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Message from the Chairperson

GRI 2-22; 3-3

Throughout 2023, Inditex once again demonstrated that a shared culture, based on hard work and an unwavering ambition to improve, is the most valuable asset a company can have. Our teams, their talent and their efforts day after day delivered solid growth across all our brands, earning the confidence of the millions of customers around the world and connecting us with more and more people every day.

Our purpose is to offer them products conceived of and made with the utmost attention to detail, beautiful designs and excellent materials. Products into which we pour a great sense of responsibility, also taking into account their social and environmental impact.

We do this by offering the best customer experience, which means making sure that when people visit us in person or online, we give them quality on a par with the confidence they place in us. We want our products, accessible to the large majority, to be appreciated for the personal touch and affection put into them by each of our designers, pattern makers, sales teams, buyers, suppliers and indeed our employees across all the areas that make our business possible. We believe firmly that our customers value this commitment, and we work tirelessly to honour this very special relationship.

We are as excited and unwilling to settle as ever. Those attributes are what have driven this company from a small workshop in Galicia to the global fashion retailer we are today. We want to do everything within our power to make a positive difference in the future. The magic that is Inditex pushes us to continue to do better so as to achieve more milestones and set ourselves new challenges which we are confident we will be able to overcome.

A handwritten signature in black ink that reads "Marta Ortega Pérez". The signature is written in a cursive, flowing style.



CEO's statement

GRI 2-22; 3-3

Fashion is a personal selection we make every day to express our identities. It also reflects the social changes and trends unfolding in the world around us. At Inditex we are proud to make quality and affordable fashions for millions of people worldwide, helping them express their individuality, what moves them, what unites them. This Annual Report provides an account of Inditex's performance in 2023, our identity, our attention to detail to offer quality products that meet our customers' demands, while evidencing our own evolution and the progress we have made on transforming our sector.

The following chapters contain all the key figures for the year, which was characterised by sharp sales growth. Behind those figures, however, are the people who make Inditex what it is: without their dedication we would not be the company that we are. Our results primarily demonstrate primarily the good work done by our more than 161,000 professionals.

2023 was marked by significant complexity and instability. That is nothing new. Uncertainty has become the almost permanent status quo in which we have to carry out our businesses. Our strong corporate culture, the hallmarks of which include careful decision making, committed professionals, being nimble and thinking outside the box, sets us apart and give us an edge in these times. It allows us to continue to bring the beauty that is fashion to millions of people.

Solid earnings performance

In recent years we have continued to cement our position as a benchmark in fashion retailing, honouring all of the commitments assumed by our stakeholders, as set out in this report, which has translated into an impressive earnings performance.

Consolidated revenue registered year-on-year growth of over 10%, driven not only by the creativity, sensitivity and merit of our design and product teams, but also the mutual support provided by our physical stores and online platforms to provide our customers with memorable experiences. In 2023, the Group's websites received over 6.5 billion visits. That means that our brands' online stores welcome over 18 million visits on average per day.

Astute management of that healthy topline growth materialised in a noteworthy gross margin and rigorous control of operating expenses. As a result, net profit came in 30% above that of 2022 and our net cash position topped the €11 billion mark.

These are very good results. But we know that the future is not a given. Our spirit is restless and requires us to constantly think outside the box. As a result, throughout 2023 we continued to innovate: we continued to make our physical stores increasingly attractive and search for new ways to reach our customers; and we continued to fine-tune our online shopping experience. And while we worked on our most visible interfaces, we also reinforced our inner workings, shoring up our logistics and distribution networks. We plan to continue to invest in these areas as they are vital to supporting our company's ongoing growth.

Our sustainability ambitions

This report demonstrates just how much effort was put into sustainability advances in 2023. The strength of that commitment is borne out by our decision to set ourselves ambitious targets for driving an increasingly sustainable and more circular value chain throughout our company and beyond. Those targets are the new framework for engaging with the various players in our value chain.

In 2030, 100% of the fibres used by Inditex will have a smaller impact on the environment: they will be fibres that expert organisations such as the Textile Exchange term 'preferred' fibres. More specifically, around 40% of the fibres used by our brands will be the result of conventional recycling processes; around 25% will be next-generation fibres (that do not currently exist, or at least not at an industrial scale); and 25% will hail from organic or regenerative farming practices.

Last year we also culminated the roll-out in 16 markets of Zara Pre-owned, our platform for the repair, customer-to-customer resale and donation of used clothing with which we are lengthening the useful life of our products and helping our customers give their clothing a new life, actively contributing to industry circularity. We are already working to bring that platform to other major markets for the brand.

In 2023 we informed the Science Based Targets initiative of our intention to reduce our emissions by over 50% by 2030, going on to achieve net zero emissions by 2040.

Our people

Caring for our people and their wellbeing was a priority for us once again, as was our unwavering desire to allow them to realise their full potential. In 2023 we covered 72% of our vacancies through internal promotion, provided over two and half million hours of training to our teams and involved more than 2,200 employees in internally communicating our sustainability strategy.

At Inditex we are very aware that the diversity of our teams is a tremendous source of innovation and creativity. We have people of 174 different nationalities within our team, diverse people from a myriad of backgrounds (creative, commercial, technical) all working together. In parallel, we bolstered our workforce integration programme, hiring more than 1,800 people from vulnerable groups in 18 markets. I believe, however, that in this area principles count more than numbers in that we are committed to fostering equal opportunities and take a zero-tolerance stance towards any form of discrimination.

Our community commitment

Our Group's responsibility goes beyond our stores and value chain in an effort to generate positive impacts on our broader business communities. Our community investment programmes remain fundamental tools for contributing to development in the societies and geographies in which we do business. In 2023 we supported 910 social and environmental initiatives through partnerships with 476 community organisations, prioritising strategic, long-term projects. In addition, our people have dedicated more than 338,000 hours to community projects.

With these initiatives, we directly benefitted more than 4.3 million people. At the same time, we worked to protect, restore and regenerate 5 million hectares globally for biodiversity enhancement purposes.

We continued to reinforce our commitment to the United Nations Guiding Principles on Business and Human Rights and to the Global Compact and its Sustainable Development Goals. Over the coming pages we attempt to provide an account of the progress made in all of these areas, ensuring the integrity of the data reported and upholding, in our concluding sections, the principles of the Integrated Reporting framework.

It would be remiss of me to sign off without referring to one of our greatest strengths. In a world in which everything seems to be changing quickly, Inditex boasts solid roots and a shareholder and financial structure that allows us to set our sights – truly – on the long term. Our stability is what allows us to be extraordinarily flexible and nimble when required of us by the market environment or our customers. With more investment, more innovation and doubling down on what we truly believe in, here at Inditex we are ready to continue to thrive among change.



Óscar García Maceiras
CEO



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Inditex at a glance

- 3.1. Global footprint and key data in 2023
- 3.2. 2023 milestones
- 3.3. Recognitions
- 3.4. Retail concepts



3.1. Global footprint and key data in 2023

Key indicators

213
markets

35,947 M€
net sales

5,381 M€
profit

11,406 M€
net financial
position

3,736 M€
dividends

8,680 M€
total tax
contribution



A unique team

161,281
people in our teams

174
nationalities

74%
women

30.6
average age

+2,200
Changemakers
(in-house sustainability
ambassadors)

72%
of vacancies covered
by internal promotion

Headquarters effect

6,636
Product and general
services suppliers in Spain

6,899 M€
invoicing to suppliers
in Spain



Supply Chain

8,123
factories

1,461,255
beneficiaries by
Workers at the
Centre

1,733
suppliers



Community investment

+112 M€
investment

+4 M
beneficiaries

8.9 M
donated items
from our
collections



Circularity

16
markets with
Zara Pre-Owned

Website visits

18 M
daily visitors to the Group's
online stores

3.2. 2023 milestones

FEBRUARY

Massimo Dutti Studio Man

The brand reasserts its fashion concept through the launch of the Studio Collection for men. This new line, the women's version of which was unveiled a year earlier, elevates and reinvents the most iconic garments with an architecture-inspired approach.

MARCH

Oysho disembarks in the UK

The company opens its first physical store in the UK, located in the Westfield London shopping centre in Shepherd's Bush.

APRIL

The Circ x Zara Collection

Zara launches the first collection made by recycling blended textiles using Circ's innovative technology. Inditex acquired a stake in this startup last year as part of its commitment to fostering circularity.

MAY

TRUE certification

Pull&Bear obtains TRUE Platinum certification for its zero waste management at its headquarters and logistics platforms, making it the world's first retailer to obtain the category. Other headquarters and logistics centres of our brands obtained the TRUE distinction during the year.

JUNE

Inditex and Jeanologia develop Air Fiber Washer

This innovative industrial air extraction system reduces microfibre shedding by up to 60% in the first few washes, without using water or thermal energy, and without compromising fabric quality.

JULY

We increase our ambition in sustainability

The Inditex Group presents its new sustainability targets through 2040, based on innovation and collaboration. The Company undertakes to endeavour to respond to market demands with products whose manufacturing has a lower impact, advancing towards circularity and net-zero emissions.

AUGUST

The second Zara Home + By Vicent Van Duysen Collection

For this new collection, Van Duysen revisits some of his most emblematic creations and shapes. These pieces perfectly complement the furniture that featured in the first launch: versatile and timeless designs in carefully selected woods, textures and materials, with exquisite finishes.

SEPTEMBER

Bershka unveils store image in Milan

Bershka reopens one of its bellwether stores in the centre of Milan, the city of fashion. Bershka Corso Vittorio Emanuele II, one of the brand's most prestigious flagship stores, is the first to embody the new store concept designed by the renowned OMA studio.

OCTOBER

Agreements with Ambercycle and Circular Systems

Inditex enhances strategic partnerships with the most innovative startups in lower environmental impact fibres by acquiring cycora® from Ambercycle and the launch by Zara Home of a capsule collection made with the Agraloop™ BioFibre™ generated from hemp by Circular Systems.

NOVEMBER

The first Stradivarius store in Germany

The brand opens its first physical store in Germany, where it previously had an online presence. Located in Stuttgart, this store heralds the start of the brand's expansion in the German market.

DECEMBER

Zara Pre-Owned

The platform that allows the brand's customers to actively contribute to the circularity of their used clothing is now available in 16 markets. The platform offers repair services, sales between individuals and garment donation services.

JANUARY

Consolidation of our employment insertion programme

Salta, the initiative whereby Inditex provides access to the labour market for vulnerable groups, has exceeded 1,800 hirings in 18 markets. Canada, Kazakhstan and Croatia are the latest to have joined the programme.

3.3. Recognitions

Our relationship with trade unions, NGOs, governments and other civil organisations is fluid, continuous and key to implementing our sustainable business model. Their recognition over the course of 2023 for our work on various environmental and social aspects is an incentive to continue to make progress.



Inditex is recognised –for the fourth consecutive year– as one of the world’s most committed companies to gender equality. More than 484 companies from 54 different sectors and more than 45 countries around the world are part of the Bloomberg’s Gender Equality Index (GEI) 2023.



In 2023, CDP distinguished Inditex with an A rating for efforts to fight climate change, as well as the quality of the information it publishes and its performance on this front.

Member of
Dow Jones Sustainability Indices

Powered by the S&P Global CSA

Inditex, included in the DJSI World and DJSI Europe, was awarded in the Global Corporate Sustainability Assessment 2023 from S&P Global with a total of 68 points out of 100, as published in the 2024 Yearbook on 7 February 2024. This performance earned Inditex a score in the 99th percentile in the retail sector.

FINANCIAL TIMES

For the fifth time, in 2023 the Financial Times’ Diversity Leaders ranking included Inditex in its list of Europe’s most inclusive companies. This time around, the Group significantly improved its place in the ranking, from 299th to 44th.

The British financial daily newspaper has again included Inditex in its Europe’s Climate Leaders 2023 edition, which highlights companies that have concentrated their efforts on reducing greenhouse gas emissions.

Forbes

The Forbes Global 2000 list once again includes Inditex among the global companies selected. This annual ranking evaluates listed companies on the bases of sales, profits, assets and market value. In this edition the Group has achieved the 274th position.

Furthermore, Inditex is also spotlighted in Forbes’ World’s Top Companies for Women and World’s Best Employers lists.



FTSE4Good

Inditex receives a score of 4.6 out of 5 in the FTSE4Good sustainability index 2023. This stock index ranks companies that demonstrate robust environmental, social and governance (ESG) practices.



In 2023, Inditex leads the ranking of companies with the best reputation in Spain –Merco Empresas–.

Furthermore, for the twelfth consecutive year, Inditex topped the Merco Talento ranking, which recognises firms that best attract and retain talent.



Most Attractive Employers

For yet another year, Universum has included Inditex among the best companies in which to develop professionally in Spain. In this latest edition, university students chose Inditex in various categories, such as Technology, Business and Law.

Globally, Zara has been included for the third time in Universum World's Most Attractive Employers ranking, and has scaled from 52nd to 40th.



ÍNDICE IBEX GENDER EQUALITY

Inditex has featured in this index, which recognises the listed Spanish companies with the most women serving on their Boards of Directors and in senior management positions, since its creation in 2021.

FORTUNE

Our Group is included in the first ever edition of the Fortune 500 Europe list, which ranks the largest European companies by revenue. This list includes companies from 24 different countries across the region.

Inditex has debuted in the Fortune World's Most Admired Companies™, placing 167th in the general index.

Our flagship brand, Zara, once again features among Interbrand's prestigious Best Global Brands. In this edition, brand value is recognised as having increased by 10%, boosting Zara to 43rd place.



Inditex appears in Newsweek's list of the World's Most Trustworthy Companies. Specifically, the Company is ranked seventh in its sector.

3.4. Retail concepts

GRI 2-6

Zara



One of the highlights of the year was unquestionably the Zara Steven Meisel New York Collection, in which the iconic photographer helped design a unique collection that embodies his personal style. The capsule, which included garments and accessories with a seductive touch for women and men, was accompanied by 26 portraits of people who are now ineluctably and forever linked to his background and career as a photographer. Naturally, these personalities include his alter ego, Linda Evangelista, along other models, friends and associates.

Notable collections include Barbie x Zara. Its eye-catching garments, inspired by the Barbie film, became part of the global phenomenon that turned all the trends pink. Representation of women who make their own way was further strengthened by Thirteen Pieces, a collection with a compelling personality comprising 13 timeless garments that convey simplicity and elegance. The strength of this collection is patent in the images featuring the actress Ángela Molina.

Another very characteristic style, this time by British stylist Harry Lambert, was showcased in Zara Man's Cutie Chaos collection, a line full of vintage references, and with the use of lower impact fibres as the cornerstone and main objective of the collection. Cutie Chaos was made of fabrics containing recycled raw materials such as recycled wool, polyester, polyamide and cotton.

Glitter in Gold, Make-Up for your Hair was Zara Beauty's début in hair products, a launch compiled, curated and designed in collaboration with creative director and stylist Guido Palau. To present this collection, Palau featured in a series of videos accompanied by Kaia Gerber.

In collaboration with the textile recycling company Circ, Zara moved a step further towards circularity in the fashion industry by launching the very first collection made with fabrics recycled from blended polyester and cotton textile waste. The separation of fibres is precisely one of the biggest challenges in textile recycling, so this technological breakthrough is a milestone for change in the sector. This year, Zara commenced the expansion of its Pre-Owned platform, aimed at helping customers to lengthen the useful lives of their garments through repairs, sales among individual customers of their Zara garments from any season, and donations. After its debut in the United Kingdom in 2022, Zara Pre-Owned has been activated in new European markets, currently reaching a total of 16.

During 2023, Zara launched its retail operations in Cambodia and continued its store openings in such emblematic locations as Paris (Champs-Élysées), São Paulo (Higienópolis), Dubai (Mall of Emirates), Miami (Dadeland) and Seville (Plaza del Duque), among others. In its ongoing quest for innovative initiatives to offer the best customer experience, in 2023 Zara launched a livestream programme on the Chinese platform Douyin, with a five-hour broadcast including catwalks, fitting room and make-up area tours, and behind-the-scenes views of the teams.

26,050
million euros in net sales

142.9
million followers in social media

4,613
million visits to the website

Pull&Bear



Music, rebranding, sports and augmented reality have been the focuses of Pull&Bear's commercial activity in 2023. One of the year's main novelties was the rebranding of the Pull&Bear logo, and the refurbishment of its stores, which present an unprecedented image in the latest openings in prime locations such as Gran Vía (Madrid) or Via Torino (Milan).

The brand has further cemented its collaboration with one of the foremost music festivals on the international scene, Primavera Sound. Pull&Bear has designed an exclusive collection and concept called The Vision, making its presence one of the most important in both its editions, in Barcelona and Madrid.

Continuing to pursue its commitment to music, digital innovation is provided by Sen Senra, the Spanish artist who starred in the augmented reality Live Show during the store opening in the Spanish capital. The headline collections featured two international celebrities: the singer Tini and the actress Valentina Zenere.

Notable collaborations include the sports partnership with brands such as Russell Athletic and Airwalk, a new snow collection with Spyder, and a firm commitment to denim alongside Wrangler.

Lastly, sustainability is another of the major milestones in the year, with the award of TRUE Platinum certification for its zero waste management at its headquarters and logistics platforms, becoming the first Inditex centre to achieve it and the first retailer worldwide to be awarded the Platinum category.

2,359
million euros in net sales

17.1
million followers in social media

484
million visits to the website

Massimo Dutti



The brand presented its first men's Studio line with a collection made for a contemporary urban lifestyle. The most iconic garments of the men's wardrobe were reinvented in the new Massimo Dutti Studio Collection. Selected materials and fabrics and an architecture-inspired approach yield modern silhouettes. The campaign is presented in three distinct chapters —each with its own identity— with the aim of promoting the collection and maximising its impact, in physical and online channels alike.

In addition, Massimo Dutti undertook a new creative challenge starring three cultural and fashion icons: Charlotte Rampling, Lila Moss and Alaato Jazyper. A tribute to heritage and tradition through pieces that are the experiential embodiment of Massimo Dutti's soul. Pieces that stand the test of time.

The brand remains committed to art and creativity. Through its ArtInProgress project, it carries out the Art Tour initiative, in which this year five artists presented their works at the reopenings of Massimo Dutti's flagship stores in Brussels, Vienna, Zurich, Paris and London.

1,839
million euros in net sales

17.0
million followers in social media

259
million visits to the website

Bershka



The firm marked its 25th anniversary with milestones such as the revamping of its logo and website, the launch of the Generation Bershka collection and the perfume created expressly for the occasion, and the reopening of Bershka Corso Vittorio Emanuele II, in Milan, one of its most prestigious flagship stores, in collaboration with renowned architectural studio OMA.

Bershka's close ties with the music scene are at the fore in a global collaboration with DICE, the ticketing platform for generation Z, or in special collections such as the capsule created with Bizarrap. The digital trend continues to expand, with the Phygital (physical + digital) Wearable Art collections in collaboration with fface.me, digital fitting rooms powered by Snapchat technology, which includes digital garments and accessories. The Bershka website also features a virtual footwear fitting room.

The brand continues to support emerging talent and works with Spanish designer Pepa Salazar and Barcelona-based clothing brand Ssstuff.

2,621
million euros in net sales

32.8
million followers in social media

462
million visits to the website

Stradivarius



More than 5,000 visitors to Casa Stradivarius, a temporary installation located in Madrid's Palacio de Santa Bárbara, were able to touch and experience the brand in an ephemeral way through activities that included the co-creation of a new perfume by the firm, along with concerts, sports and talks about content creation.

Interaction with the brand also takes centre stage in stores such as the new flagship store on Barcelona's Paseo de Gracia. Located in a 1919 building, former headquarters of the Central Bank, combines the new WAVE store image with original architectural elements of great interest, such as the former vault now used to collect online purchases. Another highlight is the Fragrance Lab, an interactive space where customers can discover the brand's fragrances.

In its Icons Collection, Stradivarius pays tribute to the garments and professionals who have shaped fashion, such as Esther Cañadas, Joan Smalls and Luna Bijl, stars of the campaign.

Its first store openings in Germany (Stuttgart and Dresden) signal the start of the brand's expansion in this market.

2,334
million euros in net sales

15.3
million followers in social media

438
million visits to the website

Oysho



Oysho further cements its commitment to sport in its latest openings. The brand has opened stores in White City London, Brussels, Galataport Istanbul and Gran Vía Madrid, presenting a renewed image that highlights the products' technical features and innovation.

With regard to the collections, we highlight the Racket Sports Collection for sports such as tennis, padel and badminton; the Mountain Collection for hiking and trekking; the Ski Collection, which has been expanded and now includes new materials and innovative technologies, including the collaboration of well-known makers of technical insulation like Minardi Piume Company, 3M Thinsulate™ and Primaloft®.

As part of its commitment to sustainability, Oysho has launched a collection of compression leggings made from recycled polyamide, using materials from old tyres in its production.

Oysho's determination to boost women's sport is even stronger and the brand has become a title partner and technical sponsor of the Queens League Oysho, the new women's 7-a-side football league.

744

million euros in net sales

11.0

million followers in social media

100

million visits to the website

Zara Home²



The collaboration between the brand and the Belgian architect and designer Vincent Van Duysen, which commenced last year, has been continued in a new collection with pieces for the table and dining room. A pop-up store located in A Coruña offered visitors the chance to discover the O1 and O2 collections in an exhibition of their most iconic pieces.

In Cabana x Zara Home, the brand was inspired by the far-off lands and decorative treasures that adorn the pages of the popular collectible Cabana Magazine, with its unmatched evocation of the pleasure of travel, the spirit of adventure and culture.

Zara Home's online store in Brazil was launched along with the reopening of its refurbished flagship store in the Shopping Iguatemi mall in São Paulo. Also notable was the reopening of one of the brand's leading flagship stores: Zara Home Hermosilla, in Madrid.

15.3

million followers in social media

164

million visits to the website

² Sales at Zara Home are reported consolidated with those of Zara.



4

About this
report



How we report

GRI 2-2; 2-3; 2-5; 2-14

Through the **2023 Statement on Non-Financial Information**, we present the information related to the performance of the Inditex Group (hereinafter also, the 'Group', the 'Inditex Group' or the 'Company') in financial year 2023 (from 1 February 2023 to 31 January 2024). In it, we provide truthful, relevant and accurate information on our accountability for the year 2023, as well as our objectives, progress and initiatives in the year. Accordingly, we present our Annual Report 2023, including the Inditex Group's Consolidated Annual Accounts, followed by the Integrated Management Report, also comprising the Statement on Non-Financial Information (SNFI).

The scope of the information reported herein includes all the companies over which Inditex has control or joint control listed in Annex I of the Consolidated Annual Accounts (any variations in comparison with those of 2022 are specified in Note 3 of the Consolidated Annual Accounts). Relevant information is also provided on the Company's supply chain, made up of suppliers and manufacturers of the Inditex Group.

The Statement on Non-Financial Information was prepared by the Board of Directors of Inditex, following the favourable report by the Audit and Compliance Committee and the Sustainability Committee, both of which are responsible for the verification and supervision of the information included in it, each in their respective areas of competence. The SNFI has also been endorsed by Inditex's Social Advisory Board (the Group's external advisory body on sustainability matters, consisting of independent external members). It will subsequently be submitted to the Group's Annual General Meeting to be examined and, in the event, approval as a separate item on the agenda.

Act 11/2018 of 28 December, which entered into force in 2018, amends the Code of Commerce, the revised text of the Spanish Companies Act approved by Royal Legislative Decree 1/2010, of 2 July and Law 22/2015, of 20 July on Statutory Audit, as regards non-financial information and diversity (hereinafter, Act 11/2018), which supersedes Royal Decree Law 18/2017, of 24 November which transposed Directive 2014/95/EU of the European Parliament and of the Council, regarding disclosure of non-financial information and information on diversity into the Spanish legal system.

Through the Statement on Non-Financial Information, we fulfil the legislative requirements pursuant to Act 11/2018 on non-financial reporting and diversity, as well as the European Union Taxonomy Regulation (Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment), and amending Regulation (EU) 2019/2088.

The provisions of said Act 11/2018 require that certain undertakings, including Inditex, are obliged to prepare a Statement on Non-Financial Information, which must be included in the Directors' Report or in a separate report corresponding to the same financial year. The SNFI contents must include, among other matters, the necessary information to understand the performance, results and situation of the Group and the impact of its activities in respect of environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as matters regarding the workforce. It must also include, if applicable, such measures taken by the company to promote equal treatment and equal opportunities between women and men, non-discrimination, inclusion of people with disabilities and universal accessibility.

Moreover, Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852) establishes the requirement to provide information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable, and the proportion of their turnover, investments in fixed assets and operating expenditure associated with these environmentally sustainable activities. This regulation is mandatory for certain companies, including Inditex, which consolidates the report of this information in section 9.1.1. European Taxonomy of Sustainable Activities.

In addition, at Inditex we are working to align our reporting with the new EU Corporate Sustainability Reporting Directive (CSRD). This new European Directive aims to standardise the sustainability information disclosed by companies, placing sustainability reporting on an equal footing with financial reporting, as well as addressing the information requirements of the different stakeholders.

Against this backdrop, we are in the process of analysing the level of disclosure required under the new European Sustainability Reporting Standards (ESRS), developed by the European Financial Reporting Advisory Group (EFRAG), which establishes the common framework for reporting. The widespread adoption of these standards will enhance transparency and comparability between the sustainability reports, giving the market greater clarity.

Voluntary reporting frameworks, principles and standards

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

/ GRI Sustainability Reporting Standards (GRI Standards).

- / The Principles of the United Nations Global Compact.
- / AA1000 Accountability Principles (2018).
- / Principles of the Sustainability Accounting Standards Board (SASB) framework.
- / The principles of the International Integrated Reporting Framework.
- / Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
- / Guide entitled Business Reporting on the SDGs: An Analysis of Goals and Targets, compiled by the Action Platform for Reporting on the Sustainable Development Goals.
- / Recommendations of the European Securities and Markets Authority (ESMA): European common enforcement priorities for annual financial reports.
- / Recommendations included in the European Commission Communication 2017/C215/01 – Guidelines on non-financial reporting, and in EU Supplement 2019/C209/01 on reporting climate-related information.

The Inditex Group's SNFI follows the criteria set forth in the **Integrated Reporting Framework**; compiled by the International Integrated Reporting Council (IIRC), which in 2022 joined the International Financial Reporting Standards Foundation (IFRS Foundation). Inditex is a member of the IFRS Sustainability Alliance, and has followed its principles since the initiative began, having taken part in the IIRC's pilot edition in 2011.

Furthermore, this Report has been prepared in accordance with the latest edition of the Global Reporting Initiative (GRI) Standards: **GRI Universal Standards 2021**. This international framework is cited in article 49.6.e) of the Commercial Code introduced by the aforementioned Act 11/2018.

Since 2007, we have followed the GRI standards and are members of the GRI Community, a community of companies from different sectors that collaborate, demonstrate leadership in reporting and share knowledge and best practices.



2024

The contents to be included in the Statement on Non-Financial Information have been determined on the basis of the materiality exercise we conducted using a double materiality approach. We carried out this analysis in accordance with the guidance provided by the European Financial Reporting Advisory Group (EFRAG), published in the European Sustainability Reporting Standards (ESRS), to support implementation of the European Union's Corporate Sustainability

Reporting Directive (CSRD). We also follow the recommendations outlined by the Global Reporting Initiative in its GRI 3: Material topics 2021, as a reference.

① More information in section [5.3.2. Materiality analysis](#) of this Report.

To facilitate navigation and as a reference for readers, we include a GRI Content Index in this Report. Accordingly, Inditex has prepared the report in accordance with the GRI Standards for the period from 1 February 2023 to 31 January 2024.

Since 2001 we have been participants in the United Nations Global Compact. As part of our commitment to this international initiative, which promotes the implementation of the **10 Principles of the United Nations Global Compact** in the areas of human rights, labour, environment and fight against corruption, we annually respond to the Communication on Progress (COP). Furthermore, in the GRI Content Index, we also collect information on the different section of the SNFI that would be related to each of these principles.



In preparing this Report we also used the **Sustainability Accounting Standards Board (SASB)** reporting framework as a reference. Specifically, we followed the guidelines of the version of the Apparel, Accessories and Footwear sector standard updated in June 2023, and have included an SASB reference table listing the disclosures and metrics related to this standard. In 2022, the International Financial Reporting Standards Foundation (IFRS Foundation) assumed responsibility for the SASB, which is overseen by the International Sustainability Standards Board (ISSB).

① More information in section [9.2.2. SASB reference table](#) of this Report.

Regarding the reporting information on climate change risks and opportunities, this report includes a specific chapter whose structure matches the four blocks described by the **Task Force on Climate Related Financial Disclosures (TCFD)**: Governance, Strategy, Risk Management, Metrics and Goals. At Inditex we follow the TCFD's recommendations for reporting this information.

① More information in section [6.1.6. Risks and opportunities arising from climate change](#) of this Report.

Furthermore, for the last seven years we have been using the guide **Business Reporting on the SDGs: An Analysis of Goals and Targets**, developed by the Action Platform for Reporting on the Sustainable Development Goals, a platform organised jointly by the United Nations Global Compact and the Global Reporting Initiative (GRI), to which Inditex has belonged since its inception and which came to an end in 2020. Accordingly, our Report also includes accurate information on our contribution to the United Nations Sustainable Development Goals (SDGs).

① More information in section [9.1.5. Inditex's contribution to the SDGs. Main indicators](#) of this Report.

Lastly, as a relevant aspect in the preparation of integrated reports, we have considered the recommendations of the **European Securities and Markets Authority (ESMA)**, published in its report **European common enforcement priorities for 2023 annual financial reports**. This year, the priorities for non-financial information have focused mainly on EU Taxonomy reporting and on the disclosure of information on climate targets and scope 3 emissions. Information on the above is provided throughout this Integrated Report. Moreover, it has also been prepared with reference to the recommendations included in the European Commission Communication 2017/C215/01 – Guidelines on non-financial reporting, and in EU 2019/C209/01 Supplement on reporting climate-related information.

Non-financial information control system

To ensure that the information included in the SNFI is truthful and accurate, and that it also meets the expectations of our stakeholders in terms of its reliability and robustness, at Inditex we have implemented an Internal Control System of Non-Financial Reporting (ICNFR). The purpose of this system is to provide reasonable security concerning the reliability of the information included in our SNFI. Therefore, the ICNFR mainly entails control activities on the processes of obtaining the information and monitoring activities of the key indicators included in the SNFI (the scope of which is defined annually taking into account qualitative and quantitative criteria as well as the results of the materiality analysis).

The Group's ICNFR has been developed in line with the COSO (Committee of Sponsoring Organizations of the Treadway Commission) international standard for internal control. As part of our drive for continuous improvement, it has been enriched and provided with more exhaustive controls year after year, a process that will continue to be developed in future years.

External assurance

The information disclosed in the Statement on Non-Financial Information has been subject to verification by an independent third-party, Ernst & Young. The scope and results of this independent verification are described in the Verification Report attached in section 10 of this Report. This report has been reviewed in accordance with the revised International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Review of Historical Financial Information, and with Guideline no. 47 on attestation engagements of the Statement on Non-financial Information issued by the *Instituto de Censores Jurados de Cuentas* (Institute of Certified Public Accountants) of Spain. Based on these two standards, in addition to the review carried out of the contents required by Act 11/2018, a selection of 42 disclosures from the GRI Standards have been reviewed. These disclosures were selected based on the materiality analysis performed by Inditex annually with its stakeholders. These disclosures are listed in the GRI index alongside the symbol:

We report in accordance with the GRI Standards and the outcome of the verification corroborates that the declared GRI Standards application option is appropriate.

① More information in section [10. Independent Verification Report](#) of this Report.

Methodology for calculating the indicators included in the Statement on Non-Financial Information

In order to improve understanding and guarantee greater transparency, a methodological explanation for each indicator has been incorporated throughout the document. This explanation addresses several aspects, such as the scope of the indicator, the nature of the data used, the calculation or estimation criteria, and, if any, the corresponding exclusions. Special attention has been paid to including this explanation in the indicators whose calculation process is not obvious, with the aim of facilitating the understanding of how the results presented have been reached.

Scope of the environmental indicators

The environmental indicator system includes data obtained between 1 February 2023 and 31 January 2024. The scope of the indicators includes the Inditex Group's own facilities, specifically:

/ The headquarters in Arteixo (A Coruña) and all the retail concepts' headquarters: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Tempe, all of them located in Spain.

/ All the Group's own factories, located in Spain.

/ All the Group's logistics centres.

/ All the Group's own stores.

Indicators where the scope differs are shown alongside the corresponding data.

With regard to environmental indicators that apply to our value chain, e.g. scope 3 emissions or supply chain water consumption, the specific scope is provided in the indicator itself.

Environmental performance in absolute and relative terms for environmental indicators

The data from the environmental indicator system are shown in absolute and relative terms, calculating the latter based on the square meters of surface of our facilities and based on net sales, in order to represent the efficiency achieved after the company's activities and the continuous improvement derived from the management. Relative indicators are calculated using the following formula:

/ Ratio per square metre (m²) = absolute figure for the year/total surface area in m²

/ Ratio by net sales³ = absolute value for the year/sales (€)

Disclaimer

In the current context, the metrics, models and methods of calculation used by companies to report sustainability information have, generally speaking, been introduced recently and are evolving rapidly, adapting to the different reporting frameworks and regulatory developments. Accordingly, the availability of information, together with methodological consistency and the possibility of comparing information year-on-year are among the challenges that companies are currently facing.

Over the next years, the development of harmonised standards together with sector-specific application guidelines can be expected to facilitate the reporting of sustainability information to the market and stakeholders. Combined with the development of data systems and models, this will enhance reporting and comparability between companies.

General information on sustainability

A number of calculations, estimates and assumptions, as well as future projections, were made in preparing the Statement on Non-Financial Information. With regard to these future projections, the information and objectives concerning sustainability included in this document entail a high degree of uncertainty and inherent risk.

The reported information on sustainability indicators comprises a combination of primary and secondary data. When source data are not available, estimates or assumptions based on trends in actual data, as well as information from external sources, are used. For indicators that require so, clarifications on the methodology and/or scope of the information reported have been included.

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.

³ Includes sales in our own physical stores and online.

Information relating to climate risks

With specific regard to climate-related information, the identification and assessment of physical and transition climate 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 evolves and on the scientific consensus regarding the process of climate change. Such data therefore represent the best estimate that can be made using existing climate information and models.

Climate modelling is therefore a complex discipline that is exposed to three main 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.

Bearing uncertainties and our business activity in mind, Inditex has no liabilities, expenses, assets, provisions or contingencies of an environmental nature that could play a significant role in terms of the net assets, the financial situation and results of the Company. For this reason, we do not include specific breakdowns.

① More information in [Note 32](#) of the Consolidated Annual Accounts.

Further considerations

The statements contained in this document reflect the Company's current views with respect to future projections. By their nature are subject to risks and uncertainties that could cause the final outcomes to be significantly different from what the forward-looking statements state or suggest.

Against this backdrop, sustainability commitments and targets have not been affected by the sale and subsequent franchise of the business in Argentina and Uruguay, nor by the situation between Russia and Ukraine, and progress continued to be made as planned during the year. Operations in Ukraine remain suspended at the time of preparation of this Report, although they are scheduled to be gradually reopened from April 2024. Where any specific indicator has been affected as a result of the conjunctural circumstances of this year, its performance is detailed separately in the relevant section of this Report.

5

About Inditex

5.1. Corporate governance

5.2. Strategy

5.3. Stakeholders



5.1. Corporate governance

Material topic: Good governance and integrity



5.1.1. Good corporate governance

GRI 2-9; 2-10; 2-11; 2-12; 2-13; 2-16; 2-17; 2-18; 2-19; 2-20; 2-21; 2-23; 2-24; 3-3; 201-3; 405-1; 405-2

Inditex Board of Directors ensures **compliance of the Company with its social and ethical duties**, its duty to act in good faith in its relations with employees and with third parties, and to ensure the balance of power and the respect and equality among all our shareholders, especially minority shareholders.

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—and, at the same time, that no person or small group of persons holds decision-making power within the Company that is not subject to checks and balances, and that no shareholder receives privileged treatment over the others.

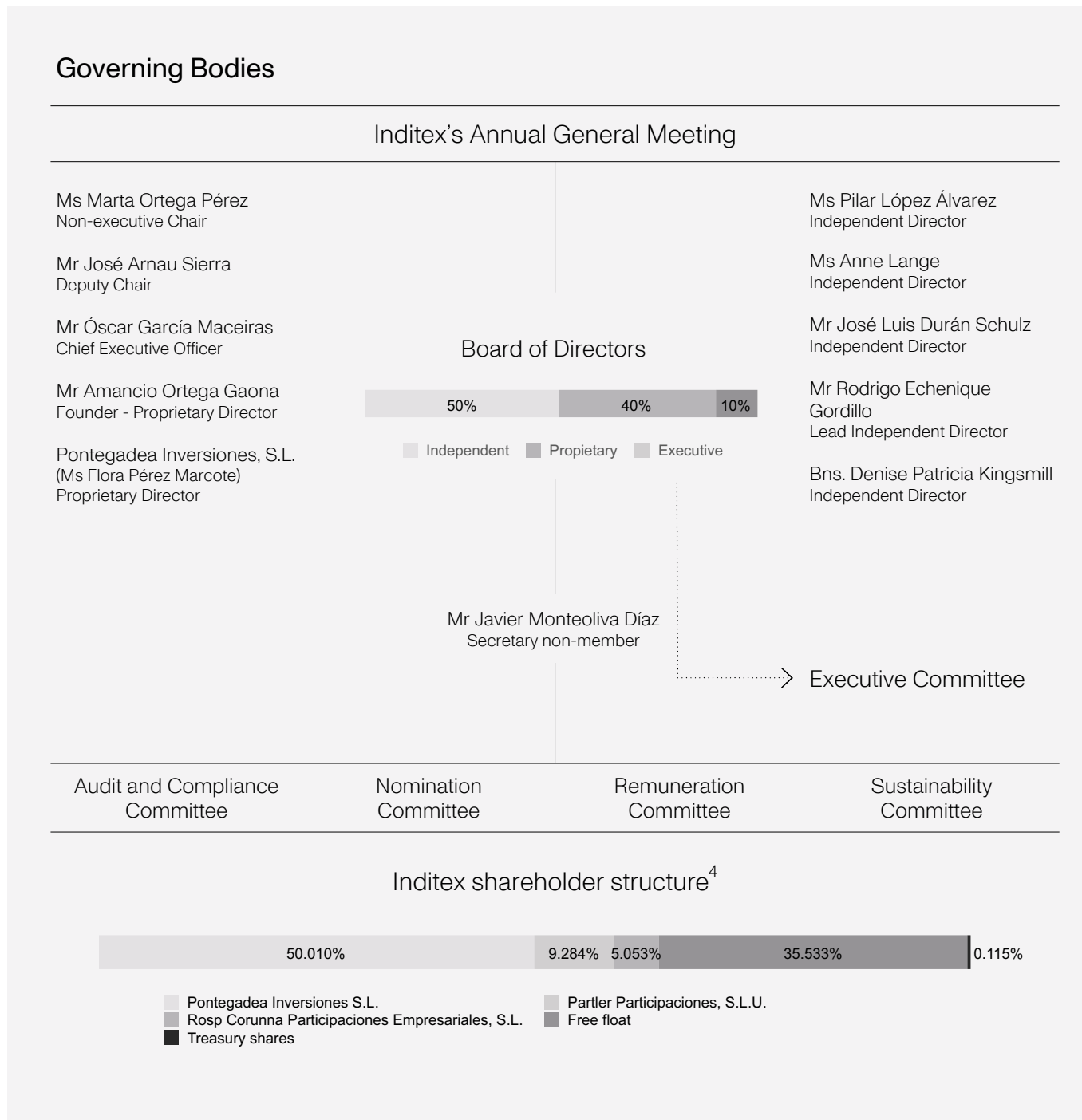
Furthermore, the Board performs its duties in accordance with the corporate interest, meaning the **viability and long-term maximisation of the value of the Company in the common interest**, not only of all our shareholders, but also of all our stakeholders, whose legitimate interests, public or private, converge in the course of our business activity, and especially those of our employees, customers and suppliers, the environment and the civil society at large.

To achieve these objectives, applicable legislative developments and recommendations are implemented and good corporate governance practices are systematically strengthened in respect of the main body tasked with overseeing corporate governance: the Board of Directors and its Committees. Upon approving and/or amending any internal regulation, priority is given to establishing standards that improve governance and, therefore, the confidence of investors, shareholders and other stakeholders.

Inditex's Corporate Governance System achieves full compliance with the regulatory requirements set forth in the applicable legislation, and adherence to the recommendations outlined in the Good Governance Code (GGC) of the Spanish National Securities Market Commission (CNMV).



5.1.1.1. Organisation and operation of the governing bodies



⁴ For these purposes, the 0.0046% of the share capital owned by the directors of Inditex (see section A.3. of the *Annual Corporate Governance Report*), other than the controlling shareholder, is not included as part of the free float, in accordance with the criteria established by CNMV.

Inditex's 2023 Annual General Meeting (hereinafter, also '2023 AGM') was held on 11 July in hybrid format, with in-person and remote attendance and participation. Among other resolutions, the meeting approved the re-election of the founder and majority shareholder, Mr. Amancio Ortega Gaona, as a proprietary director, and Mr. José Luis Durán Schulz as an external independent director.

Likewise, in the context of the departure of Mr. Emilio Saracho Rodríguez de Torres, designated 'affiliated director' after having served 12 years on Inditex's Board, a reduction in the number of members of the Board of Directors was approved, leaving it at ten (10).

Detailed information on the Annual General Meeting and on the regulation, organisational and operational rules, composition, mission and competences and the main activities or lines of action of the Board of Directors and the Audit and Compliance, Nomination, Remuneration and Sustainability Committees for 2023, is provided in the 2023 Annual Corporate Governance Report (ACGR). This report was approved by the Board of Directors at its meeting of 12 March 2024 and is available on our corporate website (in the 'Investors' section, under 'Corporate Governance > Reports and Regulations') and on the CNMV website.

📄 More information in the [Annual Corporate Governance Report](#).

Management Committee

Inditex's Management Committee is responsible for coordinating the Company's management and supports the CEO in the exercise of his duties. This Committee is conducive to collegiate decision-making in accordance with international best practices on corporate governance.

The members of the Management Committee as of 31 January 2024 are as follows:

Member	Position
José Pablo del Bado Rivas	Pull&Bear Director
Miguel Díaz Miranda	Chief Financial Officer & Chief Operating Officer, Zara
Ignacio Fernández Fernández	Chief Financial Officer, Inditex
Javier García Torralbo	Chief Digital Officer, Inditex
Begoña López-Cano Ibarreche	Chief People Officer, Inditex
Javier Losada Montero	Chief Sustainability Officer, Inditex
Beatriz Padín Santos	Zara Woman Director
Jorge Pérez Marcote	Massimo Dutti Director
Óscar Pérez Marcote	Zara Director

5.1.1.2. Main lines of action by Inditex corporate bodies in 2023

The agenda of business to be transacted by Inditex governing bodies has continued to be shaped by sustainability:

- / The monitoring of sustainability targets for the 2020-2025 period and the approval of the various action plans and roadmaps to achieve them.
- / The Fibres Plan concerning the target on the use of lower-impact textile raw materials.
- / The Decarbonisation Plan, with respect to the net-zero target.
- / The assessment of the Supply Chain Transformation Plan.
- / The approval of the new sustainability targets, which were announced at the 2023 AGM. More information in section [5.2.2. Sustainability strategy](#).
- / Assessment of the Group's Diversity and Inclusion strategy and purpose, as part of the Group's responsible action.
- / Monitoring of the new regulatory framework and sustainability reporting standards.
- / Monitoring of the impact on the value chain of the earthquakes in Morocco and Türkiye and the various social initiatives.

The Board's agenda was also determined by:

- / The review of the financial and non-financial information that the Company discloses to the Market and of the various mandatory transparency reports.
- / The business situation and in particular, (i) the monitoring of the financial results and the budget, as well as the fulfilment of the strategic objectives, (ii) the monitoring and analysis of the evolution and expectations in relation to the different commercial formats and the different markets where the Group operates, or (iii) the analysis of the different impacts for the Group in view of the socioeconomic situation derived from the earthquakes in Türkiye and Morocco, or the different geopolitical conflicts.
- / The analysis and monitoring of the main risks affecting the Inditex Group and updating of the risk map.
- / The monitoring and formal approval of the different (i) corporate operations, in particular, in relation to the sale of certain subsidiaries of the Group and the management of the business in certain markets through the franchise system, and (ii) transactions with related parties.

/ Further information on these transactions is included in the Annual Report on Related-Party Transactions for the financial year 2023, which will be published on the corporate website at the time the notice of the 2024 Annual General Meeting is published.

/ The formal aspects of (i) the appointment and re-election of directors, (ii) the remuneration of the CEO and members of senior management, and (iii) the evaluation of the performance of the Board of Directors, its Committees and other key positions.

And, in particular, the following should be highlighted due to their special relevance:

/ The formal establishment of the new Cybersecurity Advisory Committee, as announced at the 2023 AGM:

- This Committee's main purpose, as a permanent internal advisory and consultative body without executive powers, is to provide strategic and independent advice to the relevant governing bodies and the Company's management on cybersecurity, its regulations, best practices and emerging risks that could affect the Company.
- This new body strongly advances the consolidation of Inditex's cybersecurity governance structure, led by the Board of Directors itself. The Board is supported by a series of consultative bodies, including the Audit and Compliance Committee, and executives, represented in the Group's management team. Involved, in the first

instance, is the Chief Information Security Officer (CISO), who is supported, in turn, by the Information Security Committee, of which the CEO is also a member.

- The establishment of this body also required implementing the necessary formal aspects relating to the appointment of its members and the determination of their remuneration, the approval of its organisational and operational rules and the adaptation of other internal regulations to this new organisational structure, etc.

/ The approval of the Group's new Internal Reporting System. More information in section *8.1.2. Global Compliance Model and Criminal Risk Prevention Model*.

/ Follow-up on the analysis concerning the Company's key positions and the identification of suitable profiles to fill them.

/ Approval of the new Directors' Remuneration Policy for financial years 2024, 2025 and 2026 and the new 2023-2027 Long-Term Incentive Plan.

More information on the activities and matters dealt with by the Board and its Committees can be found in the Annual Operating Reports for the financial year 2023, which will be published on the corporate website at the time the notice of the 2024 Annual General Meeting is published.



5.1.1.3. Diversity in our governing bodies

Inditex has a Diversity and Inclusion Policy, approved by the Board of Directors in December 2017, and partially amended in December 2020. This policy 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.

➤ More information in section [7.1.2. Our approach to diversity](#) of this Report.

Moreover, we also have a Diversity of Board of Directors Membership and Director Selection Policy, approved by the Board of Directors on 9 December 2015 and last amended on 8 June 2021.

This Policy sets forth the criteria for the selection of directors to guide the activities of the relevant corporate bodies.

The Nomination Committee is the board specialised committee involved in the process of selection, nomination, ratification and re-election of our directors. The Nomination Committee's guiding principle is to guarantee a diverse membership on the various collegiate governing bodies of our Company, including diversity of knowledge, skills, age, international experience or geographic origin and, in particular, gender, among the criteria for consideration.

In 2023, coinciding with the step down of Mr Emilio Saracho Rodríguez de Torres as a Director of the Company, this Committee, in accordance with best practices, reviewed and updated the **Board Skills Matrix** approved in 2022, to take into account the Board's new composition. Thus, the Matrix remains as a useful tool at the service of the Nomination Committee to review the criteria for ensuring the proper and diverse composition of the Board of Directors (see below the main indicators resulting from the Matrix) and the selection of potential future candidates.

With regard to gender diversity, the Committee has consistently strived to achieve the highest levels of female representation. In 2022, with five women on the Board, the target set in 2020 of 40% of female directors out of the total number of members of the Board was exceeded, **and in 2023 parity was reached between men and women on Inditex's most senior governing body.**

This also places Inditex above the targets set for the under-represented gender in Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among board members of listed companies and related measures, to be achieved by June 2026, of 40% in relation to non-executive directors or 33% of the total members of the Board, regardless of whether they are executive or non-executive directors. Moreover, the percentage of women⁵ on the Board of Directors of Inditex is above the average of companies listed in the Ibex 35 Index.

Governing Bodies	% women	
	2023	2022
Board of Directors	50.00%	45.45%
Audit and Compliance Committee	50.00%	42.86%
Nomination Committee	40.00%	40.00%
Remuneration Committee	25.00%	20.00%
Sustainability Committee	75.00%	60.00%

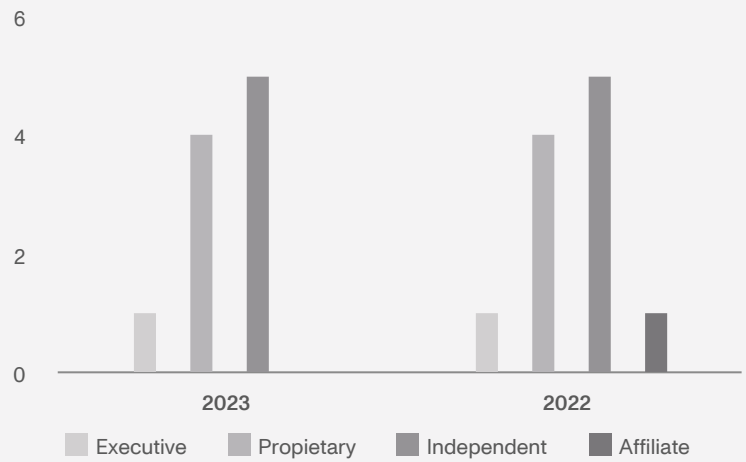
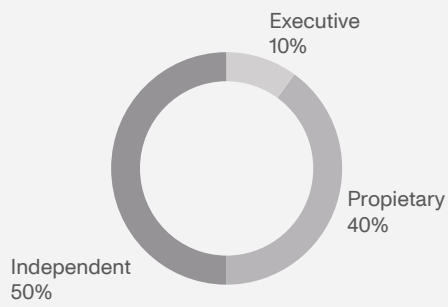
Moreover, the Committee is also responsible for the appointment and removal of members of the Senior Management, and must also ensure gender diversity and the promotion of female leadership, **encouraging the existence of a significant number of female senior managers.**



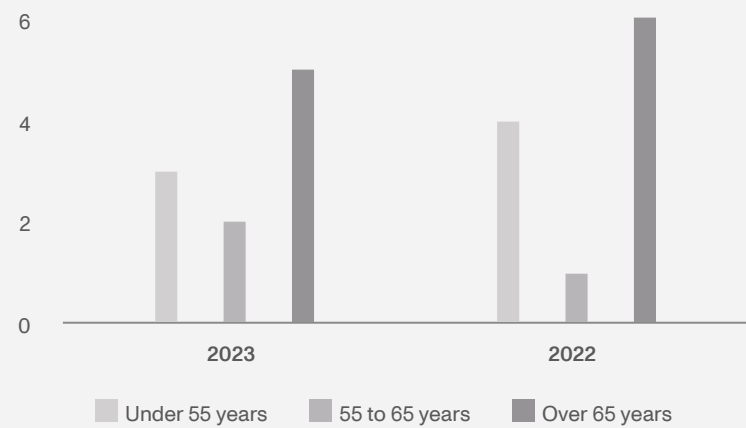
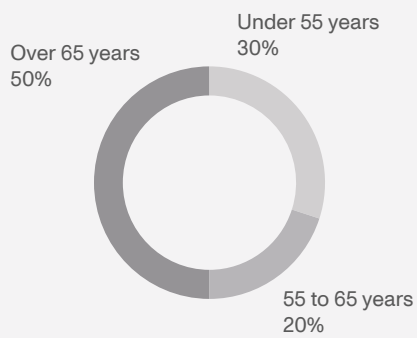
⁵ The year-on-year change in the Board of Directors and its Committees has been affected by the reduction in the number of Board members approved at the 2023 AGM.

Main diversity indicators of the Board of Directors of Inditex for financial year 2023 and their performance

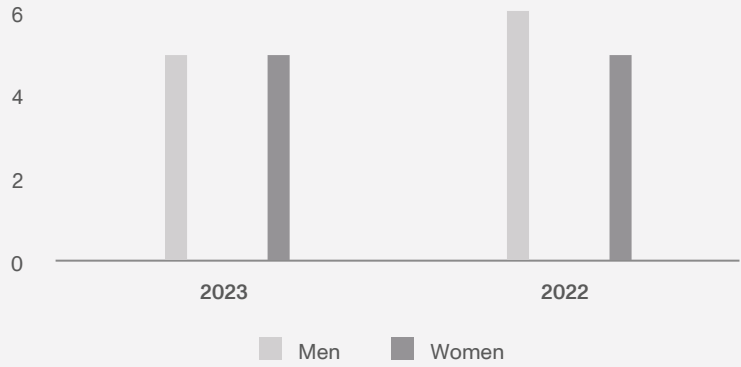
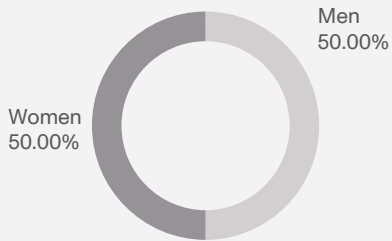
Directorship type



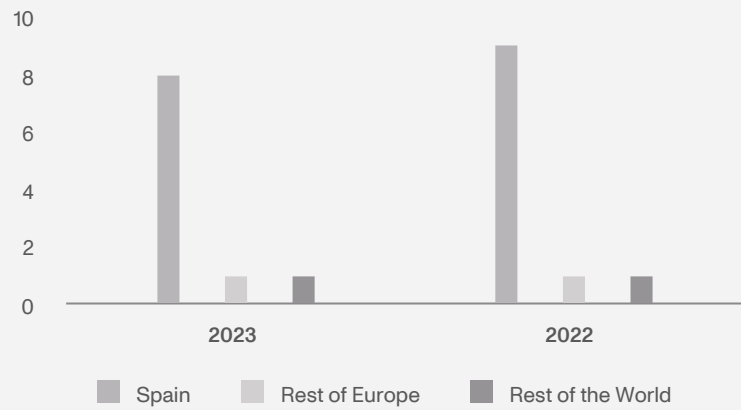
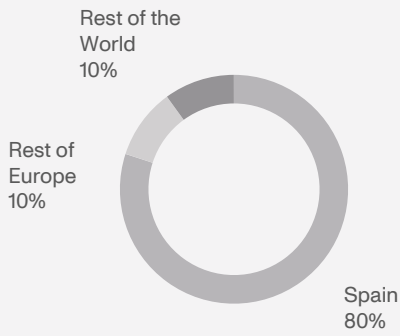
Age



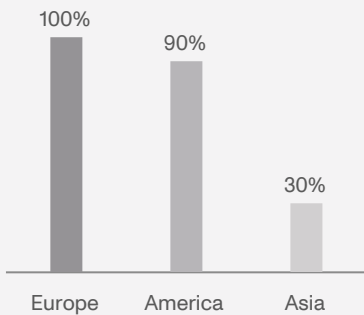
Gender



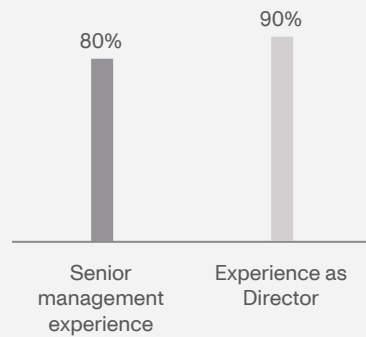
Geographic origin



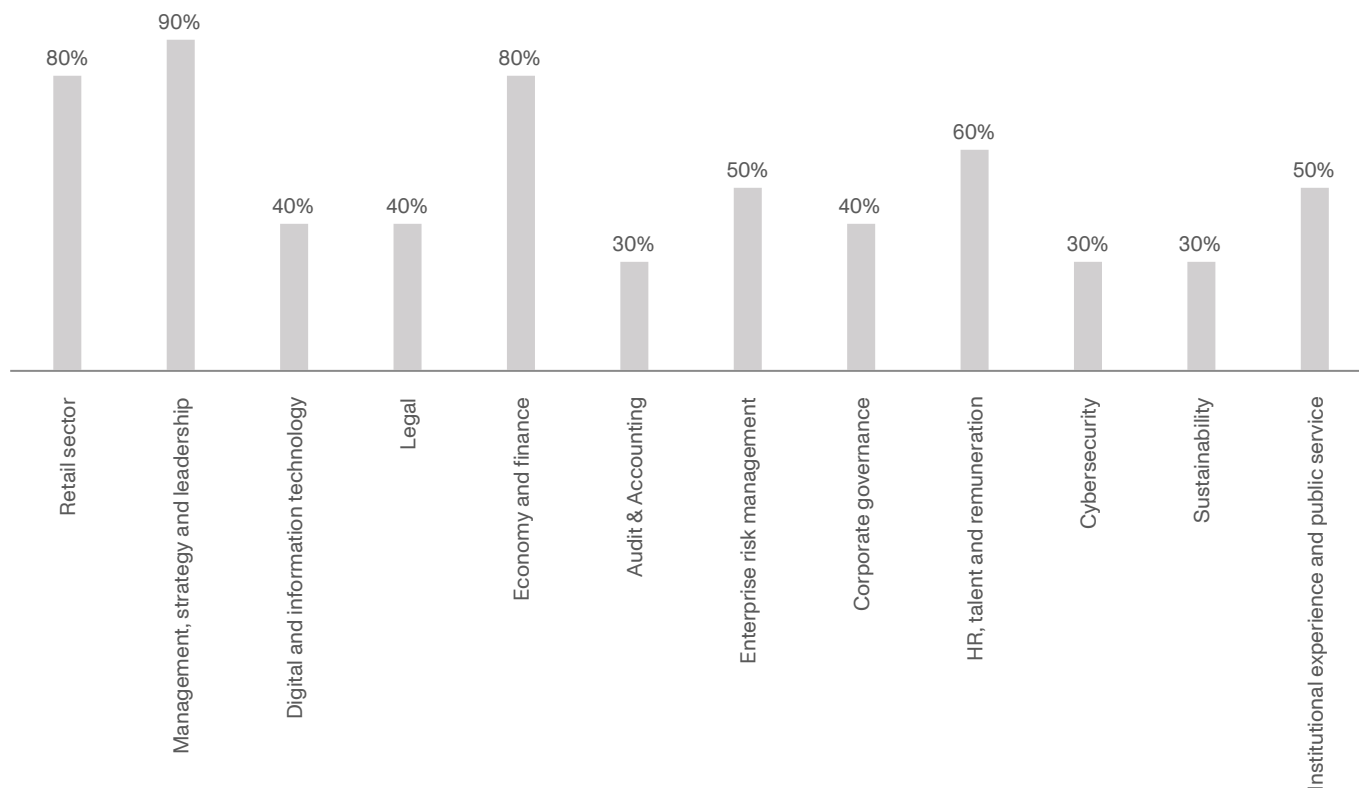
International experience/ education



Previous experience



Competences



Overall, in accordance with the updated Board Skills Matrix, it is considered that the current structure and composition of the Board of Directors of Inditex, as of today, maintains a high level of balance and stability, as materialised in the following: (i) a balanced composition among the different directorship types, with the presence of independent, proprietary and executive directors, but in any event with an ample majority of non-executive and independent directors, (ii) a parity presence of men and women, and (iii) an appropriate balance of skills, knowledge and experience, suited to the interests of the Company and the Group.

Diversity in a company’s governing bodies ensures there are multiple perspectives, helping to identify risks and opportunities and, therefore, to achieve corporate objectives.

In addition, the diversity promoted by the governing bodies and Senior Management encourages the promotion of equal opportunities across the organisation, nurturing a diverse and inclusive workplace, which contributes primarily to the achievement of Inditex’s corporate objectives and a better business performance.



5.1.1.4. Other indicators of Inditex's Corporate Governance System

Item	2023	2022
Quorum for attendance at the Annual General Meeting	89%	88%
Number of directors	10	11
Executive Directors	1	1
Independent Directors	5	5
Proprietary Directors	4	4
Affiliate Directors	0	1
Lead independent director	YES	YES
Meetings of the Board	8	10
Attendance %	89%	98%
Meetings of the Audit and Compliance Committee	7	6
Attendance %	98%	100%
Meetings of the Nomination Committee	6	5
Attendance %	90%	100%
Meetings of the Remuneration Committee	4	5
Attendance %	94%	100%
Meetings of the Sustainability Committee	5	6
Attendance %	100%	100%

5.1.1.5. Remuneration of Directors and Senior Management

Detailed information on the **Directors' Remuneration Policy** in force for 2021, 2022 and 2023, which ceased to be effective on 31 January 2024, its principles, foundations and elements, as well as its application in 2023, are set out in the 2023 Annual Report on Remuneration of Directors, approved by the Board of Directors at its meeting of 12 March 2024. This report is available on our corporate website (in the 'Investors' section, under 'Corporate Governance' > 'Reports & Regulations') and on the CNMV website.

① More information in the *Annual Remuneration Report*.

The 2023 AGM approved the new Directors' Remuneration Policy for financial years 2024, 2025 and 2026 as well as the new Long-Term Incentive Plan 2023-2027 (hereinafter referred to as the '2023-2027 Plan').

This new Remuneration Policy, which will enter into force for the financial year commencing on 1 February 2024, is consistent with the Remuneration Policy for 2021, 2022 and 2023, and is aligned with Inditex's short and long-term strategic priorities, and focuses on the creation of long-term value and sustainability. The new 2023-2027 Plan, also consistent with the 2021-2025 Long-Term Incentive Plan, incorporates the new public sustainability objectives announced at the 2023 AGM.

Detailed information on the new Remuneration Policy and the 2023-2027 Plan can be found in the aforementioned Annual Report on Remuneration of Directors for 2023.

Total remuneration of the Board of Directors in 2023 (in thousands of euros)

	2023	2022
Total Remuneration of the Board of Directors	13,462	38,698

① More information in section C.1.13 of the *Annual Corporate Governance Report* and in the *Annual Remuneration Report*.

No gender-specific information is included regarding directors' average remuneration as there is no gender pay gap in Inditex's governing bodies. The remuneration of directors in their capacity as such consists of a fixed annual remuneration for each of them for their membership of the Board and its various committees and an additional remuneration for discharging the offices of chair and deputy chair of the Board and for chairing the different committees, regardless of gender. At present, both the Board of Directors and two of Inditex's Committees are chaired by women. Only the CEO receives a remuneration package (including

fixed and variable components) for the performance of his executive duties, and the items and amounts of the CEO's remuneration are therefore not comparable to that of the other directors.

Average remuneration of Senior Management in 2023 (in thousands of euros)

The annual average remuneration earned by the 22 members of the Senior Management as of 31 January 2024 is as follows:

Average remuneration earned by the Senior Management	2023	2022
Men	5,101	4,149
Women	4,628	3,753
Total	4,957	4,044

① More information in section C.1.13. of the *Annual Corporate Governance Report*.

5.1.1.6. Vision and challenges: towards sustainable governance

Sustainability is one of the essential elements of Inditex's Corporate Governance System. This system has been in a **continuous process of review and improvement**, evolving in line with international guidelines and best practices in this area and, in particular, with ESG (Environmental, Social and Governance) criteria, towards a system of sustainable governance.

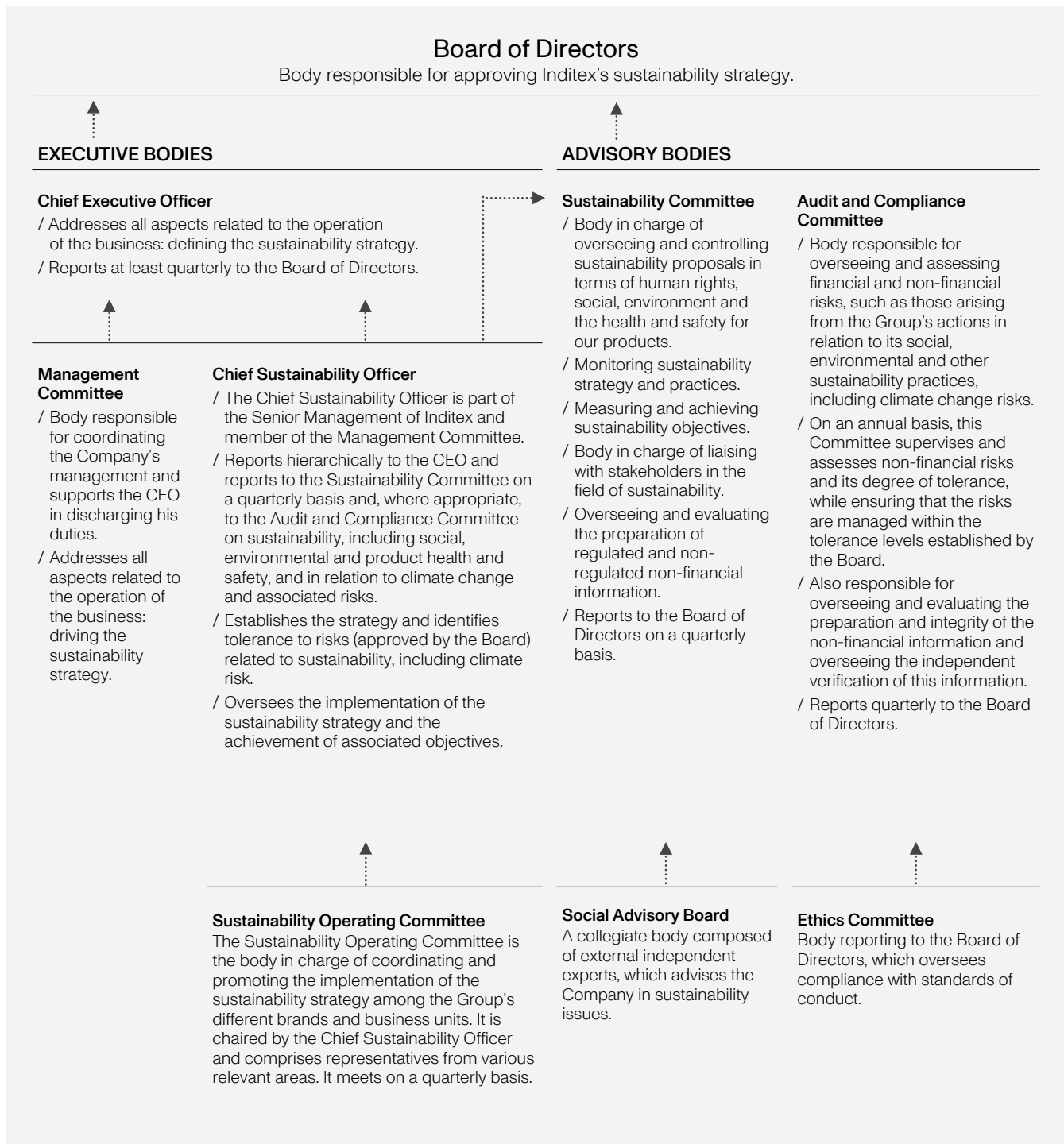
The Group's commitment to sustainability is reflected at the highest level of the Company, starting with the most senior governing bodies, with sustainability as a factor integrated in the decision-making process.

Accordingly, Inditex's Corporate Governance System provides a comprehensive vision that promotes responsible governance, in order to safeguard the interests of our shareholders, while at the same time reflecting and taking responsibility for the environmental, social and reputational impact of our activity, with the aim of maximising the long-term corporate interest through the continuous creation of value for each and every one of our stakeholders.

The result is a **socially responsible and sustainable business model**, in continuous participatory dialogue and aimed at the common benefit of all related strata.



Sustainability Governance



Our Corporate Governance System integrates sustainability by means of the following elements:

Integration of sustainability into the Company's management and corporate strategy

The **Sustainability Committee**, as an informative and advisory Board committee, is responsible for monitoring our social and environmental sustainability strategy and practices, as well as fostering a commitment to the Sustainable Development Goals. In accordance with article 9.2 of the Sustainability Committee Regulations, the members of the Sustainability Committee shall be appointed, especially its chair, with the knowledge, skills and experience appropriate to the functions they are called upon to perform, including, among others, in matters of sustainability, social action initiatives, sustainable resource management and the design of stakeholder communication policies.

Hence, it liaises directly with the Sustainability Department, which is responsible for defining the Group's sustainability strategy and which reports, at least quarterly, on the degree of achievement of the strategic objectives and proposals in the areas of human rights, social, environment, and health and safety of our products.

Moreover, the Chief Sustainability Officer is a member of Inditex's Management Committee. This body reviews the strategy and business and investment plans also in this field and, at the same time, liaises directly with the various corporate and business areas responsible for executing the sustainability strategy and proposals.

In 2023, as part of the process to define the revised climate change strategy in 2022, the Sustainability Committee assessed the Company's Decarbonisation Plan and worked on its development or 'Climate Transition Plan'.

The existence of robust sustainability monitoring mechanisms

Meanwhile, one of the main duties of the **Audit and Compliance Committee** is to oversee and assess financial and non-financial risks, such as those arising from the Group's actions in relation to its social, environmental and other sustainability practices.

The members of the Sustainability Committee, including its Chair, also serve on the Audit and Compliance Committee. The overlapping presence of directors on both committees and the report that the Chair of the Sustainability Committee submits to the Board of Directors regarding the main issues discussed at their respective meetings ensure that the most relevant social and environmental sustainability issues 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.

This system of dialogue at different levels within the Organisation, right up to the highest level, helps to better assess processes and identify the sustainability risks, opportunities and impacts of our commercial operations.

Establishing appropriate mechanisms to reflect the expectations of our stakeholders

The **Sustainability Committee** is also the body responsible for relations with the various stakeholders in the area of sustainability.

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.

Furthermore, Inditex has a **Social Advisory Board**. It is the Company's permanent external body which acts in an advisory and consultative capacity in matters of social and environmental sustainability. It is made up of persons external to and independent of the Group. It 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 determining the materiality analysis, in which it participates in collaboration with our stakeholders.

Its composition as of 31 January 2024 is as follows:

Member
Mr Victor Viñuales Edó
Ms Paula Farias Huanqui
Ms Cecilia Plañiol Lacalle
Mr Ezequiel Reficco
Mr Javier Sardina López

Accountability and transparency

In addition, the **Sustainability Committee** is further tasked with overseeing and verifying the process of preparing regulated and non-regulated non-financial information. This procedure is carried out in coordination with the **Audit and Compliance Committee**, which is responsible for the ultimate supervision and evaluation of the preparation process and the integrity of the non-financial information included in the management 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 competence, as well as enhancing the quality of non-financial information made available to the market.

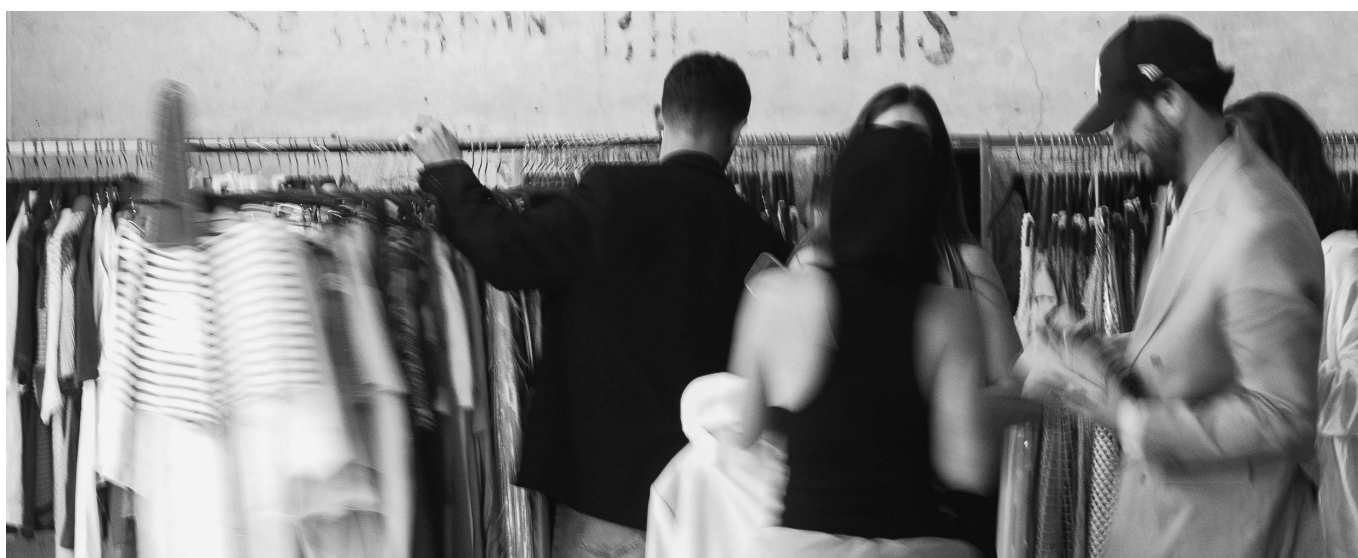
The link between sustainability performance and the remuneration system for our Executive Director and Senior Managers

The Chief Executive Officer's variable remuneration, both annual and multi-year, is linked to the fulfilment of certain sustainability goals (environmental, social and corporate governance), consistent with the Group's sustainability strategy, which is a further incentive for the development of that strategy.

The annual variable remuneration of the Chief Executive Officer for 2023 is linked to, among other criteria, progress in the implementation of Inditex's global sustainability strategy. This progress will be measured according to the indicators updated at the 2023 Annual General Meeting, with a maximum weight of up to 15% of the total annual variable remuneration.

Weight	Goal	Measurement criteria ⁽¹⁾
15%	Progress in the implementation of Inditex's global sustainability strategy, measured according to the following indicators:	(i) Increase in the use of lower-impact fibres, measured through the use of raw materials from preferred sources: cotton, linen, polyester and cellulosic fibres;
		(ii) Degree of progress in the plan for the environmental improvement of supply chain, focused on reducing water and energy consumption;
		(iii) Degree of compliance with our commitment that by 2023, all waste generated at our corporate headquarters, logistics centres, own factories and own stores will be properly collected and managed;
		(iv) Degree of compliance with our 2023 target that all packaging materials should be collected for subsequent reuse in our supply chain;
		(v) Development of additional mechanisms in renewable energy infrastructure;
		(vi) Degree of implementation of environmental projects related to the initiative to charge for paper bags and envelopes in stores;
		(vii) Degree of progress in the elimination of single-use plastics for customers; and
		(viii) Innovation projects related to textile recyclability.

(1) The objectives themselves do not change with respect to what was published in the previous year's report, nor does their calculation methodology; this is merely a terminological adaptation to the evolution of sustainability initiatives.



Furthermore, 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 metrics to which the long-term incentive plans are linked are as follows:

Weight	Target	2021-2025 Plan Measurement Criteria		2023-2027 Plan Measurement Criteria
		(Cycle I)	(Cycle II)	(Cycle I)
25 % ⁽¹⁾	Sustainability index (composed of four indicators)	Use of lower-impact fibres: measured as percentage use of raw materials from preferred sources.	Preferred fibre consumption: measured as the percentage reduction of the weight of conventional fibres over total fibre consumption (in t), for the four fibres involving a public commitment (cotton, polyester, man-made cellulosic fibres and linen).	Consumption of textile raw materials with lower impact (known 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 winter campaign of financial year 2025 over total purchases of the main fibres (cotton, polyester, linen, viscose, modal and lyocell) in that campaign.
		Waste management: measured as the percentage of Inditex facilities (headquarters, factories, logistics centres and stores) that have a waste management system in place to recycle, recover and adequately treat such waste for its recovery, preventing it from ending up in a landfill.	Water consumption: measured in terms of percentage reduction of water consumption (litre/kg) in the supply chain.	Water consumption: measured as the percentage reduction in water consumed (litre/kg) in the supply chain between the cycle start date (1 February 2023) and end date (31 January 2026).
		Decarbonisation: measured as the reduction in the volume of Greenhouse Gas emissions in own operations (scope 1 and 2).	Decarbonisation: measured as the percentage reduction in the volume of scope 3 Greenhouse Gas emissions, in the 'purchased goods and services' category.	Decarbonisation: measured as the percentage reduction in the volume of scope 3 Greenhouse Gas emissions, in the 'purchased goods and services' category, between the cycle start date (1 February 2023) and end date (31 January 2026).
		Social: measured as the percentage of suppliers of Inditex products ranked A or B in the social score index.	Social: measured as the percentage of suppliers of Inditex products ranked A and B in the social score index.	Social: total number of workers included in programmes in the Priority Impact Areas of Social Dialogue, Living wages, Health, Respect and Resilience, pursuant to the Workers at the Centre Plan in the period from 1 February 2023 to 31 January 2026 (cumulative data for the three years 2023, 2024 and 2025).

(1) Taking into account that two different long-term incentive plans have been in force during the financial year 2023, in which the weight of the sustainability index is already 25 % in both cases.

As a result, in 2023, the weight of sustainability goals over the CEO's total variable remuneration has been approximately 20%, and 36% over fixed remuneration.

website (in the 'Investors' section, under 'Corporate Governance > Reports & Regulations') and on CNMV website.

Details of the objectives, the measurement criteria and the scales of achievement for each of the sustainability objectives linked to the Chief Executive Officer's variable remuneration are provided in the 2023 Annual Report on Remuneration of Directors. It was approved by the Board of Directors on 12 March 2024 and is available on the corporate

① More information in the [Annual Report on Remuneration](#).

There is a clear alignment between the remuneration structures of the Chief Executive Officer and the members of Senior Management, coinciding both in their principles and remuneration items 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:

- / The total remuneration of the members of Senior Management consists mainly of the following items: (i) fixed remuneration, (ii) annual variable remuneration and (iii) long-term variable remuneration.
- / The metrics established in both annual variable remuneration and multi-year variable remuneration are linked to the achievement of a combination of financial and non-financial targets. These targets are specific, predetermined and quantifiable, aligned with the social interest and the Group's Strategic Plan. Accordingly, compliance with sustainability goals is also a component of the Senior Management's variable remuneration.
- / This variable remuneration system has the flexibility to allow modulation to the extent that, under certain circumstances it is possible for members of Senior Management to not receive any variable remuneration if minimum performance thresholds are not met. That is, there are no guaranteed variable remunerations.

All of the foregoing reinforces the commitment of the Company's key staff to sustainability. It also means that variable remuneration is fully linked to business performance and aligned with the social interest and with the Group's sustainability goals and strategy, in the short, medium and long term.

5.1.2. Human rights due diligence

GRI 2-23; 2-24; 2-25; 2-6; 3-3; 407-1; 408-1; 409-1; AF5; AF24

① More information in the [Human Rights Report](#) available on Inditex's website.

Respect for human rights is a priority for Inditex, which is why our approach to it is comprehensive. We place people at the centre of all our decisions and actions. This commitment starts with the Board of Directors and permeates the entire Company through the corporate culture. Thus, respect for human rights is integrated in processes, decisions and relationships throughout our day-to-day.

Based on this commitment, our human rights strategy is fully aligned with the United Nations Guiding Principles on Business and Human Rights. This strategy pervades all Group operations and articulates our alignment with best practices throughout the value chain.

Specifically, our human rights strategy is structured on the following three pillars:

Inditex's human rights strategy

Integrating the promotion of and respect for human rights throughout our value chain

Policy on Human Rights

Approved in December 2016 and amended in February 2024 by the Board of Directors.

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 processes.

Policy on Human Rights

Approved by the Board of Directors in 2016 and updated in February 2024, our Policy on Human Rights is the first pillar of our strategy. It is based on related reference documents such as the Universal Declaration of Human Rights, the Guiding Principles on Business and Human Rights and the main conventions of the International Labour Organization, among others.

This Policy enshrines Inditex's commitment to the values that these frameworks represent and is binding on all employees, regardless of their seniority and on all those having dealings with the Group.

For prioritisation purposes, the Policy also identifies the rights most directly connected with the main activities of the Group and the stakeholders we interact with:

Policy on human rights

Respect for all universally recognised human rights.

Prioritisation of rights most closely linked to the business model:

Non-labour human rights

- / Respect for minorities' and communities' rights.
- / Right to personal data protection and privacy.
- / Right to health.
- / Right to freedom of opinion, information and expression.
- / Right to security of the person.
- / Contribution to the fight against corruption.
- / Right to the environment and to water.

Labour human rights

- / Forced or compulsory labour is rejected.
- / Child labour is rejected.
- / Discrimination is rejected and diversity is promoted.
- / Respect for freedom of association and collective bargaining.
- / Protecting workers' health and safety.
- / Just, fair and favourable working conditions.

The Board of Directors is the body responsible for approving the Policy on Human Rights, and is mainly supported by:

- / The Sustainability Committee, an informative and consultative body, responsible for promoting the commitment to human rights and compliance throughout the Company with the stringent policies, regulations and standards on human and labour rights.
- / The Audit and Compliance Committee, overseeing and assessing risks of all kinds, in particular those relating to human rights.
- / The Social Advisory Board, a collegiate body integrated by external independent experts, which advises the Group in human rights issues.

① More information in section [5.1.1. Good Corporate Governance](#) of this Report.

Human rights due diligence

Human rights due diligence processes are the tool we use to identify and prioritise potential negative impacts from our activity, and to develop the appropriate mechanisms to prevent, mitigate or remedy them, as appropriate. These processes are consistent with the control system defined in the **Due Diligence Policy** and in its implementing internal regulations, described in section [8.1.2. Global Compliance Model and Criminal Risk Prevention Model](#).

For these human rights due diligence processes to be truly effective, they must always be kept up to date. At Inditex, we achieve this through continuous interaction with our stakeholders and with the sustainability teams working on the ground in our supplier clusters.

Inditex's view with respect to the scope of the human rights strategy coincides with that of the Guiding Principles: it must cover the entire **value chain**. This means identifying and prioritising potential impacts so as to incorporate the findings into our activities, designing tools to prevent and mitigate them, and continuously enriching and complementing these tools. The creation of these processes involves all the key areas of the Company, such as Human Resources, Risk Management or Compliance, and they are constantly reviewed and updated.

Due to its importance, nature and scale, our **supply chain** is a priority area of our value chain in terms of respecting and promoting workers' human and labour rights. In this regard, the support and assessment of our suppliers is a core aspect of due diligence in our supply chain, informing our strategies and ensuring workers' protection and the promotion of their rights. Furthermore, our current sustainable supply chain management strategy, *Workers at the Centre 2023-2025*, is the culmination of two decades of experience and learning. The aim is to understand the needs of workers and their communities and place them at the centre of our decisions and programmes. Designed following a due diligence process conducted in collaboration with Shift in 2018 and updated in 2022, the strategy currently covers five Priority Impact Areas: social dialogue, health, living wages, respect and resilience.

① More information in section [7.2. Workers in the supply chain](#) of this Report.

Key elements for due diligence

Communication and cooperation

Our culture of collaboration as a tool for tackling complex challenges is also crucial for due diligence processes. At Inditex we constantly turn to international organisations, various NGOs and a range of initiatives to optimise the development of projects and training or to design and execute our strategies. Some of the most important organisations with which we collaborate are the International Labour Organization, the United Nations Global Compact and global trade unions UNI Global Union and IndustriALL Global Union. Special mention should be made of our partnership with Shift, the leading centre of expertise on the Guiding Principles on Business and Human Rights, with whom we conducted the due diligence exercise in 2018 that spawned the Workers at the Centre strategy and its updated version in 2022. In addition, Shift also coordinates and organises another initiative involving Inditex: the Business Learning Program, a space in which to share practices and learning in connection with fostering human rights at companies in various sectors.

Awareness and training

The Group's aim is to integrate responsible practices into all our team's decisions and actions, as well as in our relations with third parties, to ensure that human rights are always guaranteed. This is where corporate culture plays a key role. We constantly train our people and raise their awareness, as soon as they join the Group, and the same applies to our suppliers, manufacturers and other stakeholders. Moreover, in our supply chain, training on issues such as gender equality, social dialogue or health and safety is complemented by our responsible purchasing practices, which we promote through means of specific training for our purchasing teams, who have a close relationship with suppliers.

For example, in 2023, the Sustainable Fashion School has provided the commercial and design-teams with training that includes specific topics on human rights and their potential impacts related to the business model.

Respect and promotion of human rights form part of our corporate strategy, are integrated into our business model, permeate the entire organisation through our corporate ethical culture and govern our relationships with third parties, with a particular focus on the supply chain.

Grievance mechanisms

Grievance mechanisms, the third pillar of the human rights strategy, are key to improving the due diligence process, as their information helps identify potential negative impacts, and allows the Company to react and mitigate any risk in advance.

Our main grievance mechanism is the Ethics Line, which is available both to Inditex staff and to third parties with a legitimate interest. This channel enables queries and communications related to the interpretation of and compliance with the internal rules of conduct to be sent, in the strictest confidentiality and even anonymously, to the Ethics Committee so that it can analyse them and adopt any necessary measures.

Another important mechanism is the one established under the umbrella of our Global Framework Agreement with the IndustriALL Global Union federation of industry trade unions. Thanks to the Global Framework Agreement, in force since 2007 and whose fifteenth anniversary took place in 2022, we reach out to workers in the supply chain through their representatives to promote social dialogue. The aim of the Framework Agreement is to guarantee respect for human rights in the social and labour environment by promoting respect for labour standards throughout the Inditex supply chain.

① More information in section 8.1.2. *Global Compliance Model and Criminal Risk Prevention Model* of this Report and in the *Report Workers at the Centre*, available on Inditex's corporate website.

5.1.3. Responsible risk management

GRI 2-23; 2-24; 201-2; 304-2; 308-2; 3-3

5.1.3.1. 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, based on the COSO Enterprise Risk Management (ERM)⁶ framework, covers our entire Group, both at corporate level and in the different business units and subsidiaries, regardless of their geographic location. It is incorporated in our strategic planning process, in the definition of business objectives, as well as in the Group's day-to-day operations. The IRMS comprises 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 **Risk Management Policy** establishes the basic principles, risk factors and the general action guidelines for managing and controlling the risks that affect our Group. The determination of this Policy is a non-delegable power of the Board of Directors, and its promotion corresponds to this body and to the Senior Management of the Group, although its implementation is the responsibility of every one of us within Inditex. Its application may be extended, in whole or in part, to any individual and/or legal person linked to the Group. The purpose of the Policy is to provide reasonable assurance in regard to the achievement of the objectives 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.

The IRMS is based on this Policy and 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 responsible for monitoring specific risk areas. Other relevant risk management policies and regulations are detailed below. Our IRMS is based on the 'COSO ERM' methodological framework and the relevant ISO standards, adapted to our own needs and specific characteristics. Furthermore, special evaluation and quantification methodologies are used to tackle specific risks, particularly those relating to climate.



Bodies responsible for preparing and implementing the Risk Management System

The IRMS ensures adequate segregation of duties between the different elements that comprise, the responsibilities between the units and bodies involved in the IRMS are based on the three lines of defence model, specified below:

⁶ 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 Risk Management and Control Policy, which establishes the basic principles, key risk factors and the general framework for their management.

Audit and Compliance Committee

Supervision

of the risk control and management function, verifying its 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 most significant financial and non-financial risks and their tolerance levels.

Risk Map

identifying the main risks by category, and an evaluation of these in terms of their potential impact, probability and the Group's preparedness for tackling them.

Three lines of defence

1. Business units *(continuous reporting)*

Responsible for managing and reporting the risks to which the Group is exposed in their respective areas, including climate risk.

2. Risk management / Compliance function *(quarterly reporting)*

Responsible for coordinating and updating the Integrated Risk Management System to maintain the highest level of quality, coordinate the management of non-compliance risks (detailed in 8.1.2. Global Compliance Model and Criminal Risk Prevention Model).

3. Internal Audit *(quarterly reporting)*

Independently and objectively supervising the Integrated Risk Management System.

Senior Management

Awareness and education

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.

Setting the risk level

that the Company considers acceptable, based on the objectives and interests of the Company and its stakeholders.

Risk identification, assessment and prioritisation

There are uniform, standardised and systematic processes for identifying, evaluating, and prioritizing risks, based on the concepts of risk appetite, risk tolerance and risk target. The risk factors to which the Group is subject are classified into six categories, which are subdivided into lower hierarchical classifications according to their causality: financial, geopolitical, technological, environmental, social and governance risks.

The risk identification process aims to pinpoint, recognise and describe the risks that may prevent the Company from achieving its objectives. The identification is based on the best available information, taking as a fundamental basis the knowledge and expertise of the areas directly responsible for risk management, supplemented, if necessary, with relevant external sources. Emerging risks are also considered, i.e., those new risks that are in the process of transformation or are a novel combination of risks, whose impact, likelihood of occurrence and cost are not yet well understood. In any case, the geographical scope or dimension of the risks is considered and evaluated, especially those particular to certain geographies and those related to climate.

Risk criteria must be set by Senior Management, based on the Group's objectives and interests, as well as those of our various stakeholders, and are updated periodically. Risks are assessed in terms of residual risk, i.e., the risk remaining after taking mitigation actions.

The assessment considers three magnitudes for each risk: impact, likelihood of occurrence and level of preparedness. The Risk Management department periodically (at least annually) asks the different risk management units to assess and review the different risks and the mitigation and adaptation measures implemented and planned through a



system of interviews and questionnaires. In general, risks are assessed on a one-year time horizon, although, for some risk categories, particularly environmental risks such as climate risk, short, medium and long-term time horizons are considered. A risk register is kept, represented in a risk map, evaluated according to their total impact (strong, high, moderate and minor risks). The map is periodically reported to the Board of Directors and contains the critical risks, meaning those which, if they 'were to materialise' could jeopardize the achievement of our strategic objectives.

Enterprise risk management and control framework

Impact

Effect that a risk would have if it were to materialise. Risk managers consider the worst possible impact scenario for the materialisation of the risk and assess the impact on each strategic objective based on their own calculations, except for the 'Corporate image and reputation' variable, for which they use a standard questionnaire. To obtain the total risk impact assessment, the result of the variable with the highest impact is considered and increased according to the other affected variables on a weighted basis.

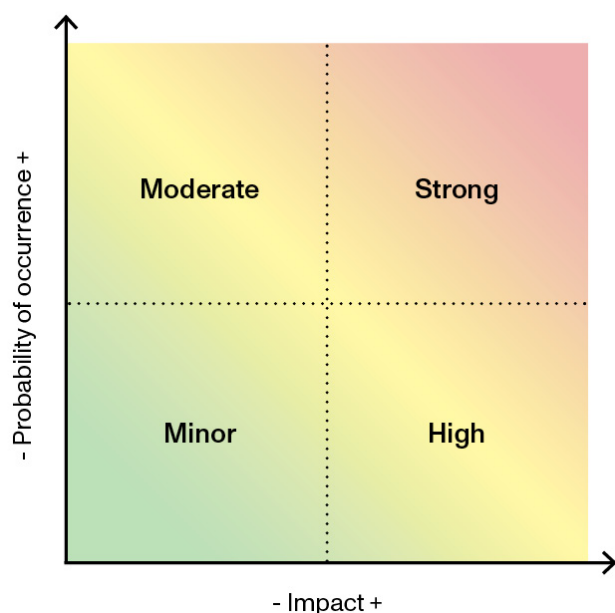
Likelihood

Risk managers consider an average scenario to assess the probability of occurrence. The estimated probability of the risk materialising is assessed taking into account the track record of the past five years as well as the one-year expectations. The different possible scenarios are documented in terms of impact and likelihood of occurrence.

Preparation

The level of preparedness is assessed using a questionnaire on aspects related to response capacity, existing mechanisms and controls, scenario analysis and contingency plans.

These assessments are transferred to the tolerance scales defined by Senior Management for each of the variables to obtain the total impact level. Currently, different thresholds are evaluated for the following financial variables: change in sales, change in gross margin, change in net profit and change in cash flow generated from operating activities.



For the assessment of climate change related risks, we also use methods aimed at the financial assessment of physical (acute and chronic) and transitional risks in the short, medium and long term using a **scenario methodology**.

① More information in section [6.1.5. Risks and opportunities arising from climate change](#) of this Report.

The Group is currently in a process of progressive transition in the measurement of critical non-climate related risks, from an impact, likelihood of occurrence and level of preparedness methodology to a scenario methodology.

Each scenario is analysed considering increasing levels of severity to simulate its likelihood of occurrence, its temporal evolution, its recovery curve and its aggregate and disaggregated impact. The purpose is to calculate 'Earning Value at Risk' over a five-year time horizon discounted to obtain its present value. This enables the Group to assess risks in intrinsic and residual terms, once risk mitigation and transfer measures have been taken into account. This method corresponds to the process of evolution and development of the IRMS.

5.1.3.2. Risk map

The risk map represents the inventory of critical risks for the Group. There are also maps for specific risk categories that offer greater 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 standards and demographics, as well as the prevalence of diseases and the development of public healthcare systems.

Main risks	Description and impact	Main mitigations	Risk trend
Human capital	<p>Risks connected to talent and people management are related to the need to adapt our organisational culture to the needs of the employees derived from 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 employees, work-life balance, and diversity, among other factors.</p> <p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> / Knowledge transfer and the involvement of all our people in our culture and way of operating. / Team development as a whole, growth opportunities for the most talented people and retention of key employees through professional development, training and compensation policies. / Recruitment of new staff 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. / Promoting social dialogue at all levels. <p>① More information in section 7.1. Our people of this Report.</p>	↑

Main risks	Description and impact	Main mitigations	Risk trend
Infectious and contagious diseases	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. They can become systemic because of how their consequences manifest.	<ul style="list-style-type: none"> / Set 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. <p>① With regard to the impact and the mitigation measures, see section 5.1.3.3. Risks that materialised over the course of the year of this Report.</p> <ul style="list-style-type: none"> / Maintenance and updating of measures established by the health authorities: creating emergency management committees, collection of data on the epidemiological situation, regular information to employees, installing protective screens in workplaces, adapting capacity, etc. <p>① More information in section 7.1.7. Health and safety of this Report.</p>	↓
Brand perception	Risks which have a direct influence on the perception of stakeholders (customers, employees, shareholders and suppliers) and society in general regarding our Group.	<ul style="list-style-type: none"> / Monitoring of the Group's image in all areas, conducted by various departments, including Communications and Institutional Relations. / Set 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 Capital Markets Department. / Code of Conduct. / Code of Conduct for Manufacturers and Suppliers. / Policy on Official Internet and Social Networks Accounts and Profiles. <p>① More information in sections 5.3.1. Stakeholder engagement and 8.1. Corporate ethical culture and solid Compliance architecture of this Report.</p>	↑

FINANCIAL RISKS

Threats originating in the macroeconomy, global value chains and in industry, or company-specific events that may prevent the proposed objectives from being achieved.

Main risks	Description and impact	Main mitigations	Risk trend
Competition	<p>The competitive environment may result in risks from difficulties in adapting to the environment or market in which we operate, either in the procurement processes or in the distribution or sales. This aspect is inherent to the fashion retailing business and consist of the possible inability of our Group 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.</p>	<ul style="list-style-type: none"> / 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 Strategy. / The Group's multi-brand format based on omnichannelling, through the full integration of channels and new technologies as an alternative in terms of communication and sales. / Feasibility analysis of each new market, business line or store, plus subsequent follow-up. <p>① More information in sections 3. Inditex at a glance and 5.2. Strategy of this Report.</p>	→
	<p>Competition may also emerge in the infringement of industrial and intellectual property.</p>	<ul style="list-style-type: none"> / 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 dedicated teams within the commercial areas. / Industrial and intellectual property training. / Industrial and Intellectual Property Product Control Policy. / Code of Conduct. 	→
Third-party	<p>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 facilities or other funding and guarantee vehicles, as well as the derivative instruments to hedge financial risks.</p>	<ul style="list-style-type: none"> / 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. / 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 maximum exposure limits in terms of counterparty. / Flexibility and diversification of the value chain ensure the resilience and continuity of our operations in the event of potential disruptions derived from third party behaviour. / Creation of the Third-Party Risk Management area. <p>① More information in section 8.3. Supplier relations of this Report.</p>	↑

Main risks	Description and impact	Main mitigations	Risk trend
Market crisis	<p>The euro is the Group's functional currency. Our international transactions require the use of numerous currencies, which gives rise to foreign currency exchange risk. Currency exposure emerges in terms of net investment, translation and transaction risks. We have investments overseas whose assets are exposed to the foreign currency exchange risk. And given that we consolidate 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.</p>	<p>/ Financial Risk Management Policy.</p> <p>① More information in note 26. Financial instruments and risk management policy of the Consolidated Annual Accounts.</p>	→
	<p>Supply and distribution shipping is critical to our business. There is a risk of stoppage 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.</p>	<p>/ In-house teams specialised in market customs regulations, which are in permanent contact with customs agencies.</p> <p>/ Diversification of shipping points and establishment of alternative routes.</p> <p>/ Continuous tracking of the product until it arrives at the store.</p> <p>/ Monitoring of relevant regulations and regulatory changes.</p>	→
Economic outlook	<p>Our activity is subject to the risk of a potential downturn in sales as a result of economic contraction or other macroeconomic headwind generated by external factors.</p>	<p>/ Flexible business model based on multi-brand omnichannelling.</p> <p>/ Territorial diversification through internationalisation strategy.</p> <p>① More information in sections 3. Inditex at a glance and 5.2. Strategy of this Report.</p>	→

Main risks	Description and impact	Main mitigations	Risk trend
Economic variables	<p>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. It is worth noting the impact of the increase in the price of the multiple raw materials, (textile and non-textile) consumed directly and indirectly in our operations, and in the procurement of goods, primarily of our products and services, particularly in relation to the transportation of supplies and distribution.</p> <p>① More information in note 26. Financial instruments and risk management policy of the Consolidated Annual Accounts and in section 6.4.2. Design and selection of materials of this Report.</p>	<ul style="list-style-type: none"> / 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 between stores and online teams with 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 times and to reduce inventory volumes, while maintaining the ability to introduce new products throughout the season. / Monitoring of raw material markets and strategic promotion of circularity and recycling of raw materials. <p>① More information in section 5.2. Strategy of this Report.</p>	↓

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.


Main risks	Description and impact	Main mitigations	Risk trend
Business environment and political instability	<p>Potential instability in the territories where our supply chain is located, as well as where products are marketed, represents 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 consequent impact on value chains, sales and expansion, or damage to our facilities.</p> <p>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 mismatches between supply and demand that limit access to transport and/or erode business margins.</p>	<ul style="list-style-type: none"> / Value chain with multiple geographic origins, providing the necessary flexibility and adaptation to demand, guaranteeing alternatives to the eventual need to switch between different manufacturing markets in the event of continued severe disruptions. / Points of sale diversification. / Country risk monitoring and proximity to local markets. / 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. <p>① More information in sections 3. Inditex at a glance, 5.2. Strategy and 8.3. Supplier relations of this Report.</p>	→

Main risks	Description and impact	Main mitigations	Risk trend
<p>Government and business policies, and regulatory framework</p>	<p>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 industry, as well as the possibility that local authorities might adopt different or even divergent interpretations in various jurisdiction, expose the Group to potential negative effects of a financial, compliance and/or reputational nature.</p> <p>This includes risks relating to labour, commercial and consumer law, industrial and intellectual property law, and personal data protection and privacy regulations, with particular relevance on tax and customs regulations, as well as risks relating to other legislations.</p> <p>Expectations of significant regulatory or policy changes that may create uncertainty for the normal development of the business model and require a financial and operational planning to ensure proper adaptation.</p>	<ul style="list-style-type: none"> / Systematic monitoring of the impacts and risks of emerging regulations that affect the business model and the proposal of operational solutions. / Business model based on a firm commitment to good governance, transparency and respect, aimed at promoting social and environmental sustainability, and spreading 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 Regulations 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, arising from potential non-compliance. / Policy on Donations and Sponsorships, Policy on Gifts and Invitations, and Policy on Dealings with Public Officials. / 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. <p>① More information in sections 8.4. Tax responsibility and transparency and 8.1. Corporate ethics culture and solid Compliance architecture of this Report.</p>	

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, best practices, as well as 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.

Main risks	Description and impact	Main mitigations	Risk trend
Business model implementation	Risks related to potential failure 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.	<ul style="list-style-type: none"> / 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 the adequacy of supply to market demand. / Linking up with customers through social media and existence of different points of contact to capture tastes and expectations (stores, online sales). / Sourcing in proximity allowing a quick response to customer demand. <p>① More information in section 5.2. Strategy of this Report.</p>	→
Business model implementation	Risk of concentration of logistics operations (procurement, storage and distribution) in a limited number of distribution centres, both own or operated by third parties, located across Spain.	<ul style="list-style-type: none"> / Logistics Hub in the Netherlands. / Use of smaller logistics centres located in other countries and operated with third parties which conduct 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. / Logistics Expansion Plan, which assesses the need and contemplates new investments if required. <p>① More information in section 5.2. Strategy of this Report.</p>	↑

Main risks	Description and impact	Main mitigations	Risk trend
Non-Compliance	<p>The Group is exposed to the risk of non-compliance with its Policy on Human Rights and other regulations we have established in this matter. In particular, non-compliance with 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.</p> <p>Furthermore, the demand for ESG (environmental, social and governance) behaviour in the fashion industry is increasing and is based on traceability and transparency.</p>	<ul style="list-style-type: none"> / 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. / Code of Conduct for Manufacturers and Suppliers compliance programme 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 verification process that confirms that production takes 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 articulated, our objectives and their progress, among other topics. One of our main purposes of being transparent is the annual reporting that we conduct through this Statement on Non-Financial Information, or the information that we regularly disclose on our website. <p>① More information in sections 5.1.2. Human Rights due diligence, 8.1. Corporate ethical culture and solid compliance architecture and 8.3. Supplier relations of this Report and section F.1.2. of the Annual Corporate Governance Report.</p>	

Main risks	Description and impact	Main mitigations	Risk trend
Non-compliance	<p>Our Group faces the risk of non-compliance with the law in a formal or material sense, with good governance recommendations, best practices or voluntary commitments.</p> <p>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 exceed regulatory requirements.</p>	<p>/ Global Compliance Model.</p> <p>/ Criminal Risk Prevention Model, comprising the Criminal Risk Prevention Policy, the Criminal Risk Prevention Procedure and the Criminal Risk and Control Matrix.</p> <p>/ The main policies approved within the framework of the Criminal Risk Prevention Model are as follows: Policy on Donations and Sponsorships, Policy on Gifts and Invitations, Policy on Dealings with Public Officials, 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.</p> <p>/ Ethics Line and Ethics Committee.</p> <p>① More information in section 8.1.2 Global Compliance Model and Criminal Risk Prevention Model of this Report.</p>	→
	<p>This includes risks related 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.</p>	<p>/ Data protection and privacy compliance model, considering the Compliance Policy Regarding Data Protection and Privacy as the basic rule.</p> <p>① More information in section 8.2.2. Personal Data Protection and Privacy of this Report.</p> <p>/ Annual assessment of the Corporate Governance System in order to verify its degree of compliance and adaptation to new legislation, recommendations, standards and best practices in this respect, and to systematically reinforce good corporate governance practices.</p> <p>/ Regular 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.</p> <p>/ Quarterly monitoring by the Sustainability Committee, of the progress on the commitments undertaken.</p>	
Products and services	<p>We are exposed to risks related to the quality, composition and other health and safety aspects of our products.</p>	<p>/ Performing controls and verifications of product health and safety standards and detailed manufacturing guidelines through the Clear to Wear programmes: Product Health Policy and Safe to Wear: Product Safety Policy.</p> <p>① More information in sections 6.4.3. Health and safety of products and 8.3. Supplier relations of this Report.</p>	→

ENVIRONMENTAL RISKS

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

Main risks	Description and impact	Main mitigations	Risk trend
Climate change	<p>Our performance is exposed to the potential impacts of climate change in its different manifestations of physical risk, whether chronic or acute, as well as to the risks resulting from the transition to a low-carbon economy. For physical risks, seven climate phenomena are taken into consideration: heatwave, freeze, river flooding, coastal flooding, 'temperate' and tropical storms and water stress in the river basins where our own or third-party facilities are located.</p>	<ul style="list-style-type: none"> / Decarbonisation is one of the main pillars 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 6.1.5. Risks and opportunities arising from climate change focuses on this risk under the Task Force on Climate-related Financial Disclosures (TCFD), to which the Group adhered in June 2020. ① More information in sections 6.1.3. Emissions of GHG of scopes 1, 2 and 3 and 6.1.5. Risks and opportunities arising from climate change of this Report. 	→
Environmental degradation and Scarcity of natural resources	<p>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.</p>	<ul style="list-style-type: none"> / 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 strategies: Biodiversity Strategy, Global Water Management Strategy and Global Energy Strategy. / Forest Product 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 us converting waste generated at our facilities into resources available for 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. ① More information in section 6. Environment of this Report. 	→

Main risks	Description and impact	Main mitigations	Risk trend
Extreme weather events	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. Section 6.1.5. Risks and opportunities arising from climate change includes 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.

Main risks	Description and impact	Main mitigations	Risk trend
Critical infrastructure	We are 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.	<ul style="list-style-type: none"> / 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 shutdown. / Tier IV certified main data centre, which 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 point of view of compliance with personal data protection and privacy regulations. <p>📌 More information in section 8.2. Information security and privacy of this Report.</p>	→

Main risks	Description and impact	Main mitigations	Risk trend
Cybersecurity	<p>This refers to exposures that could compromise the continuity of operations and/or 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.</p> <p>We are aware that technological 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.</p>	<ul style="list-style-type: none"> / Existence of a Chief Information Security Officer (or 'CISO'), reporting directly to the Chief Executive Officer. / Creation of a Cybersecurity Advisory Committee, composed of independent experts, with the aim of reinforcing the Group's cybersecurity decision-making. / Availability of a reference framework (Information Security Policy) aimed at ensuring the confidentiality, integrity and availability of information. / Permanent control of the Information Security Management System to ensure confidentiality and integrity of information and uninterrupted development of the operations through the Information Security Department and with the support of the Information Security Committee. / Continuous review mechanisms, by the Information Security department, evaluated by internal and external audits, for the prevention, detection and response to cyberattacks. / Updating the inventory and technology and information security risk map to establish the necessary mitigation measures and ensure continuous improvement by the responsible areas. / Development of a strategic plan with international experts in order to maintain and improve the maturity of the Information Security programme. / Insurance policies to cover loss of profit, expenses arising from the attack and the Company's civil liability for damage caused to third parties. / Compliance with Payment Card Industry Data Security Standard (PCI-DSS) and ISO/IEC 27001 certification for Information Security. / Certifications required within international regulatory frameworks, such as the K-ISMS⁽¹⁾ in South Korea and the MLPS⁽²⁾ in China. / Awareness and skill-building through employee cybersecurity training. / Procedure on Information Security Incident Response, which includes the management of incidents involving personal data from the point of view of compliance with data protection and privacy. <p>① More information in section 8.2. Information security and privacy of this Report.</p>	→
	<p>(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.</p> <p>(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.</p>		

Main risks	Description and impact	Main mitigations	Risk trend
Industrial accident	<p>We face the risk of business interruption associated with the possibility of extraordinary events beyond our control (fires, transport or key supplier strikes, interruptions in energy and fuel supplies, etc.), which could significantly affect the normal functioning of our operations. The main risks of this type are concentrated at logistics centres and third party operators transporting goods.</p>	<ul style="list-style-type: none"> / 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 logistics centres in a way that they can assume the storage and distribution capacity of other facilities in the event of a contingency caused by accidents or stoppages in distribution activities. / Logistics Expansion Plan, which assesses the need and envisages new investments if necessary. Phasing-in application 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. <p>📄 More information in section 5.2. Strategy of this Report.</p>	↑
Disruptive technology	<p>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 its application to the automation and optimisation of existing processes, or its transformative application in other fields.</p>	<ul style="list-style-type: none"> / Digital transformation and the promotion of 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 facilitates sales growth by integrating channels. It ensures immediate availability and accessibility of business data, obtained thanks to our full integration, with the purpose of continuing to speed up decision-making processes, manage inventory more efficiently and improve customer services service levels. / Digitalisation is key to the development of our sustainability strategy since, 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 our team's communication and training across the world. <p>📄 More information in section 5.2. Strategy of this Report.</p>	→

Main risks	Description and impact	Main mitigations	Risk trend
Disruptive technology	The governance, availability, quality and value of the information generated in the development 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, 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 fundamental in this area of risk.	<ul style="list-style-type: none"> / Periodic review of the management information distributed to the different 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 areas across the Group, especially Planning and Management Control and Administration, which report to the Finance Area, are directly responsible for generating and supervising the quality of the information. The Information Security department is responsible for ensuring that this information is accessible and/or modified only by authorised personnel, 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 point of view of compliance with data protection and privacy. ① More information in section 8.2. Information security and privacy 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 risks associated that allow to reasonably ensure the reliability of the Group's public financial information. ① More information in the Report on Internal Control on Financial Reporting (ICFR) systems. / Ensuring the reliability of the non-financial information supplied to the market through an internal control on non-financial reporting (ICNFR) system. / The Consolidated Annual Accounts and those of all the relevant companies, as well as the Statement on Non-Financial Information, which forms part of the Management Report, are subject to independent verification by the external auditors. For the most significant companies, the external auditors are asked to make recommendations on internal controls. ① More information in section 10. Independent Verification Report of this Report. 	↑

5.1.3.3. Risks that materialised over the course of the year

During this year, the macroeconomic and geopolitical environment remained uncertain and challenging. The Group ceased operations in the Russian Federation after the sale of our business in the country to the Daher Group. Operations in Ukraine remain suspended at the time of preparation of this report, although they are scheduled to be gradually reopened from April 2024.

① More information in [note 33](#) of the Consolidated Annual Accounts.

The conflict in the Middle East significantly worsened the business environment. The Middle East concentrates an important part of the Group's commercial activity. After the outbreak of hostilities, sales in the affected territories suffered temporarily, although operations have gradually returned to normal. So far, the main impact of the instability in the Middle East has to do with the effects on the transportation flows through the area between Asia and Europe. At the time of writing this Report, most of the container vessels from Asia carrying our goods, which normally pass through the Suez Canal, are making their way around continental Africa. As a result, average transit times have been extended by around one week, although, for the time being, there seems to be no risk of disruption to transport chains and no lack of availability of vessels and/or containers. Shipping costs may have risen as a result of higher fuel consumption and the extraordinary cost overruns. Our operations have not been significantly impacted by this situation so far.

Depending on the duration and severity of the tensions in the Middle East, transportation disruption might end up having other repercussions, from affecting other means of transport, to unforeseen increases in hydrocarbon prices that could contribute to a possible spike in inflation.

During the year many markets continued to experience very significant inflationary processes, although as the interest rate cycle normalised prices began to moderate, while remaining far from central banks' target levels. The costs of some goods and services that make up our value chain have not yet returned to their pre-inflationary levels. Some markets have experienced pressure on labour costs as a result of the aforementioned inflationary process and also due to employment misalignments.

In this context, our cost control has continued to be systematic and rigorous. Regarding the economic environment, the normalisation of monetary policies aimed at combating inflation has not caused contractions or sudden decelerations. However, in many of the markets where we operate the economic outlook shows some fragility. There is considerable uncertainty regarding the potential economic performance and its impact on consumption.

The Group has franchised its operations in Argentina and Uruguay through an agreement with the Trade Alliance Holding Corp Group. These two markets are now operated as franchises, thus assimilating the management model chosen in most of Latin America.

The economic and geopolitical environment has generated instability and volatility in financial markets. Foreign exchange risk has been particularly concentrated on US dollar and Turkish lira. During 2023, fluctuations of non-euro currencies had a negative impact on the Company's sales growth and a slightly positive impact on the cost of goods sold. Foreign exchange rate risk continued to be pro-actively managed in accordance with the Group's guidelines based on centralized management, operational optimisation of foreign exchange exposures, maximising the benefit of diversifying the risk portfolio and monitoring risk continuously.

Although the Group has a solid cash position, measures have been intensified to guarantee and safeguard the Company's liquidity. The Group also has external sources of financing through credit facilities, mostly committed, totalling 8,155 million euros.

Over the course of the year, our activities were affected by various natural disasters, from extreme weather events in Europe and Asia to earthquakes like the one that struck Japan, affecting some of our points of sale. Nevertheless, the impact of these events was not material in terms of either disruptions to our operations or economic losses at a Group level.

① More information in [note 21](#) of the Consolidated Annual Accounts.



5.2. Strategy



5.2.1. Business model and strategy

GRI 2-1; 2-6; 2-23

The Inditex Group is a family of different commercial brands: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home. All of them share the same purpose: to offer our customers an inspiring, quality and responsibly produced fashion proposal.

Inditex is present in 213 markets, with a low share in the majority of them and in a highly fragmented sector, meaning that its growth opportunities are excellent.

Our fashion distribution and sales activity is carried out through an international group of companies, the Inditex Group, whose parent company is Industria de Diseño Textil, S.A. (Inditex, S.A.), which is listed on all four Spanish stock exchanges. Details of the corporate structure at 31 January 2024 are provided in *Annex I* of the Consolidated Annual Accounts of the Inditex Group.

① Detailed information on the markets in which Inditex operates can be found in the *Consolidated Directors' Report*.

Our unique business model, which covers all the stages including the design of our products and their sale in our stores and online platforms, has enabled us, in just a few decades, to turn a small sewing workshop in A Coruña into one of the most relevant players in fashion retail in the world, grounded **on four solid pillars**.

The first of these is our ability to offer a **fashion proposal**, built on creativity, innovation, emotion, quality and, above all, on permanently listening to the needs and wishes of our customers. Our commercial brands excel in their capacity to adapt and respond to any change in the market or the irruption of any new trend, thanks to our fine-tuned production processes, with short runs that are fully adapted to demand. The importance of production in geographical areas close to our headquarters in Spain is key for us, as it allows us to prioritise flexibility and efficiently control the entire production process.

Moreover, at Inditex, we constantly strive to give our customers access to that fashion proposal through an **increasingly engaging shopping experience**, whether in our more than 5,600 stores or through the online channels of the Group's brands. We pride ourselves on having retail spaces in prime locations in the heart of the world's major cities. We rely on spacious stores fitted with the most innovative technological tools to offer the customer a unique and integrated experience with online platforms. The unique inventory system that allows a streamlined response to the market is only possible thanks to the excellent work of our teams and the continuous improvement of our logistics systems.

The key factor that explains the performance of our business model is the **extraordinary team** that makes it all possible. Inditex is made up of 161,281 passionate and curious people who are driven by the desire to excel and grow every day, regardless of their professional task or specific market. Our aim is to help all of our people develop their full potential as part of a diverse, creative and innovative team. We see our company as having a character of its own, in which attributes such as humility, ambition, high levels of individual responsibility, a sense of belonging and teamwork are not platitudes, but tangible realities that permeate everything we do and underpin the commitment of all our employees.

The fourth pillar on which our business model rests is **sustainability and responsibility**, the way we see our activity and our relationship with the surrounding environment. Inditex, which was launched with the aim of creating quality fashion and design at an attractive price, has had a comprehensive sustainability strategy since 2001, when we became one of the companies adhered to the United Nations Global Compact.

At Inditex we firmly believe in our capacity to act as an agent of change within the fashion industry and we are making remarkable efforts to reduce the environmental impact of our activity, progressing towards a circular model where waste becomes resources. Our sustainability action plan is enabling us to achieve more ambitious targets each year, such as the increasing use of preferred fibres and materials⁷ in line with our recently updated sustainability objectives, to reach our goal of net-zero emissions by 2040.

Our developments in sustainability would not be possible without an equally firm commitment to innovation and research, either through our Sustainability Innovation Hub, the platform with which we are continuously seeking the best materials, approaches and processes, or through start-ups, scientific institutions and third-sector organisations that have become our partners of reference, with whom we have pledged to collaborate and invest.

Transversal and collaborative innovation

Innovation is one of the transversal axes on which the four pillars of our strategy are aligned.

Through innovation, every day we aim to be **more creative, agile, efficient and respectful** in our interactions with our customers and our surrounding community alike. And, needless to say, **we strive to hone the customer experience and strengthen customers' trust** every time they choose us.

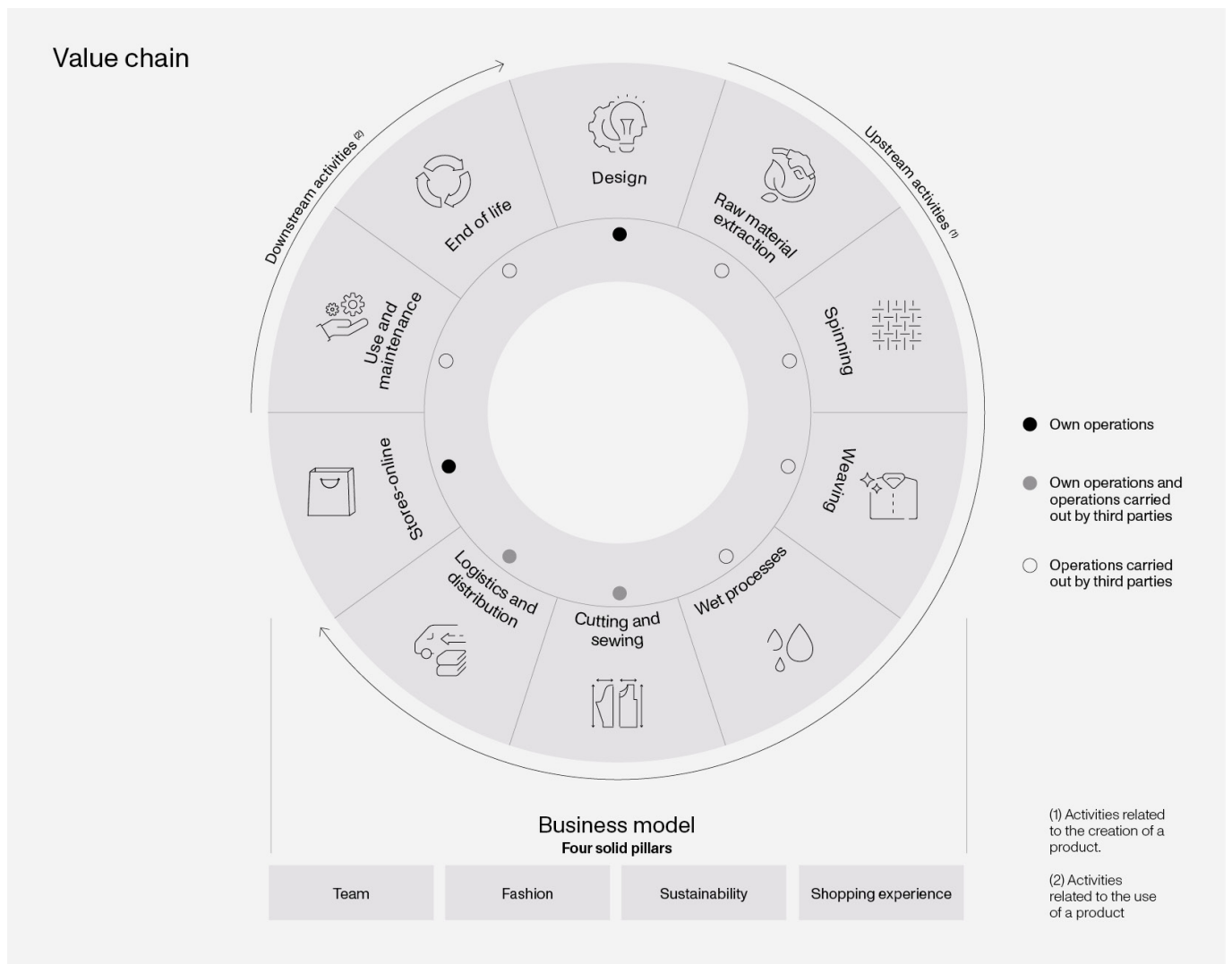
Our innovation model is **cross-cutting, flexible, collaborative and open**, not only to all the Company's areas and people, but to any organisation, entity or person with a different idea or disruptive proposal that helps build a better and more sustainable present and future.

Inditex's capacity for innovation and transformation is evidenced by the numerous projects that the Group has underway at every area and level of the Company and every stage of our value chain (design, manufacturing, transport, logistics, distribution, sales, product use and end-of-life), and will be detailed over the course of this Report. Some examples include the use of textile fibres from textile waste such as LOOPAMID® and cycora®, thanks to strategic collaborations with BASF and Ambercycle, respectively, the expansion of Zara Pre-Owned to reach 16 European markets in 2023, a platform that helps our customers to extend the useful life of our products; or the installation and testing of the physical equipment to implement new security technology and remove hard alarm tags in Zara stores globally.

Managing risk is inherent to our business model and directly responds to the precautionary principle throughout our value chain, a responsibility of each and every member of Inditex. We have systematic processes in place for identifying, assessing, recording and monitoring risks. All the main threats to our business model and its value chain (financial, geopolitical, environmental, social, technological and governance) are taken into account to ensure the proper continuity of the Group's operations. The Integrated Risk Management and Control System emanates from the Board of Directors and is articulated in the form of several regulations aimed at managing the various scenarios.

① More information in section [5.1.3. Responsible risk management](#) of this Report.

⁷ In line with the definition established by sector's benchmark organizations such as Textile Exchange. This defines a "preferred material" as a fiber or raw material that offers beneficial results and impacts for the climate, nature and people through a holistic approach transforming fiber and raw material production systems.



Action principles

- / Code of Conduct
- / Code of Conduct for Manufacturers and Suppliers
- / Policy on Human Rights
- / Diversity and Inclusion Policy
- / Community Investment Policy
- / Procurement Policy
- / Tax Policy
- / Sustainability Policy
- / Compliance Policy
- / Criminal Risk Prevention Policy
- / Occupational Health and Safety Policy
- / Integrity Policies
- / Information Security Policy
- / Due Diligence Policy
- / Compliance Policy regarding Personal Data Protection and Privacy
- / Global Anti-Harassment Policy

① More information about Inditex's principles of action in the section 'Ethical Commitment' at our corporate website.

5.2.1.1. Our value chain

Our business model comprises the following phases: design; sourcing and manufacturing; logistics and distribution; and, lastly, sales in our physical stores and online platforms.

Design

Our more than 700 designers are at the core of our business model. Their creative talent and innate ability to interpret trends, together with the analysis of sales and the daily feedback from our stores and sales teams, enable us to intuit, and even anticipate, what our customers want.

The development of that talent is underpinned by our conviction that responsible fashion starts at the design stage. Our designers are mindful of their role and pay special attention to the materials and processes selected for our articles, thereby moving forward in the circular economy model that our Company promotes. In this regard, our commitment to innovation is pivotal, since it enables us to find alternative solutions to conventional raw materials.

Procurement and manufacturing

At Inditex we really appreciate the role our non-exclusive suppliers and manufacturers play in creating high quality products and in our value proposition. Socially and environmentally responsible management is the cornerstone of our approach to procurement and manufacturing in our supply chain. It is organised through ten clusters through which we ensure decent conditions for our suppliers' and manufacturers' workers and we further minimise the environmental impact.

Most of our end-product manufacturers are located in areas close to our headquarters in Spain, prioritising thus flexibility. This proximity, together with short production runs, gives us flexibility and control over the process, so we can adapt our commercial offering to changing trends as they arise.

Logistics and distribution

Our logistical flexibility to adapt to commercial decisions has been a key factor in our expansion across more than 210 markets.

The Group's various brands distribute their stock to stores and online warehouses around the world from our centralised logistics centres with the help of external logistic operators. 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.

Stores and online

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 are always looking for ways 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; always ensuring that they befit the originality and inspiration our customers have come to expect.

Use and end of life

At Inditex we are moving towards a circular economy model, in which materials can be reused, recycled or repaired. In this way we seek to reduce our dependence on natural resources and extend the life cycle of our products. We consider that textile waste can be a resource to manufacture new fabrics through technological innovations. Thanks to the Sustainability Innovation Hub, a platform that we created in 2020 to identify and test new technologies, materials and processes with the intention of scaling them to the textile industry, in 2023 we have launched collections on the market with various start-ups such as CIRC and Ambercycle with Zara or Circular Systems with Zara Home.

Additionally, to help extend the useful life of our products, we have Zara Pre-Owned, a platform that offers repair services, resale between customers and donation of used Zara clothing.

5.2.2. Sustainability strategy

GRI 2-23; 2-24; 2-28; 201-2

At Inditex we know that fashion is much more than clothing. Fashion is the mirror that reflects people's identity and it is also an instrument for change.

As a society we face urgent challenges, such as climate change or pressure on resources. These are challenges that the fashion industry can help mitigate. Consequently, our Company's commitment to sustainability has strengthened in the last few years, and is now a cornerstone of our day-to-day business.

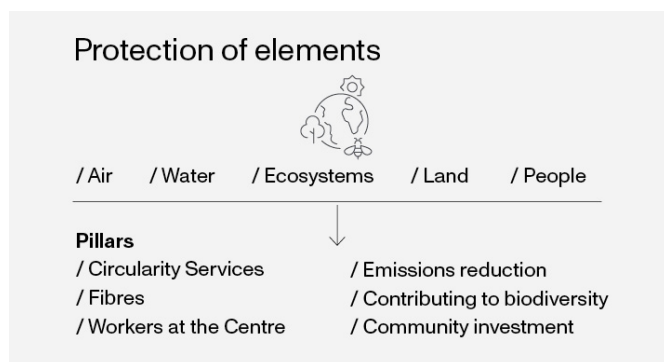
This commitment is founded on our sustainability strategy with which, as well as contributing to the transformation of our business, the sector and the textile industry, we aim to address the demands of civil society, our customers and our employees, while meeting the requirements of our investors and the increasingly strict regulatory framework on sustainability.

The impact: the focus of our strategy

The impact is what guides us on the path to sustainability. We are mindful that our activity has an impact on the environment and people. Accordingly, continuing in the vein of recent years, our aim is to keep offering fashion products that have a lower environmental footprint, to progress towards a circular business model in which waste is turned into resources, and to achieve net-zero emissions.

Hence, we seek to support the fight against climate change, advance in environmental safeguards and contribute to people's well-being.

What we want to help protect through our strategy



As a first step to achieve the goal of improving our impact, we continuously analyse the repercussions of our activity throughout the value chain. This encompasses the materials used to make our products, our suppliers and the product manufacturing processes. We also analyse our activities using key indicators such as the related greenhouse gas emissions, the resources we consume or the waste we generate, as well as their impact on communities and ecosystems. As part of this process, we work with environmental specialists, social organisations, trade unions and NGOs.

This analysis enables us to identify areas for improvement and to develop solutions accordingly. This, along with the collaboration and support for innovation in sustainability, helps us to keep progressing towards our goals in this matter.

We aspire to maximize the positive impacts and minimize the negative ones that our activity may have on the environment and people. We know that the path to this better impact requires long-term commitment. That is why **we have been dedicating our efforts in this regard for years.**

A journey in constant evolution

2001	We joined the United Nations Global Compact.
2007	We signed the Global Framework Agreement with IndustriALL Global Union.
2013	We joined Zero Discharge of Hazardous Chemicals (ZDHC) and published The List, by Inditex.
2016	Founding members of the Organic Cotton Accelerator (OCA).
2019	We announced our public sustainability objectives through 2025.
2021	We increased the level of ambition of our sustainability objectives for the 2040 horizon.
	We signed an Infinna™ purchase agreement worth more than 100 million euros with Infinited Fiber Company.
	We invested in the startup CIRC to foster disruptive textile recycling technology.
2022⁸	We promoted regenerative agriculture in an area measuring 300,000 hectares in India.
	We reached a three-year collaboration agreement with the World Wildlife Fund (WWF) to restore endangered ecosystems.
	We pursued our commitment to new and demanding sustainability targets.
2023⁹	We signed a purchase agreement worth more than 70 million euros for Ambercycle's cycora®, a recycled polyester made from textiles.
	We undertook to acquire the first available 2,000 tonnes of fibre produced from Circulose® pulp.

Our commitments: what we want to achieve

In July 2023 we announced our new sustainability commitments. This was an important milestone for our Company, with exacting pledges to fulfil in the next decade as we advance towards net zero emissions by 2040. These commitments are made as a result of our own ambition and are of global application to our value chain. They revolve around six strategic lines:

- / Fibres:** we are committed to using lower impact raw materials, also named as preferred materials.
- / Product manufacturing:** we foster more efficient processes that improve the impacts in the supply chain.
- / Climate change:** we strive to align our activities with the goal of capping the increase in the Earth's temperature at 1.5°C.

⁸ With respect to the agreement to acquire Infinna™ from Infinited Fiber Company, the amount of the fibre purchase will be included in the consolidated financial statements as part of the product cost on the date the purchase is made. The investment in CIRC is shown under the heading Financial Investments, in the consolidated balance sheet (see *Note 18* to the Consolidated Annual Accounts).

⁹ With respect to the agreement to acquire cycora® from Ambercycle and the Circulose® commitment, the amount of the fibre purchase will be included in the consolidated financial statements as part of the product cost on the date the purchase is made.

/ **Circularity**: we are moving towards more circular models.

/ **Biodiversity**: we contribute to the protection and restoration of ecosystems.

/ **Community investment**: we support the progress of the communities where we operate via social and environmental projects.

Roadmap 2040

2025	2030	2040
/ Obtain 100% of our linen and polyester from preferred sources.	/ Reduce our emissions by over 50%, including our own operations and value chain.	/ Achieve net-zero emissions, reducing at least 90% of our carbon footprint with respect to 2018.
/ Reduce water consumption throughout the supply chain by 25%.	/ Use only textile raw materials that have a lower impact, also known as preferred materials.	
/ Help ten million people through our corporate community investment programme.	/ Protect, restore or regenerate five million hectares in order to improve biodiversity.	
/ Reach three 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).		
/ Provide circularity services such as Zara Pre-Owned in key markets.		

Levers of change for our strategy

With the aim of improving our impact, we launched two key strategic plans: the Supply Chain Transformation Plan and the Fibres Plan.

These two plans both focus on two aspects that significantly affect our Company's sustainability and the achievement of the goals we have set ourselves as they address our supply chain operations and the raw materials we use in our products.

/ **Supply Chain Transformation Plan**: focuses on boosting our suppliers' and manufacturers' to achieve the sustainability goals.

With the Environmental Improvement Plan we promote the reduction of water and energy consumption while improving the management of chemical products in the facilities of our suppliers and manufacturers.

As per the social dimension we have the Workers at the Center strategy and the five Priority Impact Areas: Social Dialogue, Living Wages, Respect, Health and Resilience.

/ **Fibres Plan**: aims to cement that commitment and ensure that 100% of our garments are made from textile fibres from preferred or low-impact raw materials 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 preferred fibres in keeping with benchmarking organisations' indicators.

How we implement our strategy

Our sustainability strategy is based on several cornerstones. These include innovation, collaboration, corporate culture, sustainability governance and transparency.

We believe it takes an **innovative** approach to transform the sector and the textile industry. Hence the importance, for example, of our Sustainability Innovation Hub, through which we support innovation in sustainability, contributing expertise, capital and commitment to discover more responsible materials, approaches and processes.

① More information in section 6.4. *Transition to a circular economy: resources, products and waste* of this Report.

Likewise, we see **collaboration** as essential for fostering improvement. That is why we approach sustainability holistically, integrating all activities in the value chain and promoting partnerships with the actors involved. Examples of these collaborations are with entities such as the United Nations Global Compact, the International Labour Organization, UNI Global Union, IndustriALL Global Union, The Fashion Pact, Ellen MacArthur Foundation and Zero Discharge of Hazardous Chemicals.

① More information in section 5.3.1.1. *Partnerships* of this Report.



As part of our journey towards a more responsible business model, we integrate sustainability into all processes and decisions throughout our value chain. To achieve this, we implement actions that foster a **culture of sustainability** among our people, such as, for example, training in sustainability. Accordingly, in 2023, more than 15,000 employees received training on sustainability. Furthermore, our store teams are the standard bearers of our sustainability culture. This is evidenced by our Changemakers programme, a community that collects proposals and ideas about sustainability from our people and customers in stores.

In 2023, Inditex's sustainability team comprises 281 people, who together with 7,154 external partners work to make progress on our sustainability goals and strategies.

Lastly, our **governing bodies** take into account our firm commitment to sustainability in each of their decisions, a course of action that pervades the entire Company. In this regard, the work of the Sustainability Committee and the Social Advisory Board, an external advisory body on sustainability, deserves special mention.

An essential part of this commitment is **transparency** in sustainability, which we achieve by making information on our sustainability performance available to our stakeholders. In addition, this governance system is embodied in policies and strategies that ensure that sustainability is integrated into all our operations and decisions.

Furthermore, the achievement of ambitious sustainability goals and targets is linked to variable remuneration for various people in the Group. Specifically, up to 15% of the CEO's annual variable remuneration is based on compliance with sustainability policies. Likewise, 25% of the current long-term incentives for members of the management team and other employees is based on the achievement of sustainability metrics. And the variable remuneration of our office teams also takes into account sustainability performance indicators.

Sustainability Policy

The cornerstone of all these tools is our **Sustainability Policy**, approved by the Board of Directors on 9 December 2015, amended on 14 December 2020 and updated on 3 November 2022. This policy provides for the Company's principles in its relations with stakeholders and weaves sustainability practices into the business model. Moreover, it is a tool that strengthens our commitment to sustainable development and human rights as it helps ensure that our activities are respectful of people, the environment and the community.

① More information in section [5.1.1. Good Corporate Governance](#) of this Report.

Inditex's contribution to sustainable development

We believe that the way to reduce poverty and inequality and to fight against climate change is to achieve the 17 Sustainable Development Goals (SDGs) and their 169 associated targets. Consequently, **at Inditex we align our sustainability strategy with the SDGs**, as part of our support of the 2030 Agenda for Sustainable Development.

This process has highlighted our impacts, but also the opportunities for collaboration and for fostering sustainable development in the context in which we operate. This Report includes in-depth information on our contribution to the SDGs, presented in two ways:

/ At the start of each chapter, we state which goals are impacted by the actions outlined in that chapter.

/ In a quantitative summary that evidences our contribution through key indicators, in accordance with the guide entitled Business Reporting on the SDGs: An Analysis of Goals and Targets.

Inditex’s contribution to the SDGs. Key milestones in 2023



3 GOOD HEALTH AND WELL-BEING
SDG 3
GOOD HEALTH AND WELL-BEING

At Inditex we see the promotion of health, safety and well-being at the workplace as a fundamental pillar of our activity. This is enshrined in our Occupational Health and Safety Policy, updated in 2022. Along these lines, we endeavour to implement the highest standards in terms of health, safety and well-being management systems, with more than 74% of our workers located in spaces certified to ISO 45001 standard. Furthermore, it is crucial for us to convey our commitment to the entire value chain. To do so, this year we inaugurated a new cycle of our Workers at the Centre 2023-2025 strategy, through which we develop new projects linked to health and well-being. For this purpose, we have also renewed our International Accord for Health and Safety in the Textile and Garment Industry, which has now become the longest ever Accord commitment. Also focusing on the community, thanks to our partnerships such as Red Cross, *Médicins Sans Frontières* (MSF) and *Medicus Mundi*, in 2023 we helped improve the health, safety and well-being of more than 1.6 million vulnerable people.

5 GENDER EQUALITY
SDG 5
GENDER EQUALITY

At Inditex, gender equality and women empowerment are woven into our DNA. Accordingly, in 2023 we continued to foster inclusion in our workplaces, by signing the Group’s new Equality Plan in Spain, publishing the Diversity and Inclusion Manifesto, and obtaining new GEEIS certifications for our subsidiaries. We have also strengthened our Global Anti-Harassment Policy, aimed at prevention and at supporting victims. Our commitment to equality also extends to our supply chain with the new cycle of our Workers at the Centre 2023-2025 strategy. To integrate the community in our contribution to the commitment, we have continued to work in our partnerships with organisations such as Every Mother Counts or *Entreculturas*.



SDG 8 DECENT WORK AND ECONOMIC GROWTH

We create stimulating, stable and safe working environments, based on equal opportunities and professional development for all, from our own people to those working in our supply chain.

With this aim in mind, this year we inaugurated Workers at the Centre 2023-2025, a new cycle of our strategy for socially sustainable supply chain. In the last year alone, the strategy has helped 1,461,255 people through projects linked to organisations such as IndustriALL Global Union, UNI Global Union and the International Labour Organization.

Furthermore, we take our initiatives to people in or at risk of social exclusion through integration projects such as for&from, Salta and the employment programme with Caritas.



SDG 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

At Inditex our business model rests on the pillar of sustainability, so we implement responsible consumption and production practices.

For this purpose, in 2023 we approved our Fibres Plan, thereby renewing our commitment to using lower impact fibres and making further headway in the use of preferred raw materials, which now account for 68% of the total.

We also signed a purchase agreement worth more than 70 million euros for Ambercycle's cycora®, a recycled polyester made from textiles, the development of which is part of our innovation platform Sustainability Innovation Hub.

Furthermore, to convey our commitment to the community, this year we earmarked 27.7 millions euros for projects linked to responsible consumption and production, notably including the strengthening of the Moda Re-initiative with Caritas, through a contribution of 3.5 million euros in the 2023-2025 period.



SDG 13 CLIMATE ACTION

At Inditex we are committed to fighting against climate change. This is why, in 2023, we unveiled our new sustainability commitments for the forthcoming decade.

We also developed our Climate Transition Plan, which encompasses our operations and value chain, seeking to strengthen our efforts to achieve a more efficient and circular fashion industry.

Along these lines, this year we signed agreements aimed at the decarbonisation of shipping alongside distinguished organisations such as Maersk and the NGO Smart Freight Centre.

As part of our commitment, since 2022, 100% of the electricity consumed at our facilities is obtained from renewable sources.



SDG 17 PARTNERSHIPS FOR THE GOALS

Partnerships are a key aspect of the path to the sustainable transformation of our industry, and a fundamental tool for achieving the Sustainable Development Goals.

Accordingly, we focus on collaborating consistently with the community, developing projects and initiatives with numerous local and international organisations, trade unions, governments and academic institutions, among others.

Among them, we highlight our partnerships with the International Labour Organization, IndustriALL Global Union, UNI Global Union, ACT (Action, Collaboration, Transformation), The Fashion Pact or Caritas.

Other notable contributions



Fully committed as we are to helping end poverty, in 2023 we took part in various initiatives to support people in situations or at risk of social exclusion, such as GO (Generating Opportunities: education and inclusion for a sustainable world) and Salta.

In this sphere, we work with various non-profit organisations such as Entreculturas, with which we have been able to benefit 1.5 million people worldwide since 2001; or UNHCR, with which we collaborate on a continuous basis in countries where emergency relief is needed.



In order to help eradicate hunger in the world, from our community investment programme we work alongside a number of entities, such as La Mie de Pain (France) or the Federación Española de Bancos de Alimentos (Spain).



At Inditex we prioritise the professional development of our employees through training and internal promotion. In this connection, in 2023 we provided 2.8 million training hours, reaching almost 2.3 million participants. This enabled us to cover 72% of our vacancies in-house in 2023. Furthermore, we extend to the community our efforts to foster access to education through collaborations with the NGO Entreculturas (in primary and secondary education) and academic institutions such as Tsinghua University, University of Dhaka, University of A Coruña and MIT, among others (university level).



For the second consecutive year, in 2023 we achieved our target of 100% renewable electricity consumption at our facilities. Moreover, we currently have two Virtual Power Purchase Agreements (VPPA) in place for the next 10 and 12 years, as well as we promote self-consumption initiatives such as the Outer Port Wind Facility in A Coruña, which is scheduled to enter into service in 2026.



At Inditex we carry out numerous community investment initiatives focusing on our goal of reducing inequality. As part of this, in 2023 we earmarked 21.6 million euros for this purpose, working internationally with organisations like Entreculturas, the Red Cross, Caritas or the Red Crescent. For the fourth consecutive year, we also activated a collaboration with UNHCR through which more than 1.2 million articles were donated for refugees from Uganda, Greece and Ukraine, among other countries.



In 2023, we maintained our commitment to preserving below water life. Among other initiatives, we dedicated part of our efforts to preventing the release of microplastics. In this connection, our detergent The Laundry has been scaled up to industrial level, and we have developed innovation projects such as the presentation of our Air Fiber Washer industrial washing system together with Jeanologia.



Inditex has a robust corporate governance and compliance system aimed at showing our firm commitment to good governance and social and environmental sustainability, and conveying that corporate ethical culture to all our stakeholders.



In 2023, we continued to advance in our goal of reducing water consumption in our supply chain. For this purpose we continue to collaborate with our supply chain in the implementation of environmental improvement plans. Along these lines, we work with organisations like Water.org in multiple initiatives, including the Water & Climate Fund, aimed at developing projects to improve global water and sanitation infrastructure, through the execution of climate-friendly interventions in countries such as Brazil, Indonesia, the Philippines, Kenya, Mexico, India and Malawi. This partnership has allowed us to improve access to water and sanitation for 1 million people in 2023.



Our business model places innovation as a cornerstone for the transformation of the industry at all stages of the value chain. Accordingly, in keeping with our commitment to sustainability, we have developed our Sustainability Innovation Hub, through which we are continually seeking the best materials, approaches and processes for manufacturing. And along the same lines, we continually collaborate with innovative startups such as CIRC and Ambercycle.



In 2023 we carried out numerous projects aimed at contributing to this SDG. Among these, we highlight the collaborations with organisations dedicated to protecting and safeguarding the world's cultural heritage. In Spain, these include projects with the Reina Sofia National Art Museum, the Spanish Real Academy and the Teatro Real opera house.



At Inditex we work with a number of initiatives to protect life in Earth's ecosystems. Evidence of this is our work with WWF, helping to protect and restore endangered ecosystems worldwide. Also in this sphere, in 2023 we joined Conservation International in its Regenerative Fund for Nature project, that promotes regenerative farming and stockbreeding practices. In addition, we have joined the Deforestation-Free Call to Action for Leather, a Textile Exchange and the Leather Working Group initiative focusing on ensuring brands source their bovine leather from deforestation-free supply chains.

5.3. Stakeholders

Material topic: Good governance and integrity



5.3.1. Stakeholder engagement

GRI 2-1; 2-6; 2-12; 2-16; 2-28; 2-29; 3-3

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.

Our approach to stakeholder engagement includes identifying and grouping stakeholders according to how they relate to our business model. Thus, our main stakeholders are:

/ Employees

/ Customers

/ Suppliers

/ Community

/ Environment (represented by various environmental organisations)

/ Shareholders

We base our relationship with stakeholders on two principles, enshrined in our Sustainability Policy:

- 1) **Transparency**, which helps us to establish a bond of trust with them.
- 2) **Continuous dialogue**, which allows us to meet our stakeholders' demands and needs and join forces to achieve common goals, such as protecting the planet and its resources or advocating for human and labour rights.

To realise these principles, 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 Policy on Human Rights, among others.

How we relate to our stakeholders

Identification

We identify all the stakeholders that may have dealings with Inditex throughout the value chain and in the environment in which we operate.

Prioritisation

We classify and determine stakeholder priority based on our business model and value chain.







Definition of the strategy

We define a specific strategy for each group of stakeholders, including concrete objectives, commitments and dialogue tools.

The Company's main stakeholders, as well as the tools for engagement and dialogue with them, are as follows:

Inditex’s main stakeholders and engagement and dialogue tools

■ Constant dialogue ■ Biannual ■ Annual ■ On demand

Inditex’s main stakeholders	Specific engagement and dialogue tools	Our specific commitments
<p>Employees</p> <p>Any person who works at Inditex. / Employees from our own stores, offices, logistic centres and factories. / Union representatives</p> 	<ul style="list-style-type: none"> ■ Ethics Committee ■ Agreement with UNI Global Union ■ Internal training and promotion ■ Internal communication ■ Volunteer programmes ■ Information Security and Data Protection and Privacy departments 	<ul style="list-style-type: none"> / Respect for Human and Labour Rights / Fair and decent treatment / Respect for privacy and personal data protection / Commitment to information security
<p>Customers</p> <p>Every person who purchases any product sold by the various brands of the Inditex Group. / Physical store customer / Online store customer / Potential customer</p> 	<ul style="list-style-type: none"> ■ Specialised customer service teams specialising in customer service ■ Physical and online stores ■ Social media ■ Information Security and Data Protection and Privacy departments 	<ul style="list-style-type: none"> / Clear and transparent communication / Integration throughout the business model / Responsible design and manufacturing / Respect for privacy and personal data protection / Commitment to information security
<p>Suppliers</p> <p>Companies that are part of Inditex supply chain and their respective employees. / Direct suppliers, manufacturers and supply chain workers / Trade union organizations / International organisations</p> 	<ul style="list-style-type: none"> ■ Supplier clusters ■ Ethics Committee ■ Sales and sustainability teams ■ Framework Agreement with IndustriALL Global Union ■ Information Security and Data Protection and Privacy departments 	<ul style="list-style-type: none"> / Promotion and protection of core human and labour rights and international standards / Promotion of sustainable production environments / Respect for privacy and personal data protection in the provision of services
<p>Community</p> <p>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 / Media</p> 	<ul style="list-style-type: none"> ■ Social Advisory Board ■ Commitments to NGOs ■ Sponsorships and Patronage Committee 	<ul style="list-style-type: none"> / Contribution to social and economic development / Commitment to improving global welfare
<p>Environment</p> <p>Set of natural elements present in the environment in which Inditex develops its business model. / Environmental protection organisations / Governments and public authorities</p> 	<ul style="list-style-type: none"> ■ Social Advisory Board ■ Commitments to NGOs ■ Sustainability teams 	<ul style="list-style-type: none"> / Respect for the environment / Conservation of biodiversity / Sustainable management of resources / Fight against climate change
<p>Shareholders</p> <p>Any person or entity who owns shares in the Inditex Group. / Institutional investors / Individual investors</p> 	<ul style="list-style-type: none"> ■ Annual General Meeting ■ Sustainability indices ■ Investor relations 	<ul style="list-style-type: none"> / Social interest and interest common to all shareholders / Fostering informed engagement

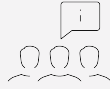
Common engagement and dialogue tools



Sustainability Committee



Materiality Analysis



Social Advisory Board



Strategic partnerships



Corporate Website



Annual Report

Our common commitments



Outstanding engagement and dialogue tools

At Inditex we have been cultivating 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 people from outside the Company which, among other tasks, is responsible for establishing and institutionalising dialogue with key partners from civil society.

Another key tool that helps us nurture communication with our stakeholders is our **Sustainability Committee**, set up in 2019. Among other tasks, this Committee oversees relations with stakeholders in the area of sustainability.

📄 More information in section [5.1.1. Good Corporate Governance](#) of this Report.

Moreover, every year at Inditex we carry out a **materiality analysis** with the aim of identifying the most important issues for our stakeholders. The findings of this analysis tells us what they need and expect from our Company and, consequently, it is a very valuable guide when it comes to defining priorities, establishing strategies and progressing in the creation of economic, social and environmental value.

📄 More information in section [5.3.2. Materiality analysis](#) of this Report.



Shareholder relations

Ownership structure and shareholder remuneration

We implement a policy of transparent and fluid communication with all shareholders. Our best practices keep us at the top of selective and benchmark indices from both the financial and sustainability best practices standpoints.

The overview of the ownership structure¹⁰ of Inditex is as follows:

Inditex's shareholders 31/01/2024

1,558,637,990	289,362,325	157,474,030	1,057,199,782	50,395,454	3,582,419
50.010%	9.284%	5.053%	33.921%	1.617 %	0.115%

■ Pontegadea Inversiones, S.L.	■ Partler Participaciones, S.L.U.	■ Rosp Corunna Participaciones Empresariales, S.L.
■ Institutional	■ Retailer	■ Treasury shares

Shareholder remuneration

The shareholder remuneration policy, approved by the Inditex Annual General Meeting, aims to offer an attractive, predictable and sustainable dividend over time. This policy prioritizes maintaining a high level of funds to guarantee investment in the Company's future growth and ensure value creation.

Inditex's dividend policy combines a 60% ordinary payout and the additional distribution of bonus dividends. A dividend of €1.20 gross per share against 2022 results and unrestricted reserves was paid in May and November 2023, made up of two equal payments of €0.60 per share.

In 2024, the Board of Directors will propose to the Annual General Meeting a gross dividend of €1.54 per share, being comprise of €1.04 per share ordinary dividend and €0.50 per share bonus dividend, against 2023 results and unrestricted reserves. This dividend will be distributed in two equal payments of €0.77 per share, to be paid on 2 May and 4 November 2024, respectively.

Indices

Inditex is listed in selective and benchmark indices, from the perspective of both its financial performance and best practices in ESG matters. More information in section [3.3. Recognition](#) of this Report.

Investor relations

Inditex's relations with its shareholders, are governed by the Policy on Communications and Contact with Shareholders, Institutional Investors and Proxy Advisers, approved by the Board of Directors in December 2015, as well as by the Regulations of the Board of Directors.

Inditex guarantees the market equal access to information through all its channels. The Inditex website plays a very important role in implementing this transparent communication policy and in guaranteeing access to information. A comprehensive list of the entities and analysts who compile research on Inditex is also published on the corporate website.

Individual Shareholders' Department

The Individual Shareholders' Department is responsible for communication with individual shareholders. Using this channel, individual shareholders can request any information that they consider relevant on Inditex's performance. In 2023, the Department fielded more than 800 requests.

The Department activity takes on particular significance when the Annual General Meeting, which traditionally takes place at the Arteixo (A Coruña) headquarters, is called and held.

① More information in section "Investors" on Inditex's corporate website.

Investor Relations Department

/ 35 financial and stock market entities publish research on Inditex's market position.

Material information concerning the business performance is provided on Inditex's corporate website and it is also distributed to a database of investors and analysts containing more than 1,100 entries. To complement this information, the Investor Relations staff hold quarterly, open-access conference calls and presentations to analysts and investors throughout the year in the world's leading financial capitals.

¹⁰ Shares in the Company are represented through book entries. The record of these book entries is kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores* (Iberclear). Inditex has contracted with Iberclear the service for daily communication of ownership (Shareholder Registry Book - LRA).

5.3.1.1. Partnerships

Partnerships with organisations and institutions are paramount for Inditex, as they enable us to 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 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 2023 we maintained essential partnerships and established new collaborations, such as our agreements with International Apparel Federation, Conservation International, Reimagining Industry to Support Equality (RISE) and One Planet Business for Biodiversity (OP2B).

① More information in the document *Partnerships* on Inditex's corporate website.



Positive impact on the people in our value chain and on the community



Protecting the environment and fighting against climate change



Transversal partnerships with social, environmental and governance impact



5.3.2. Materiality analysis

GRI 2-4; 2-12; 2-29; 3-1; 3-2; 3-3

In 2023 we performed our materiality analysis for the thirteenth consecutive year. This exercise enables us to identify the material content to be included in this Report.

The materiality analysis also provides a listening channel which enable us to identify the most relevant issues for our stakeholders both internal, such as our employees, and external, such as international organisations, trade unions, NGOs, universities or local communities, among others.

This analysis has a double materiality focus, analysing the Company's potential impacts on the environment (impact materiality) and how these same issues impact the Organisation itself (financial materiality).

To conduct this assessment, we followed the guidance provided by the European Financial Reporting Advisory Group (EFRAG), published in the European Sustainability Reporting Standards (ESRS), to support implementation of the European Union's Corporate Sustainability Reporting Directive (CSRD). We also follow the recommendations outlined by the Global Reporting Initiative in its GRI 3: Material Topics 2021 standard.

This analysis begins with a contextual review of the Company that allows us to identify potentially material impacts, risks and opportunities, that will inform our sustainability strategy. In this regard, our constant communication with stakeholders along the value chain, the human rights due diligence processes we conduct and the knowledge of our own teams play an important role. To determine whether these impacts, risks and opportunities are material, we assess the following parameters:

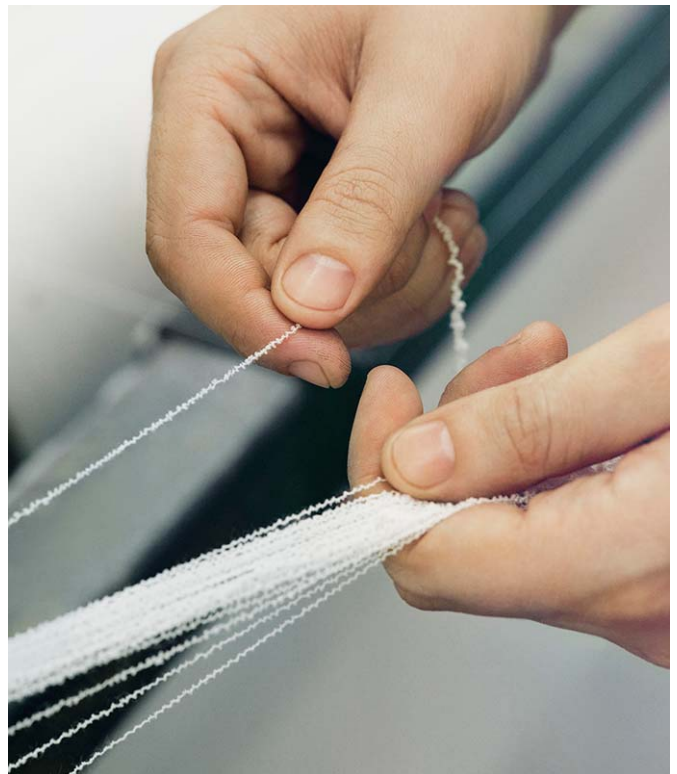
- / **Scale:** how severe or beneficial the impact, risk or opportunity is or would be for people or the environment.
- / **Scope:** how widespread the impact, risk or opportunity is, based on the geographic extent of the damage and the stakeholders affected.
- / **Irremediable character:** when the impact or risk is negative, how hard it is to counteract or remedy the harm.
- / **Likelihood:** chance of a potential impact, risk or opportunity happening.

In addition to this exercise, we conducted an assessment of the financial materiality of each impact in order to maintain a **double perspective of materiality** in our analysis, in line with ESRS requirements. To determine financial materiality, we held workshops with expert areas (internal stakeholders) in which we consulted on the financial effect of impacts on the Company in the short, medium and long term, in line with the Company' risk map exercise. In addition, we gauged the probability of these financial impacts occurring in each of the mentioned time frames.

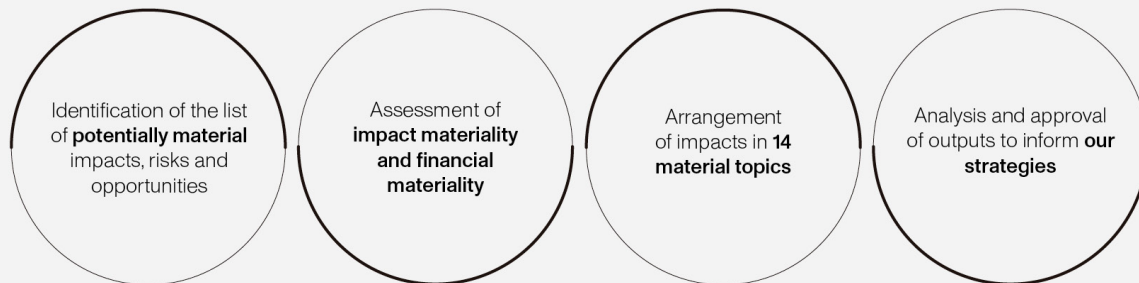
Following EFRAG's recommendations on the establishment of materiality thresholds, we have processed our findings to assess whether the identified impacts, risks and opportunities are material for Inditex. Based on this assessment and after their grouping, we obtained a list of material topics according to the importance of their impact on the environment (impact materiality) and their relevance for the development of the Company's business model (financial materiality).

This year, 14 material topics are featured, four less than the previous year due to having streamlined the grouping of identified impacts, risks and opportunities. Topics such as Water Management, Information security and privacy, and Diversity, equality and inclusion appear as separate entities. Equally, this year the topics Stakeholder engagement, Innovation, Risk management and control systems and Human Rights are not included given that , being transversal, they are already reflected in the other topics.

We have also identified those impacts, risks and opportunities that could have an impact on human rights. For this purpose, we used as a reference the human rights due diligence exercise carried out in collaboration with Shift. Our findings are shown in the materiality table, where we include those topics that entail human rights impacts.



Process to develop Inditex's double materiality



Identifying Inditex's impacts, risks and opportunities

potential and real, positive and negative that Inditex has on the environment and on people, including the impacts on human rights, by compiling a broad list that we use as a reference:

- / Issues addressed by stakeholders over the course of the year
- / Current and future applicable legislation
- / Topics highlighted in the benchmark reporting standards
- / Material topics at other companies in the sector
- / Issues addressed in our Ethics Line
- / Trends in the industry
- / Criteria considered by financial analysts
- / Analysis of Social and Digital Media

Based on the broad list of impacts, a review is performed to pinpoint any duplicates, overlaps and absences of links to the Company's activity.

Impact materiality

obtained by calculating variables:

Scale

Evaluated by reviewing 182 surveys to:

- / internal stakeholders
- / external stakeholders*

Scope, irremediable character and probability

Evaluated through interviews with members of Inditex management and heads of relevant areas.

Financial materiality

Impact on the Company's financial position

Evaluated by means of workshops with the heads of relevant areas and in line with the Company's risk map exercise.










Grouping into 14 material topics

of the 58 identified impacts, risks and opportunities.

Verification of the results both internally, by the Company's management and the Sustainability Committee, and externally, by the Social Advisory Board.

*In 2023, representatives from more than 90 organisations of different kinds took part. The participants include, among others: Inditex's Social Advisory Board, Accelerating Circularity, AFIRM Group, Comisiones Obreras, the Company's European Works Council (EWC), Conservation International, Fashion for Good, Foro Social de la Industria de la Moda de España, Fundación Entreculturas, Fundación Seres, Greenpeace, OCA (Organic Cotton Accelerator), Médecins Sans Frontières, Open to All, Plena Inclusión, Red Española del Pacto Mundial de las Naciones Unidas (United Nations Global Compact Local Network), UNICEF (the United Nations Children's Fund), University of Santiago de Compostela and WWF.

Material Topics 2023









	Impact materiality	Financial materiality
 Climate change	●	●
 Pollution	●	●
 Water management	●	●
 Biodiversity and ecosystems	●	●
 Circular economy and efficient use of resources	●	●
 Fair working conditions	●	●
 Health, safety and well-being	●	●
 Diversity, equality and inclusion	●	●
Talent management	●	●
 Information security and privacy	●	●
 Value creation in the community	●	●
Transparency and quality of the information	●	●
 Good governance and integrity	●	●
 Responsible management of the supply chain and traceability	●	●



Material topics affecting human rights.

5.3.2.1. Balance of material topics

Material topic	GRI Standards	Contents	Chapter	Coverage ¹	Involvement ²
Climate change	GRI 3: Material topics 2021 GRI 302: Energy 2016 GRI 305: Emissions 2016	3-3 302-1 to 302-5 305-1 to 305-7	6.1. Climate change		
Pollution	GRI 3: Material topics 2021 GRI 303: Water and effluents 2018 GRI 305: Emissions 2016 GRI 306: Waste 2020	3-3 303-1 to 303-5 305-1 to 305-7 306-1 to 306-5	6.1. Climate change 6.2. Water management 6.4. The transition to a circular economy: resources, products and waste		
Water management	GRI 3: Material topics 2021 GRI 303: Water and effluents 2018	3-3 303-1 to 303-5	6.2. Water management		
Biodiversity and ecosystems	GRI 3: Material topics 2021 GRI 304: Biodiversity 2016	3-3 304-1 to 304-4	6.3. Biodiversity and ecosystems		
Circular economy and efficient use of resources	GRI 3: Material topics 2021 GRI 301: Materials 2016 GRI 306: Waste 2020	3-3 301-1 to 301-3 306-1 to 306-5	6.4. The transition to a circular economy: resources, products and waste		
Fair working conditions	GRI 3: Material topics 2021 GRI 401: Employment 2016 GRI 402: Labor/management relations 2016 GRI 407: Freedom of association and collective bargaining 2016 GRI 408: Child labor 2016 GRI 409: Forced or compulsory labor 2016	3-3 401-1 to 401-3 402-1 407-1 408-1 409-1	7.1. Our people 7.2. Workers in the supply chain		
Health, safety and well-being	GRI 3: Material topics 2021 GRI 403: Occupational health and safety 2018 GRI 416: Customer health and safety 2016	3-3 403-1 to 403-10 416-1 to 416-2	7.1. Our people 7.2. Workers in the supply chain 7.4. Our customers		
Diversity, equality and inclusion	GRI 3: Material topics 2021 GRI 405: Diversity and equal opportunity 2016 GRI 406: Non-discrimination 2016	3-3 405-1 to 405-2 406-1	7.1. Our people 7.2. Workers in the supply chain		
Talent management	GRI 3: Material topics 2021 GRI 401: Employment 2016 GRI 404: Training and education 2016	3-3 401-1 to 401-3 404-1 to 404-3	7.1. Our people		
Information security and privacy	GRI 3: Material topics 2021 GRI 418: Customer privacy 2016	3-3 418-1	8.2. Information security and privacy		






Material topic	GRI Standards	Contents	Chapter	Coverage ¹	Involvement ²
Value creation in the community	GRI 3: Material topics 2021 GRI 201: Economic performance 2016 GRI 203: Indirect economic impacts 2016 GRI 207: Tax 2019 GRI 413: Local communities 2016	3-3 201-1 to 201-4 203-1 to 203-2 207-1 to 207-4 413-1 to 413-2	7.1. Our people 7.3. Communities 8.3. Supplier relations 8.4. Tax responsibility and transparency		
Transparency and quality of the information	GRI 3: Material topics 2021 GRI 417: Marketing and labelling 2016	3-3 417-1 to 417-3	7.4. Our customers		
Good governance and integrity	GRI 3: Material topics 2021 GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive behaviour 2016 GRI 415: Public policy 2016	3-3 205-1 to 205-3 206-1 415-1	5.1. Corporate governance 5.3. Stakeholders		
Responsible management of the supply chain and traceability	GRI 3: Material topics 2021 GRI 308: Supplier environmental assessment 2016 GRI 414: Supplier social assessment 2016	3-3 308-1 to 308-2 414-1 to 414-2	7.2. Workers in the supply chain 8.3. Supplier relations		

1. Indicates where the impact is effected, inside or outside of the organisation, or both.

2. Indicates the organisation's involvement with respect to the impact.

Direct: The organisation is directly linked to the impact.

Indirect: The organisation is linked to the impact through its business relations.

	Inside the organisation		Outside the organisation		Inside and outside the organisation		Direct		Indirect
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6

Environment

6.1. Climate change

6.2. Water management

6.3. Biodiversity and ecosystems

6.4. The transition to a circular economy: resources, products and waste



6.1 Climate change

Material topic: Climate change; Pollution



6.1.1. Climate ambition and goals

GRI 2-23; 2-24; 3-3

At Inditex our commitments are fully aligned with the goals of the Paris Agreement, which aims to cap the increase in global temperature at 1.5°C. To achieve this we focus on reducing greenhouse gas (GHG) emissions in accordance with the guidelines of the Intergovernmental Panel on Climate Change (IPCC) and the UN Fashion Industry Charter for Climate Action.

Additionally, in 2023 we devised our new Climate Transition Plan, which charts our lines of action and the resources we estimate will be needed to attain our goals. The Plan is available at our corporate website.

More information in section [6.1.2. Our Climate Transition Plan](#) of this Report.

Also in 2023, we introduced our new sustainability commitments, including the new science-based climate targets (SBTs) that we hope to achieve over the next decade.



Our climate commitments

2025:

- / Provide circularity services such as Zara Pre-Owned in key markets. This will help reduce pressure on resources and cut emissions linked to manufacturing.
- / Obtain 100% of our linen and polyester from lower impact sources, also called preferred sources⁽¹⁾. This will allow us to minimise emissions in the cultivation and production of these raw materials.
- / Reduce our water consumption throughout the supply chain by 25%. And, accordingly, the emissions associated with managing, handling and heating water during manufacturing processes.

2030:

- / Reduce our emissions by more than 50%, including our own operations and value chain. To achieve this we will pare our absolute scope 1 and 2 emissions (i.e. our own emissions) by 90% and our scope 3 emissions (value chain) by at least 50%, with respect to 2018⁽²⁾.
- / Use only textile raw materials that have a lower impact, also known as preferred materials. With the aim of reducing, among other things, the climate impact of cultivating and producing raw materials.
- / Protect, restore or regenerate 5 million hectares in order to improve biodiversity. This will also allow us to strengthen the resilience of ecosystems and boost natural carbon capture.

2040:

- / Achieve net-zero emissions, reducing at least 90% of our carbon footprint with respect to 2018. The remaining 10% are emissions that are especially challenging to reduce and that will be neutralised by actions to absorb these greenhouse gases.



(1) In accordance with the definition of industry benchmark organisations, such as Textile Exchange. This defines a preferred material as "a raw fiber or material that delivers ongoing beneficial outcomes and impacts for climate, nature, and people through a holistic approach to transforming raw fiber and material production systems". We also include in this definition fibers that meet other requirements of excellence outlined by other relevant organizations such as Canopy and Changing Markets.

(2) The value chain includes the following categories of our 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) 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.

In 2023 we also submitted to the Science Based Targets initiative (SBTi¹¹) the update of our climate commitments to 2030, including our roadmap to achieve net zero emissions in 2040. It is important to note that, since we presented our 2030 decarbonisation targets to SBTi in 2019 for first time, scientific knowledge on climate change has evolved. Accordingly, so has our commitment, which we have adapted to match the latest guidelines.



This continuously evolving work is also evidenced by our attention to the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), which enables us to analyse future climate scenarios and their associated risks and opportunities. This allows us to pursue a decarbonisation strategy that is consistent with science as well as being resilient and competitive in the short, medium and long term.

① More information in section 6.1.5. *Risks and opportunities arising from climate change* of this Report.

Our climate commitment is aimed at supporting the transformation of the sector and the textile industry through collaboration and innovation. On the one hand, by cultivating reflection with our stakeholders on the need to replace fossil fuels, promote renewable energies and improve the impact of our use of raw materials and resources. And, on the other hand, by investing in innovative projects that enact this change.

6.1.2. Our Climate Transition Plan

GRI 2-24; 3-3

In 2023 we devised our new Climate Transition Plan, which evidences our commitment to a more efficient and circular fashion industry capable of tackling the climate challenge. It is available at the Group's corporate website.

The lines of action charted in our Climate Transition Plan encompass our operations and value chain, and focus on the following aspects:

Reduction

The main focus of our actions is on abating greenhouse gas (GHG) emissions related to our products throughout our value chain. In this regard, the actions we have identified to achieve the necessary reductions revolve around:

- / Use of improved energy sources
- / Optimisation of energy management
- / Promoting circularity and the use of preferred materials

Neutralisation

According to the SBTi, companies must neutralise the climate impact of any residual emissions by removing and permanently storing carbon from the atmosphere.

¹¹ The Science Based Targets Initiative (SBTi) was launched in 2015 as a collaboration between CDP, the United Nations Global Compact, the World Resources Institute (WRI) and the World Wildlife Fund (WWF) to help businesses set emissions reduction targets based on the scientific consensus and the goals of the Paris Agreement.

Our efforts in this connection will come from both inside and outside the value chain, by promoting and fast-tracking regenerative practices, and implementing other nature-based solutions.

The weight of each line of action will develop as the frameworks evolve, in accordance with their specific availability and scale, but, in any event, will be consistent with the science and will target emissions that have not been reduced.

Mitigation beyond the value chain

In addition to actions implemented in our value chain, it is crucial to develop initiatives that reach beyond our business so as to help mitigate the worst effects of climate change, especially with solutions that foster biodiversity or the well-being of communities.

We promote sustainable practices to improve soil health and reduce environmental impacts. Our partnership with WWF focuses on restoring forests and freshwater and marine ecosystems, and thus, we have an agreement¹² for more than 10 million euros. We also contribute in various regions to restoring endangered ecosystems, including those affected by forest fires. In addition to forests, we are also involved in the restoration of river basins and aquatic ecosystems in North Africa and Vietnam.

① More information in section [6.3. Biodiversity and ecosystems](#) of this Report.

Interim milestones and estimated investment

We have submitted to SBTi our updated strategy for cutting our emissions associated with our business¹³ by over 50% reduce by 2030 compared to 2018. We expect this to help us advance in the right direction so as to achieve net-zero emissions by 2040, by reducing our scope 1, 2 and 3 emissions by 90% compared to 2018, while the remaining 10% will be neutralised through carbon sequestration initiatives.

As an interim milestone to track our progress, we are targeting a scope 3 20% reduction by 2027 compared to 2018. To this end, we have developed an ambitious Roadmap, which we estimate will require financial resources of around 2 billion euros¹⁴ until 2030, in terms of cost of sales, operating expenses and, to a lesser extent, investments.

This impact is considered not to be significant in the evolution of the corresponding results and financial position of the Group, especially considering that it may be mitigated by obtaining greater efficiencies both in the supply chain and in the Group's own operations.

¹² This amount will be incorporated into the consolidated income statement under the Operating Expenses heading as each of the actions/projects to be carried out are executed.

¹³ It includes scopes 1, 2 and the following scope 3 emissions according to the GHG Protocol: purchase of 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 trips (category 6), displacement of workers (category 7), end-of-life treatment of products sold (category 12) and franchises (category 14).

¹⁴ This amount will be incorporated as cost of sales, operating expenses or investment as the actions and projects of the Plan are executed.

6.1.3. Emissions of GHG of scopes 1, 2 and 3

GRI 2-4; 2-27; 3-3; 302-1; 302-2; 302-5; 305-1; 305-2; 305-3; 305-4; 305-5; 308-2; AF21

We continually work in search of solutions that allow us to reduce the GHG emissions throughout our entire value chain. These efforts focus mainly on our Supply Chain Transformation Plan, our Fiber Plan, the implementation of circularity and efficiency programs, and the protection and conservation of ecosystems.

/ The transition to renewable energy sources: since 2022, 100% of the electricity consumed in our own facilities (headquarters, international offices, logistics centres, factories and stores) has come from renewable sources.

/ Fostering energy efficiency: we have reduced our relative energy consumption per square meter and per euro of sale by 19% and 40%, respectively, as compared with 2018.

/ Integrating more sustainable processes in our supply chain: we are currently working to increase the use of preferred fibres (fibres with a better impact), contribute to organic and regenerative farming and support our suppliers in processes to reduce energy and water consumption.

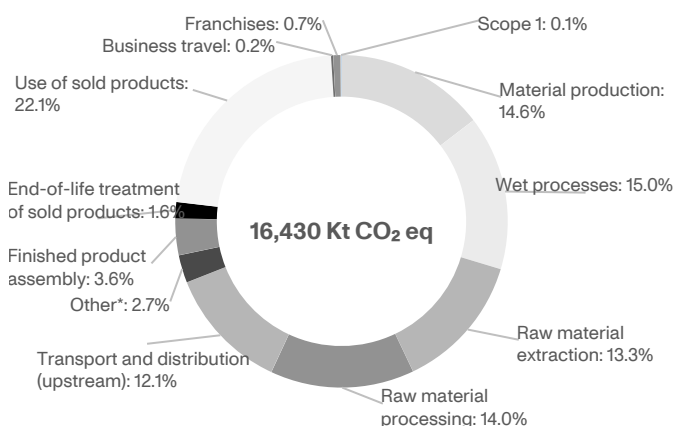
/ Preserving ecosystems: we collaborate with international organisations dedicated to fostering regenerative farming and stockbreeding practices and to protecting and restoring ecosystems.

Scope 1, 2 and 3 GHG emissions (t CO₂eq)⁽¹⁾⁽²⁾

GHG emissions	2023	2022	2018
Scope 1	11,512	11,232	19,172
Scope 2 market-based	0	0	419,448
Scope 2 location-based	427,885	451,430	651,266
Scope 3 ¹⁵	16,418,450	15,607,245	16,389,372
Kg CO ₂ eq per m ² (market-based scope 1+2)	2	2	58
g CO ₂ eq per € (market-based scope 1+2)	0	0	17
g CO ₂ eq per € (market-based scope 1+2+3)	460	481	644

(1) More information on the calculation methodology in the section *How we calculate our emissions* of this chapter.

(2) Scope 1, 2 and 3 GHG emissions do not include carbon credits.

Scope 1, 2 and 3 GHG emissions

* The "Others" category comprises the GHG emissions associated with capital goods, employee commuting, fuel- and energy-related activities, waste generated in our own operations and downstream leased-assets.

In 2023, our total GHG emissions have remain stable compared to 2018. Regarding the categories subject to our new public objective by 2030, the GHG emissions have increased by 4% over our 2018 base year. During the year, the Company has managed to reduce its scope 1 and 2 emissions by 97% compared to 2018. Likewise, the firm commitment to the use of preferred raw materials, which in the last campaign of 2023 already accounted for 68% of the total used by the Group, has allowed us to reduce emissions associated with the extraction of raw materials by 6% (scope 3). The gradual implementation of our Supply Chain Transformation Plan, as set out in our Climate Transition Plan, will allow us to make progress in reducing emissions associated with the rest of the scope 3 categories.

¹⁵ Historical scope 3 emissions have been recalculated based on methodological improvements. In certain categories where we do not yet have primary data, regional conversion factors more specific to our sector have been used. They have been provided by Resilience, the academic partner of the Center for Risk Studies at the University of Cambridge. More information about the affected categories in the Emissions calculation methodology section of this Report

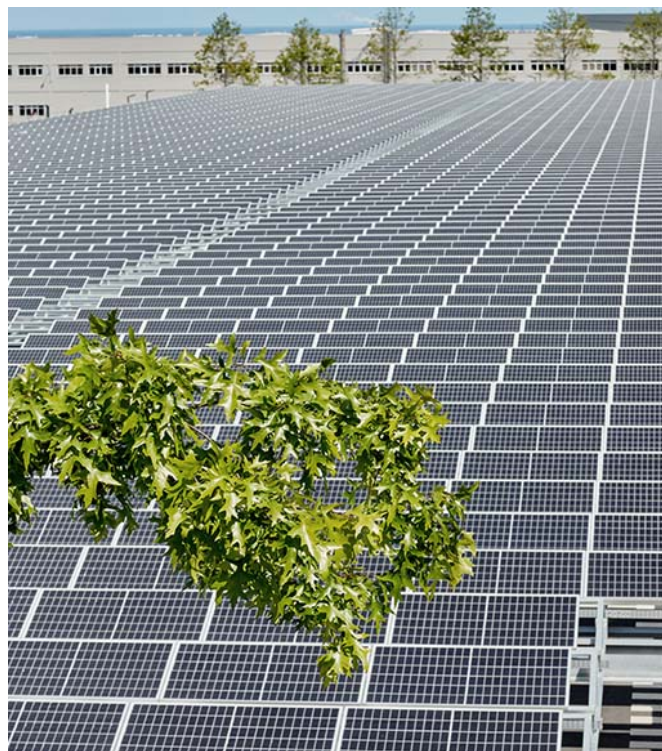
Scope 3 also includes emissions linked to the transportation of the products we market. In 2023, the emissions associated with upstream transport (inbound and outbound) were equivalent to an energy consumption of 3,444,255 MWh and 4,526,850 MWh, respectively (1,791,523 MWh and 4,031,013 MWh in 2022).

Furthermore, estimated electricity consumption in franchised stores amounted to 256,174 MWh and business travel consumption was 140,033 MWh (262,397 MWh and 130,381 MWh in 2022).

Emissions calculation methodology

We calculate and report the Inditex 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 emission are calculated in accordance with our Company's financial control approach and include the gases CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, and NF₃, and are expressed in units of CO₂ equivalent (CO₂eq).



How we calculate our emissions

Scope	Description	Methodology	Emission factors
Scope 1	Direct emissions related to sources under the direct control of the Inditex Group (combustion in boilers, own vehicles, etc.).	Scope 1 emissions are calculated based on the total consumption of fuel and their corresponding emission factors. Emissions associated with fuel consumption in stores and international offices as well as the possible occasional leaks (or spot leaks) of HFC and PFC gases from air conditioning units in those facilities are not included.	DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023. MITECO (Ministerio para la Transición Ecológica y el Reto Demográfico) v.2.0. 2022
Scope 2	Indirect emissions related to the generation of electricity acquired and consumed by the Inditex Group.	Scope 2 emissions are calculated based on the consumption of electricity in each market and their corresponding emission factors.	<i>Location-based method:</i> / IEA (2023), Emission Factors. <i>Market-based method:</i> / Contractual instruments for renewable energy: (PPA, EACs, etc.).
Scope 3	Other indirect emissions related to the production chain of goods and services, their distribution and marketing outside the Company.	Detailed below for each scope 3 category	Detailed below for each scope 3 category
Scope 3 - Category 1: Purchased goods and services	All upstream (cradle-to-gate) emissions generated in Inditex's supply chain from the manufacture of products made available to customers. For greater transparency, we publicly disclose this category's into the following categories: raw material extraction, raw material processing, material production, wet processes and final product assembly.	Extraction of raw materials: emissions are calculated based on the tonnes of the various raw materials consumed and the corresponding emission factors.	Higg Materials Sustainability Index (MSI), 2021.
		Spinning and weaving: emissions are calculated based on the energy consumption and the corresponding emission factors. Energy consumption is estimated on the basis of raw materials consumption ratios.	IEA (2023), Emission Factors. DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023.
		Wet process and cutting and sewing: emissions are calculated based on the cost of our products, applying the corresponding emission factor.	<i>Risilience, academic partner of the Centre for Risk Studies of the Cambridge University</i>
Scope 3 - Category 2: Capital goods	Emissions generated as a result of the extraction, production and transportation of capital goods purchased and/or acquired by the Company.	Emissions are calculated from the investment in fixed assets, applying the corresponding emission factor.	<i>Risilience, academic partner of the Centre for Risk Studies of the Cambridge University</i>
Scope 3 - Category 3: Fuel-and energy-related activities	Emissions generated in the process of extraction, refining, production and transportation of energy and fuels purchased and acquired by the Company.	Emissions are calculated based on the global energy consumption and the corresponding emission factors.	IEA (2023), Emission Factors. DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023.
Scope 3 - Category 4: Upstream transportation and distribution	Emissions linked to the upstream transportation and distribution services acquired by the Company.	Their calculation takes into account the tonnes transported and kilometres travelled by each means of transport, along with the relevant emission factors.	GLEC, Global Logistic Emissions Council Framework for Logistics Emissions Accounting and Reporting, v.2.0.

Scope	Description	Methodology	Emission factors
Scope 3 - Category 5: Waste generated in operations	Emissions from the final disposal and treatment of waste generated in Inditex's headquarters, own logistics centres and own factories. Information on waste generated in construction works and own stores is not available at the required level of itemisation.	Their calculation takes into account the tonnes of each type of waste generated and the final treatment of each, along with the corresponding emission factors.	DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023.
Scope 3 - Category 6: Business travel	Emissions from the transportation of employees for business-related activities in vehicles owned or operated by third parties.	Their calculation takes into account the origin, destination, means of transport used by Spanish agents and the corresponding emission factors. It is extrapolated to the rest of the subsidiaries on the basis of travel expenditure in Spain.	DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023.
Scope 3 - Category 7: Employee commuting	Emissions generated as employees commute between home and work.	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), v.1.1, 2023.
Scope 3 - Category 8: Upstream leased assets	Emissions associated with third-party assets leased by Inditex.	Emissions associated with the assets of third parties leased by Inditex are immaterial.	
Scope 3 - 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.	
Scope 3 - Category 10: Processing of sold products	Emissions from the subsequent transformation of sold products.	Not applicable. The products sold do not need transformation to be used by our customers.	
Scope 3 - 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.	IEA (2023), Emission Factors. <i>Higg Product Module Methodology, June 2021.</i>
Scope 3 - Category 12: End-of-life treatment of sold products	Emissions from the final disposal of products sold by the Company.	Their calculation takes into account the number of units sold and the final destination based on bibliographic research (20% reuse and 80% landfill).	DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023.
Scope 3 - 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 factor.	MITECO (Ministerio para la Transición Ecológica y el Reto Demográfico), v2.0 2022
Scope 3 - Category 14: Franchises	Emissions from franchisees during the operation of franchises.	The electricity consumption of franchises has been estimated from the average consumption of own stores. This consumption is multiplied by the relevant emission factor.	IEA (2023), Emission Factors.
Scope 3 - Category 15: Investments	Emissions from Inditex investment activities.	Not applicable.	

The Inditex Group's scope 1, 2 and 3 emissions have been independently verified by Ernst & Young in accordance with ISAE 3410 standard.

Conversion factors used for the calculation

/ 1 tonne of diesel = 1.035 tonnes of oil equivalent (toe).

/ Diesel density = 0.842 kg/litre, DEFRA (Department for Environment Food & Rural Affairs), v.1.1, 2023.

/ 1 toe = 41,868 GJ.

/ 1 GJ = 277,778 kWh

Monitoring energy consumption

Our Global Energy Strategy, approved in 2015, underpins our commitment to progress towards a low-carbon economy.

This Strategy aims to promote the rational and efficient use of energy throughout our value chain, reducing GHG emissions and helping to mitigate their effects.

Our global energy consumption includes energy consumed in:

/ Corporate headquarters and international offices¹⁶.

/ Own logistics centres.

/ Own factories.

/ Own stores.

In 2023 our global energy consumption amounted to 1,606,212 MWh¹⁷ (5,782,364 GJ), of which 1,551,492 MWh came from renewable sources. This implies a 19 % reduction in relative energy consumption per square metre as compared with 2018 (in 2023, 761 MJ/m²).

How much energy we consume

Year	Global energy consumption (MWh)	Relative energy consumption (kWh/m ²)	Relative energy consumption (Wh/€)
2023	1,606,212	211	45
2022	1,694,817	228	52
2018 (base year)	1,969,127	262	75

What type of energy we consume (MWh):

Year	Electricity	Natural Gas	Other fuels
2023	1,551,492	44,064	10,656
2022	1,636,795	49,269	8,753
2018 (base year)	1,865,074	103,724	329

¹⁶ In 2023, the scope of these indicators has been expanded to include the electricity consumption of international offices. The electrical consumption that occurred in these facilities in previous years is not available in our systems with the necessary level of detail.

¹⁷ This indicator records all the energy consumed at our Group's headquarters, international offices, own stores, own logistics centres, own factories and by our own vehicles. Fuel consumption in stores is not included. Electricity consumption in stores has been calculated on the basis of actual billing data and consumption recorded in our Energy platform. For those stores or periods for which we do not have information available, it has been estimated considering average consumption.

How much electricity we consume in our own headquarters, logistics centres and factories:

Year	Total electricity consumption (MWh)	Relative electricity consumption (kWh/m ²)	Relative electricity consumption (Wh/€)
2023	184,784	49	5
2022	176,432	48	5
2018 (base year)	159,434	50	6

How much electricity we consume at our stores:

Year	Global electricity consumption in stores (MWh)	Relative electricity consumption in stores (kWh/m ²)	Relative electricity consumption in stores (Wh/€)
2023	1,366,708	359	38
2022	1,460,363	389	45
2018 (base year)	1,705,639	394	65

Environmental Management System

Energy efficiency is a priority at our facilities as it helps minimise our carbon footprint and reduces the environmental impact of our operations.

Our Environmental Management System (EMS), certified to ISO 14001 international standard, enables us to advance in the use of renewable energy and transition towards more efficient and circular management models.

This system is **implemented at 100% of our corporate headquarters and our own factories and logistics centres**. Furthermore, a team of 29 people oversees its proper implementation, as well as preventing environmental risks linked to these facilities.

In 2023 and 2022, no significant penalties or fines were imposed for breaches of environmental regulations in force. Moreover, we do not have facilities in protected areas.

6.1.4. Lower-impact consumption and efficiency and optimisation initiatives

GRI 2-4; 3-3; 302-1; 302-2; 302-5; 305-6; AF21

6.1.4.1. Lower-impact consumption

At our Company we are committed to generating and procuring energy from renewable sources to help us reduce our greenhouse gas (GHG) emissions.

We thus invest in generating renewable energy at our own operating centres. Specifically, we have facilities for the generation of photovoltaic and wind energy, as well as geothermal and solar thermal energy.

Since 2022 we have fulfilled our goal of obtaining 100% of the electricity at our own facilities from renewable sources. In fact, in 2023 we consumed 1,551,492 MWh of electricity from renewable sources at our facilities, excluding the energy we generated.

How much electricity from renewable sources we consume⁽¹⁾:

Year	% of electricity coming from renewable sources
2023	100%
2022	100%
2018 (base year)	45%

(1) In the case of renewable energy certificates, the period for the data is the calendar year, instead of the financial year (period of this Report).

Self-consumption

Self-consumption means renewable energy produced on our premises or in nearby locations to meet our energy needs. We use photovoltaic and wind power systems to operate with clean energy and cut our emissions.

In 2023 we had various active photovoltaic generation plants and a wind turbine generator that produced 7,049 MWh of electricity (7,756 MWh in 2022) with the following installed capacities: 3 MW in Lelystad, 1 MW in the employee car park at our Arteixo Central Services facilities, 850 kW of wind power at Arteixo Central Services and 100 kW in the Arteixo Technology Building, 200 kW in the headquarters of Zara.com and Zara Man, 30 kW in the Tempe 1 centre, 200 kW in the Tempe 3 centre, 200 kW in the Tempe 3S centre and 100 kW in the Laracha fabric warehouse and 71 kW in the canteen of Pull&Bear headquarters in Narón. In addition, 206 MWh of thermal energy was generated by geothermal sources and solar panels in our Arteixo Central Services and Tordera facilities in 2023 (362 MWh in 2022).

Another notable self-consumption initiative is the development of the **Outer Port Wind Facility in A Coruña** in collaboration with the city's Port

¹⁸ The investment planned for the year 2024 allocated for this project, is included in the estimated investment budget referred to under Information on the outlook for the Group in the Consolidated Directors' Report. Information regarding the financial year 2023 is included in the Consolidated Financial Statements (*Note 14*).

¹⁹ Additionality is a feature of power purchase mechanisms designed to encourage the construction of new renewable energy generation infrastructure that would otherwise not necessarily be developed.

Authority. The project, scheduled to enter into operation in 2026 and with an estimated investment of 34 million euros¹⁸, is for the installation of three wind turbine generators with an installed capacity of 5.5-6 MW. Through this initiative, we aim to generate on-site the renewable energy necessary to cover the annual electricity required by our headquarters in Arteixo, and also to supply clean electricity to the port's own infrastructures.

In 2023 the project obtained the statement of exceptionality and it is currently in the process of requesting the environmental impact statement.

Power Purchase Agreements

In addition to implementing self-consumption initiatives, we promote the implementation of new renewable energy sources through **power purchase agreements (PPA)**, which are long-term agreements between consumers and energy producers.

These agreements enable producers to finance the construction of new renewable energy generation infrastructure, even when there are no official incentives or subsidies. They are a way to facilitate the sustainable and long-term implementation of new projects.

At year end, we have two 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 the development phase, in some cases pending final approval, and will come on stream in 2025.

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 promote additionality¹⁹ by generating new renewable energy capacity.

① More information in *Note 26 Financial instruments and risk management policy* of the Consolidated Annual Accounts.

Energy Attribute Certificates

Where we encounter restrictions in the implementation of certain mechanisms, we turn to alternatives such as green tariffs and Energy Attribute Certificates.

These certificates²⁰ issued by a third party certify that a specified amount of electricity has been generated from renewable sources. Other than in exceptional few cases, renewable energy from the certificates we use is generated in the same electricity market where the electricity is consumed.

In 2023, more than 90% of the energy attribute certificates we acquired met the requirements established by benchmark organisations, such as CDP.

Phasing out fossil fuels

Our decarbonisation strategy aims to reduce the use of fossil fuels such as natural gas. To achieve this we promote the electrification of fossil fuel-based systems. This strategy, combined with our work on renewable electricity, implies a near 100% reduction in emissions.

In 2023 we launched a collaborative project with Naturgy and EDAR Bens, the publicly owned water treatment utility that operates in the metropolitan area of A Coruña, to convert the biogas generated by wastewater into biomethane.

We are also currently developing new lines of research such as process optimisation, hydrogen generation, and the inclusion of new effluents (sludge). At the same time, we are always on the lookout for similar projects that will allow us to completely eliminate fossil fuel consumption at our headquarters and distribution centres by 2035.

6.1.4.2. Efficiency initiatives and optimisation

Efficiency in corporate headquarters, own logistics centres and own factories

Energy efficiency helps us to control the consumption of resources with the aim of reducing it and mitigating our impact on the environment. Hence, we make the necessary investments in all 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. 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 Council²¹.



²⁰ The acquisition of these certificates, to the extent that they cover the energy consumption of the period, are incorporated into the consolidated income statement under the heading of Operating Expenses at the time of their acquisition.

²¹ All the certifications are currently valid.



LEED and BREEAM certification in distribution centres and headquarters



LEED Platinum

2 Certified

- / Inditex Data Processing Centre in Arteixo
- / Zara.com studios in Arteixo



LEED Gold

11 Certified

- / Inditex Group's Central Services in Arteixo (phase IV)
- / Zara Logística offices
- / Zara Logística canteen
- / Pull&Bear headquarters
- / Canteen in the Pull&Bear headquarters
- / Cabanillas logistics platform
- / Massimo Dutti headquarters
- / Massimo Dutti logistics centre
- / Oysho headquarters
- / Stradivarius headquarters
- / Logistics connection hub at Lelystad



LEED Silver

2 Certified

- / A Laracha fabrics warehouse
- / Lelystad ironing facility



LEED CI Certified

1 Certified

- / Inditex Group's Central Services facilities in Arteixo (phases I, II, III)



BREEAM ES In Use

1 Certified

- / Tempe 3 building

In addition, we continue to certify our facilities in Spain under the international standard ISO 50001, which distinguishes efficient and sustainable energy management processes. In 2023, our Central Services, the A Laracha logistics platform and CPD, Indipunt, Europe logistics platform, León logistics platform and Meco logistics platform have renewed or obtained this certification.

Efficiency and sustainability in our stores

Energy efficiency and the implementation of best practices are 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 and progress in the sustainability of our stores.

At present, 8 stores have LEED Platinum certification, 27 have LEED Gold certification and 1 has BREEAM certification.

Also notable is that by the end of 2023, 80% 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.

Atmospheric emissions and noise pollution

Atmospheric emissions from combustion equipment at our logistics centres, such as heating boilers and steam boilers, are subject to regular checks and inspections by authorised control bodies. This ensures that our atmospheric emissions of gases such as carbon monoxide (CO), nitrogen oxide (NO_x) or sulphur dioxide (SO₂) remain within the established limits.

Moreover, to mitigate the noise levels associated with the distribution and supply of our products at night, we have an Unloading Equipment Protocol in place.

Supply Chain

The Supply Chain Transformation Plan is vital to advance the achievement of the climate objectives that we have set. One of the essential tools of the Plan lies in the environmental improvement plans that are developed in collaboration with the main facilities of the suppliers and manufacturers in our supply chain.

Furthermore, in relation to energy management, the objectives to be achieved by the facilities participating in the improvement plans are the following:

- / To increase the purchase and/or generation of electricity coming from 100% renewable sources.
- / To reduce thermal energy consumption in relation to stationary thermal sources.

The facilities that participate in this program propose an action plan to achieve these objectives from their starting point, on which quarterly monitoring of energy consumption is carried out.

To evaluate its degree of progress, we rely on a network of experts who, together with our internal teams, analyse the viability of the action plan, validate its implementation, conduct follow-ups and provide advice at all times.

In addition to the environmental improvement plan, we have implemented a number of measures to provide lower impact consumption alternatives in our supply chain.

These efforts focus on three key areas:

/ Reducing energy consumption

We provide information to our suppliers on the best ways to reduce energy consumption through an online platform which is accessible to the entire industry through our corporate website.

We use this same channel to make available to them the knowledge acquired through our collaboration with third parties on potential innovative solutions. For example, new dyeing and washing methods using fewer resources and, therefore, lowering the associated emissions.

Other measures include replacing equipment with more efficient iterations, the proper maintenance of equipment or changes to production processes.

/ Replacing fossil fuels

Some production processes require the use of energy to generate steam. That is why we encourage our suppliers to electrify their equipment and, where no other options are available, to use alternative fuels such as certified biomass from agricultural waste solely as a valid solution for generating thermal energy.

We also ensure that no facilities in our supply chain install new coal-burning boilers, by means of proprietary tools such as our pre-assessment audit or the Green to Wear standard. Our goal is to eliminate the use of coal in our supply chain by 2030.

/ Use of renewable energies

To foster the deployment of renewable energy in our supply chain, we provide information to our supplier clusters regarding the availability of renewable energy, the relevant regulations, the necessary procedures and the estimated costs.

By doing so we aim to give them the tools and knowledge to introduce renewable energy sources in their operations.

As a result, we expect that by 2030 at least 50% of the electricity used in manufacturing processes in our supply chain will come from renewable sources, reaching 100% by 2040.

Other collaborations to reduce emissions in the supply chain

In 2023 we have joined two specific programmes of the United Nations Fashion Industry Charter for Climate Action:

/ Bangladesh Peer Action Group: aims to collectively move towards a planned strategy to phase out the use of coal. In addition, at Inditex we contribute to the promotion and development of renewable energy sources in the fashion industry.

/ Net Zero Pakistan: aims to make the textile supply chain in Pakistan more resilient and reduce the emissions intensity of the Pakistani textile industry.

In addition, we have participated in the **Fossil to Clean** campaign by signing the open letter presented at COP28 in Dubai. This call from more than 200 companies urges governments to address the complete elimination of the use of fossil fuels and the increase in the use of renewables and energy efficiency.

5% of this fuel produced by Repsol in all its cargo flights for Inditex out of Zaragoza.

We have also collaborated with Maersk, RENFE and Cepsa to promote a new rail link in southern Spain. This corridor links Algeciras and Madrid using second-generation biofuels in the non-electrified section between Algeciras and Cordoba, and renewable electric power between Cordoba and Madrid.

Likewise, we collaborate with CFL multimodal, KLOG Logistics and Ikea on an intermodal connection between Sète (France) and Poznań (Poland). This connection is used in the distribution of our physical and online store products.

In 2023 we renewed our collaboration with the NGO Smart Freight Centre, whose mission is to help quantify impacts, identify solutions and disseminate decarbonisation strategies in freight transport. As premium partners we are members of the Sustainable Freight Buyers Alliance (SFBA) to promote the transition to a zero-emission freight transport, in partnership with supply chains.

We also promote sustainable alternatives for our employees' commutes, such as the 344 electric vehicle charging stations in central services, logistics centres and our own factories that in 2023 supplied more than 875,000 kWh²² from renewable sources (more than 397,000 kWh in 2022).

Efficiency in transport and distribution

At Inditex we are endeavouring to make our transport more efficient and sustainable.

That is why we have several lines of action linked to transport, which will help us to minimise its impact and reduce emissions from our distribution and logistics operations in the following ways:

- / Electrification, new fuels and fleet efficiency
- / Analysis of shipping flows and promotion of multimodality
- / Transport optimisation

In 2023 we signed an agreement with Maersk to reduce our carbon footprint in maritime transport. This agreement ensures that the freight company will use alternative fuels in their vessels, such as green methanol or second-generation biofuels, reducing emissions by 80% for every litre of fuel consumed, according to research by Maersk. Our goal is to use alternative fuels for at least 90% of our maritime shipping by 2025.

At the end of October an agreement was reached by Atlas Air and Repsol to supply sustainable aviation fuel (SAF) so as to decarbonise a portion of the cargo flights the air freight company carries out for Inditex from Zaragoza Airport. As a first step, Atlas Air will initially incorporate



²² Electrical consumption by electrical vehicle charging points in Group central services facilities, own logistics centres and own factories.

6.1.5. Risks and opportunities arising from climate change

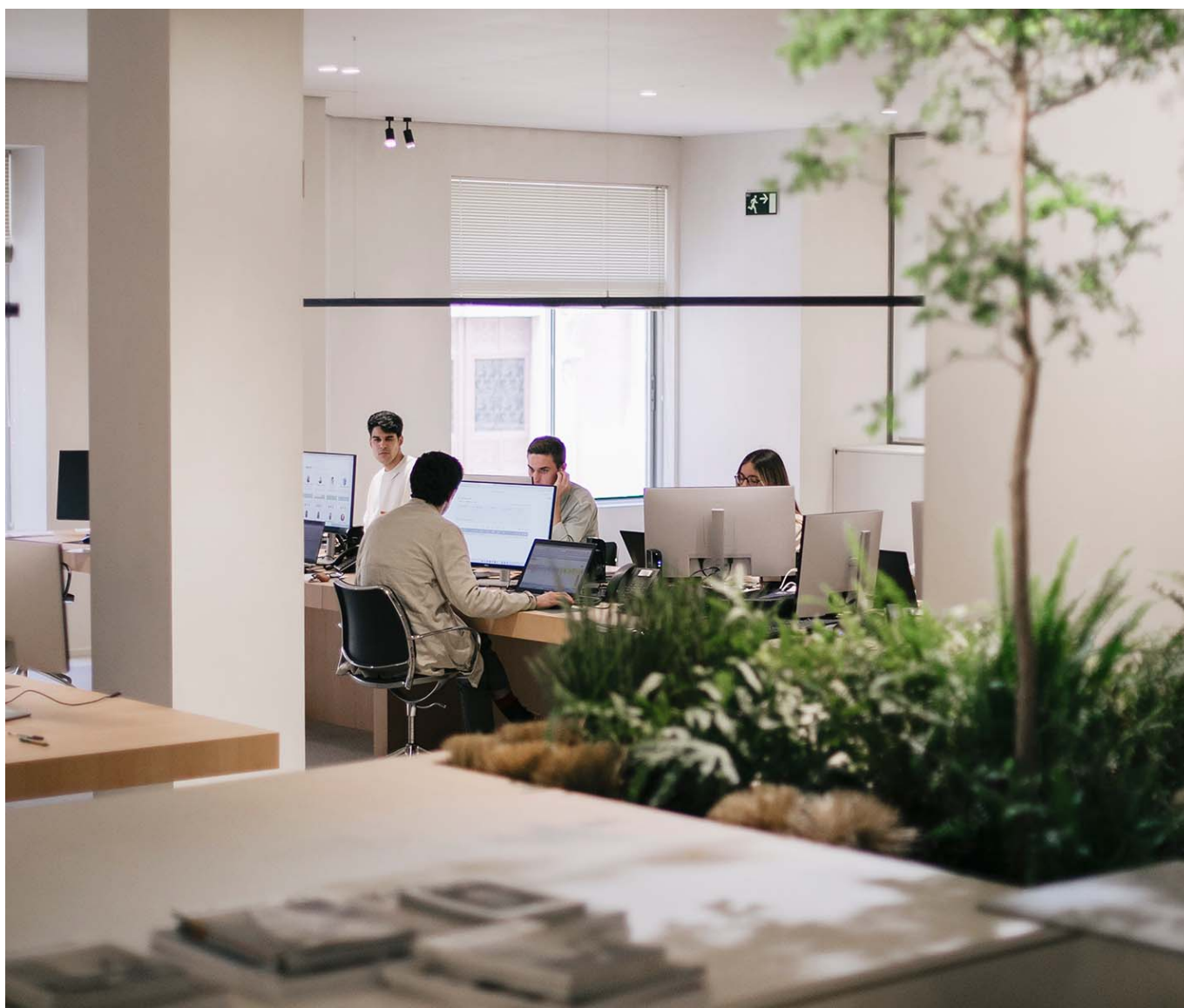
GRI 201-2; 3-3; 302-1; 302-2; 302-5

The assessment and management of climate change risks and opportunities gives us essential information to improve our decisions and achieve an efficient management.

Furthermore, this process helps us to foster collaboration in climate change action, enhancing the transparency of our endeavours on this front.

Our framework for managing and disclosing risks and opportunities is aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and other standard-setting bodies.

Accordingly, there follows an outline of our actions in connection with the TCFD pillars: **governance, strategy, risk management, and metrics and targets.**



Climate 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 phenomena.

These physical risks may cause damage to material goods and disrupt the supply chain in the following scenarios:

- / Changes in the availability 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 mounting risk is legal in nature. In recent years, there has been an increase in litigation linked to climate change. The Group is exposed to the risk of not being able to mitigate the impacts of climate change, a lack of adaptation and/or an insufficient disclosing of the financial implications of climate change.

Technological

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.

Reputational

As the pace of society's transition to a low-carbon economy speeds 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.

6.1.5.1. Climate governance

Our climate governance is aimed at ensuring that the 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, the most senior leadership, and integrated into our Company's business model and decision-making processes.

Our Sustainability Roadmap establishes our goals for advancing towards a low-carbon economy. To ensure that our sustainability actions are aligned with these objectives, the Board of Directors conducts quarterly reviews.

In this way we address the challenges of climate change by ensuring its inclusion in strategic and operational decision-making process.

Climate governance follows the same processes and is conducted through the same bodies as all other sustainability-related matters.

① More information on the organisational structure of sustainability and climate change governance, the associated responsibilities and the monitoring and oversight processes in the relevant infographic included in section [5.1.1. Good Corporate Governance](#) of this Report.



6.1.5.2. Strategy

At Inditex, we take a comprehensive approach to risk, analysing future climate scenarios and identifying the associated risks and opportunities to ensure a resilient long-, medium- and short-term strategy.

Our climate risk assessment methodology is based on that of the University of Cambridge's Centre for Risk Studies. Accordingly, we work with its academic partner, Resilience, to design a climate risk assessment under different scenarios in the short- (0-5 years), medium- (5-10 years) and long-term (more than 10 years).

This research allows us to holistically address climate change and anticipate the risks and opportunities it presents over a time horizon that takes into account the large scale and long-term nature of climate change, as well as the asset's²³ lifespan, and the planning and business cycle of our Group.

Analysis of the scenarios

We use the analysis of scenarios to understand the potential impacts of climate change on our Company. We can then apply this knowledge to strategic planning, risk management and assessing our resilience.

In 2023 we continued our collaboration with the University of Cambridge to make further headway in the resilience of our value chain and be able to 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) in 2022.

In 2023, Resilience updated several of its models concerning physical, regulatory and legal liability risks. These updates, combined with improvements in the data showing our exposures (financial projections, facilities, etc.), provide a revised view of physical and transition risks.

To assess the potential impacts on Inditex stemming from physical and transition risks, we used five scenarios with five different emissions pathways:

- / No policies (>4°C by 2100)
- / Current policies (3°C by 2100)
- / Announced policies (2.5°C by 2100)
- / Paris Agreement (2°C by 2070)
- / Paris Agreement ambition (1.5°C by 2050)

²³ The time horizons were established on the basis of the useful life of the assets on the balance sheet (see Consolidated Financial Statements [note 3.2 Accounting Principles](#), b) Property, plant and equipment), which is reviewed annually. The useful life of the Group's assets is currently established as medium and long term.

Analysed Scenarios

Effect on GHG emissions

> 4°C	3°C	2.5°C	2°C	1.5°C
200 %	-50 %	-75 %	Net 0	Net 0
in 2100	in 2100	in 2100	in 2070	in 2050
No policies	Current policies	Policies announced	Paris Agreement	Paris Agreement ambition
Assumes an increase in energy consumption and emissions by the end of the century, with anti-decarbonisation policies.	Continuation of the current trend, with no new policies or changes to the existing ones.	Includes the current commitments and objectives published, such as those defined in the Nationally Determined Contributions (NDCs).	In line with the Paris Agreement, which requires rapid and global change in the energy system, technology and behaviour.	Urgent and radical political response, requiring a swift and systemic overhaul of the energy system and sweeping changes in society, as well as more investment in technological innovation.

Each pathway develops a socioeconomic narrative regarding regulatory changes, energy prospects or technological advances based on existing data sources, and likelihood of occurrence.

In our analysis of climate risks and opportunities, we considered short (0-5 years), medium (5-10 years) and long (more than 10 years) time horizons.

According to the analysis outcome, in the short term, the most significant impacts relating to climate change are connected to transition risks. Consequently, in the next five years transition risk is likely to evolve at a faster pace as a result of changes in the regulatory framework, in energy supply and demand, or legal proceedings. The most ambitious decarbonisation pathways in terms of emissions reductions result in potentially greater transition risks.

In the short term (up to five years), physical risk deriving from climate change does not significantly vary across the five emissions pathways. Uncertainty about climate patterns over longer time horizons increases the probability of this risk.

Method of analysing financial impacts

We quantify the potential impacts of these scenarios by means of a financial representation of the Group we call its digital twin.

The digital twin is regularly updated with information regarding financial estimates, key facilities, value chain (including natural, man-made and synthetic raw materials and the geographic presence of our value chain –raw material origins, factories, distribution centres, transportation hubs, etc.), geographic breakdown of the business and greenhouse gas emissions for the Group's scope 1, 2 and 3.

Each risk is analysed independently, assuming there are no interdependencies or trade-offs between them.

The result of this methodology yields the potential losses in the estimated cash flows. The Earning Value at Risk, which is discounted to obtain its present value, facilitates the quantification of the total financial impact of each scenario.

The different items in the Group's income statement (sales, raw materials costs, transport and distribution costs, incident response costs, among others) are translated into cash flow's impacts. Furthermore, when modelling and obtaining these cash flows at risk, the Group assumes for the different scenarios of physical and transition risks the ability to transfer part of the impacts to the business activity.

In order to represent the evolution of our future cash flows over a five-year period, the Group's budget is used to build the first year, the estimated business plan for the following three years and for the period not covered we project a final year maintaining a growth rate and an expense structure similar as of the last year of the business plan, which includes the projects and capital investments²⁴ contemplated by the Group.

Due to the nature and long-term horizon of climate-related risks, especially in the physical dimension, the Group needs to estimate the impacts beyond the five-year time horizon. For this purpose, once the cash flows forecasted by the Group for the short term (0-5 years) have been established, this balance sheet and cash flow structure is projected statically to year 5 for the medium term (5-10 years) and to year 10 for the long term (more than 10 years).

Earning Value at Risk

Earning value at risk and the related cash flows at risk are measures of the potential impact of the risk stemming from a deviation of the expected cash flows as a result of climate risk.

The estimated global value of the Company's cash flows for the next five years—resulting from climate-related risks—was modelled without yet including mitigation actions. We are working on quantifying the mitigation measures, many of which come from our sustainability strategy, so as to be able to assess the residual risk.

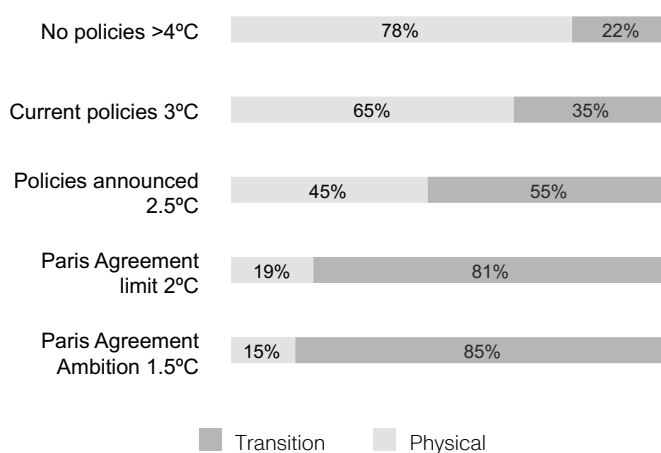
In the 'Current policies' scenario, the second-least severe when it comes to transition risks, the aggregate risk from climate change is considered strong in the Group's critical risk map in terms of its impact and probability.

^① More information in section 5.1.3. *Responsible risk management* of this Report.

The identification and assessment of physical and transition climate risks are subject to numerous uncertainties, arising, among other things, from the complexity of anticipating how the climate may evolve over the years. These uncertainties mean that the data contained in this report may be inaccurate in the future, depending on how the climate evolves and the scientific consensus regarding the process of climate change. Such data therefore represent the best estimate that can be made using existing climate information and models.

Thus, climate modelling is a complex discipline that is subject to three major uncertainties: the natural variability of the climate, the adjustment of the climate model to reality, and the adjustment of the emissions evolution scenario to reality. Climate scenarios are not forecasts, predictions or sensitivity analyses, but hypothetical constructions of plausible futures based on science, aimed at assessing the resilience of a company's assets, business model and strategy in the face of such scenarios.

With respect to total estimated risk, the table below shows the profile of each of the risk dimensions for the five pathways used, distinguishing between physical and transition risks in the short term:



a) 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.

The analysis of physical risks was conducted on 16,000 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.

Each facility has recovery curves assigned to it, depending on the severity of the scenarios, their vulnerability and resilience to each climate phenomenon.

²⁴ See Note 2 of the Consolidated Annual Accounts in 'Significant estimates and assessment of uncertainty'.

Seven climate phenomena are considered in the analysis: heatwave, freeze, water stress, river flooding, coastal flooding, 'temperate' storm²⁵ and tropical storm. The choice of these physical phenomena is based on Cambridge University's relevance criteria for our business.

Each threat is evaluated using a base-case scenario (year 2000) and a change forecast. The base-case scenario is compiled using the historical meteorological series of the last 40 years, while the forecasts are based on a risk estimate through 2030, 2040 and 2050. 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 bin level. The base-case scenario also makes it possible to assess existing risks, especially water stress in the river basins where the Group's own or third-party facilities are located, particularly in Spain, where the Group's main assets are concentrated²⁶.

Over the course of this year our stores have been affected by nine natural disasters due to extreme weather events (six in Spain, two in Italy and one in South Korea), mainly heavy rain, snow or hail. Although they have caused damage to our stores and disrupted the normal cycle of our operations, their impact on the Group was immaterial.



²⁵ Flash flooding was not considered this time as a result of the IPCC Assessment Report update, but will be included again in future analyses.

²⁶ For more information, see our responses to the CDP Water questionnaires, available at www.cdp.net.

Financial impact of physical climate risks⁽¹⁾

Physical dimension: Acute



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>This scenario envisages the possibility that extreme or catastrophic weather events (such as storms, floods, freezes, etc.) may reduce the productivity of the Group's activities, disrupt its normal performance and/or increase the costs of operations and processes. Using geolocation of the facilities, the scenario quantifies the projected impacts of various climate threats that could affect our value chain over a five-year time horizon, weighted by their probability of occurrence. The impact is assessed in terms of estimated lost cash flows. It is a function of the severity and duration of the disruption of the facility or facilities. The vulnerability of facilities to different climate hazards depends on their typology and/or their relevance to the value chain. Depending on these attributes, the scenario translates into different impacts and speeds of recovery of the facilities until they return to a normal operating condition.</p>	<p>The impact of extreme weather events on the Group's activities includes physical damage to, or even destruction of, facilities, considering both the asset itself and the goods that are dependent on the facility or facilities affected. The impact on expected cash flows tends to be expressed in terms of the total cost of the physical assets destroyed, normally as the cost of their repair or reconstruction and/or the loss of market value of the damaged goods.</p> <p>Impact on revenues and costs: 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.</p>	<ul style="list-style-type: none"> / 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 uncorrelated. / The current portfolio of key facilities is assumed 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 relevant assets, specific recovery curves are applied. Work is underway to develop specific curves for other asset types. 	<ul style="list-style-type: none"> / 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. <p>① More information in chapter 5.1.3. <i>Responsible risk management</i> of this Report.</p>

Financial impact of physical climate risks⁽¹⁾

Physical dimension: Acute and Chronic



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>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. Consumers could change their shopping behaviour due to weather conditions, and traffic in stores could also decrease as a result of weather conditions, or if the distribution of merchandise to points of sale is interrupted.</p> <p>The scale of the impact depends on the usual climate of a particular market or geography (for example, extreme heat generally causes more problems in typically moderate climates than it does in hot areas).</p>	<p>The vulnerability/sensitivity of the Group's product portfolio to different extreme weather events is also modelled. Their aggregate global impact varies in accordance with the sensitivity of the demand for the Group's various products and retail formats, as well as the dependence of sales either in physical stores or online.</p> <p>Impact on earnings and costs: 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.</p>	<p>/ 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).</p> <p>/ Each product category is assigned a vulnerability function for various severity levels. These functions determine the severity of changes in demand.</p>	<p>/ 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.</p> <p>/ 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.</p>

① More information in chapter [5.2.1. Business model and strategy of this Report](#).

Financial impact of physical climate risks⁽¹⁾

Physical dimension: Chronic



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>This scenario envisages changes in long-term weather patterns affecting the agricultural productivity of the crops from which the different textile fibres used by the Group are derived (cotton, linen, wool, leather, cellulosic fibres and cashmere; work is ongoing to add other relevant raw materials). Changes in weather patterns may make it unviable to produce certain crops in some regions of the world in the future or may significantly reduce their yields. The effect of such phenomena would be a potential change in the supply and availability of raw materials. The financial impact on cash flows at risk is estimated over a five-year time horizons.</p>	<p>The Group is exposed to potential disruptions in agricultural value chains due to chronic changes in weather patterns, which could jeopardise the supply of raw materials needed to manufacture our products. In some cases the production of these raw materials is concentrated in limited or even exclusive geographic areas, making their replacement difficult or impossible.</p> <p>Impact on earnings and costs: 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.</p>	<p>/ 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.)</p> <p>/ Crop vulnerability functions are parametrised using the FAO (Food and Agriculture Organization) and Ecocrop database to determine the suitability of a specific environment by optimal conditions for the growth of the various crops.</p> <p>/ In order to estimate the financial impacts (decrease in sales or increase in procurement costs), the degree of dependence on the different raw materials analysed at retail format and Group level is considered.</p> <p>/ The Group's degree of dependence on the raw materials analysed is static over the five years of projected impact.</p>	<p>/ 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 with recycled content.</p> <p>/ We have the Fibres Plan, with exacting commitments for the use of materials with lower impact, also known as preferred materials.</p> <p>/ The Group's efforts and work to foster the development of technologies to improve the sustainability of the raw materials and their subsequent recycling.</p>

(1) The risk trend reflected here corresponds with the short term.

Transition risks

Transition risks are financial and reputation risks associated with the transition to a low-carbon economy. These risks take into account the nature, speed and trend of changes in policies, legal frameworks, technologies, reputation and market.

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

Financial impact of transition risks⁽¹⁾

Transition dimension: Regulatory



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>Establishing an explicit carbon price is a key mechanism to incentivise the transition to a low-carbon economy. These policies are currently determined and implemented both at national and regional level. The aim is to gradually obtain some degree of international coordination. As a result, the carbon prices used in our models vary from country to country with the aim of covering all global emissions by 2025.</p>	<p>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 countries in which it operates is considered and the carbon price in each jurisdiction is applied. This includes scope 1 (direct emissions from sources owned by the Company), scope 2 (indirect emissions from the electricity purchased) and scope 3 (other indirect emissions related to the Group's value chain).</p> <p>Impact on cost: the Group's financial impact stems from the increase in production and distribution costs, and the cost of raw material procurements, in terms of the increase per unit of product.</p>	<p>/ 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.</p> <p>/ All emissions are subject to a carbon price. The price for different economic sectors is given separately.</p> <p>/ 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.</p> <p>/ There are no financial or fiscal incentives or benefits derived from carbon price revenue. Public administrations allocate most of the revenues to environmental expenditures, the economic benefits of which are not incorporated in this model.</p> <p>/ 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.</p>	<p>/ Group Sustainability Roadmap that reflects Inditex's firm commitment to progressing towards a low-carbon economy model. The goal of net zero greenhouse gas emissions by 2040, science-based decarbonisation targets (SBTs) by 2030, and the commitment to using 100% renewable electricity at our own facilities, achieved in 2022.</p> <p>① More information in section 8.3.3. Monitoring, assessment and continuous improvement of this Report.</p>

Financial impact of transition risks⁽¹⁾

Transition dimension:

Legal liability



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>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. The scenario assumes that major lawsuits are filed against the Group, claiming damages based on its relative contribution to global greenhouse gas emissions. As lawsuits start to proliferate in different jurisdictions, initially in the most emissions-intensive sectors, the textile industry becomes a potential target for litigation.</p>	<p>Damages are estimated based on the scale of our operations, and translate into claims. On average, cases are assumed to take several years to be resolved. Plaintiffs aim to pressure the Group beyond the potential legal ruling, exerting increased media and reputational pressure.</p> <p>Cost impact: 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.).</p>	<p>/ 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.</p>	<p>/ Inditex's Sustainability Policy establishes that all the Group's activities will be conducted in the most environmentally-friendly way possible, fostering the conservation of biodiversity and the sustainable management of natural resources.</p> <p>① More information in section 5.2.2. Sustainability strategy of this Report.</p> <p>/ Solid Compliance System in place and a robust corporate governance system that ensures compliance with regulations, guidelines and best practices in this connection.</p> <p>① More information in sections 8.1. Corporate ethical culture and solid Compliance architecture of this Report and F.1.2. of the Annual Corporate Governance Report.</p>

Financial impact of transition risks⁽¹⁾

Transition dimension:
Technology



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>This scenario analyses how the Group's competitiveness might be affected by the development and use of new technologies that are less GHG-intensive, considering their operating costs and the demand for our products. The Group must decide how and when to invest to reduce emissions in its value chain so as to attain an optimal combination of profitability and early adoption to design its R&D strategies.</p>	<p>In a fast-moving technology market, the Group must invest to ensure its operations and infrastructure do not lag behind. At the same time, it must manage the potential obsolescence of existing assets. The value chain faces the same challenge as the Group. Costs relating to the renewal of the value chain are ultimately expected to be passed on to the Group.</p> <p>Impact on cost: stemming from the depreciation and liquidation value of assets, additional CapEx and increased raw materials costs.</p>	<p>/ 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. Asset improvements include new transportation assets (trucks, etc.), as well as the factory upgrades to improve energy efficiency. For each technology, the model assumes that a portion of the total global assets are updated according to the different emissions pathways at a specific cost.</p> <p>/ 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. In addition, 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.</p>	<p>/ 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. Inditex's Sustainability Innovation Hub is clear evidence that it is seeking to foster the circular economy, contribute to decarbonisation and maximise environmentally-friendly development.</p> <p>④ More information in section 6.4.1. Initiatives to progress towards a circular model of this Report.</p>

Financial impact of transition risks⁽¹⁾

Transition dimension: Market



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>This scenario envisages an increasing market interest in sustainable products and services. Certain consumer segments change their shopping habits to enhance their environmental and social impact. Carbon-intensive companies and sectors are coming under increasing market scrutiny. Potential changes in supply and demand patterns jeopardise the Group's market share and cost of capital.</p>	<p>Consumer preferences are trending towards alternative products and services that produce lower emissions. This could lead to the emergence of new competitors that propose innovations that transform demand, resulting in a loss of market share and potentially an increase in the Group's cost of capital.</p> <p>Earnings and costs impact: impact on demand is 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 different emissions pathways determine the scale of these impacts.</p>	<p>/ Market adoption rates of sustainable products have been parameterized in the model based on a series of key attributes (market potential, innovation coefficient and imitation coefficients).</p> <p>/ The Group's product portfolio remains static over the different time horizons. Sales of sustainable products are growing at a moderate pace in the short term. It is assumed that the potential scale of sustainable products does not encompass all consumers, although the rate of adoption varies according to the level of ambition of the different pathways.</p> <p>/ The model assumes that changes in consumption patterns affect every sector. The Group is able to pass-through some of the losses to customers.</p> <p>/ It is assumed that the impact on consumer demand outweighs the impact on investors, as the market remains focused on industries with higher emissions.</p>	<p>/ The Group's commitment to customers also implies anticipating their demands in matters such as diversity, sustainability or transparency, issues in which the aim is to involve them in the efforts and progress made.</p>

Financial impact of transition risks⁽¹⁾

Transition dimension: Reputation



Scenario	Impact on business model	Model assumptions	Main mitigations
<p>This scenario considers a context in which we do not advance towards a low-carbon economy. The widespread frustration with the failure to meet emission reduction targets causes a negative shift in public opinion towards large companies, especially in those sectors that have historically been the most emissions-intensive. Negative sentiment is fuelled and amplified by media campaigns. Large consumer segments engage in climate activism, focusing on specific companies through sustained campaigns and boycotts with considerable repercussion. In extreme circumstances, the shift in consumer sentiment unleashes a deterioration in investors' perception, with consequences for the Group's access to markets. This trend runs parallel to the growth of sustainable shopping, as reflected in the Market scenario. When sustainable alternatives gain traction, those retail formats that do not adapt tend to experience a significant decline in customer demand. In contrast to the Market dimension, impacts are idiosyncratic and consumers avoid the Group or specific brands.</p>	<p>The main impact for the Group is a decline in demand for its products and/or brands, which varies according to specific trends, with the resulting loss of sales and market share. Investor sentiment, meanwhile, weighs on the Group's share price and financial situation. Financing costs (capital and debt) worsen. There is a risk of becoming a target for the increasingly numerous 'consumer activists'. The scale of the impacts depends on the level of ambition of the different pathways.</p> <p>Earnings and costs impact: 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 cost of capital and financing.</p>	<p>/ 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 opposite 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.</p>	<p>/ 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.</p>

(1) The risk trend reflected here corresponds with the short term.

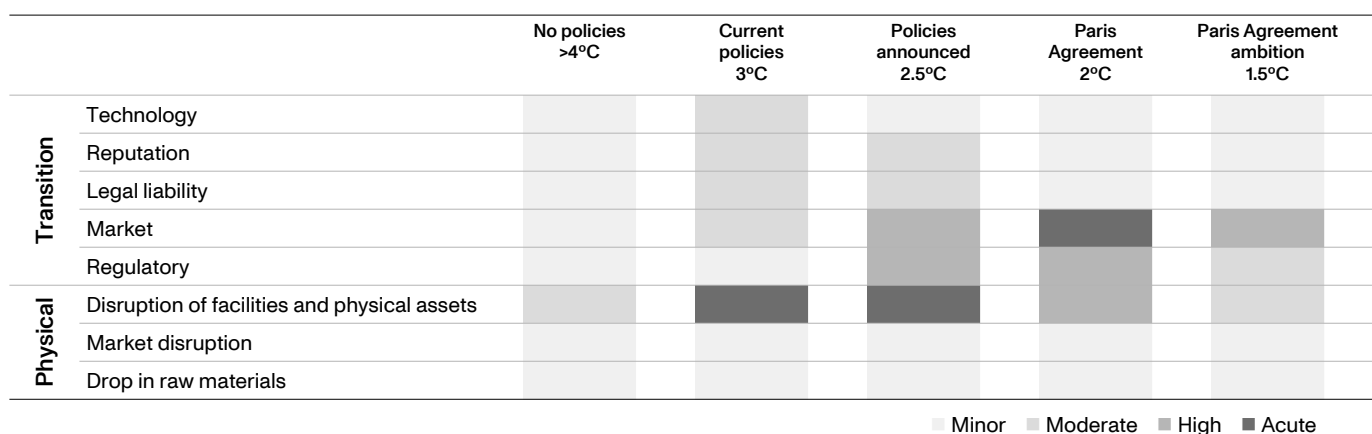
Climate risks over the short, medium, and long term

To estimate the short-, medium- and long-term climate-related risks, we calculated each of them as per the five emissions pathways for our Company.

In doing so, we seek to understand how our business model would behave under the climate conditions of each pathway. In this way we can understand what impact comes from climate evolution²⁷.

Medium- and long-term risks are estimated by translating the five-year cash flow estimates from the short term to the two corresponding future horizons.

Short-term climate risk assessment (0-5 years)



Over the next five years, the financial impacts of physical risk are relatively limited and slightly lower than those reported in the previous year, mainly due to a decrease in the impacts caused by our key facilities to extreme weather events. This decrease is due mainly to changes in climate models and the improvement in the estimation of exposure in our value chain key facilities.

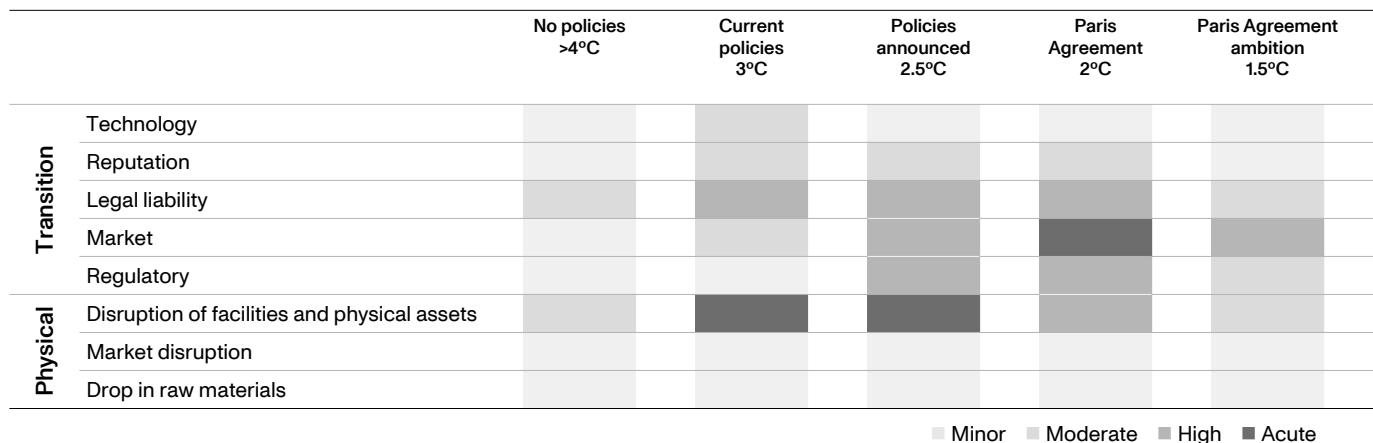
The most impactful weather events for the Group are heatwaves, river flooding and drought or water stress.

The frequency and severity of physical risks as a result of the step-up from CMIP5 to CMIP6 has increased. Even so, the probability that acute events could cause significant losses ('catastrophic physical tail risks') remains low at present.

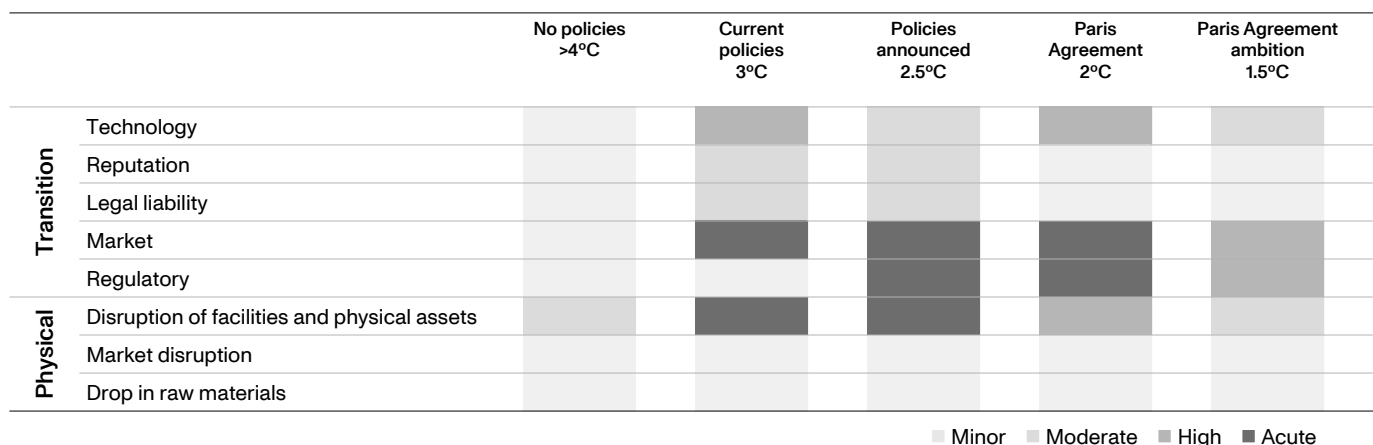
In the short term, around 70 % of physical risk, in its different manifestations, comes from our own operations. The remaining 30 % corresponds to third-party transactions.

²⁷ The impacts reflected by each climate risk typology, emissions trajectory and horizon are adjusted for the probability of occurrence of each of the emissions trajectories.

Medium-term climate risk assessment (5-10 years)



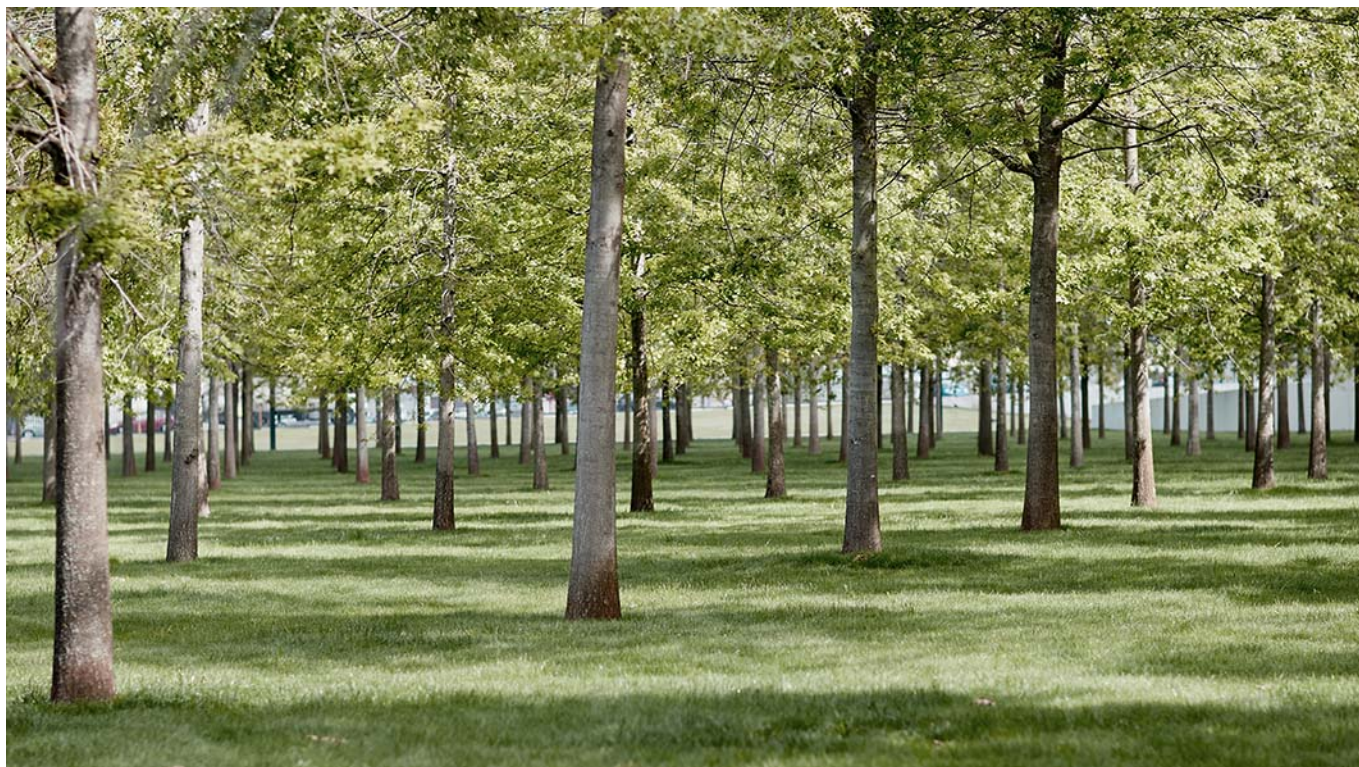
Long-term climate risk assessment (+10 years)



Opportunities arising from climate change²⁸

At Inditex, we want to progress towards a better impact. In this process it is essential to reduce our exposure to climate change-related risk and, at the same time, to identify the opportunities offered to us by a low-carbon economy to ensure our Company's resilience and capacity to be a part of the transformation of our industry.

²⁸ For more information, see our responses to the CDP Climate Change questionnaires, available at www.cdp.net.



Opportunities for Inditex in a low-carbon economy

Opportunity	Description of the opportunity
Integrated business model	<p>We continually update all our formats to introduce cutting-edge technology in our integrated platform of physical and online stores, creating an efficient, sustainable and integrated economic model. We create opportunities for improvement to strengthen our entire ecosystem while minimising resource consumption.</p> <p>① More information in section 5.2.1. Business model and strategy of this Report.</p>
Continuous strategic transformation	<p>Our integrated business model gives us a consolidated overview of our customers and their needs at all times. Our strategy capitalises on this advantage to evolve our model towards economic, sustainable and integrating improvements. We start by aiming to maintain the level of commercial success achieved, driven by the opportunities afforded to us by digitalisation processes and our sustainability commitments.</p> <p>① More information in section 5.2.1. Business model and strategy of this Report.</p>
Innovation	<p>The complexity of the global challenges we face and the path towards a more sustainable model require the increasing introduction of innovation, science and technology in our initiatives. For example, through our platform Sustainability Innovation Hub, we work to provide the industry with new materials, manufacturing processes and initiatives to improve circularity, use or end of life.</p> <p>① More information in section 6.4.1. Initiatives to progress towards a circular model of this Report.</p>

Opportunities for Inditex in a low-carbon economy

Opportunity	Description of the opportunity
Customer orientation	<p>We use a process of continuous interaction with our customers as the main tool for identifying the latest trends and developing products that meet their demands, whether in clothing, footwear, accessories or household products. We maintain high standards through a combination of design, quality and sustainability at affordable prices. This constant connection has allowed us not only to adapt to new needs, but also to gradually add new services, technologies and channels.</p> <p>① More information in section 7.4. Our customers of this Report.</p>
Transformation of the sector	<p>We have established a unique business model distinguished by its flexibility and efficiency, constant innovation, the creativity of our staff and our focus on sustainability integrated in every process involved. On that basis, we resolutely and collaboratively strive to promote the transformation of the sector, generating a positive impact on society, the industry and our environment.</p> <p>① More information in section 5.2.1. Business model and strategy of this Report.</p>
New business models	<p>In keeping with our commitment to using resources more efficiently, we are developing innovative solutions that allow our customers to request repairs, or sell or donate Zara garments they have at home through our Zara Pre-Owned platform, already available in certain markets.</p> <p>① More information in section 6.4. The transition to a circular economy: resources, products and waste of this Report.</p>
Collaboration	<p>To address the paradigm shift that is crucial to tackle the challenges linked to the fight against climate change, circularity or the sustainable development of communities, it is imperative that we join forces with all the actors involved. In this connection, we take an open approach in which collaboration is a key pillar for transformation. Examples of this are our partnership with entities such as the United Nations Global Compact, The Fashion Pact, Ellen MacArthur Foundation or Zero Discharge of Hazardous Chemicals, among others.</p> <p>① More information in section 5.3.1. Stakeholder engagement of this Report.</p>
Efficient consumption of natural resources	<p>In our commitment to sustainable development, at Inditex we strongly advocate circularity, an economic, management and production approach aimed at balancing growth with conserving natural resources and progressing in the decarbonisation of the entire value chain. For us, circularity is a differential model of production and consumption encompassing all stages from a product's design to its end of life. This approach fosters the reuse and recycling of articles, extending their life cycle and minimising the use of natural resources, energy consumption and waste generation.</p> <p>① More information in section 6.4. The transition to a circular economy: resources, products and waste of this Report.</p>
Energy efficiency	<p>Energy efficiency is a priority in both our designs and our day-to-day operations. In this regard we are constantly reviewing our standards to reflect cutting-edge practices and implementing new programmes to advance on the path of continuous and sustainable improvement in our operations. We work closely with our suppliers and other organisations to promote the rational and efficient use of energy throughout the value chain.</p> <p>① More information in section 6.1. Climate change of this Report.</p>

Opportunities for Inditex in a low-carbon economy

Opportunity	Description of the opportunity
Generation of renewable energies	<p>The generation and acquisition of energy from renewable sources plays a central role in our energy strategy. For this purpose, we invest in generating renewable energy at our own operating facilities. We have solar thermal, solar photovoltaic or wind energy, as well as infrastructure to harness geothermal energy. This diversification reduces our dependence on third parties in these aspects, and also introduces innovative concepts, such as additionality in the implementation of new power generation infrastructure in the grid.</p> <p>① More information in section 6.1.4. Lower-impact consumption and efficiency and optimisation initiatives of this Report.</p>
Sustainable building	<p>We make the investments needed in all our headquarters, platforms and stores to oversee, reduce and mitigate the impact of the consumption of resources. When building our headquarters, we follow bioclimatic criteria, encouraging the installation of photovoltaic panels, the collection of rainwater for non-drinking uses and the implementation of self-regulating lighting systems in accordance with outside light conditions, as specific examples of our sustainable practices.</p> <p>① More information in section 6.1. Climate change of this Report.</p>

6.1.5.3. Climate risk management

At Inditex we manage our risks through our Risk Management and Control Policy, approved in 2020. This policy establishes our Integrated Risk Management System, which helps us to manage and control the risks that impact our Company, including those linked to climate change.

Although the management of climate risks follows general risk management principles, their specific characteristics are taken into account when it comes to assessing and quantifying them. Accordingly, we approach climate risks effectively, acknowledging their importance in the current context.

① More information in sections [5.1.3.1. Risk management framework](#) and [5.1.3.2. Risk map](#) of this Report.



6.1.5.4. Metrics and targets

Targets

At the 2023 Annual General Meeting of Inditex, we presented the latest update of our sustainability commitments which includes new and stringent pledges with a view to achieving net zero emissions by 2040.

In keeping with these targets, in 2023 we also submitted to the Science-Based Target Initiative (SBTi) the latest update of our 2030 climate commitments and our 2040 net zero emissions target for their validation. We have also devised our new Climate Transition Plan, which details our decarbonisation strategy, the resources we estimate will be needed and the collaborative initiatives we will launch to advance our commitment to addressing climate change.

📖 More information in section [6.1. Climate change](#) of this Report

Decarbonisation mechanisms

As well as setting decarbonisation targets, we promote mechanisms to advance in their achievement, such as our variable remuneration system.

This system links our teams' remuneration to the attainment of the Company's objectives, including our sustainability commitments. For example, both our CEO and senior management have specific incentives associated with emission reductions.

📖 More information in section [5.1.1. Good Corporate Governance](#) of this Report.



Metrics

Assessment of climate change risks

Physical risks



Heatwave



Freeze



Water stress



River flooding and coastal flooding



Tropical storm



Temperate storm

Physical asset damage

Cost to repair and replace property, equipment and inventory damaged by extreme weather events.

Key facility operations

Disruption to output of production and activities from extreme weather phenomena.

Raw material supply

Agricultural products and water supply are affected by extreme weather phenomena and chronic climate changes.

Disruption of earnings

Extreme weather events affect consumers' buying habits.

Transition risks

Regulatory dimension

/ **Carbon pricing:** carbon pricing policies vary in each of the jurisdictions so as to incentivise decarbonisation. Organisations pay a price for emissions throughout their value chain.

/ **Carbon markets:** the development of emissions markets, still largely voluntary, is experiencing an increase in demand.

Market dimension

/ **Consumers preference for sustainability:** consumers tend to prefer alternative products and services that are sustainable. Competitors may emerge who propose innovations that transform demand and threaten to capture market share from the established players.

Technological dimension

/ **The pace of adoption of low-carbon technologies,** and the resulting 'green premium', may affect the competitiveness of companies as a consequence of the impact in terms of operating expenses and the value of the assets. Investments must seek a balance between innovation and profitability.

Legal liability dimension

/ **Lawsuits from emissions and climate damage:** a generalisation of lawsuits against companies for their liability in emitting greenhouse gases and the damaging economic and environmental consequences thereof.

Reputational dimension

/ **Climate activism and stigmatisation by consumers:** a negative change in public opinion towards companies with carbon-intensive activities. Consumer demand is affected by climate activism, which also affects investor confidence and access to capital.

Summary of climate change risk

TCFD Framework	Dimensions	Upstream raw materials supply	Supply chain and operations	Final stages value chain	Group financial risks
Physical risks	Acute risks: extreme weather events	Short-term disruptions in the supply of raw materials	Operational interruption and damage to physical assets	Short-term demand disruption	
	Chronic risks: gradual changes in weather patterns	Viability of raw materials supply in certain regions	Threats to the value chain in certain regions as a result of water stress and heat waves	Dependence on demand for certain products in certain regions	
	Regulatory risks: carbon pricing	Increased emissions cost in early stages of the value chain	Increased cost of fossil-fuel-dependent activities	Pass-through of higher costs as a result of demand elasticity	
Transition risks	Technological: innovation in low-carbon technologies	Cost of decarbonisation in early stages of the value chain	Devaluation of carbon-intensive physical assets	Disruptive competition that erodes market share	
	Market: consumers' preference for sustainability			Consumer preferences shifting towards sustainable alternatives	
	Reputation: climate activism and stigmatisation			Consumers' perception of the Group and its brands	Investment market's perception of the Group's sustainability strategy
	Market: investor sentiment				Market shock resulting from divestment in carbon-intensive sectors
	Liability: climate litigation				Lawsuits linked to the contribution to climate change



6.2 Water management

Material topic: Pollution; Water management



6.2.1. Ambition and goals concerning water

GRI 3-3; 303-1; 303-2; 303-3; 303-4

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 and preserve marine and freshwater ecosystems.

Our approach to water management takes into account water all the dimensions related to our direct and indirect activities. That is why, in 2023, we signed a commitment with CEO Water Mandate to preserve fresh water through collective action in 100 water-stressed river basins around the world by 2030.



Furthermore, we prioritise reducing water consumption in our operations and supply chain. Consequently, we have set ourselves the goal of reducing water consumption in our supply chain by 25% in 2025, as compared with 2020. This will help preserve water as a natural resource and lower our greenhouse gas (GHG) emissions by reducing energy use in related processes.

We are currently working to update our Global Water Management Strategy, aimed at ensuring sustainable and efficient water usage across our value chain while promoting activities linked to the protection and restoration of river basins and other aquatic ecosystems.

Within the framework of this strategy, we have different lines of action focused on the analysis of impacts and their mitigation, including:

- / The efficient and responsible use of water through the implementation of the best available technologies, reuse and recycling of water.
- / Improving the quality of the discharge and its responsible management such as the use of safe and sustainable chemical products.
- / The implementation of a fibre plan that involves the use of organic and regenerative practices with the use of raw materials with a lower impact on water.
- / The protection of aquatic ecosystems and the restoration of deteriorated water basins.

Another relevant initiative is the work around the Green to Wear standard to expand knowledge about the water context in our supply chain. Parameters such as water stress, the source and distribution of the water used and water reuse and recycling help us to propose a strategy contextualised to suit the local situation of water resources at each facility.

6.2.2. Water management initiatives in own operations

GRI 3-3; 303-1; 303-2; 303-3; 303-4; 303-5

At our facilities, water is mainly consumed for cleaning and sanitary purposes. In addition, our industrial plants use water, mainly for steam generation and cooling by means of closed-loop systems. We can therefore estimate that the amount of water consumed is directly equivalent to the amount discharged. Furthermore, wastewater in all our facilities is channelled to the appropriate wastewater systems. On that basis, our water usage and management does not have an impact on protected habitats.

In 2023, water consumption in own facilities—corporate headquarters, factories, logistic centres and stores—amounted to 1,767,463 cubic metres, i.e. 1% less than in 2022. The water consumption at our centres is calculated through direct meter readings and bill charges from public water utilities companies²⁹.

Water consumption

Year	Water consumption (m ³)	Relative water consumption (litres/m ²)	Relative water consumption (ml/€)
2023	1,767,463	234	50
2022	1,780,190	240	55

Moreover, we have initiatives in place such as the use of storm tanks at our centres in Cerdanyola, Arteixo and Lelystad. In 2023 these tanks collected 35,356³⁰ m³ of water, i.e. 41% more than in 2022; this water was used for irrigation and sanitation.

6.2.3. Water management initiatives throughout the supply chain

GRI 2-28; 3-3; 303-1; 303-2; 303-3; 303-4

Our supply chain encompasses one of the most water-intensive areas of our value chain, namely wet processes (dyeing, washing, finishing and printing, among others). Mindful of the importance of these processes in water management, in 2023 we implemented initiatives aimed at reducing water consumption and improving discharge quality, including:

- / Proposal for updates to our Green to Wear standard that allows it to be adapted to the new production processes, as well as to foster, to the extent possible, even greater savings in water usage.

²⁹ Water consumption at corporate headquarters and logistics centres was calculated using primary data. As for consumption by own stores, it was estimated based on the net expenditure per store. We have used the specific average price of 20 markets, and for all other markets, we have used the average of m³/m² per concept.

³⁰ The volume of water collected in storm tanks was calculated using flow meter measurements

³¹ Supply chain water consumption is calculated for all production facilities in our supply chain that perform a wet process. The calculation methodology includes real consumption data collected in factories, for example, through environmental audits. For cases in which the information is not available, it has been estimated from the averages of the environmental audits.

- / Devising improvement plans in conjunction with wet process facilities to optimise water usage and improve the quality of wastewater discharges.

- / Publishing best practices in water management and in the improvement of discharge quality.

- / Creating a network of partner facilities to implement measures and technologies derived from the innovation developed by the Group in collaboration with companies from various sectors and with the purpose of saving water and improving discharge quality.

By implementing these initiatives, we have been able to cut water consumption by 20% in our supply chain³¹, compared to 2020. We are committed to achieving a 25% reduction by 2025.

Year	Relative water consumption (litres/kg garment) ⁽¹⁾
2023	77
2022	79
2020 (base year)	96

(1) Consumption for 2022 and 2020 has been recalculated based on the improvements made to the corporate systems that provide greater detail of the production processes.

Environmental improvement plans

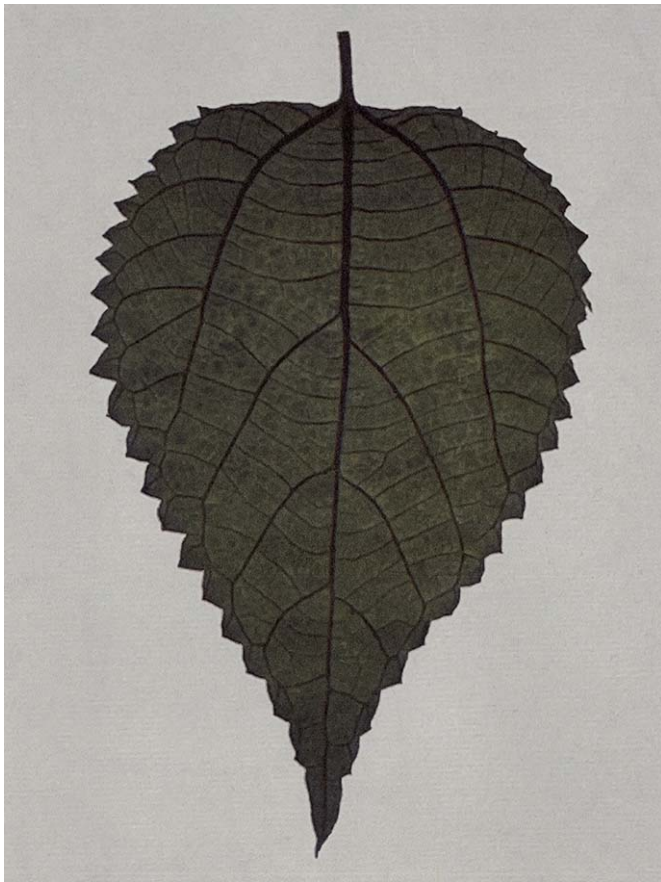
A fundamental pillar of our Supply Chain Transformation Plan rests on environmental improvement plans. These plans serve the facilities of our suppliers and manufacturers to advance in minimizing impacts and transforming the sector.

In relation to water, the participating facilities must fundamentally achieve the following objectives:

- / Reduction of water consumption until reaching the 'excellent' level, in accordance with our internal standards.
- / Alignment of the wastewater discharge quality with the 'foundational' level of the discharge standard developed by Zero Discharge of Hazardous Chemicals (ZDHC).
- / Use of ZDHC level 3 certified chemicals.

The facilities propose an action plan to achieve these objectives that includes concrete measures, implementation dates and a quantification of the reduction of impacts. A network of internal and external specialists analyses the viability of the plan and the scope of each of the proposed actions. Once validated, the facilities have, at all times, technical support and monitoring of these plans by this network of specialists.

The environmental improvement plans integrate the Care for Water plans. Throughout 2023 we have collaborated with 118 facilities to improve their water consumption through this programme.



New requirements for water management in our supply chain

We have included new requirements related to water management in our environmental preliminary assessment (EPA), which is carried out at the facilities in our supply chain subject to the Green to Wear standard, once they have passed the pre-assessment. Consequently, facilities that do not have the means to control their overall water consumption and the individual consumption of their machinery are barred from our production. Likewise, neither are facilities which do not implement measures to prevent water loss or reuse water accepted in our production chain.

Knowledge transfer platform

The platform provides information for wet process facilities to improve their water consumption and the quality of wastewater discharges. The measures to improve water consumption include optimising the production process, using certain chemical products or the possibilities of reusing and recycling water, always tailored to the production process at each facility.

In addition, among other things, facilities can access information on the investment needed, the estimated impact on water consumption 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.

This tool was developed through a collaborative approach open to the entire textile industry, which is why we have made the platform publicly accessible via our corporate website to anyone interested.

In 2023, we added more than 30 new measures for the production of both textile and leather articles, ranging from innovative technologies and chemicals to easy-to-implement, zero-cost measures that boost efficiency at facilities. Likewise, many other measures already included in previous years have been reviewed and updated.

Network of collaborating facilities in the implementation of own R&D

At Inditex, we work with several facilities to roll out various innovative measures and technologies aimed at improving efficiency in water consumption and/or to enhance discharge quality.

Along with improving water consumption, this innovation and development network aims to prove that new measures and technologies work on an industrial scale. At the same time, information is provided to compile case studies to demonstrate the improvements achieved, paving the way for their rollout at other facilities.

With this goal in mind, in 2023 we conducted pilot projects at various facilities in Portugal and Türkiye. Although focused on reducing water consumption, these initiatives also delivered improvements in energy consumption, productivity and lowered production costs.

A case study was carried out in Türkiye in which two measures published on our knowledge transfer Platform were implemented:

- / 'Cold washing after the dyeing process with reactive dyes', which reduces the water needed to rinse after dyeing.
- / 'One-step exhaust dyeing', which involves simultaneously pre-treating and dyeing the fabric.

The results obtained from the joint implementation of both measures in the various tests carried out showed very significant savings:

- / Water consumption reduction: up to 41%.
- / Steam generation reduction: up to 60%.
- / Electricity consumption reduction: up to 30%.
- / Reduction of process duration: up to 32%.



R&D+i for the prevention of microfibre shedding

In 2023 we worked to develop a number of measures to prevent both synthetic and natural microfibre shedding in the two areas of the value chain where this shedding and subsequent release into wastewater is especially relevant: wet processing and domestic laundry.

This year, we presented the Air Fiber Washer, developed in partnership with the Spanish company Jeanologia, which aims to help prevent the release of microfibres in domestic washing. Using an innovative, air-based technology, this new development 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.

Also in 2023 we launched The Laundry by Inditex on an industrial scale. This household detergent is designed to reduce microfibre shedding in domestic washing. This solution, jointly developed by Inditex and BASF Home Care and I&I Solutions, can reduce microfibre shedding by up to 80%, depending on the type of fabric and washing conditions.

In addition, we work with other industries to develop new technologies or production systems with a lower impact on water resources. A good example is the joint development of 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 we launched on an industrial scale 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.

6.2.3.1. Collaborations with external initiatives

In order to optimize environmental management in our supply chain, we collaborate with the Institute of Public & Environmental Affairs (IPE) of China, which disseminates environmental information, provided by both Government and factories and brands.

In addition to the environmental performance of the textile factories, the IPE monitors suppliers of raw materials and chemicals, as well as the wastewater treatment plants and the results of wastewater analyses. In 2023 the IPE recognised our Company's efforts to improve environmental performance in our supply chain, ranking it third both globally and in the textile sector in the index it publishes annually.

Furthermore, we have adopted the Manufacturing Restricted Substances List (MRSL) by the Zero Discharge of Hazardous Chemicals (ZDHC) Foundation. This regulates the quality of discharges, facilitating compliance with requirements for both chemical suppliers and the facilities that use them. We also integrated our The List, by Inditex programme in ZDHC's chemical product control strategy, providing key information to determine whether a particular chemical is compliant with MRSL discharge parameters as well as applicable legal requirements.

① More information in the document *Innovation, collaboration and continuous improvement for chemical safety* available on Inditex's corporate website.

With the desire to advance in the evaluation of impacts and the setting of objectives around the protection of water and nature, we have carried out a pilot with the new reference framework of the Science Based Targets Network (SBTN).

Throughout 2023 we have worked with World Wildlife Fund (WWF) to update our Water Management Strategy, as well as to seek collaborative actions with other companies and organizations.

In 2023 we joined the Alliance for Water Stewardship (AWS), an organisation at the forefront of water governance, with the aim of exchanging knowledge and experience with other leading companies in water management in different sectors, as well as taking joint action with some of them in those river basins shared by our activities.



6.3. Biodiversity and ecosystems

Material topic: Biodiversity and ecosystems



6.3.1. Our Biodiversity Strategy

GRI 2-23; 3-3; 304-2

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 welfare of communities and for biodiversity itself.

In 2013 we published our Biodiversity Strategy based on the principles of the United Nations Convention on Biological Diversity, aimed at protecting and preserving biodiversity in all areas of our value chain. This strategy is complemented by the Global Energy Strategy and the Global Water Management Strategy, aimed at reducing energy and water usage and cutting harmful discharges and greenhouse gas emissions and, with them, their adverse effects on biodiversity.

We currently have reference new frameworks in place to guide and strengthen our work on biodiversity and ecosystems, such as the Science Based Targets Network (SBTN) and the Taskforce for Nature-related Financial Disclosure (TNFD).

In this regard, we follow the AR3T (Avoid, Reduce, Restore & Regenerate, and Transform) framework, proposed by the SBTN, a comprehensive framework encompassing actions across five dimensions:

- / Avoid
- / Reduce
- / Restore
- / Regenerate
- / Transform

Inditex's commitment to biodiversity

As part of our new sustainability commitments, we aim to protect, restore, regenerate, or promote other management approaches to improve biodiversity in an area of five million hectares.

To achieve this, we work with different organisations such as Conservation International whose Regenerative Fund for Nature fosters regenerative farming and practices. Another such organisation is the World Wildlife Fund (WWF), which we support in restoring endangered ecosystems in Europe, Asia, Africa and Latin America.

In 2021, we launched the #bringyourownbag (#traetubolsa) initiative and began charging for recycled paper bags and envelopes in our stores, with the aim of raising awareness among our customers about the importance of using reusable alternatives, and thus reducing waste generation and minimizing consumption of raw materials, water and energy.

This initiative, currently present in 77 markets (59 markets in 2022), has made it possible to reduce the number of bags and envelopes delivered to our stores by 47%. Likewise, the collection obtained for environmental projects since 2021 has been 79 million euros, of which we have allocated, at the end of the year, 54 million euros⁽¹⁾ to projects in 21 countries.

(1) Due to the lag between the collection of funds and the formulation of the initiatives, currently the amount collected is higher than the contribution allocated to projects.



6.3.1.1. Avoid: thus preventing damage in the first place

The most important measure in fostering biodiversity is to first prevent potential negative impacts on nature, especially in the most sensitive areas.

With this aim in mind, we implement actions designed to avoid negative impacts on ecosystems of high biodiversity value, such as primary forests or the habitats of endangered species. To avoid these impacts we use two fundamental tools:

/ Forest Product Policy. Forests play a pivotal role as a haven for biodiversity while also contributing to the water cycle, acting as greenhouse gas sinks and, sometimes, they are natural and heritage areas of huge importance to the local communities. That is why we ensure that all forest material that we use—such as wood or pulp—comes from responsible farming and not from primary and endangered forests.

This Policy specifies that our paper or wood products and the wooden furniture in our stores must be certified by the Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC).

Moreover, we only work with suppliers of fibres derived from cellulose pulp that are not sourced 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 better protect primary and endangered forests.

We are currently revising this Policy to expand its scope to other materials potentially linked to deforestation risk, such as leather.

/ Animal Welfare Policy. At Inditex we want to avoid having a negative impact on animals and their natural habitat. That is why those of our products that contain material of animal origin must come from animals bred on farms for the purpose of obtaining meat and, under no circumstances, from animals that are killed to market their skins, shells, horns, bones, feathers or down. Furthermore, these animals must be treated ethically and responsibly, in accordance with the internationally accepted "Five Freedoms" of animal welfare (free from thirst, hunger and malnutrition; free from fear and distress; free from discomfort and exposure; free from pain, injury and disease; free to express normal behaviour).

6.3.1.2. Reduce: how we minimise our impact on biodiversity

After avoiding negative impacts, our next focus is to reduce those impacts that might arise as a result of our activity. To achieve this goal, we prioritise materials and production processes that reduce potential negative impacts on biodiversity, through:

/ Progress towards decarbonisation: we work to help reduce the adverse effects of climate change on ecosystems and biodiversity, acknowledging their interdependence.

① More information in section [6.1. Climate change](#) of this Report.

/ Reducing water usage: we undertake to reduce the water consumption in our supply chain by 25% in 2025. We also strive to minimise the impact of wastewater through our commitment to the Zero Discharge of Hazardous Chemicals (ZDHC) initiative. We also work to improve water quality and reduce the load of microfibres that can be released into water through industrial and domestic washing processes, contributing to innovation in this regard.

① More information in section [6.2. Water management](#) of this Report.

/ Implementation of initiatives to progress towards a circular economy model: we prioritise innovation in recycled materials, production processes and use and end of life, with the aim of reducing impacts throughout our products' life cycle. These initiatives allow us to reduce land use, preventing the conversion of ecosystems, and the use of natural resources, minimising the environmental impact associated with the supply and end of life of garments. In this regard, our goal is that by 2030, 40% of our textile products and raw materials should be sourced from conventional recycling, and another 25% from new-generation fibres.

① More information in section [6.4. Transition to a circular economy: resources, products and waste](#) of this Report.

/ Use of organic raw materials or those in transition: we use raw materials that exclude pesticides and chemical fertilisers that degrade fertile soil, pollute water and hamper biodiversity and communities. We estimate that 25% of the raw materials we use will come from organic or regenerative farming by 2030.

① More information in section [6.4.2. Design and selection of raw materials](#) of this Report.

6.3.1.3. Restore: we support the conservation and restoration of ecosystems

In keeping with our 2030 commitment of attaining five million hectares protected, restored, regenerated or under other forms of management for biodiversity improvement, we aim to restore degraded natural areas to a state as close as possible to their original state.

To achieve this, in 2023 we were involved in various projects of this kind:

/ Restoration and conservation of ecosystems: we contribute to projects to restore and conserve ecosystems worldwide in partnership with WWF. Accordingly, we support the restoration of forests like the Datça-Bozburun, in Türkiye, the holm oak forest in the Cratere degli Astroni nature reserve in Italy, or the Dadia-Lefkimi-Soufli Forest National Park in Greece. We also contribute to the recovering of river basins and freshwater ecosystems in North Africa—in the Sebu basin in Morocco and the Guerbes-Sanhadja plains in Tunisia and Algeria—as well as the Mekong Delta in Vietnam.

In Spain, we have joined the new public-private fund to mitigate the risk of forest fires, set up by the Galicia Regional Government in 2023. This project is focused on restoring areas affected by forest fires and the deployment of fire prevention work.

/ Restoration and protection of habitats of endangered fauna: we are working with WWF on actions to restore and protect the habitats of endangered fauna, such as the Gran Chaco tropical forest and Pantanal wetlands in South America, as well as various natural areas in Mexico to conserve endangered native species such as the Monarch butterfly and the jaguar. In China, we support projects in the Taihang-Yan mountains and the Amur-Heilong region to protect the habitats of the leopard and the Amur tiger, respectively.

/ Promoting sustainable forestry: our goal is to improve forestry management through sustainable forestry models. We launched this initiative in 2018 with the Pico Sacro demonstration forest project in Spain. Since then we have expanded this line of action to include other demonstration forests in various locations. In Galicia, in collaboration with the Galician Forestry Association; in Portugal, with the Portuguese Forestry Association, Forestis; and in Castilla-La Mancha with WWF.

6.3.1.4. Regenerate: revitalising ecosystems to protect biodiversity

At Inditex we know how important it is to nurture productive areas in which biodiversity and communities can thrive.

To that end, we promote regenerative agricultural and land management practices aimed at fostering a balance between productive land use and healthy ecosystems. These initiatives 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 and the conservation of local biodiversity.

In 2023 we contributed to these regenerative practices on various fronts:

/ Investment in innovative agricultural projects: we work with the Regenerative Fund for Nature in collaboration with Conservation International and the Kering Group, investing in innovative projects in connection with our raw materials, aimed at transforming the fashion industry's relationship with nature. To achieve this, the fund invests in agricultural communities, project leaders and NGOs so as to implement regenerative approaches that not only preserve the viability of the land but also benefit farmers, enhance animal welfare and the health of ecosystems, and foster climate change mitigation and resilience.

Specifically, in 2023 we supported two projects that foster regenerative practices in India and Pakistan through the Organic Cotton Accelerator (OCA). We also supported a project focusing on cattle in conjunction with Fundación Solidaridad in the Gran Chaco forest region of Argentina.

Also in this sphere, we continue to take action in India, supporting the transition to regenerative practices and nature restoration in an area spanning 300,000 hectares in the Indian states of Madhya Pradesh and Odisha, in partnership with Action Social Advancement (ASA), together with Laudes Foundation, IDH - The Sustainable Trade Initiative and WWF India.

6.3.1.5. Transform: key to protecting biodiversity in the long term

The transformation of our way of working as a society and industry 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.

Among them, we highlight the following initiatives:

/ Business for Nature: in 2023 we joined more than 80 companies calling on European leaders to be highly ambitious regarding the new European Nature Restoration Law. Specifically, this platform is calling for more regulation and greater efforts to protect and restore nature, and to foster the sustainable use of resources, with clear roadmaps and support for communities.

/ Arctic Corporate Shipping Pledge: promoted by the Ocean Conservancy, encourages major logistics operators and global brands to undertake to avoid shipping routes through the Arctic, as well as to find ways to reduce the emissions from global shipping.

/ LEAF Coalition: coordinated by Emergent, aims to encourage countries to promote measures geared to curbing deforestation in tropical and subtropical countries. The idea is to halt the loss of biodiversity and avoid the greenhouse gas emissions deriving from deforestation.

/ The Deforestation-Free Call to Action for Leather: In 2023 we joined this collective action initiative in the sector, led by Textile Exchange and the Leather Working Group (LWG). This initiative urges brands to commit to obtaining their bovine leather from deforestation-free supply chains by 2030 at the latest, investing to foster best practices in this regard.

/ The Fashion Pact: this sector-specific initiative is aimed at improving the fashion industry's impact on nature by protecting biodiversity, taking climate action and preventing microplastic ocean pollution.

6.4 The transition to a circular economy: resources, products and waste

Material topic: Pollution; Circular economy and efficient use of resources; Health, safety and well-being



6.4.1. Initiatives to progress towards a circular model

GRI 2-28; 3-3; 301-2; 306-1; 306-2

Our sustainability strategy covers our aim to progress towards a circular economy model that transforms waste into resources. 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 believe in innovation in materials, production processes and the use and end of life of our products. We base this innovation on collaboration with universities, 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.

Sustainability Innovation Hub

In 2023 we continued to work on our Sustainability Innovation Hub (SIH), a centre for innovation whose purpose is to minimise the environmental impact of the raw materials and processes used in the textile industry. To achieve this, we join forces with startups, academic institutions and other industrial and technological organisations 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.

Thus, in 2023 and in the field of collaboration with start-ups, this platform expanded considerably, going from 200 to 350 emerging companies working to incorporate new materials, improve production processes and make headway in connection with traceability, packaging and use and end of life. Furthermore, the Hub advanced in

the environmental, technical and commercial analysis of 23 new startups and conducted 30 life cycle analyses.

The SIH also focused on being a catalyst for pilot projects and demonstrations in 2023. As a result, we carried out pilot projects for more than 35 innovations and launched on the market collections with various startups, such as NILIT and CIRC with Zara Woman, Circular Systems with Zara Home and Ambercycle with Zara Athleticz, as the first milestone in our ongoing collaboration with them.

In addition, we have also signed a forward purchase agreement with the American startup Ambercycle for the purchase of its recycled polyester chips made from 100% textile waste, valued at more than 70 million euros. Production at the new commercial plant is scheduled to commence in 2025.

A notable milestone for SIH was an agreement to incorporate the first 2,000 tonnes of Circulose® pulp, a new textile pulp produced from recycled cotton waste using a chemical process invented by the Swedish recycling company Renewcell. This adoption will mark the first step in our plan to phase Circulose® fibre into our portfolio of innovation fibres.

In 2023, we also launched LOOPAMID® x ZARA, a capsule in which we have collaborated with various companies, including BASF chemistry. For this launch, ZARA Studio has developed a single-material jacket made entirely with LOOPAMID®, a polyamide entirely created from textile waste. The fabric, padding, zipper, buttons and even the velcro are made from this innovative material created from textile waste.

Collaboration to scale production of recycled polyester from textiles

In 2023, we signed a three-year agreement to purchase cycora®, a recycled polyester made from textiles.

We have formed a strategic partnership with Ambercycle, an innovative materials startup, to help scale the production of recycled polyester made from textiles. This agreement includes the purchase of a significant portion of the annual production of cycora®—an innovative material made from post-industrial and post-consumer polyester waste—for more than **70 million euros, over a three-year period.**

Thus, the construction of Ambercycle's first commercial-scale textile regeneration factory will be supported, whose molecular regeneration technology will make recycled synthetic materials more widely available and accessible in the textile industry. The first commercial cycora® plant is expected to commence production in 2025, with a view to incorporating this fibre into Inditex's product range in the following three years.

As part of this agreement, Zara Athleticz has launched its first capsule collection in partnership with Ambercycle, which includes technical garments made with up to 50% cycora®. This collection shows the potential of innovative materials to create highly functional products with a lower environmental impact.

At Inditex we want to advance in the use of recycled materials, which avoid the need to extract new raw materials and reduce waste generation. This, in turn, eases pressure on natural resources such as water and fertile land and helps preserve the environment and reduce greenhouse gas (GHG) emissions.

That is why we are committed to using 40% recycled fibres by 2030, as part of our goal to use 100% lower-impact textile raw materials by that date.

This is a challenging goal for our Company and for the textile industry. At present, textile waste collection and sorting technologies and infrastructure are not capable of recovering large volumes of waste and transforming it into resources. An additional challenge is to ensure that recycled fabrics maintain a quality comparable to the original fabrics.

At Inditex we are addressing this problem through our own textile recycling projects and in collaboration with other organisations.

We also collaborate with organisations like the Ellen MacArthur Foundation, Circular Fashion Partnership, Global Fashion Agenda and

Fashion for Good, on initiatives like design for recyclability, the assessment of infrastructure to process waste or new forms of textile recycling.

In this sense, during 2023, we participated in the following initiatives:

/ ReHubs Europe: an international non-profit organisation dedicated to promoting textile recycling in collaboration with the European Apparel and Textile Confederation (Euratex). ReHubs Europe emerged after three years of groundwork and the publication of the ReHubs Techno Economic Master Study (TES) on the technical and economic viability of expanding textile waste recycling in Europe (the ReHubs Initiative).

ReHubs Europe comprises member companies and organisations from across the textile value chain, including textile manufacturers, fashion brands, waste managers, recyclers, chemical industry representatives and technology providers, with the aim of promoting the development of projects that generate industrial capacity and expertise on post-consumer textile waste recycling in Europe. Inditex is an active participant in the working groups.

/ SCRAP: together with other brands, we co-founded the Association for the Management of Textile Waste with the aim of creating a Collective Extended Producer Responsibility Scheme (SCRAP) for textile and footwear waste in Spain. In 2023, further steps were made in defining aspects relating to SCRAP's governance, collection model and reporting. Inditex takes part in the various working groups set up.



Partnerships to develop circular solutions

We maintain industrial partnerships with more than 20 companies across diverse sectors to find new disruptive circular solutions. To that end, we are involved in every necessary phase: exploration, research, development, pilot testing and implementation.

Also in this connection, we maintain stable relationships with the leaders of various industries to fast-track and transfer solutions in raw materials, production processes and phases of use. This allows us to steer the systemic transformation our industry needs.

An example of this work is our collaboration with BASF, under the framework of a pioneering research partnership in the industry launched in 2019. One of the first results of this collaboration has been the commercial development of recycled polyamide (CCycled and BMB Ultramid®) from waste tyres—which cannot be reused in its own industry—and agricultural waste, respectively. We have launched collections using this polyamide: Oysho already used CCycled Ultramid® in 2022 and Zara adopted BMB Ultramid® in 2023.

A model tailored to demand

Our work is centred on designing high quality, affordable and durable fashion garments. We know that, in order to progress towards an efficient circular model, we need to maximise the life of each garment and optimise the use of materials in their manufacture. To achieve this, it is crucial to understand our customers' needs and to take action at every stage of the textile process.

That is why our product teams work to anticipate the purchasing requirements of our customers. This means keeping an adjusted inventory to be able to adapt to demand over time.

So as to guarantee an agile and effective response to this demand, a very significant portion of our garments are manufactured in proximity markets near our headquarters, such as Spain, Portugal, Morocco and Türkiye. We also combine inventory from our physical stores and online platforms, enabling our customers to access all of our products through our store network or online, which maximises the chances of selling every item.

This flexible and innovative business model helps us to meticulously manage garment inventories to avoid surpluses. In 2022³², our surpluses represented 0.79% of total articles sold, and the majority of them were donated to charitable organisations such as UNHCR, the Red Cross and Caritas.

We also have for&from stores that operate as charity shops managed by non-profit organisations such as *Fundació El Molí d'en Puigvert*, Galician Confederation of People with Disabilities (COGAMI), *Fundació Privada per la Inclusió Laboral Auria*, Association of People with Mental Disabilities of Alicante (APSA), *Fundación Prodis*, *Fondazione Cometa* and *Associação VilacomVida*. These stores offer stable employment to people with physical, intellectual and mental disabilities, and their profits are reinvested entirely in projects run by these community organisations.

① More information in section [7.3. Communities](#) of this Report.

6.4.2. Design and selection of raw materials

GRI 3-3; 301-1; 301-2; 306-1; 417-1; AF18; AF20

Raw material design and selection influences the impact of our products and is therefore key to our commitment to using lower-impact materials. As part of this, in 2023 we unveiled our Fibres Plan—a cornerstone for improving our impact and advancing our sustainability strategy—to shareholders at the Annual General Meeting.

Our consumption of raw materials according to their origin is divided into two categories: fibres and non-fibres. The fibres category comprises three groups: natural³³, synthetic³⁴ and man-made³⁵ fibres.

Raw materials	2023	2022
Fibres	88%	88%
Natural	53%	50%
Synthetic	38%	40%
Man-made	9%	10%
Non-fibres	12%	12%

³² Surplus figures are shown for 2022 as the 2023 winter campaign is ongoing in stores at the time of writing this report, and therefore the surplus inventory has not yet been fully processed.

³³ Natural fibres are filaments obtained from natural sources that can be threaded to obtain strands, threads or twine.

³⁴ 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.

³⁵ 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.

We use the following raw materials in our products³⁶:

Raw material	Tonnes	% of total tonnes of raw material
Cotton	277,831	43%
Man-made cellulosic fibres	52,511	8%
Polyester	165,956	26%
Linen	13,141	2%
Other raw materials ³⁷	136,183	21%
Total	645,623	100%

Careful selection of fibres

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 materials with a lower impact on biodiversity, land use, water consumption and the associated greenhouse gas (GHG) emissions.

Accordingly, we have undertaken, by 2030, to only use lower-impact raw materials, which we call preferred³⁸ materials in line with the definition of industry benchmark organisations like Textile Exchange. In this definition we also include fibres that meet other requirements of excellence established by other relevant organisations such as Canopy and Changing Markets.

This commitment is especially important for our Company, as textile raw materials account for 88 % of the materials we use. The remaining 12 % are non-textile raw materials, such as iron and porcelain.

Our commitment to lower-impact fibres

By 2030, 100% of our textile products will only use lower-impact materials.

/ We estimate that around 25% will be new generation fibres that do not yet exist on an industrial scale and that we are helping to develop.

/ 40% of the textile fibres we use will come from conventional recycling.

/ Another 25% will come from organic or regenerative agriculture.

/ The remaining 10% will include other preferred options in line with the indicators specified by benchmark organisations.

These goals are enshrined in our Fibres Plan, which we announced at the 2023 Annual General Meeting.

In recent years we have worked to promote the use of fibres from preferred sources. As a result of our efforts in this regard, in the last campaign of 2023 the consumption of preferred raw materials was 68% of the total, an increase of 8 percentage points with respect to the previous year.



³⁶ All purchases from the 2023 summer and winter campaigns are included. 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. Raw material consumption is calculated based on the garment's weight and percentage composition.

³⁷ In the summer and winter 2023 campaigns, this category includes 190 raw materials such as wool, leather, glass, wood, paper or certain metals, among others.

³⁸ Textile Exchange defines a preferred material as "a raw fibre or material that delivers ongoing beneficial outcomes and impacts for climate, nature, and people through a holistic approach to transforming raw fibre and material production systems".

This milestone is founded on the Join Life standard we introduced in 2015 to raise awareness among our customers and staff, and which distinguished products which involved raw materials and processes with a lower environmental impact. Having met our initial aim, and having exceeded our commitment to ensure that 50% of our garments were Join Life by 2022, we no longer distinguish our products with this label.

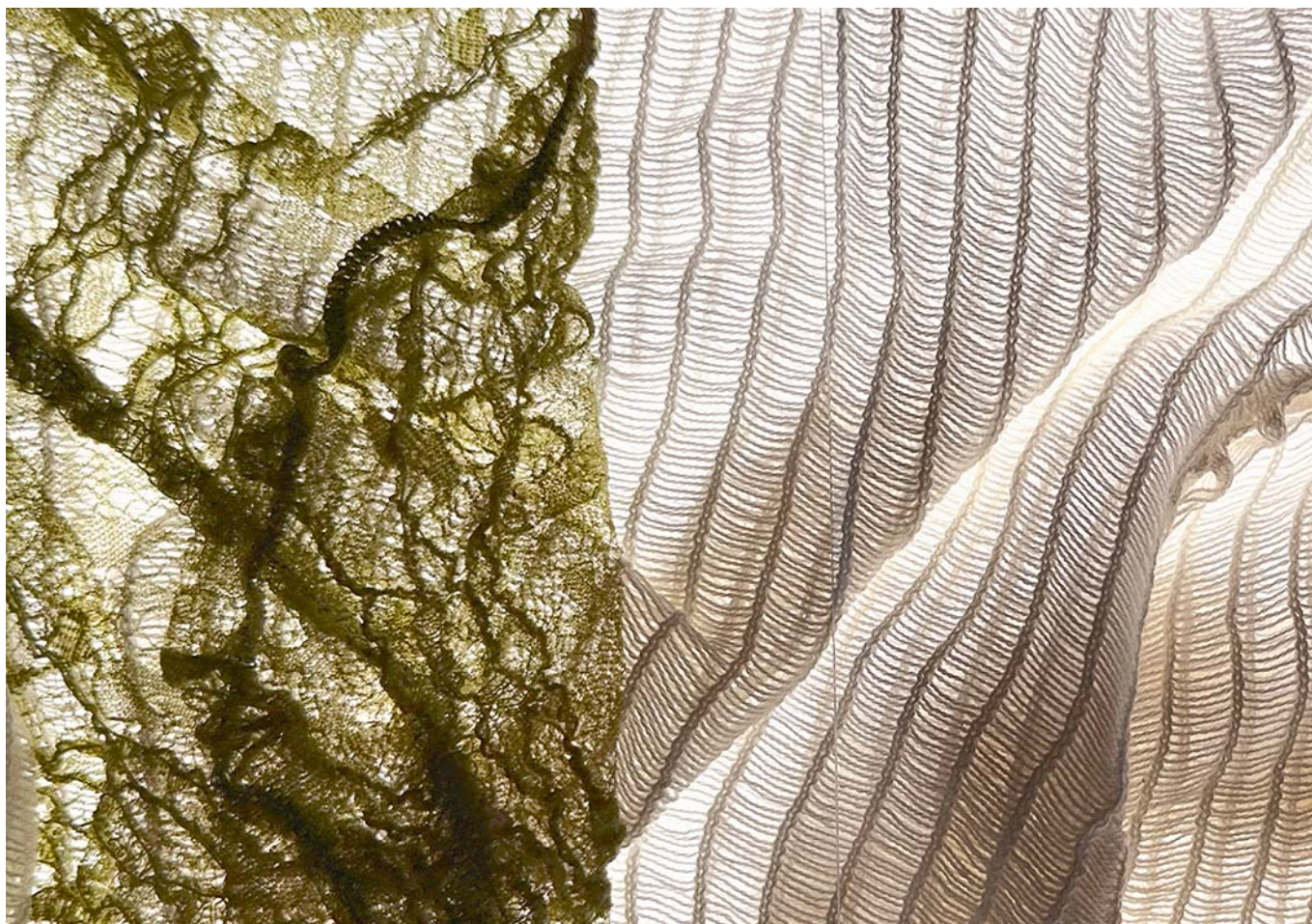
From now on, our strategy is based on our new Fibres Plan, which sets targets by volume of lower-impact fibres used in the products of each of the Group's brands.

Alongside this strategy, Inditex has developed a new classification of fibres and materials, which is constantly being reviewed and updated,

and to which our teams, as well as our suppliers and manufacturers, have continuous access.

We have shared our Fibres Plan on the suppliers' Extranet, including our fibre targets by 2023, 2025 and 2030, and the raw materials currently considered to be lower-impact. We also provide information on international standards certifying the presence of raw materials by type of fibre. This document also presents the suppliers of recycled synthetics and man-made fibres that have so far been identified.

The progress towards the intermediate milestones of our Fibres Plan at year end, in the winter 2023 season, is presented below:



Commitment	Source ⁽⁴⁾	% of total tonnes of this raw material	Type of fibre	%
100% preferred cotton in 2023	Preferred	96%	Organic cotton (OCS/GOTS)	7.9%
			Cotton in conversion/transition (OCS/GOTS)	1.6%
			BC cotton ⁽¹⁾ (BC)	75.6%
			Recycled cotton (RCS/GRS)	10.4%
	Conventional	4%	Conventional	4.5%
100% preferred man-made cellulosic fibres by 2023, supporting the Changing Markets Commitment	Preferred	85%	Recycled (RCS/GRS)	0.1%
			Other third-party standards (Canopy, Changing Markets ⁽²⁾ or FSC)	85.2%
	Preferred (Canopy only) ⁽³⁾	7%	Other third-party standards (Canopy)	7.2%
	Conventional	8%	Conventional	7.6%
100% preferred polyester in 2025	Preferred	52%	Recycled polyester (RCS/GRS/Repreve)	51.6%
	Conventional	48%	Conventional	48.4%
100% preferred linen in 2025	Preferred	84%	European linen (European Flax certificate)	83.6%
			Recycled linen (RCS/GRS)	0.2%
	Conventional	16%	Conventional	16.2%

(1) BC cotton is not physically traceable to the final product, as it uses a mass balance system. The percentage of use has been estimated on the basis of the information available in Inditex's systems.

(2) Man-made cellulosic fibres that meet the requirements specified in the Changing Markets' Roadmap towards responsible viscose & modal fiber manufacturing.

(3) Cellulosic fibres from suppliers classified as "green shirts" with a score of 25 or above in the Hot Button Report compiled by CanopyStyle, a Canopy Planet initiative.

(4) Preferred raw materials are only considered to be those for which the corresponding certificate has been received within the time and manner established in accordance with our internal procedures.

Cotton

Cotton is the most widely used raw material at our Company. In keeping with our commitment to preserve natural resources and biodiversity, we have adopted various strategies regarding our cotton consumption.

We use **organic cotton**, i.e. cotton that does not involve the use of synthetic fertilisers and pesticides, or of genetically modified seeds, that is certified by the Organic Content Standard (OCS) and Global Organic Textile Standard (GOTS).

With the aim of promoting organic cotton growing, we are a founding member of the Organic Cotton Accelerator (OCA) initiative, which supports organic cotton farmers from growing to marketing. Likewise, we assist farmers as they transition to organic crops.

In addition, we are members of **Better Cotton (BC)**, an initiative involving actors in the cotton supply chain aimed at training farming communities in best practices for growing cotton.

We are also committed to using **recycled cotton**, which is made from production cutting scraps or post-consumer waste and which undergoes a recycling process to make it into new cotton fibre.

During the last campaign of the year, we have achieved that 96 % of the cotton used meets our objective. The remaining cotton has been classified as conventional since we cannot prove its origin according to our internal procedures.

Preferred man-made cellulosic fibres

Our goal with the artificial cellulosic fibers used in our products is that they meet the following conditions in line with our Forest Products Policy. Firstly we require our suppliers to use man-made cellulosic fibres (viscose, modal, lyocell and acetate) in our products that are sourced from fibre manufacturers rated as 'green shirts' with a score of 25 or higher in the CanopyStyle initiative's Hot Button report, led by the Canopy Planet organisation. Secondly, we continue our endeavours to ensure that, from this year onwards, cellulosic fibres are sourced from manufacturers who are committed to the *Roadmap towards responsible viscose & modal fibre manufacturing* promoted by the Changing Markets Foundation.

In the last campaign of the year, 85% of the man-made cellulosic fibres used in our products met both requirements.

The difficulties in sourcing preferred man-made cellulosic fibres in certain markets has hampered the execution of orders for preferred fabric in 2023. Consequently, we continue to work with cellulose pulp manufacturers in connection with the commitment to the Changing Markets Roadmap. Nine facilities of large fibre manufacturers have already implemented the best available techniques (BATs) in their production processes, and three other facilities will have them in place at the end of 2024 and early 2025. Fibre obtained without BATs is classified as 'preferred – Canopy only'³⁹.

Meanwhile, we have classified as conventional the fibre whose source we have not been able to prove.

Linen and polyester

We are advancing towards our goal of using only polyester and linen from preferred sources by 2025. In 2023, 52% of the polyester and 84% of the linen we used in our products came from this kind of source.

Recycled materials

When we updated our sustainability commitments we pledged to source 40% of our textile fibres from conventional recycling by 2030, as one of our targets to help ensure that 100% of our textile products use only lower-impact materials. In this sense, in 2023 our products already contain 18% recycled materials (13% in 2022).

Furthermore, through our Sustainability Innovation Hub (SIH) we research alternative and innovative materials obtained from second- and third-generation waste. These materials are designed to ensure the technical and durability standards required in certain products, thereby contributing to sustainability and reducing the environmental impact in our supply chain.

In 2023 we also worked on producing a guide to threads and yarns that contain mechanically recycled cotton fibre, mainly post-industrial cotton, with information on the possibilities and limitations of using recycled materials. This guide is intended as a support tool for our sales teams and suppliers, helping them to make product design and procurement decisions.

The guide will cover a variety of threads and yarns, classified by yarn type and percentage of recycled content, recommended for different types of products based on the purchases made in our Company's concepts. The information compiled is based on the characteristics of the recycled fibre, including fibre length and short fibre content, as well as on the spinning technology used, differentiating between Open-end spinning and ring spinning.

Although Open-end spinning is now quite common in the process of spinning recycled fibres, ring spinning still requires research to be fully integrated into the recycling loop. This allows us to include recycled content in product families where there is currently a knowledge shortfall.

This publication not only provides guidance for decision making, but it also encourages giving value to textile waste. The mechanical textile recycling process involves the sorting and processing of waste into recycled fibres, which are then used in the production of threads, fabrics and garments, saving raw materials, reducing costs and having a better impact on the environment.



³⁹ Cellulosic fibres from suppliers classified as 'green shirts' with a score of 25 or above in the Hot Button Report compiled by CanopyStyle, a Canopy Planet initiative.

6.4.3. Health and safety of products

GRI 2-28; 3-3; 413-2; 416-1; 416-2; AF19

We strive to ensure that the products we market are safe and healthy. To achieve this, we have specific product standards, that are of general application and mandatory for all the articles we sell⁴⁰. These standards go beyond the requirements of international legislation and cover processes from design to manufacturing.

We currently have eight product standards, each with a different scope:

Product standards	
	Scope
Safe to Wear	Garments, footwear, accessories, including the trimmings and fabrics used for their manufacture
Physical Testing Requirements	Garments, 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 Fragrance and Candles	Ambiance products for the home Decorative candles and their accessories
i+Child Care Furniture	Children's furniture and child care articles
Active to Wear	Garments and fabrics

In 2023 we launched our Active to Wear standard, a product quality tool that defines the minimum requirements for fabrics or garments labelled with a functional property that enhances their performance under certain conditions of use or activities such as the water repellency.

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 statutory requirements which apply to the type of product and the markets where they are sold.

⁴¹ This includes tests and inspections carried out in 2023 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.

We also published the new guide to best manufacturing practices free of perfluoroalkyl and polyfluoroalkyl substances (PFAS). This guide provides information on the sources and common uses of these synthetic compounds, a clear testing method at both the chemical and textile application level using more sensitive analytical techniques, and guidelines to prevent cross-contamination at manufacturing sites.

In 2023 we launched a new version of the Clear to Wear (CtW) standard to bring it into line with the latest regulatory developments and to further our alignment with the Apparel and Footwear International RSL Management (AFIRM)'s Restricted Substances List (RSL). This standard covers restricted chemicals present in finished products.

We have also published a new edition of our Physical Testing Requirements (PTR), the standard which establishes the physical-chemical parameters for textile quality testing.

To verify compliance with our standards, we work with technology companies, research centres and laboratories of international reference to test that they are being properly applied. We also conduct our own programmes to analyse our articles, as well as audits at manufacturing centres.

In this connection, we focus our efforts on ensuring compliance with our standards at every stage of the product: design, raw material selection and manufacturing processes. To strengthen compliance with our Safe to Wear 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.

Our network of in-house testing laboratories plays an important role in this process, testing pursuant to the most demanding international standards. This way we ensure comprehensive product control, anticipating potential non-conformities with our product health and safety standards, and we improve textile quality in product durability terms.

With regard to the prevention of non-conformities, it is worth highlighting our **Picking** inspections programme aimed at ensuring that our articles are made in accordance with our health and safety standards. This programme identifies potential non-conformities by means of a representative sample at the supplier's facilities and an analysis conducted by external laboratories approved by our APPLABS programme. In 2023, 60,685 Picking inspections were carried out, and 821,934 analyses and tests were performed⁴¹ (51,288 inspections and 721,980 analyses and tests en 2022).

We also have our **APPLABs** external laboratory approval programme. This initiative ensures that the analysis process and the results provided by these laboratories on our articles are accurate and according to the particularities of our model. This confidence is crucial because this information determines whether a production meets our standards. In 2023, a total of 57 on-site audits⁴² were carried out at external laboratories and 47 comparison exercises, which involved analysing 6,821 samples (56 on-site audits, 35 comparison exercises and 5,951 samples in 2022).

In addition to these inspections, since 2017 we have been deploying **Minilabs**, a portable laboratory that allows our external auditors 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 2023, we performed 3,656 Picking inspections with Minilab and carried out 31,268 analyses and screening tests⁴³ (3,743 inspections and 33,029 analyses and screening tests in 2022).

Furthermore, we 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 course of Picking inspections. These audits, which are 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 an action plan to remedy the defect.

In 2023, 36 RCA audits⁴⁴ were conducted (17 audits in 2022). The results showed that cross-contamination with other productions was one of the main causes of non-compliance. 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.

① More information in the document *Innovation, collaboration and continuous improvement for chemical safety* available on Inditex's corporate website.

Collaborations

We are advancing, with our suppliers and the rest of the industry, in adopting best practices, particularly the selection of safe chemicals and wastewater management. We think that sharing our know-how and aligning requirements across the industry is essential to ensure compliance with our standards and to improve facilities in line with Greenpeace's Clean Factory Approach. We are also members of the Board of Zero Discharge of Hazardous Chemicals (ZDHC) and we are involved in AFFIRM, among other initiatives. We also collaborate with prestigious technological centres and universities.

In order to drive the transformation of our sector, we have made available to the industry The List, by Inditex programme through ZDHC's Gateway platform. This is a procedure for classifying chemicals that improves production processes and the health and safety of final garments. We have also adopted ZDHC's Manufacturing Restricted Substances List (MRSL), which specifies the chemicals whose intended use is banned from the manufacturing process.

Also alongside ZDHC, we have been involved in its new Chemicals to Zero programme to foster safer chemical formulations, which includes three certification levels: Foundational, Progressive and Aspirational. The recently launched 5th edition of The List, by Inditex has received official certification at the Progressive level, ensuring compliance with MRSL (ZDHC) restrictions and helping to safeguard compliance with the restrictions applicable to finished products (AFFIRM's RSL and CtW).

We also devise 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.

① More information in section [9.1.3. Health and safety indicators of our products](#) of this Report.

⁴² This includes audits carried out in 2023 as part of the APPLABs programme. The calculation methodology includes primary data obtained through statements from the service provider.

⁴³ This includes tests and inspections carried out in 2023 using the Minilab for all the Group's brands. The calculation methodology includes primary data obtained through statements from the service provider.

⁴⁴ The calculation methodology includes primary data obtained through statements from the service provider.

6.4.4. Use, end of life and waste management

GRI 3-3; 301-3; 306-1; 306-2; 306-3; 306-4; 306-5; AF18

Use and end-of-life of our garments

One of the major challenges facing the textile sector is to lengthen the useful life of garments. At Inditex we want our products to accompany our customers a long time. So we want to help customers extend the life of their garments and we strive to make our products durable, thereby contributing to a circular economy. 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 goal of make the platform available in all key markets by 2025, Zara Pre-Owned is available in 16 markets: Spain, Germany, Austria, Belgium, Croatia, Slovakia, Slovenia, Finland, France, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom.

/ Repairs: this service allows customers to request the 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.

/ Customer-to-customer sales: using this service, 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. This supports the development of projects in local communities, as explained in the next section.

Another pioneering project in this regard was the launch in 2022 of The Laundry by Zara Home in collaboration with BASF. The Laundry is the first detergent designed to reduce microfibre shedding in washing, and it is available in the brand's stores and online. This detergent is especially effective at low temperatures, yielding additional benefits such as lower energy consumption in washing or improved colour fastness, prolonging a garment's life. In 2023 we made progress in extending the patent to include markets such as Canada, the US and Brazil.

Clothing Collection Programme

The Clothing Collection Programme allows our customers to donate items they no longer use to more than 90 local community organisations in the markets where we operate. Donation is made through the containers located in our stores or Zara.com's home collection services, available in Spain, the UK, New York, Paris and several cities in Mainland China. In Switzerland and Hungary, where we have not yet established any agreement with non-profit organisations, we work with third parties specialising in textile recycling. In Spain we also work with Caritas to enable the donation of garments by means of containers located in the streets of a number of cities.

These non-profit organisations receive the donated garments and footwear from our facilities. The aim of this programme is that these articles are classified in accordance to the principle of waste hierarchy. Thus, garments in good condition will be donated to people in vulnerable situations or resold to finance these organisations' community projects. Those products that cannot be reused will be transformed into new textile fibres (upcycling) or, as a last resort, are made into new materials for industrial use (downcycling).

In 2023, our clothing collection programme recovered a total of 20,259 tonnes of garments and footwear (17,015 tonnes in 2022) 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 2023, they informed us that:

/ 67% of all garments were reused via donations to people in vulnerable situations or by reselling to finance community projects.

/ The remaining 33%, which could not be reused due to their characteristics or condition, were sent to recycling projects (mainly downcycling), or, as a last resort, were used in energy recovery.

Waste and resources management model

We know that our responsibility for the sustainability of our products does not stop at our stores. Consequently, we are working towards a circular economy model in which waste is turned into useful resources, maximising its value and improving our impact.

In our day-to-day operations we focus on the life cycle management of the waste generated by our activities. We have implemented projects to prevent the generation of waste materials where possible, and to enable the recovery, reuse and subsequent recycling of those that are ultimately generated. Thus, we transform these materials into resources that can continue to be used.

Our commitment to reducing the impact of our products also includes those items that accompany our garments, such as packaging. To achieve this, we have set public targets based on the waste hierarchy within the framework of our waste management programme.

Prevention

In 2019, we have set ourselves the goal of eliminating single-use plastics reaching customers by 2023. The elimination of unnecessary materials and the quest for potential alternatives has been crucial in this process, and has involved numerous teams in the Company.

Thanks to their efforts, in 2023 we were able to find alternatives to all the single-use plastics that previously reached our customers⁴⁵. We estimate that the implementation of these alternative solutions have enabled us to eliminate 95% of the weight of single-use plastics.

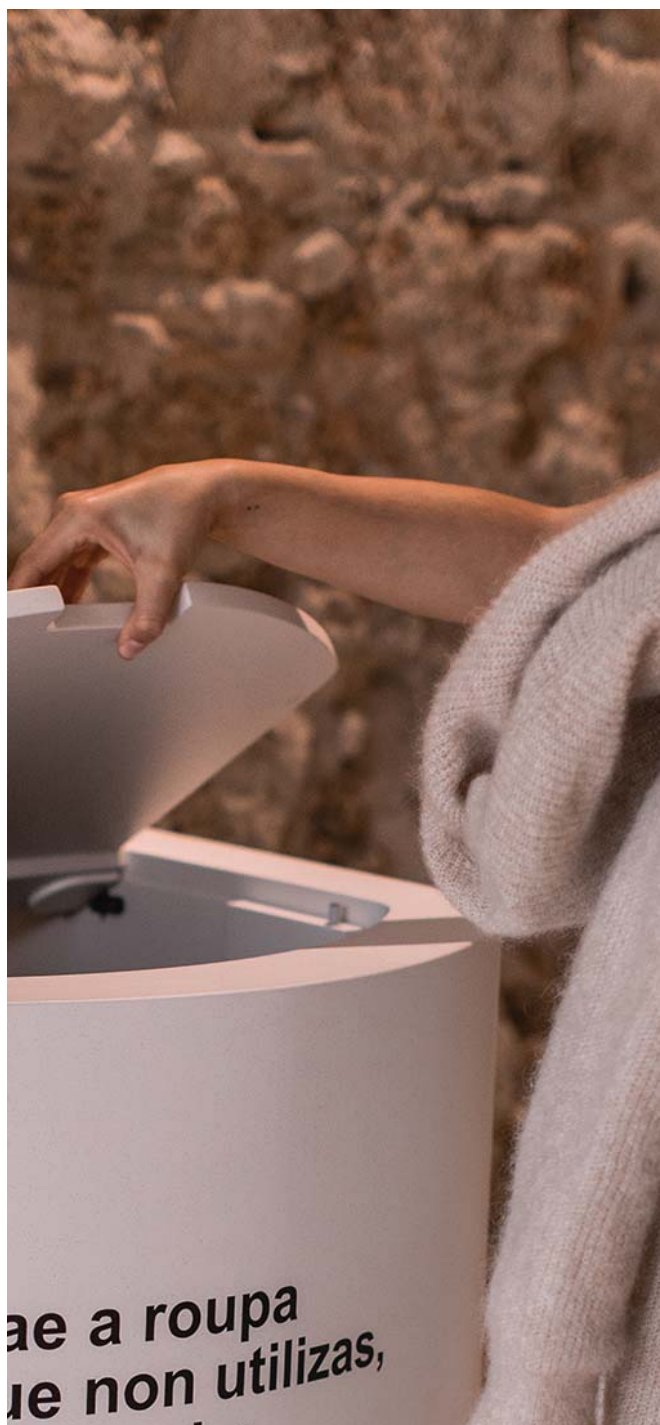
Interim exemptions apply to some of the eliminated items that temporarily allow them to be used: when these are products sold on non-Group platforms that have their own operations that include single-use plastics, or in case of continuity products purchased before 2023.

Our commitment in this sphere implies a continuous effort in innovation to avoid using single-use plastics in new product lines, at suppliers and in other Group operations.

In 2020 we already eliminated the use of plastic packaging in stores and online orders. In 2021, we launched the #bringyourownbag (#traetubolsa) initiative and started charging for our recycled paper bags in stores, with the aim of raising awareness among our customers about the importance of using reusable alternatives, reducing the generation of waste and minimizing the consumption of raw materials, water and energy.

① For more information on the environmental projects our customers are financing, see section 7.3.5. *Key programmes* of this Report.

In this regard, in 2021 we also signed a commitment with the Ellen MacArthur Foundation (EMF) to reduce by 50% our plastic footprint by 2025 compared to 2019. This commitment underpins our teams' efforts to promote the disposal, reuse and recycling of plastics.



⁴⁵ There are three items that cannot be eliminated for legal or safety reasons.

Preparation

We are careful to properly manage and separate materials that arrive at our facilities: packaging and other items. We see this waste as resources that can be reused or recycled and we are committed to its proper management to prevent it from ending up in landfills.

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.

Our goal is that the waste generated at our corporate headquarters, logistics centres, and own factories and stores to be properly collected and managed by 2023. In this regard, in 2023, 100% of the waste generated in these facilities are collected, classified and managed by an authorised manager, to allow its reuse or recycling and avoid its deposit in a landfill.

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 where a combined waste management is carried out.

In 2023 we have been working to be able to integrate the waste generated in our stores into our systems. Based on the data we have available⁴⁶ at the time of publication of this Report, we have estimated that around 89,000 tons of waste could have been generated through the Group's own stores in 2023. We continue to collect information to have more data for a complete year and being able to address the different singularities of store type by market.

Furthermore, in 2023, we have 14 TRUE certifications, processed by Green Business Certification Inc. for our headquarters, logistics centres and own factories (9 Platinum and 5 Gold certifications). TRUE certification identifies "environmentally responsible spaces which have achieved an average 90% or greater overall diversion from landfill or incineration".

Management of materials

Our goal by 2023 onwards is for all packaging materials to be collected for reuse or recycling in our supply chain. In this regard, the separation of packaging at our facilities is essential for their subsequent reuse or recycling.

For example, our goods are packed in cardboard boxes for shipping to ensure that they arrive in good condition from our suppliers to the customer. Our objective is for this packaging to be reused wherever possible and, where it is not, for it to be recycled and reintroduced into the production cycle as a raw material. In 2023, 100% of the cardboard and paper collected in our centres, especially boxes, was allocated for reuse and/or recycling.

In addition, 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 and we are working to expand its scope into new markets forthwith.

Our Green to Pack programme has been a key tool in achieving this goal, as it establishes the quality and environmental standards that our boxes must meet to allow their reuse and subsequent recycling. The programme also takes into account the social aspect and respect for human and labour rights in the manufacturing process. Consequently, any manufacturer wishing to be authorised as a supplier of Green to Pack boxes must pass a social audit in which compliance with our Code of Conduct for Manufacturers and Suppliers is verified.

Waste management and future purposing

Waste generation at our headquarters, logistics centres and own factories is presented below⁴⁷:

⁴⁶ Data on waste generated in 1,055 stores in different markets in Europe and Asia and from all the Group's brands have been used.

⁴⁷ These data do not include waste generated in our own stores and construction and refurbishment works of the Group as this information is not available at the required level of detail in the Company's systems. We have several projects underway to report this information in future years. The information included is derived from primary data.



Type of waste	2023 (KG)	2023 (%)	2022 (KG)	2022 (%)
Cardboard and paper	14,985,836	69%	13,713,321	66%
Wood	2,859,440	13%	2,773,840	13%
Other non-hazardous waste	2,545,777	12%	2,951,460	14%
Plastic	682,771	3%	680,725	3%
Textile waste	233,623	1%	245,018	1%
Metal	246,913	1%	232,293	1%
Hazardous waste	51,648	0%	35,623	0%
Total	21,606,008	100%	20,632,280	100%

The destination of this waste was as follows, according to its treatment

Non-hazardous waste destination	2023 (KG)	2023 (%)	2022 (KG)	2022 (%)
Diverted from disposal	20,028,082	93 %	18,811,731	91%
Recycling	19,685,985	91 %	18,607,803	90%
Preparation for reuse	342,097	2 %	203,928	1%
Directed to disposal	1,526,278	7 %	1,784,926	9%
Landfilling	1,236,015	6 %	1,600,519	8%
Incineration (with energy recovery)	290,263	1 %	184,407	1%
Total	21,554,360	100 %	20,596,657	100%

Hazardous waste destination	2023 (KG)	2023 (%)	2022 (KG)	2022 (%)
Diverted from disposal	49,282	95%	26,141	73%
Recycling	34,488	67%	24,531	69%
Preparation for reuse	634	1%	1,610	5%
Other recovery operations	14,160	27%	0	0%
Directed to disposal	2,366	5%	9,482	27%
Landfilling	708	1%	7,610	21%
Other disposal operations	626	1%	1,807	5%
Incineration (with energy recovery)	969	2%	0	0%
Incineration (without energy recovery)	63	0%	65	0%
Total	51,648	100%	35,623	100%

Our efforts also focus on reducing waste in canteens at our headquarters. In this context, we promote the use of mugs, glasses and glass bottles to avoid the use of single-use plastics and we implement a number of measures to stop wasting food and to encourage the proper separation of food waste.



7

Social

- 7.1. Our people
- 7.2. Workers in the supply chain
- 7.3. Communities
- 7.4. Our customers



7.1. Our people

Material topic: Fair working conditions; Diversity, equality and inclusion; Talent management; Health, safety and well-being.



7.1.1. About us

GRI 2-4; 2-7; 3-3; 404-2; 405-1; 405-2; AF22

At Inditex we believe that our teams are the engine of the Company's transformation and continuous growth, thanks to their talent, commitment and capacity to adapt to environmental changes.

Our aim is to help all of our people develop their full potential as part of a diverse, creative and innovative team. To achieve this, we foster opportunities for their development and training, with the aim of contributing to their professional and personal growth.

The people strategy rests on four pillars: promoting our **values** and our **culture; diversity and inclusion in our teams**, with **equal** opportunities; a firm commitment to **talent**, providing opportunities for development, internal promotion and mobility; and guaranteeing the **safety, health and well-being** of our teams, with quality, stable and stimulating jobs.

At the close of the financial year 2023, our Group comprises a team of **161,281 people employed in 57 markets and representing a total of 174 nationalities** (164,997 people, 59 markets and 182 nationalities in 2022).

The Inditex Group can be described with four features:

Generational and gender diversity

International presence

Horizontal organisation

A customer-centric approach

The Group's workforce is defined by its **gender and age diversity**, with a majority of women. At the end of 2023, **74% of our workforce are women**, while 26% are men (75% and 25% in 2022). Moreover, 0.02% of our workforce identifies as non-binary and 0.01% as unspecified gender⁴⁸. With regard to their age, our teams comprise people from **various generations**, with a predominance of the youngest age groups. The average age of our workforce is 30.6 years old (29.6 years old in 2022).

The **Group's international presence**, with people employed in 57 markets is another of our strengths, as it provides us with the opportunity to define global policies, while at the same time attending to the particular characteristics of each market, enriching and strengthening our corporate culture. Multiculturalism is an opportunity to add new ideas and pool experiences, making us a more creative company and one better prepared to understand the complexity of the market. Spain, with 47,761 employees, accounts for 30% of the total workforce.

Our **horizontal organisation** fosters open communication across the entire workforce, and nurtures the creation of collaborative working environments. This continuous dialogue enables us to identify opportunities for improvement in all areas and at every level of our business. In addition, our approach to job classifications is broad, with store employees having a special relevance in this classification.

The **customer is at the heart** of our business model. Accordingly, our stores, where 86% of our people work, play a crucial role in the Company. Notably, in recent years the teams dedicated to online sales have grown strongly, which together with the rest of the Group's areas of activity (factories, logistics and central services), serves the integrated store and online platform of all seven of our brands, comprising a network of more than 5,600 stores.

⁴⁸ As part of our commitment to gender diversity and non-discrimination, from financial year 2023 we have broadened the spectrum of gender identities reported in the workforce indicators. Information from previous years for non-binary or unspecified-other gender is not available.

Our people in 2023

161,281 people

174 nationalities

Distribution by activity

	2023		2022	
	Number of employees	%	Number of employees	%
Store	138,977	86%	143,365	86%
Central services	11,612	7%	11,374	7%
Logistics	10,090	6%	9,670	6%
Factories	602	1%	588	1%
Total	161,281	100%	164,997	100%

Distribution by geography

	2023		2022	
	Number of employees	%	Number of employees	%
Americas	19,963	12%	20,909	13%
Asia and rest of the world	15,526	10%	14,457	9%
Spain	47,761	30%	46,154	28%
Europe (ex-Spain)	78,031	48%	83,476	51%
Total	161,281	100%	164,997	100%

Distribution by age

	2023		2022	
	Number of employees	%	Number of employees	%
Under 30 years old	89,690	56%	94,666	57%
30 to 40 years old	43,310	27%	44,644	27%
Over 40 years old	28,281	18%	25,686	16%
Total	161,281	100%	164,997	100%

Distribution by gender

	2023		2022	
	Number of employees	%	Number of employees	%
Women	118,925	74%	123,201	75%
Men	42,309	26%	41,796	25%
Non-binary	25	0.02%	—	—
Others/Unspecified	22	0.01%	—	—
Total	161,281	100%	164,997	100%





The table below shows the breakdown and evolution of the workforce by professional category and market. The functional description of each of the job classification groups included in this Report is as follows:

/ 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. This category includes store managers.

/ 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.

Distribution by job classification

	2023		2022	
	Number of employees	%	Number of employees	%
Management	9,811	6%	10,692	6%
Supervisor	14,976	9%	14,754	9%
Specialist	136,494	85%	139,551	85%
Total	161,281	100%	164,997	100%

Distribution by market^{49,50}

Europe (ex-Spain)	2023	2022
Albania	310	332
Germany	5,046	4,951
Austria	1,409	1,320
Belgium	2,955	2,977
Belarus	352	370
Bosnia-Herzegovina	427	420
Bulgaria	781	750
Croatia	1,184	1,125
Denmark	295	296
Slovakia	467	469
Slovenia	228	218
Finland	174	203
France	10,975	11,302
Greece	4,065	3,930
Hungary	1,109	1,214
Ireland	1,016	1,027
Italy	10,283	9,971
Luxembourg	304	335
North Macedonia	325	315
Monaco	40	41
Montenegro	165	155
Norway	343	364
Netherlands	3,089	2,947
Poland	4,594	4,623
Portugal	6,964	7,016
United Kingdom	6,739	6,751
Czech Republic	674	676
Romania	2,899	2,879
Russia	3	5,303
Serbia	1,422	1,262
Sweden	695	716
Switzerland	1,398	1,470
Türkiye	6,496	6,622
Ukraine	809	1,127
Total	78,031	83,476

⁴⁹ As a result of the conflict in Ukraine, which began in February 2022, operations in that market have remained suspended at year end. During 2023, Inditex continues its support to the Ukrainian workforce, maintaining the full payment of salaries and the measures needed to support the staff as necessary. As regards the Russian business, the year-on-year change in the number of employees is due to the sale of our business to the Daher Group. For more information see [Note 33](#) of the Consolidated Annual Accounts.

⁵⁰ During 2023, the business was sold and subsequently franchised in Argentina and Uruguay, which is why the year-on-year variation in these markets is justified. For more information see [Note 33](#) of the Consolidated Annual Accounts.

Distribution by market^{49,50}		
Asia and rest of the world	2023	2022
Australia	2,076	1,863
Bangladesh	76	75
Cambodia	4	3
South Korea	1,639	1,529
India	1,691	1,543
Japan	2,837	2,780
Kazakhstan	1,272	1,189
Morocco	42	40
New Zealand	138	106
Pakistan	11	9
Singapore	3	4
South Africa	556	496
Vietnam	18	14
Mainland China	3,887	3,771
Taiwan, China	531	450
Hong Kong SAR	702	532
Macao SAR	43	53
Total	15,526	14,457
Spain	2023	2022
Spain	47,761	46,154
Americas	2023	2022
Argentina	—	718
Brazil	3,162	2,697
Canada	2,653	3,025
Chile	992	955
United States	6,170	6,374
Mexico	6,986	6,825
Uruguay	—	314
Total	19,963	20,909



7.1.1.1. Employment

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 57 markets in which our employees are present, and to guarantee quality workplaces.

Distribution of the workforce by contract type

In 2023, 81% of our people were on a permanent contract (compared with 82% in 2022).

The tables below show the different types of contract by gender, age and job classification:

Employee distribution by contract type, gender, age and job classification

	2023				2022			
	Permanent		Temporary		Permanent		Temporary	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
Distribution by gender								
Women	96,263	81%	22,662	19%	99,963	81%	23,240	19%
Men	34,910	83%	7,398	17%	34,881	83%	6,913	17%
Non-binary	25	100%	0	0%	—	—	—	—
Others / Unspecified	22	100%	0	0%	—	—	—	—
Total	131,221	81%	30,060	19%	134,843	82%	30,153	18%
Distribution by age								
Under 30 years old	64,916	72%	24,774	28%	69,358	73%	25,305	27%
30 to 40 years old	39,327	91%	3,983	9%	40,878	92%	3,770	8%
Over 40 years old	26,978	95%	1,303	5%	24,607	96%	1,078	4%
Total	131,221	81%	30,060	19%	134,843	82%	30,153	18%
Distribution by job classification								
Management	9,548	97%	262	3%	10,418	97%	276	3%
Supervisor	14,530	97%	446	3%	14,315	97%	444	3%
Specialist	107,143	78%	29,352	22%	110,111	79%	29,434	21%
Total	131,221	81%	30,060	19%	134,843	82%	30,153	18%

Distribution of the workforce by type of working hours

In terms of working hours, 58% of Inditex's employees work part-time and 42% work full time in 2023 (59% part-time and 41% full-time in 2022).

This breakdown of workers by type of working hours is typical of the retail sector, where there are sales periods with peaks of activity that require part-time reinforcements. We also often hire people who combine their work at Inditex with other activities, such as studies.

The full-time equivalent (FTE) workforce, a meaningful indicator when it comes to analysing employment quality, shows the workforce resulting from combining all full-time hours. In 2023, it represented 78%⁵¹ of total jobs (77% in 2022).

Below is a breakdown of part-time employees by gender, age and job classification:

The distribution of part-time employees by gender, age and job classification

	2023				2022			
	Part-time		Full-time		Part-time		Full-time	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
Distribution by gender								
Women	72,620	61%	46,305	39%	76,348	62%	46,854	38%
Men	21,139	50%	21,169	50%	21,498	51%	20,297	49%
Non-binary	14	56%	11	44%	—	—	—	—
Others / Unspecified	16	73%	6	27%	—	—	—	—
Total	93,789	58%	67,491	42%	97,845	59%	67,151	41%
Distribution by age								
Under 30 years old	65,946	74%	23,744	26%	70,718	75%	23,927	25%
30 to 40 years old	18,130	42%	25,180	58%	18,483	41%	26,178	59%
Over 40 years old	9,713	34%	18,567	66%	8,644	34%	17,047	66%
Total	93,789	58%	67,491	42%	97,845	59%	67,151	41%
Distribution by job classification								
Management	401	4%	9,410	96%	433	4%	10,263	96%
Supervisor	1,544	10%	13,431	90%	1,433	10%	13,328	90%
Specialist	91,844	67%	44,650	33%	95,980	69%	43,561	31%
Total	93,789	58%	67,491	42%	97,845	59%	67,151	41%

Leavers

The workforce in Spain at the end of 2023 totalled 47,761 people, of whom 74% were women and 26% were men.

In that period, dismissal for various reasons accounted for 776 leavers in Spain (710 in 2022). Breaking down these figures by gender, it is proportionately similar to the gender breakdown of the workforce as a whole, as the number of women who were dismissed was 551, or 71% of those dismissed, compared with 225 men, or 29% (504 women vs. 206 men in 2022).

With regard to the breakdown of dismissals by job classification, in Spain, 76% were concentrated in specialist positions, according to the classification previously provided (80% in 2022), for stores and headquarters, own factories and logistics centres alike. 13% of the dismissals were in supervisor positions, and the remaining 11% in management positions (11% and 9% in 2022 respectively). Regarding the

breakdown of dismissals by age in Spain, 39% affected staff aged 30 to 40 years, the age group which accounts for 32% of staff in Spain. The proportion is consistent with the distribution of the workforce in the country where the Group's corporate services are located: 29% of the dismissals were in the over-40 age bracket (representing 37% of our workforce), and the remaining 32% in the under-30 age bracket (representing 32% of our workforce in Spain). In 2022 the age distribution of dismissals was 24% in the under 30 age group 44% in the 30-40 age group and 31% for the over-40 age group.

Globally, with a workforce of 161,281 people in 2023 (164,997 people in 2022), in 2023 there were 5,100 dismissals (5,694 dismissals in 2022). Of the total, the number of women who terminated their relationship with the Group for this reason was 3,508, 69%, compared to 1,590 men, 31%, and 2 non-binary people, 0.04% (3,976 women and 1,718 men in 2022), again consistent with the gender distribution of the overall workforce. As

⁵¹ FTE employment data available in 2023 for 98.5% of the workforce [98.7% of the workforce in 2022. Excludes staff with non-guaranteed hours, which are located in the following markets: Australia; Mainland China; Taiwan, China; Hong Kong SAR; Macao SAR; New Zealand SAR; and New Zealand.

for the breakdown of dismissals by job classification, 88% were concentrated in specialist positions (88% in 2022), 6% in supervisor positions, and the remaining 6% in management positions, which is also consistent with our workforce distribution (7% in supervisor positions and 5% in management positions in 2022). By age, 67% of the dismissals corresponded to people under 30 years of age, a category that encompasses 56% of the Group's employees. 23% of the dismissals were in the 30-40 year age group (which accounts for 27% of our workforce), and the remaining 10% in the over-40 age group (which accounts for 18% of our people). In 2022 this age distribution of dismissals was 68% in the under 30 age group, 24% in the 30-40 age group and 8% for the over- 40 age group.

7.1.2. Our approach to diversity

GRI 2-23; 2-24; 3-3; 404-2; 405-1; AF5; AF32

At Inditex we believe in the power of diversity and inclusion as drivers of a strong corporate culture, and that is why **we design opportunities for**

all and we implement a zero-tolerance approach to any kind of discrimination or harassment.

Our aim is to build diverse teams whose members bring their unique perspectives and experiences and who feel secure in an inclusive professional environment.

We strive to ensure that our teams—composed of people of different sexes, gender identities and expressions, sexual orientations, races, ethnicities, ages, educational background, socio-economic statuses, disabilities or religions, among other characteristics—, have equal opportunities and can develop their full potential, making us a more competitive, creative and innovative company.

Diversity and inclusion, grounded on essential values such as **fairness, collaboration** and **respect**, drive our business performance and facilitate the achievement of our corporate objectives, helping us to anticipate all the market's fashion needs.



To foster a **diverse, inclusive and sustainable corporate culture**, we are committed to:

- / Integrating diversity and inclusion into our tools for attracting, retaining and promoting talent, to ensure diverse profiles in all positions and at all levels of the Company.
- / Always guaranteeing equality of opportunities and non-discrimination for our people, regardless of their sex, gender identity and expression, sexual orientation, race, ethnicity, origin or different abilities, among other characteristics.
- / Fostering a spirit of collaboration, teamwork and respectful communication between people and as the core of respect for human rights, both inside and outside the Company.
- / Developing procedures and implementing appropriate initiatives and training programmes to achieve these goals.

Inditex's Diversity and Inclusion Policy, approved by the Board of Directors in 2017 and amended in 2020, establishes the framework of principles, objectives and commitments in this respect adopted by the Group. This Policy applies globally to anyone associated with the Group, whether they are employees, customers or third-parties such as contractors, suppliers, professionals involved in recruitment processes or people working in the supply chain.

This Policy is derived from the Company's Code of Conduct, whose basic tenets are, among others, respect, acceptance and equality, and it is also consistent with the Group's Compliance Policy and Human Rights Policy. The Diversity and Inclusion Policy also aims to ensure that there is no discrimination of any kind in the Company, particularly on grounds of gender, in any position, and in particular when appointing members of the Board or Senior Management.

In this regard, the Diversity and Inclusion Policy **guides all our areas of action**, in particular with respect to people management: recruitment and selection, remuneration and profits, promotion, training and professional development. Likewise, the policy also directly impacts areas linked to our relations with people in our business model: customer services, marketing and communication, procurement, etc.

As established in this framework document, the people who work at Inditex are responsible for promoting **diverse and inclusive workplaces** that ensure equal opportunities and foster collaboration and respectful communication between people, both inside and outside the Company. All the Group's areas, departments and subsidiaries are responsible for the proper implementation and application of these mandates on diversity and inclusion.

The department of Diversity and Inclusion promotes compliance with the Diversity and Inclusion Policy, and fosters training initiatives and programmes in this regard within the Group. Integrated in the **Culture and Values team**—which also encompasses diversity and inclusion as well as sustainability from a people perspective—the department is led by the **Chief Diversity Officer**, who coordinates an international diversity and inclusion team. Among other tasks, this team supports our **Diversity Champions**, whose mission is to act as diversity and inclusion coordinators in their countries, brands and workplaces to ensure that our Diversity and Inclusion Policy is implemented, as well as to contribute ideas and projects that feed into our strategy.

To address any questions regarding our commitment to diversity and inclusion, our people can contact us through the corporate e-mail address (d&i@inditex.com). They may also refer to the Human Resources team, the department of Diversity and Inclusion and the person designated as Diversity Champion for our various markets and brands.

In addition, to ensure transparency and independence of action, and when it comes to evaluating the various issues linked to diversity and inclusion that may arise, Inditex has an **Ethics Line** to guarantee compliance with this Policy, through which it receives and fields queries and communications made in good faith concerning the interpretation, application or enforcement of the Policy. The Ethics Line is overseen and managed internally by the **Ethics Committee**, a collegiate body that reports to the Board of Directors by means of the Audit and Compliance Committee. It conducts the necessary investigations, proposing the appropriate remediation, prevention and awareness measures. The Ethics Committee acts independently and autonomously, guaranteeing the confidentiality of the queries received. Communications concerning the interpretation, application or enforcement of the Diversity and Inclusion Policy may be sent to the Ethics Line using the mechanisms set up for this purpose on the corporate intranet (INET) and on the website www.inditex.com.

① More information in section [8.1.2. Global Compliance Model and Criminal Risk Prevention Model](#) of this Report.

Because Inditex is a markedly international company, we devised the diversity and inclusion project from a global perspective, and we implement it across all our markets.

In May 2023, on the occasion of the **World Day for Cultural Diversity for Dialogue and Development**, Inditex presented to the world its **Diversity and Inclusion Manifesto**, which highlights our corporate purpose: 'We design opportunities for all'. This Manifesto also outlines the values that represent our commitment to diversity and inclusion and expresses our conviction that fashion will bring about changes in society to achieve the future we believe in.

Furthermore, as evidence of our commitment to these markets, 12 of our subsidiaries in Europe (France, Germany, Croatia, Romania, Slovenia, Italy, the Netherlands, Sweden, Greece, Portugal, Poland and Bulgaria), as well as our office in Brussels, are adhered to the European Union Diversity Charter. This European Commission initiative to foster diversity management and inclusion in all organisations, enables our local teams to exchange best practices and to interact with other companies and non-profit entities in this regard.

Moreover, in the United States, in 2019 we signed up to the Open to All campaign, an initiative encompassing more than 200 companies and charitable entities whose aim is to promote the idea that all people is welcome in public retail spaces, regardless of their race, ethnicity, nationality, gender, sexual orientation, gender identity and expression, migratory status, religion or disability, among others.

In terms of recognitions, in December 2023 Inditex was listed for the fifth year running in the Financial Times-Statista **2024 Diversity Leaders Index**, ranking in the top 50 (44 vs. 299 in the prior edition). Inditex is the top Spanish company in the index and the second highest ranking in the retail sector.

📄 More information in section 3.3. *Recognitions* of this Report.

Pillars to promote diversity and inclusion

Our people are at the heart of our commitment to diversity and inclusion, which is why our work revolves around the following four global priorities that are the drive belts of our culture of inclusion and respect, and that also allow us to launch plans that include local initiatives in our subsidiaries:

Distribution by gender and job classification

	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

	2022				
	Women		Men		Total
Management	8,553	80%	2,139	20%	10,692
Supervisor	10,364	70%	4,390	30%	14,754
Specialist	104,284	75%	35,267	25%	139,551
Total	123,201	75%	41,796	25%	164,997

/ Gender equality.

/ LGBT+ inclusion.

/ Socio-ethnic inclusion.

/ Disability inclusion.

7.1.2.1. Gender equality

Ensuring equal treatment and opportunities for men and women at the workplace has always been a part of our core at Inditex. We nurture diverse and inclusive workplaces in which women, who represent 74% 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.

To guarantee equality, we promote the transversality of our training and development tools (TraIn, LEAP&Co and Talks), as well as the transparency of our internal promotion tool (InTalent), which enable us to ensure availability and objectivity in the Company's promotion processes.

Cultivating **women's talent** has enabled us to make solid progress in regard to their leadership within the Group: in 2023, **78% of the Company's management positions were filled by women** (80% in 2022). The distribution of our people by gender and job classification in 2023 is thus as follows:



Furthermore, in the last few years the **representation of women on the Board of Directors** has also improved notably, reaching 50% in 2023 (+28 percentage points since 2016). In this regard, not only did we manage to amply exceed our target of 40% female representation on the Board by 2022, in compliance with the recommendations of the Spanish Code of Good Governance, but for the first time the Board of Directors has a parity composition.

📘 More information in section [5.1.1. Good Corporate Governance](#) of this Report.

To achieve our equality objectives, at Inditex:

Ensure fair access to opportunities for professional development

In Spain, Inditex equality plans include measures that affect different areas of labour relations, such as selection, recruitment, promotion, training, occupational health, remuneration and work-life balance. This work is further underpinned by the committees that monitor the plans, which meet regularly to verify their compliance and effectiveness. There are also action protocols designed to prevent sexual and/or gender-based harassment. In April 2023, the Group signed its Equality Plan in Spain. The Plan applies to all brands for store and central services staff, unifying the measures in place under previous plans. The Plan comprises more than a hundred measures aimed at promoting workforce training and professional development, nurturing work-life balance and co-responsibility, reducing bias, and protecting victims of

gender-based violence. This Plan coexists with the equality plans already in place at all our logistics centres and factories.

Likewise, in 2019 we launched an inclusive language guide to help our teams communicate more equally in the workplace, and in 2023 training was given to promote the use of inclusive language among our teams to avoid communication that perpetuates gender stereotypes.

Furthermore, 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 world of technology through actions that empower them. Internally, we conduct women's leadership programmes and our talent pool promotes fairness and diversity within the technology team. In this year's junior programmes, 50% of the new recruits were women, addressing our internal objective of increasing the proportion of women in technology and related positions.

Against this backdrop, in 2023 for the second consecutive year Inditex supported the Technovation Girls project, an entrepreneurship and innovation programme that invites girls and young people aged 8 to 18 to learn and develop skills for using technology to solve problems, with the aim of reducing the existing gender technology gap. This collaboration was carried out through the sponsorship of Power to Code, an ambassador organisation for this initiative in Spain, and the support for more than 20 projects presented.

Create safe spaces in which there is no harassment or violence against women

As a company that **rejects any kind of discrimination**, at Inditex we strive to prevent sexual harassment, abuse and sexual violence at the workplace by means of internal policies that prevent these behaviours. The **Global Anti-Harassment Policy**, approved in March 2022, enhanced the information and training for the entire workforce in this connection. Amended in 2023, its areas of action were reinforced and it focuses on protecting everyone at work from any situation of harassment, in any of its manifestations or forms. Prevention, care and support and response to victims are the main axes of this Policy.

In this regard, in 2013 Inditex signed an agreement with the then *Ministerio de Sanidad, Servicios Sociales e Igualdad* of Spain to raise awareness and promote the integration of victims into the workplace. It was further endorsed in 2022 through renewal of the agreement with the *Ministerio de Igualdad* in the framework of the 'Businesses for a gender-violence-free society' initiative. To continue raising awareness of gender-based violence, all the human resources teams in Spain constitute an internal 'Punto Violeta', receiving specific training from the Red Cross on how to tackle gender-based violence.

Likewise, once again this year we highlight our commitment to stop gender-based violence through various information campaigns that we conduct every 25 November, the International Day for the Elimination of Violence against Women, a key date on our diversity and inclusion calendar that strengthens our commitment to raising visibility regarding this social problem and to helping victims.

📄 More information on the Global Anti-Harassment Policy.

Foster wage parity

With regard to other equality-related labour measures, 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. Accordingly, and in keeping with previous years, the pay gap analysis in 2023 shows wage parity between women and men in our workforce.

📄 More information in section [7.1.3. Equal pay and remuneration policy](#) of this Report.

Moreover, in 2023, within the framework of the Equality Plan, and considering the workforce in Spain, the wage audit carried out in 2022 was reviewed by external suppliers, obtaining a verification on the basis of the revised International Standard on Assurance Engagements (ISAE) 3000. 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.

Audit our policies and best practices

Likewise, in 2023 we have also continued to implement work plans and monitoring and assessment systems to foster gender equality and women empowerment in our workplaces. And we have continued to pursue our **GEEIS (Gender Equality European and International Standard)** certification strategy across our various subsidiaries. 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 2023, the global corporate Group and 9 of our subsidiaries worldwide (Belgium, France, Italy, the Nordic hub, Germany, Ukraine, Bulgaria, Romania and the United States) –in addition to the Russian subsidiary before its closure– were awarded this certification, audited by Bureau Veritas. This certification plan, which will continue to advance in the next few years, is enabling us to consistently and continuously deploy our gender equality policies in our various markets.

Apply our principles across the value chain

We also foster equality, diversity and inclusion among the workers in our supply chain. In this regard, we implement our Workers at the Centre 2023-2025 strategy, which focuses especially on the most vulnerable groups and fosters respectful environments, free from discrimination, abuse or harassment.

📄 More information in section [7.2. Workers in the supply chain](#) of this Report.

In recognition of our efforts to implement initiatives that foster gender equality globally, in January 2023, Inditex was included for the fourth year running in **2023 Bloomberg's Gender-Equality Index**, which features the companies that are most committed in this respect. Similarly, the **Equileap** ranking, an analysis of nearly 4,000 companies based on 19 gender equality criteria, highlights Inditex in its 2023 report as the only Spanish company that carries out gender audits.

Review our work-life balance policies to ensure that they support our goal of fair access to opportunities for development

Work-life balance is paramount for Inditex, as, when viewed from the perspective of **co-responsibility**, it helps ensure the well-being of our people and underpins equality of opportunities within the Company. Accordingly, Inditex ensures that work-life balance measures are implemented in all its markets. In Spain, these measures are included in the Equality Plans, while at the international level work is ongoing to improve the rights guaranteed by local legislation, with the emphasis on those markets where legislation is not especially favourable. Among our priorities in 2023 was to continue promoting and broadening measures to improve work-life balance such as flexible working hours, efficient organisation of teams, extending leave for caring for children and/or dependants and granting financial assistance to help cover the cost of childcare or other care.

① More information in section 7.1.6. *Work-life balance* of this Report.

7.1.2.2. Inclusion of the LGBT+ community

At Inditex we are fully committed to the highest level of diversity and inclusion, and therefore every member of our teams plays a valuable role in promoting the utmost respect for our customers and everyone in the Group. Mindful as we are that the greater the diversity in societies and in businesses, the more creative, productive and innovative they are, at Inditex we see the inclusion of the LGBT+ community as crucial to create safe spaces in which no-one feels invisible, inhibited or mistreated because of their sexual orientation or their gender identity and expression.

In 2018 we signed up to the UN Standards of Conduct for Business: Tackling Discrimination against Lesbian, Gay, Bi, Trans, & Intersex People, promoted by the UN and based on the UN Guiding Principles on Business and Human Rights, and including contributions from hundreds of companies from a range of sectors.

In 2023, to prevent all discrimination against transgender and non-binary people, we continued to strengthen our internal non-discrimination policies. On the one hand, 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'. Furthermore, we have also added a field to our systems that allows people to enter their 'social name' (or the name by which a trans or non-binary person is identified and socially recognised) in order to protect members of this community from potentially vulnerable situations in their daily lives, while ensuring that their legal name can still be used when necessary. These adaptations to our

systems are compliant with current legislation and aim not only to uphold the laws in our markets but also to guarantee the safety and privacy of our LGBT+ people.

Through our corporate project 'I AM PROUD', we nurture environments where everyone is welcome and where prejudice, gender stereotypes and discrimination based on gender identity and sexual orientation are tackled. In 2023, on the occasion of International LGBT+ Pride Day, many of our subsidiaries actively participated in various celebrations, talks and 'good morning meetings' to reflect on the importance of allies in creating more inclusive work environments.

Furthermore, in the United States we held the third edition of the IN Pride program to help transgender and non-binary people access employment, focused on creating job opportunities at our stores in conjunction with two New York organisations: The Door and The Ali Forney Center. In addition, the 2022 edition of the Salta project in logistics centres in Spain incorporated the IN Pride philosophy as a first step to growing this project.

In terms of recognitions, the United States and Mexico subsidiaries were listed in the Corporate Equality Index 2023 compiled by **Human Rights Campaign Foundation**, which selects the companies with the best practices in LGBT+ inclusion. They obtained scores of 90 over 100 and 70 over 100, respectively.

7.1.2.3. Socio-ethnic inclusion

At Inditex we firmly work to provide safe spaces, free of any expression of racism or discrimination, both for our employees and customers. As a company comprising people of 174 nationalities, diversity is at our core, and that is why we place equality, respect for human rights and the fight against racism at the heart of what we do.

Our determination to promote these values is not just a simple statement. Rather, our **Diversity and Inclusion Policy** and **Global Anti-Harassment Policy**, establishes a framework of action for preventing and eliminating any conduct that constitutes any form of harassment or discrimination. In addition, our Ethics Line allows us to monitor any potential incidents of racism that may arise.

Through awareness and training plans on diversity, equality and inclusion, we offer country-specific training programmes, opening people's minds to the impact of unconscious bias and microaggressions in managing people and underscoring the need to combat all forms of discrimination and racism.

At Inditex we also know that migrants and refugees are the people most vulnerable to discrimination and racism at work. To promote the integration of these groups and reduce inequalities, we have employability programmes, most notably the Salta programme, focusing on the socio-occupational inclusion of vulnerable groups. Salta is aimed at generating employment opportunities in our stores, logistics centres and factories for persons or groups in special circumstances that make their employability more complex. In Salta we work with various NGOs that support us in the process of selection, training and follow-up of the participants. Created in France in 2008, the programme is now present in 18 markets in 2023 (France, Spain, Italy, Portugal, Poland, Brazil, the United States, the United Kingdom, Germany, Mexico, Greece, South Korea, Türkiye, Romania, India, Kazakhstan and, for the first time, Canada and Croatia). As a result of this initiative, since 2008 more than 1,800 people have joined our teams in stores, logistics platforms and factories, and more than 3,800 people have taken part in this project as trainers or tutors.

Internationally, since 2018, Inditex collaborates with the ENAR Foundation (European Network Against Racism), a European organisation based in Brussels that fights all forms of racism and discrimination. In the United States, we signed the Mitigate Racial Bias in Retail charter in 2022, calling for actions to eliminate racial bias in shopping experiences, and we once again contributed to the NAACP Legal Defense & Educational Fund, an organisation that actively fights racism, discrimination and injustice, particularly within African-American communities.

Lastly, 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.

Breakdown by ethnic or racial group⁵²

United States	2023	2022
Ethnic or racial group	%	%
<i>Hispanic or Latino</i>	48.6%	48.2%
<i>Black or African American</i>	18.9%	20.8%
<i>White</i>	14.9%	14.1%
<i>Asian</i>	9.4%	8.7%
<i>Two or More Races</i>	4.8%	5.0%
<i>American Indian/Alaska Native</i>	0.2%	0.4%
<i>Native Hawaiian/Pacific Islander</i>	0.3%	0.1%
<i>Not Specified</i>	2.9%	2.7%
Total	100%	100%

South Africa	2023	2022
Ethnic or racial group	%	%
<i>Black South Africans</i>	89.0%	87.9%
<i>Coloured South Africans</i>	6.9%	7.2%
<i>Indian/Asian South Africans</i>	1.8%	1.7%
<i>White South Africans</i>	0.9%	1.1%
<i>Foreign Nationals</i>	1.4%	2.1%
Total	100%	100%

7.1.2.4. Inclusion of people with disabilities

It is a priority for Inditex to help people with disabilities to overcome the barriers they face, both in access to the labour market and in their daily lives. 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 and inclusive shopping experience.

Employability, direct recruitment and professional development

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.

At the end of 2023, in Inditex we directly employed 2,041 persons with a disability (1,698 in 2022). Moreover, since 2022 in Spain, alternative measures (collaboration with special employment centres, donations and sponsorships to conduct employment insertion activities for people with disabilities) are no longer used, culminating the process of

⁵² The official nomenclature of the recognised racial and ethnic groups in these countries has been maintained in their original language.

prioritising direct hiring as an integration measure. There are different regulatory frameworks in the various markets where we operate, so regulations are not always comparable to the ones in force in Spain, whether due to the absence of minimum recruitment quotas or out of respect for the privacy of individuals, with the right of citizens not to disclose their disability prevailing. As a result, in some cases we have no measured data available.

As part of our ambition to boost direct hiring of people with disabilities, we hired 598 people since the publication of our public commitment in January 2023, when there were 1,443 people with disabilities in our teams. This represents 41% progress against our target of doubling the number of people with disabilities in our Company. Our aim is to foster the inclusion of these professionals in our network of stores, logistics centres, warehouses and offices worldwide. This new commitment was announced by Inditex's CEO in a meeting with the Director-General of the International Labour Organization (ILO), Gilbert F. Houngbo. The announcement was made after the Company joined the ILO Global Business and Disability Network, a global network of companies and organisations that seeks to promote the workplace inclusion of people with disabilities.

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 the INCLUYE programme, which has thus broadened to ensure the sustainable and lasting inclusion of people with disabilities. 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.

In Spain we have a partnership with Plena Inclusión, a federation of organisations working towards the inclusion of people with intellectual disabilities. Thanks to this partnership, since 2019 around 300 people have joined our Pull&Bear, Stradivarius, Zara, Oysho, Massimo Dutti and Zara Home stores. Furthermore, the programme continued at our logistics centres, also collaborating with local entities such as Fundación Prodis and the associations for people with mental disabilities of Aragón (ATADES) and Alicante (APSA). As a result, in 2023, 12 people with intellectual disabilities joined the Zara logistics platforms in Meco (Madrid) and Zaragoza and the Tempe platform in Alicante. In total, thanks to this programme and other partnerships with various entities, in 2023, 235 people with intellectual, physical or sensory disabilities have been recruited in Spain.

Moreover, one of our most important occupational integration projects is **for&from**, a network of stores from our different brands, managed by charitable entities and staffed by people with various types of disabilities, offering fashion from previous seasons at reduced prices. This initiative currently covers 16 stores in Spain, Italy and Portugal, and has created job opportunities for more than 750 people with different disabilities. All these stores' proceeds, which amount to more than 8 million euros, are reinvested in community projects run by the partner organisations. As a novelty, in 2023 Zara Home opened its first for&from store in Portugal, located in the Freeport Lisboa Fashion Outlet, and

Tempe started the refurbishment of the for&from establishment in San Sebastián de los Reyes (Madrid).

Disability awareness and training

With the aim of promoting the full inclusion of people with disabilities in our teams, in October 2023, for the fourth 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 and employee experience for people with disabilities, thereby helping to break down barriers and foster equal opportunities.

In addition, several of our subsidiaries implement training plans to help them achieve their recruitment targets and improve their inclusion of people with disabilities. This is the case in Germany, where we collaborate closely with the Federal Employment Agency; France, with the Accord Handicap company agreement on disability; Italy, which has implemented the ALL IN project for the occupational integration of people with intellectual disabilities in Milan and Verona; Portugal, with its Eu Inluo project; Japan, which holds regular meetings with partner associations and staff with disabilities; or Romania, which provides internal training to its teams and recruitment with the support of different NGOs and the Department for Social Assistance.

Accessibility and inclusive shopping experience

One of our priorities is to comply with the principles of universal accessibility, especially in respect of any members of our staff and customers who may have any kind of disability. Thus, we strive to ensure that all our workplaces meet the functional and dimensional requirements that allow an independent use by people with disabilities or people with impaired mobility.

Furthermore, it is also important for Inditex to provide equal opportunities for access to our websites and apps to people with different disabilities, to offer inclusive shopping experiences. Based on the principles of dignity, accessibility and independence, both our jobs portal Inditex Careers, and our internal promotion and development tool InTalent, as well as the websites and applications of our commercial brands allow access to the whole range of content through functionalities adapted for people with various kinds of disability. Our aim in the online environment is to always provide accessible services to the broadest possible audience and to ensure that any person with any kind of disability may access our content.

7.1.3. Equal pay and remuneration policy

GRI 2-19; 2-20; 2-21; 3-3; 405-2; AF32

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 from 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 57 markets in which people from our team 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. Variable remuneration depends on predefined, quantifiable and measurable indicators, linked both to Company's results and the fulfillment of the sustainability targets of office staff, 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. Our purpose: 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. In addition, in the last few years, we have been implementing a transparent and simple system of variable remuneration that guides our people towards sales and guarantees pay equity, taking into account the changing environment.

Gender pay gap

Inditex is committed to equal pay. For quantification purposes, the gender pay gap is the indicator that most reliably represents the real difference in pay between women and men.

The gender pay gap is calculated based upon the median salary in each market (considering total salary: fixed plus variable, consisting of commission and bonus), weighted according to each area of activity of the Group (store, central services, logistics and factories). This median is in turn weighted according to each market's weighting over the aggregate number of Inditex employees. As a result, a global reliable indicator of pay gap between male and female workers in the Group is obtained.

The outcome of the analysis carried out in 2023⁵³ shows wage parity between men and women in Inditex. In total salary, women have been paid 0.5% more than men. If we break down the gap by professional classification, in 2023 it was 1% in the category of specialists (1% in 2022), -4% among supervisors (-3% in 2022) and -5% among management (-8% in 2022), representing 85%, 9% y 6% of our people in 2023. The global gender pay gap has varied slightly with respect to previous years (in 2022, women were paid 0.4% more than men), which is explained by staff turnover in the period.

The pay gap by geographic area is detailed below⁵⁴:

Gender pay gap	2023	2022
Spain	0.3%	-1.1%
Europe excluding Spain	0.5%	1.1%
Americas	0.7%	0.5%
Asia and rest of the world	0.8%	1.6%
Total	0.5%	0.4%

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 2023. Based on this calculation, global average remuneration in this period at Inditex amounted to 28,726 euros gross annually (26,294 euros in 2022).

With regard to this figure, it should be highlighted that the number of employees in Spain, our home market, only represents 30% of the headcount, as a significant part of the remaining 70% staff are based in markets where wages translated into euros give rise to lower average remuneration (28% and 72% of workforce in 2022).

By gender, the average remuneration of women in 2023 amounted to an annual gross figure of 27,831 euros, and that of men came to 31,196 euros (women: 25,387 euros in 2022; men: 28,827 euros in 2022). 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 2023 was 0.5% in favour of women.

⁵³ The gender pay gap analysis and average remuneration does not include the Russian and Ukrainian markets (in 2023 they represent 0.5% of the workforce).

⁵⁴ The geographic areas included in the breakdown correspond to the areas where Inditex has significant operations.

Based on these premises, the average remuneration by age and by job classification is provided below:

Aggregate remuneration in €	2023	2022
Job classification		
Management	70,567	66,446
Supervisor	43,336	39,470
Specialist	25,132	22,964
Age		
Under 30 years old	21,631	19,597
30 to 40 years old	33,459	30,541
Over 40 years old	46,668	44,044

7.1.4. Labour Relations

GRI 2-30; 3-3; AF5; AF24; AF26; AF29

At Inditex, we are **strongly committed to respecting our employees' labour rights** worldwide and, in particular, their **right to participation**, as a key element for the sustainable development of the business model.

This commitment is enshrined in the Group's Code of Conduct, approved in 2012 and amended in 2024, and which is applied globally to all the persons in the Group. In its section on Adequate Working Conditions, Inditex guarantees **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 to determine their labour conditions**. The Group reinforces its message by including in the Code its commitment to respecting employees' right to have trade unions and workers' representatives represent them and negotiate their working conditions collectively.

Not only that, but Inditex also plays an active part in the social dialogue through its relationship with UNI Global Union (UNI). UNI is a network of trade unions in the trade and retail sector which represents more than 20 million workers across 150 countries. In 2009, Inditex and UNI signed a Global Agreement for implementation of fundamental labour rights and decent work, which covers 100% of the Group's workforce and remains in force.

This Agreement between UNI and Inditex includes specific provisions regarding a number of issues governed pursuant to the principles established by the International Labour Organization (ILO):

/ Among other rights, special mention is made therein to the enforcement of ILO Conventions 87 and 98 about **freedom of association and the right to collective bargaining**. In this regard, the Agreement states that 'Inditex recognises the right of trade unions to represent the workers and to regulate through collective bargaining the terms and conditions of their employment'.

/ **The freedom to join any trade unions and non-discrimination** on account of membership to a trade union as part of labour relations is also ensured. Additionally, pursuant to ILO Conventions 100 and 111, and based upon non-discrimination on employment, equal opportunities and equal treatment for all people and non-discrimination in terms of remuneration for equal jobs are upheld. Inditex is committed to complying with applicable national laws and/or conventions, in furtherance of ILO Conventions 1 and 47 and of ILO Recommendation 116 concerning the working week and hours of work.

As for the objective scope of application of the Agreement with UNI, in addition to the reference to the protection and promotion of fundamental rights, the Group is committed to meeting the requirements laid down in national laws and in national collective bargaining agreements regarding working hours, 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. The Agreement between Inditex and UNI covers minimum rights for the staff of the various companies within the Group, given that in any event, such provisions, whether statutory, contractual or included in a collective bargaining agreement which confers higher rights, will always be respected.

Further to the above referred Agreement between Inditex and UNI, United Food and Commercial Workers International Union ("UFCW"), a US trade union and member of UNI, was interested in reaching a specific agreement with the Company for the stores in the USA covering the terms of the above referred 2009 Agreement. In response to this demand, an agreement was signed in 2015 with UNI, UFCW, Inditex and Zara USA, which led to the approval of a collective agreement that currently extends to 29 stores in the states of New York, New Jersey, Connecticut and Massachusetts (25 stores in 2022).

Likewise, in 2019, the Inditex Group formally established the Company's European Works Council (EWC), devised as a body for assurance and effectiveness of information and consultation of employees on transnational issues. Since its creation, the EWC has played a crucial role on several occasions, whether as a natural liaison for the Company during the global health emergency, or in its role as guarantor of the Group's digital transformation process which, in the case of Spain, was enshrined in the Digital Transformation Plan Agreement, which expired on 31 January 2023.

During 2023, the EWC met twice. In April, the five-member Select Committee met in Lisbon with UNI Global Union to prepare the renewal process of the EWC representatives whose mandate expired in June, after a four-year term. Once the local process of selection or ratification of members had been completed, the constituent plenary meeting was held in September with the participation of the eight member countries that already served on the representative body: Spain, France, Italy, Portugal, Germany, Belgium, Luxembourg and Austria. Once again, the Group's Arteixo headquarters hosted the members and alternates for a three-day meeting in which they received updated training on the EWC's competencies, were informed by the Company of its financial results and discussed other matters on the agenda, such as the global footprint in water consumption or diversity and inclusion in the image campaigns. In addition, a new working group was set up to analyse the situation of older people in the Company and a statement on gender violence and workplace harassment, drafted by the equality working group, was issued.

In order to preserve the health of social dialogue at the local level at Inditex subsidiaries, training is provided to human resources teams and store managers concerning trade union rights and cooperation with our workforce's legal representatives. 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. In this regard, agreements of various kinds were reached in 2023, such as the subsidiary in Italy, which signed a company agreement for store staff on 8 March 2023; Portugal, which agreed to a wage increase for all its store workers; Belgium, which updated its employee regulations in August 2023 with some improvements in social benefits, or Chile, which signed a new company agreement in August. Other markets implement alternative formulas for people to engage in their work environment. In South Korea, for example, there is a collegiate body of three members who represent the rest of the employees in regular monitoring meetings and in the agreements reached with the Company regarding working conditions. Well-being Committees were also established in Brazil during the year.

① More information on the well-being committees in section [7.1.7. Health and safety](#) of this Report.

Overall, the measures implemented this year in terms of social relations mean that, globally, the percentage of employees covered by local collective bargaining agreements is 59% (61% in 2022) while, in Europe, the percentage is 71% (70% in 2022). In Spain, 100% of the workforce is covered by collective bargaining agreements.

In Spain, a significant agreement on working conditions for store staff was also reached. In February, the leading national trade unions in Spain and the commercial brands of the Inditex Group signed the State Collective Agreement for the Improvement and Standardisation of the Remuneration and Social Conditions of the Group's Employees. Moreover, in April 2023, the Group signed its first Equality Plan in Spain. The key aspect of this new Plan is that it encompasses all store

concepts and central services, thus unifying the measures in place under previous plans.

The plan comprises more than a hundred measures aimed at promoting workforce training and professional development, nurturing work-life balance, reducing bias, and protecting victims of gender violence.

/ With regard to professional development, training will always take place during working hours and a system for detecting the workforce's training needs will be rolled out, as will a system whereby human resources can guide staff wishing to obtain promotion within the Company.

/ As for working conditions, the plan provides improvements in schedules, rest periods and a commitment to set up working groups to reduce the part-time ratio.

① More information on the measures established in the area of work-life balance following the signing of the Group's Equality Plan in section [7.1.6. Work-life balance](#) of this Report.

Work organisation

The Inditex Group Code of Conduct assumes as part of its internal regulation the content of applicable legislation and agreements and conventions, both national and international, of which the Company is a party, and commits itself to comply with them.

Regarding work organisation, the Code specifically regulates respect for the time limits set by the applicable laws in each country in terms of weekly working hours and overtime.

This commitment to compliance with working hours is addressed in the Global Agreement with UNI, which includes a section on the guidelines provided in ILO Conventions 1 and 47 regarding eight-hour days and 40-hour weeks, respectively, and in Recommendation 116 regarding reduction of normal working hours established as a minimum standard for each country.

In practice, laws and collective bargaining agreements applicable to Inditex establish maximum annual working hours for employees, based upon which work schedules are agreed. Inditex has in place a working time control system, in accordance with the applicable legislation in each market.

7.1.5. Developing talent and training

GRI 2-4; 3-3; 404-1; 404-2; AF5

At Inditex, one of our priorities is to place **the best talent at the service of our customers**. To achieve this, from the talent management standpoint we focus on:

- / **Attracting the best talent** to work with us.
- / 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**.

7.1.5.1. Talent attraction

We want working at Inditex to be more than just a job for our teams, and we make it easier for them not only to secure professional goals and opportunities, but also to find inspiration, innovation and creativity. Our value proposition as an employer is what sparks our candidates' interest in joining our teams at the Group's various brands and work areas in all the markets where we are present. The Company's jobs portal, **Inditex Careers**, is our main source of selection, receiving more than 6.2 visits from more than 200 markets in 2023.

A **candidate's experience** continued to be the priority in our selection processes in 2023. We create interesting, flexible and sustainable experiences, in which our potential employees can get to know Inditex, our purpose, values and opportunities, and we can find the perfect match between each candidate and each vacancy.

Along these lines, to attract **talent for our stores** this year we opted to connect with candidates through differentiating actions. One such example is the training and internship programme that Zara has developed in collaboration with the London-based Fashion Retail Academy, and the Zara Talent Fashion Day, an exclusive recruitment event for the opening of Zara in Duque (Seville).

Our relationships with the top universities and schools remain key to attract talent in all creative, management and technological areas.

In our programme targeting **creative talent** we seek people for our product teams, with expertise in design, trends, graphic design, styling, art direction, photography and editing. In 2023 we reached out to more than 30 international fashion schools, complementing the selection process with talks and workshops involving our sustainability teams to share our approach to this strategic aspect in the creation of our products.

Zara Business Graduates is our **junior talent** programme aimed at final year university students, through which we seek management profiles

to join our teams in positions, such as buyers, product managers, controllers, logistics and finance.

Within the sphere of **technological talent**, we highlight the following actions:

/ **University Colab** allows students to complete their end-of-degree theses with Inditex, taking part in real projects under the mentorship of our teams. Through **Zara Boost** we reached students whom, having completed their degree, wish to commence their professional career in the development of software, data and cybersecurity. For this purpose, we use in-person events and online challenges to detect talent, among which this year we highlight the collaboration with Google Cloud at a digital workshop in Madrid. We also continued to conduct Tech Talks at universities, led by our technology team, in which we discuss our technical challenges and how we integrate technology into our business.

/ Likewise, through the **Tech Summer Camp** we identify and develop talent in STEM programmes (Science, Technology, Engineering and Mathematics) from the second year of studies onwards through a programme of summer scholarships, in which students from all over the world come to Inditex and fully enter the world of technology. Our collaboration with Stanford University's ICME (Institute for Computational & Mathematical Engineering) enables us to be in contact with one of the world's foremost spaces for technological talent.

With regard to our efforts as an **employer brand**, Inditex has topped the last 12 editions of the Merco Talento ranking, which analyses the best companies to work for. Also in Spain, in Universum's annual study, university students chose Inditex as one of the best companies in which to develop professionally. Globally, Zara has been included for the third time in Universum World's Most Attractive Employers ranking, which studies 10 significant international markets in terms of talent attraction to identify the most attractive companies for students.

7.1.5.2. Developing talent

Offering growth opportunities to our people has been at our core from the outset. Accordingly, we cultivate **internal promotion** and **mobility** so that our teams can grow and at the same time help us to continue evolving as a company.

In 2023, **72% of the Group's vacancies were filled internally** (68% in 2022), with the result that **more than 12,760 people were promoted** over the course of the year (more than 10,500 in 2022)⁵⁵. By gender, 74% of the promotions were for women, 26% for men and 0.01% for non-binary people, figures in line with the gender distribution of our workforce. This commitment to generating opportunities for internal development results, in our office teams, in more than 900 promotions and more than 1,600 changes of functions, department, retail format or market.

InTalent, our marketplace for in-house opportunities, is essential to structure the path of internal promotion for our staff. In 2023 we expanded this platform to include central offices so as not only to facilitate internal growth but also to allow the movement of talent between different areas, brands and markets. InTalent gives all Inditex's teams the chance to find opportunities for professional development, while allowing our talent teams to identify people interested in growing at the Company. Our teams can also leave a recommendation for their colleagues on their InTalent profile. In 2023 more than 6,200 career growth opportunities were posted (more than 6,000 opportunities in 2022) and more than 1,200 people applied.

Another fundamental tool for identifying and developing talent in our store teams is **LEAP&Co**. This year we have improved the functionalities of this programme, thoroughly reviewing the content across all areas (product, processes, people, customer experience and diversity and inclusion) to adapt it to the new ways of information consumption and to improve the pedagogy. This platform operates at Zara stores in more than 53 markets across Europe, America and Asia, and at Zara Home in 33 markets. It has 51,000 active employees and has recorded more than 572,000 training hours this year.

Every year we look for new initiatives that enrich our people's experience. In 2023, we focused on a key group for our business: those responsible for the visual presentation of our products in Zara stores. Under the name of **Visual Commercial to the Spotlight**, we gave a voice to more than 2,000 people and worked on various initiatives. These included the Capsule Design Collection, an international competition in which more than 120 Visual Commercials from our Zara stores in Europe became designers and made their own collections. The three finalist teams, from Austria, the Netherlands and Germany, worked with our design and pattern teams in A Coruña to bring their designs to life in a capsule collection, on sale in our stores in the autumn/winter season.

Furthermore, with **Opening Support**, more than 300 store image specialists applied for a selection process to collaborate in a store opening or refurbishment in another country. Working abroad for a few weeks, learning the highest standards of product display to surprise our customers, collaborating with colleagues from a range of backgrounds and sharing best practices were highly valued experiences, presenting an opportunity not only for development, but to identify in-house talent, which typically results in a high percentage of internal promotions.

Lastly, the cornerstone for fostering a climate of continuous growth is to be aware of our people's development concerns and to exchange feedback on a daily basis. This is the purpose of **Talks** (as they are known at most of our brands), regular and individual conversations regarding development between our store managers and every member of their team. In 2023, around 39,000 assessments were conducted of more than 32,000 people.

7.1.5.3. Training

We believe in our teams' development and we strive unceasingly to foster environments that encourage continuous 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 teams, but they are also a key pillar for the Company's sustainable success.

Accordingly, we provide learning experiences that address two needs: on the one hand, the business, offering initiatives to improve performance (individual or collective) and help our teams to do their work better. On the other hand, we create opportunities for our people to learn beyond their current role, to be inspired and encouraged to explore new horizons.

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 expertise is not available in-house.

Our TraIn learning platform offers a wide range of digital content tailored to each individual, and enables their in-person training to be recorded too. Fashion and product, Sustainability, Customer Experience, Operations, Skills or Digital are some of the subjects most demanded by our people when it comes to training in the platform. TraIn is available in all markets where we operate except for Mainland China, where our employees have access to Grow, a local platform on which we offer content aligned with that of TraIn.

From 1 February 2023 to 31 January 2024, around 2.8 million training hours were imparted to almost 2.3 million participants⁵⁶ (more than 2.6 million hours and more than 1.3 million participants in 2022).

⁵⁵ Figures for the number of promotions and the percentage of internal vacancies coverage reported in 2022 have been restated.

⁵⁶ The increase in participants is explained by the launch in 2023 of a mandatory training plan involving all group employees in diversity and inclusion, compliance, store operations and information security, among other subjects.

Details of the training indicators are as follows:

Distribution by job classification:

2023			
	Training Hours	Participants	Hours per person
Management	270,884	208,045	27.6
Supervisor	291,368	222,865	19.4
Specialist	2,220,578	1,834,077	16.2
Total	2,782,830	2,264,987	17.2

2022			
	Training Hours	Participants	Hours per person
Management	247,412	148,520	23.1
Supervisor	201,995	132,837	13.7
Specialist	2,200,172	1,054,414	15.8
Total	2,649,580	1,335,771	16.1

Distribution by gender⁽¹⁾:

2023				
	Unique people trained	Training Hours	Participants	Hours per person
Men	55,183	735,802	566,206	17.4
Women	158,324	2,045,403	1,696,018	17.1
Non-binary	46	776	637	30.9
Other/Unspecified	634	849	2,126	38.3
Total	214,187	2,782,830	2,264,987	17.2

2022				
	Unique people trained	Training Hours	Participants	Hours per person
Men	47,459	690,124	326,690	16.5
Women	139,858	1,959,456	1,009,081	15.9
Total	187,317	2,649,580	1,335,771	16.1

(1) One 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. With regard to this indicator, the only available breakdown is by gender.

Distribution by geographic area:

	2023			2022		
	Training hours	Participants	Hours per person	Training hours	Participants	Hours per person
Spain	456,833	488,312	9.6	491,421	326,414	10.6
Europe (ex-Spain)	1,419,197	1,143,593	18.2	1,444,644	655,476	17.3
Americas	507,350	380,695	24.8	329,191	213,470	15.7
Asia & Rest of the world	399,450	252,387	25.7	384,323	140,411	26.6
Total	2,782,830	2,264,987	17.2	2,649,580	1,335,771	16.1

Distribution by content:

	2023		2022	
	Training Hours	Participants	Training Hours	Participants
Corporate (About us)	1,360,243	1,009,867	1,208,769	682,883
Customers	87,305	123,719	64,871	110,008
Fashion and Product	153,927	428,895	119,360	203,527
Languages	26,487	23,640	43,266	24,161
Processes, Techniques and Tools	920,811	550,640	962,047	223,823
Skills	234,057	128,226	251,267	91,369
Total	2,782,830	2,264,987	2,649,580	1,335,771

Main training initiatives in 2023**Corporate training on our culture and values**

/ Compliance: at Inditex we share a solid commitment to a corporate ethical and compliance culture, grounded on principles of integrity, honesty, transparency and responsibility. Compliance encompasses strict adherence to the external and internal applicable regulations, and how each person applies them to their daily activities. Implementation of the Compliance Training Framework Plan, which began in 2022 and is coordinated and managed by the Compliance function, continued over the course of 2023. The corporate areas adhered to the Plan have published their mandatory training courses in a dedicated area of Train, our learning platform. The courses were specifically tailored to the profile of the various groups at Inditex so as to obtain customised training based in keeping with the risks to which each person is exposed daily.

① More information in section [8.1.2. Global Compliance Model and Criminal Risk Prevention Model](#) of this Report.

/ Diversity and inclusion: training our teams in diversity and inclusion is essential to create an inclusive culture and make spaces free of any kind of discrimination. In 2023, more than 156,000 people from all over the world accessed training in this connection, accounting for around 73,000 training hours. During this past year, we developed a long-term, global training plan with the aim of raising awareness among our entire workforce. This training is conducted through the D&I Channel within Train, and it is structured in various levels: from basic level for all our people, available for the vast majority of markets this year, to more advanced levels focused on raising awareness among different positions and functions within the Company. Our 'We design opportunities for all' course is mandatory and establishes the Company's framework and commitment to diversity and inclusion. We

also launched the pilot edition of the 'Disability Inclusion' course, raising our teams' awareness of the importance of fully integrating people with disabilities, which will be implemented in all our markets by 2024. In 2023, for the purpose of learning how to communicate in our daily lives in a way that does not discriminate against a particular sex, social gender or gender identity, and does not perpetuate gender stereotypes, training has been conducted in Spain to promote the use of inclusive language among our teams. This training aims to raise awareness and provide tools to transform our communication and make sure it is inclusive and not sexist. In 2023, our training included various in-person courses, notably 'The Right Leader @ Inditex is Inclusive', 'Unconscious Bias' and 'Mitigating Racial Bias in the Retail Environment', among others.

① More information in section [7.1.2. Our approach to diversity](#) of this Report.



#BoostYourPower

At Inditex we are convinced that fostering a culture of sustainability in all areas of our Company is key to making constant progress and, ultimately, to achieving results on this front. For us, sustainability is a way of working, a way of thinking, an approach to everything we do: it is an attitude that is at the very heart of our culture. Thus, a few years ago we launched **#BoostYourPower**. Since 2021 we have focused on two key areas due to their impact: buying teams, with their purchasing offices, due to their involvement in the creation of our products; and our store staff, as our direct contact with customers. Two initiatives emerged from this vision: **The Sustainable Fashion School and Changemakers**.

In 2023, as part of our space dedicated to sustainability training and innovation, **The Sustainable Fashion School (SFS)**, we completed the first and second editions of the Foundations of Textile Manufacturing Master's programme, devised in collaboration with the University of Leeds. More than 1,200 people from all the concepts have completed the course and taken part in the graduation ceremonies held at various headquarters.

To supplement this theoretical training and as part of The Sustainable Fashion School, SFS Bootcamps were launched. These are immersions in textile factories giving participants hands-on experience of the main processes that our products go through (spinning, weaving, dyeing, printing, sewing, etc.) and enabling them to share technical and sustainability concerns with professionals from the sector. Anyone completing the training programme can sign up for these Bootcamps, an initiative that will remain open throughout 2024.

Furthermore, **Changemakers** is the community leading this cultural transformation from the heart of our business, our stores. Changemakers are people with a curious nature and a genuine interest in sustainability, diversity and inclusion, who dedicate part of their working day to staying abreast of developments, training store teams and devising and implementing proposals that make sustainability tangible. The Changemakers network interacts with the teams from central offices to carry out their proposals, working together to achieve the Company's sustainability goals.

At the end of 2023, this project has been implemented at all the stores in all markets in which Zara is present. We have also rolled it out in Zara Home, Massimo Dutti, Bershka, Stradivarius, Oysho and Pull&Bear, and adapted the model for our office teams in Tempe. As a result, Inditex now has more than 2,200 Changemakers. In 2024 we will establish the Changemaker community in all stores in all the Group's markets.



Language training

/ **Busuu** is an app for mobile devices that offers employees the opportunity to learn up to 14 languages. We offer everyone access to its premium version which includes the option to obtain official certificates (more than 1,100 this year), with English and Spanish the most widely studied languages. Overall, in 2023 our staff devoted more than 13,900 hours to improving their language skills using Busuu.

In-store training

/ **Zara Campus** is a project designed to respond to the need for training and development 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). We also provide training aimed at the development of certain groups, such as the Zara Masters (tutors for the on-boarding training of our new recruits) and leadership training for managers.

/ **Customer experience:** to share Zara's customer-centric commercial approach, we continue to work with the stores in accordance with their various needs. Store managers lead the change, analyse the feedback they receive from their customers (over 250,000 reviews so far) and develop their teams to help deliver the desired experience. Customer Experience (CX) is implemented at 800 Zara stores in 50 markets, and more than 35,000 of our people have a CX profile and are working to improve their customer service skills.

/ **Zara Camp and Inditex Camp:** Zara Camp was launched in 2022 as a digital training space within TraIn, accessible to all Zara teams worldwide, in which our own people outline the Zara business model and show the various areas and departments where they work. New content was added in 2023, bringing the total number of modules to 34, and the initiative has been expanded to include Inditex's corporate services. Inditex Camp introduces our office teams to the way corporate services areas such as Finance, Communication, the General Counsel's Office, Audit and Sustainability, among others work, giving them an insight into the day-to-day routine of the teams that support them.

7.1.5.4. Connection and engagement with our people

The fourth objective of our talent management strategy is to provide safe and motivating work environments that help us retain talent, connect with our people and boost their commitment to the Group. To achieve this, **INET**, our tool and main internal communication channel, plays a key role in keeping everyone in the Group connected.

Available in online and app format in all the markets where we have employees, INET allows us not only to communicate and announce the latest news within the Group in real time, but also to simplify and digitalise many of the daily tasks that our people need to carry out wherever they are. Consulting pay checks, seeing which benefits the company offers, requesting leave or even taking part in a charity initiative with a single click are examples of the possibilities it offers us.

In addition, having our own digital environment strengthens the connection between everyone at the Group, fostering a greater sense of community and belonging, and thus establishing a direct, two-way connection that is key to developing our talent strategy. INET received more than 34 million visits in 2023 (more than 25 million in 2022).

Furthermore, to provide daily commercial and customer information to our store teams, and to establish a direct connection between them and our design teams, we have continued to develop **brand-specific spaces for internal communication**. In addition to those previously launched (Zara has Dear Team; Zara Home, *#tengoalgoquecontarte*; Massimo Dutti, MD Journal and Stradivarius, StradiPeople), in 2023 the Oysho News space was launched for Oysho. As well as allowing the same message to be shared and highlighted daily in all our stores worldwide, these channels help store managers to enliven the team meetings that take place before opening.

In 2023 we also continued to roll out **InStories**, our internal social network, which we implemented in several new markets: Hungary, the Adriatic countries, Kazakhstan, the Czech Republic, Slovakia, South Africa and Austria. This brings to 34 the number of markets in which InStories is now available. In this space, which works much like social media, we can connect with profiles of people in the Group from anywhere in the world, follow our favourite hashtags and participate in the challenges and campaigns that are trending at any given time, thus enhancing the interaction with our teams, who themselves become content creators. As of the end of 2023, the InStories community has shared more than 550,000 posts.

Finally, in order to keep tabs on our stores and ascertain our people's perception of what it is like to work with us, we developed **'Your opinion matters to us'**, a completely 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 obtain their feedback on various aspects of their day-to-day life, such as the relationship with their colleagues or managers, the training they receive, their salary or how well their working hours suits their availability. Over the course of 2023, we received more than 30,000 responses, which implies 31% of participation. In addition, the question 'Would you recommend Inditex as a place to work?' is used to measure our people engagement. In 2023, this question obtained an average of 71% positive responses (70% in 2022), obtaining 93% positive responses in Spain (91% in 2022).

7.1.6. Work-life balance

GRI 2-4; 2-23; 2-24; 3-3; 401-3; AF5; AF23; AF27

7.1.6.1. Work-life balance

Promoting our employees' well-being is paramount for the Inditex Group. Consequently, we promote measures that seek to facilitate work-life balance, advocating especially for **co-responsibility**. We consider the latter to be both a right and a duty, as we aim to reflect in our equality plans. Furthermore, our equality plans contain other balance measures such as 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.

Likewise, when it signed the Equality Plan in the first half of 2023, the Group introduced balancing measures for reasons of study, medical needs or care of children and/or family members.

With regard to childcare, a number of improvements were introduced over and above the ordinary legal requirements. With regard to the period for breastfeeding, it has been extended to 12 months, up to 45 calendar days if working hours total less than 30 and 32 calendar days if working hours exceed 30. Paid leave is established for school adaptation periods and the reduction of working hours may apply for employees with children beyond the age of 12 whose birthday falls in the first half of the year.

Internationally, at Inditex Group we strive to improve the rights guaranteed by the local legislation of each country through work-life balance policies, prioritising those markets in which the legislation is not especially protective.

/ In the United States, the paid parental leave policy has been applied since 2019 to all of our people who meet minimum requirements, regardless of their gender. In 2023, this leave has been increased to 16 weeks, covering time spent caring for newborns and adopted or foster children alike. The subsidiary also provides care services for children and adults with special needs, both in care centres and at home, through an external company whose services are available to the entire workforce. It also covers assistance programmes for our people in areas such as emotional support and well-being, financial and health advice, transport subsidies, and tuition fee subsidies or reimbursement.

/ We promote measures to broaden the rights enshrined in local legislation or that help improve work-life balance by means of 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 or France, among others. In addition, office staff in many of our subsidiaries have flexible entry and exit times.

/ An increasing number of markets are opting to improve conditions for their staff by extending 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.

As in previous years, in 2023 100% of our employees in Spain (47,761 people: 34,607 women and 13,154 men) were entitled to parental leave in connection with birth or placement for adoption or foster care. A total of 2,005 people took leave for birth, adoption or foster care placement (1,437 women and 568 men), almost all of whom returned to work: 1,986 people (1,424 women and 562 men). In addition, 13% of the employees in Spain work part-time for childcare reasons.

Below is a breakdown of maternity and paternity leave in Spain and the rest of the world:

Parental leave - Spain	2023	2022
Total figures for parental leave	2,005	2,107
Women	1,437	1,527
Men	568	580
People that returned to work after parental leave ended	1,986	2,072
Women	1,424	1,505
Men	562	567
Return-to-work rate	99%	98%
Women	99%	99%
Men	99%	98%
People who continued working at the Group 12 months after returning from leave	1,990	1,963
Women	1,448	1,451
Men	542	512
Retention rate	94%	91%
Women	95%	88%
Men	93%	98%

Parental leave - World (ex-Spain)	2023	2022
Total figures for parental leave	7,576	8,039
Women	7,133	7,623
Men	443	416
Return to work rate	95%	92%
Women	95%	92%
Men	99%	98%
People who continued working at the Group 12 months after returning from leave⁽¹⁾	5,763	—
Women	5,450	—
Men	313	—
Retention rate	72%	—
Women	71%	—
Men	75%	—

(1) Indicator first reported in 2023; historical data for previous years is not available.

7.1.6.2. Work disconnection policies

The Inditex Group is also committed to promoting an internal policy that guarantees 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). Thus, staff are encouraged to adopt habits such as resting between working days and during holidays, and promoting direct interaction with their colleagues.

Notwithstanding the commitment acquired at the corporate level, negotiations with workers' representatives have also resulted in other measures on this front, which are included both in the latest equality plans of logistics companies and in the new Group Equality Plan, applicable in Spain.

Internationally, France has included the right to disconnect as a measure to improve work-life balance in the company agreement on quality of life at work. In other markets where there is no legislation in force requiring digital disconnection from the workplace, the Group's brands have implemented an initiative aimed at ensuring that employees do not receive communications from the Company during their days off and at eliminating instant messaging applications as a work tool.

In general, both the IT systems and human resources teams at our subsidiaries are working to promote and implement healthy work habits, regardless of whether there is legislation in place, either through information, training and awareness, or by adopting specific measures applied to our corporate systems, such as e-mail.

7.1.7. Health and safety

GRI 2-4; 3-3; 403-1; 403-10; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9; 413-1; AF5; AF31

In 2023, at the Inditex Group we continue to advance in our firm commitment to the health, safety and well-being of our people, whom we see as fundamental pillars. We endeavour to lead through the application of international standards that ensure health and safety, guaranteeing compliance with the most stringent standards. Training and information for our staff are priorities in our unyielding quest for opportunities for continuous improvement.

The **Occupational Health and Safety Policy**, updated and ratified by the Board of Directors in December 2022, reflects our firm commitment to occupational safety, health and well-being, which we see as paramount for all our activities.

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

We set targets for continuous improvement, and we are constantly on the lookout for opportunities to improve our health and safety practices, which are established and assessed annually as part of the ISO 45001:2018 management system. By means of feedback from our employees, periodic risk assessments and analysis of incidents, we undertake to identify areas for improvement and to implement corrective measures in a timely and effective manner. ISO 45001:2018 management system targets for health and safety compliance in the markets are as follows:

- / Obtaining 85% of positive outcomes from monitoring safety conditions at work centres.
- / Reducing incidents by 10% year-on-year.
- / Obtaining 75% rate of participation by workers in activities to promote health.
- / Increasing by 10% the training time for addressing emergencies and providing first aid.

We ensure that all employees receive the necessary training and skills to carry out their work in a safe and healthy way. This includes induction programmes for new employees, specific training for handling machinery and equipment, and periodic refresher sessions on safety and emergency procedures.

We acknowledge the importance of people's comprehensive well-being, and accordingly we undertake to promote a healthy lifestyle through health and well-being programmes that include physical exercise, nutrition education and psychological support activities.

We foster the active engagement of employees in the identification and solution of problems linked to occupational health and safety. We value their ideas and suggestions, and we nurture an inclusive working environment in which everyone feels listened to and respected.

A fundamental aspect in the quality of implementation of a management system is the availability of mechanisms for employee engagement, communication and consultation. In Spain, this can be exercised through the specific area of APPInet for health and safety information.

At the distribution centres employees have the opportunity to take part through various communication mechanisms in prevention and other continuous improvement programmes for the safety of individuals, such as the Meco Logistics Platform's *Ideas Azules*: this is a physical suggestion box in which people can leave all kinds of messages on health and safety, incidents, complaints and areas for improvement. Another example is Massimo Dutti Logistica, which has the *Ideas Platform* Ideas project for submitting proposals for improvement in various spheres: sustainability, operations, health and safety. This is done through the INET-Requests- Platform Ideas, and if the proposal is implemented the person suggesting it is rewarded with a day's paid leave.

We undertake to comply with all rules and regulations in connection with occupational health and safety established by the competent authorities in each of the markets where the Group is present.

We strictly monitor legal requirements and make every effort to exceed them, establishing even higher standards of safety and well-being for our employees.

7.1.7.1. Health and safety protection

In connection with health and safety protection, since 2014 we have been implementing the **ISO 45001:2018 management system**, which is internationally recognised for its ability to control risks and improve occupational health and safety performance.

This year our Hungarian trade and design activity has been certified to this standard, which is considered to be the highest health and safety standard, which joins the 26 markets where it was already implemented. Furthermore, we have maintained and audited under ISO 45001 standards the manufacturing and logistics companies in Spain and Mexico. In the last year we have audited the Management System in a total of 242 workplaces.

A total of 74% of the company's own employees who work in Inditex Group's activities, companies and markets, do so in areas where the highest standard in the occupational health, safety and well-being management system is implemented, in keeping with the maximum requirements of the ISO 45001 standard and in a process of continuous improvement. In 2024, we plan to obtain this certification in Kazakhstan, Australia, France and Brazil.

As for the execution of refurbishment and construction works in Europe, carried out by GOA INVEST, S.A., we maintain the ISO 45001 certification.

Worker health and safety training

Continuous health and safety training remains vital both for reducing accidents and empowering our workers.

We provide training programmes tailored to a variety of tasks and positions, with objectives ranging from the initial training for in-store functions 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 employees are properly equipped to understand and prevent risks in their working environment.



Participants in training/Market⁵⁷

Europe (ex-Spain)	2023	2022
Albania	33	434
Germany	760	1,008
Austria	222	118
Belgium	436	614
Belarus	226	96
Bosnia-Herzegovina	49	91
Bulgaria	621	241
Croatia	210	567
Denmark	248	321
Slovakia	132	134
Slovenia	74	30
Finland	77	51
France	2,129	1,930
Greece	2,224	1,093
Hungary	414	88
Ireland	2,230	1,400
Italy	2,940	2,670
Luxembourg	16	12
North Macedonia	340	148
Montenegro	63	79
Norway	144	260
Netherlands	1,077	457
Poland	6,748	6,208
Portugal	17,246	4,592
United Kingdom	20,077	16,652
Czech Republic	310	182
Romania	2,389	4,709
Serbia	254	567
Sweden	340	278
Switzerland	1,794	2,980
Türkiye	12,743	3,388
Ukraine	173	454

Asia and rest of the world	2023	2022
Australia	608	206
South Korea	14,396	13,854
India	574	663
Japan	3,626	24
Kazakhstan	1,497	1,104
New Zealand	112	7
South Africa	226	17
Mainland China	3,152	4,756
Taiwan, China	1,190	1,738
Hong Kong SAR	1,210	162
Macao SAR	57	16

Spain	2023	2022
Spain	58,108	48,465

Americas	2023	2022
Argentina	8,924	3,974
Brazil	1,395	237
Canada	830	1,705
Chile	4	13
United States	12,571	14,041
Mexico	3,766	4,311
Uruguay	5,246	2,679

⁵⁷ One person can attend more than one training. Taking this into account and in contrast to previous years, this exercise shows participants per market instead of unique people trained. The data for 2022 have been restated in the same terms to make the year-on-year development comparable. In relation to scope, there are no participants in markets where we only have buying offices. These markets are: Bangladesh, Cambodia, Morocco, Pakistan, Singapore and Vietnam. Additionally, the number of participants from Monaco is included within France.

7.1.7.2. Promoting well-being

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 as a Healthy Company underscores our comprehensive management approach, addressing both physical and psychosocial aspects, allocating significant resources to our employees' well-being and fostering their active engagement in the community. Based on the World Health Organization model, this certificate is audited biannually.

In the course of 2023, Inditex companies in Spain, Italy, the United Kingdom, Ireland, Japan, Portugal, Greece, Argentina, Mexico, Uruguay, Germany, Poland, Türkiye, Chile, Mainland China, Luxembourg, Canada, Bulgaria, Croatia and Romania renewed their certification as Healthy Organisation. The Indian market was also added. The goal for 2024 is to obtain certification for the Group's companies in Poland, Brazil, Serbia and Slovenia.



Well-being committees

We maintain our focus on creating Well-being Committees and in 2023 more of these committees were set up in markets like Brazil, and are now present in a total of 19 markets. In 2024 these Committees are set to be created in Slovenia, Serbia, the United States and the Netherlands. In Spain, new committees were set up at the companies Massimo Dutti Logística, Plataforma Logística León, Bershka Logística, Lefties, Stradivarius Logística and Tempe. These transversal committees coordinate various initiatives related to diversity, equality, promoting health, inclusion, work-life balance, mental health, working hours, food, ergonomics, workspaces, sports, employee mobility and participation in social events and actions.

Promoting health

With the aim of promoting health and healthy habits among our employees, Inditex presents the InHealth portal. This platform, available in 25 markets, features news, actions and challenges adapted to the workplace, cultivating a balance between body, mind and emotions. In 2023 we implemented InHealth in South Africa, Australia and New Zealand. Next year we plan to deploy it in another five markets: Belgium, Luxembourg, Brazil, Montenegro and Slovenia.

Furthermore, as part of our commitment to employee health care, in 2023 we made the Open Salud platform available to more than 27,000 employees at the stores of all the Group's brands in Spain, allowing them to consult with specialists in Internal Medicine, Dermatology, Trauma Medicine, Psychology and Nutrition. In 2023 there were 3,334 online consultations and 1,796 workers requested some kind of subsidised health service through the Opensaludpass platform

A variety of health promotion initiatives have been carried out, including the opening of a new gym at the Pull&Bear central services in Narón, serving a total of 450 people; the celebration of Wellness Week in Tempe, involving 240 people; and a Healthy Cooking course at Zara Home distribution centre, in which 448 people took part.

Specific Workplace Well-being Programmes were also conducted in different markets over 2023:

- / **France:** The In Harmonie programme identifies those aspects that help to have a better healthy life, reaching 10,305 people.
- / **Poland:** The I'm healthy here programme promotes mental, physical and nutritional health and reached a total of 8,982 people.

/ United Kingdom: The Welfare and well-being programme provides comprehensive support for general medical and psychological assistance, providing social support for employees, and introducing the figure of the Wellbeing Warrior at workplaces for a total of 5,000 people.

/ Germany: Energizer is a programme to designate well-being ambassadors. Health initiatives and other employee benefits are channelled through the people designated in each store.

/ Portugal: Mental health In is a mental healthcare programme in collaboration with the Red Cross that has reached 6,185 people.

Health services

In keeping with our commitment to provide additional health services, all our logistics and manufacturing centres are equipped with medical services for regular check-ups, health screening tests and vaccination drives. Furthermore, our head offices, distribution centres and factories in Spain are equipped with breastfeeding rooms and female store workers have access to them as needed. There are also other medical services provided through additional health insurance and placing particular care on mental health.

In 2023 more than 50,000 people in the Inditex Group working at our own subsidiaries received a medical check-up.

Prevention of musculoskeletal injuries

In the prevention of musculoskeletal injuries, we continually assess the ergonomic conditions at our workplaces and provide onboarding training in this connection for all employees on the following matters:

Ergonomics in designing work spaces: Designing work areas that promote ergonomic posture to reduce the physical strain on employees. This includes the proper positioning of shelves and storage areas to minimise the need to lift heavy loads or adopt uncomfortable positions.

Training and skill-building: We provide regular training on the adequate techniques for handling loads and promote the use of aids such as forklift trucks, transport trolleys or platforms to help reduce the risk of injuries from lifting heavy objects.

Task rotation: Encouraging employees to rotate tasks can help to fairly distribute the physical load and prevent muscle fatigue caused by repetitive movements.

Rests and active breaks: Promoting the importance of taking regular rests and active breaks to stretch and relax muscles can help ease the tension accumulated during long periods of standing or repetitive work.

Safe working environment: Keeping a clean and tidy working environment can reduce the risk of trips and falls, which can also contribute to musculoskeletal injuries.

We encourage open communication: We urge people to report any discomfort or musculoskeletal pain early as this can help address problems before they develop into more serious injuries.

In 2023, more than 9,000 workers took part in initiatives such as the Back School and Preventive and Recovery Plans, at both logistics centres and stores.

At Indipunt we have implemented the Wellbeing Coach programme that recognises potential injury-causing movements, and promotes the proper execution of the various patterns of movement. In addition, at Massimo Dutti Logística, the Let's Move posture coach programme was carried out.

7.1.7.3. Health and safety indicators

In health and safety, during 2023 we compiled data on accident data at our own logistics, store, offices and manufacturing.

When analysing health and safety indicators, we consider an occupational accident to be any bodily injury to a worker during or as a consequence of the work performed as an employee, while an occupational disease is a disease whose onset is a result of the work performed as an employee in the activities and specified in the professional illnesses chart of the activity, according to local legislation. Such disease must be a result of the action of elements or substances indicated in said chart for each occupational disease.

We have implemented preventive measures focused on mitigating all risks, the most representative being those posed by journeys in and outside of work centres (21%), by equipment and machinery (22%), facilities (19%) and work centre tidying and cleaning (5%).

The most common type of accident are collisions and crashes (17%), trips or slips (16%), cuts or punctures (12%), or over-exertion in lifting loads (11%).

During 2023 and 2022, there were no fatalities resulting from occupational injuries or accidents in any of our markets.

Other accident rates⁵⁸

Spain

	Incident rate		Frequency rate		Severity rate ⁽¹⁾	
	2023	2022	2023	2022	2023	2022
Own stores						
Women	15.76	17.99	12.94	14.81	0.29	0.38
Men	12.09	14.38	9.02	10.74	0.11	0.24
Logistics centres						
Women	87.50	96.27	64.32	71.28	1.50	2.43
Men	94.88	96.36	66.53	68.08	1.49	2.63
Own factories						
Women	36.95	5.03	13.43	2.61	0.14	0.09
Men	86.08	26.81	10.48	9.93	0.03	0.52
Central services						
Women	2.67	3.95	1.33	1.97	0.04	0.06
Men	1.85	2.82	0.92	1.40	0.01	0.09

Europe⁽²⁾

	Incident rate		Frequency rate		Severity rate ⁽¹⁾	
	2023	2022	2023	2022	2023	2022
Women	15.67	16.55	13.31	14.40	0.41	0.24
Men	11.67	13.95	8.73	10.40	0.29	0.22

Asia and rest of the world⁽³⁾

	Incident rate		Frequency rate		Severity rate ⁽¹⁾	
	2023	2022	2023	2022	2023	2022
Women	5.01	5.02	3.84	3.80	0.06	0.00
Men	4.34	2.84	2.98	1.83	0.06	0.00

Americas⁽⁴⁾

	Incident rate		Frequency rate		Severity rate ⁽¹⁾	
	2023	2022	2023	2022	2023	2022
Women	12.78	13.02	9.34	10.82	0.24	0.32
Men	13.74	8.69	9.15	6.69	0.18	0.30

(1) For the severity rate, absence days are not available for the following markets: Czech Republic; Hungary; Japan; Kazakhstan; Slovakia; Slovenia; South Korea; Taiwan, China; Macao SAR representing 1.5% of the total accidents in all markets (in 2022 information is only available for Spain; Bulgaria; Croatia; Greece; Italy; Portugal; Romania; Argentina; Chile; Mexico and Uruguay). This information is expected to be available in the 2024 report.

(2) Albania; Austria; Belgium; Belarus; Bosnia and Herzegovina; Bulgaria; Croatia; Czech Republic; Denmark; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Luxembourg; Montenegro; Netherlands; Norway; Poland; Portugal; Republic of Northern Macedonia; Romania; Serbia; Slovakia; Slovenia; Sweden; Switzerland; Türkiye; United Kingdom.

(3) Australia; New Zealand; India; South Korea; Japan; Mainland China; Taiwan, China; Macao SAR; Hong Kong SAR; Kazakhstan and South Africa.

(4) Argentina, Brazil; Canada; Chile; United States; Mexico and Uruguay.

⁵⁸ Accident data are shown as ratios only, as they are a reliable representation of the Company's health and safety performance. The calculation formulae used are as follows:

- Incidence rate with sick leave = (No. of accidents with sick leave *1,000) / Average number of employees.
- Frequency rate = (No. of accidents with sick leave *1,000,000) / Hours worked
- Severity rate = (Days of sick leave *1,000,000) / Hours worked

Accidents with more than 180 days absence ⁽¹⁾

Spain								
	Logistic centres		Own stores		Own factories		Central services	
	2023	2022	2023	2022	2023	2022	2023	2022
Women	8	2	10	6	0	0	1	0
Men	10	7	0	0	0	0	0	1

Rest (Europe, Americas, Asia and rest of the world) ^(2, 3, 4)								
	Europe		Asia and rest of the world		Americas			
	2023	2022	2023	2022	2023	2022	2023	2022
Women	19	42	1	1	6	6		
Men	1	12	0	0	2	3		

Occupational diseases

Spain								
	Logistic centres		Own stores		Own factories		Central services	
	2023	2022	2023	2022	2023	2022	2023	2022
Women	4	13	0	0	0	0	0	0
Men	6	11	0	0	0	0	0	0

Rest (Europe, America and Asia and rest of the world) ^(2, 3, 4)								
	Europe		Asia and rest of the world		Americas			
	2023	2022	2023	2022	2023	2022	2023	2022
Women	11	21	0	2	4	3		
Men	0	3	0	0	2	1		

(1) For accidents with more than 180 days of absence, absence days are not available for the following markets: Czech Republic; Hungary; Japan; Kazakhstan; Slovakia; Slovenia; South Korea; Taiwan, China; Macao SAR representing 1.5% of the total accidents in all markets (in 2022 information is only available for Spain; Bulgaria; Croatia; Greece; Italy; Portugal; Romania; Argentina; Chile; Mexico and Uruguay). This information is expected to be available in the 2024 report.

(2) Albania; Austria; Belgium; Belarus; Bosnia and Herzegovina; Bulgaria; Croatia; Czech Republic; Denmark; Finland; France; Germany; Greece; Hungary; Ireland; Italy; Luxembourg; Montenegro; Netherlands; Norway; Poland; Portugal; Republic of Northern Macedonia; Romania; Serbia; Slovakia; Slovenia; Sweden; Switzerland; Türkiye; United Kingdom.

(3) Australia; New Zealand; India; South Korea; Japan; Mainland China; Taiwan, China; Macao SAR; Hong Kong SAR; Kazakhstan and South Africa.

(4) Argentina; Brazil; Canada; Chile; United States; Mexico and Uruguay.

In 2023, the total number of hours of absenteeism due to common illness, corresponding to 97.4%⁵⁹ of the Group's employees (including all logistics and store employees in the world and office employees in Spain), amounted to 12,810,222 hours (13,223,549 hours in 2022⁶⁰).

The total number of hours worked in 2023, corresponding to 92.4% of Group's employees (including all logistics and store employees in the world), amounted to 182,712,729 hours (92.8% of employees and 177,342,180 hours in 2022).

Non-employee worker accidents

At Inditex we also look after the health and safety of people who, though not our own employees, carry out their activity in the Group's work centres under its supervision. In 2023 there were 22 accidents involving non-employee workers in Spain (in 2022 there were 7). As for the other

markets⁶¹ reporting non-employee workers, accidents occurred in 8: Italy (10), Brazil (3), Chile (3), United Kingdom (3), Uruguay (3), France (2), Austria (1) and Switzerland (1), giving a total of 26 accidents (0 accidents in the 3 markets reported in 2022).

Emergency management

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.

⁵⁹ Information on the remaining 2.6% is not available.

⁶⁰ The absenteeism data reported in 2022 has been restated taking into account the improvement in the quality of the information reported.

⁶¹ The following markets have no non-employee workers: Albania, Australia, Mainland China, Macao SAR, Slovenia, Greece, New Zealand, Portugal and South Africa.

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 short, these Emergency and Evacuation Plans and Self-Protection Plans include the necessary steps for prevention and control, as well as

protection measures and other actions to be taken in the event of emergencies.

In the last two years, the following actions were taken:

Brand	2023			2022 ⁶²		
	Self- Protection Plan	Emergency and Evacuation Plan	Emergency and Evacuation Plan	Self- Protection Plan	Emergency and Evacuation Plan	Emergency and Evacuation Plan
		New	Updated		New	Updated
Bershka	11	19	1	1	6	0
Massimo Dutti	3	6	5	3	9	5
Oysho	0	12	14	0	9	18
Pull&Bear	1	19	25	8	20	6
Stradivarius	5	38	22	5	22	11
Zara	22	45	4	25	79	57
Zara Home	5	19	0	2	13	6
Total	47	158	71	44	158	103

Emergency, Self-Protection and Evacuation Plans

Market	2023	2022
Spain	286	238
Albania	0	2
Germany	40	108
Argentina	12	12
Australia and New Zealand	2	18
Austria	0	1
Belarus	0	0
Belgium	10	3
Bosnia Herzegovina	0	0
Brazil	1	50
Bulgaria	4	5
Canada	0	0
Chile	13	14
Mainland China	2	5
South Korea	0	0
Croatia	10	40
Denmark	0	0
Slovakia	0	0
Slovenia	5	0
United States	103	2
Finland	0	0
France	11	12
Greece	7	0
Hungary	13	17
India	5	4
Ireland	3	0
Italy	218	271
Japan	7	6
Kazakhstan	2	0
Luxembourg	0	0
North Macedonia	0	0
Mexico	265	395
Montenegro	1	0
Norway	0	0
The Netherlands	2	3
Poland	213	44
Portugal	10	6
United Kingdom	6	0
Czech Republic	0	0
Romania	11	3
Serbia	4	21
South Africa	0	1
Sweden	0	0
Switzerland	4	20
Türkiye	1	84
Ukraine	0	0
Uruguay	4	4

⁶² The data on the number of Zara's Self-Protection Plans and Emergency and Evacuation Plans reported in 2022 have been restated to take into account the improvement in the quality of the information reported.

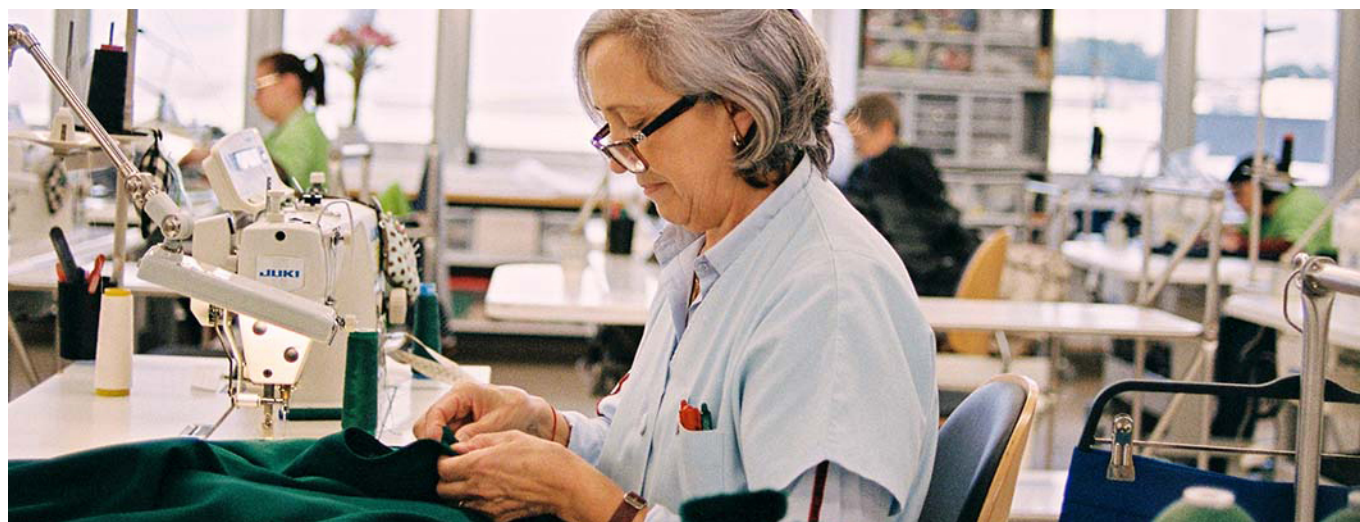
Other emergency management activities are summarised in the tables below:

2023

Work centre	Description
Talent Center Madrid	Emergency and evacuation plan
Bershka Logística	25th Anniversary emergency plan
Zara Home Logística	Evacuation drill
Stradivarius Logística	Theoretical and practical training emergency teams
Pull&Bear España S.A.	Self-protection plan
Servicios Centrales Arteixo	Protocol for action in the event of an emergency
Massimo Dutti Logística	Self-protection plan
Tempe	Self-protection plan

2022

Work centre	Description
Indipunt	Emergency and evacuation plan
Tempe	Evacuation drill Elche
Tempe	Evacuation drill Culleredo
Inditex	Emergency and evacuation plan
Pull&Bear España, S.A.	Emergency and evacuation plan
Tempe	Fire safety training
Plataforma Meco	Platform evacuation drill
Zara Home Logística	Platform evacuation drill



7.2. Workers in the supply chain

Material topic: Fair working conditions; Diversity, equality and inclusion; Responsible supplier management and traceability; Health, safety and well-being



7.2.1. Workers at the Centre

GRI 2-23; 2-28; 3-3; 407-1; 413-1; AF2; AF5

① More information in the *Workers at the Centre* report, available on Inditex's corporate website.

Comprehensive and effective due diligence concerning human rights in a global supply chain entails robust policies, tools and practices designed to identify, prioritise and mitigate the impacts on people. Inditex has developed a socially sustainable management of its supply chain to ensure a rigorous compliance programme that includes audits, corrective action plans and training, among other measures, accompanied by a strategy that puts 'Workers at the Centre'. This strategy is based on respect for and promotion of human rights, as well as the creation of social value.

① More information in section [8.3. Supplier relations](#) of this Report.

The Workers at the Centre strategy launches its new 2023-2025 cycle. The lessons learned in recent years and the knowledge of the supply chain have allowed us to incorporate best practices in this new stage with the aim of moving towards transformation both in the lives of the people who form part of the supply chain and their communities, and in the industry as a whole.

To achieve this, we collaborate with stakeholders to address the shared challenges and we stand close to workers to understand their needs and provide them with the necessary tools for their empowerment, participation and well-being.

As part of the evolution of this strategy from its previous 2019-2022 phase, we have strengthened the due diligence process. This is a continuous process to identify and prioritise potential impacts on

human rights, the most notable of which are organised into Priority Impact Areas.

To achieve this we have harnessed a number of internal and external information sources, such as surveys, interviews with key partners such as IndustriALL or the International Labour Organization (ILO), information concerning the social audits of suppliers, analyses of legislation, reports on trends or risks in connection with human rights, etc. Above all, we have relied on our own work and relationships in each of the geographic areas where our suppliers operate. This process, carried out in accordance with the UN Guiding Principles on Business and Human Rights, involved all sustainability areas, teams present locally in our main production markets, which we call clusters, and other Company areas. The organisation Shift, a leading centre of expertise on human rights and business, has also been involved.

As a logical evolution in the year, a development of the Priority Impact Areas has been carried out by incorporating all the potential impacts identified and subsequently prioritised. For this new strategy, impacts related to the environment and climate change have been added more directly, ensuring respect for human rights from a holistic perspective, and incorporating aspects such as just transition and the future of work.

This version of the Workers at the Centre strategy identified notable impacts on human rights structured around **five Priority Impact Areas**: Social dialogue, Living wages, Respect, Health and Resilience.



The new phase of the strategy also aims to reinforce the focus on vulnerable groups, such as women, migrants, people with disabilities or workers involved in the production of raw materials, etc., ensuring transversality across all Priority Impact Areas.

This strategy is implemented through a network of partnerships, initiatives and interventions aimed at promoting systemic changes in the industry and communities.

To develop the strategy, on-the-ground collaboration and monitoring is very important. To support this monitoring, in 2023 alone, we conducted 821 monitoring visits (540 visits in 2022)⁶³.

Transformation and impact: how do we approach this?

- / **We continue to ascertain, evaluate and improve** working conditions in our supply chain while at the same time involving workers in the improvement process.
- / **We continue to foster close and strategic links with relevant stakeholders**, who will continue to present us with challenges and to support us in achieving shared goals.
- / **We involve our partners and suppliers**, also fostering solutions based on their own initiative.
- / **We work with the rest of the industry**, seeing sustainability as an issue common to all and as a priority for shared supply chains.
- / **We innovate** in the quest for new ways to listen to the supply chains and take part in active corrective measures led by stakeholders.
- / **We focus on transformation**, which includes creating prosperous and resilient communities around our supply chains.
- / **We address needs** by paying attention to what is happening around us, while also engaging our team of experts from all over the world.

⁶³ Previously reported as 'special audits'. In order to enhance transparency, this year we detail the topics and volume of the 'special audits' in the various sections of this Report.

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.**



Workers at the Centre 2023

1,461,255

People
reached by the strategy

1,719

Suppliers and factories
involved in the strategy

46

Initiatives and solutions
developed in factories and/or communities

100%

Suppliers
covered by the strategy

31

Organisations
we collaborate with

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.



/ Equity 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.

Key characteristics of the Workers at the Centre strategy

From compliance to commitment

In the journey towards socially sustainable supply chain management, embedded in our human rights strategy, we have gradually incorporated new elements to strengthen the protection of rights, evolving from a compliance-based model to the current strategy, which folds in the vision of transformation and impact.

Culture of collaboration

The challenges posed by a global supply chain are shared, so collaboration is required to have a leveraging and lasting impact. In particular, our sustainability goals for the supply chain are shared by suppliers, manufacturers, companies and brands, and other stakeholders such as NGOs, trade unions and local and international organisations.

Furthermore, at Inditex we take an open and collaborative approach with a range of bodies and we actively participate in the industry's global initiatives as the driving force for transformation, always with the aim of that the sector adopts widespread sustainable practices.

One of our most significant relationships is with the international trade union federation IndustriALL, with which Inditex signed a Global Framework Agreement in 2007. This Agreement is one of our most valuable tools for promoting worker participation, the respect for freedom of association and collective bargaining.

We also work with international organisations such as the United Nations Global Compact, the Ethical Trading Initiative and the International Labour Organization (ILO), through public-private partnerships, and the Better Work Initiative.

We highlight the importance of our collaboration with other brands through various initiatives, such as ACT (Action, Collaboration, Transformation), which works to achieve living wages in the supply chain through responsible purchasing practices and collective bargaining.

Focus on vulnerable groups

Although we design and implement global strategies for each of the Priority Impact Areas, we focus especially on the most vulnerable people. We want to make sure to listen to the people who are least represented and potentially most affected.

Women, migrants and refugees or people with disabilities are some of the key beneficiaries of this strategy, and we remain especially supportive of their needs.

Systemic perspective

Our due diligence process takes into account environmental and climate change impacts on people. Health and human and planet prosperity are interdependent and go hand in hand. All human beings depend on the environment in which we live, so having a safe, clean, healthy and sustainable environment is crucial for enjoying a wide range of human rights, including the rights to life, health, food, water and sanitation.

Combination of global and local approach and implementation

We have teams in the main production markets, in direct contact with suppliers, workers, trade unions, NGOs, local and national authorities, international organisations and academic institutions, among others. This way of working at the local level is what we call '**clusters**'. In 2023, Inditex had ten clusters in Spain, Portugal, Morocco, Türkiye, India, Bangladesh, Pakistan, Vietnam, China and Cambodia.

We pay special attention to the context in each of the regions where our suppliers operate.

Integration in the business model

At Inditex, we see sustainability as a **way of acting**, and as such it permeates the entire business model and each of the areas that develop it.

In particular, the involvement of the buying teams is essential. Among others, we have developed management systems that allow all our buying teams to know the performance of each supplier, encouraging **responsible purchasing practices** that allow them to make sustainability-focused business decisions.

Supporting our suppliers

Raising awareness and training of our suppliers enables us to address supply chain challenges as a shared responsibility. Our buying and sustainability teams have a very close relationship with suppliers. A prime example is the continuous and specialised training on issues such as gender equality, freedom of association, living wages or health and safety. In 2023, we provided training programmes to 911 suppliers.





7.2.2. Social dialogue

GRI 3-3; 407-1; AF5

Social dialogue

Goal
Facilitating mature industrial relations as a vehicle for a more participative society

Main lines of work
/ Worker participation
/ Ecosystems for dialogue

Related SDGs	Related human rights	Alliances and partnerships
   	<ul style="list-style-type: none"> / Rights to freedom of opinion and expression / Right to freedom of assembly / Right to freedom of association and collective bargaining / Right to form or join trade unions and the right to strike / Right to work 	<ul style="list-style-type: none"> / ACT (Action, Collaboration, Transformation) / Better Work / Ethical Trading Initiative / <i>Foro Social de la Industria de la Moda de España</i> / IndustriALL Global Union / International Apparel Federation (IAF)

2023 Key indicators
/ 411,676 people reached
/ 218 suppliers and factories involved
/ Bangladesh, Cambodia, China, Egypt, Indonesia, Morocco, Pakistan, Türkiye, Tunisia, Vietnam

Worker participation, along with maintaining and developing the ecosystems for dialogue, are the two core premises for achieving mature industrial relations and, as a result, for promoting more engaged and equal societies. Our commitment and contribution to protecting the fundamental rights to freedom of association and bargaining aims to generate a positive impact on Inditex's supply chain.

a) Worker participation

Our Global Framework Agreement with IndustriALL Global Union is one of the most effective tools for safeguarding the respect of the rights to freedom of association and collective bargaining in our supply chain. Since 2007 we have been implementing this vision through the successive renewals of the Global Framework Agreement. The latest renewal, in 2019, involved the creation of the Global Union Committee, a representative body of

IndutriALL set up to promote worker representative engagement and coordination between Inditex and IndustriALL Global Union and its local affiliates.

We have also been able to work on Dispute Resolution Mechanisms through the internal communication channel enabled under the Global Framework Agreement, as well as other mechanisms set up under different initiatives, such as the Interim Dispute Resolution Mechanism in Bangladesh (concerning freedom of association rights and the payment of wages and benefits for ACT workers) or the Dispute Resolution Mechanism of the International ACCORD.

Main initiatives in 2023

- / Implementation of the Global Framework Agreement with IndustriALL Global Union (global).
- / Training on the Global Framework Agreement (Morocco, Tunisia, Türkiye).
- / Training for local affiliates of IndustriALL concerning the mechanisms of the Global Framework Agreement (Cambodia, Morocco, Türkiye).

b) Ecosystems for dialogue

Empowering the representatives of workers and employers through social dialogue platforms at local or industry level is one of the best ways to generate impact at different stages of the supply chain.

We are actively working on representation mechanisms and raising awareness regarding industrial relations through initiatives such as ACT (Action, Collaboration, Transformation), Better Work, the Ethical Trading Initiative or the Foro Social de la Industria de la Moda de España. We are also working in other areas linked to occupational health and safety or equality through initiatives such as International ACCORD. Here, the

contribution of Inditex along with other international brands and companies, IndustriALL Global Union and other key stakeholders has served to create opportunities for collaboration in various areas of common interest.

We also embarked on a new journey in terms of workers satisfaction through the analysis of our supply chain in Morocco. We now aim to transfer this experience to other markets to continue our in-depth analysis of workers' needs, which we see as paramount for their empowerment and satisfaction.

Main initiatives in 2023

- / Better Work programme (Bangladesh, Cambodia, Egypt, Indonesia, Pakistan, Vietnam).
- / Collaboration through the ACT initiative (Bangladesh, Cambodia, Türkiye).
- / Social dialogue programme by the Ethical Trading Initiative (ETI) (Bangladesh).
- / Training in industrial relations (China).

Framework agreement signed with the International Apparel Federation (IAF)

On 2 October 2023, Inditex and the International Apparel Federation (IAF)—an organisation that represents 100,000 manufacturers from more than 40 countries through its member associations—signed a framework agreement aimed at driving a meaningful transformation in the global garment industry. This agreement aims to develop a more people- and planet-friendly industry by improving circularity, traceability and worker well-being, paving the way for developing projects connected with these areas.

IAF and Inditex have identified key areas of focus within the agreement, including boosting industrial development in producer countries and transitioning to an industry that makes waste into new raw materials while aiming for net zero emissions, encouraging the adoption of renewable processes and energies with a lower impact on ecosystems. Furthermore, the agreement lays particular emphasis on improving working conditions and envisages collaborative actions on issues such as occupational health and safety, social protection, diversity and inclusion.

It also includes cross-cutting aspects such as the creation of a common framework to measure and verify the impacts of the textile industry and encourage resilience and the adoption of transparency-enhancing practices, such as digital labelling. In addition, it explores the interoperability of information systems and promotes the digitalisation and increased efficiency of global supply chains, among other issues.

7.2.3. Living wages

GRI 3-3; 407-1; AF5

Living wages

Goal

Setting the necessary conditions for the achievement of Living Wages in the Inditex supply chain

Main lines of work

- / Necessary conditions for collective bargaining
- / Responsible purchasing practices
- / Management systems and favourable practices

Related SDGs



Related human rights

- / Rights of protection of the family and the right to marry
- / Right to a family life
- / Right to enjoy just and favourable conditions of work
- / Right to an adequate standard of living
- / Right to health
- / Right to education

Alliances and partnerships

- / ACT (Action, Collaboration, Transformation)
- / Habitat Association (*Habitat Derneği*)
- / Better than Cash Alliance
- / BSR (Business for Social Responsibility)
- / East China University of Political Science and Law (ECUPL)
- / Faculty of Science and Technology, Tangier
- / IndustriALL Global Union
- / International Labour Organization (ILO)
- / RISE: Reimagining Industry to Support Equality

2023 Key indicators

- / 31,318 people reached
- / 47 suppliers and factories involved
- / Bangladesh, Cambodia, China, Egypt, Morocco, Türkiye, Vietnam

We believe that workers can only be guaranteed a living wage by means of effective, industry-wide collaboration between workers' representatives and employers with a view to fostering social dialogue and ongoing respect for freedom of association and collective bargaining rights, backed by continuous improvements in responsible purchasing practices.

Consequently, both our Framework Agreement with IndustriALL Global Union and our work with the ACT (Action, Collaboration, Transformation) initiative are essential pillars for progress. We also work in areas such as wage digitalisation, boosting productivity and financial education to

foster optimised management systems and employee-friendly practices in wage payment.

a) Necessary conditions for collective bargaining

At Inditex, we believe that strengthening collective bargaining agreements at industry level, underpinned by improvements in responsible purchasing practices, are the right way to progress in achieving living wages. Accordingly, our approach is closely linked to our social dialogue strategy, and in particular to our relationship with one of our main stakeholders, IndustriALL Global Union.

Moreover, another primary tool is our active involvement in the ACT initiative, in which the 19 international member brands and IndustriALL Global Union work together to promote platforms for dialogue in the countries where the initiative is in place, to create a working environment between workers' representatives, employers and international brands with an onus on best purchasing practices and promoting conditions for collective bargaining between employers and workers' representatives.

Main initiatives in 2023

- / Collaboration through the ACT initiative (Bangladesh, Cambodia, Türkiye).
- / Implementation of the Global Framework Agreement (global).

b) 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. Mindful of this, as ACT members since 2018 we have signed up to five commitments in relation to purchasing practices.

In 2023, we have again carried out ACT's purchasing practices surveys with our buying teams and suppliers. Since then, we have held meetings with buyers to map out improvements and key next steps. Suppliers are another important part of this process, and their feedback is also shared with the teams.

To implement these commitments and help our buying teams make responsible purchasing decisions, we train them to adopt best practices, developing and providing them with management systems that measure the sustainability performance of each supplier and factory.

We have also completed the first and second editions of the Foundations of Textile Manufacturing programme at the Inditex's Sustainable Fashion School, devised in collaboration with the University of Leeds, training 1,200 employees.

Main initiatives in 2023

- / Responsible purchasing practices with ACT
- / Training buyers at the Inditex Sustainable Fashion School

c) Management systems and favourable practices

To make headway on our path to achieving living wages, we must take a holistic approach and work on several fronts, including creating an ecosystem that fosters favourable conditions and lays a solid foundation for the payment of living wages to workers in Inditex's supply chain. With this in mind, we combine a compliance approach underpinned by audits and corrective plans, with programmes and interventions based on training and impact.

Enhanced skills, improved productivity, effective wage management systems, and financial literacy of the workers are some of these important favourable conditions that play a crucial role in improving workers' wages and benefits. In fact, there is a direct link between these matters and the payment of living wages.

Main initiatives in 2023

- / Lean Project (Bangladesh, China, Morocco).
- / RISE Financial Health project (Cambodia, China, Egypt, Vietnam).
- / SCORE Programme (China).
- / Wage digitalization capacity building (Vietnam).
- / Wage management project (China).
- / Look Through Another Window project (Türkiye).



7.2.4. Respect

GRI 3-3; 408-1; 409-1; AF5; AF24; AF27; AF32

Respect

Goal

Promoting safe and respectful environments, free from discrimination, abuse or harassment

Main lines of work

/ Respectful work environments free from any kind of violence and harassment

/ Fair recruitment and employment culture

Related SDGs



Related human rights

/ Right not to be subjected to slavery, servitude or forced labour

/ Right to freedom of movement

/ Rights to freedom of thought, conscience and religion

/ Rights of protection for the child

/ Right to a family life

/ Right to education

/ Right to equality before the law, equal protection of the law, and rights of non-discrimination

/ Right to non-discrimination in economic, social and cultural rights

/ The equal right of men and women to the enjoyment of all economic, social and cultural rights

/ Right to enjoy just and favourable conditions of work

Alliances and partnerships

/ Anne Çocuk Eğitim Vakfı (AÇEV)

/ Associação Plano i

/ RISE: Reimagining Industry to Support Equality

/ Casal dels Infants

/ Association for Solidarity with Asylum Seekers and Migrants (ASAM)

/ Ethical Trading Initiative (ETI)

/ International Labour Organization (ILO)

/ Network of Organizations Working for People with Disabilities Pakistan (NOWPDP)

/ Pratham

/ Refugee Support Center (MUDEM)

/ Social Awareness and Voluntary Education (SAVE)

/ Support to Life (STL)

/ United Work

2023 Key indicators

/ 64,929 people reached

/ 133 suppliers and factories involved

/ Bangladesh, China, India, Morocco, Pakistan, Portugal, Türkiye

Everyone must be treated with respect, fairness and dignity. At Inditex, through this Priority Impact Area, we defend the need to promote respectful and equal workplaces, and we apply an integrated framework based on zero tolerance policies and practices against abuse and inequalities, identifying the hazards and risks, addressing their

underlying causes and developing the necessary solutions, with a focus on equality and a culture of collaboration. Ultimately, our goal is to guarantee workers a safe workplace, free from any kind of harassment, abuse and violence, and a climate of respect in the factories linked to Inditex.

At Inditex we believe that gender equality is not only a fundamental human right, but also an essential value for the sustainability of the supply chain and for development.

That is why, for some years, we have been working in the field of gender, diversity and inclusion, and this Priority Impact Area is one of the main catalysts for nurturing respect for the related ILO international standards.

Likewise, Inditex does not tolerate any form of modern slavery or human trafficking in its organisation or its supply chain, and engages actively in the promotion of and respect for human rights.

a) Respectful work environments free of all forms of violence and harassment

We carry out activities and solutions on an evidence-based approach, aimed at understanding the specific needs of target groups in both the workplace and the community to develop viable solutions to halt violence and harassment and thus foster a culture of respect as a preventive measure while reinforcing mitigation and remediation measures when required.

Main initiatives in 2023

- / EDUCARE project (Morocco)
- / ETI Gender Sensitive Workplace project (Bangladesh)
- / Cohesion support groups project (Türkiye)
- / LGBTI+ Awareness project (Portugal)
- / Migrant Parents project (China)
- / Parwaaz project - Disability management in the workplace (Pakistan)
- / Training for refugee workers (Türkiye)
- / RISE Respect project (Bangladesh, India)
- / Together Strong project (Türkiye)
- / Towards an Inclusive Workplace project (Türkiye)
- / Workplace Adaptation project (Türkiye)

b) Fair recruitment and employment culture

Having fair recruitment and employment practices is key to achieving decent working conditions. At Inditex we have a zero tolerance policy towards child labour and any kind of forced labour. These topics are discussed in our Code of Conduct for Manufacturers and Suppliers, which specifies that the employment of children and any form of forced or involuntary labour by our manufacturers and suppliers is strictly prohibited.

In order to improve and further develop these areas, we have a supply chain management system that includes aspects such as audits, corrective plans or awareness activities, among others, allowing us to identify and remedy potential breaches. Even so, our various initiatives

under the Workers at the Centre strategy play a crucial role not only in preventing these situations in the first place, but also in taking the necessary action if any non-compliances are detected.

Main initiatives in 2023

- / Sowbhagyam project (India).
- / Sankalp project (India).
- / Remediation programme for migrant workers (Türkiye).









7.2.5. Health

GRI 3-3; 403-6; 403-7; 403-8; AF5

Health

Goal
Protecting the health and safety of workers in the supply chain, and improving their well-being

Main lines of work
/ Physical health
/ Workplace safety
/ Well-being

Related SDGs	Related human rights	Alliances and partnerships
 	<ul style="list-style-type: none"> / Right to life / Right to health 	<ul style="list-style-type: none"> / International Accord for Health and Safety in the Textile and Garment Industry
 	<ul style="list-style-type: none"> / Rights of protection of the family and the right to marry / Right to enjoy just and favourable conditions of work 	<ul style="list-style-type: none"> / <i>Medicus Mundi Sur</i> / <i>RISE: Reimagining Industry to Support Equality</i>
 	<ul style="list-style-type: none"> / Right to a family life / Right to a clean, healthy and sustainable environment / Right not to be subjected to torture, cruel, inhuman and/or degrading treatment or punishment / Right to an adequate standard of living 	<ul style="list-style-type: none"> / RMG Sustainability Council (RSC) / St. Johns Medical College / University of Oxford

2023 Key indicators
/ 1,125,665 people reached

/ 1,337 suppliers and factories involved

/ Bangladesh, China, India, Morocco, Portugal, Sri Lanka, Vietnam

In 2022, the ILO declared that a safe and healthy working environment is a fundamental right and principle at work. For decades, Inditex has been committed to promoting these basic rights in our supply chain. In this connection, we have a framework of procedures in place to ensure compliance with the requirements through assessments and corrective activities, and we take a comprehensive and holistic approach by identifying best practices to address specific challenges and workers' needs. Working with expert organisations to identify areas for improvement allows us to better implement the solutions devised, through both immediate actions and long-term goals.

In 2023, by means of this Priority Impact Area, Inditex has developed several initiatives of its own or in collaboration with expert organizations recognized for their professionalism in the field, to further strengthen our commitment to guaranteeing safe and healthy working environments for workers part of Inditex's supply chain. Our commitment to equality is always woven into the solutions we develop to ensure that the needs of all vulnerable groups.

a) Physical health

As part of this strategic line, we have continued our commitments and initiatives aimed at reinforcing the evaluation, support and improvement of compliance with our Code of Conduct for Manufacturers and Suppliers.

We have developed a global plan to strengthen occupational health and safety in our supply chain, launched in 2022, aiming to proactively engage with our key suppliers and manufacturers to improve, where necessary, their level of health and safety compliance.

Through this commitment, an individual improvement plan is developed for each supplier and factory based in different markets. A team with specific training in this area then continuously monitors the corrective action plans and regularly contacts with each supplier or manufacturer, providing advice, monitoring progress and verifying improvements to ensure greater compliance with our Code and related applicable legislation using an empirical approach.

Main initiatives in 2023

- / Project in collaboration with Medicus Mundi (Morocco).
- / OHS Corrective Action Plan (global).

b) Workplace safety

Workplace safety is a fundamental part of any working environment. Creating a safe environment to protect workers from accidents or occupational illnesses is paramount for Inditex. In this regard, we continuously implement due diligence processes in our supply chain to identify safety risks and hazards and to offer tailored solutions to prevent, remedy and improve the situation.

In this strategic line we focus on the commitment to have safe and suitable facilities and workplaces and to raise awareness as necessary to inform workers and management regarding effective workplace safety management.

For instance, as a signatory of the International Accord for Health and Safety in the Textile and Garment Industry, Inditex is committed to health and safety at textile factories. Through ongoing interaction we verify and oversee the effective implementation of corrective actions at our suppliers and manufacturers.

Main initiatives in 2023

- / Accord-CAP Remediation project (Bangladesh).
- / WISH: Workplace Improvement for Safety and Health project (China).
- / Suraksha: fire & electrical system assessment + thermography project (India).
- / Boiler Safety project (Morocco).

c) Well-being

The World Health Organization (WHO) defines well-being as a positive state experienced by individuals and societies. Similar to health, it is a resource for daily life and is determined by social, economic and environmental conditions. Well-being encompasses quality of life and the ability of people and societies to contribute to the world with a sense of meaning and purpose. Focusing on well-being supports the tracking of the equitable distribution of resources, overall thriving and sustainability.

At Inditex we firmly believe that these issues must be addressed in the supply chain by placing particular care on mental health and reducing the psychosocial risks workers are exposed to, creating and maintaining a workplace culture of well-being and promoting the dissemination of knowledge; means whereby ecosystems benefit workers, their families and the community.

Main initiatives in 2023

- / SAKHI Menstrual Rights project (India, Sri Lanka).
- / Project on mental health promotion (Portugal).
- / RISE Health project (Vietnam).

Renewal of the International Accord

In November 2023, brands—including Inditex—and trade unions renewed their commitments for another three years, and agreed an automatic renewal for a further three years after that, making it the longest Accord pledge to date. This enduring commitment reflects the conviction of the signatory brands and trade unions regarding the Accord's impact on workplace health and safety through independent factory inspections, remediation, safety training and an effective worker grievance mechanism.

7.2.6. Resilience











GRI 3-3; AF5

Resilience

Goal
Contributing to create preventive, adaptive and transformative capacities for development

Main lines of work

- / Social protection
- / Just transition and the future of work
- / Prosperous livelihoods

Related SDGs	Related human rights	Alliances and partnerships
 	<ul style="list-style-type: none"> / Right to freedom of assembly / Rights of protection for the child 	<ul style="list-style-type: none"> / ASA (Action for Social Advancement) / East China University of Political Science and Law (ECUPL)
 	<ul style="list-style-type: none"> / Right to equality before the law, equal protection of the law, and rights of non-discrimination 	<ul style="list-style-type: none"> / International Labour Organization (ILO) / İyi Pamuk Uygulamaları Derneği – IPUD
 	<ul style="list-style-type: none"> / Right to social security, including social insurance / Right to a family life 	<ul style="list-style-type: none"> / RISE: Reimagining Industry to Support Equality
 	<ul style="list-style-type: none"> / Right to education / Right to a clean, healthy and sustainable environment 	<ul style="list-style-type: none"> / Swasti
 	<ul style="list-style-type: none"> / Right to health 	

2023 Key indicators

- / 20,492 people reached
- / 85 suppliers and factories involved
- / China, India, Pakistan, Türkiye, Uzbekistan, Vietnam

The global economic, social, climate and political context is dynamic, and the associated changes affect the resilience of the supply chain, including that of workers and communities that depend on it directly or indirectly. In this Priority Impact Area we analyse megatrends and work alongside suitable partners to create more resilient suppliers and communities. These commitments must be developed while also anticipating effects such as those arising from climate change or the

impact of technology on the future of work, and without overlooking support for proper social security systems to ensure that no one is left behind. This would also involve exploring ways of securing prosperous livelihoods, including the production of raw materials.

a) Social protection

We are engaged in ensuring access to adequate and sufficient social security coverage in the supply chain, regularly evaluating the compliance levels of factories and suppliers and, where necessary, implementing and monitoring corrective action plans.

We also took part in the Covid-19: Action in the Global Garment Industry initiative, which emerged in 2020 as a joint response to the effects of covid-19, and which calls 'to work together to establish sustainable systems of social protection for a more just and resilient garment industry'.

Main initiatives in 2023

- / Happiness for All (India).
- / Covid-19: Action in the Global Garment Industry (global).
- / Training on social security-related benefits (China).

b) Just transition and the future of work

We want to ensure that a human rights-based approach is systematically incorporated into Inditex's climate commitments. Human rights experience and practice are combined with environmental plans and actions, thereby ensuring that the social impact is taken into account. We also endeavour to understand how jobs and skills are set to evolve.

Main initiatives in 2023

- / Rise Foundations project (China, Vietnam).

c) Prosperous livelihoods

In this line of action, we focus primarily on the livelihoods of people involved in the production of raw materials, including those in the agricultural sector.

While raw materials, both natural and man-made, are pivotal components in the creation of end products, their supply chain is highly complex and involves challenges linked to labour conditions, as well as development, prosperity and resilience. These challenges must be addressed both locally and globally, so a holistic approach is called for. This approach must encompass traceability, due diligence and a commitment to respect for and promotion of human and labour rights.

Main initiatives in 2023

- / Public-private partnership with the International Labour Organization (India, Pakistan, Uzbekistan).
- / Collaboration projects for promoting regenerative agricultural practices (India).
- / Child & Women Friendly Mobile Areas project (Türkiye).



7.3. Communities

Material topic: Value creation in the community



① More information in the *Community Investment Policy*, available on Inditex's corporate website.

7.3.1. Our community investment strategy

GRI 2-23; 2-28; 3-3; 203-1; 413-1; 413-2; AF33

We see community investment as an opportunity to contribute to sustainable development through voluntary activities that go beyond the limits of our value chain and the boundaries of our sector.

All these activities are based on our **Community Investment Policy**, which develops the content on community investment set out in the Code of Conduct, the Sustainability Policy and the Policy on Human Rights.

Our Community Investment Policy was updated in 2022 to incorporate best practices and recommendations. Accordingly, we aligned our initiatives not only with our corporate strategy, but with the Paris Agreement and the Sustainable Development Goals (SDGs), established in the United Nations 2030 Agenda. In fact, the SDGs are the foundation of our community investment programme.

① More information in the *Community Investment Policy*, available on Inditex's corporate website.

Our approach to corporate community investment

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**.

Accordingly, we currently support projects focused on:

- / **Education:** actions aimed at safeguarding the right to quality education throughout life and generating opportunities for decent work grounded on inclusion and equity.
- / **Emergency relief:** initiatives to safeguard the lives, health and well-being of forced migrants and refugees, as well as other vulnerable groups facing humanitarian emergency situations—natural disasters, armed conflicts or similar circumstances—.
- / **Environment:** activities aimed at conserving and restoring ecosystems, fostering regenerative practices, supporting the circular economy and using resources efficiently.

The importance of gender equality

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.

How we monitor our investment

We believe it is crucial to rigorously measure the results and impacts achieved. To do this, we use, among others, the Business for Societal Impact (B4SI) measurement methodology, based on allocating contributions in the community, measuring achievements and evaluating the impact of the various components of the project.

Our Corporate Community Investment in 2023

In 2023 we supported 910 community and environmental projects with an investment of more than 112 million euros. These initiatives, focused on SDGs linked to our activity, have directly benefited more than 4.3 million people⁶⁴.

Among the new initiatives launched this year, the following stand out:

- / Development of emergency relief programmes, in response to the earthquakes in Türkiye and Morocco, as well as Hurricane Otis in Mexico, in collaboration with national organisations like the Red Cross and the Red Crescent.
- / Strengthening stable collaboration in emergency relief, starting with support for the Emergency Unit of *Médecins Sans Frontières* and its programmes to assist refugees and migrants in Bangladesh and Mexico.
- / Establishing a strategic partnership with Conservation International to develop the Regenerative Fund for Nature to support the transition from fashion-related raw materials production to regenerative agricultural practices.
- / Promoting development cooperation through the Every Mother Counts programme extension, in order to provide pre-natal care to pregnant women in Bangladesh and the United States, as well as renewing the *Missão Paz* programme for welcoming and supporting the integration of immigrants and refugees in Brazil.
- / Strengthening social action in Spain based on collaboration with *FAD Juventud* to provide quality jobs to young people in Spain, in particular women, in technological professions with good future prospects, as well as raising awareness for young people in addiction prevention.
- / Strengthening of community programmes in the area of Inditex's main headquarters, based on, among others, renewal of the "A Flote" emergency relief programme for persons in a situation or risk of social exclusion in A Coruña, in partnership with the Municipal Government and *Fundación Emalcsa*, and the collaboration with the Galicia Regional Government to launch the 'Fund for the integrated recovery of the Galician territory affected by wildfires in 2022'.
- / Inauguration of the first for&from store in Portugal, under the Zara Home retail format, in collaboration with *Associação VilacomVida*.

/ Promoting research talent in the university environment, with the renewal of the inMOTION Predoctoral Residency Grant Programme in collaboration with the University of A Coruña.

/ Renewal of the three-year agreement with Tsinghua University School of Economics and Management (China) for student placements abroad, grants for low-income students and traineeships for students in connection with support for vulnerable people.

Our target 2022-2025

In 2022 we undertook to help 10 million people through our community investment programme between 2022 and 2025. In 2023 alone we helped 4.3 million people.



⁶⁴ Inditex's community investment is recorded under heading 6. *Operating expenses* of the Consolidated Income Statement.

Our Corporate Community Investment in 2023*

Impacts / What has improved?

Impact on people - Depth ***

7% experienced limited changes

82% benefited from an improvement in their lives

11% experienced a fundamental change

Impact on people - Type ***

31% obtained behaviour or attitude changes

1% acquired new skills

96% improved their quality-of-life

Impact on community-based organizations****

94 % improved or new services

88 % improved management processes

95 % increased their capability to take on more staff or volunteers

100 % increased their profile

Impact on employee participants*****

99 % improved personal skills

99 % improved personal well-being

99 % experienced a positive change in their behaviour

(*) Data calculated in accordance with B4SI methodology based on voluntary expenditure by Inditex on Corporate Community Investment projects during the financial year 2023. The average exchange rate of financial year 2023 was used to convert contributions into euros. (**) Additional resources contributed to a community organisation or activity that come from sources other than the Company -employees, suppliers and customers, among others-. (***) Impact assessment carried out on 4,059,696 direct beneficiaries. (****) Impact assessment carried out on 275 community organizations supported by Inditex. (*****) Impact assessment carried out on a 225 employees volunteering in 18 countries.



Inputs / What's contributed?

112.6 M€
Invested
 in social and environmental programmes

8.9 M
Articles
 from our collections donated

338 k
Hours devoted
 by employees to CCI activities during working hours

Outputs / What happens?

4.3 M
 direct
Beneficiaries

476
Community organizations
 supported

910
Initiatives
 implemented

107.8 M€
Leverage **

2023 Corporate Community Investment

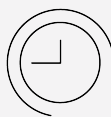
Increase in the investment

Collaboration beyond cash contributions



13%

increase in garment donations for social causes with respect to 2022



8%

increase in employee time contributions with respect to 2022

We have boosted our in-kind contributions, exceeding 8.9 million items donated over the course of 2023, as well as time contributions from employees during working hours, which reached 338k annual hours.

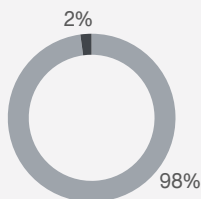
28%

increase in Corporate Community Investment (CCI) with respect to 2022.

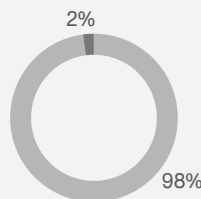
We have significantly increased our Corporate Community Investment, reaching 112.6 million euros.

Maximising the effectiveness of contributions

Focus on strategic community projects



2023



2022

■ Long-term strategic investment ■ Charitable gifts

For yet another year, we have focused investment in proactive strategic projects (community investment and commercial initiatives in the community), as opposed to charitable gifts for community organisations' general purposes.

98%

of contributions to strategic projects.

By adopting a strategic approach, we maximise the effectiveness and impact of our community programmes.

Alignment with SDGs and our corporate strategy

We focus our investment to increase impact

SDGs

88% of CCI is focused in initiatives primarily targeting SDGs 3, 4, 5, 8, 10, 12 and 15.

Issue addressed

79% of investment in the priority action areas defined by the Community Investment Policy: emergency relief, education and environment.

88%

of CCI focused in 7 SDGs.

79%

of CCI focused in 3 priority issues.

Increase in the scope

Increase in the number of direct beneficiaries



30%
People

In addition to the increase in the number of initiatives developed, in 2023, the community investment programme benefited 30% more people than in the previous year.

26%

increase in the number of CCI projects developed.

In 2023, 910 community projects have been developed, representing an increase of 26% compared to the previous year.

Increasing leverage

Maximising effectiveness in unlocking additional resources for community

In million euros



In 2023, the additional resources leveraged by our programmes as a result of the contributions made from sources other than the Company—employees, customers, suppliers, etc.—amounted to 107.8 million euros, which represents a 43% increase on the previous year.

43%

increase in additional funds raised or contributions leveraged from other sources.

Making greater impact

Maximising the impact on people



5,200,042 positive changes experienced by direct beneficiaries of CCI projects, who have gained in quality of life, skills development and improved attitude, compared to 3,535,872 in the previous year.

24%

increase in the number of positive impacts on direct beneficiaries.

7.3.2. Inputs

GRI 3-3; 203-1; 203-2; 413-1; 413-2; AF34

In 2023, our Company invested 112.6 million euros in Corporate Community Investments, in various ways:

- / **Cash contributions:** the aggregate monetary amount invested in supporting social and environmental programmes.
- / **Time contributions:** the proportional cost of our employees' paid time spent on social or environmental activities during working hours.
- / **In-kind contributions:** donations of products—garments, mainly—to non-profit organisations.
- / **Management costs:** estimated expenses incurred for the general management of the programmes.

In 2023, we have significantly increased monetary contributions. Additionally, in keeping with the strategy outlined in our Community Investment Policy, we have notably boosted in-kind and time contributions devoted by our employees to CCI initiatives during their working hours. Management costs meanwhile remained stable compared to previous years.

On aggregate, we have provided 62 million euros in cash contributions, we have donated **8.95** million articles from our collections and our employees have dedicated **338,940** of their working hours to social or environmental initiatives.

These contributions are further divided into three categories:

- / **Charitable gifts:** one-off institutional contributions to support the general goals of non-profit organisations.
- / **Community investment:** long-term strategic commitment to collaborations with the community to support specific activities.
- / **Commercial initiatives to the community:** initiatives of social interest directly related to the Company's activity.

It is worth noting that 98% of the total investment in 2023 was channelled to support initiatives that we consider strategic: community investment and commercial initiatives in the community.

This enabled us to maximise the efficacy of our contributions and to broaden the impact of key projects.

How we increase our contribution

Corporate Community Investment evolution (€ M)		
	2023	2022
Total investment in Corporate Community Investment	112.6	87.9
By form of contribution (management costs included)		
Cash	62.0	46.3
Time	10.2	9.4
In-kind	38.5	30.3
Management costs	2.0	1.9
By category (management costs excluded)		
Charitable gifts ⁽¹⁾	2.4	1.8
Community investment ⁽²⁾	71.7	58.7
Commercial initiatives in the community ⁽³⁾	36.6	25.5

(1) One-off institutional donations to the general goals of charities.

(2) Long-term strategic commitment to support specific social activities.

(3) Initiatives of social interest directly related to the Company's commercial activity.

The nature of our contributions

79% of our community investment was earmarked for priority **action areas:** education, emergency relief and environment.

With regard to the **geographic scope**, we prioritise regular investment in the areas in which we conduct our activity. Specially, in the so-called Inditex's 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.

Lastly, we have also identified the primary SDG (and the secondary SDG where applicable) relating to the initiatives we have implemented this year. This analysis tells us that, in keeping with our activity, the investment has significantly contributed to SDGs 8, 10, 12 and 15 and, in addition, to SDGs 3, 4 and 5. The 88% of our contributions were in support of initiatives with one or more of these SDGs as their main objectives.

① More information in section [8.3. Supplier relations](#) of this Report.

How we contribute

Distribution of Corporate Community Investment in 2023	
By issue addressed	
Emergency relief	41%
Environment	23%
Education	15%
Other (social welfare, health, economic development, art and culture)	21%
By geographic area	
Europe ex-Spain	24%
Spain	35%
Americas	21%
Asia and rest of the world	21%
By SDG	
SDG 3. Good health and well-being	7%
SDG 4. Quality education	7%
SDG 5. Gender equality	8%
SDG 8. Decent work and economic growth	10%
SDG 10. Reduced inequality	20%
SDG 12. Responsible consumption and production	25%
SDG 15. Life on land	11%
Others	12%



7.3.3. Outputs

GRI 3-3; 203-1; 413-1; 413-2

The 910 community and environmental initiatives we supported in 2023 have directly benefited more than **4.3** million people in a variety of different circumstances:

Who we help

Distribution of the people benefited by community projects in 2023 on the basis of their situation	
Living in developing countries	23%
Low income	31%
Refugees	20%
In situation of vulnerability	5%
Victims of a natural disaster or catastrophe	15%
People who are unemployed	1%
Other profiles ⁽¹⁾	5%

(1) 'Other profiles' refers to people with a disability or who are homeless, among other circumstances.

As for the **number of organisations** supported by Inditex in 2023, we have made contributions to a total of 476 such entities. In 2022 the number of benefiting community organisations was 469.

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 2023 this leveraged investment amounted to 107.8 million euros, 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.

7.3.4. Impact

GRI 3-3; 203-1; 413-1; 413-2

To gauge the effectiveness of the projects we support, we measure the impact of our investments on both the community (direct beneficiaries and community-based organisations) and the Company (our employees and the company).

a) Community

Impact on people

In 2023 we assessed the impact generated on 4,059,696 people through our corporate community investment programme, as compared with 3,283,404 people in 2022.

To gauge the impact of these actions on their lives, we measure the degree to which people are better off as a result (impact depth) and what kind of changes they have experienced (type of impact).

Which degree of improvement have the people experienced?

We use three mutually exclusive parameters to measure this:

/ Connection: represents the number of people who have reported some limited change as a result of their participation in the project.

/ Improvement: includes the people who have reported some substantial improvement in their lives as a result of the project.

/ Transformation: encompasses the number of people who have reported an enduring change in their circumstances as a result of the improvements made.

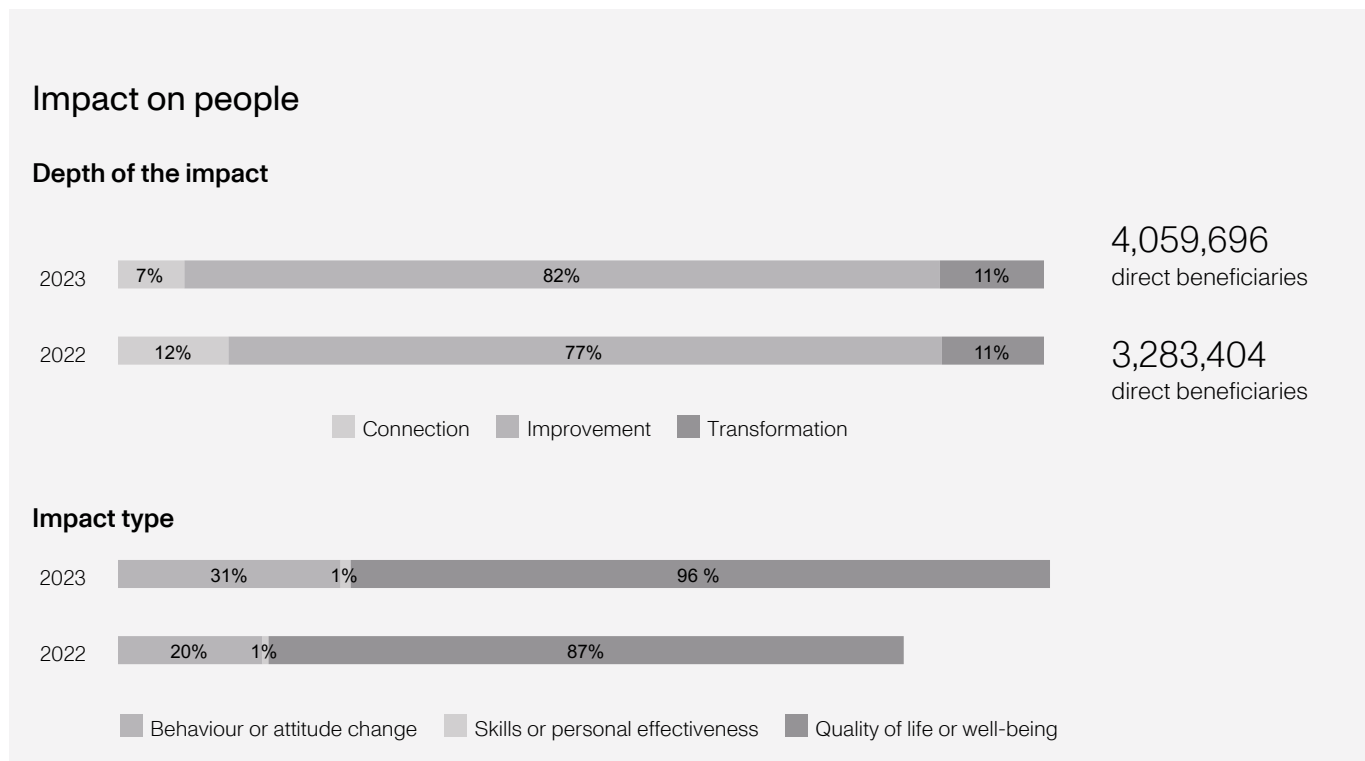
What kind of changes have they experienced?

Beneficiaries may experience one or more types of changes, which we classify into the following categories:

/ Behaviour or attitude change: when the activity has helped people make behavioural changes that can improve the person's life. It can also mean that the programme has challenged negative attitudes or preconceptions, enabling them to make better choices.

/ Skills or personal effectiveness: meaning that the initiative has helped people to develop new or improve existing abilities to develop academically, in the work place and socially.

/ Quality of life or well-being: meaning that the activity has helped people to be healthier or happier, by improving their physical, emotional or social well-being.



Impact on community-based organisations

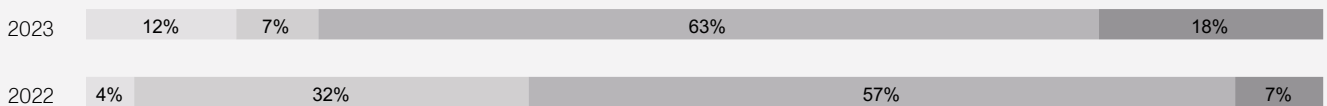
In addition to the analysis of the impact on people, we also assess the effects on the beneficiary non-profit organisations. In 2023, the analysis covered a total of 275 entities (255 in 2022).

Impact on community-based organisations

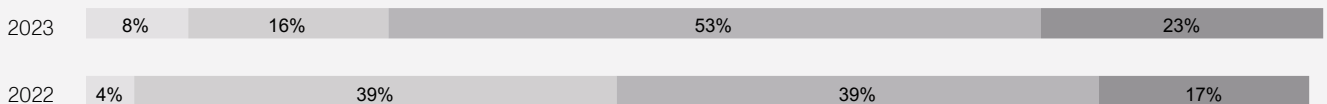
Improved existing / delivered new services



Improved management processes



Reached more people or spent more time with clients



Taken on more staff or volunteers



Increased their profile



No difference
 Low impact
 Medium impact
 High impact

b) Company

In addition to assessing the impact of the investment on people and community organisations we also analyse the return on the investment for our employees and the Company itself.

Impact on employees

We measure the impact on our people by gauging the change they experience following their involvement in corporate volunteering initiatives. To do this, in 2023 we surveyed 225 employees in 18 countries, as compared with 181 employees in 16 countries in 2022.

The surveys were based on three key indicators:

- / Job-related skills.
- / Personal impact.
- / Behaviour change.

Impact on employees

Job-related skills: improvements in core, job-related competencies such as communications, teamwork, leadership skills, etc.



Personal impact: changes in areas like self-confidence, job satisfaction and pride in the company.



Behaviour change: changes in behaviour such as increased volunteering or being more vocal advocate of the company



No difference
 Low impact
 Medium impact
 High impact

Impact on our Company

In 2023 we analysed the impact on the Company itself of the 910 initiatives implemented, based on five parameters:

- / Human resources benefits.
- / Improved stakeholder relations/perceptions.
- / Business generated.
- / Other operational improvements
- / Uplift in brand awareness

Impact on our Company

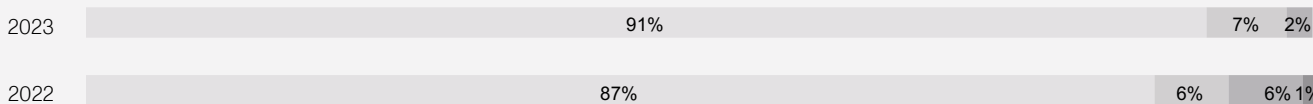
Human resources benefits: improvements in the Company through increased commitment, recruitment or performance, linked to the community initiative carried out.



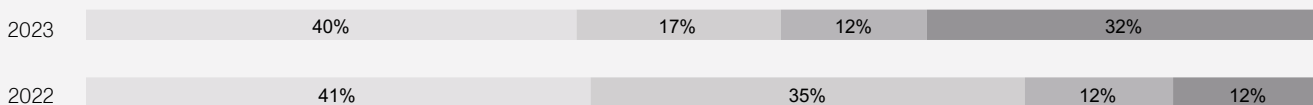
Improved stakeholder relations/perceptions: improved perception by external stakeholders, based on the community initiative carried out.



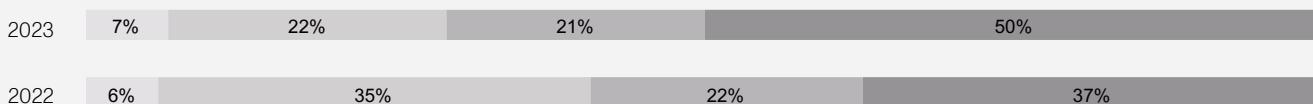
Business generated: increased sales linked to cause-related marketing activities or new market opportunities.



Other operational improvements: increased resilience in the supplier and/or distribution chain.



Uplift in brand awareness: improved brand awareness as a result of increased media coverage, for example.



No difference
 Low impact
 Medium impact
 High impact

7.3.5. Key programmes

GRI 3-3; 203-2; 413-1; 413-2

Education

GO (Generating Opportunities: education and inclusion for a sustainable world)

GO is a cooperation programme in collaboration with Entreculturas aimed at offering education and professional training to persons at risk of exclusion. This is a new three-year programme, with 24 projects in 12 countries: Argentina, Brazil, Bolivia, Ecuador, Spain, Lebanon, Mexico, Paraguay, Peru, South Africa, Uruguay and Venezuela. 2023 was the programme's first year, in which it helped more than 59,536 direct beneficiaries, in particular vulnerable girls and women. Through various projects, we have contributed to bridging the education and digital divide, nurturing decent and sustainable livelihoods and protecting victims of forced migration. Since 2001, Inditex's social investment in Entreculturas' educational and community development projects has exceeded 64 million euros and has directly benefited 1.5 million people.

Inditex Chair of Refugees and Forced Migrants in the Comillas Pontifical University

This chair was created in 2016 to further academic research into migration, improve aid to migrants and refugees on the ground and raise social awareness. It also conducts projects for the integration of refugees in European cities.

In 2023, we renewed our collaboration with the **Comillas Pontifical University for the period 2023-2025**, with the aim of continuing to promote doctoral scholarships for researchers to study the reality of the processes of incorporation, welcoming and, in particular, social integration of refugees in Spain and Europe. The Chair also offers students of the official Cooperation and Migration programmes at Comillas Pontifical University professional internships at national and international organisations working directly with refugees.

TEMPE-APSA Chair of Disability and Employability at Miguel Hernández University in Elche

We helped to create this Chair in 2015 to nurture multi-disciplinary research and training in the field of disabilities. Legal experts, economists and psychologists study the most suitable formulae for increasing the employability of people with disabilities. Furthermore, the Diploma in Auxiliary Shop Tasks strengthens the skills and competencies of people with disabilities to access the labour market.

Inditex Chair of Spanish Language and Culture at the University of Dhaka (Bangladesh)

With the collaboration of the universities of Santiago de Compostela and A Coruña, this Chair has been promoting Spanish language and culture and fostering academic exchange between Spain and Bangladesh since 2011. High-performing Bangladeshi students have the opportunity to take part in intensive Spanish courses in Spain. At the same time, cultural activities open to Bangladeshi University students are carried out to promote Spanish culture in Dhaka.

Collaboration programme with Tsinghua University

In 2019, Tsinghua University and Inditex set up the Sustainable Development Fund, aimed at supporting this Chinese institution in its efforts to promote research, dissemination and social support for Sustainable Development Practices. So far, the fund has sponsored 34 projects linked to environmental protection and management, low-carbon cities and sustainable development, smart sustainability, ESG corporate management/low-carbon transformation and sustainable energy and green growth. Looking ahead to the future, with Inditex's financial backing, the Fund will continue to support the innovative research and practice of students and faculty at the University of Tsinghua in connection with the environment and sustainable development, to promote research, dissemination and social support for Sustainable Development Practices.

The collaboration programme also involves research trips to A Coruña for the university's students to broaden their knowledge and experience in fashion, logistics, environmental protection and sustainable development through Inditex and other companies. The collaboration also envisages the professional development of academic staff and the promotion of cultural activities in the Tsinghua campus.

Collaboration programme with the Massachusetts Institute of Technology (MIT)

The collaboration with MIT in education and research is structured around various action areas: creating Inditex chairs in areas such as operational research and sustainability; research and enhancement of knowledge in fields such as artificial intelligence, machine learning or data science; and the development of research lines in areas such as textile recycling or the creation of new fibres using sustainable technologies.

Collaboration programme with the University of A Coruña (UDC)

The following projects are executed under this programme: Inditex-UDC Sustainability Chair to promote a space for community reflection, academic training and applied research on sustainability and social innovation; InTalent Programme that enables scientists with extensive international experience to conduct their innovation programmes at UDC's research centres; and InMotion Grant Programme to fund pre-doctoral residencies abroad, enabling them to complete their PhDs internationally.

In 2023, we reinforced our support for InMotion by renewing the programme for the next five years. Since its launch in 2013, 274 students from UDC PhD programmes have completed placements abroad thanks to Inditex's support. Their chosen destinations cover a total of 33 countries, distributed over five continents, mainly Europe and America.

Employment and Training Programme in Spain

Inditex has been supporting the Caritas Employment Programme since 2011, whose aim is to promote access to decent employment for persons in a situation of vulnerability. This initiative, to which we have contributed 18.3 million euros since the collaboration began, is structured around various lines of action: promotion of social economy enterprises; support for self-employment; and the improvement of professional training. Thanks to this programme, extended in January 2023 with a contribution of 5 million euros for the next three years, 10,594 people in or at risk of exclusion have improved their employability and 4,332 people have found a job.

FAD Juventud Programme

In 2023, Inditex and the non-profit organization FAD Juventud started a three-year cooperation that materialises in the development of the "GOESkills" and "Prevención a Medida" projects. These initiatives aim to provide quality employment for women in Spain, in professions with future prospects in the field of technology, and to carry out awareness-raising activities for young people on addiction prevention. As a result of this collaboration, 1,700 people have participated in initial diagnoses on addiction prevention or have improved their job search skills.

for&from

for&from is a social/workplace integration programme for people with disabilities that is based on launching retail establishments under the image of the Inditex's different brands. These stores are managed by non-profit organisations and staffed by people with disabilities. Inditex makes an initial outlay to build the store and, from then on, the community organisations manage a self-sustaining model through the sale of products from previous seasons. The proceeds go entirely to the managing organisations to fund projects that help people with disabilities. The programme currently has 16 stores, including the openings in 2023 of the first Zara Home for&from store in Portugal and the new Tempe for&from store in Madrid, which have created job opportunities for more than 750 personas and 8 million euros in economic benefits for the managing organizations.

Salta

Salta is an employment integration programme of Inditex that offers training and employment opportunities to people at risk or in a situation of social exclusion. The aim is to integrate vulnerable persons in the teams of our stores, factories or logistics centres. More than 1,800 people have been trained and joined Inditex through Salta. The programme currently operates in 16 markets: Germany, Brazil, South Korea, Spain, the United States, France, Greece, India, Italy, Kazakhstan, Mexico, Poland, Portugal, the United Kingdom, Romania and Türkiye.

Emergency relief

Emergency programmes in the wake of the earthquakes in Türkiye and Syria

In response to the earthquakes that hit Türkiye and Syria in February 2023, Inditex launched an emergency relief programme aimed at supporting those affected. This programme has resulted in the following lines of action:

- / Economic contribution: donation of 3 million euros from Inditex to the Turkish Red Crescent to cover short-term basic needs.
- / In-kind contributions by Inditex to supply warm clothing to those affected: Inditex, with the support of its local suppliers, made available to the Red Crescent and AFAD/TIM (the Turkish Disaster and Emergency Management Authority, in collaboration with the exporters association), more than 1 million warm garments and articles from Zara Home.
- / Medical aid: deployment of the Emergency Unit of Médecins Sans Frontières, financed on a stable basis by Inditex, in Türkiye and Syria to detect the medical needs arising from the catastrophe and thus deploy its resources to provide aid to the people affected.
- / Support for supply chain workers: acquisition and deployment of 200 temporary homes to house textile factory and supply chain workers (and their families) whose homes were lost in the earthquake. This initiative, implemented through an agreement with ITKIB (Istanbul Textile and Apparel Exporter Associations), was rolled out in the industrial areas of Kahramanmaraş, Adiyaman, Malatya and Hatay.

Earthquake Emergency Programme in Morocco:

In the aftermath of the Morocco earthquake in September, Inditex activated an emergency relief programme to address the urgent basic needs of the people affected by the quake. This programme has resulted in the following lines of action:

- / Economic contribution: donation of 3 million euros to the Moroccan Red Crescent to cover short-term basic needs.
- / In-kind contributions by Inditex to supply warm clothing to those affected through the Association *Elghaith*.
- / Medical assistance: supply of healthcare in collaboration with the NGO Medicus Mundi, funded on a stable basis in Morocco by Inditex, with the aim of providing medical care to victims, distributing hygiene kits to women affected and giving those affected psychological support.

Hurricane Otis Emergency Relief Programme in Mexico:

In the wake of Hurricane Otis, which hit the Mexican coast in and around Acapulco in October, Inditex launched an emergency relief programme in collaboration with the Mexican Red Cross to meet the basic needs of those affected. Specifically, under this programme, activities included the distribution of basic grain packages to recover part of the damaged crops; the supply of basic healthcare materials; the supply of materials to guarantee adequate water storage by installing rainwater collection systems; and the renovation of some schools in the path of the hurricane, with the aim of guaranteeing a safe return to the classroom.

MSF Programme

Médecins Sans Frontières (MSF) and Inditex have been working together since 2008 in developing numerous medical-humanitarian response projects in various parts of the world. As a result of this cooperation, to which Inditex has channelled 37 million euros over this period, nine million people threatened by armed conflict, epidemics, diseases or natural disasters have received medical care.

Supporting the MSF Emergency Unit

In 2011 we began collaborating with MSF with the aim of guaranteeing an immediate response to medical-humanitarian crises anywhere in the world. Since then we have helped provide assistance to more than seven million vulnerable people without access to medical care in around 86 countries. In 2023, we funded the Barcelona-based Emergency Unit structure, which has been deployed in Sudan, Chad, Ukraine and Palestine, among other regions, as well as part of the regional emergency teams based in the Democratic Republic of Congo and the Central African Republic.

Access to healthcare for the Rohingya community in Bangladesh

In response to the medical and humanitarian needs of the Rohingya community in Bangladesh, Inditex has been supporting Médecins Sans Frontières' projects there since 2017. Hundreds of thousands of people have been helped through this cooperation, especially women and children under five. In particular, thanks to the support in 2023, MSF teams have carried out, among other activities, outpatient clinics (paediatrics, gynaecology, obstetrics, mental health), paediatric emergencies, paediatric hospitalisation, nutrition and paediatric intensive care. Furthermore, drinking water and sanitation infrastructure management for refugee camps was improved.

Access to healthcare for the migrant population crossing Mexico

Inditex supports MSF in humanitarian relief projects to assist people from Central America attempting to cross Mexico to gain entry into the United States. Specifically, in 2023 and thanks to Inditex's support, Médecins Sans Frontières is present in several hostels and stopover points for migrants along the way, offering basic medical and psychological care. Furthermore, MSF has mobile clinics that go to the areas most frequented by migrants where, in addition to medical and psychological care, they also distribute hygiene products, water and blankets. The organisation also has a Comprehensive Care Centre in

Mexico City where specialised medical care is offered to migrants and refugees.

UNHCR Programme

For the fourth year running, Inditex and UNHCR, the United Nations High Commissioner for Refugees, implemented their ambitious programme of in-kind donations to help clothe refugees and internally displaced people. Through this initiative, which is rolled out in conjunction with various suppliers, Inditex supports UNHCR in its task of sheltering refugees who have been forced to abandon their homes and all their possessions, and helping to restore their dignity. In 2023 more than 1.2 million articles from our collections were donated to UNHCR to help clothe refugees in Uganda and Greece, among other countries. Humanitarian emergency assistance was also provided in response to the war in Ukraine. Additionally, in 2023 we welcomed Filippo Grandi, United Nations High Commissioner For Refugees, on an official visit to our offices to highlight our partnership and share the present and future challenges facing refugees.

Assistance to displaced people in South America

Since 2009 we have been working with Entreculturas on a programme to tackle the situation of people forced to flee in Colombia and on its borders (Panama, Ecuador and Venezuela), due to the armed conflict which over this period has caused the exodus of millions of Colombians from the region. For this purpose we established a partnership with the Jesuit Refugee Service Latin America and the Caribbean (JRS LAC), which has helped around 110,000 refugees or displaced persons, especially young people at risk of being linked to, used or forcibly recruited by armed groups, as well as refugees and displaced persons with disabilities, ethnic minorities, black and indigenous communities and women-headed households with children. In 2023, given the humanitarian situation as a result of the current context in Venezuela, the programme focused on assisting displaced persons in that country, as well as in Colombia, Ecuador and Brazil.

A Flote

The Emalcsa Foundation, A Coruña City Council and Inditex have been working together since 2017 in the A Flote social integration and social benefits programme in the proximity of Inditex's main headquarters. In 2023, 372 emergency social benefits were handled, 277 requested by women and 95 by men. These emergency benefits were used mainly for help with housing, school meals and sheltering aid for Ukrainian refugees. In addition, a welcome service for Ukrainian refugees (translation, counselling, employment support, etc.) was set up, helping dozens of families. Renewal of the agreement for the 2023-2025 period enabled us to tackle new integration and support actions to address vulnerability, aimed mainly at young people with significant difficulties in finding employment, and to provide social support and emotional tools with a community approach to young people and adolescents engaged in mild or moderate self-harming.

Every Mother Counts Programme

This programme supplies prenatal and maternity care to pregnant women in Bangladesh and the United States. The support of Inditex has enabled Every Mother Counts to partner with the HOPE Foundation for Women and Children in the south-eastern Bangladeshi district of Cox's Bazar. In the United States, it has also provided access to prenatal and post-partum care for thousands of low-income women at risk of social exclusion and their babies. In 2023, we renewed our collaboration with Every Mother Counts for the 2023-2025 period, with the aim of further developing maternal and paediatric health activities in various parts of the world.

Medicus Mundi Programme

Medicus Mundi and Inditex have been working together in Morocco since 2015 to improve the well-being of garment workers in the Tangier-Fes-Guercif-Taza and Casablanca-Settat regions. The new phase of collaboration between Medicus Mundi and Inditex, which began in 2022, is making strides in the implementation of measures to prevent harassment, as well as to continue promoting health and occupational risk prevention among female workers in the industry, improving the socio-occupational integration of vulnerable groups and supporting the local public healthcare system. In September 2023, the programme also carried out various activities to help victims of the earthquake that hit the Marrakesh region, providing health and psychological care and strengthening the capacity for intervention of civilian society in the affected areas.

Environment

Moda Re-

Moda Re- is a programme run by Caritas and promoted by Inditex dedicated to collecting used textiles in order to recover and reuse them through a sustainable business model based on the circular economy. Its purpose is to generate employment for vulnerable people through the collection, recycling, and reuse of used garments. Thanks to Inditex's support for this initiative, 2.6 million articles have been donated to vulnerable people; 3,520 sensor-equipped clothing collection containers of used garments have been installed in Spain, more than 121,000 tonnes of clothing have been collected, and 108 second-hand clothing stores have been opened or refurbished. The programme currently generates more than 1,400 jobs, 700 of them the result of insertion initiatives. Likewise, the initiative has become a benchmark in the process of dignifying the free delivery of clothes to those most in need, based on donations made through the 142 solidarity stores that currently make up the Moda Re- network. In January 2023, Inditex renewed its support for this programme on the basis of a contribution of 3.5 million euros in the 2023-2025 period.

Water.org programme

We have been working with Water.org since 2015 to improve access to drinking water and sanitation for vulnerable families through microloans in countries such as Bangladesh, Cambodia or India. Thereby, people on low incomes are provided with access to affordable loans to cover their water and sanitation needs. In 2023, from the contribution made by Inditex and the additional capital mobilised by local financial institutions, 305,000 loans were granted. As a result, more than 1 million people have improved their access to water and sanitation in 2023.



#BRINGYOUROWN BAG (#TRAETUBOLSA)

In 2021, Inditex began promoting the use of reusable bags at its stores to reduce the consumption of raw materials, water and energy associated with bags and envelopes offered to customers for their purchases. To encourage customers to bring their own bags, Inditex also started charging for the bags and envelopes it provides, a measure that was extended in 2023 to most of the markets where it operates.

The proceeds from this initiative, from which Inditex does not obtain any profit, were used to support projects in 21 countries aimed at protecting and restoring ecosystems, saving natural resources and fostering regenerative practices.

WWF Programme

By means of the collaboration with WWF, with which Inditex also carries out transformational work focusing on the impacts of its activity and of the fashion industry, we have financed projects for the protection and restoration of forest and fresh water ecosystems in different countries in North Africa, Europe, Asia and Latin America. These interventions take the form of actions such as the recovery of native species and removal of invasive species; the promotion of sustainable management, environmental education and training; and the involvement of local communities.

Water & Climate Fund by Water.org

We continue to support Water.org's Water & Climate Fund, aimed at developing projects to improve water and sanitation infrastructure globally, boosting efficiency and savings, and enhancing local communities' access to clean water. With Inditex's support for this fund, in 2023 Water.org carried out climate-friendly interventions in Brazil, Indonesia, the Philippines, Kenya, Mexico, India and Malawi.

Agreement on fire prevention in Galicia

Inditex was the first company to join the new public-private fund to mitigate the risk of forest fires, set up by the Galicia Regional Government in 2023. This project, aimed at intervening in the areas most affected by wildfires in Galicia (Spain), will work on the restoration of affected areas, but mainly on prevention, including the creation of fire breaks in the vegetation and tree mass, preventive forestry management and species diversification, while also promoting sustainable farming and forestry activities to support the local population.

Sustainable Forestry and Demonstration Forests

In 2023, forest restoration and demonstration forest activities, which we started in 2018 with the one in Pico Sacro, extended to two new forests in Galicia (Spain), together with the Galician Forestry Association, and two in Portugal, alongside Forestis. These projects employ forestry management models aimed at improving the resilience and sustainability of these forest ecosystems, through the use of native species, supporting research and dissemination of best practices in this regard.

Fostering regenerative practices in the fashion industry

In 2023 we gave renewed impetus to our commitment to regenerative practices through our membership of Conservation International's Regenerative Fund for Nature, focused on the transition to regenerative practices, for the benefit of biodiversity and communities, in production areas connected to materials used in the fashion world. In 2023, this support was channelled to cotton projects in India and Pakistan, and a project to promote regenerative cattle grazing in Argentina. We also continued our collaboration with Action for Social Advancement (ASA), the Laudes Foundation, IDH - The Sustainable Trade Initiative and WWF India, to promote regenerative agriculture, ecosystem restoration and community well-being in a 300,000 hectare area in the Indian states of Madhya Pradesh and Odisha.

Other issues addressed

In addition to the programmes described above, in 2023 we allocated 21% of our corporate community investment to initiatives linked to social welfare, environment, social and economic development, healthcare, art and culture.

Likewise, in 2023 we have continued to support research institutions such as *Fundación Pro CNIC*, *Real Instituto Elcano* and *Fundación Carolina*, among others. Inditex's links to art and culture are embodied by collaborations with institutions such as the Royal Spanish Academy, Reina Sofía National Museum of Art and the Royal Theatre opera house, among others.

Likewise, Inditex makes charitable gifts at corporate level and from the Group brands and subsidiaries to help further the general aims of non-profit organisations. We earmarked 2.39 million euros in 2023 for charitable gifts in connection with requests from non-profit organisations, which were distributed among more than 150 entities.

7.4. Our customers

Material topic: Transparency and quality of the information; Health, safety and well-being



7.4.1. A unique and integrated model

GRI 3-3; 417-1

Customer relations and the continuous improvement of their experience at our stores and online platforms are among the pillars of the Inditex model. This contact before, during and after sales is unique and integrated through different channels.

In this relationship, demand for fashion with a responsible approach is subject to the same premises, namely omnichannel and integration of physical and online points of sale, at all the Group's brands. Accordingly, providing a response that matches customers' requirements at the right time and place constitutes what we consider to be a differential shopping experience.

More than 700 designers work side by side with the sales and product teams to identify trends, analysing on a daily basis the qualitative and quantitative information gleaned from our stores and online channels.

The conceptualisation and development of the collections for each of the brands, as well as their distribution to the point of sale, is an agile process based on decisions reached by consensus. This is also helped by a policy of integration at every stage of our value chain —design, manufacturing, logistics and distribution, stores/online, use and end of life— and their proper and accurate operation.

The final step in this creative flow prior to contact with customers is the creative production of these collections at the point of sale -both in stores and online-. It is here, with the aim of maximising the possibilities of our collections, that the image and coordination teams come into play, proposing the garments' styling and defining their creative production in a choral process involving stylists, models, photographers and audiovisual producers.

The other facet of the creative production of our collections is the design and development of the store concept and its tailoring to the specific characteristics of the various building and retail premises where they are located.

This approach responds to a common premise of continuous improvement of retail spaces encompassing unique, innovative and accessible stores, in which technology allows customers to interact with

the brand at any time and from any device, as well as increasing the availability of collections and products. At the same time, the technologies that stores place at the service of customers adapt to the specific characteristics and needs of each brand.

Stand-out examples of this paradigm are the new store concepts implemented by Inditex brands throughout the year in new openings, refurbishments and expansions worldwide: from Zara, with its boutique spaces, self-checkout cash registers and smart terminals for online orders and returns; to Massimo Dutti, with its Style Advisor personalised shopping experience and Shop&Go, for payment from anywhere inside the store; including Bershka's virtual fitting rooms using augmented reality and the possibility of creating personalised content for social media, among numerous other examples. With its experiential technology component, Inditex brands' stores and online platform is aimed at fostering contact with fashion in an innovative and welcoming environment that boosts the availability of collections and makes for a more direct relationship with customers when, how and wherever they choose.

Providing a response that matches customers' requirements at the right time and place constitutes what we consider to be a differential shopping experience.

At the same time, our integrated and global platform of physical and online stores allows our collections to reach more than 210 markets. This capacity makes us mindful of the impact and notoriety of our products and the image they convey. It also encourages us to ensure that the image of the models and campaigns we produce convey a diverse, multicultural and positive reality that celebrates the product by presenting it in a detailed way that is true to its properties and qualities.

In this regard, our brands' websites are the other major setting—along with the stores—for the creative production of our collections. In 2023, the Inditex website received more than 6,500 million visits, implying an average of 18 million visits a day to our online stores and accumulated more than 250 million followers on social networks.

Our commitment to customers is not confined to the sales transaction and any derivative requirements, but rather extends to spheres such as diversity, sustainability and transparency. Consequently, content regarding our projects and progress in environmental and social sustainability has its own dedicated space and prominence in our online

stores. In addition, projects like Changemakers and Diversity Champions, or the for&from network of community stores managed by people with disabilities, are aimed at achieving a positive impact for our people and our customers alike.

📌 More information in section [7.1. Our people](#) of this Report.



7.4.2. Response to our customers

GRI 3-3; 417-1

Inditex has a relationship with customers from more than 210 markets worldwide. Thanks to the multiple options for contact offered by our physical and online stores, we endeavour to make this relationship close, seamless, effective and safe. Accordingly, our customer services teams receive continuous training on product knowledge, their sustainability features, store processes, customer orientation and respect for diversity and inclusion, among other aspects. Furthermore, customer services are provided in the languages of the markets in which we have a retail presence.

Accessibility is another premise of Inditex in our relationship with the customer. 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. In the digital environment, 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 customer experience.

In 2023, the quality of customer services at five Inditex brands (Pull&Bear, Massimo Dutti, Bershka, Oysho and Zara Home) obtained certification to 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 customer service through the various contact channels, as well as the standards of service quality and satisfaction of our customers.

7.4.2.1. Big Store: customer service from the store

The continuous improvement of our customer relations from an innovation standpoint led Inditex to launch Big Store, a project that harnesses our store teams' experience and know-how for use in digital tasks relating to the business.

The store teams taking part in Big Store are trained in the digital version of their in-store functions and they develop them over the course of their working day. Thus, sales assistants take part in managing the customer service channels (calls, chats, WhatsApp, social media and e-mails) during their working hours dedicated to Big Store, using their know-how and experience from in-person customer service for the purpose of these digital tasks. This way of working, which also fosters our teams' professional development, makes for a more efficient management of customer services and relations.



7.4.3. Customer service channels: contacts and service level

GRI 2-4; 2-27; 3-3; 403-7; 416-1; 416-2; 417-1

In 2023 the customer service areas of the Group's brands fielded a total of 45,443,721 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. 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.

Service level (meaning the percentage of contacts resolved over the total and weighted in accordance with the contacts of each brand) was 98% in 2023.



Response to our customers

	2023			2022 ⁽¹⁾		
	No. of contacts	Service Level	No. of services fulfilled	No. of contacts	Service Level	No. of services fulfilled
ZARA	33,880,077	98%	33,226,717	30,912,182	98%	30,255,700
ZARHOME	2,125,901	98%	2,080,181	2,210,179	98%	2,172,645
PULL&BEAR	2,017,911	96%	1,938,711	2,009,604	98%	1,960,396
<i>Massimo Dutti</i>	2,609,950	99%	2,591,799	3,085,342	99%	3,049,565
BERSHKA	2,486,545	94%	2,341,947	2,577,340	98%	2,520,885
♻️ STRADIVARIUS	2,432,427	98%	2,384,001	2,280,492	97%	2,223,326
OYSHO	893,573	99%	880,365	842,844	99%	833,635
TOTAL	46,446,384	98%	45,443,721	39,768,580	98%	38,866,749

(1) Zara's data on contacts, services fulfilled and level of service reported in 2022 have been restated to take into account the improvement in the quality of the information reported. The modification also affects the Inditex Group's global data on contacts, level of service and services attended.

7.4.3.1. Type of cases handled: pre-purchase, post-purchase, customer service and complaints mechanisms

In the relationship with the customer before, during and after the transaction takes place, our teams field a wide range of queries related to our products, the purchase process or possible incidents that may occur. In this process, each brand independently sorts the reasons for customer contacts, according to their specific needs, although these reasons may be grouped into four broad areas: pre-purchase (issues

prior to the purchase); post-purchase (related to an order or purchase at the store); customer service (regarding contact channels, web and app); and complaints and claims.

In 2023, our brands handled 38 million cases through Customer Services in all the markets where we have a commercial presence (29 million in 2022). This data also includes the complaint forms and claims processed in Spain through the official consumer complaint and response mechanisms.

In 2023 a total of 5,840⁶⁵ cases were processed (6,289 claims handled in Spain in 2022). The main reason for these complaint forms is related to product returns and exchanges, and store and online sales.

Type of cases handled	2023	2022
Pre-purchase (product availability, special collections, customisation, purchasing process, checkout and sustainability, among others)	19.5%	22.7%
Post-purchase (order status, shipments, delivery times, changes and returns, gift cards, among others)	76.4%	72.3%
Customer Service (customer account, web/app, channels, social networks, among others)	4.1%	4.8%
Complaints (includes any customer feedback, as well as formal complaints)	0.02%	0.2%

7.4.3.2. Health and safety claims

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.

Our product health and safety teams are fully coordinated with customer service teams, store staff 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.

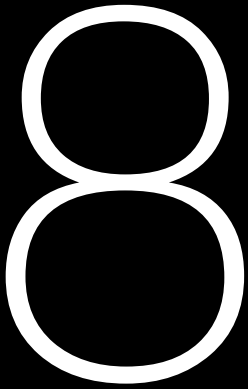
In 2023, one product was recalled⁶⁶ for health and safety reasons. When this happens, we also launch programmes to identify the root cause of the incident and prevent it from recurring. In the previous year there were a total of two product recalls.

① More information in section [6.4.3. Health and safety of products](#) of this Report.



⁶⁵ Thanks to the digitalisation project, complaints form data will be reported from 2023 on a financial year basis.

⁶⁶ During 2023 there were no breaches of regulations or voluntary codes related to the health and safety of our products that give rise to fines or penalties.



Governance

- 8.1. Corporate ethical culture and solid Compliance architecture
- 8.2. Information security and privacy
- 8.3. Supplier relations
- 8.4. Tax responsibility and transparency



8.1. Corporate ethical culture and solid Compliance architecture

Material topic: Good governance and integrity



8.1.1. Corporate ethical culture

GRI 2-9; 3-3; 205-1; AF1; AF7



The Inditex Group places importance not only on achieving its objectives, but also on the way in which they are achieved. This idea is the guiding thread of the Group’s **corporate ethical culture** and its reflected in ‘**The How Matters**’.

This vision is represented in the principles of action set out in our Codes of Conduct (the Code of Conduct and the Code of Conduct for Manufacturers and Suppliers), based on respect for human and labour rights in all our operations and relationships with our Stakeholders.

To encourage and reinforce the implementation of a corporate ethical culture, the Inditex Group has, among other tools, a Global Compliance Model, which we detail in section [8.1.2. Global Compliance Model and Criminal Risk Prevention Model](#).

Code of Conduct

The Inditex Group’s **Code of Conduct** is the document that establishes the Group’s ethical commitments and 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, such as customers, suppliers, shareholders and the communities in which we operate.

The Code is **mandatory** for all employees, including Senior Management, and the members of the management bodies of the companies that make up the Group.

The Code of Conduct establishes the following **principles of action** as a guide to professional decision-making:

- / Respect:** for the rest of the workforce and for our customers, supplying companies and business partners, for the communities in which we operate and for the environment.
- / Honesty and Integrity:** in all decisions, actions and operations that we carry out in our day-to-day work.
- / Transparency:** ensuring that there is open communication and dialogue with Stakeholders.
- / Responsibility:** compliance with legislation, the Group’s internal regulations and respecting and promoting both human rights and the voluntary commitments undertaken by the Company.

During financial year 2023, we completed the review and update process of the former ‘Code of Conduct and Responsible Practices’ approved in 2012, which was initiated in the previous year.

One of the aims of this review process has been to ensure that the Code of Conduct reflects the corporate ethical culture and the commitments undertaken by Inditex in different spheres; responds to the new regulatory realities and challenges faced by the Company; and reflects the diversity, global nature and multiculturalism of Inditex Group.

The review process included an analysis of the legislation, the best practices and the sensitivity of the different markets. To this end, a group of employees of different profiles and nationalities, as well as a very representative number of departments and corporate areas have collaborated. The text has been reviewed with all markets in which the Inditex Group has subsidiaries, with external advisors from multiple jurisdictions and with the Inditex's Social Advisory Board, as the main liaison with the Group's various stakeholders. In addition, as part of this process, the European Works Council was informed.

During the year, work was also done on the design of the Code acceptance plan, as well as the communication and training campaign that will involve everyone on the Group, including Senior Management and the members of the Board of Directors.

The review process culminated on 6 February 2024, with the approval of the latest version of the Code of Conduct by the Board of Directors, following the presentation of a report by the relevant Board Committees. Subsequently, an ambitious communication and training campaign has been launched, which will run throughout the year 2024.

For the main purpose of compliance with the applicable anti-corruption regulations, as well as the best practices in France and Portugal, this markets have supplementary annexes to the Code of Conduct that address certain local implementation issues.

Code of Conduct for Manufacturers and Suppliers

This Code 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 Inditex Group's corporate ethical culture, firmly grounded on respect for human rights and sustainability.

It applies to all manufacturers and suppliers involved in the raw material procurement, purchasing, manufacturing and finishing of the products that the Group places on the market, and it promotes and is based on the overarching principles that define the ethical conduct of Inditex described above. Compliance with all the standards and principles of action provided in the Code of Conduct for Manufacturers and Suppliers is a prerequisite for a supplier or manufacturer to form part of Inditex's supply chain.

① More information in section 8.3. [Supplier relations](#) of this Report and in the 'Ethical Commitment' section of our corporate website.

8.1.2. Global Compliance Model and Criminal Risk Prevention Model

GRI 2-4; 2-9; 2-12; 2-15; 2-23; 2-24; 2-25; 2-26; 3-3; 205-2; 205-3; 206-1; 406-1; AF4; AF5

Global Compliance Model

The Global Compliance Model is the system integrating and implementing our corporate ethical culture ('the how matters') throughout all our operations. It is conveyed to all our stakeholders. Its main purpose is to comply with the applicable laws and the ethical commitments undertaken voluntarily by the Inditex Group, as well as to protect the Company and the interests of its stakeholders, limiting or avoiding any kind of legal liability.

It comprises a set of fundamental elements, regulated by internal regulations, and is governed at the highest internal level by our Codes of Conduct (the Code of Conduct and the Code of Conduct for Manufacturers and Suppliers), described in section above.

Strategy and governance

The **Compliance Function** comprises the **Ethics Committee** and the **General Counsel's Office – Compliance**. It is a corporate function that coordinates all the Inditex Group's areas and departments that are involved in compliance. Its independence from the Senior Management is guaranteed by the direct dialogue between the Compliance Office and the Board of Directors, through the Audit and Compliance Committee, ensuring that the ultimate control of the Global Compliance Model efficiency relies exclusively on the Board of Directors.

The **Ethics Committee** is the internal body in charge of overseeing compliance with the Codes of Conduct, the Criminal Risk Prevention Model, and monitoring the effectiveness of its controls. At least every six months, it submits a **report to the Audit and Compliance Committee** on the activities carried out, the performance of the Ethics Line and the results of the supervision of the Criminal Risk Prevention Model.

The **General Counsel's Office – Compliance** is in charge of managing the Inditex Group's Global Compliance Model in general, and, in particular, the Criminal Risk Prevention Model and other models for the prevention of corruption and other offences. The Chief Compliance Officer reports to the Audit and Compliance Committee which, in turn, keeps the Board of Directors informed, on a quarterly basis and whenever the Board so requests, on the operation of the key elements of the Global Compliance Model and the management of Company's Compliance risks. The Audit and Compliance Committee may submit proposals for adopting measures to improve the functioning of the Global Compliance Model.

Thus, the governing, management and supervisory bodies of the Global Compliance Model and, in particular, the Criminal Risk Prevention Model, are as follows:

Governance 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

- / Overseeing compliance with the Codes of Conduct
- / Overseeing the Criminal Risk Prevention Model
 - / Ethics Line management
- / Responsible for the Internal Reporting System

Comprised of:

/ General Counsel and Secretary of the Board of Directors

- / Chief Compliance Officer
- / General Chief People Officer
- / Chief Audit Officer
- / Chief Sustainability Officer
- / Ethics Line Manager

General Counsel's Office – Compliance **Operating management of the Global Compliance Model**

- / Arrangement of internal regulations
- / Liaising with the areas and departments entrusted with Compliance duties
- / Periodic reporting: (i) departments entrusted with Compliance duties to General Counsel's Office - Compliance; and (ii) General Counsel's Office - Compliance to the Ethics Committee and the Audit and Compliance Committee

Comprised of:

- / General Counsel and Secretary of the Board of Directors
- / Chief Compliance Officer
- / Ethics Line Manager
- / General Counsel's Office - Compliance Team

The **Global Compliance Model** comprises a series of fundamental elements, regulated by internal corporate standards, approved by the Board of Directors, and a series of Internal organisational documents.

The **core elements** of the Global Compliance Model described throughout this section are the following:

- / Governance structure
- / The Inditex Group's Codes of Conduct
- / Ethics Line
- / Compliance training plan
- / Due diligence
- / Compliance Policy and Compliance Management Procedure
- / Policy and Procedure on Representatives and Attorneys

Furthermore, the Inditex Group has its own **Internal Regulations**. Some of the most relevant internal rules in connection with the Model, the prevention of crime and, specifically, the prevention of corruption, fraud, money-laundering and illegal financing, are as follows:

/ Internal Regulations Policy.

/ Criminal Risk Prevention Policy and Criminal Risk Prevention Procedure.

/ Integrity Policies: which set out the principles and action guidelines to prevent corruption and bribery: Policy on Donations and Sponsorships, Policy on Gifts and Invitations, and Policy on Dealings with Public Officials.

/ The Conflicts of Interest Policy: it establishes the principles and action guidelines to handle conflicts of interest that may arise for employees in the course of their work at Inditex, and that may compromise the objectivity or professionalism required in the performance of their duties.

/ Anti-Money Laundering and Terrorist Financing Policy: it defines the due diligence processes implemented within the Company, taking into account the different types of business activities we conduct, namely:

- The process to limit cash payments in stores, whereby certain mechanisms are developed to monitor payments in cash by customers in stores; and
- The identification and review of potential risks from our business partners, suppliers and other third parties, in accordance with due diligence measures.



Key Internal Regulations

Core regulations

- / Code of Conduct (approved in 2012 and amended in 2024)
- / Code of Conduct for Manufacturers and Suppliers (2012)
- / Internal Regulations Policy (approved in 2016, as 'Zero Standard', and amended in 2024)
- / Compliance Policy (2016)

Integrity and transparency

- / Due Diligence Policy (2019)
- / Gifts and Invitations Policy (approved in 2017, as 'Policy on Gifts and Business Courtesies', and amended in 2024)
- / Policy on Dealings with Public Officials (2017)
- / Policy on Donations and Sponsorships (2017)
- / Anti-Money Laundering and Terrorist Financing Policy (2018)
- / Conflicts of Interest Policy (approved in 2019 and amended in 2024)
- / Criminal Risk Prevention Policy (approved in 2016 and amended in 2024)

Ethics Line

- / Policy on Internal Reporting Channels (2023)
- / Ethics Line Procedure (approved in 2012 and amended in 2023)
- / Regulations of the Ethics Committee (approved in 2012 and amended in 2023)

Criminal Risk Prevention Model

As part of the Global Compliance Model, Inditex relies on a **Criminal Risk Prevention Model**, aimed at preventing and managing the risks related to the potential commission of offences under Spain's Criminal Code, among them corruption, fraud and bribery.

Criminal Risk Prevention Model

This comprises:

Criminal Risk Prevention Policy

This Policy describes the Model of Criminal Risk Prevention, the potential criminal risks that the Group may be exposed to on account of its operations, in accordance with applicable laws in Spain and with such Internal Regulations that cover standards of conduct to prevent such risks.

Criminal Risk Prevention Procedure

It establishes the organisational measures of the Company; the roles and responsibilities in the field of control, verification and reporting of the Model, and the Ethics Committee's functions in criminal risk prevention.

Risk and Control Matrix (criminal risk map)

- / Outlines the criminal risks and details the risk events applicable to the Inditex Group's operations;
- / Establishes the controls defined to prevent, mitigate or detect risk events;
- / Designates the area responsible for executing each control and providing evidence of its operation and execution;
- / Allocates the frequency with which they must be executed.
- / It includes the criminal risk map, where the information gathered from risk evaluation and control monitoring is shown.

The Criminal Risk Prevention Model, approved by the Board of Directors in 2016, is reviewed periodically. It is subject to a **continuous updating, assessment and improvement process** to adapt it to the activity and evolution of the Inditex Group and to statutory requirements, recommendations and good practices applicable in the field at any given time, thus ensuring its effectiveness.

The Risk and Control Matrix (the 'Matrix') contains an inventory of criminal risks and risk events, including corruption risks, to which Inditex is inherently exposed, that is revised and updated periodically in accordance with applicable legislation and Inditex Group operations. These risk events are assessed in accordance with their impact and probability. The Matrix also has a catalogue of controls to mitigate these risks that are subject to monitoring. With the information obtained in the assessment and periodic monitoring, the criminal risk map is drawn up.

In 2023, the Matrix was reviewed and updated, a new management tool was implemented that facilitates the harnessing of synergies with other of the Group's control systems, and the controls of the Matrix were monitored considering the risk prioritisation determined in the criminal risk map.

The main corruption risks identified in the Criminal Risk Map to which the Group is inherently exposed in accordance to the applicable legislation and its operations are:

/ Prevention of corruption in business

/ Prevention of corruption in international transactions

/ Prevention of bribery

/ Prevention of influence peddling

Evolution of the Global Compliance Model and integration of the various models

During the year, the General Counsel's Office – Compliance has launched or implemented various projects for developing a range of key elements of the Global Compliance Model (such as the review of the Code of Conduct and the Ethics Line).

In 2023, (i) work was ongoing to integrate the Criminal Risk Prevention Model and the existing local Compliance models into the Global Compliance Model, with the aim of combining the existing risk and control matrices into a corporate Matrix, considering legal requirements, international best practices and local regulations; (ii) the update of the Model of Organization, Management and Control ('Model 231') at the Group's Italian subsidiary was completed, in accordance with Legislative Decree no. 231 of 8 June 2001; (iii) the corporate taxonomy of compliance risks was reviewed and the main processes exposed to compliance risks were identified; and (iv) a process to improve the assessment methodology with regard to Compliance risks was launched.

In 2023, the General Counsel's Office – Compliance undertook the coordination of two new corporate functions, enhancing the standardisation and unification of criteria for the entire Group: (i) control claims to validate and review commercial claims across the different sales channels, and (ii) control on new products to review and validate requirements to place new products on the market.

Due diligence

Inditex is firmly committed to controlling and preventing Compliance risks at the third parties with which it deals. For this purpose, a third-party control system has been implemented, which is described in the Due Diligence Policy and in its implementing internal regulations. This Policy includes the principles and action criteria that aim to align Inditex's relationships with its business partners, suppliers and large customers with:

/ international standards and good practices in the field of anti-corruption and anti-bribery;

/ anti-corruption regulations; and

/ applicable anti-money laundering regulations and terrorist financing prevention.

It also aims to guarantee compliance with the sanctions and commercial restrictions approved and implemented in, at least, the European Union, the United States, the United Kingdom and the United Nations, and 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.

Inditex has a solid control system defined in its **Due Diligence Policy** and the implementing internal regulations thereof. Furthermore, this due diligence system is consistent with that of human rights, supervised by the Group's Sustainability Department, described in section [5.1.2. Human rights due diligence](#).

The due diligence process regulated by the aforementioned Policy 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 process allows to identify potential risks related to corruption, fraud, tax evasion, money laundering, international sanctions and/or any other reputational or similar risks that may be associated with these third parties. Risks identified as relevant will lead to the implementation of an action plan coordinated by the General Counsel's Office - Compliance, which may range from remedial measures to the termination of the business relationship with the third party in question. The Policy and its implementing internal regulations describe the 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.



The due diligence process, for which the General Counsel's Office - Compliance is responsible, is independent 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.

① More information in sections 5.1.2. *Human rights due diligence* and 8.3. *Supplier relations* of this Report.

This due diligence process is developed and implemented based on a number of principles:

- / **Obligation** to submit **all business partners, large customers, suppliers and third parties** with whom Inditex engages in business relations to this due diligence process.
- / **Necessary prerequisite** in order to commence business relations with third parties.
- / **It prohibits 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.
- / Based in accordance with the **principles of reasonableness and proportionality**, by applying different levels of analysis based on criteria such as business turnover, industry or market risk or other factors.

This process is carried out over two occasions:

- 1) At 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. This 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 officials.
- 2) Over the course of the commercial relationship:** all existing suppliers are periodically assessed, submitting them to the flow that may be applicable to them, in accordance with Inditex's due diligence regulations.

Inditex has also implemented the **Procedure for Limiting Trade Relations with Suppliers**, which establishes restrictions on hiring suppliers, 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 only to and from those third parties which, having met the foregoing requirement, are made from a bank account opened in such markets.

By implementing the Inditex Minimum Requirements (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, all new non-product suppliers in Spain have to accept a Statement of Compliance with Minimum Requirements prior to being registered as Group suppliers.

Grievance mechanism: the Ethics Line

The **Ethics Line** 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

on **the interpretation or application** of the Group's Code of Conduct and the Code of Conduct for Manufacturers and Suppliers, as well as any **other internal rules of conduct** within the purview of the Ethics Committee.

Breaches and other non-compliances

relating to infringements of the applicable legal system or of the Codes of Conduct or of any other **internal rule of conduct** within the purview 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.

Therefore, any breaches or irregularities related to **corruption, fraud and bribery** can also be reported via this channel.

The **Ethics Committee** is the internal 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 in 2023).

The decisions of the Ethics Committee, as a collegiate and independent body, are **binding** upon the Inditex Group and on the persons to whom they are addressed, where applicable.

This internal body operates in accordance with the provisions of the **Regulations of the Ethics Committee**, updated in 2023 for the purposes of, among others, regulating the functions of the Ethics Committee as the responsible of the Group's Internal Reporting System and the management of the Ethics Line, as well as aligning its content with the Policy on Internal Reporting Channels and the Ethics Line Procedure.

The Ethics Line is governed by the principles and guarantees established in the Policy on Internal Reporting Channels and by the Ethics Line Procedure, which regulates its operation.

The aforementioned Policy and Procedure 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 protection of persons who report breaches of Union law (the Whistleblower Directive), which include, among others, personal data protection and the rights of persons using whistleblowing mechanisms.

The Policy on Internal Reporting Channels and the Ethics Line Procedure provide the following safeguards and protections for persons concerned:

- / **Utmost confidentiality**
- / **Presumption of innocence** and preservation of the **right to honour** of the persons affected by the report
- / **Non-retaliation**
- / **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.



How the Ethics Line works

How the Ethics Line works

1. Concerns

The person concerned reports an incident through the channels provided for this purpose on the intranet and 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

Once **the investigation has concluded**, and after hearing the party concerned, **the Ethics Committee will decide** 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**, and unless the Ethics Committee decides to directly exercise this power, **the measures** to be taken will be determined by the competent department or area depending on the breach's severity and other circumstances. **Such measures may consist of:**

- / The immediate correction of the breach and the adoption of measures to remedy and prevent future breaches;
- / Disciplinary measures (ranging from a simple warning or admonishment, to dismissal).

In keeping with best practices in this regard, in 2023 a tool provided by an external supplier was commissioned and placed into operation to receive and handle communications from the Ethics Line. This tool is accessible 24 hours a day, 7 days a week, and is available in 21 languages.



Local Ethics Lines

In addition to the Global Ethics Line, Inditex has Local Ethics Lines in the United States and Puerto Rico, Canada, Croatia and Sweden, in order to comply with the requirements and/or best practices applicable in those markets.

Breakdown of cases by topic⁶⁷

	2023	2022
Issues regarding labour and Human Resources, diversity, and respect in the workplace:	321	361
related to discrimination, workplace/sexual harassment or other potential breaches of fundamental rights; and	152	115
related to disputes over working conditions, grounds for dismissal or the implementation of personnel selection processes.	169	246
Business integrity ⁽¹⁾	105	75
Environment, health and safety	10	11
Inappropriate use of Company assets	1	0
Financial, accounting or audit and/or control fraud	0	0
Others	78	94
Total number of cases	515	541

(1) Includes cases related to potential conducts of taking advantage of the position in Inditex to obtain own business opportunities or other benefits, consultations on potential conflicts of interest and/or fraud or non-compliance with procedures.

In 2023, the Ethics Line (including both the Global Ethics Line and the various Local Ethics Lines) recorded a total of 515 cases (541 cases in 2022). The total number of cases processed by the Ethics Committee does not reflect those that were rejected because they do not fall within its competence.

	2023	2022
Open cases	515	541
Processed cases	294	333
Cases classified as beyond the authority of the Ethics Line	221	208
Confirmed reports of corruption	5	3
(i) Disciplinary measures or termination of employment due to confirmed reports of corruption	5	3
(ii) Total number of confirmed reports where contracts with business partners have been terminated or not renewed due to corruption-related offences	2	0
Confirmed reports of discrimination	3	3
Disciplinary measures or termination of employment due to confirmed reports of discrimination	3	1
Confirmed reports of harassment	3	3
Disciplinary measures or termination of employment due to confirmed reports of harassment	3	1

Of the total of 515 cases opened by the Ethics Committee in 2023, 413 are closed. Of these, 221 were classified as being beyond the authority of the Ethics Committee or as not requiring any further action or monitoring by the Ethics Committee. Of the remaining closed cases falling within the purview of the Ethics Committee: (i) 42 were queries, (ii) 110 were cases which, after investigation, were found not to be non-compliances, and (iii) the remaining 40 were cases of non-compliance requiring appropriate action. Of the latter, 10 cases were related to the prevention of corruption and bribery, 28 were linked to diversity and respect in the workplace and the remaining 2 were related to other violations of the Inditex Group's Codes of Conduct. In 9 cases, the non-compliances detected affected employees of suppliers of goods and services, and the necessary measures to remedy the situation were taken.

With regard to the confirmed cases of corruption, no relevant aspects affecting the Company have been observed in any of them.

During 2023 and 2022, 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.

No significant (firm) legal actions have been registered in the Inditex Group, either through the Ethics Line or through other available channels, in connection with unfair competition and monopolistic and anti-trust practices during 2023 and 2022.

⁶⁷ Compared to previous years, in this financial year the data for the Global Ethics Line and the various Local Ethics Lines are shown in aggregate (until financial year 2022, only the data for the Global Ethics Line were broken down). Data for financial year 2022 have been restated, including communications from Local Ethics Lines, to make the year-on-year evolution comparable.

Training, awareness-raising, and communication

Internal and external communication and circulation

At Inditex we promote the **communication and circulation of internal regulations** linked to the Inditex Group's Global Compliance Model and we facilitate the knowledge and disclosure of the rules of conduct adopted to all the parties bound by them.

In order to ensure our **formal commitment** to ethical and responsible behaviour, the **Compliance function**, which is managed by the **General Counsel's Office – Compliance**, is responsible for:

/ **Adequately informing** and updating the members of **Inditex's Board of Directors** on a quarterly basis, on: (i) the work carried out by the Compliance function and projects underway, (ii) the activities and results of the supervision of Inditex's Criminal Risk Prevention Model, (iii) the status of the cases processed by the Ethics Committee, and (iv) internal regulations approved or amended. Prior to the meetings of the Board of Directors, the General Counsel's Office provides the directors with those policies and internal regulations subject to approval or amendment by the Board.

/ Promptly **communicating** the **internal Compliance regulations** to **officers and other supervisors of the Group's areas and departments**, reminding them of their duty to disclose their content to all staff under their respective areas of responsibility.

In 2023, the Board of Directors approved the Inditex Group's Policy on Internal Reporting Channels and the Regulations of the Cybersecurity Advisory Committee, and it amended the Global Anti-Harassment Policy (to extend the scope of the previous Global Sexual Harassment and Sex or Gender Identity-Based Harassment at the Workplace Prevention Policy, approved in 2022, to include the prevention of all types of harassment), the Community Investment Policy, the Ethics Line Procedure and the Regulations of the Ethics Committee.

In 2023, a total of 3 policies, 4 procedures, 5 regulations, one charter and other internal corporate regulations of a lower rank or local scope were approved and/or amended.

In particular, with regard to corruption prevention, the General Counsel's Office has communicated and published the following communications regarding internal regulations:

- (a) **Policy on Internal Reporting Channels and the Ethics Line Procedure:** communication of the new Policy on Internal Reporting Channels and the updated Ethics Line Procedure.
- (b) **Policy on Gifts and Invitations (annual reminder):** an annual communication regarding the highlights of the Policy and submission of a letter to suppliers to remind them of what is not allowed in connection with gifts and business courtesies.

The policies, procedures and instructions that make up the Global Compliance Model of the Inditex Group are available to all employees on the corporate intranet (INET) and can be accessed from any device.

Furthermore, the 'Ethical Commitment' tab on the Inditex corporate website (www.inditex.com) contains the main internal Compliance regulations, publicly available to all our stakeholders.

Listed below are the groups of persons to whom anti-corruption Policies and Procedures were communicated in 2023, by professional category and region:

Policy on Internal Reporting Channels and Ethics Line Procedure	
Professional category	No. of people
Management	5,497
Supervisor	5,273
Specialist	11,006
Total	21,776
Region	No. of people
Americas	1,262
Asia and rest of the world	1,538
Spain	12,760
Europe (ex-Spain)	6,216
Total	21,776
Gifts & Invitations Policy (annual reminder)	
Professional category	No. of people
Management	5,635
Supervisor	5,968
Specialist	11,933
Total	23,536
Region	No. of people
Americas	1,968
Asia and rest of the world	1,630
Spain	13,354
Europe (ex-Spain)	6,584
Total	23,536

Lastly, as previously stated, all of 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 Code of Conduct and the Code of Conduct for Manufacturers and Suppliers, which set out the corruption prevention obligations binding upon all suppliers, among others.

Training action

Educating our employees and suppliers is key to building and growing our Global Compliance Model. We trust them fully to uphold the **values, principles and standards of conduct** that make up our corporate ethical culture.

The promotion of the corporate ethical culture and the Global Compliance Model of the Group is underpinned by the implementation of training action adapted to the risk profile of the different groups of employees that form part of Inditex. In this regard, in 2023, the implementation of the holistic Compliance Training Plan (the **Training Plan**) has continued. Such Plan includes training, awareness and sensitisation measures covering the priority Compliance risks to which the Group is potentially exposed.

The Training Plan, addressed to both Group employees and third parties (e.g. suppliers), primarily covers the following subjects:

/ Code of Conduct

/ Code of Conduct for Manufacturers and Suppliers

/ Ethics Line

/ Anti-corruption and integrity (Integrity Policies and Conflicts of Interest Policy)

/ Criminal risk prevention

/ Due diligence

/ Market abuse prevention and protection of inside and/or confidential information

Furthermore, the Training Plan also covers the role of the General Counsel's Office – Compliance to coordinate and manage the Compliance Training Framework Plan (hereinafter, the 'Framework Plan'). This Framework Plan organises the training provided by the main corporate areas exposed to Compliance risks. The goal is to ensure a homogeneous and robust oversight of training to mitigate priority Compliance risks and contribute to building a corporate ethical culture.

Against this backdrop, in 2023 the Compliance function continued to collaborate with and support certain corporate areas in creating or adapting compulsory training content, as well as in reviewing the target audiences for such training, so as to address the courses to employees most exposed to Compliance risks.

Furthermore, the creation of a compulsory training carousel on the corporate e-learning platform, TraIn, was a major milestone in the implementation of the Framework Plan. It is a dedicated space that hosts compulsory training courses for these corporate areas. In this regard, it is worth noting that each employee will have different courses, as this training has been specifically tailored to their risk profile, position and responsibility. When this new carousel was launched a specific global communication plan was rolled out to familiarise all employees with the space, along with a monitoring plan to track completed training,

consisting of periodic reminders to employees with training courses pending about the need to complete them before the end of the financial year.

Compliance training

Within the framework of the Compliance Training Plan, specific training (either in person or online) was provided during 2023 to groups who, 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, **to offences relating to corruption in business**.

Furthermore, in early 2023, a training session was held in the form of a Compliance Talk between the General Counsel's Office - Compliance and the heads of some corporate and commercial areas. The goal was to raise awareness of internal regulations and the corporate ethical culture, how to properly manage conflicts of interest and the use of the Ethics Line, as well as the protection of Company information, through concrete examples of potential real-life scenarios that may arise in employees' day-to-day work.

The groups of people who received anti-corruption training in 2023 are listed below, by professional category and region. The number of trained people increased by 9% from 2022:

Priority group (employees) ⁽¹⁾

Job classification	2023		2022	
	No. of unique people trained ⁽²⁾	% of the priority group	No. of unique people trained ⁽²⁾	% of the priority group
Management	5,147	79%	4,373	71%
Supervisors	3,265	78%	2,882	72%
Specialist	14,742	80%	12,317	69%
Total	23,154	79%	19,525	70%
Region				
America	1,194	98%	1,044	87%
Asia and rest of the world	1,415	90%	1,253	74%
Spain	8,785	84%	7,513	75%
Europe (ex-Spain)	11,760	73%	9,717	64%
Total	23,154	79%	19,525	70%

(1) Employees that are exposed to Compliance risks due to its position, responsibilities or duties.

(2) When a person has attended several training sessions during the year, they are counted only once.

Likewise, below is a list of the product suppliers who received training on Compliance matters through a specific e-learning course to apprise our main product suppliers across 50 markets (representing 54% of the Group's product procurement) of the principles and behaviour that we expect from them in the framework of our commercial or professional relationship.

Priority group (product suppliers) ⁽¹⁾

Region	No. of unique people trained	% of the priority group
Americas	4	10%
Asia and rest of the world	497	19%
Spain	81	14%
Europe (ex-Spain)	201	16%
Total	783	17%

(1) Trained suppliers with an active user. Active users are defined as those who have accessed the Group's supplier Extranet in the last 6 months.



8.2. Information security and privacy

Material topic: Information security and privacy



8.2.1. Information security

GRI 3-3

The digital transformation has resulted in a highly competitive environment in which it is necessary to adapt to the changing demands of consumers, who expect a modern experience that matches their expectations. As a result of this transformation and the growth of online commerce, cyber threats are increasing and becoming more sophisticated, requiring companies to constantly adapt and take proactive security measures.

In this context, information security is a crucial aspect of Inditex's cybersecurity strategy. For this reason, managers are engaged in cybersecurity issues with the aim of driving the necessary investment in cybersecurity and protecting our stakeholders (customers, shareholders, employees, investors, suppliers, partners, etc.).

Strategy

Mindful of the risks associated with our business and of the importance of continuously improving our Information Security Management model, in 2023 we ramped up our investment in security by 10% with respect to the previous year, giving a cumulative increase of 62% in the last three years. Our decision to automate various processes, as well as to hire people with different profiles, has allowed us to increase our capacity to address the challenges associated with cybersecurity.

These investments, backed by the support and leadership of the Company's Senior Management, allow us to continue developing initiatives that enable us to attain our global strategic objectives and comply with the guidelines and principles established both generally and in the Information Security Policy, published on the Company's website, as well as their implementing regulations and procedures.

We assign the highest priority to guaranteeing the confidentiality and integrity of information and ensuring the availability of all processes that support sales and distribution channels. 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 effectively and consistently followed throughout the Company, as provided in the Regulations of the Information Security Committees, which were updated in 2023 in keeping with the changes in the organisational structure.

To realise this commitment, our Chief Information Security Officer Charter has been in place since 2022. This document was also updated in 2023 to adapt it to our new organisation. It defines the framework of action and competencies of the Information Security function, regulating both its place in the Organisation and the levels of organisational autonomy and independence (reporting to the Chief Executive Officer), internal and external responsibilities and the following reporting lines:

- Audit and Compliance Committee: the Information Security Director will report, at least semi-annually, to the Audit and Compliance Committee of the Board of Directors of Inditex and, where appropriate, to the corresponding governing bodies of Inditex.
- Information Security Committee: the Information Security director will report quarterly to the members of said Committee on the main risks and aspects related to the Information Security of the Inditex Group.

Cybersecurity Advisory Committee

In 2023 we have launched the creation of a Cybersecurity Advisory Committee. This permanent, advisory and consultative body is made up of independent experts in information security and aims to strengthen the decision-making process related to cybersecurity and promote the Company's strategy in this area. Below is the list of members of the Advisory Committee in financial year 2023:

/ Alberto Yopez: co-founder and CEO of Forgepoint Capital, the largest and most active venture capital firm specialised in cybersecurity, valued at over A\$1 billion and with 47 portfolio companies. He has a long track record of building and growing successful global cybersecurity companies.

/ Christopher C. Krebs: was the first director of the US Department of Homeland Security's Cybersecurity and Infrastructure Agency (CISA). He co-founded Krebs Stamos Group, a geopolitical and technology risk management consulting firm.

/ Maria Markstedter: is the CEO of Azeria Labs, Author, and Forbes Cybersecurity Person of the Year. She serves on the technical review board for the Black Hat security conference and as part of the technical advisory council for CISA Cybersecurity Advisory Committee. She is an expert in reverse engineering and ARM architecture exploitation, recognized for her book 'Blue Fox: Arm Assembly internals & externals & reverse engineering'. Her commitment to cybersecurity education is reflected in the high quality of the training services she offers to public and private sector professionals.

/ Hazel Diez Castaño: Banco Santander's global CISO, leading a team of more than 2,000 people in cybersecurity and fraud across the Group. She has more than 20 years of experience working in multicultural environments and leading global security departments in several organisations.

/ Hugh Thompson: Managing Partner of Crosspoint Capital Partners, LP, focused on cybersecurity, privacy and software infrastructure. He has testified before the US Congress as a cybersecurity expert and is recognised as one of the "Top 5 Most Influential Thinkers in IT Security" by SC Magazine.

/ Marene Allison: held senior corporate risk and security positions for more than 30 years at Johnson & Johnson. Prior to joining the private sector, she was a Special Agent with the FBI. She is a former member of the Board of Directors of Health ISAC and a founding member of West Point Women, of which she is the current President.

In addition, on February 6, 2024, a new member joined the Advisory Committee:

/ Jose Manuel Gonzalez-Páramo Martínez-Murillo: economist who has held prominent positions on several corporate boards, including the European Central Bank (ECB) and the Bank of Spain. He currently serves as Chairman of the Supervisory Board at European DataWarehouse GmbH&Ltd, and as an independent member of the Board and Risk Committee at Abanca Corporación Bancaria S.A. González-Páramo has developed a broad experience in economics, regulation and banking, contributing significantly to the academic and corporate environment.

Governance and compliance

With regard to governance, we continue to closely monitor digital cybersecurity regulations to ensure we are compliant with legislation in force. In 2023 we launched a legal advisory initiative in connection with cybersecurity. In this regard, prior to its transposition by EU Member States, we completed a proactive review of the alignment and conformity with the new Directive (EU) 2022/2555, known as Network and Information Security (NIS2) Directive, which aims to improve the security of networks and information systems in European territory. We also continue to develop and implement security policies and measures in compliance with the legal obligations pursuant to the General Data Protection Regulation (GDPR).

On the heels of publication of the Good Governance Code on Cybersecurity, drawn up by the National Cybersecurity Forum in collaboration with Spanish Securities Market Commission (CNMV), the Department of National Security and various associations and companies, including Inditex through the involvement of its Chief

Information Security Officer, we have reviewed our initial position concerning the content of the Code.

During the year, we conducted various external assessments, both mandatory and voluntary, to analyse our security model from both a compliance perspective, covered in this section, and a technical standpoint, discussed in the following section on Intrusion Prevention. These evaluations show that Inditex's Information Security Management is consistent with best practices and standards in cybersecurity at both the local and international levels. As a result, we have successfully renewed all major information security certifications:

/ Payment Card Industry-Data Security Standard (PCI-DSS) on the protection of our customers' payment card data. Following the publication of a new version of this standard, we have begun our process of adaptation to it.

/ ISO/IEC 27001, which evaluates our Information Security Management System, assuring the confidentiality, integrity and availability of the Company's information and of the systems, as well as of the applications that support the sales channels. In this sphere, we have begun our process of adjustment and compliance with the latest version of the standard.

/ 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.

Likewise, in 2023 we set up a working group to continue strengthening and developing the existing control programmes. The aim is to gain visibility concerning the security standards of our relevant partners, including prior to contracting, as well as to reduce the risk of cybersecurity threats they might be exposed to. In addition, we continue paying attention to security in the 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.

We have also carried out numerous internal audits and reviews, both by third parties and by the Oversight Area within the Information Security Department, which ensures compliance and proper application of the policies and procedures defined. In 2023 we also carried out a re-evaluation of the OT (Operational Technology) processes at logistics centres. We continue to periodically evaluate our level of cybersecurity maturity in collaboration with an external expert so as to gauge the Company's standard of information security and compare it with companies in other sectors that are subject to exacting standards, such as firms in the banking or technology industries.

Detection and response

As a result of the increase in cyberattacks on companies worldwide, with no material financial or reputational impact on the Company as of the date of this report, the working groups set up have maintained and further developed their activity. These groups, under the supervision of the Information Security Committee, have been tasked with continuing to design and implement new initiatives, and overseeing those already in place, focusing on the management of vulnerabilities and higher-risk assets with the new tools acquired.

In addition, as a consequence of conflicts between countries, monitoring tasks have been maintained, as has the management of the risks associated with this context. Over the course of 2023, we have strengthened our defence capabilities through specific initiatives focused on improving our ability to detect and respond to

the most prevalent threats in the external cyber environment such as Distributed Denial of Service (DDoS) attacks, Credential Stuffing, Ransomware and vulnerabilities in third-party products.

The Information Security department has a specialised cyber intelligence team whose main function is the early detection of the potential risks and threats we face by means of continuous monitoring of the digital environment.

Moreover, our global incident response team continues to be a registered member of CSIRT.es (Platform of Spanish Cybersecurity and Incident Management Teams) and TF-CSIRT (Working Group of Security Incident Response Teams), which aim to exchange information on major cybersecurity incidents and improve collaboration and coordination in order to respond quickly in any situation that may affect large companies in Europe and neighbouring areas. Membership of these groups also allows us to nurture relationships with global organisations and partners in other regions to address cybersecurity challenges on a broader scale.

Our Security Operations Centre (SOC) is available 24 hours a day, 7 days a week, for the detection, analysis, reporting and correction of potential security incidents that may affect the Organisation. During 2023, a total of 123 events of interest were recorded (98 in 2022), of which we have reported the most relevant ones to the Information Security Committee. None of these events had a material impact on our operations or financial statements.

This year, we have updated our Procedure on Information Security Incident Response, focusing on the notification of important incidents to third parties (organisations, entities, institutions, etc.) including individuals who must be informed of such events, and on the requirements associated with these notifications. Additionally, we have strengthened our security incident detection and response system with a service that adds an extra layer of security by allowing the early detection of threats and/or suspicious activity through continuous monitoring of our technology infrastructure.

Intrusion prevention

The deployment of prevention measures is one of the most important tasks of our activity, and we have therefore reinforced vulnerability scanning at the Company's perimeter and increased the number of external researchers participating in our private vulnerability detection programme to a total of more than 700 professionals. Furthermore, in 2023, to supplement the private programme, we created a new public rewards programme for the online retail environment, in collaboration with a community of more than one million active researchers. In addition to this, we have conducted crowdsourced pentesting (or penetration testing), which affords us a greater diversity of skills and a broader and more varied perspective on potential weaknesses in our systems, thanks to having a broader group of security professionals.

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 in order to improve the Organisation's security status. Adopting a continuous improvement approach, as part of this exercise we conducted a review of the 31 Red Team exercises executed in the 2019-2023 period.

We continue to strive to maintain, improve and evolve the maturity of the Information Security programme. Accordingly, in coordination with the Data Protection and Privacy area and other relevant areas, we have made progress in several initiatives to boost the protection of our Group's information. In this context, our main priorities are the prevention of leaks and theft of sensitive information, the availability of critical services (sales and distribution) and their associated threats, and the control of information integrity, with an emphasis on financial information. This is further supported by the existence of the 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 have launched a project related to improving 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 in different scenarios so as to gauge and reduce the risks associated with the continuity of our systems and applications. 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.

Automation plays a pivotal role in cybersecurity by enhancing the speed, scalability, accuracy and efficiency of detection and response to cyber threats. We therefore continue to pursue the integration of this concept into security strategies and operations, strengthening our cybersecurity position and increasing our preparedness for the challenges of the current digital environment.

We also continue to explore the opportunities offered by artificial intelligence to improve cybersecurity management, identifying patterns and anomalies so as to anticipate potential cyber threats. Artificial intelligence also poses significant cybersecurity challenges, so transparency in the development of systems and collaboration with cybersecurity experts are now key pillars to ensure the integrity and reliability of these systems in the Company.



Training and awareness-raising

We continue to conduct a range of drives for our employees, collaborators and members of the Board of Directors, aimed at assessing and enhancing their level of security awareness and expertise, by means of the Cybersecurity Culture Plan and the training programme. This programme comprises specific actions aimed at the different groups of users according to their profile and role within the Organisation, covering both general aspects of information security and internal policies. For example, we have provided cybersecurity training to the Company's international managers. We also offer cybersecurity training programmes specifically tailored for the Board of Directors and software development professionals, as well as specialised training on compliance with credit card data security requirements.

As in previous years, we have continued to expand the scope of the awareness campaigns and we have conducted various targeted social engineering exercises using phishing tactics (which involves sending fake emails) and smishing (which involves text or SMS messages) in order to verify and reinforce our employees' awareness regarding this type of attacks which are becoming increasingly common in the cyber world. In this context, we emphasised improving our teams' preparedness, ensuring that they effectively understand how to use the communication channels to report potential anomalies.

Similarly, considering the importance of preparing for cybersecurity incidents, in 2023 we held several crisis simulation exercises that served as training for this type of situation. These activities involved different areas linked to the management of this type of event, for the purpose of testing the defined procedures and providing training on escalation and decision making.

We also promote security by partnering with public and private organisations:

- / Working with the NGO CyberPeace Institute, which helps vulnerable communities protect themselves and recover from cyberattacks.
- / Belonging to specialised cybersecurity forums such as the Centre for Industrial Cybersecurity (CCI) and the Spanish Association for the Advancement of Information Security (ISMS Forum).
- / Taking part in events hosted by the Retail & Hospitality Information Sharing and Analysis Center (RH-ISAC) for cybersecurity information sharing.
- / Attending renowned international cybersecurity events, such as the Black Hat conferences or the Security 50 summits.
- / Supported by 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, 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.

8.2.2. Personal Data Protection and Privacy

GRI 3-3

In 2023, we have worked in accordance with the Company's strategy and objectives, advocating the value of respect for privacy and ensuring an appropriate level of compliance with data protection and privacy regulations.

In this regard, in order to guarantee the data protection of the groups whose personal data we process (customers, employees, candidates, etc.), at Inditex we conduct an analysis of all the trends with an impact on privacy across the retail sector, as well as the obligations entailed by the new regulations and the interpretations of the supervisory authorities, judges and courts. This guarantees compliance with the principles deriving from the data protection and privacy regulations, and in particular, those of transparency and the management of the rights of the interested parties.

Throughout the year we have continued to work on a number of cross-cutting projects that have enabled us to advance in the implementation of our privacy programme. Among others, the following:

- / We have reinforced the role of Privacy Delegates, who are the liaisons that help coordinate and manage data protection and privacy issues in each of the subsidiaries through training aimed at being better covered in each of the markets.

/ Project to improve the retention and deletion of personal data of the main groups (customers, employees and candidates) stored in the Company's main systems.

/ We have made substantial headway in defining the system for identifying privacy risks and implementing controls.

/ Development of the cookies compliance model.

More specifically, in relation to customers, the Personal Data Protection and Privacy department has worked hand in hand with the business teams, supporting them as needed. We have taken part in the analysis and review of numerous projects aimed at improving the shopping experience (such as the single login in Italy or various projects aimed at getting to know customers in physical stores), and promoting sustainability (such as the expansion of Zara Pre-Owned into new markets), among others. This is important to ensure that privacy is woven into them from the design stage, in accordance with the corporate procedure.

Projects were also carried out to adapt the systems and operations to the requirements derived from certain privacy regulations affecting the Asian and American markets, especially with regard to international transfers and the exercise of rights, respectively.

As for our employees, we have worked on fostering a culture of privacy in the Company by updating our data protection and privacy course, which is available on the corporate eLearning tool (TraIn). This training is compulsory for employees working in departments whose functions entail processing the personal data of different stakeholders. Since its launch in June 2023, 97% of employees targeted by this course have completed it.

Lastly, we have maintained the structure of our compliance model in connection with data protection and privacy, based on:

/ Accompanying the business areas.

/ 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.

/ Periodic reporting: at least once a year to the Board of Directors through the Audit and Compliance Committee and to the Company's Management through our participation in the Information Security Committee.



8.3. Supplier relations

Material topic: Responsible management of the supply chain and traceability; Value creation in the community



8.3.1. Our principles and strategy

GRI 2-6; GRI 2-23; GRI 2-24; GRI 2-28; GRI 3-3; GRI 305-6; GRI 403-7; GRI 413-2; AF1; AF6; AF19; AF24

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 significant part of the cutting, sewing, dyeing, washing, printing or finishing factories that manufactured our garments in 2023 are located in Spain or neighbouring countries like Portugal, Morocco and Türkiye.

Overall, as of 2023 we had 1,733 direct suppliers⁶⁸ in 45 markets, who created our products at 8,123 factories⁶⁹ and generated more than three million jobs (1,729 suppliers, 50 markets and 8,271 factories in 2022).



⁶⁸ Figures include suppliers with more than 20,000 production units in the 2023 summer and winter campaigns, based on the primary data extracted from the Company's systems (suppliers with production of less than 20,000 units represent 0.19%). Throughout this chapter, the indicators regarding the number of suppliers have been calculated based on this premise, except for those cases concerning training, audits or corrective action plans, for which all suppliers available in our systems are included without discrimination by purchase volume.

⁶⁹ Figures include factories declared by the suppliers with more than 20,000 production units in the 2023 summer and winter campaigns in the manufacturer's management system for 2023 orders. Throughout this chapter, the indicators regarding the number of factories have been calculated based on this premise, except for those cases concerning training, audits or corrective action plans, for which all suppliers available in our systems are included without discrimination by purchase volume.

The supply chain at Inditex in 2023

Suppliers with purchase in 2023

European Union

312 suppliers
1,407 factories

Europe outside the EU

209 suppliers
1,616 factories

Americas

10 suppliers
42 factories

Asia

964 suppliers
4,600 factories

Africa

238 suppliers
458 factories

Factories declared by suppliers in 2023⁷⁰

3,197

Spinning, weaving, and other raw material processes

96

Cutting

3,849

Sewing

124

Dyeing and washing

211

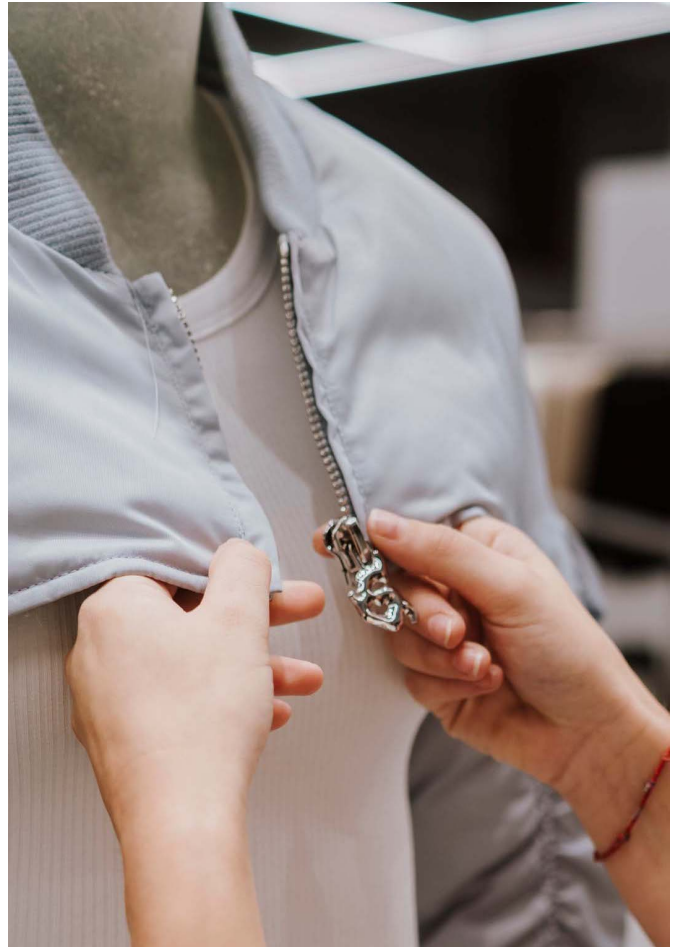
Printing

289

Finishing

357

Non-textile products



The supply chain at Inditex in 2023

	Suppliers with purchase in 2023	New suppliers in 2023	Unused suppliers in 2023	Suppliers with purchase in 2022
Africa	238	62	25	201
Americas	10	1	2	11
Asia	964	160	151	955
Europe outside the EU	209	33	54	230
European Union	312	42	62	332
Total	1,733	298	294	1,729

⁷⁰ For those factories carrying out more than one process, their main process has been considered.

Dialogue and transparency concerning the supply chain

We endeavour to build strong relationships with our suppliers, based on continuous accompaniment and support. For this purpose, we have set up supplier clusters, spaces to foster dialogue and cooperation with industry actors such as trade unions, employers, administrations and NGOs. In 2023 we worked with ten clusters in Spain, Portugal, Morocco, Türkiye, India, Pakistan, Bangladesh, China, Cambodia and Vietnam, through which 98% of our garments were produced.

Through these dialogue spaces, we also deploy 'Improvement Plans' in collaboration with manufacturers and suppliers part of our supply chain and a network of internal and external specialists. These Plans are part of our Supply Chain Transformation Plan to advance in our sustainability objectives.

① More information in sections 6.1.4. *Lower-impact consumption and efficiency and optimisation* y 6.2.3. *Water management activities throughout the supply chain* of this Report.

To promote transparency with our stakeholders, we share information about our supply chain with various actors. These include:

/ The international trade union federation IndustriALL Global Union.

As part of our Global Framework Agreement, we provide them with a comprehensive and updated list of our manufacturers and their level of compliance with our policies. We also give IndustriALL Global Union and its local affiliates access to the production centres.

/ A number of international organisations, NGOs, investors and indices.

These include the International Labour Organization (ILO)—in the countries where we take part in the Better Work programme—Zero Discharge of Hazardous Chemicals (ZDHC) and the Institute of Public & Environmental Affairs (IPE) in China, with whom we share environmental information.

① For further information, refer to the document *Partnerships* on Inditex's corporate website.

/ Our customers.

In 2023 we responded to 1,309 requests for information related to the manufacture of our products, our sustainability policies or the raw materials used.

8.3.1.1. 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 for our supplier relations. Published in 2001 for the first time and updated in 2012, in it we set out the standards they are expected to meet with regard to labour rights, product health and safety and environmental issues.

This Code of Conduct is based on the Organisation for Economic Cooperation and Development (OECD) principles, the Ethical Trading Initiative Base Code, the United Nations Global Compact principles and, among others, the following International Labour Organization (ILO) conventions: 1, 14, 26, 29, 79, 87, 98, 100, 105, 111, 131, 135, 138, 142, 155, 164 and 182.

In addition, our CCMS is an evolving tool, as it is subject to periodic review to keep it in line with industry best practices.

① More information in the *Code of Conduct for Manufacturers and Suppliers* is 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.

This standard, which applies mainly to the factories that carry out wet processes, **covers the sustainable and efficient management of raw materials, water, technology and processes, chemical products, waste and wastewater.**

Another important tool for supply chain management are our **Traceability Requirements for Manufacturers and Suppliers**, increasing the level of detail on the minimum requirements for our suppliers reflected in the Code of Conduct for Manufacturers and Suppliers.

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 audits to ensure that our standards are upheld. The breach of any of them may entail the termination of the business relationship.

Lastly, 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.



These practices consider all phases of the purchasing process: strategic planning, procurement, development, purchasing and the underlying values and principles that affect workers. In this regard, our participation in the ACT (Action, Collaboration, Transformation) initiative is crucial.

① More information in section [7.2.1. Workers at the Centre](#) of this Report.

In the financial year 2023, thanks to the combined efforts of our suppliers, we have increased our knowledge of the source of raw materials. Especially in the phase from fibre growing to yarn creation, whose traceability is one of the challenges facing our industry.

① More information in the document *Supply Chain: management to transform the sector* available on Inditex's corporate website.

8.3.2. Traceability of the supply chain

GRI 2-24; 3-3; AF5; AF6

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.

⁷¹ In accordance with the definition of industry benchmark organisations, such as Textile Exchange. This defines a preferred material as a raw fiber or material that delivers ongoing beneficial outcomes and impacts for climate, nature, and people through a holistic approach to transforming raw fiber and material production systems.

Traceability strategy

Our traceability ecosystem allows us to compile and evaluate information concerning the traceability of our products. Specifically, it helps us to ascertain in which production facilities our articles were created and to certify the use of more responsible materials.

Our Traceability Requirements, developed in 2022, are among the foremost tools in this regard. In 2023 we worked on adapting our monitoring and assessment systems in connection with these requirements, which reflect our suppliers' traceability obligations.

For a start, 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 also report which facilities and intermediaries are involved in each production process, from fibre or yarn to the final garment for each order. This information should include both their own facilities and those contracted by them or by third parties.

Management

To facilitate the implementation of these requirements and to help our suppliers improve their traceability processes, we use our In.Trust management system to ease the process whereby our suppliers provide information on their supply chain.

Our traceability requirements not only require to declare our suppliers' supply chain, but also to provide evidence of the use of preferred raw materials⁷¹, such as organic or recycled cotton, viscose from preferred sources or European linen. Suppliers must provide proof of their use by means of documentation certifying their origin, including facility certification if applicable.

We also provide training to help our suppliers solve specific challenges regarding the use and understanding of traceability procedures. In 2023, we provided training to more than 300 suppliers in 20 markets.

Assessment

At Inditex we use various control mechanisms operating in parallel to verify compliance with our traceability requirements:

- / **Designation control check:** we check that our suppliers have provided information about their supply chain before deadline.
- / **Review of certificates:** we check raw material certificates before approving 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 production in progress and the ones completed. The findings are then compared with the information entered by the supplier.

Audits are carried out through the In.Trace application, which gives auditors easy access to all the information linked to production.

In 2023, **12,100** traceability audits were conducted, revealing 808 non-compliances (10,796 audits and 629 non-compliances in 2022).

Traceability audits		
	2023	2022
Africa	4,206	5,400
Americas	105	154
Asia	5,512	2,872
Europe outside the EU	1,500	1,283
European Union	777	1,087
Total	12,100	10,796



8.3.3. Monitoring, assessment and continuous improvement

GRI 2-24; 3-3; 303-2; 308-1; 308-2; 407-1; 408-1; 409-1; 414-1; 414-2; AF2; AF3; AF6; AF8; AF9; AF10; AF11; AF12; AF13; AF14; AF15; AF16; AF17; AF19

Our aim is to build strong, long-standing relationships with our suppliers. This is why we pay special attention to the process of supplier accompaniment, assessment and improvement that begins even before they start to work with us.

In 2023, 12,761 audits were carried out at our suppliers and manufacturers, by our teams and by 1,128 external auditors⁷², specialised by sphere of auditing. They carried out pre-assessments, preliminary environmental assessments, social and environmental assessments. In total, 837 external auditors were trained for this purpose over the course of the year.

Where non-compliances were detected, we supported the improvement process of our suppliers and manufacturers through Corrective Action Plans.

Pre-assessment

Before we embark on a business relationship, we ensure that suppliers comply with our social and environmental standards by means of pre-assessment audits.

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 supplier can join our supply chain.

The IMR are made up of 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 suppliers and manufacturers must meet to become eligible to receive orders.

In 2023, 2,111 **pre-assessment audits were carried out** (2,075 in 2022). Of these, 2,095 were performed by external auditors.

Number of pre-assessment audits carried out

	2023		2022	
	Pre-assessment audits	Approved %	Pre-assessment audits	Approved %
Africa	64	83%	97	86%
Americas	25	72%	16	88%
Asia	1,590	70%	1,438	73%
Europe outside the EU	173	45%	245	66%
European Union	259	69%	279	82%
Total	2,111	68%	2,075	74%

Environmental preliminary assessment

Once the new supplier 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 2023, 301 environmental pre-assessments were executed.

Social audits

After the pre-assessment audit, **we conduct** unannounced social audits **on a regular basis** at all suppliers and factories in our supply chain.

These audits allow us to verify compliance with our CCMS and consist of an unannounced site visit to verify wage rates, working hours, health and safety conditions, among other requirements set forth in our Code of Conduct of Manufacturers and Suppliers.

Social audits may be carried out by internal or external auditors in accordance with the Inditex methodology. To guarantee their quality, in 2023 we verify the application of the Inditex audit methodology through 71 control audits⁷³ (81 audits in 2022).

In 2023, 6,892 social audits were carried out⁷⁴ at the factories in our supply chain.

⁷² The calculation methodology includes primary data declared by the service provider.

⁷³ Previously reported as 'special audits'. In order to enhance transparency, this year we detail the topics and volume of the 'special audits' in the various sections of this Report.

⁷⁴ A company may receive more than one social audit during a financial year. Each audit carried out is considered when accounting for audits.

Number of social audits carried out⁷⁵

	2023	2022
Africa	324	390
Americas	48	35
Asia	4,209	3,798
Europe outside the EU	1,259	1,319
European Union	1,052	1,295
Total	6,892	6,837

These audits include the social audits carried out using Inditex's proprietary methodology and the audits carried out following the method of the Social & Labour Convergence Program (SLCP) initiative, of which we have been a member since its inception (1,241 SLCP audits in 2023, 882 en 2022).

SLCP's aim is to improve labour conditions for workers while eliminating audit fatigue in global supply chains. Accordingly, the factory itself carries out a self-assessment, which is then verified by a third party authorised by SLCP and shared with stakeholders.

In addition, social audits using our own methodology have also been carried out in more than 90 external logistics centres this year.

As a result of the social audits, our suppliers and manufacturers are classified in a social ranking based on their degree of compliance with

the Code of Conduct for Manufacturers and Suppliers (CCMS). In 2023, the active suppliers social ranking was as follows:

Classification of active suppliers by their social score

Classification	2023		2022	
	Number of suppliers	%	Number of suppliers	%
A	761	44%	650	38%
B	928	54%	1,018	59%
C	9	1%	10	1%
Subject to CAP	26	2%	30	2%
PR	9	1%	21	1%
Total	1,733	100%	1,729	100%

Classification	Audit results
A	Complies with the CCMS
B	Does not comply with some non-relevant aspect of the CCMS
C	Does not comply with some sensitive, but inconclusive aspect of the CCMS
Subject to PAC	Breaches of the CCMS triggering the immediate implementation of a corrective action plan
PR	Undergoing an auditing process



⁷⁵ It includes social audits carried out with the Inditex's proprietary methodology and those carried out with SLCP methodology which have been integrated into our systems.

In terms of compliance with the Code of Conduct for Manufacturers and Suppliers, the performance in active factories of suppliers with purchases is shown in the following table:

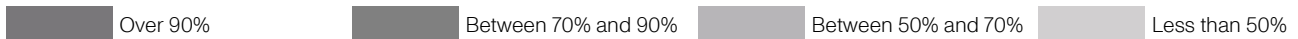
Compliance with the Code of Conduct for Manufacturers and Suppliers in 2023

Percentages according to geographical zones and social compliance areas

	Africa	Americas	Asia	Europe outside the EU	European Union
No forced labour					
No work by youths or child labour ⁽¹⁾					
No discrimination					
Respect for freedom of association and collective bargaining					
No harsh or inhumane treatment					
Hygiene at work					
Wage compliance					
Working hours					
Environmental awareness					
Regular work					
Implementation of the Code ⁽²⁾					

(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.



Environmental audits

Compliance with our Green to Wear standard, targeting facilities that mainly carry out wet processes, is regularly verified through environmental audits.

These audits are carried out by external auditors in announced visits during which documentation is reviewed and, if applicable, wastewater samples are analysed unannounced.

This information is shared with the rest of the sector within the framework of our collaboration with Zero Discharge of Hazardous Chemicals (ZDHC).

In 2023, 1,868 environmental audits⁷⁶ were carried out.

Number of environmental audits carried out

	2023	2022
Africa	70	75
Americas	8	6
Asia	1,208	1,225
Europe outside the EU	295	442
European Union	287	317
Total	1,868	2,065

As a result, 86% of the suppliers required to comply with the Green to Wear standard are rated as A or B, the highest environmental performance ratings as per 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 suppliers in their improvement processes and help them to correct and prevent non-compliances.

These plans may be devised by Inditex teams or carried out in collaboration with other organisations, such as relevant NGOs. 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 2023, the following CAPs were carried out:

/ Social CAP: we carried out 490 CAPs, of which 285 at factories with a 'Subject to CAP' rating and 205 at production centres with other ratings (487 CAPs in 2022: 292 of these plans were carried out in factories with a 'Subject to CAP' rating, and 195 in sites with other ratings).

/ Environmental CAPs: we launched 327 CAPs. 99 of these plans were carried out in factories with a 'Subject to CAP' rating, and 228 in sites with other ratings (547 CAPs in 2022: 122 in factories with a 'Subject to CAP' rating, and 425 in sites with other ratings).

At Inditex we are constantly exploring different ways to advance in the shared challenge of transforming our supply chain and our industry. For this reason, we also carry out certain verifications in specific areas such as those conducted to assess the progress of the corrective action plans or those related to various aspects of the CCMS. In this sense, in 2023 we carried out 697 verifications⁷⁷ (424 verifications in 2022).

Despite the importance for Inditex of accompanying our suppliers 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 serious non-compliance once the CAP has been completed, the factory or supplier will not be able to continue working with our Company.

Total suppliers, rejected and active in 2023

	Suppliers with purchase in 2023	Rejected due to a breach of the Code of Conduct	Rejected for commercial reasons	Active suppliers at 31/01/2024
Africa	238	2	0	236
Americas	10	1	0	9
Asia	964	39	1	924
Europe outside the EU	209	14	1	194
European Union	312	5	2	305
Total	1,733	61	4	1,668

⁷⁶ A company may receive more than one social audit during a financial year. Each audit carried out is considered when accounting for audits.

⁷⁷ Previously reported as 'special audits'. In order to enhance transparency, this year we detail the topics and volume of the 'special audits' in the various sections of this Report.



Other continuous improvement tools

In addition to the CAPs, our Company implements various improvement and support projects for suppliers and manufacturers, such as those developed as part of the Workers at the Centre strategy, some of which include accompaniment visits to ensure their proper implementation.

In 2023, we also continued with our Environmental Improvement Plan for supply chain transformation, with a particular emphasis on water, discharges, management of chemical products and energy.

① More information in sections 6.1.4. *Lower-impact consumption and efficiency and optimisation* y 6.2.3. *Water management initiatives throughout the supply chain* of this Report.

① More information in the document *Supply chain: management to transform the sector* available on Inditex's corporate website.

Innovation in production processes

As well as guaranteeing compliance with our standards, at Inditex we aim to improve production processes in the textile industry so as to have a lower impact and achieve more efficient water and energy consumption.

For this purpose, we work closely with organisations and companies that help us develop innovative solutions to improve our impact.

Among the most outstanding examples is the launch of new dyeing and finishing processes such as PIGMENTURA (launched on an industrial scale this year) and *Sustineri*, developed jointly with CHT and Pulcra, respectively. This is based on a pigment dye that does not require washing or drying, thus reducing the time and complexity of the process. This can save up to 96% of water and 60% of energy compared to other continuous dyeing technologies.

As a further benefit, this solution can be implemented in existing dyeing facilities without additional investment. It can also be applied to complex fibre blends, including recycled fabrics, which tend to involve more complex dyeing processes.

Another of the solutions we have developed is *SOKALAN HP 56 A*, partnering with BASF to implement and optimise the first industrial cold washing system. This system significantly reduces water and energy consumption in exhaust dyeing systems.

By supporting innovative solutions, at Inditex we continue to move forward in the transformation of the textile sector and industry.

8.4. Tax responsibility and transparency

Material topic: Value creation in the community



GRI 3-3; 201-2; 201-4; 207-1; 207-2; 207-3; 207-4

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.

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.

Inditex's Tax Policy, approved by the Board of Directors in 2015, establishes that, in its tax practices, Inditex shall apply the fiscal legislation of the markets where it is present and, preferably, the interpretative criteria established by the authorities or courts of those markets. Due to the heterogeneity of this regulatory framework, Inditex approaches its tax management by taking the standards of best practice in each territory as a reference.

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 the 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 2023 (in million euros)⁷⁸:

Markets	2023	2022
Americas	1,286	1,141
Brazil	167	122
Canada	80	91
United States	393	424
Mexico	541	376
Other	105	128
Asia & Rest of the world	552	376
Australia	27	33
China	241	105
South Korea	60	50
Japan	25	11
Kazakhstan	61	48
Other	138	129
Spain	1,618	1,422
Spain	1,618	1,422
Europe (ex-Spain)	2,860	1,919
Germany	130	64
Belgium	43	34
France	188	145
Greece	50	27
Italy	177	127
The Netherlands	824	586
Poland	68	9
Portugal	73	47
United Kingdom	167	154
Romania	92	75
Switzerland	525	493
Türkiye	374	137
Other	149	21
Profit/(loss) before taxes	6,316	4,858
Consolidation	554	500
Consolidated profit/(loss) before taxes	6,870	5,358

In 2023, the effective overall income tax rate was 21.5%, and the accrued income tax expense (in million euros) was as follows:

Markets	2023	2022
Americas	396	326
Brazil	76	51
Canada	21	22
United States	91	99
Mexico	164	113
Other	44	41
Asia & Rest of the world	76	58
Australia	9	11
China	11	(6)
South Korea	13	15
Japan	10	4
Kazakhstan	13	10
Other	20	24
Spain	334	267
Spain	334	267
Europe (ex-Spain)	722	479
Germany	35	18
Belgium	11	5
France	52	42
Greece	10	5
Italy	47	20
The Netherlands	247	190
Poland	15	3
Portugal	22	12
United Kingdom	29	22
Romania	13	10
Switzerland	107	92
Türkiye	97	43
Other	37	17
	1,528	1,130
Consolidation	(85)	95
Income tax⁽¹⁾	1,443	1,225

(1) 2023 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.

⁷⁸ 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.

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, the incorporation of companies located in territories considered as tax havens is limited to situations where it is absolutely indispensable for the development of the Group's own commercial activities, as is the case with the companies which operate the stores located in Macau SAR and Monaco.

	Sale of goods and services (thousands of euros)	Number of stores
Macao SAR	4,968	2
Mónaco	7,094	1
Total	12,062	3

This financial year, taking into account all the markets in which it operates, the Group has received 4 million euros (10 million euros in the previous year) in public subsidies, mainly from China.

Likewise, section 8.1.2. *Global Compliance Model and Criminal Risk Prevention Model* of this Report, sets out the measures that Inditex has

Category	Direct tax (in million euros)	Taxes collected (in million euros)
Income tax	1,498	198
Property tax	98	12
Personal tax	891	959
Tax on products and services	1,152	3,850
Environmental tax	21	1
Total	3,660	5,020
Total tax contribution (in million euros)		8,680

adopted within the framework of stopping money laundering and the financing of terrorism.

In the financial year 2023, and in compliance with our tax obligations, Inditex's total tax contribution amounted to 8,680 million euros, of which 3,660 million euros were direct taxes paid and 5,020 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.

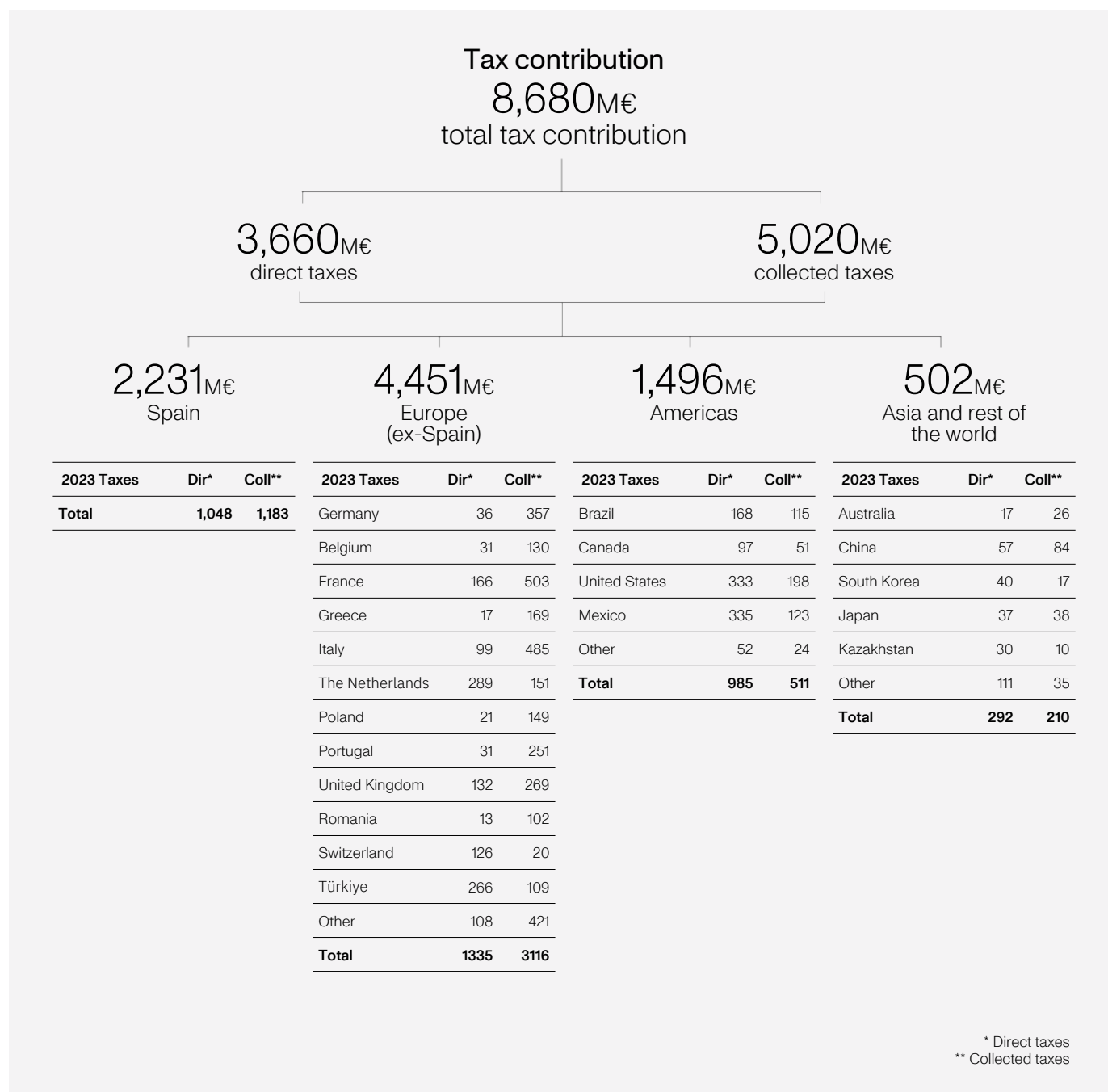
/ Property tax. Tax payable on the ownership, sale, transfer or occupation of property.

/ 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.

With respect to the tax contribution by markets, as Inditex's home market, Spain is home to the main product activities and resulting business. For this reason, and because it represents 14.8% of global sales, it is the Group's largest direct tax contribution market. In 2023, 2,231 million euros in tax were paid in Spain, i.e., 26% of the overall total.



Markets	Direct taxes paid (in million euros)		Taxes collected (million euros)	
	2023	2022	2023	2022
Americas	985	852	511	400
Brazil	168	146	115	82
Canada	97	54	51	52
United States	333	304	198	163
Mexico	335	268	123	79
Other	52	80	24	24
Asia & Rest of the world	292	268	210	188
Australia	17	11	26	26
China	57	42	84	64
South Korea	40	36	17	15
Japan	37	40	38	41
Kazakhstan	30	32	10	7
Other	111	107	35	35
Spain	1,048	949	1,183	860
Spain	1,048	949	1,183	860
Europe (ex-Spain)	1,335	1,131	3,116	2,831
Germany	36	50	357	296
Belgium	31	14	130	120
France	166	152	503	465
Greece	17	22	169	140
Italy	99	67	485	450
The Netherlands	289	205	151	131
Poland	21	13	149	116
Portugal	31	52	251	225
United Kingdom	132	144	269	255
Romania	13	12	102	89
Switzerland	126	110	20	21
Türkiye	266	179	109	80
Other	108	111	421	443
Own taxes	3,660	3,200	5,020	4,279

9

Annexes

9.1. Additional indicators

9.2. Content indexes



9.1. Additional indicators

9.1.1. European taxonomy of sustainable activities

Regulatory context

The Inditex Group is subject to Regulation (EU) 2020/852 on EU Taxonomy (hereinafter 'Taxonomy')⁷⁹, 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).

The Environmental Delegated Act, approved in 2023 by the European Commission, introduces new activities with their respective technical screening criteria of contribution to the remaining four environmental objectives⁸⁰, along with those of climate change mitigation and adaptation included in the Climate Delegated Act. Furthermore, this Delegated Act is supplemented by six annexes that establish technical screening criteria for specific sectors and activities. In line with the obligations emanating from this updated regulatory framework, in 2023 the Company reports information on:

- / the proportion of eligibility and alignment for total business volume indicators (turnover), investments in fixed assets (CapEx) and operating expenditure (OpEx) for the climate change mitigation and adaptation objectives;
- / the proportion of eligibility for turnover, CapEx and OpEx key indicators for the remaining environmental objectives;
- / mandatory complementary qualitative information⁸¹.

It is important to highlight that, given the continuous development of new legislation and guidelines in the context of the Taxonomy, companies remain exposed to the need to adapt to new requirements and periodically analyse their activities and internal management systems. The purpose of this is to ensure that the information provided is thorough and adequately complies with regulations.

In this context, after evaluating the activities in accordance with the Taxonomy for the third consecutive year, it is confirmed that for now the Group's main activity –the distribution and sale of fashion items– 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.

This analysis is grounded upon the current level of understanding of the descriptions and technical screening criteria included in the Taxonomy, which, as we discuss below, in some cases has implied updating the assessment criteria applied in 2022.

⁷⁹ The EU Taxonomy is structured around the Regulation (EU) 2020/852, and is supported by three delegated acts: Delegated Regulation (EU) 2021/2139 (the Climate Delegated Act), Delegated Regulation (EU) 2023/2486 (the Environmental Delegated Act) specify the technical screening criteria to determine taxonomy-aligned activities; and the Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act), which specifies the content, methodology and presentation of information to be disclosed by companies with regard to sustainable economic activities.

⁸⁰ The sustainable use and protection of water and marine resources (WTR), the transition to a circular economy (CE), pollution prevention and control, and the protection (PPC) and restoration of biodiversity and ecosystems (BIO).

⁸¹ The Disclosures Delegated Act requires certain qualitative information to be specified in detail concerning accounting policies, the assessment of compliance with the regulations, in addition to contextual information thereon.

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 type of activity:** we assessed, for all the activities considered eligible, compliance with the established:
 - 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 the three main groups according to the activity type considered by Inditex: **store refurbishments and openings, construction and renovation of the Group's corporate headquarters and logistics centres, and wind-generated electricity.**

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: According to the definition of this indicator provided in Taxonomy, the percentage of eligible OpEx of the Inditex Group for 2023 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 and logistics centres.** 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 wind power** at its own facilities. These investments are considered to be eligible in the framework of activity 4.3. CCM/CCA, 'electricity generation from wind power', in terms of both climate change mitigation and adaptation.

Furthermore, the Inditex Group undertakes **other investments** linked, among others, with the installation, maintenance and repair of the energy efficiency equipment in stores, headquarters and logistics centres, software development and data processing, and the implementation and operation of systems that oversee and optimise energy consumption to achieve greater 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 for measuring, regulation and controlling energy performance of buildings), 7.6. CCM/CCA (installation, maintenance and repair of renewable energy technologies) and 8.1. CCM/CCA (data processing, hosting and related activities), respectively. However, these activities represent an insignificant proportion of approximately 0% of the Group's CapEx in financial year 2023. Compared to the information reported in financial year 2022, the taxonomic CapEx disclosed in 2023 do not include actions related to activity 7.3. CCM/CCA due to current limitations in tracking significant accounting items to the necessary level of detail.

In the reporting year, and as a result of the eligibility analysis of the new activities in connection with all of the environmental objectives, new taxonomic activities in which the Group is investing were 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 also represent an insignificant proportion of approximately 0% of the Group's CapEx in 2023.

According to the analysis carried out, the Group considers the following activities to be eligible in 2023 (exclusively 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 and logistics centres 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

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' in keeping with the requirements for these activities pursuant to the criterion of substantial contribution to climate change adaptation.

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 in the 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;

/ 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 2023, one action related to the comprehensive refurbishment of one of the Group's stores was 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 project, 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 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 building analysed has 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 comply with the Taxonomy's requirements as per

the record of the relevant responsible declarations and emission tests. This includes the requirements linked to substances in Annex 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 identified the investment linked to the construction of a new corporate building, which will be a part of the complex of facilities that make up the Group's Arteixo headquarters. This action is presented by means of an investment plan, approved by the 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 through the investment plan

In accordance with the provisions of the Disclosures Delegated Act, it is possible to present aligned activities by means of a investment plan that evidences that the investment is earmarked for an activity that will be aligned with the Taxonomy 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 Commission⁸².

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 efficiency⁸³, Life Cycle Analysis⁸⁴ and the Study of Air Tightness and Thermal Integrity of the Envelope⁸⁵ 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'.

⁸² 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.

⁸³ 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.

⁸⁴ 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.

⁸⁵ 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 2024. 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

This year investments were undertaken at four of the Group's logistics centres that are considered to be aligned with the Taxonomy under activity 7.7. CCM, as outlined below:

i. Compliance with the technical screening criteria for substantial contribution

The aforementioned logistics centres, 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'*).

Two of the logistics centres cover a surface area of more than 5,000m² and during their construction were subject to robust and traceable quality control processes. These buildings 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

- **Adaptation to climate change:** no material physical climate risks have been identified that could affect the performance of the reported activity in accordance with the provisions of Appendix A of the Climate RD. The details of compliance with this technical criterion are set out in detail in the cross-cutting section "Compliance with the technical criterion of no significant detriment (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 2026, so it is reported through an investment plan.

Compliance with the technical screening criteria through the investment plan

As previously explained in connection with the requirements pertaining to the CapEx 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 dismantlable equipment and parts for the installation, so as to comply with the applicable biodiversity and circular economy DNSHs, respectively. 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'

Construction of this project is scheduled for completion in 2026. 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.

/ Analysis of compliance with the climate change adaptation DNSH and minimum social safeguards

Compliance with the technical screening criterion 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 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.

① For more information on the assessment of climate risks, see section [6.1.5 Risks and opportunities arising from climate change](#) 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 Policy on Human Rights, 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.

① More information in sections 5.1.2. *Human rights due diligence* and 8.1. *Corporate ethical culture and solid compliance architecture* of this Report.

3. Calculation of indicators and results

Having assessed the eligibility and alignment of the activities identified, the next step was to calculate the related indicators (turnover, CapEx and OpEx) for each of them. The process of calculating these key performance indicators involves analysing the Group's consolidated information, excluding intercompany transactions and avoiding double-counting through the processing of accounting information, 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. The Group's Annual Accounts are used to analyse the turnover and OpEx key performance indicators.

The turnover, CapEx and OpEx key performance indicators represent the proportion of the Group's turnover, investments in assets and operating expenditure, respectively, 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 additions 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.

The results obtained for each of these key performance indicators are shown below, alongside the respective conclusions.

/ Turnover

In keeping with the previous information, no items of turnover have been identified that could be considered eligible as per the current Taxonomy. This means that the eligible turnover results in 2023 are approximately 0%. Therefore, this key performance indicator has not experienced any changes with regard to the previous financial year.

/ CapEx

The Inditex Group considers eligible accounting items⁸⁶ 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)

The percentage of investment in environmentally sustainable activities in 2023 (3.41%), increases compared to that reported in 2022 (0.65%). The difference between the two results lies mainly in the inclusion of the items linked to the construction actions at logistics centres, as well as those related to the new corporate building and Punta Langosteira Outer Port Wind Facility projects, analysed above.

As explained above, and as shown at the historical level, no significant accounting items linked to the CCM 7.3. activity have been identified in 2023. This activity represented a 0.12% share of Taxonomy-eligible but not environmentally sustainable CapEx in 2022.

Likewise, and in contrast to what was reported in 2022 (0.35%), in 2023 there are no eligible activities under the taxonomy that are not environmentally sustainable. This is because all eligible investments are environmentally sustainable activities that comply with the taxonomy. As with the eligibility results, this difference is due to the Group's efforts to implement measures aimed at guaranteeing the current and future alignment of the actions linked to the acquisition and ownership of buildings (activity 7.7. CCM) and with electricity generation from wind power (activity 4.3. CCM) with the Taxonomy's technical screening criteria.

⁸⁶ As indicated, items linked to activities 7.7 CCM and 4.3 CCM are included in the numerator through the investment plan, as explained previously.

It is also due to the high degree of alignment of the remaining items linked to the acquisition and ownership of buildings, owing to the Group's work to create an internal management framework to facilitate the adaptation of the way of working, purchasing and reporting of the teams linked to this activity in accordance with the Taxonomy's technical screening 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 2023. Therefore, this key performance indicator has not experienced any changes with regard to the previous financial year.



Turnover	2023		Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover, year 2022	Category enabling activity	Category transitional activity
	Code(s) (1)	Turnover	Proportion of Turnover, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards			
Economic activities	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)	0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%			
Of which Enabling	0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	E		
Of which Transitional	0.00 M€	0.00%	0.00%													0.00%		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)											
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%			
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	0.00 M€	0.00%														0.00%			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities	35,947 M€	100%																	
TOTAL	35,947 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	2023			Substantial Contribution Criteria						DNSH criteria ("Does Not Significantly Harm")						Proportion of Taxonomy-aligned (A.1) or eligible (A.2) CapEx, year 2022	Category enabling activity	Category transitional activity	
	Code(s) (1)	CapEx	Proportion of CapEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity				Minimum safeguards
Economic activities		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.	4.46 M€	0.10%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Renovation of existing buildings	CCM 7.2.	11.44 M€	0.25%	Y	N	N/EL	N/EL	N (5)	N/EL	Y	Y	Y	Y	Y	Y	Y	0.30%		T
Acquisition and ownership of buildings	CCM 7.7.	142.98 M€	3.07%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		158.89 M€	3.41%	3.41%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.30%		
Of which Enabling		0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	0.00%	E	
Of which Transitional (4)		11.44 M€	7.20%	7.20%						Y	Y	Y	Y	Y	Y	Y	100.00%		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)										
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	0.00 M€	0.00%	EL	N/EL (6)	N/EL	N/EL	N/EL	N/EL								0.12%		
Acquisition and ownership of buildings	CCM 7.7.	0.00 M€	0.00%	EL	N/EL (6)	N/EL	N/EL	N/EL	N/EL								0.23%		
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.35%		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)		158.89 M€	3.41%	3.41%	0.00%	0.00%	0.00%	0.00%	0.00%								0.65%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		4,503 M€	96.59%																
TOTAL		4,662 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 denominator used for the calculation of the percentages corresponds to the CapEx of environmentally sustainable activities (which comply with the taxonomy) (A.1).

(5) For the reporting exercise relating to the financial year 2023, it is not yet necessary to report on the alignment of activities related to the circular economy objective. However, this activity is eligible for the circular economy objective.

(6) Activities 7.3 and 7.7 reported for the CapEx of activities eligible according to the taxonomy but not environmentally sustainable (activities not aligned to the taxonomy) (A.2), do not include the climate change adaptation objective as they refer to the financial year 2022 reporting, where their eligibility for that objective was not reported.

Targets	Proportion of CapEx/ Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	3.41%	3.41%
CCA	0%	3.41%
WTR	0%	0%
CE	0%	0.25%
PPC	0%	0%
BIO	0%	0%

OpEx	2023		Substantial Contribution Criteria							DNSH criteria ('Does Not Significantly Harm')							Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, year 2022	Category enabling activity	Category transitional activity
	Code(s) (1)	OpEx	Proportion of OpEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards			
Economic activities				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
	M€	%																	
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
Of which Enabling	0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	E	
Of which Transitional	0.00 M€	0.00%	0.00%														0.00%		T
A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
	M€	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	0.00 M€	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)	0.00 M€	0.00%															0.00%		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities	1,443 M€	100%																	
TOTAL	1,443 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

9.1.2. Indicators for management of the supply chain

GRI 3-3; 308-1; 308-2; 414-1; 414-2; AF7; AF8; AF16; AF17

a) Supplier clusters

	2023
Spain	
Number of suppliers with purchases in the year	138
Number of sewing factories associated with suppliers with purchases	76
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	284
Workforce of manufacturers working for Inditex in Spain	19,513
Portugal	
Number of suppliers with purchases in the year	114
Number of sewing factories associated with suppliers with purchases	366
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	325
Workforce of manufacturers working for Inditex in Portugal	39,761
Morocco	
Number of suppliers with purchases in the year	216
Number of sewing factories associated with suppliers with purchases	348
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	37
Workforce of manufacturers working for Inditex in Morocco	94,563
Türkiye	
Number of suppliers with purchases in the year	186
Number of sewing factories associated with suppliers with purchases	847
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	758
Workforce of manufacturers working for Inditex in Türkiye	330,926
India	
Number of suppliers with purchases in the year	122
Number of sewing factories associated with suppliers with purchases	146
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	298
Workforce of manufacturers working for Inditex in India	454,558
Bangladesh	
Number of suppliers with purchases in the year	150
Number of sewing factories associated with suppliers with purchases	273
Number of factories for other processes associated with suppliers with purchases ¹	209
Workforce of manufacturers working for Inditex in Bangladesh	965,797
Vietnam	
Number of suppliers with purchases in the year	11
Number of sewing factories associated with suppliers with purchases	108
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	59
Workforce of manufacturers working for Inditex in Vietnam	142,857
Cambodia	
Number of suppliers with purchases in the year	2
Number of sewing factories associated with suppliers with purchases	130
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	21
Workforce of manufacturers working for Inditex in Cambodia	126,171

China	
Number of suppliers with purchases in the year	367
Number of sewing factories associated with suppliers with purchases	1,304
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	1,684
Workforce of manufacturers working for Inditex in China	580,279
Pakistan	
Number of suppliers with purchases in the year	69
Number of sewing factories associated with suppliers with purchases	85
Number of factories for other processes associated with suppliers with purchases ⁽¹⁾	100
Workforce of manufacturers working for Inditex in Pakistan	497,524

(1) This includes factories assigned to suppliers in orders for the 2023 summer and winter campaigns. Includes raw materials processing, cutting, dyeing and washing, finishing non-textile product processes. For factories performing more than one process, their main process was considered.

b) Supply chain assessment

Audits by region in 2023

Geographic area	Traceability	Pre-assessment	Environmental pre-assessment	Social	Environmental	Other audits ⁽¹⁾	Total
Africa	4,206	64	11	324	70	157	4,832
Americas	105	25	3	48	8	30	219
Asia	5,512	1,590	233	4,209	1,208	1,199	13,951
Europe outside the EU	1,500	173	21	1,259	295	156	3,404
European Union	777	259	33	1,052	287	47	2,455
Total	12,100	2,111	301	6,892	1,868	1,589	24,861

Internal and external audits in 2023

	Traceability	Pre-assessment	Environmental pre-assessment	Social	Environmental	Other audits ⁽¹⁾	Total
Internal	179	16	0	195	33	1,083	1,506
External	11,921	2,095	301	6,697	1,835	506	23,355
Total	12,100	2,111	301	6,892	1,868	1,589	24,861

(1) Previously reported as 'special audits'. Includes audits carried out to verify the application of Inditex audit methodology (71 audits), verifications in specific areas such as those performed to assess the progress of corrective action plans or those related to various aspects of the CCMS (697 verifications) and Workers at the Centre programme monitoring visits (821 visits).

Social ranking and production volume of suppliers with purchase⁽¹⁾⁽²⁾

	2023			2022		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	761	44%	42%	650	38%	37%
B	928	54%	57%	1,018	59%	61%
C	9	1%	0%	10	1%	0%
Subject to CAP	26	2%	1%	30	2%	1%
PR	9	1%	0%	21	1%	0%
Total	1,733	100%	100%	1,729	100%	100%

(1) Supplier A: Complies with the Code of Conduct. Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct. Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct. CAP Supplier: Supplier in Corrective Action Plan. Supplier PR: Undergoing an auditing process.

(2) Figures include suppliers with more than 20,000 production units in the 2023 summer and winter campaign. Suppliers whose production is less than 20,000 units are excluded.

Social ranking and purchase volume of suppliers by region⁽¹⁾⁽²⁾

Africa	2023			2022		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	177	74%	76%	144	72%	68%
B	55	23%	24%	44	22%	25%
C	2	1%	0%	1	0%	0%
Subject to CAP	3	1%	0%	4	2%	2%
PR	1	0%	0%	8	4%	4%
Total	238	100%	100%	201	100%	100%

Americas	2023			2022		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	8	80%	92%	9	82%	95%
B	2	20%	8%	2	18%	5%
C	0	0%	0%	0	0%	0%
Subject to CAP	0	0%	0%	0	0%	0%
PR	0	0%	0%	0	0%	0%
Total	10	100%	100%	11	100%	100%

Asia	2023			2022		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	329	34%	37%	267	28%	32%
B	629	65%	63%	675	71%	67%
C	2	0%	0%	5	1%	0%
Subject to CAP	4	0%	1%	6	1%	0%
PR	0	0%	0%	2	0%	0%
Total	964	100%	100%	955	100%	100%

	2023			2022		
Europe outside the EU	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	54	26 %	28 %	47	20 %	23 %
B	135	65 %	67 %	160	70 %	71 %
C	5	2 %	0 %	4	2 %	0 %
Subject to CAP	13	6 %	5 %	18	8 %	5 %
PR	2	1%	0 %	1	0 %	0 %
Total	209	100%	100%	230	100%	100%

	2023			2022		
European Union	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	193	62 %	61 %	183	55 %	57 %
B	107	34 %	38 %	137	41 %	42 %
C	0	0 %	0 %	0	0 %	0 %
Subject to CAP	6	2 %	0 %	2	1 %	0 %
PR	6	2 %	0 %	10	3 %	1 %
Total	312	100%	100%	332	100%	100%

(1) Supplier A: Complies with the Code of Conduct. Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct. Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct. CAP Supplier: Supplier in Corrective Action Plan. Supplier PR: Undergoing an auditing process.

(2) Figures include suppliers with more than 20,000 production units in the 2023 summer and winter campaign. Suppliers whose production is less than 20,000 units are excluded.

c) Continuous improvement of the supply chain

Corrective Action Plans in the social area in 2023 at factories incurring in sensitive breaches of the Code of Conduct

Geographic area	Factories that have begun an improvement process	Factories that have improved their compliance	Factories in the process of improving	% CAPs completed successfully ⁽¹⁾
Africa	9	1	7	50%
Americas	3	2	1	100%
Asia	208	35	138	50%
Europe outside the EU	247	33	173	45%
European Union	23	6	12	55%
Total	490	77	331	48%

Corrective Action Plans in the environmental area in 2023 in factories incurring in sensitive breaches of the Green to Wear standard

Geographic area	Factories that have begun an improvement process	Factories that have improved their compliance	Factories in the process of improving	% CAPs completed successfully ⁽¹⁾
Africa	16	0	16	0%
Americas	2	0	2	0%
Asia	187	51	117	73%
Europe outside the EU	70	15	49	71%
European Union	52	2	43	22%
Total	327	68	227	68%

(1) The percentage of successfully completed corrective action plans is measured in terms of CAPs that have been initiated and completed during 2023. If we were to consider those completed in 2023 irrespective of their start date, the success rate does not change for this year.

9.1.3. Health and safety indicators of our products

GRI 3-3; 416-1; 416-2

Results of the Picking programme

The Picking Programme enables us to verify that our products comply with the Group's Clear to Wear (CtW), Physical Testing Requirements (PTR) and Safe to Wear (StW) health and safety standards. In 2023, initial compliance with our standards in our textile articles reached 98.2%. In cases of initial non-compliance (1.8%), we apply re-operation 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.



Degree of initial compliance⁸⁷

	2023	2022
CtW – Chemical substances	99.2%	99.2%
PTR	99.3%	99.4%
CtW⁽¹⁾	98.5%	98.7%
StW – Parameters	99.9%	99.9%
StW – Design	99.7%	99.8%
StW	99.6%	99.7%
CtW + StW	98.2%	98.4%

(1) The CtW category takes into consideration compliance in both chemicals included in CtW and parameters included in PTR.

Degree of initial compliance by geographic area

Africa	2023	2022
CtW	99.4%	99.2%
StW	98.6%	99.0%
CtW+StW	98.0%	98.3%
Americas	2023	2022
CtW	100.0%	98.4%
StW	100.0%	100.0%
CtW+StW	100.0%	98.4%
Asia	2023	2022
CtW	98.3%	98.4%
StW	99.8%	99.8%
CtW+StW	98.1%	98.3%
European Union	2023	2022
CtW	99.5%	99.7%
StW	99.6%	99.7%
CtW+StW	99.1%	99.3%
Europe outside the EU	2023	2022
CtW	98.0%	99.3%
StW	100.0%	99.7%
CtW+StW	98.0%	98.9%

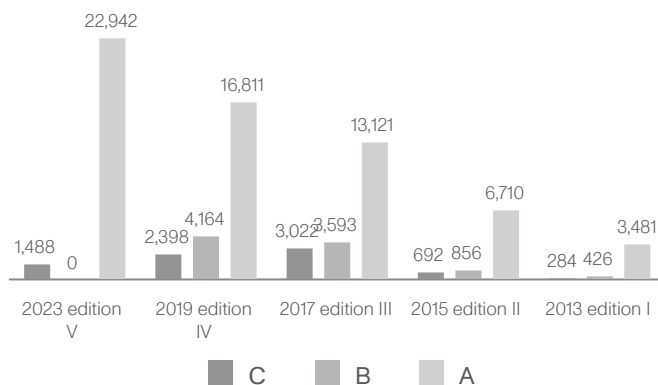
⁸⁷ The initial degree of compliance was calculated as the ratio of the number of items meeting each of the Group's standards (CtW, PTR, StW) to the total number of items, in both cases corresponding to the 2023 summer/winter campaign. The information used for this calculation is available in the Company's systems, and is obtained from laboratory analyses carried out as part of our product health and safety control procedure.

The List, by Inditex programme

The List, by Inditex contains a register of commercially available chemical products used in the manufacturing processes of textile and leather goods. In 2023 we carried out the upgrade of the 5th Edition of the programme, with a total of 20,747 analyses, allowing 24,430 chemical products to be classified. In this update, category B was removed and B products were reclassified into categories A and C, becoming a positive and negative list of chemicals.

	5th edition	4th edition	3rd edition	2nd edition	1st edition
Manufacturers	27	24	22	15	10
No. of manufacturer requests	122	98	78	5	10
(acceptance %)	3%	4%	13%	100%	100%
No. of chemical products classified	24,430	23,373	19,736	8,258	4,191
No. of analyses	20,747	83,257	34,605	8,289	1,774

The total number of products from The List, by Inditex is included. The calculation methodology includes primary data obtained through statements from the service provider.



Chemical products "A": their use is permitted in Inditex production with no further analysis by the institutions that use them.

Chemical products "B" (I to IV edition): their use in the Inditex supply chain is subject to further analyses during production, as indicated in the Green to Wear standard.

Chemical products "C": the use of these chemicals is prohibited in Inditex production.



9.1.4. Corporate community investment indicators

GRI 201-1; 203-1; 203-2

	2023		2022		
Corporate Community Investment (in euros)	112,620,940		87,870,420		
Form of contribution (in euros)	2023	% 2023	2022	% 2022	
Cash	61,989,093	55%	46,280,569	53%	Management costs included
Time	10,165,198	9%	9,413,346	11%	
In-kind	38,471,409	34%	30,266,626	34%	
Management costs	1,995,239	2%	1,909,879	2%	
Total	112,620,940	100%	87,870,420	100%	
Category (in euros)	2023	% 2023	2022	% 2022	
Charitable gifts	2,385,311	2%	1,753,555	2%	Management costs excluded
Community investment	71,656,411	65%	58,720,596	68%	
Commercial initiatives in the community	36,583,978	33%	25,486,390	30%	
Total	110,625,701	100%	85,960,541	100%	
Issue addressed (in euros)	2023	% 2023	2022	% 2022	
Education	16,793,714	15%	14,094,888	16%	Management costs excluded
Health	8,155,823	7%	6,564,862	8%	
Economic development	3,896,099	4%	3,992,003	5%	
Environment	25,342,750	23%	19,385,452	23%	
Arts and culture	995,682	1%	891,955	1%	
Social welfare	9,782,036	9%	9,191,329	11%	
Emergency relief	45,659,596	41%	31,840,052	37%	
Others	0	0%	0	0%	
Total	110,625,701	100%	85,960,541	100%	
Location of the activity (in euros)	2023	% 2023	2022	% 2022	
Spain	38,485,619	35%	28,355,155	33%	Management costs excluded
Europe ex-Spain	26,187,705	24%	22,569,569	26%	
Americas	23,043,128	21%	13,774,978	16%	
Asia and rest of the world	22,909,248	21%	21,260,838	25%	
Total	110,625,701	100%	85,960,541	100%	

SDG (in euros)	2023	% 2023	2022	% 2022	
1. No poverty	4,983,326	4.5%	3,750,457	4.4%	
2. Zero hunger	139,171	0.1%	99,188	0.1%	
3. Good health and well-being	8,235,576	7.4%	7,670,746	8.9%	
4. Quality education	8,190,421	7.4%	7,182,324	8.4%	
5. Gender equality	8,546,153	7.7%	5,122,683	6.0%	
6. Clean water and sanitation	1,351,753	1.2%	2,597,186	3.0%	
7. Affordable and clean energy	2,500	0.0%	2,500	0.0%	
8. Decent work and economic growth	11,014,539	10.0%	7,931,367	9.2%	% management costs excluded
9. Industry, innovation and infrastructure	2,274,924	2.1%	2,501,301	2.9%	
10. Reduced inequality	21,637,113	19.6%	17,760,641	20.7%	
11. Sustainable cities and communities	850,340	0.8%	722,389	0.8%	
12. Responsible consumption and production	27,727,459	25.1%	22,531,480	26.2%	
13. Climate action	2,327,147	2.1%	7,089,561	8.3%	
14. Life below water	159,993	0.1%	250,180	0.3%	
15. Life on land	12,036,912	10.9%	131,635	0.2%	
16. Peace, justice and strong institutions	338,392	0.3%	155,344	0.2%	
17. Partnerships for the goals	809,979	0.7%	461,558	0.5%	
Total	110,625,701	100%	85,960,541	100%	

Output indicators	2023	2022
Number of hours spent by employees on social initiatives during working hours	338,940	313,778
Number of social initiatives implemented	910	725
Number of garments donated to social causes	8,954,380	7,894,590
Number of direct beneficiaries	4,342,254	3,352,138
Number of community organisations supported	476	469

	2023	2022
Number of children with access to education	39,436	20,230
Number of people receiving professional training	11,777	16,143
Number of migrants, refugees and displaced persons served	968,630	1,861,489
Number of people receiving medical care	1,679,023	1,037,184
Number of employments created through community investment projects	6,841	6,234
Number of people accessing water and sanitation	1,065,990	753,616
Number of people benefiting from environment-related initiatives	59,502	—

Leverage (in euros)	2023	2022
	107,800,304	75,306,852

Impact indicators	2023	2022
Number of direct beneficiaries where results were measured	4,059,696	3,283,404






Depth of impact (number of beneficiaries that...)	2023	2022
Made a connection as a result of the initiative	294,863	403,097
Made an improvement as a result of the initiative	3,314,730	2,529,808
Made a transformation as a result of the initiative	450,103	350,499



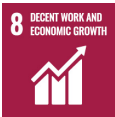


Type of impact (number of beneficiaries that...)	2023	2022
Experienced a direct positive change in their behaviour or attitude	1,253,831	653,145
Developed new skills or an increase in their personal well-being	49,056	30,606
Experienced a positive impact on their quality of life	3,897,155	2,852,121






Social cash flow (in millions of euros)	2023	2022
Cash received from the sale of products and services	35,947	32,569
Flow received from financial investments	380	105
Cash received for sales of assets	0	0
Total value added flow	36,328	32,674



Distribution of value added flow (in millions of euros)	2023	2022
Remuneration to employees for their services	5,357	4,753
Tax on profits paid	1,460	1,176
Return of financial debt	-3	17
Dividends paid to shareholders	3,744	2,914
Corporate Community Investment	113	88
Cash retained for future growth	1,377	705
Payments made outside the Group for the purchase of goods, raw materials and services	22,464	21,666
Payments made for investment in new productive assets	1,816	1,355
Total distribution of value added flow	36,328	32,674

9.1.5. Inditex's contribution to the SDGs. Key indicators

SDGs	Targets	Section	Main indicator or related content (2016 GRI version if not stated otherwise)
	1.2	Communities	GRI 203-2
	1.4	Communities	GRI 203-2
	2.1	Communities	GRI 203-2
	2.4	Communities	GRI 203-2
	3.4	Our people	GRI 403-2 (2018)
	3.4	Supplier relations	Supply chain workers benefiting from health and safety programmes
	3.8	Communities	GRI 203-2
	3.9	The transition to a circular economy: resources, products and waste	Chemical substances included in the Manufacturing Restricted Substances List (MRSL)
	3.9	Climate change	GRI 305-1; GRI 305-2; GRI 305-3
	4.4 and 4.5	Our people	GRI 404-1
	4.4 and 4.5	Communities	GRI 203-2
	5.1	Our people	GRI 401-3; GRI 405-1; GRI 405-2
	5.1	Supplier relations	Supply chain workers benefiting from diversity, equality and inclusion programmes GRI 406-1
	5.1	Communities	GRI 203-2
	5.1	Corporate ethical culture and solid Compliance architecture	GRI 405-1
	5.2	Supplier relations	GRI 414-2
	5.5	Corporate ethical culture and solid Compliance architecture	GRI 2-9 (2021)

SDGs	Targets	Section	Main indicator or related content (2016 GRI version if not stated otherwise)
	6.1	Communities	GRI 203-2
	6.4	Supplier relations	Number of environmental audits carried out and the resulting corrective action plans
	6.4	Water management	GRI 303-3 (2018)
	6.4	Communities	GRI 203-2
	7.2	Climate change	GRI 302-1
	7.2	Communities	GRI 203-2
	7.3	Climate change	GRI 302-4
	8.5	Our people	GRI 2-7 (2021); GRI 405-2
	8.5	Supplier relations	Workers involved in the Workers at the Centre 2023-2025 programmes
	8.5	Communities	GRI 203-2
	8.5	Corporate ethical culture and solid Compliance architecture	Policies formalizing Inditex's commitment to decent work
	8.6	Our people	GRI 401-1
	8.6	Communities	GRI 203-2
	8.7	Supplier relations	GRI 408-1; GRI 409-1
	8.8	Our people	GRI 2-30 (2021)
	8.8	Supplier relations	Actions taken for the protection of workers in the supply chain within the framework Workers at the Centre 2023-2025 GRI 407-1
	8.8	Communities	GRI 203-2
	9.2	Tax responsibility and transparency	GRI 201-1
	9.4	The transition to a circular economy: resources, products and waste	Initiatives developed by the Sustainability Innovation Hub
	9.4	Climate change	LEED y BREEAM certifications in own distribution centres, headquarters and stores
	9.4	Communities	GRI 203-1
	9.5	Information security and privacy	Technology-related information security initiatives
	10.2	Communities	GRI 203-2
	10.3	Our people	GRI 405-2
	10.7	Supplier relations	Workers benefiting from protection of migrants and refugees programmes

SDGs	Targets	Section	Main indicator or related content (2016 GRI version if not stated otherwise)
	11.1	Communities	GRI 203-1
	12.2	The transition to a circular economy: resources, products and waste	GRI 301-1; GRI 301-2
	12.2	Climate change	GRI 302-2
	12.2	Supplier relations	Traceability and supply chain management
	12.2	Communities	GRI 203-2
	12.4	The transition to a circular economy: resources, products and waste	GRI 301-2; GRI 306-1 (2020)
	12.5	The transition to a circular economy: resources, products and waste	GRI 306-3 (2020); GRI 306-4 (2020)
	12.8	Our customers	Number of enquires received by the various customer service channels
	13.1	Climate change	GRI 302-1; GRI 305-5
	13.1	Supplier relations	GRI 308-1
	13.1	Communities	GRI 203-2
	13.1	Corporate governance	GRI 201-2
	14.1	The transition to a circular economy: resources, products and waste	Actions within the framework of the commitment to Zero Discharge of Hazardous Chemicals (ZDHC)
	14.3	Climate change	GRI 305-1
	14.3	Communities	GRI 203-2
	15.1	The transition to a circular economy: resources, products and waste	Projects with recycled raw materials with less impacts
	15.1	Biodiversity and ecosystems	GRI 304-2
	15.2	Communities	GRI 203-2

SDGs	Targets	Section	Main indicator or related content (2016 GRI version if not stated otherwise)
	16.3	Communities	GRI 203-2
	16.3	Corporate ethical culture and solid Compliance architecture	Grievance mechanisms
	16.5	Corporate ethical culture and solid Compliance architecture	GRI 205-1
	16.7	Stakeholders	Requests attended by the individual shareholders' department
	16.7	Corporate ethical culture and solid Compliance architecture	GRI 2-10 (2021)
	17.3	Communities	GRI 203-2
	17.16	Our people	Cooperation relationship with international entities
	17.16	The transition to a circular economy: resources, products and waste	Cooperation relationship with international entities
	17.16	Climate change	Cooperation relationship with international entities
	17.16	Supplier relations	Cooperation relationship with international entities
	17.16	Communities	GRI 203-2
	17.16	Corporate ethical culture and solid Compliance architecture	Cooperation relationship with international entities
	17.17	Supplier relations	Public-private partnerships
	17.17	Communities	GRI 203-2

KEY:

Indicators selected by Inditex based on the guidelines in: *Business Reporting on the SDGs: An Analysis of Goals and Targets*.

Indicators established by Inditex that correspond to disclosures present in the GRI standards.

Internal indicators established by Inditex.

9.2. Content indexes

9.2.1. Index of the contents required by Act 11/2018

Index of the contents required by Act 11/2018⁸⁸

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
General information			
A brief description of the business model that includes its business environment, its organisation and structure	Material	<u>117-120</u> , <u>131-132</u> , <u>166-169</u>	GRI 2-6 (2021)
Markets in which it operates	Material	<u>112-113</u> , <u>166-168</u>	GRI 2-1 (2021) GRI 2-6 (2021)
Organisation's objectives and strategies	Material	<u>105</u> , <u>107-108</u> , <u>139-144</u> , <u>166-175</u> , <u>190-193</u> , <u>234-235</u> , <u>237-240</u> , <u>283-287</u>	GRI 2-22 (2021)
Main factors and trends that may affect its future development	Material	<u>105</u> , <u>107-108</u> , <u>127</u> , <u>150-172</u>	GRI 3-3 (2021) GRI 2-22 (2021)
Reporting framework used	Material	<u>124-127</u>	GRI 1 (2021)
Materiality principle	Material	<u>183-187</u>	GRI 3-1 (2021) GRI 3-2 (2021)
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	<u>166-175</u> , <u>190-192</u> , <u>225</u> , <u>230</u> , <u>234-240</u>	GRI 3-3 (2021)
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	<u>192-199</u> , <u>241-242</u>	GRI 3-3 (2021)
Environmental assessment or certification procedures	Material	<u>199-201</u> , <u>236-240</u> , <u>344-345</u> ,	GRI 3-3 (2021)
Resources dedicated to the prevention of environmental risks	Material	<u>199-202</u>	GRI 3-3 (2021)
Application of the principle of precaution	Material	<u>192-193</u> , <u>197</u> , <u>231-233</u>	GRI 2-23 (2021) and GRI 3-3 (2021), with regard to the application of the principle of precaution
Amount of provisions and guarantees for environmental risks	Material	<u>127</u> , <u>192-193</u> , <u>197</u>	GRI 3-3 (2021)

⁸⁸ In addition to the selected GRI reporting contents, the linked contents of the Draft Apparel and Footwear (AF) Sector Supplement to the Global Reporting Initiative's G4 Guidelines are shown in the table.

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
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	Material	<u>190-194</u> , <u>199-202</u>	GRI 3-3 (2021) GRI 305-7
Including noise and light pollution	Non-material	<u>183-187</u>	Not applicable
Circular economy and waste prevention and management			
Prevention, recycling and reuse measures, and other forms of recovery and disposal of waste	Material	<u>169-171</u> , <u>234-236</u> , <u>243-247</u>	GRI 3-3 (2021) GRI 301-3 with regard to recovered packaging products for reuse and recycling GRI 306-1 to 306-2 (2020) GRI 306-3 with regard to waste generated at the headquarters, logistics centres and own factories GRI 306-4 to 306-5 (2020)
Actions to fight against food waste	Non-material	<u>183-187</u>	Not applicable
Sustainable use of resources			
Water consumption and water supply according to local limitations	Material	<u>225-226</u>	GRI 303-1 to 303-3 (2018) GRI 303-5 (2018) with regard to total water consumption from own sources
Consumption of raw materials and measures taken to improve the efficiency of their use	Material	<u>236-243</u>	GRI 301-1 to 301-3 AF18, AF20
Direct and indirect energy consumption	Material	<u>197-199</u>	GRI 302-1 GRI 302-3
Measures taken to improve energy efficiency	Material	<u>169-175</u> , <u>192-202</u>	GRI 3-3 (2021) GRI 201-2
Use of renewable energies	Material	<u>192-193</u> , <u>198-202</u>	GRI 302-1 AF21
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	<u>192-199</u>	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures taken to adapt to the consequences of climate change	Material	<u>139-144</u> , <u>172-175</u> , <u>190-224</u>	GRI 3-3 (2021) GRI 201-2
Voluntary reduction targets set for the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	Material	<u>190-202</u>	GRI 3-3 (2021) GRI 305-5
Biodiversity protection			
Measures taken to preserve or restore biodiversity	Material	<u>230-233</u> , <u>236-238</u> , <u>314</u>	GRI 3-3 (2021) GRI 304-3 with regard to measures taken to preserve biodiversity
Impacts caused by the activities or operations in protected areas	Material	<u>197</u> , <u>230-233</u> , <u>243</u>	GRI 3-3 (2021) GRI 304-1 GRI 304-2
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	<u>250-282</u>	GRI 3-3 (2021)

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
Employment			
Total number and distribution of employees by country, gender, age and occupational classification	Material	<u>250-253</u>	GRI 2-7 (2021), regarding employees by labor contract and type, by gender GRI 405-1
Total number and distribution of employment contract modalities and annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification	Material	<u>254-255</u>	GRI 2-7 (2021), regarding employees by labor contract and type, by gender
Number of dismissals by gender, age and occupational classification	Material	<u>255-256</u>	GRI 3-3 (2021) GRI 401-1
Average salaries and their evolution broken down by gender, age and occupational classification or equal value	Material	<u>264-265</u>	GRI 3-3 (2021)
Wage gap, equal or average remuneration of jobs in the society	Material	<u>264</u>	GRI 3-3 (2021) GRI 405-2 with regard to the remuneration of women compared to men by gender, age and occupational classification
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	<u>138-139</u>	GRI 3-3 (2021)
Implementation of policies to disconnect from work	Material	<u>274</u>	GRI 3-3 (2021)
Number of employees with disabilities	Material	<u>262-263</u>	GRI 3-3 (2021) GRI 405-1
Organisation of work			
Organisation of working hours	Material	<u>266</u>	GRI 3-3 (2021)
Number of hours of absenteeism	Material	<u>280</u>	GRI 3-3 (2021) GRI 403-9 with regard to absenteeism hours
Measures designed to facilitate the enjoyment of amicable settlement and to promote the corresponding exercise of these by both parents	Material	<u>273-274</u>	GRI 3-3 (2021) GRI 401-3
Health and safety			
Occupational health and safety conditions	Material	<u>274-282, 294-295</u>	GRI 3-3 (2021) GRI 403-1 to 403-8 (2018)
Work-related accidents, in particular their frequency and severity, as well as occupational diseases; broken down by gender	Material	<u>278-280</u>	GRI 403-9 (2018) with regard to occupational accident injuries GRI 403-10 (2018) with regard to work-related ill health
Labour Relations			
Organisation of social dialogue including procedures for informing, consulting and negotiating with staff	Material	<u>265-266</u>	GRI 3-3 (2021)
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	<u>265-266</u>	GRI 3-3 (2021)
Percentage of employees covered by a collective bargaining agreement by country	Material	<u>266</u>	GRI 2-30 (2021)

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
Assessment of collective bargaining agreements, particularly in the field of health and safety at work	Material	<u>265-266</u>	GRI 3-3 (2021) GRI 403-4 (2018)
Training			
Policies implemented in the field of training	Material	<u>268-272</u>	GRI 404-2
Total number of training hours by occupational category	Material	<u>268-270</u>	GRI 3-3 (2021) GRI 404-1
Universal accessibility			
Universal accessibility for people with disabilities	Material	<u>262-263</u>	GRI 3-3 (2021)
Equality			
Measures taken to promote equal treatment and equal opportunities between women and men	Material	<u>258-261</u>	GRI 3-3 (2021)
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	Material	<u>258-261, 266, 273-274</u>	GRI 3-3 (2021)
Policy against all types of discrimination and, where applicable, diversity management	Material	<u>256-263</u>	GRI 3-3 (2021)
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	<u>144-146, 176-179, 181-185, 283-297, 322-334</u>	GRI 3-3 (2021)
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	<u>144-146, 176-182, 283-297, 346-350</u>	GRI 2-23 (2021) GRI 2-24 (2021) GRI 2-26 (2021) AF16
Allegations of cases of human rights violations	Material	<u>331</u>	GRI 3-3 (2021) GRI 406-1 AF12, AF13, AF14, AF16
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	<u>144-146, 176-182, 265-266, 287-297, 322-334</u>	GRI 3-3 (2021) GRI 407-1 GRI 408-1 GRI 409-1
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	<u>322-334</u>	GRI 3-3 (2021)
Measures adopted to prevent corruption and bribery	Material	<u>322-334</u>	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021) GRI 2-26 (2021) GRI 205-1 to 205-3

Information requested by Act 11/2018	Materiality	Pages of the Report where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
Measures to fight money laundering	Material	<u>322-334</u>	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021) GRI 2-26 (2021) GRI 205-1 to 205-3
Contributions to foundations and non-profit entities	Material	<u>181-182, 298-305, 415</u>	GRI 2-28 (2021) GRI 201-1 with regard to community investment GRI 415-1
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	<u>166-172, 283-319, 341-350, 351</u>	GRI 3-3 (2021)
Company commitments to sustainable development			
The impact of the company's activity on employment and local development	Material	<u>298-314</u>	GRI 3-3 (2021) GRI 203-2
The impact of the company's activity on local populations and on the territory	Material	<u>283-314</u>	GRI 3-3 (2021) GRI 413-1 GRI 413-2
Relations maintained with local community actors and the modalities of dialogue with them	Material	<u>176-182, 283-314</u>	GRI 2-29 (2021) GRI 413-1
Partnership or sponsorship actions	Material	<u>181-182, 283-314, 378-380</u>	GRI 3-3 (2021) GRI 201-1 with regard to community investment
Subcontracting and suppliers			
Inclusion of social, gender equality and environmental matters in the procurement policy	Material	<u>144-146, 290-291, 341-350</u>	GRI 3-3 (2021) GRI 308-1 GRI 414-1 AF6, AF7
Consideration of its social and environmental responsibility in relations with suppliers and subcontractors	Material	<u>236-238, 296-297, 341-350</u>	GRI 2-6 (2021) GRI 308-1 GRI 414-1
Monitoring and audit systems and their results	Material	<u>241-242, 346-349, 372-375</u>	GRI 2-6 (2021) GRI 308-2 GRI 414-2 AF2, AF3, AF8, AF12, AF13, AF14, AF16
Consumers			
Measures for consumer health and safety	Material	<u>241-242, 319, 376-377</u>	GRI 3-3 (2021) GRI 416-1
Claims systems, complaints received and their resolution	Material	<u>318-319</u>	GRI 3-3 (2021) GRI 418-1
Tax information			
The benefits obtained country by country	Material	<u>352</u>	GRI 3-3 (2021) GRI 207-4 (2019)
Tax on profits paid	Material	<u>352-355</u>	GRI 3-3 (2021) GRI 207-4 (2019)
Public subsidies received	Material	<u>353</u>	GRI 201-4

Regulation (EU) 2020/852 - Taxonomy	Materiality	Pages of the Report where response is given	Reporting criteria
Qualitative information			
Accounting policy	Material	<u>358-364</u>	Regulation (EU) 2020/852 Regulation (EU) 2021/2178
Assessment of compliance with Regulation (EU) 2020/852	Material	<u>358-371</u>	Regulation (EU) 2020/852 Regulation (EU) 2021/2178
Contextual information	Material	<u>358-371</u>	Regulation (EU) 2020/852 Regulation (EU) 2021/2178
Quantitative information			
Taxonomy-eligible and aligned turnover	Material	<u>365-366</u>	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486
Taxonomy-eligible and aligned CapEx	Material	<u>367-368</u>	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486
Taxonomy-eligible and aligned OpEx	Material	<u>369-370</u>	Regulation (EU) 2020/852 Regulation (EU) 2021/2178 Regulation (EU) 2021/2139 Regulation (EU) 2023/2486

9.2.2. SASB reference table

Topic	Accounting Metric	Code	Disclosure
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	Pages 236-242 , 349 , 376-377
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	Pages 236-242 , 343-344 , 349 , 376-377
Environmental Impacts in the Supply Chain	Percentage of tier 1 supplier facilities and supplier facilities beyond tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	In 2023, 100% of the suppliers and 98% of the factories under the scope of our Green to Wear environmental standard had authorization for all their hydric resources; 100% of suppliers and 99% of the factories had wastewater discharge ⁽¹⁾ permits and in 100% of suppliers and 98% of factories the direct or indirect discharge complies with the legal limits or the limits agreed with the External Effluent Treatment Plant. On the other hand, 88% of the suppliers and 92% of the factories under the scope of our Green to Wear environmental standard, meet the Foundational level of ZDHC in its direct discharges. Also, in line with our commitment to ZDHC, 80% of suppliers and 67% of factories comply with ZDHC limits applicable to the substances included in ZDHC Wastewater Guidelines v.1.1 in its direct and indirect discharges. As a consequence of the environmental audits, Corrective Action Plans are carried out in those cases in which it is necessary. During these plans, Inditex teams support suppliers and/or factories to correct the non-compliances detected, in accordance with the Company's philosophy of continuous improvement of the supply chain.
	Percentage of tier 1 supplier facilities and supplier facilities beyond tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	All of our suppliers and manufacturers are audited against our Code of Conduct for Manufacturers and Suppliers, which includes a section on environmental compliance. Specifically, 95% of the suppliers and 93% of the factories active in 2023 which carried out any wet process, and that therefore are under the scope of our Green to Wear standard, have been environmentally audited ⁽²⁾ . These facilities process a large majority of the products that include any of these wet processes.

More information on pages [343](#), [349-350](#), [373-375](#)

(1) Includes suppliers and factories assigned to suppliers with more than 20,000 purchasing units in the summer and winter 2023 seasons, which are subject to an environmental audit. Calculated as those suppliers and factories whose last environmental audit conducted during the reporting year meets the water discharge criteria included in our Green to Wear standard.

(2) Includes suppliers and factories assigned to suppliers with more than 20,000 purchasing units in the summer and winter 2023 seasons that are under environmental audit scope. Calculated as the quotient of the number of suppliers/factories that have been environmentally audited (GtW or EPA) over the total number of suppliers/factories under environmental audit scope.

Topic	Accounting Metric	Code	Disclosure
Labor Conditions in the Supply Chain	Percentage of tier 1 supplier facilities and supplier facilities beyond tier 1 that have been audited to a labor code of conduct, percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	<p>All our suppliers and manufacturers are audited against our Code of Conduct for Manufacturers and Suppliers. This verification is carried out initially through a pre-assessment audit –carried out to all companies before they can become part of our supply chain– and subsequently periodically through social audits.</p> <p>Specifically, 57% of the suppliers and 58% of the factories active in the year 2023 were audited either through a pre-assessment or social audit during this same period⁽³⁾</p> <p>To contextualise this data, it is necessary to take into account that the periodicity of the social audits varies depending on the ranking obtained in the previous audit. In this sense, the interval between audits of suppliers or manufacturers with A or B rankings will be longer than in those with a C or D ranking. In financial year 2023, 97% of suppliers active were ranked A or B.</p> <p>In 2023, 2,111 pre-assessment audits were carried out (99% carried out by external auditors), and 6,892 social audits (97% carried out by external auditors). Regardless of whether the audits are performed by internal or external auditors, the methodology used is both Inditex's own audit methodology and SLCP's.</p> <p>More information on pages 343, 346-348, 373-375</p>
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	Pages 343-348 , 373-375
	Description of the greatest labor and environmental, health, and safety risks in the supply chain	CG-AA-430b.3	Pages 150-161 , 286-297
Raw Materials Sourcing	List of priority raw materials; for each priority raw material: environmental and/or social factor(s) most likely to threaten sourcing, discussion on business risks and/or opportunities associated with environmental and/or social factors, and management strategy for addressing business risks and opportunities	CG-AA-440a.3	Pages 150-161 , 206-211 , 226-228 , 231-233 , 236-242 , 296-297 , 343-345
	Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	CG-AA-440a.4	Pages 239
Activity Metrics	Number of tier 1 suppliers and suppliers beyond tier 1	CG-AA-000.A	<p>In 2023, Inditex's supply chain comprised 1,733 suppliers - equivalent to tier 1 and defined as direct suppliers with which Inditex maintains a commercial relationship –which, in turn, used 8,123 factories for the Group's productions– equivalent to suppliers beyond tier 1.</p> <p>Fashion item suppliers with production of over 20,000 units in the summer and winter 2023 campaigns are included. Suppliers with lower productions account for 0.19% of total production.</p> <p>Factories declared by suppliers in the product traceability systems for the orders of the summer and winter 2023 campaigns are included.</p>

(3) Including suppliers and factories allocated to suppliers with more than 20,000 purchasing units in the summer and winter 2023 seasons. Calculated as those suppliers and factories with a pre-assessment or social audit performed during the reporting period.

9.2.3. GRI Content Index

Statement of use	INDITEX has reported in accordance with the GRI Standards for the period 01/02/2023 to 31/01/2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	Not applicable

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
GENERAL DISCLOSURES					
GRI 2: GENERAL DISCLOSURES 2021					
THE ORGANIZATION AND ITS REPORTING PRACTICES					
	2-1 Organizational details	<u>166, 180</u> Industria de Diseño Textil, S.A. For further information about the nature and legal form of the Company, refer to the 2023 Annual Corporate Governance Report available at the corporate web page of Inditex, Investors section, Good Corporate Governance heading. As for the location of the Company's headquarters, it is as follows: Avenida de la Diputación s/n Edificio Inditex, Arteixo, A Coruña, Spain Information about the location of the operations is available at the Annex I of the Annual Accounts: 'Composition of the Inditex Group', available at the corporate web page of Inditex, Investors section, Financial Information heading.			
	2-2 Entities included in the organization's sustainability reporting	<u>124</u> For further information about the entities included in the consolidated financial statements, refer to the Annex I of the Annual Accounts: 'Composition of the Inditex Group', available at the corporate web page of Inditex, Investors section, Financial Information heading.			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	2-3 Reporting period, frequency and contact point	<p><u>124</u></p> <p>The Annual Report provides an account of Inditex Group's economic, social and environmental performance during financial year 2023, which runs from 1 February 2023 to 31 January 2024. It is a report which is published annually, and its date of publication for this financial year is 13/03/2024.</p> <p>Contact Details Individual Shareholders' Department accionistas@inditex.com Tel.: +34 901 33 02 12 Fax: +34 981 18 53 65</p> <p>Investors Relations ir@inditex.com Tel.: +34 981 18 53 64 Fax: +34 981 18 53 65</p> <p>Communication and Corporate Affairs press@inditex.com Tel.: +34 981 18 54 00</p> <p>Inditex S.A. Edificio Inditex Avda. de la Diputación, s/n 15143 Arteixo, A Coruña, Spain +34 981 18 54 00 www.inditex.com</p>			
	2-4 Restatements of information	<p><u>183-187, 194, 197, 198, 226, 250, 268, 274, 281, 318, 331</u></p> <p>In respect of information presented for a different time horizon or covering a different entity than in previous reporting periods, the nuances of such changes are disclosed alongside the indicator in question.</p>			
	2-5 External assurance	<u>126, 418-421</u>			
ACTIVITIES AND WORKERS					
	2-6 Activities, value chain and other business relationships	<u>113, 117-120, 145-146, 166-169, 176-182, 341-342, 372-373</u>		√ Pg. <u>418-421</u>	

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	2-7 Employees	<u>250-255</u> The employee breakdown by type of contract (permanent/temporary) by region is: the Americas, 18,535 people - 93% permanent (1,428 people - 7% temporary), in Spain, 41,712 people - 87% permanent (6,049 people - 13% temporary), Europe (ex- Spain,) 61,350 people - 79% permanent (16,681 people - 21% temporary) and in Asia and rest of the world, 9,624 people - 62% permanent (5,902 people - 38% temporary). By region is: the Americas, 6,710 people - 34% full-time (13,253 people - 66% part-time), in Spain, 24,838 people - 52% full-time (22,923 people - 48% part-time), in Europe (ex-Spain), 27,798 people - 36% full-time (50,233 people - 64% part-time) and in Asia and rest of the world, 8,146 people - 52% full-time (7,380 people - 48% part-time). This data represents 100% of our employees. The employees with no guaranteed hours represent 2,378 people - 1.5% of the total workforce (1,744 women - 1.5% of the total, and 635 men - 1.5% of the total), and the 2.5% of the part-time employees (2.4% women and 3% men). This group is concentrated in markets in Asia and rest of the world. This data represents 100% of our employees.		√ Pg. <u>418-421</u>	Principle 6
	2-8 Workers who are not employees		Information on non-employee workers is not available in the Company's systems with the required breakdown. Inditex is working on improving its systems to report this information.		
GOVERNANCE					
	2-9 Governance structure and composition	<u>130-141, 322-324</u> For further information about the Company's governance structure and practices, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-10 Nomination and selection of the highest governance body	<u>130-132</u> For further information about the Company's governance structure and practices, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	2-11 Chair of the highest governance body	<u>131</u> For further information about the Company's governance structure and practices, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-12 Role of the highest governance body in overseeing the management of impacts	<u>130-133, 139-141, 176-178, 184, 323-332</u> For further information about the Company's governance structure and practices, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-13 Delegation of responsibility for managing impacts	<u>130-141</u> For further information about the Company's governance structure and practices, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-14 Role of the highest governance body in sustainability reporting	<u>124</u> The Board of Directors is the body responsible for reviewing and authorising the issuance of the Annual Report which includes the Statement on Non-Financial Information.			
	2-15 Conflicts of interest	<u>323-326</u> For further information about the related-party transactions and conflicts of interest, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-16 Communication of critical concerns	<u>139-141, 176-179</u> For further information, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-17 Collective knowledge of the highest governance body	<u>132-139</u> For further information about the Company's governance structure and practices, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-18 Evaluation of the performance of the highest governance body	<u>139-144</u> For further information about the evaluation of the highest governance body's performance, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	2-19 Remuneration policies	<u>138-144, 264-265</u> For further information, refer to the Annual Report on Remuneration of Directors for 2023 and the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-20 Process to determine remuneration	<u>138-144, 264-265</u> For further information, refer to the Annual Report on Remuneration of Directors for 2023 and the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
	2-21 Annual total compensation ratio	<u>138-144, 264-265</u> For further information, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
STRATEGY, POLICIES AND PRACTICES					
	2-22 Statement on sustainable development strategy	<u>105, 107-108</u>			
	2-23 Policy commitments	<u>130-134, 139, 144-146, 147, 168, 169-175, 191-192, 230-232, 260, 274, 285, 298, 299, 325, 327, 343-344, 351</u> Code of Conduct, available at the corporate web page of Inditex, Group section, Ethical Commitment heading.			Principle 10
	2-24 Embedding policy commitments	<u>130-134, 139-142, 144-146, 147-148, 169-175, 191-193, 257-263, 274, 323-334, 343-350, 351</u>			Principle 10
	2-25 Process to remediate negative impacts	<u>144-146, 326-334</u>			Principle 10
	2-26 Mechanism for seeking advice and raising concerns	<u>329-334</u>			Principle 10
	2-27 Compliance with laws and regulations	<u>197, 319</u> During 2023, Inditex Group did not receive any significant fines or non-monetary sanctions for non-compliance with laws or regulations applicable to it through any of the channels available to that end.			
	2-28 Membership associations	<u>171, 181-182, 229, 235-236, 242, 287, 300-301, 343, 310-314</u>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
STAKEHOLDER ENGAGEMENT					
	2-29 Approach to stakeholder engagement	<u>176-184</u>			
	2-30 Collective bargaining agreements	<u>265-266</u>			Principle 3
MATERIAL TOPICS					
	3-1 Process to determine material topics	<u>183-185</u>			
	3-2 List of material topics	<u>185-187</u>			
CLIMATE CHANGE					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183-187, 190-224</u>			
		Inditex has a dedicated Energy Strategy and is working to minimise its impact on climate change all along its value chain. To that end we are streamlining our logistics processes, promoting energy efficiency in our facilities and making progress on our commitment to using renewable sources of energy. Further information about Inditex Global Energy Strategy is available at the corporate web page of Inditex, Sustainability section, Reporting heading.			
GRI 302: ENERGY 2016					
	302-1 Energy consumption within the organization	<u>197-203</u>		√ Pg. <u>418-421</u>	Principle 7 y 8
	302-2 Energy consumption outside of the organization	<u>194, 197-203</u>		√ Pg. <u>418-421</u>	Principle 8
	302-3 Energy intensity	<u>197-203</u>			Principle 8
	302-4 Reduction of energy consumption	<u>197-203</u>		√ Pg. <u>418-421</u>	Principle 8 y 9
	302-5 Reductions in energy requirements of products and services	<u>197-203</u>			Principle 8 y 9
GRI 305: EMISSIONS 2016					
	305-1 Direct (scope 1) GHG emissions	<u>193-197</u>		√ Pg. <u>418-421</u>	Principle 7 y 8
	305-2 Energy indirect (scope 2) GHG emissions	<u>193-197</u>		√ Pg. <u>418-421</u>	Principle 7 y 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	305-3 Other indirect (scope 3) GHG emissions	<u>193-197</u>		√ Pg. <u>418-421</u>	Principle 7 y 8
	305-4 GHG emissions intensity	<u>193-197</u>			Principle 8
	305-5 Reduction of GHG emissions	<u>193-197, 198</u>		√ Pg. <u>418-421</u>	Principle 8 y 9
OTHER DISCLOSURES: ENERGY					
	AF21 Amount of energy consumed and percentage of the energy that is from renewable sources	<u>198</u>		√ Pg. <u>418-421</u>	
POLLUTION					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183-187, 190-192, 199-203, 225-229, 234-247</u>			
GRI 303: WATER AND EFFLUENTS 2018					
	303-2 Management of water discharge-related impacts	<u>201, 225-229, 346, 349-350</u>	The water supplied to all workplaces, whether for processing or consumption, is withdrawn from authorised public supply networks, so that Inditex does not have any impact on protected habitats. Moreover, all of its water supply comes from areas experiencing low or no water stress.		Principle 8
GRI 305: EMISSIONS 2016					
	305-6 Emissions of ozone-depleting substances (ODS)	<u>199-202, 343</u>	We have plans in place to replace air conditioning units in headquarters, distribution centres and stores with more efficient Class A units which enable us to avoid the emission of ozone-depleting substances. In addition, though the different measures implemented in our facilities, such as the renovation of climate control systems for example, the energy performance and efficiency is boosted. These actions to foster energy efficiency, coupled with the materialisation of our commitment to renewable energy, are key in our commitment to reducing the GHG emissions associated with our business activities.		Principle 7 y 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	<u>201</u>	Not applicable. We do not disclose information about other air emissions as they are considered non-material due to the characteristics of the devices and the equipment review frequency stipulated in prevailing legislation (controls are not necessary). The emission of particles deriving from transportation is generated by outsourced carriers so that this indicator is not applicable to the Group. Nevertheless, Inditex fosters enhanced emissions management and control in its value chain through the tool that enables calculation of emissions in accordance with the GHG Protocol, coupled with the definition of action plans.		Principle 7 y 8
GRI 306: WASTE 2020					
	306-5 Waste directed to disposal	<u>246-247</u>	The Company's systems are not currently capable of producing disclosures about the waste diverted from disposal in its proprietary stores and construction and refurbishment works with the level of detail required. Inditex has a number of projects underway with the aim of being able to comply with this disclosure requirement in future years.	√ Pg. <u>418-421</u>	Principle 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
WATER MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	105 , 107-108 , 160 , 183-187 , 223-229 The Global Water Management Strategy (available at the corporate web page of Inditex, Sustainability section, Reporting heading) constitutes a roadmap for sustainable and rational water management, working towards better conservation of the environmental quality of river and marine ecosystems. Inditex is also committed to achieving zero discharge of unwanted substances, which contributes to the sustainability of water resources.			
GRI 303: WATER AND EFFLUENTS 2018					
	303-1 Interactions with water as a shared resource	225-229			Principle 7 y 8
	303-3 Water withdrawal	225-227			Principle 8
	303-4 Water discharge	225-227 Further information about water discharges, available at the corporate web page of Inditex, Sustainability section, Reporting heading.			
	303-5 Water consumption	226 Inditex discloses information about water consumption at all of its offices, own factories, own logistics centres and all its own stores worldwide. The water supplied to all workplaces, whether for processing or consumption, is withdrawn from authorised public supply networks. Moreover, all of its water supply comes from areas experiencing low or no water stress.	The disclosure of water consumption in areas experiencing water stress is not applicable as Inditex's business is to distribute fashion garments (clothing, footwear and accessories) and home textile products, which it procures as finished products from its suppliers. In short, water consumption is not material on account of its business model and all of its water supply is sourced from areas that present low or no water stress. As for its suppliers, the Company has a number of policies and assessment and improvement programmes (e.g., Code of Conduct for Manufacturers and Suppliers, Green to Wear, etc.) designed to drive environmental sustainability across its supply chain.	✓ Pg. 418-421	

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
BIODIVERSITY AND ECOSYSTEMS					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183- 187, 230-233</u> In the Code of Conduct, Inditex pledges to minimise the environmental impact of its products in respect of their entire life cycle. Inditex' Biodiversity Policy (available at the corporate web page of Inditex, Sustainability section, Reporting heading) sets down its biodiversity protection and conservation targets, which it defined following the principles established in the United Nations Convention on Biological Diversity and acknowledging the work of the International Union for Conservation of Nature (IUCN). To guarantee application of this strategy, these principles are layered into the master plans of each of the key areas comprising the business model. The Inditex Group applies responsible production standards in relation to the use of products of animal origin. Inditex has a dedicated animal welfare policy, included in the Sustainability Policy, and a Biodiversity Strategy, which establish management criteria throughout the value chain, both documents available at the corporate web page of Inditex, Sustainability section, Reporting heading.			
GRI 304: BIODIVERSITY 2016					
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not applicable. The sites owned by Inditex are neither adjacent to nor located within protected areas or areas of high biodiversity value, so that its activities do not have a significant impact in biodiversity.		Principle 8
	304-2 Significant impacts of activities, products and services on biodiversity	<u>160, 230-233</u>			Principle 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	304-3 Habitats protected or restored	<u>230-233</u> Inditex is committed to protecting and nurturing biodiversity by means of responsible and sustainable management of natural resources. For further information, refer to the Group's Biodiversity Strategy and Forest Product Policy, available at the corporate web page of Inditex, Sustainability section, Reporting heading.	Not applicable. Inditex's business is to distribute fashion garments (clothing, footwear and accessories) and home textiles, which it procures as finished products from its suppliers; as a result there are no habitats protected or restored as a result of its business activities.		Principle 8
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Inditex is committed to protecting and nurturing biodiversity by means of responsible and sustainable management of natural resources. For further information, refer to the Group's Biodiversity Strategy and Forest Product Policy, available at the corporate web page of Inditex, Sustainability section, Reporting heading.	Not applicable. Inditex's business is to distribute fashion garments (clothing, footwear and accessories) and home textiles, which it procures as finished products from its suppliers; as a result the organisation's operations have no direct impact on any habitats. As for its suppliers, the Company has a number of programmes (e.g., The List by Inditex, Green to Wear, etc.) designed to drive environmental sustainability across its supply chain.		Principle 8
CIRCULAR ECONOMY AND EFFICIENT USE OF RESOURCES					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183- 187, 234-247</u>			
GRI 301: MATERIALS 2016					
	301-1 Materials used by weight or volume	<u>236-237</u> In terms of the materials used in the packaging of our products, the Group reports information by weight for those that are collected at our logistics centres. This data does not include packaging that is generated in the stores or that may reach the customer. We are working to be able to report this information in future years.		✓ Pg. <u>418-421</u>	Principle 7
	301-2 Recycled input materials used	<u>234-240</u>		✓ Pg. <u>418-421</u>	Principle 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	301-3 Reclaimed products and their packaging materials	<u>243-245</u>		✓ Pg. <u>418-421</u>	Principle 8
GRI 306: WASTE 2020					
	306-1 Waste generation and significant waste-related impacts	<u>234-240, 243-247</u>			Principle 8
	306-2 Management of significant waste-related impacts	<u>234-236, 243-247</u>			Principle 8
	306-3 Waste generated	<u>245-247</u> None of the waste generated is disposed of by deep well injection or stored on site.	The Company's systems are not currently capable of producing disclosures about the waste diverted from disposal in its proprietary stores and construction and refurbishment works with the level of detail required. Inditex has a number of projects underway with the aim of being able to comply with this disclosure requirement in future years.	✓ Pg. <u>418-421</u>	Principle 8
	306-4 Waste diverted from disposal	<u>246-247</u>	The Company's systems are not currently capable of producing disclosures about the waste diverted from disposal in its proprietary stores and construction and refurbishment works with the level of detail required. Inditex has a number of projects underway with the aim of being able to comply with this disclosure requirement in future years.	✓ Pg. <u>418-421</u>	Principle 8
OTHER DISCLOSURES: MATERIALS					
	AF18 Programs to replace organic-based adhesives and primers with water-based adhesive and primers	<u>237-240, 243-245</u>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	AF20 List of environmentally preferable materials used in apparel and footwear products	<u>236-240</u>			
FAIR WORKING CONDITIONS					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 144-146, 183-187, 250-274, 283-297</u>			
GRI 401: EMPLOYMENT 2016					
401-1	New employee hires and employee turnover	<p>Voluntary turnover at the Inditex Group was 43% (43% in women, 42% in men and 110% in non-binary people). By age category, turnover was 66% among the under 30s, 19% among those aged between 30 and 40; and 9% for those over the age of 40. Turnover varied considerably by region, reaching 92% in Asia, followed by the Americas with a 65%, 44% in Europe (excluding Spain); and 16% in Spain.</p> <p>Non voluntary turnover was 50% (50% in women, 47% in men and 16% in non-binary people). By age category, turnover was 75% among the under 30s, 22% among those aged between 30 and 40; and 13% for those over the age of 40.</p> <p>Turnover varied considerably by region, reaching 85% in Spain, followed by Europe (excluding Spain) with a 41%, 25% in the Americas, and 16% in Asia.</p> <p>During 2023, 2,616 people have joined Inditex (excluding the Russia, Argentina and Uruguay effect), of which 32% are women and 68% are men. 100% of the hires are over the age of 40. Most of them took place in Spain, with 58%; followed by Asia, with 39% and the Americas, with 3% of new employees.</p>		√ Pg. <u>418-421</u>	Principle 6
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Group provides the same benefits to temporary and part-time workers as it does to full-time workers.			
401-3	Parental leave	<u>273-274</u>	Information relating to all the markets of the Group.	√ Pg. <u>418-421</u>	Principle 6

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
GRI 402: LABOR/MANAGEMENT RELATIONS 2016					
	402-1 Minimum notice periods regarding operational changes	The collective bargaining agreements in force do not include a minimum notice period for officially communicating significant operational changes at Inditex. However, whenever a significant development takes place, it is notified with the advance notice stipulated in prevailing legislation (article 41 of the Spanish Workers' Statute).			Principle 3
GRI 407: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING 2016					
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<u>145, 283-291, 348</u> Inditex's Code of Conduct specifically addresses the right to freedom of association and collective bargaining. That Code applies to all of the Group's operations. The Code of Conduct for Manufacturers and Suppliers, which applies to all of the Group's suppliers, also enshrines this right. The programme for supervising compliance with Inditex's Code of Conduct for Manufacturers and Suppliers assesses compliance with workers' right to freedom of association.			Principle 3
GRI 408: CHILD LABOR 2016					
	408-1 Operations and suppliers at significant risk for incidents of child labor	<u>145, 292-293, 346-348</u> The programme for supervising compliance with Inditex's Code of Conduct for Manufacturers and Suppliers, which applies to all of the Group's operations and suppliers, assesses the level of compliance with prohibition of child labour, as stated in said Code.			Principle 5
GRI 409: FORCED OR COMPULSORY LABOR 2016					
	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<u>145, 292-293, 346-348</u> The programme for supervising compliance with Inditex's Code of Conduct for Manufacturers and Suppliers, which applies to all of the Group's operations and suppliers, assesses the level of compliance with prohibition of forced labour, as stated in said Code.			Principle 4
OTHER DISCLOSURES: CODE OF CONDUCT					
	AF1 Code of conduct content and coverage	<u>322-323, 343-344</u> For further information, refer to the Code of Conduct and the Code of Conduct for Manufacturers and Suppliers, both available at the corporate web page of Inditex, Sustainability section, Reporting heading.			
	AF7 Number and locations of workplaces covered by code of conduct	<u>323, 374-375.</u> The Code of Conduct for Manufacturers and Suppliers applies to 100% of Inditex's suppliers and manufacturers. For further information about supply chain identification, refer to the corporate web page of Inditex, Sustainability section, Reporting heading.		√ Pg. <u>418-421</u>	
OTHER DISCLOSURES: NON-COMPLIANCE FINDINGS					
	AF9 Incidents of non-compliance with legal requirements or collective bargaining agreements on wages	<u>348</u>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	AF10 Incidents of non-compliance with overtime standards	<u>348</u>			
	AF11 Incidents of non-compliance with standards on pregnancy and maternity rights	<u>348</u>			
	AF12 Incidents of the use of child labor	<u>348</u>		√ Pg. <u>418-421</u>	
	AF13 Incidents of non-compliance with standards on gender discrimination	<u>348</u>		√ Pg. <u>418-421</u>	Principle 6
	AF14 Incidents of non-compliance with code of conduct	<u>348</u>		√ Pg. <u>418-421</u>	
OTHER DISCLOSURES: REMEDIATION					
	AF16 Remediation practices to address non-compliance findings	<u>349-350, 375</u>		√ Pg. <u>418-421</u>	
OTHER DISCLOSURES: EMPLOYMENT					
	AF22 Policy and practices regarding the use of employees with non-permanent and non-fulltime status	<u>254-255</u>			
	AF23 Policy regarding the use of home working	<u>273-274</u>			
	AF24 Policy on the use and selection of labor brokers including adherence to relevant ILO Conventions	<u>144, 265-266, 292-293, 343</u>	Inditex analyses and controls compliance with its Sustainability Strategy by its suppliers by means of a specific Code of Conduct for Manufacturers and Suppliers compliance programme.		

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
OTHER DISCLOSURES: WAGER AND HOURS					
	AF25 Policy and practices on wage deductions that are not mandated by law	Inditex does not apply wage deductions that are not mandated by law.			
	AF26 Policy on working hours, including definition of overtime, and actions to prevent excessive and forced overtime	<p><u>265-266</u></p> <p>According to the Group's Code of Conduct, weekly working hours and overtime cannot exceed the limits stipulated in each country's labour legislation. Overtime is in all instances voluntary and remunerated as set down in applicable regulations.</p> <p>Furthermore, the Inditex Group's Policy on Human Rights sets down its zero tolerance stance towards forced or compulsory labour, as defined in ILO Convention 29. All of the foregoing applies to its own employees and its supply chain workers and any other natural and/or legal person related with Inditex. Moreover, the Code of Conduct sets down how the Group upholds and fosters compliance with human and labour rights, expressly committing to apply applicable regulations and best practices in the areas of employment terms and occupational health and safety, forbidding all forms of violence, harassment and abuse in the workplace.</p>			Principle 4
OTHER DISCLOSURES: LABOR/MANAGEMENT RELATIONS					
	AF29 Percentage of workplaces where there is one or more independent trade union(s)	<p><u>265-266</u></p> <p>44% of Inditex's workplaces have trade union representation (47% in 2022).</p>			
	AF30 Percentage of workplaces where, in the absence of a trade union, there are worker-management committees, broken down by country	The Group does not participate in worker-management committees in the absence of a trade union.			
HEALTH, SAFETY AND WELL-BEING					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183-187, 241-242, 274-282, 294-295, 319, 343-349, 373-377</u>			
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018					
	403-1 Occupational health and safety management system	<u>275</u>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	403-2 Hazard identification, risk assessment, and incident investigation	<u>274-282</u>			
	403-3 Occupational health services	<u>277-278</u>			
	403-4 Worker participation, consultation, and communication on occupational health and safety	<u>274-282</u>	<p>The committees in place represent all workers to the same degree (management and employees) and all agreements are endorsed by management.</p> <p>All of the committees reach agreements related with worker health and safety. During the reporting period, Inditex had agreements in effect with unions at the local and international levels which address aspects such as personal protection gear, regular inspections, skills training and education, and grievance mechanisms, among others.</p>		
	403-5 Worker training on occupational health and safety	<u>275-276</u>			
	403-6 Promotion of worker health	<u>277-278, 294-295</u>			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<u>274-282, 294-295, 319, 343</u>			
	403-8 Workers covered by an occupational health and safety management system	<u>274-276, 294-295</u>			
	403-9 Work-related injuries	<u>278-280</u>		√ Pg. <u>418-421</u>	
	403-10 Work-related ill health	<u>278-280</u>		√ Pg. <u>418-421</u>	

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
GRI 416: CUSTOMER HEALTH AND SAFETY 2016					
	416-1 Assessment of the health and safety impacts of product and service categories	<u>241-242</u> , <u>319</u> , <u>376-377</u>		✓ Pg. <u>418-421</u>	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<u>241-242</u> , <u>319</u> , <u>376-377</u>		✓ Pg. <u>418-421</u>	
OTHER DISCLOSURES: MATERIALS					
	AF19 Practices to source safer alternative substances to those on the restricted substances list, including description of associated management systems	<u>241-242</u> , <u>343</u> , <u>346</u>			
OTHER DISCLOSURES: OCCUPATIONAL HEALTH AND SAFETY					
	AF31 Initiatives and programs to respond to, reduce, and prevent the occurrence of musculoskeletal disorders	<u>278</u>			
DIVERSITY, EQUALITY AND INCLUSION					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105</u> , <u>107-108</u> , <u>134-137</u> , <u>183-187</u> , <u>250-251</u> , <u>256-265</u> , <u>292-293</u>			
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016					
	405-1 Diversity of governance bodies and employees	<u>134-137</u> , <u>250-252</u> , <u>254-256</u> , <u>258</u> , <u>262</u> For further information about diversity on the Board of Directors, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		✓ Pg. <u>418-421</u>	Principle 6

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	405-2 Ratio of basic salary and remuneration of women to men	<u>138-139, 264-265</u> At Inditex there is wage parity between men and women: in 2023, in total salary, women have been paid 0.5% more than men. Should there be any situation where this is not met, specific action plans would be established for each situation: specific and more focused pay equity analysis, communication and awareness-raising plans aimed at those responsible for the corresponding market/brand, provision of an additional budget to make the necessary pay adjustments, etc.		✓ Pg. <u>418-421</u>	Principle 6
GRI 406: NON-DISCRIMINATION 2016					
	406-1 Incidents of discrimination and corrective actions taken	<u>331</u>		✓ Pg. <u>418-421</u>	Principle 6
OTHER DISCLOSURES: DIVERSITY AND EQUAL OPPORTUNITY					
	AF27 Policy and actions to protect the pregnancy and maternity rights of women workers	<u>273-274, 292-293</u>			
	AF32 Actions to address gender discrimination and to provide opportunities for the advancement of women workers	<u>258-261, 264-265, 292-293</u>			Principle 6
TALENT MANAGEMENT					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183-187, 267-272</u>			
GRI 404: TRAINING AND EDUCATION 2016					
	404-1 Average hours of training per year per employee	<u>268-270</u> The average number of training hours for the year 2023 has been 17,2 hours/employee (17,1 hours for women, 17,4 hours for men, 30,9 hours for non-binary people, and 38,3 for unspecified gender-other). The data pertaining to the number of training hours broken down by gender is available for all markets, representing 100% of the Group's employees.		✓ Pg. <u>418-421</u>	Principle 6
	404-2 Programs for upgrading employee skills and transition assistance programs	<u>250-259, 267-272</u> 91% of Group employees are under the age of 45, such that the Group does not face the prospect of having to deploy programmes for upgrading employee skills or transition assistance programmes in the near future.			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	404-3 Percentage of employees receiving regular performance and career development reviews	All of our people's performance is evaluated at least once a year and each brand conducts that process in keeping with its management model. Performance dialogue with store staff is continuous and centres around each person's contribution to store-specific objectives with a focus on career development, in line with one of our hallmark characteristics: internal promotion. In the case of office staff, target delivery and performance are reviewed with each person at least once a year, and objectives are set for the following year. Employee engagement includes dialogue aimed at fostering career development and getting feedback about employee concerns. Variable remuneration is fully tied to the Company's results and each person's contribution to their delivery. For further information about the annual performance review programme, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			Principle 6
INFORMATION SECURITY AND PRIVACY					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	105 , 107-108 , 183-187 , 335-340			
GRI 418: CUSTOMER PRIVACY 2016					
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2023 there have been 17 cases where data protection authorities have contacted the company requesting customer-related information (8 in 2022). Of these, 11 cases remain open at year-end (one of them is a pending case from 2018 due to the processing times of the local authority). Throughout this financial year, the Spanish Data Protection Agency imposed a financial penalty of 5,000 euros on the Group Massimo Dutti, S.A. for an issue related to cookies. In addition, during 2023, there has been one case affecting the security of personal data that the Company has deemed necessary to notify the data protection authorities (two in 2022), and in which the affected parties were also contacted to inform them of the situation. Moreover, the Inditex Group did not receive any significant fines concerning breaches of customer privacy or losses of customer data through any of the channels available to that end in 2023.		√ Pg. 418-421	
VALUE CREATION IN THE COMMUNITY					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	105 , 107-108 , 183-187 , 298-314 , 351-355			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
GRI 201: ECONOMIC PERFORMANCE 2016					
	201-1 Direct economic value generated and distributed	<u>352</u> , <u>353</u> , <u>380</u> In the financial year 2023 the direct economic value generated by the Inditex Group was: 35,947 million euros (consisting of the Group's revenues); the distributed economic value has been composed, among others, of personnel expenses (5,357 million euros), taxes on profits (1,475 million euros), dividends paid to shareholders (3,736 million euros), and investment in the community (112 million euros). The retained economic value would be the difference between the generated and the distributed.			
	201-2 Financial implications and other risks and opportunities due to climate change	<u>160</u> , <u>169-175</u> , <u>203-224</u>			
	201-3 Defined benefit plan obligations and other retirement plans	<u>130</u> , <u>139-144</u>			
	201-4 Financial assistance received from government	<u>353</u>		√ Pg. <u>418-421</u>	
GRI 203: INDIRECT ECONOMIC IMPACTS 2016					
	203-1 Infrastructure investments and services supported	<u>301-309</u> , <u>378-380</u>			
	203-2 Significant indirect economic impacts	<u>304-305</u> , <u>310-314</u> , <u>378-380</u>			
GRI 207: TAX 2019					
	207-1 Approach to tax	<u>351-355</u> Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.			
	207-2 Tax governance, control, and risk management	<u>351-355</u> Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.			
	207-3 Stakeholder engagement and management of concerns related to tax	<u>351-355</u> Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	207-4 Country-by-country reporting	<u>351-355</u> Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.			
GRI 413: LOCAL COMMUNITIES 2016					
	413-1 Operations with local community engagement, impact assessments, and development programs	<u>274-287, 298-314</u>			Principle 1
	413-2 Operations with significant actual and potential negative impacts on local communities	<u>241-242, 298-314, 341-342</u>			Principle 1 y 2
OTHER DISCLOSURES: COMMUNITY INVESTMENT					
	AF33 Priorities in community investment strategy	<u>298-299</u>			
	AF34 Amount of investment in worker communities broken down by location	<u>304-305</u>			
TRANSPARENCY AND QUALITY OF THE INFORMATION					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183-187, 315-319</u> For further information about the Corporate Governance, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
GRI 417: MARKETING AND LABELING 2016					
	417-1 Requirements for product and service information and labeling	<u>238, 315-319</u> The Group's product health and safety standards are compulsory across the entire production chain (100%).			
	417-2 Incidents of non-compliance concerning product and service information and labeling	The Inditex Group did not record any significant incidences of non-compliance with regulations and voluntary codes concerning product information and labelling through any of the channels available to that end in 2023.			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	417-3 Incidents of non-compliance concerning marketing communications	The Inditex Group did not record any significant incidents of non-compliance concerning marketing communications through any of the channels available to that end in 2023.			
GOOD GOVERNANCE AND INTEGRITY					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	105 , 107-108 , 130-132 , 140-144 , 176-179 , 183-187 , 322-334		√ Pg. 418-421	
		For further information about the Corporate Governance, refer to the 2023 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.			
GRI 205: ANTI-CORRUPTION 2016					
	205-1 Operations assessed for risks related to corruption	322-323			Principle 10
		The Code of Conduct addresses the prevention of corruption in all its manifestations. This Code is applicable to 100% of the Group's business units and is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.			
	205-2 Communication and training about anti-corruption policies and procedures	332-334		√ Pg. 418-421	Principle 10
	205-3 Confirmed incidents of corruption and actions taken	331		√ Pg. 418-421	Principle 10
GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016					
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	331			
GRI 415: PUBLIC POLICY 2016					
	415-1 Political contributions	Inditex's Policy on Donations and Sponsorships expressly prohibits the making of donations to political parties both directly and indirectly. This prohibition is also included in the Code of Conduct of the company, and adds that, as a general rule, no Inditex person may offer, grant, request or accept, directly or indirectly, gifts or invitations, whatever their nature, to or from any authorities or public officials.			Principle 10

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
OTHER DISCLOSURES: GRIEVANCE PROCEDURES					
	AF4 Policy and procedures for receiving, investigating, and responding to grievances and complaints	<u>329-331</u>			
RESPONSIBLE MANAGEMENT OF THE SUPPLY CHAIN AND TRACEABILITY					
GRI 3: MATERIAL TOPICS 2021					
	3-3 Management of material topics	<u>105, 107-108, 183-187, 283-297, 341-350</u>			
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016					
	308-1 New suppliers that were screened using environmental criteria	<u>346, 349-350, 373</u>		√ Pg. <u>418-421</u>	Principle 8
	308-2 Negative environmental impacts in the supply chain and actions taken	<u>160, 193-197, 349-350, 373-375</u>		√ Pg. <u>418-421</u>	Principle 8
GRI 414: SUPPLIER SOCIAL ASSESSMENT 2016					
	414-1 New suppliers that were screened using social criteria	<u>346-348, 373-375</u>		√ Pg. <u>418-421</u>	Principle 2
	414-2 Negative social impacts in the supply chain and actions taken	<u>346-350, 373-375</u>			Principle 2
OTHER DISCLOSURES: AUDIT PROCESS					
	AF2 Parties and personnel engaged in code of conduct compliance function	<u>283-287, 346</u>			
	AF3 Compliance audit process	<u>346-349</u>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	AF8 Number of audits conducted and percentage of workplaces audited	<u>346-349</u> , <u>373-375</u>		√ Pg. <u>418-421</u>	
OTHER DISCLOSURES: CAPACITY BUILDING					
	AF5 Strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social and environmental performance	<u>146</u> , <u>259</u> , <u>266</u> , <u>267-272</u> , <u>287-297</u> , <u>333-334</u> , <u>344</u>			
OTHER DISCLOSURES: BUSINESS INTEGRATION					
	AF6 Policies for supplier selection, management, and termination	<u>341-350</u> Inditex's Code of Conduct for Manufacturers and Suppliers stipulates the standards and requirements to which suppliers looking to form part of Inditex's supply chain are bound. It is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		√ Pg. <u>418-421</u>	
	AF17 Actions to identify and mitigate business practices that affect code compliance	<u>346-350</u> , <u>375</u>			
OTHER DISCLOSURES: NON-COMPLIANCE FINDINGS					
	AF15 Analysis of data from code compliance audits	<u>348</u>			

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Independent Verification Report of the Non-financial Information Statement

GRI 2-5



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INDEPENDENT LIMITED ASSURANCE REPORT OF THE CONSOLIDATED NON-FINANCIAL STATEMENT

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.:

Pursuant to article 49 of the Code of Commerce we have performed a verification, with a limited assurance scope, of the accompanying Consolidated Non-Financial Information Statement (hereinafter NFS) for the year ended January 31, 2024 (hereinafter year 2023), of Industria de Diseño Textil, S.A. and subsidiaries (hereinafter, the Group), which is part of the Group's Consolidated Directors Report.

The content of the NFS includes additional information to that required by prevailing mercantile regulations in relation to non-financial information that has not been subject to our verification. In this regard, our assignment has been exclusively limited to the verification of the information shown in table "Index of contents required by Act 11/2018" and the contents subject to external verification included in table "GRI Content Index" of the accompanying NFS.

Responsibility of the Board of Directors

The preparation of the NFS included in the Consolidated Directors Report of the Group and its content is the responsibility of the Board of Directors of Industria de Diseño Textil, S.A. The NFS was prepared in accordance with the content required by prevailing mercantile regulations and in accordance with *Global Reporting Initiative Sustainability Reporting Standards* (GRI standards), as well as those other criteria described according to what is mentioned for each subject in table "Index of contents required by Act 11/2018" and the contents subject to external verification included in table "GRI Content Index" of the NFS.

This responsibility also includes the design, implementation and maintenance of internal control deemed necessary to enable the NFS to be free from material misstatement, whether due to fraud or error.

The board of Directors of Industria de Diseño Textil, S.A. is further responsible for defining, implementing, adapting, and maintaining the management systems from which the information necessary for the preparation of the NFS is obtained.

Our independence and quality management

We have complied with the independence and other ethics requirements of the International Code of Ethics for Accounting Professionals (including international standards on independence) issued by the International Standards Board on Ethics for Accounting Professionals (IESBA) which is based on the fundamental principles of professional integrity, objectivity, competence, and diligence, as well as confidentiality and professional behaviour.

Our firm applies current international quality standards and maintains, consequently, a quality system that includes policies and procedures related to compliance with ethical requirements, professional standards and legal provisions and applicable regulations.

The work team has been formed by professionals who are experts in reviews of Non-Financial Information and, specifically, in information about economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed. Our work has been performed in accordance with the requirements established in the current International Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and the guidelines for verifying Non-Financial Statement, issued by the Spanish Official Register of Auditors of Accounts (ICJCE).

The procedures carried out in a limited assurance engagement vary in nature and execution timing and are smaller in scope than reasonable assurance engagements, and therefore, the level of assurance provided is likewise lower.

Our work consisted in requesting information from Management and the various Group units participating in the preparation of the NFS, reviewing the process for gathering and validating the information included in the NFS, and applying certain analytical procedures and sampling review tests as described below:

- ▶ Meetings with Group personnel to know the business model, policies and management approaches applied, the main risks related to these matters and obtain the necessary information for our external review.
- ▶ Analysis of the scope, relevance and integrity of the content included in the NFS for the year 2023 based on the materiality analysis made by the Group and described in section "Materiality analysis", considering the content required by prevailing mercantile regulations.
- ▶ Analysis of the processes for gathering and validating the data included in the 2023 NFS.
- ▶ Review of the information on the risks, policies and management approaches applied in relation to the material aspects included in the 2023 NFS.
- ▶ Check, through tests, based on a selection of a sample, the information related to the content of the 2023 NFS and its correct compilation from the data provided by the information sources.
- ▶ Obtaining a representation letter from the Board of Directors and Management.

Emphasis paragraph

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 investments, as well as the Delegated Acts enacted in accordance with the provisions of that Regulation, settle the obligation to disclose information on how and to what extent the company's activities are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems (the other environmental objectives), and for certain new activities included in the climate change mitigation and adaptation objectives, for the first time for the financial year 2023, in addition to the information on eligible and aligned activities already required in the 2022 financial year in relation to the climate change mitigation and climate change adaptation objectives. As a result, no comparative information on eligibility has been included in the attached NFIS in relation to the other environmental objectives listed above or to the new activities included in the climate change mitigation and adaptation objectives. On the other hand, to the extent that the information relating to the financial year 2022 was not required with the same level of detail as in the financial year 2023, the disaggregated information in the attached NFIS is also not strictly comparable. In addition, it should be noted that the directors of Industria de Diseño Textil, S.A. have incorporated information on criteria that, in their opinion, allow better compliance with the aforementioned obligations and that are defined in the Section "European Taxonomy of Sustainable Activities" of the attached NFIS. Our conclusion has not been modified in relation to this matter.

Conclusion

Based on the limited assurance procedures conducted and the evidence obtained, no matter has come to our attention that would cause us to believe that the Group NFS for the year 2023 has not been prepared, in all material respects, in accordance with the contents required by prevailing company law and in accordance with GRI standards' criteria as well as other criteria, described as explained for each subject matter in table "Index of contents required by Act 11/2018" and the contents subject to external verification included in table "GRI Content Index" of the NFS.

Use and distribution

This report has been prepared as required by current mercantile regulations in Spain, thus it may not be suitable for any other uses or jurisdiction.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish)

Hildur Eir Jónsdóttir

March 13, 2024