium (5-10 years) and long (more than 10 years) time frames. For physical risks, the Group has considered seven sources of risk that are relevant to Inditex's business. After identifying and assessing the potential impacts deriving from the sources of climate-related risks (including the most significant ones associated with a disruption of operations at key facilities, damages to physical assets or disruptions to the supply of raw materials), no material risks were detected that affect the reported Taxonomy activities. Furthermore, the Group has defined adaptation measures aimed at reducing its exposure to risks, thereby adapting to the consequences of climate change.

ⓘ More information on the assessment of climate-related risks in section *SBM-3. Material impacts, risks and opportunities* of this Report.

Compliance with the criteria for minimum social safeguards

For any economic activity to be considered to be aligned, it must be carried out in accordance with the OECD Guidelines for Multinational Enterprises and the United Nations Guiding Principles on Business and Human Rights.

The Group applies to its operations and business decisions an approach based on the development of due diligence processes, which enables the Group to identify, prevent, mitigate and remedy, if applicable, the impacts on the economy, the environment and people (including those related to human rights). In this regard, the Group's Human Rights Strategy is consistent with the UN Guiding Principles on Business and Human Rights and based on three pillars for integrating the promotion of and respect for human rights throughout the value chain: the Group's Human Rights Policy, due diligence and grievance mechanisms. There are also policies and procedures in connection with competition, anti-corruption, responsible business, conflicts of interest and fiscal responsibility. It is worth highlighting the Code of Conduct, aimed at ensuring a professional, ethical and responsible commitment from the Group and everyone belonging to it in the course of their activities, as a basic element of the business culture.

ⓘ More information in sections *G1. Business conduct* and *GOV-4. Statement on due diligence* of this Report.

3. Calculation of indicators and results

Having assessed the eligibility and alignment of the activities identified, the corresponding indicators (Turnover, CapEx, and OpEx) were calculated for each of them. The process of calculating these key performance indicators involves analysing the Group's consolidated information, excluding intercompany transactions, bearing in mind the adjustments made in the consolidation process, using a single source of information to avoid considering the same item twice, and checking the traceability and accuracy of the information.

These indicators represent the proportion of the Group's turnover, investments in assets and operating expenditure, that adheres to, whether in the form of eligibility or alignment, the requirements outlined in the Taxonomy. To construct the numerators of the three key performance indicators, the corresponding items identified as eligible or aligned as per the Taxonomy are considered. With regard to the denominators:

- **Turnover:** the denominator includes the ordinary revenue in the year. Revenue from Group companies, grants or gifts, among others, are not taken into account. Specifically, the figure is taken from the information on sales turnover reported in Inditex's Consolidated Annual Accounts (*Note 4*).
- **CapEx:** the denominator includes additions to assets, including those derived from business combinations and rights of use. Therefore, the Group considers all additions to property, plant and equipment, intangible assets and rights of use in accordance with IFRS 16. Specifically, the figure is taken from the information on additions reported in Inditex's Consolidated Annual Accounts (*Notes 14, 15 and 16*).
- **OpEx:** the denominator includes the expenses associated with research and development, building renovation measures, short-term leases and maintenance or repairs that ensure the proper functioning of the assets. Specifically, the figure is taken from the information on operational expenses reported in Inditex's Consolidated Annual Accounts (*Note 6*).

The results obtained for each of these key performance indicators are shown below, alongside the respective conclusions.

Turnover

In keeping with the previous information and as in previous years, no items of turnover have been identified that could be considered eligible as per the current Taxonomy framework. This means that the eligible turnover results in 2024 are approximately 0%.

CapEx

The Inditex Group considers eligible items[30] linked to the following investment types within the framework of the mitigation and adaptation objectives:

- **Renovation of existing buildings** (Activity 7.2. CCM)
- **Acquisition and ownership of buildings** (Activity 7.7. CCM)
- **Electricity generation from wind power** (Activity 4.3. CCM)
- **Installation, maintenance and repair of renewable energy technologies** (Activity 7.6. CCM)

The percentage investment in environmentally sustainable activities in 2024 (7.8%) increased with respect to that reported in 2023 (3.4%). The difference between the two results lies mainly in the inclusion of the items linked to the construction of logistics centres.

There are no Taxonomy-eligible activities that are not environmentally sustainable thanks to the Group's efforts to put in place measures to ensure current and future alignment of actions related to the acquisition and ownership of buildings (activity 7.7. CCM) with the Taxonomy's technical criteria.

OpEx

Consistent with the foregoing, the criterion for calculating OpEx is unchanged with respect to the previous year. Consequently, eligible OpEx is observed to be approximately 0% of the Inditex Group's total OpEx in 2024.

[30] As explained, some of the items linked to activities CCM 7.7. and CCM 4.3. through the investment plan are included in the numerator.

Turnover

Economic activities	Code(s) (1)	2024 Turnover	2024 Proportion of Turnover, year 2024	Substantial Contribution Criteria: Climate Change Mitigation	Substantial Contribution Criteria: Climate Change Adaptation	Substantial Contribution Criteria: Water	Substantial Contribution Criteria: Pollution	Substantial Contribution Criteria: Circular Economy	Substantial Contribution Criteria: Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	DNSH criteria ('Does Not Significantly Harm'): Climate Change Adaptation	DNSH criteria ('Does Not Significantly Harm'): Water	DNSH criteria ('Does Not Significantly Harm'): Pollution	DNSH criteria ('Does Not Significantly Harm'): Circular Economy	DNSH criteria ('Does Not Significantly Harm'): Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023	Category enabling activity	Category transitional activity
		M€	%	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0 M€**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
Of which Enabling		0.0 M€	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%	E	
Of which Transitional		0.0 M€	0.0%	0.0%													0.0%		T
A.2 Taxonomy-eligible, but not environmentally sustainable activitles (not Taxonomy-aligned activities)																			
		M€	%	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)										
Turnover of Taxonomy-eligible but not environmentally sustainable activitles (not Taxonomy-aligned activities) (A.2)		**0.0 M€**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)		**0.0 M€**	**0.0%**														**0.0%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		**38,632 M€**	**100%**																
TOTAL		**38,632 M€**	**100%**																

(1) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

— Climate change mitigation: CCM.
— Climate change adaptation: CCA.
— Water and marine resources: WTR.
— Circular economy: CE.
— Pollution prevention and control: PPC.
— Biodiversity and ecosystems: BIO.

(2) Y: yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N: no, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

(3) EL: Taxonomy eligible activity for the relevant objective.
N/EL: Taxonomy non-eligible activity for the relevant objective.

CapEx

Economic activities	Code(s) (1)	2024 CapEx	2024 Proportion of CapEx, year 2024	Substantial Contribution Criteria: Climate Change Mitigation	Substantial Contribution Criteria: Climate Change Adaptation	Substantial Contribution Criteria: Water	Substantial Contribution Criteria: Pollution	Substantial Contribution Criteria: Circular Economy	Substantial Contribution Criteria: Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	DNSH criteria ('Does Not Significantly Harm'): Climate Change Adaptation	DNSH criteria ('Does Not Significantly Harm'): Water	DNSH criteria ('Does Not Significantly Harm'): Pollution	DNSH criteria ('Does Not Significantly Harm'): Circular Economy	DNSH criteria ('Does Not Significantly Harm'): Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year 2023	Category enabling activity	Category transitional activity
		M€	%	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from wind power	CCM 4.3.	2.3 M€	0.04%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.1%		
Renovation of existing buildings	CCM 7.2.	11.6 M€	0.2%	Y	N	N/EL	N/EL	N	N/EL	Y	Y	Y	Y	Y	Y	Y	0.2%		T
Installation, maintenance and repair of renewable energy technologies	CCM 7.6.	1.4 M€	0.03%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Acquisition and ownership of buildings	CCM 7.7.	395.9 M€	7.5%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.1%		
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**411.2 M€**	**7.8%**	**7.8%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**3.4%**		
Of which Enabling (4)		1.4 M€	0.03%	0.03%	0.0%	0.0%	0.0%	0.0%	0.0%	Y	Y	Y	Y	Y	Y	Y	0.0%	E	
Of which Transitional (4)		11.6 M€	0.2%	0.2%						Y	Y	Y	Y	Y	Y	Y	0.2%		T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		M€	%	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)										
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0 M€**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		**411.2 M€**	**7.8%**	**7.8%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**3.4%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		**4,867 M€**	**92.2%**																
TOTAL		**5,278 M€**	**100%**																

(1) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

— Climate change mitigation: CCM.

— Climate change adaptation: CCA.

— Water and marine resources: WTR.

— Circular economy: CE.

— Pollution prevention and control: PPC.

— Biodiversity and ecosystems: BIO.

(2) Y: yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.

N: no, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

(3) EL: Taxonomy eligible activity for the relevant objective.

N/EL: Taxonomy non-eligible activity for the relevant objective.

(4) The criteria for expressing the percentage of enabling and transition activities has been modified. Thus, the denominator used to calculate the percentages corresponds to the total CapEx. The historical data has been recalculated to make the results comparable year on year.

	Proportion of CapEx/ Total CapEx	
Objectives	**Taxonomy-aligned per objective**	**Taxonomy-elegible per objective**
CCM	7.8%	7.8%
CCA	0%	7.8%
WTR	0%	0%
CE	0%	0.2%
PPC	0%	0%
BIO	0%	0%

OpEx

Economic activities	Code(s) (1)	2024 OpEx	2024 Proportion of OpEx, year 2024	Substantial Contribution Criteria: Climate Change Mitigation	Substantial Contribution Criteria: Climate Change Adaptation	Substantial Contribution Criteria: Water	Substantial Contribution Criteria: Pollution	Substantial Contribution Criteria: Circular Economy	Substantial Contribution Criteria: Biodiversity	DNSH criteria ('Does Not Significantly Harm'): Climate Change Mitigation	DNSH criteria ('Does Not Significantly Harm'): Climate Change Adaptation	DNSH criteria ('Does Not Significantly Harm'): Water	DNSH criteria ('Does Not Significantly Harm'): Pollution	DNSH criteria ('Does Not Significantly Harm'): Circular Economy	DNSH criteria ('Does Not Significantly Harm'): Biodiversity	Minimum safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023	Category enabling activity	Category transitional activity
		M€	%	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y; N; N/EL (2)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0.0 M€**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
Of which Enabling		0.0 M€	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%								0.0%	E	
Of which Transitional		0.0 M€	0.0%	0.0%													0.0%		T
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
		M€	%	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)	EL; N/EL (3)										
OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0.0 M€**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**0.0%**		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		**0.0 M€**	**0.0%**														**0.0%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		**1,586 M€**	**100%**																
TOTAL		**1,586 M€**	**100%**																

(1) The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the section number of the activity in the relevant Annex covering the objective, i.e.:

— Climate change mitigation: CCM.

— Climate change adaptation: CCA.

— Water and marine resources: WTR.

— Circular economy: CE.

— Pollution prevention and control: PPC.

— Biodiversity and ecosystems: BIO.

(2) Y: yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.

N: no, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

N/EL: not eligible, Taxonomy non-eligible activity for the relevant environmental objective.

(3) EL: Taxonomy eligible activity for the relevant objective.

N/EL: Taxonomy non-eligible activity for the relevant objective.

Other information related to Taxonomy

Information on nuclear and fossil gas activities in Annex III of Delegated Regulation 2022/1214.

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

6. Social information
[ESRS S]

S1. Own workforce

S2. Workers in the value chain

S3. Affected communities

S4. Consumers and end-users



S1. Own workforce

A. Strategy

SBM-3. Material impacts, risks and opportunities

Our people's talent and contribution are key to Inditex's success. Consequently, we strive to prevent, mitigate and remediate potential negative impacts and their associated risks for our workforce, as well as to drive positive impacts and opportunities.

Material Impacts, Risks and Opportunities related to our people

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN	RELATED POLICIES
S1.I1	**Quality employment**	I	/ Own operations	**Transversal policies:** / Code of Conduct / Human Rights Policy / Sustainability Policy **Specific policies:** / Diversity and Inclusion Policy / Global Anti-Harassment Policy / Occupational Health and Safety Policy / Global Policy on Internal Reporting Channels / Compliance Policy regarding Personal Data Protection and Privacy / Information Security Policy
S1.I2	**Payment of adequate wages**	I	/ Own operations	
S1.I3	**Efficient mechanisms for social dialogue and respect for the rights of freedom of association and collective bargaining**	I	/ Own operations	
S1.I4	**Work-related accidents and occupational diseases**	I	/ Own operations	
S1.I5	**Professional development**	I	/ Own operations	
S1.I6	**Possible impacts on vulnerable groups**	I	/ Own operations	
S1.I7	**Possible loss of personal data**	I	/ Own operations	
S1.R1	**Risks related to human capital**	R	/ Own operations	
S1.O1	**Business development opportunities by attracting and retaining talent**	O	/ Own operations	

ⓘ More information on stakeholder engagement and our materiality assessment in section *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

Scope

S1.SBM-3_01; S1.SBM-3_02

We have analysed the possible positive and negative impacts for our own workforce. In the context of this Report, and pursuant to the ESRS definitions, 'our own workforce' includes both employees and non-employees, hereinafter: 'our teams'.

Employees: personnel who have a direct employment relationship with the Company. Hereinafter referred to as 'our people', 'workforce' or 'employees'. This category includes the following groups, according to their job classification:

/ **Management:** employees in management positions with responsibility for interdisciplinary working groups related to the areas of design, manufacturing, distribution, logistics, stores, technology, sustainability and other general services. It also includes store management.

/ **Supervisor:** employees who are part of interdepartmental and transversal working groups for design, logistics and stores, as well as sustainability, technology and other general services.

/ **Specialist:** employees with an impact through individual contribution related to one of the Group's activities in the areas of design, manufacturing, distribution, logistics, stores, sustainability, technology and other general services.

Non-employees: other professionals who are not our own employees but that carry out activities for the Company (either by providing labour or people provided by employment companies). Hereinafter, 'other professionals' or 'non-employees'

S1.SBM-3_11

Within this scope, we identify the groups at most risk of vulnerability at the workplace and we establish measures for their protection and support. These actions are materialised in policies and best practices to prevent discrimination or harassment of any kind.

Accordingly, we work to integrate people in our teams, comprised of people of different sexes, gender identities and expressions, sexual orientations, races, ethnicities, ages, education, socio-economic status, disabilities or religions.

ⓘ More information in sections *S1-4. Actions related to own workforce* and *S1-9. Diversity metrics* of this Report.

Occurrence and types of impacts

S1.SBM-3_03

The **potential negative impacts** related to our people tend to be systemic at the global and industry level. There are also individual impacts, such as those linked to occupational accidents, cases of harassment, or protection of personal data.

To prevent both kinds of impact and mitigate the possible negative effects deriving from them, we introduce measures like internal diversity and inclusion audits, occupational accident prevention programmes and training initiatives. We also have an active role in social dialogue thanks to our collaboration with **UNI Global Union** (UNI), with whom we have a global agreement that promotes decent work and protects the labour rights of all our workforce.

S1.SBM-3_04

We also aim to generate **positive impacts** on our people. To achieve this, we implement measures to improve their quality of life and well-being, by establishing favourable working conditions, work-life balance measures or adequate wages.

We also develop initiatives focused on quality employment through social dialogue, such as the creation of our Well-being Committees; on promoting equality and inclusion in our people, as in programmes such as Salta and the INCLUYE project; and on ensuring health, safety and well-being in our workplaces.

Lastly, we are concerned about the professional development of our people. We therefore provide practical training, which is mostly given by in-house employees or developed in collaboration with top-level external entities.

ⓘ More information on actions related to our people in section *S1-4. Actions related to own workforce* of this Report.

S1.SBM-3_06

In addition, we have not identified negative impacts linked to the transition plans, nor operations or geographical areas with a significant risk of incidents of forced, compulsory or child labour among our people.

S1.SBM-3_07; S1.SBM-3_08; S1.SBM-3_09; S1.SBM-3_10

ⓘ More information in the 'Just Transition' section of our Climate Transition Plan, available on Inditex's corporate website.

Risks and opportunities

S1.SBM-3_05

Based on the analysis of impacts and dependencies, in particular those linked to the dependence on qualified personnel, we also identify the risks and opportunities associated with our people.

This allows us to work on the prevention and mitigation of risks and their associated negative effects. Part of this effort consists of ensuring favourable working conditions and robust compliance with regulations to minimise the chance of labour disputes. We also establish recruitment and retention strategies to avoid losing talented professionals; we implement communication channels to resolve disputes early on; and we carry out initiatives for the dissemination, prevention and promotion of occupational health, safety and well-being.

Moreover, we see attracting and retaining talent as a key opportunity for our business. Hence, we implement specific talent programmes such as Zara Business Graduates and Zara Boost, as well as training initiatives such as LEAP.

ⓘ More information on our actions related to our people in section *S1-4. Actions related to own workforce* of this Report.

S1.SBM-3_12

These risks and opportunities apply across the board to all our operations and do not correspond more to a specific group of people.

B. Impact, risk and opportunity management

S1-1. Policies related to own workforce

S1.MDR-P_01-06;
S1-1_01;
S1-1_02

We undertake to safeguard the rights of the people who make up Inditex and to foster continuous dialogue so as to take into account their interests. This commitment is structured around different corporate policies, based on respect for human rights; diversity, inclusion and equal opportunities; equal treatment and opportunities with regard to recruitment and promotion; health, safety and well-being; as well as information security and data protection.

Policies related to our people

/ Code of Conduct ⓘ
/ Human Rights Policy ⓘ
/ Diversity and Inclusion Policy ⓘ
/ Global Anti-Harassment Policy ⓘ
/ Occupational Health and Safety Policy ⓘ
/ Compliance Policy regarding Personal Data Protection and Privacy ⓘ
/ Information Security Policy ⓘ
/ Ethics Line Procedure ⓘ
/ Global Policy on Internal Reporting Channels ⓘ
/ Sustainability Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* in this Report.

Our policies are the cornerstone that allow us to:

/ Respect **human and labour rights**, rejecting, among other things, any practice of child labour, forced or compulsory labour and modern slavery.

/ Implement practices to **prevent any form of discrimination** and to promote equal opportunities in access to employment and career advancement. This involves, for example, initiatives for inclusion and accessibility to decent work for people with disabilities, as well as actions to promote the equality of people, regardless of their gender, ethnicity, sexual orientation, or any other characteristic.

/ Work to **improve satisfaction** by providing quality employment, promoting job stability, with guarantees of fair working hours, work-life balance and flexible working, as well as the payment of an adequate wage.

/ Look after the **well-being** of our teams with health and safety measures.

/ Establish effective mechanisms for **social dialogue**, encouraging collective bargaining and freedom of association.

/ Develop tools to ensure the **protection and safeguarding** of information on personal data and the privacy of our teams.

S1-1_03; S1-1_04

Respect for and promotion of the human, labour and non-labour rights of our teams is included in our Sustainability Policy and further developed in the Human Rights Policy. Hence, the Human Rights Policy, which is binding on our employees and on all those who have a relationship with the Group, enshrines Inditex's commitment to the values that these frameworks represent. For prioritisation purposes, the Policy also identifies the rights most directly connected with our main activities and the stakeholders we interact with.

The Code of Conduct, along with other internal regulations, also reflects this projection, as we strive to ensure it is upheld and fostered among our teams, with an emphasis on collaboration and respectful communication among people, both internally and externally, in line with our Diversity and Inclusion Policy.

In addition, we complement our commitment to the Global Framework Agreement with UNI Global Union for the respect and promotion of decent work and labour rights, which encourages best practices in labour relations.

S1-1_08

Our Human Rights Policy, in line with all other corporate policies, including our Sustainability Policy, expressly prohibits forced and child labour. Furthermore, we do not tolerate any form of modern slavery or human trafficking in our organisation or in our supply chain.

This rejection of any form of forced or compulsory labour is also reflected in our Code of Conduct, which details the minimum age of employment, in line with the prohibition of child labour. In this way, we ensure that we do not employ anyone under the age of 16, unless not doing so would be in breach of applicable local regulations.

ⓘ More information on the Human Rights Policy in section *MDR-P. Policies* of this Report.

S1-1_07

The commitment to respect and promote human rights in both the Group's activities and in the communities in which we operate is aligned with international benchmark principles, such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct.

S1-1_05

To ensure that our policies are known and effective, we promote **continuous dialogue** with our teams, using tools such as the Agreement with UNI Global Union, communication with the trade unions, application of our Code of Conduct, implementation of training measures, and the provision of guaranteed communication and consultation channels such as the Ethics Line. This allows us to advance in our commitment to respect and promote decent work and the labour rights of our people.

MDR-P_01; MDR-P_02; MDR-P_03; MDR-P_04; MDR-P_05

Diversity inclusion and equal opportunities

As part of our commitment to respect human rights, our regulations also include policies related to the **promotion of diversity and inclusion**, and **zero tolerance of any kind of discrimination or harassment**. These policies also embody our principles regarding training, in order to guarantee **equal opportunities and professional growth** within the Company.

Diversity and Inclusion Policy

Approved by the Board of Directors on 12 December 2017 and partially amended on 14 December 2020

Key contents	/ Promotion of diverse teams and a culture of equality, inclusion and respect, based on multiculturalism and gender diversity, gender identity and expression, race, ethnicity, age, education, socio-economic class, disability, religion, sexual orientation, etc.
Scope	/ The entire Group (companies and individuals) / We promote its application to all related natural and legal person (workers in the supply chain, customers, suppliers, contractors and those who participate in selection processes)
Accountable for the implementation	/ People department and its chief officer
Third-party standards	/ GEEIS (Gender Equality European & International Standard) and GEEIS Diversity certifications / UN Standards of Conduct for Business against LGBTQI+ discrimination at a global level
Consideration given to stakeholders	/ Engagement with our people through affinity groups, worker representatives, or through the figure of Diversity Champions

Global Anti-Harassment Policy

Approved by the Board of Directors on 15 March 2022 and updated on 7 November 2023

Key contents	/ Commitment to the prevention of harassment of any type or form / Prohibition of any kind of physical, sexual, psychological or verbal harassment or abuse to any member of our workforce, as well as any conduct that might create an intimidating, offensive or hostile work
Scope	/ The entire Group (companies and individuals), both in their relationship with other members of the Group and with any other stakeholder / People who provide services or collaborate with the Group (including the Board of Directors)
Accountable for the implementation	/ People department and its chief officer
Third-party standards	/ Convention No. 190 and Recommendation No. 206 of the ILO on violence and harassment
Consideration given to stakeholders	/ We involve workers' representatives in the advancements made in both the Policy and the Code of Conduct / Involvement through social dialogue, in the implementation of protocols against sexual harassment in the Equality Plans with trade union representatives in Spain

S1-1_10; S1-1_11

Zero tolerance approach to discrimination

We are committed to a **zero-tolerance policy towards any kind of discrimination**, and we undertake to drive diversity through a culture of inclusion, equality and respect.

This commitment is established on the basis of our Human Rights Policy, and is made effective through the application of the **Anti-Harassment Policy** and the **Diversity and Inclusion** Policy, as well as the Code of Conduct, which must be complied with by all our people.

This prohibits discrimination at all levels of the Company on the grounds of race, ethnic origin, disability, illness, religion, marital status, sexual orientation, political opinion, age, nationality, sex, gender identity and expression or for any other reason.

S1-1_12

We also recognise that people are unique in our differences and similarities. In keeping with our slogan 'We Design Opportunities for All', our Diversity and Inclusion Policy is the foundation on which to build protection and equal opportunities initiatives for especially vulnerable groups in connection with human rights.

These notably include those focused on socio-ethnic inclusion, inclusion of LGBTQI+ people and disability inclusion. Programmes such as SALTA and INCLUYE, which promote the employability and socio-labour inclusion of people who face socio-economic or educational barriers or obstacles because of a disability, are examples of this commitment.

The Policy also fosters equal treatment and opportunities for women and men in the workplace.

ⓘ More information on the *SALTA* programme in section *S1-4. Actions related to own workforce* and on the diversity target in section *S1-5/S1-12. Persons with disabilities and related target* of this Report.

S1-1_18

Moreover, one of our priorities is to comply with the principles of universal accessibility, especially for our workforce and customers who may have any kind of disability. That is why we adapt our workplace for people with disabilities or mobility issues.

S1-1_13

To apply our Policy, we develop procedures and implement training initiatives and programmes, driven by the Diversity and Inclusion department. This department is part of the Culture and Values team and is led by the person designated as **Global Diversity & Inclusion Officer**, who coordinates an international team. Among other functions, this team supports the **Diversity Champions**, who are responsible for this area in their markets, retail concepts and workplaces. In addition, to ensure transparency and independence, we have our Ethics Line.

S1-1_16

Our commitment to **diversity and inclusion** is also driven by the Board of Directors. This body adopts measures aimed at promoting diversity and avoiding discrimination of any kind, particularly on grounds of gender, when appointing members of the Board or Senior Management. The People department management defines and implements the strategies and measures to comply with the general principles set out in the Diversity and Inclusion Policy.

Equal treatment and opportunities with regard to the recruitment, training and promotion of people

S1-1_15

The Diversity and Inclusion Policy is also applicable to recruitment and selection, pay and benefits, promotions, transfers, career development and training, demotions, dismissals and other disciplinary measures.

We therefore promote initiatives to optimise individual and collective performance and spaces for the integral development of people, in keeping with a practical and adapted training model. Most training actions are led by in-house professionals, occasionally supplemented by renowned external entities.

S1-1_20;
S1-1_22

The corporate learning platform **Tra!n** is the core of our educational offering, providing an extensive catalogue of customised digital content. This tool facilitates the management of and participation in in-person training, covering strategic topics such as 'Fashion and product', 'Sustainability', 'Customer experience', 'Operations', 'Skills' and 'Digital'.

Tra!n is available in all markets where we operate, with the exception of Mainland China, which instead uses Grow, a local platform that offers training aligned with Tra!n standards and targets. This multinational approach ensures homogeneous access to development opportunities, adapted to each geography. It also helps us to offer a wide range of customised digital content, facilitating the registration of online and in-person training courses.

In addition to advancing training, we foster internal promotion and mobility so that our people can evolve.

ⓘ More information on training in sections *S1-4. Actions related to own workforce* and *S1-13. Training and skills development metrics* of this Report.

Awareness

S1-1_17

Training our people in diversity and inclusion is essential to create an inclusive culture and make spaces free of any kind of discrimination. In 2024, 98,749 people from all over the world accessed training on diversity and inclusion in this connection.

In 2023 we launched the **Diversity and Inclusion Channel**, a specific training channel. It covers mandatory training on diversity, equity and inclusion, including the basics of our Diversity and Inclusion Policy. Furthermore, in 2024 we added training on disability inclusion at the global level and another on inclusive language in Spanish-speaking countries. In total, 74,064 people, including 7,120 team supervisors or management, that have taken at least one of these courses.

Our catalogue of mandatory training also includes training on the Global Anti-Harassment Policy and specific content on diversity and inclusion for people in leadership positions. For example, the company's senior management programme developed in collaboration with IE Business School, in which 113 executives attended training in 2024, includes a specific module on inclusive leadership and the promotion of inclusive and equitable work environments, led by the Global Diversity & Inclusion Officer.

Health, safety and well-being

As part of our unwavering commitment to people's health, safety and well-being, we apply international standards and focus on measures to identify and mitigate risks, foster a culture of safety, training and skill-building, along with health and well-being programmes, among other initiatives.

Occupational Health and Safety Policy

Approved by the Board of Directors on 10 September 2019 and updated on 13 December 2022

Key contents	/ Commitment to and continuous improvement of workplace well-being, health and safety / Effective management of workplace accidents and occupational illnesses / Foundation for our occupational health and safety management systems
Scope	/ The entire Group (companies and individuals)
Accountable for the implementation	/ People department and its chief officer
Third-party standards	/ ISO 45001
Consideration given to stakeholders	/ Involvement through occupational health and safety training and management plans, with the participation of stakeholders

S1-1_09

In addition to the Occupational Health and Safety Policy, we have an occupational health and safety management system, certified to ISO 45001 standard. This system optimises the monitoring of safety conditions in the workplace to reduce incidents and aims to increase workers' participation in health-promoting activities, including emergency and first aid training.

Information security and data protection

Data protection and privacy, in particular in respect of our people and customers, is of paramount importance for Inditex. Accordingly, the following policies reflect best practices in connection with information security:

/ **Compliance Policy regarding Personal Data Protection and Privacy:** in line with our Code of Conduct, it sets out our mission to respect privacy and protect personal data, in particular with respect to the risk of data loss as a result of cybersecurity vulnerabilities.

/ **Information Security Policy:** it ensures the protection of information, regardless of how it is communicated, shared, projected or stored. This protection covers both the information inside the Group and the information shared with third parties.

ⓘ More information in section *S4-1. Policies related to consumers* of this Report.

Grievance mechanisms

S1-1_06;
S1-1_21

Grievance mechanisms are key to help identify potential negative impacts and develop plans for their prevention, mitigation and remediation, while tackling any associated risks at the same time. The **Ethics Line** is available to our people as an effective and accessible **communication channel** to confidentially communicate their queries and/or doubts regarding the interpretation of our policies, or breaches and other non-compliances relating to the legal system, our Codes of Conduct or any other internal regulations.

ⓘ More information on how the Ethics Line works in section *G1-1. Corporate culture and business conduct* of this Report.

Communication of policies

S1-1_14

All our policies can be found on the Group's intranet and corporate website and are available in a wide range of languages to provide access to any stakeholder, whether internal or external.

Furthermore, to ensure that all our teams are aware of corporate policies and their updates, we make use of training and monitoring plans, as well as other internal communication initiatives.

ⓘ More information in section *G1-3. Prevention and detection of corruption and bribery* of this Report.

S1-2. Processes for engaging with own workforce

S1-2_01; S1-2_02

At Inditex we believe that it is essential **to listen to and involve** our people to correctly manage the actual and potential impacts on them. That is why we have relationship and dialogue mechanisms that help us to ensure that their perspectives are heard and incorporated into our decision making. These include:

/ Social dialogue mechanisms

Our commitment to the right of participation is regulated by the Code of Conduct. In its section on adequate working conditions, we guarantee the right of all workers to join, associate with and/or create the trade union of their choice, as well as the right to collective bargaining. The Code also encompasses respect for employees' right to have trade unions and workers' representatives represent them and negotiate their working conditions collectively.

In turn, we also have an active role in social dialogue through our relationship with UNI Global Union and the constitution of the Company's European Works Council (EWC), a body for assurance and effectiveness of information and consultation of workers on transnational issues. The section on 'Agreements with our people' contains more details on these mechanisms.

/ Internal communication with our people

INET, our main internal communication channel is a tool that allows us to connect with our people and enhance their engagement. We also have **internal communication spaces for each brand**, which connect all our stores, and we are making progress in the deployment of our internal social network **InStories.**

In addition, to ascertain our people's perception of their experience at the Company, we developed '**Your opinion matters to us**', an anonymous survey that we send to store employees when they leave Inditex. Launched in 2016 and available in all our markets with own stores, it allows us to learn their opinion on aspects such as the relationship with other members of their team or managers, their training, salary or how well their working hours suit their availability.

Over the course of 2024, we received around 22,000 responses. In addition, the question 'Would you recommend Inditex as a place to work?' is used to measure our people engagement. In 2024, this question obtained an average of 74% positive responses (71% in 2023), obtaining 97% positive responses in Spain (93% in 2023).

/ Ethics Committee

The Ethics Committee is the internal body in charge of managing the Ethics Line, our main internal grievance mechanism. Thanks to its work, we can gather all information related to possible breaches of our Code of Conduct, as well as any concerns or violations of our people's rights. This information is crucial to identify potential negative impacts on our people and other professionals.

ⓘ More information on the Ethics Committee and the Ethics Line in section *G1-1. Corporate culture and business conduct* of this Report.

/ People department

This team, present in each of the markets where we have own workforce, is the first contact point for our people, ensuring an ongoing and direct relationship with those who work in the Group.

S1-2_03; S1-2_14

Accordingly, our strategy for relationships with our people includes **constant communication** through tools such as the Agreement with UNI Global Union, the European Works Council (EWC), in-house training and promotion and internal communications. We also carry out one-off communications such as those linked to cases received via the Ethics Line.

Furthermore, we train the people responsible for these dialogue processes internally to ensure that we have functional mechanisms in place and that the relationship and dialogue processes with our people and/or the organisations representing their interests are conducted from a position of respect and protection of human rights.

By using these tools, we can involve our people in managing impacts, factoring their views into the development and evaluation phases of impact prevention and mitigation strategies.

S1-2_04

Responsibility for relationships with our people lies with the Inditex Group's Chief People Officer, except for the Ethics Line, which is outside the realm of responsibility of that role.

Agreements with our people

S1-2_05

Inditex plays an active part in the social dialogue through its relationship with **UNI Global Union** (UNI). In 2009, Inditex and UNI signed a Global Agreement for the respect and promotion of decent work and labour rights, which covers 100% of the Group's workforce and was renewed in 2024 to mark the 15th anniversary. UNI is a network of trade unions in the trade and retail sector which represents more than 20 million workers across 150 countries.

The Agreement, applicable to the entire Group workforce and whose principles will be applicable to franchises, subcontractors and suppliers of services, sets out the minimum rights and respect for statutory, contractual or collective agreement provisions that confer higher rights, in matters such as working hours or the protection of a safe, healthy and sustainable working environment, and promotion of best practices for occupational health and safety with the appropriate equipment and training.

This Agreement with UNI refers to a number of issues governed pursuant to the principles established by the ILO:

- **Freedom of association and the right to collective:** bargaining: specific mention is made to the application of ILO Conventions No. 87 and 98, stating that 'Inditex recognises the right of trade unions to represent workers and to regulate through collective bargaining the terms and conditions of their employment'.
- **Freedom to join any trade union:** in addition to guaranteeing this freedom, non-discrimination due to membership is also guaranteed.
- **Wage:** when setting the wages of the people working for the Inditex Group, in addition to the provisions of international labour standards and those arising from national legislation and collective bargaining agreements, Inditex shall also take into account the definition of the minimum living wage, as endorsed by the ILO Governing Body in session on 13 March 2024.
- **Working hours:** Inditex undertakes to comply with the requirements set by national law and national collective bargaining agreements (ILO Conventions No. 1 and 47 and Recommendation No. 116) on working hours.

Furthermore, since 2015 we have an agreement in place with UNI, the US trade union United Food and Commercial Workers International Union (UFCW) and Zara USA, which led to the approval of a collective agreement for the US stores.

In **Spain**, a significant agreement on working conditions for store staff was also reached: the State Collective Agreement for the Improvement and Standardisation of the Remuneration and Social Conditions of the Employees, signed in 2023 by the leading trade unions and the Group's brands.

In turn, on 10 July 2024, an agreement was reached with the Federation of Services of the trade union *Comisiones Obreras*, applicable to the store employees of the retail concepts, concerning the management of the experience of senior staff in matters relating to the guarantee of continuity and reduction of working hours due to age. Its most relevant aspects are: minimum guarantee of continuity after 8 years in the Company; loyalty bonus after 20 and 25 years; and reduction of working hours from 2025 onwards upon turning 55 for those with at least 10 years of seniority.

Moreover, since 2023, the Group has a **Equality Plan** in Spain. The key aspect of this Plan is that it encompasses all retail concepts and central services, thus unifying the provisions under previous plans. This Plan coexists with the equality plans already in place at all our logistics centres and factories and has the following aim:

- To guarantee the **principle of equal treatment**, applying the gender perspective in terms of access, job performance and professional development at all levels and at all stages of the professional career.
- To apply the **gender perspective** to all areas, consolidating an environment that fosters the co-responsible exercise of the rights to a personal, family and work-life balance and avoiding any type of discrimination or unfavourable treatment related to pregnancy, maternity and breastfeeding.
- To continue to guarantee **equal pay** for equal work.
- To promote an **equality culture** within the company through the dissemination of the values of gender equality and non-discrimination of any person.
- To consolidate an **inclusive, non-sexist and non-discriminatory** internal and external communication, disseminating an image of the company in which there is respect for women and men and for equal opportunities.
- To **prevent and penalise** sexual or gender-based harassment.

ⓘ More information on the measures established in terms of work-life balance after the signing of the Group's Equality Plan in Spain in section *S1-15. Work-life balance metrics* of this Report.

S1-2_06; S1-2_15

With regard to the assessment of the existing mechanisms for social relations and dialogue, proof of their effectiveness can be seen in the reaching of agreements with our workforce that are beneficial to both parties. Along these lines, in 2019 we set up the **Company's European Works Council (EWC)**, a body for assurance and effectiveness of information and consultation of workers on transnational issues.

To preserve the health of social dialogue at the local level at Inditex subsidiaries, training is provided to our People and store managers areas concerning trade union rights and cooperation with our workforce's legal representatives. Thus, the works councils and management of our subsidiaries meet periodically to inform, consult and listen to the union representatives and reach agreements to improve people's working conditions and quality of life.

For example, in 2024, the **Mexico** subsidiary reached an agreement to sign a collective work contract with the Justo Sierra trade union, which must be approved at each store, with the aim of regulating relations between the workforce and the Company. In the **United States**, the renegotiation of the agreements is yielding benefits such as guaranteed wage increase based on seniority; extended leave for illness or the death of a family member; union leave with reinstatement for New York and New Jersey trade unions; and the reimbursement of parking expenses for people who cannot access free parking facilities or public transport.

Moreover, to improve work-life balance, additional rest measures were approved for full-time and part-time employees in the United States. Additionally, in **France**, a new seniority bonus for 25 years with the Company has been agreed with the representative trade unions.

Communication with our people

S1-2_11; S1-2_12

We are mindful that, to achieve quality communication with our workforce, we must overcome barriers such as cultural differences or language. Consequently, among other measures, we have initiatives, including cultural actions with adapted content and initiatives, and we rely on our People team to maintain personal and direct dialogue.

Our people also have access to INET, our main internal communication channel. Available in website and app format and in as many as 23 languages. This tool allows us to communicate Group news in real time, simplify and digitalise the day-to-day processes of our people or strengthen connections between our employees.

Plus, **our brand-specific channels** —Dear Team for Zara, MD Journal for Massimo Dutti, Oysho News for Oysho, #tengoalgoquecontarte for Zara Home and Stradi People for Stradivarius— adapt commercial messages to the identity of each brand and the particularities of each market. This allows team managers to enrich their meetings with updated and relevant content. We have also customised one of our key internal channels —**Dear Team**— creating a space exclusively for sales reps. This approach responds to the need to provide job-specific content that facilitates access to information and decision-making.

In 2024 we continued to roll out **InStories**, our internal social network, in four new markets: Switzerland; Hong Kong SAR; Taiwan, China; and Macao SAR, reaching a total of 37 markets. This tool allows us to meet people in the Group from anywhere in the world through photos and videos, follow our *hashtags* and take part in challenges and campaigns.

Communication with our people: vulnerable groups

S1-2_07

At Inditex we work to ensure that people at risk or in vulnerable situations have **access to equal opportunities** and work in a **safe environment free from discrimination**. Accordingly, under our Diversity and Inclusion strategy, we see it as important to actively listen to our people, especially groups potentially vulnerable to impacts or at greater risk, such as migrants, groups at risk or in a situation of social exclusion, people with disabilities or members of the LGBTQI+ community.

In 2024, we have made a concerted effort to promote the participation of people from these groups in internal and external communication materials, where they have shared their testimonies in videos, articles, and posts on corporate social networks. Our **Voices of Pride** capaigns, which give a voice to four people from the LGBTQI+ community in Spain, Brazil, the Netherlands and Germany, and **Voices of Inclusion**, featuring five people with disabilities from our workforce in Portugal, the United Kingdom, Greece, South Korea and Brazil, are a reflection of this commitment to empowering and giving a voice to people who may face obstacles to professional development and full social inclusion.

Likewise, our socio-labour inclusion programmes such as SALTA and INCLUYE are designed to receive the perspective of our people, and incorporate monitoring and support tools, such as mentoring and tutoring, which are provided by both internal staff and external partners, as well as dialogue sessions.

S1-2_10

In this context, we work with expert organisations to accompany the participants in our initiatives. These organisations also share their views to help us to improve our programmes. Thus, we collaborate with global and regional organisations that focus on fighting against discrimination and promoting equality in all areas: racial, gender, sexual orientation, gender identity, disability, etc. Foundations such as the European Network Against Racism (ENAR) in Europe and The Legal Defense Fund (LDF) in the United States advocate for the development of campaigns and programmes to raise awareness about racism and discrimination

ⓘ More information on related actions in section *S1-4. Actions related to own workforce* of this Report.

S1-3. Processes to remediate negative impacts and channels for own workers to raise concerns

Processes to remediate negative impacts

S1-3_01

We identify our potential and actual negative impacts not only to prevent them, but also to mitigate and remedy their effects, should they occur. Our actions therefore seek to minimise the potential negative impact of our activities.

This is reflected in our relationship with our teams, to whom we apply special protection. We do this by developing human rights due diligence processes and activating grievance mechanisms that enable us to identify negative impacts affecting our workforce and act accordingly.

ⓘ More information in section *GOV-4. Statement on due diligence* of this Report.

Main communication and grievance mechanisms

S1-3_02;
S1-3_04;
S1-3_05;
S1-3_06;
S1-3_07;
S1-3_09

All our teams have access to the **Ethics Line**, as do all our stakeholders. The procedure for handling the concerns and reports received through the Ethics Line and ensuring the channel's efficacy is the same as for those received from other stakeholders and is outlined in the relevant chapter of this Report.

S1-3_03

They may also use third-party reporting channels that have been appointed by the relevant authorities, including the institutions, bodies and agencies of the European Union.

S1-3_08

In order to ensure that everyone in our workforce are aware of our Ethics Line, in addition to including information and facilitating access to it via INET and our website, we carry out training, awareness and communication activities that are key to building and strengthening our corporate ethical culture. This training, included in the Compliance Training Plan, is adapted to the risk profile of the different groups of employees that form part of the Inditex Group.

In 2024, we also carried out awareness and communication initiatives for those working in stores and subsidiary offices. An example of this is the use of specific signage announcing the existence of the Ethics Line in rest areas and common spaces.

ⓘ More information on how the Ethics Line works, including monitoring, control and assurance of its effectiveness, in section *G1-1. Corporate culture and business conduct* of this Report and on compliance training, awareness and sensitisation in section *G1-3. Prevention and detection of corruption and bribery* of this Report.

S1-4. Actions related to own workforce

S1-4_01;
S1-4_02;
S1-4_05;
S1-4_08;
S1-4_09;
S1-4_10

In terms of **prevention and mitigation** of our negative impacts, we focus our efforts on guaranteeing equal pay and preventing the gender gap in our people, minimising the risk of accidents and occupational diseases, ensuring protection against situations of harassment at work, the demotivation of our workforce due to a lack of training and the problems arising from the loss of data.

To influence these issues, we carry out various actions, including promoting internal audits focused on diversity and inclusion, developing our Equality Plan in Spain, implementing measures to prevent accidents and our many training initiatives.

We also protect human rights and prevent their infringement, and specifically we establish prevention measures to banish child or forced labour, among others.

Our actions are designed to manage our impacts, risks and opportunities, both potential and actual. Where the impact has already occurred, we apply actions from a dual perspective of remedying the negative effect and preventing its recurrence.

This is the case with health, safety and well-being initiatives for our workforce, which seek to act in occupational accidents and diseases, or with initiatives related to the management and prevention of workplace harassment.

S1-4_06

With regard to risk prevention and mitigation, we promote a favourable workplace and strictly comply with labour regulations, thereby reducing the risk of labour disputes. We also develop strategies to attract and retain talent, and implement effective communication channels to facilitate early resolution of potential discrepancies. We are also working on measures for outreach, prevention and promotion of occupational health, safety and well-being.

S1-4_03

In addition to preventing and mitigating any negative impacts deriving from our activity, at Inditex we are committed to **maximising the positive impact** that we can pass on to our teams.

In order to do so, we carry out initiatives that allow us to have a positive impact on our people. Among them, we would like to highlight our efforts to guarantee diversity, equality and inclusion in our Company, such as our Salta programme, for the employment of vulnerable groups; the INCLUYE project, for the inclusion of people with disabilities; and the Woman in Tech and Technovation Girls initiatives, focused on empowering women and girls and showcasing female talent in tech and entrepreneurship.

S1-4_07

As an opportunity, we identify the **attraction and retention of talent** as a key factor in driving the development of our business. We therefore carry out strategic actions, such as our specialised talent programmes Zara Business Graduates and Zara Boost, and training initiatives such as LEAP, etc.

S1-4_04;
S1-4_12

It is important to note that we follow up each of our actions and their outputs. This means that we can prolong initiatives that generate a real positive impact and eliminate or improve on those that do not obtain the expected performance.

Through this monitoring, we see continued progress in the relationship with our workforce, in the form of year-on-year growth in participation, as in the case of actions linked to health, safety and well-being or training initiatives. Our actions also allow us to contribute to our targets and commitments in relation to our people. A clear example is the effectiveness of our disability inclusion initiatives, which has enabled us to reach our recruitment target in 2024.

ⓘ More information in section *S1-5/S1-12. Persons with disabilities and related target* of this Report.

S1-4_18

We also design our actions in consideration of the UN Sustainable Development Goals (SDGs). Through our workforce-related initiatives, we contributed to the following SDGs in 2024:



Diversity and inclusion

Our people are at the heart of our commitment to diversity and inclusion, which is why we have developed a strategy based on the following four global pillars:



/ Gender equality **/ LGBTQI+ inclusion** **/ Socio-ethnic inclusion** **/ Disability inclusion**

S1.MDR-A_01-12

/ Key action for gender equality: promoting STEM talent

Related IROs: [S1.I1; S1.I2; S1.I3; S1.I5; S1.I6; S1.R1; S1.O1]

MDR-A_01; MDR-A_02; MDR-A_03, MDR-A_04; MDR-A_05

Mindful of the challenge posed by attracting and retaining female talent with technological profiles, since 2020 we have been actively working to boost the professional careers of women in technological areas so as to promote the value of diversity and inclusion and have an impact on the Company and society.

Thanks to the internal initiative **Women in Tech**, our work is grounded on two pillars: the need to influence society, supporting actions that encourage girls to take an interest in science and technology; and the impact on women in the field of technology through actions that empower them. Internally, we develop projects that showcase the importance of gender equality in this field, and our talent pool promotes fairness and diversity within the technology team. Accordingly, in this year's junior programmes, we recruited a 58% of women, addressing our internal ambition of increasing the proportion of women in technology and related positions.

Also in the STEM field, in 2024 we have supported the **Technovation Girls** project for the third consecutive year. This entrepreneurship and innovation programme invites girls aged between eight to 18 to learn and develop skills for using technology to solve problems, with the aim of reducing gender gap in tech. This collaboration was carried out through the sponsorship of Power to Code, an ambassador organisation for this initiative in Spain.

/ Key action for LGBTQI+ inclusion: I AM PROUD project

Related IROs: [S1.I1; S1.I3; S1.I6; S1.R1; S1.O1]

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05

Through our corporate project I AM PROUD, we nurture **inclusive environments where everyone feels welcome** and where prejudice, gender stereotypes and discrimination based on gender identity and sexual orientation are addressed. In 2024, on the occasion of International LGBTQI+ Pride Day, many of our subsidiaries actively participated in various celebrations, talks and meetings to reflect on the importance of allies in creating more inclusive work environments.

In order to prevent all discrimination against members of the LGBTQI+ community, and in particular transgender and non-binary people, we continued to strengthen our internal inclusion policies. Therefore, we are adapting our systems so that our people can express their gender identity within a spectrum of options ranging from binary ('Male' and 'Female') to 'Non-Binary' and 'Other/Unspecified'. This option is already available in 10 markets. In 2024 the figures showed 0.02% people who identify as non-binary gender, and 0.50% as unspecified gender/other (0.02% and 0.01% respectively in 2023).

/ Key action for socio-ethnic inclusion: SALTA programme

Related IROs: [S1.I1; S1.I3; S1.I6; S1.R1; S1.O1]

MDR-A_01; MDR-A_02

To promote the integration of groups at risk or in a situation of social exclusion and to reduce inequalities, we have employability programmes, most notably the SALTA programme, focusing on the **socio-occupational inclusion of vulnerable groups**. The purpose of SALTA is to generate job opportunities in our stores, logistics centres and factories for these people, paving the way for their professional development, or at the Company or in any other opportunity that allows them to re-enter the labour market and continue advancing to make a qualitative leap ('salto') in their lives. At Inditex we know that migrants and refugees are one of the groups most vulnerable to discrimination and racism at work. For this reason, a large majority of editions in recent years have focused on this group.

In SALTA we work with various NGOs that support us in the process of selection, training and follow-up of the participants. Set up in France in 2008, this programme was present in 21 markets[31] in 2024.

MDR-A_03; MDR-A_04; MDR-A_05

As a result of this initiative, since 2008 **more than 1,900 people** have joined our teams in stores, logistics platforms and factories, and more than 4,000 people have taken part in this project as mentors, trainers or tutors.

With regard to the monitoring of socio-ethnic inclusion, it is worth mentioning that in most markets, and especially in Europe, the privacy and personal data protection regulations do not allow companies to compile data containing ethnic or racial criteria. However, in markets like the United States and South Africa, the legislation on equality and non-discrimination places the emphasis on knowing the individual's ethnic and racial identity so as to ensure equal opportunities and rights.

[31] France, Spain, Italy, Portugal, Poland, Brazil, the United States, the United Kingdom, Germany, Mexico, Greece, South Korea, Türkiye, Romania, India, Kazakhstan, Canada, Croatia, Australia, Czech Republic and Switzerland.

United States	**2024**	**2023**
Ethnic or racial group	**%**	**%**
Hispanic or Latino	48.8%	48.6%
Black or African American	21.0%	18.9%
White	14.7%	14.9%
Asian	9.8%	9.4%
Two or More Races	5.2%	4.8%
American Indian/Alaska Native	0.3%	0.2%
Native Hawaiian/Pacific Islander	0.3%	0.3%
Not Specified	0.0%	2.9%
Total	**100%**	**100%**

South Africa	**2024**	**2023**
Ethnic or racial group	**%**	**%**
Black South Africans	88.9%	89.0%
Coloured South Africans	7.3%	6.9%
Indian/Asian South Africans	1.2%	1.8%
White South Africans	1.0%	0.9%
Foreign Nationals	1.6%	1.4%
Total	**100%**	**100%**

/ Key actions for disability inclusion: The INCLUYE Programme and Impact Week

Related IROs: [S1.I1; S1.I3; S1.I6; S1.R1; S1.O1]

MDR-A_01; MDR-A_02; MDR-A_03

The **INCLUYE** programme, created in 2021, drives the socio-occupational integration of people with disabilities. Since 2022, all Inditex's direct employability projects worldwide were grouped together and consolidated under the umbrella of this programme, which is expanding to ensure the sustainable and lasting inclusion of people with disabilities, having a global impact. Based on supported employment methodology, the programme involves local organisations that work to achieve the occupational integration of people with disabilities, and accompany them in their integration as a key factor for successful employability.

Furthermore, with the aim of promoting the full inclusion of people with disabilities in our workforce, in October 2024, for the fifth consecutive year, we held the Impact Week worldwide, focusing on disability inclusion. The purpose of this initiative is to raise awareness and mobilise our workforce to continue to promote accessibility projects, customer experience and inclusion of people with disabilities, thereby helping to break down barriers and foster equal opportunities.

MDR-A_04; MDR-A_05

ⓘ More information on the related metrics and targets in sections *S1-5/S1-12. Persons with disabilities and related target* of this Report.

In addition to these initiatives, we develop other social and labour market integration projects such as **for&from**, which generates synergies with non-profit organisations by opening stores staffed by people with different types of disabilities, with the commercial support of our concepts.

This collaborative model allows us, on the one hand, to generate employment opportunities for people with disabilities, and, on the other, to ensure revenues for the organisations themselves to continue to fund new projects and strengthen this associative fabric. In 2024, we opened the first for&from store in Mexico, bringing the total to 16 stores in Spain, Italy, Mexico and Portugal.

ⓘ More information on the for&from initiative in section *S3-4. Actions related to communities* of this Report.

ⓘ More information on actions related to diversity and inclusion in the report *Diversity and Inclusion* published on the Inditex corporate website.

Talent, promotion and training

Talent recruitment programmes

Related IROs: [S1.I5; S1.O1]

MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_04;
MDR-A_05

/ Talent programmes

Collaboration with universities and schools is a key part of our strategy for attracting talent. We have different programmes that help incorporate talent to our creative, technological and business areas. These notably include:

- **Creatives programme:** this year we designed The House, an experience focused on giving participants a broader vision of the sector and sharing with them concepts that are fundamental in their day-to-day lives as creative people. In 2024 we reached out to more than 25 international fashion schools, complementing the selection process with talks and workshops involving our sustainability people to share our approach to this strategic aspect in the creation of our products.
- **Business talent programme:** our programme for final year students of bachelor's/master's degrees in management or engineering, offering them their first work experience in areas such as International sales, Purchasing, Distribution, Management control, Finance or Logistics. To connect more with them, this year we organised a live event in which more than 1,000 people participated, where we talked about our values and company culture, as well as the Zara Talent programme.
- **Technological talent programme: a**s part of Zara Boost, we highlight University Colab, an initiative that has allowed students to complete their final dissertation with Inditex, in areas such as software development, data and cybersecurity. We also aim to continue fostering and nurturing female STEM talent, which is why we have launched programmes such as Ambassador.

Training, promotion and talent development programmes

Related IROs: [S1.I5; S1.R1; S1.O1]

MDR-A_01;
MDR-A_02;
MDR-A_03

/ Promotion and talent development programmes

- **Boost the Change**

Since 2021, we have focused on developing communities and activities that foster the culture necessary to enact change, starting with the Group's stores and ending with the consolidation of these networks for change in all our offices.

Changemakers is the community leading the cultural transformation from the heart of our business, our stores. Changemakers are curious people committed to sustainability, diversity and inclusion, who dedicate part of their working day to keeping abreast of sustainability and fashion issues, training their store teams and rolling out initiatives that make sustainability a reality in their work environment.

We work to identify, analyse and materialise each of the initiatives proposed by Changemakers. To do so, we have developed the Boost the Change platform, which shows in real time and in all our Company's languages what is happening in matters of sustainability, diversity and inclusion, at each store. Thanks to this programme, in the last year we helped improve waste management in the stores, inclusion in our fitting rooms and internal procedures for garment care.

At the end of 2024, this project has been implemented at all the stores in the markets in which Zara and Stradivarius are present. We also extended its rollout to include Zara Home, Massimo Dutti, Bershka, Oysho and Pull&Bear. Inditex therefore now has more than 3,000 Changemakers and we plan to consolidate the Changemaker community across all the Group's stores and markets in future exercises.

- **InTalent**

InTalent, our Marketplace for in-house opportunities, is essential to structure the path of internal promotion for our workforce. This year we continued our efforts to get to know our people better through their InTalent profile. In 2024 we had more than 40,000 people with an updated profile and more than 7,500 internal opportunities were posted.

- **LEAP**.

This year, LEAP&Co, our in-store internal talent management tool, has been transformed into **LEAP**, in what was a complete overhaul of the internal development tool for more than 55,000 employees worldwide. This new version offers a more intuitive, clear and customisable experience, designed by the users themselves. This year LEAP has added two new modules: MISSION Module, for an immersion in the employee's future position before the end of their plan, and STORE VISIT Module, providing 360° training for future store managers. In addition to being used at Zara and Zara Home, LEAP has now also been introduced at Massimo Dutti. Through 51 markets in Europe, America and Asia, in 2024 LEAP generated more than 200,000 training hours.

- **Zara Campus**

Zara Campus is a project designed to respond to training and development needs among new promotions and people in management positions in stores. This training is conducted in our Campus stores, which are Zara stores used as a practical scenario for training our managers in three areas (management, sales and operations). Throughout the year, our store teams receive training, led by tutors trained by our Campus team, who are responsible for conveying this knowledge to their teams. Also included are group sessions on communication and leadership, designed specifically for positions of responsibility, promoting team work.

In addition to LEAP and Campus Zara, we have other projects focused on developing the talent of people working in stores, including Visual Commercial to the Spotlight, Opening Support and Move.

MDR-A_01;
MDR-A_02;
MDR-A_03

Training programmes

- **Sustainability training**

In 2024, as part of our space dedicated to sustainability training and innovation, **The Sustainable Fashion School (SFS)**, we started the third edition of the Foundations of Textile Manufacturing Master's programme, devised in collaboration with the University of Leeds. More than 450 people completed the course, adding to the 1,217 graduates of previous editions, making it the leading training programme for our product teams.

To supplement this theoretical training and as part of The Sustainable Fashion School (SFS), in 2024 we launched a new learning format, called SFS Bootcamp. These are immersions in our supply chain factories giving participants hands-on experience of the main processes that our products go through and enabling them to share technical and sustainability concerns with professionals from the sector. Over the course of 2024 we held 22 bootcamps, where more than 250 people had the chance to experience first-hand some of the content learned in the training.

- **School of Leadership**

The purpose of the School of Leadership is to identify and develop the leaders of the future, ensuring that they understand their key role in affirming our identity and creating opportunities for change. To this end, we have created an integrated learning space in which we combine various approaches and methodologies to design high-impact initiatives. All our programmes are structured around the Company's four pillars of leadership: SELF, TEAM, IMPACT and TRANSFORM. Thus, we cultivate leaders able to self-manage, drive their teams, influence their environment and promote strategic change in the organisation.

This year, more than 1,000 leaders were trained through the School of Leadership's various programmes, impacting on all groups at the Company, including employees at stores, central offices, and structural and logistics areas.

In addition to these actions, we carried out other initiatives through which we provide training to our employees on specific topics. These include the **training and education of our people to carry out tasks in a safe and healthy** manner, training in sustainability, diversity and inclusion o**r corporate training in compliance.**

MDR-A_04;
MDR-A_05

Some of these actions' outputs are:

- **Increase the number of training hours**: in 2024 we held 3,292,787 training hours (2,782,830 in 2023).

- **Increase the number of training hours per person:** in 2024, the number of training hours per person was 20.3 (17.2 in 2023).

- **Enhance internal promotion:** in 2024, 70% of the Group's vacancies were filled internally, which means that more than 9,300 employees were promoted over the course of the year. By gender, 73% of the promotions were for women, 27% for men, 0.02% for non-binary people and 0.04% for other-unspecified gender. These figures are consistent with the gender distribution of our workforce. This commitment to generating opportunities for internal development results, in our office people, in more than 680 promotions and more than 2,000 changes of functions, department, retail format or market.

ⓘ More information on other training initiatives in section *S1-13. Training and skills development metrics* of this Report.

Health, safety and well-being

We continue to advance in our firm commitment to the health, safety and well-being of our people, by implementing international regulations, guaranteeing compliance with the most exacting standards and putting in place continuous improvement indicators as part of the ISO 45001:2018 management system.

We endeavour to implement proactive measures to identify and mitigate potential risks, as well as to nurture a culture of safety, health and well-being that fosters individual and collective responsibility. After listening to our teams and conducting periodic risk assessments and incident analyses, we undertake to identify areas for improvement and to implement corrective measures in a timely and effective manner.

Some of the health, safety and well-being actions were:

MDR-A_01; MDR-A_02; MDR-A_03

/ Training and education of employees to perform tasks in a safe and healthy manner

Related IROs: [S1.I4; S1.R1]

Continuous health and safety training remains vital both for reducing accidents and empowering our teams. Accordingly, we provide training programmes tailored to a variety of tasks and positions, with objectives ranging from the initial training to the essential training needed to work safely. Occupational health and safety skills and qualifications form a specialised body of knowledge that ensures that our teams are properly equipped to understand and prevent risks in their working environment.

These programmes include, among others, first aid training, specific training for handling machinery and equipment, and periodic refresher sessions on safety and emergency procedures.

MDR-A_04; MDR-A_05

In 2024, a total of 190,589 employees took part, accumulating 155,784 training hours (179,881 participants and 148,152 training hours in 2023).

/ Promoting well-being

MDR-A_01; MDR-A_02; MDR-A_03; MDR-A_04; MDR-A_05

Related IROs: [S1.I3; S1.I4; S1.R1]

- **Inditex, Healthy Organisation**

As part of our ongoing commitment to promoting and caring for the safety, health and well-being of our community, Inditex has strengthened its position as a Healthy Organisation. This annual recognition underscores our comprehensive management approach, addressing both physical and psychosocial aspects, allocating significant resources to our teams' well-being and fostering their active engagement in the community.

In fact, the companies in Spain and the rest of markets that were certified in 2023 have renewed their certification[32] as a Healthy Organisation in 2024, with the ambition for 2025 to include certification in Austria, Brazil, the United States, France, Hungary, Kazakhstan, the Netherlands and North Macedonia.

- **Workplace well-being programmes**

With the aim of promoting health and healthy habits among our people, Inditex has the **InHealth** Portal, available in 28 markets. In 2024 it was rolled out in Serbia, Montenegro, New Zealand and Australia. Next year we plan to deploy it in another 17 new markets. This platform features news, actions and challenges adapted to the workplace, cultivating a balance between body, mind and emotions.

[32] Germany, Bulgaria, Canada, Chile, Mainland China, Croatia, Spain, Greece, India, Ireland, Italy, Japan, Luxembourg, Mexico, Poland, Portugal, United Kingdom, Romania and Türkiye.

Furthermore, as part of our commitment to caring for the health of our people, we continue to offer the **Open Salud** platform, which is available to people working in the stores of all the Group's brands in Spain. This tool provides medical consultations with specialists in general medicine, dermatology, traumatology, psychology and nutrition. The tool has 6,320 users and 11,676 consultations, improving growth compared to 2023.

We also focus our commitment to well-being through the creation of **Well-being Committees**, which are cross-disciplinary bodies that coordinate various initiatives related to diversity, equality, promoting health, inclusion, work-life balance, mental health, working hours, food, ergonomics, workspaces, sports, our people mobility and participation in social events and actions. During 2024, new Well-being Committees were established in markets such as France, Serbia, Switzerland and United States, bringing the total number of markets to 23. In 2025 we plan to set up these committees in additional markets.

MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_04;
MDR-A_05

/ Prevention initiatives

Related IROs: [S1.I4; S1.R1]

- **Initiatives for the prevention of musculoskeletal injuries**

In the prevention of musculoskeletal injuries, we continuously evaluate ergonomics in our workplaces, providing initial training on the subject to all employees and emphasising aspects such as ergonomically designed work spaces, appropriate load lifting techniques and the use of assistive equipment as well as safe working environments. In this regard, during 2024, work continued on improving spaces in distribution centres, implementing machinery that minimises physical effort, and 8,477 people were trained in work teams.

We also encourage task rotation, regular rest and active breaks and open communication on health and safety matters. For instance, the SmartPlanner technological solution has been implemented at our distribution centres, a system that plans the rotation of tasks in an automatic and agile manner, taking into account ergonomic criteria and internal equity, while meeting the operational needs of the centre.

Furthermore, in 2024 more than 7,983 workers took part in initiatives such as the Back School and Preventive and Recovery Plans, at both logistics centres and stores.

- **Implementation of Emergency and Evacuation Plans and Self-Protection Plans**

So as to **actively manage at all times the risks** that may arise in any workplace, and in keeping with our philosophy of following the precautionary principle, we have designed, prepared and implemented **Emergency and Evacuation Plans and Self-Protection Plans** that establish the organisational and functional criteria in the different facilities. The objective is to prevent, control and provide an adequate response, from the outset, to potential emergency situations that may cause harm to people and/or their property.

Through these Plans, we comply with the regulatory requirements applicable to occupational risk prevention and occupational health and safety, as well as with the internal requirements established by the Group for the workplaces. In 2024, 1,331 Emergency and Evacuation Plans were made.

ⓘ More information on other health and safety initiatives and metrics in section *S1-14. Health and safety metrics* of this Report.

General considerations on actions related to our people

MDR-A_06;
MDR-A_07

Actions related to our people are mainly carried out by our own workforce. The financial resources earmarked for these actions are associated with staff costs and other external operating expenses, which separately do not represent a material amount. Both are included in Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

Agreements and collaborations

We consolidate our commitment to diversity and inclusion by collaborating with various entities. These include Arborus, through the European and international label GEEIS (Gender Equality European and International Standard), and the European Network Against Racism (ENAR).

We also partner with the Business Network for LGBTI Diversity and Inclusion (REDI) in Spain, which aims to foster an inclusive and respectful environment in organisations, and Open for Business, an entity that brings together leading global companies that advocate for inclusion and LGBTQI+ rights to demonstrate that more inclusive societies are better for business and for companies because they are more innovative, productive and dynamic.

In the field of disability inclusion, Inditex is a member of the ILO Global Business and Disability Network, of which we have been part of the Steering Committee since January 2025, Moreover, we are members of Disability:In. These alliances, as well as those we have at the local level, are established with the objective of continuing to work on best practices to ensure real and sustainable inclusion over time.

ⓘ More information on actions related to diversity and inclusion in the report *Diversity and Inclusion*, published on the Inditex corporate website.

C. Metrics and targets

S1-5/S1-12. Persons with disabilities and related target

At Inditex, our goal is to help people with disabilities to overcome barriers, fostering an inclusive culture for everyone. With this in mind, the Group's disability inclusion strategy is based on three priority areas:

/ Employability, direct recruitment and professional development.

/ Disability awareness and training for our people.

/ Accessibility of workplaces, inclusive shopping experience and transversal projects.

One of our priorities is to comply with the principles of universal accessibility for persons with disabilities, whether in our workforce or customers. Our workplaces apply the functional and dimensional requirements that allow an independent use by people with disabilities or people with impaired mobility. Our commercial websites and apps incorporate functionalities adapted for people with various kinds of disability, as do our corporate sites, with a focus on technological advances in digital accessibility that allow us to continue improving in this regard.

Therefore, within the framework of our Shaping Today x Tomorrow initiative in 2024, a multidisciplinary working group was created with a focus on accessibility, involving people from different areas of the business (Commercial, Operations, Digital, Construction, Labelling, Design, People, etc.) to promote innovation linked to accessibility for all people, with targets set for the short-, medium- and long-term.

Employability and awareness are two pillars that we build together, as training and awareness are key to the success of the labour inclusion process. Our efforts in employability of people with disabilities are materialised in the following objective:

- **To double the number of people employed with disabilities**

S1.MDR-T_01-13

Our commitment to the inclusion of people with disabilities in the workplace is founded upon the basic principles of dignity and independence, availing them of the opportunities and resources to play an active and equal role in society.

MDR-T_01; S1-5_04

That is why we advocate for sustainable recruitment with a long-term strategy to attract and recruit people with disabilities, ensuring inclusive selection processes for people with different types of disabilities.

S1-5_06

This target is set in the framework of our membership of the ILO Global Business and Disability Network, that seeks to promote the inclusion of people with disabilities in the workplace.

MDR-T_02; MDR-T_05; MDR-T_06; MDR-T_07; MDR-T_08; MDR-T_13

Target: to double the number of people with disabilities in 2024

	Base year	Target value	Value reached
	2021	2024	2024
People employed	1,443	2,886	3,142

The actions carried out over the years have allowed us, not only to achieve the goal of doubling the number of people with disabilities we employed in 2021, but to exceed it.

S1-12_01; S1-12_02

Thus, at the end of 2024, we directly employed 3,142 people with disabilities (2,041 people with disabilities in 2023), representing 2% of the annual average workforce.

People with disabilities in our workforce

	2024	
	Number of employees	**%**
Women	1,923	61%
Men	1,207	38%
Non-binary	0	0%
Other/Unspecified	12	0.4%
Total	**3,142**	**100%**

MDR-T_11; S1-5_01; S1-5_02; S1-5_03

In order to establish the target, a prior diagnosis was made during 2022 of the employability status of people with disabilities in each market, as well as regarding the existence or lack of national or local legislation impacting on such employability. This diagnosis was made through the Diversity Champions in each market, who have since monitored the actions and follow-up of the targets at a local level. The Diversity and Inclusion team and the international People teams have been responsible for coordination with the Diversity Champions community across the different brands and markets.

Likewise, for the purpose of consolidating all the data, since 2022 all our direct employability projects for people with disabilities have been grouped under the umbrella of the **INCLUYE** programme, involving expert organisations in each market. In Spain, it is worth highlighting our work with Plena Inclusión, a confederation comprising more than 880 associated entities. At the international level, we develop our programmes under the global umbrella of the ILO Global Business and Disability Network and more than 70 national and international organisations. These expert organisations provide support services and programmes for the occupational integration of people with intellectual disabilities, as well as awareness and training initiatives to promote more inclusive work environments. Their feedback is therefore essential to improve our processes and the integration of people with different types of disabilities, enabling us to improve and learn from experience.

We also establish **specific plans at our subsidiaries**, to help them achieve their recruitment targets and improve their inclusion of people with disabilities through training and awareness. This is the case in Germany, where we collaborate closely with the Federal Employment Agency; in France, with the Accord Handicap company agreement on disability; in Italy, which has implemented the ALL IN project for the occupational integration of people with intellectual disabilities in Milan and Verona; in Portugal, with its Eu Incluo project; in Japan, which holds regular meetings with partner associations and staff with disabilities; or in Romania, which provides internal training to its teams and recruitment with the support of several NGOs and the Department for Social Assistance.

ⓘ More information on the initiatives carried out in section *S1-4. Actions related to own workforce* of this Report.

Further considerations

S1-12_03

It is important to note that the data linked to this target is particularly sensitive. In fact, there are countries where it is not permitted to ask or record information on disability status in company systems, as well as others where there are regulatory limitations in this regard.

The collection of disability information has certain limitations, such as those linked to confidentiality and/or the heterogeneous legislation in the markets where we operate, which do not always have regulations comparable to those in Spain. In addition, some countries have specific regulations that affect the accessibility of such information. Specifically, some of the difficulties we encounter when collecting this information, which in some cases mean we have no measured data available, are as follows:

/ Countries with legal restrictions on requesting information and/or registering information with regard to a person's disability.

/ Countries with discrepancies between the Company's calculation method (number of people with disabilities on 31/01 divided by the average number of people hired in the last 12 months) and the legal calculation methodology in the country for the number of people with disabilities.

/ Countries where people with disabilities are not allowed to be hired directly during the first year, even if they are employed within our workforce, and must be recruited by an expert entity during the first year.

As a result of these limitations, the actual number of people with disabilities in the Company may differ from the figure reported in some markets where certain idiosyncrasies have been taken into account in the calculation, such as: United Kingdom, Ireland, Nordic countries (Sweden, Norway, Finland, Denmark), Switzerland, Spain, United States, Canada, Australia and New Zealand.

MDR-T_03; MDR-T_04; MDR-T_09; MDR-T_12

ⓘ More information on the scope, methodology and calculation changes in the *Methodological Annex* of this Report.

S1-6. Characteristics of the employees

S1-6_01; S1-6_02

It is a priority for Inditex to create **motivating, stable and safe** working environments, with equal opportunities and development, ensuring the utmost care for the conditions of our people. We strive to adapt our responses to the local needs in the 56 markets in which our employees are present, and to guarantee quality workplaces.

S1-6_13; S1-6_14; S1-6_15; S1-6_16

The employee figures below are calculated on the basis of the average number of our workforce for the last quarter of the 2024 calendar year, which is the most representative calculation for our business.

ⓘ More information on how we calculated employee figures in the *Methodological Annex* of this Report.

S1-6_17

Note 6 to the Consolidated Annual Accounts includes information related to the number of employees, and the breakdowns by gender and category, as well as associated expenses.

ⓘ More information in *Note 6 - Operating expenses* to the Consolidated Annual Accounts.

Our people in 2024

162,083 people

170 nationalities

Distribution by activity

	2024		2023	
	Number of employees	%	Number of employees	%
Store	139,478	85%	138,977	86%
Central services	12,030	7%	11,612	7%
Logistics	9,981	6%	10,090	6%
Factories	594	1%	602	1%
Total	**162,083**	**100%**	**161,281**	**100%**

Distribution by geography

	2024		2023	
	Number of employees	%	Number of employees	%
Americas	18,743	12%	19,963	12%
Asia and rest of the world	14,139	9%	15,526	10%
Spain	49,915	31%	47,761	30%
Europe (ex-Spain)	79,286	49%	78,031	48%
Total	**162,083**	**100%**	**161,281**	**100%**

Distribution by age

	2024		2023	
	Number of employees	%	Number of employees	%
Under 30 years old	89,044	55%	89,690	56%
30 to 50 years old	66,560	41%	66,155	41%
Over 50 years old	6,479	4%	5,436	3%
Total	**162,083**	**100%**	**161,281**	**100%**

Distribution by gender

	2024		2023	
	Number of employees	%	Number of employees	%
Women	118,698	73%	118,925	74%
Men	42,554	26%	42,309	26%
Non-binary	28	0.02%	25	0.02%
Others/Unspecified	803	0.50%	22	0.01%
Total	**162,083**	**100%**	**161,281**	**100%**

S1-6_04;
S1-6_05

A breakdown of the workforce by market for all countries in which the Company has employees is included below:

Distribution by market

Country	Number of employees	
Europe (ex-Spain)	**2024**	**2023**
Albania	308	310
Germany	4,967	5,046
Austria	1,503	1,409
Belgium	3,112	2,955
Belarus	356	352
Bosnia-Herzegovina	401	427
Bulgaria	827	781
Croatia	1,241	1,184
Denmark	298	295
Slovakia	528	467
Slovenia	250	228
Finland	170	174
France	11,513	10,975
Greece	4,228	4,065
Hungary	1,224	1,109
Ireland	991	1,016
Italy	10,877	10,283
Luxembourg	325	304
North Macedonia	310	325
Monaco	38	40
Montenegro	178	165
Norway	315	343
Netherlands	2,715	3,089
Poland	4,233	4,594
Portugal	7,261	6,964
United Kingdom	6,483	6,739
Czech Republic	729	674
Romania	2,850	2,899
Serbia	1,512	1,422
Sweden	659	695
Switzerland	1,427	1,398
Türkiye	6,267	6,496
Ukraine	1,190	809
Total	**79,286**	**78,031**

Distribution by market

Country	Number of employees	
Asia and rest of the world	**2024**	**2023**
Australia	1,879	2,076
Bangladesh	81	76
Cambodia	6	4
South Korea	1,663	1,639
India	1,731	1,691
Japan	2,682	2,837
Kazakhstan	1,311	1,272
Morocco	44	42
New Zealand	121	138
Pakistan	12	11
Singapore	3	3
South Africa	502	556
Vietnam	21	18
Mainland China	3,036	3,887
Taiwan, China	486	531
Hong Kong SAR	521	702
Macao SAR	39	43
Total	**14,139**	**15,526**
Spain	**2024**	**2023**
Spain	49,915	47,761
Americas	**2024**	**2023**
Brazil	3,226	3,162
Canada	2,052	2,653
Chile	929	992
United States	5,952	6,170
Mexico	6,584	6,986
Total	**18,743**	**19,963**

Distribution of the workforce by type of contract and type of working hours

In 2024, 83% of our workforce is on a permanent contract (compared with 81% in 2023). In terms of working hours, 57% of Inditex's employees work part-time and 41% work full time in 2024 (57% part-time and 42% full-time in 2023).

This breakdown by type of working hours is typical of the retail *sector*, where there are especially busy periods during sales that require part-time reinforcements. We also often hire people who combine their work at Inditex with other activities, such as academic development.

S1-6_09

The Full-Time Equivalent (FTE) workforce, a meaningful indicator when it comes to analysing employment quality, shows the workforce after consolidating all working hours to full-time. In 2024, it represented 78% of total jobs (78% in 2023).

The tables below show the different types of contract and working hours for our people by gender and region:

S1-6_07;
S1-6_08;
S1-6_18;
S1-6_19;
S1-6_20

Breakdown by gender and type of contract/working hours

2024					2023				
Women	**Men**	**Non-binary**	**Other/ Unspecified**	**Total**	**Women**	**Men**	**Non-binary**	**Other/ Unspecified**	**Total**
Number of employees									
118,698	42,554	28	803	**162,083**	118,925	42,309	25	22	**161,281**
Number of permanent employees									
97,775	35,483	28	697	**133,983**	96,263	34,910	25	22	**131,221**
Number of temporary employees									
20,923	7,071	1	106	**28,100**	22,662	7,398	0	0	**30,060**
Number of non-guaranteed-hour employees									
1,337	549	0	0	**1,886**	1,744	635	0	0	**2,378**
Number of full-time employees									
45,848	21,239	10	98	**67,195**	46,305	21,169	11	6	**67,491**
Number of part-time employees									
71,513	20,767	18	705	**93,003**	70,876	20,505	14	16	**91,411**

Breakdown by region and type of contract/working hours

2024					2023				
Europe (ex-Spain)	**Spain**	**Asia and rest of the world**	**Americas**	**Total**	**Europe (ex-Spain)**	**Spain**	**Asia and rest of the world**	**Americas**	**Total**
Number of employees									
79,286	49,915	14,139	18,743	**162,083**	78,031	47,761	15,526	19,963	**161,281**
Number of permanent employees									
64,509	43,256	8,598	17,620	**133,983**	61,350	41,712	9,624	18,535	**131,221**
Number of temporary employees									
14,777	6,659	5,541	1,123	**28,100**	16,681	6,049	5,902	1,428	**30,060**
Number of non-guaranteed-hour employees									
0	0	1,886	0	**1,886**	0	0	2,378	0	**2,378**
Number of full-time employees									
28,242	25,230	7,408	6,314	**67,195**	27,798	24,838	8,146	6,710	**67,492**
Number of part-time employees									
51,044	24,685	4,845	12,428	**93,003**	50,233	22,923	5,002	13,253	**91,411**

Breakdown by age and type of contract/working hours

2024				2023			
Under 30 years old	30 to 50 years old	Over 50 years old	Total	Under 30 years old	30 to 50 years old	Over 50 years old	Total
Number of employees							
89,044	66,560	6,479	**162,083**	89,690	66,155	5,436	**161,281**
Number of permanent employees							
65,635	62,076	6,271	**13,983**	64,916	61,106	5,198	**131,221**
Number of temporary employees							
23,407	4,484	208	**28,100**	24,774	5,049	238	**30,060**
Number of non-guaranteed-hour employees							
1,579	297	10	**1,886**	2,059	307	12	**2,378**
Number of full-time employees							
23,108	39,432	4,655	**67,195**	23,744	39,743	4,004	**67,491**
Number of part-time employees							
64,357	26,831	1,815	**93,003**	63,887	26,105	1,419	**91,411**

Breakdown by job classification and type of contract/working hours

2024				2023			
Management	Supervisor	Specialist	Total	Management	Supervisor	Specialist	Total
Number of employees							
9,667	15,056	137,361	**162,083**	9,811	14,976	136,494	**161,281**
Number of permanent employees							
9,425	14,689	109,868	**133,983**	9,548	14,530	107,143	**131,221**
Number of temporary employees							
241	366	27,493	**28,100**	263	446	29,352	**30,060**
Number of non-guaranteed-hour employees							
0	0	1,886	**1,886**	0	0	2,378	**2,378**
Number of full-time employees							
9,312	13,553	44,329	**67,195**	9,410	13,431	44,651	**67,491**
Number of part-time employees							
354	1,503	91,146	**93,003**	401	1,544	89,466	**91,411**

Leaves and turnover rate

S1-6_11; S1-6_12

In 2024, 138,152 leaves were recorded (144,930 leaves in 2023), which represents a turnover ratio of 88% in 2024 (93% in 2023). The Group's voluntary turnover rate was 36% (43% in 2023), while non-voluntary turnover rate was 52% (50% in 2023). Turnover is influenced by the nature of the retail sector, with a marked seasonality. The existence of peaks in activity that require reinforcement of teams with temporary contracts especially impacts non-voluntary rotation, since it includes leaves due to the end of the contract of this collective.

S1-9. Diversity metrics

Of our achievements in diversity and inclusion best practices, we highlight the **GEEIS (Gender Equality European and International Standard)** certification at several of our subsidiaries. The GEEIS recognises those companies and workplaces that are actively engaged in building a fairer society, based on equality between men and women and on diversity and inclusion as the pivotal values of their policies. Between 2018 and 2024, the global corporate Group and nine of our subsidiaries worldwide (Belgium, France, Italy, the Nordic hub, Germany, Ukraine, Bulgaria, Romania and the United States) were awarded this certification. This is enabling us to consistently and continuously deploy our gender equality policies in the various markets.

S1-9_01;
S1-9_02

Distribution by gender

Ensuring equal treatment and opportunities at the workplace has always been a part of our core at Inditex. We nurture diverse and inclusive workplaces in which women, who represent 73% of our workforce, feel empowered in their professional development and free of any discriminatory practices. By empowering women and men alike, our aim is to strengthen our growth and the success of the Company and society as a whole.

Cultivating **women's talent** has enabled us to keep mantaining a solid commitment in regard to their leadership within the Group: in 2024, **77% of the Company's management positions were filled by women** (78% in 2023).

The distribution of our people by gender and job classification in 2024 is thus as follows:

Distribution by gender and job classification

2024									
	Women		**Men**		**Non-binary**		**Other / Unspecified**		**Total**
Management	7,457	77%	2,210	23%	0	0%	0	0%	9,667
Supervisor	10,435	69%	4,617	31%	2	0.01%	1	0.01%	15,056
Specialist	100,806	73%	35,727	26%	26	0.02%	802	0.58%	137,361
Total	**118,698**	**73%**	**42,554**	**26%**	**28**	**0.02%**	**803**	**0.50%**	**162,083**

2023									
	Women		**Men**		**Non-binary**		**Other / Unspecified**		**Total**
Management	7,691	78%	2,120	22%	0	0%	0	0%	9,811
Supervisor	10,381	69%	4,593	31%	2	0.01%	0	0%	14,976
Specialist	100,853	74%	35,596	26%	23	0.02%	22	0.02%	136,494
Total	**118,925**	**74%**	**42,309**	**26%**	**25**	**0.02%**	**22**	**0.01%**	**161,281**

S1-9_02;
S1-9_06

The Company has a total of seven women in its Senior Management[33], which represents a **33.33%** out of the total members. Thus, the percentage of female representation in Senior Management increases with respect to 2023 fiscal year (31.82%).

ⓘ More information on Senior Management in the *Annual Corporate Governance Report* of this Report.

S1-9_03;
S1-9_04;
S1-9_05

Distribution by age

In terms of age, our workforce is made up of people from different generations, the youngest groups being the largest, as evidenced by the average age of our workforce, which is **30.9** yearls old (30.6 years old in 2023). The following table shows the generational distribution of our people in greater detail.

Distribution by age

	2024		**2023**	
	Number of employees	**%**	**Number of employees**	**%**
Under 30 years old	89,044	55%	89,690	56%
30 to 50 years old	66,560	41%	66,155	41%
Over 50 years old	6,479	4%	5,436	3%
Total	**162,083**	**100%**	**161,281**	**100%**

ⓘ More information on the breakdown by gender and age in *S1-6. Characteristics of the employees* of this Report.

[33] As per the definition established for these purposes in Circular 3/2021, of 28 September, of Spain's National Securities Market Commission (CNMV), which approves the new model corporate governance and director remuneration reports, 'Senior Management' means those executives who report directly to the Board or to the Chief Executive Officer of the Company and, in any event, the internal auditor.

S1-8. Collective bargaining coverage and social dialogue

S1-8_01

Globally, the percentage of our workforce covered by local collective bargaining agreements is 61% (59% in 2023), while within the European Economic Area (EEA) the figure is 84% (82% in 2023). Just like in the previous year, in Spain, 100% of the workforce is covered by collective bargaining agreements.

S1-8_02; S1-8_03; S1-8_06; S1-8_08

For our workforce in EEA countries, we have various collective bargaining agreements, depending on the country in which the employees are located. The percentages of collective bargaining coverage and workplace representation for our workforce are included below.

	Collective Bargaining Coverage		Social dialogue
Coverage rate	**Employees (EEA)**	**Employees (Non-EEA)**	**Workplace representation (EEA)**
0-19 %	Bulgaria; Slovakia; Greece; Hungary; Ireland; Poland; Czech Republic; Romania	Rest of Europe; Asia and Rest of World	Bulgaria; Croatia; Slovenia; Greece; Ireland; Netherlands; Czech Republic; Romania
20-39 %	Denmark	Americas	Denmark
40-59 %			Germany; Hungary; Italy
60-79 %	Germany		
80-100 %	Austria; Belgium; Croatia; Slovenia; Spain; Finland; France; Italy; Luxembourg; Norway; the Netherlands; Portugal; Sweden		Austria; Belgium; Finland; France; Luxembourg; Norway; Poland; Portugal; Slovakia; Spain; Sweden

S1-8_04

We work to guarantee the right of participation of our workforce worldwide. That is why our people have minimum guarantees in their working conditions, regardless of whether or not they are covered by collective bargaining agreements.

Proof of this are the commitments reflected in the Code of Conduct and the renewal in October 2024 of our **Global Agreement** signed in 2009 for implementation of fundamental labour rights and decent work, with UNI Global Union.

ⓘ More information on the Global Agreement with UNI Global Union in *S1-2. Processes for engaging with own workforce* of this Report.

S1-8_05

Furthermore, our Human Rights Policy reflects the respect for freedom of association and collective bargaining not only of our own employees but of other professionals linked to Inditex. To achieve this, we require companies linked to non-employees to respect the rights of association, affiliation and collective bargaining of their workers, without retaliation, and without offering payments or remuneration to workers with the aim of hindering the exercise of these rights. We also take an open and collaborative approach with trade unions and workers' representatives. In this way, we contribute to favourable working conditions for non-employees, always in line with their right to collective bargaining.

S1-8_07

As explained above, in 2019, Inditex formally founded the Company's EWC, a key body for assurance and effectiveness of information and consultation of workers. In 2024, Inditex and the EWC published a joint statement against gender-based violence, which was disseminated internally and externally on 25 November, the International Day for the Elimination of Violence against Women.

ⓘ More information in section *S1-2. Processes for engaging with own workforce* of this Report.

S1-15. Work-life balance metrics

At the Inditex Group we promote work-life balance, advocating especially for **co-responsibility**, which we consider to be both a right and a duty. We work to implement work-life balance measures in all the markets.

In Spain, these measures are enshrined in our **Equality Plans**. These plans include, among other things, the possibility of splitting up leave periods for hospital stays or care of relatives up to second degree of kinship, flexible working hours for adaptation periods at nursery or infant schools, or the extension of leave with job guarantee for personal matters, studies, international adoption or care of dependent family members, in addition to various improvements with respect to ordinary legal requirements, such as the extension of breastfeeding leave.

Internationally, we strive to improve the rights guaranteed by the local legislation of each country, prioritising those markets in which the legislation is not especially protective.

/ In the **United States**, 16 weeks' paid leave for birth, fostering or adoption is available to all of our people who meet certain minimum requirements. The subsidiary also provides care services for children and adults with special needs, both in care centres and at home. We also have other benefits that help improve people's well-being and quality of life such as emotional support programmes, financial and health advice, transport subsidies, and tuition fee subsidies or reimbursement.

/ We promote measures to broaden the rights enshrined in local legislation, such as flexible working hours, efficient organisation of teams, extending leave for caring for children and/or dependants and even financial assistance to help cover the cost of childcare or other care. Markets where such measures are applied include **Greece, the United States, the United Kingdom, Italy, Germany, and France, among others.**

/ An increasing number of markets are extending family health coverage, either as a social benefit paid for by the subsidiary itself or by negotiating more favourable health insurance conditions. In addition to Spain, through its flexible remuneration plan, markets such as **Brazil** (with its Baby on Board programme), **Canada, Mexico, Greece, Romania and Mainland China** already offer this type of benefit.

The Inditex Group also promotes the **right to** digital **disconnection in the workplace**, pursuant to Spain's Data Protection Act (Organic Law 3/2018, of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights). Notwithstanding the commitment acquired at the corporate level, negotiations with workers' representatives have resulted in other measures on this front, included both in the equality plans of the logistics companies, and in the Group's new Equality Plan, applicable in Spain.

Internationally, France has included the right to disconnect as a measure to improve work-life balance. In turn, in 2024, markets such as Australia and Slovenia introduced digital disconnection laws.

In other markets where there is no specific legislation in this regard, we implement information and awareness initiatives, along with technical measures applied to our corporate systems, such as e-mail, to encourage these healthy work habits.

S1-15_01; S1-15_02; S1-15_03

Inditex advocates for all our people to have the social protections regulated in the local legislation of each market. In 2024, 99% of our worldwide workforce was entitled to maternity, paternity or child fostering leave (99% of women and 99% of men). In this period, 6% of those people took such leave (7% of women and 3% of men).

Below is a breakdown of maternity and paternity leave worldwide:

	2024		2023	
Parental leave	**Number of employees**	**%**	**Number of employees**	**%**
Total	**9,322**	**100%**	**9,581**	**100%**
Women	8,252	89%	8,570	89%
Men	1,070	11%	1,011	11%

S1-13. Training and skills development metrics

We want working at Inditex to be more than just a job for our people, and we make it easier for them not only to secure professional goals and opportunities, but also to find inspiration, innovation and creativity. To achieve this, from the talent management standpoint we focus on:

/ **Attracting the best talent.**

/ Providing our people with **opportunities for professional development and growth**, primarily through internal promotion and mobility.

/ Providing our workforce with opportunities for **continuous learning.**

/ Creating a safe and motivating working environment that enable us to **retain talented professionals and strengthen their commitment.**

S1-13_04

Thus, from 1 February 2024 to 31 January 2025, more than 3.3 million training hours were imparted to more than 2.5 million participants (more than 2.7 million hours and more than 2.2 million participants in 2023)[34].

Accordingly, in 2024 the number of unique people trained[35] was 214,952 (214,187 in 2023), broken down by gender as 155,964 women, 55,418 men, 40 non-binary and 3,530 persons of other/unspecified gender (158,324; 55,183; 46 and 634 in 2023).

This training is part of our drive to develop our workforce and our ongoing work to nurture environments that encourage lifelong learning.

Our aim is to provide training experiences that help our people to respond optimally to the challenges they face daily. We are convinced that not only do these experiences build the wealth of skills of our workforce, but they are also a key pillar for the Company's sustainable success.

To this end, we offer learning experiences that respond to two needs: on the one hand, the business, offering initiatives aimed at improving individual or group performance and helping our staff to do their job better; and, on the other hand, promoting opportunities for our people to learn beyond their current role, to be inspired and encouraged to explore new perspectives.

Our model is based on in-house training and is eminently practical. Training is mostly delivered by in-house trainers or developed in collaboration with top external entities when the required knowledge or experience is not available in-house.

In addition, as mentioned above, our learning platform Tra!n offers a wide range of digital content tailored to each individual.

ⓘ More information on talent, promotion and training in *S1-1. Policies related to own workforce* and *S1-4. Actions related to own workforce* of this Report.

Details of the training indicators are as follows:

Distribution by job classification

S1-13_01;
S1-13_03

	2024			2023		
	Training hours	**Participants**	**Hours per person**	**Training hours**	**Participants**	**Hours per person**
Management	231,490	174,359	23.9	270,884	208,045	27.6
Supervisor	313,953	203,122	20.9	291,368	222,865	19.4
Specialist	2,747,344	2,165,970	20.0	2,220,578	1,834,077	16.2
Total	**3,292,787**	**2,543,451**	**20.3**	**2,782,830**	**2,264,987**	**17.2**

Distribution by gender

	2024			2023		
	Training hours	**Participants**	**Hours per person**	**Training hours**	**Participants**	**Hours per person**
Women	2,338,801	1,877,398	19.7	2,045,403	1,696,018	17.1
Men	914,974	626,523	21.5	735,802	566,206	17.4
Non-binary	699	541	24.7	776	637	30.9
Other/Unspecified	38,314	38,989	47.7	849	2,126	38.3
Total	**3,292,787**	**2,543,451**	**20.3**	**2,782,830**	**2,264,987**	**17.2**

[34] The year-on-year variation is partially linked to the implementation of the global training campaign on the update of the Code of Conduct carried out in 2024. More information in section *G1-3. Prevention and detection of corruption and bribery*.
[35] A person can attend more than one training course. In the indicator 'unique people trained', those people who have attended more than one course are counted only once.

Distribution by geographic area

	2024			2023		
	Training hours	Participants	Hours per person	Training hours	Participants	Hours per person
Spain	730,780	576,250	14.6	456,833	488,312	9.6
Europe (ex-Spain)	1,675,659	1,381,533	20.8	1,419,197	1,143,593	18.2
Americas	379,609	318,185	20.3	507,350	380,695	24.8
Asia & Rest of the world	506,739	267,483	39.5	399,450	252,387	25.7
Total	**3,292,787**	**2,543,451**	**20.3**	**2,782,830**	**2,264,987**	**17.2**

Distribution by content

	2024		2023	
	Training hours	Participants	Training hours	Participants
Corporate (About us)	2,311,959	1,414,532	1,360,243	1,009,867
Customers	52,103	154,838	87,305	123,719
Fashion and Product	141,649	365,461	153,927	428,895
Languages	37,900	20,603	26,487	23,640
Processes, Techniques and Tools	604,135	489,495	920,811	550,640
Skills	145,041	98,522	234,057	128,226
Total	**3,292,787**	**2,543,451**	**2,782,830**	**2,264,987**

S1-14. Health and safety metrics

S1-14_01

In connection with health and safety protection, since 2014 we have been implementing the **ISO 45001:2018 management system**, internationally recognised for its ability to control risks and improve occupational health and safety performance.

In 2024, this system, considered to be the highest standard in health and safety, is being implemented in a total of 29 markets and 336 workplaces, covering 86% of our own workforce. In 2024 we also obtained that certification in the markets of Kazakhstan, Australia and France, and we maintained certification of our refurbishment and construction works in Europe, carried out by GOA INVEST, S.A.

In health and safety, the main indicators on accident rates at our own logistics, store, office and manufacturing activities are shown below.

Accident rates of our workforce

S1-14_04;
S1-14_05

	Number of recordable accidents		Frequency rate		Severity rate	
	2024	2023	2024	2023	2024	2023
Women	43	13	0.29	0.09	0.01	0.00
Men	12	3	0.20	0.05	0.01	0.00
Total	**55**	**16**	**0.27**	**0.08**	**0.01**	**0.00**

Work-related health events

S1-14_06

	Occupational diseases		Other health events		Total	
	2024	2023	2024	2023	2024	2023
Women	14	16	268	253	282	269
Men	7	7	259	221	266	228
Total	**21**	**23**	**527**	**476**	**548**	**499**

S1-14_02;
S1-14_03

In 2024 and 2023, there were no fatalities resulting from recordable accidents or work-related health events in our workforce, or of other collaborators carrying out tasks in our own facilities, in any of our markets.

S1-14_07

The number of days lost due to recordable work-related accidents, health events or deaths was 16,695 days in 2024 (17,605 in 2023).

Non-employee accidents

At Inditex, we also look after the health and safety of people who are not part of our staff but who work at the Group's workplaces under its supervision. That is why we monitor the occupational accidents of non-employees.

In 2024, seven recordable accidents and health events of unpaid staff were recorded.

S1-10/S1-16. Compensation metrics

Adequate wages

S1-10_01

All of our workforce receive adequate wages, according to the analysis based on applicable agreements, legal benchmarks or recognised methodological sources, such as the Anker methodology.

ⓘ More information in the *Methodological Annex* of this Report.

Average remuneration and gender pay gap

At Inditex we are committed to **equal pay for women and men**. This commitment rests on a remuneration policy established in accordance with the value that each person contributes from their professional experience, dedication and responsibility, with no discrimination on the grounds of gender, age, culture, religion, race or any other characteristic.

Under the framework of the Equality Plan, and taking into account the workforce in Spain, in 2024 the remuneration audit was renewed in the presence of workers' representatives. The methodology and calculation of this audit was reviewed at the time of signing the agreement, through external suppliers. We obtained a verification based on the International Standard on Assurance Engagements (ISAE) 3000 Revised. This verification guarantees the integrity of the Remuneration Register and Wage Audit carried out by the Company, the findings of which establish that there is no gender-based pay discrimination in work of equal value.

S1-16_03

Inditex remunerates its team in accordance with the Group's values, guaranteeing non-discrimination for reasons of gender, age, culture, religion, race or any other circumstance. Our remuneration policy is therefore determined by the value that each person contributes through their professional experience, dedication and responsibility.

As a Group with a strong international presence, we strive to ensure that our remuneration policy is adapted to the specific circumstances of each of the 56 markets in which our teams are located, aligning the standard remuneration with the benchmark practices in each of these markets in their local currency.

Inditex's remuneration **comprises a fixed component and a variable component.**

/ Experience, dedication and responsibility within the Company are the factors that determine fixed remuneration.

/ The variable part depends on pre-established, quantifiable and measurable indicators, linked both to the Company's results and to the fulfilment of the sustainability objectives of the office employees, thus reinforcing the commitment of our people in this area.

Based on this criterion, variable remuneration depends solely on objective parameters, and not on a discretionary assessment of the person's individual performance. This aims to eliminate any room for discrimination. In this regard, **variable remuneration is one of the key components of Inditex's remuneration policy and applies to employees in all areas of the Company's activity.**

In our stores, the most widely used variable remuneration system is that of the monthly sales commission scheme. This is a way to reward the engagement of store employees in key issues as sales results, feedback on products and store coordination and organisation.

Global average remuneration

Average remuneration is defined as the average wages in the Group —considering the total salary: fixed plus variable, consisting of commission and bonus— translated into euros, using the average exchange rate in 2024. Based on this calculation, global average remuneration in this period at Inditex amounted to 30,850 euros gross annually (28,726 euros in 2023).

With regard to this figure, it should be highlighted that the number of employees in Spain, our home market, only represents 31% of the headcount, as a significant part of the remaining 69% staff are based in markets where wages translated into euros give rise to lower average remuneration (30% and 70% of workforce in 2023).

By gender, the average remuneration of women in 2024 amounted to an annual gross figure of 29,694 euros, and that of men came to 33,932 euros (women: 27,831 euros in 2023; men: 31,196 euros in 2023).

These two figures are not representative in terms of equal pay: the pay gap between men and women is due to a higher presence of women in a significant number of markets where average remuneration is lower on account of the exchange rate effect. As explained above, the indicator that provides the most transparency in terms of equal pay for men and women is the pay gap, which in 2024 was 0.7% in favour of women.

Based on these premises, the average remuneration by age and by job classification is provided below:

Aggregate remuneration in €	**2024**	**2023**
Job classification		
Management	85,586	70,567
Supervisor	47,467	43,336
Specialist	26,434	25,132
Age		
Under 30 years old	22,740	21,631
30 to 50 years old	39,141	36,460
Over 50 years old	66,132	58,535

S1-16_02

The ratio between the total annual remuneration of the highest paid individual and the median remuneration of all employees is 196.

ⓘ More information on the methodology for calculating the annual total compensation ratio in the *Methodological Annex* of this Report.

S1-16_01

Gender pay gap

Inditex is committed to equal pay. For quantification purposes, we use the gender pay gap, which is the indicator that most reliably represents the real difference in pay between women and men.

S1-16_03

The gap is calculated on the basis of the median salary in each market considering the total salary: fixed plus variable, consisting of commission and bonus.

ⓘ More information on the calculation methodology in the *Methodological Annex* of this Report.

The outcome of the analysis carried out in 2024 **shows wage parity between men and women in Inditex.** In total salary, women have been paid 0.7% more than men. The global gender pay gap has varied slightly with respect to previous years —in 2023, women were paid 0.5% more than men— which is explained by staff turnover in the period.

The pay gap by geographic area is detailed below:

S1-16_04

Gender pay gap	**2024**	**2023**	**2022**
Spain	1.1%	0.3%	-1.1%
Europe excluding Spain	0.9%	0.5%	1.1%
Americas	0.4%	0.7%	0.5%
Asia and rest of the world	-1.3%	0.8%	1.6%
Total	**0.7%**	**0.5%**	**0.4%**

If we break down the gap by job classification, in 2024 it was 1% for specialists (1% in 2023 and 1% in 2022), -3% for supervisor positions (-4% in 2023 and -3% in 2022) and -6% for management positions (-5% in 2023 and -8% in 2022), representing 85%, 9% and 6% of our people in 2024.

S1-17. Incidents, complaints and severe human rights impacts

S1-17_01; S1-17_02; S1-17_03; S1-17_07; S1-17_08; S1-17_09; S1-17_10

Our **Ethics Line** is in place for reporting any type of infringement or irregularity concerning human rights linked to our people, including potential inherently severe violations such as child labour or forced labour, in accordance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and/or the OECD Guidelines for Business. Through this grievance mechanism we monitor all possible cases, handling the appropriate cases and adopting the corresponding decisions.

In 2024, the Ethics Line (which includes both the Global Ethics Line and the various Local Ethics Lines) recorded a total of 791 cases, of which 280 were related to our people. Of the total number of cases reported in 2024, four cases of discrimination have been confirmed. However, no inherently severe human rights-related incidents have been confirmed for our employees.

S1-17_04

As far as the National Contact Points for OECD Multinational Enterprises are concerned, no reports have been received, neither related to our people, nor of any other kind.

S1-17_05; S1-17_06; S1-17_11; S1-17_12

This year, no fines, penalties or damages were imposed for discrimination or human rights infringements materialising in 2024 in connection with our people.

ⓘ More information on the Ethics Line in section *G1-1. Corporate culture and business conduct* and on the reported indicators in section *G1-4. Communications received through the Ethics Line* and in the *Methodological Annex* of this Report.

S2. Workers in the value chain

A. Strategy

SBM-3. Material impacts, risks and opportunities

Combining dialogue and commitment to our stakeholders and the analysis of our value chain allows us to identify the material impacts, risks and opportunities (IROs) linked to the people who work in it.

As a result of this analysis, we identified that our IROs focus mainly on the **supply chain**.

Material Impacts, Risks and Opportunities related to value chain workers

		TYPE (I/R/O	PHASE OF THE VALUE CHAIN	RELATED POLICIES
S2.I1	**Working conditions**	I	/ Supply Chain	**Transversal policies:** / Code of Conduct / Code of Conduct for Manufacturers and Suppliers / Human Rights Policy / Sustainability Policy / Sustainability Stakeholder Relations Policy
S2.I2	**Achievement of adequate wages**	I	/ Supply Chain	
S2.I3	**Social dialogue and respect for the rights of freedom of association and collective bargaining**	I	/ Raw materials / Supply Chain	
S2.I4	**Work-related accidents and occupational diseases**	I	/ Raw materials / Supply Chain	
S2.I5	**Possible impacts on vulnerable groups**	I	/ Raw materials / Supply Chain	
S2.R1	**Risks related to value chain workers**	R	/ Supply Chain	

ⓘ More information on stakeholder engagement and our materiality analysis can be found in section *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

Scope

S2.SBM-3_01; S2.SBM-3_02; S2.SBM-3_03; S2.SBM-3_08

We have assessed the possible impacts of our operations on supply chain workers, so as to take into account everyone who might be impacted, whether positively or negatively.

The findings of this assessment highlight that the IROs in connection with value chain workers focus primarily on our supply chain.

Furthermore, **our due diligence** in connection with human rights allows us to identify the groups in our supply chain that might be most affected, such as women, migrants and people with disabilities, or those who work in the production of raw materials. Our Workers at the Centre strategy focuses on these vulnerable groups, making their needs visible and including them in our actions to guarantee their protection.

ⓘ More information on the due diligence process in section *GOV-4. Statement on due diligence* of this Report.

Occurrence and types of impacts

S2.SBM-3_05; S2.SBM-3_06

Among the negative impacts related to supply chain workers, we have found various patterns of occurrence, linked, for example, to the realities of each region. That is why we believe it is crucial to understand the context of each one. This is a task in which we are supported by our supplier clusters, through which we are able to learn about the realities of those working in our supply chain on the ground. In these clusters we have local teams in direct contact with suppliers, workers, trade unions, NGOs, local and national authorities, international organisations and academic institutions, etc. In 2024, Inditex had 10 clusters in Spain, Portugal, Morocco, Türkiye, India, Bangladesh, Pakistan, Vietnam, China and Cambodia.

This work enables us to identify individual impacts, such as those linked to occupational accidents and serious occupational diseases or workplace harassment; as well as potential systemic impacts, linked to the existence of global and industry-wide characteristics.

This might be the case, for example, of inadequate work environments or situations of child or forced labour, the risk of which may increase in certain regions due to specific contextual factors. However, at Inditex we take a systemic approach to minimising the probability that this type of impact may occur. We therefore have mechanisms in place to prevent both systemic and individual impacts, implementing mitigation and remediation strategies to address the negative effects once they have occurred.

In this regard, our approach is based on the Code of Conduct for Manufacturers and Suppliers and its compliance programme, as well as our Workers at the Centre strategy and its five **Priority Impact Areas (PIA)**: Social dialogue, Living wages, Health, Respect and Resilience. Through these, we also endeavour to generate a positive impact, designing initiatives that allow us to enhance employee quality of life and well-being.

In this context, we underscore our **Global Framework Agreement with IndustriALL Global Union**, which promotes the participation of workers and respect for collective bargaining, and also provides key information for our strategy.

In addition, we have devised specific **Remediation Plans** to protect minors and refugees.

ⓘ More information on related actions in section *S2-4. Actions related to value chain workers* of this Report.

S2.SBM-3_04

As reflected in our Code of Conduct for Manufacturers and Suppliers and in our Human Rights Policy, we have **zero tolerance towards child labour and any form of forced or involuntary labour** and we are committed to eliminating them.

To ensure compliance with it, we conduct regular audits of our supply chain facilities.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

We also work actively to identify the stages of the supply chain that are most susceptible to **human rights violations**, so as to prevent them. In this regard, we identify greater vulnerability in areas associated with the cultivation of raw materials such as cotton. To achieve this, we work hand in hand with the ILO, within the framework of our Public-Private Partnership, for the promotion and respect of the Fundamental Principles and Rights at Work (FPRW) in cotton-growing communities in India, Pakistan and Uzbekistan.

Risks and opportunities

S2.SBM-3_07; S2.SBM-3_09

By assessing impacts and dependencies, we also determine the possible risks and opportunities for our Company. We classify as material those risks associated with workers in our supply chain, related to various types of incidents, such as labour disputes or non-compliance, which is not linked to any specific group of workers.

To address this, we have a number of tools that allow us to anticipate and mitigate the risk, such as our policies, compliance programmes or Ethics Line.

B. Impact, risk and opportunity management

S2-1. Policies related to value chain workers

S2.MDR-P_01-06, S2-1_10

At Inditex, we develop policies that set out the conditions we want our suppliers to pass on to the workers in the value chain, with the aim of:

/ Fostering **respect for human rights** in the supply chain.

/ Providing those who work in our supply chain with the tools for their **empowerment, participation and well-being.**

/ Creating **social value** in the community in a responsible way and driving industry transformation.

These policies also ensure that the third parties with whom we have dealings are aligned with our commitments. Therefore, the manufacturers of the products marketed by the Group, as well as the rest of the supplier companies, are obliged to comply not only with the **Code of Conduct for Manufacturers and Suppliers**, but also with the **Code of Conduct**, insofar as it applies to them.

Policies related to value chain workers

/ Code of Conduct for Manufacturers and Suppliers ⓘ
/ Human Rights Policy ⓘ
/ Code of Conduct ⓘ
/ Sustainability Policy ⓘ
/ Ethics Line Procedure ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* of this Report.

Code of Conduct for Manufacturers and Suppliers

S2-1_06

At Inditex we have a Code of Conduct for Manufacturers and Suppliers, which defines minimum standards of ethical and responsible behaviour that must be observed by all of the Group's manufacturers and suppliers across the supply chain, in accordance with our corporate ethical culture, firmly grounded in respect for human rights and sustainability.

Compliance with the Code of Conduct for Manufacturers and Suppliers is a pre-requisite for a supplier or manufacturer to form part of our supply chain.

ⓘ More information on the Code of Conduct for Manufacturers and Suppliers in section *MDR-P. Policies* of this Report.

Respect for human rights in the value chain

S2-1_01; S2-1_02

Our **Human Rights Policy** establishes the principles of respect and promotion of all universally recognised human rights, both labour and non-labour, in our own operations and the value chain.

This Policy is binding for all our workforce as well as for anyone related with the Group, including those who are part of our value chain. For prioritisation purposes, the Policy also identifies the rights connected with the activities of the Group and the stakeholders.

ⓘ More information on the Human Rights Policy in section *MDR-P. Policies* of this Report.

In addition, through this policy, underpinned by the **Sustainability Policy** and the **Code of Conduct for Manufacturers and Suppliers**, we promote fair working conditions in our value chain. Specifically:

/ We embrace the United Nations Sustainable Development Goals (SDGs).

/ We promote and respect human rights in our value chain, within the framework of the United Nations Guiding Principles on Business and Human Rights.

/ We develop measures to prevent, mitigate and remediate negative impacts related to our activity, as well as to the activities of our business partners.

/ We drive sustainability in our value chain alongside our suppliers, contributing to the improvement of supply chain workers' living conditions and to the development of their communities.

S2-1_05

Furthermore, our Code of Conduct for Manufacturers and Suppliers expressly prohibits forced or compulsory labour and child labour, underscoring:

/ Zero tolerance for any form of modern slavery or human trafficking in both its organisation and its supply chain.

/ The **establishment of a minimum age of 16** for recruitment in our value chain, even when local regulations allow for a lower age.

S2-1_03

To guarantee these commitments, we develop mechanisms for collaboration and dialogue with our stakeholders through the supplier clusters and sales and sustainability teams.

Thus, through the new **Sustainability Stakeholder Relations Policy** and the update of our Sustainability Policy, we are prioritising stakeholder engagement on sustainability issues, topics and trends. Accordingly, we undertake, among others, the commitment to listen and actively talk to our stakeholders, as well as to act responsibly, ethically and transparently in our relations with them.

We also have partnerships that allow us to complement this dialogue, such as our Framework Agreement with IndustriALL Global Union and alliances with Action, Collaboration, Transformation (ACT), Ethical Trading Initiative and International Apparel Federation (IAF).

ⓘ More information in section *S2-2.Processes for engaging with value chain workers about impacts* of this Report

S2-1_07;
S2-1_08

Accordingly, we guarantee the application of the principles of our policies, which are grounded on a commitment to respect and promote human rights, as outlined in the UN Guiding Principles on Business and Human Rights.

In this regard, as can be seen from reading them, we construct our policies and Codes of Conduct in line with international principles and benchmark standards.

ⓘ More information in sections *MDR-P. Policies* and *S1-1. Policies related to own workforce* of this Report

Policy-related mechanisms and instruments

S2-1_04

To ensure the proper protection of human rights and compliance with our standards, we use grievance mechanisms, such as our Ethics Line, available to our stakeholders.

ⓘ More information in section *G1-1. Corporate culture and business conduct* of this Report.

Additionally, through our Global Framework Agreement with IndustriALL Global Union, we foster social dialogue in our supply chain and work on dispute resolution mechanisms through the internal communication channel implemented for this purpose.

To address the impacts we have identified, we enact strategies and measures, such as the Workers at the Centre strategy or the initiatives of our Compliance Programme, which are aimed at support and remediation in the event of supplier non-compliance.

S2-1_09

Accordingly, to identify and manage potential non-compliances linked to the rights of supply chain workers, we conduct regular and periodic social audits. These ensure that our standards and the Code of Conduct for Manufacturers and Suppliers are upheld. In section G1-2 of this Report, we provide the ratio of compliance with the different parts of the Code by the factories in our supply chain.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

Our Ethics Line also allows us to monitor notifications regarding non-compliances, thus enabling us to identify any gaps in our Code of Conduct for Manufacturers and Suppliers and Human Rights Policy, and to activate the necessary mechanisms to manage them.

S2-2. Processes for engaging with value chain workers about impacts

S2-2_01; S2-2_02; S2-2_03; S2-2_05

We believe that the relationship with the people who are part of our value chain is fundamental to correctly manage the actual and potential impacts that may affect them.

To this end, we have different relationship and dialogue mechanisms to listen to their views and take them into account in our decision making, adapting our strategies to suit their needs.

Through our ten supplier clusters, we are able to generate local spaces for dialogue and collaboration on the ground, allowing us to learn the perspectives and needs of these groups and inform our strategies.

It is important to highlight the audit processes we regularly conduct at our manufacturers and suppliers. During the course of these audits, our teams are in direct contact with people working in our supply chain through interviews with them and their representatives.

ⓘ More information on our supplier clusters in section *G1-2. Management of relationships with suppliers* of this Report.

Another of our main tools in relation to our supply chain workers is our **Global Framework Agreement** with IndustriALL Global Union, which we signed in 2007 and renewed in 2019.

This Global Framework Agreement allows us to foster worker participation and respect for the rights of freedom of association and collective bargaining. It also gives us a crucial direct listening channel to inform our strategies, enabling us to:

/ Manage incident at any workplace in the supply chain by fostering social dialogue.

/ Facilitate the involvement of our supply chain workers' legitimate representatives.

We have also established mechanisms for joint access to workplaces as well as for managing disputes at our supply chain as part of the Global Framework Agreement with IndustriALL.

ⓘ More information on our Global Framework Agreement with IndustriALL Global Union in section *S2-4. Actions related to value chain workers* of this Report.

In addition to this tool, we also have our Ethics Line for reporting any potential non-compliance with our policies and codes.

ⓘ More information on the Ethics Committee in section *G1-1. Corporate culture and business conduct* of this Report

Lastly, our **double materiality assessment**, which we update every year, allows us to incorporate the perspectives of expert organisations. This means we can set up a channel for communications with our stakeholders regarding matters that are important to the people in our supply chain and the potential impacts that may affect them.

ⓘ More information on stakeholder engagement and our materiality assessment in sections *SBM-2. Interests and views of stakeholders, SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

S2-2_06

As a result of these collaborative efforts, we have agreements with various organisations such as our Public-Private Partnership with the International Labour Organization and the Global Framework Agreement with IndustriALL Global Union.

Additionally, our collaborations are embodied in various actions as part of the Workers at the Centre strategy, which we evaluate by monitoring each project using general and/or specific indicators, depending on the initiatives.

We also gauge the effectiveness of our efforts by conducting audits of our suppliers and manufacturers. Lastly, our clusters are a key tool in determining the effectiveness of our collaborations because of their ongoing communication with local Revstakeholders.

S2-2_04

The Chief Sustainability Officer oversees the implementation of the sustainability strategy, including stakeholder engagement, in particular with people working in our supply chain and suppliers.

ⓘ More information in section *GOV-2. Information provided to governing bodies and sustainability matters addressed* of this Report.

Focus on vulnerable groups

S2-2_07

Although we consider all people in the supply chain, we develop **a special focus on particularly vulnerable groups**.

We have therefore introduced in our Workers at the Centre strategy a specific focus for women, migrants and people with disabilities, or workers involved in the production of raw materials. In this way we aim to listen to those people who are least represented and who may be most affected.

S2-3. Processes to remediate negative impacts and channels for value chain workers to raise concerns

Processes to remediate negative impacts

S2-3_01

The identification of potential and actual negative impacts related to our activity allows us to increase our capacity to prevent, mitigate and remediate their effects. That is why we endeavour to assess the impacts linked to those working in our supply chain.

To achieve this we implement due diligence processes and we activate grievance mechanisms, which help us detect potential negative impacts and introduce the necessary measures to prevent, mitigate and remedy their effects.

ⓘ More information in section *GOV-4. Statement on due diligence* of this Report.

Our main **remediation tools** are:

/ The **projects covered by the Workers at the Centre strategy** —which focus on managing the impacts identified in our due diligence process in human rights— allowing us to implement initiatives aligned with our Priority Impact Areas.

ⓘ More information on the Workers at the Centre strategy in section *S2-4. Actions related to value chain workers* of this Report.

/ **Corrective Action Plans (CAPs)**, part of our compliance programme, through which we develop roadmaps to support suppliers to correct and prevent any non-compliance with our Code of Conduct for Manufacturers and Suppliers that is detected through social audits.

ⓘ More information on Corrective Action Plans (CAPs) in section *G1-2. Management of relationships with suppliers* of this Report.

/ **Specific Remediation Plans for protection against child labour and the safeguarding of refugees**, focused on the special protection of these vulnerable groups.

/ **Remediation measures carried** out in the framework of our collaboration with IndustriALL Global Union.

Main communication and grievance mechanisms

S2-3_02; S2-3_04; S2-3_06; S2-3_11; S2-3_12

Value chain workers have access to the **Ethics Line**, which is available to all our stakeholders. The procedure for managing communications received from value chain workers through the Ethics Line and ensuring the channel's efficacy is the same as for those received from other stakeholders and is outlined in the relevant chapter of this Report.

ⓘ More information on how the Ethics Line works, including monitoring, control and assurance of its effectiveness, in section *G1-1. Corporate culture and business conduct* of this Report.

S2-3_03; S2-3_05; S2-3_09; S2-1_11

To ensure that supply chain workers are aware of our Ethics Line, in addition to including information and facilitating their access via the corporate website, the Code of Conduct for Manufacturers and Suppliers explicitly designates this channel as a preferred and confidential channel available to them. This code, which must be accepted in order to be able to work with Inditex, requires manufacturers and suppliers to:

/ Post the Code of Conduct for Manufacturers and Suppliers, translated into the local language, on their premises.

/ Appoint a management representative who is responsible for the implementation of the Code of Conduct for Manufacturers and Suppliers.

Compliance with the requirements of the Code, including it is available to workers, is verified through social audits we carry out regularly at our manufacturers and suppliers.

S2-3_10

Furthermore, workers can also use external grievance channels designated by the competent authorities.

S2-3_02; S2-3_10

Our **Framework Agreement with IndustriALL Global Union** also constitutes a specific communication and contact mechanism, reinforcing the other available grievance mechanisms. Its functioning is articulated through the relationship with local affiliates, the legitimate workers' representatives, who channel their concerns via an escalation process developed between Inditex and IndustriALL with the aim of promoting social dialogue.

S2-3_05

For a better understanding of the main points of the Global Framework Agreement, we provided training for local affiliates in different countries. This strengthens the knowledge of the people working in our supply chain regarding this mechanism, so as to foster social dialogue in our supply chain as a way of solving any incident that may be reported to Inditex through our Global Framework Agreement with IndustriALL.

S2-4. Actions related to value chain workers

S2-4_10

We strive to implement practices and strategies that minimise any potential impacts related to our activity that could affect workers in our supply chain.

Consequently, we are committed to implementing responsible purchasing practices to avoid potential impacts on the working conditions, wages or benefits of workers.

In addition, we conduct thorough human rights due diligence, supported by an ongoing exercise to identify and prioritise potential human rights impacts.

ⓘ More information on our due diligence regarding human rights in section *GOV-4. Statement on due diligence* of this Report.

S2-4_01; S2-4_05 S2-4_06; S2-4_13; S2-4_16

Through this due diligence exercise, in addition to our materiality assessment, we identify the potential impacts that our activity may have on our value chain workers.

This assessment enables us to identify the actions needed to prevent, mitigate and remediate these impacts, as well as to set up strategies to transfer the positive effect to our supply chain.

To manage our supply chain impacts, we take a collaborative approach to global and local implementation, from a systemic perspective. To this end, we developed a number of tools, including:

/ **Workers at the Centre strategy**: it aims to strengthen the protection of human rights and incorporates an approach to transformation and impact into our relationship with the people working in the supply chain.

This strategy is structured into five PIAs (Social dialogue, Living wages, Respect, Health and Resilience) with specific targets and lines of action that are materialised through partnerships, solutions and initiatives on the ground, developed by our teams or along with partner organisations. In their design and development we apply the Theory of Change to launch transformative initiatives on the basis of the expected benefit for people.

/ **Programme for Compliance with the Code of Conduct for Manufacturers and Suppliers**: it ensures compliance with Inditex's regulations regarding our supply chain, enabling us to trigger action mechanisms in the event of non-compliances. Specifically, this programme is structured through audits, Corrective Action Plans (CAPs) and training, among other measures.

ⓘ More information on the Compliance Programme in section *G1-2. Management of relationships with suppliers* of this Report.

We also have specific **Remediation Plans for protection against child labour and the protection of refugees**, which include special measures for prevention, detection and remediation in cases of child, forced or irregular labour, by providing support and remediation for the affected person.

Workers at the Centre

The Workers at the Centre 2023-2025 strategy is based on **respect for the human rights** of the workers in the supply chain. Our **goal is to reach three million people by 2025.**

Priority Impact Areas



Social dialogue

Facilitating mature industrial relations as a vehicle for a more participative society.



Living wages

Setting the conditions for the achievement of Living Wages in the Inditex supply chain.



Respect

Promoting safe and respectful environments, free from discrimination, abuse or harassment.



Health

Protecting the health and safety of workers in the supply chain, and improving their well-being.



Resilience

Contributing to create preventive, adaptive and transformative capacities for development.

Elements of the strategy



/ Due Diligence

A continuous process, based on the UN Guiding Principles on Business and Human Rights, allowing us to identify five Priority Impact Areas. These areas are synergetic and interconnected.



/ Transformation

Transformation is a slow process and requires the commitment and collaboration of various parties. Our Workers at the Centre strategy connects us to the present and the challenges it poses, without losing sight of our ultimate goal, which is to transform the industry and communities.



/ Equal opportunities as our focus

We make more visible and integrate the needs of the most vulnerable groups, including women, migrants and refugees.



/ Solutions

Priority Impact Areas develop, support and combine different types of solutions and interventions to pursue their objectives: partnerships, collaborations with different stakeholders, direct interventions with suppliers or community outreach, among others.

All the approaches complement each other and, at different paces and scales, contribute to and are part of implementing the strategy.

Workers at the Centre 2024:

1,817,233
People
reached by the strategy

2,429
Suppliers and factories
involved in the strategy

35
Initiatives and solutions
developed in factories and/or communities

S2.MDR-A_01-12; S2-4_03; MDR-A_03

Our **Workers at the Centre** strategy, whose new cycle started in 2023 and will end in 2025, is based on the respect and promotion of human rights and the creation of social value.

For this reason, the actions carried out under our strategy go beyond mitigation and/or remediation of potential negative impacts, with initiatives aimed at generating positive change for our supply chain workers and their communities.

In this way, we aim to have a **diverse, inclusive and safe value chain** for workers, made up of committed suppliers and manufacturers, while ensuring decent conditions and adequate levels of well-being.

Collaboration and support

S2-4_14

To achieve this, at Inditex we believe in the culture of collaboration as a means to leverage our effect and achieve a lasting impact. On this regard, we implement measures aimed at our value chain workers in partnership with local and international expert organisations such as ACT (Action, Collaboration, Transformation), Ethical Trading Initiative (ETI), IndustriALL Global Union, International Accord, the International Labour Organization (ILO), Reimagining Industry to Support Equality (RISE) and many others.

Our local teams, who are present in our main supplier markets, play a key role in the management and implementation of our actions.

S2-4_13

Likewise, we believe in supporting **our suppliers** to address supply chain challenges as a shared responsibility. That is why we provide continuous and specialised training on issues such as gender equality, freedom of association, living wages, and health and safety.

One example of this is our EVOLVES initiative which, through direct collaboration with suppliers and manufacturers, is aimed at developing facility management systems to furnish them with efficient tools and operating practices that guarantee and reinforce respect for the rights of supply chain workers.

Likewise, the close relationship between our purchasing and sustainability teams and our suppliers is crucial. We have local teams in our main production markets, our clusters. This allows us to pay special attention to the context of these regions.

S2-4_15

This ongoing communication and collaboration is crucial in the design and implementation phases of our actions within the Workers at the Centre strategy.

We work with key players like **the international trade union federation IndustriALL**, with which we signed a Global Framework Agreement in 2007. An important tool for promoting worker participation and respect for the rights of freedom of association and collective bargaining.

Similarly, we work with **Shift,** a leading organisation in human rights and business, in the framework of the conceptualisation of the due diligence exercise. The analysis of this exercise, along with other information sources, allows us to develop the Priority Impact Areas of our strategy.

ⓘ More information on the strategy in the report *Workers at the Centre*, available on Inditex's corporate website.

Priority Impact Areas of the Workers at the Centre strategy

Social dialogue

Related IROs: [S2.I1; S2.I3; S2.R1; S3.I1; S3.I2; S3.R1]

MDR-A_01; MDR-A_02

We see social dialogue as a tool to help us foster more mature industrial relations as a vehicle for a more participatory society.

To achieve this, we have a range of partnerships and collaborations and we work on two main lines of action: the participation of workers and dialogue ecosystems.

Worker participation

We have endeavoured to promote communication and dispute resolution mechanisms like the internal communication channel of the Global Framework agreement; the Interim Dispute Resolution Mechanism in Bangladesh relating to freedom of association and the payment of wages and benefits for workers under the ACT initiative or the International ACCORD's Complaints Mechanism, among others.

Main initiatives in 2024:

/ Implementation of the Global Framework Agreement with IndustriALL Global Union (global).
/ Training on the Global Framework Agreement (Bangladesh).
/ Training for local affiliates of IndustriALL concerning the mechanisms of the Global Framework Agreement (Cambodia, Türkiye).

Ecosystems for dialogue

We also aim to empower the representatives of workers and employers through social dialogue platforms at the local or industry level. For this purpose we work actively on representation mechanisms and raising awareness regarding industrial relations and other spheres such as occupational health and safety or women's empowerment.

Main initiatives in 2024:

/ Collaboration through the ACT initiative (Bangladesh, Cambodia, Türkiye).
/ Better Work programme (Bangladesh, Cambodia, Egypt, Indonesia, Pakistan, Vietnam).
/ Programme for the promotion of social dialogue (India).
/ Improving operational grievance mechanisms (Türkiye).
/ Training on improving employee relations (Cambodia, China).

MDR-A_04; MDR-A_05

Results of the social dialogue PIA in 2024:

/ 670,281 people reached, which brings the figure to 741,076 people reached since the start of this strategy cycle in 2023.
/ 325 suppliers and factories involved.
/ Key markets: Bangladesh, Cambodia, China, Egypt, India, Indonesia, Pakistan, Türkiye, Vietnam.

S2-4_17

Contribution to the SDGs



Living wages

Related IROs: [S2.I1; S2.I2; S2.R1; S3.I1; S3.I2; S3.R1]

MDR-A_01; MDR-A_02

In our view, paying workers living wages can only be achieved by means of effective collaboration at industry level between workers' representatives and employers, complemented by responsible purchasing practices.

Necessary conditions for collective bargaining

We work to foster collective bargaining agreements at industry level, underpinned by improvements in responsible purchasing practices.

Main initiatives in 2024:

/ Collaboration through the ACT initiative (Bangladesh, Cambodia, Türkiye).
/ Implementation of the Global Framework Agreement with IndustriALL Global Union (global).

Responsible purchasing practices

Responsible purchasing practices can help create an environment that is conducive to improving working conditions, wages and benefits for workers in the supply chain.

That is why we are adhered to the ACT's five commitments in relation to purchasing practices and we train our sales teams to make responsible purchasing decisions, providing them with a management system that measures the sustainability performance of each supplier and factory.

Main initiatives in 2024:

/ Responsible purchasing practices with ACT.
/ Training buyers at the Inditex Sustainable Fashion School.

Management systems and favourable practices
We opt to take a holistic approach, including creating an ecosystem conducive to favourable conditions —skills enhancement, increased productivity, effective wage management systems, financial literacy, etc.— and lays a solid foundation for the payment of living wages to supply chain workers.

Main initiatives in 2024:

/ Wage management project (China).
/ Lean Project (Bangladesh, Cambodia, China, Morocco, Portugal, Vietnam).
/ Look Through Another Window project (Türkiye).
/ RISE Digital project (Pakistan).
/ RISE Financial Health project (Cambodia, Egypt, Vietnam).

MDR-A_04; MDR-A_05

Results of the living wages PIA in 2024:
/ 86,268 people reached, which brings the figure to 100,454 people reached since the start of this strategy cycle in 2023.
/ 67 suppliers and factories involved.
/ Key markets: Bangladesh, Cambodia, China, Egypt, Morocco, Pakistan, Portugal,Türkiye, Vietnam.

Contribution to the SDGs

S2-4_17



Respect

MDR-A_01; MDR-A_02

Related IROs: [S2.I5; S2.R1; S3.I1; S3.I2; S3.R1]

We aim to promote safe and respectful environments, free from discrimination, abuse or harassment.

To achieve this, we endeavour to create respectful work environments free from any kind of violence and harassment, along with a fair recruitment and employment culture.

Respectful work environments free from any kind of violence and harassment
ILO Convention No. 190 and Recommendation No. 206 are the first international labour standards that provide a common framework to prevent, remediate and eradicate violence and harassment in the world of work, including gender-based violence and harassment. We promote, support, collaborate and implement all necessary measures to foster engagement in these areas.

Main initiatives in 2024:

/ Training on respect and equality (Türkiye).
/ Training on the development of zero tolerance policies towards violence (Türkiye).
/ Working parent support programme (China).
/ EDUCARE project (Morocco).
/ Harmony project (Türkiye).
/ LGBTQI+ Awareness project (Portugal).
/ Parwaaz project - Disability management in the workplace (Pakistan).
/ RISE Respect project (Bangladesh, India).
/ Together Strong project (Türkiye).
/ Workplace Adaptation project (Türkiye).

Fair recruitment and employment culture
Having fair recruitment and employment practices is key to achieving decent working conditions. At Inditex, we take a zero tolerance policy towards child labour and any kind of forced labour, issues that are reflected in our Code of Conduct for Manufacturers and Suppliers.

We also have a supply chain management system in place that includes aspects such as audits, corrective plans, awareness-raising, etc. They allow us to identify and remediate potential violations, and to adopt the necessary action if any breaches are detected.

Main initiatives in 2024:

/ Remediation programme for migrant workers (Türkiye).

/ *Sowbhagyam* project (India).

MDR-A_04;
MDR-A_05

Results of the Respect PIA in 2024:

/ 174,917 people reached, which brings the figure to 222,240 people reached since the start of this strategy cycle in 2023.
/ 369 suppliers and factories involved.
/ Key markets: Bangladesh, China, India, Morocco, Pakistan, Portugal, Türkiye.

S2-4_17

Contribution to the SDGs



Health

MDR-A_01;
MDR-A_02

Related IROs: [S2.I4; S2.R1; S3.I1; S3.I2; S3.R1]

We aim to protect the health and safety of supply chain workers and improve their well-being, through three lines of action: physical health, workplace safety and well-being.

To achieve this, we work with various organisations such as International Accord for Health and Safety in the Textile and Garment Industry, Medicus Mundi Sur, RMG Sustainability Council (RSC), St. John's Medical College and the University of Oxford.

Physical health
We continue our commitments and initiatives aimed at reinforcing the evaluation, support and improvement of compliance with our Code of Conduct for Manufacturers and Suppliers.

Main initiatives in 2024:

/ OHS Corrective Action Plan (global).

/ Project in collaboration with Medicus Mundi (Morocco).

Workplace safety
We work to promote safe and adequate facilities and workplaces for workers, as well as to provide training for both employees and management to effectively manage workplace safety.

Main initiatives in 2024:

/ Accord-CAP Remediation project (Bangladesh, Pakistan).

/ SAFER project (China, Morocco, Vietnam).

/ Boiler safety project (Morocco).

/ Suraksha: fire & electrical system assessment + thermography project (India).

Well-being
We believe that general well-being should be addressed in the supply chain by taking care of mental, emotional and even social health, safeguarding a workplace culture of well-being and fostering the dissemination of knowledge. Accordingly, we encourage open communication on matters relating to health and safety issues and we promote safe and healthy behaviours.

Main initiatives in 2024:

/ SAKHI Menstrual Rights project (India).

/ Suraksha: Safety Management Systems (SMS) project (India).

Occupational Health and Safety Corrective Action Plans

In 2024, we have strengthened our commitment to this initiative, broadening the scope of suppliers and factories to be involved and stepping up efforts and resources to improve health and safety conditions in our supply chain, thereby ensuring greater compliance with our CCMS and the applicable legislation.

In this regard, we design our Corrective Action Plans in collaboration with suppliers or manufacturers, analysing the necessary improvements in each individual case. Subsequently, a specialised team carries out ongoing monitoring of their implementation, providing guidance to the supplier or manufacturer, overseeing progress, and verifying the improvements implemented.

MDR-A_04; MDR-A_05

Results of the Health PIA in 2024:

/ 1,313,217 people reached, which brings the figure to 1,694,407 people reached since the start of this strategy cycle in 2023.

/ 1,806 suppliers and factories involved.

/ Key markets: Bangladesh, China, India, Morocco, Pakistan, Vietnam.

S2-4_17

Contribution to the SDGs



Resilience

MDR-A_01; MDR-A_02

Related IROs: [S2.I1; S2.R1; S3.I1; S3.I2; S3.R1]

We want to contribute to generating preventive, adaptive and transformative capacities to ensure prosperous livelihoods and create more resilient suppliers and communities.

Social protection

We are engaged in ensuring adequate and sufficient social security access in the supply chain, by periodically assessing the compliance performance of factories and suppliers and, if necessary, implementing and monitoring corrective action plans.

Main initiatives in 2024:

/ Employment Injury Scheme (EIS) pilot programme in Bangladesh (Bangladesh).

/ Happiness for All (India).

Just transition and the future of work

We want to ensure that a human rights-based approach is systematically incorporated into our climate commitments. In this way, human rights experience and practice are combined with environmental plans and actions, thereby ensuring that the social impact is taken into account. We also strive to understand how jobs and skills are going to evolve.

Main initiatives in 2024:

/ Rise Foundations project (China, Vietnam).

Prosperous livelihoods

We focus primarily on the livelihoods of people involved in the production of raw materials, including those in the agricultural sector. To address these challenges, we apply a holistic approach that encompasses traceability, due diligence and a commitment to respect for and promotion of human and labour rights.

Main initiatives in 2024:

/ Public-private partnership with the International Labour Organization (India, Pakistan, Uzbekistan).

/ Child & Women Friendly Mobile Areas project (Türkiye).

/ Collaboration projects for promoting regenerative agricultural practices (India).

MDR-A_04; MDR-A_05

Results of the Resilience PIA in 2024:

/ 59,823 people reached, which brings the figure to 69,804 people reached since the start of this strategy cycle in 2023.

/ 58 suppliers and factories involved.

/ Key markets: Bangladesh, China, India, Pakistan, Türkiye, Uzbekistan, Vietnam.

S2-4_17

Contribution to the SDGs



Further considerations

S2-4_12; MDR-A_06; MDR-A_07

The financial resources linked to implementing these actions, do not imply a material amount on their own. They are included under Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

S2-4_18

In this regard, we highlight the role of our local teams, who are present in the main supplier markets, in the management and implementation of our actions.

S2-4_04

We monitor our actions in detail to examine and validate their effectiveness.

To this end, we have common indicators for all the actions, such as the number of people reached, and individual indicators applicable to each type of initiative depending on its nature, which we obtain through different methods such as surveys of the supply chain workers.

In addition, in some cases we also undertake monitoring visits to assess the correct implementation of the projects. In 2024, we conducted 776 of these monitoring visits (821 visits in 2023).

S2-4_02

In the process of analysing and monitoring our impacts, we pay special attention to the potential materialisation of their effects, in order to establish preventive measures and, should they occur, mitigation measures.

In those cases where we identify that the impact has occurred or is occurring, we activate specific action plans that allow us to:

/ Minimise the negative effect on people in the supply chain.

/ Endeavour to remediate it as much as possible.

/ Apply a dual perspective of prevention to minimise the chances of its recurring in the future.

An example of this is our **Remediation Plans**, which are activated if a potential incident of child, forced or irregular labour is detected.

Remediation Plans

/ **Child labour remediation plan**: we implement a mandatory process that is triggered if a worker under the age established in our Code of Conduct for Manufacturers and Suppliers is found. From the moment it is activated, suppliers and factories are responsible for developing and implementing a series of feasible corrective actions, as well as providing schooling opportunities for the child and paying the child a living allowance until the minimum working age is reached or, alternatively, employing an adult family member in place of the child, among other measures aimed at reducing the likelihood of the child returning to the world of work. In addition, to ensure compliance, our teams continuously monitor compliance, also in collaboration with external expert organisations.

/ **Refugee and migrant remediation plans:** they are carried out if our assessments identify migrant or refugee workers in any of the production facilities with whom we work. In these plans we assess the working and living conditions of these workers in order to provide support to them and their families if necessary, in collaboration with expert NGOs.

S2-4_07

In addition to the aforementioned support visits, within the framework of our Compliance Programme we conduct **social audits** regularly and without previous notice of the specific date of the audit to all suppliers and manufacturers in our supply chain, following both our own methodology and that of the Social & Labor Convergence Program (SLCP).

These audits allow us to verify compliance with our Code of Conduct for Manufacturers and Suppliers and consist of an unannounced site visit to verify wage rates, working hours, health and safety conditions, among other requirements. Depending on the degree of compliance, suppliers and manufacturers receive a social rating.

Accordingly, we use **Corrective Action Plans (CAPs)** to support suppliers in their improvement processes and help them to correct and prevent non-compliances. However, we maintain a zero tolerance policy with those who do not show a willingness to improve, and so if the final verification audit shows critical non-compliances at the end of the CAP, Inditex's business relationship with the factory or supplier will be terminated.

S2-4_11

These social audits and Corrective Action Plans allow us to monitor and control potential incidents regarding supply chain workers' rights. We report the results of these audits grouped by theme in this Report.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

We also work to identify those stages of our supply chain that are most susceptible to potential human rights violations, in order to multiply our prevention efforts on them. This has led us to identify greater vulnerability in the raw material cultivation phase. For this reason, we work hand in hand with the International Labour Organization (ILO), within the framework of our Public-Private Partnership, for the promotion and respect of the Fundamental Principles and Rights at Work (FPRW) in India, Pakistan and Uzbekistan.

Furthermore, value chain workers also have access to the Ethics Line for reporting any type of infringement or irregularity concerning human rights. In 2024, no inherently severe incidences human rights violations in our supply chain have been detected through this channel.

ⓘ More information in section *G1-1. Corporate culture and business conduct* of this Report.

S2-4_08

The implementation of these actions and our Compliance Programme also play an important role in minimising our **material risks**, by reducing our risks relating to supply chain workers.

S2-4_09

On the other hand, regarding opportunities, we continue to work to deepen our analysis in order to be able to provide more insight in future reporting exercises. In 2024 we have not identified any material opportunities in relation to our supply chain.

Agreements and collaborations

At Inditex we understand that our sustainability targets for the supply chain are shared by other stakeholders. Accordingly, we take and open and collaborative approach with a range of organisations and we actively participate in the industry's global initiatives as the driving force for transformation. In this regard, we carry out our actions aimed at our value chain workers in partnership with local and international expert organisations. These include ACT (Action, Collaboration, Transformation), Ethical Trading Initiative (ETI), IndustriALL Global Union, International Accord, the International Labour Organization (ILO), Reimagining Industry to Support Equality (RISE), Medicus Mundi and many others.

ⓘ More information in the report *Partnerships* on Inditex's corporate website.

C. Metrics and targets

S2-5. Targets related to value chain workers

S2.MDR-T_01-13

• Reaching three million people with the Workers at the Centre strategy

MDR-T_01

We have set ourselves the target of reaching three million people through our Workers at the Centre strategy between 2023 and 2025.

This target is linked to our Human Rights Policy and its commitment to play an active role in promoting human rights and to proactively work towards their respect, both in our own operations and in the value chain.

MDR-T_02; MDR-T_05; MDR-T_06; MDR-T_07; MDR-T_08; MDR-T_13

Target: reaching three million people with the Workers at the Centre strategy by 2025

	Current period	Target year
	2023-2024	2025
People reached since 2023	2.2 million	3 million

S2-5_04

For this purpose, as with our Workers at the Centre strategy of which it is a part, we aim to guarantee respect for the human and labour rights of our supply chain workers and to promote their well-being and that of their communities. To achieve this we design various projects based on the Theory of Change methodology in each of the PIAs with specific targets set.

ⓘ More information in the report *Workers at the Centre*, available on Inditex's corporate website.

MDR-T_11; S2-5_01; S2-5_02; S2-5_03

A key factor in designing our strategy, targets and actions is close continuous collaboration and dialogue with specialist organisations and leading players in our value chain.

Through constant communication with these organisations, we are also able to track how effective our actions are and define new areas for improvement to fulfil our strategies and goals.

Moreover, the Global Framework Agreement with IndustriALL provides a direct communication channel with workers in our supply chain through their representatives, giving us valuable insight into their needs and our performance.

MDR-T_03; MDR-T_04; MDR-T_05; MDR-T_06; MDR-T_09; MDR-T_12

ⓘ More information on the scope, methodology and calculation changes in the year in the *Methodological Annex* of this Report.

S3. Affected communities

A. Strategy

SBM-3. Material impacts, risks and opportunities

At Inditex we see the community as one of our stakeholders, and our relationship model encompasses those people or entities that are a part of the environment where we operate, represented by NGOs, governments and public authorities, academic institutions, media and civil society. Bearing this in mind, we have compiled the following list of material impacts, risks and opportunities related to communities.

Material Impacts, Risks and Opportunities related to communities

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN [1]	AFFECTED POLICIES
S3.I1	**Value generation and community investment**	I	/ Extended value chain	**Transversal policies:** / Code of Conduct / Code of Conduct for Manufacturers and Suppliers / Human Rights Policy / Sustainability Policy / Sustainability Stakeholder Relations Policy **Specific policies:** / Community Investment Policy / Ecosystems and Biodiversity Policy
S3.I2	**Possible violations of local communities' rights**	I	/ Extended value chain	
S3.R1	**Risks related to local communities' rights**	R	/ Extended value chain	

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.

ⓘ More information on stakeholder engagement and our materiality assessment in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

Scope

S3.SBM-3_01; S3.SBM-3_02; S3.SBM-3_03; S3.SBM-3_07

In our assessment, we take into consideration the community, bearing in mind the various ways in which it might be affected by our activity. Consequently, we identify those people who might be impacted by our activity, whether positively or negatively.

Accordingly, we take into consideration the communities linked to our own operations (near our offices, logistics centres, etc.), as well as to our value chain, including from the extraction of raw materials to the product's end-of-life management.

We also take into consideration those groups whose specific characteristics make them **more vulnerable to potential negative impacts**. This is the case, for example, of women, children, migrants and refugees, people with disabilities, people at risk of exclusion, indigenous communities and others.

We have also identified a potential vulnerability in connection with the processes of extraction of the raw materials used in our products. We therefore continue to work on improving traceability at the industry level of the materials used to make the products. The aim being to minimise and be able to remediate any negative impacts on communities' rights from our supply chain activities.

However, our community investment strategy is not only confined to those communities most closely linked to our activity, but also encompasses other communities, less directly affected by our operations or those of our value chain, but whom we also want to support through our programmes.

Occurrence and types of impacts

S3.SBM-3_04

Negative impacts related to the community may have a range of causes, linked to situations such as potential breaches of cultural rights or more systemic ones such as the potential adverse impact of our activities on the communities' right to a healthy environment.

As part of our commitment, we have implemented mechanisms to prevent both kinds of possible impacts and, should they occur, address them. In this regard, we respect the rights of communities when implementing our actions and we have expanded initiatives such as Workers at the Centre with the aim of transferring their effect not only to value chain workers but to their communities. This is especially significant in communities linked to the production of raw materials.

Furthermore, we implement measures to ensure **respect for human rights**, including the cultural rights of communities. We have an internal team that is responsible for ensuring that our products are developed in keeping with these rights.

Moreover, we consider our indirect impacts on communities, such as those relating to the environment. In this connection, we carry out initiatives to promote respect for people's right to live in a healthy environment.

S3.SBM-3_05

At Inditex we are committed to **generating a positive impact** on the community as a whole. To do so, we design initiatives that enable us to transfer and generate value for people by creating direct, indirect and induced employment as a result of our activity, fostering an improvement in living standards and improving communities' well-being.

In this regard, we have a **community investment strategy**, whereby we carry out numerous projects with different focuses. Through this programme we contribute to sustainable development beyond our value chain and industry.

In this sense, we highlight our support to initiatives aimed to safeguard the lives, health and well-being of forced migrants and refugees, as well as other vulnerable groups facing humanitarian emergency situations, such as natural disasters, armed conflicts or similar circumstances.

ⓘ More information on related actions in section *S3-4. Actions related to communities* of this Report.

Risks and opportunities

S3.SBM-3_06

By analysing our impacts and dependencies we can identify those material risks and opportunities for our Company arising from the community.

This in turn allows us to implement initiatives that help us prevent, mitigate and remediate potential negative effects before they occur. In this regard, we consider members of the community as legitimate users of the Ethics Line, so that they can report any infringement or irregularity related to their rights. Through this grievance mechanism we can monitor, manage cases,make appropriate decisions and take the necessary measures, thereby helping to prevent the potential risk of sanctions and compensation due to rights-related breaches or incidents.

S3.SBM-3_08

The risks and opportunities identified relate to the community as a whole; no specific dependence on any particular group has been identified.

B. Impact, risk and opportunity management

S3-1. Policies related to communities

S3.MDR-P_01-06; S3-1_08

Our policies concerning the management of community impacts, risks and opportunities, apply to all affected persons, regardless of their proximity to our own operations or value chain.

Policies related to the community

/ Community Investment Policy ⓘ
/ Human Rights Policy ⓘ
/ Ecosystems and Biodiversity Policy ⓘ
/ Code of Conduct ⓘ
/ Sustainability Policy ⓘ
/ Ethics Line Procedure ⓘ
/ Sustainability Stakeholder Relations Policy ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* of this Report.

MDR-P_01; MDR-P_02; MDR-P_03; MDR-P_04; MDR-P_05

In particular, we highlight the role of our **Community Investment Policy**, which helps us to regulate our strategy's projects focused on creating a lasting impact in the community from strategic support for long-term projects.

Community Investment Policy

Approved by the Board of Directors in June 2014 and last updated on 3 May 2023

Key contents	/ Committed improvement of community wellbeing, maximisation of community value generation and construction of strategic alliances / Alignment across the community initiatives pursued within the Group and collaboration channel for participation in community initiatives / Framework of priority activity areas (education, emergency relief and environment)
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons linked to Inditex, when possible due to the nature of the relationship and when conducive to compliance
Accountable for the implementation	/ Sustainability department and its chief officer
Third-party standards	/ 2030 Agenda and UN Sustainable Development Goals (SDGs) / Paris Agreement on Climate Change
Consideration given to stakeholders	/ Participation of the Social Advisory Board

S3-1_02

Respect for community human rights

At Inditex we are committed to **respecting community human rights**, a commitment enshrined in our Sustainability Policy, and, more extensively, in our Human Rights Policy. Likewise, we want our activity to contribute to the development of a fair society, in balance with the planetary boundaries.

Hence, in our Code of Conduct, pursuant to our relationship with our surrounding environment, we commit to:

/ Promoting the sustainable development of the communities and areas in which we operate, by fostering voluntary initiatives and projects.

/ Collaborating with communities and organisations related to our Group.

Along these lines, our **Human Rights Policy** advocates the special protection of communities. It establishes as a principle the fostering and promotion of human rights in the local, national or international communities in which the Group conducts its business. In particular, the policy underscores our explicit commitment to upholding the rights of local communities by respecting their laws, culture and customs; open dialogue with stakeholders and attention to the most vulnerable groups.

Likewise, our **Sustainability Policy** reflects our aim to nurture the well-being of people and communities, promoting multiculturalism and recognising the importance of the right to a clean, healthy and sustainable environment.

S3-1_06

Our policies are based on our commitment to respect and promote all internationally recognised human rights, as set out in the United Nations Guiding Principles on Business and Human Rights, and to promote human rights in the communities in which we operate. In this regard, as can be seen from their details, we construct our policies in line with international principles and benchmark standards.

S3-1_01;
S3-1_03

Importantly also, our commitment to respecting community human rights includes **indigenous communities**, in line with our Sustainability Policy. This is also explicitly stated in our Ecosystems and Biodiversity Policy, which sets out Inditex's commitment to responsible sourcing, production and other practices in the value chain that respect and protect the human rights of the community, with a particular emphasis on the rights of indigenous peoples.

S3-1_04

Moreover, the new **Sustainability Stakeholder Relations Policy** addresses the incorporation of stakeholders into the relevant topics and issues, committing to active listening and dialogue.

In order to implement these principles, as well as other commitments emanating from our policies with respect to the community, we engage in active dialogue with the individuals who make up the community through the direct relations with the various NGOs with which we work. These include our long-term partners Médecins Sans Frontières (MSF), the Red Cross, Water.org and others.

We also pursue this relationship through the work of our Social Advisory Board and the Sponsorships and Patronage Committee, which is directly linked to our community investment strategy.

S3-1_05

Policy-related mechanisms and instruments

We are supported by our grievance mechanisms to improve our due diligence process, helping us to identify potential negative impacts, and allowing us to respond to risks in advance. One such mechanism is our **Ethics Line**, available to people in the community for them to convey, among other things, instances of infringements of their rights.

ⓘ More information on the Ethics Line in section *G1-1. Corporate culture and business conduct* of this Report.

S3-1_07

We monitor cases handled by this channel as a means of tracking infringements of the community's human rights, should these arise.

In 2024 no cases of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises were identified through the Ethics Line, our main grievance mechanism.

ⓘ More information on the cases handled by the Ethics Line in section *G1-4. Communications received through the Ethics Line* of this Report.

S3-2. Processes for engaging with communities

S3-2_01;
S3-2_02;
S3-2_03;
S3-2_07

At Inditex, we believe that our relationship with and commitment to people in the community is key to properly manage the actual and potential impacts on them.

This allows us to tailor our strategies and more accurately design our community initiatives, in particular the actions pursuant to our community investment strategy, to ensure that our model is optimised to best serve the community's real needs.

Moreover, at Inditex we see respect for human rights as a whole, including indigenous communities in this paradigm. Our relationship with local and international organisations is crucial to our understanding of these communities and the possible impacts of our activity might have on them.

In this line, we highlight the following specific tools of engagement:

/ Commitments to community-based organizations

Given the complexity of establishing a direct relationship with an entire community, our model is based on **collaboration with community representatives**, such as NGOs and other local and international organisations.

By constantly exchanging information, community and stakeholder views are incorporated into the various initiatives. We therefore work with numerous specialist organisations and institutions, like the UNHCR, Red Cross, Médicins Sans Frontières, Water.org or WWF, to carry out these initiatives, from their design to their implementation and subsequent assessment.

In addition, the beneficiaries of the various community investment projects are involved in the assessment phase. Their assessment helps us to gauge the effectiveness of the actions and improve their implementation and scope. We also hold direct contacts with them as part of the specific implementation of projects in communities linked to cotton production.

ⓘ More information on our partnerships with NGOs in section *S3-4. Actions related to communities* of this Report.

/ Social Advisory Board

Our external advisory body on community investment is composed of external and independent persons and institutions, and its main mission is to institutionalise dialogue with key stakeholders from civil society.

/ Sponsorships and Patronage Committee

As the body responsible for the governance in our Community Investment Policy, it is empowered with approving all contributions made under the umbrella of the community investment strategy. Thus, it coordinates with the Community Investment department to assess and approve the necessary initiatives.

/ Projects linked to our Workers at the Centre and raw materials strategies

As part of our Workers at the Centre strategy, we also forge specific partnerships and engagements with organisations that focus on communities linked to our supply chain, and in particular with those communities related to the production of raw materials. One such example is our Public-Private Partnership with the **International Labour Organization**, in place since 2017, to improve respect for Fundamental Principles and Rights at Work in cotton communities, and another is our work with the Organic Cotton Accelerator.

We also harness our sustainability teams to carry out our community engagement actions.

ⓘ More information on stakeholder engagement in section *SBM-2. Interests and views of stakeholders* of this Report.

S3-2_05; S3-2_06

We gauge the effectiveness of our relationship with and commitment to the community by the detailed monitoring of the projects we develop.

When it comes to initiatives carried out within the framework of our community investment strategy, we rigorously measure the outputs and impacts achieved, using, among others, the Business for Societal Impact (B4SI) measurement methodology. In terms of the groups we target, we pay special attention to the **protection of the most vulnerable groups,** such as women, young people at risk of exclusion, LGBTQI+ people, migrants and refugees, among others. We also take into account those communities linked to the production of the raw materials needed for our products, such as cotton.

To learn these groups' views, and to ensure that our strategy is aligned with their needs, we rely on our partnerships with specialised community-based organizations.

S3-2_04

Lastly, operating responsibility regarding stakeholder engagement, in particular with the community, rests with the Chief Sustainability Officer.

S3-3. Processes to remediate negative impacts and channels for affected communities to raise concerns

Processes to remediate negative impacts

S3-3_10

By identifying our potential and/or actual negative impacts, we are able to prevent, mitigate and remedy the effects of their materialisation.

This approach extends to the community. We pay particular attention to developing our due diligence processes and make grievance mechanisms available to all legitimate third parties, so as to act in the best possible way should any negative impact affect them.

Main communication and grievance mechanisms

S3-3_11; S3-3_13; S3-3_15; S3-3_20; S3-3_21

Members of the community have access to our **Ethics Line**, which is available to all our stakeholders. The procedure for handling communications received from the community through this channel and ensuring its efficacy is the same as for those received from other stakeholders, which is outlined in the relevant chapter of this Report.

ⓘ More information on how the Ethics Line works, including monitoring, control and assurance of its effectiveness, in section *G1-1. Corporate culture and business conduct* of this Report.

S3-3_12; S3-3_14

To ensure that members of the community know, trust and can access our Ethics Line, in addition to including information and facilitating access to it via the corporate website, we have designated it as a preferred communication channel in all the policies that apply to it.

S3-3_19

Members of the community can also use the external grievance channels designated by the competent authorities in each case, including the official EU institutions, bodies or agencies.

Moreover, we analyse any other communications we may receive, for example through the organisations we work with in community matters, in order to monitor them and take any necessary action.

S3-4. Actions related to communities

S3.MDR-A_01-12

At Inditex we see **community investment as a chance to contribute to sustainable development** and have a positive impact on the community through voluntary activities that go beyond the boundaries of our value chain and of our industry.

Our approach to corporate community investment

S3-4_03

We aim to bring about a lasting impact in the community, which is why we focus our efforts on supporting long-term strategic projects, subject to an exhaustive monitoring and accountability process, instead of making sporadic contributions to social or environmental causes.

To achieve this, we invest monetary or in-kind resources or hours —such as our people's time spent volunteering— in an array **of non-profit initiatives.**

In this regard, in 2024 we supported 485 organisations (476 in 2023) in carrying out 953 social and environmental projects with an investment of over 134 million euros, a 20% increase on the investment made in 2023. These initiatives, **focusing on the UN Sustainable Development Goals (SDGs)**, that relate to our activity, have directly benefited more than 4.6 million people in 2024, i.e. 6% more than in the previous year.

S3-4_17

The different circumstances of those people are an aspect to which we pay particular attention when developing our actions.

Distribution of the people benefited in 2024 on the basis of their situation	
Living in developing countries	52%
Low income	36%
Refugees	5%
In situation of vulnerability	5%
Other profiles[1]	2%

(1) 'Other profiles' refers to people with a disability, people who are unemployed, victims of a natural disaster or catastrophe or who are homeless, among other circumstances.

Furthermore, we see gender equality as a transversal priority in our strategy. Accordingly, the initiatives we support promote respect for diversity and equality between men and women in all spheres (economic, social, cultural, labour, political, etc.). This approach addresses the root causes of the problem and helps to solve it.

S3-4_18

We also take into account the path outlined by the SDGs when it comes to designing our community partnership projects. We identify the main SDGs to which our initiatives contribute. In 2024, 91% of our contributions were in support of projects aimed mainly at SDGs 3, 4, 5, 8, 10, 12 and 15:

Distribution of Corporate Community Investment in 2024, by SDG	
SDG 3. Good health and well-being	7%
SDG 4. Quality education	5%
SDG 5. Gender equality	4%
SDG 8. Decent work and economic growth	9%
SDG 10. Reduced inequality	31%
SDG 12. Responsible consumption and production	27%
SDG 15. Life on land	8%
Others	9%

In line with our community investment strategy, our efforts in this regard focus mainly on three priority activity areas (education, emergency relief and the environment), which account for 75% of our community investment:

MDR-A_01;
MDR-A_02;
MDR-A_04;
MDR-A_05

/ Education action

Related IROs: [S3.I1; S3.I2; S3.R1]

We support projects focused on safeguarding the community's right to quality education throughout life and generating opportunities for decent work grounded on inclusion and equity in the community.

Key education initiatives in 2024:

- / Inditex Chair of Refugees and Forced Migrants in the Comillas Pontifical University.
- / TEMPE-APSA Chair of Disability and Employability at Miguel Hernández University in Elche.
- / Inditex Chair of Spanish Language and Culture at the University of Dhaka.
- / Inditex Chair of Artificial Intelligence in Green Algorithm at the University of A Coruña (UDC).
- / Inditex Chair of Sustainability at the University of A Coruña (UDC).
- / Inditex Chair of Family-Owned business at the Universities of A Coruña (UDC), Santiago de Compostela (USC) and Vigo (UV).
- / Inditex Chair of Inclusion of Persons with Intellectual Disabilities at the University of Barcelona (UB).
- / Programa CEMS: The Global Alliance in Management Education.
- / for&from: social/workplace integration programme for people with disabilities.
- / GO (Generating Opportunities: education and inclusion for a sustainable world) with Entreculturas.
- / Collaboration programme with Tsinghua University.
- / Collaboration programme with the Massachusetts Institute of Technology (MIT).
- / Collaboration programme with the University of A Coruña (UDC): InTalent, InMotion, Master's Degree in Digital Law and Artificial Intelligence (MUDDIA), Master's Degree in Financial Innovation and Digitisation.
- / Employment and Training Programme in Spain with Caritas.
- / FAD Juventud programme: programme to provide quality employment for women in technology professions in Spain.
- / SALTA: employment integration programme for people at risk or in a situation of social exclusion.

To implement this action, in 2024 we allocated 23 million euros —excluding management costs— which implies 17% of our contribution to community investment actions (17 million euros in 2023).

MDR-A_01;
MDR-A_02;
MDR-A_04;
MDR-A_05

/ Emergency relief action

Related IROs: [S3.I1; S3.I2; S3.R1]

We contribute with initiatives to safeguard the lives, health and well-being of forced migrants and refugees, as well as other vulnerable groups facing humanitarian emergencies such as natural disasters, armed conflicts, etc.

Key emergency relief initiatives in 2024:

- Médecins Sans Frontières (MSF) programme: medical-humanitarian response programme in various parts of the world.
- Relief programme for those affected by the floods in Brazil.
- Relief programme for those affected by the DANA in Spain.
- UNHCR (United Nations High Commissioner for Refugees) Programme.
- Assistance to displaced people in South America with Entreculturas.
- A Flote with the Emalcsa Foundation and the A Coruña City Council: social integration and social benefits programme in Spain.
- Every Mother Counts Programme: programme for the supply of prenatal and maternity care to pregnant women in Bangladesh and the United States.
- Medicus Mundi Programme: programme for the improvement in the well-being of garment workers in Morocco.

To implement this action, in 2024 we allocated 41 million euros —excluding management costs— which implies 31% of our contribution to community investment actions (46 million euros in 2023).

MDR-A_01, MDR-A_02; MDR-A_04; MDR-A_05

/ Environmental action

Related IROs: [S3.I1; S3.I2; S3.R1]

We contribute to activities aimed at conserving and restoring ecosystems, fostering regenerative practices, supporting the circular economy and using resources efficiently.

Key environmental initiatives in 2024:

- Moda Re- with Caritas: programme to generate employment for vulnerable people through the collection, recycling, and reuse of used garments in Spain.
- Water.org programme: programme to improve access to drinking water and sanitation for vulnerable families through microloans in countries such as Bangladesh, Cambodia or India.
- #BRINGYOUROWNBAG (#TRAETUBOLSA) initiative:
  - WWF Programme: restoration and protection projects in forest and freshwater ecosystems.
  - Water & Climate Fund by Water.org: projects to improve water and sanitation infrastructure.
  - Agreement on fire prevention with Galicia Regional Government.
  - Sustainable Forestry and Demonstration Forests with FORESTIS - Associação Florestal de Portugal- and the Galician Forestry Association.
  - Conservation International programme: Regenerative Fund for Nature and Mountains to Mangroves .
  - Regenerative agriculture programme in India in collaboration with ASA, Laudes Foundation, IDH The Sustainable Trade Initiative and WWF India.
  - Royal Botanic Gardens Kew programme.
  - SOS Atlantic Forest Programme.

To implement this action, in 2024 we allocated 35 million euros —excluding management costs— which implies 26% of our contribution to community investment actions (25 million euros in 2023).

ⓘ More information on some of these initiatives in section *E4-3. Actions related to biodiversity and ecosystems* of this Report.

/ Other issues addressed

Related IROs: [S3.I1; S3.I2; S3.R1]

In addition to our initiatives linked to education, emergency relief and environment, we also earmark part of our investment to initiatives linked to social welfare, social and economic development, healthcare, art and culture.

Key social welfare, social and economic development, healthcare, art and culture initiatives in 2024:

- Fundación ProCNIC: collaboration focused on cardiovascular health research.
- Real Instituto Elcano: collaboration focused on research.
- Fundación Carolina: collaboration focused on research.
- Royal Spanish Academy: collaboration focused on art and culture.
- Reina Sofía National Museum of Art: collaboration focused on art and culture.
- Royal Theatre opera house: collaboration focused on art and culture.

To implement this action, in 2024 we allocated 34 million euros —excluding management costs— which implies 25% of the contribution to community investment actions (23 million euros in 2023).

Contributions

MDR-A_06; MDR-A_07; MDR-A_09; MDR-A_10; MDR-A_11; MDR-A_12; S3-4_12

The total contributions allocated to the various community investment actions, including management costs, amounted to 135 million euros (113 in 2023), which were included under Operating Expenses in the Consolidated Income Statement (see *Note 6* to the Consolidated Annual Accounts).

This contribution can be made in various ways:

By form of contribution (€ M)[1]

	2024	2023
Cash (monetary amount)	61.2	62.0
Time (the proportional cost of our employees' paid time spent on social or environmental activities during working hours)	10.6	10.2
In-kind (donations of products, mainly garments)	60.9	38.5
Management costs (estimated expenses incurred for the general management of the programmes)	2.2	2.0

(1) Management costs included

In this regard, in 2024 we increased the value of our in-kind contributions by 58% compared to 2023, through the donation of 7.25 million articles from our collections. Furthermore, our employees have dedicated 353,618 hours of their working hours to social or environmental initiatives, 4% more than in the previous year.

We also classify these contributions into three categories:

By category (€ M)[1]

	2024	2023
Charitable gifts (one-off institutional donations to the general goals of charities)	3.0	2.4
Community investment (long-term strategic commitment to support specific social activities)	87.9	71.7
Commercial initiative in the community (initiatives of social interest directly related to the Company's commercial activity)	41.9	36.6

(1) Management costs excluded

MDR-A_03

It is worth noting that 98% of the total investment in 2024 was channelled to support initiatives that we consider strategic: community investment and commercial initiatives in the community. This is due to our commitment to ongoing initiatives that enable us to maximise the effectiveness of our inputs and broaden the impact of key projects.

MDR-A_02

With regard to the **geographic scope**, we prioritise regular investment in the areas in which we conduct our activity, in particular, in our clusters. Accordingly, our brands and subsidiaries operate locally and/or nationally when it comes to supporting community and environmental projects. This allows us to maximise the positive impact within our communities.

Geographical distribution of corporate community investment in 2024

Europe ex-Spain	17%
Spain	43%
Americas	18%
Asia and rest of the world	23%

Monitoring the positive outcomes of our actions

MDR-A_04; MDR-A_05; S3-4_04; S3-4_16

We carry out an exhaustive monitoring and accountability process in connection with our community investment projects, using B4SI methodology, highlighting the achievements and impacts:

/ IMPACTS

To gauge the effectiveness of the projects we support, we measure the impact of our investments on both the community (direct beneficiaries and community organisations) and the Company (our people and the business).

a) Community

Impact on people[36]

Depth of the impact: which degree of improvement have the people experienced?

*Mutually exclusive parameters.

	Connection [(1)]	Improvement [(2)]	Transformation [(3)]
2024	16%	66%	17%
2023	7%	82%	11%

[(1)] People who have reported some limited change as a result of their participation in the initiative.

[(2)] People who have reported some substantial improvement in their lives as a result of the project.

[(3)] People who have reported an enduring change in their circumstances as a result of the improvements made.

Impact type: what kind of changes have they experienced?

*Non-exclusive parameters. Beneficiaries may experience more than one kind of behaviour.

	Behaviour or attitude change[(1)]	Skills or personal effectiveness[(2)]	Quality-of-life or well-being[(3)]
2024	22%	3%	90%
2023	31%	1%	96%

[(1)] The initiative has helped people make behavioural changes that can improve the person's life. It can also mean that the programme has changed negative attitudes or preconceptions, enabling them to make better decisions.

[(2)] The initiative has helped people to develop new or improve existing abilities to develop academically, in the workplace and socially.

[(3)] The initiative has helped people to be healthier or happier, by improving their physical, emotional or social well-being.

Impact on community-based organisations[37]

		No difference	Low impact	Medium impact	High impact
Improved existing/ delivered new services	2024	0%	3%	32%	66%
	2023	6%	2%	42%	51%
Improved management processes	2024	8%	20%	55%	17%
	2023	12%	7%	63%	18%
Reached more people or spent more time with clients	2024	0%	13%	34%	53%
	2023	8%	16%	53%	23%
Taken on more staff or volunteers	2024	0%	20%	64%	16%
	2023	5%	44%	36%	15%
Increased their profile	2024	0%	0%	53%	47%
	2023	0%	0%	45%	55%

[36] En 2024, the assessment was carried out on 4,521,248 people who benefited from our community investment programme initiatives (4,059,696 in 2023).

[37] In 2024, the assessment was carried out on a total of 319 non-profit organisations benefiting from our community investment initiatives (275 in 2023).

b) Company

Impact on employees[38]

		No difference	Low impact	Medium impact	High impact
Job-related skills[(1)]	2024	1%	3%	26%	71%
	2023	1%	6%	22%	71%
Personal impact[(2)]	2024	1%	2%	14%	84%
	2023	1%	1%	12%	86%
Behaviour change[(3)]	2024	1%	3%	16%	80%
	2023	1%	2%	12%	85%

[(1)] Improvements in core, job-related competencies such as communications, teamwork, leadership skills, etc.
[(2)] Changes in areas like self-confidence, job satisfaction and pride in the company.
[(3)] Changes in behaviour such as increased volunteering or being more vocal advocate of the company.

Impact on our Company

		No difference	Low impact	Medium impact	High impact
Human resources benefits[(1)]	2024	65%	12%	9%	13%
	2023	64%	14%	10%	12%
Improved stakeholder relations/perceptions[(2)]	2024	0%	12%	31%	57%
	2023	0%	15%	28%	57%
Business generated[(3)]	2024	91%	6%	4%	0%
	2023	91%	7%	2%	0%
Other operational improvements[(4)]	2024	40%	14%	12%	34%
	2023	40%	17%	12%	32%
Uplift in brand awareness[(5)]	2024	6%	26%	24%	44%
	2023	7%	22%	21%	50%

[(1)] Improvements in the Company through increased commitment, recruitment or performance linked to the community initiative carried out.
[(2)] Improved perception by external stakeholders based on the community initiative carried out.
[(3)] Increased sales linked to cause-related marketing activities or new market opportunities.
[(4)] Increased resilience of suppliers and/or the distribution chain.
[(5)] Improved brand awareness as a result of increased media coverage, for example.

/ LEVERAGE

Furthermore, it is important to consider **the amount of additional investment leveraged:** the additional resources that our investment programmes have leveraged as a result of contributions by third parties—employees, customers, etc—.

In 2024, this leveraged investment amounted to 210.2 million euros, which represents a 95% increase compared to 2023. This amount was raised mainly through the collaboration with Water.org —through the additional capital released by microfinance institutions—, the Moda Re- project —through the collection of garments— and donations from our employees from their pay checks.

ⓘ More information in the *Methodological Annex* of this Report.

Other community actions

S3-4_01;
S3-4_06

Our community engagement strategy prioritises having a positive impact, as previously outlined, but we also take into account any potential negative impacts on the community from our activity. We do this using a dual approach of **prevention and remediation**, first minimising the possibility of the impact occurring, but also having the necessary mechanisms in place to remedy it if it does occur.

In this regard, we respect the rights of communities when implementing our actions and we extend the scope of programmes like Workers at the Centre with the aim of transferring their effect not only to supply chain workers but to their broader communities. This is especially significant in the communities linked to the production of our raw materials.

[38] In 2024, the assessment was carried out through surveys of 352 employees in 19 countries following their involvement in corporate volunteering initiatives (225 employees in 18 countries in 2023).

More information in section *S2. Workers in the value chain* of this Report.

We take into account impacts indirectly related to the community as well, such as environmental impacts. In this connection, we carry out a number of programmes and initiatives that contribute to respecting communities' right to a healthy environment.

Details of the environmental programmes are provided in chapters *E1. Climate change* , *E2. Pollution*, *E3. Water resources*, *E4. Biodiversity and ecosystems* and *E5. Resource use and circular economy* of this Report.

Further considerations

S3-4_13; S3-4_14

At Inditex, we are mindful that the challenges arising from our global presence are shared, so we **collaborate with all major stakeholders to leverage** our effect and achieve a real and lasting impact. That is why we join forces with NGOs, local and international organisations, companies and brands, and other stakeholders such as academic institutions, media, and civil society itself. And we also work with global industry bodies and initiatives with the aim transforming the sector and addressing shared challenges.

S3-4_05; S3-4_19

Managing impacts, as well as identifying the measures needed to address them, are tasked centralised in our sustainability teams, who are responsible for tackling the challenge of accompaniment and collaboration on the ground. They hold direct contacts with NGOs, local and national authorities, international organisations and academic institutions, among others, to seek common solutions that prevent and mitigate negative impacts and promote positive ones.

Furthermore, the **Ethics Line** allows us to track possible infringements of irregularities, including those linked to human rights, so that we can process the pertinent cases and put into practice the action required.

More information in section *G1-1. Corporate culture and business conduct* of this Report.

The Ethics Committee is tasked with identifying which action is needed to respond to each impact. In this regard, when a communication is received, the Ethics Committee acknowledges receipt and assesses whether it falls within the scope of the Ethics Line. If so, the Ethics Committee conducts an investigation, in collaboration with the relevant areas, and decides whether to close the case (if there is no breach), or to adopt disciplinary and/or additional action. These measures include mitigation measures, such as immediate correction of a breach, and measures to remedy and prevent future breaches.

The Ethics Committee is also tasked with analysing and identifying who best should carry out the relevant actions.

S3-4_02; S3-4_11

In 2024, no negative impacts linked to communities were brought to our attention through the Ethics Line and therefore no remediation measures were carried out. Likewise, no inherently severe incidences of community-related human rights violations have been detected through this channel.

S3-4_07

As for community-related cases received through the Ethics Line, the procedure for managing them and ensuring the effectiveness of the Line is common to that of cases received from other stakeholders, and is detailed in the corresponding chapter of this Report.

More information in section *G1-1. Corporate culture and business conduct* of this Report.

S3-4_10

Furthermore, at Inditex we include communities in our human rights due diligence processes. In addition, we carry out an annual materiality assessment that allows us to identify our points of impact, both positive and negative, and inform our strategy. Thus, we seek to prevent our activity from generating any associated negative effects, especially with regard to the community.

More information on the materiality assessment in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

S3-4_08

The prevention and mitigation actions detailed above help us to prevent fines or penalties being exacted for human rights breaches against communities.

S3-4_09

In turn, no material opportunities have been identified in relation to communities.

Agreements and collaborations

Our agreements and collaborations play a fundamental role in the relationships with the communities around our activities. That is why at Inditex we work closely with the various organisations to mitigate potential negative impacts and have a positive impact on our surroundings. To achieve this we have estable collaboration agreements with a number of organisations, such as Médecins Sans Frontières (MSF), Entreculturas and UNHCR, as well as academic institutions like Tsinghua University and the University of Santiago de Compostela.

ⓘ More information in the report Partnerships, on Inditex's corporate website.

C. Metrics and targets

S3-5. Targets related to communities

S3.MDR-T_01-13

- **To help ten million people through our corporate community investment programme between 2022 and 2025**

In 2022 we committed to help ten million people through our corporate community investment programme between 2022 and 2025. En 2024, we have achieved this target, helping more than 12.3 million people over the last three years.

MDR-T_01

This target is linked to our Sustainability Policy, and more specifically to our Community Investment Policy, which is committed to improving community well-being, maximising the value we generate in the community, and building strategic partnerships to promote sustainable development together.

MDR-T_02;
MDR-T_07;
MDR-T_08;
MDR-T_13

Target: to help ten million people through our Corporate Community Investment programme between 2022 and 2025

	Current year	Target year
	2024	2025
People	12.3 million	10 million

S3-5_04;
S3-5_06

Through this target, we have worked to have a positive and lasting impact on the community by means of our community investment projects, aligned with the Paris Agreement and the Sustainable Development Goals (SDGs) established in the United Nations 2030 Agenda.

MDR-T_11;
S3-5_01

In establishing them, we involve the Social Advisory Board, an external advisory body institutionalising dialogue with key partners from civil society, and our strategic partners in our community investment initiatives, with whom we work to implement our actions.

We have also relied on the continuous dialogue we maintain with all the organisations we work with that routinely inform our decisions and roadmaps.

S3-5_02;
S3-5_03

To gauge the achievement of this target and identify possible improvements, we have involved the various actors in our projects, especially the non-profit organisations with whom we collaborate and the beneficiaries of our actions themselves.

MDR-T_03;
MDR-T_04;
MDR-T_05;
MDR-T_06;
MDR-T_09;
MDR-T_12;
S3-5_05

ⓘ More information on the scope, methodology and calculation changes in the year in the *Methodological Annex* of this Report.

S4. Consumers and end-users

A. Strategy

SBM-3. Material impacts, risks and opportunities

To ensure customer protection and constant improvement in customer satisfaction, it is crucial to understand their needs and concerns. We have therefore identified the material impacts, risks and opportunities linked to our consumers and end-users (hereinafter, consumers or customers).

Material Impacts, Risks and Opportunities related to our consumers

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN	RELATED POLICIES
S4.I1	**Possible loss of our customers' personal data**	I	/ Customers	**Transversal policies:** / Code of Conduct / Human Rights Policy / Sustainability Policy **Specific policies:** / Compliance Policy regarding Personal Data Protection and Privacy / Information Security Policy
S4.I2	**Possible impacts related to the health and safety of our products**	I	/ Customers	
S4.I3	**Possibility of consumer discrimination**	I	/ Customers	
S4.I4	**Responsible marketing practices and transparency**	I	/ Customers	
S4.R1	**Risks related to consumers' rights**	R	/ Own operations	
S4.O1	**Opportunity to attract new customers through responsible practices**	O	/ Own operations	

ⓘ More information in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

Scope

S4.SBM-3_01; S4.SBM-3_02; S4.SBM-3_03; S4.SBM-3_07

Our materiality assessment takes into account any person acquiring any product sold by the Inditex Group brands, either in physical stores or online, as well as potential customers. We pay special attention to those consumers who require accurate and accessible information on our products and their components, as well as more vulnerable users or those who may be at a greater risk of being hurt, such as children.

We therefore pay special attention to the design of all the products aimed at those users, guaranteeing that they are designed in keeping with their age and needs, so as to protect their well-being.

Occurrence and types of impacts

S4.SBM-3_04

In line with this commitment to our customers, we have mechanisms in place to **prevent** specific negative impacts, such as the loss of personal data, damage related to product health and safety, cases of discrimination or effects on decision making due to a lack of transparency regarding the product. We also have measures to **control** the potential emergence of systemic impacts that might arise due to the various circumstances in the geographies where we operate. These mechanisms also incorporate mitigation and remediation strategies for negative effects once they have occurred, in order to minimise their impact on customers.

Additionally, we are fully committed to the respect and promotion of human rights, rejecting any kind of discrimination. Our Code of Conduct lays down our commitment to responsible marketing and communication, including the obligation to provide clear, truthful and comprehensive information about our products, as well as to ensuring that our items for sale and published content are neither offensive, discriminatory or promote an unhealthy image.

S4.SBM-3_05

Furthermore, we seek to have a **positive impact** on our customers through an accessible and inclusive range of products. For example, we apply universal accessibility principles for our customers with disabilities, in both physical and online stores, with the aim of offering inclusive shopping experiences. In the same way, thanks to our project in conjunction with EqualWeb, our home pages feature digital accessibility menus with voice, browsing, colour and content settings to ensure that these users can properly access all the information. In addition, our customer services are available to all our consumers to resolve any issues that may arise.

ⓘ More information on actions related to consumers in section *S4-4. Actions related to consumers* of this Report.

Risks and opportunities

S4.SBM-3_06;
S4.SBM-3_08

The impacts and dependencies analysis allows us to identify the main risks and opportunities linked to our consumers, verifying that our strategy includes prevention and mitigation actions. For this purpose, we have specialised Customer Services teams who provide customer support, helping to avoid and act on any quality or health and safety issues (among others). In turn, our health and safety efforts, through our teams and the development of associated standards, contributes to ensure that the products we offer to consumers are safe, especially those products aimed at particularly vulnerable consumers, such as children. As a result, not only do we reduce the possible negative impacts on our customers, but we also minimise the risks related to consumer rights.

We have also identified a key opportunity to attract new customers through the implementation of responsible practices. In this connection, we have initiatives such as Zara Pre-Owned through which we foster circularity and attract customers who share these values.

B. Impact, risk and opportunity management

S4-1. Policies related to consumers

S4.MDR-P_01-06;
S4-1_01;
S4-1_08

Our customers are the cornerstone of our business. That is why we establish firm principles through our policies, forming a framework to govern our relationship with people, in a bid to have a positive effect on our surroundings, while mitigating any potential negative impacts.

Policies related to consumers

/ Human Rights Policy ⓘ
/ Sustainability Policy ⓘ
/ Code of Conduct ⓘ
/ Information Security Policy ⓘ
/ Compliance Policy regarding Personal Data Protection and Privacy ⓘ
/ Ethics Line Procedure ⓘ

ⓘ More information on our policies and their updates in section *MDR-P. Policies* of this Report.

Our commitment to our customers is comprehensive and our aim is to offer them products that meet their needs and expectations, guaranteeing high standards of quality, health and safety.

The Sustainability Policy covers customers' concerns and expectations in relation to sustainability, applied to all the products we sell. In this way, we commit ourselves to:

/ **Responsible design** of products, promoting the use of lower-impact raw materials and textile fibres[39].

/ **Ethical and responsible manufacture** of our products, especially regarding the relationship with our manufacturers and suppliers.

/ Complying with the most stringent **health and safety** standards.

Furthermore, our Code of Conduct lays down our commitment to responsible marketing and communication, including the obligation to provide accurate, clear and comprehensive information about our products and their characteristics, and to ensure that the products we sell and our published content are not offensive, discriminatory or promote an unhealthy image.

MDR-P_01; MDR-P_02; MDR-P_03; MDR-P_04

We also consider it paramount to guarantee information security, particularly in connection with our customers' data and privacy. We are, therefore, aware of the potential cybersecurity risks that may emerge as we conduct our operations, and we work accordingly to involve our entire workforce in preventing and mitigating them, thereby protecting all our stakeholders.

Our Information Security Policy and Compliance Policy regarding Personal Data Protection and Privacy establish our action principles in this sphere.

Information Security Policy

Approved by the Board of Directors on 10 December 2019

Key contents	/ Principles and guidelines whereby the Group protects its information and the information shared with third parties, regardless of how it is communicated, shared, projected or stored / To ensure the necessary confidentiality, maintaining the integrity and ensuring the availability of the information handled by the Group
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons linked to Inditex, when possible due to the nature of the relationship and when conducive to compliance
Accountable for the implementation	/ Information Security department and its chief officer
Third-party standards	/ Payment Card Industry-Data Security Standard 4.0 (PCI-DSS) / ISO/IEC 27001:2022 / Korean Information Security Management System (K-ISMS) / Multi-Layer Protection Scheme (MLPS)

Compliance Policy regarding Personal Data Protection and Privacy

Approved by the Board of Directors on 11 June 2019

Key contents	/ Establishment and standardisation of the degree of compliance by Inditex companies with the standards and best practices that most strongly guarantee personal data protection and privacy / Principles and commitments in the processing of personal data under the Group's control
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons linked to Inditex, when possible due to the nature of the relationship and when conducive to compliance
Accountable for the implementation	/ Personal Data Protection and Privacy department and its officer
Third-party standards	/ 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

S4-1_03

Commitment to respect our customers' human rights

At Inditex we endeavour to guarantee that the human rights of everyone around us, including our customers, are upheld. We therefore reject any form of discrimination, always respecting our customers' right to privacy, which we duly protect, and making a properly use of their personal data.

[39] More information on the criteria that fibres or materials must meet to be classified as having a lower impact in the *Methodological Annex* of this Report

The health and safety of our customers are also paramount for the Group, which is why we undertake to make products in an ethical and responsible way, in keeping with our health and safety standards.

S4-1_02; S4-1_06

In this regard, our Sustainability Policy, and in more detail in our Human Rights Policy, inspired by the leading international declarations on human rights, enshrine our commitment to our consumers' rights.

ⓘ More information in section *MDR-P. Policies* in this Report.

S4-1_04; S4-1_05

One of our foremost tools for customer engagement and dialogue are our **customer service mechanisms**, which establish a direct avenue of communication for any issue or query that may arise, allowing us to detect and act to address potential breaches. Our customers can also access the official grievance mechanisms in place in each market.

This set of mechanisms, described in more detail in the following sections of this Report, offers a range of methods to address any query or complaint in connection with their rights or other matters of interest to them.

S4-1_07

Accordingly, in 2024 no breaches of the United Nations Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, or the OECD Guidelines for Multinational Enterprises have been identified through the Ethics Line, our main complaint mechanism.

ⓘ More information on the Ethics Line in section *G1-1. Corporate culture and business conduct* of this Report.

S4-2. Processes for engaging with consumers about impacts

S4-2_01; S4-2_02

We have various mechanisms of relationship and dialogue with our customers, allowing us to listen to their perspectives and take them into account in making decisions to properly manage the actual and potential impacts on them. In this connection, we highlight:

/ Specialised customer service teams
Our brands' specialised customer service teams are among the main channels for engaging with consumers, primarily at the operating level. These areas handle customer contacts —calls, e-mails, *WhatsApp* messages or messages on social media profiles— concerning questions on products, the purchasing process, shipments, incidents or any current issues affecting the brands, among others.

/ Store teams
Inditex implements a flexible business model based on multi-concept omni-channelling and the integration of retail space: stores and online. This allows us to generate a differentiated shopping experience, tailored to our customers' needs at the right time and place.

To fulfil this commitment to our customers' experience, the work of our physical and online store teams is crucial, as they form the first line of direct contact with consumers. In particular, our physical store teams communicate daily with the people who visit our establishments, directly handling their queries or informing them about the other available customer care and complaints mechanisms as and when they require them.

In this regard, we promote initiatives such as **Customer Experience (CX)**, in which store managers lead the change, analyse the feedback they receive from customers and develop their teams' skills to offer the best possible customer care. At the same time, the continuous improvement of our customer relations from an innovation standpoint led us to launch **Big Store**, a project in which our store teams carry out digital tasks relating to the business.

/ Communication channels: websites, *app* and social media
Our digital channels enable us to interact with our customers in more than 200 markets. Not only do these channels showcase our collections, but they allow us to convey our principles in the content we generate on our platforms, fulfilling our commitment to responsible marketing practices.

We are mindful of the impact of our products and the image they transmit. That is why we want our campaigns, and the image of the models who appear on them to convey a diverse, multicultural and positive reality that celebrates the product by presenting it in a detailed way that is faithful to its properties and qualities.

/ Ethics Line

The Ethics Line, as the main grievance mechanism available to our stakeholders, is one of the communication channels for our customers to convey their concerns and raise questions about the Code of Conduct and other Group internal regulations, as well as to report to us, including anonymously, any breaches or actions contrary to the regulations or to any applicable law.

ⓘ More information on the Ethics Line in section *G1-1. Corporate culture and business conduct* of this Report.

S4-2_03

Our ongoing relationship with our customers takes place before, during and after the purchase process, through the various channels mentioned above. This interaction is initiated both at the customer's behest, when they need to raise a query or file a complaint, and by the Company, as it provides regular information on its product range and services.

Through these actions, we seek to understand their perspectives and concerns, which we take into account as we design our strategy. This applies not only in terms of our products, but also when it comes to preventing and mitigating impacts, and evaluating the effectiveness of the measures and their subsequent renewal or updating.

S4-2_06

Throughout the entire process, it should be noted that special consideration is given to the views and impacts of consumers who may be particularly vulnerable. For instance, continuous dialogue with different partner organisations allows us to exchange views and integrate their perspective into the Company's day-to-day operations.

ⓘ More information on some of the organisations we work with in the *Diversity and Inclusion report*, published on Inditex corporate website.

S4-2_05

Moreover, at Inditex we measure the effectiveness of our customer services by following up on our interactions in detail. This allows us to gauge whether the communication is efficient, and determine whether our customer services are aligned with their needs.

In this effectiveness analysis, we highlight the work of our teams, who implement their own contact monitoring plans for each of the brands. These plans allow us to examine a range of valuable metrics to assess the efficacy of the service, such as first call resolution or the number of repeat contacts.

S4-2_04

The Customer Experience manager of each of our retail concepts is ultimately responsible for overseeing these services.

ⓘ More information on how our customer service resources work in section *S4-3. Processes to remediate negative impacts and channels for consumers to raise concerns* of this Report.

S4-3. Processes to remediate negative impacts and channels for consumers to raise concerns

S4-3_01;
S4-3_02

We identify our potential and actual impacts in order to prevent, mitigate and remediate their effects. This understanding applies to all our stakeholders, including our customers.

Depending on the nature of the impact, we have three preferred channels to manage issues or concerns raised by our customers: customer service teams and channels, official grievance mechanisms and the Ethics Line.

S4-3_04;
S4-3_05;
S4-3_06;
S4-3_13

Through these three preferred contact avenues, detailed in section S4-2 of this Report, we receive communications from our customers and identify and implement remediation and mitigation plans that minimise negative effects arising from impacts. At the same time, we work to prevent them and to avoid their recurrence in the future. Thus, we guarantee the protection of our customers' rights.

Response to our customers

With regard to the communications received through the **customer service channels**, at the operating level, our aim is to ensure the quality and efficacy of the service offered. Consequently, our customer service agents have access to a specific training platform that contains all the procedures and manuals. To guarantee the effectiveness of the channel and with the aim of effecting continuous improvement of the service, we conduct monthly controls of customer interactions with our brands, to monitor the quality of the customer care provided.

In 2024 the customer service areas of the Group's brands fielded a total of 45,913,444 customer contacts (calls, e-mails, *WhatsApp* conversations and messages via social media profiles), concerning questions on products, the purchasing process, shipments, incidents or current issues affecting the brands, among other matters (46,446,384 contacts in 2023).

In this regard, the progression of online sales has shifted the weight of customer contacts according to the purchase channel, so that enquiries about order status, delivery times or the *online* operation itself make up a very significant part of the total.

Regarding the service level, understood as the percentage of contacts resolved over the total, in 2024 it was 97% (98% in 2023).

In 2024, the quality of customer services at five Inditex brands —Pull&Bear, Massimo Dutti, Bershka, Oysho and Zara Home — renewed its certification under the ISO 18295:2 international standard. This certification underpins the customer service strategy throughout their shopping experience and interaction with each brand, the operations and protocols for looking after customers through the various contact channels, as well as the standards of service quality and satisfaction of our customers.

Types of cases handled

In the relationship with the customer, our teams field a range of queries related to our products and the purchase process. Each brand independently sorts the reasons for customer contacts, according to their specific needs, although these reasons can be grouped into four broad areas:

/ **Pre-purchase:** issues prior to the purchase.

/ **Post-purchase:** related to an order or purchase at a store.

/ **Customer service:** relating to the contact channels, website and app.

/ **Complaints and claims.**

In 2024, our brands handled 44.5 million cases through Customer Services in all the markets where we have a commercial presence (45.4 million in 2023). Of these, the categorised cases are classified as follows:

Type of cases handled	2024	2023
Pre-purchase (product availability, special collections, customisation, purchasing process, checkout and sustainability, among others)	26%	20%
Post-purchase (order status, shipments, delivery times, changes and returns, gift cards, among others)	70%	76%
Customer Service (customer account, web/app, channels, social media, among others)	5%	4%
Complaints (includes any customer feedback, as well as formal complaints)	0.02%	0.02%

The complaints figure includes complaint forms and claim procedures in Spain processed through official consumer complaint and response mechanisms, which in 2024 totalled 6,924 (5,840 cases processed in Spain in 2023). The main reason for these complaint forms is related to product returns and exchanges, and store and online sales.

With regard to cases received from customers through the Ethics Line, the procedure for handling them and ensuring the channel's efficacy is the same as for those received from other stakeholders, and is outlined in the relevant chapter of this Report.

S4-3_03;
S4-3_09;
S4-3_10

Our customer service channels can be accessed via all our online store websites and apps. Likewise, the physical store teams pass on information about customer service and other formal complaints mechanisms as and when necessary.

Likewise, everyone, including consumers, can access the Ethics Line continuously via our corporate website. In addition, external reporting channels designated by the competent authorities may also be used, including the institutions, bodies or agencies of the European Union.

ⓘ More information in section *S4-2. Processes for engaging with consumers about impacts* of this Report.

S4-3_11;
S4-3_12

In handling customer complaints and concerns, we maintain the utmost respect for **confidentiality, privacy and data protection**. In the specific case of our customer service channels, customers only need to provide contact information when their query is related to an order or when it requires subsequent follow-up or action by our customer service team. Other communications may be made anonymously.

To facilitate the implementation of our privacy programme, we carry out various transversal projects, such as removing or blocking any sensitive information provided by customers as a security measure, and other measures aimed at improving their shopping experience.

Furthermore, concerns about compliance received via the Ethics Line may be made anonymously.

ⓘ More information on the workings of the Ethics Line, including follow-up, control and ensuring its efficacy in section *G1-1. Corporate culture and business conduct* of this Report.

S4-4. Actions related to consumers

S4.MDR-A_01-12;
S4-4_01;
S4-4_02;
S4-4_04;
S4-4_07;
S4-4_08;
S4-4_10;
S4-4_12

The actions we carry out were designed to manage our impacts, risks and opportunities, whether actual or potential. For this purpose we continuously carry out initiatives to ensure the protection and care of our consumers and aim to prevent the occurrence of negative impacts, and, should these arise, remediate their effects. We therefore do everything we can, and allocate the necessary resources, to properly manage these impacts. We also carry out the necessary follow up through related metrics.

S4-4_05;
S4-4_06

Against this backdrop, we take a dual approach of **prevention and mitigation**, responding to the negative impact and at the same time minimising the chances of its occurring in the future. We underscore our efforts to ensure the protection of our consumers' data, the accessibility and inclusion of all our customers, regardless of their specific characteristics, and our special health and safety protection measures, both in our stores and relating to our products.

Accordingly, we have standards, training plans and prevention and control programmes focused on preventing, mitigating and remedying any impact on our customers' health and safety. Likewise, our product health and safety teams are coordinated with all areas of the Company to ensure an adapted response to any notification of an incident from customers, community organisations or supervisory bodies, carrying out technical assessments and following up. If we find indications that a product might not be safe, it is withdrawn and our internal procedure is activated to communicate the situation and recall any units sold.

Our communication channels are the main source of key information to guide our strategies and actions relating to customers. In particular, we highlight the work of our store and customer service teams who, through their direct and constant relationship with consumers, pinpoint their priority needs. This ensures that our strategy is adapted to our broader reality.

S4-4_11

Furthermore, the Ethics Line allows us to track possible human rights infringements or irregularities, so that we can process the pertinent cases and promote the action required. Among the cases reported through the Ethics Line in 2024, no inherently severe incidents linked to customers' human rights have been revealed.

ⓘ More information in section *G1-1. Corporate culture and business conduct* of this Report.

In addition to responding to negative impacts, at Inditex we endeavour to have a **positive impact** on our customers. Our Customer Experience initiative takes a customer-centric approach, aiming for a constant improvement of their experience with Inditex.

S4-4_03; S4-4_16

In this vein, we offer our consumers quality and safe products, which they can access in an inclusive way, with a personal and careful service experience, and having privacy guaranteed.

S4-4_17

Hence, when designing our customer actions, we consider the path outlined by the UN Sustainable Development Goals (SDGs), with a focus on contributing to achieving the goals defined. In 2024 our initiatives have contributed mainly to SDG 12, focusing on sustainable consumption and production patterns.

S4-4_13

At Inditex, we are mindful that the challenges posed by having global operations are shared, so we **collaborate** to leverage our effect and achieve a real and lasting impact. That is why we share our goals with suppliers, manufacturers, companies and brands, and other stakeholders such as NGOs, trade unions and local and international organisations. And we also work with global industry bodies and initiatives with the aim of achieving widespread adoption of sustainable practices across the sector.

S4-4_09

The possibility of attracting new customers by implementing responsible practices that are aligned with their interests and concerns is one of the **opportunities** we have identified. However, our actions that contribute to this opportunity are not designed to attract new customers, but are aligned with our understanding of sustainability as a responsibility and driver of our Company's strategy. These actions are detailed throughout the other chapters of this Report, mainly in standards E1, E2, E3, E4, E5, S2 and G1.

Health and safety actions

Related IROs: [S4.I2; S4.I4; S4.R1; S4.O1]

/ Health and safety initiative

MDR-A_01; MDR-A_02; MDR-A_03

The health and safety of our products is paramount to Inditex. Accordingly, we have standards, training plans and prevention and control programmes devised to ensure that our products comply with the strictest requirements and guidelines in all the markets where we operate.

We have product-specific generally applicable and mandatory standards for all the articles we sell[40], covering processes from design to manufacturing. We currently have eight product standards, each with a different scope:

Product standards

	Scope
Safe to Wear	Garments, children's footwear, accessories, including trimmings and fabrics used in their manufacture
Clear to Wear	Garments, fabrics, footwear, accessories and home textiles
Physical Testing Requirements	Garments, footwear, accessories and home textiles
Active to Wear	Garments and fabrics
i+Cosmetics	Cosmetics
i+Food Contact Materials	Products in contact with food
i+Home Fragrance and Candles	Home fragrances, candles and their accessories.
i+Child Care Furniture	Childcare furniture

[40] Articles that are outside the scope of Inditex's health and safety standards are subject to minimum requirement reports specifically compiled in accordance with the legal requirements that apply to the type of product and the markets where they are sold.

As indicated in the chapter on pollution, we work with technology companies, research centres and laboratories of international reference, as well as implementing our own programmes, to ensure that our products meet the Company's own standards.

ⓘ More information in sections *E2-1. Policies related to pollution* and *E2-2. Actions related to pollution* of this Report.

In particular, to strengthen compliance with our **Safe to Wear** safety standard, we provide our suppliers with manufacturing guidelines that include measurement tables with specific safety requirements, such as the position of appliqués and cords or maximum lengths of free ends.

Additionally, in line with our commitment to offer safe products, our product health and safety teams are fully coordinated with customer service teams on stores and any other area of the Company where information about incidents and/or complaints may be received.

At the same time, any notification from our customers, from community organisations or supervisory bodies is forwarded to our technical experts for evaluation and follow-up. If there are signs that a product may be unsafe for consumers, it is withdrawn from the market, customers are notified through the relevant channels and all units sold are recalled, according to our internal procedure.

MDR-A_04; MDR-A_05

To verify compliance with our health and safety standards, we use our **Picking** inspections programme. This programme allows us to verify that our products comply, among others, with our Safe to Wear (StW) and Physical Testing Requirements (PTR). Specifically, the programme's results in 2024 show an initial degree of compliance by our textile articles of 99.7% for StW and 99.3% for PTR (99.6% and 99.3%, respectively, in 2023).

ⓘ More information on the Picking programme can be found in section *E2-2. Actions related to pollution* of this Report.

Data protection and privacy actions

Related IROs: [S4.I1; S4.R1]

In 2024, we have worked in advocating the value of respect for privacy and ensuring an appropriate level of compliance with data protection and privacy regulations. Our compliance model in connection with data protection and privacy is based on:

/ Accompanying the business areas and providing risk-based advice.

/ Continuous improvement of the privacy programme and implementation of tools that strengthen the accountability system, accrediting compliance with the model.

/ Monitoring by the Group's global Data Protection Officer (DPO) through our privacy control system.

/ Annual report to the Board of Directors through the Audit and Compliance Committee and to the Company's Management through the participation in the Information Security Committee, when necessary.

Throughout this year, the Personal Data Protection and Privacy department has continued **advising the business and technology areas** in the projects they launched over the course of the year to ensure they are compliant with privacy requirements from the outset (privacy by design). Specifically, 65 projects involving the processing of customers' data were analysed.

In addition, in 2024 we carried out a work to **monitor regulations and adaptation projects in subsidiaries**, keeping track of new data protection regulations and modifications thereto so as to ensure an adequate level of compliance. We conducted an exercise to adapt to data protection and privacy regulations in markets such as Canada, Japan and Türkiye with the aim, not only of guaranteeing compliance, but adapting our corporate compliance model to local specificities.

MDR-A_01; MDR-A_02; MDR-A_03

With regard to training in connection with data protection and privacy, we continue to work on the promotion of the privacy culture at the Company through the **'privacy' course**, which is mandatory for all office teams who process personal data of different stakeholders. Since its launch in February 2024, 97% of the staff required to take this course have completed it.

Likewise, based on their greater exposure to privacy risks, we have carried out the following actions focused on other priority groups:

/ We have collaborated with the Compliance department in specific training for the People department on the privacy aspects of the Code of Conduct.

/ We have continued to train our **Privacy Delegates**, our liaisons who help coordinate and manage data protection and privacy issues in each of the subsidiaries. In this regard, in 2024 we trained Privacy Delegates for 18 markets.

ⓘ More information can be found in the section *G1-3. Prevention and detection of corruption and bribery* of this Report

In order to guarantee the data protection of the groups whose personal data we process (customers, employees, candidates, etc.), we conduct an analysis of all the trends with an impact on privacy across our sector, as well as the obligations entailed by the new regulations and the interpretations of the supervisory authorities, judges and courts. This guarantees seamless compliance with the principles deriving from the data protection and privacy regulations.

MDR-A_04; MDR-A_05

In turn, we have worked on cases that could potentially affect customers' personal data in order to determine whether a security breach had occurred and, if so, whether it was necessary to notify the data protection authorities and/or the affected persons. Over the course of the year, four cases affecting personal data security occurred where the Company deemed it necessary to notify the data protection authorities, and one case in which the affected persons were also informed of their situation. All these were minor incidents and, to date, no additional information has been requested by the authorities. In any event, the necessary action plans have been put in place internally to avoid a recurrence in the future.

MDR-A_06; MDR-A_07

The actions carried out in relation to our costumers are carried out primarily by our people. The financial resources earmarked for these actions are associated with staff costs and other external operating expenses, which separately do not represent a material amount. Both are included in Operating Expenses in the Consolidated Income Statement (see *Note 6* of the Consolidated Annual Accounts).

Other initiatives

In addition to these actions, we carry out other initiatives linked to accessibility measures for customers with disabilities. Hence, stores meet architectural accessibility standards to enable people with disabilities to access and move around the stores and to ensure they have a satisfactory shopping experience.

With regard to digital accessibility, and thus our brands' websites and apps, as well as our recruitment and professional development platforms, Inditex Careers and InTalent, include specific functionalities to improve access for users with disabilities. Our websites are compliant with the General Accessible Design Principles established by the Web Accessibility Initiative (WAI), a part of the World Wide Web Consortium (W3C). In addition, thanks to the project in conjunction with EqualWeb, their home pages feature digital accessibility menus with voice, browsing, colour and content settings to ensure a more inclusive user experience.

Agreements and collaborations

Through collaborations and agreements with specialised organisations such as Open to All, ENAR and REDI, we work to raise awareness concerning the needs of vulnerable groups and take the necessary measures to ensure that our stores are spaces where everyone feels welcome. In the United States, in 2022 we also signed the Mitigate Racial Bias in Retail Charter, which advocates for actions to eliminate racial bias in shopping experiences. Furthermore, in the European Union, 13 of our subsidiaries have signed the Diversity Charter, a public commitment to create inclusive spaces that are free of discrimination, and to promote diversity and equal opportunities for their staff and customers.

This type of collaboration and partnerships are aimed at improving the customer experience by adopting inclusive policies that generate more respectful and inclusive environments for everyone entering our stores, regardless of their personal characteristics.

C. Metrics and targets

S4-5. Targets related to consumers

S4.MDR-T_14-19; MDR-T_20; MDR-T_21

At this stage we do not have specific targets linked to our customers. However, we are working on the global ambition of improving our consumers' experience, minimising negative impacts and maximising the positive ones. We do this through the commitments enshrined in our policies, as well as the initiatives we carry out during the year. An example of this is our target of including new circularity services in our markets, in keeping with our Sustainability Policy highlighting the development of our **Zara Pre-Owned** platform.

ⓘ More information in section *E5-3. Targets related to resource use and circular economy* of this Report.

7. Governance information

[ESRS G]

G1. Business conduct

Additional information. Cybersecurity

Additional information. Responsible risk management

Additional information. Tax responsibility and transparency


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G1. Business conduct

IRO-1. Material impacts, risks and opportunities

As a result of our analysis, we identified material impacts, risks and opportunities related to business conduct.

Material Impacts, Risks and Opportunities related to business conduct

		TYPE (I/R/O)	PHASE OF THE VALUE CHAIN [1]	RELATED POLICIES
G1.I1	**Possibility of ineffectiveness of the grievance mechanisms**	I	/ Own operations / Extended value chain	**Transversal Policies:** / Code of Conduct / Code of Conduct for Manufacturers and Suppliers / Human Rights Policy / Sustainability Policy / Sustainability Stakeholder Relations Policy **Specific Policies:** / Compliance Policy / Due Diligence Policy / Policy on Public Policy / Policy on Donations and Sponsorships / Gifts & Invitations Policy / Policy on Dealings with Public Servants / Anti-Money Laundering and Terrorist Financing Policy / Conflicts of Interest Policy / Criminal Risk Prevention Policy / Global Policy on Internal Reporting Channels / Ethics Line Procedure
G1.I2	**Promotion of regulatory development and industry improvement**	I	/ Own operations / Value chain	
G1.I3	**Possibility of corruption, fraud, bribery and other unlawful acts**	I	/ Own operations	
G1.I4	**Supplier relations management and responsible purchasing practices**	I	/ Value chain	
G1.R1	**Risks arising from the relationship with key suppliers**	R	/ Value chain	
G1.R2	**Cybersecurity risks**	R	/ Own operations	

[1] The extended value chain comprises the environment and the communities in which we are present even if they are not directly linked to our activity.

ⓘ More information in sections *SBM-3. Material impacts, risks and opportunities* and *IROs. Disclosures on the materiality assessment process* of this Report.

A. Corporate ethical culture and solid compliance architecture

GOV-1. The role of the governing bodies

G1.GOV-1_01

Strategy and governance

The Board of Directors defines and approves the ethical commitments reflected in the Codes of Conduct and ensures compliance with them.

The Audit and Compliance Committee is tasked with a series of competencies in connection with risk management and business conduct, which includes the supervision of the Compliance function. On a quarterly basis throughout the year, and whenever requested, the Compliance function provides the Audit and Compliance Committee with:

/ the annual and half-yearly reports by the Ethics Committee on its activity, the functioning of the **Ethics Line** and the overseeing of the **Model of Criminal Risk Prevention**;

/ the periodic reports from the Chief Compliance Officer on the functioning of the **Global Compliance Model**, compliance **risk management,** the status of the cases processed by the Ethics Committee and the main **compliance projects and initiatives** (including training and awareness-raising), the **Annual work plan**, the annual budget and the means and resources available to the Compliance function; and

/ the **internal rules** that are submitted to the Board of Directors for approval or amendment, subject to a report from the Board Committee with competence in this area.

In view of these reports, the Audit and Compliance Committee may raise questions, draw conclusions and make proposals for measures aimed at improving the functioning of the Global Compliance Model. The Committee in turn reports to the Board of Directors on these matters.

The Compliance function is corporate and coordinates all areas with compliance responsibilities within the Inditex Group. It is made up of:

/ The **Ethics Committee** is the internal body responsible for overseeing compliance with the Codes of Conduct and the Model of Criminal Risk Prevention. It is responsible for the Internal Reporting System and for managing the Ethics Line. It is made up of six members appointed by the Board of Directors on 15 March 2022 and 3 May 2023, following a report from the Audit and Compliance Committee. Its Regulations, approved by the Board of Directors, regulate its functioning and powers. This Committee submits regular reports to the Audit and Compliance Committee on matters within its competence.

/ The **General Counsel's Office - Compliance** (hereinafter, the **Compliance department**): it is tasked with the operating management of the Global Compliance Model and, in particular, the Model of Criminal Risk Prevention and other models for the prevention of corruption and other offences. The Chief Compliance Officer, who is also a member of the aforementioned Ethics Committee, reports periodically to the Audit and Compliance Committee on the activity of the Compliance function, the functioning of the Global Compliance Model, compliance risk management, annual work plans and the means necessary to carry them out. The Compliance department is made up of 12 professionals, has the support of more than 70 Compliance Delegates and an annual budget, at headquarters and subsidiaries.

The independence of the Compliance function is guaranteed by the appointment of the members of the Ethics Committee and the approval of its Regulations by the Board of Directors and by the direct liaising of the Chief Compliance Officer with the Audit and Compliance Committee, ensuring that the ultimate control of the Model's efficiency depends exclusively on the Board of Directors.

The governing, management and supervisory bodies of the Global Compliance Model are detailed below:

Governance, management and supervisory structure of the Global Compliance Model

Board of Directors

Audit and Compliance Committee

/ Assessment of the effectiveness of internal financial and non-financial risk management and control systems

/ Identification of the most significant financial and non-financial risks

/ Monitoring compliance and effectiveness of compliance policies and procedures

Ethics Committee

Decision-making body

Its composition, operation and competencies are provided for in its Regulations, as approved by the Board of Directors

Responsibilities:

/ Overseeing compliance with the Codes of Conduct

/ Overseeing the Model of Criminal Risk Prevention

/ Ethics Line management

/ Responsible for the Internal Reporting System

Comprised of:

/ General Counsel and Secretary of the Board of Directors

/ Chief Compliance Officer

/ Chief People Officer

/ Chief Audit Officer

/ Chief Sustainability Officer

/ Ethics Line Manager

General Counsel's Office - Compliance

Operational management

Responsibilities:

/ Organisation and coordination of internal regulation

/ Liaising with different departments entrusted with Compliance duties

/ Periodic reporting by departments with Compliance functions

/ Periodic reporting to the Ethics Committee and the Audit and Compliance Committee (on activity, work plans, budget and resources)

Comprised of:

/ General Counsel and Secretary of the Board of Directors

/ Chief Compliance Officer

/ Ethics Line Manager

/ Rest of the Compliance department

G1.GOV-1_02

To ensure that the Board of Directors and its respective Committees, which have competencies relating to business conduct, have a suitable composition that allows them to properly discharge their duties, the **Company has a Diversity of Board of Directors Membership and Director Selection Policy**, approved by the Board of Directors.

Likewise, the Audit and Compliance Committee Regulations establish that the members of the Committee must be appointed on the basis of their knowledge and experience in, among other areas, financial and non-financial risk management, as well as their relevant technical expertise in relation to the Company's sector of activity.

The Nomination Committee understands that, generally speaking, to properly carry out its oversight duties, members of the Board of Directors must, as a whole, be of recognised solvency, competence, experience and merit: (i) in the Company, Group and retail sector; (ii) in economics and finance, as well as in accounting, auditing and risk management; (iii) in regulatory compliance and corporate governance; (iv) in the digital and new technologies sector; (v) in sustainability; (vi) in different geographical markets; and (vii) in business management, leadership and strategy.

ⓘ More information in section *GOV-1. The role of the governing bodies* of this Report.

Currently, 40% Board members have prior experience in compliance and corporate governance matters and 60% have experience relating to enterprise risk management.

ⓘ More information on the Board Skills Matrix in the 'Investors' section of 'Corporate Governance - Board of Directors' of our corporate website.

G1-1. Corporate culture and business conduct

G1-1_01

The ethical culture of the Inditex Group is based on the premise that '**the how matters**'. We believe that value comes from how we do things and that the journey is more important than the destination. We do not understand success without the ethical commitments and action principles that drive us.

Our ethical commitments and the action principles that should guide our day-to-day activities are set out in our Codes of Conduct and developed upon further in other internal rules. To promote knowledge of and compliance with these rules, they are published internally and/or externally and awareness-raising or training initiatives are carried out and adapted to the profile of the people who should know them and apply them in their work.

Global Compliance Model

Our corporate ethical culture is integrated and implemented in all our operations through the Global Compliance Model. Its purpose is to ensure compliance with the law and the ethical commitments undertaken by the Inditex Group, and to protect the Company and the interests of our stakeholders, preventing or limiting any type of legal liability.

The Model is made up of fundamental corporate and high-level elements, that are developed upon in various internal rules, among which our Codes of Conduct, described in the section *MDR-P. Policies*, stand out.

The key elements of the **Global Compliance Model**:

/ Governance, management and supervisory structure of the Global Compliance Model

/ Codes of Conduct

/ Ethics Line

/ Disciplinary system

/ Compliance training plan

/ Due diligence

/ Compliance Policy

/ Policy for Representatives and Attorneys of Companies within the Inditex Group

/ Internal Audit function

ⓘ More information in section *MDR-P. Policies* of this Report, and in the 'Ethical Commitment' section of our corporate website.

In 2024, we also continued with the adaptation of the Ethics Line to the various transpositions of the Whistleblowing Directive, drew up a corporate taxonomy of compliance risks, reviewed the methodology for assessing these risks and continued with the integration of the Model of Criminal Risk Prevention and the existing local models into the Global Compliance Model.

ⓘ More information on the policies and their update in section *MDR-P. Policies* of this Report.

Model of Criminal Risk Prevention

As part of the Global Compliance Model, Inditex relies on a Model of Criminal Risk Prevention to prevent the commission of offences under Spain's Criminal Code, among them corruption, fraud and bribery. The Model was approved by the Board of Directors in 2012 and revised in depth on 19 July 2016. It is continuously updated, evaluated and improved to ensure it is in line with the Group's operations, legal requirements and recommendations and best practices in this area, as well as to ensure its implementation and effectiveness.

Composition of the **Model of Criminal Risk Prevention**

- **Policy:** it describes the Model and details criminal risks to which the Group is potentially exposed due to its operations, in accordance with Spanish law and the Internal Regulations containing guidelines for conduct to prevent these risks.
- **Procedure:** it establishes the organisational measures; the roles and responsibilities in the field of control, verification and reporting of the Model, and the Ethics Committee's functions in this field.
- **Risk and Control Matrix** (hereinafter, the Matrix): this is a catalogue of criminal risks to which the Group is inherently exposed, including corruption risks, and an inventory of controls defined for mitigating such risks, allocating the frequency and the department responsible for their execution. It is continuously reviewed and updated in accordance with applicable law and Group operations. The risks are assessed annually based on their impact and likelihood of occurrence. Controls are monitored on a regular basis, with the support of external auditors. With the information obtained in the process of assessing and of overseeing the controls, priority criminal risks are identified.

The Criminal Risk Prevention Policy and the Matrix were reviewed in 2024. A risk assessment and monitoring of the controls of the Matrix has been carried out, taking into account the prioritisation of the risks they mitigate, in accordance with the previous year's assessment.

Our overseeing of the Model of Criminal Risk Prevention carried out in 2024 had the support of external consultants in reviewing the evidence of the execution of the Matrix controls, which was provided by the responsible departments during the monitoring process. We also received external expert advice when reviewing the taxonomy of compliance risks and the methodology for assessing criminal risks. In both cases, professional services firms independent of the Company's auditors were hired.

Since its review in 2016, this Model has been audited by an independent third party on several occasions, with a reasonable assurance review scope, in order to confirm the effectiveness and proper functioning of the controls contained in the Risk and Control Matrix, as well as the Model's adequacy in terms of the requirements set out in sections 2 and 5 of article 31 bis of the Criminal Code, the UNE-ISO 19600 Compliance Management Systems standard, and in keeping with the guidelines of COSO in its report 'Internal Control – Integrated Framework' (2013). The audit report was unqualified in all cases. The last of these audits was carried out in the financial year 2021, the report of which was presented to the Audit and Compliance Committee at its meeting on 15 March 2022.

The main anti-corruption risks to which the Group is inherently exposed due to its activity, in accordance with the applicable legislation, are identified in the Matrix, and are as follows: prevention of corruption in business, prevention of corruption in international transactions, prevention of bribery and prevention of influence peddling.

In addition to the fundamental elements of the Global Compliance Model mentioned above, there are specific controls to mitigate corruption, fraud, money laundering and terrorist financing. These include the Integrity Policies (Donations and Sponsorships, Gifts & Invitations, and Dealings with Public Servants), the Conflicts of Interest Policy, the Policy on Public Policy, and the Anti-Money Laundering and Terrorist Financing Policy.

Due diligence processes in connection with compliance

Inditex is committed to controlling and preventing compliance risks of third parties with which it has dealings. For this purpose, there is a third-party control system, described in the **Due Diligence Policy** and the implementing internal regulations thereof, which includes the principles and action criteria that aim to align Inditex's relations with its business partners, suppliers and large customers with international standards and best practices in the field of anti-corruption and anti-bribery, the applicable anti-corruption regulations, and the prevention of money laundering and terrorist financing. It also aims to guarantee compliance with the sanctions and commercial restrictions approved by, at least, the European Union, the United States, the United Kingdom and the United Nations, as well as compliance with the regulations on the prevention of forced labour and on due diligence concerning the value and supply chains currently in place in the various jurisdictions where the Group operates.

This process consists of the **identification and analysis of all the suppliers, business partners and third parties** with which the Inditex Group does business, as well as, in certain cases, their main shareholders, directors and beneficial owners. This allows us to identify potential risks related to corruption, fraud, tax evasion, money laundering, international sanctions, forced labour, reputational risks, or similar risks that may be associated with these third parties. The process, for which the Compliance department is responsible, is separate from but aligned with any other analysis of a social, environmental, operational, financial, commercial or any other nature which the Inditex Group may be engaged in with suppliers or other third parties. This due diligence system is consistent with the human rights system, supervised by the Sustainability department.

ⓘ More information in sections *GOV-4. Statement on due diligence* and *G1-2. Management of relations with suppliers* of this Report.

Principles of the **due diligence process:**

/ **Mandatory** for all business partners, large customers, suppliers and third parties with whom we engage in business relations.

/ **Necessary prerequisite** in order to initiate business relations with third parties, which are also monitored.

/ **Prohibition of any business dealings** with third parties regarding which **compliance risks** have been detected, when no action plan to mitigate or remedy such risks is under way.

/ **Reasonableness and proportionality.** Different levels of analysis are applied based on objective criteria (business turnover, industry or market risk, etc.).

The process is carried out **from the outset of the commercial relationship.** All suppliers and other third parties that enter into commercial and/or professional relations with the Group are subject to the scheduled due diligence process, which is increasingly demanding in accordance with certain factors, including: (i) the third party's total estimated business with Inditex; (ii) the market in which the third party is based and carries out its main business; (iii) the sector to which it belongs; and (iv) its degree of interrelation with the authorities and public servants. All existing suppliers are also periodically assessed **during the commercial relationship**, submitting them to the flow that may be applicable to them, in accordance with the Group's internal regulations.

Risks identified as relevant will lead to the implementation of an action plan coordinated by the Compliance department, which may range from a remedial measure to the termination of the business relationship with the third party. The internal regulations describe the roles and responsibilities of the areas involved in the various procedural review flows, as well as in the design, execution and monitoring, where appropriate, of any action plans established.

Additionally, Inditex's internal regulations include restrictions on hiring third parties, only allowing those based in markets authorised by the Group to be hired (i.e., those who meet legal and business operation criteria), and on making and receiving payments to and from third parties which, having met the foregoing requirement, are made from a bank account opened in such markets.

The Group has minimum standards that must be accepted by all its product suppliers: the Inditex Minimum Requirements (IMRs). Among the IMRs are the Codes of Conduct, the Sustainability Policy, the Human Rights Policy, the Traceability Requirements and the Green to Wear standard. By implementing the IMRs, Inditex guarantees that all the product suppliers with whom it works agree to comply with certain social, environmental and product health and safety standards, among others. Furthermore, since 2022, non-product suppliers in Spain have to accept a Declaration of Compliance with Minimum Conditions prior to being registered as Group suppliers. The aforementioned requirements are applied continuously and are a prerequisite for contracting new suppliers and third parties.

G1.MDR-P_01-06

Key Internal Regulations

Our ethical commitments and the action principles that should guide our day-to-day activities and our dealings with all our teams and the supply chain are set out in our Codes of Conduct and developed upon further in other internal rules. To promote knowledge of and compliance with these rules, they are published internally and/or externally and training or awareness-raising initiatives are carried out and adapted to the profile of the people who should know them and apply them in their work.

Core regulations

/ Code of Conduct (approved in 2012 and amended in 2024) ⓘ ESRS 2
/ Code of Conduct for Manufacturers and Suppliers (approved in 2001 and amended in 2012) ⓘ ESRS 2
/ Compliance Policy (2016) ⓘ G1-1
/ Internal Regulations Policy (approved in 2016, as 'Zero Standard', and amended in 2024)

Integrity and transparency

/ Due Diligence Policy (2019) ⓘ G1-1
/ Integrity Policies:
- Gifts & Invitations Policy (approved in 2017, as 'Policy on Gifts and Business Courtesies', and amended in 2024) ⓘ G1-1
- Policy on Dealings with Public Servants (2017) ⓘ G1-1
- Policy on Donations and Sponsorships (2017) ⓘ G1-1

/ Anti-Money Laundering and Terrorist Financing Policy (2018) ⓘ G1-1
/ Conflicts of Interest Policy (approved in 2019 and amended in 2024) ⓘ G1-1
/ Criminal Risk Prevention Policy (approved in 2016 and amended in 2024) ⓘ G1-1
/ Policy on Public Policy (approved in 2024) ⓘ G1-5

Ethics Line

/ Global Policy on Internal Reporting Channels (2023) ⓘ G1-1
/ Ethics Line Procedure (approved in 2012 and amended in 2023) ⓘ G1-1
/ Regulations of the Ethics Committee (approved in 2012 and amended in 2023)

MDR-P_01; MDR-P_02; MDR-P_03; MDR-P_04; MDR-P_05

Below is a summary of the main internal rules related to our corporate ethical culture and business conduct, which are available on the intranet (INET), and on the corporate website (www.inditex.com).

Compliance Policy

Approved by the Board of Directors on 13 December 2016

Key contents	/ Compliance with applicable legislation, internal regulations and the ethical commitments undertaken voluntarily by Inditex
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons linked to Inditex, when possible due to the nature of the relationship and when conducive to compliance
Accountable for the implementation	/ The Compliance department and its chief officer
Third-party standards	/ Spain's Criminal Code / France's Sapin II Law (Loi Sapin II) / UK Bribery Act / US Foreign Corrupt Practices Act (FCPA)

Due Diligence Policy

Approved by the Board of Directors on 10 September 2019

Key contents	/ Describing the process for the identification and analysis of business partners, suppliers and large customers, with whom the Group has dealings, in connection with corruption, fraud, international trade sanctions and similar risks / List of the means available to implement due diligence (Supplier's Master of the Group, Customer's Master of the Group, or the External Compliance Databases, etc.)
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons linked to Inditex, when possible due to the nature of the relationship and when conducive to compliance
Accountable for the implementation	/ The Compliance department and its chief officer
Third-party standards	/ Spain's Criminal Code / France's Sapin II Law (Loi Sapin II) / UK Bribery Act / US Foreign Corrupt Practices Act (FCPA)

Gifts & Invitations Policy

Approved by the Board of Directors on 19 September 2017 and updated on 6 February 2024

Key contents	/ Forms part of the Group's Integrity Policies / Complements and develops the Codes of Conduct / Commitment to zero tolerance of corruption and bribery, and to actively combat and condemn any corrupt practices / Measures to prevent and detect practices relating to gifts and invitations that could compromise the integrity of the Group / Guidelines to prevent corruption and bribery / List of permitted gifts and invitations and guidelines to be followed in this regard
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors)
Accountable for the implementation	/ The Compliance department and its chief officer
Third-party standards	/ Spain's Criminal Code / France's Sapin II Law (Loi Sapin II) / UK Bribery Act / US Foreign Corrupt Practices Act (FCPA)

Policy on Dealings with Public Servants

Approved by the Board of Directors on 19 September 2017

Key contents	/ Forms part of the Group's Integrity Policies / Development of the Code of Conduct / The main aim is to actively combat and strongly condemn any corrupt practices and any form of bribery of public servants, including facilitation payments / Guidelines to prevent corruption and bribery
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons related to Inditex, if applicable
Accountable for the implementation	/ The Compliance department and its chief officer
Third-party standards	/ Spain's Criminal Code / France's Sapin II Law (Loi Sapin II) / UK Bribery Act / US Foreign Corrupt Practices Act (FCPA)

Policy on Donations and Sponsorships

Approved by the Board of Directors on 19 September 2017

Key contents	/ Forms part of the Group's Integrity Policies / Commitment to zero tolerance of corruption and bribery, and to actively combat and condemn any corrupt practices / *Compliance* with the main anti-corruption and anti-bribery regulations applicable in the markets in which the Group operates
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons related to Inditex, if applicable
Accountable for the implementation	/ The Compliance department and its chief officer
Third-party standards	/ Spain's Criminal Code / France's Sapin II Law (Loi Sapin II) / UK Bribery Act / US Foreign Corrupt Practices Act (FCPA)

Anti-Money Laundering and Terrorist Financing Policy

Approved by the Board of Directors on 13 March 2018

Key contents	/ Determination of the criteria that will tend to prevent Inditex or Group companies from being used to carry out any kind of money laundering and/or terrorist financing operations / Definition of the due diligence processes implemented within the Company taking into account the different types of business activities we perform
Scope	/ The entire Group (companies and individuals) / Other natural or legal persons linked to Inditex, when possible due to the nature of the relationship and when conducive to compliance
Accountable for the implementation	/ The Compliance department and its chief officer
Consideration given to stakeholders	/ The interests, expectations and needs of stakeholders were taken into account when drawing up the Policy / The Policy also provides for the possibility of establishing collaboration with the most relevant stakeholders to implement it

Conflicts of Interest Policy

Approved by the Board of Directors on 16 July 2019 and last amended on 6 February 2024

Key contents	/ Development of the Group's action principles and guidelines for conduct in connection with conflicts of interest, as well as the implementation of aspects related to the Codes of Conduct / Measures to prevent and avoid and, where applicable, report and manage conflicts of interest arising in connection with any individual as they carry out their professional duties, as well as others raised with customers, suppliers or other stakeholders
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group
Accountable for the implementation	/ The Compliance department and its chief officer
Third party standards	/ Spain's Criminal Code / France's Sapin II Law (Loi Sapin II) / UK Bribery Act / US Foreign Corrupt Practices Act (FCPA)

Criminal Risk Prevention Policy

Approved by the Board of Directors on 19 July 2016 and updated on 12 March 2024

Key contents	/ Development of the Codes of Conduct / General principles governing Inditex's commitment to the prevention, detection and, in the event, management of criminal risks to which we are potentially exposed due to our activity, in accordance with applicable legislation in Spain / Guidance on the conduct persons in the Inditex Group should observe while carrying out their duties, including members of the Board of Directors, executives and representatives of the Group / Regulation of the Model of Criminal Risk Prevention, included within the Global Compliance Model
Scope	/ All Group companies and people in teams in Spain (including actions and operations carried out outside Spanish territory) / People who provide services or collaborate with the Group (including the Board of Directors)
Accountable for the implementation	/ The Compliance department and its chief officer
Third-party standards	/ Spain's Criminal Code
Consideration given to stakeholders	/ Analysis of stakeholder engagement to identify the criminal risks to which the Company is potentially exposed due to its activity, in accordance with applicable legislation in Spain

G1-1_02;
G1-1_13

Ethics Line

Grievance mechanism: the Ethics Line

The **Ethics Line** (including both the Global Ethics Line and the various Local Ethics Lines) is the preferred, strictly confidential, internal communication channel available to any employee, director and shareholder of any company of the Group, as well as anyone working under the supervision and management of manufacturers, suppliers, contractors and subcontractors of the Inditex Group may raise, including anonymously:

/ **Questions and/or doubts** about the interpretation or application of the Codes of Conduct or any other internal rules of conduct within the competence of the Ethics Committee.

/ **Infringements and other breaches** of the applicable legislation, the Codes of Conduct or of any other internal rule of conduct within the competence of the Ethics Committee, affecting Inditex and committed by employees, manufacturers, suppliers or third parties with whom the Group has a direct employment, commercial or professional relationship. Any breaches or irregularities related to corruption, fraud and bribery can also be reported via this channel.

The Ethics Line is therefore available to all our stakeholders, including in particular our teams, workers in the value chain, members of the community, and customers themselves.

How the Ethics Line works

1. Concerns: The person concerned reports an incident through the channels provided for this purpose on the intranet (INET) and on the corporate website (www.inditex.com).

2. Management: The Ethics Committee acknowledges receipt of the report and evaluates whether it falls within the scope of application of the Ethics Line.

3. Investigation: The Ethics Committee carries out the investigation process in collaboration, where applicable, with other areas.

4. Measures: Upon completion of the investigation and after granting the affected party the right to be heard, the Ethics Committee will issue its decision on:

/ The closing of proceedings, where no breach exists; or

/ The existence of a breach, its severity and whether it is appropriate to take disciplinary measures and/or complementary actions.

In the **event of a breach**, the measures to be taken will be determined in collaboration with the corresponding department depending on the breach's severity and other circumstances, and **may consist of:**

/ The immediate correction of the breach and the adoption of measures to remedy and prevent future breaches.

/ Disciplinary measures (ranging from warning or admonishment to dismissal).

The **Ethics Committee** is the internal, collegiate, and independent body responsible for the Group's Internal Reporting System and for managing the Ethics Line and must promote the necessary investigations to adequately resolve cases handled, in accordance with the **Policy on Internal Reporting Channels** and the **Ethics Line Procedure** (approved and reviewed, respectively, by the Board of Directors on 3 May 2023). Its composition, operation and competencies are regulated in the **Regulations of the Ethics Committee**, as amended by the Board of Directors on 3 May 2023. The decisions of the Ethics Committee are **binding upon** the Group and upon the person to whom they are addressed.

In addition to the Global Ethics Line, Inditex has **Local Ethics Lines** in 15 markets in order to comply with the requirements and/or best practices applicable in those markets[41].

[41] Belgium, Bulgaria, Canada, Croatia, Czech Republic, Finland, Greece, Hungary, Luxembourg, Netherlands, Slovakia, Slovenia, Sweden, Poland, United States and Puerto Rico.

G1-1_05;
G1-1_12

The Ethics Line is governed by the principles and guarantees established in the **Global Policy on Internal Reporting Channels** and by the **Ethics Line Procedure.** These internal regulations incorporate international best practices in connection with human rights and adapt the Ethics Line to the requirements of the markets in which the Group operates (in particular, to the requirements derived from the transposition into Member States' law of Directive (EU) 2019/1937 on the Whistleblower Protection Directive, which include, among others, personal data protection and the rights of persons using whistleblowing mechanisms).

These internal rules offer the following guarantees and protection measures to the parties involved in the process:

/ Utmost confidentiality.
/ Presumption of innocence and preservation of **the right to honour** of the persons affected by the report.
/ Non-retaliation against any reporter or any person helping the informant during the investigation.
/ Appropriate use of **personal data** processed.
/ The **parties' right** to be heard.

ⓘ All the information regarding the Ethics Committee and the Ethics Line is available on our **intranet** and on our **corporate website** (www.inditex.com), under the 'Ethics Line' tab.

When a concern is submitted via the Ethics Line, the Ethics Committee analyses its content and determines the appropriate measures, including opening an investigation where appropriate.

In keeping with best practices, the Group has a tool provided by an external supplier to receive and handle concerns from the Ethics Line. This tool is accessible **24 hours a day, 7 days a week** and is available in 22 languages.

Proof that stakeholders know and trust the Ethics Line is the fact that communications are received from the various groups, and that these communications have increased during the year, for example in the case of our teams and workers in the value chain. Furthermore, the monitoring and supervision of the cases via the Ethics Line allows us to work to ensure their effectiveness.

ⓘ More information in section *G1-4. Comunications received through the Ethics Line* of this Report.

G1-1_08

As stated in the Global Policy on Internal Reporting Channels, the Ethics Committee, as the body responsible for the Group's Internal Reporting System, must lead any investigations that may be necessary and propose, where needed, the appropriate remediation, prevention and awareness measures. It must carry out its duties independently, impartially and autonomously and respond for the system's management and diligent processing of concerns received via the Ethics Line and other Internal Reporting Channels within that System. In accordance with the Regulations of the Ethics Committee, members of the Ethics Committee must refrain from taking part in the examination, deliberation and/or voting stages on matters in which they incur a conflict of interest.

The Procedure regulates the deadlines for the processing and investigation of concerns received, to ensure that they are properly handled. Those deadlines are consistent with applicable regulations.

G1-1_14

Pursuant to our Code of Conduct and the Ethics Line Procedure, the Company strictly prohibits any form of retaliation or threat of retaliation against persons who report any matter in good faith, as well as against persons who cooperate in the investigation.

MDR-P_01;
MDR-P_02;
MDR-P_03;
MDR-P_04;
MDR-P_05

The main contents of our Global Policy on Internal Reporting Channels and the Ethics Line Procedure are set out below.

Global Policy on Internal Reporting Channels Approved by the Board of Directors on 3 May 2023	
Key contents	/ General principles applicable to the implementation of the Inditex Group's Internal Reporting System and to the different Internal Reporting Channels that comprise it / Protection guarantees for informants making use of the System as provided in the Policy
Scope	/ The entire Group (companies and individuals)
Accountable for the implementation	/ Ethics Committee
Third-party standards	/ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union Law (the 'Whistleblower Protection Directive')
Consideration given to stakeholders	/ It was the subject of a report to the European Works Council (EWC), a body for assurance and effectiveness of information and consultation of employees on transnational issues

Ethics Line Procedure Approved by the Board of Directors on 17 July 2012 and last updated on 3 May 2023	
Key contents	/ Principles and guarantees applicable to the handling and processing of informants' concerns and enquiries through the Ethics Line / Means made available for the use of the Ethics Line and for submitting concerns / Regulation of the processes for the handling and investigation of concerns and enquiries, including the measures that may be taken
Scope	/ Communications processed through the Ethics Line / In a supplementary capacity, also for communications from all Internal Reporting Channels that do not have their own procedure, or for matters that are not covered therein
Accountable for the implementation	/ Ethics Committee
Third-party standards	/ Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law (the 'Whistleblower Protection Directive') / Similar regulations in those countries where they exist
Consideration given to stakeholders	/ It was the subject of a report to the European Works Council (EWC), a body for assurance and effectiveness of information and consultation of employees on transnational issues

G1-1_10;
G1-1_11

ⓘ More information on compliance training in section *G1-3. Prevention and detection of corruption and bribery* of this Report.

G1-3. Prevention and detection of corruption and bribery

G1-3_01

Corruption and bribery are totally at odds with the way we operate. At Inditex we have zero tolerance for corruption of any kind and are committed to complying with anti-corruption laws in all markets where we operate. We have Codes of Conduct and a number of policies that set out principles and guidelines to prevent corruption and bribery: Due Diligence Policy and Integrity Policies (Donations and Sponsorships, Gifts & Invitations, and Dealings with Public Servants), Conflicts of Interest Policy, and the Policy on Public Policy.

Furthermore, the Global Compliance Model and, in particular, the Model of Criminal Risk Prevention in Spain and other models for the prevention of corruption and other crimes in other markets, aim to prevent and manage risks related to the potential commission of crimes, including corruption, bribery and fraud.

G1-3_02

The Company's Ethics Line is a way to report, among other issues, any unlawful conduct relating to corruption or bribery.

ⓘ More information on the Ethics Line in section *G1-1. Corporate culture and business conduct* of this Report.

G1-3_03

The Audit and Compliance Committee is responsible for risk management and business conduct, including supervision of the Compliance function. At its meetings in February, March, June, September and December 2024, the Committee received from the Compliance function and the Chief Compliance Officer the reports indicated in section *GOV-2. Information provided to governing bodies and sustainability matters addressed*.

G1-3_05

Communication and awareness-raising

We provide everyone in the Inditex Group with knowledge of and access to the internal rules that apply to them. The General Counsel's Office is responsible for carrying out a series of communication and awareness-raising actions:

/ It informs and updates the members of Inditex's Board of Directors on a quarterly basis throughout the year, regarding the compliance matters listed in section *GOV-2. Information provided to governing bodies and sustainability matters addressed*. Prior to meetings of the Board of Directors, it makes the policies or other internal rules available to the directors, for their subsequent approval or amendment.

/ It makes the internal policies and rules applicable to employees available on INET, under the 'Internal Regulations' tab, and communicates them to employees with corporate email.

/ It makes the most significant policies available to all our stakeholders on the corporate website (www.inditex.com), under the tab 'Ethical Commitment'.

The following is a list of policy communications related to the prevention of corruption and bribery that were released in 2024, broken down by type of communication and job classification of the people who received them:

		Professional category			
	Communication type	**Management**	**Supervisor**	**Specialist**	**Total**
Code of Conduct	Newsletter - Update	4,085	3,729	5,900	13,714
Gifts and Invitations Policy	Newsletter - Update	6,377	6,644	12,237	25,258
	Newsletter - Annual Reminder	6,262	7,153	14,478	27,893
Conflict of Interest Policy	Newsletter - Update	6,377	6,663	12,262	25,302
Human Rights Policy	Newsletter - Update	6,371	6,687	12,135	25,193
Criminal Risk Prevention Policy	Newsletter - Update	1,799	2,763	9,077	13,639
Policy for Representatives and Attorneys of Companies within the Inditex Group	Newsletter - Update	6,225	7,126	14,472	27,823
Policy on Public Policy	Newsletter - New publication	5,842	6,914	14,175	26,931
Enterprise Risk Management Policy	Newsletter - Update	6,286	7,218	14,487	27,991

Moreover, the Group's product suppliers have access to the supplier extranet to consult the IMRs applicable to them. Notable among all these internal regulations are the Codes of Conduct, which set out the guidelines for preventing corruption.

Compliance training plan

G1-3_06;
G1.MDR-A_01-12

Training our people and suppliers is key to strengthening our corporate ethical culture and implementing our Global Compliance Model across all our operations.

Our Code of Conduct sets out the action principles that must guide all our actions (respect, integrity and honesty, transparency and accountability) and reminds all people in the Group that they are required to complete the mandatory training when called.

Likewise, our Code of Conduct emphasizes management's commitment 'Tone at the top' and includes the fundamental role of team leaders in the application of the Code and in the promotion of the corporate ethical culture. Therefore, they are asked to act by example; to promote knowledge of and compliance with the Code; to foster a culture of dialogue and respect in the management of their teams; and to encourage the communication of doubts or breaches, without fear of retaliation.

The promotion of the corporate ethical culture is supported by the communication and awareness-raising actions described above, and by a Compliance Training Plan (hereinafter, '**Training Plan**'), with training and awareness-raising measures adapted to the risk profile of the Group's employees.

G1-4_03;
MDR-A_01;
MDR-A_02;
MDR-A_03;
MDR-A_04;
MDR-A_05

Global campaign on the Code of Conduct

In 2024, the Training Plan included **a global campaign on the Code of Conduct** (updated in February 2024) in order to familiarise everyone in the Group with the culture of ethics and compliance. Corporate tools have been used to ensure regular monitoring and adequate traceability of communication, awareness-raising and training actions:

/ Communication and awareness-raising:

- The Code is available in 34 languages on INET to everyone in the Group.
- A global news article was launched on INET, which received the most likes during the year.
- An information page on the Code was published in the 'Ethical and responsible culture' section of INET, which received 61,043 visits, and the information space on INET dedicated to Compliance was updated, with 65,466 visits.
- A launch video on the Code was shown and informative posters on the Code and the Ethics Line were published in all stores and work centres.
- In the 'Ethical Commitment' section of our corporate website (www.inditex.com), the Code of Conduct was published for all our stakeholders and received 31,011 visits.

/ Acceptance:

- To obtain acceptance of the Code of Conduct by everyone in the Group, a pop-up message was activated on INET with access to the Code of Conduct, so that it could be read and accepted. Thanks to this campaign, the Code has been accepted by 97% of employees.

/ Training for all our people:

- A mandatory e-learning course on the Code of Conduct was published in Tra!n, with an accessible version for people with disabilities. This training covers the Ethics Line and its main protections, the prevention of corruption and bribery, and other topics, and has already been completed by 91% of employees.

/ Specific training for supervisors and teams in the People department:

- In addition, training was given to supervisors, the People department and Compliance delegates from headquarters, retail concepts and key subsidiaries, due to their fundamental role in promoting the corporate ethical culture and their greater exposure to certain compliance risks. The training was designed and adapted to the particularities of these groups, emphasising the sections of the Code of Conduct on our integrity, covering topics such as bribery and corruption prevention, managing gifts and invitations, handling conflicts of interest and the Ethics Line. Other departments were also invited to these training sessions to reinforce the messages on harassment prevention, privacy and our programme Respectful. A total of 2,690 people received this specific training (in-person and/or hybrid).

G1-3_08

As regards the governing bodies, during the process of drafting the Code of Conduct, a specific meeting of the Board of Directors was held to receive feedback and contributions from the directors to assist in drafting Code of Conduct.

In February 2024, the Board of Directors approved the final version of the Code of Conduct and received a presentation on its contents. The members of the Board of Directors received and accepted the Code of Conduct and undertook to comply with it.

/Compliance Training Framework Plan

This Compliance Training Framework Plan (hereinafter, **'Framework Plan**'), is coordinated by the Compliance department and organises the training provided by the main corporate areas exposed to compliance risks, providing support in the creation or adaptation of mandatory training content and in the review of the target groups for such training.

The goal is to ensure a homogeneous and robust oversight of the training provided to mitigate priority compliance risks and contribute to building a corporate ethical culture by targeting the courses at those employees most exposed to compliance risks.

To manage this Plan, we have an exclusive space for mandatory training in Tra!n. Each person has different courses, as this training has been specifically tailored to their risk profile, position and responsibility. Furthermore, throughout the year, the training courses completed were monitored, which consists of periodic reminders being sent to employees with mandatory training courses pending about the need to complete them before the end of the year. To this end, and to facilitate course completion, a specific monitoring tool was made available to the People department teams.

Lastly, and always with a risk-based approach, the Compliance department has created two new mandatory courses 'New Products' and 'Control Claims', aimed at a priority group of commercial, sustainability and other corporate areas affected by these procedures. The contents of 'New Products' deal with the viability of this type of articles (those that have not been marketed previously by the concept or those already marketed previously that have some differentiating element that implies the need to reassess whether they are viable for marketing) and to indicate the steps to follow to analyse the marketing requirements of a new product in the different markets in which it is to be launched. The 'Claims' course reviews the basic concepts of the Control Claims validation flow, indicating the steps to follow to analyse the viability of a claim (marketing claim) before using it.

In 2024, the following mandatory training courses were published for employees in corporate areas with higher exposure to compliance risks:

Labour Law	• Global Anti-Harassment Policy in the workplace
Industrial Property	• Responsible Creativity
Information Security	• Cybersecurity: Basic principles of Cybersecurity • Cybersecurity: Learn about the PCI-DSS standard • Cybersecurity: Secure Code V2 • Cybersecurity: phishing
Compliance	• Code of Conduct • Control Claims • New Products • Model 231

G1-4_03;
G1-3_07

Indicators on compliance training for the priority group

With regard to the Training Plan, it should be noted that, in the 2024 financial year, 86% of the priority group of our people has received training (in-person or online) on the subject of Compliance. This training has been aimed at employees who, either on account of their position and responsibilities or because of the type of activity they carry out, are exposed to a greater risk of compliance breaches and, in particular, the commission of offences relating to corruption between individuals. The compliance training metrics linked to the priority group of employees are presented below:

Priority group (employees) [1]

	2024		2023	
Job classification	**No. of unique people trained [2]**	**% of the priority group**	**No. of unique people trained [2]**	**% of the priority group**
Management[3]	4,765	84%	5,147	79%
Supervisors	3,101	92%	3,265	78%
Specialist	7,861	85%	14,742	80%
Total	**15,727**	**86%**	**23,154**	**79%**
Region				
Americas	1,111	95%	1,194	98%
Asia and rest of the world	1,401	90%	1,415	90%
Spain	9,001	85%	8,785	84%
Europe (ex-Spain)	4,214	85%	11,760	73%
Total	**15,727**	**86%**	**23,154**	**79%**

[1] Employees who, due to their position, responsibility or duties, are exposed to compliance risks.
[2] When a person has attended various training sessions in the year, they are counted only once.
[3] This category also includes members of the Management Committee and Senior Management.

With regard to the Board of Directors, 100% of its members have received compliance and/or corruption or bribery training.

ⓘ More information on the Board of Directors skills in section *GOV-1. The role of the governing bodies* of this Report.

In addition, 813 product suppliers and factories of the Group present in 30 markets received training in compliance matters through a specific e-learning course that has allowed them to learn the principles and patterns of behaviour that we expect from them within the framework of our commercial or professional relationship.

G1-4. Communications received through the Ethics Line

Communications to the Ethics Line (including both the Global Ethics Line and the various Local Ethics Lines) are recorded in a tool through which they can be tracked. Periodically, the Compliance department reports to the Audit and Compliance Committee on the activity of the Ethics Line and the development of the cases submitted through it. Thus, the concerns received through the Ethics Line are monitored and controlled and their effectiveness is guaranteed.

During 2024, the Ethics Line recorded a total of 791 concerns (515 concerns in 2023).

Breakdown of concerns by topic

	2024	2023
HR, diversity and workplace respect:	619	321
related to discrimination, workplace/sexual harassment or other potential breaches of fundamental rights; and	200	152
related to disputes over working conditions, grounds for dismissal or the implementation of personnel selection processes	419	169
Business integrity[(1)]	44	63
Environment, health and safety	14	10
Inappropriate use of Company assets	1	1
Financial, accounting or audit and/or control fraud	0	0
Queries	67	42
Others	46	78
Total number of concerns	**791**	**515**

(1) Including cases related to potential behaviours of taking advantage of the position in Inditex to obtain personal business opportunities or other benefits, fraud or non-compliance with procedures.

Breakdown of concerns and cases

G1-4_04; G1-4_06

	2024	2023
Received concerns	791	515
Closed cases	556	294
Concerns classified as beyond the authority of the Ethics Line	313	221
Confirmed cases of corruption	4	5
(i) Disciplinary measures or termination of employment due to confirmed cases of corruption	3	5
(ii) Total number of confirmed cases where contracts with business partners have been terminated or not renewed due to corruption-related offences	1	2
Confirmed cases of discrimination	4	3
Disciplinary measures or termination of employment due to confirmed cases of discrimination	4	3
Confirmed cases of harassment	9	3
Disciplinary measures or termination of employment due to confirmed cases of harassment	8	3

Of the total of 791 concerns received by the Ethics Committee 2024, 556 are closed. Of these, 313 were classified as being beyond the authority of the Ethics Committee and 63 as not requiring any further action or monitoring by the Ethics Committee. Of the remaining closed cases: (i) 64 were queries, (ii) 75 were cases which, after investigation, were found not to be non-compliances, and (iii) the remaining 41 were cases of non-compliance requiring appropriate action.

Of the latter, four cases were related to the prevention of corruption and bribery, 34 were linked to diversity and respect in the workplace and the remaining three were related to other violations of the Inditex Group's Codes of Conduct. In three cases, the non-compliances detected affected employees of suppliers of goods and services, and the necessary measures to remedy the situation were taken. In all cases where a breach is confirmed, appropriate remedial measures will be adopted depending on the nature of the breach detected and its severity. These measures consisted, depending on the case, of disciplinary measures (either termination of employment or warning), training and review of internal procedures.

G1-4_01;
G1-4_07;
G1-4_08

With regard to the confirmed reports of corruption, no relevant aspects affecting the Company have been observed in any of them. Disciplinary measures or termination of employment due to confirmed reports of corruption are detailed in the table above.

At the same time, during 2024 and 2023, the Group has not been aware, either through its Ethics Committee or through other means, of the processing of legal proceedings concerning corruption or bribery that affect the Company.

G1-4_02

Consequently, in 2024, the Inditex Group neither received through the channels available for this purpose any significant fines or non-monetary penalties for non-compliance with the legislation or regulations applicable to it in matters of corruption or bribery.

G1-5. Political influence

MDR-P_01;
MDR-P_02;
MDR-P_03;
G1-5_01;
MDR-P_04

In 2024 we developed and approved our Policy on Public Policy:

Policy on Public Policy

Approved by the Board of Directors on 10 December 2024

Key contents	/ Commitment to a transparent and responsible development of the preparation of public policies that affect our business activities, our stakeholders and society at large / Development of the principles of action set out in the Group's Codes of Conduct and the Integrity Policies / General principles: responsibility, integrity and honesty, transparency and respect
Scope	/ The entire Group (companies and individuals) / People who provide services or collaborate with the Group (including the Board of Directors)
Accountable for the implementation	/ Public Policy department and its chief officer
Third-party standards	/ OECD Guidelines for Multinational Enterprises on Responsible Business Conduct / United Nations Sustainable Development Goals (SDGs) / OECD Principles on Public Policy and Responsible Corporate Political Engagement (currently under development)

G1-5_02

Like our Policy on Public Policy, Inditex's Policy on Donations and Sponsorships expressly prohibits making donations to political parties, either directly or indirectly. This prohibition is included in the Company's Code of Conduct, which adds that, as a general rule, no person from Inditex can offer, grant, solicit or accept, either directly or indirectly, gifts or invitations, of any kind and from any authorities or public officials.

G1-5_03;
G1-5_06;
G1-5_07;
G1-5_08

In accordance with these policies, no contributions were made (in cash and/or in kind) to political parties during the year.

G1-5_11

With respect to our governing bodies, no members of the Board of Directors have held a comparable position in government administrations in the two years prior to their appointment. Furthermore, our Conflicts of Interest Policy states that if the recruitment of any person by the Group, especially persons coming from public authorities, may give rise to a conflict of interest, the Ethics Committee may propose that suitable measures be agreed to safeguard the Group's interests, in accordance with our Codes of Conduct and internal regulations.

G1-5_09

Public policy activities

Our public policy activities focus primarily on four main topics: **Sustainability, Trade, Digital and Finance.**

G1-5_10

To implement these activities, the Inditex Group is a member of the European Union Transparency Register, and its registration number is 518095443081-20.

B. Suppliers relations

G1-2. Management of relationships with suppliers

G1-2_02

Our business model is based on an agile and flexible supply chain. This enables us to meet demand and adapt to new social and environmental standards quickly and efficiently.

Proximity is one of the key criteria of our supply chain, allowing us to respond nimbly to the market. A very significant portion of the cutting, sewing, dyeing, washing, printing or finishing factories that manufactured our garments in 2024 are located in Spain or neighbouring countries like Portugal, Morocco and Türkiye.

Overall, as of 2024 we had 6,615 factories which include all tiers of our supply chain in 50 markets and employed more than three million people (6,710 factories, 49 markets and more than three million people in 2023).

The supply chain at Inditex in 2024

Distribution by geography

European Union: 1,012 factories

Europe outside the EU: 1,302 factories

Americas: 23 factories

Asia: 3,837 factories

Africa: 441 factories

Distribution by process

2,517 Spinning, weaving, and other raw material processes

81 Cutting

3,270 Sewing

105 Dyeing and washing

199 Printing

183 Finishing

260 Non-textile products

A fundamental tool for managing our supply chain are our supplier clusters, spaces to foster dialogue and cooperation with industry actors. In 2024 we worked with ten clusters in our main production markets: Spain, Portugal, Morocco, Türkiye, India, Bangladesh, Pakistan, Vietnam, China y Cambodia.

Main policies, standards and principles on which our supply chain management is based

Our Code of Conduct for Manufacturers and Suppliers (CCMS) is the foundation on which we build our relationships with suppliers and manufacturers in our supply chain. It includes all the standards they are obliged to meet with regard to labour rights, product health and safety and environmental issues.

ⓘ More information in section *MDR-P. Policies* of this Report.

ⓘ More information in the *Code of Conduct for Manufacturers and Suppliers* available on Inditex's corporate website.

In addition to our CCMS, at Inditex we implement **our own Green to Wear standard**, aimed at reducing the environmental impact of our supply chain, as well as improving the health and safety of our articles and fostering best practices.

ⓘ More information in section *Own standards and certifications* of this Report.

ⓘ More information in the document *Green to Wear* available on Inditex's corporate website.

Another important tool for supply chain management are our **Traceability Requirements for Manufacturers and Suppliers**, which increase the level of detail of the minimum requirements for our suppliers reflected in the CCMS.

In conclusion, any manufacturer or supplier wishing to form part of our supply chain must comply with the Code of Conduct for Manufacturers and Suppliers, with the Green to Wear standard, if applicable, and with our Traceability Requirements. To verify this compliance, we conduct regular and periodic controls to ensure that our standards are upheld. The breach of any of them may entail the termination of the business relationship.

In addition, internally we promote **responsible purchasing practices**, guiding the decisions of our buyers and product teams with the aim of improving working conditions in the supply chain and fostering sustainable development in the textile sector. In this connection, our involvement in the ACT initiative (Action, Collaboration, Transformation) is pivotal.

ⓘ More information in section *S2. Workers in the value chain* of this Report.

ⓘ More information in the report *Supply chain: management to transform the sector*, is available on Inditex's corporate website.

Traceability of the supply chain

We see traceability as **our ability to identify and trace the history, application, location and distribution of products, parts and materials. This definition** is consistent with Recommendation No. 46 **of the United Nations Economic Commission for Europe**, which advocates enhancing traceability and transparency of sustainable value chains in the garment and footwear sector.

Based on our Traceability Requirements, over the course of 2024 we have added new developments to monitoring, such as:

- Supporting the implementation of the fibres plan, with emphasis on the traceability of raw materials.
- Improvement of our tools to make it easier for suppliers to provide us with the necessary information.

Thus, our suppliers must know their supply chain and work only with manufacturers and intermediaries that comply with our sustainability standards and that have been previously assessed and approved by Inditex. They must therefore report which facilities and intermediaries are involved in each production process, from fibre or yarn to the final garment for each order. They must also prove the use of lower-impact raw materials[42], such as organic or recycled cotton, viscose from preferred sources or European linen.

To ensure that these requirements are met, our traceability ecosystem allows us to evaluate the traceability of our products. We also provide training to help our suppliers solve specific challenges regarding the use and understanding of traceability procedures.

[42] More information on the criteria that fibres or materials must meet to be classified as lower-impact in the *Methodological Annex* of this Report.

Traceability assessment
We use various control mechanisms operating in parallel to verify compliance with our traceability requirements:

/ **Designation control check**: to verify that our suppliers have provided information on their supply chain by the established deadline.

/ **Review of certificates:** we check the raw materials' certificates to approve them.

/ **Traceability audits:** we verify the information provided by our suppliers on site, through unannounced visits to the production facilities. This allows us to check the production processes, the productions in progress and the ones completed. The findings are then compared with the information entered by the supplier. In 2024, 10,387 traceability audits were carried out (12,100 audits in 2023).

Monitoring, assessment and continuous improvement

Our aim is to build strong, long-standing relationships with our suppliers. Consequently, in 2024, 10,923 supply chain manufacturer audits were carried out by our own teams and external auditors, specialised by sphere of audit and trained in accordance with the Inditex methodology. They conducted pre-assessments, environmental preliminary assessments, and social and environmental audits.

G1-2_03

/ Pre-assessment
These audits are carried out before the factory can receive any order from Inditex. These audits check that they comply with our Code of Conduct for Manufacturers and Suppliers (CCMS) and the IMR (Inditex Minimum Requirements) applicable to them. Without this first step, no facility can join our supply chain.

The IMR are requirements set out in several key documents, such as the Human Rights Policy and the Traceability Requirements for Suppliers and Manufacturers, which establish the social, environmental or product health and safety standards our manufacturers must meet to become eligible to receive orders.

In 2024, 2,175 pre-assessment audits were carried out (2,111 in 2023).

/ Environmental pre-assessment
Once the new factory passes the pre-assessment audit, a preliminary environmental assessment is conducted remotely by external auditors. This ensures that facilities subject to our Green to Wear standard comply with our most demanding environmental requirements. Facilities classified as not approved at this stage cannot receive orders from Inditex.

In 2024, 251 environmental pre-assessments were executed (301 in 2023).

/ Social audits
After the *pre-assessment* audit, **we conduct** social audits **on a regular basis** to all factories in our supply chain. These audits serve to verify compliance with our CCMS and consist of a site visit (including a document review, verification of facilities and interviews with workers and company management) to verify wages, working hours, health and safety conditions, among other requirements of our Code of Conduct for Manufacturers and Suppliers.

Social audits may be carried out by internal or external auditors in accordance with the Inditex methodology. To ensure their quality, we carry out control audits to verify that our methodology is being properly implemented. In 2024, 6,468 social audits were carried out at the factories in our supply chain (6,892 in 2023)[43].

In addition, social audits using our own methodology have also been carried out in more than 60 external logistics centres this year.

As a result of the social audits, the manufacturers are classified in a social ranking based on their degree of compliance with the Code of Conduct for Manufacturers and Suppliers (CCMS). In 2024, the social ranking of the active manufacturers in our supply chain was as follows:

[43] Includes social audits carried out using the Inditex methodology and those carried out using the Social & Labor Convergence Program (SLCP) methodology integrated in our systems.

Classification of factories in our supply chain by their social ranking

	2024		2023	
Classification	**Number of manufacturers**	**%**	**Number of manufacturers**	**%**
A	3,757	57%	3,594	54%
B	2,453	37%	2,669	40%
Subject to CAP - C	103	2%	163	2%
Subject to CAP - D	248	4%	251	4%
PR	54	1%	33	0%
Total	**6,615**	**100%**	**6,710**	**100%**

Social ranking	**Audit results**
A	Complies with the CCMS
B	Does not comply with some non-relevant aspect of the CCMS
Subject to CAP - C	It fails to comply with some sensitive but inconclusive aspect of the CCMS that triggers the immediate implementation of a Corrective Action Plan
Subject to CAP - D	Breaches of the CCMS triggering the immediate implementation of a Corrective Action Plan
PR	Undergoing an auditing process

In terms of compliance with the Code of Conduct for Manufacturers and Suppliers, the performance in active factories of our supply chain is shown in the following table:

Compliance with the Code of Conduct for Manufacturers and Suppliers in 2024

Percentages according to geographical zones and social compliance areas

	Africa	**Americas**	**Asia**	**Europe outside the EU**	**European Union**
No forced labour	Over 90%	Over 90%	Over 90%	Over 90%	Over 90%
No work by youths or child labour[1]	Over 90%	Over 90%	Over 90%	Over 90%	Over 90%
No discrimination	Over 90%	Over 90%	Over 90%	Over 90%	Over 90%
Respect for freedom of association and collective bargaining	Over 90%	Over 90%	Over 90%	Between 70% and 90%	Over 90%
No harsh or inhumane treatment	Over 90%	Over 90%	Over 90%	Over 90%	Over 90%
Hygiene at work	Between 50% and 70%	Between 70% and 90%	Between 50% and 70%	Between 50% and 70%	Between 50% and 70%
Wage compliance	Between 50% and 70%	Between 70% and 90%	Less than 50%	Between 50% and 70%	Between 70% and 90%
Working hours	Over 90%	Between 70% and 90%	Less than 50%	Less than 50%	Over 90%
Environmental awareness	Over 90%	Over 90%	Over 90%	Over 90%	Over 90%
Regular work	Between 70% and 90%	Over 90%	Over 90%	Between 50% and 70%	Over 90%
Implementation of the Code[2]	Less than 50%	Over 90%	Between 50% and 70%	Less than 50%	Between 50% and 70%

[1] Includes the lack of suitable systems for verifying the age of workers.

[2] Includes the lack of suitable systems for registering and communicating with workers.

Over 90% | Between 70% and 90% | Between 50% and 70% | Less than 50%

/ Environmental audits

Compliance with our Green to Wear standard, targeting facilities that mainly carry out wet processes, is regularly verified through environmental audits. In 2024, 2,029 environmental audits were carried out (1,868 in 2023).

These audits are conducted by external auditors in announced visits during which documentation is reviewed and, where applicable, waste water samples are analysed unannounced. The results are shared with the rest of the sector within the framework of our collaboration with Zero Discharge of Hazardous Chemicals (ZDHC).

As a result of these audits, 85% of the manufacturers required to comply with the Green to Wear standard (80% in 2023) are rated as A or B, the highest environmental performance ratings in our methodology.

/ Continuous improvement

We know that continuous improvement is key to sustainable supply chain management. Accordingly, we use **Corrective Action Plans (CAPs)**, which are roadmaps to support manufacturers in their improvement processes and help them to correct and prevent non-compliances. These plans may be carried out in collaboration with other organisations, such as NGOs and trade unions. In the most sensitive non-compliance cases —classified as being 'subject to CAP' according to social or environmental standards— the plan lasts approximately six months.

In 2024, the following CAPs were carried out:

- **Social CAP:** we carried out 306 CAPs, of which 223 at factories with a 'Subject to CAP - D' rating and 83 at production centres with other ratings (490 CAPs in 2023: 285 in factories with a 'Subject to CAP - D' rating, and 205 in sites with other ratings).
- **Environmental CAPs:** we launched 353 CAPs. 91 of these plans were carried out in factories with a 'Subject to CAP - D' rating, and 262 in sites with other ratings (327 CAPs in 2023: 99 in factories with a 'Subject to CAP - D' rating, and 228 in sites with other ratings).

Despite the importance for Inditex of accompanying the manufacturers of our supply chain in improving their social and environmental performance, our commitment to compliance with our standards entails a zero tolerance policy with those who do not show a willingness to improve. Consequently, if the verification audit still reveals critical non-compliance once the plan has been completed, the factory will not be able to continue working for with our Company.

/ Other continuous improvement tools

In addition to the CAPs, our Company implements various improvement and support projects for manufacturers, such as those developed as part of the Workers at the Centre strategy. In 2024 we also continued with our improvement plans, as part of our Supply Chain Environmental Transformation Plan, with a particular emphasis on water, discharges, management of chemical products and energy.

ⓘ More information in sections *S2. Workers in the value chain*. and *E1-3. Actions related to climate change* of this Report.

ⓘ More information in the report *Supply chain: management to transform the sector*, available on Inditex's corporate website.

G1-2_01

Mutual respect and trust are the basis for Inditex's relationships with its suppliers. The Group has devised payment procedures that indicate the importance of complying with legal payment deadlines for the proper functioning of the value chain, based on long-term relationships and responsible financial management.

These procedures are mandatory for all the Group's companies in connection with managing payments with all kinds of suppliers, including suppliers classified as SMEs. They define the payment periods, as well as the payment means.

ⓘ More information in section *G1-6. Payment practices* of this Report.

G1-6. Payment practices

G1-6_01;
G1-6_02;
G1-6_03

With regard to payment practices, the most common method of payment to our suppliers is by bank transfer, and among the measures that the Group offers its suppliers are various financing programmes.

In addition, specifically focusing on the suppliers across our supply chain, we belong to ACT (Action, Collaboration, Transformation), through which we undertake five specific commitments in connection with responsible purchasing practices, that include agreeing and respecting fair payment conditions and, therefore, respecting the established payment periods.

The responsible management of our suppliers is paramount for the Group. We have therefore developed a third-party payment procedure to underpin our commitment to meet legal and agreed payment deadlines, in order to ensure that our value chain activities function optimally.

ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report

The following table shows the Group's average payment period, along with the standard payment period and the percentage of payments within the standard payment period, arranged by type of supplier:

Type of supplier	Supplier's origin	Average payment period (days)	Standard payment term[1] (days)	% of payments within the standard period
Trade creditor's invoices[2]	EU	36	60	94%
	Other	32	60	95%
Procurements: Finished product[3]	EU	99	90	82%
	Other	98	90	95%
Procurements: Raw Material[3]	EU	60	60	98%
	Other	122	120	94%

[1] The Group concentrates its main payments twice a month.

[2] The Group pays its suppliers within 60 days in accordance with current EU regulations. However, 75% of the volume of payments made to these creditors has been paid within 30 days.

[3] Payments outside the standard period correspond to merchandise with validation retained in the warehouse or supplier blocks.

G1-6_05

ⓘ More information in the *Methodological Annex* of this Report.

G1-6_04

At present, no legal proceedings have been brought against the Group for delays in payment to its suppliers, manufacturers and/or third parties.

Additional information. Cybersecurity

During 2024, cyber threats have increased in number and complexity, due to technological advances and the exponential growth of data and connected devices, leading organisations to take more sophisticated and proactive measures to protect their assets.

Emerging technologies such as artificial intelligence and machine learning, along with cloud computing, have transformed both the landscape of cyberattacks and the defence strategies. On the one hand this allows malicious actors to find new ways to achieve their goals, and on the other it enables companies to more accurately anticipate risks and implement controls.

In this new context, cybersecurity is no longer seen as a simple protective measure, but as a central pillar for the resilience of a business and customer trust, and has become a key factor in the competitiveness of organisations.

Governance and strategy

In recognition of the risks inherent to our activity and the need to protect our stakeholders (customers, shareholders, employees, investors, suppliers, partners, etc.), we are committed to continuous improvement in security management within a framework designed to guarantee information confidentiality and integrity, as well as the availability of all the processes that underpin Inditex's retail and distribution channels.

Senior Management's firm backing in cybersecurity matters allows us to continue making the necessary investments to minimise the risks associated with cyberthreats. In 2024 we ramped up our investment in cybersecurity by 7% with respect to the previous year, implying a cumulative increase of 27% over the last three years. This investment has helped consolidate and strengthen our plan for the continuous improvement of our cybersecurity capabilities and promote new key initiatives to achieve our strategic goals.

In response to the current context and external threats, and for the purpose of continuing to drive continuous improvement with respect to unpredictable risks, we have developed our **Next-Gen** strategic cybersecurity plan, first devised in 2020. This plan is aimed at ensuring a comprehensive and proactive approach to protection in our Company for the next two years to enable us to anticipate potential threats, optimise the use of resources and guarantee business continuity in the event of an incident. At the same time, we have launched a project to review and update our cybersecurity risk management methodology, with a view to improving the identification, assessment and mitigation of risks that could affect Inditex, thereby strengthening our strategic decision making.

The **Information Security Policy,** available on Inditex corporate website, is a key document that, along with the accompanying regulations and procedures, establishes the core principles to ensure that our people act in keeping with the information security goals and standards. The Information Security department is the area in charge of achieving this and the Information Security Committee, comprising members of Senior Management, is the supervisory body that ensures that best practices in security management, applicable regulations and ethical values are applied throughout the Company, as provided in the Regulations of the Information Security Committee.

ⓘ More information on the Information Security Policy in section *S4-1. Policies related to consumers* of this Report.

Since 2022, our Chief Information Security Officer Charter has defined the framework of action and competencies of this function, regulating its place in the Company, levels of organisational autonomy and independence (reporting to the CEO), responsibilities and reporting lines:

/ The Chief Information Security Officer reports at least twice yearly to the Inditex Board of Directors' Audit and Compliance Committee, and, where necessary, the relevant governing bodies of Inditex. The Chief Information Security Officer also reports at least every quarter to the Information Security Committee regarding the main risks and aspects linked to cybersecurity at Inditex.

/ The Cybersecurity Advisory Committee, a consultative and advisory body made up of independent experts, advised us on a number of topics at the two meetings held in 2024. At these meetings, we analysed:

- the risks arising from the current geopolitical landscape, which pose a constant challenge to information security, requiring proactive vigilance and that may impact on the Company's information security,
- threats and opportunities related to the use of artificial intelligence, highlighting the importance of adopting this technology responsibly and being aware of the potential challenges it may present,
- the importance of not overlooking the basics of cybersecurity in favour of more common threats,
- the legal responsibility of the Chief Information Security Officer,
- emerging cybersecurity threats, including new intrusion techniques or vulnerabilities that require defences to be constantly evolved,
- effective training and awareness strategies to build a solid cybersecurity culture,
- cybersecurity reporting methods that strengthen incident management and improve decision making in cybersecurity,
- information classification and protection strategies, examining different models and the impact of each in terms of user experience,
- matching cybersecurity to the particular characteristics of each business sector, highlighting the unique challenges and specific solutions,
- the various standards and regulations in place and in the pipeline, and the importance of anticipating legal requirements so as to guarantee their compliance-

Members of the Board of Directors are informed about the discussions of meetings of the Cybersecurity Advisory Committee by the Audit and Compliance Committee, in accordance with the established procedures. The meeting held on 12 November 2024 was attended by two members of the Board of Directors. These meetings are vital to strengthening the decision-making process in connection with cybersecurity and to furthering the Company's strategy on this front.

Compliance

Our commitment to cybersecurity includes a robust strategy, Senior Management's backing and strict compliance with international best practices and regulations. We continue to closely track cybersecurity regulations, and in 2024 we conducted an impact analysis of the transposition of the new Directive (EU) 2022/2555 Network and Information Security (NIS2) by the EU member states that have already implemented it. This directive aims to improve the security of networks and information systems in European territory. We have also assessed the implications of DORA Regulations (the Digital Operational Resilience Act) for Inditex, which aims to strengthen operating resilience and cybersecurity in the financial sector.

In 2024, we proactively assessed our position with respect to the Good Governance Code on Cybersecurity, drawn up by the National Cybersecurity Forum in collaboration with the Spanish National Securities Market Commission (CNMV). During this process, we identified complete or partial alignment with the recommendations set out in the Code and devised an improvement plan to increase our adherence to its guidelines, evidencing our commitment to implementing best practices in the area of cybersecurity.

As in previous years, we conducted various external assessments, both mandatory and voluntary, to analyse our alignment with local and international cybersecurity best practices and standards. As a result, we have successfully renewed all major information security certifications.

/ **Payment Card Industry-Data Security Standard 4.0 (PCI-DSS)** on the protection of our customers' payment card data.

/ **ISO/IEC 27001:2022**, which evaluates our Information Security Management System.

/ **Korean Information Security Management System (K-ISMS**), which evidences our adherence to legal cybersecurity requirements in South Korea.

/ **Multi-Layer Protection Scheme (MLPS)**, which regulates cybersecurity issues in China.

We also continue to work with the Data Protection and Privacy department to comply with the legal obligations pursuant to the General Data Protection Regulation (GDPR).

In 2024, we also carried out numerous internal reviews, both by third parties and by the Oversight area, to ensure compliance and proper application of the policies and procedures. We periodically evaluate our level of cybersecurity maturity, comparing our results with those of companies in other sectors subject to exacting standards, such as firms in the banking or tech industries.

Furthermore, in 2024 we developed the initiative aimed at obtaining greater visibility, including prior to contracting, concerning the security standards of our relevant partners, to reduce the risks that might affect them. In addition, we continue to pay attention to security in our supply chain, having a team dedicated to carrying out reviews and implementing controls to verify the level of security and guarantees in the service provided by third parties.

Detection and response

The detection and response teams have focused their efforts on designing and implementing new initiatives, and evolving existing ones, with particular attention to vulnerability management and high-risk assets. In 2024 we improved our process of classifying vulnerabilities based on their risk level. As a result, we have managed to more efficiently prioritise their resolution, ensuring a more agile and effective response with respect to the most critical vulnerabilities.

Over the course of 2024, we have strengthened our defence capabilities through specific initiatives focused on optimising detection and response to the most prevalent threats in the external cyber environment such as Distributed Denial of Service (DDoS) attacks, Credential Stuffing and vulnerabilities in third-party products.

We have a **specialised cyberintelligence team** whose main function is the early detection of the risks and threats we face by means of continuous monitoring. In 2024 we carried out an analysis of the actors that might pose a threat to the Company and the techniques, tactics and procedures (TTPs) they might use in malicious activities. This analysis enabled us to identify the methods used by these actors, assess our degree of readiness in respect of these TTPs and propose improvements to optimise our detection and response capabilities.

Additionally, we are a member of CSIRT.es (Platform of Spanish Cybersecurity and Incident Management Teams) and TF-CSIRT (Working Group of Security Incident Response Teams). The purpose of these groups is to share information on major cybersecurity incidents and improve cooperation and coordination to respond swiftly to any situation that may affect large companies in Europe and neighbouring regions. Membership of these organisations also allows us to strengthen relationships with global entities and partners in other regions, addressing cybersecurity challenges on a broader scale.

We own a Security Operations Centre (SOC) available 24 hours a day, 7 days a week in charge of the detection, analysis, notification and resolution of potential security incidents that may affect the Company. In 2024, a total of 60 events of interest (123 in 2023) were recorded, the most relevant of which we reported to the Information Security Committee. None of these events had a material impact on our operations or financial statements.

We remain committed to the automation of security operations, improving the speed, scalability, accuracy and efficiency of detection and response to cyberthreats. Furthermore, recognising the increasing importance of artificial intelligence, we have worked with other areas of the Company in an AI governance initiative aimed at developing a framework to ensure that it is used responsibly and transparently, in line with ethical principles and regulations.

Intrusion prevention

The deployment of prevention measures is one of the most important tasks of our activity, and for this purpose with have **more than 700 external researchers participating** in our private vulnerability detection programme, the aim of which is to find weaknesses in our perimeter. Furthermore, we have a new public rewards programme for the online retail environment, in collaboration with a community of more than one million active researchers. We also continue to conduct crowdsourced pentesting which gives us a greater diversity of skills and a broader and more varied perspective regarding potential weaknesses in our systems.

Also in this field, we have had independent external staff carry out new *Red Team* activities, focusing on simulating attacks targeting the Company. We thus aim to try to identify our weaknesses and to improve the Company's security status.

In 2024 our main priorities are the prevention of leaks and theft of sensitive information, the availability of critical services (sales and distribution) and the control of information integrity, with an emphasis on financial information. This is complemented by the improvement of the capabilities of our cyber risk insurance programme, which provides various coverages and services, including own damage (including loss of profit), liabilities and regulatory procedures, as well as crisis management services.

In the area of corporate identity and access management, we continue working to improve oversight and internal processes with respect to management and granting of permissions, as well as privileged identity governance.

With regard to the availability of critical services, we have carried out various exercises to assess and ensure the recovery of critical systems so as to gauge and reduce the risks associated with the continuity of our systems. The infrastructure supporting these services is Tier IV certified, a standard distinguishing data centres that offer the highest level of performance and reliability, guaranteeing a high degree of availability of our infrastructure.

Training and awareness

We continue to roll out a range of projects aimed at evaluating and enhancing the level of security awareness and knowledge in the Company. We design specific actions in keeping with the level of risk associated with the various user groups, according to their profile and function. For example, we have provided cybersecurity training to the Company's international managers and the Communication department with regard to handling the communication of cybersecurity incidents. We have training programmes designed especially for the Board of Directors and we also provide specialised training for software development professionals in compliance with credit card data security requirements.

Furthermore, to address the ever-changing attack techniques, we have expanded our in-house training catalogue by introducing new training pills that tackle emerging deepfake and artificial intelligence threats. These courses explore how attackers are using AI to make their tactics more sophisticated, and therefore more convincing and harder to detect. In addition, special attention has been paid to educating particularly sensitive groups within the Company, furnishing them with the tools they need to identify and mitigate these new risks.

As in previous years, we have conducted targeted social engineering exercises, with a particular focus on *phishing* tactics, aimed at verifying and reinforcing our staff awareness of this type of attacks, which are becoming more and more frequent. In 2024 we implemented individual training programmes to more effectively boost the knowledge of our employees who have repeatedly lapsed into this kind of exercises. These programmes are designed to help individual employees enhance their ability to identify threats and improve their responses to future situations.

These initiatives have been crucial in addressing the specific training and awareness needs of the most at-risk groups. Thanks to these efforts, in 2024 we provided specialised training to nearly 5,000 users, who had the opportunity to hone their skills and knowledge in key areas, thus contributing to their personal and professional development.

We also promote security by partnering with public and private organisations:

/ We work with the NGO CyberPeace Institute, which helps vulnerable communities protect themselves and recover from cyberattacks.

/ We belong to specialised cybersecurity forums such as the Centre for Industrial Cybersecurity (CCI), the Spanish Association for the Advancement of Information Security (ISMS Forum) and the Executive Action Forum, promoted by the RSA Conference.

/ We take part in events hosted by the Retail & Hospitality Information Sharing and Analysis Center (RH-ISAC) for cybersecurity information sharing.

/ We attend renowned international cybersecurity events, such as the Security50 summits.

/ We harness professional research, guidance and advisory services from expert analysts who provide real-time support on long-term strategic needs and our short-term tactical requisites.

These collaborations enable us to keep up with the latest innovations and trends in cybersecurity, giving us an advanced perspective on developments in this area.

In summary, at Inditex we continue to devote resources to strengthening cybersecurity, as it is vital to protecting the Company's critical assets, complying with regulations, maintaining business continuity, not to mention preserving the reputation and maintaining the trust of our customers. All this fuels our ambition to stay competitive in an increasingly digital business environment. Nevertheless, we continue to strive tirelessly to improve our capabilities in this area, as we know there much remains to be done to tackle the upcoming challenges.

Additional information. Responsible risk management

Risk management and control framework

Integrated Risk Management System

Inditex's Integrated Risk Management System (IRMS) establishes the Group's risk management and control framework. The IRMS encompasses the entire Group, at both corporate level and in the various business units and subsidiaries, regardless of their geographic location. It is incorporated in our strategic planning process, in the definition of strategic goals, as well as in the Group's day-to-day operations. The IRMS entails both financial and non-financial risks (including tax, operational, technological, cybersecurity, legal/regulatory, social, environmental, climate change, political, reputational, corruption-related and other risks). We consider risk to be any potential event, regardless of its nature, that could adversely affect the achievement of business objectives.

The IRMS is based on the Enterprise Risk Management Policy and is developed and supplemented by internal regulations of different levels that govern the management of different risks and apply to different units or areas of the Group. This system coexists with other functions tasked with monitoring specific risk areas. Our IRMS is based on the COSO ERM, Enterprise Risk Management[44] methodological framework and the relevant ISO standards, adapted to our own needs and specific characteristics. The IRMS is based on scenario methodologies to assess and quantify the Group's critical risks.

Enterprise Risk Management Policy

Its purpose is to provide reasonable assurance in regard to the achievement of the strategic goals set by the Group in response to the various challenges it faces, providing all stakeholders with an adequate level of assurance to ensure the protection of the value generated. It was last modified on 10 December 2024.

ⓘ More information on our policies in section *MDR-P. Policies* of this Report or on Inditex's corporate website.

Bodies responsible for preparing and implementing the Risk Management System

In parallel, the IRMS ensures the proper segregation of duties between the various elements that comprise it. The responsibilities of the areas and bodies involved in the IRMS are based on the three-lines-of-defence model outlined below:

[44] COSO ERM Framework, Enterprise Risk Management – Integrating with Strategy and Performance, published in September 2017 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO)..

Risk management

Board of Directors

Approval of the Enterprise Risk Management Policy, which establishes the basic principles, risk classes and the general framework of action for their management.

Audit and Compliance Committee

Supervision
of the risk control and management function, verifying their proper operation based on the policy approved by the Board.

Assessment
of the effectiveness of financial and non-financial risk internal control and management systems, as well as the measures planned to mitigate the impact of the risks identified.

Identification and re-assessment
at least annually, of the main financial and non-financial risks and their tolerance levels.

Risk Map
identifying the main risks by category and an assessment thereof in terms of their potential financial impact and their probability of occurrence, once the corresponding response measures have been applied.

Management

Awareness and dissemination
of the importance of the Integrated Risk Management System and its value for all the Company's stakeholders.

Definition and validation
of roles, attributions and responsibilities within the framework of the Integrated Risk Management System.

Validation of action plans
and work plans derived from the risk management process itself, and activity monitoring

Monitoring of activities
relating to risk management and the Integrated Risk Management System.

Three lines of defence

1. Business units *(continuous reporting)*

Responsibility for managing and reporting the risks to which the Group is exposed in its various areas, including those related to climate.

2. Risk management / Compliance function *(quarterly reporting)*

Tasked with: coordinating and updating the Integrated Risk Management System to maintain maximum quality standards; coordinating compliance risk management (detailed in section *G1-1. Corporate culture and business conduct*).

3. Internal Audit *(quarterly reporting)*

Independently and objectively supervising the Integrated Risk Management System.

Risk map

The risk map represents the inventory of critical risks for the Group, distributed by risk class and evaluated through a scenario methodology. There are also maps relating to specific risk categories with a higher level of granularity.

Critical risk map

	# Risks	Strong	High	Moderate	Minor
Social	4	25 %	50 %	25 %	0 %
Financial	8	50 %	0 %	50 %	0 %
Geopolitical	3	33 %	33 %	33 %	0 %
Governance	9	44 %	11 %	11 %	33 %
Environmental	4	50 %	0 %	25 %	25 %
Technology	5	20 %	60 %	20 %	0 %
Total	**33**	**39 %**	**28 %**	**28 %**	**7 %**

The main risk factors are described below, as well as their main mitigation measures and the trend with respect to the previous year.

SOCIAL RISKS
Risks arising from socio-economic trends, including evolving societal preferences, social norms and demographics, as well as the prevalence of diseases and the development of public healthcare systems.

Description and impact	Main mitigations
Human capital — Risk trend →	
Risks connected to talent and people management pertain to the necessity to adapt our organisational culture to the needs of employees in a new and complex environment, where the sustainability of human capital becomes more relevant and which seeks to ensure the quality of employment, the health and well-being of our teams, work-life balance, and diversity, among other factors. Today's labour market is becoming increasingly demanding in terms of corporate social responsibility, which determines a company's appeal as a preferred employment destination. Accordingly, the content and impact of human capital risks are evaluated every year. Furthermore, we are more exposed to the potential risk resulting from the shutdown of critical operational processes (logistics activity, transport, administrative services, among others) as a consequence of labour disputes, strike action, riots or protests that curb or disrupt corporate productivity.	/ Knowledge transfer and the involvement of all our people in our culture and way of operating. / Employees development, growth opportunities for the most talented people and retention of our key employees through career development, training and compensation policies. / Recruitment of new employees to ensure a continuous inflow of talent. / Measures to develop the Diversity and Inclusion Policy. / Development of equality plans, establishing measures to promote the commitment to and effective application of equality between men and women, preventing discrimination in the workplace, guaranteeing a healthy working environment and helping to maintain a work-life balance. / Implementation of community programmes and projects. / Fostering social dialogue at all levels. ⓘ More information in section *S1. Own workforce* of this Report.
Infectious and contagious diseases — Risk trend ↓	
This category includes the risks posed by infectious and contagious diseases. It corresponds to the potential disruption caused by a local, regional or global pandemic as a result of infectious diseases against which there is little or no pre-existing immunity in the human population. As Covid-19 has taught us, the impacts of a pandemic can be multiple, unpredictable and of varying intensity, both in time and scope. Due to their ramifications, pandemics can become a systemic risk.	/ Establishment of an information system to ensure better knowledge of the guidelines issued by public authorities and bodies. / Mechanisms aimed at guaranteeing the continuity of our operations. / Flexibility of the business model and strengthening of the online channel. / Maintenance and updating of measures established by the health authorities: creating emergency management committees, compiling data on the epidemiological situation, regular information to our teams, installing protective screens in workplaces, adapting capacity, etc. ⓘ More information in section *S1-4. Actions related to own workforce* of this Report.
Brand perception — Risk trend →	
Risks which have a direct influence on the perception of stakeholders (customers, employees, shareholders, and suppliers) and society in general regarding our Group.	/ Monitoring of the Group's image in all areas, carried out by various departments, including Communications and Institutional Relations. / Establishment of the necessary procedures and protocols by the Communications and Institutional Relations. / Management of the relationship with regulatory bodies by the General Counsel's Office – Compliance. Investor and Analyst Relations Management by the Shareholders Relations Department. / Code of Conduct. / Code of Conduct for Manufacturers and Suppliers. / Policy on Official Internet and Social Networks Accounts and Profiles. ⓘ More information in sections *SBM-2. Interests and views of stakeholders* and *A. Corporate ethical culture and solid compliance architecture* of this Report.

FINANCIAL RISKS

Threats originating in the macroeconomy, in global value chains and in industry- or company-specific events that may prevent the proposed objectives from being achieved.

Description and impact	Main mitigations
Competition	Risk trend →
The competitive environment may result in risks from difficulties in adapting to market conditions in which we operate, either in the procurement processes or in the distribution and sale of our products. These risks are inherent to the fashion retailing business and consist of our Group's potential inability to follow and respond to changes in the target market or to adapt to new situations in its sourcing or distribution countries. These risks derive from the possible difficulties involved in recognising and taking on board the ongoing changes in fashion trends, and in manufacturing, supplying and selling new articles that meet customer expectations.	/ Business model through management that seeks to improve the efficiency and effectiveness of markets, business lines and stores, rationalising and diversifying the commercial network. / Internationalisation and diversification strategy. / The Group's multi-brand format based on omni-channelling, through the full integration of channels and new technologies as alternatives for communication and sales. / Feasibility analysis of each new market, business line or store, plus subsequent follow-up. ⓘ More information in sections *3. Inditex at a glance* and *SBM-1. Strategy, business model and value chain* of this Report.
Competition may also emerge in the infringement of industrial and intellectual property.	/ Existence of an Industrial Property (IP) department to supervise the use of industrial and intellectual property rights and to protect the Group's IP assets, as well as of dedicated teams integrated in the commercial areas. / Industrial and intellectual property training. / Industrial and Intellectual Property Product Control Policy. / Code of Conduct.
Counterparty	Risk trend ↑
The Group is exposed to counterparty risk from our suppliers of goods and services, especially those that are more strategic for the continuity of our operations, as well as from our customers and business partners, which could impact the normal performance of some of our operations. The Group is also exposed to the risk that financial counterparties fail to comply with their obligations in relation to investing our liquidity, credit policies or other funding and guarantee vehicles, as well as the derivative instruments arranged to hedge financial risks.	/ Analysis and monitoring of the financial solvency of the most important third parties for the Group, including legal, technological, operational, reputational and regulatory compliance aspects, among others. Design, implementation and monitoring of the proper remediation measures arising from collaboration between the Third-party Risk Management Area and the responsible business units. / The Group Financial Investment Policy, whose aim is to ensure the safety, integrity and liquidity of the Company's financial assets. / Financial Risk Management Policy, which determines the caps on counterparty exposure. / Flexibility and diversification of the value chain ensure the resilience and continuity of our operations in the event of potential disruptions owing to the behaviour of third parties. / Creation of the Third-Party Risk Management area. ⓘ More information in section *G1-2. Management of relationships with suppliers* of this Report.

Market crisis	Risk trend →
The euro is the Group's functional currency. Our international transactions require the use of numerous currencies, giving rise to foreign currency exchange risk. Currency exposure manifests itself in terms of net investment, translation and transaction risks. We have investments overseas whose assets are exposed to the foreign currency exchange risk. Consolidating the annual accounts of our companies in euros, we are exposed to foreign exchange translation risk resulting from all our entities located outside the Eurozone. We are also exposed to the risk arising from the volatility in currencies other than the euro of payment and collection flows in relation to the acquisition and provision of goods and services in both Group and non-Group transactions.	/ Financial Risk Management Policy. ⓘ More information in *Note 26. Financial instruments and risk management policy* to the Consolidated Annual Accounts.
Supply and distribution shipping is critical to our business. There is a risk of paralysis or delay in the movement and customs clearance of goods as a result of changes in the political/social situation and stability in markets where goods are produced and sold, regulatory changes, trade frictions—whether tariff or non-tariff related, and saturation of logistics infrastructures, among others.	/ In-house teams specialised in market customs regulations, which are in permanent contact with customs agencies. / Diversification of shipping points and establishment of alternative routes. / Continuous tracking of the product until it arrives at the store. / Monitoring of relevant regulations and regulatory changes.
Economic outlook	Risk trend ↑
Our activity is subject to the risk of a potential downturn in sales as a result of economic contraction or other macroeconomic headwinds generated by external factors.	/ Flexible business model based on multi-brand omni-channelling. / Territorial diversification through an internationalisation strategy. ⓘ More information in sections *3. Inditex at a glance* and *SBM-1. Strategy, business model and value chain* of this Report.
Economic variables	Risk trend →
The Group is exposed to the risk of inflation affecting costs linked to the acquisition of the goods and services necessary to conduct our business. Notable is the impact of the increase in the price of the multiple raw materials, (textile and non-textile) consumed directly and indirectly in the Group's operations, and in the procurement of goods, primarily of our products and services, in particular in connection with the transportation of supplies and distribution. ⓘ More information in *Note 26. Financial instruments and risk management policy* and in section *E5-4. Resource inflows* of this Report.	/ Flexibility of the manufacturing and procurement model, allowing production to be adapted to market demand and to possible changes in the supply market environment. / Permanent contact with stores and online teams by our team of designers, through the Product Management department, helping them to learn about customer preferences. / Selective price adjustments to safeguard our margins. / Vertical integration of operations that enables to shorten production and delivery lead times and to reduce inventory volumes, while keeping sufficient manoeuvring room to introduce new products over the course of the season. / Monitoring of raw material markets and strategic promotion of circularity and recycling of raw materials. ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.

GEOPOLITICAL RISKS

Geopolitical risks arise from a deterioration in the political situation, a society's crime levels, changes in the ideology, leadership and regulation of its authorities, politically motivated conflicts at home or between nation states that threaten operations or expected prospects.

Description and impact	Main mitigations
Business environment and political instability	Risk trend ↑
Potential instability in the territories where our supply chain is located, as well as where products are marketed, poses a significant risk. Socio-political instability arising from social uprisings or other causes of political violence, as well as their potential spread to other countries, may affect our ability to operate in affected territories, with the ensuing impact on value chains, sales and expansion, or damage to our facilities. These circumstances may result in frictions that hinder the normal movement of goods due to political instability, infrastructure saturation, or constraints, especially on key routes, which generate bottlenecks due to supply-demand imbalances that limit access to transport and/or erode our margins.	/ Value chain with multiple geographic origins providing the flexibility and adaptation to demand, ensuring alternatives to the eventual need to switch between different manufacturing markets in case of severe and/or continuous disruptions. / Points of sale diversification. / Country risk monitoring and proximity to the local market. / Continuous analysis of the evolution of the conflict and its complex implications, implementing plans to mitigate its impact, especially in relation to its workforce in the affected markets. ⓘ More information in sections *3. Inditex at a glance*, *SBM-1. Strategy, business model and value chain* and *G1-2. Management of relationships with suppliers* of this Report.
Government and business policies and regulatory framework	Risk trend ↑
As a result of our extensive direct and indirect geographic presence, we are exposed to multiple and heterogeneous legislation in the countries where we operate. Regulatory changes, which are increasingly frequent and more intense, especially in our sector, as well as the possibility that local authorities might adopt different or even divergent interpretations in various jurisdictions, expose the Group to potential negative effects of a financial, compliance and/or reputational nature. This includes risks relating to labour, commercial and consumer law, industrial and intellectual property law, and personal data protection and privacy regulations, with a particular emphasis on tax and customs regulations, as well as risks pertaining to other legislation. Expectations of significant regulatory or policy changes that may create uncertainty for the normal conduct of the business model and require an effort in financial and operational planning to ensure proper adaptation.	/ Systematic tracking of the impacts and risks of the emerging regulations that affect the business model and the proposal of operable solutions. / Business model based on a firm commitment to good governance, transparency and respect, aimed at promoting social and environmental sustainability, and conveying a corporate ethical culture in the performance of all our activities. / Continuous Compliance training. / Existence of an independent body that supervises compliance with the internal standards of conduct (Ethics Committee) and a mechanism to report irregularities and non-compliances (Ethics Line). / Implementation of the model for the organisation, prevention, detection, control and management of legal and reputational risks, deriving from potential breaches. / Policy on Donations and Sponsorships, Policy on Gifts and Invitations, and Policy on Dealings with Public Servants. / Tax Policy. / Anti-Money Laundering and Terrorist Financing Policy. / Continuous assessment of the corporate governance system in order to verify its degree of compliance with and adaptation to new legislation, recommendations, standards and best practices in this respect, and to systematically reinforce good corporate governance practices. ⓘ More information in sections *Additional information. Tax responsibility and transparency* and *A. Corporate ethical culture and solid compliance architecture* of this Report.

GOVERNANCE RISK

Governance risk includes non-compliance by the Company and, in particular, by its Board of Directors and Senior Management, with the law in a formal and/or material sense, with good governance recommendations, with best practices, and with the commitments that we voluntarily undertake. It also includes risks arising from the tactical and strategic decisions of the Group's management that may result in the non-achievement of business, functional area or Group objectives, as well as risks of corruption or damage to the Company's reputation.

Description and impact	Main mitigations
Business model implementation	Risk trend ↑
Risks related to potential failures in the commercial offer by not anticipating trends, not being able to react and respond to changes in market trends, not providing sufficient supply to stores or not being able to continue to stand out from competitors.	/ Agility and flexibility of the business model. / Qualified teams focused on identifying the product demanded by the market and ensuring adequate supply management. / Availability of reliable data, with the necessary frequency and level of detail, providing information on how well supply matches demand in the market. / Linking up with customers through social media and having different touch points to capture customers' tastes and expectations (stores, online sales). / Sourcing in proximity allowing a quick response to customer demand. ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.
Risk of concentration of activity of logistics operations (procurement, storage and distribution) in a limited number of distribution centres, whether our own or operated by third parties, located across Spain.	/ Logistics Hub in the Netherlands. / Use of smaller logistics centres located in other countries and with third party logistics operators which carry out variable scale distribution operations. / Implementation of our WMS (Warehouse Management System) in all external logistics operators to ensure full operability and compatibility with our systems. / Our RFID and SINT (integrated stock management system) programmes have been implemented in all retail formats. / 2024-2025 Logistics Expansion Plan to meet demand. ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.
Non-Compliance	Risk trend →
The Group is exposed to the risk of non-compliance with its Human Rights Policy and other regulations we have established in this matter. In particular, non-compliance of our Code of Conduct for Manufacturers and Suppliers, defined as the minimum standards of ethical and responsible behaviour to be observed by the manufacturers and suppliers of the products we market. Furthermore, the demand for ESG (environmental, social and governance) behaviour in the fashion industry is increasing and is based on traceability and transparency.	/ Mandatory compliance with the Code of Conduct for Manufacturers and Suppliers by all those who wish to become part of the Group's supply chain. / Programme for compliance with the Code of Conduct for Manufacturers and Suppliers through different types of audits of the facilities required for production. / Ethics Line and Ethics Committee (also responsible for the application and interpretation of the Code of Conduct for Manufacturers and Suppliers). / Traceability strategy based on a management system whereby each supplier is required to know and share its supply chain data and report the facilities involved in the productions, and an audit process that confirms that production does in fact take place in declared and authorised factories. / The Group's commitment to transparency. We share information with our stakeholders concerning our sustainability strategy, the programmes on which is it structured, our targets and the progress achieved, among other matters. Among our main transparency drivers is our annual accountability through this Report, as well as the information we regularly publish on our corporate website. ⓘ More information in sections *GOV-4. Statement on due diligence*, *A. Corporate ethical culture and solid compliance architecture* and *G1-2. Management of relationships with suppliers* of this Report and in the section *F.1.2.* of the Annual Corporate Governance Report.

Our Group faces the risk of non-compliance with the law in a formal or material sense, or with good governance recommendations, best practices or voluntary commitments. In this regard, there is a risk of non-compliance with voluntary commitments that have been publicly undertaken, especially in the area of sustainability, which go beyond regulatory requirements. This includes risks relating to tax, customs, anti-corruption and bribery, labour law, commerce and consumption-related regulations, industrial and intellectual property regulations and risks relating to other types of legislation, in particular criminal regulatory risks, as well as other regulatory compliance risks.	/ Global Compliance Model. / Criminal Risk Prevention Model, comprising the Criminal Risk Prevention Policy, the Criminal Risk Prevention Procedure and the Criminal Risk and Control Matrix. / The main policies approved within the framework of the Criminal Risk Prevention Model are as follows: Policy on Donations and Sponsorships, Gifts and Invitations Policy, Policy on Dealings with Public Servants, Conflicts of Interest Policy, Anti-Money Laundering and Terrorist Financing Policy, Due Diligence Policy and the Procedure for Limiting Trade Relations with Suppliers in Restricted or Unauthorised Markets. / Ethics Line and Ethics Committee. ⓘ More information in section *A. Corporate ethical culture and solid compliance architecture* of this Report. / Data protection and privacy compliance model, the basic rule of which is the Compliance Policy regarding Personal Data Protection and Privacy. ⓘ More information in sections *S4-1. Policies related to consumers* and *S4-4. Actions related to consumers* of this Report. / Annual assessment of the Corporate Governance System in order to verify its degree of compliance with and adaptation to new legislation, recommendations, standards and best practices in this respect, and to systematically reinforce good corporate governance practices. / Periodic supervision by the Audit and Compliance Committee of the existence of possible conflicts of interest or transactions with/among related parties, contrary to the interests of the Company and/or its stakeholders. / Quarterly monitoring by the Sustainability Committee of the performance of commitments undertaken.
Products and services	Risk trend →
We are exposed to risks related to the quality, composition and other health and safety aspects of our products.	/ Performing controls and verifications of product health and safety standards Clear to Wear: Product Health and Safe to Wear: Product Safety. ⓘ More information in sections *E2-1. Policies related to pollution* and *S4-4. Actions related to consumers* of this Report.

ENVIRONMENTAL RISKS
Risks associated with natural disasters, climate change and the interactions resulting from human exploitation of the environment.

Description and impact	Main mitigations
Climate change	Risk trend →
Our performance is exposed to the potential impacts of climate change in its various manifestations of physical risk, whether chronic or strong, as well as to the risks resulting from the transition to a low-carbon economy. With regard to physical risks, eight climate phenomena are taken into consideration: heatwave, freeze, flash flooding, river flooding, coastal flooding, 'extratropical' and tropical storms and water stress in river basins where our own or third-party facilities are located.	/ Decarbonisation is one of the main axes of our Sustainability roadmap, in line with the goals of the Paris Agreement. We have set very ambitious decarbonisation targets for our business and for our industry as a whole. / Section *IRO-1/ SBM-3 Description of the processes to identify and assess material climate-related impacts, risks and opportunities* addresses this risk under the Task Force on Climate-related Financial Disclosures (TCFD) framework, which the Group joined in June 2020. ⓘ More information in sections *E1-6. GHG emissions* and *IRO-1/SBM-3. Material climate-related impacts, risks and opportunities* of this Report.
Environmental degradation and Scarcity of natural resources	Risk trend →
There is a risk of producing adverse effects on the environment through the release of undesirable or hazardous substances (whether biological or chemical) throughout our value chain. There is also a risk that our activities may result in negative externalities such as the loss of biodiversity, deforestation, soil degradation, or scarcity of raw materials, especially those that meet our sustainability requirements, among others. There is a need to ensure sufficient and reliable supply of lower-impact raw materials, known as preferred raw materials, to meet our sustainability commitments.	/ The Sustainability Policy sets out, among others, the environmental commitments, which are applied transversally across all its business areas and throughout the supply chain. / Environmental policies: Ecosystems and Biodiversity Policy, Water Policy and Energy Policy. / Commitment to clean energy, lower-impact raw materials and the implementation of circularity services such as Zara Pre-Owned in key markets. / Implementation of waste management systems with strict operating requirements to allow the repurposing of waste generated at our facilities through its reuse or recycling. / Forwarding for reuse and/or recycling of the packaging materials arriving at our facilities. / Research and development of new materials and production processes with a lower impact through the corporate platform Sustainability Innovation Hub. / Collaboration projects with third parties in the field of circularity and innovation (MIT Spain, Ellen MacArthur Foundation, Global Fashion Agenda, Euratex, etcetera). / Application of the Green to Wear standard in the supply chain. ⓘ More information in section *5. Environmental information* of this Report.
Extreme weather events	Risk trend →
As a result of natural disasters such as floods, fires, earthquakes, etc., key business operations and shipping processes could be halted. These events could potentially affect our critical infrastructure	/ Management of these risks, including mitigation measures and resilience plans, is discussed in the section on industrial accident risks. (Technological risks). / Section *IRO-1 / SBM-3. Material climate-related impacts, risks and opportunities* contains a sub-section concerning the physical climate impact on the Group's value chain.

TECHNOLOGY RISKS

This includes targeted cyberattacks, collapse of critical infrastructure, industrial accidents with direct or indirect impacts, as well as the inability to adapt to technological advances.

Description and impact	Main mitigations
Critical infrastructure Risk trend →	
We are more exposed to the risk arising from various contingencies (incidents, sabotage or accidents) that lead to a halt or operational inefficiency of IT services or processes needed to perform the business activity.	/ Ensuring the availability of the systems by deploying technical contingency plans which, together with associated technical recovery procedures and their relevant recovery testing, would reduce the consequences of an incident, breakdown or stoppage. / Tier IV certified main data centre, that guarantees maximum reliability and high availability. / Availability of certified data centres guaranteeing high availability as well as synchronous data storage in redundant locations or duplication of equipment and lines. / Information Security Procedure: Incident Response Plan, which includes the management of incidents involving personal data from the standpoint of compliance with personal data protection and privacy regulations. ⓘ More information in section *Additional information. Cybersecurity* of this Report.
Cybersecurity Risk trend →	
This refers to exposures that could compromise the confidentiality, integrity and/or availability of our information, regardless of whether it is located in our own systems or those of third parties; and third parties' information located in our systems. We are aware that cybersecurity risks evolve exponentially, unpredictably and, in some cases, in a very sophisticated way. Thus, although information security is a priority, there is the possibility of an undetectable attack which might affect operations or information managed by us.	/ Existence of a Chief Information Security Officer (CISO), reporting to the Chief Executive Officer and to an Information Security Committee. / Existence of a Cybersecurity Advisory Committee, an advisory and consultative body composed of independent experts tasked with strengthening the Group's decision-making in connection with cybersecurity. / Availability of a reference framework (Information Security Policy) that establishes the core principles to ensure that all employees conduct themselves in keeping with the information security goals and standards. / Update of the cybersecurity strategic plan aiming to strengthen the integral protection of our digital assets, reduce the risks associated with cyberthreats and ensure our operating resilience. / Permanent control of the Information Security Management System, ensuring the confidentiality and integrity of the information, and the availability of the systems and applications that support the sales channels. / Existence of a cyber risk insurance programme, which provides various coverages and services, including own damage (including loss of profit), liabilities and regulatory procedures, as well as crisis management services. / Updating the inventory and information technology and security risk map to establish the necessary mitigation measures and ensure continuous improvement by the responsible areas. / Renewal of certifications—both mandatory and voluntary—to analyse our alignment with best practices and standards in cybersecurity: Payment Card Industry-Data Security Standard 4.0 (PCI-DSS), ISO/IEC 27001:2022, Korean Information Security Management System (K-ISMS)[1] and Multi-Layer Protection Scheme (MLPS)[2]. / Continuous review mechanisms for the prevention, detection and response to cyberattacks. Along with the existence of the 'Information Security Incident Response Procedure' which devises the governance structure, oversight and guidelines for the detection, assessment, management and elimination of cybersecurity incidents. / Awareness and skill-building through employee cybersecurity training. ⓘ More information in section *Additional information. Cybersecurity* of this Report.

[1] K-ISMS is South Korea's information security management system. This standard is managed by the Korean Internet and Security Agency (KISA). It was prepared to evaluate whether enterprises and organisations operate and manage their information security system consistently and securely such that they protect key information assets from various threats..

[2] MLPS is the multi-layer protection scheme. It is a regulatory classification scheme intended to protect the security of information systems located in China. China's Cybersecurity Law requires the network and system components to be protected against disruptions, damage, unauthorised access using a graded scale to prevent data leakage, manipulation and espionage.

Industrial accident	Risk trend ↑
We face the risk of interruption of operations associated with the possible occurrence of extraordinary events beyond our control (fires, transport or key supplier strikes, interruptions in energy and fuel supplies, etc.), which could have a significant effect on the normal functioning of our operations. The main risks of these type are concentrated at logistics centres and at third party operators transporting goods.	/ Actions to reduce exposure to this type of risks, maintaining high levels of prevention and protection at all the distribution centres. Existence of insurance policies that cover both property damage and loss of profit resulting from the incident. / Optimisation of the scale and use of all logistics centres according to the volume of each retail format and the specific needs of the geographic area they serve. / Configuration of the various logistics centres to allow them to take over storage and delivery capacity from other centres in the event of a contingency caused by accidents or stoppages in distribution activities. / Logistics Expansion Plan. Phasing-in of Radio Frequency Identification (RFID) technology in the value chain and development of new mobile robotics technologies. / Search, validation and control of external logistics operators, at different strategic points, with full integration into the Company's logistics capacity. / Diversification of shipping suppliers. Analysis and monitoring of critical suppliers ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.
Disruptive technology	Risk trend →
We are aware that technological innovations and evolutions in a broad sense, both in customer interaction through the development of a satisfactory omni-channel experience, as well as the improvement of all operating and business processes, are essential to ensure fulfilment of our strategic objectives. The digital transformation process, which is paramount to ensure our competitiveness, is gaining pace due to the emergence and implementation of new technologies such as Artificial Intelligence and their application to the automation and optimisation of existing processes, or their transformative application in other spheres.	/ The digital transformation and the drive for digitalisation as a key transformation tool are evident throughout all our Group's operational and business processes. Digitalisation allows a more agile, efficient and accurate management of our operations, from logistics through to in-store operations. It also fosters sales growth by integrating channels. It ensures immediate availability and accessibility of business data, obtained thanks to our full integration, so as to continue to speed up decision-making processes, manage inventory more efficiently and improve the standard of customer services. / Digitalisation is key to the development of our sustainability strategy as, among other things, it makes it possible to manage supply chain traceability, allowing us to compile sustainability information. / Regarding people management, our digital vocation has enabled us to continue improving our operations, from recruitment processes to hiring. Digitalisation is critical when it comes to the communication and training across the world. ⓘ More information in section *SBM-1. Strategy, business model and value chain* of this Report.

The governance, availability, quality and value of the information generated in the course of our activities is increasingly becoming a competitive advantage and is essential for the normal function of the business. This information could be from different nature: transactional and operational, financial-accounting, management and budgeting and control information. We ensure the protection of information, regardless of how it is communicated, shared, projected or stored. This protection affects both the information inside the Group and the information shared with third parties. The emergence of disruptive technologies like Artificial Intelligence will be crucial in this risk area.	/ Periodic review of the management information distributed to the various managers, and investment, among other areas, in information transmission systems, data analysis and intelligence for decision-making and process optimisation, business monitoring and budgeting. / Different departments across the Group, especially the Planning and Management Control and the Administration departments, which report to the Financial Division, are directly responsible for producing and supervising the quality of this information. The Information Security Department is responsible for ensuring that this information is accessible and/or modified only by those authorised to do so, entering parameters into the systems to guarantee the reliability, confidentiality, integrity and availability of critical information. / Procedure on information Security Incident Response, which includes the management of incidents involving personal data from the standpoint of compliance with data protection and privacy regulations. ⓘ More information in sections *S4-4. Actions related to consumers* and *Additional information. Cybersecurity* of this Report. / Establishment of an Internal Risk Management and Control System in relation to the process of issuing financial information (ICFR), in order to continuously monitor and evaluate the main associated risks that allow to reasonably ensure the reliability of the Group's public financial information. ⓘ More information in the *Report on Internal Control System (ICFR)*. / Ensuring the reliability of the sustainability information supplied to the market through an internal control system (ICSR). / The Consolidated Annual Accounts and those of all the relevant companies, as well as the Consolidated Statement of Non-Financial Information and Sustainability Information, which forms part of the Management Report, are subject to verification by the external auditors. For the most significant companies, the external auditors are asked to make recommendations on internal controls. ⓘ More information in section *9. Independent Verification Report* of this Report.

Risks that materialised over the course of the year

In the year, the macroeconomic and geopolitical environment remained uncertain and complex. Operations in Ukraine, which had been suspended due to the war there since February 2022, resumed in April 2024.

Although instability in the Middle East continued, our operations were not significantly disrupted. Maritime transport between Asia and Europe continued to operate irregularly, having to avoid the Suez Canal. Consequently, transit times adapted to this new environment and its impact has not been significant. The events that suddenly shook the People's Republic of Bangladesh in August have not, so far, impacted our procurement of goods. As Bangladesh is one of the Group's procurement and manufacturing clusters, the monitoring of the evolution of conditions in the country and of third parties located there has been reinforced.

In general, inflation has continued to moderate during the year, although more slowly than initially expected by the monetary policy authorities, so the cycle of rate normalisation has also slowed. As a result, the pressure on the cost of the goods and services that we consume, as well as labour costs, eased during the year. However, spending has continued to be systematically and rigorously controlled. Economic expansion and consumption growth lived up to expectations, although some of our markets show signs of fragility mainly due to political and economic uncertainty.

The economic and geopolitical environment has generated instability and volatility in financial markets. Foreign currency risk was greatly influenced by the appreciation of the US dollar, which has affected the performance of emerging currencies. Thus the impact of exchange rates in the year was mainly concentrated on the US dollar, the Turkish lira, the Mexican peso and the Brazilian real. During 2024, fluctuations of non-euro currencies had a negative impact on the Company's sales growth and a slightly negative impact on the cost of goods sold. Foreign exchange rate risk continued to be pro-actively managed in accordance with Group guidelines based on centralising management, optimising foreign exchange exposures, maximising the benefit of diversifying the risk portfolio and monitoring risk continuously.

Although the Group has a strong cash position, we maintained our strategy aimed at guaranteeing and safeguarding the Company's liquidity. Furthermore, the Group has external sources of financing through credit facilities, mostly committed, totalling 8,446 million euros.

Once again during the course of the year our activities were impacted by different natural disasters, due this time to extreme weather phenomena in Europe and the Americas, affecting different points of sale. In particular, some of our stores remained closed due to the tragic flooding in Spain's Mediterranean coast in October. Fortunately, there were no personal injuries to our workforce. The impact of these events at the Group level was not material, either in terms of disruptions to our operations or considering the economic losses. In July there was also another sad incident in Spain affecting our workforce, when one of the buses carrying 48 employees from various Group's concepts from Barcelona to their work centres in Tordera (Barcelona province) suffered a serious accident. Although most suffered injuries of varying severity, we are happy to report that they have all made a positive recovery.

ⓘ More information in *Note 21. Net financial position* of the Consolidated Annual Accounts.

Additional information. Tax responsibility and transparency

For Inditex, **strict compliance with tax obligations in all the markets in which it operates** is a core principle of its Tax Policy. We see the application of good tax practices as an extension of our commitment to sustainability and corporate social responsibility.

Tax Policy

Approved by the Board of Directors on 9 December 2015, with the fundamental objective of the development and effective implementation of the guiding principles in tax matters included in the Tax Strategy of the Inditex Group.

It establishes our commitment to apply, in tax practices, the tax legislation of the markets in which we are present and, preferable, the interpretative criteria established by the authorities or courts of justice of those markets. Due to the heterogeneity of this regulatory framework, Inditex approaches tax management taking as a reference the standards of best practice in each territory as reference.

The management and implementation of this policy is the responsibility of the Tax department, integrated in the Group's Financial Division, and its application is mandatory for all the companies of the Group. The immediate addressees are the members of Senior Management and all employees directly or indirectly involved in the exercise of tax processes related to the tax function.

ⓘ For more information on our policies, see section *MDR-P. Policies* of this Report or the Inditex corporate website.

It is also consistent with our **philosophy of value creation** and our determination to bring about **positive social transformation** wherever we are present, as the payment of taxes, by companies and individuals, enables the economic and social development of a community. Moreover, it fosters the construction and consolidation of infrastructures and public services that benefit the well-being of citizens and society in general.

The Inditex Group is based upon a vertical organisation which takes part in all stages of the value chain of the textile industry (design, production, procurement, distribution and sale). Since all such activities are carried out in different territories, the part of profit created in the value chain attributed to each one needs to be determined. Profit attribution is done pursuant to the arm's length principle, in accordance with local regulations and OECD Transfer Pricing Guidelines.

The principles of **collaboration, mutual trust and good faith** govern Inditex's relationship with the tax authorities. Furthermore, we are part of *Foro de Grandes Empresas* ("Large Companies Forum") in Spain, whose primary objective is to promote greater collaboration among large companies and the State Taxation Administration. We also comply with the Code of Good Tax Practices promoted in this Forum, and have followed its recommendations and subsequent developments. Specifically, it is important to note that the Group has presented the Tax Transparency Report in accordance with the recommendation contained in section 2.4 of the Code.

Below is a breakdown of profit before taxes by market for 2024 (in million euros)[45] :

Markets	**2024**	**2023**
Americas	**1,176**	**1,286**
Brazil	142	167
Canada	68	80
United States	415	393
Mexico	498	541
Other	53	105
Asia & Rest of the world	**556**	**552**
Australia	22	27
China	252	241
South Korea	61	60
Japan	16	25
Kazakhstan	57	61
Other	148	138
Spain	**2,107**	**1,618**
Spain	2,107	1,618
Europe (ex-Spain)	**3,379**	**2,860**
Germany	166	130
Belgium	54	43
France	222	188
Greece	61	50
Italy	244	177
The Netherlands	700	824
Poland	98	68
Portugal	82	73
United Kingdom	179	167
Romania	103	92
Switzerland	672	525
Türkiye	526	374
Other	271	149
Profit/(loss) before taxes	**7,218**	**6,316**
Consolidation	360	554
Consolidated profit/(loss) before taxes	**7,577**	**6,870**

[45] Profit before tax results from the application of the International Financial Reporting Standards (IFRS), including the application of the accounting standard for leases IFRS16 and excludes the result of the dividend distribution of other subsidiaries of the Group, capital gains from the sale of intra-group holdings, as well as provisions for portfolio impairments in Group subsidiaries. Profit before tax is conditioned by the 'headquarters effect' and compliance with international regulations on transfer pricing (OECD Guidelines) whereby the result derived from design, supply, logistics and distribution functions is allocated to certain markets and, therefore, does not represent the Group's profitability in each market.

In 2024, the effective overall income tax rate was 22.4%, and the accrued income tax expense (in million euros) was as follows:

Markets	**2024**	**2023**
Americas	**346**	**396**
Brazil	67	76
Canada	17	21
United States	104	91
Mexico	143	164
Other	15	44
Asia & Rest of the world	**77**	**76**
Australia	9	9
China	13	11
South Korea	13	13
Japan	9	10
Kazakhstan	12	13
Other	21	20
Spain	**414**	**334**
Spain	414	334
Europe (ex-Spain)	**852**	**722**
Germany	55	35
Belgium	13	11
France	61	52
Greece	12	10
Italy	65	47
The Netherlands	239	247
Poland	17	15
Portugal	24	22
United Kingdom	27	29
Romania	17	13
Switzerland	140	107
Türkiye	135	97
Other	182	37
	1,689	**1,528**
Consolidation	(26)	(85)
Income tax[1]	**1,663**	**1,443**

(1) 2024 income tax corresponds to the obligation to pay corporate income tax, or any other, similar tax, paid in the current year, or to be paid in the following year, linked to pre-tax profit by market, in accordance with the provisions of the Information Guide on Non-Financial Information and Diversity published by the Spanish Accounting and Auditing Institute. This year, the payment obligation may be conditioned in some markets by the tax effect associated with tax losses generated in the current or previous financial years.

The relation between profit/(loss) before tax and corporate income tax in each market is obtained by applying the prevailing tax rate to the taxable income. This, in turn, is the result of performing certain permanent or temporary adjustments to the accounting profit/(loss) before tax.

These adjustments relate mainly to avoiding double taxation on income, to non-deductible expenses and to differences in the criteria for temporary allocation of income and expenditure between tax and accounting legislation (depreciation, impairment, etc.).

The Group is committed to not using structures of a shady nature for tax purposes, putting shell companies located in territories considered as tax havens or uncooperative territories by the Spanish tax authorities. In this regard, and according to the Spanish normative in place in fiscal year 2024, the Group does not develop commercial activities in territories considered as tax havens.

This financial year, taking into account all the markets in which it operates, the Group has received three million euros (four million euros in the previous year) in public subsidies, mainly from China.

Likewise, section *G1-3. Prevention and detection of corruption and bribery* of this Report, sets out the measures that Inditex has adopted within the framework of stopping money laundering and the financing of terrorism.

In the financial year 2024, and in compliance with our tax obligations, Inditex's total tax contribution amounted to 9,341 million euros, of which 4,125 million euros were direct taxes paid and 5,216 million euros were taxes collected on behalf of third parties in the territories and markets where the Company operates. In order to standardise the tax disclosures and denominations of these territories, PwC's Total Tax Contribution methodology is used. In it, taxes are divided into five categories:

/ **Income tax.** This includes tax payable on profits earned by companies (such as corporate income tax or business tax), as well as taxes collected and some withholdings on payments to third parties.

/ **Property tax.** Tax payable on the ownership, sale, transfer or occupation of property.

/ **Personal tax.** Tax related to employment, paid and collected. This includes employees' personal income tax withholdings or social security contributions payable by the employee or the Company.

/ **Tax on products and services.** Indirect taxes on the production and consumption of goods and services, such as VAT or customs duties, among others.

/ **Environmental tax.** Duties relating to the supply, use or consumption of products and services that, in one way or another, affect the environment.

Category	Direct tax (in million euros)	Taxes collected (in million euros)
Income tax	1,701	255
Property tax	102	13
Personal tax	959	1,075
Tax on products and services	1,337	3,873
Environmental tax	26	0
Total	**4,125**	**5,216**

Total tax contribution (in million euros)	**9,341**

In 2024, Inditex total tax contribution was 9,341 million euros, corresponding to Spain 2,243 million euros, which represents a 24% of the total. This percentage, much higher to the one that represents the sales of Spain (15%), is consequence of the 'headquarters effect' associated to the development in Spain of the design and distribution of products at a global level activities.

Tax contribution

9,341 M€
total tax contribution

4,125 M€
direct taxes

5,216 M€
collected taxes

2,243 M€
Spain

2024 Taxes	Dir*	Coll**
Total	**1,122**	**1,121**

5,103 M€
Europe (ex-Spain)

2024 Taxes	Dir*	Coll**
Germany	77	372
Belgium	28	137
France	200	552
Greece	31	181
Italy	142	522
The Netherlands	282	139
Poland	22	160
Portugal	61	273
United Kingdom	139	259
Romania	17	117
Switzerland	120	22
Türkiye	435	173
Other	174	468
Total	**1,728**	**3,375**

1,509 M€
Americas

2024 Taxes	Dir*	Coll**
Brazil	174	132
Canada	76	45
United States	324	210
Mexico	377	122
Other	30	20
Total	**980**	**529**

486 M€
Asia and rest of the world

2024 Taxes	Dir*	Coll**
Australia	23	23
China	39	74
South Korea	44	13
Japan	45	36
Kazakhstan	31	12
Other	113	33
Total	**295**	**191**

* Direct taxes
** Collected taxes

	Direct taxes paid (in million euros)		Taxes collected (million euros)	
Markets	**2024**	**2023**	**2024**	**2023**
Americas	**980**	**985**	**529**	**511**
Brazil	174	168	132	115
Canada	76	97	45	51
United States	324	333	210	198
Mexico	377	335	122	123
Other	30	52	20	24
Asia & Rest of the world	**295**	**292**	**191**	**210**
Australia	23	17	23	26
China	39	57	74	84
South Korea	44	40	13	17
Japan	45	37	36	38
Kazakhstan	31	30	12	10
Other	113	111	33	35
Spain	**1,122**	**1,048**	**1,121**	**1,183**
Spain	1,122	1,048	1,121	1,183
Europe (ex-Spain)	**1,728**	**1,335**	**3,375**	**3,116**
Germany	77	36	372	357
Belgium	28	31	137	130
France	200	166	552	503
Greece	31	17	181	169
Italy	142	99	522	485
The Netherlands	282	289	139	151
Poland	22	21	160	149
Portugal	61	31	273	251
United Kingdom	139	132	259	269
Romania	17	13	117	102
Switzerland	120	126	22	20
Türkiye	435	266	173	109
Other	174	108	468	421
Own taxes	**4,125**	**3,660**	**5,216**	**5,020**

8. Annexes

8.1. Methodological Annex

8.2. Content Indexes



Methodological Annex

E1. Climate change

Targets (MDR-T)

Target	Related metrics	Scope	Methodology	Change of criterion/ methodology
Reaching net-zero GHG emissions by 2040	Scope 1, 2 and 3 emissions.	Own operations: Reduce scope 1 and 2 GHG emissions by 95% (market-based). Value chain: Reduce scope 3 GHG emissions by 90%. It includes the following categories: purchased goods and services (category 1), fuel- and energy-related activities (category 3), upstream transportation and distribution (category 4), waste generated in operations (category 5), business travel (category 6), employee commuting (category 7), end-of-life treatment of sold products (category 12), downstream leased assets (category 13) and franchises (category 14).	/ We calculate and report GHG emissions in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC - Guidelines for National Greenhouse Gas Inventories, 2006) and the World Resources Institute (GHG Protocol, 2015), which divide emissions into scopes 1, 2 and 3. / The reported GHG emissions are calculated in accordance with our Company's operating control approach and include CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, and NF_3 gases, which are expressed in units of CO_2 equivalent (CO_2eq). / The base year was chosen in accordance with SBTi's criteria for the completeness, verification, representativeness and ambition of the emissions inventory. /Absolute and voluntary target. /See details of the methodology for calculating emissions in the Metrics table.	There have been no changes to the target. See the emissions calculation methodology in the Metrics table to identify changes in the calculation methodology. The historical data has been recalculated to make the results comparable year on year.
Reduce our total emissions by at least 53% by 2030	Scope 1, 2 and 3 emissions.	Own operations: Reduce scope 1 and 2 GHG emissions by 95% (market-based). Value chain: Reduce scope 3 GHG emissions by 51%. It includes the following categories: purchased goods and services (category 1), fuel- and energy-related activities (category 3), upstream transportation and distribution (category 4), waste generated in operations (category 5), business travel (category 6), employee commuting (category 7), end-of-life treatment of sold products (category 12), downstream leased assets (category 13) and franchises (category 14).	/ We calculate and report GHG emissions in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC - Guidelines for National Greenhouse Gas Inventories, 2006) and the World Resources Institute (GHG Protocol, 2015), which divide emissions into scopes 1, 2 and 3. / The reported GHG emissions are calculated in accordance with our Company's operating control approach and include CO_2, CH_4, N_2O, HFCs, PFCs, SF_6 and NF_3 gases which are expressed in units of CO_2 equivalent (CO_2eq). / The base year was chosen in accordance with SBTi's criteria for the completeness, verification, representativeness and ambition of the emissions inventory. /Absolute and voluntary target. /See details of the methodology for calculating emissions in the Metrics table.	There have been no changes to the target. See the emissions calculation methodology in the Metrics table to identify changes in the calculation methodology. The historical data has been recalculated to make the results comparable year on year.

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Information source	Change of criterion/methodology
Energy consumption (amount of energy consumed)	E1-5_01, E1-5_02, E1-5_03, E1-5_04, E1-5_05, E1-5_06, E1-5_07, E1-5_08, E1-5_09, E1-5_10, E1-5_11, E1-5_12, E1-5_13, E1-5_14, E1-5_15, E1-5_16, E1-5_17	Own operations: All headquarters, own factories, own logistics centres, e-commerce centres (operational control) and own stores are included.	Total energy consumption is calculated by aggregating the various kinds of consumption (acquired electricity, heat, steam, and cooling; renewable and non-renewable fuels; self-generated energy). When complete information is not available for the period to be reported, an estimate of the remaining period is made based on primary data.	Primary data: 72% Estimated data: 28%	The scope has been extended to include e-commerce distribution centres where operational control is held. The fuel consumption of own stores has been included. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
Net sales	E1-6_33, E1-6_34, E1-6_35	Own operations: All the companies that form part of the Inditex Group.	Data reported in *Note 4* of the Consolidated Annual Accounts of the Inditex Group.	Primary data: 100%	Not applicable.

Emissions calculation

Description	Metric	Scope	Methodology	Information source	Emission factor	Change of criterion/ methodology
Scope 1 emissions (direct emissions related to sources under the direct control of the Inditex Group)	E1-4_01, E1-4_03, E1-4_04, E1-4_18, E1-4_21, E1-4_25, E1-6_01, E1-6_03, E1-6_04, E1-6_07, E1-6_08, E1-6_15	Own operations: All headquarters, own factories, own logistics centres, e-commerce centres (operational control) and own stores are included.	Scope 1 emissions are calculated based on total fuel consumption. Total consumption is multiplied by the corresponding emission factor, depending on the type of fuel. For facilities located in Spain, the emission factors of MITECO (Ministerio para la Transición Ecológica y el Reto Demográfico) are used, and for the rest, those of DEFRA (Department for Environment, Food & Rural Affairs) are used.	Primary data: 96% Estimated data: 4%	DEFRA (Department for Environment Food & Rural Affairs), 2024. MITECO (Ministerio para la Transición Ecológica y el Reto Demográfico), 2023.	The scope has been extended to include e-commerce distribution centres where operational control is held. Fuel consumption and fugitive emissions from own stores have been included. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
Scope 2 emissions (market-based) (Indirect emissions, associated with the generation of electricity, heating, steam and cooling acquired and consumed by the Inditex Group)	E1-4_01, E1-4_03, E1-4_04, E1-4_18, E1-4_21, E1-4_25, E1-6_01, E1-6_03, E1-6_04, E1-6_10, E1-6_13, E1-6_15, E1-6_18, E1-6_21, E1-6_22, E1-6_31	Own operations: All headquarters, own factories, own logistics centres, e-commerce centres (operational control) and own stores are included.	Emissions associated with purchased electricity are calculated by multiplying electricity consumption by the corresponding emission factor, depending on the source of the energy and/or the market where the facility is located. For renewable energy, the emission factor of the corresponding contractual instrument is used (PPA, I-REC, GO, etc.). Otherwise, International Energy Agency (IEA) emission factors are used. For heating, steam and cooling acquired, the total consumption is multiplied by the corresponding emission factor. In this case, DEFRA (Department for Environment, Food & Rural Affairs) emission factors are used.	Primary data: 68% Estimated data: 32%	Market-based method: / Contractual instruments for renewable energy (PPA, EACs, etc.). / DEFRA (Department for Environment Food & Rural Affairs), 2024.	The scope has been extended to include e-commerce distribution centres where operational control is held. This includes the purchase of heating, cooling and steam. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.

Description	Metric	Scope	Methodology	Information source	Emission factor	Change of criterion/ methodology
Scope 2 emissions (location-based) (Indirect emissions, associated with the generation of electricity, heating, steam and cooling acquired and consumed by the Inditex Group)	E1-4_01, E1-4_18, E1-4_21, E1-4_25, E1-6_09, E1-6_12, E1-6_15, E1-6_30	Own operations: All headquarters, own factories, own logistics centres, e-commerce centres (operational control) and own stores are included.	Emissions associated with purchased electricity are calculated by multiplying electricity consumption by the corresponding emission factor, depending on the market where the facility is located. International Energy Agency (IEA) emission factors are used. For heating, steam and cooling acquired, the total consumption is multiplied by the corresponding emission factor. In this case, DEFRA (Department for Environment, Food & Rural Affairs) emission factors are used.	Primary data: 68% Estimated data: 32%	Location-based method: / IEA (2024), Emission Factors. / DEFRA (Department for Environment Food & Rural Affairs), 2024.	The scope has been extended to include e-commerce distribution centres where operational control is held. This includes the purchase of heating, cooling and steam. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
Scope 3 emissions (Other indirect emissions related to the production chain of goods and services, their distribution and marketing outside the Company).	E1-4_01, E1-4_02, E1-4_15, E1-4_16, E1-4_18, E1-4_21, E1-4_25, E1-6_01, E1-6_03, E1-6_04, E1-6_11, E1-6_15, E1-6_25, E1-6_26	Value Chain.	Details below for each Scope 3 category:	Primary data: 42% Estimated data: 58%	Details below for each Scope 3 category:	Details below for each Scope 3 category:
			Category 1: Purchased goods and services: - Raw materials extraction: This category is calculated on the basis of raw materials consumption data. Depending on the type of raw material, the relevant emission factor is applied (Higg Materials Sustainability Index - MSI). - Production processes: Emissions are calculated based on the energy consumption of the factories in the supply chain, the factory's production for Inditex (in kg) and the corresponding emission factor. For those factories for which no actual consumption data is available, it will be estimated using factories emissions calculated based on the primary data and the factory's production for Inditex.		Higg Materials Sustainability Index (MSI), 2024. IEA (2024), Emission Factors. DEFRA (Department for Environment Food & Rural Affairs), 2024.	The methodology for emissions associated with production processes has been modified, replacing the secondary data with primary data. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
			Category 2: Capital goods: Emissions are calculated based on investment in property, plant and equipment, applying the corresponding emission factor according to the type of investment and the market in which it is made. The emission factors used are provided by Risilience, academic partner of the University of Cambridge's Centre for Risk Studies.		Risilience, academic partner of the University of Cambridge's Centre for Risk Studies.	Not applicable.
			Category 3: Fuel-and energy-related activities: For the calculation of this category, it is used the energy consumption from Scopes 1 and 2. According to the energy source and its origin, the corresponding emission factor is applied.		IEA (2024), Emission Factors Package. DEFRA (Department for Environment Food & Rural Affairs), 2024.	The scope has been extended to include e-commerce distribution centres where operational control is held. This includes fuel consumption and the purchase of heating, cooling and steam. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.

Description	Metric	Scope	Methodology	Information source	Emission factor	Change of criterion/ methodology
			Category 4: Upstream transportation and distribution: These emissions are calculated based on the tonnes, distance and means of transport used to distribute our products. GLEC (Global Logistic Emissions Council Framework for Logistics Emissions Accounting and Reporting) emission factors are used.		GLEC, Global Logistic Emissions Council Framework for Logistics Emissions Accounting and Reporting.	The granularity of the information has been enhanced and primary data was included. We have updated the version of emission factors. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
			Category 5: Waste generated in operations: To calculate this category, we use the waste generated datain own operations. According to the type of waste and its final destination, we use the corresponding emission factor (DEFRA - Department for Environment Food & Rural Affairs).		DEFRA (Department for Environment Food & Rural Affairs), 2024.	The scope has been extended to include e-commerce distribution centres where operational control is held and waste generated in own stores and their refurbishments. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
			Category 6: Business travel Emissions in this category are calculated according to means of transport, class of ticket and distance travelled by employees of the Spanish subsidiaries. The emission factors applied are those proposed by DEFRA (Department for Environment Food & Rural Affairs). Emissions are extrapolated to the rest of the subsidiaries based on the breakdown of travel expenditure by market.		DEFRA (Department for Environment Food & Rural Affairs), 2024.	Not applicable.
			Category 7: Employee commuting Their calculation involves estimating average distances covered by means of transport and commuting patterns based on bibliographic research. DEFRA (Department for Environment, Food & Rural Affairs) emission factors are used		DEFRA (Department for Environment Food & Rural Affairs), 2024.	Not applicable.
			Category 8: Upstream leased assets (emissions associated with third-party assets leased by Inditex). Emissions associated with third-party assets leased by Inditex are immaterial.		Not applicable.	Not applicable.
			Category 9: Downstream transportation and distribution (emissions from the downstream transportation and distribution of sold products). Not reported. Inditex is working on improving the internal corporate systems to provide this information with the degree of detail required		Not applicable.	Not applicable.
			Category 10: Processing of sold products (emissions from the subsequent transformation of sold products). Not applicable. Products sold do not require transformation to be used by our customers.		Not applicable.	Not applicable.

Description	Metric	Scope	Methodology	Information source	Emission factor	Change of criterion/ methodology
			Category 11: Use of sold products (estimated emissions from the use of products sold by Inditex). Their calculation takes into account the energy consumed during the use phase based on bibliographic research. International Energy Agency (IEA) emission factors are used.		IEA (2024), Emission Factors. Higg Product Module methodology, June 2021.	Including the direct use of sold products. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
			Category 12: End-of-life treatment of products sold (emissions generated from the final disposal of products sold by the Company.) To calculate these emissions, the final destination of our products and packaging is estimated. DEFRA (Department for Environment, Food & Rural Affairs) emission factors are used.		DEFRA (Department for Environment Food & Rural Affairs), 2024.	The bibliographic studies have been updated with more recent and more granular research. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
			Category 13: Downstream leased assets (emissions from Inditex-owned assets leased to third parties). Emissions from downstream leased assets are calculated based on energy consumption and its corresponding emission factors.		MITECO (Ministerio para la Transición Ecológica y el Reto Demográfico), 2023.	Not applicable.
			Category 14: Franchises (emissions from franchisees during the operation of franchises). Emissions from franchised stores are estimated based on the consumption of own stores.		IEA (2024), Emission Factors. DEFRA (Department for Environment Food & Rural Affairs), 2024.	Fuel and coolant consumption has been included. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
			Category 15: Investments. Not applicable.		Not applicable.	Not applicable.
Biogenic emissions (scope 1 and 3)	E1-6_17, E1-6_28	Scope 1: Own operations. Scope 3: Value chain.	Biogenic emissions are calculated based on the total consumption of biofuels. Total consumption is multiplied by the corresponding emission factor, depending on the type of biofuel.	Scope 1: Primary data: 46%, Estimated data: 54% Scope 3: Primary data: 67%, Estimated data: 33%	DEFRA (Department for Environment Food & Rural Affairs), 2024.	Not applicable.

Financial impact of climate-related risks: model assumptions

Related Metrics E1-9_10, E1-9_11, E1-9_18, E1-9_19

Physical risk

Type of risk	Model assumptions
Acute	/ Each key facility is assigned a degree of dependence and contribution to Group revenues commensurate with its participation in our value chain. The scale of the disruption translates into the corresponding loss of income. / Extreme weather events are modelled independently, assuming that they are not correlated. / The current portfolio of key facilities is considered to remain static over the five years of projected impact. / The vulnerability functions of key facilities have been parametrised on the basis of expert knowledge grounded on empirical data. The functions are homogeneous for all geographies. For a limited group of especially important assets, specific recovery curves are applied. Work is underway to develop specific curves for other asset types.
Acute and Chronic	/ The risk of disruption to market demand is parametrised for three types of extreme weather events: heat wave, drought and freeze (other threats that affect limited areas and whose impact should not be material, such as storms, are not considered). / Each product category is assigned a vulnerability function for various severity levels. These functions determine the severity of changes in demand.
Chronic	/ In the analysis of agricultural risks, for each crop type the impact on yield was modelled in accordance with a range of variables (precipitation patterns and shortage, temperature variations, extreme temperature, etc.). / Crop vulnerability functions are parametrised using the FAO (Food and Agriculture Organization) and Ecocrop databases to determine the suitability of a specific environment by optimal conditions for the growth of the various crops. / To estimate the financial impacts (decrease in sales or increase in supply costs), the level of dependence on the different raw materials analysed at the commercial format and Group level is considered. / The Group's dependence on the raw materials analysed is considered to be static over the five years of projected impact.

Transition risk

Type of risk	Model assumptions
Regulatory	/ The scenario applies greenhouse gas (GHG) emissions in accordance with production, defined as fossil fuel consumption in the country for the industrial production of goods and services, as well as energy generation. / All emissions are subject to a carbon price. The price for different economic sectors is given separately. / The increased costs associated with carbon price mechanisms are transmitted through the Group's routine overheads, i.e. its general expenses, distribution expenses and raw materials costs. / No incentives or benefits either financial or fiscal for carbon price revenue are considered. Public authorities earmark most of the revenue for green expenditure, whose economic benefits are not factored into this model. / Suppliers are assumed to pass on 100% of their cost increases to us. The Group passes on a portion of these to its end customers.
Legal liability	/ The model uses a decision tree to evaluate a range of potential outcomes, each with a probability of occurrence and leading to different impacts. The model harnesses historical data from other sectors that serve as a 'benchmark' and experts' opinions, all based on the company's specific characteristics. The model's output is the estimated financial impact given the conditional probability of each outcome.
Technology	/ This model considers the costs to the Company of investing in low-emission technologies and boosting the efficiency of operating assets, as well as distribution costs. Improvements to assets include new transportation assets (trucks and so on), as well as the modernisation of factories to improve their energy efficiency. For each technology, the model assumes that a portion of the total global assets are updated according to the various emissions pathways at a specific cost. / The costs of technological improvements are compared with current average unit costs. The model takes into account basic balance sheet data in connection with the Group's buildings, facilities and equipment. Key supply chain facilities are also considered. The model assumes that the Group carries out technology upgrades at key facilities and in the Group's vehicle fleet.
Market	/ Market adoption rates for sustainable products have been parameterized in the model based on a number of key attributes (market potential, innovation coefficient and imitation coefficient). / The Group's product portfolio remains static over the different time horizons. Sales of sustainable products grow moderately in the short term. It is assumed that the potential size of sustainable products does not cover all consumers, although the level of adoption varies according to the level of ambition of the different trajectories. / The model considers that changes in consumption patterns affect every sector. The Group has some ability to pass on part of the losses to the customer. / The impact on consumer demand is assumed to outweigh the impact on investors, as the market remains focused on sectors with higher emissions.
Reputation	/ Two key factors define the model: the change in our customers' preferences towards more sustainable products and the level of activism among consumers. The model considers two opposing trends. On the one hand, activism, which increases inversely to the level of ambition: the lower the ambition, the more activism there is. On the other hand, consumers' preference for more sustainable products, which is greater in more ambitious pathways, thereby reducing the demand for conventional products.

E2. Pollution

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Information source	Change of criterion/methodology
Degree of compliance with the Picking programme	MDR-A_05 (E2)	Own operations (our products): Articles produced in the summer and winter campaigns of the reporting period.	/ The initial degree of compliance is calculated as the ratio of the number of items meeting each of the Group's standards (CtW, PTR, StW) to the total number of items in the summer/winter campaigns of the reporting year. / The information used for this calculation is obtained from laboratory analyses as part of the product health and safety control procedure.	Primary data: 100%	Not applicable.

E3. Water resources

Targets (MDR-T)

Target	Related metrics	Scope	Methodology	Change of criterion/methodology
25% reduction in water consumption in the supply chain by 2025	E3-3_08, E3-4_01, E3-4_10	Value chain: Facilities that carry out any type of wet process in the Inditex supply chain, except for the production of raw materials.	/ Relative and voluntary target. / See calculation methodology in the Metrics table.	No changes were made to the methodology with respect to the previous year, but consumptions for the base year were recalculated in consideration of the improvements in corporate systems that provide greater detail of the production processes.

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Information source	Change of criterion/ methodology
Water consumption throughout the supply chain	E3-4_10	Value chain: Facilities that carry out any type of wet process in the Inditex supply chain, except for the production of raw materials.	We calculate the water consumption of each of the facilities that carry out wet processes intervening in the manufacturing of the Group's textile and footwear products, based on the total production of each factory (in kg) and the relative consumption (l/kg) of each facility. This data is compiled from our factories (for example, in environmental audits). For those facilities for which we do not have information, consumption is estimated based on the actual data from the rest of the facilities. The ratio is calculated by dividing the total litres by the total kg produced for Inditex.	Primary data: 94% Estimated data: 6%	No changes were made to the methodology with respect to the previous year, but consumptions for 2023 and the base year were recalculated in consideration of the improvements in corporate systems that provide greater detail of the production processes.

E4. Biodiversity and ecosystems

Targets (MDR-T)

Target	Related metrics	Scope	Methodology	Change of criterion/ methodology
Protect, restore or regenerate 5 million hectares by 2030	E4-4_01, E4-4_02, E4-4_03, E4-4_04, E4-4_07, E4-4_08, E4-3_15	Value chain geographies, as well as regions outside the value chain identified as important areas of action by our conservation partners.	/ The sum of hectares under protection, restoration, regeneration and other types of improvement in different phases of implementation is calculated: – Committed: initial phase of community outreach, awareness and engagement. This phase includes establishing the baseline for measuring progress. – In process: phase of implementation of the activities and measurement and monitoring of the results. – Advanced: phase in which positive trends are observed. / The information on the hectares reached comes from the various organisations with whom we implement the projects. / When Inditex is not the sole investor in a project, the surface area will be allocated based on the proportional contribution of each party. / In establishing our target, we did not apply ecological thresholds due to the traceability difficulties posed, nor considering offsets in setting the target. / Absolute and voluntary target / The establishment of a base year does not apply to this target.	There have been no changes to the target.

E5. Resource use and circular economy

Targets (MDR-T)

Target	Related metrics	Scope	Methodology	Change of criterion/ methodology
Fibres Plan: use of 100% lower-impact fibres by 2030	E5-3_13	Textile fibres used in our products in the winter campaign. In addition, certain non-fibres such as leather and polyurethane are included.	/ See table 'sustainability metrics for the classification of lower-impact raw materials'. / Measured in tonnes of lower-impact raw materials. / Absolute and voluntary target. / The establishment of a base year does not apply to this target. / The consumption of raw materials is calculated based on the garment's weight, the units of each article and its percentage composition. (The figure includes the raw material used in the final product; it does not include any wastage that may have occurred during the production process).	There have been no changes to the target or its calculation methodology, so the results are comparable year-on-year.
Provide circularity services such as Zara Pre-owned in key markets by 2025	E5-2_05, E5-3_13	Service provided by the Inditex Group to its customers.	/ Key markets for the implementation of the project are compiled. / Absolute and voluntary target. / The establishment of a base year does not apply to this target.	There have been no changes to the target or its calculation methodology, so the results are comparable year-on-year.

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Information source	Change of criterion/ methodology
Product composition	E5-4_02, E5-4_03, E5-4_04, E5-4_05, E5-4_06	Own operations (our products): All the items from the winter and summer campaigns of the reporting year offered for sale.	The consumption of raw materials is calculated based on the garment's weight, the units of each article and its percentage composition. The figure includes the raw material used in the final product; it does not include any wastage that may have occurred during the production process.	Primary data: 100%	Not applicable
Composition of packaging	E5-4_04, E5-4_06	Own operations and value chain: All the packaging elements from the reporting year placed on the market.	For each item of clothing, we obtain the packaging details for the three different inflows and outflows (inflow to warehouse, inflow to store and outflow to customer). This is then used to categorise the materials as plastic, paper and cardboard and other.	Primary data: 11% Estimated data: 89%	Not applicable
Waste generated	E5-5_06, E5-5_07, E5-5_08, E5-5_09, E5-5_10, E5-5_11, E5-5_15, E5-5_17	Own operations: Headquarters, own factories, own logistics centres, e-commerce centres (operational control) and own stores.	The waste generated is calculated based on the data collected at our facilities. When there is no available data, we extrapolate from the primary data.	Primary data: 40% Estimated data: 60%	The scope has been extended to include e-commerce distribution centres where operational control is held.

Sustainability metrics for the classification of lower-impact raw materials:

Metric	Description
Impact analysis	Using a Life Cycle Analysis (LCA) methodology, the sustainability of a fibre or material is evaluated.
Traceability	It is essential to have a robust, operational and scalable traceability system for fibre and material throughout the supply chain.
Standards and certifications	Fibres or materials must comply with the third-party best practice standards and require third-party certification or external verification to ensure their compliance. The Fibres Plan includes the standards developed by the Textile Exchange, Canopy, Changing Markets and the Leather Working Group, among others. The full list of accepted standards under our Fibres Plan is included below.
Fibre suppliers assessment	Assessment of the different fibre suppliers considering the associated environmental, social and regulatory risks. Work is underway to deploy this process in corporate systems.

List of certified lower-impact raw materials

NAME OF MATERIAL (Generic)	CLASSIFICATION
Steel	Responsible Steel
Acetate	MMCF - innovative fibres
	MMCF - other third-party standards (Canopy, Changing Markets/FSC)
	Recycled MMCF (RCS/GRS)
Acrylic	Recycled acrylic (RCS/GRS)
Acrylonitrile butadiene styrene	Recycled acrylonitrile butadiene styrene (RCS/GRS)
Alcohol	Organic alcohol (Cosmos organic)
Cotton	In conversion/transitional cotton (OCS/GOTS)
	Organic cotton (OCS/GOTS)
	Recycled cotton (RCS/GRS)
	Cotton from regenerative practices (Regenagri)
Aluminium	Recycled aluminium (RCS/GRS)
Bamboo	Bamboo (FSC 100%)
Cashmere	Recycled cashmere (RCS/GRS)
Hemp	Organic hemp (OCS/GOTS)
	Hemp - innovative fibres
Cardboard	Recycled cardboard (FSC Recycled/RCS/GRS)
Rubber	Recycled rubber (FSC Recycled/RCS/GRS)
Wax	Organic wax with palm oil (RSPO/Soil Association Organic Standards - Health & Care beauty products)
	Organic wax without palm oil (Soil Association Organic Standards - Health & Care beauty products)
Ceramics	Recycled ceramics (RCS/GRS)
Copper	Recycled copper (RCS/GRS)
	Responsible copper (The Copper Mark)
Cellulose diacetate	Recycled cellulose diacetate (RCS/GRS)
Elastane	Recycled elastane (RCS/GRS)
Elastomultiester	Recycled elastomultiester (RCS/GRS)

NAME OF MATERIAL (Generic)	CLASSIFICATION
Styrene butadiene styrene	Recycled styrene butadiene styrene (RCS/GRS)
Ethyl Vinyl Acetate	Recycled Ethyl Vinyl Acetate (RCS/GRS)
Plant fibre	Plant fibre - innovative fibres
Iron	Responsible iron (Responsible steel)
Wool	Recycled wool (RCS/GRS)
	Responsible wool (RWS)
Latex	Recycled latex (FSC Recycled /RCS/GRS)
Brass	Recycled brass (RCS/GRS)
Linen	European linen (European Flax certificate)
	Organic linen (OCS/GOTS)
	Recycled linen (RCS/GRS)
Lyocell	MMCF - innovative fibres
	MMCF - other third-party standards (Canopy/ Changing Markets/FSC)
	Recycled MMCF (RCS/GRS)
Wood	Recycled wood (FSC Recycled)
Methacrylate	Recycled methacrylate (RCS/GRS/Eucertplast/ Recyclass/ISCC Plus)
Metal	Recycled metal (RCS/GRS)
Modal	MMCF - Other third-party standards (Canopy/ Changing Markets/FSC)
Paper	Recycled paper (FSC Recycled/RCS/GRS)
PCTG	PCTG (RCS/GRS/Eucerplast/Recyclass/ISCC Plus)
	Recycled PCTG - innovative fibres
PEVA	Recycled PEVA (RCS/GRS)
Leather	Leather (Leather Working Group)
	Bonded leather fibers (GRS/RCS)
Silver	Recycled silver (RCS/GRS/RJC)
Feather	Recycled feather (RCS/GRS)
	Responsible feather (RDS)

NAME OF MATERIAL (Generic)	CLASSIFICATION
Down	Recycled down (RCS/GRS)
	Responsible down (RDS)
Polyamide	Polyamide - innovative fibres
	Recycled polyamide (RCS/GRS/REPREVE)
Polycarbonate	Recycled polycarbonate (RCS/GRS/Eucertplast/ Recyclass/ISCC Plus)
Polyester	Polyester - innovative fibres
	Recycled polyester (RCS/GRS/REPREVE/ Eucertplast/Recyclass/ISCC Plus)
Polystyrene	Recycled polystyrene (RCS/GRS/Eucertplast/ Recyclass/ISCC Plus)
Polyethylene	Recycled polyethylene (RCS/GRS/Eucertplast/ Recyclass/ISCC Plus)
PET	Recycled PET (RCS/GRS/Eucertplast/Recyclass/ ISCC Plus)
Polymethyl methacrylate	Recycled polymethyl methacrylate (RCS/GRS/ Eucertplast/Recyclass/ISCC Plus)
Polypropylene	Recycled polypropylene (RCS/GRS/Eucertplast/ Recyclass/ISCC Plus)
Polyurethane	Recycled polyurethane (RCS/GRS)
Thermoplastic polyurethane	Recycled thermoplastic polyurethane (RCS/GRS)
Rattan	Rattan (FSC 100%)
Glass	Recycled glass (RCS/GRS)
Viscose	MMCF - innovative fibres
	MMCF - other third-party standards (Canopy/ Changing Markets/FSC)
	Recycled MMCF (RCS/GRS)
Zinc	Recycled zinc (RCS/GRS)

S1. Own workforce

Targets (MDR-T)

Target	Related metric	Scope	Methodology	Change of criterion/methodology
To double the number of people with disabilities by 2024	S1-12_01, S1-12_02	The entire Group.	/ The total number of people with disabilities in the current year is compared with the total number in the base year. The calculation methodology is reported in the Metrics Table below. / Absolute and voluntary target.	There have been no changes to the target or its calculation methodology, so the results are comparable year-on-year.

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Change of criterion/methodology
Characteristics of employees	SBM-1_03, S1-6_01, S1-6_02, S1-6_04, S1-6_05, S1-6_07, S1-6_08, S1-6_13, S1-6_14, S1-6_15, S1-6_16, S1-6_18, S1-6_19, S1-6_20, S1-9_03, S1-9_04, S1-9_05	The entire Group.	The total number of employees is calculated for the average of the last quarter of the financial year, based on the number of days that a person has worked, over the number of days in the period analysed and adding up the information for all the employees. Once this data is obtained, it is broken down by: gender, professional category, age, types of working hours and contract.	In those metrics that refer to age ranges, the age tranches have been adapted to those recommended by the ESRS. To guarantee the transparency and comparability of the data, the figures for previous years have been recalculated to adapt them to these new segments.
FTE employees	S1-6_09, S1-6_14	The entire Group except employees with contracts without guaranteed hours.	The percentage of each employee's basic working hours is calculated against the full-time working hours (FTE), adding up the information for all employees. The data compiled for the indicator is the average for the last quarter of the financial year.	Not applicable.
Number of employee leaves	S1-6_11	The entire Group.	The total number of employees by category of leaves (voluntary or not voluntary) is reported for the entire financial year.	Not applicable.
Employee turnover	S1-6_12	The entire Group.	Calculated by dividing the number of employee departures (S1-6_11) by the employee annual average (average for the full financial year).	Not applicable.
Percentage of employees covered by collective bargaining agreements	S1-8_01, S1-8_02, S1-8_03	The entire Group.	The number of employees covered by collective bargaining agreements, in force in each market, is obtained, calculating their % over the total employees.	Not applicable.
Percentage of employees covered by workers' representatives (in the EEA)	S1-8_06	The entire Group.	We compile the work centres in which there are workers' representatives and the number of people actively employed in them on the date of analysis. These data are then used to calculate the percentage over the total employees at year end.	Not applicable.

Description	Metric	Scope	Methodology	Change of criterion/methodology
Adequate wages	S1-10_01	The entire Group.	To ensure that wages are adequate in all markets, following verification methodology is used: / We analyse people employed covered by collective bargaining agreements. / For groups not covered by collective bargaining agreements, we check that they are covered by an official minimum wage. / If they are not, a review is made to see if there is a market comparison according to the ARI's Anker methodology. / If they are not covered by any of the aforementioned mechanisms, a verification is made in accordance with Directive (EU) 2022/2041 on adequate minimum wages in the European Union.	Not applicable.
People with disabilities	S1-12_01, S1-12_02	The entire Group.	To calculate the percentage of employees with disabilities, we divide the total average annual number of employees by the number of employees with disabilities at close of the reporting period. The list of total people with disabilities is then broken down by gender.	Not applicable.
Training hours	S1-13_01, S1-13_03, S1-13_04	The entire Group.	The total number of training hours completed per employee is calculated, as is the number of participants, individuals trained and hours per person. The information is detailed by content, geographic area, professional category and gender.	Not applicable.
Metrics linked to ISO 45001	S1-14_01	The entire Group.	Information is compiled from markets and companies certified with ISO45001. The percentage of employees covered is obtained by cross-referencing this data with the employees information by market (S1-6_04).	Not applicable.
Recordable accidents, work-related health events and accident rates (employees)	S1-14_04, S1-14_05, S1-14_06	The entire Group (except the following markets: Monaco, Morocco, Pakistan, Bangladesh, Vietnam, Cambodia, Singapore).	/ Recordable accidents are considered to be any non-commuting workplace accident resulting in absence from work for more than 1 day and involving hospitalisation, fainting, burns to more than 10% of the body or amputation. Accidents deemed to be serious by the local authorities in each market can also be recorded. / Work-related health events are considered to be all non-commuting work-related accidents involving absence from work for more than 1 day, of a musculoskeletal nature and related to the performance of the individual's usual work duties. Occupational diseases are also considered to be health events. / Frequency rate: no. of recordable accidents in relation to the total time worked by employees in the reporting period. The following formula is used to calculate it:(No. accidents with leave * 1,000,000) / No. hours worked. / Severity rate: As a reference, the number of days of sick leave due to recordable accidents and the number of hours worked in the reporting period are used. The following formula is used to calculate it: (Days of leave * 1,000)/ No. hours worked.	The definitions of the concepts of recordable accidents have been modified to align them with the provisions of the ESRS. The figures from previous years have been recalculated to ensure the transparency and comparability of the data.
Recordable accidents and health events (non-employees)	S1-14_04, S1-14_06	All markets (except for: Monaco, Morocco, Pakistan, Bangladesh, Vietnam, Cambodia, Singapore).	Information on recordable accidents and health events involving non-employees provided by Inditex Group facilities during the financial year.	The definition of the concepts of recordable accidents and health events have been modified to align them with the provisions of the ESRS. It was not possible to calculate the historical data using this new definition.
Days lost due to injuries and fatalities resulting from occupational accidents or diseases	S1-14_07	The entire Group.	The number of days lost is calculated by counting all days of absence as a result of recordable accidents and health events.	Not applicable.

Description	Metric	Scope	Methodology	Change of criterion/methodology
Parental leave	S1-15_01, S1-15_02, S1-15_03	The entire Group.	/ Percentage of employees that might benefit from parental leave: Based on the list with the total number of employees, we check local legislation to find out if they are entitled to parental leave. The consultation is segmented by the employee's workplace type, which may be an office, store, and, in the case of Spain, logistics centres and factories are also included. / Percentage of employees that might benefit from parental leave: The total number of employees who are entitled to this type of leave is divided by those who have taken it. This information is broken down by gender.	Not applicable.
Gender pay gap	S1-16_01, S1-16_03, S1-16_04	The entire Group.	This is calculated on the basis of the median salary in each market (considering the total salary: fixed plus variable, consisting of commission and bonus) raising all employees to full-time. By activity group (office, store, logistics and factories) and market, the median salary of men is subtracted from that of women and divided by the median salary of men. The results are weighted by activity group and market taking into account the weight they represent in the total workforce. The result obtained shows the percentage difference between women and men, with a positive sign when it favours women, and a negative sign when it favours men.	The calculation has been modified to include long-term remuneration in keeping with the ESRS provisions. It was not possible to calculate the historical data using this definition.
Ratio of total annual remuneration	S1-16_02	The entire Group.	It is calculated as the ratio between: / The total remuneration to be received by the highest paid individual (excluding Directors), in a theoretical scenario of target compliance with the objectives, including all the components, that is, fixed salary and variable remuneration (annual and long-term). / The total remuneration to be received on a full-time basis by all employees, including all fixed and variable wage-related payments (commissions and bonuses), through which the median value is established for comparison with highest individual wage.	The ratio is calculated on the basis of the median rather than average wage in order to align to the ESRS.
Average remuneration	Act 11/2018	The entire Group.	The average remuneration of individuals belonging to each group analysed is calculated based on the wage to be received on a full-time basis by all employees including fixed and variable wage-related payments (commissions and bonuses), through which the median value is established for comparison with the highest individual wage.	The calculation has been modified to include long-term remuneration and age segments in keeping with the ESRS provisions. The figures from previous years have been recalculated to ensure the transparency and comparability of the data, to adapt them to these new age segments, although it was not possible to calculate the historical data for long-term remuneration.
Promotion ratio	—	The entire Group.	To calculate the promotion ratio, we compare the total number of promotions against new recruits to the Group.	Not applicable.
Hours of absenteeism	Act 11/2018	The entire Group (except for offices and logistics centres outside Spain).	Hours of absenteeism are calculated by differentiating each group analysed. For hourly absences, the effective number of hours of absence is calculated. Daily absences were converted into hours taking into account the employee's group and their contract hours.	Not applicable.
Confirmed cases of discrimination, harassment and other human rights breaches	S1-17_01, S1-17_02, S1-17_03, S1-17_04, S1-17_05, S1-17_08, S1-17_09, S1-17_10, S1-17_11	The entire Group.	Communications received through the Ethics Line from any market in which the Group operates are reviewed individually to check whether they are within the Group's sphere of competence and, in particular, whether they relate to issues linked to potential discrimination, workplace/sexual harassment or any other potential situation that infringes human rights. If this is the case, they are examined and the relevant disciplinary measures are taken.	Not applicable.

S2. Workers in the value chain

Targets (MDR-T)

Target	Related metrics	Scope	Methodology	Change of criterion/ methodology
Reaching three million people with the 'Workers at the Centre' strategy by 2025	—	Inditex's supply chain and its communities.	/ To compute the target, the total number of workers at the factories or locations where the projects are carried out is taken into account. This number includes those directly or indirectly involved in the project. / If a factory is involved in more than one project, it is counted only once. / Absolute and voluntary target. / The establishment of a base year does not apply to this target.	There have been no changes to the target or its calculation methodology, so the results are comparable year-on-year.

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Change of criterion/ methodology
People reached by the 'Workers at the Centre' strategy (in total and for each of the PIAs)	—	The supply chain and its communities.	/ The total number of people reached by the 'Workers at the Centre' strategy is calculated as being the total number of workers in those factories where the projects are implemented. / For each factory, we obtain the number of workers as per the latest audit carried out. If a factory is involved in more than one project, its workers are only counted once.	Not applicable.
Suppliers covered by the 'Workers at the Centre' strategy (in total and for each PIA)	—	The supply chain and its communities.	/ The number of suppliers covered by the 'Workers at the Centre' strategy is calculated as being the total number of facilities where the projects are implemented. / If a facility is involved in more than one project, it is counted only once.	Not applicable.

S3. Affected communities

Targets (MDR-T)

Target	Related metrics	Scope	Methodology	Change of criterion/ methodology
To help 10 million people through our corporate community investment programme between 2022 and 2025	S3-5_02, S3-5_03, S3-5_05	Extended value chain.	/ In computing this target, we have taken into account the total number of people reached by one of the community investment programmes over the course of the entire period. / Everyone participating in a project counts as one person in our accounting. Due to the types of projects, there are no situations where one person is the beneficiary of more than one project. / Absolute and voluntary target. / The establishment of a base year does not apply to this target.	There have been no changes to the target or its calculation methodology, so the results are comparable year-on-year.

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Change of criterion/ methodology
Number of people reached by community investment programmes carried out by Inditex	S3-5_02, S3-5_03	Extended value chain.	To obtain the number of beneficiaries, we consolidate the data from the projects provided by the organisations we work with in implementing them.	Not applicable.
Amount in euros of community investment carried out by the Inditex Group (by type and category of input, area of activity, geography and related SDGs)	S3-4_12	Extended value chain.	To calculate the investment, we consolidate the data from the entire Company and those provided by the organisations we work with. This means considering monetary inputs as well as in-kind and time contributions, which correspond to the hours dedicated by employees to community investment initiatives.	Not applicable.
Leverage from community investment	S3-4_16	Extended value chain.	Additional resources contributed to a community organisation or activity that come from sources other than the Company —employees, customers and suppliers, among others— to a specific business initiative in the community are calculated.	Not applicable.

Description	Metric	Scope	Methodology	Change of criterion/ methodology
Impact on the Community	S3-4_16	People reached.	Impact on the community: people In accordance with B4SI measuring methodology, we measure the impact of the actions on the lives of people involved in the projects. To do this, we measure: – Degree of improvement: we use three mutually exclusive metrics; connection, improvement and transformation – Type of change experienced: behaviour or attitude change, skills or personal effectiveness, quality of life or well-being	Not applicable.
		Beneficiary non-profit organisations.	Impact on the community: community organisations We measure the impact on the beneficiary non-profit organisations of our community investment projects, using B4SI measurement methodology. The impact is measured as: – Improved existing/delivered new services – Improved management processes – Reached more people or spent more time with clients – Taken on more staff or volunteers – Increased their profile	Not applicable.
		Employees involved in community investment projects.	Impact on the Company: on employees We measure the impact on our people by gauging through surveys the change they experience following their involvement in corporate volunteering initiatives, based on the B4SI measuring methodology. We measure: – Job-related skills – Personal impact – Behaviour change	Not applicable.
		Own operations.	Impact on the Company: in our Company We use B4SI methodology to measure the impact based on five metrics: – Human Resources benefits – Improved stakeholder relations/perceptions – Business generated – Other operational improvements – Uplift in brand awareness	Not applicable.

S4. Consumers and end-users

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Change of criterion/ methodology
Total customer complaints received	S4-3_13	Value chain (customers).	/ Complaints: All complaints filed using official complaint forms in Spain are counted. / Total cases managed by customer service channels and type: Contacts received by all customer service channels are consolidated, and classified into four types (pre-sale, post-sale, customer service and complaints) in all the market where Inditex operates.	Not applicable.

G1. Business conduct

Metrics (MDR-M)

Description	Metric	Scope	Methodology	Change of criterion/ methodology
Average payment period	G1-6_01, G1-6_05	Value chain (creditor/ commercial supplier).	The number of payment days is understood to mean the calendar days elapsed from the date of approval of the documents accrediting conformity with the goods delivered or services provided, and the date of payment. Ration of operations paid = ∑ (number of payment days x amount of the paid operation) / total amount of payments made. Reviewed for each kind of creditor/commercial supplier. The calculation does not include intercompany transactions, payments to employees, payments to public authorities or payments for fixed assets.	Not applicable.
Percentage of payments aligned with the standard payment period	G1-6_03, G1-6_05	Value chain (creditor/ commercial supplier).	On the basis of the Group's standard payment period, all invoices are analysed and any outside it are reviewed. The percentage is calculated by dividing the total number of invoices by those outside the period. Percentage calculated for each kind of creditor/commercial supplier. The calculation does not include intercompany transactions, payments to employees, payments to public authorities or payments for fixed assets	Not applicable.
Legal proceedings initiated against the Group for delays in payment to its suppliers, manufacturers and/or third parties.	G1-6_04, G1-6_05	Value chain (creditor/ commercial supplier).	The procedures that we are aware of that affect creditors and suppliers due to late payments by the Group are detailed and analysed. Reviewed for each kind of creditor/commercial supplier. The calculation does not include intercompany transactions, payments to employees, payments to public authorities or payments for fixed assets.	Not applicable.
Percentage of the priority group in our employees that has received compliance training	G1-3_07	All Group employees.	Breakdown of unique people trained in compliance, giving the total number and percentage broken down by job classification and region, in all the markets where the Group operates. The percentage is calculated on the annual average workforce.	Not applicable.
Confirmed reports of corruption and measures taken	G1-4_01, G1-4_02, G1-4_04, G1-4_06, G1-4_07	All Group employees.	Communications received through the Ethics Line (from any market in which the Group operates) are reviewed individually to check whether they are within the Ethics Line's sphere of competence and, in particular, whether they relate to issues linked to potential instances of corruption, fraud and bribery. If this is the case, they are examined and the relevant disciplinary measures are taken.	Not applicable.
Audits carried out (including Social, Environmental, Pre-assessments, Environmental Preliminary Assessments and Traceability)	Act 11/2018	Value chain (product suppliers).	The total number of audits (by area) is calculated as the number of audits completed in the reporting year at factories in the Inditex supply chain.	Not applicable.
Factories of the supply chain	Act 11/2018	Value chain (product suppliers).	The total number of the factories is the number of factories in our supply chain for orders in the summer and winter campaigns of the reporting year, whose cumulative production exceeds 20,000 units, drawn from the primary information in the Company's systems. (Factories in our supply chain whose production is less than 20,000 units account for 2%). This criterion only applies for the purposes of reporting and calculating environmental indicators related to our supply chain, since our policies, audit procedures and continuous improvement programs regarding the human and labour rights of workers apply to all those who form part of our supply chain, regardless of their production volume.	Not applicable.
% compliance with the CCMS at active factories	Act 11/2018	Value chain (product suppliers).	/ The percentage of compliance with the Code of Conduct for Manufacturers and Suppliers for each heading and geographic area is calculated as the coefficient between the number of factories that comply with the requirements of the Code (as verified in social audits) and the total number of factories. / The total number of active factories with purchase orders in the financial year (more than 20,000 units in the last two campaigns in the reporting period) and the last social audit carried out at each facility are considered.	Not applicable.

General concepts

Definitions

Own facilities: Our own facilities include those locations that are owned or operated by the Group; headquarters and commercial offices, stores, distribution centres and factories owned by the Group located in the vicinity of the Group's headquarters in Arteixo (A Coruña).

Risk Management and Control Framework Methodology

Related Metrics: E1-9_10, E1-9_11, E1-9_18, E1-9_19

Type of risks identified	Methodology
/Financial	/ Risks are assessed in terms of residual risk, i.e. the risk remaining after their treatment through the adoption of response measures.
/Political	/ We follow a scenarios methodology, considering two variables to evaluate the possible scenarios: a) impact on cash flows estimated by the Group and b) probability of occurrence.
/Geopolitical	/ For each scenario, we establish different severity levels, based on the intensity of their impact on the cash flows estimated by the Group. The impacts are the result of establishing stress metrics for the routine and/or extraordinary revenue and cost variables.
/Technological	/ A record is kept of the scenarios, as well as the risks that materialise in each of them, through a risk map in which the scenarios are represented according to their total impact in relation to the cash flows expected by the Group and their probability of occurrence in the evaluation time horizon (strong, high, moderate and low risks). This is updated annually.
/Environmental	/ Emerging risks are considered, i.e. new risks that are in the process of transformation or are a novel combination of risks, whose impact, probability of occurrence and cost are not yet well understood. The geographical scope or dimension of the risks is considered and evaluated, especially those particular to certain geographies and those related to the environment, including climate.
/Social	
/Governance	

Metrics used

Impact
The effect that a scenario would have if it were to materialize. The scenario methodology established by the Group considers four severity levels based on the intensity of the impact on the expected cash flows over the horizon discounted at the evaluation date at the Group's average cost of capital (WACC). The average impact resulting from the four established severity levels is considered as the outcome of the scenario for the Group, in order to obtain the cash flow of the four severities adjusted by the probability of occurrence. The business units establish the stress parameters for each of the severities (percentage of stress in the expected revenue and/or routine cost variables, as well as the impact horizon), in order to obtain the deviation from the expected cash flow due to the potential materialization of the different severities.

Likelihood
Risk managers establish probabilities of occurrence over the evaluation horizon for each level of severity. These represent the probability of materialization of the different events exposed in the different severities of each scenario, documenting the different possible scenarios in terms of impact and probability of occurrence.

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ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			x		106
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ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	x	x	x		123
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	x		x		123
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	x		x		123
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ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	x				165
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ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	x				165
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ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			x		154-155
ESRS E1-9 Disaggregation of monetary amounts by strong and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		x			Not disclosed, subject to phase-in
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		x			Not disclosed, subject to phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			x		Not disclosed, subject to phase-in
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ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	x				Not material
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	x				186
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ESRS S1-1 Human rights policy commitments paragraph 20	x				222; 225
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 21			x		222
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	x				222
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	x				225
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 (c)	x				229
ESRS S1-14 Number of fatalities and number and rate of work related accidents paragraph 88 (b) and (c)	x		x		248
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	x				248
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	x		x		250
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	x				250
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	x				251
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	x		x		251

Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Pages of the Report where response is given
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ESRS S2-1 Human rights policy commitments paragraph 17	x				254-255
ESRS S2-1 Policies related to value chain workers paragraph 18	x				254-255
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	x		x		255-256
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19			x		255
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	x				267
ESRS S3-1 Human rights policy commitments paragraph 16	x				271-272
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	x		x		272
ESRS S3-4 Human rights issues and incidents paragraph 36	x				280
ESRS S4-1 Policies related to consumers and end-users paragraph 16	x				284-285
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	x		x		285
ESRS S4-4 Human rights issues and incidents paragraph 35	x				288-289
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	x				Not applicable
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	x				Not applicable
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	x		x		307
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	x				311

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Information requested by Act 11/2018	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria: ESRS
General information			
A brief description of the business model that includes its business environment, its organisation and structure	Material	121-128	ESRS 2 SBM-1
Markets in which it operates	Material	121; 123	ESRS 2 SBM-1
Organisation's objectives and strategies	Material	90 92-93 121; 127; 128	ESRS 2 SBM-1 ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 MDR-T
Main factors and trends that may affect its future development	Material	90 92-93 131-134 333-334	ESRS 2 SBM-3 ESRS 2 IRO-1 ESRS 2 IRO-2
Reporting framework used	Material	102-103	ESRS 2 BP-2
Materiality principle	Material	131-134 135-137	ESRS 2 SBM-3 ESRS 2 IRO-1 ESRS 2 IRO-2
Environmental issues			
Management approach: description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	126-128 139-140 147-154 156-157 157-162 168-169 169-172 172-177 179-180 180-182 182-183 185-186 187-188 188-191 193-194 194-195 195-199	ESRS 2 SBM-1 ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 IRO-1 E1-2 E1-3 E2-1 E2-2 E3-1 E3-2 E4-2 E4-3 E5-1 E5-2
Detailed general information			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety	Material	144-146 170-172 289-290	E1-1 E2-1 S4-4
Environmental assessment or certification procedures	Material	The Environmental Management System is implemented in our corporate headquarters, factories, and own logistics centres, except for two ironing centres that are in the certification process. The Environmental Management System complies with the ISO 14001 standard. Additionally, information on the certification standards of our assets and the environmental audits carried out in our supply chain is reported on pages 159 and 314-315 respectively.	ESRS 2 MDR-A E1-3 G1-2
Resources dedicated to the prevention of environmental risks	Material	The monitoring and proper implementation of the Environmental Management System is overseen by a team of 27 people, who also handle the prevention of environmental risks associated with these facilities. Additionally, information on actions with linked financial resources is reported on pages 157-162 and 188-191.	ESRS 2 MDR-A E1-3 E4-3
Application of the principle of precaution	Material	144; 145 154-155 170 188-191	E1-1 E1-9 E2-1 E4-3
Amount of provisions and guarantees for environmental risks	Material	Considering the nature of our own operations, we do not have any environmental liabilities, expenses, assets, provisions, or contingencies (including tanks or deposits) that could be significant in relation to the equity, financial position, and results of our Company. For this reason, no specific breakdowns are included in this Report. During the 2024 and 2023 financial years, no significant fines or penalties were recorded for violations of applicable environmental regulations. Additionally, we do not have facilities in protected areas.	–

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria: ESRS
Pollution			
Measures to prevent, mitigate or repair emissions which severely affect the environment; taking into account any form of atmospheric pollution specific to an activity	Not material (in own operations)	In our own operations, atmospheric emissions other than GHG emissions are not considered material. These may originate from the combustion equipment in our logistics centres, such as heating boilers and steam boilers, and are subject to periodic inspections and verifications conducted by authorized control bodies. This ensures that our atmospheric emissions of gases such as carbon monoxide (CO), nitrogen oxides (NOx), and sulphur dioxide (SO_2) remain within the established limits. Regarding the value chain, relevant information is included on pages 172-177.	ESRS 2 MDR-A E2-2
Including noise and light pollution	Not material	The atmospheric emissions of noise and light pollution are not considered material in own operations. However, to reduce noise levels associated with the distribution and supply of our products during nighttime hours, we have a Unloading Equipment Protocol in place.	–
Circular economy and waste prevention and management			
Prevention, recycling and reuse measures, and other forms of recovery and disposal of waste	Material	197-199 199-201 202-204	ESRS 2 MDR-A E5-2 E5-3 E5-5
Actions to fight against food waste	Not material		–
Sustainable use of resources			
Water consumption and water supply according to local limitations	Not material (in own operations)	Water consumption in our own operations is not considered material. In 2024, water consumption in our facilities—including corporate offices, factories, logistics centers, and stores—was 1,965,253 m^3 (1,938,719 m^3 in 2023). In relative terms, this amounted to 210 litres/m^2 in 2024 (226 litres/m^2 in 2023). In our own operations, water supply for both processes and consumption in all centres comes from public and authorized supply networks. Additionally, all water supply originates from areas with low or no water stress. Regarding the value chain, relevant information is included on pages 183-184.	E3-3
Consumption of raw materials and measures taken to improve the efficiency of their use	Material	195-199 199-200 201-202	ESRS 2 MDR-A E5-2 E5-3 E5-4
Direct and indirect energy consumption	Material	The direct and indirect energy consumption is included on pages 165. Scope 3 also includes emissions associated with the transportation of the products we market. In 2024 emissions related to upstream and downstream transportation—inbound and outbound— corresponded to an energy consumption of 4,095,652 MWh and 4,593,842 MWh, respectively (3,461,774 MWh and 4,418,663 MWh in 2023). Additionally, the estimated electricity consumption of franchised stores was 276,828 MWh and business travel consumption amounted to 141,234 MWh (257,195 MWh and 140,033 MWh in 2023).	E1-5
Measures taken to improve energy efficiency	Material	157-162	ESRS 2 MDR-A E1-3
Use of renewable energies	Material	157-162 165	ESRS 2 MDR-A E1-3 E1-5
Climate change			
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	Material	166-167	E1-6
Measures taken to adapt to the consequences of climate change	Material	143-146 157-162	ESRS 2 MDR-A E1-1 E1-3
Voluntary reduction targets set for the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	Material	143-144 162-164	ESRS 2 MDR-T E1-1 E1-4
Biodiversity protection			
Measures taken to preserve or restore biodiversity	Material	188-191	E4-3

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria: ESRS
Impacts caused by the activities or operations in protected areas	Material	185-186 188-191 192	ESRS 2 IRO-1 ESRS 2 SBM-3 E4-3 E4-5
Social issues concerning staff			
Management approach: description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	123 137-140 219-221 221-225 229-237	ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 SBM-1 ESRS 2 SBM-3 S1-1 S1-4
Employment			
Total number and distribution of employees by country, gender, age and job classification	Material	123 240-243 243-244	ESRS 2 SBM-1 S1-6 S1-9
Total number and distribution of employment contract modalities and annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and job classification	Material	242	S1-6
Number of dismissals by gender, age and job classification	Material	In 2024, there were 5,058 dismissals (5,100 in 2023). Of the total, the gender distribution was as follows: 3,389 women (67%), 1,632 men (32%), 1 non-binary person (0.02%) and 36 people with other/unspecified gender (1%). In 2023, the distribution was 3,508 women (69%), 1,590 men (31%), 2 non-binary people (0.04%) and 0 other/unspecified (0%). By professional classification, 86% were in specialist positions, 7% in managerial positions, and the remaining 7% in executive roles (88%, 6% and 6% respectively, in 2023). By age group, 61% were under 30 years old, 37% were between 30 and 50 years old, and the remaining 2% were over 50 years old (67%, 31%, and 2%, respectively, in 2023). The reported distribution is consistent with our workforce composition for both reporting periods.	S1-6
Average salaries and their evolution broken down by gender, age and job classification or equal value	Material	249-250	S1-16
Wage gap, equal or average remuneration of jobs in the society	Material	250	S1-16
Average remuneration of directors and officers, including variable remuneration, allowances, indemnities, payment to long-term savings pension schemes and any other payment broken down by gender	Material	The total remuneration of the Board of Directors in 2024 was 14,248 thousand of euros (13,462 thousand of euros in 2023). The average annual remuneration accrued by the 21 members of Senior Management at the end of the 2024 reporting period (22 in 2023) broken down by gender, is as follows: – Men: 5,594 (5,101 in 2023) – Women: 4,855 (4,628 in 2023) – Total: 5,357 (4,957 in 2023) More information in sections C.1.13 and C.1.14 of the Annual Corporate Governance Report and the Annual Report on Directors' Remuneration.	ESRS 2 GOV-3 S1-16
Implementation of policies to disconnect from work	Material	245-246	S1-15
Number of employees with disabilities	Material	237-239	S1-12
Organisation of work			
Organisation of working hours	Material	221 226-228 245-246	S1-1 S1-2 S1-8 S1-15
Number of hours of absenteeism	Material	In the 2024 reporting period, the total number of absenteeism hours due to common illness, corresponding to 97.2% of the Group's employees —including all logistics and store employees worldwide, as well as office employees in Spain—, amounted to 13,594,187 hours (12,810,222 hours in 2023). The total number of hours worked during the 2024, reporting period, covering 92.1% of the Group's employees —including logistics and store employees worldwide—, amounted to 182,461,397 hours (92.4% of employees and 182,712,729 hours in 2023).	–
Measures designed to facilitate the enjoyment of amicable settlement and to promote the corresponding exercise of these by both parents	Material	235-236 245-246	ESRS 2 MDR-A S1-4 S1-15

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria: ESRS
Health and safety			
Occupational health and safety conditions	Material	224-225 235-236 248-249	ESRS 2 MDR-P S1-1 S1-14
Work-related accidents, in particular their frequency and severity, as well as occupational diseases; broken down by gender	Material	248-249	S1-14
Labour Relations			
Organisation of social dialogue including procedures for informing, consulting and negotiating with staff	Material	226-229	S1-2 S1-3
Mechanisms and procedures the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	Material	221 226-229	S1-1 S1-2 S1-3
Percentage of employees covered by a collective bargaining agreement by country	Material	245	S1-8
Assessment of collective bargaining agreements, particularly in the field of health and safety at work	Material	226-228 245 248	S1-2 S1-8 S1-14
Training			
Policies implemented in the field of training	Material	221 224 233-235 246-248	S1-1 S1-4 S1-13
Total number of training hours by occupational category	Material	246-248	S1-13
Universal accessibility			
Universal accessibility for people with disabilities	Material	223 232 237-239 291	ESRS 2 MDR-A S1-1 S1-4 S1-12 S4-4
Equality			
Measures taken to promote equal treatment and equal opportunities between women and men	Material	222-224 230-232	ESRS 2 MDR-P ESRS 2 MDR-A S1-1 S1-4
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	Material	138 221-225 226-228 230-232 245-246	ESRS 2 MDR-P ESRS 2 MDR-A S1-1 S1-2 S1-4 S1-15
Policy against all types of discrimination and, where applicable, diversity management	Material	138 221-225	ESRS 2 MDR-P S1-1
Respect for human rights			
Management approach: description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	137-140 128 221-225 229-237 254-256 258-267 270-272 274-281 283-285 288-291 295 304-306	ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 SBM-1 ESRS 2 IRO-1 S1-1 S1-4 S2-1 S2-4 S3-1 S3-4 S4-1 S4-4 G1-1
Application of due diligence procedures			
Application of due diligence procedures in the field of human rights and prevention of the risks of human rights violations and, where applicable, measures to mitigate, manage and repair potential abuses committed	Material	128 118-119 299-300 304-306	ESRS 2 SBM-1 ESRS 2 GOV-4 G1-1
Allegations of cases of human rights violations	Material	251 267 272 280 288 310-311	S1-17 S2-4 S3-1 S3-4 S4-4 G1-4

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria: ESRS
Measures implemented to promote and comply with the provisions of the ILO fundamental conventions relating to respect for freedom of association and the right to collective bargaining; eliminating discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	Material	Inditex's Code of Conduct upholds the right to freedom of association and collective bargaining. This Code applies to all of the Group's operations. Likewise, the Code of Conduct for Manufacturers and Suppliers also establishes this right, applying to all of the Group's suppliers. The Compliance Program for the Code of Conduct for Manufacturers and Suppliers of Inditex assesses compliance with workers' freedom of association. The Compliance Program for the Code of Conduct for Manufacturers and Suppliers of Inditex prohibits child labour and applies to all of the Group's operations and suppliers. The Compliance Program for the Code of Conduct for Manufacturers and Suppliers of Inditex prohibits forced labour and applies to all of the Group's operations and suppliers. Additionally, relevant information is included on pages 137-140 221-225 226-229 245 253 254-256 258-261 270-272 283-285	ESRS 2 MDR-P S1-1 S1-2 S1-8 S2-1 S2-4 S3-1 S4-1
Fight against corruption and bribery			
Management approach: description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	295 296-298 298-306 306-310 310-311	ESRS 2 MDR-P ESRS 2 MDR-A ESRS 2 IRO-1 G1-1 G1-3 G1-4
Measures adopted to prevent corruption and bribery	Material	296-298 298-306 306-310 310-311	ESRS 2 MDR-P ESRS 2 MDR-A G1-1 G1-3 G1-4
Measures to fight money laundering	Material	296-298 298-306 306-310 310-311	ESRS 2 MDR-P ESRS 2 MDR-A G1-1 G1-3 G1-4
Contributions to foundations and non-profit entities	Material	129-131 274-281	–
Information on the company			
Management approach: description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	252-253 254-256 258-267 269-270 270-272 274-281 282-283 283-285 288-291 295 312-316	ESRS 2 SBM-3 ESRS 2 MDR-P ESRS 2 MDR-A S2-1 S2-4 S3-1 S3-4 S4-1 S4-4 G1-2
Company commitments to sustainable development			
The impact of the company's activity on employment and local development	Material	258-267 274-281	ESRS 2 MDR-A S2-4 S3-4
The impact of the company's activity on local populations and on the territory	Material	258-267 274-281	ESRS 2 MDR-A S2-4 S3-4
Relations maintained with local community actors and the modalities of dialogue with them	Material	129-131 258-267 272-273 273-274 274-281	ESRS 2 SBM-2 ESRS 2 MDR-A S2-4 S3-2 S3-3 S3-4

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria: ESRS
Partnership or sponsorship actions	Material	131 162 175-177 183 188-191 199 237 258-267 274-281 291	–
Subcontracting and suppliers			
Inclusion of social, gender equality and environmental matters in the procurement policy	Material	137-140 118-119 126-127 254-256 258-261 262-263 312-316	ESRS 2 MDR-A ESRS 2 MDR-P ESRS 2 GOV-4 ESRS 2 SBM-1 S2-1 S2-4 G1-2
Consideration of its social and environmental responsibility in relations with suppliers and subcontractors	Material	137-140 199-200 254-256 256-257 258-261 265-266 312-316	ESRS 2 MDR-P E5-3 S2-1 S2-2 S2-4 G1-2
Monitoring and audit systems and their results	Material	312-316	–
Consumers			
Measures for consumer health and safety	Material	170-172 173-175 284-285 289-290	ESRS 2 MDR-A E2-1 E2-2 S4-1 S4-4
Claims systems, complaints received and their resolution	Material	286-288	S4-3
Tax information			
The benefits obtained country by country	Material	335-340	–
Tax on profits paid	Material	335-340	–
Public subsidies received	Material	337	–

Regulation (EU) 2020/852 - Taxonomy	Materiality	Pages of the Report where response is given and/or direct response	Reporting criteria
Qualitative information			
Accounting policy	Material	205	Regulation (EU) 2020/852 Regulation (EU) 2021/2178
Assessment of compliance with Regulation (EU) 2020/852	Material	205	Regulation (EU) 2020/852 Regulation (EU) 2021/2178
Contextual information	Material	205	Regulation (EU) 2020/852 Regulation (EU) 2021/2178
Quantitative information			
Taxonomy-eligible and aligned turnover	Material	212	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486
Taxonomy-eligible and aligned CapEx	Material	213-214	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486
Taxonomy-eligible and aligned OpEx	Material	215	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486

9. Independent verification report

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INDEPENDENT LIMITED ASSURANCE REPORT ON THE CONSOLIDATED STATEMENT OF NON-FINANCIAL INFORMATION AND SUSTAINABILITY INFORMATION

(Translation of a report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.)

To the shareholders of Industria de Diseño Textil, S.A.:

Conclusion of limited assurance

In accordance with article 49 of the Commercial Code, we have performed a limited assurance engagement on the Consolidated Statement of Non-Financial Information (hereinafter, "NFIS") for the year ended January 31, 2025 (hereinafter, year 2024) of Industria de Diseño Textil, S.A. (the "Entity") and subsidiaries (the "Group"), which is part of the Group's Consolidated Directors Report.

The content of the NFIS includes additional information that required by prevailing mercantile regulations in respect of non-financial information, specifically the Sustainability Information prepared by the Group for the year ended January 31, 2025 (hereinafter, the "Sustainability Information") in accordance with Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022, as regards corporate sustainability reporting (the "CSRD"). The Sustainability Information was also subject to limited assurance.

Based on the procedures applied and the evidence obtained, nothing has come to our attention that causes us to believe that:

a) The Group's NFIS for the year ended January 31, 2025, has not been prepared, in all material respects, in accordance with the contents required by prevailing mercantile regulations and the criteria selected in European Sustainability Reporting Standards ("ESRS"), as well as other criteria described as explained for each subject matter in the "Table of contents required by Act 11/2018" of the NFIS.

b) The Sustainability Information, taken as a whole, has not been prepared, in all material respects, in accordance with the sustainability reporting framework applied by the Group and identified in section "BP-1 - General basis for preparation of the Report", including:

- That the description provided of the process for identifying the Sustainability Information to be disclosed included in section "Materiality assessment" is consistent with the process implemented and that it enables the identification of the material information to be disclosed in accordance with the requirements of ESRS.
- Compliance with ESRS.
- Compliance with the disclosure requirements included in section "Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" on chapter 5 "Environmental information" in the Sustainability Information with the provisions of Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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Basis of conclusion

We have performed our limited assurance engagement in accordance with generally accepted professional standards applicable in Spain and specifically with the guidelines contained in the Guidelines 47 (revised) and 56 issued by the Spanish Institute of Chartered Accountants on non-financial information assurance engagements and considering the contents of the note issued by the Spanish Accounting and Auditing Institute (ICAC) on December 18, 2024 (the "generally accepted professional standards").

The procedures performed in a limited assurance engagement are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under those regulations are further described in the *Practitioner's responsibilities* section of our report.

We have complied with the independence and other ethics requirements of the International Code of Ethics for Professional Accountants (including international standards on independence) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires us to design, implement, and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Directors

The preparation of the NFIS included in the Group's Consolidated Directors Report is the responsibility of the Directors of Industria de Diseño Textil, S.A. The NFIS has been prepared in accordance with the content required by prevailing mercantile regulations and the criteria selected in ESRS, as well as other criteria described as explained for each subject matter in the "Table of contents required by Act 11/2018" of the NFIS.

This responsibility also includes the design, implementation, and maintenance of such internal control as considered necessary to ensure that the NFIS is free of material misstatement, whether due to fraud or error.

The Directors of Industria de Diseño Textil, S.A. are also responsible for defining, implementing, adapting, and maintaining the management systems from which the necessary information for preparing the NFIS is obtained.

With regard to the Sustainability Information, the entity's Directors are responsible for developing and implementing a process for identifying the information to be included in the Sustainability Information in accordance with the CSRD, the ESRS and Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, and for disclosing information about this process in the Sustainability Information itself in section "Materiality assessment". This responsibility includes:

- Understanding the context in which the Group carries out its activities and business relationships, as well as its stakeholders, in relation to the Group's impact on people and the environment.
- Identifying the actual and potential impacts (both negative and positive), as well as risks and opportunities that could affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium or long term.
- Assessing the materiality of the identified impacts, risks and opportunities.
- Making assumptions and estimates that are reasonable under the circumstances.

The Directors are also responsible for the preparation of the Sustainability Information, which includes the information identified by the process, in accordance with the sustainability reporting framework applied, including compliance with the CSRD, the ESRS, and compliance of the disclosure requirements included in section "Disclosure pursuant to article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" on chapter 5 "Environmental information" in the Sustainability Information with Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council, of 18 June 2020, on the establishment of a framework to facilitate sustainable investment.

This responsibility includes:

- Designing, implementing and maintaining such internal control as the Directors consider relevant to enable the preparation the Sustainability Information that is free from material misstatement, whether due to fraud or error.
- Selecting and applying appropriate methods for the presentation of Sustainability Information and the basis of assumptions and estimates that are reasonable, considering the circumstances, about specific disclosures.

Inherent limitations in the preparation of the information

In accordance with ESRS, the entity's Directors are required to prepare prospective information on the basis of assumptions and hypotheses, which must be included in the Sustainability Information, about potential future events and possible future actions, if any, that the Group could take. Actual results may differ significantly from estimated results, as the reference is to the future and future events frequently do not occur as expected.

In determining the disclosures in the Sustainability Information, the entity's Directors interpret legal and other terms that are not clearly defined and that may be interpreted differently by others, including the legal conformity of such interpretations, and, accordingly, are subject to uncertainty.

Practitioner's responsibilities

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the NFIS and Sustainability Information are free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusions. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this information.

As part of a limited assurance engagement, we exercise professional judgment and maintain professional skepticism throughout the engagement. We also:

- Design and perform procedures to assess whether the process for identifying the disclosures to be included in the NFIS and Sustainability Information is consistent with the description of the process followed by the Group and enables, where appropriate, the identification of the material information to be disclosed as required in the ESRS.

- Perform risk procedures, including obtaining an understanding of internal control relevant to the engagement, to identify disclosures where material misstatements are more likely to arise, whether due to fraud or error, but not for the purpose of providing a conclusion on the effectiveness of the Group's internal control.

- Design and perform procedures responsive to disclosures in the NFIS and Sustainability Information where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary from the work performed

A limited assurance engagement involves performing procedures to obtain evidence as a basis for our conclusions. The nature, timing and extent of procedures selected depend on professional judgment, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the NFIS and in the Sustainability Information.

Our work consisted of making inquiries of management and of the Group's various business units and components that participated in the preparation of the NFIS and Sustainability Information, reviewing the processes used for compiling and validating the information presented in the NFIS and Sustainability Information, and applying certain analytical procedures and performing tests of details on a sample basis as described below:

For verification of the NFIS:

- Holding meetings with Group personnel to obtain an understanding of the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.

- Analyzing the scope, relevance and completeness of the content of the NFIS for the year 2024 based on the materiality assessment performed by the Group and described in section "Materiality assessment" of the NFIS, considering the content required in prevailing mercantile regulations.

- Analyzing the processes used to compile and validate the data presented in the NFIS for the year 2024.
- Reviewing the disclosures relating to the risks, policies and management approaches applied with respect to the material matters presented in the NFIS for the year 2024.
- Checking, through sample testing, the information underlying the content of the NFIS for the year 2024 and whether it has been adequately compiled based on data provided by information sources.

For verification of the Sustainability Information:

- Making inquiries of Group personnel:
  - To understand the business model, the policies and management approaches applied, and the main risks related to these matters and to gather the information needed to perform the independent assurance work.
  - To know the source of the information used by management (e.g., interaction with stakeholders, business plans and documents on strategy) and review the Group's internal documentation on its process.
- Obtaining, through inquiries of Group personnel, insight into the entity's processes for gathering, validation, and presenting information relevant for the preparation of its Sustainability Information.
- Evaluating whether the evidence obtained in our procedures on the process implemented by the Group for determining the disclosures to be included in the Sustainability Information is consistent with the description of the process included in that information, as well as evaluating whether that process implemented by the Group enables identification of the material information to be disclosed in accordance with the requirements of the ESRS.
- Evaluating whether all the information identified in the process implemented by the Group for determining the disclosures to be included in the Sustainability Information is effectively included.
- Evaluating whether the structure and presentation of the Sustainability Information is consistent with ESRS, and the rest of the sustainability reporting framework applied by the Group.
- Performing inquiries of relevant personnel and analytical procedures on the disclosures in the Sustainability Information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- Performing, as appropriate, substantive procedures through sampling of selected disclosures in the Sustainability Information, considering those where material misstatements are likely to arise, whether due to fraud or error.
- Obtaining, where appropriate, reports issued by accredited independent third parties accompanying the Consolidated Directors Report in response to the requirements of European regulations and, in relation to such information and in accordance with generally accepted professional standards, verification, exclusively, of the accreditation of the practitioner and that the scope of the report issued corresponds to that required by European regulations.

- Obtaining, as appropriate, the documents containing the information incorporated by reference, the reports issued by auditors or practitioners on such documents and, in accordance with generally accepted professional standards, verification, exclusively, that in the document to which the information incorporated by reference refers, the requirements described in ESRS for the incorporation by reference of information in the Sustainability Information are met.

- Obtaining a representation letter from the Directors and management regarding the NFIS and Sustainability Information.

Other information

The Management is responsible for the other information. The other information comprises the consolidated financial statements and the rest of the information included in the Consolidated Directors Report but does not include either the auditors' report on the consolidated financial statements or the assurance reports issued by accredited independent third parties required by European Union law on specific disclosures contained in the Sustainability Information and attached to the Consolidated Directors Report.

Our assurance report does not cover the other information, and we do not express any form of assurance conclusion on it.

Our responsibility in connection with our engagement to verify the Sustainability Information is to read the other information identified and consider whether it is materially inconsistent with the Sustainability Information or the knowledge we have obtained during the assurance engagement that could indicate material misstatements in the Sustainability Information.

ERNST & YOUNG, S.L.

(Signature on the original in Spanish)

Hildur Eir Jónsdóttir

March 12, 2025

Report on Internal Control Systems (ICFR)

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AUDITOR´S REPORT ON THE "INFORMATION RELATED TO THE SYSTEM OF INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)"

Translation of a report and information originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails

To the Directors of Industria de Diseño Textil, S.A.:

In accordance with the request from the Board of Directors of Industria de Diseño Textil, S.A. (hereinafter the Entity) and our engagement letter dated February 21, 2025, we have performed certain procedures on the "ICFR related information" attached in section F of the 2024 Annual Corporate Governance Report of Industria de Diseño Textil, S.A., which summarizes the internal control procedures of the Entity in relation to the annual financial information.

The Board of Directors is responsible for adopting the appropriate measures in order to reasonably guarantee the implementation, maintenance and supervision of an adequate internal control system as well as developing improvements to that system and preparing and establishing the content of the accompanying ICFR related information attached.

It should be noted that irrespective of the quality of the design and operability of the internal control system adopted by the Entity in relation to its annual financial information, it can only provide reasonable, rather than absolute assurance with respect to the objectives pursued, due to the inherent limitations to any internal control system.

In the course of our audit work on the financial statements and pursuant to the Technical Auditing Standards, the sole purpose of our assessment of the Entity´s internal control was to enable us to establish the nature, timing and extent of the audit procedures to be applied to the Entity´s financial statements. Therefore, our assessment of the internal control performed for the purposes of the audit of the financial statements was not sufficiently extensive to enable us to express a specific opinion on the effectiveness of the internal control over the regulated annual financial information.

For the purpose of issuing this report, we exclusively performed the specific procedures described below and indicated in the Guidelines on the Auditors' report relating to information on the Internal Control over Financial Reporting of Listed Companies, published by the Spanish National Securities Market Commission (CNMV) on its website, which establishes the work to be performed, the minimum scope thereof and the content of this report. Given that the scope of these procedures was limited and substantially less than that of an audit or a review of the internal control system, we do not express an opinion on the effectiveness thereof, or its design or operating effectiveness, in relation to Entity's annual financial information for 2024 described in the ICFR related information attached. Consequently, had we performed additional procedures to those established by the Guidelines mentioned above or had we carried out an audit or a review of the internal control over the regulated annual financial reporting information, other matters might have come to our attention that would have been reported to you.

Domicilio Social: Calle de Raimundo Fernández Villaverde, 65. 28003 Madrid - Inscrita en el Registro Mercantil de Madrid, tomo 9.364 general, 8.130 de la sección 3ª del Libro de Sociedades, folio 68, hoja nº 87.690-1, inscripción 1ª. C.I.F. B-78970506.

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Likewise, since this special engagement does not constitute an audit of the financial statements in accordance with prevailing audit regulations in Spain, we do not express an audit opinion in the terms provided for therein.

The procedures performed were as follows:

1. Read and understand the information prepared by the Entity in relation to the ICFR - which is provided in the Annual Corporate Governance Report disclosure information included in the Consolidated Directors' Report- and assess whether such information addresses all the required information which will follow the minimum content detailed in section F, relating to the description of the ICFR, as per the model established by CNMV Circular nº 5/2013 dated June 12, 2013 and subsequent amendments, the most recent one being CNMV Circular 3/2021 of September 28, 2021 (hereinafter, the CNMV Circulars).

2. Make enquiries of personnel in charge of preparing the information described in point 1 above in order to: (i) Obtain an understanding of the process followed in its preparation; (ii) Obtain information which will allow us to assess whether the terminology used is adapted to the definitions provided in the reference framework; (iii) Obtain information on whether the control procedures described are implemented and in use by the Entity.

3. Review the explanatory documentation supporting the information described in point 1 above, which should basically include that which is provided directly to those responsible for preparing the ICFR descriptive information. In this respect, the aforementioned documentation includes related reports prepared by the Internal Audit Department, senior management, and other internal and external experts providing support to the Audit and Compliance Committee.

4. Compare the information described in point 1 above with our knowledge of Entity's ICFR obtained as a result of performing the external audit procedures within the framework of the audit of the financial statements.

5. Read the minutes of the meetings held by the Board of Directors, Audit and Compliance Committee and other Entity committees in order to assess the consistency between the ICFR issues addressed therein and the information provided in point 1 above.

6. Obtain the representation letter related to the work performed, duly signed by the personnel in charge of preparing the information discussed in point 1 above.

As a result of the procedures performed, no inconsistencies or issues were observed that might have an impact on ICFR related information.

This report was prepared exclusively within the framework of the requirements stipulated in article 540 of the Consolidated text of the Corporate Enterprises Act and CNMV Circulars on ICFR description in Annual Corporate Governance Reports.

ERNST & YOUNG, S.L.

(signed on the original version In Spanish)

Hildur Eir Jónsdóttir

March 12, 2025

ANNUAL CORPORATE GOVERNANCE REPORT (ACGR) **2024**



INDITEX

Issuer identification details

Year end-date:

31/01/2025

Tax ID (CIF):

A15075062

Company name:

INDUSTRIA DE DISEÑO TEXTIL, (INDITEX, S.A.)

Registered office:

Avda. de la Diputación, Edificio Inditex, Arteixo (A Coruña)

In this Annual Corporate Governance Report, the board of directors of INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.) ("**Inditex**" or the "**Company**") has included all the relevant information for financial year 2024, which commenced on 1 February 2024 and ended on 31 January 2025, except where other dates of reference are specifically mentioned.

This Report has been drawn up by the Audit and Compliance Committee in free format in accordance with the provisions of Circular 3/2021 of 28 September of the Spanish National Securities Market Commission ("CNMV" [*Spanish acronym*]) that amends, inter alia, Circular 5/2013, that sets forth the standard form of the annual corporate governance report for listed public limited companies, saving banks and other entities that issue securities admitted to trading on official securities markets.

Notwithstanding the foregoing, the contents of this Report meet the minimum requirements laid down in applicable regulations, as provided in section 540 of the Spanish Companies Act (the "Companies Act" or "LSC" [*Spanish acronym*]) and in Order ECC/461/2013 of 20 March and is accompanied by the relevant statistical Appendix.

This Annual Corporate Governance Report which forms part of the Consolidated Directors' Report will be released as other relevant information ("OIR" [*Spanish acronym*]) contemporaneously with the release of the Annual Report on Remuneration of Directors and will be made available on Inditex's corporate website and on CNMV's website.

REGULATORY FRAMEWORK

A) STATUTORY PROVISIONS AND RECOMMENDATIONS

The revised text of the Spanish Companies Act approved by *Real Decreto Legislativo* 1/2010 of 2 July , substantially amended by Act 31/2014 of 3 December to improve corporate governance and recently by *Ley Orgánic*a 2/2024 of 1 August on equal representation and a balanced presence of women and men (**"Gender Equality Act**"), represents the basic legal framework of corporate governance in Spain.

In addition, the Good Governance Code of Listed Companies ("**GGC**" or "**Good Governance Code**"), approved by CNMV in February 2015 and amended in part by CNMV's board on 25 June 2020, lists a set of principles and practices that must govern corporate governance in listed companies.

B) INTERNAL REGULATIONS FRAMEWORK

Inditex's corporate governance rules are established in the Articles of Association, the Board of Directors' Regulations, the Regulations of the General Meeting of Shareholders, the terms of reference of board committees, the Internal Regulations of Conduct in the Securities Markets (IRC), the Code of Conduct, the Regulations of the Social Advisory Board, the Regulations of the Cybersecurity Advisory Committee and other corporate policies, as explained in greater detail below:

Articles of Association: this regulation was approved at the Annual General Meeting in July 2000. This is Inditex's core regulation that seeks to determine the proceedings of the General Meeting of Shareholders and covers, inter alia, shareholders' rights and obligations and the basic rules of the organisation and the proceedings of the board and its committees.

They have been amended on several occasions, and for the last time on 9 July 2024.

Board of Directors' Regulations: approved by the Board of Directors in July 2000. This set of rules seeks to determine the principles of operation of the Board of Directors, the basic rules for its organisation and proceedings and the rules governing the conduct of its members. It provides, inter alia, rules regarding the appointment and removal of directors, their rights and duties and the relations of the Board of Directors with. among others, shareholders, the markets and the external auditor, all with the aim of achieving the highest possible degree of efficiency. This term of reference has been amended several times. The last amendment to this set of rules was approved by the board of directors on 6 June 2023.

Regulations of board committees (Audit and Compliance Committee, Nomination Committee, Remuneration Committee and Sustainability Committee, jointly "**board committees**"):

The terms of reference of the Audit and Compliance Committee, the Nomination Committee, and the Remuneration Committee were approved by the Board of Directors at the meeting held on 9 June 2015. The board of directors approved the Sustainability Committee's Regulations at the meeting held on 16 July 2019 following the committee's formation.

These terms of reference seek to govern the proceedings of board committees as regards their powers, membership, notice, quorum, decision-making and relationship with the remaining governing bodies and the management of the Company.

The latest amendments to the terms of reference of board committees were approved by the board at the meeting held on 12 May 2022. With regard to the terms of reference of the Audit and Compliance Committee, their latest amendment was approved by the board of directors at the meeting held on the date of issue and approval of this report.

Regulations of the General Meeting of Shareholders: This set of rules was approved at the Annual General Meeting on 18 July 2003. Its aim is to govern the proceedings of the General Meeting of Shareholders as regards notices, meetings' preparation, information, attendance, proceedings and exercise of voting rights, and to inform shareholders of their rights and duties relating to said body. They have been amended several times, to adapt their provisions to the successive updates of the Articles of Association, and for the last time on 9 July 2024

Internal Regulations of Conduct in the Securities Markets (the "**Internal Regulations of Conduct**" or "**IRC**"): this document provides, inter alia, the rules for processing, safeguarding and disclosing inside information and other relevant information of the Company, the system that governs transactions in Inditex securities and financial instruments carried out by the persons included in its scope, the provisions on prohibition of market manipulation and Inditex's policy on treasury shares.

Originally approved in 2000, the current IRC was approved in 2016 for the purposes of adapting its contents to the European regulatory framework to fight market abuse, made up of Regulation (EU) No 596/2014 of 16 April 2014 on market abuse, Directive 2014/57/EU of 16 April 2014, and their respective implementing regulations.

The IRC has been amended several times. Its latest amendment was approved by the board of directors on 3 November 2022.

Inditex Group's Code of Conduct: the Code of Conduct sets out the ethical commitments undertaken by the Group and the principles of action that must guide the way that anyone at Inditex must interact with their colleagues as well as their interaction with the different stakeholders anywhere in the world.

The Code of Conduct was originally approved by the board of directors on 17 July 2012 and substantially amended further to a resolution passed by the board at the meeting held on 6 February 2024 .

Regulations of the Social Advisory Board: The Social Advisory Board is Inditex's advisory body in the field of social and environmental sustainability. In December 2002, the board of directors authorised its creation and approved its Regulations, which determine the principles of action, the basic rules governing its organisation and proceedings and the rules of conduct of its members.

The Regulations of the Social Advisory Board have been amended several times, and for the last time on 16 July 2019 for the purposes of establishing its functional reporting line to the Sustainability Committee.

Regulations of the Cybersecurity Advisory Committee: the Cybersecurity Advisory Committee is Inditex's advisory body in the field of cybersecurity. Its formation and terms of reference were officially approved by the board of directors in November 2023. These Regulations set out its principles of action, the basic rules of its organization and proceedings and the rules of conduct for its members .

Other corporate Policies:

In addition, the board of directors has also approved the following policies:

- The Remuneration Policy for Directors for FY2024, FY2025 and FY2026 (in effect until 31 January 2027).
- The Diversity of Board of Directors Membership and Director Selection Policy, approved on 9 December 2015 and last amended on 8 June 2021.
- The Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors, approved on 9 December 2015.
- The Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information, approved on 14 December 2020.
- The Enterprise Risk Management Policy, approved on 9 December 2015 and last amended on 10 December 2024.
- The Sustainability Policy, approved on 9 December 2015 and last amended on 4 February 2025.
- The Tax Policy and Strategy. Both of them were approved on 9 December 2015.
  - The Policy on statutory auditor contracting for the provision of non-audit services, approved by the board of directors on 9 September 2019.
  - The Internal Audit Charter, approved by the board of directors on 13 December 2004, has been amended several times. It has been substantially amended at the board meeting held on the date of issue and approval of this Report .
  - Internal Procedure for periodic reporting and control on related party transactions, approved by the board of directors on 14 December 2021.

Inditex regularly evaluates the appropriateness of the Company's corporate governance system to ensure that it fulfils its mission of promoting the corporate interest and that it considers, where applicable, the legitimate interests of the Group's stakeholders.

To achieve this, Inditex further reviews on a regular basis its internal regulations to encompass every legislative development and ensure their alignment with national and international recommendations and best practices in the field of good corporate governance.

The full text of all the aforementioned documents, as amended, is available on the corporate website: (i) under the "Investors" tab "Corporate Governance" section "Reports & Regulations" subsection, (ii) under the "Group" tab "Ethical commitment" section and (iii) under the "Sustainability" tab, "Reporting" section.

A. Ownership structure

A.1. Complete the following table on share capital and voting rights attached to shares, including those corresponding to shares with a loyalty vote as of year-end, where appropriate:

Indicate whether articles of association contain the provision of double loyalty voting:

Yes No x

Indicate whether the company has awarded votes for loyalty:

Yes No x

Date of the last share capital change	Share capital (€)	Number of shares	Number of voting rights (not including additional votes for loyalty)	Number of additional voting rights attached to shares with a loyalty vote	Total number of voting rights, including additional votes attached to loyalty shares
20/07/2000: AGM resolution	€93,499,560	3,116,652,000 shares	3,116,652,000	-	3,116,652,000

Indicate whether there are different classes of shares with different rights attached:

Yes No x

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred
-	-	-	-	-

All shares are of the same class and series, represented by the book-entry method and are fully paid-up and subscribed.

Inditex has been listed on the four different Spanish Stock Exchanges since 23 May 2001 and has been part of the selective IBEX 35 index since July 2001. In addition, it has been part of the Euro Stoxx 50 index since September 2011, the MSCI index since November 2001, the Dow Jones Sustainability index since September 2002 and the FTSE4Good index since October 2002.

A.2. List the company's significant direct and indirect shareholders as of year-end, including directors with a significant shareholding:

The Company issues shares represented by the book-entry method. In addition, pursuant to the provisions of section 497 LSC, Inditex has a contract with Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) [*Spanish Central Securities Depositary in charge of the Register of Securities, and the Clearing and Settlement of all trades*] for the daily share ownership notification service.

According to the Company's Shareholders Register, the significant direct and indirect shareholders as at 31 January 2025 including directors with a significant shareholding, were those shown below:

Name or company name of shareholder	% of voting rights attached to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr Amancio Ortega Gaona	-%	59.294%	-%	-%	59.294%	-%	-%
Ms Sandra Ortega Mera	-%	5.053%	-%	-%	5.053%		

Breakdown of the indirect shareholding:

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares (including votes attached to loyalty shares)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attached to the shares, indicate, where appropriate, the additional votes attached to loyalty shares	
Mr Amancio Ortega Gaona	Pontegadea Inversiones, S.L. (*)	50.010%	-%	50.010%	-	-
	Partler Participaciones, S.L.U.	9.284%	-%	9.284%	-	-
Ms Sandra Ortega Mera	ROSP CORUNNA PARTICIPACIONES EMPRESARIALES, S.L.	5.053%	-%	5.053%	-	-

Remarks
(*) Mr Amancio Ortega Gaona owns a 59.294% stake in Inditex's share capital through the companies styled Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U. He also sits on Inditex's board of directors as proprietary director.

Indicate the most significant changes in the shareholder structure during the year:

The Company has not received any notices regarding any significant movements in shareholder structure over the year.

A.3. Give details of the stake at financial year-end, of the members of the board of directors who are holders of voting rights attached to shares of the company or through financial instruments, irrespective of the percentage, excluding the directors who have been identified in Section A.2 above:

As at 31 January 2025, the following directors had a stake in the Company:

Name or company name of director	% Voting rights attached to shares		% Voting rights through financial instruments		% Total voting rights	From the total number of voting rights attached to shares, indicate, where appropriate, the additional votes attached to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Ms Marta Ortega Pérez	0.0014%	-	-	-	0.0014%	-	-
Mr José Arnau Sierra	0.0010%	-	-	-	0.0010%	-	-
Mr Óscar García Maceiras	0.0026%	-	-	-	0.0026%	-	-
Ms Flora Pérez Marcote	0.0027%	-	-	-	0.0027%	-	-
Mr José Luis Durán Schulz	-	0.0001%	-	-	0.0001%	-	-
Mr Rodrigo Echenique Gordillo	0.0006%	-	-	-	0.0006%	-	-
Bns Denise Patricia Kingsmill	-	-	-	-	-	-	-
Ms Pilar López Álvarez	0.0002%	-	-	-	0.0002%	-	-
Ms Belén Romana García [1]	0.0000%	-	-	-	0.0000%	-	-
TOTAL	**0.0085%**	**0.0001%**			**0.0086%**		

[1] Ms Belén Romana holds 1,518 shares representing a 0.000049% stake in the Company's share capital.

Total % of voting rights held by the board of directors	59.3026%

Total % of voting rights represented on the board of directors	59.3026%

A.4. Where applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Type of relationship	Brief description
– Ms. Sandra OrtegaMera. – Mr. Amancio Ortega Gaona	Family	Mr Amancio Ortega Gaona is an indirect shareholder and the beneficial owner of Inditex via significant shareholders Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U. , which exercise joint control on the Company. Ms Sandra Ortega Mera is also an indirect shareholder of Inditex via significant shareholder Rosp Corunna Participaciones Empresariales, S.L.where Ms Ortega exercises control. Ms Sandra Ortega Mera is the daughter of director and indirect shareholder Mr Amancio Ortega Gaona.

The Company has not received notice of any family, commercial, contractual or corporate relationships existing between the owners of significant holdings that are of a relevant nature or that do not arise from the ordinary course of business.

A.5. Where applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are of little relevance or arise in the ordinary course of business:

To conduct its physical retail activity in accordance with the Group's commercial strategy, based on its positioning in prime locations and strategic shopping areas, Inditex and the companies in its Group have several lease agreements in place over commercial properties owned by its significant shareholders: Pontegadea Inversiones, S.L., Partler Participaciones, S.L.U, and Rosp Corunna Participaciones Empresariales, S.L., and/or any company in their respective groups.

Prior to their execution and approval by Inditex's board of directors, the terms of such lease agreements have been reviewed first by the Audit and Compliance Committee, on the basis of valuation reports issued by independent experts. The committee seeks to establish that these transactions have been carried out on an arm's length basis, are fair and reasonable from the Company's perspective and in the interest of the Company. Likewise, such lease agreements have been disclosed in the relevant annual report on related party transactions that the Company issues every year in accordance with Recommendation 6 GGC.

Furthermore, the construction and commissioning of 7 all around care centres to cater to dependent elderly people in the Autonomous Community of Galicia promoted by certain parties related to Mr Ortega is being carried out by the Group subsidiary engaged in construction and refurbishment works.

The detail of these lease agreements and these construction and refurbishment works, among other transactions, the significant shareholder of the Company they are associated with (for the purposes of the provisions of section 529*tervicies* LSC and the amounts accrued in the year, can be found in the Notes to the Consolidated Annual Accounts.

Aside from these lease agreements and refurbishment and construction works, there have been no other commercial, contractual or corporate relationships between significant shareholders and the company that are of a relevant nature or that do not arise from the ordinary course of business.

A.6. Describe the relationships, unless of little relevance to both parties, existing between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

Explain, where applicable, how the significant shareholders are represented. Specifically, indicate the directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of those relationships or ties. In particular, mention the existence, identity and position of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/position
Mr Amancio Ortega Gaona	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	Chair of the Board
	PARTLER PARTICIPACIONES, S.LU..	PARTLER 2006, S.L.	Chair of the Board
	PARTLER PARTICIPACIONES, S.LU..	PARTLER PARTICIPACIONES, S.L.U.	Chair of the Board
Ms Marta Ortega Pérez	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	Ordinary member
	PARTLER PARTICIPACIONES, S.LU..	PARTLER 2006, S.L.	1st Deputy Chair
	PARTLER PARTICIPACIONES, S.LU..	PARTLER PARTICIPACIONES, S.L.U.	1st Deputy Chair
Mrs Flora Pérez Marcote	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	1st Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	1st Deputy Chair
Mr José Arnau Sierra	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	2nd Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	2nd Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA ESPAÑA, S.L.U.	Joint Director
	PONTEGADEA INVERSIONES, S.L.	ESPARELLE 2016, S.L.	Sole Director (Legal representative of PONTEGADEA INMOBILIARIA, S.L.U.)
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA DIECIOCHO, S.L.	Sole Director (Legal representative of PONTEGADEA INVERSIONES, S.L.)
	PONTEGADEA INVERSIONES, S.L.	SOBRADO FORESTAL 2014, S.L.	Sole Director
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA LUXEMBOURG Sarl	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA RE LUXEMBOURG Sarl	Ordinray member
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA SHAREHOLDINGS LUXEMBOURG Sarl	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	FIF HOLDINGS PROTEONIC Sarl	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA FRANCE S.A.S.	Legal representative of the Chair of the Company, PONTEGADEA INMOBILIARIA, S.L.U.
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA REAL ESTATE S.A.S.	Legal representative of the Chair of the Company, PONTEGADEA INMOBILIARIA, S.L.U.
	PONTEGADEA INVERSIONES, S.L.	MONTAIGNE REAL ESTATE Sarl	Sole Director
	PONTEGADEA INVERSIONES, S.L.	PRIMA CINQUE S.p.A.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA LOGISTICS ITALY Srl	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA ITALY Srl	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA IRELAND Ltd.	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	FIF PROPERTY IRELAND 1 Ltd	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	FIF PROPERTY IRELAND 2 Ltd	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	PG REAL ESTATE INTERESTS Ltd	Ordinary membe
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA S.A. de C.V.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA CANADA Inc.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PG COMPASS CANADA Inc	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA KOREA Inc.	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA USA Inc.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA LOGISTICS GERMANY GmbH	Joint director
	PONTEGADEA INVERSIONES, S.L.	POLAR ROOSENDAL LOGISTICS PROPCO B.V.	Sole director (Legal representative of FIF HOLDINGS PROTEONIC Sarl)
	PARTLER PARTICIPACIONES, S.L.U.	PARTLER 2006, S.L.	2nd Deputy Chair

	PARTLER PARTICIPACIONES, S.L.U.	PARTLER PARTICIPACIONES, S.L.U.	2nd Deputy Chair
	PARTLER PARTICIPACIONES, S.L.U.	FONGADEA RECOLETOS 7-9, S.L.	Sole Director (Legal representative of PARTLER 2006, S.L.)
	PARTLER PARTICIPACIONES, S.L.U.	PONTE GADEA PORTUGAL - INVESTIMENTOS IMOBILIARIOS E HOTELEIROS S.A.	Chair of the Board
	PARTLER PARTICIPACIONES, S.L.U.	PONTEGADEA AMOREIRAS - SOCIEDADE IMOBILIARIA S.A.	Chair of the Board
	PARTLER PARTICIPACIONES, S.L.U.	ALMACK Ltd	Ordinary member
	PARTLER PARTICIPACIONES, S.L.U.	ALMACK LOGISTICS Ltd.	Ordinary member
	PARTLER PARTICIPACIONES, S.L.U.	BOXER US Inc	Chair of the Board

Remarks
Pontegadea Inversiones, S.L., a significant shareholder of the company, sat on Inditex's board of directors until the AGM held on 9 July 2024. The appointment of Ms Flora Pérez Marcote as new proprietary director on the board, replacing Pontegadea Inversiones, S.L.U. (for the reasons hereunder set out) was approved at said AGM.
Ms Marta Ortega Pérez, member and Chair of Inditex's board of directors, and the new proprietary director, Ms FLora Pérez Marcote, are the daughter and spouse, respectively of Mr Amancio Ortega Gaona. In turn, Mr Ortega, Ms Ortega and Ms Pérez sit on the board of directors of significant shareholder Pontegadea Inversiones, S.L. and the former two also sit on the board of directors of Partler Participaciones, S.L.U., as explained in the table above.
Mr José Arnau Sierra, member and Deputy Chair of Inditex's board of directors, was appointed at the behest and representing the company's controlling shareholder, Mr Ortega. Mr Arnau sits on the board of directors of both Pontegadea Inversiones, S.L. and Parter Partcipaciones, S.L.U.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Companies Act (LSC). If so, describe them briefly and list the shareholders bound by the agreement:

Yes No x

Indicate whether the company is aware of any concerted actions amongst its shareholders. If so, provide a brief description::

Yes No x

The Company has not received any notices regarding the making of shareholders' agreements nor does it have any proof of the existence of concerted actions amongst its shareholders.

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes x No

Name or company name
Mr Amancio Ortega Gaona

Remarks
Mr Amancio Ortega Gaona is the indirect holder of a 59.294% stake in Inditex's share capital through PONTEGADEA INVERSIONES, S.L. and PARTLER PARTICIPACIONES, S.L.U.

A.9. Complete the following table with details of the company's treasury shares: At the close of the year:

Number of direct shares	Number of indirect shares	Total percentage of share capital
1,905,846	-	0.061%

Explain any significant changes during the year:

As at 31 January 2024, the Company owned 3,582,419 treasury shares, representing 0.115% of the share capital.

The incentive for the first cycle (2021-2024) of the 2021-2025 Long-Term Incentive Plan was paid in the first quarter of 2024. Such Plan (the "2021-2025" Plan), addressed to members of the management and other employees of the Inditex Group was approved at the Annual General Meeting held on 13 July 2021 (the "2021-2025 Plan"). The part of the incentive in shares was released to the beneficiaries of the Plan charged against treasury stock held by the Company as at the release date. 1,676,573 shares representing 0.054% of the share capital were released.

Consequently, as at 31 January 2025, the Company owned 1,905,846 treasury stock representing 0.061% of the share capital.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, buy back, or transfer treasury shares.

As at the date of this report, the authorisation granted to the board of directors at the Annual General Meeting held on 11 July 2023 to acquire treasury shares remains in force. Said authorisation superseded the previous authorisation approved at the Annual General Meeting held on 16 July 2019.

The resolution passed at the AGM held on 11 July 2023 above-mentioned regarding agenda item 8 is transcribed below:

"To grant authority to the board of directors so that it may, in accordance with the provisions of sections 146 and 509 LSC proceed to the acquisition on the market of own shares, either directly or through any subsidiaries in which the Company is the controlling company, observing the statutory limits and requirements and under the following conditions:

a) *Methods of acquisition: the acquisition shall be done, once or several times, through purchase and sale, exchange, dación en pago [acceptance in lieu of payment], or as otherwise permitted in statute.*

b) *Maximum number of treasury stock to be acquired: shares with a nominal value which, added to that of those shares, directly or indirectly in the possession of the Company, do not exceed 10% of the share capital.*

c) *Maximum and minimum prices: the minimum share acquisition price shall be their nominal value and the maximum price shall be up to 105% of their market value at the date of purchase.*

d) *Purpose: for the purposes of the provisions of section 146.1(a) LSC, it is hereby stated that shares acquired under this authority may be used by the Company, inter alia, to be delivered to employees or directors of the Company, either directly or as result of the exercise of the option right they may hold, under remuneration schemes for employees of the Company or its Group. Likewise, shares acquired under this authority may be disposed of or depreciated, in full or in part, or be used, in full or in part, to achieve potential corporate or business transactions or decisions, as well as any other purpose legally permitted.*

e) *Duration of the authorisation: five (5) years from the date of this resolution. This authorisation supersedes the authority approved at the Annual General Meeting held on 16 July 2019".*

As provided in section A.9 above, the board of directors approved on 12 July 2022, under the authorisation conferred at the Annual General Meeting as described above, a temporary share buy-back programme for the Company to fulfil the requirements of shares release to the beneficiaries of the first and the second cycle of the 2021-2025 Plan. approved at the Annual General Meeting held on 13 July 2021. The description of such Plan is included in the Annual Report and in the Annual Report on Remuneration of Directors.

A.11. Estimated free float:

	%
Estimated free float	35.5863%
For these purposes, 0.0086% of the share capital owned by Inditex directors listed in section A.3 is not included as part of the free float.	

A.12. Indicate whether there are any restrictions (articles of association, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may impede a takeover of the company through acquisition of its shares on the market, as well as any regimes for preliminary authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes No x

All Company shares carry the same voting and economic rights, and there are no statutory or by-law restrictions on the acquisition or transfer of shares.

As regards the exercise of voting rights, the only restriction is that provided in section 83.1 LSC, according to which any shareholder who is in arrears regarding any outstanding payments may not exercise their voting right.

There are no restrictions either to absentee voting, as any shareholder can exercise this right.

A.13. Indicate whether the General Meeting of Shareholders has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Act 6/2007.

Yes No x

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes No x

B. General Meeting of Shareholders

The General Meeting of Shareholders duly convened and with a quorum present in accordance with all statutory requirements and those provided in the Articles of Association and its own Regulations, is the supreme and sovereign body of expression of the will of the company. Its resolutions are binding on all shareholders, including absent or dissenting ones, without prejudice to any remedies they may have in law.

In accordance with the Articles of Association and the Regulations of the General Meeting of Shareholders, the General Meeting is authorised to pass all kinds of resolutions concerning the Company. In particular, subject to any other powers vested by the applicable regulations, the exercise of the following powers is reserved to this body:

a) To resolve on the individual annual accounts of the Company and, where appropriate, on the consolidated accounts of the Company and its Group, as well as on the distribution of the income or loss;

(b) To approve the Consolidated Statement on Non-Financial Information and Sustainability Information;

(c) To appoint, re-elect and dismiss directors, as well as to confirm or revoke the interim appointments of directors made by the Board of Directors, and to review their management;

(d) To approve the adoption of remuneration systems consisting of granting either shares or stock options, as well as any other remuneration system linked to the value of the shares, for the benefit of directors;

(e) To approve the remuneration policy for directors pursuant to statutory terms;

(f) To conduct, as a separate agenda item, an advisory say-on-pay vote on the Annual Report on Remuneration of Directors;

(g) To authorise the release of the directors from the duty of preventing conflicts of interest and of the prohibitions arising from the duty of loyalty, when the authorisation to release them is attributed by statute to the General Meeting of Shareholders, as well as from the obligation not to compete with the Company;

(h) To authorise the Board of Directors to increase the Company's share capital, or to proceed to the issue of bonds convertible into Company's shares;

(i) To resolve the issue of bonds convertible into Company shares or that allow bondholders to participate in the company's earnings, the increase or the reduction of the share capital, the exclusion or restriction of the pre-emptive right, the transformation, merger, split-off or winding-up of the Company, the global assignment of assets and liabilities, the approval of the final balance sheet of liquidation, and generally any amendment to the Articles of Association;

(j) To authorise treasury share buy-back;

(k) To approve the related-party transactions that the General Meeting must approve pursuant to statute;

(l) To approve the transactions that entail a structural amendment in the Company, namely: (i) the transformation of listed companies into holding companies, through "*subsidiarization*" or the assignment to subsidiaries of core activities theretofore carried out by the Company, even though the Company retains full control of those entities; (ii) the acquisition, disposal or contribution to another company of essential assets; and, (iii) any transactions that entail an effective amendment of the corporate objects and those having an effect equivalent to the liquidation of the Company;

(m) To appoint, re-elect and remove the statutory auditor and the verifier of the sustainability information.;

(n) To appoint and remove, where appropriate, the Company's liquidators;

(o) To approve the Regulations of the General Meeting of Shareholders and any subsequent amendment thereto;

(p) To resolve on the matters submitted to it by a resolution of the Board of Directors;

(q) To give directions to the Board of Director or submit to the General Meeting of Shareholders' prior authorisation, the passing by the Board of Directors of decisions or resolutions on certain management matters; and

(r) To grant to the Board of Directors any powers it may deem suitable for dealing with unforeseen issues.

The board of directors must call the Annual General Meeting once a year, within the first six months of the closing of each financial year, in order to, at least, review the company's management, approve, where appropriate, the accounts of the previous year and resolve on the distribution of income or loss.

Pursuant to sections 168 and 495.2(a) LSC, the Extraordinary General Meeting shall meet when the board of directors so resolves or when a number of shareholders representing at least three percent (3%) of the share capital so request, expressing in the request the business to be transacted. In this latter case, the General Meeting of Shareholders shall be called within the term provided in the applicable regulations and the agenda of the meeting must include the businesses that were the subject of the request.

In the notice calling the General Meeting of Shareholders, the board of directors shall require the presence of a Notary to take up the minutes of the General Meeting.

General Meetings must be convened by the board of directors by notice published in the Official Gazette of the Companies Register or in one of the newspapers with the largest circulation in Spain, on the Company's website and on CNMV's website, at least one (1) month in advance of the day scheduled for the meeting to be held, or within any longer period required by statute, where appropriate, on account of the scope of the resolutions submitted for deliberation. The notice must state the name of the Company, the day, time and method to conduct the general meeting and, if appropriate, the venue where the meeting will be held, as well as the date on which, if appropriate, the General Meeting shall be held on second call. There must be at least a 24-hour period between the first and the second calls. The notice shall likewise state, clearly and precisely, all the business to be transacted therein.

Where the board of directors resolves this possibility and it is announced in the notice, attendance at the Annual General Meeting may be in person or remote, or even a virtual-only general meeting can be called. In any case, remote attendance shall be subject to the use of remote means that ensure that the identity of shareholders and proxy holders is duly guaranteed and that all attendees can effectively participate at the general meeting, both to exercise, in real time, the relevant rights to speak, to receive information, raise proposals and vote

they are entitled to, and to follow the participation of the other attendees by the above-mentioned means. In these cases, the board of directors shall implement in the notice calling the meeting the procedure to exercise shareholders' rights.

No later than the date of publication, or in any case, on the business day immediately after, the Company shall send the notice calling the meeting to CNMV, and to the Governing Organisations of the Stock Exchanges where the company's shares are listed for its insertion in the relevant Listing Bulletins. The text of the notice shall also be available on the Company's website.

The Annual General Meeting was held on 9 July 2024 on first call, with shareholders and proxy holders attending and participating both in person and remotely, with means enabling remote and real-time connection having been made available. All of which is in accordance with article 15 and 15*bis* of the Articles of Association and section 11*bis* of the Regulations of the General Meeting of Shareholders.

All members of the board of directors attended the 2024 Annual General Meeting except for Mr Amancio Ortega Gaona. Directors attended the AGM in person, except for Ms Pilar López Álvarez and Mr José Luis Durán Schulz, who attended remotely.

In 2024, an external facilitator has carried out a comprehensive legal analysis of the documentation relating to the General Meeting of Shareholders to establish that it is consistent and that all applicable regulations have been met.

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Act (LSC) for General Meetings of Shareholders and the quorum set by the company, and if so give details.

Yes x No

	% required for quorum if different than that set out in section 193 LSC for general matters	% required for quorum if different than that set out in section 194 LSC for special cases therein described
Quorum required on 1st call	50% of the subscribed voting stock	—%
Quorum required on 2nd call	—%	—%

Description of differences:

Article 18.1 of the Articles of Association and section 16 of the Regulations of the General Meeting provide that a quorum shall be present at the General Meeting on first call when shareholders attending in person or by poxy represent at least 50% of the subscribed voting stock. On second call, generally, a quorum will be present at the General Meeting irrespective of the capital attending the same. However, if the General Meeting of Shareholders is called to decide on an increase or a reduction of the share capital, the issue of bonds convertible into Company shares or that entitle bondholders to participate in the company's earnings, the exclusion or restriction of the pre-emptive right, the transformation of the Company, the merger by creation of a new company or by absorption of the Company by another entity, its spin-off in whole or in part, the global assignment of assets and liabilities, the substitution of the company's objects as well as any other amendment whatsoever to the Articles of Association, the attendance of 25% of the subscribed voting stock on second call shall be required.

Therefore, the only difference between said rules and the provisions of the Companies Act lies in the quorum required to hold the General Meeting on first call: under the Articles of Association and the Regulations of the General Meeting of Shareholders, a quorum will be present at the General Meeting to validly pass any resolution when shareholders present or represented by proxy represent at least 50% percent of the subscribed voting stock, whereas in accordance with sections 193 and 194 LSC, said quorum will only be required to be present on first call for the General Meeting to pass resolutions on the matters described in section 194 exclusively.

This qualified quorum may not be deemed a restriction on Company control, as it is only applicable to first calls.

This is expressly permitted by section 193 LSC, which provides that a higher quorum may be established in the articles of association.

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Act (LSC) and, if so, give details:

Yes No x

B.3. Indicate the rules for amending the company's articles of association. In particular, indicate the majorities required for amendment of the articles of association and any provisions in place to protect shareholders' rights in the event of amendments to the articles of association.

Pursuant to the provisions of sections 285 *et seq*. LSC, it is incumbent on the General Meeting of Shareholders to resolve on any amendment to the Articles of Association.

Rules applicable to the amendment of the company's by-laws are provided in the Articles of Association and the Regulations of the General Meeting of Shareholders. Article 18 of the Articles of Association and section 16 of the Regulations of the General Meeting of Shareholders provide a special quorum for the first call of the Annual General Meeting that is to address any amendment to the Articles of Association. In particular, section 16 of the Regulations of the General Meeting of Shareholders reads as follows:

"The General Meeting of Shareholders shall be validly established on first call when shareholders who are present or represented by proxy hold at least 50% of the subscribed share capital with the right to vote. On second call, generally, the General Meeting shall be validly established regardless of the share capital attending same. However, if the General Meeting of Shareholders is called to decide on an increase or a reduction in the share capital, the issue of bonds convertible into Company's shares or which entitle bondholders to participate in the company's earnings, the exclusion or restriction of the pre-emptive right, the transformation of the Company, the merger by establishment of a new company or by absorption of the Company by another entity, its spin-off in whole or in part, the global assignment of assets and liabilities, the substitution of the company objects as well as any other amendment whatsoever to the Articles of Association, the attendance of

25% of the subscribed share capital with the right to vote shall be required on second call".

Pursuant to the terms of section 285 LSC, as an exception to the provisions above, it is incumbent on Inditex's board of directors to relocate the registered office within the national territory, as no stipulation to the contrary is provided in the Articles of Association.

In turn, section 6.(i) of the Regulations of the General Meeting of Shareholders expressly assigns to the General Meeting of Shareholders the power to approve any amendment to the Articles of Association: *"In accordance with the provisions of the Articles of Association, the General Meeting of Shareholders is authorised to pass all kinds of resolutions concerning the Company, the following powers being namely reserved thereto, without prejudice to any other powers vested by the applicable regulations: [...] (i) To resolve the issue of bonds convertible into Company's shares or that allow bondholders to participate in the company's earnings, the increase or the reduction of the share capital, the exclusion or restriction of the pre-emptive right, the transformation, merger, split-off or winding-up of the Company, the global assignment of assets and liabilities, the approval of the final balance sheet of liquidation, and generally, any amendment whatsoever to the Articles of Association"*

B.4. Give details of attendance at General Meetings of Shareholders held during the reporting year and the two previous years:

	Attendance data				
			% absentee voting		
AGM Date	**% physically present**	**% present by proxy**	**Electronic voting**	**Others**	**Total**
12-07-2022	0.01%	87.53%	0 %[1]	0.54 %[1]	88.08%
Of which float	0.01%	23.18%	0%	0.54%	23.73%
11-07-2023	0.02%	86.83%	0 %[2]	2.10 %[2]	88.95%
Of which float	0.02%	22.49%	0%	2.10%	24.61%
09-07-2024	0.02%	89.09%	0 %[3]	0.53 %[3]	89.65%
Of which float	0.01%	24.74%	0%	0.53%	25.29%

(1) 312 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

(2) 355 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

(3) 248 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

B.5. Indicate whether there were any items on the agenda that were not approved by shareholders for any reason, for all general meetings that took place in the year.

Yes No x

None of the agenda items subject to deliberation at the Annual General Meeting held on 9 July 2024 were rejected or not approved for any other reason. All agenda items were approved with the percentages and in the manner shown in the vote results available on the Company's corporate website.

B.6. Indicate whether the articles of association contain any restrictions requiring a minimum number of shares to attend General Meetings of Shareholders, or to cast absentee votes:

Yes No x

Number of shares required to attend General Meetings	**1**
Number of shares required to cast absentee vote	**1**

B.7. Indicate whether it has been established that certain decisions, other than those established by statute, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Meeting of Shareholders.

Yes No x

The General Meeting of Shareholders has no powers other than those established by statute.

In accordance with the Articles of Association and the Regulations of the General Meeting of Shareholders, the latter is authorised to pass all kinds of resolutions concerning the Company and, in particular, subject to any other powers vested by the applicable regulations, the exercise of the powers listed at the beginning of section B above is reserved to this body.

B.8. Indicate the address and manner of accessing on the company's website information pertaining to corporate governance and other information regarding General Meeting of Shareholders that must be made available to shareholders through the Company website.

The most relevant information on the Company's corporate governance system (Articles of Association, Regulations of the General Meeting of Shareholders, Board of Directors' Regulations, the terms of reference of each board committee, the IRC, as well as board and committees' membership, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors) can be found in the "Investors" tab, "Corporate Governance" section, "Reports & Regulations" subsection on the corporate website (https://www.inditex.com/itxcomweb/en/investors/corporate-governance/reports-and-regulations).

In that same section, information on the General Meeting is provided in the "Annual General Meeting" subsection, where a tab is available for each Annual General Meeting. Shareholders have access to all mandated or recommended information from the date the meeting is called so that they can duly exercise their rights to information and participation at the General Meeting. The Annual General Meeting is webcast live, and a link is provided for that purpose on those tabs. Once the meeting has been held, information on the resolutions passed and the votes results is also posted on the website.

C. Company Management Structure

C.1. Board of Directors

MISSION AND POWERS

Except for any matters reserved to shareholders at the General Meeting of Shareholders, the board of directors is the highest decision-making, supervisory and monitoring body of the Company, as it is entrusted with its administration, management and representation, delegating as a general rule the management of the day-to-day business of the Company to the executive bodies and the management team and focusing on the general supervisory function, which includes guiding Inditex's policy, monitoring the management bodies, assessing the officers' management, making the most relevant decisions for the Company and liaising with shareholders.

It is also incumbent on the board of directors to ensure that the Company enforces its social and ethical duties, and its duty to act in good faith in its relations with its employees and with third parties, as well as to ensure that no individuals or small groups of individuals have decision power within the company that has not been subject to counterweights and controls, and that no shareholder receives a more privileged treatment than the others.

The board of directors carries out its duties in accordance with corporate interests, which are understood to be the viability and maximisation of the company's value in the long term, in the interest of all the shareholders, which shall not prevent taking into account the rest of the legitimate interests, either public or private, that concur in the undertaking of each business activity, especially those of the other "stakeholders" of the Company (employees, customers, manufacturers and suppliers, business partners and the communities where the Group operates), determining and reviewing its business and financial strategies pursuant to said criterion, striving to achieve a reasonable balance between the proposals chosen and the risks taken.

COMPOSITION AND STRUCTURE

Pursuant to the provisions of articles 23 of the Articles of Association and section 6 of its terms of reference, Inditex's Board of Directors shall comprise no fewer than five (5) and no more than twelve (12) members, its exact number to be determined by the General Meeting of Shareholders. The Board of Directors shall appoint its Chair from among its members, following a report from the Nomination Committee, as well as a Secretary. The Secretary needs not be a director, in which case they shall have the right to speak but not to vote.

In accordance with the Articles of Association, as amended, approved at the last AGM, members of the Board of Directors shall be appointed and in office for 2 years (4 before the amendment to the by-laws) upon expiry of which they may be re-elected once or more times for the same periods by shareholders at the General Meeting of Shareholders, which may also agree to remove any of them at any time. The Board of Directors may also co-opt members to fill vacancies occurring on the Board of Directors until the first General Meeting of Shareholders.

Regarding board composition, in 2024 Ms Anne Anne Lange stepped down from the board and its committees upon expiry of her term of office. In this context, a process to search for a new director had been launched prior to her departure. The Annual General Meeting held on 9 July 2024 approved, on the proposal of the board of directors: (i) the appointment of Ms Belén Romana García to the board of directors as new independent director; (ii) the appointment of Ms Flora Pérez Marcote to the board as proprietary director, replacing Pontegadea Inversiones, S.L., of which she was the legal representative, given that it was ineligible for re-election pursuant to statute, and; (iii) the re-election of Bns. Denise Patricia Kingsmill to the board as independent director.

Consequently, the Board of Directors' composition as at 31 January 2025 and as at the date of this report is that broken down in sections C.1.2 and C.1.3 below.

C.1.1. Maximum and minimum number of directors established in the articles of association and the number set by the general meeting:

Maximum number of directors	12
Minimum number of directors	5
Number of directors set by the general meeting	10

C.1.2. Complete the following table on board members:

Name or company name of director	Directorship type	Position on the board	Date first appointed to the board	Date of last appointment	Election procedure
Ms Marta Ortega Pérez	Proprietary	Non-Executive Chair	01/04/2022[1]	12/07/2022	AGM
Mr José Arnau Sierra	Proprietary	Deputy Chair	12/06/2012	13/07/2021	AGM
Mr Óscar García Maceiras	Executive	CEO	29/11/2021 [2]	12/07/2022	AGM
Mr Amancio Ortega Gaona	Proprietary	Ordinary member	12/06/1985	11/07/2023	AGM
Ms Flora Pérez Marcote	Proprietary	Ordinary member	09/07/2024		AGM
Mr José Luis Durán Schulz	Independent	Ordinary member	14/07/2015	11/07/2023	AGM
Mr Rodrigo Echenique Gordillo	Independent	Lead Independent Director	15/07/2014	12/07/2022	AGM
Bns Denise Patricia Kingsmill	Independent	Ordinary member	19/07/2016	09/07/2024	AGM
Ms Pilar López Álvarez	Independent	Ordinary member	17/07/2018	12/07/2022	AGM
Ms Belén Romana García	Independent	Ordinary member	09/07/2024		AGM
Total number of directors					**10**

[1] Ms Marta Ortega Pérez was co-opted to the board of directors as proprietary director and appointed as (non-executive) Chair thereof further to a resolution passed by the board of directors on 29 November 2021, effective as of 1 April 2022. Her appointment was ratified further to a resolution passed at the AGM on 12 July 2022.

[2] Mr Óscar García Maceiras was co-opted to the board as executive director and CEO further to a resolution passed by the board of directors on 29 November 2021. His appointment was ratified further to a resolution passed at the AGM on 12 July 2022.

Indicate any removals, whether through resignation or by resolution of the general meeting, that have occurred on the board of directors during the reporting period:

Name or company name of director	Directorship type at the time of removal	Date of last appointment	Date of termination	Specialized committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
PONTEGADEA INVERSIONES, S.L.	Proprietary	14/07/2020	09/07/2024	0	Yes (end of term of office: 14/07/2024)

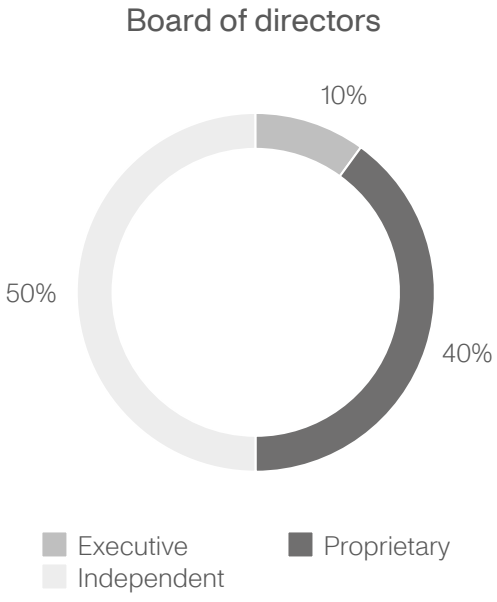
Reason for removal when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of removal of non-executive directors, explanation or opinion of the director dismissed by the general meeting:

Taking into account that the term of office of Pontegadea Inversiones, S.L. as a director expired a few days after the date scheduled for the Company's Annual General Meeting to take place on first call, i.e., 9 July 2024, its legal representative sent a letter to the Chair of the Board of Directors announcing its decision to step down from the board at the Annual General Meeting.

This resignation is part of the context of the end of the mandate of Pontegadea Inversiones, S.L., and of the statutory obligation introduced in 2021 in the applicable regulations on capital companies, according to which only natural persons can serve on the board of directors of listed companies. Further to such statutory provision, Pontegadea Inversiones, S.L. was no longer eligible for re-election as a director of the Company.

C.1.3. Complete the following tables on the members of the board and their directorship type:

The structure of the board of directors is addressed in detail in the sections below



1) EXECUTIVE DIRECTORS

Name or company name of the director	Position within the company's organisation chart	Profile
Mr Óscar García Maceiras	CEO	(1)

Total number of executive directors	1
% of all directors	10.00%

Remarks
N/A

2) NON-EXECUTIVE PROPRIETARY DIRECTORS

Name or company name of director	Name or corporate name of the significant shareholder whom they represent or who has proposed their appointment	Profile
Ms Marta Ortega Pérez	Mr Amancio Ortega Gaona	(2)
Mr José Arnau Sierra	Mr Amancio Ortega Gaona	(2)
Mr Amancio Ortega Gaona	Mr Amancio Ortega Gaona	(2)
Ms Flora Pérez Marcote	Mr Amancio Ortega Gacona	(2)

Total number of proprietary directors	4
% of all directors	40.00%

Remarks
– The relationship of Ms Marta Ortega Pérez, Ms Flora Pérez Marcote and Mr Amancio Ortega Gaona has been explained in section A.6 above.

3) NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of director	Profile
Mr José Luis Durán Schulz	(3)
Mr Rodrigo Echenique Gordillo	(3)
Bns Denise Patricia Kingsmill	(3)
Ms Pilar López Álvarez	(3)
Ms Belén Romana Garcia	(3)

Total number of independent directors	5
% of all directors	50.00%

State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his/her own name or as a significant shareholder, director or senior manager of a company that has or has had said relationship.

Except as explained below, no independent director receives any amount or benefit other than the compensation as a director, nor has or has had during the past year any business relationship with the Company or any company in the Group, either in his/her own name or as significant shareholder, director or senior manager of an entity that maintains or has maintained said relationship.

If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.

Name or company name of director	Description of the relationship	Reasoned statement
– Mr Rodrigo Echenique Gordillo	Inditex has been engaged for years in a business relationship with Banco Santander in the ordinary course of business	Pursuant to section 229 LSC and section 34.1(d) of the Board of Directors' Regulations, the board of directors has considered that none of the business relationships engaged with such company doesn' t compromise the independence of its director, as he doesn't take part in the negotiation and execution of the relevant agreements, as at present he doesn't exert a significant influence on the line of business of Banco Santander with which Inditex has a business relationship. From the perspective of the Company, such business relationship cannot be deemed to be a significant or relevant business relationship, within the meaning of section 529*duodecis*(4)(e)LSC.

_ Ms Pilar López Álvarez	Inditex has been engaged for years in a business relationship with Microsoft in the ordinary course of business	Pursuant to section 229 LSC and section 34.1(d) of the Board of Directors' Regulations, the board of directors has considered that none of the business relationships engaged with such company compromise the independence of its director, as she doesn't take part in the negotiation and execution of the relevant agreements, as at present she doesn't exert a significant influence on the line of business of Microsoft with which Inditex has a business relationship. From the perspective of the Company, such business relationship cannot be deemed to be a significant or relevant business relationship, within the meaning of section 529duodecis(4)(e)LSC.
_ Ms Belén Romana García	Inditex has been engaged for years in a business relationship with Banco Santander and Bolsas y Mercados Españoles, respectively, in the ordinary course of business	Pursuant to section 229 LSC and section 34.1(d) of the Board of Directors' Regulations, the board of directors has considered that none of the business relationships engaged with such companies compromise the independence of its director, as she doesn't take part in the negotiation and execution of the relevant agreements, as at present she doesn't exert a significant influence on the lines of business of Banco Santander and Bolsas y Mercados Españoles with which Inditex has a business relationship. From the perspective of the Company, such business relationships cannot be deemed to be significant or relevant business relationships, within the meaning of section 529duodecis(4)(e)LSC

4) AFFILIATE DIRECTORS

Identify affiliate directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
-	-	-	-

Total number of affiliate directors	-
% of all directors	—%

Indicate any changes that have occurred during the period in each directorship type:

Name or company name of director	Date of change	Previous directorship type	Current directorship type
-		-	-

Remarks

The following is a brief description of the profile of:

1) Executive directors

2) Proprietary directors

3) Independent directors

4) Affiliate directors

1) EXECUTIVE DIRECTORS

Mr Óscar García Maceiras

Chief Executive Officer (CEO) since November 2021.

He is a law graduate from Universidade da Coruña and holds a PhD in Law from Universidad San Pablo CEU.

From 2001 through 2005, he worked as Abogado del Estado [*Spanish State Attorney*]. in his home town.

In 2005 he joined Banco Pastor as Head of Legal and was subsequently appointed General Counsel and Secretary of the Board.

In 2012 he was elected Deputy Secretary of the Board of Directors and Head of Institutional Service of Banco Popular. That same year, he joined SAREB where he served as General Counsel and Secretary of the Board, in addition to being Head of Corporate Development and Legal Affairs.

In 2016 he joined Banco Santander where he was Group General Counsel and Deputy Secretary of the Board of Directors. In 2021, he joined Inditex as General Counsel and Secretary of its board. He remained in such position until his appointment as CEO of the Inditex Group.

He is direct holder of 80,314 Company shares.

2) PROPRIETARY DIRECTORS

Ms Marta Ortega Pérez

Non-executive Chair since April 2022. Proprietary director representing Inditex founder, Mr Amancio Ortega Gaona.

Ms Ortega has built her entire career within the Inditex Group, which she joined in 2007 after graduating in International Business from Regent's University London. During her first years at the Company she carried out her professional duties in several international branches and business areas, later joining the Zara Woman design and product development team. In recent years she has focused on defining Zara's brand and product strategy. She sits on the boards of directors of Pontegadea Inversiones S.L. and Partler Participaciones, S.L.U., both significant shareholders of Inditex.

Ms Marta Ortega, daughter of Mr Amancio Ortega Gaona, founder and majority shareholder of Inditex and of Ms Flora Pérez Marcote –both of whom sit on this Board of Directors–, has been a member of the Board of Trustees of Fundación Amancio Ortega since 2015, and its First Deputy Chair since 2023. She also chairs the Fundación MOP - MOP Foundation since its establishment in 2022, with the mission of promoting artistic, cultural and educational activities

She is direct holder of 42,511 Company shares.

Mr José Arnau Sierra

Deputy Chair since June 2012. Non-executive proprietary director representing Inditex founder, Mr Amancio Ortega Gaona.

A law graduate of Universidad de Santiago de Compostela and State Tax Inspector, he has been the chief executive of Pontegadea Group since 2001.

He was the head of the Tax Department and a member of Inditex's Management Committee from 1993 to 2001 and served on its board of directors from 1997 to 2000. He had previously held various positions within the Tax Administration. He has been a member of various boards of directors as legal representative of Pontegadea Inversiones, S.L. From 1993 to 1996, he taught Tax Law at Universidade da Coruña. He has been a member of the Board of Trustees of Fundación Amancio Ortega from inception and its Second Deputy Chair.

He was appointed to the board of directors in June 2012, ratified at the AGM held on 17 July 2012 and re-elected at the AGM held on 18 July 2017 and 13 July 2021.

He is direct holder of 30,000 Company shares.

Mr Amancio Ortega Gaona

Mr Ortega began his business career in the textile manufacturing sector in 1963. In 1972 he founded Confecciones Goa, S.A., the first garment-making factory of Inditex and 3 years later he founded Zara España, S.A. the first retailing company of the Group. He chaired Inditex's board of directors until 2011. He currently chairs the boards of directors of Pontegadea Inversiones, S.L. and Partler 2006, S.L.

He was re-elected to the board of directors at the AGM held on 30 June 1990, 31 July 1995, 20 July 2000, 15 July 2005, 13 July 2010, 14 July 2015, 16 July 2019 and 11 July 2023.

He is the controlling shareholder of the Company where he owns 1,848,000,315 shares through Pontegadea Inversiones S.L. and Partler Participaciones, S.L.U.

Ms Flora Pérez Marcote

Proprietary director (representing the founder, Mr Amancio Ortega Gaona) since July 2024.

With a vast professional experience in fashion and retail, Ms Pérez has spent her entire career within the Inditex Group where she has worked in areas relating to both design and production. She also has extensive experience as company director and director in other entities. She has served on the board of several companies within the Inditex Group since 1992.

Until her election as board member in 2024, she had served on Inditex's board of directors as legal representative of Pontegadea Inversiones, S.L since 2005. She previously was the legal representative of Gartler, S.L., a former proprietary director of Inditex. Likewise, she has been a trustee on the Board of Trustees of the Fundación Amancio Ortega since March 2003 and its Chair since August 2023.

Ms Pérez is First Deputy Chair of Pontegadea Inversiones, S.L., Inditex's significant shareholder and the spouse of Mr Amancio Ortega Gaona, indirect holder of a 59.294% stake in Inditex's share capital through Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U.

She was appointed to the board of directors at the AGM held on 9 July 2024.

She is direct holder of 83,342 Company shares.

3) NON-EXECUTIVE INDEPENDENT DIRECTORS

Mr José Luis Durán Schulz

Independent director since July 2015.

He holds a degree in Economics and Management from ICADE. From 1987 through 1990, he was an auditor at Arthur Andersen. In 1991, he joined the Carrefour Group, where he held the following positions: Head of Management Control (Spain, Europe and Latin America) (1991-1997); Chief Financial Officer for Spain (1997-2001); Group Chief Financial Officer (2001-2005) and Group Chief Executive Officer (2005-2008).

In July 2009, he joined Maus Frères International Group, based in Switzerland, where he held the following positions, until January 2015: Chief Executive Officer of Lacoste, Executive Chairman of Gant and Board member of Aigle, S.A. Until 4 October 2015, he was member of the Governance, Remuneration and Nomination Committee at Unibail-Rodamco, and member of the Board of Directors of said company. Until 30 June 2017, he was an independent director and member of the Audit Committee of Orange. At present, he is the CEO of Value Retail Management.

He was elected to the board of directors at the AGM held on 14 July 2015 and re-elected at the AGM held on 16 July 2019 and 11 July 2023.

He is indirect holder of 3,106 Company shares.

Mr Rodrigo Echenique Gordillo

Independent director since July 2014.

He is a law graduate from Universidad Complutense de Madrid and Spanish State Attorney.

At present, he is the Chair of Fundación Banco Santander and non-executive director of Directorio Santander Chile.

He is a member of the Board of Trustees of Fundación Consejo España-EE.UU, Deputy-Chair of the Board of Trustees of Teatro Real, member of the Board of Trustees of Escuela Superior de Música Reina Sofia and of Fundación ProCNIC.

From 1987 through 2020, he served on the board of directors of Banco Santander, S.A. He has been CEO, Deputy Chairman and Executive Director of Banco Santander, S.A., and has chaired Santander España and Banco Popular. He also served as Deputy Chairman of Banco Banif, S.A., Chairman of Allfunds Bank, and of SPREA. He has been a member of the board of directors of Santander Investment. He has been an ordinary member of the board of directors of various industrial and financial companies; Ebro Azúcares y Alcoholes, S.A., Industrias Agrícolas, S.A., SABA, S.A. and Lar, S.A.

He chaired the Social Advisory Board of the University Carlos III of Madrid. Additionally, he was first a member and then Chairman of the Advisory Board of Accenture, S.A., Lucent Technologies, and Quercus y

Agrolimen, S.A. He has been the Chairman of Vallehermoso, S.A., Vocento, S.A., NH Hotels Group, Metrovacesa, S.A., and Merlin Properties SOCIMI, S.A.

He was elected to the Board of Directors at the AGM held on 15 July 2014 and re-elected at the AGM held on 17 July 2018 and 12 July 2022.

He is direct holder of 20,000 Company shares.

Bns Denise Patricia Kingsmill

Independent director since July 2016.

In 2000 Baroness Kingsmill was awarded a CBE for services to Employment Law and Competition. In June 2006, she was appointed to the House of Lords as a Labour Peer. She is a member of the International Agreements Committee in the House of Lords.

After a 20-year legal career, she became deputy chair of the former Competition Commission between 1996 and 2004. She has 5 honorary Doctorates from universities in the United Kingdom.

Baroness Kingsmill has been a Chair/member of the Remuneration committees of many international companies. As a lawyer, she has advised in relation to remuneration schemes. In 2001 she was invited by the Government to head a task force looking at women's employment and remuneration in the UK.

In 2003 she was appointed Chair of the Department of Trade and Industry's Accounting for People task force. She headed a second Government enquiry ("Accounting for People") into how companies should evaluate and measure the contribution of their work forces and specifically as to how they should communicate their progress in the area of "Human Capital Management" to all their stakeholders. In 2013 she was the co-chair of the Design Commission report into Design and Public Services ("Re-starting Britain").

Until May 2018, Baroness Kingsmill was the Chair of Monzo Bank and a member of the Supervisory Board of E.ONSE. At present, she is a member of the International Advisory Board at IESE Business School. She has recently been appointed a UK representative on the NATO Parliamentary Assembly.

Baroness Kingsmill has been an adviser to a number of international companies and has been a non-executive director of various British, European and American boards, including International Consolidated Airlines Group, S.A. and Telecom Italia.

A diverse and varied career spanning fashion and design, law and regulation, as well as politics and people have given Baroness Kingsmill a unique perspective on the contemporary boardroom.

She was elected to the board of directors at the AGM held on 19 July 2016 and re-elected at the AGM held on 14 July 2020 and 9 July 2024.

Ms Pilar López Álvarez

Independent director since July 2018.

She has a Bachelor of Science in Business Administration and a Major in Finance from ICADE. She has worked in a variety of roles at J.P. Morgan in Madrid, London and New York (1993-1999). She joined Telefónica in 1999, where she held the following positions: Head of Management Planning and Control (1999-2001), Financial Controller in Telefónica Móviles (2001-2006), Strategy Director in Telefónica de España (2006-2007), Chief Financial Officer of O2 Plc., based in the UK (2007-2011) and of Telefónica Europa based in Madrid (2011-2014), and Head of the Operational Simplification Program of Grupo Telefónica (2014-2015).

She has served on the board of Telefónica Czech Republic AS (2007-2014), and as Vice Chair of the board of Telefónica Deutschland Holding AG (2012-2015). She was a member of the board of Tuenti Technologies and non-executive director of Ferguson Plc (2013-2018). She was a member of the Board of Trustees of Fundación ONCE, and a member of the board of directors of Asociación para el Progreso de la Dirección (APD).

She joined Microsoft in 2015 as Country Manager for Spain. In 2021 she was appointed as Vice President for Sales, Marketing and Operations in Western Europe. At present, she is Vice President of the strategic partnership with the London Stock Exchange Group (LSEG), with a focus on transforming capital markets globally.

She was elected to the board of directors at the AGM held on 17 July 2018 and re-elected at the AGM held on 12 July 2022.

She is the direct owner of 7,000 shares of the Company.

Ms Belén Romana García

Independent director since July 2024.

Belén Romana is an independent director of Santander Group, where she chairs the Nomination Committee and is also member of the Executive Committee, Risk Supervision Committee, Regulation and Compliance Committee, Audit Committee and Innovation and Technology Committee.

She is also an independent member of the board of SIX Group AG and its subsidiary Bolsas y Mercados Españoles, Sociedad Holding de Mercados y Sistemas Financieros, S.A.U. She is also the non-executive Chair of its other subsidiary, SIX Digital Exchange AG. Furthermore, she is an independent director of Werfen, S.A.; an advisory board member at Rafael del Pino Foundation; senior adviser to Artá Capital; and academic director of the IE Leadership & Foresight Hub Programme.

Ms Romana was formerly director general of Economic Policy, director general of the Treasury of the Spanish Ministry of Economy, and director at Banco de España and the CNMV. She was also a director at the Instituto de Crédito Oficial and other entities on behalf of the Ministry of Economy. She served as a non-executive director at Banesto, Acerinox and Ageas (Belgium) and as Executive Chair of Sociedad de Gestión de Activos Procedentes de la Reestructuración Bancaria, S.A. (SAREB). She has also been non-executive director of Aviva PLC and Aviva Italia Holding S.p.A. She has also been co-Chair of the board of trustees of The Digital Future Society and advisory board member at Inetum and TribalData.

She holds a degree in Economics and Business Administration from Universidad Autónoma de Madrid and is also State Economist for Spain.

She was elected to the board of directors at the AGM held on 9 July 2024.

She is direct holder of 1,518 Company shares.

4) AFFILIATE DIRECTORS

As at 31 January 2025 and as at the date of this report, Inditex has no affiliate directors sitting on its board.

BOARD DIVERSITY

The Diversity of Board of Directors Membership and Director Selection Policy of the Inditex Group determines that the Board of Directors shall strive to have a diverse membership, combining people with experience and knowledge of the Group, the business and the retail sector in the main with others who have background, competence, insight and experience in other areas and sectors that will allow to achieve the appropriate balance for its effectiveness and performance of its duties.

The diversity in the composition of the Board of Directors is manifested in various aspects, namely in terms of a balanced gender ratio within it. Thus, as outlined in section C.1.4 below, in 2024, with five (5) women and five (5) men on the Board, there is parity of men and women in the highest governing body of the company.

This diversity on the board is also noticeable in terms of the professional experience and competencies of each director. In this regard, as outlined in the board skills matrix, available on the corporate website (www.inditex.com) and in section C.1.7 below, directors have, as a whole, extensive international experience in Europe, America and Asia, having held C-suite roles in important multinational companies present in different markets. In this regard, nine (9) directors already had previous experience serving on other boards of directors, and eight (8) of them also had experience in senior management positions. This is proof that they have the necessary competencies and experience in terms of management, leadership and business strategy to perform their relevant duties.

Current members of the board of directors combine qualities, experience and knowledge about the Group, its business and the retail sector in the main and fashion retail - in particular in the product, design, innovation and brand image area - with others that have education, competencies, background and experience in other business activities and industries.

In addition to experience and skills in economics, finance and management, leadership and business strategy, which continue to be predominant, more than half of the directors serving on the board have experience in enterprise risk management and in human resources, talent and remuneration, with a similar proportion of directors having institutional and public service experience. Almost half of the board members have professional experience in the digital and information technology fields, as well as in auditing and accounting, legal or corporate governance and even sustainability matters. And approximately one third of the Board of Directors has experience in a recently emerging and developing field, such as cyber security.

With the latest addition to the Board of Directors, experience has been strengthened in areas such as finance and accounting, auditing and high-level risk supervision, as well as in regulation, public policy, compliance and corporate governance and, especially, experience in relations with regulators and supervisors, particularly in the field of sustainability. The more technological profiles have also been strengthened at a time of the Group's marked strategic commitment to digitalisation and the configuration and consolidation of a more robust governance structure in the supervision of risks derived from digital transformation.

All this highlights the level of knowledge and skills that directors make available to the Company in the exercise of their functions, thus fulfilling the requirements for the individual suitability of its members and the joint suitability of the Board.

Based on the foregoing, the composition of Inditex's Board of Directors is found to be appropriate for the development of its competencies and the quality and efficiency of its duties, favouring diversity and the appropriate balance of experiences, knowledge and skills that enrich the decision-making process and contribute plural points of view to the debate.

In addition, the Company makes available to directors a continuous training programme," ITX Board Academy", to ensure that they are duly refreshed and updated on current issues (including on regulatory developments with an impact on the Group) and on topics relevant to the Company. During 2024 members of Inditex's board of directors have received training provided by renowned external advisors on

(i) the new scenario-based ERM methodology; (ii) D&O insurance; and (iii) certain sustainability aspects relating to climate change, due diligence and human rights, broached from a holistic approach, including the assessment of risks and opportunities associated with the same,

Last, as indicated in section C.1.3 above and in accordance with the provisions of section 7 of the Board of Directors' Regulations, non-executive directors actually represent a broad majority on the Board of Directors, as there is only one director with executive functions (Mr Óscar García Maceiras, the CEO), the remaining members of the Board being non-executive directors (9 out of 10).

In turn, in accordance with the provisions of the Board of Directors' Regulations, the proportion of independent directors on the Board of Directors (50%), widely complies with Recommendation 17 GGC according to which independent directors should account for at least half of all board seats, even though the Company has a controlling shareholder that indirectly owns the majority of the share capital, and as such, the rule that at least a third of the directors should be independent applies.

On the other hand, the ratio of propriety to non-executive directors (4 out of 9) is not higher than the proportion between the share capital they represent on the board of directors and the remainder of the share capital, as provided in Recommendation 16 GGC.

C.1.4. Complete the following table with information relating to the number of female directors at the close over the last 4 years, as well as their directorship type:

	Number of female directors					% of total director of each type				
	FY2024	**FY2023**	**FY2022**	**FY2021**	**FY2020**	**FY2024**	**FY2023**	**FY2022**	**FY2021**	**FY2020**
Executive	0	0	0	0	0	—%	—%	—%	—%	—%
Proprietary	2	2	2	1	1	50%	50%	50%	33%	33%
Independent	3	3	3	3	3	60%	60%	60%	50%	50%
Affiliate	0	0	0	0	0	—%	—%	—%	—%	—%
Total	**5**	**5**	**5**	**4**	**4**	**50%**	**50%**	**45%**	**36%**	**36%**

Remarks

C.1.5. Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.

Yes x No Partial policies

If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse board membership.

If the company does not apply a diversity policy, explain the reasons why.

Description of the policies, objectives, measures, how they have been enforced and the results achieved

The Inditex Group has a Diversity of Board of Directors Membership and Director Selection Policy ("**Diversity of Board of Directors Membership and Director Selection Policy**") which was originally approved by the board of directors at its meeting held on 19 December 2015 and amended in part first at the board meeting held on 14 December 2020 primarily to align its provisions with the language of the revised GGC approved by CNMV's board on 25 June 2020 and then at the board meeting held on 8 June 2021 exclusively to align its wording with the new section 529bis LSC introduced by Act 5/2021. Pursuant to such section, only natural persons can serve as board members.

The Policy provides guidelines to guide the board of directors and the Nomination Committee's proceedings in the field of director selection and thus (i) ensure that search and selection processes as well as proposals on the appointment, re-election or ratification of directors are based on a prior analysis of the needs of the Company and the competences required by the board; (ii) favour diversity of directors' knowledge, skills, experience, geographic origin, age and gender; (iii) ensure an appropriate membership on the board and its committees, facilitating the appropriate discharge of the duties they are called upon to perform; and, (iv) contribute to talent attraction in the Inditex Group, striving to ensure that the best professionals serve on its governing bodies. The Policy observes and follows both GGC Recommendations and the overarching principles and guidelines of CNMV's Technical Guide 1/2019 on nomination and remuneration committees ("**Technical Guide 1/2019**").

With regard to gender diversity, the female representation target on the board of directors provided in Recommendation 15 GGC is covered in the Policy. The Company has thus endorsed the commitment to ensure that the number of female directors should account for at least 40% of all board seats by the end of 2022 and in the future.

In addition, in accordance with the provisions of the Policy and applicable best practices, the Company relies on a board skills matrix, which is kept regularly updated. where the competences of members of the board are identified in terms of education and professional experience as well as origin, age, gender, tenure etc., The board skills matrix is a useful tool that allows to identify the yardsticks and priorities to be considered in the directors' re-election and/or selection process, to ensure an appropriate and diverse board membership and the possibility of considering new candidates.

This engagement to diversity also applies to board committees. Their respective terms of reference address the board of directors' commitment to encouraging a diverse membership on each committee in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or origin, age and gender, taking into account the limits resulting from their smaller size.

In addition, the Inditex Group also relies on a Diversity and Inclusion (D&I) Policy, originally approved by the Board of Directors on 12 December 2017 and amended in part at the meeting held on 14 December 2020.

The D&I Policy seeks to fully endorse the regulatory requirements, recommendations and best practices in the area of diversity and inclusion, and mark Inditex's commitment to diversity and multiculturalism at the workplace, in all positions and levels within the company, including Senior Mangers and on the board of directors.

The principles and action lines of the D&I Policy govern all the proceedings of the Company, in particular in the area of human resources: recruitment and selection of candidates, compensation and benefits, promotions, transfers, skills enhancement, professional development and training, etc.,

The Group's commitment to diversity and inclusion must be driven by the board of directors, being ultimately responsible for the company's management and for guiding its policies. Thus, being the driving force behind this high-level commitment, it shall ensure that action is taken to ensure compliance with the D&I Policy at all levels within the organization and by all employees.

Meanwhile, discrimination in any form or shape is not acceptable under the Inditex Group's Code of Conduct and its implementing regulations.

The Code enshrines the principles of respect, dignity and justice, taking into account the diversity and unique cultural background of each individual.

Considering the foregoing, several actions were taken in 2024 to ensure a balanced and diverse membership on the Company's governing bodies including, without limitation, in terms of age, gender or education and professional experience.

Specifically, at the meeting held on 3 June 2024, the Nomination Committee issued the report on board needs, which reflected the proposals on: (i) the election of Ms Flora Pérez Marcote to the board as a proprietary director, replacing Pontegadea Inversiones, S.L., given the legal impossibility of re-electing a legal entity as a director of the Company, (ii) the election of Ms Belén Romana García to the board as an independent director, in the context of the departure of the former independent director, Ms Anne Lange, whose term of office expired on 14 July 2024, and (iii) the re-election of Bns. Denise Patricia Kingsmill,to the board as an independent director.

In its assessment of the structure and composition of the board, the Nomination Committee found that, although the Board of Directors had some flexibility to increase the number of members, its current size was adequate to facilitate dialogue and interaction among its members, and it was in line with the size and complexity of the Group and the business, being on par with the board in other comparable companies.

Furthermore, the Committee understood that, according to the Group's board skills matrix, the composition of the Board of Directors of Inditex at that time had a high level of balance and stability, which was reflected in: (i) a balanced membership in terms of directorship types, with the presence of independent, proprietary, and executive directors, but in any case with a broad majority of non-executive and independent directors, (ii) gender parity, and (iii) an appropriate balance of skills, knowledge, and experience, suited to the interests of the Company and the Group.

However, in the context of the departure of one independent director (whose term of office was about to expire), the committee had to define the profiles and skills required from prospective candidates to fill the vacancy. To this end, the committee reviewed, using the board skills matrix, the competencies and skills that should be included or reinforced on the board, considering the current and future challenges facing the Company, in addition to other quantitative and qualitative aspects regarding the size and composition of the board. The following priorities were set for the assessment of candidates:

/Ensuring independence within the Board, making sure that the number of independent directors continues to be greater than the number of proprietary directors appointed at the request of the controlling shareholder.

/ In line with the commitments made, it was considered that promoting gender diversity in the selection of directors should remain a priority, maintaining the high level of female representation existing on the Board, without neglecting that all appointments must be made according to the strictest criteria of suitability and merit.

/Additionally, it was determined that the focus should be on seeking profiles with a strong financial background and extensive experience in high-level risk supervision, who have held positions of high responsibility and complexity in companies of similar international size to Inditex.

The committee launched a search for potential candidates to fill the position of independent director, with the support of a HR consulting firm specialized in corporate governance of listed companies, to ensure that the best talent was recruited. Such process was led by the then Chair of the Nomination Committee who kept the committee updated taking into account the above referred priorities.

After carrying out this candidate assessment process, in which several candidacies were evaluated, the Nomination Committee considered that the profile of Ms Belén Romana García best suited the previously described needs and priorities.

Finally, in its assessment, the Committee also evaluated the competence, experience, and merits of Ms Flora Pérez Marcote and Bns, Denise Patricia Kingsmill, whose appointment and re-election, respectively, were to be proposed to shareholders at the Annual General Meeting.

The findings of the Nomination Committee reflected in the aforementioned report, in particular, the assessment of the suitability of the proposed candidates were ratified by the Board of Directors in its explanatory report dated 4 June 2024, which also included the evaluation of (i) the quality of work and dedication to the position during the term of the director whose re-election was proposed, as well as (ii) the adequacy of their professional profiles to the directorship type to which they were assigned, and the possible existence of potential conflicts of interest.

In particular, having reviewed the proposals and reports describing the candidates' competences, experience and merits, the board of directors considered that the proposals on the election and re-election of the above referred directors contributed, as a whole, to maintain or drive:

/ A high degree of professional prestige and honour.

/ The Company's values, vision and corporate ethical culture.

/ Diversity on the board of directors in terms of knowledge and experience: (i) in strategy and executive business management, governance and risk supervision; (ii) in economy and finance, accountability, audit and enterprise risk management, in sustainability, corporate governance and regulatory compliance, in human resources and remunerations , and in new technologies; (iii) in management of companies based on different geographical markets, driving the management of the Group and the risk arising from its international dimension; and (iv) in the Company, its Group, its business model and the business areas, retail and the fashion industry and their governance rules

/ A balanced and diverse board membership, with an appropriate presence and proportion of directorship types, in addition to maintaining a high female representation on the board.

/ Gradual board refreshment.

Considering the foregoing, the board of directors resolved at its meeting held on 4 June 2024 to submit to shareholders at the Annual General Meeting the above referred proposals on election and re-election of directors, which were approved at the AGM held on 9 July 2024.

C.1.6. Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases that impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile amongst potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:

Pursuant to section 529bis(2) LSC, the board of directors shall ensure that diversity, including of age, gender and professional experience, is encouraged in directors' recruitment processes, which should not suffer from any implicit bias that may entail any discrimination and particularly, that selection of female directors is fostered in a number that can ensure a balanced presence of women and men on the board.

As explained in detail in section C.1.5 above, the Group relies on several policies and tools aimed at ensuring that diversity is encouraged, in particular gender diversity, as well as the absence of any form of discrimination, in particular, on account of gender.

The role that the Nomination Committee plays in this field is summarised below.

Pursuant to the provisions of section 16.2(b) of the Board of Directors' Regulations, and section 5.3(b) of the Nomination Committee's Regulations, one of the responsibilities of the Nomination Committee shall be: *"to seek an appropriate composition and a diverse membership on the board of directors and its committees in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and, in particular, gender."*

According to the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee must set a representation target for the least represented gender on the board and provide guidance on how to meet such target. According to section 6(d) of its terms of reference and the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee should strive to ensure that by the end of 2022 and onwards female directors would account for at least 40% of board seats.

Likewise, section 22.1. of the Board of Directors Regulations and section 6 (c) of the Nomination Committee's Regulations provide that both the board and such committee shall ensure that upon filling new vacancies or upon appointing new directors, selection procedures shall ensure the absence of any manner of discrimination.

Meanwhile, pursuant to section 13.2 of the Board of Directors' Regulations, section 5.3.(b) of the Nomination Committee's Regulations and the provisions of the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee is responsible for seeking an appropriate composition and a diverse membership on the board of directors and its committees in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and in particular, gender, taking into account the restrictions that are a result of the smaller size of the committee.

Moreover, in line with Recommendation 14 GGC, the company's commitment to promoting diversity among senior managers, in particular, gender diversity, is also addressed in the terms of reference of the Nomination Committee, in addition to the Policy itself. In this regard, both the board of directors and the Nomination Committee will strive to encourage the presence of a significant number of female senior managers.

The Nomination Committee has driven the fulfilment of the Company's commitment to promote diversity across its governing bodies, in particular as regards gender diversity. It has made sustained efforts to achieve the highest levels of female representation on the board and its committees (see the table in section C.1.4. above) In line with the commitments undertaken by the Company over time, in its assessment of the size and membership on the board over the past years, to establish that they are appropriate to cater to the needs of the company, the Nomination Committee has deemed it a priority in the director selection process to drive the election of women to sit on the board and its committees, without overlooking the core principle that every director should be elected following a merit-based approach.

The 30% target for the least represented gender set out in the D&I Policy, in line with the recommendations of the then current Good Governance Code of Listed Companies was exceeded in 2019. In 2022, the new target for female representation set at 40% in 2020 was also exceeded, as Inditex had at the time 5 women on the board.

In 2023, the Company increased again the percentage of female representation on the board of directors, reaching gender parity on the highest governing body.

As indicated in section C.1.6. above, in the annual process of appointment and re-election of directors, as well as in the search and selection of new candidates carried out in 2024, the Nomination Committee considered that, in line with the commitments made, promoting gender diversity should continue to be a priority, so as to keep the high degree of female representation on the Board.

With the appointment of Ms Flora Pérez Marcote and Ms Belén Romana García, and the re-election of Bns. Denise Patricia Kingsmill, parity of men and women on the board of directors has been kept in 2024

Consequently, the percentage of female representation on the board currently exceeds the target set both in *Ley Orgánica* 2/2024 of 1 August on equal representation and a balanced presence of women and men, transposing Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (that sets a 40% target for the least represented gender on the board of directors), and in Recommendation 15 GGC, as well as in the internal regulations of the Company.

This commitment to diversity has also been extended to board committees. It should be noted that two of the four committees are chaired by women and that, in addition, the Board of Directors of Inditex is also chaired by a woman.

On the other hand, the Diversity of Board of Directors Membership and Director Selection Policy and the terms of reference of the Nomination Committee also expressly reflect, in line with Recommendation 14 GGC, the Company's commitment to promoting diversity among the Company's Senior Managers, specifically gender diversity, through the commitment made at the highest level of the Company, i.e., by the Board of Directors and the Nomination Committee, to encourage the presence of a significant number of senior female managers.

Furthermore, as explained in sections C.1.5 and C.1.6 above, the principles and criteria of the D&I Policy govern all the Company's actions, with the Board of Directors being responsible for ensuring that the necessary measures are adopted to guarantee adherence to such policy at all levels and by all employees of the Group.

In this regard, the Company is committed to female talent, and the evolution in the figures of representation in leadership positions in recent years in all categories is very positive. Proof of this is that 77% of the Group's management positions are held by women.

Furthermore, as part of what should be deemed to be a progressive and orderly succession and renewal plan at the highest level, Inditex has experienced an increase in the number of women holding senior management positions, with a very favourable evolution in the last five (5) years (19.4% in 2019 versus 33.33% at present), which shows that the strategies to drive female leadership in management are effective in our Company.

C.1.7. Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.

In 2024, the Nomination Committee has reviewed compliance with the Diversity of Board of Directors Membership and Director Selection Policy (the "Policy"). The findings of such review were written up in a report issued on 4 February 2025.

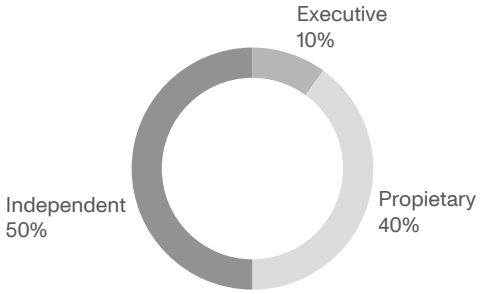
In its assessment, the Nomination Committee considered whether the provisions of the Policy were observed in the process followed and the decisions made by different governing bodies that led to the approval of the election of Ms Pérez and Ms Romana to the board as proprietary and independent director, respectively, and the re-election of Bns. Denise Patricia Kingsmill as independent director, by shareholders at the AGM held on 9 July 2024, as detailed in section C.1.6 above.

In its assessment, the Nomination Committee found that the formal provisions of the Policy were observed in the process followed and regarding the decisions taken in 2024 relating to the composition, size and structure of the board since: (i) it ensured that both the process of defining profiles and searching for candidates, as well as the proposals for the appointment and re-election of the above referred female directors, were based on a prior analysis of the Company's needs, with the scope described in section C.1. 5 above, (ii) the process was carried out on the basis of the skills matrix, as an element that has allowed the process to be objectified and the required skills to be determined and, furthermore, (iii) external advisors were engaged to identify the necessary profiles and to search for or assess prospective candidates.

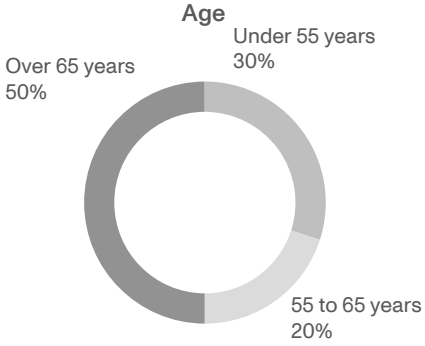
The Nomination Committee also found that the principles and goals of the Policy were observed since the election of the new independent director - following the departure of another - has contributed to ensuring an appropriate membership on the board of directors (and on its committees) and encouraging diversity of backgrounds, skills, experiences, and in particular gender on the board of directors, contributing to maintain parity within the same.

The main indicators of board diversity resulting on the board skills matrix following the appointment and re-election of the above referred directors are outlined below:

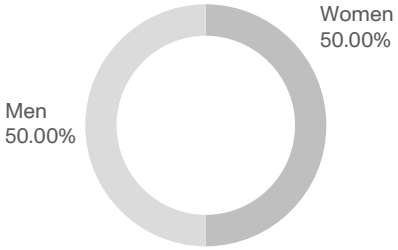
Directorship type



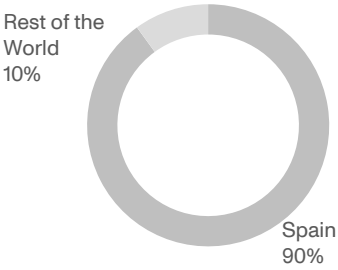
Age



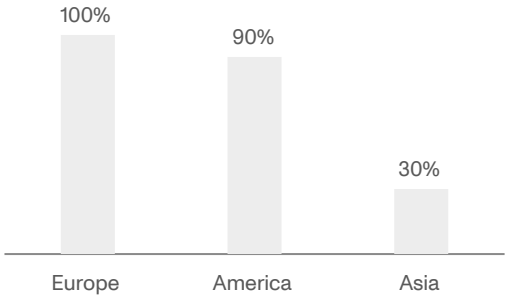
Gender



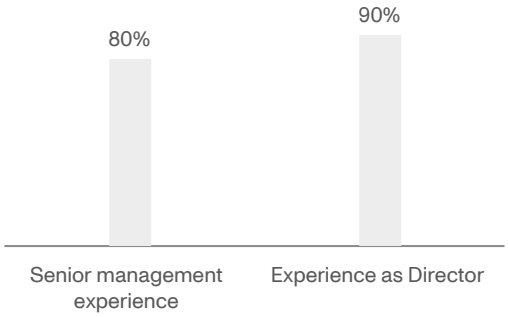
Geographical Origin



International experience/education



Previous experience



Competences



C.1.8. Where applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

No proprietary directors have been appointed at the request of shareholders with less than a 3% equity interest.

Name or company name of shareholder	Reason
—	—

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes No x

Name or company name of shareholder	Explanation
—	—

C.1.9. Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Mr Óscar García Maceiras	**CEO**

The CEO, Mr Óscar García Maceiras has been delegated a number of broad powers which, as a general rule, shall be exercised individually, except for those powers that entail undertaking in excess of a given amount or disposal of funds in excess of a given amount. In such case, the executive director must act jointly with another person who, by virtue of any legal title, has also been granted the power in question.

In any case, the prior resolution of the Board of Directors will be required in the event of transactions, proceedings or agreements which (i) entail the acquisition, disposal or encumbrance of real property of the company, or of any manner of industrial or intellectual property rights of the company, or of shares or interests held by the Company, above a given amount; or which (ii) regardless of their nature, entail the assumption of payment commitments in excess of a given amount. Certain types of financial or treasury transactions, proceedings or agreements are excepted from the requirement of a resolution of the Board, as the joint action mentioned above will suffice.

The requirement of joint action and/or of a prior resolution of the Board of Directors does not apply when it involves transactions, proceedings or agreements which are, regardless of the amount involved, carried out or awarded between companies belonging to the Inditex Group, understanding as such those companies, whether Spanish or foreign, in which Inditex holds, whether directly or indirectly through other investee companies, at least 50% of the share capital, in which case the CEO may act individually, for and on behalf of the company, irrespective of the amount involved in the matter in question.

C.1.10. Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:

As at 31 January 2025, none of Inditex's directors were managers or sat on the governing body of Group companies.

C.1.11. List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:

Identity of the director or representative	Company name of listed or unlisted company	Position	Paid or unpaid
Ms Marta Ortega Pérez	Pontegadea Inversiones S.L.	Director	Paid
	Partler 2006 S.L.	First Deputy Chair	Paid
	Pontegadea GB2020 S.L.	Ordinary member	Paid
	Partler Participaciones, S.L.U.	First Deputy Chair	Unpaid
	Fundación Amancio Ortega Gaona	First Deputy Chair	Unpaid
	Fundación MOP.- The MOP Foundation	Chair	Unpaid
Mr Amancio Ortega Gaona	Pontegadea Inversiones S.L.	Chair	Paid
	Pontegadea Inmobiliaria S.L.U.	Chair	Paid
	Partler 2006 S.L.	Chair	Paid
	Pontegadea GB2020 S.L.	Chair	Paid
	Partler Participaciones, S.L.U.	Chair	Unpaid
	Fundación Amancio Ortega Gaona	Ordinary member	Unpaid
Ms Flora Pérez Marcote	Pontegadea Inversiones S.L.	First Deputy Chair	Paid
	Pontegadea Inmobiliaria S.L.U.	First Deputy Chair	Paid
	Pontegadea GB2020 S.L.	First Deputy Chair	Paid
	Fundación Amancio Ortega Gaona	Chair	Unpaid
	Fundación MOP.- The MOP Foundation	Ordinary member	Unpaid

Identity of the director or representative	Company name of listed or unlisted company	Position	Paid or unpaid
Mr José Arnau Sierra	Pontegadea Inversiones S.L.	Second Deputy Chair	Paid
	Pontegadea Inmobiliaria, S.L.U.	Second Deputy Chair	Paid
	Partler 2006 S.L.	Second Deputy Chair	Paid
	Pontegadea GB2020 S.L.	Second Deputy Chair	Paid
	Pontegadea España, S.L.U.	Joint Director	Unpaid
	Partler Participaciones S.L.U.	Second Deputy Chair	Unpaid
	Esparelle 2016, S.L.	Sole Director, legal representative of Pontegadea Inmobiliaria S.L.U.	Unpaid
	Pontegadea Dieciocho S.L.	Sole Director, legal representative of Pontegadea Inversiones S.L.	Unpaid
	Sobrado Forestal 2014, S.L.	Sole Director	Unpaid
	Pontegadea France, S.A.S.	Chair, legal representative of Pontegadea Inmobiliaria S.L.U.	Unpaid
	Prima Cinque, S.p.a.	Chair	Unpaid
	PG Real Estate Interests Ltd.	Ordinary member	Unpaid
	Pontegadea Inmobiliaria, S.A. de CV	Chair	Unpaid
	Pontegadea Canada, Inc.	Chair	Unpaid
	PG Compass Canada, Inc.	Chair	Unpaid
	Pontegadea Korea, Inc.	Ordinary member	Unpaid
	Ponte Gadea USA, Inc.	Chair	Unpaid
	Hills Place, Sarl	Ordinary member	Unpaid
	Pontegadea UK, Ltd.	Ordinary member	Unpaid
	Almack Ltd.	Ordinary member	Unpaid
	Ponte Gadea Portugal – Investimentos Imobiliários e Hoteleiros, S.A.	Chair, appointed by Partler 2006 S.L.	Unpaid
	Pontegadea Amoreiras – Sociedade Imobiliária, S.A.	Chair, appointed by Partler 2006 S.L.	Unpaid
	Proherre Internacional- Sociedade Imobiliária, Lda	Joint and Several Director	Unpaid
	Pontegadea Luxembourg Sarl	Ordinary member	Unpaid
	Pontegadea Real Estate, S.A.S.	Chair, legal representative of Pontegadea Inmobiliario S.L.U.	Unpaid
	Montaigne Real Estate, Sarl	Sole Director	Unpaid
	Fongadea Recoletos 7-9, S.L.	Sole Director, legal representative of Partler 2006, S.L.	Unpaid
	Boxer US Inc	Ordinary member	Unpaid
	Pontegadea Ireland, Ltd.	Ordinary member	Unpaid
	FIF Holding Proteonic Sarl	Ordinary member	Unpaid
	FIF Property Ireland 1	Ordinary member	Unpaid
	FIF Property Ireland 2	Ordinary member	Unpaid
	Polar Roosendaal Logistics Propco BV	Legal representative of FIF Holding Proteonic Sarl	Unpaid
	Pontegadea Logistics Italy, S.r.l.	Chair	Unpaid
	Pontegadea Italy, S.r.l.	Chair	Unpaid
	Pontegadea RE Luxembourg	Ordinary member	Unpaid
	Pontegadea Logistics Germany GmbH	Ordinary member	Unpaid
	Pontegadea Shareholdings Luxembourg	Ordinary member	Unpaid
	Almack Logistics Ltd.	Orindary member	Unpaid
	Daimar de Inversiones S.L.	Sole Director	Unpaid
	Fundación Amancio Ortega Gaona	Second Deputy Chair	Unpaid

Identity of the director or representative	Company name of listed or unlisted company	Position	Paid or unpaid
	Fundación Kertor	Trustee	Unpaid
	Fundación Santiago Rey Fernández Latorre	Trustee	Unpaid
	Fundación Bal y Gay	Trustee	Unpaid
	Fundación Pro CNIC	Trustee representative of Inditex	Unpaid
	Fundación Princesa de Girona	Trustee representative of Inditex	Unpaid
Mr Óscar García Maceiras	Fundación Fad Juventud	Trustee	Unpaid
Mr Rodrigo Echenique Gordillo	Banco Santander Chile	Non-executive director	Paid
	Fundación Banco Santander	Chair	Unpaid
	Fundación Consejo España-EE.UU.	Trustee	Unpaid
	Fundación del Teatro Real	Deputy Chair	Unpaid
	Fundación Escuela Superior de Música Reina Sofia	Trustee	Unpaid
	Fundación Pro CNIC	Trustee	Unpaid
	Real Patronato de la Galería de las Colecciones Reales	Trustee	Unpaid
Ms Belén Romana García	Banco Santander	Non-executive director	Paid
	Bolsas y Mercados Españoles	Non-executive director	Paid
	SIX Group AG	Non-executive director	Paid
	SIX Digital Exchange AG	Non-executive chair	Paid
	SDX Trading AG	Non-executive chair	Paid
	Werlen SA	Non-executive director	Paid

Remarks

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Mr José Luis Durán Schulz	CEO at VALUE RETAIL MANAGEMENT
	Consultant at JLD Advise, S.A.
Mr Rodrigo Echenique Gordillo	Advisor to Banco Santander (Santander Group)
Bns. Denise Patricia Kingsmill	Member of the House of Lords (UK)
Ms Pilar López Álvarez	VP strategic partnership with LSEG at Microsoft Ibérica S.R.L, Unipersonal
Ms Belén Romana García	Senior advisor to Artá Capital SGEIC SA
	Academic Director of IE Leadership & Foresight Hub Programme
	Advisory board member of Fundación Rafael del Pino

C.1.12. Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining, if necessary, and identifying where this is regulated, where applicable:

Yes x No

Explanation of the rules and identification of the document where this is regulated

Pursuant to section 22.2 of the Board of Directors' Regulations, the Board of Directors may not propose or appoint in order to fill a position of director, anyone who holds the office of director in more than 4 listed companies other than the Company at the same time.

C.1.13. Indicate the remuneration received by the Board of Directors as a whole for the following items:

Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)	14,248
Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)	-
Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)	-
Pension rights accumulated by former directors (thousands of euros)	10,730

The amount stated as "Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)" corresponds to the aggregate amount shown in section C.1.c) "Summary of remunerations (thousands of euros)" of the Annual Report on Remuneration of Directors for 2024. Included therein are the fixed remuneration items of directors in their status as such, and the fixed and short and long-term variable remunerations payable to the CEO, Mr Óscar García Maceiras for the performance of his executive functions. In particular, the following is included:

The amounts of the remuneration payable to Mr Óscar García Maceiras, as director and for the performance of executive functions (fixed remuneration and annual and multi-year variable remuneration) from 1 February 2024 through 31 January 2025.

With regard to long-term or multi-year variable remuneration: included in the above referred global remuneration for directors is the amount of 4,935 thousand euros payable to the CEO under the second cycle (2022-2025) of the 2021-2025 LTIP. The 2021-2025 LTIP materialises in (i) an incentive in cash in the aggregate amount of 1,331 thousand euros for the CEO, and (ii) an incentive in shares equivalent to a total number of 71,472 shares valued in the amount of 3,604 thousand euros for the CEO.

The increase in the CEO's total remuneration versus the one earned in the previous year is primarily due to the increase in the long-term variable remuneration as a result of the following:

(i) The number of shares of the (2022-2025) cycle of the 2021-2025 LTIP being settled that covers 3 accrual years (FY2022, FY2023 and FY2024) includes for the first time the amount assigned for the position of CEO in the 3 years, whereas the previous cycle (2021-2024) of this same Plan, vested in 2023 and settled in 2024 included the total incentive granted for the full cycle taking into account the different positions held by the CEO, i.e., for the performance of his duties as General Counsel and Secretary of the Board in the first year of the performance period and as CEO in the last two years of such period.

(ii) The excellent operating performance of the Company during the performance and vesting period of this second cycle (2022-2025) of the 2021-2025 LTIP, which has led to a 76.8% appreciation of Inditex's stock price, going from €27.93 per share at the beginning of the cycle (average of the 30 trading days before 1 February 2022) to a €49.37 share price at the end thereof (average of the 30 trading days before 31 January 2025).

(iii) Likewise, in accordance with the yardstick adopted by the Company, the share price considered to quantify the part of the incentive that is released in shares corresponds to the share price at the close of trading on the last trading day of the week before the meeting of the Board of Directors at which the level of achievement of the cycle in question is assessed and approved. Thus, Inditex's stock price that was considered for the settlement of the first cycle (2021-2024) of the 2021-2025 LTIP (which was reported in the Annual Report on Remuneration of Directors for FY2023) was €40.67versus €50.42 reached on 7 March 2025 taken as a reference for the settlement of the second cycle (2022-2025) of the 2021-2025 LTIP.

The incentive in cash and in shares will be delivered within the month following the release of the annual accounts for 2024.

With regard to the "Funds accumulated by former directors for long-term savings systems with consolidated economic rights (thousands of euros)", the amount shown corresponds to the accumulated and consolidated funds of the former Executive Chairman, Mr Pablo Isla Álvarez de Tejera's Pension Plan as long-term saving system of which he has been a participant since 2015.

C.1.14. Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:

Name or company name	Position
Ms Lorena Alba Castro	Chief Logistics Officer
Ms María Begoña Costas Méndez	ZARA Kids Director
Mr Miguel Díaz Miranda	Chief Financial Officer & Chief Operating Officer of ZARA - Management Committee
Mr Lucian Dorobantu	PULL & BEAR Director
Mr Raúl Estradera Vázquez	Chief Communication Officer
Mr Ignacio Fernández Fernández	Chief Financial Officer - Management Committee
Mr Antonio Flórez de la Fuente	BERSHKA Director - Management Committee
Mr Javier García Torralbo	Chief Digital Officer - Management Committee
Mr Abel López Cernadas	Head of Import, Export and Transport
Mr Juan José López Romero	Chief Infrastructure and Services Officer
Ms Begoña López-Cano Ibarreche	Chief People Officer - Management Committee
Mr Javier Losada Montero	Chief Sustainability Officer - Management Committee
Mr Javier Monteoliva Díaz	General Counsel and Secretary of the Board
Ms María Lorena Mosquera Martín	ZARA HOME Director
Ms Paula Mouzo Lestón	Chief Audit Officer
Ms María Beatriz Padín Santos	ZARA Woman Director - Management Committee
Mr Jorge Pérez Marcote	MASSIMO DUTTI Director - Management Committee
Mr Óscar Pérez Marcote	ZARA Director - Management Committee
Mr Javier Romero Portela	ZARA Man Director
Ms Carmen Sevillano Chaves	OYSHO Director
Mr Jordi Triquell Valls	STRADIVARIUS Director - Management Committee

Mr José Pablo del Bado Rivas was PULL & BEAR Director and a member of the Management Committee from 1 February 2024 to 5 July 2024.
Mr. Marcos López García was Capital Markets Director from 1 February 2024 to 10 January 2025.

Number of women in senior management	7
Percentage out of all senior managers	33.33%

Total remuneration of senior management (thousands of euros)	132,783

Included in the amount stated as "Aggregate remuneration for senior managers" is the fixed remuneration and the variable remuneration payable to senior managers in financial year 2024, both short-term variable remuneration and long-term variable remuneration for the second cycle (2022-2025) of the 2021-2025 LTIP.

Under such cycle, the amount of 56,826 thousand euros was accrued by senior managers as at 31 January 2025 in the framework of the 2021-2025 LTIP, materialised in: (i) an incentive in cash in the aggregate amount of 17,566 thousand euros, and (ii) an incentive in shares equivalent to a total number of 778,657 shares, valued in the amount of 39,260 thousand euros.

Likewise, included in said amount are the remunerations payable in 2024 to senior managers in office in the year, including the relevant termination benefits.

The change to the Senior Managers' total remuneration versus the previous year is primarily due to to the strong increase in the long-term variable remuneration as a result of the excellent operating performance of the Company in the performance and vesting period of the second cycle (2022-2025) of the 2021-2025 LTIP that is being settled and the subsequent appreciation of Inditex' stock price by 76.8%, going from €27.93 per share at the beginning of the cycle (1 February 2022) to a €49.37 share price at the end of the cycle (31 January 2025).

In this same sense, in accordance with the yardstick followed by the Company, the share price considered for the quantification of the part of the incentive that is released in shares corresponds to the share price at the close of trading on the last trading day of the week before the meeting of the Board of Directors at which the level of achievement of the cycle in question is assessed and approved. Thus, Inditex stock price on 8 March 2024 that was taken into account for the settlement of the first cycle (2021-2024) of the 2021-2025 LTIP (which was reported in the 2023 Annual Report on Remuneration of Directors), was €40.67, versus €50.42 reached on 7 March 2025, taken as a reference for the settlement of the second cycle (2022-2025) of the 2021-2025 LTIP.

The incentive in cash and in shares will be delivered within the month following the release of the annual accounts for financial year 2024.

C.1.15. Indicate whether the Board regulations were amended during the year:

Yes No x

C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.

The system for the selection, appointment and re-election of members of the board of directors constitutes a formal and transparent procedure that is expressly covered in the Articles of Association, the Board of Directors' Regulations and the Nomination Committee's Regulations.

Additionally, the Diversity of Board of Directors Membership and Director Selection Policy referred to in section C.1.5 above provided guidance on selection of directors for the purposes of guiding the proceedings of the Board of Directors and the Nomination Committee in this area.

The Policy is informed by GGC Recommendations and the overarching principles and guidelines of CNMV's Technical Guide 1/2019. According to the Policy, the process to appoint, ratify and re-elect directors shall be guided by the following overarching principles: (i) favouring diversity and search for excellence within the board of directors; (ii) the selection process for prospective directors shall not be tainted by any kind of discrimination and shall follow the merit-based approach; (iii) fulfilling the corporate interest; and (iv) transparency in the process to select prospective directors.

In this regard, the Policy sets forth that the selection, appointment, ratification and re-election of directors shall be based on a prior analysis of the needs of the Company and the Group, and of the competences required by the board of directors itself. This analysis shall be carried out by the board of directors on the advice of the Nomination Committee.

The board of directors has its own organisation and internal proceedings, including: (i) the co-option of directors to fill board vacancies, on the proposal or following a favourable report from the Nomination Committee, as the case may be; and (ii) the election, on the proposal or following report of the same committee, of internal positions and of members of board committees.

In turn, the Nomination Committee is responsible for the process of selecting prospective directors. Pursuant to the Articles of Association, the Board of Directors' Regulations, and its own terms of reference, directors shall be appointed either by the General Meeting of Shareholders or the board of directors, pursuant to applicable laws and the company' regulations on corporate governance.

The proposals on the appointment, ratification or re-election of directors submitted by the board of directors to shareholders at the Annual General Meeting, and the appointment resolutions passed by the board of directors via the co-option system in use of the powers it is entrusted by statute shall be made following: (i) a proposal raised by the Nomination Committee, as regards independent directors; or, (ii) a report from the Nomination Committee for all other directorship types.

To ensure the appropriate board membership at all times, the structure, size and membership on the board and its committees shall be regularly reviewed.

To this end, efforts should be made to ensure that the board of directors has a balanced membership with regard to the different directorship types, with a large majority of non-executive directors and an appropriate mix of proprietary and independent directors, and an appropriate balance of profiles, knowledge, skills, careers and experiences so that multiple viewpoints are contributed to the discussion of the business transacted and the decision-making process is enriched. In addition, consideration should be given to ensuring a progressive and orderly board refreshment to achieve the objectives set out in the Policy.

As provided in the Policy, the findings of the above-mentioned prior analysis shall be written up in an explanatory report issued by the Nomination Committee, to be posted on the corporate website upon calling the General Meeting to which the nomination, ratification or re-election of any director is submitted.

Prospective directors of the Company shall meet at all times the following requirements:

- Be honest, respectable persons of well-known ability, competence, professional background and experience and merits.

- Be law-abiding and respectful of good marketing practices both in their lives and professional careers and observe the provisions of applicable regulations.
- Be trustworthy professionals whose conduct and career are aligned with the principles and duties set out in Inditex's internal regulations– in particular, in the Code of Conduct–and with the views and values of the Inditex Group.
- Be committed to their duties as directors and available to dedicate sufficient time and efforts to meet their board responsibilities.

In the process for the selection of prospective directors, those individuals who meet the requirements laid down in the Policy and who, given their profile and qualities favour diversity of knowledge, skills, experiences, origin, age and gender on the board of directors, shall be considered, and any implicit bias which might entail any manner of discrimination and specifically hamper selection of female directors shall be prevented.

In order to define the duties and required skills of prospective directors, the Nomination Committee shall review the competences, knowledge, experience and other occupations of current directors serving on the board, as well as the existing board skills matrix, , based upon which it shall define the duties and skills required from candidates who have to fill each vacancy and evaluate the required time and dedication for them to effectively meet their board responsibilities.

Those persons who are involved in any legal grounds of disqualification to be a company director or who fail to meet the requirements set forth by the Company's corporate governance rules to be a director, shall not be eligible to be a director.

In particular, neither the committee nor the board of directors can propose or appoint as member of the board of directors anyone who serves as a director at the same time in more than four listed companies other than the Company.

The Nomination Committee shall take into account the proposals submitted by any director, provided that they meet the eligibility requirements and the provisions of the Diversity of Board of Directors Membership and Director Selection Policy are observed. To do so, it shall take all necessary measures and make all appropriate enquiries to ensure that the candidates are not involved in any of the scenarios described in the foregoing paragraphs.

Likewise, the Company may rely on external advisors to carry out the prior analysis of the needs of the company, and to assess the competences required by the board of directors and the Inditex Group, as well as to search or assess prospective directors or evaluate their performance and/or suitability. It is incumbent upon the Nomination Committee to establish and ensure the effective independence of the above-mentioned experts.

The proposals or reports on the appointment of directors shall be prepared by the Nomination Committee and include the directorship type assigned to the director. This classification must be duly supported.

Proposal on the election of directors submitted by the board of directors to shareholders at the Annual General Meeting shall be accompanied by an explanatory report issued by the board of directors assessing the qualifications, experience and merits of the proposed candidate; such report shall be attached to the minutes of the board meeting. Additionally, with regard to the ratification or re-election of directors, the explanatory report shall assess the quality of the director's work and their dedication to office during their tenure as well as their observance of the company's corporate governance rules. In any case, the Nomination Committee shall take into account the need for gradual board refreshment.

Where the board of directors departs from the proposals and reports of the Nomination Committee, it must state the reasons for its actions and place them on record.

With regard to the representation target for the least represented gender on the board and to the guidance on how to meet it, the company has updated the female representation target on the board of directors, in line with Recommendation 15 GGC, as provided in section 5.1.1 of the Diversity of Board of Directors Membership and Director Selection Policy and in section 6 (d) of the Nomination Committee's Regulations. The company endorsed the commitment to ensure that the number of female directors should account for at least 40% of all board seats by the end of 2022 and onwards.

The Nomination Committee establishes on an annual basis compliance with the Diversity of Board of Directors Membership and Director Selection Policy and informs the board of directors thereof, and this latter discloses such information in the Annual Corporate Governance Report.

With regard to the removal and dismissal of directors, directors shall vacate office upon expiry of their term of office, or at any time further to a resolution of the General Meeting of Shareholders.

The board of directors may only propose to the General Meeting the removal of an independent director before the expiry of their term of office when a just cause arises, where the director has incurred in any grounds for dismissal or resignation pursuant to applicable regulations or to the Company's corporate governance rules. Said just cause must be considered by the board, following a favourable report from the Nomination Committee.

In particular, pursuant to section 25.3 of the Board of Directors' Regulations, a just cause will exist when a director holds new positions or assumes new obligations preventing them from making sufficient time available for board meetings and other duties inherent in the office of director; is in breach of the duties inherent in the office or is involved in any of the circumstances leading to them no longer qualifying as independent directors, pursuant to the provisions of applicable regulations. Likewise, removal of a director may be proposed as a result of takeover, mergers or other similar corporate transactions that entail a change in the shareholding structure of the Company, where said change entails in turn another in the structure of the board of directors on account of the ratio of proprietary directors.

Furthermore, where a director vacates their office before the end of their term of office through resignation or further to a resolution of the General Meeting of Shareholders, they should state the reasons for the resignation, or with regard to non-executive directors, their opinion on the reasons for the dismissal resolved by the General Meeting of Shareholders, in a letter that must be addressed to all the members of the board of directors. To the extent that this may be relevant for investors, and without prejudice to reporting it in the Annual Corporate Governance Report, the Company, shall announce their departure in the shortest delay with sufficient reference to the reasons or circumstances provided by the director.

In addition, the Nomination Committee must issue a report with regard to the proposal for early termination of independent directors.

When directors tender their resignation, the Nomination Committee must ensure the transparency of the process, gathering the information it may deem necessary to this end.

C.1.17. Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organisation and in the procedures applicable to its activities:

The Company carries out a self-evaluation process with regard to the performance of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the board, as provided in its internal regulations, in accordance with applicable regulations and GGC Recommendations.

Following each annual evaluation, a number of recommendations are issued, where appropriate, to improve (i) the quality and effectiveness of board proceedings; (ii) the proceedings and membership of its committees, paying special attention to the chairs of the different board committees; (iii) the diversity of board membership and powers; (iv) the performance of the Chair and the CEO; and (v) the performance and input of the Lead Independent Director and the Secretary of the board.

The measures envisaged in the action plan resulting from the findings of the 2023 board evaluation have been implemented throughout 2024. Such findings were considered upon planning the business to be transacted throughout the year by the board and its committees, considering to this end the priorities pointed out by directors in the process. In 2024, different measures have been implemented aimed at:

/ Better planning of meetings and the annual agenda, with an increasing focus on strategic issues, the oversight and monitoring of the risks most relevant to the Group (such as geopolitical, operational and information security risks) and ESG aspects.

/ Constant monitoring of operational issues and the evolution of the business, as well as the social, economic and geopolitical landscape and its possible impacts, through the reports of the CEO and the various heads of key departments and areas..

/ Frequent interaction with Group Management, which allows directors to gain a better understanding of the business strategy, the risks and opportunities of the different business formats, corporate and business areas and markets, as well as greater visibility of internal talent.

/ Further development of the training programme for directors, through the design of content focused on risks and sustainability issues, as key aspects highlighted by the directors in the evaluation process. In addition to these training sessions, directors visit stores, logistics centres and international subsidiaries of the Group.

/ A process of continuous improvement regarding the quality of the information provided sufficiently in advance, with presentations, reports and executive summaries on agenda items or reports on specific issues requested by the directors in the evaluation.

/ The increase in the number of separate meetings held by the Audit and Compliance Committee with the external auditors without any member of management being present.

The findings of the 2023 evaluation were considered by the Nomination Committee in the subsequent analysis of board needs with regard to the election and/or re-election of directors approved at the AGM held in 2024, as well as in the candidates' selection process entrusted by the committee to an independent expert

All the foregoing has resulted in a substantial improvement of the proceedings of the board and its committees, and the continuous improvement of best practices in the field of corporate governance.

With regard to the 2024 annual evaluation process, as explained in detail in section C.1.18. below, the relevant findings report was approved by the Nomination Committee and the board at its meetings held on 9 and 10 December, respectively

The strengths pointed out in the evaluation include, without limitation: (i) the satisfaction with the agenda and the order of business of the meetings or the quality of the information provided, (ii) a balanced and diverse composition of the board and its committees, appropriate for the performance of its duties underpinned by the expert advice that directors received both from internal committees and from the management and/or external advisors, where necessary; (iii) the good work environment and the positive relationship with the management team, marked by transparency, which reflects the trust on the management and oversight model, (iv) a training plan fit to meet directors' needs, focusing on the development of contents and topics of higher interest and relevance to the Group from time to time, and (v) the follow-up on the action plans resulting from prior evaluations, that serves as a leverage for change and to implement best practices.

Describe the evaluation process and the areas evaluated by the board of directors with or without the help of an external advisor regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.

Pursuant to the provisions of section 7(a) of the Nomination Committee's Regulations, the committee must establish and oversee an annual programme for evaluating the performance of the board of directors, its committees, its Chair, the CEO, the Lead Independent Director and the Secretary of the board and in particular, follow up on attendance of directors at the meetings of the board and the committees where they sit.

The Nomination Committee prepares a programme to evaluate the performance of the board of directors, its committees, its Chair, the CEO, the Lead Independent Director and the Secretary of the board.

With regard to the 2024 performance evaluation process, the Nomination Committee approved at its meeting held on 9 December 2024 its purpose and scope, including: (i) the decision that the evaluation process should be carried out in-house, and (ii) the inclusion within its scope of a separate self-assessment by each board member of their own performance.

The decision to carry out the evaluation process internally was made considering that in 2023, in accordance with Recommendation 36 GGC, the complete implementation of the procedure was entrusted to an independent expert, which involved, among other aspects, not only the revision of the questionnaire but also the conduct of individual interviews with directors.

In 2024, the self-assessment process has been carried out internally under the helm of the Chair of the Nomination Committee with the assistance of the General Counsel's Office. The methodology and structure of the process has consisted of a system for the preparation and distribution of questionnaires, using the technological platform made available to the directors, which guarantees the confidentiality, traceability and security of the information

These questionnaires were distributed to the directors and members of each committee. The chair of each committee and the Lead Independent Directors, each in their respective areas of competence, drew up the pertaining findings reports based on the individual evaluations which were ultimately coordinated by the Chair of the Nomination Committee. The process has covered aspects such as the organisation, composition, effectiveness, functioning and assumption of responsibilities by the main governing bodies and their key positions, as well as the individual assessment by each director of their own performance.

The Nomination Committee approved on 9 December 2024 the relevant findings report and raised it to the board of directors for approval. The board approved such report at the meeting held on 10 December 2024.

The strengths pointed out in the evaluation have been noted in the section above. In addition, several areas for improvement have been identified. They must be a priority in 2025.

C.1.18. Provide details, for years in which the evaluation was carried out with the help of an external advisor, o f the business relationships that the external advisor or company in its group maintains with the company or any company in its group.

As described in section C.1.17 above, in 2024 the self-assessment process has been carried out internally.

C.1.19. Indicate the cases in which directors are required to resign.

Pursuant to section 25 of its terms of reference, the board of directors may urge its members to offer their resignation and will, if appropriate, propose their dismissal to shareholders at the General Meeting of Shareholders in the following cases:

(a) When they cease to hold the executive positions to which their appointment as director was associated.

(b) When they are involved in any of the incompatibility or prohibition cases provided in applicable regulations, the Articles of Association or the Board of Directors' Regulations, including if they would happen to hold the office of director in more than four listed companies other than the Company.

(c) When they are seriously admonished by the Audit and Compliance Committee for having breached their duties as directors.

(d) When they are involved in any circumstances affecting them, related or not to their actions within the Company, that may damage the name and reputation of the Company or otherwise jeopardise the Company's interests. For this purpose, they shall report to the board of directors any criminal cases in which they are accused as well as the occurrence of any other procedural milestones..

(e) When the reasons for their appointment cease to exist.

(f) With regard to proprietary directors, when the shareholders they represent dispose of their ownership interest in its entirety or reduce it up to a limit that requires the reduction of the number of proprietary directors.

(g) With regard to independent directors, when they have continuously held the position on the board in the Company for 12 years.

Directors having incurred in any of the circumstances above that the Company could not have become aware of, shall give notice thereof to the board of directors in the shortest delay, offering their resignation to the board.

C.1.20. Are qualified majorities other than those established by statute required for any particular kind of decision?

Yes x No

If so, describe the differences.

Description of requirements

A qualified majority other than that established by statute is exclusively required to amend the Board of Directors' Regulations. Pursuant to section 3.4 thereof, in order for the amendment of said Regulations to be valid, a resolution passed by a majority of two-thirds of the directors present shall be required.

Apart from this, the scenarios of qualified majority for the passing of resolutions by the board of directors are addressed in article 25.4 of the Articles of Association, which reads: "*For resolutions to be passed, an absolute majority of votes by the directors attending the meeting shall be required, except for those cases where a larger majority is required by statute, by these Articles of Association or by the Board of Directors' Regulations. In the case of an equality of votes, the Chair shall have a casting vote*." Likewise, article 27.2 of the Articles of Association provides that for the permanent delegation of any power of the board of directors to the CEO, and for the appointment of the directors who have to hold such offices, it shall be necessary for two-thirds of those making up the board of directors to vote for the proposal, as provided in section 249.2 LSC.

C.1.21. Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.

Yes No x

Description of requirements
—

C.1.22. Indicate whether the articles of association or Board regulations establish any limit as to the age of directors:

Yes No x

C.1.23. Indicate whether the articles of association or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:

Yes No x

Additional requirements and/or maximum number of years of office	-

Article 25.2(g) of the Regulations of the Board of Directors provides the obligation for independent directors to offer their resignation to the Board when they have completed twelve years of continuous service as a director of the Company. In this case, the Board of Directors is entitled to urge them to resign from their position and, if appropriate, to propose their dismissal to shareholders at the General Meeting of Shareholders.

The above should be understood as a reinforcement of independence within the Board of Directors and its committees, bearing in mind that, with this provision, Inditex limits the possibility of having directors who qualify as "affiliate"', in accordance with the provisions of section 529duodecies(4)(i) LSC, by virtue of which, directors shall cease to qualify as independent when they have held their position for a period of 12 years. The aforementioned regulation does not, however, compel directors to offer their resignation to the the company, as provided in section 25.2 (g) of the Board of Directors' Regulations.

C.1.24. Indicate whether the articles of association or Board of Directors' regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.

Article 25.3 of the Articles of Association sets forth that any director can appoint another director as proxy holder in writing for, each meeting, giving written notice thereof to the Chair of the board..

Pursuant to said article and section 20.1 of the Board of Directors' Regulations, non-executive directors may only be represented by another non-executive director.

No maximum number of proxies that a director can hold has been fixed.

In line with this provision, section 20.1 of the Board of Directors' Regulations provides that directors shall do their best to attend the meetings of the board of directors, and, when they cannot do so in person, they shall endeavour to grant a proxy to another member of the board giving instructions as to its use and communicating the same to the Chair of the Board of Directors.

C.1.25. Indicate the number of meetings held by the Board of Directors during the year. Also indicate, where applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.

Number of board meetings	8
Number of board meetings held without the chairman's presence	0

Indicate the number of meetings held by the lead independent director with the other directors, where there was neither attendance nor representation of any executive director:

Number of meetings	1

Remarks

Indicate the number of meetings held by each board committee during the year:

Number of meetings held by the Executive Committee	0
Number of meetings held by the Audit and Compliance Committee	6
Number of meetings held by the Nomination Committee	6
Number of meeting held by the Remuneration Committee	3
Number of meetings held by the Sustainability Committee	5

The Board of directors approved at its meeting held on 9 July 2024 the winding-up of the Executive Committee (see section C.2.1 below).

C.1.26. Indicate the number of meetings held by the Board of Directors during the year with member attendance data:

Number of meetings in which at least 80% of directors were present in person	8
Attendance in person as a % of total votes during the year	90.00 %
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	8
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	100 %

Main action lines of the board of directors in the year

Some of the actions carried out by the Board of Directors in 2024 in the performance of the duties inherent in its powers are indicated below:

1) Statement of the individual and consolidated annual accounts. Release of quarterly, half-year and annual reports. Sustainability Information.

At its meeting of 12 March 2024, the Board of Directors stated the individual and consolidated annual accounts and directors' report for 2023, in accordance with the format (and labelling) requirements established in the Delegated Regulation (EU) 2019/815 of the European Commission of 17 December 2018 (European Single Electronic Format - ESEF), following a favourable report from the Audit and Compliance Committee. The financial statements stated by the board of directors were approved at the Annual General Meeting held on 9 July 2024.

At the meetings held on 4 June, 10 September and 10 December 2024, the board reviewed and approved the relevant interim results (quarterly and half-yearly) together with the Results Releases and the Press release, provided to the Market and its supervisory bodies in the Periodic Public Information format ("PPI").

At the meeting held on 12 March 2024, the Board of Directors also approved the Statement on Non-financial Information (SNFI) for 2023, following a favourable report from the Sustainability and Audit and Compliance Committees (each within their respective purviews). The SNFI, which was part of the individual and consolidated directors' reports, was drawn up pursuant to applicable commercial regulations and standards. The SNFI was approved at the Annual General Meeting held on 9 July 2024 as a separate agenda item.

Last at the meeting held on the date of issue of this report (11 March 2025) the Board of Directors stated the annual accounts and the directors' report for the year ended 31 January 2025, both individual and consolidated, in accordance with the format (and labelling) requirements established in Delegated Regulation (EU) 2019/815 of the European Commission of 17 December 2018 (European Single Electronic Format - ESEF), following a favourable report from the Audit and Compliance Committee. The directors' report of the consolidated annual accounts includes (i) the Consolidated Statement on Non-Financial Information and Sustainability Information for the year ended 31 January 2025, and (ii) this Annual Corporate Governance Report and the Annual Report on the Remuneration of Directors for 2024.

2) Oversight of the strategic management and guidance.

– Oversight of business' progress and expectations as well as the issues of strategic impact affecting them

At its meetings held on 12 March, 4 June, 10 September and 10 December 2024, the board of directors reviewed the regular briefings of the Chair and the CEO addressing different financial, operating and business aspects of the Group. At such meetings, the CEO broached the following issues: (i) the strategic reflection and the main action lines of the Management Committee; (ii) the main takeaways of the quarterly meetings with investors and analysts, in accordance with the transparency and equal treatment principles; (iii) the evolution in the sector and of peer companies; (iv) the main activities carried out in the period in terms of institutional relations; and (v) the main strategic and/or reputational projects (which do not require the express approval of the board).

On the other hand, the presence of brand and country managers at board meetings has been encouraged as a fundamental element to monitor and review the evolution and expectations of the business in relation to the different commercial formats or departments and the different markets where the Group operates. This analysis has also been complemented by the CEO's briefings on his meetings with corporate and store teams during his visits to different subsidiaries (USA, Japan, UAE, France, etc.) or international meetings with the Directors of the different geographical areas.

In addition, directors and corporate managers who, together with the CEO, are responsible for establishing general strategies and policies and their corresponding objectives are periodically invited to attend whenever such objectives need to be supervised and/or updated.

In 2024, the Chief Digital Officer was in attendance at the meeting held on 10 September 2024, accompanied by the heads of the different technological areas (corporate and store), to examine the current state of the Group's technological systems and their evolution, the resources, the use of generative AI and its challenges. At the meeting held on 5 November 2024, the Head of the Corporate Development Department and the head of the innovation area, together with the heads of sustainability innovation - from the Corporate Sustainability Department - reviewed the Group's innovation strategy and the different ways in which it can be implemented from a holistic approach,, focusing on sustainability initiatives.

– Monitoring the budget and the business plan targets

At the meeting held on 12 March 2024, the Board of Directors approved the budget for 2024. Such budget has been regularly followed up until the final assessment of the level of adherence at the meeting held on 11 March 2025.

3) Overseeing risk and the effectiveness of the internal control and risk management systems

The board of directors' function to oversee the business evolution and expectations includes the oversight of associated risks. To this end, the Board mainly relies on the work carried out by the Audit and Compliance Committee in overseeing and evaluating financial and non-financial risks, such as those arising from the Group's actions in relation to its social and environmental sustainability practices, or the use of new technologies, such as cyber security risks, etc.,

Likewise, members of the Sustainability, Remuneration and Nomination Committees, including their Chairs, also sit on the Audit and Compliance Committee. The presence of the same directors on these committees and the reports made by the Chair of each Committee at board meetings on the main businesses transacted at their respective meetings ensure that the most relevant issues broached at such meetings are taken into consideration in the deliberations of the Audit and Compliance Committee and the Board, allowing for better identification of the risks and opportunities associated with these matters.

– **Risks**

In 2024, the Board reviewed and followed up on the main risks affecting the development of the business and the monitoring mechanisms set for their appropriate management and control. In this regard, considering their potential impact on the business, in 2024 the situations derived from macroeconomic uncertainty (in particular, the possible impacts for the Group in markets with protectionist policies and tariff measures, those arising from hyperinflationary economies, etc.) or from torrential flooding (DANA) have been reviewed, assessing their different impacts and approving the various relief measures, and the various geopolitical conflicts have continued to be monitored.

Without prejudice to the above, the Board of Directors has reviewed the remaining risks assessed by the Audit and Compliance Committee at its different meetings, including: (i) the main risks related to the supply chain (including those arising from socio-political instability in procurement countries) and Inditex's purchasing model with potential impact on the Group's strategic objectives, the control systems for their prevention, identification and mitigation, as well as the flows established in the event of any of these risks materialising, including a monographic analysis of the Group's supply chain monitoring model, (ii) the risks associated with the Group's logistics activity and the different control systems in place, with an analysis of the Group's logistics model and its operational challenges and the Group's investments in logistics, (iii) the risks arising from the situation of hyper-regulation in Europe, or (iv) the occupational risks related to workplace accidents in the Group.

At its meeting on 10 December 2024, following a favourable report from the Audit and Compliance Committee, the Board reviewed the evolution of the Group's critical risks and approved the annual update of the Risk Map for 2025, in accordance with the new scenarios methodology.

– **Internal control and oversight of assurance functions**

To discharge this duty, the Board of Directors also relies on the work carried out by the Audit and Compliance Committee in overseeing the effectiveness of the ERM systems through the periodic reports of its Chair, which set out various aspects of the activity of (i) the Internal Audit function, in relation to its independent and objective supervision of the Group's Integrated Risk Management System, and (ii) other assurance functions, such as Compliance, Privacy and Data Protection or Information Security. In particular, aspects relating to: (i) the main lines of work of their respective annual plans and their activity reports, (ii) the results of the monitoring of their risk prevention and control models, which include the analysis of the main risks, incidents and their impacts for the Group, as well as the robustness and effectiveness of these models.

Special mention should be made of the CEO's reports on the activity and main issues addressed by the Cybersecurity Advisory Committee, in order to guide the decision-making process in the face of possible cyber security threats.

On the other hand, although the Board's relations with the Chief Compliance Officer are channelled through the Audit and Compliance Committee, from which it receives periodic information through its Chair, the Board periodically supervises the operation and effectiveness of the Compliance Model and, in particular, of Inditex's Model of Criminal Risk Prevention.

Thus, the functioning of the Global Compliance Model was submitted to the board for evaluation and approval at its meeting held on 12 March 2024. The report covered the results of the supervision of the Model of Criminal Risk Prevention, the activities for the implementation of the new Global Compliance Model, compliance risk management and the main compliance projects and initiatives, the training plan and the main activities carried out by the Ethics Committee in relation to the Ethics Line in 2024, detailing the cases handled, the actions taken and the resolutions issued by the Ethics Committee.

Likewise, at its meeting on 6 February 2024, the Board of Directors approved the update of the Code of Conduct and the amendment to other internal regulations of conduct in order to align them with the provisions of the Code (see section 5.8. on Internal Regulations). At the same meeting, the Global Plan for communication, acceptance and training on the Code was also presented. This consisted of a series of specific actions to publicise the launch of the updated version of the Code and promote its acceptance and training actions among all Group employees.

4) Information and follow-up on the main corporate Sustainability issues

The Board approved on 6 June 2023 the new sustainability objectives presented by the Management which were subsequently announced by the CEO at the AGM held on 11 July 2023.

The agenda of businesses transacted by Inditex's governing bodies and, in particular, by the Board of Directors during 2024, has continued to be marked by sustainability, namely by the monitoring of the objectives set for the 2020-2025 period, mainly through the briefings of the Chair of the Sustainability Committee, such as:

– The approval of the different action plans and roadmaps to achieve the sustainability goals above referred, including:

- The Fibres Plan, in relation to the objective of using lower impact materials in textile products.
- The Cotton strategy
- The Climate Transition Plan associated with the Net zero target.

– The review of the supply chain and its clusters.

– The follow-up on the new regulatory framework in the field of sustainability reporting and due diligence.

– The innovation strategy, in particular, in the field of sustainability.

5) Remuneration of Directors and Senior Managers

– Directors

At the meeting held on 12 March 2024, the board of directors approved, on the proposal of the Remuneration Committee:

- The level of achievement of the targets set for the CEO's variable remuneration in 2023 (approved in 2022) and the associated incentive payout level, as well as the overall remuneration payable to the CEO in 2023.

- The items and yardsticks to determine the CEO's remuneration in 2024 for the performance of his functions and responsibilities as chief executive

– Senior managers and other officers

At the above referred meeting of 12 March 2024, the Board of Directors approved, following a favourable report from the Remuneration Committee, the proposal on the overall remuneration payable to Senior Managers in 2023 and the yardsticks to determine their remuneration for 2024.

– Long-term Incentive Plans (LTIP)

The board also approved on 12 March 2024, following a favourable report from the Remuneration Committee, the level of achievement of the targets set for the first cycle (2021-2024) of the 2021-2025 LTIP, to which the long-term variable remuneration of the CEO, Senior Managers and other key staff members for 2023 was tied, and the associated payout level. Such Plan was approved at the AGM held on 13 July 2021 in a binding vote (the "2021-2025 LTIP").

In that same meeting the board approved, on the proposal of the Remuneration Committee, the proposal for the metrics and maximum incentive granted in relation to the second cycle (2024-2027) of the 2023-2027 LTIP approved at the AGM held on 11 July 2023 in a binding vote (the "2023-2027 LTIP"). The board approved at its meeting held on 10 December 2024 the targets for each metric to which said second cycle (2024-2027) of the 2023-2027 LTIP is tied, the calibration of the respective performance scales and other related aspects.

Last, at the meeting held on 11 March 2025 - date of this report - the board approved, following a favourable report from the Remuneration Committee, the proposal on the level of achievement of the targets set for the second cycle (2022-2025) of the 2021-2025 LTIP and the associated level of incentive payment. Such second cycle (2022-2025) of the Plan expired and vested on 31 January 2025. All of which is in accordance with the terms set in the 2025 Annual Report on Remuneration of Directors.

6) Appointment, re-election and removal of directors and Senior Managers

– Directors

As explained in detail in section C.1.5 above, the board of directors assessed at the meeting held on 4 June 2024 the findings of the Nomination Committee written up in the relevant report on board needs and issued an explanatory report assessing i) the suitability of the professional profiles of board candidates and the contribution of each of them to the balanced composition of the Board of Directors and (ii) the quality of the work and dedication to the position during the term of office of the director whose re-election was proposed. Likewise, the Board agreed to submit to shareholders at the AGM the proposals for the appointment and re-election of the aforementioned directors, which were finally approved at the AGM held on 9 July 2024.

Subsequently, at the meeting held on 9 July 2024 that took place following the conclusion of the AGM, the Board of Directors approved the proposal of the Nomination Committee on the reorganisation of the committees' membership, taking into account the skills and experience of the new director, as well as the profile in the main of the most suitable people to form part of each committee and other aspects relating to diverse membership . This proposal entailed the appointment of Ms Romana as a member of the Audit and Compliance, Nomination and Sustainability Committees, as well as her appointment as Chair of the Nomination Committee and the appointment of Mr José Luis Durán Schulz as Chair of the Audit and Compliance Committee.

The board also approved at the meeting held on 9 July 2024 the winding-up of its Executive Committee (see section C.2.1 below).

– Senior managers and other officers

At the meetings held on 6 February and 10 September 2024, the Board approved, on the proposal of the Group's Management and following a favourable report from the Nomination Committee, the appointment of a new member to both the Cybersecurity Advisory Committee and the Social Advisory Board, respectively. These proposals were deemed to guarantee the existence of an adequate balance and to complete the competences and experiences in the composition of the aforementioned Committees, as internal expert advisory bodies of the Company, in matters of cyber security and sustainability, respectively.

At its meeting held on 10 September, the board approved, on the proposal of the CEO and following a favourable report from the Nomination Committee, the election of two new members to the Management Committee, to complete the profiles that make it up and to fill the vacancy created following the departure of a former member.

7) Follow-up on corporate transactions

In 2024 the board of directors has followed up and approved several corporate transactions, including the incorporation of various companies in India and business management in certain markets via the franchise system (with the reopening of certain markets such as Ukraine) or the authorisation for the acquisition of a logistics company for the development of Inditex's new logistics project, with the opening of a new distribution centre in Zaragoza.

As a result of the above and the various corporate restructuring operations undertaken in recent years further to the review of the Group's corporate structure, the scope of consolidation of the Group companies has been revised in 2024.

8) Internal regulations

The board of directors has approved and/or amended in 2024 the following corporate policies, following a report from the relevant committees:

- The Code of Conduct, at the meeting held on 6 February 2024.
- The Human Rights Policy, at the meeting held on 6 February 2024.
- The Conflicts of Interest Policy, at the meeting held on 6 February 2024.
- The Gifts & Invitations Policy, at the meeting held on 6 February 2024.
- The Internal Regulations Policy, at the meeting held on 6 February 2024.
- The Policy on Criminal Risk Prevention, at the meeting held on 12 March 2024.
- The Policy for Representatives and Attorneys of Companies within the Inditex Group, at the meeting held on 10 September 2024.
- The Ecosystems and Biodiversity Policy, at the meeting held on 10 September 2024.
- The Policy on Public Policy, at the meeting held on 10 December 2024, and
- The Enterprise Risk Management Policy, at the meeting held on 10 December 2024.

9) Corporate governance

– Annual General Meeting

The board of directors approved the notice, the agenda, the proposed resolutions and the remaining issues related to the Annual General Meeting at the meeting held on 4 June 2024.

– Amendment to internal regulations on corporate governance

The board of directors approved on 4 June 2024, following a favourable report from the Audit and Compliance Committee, the proposal on the amendment to the Articles of Association and the memorandum in support. The amendment to the Articles of Association sought: (i) to reduce the term of office of directors from 4 to 2 years to improve the degree of alignment of the functioning and organisation of Inditex's governing bodies with best corporate governance practices, insofar as this reduction of the term of office facilitates and promotes greater flexibility to adapt the composition of the Board of Directors to the evolution and needs of the Company and its strategic priorities, as well as the progressive renewal of the composition of the Board as a whole, (ii) to introduce certain technical and editorial improvements that clarify, simplify and facilitate its interpretation and application and (iii) to include other amendments to embrace regulatory developments.

In line with the above, at the same meeting the Board of Directors approved, following a favourable report from the ACC, the proposed amendment to the Regulations of the General Meeting of Shareholders and the relevant explanatory report. The purpose of these amendments was to adapt the text to the proposed amendment to the Articles of Association and also to introduce other technical and editorial improvements to clarify, simplify and facilitate its application and interpretation.

Both proposals were approved at the AGM held on 9 July 2024.

– Mandatory or recommended transparency reports

- **Annual Corporate Governance Report and Annual Report on Remuneration of Directors**

The board approved the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors for 2023 at the meeting held on 12 March 2024. Both documents formed part of the consolidated directors' report and were sent to CNMV on that same day through the DIS procedure - Other regulated and corporate relevant information. Both reports are available on CNMV's website and on the corporate website *(www.inditex.com)*.

In accordance with section 541 LSC, the Annual Report on Remuneration of Directors was approved by way of an advisory vote at the AGM held on 9 July 2024 (with 98.342% of votes for).

Last, at the meeting held on 11 March 2025 the Board of Directors has approved the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors for 2024.

- **Annual proceedings reports**

With the aim of improving the level of transparency of the Company, the Board of Directors approved in 2024 for the first time, at the meeting held on 12 March 2024, its annual proceedings report, covering the activities carried out by this corporate body in 2023. Although not compulsory, the report was drawn up taking into account the recommendations of CNMV's Technical Guides on audit committees at public interest entities and on nomination and remuneration committees.

In accordance with best practices and the recommendations set out in the Technical Guides above referred, the board of directors approved at that same meeting the annual proceedings report of each board committee. Pursuant to Recommendation 6 GGC, such reports are available on the corporate website *(www.inditex.com)*.

– Related parties transactions

In 2024 the Board has approved six (6) related party transactions which, in accordance with applicable internal regulations, have required its prior approval, following a favourable report from the Audit and Compliance Committee confirming that such transactions were market appropriate and verifying that they were fair and reasonable from the Company's point of view, aligned with the corporate interest, and that they had been carried out in full compliance with applicable law and internal regulations.

While such transactions were submitted to the board for approval, proprietary directors abstained during the deliberation and voting stages.

More information about related party transactions can be found in the 2024 Annual Report on Related Party Transactions approved by the Audit and Compliance Committee, which will be published on the corporate website together with the notice of the 2025 Annual General Meeting.

– Corporate Calendar and Annual Work Programme for 2025

The board of directors approved the Corporate Calendar for 2025 at the meeting held on 4 June 2024 and in accordance with Recommendation 33 GGC, it approved its Annual Work Programme for 2025 at its meeting on 10 December 2024, following a favourable report from the Audit and Compliance Committee.

The Programme has been prepared considering the recommendations set out in Technical Guide 1/2024. It outlines the objectives set by the board for the year and its main lines of work.

To determine such objectives, the Audit and Compliance Committee has considered an assessment of the Group's main risks and the priorities identified in the conclusions of the 2024 annual evaluation of the board of directors which, together with the issues that are addressed on a recurring basis by the board (either to comply with a statutory obligation within a certain period of time or because they are issues that are dealt with periodically), determine the general lines of work for 2025 that cover the different activities under its responsibility, and which are organised in the pertaining Schedule of meeting dates and agenda of business to be transacted in the above referred year. Such Programme is based on the Corporate Calendar approved at the meeting held in June 2024.

In addition, the Programme includes an estimate of the minimum dedication time expected from each director, which has been calculated on the basis of the number of meetings scheduled, the time dedicated to board meetings in previous years and the issues included and/or scheduled in the Schedule of meeting dates and agenda of business to be transacted.

Last, to ensure the proper and effective performance of its functions, this Annual Work Programme refers to the budget available to the board of directors in 2025, to engage external consultancy services for the preparation of legal opinions and/or expert reports, when it deems it appropriate, as well as the channels for requests and reporting within the Company

– Annual performance evaluation

At its meeting held on 10 December 2024, the Board of Directors approved the report and conclusions regarding the annual evaluation of the performance of the Board of Directors, its committees and their relevant chairs and other key positions in the Company.

The development, contents, scope and main findings of the performance evaluation process carried out in 2024 are broken down in section C.1.17 above.

C.1.27. Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:

Yes x No

Identify, where applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:

The individual and consolidated annual accounts of the Company that are presented to be stated by the board of directors are previously certified by the CEO and the CFO.

Name	Position
Mr Óscar García Maceiras	CEO
Mr Ignacio Fernández Fernández	CFO

C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Meeting of Shareholders are prepared in accordance with accounting regulations.

The Audit and Compliance Committee, mostly made up of non-executive independent directors, meets with external auditors in order to review the Company's annual accounts and certain periodic financial information that the board of directors must provide to the markets and their supervisory boards, overseeing compliance with statutory requirements and the appropriate application of generally accepted accounting principles in the drafting of the financial statements. At the meetings that the Audit and Compliance Committee holds with external auditors (at least twice a year without any member of the management being present), any disagreement or difference of opinion existing between the Company's Management and the external auditors is put forward, so that the board of directors can take the necessary steps to ensure that the annual accounts are stated in accordance with accounting regulations, endeavouring for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor.

Furthermore, before drafting the annual, half-yearly or quarterly financial statements, the Company's Management meets with the Audit and Compliance Committee and is subjected by the latter to suitable questions as to, among others, the application of accounting standards and the estimates made in the preparations of the financial statements, topics that are subject to review with the external auditors.

In this regard, in line with Recommendation 8 GGC, section 7(e) of the terms of reference of the Audit and Compliance Committee includes the following among its powers: *"to review the contents of the auditor's reports and, where appropriate, of the reports on limited review of interim accounts, as well as other mandatory reports to be prepared by the statutory auditor, prior to the issue thereof, in order to avoid qualified reports, ensuring that the annual accounts that the Board of Directors presents to the General Meeting of Shareholders are drawn up in accordance with accounting standards and, that in the circumstances where the statutory auditor includes any qualification in the auditor's report, the Chair of the Committee should give a clear explanation at the General Meeting of the committee's opinion regarding the contents and scope of such qualifications, making a summary of that opinion available to the shareholders at the time of the publication of the notice calling the General Meeting of Shareholders along with the rest of the proposals and reports of the board of director."*

Meanwhile, section 45.5 of the Board of Directors' Regulations reads as follows: "*The board of directors shall ensure that the annual accounts are drawn up in accordance with accounting standards, striving for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor. However, in the exceptional circumstances where the auditor expresses a qualified opinion and the Board of Directors considers that it must stick to its position, it shall publicly explain the contents and scope of the discrepancy. The foregoing without prejudice to the information that the Chair of the Audit and Compliance Committee would make available to the shareholders at the Annual General Meeting.*"

Finally, pursuant to the provisions of section 45.2 of the Board of Directors Regulations, the board shall meet at least once a year with the statutory auditor to receive information on the work done and on the evolution of the accounting and risk situation of the Company.

C.1.29. Is the secretary of the Board also a director?

Yes No x

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Mr Javier Monteoliva Díaz	—

C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Section 45 of the Board of Directors' Regulations reads:

1. "*The relations of the Board of Directors with the external auditor of the Company shall be channelled through the Audit and Compliance Committee.*

2. The Board of Directors shall meet at least once a year with the statutory auditor to receive information on the work done and on the evolution of the accounting and risk situation of the Company.

3. The Audit and Compliance Committee shall refrain from proposing to the Board of Directors, and the latter shall refrain from putting forward to the General Meeting of Shareholders, the appointment as statutory auditor of the Company of an audit firm incurring in incompatibility in accordance with the laws on statutory audit as well as any audit firm wherein the fees that the Company expects to pay them for all services are in excess of the limits established in the laws on statutory audit.

4. The Board of Directors shall publicly disclose the whole of the fees paid by the Company to the audit firm for non-audit services. [...]"

The mechanisms to preserve the independence of external auditors are explained below:

- The Audit and Compliance Committee, comprised mostly of non-executive independent directors, which has as a whole the relevant background with regard to the industry to which Inditex belongs, proposes to the board of directors to be subsequently raised to shareholders at the Annual General Meeting: (i) the appointment of the statutory auditors, as such committee is responsible for the auditors selection process pursuant to applicable regulations; as well as (ii) the terms of their engagement; (iii) the scope of their professional mandate; and, where appropriate, (iv) the termination or non-renewal of their appointment.

  With regard to said process for the selection of auditors, the Procedure for the Selection of the Statutory Auditor was approved by the Audit and Compliance Committee on 9 September 2019.

  For the purposes of ensuring an unbiased, fair, transparent and efficient and non-discriminating process, the selection criteria to be considered are defined in the Procedure, as well as the various proceedings both for the selection and appointment of external auditors, and for their re-election or replacement.

  In accordance with the Procedure, the process for the selection of auditor must begin with the issue of tender documents for candidate firms, pursuant to a timeline and a request for proposals previously determined. A working team made up of members from different areas and departments will be appointed to assist in the process. This team will be responsible for selecting and inviting candidate firms to tender their proposal to become the statutory auditor of the Inditex Group. Finally, the work team will issue a report evaluating the proposals tendered based upon the predefined criteria.

  On the other hand, the criteria for the re-election or replacement of the statutory auditors are also defined in the Procedure, based upon an annual evaluation of the proceedings of the statutory auditor that will take into account, without limitation, their contribution to the quality of the audit and to the integrity of financial and non-financial information.

- Likewise, the Audit and Compliance Committee is entrusted with the duty of liaising with external auditors in order to receive information on such matters that could compromise their independence and on any other matter related to the carrying out of the statutory audit, as well as on those other communications envisaged by statutory audit legislation and auditing standards. Namely, the Audit and Compliance Committee shall:

  - Receive from the statutory auditors on an annual basis, the statement on their independence from the Company or the companies related thereto, directly or indirectly.

  - Oversee the engagement of the statutory auditor for non-audit services as well as the terms and the performance of the contracts entered into with the external auditor of the Company for the rendering of such services.

    In this regard, the Company relies on the Policy on statutory auditor contracting for the provision of non-audit services (formerly, the Procedure to Contract an Auditor for the Provision of Additional Non-audit Services, approved by the Audit and Compliance Committee on 18 July 2016). The Policy, as amended, was approved by the board at the meeting held on 15 March 2022, to align it with the new implementing regulations of the Statutory Audit Act.

    The Policy regulates the process to be followed so that the Audit and Compliance Committee may be apprised of and approve the contracts entered into by the Company and the entities of its Group with the Statutory Auditor for the provision of non-audit services.

    As a general rule, for the purposes of maintaining as much as possible the statutory auditor's independence, the Inditex Group is willing to limit as far as possible the provision of non-audit services by the former, outlining a list of services which they are prohibited to render. In addition, the Policy sets forth that non-audit services shall only be provided by the statutory auditor with the approval of the Audit and Compliance Committee.

According to the Policy, before entering into any contract, the external auditor shall send to the Audit and Compliance Committee a request for approval of non-audit services. Such request must be accompanied by a document appropriately detailing the services requested so that the Audit and Compliance Committee may proceed to a global and effective review of the threats and/or impacts that their engagement might entail to their independence, both individually and as a whole.

However, as an exception, to ensure a certain flexibility, the Audit and Compliance Committee may pre-approve on an annual basis certain types of services which are recurrent and standard with regard to their purpose. To grant such pre-approval, the potential threats and safeguards that the services might entail to the independence of the statutory auditor must be reviewed and assessed. Following the engagement of such services, the detail thereof must be provided to the Audit and Compliance Committee. Should the terms and conditions of pre-approved services under this system be subject to substantial amendments, this shall be reported and they will be subject to new approval by the Audit and Compliance Committee.

- Additionally, for the purposes of reinforcing the duty to oversee and establish the independence of the statutory auditor, the engagement by Inditex's controlling shareholder (i.e.,Pontegadea Inversiones, S.L.) of non-audit services from such auditor shall also be subject to prior approval by Inditex's Audit and Compliance Committee.

- Verify that the Company and the statutory auditor also respect the limits on the concentration of the auditor's business, the rules on professional fees and, generally, all other regulations established to ensure the independence of the statutory auditors.

  In this regard, it shall ensure that the remuneration of the external auditors for their work does not compromise their quality and independence.

- Finally, the committee will issue on an annual basis and prior to the issue of the auditor's report, a report setting forth its opinion on whether the independence of the statutory auditor or of the audit firm has been compromised. In any case, this report must contain the assessment of the provision by external auditors of each and every additional non-audit service, considered both separately and as a whole, and its opinion regarding the independence system of the auditor pursuant to statutory audit regulations.

- Last, in the event of resignation of the statutory auditor, the Audit and Compliance Committee shall examine the circumstances that may have given rise thereto.

As regards the mechanisms established to ensure the independence of the financial analysts, the Company releases information to the market following the principles of the IRC, especially relating to the obligation that the information must be accurate, clear, quantified and complete, avoiding subjective assessments that lead or could lead to confusion or deceit.

The Company also relies on the Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors, informed by a set of principles that it must observe upon disclosing information: transparency, accuracy, immediacy and symmetry. Under the policy, the Company is encouraged to keep communication channels that ensure that clear, full, streamlined and simultaneous information is made available to its current and potential shareholders, to assess the performance of the Company and its economic and financial results. This Policy is available on the corporate website.

Likewise, in accordance with Recommendation 4 GGC, the board of directors approved on 14 December 2020, following a report from the Audit and Compliance Committee, the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information that seeks to establish a framework for action and define the overarching principles that must govern the disclosure by the Company of Economic-Financial, Non-Financial and Corporate Information via Regulated and non-Regulated Channels.

The Policy is aligned with the provisions of the Company's internal regulations, in particular with the Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors.

As the highest supervisory body responsible for overseeing economic-financial, non-financial and corporate information, the board of directors shall ensure the largest circulation and the highest quality of the information provided to the stakeholders and to the markets at large, in accordance with a set of principles, including transparency, objectivity, accuracy, immediacy and symmetry in disclosure of information.

C.1.31. Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:

Yes No x

The appointment of Ernst & Young, S.L. as statutory auditor to audit the individual annual accounts and directors' report of the Company, and the consolidated annual accounts and directors' report of the Inditex Group for financial years 2022, 2023 and 2024, was approved at the Annual General Meeting held on 12 July 2022, on the proposal of the board of directors, after a favourable report from the Audit and Compliance Committee. Thus, the mandate of the statutory auditors of Inditex and the Group has remained in force in 2024.

If there were any disagreements with the outgoing auditor, explain their content:

Yes No x

Explanation of disagreements
—

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for said work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes x No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousands of euros)	50	28	78
Amount invoiced for non-audit work/Amount for audit work (in %)	7.5% [1]	0.4%	1.0%

1. The count on which this percentage is calculated only includes the statutory audit of Inditex's individual accounts services (and the verification of the relevant statement on non-financial information).

C.1.33. Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion.

Yes No x

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter
-

C.1.34. Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	3	3

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	8%	9%

C.1.35. Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details where applicable:

Yes x No

Details of the procedure

Pursuant to section 19.2 of the Board of Directors' Regulation, the notice calling ordinary meetings shall be given at least 3 days in advance of the meeting, and the order shall always include the agenda of the meeting and shall be accompanied by the duly summarised and prepared relevant information.

In this regard, to help directors effectively prepare meetings, in addition to the documentation relating to agenda items, an executive summary of each of them is made available to them ahead of each meeting, outlining the main business to be transacted, the reports, presentations, sundry supporting documentation, and the minutes of the previous meeting.

The documentation deemed appropriate to prepare the meetings of the board and its committees, according to the agenda, including the relevant presentations is made available to directors in real time via a platform. Said tool gives directors permanent access to the documentation. Additionally, other relevant information for the appropriate performance of their duties is added through the tool (including, without limitation, internal conduct and corporate governance policies, updated membership of governing bodies, information about current resolutions on remuneration or analysts' reports which may be useful for directors), in a confidential and secure environment.

For the purposes of ensuring that Inditex's board members fully understand their duties and responsibilities as well as the proceedings of the Company's governing bodies, an "Onboarding Programme-Handbook for Board and Committees' Members" which is kept updated is available to new directors and generally, to directors upon request.

Additionally, section 27 of the Board of Directors' Regulations, recognises the widest powers for directors to garner information about any topic affecting the Company (and its subsidiaries); examine its books, registers, documents and other records of the company's operations and inspect all its facilities; likewise it provides that the exercise of the powers of information shall be channelled through the Chair, the Deputy Chair or (any of the Deputy Chairs, where appropriate), or through the Secretary of the board of directors, who shall attend to the requests made by any director, and directly provide them with the information, facilitate contacts with the appropriate spokespersons at the appropriate level in the organisation or establish such measures as to enable them to conduct the desired examinations on-site.

On the other hand, the board evaluation process includes specific questions on the quality of the information made available to directors and on how early in advance it has been received. Additionally, the areas subject to improvement identified in the previous year and the assessment of the directors in respect of the improvement thereof, is subject to annual follow-up. This entails that where directors point out quality of information and/or how in advance they receive it as potential areas subject to improvement, progress can be made regarding submission of information required to prepare the meetings of the board of directors and its committees.

As a result of such evaluations, meetings are currently called 7 days in advance of the day scheduled for the meeting to be held, and directors are provided with the relevant information at that time.

Meanwhile, section 28 of the Board of Directors' Regulations addresses the possibility for directors to seek external advice.

C.1.36. Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:

Yes x No

Explain the rules

Pursuant to Recommendations 22 and 24 GGC and section 25.2(d) of the Board of Directors' Regulations, the board of directors may urge its members to offer their resignation and, if appropriate, propose their dismissal to shareholders at the General Meeting of Shareholders, when they are involved in any circumstances affecting them, related or not to their actions within the Company, that may harm the name and reputation of the Company or otherwise jeopardise its interests. In this regard, directors shall report to the board of directors any such circumstances in the shortest delay, when the Company could not have become aware of them

According to that same section, directors shall report to the board of directors any criminal cases in which they are accused as well as the occurrence of any other procedural milestones.

C.1.37. Indicate whether, apart from any special circumstances that may have arisen and been duly noted in the minutes, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes x No

Remarks
The board of directors has not been notified in the year nor has it been made aware of any situation affecting a director, that might harm the company's standing and reputation.

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Not applicable.

C.1.39. Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	17

Type of beneficiary	Description of agreement
CEO	The executive director will be entitled to severance pay in a gross amount equivalent to the remuneration of 2 years calculated based upon his annual fixed and variable remuneration for the current year, where his contract is terminated by unilateral decision of the Company, as well as in case of resignation tendered by the CEO based under certain grounds (including the succession in the company or a change in control in the Company that affects more than 50% of the share capital or of the voting rights, provided that a significant refreshment of the governing bodies of the Company or a change in the purpose of the main activity of the Company takes place at the same time, if such request for termination is made within 6 months of the occurrence of such succession or change. For this purpose, no succession or change in control shall be deemed to have taken place in the event of direct or indirect family succession in the ownership of the Company).
Senior managers and officers	Golden parachute clauses are written in the contracts executed with 16 senior managers in the event that their contract, whether ordinary or for executive service, is terminated further to withdrawal by Inditex, wrongful or unreasonable dismissal, or resignation based upon certain grounds, pursuant to the terms and conditions of their contracts. In such cases, the senior manager shall be entitled to severance pay in a gross amount equivalent to the remuneration of 2 years, calculated based upon the fixed and variable remuneration determined for the current year.

Indicate whether, beyond the cases established by law, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:

	Board of Directors	General Meeting of Shareholders
Governing body authorizing the clauses	x	

	Yes	No
Are these clauses notified to the General Meeting of Shareholders?	x	

The internal system regarding approval of the terms and conditions of the contracts entered into by the Company or any Group company with senior managers and directors, set forth in the Articles of Association, the Board of Directors' Regulations and the specific terms of reference of each board committee, is similar to the statutory system provided in the Companies Act.

The terms and conditions of executive employment contracts are approved by the board of directors, following a favourable report from the Remuneration Committee.

Information about such terms, included in the contract entered into with the CEO, can be found in the Annual Report on Remuneration of Directors for 2024, which will be put to an advisory say-on-pay vote at the following Annual General Meeting as a separate agenda item.

C.2. Committees of the Board of Directors

C.2.1. Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

EXECUTIVE COMMITTEE

The board of directors approved at its meeting held on 9 July 2024 the winding-up of the Executive Committee and, consequently, the revocation (i) of the powers it had been delegated and (ii) of the appointment of its members and the positions within the same. The foregoing was duly entered with the Companies Register in accordance with applicable regulations.

This winding-up did not preclude the possibility set out in the Articles of Association and the Board of Directors' Regulations, of reactivating such committee and forming a new Executive Committee in the future, if circumstances so advise.

a) Composition:

The composition of the Executive Committee until its winding-up is shown in the table below:

Name	Position	Directorship type
Mr Óscar García Maceiras	Chair	Executive
Mr José Arnau Sierra	Deputy Chair	Proprietary
Mr Amancio Ortega Gaona	Ordinary member	Proprietary
Ms Marta Ortega Pérez	Ordinary member	Proprietary
Ms Pilar López Álvarez	Ordinary member	Independent
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent

% excutive directors	14 %
% proprietary directors	43 %
% independent directors	43 %
% affiliate directors	0 %

b) Activity

The Executive Committee did not hold any meeting in 2024 from 1 February until the date of its winding-up.

AUDIT AND COMPLIANCE COMMITTEE

Article 28 of the Articles of Association and section 15 of the Board of Directors' Regulations, as well as the Audit and Compliance Committee's Regulations set out the regulations governing the Audit and Compliance Committee.

Membership

Regarding the Audit and Compliance Committee's membership, in 2024 the election of Ms Belén Romana García to the board of directors as new independent director was approved at the Annual General Meeting, whereas Ms Anne Lange no longer serves on the board as independent director upon expiry of her term of office.

Considering the departure of one director and the arrival of a new one, the review and reorganisation of committees' composition was required. Continuing with the policy of incorporating independent professionals of recognised standing into the Company's board committees, in view of Ms Romana's experience and professional career, she was appointed as a member of, among others, the ACC for the purposes of reinforcing or maintaining in the same independence and diversity in matters such as professional experience, skills, personal abilities, sector-specific knowledge, age and, especially, female representation.

The Nomination Committee considered that Ms Romana had the appropriate insights and experience to serve on the ACC, as her profile as financial expert, her knowledge and experience in finances, accounting, audit and enterprise risk management, as well as in regulations, public policies and corporate governance or strategy, was much appreciated.

In addition, given his previous experience chairing the committee, Mr José Luis Durán Schulz was appointed as new chair of the ACC replacing Ms Pilar López who had served her maximum term of office.

Likewise, the re-election of Bns. Denise Patricia Kingsmill to the board and certain committees as independent director was approved at the Annual General Meeting. Consequently, she will continue in her role as Chair of the Sustainability Committee.

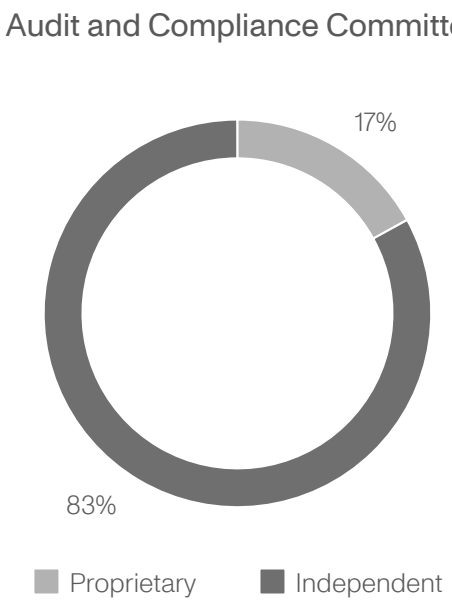
With Ms Lange's departure, the appointment of Ms Romana and the re-election of Bns. Denise Patricia Kingsmill, the Audit and Compliance Committee's membership as at 31 January 2025 and as at the date of this report is as follows

Name	Position	Directorship type
Mr José Luis Durán Schulz	Chair	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent
Bns. Denise Patricia Kingsmill	Ordinary member	Independent
Ms Pilar López Álvarez	Ordinary member	Independent
Ms Belén Romana García	Ordinary member	Independent

% executive directors	0 %
% proprietary directors	17 %
% independent directors	83 %
% affiliate directors	0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary non-member of the Audit and Compliance Committee.

The structure of the Audit and Compliance Committee is represented in the image below:



Pursuant to section 14 of the Audit and Compliance Committee's Regulations, section 15 of the Board of Directors' Regulations and article 28 of the Articles of Association, the Audit and Compliance Committee shall comprise a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom must necessarily be independent directors.

Members of the Audit and Compliance Committee will be in office while they remain as directors of the Company. The Chair of the Audit and Compliance Committee, who needs to be an independent director, will be elected by the Board of Directors for an initial maximum 2-year term and may be re-elected for an addition 2-year period. After 4 years in office, they must be replaced. They will only be eligible for re-election one year after the end of their tenure.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competencies, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that result from the smaller size of the committee.

Members of the ACC as a whole, and in particular its Chair, shall be appointed taking into account their insight and experience in accounting, audit, internal control and risk management - regarding both financial and non-financial risks – and information technology matters, as well as industry-specific knowledge to that they have, as a whole the required knowledge for the appropriate performance of its duties.

Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these duties, briefly describe its most important actions during the year and how it has exercised in practice each of the duties assigned to it by law, in the articles of association or in other corporate resolutions.

a) Duties

The mission and powers of the Audit and Compliance Committee are outlined in article 28 of the Articles of Association, section 15 of the Board of Directors' Regulations and sections 5 to 13 of the Audit and Compliance Committee's Regulations.

In addition to the powers expressly assigned to it pursuant to statute and the Recommendations of the Good Governance Code, the Audit and Compliance Committee shall be expressly entrusted with the following duties:

- Powers relating to Corporate Governance: (i) to regularly review and evaluate the appropriateness of the corporate governance system and to propose to the Board of Directors amendments and updates of the Company's corporate governance regulations; (ii) to oversee the degree of compliance by the Company with generally recognised recommendations on good governance, in particular, those set out in the GGC; (iii) to oversee compliance with its Terms of Reference and generally with the Company's corporate governance regulations; (iv) to receive from the General Counsel's Office or, as the case may be, from the Market Transparency Committee, at least every six months and whenever the ACC may deem it fit for the appropriate exercise of its functions, information on the degree of compliance with the Internal Regulations of Conduct in the Securities Markets (IRC); (v) to review recommendations and best practices, both national and international, in the field of corporate governance, and foster compliance with the most stringent standards; (vi) to regularly receive information on issues relating to management of treasury stock; and (vii) to prepare and submit to the board of directors for approval, the Annual Corporate Governance Report.

- Powers relating to Compliance: (i) to issue reports and oversee compliance with and the effectiveness of the policies or other corporate internal regulations in areas within its purview; (ii) to assess recommendations and best practices on Compliance, both domestic and international, and, where appropriate, encourage compliance with the most stringent standards, considering the Company's uniqueness; (iii) to give a report on the proposals for the appointment of the Chief Compliance Officer and of the manager of the Internal Reporting System; (iv) to approve the Annual Compliance Plan, ensuring that it is mainly focused on the relevant Compliance risks, and oversee its observance; (v) to approve the annual budget of the Compliance function, ensuring that it relies on the necessary resources for the appropriate and effective discharge of its duties; (vi) to oversee the observance of the Global Compliance Model of the Group, the Model of Criminal Risk Prevention, and the effectiveness of its controls; (vii) to oversee the Ethics Committee's duties as manager of the Internal Reporting System; and, (viii) to receive information, at least every 6 months, on the degree of compliance with the Codes of Conduct and the proceedings of the Ethics Line and the reports received on any potential breach of the Codes of Conduct and the internal conduct regulation of the Group and other potentially relevant irregularities, including of a financial and/or accounting nature, or otherwise relating to the Company.

- Powers relating to tax issues: (i) to receive from the Chief Tax Officer of the Company prior to the statement of the annual accounts and the filing of the Corporate Tax return, information on tax criteria followed by the Company during the financial year, and on the degree of compliance with the Code on Good Tax Practices; and (ii) to apprise the board of directors of the tax policies applied and, in the case of transactions or matters which must be referred to the board of directors for approval, of the tax consequences thereof, when they represent a relevant factor.

- Other powers entrusted to the Committee: (i) to oversee and evaluate in coordination with the Sustainability Committee, where applicable and in areas within its purview, the strategy of communication and relations with shareholders and investors, proxy advisors and other stakeholders as well as the effective application of the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information, and encourage its enhancement; (ii) to oversee and evaluate the process of interaction with the different stakeholders of the company, liaising with the Sustainability Committee as regards issues within their respective purview; (iii) to exercise when the Committee so resolves all the duties inherent in audit committees from time to time provided in applicable laws, as regards such Group companies that are deemed to be public interest entities as defined by applicable regulations; (iv) to regularly receive from the Cybersecurity Advisory Committee via the CISO, information on its activities and on the main business transactions, to guide the decision-making process in the event of potential threats, report about critical incidents, security measures, potential risks and control weaknesses and, generally, on the maturity level of the Group's information security system, and (v) to oversee the Group's technology framework, information and programming systems, operational processes and platforms, relevant technology and/or innovation projects, the main decisions made in terms of digital transformation, as well as the Company's data management framework, assessing and monitoring the main threats to the continuity of operations and/or the business.

- Last, the committee must (i) ensure that risks are kept and managed within the accepted levels of risk tolerance, reassessing at least once a year the most significant financial and non-financial risks,their level of tolerance and the measures foreseen to mitigate the impact of the risks identified in the event of materialization, and (ii) promote a corporate culture wherein risk is a factor considered in decision-making at all levels of the Company and its Group.

b) Organisational and operational rules

The committee shall meet, at least on a quarterly basis, for the purposes of reviewing the periodic information to be submitted to the regulatory and supervisory authority further to an obligation or of its own accord, as well as the information that the board of directors must approve and include as part of its annual public documentation.

Likewise, it shall meet each time that its Chair calls it. The Chair must call the Audit and Control Committee whenever the board of directors or its Chair would request the issue of a report or the adoption of proposals and, in any case, where this is appropriate for the committee to be effective. The committee shall also meet at the request of at least one third of its members. In such case the meeting shall be called by the Chair to be held within fifteen days of the request.

Likewise, the Chair may arrange working meetings to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by email or by any other means that gives proof of notice dispatch and receipt, and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least the majority of its members, present or represented, are in attendance. As provided in section 19 of its terms of reference, the Audit and Compliance Committee may also pass written resolutions in lieu of a meeting.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognise and identify attendees, for them to communicate, speak and cast vote, all in real time.

Likewise, for the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee prepares an Annual Work Programme, which shall include, at least, the annual schedule of its ordinary meetings and its general lines of work covering the different activities within its scope.

The committee may also rely on external advisors to properly carry out its duties. Likewise, the ACC may call executive directors, members of the Management and any employee of the Company who shall be bound to attend its meetings and provide it with assistance and access to the information available to them when the committee so requests. The ACC may also request the presence at its meetings of the Company's statutory auditor.

The deliberations and the resolutions passed by the committee are recorded in the relevant minutes of the meeting taken by the Secretary.

c) Main activities of the Audit and Compliance Committee in 2024: meetings held, attendance, business transacted and reports

The Audit and Compliance Committee has held six (6) meetings in 2024, five (5) of which were included in the Schedule of meeting dates and agenda of business to be transacted in the year.

Directors' attendance rate, whether physical or virtual, at the meetings held in 2024 stands at 100%.

In 2024, the Audit and Compliance Committee has held in-person and hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such hybrid meetings.

The duration of committee meetings was changing. Its members have devoted sufficient time to the consideration and review of agenda items,

The main proceedings of the Audit and Compliance Committee in the year have revolved around the following:

1. Proceedings relating to overseeing the preparation and release of the periodic financial information, annual accounts, auditor's report and Consolidated Statement on Non-Financial Information and Sustainability Information

– Preparation and release of financial information

The Audit and Compliance Committee reviews Inditex's economic and financial information before it is approved by the board of directors.

To do so, prior to stating the quarterly, half-yearly or annual financial statements, the Audit and Compliance Committee meets with the Company's Management to review, among other things, the enforcement of the accounting principles and the assumptions made in preparing the financial statements.

The ACC reviewed on 11 March 2024 the annual accounts and the directors' report, both consolidated and individual, as well as the auditor's report for FY2023. The Committee verified that an unqualified auditor's report was issued. The board of directors stated the consolidated and individual annual accounts pursuant to the terms indicated by the committee. At that same meeting, in the exercise of the oversight duties inherent in audit committees assumed in respect of Zara España, S.A. ("Zara España"), a wholly-owned subsidiary that meets the requirements to be considered a public interest entity (PIE), the committee reviewed the results and the Annual Financial Report, comprising the individual annual accounts and directors' report of such company for FY2023.

Additionally, the committee, which is entirely made up of non-executive directors, meets with the external auditors for the purposes of reviewing the Company's annual accounts and certain periodic financial information, ensuring compliance with statutory requirements, the appropriate delimitation of the consolidation perimeter and the appropriate use of generally accepted accounting principles upon stating the annual accounts.

In accordance with good governance recommendations on transparency, the committee reviewed the interim financial statements for 2024 and the pertaining Results and Press releases on the occasion of the quarterly and half-yearly closings, at the meetings held on 3 June (1Q), 9 September (1H) and 9 December 2024 (3Q) based upon the CEO and the CFO's reports. Such interim results – and the respective Results Releases and Press Releases – were provided by the board of directors to the market and its supervisory bodies on a quarterly basis pursuant to the Periodic Public Information format.

At the meeting held on 11 March 2024, the external auditor: (i) submitted and explained to the committee the draft auditor's report on the individual annual accounts of the Company and the consolidated annual accounts of the Inditex Group and the draft of the individual accounts of Zara España, S.A.; (ii) provided the additional report that statutory auditors must submit to the committee pursuant to article 11 of Regulation (EU) No 537/2014 of the European Parliament and of the Council, of 16 April 2014 on specific requirements regarding statutory audit of public interest entities and pursuant to section 36 of Act 22/2015, of 20 July on Statutory audit (the "Statutory Audit Act"); and (iii) reported on the presentation that external auditors would give on the following day to the board of directors on the audit opinion and significant issues occurred in 2023.

Last, the committee reviewed on 10 March 2025 the individual and consolidated annual accounts and directors' reports of the above referred companies and of the Inditex Group, respectively and the drafts of the auditor's and verification reports for 2024. The committee verified that such reports were issued with an unqualified opinion

– Consolidated Statement on Non-financial Information and Sustainability Information

The committee reviewed and gave a favourable report to the draft Consolidated Statement on Non-financial Information (SNFI) of the Inditex Group for 2023 at the meeting held on 11 March 2024.

The committee established that the SNFI had been prepared in accordance with the provisions of applicable commercial regulations, following the criteria laid down in Global Reporting Initiative ("GRI") standards, and that external auditors issued a limited assurance verification report with an unqualified opinion.

Following best practices on financial reporting, an Integrated Directors' Report was also prepared, covering non-financial and financial information (including corporate governance information).

In relation to the supervision of the process of preparation and presentation of sustainability information for 2024, the Committee has acknowledged the information received regarding the status of the processing in Spain of the new regulatory framework and European sustainability reporting standards, as well as the preparation of the sustainability report for 2024 under the new reporting standards.

At the meeting held on 10 March 2025, the ACC has reviewed and established that the Consolidated Statement on Non-Financial Information and Sustainability Information for 2024, which is included in the Directors' Report of the consolidated annual accounts, has been prepared in accordance with the regulatory requirements derived from Act 11/2018 and the new European Sustainability Reporting Standards (ESRS) and verified as regards both the information required under such Spanish law and under ESRS.

– Report on the Internal Control over Financial Reporting System (ICFR)

The committee oversaw the effectiveness of the Internal Control over Financial Reporting System (ICFR). This is accounted for in section F of the 2023 Annual Corporate Governance Report approved by the board of directors on 12 March 2024. The contents of such section F were verified by the statutory auditors, which established that statutory requirements were fulfilled.

2. Powers relating to statutory auditors and verifiers

The relations of the board of directors with the Group's external auditor and verifiers are channelled through the Audit and Compliance Committee. Without prejudice to the annual meeting between the external auditor, verifiers and the board of directors (in 2024, on 12 March), the former attend committee meetings where the financial and sustainability information that the board of directors approves and regularly discloses is reviewed.

In accordance with best practices, the Audit and Compliance Committee meets at least once a year with the external auditor and verifiers without any member of the management being present. In 2024 it has met with them twice: on 11 March and on 9 September 2024.

The Audit and Compliance Committee, mostly comprised of independent directors, raises to the Board of Directors, to be subsequently submitted to shareholders at the Annual General Meeting, the proposals for the appointment and/or re-election of the statutory auditor, being responsible for the selection process, and for the terms of their engagement, the scope of their professional mandate and, where appropriate, their termination or non-renewal. In this regard, the Audit and Compliance Committee approved at the meeting held on 9 September 2019, the Procedure for the Selection of the Statutory Auditor (amended in 2022 to become a Policy), for the purposes of ensuring an unbiased, fair, transparent, efficient and non-discriminating selection process.

The committee also oversees the enforcement of the audit engagement, evaluates the audit findings and oversees the terms and enforcement of any contracts entered into with the auditors for the performance of non-audit assignments to ensure the auditors' independence.

– Overseeing the effectiveness of the statutory audit, the verification of the Consolidated Statement on Non-Financial Information and Sustainability Information and fulfilment of the audit engagement

At the meeting held on 11 March 2024, with the attendance of the external auditors and verifiers previously called by its Chair, the ACC reviewed the results of the 2023 audit, as well as the verification of the SNFI for that year. In this presentation, external auditors reported on aspects related to the scope of the work (in relation to their plan), and the key accounting and audit matters for the year.

The work carried out consisted of (i) the audit of the Group's consolidated financial statements as at 31 January 2024 and the audit of Inditex's individual financial statements, also as at 31 January 2024, as well as (ii) the limited assurance verification of the consolidated SNFI for the same year. Likewise, the scope of the audit work included, on an individual basis, the information relating to the individual accounts corresponding to Zara España. The corresponding auditor's reports were issued without a qualified opinion.

In accordance with the provisions of section 36 of the Statutory Audit Act, at the meeting held on 11 March 2024, the auditors also reported on the relevant additional reports that they must submit to the ACC.

In addition, the external auditors also reported to the committee, at the meetings held on 3 June and 9 December 2024, on the results of the review of the consolidated financial statements for 1Q2024 and 3Q2024, and were in attendance at the committee meeting held on 9 September 2024 to: (i) to report on the results of the limited review of the consolidated interim financial statements of Inditex and its subsidiaries and (ii) to present their work plan for the statutory audit of the Company and its Group, including the specific matters affecting the individual accounts of Inditex and Zara España for 2024. This Plan included (i) the detail and scope of the statutory audit services, (ii) the audit approach and planning, which included, among other things, the relevant provisional audit aspects, (iii) the approach and planning of the verification work of the sustainability report and (iv) the key stages and dates foreseen in the audit process. They were also in attendance at the meeting held on 9 December 2024 to present the results of the diagnostic work on cyber security maturity and the evaluation of cyber intelligence capabilities.

In all the aforementioned meetings, the verifiers also reported to the committee on the results of the gap analysis carried out on the new

Sustainability disclosure requirements under the EU Corporate Sustainability Reporting Directive ("CSRD'), the monitoring of its transposition into Spanish law and the evolution of reporting requirements, as well as the progress in the review of sustainability information in accordance with the new requirements (scope and structure, double materiality, etc.).

Finally, at the meeting held on 10 March 2025, the auditors and verifiers presented their opinion on (i) the audit of the consolidated financial statements of the Group and the individual financial statements of Inditex and Zara España for 2024, and (ii) the verification of the consolidated Statement on Non-Financial Information and Sustainability Information for 2024. All this together with the relevant drafts of the audit and verification reports

– Verifying statutory auditor's independence

Pursuant to the provisions of the Policy on statutory auditor contracting for the provision of non-audit services originally approved by the Committee on 18 July 2016 as a Procedure and amended in part on 15 March 2022, the Audit and Compliance Committee evaluated and approved at the meetings held on 3 June, 9 September and 9 December 2024 the engagement by the Company, Group companies (in particular, Zara España) and Pontegadea Inversiones, S.L. (where appropriate), of non-audit services from external auditors. It further verified that they met the independence requirements established.

The external auditor also reported to the committee that no circumstances were found that might entail incompatibilities in the field of independence, pursuant to applicable regulations.

On the other hand, after receiving a written confirmation from the statutory auditor of its independence the committee approved on 11 March 2024 the report on the external auditor's independence from the Company and from Zara España for 2023. Such reports covered issues such as the period during which the lead audit partner had been performing this function and other likely incompatibilities, the adequacy of the system for prior approval and the provision of non-audit services, and fees. According to the report, no evidence was found which may cast doubt on the auditor's independence and objectivity as statutory auditor of the Group and its subsidiaries and of Zara España.

Pursuant to Recommendation 6 GGC, the report on the independence of the external auditor from the Company was made available to the shareholders on the corporate website at the time the notice of the Annual General Meeting was posted.

Last, on 10 March 2025,after reviewing the auditor's written confirmation of its independence and the appropriateness of the provision of non-audit services (and the corresponding fees received) and not knowing of any evidence that could cast doubt on the independence of the external auditors, the ACC has issued the Independence Report of the statutory auditor and verifier for 2024, expressing a favourable opinion on their independence.

3. Powers relating to the Internal Audit Function

The IA Function mandate is to provide the Board, the ACC and the Group's Senior Management with independent risk-based and objective advice, assurance, insight and foresight. The IA function ensures, under the supervision of the ACC the smooth running of the information and internal control systems, carrying out an independent and objective oversight of the appropriateness and effectiveness of the governance, risk management and control processes of the Group. Internal Audit is a corporate function that reports administratively to the non-executive Chair of the board, but has functional reporting line to the Chair of the Audit and Compliance Committee.

The Chief Audit Officer (CAO), being ultimately responsible for the Internal Audit function, regularly apprises the Audit and Compliance Committee of the level of achievement of the Internal Audit annual work Plan, including potential changes and deviations, incidents and scope limitations that may occur upon implementing such Plan, as well as of the engagements carried out in the different audit areas. The ACC oversees the IA function and approves its mandate, responsibilities and scope of its activities, in addition to the Internal Audit Plan, the annual activities report and the budget and resources of the Department to carry out its tasks.

In 2024, the CAO attended all six (6) meetings of the Audit and Compliance Committee and actively participated in the same. A number of issues that fall within its purview were addressed at such meetings.The ACC oversaw the Annual Work Plan of the Internal Audit Department (reporting on the progress of the projects and reviewing the follow-up on the most critical recommendations in the field of operations, financial, compliance and systems currently in progress). In particular:

- At the meeting held on 11 March 2024 the committee: (i) approved the Internal Audit annual activities report for 2023 and reviewed the main findings and the global evaluation of internal control of assurance assignments carried out by the IA Department in 4Q2023; (ii) approved the 2024 Internal Audit Plan and budget, in accordance with Recommendations 41 and 42 GGC, and (iii) gave a favourable report to the external audit fees for 2023 and the budget for 2024.

- At the meetings held on 3 June, 9 September and 9 December 2024, the committee assessed the results and main findings of the engagements carried out by IA in 1Q2024, 2Q2024 and 3Q2024, respectively

- At the meeting held on 9 September, the committee resolved to update the 2024 Internal Audit Plan to align it with the review regularly carried out as a result of the follow-up on the progress of business, operations and new risks in relevant areas.

- At the meeting held on 9 December, the ACC acknowledged and discussed with the CAO the preview of the 2025 Audit Plan and its main areas of interest. Such Plan was approved at the meeting held on 4 February 2025 and the CAO's feedback was considered

- In all such meetings, the ACC followed up on (i) the main indicators of the function's activity, in particular, the level of achievement of the projects completed out of its Plan and the implementation of the recommendations issued by IA; and on (ii) the progress of the preliminary review of the sustainability information prepared in accordance with the new reporting standards, including the adequacy of the methodology used for the double materiality assessment.

Last, the ACC has carried out an internal evaluation of the performance of the IA function and its head in relation to the activity carried out in 2024. The questionnaire assessed aspects such as (i) the profile, position and independence of the CAO and her team, (ii) the functioning, performance and effectiveness in the year, (iii) the level of dialogue and coordination with the committee itself, other members of management and other assurance functions, as well as with external auditors/ verifiers, (iv) the evaluation system and quality programmes, and (v) resources.

The findings of this evaluation have been included in the corresponding report and debated at the ACC meeting held on 10 March 2025.

4. Powers relating to Compliance

The ACC is responsible for risk management and business conduct, including supervision of the Compliance function. In this regard, the Chief Compliance Officer reports to the committee on a quarterly basis throughout the year, and whenever so requested, and reports periodically on the functioning of the Global Compliance Model, the activity of the Ethics Committee, the functioning of the Ethics Line and the supervision of the Model of Criminal Risk Prevention.

- Oversight of the Compliance function

At the meeting held on 11 March 2024, the committee approved the Annual Compliance Work Plan, the budget and the assets and resources available to the Compliance function in 2024.

Likewise, at the meetings held on 11 March and 9 September 2024, the ACC followed up on and assessed the main findings of the periodic works on the proceedings of the Global Compliance Model, compliance risks management and the main Compliance projects and initiatives, the training plan and the review of the Company's internal regulations. Likewise, the ACC approved the 2023 Annual Compliance Report and the 1H2024 Compliance Report, respectively.

- Oversight of the Model of Criminal Risk Prevention and the Ethics Line proceedings: review of the reports issued by the Ethics Committee

At the meetings held on 3 June and 9 December 2024, the ACC followed up on the periodic work of monitoring, evaluating and overseeing the Model of Criminal Risk Prevention outlined in two reports from the Ethics Committee: the Report on the Model of Criminal Risk Prevention for 2023 and for 1H2024, respectively. These reports include the results of the supervision of the Inditex Group's Model of Criminal Risk Prevention.

Furthermore, the ACC reviewed and approved at its meeting of 11 March 2024, the Annual Report of the Ethics Committee which included the main activities carried out by this Committee in relation to the Ethics Line in 2023, as well as the report relating to 1H2024, at its meeting of 9 September 2024. These reports cover the enforcement of the Codes of Conduct, detailing the cases handled by the Ethics Committee, the actions taken, as well as the resolutions issued by said body (which contemplate the closing of proceedings, in the event that there is no breach, or the existence of violations, their severity and the advisability of adopting disciplinary measures and/or additional action).

In addition, at its meetings on 3 June and 9 December 2024, the ACC monitored (i) the communication, training and awareness-raising activities of the Code of Conduct, (ii) the evolution of the number of cases handled and concerns received through the Ethics Line, and (iii) the work to update the criminal risk assessment methodology and the new taxonomy.

5. Proceedings in the field of oversight and evaluation of the Enterprise Risk Management Function

As part of its oversight duties, the Audit and Compliance Committee is responsible for verifying the level of risk tolerance and its limits, reviewing them at least once a year and receiving periodic reports which will be subsequently raised to the board of directors. In this regard, the committee has taken the following action:

- Risk Map

At the meeting held on 9 December 2024, through the report of the Head of the ERM Department, the ACC reviewed the evolution of the main risks that could affect the business development and/or the achievement of the strategic objectives of the Company and the control mechanisms established to manage and monitor them.

At that meeting, the committee gave a favourable report to the 2025 Risk Map in accordance with the new scenarios methodology designed and implemented with the collaboration of the University of Cambridge, which was approved by the board of directors at its meeting held on 10 December 2024.

- Assessment of other risks

Pursuant to section 9(d) of the Audit and Compliance Committee's Regulations, and the provisions of the Enterprise Risk Management Policy, the ACC is entrusted with the duty of overseeing and evaluating the effectiveness of the internal control and risk management systems relating to both financial and non-financial risks, "*including tax, operational, technological risks in the main and those relating to cyber security and AI, legal, social, environmental, reputational and those related to corruption, as well as of the measures established to mitigate the impact of identified risks*".

Likewise, pursuant to section 9(K) of the above referred terms of reference, the Audit and Compliance Committee may "*meet with the heads of business units at least once a year, and whenever the Committee deems it appropriate, for the purposes of reporting to the Committee on trends of business and risks associated with the respective areas within their purview.*"

The committee has encouraged attendance of company's officers, managers and heads of control areas at its meetings, to keep abreast of the effectiveness of the risk management systems established and the findings reached. In particular, with regard to:

/ Logistics risks: at the meeting held on 6 February, Zara's CFO and COO, the Head and a member of the Logistics Department and the Head and a member of the ERM Department reported to the ACC which reviewed the logistics model of the Group, its investments in logistics, the operational challenges of the model and the main risks associated with logistics, and the different monitoring systems in place.

/ Third-party risk: at the meetings held on 7 May, 9 September and 9 December, the ERM, Sustainability, Compliance and Internal Audit departments reported to the ACC, which has carried out an in-depth review of the main features of the Group's suppliers and the risks the Group is exposed to on account of its activities with them, in particular, the monitoring model of the supply chain and its main elements, focusing namely on the financial due diligence, sustainability due diligence (including Human Rights and environment), Compliance and reputational due diligence, and in the coordination work among the different corporate and business areas. With regard to this Model the following was reviewed: (i) the main risks associated with the supply chain and Inditex's procurement model, with a potential impact on the Group's strategic objectives, monitoring systems to prevent, identify and mitigate them, and the flows set should any such risk materialize; and (ii) the strengths and challenges of Inditex's supply chain.

At the meeting held on 9 September, the ACC reviewed the main impacts and risks facing the group resulting from the social and political instability.

/ Work-related risk: at the meetings held on 11 March and 9 September, the ACC reviewed the periodic information relating to workplace accidents within the Group and their impact on mandatory reporting, in addition to other relevant issues.

6. Powers relating to Information Security, Data Protection and Privacy

The CISO apprises the committee at least every six months of the action taken by the company to mitigate cyber risks. At the meetings held on 11 March and 9 September 2024 the following issues were broached: (i) the main events of interest noted by the Information Security Committee in 2H2023 and 1H2024, and the review of the main existing threats; (ii) the most relevant projects and initiatives of the Information Security Department and (iii) the main findings and issues to be considered regarding the topics broached during the second meeting held by the Cybersecurity Advisory Committee.

At the meeting held on 9 December 2024, the CISO reported on the conclusions of the analysis carried out by an independent advisor on the degree of alignment of the Group's information security systems with the Code of Good Governance, which confirmed full or partial alignment with the 25 recommendations included in the Code, and the committee analysed the aspects for improvement indicated. Furthermore, with the assistance of the external auditors, the Committee evaluated, in that same meeting, the results of the analysis work carried out in relation to the level of cybersecurity maturity and incident management of the Group.

As part of its oversight duties in the field of information security, the ACC approved the annual Information Security Plan for 2024 and its budget.

On the other hand, at the meeting held on 9 September 2024, following the DPO's report, the ACC reviewed: (i) the results of the periodic monitoring work of the privacy compliance model, the incidents and security breaches detected (the main conclusion being that no serious incidents or security breaches were detected that might have relevant impacts on the Group) and the most relevant initiatives carried out by the data protection and privacy area aimed at mitigating the main risks, (ii) the evolution of the Department's budget, and (ii) the strategy, main lines of action and resources for 2025

7. Powers relating to Corporate Governance

• Annual Corporate Governance Report (ACGR)

At the meeting held on 11 March 2024, the Audit and Compliance Committee reviewed and gave a favourable report to the draft 2023 Annual Corporate Governance Report filed in free format, in accordance with CNMV's Circular 5/2013. The ACGR was approved by the board of directors at the meeting held on 12 March 2024, and subsequently disclosed to CNMV as "Oher Relevant Information". The ACGR is available on CNMV's website and on the corporate website (www.inditex.com).

On 10 March 2025, the committee gave a favourable report to the 2024 Annual Corporate Governance Report which was approved at the board meeting held on 11 March 2025.

• Annual Report on Remuneration of Directors

As a new development and in compliance with the Recommendations issued by CNMV in its new Technical Guide 1/2024 on audit committees at public interest entities, the committee has reviewed, at the meeting held on the date of issue of this report, i.e., 10 March 2025, following a favourable report from the Remuneration Committee (at the meeting which took place previously on the same date), the consistency and integrity of the information provided in the Annual Report on the Remuneration of Inditex Directors for 2024 (prepared in free format, in accordance with the regulatory authorisation contained in Circular 5/2013) and has submitted it to the Board of Directors for approval.

• Review of the reports of the Market Transparency Committee

In order to establish that the Company complies with the different requirements on market abuse, the ACC reviewed on 11 March and 9 September 2024 the half-yearly reports issued by the General Counsel's Office and approved by the Market Transparency Committee (MTC) covering: (i) the meetings held by the MTC in the reporting period; (ii) control of incidents involving transactions in Inditex shares detected and incidents concerning the enforcement of the IRC; (iii) the summary of "Inside Information" and "Other Relevant Information" communications disclosed to CNMV; (iv) the black-out periods and the communication of the expiry of the period in which persons subject to the IRC are entitled to carry out personal transactions in Inditex shares; (v) the action taken to share among the parties concerned the obligations arising from the IRC ensuring its enforcement; (vi) the update of the list of persons subject to the IRC, and (vii) the potential impact that the different market abuse legislative initiatives might have on the Company.

In these reports, the MTC also reviewed the results of the monitoring of related party transactions which, in accordance with the regulatory authorisation provided for in section 529*quaterdecies* LSC, have been delegated to it, in order to verify that such transactions are fair and, where appropriate, that applicable statutory requirements have been met. All of this is in accordance with the provisions of the Internal Procedure for Periodic Reporting and Control on Related Party Transactions, which forms part of Inditex's internal corporate governance regulations.

Last, at the meeting held on 10 March 2025, the committee has reviewed the report on the proceedings carried out in 2H2024, drawn

up by the General Counsel's Office and approved by the MTC. In such report, in addition to issues broached in previous half-yearly reports, the nature and materiality of the related party transactions carried out in 2024 was reviewed, to ensure maximum consistency in the annual reporting in the different mandatory reports

- Amendment to internal regulations on corporate governance

At the meeting held on 3 June 2024, the committee gave a favourable report to the proposals on the amendment to the Articles of Association and the Regulations of the General Meeting of Shareholders, and approved the relevant memorandums in support. The rationale of such amendments has already been explained in the section covering the proceedings of the Board of Directors.

Both proposals for amendment were approved by the board of directors on 4 June 2024 and subsequently raised to shareholders at the AGM on 9 July 2024.

- Evaluation of the appropriateness of the corporate governance system

At the meeting held on 6 February 2024, the Audit and Compliance Committee evaluated the results of the review of the governance system for 2023 with the assistance of an independent external advisor, following the evaluation of the indicators that make up the Good Corporate Governance Index, Version 2.0. (IBGC), which determines the degree of compliance with good governance based on a series of variables and indicators. The Committee verified that the final result of the IBGC evaluation process was the highest possible score and also acknowledged the areas for improvement identified, which have been implemented throughout 2024.

As a result of the above, in 2024 the Group has obtained, with the highest rating, the Good Corporate Governance Certification issued by AENOR, which verifies a high degree of compliance with best practices applicable in this area.

- Related party transactions

At the meeting held on 11 March 2024, the ACC issued and approved the report on related party transactions carried out by the Inditex Group throughout 2023. Pursuant to Recommendation 6 GGC, such report was made available to shareholders on the corporate website (*www.inditex.com*) at the time the notice calling the Annual General Meeting was posted.

At its meetings held on 11 March, 3 June and 9 December 2024, the committee gave a favourable report to the related party transactions carried out by the Group in 2024. Further to their assessment based upon the reports issued by the committee – whose findings were that all such transactions were fair and reasonable as well as market appropriate - such related party transactions were approved by the board of directors.

Last, at the meeting held on 10 March 2025, the committee has issued the report on the related party transactions carried out by the Inditex Group throughout 2024.

- Report on treasury stock

The Audit and Compliance Committee acknowledged at the meeting held on 11 March 2024 the report on the Group's treasury stock and its change throughout 2023 and the period elapsed in 2024.

- Annual Work Programme

Pursuant to recommendations of Technical Guide 1/2024, the Audit and Compliance Committee approved on 9 December 2024 its Annual Work Programme for 2025.

This Programme determines the objectives set by the committee itself for the year and its main lines of work.

To determine these objectives, the ACC has relied on an analysis of the Group's main risks, as well as on the priorities identified in the conclusions of the annual evaluation process for 2024 which, together with the issues that are addressed on a recurring basis by the committee (either to comply with a statutory obligation within a certain period of time or because they are issues that are dealt with periodically), determine the general lines of work for 2025, which cover the different activities under its responsibility, and which are organised in the corresponding Schedule of meeting dates and agenda of business to be transacted in the year.

In addition, this Programme includes an estimate of the minimum time commitment expected of each committee member, which has been calculated taking into account the number of meetings scheduled in the calendar, the time commitment incurred in previous years and the matters included and/or planned in the Schedule of meeting dates and agenda of business to be transacted.

Finally, to ensure the proper and effective performance of its functions, this Annual Work Programme refers to the budget available to the ACC for 2025 for the contracting of external consultancy services for the preparation of legal opinions and/or expert reports, when it deems it appropriate, as well as the channels for requests and reporting within the Company.

Likewise, in the same meeting, and in accordance with Recommendation 33 GGC, the committee agreed to give a favourable report on the Annual Work Programme of the Board of Directors for 2025.

8. Annual report on its proceedings and evaluation of its functioning and performance

The committee issued on 11 March 2024 the annual report on the proceedings carried out in 2023, which is available on the corporate website *(www.inditex.com*).

Likewise, in 2024, in accordance with best practices and taking into account the recommendations set out in the Technical Guides on audit committees at public interest entities and on nomination and remuneration committees, and in accordance with the provisions of Recommendation 6 GGC, a draft Annual Report on the proceedings of the Board of Directors for 2023 was issued, which was approved at the Board's meeting on 12 March 2024 and is available on the corporate website (*www.inditex.com*).

At its meeting held on 9 December 2024, the Audit and Compliance Committee approved the relevant findings report of the evaluation process carried out in 2024, which was submitted to the Board of Directors for approval at its meeting on 10 December 2024.

In 2024, the results obtained have been very positive in all the dimensions assessed (capacities, structure, functions, effectiveness, functioning, planning and organisation), with a favourable emphasis on the effectiveness of the performance of its risk supervision functions and the time dedicated to the assessment of the most relevant risks, with special mention of the monographic presentations on geopolitical and operational risks. Likewise, based on the information provided by the directors themselves, it should be noted that no significant deficiencies have been identified, although certain aspects have been pointed out that should be paid attention to in 2025 and on which a progress report will be made throughout the year.

9. Other powers and activities

– Internal regulations

At the meeting held on 6 February 2024, the committee gave a favourable report to: (i) the proposal on the update of the Code of Conduct; (ii) the proposal on the new Human Rights Policy; (iii) the proposal on the new Conflict of Interest Policy; (iv) the proposal on the new Gifts and Invitations Policy, and (v) the proposal on the new Internal Regulations Policy. Such sets of rules were approved at the board meeting held on that same day.

On 11 March 2024, the ACC gave a favourable report to the proposal on the amendment to the Criminal Risk Prevention Policy, which was approved at the board meeting held on 12 March 2024.

At its meeting on 9 September, the ACC issued a favourable report on the proposed amendment to the Inditex Group's Policy on Representatives and Attorneys, approved in 2008 and amended in 2016. This proposal was approved at the Board of Directors meeting on 10 September 2024.

At its meeting on 9 December, the committee gave a favourable report on: (i) the Inditex Group's new Policy on Public Policy, and (ii) the proposed amendment to the Enterprise Risk Management Policy, approved in 2015 and last amended in 2020. Both proposals were approved by the Board of Directors at its meeting on 10 December 2024.

– Report on Tax Policies and Follow-up on the Code of Good Tax Practices

In 2017, the board of directors approved the adherence of Inditex and all its subsidiaries to the Code of Good Tax Practices.

Pursuant to the Company's Tax Policy, the committee reviewed at the meetings held on 11 March 2024 and 10 March 2025 the tax policies followed in 2023 and 2024, the follow-up on the Strategy, the review of the tax measures and regulations adopted by European and the Spanish regulators and their impact on the Group, and sundry tax transparency issues in the reporting period.

At the meeting held on 11 March, the scope of consolidation of Group companies was reviewed, as a result of the review of the Group's corporate structure process which began in 2028, and an analysis was made of the impacts of the main legislative developments on the Group, particularly in relation to Pillar Two.

— Assumption of functions of audit committee at Zara España, S.A.

As described above in the relevant sections, the Audit and Compliance Committee carried out in 2024 duties inherent in the audit committee of Zara España, S.A. being a public interest entity..

– Powers relating to the oversight of the strategy on communication and relationship with shareholders and investors, proxy advisors and other stakeholders

In addition to the CEO's report presented at board meetings on a quarterly basis, members of the committee regularly receive reports from the Investor Relations Department on the roadshows, webinars and/or calls with investors and analysts that cover market's reaction to quarterly results.

Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.

Names of directors with experience	Mr José Luis Durán Schulz, Mr José Arnau Sierra, Mr Rodrigo Echenique Gordillo, Bns Denise Patricia Kingsmill, Ms Pilar López Álvarez and Ms Belén Romana García.
Date of appointment of the chairperson	09/07/2024

NOMINATION COMMITTEE

Article 29 of the Articles of Association, section 16 of the Board of Directors' Regulations and the Nomination Committee's Regulations set out the regulations governing the Nomination Committee.

Composition

Regarding the Nomination Committee's membership, in 2024 the election of Ms Belén Romana García to the board of directors as new independent director was approved at the Annual General Meeting whereas Ms Anne Lange no longer serves on the board as independent director upon expiry of her term of office.

Considering the departure of one director and the arrival of a new one, the review and reorganisation of the committee's composition was required. Continuing with the policy of incorporating independent professionals of recognised standing into the Company's board committees, in view of Ms Romana's experience and professional career, she was appointed as a member of, among others, the Nomination Committee for the purposes of reinforcing or maintaining independence and diversity thereon in matters such as professional experience, skills, personal abilities, sector-specific knowledge, age and, especially, female representation.

In addition, Ms Romana was elected as the new Chair of the Nomination Committee, replacing Mr José Luis Durán Schulz, given her previous experience holding the same position in other companies.

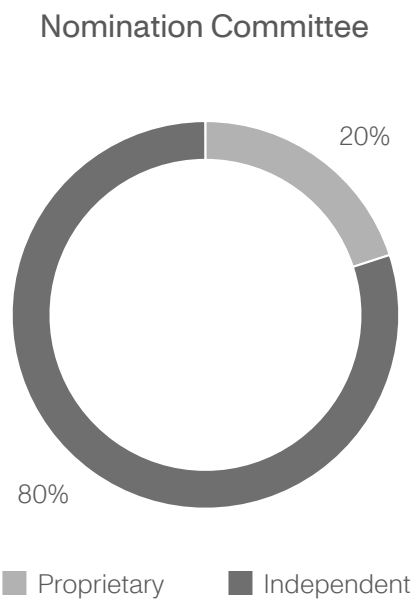
Consequently, the Nomination Committee's membership as at 31 January 2025 is as follows:

Name	Position	Directorship type
Ms Belén Romana García	Chair	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent
Ms Pilar López Álvarez	Ordinary member	Independent

% executive directors	0 %
% proprietary directors	20 %
% independent directors	80 %
% affiliate directors	0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Nomination Committee.

The structure of the Nomination Committee is as follows:



Pursuant to the provisions of article 29 of the Articles of Association and section 10 of its own terms of reference, the Nomination Committee shall comprise a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom must necessarily be independent. The Chair of the Nomination

Committee shall be appointed by the board of directors from amongst the independent members of the committee.

Members of the Nomination Committee will be in office while they remain as directors of the Company.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competencies, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that result from the smaller size of the committee.

Members of the Nomination Committee shall be elected as a whole and in particular its Chair, considering the appropriate knowledge, qualifications and experience to discharge the duties they are called upon to perform, including on corporate governance issues, analysis and strategic assessment of human resources, selection of directors and senior executives and the assessment of the suitability requirements legally provided for the discharge of senior executive functions.

Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most significant actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.

a) Duties

The mission and powers of the Nomination Committee are provided in article 29.3 of the Articles of Association, section 16 of the Board of Directors' Regulations, and sections 5 to 9 of the Nomination Committee's Regulations.

In addition to the powers expressly assigned to it pursuant to statute and the Recommendations of the Code of Good Governance, the Nomination Committee is entrusted with the following duties:

- With regard to directors' selection: (i) to issue a report on the Diversity of Board of Directors Membership and Director Selection Policy; (ii) to set up and review the criteria that must be adhered to regarding an appropriate and diverse board membership and the selection of prospective candidates; and (iii) to ensure that, upon filling new vacancies or upon appointing new directors, selection procedures shall encourage diversity and ensure the absence of any bias as well as follow merit-based approach.

- With regard to the annual evaluation process: (i) to establish and oversee an annual programme to evaluate the performance of the board of directors, its members and its committees, the Chair, the CEO, the Secretary and the Lead Independent Director; (ii) to report on an annual basis to the board of directors on the performance of the board, its members and committees; (iii) to propose an action plan or recommendations to remedy potential weaknesses detected or to enhance the effectiveness of the board and its committees; and (iv) to assess the convenience of discussing with directors the findings of their individual evaluations and, if appropriate, the action to be taken to improve their performance.

- With regard to Senior Managers: in addition to the powers relating to the appointment and removal of senior managers, the Committee may (i) be regularly apprised of succession and career plans for Senior Managers, and (ii) be apprised of the process of evaluation of senior managers.

- Other powers entrusted to the committee: (i) to design and periodically organise the induction and refresher programmes for directors and (ii) to report on the proposals on the election of members of the different internal consultative bodies of the company.

b) Organisational and operational rules.

The Nomination Committee shall meet at least 3 times a year and whenever its Chair calls it. The Chair shall call a committee meeting each time the Board of Directors or its Chair requests the issue of a report or the adoption of proposals and in any case whenever it is appropriate for its effective performance.

Likewise, the Chair may arrange working sessions to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by e-mail or by any other means that gives proof of notice dispatch and receipt, and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members attend, in person or by proxy., As provided in section 15 of its terms of reference, the Nomination Committee may also pass written resolutions in lieu of a meeting.

Committee meetings may be held via videoconference or conference call, or any other equivalent system enabling the recognition and identification of attendees, allowing them to communicate, speak and cast votes, all in real time.

Likewise, for the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee prepares an Annual Work Programme that shall include at least an annual schedule of its ordinary meetings and the general lines of the Committee's work covering the different activities within its scope.

The committee may rely on external advisors to duly perform the duties it has been entrusted with. The committee may also call executive directors, members of Management and any employee of the Company, who shall be bound to attend its meetings and provide it with assistance and access to the information available to them upon the committee's request.

The deliberations and the resolutions passed by the committee are recorded in the relevant minutes of the meeting taken by the Secretary.

c) Main activities of the Nomination Committee in 2024: meetings held, attendance, business transacted and reports:

The Nomination Committee has held six (6) meetings in 2024, all of which were included in the Schedule of meeting dates and agenda of business to be transacted in the year.

Directors' attendance rate whether physical or virtual, at the meetings held in 2024 stands at 100%.

In 2024, the Nomination Committee has held in-person and hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such hybrid meetings.

The duration of committee meetings was changing. Its members have devoted sufficient time to the consideration and review of agenda items.

The main action lines of the Nomination Committee's annual work programme have been determined by its Schedule of meeting dates and agenda of business to be transacted in 2024 which was approved on 11 December 2023. This schedule allows to systematically arrange the agenda of the meetings organised for the year, planning fixed sections covering recurrent topics as well as occasional items that would be broached at the different meetings throughout the year, as their inclusion into the committee's agenda was deemed necessary and/or convenient based on its essential duties and competences.

The main proceedings of the Nomination Committee in the year have revolved around the following areas:

1. Proceedings relating to appointment and removal of officers

Directors

At the meeting held on 3 June 2024, the Nomination Committee issued the report on board needs which covered the following: (i) the proposal on the election of Ms Flora Pérez Marcote to the board as proprietary director replacing Pontegadea Inversiones, S.A. which was no longer eligible for re-election pursuant to statute, (ii) the proposal on the election of Ms Belén Romana García to the board as independent director, in the context of the end of Ms Anne Lange's service on the board as her term of office expired on 14 July 2024 and (iii) the proposal on the re-election of Bns. Denise Patricia Kingsmill to the board as independent director. The report also assessed whether the professional profiles of the directors eligible for election or re-election were appropriate

The nomination process and the involvement of the Nomination Committee in the same has been described in explained in sections C.1.5 & C.1.6. above.

The proposals on the appointment and re-election of the directors above referred were approved at the AGM held on 9 July 2024.

In view of the above referred appointments, the Nomination Committee approved on 9 July 2024 the proposal on the reorganisation of committees' membership, considering the skills and experience of the new director, as well as the profile, in general, of the most suitable persons to form part of them and other aspects of diversity in the resulting composition. This reorganisation included the appointment of the new independent director, Ms Romana as a member of the Audit and Compliance, Nomination and Sustainability Committees, as well as her appointment as Chair of the Nomination Committee and the election of Mr Durán as the new Chair of the Audit and Compliance Committee, as it was mandatory to replace the then Chair, Ms López, on reaching the maximum 4-year term in office. This proposal was approved by the Board of Directors at its meeting held that same day.

The Nomination Committee approved last at the meeting held on 9 September the update of the board skills matrix, where the skills, background and experience of current directors are identified. Such matrix is available on the corporate website (www.inditex.com).

Senior managers and other officers

The Nomination Committee is responsible for setting and reviewing the yardsticks that must be used to ensure an appropriate membership on Inditex's governing bodies. It further plays an active role in selection processes for prospective candidates.

In this regard, at its meetings held on 6 February and 9 September 2024, the Committee gave a favourable report to the appointment of a new member to both the Cybersecurity Advisory Committee and the Social Advisory Board, respectively, on the proposals made by the Group's Management. The Committee considered that these proposals guaranteed the existence of an adequate balance and complemented the skills and experience, as a whole, in the composition of both committees, as internal expert advisory bodies of the Company, in matters of cyber security and sustainability.

Such proposals were approved by the board of directors at its meetings held on 6 February and 10 September 2024, respectively.

At its meeting held on 9 September, the committee gave a favourable report to the proposal on the election of 2 new members to the Management Committee, to complete the profiles that make it up and in addition, to fill the vacancy created following the departure of one member. Such proposal was approved by the board at the meeting held on the following day.

2. Proceedings relating to the process to evaluate the performance of the board of directors, its members and committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the board.

During 2024 certain improvements identified in the annual evaluation of the performance of the board of directors, its members and committees, the Chair, the CEO, the Lead Independent Director, the Secretary of the board and committees' chairs, carried out in 2023 were implemented. The detail of the measures implemented is broken down in section C.1,17. above.

In 2024, the self-assessment process has been managed internally, led by the current Chair of the Nomination Committee assisted by the General Counsel's Office. The committee approved on 9 December 2024 the findings report of the evaluation process carried out in 2024 and raised it to the board of directors for approval. The board approved such report at its meeting held on 10 December 2024.

More detailed information about the scope and findings of the evaluation process carried out in 2024 can be found in section C.1.17 above.

3. Ascertaining compliance with the Diversity of Board of Directors Membership and Director Selection Policy

At the close of 2024, the committee established at the meeting held on 10 March 2025 compliance with the Diversity of Board Membership and Director Selection Policy as regards the process to re-elect, ratify and appoint directors carried out in 2024 (the findings of the report to ascertain compliance with the Policy are outlined in section C.1.7 above).

4. Review of key positions

Further to the changes to the Management Committee's composition,

the committee has reviewed in 2024 the different key positions of the Group and the identification of eligible profiles for future inclusions.

5. Onboarding Programme

In 2024, the Director's Handbook, which forms part of the global onboarding programme for new directors (which, in turn, forms part of ITX Board Academy), has been reviewed and amended to align it with best practices. Such document has been renamed as "Onboarding Programme – Board and Committee Member Handbook", to cover relevant aspects relating to the organisation, composition, duties and proceedings of board committees. The opportunity has been seized to introduce technical and editorial improvements and to make the relevant updates considering the evolution of the Company's structure and its internal regulations.

The new Onboarding Programme – Board and Committee Member Handbook was approved by the Nomination Committee at the meeting held on 9 December 2024.

6. Annual Work Programme

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Nomination Committee approved on 9 December 2024 its Annual Work Programme for 2025.

This Programme determines the goals set for the year by the committee itself and its general lines of work.

To determine such goals, the Nomination Committee has considered the priorities identified in the findings of the 2024 annual evaluation process which, together with the issues that are addressed on a recurring basis by this Committee (either to comply with a statutory obligation within a certain period of time or because they are issues that

are dealt with periodically), determine the general lines of work for 2025 that cover the different activities within its scope , and which are organised in the pertaining Schedule of meeting dates and agenda of business to be transacted for the above referred year.

In addition, the Programme includes an estimate of the minimum dedication time expected from each committee member, which has been calculated on the basis of the number of meetings scheduled, the time dedicated to committees' meetings in previous years and the issues included and/or scheduled in the Schedule of meeting dates and agenda of business to be transacted.

Last, to ensure the proper and effective performance of its functions, this Annual Work Programme refers to the budget available to the Nomination Committee in 2025, to engage external consultancy services for the preparation of legal opinions and/or expert reports, when it deems it appropriate, as well as the channels for requests and reporting within the Company.

7. Annual report on its proceedings and evaluation report

The Nomination Committee issued on 11 March 2024 the annual report on the proceedings carried out in 2023. Such report is available on the corporate website (www.inditex.com).

Likewise, the committee approved on 9 December 2024 the findings report on the evaluation of its performance, and raised it to the board for approval. The board approved it at the meeting held on 10 December 2024.

A very satisfactory overall result was obtained in the 2024 evaluation in all the dimensions assessed, both globally and for each of the bodies and positions evaluated independently. Likewise, based on the information provided by the directors themselves, certain general aspects for improvement have been identified, on which a progress report will be made throughout 2025.

REMUNERATION COMMITTEE

Article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and the Remuneration Committee's Regulations set out the regulations governing the Remuneration Committee.

Composition

As regards the Remuneration Committee's membership, in 2024 Bns, Denise Patricia Kingsmill was re-elected to sit on such committee as ordinary member following her re-election to the board as independent director approved at the Annual General Meeting. Following the review and reorganisation of the remaining board committees in July 2024, membership on the Remuneration Committee has not changed.

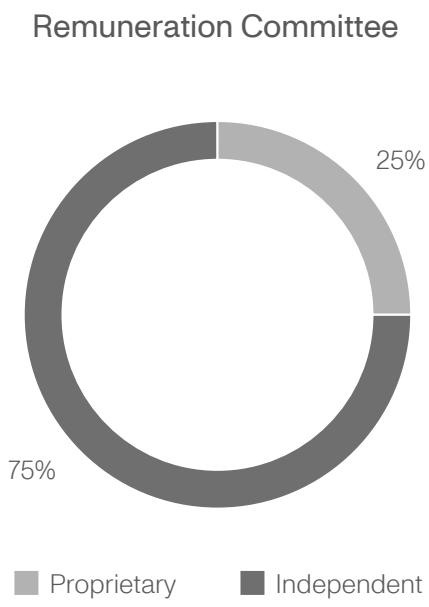
Consequently, the Remuneration Committee's membership as at 31 January 2025 is as follows:

Name	Position	Directorship type
Mr Rodrigo Echenique Gordillo	Chair	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
Bns Denise Patricia Kingsmill	Ordinary member	Independent

% executive directors	0 %
% proprietary directors	25 %
% independent directors	75 %
% affiliate directors	0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Remuneration Committee.

The structure of the Remuneration Committee is as follows:.



Pursuant to article 30 of the Articles of Association and section 7 of its own terms of reference, the Remuneration Committee shall comprise a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom shall be independent. The

Chair of the Remuneration Committee shall be appointed by the board of directors out of the independent members of the committee.

Members of the Remuneration Committee will be in office while they remain as directors of the Company.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competencies, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the Committee.

Members of this committee and in particular its Chair shall be appointed considering the appropriate knowledge, qualifications and expertise based upon the duties they must discharge, including among others, the analysis and strategic assessment of human resources and the design of remuneration policies and schemes for directors and senior managers.

Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most significant actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.

a) Duties

The mission and powers of the Remuneration Committee are addressed in article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and sections 5 and 6 of the Remuneration Committee's Regulations, respectively.

The Remuneration Committee has not been assigned any powers other than those expressly entrusted by statute, and the Recommendations set forth in the Good Governance Code.

b)Organisational and operational rules

The Remuneration Committee shall meet at least 3 times a year and whenever called by the Chair. The Chair must call the Remuneration Committee whenever the board of directors or its Chair may request the issue of a report or the approval of proposals and, in any case, whenever it is appropriate for its effective performance.

Likewise, the Chair may arrange working sessions to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by e-mail or by any other means that give proof of notice dispatch and receipt, and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members attend in person or by proxy. As provided in section 12.2 of its terms of reference, the Remuneration Committee may also pass written resolutions in lieu of a meeting.

Committee meetings may be held via videoconference or conference call, or any other equivalent system enabling the recognition and identification of attendees, allowing them to communicate, speak and cast votes, all in real time.

Likewise, for the purposes of making the appropriate arrangements to ensure that the objectives pursued are effectively achieved, the committee prepares an Annual Work Programme, which shall include at least an annual schedule of ordinary meetings and a tentative agenda of issues under its purview.

The committee may rely on external advisors to duly perform the duties it has been entrusted with. The committee may request the presence of executive directors, members of Management and any employee of the Company, who shall be bound to attend its meetings and provide it with assistance and access to the information available to them upon the committee's request.

The deliberations and the resolutions passed by the committee are recorded in the relevant minutes of the meeting taken by the Secretary.

c) Main activities of the Remuneration Committee in 2024: meetings held, attendance, business transacted and reports

The Remuneration Committee has held three (3) meetings in 2024, all of which were included in the Schedule of meeting dates and agenda of business to be transacted in the year.

Directors' attendance rate, whether physical or virtual, at the meetings held in 2024 stands at 100%.

In 2024, the Remuneration Committee has held in-person and hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such meetings.

The duration of committee meetings was changing. Its members have devoted sufficient time to the consideration and review of agenda items.

The main action lines of the Remuneration Committee's annual work programme have been determined by its Schedule of meeting dates and agenda of business to be transacted in 2024 which was approved on 11 December 2023. This schedule allows to systematically arrange the agenda of the meetings organised for the year, planning fixed sections covering recurrent topics as well as occasional items that would be broached at the different meetings throughout the year, as their inclusion into the committee's agenda was deemed necessary and/or convenient based on its essential duties and competences.

The most relevant proceedings of the Remuneration Committee in the year have revolved around the following areas:

1. Directors' Remuneration Policy

Inditex's Directors' Remuneration Policy for FY2024, FY2025 and FY2026 was approved at the Annual General Meeting held on 11 July 2023 (the "Remuneration Policy"). The Remuneration Policy and the relevant explanatory reports issued by the committee and the board of directors are available on the corporate website (www.inditex.com).

Such Remuneration Policy has been in effect in 2024 without any amendment thereto having been approved. Except if otherwise reviewed or replaced, the Policy will remain in effect until FY2026, inclusive.

However, throughout 2024 the Remuneration Committee has verified that both the overall remuneration payable to members of the Board of Directors - in particular, to the CEO - and the yardsticks for determining the different variable items of the CEO's remuneration, namely the metrics and weightings to which they are tied, are in line with the concepts and amounts provided for in the aforementioned Remuneration Policy.

2. Remuneration of executive directors, Senior Managers and other internal bodies or key positions

With regard to the CEO:

The Remuneration Committee resolved at the meeting held on 11 March 2024 to submit the following proposals to the board of directors:

- The assessment of the level of achievement of the targets set for the CEO's variable remuneration in FY2023 (approved in 2022) and the proposal on the overall remuneration payable to the CEO in 2023.
- The proposal on the items and yardsticks to determine the CEO's remuneration in 2024 for the performance of his functions and responsibilities as chief executive.

The Board of Directors approved at its meeting held on 12 March 2024 the level of target achievement and the relevant incentive payment, as well as the overall remuneration payable to the CEO in 2023 and the proposal regarding Mr García's remuneration for 2024.

Meanwhile, at the meeting held on 10 March 2025, the Remuneration Committee submitted to the Board of Directors the proposals on (i) the overall remuneration payable to the CEO in 2024 and (ii) the items and yardsticks to determine the remuneration for the current year. All of this is in accordance with the terms set out in the 2024 Annual Report on Remuneration of Directors.

With regard to Senior Managers:

At the meeting held on 11 March 2024, the committee gave a favourable report to the proposal on the overall remuneration payable to Senior Managers in 2023 and the yardsticks to determine the remuneration for FY2024, and resolved to submit it to the board of directors.

Likewise, a remuneration benchmarking with regard to Inditex's senior managers was carried out at the meeting held on 3 June, to determine whether such remuneration was aligned with remuneration practices at comparable companies in terms of size and/or business activity. To carry out such benchmarking exercise, the committee was assisted by an independent advisor in the field of remuneration of directors and executives.

Last, at the meeting held on 10 March 2025, the committee gave a favourable report to the proposals on (i) the overall remuneration payable to Senior Managers in 2024 (following a favourable report on the level of achievement of the targets set for annual and long-term variable remuneration, and the level of incentive payment), and (ii) the items and yardsticks to determine the remuneration for the current year.

3. Long-term variable remuneration

2021-2025 LTIP

The committee assessed at the meeting held on 11 March 2024 the level of target achievement for the first cycle (2021-2024) of the 2021-2025 Long-term Incentive Plan (the "2021-2025 LTIP") to which the long-term variable remuneration of the CEO and Senior Managers for 2023 and the associated payout level were tied.

The committee also reviewed the outcome of the report on agreed procedures issued by the external auditor in accordance with International Standard on Related Services (ISRS) 4400 (Revised), in relation to the calculation of the "Total Shareholder Return (TSR)" and the level of achievement of the targets associated with the Sustainability index for the first cycle (2021-2024) of the 2021-2025 Plan.

The level of target achievement and the associated payout level proposed by the Remuneration Committee were approved by the board of directors on 12 March 2024.

In that same meeting, the committee assessed the preliminary achievement and payment levels for certain metrics to which the second cycle (2022-2025) of the 2021-2025 LTIP was tied.

Last, at the meeting held on 10 March 2025 - date of this report - the committee gave a favourable report to the level of achievement of the targets set for the second cycle (2022-2025) of the 2021-2025 LTIP and the level of incentive payment. Such second cycle (2022-2025) expired and vested on 31 January 2025. All of which is in accordance with the terms set in the 2025 Annual Report on Remuneration of Directors

2023-2027 LTIP

At the meeting held on 11 March 2024, the committee gave a favourable report to the proposal on the metrics and maximum incentive granted relating to the second cycle (2024-2027) of the 2023-2027 Long-Term Incentive Plan (the "2023-2027 LTIP"). Such proposal was approved at the board meeting held on the following day.

At the meeting held on 9 December 2024, the committee issued proposals on (i) the targets for each of the metrics to which the second cycle (2024-2027) of the 2023-2027 LTIP are tied and the calibration of the relevant performance scales (and relating issues) and (ii) the draft of Appendix III to the 2023-2027 LTIP Regulations that outlines the specific terms and conditions of this second cycle. The committee also gave a favourable report to the different levels of beneficiaries of this second cycle of the Plan and the yardsticks for their appointment individually. Such proposals and the draft of the Appendix III to the 2023-2027 LTIP Regulations were approved at the board meeting held on 10 December 2024

4. Annual Report on Remuneration of Directors

At the meeting held on 11 March 2024, the committee reviewed and gave a favourable report to the draft Annual Report on Remuneration of Directors for 2023 which was approved at the board meeting held on the following day.

Said report was disclosed to CNMV as Other Relevant Information (OIR (*Spanish acronym*)) and is available on CNMV's website and on the corporate website (www.inditex.com). Additionally, pursuant to section 541 LSC, the 2023 Annual Report on Remuneration of Directors was approved at the Annual General Meeting held on 9 July 2024 (with 98.342% of votes for), having been put to an advisory say-on-pay vote.

Last, at the meeting held on 10 March 2025, the committee gave a favourable report to the 2024 Annual Report on Remuneration of Directors, having assessed if the overall remuneration payable to members of the Board of Directors was aligned with the remuneration items and amounts provided for in the Directors' Remuneration Policy for FY2024, FY2025 and FY2026. Such report was submitted to the board for approval.

5. Annual Work Programme

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Remuneration Committee approved on 9 December 2024 its Annual Work Programme for 2025.

This Programme determines the goals set for the year by the committee itself and its general lines of work.

To determine such goals, the Remuneration Committee has considered the priorities identified in the findings of the 2024 annual evaluation process which, together with the issues that are addressed on a recurring basis by this committee (either to comply with a statutory obligation within a certain period of time or because they are issues that are dealt with periodically), determine the general lines of work for 2025 that cover the different activities within its scope, and which are organised in the pertaining Schedule of meeting dates and agenda of business to be transacted for the above referred year.

In addition, the Programme includes an estimate of the minimum dedication time expected from each committee member, which has been calculated on the basis of the number of meetings scheduled, the time dedicated to committees' meetings in previous years and the issues included and/or scheduled in the Schedule of meeting dates and agenda of business to be transacted.

Last, to ensure the proper and effective performance of its functions, this Annual Work Programme refers to the budget available to the Remuneration Committee in 2025, to engage external consultancy services for the preparation of legal opinions and/or expert reports, when it deems it appropriate, as well as the channels for requests and reporting within the Company.

6. Annual report on its proceedings and evaluation report

The committee issued the annual report on its proceedings carried out in 2023 at the meeting held on 11 March 2024 (available on the corporate website (www.inditex.com)

Likewise, the committee approved on 9 December 2024 the findings report on the evaluation of its performance, and raised it to the board for approval. The board approved it at the meeting held on 10 December 2024.

In 2024, the committee obtained a very high score regarding its capacities, structure, proceedings end effectiveness (and that of its Chair), with some improvement with respect to previous years having been underscored - in particular, in terms of information - as a result of the implementation of the measures envisaged in the action plan launched after the 2023 evaluation. Likewise, based on the information provided by directors themselves, it should be noted that no significant deficiencies have been identified, although certain aspects have been pointed out to which attention should be paid in 2025 and on which a progress report will be made throughout the year.

SUSTAINABILITY COMMITTEE

Article 30*bis* of the Articles of Association, section 17*bis* of the Board of Directors' Regulations, and the Sustainability Committee's Regulations set out the regulations governing the Sustainability Committee.

Composition

Regarding the Sustainability Committee's composition, in 2024 the election of Ms Belén Romana García to the board of directors as new independent director was approved at the Annual General Meeting, whereas Ms Anne Lange no longer serves on the board as independent director upon expiry of her term of office.

Considering the departure of one director and the arrival of a new one, the review and reorganisation of board committees' composition was required. Continuing with the policy of incorporating independent professionals of recognised standing into the Company's board committees, in view of Ms Romana's experience and professional career, she was appointed as a member of, among others, the Sustainability Committee for the purposes of reinforcing or maintaining thereon independence and diversity in matters such as professional experience, skills, personal abilities, sector-specific knowledge, age and, especially, female representation.

Likewise, the re-election of Bns. Denise Patricia Kingsmill to the board and certain committees as independent director was approved at the Annual General Meeting. Consequently, she will continue serving as Chair of the Sustainability Committee.

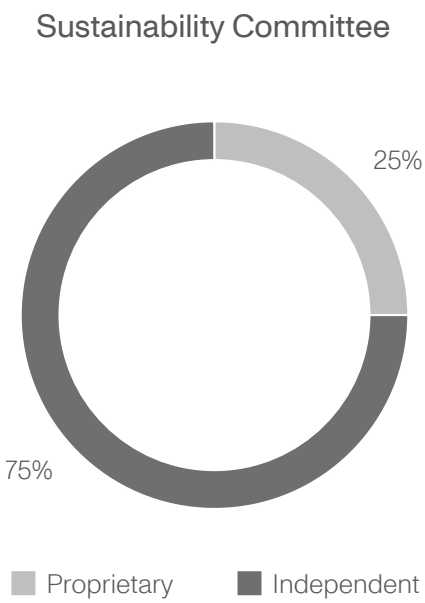
With Ms Lange's departure, the appointment of Ms Romana and the re-election of Bns. Denise Patricia Kingsmill, the Sustainability Committee's membership as at 31 January 2025 and as at the date of this report is as follows:

Name	Position	Directorship type
Bns Denise Patricia Kingsmill	Chair	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Ms Pilar López Álvarez	Ordinary member	Independent
Ms Belén Romana García	Ordinary member	Independent

% executive directors	0%
% proprietary directors	25%
% independent directors	75%
% affiliate directors	0%

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Sustainability Committee.

The structure of the Sustainability Committee is as follows:



Pursuant to article 30*bis* of the Articles of Association, section 17*bis* of the Board of Directors' Regulations and section 9 of its own terms of reference, the Sustainability Committee shall comprise a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom shall be independent. The Chair of the Sustainability Committee shall be appointed by the board of directors out of the independent members of the committee.

Members of the Sustainability Committee will be in office while they remain as directors of the Company

The board of directors shall encourage a diverse committee membership in terms of professional experience, competencies, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the committee.

Members of this committee and in particular its Chair, shall be appointed, as a whole, considering the appropriate insight, qualifications and experience based upon the duties they must discharge, in particular in the field of sustainability, social action initiatives, sustainable management of resources and design of communication policies with stakeholders.

Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most significant actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions

a) Duties:

Pursuant to article *30bis*(3) of the Articles of Association, section 17bis of the Board of Directors' Regulations and sections 5 to 8 of the Sustainability Committee's Regulations, the duties of the Sustainability Committee include:

- To deliver a more intensive and committed management of sustainability and social or environmental issues.
- Powers relating to sustainability: (i) to monitor social and environmental strategy and practices, ensuring that they are aligned with the Sustainability Policy, and assessing their level of achievement, (ii) to oversee monitoring of the entire supply chain and compliance by its members with the Inditex Group's Code of Conduct for Manufacturers and Suppliers, (iii) to establish that the products that the Company places on the market comply with the product health and safety standards, (iv) to establish compliance with the most exacting environmental standards, encouraging biodiversity conservation and the sustainable management of natural resources in respect of use of raw materials, production processes, product and store, and (v) to establish compliance with the Company's Human Rights Policy across the entire value chain.
- Powers relating to the preparation of sustainability information: to oversee - liaising with the Audit and Compliance Committee - the process to prepare the regulated and non-regulated sustainability information within the scope of its responsibilities. In this regard, the Sustainability Committee is tasked with establishing that the information included in the mandatory reporting is consistent with the Company's sustainability policies.
- Powers relating to stakeholder relations:to oversee and evaluate – liaising with the Audit and Compliance Committee, with regard to issues that fall within its purview– the strategy on communication and relations with shareholders –including small and medium shareholders– investors, proxy advisors and other stakeholders, and the enforcement of the Policy on Disclosure of Economic-Financial, non-Financial and Corporate information.
- Other powers entrusted to the Sustainability Committee: (i) to report on the appointment and removal of the members of the Social Advisory Board of the Company, before the report issued by the Nomination Committee, assessing the suitability, competences, knowledge, experience and other occupations of the prospective candidates; (ii) to assess the draft bills and the amendments of national as well as foreign or international regulations on sustainable development, corporate social responsibility and related issues, and their potential impact on the Group's activity, and; (iii) to issue reports on the internal regulations of the Company on matters that fall within its purview.

b) Organisational and operational rules.

The Sustainability Committee shall meet at least 3 times a year and each time that its Chair calls it. The Chair must call the Sustainability Committee whenever the board of or its Chair request the issue of a report or the approval of proposals and in any case whenever it is appropriate for the committee to be effective. The Committee shall also meet upon request of at least one third of its members. In such case, the meeting shall be called by the Chair to be held within fifteen days of the request.

Ordinary meetings shall be called by e-mail or by any other means that give proof of notice dispatch and receipt, and the meeting notice shall be signed by the Chair or the Secretary.

A quorum for committee meetings shall be declared when at least half plus one of its members attend in person or by proxy. As provided in section 14 of its terms of reference, the Sustainability Committee may also pass written resolutions in lieu of a meeting.

The Chair may call extraordinary meetings when in their view circumstances warrant it. Likewise, the Chair may arrange working sessions to prepare committee meetings on specific topics aside from formal ones.

A quorum for committee meetings shall be declared when at least half plus one of its members attend in person or by proxy. As provided in section 14 of its terms of reference, the Sustainability Committee may also pass written resolutions in lieu of a meeting.

The Chair may call extraordinary meetings of the committee when in their view extraordinary circumstances so require. Likewise, the Chair may arrange working sessions to prepare committee meetings on specific topics aside from formal ones.

Committee meetings may be held via videoconference or conference call, or any other equivalent system enabling the recognition and identification of attendees, allowing them to communicate, speak and cast votes, all in real time.

For the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee prepares an Annual Work Programme that shall include at least the annual schedule of its ordinary meetings and a tentative agenda of issues within its purview.

The committee may rely on external advisors to duly perform the duties it has been entrusted with. It may also request the presence of executive and non-executive directors, members of Management and any employee of the Company, who shall be bound to attend its meetings and provide it with assistance and access to the information available to them upon the committee's request.

The deliberations and the resolutions passed by the committee are recorded in the relevant minutes of the meeting taken by the Secretary.

c) Activities of the Sustainability Committee in 2024: meetings held, attendance, business transacted and reports

The Sustainability Committee has held five (5) meetings in 2024, four (4) of which were included in the Schedule of meeting dates and agenda of business to be transacted.

Directors' attendance rate, whether physical or virtual, at the meetings held in 2024 stands at 100%.

In 2024, the Sustainability Committee has held in-person and hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold such hybrid meetings.

The duration of committee meetings was changing. Its members have devoted sufficient time to the consideration and review of agenda items.

The most relevant proceedings of the Sustainability Committee in 2024 have revolved around the following areas:

1. With regard to monitoring the social and environmental sustainability strategy and practices

The committee oversees the enforcement of the Sustainability Policy and Strategy on an annual basis by means of: (i) the regular reports submitted by the Sustainability Department and the Chief Sustainability Officer (CSO); and (ii) the initial review of the annual work plan of such department and the follow-up on its enforcement. At the meeting held on 11 March 2024, the committee acknowledged the 2023 Annual Activities Report of the Sustainability Department and approved its annual work plan and budget for 2024.

On the other hand, the CSO and the CEO apprised the committee of the most relevant sustainability milestones and initiatives occurred in the respective quarter at the meetings held on 11 March, 3 June, 9 September and 9 December 2024. The committee also acknowledged at these same meetings the progress in the level of achievement of the sustainability targets for the 2020-2025 period.

As part of its responsibility in overseeing the implementation of the Company's sustainability strategy, at the meetings held on 11 March, 3 June and 9 September, the committee acknowledged and gave a favourable report to the presentations on the scope of the targets, main action lines, involved areas and runtime for each of the following plans driven by the Sustainability Department:

- Climate Transition Plan associated with the Net zero target, which describes the way in which the Group orients its operations and the management of its assets and other existing resources to align their management with the main scientific recommendations in the field of climate change, guaranteeing that the actions undertaken contribute significantly to progress in the reduction of emissions.

- Fibres Plan and Cotton Strategy, which are part of the path to meeting the objectives set by the Company for 2030 with regard to the use of lower impact materials in textile products.

At the meetings held on 11 June, 9 September and 9 December, the committee acknowledged the presentations given by the Sustainability Department on the following topics: (i) analysis of the Group's supply chain; (ii) analysis of the Group's clusters; (iii) review of the carbon footprint calculation methodology; (iv) innovation in sustainability strategy and initiatives, and (v) regulatory development in the field of due diligence and reporting and the action taken to meet them.

2. With regard to overseeing the process to prepare and release regulated and non-regulated sustainability information

- Mandatory sustainability reporting and follow-up on applicable regulations

As part of its oversight duties regarding the process of preparing and releasing regulated sustainability information, the Sustainability Committee gave a favourable report at the meeting held on 11 March 2024 to the 2023 Statement on Non-Financial Information (SNFI) as regards the issues within its purview. The SNFI was approved by the board of directors at the meeting held on 12 March 2024, following a favourable report from the Audit and Compliance Committee, which is ultimately responsible for overseeing and assessing the process of preparing and ensuring the integrity of the sustainability information included in the directors' report, ensuring that all statutory requirements are met and also handling the process of independent verification of such information.

On the other hand, at its meetings held on 3 June, 9 September and 9 December 2024, the committee acknowledged the presentation given by the Sustainability Department on the status of the processing in Spain of the new European regulatory framework and the sustainability reporting standards (ESRS), as well as the preparation of the sustainability report for 2024 under ESRS.

At the meeting held on 9 December 2024 the committee acknowledged the methodology and outcome of the double materiality assessment for 2024 reporting, as shown in the 2024 Consolidated Statement on Non-Financial Information and Sustainability Information ("SNFI").

Last, at the meeting held on 10 March 2025, the committee reviewed the 2024 Consolidated Statement on Non-Financial Information and Sustainability Information, which is part of the consolidated directors' report, confirming that the information included in the mandatory reporting is consistent with the Company's sustainability policies and that the outcomes of the double materiality assessment have been considered.

3. Other powers entrusted to the committee

Internal regulations

At the meeting held on 6 February 2024, the committee gave a favourable report to the proposal on the update of the Group's Code of Conduct and to the proposal on the amendment to the Human Rights Policy to align its provisions to the updated Code of Conduct. Both sets of rules were approved at the board meeting held that same day.

On the other hand, on 9 September 2024 the committee gave a favourable report to the new Ecosystems and Biodiversity Policy that replaces and supersedes the then current Forest Product Policy to protect Ancient and Endangered forests. The Ecosystems and Biodiversity Policy was approved by the board at the meeting held on 10 September 2024.

Last, the committee acknowledged at the meeting held on 9 December the draft new internal sustainability regulations, to identify potential shortcomings and align the provisions of current sustainability regulations with the reporting standards and the Group's sustainability practices. The committee acknowledged the core principles underpinning the following policies which were at review, drafting and/or amendment stage: the Sustainability Policy, the Sustainability Stakeholder Relations Policy, the Energy Policy and its implementing regulations and the Water Policy.

– Remuneration issues

At the meeting held on 11 March 2024, the committee assessed: (i) the level of global achievement of the targets for the sustainability metrics to which the first cycle (2021-2024) of the 2021-2025 LTIP was tied (the "2021-2025 LTIP"), and of the sustainability targets to which the CEO's annual variable remuneration for 2023 was tied, and (ii) the proposal on the new metrics of the sustainability indicator to which the second cycle (2024-2027) of the 2023-2027 LTIP (the "2023-2027 LTIP") is tied. Such proposals were raised to the Remuneration Committee at the meeting held on the same day, and were given a favourable report. They were subsequently approved by the board of directors at the meeting held on the following day.

Furthermore, at its meeting held on 9 December 2024, the committee submitted to the Remuneration Committee the proposal on the targets for each of the sustainability indicators to which the aforementioned second cycle of the 2023-2027 LTIP is subject and the calibration of the relevant performance scales. After its evaluation at the meeting held on the same day, the Remuneration Committee issued the overall proposal regarding the targets for all the metrics of the aforementioned second cycle (2024-2027) of the 2023-2027 LTIP and the calibration of their corresponding performance scales (and other related aspects), which was subsequently approved by the Board at its meeting on 10 December.

Last, at the meeting held on 10 March 2025, the Sustainability Committee has raised to the Remuneration Committee for assessment, the proposal on the level of achievement of the sustainability targets for the second cycle (2022-2025) of the 2021-2025 LTIP and the level of incentive payment.

– Appointment of members to the Social Advisory Board

The Sustainability Committee assessed at the meeting held on 9 September 2024 the profile of the candidate proposed by the company's Management as new member to the Social Advisory Board and resolved to raise the proposal on his appointment to the Nomination Committee. A deep dive on the evolution of the Social Advisory Board and the potential development of its competencies- and consequently, its composition - to align them to the current reality of business, took place at that meeting.

4. Annual Work Programme

The Sustainability Committee approved at the meeting held on 9 December 2024 its Annual Work Programme for 2025.

This Programme determines the goals set for the year by the committee itself and its general lines of work.

To determine such goals, the Sustainability Committee has considered the priorities identified in the findings of the 2024 annual evaluation which, together with the issues that are addressed on a recurring basis by this committee (either to comply with a statutory obligation within a certain period of time or because they are issues that are dealt with periodically), determine the general lines of work for 2025 that cover the different activities within its scope, and which are organised in the pertaining Schedule of meeting dates and agenda of business to be transacted for the above referred year.

In addition, the Programme includes an estimate of the minimum dedication time expected from each committee member, which has been calculated on the basis of the number of meetings scheduled, the time dedicated to committees' meetings in previous years and the issues included and/or scheduled in the Schedule of meeting dates and agenda of business to be transacted.

Last, to ensure the proper and effective performance of its functions, this Annual Work Programme refers to the budget available to the Sustainability Committee in 2025, to engage external consultancy services for the preparation of legal opinions and/or expert reports, when it deems it appropriate, as well as the channels for requests and reporting within the Company.

5. Annual report on its proceedings and evaluation report

The Sustainability Committee issued the annual report on its proceedings carried out in 2023 at the meeting held on 11 March 2024. Such report is available on the corporate website (www.inditex.com).

The committee approved the findings report relating to the evaluation process carried out in 2024 at its meeting held on 9 December 2024. Such report was submitted to the board of directors for approval and was approved on 10 December 2024.

In 2024, the findings of such evaluation have been very positive in respect of all areas evaluated (in particular, in terms of responsibilities, functions and planning). Directors pointed out the significant endorsement received by the Sustainability Committee through the expert independent advice from the Social Advisory Board as well as the excellent level of dialogue and collaboration with the Management and the sustainability team.

Likewise, based on the information provided by directors themselves, no significant deficiencies have been identified. However, a number of issues on which the focus should be placed in 2025 have been pointed out, which will be reviewed throughout the year.

C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors			
	2024	2023	2022	2021
	Number %	Number %	Number %	Number %
Executive Committee	28.6 %	28.6 %	25.0 %	12.5 %
Audit and Compliance Committee	50.0 %	50.0 %	42.9 %	42.9 %
Nomination Committee	40.0 %	40.0 %	40.0 %	40.0 %
Remuneration Committee	25.0 %	25.0 %	20.0 %	20.0 %
Sustainability Committee	75.0 %	75.0 %	60.0 %	60.0 %

C.2.3. Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The terms of reference of the Audit and Compliance, Nomination, Remuneration and Sustainability Committees can be found on Inditex's corporate website ("Investors" section, " Corporate Governance" - "Reports & Regulations" subsection).

Additionally, information on board committees is also included in the Board of Directors' Regulations and in the Articles of Association. The full text of the Board of Directors' Regulations is available on both the corporate website ("Investors" section, " Corporate Governance" - "Reports & Regulations" subsection), and on CNMV's website (www.cnmv.es).

The Audit and Compliance, Nomination, Remuneration and Sustainability Committees draw up every year a report on their proceedings. Such reports are available on the corporate website ("Investors" section, " Corporate Governance" - "Reports & Regulations" subsection)..

The latest amendment to the terms of reference of the Nomination, Remuneration and Sustainability Committees was approved by the board of directors at the meeting held on 12 May 2022

In turn, the Audit and Compliance Committee's Regulations were amended for the last time at the date when this Report was issued and approved. Such amendment primarily seeks to align its provisions with the regulatory development introduced by the new Technical Guide 1/2024 on audit committees at public interest entities.

Notwithstanding the foregoing, as indicated throughout this Report, the amendment to the Company's Articles of Association was approved at the AGM held on 9 July 2024 for the purposes, inter alia, of reducing directors' term of office from 4 to 2 years.

Such amendment also impacts board committees, since pursuant to LSC and their respective terms of reference, members of each committee will be in office while they remain serving as directors of the Company, unless the Board of Directors itself determines otherwise.

D. Related party and intra-group transaction

Related party transactions carried out in 2024 are addressed below in accordance with the definitions, criteria and groupings provided in section 540 LSC, as amended by Act 31/2014, and chapter VI LSC, as amended by Act 5/2021.

D.1. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intra-group parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors.

Pursuant to the provisions of section 5.4(b)(vii) of the Board of Directors' Regulations, the Audit and Compliance Committee shall report on the transactions of the Company or any company of its Group with directors, significant shareholders (i.e. shareholders owning at least 10% of shares or voting rights or any shareholder who irrespective of their shareholding, is represented on the Board of Directors or has proposed the election of any board member), or with any other person qualifying as related party in accordance with the definition provided in IAS 24 of Commission Regulation (EC) 1126/2008 of 3 November adopting certain international accounting standards, and with their respective related parties, as mentioned in Section 40 of the Board of Directors' Regulations.

Said related party transactions need to be approved by the board of directors, following a favourable report from the Audit and Compliance Committee, except for those which, on account of their value or special nature, shall be approved by shareholders at the General Meeting of Shareholders.

Any transaction with a director for a value in excess of ten (10%) of the corporate assets shall be approved by the General Meeting of Shareholders.

The board of directors shall not approve related party transactions without a prior report from the Audit and Compliance Committee assessing whether such transaction is fair and reasonable.

In this regard, section 13 (c) of the Audit and Compliance Committee's Regulations provides that it is incumbent on this Committee to advise the board of directors on any transaction that the Company or the companies comprising its corporate Group intend to carry out with directors, significant shareholders or shareholders who hold a significant stake or who have proposed the appointment of any director of the Company, or with their respective related parties, from an arm's length perspective.

In the event of transactions with significant shareholders, the Audit and Compliance Committee shall also examine them from the standpoint of an equal treatment of all shareholders.

The board's approval shall not be required for any transactions that must be carried out on grounds of urgency provided that this is duly supported. However, these transactions shall be subsequently confirmed by the board of directors.

The Company shall report on any transactions carried out with its directors, significant shareholders and related parties in the half-yearly periodic information, in the notes to the consolidated annual accounts and in the Annual Corporate Governance Report, within the scope provided by statute in each case, whenever they do not fall within the scope of the ordinary course of business of the Company or are not carried out on an arm's length basis.

Pursuant to section 40.6 of the Board of Directors' Regulations and section 529duovicies(4) LSC introduced by Act 5/2021, the board of directors has delegated to the Market Transparency Committee the approval of the following transactions:

(a) Transactions between companies of the Inditex Group not wholly owned by the Company made in the ordinary course of business of the companies and on an arm's-length basis and provided that they are affected by a conflict of interest; and

(b) Those transactions that cumulatively meet the following 3 requirements:

- they are carried out pursuant to standard agreements and applied en masse to a large number of clients
- they are carried out at prices or rates generally set by the provider of the good or service in question; and
- their value does not exceed 0.5% of the company's net turnover.

Such transactions are subject to the Internal Procedure for Periodic Reporting and Control on Related Party Transactions, which is part of the internal regulations of the company in the field of corporate governance and seeks to govern the procedure for periodic control and reporting applicable to related party transactions whose approval has been delegated to the Market Transparency Committee. It ultimately seeks to ensure that these transactions are equitable and transparent and that applicable statutory requirements are met.

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate whether the proposed resolution has been approved by the board without a vote against by the majority of the independents:

No new transactions have been carried out in 2024 between the Company or any company within the Inditex Group and its controlling shareholder Pontegadea Inversiones, S.L., or with Partler Participaciones, S.L.U. (or Partler 2006, S.L.) and with any persons or companies related thereto, deemed to be significant on account of their amount and/or subject matter, the details of which must be separately reported under this section.

Notwithstanding the foregoing, information on related party transactions has been disclosed in the notes to the consolidated annual accounts in accordance with the criteria and the level of disclosure provided in the applicable regulations, including.the transactions between the Company and Group entities with significant shareholders: (i) Pontegadea Inversiones, S.L. and/or any company within its group, (ii) Partler Participaciones, S.L.U. and/or any company within its group, that exercises joint control over Inditex together with Pontegadea Inversiones, S.L.; and (iii) Rosp Corunna Participaciones Empresariales, S.L., a related party to a close family member of Inditex's beneficial owner.

The information disclosed includes the detail of the nature and amounts accrued in 2024 in connection with every related party transaction approved by the board of directors in 2024 (pursuant to the procedure described in section D.1. above), most of which concern leases of commercial properties where the stores of the different formats of Inditex Group are based, as well as the detail of a number of related party transactions which have remained in effect or have continued to be implemented in the year (works relating to the construction and commissioning of certain all around care centres as explained in section A.5. above) which were reviewed and reported by the Audit and Compliance Committee and later approved by the board in previous years, All of them have been disclosed in the annual report on related party transactions for the year in question.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate whether the proposed resolution has been approved by the board without a vote against by the majority of the independents:

No new significant related party transactions have been carried out in 2024 between the Company or entities of its group and the directors and officers of the Company. The definition of significant or relevant transactions is provided in section D.2 above.

Related party transactions that Inditex directors and/or officers are generally entitled to carry out, mainly consist of the purchase of products that the Group places on the market. Such related party transactions will be approved by the Market Transparency Committee by delegation of the board of directors. Such committee has found that such transactions are of scarce economic value, are arm's length transactions, and have not entailed better terms, economic or otherwise, than those granted to a third party in equivalent circumstances.

Name (person or company) of directors or officers	Name (person or company) of the related party	Relationship	Type of transaction	Amount (thousands of euros)
		-		

With regard to the remuneration received by directors and officers, reference is made to the provisions of sections C.1.13 and C.1.14 above.

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

No transactions as described in this section have been undertaken in 2024 by the Company, its subsidiaries and other entities of the Inditex Group outside their ordinary course of business as regards their purpose and terms, or which are in conflict.

Transactions between Inditex and its subsidiaries have been fully eliminated on consolidation, as they are part of their ordinary course of business and therefore, they are not broken down in this section.

In any case, intragroup transactions conducted with joint control companies and with entities established in countries or territories considered as tax havens are reported below:

Company name of the entity within the group	Brief description of the transaction	Amount (thousands of euros)
TEMPE, SA	Purchase of goods	-1,220,844

(1) Transactions between Inditex or any company of the Inditex Group with Tempe and/or its subsidiaries are made in their ordinary course of business as regards their purpose and terms. Being jointly controlled entities, they are consolidated using the equity method. This is identified as a negative amount because it is an expense for the Inditex Group.

(2) Transactions between the Group and Group companies residing in countries or territories considered tax havens reported in previous years are no longer reported in 2024 as they corresponded to sales made in a number of stores opened by the Group in Macau and in Monaco, countries which have ceased to be considered tax havens under Spanish laws .

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousands of euros)
		—

No other significant transactions have been carried out in 2024 with other related parties.

D.6. Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties.

Section 34 of the Board of Directors' Regulations addresses potential situations of conflict of interest for board members:

"1. *A conflict-of-interest situation shall be deemed to exist where there is a direct or indirect conflict between the interest of the Company and the personal interest of directors. It is considered that directors have a personal interest when the matter affects them or any of their related parties.*

For the purposes of these Regulations, related parties of a director are understood as being the following:

(a) The spouse of the director or any other person deemed to be equivalent to a spouse.

(b) The ancestors, descendants and siblings of the director or of the spouse (or any other person deemed to be equivalent to a spouse) of the director.

(c) The spouse (or any other person deemed to be equivalent to a spouse) of the ancestors, descendants and siblings of the director.

(d) Those companies or entities where directors would hold, directly or indirectly, even via a nominee a significant shareholding giving them a significant influence or, if they hold in them or in their parent companies an office in their governing body or act as senior manager thereof. For such purposes, any shareholding equal to or in excess of 10% of the share capital of the company or of its voting rights or based upon which a representation on the governing body of the company has been secured de facto or de iure, shall be deemed to give significant influence.

(e) Shareholders represented by a director on the Board of Directors.

With regard to directors who are legal persons, related parties are understood as being the following:

(a) Those partners who are included with regard to the director legal person, in any of the situations provided in Section 42 of the Code of Commerce,

(b) The legal representative, the director de iure or de facto, the liquidators and the attorneys-in fact with general powers of the director, who is a legal person.

(c) Those companies that are part of the same corporate group, as defined in Section 42 of the Code of Commerce, and their shareholders.

(d) Those persons who are understood, with regard to the director who is a legal person, as being related parties in accordance with the provisions of the paragraph above regarding directors who are natural persons.

The following rules shall apply to the conflict-of-interest situations:

(a) Prevention: directors must take all necessary measures to prevent, as far as possible, becoming involved in any situations in which their interests may, either on their behalf, or on behalf of third parties, be in conflict with the interest of the company and with their duties towards the company.

(b) Disclosure: without prejudice to their obligation of active prevention, directors must disclose to the Board of Directors, through the Chair or the Secretary thereof, any conflict-of-interest situation in which they are involved.

(c) Abstention: directors must abstain from attending and taking part in the discussions and voting of those matters regarding which they are in a conflict-of-interest situation, with the exceptions provided in the applicable laws. Likewise, with regard to proprietary directors, they shall abstain from taking part in the voting of those matters that might entail a conflict of interest between those shareholders that had proposed their appointment and the Company, with the exceptions provided for in the applicable regulations.

(d) Transparency: the Company must disclose in the notes to the annual accounts any conflict-of-interest situation in which a director is, that the Company is aware of by virtue of the information of same by the affected person, or by any other means."

In addition, sections 33 and 35 to 37 of the Board of Directors' Regulations address the following situations that can give rise to conflicts of interest: (i) the rendering of professional services in competing companies (section 33); (ii) the use of corporate assets (section 35); (iii) the use of non-public Company information for private ends (section 36), and (iv) taking advantage of business opportunities of the Company (section 37).

Moreover, section 39 of the Board of Directors' Regulations provides that directors must disclose to the Company: (i) the number of shares that themselves or their related parties - closest relatives - hold in the same, directly or indirectly, in accordance with the provisions of the IRC; (ii) any conflict-of-interest situation, either direct or indirect, in which either themselves or their related parties may be involved with respect to the interest of the Company; and (iii) all the positions they hold and the activities they carry out in other companies or entities and, in general, about any fact or situation that may be relevant to the performance of their duties as director of the Company (in this regard, without prejudice to the obligation of tendering their resignation to the board of directors, provided in section 25 of the Board of Directors' Regulations–which addresses the resignation, removal and dismissal of directors–), directors shall inform the board of any other change to their professional situation and of any circumstance that might damage the name and reputation of the Company or jeopardise its interests); and (iv) of any legal, administrative proceedings or other proceedings whatsoever brought against them that might, given their relevance or description, seriously affect the reputation of the Company. Namely, directors shall inform the Company via the Chair of the board of directors, of any criminal charges brought against them as well as how the legal proceedings subsequently unfold. The Board of Directors shall examine the case, as soon as possible, and shall take, subsequent to a report from the Nomination Committee, based upon the interests of the company, any measures it may deem appropriate, such as the opening of an internal investigation, calling on a director to resign or proposing their dismissal.

In this case, the Company shall report the measures taken in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes.

Additionally, section 1 of the Board of Directors' Regulations provides that the rules of conduct therein established for directors shall apply, to the extent that they are compatible with their specific nature, to the senior managers of the company who are not directors. More particularly and with the due nuances, the following sections shall apply to senior managers: section 32 (duty of confidentiality), 34 (conflicts of interest), in connection with the duty of informing the Company, 35 (use of corporate assets), 36 (non-public information), 37 (business opportunities), and 38 (prohibition to make undue influence of the office), as well as all the obligations stemming from the IRC.

With regard to significant shareholders, section 40 of the Board of Directors' Regulations provides that:

"1. The Board of Directors reserves the right to have knowledge of any transaction between the Company or any of its subsidiaries with directors, with shareholders owning 10% or more of the voting rights or represented on the Board of Directors, or with any other person qualifying as related party in accordance with the definition provided in International Accounting Standards.

2. The approval of a related party transaction must be subject to the prior report of the Audit and Compliance Committee. In such report, the committee shall consider whether the transaction is fair and reasonable from the standpoint of the Company and, if appropriate, of any shareholder other than the related party, in accordance with the requirements laid down for each case in the applicable regulations. Affected directors will not take part in the preparation of such report.

3. Where duly supported reasons for urgency exist, related party transactions may be approved, if appropriate, by delegated bodies or individuals. In this case, they must be ratified at the first board meeting held following their conduct.

4. The Company shall inform of the transactions conducted with directors, significant shareholders and related parties in the half-yearly public periodic information and in the Annual Corporate Governance Report, within the scope of applicable regulations. Likewise, the Company shall include on the notes to the annual accounts information on the transactions carried out by the company or any companies within the Inditex Group with directors and with those acting on their behalf, whenever they are alien to the ordinary course of business of the Company or are not carried out on an arm's length basis.

5. Related party transactions whose value is in excess of 5% of the equity value or 2.5% of the annual turnover must be published on the Company's website at the latest on the date they are carried out, together with the report issued by the Audit and Compliance Committee. Likewise, they should be disclosed to the National Securities Market Commission to be publicly released.

6. The Board of Directors may delegate the approval of the following related-party transactions in the following cases:

(i) Transactions that cumulatively meet the following 3 requirements:

(a) they are carried out pursuant to standard agreements and applied en masse to a large number of clients;

(b) *they are carried out at prices or rates generally set by the provider of the good or service in question; and*

(c) their value does not exceed 0.5% of the company's net turnover.

(ii) Transactions among companies of the same group carried out within the ordinary course of company business and on an arm's length basis. Said transactions will be subject to the internal information and monitoring procedure overseen by the Audit and Compliance Committee.

7. The authorisation shall be granted by the General Meeting of Shareholders when it refers to any transaction with a director for a value that is in excess of 10% of the corporate asset."

As stated in section D.1 above, the Audit and Compliance Committee is responsible for reporting on the transactions that involve–or are likely to involve–any conflict of interest, and the Nomination Committee is responsible for reporting on the approval or release by the Board of Directors of the obligations stemming from the duty of loyalty of directors, where said responsibility is not incumbent upon the General Meeting of Shareholders.

Although the system above described exclusively applies to directors and other individuals within the Company considered as senior managers, the Company has in place a number of mechanisms to detect, determine and solve potential conflicts of interest that may arise regarding directors, officers and other Group employees in the Code of Conduct and in the Conflicts of Interest Policy approved by the board of directors on 16 July 2019 and amended on 6 February 2024.

This Policy seeks to supplement and implement the provisions of the Code of Conduct in the field of conflicts of interest, defining appropriate measures to prevent, detect, disclose and manage any conflicts of interest that may arise and affect Inditex employees at the workplace.

Section 5 of the Policy sets out a number of conflict of interest situations and provides the conduct guidelines for anyone under the scope of application of the Policy, to avoid where possible, being in any situations that may entail a direct or indirect, actual or potential conflict of interest.

The Policy also covers the obligation to forthwith disclose any apparent or real conflict-of-interest situation that may arise, as well as any concerns they may have about whether a specific situation qualifies as conflict of interest. The Ethics Line is the preferred confidential channel to report this type of situations. The Ethics Committee shall be responsible for handling through to completion the cases relating to breaches of the Policy that may arise or which may be reported.

D.7. Indicate whether the company is controlled by another entity within the meaning of section 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes x No

Pontegadea Inversiones, S.L. owns 1,558,637,990 shares of the Company, which represents a 50.010% stake in its share capital. Transactions that are significant, either on account of the amount involved or of their nature, entered into between the company and the different entities within the Inditex Group and Pontegadea Inversiones, S.L. and its related entities, are covered in section D.2 above. However, no new transaction deemed to be significant has been undertaken in 2024.

As described in section A.5. above, to conduct its physical retail activity in accordance with the Group's commercial strategy, based on its positioning in prime locations and strategic shopping areas, Inditex and Group companies have several lease agreements in place over commercial properties owned by its significant shareholders: Pontegadea Inversiones, S.L., Partler Participaciones, S.L.U, and Rosp Corunna Participaciones Empresariales, S.L., and/or any company of their respective groups.

Prior to their execution and approval by Inditex's board of directors, the terms of such lease agreements have been reviewed first by the Audit and Compliance Committee, on the basis of valuation reports issued by independent experts. The committee seeks to establish that these transactions have been carried out on an arm's length basis, are fair and reasonable from the Company's perspective and in the interest of the Company. Likewise, such lease agreements have been disclosed in the relevant annual report on related party transactions that the Company issues every year in accordance with Recommendation 6 GGC.

The detail of these lease agreements and the amounts accrued in the year can be found in the Notes to the Consolidated Annual Accounts.

The objects of Pontegadea Inversiones, S.L. are holding stakes in trading companies and the purchase and disposal of stock, transferable securities and real estate.

Indicate whether the respective areas of activity and any business relationship between the listed company or its subsidiaries, and the parent company or its subsidiaries have been defined publicly and precisely:

Yes x No

Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries and identify where these aspects have been publicly reported.

Pursuant to section 40.4 of the Board of Directors' Regulations, the Company reports on the transactions carried out with its significant shareholders and their related parties in the periodic half-yearly information and in the Notes to the Annual Accounts.

Additionally, pursuant to Recommendation 6 GGC, the report on related party transactions issued by the Audit and Compliance Committee is made available to shareholders on the corporate website well in advance of the Annual General Meeting.

Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:

Mechanisms for resolving possible conflicts of interest

Section 40 of the Board of Directors' Regulations governs the procedure to approve transactions between the Company and its shareholders as well as the rules on the reporting thereof. It is fully transcribed in section D.6 above. In short: this type of transactions must be approved by the board of directors, following a report from the Audit and Compliance Committee, except for (i) any transaction whose value is in excess of 10% of the corporate assets that must be approved by the General Meeting of Shareholders or (ii) those transactions which do not require the approval of the board and must be approved by the Market Transparency Committee, as delegated by the board of directors, pursuant to applicable regulations.These transactions shall be subject to the relevant internal control procedure and ultimately overseen by the Audit and Compliance Committee.

Likewise, as stated in section D.1 above, the Audit and Compliance Committee is tasked with reporting on transactions that entail or that might entail conflicts of interest situations.

E. Enterprise Risk Management systems

The information on the Enterprise Risk Management System is provided in the "Additional information. Responsible risk management" and "Methodological Annex - Risk Management and Control Framework Methodology" sections of the Consolidated Statement on Non-Financial Information and Sustainability Information, which is part of the Integrated Directors' Report of the Inditex Group.

F. Describe the mechanisms forming your company's Internal Control over Financial Reporting System (ICFR)

F.1. The entity's control environment

Give information on the key features of at least:

F.1.1 The bodies and/or functions that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

Board of Directors

Except for the matters reserved to shareholders at the General Meeting of Shareholders, the board of directors is the highest decision-making, supervisory and monitoring body of the Group, being ultimately responsible for the existence and maintenance of an appropriate and effective ICFR, as provided in the Policy on Internal Control System over Financial Reporting (the "ICFR Policy"), approved by the board of directors.

The board of directors is entrusted with the leadership, management and representation of the Group, delegating as a general rule the management of the day-to-day business of the Company to the management team and the internal committees, focusing on the general supervisory function, which includes guiding the strategy and approving the policies of the Group, monitoring management activity, evaluating officers' performance, making the most relevant decisions for the Group and liaising with the shareholders.

Audit and Compliance Committee

Pursuant to the provisions of the Articles of Association, the Board of Director's Regulations and the Audit and Compliance Committee's Regulations, and as part of its financial and monitoring duties, the committee shall oversee the process for preparing and releasing the regulated financial information, as well as the effectiveness of the Internal Control over Financial Reporting System, as provided in the ICFR Policy.

In this regard, the Committee carries out the following duties, without limitation:

- To oversee and evaluate the effectiveness of the internal control system of the Group, the internal audit, and the risk management systems, and to review with the statutory auditor the significant weaknesses of the internal control system revealed, where appropriate, in the course of the audit.
- With regard to the powers relating to the process of preparing the regulated financial information:
  - To brief the Board of Directors in advance about the financial information and the directors' report.
  - To oversee and evaluate on an ongoing basis the process of preparation and presentation as well as the quality, clarity, consistency and integrity of the regulated financial information relating to the Company and its Group, ensuring that the half-yearly financial reports and the quarterly management statements are drafted in accordance with the same accounting standards as the annual financial reports and to oversee the review of the interim financial statements requested from the statutory auditor, with the scope and frequency that may be defined, where appropriate.
  - To review compliance with regulatory requirements, the appropriate delimitation of the consolidation perimeter and the appropriate application of the generally accepted accounting principles and international financial reporting standards as may be applicable.
  - To be familiar with, understand, oversee and evaluate the effectiveness of the system for internal control over financial reporting and receive information on a regular basis from the supervisor thereof, and to review with the statutory auditor any significant weaknesses revealed in the course of the audit, reaching a conclusion on the standard of confidence and reliability provided by the system, all of which without impairing their independence.
  - To ensure that the Company's internal control policies and systems are effectively applied.
  - To submit recommendations or proposals to the board of directors aimed at safeguarding the integrity of the financial information, and the relevant term for their follow-up.
  - To assess and advise the board of directors on any significant changes to accounting standards and on the significant risks on the balance sheet and the off-balance sheet.
  - To review that the financial information included in the annual and interim financial reports published on the Company's corporate website is always up to date and is consistent with the information stated by the board of directors and posted on CNMV's website.
- With regard to internal control and risk management:
  - To oversee the enterprise risk management function and establish that it is effective pursuant to the provisions of the policy approved by the Board.
  - To regularly receive reports from the Management or from the supervising areas, on the proceedings of the risk management systems established, as well as on the results of the tests carried out by internal auditors on the same, as well as on any significant internal control weakness detected by the external auditors.

- To oversee and evaluate the effectiveness of the internal control and risk management systems relating to financial risks, including tax, operational, technological risks in the main, and those relating to cyber security, AI, legal, social, environmental, political, reputational risks and those related to corruption as well as of the measures established to mitigate the impact of identified risks.

- To review with the statutory auditor the significant weaknesses of the internal control system that may be revealed, as the case may be, in the course of the audit, all of which without impairing their independence.

- To promote a corporate culture wherein risk assessment is a factor upon decision-making, at all levels of the Company and its Group.

- To identify and re-assess, at least on an annual basis, the most significant financial risks, their level of tolerance and the measures proposed to mitigate the impact of the risks which have been identified, should they materialize.

- To identify and understand emerging risks as well as their red flag mechanisms, and regularly evaluate their effectiveness.

- To ensure that risks are kept and managed within the levels of risk tolerance set by the board of directors.

- To ensure that the internal control policies and systems established by the Company are effectively applied in practice.

- To meet at least once a year, and whenever the committee deems it appropriate, with the heads of business units so that they would brief the committee on business trends and risks associated with the respective areas within their purview.

- To submit recommendations or proposals to the board of directors and the relevant term for their follow-up.

Most members of the Audit and Compliance Committee are non-executive independent directors. The committee meets on a quarterly basis and whenever it is called by its Chair. In 2024, the Audit and Compliance Committee has met 6 times.

Financial Department

The Financial Department is responsible for preparing the financial information and for the design, roll-out and effectiveness of the ICFR system, keeping it updated, monitoring its design and functioning to ensure that it is effective and appropriate, communicating and training the parties involved and keeping a periodic report.

The Financial Department drafts and circulates the policies, guidelines and procedures, associated with financial reporting and ensures the appropriate enforcement thereof within the Group.

Internal Audit

The Internal Audit function is tasked with providing the board of directors with assurance and advice through the Audit and Compliance Committee, in the performance of its duties to oversee governance and risk management processes and the appropriateness and effectiveness of the controls regarding, inter alia, reliability and integrity of the financial information, in particular, of the Internal Control over Financial Reporting System (ICFR). To achieve this, Internal Audit carries out specific periodic ICFR audits, requests action plans to correct or mitigate any weaknesses revealed and follows up on the implementation of the proposed recommendations.

The Internal Audit Charter, approved by the board of directors, covers the mission, authority and responsibilities of the Internal Audit function pursuant to both domestic and international regulations and standards for the professional practice of internal auditing.

Likewise, Internal Audit has been awarded the certificate of compliance with the *"International Standards for the Professional Practice of Internal Auditing"* by the Instituto de Auditores Internos, a member of the IIA (Institute of Internal Auditors).

F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination within the entity.

The board of directors is responsible for the design and review of the organisational structure and the lines of responsibility and authority within the Group. The departments charged with drawing up the financial information are found within said structure.

Senior Managers and the Human Resources (HR) Department define the duties and responsibilities of each area.

The Group has clearly defined lines of authority and responsibility regarding the process to prepare financial information. The Financial Department is ultimately responsible for the financial reporting.

The structure, size and definition of duties and tasks of each position within the financial area are defined by the Financial Department and disclosed by the HR Department.

With regard to ICFR, a specific management area was set up within the Financial Department to which it reports (the "ICFR Area").

The Group relies on financial organisational structures that meet local requirements in each country where it operates, with a Chief Financial Officer at the helm who is charged, inter alia, with complying with the procedures set out within the ICFR System.

- **Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.**

The main internal conduct regulations of the Group are provided in::

- The Code of Conduct.
- The Code of Conduct for Manufacturers and Suppliers.
- The Compliance Policy and the Compliance Management Procedure.
- The Integrity Policies, which are: (i) the Policy on Gifts and Invitations; (ii) the Policy on Donations and Sponsorships, and; (iii) the Policy on Dealings with Public Officials.
- The Due Diligence Policy.
- The Conflicts of Interest Policy.
- The Internal Regulations of Conduct in the Securities Markets (IRC).

– Code of Conduct

The current Code of Conduct was approved by the board of directors at the meeting held on 6 February 2024. Such approval marks the completion of the process to update it, which began in 2022.

The Code of Conduct sets out the Group's ethical commitments and the principles of action that should guide relations between people in the Group and the relations between them and the various stakeholders anywhere in the world.

The Code of Conduct is informed by a number of overarching principles, including. (i) respect in the relations with the Company's stakeholders; (ii) honesty and integrity in all decisions, actions and operations carried out; (iii) transparency, ensuring an open communication and dialogue with stakeholders, and (iv) responsibility, materialised in abiding by the law and the internal regulations of the Group and in the respect and advocacy for Human Rights and the engagements undertaken by the Company of its own accord.

One of the standards of conduct covered in the Code of Conduct is found in the section about " *Information integrity and transactions record*". The Company's commitment to fulfilling any applicable financial tax, regulatory and information disclosure obligations is addressed in such section.

According to that same section, the Company's internal information records shall be strictly managed to ensure compliance with the above referred obligations, as well as the accuracy, objectivity and integrity of the information that the Company relays to its stakeholders.

Within the framework of the aforementioned commitment, a series of guidelines of action are established, among which is the obligation for Group employees to enter the information and transactions in the company's records and systems "*in a transparent, objective, updated, truthful and complete manner as well as in accordance with applicable regulations and internal processes*".

Pursuant to the Code, Group employees must also cooperate with internal and/or external audits duly attending to requests for information, always acting in accordance with internal provisions on financial and non-financial information of the Company.

The Ethics Committee is responsible for overseeing compliance with the Codes of Conduct and the remaining internal regulations of conduct of the Group. As described in detail below, the Group relies on an Ethics Line to report potential breaches of the internal regulations. The description and proceedings of the Ethics Line are aligned with applicable requirements and best practices.

– Policy on Criminal Risk Prevention.

The Policy on Criminal Risk Prevention, together with the Criminal Risk Prevention Procedure and the Criminal Risk and Control Matrix, comprise the Model of Criminal Risk Prevention of the Inditex Group. Such Policy identifies: (i) the criminal risks set out in the Model whose prevention is pursued, as well as (ii) the internal regulations of the Group which establish the standards of conduct that the Company expects from everyone at the Inditex Group in the performance of their duties, in order to comply with the ethical commitments of the Inditex Group and the applicable laws in the markets where the Group operates and, in particular, to prevent the commission of offences within the Group.

As explained above, the Group's Code of Conduct includes a section on *'Information Integrity and transactions record*' which reflects the Company's commitment to compliance with applicable financial, tax and regulatory obligations and those related to the dissemination of Company information and the need to rigorously manage the Company's internal information records for the purpose of ensuring compliance with the aforementioned obligations, as well as the accuracy, objectivity and integrity of the information that the Company provides stakeholders with.

The Ethics Committee is tasked with overseeing compliance with the Model and the effectiveness and appropriate implementation of the controls therein set out.

IRC

Compliance with the IRC is mandatory for all the persons included in its scope of application and any noncompliance may be reported in a confidential manner to the Ethics Committee, pursuant to the provisions of the Ethics Line Procedure.

In this regard, noncompliance with the IRC may give rise to disciplinary sanctions, where appropriate, to civil, criminal and/or administrative liability, and to the obligation to compensate any damages incurred, where appropriate.

Last, there is a Market Transparency Committee (MTC) which reports directly to the Audit and Compliance Committee, composed of:

- The CEO
- The General Counsel and Secretary of the Board
- The CFO
- The Head of Investor Relations
- The Chief People Officer

The MTC is mainly responsible for developing procedures and implementing regulations to enforce the IRC. The General Counsel's Office, led by the General Counsel and the Board of Directors is accountable to the MTC. The General Counsel's Office is tasked, inter alia, with enforcing the conduct regulations in the securities markets and the rules and procedures of the IRC on directors, officers, employees and any other person to which the IRC applies.

The IRC sets outs the principles and criteria to ensure (i) that the information released to the market and to CNMV is reliable, clear, quantified and complete, avoiding subjective evaluations that lead or may lead to confusion or deception, as well as (ii) the appropriate use and dissemination of inside information and other relevant information of the Company.

The proceedings of the companies that are part of the Group and of all the individuals with access to information that may be deemed to be inside information and/or other relevant information, and namely financial information, shall comply with the following principles, without limitation: regulatory compliance, transparency, collaboration, information, confidentiality and neutrality. Both the MTC and the General Counsel's Office ensure that the above referred principles are observed.

The General Counsel's Office keeps a General Documentary Register of Affected Persons subject to the IRC. The General Counsel's Office informs Affected Persons that they have been included in such Register and that they are subject to the provisions of the IRC and reports any breaches and penalties which may result, as the case may be, from an inappropriate use of inside information.

As indicated above, compliance with the Codes of Conduct of the Inditex Group and, in general, with its internal regulations of conduct is ensured through the Ethics Committee, composed of:

- The General Counsel and Secretary of the Board, who chairs it
- The Chief Compliance Officer, in her capacity of Deputy Chair
- The Chief Sustainability Officer
- The Chief People Officer
- The Chief Audit Officer, in an advisory capacity
- The Ethics Line Manager

The Ethics Committee may act of its own motion or at the behest of any employee, manufacturer or supplier of Inditex, or any third party involved in a direct relation and with a lawful business or professional interest, further to a report made in good faith.

The Ethics Committee reports to the board of directors through the Audit and Compliance Committee and has the following basic responsibilities, without limitation:

- To oversee compliance with the Code and the internal circulation thereof as well as that of the remaining internal regulations of conduct of the Group.
- To receive any manner of written instruments relating to the enforcement of the Code and to send them, where appropriate, to the relevant body or department which may be responsible for handling and issuing a resolution regarding such instrument.
- To oversee the Ethics Line and compliance with the Ethics Line Procedure.
- To monitor and oversee handling of cases and their resolution.
- To resolve any questions that may arise regarding the enforcement of the Code.
- To propose to the board of directors, following a report from the Audit and Compliance Committee, any explanation or implementation rule that the enforcement of the Code may require, and at least, an annual report to review its enforcement.
- To promote training plans for employees on internal conduct regulations and the proceedings of the Ethics Line.

In the performance of its duties, the Ethics Committee shall ensure:

- The confidentiality of all information and background details and of the action taken unless the disclosure of information is required by law or by a court order.

To ensure that the Ethics Line is effective, and that the privacy of the parties concerned is protected, the Ethics Committee may handle *ex-officio* anonymous concerns.

- The thorough review of any information or document that triggered its action.
- The commencement of proceedings that adjust to the circumstances of the case, where it shall always act with independence, fully respecting the right of the parties to be heard, to honour and to the presumption of innocence.

Prohibition of retaliation and indemnity of anyone who reports through the Ethics Line in good faith.

After the due investigation of the case, the Ethics Committee resolves to either close it or declare that an actual breach exists. In the event of a breach, the Committee will decide on its severity and the advisability of taking action, but the specific preventive, corrective and/or disciplinary measures will be determined by the competent department or area which will report them to the Ethics Committee.

Decisions of the Ethics Committee are binding on the Inditex Group and its employees.

The Ethics Committee submits a report to the Audit and Compliance Committee at least every six months, reviewing its proceedings, in particular with regard to the management and oversight of the Ethics Line's proceedings and the enforcement of the Code of Conduct.

Additionally, the Audit and Compliance Committee apprises the board of directors, on an annual basis as well as whenever this latter so requires, of the enforcement of the Code of Conduct and the additional documents which comprise the Model of Compliance from time to time in force.

With regard to the dissemination of the above-mentioned conduct regulations, the Group HR Department is responsible for distributing a copy of the Code of Conduct to all new hires when they join the organisation.

Likewise, conduct regulations, as amended, are available on the corporate website and on INET. They are subject to the appropriate measures regarding disclosure, distribution, training and awareness raising, so that they may be understood and implemented across the entire organisation.

- **Whistleblowing channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.**

The Company has an Ethics Line in place. Such Ethics Line (comprising the Global Ethics Line and several local Ethics Lines) is a strictly confidential mechanism available to any employee, director and shareholder of any company within the Group, as well as to anyone working under the supervision of manufacturers, suppliers, contractors or subcontractors of the Group, so that they may report, even anonymously. actions or omissions that may entail violations of applicable laws or a breach of the Codes of Conduct or of any other internal regulation of conduct of the Group. Therefore, any breach and/or any manner of malpractice relating to corruption and to financial and accounting fraud may be reported via the Ethics Line.

The Ethics Line is governed by the principles and warranties set out in the Global Policy on the Internal Reporting Channels of the Inditex Group. Its proceedings are described in the Ethics Line Procedure. These internal regulations incorporate international best practices in the field of human rights and adapt the Ethics Line to the requirements applicable in the markets where the Group operates (in particular, to those derived from the transposition into the different national laws of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law).

Such warranties include: (i) utmost confidentiality; (ii) non-retaliation against the reporter or anyone who assist them during the investigation, ; (iii) presumption of innocence and respect for the right to honour of persons concerned; (iv) the right of the parties to be heard, and; (v) appropriate use of personal data processed.

Full information on the Ethics Committee and the Ethics Line is available on the intranet and on the corporate website where a direct link to such Line is available.

In line with best practices, the Group has a tool provided by an external supplier that allows to receive and manage concerns at the Ethics Line. This tool is available 24/7 in 22 languages.

Last, the Audit and Compliance Committee periodically receives reports from the Ethics Committee on the enforcement of the Codes of Conduct detailing the cases handled by the Ethics Committee, the actions taken, as well as the resolutions issued by said body (ranging from the closing of the case where no breach has been found, or stating the existence of a breach, their severity and the advisability of adopting disciplinary measures and/or supplementary actions).

- **Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.**

The Group's Training and Career Development Area, reporting to the HR Department, prepares, together with each of the areas reporting to the Financial Department, training and refresher courses addressed to staff responsible for drawing up and overseeing the financial information of each company within the Group. Said schemes include, both general courses, focusing on business expertise and knowledge of the different interrelated departments that make up the company, and specific schemes aimed at training and refreshing employees on regulatory developments in the field of financial reporting and oversight of financial information.

– General Induction

Aimed at gaining internal knowledge of each business unit, as well as of each department and the respective activities, functions and duties within the business. Under this scheme, employees begin by working at the stores, getting directly acquainted with the whole process of running a store and they continue at different departments at headquarters.

– Specific training

Group employees responsible for the processes associated with the preparation of financial information regularly take training and refresher courses that seek to acquaint them with local and international regulations on financial reporting, as well as with existing regulations and best practices in the area of internal control. An e-learning platform is available to employees, to train them on issues regarding financial reporting or information security, among others.

Within the financial environment, training and refresher schemes are arranged by the HR Department liaising with each of the areas of the Financial Department.

Training courses are provided on an annual basis for all new heads of financial areas in each country, in order to get them acquainted with the Inditex Group's management model, as well as with the internal control system over financial reporting implemented by the Group. Specific training on the system is run to every employee who starts to play a role associated with ICFR (control owner, process owner, etc.).

Additionally, courses are taught by internal staff on the operation of financial software tools used to draw up financial information.

Among the specialised training run to employees of the different units and areas of the Financial Department, training is imparted every year on risk management, the update on international accounting standards (IFRS), local accounting standards and tax regulations. In addition, specific training is imparted on ICFR and on financial hedging.

F.2. Assessment of risks in financial reporting

Report on at least the following:

F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- Whether the process exists and is documented.

The risk identification process has been documented in the Procedure for Enterprise Risk Management regarding Financial Reporting. This Procedure seeks to describe the mechanisms for identifying and assessing, on an annual basis, the risks that might lead to material errors in financial reporting.

- Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.

The above-mentioned risks management process consists of five (5) stages:

- Gathering financial information.
- Identifying the operating processes with an impact on financial information.
- Assessment of risks by financial statements reporting unit.
- Prioritising the headings' criticality.
- Checking risks versus operating processes.

As a result of this process, a scoping matrix of risks regarding financial information (ICFR Scoping Matrix) is updated on an annual basis. This Scoping Matrix is used to identify the material headings of the financial statements where risks may exist, and the prioritisation of operational processes that have an impact on financial information.

The assessment process covers all the goals of financial information: (i) existence and occurrence; (ii) integrity; (iii) assessment; (iv) release and breakdown; and (v) rights and obligations.

Following the identification of potential risks, they are assessed on an annual basis based upon the management's information and understanding of the business and of materiality criteria.

Assessment criteria are established (i) from a quantitative perspective in accordance with parameters such as turnover, size of assets and pre-tax profit; and, (ii) from a qualitative perspective in accordance with different issues such as transactions standardising and processes automation, composition of accounting headings, changes versus the previous year, complexity of accounting, likelihood of fraud or error or degree of use of estimates in book recording.

- The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.

The Group relies on a Corporate Master of Companies wherein all the companies that are part of the Inditex Group are included. Said Master is at the basis of the consolidation perimeter and is managed and updated in accordance with the Procedure for Incorporating and Financing of Companies.

The Master covers, on the one hand, general corporate information, such as company name, accounting closing date and currency, and on the other, legal details such as the date of incorporation, share capital, list of shareholders, shareholding, and other relevant information. The Legal Department is responsible for updating the Master as regards legal information.

The External Reporting area, which reports to the Planning and Management Control Department, reviews and updates, on a monthly basis, the number of companies that make up the Consolidation Perimeter, as well as the consolidation methods that apply to each of the companies included in the above-mentioned perimeter.

- Whether the process takes into account the effects of other types of risk (financial, geopolitical, technological, environmental, social and governance) to the extent that they affect the financial statements.

In addition to the above-mentioned quantitative and qualitative factors, the main risks identified through the Risks Map of the Inditex Group are considered in the process for the assessment of financial information risks.

Potential risks identified through the ICFR Scoping Matrix are taken into account upon preparing the Risks Map of the Group, which is updated on an annual basis by the Enterprise Risks Management Department (reporting to the Financial Department) with the assistance of all areas of the Organisation involved in the process. The Group may thus consider the impact that the remaining risks, which are classified in different groups (financial, geopolitical, technological, environmental, social and governance risks), may have on financial statements.

- The governing body within the company that oversees the process.

The whole process is overseen and approved on an annual basis by the Audit and Compliance Committee.

F.3. Control activities

Report on whether the company has at least the following, describing their main characteristics:

F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions that may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.

Pursuant to the Board of Directors' Regulations, the Audit and Compliance Committee is responsible for reviewing the annual accounts and the periodic information that the board of directors must submit to the markets and their supervisory bodies, verifying at all times compliance with statutory requirements and the appropriate use of generally accepted accounting principles upon drawing up such information.

Likewise, pursuant to the above-mentioned terms of reference, the Audit and Compliance Committee shall meet on a quarterly basis to review the periodic financial information that must be submitted or that the Company voluntarily submits to the Stock Exchanges authorities and the information that the board of directors must approve and release as part of its annual public documentation.

Furthermore, the ICFR Area monitors that the ICFR is effective and apprises the Financial Department and, where appropriate, the Audit and Compliance Committee, of the findings of this monitoring.

The Group relies on mechanisms to review financial information. Each of the organisational structures is responsible for reviewing the financial information reported. Analytical reviews of the financial information reported by said structures are carried out at corporate level. Prior to stating the annual accounts and approving the half-yearly financial statements, the Financial Department and the external auditor meet, for the purposes of reviewing and assessing the financial information.

The Audit and Compliance Committee submits this information to the board of directors, which is ultimately responsible for approving it before releasing it to the market.

The Group keeps its main business processes with ICRF scope duly documented. Each process is structured into a number of sub-processes, with their relevant flowcharts, including the proceedings that play a direct or indirect role on financial reporting.

These processes describe the controls that make it possible to respond appropriately to risks associated with the achievement of the objectives related to the reliability and integrity of the financial information, identifying any risks that may result in accounting fraud, so as to prevent, detect, mitigate and correct the risk of any potential error way in advance. Each ICFR process has its scoping matrix of risks and controls associated, and they are separated between processes carried out at local level and at corporate level for the entire Group. Design of flowcharts, description of the different processes and sub-processes and identification of risks and controls is carried out with a process modelling software application.

This software application allows keeping the entire documentation relating to the Group's ICFR processes within a single environment, which results in streamlined processes, as flowcharts, narratives and scoping matrices of risk and control are integrated.

The ICFR monitoring model is implemented based upon a tool to manage and oversee internal control systems. In such tool, each control is assigned to an owner who carries them out with the defined frequency.

Each process is assigned to a process owner who assesses on a quarterly basis the effectiveness of controls and defines and updates the ICFR processes for which they are responsible.

The ICFR Area monitors on a quarterly basis the assessments made by processes owners about the effectiveness of controls. It also coordinates and encourages the periodic review of processes and controls design.

In addition, the ICFR Area is subject every year to an internal certification process whereby financial officers of the markets within the scope of ICFR monitoring, process owners and corporate directors of areas who take part in the process of preparing and monitoring the financial information certify that they have implemented the controls for which they are responsible.

With regard to closing, consolidation and reporting processes, the Financial Department issues the instructions together with the calendar and contents of the financial information to be reported by each of the local financial structures to draw up the consolidated financial statements.

Risks are identified in the ICFR's risk and controls matrix of the closing process, which includes controls relating to relevant opinions, estimates, assessments and projections.

F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) that support significant processes within the company relating to the preparation and publication of financial information.

The internal control framework of the Group's information systems seeks to set up controls over the main business processes, which are closely related to Information Technologies ("IT").

Based upon the link between business processes and associated systems, basic risks are reviewed, enabling the company to prioritise and focus on the IT environments that are deemed to be especially relevant.

Within the ICFR IT controls' framework defined by the Group, a number of general controls on applications are identified, including the following domains:

- Secure access to both applications and data.
- The application of logic and physical security measures.
- Control and monitoring on changes in applications and their data.

– Environment segregation.

– Appropriate operation of applications.

– Continuity of applications.

The design of such controls is reviewed on an annual basis for the purposes of implementing, if necessary, such changes which ensure that associated risks are appropriately mitigated. Following such review, amendments have been made in 2024 aimed at focusing controls on the processes with the highest risk. It bears mention that some of the IT processes included in the ICFR control domains are also reviewed as part of different external assessments, both mandatory and voluntary, which analyse our alignment with cyber security best practices and standards, both locally and internationally.

The implementation of ITGCs on the applications and products identified within the ICFR scope is monitored on an annual basis. As a general rule, the yardstick to identify applications and products within such scope is that they play a significant role in the preparation and monitoring of financial information.

The findings of such monitoring are reported to the Financial Department through the annual report assessing ICFR controls.

In the process to design and implement applications and products, the Group has defined a methodological framework with different requirements aimed at ensuring that the solution implemented actually meets both the functions demanded by users and the security standards set out.

In 2024, the Information Security Committee has met on a quarterly basis. Said Committee is charged with ensuring that best practices regarding information security management are effectively and consistently enforced across the organisation, reducing risks affecting security to the minimum, taking into account the company's business.

The following officers sit on the Information Security Committee:

- The CEO
- The General Counsel and Secretary of the Board
- The Chief Digital Officer
- The Chief Information Security Officer (CISO)
- The CFO
- The Chief Compliance Officer
- The Data Protection Officer (DPO), and
- The Chief Audit Officer (CAO), in an advisory capacity.

The Information Security Policy sets forth the principles and guidelines according to which Inditex will protect its information, pursuant to applicable regulations and its ethical values defined in the Code of Conduct as well as the provisions of the Regulations of the Information Security Committee and of any other applicable internal regulations.

The overarching principles that inform the Policy are:

(i) classification of information, in accordance with its value, relevance and criticality for the business;

(ii) limited use of information systems to lawful and exclusively professional purposes;

(iii) segregation of duties to avoid risks;

(iv) setting information retention periods, where necessary or convenient;

(v) setting monitoring procedures to control how information is made available to third parties;

(vi) security in Information Systems;

(vii) setting a process for continuity management to ensure recovery of information critical to the Group in the event of disaster; and

(viii) alignment of Information Systems and communications of the Group with the requirements of applicable laws and regulations.

The Information Security Department performs its monitoring duties in an independent manner and is responsible for implementing the principles defined in the Policy and monitoring compliance therewith, and with all requirements arising from applicable laws, regulations and best practices in the field of Information Security. In addition to the Information Security Policy, the CISO's Charter seeks to define the framework for action, the competencies and the internal and external responsibilities of the Information Security function.

F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.

The heads of the relevant areas hire external services , ensuring that the contracted professionals are competent and independent and have the required technical and legal training.

Included in the ICFR processes are controls on calculations made by third parties and on the criteria used for the purposes of mitigating the risks that might impact financial information.

F.4. Information and communication

Report on whether the company has at least the following, describing their main characteristics:

F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and addressing concerns or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates.

Within the Planning and Management Control Department, the External Reporting area is responsible for drawing up, disclosing, implementing and updating the Group's Manual on Accounting Policies. With regard to the Group's accounting policies, this area is responsible for, inter alia:

- Defining the accounting treatment of the transactions that make up the business of the Group.
- Defining and updating the accounting practices of the Group.
- Addressing concerns and conflicts arising from the construction of accounting standards.
- Standardising the accounting practices of the Group.

The Manual covers the different transactions inherent in the Groups' business and their accounting treatment in accordance with the benchmark accounting framework of the Inditex Group.

The Manual is regularly updated. As part of this updating procedure, the External Reporting area includes all accounting changes identified that were advanced to those in charge of drawing up the financial statements.

The Manual is available on the Company's INET.

F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.

The process of consolidating and preparing financial statements is centralised and is incumbent on the External Reporting area.

Drawing up the consolidated financial information begins with the addition of individual financial statements of each company included in the consolidation perimeter, to be subsequently consolidated based upon the accounting regulations of the Group.

Financial information reported to CNMV is prepared based upon consolidated financial statements gathered and upon certain supplementary information reported by the markets, required to prepare the annual/half-yearly report. Contemporaneously, certain specific controls are carried out to confirm integrity of said information.

The Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information approved by the board of directors establishes a framework for action and defines the overarching principles that will govern disclosure by the Company of economic-financial, non-financial and corporate information via regulated and non-regulated channels.

Under said Policy, the board of directors, as the highest supervisory body responsible for overseeing economic-financial, non-financial and corporate information, shall ensure the broadest circulation and the highest quality of the information provided to the stakeholders and the market in the main, in accordance with a set of principles that include transparency, objectivity, accuracy, immediacy and symmetry in disclosure of information.

F.5. Supervision of the system's operation

Give information on the key features of at least:

F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.

With regard to ICFR assessment and the procedure set to disclose its results, the ICFR area monitors on a quarterly basis the execution of such controls that have an impact on the financial information, via the owners of processes, requesting and reviewing a sample of evidence from the owners of each control.

As a result of such monitoring, areas for improvement are identified and they are assigned an action plan to remedy them. Follow up ensues to ensure the fulfilment of such action plan.

Likewise, the ICFR area issues on a quarterly basis a report with the findings of each control, the main action lines followed in the quarter and the incidences identified. Such reports are submitted to the Financial Department, the heads of financial departments and the Internal Audit Department.

In 2024 and specifically regarding ICFR oversight activities, the Audit and Compliance Committee has carried out the following proceedings, without limitation:

- It has reviewed the consolidated annual accounts of the Group and the periodic quarterly and half-yearly financial information that the Group has to provide (or which it voluntarily provides) to the markets and its supervisory bodies, overseeing compliance with statutory requirements and the appropriate application of the generally accepted accounting principles upon drafting this information.
- As part of its oversight duties regarding the Internal Audit function, it has approved its annual activities report, as well as its budget and the annual internal audit plan that includes specific audits on ICFR processes, pursuant to a multi-year plan set.
- It has reviewed the annual audit plan of external auditors that includes the audit objectives based upon the assessment of financial information risks and the main areas of interest or significant transactions subject to review in the year, including those areas where a strategy of trust in controls exists.
- It has reviewed with the external auditor and with Internal Audit the internal control system remarks revealed, where appropriate, in the course of the different audit and review assignments. Meanwhile, both

external auditors and Internal Audit have regularly advised the Audit and Compliance Committee on the degree of enforcement of recommendations resulting from these assignments.

Internal Audit is a corporate function directly linked to the board of directors, which ensures its full independence in the performance of its activities. Internal Audit functionally reports to the Audit and Compliance Committee.

The area is centrally managed from headquarters and has representatives in the geographic areas where the presence of the Inditex Group so requires. Additionally, it is divided into specialised areas, which allows for gaining a deep understanding of risks and processes.

Internal Audit's budget is approved on an annual basis by the Audit and Compliance Committee, to ensure that the function relies on the human and material resources, both internal and external, necessary for the performance of its duties.

The objectives of the Internal Audit function include the assessment of governance and risk management processes,and the adequacy and effectiveness of controls in respect of risks identified and namely, those related to reliability and integrity of financial and operational information.

Based upon the ICFR Scoping Matrix, Internal Audit drafts an annual plan for the regular review of ICFR of the Group, which is submitted to the Audit and Compliance Committee for approval every year.

This annual plan entails conducting ICFR reviews of the significant processes and elements of the Group's financial statements. Review priorities are set based upon the risks identified. The adequacy of this plan is re-assessed every year, further to the update of the process to identify and assess financial information risks. Additionally, annual planning include compliance with the provisions of current internal corporate policies, including the ICFR Policy.

Namely, the following issues are subject to review: the design and effective operation of key transactional controls and general ITGC on the main software tools involved in financial reporting, as well as the review of the general control environment.

To carry out its activities, Internal Audit uses different audit techniques, mainly interviews, analytical reviews, specific control tests, reviewing both the adequacy of their design and the effective operation thereof, review of the effectiveness of software tools and material tests.

The results of the assignments, together with the corrective measures proposed, where appropriate, are reported to the Financial Department and the Audit and Compliance Committee. Internal Audit follows up on the implementation of these measures, which is then reported to the Audit and Compliance Committee.

F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.

Internal Audit regularly discloses to the Financial Department and the Audit and Compliance Committee the internal control weaknesses identified in the reviews carried out, as well as the follow-up on the action plans set out to settle or mitigate them.

In turn, external auditors meet regularly with the Financial Department and Internal Audit, both to gather information and to disclose any potential control weaknesses that may have been revealed, where appropriate, in the course of their work.

At its meetings, the Audit and Compliance Committee considers the potential weaknesses in control that might have an impact on financial statements, requesting, where appropriate, from the affected areas, the necessary information to assess any effects on the financial statements.

Section 45.5 of the Board of Directors' Regulations provides that: *"The Board of Directors shall ensure that the annual accounts are drawn up in accordance with accounting standards, striving for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor. However, in the exceptional circumstances where the auditor expresses a qualified opinion and the Board of Directors considers that it must stick to its position, it shall publicly explain the contents and scope of the discrepancy. The foregoing without prejudice to the information that the Chair of the Audit and Compliance Committee would make available to the shareholders at the General Meeting of Shareholder".*

To meet the provisions of section 45.5 above-mentioned, any discussions or differing views that may exist are advanced at the meetings of the Audit and Compliance Committee with external auditors. In turn, external auditors report, where appropriate, on the main internal control issues that need to be improved that have been identified as a result of their work. Additionally,the Management reports on the degree of implementation of the relevant action plans set in train to correct or reduce the issues identified.

Meanwhile, the Audit and Compliance Committee meets with the statutory auditors of the individual and consolidated annual accounts for the purposes of reviewing on the one hand the Group's annual accounts, and on the other, certain periodic financial information that the board of directors must provide to the market and its supervisory bodies, overseeing compliance with statutory requirements and the appropriate enforcement of generally accepted accounting principles upon preparing such information.

Moreover, the Committee regularly receives from the statutory auditor information on the audit plan and the results of its implementation, follows up on the recommendations proposed by the statutory auditor and may request its collaboration whenever this is deemed necessary.

On the other hand, in accordance with best practices, the Committee meets at least once a year with external auditors, without any member of the Management being present. In 2024, the Audit and Compliance Committee has met twice with external auditors: on 11 March and 9 September 2024.

In 2024. members of the Internal Audit function were in attendance at every meeting held by the Audit and Compliance Committee and external auditors were in attendance at 4 of the 6 meetings held by such committee.

F.6. Other relevant information

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F.7. External auditor's report

Report:

F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.

The information on ICFR included in this section F of the Annual Corporate Governance Report for 2024 and prepared by the Group's Management is reviewed by the external auditors.

G. Degree of compliance with corporate governance recommendations

Specify the company's degree of compliance with recommendations of the Good Governance Code of listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company´s conduct. General explanations are not acceptable.

1. That the articles of association of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market.

Complies x Explain

2. That when the listed company is controlled by another entity within the meaning of section 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries.
- The mechanisms in place to resolve any conflicts of interest that may arise.

Complies x Complies partially Explain

3. That, during the Annual General Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- Changes that have occurred since the last Annual General Meeting.
- Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any.

Complies x Complies partially Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to shareholders who are in the same position. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it.

And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through any channels that as it may consider appropriate (media, social media or other channels) that helps maximise the dissemination and quality of information available to the market, investors and other stakeholders.

Complies x Complies partially Explain

5. That the Board of Directors should not submit to the General Meeting of Shareholders any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports mentioned by company law on its website.

Complies x Complies partially Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website well in advance of the Annual General Meeting, even if their publication is not mandatory:

- Report on auditor independence.
- Reports on the proceedings of the audit and nomination and remuneration committees.
- Report by the audit committee on related party transactions.

Complies x Complies partially Explain

7. That the company should broadcast its Annual General Meeting live on its website

And that the company should have mechanisms in place allowing to grant proxy and to cast votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by said remote means

Complies x Explain

8. That the audit committee should ensure that the financial statements submitted to the General Meeting of Shareholders are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies x Complies partially Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Meeting of Shareholders, and the exercise of the right to vote or to issue a proxy.

And that these requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory manner.

Complies x Complies partially Explain

10. That when a duly authenticated shareholder has exercised his or her right to supplement the agenda or submit new proposals for resolutions in advance of the General Meeting of Shareholders, the company should:

- immediately distribute the supplementary items and new proposals for resolutions.
- publish the standard form of attendance card or the form to vote by proxy or cast absentee voting with the necessary changes so that the new agenda items and alternative proposals may be voted on in the same terms as those proposed by the Board of Directors.
- put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- after the General Meeting of Shareholders, disclose the breakdown of votes on said supplementary items or alternative proposals.

Complies x Complies partially Explain

11. That if the company intends to pay premiums for attending the General Meeting of Shareholders, it should establish in advance a general policy on said premiums and this policy should be stable.

Complies partially Explain Not applicable x

12. That the board of directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business.

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment.

Complies x Complies partially Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members.

Complies x Explain

14. That the Board of Directors should approve a policy aimed at encouraging an appropriate composition of the Board and that:

- Is specific and ascertainable;
- Ensures that motions for appointment or re-election are based upon a prior analysis of the needs of the board of directors; and
- Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the competences required by the board of directors are written up in the explanatory report from the nomination committee published upon calling the Annual General Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee shall verify annually compliance with this policy and explain its findings in the annual corporate governance report.

Complies x Complies partially Explain

15. That proprietary and independent directors should constitute a substantial majority of the board of directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the ownership interest of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and not less than 30% prior to that date.

Complies x Complies partially Explain

16. That the number of proprietary directors out of all non-executive directors should not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This yardstick may be relaxed:

- In large-cap companies where very few shareholdings are legally considered significant.
- In the case of companies where a plurality of shareholders is represented on the board of directors without ties among them.

Complies x Explain

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies x Explain

18. That companies should publish the following information on its directors on their website, and keep it regularly updated:

- Professional experience and biography.
- Any other boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- Directorship type, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- Date of their first appointment as a director of the company's board of directors, and any subsequent re-elections.
- Company shares and share options that they own.

Complies x Complies partially Explain

19. That the annual corporate governance report, following verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors on the proposal of shareholders whose holding is less than 3%. It should also explain, where applicable, any rejection of a formal request for a board position from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies Complies partially Explain Not applicable x

20. That proprietary directors representing significant shareholders should resign from the board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its stake to a level that requires a decrease in the number of proprietary directors.

Complies x Complies partially Explain Not applicable

21. That the board of directors should not propose the removal of any independent director before the completion of the director's term provided for in the articles of association unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her position as a director, are in breach of their fiduciary duty, or is affected by any of the circumstances that would cause the loss of independent status in accordance with applicable law.

The removal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that these changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies x Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise that affect them, whether or not related to their actions in the company itself, and that may harm the company's standing and reputation, and in particular requiring them to inform the board of any criminal charges brought against them as well as of how the legal proceedings subsequently unfold.

And that, if the board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must examine the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disclose, if appropriate, at the time when the corresponding measures are implemented.

Complies x Complies partially Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the board of directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the board of directors.

Furthermore, when the board of directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter mentioned in the next recommendation.

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director.

Complies x Complies partially Explain Not applicable

24. That whenever, due to resignation or resolution of the General Meeting of Shareholders, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter addressed to all members of the board of directors.

And that, without prejudice to all this being reported in the annual corporate governance report, as far as it is relevant to investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the direct.

Complies x Complies partially Explain Not applicable

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company boards on which directors may sit.

Complies x Complies partially Explain

26. That the board of directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies x Complies partially Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies x Complies partially Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the board of directors, these concerns should be included in the minutes at the request of the director expressing them.

Complies x Complies partially Explain Not applicable

29. That the company should establishes adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies x Complies partially Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable.

Complies x Complies partially Explain

31. That the agenda for meetings should clearly indicate those matters on which the board of directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the board of directors that do not appear on the agenda, the prior express agreement of a majority of the directors shall be required, and said consent shall be duly recorded in the minutes.

Complies x Complies partially Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies x Complies partially Explain

33. That the chairman, as the person responsible for the efficient workings of the board of directors, in addition to carrying out the duties assigned by law and the articles of association, should prepare and submit to the board of directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the board as well as, where applicable, the chief executive of the company, should be responsible for leading the board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies x Complies partially Explain

34. That when there is a lead independent director, the articles of association or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the board of directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies x Complies partially Explain Not applicable

35. That the secretary of the board of directors should pay special attention to ensure that the activities and decisions of the board of directors take into account the recommendations regarding good governance contained in the Good Governance Code as may be applicable to the company.

Complies x Complies partially

36. That the board of directors meets in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- Quality and efficiency of the proceedings of the board.
- Proceedings and composition of its committees.
- Diversity of board membership and competences.
- Performance of the chairman of the board of directors and of the chief executive officer of the company.
- Performance and input of each director, paying special attention to those in charge of the various board committees.

In order to perform its evaluation of the various committees, the Board of Directors shall take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee.

Every three years, the Board of Directors will turn for its evaluation to an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies x Complies partially Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board.

Complies Complies partially Explain Not applicable x

38. That the board of directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the board of directors receive a copy of the minutes of meetings of the executive committee.

Complies Complies partially Explain Not applicable x

39. That all members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial.

Complies x Complies partially Explain Not applicable

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the board or of the audit committee.

Complies x Complies partially Explain Not applicable

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies x Complies partially Explain Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1) With regard to information systems and internal control:

a) Overseeing and evaluating the process of preparation and the completeness of financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, where applicable, the group -including operational , technological, legal, social, environmental, political and reputational risk, or risk related to corruption- reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct application of accounting criteria.

b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports

c) Establishing and overseeing a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.

d) Generally ensuring that internal control policies and systems are effectively applied in practice

2) With regard to the external auditor:

a) In the event that the external auditor resigns, examining the circumstances leading to their resignation.

b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence.

c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, where applicable, the contents thereof.

d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks.

e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies x Complies partially Explain

43.That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management.

Complies x Complies partially Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies x Complies partially Explain Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) that the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.

b) An enterprise risk management model based on different levels, which will include a specialised risk committee when sector regulations so require, or the company considers it to be appropriate.

c) The level of risk that the company considers to be acceptable.

d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.

e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies x Complies partially Explain

46. That under the direct supervision of the audit committee or, where applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company that is expressly charged with the following responsibilities:

a) Ensuring the proper functioning of the enterprise risk management systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.

b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.

c) Ensuring that the enterprise risk management systems adequately mitigate risks as defined by the policy set forth by the Board of Directors.

Complies x Complies partially Explain

47. That in designating the members of the nomination and remuneration committee–or of the nomination committee and the remuneration committee if they are separate–efforts are made to ensure that they have the knowledge, skills and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.

Complies x Complies partially Explain

48. That large-cap companies have separate nomination and remuneration committees.

Complies x Complies partially Explain

49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.

And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the board of directors.

Complies x Complies partially Explain

50. That the remuneration committee operates independently and that, in addition to the functions it has been assigned by statute, it should be responsible for the following:

a) Proposing to the board of directors the basic terms and conditions of employment for senior management.

b) Verifying compliance with the company's remuneration policy.

c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.

d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.

e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies x Complies partially Explain

51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.

Complies x Complies partially Explain

52. That the rules on membership and proceedings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:

a) That they be composed exclusively of non-executive directors, with a majority of independent directors

b) That their chairpersons be independent directors.

c) That the board of directors appoints members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.

d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.

e) That their meetings be recorded and their minutes be made available to all directors.

Complies x Complies partially Explain Not applicable

53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or any other specialised committee that the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that this committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.

Complies x Complies partially Explain

54. The minimum functions mentioned in the foregoing recommendation are the following:

a) Monitoring compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.

b) Monitoring the application of the general policy on disclosure of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders.

d) Oversee the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.

e) Oversee and evaluate the company's interaction with its different stakeholders.

Complies x Complies partially Explain

55. That environmental and social sustainability policies identify and include at least the following:

a) The principles, commitments, objectives and strategy relating to shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.

b) Means or systems for monitoring compliance with these policies, their associated risks, and management.

c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.

d) Channels of communication, participation and dialogue with stakeholders.

e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies x Complies partially Explain

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors.

Complies x Explain

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans, such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies x Complies partially Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that this remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

a) Are linked to pre-determined and measurable performance criteria and that said criteria take into account the risk incurred to achieve a given result.

b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.

c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, in such a way that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies x Complies partially Explain Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies x Complies partially Explain Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies x Complies partially Explain Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies x Complies partially Explain Not applicable

62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with any extraordinary situations that may arise and so require.

Complies x Complies partially Explain Not applicable

63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.

Complies x Complies partially Explain Not applicable

64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay that arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements.

Complies x Complies partially Explain Not applicable

Further information of interest

1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but that must be included in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.

2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.

Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.

3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In this case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the company adheres to the Code of Good Practices of 20 July 2010.

The list of the main alliances, initiatives and commitments undertaken by the Group is available on the corporate website, in the "Sustainability" section, "Reporting" subsection.

Among the main Codes that Inditex has subscribed to and the global commitments that it has voluntarily undertaken, the following can be found:

- Code of Good Tax Practices. It encourages a mutually cooperative relationship between the Tax Administration Authority of Spain and companies. Date of endorsement: 21 September 2010.
- *UNI GLOBAL UNION* (www.uniglobalunion.org). It encourages respect and promotion of labour rights, inclusion and diversity and decent work within the retail and distribution network. Date of endorsement: 2 October 2009. It was renewed in 2024.
- *The United Nations Global Compact* (www.globalcompact.org). A United Nations initiative that encourages social dialogue between companies and the civil society. Date of endorsement: 31 October 2001.
- *Ethical Trading Initiative* (ETI) (www.ethicaltrade.org). A dialogue platform to improve working conditions of workers across the supply chains. It is an alliance of companies, international trade unions, and non-governmental organisations. Date of endorsement: 17 October 2005.
- Global Framework Agreement with IndustriALL Global Union (formerly, ITGLWF) (www.industriall-union.org). To promote fundamental human and social rights across Inditex's production line, including the definition of mechanisms of joint action within the production line to implement the Code of Conduct for Manufacturers and Suppliers. Date of endorsement: 4 October 2007. Inditex and IndustriALL executed on 4 May 2012 the "Protocol to define the involvement of trade unions in the reinforcement of the International Framework Agreement within Inditex's supply chain." On 8 July 2014, the Framework Agreement was renewed by both parties at ILO headquarters in Geneva, Switzerland. A new Agreement was executed on 25 April 2016 between Inditex and IndustriALL, that introduces the concept of "union experts" to enforce the Global Framework Agreement. The Global Framework Agreement was renewed on 13 November 2019 and extended in 2022. At this new stage, a Global Union Committee has been set up on which worker representatives from Inditex Group's key areas of production sit.
- *Zero Discharge of Hazardous Chemicals* (ZDHC): in this organisation, Inditex joins forces with the rest of the industry in order to move forward together in fulfilling the commitment to Zero Discharge of Hazardous Chemicals, a pledge to restrict and eliminate certain chemicals in the product manufacturing process.
- International Accord (https://internationalaccord.org/). This is the agreement signed in 2021 and renewed in 2023, between brands and international trade unions with NGOs acting as witnesses for its fulfilment. It covers the commitment to continue and expand the efforts, initiated in Bangladesh in 2013, for a safe and healthy textile industry. The International Accord recognises the RGM Sustainability Council (RSC) as the independent organisation that continues these efforts in Bangladesh. Inditex is a founding member and sits on the Steering Committee.

  In 2023 the Pakistani Accord on Health and Safety in the Textile and Garment Industry entered into force. It has been supported by Inditex and other industry brands and the global unions IndustriALL Global Union plus UNI Global Union.
- *ACT (Action Collaboration Transformation*): a collaboration initiative of retail brands, suppliers and trade unions to transform the textile industry and achieve living wages by means of collective bargaining and responsible purchasing practices. Inditex has been an active participant of ACT since 13 March 2015.
- International Labour Organization (ILO): ILO is a specialist UN body that focuses on all matters relating to work and industrial relations.

  Inditex collaborates closely with ILO in various spheres, such as, the Better Work Programme or the Workplace Adaptation Program.

  In 2017 we entered into a three.year public–private partnership with the ILO aimed at jointly promoting core principles and labour rights in the cotton supply chain.

  We are also members of the ILO Global Business and Disability Network, aimed at creating a workplace culture that is respectful and inclusive for people with disabilities worldwide. It promotes employment policies and practices that include persons with disabilities across all areas, and to help raise awareness in businesses to make disability inclusion a pillar of their social commitment.
- *The Fashion Pact* (https://thefashionpact.org/): Global coalition of companies in the fashion industry committed to set key specific goals to handle the challenges of the industry in terms of fighting climate change, caring for the oceans and conservation of biodiversity. Date of endorsement: 23 August 2019. Since 2024, Inditex's CEO is co-chairman of the initiative's steering committee.
- *Shift*: non-profit organisation specialising in Human Rights. Inditex has been a participant of Shift's Business Learning Program since 2019.

This leading program in Human Rights involves companies of all sectors willing to work towards implementing the Guiding Principles.

- *Policy Hub-Circularity for Apparel and Footwear*: Inditex is actively involved with *Policy Hub-Circularity for Apparel and Footwear*, which brings together the textile industry and its stakeholders to accelerate the sector's circular transformation.

- *Ellen MacArthur Foundation*: Within the framework of our collaboration, we have signed in 2025 a commitment to the *New Plastics Economy* promoted by the Ellen MacArthur Foundation in partnership with the UN Environment Programme.

The commitment promotes that all plastics used in our business should be reused or recycled, in order to be reintroduced into the circuit, while cutting the amount of unnecessary plastic packaging and increasing the percentage of recycled content in these materials.

- *European Network Against Racism* (ENAR): Like the ENAR Foundation ("European Network Against Racism", which advocates racial equality), Inditex envisions a society where there is full equality, solidarity and well-being for all and where discrimination against people based on their skin colour, religion, culture, nationality or origin is not tolerated. In 2021, the ENAR Foundation granted the Holistic Diversity Management Certificate to the Inditex network of Champions of Diversity in Europe, developed in conjunction with experts in D&I management.

- *World Wildlife Fund* (WWF): In 2022, we signed a global agreement with WWF to develop projects focused on the restoration and conservation of ecosystems. In addition to funding projects, the other tier of the agreement is the implementation of transformative work in the textile industry, focused on impacts and actions regarding water provision and the improvement of biodiversity conservation and protection.

- *Reimagining Industry to Support Equality* (RISE): initiative launched in March 2023 to advance gender equality in the global garment, footwear and home textiles supply chains. Inditex sits on RISE's Steering Board, along with IndustriALL, the ILO and other brands and organisations. At Inditex, we drive the implementation of specific programmes including RISE Foundations, RISE Digital, RISE Financial Health and RISE Respect along our supply chain.

- *International Apparel Federation* (IAF): In 2023, we signed a framework agreement with the International Apparel Federation (IAF), the industry's leading federation, bringing together manufacturers, brands and trade associations from all over the world. This partnership aims at driving transformation in the garment industry and the supply chains, laying the foundations for the development of projects that seek to improve working conditions, protect the environment, move towards circularity and promote transparency and traceability in the supply chains. Date of execution: 2 October 2023.

Inditex's board of directors has approved this Annual Corporate Governance Report at the meeting held on 11 March 2025.

Indicate whether any director voted against or abstained from approving this report.

Yes No x

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance))	Explain the reasons

ANNUAL REPORT ON REMUNERATION OF DIRECTORS (ARR) **2024**



INDITEX

Issuer Identification

Year-end date:

31/01/2025

Tax Identification Number (CIF):

A-15075062

Company name:

Industria de Diseño Textil, S.A. (INDITEX,S.A.)

Registered office:

Avenida Diputación, Edificio Inditex, Arteixo (A Coruña)

About this Report

This Report (the "Report" or the "Annual Report on Remuneration of Directors") provides information on remuneration of directors for the period running from 1 February 2024 through 31 January 2025 (financial year 2024) and offers detailed information about the Directors' Remuneration Policy of INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.), ("**Inditex**" or the "**Company**") applicable in financial year 2025.

This Report has been drawn up by the Remuneration Committee (the "Remuneration Committee" or the "Committee") pursuant to the provisions of section 541 of the Spanish Companies Act ("**LSC**" *(Spanish acronym*) or the "**Companies Act**"); Order EEC/461/2013 of 20 March, whereby the contents and structure of the annual corporate governance report, the annual report on remuneration, and of other information instruments of listed companies, savings banks and other entities which issue securities admitted to trading on official securities markets, are determined, as amended by Order ECC/2515/2013 of 26 December; Circular 3/2021 of 28 September issued by the National Securities Market Commission ("**CNMV**" (*Spanish acronym*)) amending Circular 4/2013 of 12 June, which provides the standard forms of the annual report on remuneration of directors of listed companies and of members of the board of directors or the control committees of savings banks and other entities that issue securities admitted to trading on official securities markets and section 30 of the Board of Directors' Regulations and section 6 of Inditex's Remuneration Committee's Regulations.

This Report is filed in free format, in accordance with the provisions of Circular 4/2013 (consolidated text); however, its content complies with the minimum requirements established in the regulations above and is accompanied by the standardised statistical appendix stipulated therein.

This Annual Report on Remuneration of Directors for financial year 2024 was approved by Inditex's Board of Directors on 11 March 2025, on the proposal of the Remuneration Committee, and following a favourable report from the Audit and Compliance Committee. As provided in section 541.4 LSC, this Report will be submitted to an advisory say-on-pay vote at the next Annual General Meeting as a separate agenda item.

A. Company remuneration policy for the current year

A.1.1. Current directors' remuneration policy for the current year.

Inditex's Directors' Remuneration Policy for financial years 2024, 2025 and 2026 was approved at the Annual General Meeting held on 11 July 2023 (the "**2023 AGM**") with 98.37% of votes for.

The aforementioned Remuneration Policy became effective on 1 February 2024 and applies for financial years 2024, 2025 and 2026 (the "**Remuneration Policy**").

A.1.1. a) Procedures and Company bodies involved in determining, approving and applying the remuneration policy and its terms and conditions.

The procedures and Company bodies involved in determining and approving the Remuneration Policy and its terms and conditions are described below:

1. General Meeting of Shareholders. Pursuant to section 219 and 529*septdecies* and *novodecies* LSC and article 31 of the Articles of Association, the General Meeting of Shareholders shall be responsible for the following functions:

- Approving the Directors' Remuneration Policy, at least every three years.
- Determining the maximum amount of the annual remuneration to be paid to all directors in their capacity as such.
- Approving remuneration systems that include the delivery of shares or stock options, or any share-based remuneration for directors.

In this line, the Board of Directors plans to submit for approval at the 2025 Annual General Meeting the following proposed resolutions as separate agenda items: (i) this Annual Report on Remuneration of Directors for the year ended 31 January 2025 (put to an advisory say-on-pay vote); and (ii) approval of a new cash and shares long-term incentive plan addressed to the management team, including the CEO and other Inditex Group employees.

2. Board of Directors. Pursuant to sections 249 and 249*bis* LSC, the Board of Directors shall have the following powers, which are non-delegable:

- Decisions relating to remuneration of directors within the scope of the Articles of Association and of the Remuneration Policy approved by the General Meeting of Shareholders.
- The approval of the contracts entered into with the executive directors including, without limitation, the remuneration items they may be entitled to for the performance of executive functions, including the potential severance pay as a result of early termination, and the amounts to be paid by the Company as insurance premiums or contributions to savings systems.

3. Remuneration Committee. Pursuant to the provisions of the Board of Directors' Regulations, the Remuneration Committee's Regulations and the Directors' Remuneration Policy, below is a summary of the duties the Committee is entrusted regarding the determination, enforcement, review and transparency of the Remuneration Policy:

a) Determination of the Remuneration Policy:

- To propose to the Board of Directors the Directors' Remuneration Policy as well as the regular review and update thereof.
- To propose to the Board of Directors the system and amount of the annual remuneration of directors, to be submitted to shareholders at the Annual General Meeting.
- To propose to the Board of Directors for approval, the individual remuneration of executive directors and the remaining basic terms and conditions of their contracts, including any potential severance pay or indemnity which may be payable in the event of termination of the contract by unilateral decision of the Company and the amounts to be paid by the Company as insurance premiums or contributions to savings schemes, pursuant to the provisions of the internal regulations of the Company and of the Directors' Remuneration Policy from time to time in force.

b) Enforcement of the Remuneration Policy:

- To approve at the beginning of each year the targets to which the annual variable remuneration of executive directors is tied and evaluate the achievement thereof at the end of the year. Further to such evaluation, the Remuneration Committee drafts a proposal on annual variable remuneration of executive directors that is submitted to the Board of Directors for approval.
- To approve the targets of each cycle of long-term variable remuneration for executive directors. The Remuneration Committee carries out an annual and an overall evaluation of the level of achievement reached for each target upon expiry of each cycle, considering the information provided by the Company, and proposes to the Board of Directors for approval, the levels of incentive associated to achievement, based upon the performance scales set, and extraordinary factors, as the case may be, which may have occurred during the performance period of the plan in question.

  The evaluation of targets and the level of achievement thereof to which annual and long-term variable remuneration is tied, is based upon the results provided by different areas and departments of the Company, pursuant to the terms of section A.1.6 below. Considering the foregoing, the Remuneration Committee drafts a proposal on annual variable remuneration of executive directors which is submitted to the Board of Directors for approval. In the proposal on variable remuneration, the Remuneration Committee also considers the quality of results in the long-term as well as any risk associated thereto.
- To propose to the Board of Directors the cancellation of payment or, where appropriate, the refund (clawback) of the variable items of the remuneration of executive directors based on results, when these items have been paid on the basis of information clearly shown later to be inaccurate, as well as, where appropriate, the filing claims or any other applicable measures.

c) Review of the Remuneration Policy:

- To regularly review the Directors' Remuneration Policy, including share-based remuneration systems and the application thereof, verifying that it is consistent with the specific circumstances of the Company, and aligned with its strategy, in the short, mid and long-term, and with market conditions, considering whether it contributes to building sustainable value, and to ensuring an appropriate enterprise risk management.

d) Transparency of the Remuneration Policy:

- To prepare and submit to the Board of Directors, for approval, the Annual Report on Remuneration of Directors, and to verify the information on the remuneration of directors provided in the corporate documents, the notes to the annual accounts and in the interim financial statements of the Company.

The Remuneration Committee meets at least three times a year and whenever it is deemed appropriate for its effectiveness, and in any case, each time the Board of Directors or its Chair requests the issuing of a report or the adoption of proposals within its purview.

The Board of Directors or its Chair will request information from the Remuneration Committee. Likewise, the Committee shall consider the suggestions made by the Chair, Board members, officers and/or shareholders of the Company. Moreover, the Remuneration Committee must meet once a year to prepare the information on the remuneration of directors, which the Board of Directors has to approve and include as part of its annual public documentation.

The Remuneration Committee shall report to the Board of Directors on the matters discussed and the decisions made, accounting for its proceedings and work done at the meeting that the Board of Directors holds immediately after each meeting of the Remuneration Committee. Additionally, a copy of all the minutes taken at the Committee's meetings shall be made available to all directors.

In accordance with its schedule for financial year 2025, the Remuneration Committee is expected to hold, at least three (3) meetings.

A.1.1. b) Consideration of comparable companies in order to establish the Company's Remuneration Policy.

The Remuneration Committee deems essential to regularly review the Directors' Remuneration Policy, in line with best practices on corporate governance endorsed by institutional investors and the recommendations of the main proxy advisors.

In financial year 2022, in the context of implementing the current organisational structure, the Remuneration Committee considered a number of **analyses into the external competitiveness of total remuneration**, with the support of an independent external advisor specialising in director remuneration, to propose appropriate levels of remuneration for both the Chair of the Board of Directors, without executive functions and the CEO for his functions as the only executive director.

As a result of the aforementioned analyses, a new remuneration package was shaped up for the CEO and the new position of the Chair without executive functions. Such conditions determined the amendments introduced to the previous Directors' Remuneration Policy for financial years 2021, 2022 and 2023, approved at the 2022 Annual General Meeting.

In particular, with regard to the remuneration of the (non-executive) Chair of the Board of Directors, market amounts and remuneration practices were analysed for the remuneration of board chairs without executive functions in the companies that make up the **main stock market indices** in **relevant European countries** (IBEX 35 in Spain, CAC40 in France, FTSE MIB in Italy, DAX40 in Germany, SMI 20 in Switzerland and FTSE 100 in the United Kingdom).

With regard to the remuneration of the CEO, several peer groups were considered, selected on the basis of sector, size and geographic spread criteria, in line with the analyses carried out in previous years for the Company's first executive. The **peer groups** considered are the following:

- STOXX Europe 50, comprising the 50 companies with the largest market capitalisation in Europe. This index is designed by STOXX Ltd.
- Large IBEX 35 companies comparable in size to Inditex (Iberdrola, Santander, Telefónica and BBVA).
- Dow Jones Retail Titans 30 Index, made up of the 30 leading companies of the retail sector. These companies are selected by Dow Jones based upon ranking by market capitalisation, revenue and net profit.

In financial year 2023, during the design and elaboration of the new Remuneration Policy, these analyses were updated, in particular, the findings for the STOXX Europe 50 group and the large IBEX 35 companies have been revised to verify that remuneration decisions agreed in financial year 2022 were still aligned with the market. The consistent approach in the new Remuneration Policy with respect to the previous one, was mainly determined by the confirmation of this alignment.

As part of the design process for the new long-term incentive plan, various analyses of market practices are also being conducted.

A.1.1. c) Information on external advisors.

To better perform its duties, the Remuneration Committee may request from the Board of Directors the engagement of legal, accounting, financial or other experts at the expense of the Company.

In this regard, in the current financial year 2025 until this date, the Remuneration Committee, in the exercise of its powers, has been advised by WTW, an independent consultant with experience in the field of directors' and senior executives' remuneration, both in the preparation of this Report and in the design and implementation of the long-term incentive plans.

A.1.1. d) Procedures set forth in the current directors' remuneration policy in order to apply temporary exceptions to the policy, conditions under which those exceptions can be used and components that may be subject to exceptions according to the policy.

The Remuneration Policy does not allow for the possibility of applying temporary exceptions.

A.1.2. a) Remuneration mix. Criteria and targets taken into consideration in their determination and to ensure an appropriate balance between fixed and variable remuneration items.

Remuneration of **directors in their position as such** is fully comprised of **fixed remuneration items.**

The **CEO's** total remuneration also includes a **fixed** element, a short-term or **annual variable** element **and** a **long-term** or multi-year variable element, **in cash and/or in shares**.

Pursuant to the Remuneration Policy, under a scenario of maximum achievement of targets, the **weight** of **variable** or at-risk remuneration **on total remuneration** (considered for these purposes as fixed remuneration, annual variable remuneration and long-term incentive annualised according to the share price at the beginning of each cycle) could represent **up to 75%** of the remuneration for the CEO, approximately.

The remuneration mix in the different remuneration scenarios based on the achievement of targets ensures that the fixed remuneration represents a significant part of total remuneration, for the purposes of preventing taking any unnecessary risks.

Variable remuneration items to reward the CEO, tied to the achievement of Group's targets, are **flexible** enough to allow their shaping to the extent that under certain circumstances, the possibility of not being paid any amount as variable remuneration exists; in such case, fixed remuneration would represent 100% of total remuneration. **Under no circumstances is variable remuneration guaranteed.**

A.1.2. b) Actions adopted to adapt the Remuneration Policy to the long-term targets, values and interests of the Company, and measures to guarantee that the long-term results of the company are taken into account in the Remuneration Policy.

In the design of the remuneration scheme, fixed and variable components are efficiently balanced, as indicated above. Specifically, pursuant to the Remuneration Policy, long-term or multi-year variable remuneration, on an annualised basis and for a maximum target achievement scenario, has a weight of 35% of total remuneration of the CEO (considering for these purposes the fixed, short-term variable and long-term variable remuneration annualised based on the share price at the beginning of each cycle).

Long-term variable remuneration plans are encompassed in a **multi-year framework** (of at least 3 years) to ensure that the evaluation process is based upon long-term results and that the underlying economic cycle of the Company and the achievement of strategic targets is considered therein.

Part of this long-term variable remuneration is **granted and released in shares**, based upon value creation, so that the interests of the CEO and officers are aligned with those of the shareholders. Specifically, in a scenario of maximum target achievement, close to 20% of the CEO's total variable remuneration would be released in shares (this value considers the share price at the start of each cycle; it does not take into account the potential change in share price during the performance period).

The CEO has undertaken to hold the net shares that he may receive as a result of any element of variable remuneration for a term of at least 3 years until he holds a number of shares equivalent to at least 2 times his fixed remuneration. In any case, once this shareholding requirement has been reached, the CEO must fulfil the lock-up obligations set out from time to time for shares released through incentive schemes.

In addition, in relation to the 2023-2027 Long-Term Incentive Plan (LTIP) approved at the 2023 AGM, the Board of Directors resolved, upon proposal of the Remuneration Committee, to reinforce the **lock-up obligation** for two (2) years following the release of shares, with this lock-up obligation surviving even after termination of the contractual relationship with the Company (if said period had not ended). However, the CEO may transfer the title to the shares **once the relationship has ended**, provided that he maintains in his shareholding, during the time remaining for complying with the aforementioned temporary limitation, an amount equivalent to the value of the incentive received in shares at the time of release.

All these measures strengthen the alignment of the CEO's interests with those of shareholders.

Payment of **variable remuneration** at Inditex, both annual and multi-year, is tied to the achievement of **sustainability targets**. These targets are aligned with the Group's sustainable strategy, wherein all stakeholders are considered, and allows rewarding its implementation. Namely, in financial year 2025 the **weight** of sustainability objectives on the CEO's aggregate variable remuneration is approximately **20%**.

A.1.2. c) Actions adopted relating to the remuneration system to reduce exposure to excessive risks and avoid conflicts of interest and clauses reducing the deferred remuneration or obliging the director to return remuneration received.

(i) Measures taken by the Company to reduce exposure to excessive risks

The measures taken by the Company to **reduce exposure to excessive risks** are the following:

- The CEO's total remuneration for the performance of executive functions comprises different remuneration items, mainly consisting of: (i) a fixed remuneration, (ii) a short-term (annual) variable remuneration, and (iii) a long-term (multi-year) variable remuneration. The **remuneration mix** in the different remuneration scenarios based on the achievement of targets, ensures that the fixed remuneration represents a significant part of aggregate remuneration, for the purposes of preventing taking any unnecessary risks.

- **No guaranteed variable** remunerations exist. Variable remuneration items are flexible enough to allow their shaping, to the extent that it is possible that no amount is paid in terms of variable remuneration.

(ii) Measures taken in respect of those categories of staff whose professional activities may have a relevant impact on the Company's risk profile.

The measures taken in respect of those **categories of staff** whose professional activities may have a **relevant impact on the Company's risk profile** are:

- Total remuneration of senior managers is comprised of the same remuneration elements and similar characteristics to those of the CEO, meaning that there are **no guaranteed variable** remunerations for them either.

- The Remuneration Committee is responsible for considering and reviewing the Directors' and senior managers' Remuneration Policy, in order to ensure that it is consistent with the Company's particular circumstances and aligned with its strategy and market conditions. Those professionals whose activity may have a relevant impact on the Company's risk profile are included in this group, due to their decision-making authority in management matters.

The Committee is also responsible for verifying that this Remuneration Policy is properly applied, and ensuring that the individual remuneration of each senior manager is proportionate to that of the other members of their group.

In addition, the Committee is tasked with conducting regular reviews of the terms and conditions of executive directors' and senior managers' contracts and ensuring that they are consistent with the remuneration policies in force.

- All **members** of the **Remuneration Committee also sit on** the **Audit and Compliance Committee**. This latter is responsible for overseeing enterprise risk management systems in respect of financial and non-financial risks. The presence of the same directors on both committees and the reporting to the Board of Directors by the Chairs of the Remuneration and the Audit and Compliance Committees on the main matters discussed at their respective meetings, ensures that risks associated to remuneration are considered in the course of the debates of the Remuneration Committee and of the Audit and Compliance Committee and in the proposals they submit to the Board of Directors, regarding both the determination and the evaluation of annual and multi-year incentives.

- Likewise, the **Remuneration** Committee and the **Sustainability Committee share two members**, one of them being the Chair of the Sustainability Committee. The Sustainability Committee is responsible, amongst other aspects, for overseeing and monitoring proposals in the field of sustainability, on social and environmental issues, on health and safety of the products that the Company places on the market, and the relations with the different stakeholders, and with following up on the sustainable strategy, evaluating the level of compliance with the same and, as the case may be, proposing recommendations to improve the Group's positioning in the field. Thus, the fact that the same directors sit on the above referred board committees allows to ensure: (i) that alignment with the Group's priorities in the field of sustainability and with those of its stakeholders is considered upon establishing and enforcing the Remuneration Policy and (ii) a comprehensive and appropriate monitoring for the assessment and determination of the level of achievement of the sustainability objectives to which the different variable items of remuneration are tied.

(iii) Measures taken by the Company to avoid potential conflicts of interest

With regard to the **measures** set to detect, determine and resolve any potential **conflict of interest**, conflict of interest scenarios are defined in section 34 of the Board of Directors' Regulations, which also provides the rules which govern such conflicts. Sections 33 and 35 to 37 thereof cover the obligation of non-competition, the use of corporate assets, the use of non-public information for private purposes and the taking advantage of business opportunities corresponding to the Company. Meanwhile, section 39 covers such specific issues that Directors must report to the Company.

Additionally, section 1 of the Board of Directors' Regulations provides that the rules of conduct for directors shall apply, insofar as they are compatible with their specific nature, to senior managers of the Company, namely, the following sections: 32 (duty of confidentiality); 34 (conflicts of interest), with regard to the duty to inform the Company; 35 (use of corporate assets); 36 (non-public information); 37 (business opportunities), and 38 (prohibition to make undue use of the office).

Moreover, with regard to significant shareholders, directors, senior managers and their related parties, section 40 of the Board of Directors' Regulations provides the rules applicable to "transactions with directors and significant shareholders". One of the duties assigned to the Audit and Compliance Committee consists of assessing and reporting on certain related party transactions. In light of this report, it is incumbent on the General Meeting of Shareholders, the Board of Directors or another body with delegated authority, as the case may be, to approve the transaction when appropriate.

Meanwhile, the Code of Conduct and the Conflicts of Interest Policy of the Group address how Inditex's employees must act when faced with a conflict of interest between their personal interests and those of the Company, as well as the situations which need to be reported, in particular, to the Ethics Committee.

(iv) Measures taken by the Company regarding the clauses on reduction or return of variable remuneration

With regard to the **clauses on reduction** of the deferred remuneration or that force directors to **return** remuneration received when such remuneration has been determined considering certain figures that have clearly been shown later to be inaccurate:

- The Remuneration Committee may propose to the Board of Directors the cancellation of payment or, where appropriate, the clawback of the variable items of the remuneration of the executive director based on results, when these items have been paid on the basis of information clearly shown later to be inaccurate. In such cases, the Committee may also propose the termination of the relationship with the relevant manager and the filing of the relevant claims, all the foregoing pursuant to the terms of section 6 of the Remuneration Committee's Regulations.

  In this regard, should (i) any event or circumstance occur that would result in the negative change or variation, in final terms, of the financial statements, results, economic data, performance data or otherwise, upon which the accrual and payment to the executive director of any amount in terms of variable remuneration would have been based, and, (ii) should such change or variation determine that, if they had become known at the date of accrual or payment, the executive director would not have received any amount, or, would have received a lesser amount than the one initially paid, the Remuneration Committee may propose to the Board of Directors that the Company claims the clawback of the full sum or of any excess paid (whether or not the executive director in question is still with the Company at the time of the claim).

- With regard to the in-flight long-term incentives (both cycles of the 2023-2027 LTIP), as well as any outstanding variable remuneration while the Remuneration Policy is in effect, the Company may cancel before payment and/or claim refund of the incentive previously paid, in full or in part, in the event that any of the following unforeseen circumstances would occur during (i) the period immediately before its vesting, or (ii) the 2 years following settlement of the incentive for the executive director's performance in each cycle, as the case may be:

  (i) losses in the Group (negative PBT) in the 2 years after the expiry of each cycle on account of management decisions made in the performance period of each cycle;

  (ii) material restatement of the Group's financial statements, when so considered by the external auditors, except where this is appropriate pursuant to a change to accounting standards;

  (iii) serious breach of the internal regulations on the part of the executive director, as proven by the Ethics Committee.

A.1.3. Amount and nature of fixed components that are due to be accrued during the year by directors in their capacity as such.

Pursuant to section *529septdecies* LSC, the directors' remuneration policy must determine the maximum amount of remuneration that may be paid each year by the Company to all directors in their capacity as such. Under the current Remuneration Policy, this maximum amount has been set at €3,380 thousand, in accordance with the current membership on the Board of Directors and its Committees.

Within the limit set by the Annual General Meeting, it is incumbent on the Board of Directors, upon proposal of the Remuneration Committee, to determine how and when such amounts are to be paid. At its meeting held on 11 March 2025 and on the proposal of the Remuneration Committee, the Board of Directors resolved to maintain in financial year 2025 the following amounts set out in the current Remuneration Policy (approved at the 2023 AGM with 98.37% of votes for):

- Each director will receive an annual fixed remuneration in the amount of €100,000 for their directorship.
- The non-executive Chair of the Board of Directors will receive an additional annual fixed remuneration of €900,000.
- The Deputy Chair or Deputy Chairs of the Board of Directors will receive an additional annual fixed remuneration of €80,000.
- Directors who in turn sit on the Audit and Compliance Committee, the Nomination Committee the Remuneration Committee and the Sustainability Committee (including the Chair of each Committee) will receive an additional annual fixed remuneration of €50,000; and
- The Chairs of the Audit and Compliance Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee, will receive an additional annual fixed remuneration of €50,000.

Such amounts are fully independent and compatible with each other. They are fully paid in cash.

These items and amounts have remained unchanged since they were approved at the Annual General Meeting held on 19 July 2011 (with 99.59% of votes for), except for the fixed remuneration established for the Chair of the Board of Directors, as a new position without executive functions created in financial year 2022, following the full separation of the positions of Chair of the Board of Directors and CEO of the Company. This allocation also remains unchanged in 2025.

Except for the CEO's remuneration for the performance of executive functions, the amounts shown above represent the only remuneration paid to directors of the Company for membership on the Board of Directors of Inditex or any Group company. No attendance fees are paid to attend board and committees' meetings, nor is there any remuneration in the form of profit-sharing or bonuses, or remuneration systems or pension plans incorporating variable remuneration, or severance pays for the termination of their relationship with the Company or any other items determined for the performance of executive functions. The remuneration of the Chair of the Board of Directors will not include either any other remuneration and/or compensation item in addition to the above.

The foregoing is notwithstanding the refund to the directors of any reasonable travelling and accommodation fees incurred upon attending the meetings of the Board of Directors or of the Committees where they sit.

Inditex has also taken out a D&O liability policy for directors, officers and staff performing similar duties in the Company.

A.1.4. Amount and nature of fixed components that are due to be accrued during the year for the performance of senior management functions of executive directors.

Pursuant to the provisions of the current Remuneration Policy, the CEO's fixed remuneration for financial year 2025 amounts to €2,500 thousand, remaining unchanged with respect to financial year 2024.

A.1.5. Amount and nature of any component of remuneration in kind that will accrue during the year.

No remunerations in kind exist other than the release of shares referred to in the following section regarding variable components of remuneration.

A.1.6. Amount and nature of variable components, differentiating between those established in the short and long terms. Financial and non-financial, including social, environmental and climate change parameters selected to determine variable remuneration for the current year, explaining the extent to which these parameters are related to performance, both of the director and of the company, and to its risk profile, and the methodology, necessary period and techniques envisaged to be able to determine the effective degree of compliance, at the end of the year, with the parameters used in the design of the variable remuneration, explaining the criteria and factors applied in regard to the time required and methods of verifying that the performance or any other conditions linked to the accrual and vesting of each component of variable remuneration have effectively been met.

Monetary terms of the different variable components according to the degree of fulfilment of the objectives and parameters established, and whether any maximum monetary amounts exist in absolute terms.

With regard to directors in their capacity as such, including the Chair of the Board of Directors, the fixed remuneration items referred to above are the only remuneration paid to them for membership on the Board of Directors of Inditex. There is no remuneration under a profit-sharing scheme, nor any remuneration systems or schemes covering a variable remuneration.

The variable items of the **CEO**'s remuneration for the performance of his senior management functions, as set out in the Remuneration Policy approved at the 2023 AGM, are as follows:

- Short-term or annual variable remuneration.
- Long-term or multi-year variable remuneration.

Below is a description of the main features of each of these components:

- Short-term or annual variable remuneration:

Annual variable remuneration is tied to the achievement of annual quantitative and qualitative targets, specific, pre-established and quantifiable, aligned with the interest of the Company and consistent with the medium to long-term strategy.

Financial and business targets linked to the Company management represent at least 60% of the aggregate incentive. Non-financial metrics represent at least 30% of the aggregate incentive.

A performance scale is associated, when reasonably possible, to targets. Such scale, set at the beginning of each financial year, includes a minimum threshold below which no incentive is paid, a level of achievement on target, which corresponds to the standard level of achievement of targets, and a maximum level of achievement, above which the incentive is not increased. Each metric is associated a specific performance scale, determined and calibrated in accordance with the variability of each and the target's level of requirement. In this regard, scales may have different slopes (i.e. relationship between level of achievement and level of payment). Additionally, the scale may include different payout levels between minimum and on target level, and between on target and maximum level of achievement regarding the same target.

The Board of Directors, upon the Remuneration Committee's proposal, is responsible for approving the targets at the beginning of each financial year and evaluating their achievement at year end. This evaluation is done based upon the data and the results provided by the Financial Division, the General Counsel's Office and the Sustainability Department, all of which are first reviewed by the Audit and Compliance Committee and the Sustainability Committee, as appropriate. The Board of Directors is responsible for the annual assessment of the CEO's performance, following a report from the Nomination Committee.

Further to such review, the Remuneration Committee draws up a proposal on annual variable remuneration which is submitted to the Board of Directors for approval. In this proposal, the Remuneration Committee also considers the quality of results in the long-term as well as any associated risk.

For the purposes of ensuring that the annual variable remuneration is effectively aligned with the Company performance and the CEO's individual performance, any positive or negative economic effects arising from any extraordinary events which might introduce distortions into the results of the evaluation, may be removed upon determining the level of achievement of the financial targets.

In accordance with the Remuneration Policy, the **target amount** of the CEO's **annual variable remuneration**, i.e., the one which corresponds to a level of achievement of the objectives on target, shall be equivalent to **120% of the fixed remuneration** for the performance of senior management functions. In case of **overachievement** of the pre-established targets, it could reach a maximum of **125% of the annual target variable remuneration** (150% of the fixed remuneration for the performance of senior management duties, i.e. €3,750 thousand).

The terms of the annual variable remuneration system for the CEO, including the structure, maximum levels of remuneration, targets established and the weight of each of them, are reviewed every year by the Remuneration Committee, considering the Company's strategy, business needs and situation, and the recommendations and best practices in the market in the field of remuneration. Such terms are submitted to the Board of Directors for approval.

Specifically, the Board of Directors has resolved at its meeting held on 11 March 2025, on the proposal of the Remuneration Committee, that the annual variable remuneration for the CEO in financial year 2025 will be determined in accordance with the following criteria:

Weighting	Target	Performance criteria
70%	Net sales (35%) and contribution margin (35%)	The same criteria established for senior managers according to the budget of the Company are applied.
15%	CEO's individual performance	Assessment by the Board of Directors, on the proposal of the Nomination Committee.
	Strategic development of the Company	Drive the initiatives related to advancing the four strategic priorities, such as improving the fashion proposal, enhancing the customer experience, increasing the focus on sustainability and preserving the talent and commitment of our people.
15%	Progress in the implementation of the strategy towards global sustainability at Inditex, measured against the following indicators:	(i) Degree of progress in adoption of recycled fibres. (ii) Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals). (iii) Degree of progress in the development of strategic partnerships aimed at the transformation of the industry. (iv) Degree of progress in improving traceability across our supply chain. (v) Level of implementation of environmental projects related to the initiative to charge for paper bag and envelopes at stores. (vi) Development of innovation projects in fibres and production processes.
	Progress in corporate governance	Degree of compliance with the recommendations of the Good Governance Code of Listed Companies and alignment with international best practices.
	Progress in implementing diversity and compliance programmes	Approval of internal regulations and degree of international roll-out.

The short-term variable remuneration for 2025 based on the achievement of the above referred targets will be paid in 2026 in cash.

- **Multi-year or long-term variable remuneration**

a) 2025-2029 LONG-TERM INCENTIVE PLAN

The Board of Directors plans to submit to shareholders for approval at the 2025 Annual General Meeting a new long-term cash and share incentive plan for members of the management team, including the CEO and other Inditex Group employees. The terms and conditions of this plan will be detailed in the specific resolution to be submitted to shareholders for approval at the General Meeting.

b) 2023-2027 LONG-TERM INCENTIVE PLAN

The **2023-2027 Long-term Incentive Plan** for members of the management team, including the CEO and other Inditex Group employees, was approved at the 2023 AGM (with 98.94% of votes for).

The Plan consists of the combination of a **multi-year bonus in cash and the promise to deliver shares**, which, once a specific period of time has elapsed and the achievement of the specific targets has been verified, will be paid to the beneficiaries of the Plan, either in full or in the relevant applicable percentage, as the case may be.

The total duration of the Plan is **4 years** and it is structured in **2** independent time **cycles**:

- The first cycle of the Plan runs from 1 February 2023 to 31 January 2026.

- The second cycle runs from 1 February 2024 to 31 January 2027.

The Board of Directors, on the proposal of the Remuneration Committee, is responsible for approving the targets at the beginning of each cycle as well as the performance scale for each of the metrics which enables the calculation of the payout coefficient for each level of target achievement. The performance scales include a minimum threshold below which no incentive is paid and a maximum level of achievement, for which a maximum incentive is paid.

The Committee annually monitors the objectives. Once the performance period of each cycle has ended, it will assess the level of achievement of each objective and in the cycle as a whole. This assessment will be made based on the data and results provided by the Financial Division, the General Counsel's Office and the Sustainability Department, reviewed by the external and internal auditors, and previously analysed by the Audit and Compliance Committee and the Sustainability Committee, as applicable.

Following such review, the Remuneration Committee will draw up a proposal to be submitted to the Board of Directors on the incentive levels associated with the degree of achievement attained, based on the established performance scales.

Both for setting the targets and for the evaluation of achievement levels, the Remuneration Committee also considers the quality of results in the long-term as well as any associated risk.

Any positive or negative economic effects arising from any extraordinary events which might introduce distortions into the results of the evaluation, may be removed upon determining the level of achievement of the targets.

Under such Plan, the CEO will receive, if appropriate, an incentive which will materialise as follows: **60% in shares** and **40% in cash**. Regarding 60% of the incentive which would, if appropriate, be settled in shares, the number of shares granted at the beginning of each cycle will be determined based upon the average weighted share price on the 30 trading days immediately prior to the commencement date of each cycle. Upon expiry of each cycle, the Remuneration Committee will assess the level of achievement of objectives and propose the number of shares to be released.

The CEO has **undertaken to hold for at least 3 years** the net shares that he may receive as a result of any element of variable remuneration, until he holds a number of shares equivalent to at least 2 years of his fixed remuneration. In any case, once this shareholding target has been reached, the CEO must fulfil the lock-up obligations under this Plan, which involve holding a number of shares equivalent to the incentive received in shares, net of applicable taxes, for 2 years after their release. This obligation will survive even when relationship has ended, as addressed in section A.1.1 above.

Likewise, the Company may **cancel** before payment **and/or claim refund** of the long-term incentive previously paid, in full or in part, (clawback) should certain unforeseen circumstances occur during the 2 years following the delivery of the incentive for the performance during each cycle. Such specific circumstances have been addressed in section A.1 above.

The incentive amounts and features for the two cycles of the 2023-2027 Plan are detailed below:

– The **maximum amount of the incentive** assigned to the CEO would amount to:

	Maximum incentive	**=**	**Cash**	**+**	**Shares**
First Cycle (2023-2026)	133% of annual fixed remuneration		€1,331 thousand		75,045
Second Cycle (2024-2027)	133% of annual fixed remuneration		€1,331 thousand		51,502

- At the end of each cycle, the Remuneration Committee will assess the level of target achievement and propose the cash amount and the number of shares to be released. The achievement of targets will be measured against identifiable and quantifiable parameters, called metrics.

The incentive for the first cycle (2023-2026) will vary depending upon the following **metrics**, with the following weight:

Weighting	Target	Performance criteria
25%	Profit before Taxes ("PBT")	PBT figure for FY2025 (ending on 31 January 2026), expressed in euros, compared to the amount set by the Board of Directors as a target at the commencement of the first cycle.
25%	Store and Online Sales ("TTTT" (*Spanish acronym*))	Amount in euros of total store and online sales in constant currency at the end of FY2025 (31 January 2026) according to the Company's information, measured against the amount set by the Board of Directors as a target at the commencement of the first cycle.
12.5%	Absolute Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares over the period of the first cycle, determined by the ratio (expressed as a percentage) between the final value of a hypothetical investment in Inditex shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is defined as the average weighted share price on the 30 trading days immediately prior to 1 February 2023 (exclusive) (€26.6), and the final value is defined as the average weighted share price on the 30 trading days immediately prior to 31 January 2026 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date. The absolute TSR achieved during the 2023-2026 period will be measured against the TSR set by the Board of Directors at the commencement of the first cycle, as maximum target.
12.5%	Relative Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares compared to the performance of an investment in shares of a Peer Group company (as defined below) during the first cycle, determined by the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of this Peer Group. For the purposes of Inditex's TSR and the TSR of every company in the Peer Group, the initial value shall mean the weighted average share price on the 30 trading days immediately prior to 1 February 2023 (exclusive). For the purposes of Inditex's TSR and the TSR of every company in the Peer Group, final value shall mean the weighted average share price on the 30 trading days immediately prior to 31 January 2026 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date.
25%	Sustainability index (comprising 4 indicators)	(i) "Consumption of textile raw materials with a lower impact (referred to as 'preferred'): measured as the percentage of preferred textile raw materials (organic, in conversion, regenerative, recycled, certified as European linen, Green viscose in the Hot Button Report by Canopy and EU BAT compliant or "Next Generation") in FY2025 Winter campaign on the total purchase of the main fibres (cotton, polyester, linen, viscose, modal and Lyocell) in said campaign. (ii) "Water consumption": measured as the percentage reduction in water consumption (litre/kg) in the supply chain between the cycle start date (1 February 2023) and the cycle end date (31 January 2026). (iii) "Decarbonisation": measured in terms of percentage reduction of the volume of Scope 3 Greenhouse Gas emissions, in the category "purchased goods and services" between the start date of the cycle (1 February 2023) and the end date of the cycle (31 January 2026). (iv) "Social": total number of workers who are part of the programmes of the priority impact areas of social dialogue, living wages, health, respect and resilience of the Workers at the Centre Strategy in the period between 1 February 2023 and 31 January 2026 (cumulative data for the three financial years: FY2023, FY2024 and FY2025).

- For the purpose of calculating the payout coefficient attained for each level of target achievement, a **performance scale** will be determined for each metric, set at the commencement of the cycle, which will include a minimum threshold below which no incentive will be paid, corresponding to a payout ratio of 30% of the maximum incentive granted, and a maximum level, corresponding to a payout ratio of 100% of the Maximum Incentive Granted. For intermediate levels, the results shall be determined by linear interpolation.
    - PBT, TTTT, absolute and relative TSR, and Sustainability index, the following will be measured:

Level of achievement	Level of Incentive (% of Maximum Incentive)
Below minimum	0%
Minimum	30%
Maximum	100%

    - Regarding the evolution of relative TSR:
        - The Peer Group is made up of 14 companies in the Retail industry with a potential impact in its listing due to similar external factors as Inditex, as indicated below: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD

Sports Fashion, Ralph Lauren Corporation and Hugo Boss (the "**Peer Group**").

- The following will be calculated at the end of the first cycle:

  - Inditex's TSR and the TSR of each company in the Peer Group for the 2023-2026 period.

  - The arithmetic mean of the TSR of each company, resulting in the average TSR for the Peer Group.

  - Inditex's annualised TSR and the annualised TSR of the Peer Group.

  Next, the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of the Peer Group will be calculated. This difference will be compared against the target set by the Board of Directors at the beginning of the first cycle and a payout ratio, ranging from 0% to 100% of the maximum incentive granted, will be applied in accordance with the specified scale.

In order to be eligible to receive the relevant incentive, as a general rule, beneficiaries must remain in the Company until expiry of the accrual period.

The incentive for the second cycle (2024-2027) will vary depending upon the following **metrics**, with the following weights:

Weight	Target	Performance criteria
25%	Profit before Taxes ("PBT")	PBT figure at FY2026 end (31 January 2027), expressed in euros, compared to the amount set by the Board of Directors as a target at the commencement of the second cycle.
25%	Store and Online Sales ("TTTT" (Spanish acronym))	Amount in euros of total store and online sales in constant currency at the end of FY2026 (31 January 2027) according to the Company's information, measured against the amount set by the Board of Directors as a target at the commencement of the second cycle.
12.5%	Absolute Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares over the period of the second cycle, determined by the ratio (expressed as a percentage) between the final value of a hypothetical investment in Inditex shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is defined as the average weighted share price on the 30 trading days immediately prior to 1 February 2024 (exclusive) (€38.76) and the final value is defined as the average weighted share price on the 30 trading days immediately prior to 31 January 2027 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date. The TSR achieved will be measured against the target set by the Board of Directors at the commencement of the second cycle.
12.5%	Relative Total Shareholder Return ("TSR")	The relative TSR is defined as the performance of an investment in Inditex shares compared to the performance of an investment in a Peer Group (as defined below) during the second cycle, determined by the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of this Peer Group. In order to calculate the performance of the investment in shares of Inditex and of each company in the Peer Group, we determine the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is the average weighted share price of each company on the 30 trading days immediately prior to 1 February 2024 (exclusive) (the "Initial Value"). The final value is the average weighted share price of each company on the 30 trading days immediately prior to 31 January 2027 (inclusive) (the "Final Value"). To this end, for calculating such Final Value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date.
25%	Sustainability index (comprising 4 indicators)	(i) "Consumption of textile raw materials with a lower impact (referred to as preferred)": measured as the percentage of preferred textile materials in the FY2026 Winter campaign on the total purchase of the raw materials in that campaign. (ii) "Biodiversity Improvement": measured as the increase in the number of hectares that are protected, restored, regenerated or under other forms of biodiversity improvement management, between the start date of the second cycle (1 February 2024) and the end date (31 January 2027). (iii) "Decarbonisation": measured as the percentage reduction in the volume of Greenhouse Gas emissions (scope 3), in the category "purchased goods and services", between the start date of the second cycle (1 February 2024) and the date of its completion (31 January 2027). (iv) "Implementation of the Environmental Improvement Programme for Supply Chain Transformation": measured as the percentage of facilities in which the plan has been implemented over the total facilities targeted by the plan (cumulative data for the three financial years: FY2024, 2025 and 2026).

- For the purpose of calculating the payout ratio attained for each level of achievement of targets, a performance scale will be determined for each metric, set at the commencement of the cycle, which will include a minimum threshold below which no incentive will be paid, corresponding to a payout ratio of 30% of the maximum incentive granted, and a maximum level, corresponding to a payout ratio of 100% of the Maximum Incentive Granted. For intermediate levels, the results shall be determined by linear interpolation.

◦ PBT, TTTT, absolute and relative TSR, and Sustainability index, the following will be measured:

Level of achievement	Level of Incentive (% of Maximum Incentive)
Below minimum	0%
Minimum	30%
Maximum	100%

◦ Regarding the evolution of relative TSR:

▪ The Peer Group is made up of 14 companies in the Retail industry with a potential impact in its listing due to similar external factors as Inditex, as indicated below: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD Sports Fashion, Ralph Lauren Corporation and Hugo Boss.

▪ The following will be calculated at the end of the second cycle:

- Inditex's TSR and the TSR of each company in the Peer Group for the 2024-2027 period.

- The arithmetic mean of the TSR of each company, resulting in the average TSR for the Peer Group.

- Inditex's annualised TSR and the annualised TSR of the Peer Group.

Next, the difference (subtraction) between Inditex's annualised TSR and the annualised TSR of the Peer Group will be calculated. This difference will be compared against the target set by the Board of Directors at the beginning of the second cycle and a payout ratio, ranging from 0% to 100% of the Maximum Incentive Granted, will be applied in accordance with the specified scale.

In order to be eligible to receive the relevant incentive, as a general rule, beneficiaries must remain in the Company until the expiry of the vesting period.

b) 2021-2025 LONG-TERM INCENTIVE PLAN

The second cycle (2022-2025) of the **2021-2025 Long-term Incentive Plan** approved at the Annual General Meeting held on 13 July 2021 expired on 31 January 2025. The features and amounts of the associated incentive are detailed in section B of this Report, which includes information on the enforcement of the Remuneration Policy in financial year 2024 (the "**2021-2025 Plan**").

A.1.7. Main characteristics of long-term savings systems.

Pursuant to the Remuneration Policy, the CEO is not a beneficiary of any long-term saving system, including retirement and/or any other survivor benefit, partly or wholly funded by the Company. In any event, provision is made for the possibility that the Board of Directors may implement such a system for executive directors during its term.

A.1.8. Any type of payment or indemnification for early termination or dismissal, or deriving from the termination of the contractual relationship, in the terms provided, between the company and the director, whether at the company's or the director's initiative, as well as any type of agreement reached, such as exclusivity, post-contractual non-competition, minimum contract term or loyalty, that entitles the director to any kind of remuneration.

No severance pay has been agreed in case of termination of duties as director, except for that provided in subparagraphs (iii) and (iv) of the following section regarding the CEO for the performance of senior management functions.

A.1.9. State the conditions that contracts should respect for those exercising senior management duties as executive directors.

Pursuant to the provisions of sections 249 and 529*octodecies* LSC and section 30.3 of the Board of Directors' Regulations, the relevant terms of the contracts entered into with the CEO are detailed below:

(i) Term

The CEO's contract has an indefinite term.

(ii) Notice period

Both in case of termination of the contract on account of certain grounds attributable to Inditex, and on account of voluntary resignation of the executive director, notice shall be given at least three (3) months in advance. Such notice may be replaced with an amount equivalent to the fixed remuneration of the non-observed term of notice.

(iii) Termination clause

The CEO shall be entitled to severance pay in a gross amount equivalent to the remuneration of **two (2) years** calculated based upon the sum of his **annual fixed and variable remuneration**, established for the current year, where the relevant contract is terminated by unilateral decision of the Company, as well as in case of resignation tendered by the CEO under certain premises (including the succession in the company or a change in control in the Company that affects more than 50% of the share capital or of the voting rights, provided that a significant refreshment of the governing bodies of the Company or a change in the contents or purpose of the main business activity of the Company takes place at the same time, if such request for termination is made within six months of the occurrence of such succession or change. For such purpose, no succession or change in control shall be deemed to have taken place in the event of direct or indirect family succession in the ownership of the Company).

(iv) Agreement on exclusivity and post-contractual non-compete obligation

For as long as his contractual relationship with Inditex remains in force, the CEO shall perform his senior management functions exclusively for the Company and the Inditex Group, and he shall refrain from working either directly or indirectly for any third parties, or for his own account, even where the activities he may carry out would not compete with those of the Inditex Group. This provision does not apply to the office of non-executive director on the board of other companies which do not compete with Inditex, subject to the restrictions set out in the Board of Directors' Regulations.

Under the terms and conditions of his contract, compensation for the post-contractual non-compete obligation is included in the severance pay.

With regard to the post-employment non-compete agreement and as regards all members of the Board of Directors, irrespective of their directorship type, section 24.3 of the Board of Directors' Regulations provides that "a director who ends their term of office or for any other reason should cease to serve as a director may not serve as a director in any other company whose corporate objects are similar to that of the company for a 2-year period".

(v) Clawback provision

Pursuant to the provisions of section A.1 of this Report, should (i) any event or circumstance occur that would result in the negative change or variation, in final terms, of the financial statements, results, economic data, performance data or otherwise, upon which the accrual and payment to the executive director of any amount in terms of variable remuneration would have been based, and, (ii) should such change or variation determine that, if they had become known at the date of accrual or payment, the executive director would have received a lesser amount than the one initially paid, the Company shall be entitled to claim from him clawback of any excess paid.

Additionally, as explained in section A.1 above, the Company may cancel and/or claim the clawback of the long-term incentive previously paid to the executive director, in full or in part, in the event of occurrence of certain unforeseen circumstances during the 2 years following the delivery of the incentive.

A.1.10. The nature and estimated amount of any other supplementary remuneration accrued by directors in the current year in consideration for services rendered other than those inherent in their position.

Directors will not receive in the current year any remuneration other than that accrued for the services rendered in their position.

A.1.11. Other items of remuneration such us any deriving from the company's granting the director advances loans or guarantees or any other remuneration.

The granting of advance payments, loans or guarantees to directors is not covered in the Remuneration Policy.

As at the date of this Report, no advanced payment, loans or guarantees have been granted to any director.

A.1.12. The nature and estimated amount of any other planned supplementary remuneration to be accrued by directors in the current year that is not included in the foregoing sections, whether paid by the company or by another group company.

No supplementary remuneration other than the one explained above are provided in the Remuneration Policy.

As at the date of this Report, no supplementary remuneration has been accrued to directors in consideration for services rendered other than those inherent in their position, nor any additional remuneration item other than those addressed in the sections above.

A.2. Significant changes in the Remuneration Policy applicable in the current year.

No changes to Inditex's Remuneration Policy are expected in 2025. The Policy expires on 31 January 2027.

The Board of Directors plans to submit for approval at the 2025 Annual General Meeting, as separate agenda items: (i) this Annual Report on Remuneration of Directors for the year ended 31 January 2025 (to be submitted to an advisory say-on-pay vote); and (ii) a new long-term incentive plan in cash and shares addressed to the management team, including the CEO and other employees of Inditex Group. The terms and conditions of this new plan will be aligned with the current Remuneration Policy.

A.3. Direct link to the document containing the company's current remuneration policy, which must be available on company's website.

A link to the Remuneration Policy applicable for financial year 2025 is provided below:

https://www.inditex.com/itxcomweb/api/media/5bec12ad-9a1b-4a82-bff8-8b5dfa5e738b/Board+Members+Remuneration+Policy_24_25_26.pdf?t=1689089034597

A.4. Consideration on the voting by the General Shareholders' Meeting on the annual report on remuneration for the previous year.

The 2024 AGM approved the Annual Report on the Remuneration of Directors for financial year 2023 with 98.34% of votes for.

Since the first directors' remuneration policy was approved, the Annual Reports on the Remuneration of Directors have been broadly supported by shareholders in the advisory say-on-pay vote and, in addition, by institutional investors and proxy advisors.

B. Overall summary of how remuneration policy has been applied during the year ended

Inditex Directors' Remuneration Policy for financial years 2024, 2025 and 2026 was approved at the 2023 AGM with 98.37% of votes for.

The following sections detail how the current Remuneration Policy has been applied in 2024.

B.1.1. Process followed to apply the remuneration policy and determine the individual remuneration contained in Statistical Appendix. Role of the Remuneration Committee, decisions made by the Board of Directors and role played by external advisors.

B.1.1. a) Remuneration Committee's membership

As provided in Article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations, and section 7 of the Remuneration Committee's Regulations, the Remuneration Committee shall comprise at least 3 and at most 7 non-executive directors, a majority of whom must be independent directors.

Members of the Remuneration Committee are appointed by the Board of Directors following a report from the Nomination Committee. The Chair of the Remuneration Committee is also appointed by the Board of Directors, out of the independent members of such Committee.

As at 31 January 2025 and as at the date of this Report, the Remuneration Committee was made up of the following members, **all** of them **independent directors,** except Mr José Arnau Sierra, proprietary director:

Mr Rodrigo Echenique Gordillo (Chair, Independent Director)	Bns. Denise Patricia Kingsmill (Member, Independent Director)
Mr José Arnau Sierra (Member, Proprietary Director)	Mr José Luis Durán Schulz (Member, Independent Director)

As at 31 January 2025, Mr Javier Monteoliva Díaz is the Secretary non-member of the Committee.

The Remuneration Committee meets whenever it is deemed appropriate for it to be effective, and in any case, whenever the Board of Directors or its Chair requests the issuing of a report or the adoption of proposals within its purview. Moreover, the Remuneration Committee shall hold a regular meeting every year to prepare the information on the remuneration of directors, which the Board of Directors has to approve and include as part of its annual public documentation.

During the meeting that the Board of Directors holds immediately after each meeting of the Remuneration Committee, the Chair of the latter apprises Board members of the business transacted in the course of such meeting.

B.1.1. b) Process followed to enforce the Remuneration Policy and determine individual remunerations.

The duties of the Remuneration Committee are covered in Article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and sections 5 and 6 of the Remuneration Committee's Regulations.

The Remuneration Committee met three (3) times in financial year 2024. Directors' attendance rate, whether physical or virtual at the meetings held in 2024 stands at 100%.

In financial year 2025 to the date of release of this Report, the Committee has met once (1).

At the aforementioned meetings, the Remuneration Committee has discussed, inter alia, the following matters and has resolved, where appropriate, to submit them to the Board of Directors for approval:

- At the meeting held on 11 March 2024:
  - With regard to the CEO's remuneration, the Committee resolved to submit to the Board of Directors the following proposals:
    - The assessment of the level of achievement of the targets tied to the CEO's variable remuneration for financial year 2023 (approved in 2022), and the proposal on the overall remuneration payable to the CEO in 2023.
    - The proposal on the items and yardsticks to determine the CEO's remuneration for 2024 for the performance of his duties and responsibilities as chief executive.

    The Board of Directors approved at its meeting of 11 March 2024, the achievement of these targets and the pertaining level of incentive payment, as well as the total remuneration payable in 2023 to the CEO and the proposed overall remuneration payable to Mr García Maceiras in 2024.
  - In relation to the 2021-2025 Long-term Incentive Plan, the Committee assessed the level of achievement of the targets set for the first cycle (2021-2024) of the Plan to which the long-term variable remuneration of the CEO and senior managers for financial year 2023 was tied and the corresponding payout level.

    Furthermore, and on the basis of a projected presentation, the Committee discussed the outcome of the external auditors' report of agreed procedures, in accordance with International Standard on Related Services (ISRS) 4400 (Revised), in relation to the calculation of the "Total shareholder return (TSR)" and the degree of achievement of the target assigned to the sustainability index for this first cycle (2021-2024) of the 2021-2025 Plan.

    In that same meeting, the Committee assessed the preliminary achievement and payment levels for certain metrics to which the second cycle (2022-2025) of the 2021-2025 Plan was tied.
  - With regard to the 2023-2027 Plan, at said meeting of 11 March, the Committee gave a favourable report to the proposal on metrics and the maximum incentive granted for its second cycle (2024-2027).

    The Board of Directors approved at its meeting of 11 March 2024: (i) the level of achievement of the targets and the corresponding payout level proposed by the Remuneration Committee regarding the settlement of the first cycle (2021-2024) of the 2021-2025 Plan, and (ii) the proposal on metrics and maximum incentive granted for the second cycle (2024-2027) of the 2023-2027 Plan.
  - In relation to the Annual Report on Remuneration of Directors for financial year 2023, the Committee reviewed and gave a favourable report to the draft Report, assessing whether the overall remuneration payable to the Board of Directors was adequate considering the concepts and amounts provided for in the

Directors' Remuneration Policy for financial years 2024, 2025 and 2026.

The Annual Report on Remuneration of Directors was approved by the Board of Directors at its meeting of 11 March 2024 and, in addition, at the Annual General Meeting held on 9 July 2024 (with 98.342% of votes for) in an advisory say-on-pay vote.

- At the meeting held on 9 December 2024:
  - With regard to the second cycle (2024-2027) of the 2023-2027 Plan, the Committee proposed (i) the targets for each of the metrics to which the second cycle (2024-2027) of the 2023-2027 Plan is tied and the calibration of their corresponding performance scales (and other related aspects) as well as (ii) the proposal on the draft Regulations of the Plan. It also gave a favourable report to the different levels of beneficiaries of the aforementioned second cycle of the 2023-2027 Plan, as well as the criteria for their individual designation.

    The Board of Directors approved the above-mentioned proposals and the text of the Regulations of the Plan at its meeting on 10 December 2024.
- At the meeting held on 10 March 2025:
  - It has evaluated the level of achievement of the targets tied to the second cycle (2022-2025) of the 2021-2025 Plan and the associated payment level, which were approved by the Board of Directors at its meeting of 11 March 2025.
  - It has submitted to the Board of Directors the proposals on (i) the overall CEO's remuneration payable in 2024, and (ii) the items and yardsticks to determine the remuneration for the current year. This proposal was approved by the board at its meeting held on 11 March 2025.
  - It has issued the proposal on the draft Annual Report on Remuneration of Directors for 2024, assessing whether the overall remuneration payable to members of the Board of Directors was adequate considering the items and amounts envisaged in the Directors' Remuneration Policy for FY2024, FY2025 and FY2026. This Report was reviewed by the Audit and Compliance Committee at the meeting held on the same day, to ensure that it is consistent with all other information disclosed in other mandatory transparency reports, and establish its integrity and observance of applicable regulations.

    Last, the Board of Directors approved the Annual Report on Remuneration of Directors for 2024 at the meeting held on 11 March 2025. The Board resolved to submit it to an advisory say on pay at the 2025 Annual General Meeting.

Further information on the remaining meetings of the Committee and its proceedings in 2024 is shown in the Annual Report on its proceedings, issued by the Remuneration Committee at its meeting held on 10 March 2025 and in the Annual Corporate Governance Report issued by the Audit and Compliance Committee at its meeting held on that same day. Both reports were approved by the Board of Directors on the same day it approved this Annual Report on Remuneration of Directors, i.e., 11 March 2025.

B.1.1. c) Identity and role of external advisors.

To better perform its functions, the Remuneration Committee may request from the Board of Directors the engagement of legal, accounting, financial or other experts at the expense of the Company.

In this regard, the Remuneration Committee has been advised in financial year 2024 by WTW, an independent consultant specialising in the field of compensation of directors and senior managers, (i) in the preparation of the Annual Report on the Remuneration of Directors for financial year 2023 and, (ii) in the design and implementation of the in-flight LTIP in place.

B.1.2. Explain any deviation from the procedure established for the application of the remuneration policy that has occurred during the year.

There were no deviations from the established procedure in the application of the Remuneration Policy in financial year 2024.

B.1.3. Temporary exceptions to the remuneration policy and exceptional circumstances that have led to the application of these exceptions, the specific components of the remuneration policy affected and the reasons why the company deems that these exceptions have been necessary to serve the long-term interests and sustainability of the company as a whole or to ensure its viability. Quantification of the impact the application of these exceptions has had on the remuneration of each director in the financial year.

No temporary exceptions to the Remuneration Policy have been applied in financial year 2024.

B.2. Actions taken to align the remuneration system with the long-term targets, values and interests of the Company, and measures to guarantee that the long-term results of the Company have been taken into consideration in the remuneration accrued. Actions taken regarding the remuneration system to reduce exposure to excessive risks and measures to avoid conflicts of interest.

B.2.1. Actions taken to align the remuneration system with the long-term targets, values and interests of the Company, and measures to guarantee that the long-term results of the Company have been taken into consideration in the remuneration accrued.

The measures taken in 2024 to ensure that **long-term results** of the Company **are considered** in the **application** of the Remuneration Policy are described below:

- The CEO' total remuneration comprises different remuneration elements, mainly consisting of: (i) a fixed remuneration, (ii) a short-term variable remuneration (annual), and (iii) a long-term variable remuneration (multi-year).
- In financial year 2024, this long-term element had a weighting of 44% on the accrued total remuneration (fixed + short-term variable + long-term variable).
- Long-term variable remuneration plans are part of a multi-year framework to ensure that the evaluation is based upon long-term results and that the underlying economic cycle of the Company is considered therein.

- Part of this remuneration is awarded and will be released in shares, based upon shareholder value creation, so that the interests of the executive director and officers are aligned with shareholders' interests.

- The CEO has undertaken to hold for at least 3 years the net shares that he may receive as a result of any element of variable remuneration, until he holds a number of shares equivalent to at least 2 years of his fixed remuneration. In any case, once this shareholding target has been reached, the CEO must comply with the lock-up obligations under the long-term incentive plans, which involve holding a number of shares equivalent to the incentive received in shares, net of applicable taxes, for 2 years after their release. This obligation will survive, in respect of the shares the CEO receives from the 2023-2027 Long-Term Incentive Plan, even termination of the relationship with the Company, as detailed in section A.1.1 above.

  These measures result in a better alignment of the interests of the CEO with those of the shareholders.

The Remuneration Policy in effect in 2024 set an **appropriate balance between fixed and variable** items of the remuneration as described below:

- The design of the remuneration scheme shows an efficient balance between fixed and variable items, as described in section A.1. above.

- Variable remuneration items were flexible enough to allow their shaping, to the extent that it was possible that no amount was paid on in terms of variable remuneration, whether annual or multi-year; in such case, fixed remuneration would have represented 100% of total compensation.

- Variable remuneration is not guaranteed.

B.2.2. Actions taken regarding the remuneration system to reduce exposure to excessive risks and measures to avoid conflicts of interest.

The **measures** taken in 2024 with regard to **those members of staff** whose professional activity may have a **material impact on the risks profile** of the Company were:

- The Remuneration Committee reviews on an ongoing basis whether the principles, yardsticks and remaining terms of the Remuneration Policy are fit for the Company's specific circumstances and aligned with market remuneration practices.

- The Remuneration Committee was the internal body responsible for considering and reviewing the appropriate and consistent application of the Remuneration Policy in relation to the remuneration of directors, in particular the CEO, but also with respect to the application of the remuneration policy for the Groups's senior managers, ensuring that no payments have been made that are disproportionate in relation to their peers or outside the scope of the Policy and or the relevant contracts. Those professionals whose activity may have a material impact on the risks' profile of the Company are included among them.

- All members of the Remuneration Committee also sit on the Audit and Compliance Committee. Therefore, the Chair of the Remuneration Committee is a member of the Audit and Compliance Committee. This ensures that risks associated to remuneration are considered in the course of the debates of the Remuneration Committee and of the Audit and Compliance Committee and in proposals submitted by both Committees to the Board of Directors, on both the determination and the process to assess annual and multi-year incentives.

- Likewise, 2 ordinary members of the Remuneration Committee also sit on the Sustainability Committee. In particular, the Chair of the Sustainability Committee is a member of the Remuneration Committee. The Sustainability Committee is responsible for overseeing and monitoring proposals in the field of sustainability, on social and environmental issues, on health and safety of the products that the Company places on the market, and the relations with the different stakeholders in the field of sustainability. Thus, the fact that the same directors sit on different committees allows ensuring that alignment with the Group's priorities in the field of sustainability for all its stakeholders is considered upon establishing and enforcing the terms of the Remuneration Policy.

With regard to **clawback** provisions in order to be entitled to claim the refund of variable items of the remuneration that are based on results, when such items have been paid on the basis of information clearly shown later to be inaccurate:

- A clawback clause is included in the contract executed with the executive director in respect of variable items of his remuneration in such cases. Additionally, the Company may cancel and/or claim the refund of the long-term incentive previously paid in full or in part, upon occurrence of certain unforeseen circumstances, as described in section A.1 above.

- The Remuneration Committee may propose to the Board of Directors the cancellation of payment or, where appropriate, the refund of the variable items of the remuneration of directors based on results, when they have been paid on the basis of information clearly shown to be inaccurate. It can also propose the termination of the relationship with the relevant manager and the filing of the relevant claims, pursuant to the terms of section 6 of the Remuneration Committee's Regulations.

The measures taken to detect, determine and resolve potential **conflicts of interest** have been addressed in section A.1.2.c) above.

B.3. How the remuneration accrued in the financial year complies with the provisions of the applicable remuneration policy and how it contributes to the long-term and sustainable performance of the company. Relationship between the remuneration accrued by the directors and the results or other performance measures of the company in the short and long term.

The Directors' Remuneration Policy applied in financial year 2024 was approved at the 2023 AGM. The Policy expires on 31 January 2027, which means that its characteristics, described in section A.1. above, are applicable to this section.

The amounts set out in said section A.1 above are the only remuneration paid in 2024 to directors in their capacity as such for membership on the Board of Directors of Inditex, or of any Group companies, except for the remuneration of the CEO for the performance of senior management functions. Directors have not received any other remuneration under a profit-sharing scheme or bonus, nor any remuneration systems or schemes covering a variable remuneration or based on results or other indicators of performance of the Company.

As regards the CEO, certain items of their remuneration for the performance of senior management functions are tied to results and other indicators of performance of the Company. In particular, in 2024:

- **Short-term or annual variable remuneration:**

As explained below, the Board of Directors resolved, on the proposal of the Remuneration Committee, that the annual variable remuneration for the CEO, Mr Óscar García Maceiras in financial year 2024 should be determined in accordance with the following criteria:

Weighting	Target	Performance criteria
70%	Net sales (35%) and contribution margin (35%)	The same criteria as those established for senior managers according to the budget of the Company are applied.
15%	CEO's individual performance	Assessment by the Board of Directors, on the proposal of the Nomination Committee.
	Strategic development of the Company	Drive the initiatives related to advancing the four strategic priorities, such as improving the fashion proposal, enhancing the customer experience, increasing the focus on sustainability and preserving the talent and commitment of our people
15%	Progress in the implementation of the strategy towards global sustainability at Inditex, measured against the following indicators:	(i) Degree of progress in adoption of recycled fibres. (ii) Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals). (iii) Degree of progress in the development of strategic partnerships aimed at the transformation of the industry. (iv) Degree of progress in improving traceability across our supply chain. (v) Development of additionality mechanisms in the renewable energy infrastructure. (vi) Level of implementation of environmental projects related to the initiative to charge for paper bag and envelopes at stores. (vii) Development of innovation projects in fibres and production processes.
	Progress in corporate governance	Degree of observance of the recommendations set out in the Good Governance Code of Listed Companies and alignment with international best practices.
	Progress in implementing diversity and compliance programmes	Approval of internal regulations and degree of international roll-out.

In order to assess the criteria above for the purpose of determining the CEO's annual variable remuneration for financial year 2024, the Remuneration Committee has taken into account the target achievement levels and the performance scales associated with each target, with their corresponding slopes (i.e., the relation between the level of achievement and the payout level):

- Inditex Group's net sales were €38.632 billion in financial year 2024, between the target and the maximum achievement scenario, which implies a 118.3% payout level for this target.

- Contribution margin reached €7.331 billion in financial year 2024, exceeding the maximum achievement scenario, which implies a 125% payout level for this target.

The results achieved in the 2024 financial year highlight the robust operating performance of Inditex Group, which can be seen in the corresponding lines of the consolidated Income Statement. This performance has been achieved in a global environment of high financial volatility, uncertainty, and cost inflation, a macroeconomic complexity that has led to the need for very efficient management in terms of operations and cost centres.

Sales have performed well both in-store and online and across all formats, with a 7.5% growth of reported sales (10.5% sales growth in constant currency).

The transformation of the physical stores sales space has continued, resulting in 386 closures and 257 openings. The commercial sales space has increased by 2% versus the same period a year earlier.

The evolution of the gross margin has been positive, with 7.6% growth in absolute terms, standing at 57.8% of sales. This is despite the adverse effect of the net depreciation of sales currencies other than the euro and cost inflation, particularly concerning the rising cost of supplies transportation.

The efficient execution of the business model can also be observed in the management of operating expenses, whose real growth of 6.2%, considering all lease expenses, is 126 basis points below sales increase in the year expressed in percentage terms.

Profit Before Tax and Net Profit growth stands at 10% and 9%, respectively, relative to the very demanding comparables in the previous year 2023, which were 28% and 30%, respectively.

Strong cash flow generation and reinvestment back into the business continue, focusing on the execution of the logistics expansion plan, under the highest standards of sustainability and including cutting-edge technology. Cash generated from operating activities amounted to €7.486 billion, representing an 8% increase. The execution of the investment plan resulted in a cash outflow of €2.672 billion. The total dividend paid in 2024 of €1.54 per share, amounted to €4.797 billion. At the end of 2024, the Group's net financial position stood at €11.495 billion, the highest net cash position recorded by the Group at an annual close.

These results have been reflected in the positive share performance. Inditex's market capitalisation at 31 January 2025 reached €164.310 billion.

- With regard to the remaining targets, which represent an aggregate 30% weighting, the Remuneration Committee has assessed a level of achievement and a payout level of 125% for these targets. In this regard, the Remuneration Committee has considered the following:

  – The findings of the evaluation of the **CEO's performance**, carried out by the Board of Directors at the meeting held on 10 December 2024, following a report from the Nomination Committee. The CEO received a high score in such evaluation, having improved his score from the previous year. In this evaluation, his main role as an advocate of good corporate governance practices was once again highlighted, promoting the implementation of recommendations and best practices through an adequate coordination and balance

of tasks and responsibilities with the Chair of the Board. The important work of information transparency continues to be highly appreciated, the clarity and accuracy of his messages being underscored. Additionally, his firm will and decisiveness when addressing complex issues and the continuous improvement of the overall management of the Company were noteworthy.

All of which keeps contributing to a continuous improvement in the working dynamics of board and committees' meetings.

– In terms of progress relating to the **strategic development** of the Company, during 2024, the Group has continued to develop initiatives to keep strengthening and building up the four priority focus areas: fashion proposal, customer experience, sustainability and focus on people. Some of the most relevant projects in the year have resulted in a very significant improvement in the commercial presence in locations such as Lisbon (with the new Zara store in Plaça Dom Pedro - ROSSÍO and the relocation of the rest of the commercial formats), Paris (through the Zara Home pop-up store in Rue de Bac and the extension of the Zara store in Hotel de Ville) or Chicago (with the extension of the Zara store in Skokie). New ways of interacting with our online customers have also been driven through the expansion of streaming to new markets. In terms of sustainability, 2024 has consolidated the Zara PreOwned programme, now available in 17 markets, and has ratified the Group's commitment to innovation with investments in start-ups such as Galy, Epoch or Infinited Fiber. We have also continued being clearly committed to people, with particular attention to inclusion, an area in which the objective of doubling the number of employees with some form of disability has been met.

– During 2024, progress has continued to be made towards meeting the **sustainability objectives** in accordance with the current Roadmap. Thus:

  - Degree of progress in the adoption of recycled fibres: one of the most important commitments made by the Group in terms of use of resources is the Fibres Plan, which aims for 100% of the textile fibres used in our products in 2030 to be fibres with a lower impact on the environment compared to the impacts of conventional fibres. Advancing in the use of recycled materials prevents the extraction of new raw materials and reduces waste generation. In the Winter 2024 campaign, 39% of the textile fibres came from conventional recycling, a very significant advance towards our 2030 goal (40%).

  - Degree of progress in the supply chain transformation plan (water, energy, waste and chemicals): in 2024, the 2024-2027 Supply Chain Environmental Transformation Plan was launched and circulated to all suppliers and manufacturers of the Group. In addition, support programmes have been initiated with key suppliers and manufacturers. In 2024, 69 on-site meetings were held to present the Plan in the Group's main production clusters, inviting 1,910 companies, with a 75% attendance rate.

  - Degree of progress in the development of strategic partnerships aimed at the transformation of the industry: in 2024, progress has been made in Inditex's collaboration with the International Apparel Federation (IAF), a leading federation in the textile industry that brings together manufacturers, brands and sector associations from around the world. This collaboration seeks to promote a transformation in the clothing industry and in supply chains, laying the foundations for the implementation of projects that seek to improve working conditions, protect the environment, move towards circularity and promote transparency and traceability in supply chains. In addition, in June 2024, Inditex's CEO was appointed co-chair of the steering committee of The Fashion Pact, an initiative of which Inditex is a co-founding partner and which represents an agreement between leading companies in the fashion industry committed to setting specific targets to address the industry's challenges in the field of renewable energy, production and lower impact materials and biodiversity.

  - Degree of progress in improving traceability across our supply chain: Based on our Traceability Requirements, new advances in this monitoring have been incorporated throughout 2024 including without limitation:

    - Supporting the implementation of the Fibres Plan, focusing on the traceability of raw materials.

    - Improvement of our tools to make it easier for suppliers to provide us with the required information.

    Efforts have also been made in several projects that support our traceability strategy.

    - Supply chain verification: pilots have been carried out to test new supply chain information verification flows, in market tools to collaborate in procedures standardization.

    - Fibre verification: verification of Revisco and Jilin Filamento fibres has been implemented through Textile Genesis.

  - Development of additionality mechanisms in renewable energy infrastructure: in 2024, we have further developed our energy supply strategies, in particular driving their alignment with solid criteria of respect for Human Rights. In this way, a set of aspects have been established around three fundamental pillars: environmental impact, social impact and support for the capacity and resilience of the grid. In total, 15 criteria have been identified for the contracting of renewable energy projects, divided into these 3 key categories, which are based on good practices, trends and current legislative requirements.

  - Degree of implementation of environmental projects related to the initiative of charging for paper bags and envelopes at the stores: in 2021 Inditex began to encourage the use of reusable bags at its stores to reduce the consumption of raw materials, water and energy associated with the paper bags and envelopes that it gives to its customers with their purchases. To encourage customers to bring their own bags, Inditex also began to charge for the bags and envelopes it provides. In 2024, this measure has been extended to most of the markets where it operates.

    This initiative, currently present in 79 markets, has allowed us to reduce the number of bags and envelopes provided in our stores by 48%. The proceeds raised since 2021 through the charging of recycled paper bags and envelopes in our stores, used in financing environmental projects, have amounted to €120.5 million, of which €67 million had been allocated to projects in 31 countries at the end of the year.

  - Implementation of innovation projects in fibres and manufacturing processes: in 2024, work has continued on the Sustainability Innovation Hub (SIH), an innovation centre launched in 2020 with an action plan until 2030, designed to support the adoption and scaling of innovative technologies in fibres, materials, production processes and traceability in the textile and footwear sector. Its objective is to reduce the environmental impact associated with raw materials and production processes in the textile industry. In 2024, this platform has more than 300 emerging companies working to incorporate new materials, improve production processes and make progress in aspects relating to traceability, packaging and wrapping, use and end of

life. In addition, the SIH carried out the environmental, technical and commercial analysis of more than 20 new innovations and performed more than 40 life cycle analyses. As outstanding initiatives of the year, capital contributions have been made to the following projects:

- *Infinited* Fiber: a start-up specialising in the recycling of cellulose materials and creator of Infinna™, a recycled fibre made from cotton-rich textile waste.
- Galy: a start-up that has developed an innovative and unique process for growing cotton in vitro through stem cell multiplication.
- Epoch: a start-up that uses artificial intelligence to design enzymes that enable the recycling of plastic and textile materials.

Regarding innovation projects in manufacturing processes, we have *The Mill by Inditex*, to evaluate the adoption of technological innovations in textile manufacturing processes that allow progress in reducing environmental impact, especially regarding water consumption and the chemical products used. Along these lines, in 2024 work has been done on the demonstration of the first facility net zero of emissions, water, waste and microfibres. To progress in the implementation of this model, in 2024 the scope of the pilot projects has also been extended, including supplier facilities in Morocco.

– Progress in **corporate governance.**

From the perspective of the composition, structure, organisation and functioning of Inditex's corporate bodies, in 2024 work has continued on the ongoing and permanent reinforcement of good governance practices, in line with the progress made in recent years.

- Inditex's constant efforts to achieve the highest levels of female representation on the highest governing body deserve special mention in terms of its commitment to diversity in the composition of the Board. In 2022, with five (5) women on the Board, the target set in 2020 of 40% female directors out of the total board seats was exceeded and **in 2023 parity between men and women (50/50) was achieved on Inditex's Board of Directors,** exceeding the targets set out for the less represented gender in *Ley Orgánica* 2/2024 of 1 August on equal representation and balanced presence of women and men, which transposes Directive (EU) 2022/2381, of 23 November 2022, on a better gender balance among directors of listed companies. With the changes to the composition of Inditex's Board of Directors, this parity has been maintained during 2024.

- In addition, as evidence of the strong boost given to the consolidation of a robust cybersecurity governance structure, during 2024, the Cybersecurity Advisory Committee (set up in 2023) met twice and the Company's various governing and supervisory bodies received regular information about the activity carried out by this Committee and the main issues dealt with in its meetings, in order to guide the decision-making process in the face of possible threats, report on critical incidents, security measures, possible risks and weaknesses of control and, in general, contribute to reinforcing the level of maturity of the Group's information security system. In addition, members of the Audit and Compliance Committee were invited to attend and participate at the Cybersecurity Advisory Committee meeting held in November 2024 .

- In 2024, the Articles of Association were amended with the main purpose of reducing the term of office of directors from four to two years, in order to improve the degree of alignment of the functioning and organisation of Inditex's governing bodies with best corporate governance practices, insofar as this reduction in the term of office contributes to (i) facilitating and promoting greater flexibility to adapt the composition of the Board of Directors to the evolution and needs of the Company and its strategic priorities, (ii) the gradual Board refreshment and (iii) increasing the accountability of the directors for their management before the General Meeting. In addition, certain technical and editorial improvements were introduced. In line with the above, an amendment to the Regulations of the General Shareholders' Meeting was also approved to improve the consistency between the two sets of rules, which are basic and core rules of Inditex's corporate governance system, and, ultimately, to facilitate the application and interpretation of these texts by the corporate bodies, shareholders and other interested third parties. This ultimately seeks to foster shareholder engagement.

- With regard to training programmes for directors, in 2024, work has continued on developing the contents of ITX Board Academy as regards risks and specific sustainability issues, such as climate change, due diligence and Human Rights, all of which are addressed from a holistic approach, including the assessment of their potential impacts, risks and opportunities. These issues are key for the Group and of interest to directors themselves. These training sessions are complemented by physical visits by the directors to the Group's stores, logistics centres and international subsidiaries.

  In addition, the Director Handbook (now the Onboarding Programme- Handbook for Board and Committees' Members), a document already available to the Company as an integral part of the global Induction programme for new directors (which, in turn, is part of ITX Board Academy), has been revised and amended, with the main purpose of aligning its content with best practices. In particular, this document has been adapted to include relevant information regarding the organisation, composition, duties and operation of Board Committees.

- In order to improve the level of information transparency of the Company, in 2024 the Board of Directors approved, for the first time, the annual report on its proceedings covering the activities it carried out in 2023. Although not mandatory, the report was drawn up considering the recommendations of CNMV's Technical Guides on audit committees at public interest entities and on nomination and remuneration committees.

Last, proof of the robustness of its corporate governance system is that in 2024, Inditex obtained AENOR Good Corporate Governance Index Certification (with the highest possible score).

- With regard to progress in the field of **Compliance**, different projects and initiatives were rolled out in the year, among which the following are noteworthy.

– **Code of Conduct and global campaign**: in February 2024, the Board of Directors, following a report from its committees and the participation of the Social Advisory Board, approved the new version of the Code of Conduct. Throughout the year, an ambitious **global campaign on the Code of Conduct** has been carried out with the aim of bringing the culture of ethics and Compliance to all

the people in the Group. It has consisted of communication and awareness-raising, acceptance and training actions.

1) Communication and awareness: the Code of Conduct was made available to everyone in the Group on INET in 34 languages. A global news item was launched on the intranet (INET) and received the highest number of likes (3,457) during the year. An information page on the Code of Conduct was published in the 'Ethical and Responsible Culture' section of INET, which has received 61,043 visits. The information space on INET dedicated to Compliance was updated and has accumulated 65,466 visits. A corporate video launching the Code was shown in all stores and work centres. Informative posters with a QR code about the Code of Conduct and the Ethics Line were published in stores and work centres. On our corporate website (www.inditex.com), in the 'Ethical Commitment' section, the Code of Conduct was published for all our stakeholders, which has received 31,011 visits.

2) Acceptance: specific actions have been carried out through INET to obtain acceptance of the Code of Conduct by all the people in the Group, activating a pop-up message in the INET app with access to the Code of Conduct in pdf format, for reading and acceptance. Thanks to this campaign, the Code has been accepted by 97% of the Group's employees.

3) Training: during the Code training campaign, the Compliance team has carried out various sessions presenting the Code to the Group's administrative and management bodies, which demonstrates their solid commitment as well as that of the senior management to the implementation of the Code, a fundamental element of a robust Compliance model. In this regard, the sessions held before the Management Committee, the Board of Directors and the Social Advisory Board stand out, as well as the internal presentation of results, broadcast live (via streaming) to everyone in the Group and led by the Group's Chair and CEO, in which the update of the Code was also presented and the message ('*Tone from the top*') that our people should be guided by a strong ethical commitment and by the principles of action reflected in the Code was underscored. In addition, the Code was presented to the management of all markets, brands and corporate areas, emphasising the importance of complying with the Code and reinforcing the culture of ethics and Compliance among their respective teams.

4) Training for all our people: a mandatory e-learning course on the Code of Conduct was made available on *Tra!n* (training platform), with a version accessible to people with disabilities. This course covers the guidelines for action that the Company expects from its employees, based on the principles of respect, honesty and integrity, transparency and responsibility. This training covers, among other things, the Ethics Line and its main guarantees and the prevention of corruption and bribery. The launch of this course was communicated with a global news item on INET that has received 8,978 visits. The course has been completed by 91% of our people.

5) Specific training for team leaders and members of the Human Resources team: in addition to the above, training has been provided to team leaders, members of the Human Resources department and Compliance Officers from Headquarters, brands and key subsidiaries, due to their fundamental role in promoting the corporate ethical culture and their greater exposure to certain Compliance risks. The training was designed and adapted to the specific characteristics of these groups, emphasising the sections of the Code of Conduct that deal with our integrity, covering subjects such as the prevention of bribery and corruption, the management of gifts and invitations, the management of conflicts of interest and the Ethics Line. 2,690 people have received this specific training (face-to-face and/or hybrid).

- **Review of internal regulations**: further to the update of the Code, legal requirements, good practice and the Group's operations, a major review of the Group's internal regulations has been carried out. In addition to the Code of Conduct, the Articles of Association, the Regulations of the General Meeting of Shareholders, 9 policies and 1 procedure and other internal corporate regulations of lesser rank or local scope have been approved or amended. The corporate policies that have been amended by the Board of Directors are: the Human Rights Policy, the Gifts and Invitations Policy, the Conflicts of Interest Policy, the Internal Regulations Policy, the Criminal Risk Prevention Policy (Spain), the Policy on Representatives and Attorneys of Group companies and the Enterprise Risk Management Policy. In addition, the Board has approved the new Policy on Public Policy and the Ecosystems and Biodiversity Policies. To facilitate access to and knowledge of all these policies, communication and awareness-raising actions have been carried out among the people of the Group with the publication and sending of newsletters about them. Most of these regulations are also available at www.inditex.com.

- **Ethics Line**: as a result of the aforementioned communication and training actions regarding the Code of Conduct, all the people in the Group are now more aware of the existence of the Ethics Line and the Ethics Committee and how they work. Furthermore, the adaptation of the Ethics Line to the different national transpositions of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law has been finalised, including, among other things, the protection of personal data and the rights of users of the reporting mechanisms. Furthermore, in line with best practices, the Group has a tool provided by an external supplier that allows for the more efficient reception and management of concerns received at the Ethics Line. This tool is accessible 24/7 in 22 languages.

- **Global Compliance Model**: in addition to the aforementioned amendments to the Criminal Risk Prevention Policy, the Group's Global Compliance Model has continued to be strengthened during the year. In 2024, the corporate taxonomy of Compliance risks has been developed and the methodology for evaluating them has been revised, in accordance with the Group's operations, legal requirements and good practices in the field.

- As regards progress in the area of **Diversity and Inclusion**, in financial year 2024, progress has continued to be made in this field in different areas. The corporate purpose at Inditex, '*We design opportunities for everyone*', has once again been the driving force behind all the initiatives that have reflected the Company's solid commitment to diversity, equality and inclusion.

  The integration of people with disabilities has been one of the main priorities this year through the '*INcluye*' programme, our social and labour inclusion engine that aims for the direct and sustainable employability of people with different types of disabilities. For the first time, the threshold of 3,000 people with disabilities working in the Company globally has been exceeded. This effort has not only allowed us to fulfil our commitment to double the number of people with disabilities, but also to exceed 3,100 people by the end of 2024 (1,443 people as at 31 January 2022), representing 2% of the average annual workforce. In this context, October 2024 saw the celebration, for the fifth consecutive year of '*Impact Week*', a week dedicated to disability inclusion, with the participation of the vast majority of subsidiaries, headquarters and logistics centres.

  Likewise, the '*I Am Proud*' initiative has been developed, thus reinforcing our commitment to the creation of safe, inclusive and discrimination-free workspaces for all.

Within our socio-ethnic inclusion pillar, the '*SALTA*' programme has been once again as a driving force for the employment of people in vulnerable situations. In 2024 *SALTA* has been launched in Australia, the Czech Republic and Switzerland, joining France, Spain, Italy, Portugal, Poland, Brazil, the United States, the United Kingdom, Germany, Mexico, Greece, South Korea, Türkiye, Romania, India, Kazakhstan, Canada and Croatia, for a total of 21 markets. Over the last 16 years, more than 1,900 people have had the opportunity to enter the labour market in the Inditex Group's stores, logistics centres and offices, and more than 4,000 people have participated in mentoring, training and support programmes.

Raising awareness of diversity and inclusion issues has also been key this year, with the expansion of the catalogue of e-learning courses available on the specific D&I Channel in '*TraIn*' training platform. In 2024, more than 49,000 people worldwide have completed the training on disability inclusion, adding to the 130,000 people who have already accessed the course on general aspects of diversity and inclusion since its launch in 2023 and who give internal visibility to the Group's D&I Policy.

The role of 'Diversity Champions' has also been strengthened. These individuals are present in all the Group's markets and brands, and act as internal ambassadors for the diversity policy and strategy, helping to implement initiatives locally and adapting them to the needs of each market.

In short, financial year 2024 has been a year that has allowed the Company to continue reinforcing the values of respect, equality and non-discrimination that promote a strong commitment to our inclusive culture and a sense of belonging to our Company in our people.

Therefore, on the proposal of the Remuneration Committee, the Board of Directors resolved an overall payout level of the annual variable remuneration for financial year 2024 for the CEO equivalent to 122.7% of target, i.e. €3,680 thousand (147.2% of his annual fixed remuneration).

- **Multi-year or Long-term variable remuneration:**

On 31 January 2025 the second cycle (2022-2025) of the 2021-2025 Long-Term Incentive Plan, approved at the Annual General Meeting on 13 July 2021, came to an end.

The features and amounts for the second cycle (2022-2025) are set out below:

- This cycle began on 1 February 2022 and ended on 31 January 2025.
- The amount of the maximum incentive granted to the CEO inr the second cycle (2022-2025) was as follows:

Maximum Incentive	=	Cash	+	Shares
133% of fixed remuneration		€1,331 thousand		71,472 shares

- The metrics to which this cycle is tied, and their weightings, are the following:

Weighting	Target	Performance criteria
25%	Profit before Taxes ("PBT")	PBT figure for FY2024, expressed in euros, relative to the amount set by the Board of Directors as a target at the beginning of the second cycle.
25%	Store and Online Sales ("TTTT" (*Spanish acronym*))	Amount in euros of total store and online sales in FY2024 in constant currency, according to the Company's information, relative to the amount set by the Board of Directors as a target at the commencement of the second cycle.
12.5%	Absolute Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares over the period of the second cycle, determined by the ratio (expressed as a percentage) between the final value of a hypothetical investment in Inditex shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is defined as the average weighted share price on the 30 trading days immediately prior to 1 February 2022 (exclusive) (€27.93), and the final value is defined as the average weighted share price on the 30 trading days immediately prior to 31 January 2025 (inclusive). To this end, for calculating such final value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date. The TSR achieved will be measured against the target set by the Board of Directors at the commencement of the second cycle.
12.5%	Relative Total Shareholder Return ("TSR")	Performance of an investment in Inditex shares compared to the performance of an investment in a Peer Group (as defined below) over the period of the second cycle, determined by the difference (by subtraction) between Inditex's annualised TSR and the annualised TSR of this Peer Group. In order to calculate the performance of the investment in shares of Inditex and of each company in the Peer Group, we determine the quotient (expressed as a percentage ratio) between the final value of a hypothetical investment in shares (reinvesting the dividends from time to time) and the initial value of that same hypothetical investment. The initial value is the average weighted share price of each company on the 30 trading days immediately prior to 1 February 2022 (exclusive) (the "Initial Value"). The final value is the average weighted share price of each company on the 30 trading days immediately prior to 31 January 2025 (inclusive) (the "Final Value"). To this end, for calculating such Final Value, the dividends or other similar amounts received by shareholders on said investment during the respective period of time will be considered, as if the gross amount thereof (before taxes) would have been reinvested in more shares of the same class on the first date on which the dividend or any similar amount is payable to shareholders and at the closing share price on that date.
25%	Sustainability index (comprising 4 indicators)	(i) Fibre consumption: measured as the reduction in percentage points of the weight of conventional fibres in total fibre consumption (in t), for the four fibres subject to a public commitment (cotton, polyester, man-made cellulosic fibres and linen). (ii) Water consumption: measured as the percentage reduction of water consumption (litre/kg) in the supply chain. (iii) Decarbonisation: measured as the percentage reduction in the volume of Scope 3 Greenhouse Gas emissions in the category "purchased goods and services". (iv) Social: measured as the percentage of suppliers of Inditex products that are classified with social ranking A and B.

For the purpose of calculating the payout ratio attained for each level of achievement of targets, a **performance scale** was determined for each metric at the commencement of the cycle, which includes a minimum threshold below which no incentive is paid, corresponding to a payout ratio of 30% of the maximum incentive granted, and a maximum level, corresponding to a payout ratio of 100% of the Maximum Incentive Granted. For intermediate levels, the results shall be determined by linear interpolation.

◦ PBT, TTTT, absolute and relative TSR will be measured:

Level of achievement	Level of Incentive (% of Maximum Incentive)
Below minimum	0%
Minimum	30%
Maximum	100%

◦ Regarding the evolution of relative TSR:

The Peer Group consists of 14 competitors in the textile industry whose share price can be potentially impacted by external factors similar to Inditex's, as shown below: Nike, Fast Retailing, Lululemon Athletica, Adidas, H&M, Associated British Foods, VF Corporation, Burberry, Next, Puma, Zalando, JD Sports Fashion, Ralph Lauren Corporation and Hugo Boss.

The following will be calculated at the end of the cycle:

- Inditex's TSR and the TSR of each company in the Peer Group for the 2022-2025 period.
- The arithmetic mean of the TSR of each company, resulting in the average TSR for the Peer Group.
- Inditex's annualised TSR and the annualised TSR of the Peer Group.

Next, the difference (by subtraction) between Inditex's annualised TSR and the annualised TSR of the Peer Group will be calculated. This difference will be compared against the target set by the Board of Directors at the beginning of the second cycle and a payout ratio, ranging from 0% to 100% of the Maximum Incentive Granted, will be applied in accordance with the specified scale.

◦ Regarding the sustainability index: the Remuneration Committee evaluates the four indicators above referred combined based upon the results achieved, disclosed by the Company's Sustainability Department, in accordance with the following performance scales defined for each of them:

– Indicator no. 1: Fibre consumption: measured as the reduction in percentage points of the weight of conventional fibres on total fibre consumption (in t), for the four fibres subject to a public commitment (cotton, polyester, man-made cellulosic fibres and linen):

Reduction of conventional fibres	Level of Incentive (% of maximum incentive)
> -25%	0 %
-25%	30 %
≤ -34%	100 %

– Indicator no. 2: Water consumption: measured as the percentage reduction in water consumption (litre/kg) in the supply chain:

Reduction of water consumption	Level of Incentive (% of maximum incentive)
> -8 %	0%
-8 %	30%
≤ -11 %	100%

– Indicator no. 3: Decarbonisation: measured as the percentage reduction in the volume of Scope 3 Greenhouse Gas emissions in the category "purchased goods and services":

Ratio of GHG emissions at the end and start date of the 2022-2025 cycle	Level of Incentive (% of maximum incentive)
> -1 %	0 %
-1%	30 %
≤ -8,5 %	100 %

– Indicator no. 4: Social: measured as the percentage of suppliers of Inditex products that are classified with social ranking A and B:

Percentage of suppliers ranked A and/or B in their social audits (average of the 3 years of the 2022-2025 cycle)	Level of Incentive (% of maximum incentive)
< 88 %	0 %
88 %	30 %
≥ 95 %	100 %

The incentive will be delivered within the calendar month following the publication of the 2024 annual accounts.

In order to determine the level of achievement reached and the resulting level of payment, at its meeting held on 11 March 2025 and on the proposal of the Remuneration Committee, the Board of Directors has taken into account the following results:

- Total Sales in financial year 2024 in constant currency amounted to €45.498 billion. This result is significantly above the maximum achievement scenario set at the beginning of the cycle. Therefore, the payment level corresponding to the achievement level of this metric is 100%.
- The Group's PBT in financial year 2024 was €7.577 billion. This result is significantly above the maximum achievement scenario set at the beginning of the cycle. Therefore, the payment level corresponding to the achievement level of this metric is 100%.
- Inditex's absolute TSR in the 2022-2025 period was 100.02%. As a result, the achievement level of this metric and its corresponding level of payment is 100%.
- Inditex's stock price has appreciated 76.8% in the performance and vesting period of the cycle (2022-2025), going from €27.93 per share at the beginning of the cycle (average of the 30 trading days before 1 February 2022) to €49.37 per share at the end thereof (average of the 30 trading days before 31 January 2025).
- With regard to relative TSR, Inditex's annualised TSR was 26.4% higher than the annualised Peer Group's TSR. Therefore, the achievement level of this metric is 100%.

- Regarding the sustainability index:

(i) The weight of conventional fibres in 2024 on total fibres consumption (in t), for the four fibres subject to public commitment (cotton, polyester, man-made cellulosic and linen) has been reduced by 40.2%. This result is above the maximum achievement scenario set at the beginning of the cycle.

(ii) Water consumption in the supply chain has been reduced by 17.7% at 31 January 2025. This result is above the maximum achievement scenario set at the beginning of the cycle.

(iii) The percentage reduction of the volume of Scope 3 GHG emissions in the category "purchased goods and services" from 1 February 2022 to 31 January 2025 has reached 1.4%. This entails an 8% reduction since 2018, the baseline of this public commitment. This result is above the minimum achievement scenario set at the beginning of the cycle.

(iv) The percentage of suppliers of Inditex products rated A or B in social ranking has exceeded 96.4% in the average of the three years of the cycle. This result is above the maximum achievement scenario set at the beginning of the cycle.

Consequently, the result of the sustainability index as a whole is above the maximum achievement scenario set at the beginning of the cycle. Therefore, the payment level corresponding to this metric's level of achievement stands at 100%.

The Remuneration Committee has assessed the results with a full view of the achievements in the second cycle period to ensure that the level of pay is consistent with them, carrying out an appropriate balance between the Company's performance and the protection of shareholders' interests.

Based on this analysis, the Remuneration Committee resolved an overall payment level of 100% of the incentive granted in the maximum achievement scenario, which is the result of applying the mechanics of the Plan and is considered to be consistent with the achievements attained.

On the proposal of the Remuneration Committee, the Board of Directors resolved the following incentive amounts for the CEO:

- A cash incentive of €1,331 thousand.

- A share incentive equivalent to 71,472 shares.

The increase in the CEO's overall remuneration versus the previous year is primarily due to the increase in the long-term variable remuneration as a result of the following:

(i) The number of shares of the 2022-2025 cycle being settled covers three accrual years (FY2022, FY2023 and FY2024) and includes, for the first time, the amount assigned for the position of CEO in the three years, while the first cycle (2021-2024) of this same Plan, vested in 2023 and settled in 2024 included the total incentive granted for the full cycle taking into account the different positions held by the CEO, i.e., for the performance of his duties as General Counsel and Secretary of the Board in the first year of the performance period and as CEO in the last two years of such period.

(ii) The 76.8% appreciation of Inditex stock price in the cycle's performance period, above mentioned; and,

(iii) In accordance with the yardstick followed by the Company, the share price considered to quantify the part of incentive released in shares corresponds to the share price at the close of trading on the last trading day of the week before the meeting of the Board of Directors during which the level of achievement of the cycle in question is assessed and approved. Inditex stock price that was considered for the settlement of the first cycle (2021-2024) of the 2021-2025 LTIP (which was reported in the 2023 Annual Report on Remuneration of Directors) was €40.67 versus the €50.42 reached on 7 March 2025 taken as a reference for the settlement of the second cycle (2022-2025) of the 2021-2025 LTIP.

B.4. Report on the result of the advisory say-on-pay vote at the Annual General Meeting on remuneration in the previous year, indicating the number of votes in favour, votes against, abstentions and blank ballots:

The Annual Report on the Remuneration of Directors for 2023 was submitted to an advisory say-on-pay vote at the Annual General Meeting on 9 July 2024, as agenda item number 8, with the following outcome:

	Number	% of total
Votes cast	2,794,006,948	89.65 %

	Number	% cast
Votes against	46,170,533	1.66 %
Votes in favour	2,737,824,023	98.34 %
Abstentions	10,012,392	0.00 %

B.5. Determination of the fixed components accrued and vested during the year by the directors in their capacity as such, and their change with respect to the previous year.

To determine the remuneration accrued by the directors in their capacity as such in 2024, the amounts fixed in the Directors' Remuneration Policy for financial years 2024, 2025 and 2026 have been considered. These amounts have been applied since the resolution passed at the Annual General Meeting held on 19 July 2011, except for the position of non-executive Chair of the Board of Directors, which was created in financial year 2022. The different items and amounts have been detailed in section A.1.7. above.

Pursuant to the foregoing, and based on the current composition of the board of directors and its committees, in 2024 the total amount accrued by the directors in their capacity as such for the performance of supervisory and collegiate decision-making duties amounted to €3,133 thousand, of which €100,000 correspond to the CEO, Mr Óscar García Maceiras, who held the position of director throughout financial year 2024.

B.6. Determination of the salaries accrued and vested by each of the executive directors over the past financial year for the performance of management duties, and their change with respect to the previous year.

The fixed remuneration accrued by the CEO for senior management duties in financial year 2024 totalled €2,500 thousand, as established in the Directors' Remuneration Policy for financial years 2024, 2025 and 2026, following its approval at the 2023 AGM and subsequent entry into force on 1 February 2024.

Payments were made in 14 instalments and entirely in cash.

The total amount accrued by the CEO in financial year 2024 as fixed salary totalled €2,500 thousand, the same amount as in 2023.

B.7. Nature and main characteristics of the variable items of the remuneration systems accrued in the year ended.

A detailed breakdown of annual variable remuneration and long-term incentive plans is provided in sections A.1. and B.3. of this Report.

B.8. Reduction or return (clawback) of certain variable components, and, where appropriate, amounts reduced or clawed back, grounds for reduction or clawback and years to which they refer.

No such proceedings have taken place in 2024.

B.9. Main characteristics of the long-term savings systems.

In financial year 2024 Inditex has made no contributions to the defined contribution pension schemes.

B.10. Severance pay or any other type of payment deriving from early cessation, accrued and/or received by directors during the year ended.

As at the date of this Report , no such remuneration has been accrued by any director.

B.11. Significant changes in the contracts entered into with executive directors.

In financial year 2024 the CEO's contract has not been subject to any changes.

B.12. Any supplementary remuneration accrued by directors in consideration of the provision of services other than those inherent in their position.

No supplementary remuneration other than the one explained above is provided in the Remuneration Policy.

As at the date of this Report, no supplementary remuneration has been accrued by the directors in consideration for the provision of services other than those inherent in the position.

B.13. Any remuneration deriving from advance payments, loans or guarantees granted.

The granting of advance payments, loans or guarantees to directors is not covered in the Remuneration Policy.

As at the date of this Report, no advance payment, loans or guarantees have been granted to any director.

B.14. Remuneration in kind accrued by the directors over the year.

No remunerations in kind exist.

B.15. Remuneration accrued by directors by virtue of payments settled by the listed company to a third company at which the director renders services when these payments seek to remunerate the director's services to the company.

As at the date of this Report, no such remuneration has been accrued by any director.

B.16. Any other items of remuneration other than those mentioned in the previous sections.

As at the date of this Report, no additional items of remuneration other than the ones mentioned in the previous sections are provided in the remuneration system for directors.

C. Statistical Appendix III to the annual report on the remuneration of directors of listed public companies (CNMV's Circular 2/2018, of 12 June), corresponding to Industria de Diseño Textil, S.A.

ISSUER IDENTIFICATION

Ending date of reference period: 31/01/2025

CIF: A-15075062

Company name: Industria de Diseño Textil, S.A. (Inditex, S.A.)

Registered office: Avenida de la Diputación, Edificio Inditex, Arteixo (A Coruña)

Statistical appendix to the annual report on remuneration of directors of listed public companies

B. OVERALL SUMMARY OF HOW REMUNERATION POLICY HAS BEEN APPLIED DURING THE YEAR ENDED

B.4. Report on the result of the advisory say-on-pay vote at the Annual General Meeting on the annual remuneration report for the previous year, stating the number of votes against that may have been cast:

	Number	% of total
Votes cast	2,794,006,948	89.65 %

	Number	% cast
Votes against	46,170,533	1.66 %
Votes in favour	2,737,824,023	98.34 %
Abstentions	10,012,392	0.00 %

C. ITEMIZED INDIVIDUAL REMUNERATION PAYABLE TO EACH DIRECTOR

Name	Type	Accrual period 2024
Ms Marta Ortega Pérez	Proprietary	From 01/02/2024 to 31/01/2025
Mr José Arnau Sierra	Proprietary	From 01/02/2024 to 31/01/2025
Mr Óscar García Maceiras	Executive	From 01/02/2024 to 31/01/2025
Mr Amancio Ortega Gaona	Proprietary	From 01/02/2024 to 31/01/2025
Ms Flora Pérez Marcote	Proprietary	From 10/07/2024 to 31/01/2025
Mr José Luis Durán Schulz	Independent	From 01/02/2024 to 31/01/2025
Mr Rodrigo Echenique Gordillo	Independent	From 01/02/2024 to 31/01/2025
Bns. Denise Patricia Kingsmill	Independent	From 01/02/2024 to 31/01/2025
Ms Pilar López Álvarez	Independent	From 01/02/2024 to 31/01/2025
Ms Belén Romana García	Independent	From 09/07/2024 to 31/01/2025
Pontegadea Inversiones, S.L. (represented by Ms Flora Pérez Marcote)	Proprietary	From 01/02/2024 to 9/07/2024
Ms Anne Lange	Independent	From 01/02/2024 to 14/07/2024

C.1. Complete the following tables regarding the individual remuneration of each director (including the remuneration paid for performing executive functions) payable in the financial year.

a) Remuneration from the reporting company:

i) Remuneration in cash (in thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total year 2024	Total year 2023
Ms MARTA ORTEGA PÉREZ	1,000	-	-	-	-	-	-		1,000	1,000
Mr JOSÉ ARNAU SIERRA	180	-	200	-	-	-	-		380	380
Mr ÓSCAR GARCÍA MACEIRAS	100		-	2,500	3,680	1,331			7,611	7,533
Mr AMANCIO ORTEGA GAONA	100	-	-	-	-	-	-	-	100	100
Ms FLORA PEREZ MARCOTE	56	-	-	-	-	-	-	-	56	-
Mr JOSÉ LUIS DURÁN SCHULZ	100	-	200	-	-	-	-	-	300	300
Mr RODRIGO ECHENIQUE GORDILLO	100	-	200	-	-	-	-	-	300	300
BNS. DENISE PATRICIA KINGSMILL	100	-	200	-	-	-	-		300	300
Ms PILAR LÓPEZ ÁLVAREZ	100	-	172	-	-	-	-	-	272	300
Ms BELÉN ROMANA GARCÍA	56	-	112	-	-	-	-	-	168	-
Ms ANNE LANGE	45	-	68	-	-	-	-	-	113	250
PONTEGADEA INVERSIONES, S.L. (represesented by Ms. Flora Pérez Marcote)	44	-	-	-	-	-	-	-	44	100

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

		Financial instruments at start of FY2024		Financial instruments granted in FY2024		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of FY2024	
Name	Name of Plan	No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/ vested shares	Price of vested shares	Gross Profit from vested shares or financial instruments (thousands of euros)	No. instruments	No. instruments	No. equivalent shares
Mr ÓSCAR GARCÍA MACEIRAS	Second cycle (2022-2025) of the 2021-2025 LTIP	71,472	71,472			71,472	71,472	50.42	3,604	0		
Mr ÓSCAR GARCÍA MACEIRAS	First cycle (2023-2026) of the 2023-2027 LTIP	75,045	75,045								75,045	75,045
Mr ÓSCAR GARCÍA MACEIRAS	Second cycle (2024-2027) of the 2023-2027 LTIP			51,502	51,502						51,502	51,502

iii) Long-term savings systems

Name	Remuneration from vesting of rights to savings system (€ thousand)
No data	

	Contribution over the year from the company (€ thousand)				Amount of accrued funds (€ thousand)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights					
					FY 2024		FY 2023	
Name	FY2024	FY 2023	FY 2024	FY 2023	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
No data								

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

b) Remuneration paid to the company's directors for serving on the boards of other group companies:

i) Remuneration in cash (in thousands of euros)

Name	Fixed remuneration	Attendance fees	Remuneration for membership of Board committees	Salary	Short-term variable remuneration	Long-term variable remuneration	Compensation	Other items	Total FY 2024	Total FY 2023
No data										

ii) Table of changes in share-based remuneration schemes and gross profit from vested shares or financial instruments

	Name of Plan	Financial instruments at start of FY2024		Financial instruments granted in FY2024		Financial instruments vested during the year				Instruments matured but not exercised	Financial instruments at end of FY2024	
Name		No. instruments	No. equivalent shares	No. instruments	No. equivalent shares	No. instruments	No. equivalent/ vested shares	Price of vested shares	Gross profit from vested shares or financial instruments (€ thousand)	No. instruments	No. instruments	No. equivalent shares
No data												

iii) Long-term savings systems

Name	Remuneration from vesting of rights to savings systems
No data	

Name	Contribution over the year from the company (thousands of euros)				Amount of accrued funds (thousands of euros)			
	Savings systems with vested economic rights		Savings systems with non-vested economic rights		FY 2024		FY 2023	
	FY 2024	FY 2023	FY 2024	FY 2023	Systems with vested economic rights	Systems with non-vested economic rights	Systems with vested economic rights	Systems with non-vested economic rights
No data								

iv) Details of other items

Name	Concept	Amount of remuneration
No data		

c) Summary of remuneration (in thousands of euros):

This summary should include the amounts corresponding to all the remuneration items included in this report that have accrued to each director (in thousands of euros) .

	Remuneration accrued in the company					Remuneration accrued in group companies				
Name	**Total cash remuneration**	**Gross profit from vested shares or financial instruments**	**Remuneration by way of savings systems**	**Other items of remuneration**	**Total FY2024 company**	**Total cash remuneration**	**Gross profit from vested shares or financial instruments**	**Remuneration by way of savings systems**	**Other items of remuneration**	**Total FY2024 group**
Ms MARTA ORTEGA PÉREZ	1,000				1,000					0
Mr JOSÉ ARNAU SIERRA	380				380					0
Mr ÓSCAR GARCÍA MACEIRAS	7,611	3,604			11,215					0
Mr AMANCIO ORTEGA GAONA	100				100					0
Ms FLORA PÉREZ MARCOTE	56				56					0
Mr JOSÉ LUIS DURÁN SCHULZ	300				300					0
Mr RODRIGO ECHENIQUE GORDILLO	300				300					0
BNS. DENISE PATRICIA KINGSMILL	300				300					0
Ms PILAR LÓPEZ ÁLVAREZ	272				272					0
Ms BELÉN ROMANA GARCÍA	168				168					0
Ms ANNE LANGE	113				113					0
PONTEGADEA INVERSIONES, S.L. (REPRESENTED BY Ms. FLORA PÉREZ MARCOTE)	44				44					0
TOTAL	**10,644**	**3,604**	**0**	**0**	**14,248**	**0**	**0**	**0**	**0**	**0**

C.2. State the development over the last 5 years of the amount and the percentage change in the remuneration earned by each of the listed company's directors who have been directors during the year, the consolidated results of the company and the average remuneration on a full-time equivalent basis of the employees of the company and its subsidiaries who are not directors of the listed company.

	Total amounts accrued and annual variation								
	FY 2024	Percentage variation 2024/2023	FY2023	Percentage variation 2023/2022	FY 2022	Percentage variation 2022/2021	FY 2021	Percentage variation 2021/2020	FY 2020
Executive Directors (€ thousand)									
Mr ÓSCAR GARCÍA MACEIRAS	11,215	8.66 %	10,321	23.25 %	8,374	-	746	-	-
Non-executive Directors									
Ms MARTA ORTEGA PÉREZ	1,000	0.00 %	1,000	19.90 %	834	-	-	-	-
Mr AMANCIO ORTEGA GAONA	100	0.00 %	100	0.00 %	100	0.00 %	100	0.00 %	100
Mr JOSÉ ARNAU SIERRA	380	0.00 %	380	0.00 %	380	0.00 %	380	0.00 %	380
PONTEGADEA INVERSIONES, S.L. (REPRESENTED BY MS. FLORA PÉREZ MARCOTE)	44	(56.00)%	100	0.00 %	100	0.00 %	100	0.00 %	100
BNS. DENISE PATRICIA KINGSMILL	300	0.00 %	300	0.00 %	300	0.00 %	300	0.00 %	300
Mr JOSÉ LUIS DURÁN SCHULZ	300	0.00 %	300	7.91 %	278	11.20 %	250	(8.42)%	273
Mr RODRIGO ECHENIQUE GORDILLO	300	0.00 %	300	0.00 %	300	0.00 %	300	0.00 %	300
Ms PILAR LÓPEZ ÁLVAREZ	272	(9.33)%	300	0.00 %	300	0.00 %	300	8.30 %	277
Ms ANNE LANGE	113	(54.80)%	250	0.00 %	250	0.00 %	250	0.00 %	250
Ms FLORA PÉREZ MARCOTE	56	-	-	-	-	-	-	-	-
Ms BELÉN ROMANA GARCÍA	168	-	-	-	-	-	-	-	-
Consolidated results of the company (€ million)	7,577	10.29 %	6,870	28.22 %	5,358	27.60 %	4,199	199.71 %	1,401
Average employee remuneration (€ thousand)	**38**	**5.56 %**	**36**	**9.09 %**	**33**	**10.00 %**	**30**	**30.43 %**	**23**

This annual remuneration report has been approved by the Board of Directors of the Company at the meeting held on 11 March 2025.

State whether any director has voted against or abstained from approving this Report.

Yes ☐ No ☒

Name or company name of the member of the board of directors who has not voted for the approval of this report	Reasons (against, abstention, non-attendance)	Explain the reasons

Pursuant to the provisions of section 253 of the Revised Text of the Companies Act, and section 34 of the Code of Commerce, the Directors of the company Industria de Diseño Textil, S.A. proceeded at the meeting held on 11 March 2025, to issue the consolidated annual accounts and the consolidated directors' report for the financial year ended 31 January 2025. The annual accounts consist of the documents preceding this page (consolidated income statement, consolidated statement of comprehensive income, consolidated balance sheet, consolidated statement of cash flows, consolidated statement of changes in equity and notes to the consolidated financial statements). The Integrated Directors' Report comprises the Consolidated Directors' Report, the Statement on Non-Financial Information and Sustainability Information, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors.

Ms Marta Ortega Pérez
Chair

Mr Amancio Ortega Gaona
Ordinary Member

Mr José Arnau Sierra
Deputy Chair

Mr Oscar García Maceiras
CEO

Ms Flora Pérez Marcote
Ordinary Member

Bns Denise Patricia Kingsmill
Ordinary Member

Ms Pilar López Álvarez
Ordinary Member

Ms Belén Romana García
Ordinary Member

Mr José Luis Durán Schulz
Ordinary Member

Mr Rodrigo Echenique Gordillo
Ordinary Member

INDITEX