

4.4.

Collaboration, the essence of transformation

At Inditex, we design multiple strategies that involve permanent dialogue and transparency with our stakeholders, as we believe that constant collaboration is crucial to building and achieving our common goals and to contributing to the transformation of our sector.

4.4.1. Stakeholder engagement

GRI 102-21; 102-33; 102-40; 102-42; 102-43; 103-2 AND 103-3

At Inditex, we are committed to generating a **positive impact** and **creating value in a sustainable manner** for our stakeholders, as well as for society as a whole. Accordingly, we believe working together with them is key to both making progress on our Sustainability Roadmap and decisively driving the sustainable transformation of our sector.

We are aware that maintaining a **continuous dialogue, listening and taking into account the demands and needs of our stakeholders** and joining forces with them is essential to making headway in common and shared goals. Circularity, preserving the planet and its resources, and promoting human and labour rights are some of the common and shared goals that pursue the necessary transformation, so that in the future sustainability will be a present and fully integrated maxim in all areas of society.

The principles governing our relationship with stakeholders are transparency and permanent dialogue, which are necessary levers to promote joint collaboration on the path towards sustainable development.

How and with whom we collaborate

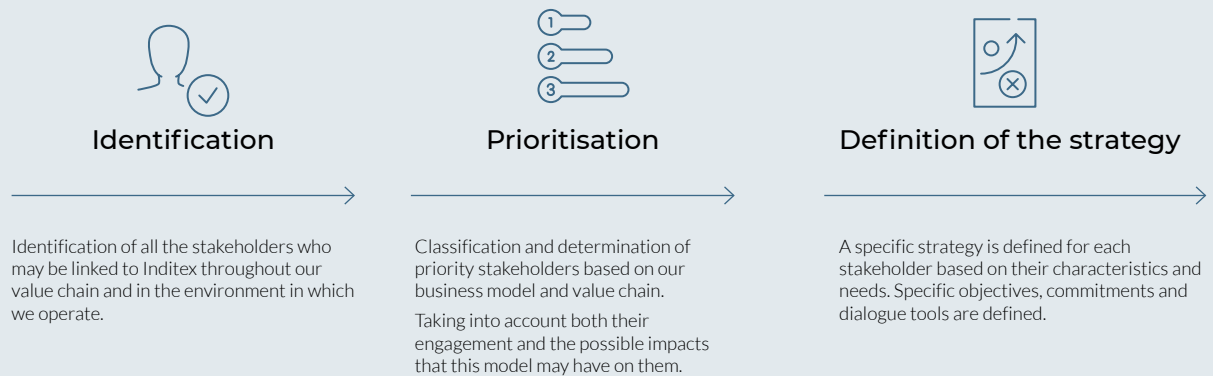
We consider stakeholders to be those groups or entities that may be related to our Group throughout our value chain and in the environment in which we carry out our activity and which, simultaneously, have the capacity to influence Inditex with their decisions and opinions. Based on our business model—and their relationship to it—we classify our stakeholders as follows: **customers, employees, suppliers, shareholders, the community as a whole and the environment** (represented by various environmental organisations).

The principles guiding our relationship with all our stakeholders are transparency and permanent dialogue, as stated in our Sustainability Policy. These common principles are embodied in specific strategies, objectives and communication and dialogue channels, which are constantly reviewed and updated. Thus, we have policies that define the principles of the relationship with each stakeholder group, such as our Code of Conduct and Responsible Practices, our Code of Conduct for Manufacturers and Suppliers or the Policy on Human Rights, among others.

COLLABORATION FOR A SUSTAINABLE TRANSFORMATION



DEFINING THE STRATEGY FOR ENGAGING WITH STAKEHOLDERS



COMMON ELEMENTS OF ALL THE STRATEGIES: PERMANENT DIALOGUE AND TRANSPARENCY

INDITEX'S MAIN STAKEHOLDERS AND ENGAGEMENT AND DIALOGUE TOOLS

INDITEX'S MAIN STAKEHOLDERS

EXAMPLES OF STAKEHOLDERS

Employees

Any person who works at Inditex, whether in stores, offices or logistics centres.



Store employees
Office employees
Logistics centres employees
Union representatives

Customers

Any person who purchases any product sold by any of the Inditex Group's brands.



Physical store customers
Online store customers
Potential customers

Suppliers

Companies that are part of Inditex's supply chain as well as their respective employees.



Direct suppliers
Manufacturers
Workers
Trade union organisations
International organisations

Community

All those persons or entities that form part of the environment in which Inditex carries out its activity.



NGOs
Governments and public administrations
Academic institutions
Civil society
Media

Environment

Set of natural elements present in the environment in which Inditex develops its business model.



Environmental protection organisations
Governments

Shareholders

Any person or entity who owns shares of the Inditex Group.



Institutional investors
Individual investors

ENGAGEMENT AND DIALOGUE TOOLS

● Constant dialogue ● Biannual ● Annual ● On demand

COMMON



Sustainability Committee

SPECIFIC

- Ethics Committee
- UNI Global Union Agreement
- Training and internal promotion
- Internal communications
- Volunteer programmes
- Information Security and Data Protection and Privacy Departments



Materiality Analysis

- Specialised customer service teams
- Physical and online stores
- Social media
- Information Security and Data Protection and Privacy Departments



Social Advisory Board

- Supplier clusters
- Ethics Committee
- Buying and sustainability teams
- Global Framework Agreement with IndustriALL Global Union
- Data Protection and Privacy Department



Strategic Alliances

- Social Advisory Board
- Cooperation with NGOs
- Sponsorships and Patronage Committee



Corporate Website

- Social Advisory Board
- Commitments with NGOs
- Environmental sustainability teams



Integrated report

- Annual General Meeting
- Sustainability indexes
- Investor relations

OUR COMMITMENTS

COMMON



SPECIFIC

- ✓ Respect for Human and Labour Rights
- ✓ Fair and decent treatment
- ✓ Respect for privacy and personal data protection
- ✓ Commitment to information security

- ✓ Clear and transparent communication
- ✓ Integration throughout the business model
- ✓ Responsible design and manufacturing
- ✓ Respect for privacy and personal data protection
- ✓ Commitment to information security

- ✓ Promotion and protection of fundamental human and labour rights and international standards
- ✓ Promotion of sustainable production environments
- ✓ Respect for privacy and personal data protection in the provision of services

- ✓ Contribution to social and economic development
- ✓ Commitment to improving global welfare

- ✓ Respect for the environment
- ✓ Conservation of biodiversity
- ✓ Sustainable management of resources
- ✓ Fighting against climate change

- ✓ Social interest and common interest of all shareholders
- ✓ Fostering informed participation

GENERATION OF VALUE FOR STAKEHOLDERS

Customers

Our commitment to CUSTOMERS involves maintaining their trust and sustainably producing fashion products that meet their needs and expectations.

Employees

Our EMPLOYEES are our driving force. We want to positively impact on their professional and personal development.

Suppliers

We seek to strengthen all our SUPPLIERS and benefit their workers. It would not be possible to manufacture our products without our supply chain.



Environment

We are committed to the development of a circular economy model that mitigates the impact of our activity on the ENVIRONMENT and where efficiency in the use of resources is paramount.

Community

We want to have a positive impact on the economic, social and environmental development of the COMMUNITY. A key aspect is our investment programmes in social initiatives aligned with our business.

Shareholders

We ensure that SHAREHOLDERS have access to the necessary information to ensure inclusive, participatory and representative decision-making that respond to their needs.



Featured collaboration tools

Since 2019 we have a **Sustainability Committee**, a delegate committee of the Board of Directors, whose responsibilities include the supervision of the Company’s stakeholders engagement in the sustainability field. Furthermore, since 2002 we have a Social Advisory Board which acts as an advisory body on sustainability matters, and comprises independent external members, whose responsibilities include arranging and institutionalising dialogue with key stakeholders in civil society.

📄 More information in section 4.2.1. *Our vision of sustainability of this Report.*

We establish various **strategic partnerships** for collaboration with stakeholders to foster sustainable development throughout our value chain and in the communities where we operate. This enables us to maximise our contribution to the Sustainable Development Goals and advance in our Sustainability Roadmap.

📄 More information in section 4.4.2. *Partnerships of this Report.*

In order to identify and respond to those issues that are most relevant to our stakeholders, we yearly perform a **materiality analysis** involving both internal and external stakeholders. The findings of this analysis are a very valuable source of information, as they enable us not only to discover our stakeholders’ needs and expectations, but at the same time serve as a guide to define our priorities as we progress in the creation of economic, social and environmental value.

📄 More information in section 4.4.3. *Materiality analysis of this Report.*

4.4.2. Partnerships

GRI 103-12 AND 103-13

At Inditex, we maintain a **close, multi-directional and constant cooperative relationship** with various organisations and institutions, both locally and internationally. Establishing partnerships based on working together is pivotal for us, as we are aware that only by joining forces with key actors can we move towards the sustainable transformation of our sector in particular, and of society and the planet in general.

Thus, we maintain partnerships with governments, trade unions, academic institutions, local and international organisations and representatives of civil society, among others, to progress towards sustainable development. We also work with other companies in our sector through different platforms and partnerships, as we face common challenges and opportunities that require the collaboration of all actors involved. Accordingly, we maximise our contribution to the SDGs and foster economic, social and environmental value creation.

We work together with various organisations to advance in the sustainable transformation of our sector in particular, and of society and the planet in general.

Partnerships

POSITIVE IMPACT ON THE PEOPLE OF OUR VALUE CHAIN AND ON THE COMMUNITY



ENVIRONMENT PROTECTION AND FIGHT AGAINST CLIMATE CHANGE



CROSS-CUTTING ALLIANCES WITH SOCIAL, ENVIRONMENTAL AND GOOD GOVERNANCE IMPACT







ACCELERATING CIRCULARITY

A collaborative initiative within the garment industry that brings together the endeavours of various operators, from areas encompassing waste collection, recycling, fibre production and textile distribution, to promote circularity. With the support of Textile Exchange, Euratex, Wrap, Circle Economy, Fashion for Good, ReFashion or Apparel Impact Institute among others, Inditex is a founding partner and member of the Steering Committee of the initiative in Europe, together with other members representing fibre manufacturers, and experts in textile waste and supply chains, as well as brands and retailers. We also belong to the initiative's Brand & Retailer Working Group in the US.



UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES (UNHCR)

Inditex and UNHCR have been working together since 2020 with the common goal of meeting the clothing needs of refugees and internally displaced people. Through this strategic partnership, Inditex, in collaboration with its suppliers, supports UNHCR in its task of sheltering refugees who have been forced to abandon their homes and helping to restore their dignity. Thanks to this partnership, Inditex has provided more than three million products from its collections to refugees and internally displaced people.



ACT (ACTION, COLLABORATION, TRANSFORMATION)

A collaboration initiative between retail brands, suppliers and trade unions to transform the textile industry and achieve living wages in the sector, by means of collective bargaining and responsible purchasing practices. Inditex has been an active participant in ACT and its work groups since 2015.



AFIRM GROUP

A working forum comprising leading companies in the fashion, footwear and sport goods sector that share the common goal of reducing the use and impact of substances of health and environmental concern in the textile and leather supply chain.



COUNTRY PARTNERSHIP FOR ZERO CHILD POVERTY (Alianza País por la Pobreza Infantil Cero)

This initiative, fostered by the Spanish Government's High Commissioner against Child Poverty, is aimed at encouraging the engagement in and the creation of partnerships between all social actors to work towards a common mission: a Spain in which all children and adolescents have the same opportunities for the future, regardless of the conditions into which they are born. Inditex joined the Partnership in January 2021.



PARTNERSHIP FOR SUSTAINABLE ECONOMIC RECOVERY (Alianza por una recuperación económica sostenible)

A partnership promoted by ECODES and the Spanish Group for Green Growth (*Grupo de Crecimiento Verde*), among others, to advocate for economically and socially effective stimulus policies and, in turn, to ensure they are aligned with sustainability and biodiversity policies.



ARBORUS

Inditex collaborates with the Arborus Endowment Fund, created by the Arborus association and large international corporations, with the support of the European Economic and Social Council. Its goal is to promote equality between women and men in the world, in particular through the dissemination of a European and global standard: the European and international label GEEIS (Gender Equality European and International Standard), which is a tool that fosters diversity and inclusion in enterprises and with which Inditex has certified several of its subsidiaries.



ISTANBUL TEXTILE AND APPAREL EXPORTER ASSOCIATIONS - ITKIB

In Turkey, we have established a long and fruitful collaboration with ITKIB (Istanbul Textile and Apparel Exporter Associations) and EKOTEKS (the customs surveillance laboratory), to develop new techniques for the analysis of cosmetics and sustainable fibres.



BETTER COTTON

At Inditex, we belong to the Better Cotton initiative, which develops and promotes best practices in traditional cotton cultivation to benefit the farmers and the environment, and to ensure the future of the sector.



BETTER THAN CASH ALLIANCE

Based on the UN, this is a partnership of governments, companies and different international organisations, whose objective is to globally promote the transition towards a digital economy. We focus our collaboration with this alliance on the financial education and digitalisation of the supply chain.



BSR (BUSSINESS FOR SOCIAL RESPONSIBILITY)

A global non-profit organisation working with a network of over 200 members to build a fair and sustainable world. As a member of BSR since 2019, we are involved in several of the organisation's initiatives, such as the HER women empowerment programme or projects in relation to the social impact of the transition to a circular economy.



BUSINESS AMBITION FOR 1.5° BY UNITED NATIONS

An urgent call to action by a global coalition of United Nations agencies, business and industry leaders to commit to setting ambitious science-based emission reduction targets.



BUSINESS FOR SOCIETAL IMPACT (B4SI)

A global standard, formerly known as LBG, to measure corporate social impact. Inditex belongs to the global B4SI network which currently comprises more than 150 companies.



CANOPY PLANET INITIATIVE

As founders of the Canopy Style initiative, we collaborate with Canopy Planet to protect primary high conservation-value (HCV) forests through the textile chain. This is a commitment to protecting these forests, and in particular to ensuring that no cellulose originating in this type of forests will be used in man-made fibres (viscose, modal, lyocell).



CÁRITAS

We have been working with the non-profit organisation Cáritas since 2007 to help improve well-being in the community. Within the frame of our strategic partnership with Cáritas, we are currently developing a number of projects such as the circular economy project *Moda Re-* or the programme to boost employment in Spain.



FASHION INDUSTRY CHARTER FOR CLIMATE ACTION (UNFCCC)

We have committed to implementing this Charter, launched by United Nations Climate Change, and aligned with the Paris Agreement goals. The aim is for the industry to achieve net zero emissions by 2050.

CEOE Empresas Españolas

[CEOE \(Spain's Employers' Association\)](#)

We cooperate actively with Spain's Employers' Association (CEOE), which is the main spokesperson between companies in Spain and the Government and international institutions. At Inditex, we belong to several working groups linked to various aspects related with sustainability and circularity.



[CEO WATER MANDATE](#)

We have signed up to this United Nations initiative that aims to support companies in the development, implementation and disclosure of their water-related strategies and policies.



CIQ SHANGHAI

We participate in the Pre-Testing Programme with CIQ Shanghai, which belongs to the China Customs Inspection and Quarantine Department, reserved for companies with a very high level of compliance with health regulations on imported goods.



[CLEAN CARGO WORKING GROUP](#)

We joined this initiative in 2020 with the aim of reducing the environmental impacts of worldwide freight transport and to promote responsible ocean freight. At the Clean Cargo Working Group, there is collaboration between companies dedicated to integrating environmental and socially responsible business principles into transport management. Its CO₂ emission calculation methodology is the shipping standard used by other initiatives, such as the US Environmental Protection Agency (EPA) SmartWay programme and the Global Logistics Emissions Council (GLEC).



[COTTON CAMPAIGN](#)

Cotton Campaign is an initiative led by companies and tertiary sector organisations to improve working conditions and defend human rights with regard to cotton production and supply.

[COVID-19: ACTION IN THE GLOBAL GARMENT INDUSTRY](#)

An initiative aimed at spurring action in the global textile sector to help the industry tackle the economic impact of the covid-19, while protecting the incomes, health and employment of workers in the industry. This call to action was agreed in 2020 by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union together with other international brands, with the technical support of the International Labour Organization (ILO). Inditex belongs to the international working group created for its implementation.



[COZEV \(CARGO OWNERS FOR ZERO EMISSION VESSELS\)](#)

CoZEV is an initiative led by the Aspen Institute as part of its Shipping Decarbonization Initiative (SDI). This initiative has brought together a number of shippers to accelerate the transition to zero-emissions vessels and to establish a commitment to only use this kind of vessel by 2040.



[RED CROSS](#)

We have been collaborating with the Red Cross since 2004 in a number of emergency relief programmes linked to natural disasters and similar crises. Over the course of the last seventeen years we have cooperated to tackle emergency situations in countries like India, China, Japan, Mexico, Australia, Italy and Spain, among others. We also have a stable arrangement with the Red Cross through programmes such as SALTA and Closing the Loop.



[ELLEN MACARTHUR FOUNDATION](#)

Ten years after the Ellen MacArthur Foundation was launched, Inditex has strengthened its collaboration with the organisation by becoming a Partner.

This year we renewed our involvement as a member of the Advisory Board for its Make Fashion Circular initiative.

Furthermore, we ramped up our ambition on plastics reduction by signing a new commitment to the New Plastics Economy promoted by the Ellen MacArthur Foundation in partnership with United Nations Environment to 2025. The commitment enables all plastics used in our business to be reused

or recycled, in order to be reintroduced into the circuit, while cutting the amount of unnecessary plastic packaging and increasing the percentage of recycled content in such materials.

This year we also signed a manifesto with the Ellen MacArthur Foundation, emphasising the Business Call for a UN Treaty on Plastic Pollution, calling on governments to ensure that the new treaty on plastic pollution includes measures and instruments that affect the entire life cycle of plastics, not just addressing the challenges associated with managing plastic waste.



ENTRECULTURAS

Since 2001 we have been collaborating with the Jesuit-sponsored NGO with the goal of generating social change through education. Thanks to this partnership, over the last 20 years we have developed a number of educational programmes that have directly benefited more than 1.3 million vulnerable people in Africa, America and Asia.



ETHICAL TRADING INITIATIVE (ETI)

A dialogue platform to improve working conditions of supply chain workers, comprising companies, international trade unions and non-governmental organisations. Inditex has been a member of ETI since 2005 and is an active participant of its programmes in different countries.



EUROCOMMERCE

We are actively involved with EuroCommerce, the largest representative body of the retail industry in Europe, comprising 6 million retail and wholesale companies from various sectors.

We are also members of its environmental committee and founding members of its representative body TEFRI, made up of companies from the textile sector.



EUROPEAN NETWORK AGAINST RACISM

Like the ENAR Foundation ("European Network Against Racism", which advocates racial equality), Inditex envisions a society where there is full

equality, solidarity and well-being for all and where discrimination against people based on their skin colour, religion, culture, nationality or origin is not tolerated. In 2021, the ENAR Foundation granted the Holistic Diversity Management Certificate to the Inditex network of 34 Champions of Diversity in Europe, developed in conjunction with experts in D&I management.



EVERY MOTHER COUNTS

A charitable organisation dedicated to helping women receive quality health care to prevent infant and maternal mortality. Our partnership with Every Mother Counts, which commenced in 2015, has developed (among others) a number of maternal health projects in countries such as Bangladesh and the United States.



FASHION FOR GOOD

Fashion for Good is a global innovation accelerator specialising in the textile sector. Through this platform, brands, producers suppliers, non-profit organisations and innovators work together to scale sustainable solutions.

At Inditex we participated in a study on the actual typology of post-consumer textile waste according to their characteristics and compositions. The aim is to gauge textile waste sorting capacities in Europe.



THE FASHION PACT

We are co-founding partners of this agreement among leading companies in the fashion sector to set specific goals to handle the challenges of the industry in terms of fighting climate change, caring for oceans and conservation of biodiversity.



FORO SOCIAL DE LA MODA

Launched in 2018 as a joint initiative between tertiary sector organisations, local trade unions affiliated with IndustriALL Global Union (CCOO and UGT) and a number of Spanish textile brands, including Inditex. It aims to promote a forum for multi-stakeholder dialogue on global supply chains.



FUR FREE ALLIANCE

Fur Free Alliance is an international coalition of animal welfare protection organisations working to bring an end to the exploitation and killing of animals for their fur. Inditex is a member of the Fur Free Alliance’s Fur Free Retailer Program.



GLOBAL FASHION AGENDA (GFA)

At the Company we continue to strive to improve and afford continuity to circularity commitments made to the GFA and fulfilled in 2020. 100% of our stores continue to offer the used garment collection programme, we continue to train our design teams in circularity and we have accelerated our efforts to scale up textile-to-textile recycling.

In addition, Inditex is a founding partner, through its brands Pull and Bear and Bershka, in the Circular Fashion Partnership project, which supports the development of the recycling industry in Bangladesh.



INDUSTRIALL GLOBAL UNION

An international federation of trade unions representing more than 50 million industrial workers belonging to more than 600 trade unions in 140 countries. The collaboration with IndustriALL Global Union is embodied through the Global Framework Agreement, signed in 2007, the first to cover the entire supply chain of a textile company. The agreement, renewed in 2019, highlights the essential role of respect for freedom of association and collective bargaining rights. In this regard, the two organisations agreed to work together to ensure a more effective implementation of the International Labour Conventions.



INTERNATIONAL ACCORD

This is the agreement signed in 2021 between brands and international trade unions, with non-governmental organisations acting as witnesses for its fulfilment. It encompasses the commitment to continue and expand the efforts, initiated in Bangladesh in 2013, for a safe and healthy textile industry. The International Accord recognises the RMG Sustainability Council (RSC) as the independent organisation that continues these efforts in Bangladesh. Inditex is a founding member and sits on the Steering Committee.



CHINESE INSTITUTE OF PUBLIC AND ENVIRONMENTAL AFFAIRS (IPE)

We work with the Chinese Institute of Public and Environmental Affairs (IPE) to improve the environmental management of our supply chain in China and to disseminate the results of wastewater analyses. We continue to work together to prepare a map to monitor the performance of textile companies in China.



LBG (LONDON BENCHMARKING GROUP) ESPAÑA

Methodology to measure business contributions to the community. Inditex is a member of *LBG España*, which currently comprises 19 companies.

The LEAF Coalition

Lowering Emissions by Accelerating Forest Finance

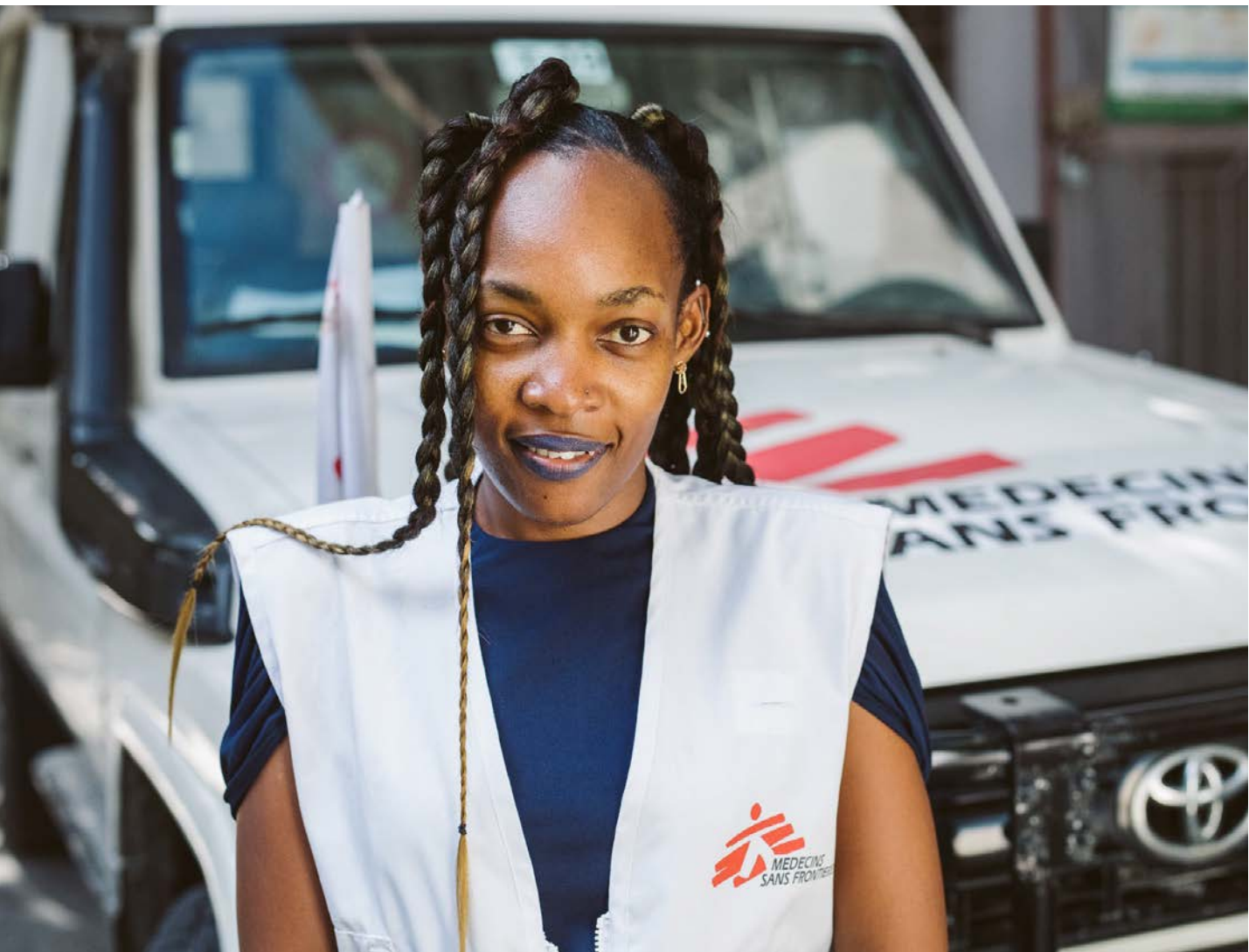
LEAF COALITION

This year we have signed up to the LEAF Coalition, coordinated by Emergent and combining public and private involvement. It focuses on protecting tropical forests from deforestation and on supporting sustainable development in the countries where they are located.



MASSACHUSETTS INSTITUTE OF TECHNOLOGY (MIT)

Within the framework of our Closing the Loop Programme, we collaborate with the Massachusetts Institute of Technology (MIT) in the MIT International Science and Technology Initiatives (MISTI) to research the development of recycling processes and the creation of textile fibres through new non-polluting methods or from waste, as well as any other sustainable initiative related to the circular economy in the textile industry.



We have endowed the Inditex Materials Science and Engineering Fellowship Fund Chair at MIT's Department of Materials Science and Engineering. This lifelong chair focuses on promoting research into sustainability.



[MEDICUS MUNDI](#)

Since 2015, we have been working with this international NGO founded in 1963 towards the common goal of promoting the right to health. Through this partnership, we contribute to improving the social and health situation for workers in the garment industry in Morocco.



[MÉDECINS SANS FRONTIÈRES \(MSF\)](#)

Since 2008 we have been cooperating with the medical-humanitarian endeavours of Médecins Sans Frontières/Doctors Without Borders (MSF) to help people threatened by armed conflict, epidemics, natural disasters or exclusion from medical care. As a result of this strategic partnership in community investment, we have rolled out projects in 52 countries that have benefited more than six million people.



[MIT CLIMATE AND SUSTAINABILITY CONSORTIUM](#)

Inditex belongs to a group of founding companies of the MIT Climate and Sustainability Consortium (MCSC), created to accelerate the development of large-scale solutions to stop climate change. The initiative brings together leading multinationals of various industries to work with the Massachusetts Institute of Technology (MIT) to pool environmental innovation processes and strategies.



[NAACP LEGAL DEFENSE AND EDUCATIONAL FUND](#)

NAACP Legal Defense and Educational Fund is the foremost US legal organisation advocating for racial justice. Inditex collaborates with this organisation to finance projects primarily in the area of education that seek to improve access for African-American students, bringing about structural changes in society to eliminate disparities and achieve racial equality. NAACP LDF works for civil rights and to improve the quality of education.



[OPEN FOR BUSINESS](#)

Coalition of leading global companies dedicated to LGBT+ inclusion and the rights of the LGBT+ community (lesbian, gay, bisexual and transgender) to prove that inclusive societies are better for business and that companies that promote LGBT+ inclusion are more dynamic, productive and innovative.



[OPEN TO ALL](#)

Inditex is a supporter of Open to All, a campaign led by retailers in the US to combat discrimination and make everyone entering our establishments feel welcome, regardless of their race, ethnicity, origin, gender, sexual orientation, gender identity and expression, religion or disability.

This coalition brings together businesses and more than 200 non-profit organisations.



[ORGANIC COTTON ACCELERATOR \(OCA\) FOUNDATION](#)

We are a founding member and sit on the Investor Committee of Organic Cotton Accelerator (OCA). This initiative seeks the commitment to help develop a responsible and healthy market of organic cotton for all parties involved.



[INTERNATIONAL LABOUR ORGANIZATION \(ILO\)](#)

The International Labour Organization (ILO) is a specialist UN body focusing on all matters relating to work and labour relations.

We collaborate closely in various spheres such as, for example, the Better Work programme, the SCORE programme, the Workplace Adaptation Programme and the covid-19 initiative: *Call to Action in the Global Garment Industry*.

In 2017 we entered in a three-year public-private partnership with the ILO aimed at jointly promoting core principles and labour rights in the cotton supply chain.



UNITED NATIONS GLOBAL COMPACT

A United Nations initiative that encourages social dialogue between companies and civil society. Inditex signed up in October 2001 and actively participates in various working platforms alongside other stakeholder groups, such as the Action Platform on Decent Work in Global Supply Chains.

RACE TO ZERO

RACE TO ZERO

Race to Zero is a campaign under the umbrella of the United Nations Framework Convention on Climate Change (UNFCCC) aimed at driving the change to a decarbonised economy.



RED EMPRESARIAL POR LA
DIVERSIDAD E INCLUSIÓN LGBTI

REDI (BUSINESS NETWORK FOR LGBT+ DIVERSITY AND INCLUSION)

Inditex is a member of REDI, Spain's first inter-company and expert network for diversity and inclusion of LGBTI employees and allies. REDI aims to nurture an inclusive and respectful environment

in organisations in which talent is appreciated, regardless of sexual identity, gender expression and sexual orientation.

EURATEX REHUBS

As a founding partner, in 2021 Inditex joined the Business Council of the ReHubs initiative developed by Euratex to set up five recycling centres in Europe with the aim of collecting, processing and recovering textile waste.



RMG SUSTAINABILITY COUNCIL (RSC)

As the heir of the Accord on Fire and Building Safety since 2020, the RMG Sustainability Council (RSC) delivers building safety inspection and remediation programmes in production facilities in Bangladesh. Textile brands, trade union federations and employers' associations in the country are represented equally on its Board. Inditex works actively with its suppliers and manufacturers in the aforementioned programmes, and serves on the Board of Directors.

Shift

SHIFT

A non-profit organisation specialising in human rights. Since 2019, Inditex takes part in its Business Learning Programme, a programme for leadership in human rights that involves companies from all sectors in efforts to implement the Guiding Principles.



SMART FREIGHT CENTRE

It is a non-profit organisation dedicated to sustainable transport. Its vision is to achieve an efficient global logistics sector and zero emissions, that contributes to the goals of the Paris Agreement and the Sustainable Development Goals. To achieve this vision, they bring together the global logistics community through their *Global Logistics Emissions Council (GLEC)*.



SUSTAINABLE APPAREL COALITION (SAC)

We are active members of the Sustainable Apparel Coalition (SAC), a textile sector initiative to develop a common sustainability index to assess the performance of retailers, suppliers and products.



SUSTAINABLE FIBRE ALLIANCE

Sustainable Fibre Alliance (SFA) is an international non-profit organisation working with cashmere supply chains, from herders to retailers. Its purpose is to promote a global sustainability standard in cashmere production so as to preserve and restore pastureland, ensure animal welfare and guarantee livelihood.



TENT

TENT PARTNERSHIP FOR REFUGEES

Founded by Tent Foundation, a non-profit organisation, this is a global network of more than 200 companies that seeks to mobilise the private sector to create partnerships to improve the lives of refugees.



TEXTILE EXCHANGE

As members of the Textile Exchange, we partner with this independent and non-profit organisation that is an international benchmark in the sector. It is a platform to promote organic grown cotton, and global sustainability within the textile sector.



THE BUSINESS CALL FOR A UN TREATY ON PLASTIC POLLUTION

An open call ahead of the fifth session of the United Nations Environment Assembly, which seeks to encourage talks among UN member states to create an international treaty on plastic pollution to help drive the transition to a circular economy for plastics.



THE POLICY HUB

We are actively involved with Policy Hub, which brings together the textile industry and its stakeholders in order to accelerate the sector's circular transformation.



TSINGHUA UNIVERSITY

Through our partnership with Tsinghua University, since 2016 we have been involved in a number of academic programmes related to our community investment model. Notable among these are the Sustainable Development Fund, the Oversea Student Scholarship and Teaching Fund or the collaboration programme with this university's School of Economics and Management, among others.



UNI GLOBAL UNION

In 2019, Inditex and the trade union federation UNI Global Union, which represents 20 million workers in more than 150 countries, celebrated the 10th anniversary of the Global Agreement reached by both entities in 2009 to foster respect for and promotion of labour rights and decent work across the commercial and distribution network.

UNITING BUSINESS AND GOVERNMENTS TO RECOVER BETTER BY THE UNITED NATIONS

Inditex is one of over 150 companies involved in Science Based Targets that have signed a declaration in 2020 urging governments worldwide to align their recovery efforts to combat the crisis caused by covid-19 and work on economic aid, using cutting-edge climate-related scientific developments.



UNIVERSITY OF A CORUÑA

Pursuant to our strategic partnership with the University of A Coruña (UDC), we have implemented a range of programmes such as Intalent, the Inditex-UDC Sustainability Chair, the Inditex Chair of Spanish language and culture in Bangladesh, or the Inditex- UDC Predoctoral Residency Grant Programme, among others.



UNIVERSITY DE SANTIAGO DE COMPOSTELA

As part of our community investment efforts, we have been cooperating with the University of Santiago de Compostela since 2010 to develop the Inditex Chair of Spanish language and culture in Bangladesh.



MIGUEL HERNÁNDEZ UNIVERSITY

We collaborate with Miguel Hernández University in Elche in offering the TEMPE- APSA Chair of Disability and Employability, as part of our community investment initiatives.



COMILLAS PONTIFICAL UNIVERSITY

We work with Comillas Pontifical University to run the Inditex Chair of Refugees and Forced Migrants within the framework of our community investment.



UNIVERSITY OF LLEIDA. A3 LEATHER INNOVATION CENTER IN IGUALADA

The development of the best leather tanning and finishing technologies, as well as sensitive and versatile methods for the analysis of key substances such as formaldehyde and chromium (VI), are the focus of our cooperation with A3 Center.



POLYTECHNIC UNIVERSITY OF CATALONIA

Inditex carries out research in conjunction with the Polytechnic University of Catalonia on the microplastics present in marine ecosystems as a result of waste water from washing clothes. The project focuses on minimising the detachment of these particles (measuring less than 5mm) from garments, with the aim of preventing them from ending up in the sea.



UNIVERSITY OF DHAKA

Since 2010 we have been collaborating with the University of Dhaka in developing the Inditex Chair of Spanish language and culture. This Chair, located at the University of Dhaka's Institute of Modern Languages, promotes Spanish language and culture in Bangladesh through various academic and cultural dissemination initiatives, notably including annual courses in Spanish language and culture, the student mobility grants programme and the hosting of especially significant artistic events.



WATER.ORG

We have been working since 2015 with the non-profit organisation Water.org to improve access to drinking water and sanitation for low income families in Bangladesh, Cambodia and India. As a result of our strategic partnership with Water.org, more than two million three hundred thousand people have improved their access to drinking water and sanitation through the granting of microloans.



ZERO DISCHARGE OF HAZARDOUS CHEMICALS (ZDHC)

In this organisation, we join forces with the rest of the industry in order to move forward together in fulfilling our commitment to Zero Discharge of Hazardous Chemicals, a pledge to restrict and eliminate certain chemicals in the product manufacturing process.



4.4.3. Materiality analysis

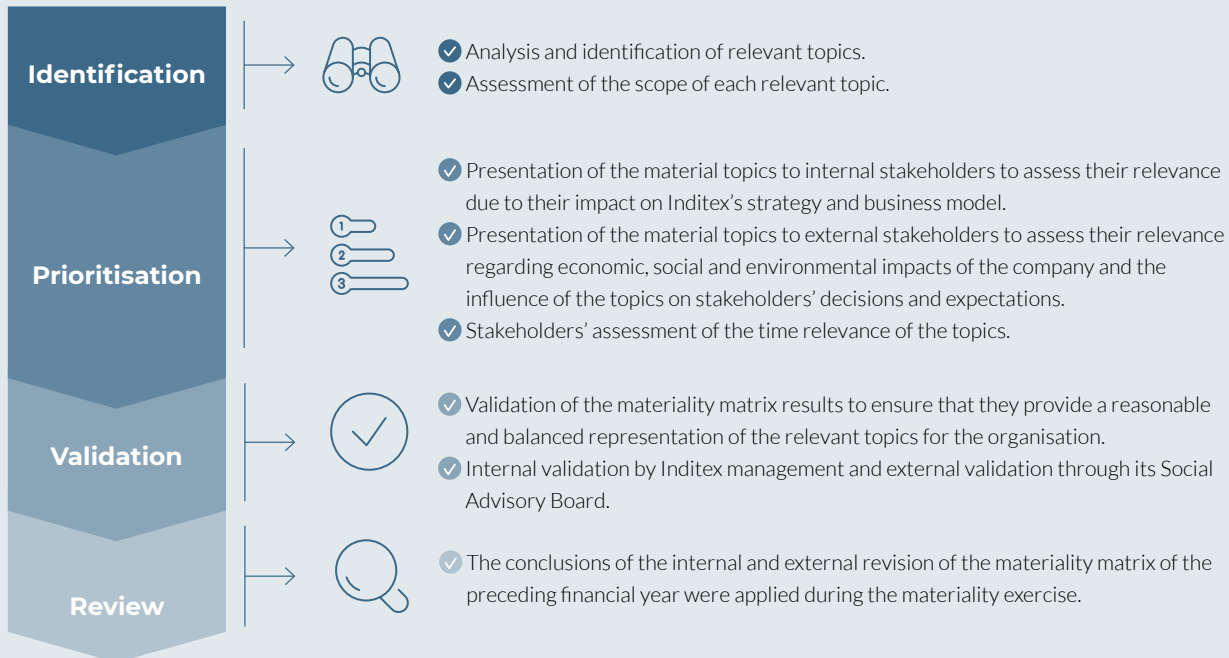
GRI 102-29; 102-43; 102-44; 102-46; 102-47; 102-49 AND 103-1

In 2021, for the eleventh consecutive year, we performed a materiality analysis to understand the needs and expectations of our stakeholders. This exercise enables us to identify and prioritise the issues that are most relevant, both to internal stakeholders, i.e., our employees, and external stakeholders, i.e., international bodies, trade unions, NGOs, universities, media, local communities and suppliers, among others. The matters identified through this process are known as **material topics**.

The materiality analysis has a dual purpose. On the one hand, it enables us to identify the priorities we need to focus on in order to make progress in creating value for our stakeholders and thus ensure that our sustainability strategy is aligned with their needs. On the other, it helps us to determine the content to be included in this Report.

A double approach to materiality is adopted in the process of determining material topics and their relevance, which is reviewed annually. Hence, attention is paid not only to the impact these issues have on our Group’s strategy, but also to the impact the Company has on the environment. Accordingly, in the process of determining the materiality matrix, the Global Reporting Initiative recommendations are followed, most specifically **GRI 101: Foundation 2016** standard, in addition to other relevant methodologies and recommendations in connection with reporting. This year we have introduced the financial perspective when it comes to assessing the impact of material topics relating to sustainability (including environmental, social and governance aspects). This considers the impact of each topic on Inditex’s capacity to generate revenues, reduce costs or make the business more efficient and mitigate risks. Furthermore, an assessment of the relevance of the topics over time has also been taken into account, assessing whether the impact occurs in the short, medium or long term.

ELABORATION PROCESS OF INDITEX'S MATERIALITY MATRIX



For the process of identifying material topics, a range of relevant information sources are used, including: analysis of industry and global trends, public opinion (through the analysis of social and digital media), learnings and contributions from the various stakeholder with whom the Company has relations, findings of internal working groups specifically created for this purpose, in which both managers and technical experts from key areas take part, among others.

Once the material topics are identified, they are presented to the internal and external stakeholders for prioritisation. This process is conducted through online surveys in which internal stakeholders assess the relevance of the material topics on the basis of their impact on Inditex's strategy and business model (y-axis of the matrix), and external stakeholders assess their relevance on the basis of the economic, social and environmental impacts of

the company, as well as the influence of the topics on their decisions and expectations (x-axis of the matrix). Both internal and external stakeholders assess the temporal relevance of all the topics.

To ensure equal representation of all the stakeholder groups involved (employees, international bodies, trade unions, NGOs, universities, media, local communities and suppliers, among others), they are grouped according to the broad spheres to which each of them relate and their responses are weighted so that no sphere is over-represented.

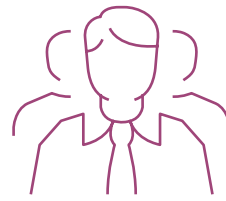
In this year's exercise, representatives from more than 70 organisations of a different nature took part¹⁶, as well as internal employees. It is worth noting the participation of our Social Advisory Board, as a collegiate body made up of external independent experts that advise our Group on sustainability issues.

16. The participant organisations include, among others: Inditex Social Advisory Board, Accelerating Circularity, Asociación Española de Contabilidad y Administración de Empresas (AECA), AFIRM Group, Canopy, Cáritas, Centre for Business and Public Sector Ethics of Cambridge, Red Cross Spain (Cruz Roja), Ethical Trading Initiative, Eurocommerce, Fashion for Good, Entreculturas Foundation, Seres Foundation, United Nations Global Compact Spanish Network, Greenpeace, Humane Society of the United States (HSUS), IndustriALL Global Union, Medicus Mundi, Organic Cotton Accelerator (OCA), Social & Labour Convergence Programme (SLCP), University of A Coruña, Comillas Pontifical University, Oxford University, University of Santiago de Compostela, Tsinghua University and the United Nations High Commissioner for Refugees (UNHCR).

After prioritising the topics the results are checked internally by the Company’s management and externally by the Social Advisory Board. In addition, the findings of the previous year’s review are applied during the materiality process in order to implement any conclusions drawn during the matrix elaboration exercise.

The result is a **materiality matrix** showing 20 topics based on their relevance to stakeholders and for developing the Company’s business model. In 2021, for the first time the matrix also shows the temporal relevance of each topic. The matrix is complemented with the Balance of Material Topics, which includes an analysis of the scope or boundary of each material topic and the involvement of Inditex in the potential impact.

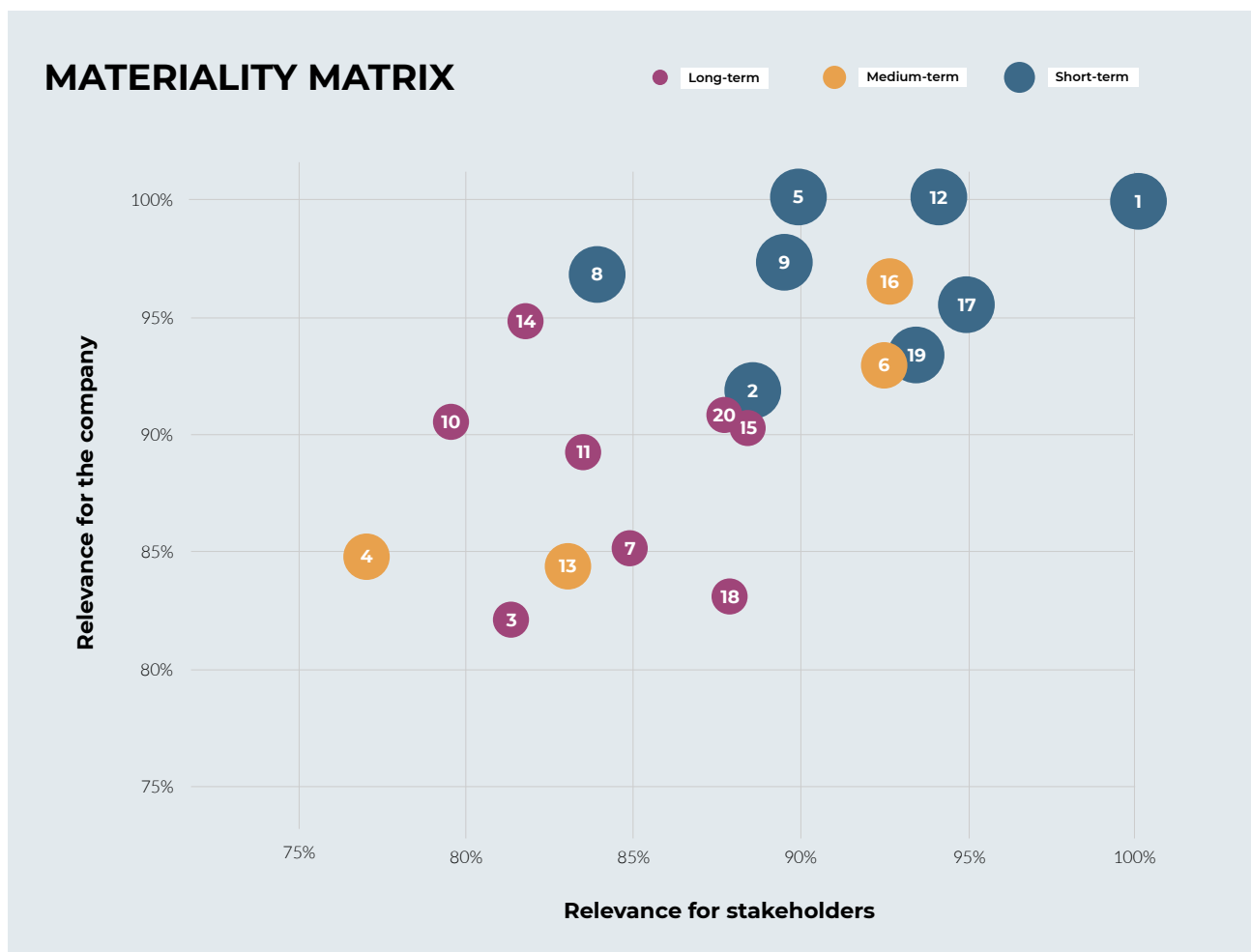
① More information in section 6.2.2. *Balance of material topics* of this Report.



+70

ORGANISATIONS

In this year’s exercise, representatives from more than 70 organisations of a different nature took part, as well as internal employees.



MATERIAL TOPICS

NUMBER	MATERIAL TOPIC	SUBTOPICS
1	Ethical behaviour and governance	<ul style="list-style-type: none"> ✓ Good governance ✓ Corporate ethics ✓ Compliance and responsible practices ✓ Anti-corruption ✓ Grievance mechanisms ✓ Public policy
2	Risk management and control systems	<ul style="list-style-type: none"> ✓ Financial risk management and control systems ✓ Cybersecurity ✓ Non-financial risk management and control systems ✓ Management of climate change risks and opportunities
3	Stakeholder engagement	<ul style="list-style-type: none"> ✓ Stakeholder commitments ✓ Alliances and partnerships ✓ Transparency and continuous dialogue
4	Responsible Communication	<ul style="list-style-type: none"> ✓ Responsible communication and marketing ✓ Brand management ✓ Product information and labelling
5	Value chain transparency and traceability	<ul style="list-style-type: none"> ✓ Raw material traceability ✓ Transparency ✓ Process traceability
6	Responsible purchasing practices	<ul style="list-style-type: none"> ✓ Suppliers relations ✓ Responsible purchasing training and commitments
7	Value creation	<ul style="list-style-type: none"> ✓ Financial performance ✓ Socio-economic impact on society ✓ Tax contribution and tax transparency ✓ Community investment ✓ Contribution to the SDGs
8	Innovation	<ul style="list-style-type: none"> ✓ Digitalisation ✓ Innovation in sustainability ✓ Process innovation
9	Customer orientation	<ul style="list-style-type: none"> ✓ Sales practices ✓ Shopping experience
10	Diversity, equality and inclusion	<ul style="list-style-type: none"> ✓ Diversity ✓ Equality ✓ Inclusion

NUMBER	MATERIAL TOPIC	SUBTOPICS	
11	Quality of employment	<ul style="list-style-type: none"> ✓ Employment ✓ Remuneration 	<ul style="list-style-type: none"> ✓ Labour relations
12	Human Rights	<ul style="list-style-type: none"> ✓ Human Rights strategy 	<ul style="list-style-type: none"> ✓ Due diligence processes
13	Safe and healthy environments	<ul style="list-style-type: none"> ✓ Health and Safety management systems ✓ Health and well-being promotion 	<ul style="list-style-type: none"> ✓ Health and safety training ✓ Implemented measures derived from covid-19
14	Talent management	<ul style="list-style-type: none"> ✓ Talent attraction ✓ Talent retention 	<ul style="list-style-type: none"> ✓ Talent development
15	Socially-sustainable production environments	<ul style="list-style-type: none"> ✓ Employee well-being ✓ Industrial relations ✓ Living wages 	<ul style="list-style-type: none"> ✓ Women empowerment ✓ Social assessment and supply chain improvement
16	Climate change	<ul style="list-style-type: none"> ✓ Energy Management ✓ Emissions 	<ul style="list-style-type: none"> ✓ Decarbonisation ✓ Energy efficiency
17	Environmental footprint minimisation	<ul style="list-style-type: none"> ✓ Water usage ✓ Management of chemical substances and sustainable processes in manufacturing 	<ul style="list-style-type: none"> ✓ Waste management ✓ Environmental assessment and supply chain improvement
18	Protection of natural resources	<ul style="list-style-type: none"> ✓ Biodiversity 	<ul style="list-style-type: none"> ✓ Animal welfare
19	Product sustainability	<ul style="list-style-type: none"> ✓ Sustainable raw materials 	<ul style="list-style-type: none"> ✓ Product quality, health and safety
20	Circularity	<ul style="list-style-type: none"> ✓ Eco-design ✓ Packaging 	<ul style="list-style-type: none"> ✓ Recycling

Moreover, based on our materiality analysis and the alignment of our strategy with the United Nations 2030 Agenda, the Sustainable Development Goals

most impacted through our value creation model have been identified.

MATERIALITY

RELATED VALUE CREATION, MATERIAL TOPICS AND SDGS

MATERIAL TOPICS

- 2. Risk management and control systems
- 16. Climate change

SDGS



Responsible risk management



MATERIAL TOPICS

- 1. Ethical behaviour and governance
- 3. Stakeholder engagement

SDGS



Good governance, corporate ethics culture and solid compliance architecture



MATERIAL TOPICS

- 7. Value creation

SDGS



Fiscal responsibility and transparency



MATERIAL TOPICS

- 3. Stakeholder engagement
- 7. Value creation

SDGS



Collaborating to generate value in the community



MATERIAL TOPICS

- 3. Stakeholder engagement
- 8. Innovation
- 16. Climate change
- 17. Environmental footprint minimisation
- 18. Protection of natural resources

SDGS



Collaborating to safeguard the planet



