

# INDITEX



ANNUAL CORPORATE  
GOVERNANCE REPORT (ACGR)  
2022

# Issuer identification details

**Year End-Date:**

31/01/2023

**Tax ID (CIF):**

A15075062

**Company name:**

INDUSTRIA DE DISEÑO TEXTIL, (INDITEX, S.A.)

**Registered office:**

Avda. de la Diputación, Edificio Inditex, Arteixo (A Coruña)

In this Annual Corporate Governance Report, the board of directors of INDUSTRIA DE DISEÑO TEXTIL, S.A. (INDITEX, S.A.) (“**Inditex**” or the “**Company**”) has included all the relevant information for financial year 2022, which commenced on 1 February 2022 and ended on 31 January 2023, excepting those cases in which other dates of reference are specifically mentioned.

The revised text of the Ley de Sociedades de Capital [*Spanish Companies Act*] approved by Real Decreto Legislativo 1/2010 of 2 July (the “**Companies Act**” or “**LSC**” [*Spanish acronym*]), substantially amended by Act 31/2014 of 3 December to improve corporate governance and by Act 5/2021 of 12 April as regards encouragement of long-term shareholder engagement in listed companies (“**Act 5/2021**”), represents the basic legal framework of corporate governance in Spain.

In addition, the Good Governance Code of Listed Companies (“**GGC**” or “**Good Governance Code**”), approved by the Comisión Nacional del Mercado de Valores [*Spanish National Securities Market Commission*] (“**CNMV**”) in February 2015 and amended in part by CNMV’s board on 25 June 2020, lists a set of principles and practices that must govern corporate governance in listed companies.

This Annual Corporate Governance Report has been drawn up by the Audit and Compliance Committee in free format pursuant to the provision of CNMV’s Circular 3/2021 of 28 September amending Circular 5/2013, that sets forth the standard forms of the annual corporate governance report of directors for listed public limited companies, saving banks and other entities that issue securities admitted to trading on regulated markets.

Notwithstanding the foregoing, the contents of this Report meet the minimum requirements set forth in applicable regulations, as provided in section 540 LSC and in Order ECC/461/2013 of 20 March and is accompanied by the relevant statistical Appendix.

It bears mentioning that for reasons beyond the Company’s control and on account of CNMV’s own systems, certain information shown in the standardised statistical appendix for financial year 2023 actually refers to Inditex’s financial year 2022, and so on and so forth for all the previous years.

This Annual Corporate Governance Report shall be released as other relevant information (OIR [*Spanish acronym*]) contemporaneously with the release of the Annual Report on Remuneration of Directors and shall be made available on Inditex’s corporate website and on CNMV’s website.

Inditex’s corporate governance rules are established in the Articles of Association, the Board of Directors’ Regulations, the Regulations of the General Meeting of Shareholders, the terms of reference of board committees, the Internal Regulations of Conduct in the Securities Markets (IRC), the Code of Conduct and Responsible Practices and the Regulations of the Social Advisory Board, as explained in greater detail below:

Articles of Association: Approved by the Annual General Meeting in July 2000 and subsequently amended several times. They were last amended on 13 July 2021 for the purposes of encompassing the regulatory development introduced by Act 5/2021 and aligning its language with the correlative amendments to the Board of Directors’ Regulations and the terms of reference of the Audit and Compliance, Nomination and Sustainability Committees made throughout 2020 to bring them into line with the provisions of the revised GGC, amended in part further to a resolution passed by CNMV’s board on 25 June 2020.

Board of Directors’ Regulations: Approved by the Board of Directors in July 2000. This set of rules seeks to determine the principles of operation of the Board of Directors, the basic rules for its organisation and proceedings and the rules governing the conduct of its members. It provides, inter alia, rules regarding the appointment and removal of Directors, their rights and duties and the relations of the Board of Directors with the shareholders, the markets and the external auditor, all with the aim of achieving the highest possible degree of efficiency. This Regulation has been amended several times. The last amendment to this set of rules was approved by the board of directors on 12 May 2022. All said amendments are addressed in greater detail in section C.1.15 below.

Regulations of board committees (Audit and Compliance Committee, Nomination Committee, Remuneration Committee and Sustainability Committee, jointly “**board committees**”):

The terms of reference of the Audit and Compliance Committee, the Nomination Committee, and the Remuneration Committee were approved by the Board of Directors in the meeting held on 9 June 2015. The board of directors approved the Sustainability Committee’s Regulations in the meeting held on 16 July 2019 following the committee’s formation.

These terms of reference seek to govern the proceedings of board committees as regards their powers, composition, calling, quorum, decision-making and relationship with the remaining governing bodies of the Company.

The latest amendments to the terms of reference of board committees were approved by the board in the meeting held on 12 May 2022 so that the separation of duties of the Chair and the CEO as chief executive of the company is clearly reflected therein.

Regulations of the General Meeting of Shareholders: This set of rules was approved by the Annual General Meeting on 18 July 2003. Its aim is to govern the proceedings of the General Meeting of Shareholders as regards notices, meetings’ preparation, information, attendance, proceedings and exercise of voting rights, and to inform shareholders of their rights and duties relating to said body. Said Regulations have been amended on various occasions, to adapt their provisions to the successive updates of the Articles of Association, the latest of which dated 13 July 2021. As was the case with the amendment to the Articles of Association, approved on the same date, said amendment seeks to encompass the regulatory development introduced by Act 5/2021. In particular, the possibility of holding virtual-only general meetings was covered, in accordance with the provisions of new section 182bis LSC.

Internal Regulations of Conduct in the Securities Markets (the "Internal Regulations of Conduct" or "IRC"): It was originally approved by the board of directors in July 2000. This document provides, inter alia, the rules for processing, safeguarding and disclosing inside information and other relevant Company information, the system that governs transactions in Inditex securities and financial instruments carried out by the persons included in its scope, the provisions on prohibition of market manipulation and Inditex's policy on treasury shares.

The new IRC was approved by the board of directors on 19 July 2016 for the purposes of adapting its contents to the European regulatory framework to fight market abuse, made up of Regulation (EU) No 596/2014 of 16 April 2014 on market abuse, Directive 2014/57/EU of 16 April 2014, and their respective implementing regulations, that seek to reinforce the integrity of the financial markets and to set up mechanisms for a streamlined implementation and supervision in the various Member States of the European Union.

Its latest amendment was approved by the board of directors on 3 November 2022, primarily to cover the new name of the Transparency Market Committee (formerly known as the "Compliance Supervisory Board"), specify who are deemed to be Senior Managers for the purposes of the IRC and indicate that the blackout period that applies to the remaining IRC groups will hereinafter apply to Directors and Senior Managers, in line with market practice.

Inditex Group's Code of Conduct and Responsible Practices: approved by the Board of Directors on 17 July 2012, it provides the lines of action that must be followed by the Group in the performance of its professional duties. Its goal consists of exacting an ethical and responsible professional behaviour from Inditex and its entire workforce in the conduct of their business anywhere in the world, as the foundation of its corporate culture upon which the training and the personal and career development of its employees is based. For these purposes, the principles and values that shall govern relations between the Group and its stakeholders (employees, customers, shareholders, business partners, suppliers and the societies where its business model is implemented) are defined therein. The Code of Conduct and Responsible Practices is based upon a number of overarching principles. These include, inter alia, that: (i) the Inditex Group shall carry out all its transactions under an ethical and responsible perspective; (ii) all persons, whether natural or legal, who maintain, directly or indirectly, any kind of professional, economic, social or industrial relationships with the Inditex Group shall be treated in a fair and honourable manner and; (iii) all Inditex activities shall be carried out in the manner that most respects the environment, promoting biodiversity preservation and sustainable management of natural resources.

The current full text of all the aforementioned documents is available on the corporate website: (i) under the "Investors" tab "Corporate Governance" section "Reports & Regulations" sub-section, and (ii) under the "Group" tab "Ethical commitment" section.

Regulations of the Social Advisory Board: The Social Board is Inditex's advisory body in the field of social and environmental sustainability. In December 2002, the board of directors authorised its creation and approved its Regulations, which determine the principles of action, the basic rules governing its organisation and proceedings and the rules of conduct of its members.

The Regulations of the Social Advisory Board have been amended several times, and for the last time on 16 July 2019 for the purposes of establishing its functional reporting line to the Sustainability Committee.

## A. Ownership structure

A.1. Complete the following table on share capital and voting rights attached to shares, including those corresponding to shares with a loyalty vote as of year-end, where appropriate:

**Indicate whether articles of association contain the provision of double loyalty voting:**

Yes    No x

**Indicate whether the company has awarded votes for loyalty:**

Yes    No x

Date of the last share capital change	Share capital (€)	Number of shares	Number of voting rights (not including additional votes for loyalty)	Number of additional voting rights attached to shares with a loyalty vote	Total number of voting rights, including additional votes attached to loyalty shares
20/07/2000: AGM resolution	€93,499,560	3,116,652,000 shares	3,116,652,000	-	3,116,652,000

**Indicate whether there are different classes of shares with different rights attached:**

Yes    No x

Class	Number of shares	Par value	Number of voting rights	Rights and obligations conferred
-	-	-	-	-

All shares are of the same class and series, represented by the book-entry method and are fully paid-up and subscribed.

INDITEX has been listed on the four different Spanish Stock Exchanges since 23 May 2001 and has been part of the selective IBEX35 index since July 2001. In addition, it has been part of the Euro Stoxx 50 index since September 2011, the MSCI index since November 2001, the Dow Jones Sustainability index since September 2002 and the FTSE4Good index since October 2002.

A.2. List the company's significant direct and indirect shareholders as of year-end, including directors with a significant shareholding:

The Company issues shares represented by the book-entry method. In addition, pursuant to the provisions of section 497 LSC, Inditex has a contract with Sociedad de Gestión de Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Iberclear) [Spanish Central Securities Depository in charge of the Register of Securities, and the Clearing and Settlement of all trades] for the daily share ownership notification service.

According to the Company's Shareholders Register, the significant direct and indirect shareholders as of 31 January 2023, including directors with a significant shareholding, were those shown below:

Name or company name of shareholder	% of voting rights attached to the shares (including votes for loyalty)		% of voting rights through financial instruments		% of total voting rights	From the total number of voting rights attributed to the shares, indicate, where appropriate, the additional votes attributed corresponding to the shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Mr Amancio Ortega Gaona	- %	59.294 %	- %	- %	59.294 %	- %	- %
Ms Sandra Ortega Mera	- %	5.053 %	- %	- %	5.053 %		

**Breakdown of the indirect shareholding:**

Name or company name of the indirect owner	Name or company name of the direct owner	% of voting rights attached to the shares (including votes attached to loyalty shares)	% of voting rights through financial instruments	% of total voting rights	From the total number of voting rights attached to the shares, indicate, where appropriate, the additional votes attached to loyalty shares	
Mr Amancio Ortega Gaona	Pontegadea Inversiones, S.L. (*)	50.010 %	- %	50.010 %	-	-
	Partler Participaciones, S.L.U.	9.284 %	- %	9.284 %	-	-
Ms Sandra Ortega Mera	ROSP CORUNNA PARTICIPACIONES EMPRESARIALES, S.L.	5.053 %	- %	5.053 %	-	-

**Remarks**

(\*) Mr Amancio Ortega Gaona owns a 59.294% stake in Inditex's share capital through the companies styled Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U. Mr Amancio Ortega Gaona and Pontegadea Inversiones, S.L., represented by Ms Flora Pérez Marcote, sit on Inditex's board of directors as proprietary directors.

**Indicate the most significant changes in the shareholder structure during the year:**

The Company has not received any notices regarding any significant movements in shareholder structure over the year.

A.3. Give details of the stake at financial year-end, of the members of the board of directors who are holders of voting rights attached to shares of the company or through financial instruments, irrespective of the percentage, excluding the directors who have been identified in Section A.2 above:

As at 31 January 2023, the following directors had a stake in the Company:

Name or company name of director	% of voting rights attached to shares (including loyalty votes)		% of voting rights through financial instruments		% of total voting rights	From the total % of voting rights attached to shares, indicate, where appropriate, the % of the additional votes attached to shares with a loyalty vote	
	Direct	Indirect	Direct	Indirect		Direct	Indirect
Ms Marta Ortega Pérez	0.0014 %	- %	- %	- %	0.0014 %	- %	- %
Mr Óscar García Maceiras	0.0004 %	- %	- %	- %	0.0004 %	- %	- %
Mr José Arnau Sierra	0.0010 %	- %	- %	- %	0.0010 %	- %	- %
Bns. Denise Patricia Kingsmill	- %	- %	- %	- %	- %	- %	- %
Ms Anne Lange	- %	- %	- %	- %	- %	- %	- %
Ms Pilar López Álvarez	0.0001 %	- %	- %	- %	0.0001 %	- %	- %
Mr José Luis Durán Schulz	0.0001 %	- %	- %	- %	0.0001 %	- %	- %
Mr Rodrigo Echenique Gordillo	0.0006 %	- %	- %	- %	0.0006 %	- %	- %
Mr Emilio Saracho Rodríguez de Torres	- %	- %	- %	- %	- %	- %	- %
<b>TOTAL</b>	<b>0.0036</b>				<b>0.0036</b>		

<b>Total % of voting rights held by the board of directors</b>	59.298%
<b>Total % of voting rights represented on the board of directors</b>	59.298%

A.4. Where applicable, indicate any family, commercial, contractual or corporate relationships that exist among significant shareholders to the extent that they are known to the company, unless they are insignificant or arise in the ordinary course of business, with the exception of those reported in section A.6:

Name or company name of related party	Type of relationship	Brief description
- Ms Sandra and Mr Marcos Ortega Mera.	Family	Ms Sandra and Mr Marcos Ortega Mera are the offspring of Mr Amancio Ortega Gaona, director and indirect shareholder.
- Mr Amancio Ortega Gaona		Mr Amancio Ortega Gaona is an indirect shareholder and beneficial owner of Inditex via significant shareholders Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U. and Ms Sandra and Mr Marcos Ortega Mera are indirect shareholders of the Company via significant shareholder Rosp Corunna Participaciones Empresariales, S.L. (where Mr Ortega Mera has a minority shareholding).

The Company has not received notice of any family, commercial, contractual or corporate relationships existing between the owners of significant holdings that are of a relevant nature or that do not arise from the ordinary course of business.

A.5. Where applicable, indicate any commercial, contractual or corporate relationships that exist between significant shareholders and the company and/or its group, unless they are of little relevance or arise in the ordinary course of business:

There have been no commercial, contractual or corporate relationships between significant shareholders and the company that are of a relevant nature or that do not arise from the ordinary course of business, without prejudice to the information provided, for transparency's sake, under section D below regarding "Related party and Intra-group transactions".



A.6. Describe the relationships, unless of little relevance to both parties, existing between significant shareholders or shareholders represented on the Board and directors, or their representatives in the case of directors that are legal persons.

are represented. Specifically, indicate the directors appointed to represent significant shareholders, those whose appointment was proposed by significant shareholders, or who are linked to significant shareholders and/or companies in their group, specifying the nature of those relationships or ties. In particular, mention the existence, identity and position of any directors of the listed company, or their representatives, who are in turn members or representatives of members of the Board of Directors of companies that hold significant shareholdings in the listed company or in group companies of these significant shareholders.

Explain, where applicable, how the significant shareholders

Name or company name of related director or representative	Name or company name of related significant shareholder	Company name of the group company of the significant shareholder	Description of relationship/position
Mr Amancio Ortega Gaona	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	Chair of the Board
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	Chair of the Board
	PARTLER 2006, S.L.	PARTLER 2006, S.L.	Chair of the Board
Ms Marta Ortega Pérez	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	Ordinary member
	PARTLER 2006, S.L.	PARTLER 2006, S.L.	1st Deputy Chair
	PARTLER 2006, S.L.	PARTLER PARTICIPACIONES, S.L.U.	1st Deputy Chair
Mrs Flora Pérez Marcote (Legal representative of PONTEGADEA INVERSIONES S.L.)	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	1st Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	1st Deputy Chair
Mr José Arnau Sierra	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INVERSIONES, S.L.	2nd Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA, S.L.U.	2nd Deputy Chair
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA ESPAÑA, S.L.U.	Joint Director
	PONTEGADEA INVERSIONES, S.L.	ESPARELLE 2016, S.L.	Sole Director (Legal representative of PONTEGADEA INMOBILIARIA, S.L.U.)
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA DIECIOCHO, S.L.	Sole Director (Legal representative of PONTEGADEA INVERSIONES, S.L.)
	PONTEGADEA INVERSIONES, S.L.	SOBRADO FORESTAL 2014, S.L.	Sole Director
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA FRANCE S.A.S.	Legal representative of the Chair of the Company, PONTEGADEA INMOBILIARIA, S.L.U.
	PONTEGADEA INVERSIONES, S.L.	PRIMA CINQUE S.p.A.	Chair
	PONTEGADEA INVERSIONES, S.L.	PG REAL ESTATE INTEREST Ltd.	Ordinary member
	PONTEGADEA INVERSIONES, S.L.	PONTEGADEA INMOBILIARIA S.A. de C.V.	Chair
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA CANADA Inc.	Chair	
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA KOREA Inc.	Ordinary member	
PONTEGADEA INVERSIONES, S.L.	PONTEGADEA USA Inc.	Chair	
PARTLER 2006, S.L.	PARTLER 2006, S.L.	2nd Deputy Chair	
PARTLER 2006, S.L.	PARTLER PARTICIPACIONES, S.L.U.	2nd Deputy Chair	
PARTLER 2006, S.L.	PONTEGADEA PORTUGAL - INVESTIMENTOS IMOBILIARIOS E HOTELIROS S.A.	Chair	
PARTLER 2006, S.L.	ALMACK Ltd.	Ordinary member	

**Remarks:**

As stated in sections A.2 and A.4 above, Mr Amancio Ortega Gaona is an indirect shareholder of Inditex through two significant shareholders: Partler Participaciones, S.L.U. and Pontegadea Inversiones, S.L. This latter is a member of Inditex's board of directors, with Ms Flora Pérez Marcote, the spouse of Mr Amancio Ortega Gaona, as its legal representative. Director and board chair, Ms Marta Ortega Pérez is the daughter of Mr Ortega and Ms Pérez. She sits on the board of directors of significant shareholders Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U., as explained in the table above.

A.7. Indicate whether the company has been notified of any shareholders' agreements that may affect it, in accordance with the provisions of Articles 530 and 531 of the Spanish Companies Act (LSC). If so, describe them briefly and list the shareholders bound by the agreement:

Yes    No

**Indicate whether the company is aware of any concerted actions amongst its shareholders. If so, provide a brief description::**

Yes    No

The Company has not received any notices regarding the making of shareholders' agreements nor does it have any proof of the existence of concerted actions amongst its shareholders.

A.8. Indicate whether any individual or company exercises or may exercise control over the company in accordance with Article 5 of the Securities Market Act. If so, identify them:

Yes     No

Name or company name
Mr Amancio Ortega Gaona

**Remarks:**

Mr Amancio Ortega Gaona owns a 59.294% stake in Inditex's share capital through PONTEGADEA INVERSIONES, S.L. and PARTLER PARTICIPACIONES, S.L.U.

A.9. Complete the following table with details of the company's treasury shares: At the close of the year:

Number of direct shares	Number of indirect shares	Total percentage of share capital
4,932,514	-	0.158 %

**Explain any significant changes during the year:**

As of 31 January 2022, the Company owned 4,226,305 treasury shares, representing 0.135% of the share capital.

The incentive for the first cycle (2019-2022) of the 2019-2023 Long-Term Incentive Plan was paid in 2022. Such Plan, addressed to the management and other employees of the Inditex Group and approved at the Annual General Meeting held on 16 July 2019, is described in the Annual Report and in the Annual Report on Remuneration of Directors (the "2019-2023 Plan"). The part of the incentive in shares was delivered to the beneficiaries of the Plan charged against treasury stock held by the Company as at the delivery date. 1,793,791 shares representing 0.058% of the share capital were delivered.

On 12 July 2022 the board of directors approved, under the current authorisation conferred at the Annual General Meeting held on 16 July 2019, a share buy-back programme for the Company to fulfil the requirements of shares delivery to the beneficiaries of the second cycle of the 2019-2023 Long-Term Incentive Plan as well as to the beneficiaries of the first cycle, and as the case may be, the second cycle of the 2021-2025 Long-Term Incentive Plan (the "2021-2025 Plan").

The Programme was launched in accordance with the provisions of article 5 of Regulation (EU) No. 596/2014 on market abuse and of Commission Delegated Regulation (EU) 2016/1052. Under this Programme, 2,500,000 treasury shares were purchased, representing 0.08% of the company's share capital.

Consequently, as at 31 January 2023, the Company owned 4,932,514 treasury stock representing 0.158% of the share capital.

A.10. Provide a detailed description of the conditions and terms of the authority given to the Board of Directors to issue, buy back, or transfer treasury shares.

As of the date of this report, the authorisation granted to the board of directors at the Annual General Meeting held on 16 July 2019 to acquire treasury shares remains in force. Said authorisation superseded the previous authorisation approved at the Annual General Meeting held on 19 July 2016.

The resolution passed by the aforementioned Annual General Meeting held on 16 July 2019 regarding agenda item 10 is transcribed below:

"To authorise the Board of Directors so that it may, in accordance with the provisions of section 146 of Companies Act, proceed with the derivative acquisition of treasury shares, either directly or through any subsidiaries in which the Company is the controlling company, observing the legal limits and requirements and under the following conditions:

- a) *Methods of acquisition: the acquisition shall be done through purchase and sale, exchange or dación en pago [acceptance in lieu of payment].*
- b) *Maximum number of treasury shares to be acquired: shares with a nominal value that, when added to that of those shares, directly or indirectly in the possession of the Company, do not exceed 10% of the share capital.*
- c) *Maximum and minimum prices: the minimum price of acquisition of the shares shall be their nominal value and the maximum price shall be up to 105% of their market value at the date of purchase.*
- d) *Duration of the authorisation: five (5) years from the date of this resolution.*

*For the purposes of the provisions of section 146.1(a) of the Companies Act, it is hereby stated that shares acquired under this authority may be used by the Company, among other purposes, to be delivered to employees or directors of the Company, either directly or as result of the exercise of the option right they may hold, under employees' remuneration schemes in respect of employees of the Company or its Group.*

*This authorisation supersedes the authorisation approved at the Annual General Meeting held on 19 July 2016".*

As provided in section A.9 above, the board of directors approved on 12 July 2022, under the authorisation conferred at the Annual General Meeting as described above, a temporary share buy-back programme for the Company to fulfil the requirements of shares delivery to the beneficiaries of the second cycle of the 2019-2023 Plan as well as of the first cycle, and if appropriate, the second cycle of the 2021-2025 Plan.

#### A.11. Estimated free float:

	%
Estimated free float	35.4914 %

For these purposes, 0.0036% of the share capital owned by the Inditex directors listed in section A.3 is not included as part of the free float.

A.12. Indicate whether there are any restrictions (articles of association, legislative or of any other nature) placed on the transfer of shares and/or any restrictions on voting rights. In particular, indicate the existence of any type of restriction that may impede a takeover of the company through acquisition of its shares on the market, as well as any regimes for preliminary authorisation or notification that may be applicable, under sector regulations, to acquisitions or transfers of the company's financial instruments.

Yes      No x

All Company shares carry the same voting and financial rights, and there are no legal or by-law restrictions on the acquisition or transfer of shares.

As regards the exercise of voting rights, the only restriction is that provided in section 83.1 LSC, according to which any shareholder who is in arrears regarding any outstanding payments may not exercise their voting right.

There are no restrictions either to absentee voting, as any shareholder can exercise this right.

A.13. Indicate whether the General Meeting of Shareholders has resolved to adopt measures to neutralise a takeover bid by virtue of the provisions of Act 6/2007.

Yes      No x

A.14. Indicate whether the company has issued shares that are not traded on a regulated EU market.

Yes      No x

## B. General Meeting of Shareholders

The General Meeting of Shareholders duly convened and with a quorum present in accordance with all statutory requirements and those provided in the Articles of Association and its own Regulations, is the supreme and sovereign body of expression of the will of the company. Its resolutions are binding on all shareholders, including absent or dissenting ones, without prejudice to any remedies they may have in law.

In accordance with the Articles of Association and the Regulations of the General Meeting of Shareholders, the General Meeting is authorised to pass all kinds of resolutions concerning the Company and, in particular, subject to any other powers vested by the applicable regulations, the exercise of the following powers is reserved to this body:

- a) To resolve on the individual annual accounts of the Company and, where appropriate, on the consolidated accounts of the Company and its Group, as well as on the distribution of the income or loss;
- (b) To approve the statement on non-financial information;
- (c) To appoint, re-elect and dismiss directors, as well as to confirm or revoke the interim appointments of directors made by the Board of Directors, and to review their management;
- (d) To approve the adoption of remuneration systems consisting of granting either shares or stock options, as well as any other remuneration system linked to the value of the shares, for the benefit of directors;
- (e) To approve the remuneration policy for directors pursuant to statutory terms;
- (f) To conduct, as a separate agenda item, an advisory say-on-pay vote on the Annual Report on Remuneration of Directors;
- (g) To authorise the release of the directors from the duty of preventing conflicts of interest and of the prohibitions arising from the duty of loyalty, when the authorisation to release them is attributed by statute to the General Meeting of Shareholders, as well as from the obligation not to compete with the Company;
- (h) To authorise the Board of Directors to increase the Company's share capital, or to proceed to the issue of bonds convertible into Company's shares;
- (i) To resolve the issue of bonds convertible into Company shares or that allow bondholders to participate in the company's earnings, the increase or the reduction of the share capital, the exclusion or restriction of the pre-emptive right, the transformation, merger, split-off or winding-up of the Company, the global assignment of assets and liabilities, the approval of the final balance sheet of liquidation, the transfer of the registered office abroad, as well as any other amendment whatsoever of the Articles of Association;
- (j) To authorise treasury share buy-back;
- (k) To approve the related-party transactions that the General Meeting must approve pursuant to statute;
- (l) To approve the transactions that entail a structural amendment in the Company, namely: (i) the transformation of listed companies into holding companies, through "*subsidiarisation*" or the assignment to subsidiaries of core activities theretofore carried out by the Company, even though the Company retains full control of those entities; (ii) the acquisition, disposal or contribution to another company of essential assets; and, (iii) any transactions that entail an effective amendment of the corporate objects and those having an effect equivalent to the liquidation of the Company;
- (m) To appoint, re-elect and remove the statutory auditor;
- (n) To appoint and remove, where appropriate, the Company's liquidators;
- (o) To approve the Regulations of the General Meeting of Shareholders and any subsequent amendment thereof;
- (p) To resolve on the matters submitted to it by a resolution of the Board of Directors;
- (q) To give directions to the Board of Director or submit to the General Meeting of Shareholders' prior authorisation, the passing by the Board of Directors of decisions or resolutions on certain management matters; and
- (r) To grant to the Board of Directors any powers it may deem suitable for dealing with unforeseen issues.

The board of directors must call the Annual General Meeting once a year, within the first six months of the closing of each financial year, in order, at least to review the company's management, approve, where appropriate, the accounts of the previous year and resolve on the distribution of income or loss.

Pursuant to sections 168 and 495.2(a) LSC, the Extraordinary General Meeting shall meet when the board of directors so resolves or when a number of shareholders representing at least 3% of the share capital so request, expressing in the request the business to be transacted. In this latter case, the General Meeting of Shareholders shall be called within the term provided in the applicable regulations and the agenda of the meeting must include the businesses that were the subject of the request.

In the notice calling the General Meeting of Shareholders, the board of directors shall require the presence of a Notary to take up the minutes of the General Meeting.

General Meetings must be convened by the board of directors by notice published in the Official Gazette of the Companies Register or in one of the newspapers with the largest circulation in Spain, on the Company's website and on CNMV's website, at least 1 month in advance of the day scheduled for the meeting to be held, or within any longer period required by statute, where appropriate, on account of the scope of the resolutions submitted for deliberation. The notice must state the name of the Company, the date, time and place of the meeting, as well as the date on which, if appropriate, the General Meeting shall be held on second call. There must be at least a 24-hour period between the first and the second calls. The notice shall likewise state, clearly and precisely, all the business to be transacted therein.

Where the board of directors resolves this possibility and it is announced in the notice, attendance at the Annual General Meeting may be in person or remotely, or even, where circumstances so advise, a virtual-only general meeting can be called. In any case, remote attendance shall be subject to ensuring that the identity of shareholders and proxy holders is duly guaranteed and that all attendees can effectively participate at the general meeting, both to exercise, in real time, the relevant rights to speak, to receive information, raise proposals and vote they are entitled to, and to follow the participation of the other attendees by the above-mentioned means. In these cases, the board of directors shall implement in the notice calling the meeting the procedure to exercise shareholders' rights.

No later than the date of publication, or in any case, on the business day that immediately follows, the Company shall send the notice calling the meeting to CNMV, and to the Governing Organisations of the Stock Exchanges where the company's shares are listed for its insertion in the relevant Listing Bulletins. The text of the notice shall also be available on the Company's website.

Notwithstanding the above, the General Meeting shall be deemed to have been duly called and a quorum shall be deemed to be present to discuss any matter, whenever the whole share capital is present and all those attending unanimously agree to hold the meeting.

The Annual General Meeting was held on 12 July 2022 on first call, with shareholders and proxy holders attending and participating both in person and remotely, with means enabling remote and real-time connection having been made available. All of which is in accordance with article 15 and 15bis of the Articles of Association and section 11bis of the Regulations of the General Meeting of Shareholders.

All members of the board of directors attended the Annual General Meeting except for Mr Amancio Ortega Gaona. Every board member attended the AGM in person, except for Mr Echenique and Mr Saracho, who attended remotely.

In 2022, an external facilitator was engaged to review compliance with standards, rules and procedures laid down by the board of directors regarding (i) the publication of the AGM notice; (ii) shareholders' rights management; and (iii) the arrangement and conduct of 2022 AGM.

The facilitator conducted a number of tests at different stages: notice, preparation and proceedings of AGM and after it was held.

Further to such verification, the external facilitator issued an unqualified report according to which: "no situations have been found where the regulations defined in the company regarding the Annual General Meeting have been deemed not to have been reasonably applied."

B.1. Indicate whether there are any differences between the minimum quorum regime established by the Spanish Companies Act (LSC) for General Meetings of Shareholders and the quorum set by the company, and if so give details.

Yes x No

	% required for quorum if different than that set out in section 193 LSC for general matters	% required for quorum if different than that set out in section 194 LSC for special cases therein described
Quorum required on 1st call	50% of the subscribed voting stock	— %
Quorum required on 2nd call	— %	— %

**Description of differences:**

Article 18.1 of the Articles of Association and section 16 of the Regulations of the General Meeting provide that a quorum shall be present at the General Meeting on first call when shareholders who are present or represented by proxy represent at least 50% of the subscribed voting stock. On second call, generally, a quorum will be present at the General Meeting irrespective of the capital attending the same. However, if the General Meeting of Shareholders is called to decide on an increase or a reduction of the share capital, the issue of bonds convertible into Company shares or that entitle bondholders to participate in the company's earnings, the exclusion or restriction of the pre-emptive right, the transformation of the Company, the merger by creation of a new company or by absorption of the Company by another entity, its spin-off in whole or in part, the global assignment of assets and liabilities, the substitution of the company's objects as well as any other amendment whatsoever to the Articles of Association, shall require, on second call, the attendance of 25% of the subscribed voting stock.

Therefore, the only difference between said rules and the provisions of the Companies Act lies in the quorum required to hold the General Meeting on first call: under the Articles of Association and the Regulations of the General Meeting of Shareholders, a quorum will be present at the General Meeting to validly pass any resolution when shareholders present or represented by proxy represent at least 50% percent of the subscribed voting stock, whereas in accordance with sections 193 and 194 LSC, said quorum will only be required to be present on first call for the General Meeting to pass resolutions on the matters described in section 194 exclusively.

This qualified quorum may not be deemed a restriction on Company control, as it is only applicable to first calls.

This is expressly permitted by section 193 LSC, which provides that a higher quorum may be established in the articles of association.

B.2. Indicate whether there are any differences between the company's manner of adopting corporate resolutions and the regime provided in the Spanish Companies Act (LSC) and, if so, give details:

Yes      No x

B.3. Indicate the rules for amending the company's articles of association. In particular, indicate the majorities required for amendment of the articles of association and any provisions in place to protect shareholders' rights in the event of amendments to the articles of association.

Pursuant to the provisions of sections 285 *et seq.* LSC, it is incumbent on the General Meeting of Shareholders to resolve on any amendment to the Articles of Association.

Rules applicable to the amendment of the company's by-laws are provided in the Articles of Association and the Regulations of the General Meeting of Shareholders. Article 18 of the Articles of Association and section 16 of the Regulations of the General Meeting of Shareholders provide a special quorum for the first call of the Annual General Meeting that is to address any amendment to the Articles of Association. In particular, section 16 of the Regulations of the General Meeting of Shareholders reads as follows:

*"A quorum shall be present at the General Meeting of Shareholders on first call when shareholders who are present or represented by proxy hold at least fifty (50) percent of the subscribed share capital with the right to vote. In general, on second call, a quorum shall be present at the General Meeting, regardless of the share capital attending same. However, if the General Meeting of Shareholders is convened to decide on an increase or a reduction of the share capital, the issue of bonds convertible for shares in the Company, or bonds that confer on bondholders a stake in the company's earnings, the exclusion or restriction of the pre-emptive right, the transformation of the Company, the merger by establishment of a new company or by absorption of the Company by another entity, its split-off in whole or in part, the global assignment of assets and liabilities, the transfer of the registered office abroad, the substitution of the company objects as well as any other amendment whatsoever of the Articles of Association, attendance of twenty-five (25) percent of the subscribed share capital with the right to vote shall be required on second call."*

In turn, section 6.(i) of the Regulations of the General Meeting of Shareholders expressly assigns to the General Meeting of Shareholders the power to approve any amendment to the Articles of Association: *"In accordance with the provisions of the Articles of Association, the General Meeting of Shareholders is authorised to pass all kinds of resolutions concerning the Company, the following powers being namely reserved thereto, without prejudice to any other powers vested by the applicable regulations: [...] (i) To resolve the issue of bonds convertible into Company's shares or that allow bondholders to participate in the company's earnings, the increase or the reduction of the share capital, the exclusion or restriction of the pre-emptive right, the transformation, merger, split-off or winding-up of the Company, the global assignment of assets and liabilities, the approval of the final balance sheet of liquidation, the transfer of the registered office abroad, as well as any other amendment whatsoever of the Articles of Association"*

B.4. Give details of attendance at General Meetings of Shareholders held during the reporting year and the two previous years::

AGM Date	Attendance data				Total
	% physically present	% present by proxy	% absentee voting		
			Electronic voting	Others	
14-07-2020	0.07%	88.31%	0% <sup>(1)</sup>	0.34% <sup>(1)</sup>	88.72%
Of which float	0.07%	23.96%	0%	0.34%	24.37%
13/07/2021	0.07%	88.35%	0% <sup>(2)</sup>	0.31% <sup>(2)</sup>	88.73%
Of which float	0.07%	24.00%	0%	0.31%	24.38%
12/07/2022	0.01%	87.53%	0% <sup>(3)</sup>	0.54% <sup>(3)</sup>	88.00%
Of which float	0.01%	23.18%	0%	0.54%	23.73%

(1) 146 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

(2) 187 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

(3) 312 shareholders cast absentee vote through distance communication means, by post, or electronic vote.

B.5. Indicate whether there were any items on the agenda that were not approved by shareholders for any reason, for all general meetings that took place in the year.

Yes      No x

None of the agenda items subject to deliberation at the Annual General Meeting held on 12 July 2022 was rejected or not approved for any other reason. All agenda items were approved with the percentages and in the manner shown in the vote results available on the Company's corporate website.

B.6. Indicate whether the articles of association contain any restrictions requiring a minimum number of shares to attend General Meetings of Shareholders, or to cast absentee votes:

Yes      No x

<b>Number of shares required to attend General Meetings</b>	<b>1</b>
<b>Number of shares required to cast absentee vote</b>	<b>1</b>

B.7. Indicate whether it has been established that certain decisions, other than those established by statute, entailing an acquisition, disposal or contribution to another company of essential assets or other similar corporate transactions must be submitted for approval to the General Meeting of Shareholders.

Yes      No x

The General Meeting of Shareholders has no powers other than those established by statute.

In accordance with the Articles of Association and the Regulations of the General Meeting of Shareholders, the latter is authorised to pass all kinds of resolutions concerning the Company and, in particular, subject to any other powers vested by the applicable regulations, the exercise of the powers listed at the beginning of section B above is reserved to this body.

B.8. Indicate the address and manner of accessing on the company's website information pertaining to corporate governance and other information regarding General Meeting of Shareholders that must be made available to shareholders through the company website.

The most relevant information on the Company's corporate governance system (Articles of Association, Regulations of the General Meeting of Shareholders, Board of Directors' Regulations, the terms of reference of each board committee, the Internal Regulations of Conduct in the Securities Markets, as well as the composition of the board of directors and its committees, the Annual Corporate Governance Report and the Annual Report on Remuneration of Directors) can be found in the "Investors" tab, "Corporate Governance" section, "Reports & Regulations" sub-section of the corporate website (<https://www.inditex.com/itxcomweb/en/investors/corporate-governance/reports-and-regulations>).

In that same section, information on the General Meeting is provided in the "Annual General Meeting" sub-section, where a tab is available for each Annual General Meeting. Shareholders have access to all mandated or recommended information from the date the meeting is called so that they can duly exercise their rights to information and participation at the General Meeting. The Annual General Meeting is webcast live, and a link is provided for that purpose on those tabs. Once the meeting has been held, information on the resolutions passed and the votes results is also posted on the website.



## C. Company Management Structure

### C.1. Board of Directors

Except for any matters exclusively within the purview of the shareholders at the General Meeting of Shareholders, the board of directors is the highest decision-making, supervisory and monitoring body of the Company, as it is entrusted with its administration, management and representation, delegating as a general rule the management of the day-to-day business of Inditex to the executive bodies and the management team and focusing on the general supervisory function, which includes guiding Inditex's policy, monitoring the management bodies, assessing the management by the senior managers, making the most relevant decisions for the Company and liaising with the shareholders.

It is also incumbent on the board of directors to ensure that the Company enforces its social and ethical duties, and its duty to act in good faith with regard to its relationship with its employees and with third parties, as well as to ensure that no individuals or small groups of individuals have decision power within the company that has not been subject to counterweights and controls, and that no shareholder receives a more privileged treatment than the others.

The board of directors carries out its duties in accordance with corporate interests, which are understood to be the viability and maximisation of the company's value in the long term, in the interest of all the shareholders, which shall not prevent taking into account the rest of the legitimate interests, either public or private, that concur in the undertaking of each business activity, especially those of the other "stakeholders" of the Company (employees, customers, suppliers and civil society at large), determining and reviewing its business and financial strategies pursuant to said criterion, striving to achieve a reasonable balance between the proposals chosen and the risks taken.

#### C.1.1. Maximum and minimum number of directors established in the articles of association and the number set by the general meeting:

<b>Maximum number of directors</b>	12
<b>Minimum number of directors</b>	5
<b>Number of directors set by the general meeting</b>	11

#### C.1.2. Complete the following table on board members:

Name or company name of director	Representative	Directorship type	Position on the board	Date first appointed to the board	Date of last appointment	Election procedure
Ms Marta Ortega Pérez		Proprietary	Non-Executive Chair	29/11/2021 <sup>1</sup>	12/07/2022	AGM
Mr Óscar García Maceiras González		Executive	CEO	29/11/2021	12/07/2022	AGM
Mr Amancio Ortega Gaona		Proprietary	Ordinary member	12/06/1985	16/07/2019	AGM
Mr José Arnau Sierra		Proprietary	Deputy Chair	12/06/2012	13/07/2021	AGM
PONTEGADEA INVERSIONES, S.L.	Ms Flora Pérez Marcote	Proprietary	Ordinary member	09/12/2015	14/07/2020	AGM
Bns Denise Patricia Kingsmill		Independent	Ordinary member	19/07/2016	14/07/2020	AGM
Ms Anne Lange		Independent	Ordinary member	10/12/2019	14/07/2020	AGM
Ms Pilar López Álvarez		Independent	Ordinary member	17/07/2018	12/07/2022	AGM
Mr José Luis Durán Schulz		Independent	Ordinary member	14/07/2015	16/07/2019	AGM
Mr Rodrigo Echenique Gordillo		Independent	Lead Independent Director	15/07/2014	12/07/2022	AGM
Mr Emilio Saracho Rodríguez de Torres		Affiliate	Ordinary member	13/07/2010	16/07/2019	AGM
<b>Total number of directors</b>						<b>11</b>

1. Effective as of 01/04/2022

Indicate any removals, whether through resignation or by resolution of the general meeting, that have occurred on the board of directors during the reporting period:

Name or company name of director	Directorship type at the time of removal	Date of last appointment	Date of termination	Specialized committees of which he/she was a member	Indicate whether the director left before the end of his or her term of office
Mr Pablo Isla Álvarez de Tejera	Executive	16/07/2019	31/03/2022	Executive Committee	Yes (end of his term of office: 16/07/2023)

**Reason for removal when this occurs before the end of the term of office and other observations; information on whether the director has sent a letter to the remaining members of the board and, in the case of removal of non-executive directors, explanation or opinion of the director dismissed by the general meeting:**

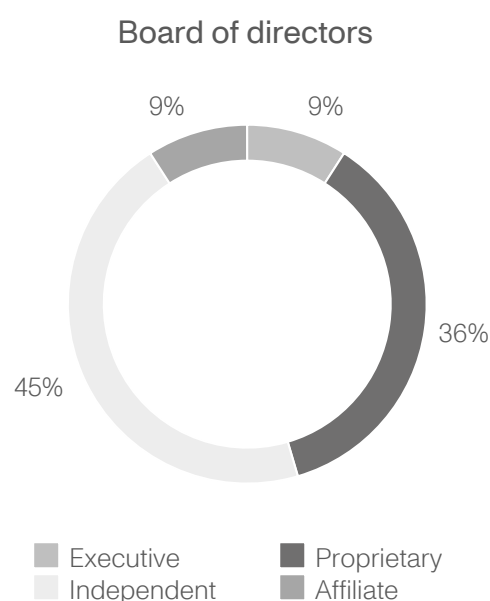
In the meeting held on 29 November 2021, the board of directors acknowledged the resignation tendered by Mr Pablo Isla Álvarez de Tejera, who stepped down as Chairman and from the board and its Executive Committee, effective as of 31 March 2022. Mr Isla remained in office until such date, as he explained in a letter addressed to the Deputy Chair of the board of directors on 29 November 2021.

In this same context, the board of directors approved in the meeting above referred, following a favourable report from the Nomination Committee, the appointment to the board through the co-option system of Ms Marta Ortega Pérez as new proprietary director and (non-executive) Chair to fill the board vacancy created following Mr Isla's departure, and of Mr Óscar García Maceiras as new executive director and CEO, effective immediately, to fill the board vacancy created after the resignation tendered by Mr Carlos Crespo González on 29 November 2021, already addressed in the Annual Corporate Governance Report for FY2021.

With Mr Isla's departure and subsequent co-option of Ms Ortega to the board of directors, a generational handover, which had been in the making for a certain time was completed, piloted by Mr Isla himself and Inditex's founder, controlling shareholder and director, Mr Amancio Ortega Gaona, who were in agreement to ensure that the succession of the Chair took place in an orderly and planned manner.

### C.1.3. Complete the following tables on the members of the board and their directorship type:

The structure of the board of directors is addressed in detail in the sections below



#### 1) EXECUTIVE DIRECTORS

Name or company name of the director	Position within the company's organization chart	Profile
Mr Óscar García Maceiras	CEO	(1)

<b>Total number of executive directors</b>	1
<b>% of all directors</b>	9.09 %

Remarks
As indicated in section C.1.2 above, the board of directors resolved in the meeting held on 29 November 2021 following a report of the Nomination Committee, to accept, inter alia, the resignation tendered by Mr Pablo Isla Álvarez de Tejera, who stepped down from the board and its Executive Committee. Mr Isla's departure became effective on 31 March 2022. Until that date he remained in office as Executive Chairman.

## 2) NON-EXECUTIVE PROPRIETARY DIRECTORS

Name or company name of director	Name or corporate name of the significant shareholder whom they represent or who has proposed their appointment	Profile
PONTEGADEA INVERSIONES, S.L.	Mr Amancio Ortega Gaona	(2)
Mr Amancio Ortega Gaona	Mr Amancio Ortega Gaona	(2)
Mr José Arnau Sierra	Mr Amancio Ortega Gaona	(2)
Ms Marta Ortega Pérez	Mr Amancio Ortega Gaona	(2)

<b>Total number of proprietary directors</b>	4
<b>% of all directors</b>	36.36 %

Remarks
<ul style="list-style-type: none"> <li>- The board of directors resolved in the meeting held on 29 November 2021, following a favourable report from the Nomination Committee on the proposal raised by Mr Isla and Mr Ortega, to appoint through the co-option system Ms Marta Ortega Pérez to the board of directors as non-executive proprietary director. Her election, effective as of 1 April 2022 took place to fill the vacancy created on the board following the departure of Mr Pablo Isla Álvarez de Tejera on 31 March 2022. Such co-option to the board was submitted to shareholders for ratification and subsequent appointment at the Annual General Meeting held on 12 July 2022.</li> <li>- Pursuant to First Transitional Provision of Act 5/2021, Pontegadea Inversiones, S.L., represented by Ms Flora Pérez Marcote, will remain a member of Inditex board of directors until the end of her term of office.</li> <li>- The relationship of Ms Marta Ortega Pérez, Ms Flora Pérez Marcote, legal representative of Pontegadea Inversiones, S.L. and Mr Amancio Ortega Gaona has been explained in section A.6 above.</li> </ul>

## 3) NON-EXECUTIVE INDEPENDENT DIRECTORS

Name of director	Profile
Mr José Luis Durán Schulz	(3)
Mr Rodrigo Echenique Gordillo	(3)
Bns Denise Patricia Kingsmill	(3)
Ms Anne Lange	(3)
Ms Pilar López Álvarez	(3)

<b>Total number of independent directors</b>	5
<b>% of all directors</b>	45.45 %

**State whether any independent director receives from the company or any company in the group any amount or benefit other than compensation as a director, or has or has had a business relationship with the company or any company in the group during the past year, whether in his/her own name or as a significant shareholder, director or senior manager of a company that has or has had said relationship.**

Except as explained below, no independent director receives any amount or benefit other than the compensation as a director, nor has or has had during the past year any business relationship with the Company or any company in the Group, either in his/her own name or as significant shareholder, director or senior manager of an entity that maintains or has maintained said relationship.

**If so, include a reasoned statement by the Board explaining why it believes that the director in question can perform his or her duties as an independent director.**

Name or company name of director	Description of the relationship	Reasoned statement
<ul style="list-style-type: none"> <li>- Ms Pilar López Álvarez</li> <li>- Mr Rodrigo Echenique Gordillo</li> </ul>	Inditex has been engaged for years in a business relationship with Microsoft and Banco Santander in the ordinary course of business.	Pursuant to section 229 LSC and section 34.1(d) of the Board of Directors' Regulations, the board of directors has considered that none of the business relationships with any such companies compromises the independence of its directors, as none of them takes part in the negotiation and execution of the relevant agreements, and none of such relationships can be deemed to be a significant or relevant business relationship, within the meaning of section 529 <sup>duodecims</sup> (4)(e)LSC.

#### 4) AFFILIATE DIRECTORS

Identify affiliate directors, indicate the reasons why they cannot be considered either proprietary or independent, and detail their ties with the company or its management or shareholders:

Name or company name of director	Reasons	Company, manager or shareholder to which or to whom the director is related	Profile
Mr. Emilio Saracho Rodríguez de Torres	12 years in office	Inditex	(4)
<b>Total number of affiliate directors</b>		1	
<b>% of all directors</b>		9.09%	

Indicate any changes that have occurred during the period in each directorship type:

Name or company name of director	Date of change	Previous directorship type	Current directorship type
Mr Emilio Saracho Rodríguez de Torres	12/7/2022	Non-executive independent director	Affiliate

Remarks
Mr Saracho's 12 straight years of service on Inditex's board of directors came to an end on 13 July 2022. Pursuant to applicable internal regulations, he ceased to qualify as independent director and had to tender his resignation to the board. Such circumstance had been reported by Mr Saracho in a letter addressed to the Chair on 27 May 2022.
The board of directors resolved in the meeting held on 7 June 2022 to retain Mr Saracho on the board until the end of his tenure in 2023. Upon passing such resolution, the board deemed it appropriate to retain him as a director in order to ensure an adequate stability and balance for a reasonable interim period marked by the transition at the highest level of the company's organisational structure. Mr Saracho became an "affiliate" director in July 2022.

The following is a brief description of the profile of:

- 1) Executive directors
- 2) Proprietary directors
- 3) Independent directors
- 4) Affiliate directors

#### 1) EXECUTIVE DIRECTORS

##### Mr Óscar García Maceiras

Chief Executive Officer since November 2021.

A law graduate from Universidade de A Coruña and Abogado del Estado [Spanish State Attorney]. From 2001 through 2005, he worked as State Attorney in his home town. In 2005 he joined Banco Pastor as Head of Legal and was subsequently

appointed General Counsel and Secretary of the Board. In 2012 he was elected Deputy Secretary of the Board of Directors and Head of Institutional Service of Banco Popular Group.

That same year, he joined SAREB where he served as General Counsel and Secretary of the Board, in addition to being Head of Corporate Development and Legal Affairs. In 2016 he joined Banco Santander where he was Group General Counsel and Deputy Secretary of the Board of Directors until he was appointed General Counsel and Secretary of Inditex's board of directors in 2021.

He was appointed to Inditex's board by the Board of Directors in the meeting held on 29 November 2021, effective immediately, and ratified at the Annual General Meeting held on 12 July 2022.

He directly owns 12,520 shares of the Company.

#### 2) PROPRIETARY DIRECTORS

##### Ms Marta Ortega Pérez

Non-executive Chair since April 2022.

Ms Ortega has built her entire career within the Inditex Group, which she joined in 2007 after she graduated in International Business from Regent's University London. During her first years at the company she carried out her professional duties in several international branches and business areas, later joining the Zara Woman design and product development team. In recent years she has focused on defining Zara's brand and product strategy. She sits on the boards of directors of Pontegadea Inversiones S.L. and Partler Participaciones, S.L.U., both significant shareholders of Inditex.

Ms Marta Ortega, daughter of Mr Amancio Ortega Gaona, founder and majority shareholder of Inditex and of Ms Flora Pérez Marcote –both of whom sit on this Board of Directors–, has been a member of the Amancio Ortega Foundation Board of Trustees since 2015.

She was appointed to Inditex's board by the Board of Directors in the meeting held on 29 November 2021, effective as of 1 April 2022, and ratified at the Annual General Meeting held on 12 July 2022.

She directly owns 42,511 shares of the Company.

##### Mr Amancio Ortega Gaona

He began his business career in the textile manufacturing sector in 1963. In 1972 he founded Confecciones Goa, S.A., the first garment-making factory of Inditex and 3 years later he founded Zara España, S.A. the first retailing company of the Group. He chaired Inditex's board of directors until 2011. He currently chairs the board of directors of Pontegadea Inversiones, S.L. and Partler 2006, S.L. as well as the Board of Trustees of Fundación Amancio Ortega.

He was re-elected to the board of directors at the Annual General Meetings held on 30 June 1990, 31 July 1995, 20 July 2000, 15 July 2005, 13 July 2010, 14 July 2015 and 16 July 2019.

He is the controlling shareholder of the Company where he owns 1,848,000,315 shares through Pontegadea Inversiones S.L.

and Partler Participaciones, S.L.U.

### **Pontegadea Inversiones S.L.**

The company is represented on Inditex's board of directors by Ms Flora Pérez Marcote. It owns 1,558,637,990 shares of the Company, which represents 50.01% of the share capital.

Ms Flora Pérez Marcote is the legal representative of Pontegadea Inversiones S.L., where she holds the position of First Deputy Chair. She has spent her entire career within the Inditex Group, where she held different positions in areas relating to both design and production. She has served as a director at Group companies since 1992. She has been a member of Inditex's board of directors since 2005, representing Pontegadea Inversiones, S.L. She has also been a member of the Board of Trustees of Fundación Amancio Ortega since March 2003 and its Deputy Chair since October 2005.

She was appointed to the board of directors on 9 December 2015, ratified at the Annual General Meeting on 19 July 2016 and re-elected at the Annual General Meeting held on 14 July 2020.

### **Mr José Arnau Sierra**

Deputy Chair since June 2012. Non-executive proprietary director since 2012, representing the founder, Mr Amancio Ortega Gaona.

A law graduate of the University of Santiago de Compostela and State Tax Inspector, he has been the chief executive of the Pontegadea Group since 2001.

He was the head of the Tax Department and a member of Inditex's Management Committee from 1993 to 2001 and served on its board of directors from 1997 to 2000. He had previously held various positions within the Tax Administration. He has been a member of various boards of directors as legal representative of Pontegadea Inversiones, S.L. From 1993 to 1996, he taught Tax Law at the University of A Coruña. He has been a member of the Board of Trustees of Fundación Amancio Ortega from inception and its Executive Deputy Chair since 2017.

He was appointed to the board of directors in June 2012, ratified at the Annual General Meeting held on 17 July 2012 and re-elected at the Annual General Meetings held on 18 July 2017 and 13 July 2021.

He directly owns 30,000 shares.

### **3) NON-EXECUTIVE INDEPENDENT DIRECTORS**

#### **Mr José Luis Durán Schulz**

Independent director since July 2015.

He holds a degree in Economics and Management from ICADE. From 1987 through 1990, he was an auditor at Arthur Andersen. In 1991, he joined the Carrefour Group, where he held the following positions: Head of Management Control (Spain, Europe and Latin America) (1991-1997); Chief Financial Officer for Spain (1997-2001); Group Chief Financial Officer (2001-2005) and Group Chief Executive Officer (2005-2008).

In July 2009, he joined Maus Frères International Group, based in Switzerland, where he held the following positions, until

January 2015: Chief Executive Officer of Lacoste, Executive Chairman of Gant and Board member of Aigle, S.A. Until 4 October 2015, he was member of the Governance, Remuneration and Nomination Committee at Unibail-Rodamco, and member of the Board of Directors of said company. Until 30 June 2017, he was an independent director and member of the Audit Committee of Orange. At present, he is the CEO of Value Retail Management.

He was elected to the board of directors at the Annual General Meeting held on 14 July 2015 and re-elected at the Annual General Meeting held on 16 July 2019.

He directly owns 3,106 shares.

#### **Mr Rodrigo Echenique Gordillo**

Independent director since July 2014.

He is a law graduate from the Complutense University of Madrid and Spanish State Attorney [Abogado del Estado].

At present, he is the Chair of Fundación Banco Santander and non-executive director of Directorio Santander Chile.

He is a member of the Board of Trustees of Fundación Consejo España-EE.UU, Deputy-Chair of the Board of Trustees of Teatro Real, member of the Board of Trustees of Escuela Superior de Música Reina Sofía, of Fundación Empresa y Crecimiento and of Fundación ProCNIC y CNIC.

From 1987 through 2020, he served on the board of directors of Banco Santander, S.A. He has been CEO, Deputy Chairman and Executive Director of Banco Santander, S.A., and has chaired Santander España and Banco Popular. He also served as Deputy Chairman of Banco Banif, S.A., Chairman of Allfunds Bank, and of SPREA. He has been a member of the board of directors of Santander Investment. He has been an Ordinary Member of the board of directors of various industrial and financial companies, such as Ebro Azúcares y Alcoholes, S.A., Industrias Agrícolas, S.A., SABA, S.A. and Lar, S.A.

He chaired the Social Advisory Board of the University Carlos III of Madrid. Additionally, he was first a member and then Chairman of the Advisory Board of Accenture, S.A., Lucent Technologies, and Quercus y Agrolimen, S.A. He has been the Chairman of Vallehermoso, S.A., Vocento, S.A., NH Hotels Group, Metrovacesa, S.A., and Merlin Properties SOCIMI, S.A.

He was elected to the Board of Directors at the Annual General Meeting held on 15 July 2014 and re-elected at the Annual General Meetings held on 17 July 2018 and 12 July 2022.

He directly owns 20,000 shares.

#### **Bns Denise Patricia Kingsmill**

Independent director since July 2016.

In 2000 Baroness Kingsmill was awarded a CBE for services to Employment Law and Competition. In June 2006, she was appointed to the House of Lords as a Labour Peer. She is a member of the International Agreements Committee in the House of Lords.

After a 20-year legal career, she became deputy chair of the

Competition Commission between 1996 and 2004. She has 5 honorary Doctorates from universities in the United Kingdom.

Baroness Kingsmill has been a Chair/member of the Remuneration committees of many international companies. As a lawyer, she has advised in relation to remuneration schemes. In 2001 she was invited by the Government to head a task force looking at women's employment and remuneration in the UK.

In 2003 she was appointed Chair of the Department of Trade and Industry's Accounting for People task force. She headed a second Government enquiry ("Accounting for People") into how companies should evaluate and measure the contribution of their work forces and specifically as to how they should communicate their progress in this area of "Human Capital Management" to all their stakeholders ([www.accountingforpeople.gov.uk](http://www.accountingforpeople.gov.uk)). In 2013 she was the co-chair of the Design Commission report into Design and Public Services ("Re-starting Britain").

Until May 2018, Baroness Kingsmill was the Chair of Monzo Bank and a Member of the Supervisory Board of E.ONSE. At present, she is a member of the International Advisory Board at IESE Business School. She has recently been appointed a UK representative on the NATO Parliamentary Assembly.

Baroness Kingsmill has been an adviser to a number of international companies and has been a non-executive director of various British, European and American boards, including International Consolidated Airlines Group, S.A. and Telecom Italia.

A diverse and varied career spanning fashion and design, law and regulation, as well as politics and people have given Baroness Kingsmill a unique perspective on the contemporary boardroom.

She was elected as a director on 19 July 2016 at the Annual General Meeting and re-elected at the Annual General Meeting held on 14 July 2020.

#### **Ms Anne Lange**

Independent director since 2019.

A French citizen, Ms Anne Lange is an entrepreneur and a sought-after C-level business advisor with over 25 years of experience in technology innovation, in both private & public sectors. She is a graduate of French Grandes Écoles, Institut d'Études Politiques in Paris and École Nationale d'Administration (ENA).

Her career began at the French Prime Minister's office as head of department for state-owned broadcasting companies until she joined Thomson, a high-tech champion, where she built up a new generation of consumer internet access devices. She worked in various global executive positions with Cisco since 2004, based out of France and Silicon Valley. As a C-level executive, her engagements centred on adopting and innovating technological, organisational and business processes to drive business transformation. Ms Lange is the co-founder and former CEO of Mentis Services, an IoT Data Intelligent Software provider of urban space services. She is currently the founder and managing partner of Adara, a consulting company that provides senior-level advice in

transformation strategy and an investor in start-ups.

She currently serves on the executive boards of Orange (French leading service provider), Pernod-Ricard (second largest wine and spirits company in the world) and FFP (Peugeot's family holding).

She was appointed independent director by the Board of Directors in the meeting held on 10 December 2019 and ratified at the Annual General Meeting held on 14 July 2020.

#### **Ms Pilar López Álvarez**

Independent director since July 2018.

She has a Bachelor of Science in Business Administration and a Major in Finance from ICADE. She has worked in a variety of roles at J.P. Morgan in Madrid, London and New York (1993-1999). She joined Telefónica in 1999, where she held the following positions: Head of Management Planning and Control (1999-2001), Financial Controller in Telefónica Móviles (2001-2006), Strategy Director in Telefónica de España (2006-2007), Chief Financial Officer of O2 Plc., based in the UK (2007-2011) and for Telefónica Europa based in Madrid (2011-2014), and Head of the Operational Simplification Program of Grupo Telefónica (2014-2015).

She has served as Supervisory Board member of Telefónica Czech Republic AS (2007-2014), and as Vice Chairman of the Supervisory Board of Telefónica Deutschland Holding AG (2012-2015). She was a member of the Board of Tuenti Technologies and non-executive director of Ferguson Plc (2013-2018). She was a member of the Board of Trustees of Fundación ONCE, and a member of the board of directors of Asociación para el Progreso de la Dirección (APD).

At present, she is Deputy Chair of Microsoft Western Europe.

She was elected as a director on 17 July 2018 at the Annual General Meeting and re-elected at the Annual General Meeting held on 12 July 2022.

She directly owns 4,000 shares of the Company.

#### **4) AFFILIATE DIRECTORS**

##### **Mr Emilio Saracho Rodríguez de Torres**

Affiliate director since July 2022.

He is a graduate in Economics from Complutense University of Madrid. He has an MBA from the University of California in Los Angeles (UCLA), awarded in 1980. He was also a Fulbright scholar. He began his career in 1980 at Chase Manhattan Bank, where he was responsible for operations in various sectors such as Oil and Gas, Telecommunications and Capital goods.

In 1985, he took part in the launch and implementation of Banco Santander de Negocios, where he led the Investment Banking division. In 1989, he was appointed head of the Division of Large Companies of Grupo Santander and Deputy General Director. He has been a director of FISEAT, Santander de Pensiones and Santander de Leasing. In 1990, he worked for Goldman Sachs in London as co-head of Spanish and Portuguese operations. In 1995, he returned to Santander Investment as General Director in charge for the Investment Banking area worldwide. From 1996

to 1998, he was responsible for the Banking operations in Asia.

He joined J.P. Morgan in 1998 as Chairman for Spain and Portugal and head of business for the Iberian Peninsula and member of the European Management Committee.

From early 2006 through 1 January 2008, he was Chief Executive Officer of J.P. Morgan Private Bank for Europe, the Middle East and Africa, based in London. He also sat on the Operating Committee and on the European Management Committee, while chairing at the same time J.P. Morgan in Spain and Portugal.

He was in charge of Investment Banking operations of J.P. Morgan for Europe, the Middle East and Africa, and sat on the Executive Committee of the Investment Bank and on the Executive Committee of JPMorgan Chase. From December

2012 through April 2015, he was Deputy CEO for EMEA. From 2015 to the end of 2016, he was Vice Chairman of JPMorgan Chase & Co and from February to June 2017, he chaired the Board of Directors of Banco Popular.

At present, he sits on the Board of Directors of International Consolidated Airlines Group, S.A. (IAG) and is Senior Advisor of Altamar Capital Partners.

Mr Saracho was elected to the board to the board of directors on 13 July 2010 at the Annual General Meeting and re-elected at the Annual General Meetings held on 14 July 2015 and 19 July 2019.

**C.1.4. Complete the following table with information relating to the number of female directors at the close over the last 4 years, as well as their directorship type:**

	Number of female directors					% of total director of each type				
	FY2022	FY2021	FY2020	FY2019	FY2018	FY 2022	FY2021	FY2020	FY2019	FY2018
Executive	0	0	0	0	0	— %	— %	— %	— %	— %
Proprietary	2	1	1	1	1	50.0 %	33.3 %	33.3 %	33.3 %	33.3 %
Independent	3	3	3	3	2	60 %	50 %	50 %	50 %	40 %
Affiliate	0	0	0	0	0	— %	— %	— %	— %	— %
<b>Total</b>	<b>5</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>3</b>	<b>45 %</b>	<b>36 %</b>	<b>36 %</b>	<b>36 %</b>	<b>33 %</b>

**Remarks**

At the meeting held on 29 November 2021, the board of directors resolved, following a favourable report from the Nomination Committee on the proposal raised by Mr Isla and Mr Ortega, to appoint Ms Marta Ortega Pérez to the board of directors through the co-option system, effective as of 1 April 2022, as proprietary director to fill the board vacancy resulting from Mr Isla's resignation. With five (5) female directors on the board, the percentage of women out of all board members has reached 45.45%. Thus, the Company has exceeded the 40% target for female representation on the board, set in the company's internal regulations since 2020 pursuant to Recommendation 15 GGC.

**C.1.5. Indicate whether the company has diversity policies in relation to its Board of Directors on such questions as age, gender, disability, education and professional experience. Small and medium-sized enterprises, in accordance with the definition set out in the Spanish Auditing Act, will have to report at least the policy that they have implemented in relation to gender diversity.**

Yes  No  Partial policies

**If so, describe these diversity policies, their objectives, the measures and the way in which they have been applied and their results over the year. Also indicate the specific measures adopted by the Board of Directors and the nomination and remuneration committee to achieve a balanced and diverse board membership.**

**If the company does not apply a diversity policy, explain the reasons why.**

**Description of the policies, objectives, measures, how they have been enforced and the results achieved**

The Inditex Group has a Diversity of Board of Directors Membership and Director Selection Policy ("**Diversity of Board of Directors Membership and Director Selection Policy**") which was originally approved by the board of directors at its meeting held on 19 December 2015 and amended in part first at the board meeting held on 14 December 2020 primarily to align its provisions with the language of the revised GGC approved by CNMV's board on 25 June 2020 and then at the board meeting held on 8 June 2021 exclusively to align its wording with the new section 529bis LSC introduced by Act 5/2021. Pursuant to such section, only natural persons can serve as board members.

The Policy provides guidelines to guide the board of directors and the Nomination Committee's proceedings in the field of director selection and thus (i) ensure that search and selection processes as well as proposals on the appointment, re-election or ratification of directors are based on a prior analysis of the needs of the Company and the competences required by the board; (ii) favour diversity of directors' knowledge, skills, experience, geographic origin, age and gender; (iii) ensure an appropriate composition of the board and its committees, facilitating the appropriate discharge of the duties they are called upon to perform; and, (iv) contribute to talent attraction in the Inditex Group, making efforts to ensure that the best professionals serve on its governing bodies. The Policy observes and follows both GGC Recommendations and the overarching principles and guidelines of CNMV's Technical Guide 1/2019 on nomination and remuneration committees ("**Technical Guide 1/2019**").

With regard to gender diversity, the female representation target on the board of directors provided in Recommendation 15 GGC is covered in the Policy. The Company has thus endorsed the commitment to ensure that the number of female directors should account for at least 40% of all board seats by the end of 2022 and in the future. The Company had already exceeded such percentage in April 2022, without it being lesser at any later stage.

In line with the provisions of the Diversity of Board of Directors Membership and Director Selection Policy, the terms of reference of board committees also reflect the board's commitment to encouraging a diverse membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or origin, age and gender, taking into account the restrictions that are a result of their smaller size.

In accordance with section 6.1 of the above referred Policy, the provisions of Technical Guide 1/2019 and the terms of reference of the Nomination Committee, taking into account the significant changes to board membership in the year, the board of directors approved in the meeting held on 12 May 2022 the board skills matrix prepared by such Committee, to improve the effectiveness of the governing bodies.

The Board Skills Matrix was prepared taking into account the then current board membership (with a non-executive Chair and a CEO) as a tool to review the yardsticks to be followed for the appointment and re-election of directors at the 2022 AGM, to ensure an appropriate and diverse board membership and the possibility of considering and recruiting other candidates.

In addition to the above-mentioned Policy and the terms of

reference of board committees, the Inditex Group also relies on a Diversity and Inclusion (D&I) Policy, originally approved by the Board of Directors on 12 December 2017 and amended in part at the meeting held on 14 December 2020.

The D&I Policy seeks to fully endorse the regulatory requirements, recommendations and best practices in the area of diversity and inclusion, and mark Inditex's commitment to diversity and multiculturalism in the working environment, in all positions and levels within the company, including on the board of directors, and its commitment to champion a culture of inclusion, equal treatment and respect, advocating for equitable workplace environments within the scope of its zero tolerance policy against any kind of discrimination. This Policy also expressly endorses, in line with Recommendation 14 GGC, the company's commitment to favouring diversity among Senior Managers and namely gender diversity, as the board of directors and the Nomination Committee are fully committed to encouraging the Company to have a significant number of female senior managers.

The board of directors is the driving force behind this full commitment, subscribed by the Group at its employees, to diversity, and it shall ensure that action is taken to encourage diversity within the organisation, as well as ensuring the absence of any form of discrimination, in particular gender-based discrimination, upon electing board members or senior managers.

The board of directors is ultimately responsible for the company's management and is entrusted with guiding its policies. Thus, being the driving force behind this high-level commitment, it shall ensure that action is taken to ensure compliance with the D&I Policy at all levels within the organisation and by all employees.

The principles and action lines of the D&I Policy govern all the proceedings of the Company, in particular in the area of human resources: recruitment and selection of candidates, compensation and benefits, promotions, transfers, skills enhancement, professional development and training, etc.

Meanwhile, pursuant to the Inditex Group's Code of Conduct and Responsible Practices, no one who is employed at Inditex shall be discriminated against because of their gender, and all employees shall be bound to interact with other employees pursuant to criteria of respect, dignity and justice, taking into account the unique cultural backgrounds of each individual, without allowing any form of violence, harassment or abuse in the workplace, or any form of discrimination on account of race, religion, age, nationality, gender or any other personal or social condition beyond qualifications and capacity.

With regard to a balanced and diverse board membership, the Annual General Meeting held on 12 July 2022 resolved pursuant to agenda item 5, to ratify and appoint Ms Marta Ortega Pérez and Mr Óscar García Maceiras to the board as proprietary and executive directors respectively, and to re-elect Ms Pilar López Álvarez and Mr Rodrigo Echenique Gordillo to the board, both of them as independent directors.

The ratification and appointment, or the re-election, as the case may be, of the above referred directors was based on a prior analysis of the needs of the company and the board of directors itself, the findings of which were written up in an explanatory



report approved by the Nomination Committee on 6 June 2022, in accordance with Recommendation 14 GGC, sections 3, 4 and 5 of Technical Guide 1/2019 and section 5 of the Diversity of Board of Directors Membership and Director Selection Policy.

In said analysis, the Nomination Committee took into account, inter alia: (i) the board skills matrix approved on 12 May 2022; (ii) the findings of the annual evaluation of the performance of the board of directors for 2021; and (iii) the commitments undertaken by the Company, pursuant to the Diversity of Board of Directors Membership and Director Selection Policy with regard to: (a) diversity of background, experience, skills and gender on the board of directors, and (b) achievement of the representation target for the least represented gender on the board, set in Recommendation 15 GGC.

As shown in the above referred report, further to the review of the size, composition and effectiveness of the board of directors at the time, the Nomination Committee considered that with such structure and composition (with Ms Ortega and Mr García holding the positions of Chair and CEO, respectively, pending the ratification of their election at the AGM) it would highly appreciate that the proposals on the re-election and appointment of directors should seek to keep or reinforce within the supreme governing body of the company: (i) the different profiles and experiences aligned with the Company's strategic focal points; (ii) a high diversity in terms of professional experience, competences, personal skills, sector-specific knowledge, gender, age, geographic origin, race, ethnicity and/or cultural background, among others; (iii) a balance of directorship types on the board, ensuring a majority of non-executive directors, most of them independent, and an appropriate representation of proprietary directors within the board; and (iv) a progressive board refreshment, together with the necessary presence on the board of members with a wide experience and knowledge about the Company, the Group, its business, and the retail sector in general.

In line with the commitment assumed by the company, the Nomination Committee considered that favouring gender diversity should remain a priority for director selection, to keep or even surpass the 40% target for female representation on governing bodies set for 2022, without disregarding however, that all elections should be made based upon suitability and merit yardsticks.

The Committee further considered that although the board can be flexible to increase or even reduce the number of its members, its size was appropriate to facilitate dialogue and interaction among them, as it is aligned with the Group's dimensions, complexity and business, and on par with that of comparable companies.

Last, with regard to the progressive board refreshment that needs to be observed in view of the addition of future members, candidates with experience in other industries should be sought, in particular, those with international experience and experience in the retail sector and the fashion industry, as it was inferred from the annual evaluation of performance for the last two years. A combination of various nationalities was also appreciated; however, given the weight of the Spanish market in the Group's operations and total sales, with its parent company listed on all four Spanish Stock Exchanges, it was deemed appropriate to keep the representation of Spanish directors on the board.

The Nomination Committee considered that, in general terms, for the Board of Directors to duly perform its oversight role, it should have, as a whole, accredited abilities, competences, experience and merits: (i) about the Company itself, the Group, and the retail sector; (ii) in economy and finances, accounting, audit or risk management matters, including both financial and non-financial; (iii) in sustainability, regulatory compliance and corporate governance matters; (iv) in the digital and new technologies sector; (v) in different geographical markets; and (vi) in management, leadership and business strategy, as well as (vii) the requirement for each board member to be highly qualified and trustworthy, both as a person and as a professional, and available for the necessary dedication to the position.

The findings of the Nomination Committee were confirmed in an explanatory report approved by the board of directors on 7 June 2022 covering the proposals on the ratification and appointment of Ms Ortega and Mr García to the board, and the re-election of Ms López and Mr Echenique as directors pursuant to section 529*decies*(5) LSC, section 23.1 of the Board of Directors' Regulations and the Diversity of Board of Directors Membership and Director Selection Policy.

Based on the foregoing, the board of directors found in such explanatory report dated 7 June 2022, that the proposed ratifications, appointments and re-elections of directors above referred would contribute in terms of diversity and considered as a whole, to maintaining and reinforcing the following skills on the board:

- (i) The high qualification and professional and personal integrity of board members.
- (ii) A balanced membership with regard to the different directorship types: pursuant to the proposals raised, the board of directors would be composed of independent, proprietary and executive directors, ensuring that the majority of its members are non-executive. In this regard:
  - With the re-election of the 2 independent directors, the majority of independent directors sitting on the board would be ensured.
  - The appointment of the proprietary director: i) would ensure alignment of the decisions of the board of directors with the interests of shareholders, considering that although the company's share capital structure is diverse, a high percentage thereof is held by significant shareholders; and, (ii) would act as a counterweight in the event of potential risks of concentration of power in the executive director.
  - On the other hand, the definitive separation of the roles of board chair and chief executive of the company, with a new non-executive Chair and a single executive director who will have every delegated authority, reduces any potential risk of power concentration.

The separation of the positions of chair and CEO and the existence of a Management Committee, approved further to a resolution passed by the Board of Directors on 29 November 2021 for the purposes of supporting the new CEO in the performance of his duties, composed of members from the main business and corporate areas, would contribute to reducing a potential risk of power

concentration in the hands of a single executive director, and to the appropriate oversight of the corporate strategy.

- (iii) A balanced presence of men and women on the board.

Further to the re-election of Ms López and the appointment of Ms Ortega, 5 women would sit on the board of directors, and the percentage of female representation will stand at 45.45%.

- (iv) Reinforcing experience in such areas as digital transformation, sustainability, compliance and corporate governance, and the relationship with regulators, economic and financial issues, audit, control and risk management issues, as well as leadership management and commercial strategy, in particular as regards product, design, innovation and brand image, which are the Company's strategic priorities.

With this membership, an appropriate balance would have been reached between skills and experience, that befits the interests of the company and the group, combining members with wide experience and knowledge of the Group, its business and the retail sector in general, with other profiles with education, competences, background and experience in other fields and sectors. This contributed to the appropriate performance of the oversight duty entrusted to the board of directors.

- (v) The progressive refreshment of the board, with the presence of new members, combined with directors having a wide experience and knowledge of the company, the group and its business.

The appointment of Mr García and Ms Ortega completed the generational handover at the same time that the values of the company were upheld, ensuring the stability of the founder's project given their extensive record.

With the appointment of these 2 directors, a younger, more diverse and plural team would be formed, with the capacity to approach issues from a more modern perspective, in line with the expectations and demands of the next generations of customers and other stakeholders.

The continuance of Mr Echenique and Ms López on the board of directors was deemed to be highly convenient to ensure the right stability and balance of the governance structure of the Company, as both had contributed to the smooth running of such governing body and its committees. Thus, their sound knowledge of the company, its group and its business models, and of the dynamics and proceedings of its committees, governance regulations and management and oversight function at the highest level, even at extremely difficult times, was considered an invaluable asset.

- (vi) Consequently, such appointments would contribute to significantly reduce the average age of directors and the average tenure of board members.

In the view of the Nomination Committee and the board itself, all of the above would contribute to consolidating diversity on the governing bodies in every relevant aspect, i.e., as regards directorship type, professional experience and education, age, gender, etc.

Based on all the foregoing, the Nomination Committee has considered that Inditex meets the targets and fulfils its commitment to diversity provided in the Diversity of Board of Directors Membership and Director Selection Policy and the remaining internal regulations.

**C.1.6. Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases that impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile amongst potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:**

**C.1.6. Describe the measures, if any, agreed upon by the nomination committee to ensure that selection procedures do not contain hidden biases which impede the selection of female directors and that the company deliberately seeks and includes women who meet the target professional profile among potential candidates, making it possible to achieve a balance between men and women. Also indicate whether these measures include encouraging the company to have a significant number of female senior managers:**

As explained in detail in section C.1.5 above, the Group relies on the Diversity of Board of Directors Membership and Director Selection Policy and the D&I Policy, both of which reflect the company's commitment to encouraging diversity, in particular gender diversity. Notwithstanding this, the role that the Nomination Committee plays in this area is addressed below.

Pursuant to section 529bis(2) LSC, the board of directors shall ensure that diversity, including of age, gender and professional experience, is encouraged in directors' recruitment processes, which should not suffer from any implicit bias that may entail any discrimination and particularly, that selection of female directors is fostered in a number that can ensure a balanced presence of women and men on the board.

The role that the Nomination Committee plays in this field is summarised below.

Pursuant to the provisions of section 16.2(b) of the Board of Directors' Regulations, and section 5.3(b) of the Nomination Committee's Regulations, one of the responsibilities of the Nomination Committee shall be: *"to seek an appropriate composition and a diverse membership on the board of directors and its committees in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and, in particular, gender."*

According to the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee must set a representation target for the least represented gender on the board and provide guidance on how to meet such target. According to section 6(d) of its terms of reference and the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee should strive to ensure that by the end of 2022 female directors would account for at least 40% of board seats. Under no circumstances shall such percentage be less than 30% at any given time before the expiry of such term.

Likewise, section 22.1. of the Board of Directors Regulations and section 6 (c) of the Nomination Committee's Regulations provide that both the board and such committee shall ensure that upon filling new vacancies or upon appointing new directors, selection procedures shall ensure the absence of any manner of discrimination.

Meanwhile, pursuant to section 13.2 of the Board of Directors' Regulations, section 5.3.(b) of the Nomination Committee's Regulations and the provisions of the Diversity of Board of Directors Membership and Director Selection Policy, the Nomination Committee is responsible for seeking an appropriate composition and a diverse membership on the board of directors and its committees in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and in particular, gender, taking into account the restrictions that are a result of the smaller size of the Committee.

Last, pursuant to section 16.2(f) of the Board of Directors' Regulations and section 5.3(e) of its terms of reference, the Nomination Committee shall be responsible for *"issuing a report regarding the proposals on the appointment and/or dismissal of senior managers, supporting the existence of a significant number of female senior managers in the company"*.

**C.1.7. Explain the conclusions of the nomination committee regarding verification of compliance with the policy aimed at promoting an appropriate composition of the Board of Directors.**

The Nomination Committee has reviewed the re-election and ratification of directors' appointments process carried out in 2022 to establish compliance with the Diversity of Board of Directors Membership and Director Selection Policy.

This annual check has been performed considering two different stages in 2021 and 2022:

- The election of Ms Marta Ortega Pérez and Mr Óscar García Maceiras, co-opted to the board of directors on 29 November 2021, which represented the completion of the orderly and planned succession of the chair process following the departure of the former Executive Chairman, Mr Pablo Isla Álvarez de Tejera, agreed with the company.
- The subsequent ratification of the appointment and the re-election of directors whose term of office was about to expire, that had to be subject to the Annual General Meeting held on 12 July 2022.

Changes to the organisational structure approved by the board of directors via the co-option system in 2021 have been fully implemented in 2022, following the departure of the former Executive Chairman and the entry into office of Ms Ortega as non-executive Chair on 1 April 2022.

With regard to the proposed ratification of Ms Ortega and Mr García's co-option to the board, and the proposed re-election of Ms López and Mr Echenique, that the board raised to shareholders at the AGM 2022, it was established that such proposals were based on the prior analysis of board needs written up in a report issued by the Nomination Committee on 6 June 2022 (including the findings of the prior analysis carried

out in respect of the proposed co-option on 29 November 2021, which were broken down in section C.1.7. of the Annual Corporate Governance Report for 2021). Moreover, such analysis was carried out based on the outcome of the board skills matrix referred to in section C.1.5. above.

The Board Skills Matrix was prepared taking into account the then current board membership (with a non-executive Chair and a CEO) as a tool to review the yardsticks to be followed for the appointment and re-election of directors, to ensure an appropriate and diverse board membership and the possibility of considering and recruiting other candidates.

In its report dated June 2022, the Nomination Committee considered (i) the competence, experience and merits of the directors whose ratification, appointment and re-election to the board was proposed to the 2022 AGM, and (ii) the fact that the professional profile of each director is deemed suitable for the Company's description, its business and its international dimension.

The findings of the committee's report were ratified by the board of directors in its explanatory report dated 7 June 2022 which also addressed the quality of work and the dedication to the position of the two directors whose re-election was proposed. Both reports and their findings have been addressed in detail in section C.1.5 above.

Considering that ratification of the co-option to the board of Ms Ortega and Mr García as proprietary and executive directors, respectively, and their subsequent appointment, as well as the re-election of Ms López and Mr Echenique, both of them as independent directors were approved at the AGM 2022, the structure and size of the board of directors is as follows:

- Eleven (11) directors sit on the board of directors. This number is within the limit provided in the Articles of Association and within the 5 to 15 range set out in Recommendation 13 GGC.
- By directorship type, the board is comprised of: one (1) executive director, four (4) proprietary directors, five (5) independent directors and one (1) affiliate director (further details on the latter in section C.1.3. above).

In accordance with Recommendation 15 GGC, a large majority of non-executive directors sit on the board. Likewise, independent directors represent a high percentage of board members, compared to the remaining directorship types, higher than the Company's free float

ratio.

Likewise, in accordance with Recommendation 16 GGC, the ratio of proprietary to non-executive directors is below the proportion between the capital they represent on the board and the remainder of capital.

- The definitive separation of the roles of board chair and chief executive of the company takes place, with a new non-executive Chair and a single executive director who will have delegated authorities (subject to quantitative and qualitative restrictions).
- 45.45% of all board seats are filled by female directors, above the 40% representation target set in the Diversity of Board of Directors Membership and Director Selection Policy and Recommendation 15 GGC.
- The average tenure of independent directors on the board would be 5 years.
- Current board membership is balanced, combining directors with experience and knowledge of the Group, the retail business and industry in general and fashion retail together with others with education, competences, background and experience in other fields, industries and geographies..

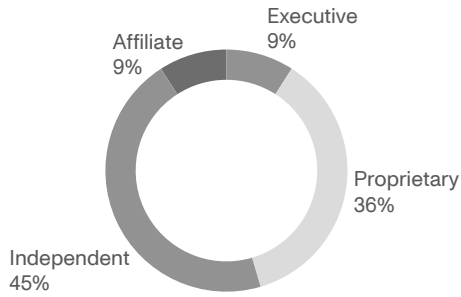
As part of the board refreshment process, experience in such areas as digital transformation, sustainability, compliance and corporate governance has been reinforced, as well as the relationship with regulators, economic and financial issues, audit, control and risk management issues, and leadership management and commercial strategy, in particular as regards product, design, innovation and brand image, which are the Company's strategic priorities.

This gradual board refreshment has resulted in a younger, more diverse and plural Board, skilled to tackle issues that need to be approached from a more modern perspective, in line with the expectations and demands of the next generations of customers and other stakeholders.

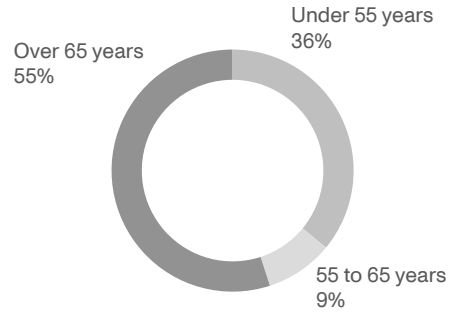
In short, as explained in section C.1.5 above, the Nomination Committee found that the ratification of appointments and re-election of directors process carried out in 2022 has contributed to favour the diversity of board and committees' membership - in particular, gender diversity - seeking to ensure an appropriate membership and contribute to talent attraction.

The resulting main indicators of board diversity are outlined below:

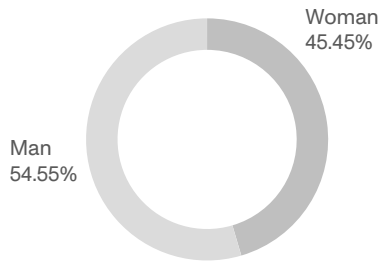
**Directorship type 2022**



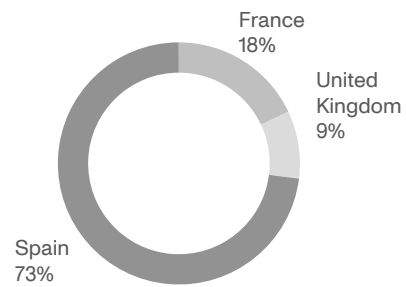
**Age 2022**



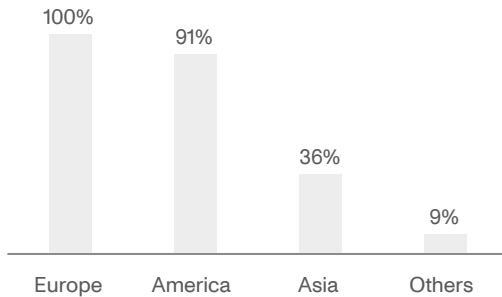
**Sex 2022**



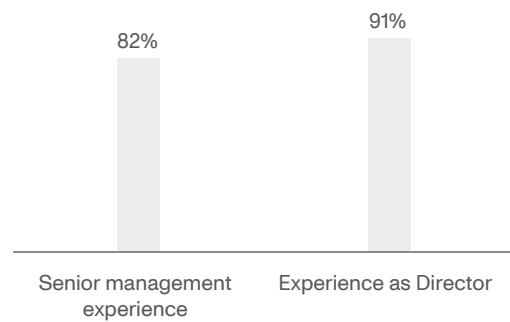
**Geographical Area 2022**



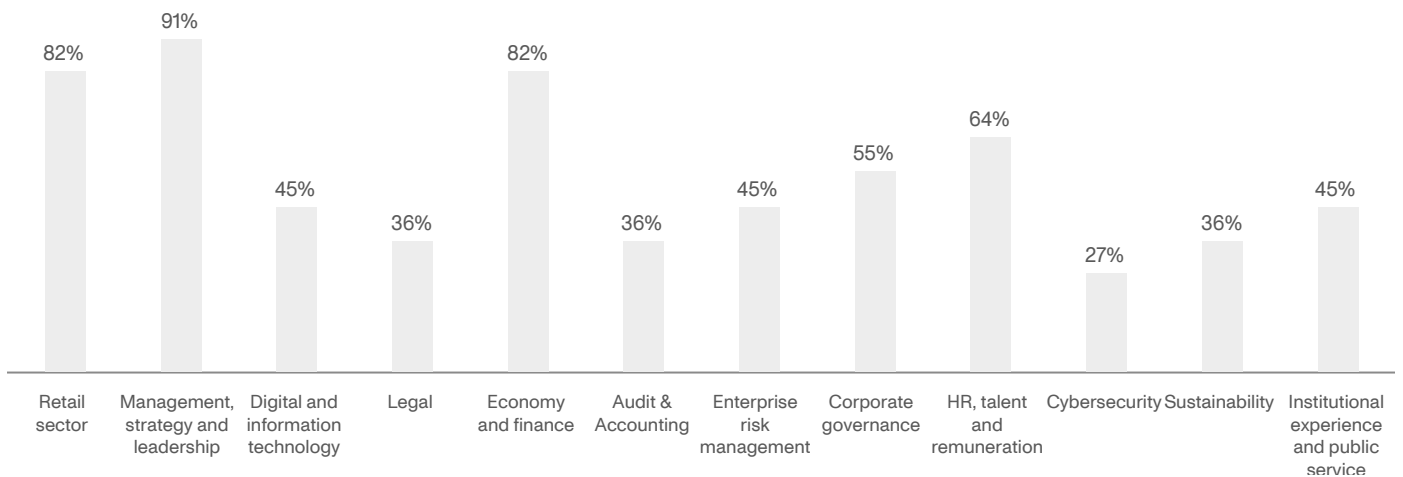
**International experience/education**



**Previous experience**



**Competences**



Based on all the foregoing, the Nomination Committee considered in its report dated 13 February 2023 that the ratification of appointments and re-election of directors process carried out in 2022 by the Company is aligned with the provisions of the Diversity of Board of Directors Membership and Director Selection Policy, as such process has been based on a report issued in November 2021 by an external facilitator on the suitability of the co-opted directors, the Board skills matrix, a prior analysis of the company's needs and the explanatory report issued by the board of directors.

It has further considered that the process has been aligned with the principles and goals set in the Policy, having contributed to ensuring an appropriate board and committees' membership and encouraging diversity of knowledge, skills, experience and gender on the board. In particular, the 40% representation goal set for the least represented gender has been exceeded.

### C.1.8. Where applicable, explain the reasons for the appointment of any proprietary directors at the request of shareholders with less than a 3% equity interest:

No proprietary directors have been appointed at the request of shareholders with less than a 3% equity interest.

Name or company name of shareholder	Reason
—	—

Indicate whether the Board has declined any formal requests for presence on the Board from shareholders whose equity interest is equal to or greater than that of others at whose request proprietary directors have been appointed. If so, explain why the requests were not granted:

Yes      No x

Name or company name of shareholder	Explanation
—	—

### C.1.9. Indicate the powers, if any, delegated by the Board of Directors to directors or Board committees:

Mr Óscar García Maceiras	CEO
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The CEO, Mr Óscar García Maceiras has been delegated a number of wide powers which, as a general rule, shall be exercised individually, except for those powers that entail undertaking in excess of a given amount or disposal of funds in excess of a given amount. In such case, the executive director must act jointly with another person who, by virtue of any legal title, has also been granted the power in question.

In any case, the prior resolution of the Board of Directors or, where delegated, of the Executive Committee, will be required in the event of transactions, proceedings or agreements which (i) entail the acquisition, disposal or encumbrance of real property of the company, or of any manner of industrial or intellectual property rights of the company, or of shares or interests held by the Company, above a given amount; or which (ii) regardless of their nature, entail the assumption of payment commitments in excess of a given amount. Certain types of financial or treasury transactions, proceedings or agreements are excepted from the requirement of a resolution of the Board, as the joint action mentioned above will suffice.

The requirement of joint action and/or of a prior resolution of the Board of Directors shall not apply when it involves transactions, proceedings or agreements which are, regardless of the amount involved, carried out or awarded between companies belonging to the Inditex Group, understanding as such those companies, whether Spanish or foreign, in which Inditex holds, whether directly or indirectly through other investee companies, at least 50% of the share capital, in which case the CEO may act individually, for and on behalf of the company, irrespective of the amount involved in the matter in question.

Additionally, as described in section C.2.1 below, the Executive Committee holds in delegation all the powers of the board of directors, except for those that cannot be delegated by statute or pursuant to the Articles of Association and those that are necessary for the responsible exercise of the general supervisory function that is incumbent on the board of directors.

**C.1.10. Identify any members of the Board who are also directors, representatives of directors or managers in other companies forming part of the listed company's group:**

As at 31 January 2023, none of Inditex's directors were managers or sat on the governing body of Group companies.

**C.1.11. List the positions of director, administrator or representative thereof, held by directors or representatives of directors who are members of the company's board of directors in other entities, whether or not they are listed companies:**

Identity of the director or representative	Company name of listed or unlisted company	Position	Paid or unpaid
<b>Ms Marta Ortega Pérez</b>	Pontegadea Inversiones S.L.	Director	Paid
	Partler 2006 S.L.	First Deputy Chair	Paid
	Pontegadea GB2020 S.L.	Ordinary member	Paid
	Partler Participaciones, S.L.U.	First Deputy Chair	Unpaid
	Fundación Amancio Ortega Gaona	Ordinary member	Unpaid
<b>Mr Amancio Ortega Gaona</b>	Fundación MOP.- The MOP Foundation	Chair	Unpaid
	Pontegadea Inversiones S.L.	Chair	Paid
	Pontegadea Inmobiliaria S.L.	Chair	Paid
	Partler 2006 S.L.	Chair	Paid
	Pontegadea GB2020 S.L.	Chair	Paid
<b>Ms Flora Pérez Marcote</b>	Partler Participaciones, S.L.U.	Chair	Unpaid
	Fundación Amancio Ortega Gaona	Chair	Unpaid
	Pontegadea Inversiones S.L.	First Deputy Chair	Paid
	Pontegadea Inmobiliaria S.L.	First Deputy Chair	Paid
	Pontegadea GB2020 S.L.	First Deputy Chair	Paid
<b>Mr José Arnau Sierra</b>	Fundación Amancio Ortega Gaona	First Deputy Chair	Unpaid
	Fundación MOP.- The MOP Foundation	Ordinary member	Unpaid
	Pontegadea Inversiones S.L.	Second Deputy Chair	Paid
	Pontegadea Inmobiliaria, S.L.U.	Second Deputy Chair	Paid
	Partler 2006 S.L.	Second Deputy Chair	Paid
	Pontegadea GB2020 S.L.	Second Deputy Chair	Paid
	Pontegadea España, S.L.U.	Joint Director	Unpaid
	Partler Participaciones S.L.	Second Deputy Chair	Unpaid
	Esparelle 2016, S.L.	Sole Director, legal representative of Pontegadea Inversiones S.L.U.	Unpaid
	Pontegadea Dieciocho S.L.	Sole Director, legal representative of Pontegadea Inversiones S.L.	Unpaid
	Sobrado Forestal 2014, S.L.	Sole Director	Unpaid
	Pontegadea France, S.A.S.	Chair, legal representative of Pontegadea Inmobiliaria S.L.U.	Unpaid
	Prima Cinque, S.p.a.	Chair	Unpaid
	PG Real Estate Interests Ltd.	Ordinary member	Unpaid
	Pontegadea Inmobiliaria, S.A. de CV	Chair	Unpaid
Pontegadea Canadá, Inc.	Chair	Unpaid	
Pontegadea Korea, Inc.	Ordinary member	Unpaid	
Ponte Gadea USA, Inc.	Chair	Unpaid	
Hills Place, Sarl	Ordinary member	Unpaid	
Pontegadea UK, Ltd.	Ordinary member	Unpaid	
Almack Ltd.	Ordinary member	Unpaid	

Identity of the director or representative	Company name of listed or unlisted company	Position	Paid or unpaid
	Ponte Gadea Portugal – Investimentos Imobiliários e Hoteleiros, S.A.	Chair, appointed by Partler 2006 S.L.	Unpaid
	Pontegadea Amoreiras – Sociedade Imobiliária, S.A.	Chair, appointed by Partler 2006 S.L.	Unpaid
	Proherre Internacional- Sociedade Imobiliária, Lda	Joint and Several Director	Unpaid
	Pontegadea Real Estate, S.A.S.	Chair, legal representative of Pontegadea Inmobiliario S.L.U.	Unpaid
	Montaigne Real Estate, S.A.S.	Sole Director	Unpaid
	Fongadea Recoletos 7-9, S.L.	Chair	Unpaid
	Daimar de Inversiones S.L.	Sole Director	Unpaid
	Pontel Participaciones S.L.	Ordinary member	Unpaid
	Fundación Amancio Ortega Gaona	Second Deputy Chair	Unpaid
	Fundación Kertor	Trustee	Unpaid
	Fundación Santiago Rey Fernández Latorre	Trustee	Unpaid
	Fundación Bal y Gay	Trustee	Unpaid
<b>Ms Anne Lange</b>	Pernod-Ricard, S.A.S.	Non-executive director	Paid
	Peugeot Invest	Non-executive director	Paid
	Orange, S.A.	Non-executive director	Paid
<b>Mr Rodrigo Echenique Gordillo</b>	Banco Santander Chile	Non-executive director	Paid
	Fundación Banco Santander	Chair	Unpaid
<b>Mr Emilio Saracho Rodríguez de Torres</b>	International Consolidated Airlines Group, S.A.	Independent director	Paid

Remarks

Indicate, where appropriate, the other remunerated activities of the directors or directors' representatives, whatever their nature, other than those indicated in the previous table.

Identity of the director or representative	Other paid activities
Ms Anne Lange	Managing Partner at ADARA: a consulting firm that provides senior-level advice to start-ups and in the field of innovation.
Ms Pilar López Álvarez	VP Sales, Marketing, Ops (COO) at Microsoft Western Europe.
Mr Rodrigo Echenique Gordillo	Advisor to Banco Santander (Santander Group)
Mr Emilio Saracho Rodríguez de Torres	Senior Advisor at Altamar Capital Partners
Mr José Luis Durán Schulz	CEO at VALUE RETAIL MANAGEMENT and consultant at JLD Advise.

C.1.12. Indicate whether the company has established rules on the maximum number of company boards on which its directors may sit, explaining, if necessary, and identifying where this is regulated, where applicable:

Yes x No

**Explanation of the rules and identification of the document where this is regulated**

Pursuant to section 22.2 of the Board of Directors' Regulations, the Board of Directors may not propose or appoint in order to fill a position of director, anyone who holds the office of director in more than 4 listed companies other than the Company at the same time.



### C.1.13. Indicate the remuneration received by the Board of Directors as a whole for the following items:

<b>Remuneration accruing in favour of the Board of Directors in the financial year (thousands of euros)</b>	38,698
<b>Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousands of euros)</b>	9,838
<b>Funds accumulated by current directors for long-term savings systems with unconsolidated economic rights (thousands of euros)</b>	-
<b>Pension rights accumulated by former directors (thousands of euros)</b>	-

The amount stated as “Remuneration accruing in favour of the Board of Directors in the financial year (thousand euro)” corresponds to the aggregate amount shown in section C.1.c) “Summary of remunerations (thousand euro)” of the Annual Report on Remuneration of Directors for 2022. Included therein are the fixed remuneration items of directors in their status as such, and the fixed and short and long-term variable remunerations accrued by the CEO, Mr Óscar García Maceiras, and the former Executive Chairman, Mr Pablo Isla Álvarez de Tejera, for the performance of executive functions. In particular, it includes:

The amounts of the remuneration accrued by: (i) Mr Óscar García Maceiras, as director and for the performance of executive functions from 1 February 2022 through 31 January 2023 and (ii) Mr Pablo Isla Álvarez Tejera, as director and the part of his fixed remuneration (wage) for the performance of executive functions from 1 February 2022 through 31 March 2022, date of economic effect of his resignation.

With regard to long-term or multi-year variable remuneration: included in the above referred global remuneration for directors are the amounts of €2,483 thousand accrued by the CEO under the second cycle (2020-2023) of the 2019-2023 Plan. The 2019-2023 Plan materialised in (i) an incentive in cash in the aggregate gross amount of €1,035 thousand for the CEO, and (ii) an incentive in shares equivalent to a total number of 49,477 shares corresponding to the gross amount of €1,448 thousand for the CEO.

It bears mention that for the purposes of quantifying the part of such incentive to be delivered in shares, the closing price of Inditex share on the last trading day of the week before the board meeting where it assessed and approved the level of target achievement for the second cycle of the 2019-2023 Plan (i.e. 10 March 2023) was considered. The incentive in cash and in shares will be delivered within the month following the release of the annual accounts for 2023.

Also included in the above referred global remuneration are the amounts accrued and paid in 2022 to the former Executive Chairman itemised as follows:

- (i) The following amounts as early settlement of current incentives and other items of fixed remuneration:
- Of the incentive for the second cycle (2020-2023) of the 2019-2023 Plan: the incentive - determined by the board of directors to be for a level of achievement on target -, prorated for the time between cycle commencement and

the date of his departure, amounted to €980 thousand and 46,859 shares.

- Of the incentive for the first cycle (2021-2024) of the 2021-2025 Plan: the incentive - determined by the board of directors to be for a level of achievement on target -, prorated for the time between cycle commencement and the date of his departure, amounted to €421 thousand and 24,418 shares.
  - Of the annual variable remuneration for FY2022: the incentive prorated for the time between the beginning of the year and the date of his departure - estimated by the board of directors at maximum level of achievement -, amounted to €788 thousand.
  - Of the pro-rated part of the extraordinary payments, the portion of the fixed remuneration accrued for FY2022 (February and March 2022) corresponding to extra payments (July and December) amounted to €132 thousand.
- (ii) As severance pay:
- Severance pay for termination amounted to €3,250 thousand, and
  - The consideration for his post-contractual non-compete obligation amounted to €19,740 thousand.

With regard to the “*Funds accumulated by current directors for long-term savings systems with consolidated economic rights (thousand euro)*”, no contributions to the long term savings system have been made since 2015 and the amount of accumulated funds in such system reached €9,838 thousand as at 31 January 2023.

Mr Isla keeps 100% of the entitlement to the accumulated funds pursuant to sections B.10 and C.1.a) iii) “Long-term saving systems” of the Annual Report on Remuneration of Directors for 2022.

**C.1.14. Identify members of senior management who are not also executive directors and indicate their total remuneration accrued during the year:**

Name or company name	Position
Ms Lorena Alba Castro	Chief Logistics Officer
Mr José Pablo del Bado Rivas	Director of PULL & BEAR - Management Committee
Mr Carlos Crespo González	COO & Head of Digital and Sustainable Transformation
Mr Miguel Díaz Miranda	Chief Financial Officer & Chief Operating Officer of ZARA - Management Committee
Mr Raúl Estradera Vázquez	Chief Communication Officer
Mr Ignacio Fernández Fernández	Chief Financial Officer - Management Committee
Mr Antonio Flórez de la Fuente	Director of BERSHKA
Mr Javier García Torralbo	Chief Digital Officer - Management Committee
Ms Begoña López-Cano Ibarreche	Chief People Officer - Management Committee
Mr Abel López Cernadas	Head of Import, Export and Transport
Mr Marcos López García	Capital Markets Director
Mr Juan José López Romero	Chief Infrastructure and Services Officer
Mr Javier Losada Montero	Chief Sustainability Officer - Management Committee
Mr Gabriel Moneo Marina	Chief IT Officer
Mr Javier Monteoliva Díaz	General Counsel and Secretary of the Board
Ms María Lorena Mosquera Martín	Director of ZARA HOME
Ms Paula Mouzo Lestón	Chief Audit Officer
Ms Beatriz Padín Santos	Director of ZARA Woman - Management Committee
Mr Jorge Pérez Marcote	Director of MASSIMO DUTTI - Management Committee
Mr Óscar Pérez Marcote	Director of ZARA - Management Committee
Ms Carmen Sevillano Chaves	Director of OYSHO
Mr Jordi Triquell Valls	Director of STRADIVARIUS
Mr Jesús Echevarría Hernández <sup>1</sup>	Chief Communication Officer

1. Mr Raúl Estradera Vázquez holds this position since 1 April 2022 when he replaced Mr Jesús Echevarría Hernández.

<b>Number of women in senior management</b>	6
<b>Percentage out of all senior managers</b>	27.27 %
<b>Total remuneration of senior management (thousand euros)</b>	104,781

Included in the amount stated as “Aggregate remuneration for senior managers” is the fixed remuneration and the variable remuneration accrued by senior managers in financial year 2022, both short-term variable remuneration and long-term variable remuneration for the second cycle (2020-2023) of the 2019-2023 Plan.

Under such cycle, the amount of €35,628 thousand were accrued by senior managers as at 31 January 2023 in the framework of the 2019-2023 Plan, materialised in: (i) an incentive in cash in the aggregate gross amount of €17,089 thousand, and (ii) an incentive in shares equivalent to a total number of 633,369

shares, which correspond to the gross amount of €18,539 thousand.

It bears mention that for the purposes of quantifying the part of the incentive to be delivered in shares, the closing price of Inditex share on the last business day of the week before the date when the board of directors assessed and approved the level of target achievement of the first cycle of the 2019-2023 Plan (i.e. 10 March 2023) was considered.

The incentive in cash and in shares will be delivered within the month following the release of the annual accounts for 2022.

Likewise, included in said amount are the remunerations earned in 2022 by senior managers in office in the year, including the relevant compensation.

The evolution of Senior Managers' remuneration versus the previous year is primarily due to a higher number of officers that qualify as such and to the increase in the short-term and long-term variable remuneration as a result of the Company's strong operating performance in 2022. Additionally, long-term remuneration has also been affected by a higher price of Inditex shares compared to the one in the previous year.

**C.1.15. Indicate whether the Board regulations were amended during the year:**

Yes  No

The Board of Directors approved on 12 May 2022, following a favourable report from the Audit and Compliance Committee, the revised text of the Board of Directors' Regulations as amended in part, primarily to reflect the clear separation of duties assigned to the Chair and those assigned to the CEO as chief executive of the Company, thus preventing any risk of confusion regarding the profile and role of the new non-executive Chair.

It was also amended to adjust the composition of the Executive Committee on the basis of the new organisational structure.

The amendments made are addressed below:

**– Amendment to section 14 (“The Executive Committee or the Chief Executive Officers”) in Chapter IV (“Structure of the Board of Directors”)**

The current wording of this section was amended so that the Executive Committee will be hereinafter chaired by the Chief Executive Officer or the company's chief executive, should more than one director perform executive functions, instead of the Chair of the Board of Directors.

**– Amendment to section 16 (“The Nomination Committee”) in Chapter IV (“Structure of the Board of Directors”)**

The term “Executive” is deleted in reference to the position of Chair.

**C.1.16. Specify the procedures for selection, appointment, re-election and removal of directors. List the competent bodies, steps to follow and criteria applied in each procedure.**

The system for the selection, appointment and re-election of members of the board of directors constitutes a formal and transparent procedure that is expressly covered in the Articles of Association, the Board of Directors' Regulations and the Nomination Committee's Regulations.

The Diversity of Board of Directors Membership and Director Selection Policy referred to in section C.1.5 above provided guidance on selection of directors for the purposes of guiding the proceedings of the Board of Directors and the Nomination Committee in this area.

The Policy is informed by the Recommendations of the GGC and the overarching principles and guidelines of CNMV's Technical Guide 1/2019. According to the Policy, the process to appoint, ratify and re-elect directors shall be guided by the following overarching principles: (i) favouring diversity and search for excellence within the board of directors; (ii) the selection process for prospective directors shall not be tainted by any kind of discrimination and shall follow the merit-based approach; (iii) fulfilling the corporate interest; and (iv) transparency in the process to select prospective directors.

In this regard, the Policy sets forth that the selection, appointment, ratification and re-election of directors shall be based on a prior analysis of the needs of the Company and the Group, and of the competences required by the board of directors itself. This analysis shall be carried out by the board of directors on the advice of the Nomination Committee. The board of directors has its own organization and internal proceedings, including: (i) the co-option of directors to fill board vacancies, on the proposal or following a favourable report of the Nomination Committee, as the case may be; and (ii) the election, on the proposal or following report of the same committee, of internal positions and of members of board committees. In turn, the Nomination Committee is responsible for the process of selecting prospective directors. Pursuant to the Articles of Association, the Board of Directors' Regulations, and its own terms of reference, directors shall be appointed either by the General Meeting of Shareholders or the board of directors, pursuant to applicable laws and the company's regulations on corporate governance.

The proposals on the appointment, ratification or re-election of directors submitted by the board of directors to shareholders at the Annual General Meeting, and the appointment resolutions passed by the board of directors via the co-option system in use of the powers it is entrusted by statute shall be made following: (i) a proposal raised by the Nomination Committee, as regards independent directors; or, (ii) a report of the Nomination Committee for all other directorship types.

To ensure the appropriate composition of the board of directors at all times, its structure, size and composition as well as the membership of its committees shall be regularly reviewed.

To this end, efforts should be made to ensure that the board of directors has a balanced membership with regard to the various classes of directors, with a large majority of non-executive

directors and an appropriate mix of proprietary and independent directors, and an appropriate balance of profiles, knowledge, skills, careers and experiences so that multiple viewpoints are contributed to the discussion of the business transacted and the decision-making process is enriched. In addition, consideration should be given to ensuring a progressive and orderly board refreshment to achieve the objectives set out in the Policy.

As provided in the Policy, the findings of the above-mentioned prior analysis shall be written up in an explanatory report issued by the Nomination Committee, to be posted on the corporate website upon calling the General Meeting to which the nomination, ratification or re-election of each director is submitted.

Prospective directors of the Company shall meet at all times the following requirements:

- Be honest, respectable persons of well-known ability, competence, professional background and experience and merits.
- Be law-abiding and respectful of good marketing practices both in their lives and professional careers and observe the provisions of applicable regulations.
- Be trustworthy professionals whose conduct and career are aligned with the principles and duties set out in Inditex's internal regulations—in particular, in the Code of Conduct and Responsible Practices—and with the views and values of the Inditex Group.
- Be committed to their duties as directors and available to dedicate sufficient time and efforts to meet their board responsibilities.

In the process for the selection of prospective directors, those individuals who meet the requirements laid down in the Policy and who, given their profile and features favour diversity of knowledge, skills, experiences, origin, age and gender on the board of directors, shall be considered, and any implicit bias which might entail any manner of discrimination and specifically hamper selection of female directors shall be prevented.

In order to define the duties and required skills of prospective directors, the Nomination Committee shall review the competences, knowledge, experience and other occupations of current directors serving on the board, and it shall prepare and keep a board skills matrix updated, based upon which it shall define the duties and skills required from candidates who have to fill each vacancy and evaluate the required time and dedication for them to effectively meet their board responsibilities.

Those persons who are involved in any legal grounds of disqualification to be a company director or who fail to meet the requirements set forth by the Company's corporate governance rules to be a director, shall not be eligible to be a director.

In particular, neither the Committee nor the board of directors can propose or appoint as member of the board of directors anyone who serves as a director at the same time in more than four listed companies other than the Company.

The Nomination Committee shall take into account the proposals submitted by any director, provided that the prospective candidate meets the requirements to be eligible and the provisions of the Diversity of Board of Directors Membership and Director Selection Policy are observed. To do so, it shall take all necessary measures and make all appropriate enquiries to ensure that the candidates are not involved in any of the scenarios described in the foregoing paragraphs.

Likewise, the Company may rely on external advisors to carry out the prior analysis of the needs of the company, and to assess the competences required by the board of directors and the Inditex Group, as well as to search or assess prospective directors or evaluate their performance and/or suitability. It is incumbent upon the Nomination Committee to establish and ensure the effective independence of the above-mentioned experts.

The proposals or reports on the appointment of directors shall be prepared by the Nomination Committee and include the directorship type assigned to the director- This classification must be duly supported.

Proposal on the election of directors submitted by the board of directors to the Annual General Meeting shall be accompanied by an explanatory report issued by the board of directors assessing the qualifications, experience and merits of the proposed candidate; such report shall be attached to the minutes of the board meeting. Additionally, with regard to the ratification or re-election of directors, the explanatory report shall assess the quality of the director's work and their dedication to office during their tenure as well as their observance of the company's corporate governance rules. In any case, the Nomination Committee shall take into account the need for progressive board refreshment.

Where the board of directors departs from the proposals and reports of the Nomination Committee, it must state the reasons for its actions and place them on record.

With regard to the representation target for the least represented gender on the board and to the guidance on how to meet it, the company has updated the female representation target on the board of directors, in line with Recommendation 15 GGC, as provided in section 5.1.1 of the Diversity of Board of Directors Membership and Director Selection Policy and in section 6 (d) of the Nomination Committee's Regulations. The company endorses the commitment to ensure that the number of female directors should account for at least 40% of all board seats by the end of 2022.

The Nomination Committee shall, on an annual basis, establish compliance with the Diversity of Board of Directors Membership and Director Selection Policy and inform the board of directors thereof, and the board shall disclose said information in the Annual Corporate Governance Report.

With regard to the removal and dismissal of directors, directors shall vacate office upon expiry of their term of office, or at any time further to a resolution of the General Meeting of Shareholders.

The board of directors may only propose to the General Meeting the removal of an independent director before the expiry of his/her term of office when a just cause arises, where

the director has incurred in any grounds for dismissal or resignation pursuant to applicable regulations or to the Company's corporate governance rules. Said just cause must be considered by the board, following a favourable report from the Nomination Committee. In particular, pursuant to section 25.3 of the Board of Directors' Regulations, a just cause will exist when a director holds new positions or assumes new obligations preventing them from making sufficient time available for board meetings and other duties inherent in the office of director; is in breach of the duties inherent in the office or is involved in any of the circumstances leading to them no longer qualifying as independent directors, pursuant to the provisions of applicable regulations. Likewise, removal of a director may be proposed as a result of takeover, mergers or other similar corporate transactions that entail a change in the shareholding structure of the Company, where said change entails in turn another in the structure of the Board of Directors on account of the ratio of proprietary directors.

Furthermore, where a director vacates their office before the end of their term of office through resignation or further to a resolution of the General Meeting of Shareholders, they should state the reasons for the resignation, or with regard to non-executive directors, their opinion on the reasons for the dismissal resolved by the General Meeting of Shareholders, in a letter that must be addressed to all the members of the board of directors. To the extent that this may be relevant for investors, and without prejudice to reporting it in the Annual Corporate Governance Report, the Company, shall announce their departure in the shortest delay with sufficient reference to the reasons or circumstances provided by the director.

In addition, the Nomination Committee must issue a report with regard to the proposal for early dismissal of independent directors.

When directors tender their resignation, the Nomination Committee must ensure the transparency of the process, gathering the information it may deem necessary to this end.

### C.1.17. Explain to what extent the annual evaluation of the Board has given rise to significant changes in its internal organization and in the procedures applicable to its activities:

The Company carries out a self-evaluation process with regard to the performance of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the board, as provided in its internal regulations, in accordance with applicable regulations and GGC recommendations.

In this regard, following each annual evaluation, a number of recommendations are issued, where appropriate, to improve (i) the quality and effectiveness of board proceedings; (ii) the proceedings and composition of its committees, paying special attention to the chairs of the different board committees; (iii) the diversity of board membership and powers; (iv) the performance of the Chair and the CEO; and (v) the performance and input of the Lead Independent Director and the Secretary of the board.

In 2022, the findings of the annual evaluation for the previous year were considered both in the various analyses of board needs carried out by the Nomination Committee in respect of the re-election and appointment of directors resolved in the year, and in the suitability analysis commissioned by the committee in 2021 and carried out by the external facilitator. Such suitability analysis was also considered in the ratification, re-election and appointment of directors process carried out in 2022. In particular, the following findings were established further the evaluation:

- (i) The size of the board was deemed to be appropriate.
- (ii) The Committee appreciated the relevance of keeping and reinforcing within the company's supreme governing body: (i) different profiles and experiences in line with the strategic focal points marked as a priority by the Company; (ii) a highly diverse board membership in terms of, without limitation, professional experience, competences, personal skills, sector-specific knowledge and age; (iii) a balanced combination of directorship types, ensuring that the majority of directors serving on the board are non-executive and that the presence on the board of proprietary directors is such as to ensure the existence of an effective counterweight; and, (iv) a progressive board refreshment, combined with the necessary presence of directors with proven experience and sound knowledge of the company, the Group, its business and generally, the retail sector.

Boosting diversity, in particular gender diversity, was identified as a priority, in line with the commitment undertaken by the Company.

As described in detail in section C.1.5 above, both the ratification and appointment of Ms Ortega and Mr García to the board as proprietary and executive director, respectively, and the re-election of Ms López and Mr Echenique as independent directors, have contributed, in line with the feedback received from the directors in the annual evaluation, to: (i) consolidating diversity of directorship types, keeping the balance of proprietary and independent directors and increasing the already wide majority of non-executive directors (90.9%); (ii) reinforcing female representation, as the 40% target set for 2022

has been exceeded; (iii) ensuring the existence of appropriate counterweights, as the positions of Chair of the Board and chief executive are separate; (iv) reinforcing the existence of profiles with a wide experience and knowledge of the Company, its Group, the retail sector, as well as experience in areas such as digital transformation, sustainability, compliance and corporate governance and the relationship with regulators, topics such as finance and economy, audit and control, in particular in the area of product, design, innovation and brand image, which are the focal points of the Company's strategy; as well as (v) reducing directors' average age and average tenure.

On the other hand, with regard to the organisation and proceedings of the board and its committees, the annual self-evaluation process is an especially useful driver of the gradual implementation of required changes, such as:

- (i) The improvement of the internal dynamics of the board and its committees as a result of the following:
  - 2022 has been marked by the rise in the number of board meetings (10 versus 7 in 2021).
  - The appropriate arrangement of board and committees' meetings, via the relevant schedule that allows to systematically arrange the agenda, topics and attendees.
  - In terms of agenda, it has also contributed to (i) higher dedication to strategy-related issues, and (ii) a gradual transformation of board debates and decisions, as topics related to sustainable management and accountability to stakeholders are gaining momentum.
  - An increasing interaction between directors and the management team, as members of this latter are increasingly in attendance at board and committees' meetings.
  - More frequent business updates presented to Directors via the CEO's reports.
  - Headway has been made in providing the information earlier in advance as well as in terms of its quality, in the context of a continuous improvement process, via executive summaries outlining the priority issues, allowing for a better preparation of meetings and for dedicating more time to debate.
- (ii) Significant progress regarding directors' training schemes. In 2022, the training plan which was designed considering directors' concerns and key elements pointed out in the annual evaluation, has been boosted.
- (iii) A more effective and automated process to evaluate the performance of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the board.
- (iv) Significant headway was made in the dynamics of separate meetings held by independent directors under the helm of the Lead Independent Director.
- (v) Separate meetings held by the Audit and Compliance Committee with the external auditors without any member of management being present.

**Describe the evaluation process and the areas evaluated by the board of directors with or without the help of an external advisor, regarding the functioning and composition of the Board and its committees and any other area or aspect that has been evaluated.**

Pursuant to the provisions of section 7(a) of its terms of reference, the Nomination Committee must establish and oversee an annual programme for evaluating the performance of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the board, and in particular, following up on directors' attendance at the meetings of the board and the committees where they sit.

Therefore, considering the statutory framework and Inditex's own internal regulations, the evaluation system of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the Board is carried out as follows:

1. The Nomination Committee prepares an annual programme for the evaluation of the performance of the duties of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the Board.

Since the approval of the Evaluation Programme back in 2015, its organisation and implementation as well as the organisational structure of the company have undergone major changes. This entailed the necessary amendment to the programme, which was approved at the Nomination Committee held on 12 September 2022. In particular, the main changes were: (i) the roles of Chair and CEO are separate; (ii) the Sustainability Committee is considered under the programme; (iii) the duties of the Lead Independent Director are aligned with those that they are effectively performing in practice regarding the evaluation process; (iv) the scope of the evaluation programme is aligned with the provisions of CNMV's Technical Guide 1/2019; and (v) the possibility of using different methodologies, including questionnaires and/or interviews, is considered.

2. The procedure is carried out by means of a number of questionnaires that directors must complete.

The full questionnaire is reviewed and updated every year to align the annual evaluation with best practices in the field of good governance.

The evaluation process has undergone a formal revision in the year, to raise more simple and consistent questions, keeping in any case all the elements subject to assessment, pursuant to applicable recommendations.

Other material changes were also made, such as the addition of a new questionnaire to evaluate the performance of the non-executive Chair.

The process has been automated through the use of a technological platform available to the Directors that ensures information confidentiality, traceability and security. Directors are only granted access to the questionnaires pertaining to the committees where they sit.

3. According to the annual programme, each committee has to prepare its own evaluation report which must be sent to the

board of directors as detailed below:

(a) The Chair of the Nomination Committee shall prepare and send reports on the evaluation of the board, the Lead Independent Director and the Secretary.

(b) The Lead Independent Director shall prepare and send the findings reports on the performance of the Chair and the CEO,

(c) The chair of each committee shall prepare their own findings report.

The Chair of the Nomination Committee is tasked with reviewing and integrating every report.

4. The board of directors assesses –pursuant to statute and the Board of Directors' Regulations– its performance and that of its committees as well as the performance of the Chair, the CEO, the Lead Independent Director and the Secretary of the Board, based upon the reports issued as stated in the foregoing section.

5. Last, on the basis of the outcome of the evaluation and the areas for improvement reported, the Nomination Committee prepares an action plan which it follows-up.

In accordance with Recommendation 36 GGC, Inditex has relied on the advice of Deloitte, an external consultant, as regards the self-evaluation process for FY2022.

**C.1.18. Provide details, for years in which the evaluation was carried out with the help of an external advisor, of the business relationships that the external advisor or company in its group maintains with the company or any company in its group.**

In 2022, Inditex has relied on the advice of external consultant Deloitte regarding the self-evaluation of the performance of the board of directors and its committees, the Chair, the CEO, the Lead Independent Director and the Secretary of the board.

Other than this engagement, Deloitte has other business relationships with Inditex and other Group companies which do not extend to advice on remuneration and/or selection of directors or key staff for the Company. Therefore, none of such business relationships could lead to a potential conflict of interest as regards the advice given on the self-evaluation process.

**C.1.19. Indicate the cases in which directors are required to resign.**

Pursuant to section 25 of the Board of Directors' Regulations, directors must offer their resignation to the board of directors and effectively resign, should this latter deem it advisable, in the following cases:

- (a) When they reach a certain age, under the terms detailed in section C.1.22.
- (b) When they cease to hold the executive positions to which their appointment as director was associated.
- (c) When they are involved in any of the incompatibility or prohibition cases provided in applicable regulations, the Articles of Association or these Regulations, including if they would happen to hold the office of director in more than four listed companies other than the Company.
- (d) When they are seriously admonished by the Audit and Compliance Committee for having breached their duties as directors.
- (e) When they are involved in any circumstances affecting them, related or not to their actions within the Company, that may damage the name and reputation of the Company or otherwise jeopardise the Company's interests. For this purpose, they shall report to the board of directors any criminal charges brought against them as well as any procedural consequences.
- (f) When the reasons for their appointment cease.
- (g) With regard to proprietary directors, when the shareholders they represent dispose of their ownership interest in its entirety or reduce it up to a limit that requires the reduction of the number of proprietary directors.
- (h) With regard to independent directors, when they have continuously held the position on the board in the Company for 12 years.

**C.1.20. Are qualified majorities other than those established by statute required for any particular kind of decision?**

Yes x No

**If so, describe the differences.**

**Description of requirements**

A qualified majority other than that established by statute is exclusively required to amend the Board of Directors' Regulations. Pursuant to section 3.4 thereof, in order for the amendment of said Regulations to be valid, a resolution passed by a majority of two-thirds of the directors present shall be required.

Apart from this, the scenarios of qualified majority for the passing of resolutions by the board of directors are addressed in article 25.4 of the Articles of Association, which reads: *"For resolutions to be passed, an absolute majority of votes by the directors attending the meeting shall be required, except for those cases where a larger majority is required by statute, by these Articles of Association or by the Board of Directors' Regulations. In the case of an equality of votes, the Chairman shall have a casting vote."* Likewise, article 27.2 of the Articles of Association provides that for the permanent delegation of any power of the board of directors other than non-delegable ones it shall be necessary for two-thirds of those making up the board of directors to vote for the motion, as provided in section 249.3 LSC.

**C.1.21. Explain whether there are any specific requirements, other than those relating to directors, for being appointed as chairman of the Board of Directors.**

Yes No x

**Description of requirements**

—

**C.1.22. Indicate whether the articles of association or Board regulations establish any limit as to the age of directors:**

Yes x No

	<b>Age limit</b>
Chair	68
CEO	65
Director	68

Section 25.2(a) of the Board of Directors' Regulations provides that directors must offer their resignation to the Board of Directors and effectively resign, should this latter deem it advisable "When they reach the age of 68. Notwithstanding this, directors who hold the office of Chief Executive Officer or Managing Director shall offer their resignation to the Board of Directors upon attaining the age of 65, being able to continue as ordinary members of the Board of Directors until the aforementioned age of 68. As an exception, the foregoing rules shall not apply in the case of the founder of the Company, Mr. Amancio Ortega Gaona."

**C.1.23. Indicate whether the articles of association or Board regulations establish any term limits for independent directors other than those required by law or any other additional requirements that are stricter than those provided by law:**

Yes No x

<b>Additional requirements and/or maximum number of years of office</b>	
	-

**C.1.24. Indicate whether the articles of association or Board of Directors' regulations establish specific rules for appointing other directors as proxy to vote in Board meetings, if so the procedure for doing so and, in particular, the maximum number of proxies that a director may hold, as well as whether any limit has been established regarding the categories of director to whom votes may be delegated beyond the limits imposed by law. If so, briefly describe these rules.**

Article 25.3 of the Articles of Association sets forth that any director can appoint another director as proxy holder in writing, each meeting requiring a special proxy, notifying the Chairman of the same in writing.

Pursuant to said article and section 20.1 of the Board of Directors' Regulations, non-executive directors may only be represented by another non-executive director.

No maximum number of proxies that a director can hold has been fixed.

In line with this provision, section 20.1 of the Board of Directors' Regulations provides that quorum shall be present on the board of directors when at least half plus one of its members attend

either in person or by proxy (or, in case of an uneven number of directors, when a number of directors immediately higher than half of it is in attendance), stating further that the directors shall do their best to attend the meetings of the board of directors, and, when they cannot do so in person, they shall endeavour to grant a proxy to another member of the board giving instructions as to its use and communicating the same to the Chairman of the Board of Directors.

**C.1.25. Indicate the number of meetings held by the Board of Directors during the year. Also indicate, where applicable, the number of times the Board met without the chairman being present. Meetings where the chairman gave specific proxy instructions are to be counted as attended.**

<b>Number of board meetings</b>	10
<b>Number of board meetings held without the chairman's presence</b>	0

FY2022 has been marked by the rise in the number of board meetings held (10 versus 7 in 2021). The board held both in person and hybrid meetings (with some directors attending in person and others remotely). Videoconference or conference call systems were used to hold these meetings, pursuant to the provisions of section 19.4 of the Board of Directors' Regulations.

**Indicate the number of meetings held by the lead independent director with the other directors, where there was neither attendance nor representation of any executive director:**

<b>Number of meetings</b>	1
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**Remarks**

On 5 June 2022, a separate meeting of non-executive independent directors was held led by Mr Rodrigo Echenique Gordillo, Lead Independent Director, for the purposes of discussing highly relevant matters to the Company, thus ensuring that with regard to the decision-making over such matters, their independence within the board of directors is kept.

Indicate the number of meetings held by each board committee during the year:

<b>Number of meetings held by the executive committee</b>	0
<b>Number of meetings held by the audit committee</b>	6
<b>Number of meetings held by the nomination committee</b>	5
<b>Number of meeting held by the remuneration committee</b>	5
<b>Number of meetings held by the sustainability committee</b>	6

In 2022, board committees held both in person and hybrid meetings (with some members attending in person and others remotely).

All of which, pursuant to sections 19.2, 15.2, 12.2 and 14.2 of the terms of reference of the Audit and Compliance, Nomination, Remuneration and Sustainability Committees, respectively.



**C.1.26. Indicate the number of meetings held by the Board of Directors during the year with member attendance data:**

Number of meetings in which at least 80% of directors were present in person	10
Attendance in person as a % of total votes during the year	88.00 %
Number of meetings with attendance in person or proxies given with specific instructions, by all directors	9
Votes cast in person and by proxies with specific instructions, as a % of total votes during the year	90 %

**C.1.27. Indicate whether the individual and consolidated financial statements submitted to the Board for issue are certified in advance:**

Yes  No

**Identify, where applicable, the person(s) who certified the individual and consolidated financial statements of the company for issue by the Board:**

The individual and consolidated annual accounts of the Company that are presented to be stated by the board of directors are previously certified by the CEO and the CFO.

Name	Position
Mr Óscar García Maceiras	CEO
Mr Ignacio Fernández Fernández	CFO

**C.1.28. Explain the mechanisms, if any, established by the Board of Directors to ensure that the financial statements it presents to the General Meeting of Shareholders are prepared in accordance with accounting regulations.**

The Audit and Compliance Committee, mostly made up of non-executive independent directors, meets with external auditors in order to review the Company's annual accounts and certain periodic financial information that the board of directors must provide to the markets and their supervisory boards, overseeing compliance with statutory requirements and the appropriate application of generally accepted accounting principles in the drafting of the financial statements. In the meetings held by the Audit and Compliance Committee with external auditors without any member of the management being present, any disagreement or difference of opinion existing between the Company's Management and the external auditors is put forward, so that the board of directors can take the necessary steps to ensure that the annual accounts are stated in accordance with accounting regulations, endeavouring for them to be drafted in such a manner that they do not give rise to qualifications on the part of the auditor.

Furthermore, before drafting the annual, half-yearly or quarterly financial statements, the Company's Management meets with the Audit and Compliance Committee and is subjected by the latter to suitable questions as to, among others, the application of accounting standards and the estimates made in the preparations of the financial statements, topics that are subject to discussion with the external auditors.

In this regard, in line with Recommendation 8 GGC, section 7(d) of the terms of reference of the Audit and Compliance Committee includes the following among the powers of such committee: *"to review the contents of the auditor's reports and, where appropriate, of the reports on limited review of interim accounts, as well as other mandatory reports to be prepared by the statutory auditor, prior to the issue thereof, in order to avoid qualified reports, ensuring that the annual accounts that the Board of Directors presents to the General Meeting of Shareholders are drawn up in accordance with accounting standards and, that in the circumstances where the statutory auditor includes any qualification in the auditor's report, the Chair of the Committee should give a clear explanation at the General Meeting of the committee's opinion regarding the contents and scope of such qualifications, making a summary of that opinion available to the shareholders at the time of the publication of the notice calling the General Meeting of Shareholders along with the rest of the proposals and reports of the board of director."*

Meanwhile, section 45.5 of the Board of Directors' Regulations reads as follows: *"The Board of Directors shall ensure that the annual accounts are drawn up in accordance with accounting standards, endeavouring to draft them in such a manner that they do not give rise to qualifications on the part of the auditor. However, in the exceptional circumstances where the auditor expresses a qualified opinion and the Board of Directors considers that it must stick to its position, it shall publicly explain the contents and scope of the discrepancy. The foregoing without prejudice to the information that the Chair of the Audit and Compliance Committee would make available to the shareholders at the Annual General Meeting."*

Finally, pursuant to the provisions of section 45.2 of the Board of Directors Regulations, the board shall meet at least once a year with the statutory auditor to receive information on the work done and on the evolution of the accounting and risk situation of the Company.

### C.1.29. Is the secretary of the Board also a director?

Yes      No x

If the secretary is not a director, complete the following table:

Name or company name of the secretary	Representative
Mr Javier Monteoliva Díaz	—

### C.1.30. Indicate the specific mechanisms established by the company to safeguard the independence of the external auditors, and any mechanisms to safeguard the independence of financial analysts, investment banks and rating agencies, including how legal provisions have been implemented in practice.

Section 45 of the Board of Directors' Regulations reads:

- "The relations of the Board of Directors with the external auditor of the Company shall be channelled through the Audit and Compliance Committee.*
- The Board of Directors shall meet at least once a year with the statutory auditor to receive information on the work done and on the evolution of the accounting and risk situation of the Company.*
- The Audit and Compliance Committee shall refrain from proposing to the Board of Directors, and the latter shall refrain from putting forward to the General Meeting of Shareholders, the appointment as statutory auditor of the Company of an audit firm incurring in incompatibility in accordance with the legislation on statutory audit as well as any audit firm wherein the fees that the Company expects to pay them for all services are in excess of the limits established in the legislation on statutory audit.*
- The Board of Directors shall publicly disclose the whole of the fees paid by the Company to the audit firm for non-audit services. [...]"*

The measures to preserve the independence of external auditors are explained below:

- The Audit and Compliance Committee, mostly made up of non-executive independent directors, which has as a whole the relevant background with regard to the industry to which Inditex belongs, proposes to the board of directors to be subsequently raised to shareholders at the Annual General Meeting: (i) the appointment of the statutory auditors, as such committee is responsible for the auditors selection process pursuant to applicable regulations; as well as (ii) the terms of their engagement; (iii) the scope of their professional mandate; and, where appropriate, (iv) the termination or non-renewal of their appointment.

With regard to said process for the selection of auditors, mentioned above, and in accordance with the provisions of CNMV's Technical Guide 3/2017 on audit committees at public-interest entities, the Procedure for the Selection of the Statutory Auditor was approved by the Audit and Compliance Committee on 9 September 2019.

For the purposes of ensuring an unbiased, fair, transparent and efficient and non-discriminating process, the selection criteria to be considered are defined in the Procedure, as well as the various proceedings both for the selection and appointment of external auditors, and for their re-election or replacement.

In accordance with the Procedure, the process for the selection of auditor must begin with the issue of tender documents for candidate firms, pursuant to a timeline and a request for proposals previously determined. A working team made up of members from different areas and departments will be appointed to assist in the process. This team will be responsible for selecting and inviting candidate firms to tender their proposal to become the statutory auditor of the Inditex Group. Finally, the work team will issue a report evaluating the proposals tendered based upon the predefined criteria.

On the other hand, the criteria for the re-election or replacement of the statutory auditors are also defined in the Procedure, based upon an annual evaluation of the proceedings of the statutory auditor that will take into account, without limitation, their contribution to the quality of the audit and to the integrity of financial and non-financial information.

- Likewise, the Audit and Compliance Committee is entrusted with the duty of liaising with external auditors in order to receive information on such matters that could compromise their independence and on any other matter related to the carrying out of the statutory audit, as well as on those other communications envisaged by statutory audit legislation and auditing standards. Namely, the Audit and Compliance Committee shall:
  - Receive from the statutory auditors on an annual basis, the statement on their independence regarding the Company or the companies related thereto, directly or indirectly.
  - Oversee the engagement of the statutory auditor for non-audit services as well as the terms and the performance of the contracts entered into with the external auditor of the Company for the rendering of such services.

In this regard, the Company relies on the Policy on statutory auditor contracting for the provision of non-audit services (formerly, the Procedure to Contract an Auditor for the Provision of Additional Non-audit Services, approved by the Audit and Compliance Committee on 18 July 2016). The Policy, as amended, was approved by the board in the meeting held on 15 March 2022, to align it with the new implementing regulations of the Statutory Audit Act.

The Policy regulates the process to be followed so that the Audit and Compliance Committee may be apprised of and approve the contracts entered into by the Company and the entities of its Group with the Statutory Auditor for the provision of non-audit services.

As a general rule, for the purposes of maintaining as much as possible the statutory auditor's independence, the Inditex Group is willing to limit as far as possible the provision of non-audit services by the former, outlining a list of services which they are prohibited to render. In addition, the Policy sets forth that non-audit services shall only be provided by the statutory auditor with the approval of the Audit and Compliance Committee.

According to the Policy, before entering into any contract, the external auditor shall send to the Audit and Compliance Committee a request for approval of non-audit services. Such request must be accompanied by a document appropriately detailing the services requested so that the Audit and Compliance Committee may proceed to a global and effective review of the threats and/or impacts that their engagement might entail to their independence, both individually and as a whole.

To ensure a certain flexibility, as an exception, the Audit and Compliance Committee may pre-approve on an annual basis certain types of services which are recurrent and uniform with regard to their purpose. To grant such pre-approval, the potential threats and safeguards that the services might entail to the independence of the statutory auditor must be reviewed and assessed. Following the engagement of such services, the detail thereof must be provided to the Audit and Compliance Committee. Should the terms and conditions of pre-approved services under this system be subject to substantial amendments, this shall be reported and they will be subject to new approval by the Audit and Compliance Committee.

- Additionally, for the purposes of reinforcing the duty to oversee and establish the independence of the statutory auditor, the engagement by Inditex's controlling shareholder (i.e., Pontegadea Inversiones, S.L.) of non-audit services from such auditor shall be subject to prior approval by Inditex's Audit and Compliance Committee.
- Verify that the Company and the statutory auditor also respect the limits on the concentration of the auditor's business, the rules on professional fees and, generally, all other regulations established to ensure the independence of the auditors.

In this regard, it shall ensure that the remuneration of the external auditors for their work does not compromise their quality and independence.

- Finally, issue on an annual basis and prior to the issue of the auditor's report, a report setting forth its opinion on whether the independence of the statutory auditor or of the audit firm has been jeopardised. In any case, this report must contain the assessment of the provision by external auditors of each and every additional non-audit service, considered both separately and as a whole, and its opinion regarding the independence system of the auditor pursuant to statutory audit regulations.
- Finally, in the event of resignation of the statutory auditor, the Audit and Compliance Committee shall examine the circumstances that may have given rise thereto.

As regards the mechanisms established to ensure the

independence of the financial analysts, the Company releases information to the market following the principles of the Internal Regulations of Conduct in the Securities Markets, especially relating to the obligation that the information must be accurate, clear, quantified and complete, avoiding subjective assessments that lead or could lead to confusion or deceit.

The Company also relies on the Policy on Communication and Contact with Shareholders, Institutional Investors and Proxy Advisors, informed by a set of principles that it must observe upon disclosing information: transparency, accuracy, immediacy and symmetry. Under the policy, the Company is encouraged to keep communication channels that ensure that clear, full, streamlined and simultaneous information is made available to its current and potential shareholders, to assess the performance of the Company and its economic and financial results. This Policy is available on the corporate website.

Likewise, in accordance with Recommendation 4 GGC, the board of directors approved on 14 December 2020, following a report from the Audit and Compliance Committee, the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information that seeks to establish a framework for action and define the overarching principles that will govern the disclosure by the Company of Economic-Financial, Non-Financial and Corporate Information via Regulated and non-Regulated Channels.

The Policy is aligned with the provisions of the Company's internal regulations, in particular with the Policy on Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors.

As the highest supervisory body responsible for overseeing economic-financial, non-financial and corporate information, the board of directors shall ensure the largest circulation and the highest quality of the information provided to the stakeholders and to the markets at large, in accordance with a set of principles, including transparency, objectivity, accuracy, immediacy and symmetry in disclosure of information.

**C.1.31. Indicate whether the company changed its external auditor during the year. If so, identify the incoming and outgoing auditors:**

Yes x    No

Outgoing auditor	Incoming auditor
Deloitte, S.L.	Ernst & Young, S.L.

The appointment of Ernst & Young, S.L. as statutory auditor to audit the individual annual accounts and directors' report of the Company, and the consolidated annual accounts and directors' report of the Inditex Group for financial years 2022, 2023 and 2024, was approved at the Annual General Meeting held on 12 July 2022, on the proposal of the board of directors, after a favourable report from the Audit and Compliance Committee.

Such proposal was drawn up following an audit tender process conducted in FY2020 under the helm of the Audit and Compliance Committee in accordance with applicable statutory audit regulations, the then current Procedure (now a Policy) to Select the Statutory Auditor for the Group, and CNMV's

Technical Guide 3/2017. The process has been described in section C.1.30 above.

If there were any disagreements with the outgoing auditor, explain their content:

Yes No x

Explanation of disagreements
—

C.1.32. Indicate whether the audit firm performs any non-audit work for the company and/or its group and, if so, state the amount of fees it received for said work and express this amount as a percentage of the total fees invoiced to the company and/or its group for audit work:

Yes x No

	Company	Group companies	Total
Amount invoiced for non-audit services (thousand euros)	80	12	92
Amount invoiced for non-audit work/Amount for audit work (in %)	17,5% <sup>1</sup>	0,2 %	1,3 %

1. The count on which this percentage is calculated only includes the statutory audit of Inditex's individual accounts (and the verification of the relevant statement on non-financial information).

C.1.33. Indicate whether the auditors' report on the financial statements for the preceding year contains a qualified opinion. If so, indicate the reasons given to shareholders at the general meeting by the chairman of the audit committee to explain the content and extent of the qualified opinion.

Yes No x

Explanation of the reasons and direct link to the document made available to the shareholders at the time that the general meeting was called in relation to this matter

—

C.1.34. Indicate the number of consecutive years for which the current audit firm has been auditing the company's individual and/or consolidated financial statements. Also, indicate the number of years audited by the current audit firm as a percentage of the total number of years in which the financial statements have been audited:

	Individual	Consolidated
Number of consecutive years	1	1

	Individual	Consolidated
Number of years audited by the current audit firm/number of years in which the company has been audited (in %)	3 %	3 %

**C.1.35. Indicate whether there is a procedure for directors to be sure of having the information necessary to prepare the meetings of the governing bodies with sufficient time; provide details where applicable:**

Yes  No

**Details of the procedure**

Pursuant to section 19.2 of the Board of Directors' Regulation, the notice calling ordinary meetings shall be given at least 3 days in advance of the meeting, and the order shall always include the agenda of the meeting and shall be accompanied by the duly summarised and prepared relevant information.

In this regard, to help directors effectively prepare meetings, in addition to the documentation relating to agenda items, an executive summary of each of them is made available to them ahead of each meeting, outlining the main business to be transacted, the presentations and the minutes of the previous meeting.

The documentation deemed appropriate to prepare the meetings of the board and its committees, according to the agenda, including the relevant presentations is made available to directors in real time via a platform. Said tool gives directors permanent access to the documentation. Additionally, other relevant information for the appropriate performance of their duties is added through the tool (including, without limitation, internal conduct and corporate governance policies, updated membership of governing bodies, information about current resolutions on remuneration or analysts' reports which may be useful for directors), in a confidential and secure environment.

On the other hand, attendance at board and committees' meetings of officers and supervisors from the different departments and areas of the Company with a recurrent presence is encouraged, to give their insight on certain issues directly associated with the responsibilities of the board and its committees so that directors have a direct understanding of business concerns and are entitled to directly debrief them on the business transacted at each meeting.

Additionally, any employee or officer can be called to the meetings, even without the presence of any other officer.

Without prejudice to the foregoing, efforts are made to ensure that the presence at committee meetings of anyone other than its members is limited to the cases where it is necessary, and for addressing specific agenda items for which they were called to attend.

For the purposes of ensuring that Inditex's board members fully understand their duties and responsibilities as well as the proceedings of the Company's governing bodies, a "Directors Handbook" which is kept updated is available to new directors and generally, to directors upon request.

Additionally, section 27 of the Board of Directors' Regulations, recognises the widest powers for directors to garner information about any topic affecting the Company (and its subsidiaries); examine its books, registers, documents and other records of the company's operations and inspect all its facilities; likewise it provides that the exercise of the powers of information shall be

channelled through the Chair, the Deputy Chair or (any of the Deputy Chairs, where appropriate), or through the Secretary of the board of directors, who shall attend to the requests made by any director, and directly provide them with the information, facilitate contacts with the appropriate spokespersons at the appropriate level in the organisation or establish such measures as to enable them to conduct the desired examinations on-site.

On the other hand, specific questions on the quality of the information made available to directors and on how early in advance it has been received, are included in the evaluation questionnaire of the board. Additionally, the areas subject to improvement identified in the previous year and the assessment of the directors in respect of the improvement thereof, is subject to annual follow-up. This entails that where directors point out quality of information and/or how in advance they receive it as potential areas subject to improvement, progress can be made regarding submission of information required to prepare the meetings of the board of directors and its committees.

Meanwhile, section 28 of the Board of Directors' Regulations addresses the possibility for directors to seek external advice.

**C.1.36. Indicate whether the company has established rules obliging directors to inform the Board of any circumstances, whether or not related to their actions in the company itself, that might harm the company's standing and reputation, tendering their resignation where appropriate. If so, provide details:**

Yes  No

**Explain the rules**

Pursuant to Recommendations 22 and 24 GGC and section 25.2(e) of the Board of Directors' Regulations, directors must submit their resignation from the position to the board of directors and formally tender their resignation, if this latter should consider it advisable, when they are involved in any circumstances affecting them, related or not to their actions within the Company, that may harm the name and reputation of the Company or otherwise jeopardise its interests. For this purpose, they shall report to the board of directors any criminal cases in which they are accused as well as how the legal proceedings subsequently unfold.

Meanwhile, pursuant to section 39.3 of the Board of Directors' Regulations, directors shall inform the Board of Directors of any circumstance which might compromise the credit and reputation of the Company or jeopardise its interest.

C.1.37. Indicate whether, apart from any special circumstances that may have arisen and been duly noted in the minutes, the Board of Directors has been notified or has otherwise become aware of any situation affecting a director, whether or not related to his or her actions in the company itself, that might harm the company's standing and reputation:

Yes x No

Remarks
The board of directors has not been notified in the year nor has it been made aware of any situation affecting a director, that might harm the company's standing and reputation.

C.1.38. Detail any material agreements entered into by the company that come into force, are modified or are terminated in the event of a change in control of the company following a public takeover bid, and their effects.

Not applicable.

C.1.39. Identify individually as regards directors, and in aggregate form in other cases, and provide details of any agreements between the company and its directors, executives or employees containing indemnity or golden parachute clauses in the event of resignation or dismissal without due cause or termination of employment as a result of a takeover bid or any other type of transaction.

Number of beneficiaries	23
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Type of beneficiary	Description of agreement
CEO	The executive director will be entitled to severance pay in a gross amount equivalent to the remuneration of 2 years calculated based upon his annual fixed and variable remuneration for the current year, where his contract is terminated by unilateral decision of the Company, as well as in case of resignation tendered by the CEO under certain premises (including the succession in the company or a change in control in the Company that affects more than 50% of the share capital or of the voting rights, provided that a significant refreshment of the governing bodies of the Company or a change in the purpose of the main activity of the Company takes place at the same time, if such request for termination is made within 6 months of the occurrence of such succession or change. For this purpose, no succession or change in control shall be deemed to have taken place in the event of direct or indirect family succession in the ownership of the Company).
Senior managers and officers	Golden parachute clauses are written in the contracts executed with 22 senior managers in the event that their contract, whether ordinary or for executive service, is terminated further to withdrawal by Inditex, wrongful or unreasonable dismissal, or resignation based upon certain grounds, pursuant to the terms and conditions of their contracts. In such cases, the senior manager shall be entitled to severance pay in a gross amount equivalent to the remuneration of 2 years, calculated based upon the fixed and variable remuneration determined for the current year.

On the occasion of the departure of the former Executive Chairman, Mr Isla, the Annual General Meeting held in 2022 approved in accordance with the substantiated proposal from the Remuneration Committee, for the purposes of better protecting the legitimate interests of the Company: (i) the extension of the scope of the post-contractual non-compete obligation and the resulting increase in his compensation, and (ii) the amendment to the Directors' Remuneration Policy for FY2021, FY2022 and FY2023, approved at the AGM held on 13 July 2021, for the purposes, inter alia, of covering the new terms of the contract with Mr García, as CEO with regard to the golden parachute clause and the post-contractual non-compete obligation (as indicated in the table above).

In any case, the maximum termination payment amounts for executive directors pursuant to the provisions of the above referred recommendations GGC, are respected in said non-compete clause.

**Indicate whether, beyond the cases established by law, these agreements have to be communicated and/or authorised by the governing bodies of the company or its group. If so, specify the procedures, the cases concerned and the nature of the bodies responsible for their approval or communication:**

	Board of Directors	General Meeting of Shareholders
Governing body authorizing the clauses	x	

	Yes	No
Are these clauses notified to the General Meeting of Shareholders?	x	

The internal system regarding approval of the terms and conditions of the contracts entered into by the Company or any Group company with senior managers and directors, set forth in the Articles of Association, the Board of Directors' Regulations and the specific sets of regulations of each board committee, is similar to the statutory system provided in the Companies Act.

The clauses included in contracts with senior managers are approved by the board of directors, following a favourable report of the Remuneration Committee.

Information about such terms, included in the contract entered into with the CEO, can be found in the Annual Report on Remuneration of Directors for 2022, which will be put to an advisory say-on-pay vote at the following Annual General Meeting as a separate agenda item.

## C.2. Committees of the Board of Directors

### C.2.1. Provide details of all committees of the Board of Directors, their members, and the proportion of executive, proprietary, independent and other external directors forming them:

#### EXECUTIVE COMMITTEE

In accordance with the provisions of article 27 of the Articles of Association, an Executive Committee was set up by the Board of Directors on 28 February 1997, which holds in delegation all the powers of the Board, except for those that cannot be delegated by statute or pursuant to the Articles of Association and those that are necessary for the responsible exercise of the general supervisory function that is incumbent on the board of directors.

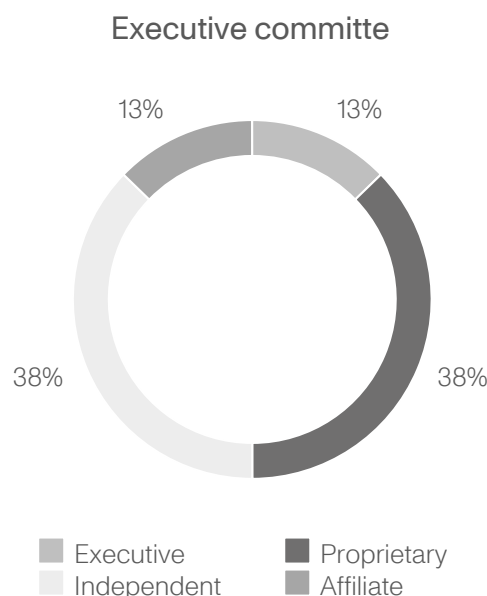
Composition of the Executive Committee as of 31 January 2023:

Name	Position	Directorship type
Mr Óscar García Maceiras	Chair	Executive
Mr José Arnau Sierra	Deputy chair	Proprietary
Mr Amancio Ortega Gaona	Ordinary member	Proprietary
Ms Marta Ortega Pérez	Ordinary member	Proprietary
Ms Pilar López Álvarez	Ordinary member	Independent
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Affiliate

% executive directors	13%
% proprietary directors	38%
% independent directors	38%
% affiliate directors	13%

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary non-member of the Executive Committee.

The structure of the Executive Committee is represented in the image below:



**Explain the duties delegated or assigned to this committee, other than those that have already been described in Section C.1.9. and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most important actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.**

#### a) Composition

The board of directors resolved on 14 December 2020, following a favourable report of the Audit and Compliance Committee to amend in part its terms of reference for the purposes, inter alia, of aligning the rules on the composition of the Executive Committee with the new language of Recommendation 37 GGC.

As stated in section A.1.15 above, the board of directors approved at its meeting held on 12 May 2022 following a favourable report from the Audit and Compliance Committee the partial amendment to its terms of reference for the purposes of aligning the Executive Committee's membership with the new corporate organisational structure. In particular, it was resolved that the Executive Committee would be hereinafter chaired by the CEO or the company's chief executive, should more than one director perform executive functions, instead of the Chair of the Board of Directors.

In line with the foregoing, the board of directors resolved on that same date, on the proposal of the Nomination Committee to appoint Mr Óscar García Maceiras as new Chair of the Executive Committee (pursuant to the new wording of section 14.3 of its terms of reference) and Ms Marta Ortega Pérez as new ordinary member thereof.

Mr García and Ms Ortega will serve on the Executive Committee for as long as they serve on the board, i.e. four years since the ratification of their election to the board as executive and proprietary directors, respectively, at the Annual General Meeting.

Pursuant to section 14.2 of the Board of Directors' Regulations, the Executive Committee, should it exist, shall be made up of a number of directors being no less than 3 and no greater than 8. At least 2 of the members of the Executive Committee must be non-executive directors and at least one of these latter must be an independent director. The CEO will chair the Executive Committee and the Secretary of the Board of Directors, who may be assisted by the Deputy-Secretary, will act as Secretary thereof.

#### b) Duties

The Executive Committee holds in delegation all the powers of the board, except for those that cannot be delegated by statute or pursuant to the Articles of Association and those that are necessary for the responsible exercise of the general supervisory function that is incumbent on the board of directors.

Pursuant to article 27 of the Articles of Association, for the permanent delegation of any power of the board of directors to the Executive Committee, it shall be necessary for two-thirds of those making up the board of directors to vote for the motion.

#### c) Proceedings

No meeting of the Executive Committee was held in 2022.

### AUDIT COMMITTEE

Article 28 of the Articles of Association and section 15 of the Board of Directors' Regulations, as well as the Audit and Compliance Committee's Regulations set out the regulations governing the Audit and Compliance Committee.

Composition of the Audit and Compliance Committee as of 31 January 2023:

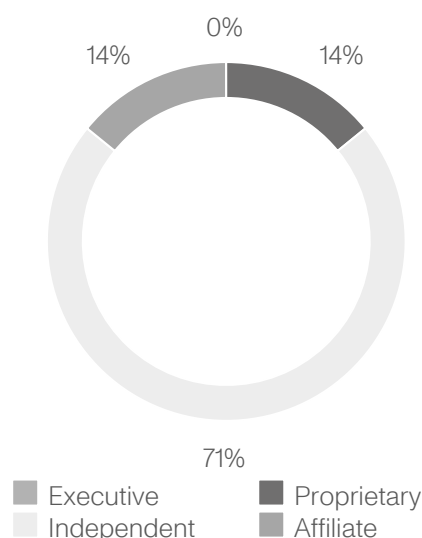
Name	Position	Directorship type
Ms Pilar López Álvarez	Chair	Independent
Bns. Denise Patricia Kingsmill	Ordinary member	Independent
Ms Anne Lange	Ordinary member	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Affiliate

% executive directors	0 %
% proprietary directors	14.29 %
% independent directors	71.42 %
% affiliate directors	14.29 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary non-member of the Audit and Compliance Committee.

The structure of the Audit and Compliance Committee is represented in the image below:

Audit and compliance committee



**Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these duties, briefly describe its most important actions during the year and how it has exercised in practice each of the duties assigned to it by law, in the articles of association or in other corporate resolutions.**

#### a) Composition:

Pursuant to section 14 of the Audit and Compliance Committee's Regulations and article 28 of the Articles of Association, the Audit and Compliance Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom must necessarily be independent directors. All members of the committee and in particular its Chair shall be appointed taking into account their knowledge and experience on accounting, audit, internal control or risks management matters, both financial and non-financial, as well as industry-specific knowledge. Additionally, at least one of them shall be appointed taking into account their knowledge, skills and experience in the matter of information technology.

The Audit and Compliance Committee must be chaired by an independent director serving on it, who shall be elected by the board of directors for a maximum 4-year term, upon expiry of which they shall be replaced. They may be re-elected a year after the end of their term of office. The board of directors shall



appoint a Secretary of the Audit and Compliance Committee, who needs not be a member of said body.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that result from the smaller size of the committee.

## b) Duties

The mission and powers of the Audit and Compliance Committee are addressed in article 28 of the Articles of Association, section 15 of the Board of Directors' Regulations and sections 5 to 13 of the Audit and Compliance Committee's Regulations.

In addition to the powers expressly assigned to it pursuant to statute and the Recommendations of the Good Governance Code, the Audit and Compliance Committee shall be expressly entrusted with the following duties:

- Powers relating to Corporate Governance: (i) to review and evaluate the appropriateness of the corporate governance system and to propose to the Board of Directors amendments and updates of the Company's corporate governance regulations; (ii) to oversee the degree of compliance by the Company with generally recognised recommendations on good governance and in particular, with the GGC; (iii) to oversee compliance with the Internal Regulations of Conduct in the Securities Markets, and, in general, with the corporate governance regulations of the Company; (iv) to be regularly apprised of issues relating to management of treasury stock; and (v) to prepare and table to the board of directors for approval, the Annual Corporate Governance Report.
- Powers relating to Compliance: (i) to issue reports on the policies and procedures of the Company on topics within its remit; (ii) to oversee compliance with applicable regulations and the effectiveness of the internal policies and procedures of the Company; (iii) to review recommendations and best practices on Compliance and corporate governance, both domestic and/or international, and to encourage compliance with the most demanding standard; (iv) to oversee compliance with the Annual Compliance Plan and with the Model of Criminal Risk Prevention of the Group; (v) to ensure that the Compliance Function relies on the necessary resources for the appropriate discharge of its duties; and (vi) to receive information, at least every 6 months, on the degree of compliance with the Codes of Conduct and the proceedings of the Ethics Line and the reports received through the relevant channel of any potential breach of the Group Codes of Conduct, of any other internal regulation of the Group and of any potentially relevant irregularities, including of a financial and/or accounting nature, or otherwise relating to the Company.
- Powers relating to tax issues: (i) to receive from the head of tax issues of the Company prior to the statement of the annual accounts and the filing of the Corporate Tax return, information on tax criteria followed by the Company during the financial year, and on the degree of compliance with the Code on Good Tax Practices; and (ii) to apprise the board of directors of the tax policies applied and, in the case of

transactions or matters which must be referred to the board of directors for approval, of the tax consequences thereof, when they represent a relevant factor.

- Other powers entrusted to the Committee: (i) to oversee in coordination with the Sustainability Committee, where applicable and with regard to issues under its purview, the strategy of communication and relations with shareholders, including small and medium shareholders, investors, proxy advisors and other stakeholders as well as the effective application of the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information, and encourage its enhancement; (ii) to oversee and evaluate the process of interaction with the different stakeholders of the company as regards issues under its purview; and (iii) to exercise when the Committee so decides all the duties inherent in audit committees from time to time provided in applicable laws, as regards such Group companies that are deemed to be public-interest entities (as defined by applicable regulations) provided that such companies are directly or indirectly wholly-owned by the Company and the administration thereof is not vested in a board of directors.

## c) Organizational and operational rules

The Committee shall meet, at least on a quarterly basis, for the purposes of reviewing the periodic financial information to be submitted to the market authorities further to an obligation or of its own accord, as well as the information that the board of directors must approve and include within its annual public documentation. Likewise, it shall meet each time that its Chair calls it. The Chair must call the Audit and Control Committee whenever the board of directors or its Chair request a report or the submission of motions and, at any rate, whenever it is appropriate for the successful performance of its functions.

Likewise, the Chair may arrange other communication channels, working meetings to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by letter, fax, telegram or email, and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented, are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

Committee meetings may be held via videoconference or conference call, or any other equivalent system allowing to recognise and identify attendees, for them to communicate, speak and cast vote, all in real time.

Likewise, for the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare an annual working plan, which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings. In addition, the committee may rely on external advisors to properly carry out its duties.

#### **d) Main proceedings of the Audit and Compliance Committee carried out in 2022**

The main proceedings of the Audit and Compliance Committee in the year in furtherance of the responsibilities it has been entrusted with pursuant to article 28 of the Articles of Association and implemented in sections 5 to 13 of the Audit and Compliance Committee's Regulations, are outlined below:

##### **1. Proceedings relating to the supervision of the process to draw up and release the periodic financial information, annual accounts, auditor's report and Statement on Non-Financial Information.**

- Preparation of financial and non-financial information

The Audit and Compliance Committee reviews Inditex's economic and financial information before it is approved by the board of directors.

To do so, prior to the stating of the quarterly, half-yearly or annual financial statements, the Audit and Compliance Committee also meets with the Company's Management to review, among other things, the enforcement of the accounting principles and the estimates made upon stating the financial statements.

Additionally, the committee, which is entirely made up of non-executive directors, meets with the external auditor for the purposes of reviewing the Company's annual accounts and certain periodic financial information, ensuring compliance with statutory requirements, the appropriate delimitation of the consolidation perimeter and the appropriate use of generally accepted accounting principles upon stating the annual accounts.

The Audit and Compliance Committee reviewed on 14 March 2022 the annual accounts and the directors' report, both consolidated and individual, as well as the auditor's report for FY2021. The Committee verified that an unqualified auditor's report was issued. In that same meeting, in the exercise of the oversight duties inherent in audit committees assumed in respect of Zara España, S.A. ("Zara España"), a wholly-owned subsidiary, the Committee reviewed the results and the Annual Financial Report, comprising the individual annual accounts and directors' reports for FY2021.

Likewise, the Committee reviewed the quarterly results for 2022 and the relevant Results Releases and Press Releases in the meetings held on 6 June (1Q), 12 September (1H) and 12 December 2022 (3Q). Said results—and the respective Results Releases and Press Releases—were submitted by the board of directors to the market and its supervisory bodies on a quarterly basis pursuant to the Periodic Public Information (PPI) format.

- Statement on Non-financial Information

The committee gave a favourable report to the consolidated Statement on Non-financial Information (SNFI) of the Inditex Group for 2021 in the meeting held on 14 March 2022.

The SNFI was prepared in accordance with the provisions of applicable commercial regulations, following the criteria set forth in Global Reporting Initiative (GRI) standards, in particular in GRI 101: Foundation 2016, selected pursuant to the table of required

contents provided in Act 11/2018.

To avoid material omissions in the SNFI that might be subsequently included in the Annual Report and ensure full consistency between both documents, a single integrated report was issued in the year for the first time, which replaced the Annual Report that the company used to prepare every year in the month of June.

Likewise, following financial reporting best practices, an Integrated Directors' Report was also issued for the first time, which integrated both financial and non-financial information.

The Statement on Non-Financial Information for FY2021 was subject to an independent verification review by the auditors who issued an unqualified report.

- Report on the Internal Control over Financial Reporting System (ICFR)

The committee oversaw the effectiveness of the Internal Control over Financial Reporting System (ICFR). This is accounted for in section F of the 2021 Annual Corporate Governance Report approved on 15 March 2022. The Company's ICFR has been verified by the statutory auditor, who issued an unqualified report.

Likewise, in the meeting held on 6 June 2022, the committee acknowledged the presentation given by external auditors on the diagnosis of Internal Control over Financial Reporting System (ICFR) of the Group.

## 2. Proceedings relating to statutory audit

### • Overseeing the process to select and appoint the external auditor

The audit tender process to select the new statutory auditor, overseen by the committee, was completed in 2020. In the meeting held on 11 December 2020, the Audit and Compliance Committee resolved to submit to the Board of Directors the proposal on the appointment of E&Y, S.L. to be the new statutory auditor of the Company and its Group for FY2022, 2023 and 2024.

Given the time elapsed since the proposal was issued and the fact that the AGM to which it would be submitted would be held shortly, the committee resolved at its meeting held on 6 June 2022 to ratify and execute the terms relating to the proposal on the appointment of E&Y. The proposal was approved at the AGM 2022.

Until the proposed auditors are effectively appointed at the AGM, at its meeting held on 14 March 2022, the committee acknowledged the presentation given by E&Y on the status of the external audit transition plan.

### • Overseeing the effectiveness of the statutory audit and fulfilment of the audit engagement

The audit conducted in 2021 was reviewed by the Audit and Compliance Committee in the meeting held on 14 March 2022, which was attended by the external auditors duly called to that end.

The former external auditors audited the consolidated financial statements of the Group as at 31 January 2022 as well as the individual financial statements of certain Group companies, also as at 31 January 2022. Likewise, the information about Zara España's individual accounts was included separately in the audit scope. An unqualified report was issued.

In turn, the incoming external auditors have also carried out a limited review of the consolidated financial statements for 1Q2022 and 3Q2022, which was accounted for in the meetings held on 6 June and 12 December 2022, respectively.

External auditors (formally appointed at the AGM) were also in attendance at the meeting held by the Audit and Compliance Committee on 12 September 2022 to (i) account for the limited review of interim condensed consolidated financial statements of Industria de Diseño Textil, S.A. and subsidiaries, and (ii) present their audit plan for the current year.

### • Verifying the independence of Statutory Auditor

Pursuant to the provisions of the Policy on statutory auditor contracting for the provision of non-audit services originally approved by the Committee on 18 July 2016 as a Procedure and amended in part on 15 March 2022, the Audit and Compliance Committee evaluated and approved in the meetings held on 14 March, 12 September, 3 November and 12 December 2022 the engagement by the Company, Group companies and Zara España, of non-audit services from external auditors.

The committee also approved on 14 March 2022 the reports on the independence of the former external auditors from the Company and from Zara España. Both reports also covered the

provision of non-audit services by the former auditors in 2021.

Pursuant to Recommendation 6 GGC, the report on the independence of the external auditor from the Company was made available to the shareholders on the corporate website at the time the Annual General Meeting was called.

## 3. Proceedings relating to Internal Audit

The Chief Audit Officer attended five (5) meetings of the Audit and Compliance Committee held in 2022 and took an active part therein.

A number of issues that fall under the purview of the committee were addressed in such meetings. The committee oversaw the work plan of the Internal Audit Department (such as projects progress and review of follow-up on the most critical recommendations in the field of operations, financial, compliance and systems currently in progress), and approved its budget. In particular:

- At the meeting held on 14 March 2022: The committee: (i) acknowledged the Internal Audit Annual Activities Report for 2021; (ii) approved the 2022 Internal Audit Plan and budget, in accordance with Recommendations 41 and 42 GGC, and (iii) gave a favourable report to the external audit fees for 2021 and the budget for 2022.
- At its meetings held on 6 June, 12 September and 12 December 2022, the committee acknowledged the assignments carried out by Internal Audit in 1Q2022, 2Q2022 and 3Q2022, respectively.
- The committee resolved at its meeting held on 12 September to approve the 2022 Internal Audit Plan update as a result of follow-up on the progress of business, operations and new risks in relevant areas
- Last, at the meeting held on 14 March 2022, the committee gave a favourable report to the amendment to the Internal Audit Charter primarily made to reinforce the independence of the Internal Audit function, updating the CAO's dual reporting: (i) administrative reporting to the non-executive Chair of the Board, and (ii) functional reporting to the Audit and Compliance Committee.

#### 4. Proceedings relating to Compliance

- Supervision of the Model of Criminal Risk Prevention: review of the reports issued by the Ethics Committee

The committee reviewed and approved at its meeting held on 14 March 2022 the Annual Report of the Ethics Committee covering the main proceedings of such committee regarding the Ethics Line in 2021, and the Half-yearly Report of the Ethics Committee at its meeting of 12 September 2022. Both reports review the enforcement of the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers, outlining the cases handled by the Ethics Committee, the measures taken and the resolutions issued.

The committee also acknowledged the follow-up on the evolution of the cases handled and the concerns received via the Ethics Line at the meetings held on 6 June and 12 December 2022.

It acknowledged the Reports on the Model of Criminal Risk Prevention for 2021 and for 1H2022 at its meeting held on 14 March and 12 September 2022, respectively. Such reports cover the outcome of the supervision of Inditex's Model of Criminal Risk Prevention and the actions taken to roll out the Corporate Compliance system both at domestic and international level (dissemination and communication, proceedings relating to acceptance of the Code of Conduct and Responsible Practices and training on Corporate Compliance).

Last, at its meeting held on 14 March 2022, the committee: (i) acknowledged the reasonable assurance report on the evaluation of Inditex's Model of Criminal Risk Prevention, and (ii) gave a favourable report to the amendment to the Regulations of the Ethics Committee to align its structure and encompass certain organisational measures.

- Supervision of the Compliance Function

At its meeting held on 14 March 2022, the committee approved the 2022 Annual Compliance Work Plan and acknowledged the appointment of the new Chief Compliance Officer.

Likewise, at the meetings held on 14 March and 12 September 2022, the Audit and Compliance Committee acknowledged the 2021 Annual Compliance Report and the half-yearly Compliance Report for 2022 first half, respectively.

The committee further acknowledged the main proceedings of the Compliance Function at the meetings held on 6 June and 12 December 2022.

- Corporate policies.

At its meeting held on 14 March 2022, the committee gave a favourable report to the Global sexual harassment and sex or gender identity-based harassment at the workplace prevention Policy and to the Policy on statutory auditor contracting for the provision of non-audit services. Both were approved by the board of directors in the meeting held on 15 March 2022.

At its meeting held on 12 September 2022, the committee gave a favourable report to the new Indirect Procurement Policy which went on to be approved by the board of directors on the following day.

Last, on 12 December 2022 the committee gave a favourable report to the Health & Safety Policy which was subsequently approved at the board meeting held on the following day.

#### 5. Proceedings in the field of oversight and evaluation of the Enterprise Risk Management Function

The Audit and Compliance Committee is responsible for verifying the level of risk tolerance and its limits, at least by means of an annual review and periodic reports on the degree of compliance with the Enterprise Risk Management Policy, to be raised to the board. Its main proceedings in the field in the year were:

- Risk Map

At the meeting held on 12 December 2022, the Head of the ERM Department apprised the committee of the main risks affecting business development and the control measures established to manage and monitor such risks. The committee gave a favourable report to the update of the 2022 Risk Map.

- Evaluation of other risks

Pursuant to sections 5.3 (i) of the Audit and Compliance Committee's Regulations, and the provisions of the Enterprise Risk Management Policy, the evaluation of any question regarding "*financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks or those related to corruption)*" is part of the Committee's duty to oversee the effectiveness of risk control systems.

Likewise, pursuant to section 9(h) of the above-mentioned set of rules, the Audit and Compliance Committee may "*Meet with the heads of business units at least once a year, and whenever the Committee deems it appropriate, for the purposes of reporting to the Committee on trends of business and risks associated with the respective areas under their purview.*"

Considering the foregoing, the Committee has encouraged attendance of company's officers, managers and heads of control areas at its meetings, to keep abreast of the operation of the risk management systems established and the findings reached. In particular, with regard to:

- Financial risks

At the meeting held on 12 December 2022, the Head of the ERM Department and the Head of Financial Risk Management reported to the Audit and Compliance Committee on the main financial risks of the Group.

- Report on Tax Policies

Pursuant to the Company's Tax Policy, the Audit and Compliance Committee acknowledged at the meeting held on 14 March 2022 the tax policies followed in 2021.

- Information Security

At the meeting held on 14 March 2022, with the former external auditors in attendance, the committee acknowledged the results of the assessment of the cybersecurity maturity level and the cyber incident response of the Group as well as of the review of technological risks associated to financial information.

At that same meeting, the committee acknowledged the presentation given by the CISO on: i) the main events of interest noted by the Information Security Committee in 2H2021, (ii) the most relevant projects and initiatives of the Information Security Department, and (iii) the 2022 Plan.

On the other hand, at the meeting held on 12 September 2022, the committee acknowledged the main events of interest noted by the Information Security Committee in 1H2022.

At that same meeting, the committee acknowledged the new CISO Charter that seeks to define the framework for action and identify the CISO's responsibilities, improve maturity terms and ensure alignments with applicable cybersecurity requirements, trends and regulations.

The Charter outlines: (i) the specialised knowledge and experience required to be appointed as Chief Information Security (CISO); (ii) the assurances of the CISO (including without limitation, autonomy and independence and resources and means); (iii) the CISO reports hierarchically to the CEO, which ensures their independence, autonomy of action and control; (iv) the reporting lines to the Audit and Compliance Committee and the Information Security Committee; and (v) responsibilities and functions, both internal and external.

- Report of the Data Protection Officer (DPO)

At the meeting held on 12 September 2022, the Audit and Compliance Committee acknowledged the report of the DPO, which identified, inter alia: (i) the most relevant initiatives carried out by the area, and (ii) the current strategy and main action lines.

- Report of the Import, Export and Transport Department

At its meeting held on 6 June 2022, the committee acknowledged the report of the Import, Export and Transport Department outlining its main challenges, action lines and current and scheduled projects of the area.

- IP

The committee acknowledged at its meeting held on 12 September 2022 the reports raised by the Head of the IP Department and the Head of the Intellectual Property Control (IPPC) area covering, inter alia: (i) the scope of the measures taken by the Group to avoid potential conflicts with third parties' rights/designs; (ii) the progress of the cases relating to IP assets management, including the scope of the IP risk control measures in force; and (iii) the evolution of the main IP litigation.

- Other risks

The Head of the ERM Department was in attendance at several meetings of the Audit and Compliance Committee to brief it on the progress, evolution and action lines regarding the management of risks which are most relevant to the Group

according to the Risk Map. The committee acknowledged the report on climate change risk at its meeting on 6 June.

Likewise, the committee assessed on 12 September potential risks arising from the different innovation and investment initiatives undertaken by the Group in the field of sustainability.

## 6. Proceedings relating to Corporate Governance

The most relevant proceedings of the committee in 2022 regarding observance of statutory and good governance requirements have been:

- Annual Corporate Governance Report (ACGR)

On 14 March 2022, the Audit and Compliance Committee approved the 2021 Annual Corporate Governance Report filed in free format, in accordance with CNMV's Circular 5/2013, accompanied by the relevant Statistical Appendix set forth in said Circular. The committee submitted the ACGR to the board of directors, which approved it on 15 March 2022, and subsequently sent it to the CNMV as other relevant information. The ACGR is available on CNMV's website.

- Review of the reports of the Market Transparency Committee

The Audit and Compliance Committee reviewed at the meetings held on 14 March and 12 September 2022 the half-yearly reports issued by the General Counsel's Office and approved by the Market Transparency Committee on: (i) the enforcement of the Internal Regulations of Conduct in the Securities Markets (IRC); (ii) the measures taken to promote knowledge of the obligations arising out of the IRC and ensure compliance with its provisions; (iii) the updated list of persons subject to the IRC; and (iv) monitoring the incidents detected relating to transactions in Inditex shares.

- Amendment to internal regulations

In 2022 almost all amendments to Inditex's internal regulations on corporate governance were made to bring their language into line with the new organisational structure of the Company. In particular:

- At the meeting held on 12 May 2022, it gave a favourable report to the proposals on the amendment to the Board of Directors' Regulations and the Audit and Compliance Committee's Regulations, primarily to reflect the clear separation of duties assigned to the Chair and those assigned to the CEO, as chief executive of the Company, thus preventing any risk of confusion regarding the profile and role of the new non-executive Chair.

A second group of proposed amendments answered the need to align the composition of the Executive Committee with the new organisational structure of the company

- At the meeting held on 3 November 2022, the proposed amendment to the Internal Regulations of Conduct in the Securities Markets, consisting of: (i) changing the name of the committee from "Compliance Supervisory Board" to "Market Transparency Committee"; (ii) specifying Senior Managers who are subject to the special IRC system; (iii) in line with market practice, directors and senior managers will be subject to the same blackout periods as the remaining officers and employees; and (iv) reviewing certain technical

aspects of the IRC in view of actual practice.

The above referred proposals were subsequently approved by the board of directors.

- Evaluation of the appropriateness of the corporate governance system

At the meeting held on 13 February 2023, the Audit and Compliance Committee has appreciated that the Company's corporate governance system in 2022 is appropriate, as it considers that it is fully compliant with the regulatory requirements laid down in applicable regulations and with GGC recommendations.

- Related party transactions

At the meeting held on 14 March 2022, the Audit and Compliance Committee issued and approved the report on related party transactions carried out by the Inditex Group throughout 2021.

Pursuant to Recommendation 6 GGC, said report was made available to shareholders on the corporate website at the time the notice calling the Annual General Meeting was posted.

At its meetings held on 14 March, 6 June and 12 September, the committee gave a favourable report to the related party transactions outlined in the annual report on related party transactions carried out by the Group in 2022 (approved by the committee on 14 March 2023 and which will be posted on the corporate website in June 2023). Following their assessment on the basis of the reports issued by the committee, all such related party transactions were approved by the board of directors.

- Report on treasury stock

The Audit and Compliance Committee acknowledged at the meeting held on 14 March 2022 the report on the Group's treasury shares.

- Schedule of dates and business to be transacted

Pursuant to recommendations of CNMV's Technical Guide 3/2017, the Audit and Compliance Committee approved on 12 December 2022 the schedule of dates and agenda of business to be addressed by the Committee in 2023.

- Report on its proceedings and evaluation report

The committee issued the annual report on its proceedings at the meeting held on 6 June 2022 (available on the corporate website) and the report on the evaluation of its proceedings on 12 December 2022.

## 7. Other actions

- Assumption by Inditex's Audit and Compliance Committee of functions of audit committee at Zara España, S.A.

As described above in the relevant sections, the Audit and Compliance Committee carried out duties inherent in the audit committee of Zara España, S.A. in 2022.

**Identify the directors who are members of the audit committee and have been appointed taking into account their knowledge and experience in accounting or audit matters, or both, and state the date on which the Chairperson of this committee was appointed.**

<b>Names of directors with experience</b>	Ms Pilar López Álvarez, Bns Denise Patricia Kingsmill, Ms Anne Lange, Mr José Arnau Sierra, Mr José Luis Durán Schulz, Mr Rodrigo Echenique Gordillo and Mr Emilio Saracho Rodríguez de Torres
<b>Date of appointment of the chairperson</b>	14/07/2020

## NOMINATION COMMITTEE

Article 29 of the Articles of Association, section 16 of the Board of Directors' Regulations and the Nomination Committee's Regulations set out the regulations governing the Nomination Committee.

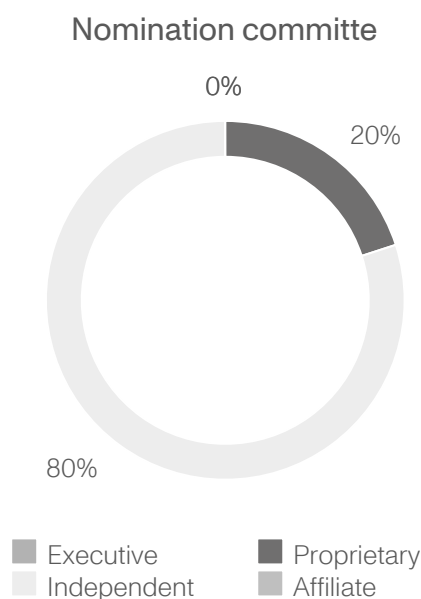
Composition of the Nomination Committee as of 31 January 2023:

Name	Position	Directorship type
Mr José Luis Durán Schulz	Chair	Independent
Ms Anne Lange	Ordinary member	Independent
Ms Pilar López Álvarez	Ordinary member	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr Rodrigo Echenique Gordillo	Ordinary member	Independent

<b>% executive directors</b>	0 %
<b>% proprietary directors</b>	20 %
<b>% independent directors</b>	80 %
<b>% affiliate directors</b>	0 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Nomination Committee.

The structure of the Nomination Committee is represented in the image below:



**Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most significant actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.**

### a) Composition

Pursuant to the provisions of article 29 of the Articles of Association and section 10 of its own terms of reference, the Nomination Committee shall be comprised of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom must necessarily be independent. They shall be elected, in particular its Chair, considering the appropriate knowledge, qualifications and experience to discharge the duties they are called upon to perform, including on corporate governance issues, analysis and strategic assessment of human resources, selection of directors and senior executives and the assessment of the suitability requirements legally provided for the discharge of senior executive functions. The Chair of the Nomination Committee shall be appointed by the board of directors from amongst the independent members of the committee.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that result from the smaller size of the committee.

### b) Duties

The mission and powers of the Nomination Committee are provided in article 29.3 of the Articles of Association, section 16 of the Board of Directors' Regulations, and sections 5 to 9 of the Nomination Committee's Regulations.

In addition to the powers expressly assigned to it pursuant to

statute and the Recommendations of the Code of Good Governance, the Nomination Committee is entrusted with the following duties:

- With regard to the selection of directors: (i) to issue a report on the Diversity of Board of Directors Membership and Director Selection Policy; (ii) to set up and review the criteria that must be adhered to regarding an appropriate and diverse board membership and selection of prospective candidates; (iii) to ensure that upon filling new vacancies or appointing new directors, selection procedures shall encourage diversity and ensure the absence of any manner of discrimination, and shall follow a merit-based approach; and (iv) to be regularly apprised of the succession and career plans of senior managers.
- With regard to the annual evaluation programme: (i) to establish and oversee an annual programme for evaluating performance; (ii) to report on an annual basis to the board of directors on its performance, the performance of the committee itself, the Chair and the CEO (following a report from the Lead Independent Director), the Lead Independent Director and the Secretary of the Board; (iii) to propose an action plan or recommendations to amend potential weaknesses detected or to improve the effectiveness of the board and its committees; and (iv) to assess the convenience of discussing with the directors the findings of their individual evaluations and, if appropriate, the measures to be adopted to improve their performance.

Additionally, the Committee may gather information about the evaluation of senior managers.

- Other powers entrusted to the Committee: to design and periodically organise the induction and refresher programmes for directors.

### **c) Organisational and operational rules.**

The Nomination Committee shall meet at least 3 times a year and each time that its Chair calls it. The Chair shall call a committee meeting each time the Board of Directors or its Chair requests the issuing of a report or the adoption of proposals and in any case whenever this is suitable for the successful performance of its functions.

Likewise, the Chair may arrange working sessions to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by letter, fax, telegram or email, and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented, are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

Committee meetings may be held via videoconference or conference call, or any other equivalent system enabling the recognition and identification of attendees, allowing them to communicate, speak and cast votes, all in real time.

Likewise, for the purposes of making the appropriate arrangements to ensure that the objectives pursued are

effectively achieved, the committee shall prepare an annual working plan, which shall include at least the specific objectives for the financial year and an annual schedule of ordinary meetings. The committee may rely on external advisors to properly perform the duties it has been entrusted with.

### **d) Main proceedings of the Nomination Committee in 2022:**

In 2022, the primary activities of the Nomination Committee have revolved around the following areas:

#### **1. Proceedings relating to appointment and removal of directors and senior managers**

At the meeting held on 14 March 2022, it gave a favourable report to the proposal on the appointment of the new Deputy Secretary of the board of directors. At that same meeting, the Committee acknowledged the appointment of the new Chief Compliance Officer. The board of directors approved the appointment of its new Deputy Secretary on 15 March 2022.

At the meeting held on 12 May 2022, the committee issued the proposals on the appointment of Ms Ortega and Mr García as ordinary member and Chair, respectively, of the Executive Committee. Such proposals were approved by the board at its meeting held on 12 July 2022 following approval at the AGM of the resolutions on the ratification of the co-option to the board and subsequent appointment of both directors.

At its May meeting the Nomination Committee compiled a new skills matrix identifying the competences of the members of the board at that time in terms of education, professional experience and others such as origin, age, tenure, etc. Such matrix was approved by the board at its meeting held on 12 May 2022.

At its meeting held on 6 June 2022, the committee gave a favourable report to the proposals on the ratification of the co-option of Ms Ortega and Mr García to the board as proprietary and executive directors, respectively, and issued the proposals on the re-election of Ms López and Mr Echenique to the board, both of them as independent directors.

Such report addressed the convenience for Mr Echenique to continue holding the position of Lead Independent Director even though this is no longer a statutory requirement following the effective separation of the roles of Chair and CEO, as according to best international practices this is a good corporate governance practice to reinforce independence.

The Committee had previously approved an explanatory report on the analysis of prior needs of the Board for the purposes of the above referred proposals.

Proposals on the ratification, appointment and re-election of directors above referred were approved at the AGM held on 12 July 2022. The report on the needs of the board of directors, including the skills matrix, the different proposals issued and the explanatory report drafted by the board of directors were made available to shareholders on the corporate website at the time the notice calling the Annual General Meeting was posted.

In addition, the committee resolved at the meeting held on 6 June 2022 to raise to the board the following proposals: (i) recommending that Mr Emilio Saracho Rodríguez de Torres



should continue serving on the board until the end of his term of office (in 2023); (ii) the end of his term as Chair of the Nomination Committee (having ceased to qualify as an independent director he is no longer entitled to chair it); and (iii) the resulting reorganisation of the Nomination and Sustainability Committees' membership by appointing Mr Durán as new member and Chair of the Nomination Committee and Mr Saracho as new member of the Sustainability Committee (following the end of Mr Durán's and Mr Saracho's offices on the Sustainability and Nomination Committees, respectively).

The above proposals were approved at the board meeting held on 7 June 2022. However, those referred to under sub-sections (ii) and (iii) above became effective on 13 July 2022, date on which Mr Saracho ceased to be independent.

Last, at its meeting held on 12 December 2022, the Nomination Committee approved the formal confirmation of the changes to Senior Management and to the Management Committee, in particular after Mr Crespo's resignation.

## **2. Proceedings relating to the process to evaluate the performance of the board of directors, its members and committees, the Executive Chairman, the CEO, the Lead Independent Director and the Secretary of the board.**

Pursuant to the provisions of the Board of Directors' Regulations and the Nomination Committee's Regulations and, in line with GGC Recommendations and Recommendation 7 of Technical Guide 1/2019, the Nomination Committee is tasked with overseeing the *"Annual Programme for the Evaluation of the Board of Directors, the Directors, the Committees, the Chair, the CEO, the Secretary and the Lead Independent Director"* before the commencement of the evaluation process and determining, if appropriate, that an external consultant should review and oversee such evaluation.

At its meeting held on 12 September, the committee approved the amendment to the Programme as follows: (i) the roles of Chair and CEO are separate; (ii) the Sustainability Committee is considered under the programme; (iii) the duties of the Lead Independent Director are aligned with those that they are effectively performing in practice regarding the evaluation process; (iv) the scope of the evaluation programme is aligned with the provisions of CNMV's Technical Guide 1/2019; and (v) the possibility of using different methodologies, including questionnaires and/or interviews, is considered. For more detailed information, see section C.1.17 above.

Likewise, pursuant to Inditex's internal regulations and best practices in the field of corporate governance, the Nomination Committee approved on 12 December 2022 the report on the annual evaluation of the performance of the Board of Directors, the Chair and the CEO (following a report from the Lead Independent Director in the case of these latter two), the Lead Independent Director, the Secretary and of the committee itself. Such reports were subsequently approved at the board meeting held on 13 December 2022.

The findings of the evaluation carried out in 2022 show that in general, directors are satisfied with regard to the areas evaluated.

## **3. Ascertaining compliance with the Diversity of Board of Directors Membership and Director Selection Policy**

In the meeting held on 13 February 2023, the Nomination Committee has assessed compliance with the Diversity of Board of Directors Membership and Director Selection Policy in the process to re-elect and appoint directors via the co-option system carried out in 2022 (the findings of the report to ascertain compliance with the Policy are outlined in section C.1.7 above).

## **4. Internal regulations**

On 12 May 2022, the Nomination Committee gave a favourable report to the proposal to amend its terms of reference and resolved to raise it to the board of directors, primarily to reflect the clear separation of duties assigned to the Chair and those assigned to the CEO, as chief executive of the Company, thus preventing any risk of confusion regarding the profile and role of the new non-executive Chair.

The above referred proposal was approved at the board meeting held on that same day.

## **5. Schedule of dates and agenda of business to be transacted:**

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Nomination Committee approved, in the meeting held on 12 December 2022, the schedule of dates and order of business to be conducted by the committee in 2023.

## 6. Report on its proceedings

The Nomination Committee issued the annual report on its proceedings on 6 June 2022. It was published in the 2020 Annual Report and is available on the corporate website.

### REMUNERATION COMMITTEE

Article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and the Remuneration Committee's Regulations set out the regulations governing the Remuneration Committee.

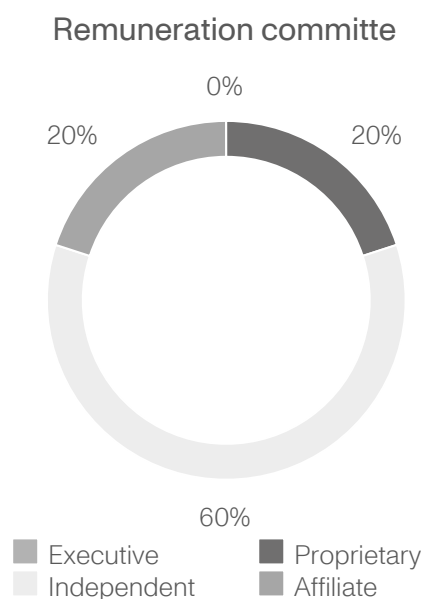
Composition of the Remuneration Committee as of 31 January 2022:

Name	Position	Directorship type
Mr Rodrigo Echenique Gordillo	Chair	Independent
Bns Denise Patricia Kingsmill	Ordinary member	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr José Luis Durán Schulz	Ordinary member	Independent
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Affiliate

% executive directors	0 %
% proprietary directors	20 %
% independent directors	60 %
% affiliate directors	20 %

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Remuneration Committee.

The structure of the Remuneration Committee is addressed in the sections below.



**Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most significant actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.**

#### a) Composition

Pursuant to article 30 of the Articles of Association and section 7 of its own terms of reference, the Remuneration Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom shall be independent. Members of this committee and in particular its Chair shall be appointed considering the appropriate knowledge, qualifications and expertise based upon the duties they must discharge, including among others, the analysis and strategic assessment of human resources and the design of remuneration policies and schemes for directors and senior managers. The Chair of the Remuneration Committee shall be appointed by the board of directors out of the independent members of the committee.

Likewise, the board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that are a result of the smaller size of the Committee.

#### b) Duties

The mission and powers of the Remuneration Committee are addressed in article 30 of the Articles of Association, section 17 of the Board of Directors' Regulations and sections 5 and 6 of the Remuneration Committee's Regulations.

The Remuneration Committee has not been assigned any powers other than those expressly entrusted by statute, and the Recommendations set forth in the Good Governance Code.

### c) Organizational and operational rules

The Remuneration Committee shall meet at least 3 times a year and whenever called by the Chair. The Chair must call the Remuneration Committee whenever the board of directors or its Chairman may request the issue of a report or the approval of motions within the scope of its powers and, in any case, whenever it is useful for the successful performance of its functions.

Likewise, the Chair may arrange working sessions to prepare committee meetings on specific topics apart from the formal meetings of the committee.

Ordinary meetings shall be called by letter, fax, telegram or email, and the meeting notice shall be signed by the Chair or the Secretary. A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented, are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

Committee meetings may be held via videoconference or conference call, or any other equivalent system enabling the recognition and identification of attendees, allowing them to communicate, speak and cast votes, all in real time.

Likewise, for the purposes of making the appropriate arrangements to ensure that the objectives pursued are effectively achieved, the committee shall prepare an annual working plan, which shall include at least the specific objectives for the financial year and an annual schedule of ordinary meetings. The committee may rely on external advisors to properly perform the duties it has been entrusted with.

### d) Main proceedings of the Remuneration Committee in 2021:

In 2022 the most relevant proceedings of the Remuneration Committee have revolved around the following areas:

#### 1. Remuneration of executive directors and Senior Managers

With regard to the outgoing Executive Chairman and CEO:

The Remuneration Committee resolved at the meeting held on 14 March 2022 to submit to the board of directors:

- The assessment on the level of achievement of the targets set for variable remuneration in FY2021 for the former Executive Chairman and CEO, Messrs. Isla and Crespo, respectively and the proposal on the aggregate remuneration earned by each of them. The board of directors approved the level of target achievement and of relevant incentive payment at its meeting held on 15 March 2022.
- With regard to the departure of the former Executive Chairman, Mr Isla, the proposal on the early settlement of: (i) current long-term incentives, i.e. the second cycle (2020-2023) of the 2019-2023 Plan and the first cycle (2021-2024) of the 2021-2025 Plan; (ii) annual variable remuneration for 2022 for the period running between 1 February and 31 March 2022 (after assessing the target it was tied to); and (iii) the portion of the fixed remuneration for FY2022 earned as extra wage payments (July and December).

Proposals on early settlement of incentives and other

remuneration items were approved at the board meeting held on 15 March 2022.

With regard to the new CEO:

Likewise, the Remuneration Committee also resolved at the meeting held on 14 March 2022 to submit to the board of directors:

- Assessment of the level of achievement of the targets set for variable remuneration in FY2021 (approved in 2020) and the proposal on the aggregate remuneration earned by the CEO for that year.
- The proposal on the new full compensation package for the CEO for the performance of his duties and responsibilities as the company's chief executive in the new organisational structure, including the terms of his contract, for FY2022.
- The board of directors approved the proposals on Mr García's remuneration and the terms of his new contract at its meeting held on 15 March 2022.

The committee resolved at the meeting held on 12 September 2022 to submit to the board of directors the proposal on the basic terms of Mr García's new executive services contract, aligned with the Directors' Remuneration Policy as amended, approved at the Annual General Meeting on 12 July 2022. Such Policy included the new compensation package for the CEO for the performance of his functions and responsibilities as the only executive director in the new organisational structure.

The contract was approved at the board meeting held on 13 September 2022.

With regard to the remuneration of the other directors and the new non-executive Chair:

At its meeting held on 14 March 2022, the committee further resolved to submit to the board the proposal on the fixed remuneration specific to Ms Ortega for the performance of her duties as non-executive Chair of the board, considering her new functions and responsibilities.

The committee also raised to the board the proposal for increasing the maximum limit for directors' remuneration covered in the Directors' Remuneration Policy.

With regard to Senior Managers:

At the year-end meeting held in March 2022, the committee gave a favourable report to and submitted to the board the proposal on the remuneration earned by Senior Managers for FY2021 and the yardsticks to determine remuneration for FY2022.

Last, at its meeting held on 12 December 2022, the Remuneration Committee resolved to give a favourable report and submit to the board of directors the economic terms arising from Mr Crespo's termination with the Company. Such terms were approved at the board meeting held on 13 December 2022.

## 2. Duties relating to the remuneration and the remuneration policy for directors and senior managers

The committee resolved at the meeting held on 14 March 2022 to give a favourable report to the draft Directors' Remuneration Policy for FY2021, FY2022 and FY2023, to be assessed and approved by the board of directors and subsequently put to an advisory say-on-pay vote at the 2022 Annual General Meeting.

The Policy, as amended, was approved at the Annual General Meeting held on 12 July 2022.

## 3. 2019-2023 Long-Term Incentive Plan

The committee approved at the meeting held on 14 March 2022 the assessment of the level of target achievement for the first cycle (2019-2022) of the 2019-2023 Plan to which the CEO's remuneration for FY2022 was tied. The board of directors assessed the achievement of such targets at the meeting held on 14 March 2022.

The committee assessed the impact of the conflict between Russia and Ukraine on the terms of the Plan. Subsequently, at the meeting held on 12 December 2022, the Remuneration Committee reviewed the follow-up and evaluation of the level of achievement of targets associated with certain metrics of the second cycle (2020-2023) of the 2019-2023 Plan.

## 4. 2021-2025 Long-Term Incentive Plan

The committee approved at the meeting held on 12 December 2022 the proposals on a new peer group and the new methodology to calculate Relative TSR and the performance scales for each metric for the second cycle (2022-2025) of the 2021-2025 Plan. The committee gave a favourable report to the proposed wording of Appendix III to the Plan Regulations. The above proposals and the wording of Appendix III to the Plan Regulations, above referred, were approved at the board meeting held on 13 December 2022. In that same meeting, the committee acknowledged the list of beneficiaries of this first cycle.

## 5. Annual Report on Remuneration of Directors for 2021

The Remuneration Committee resolved in the meeting held on 13 March 2022 to raise the 2021 Annual Report on Remuneration of Directors to the board of directors for approval. Such Report was approved by the board of directors in the meeting held on the following day.

Said report was submitted to CNMV as a relevant fact and is available on CNMV's website. Additionally, pursuant to section 541 LSC, the 2021 Annual Report on Remuneration of Directors was approved at the Annual General Meeting held on 12 July 2022, having been put to an advisory say-on-pay vote.

## 6. Internal regulations

On 12 May 2022, the Committee gave a favourable report to the

proposal to amend in part its terms of reference and resolved to raise it to the board of directors, primarily to reflect the clear separation of duties assigned to the Chair and those assigned to the CEO, as chief executive of the Company, thus preventing any risk of confusion regarding the profile and role of the new non-executive Chair.

Such amendment was approved at the board meeting held on that same day.

## 7. Schedule of dates and business to be conducted

Pursuant to recommendations of CNMV's Technical Guide 1/2019, the Remuneration Committee approved on 12 December 2022 the schedule of dates and agenda of business to be conducted by the Committee in 2023.

## 8. Report on its proceedings and evaluation report

The committee issued the annual report on its proceedings in the meeting held on 6 June 2022 (available on the corporate website) and the report on the evaluation of its proceedings on 12 December 2022.

## SUSTAINABILITY COMMITTEE

Article 30bis of the Articles of Association, section 17bis of the Board of Directors' Regulations, and the Sustainability Committee's Regulations set out the regulations governing the Sustainability Committee.

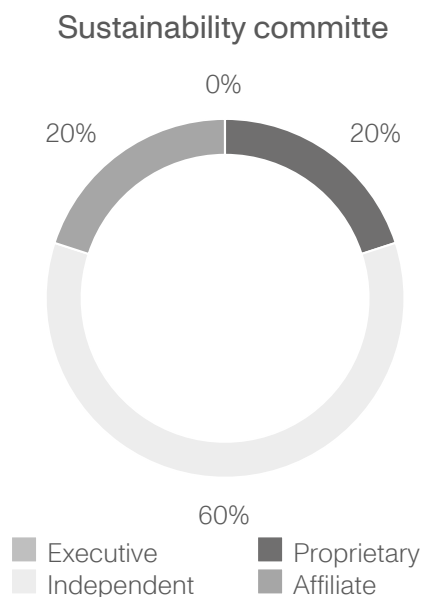
Composition of the Sustainability Committee as of 31 January 2023

Name	Position	Directorship type
Bns Denise Patricia Kingsmill	Chair	Independent
Ms Anne Lange	Ordinary member	Independent
Ms Pilar López Álvarez	Ordinary member	Independent
Mr José Arnau Sierra	Ordinary member	Proprietary
Mr Emilio Saracho Rodríguez de Torres	Ordinary member	Affiliate

% executive directors	0%
% proprietary directors	20%
% independent directors	60%
% affiliate directors	20%

Mr Javier Monteoliva Díaz, General Counsel and Secretary of the Board, acts as Secretary-non-member of the Sustainability Committee.

The structure of the Sustainability Committee is addressed in the sections below.



**Explain the duties assigned to this committee and describe the rules and procedures for its organisation and functioning. For each of these functions, briefly describe its most significant actions during the year and how it has exercised in practice each of the functions assigned to it by law, in the articles of association or in other corporate resolutions.**

**a) Composition:**

Pursuant to article 30bis of the Articles of Association and section 9 of its own terms of reference, the Sustainability Committee shall be made up of a minimum of 3 and a maximum of 7 non-executive directors appointed by the board of directors, a majority of whom shall be independent. Members of this Committee and in particular its Chair, shall be appointed considering the appropriate knowledge, qualifications and experience based upon the duties they must discharge, in particular in the field of sustainability, social action initiatives, sustainable management of resources and design of communication policies with stakeholders. The Chair of the Sustainability Committee shall be appointed by the board of directors out of the independent members of the committee.

The board of directors shall encourage a diverse committee membership in terms of professional experience, competences, personal skills, sector-specific knowledge, international experience or geographic origin, age and gender, taking into account the restrictions that result from the smaller size of the committee.

**b) Duties:**

Pursuant to article 30bis(3) of the Articles of Association, section 17bis of the Board of Directors' Regulations and sections 5 to 8 of the Sustainability Committee's Regulations, the Sustainability Committee shall have the following basic responsibilities:

- Powers relating to sustainability: (i) to oversee that environmental and social practices of the Company are aligned with the strategy and the policy set by the Company;

(ii) to oversee monitoring of compliance with Inditex's Code of Conduct for Manufacturers and Suppliers across the supply chain of products sold by the Group; (iii) to establish that the products that the Company sells comply with product health and safety standards; (iv) to establish and promote compliance by the Company and Group entities with the most exacting policies, regulations and standards in the field of human, labour and environmental rights in any matter that affects workers across the entire supply chain, production processes, product and the store.

- Powers relating to the relations with the different stakeholders: (i) to oversee and evaluate –in coordination with the Audit and Compliance Committee, with regard to issues that fall under its purview– the strategy on communication and relations with shareholders –including small and medium shareholders– investors, proxy advisors and other stakeholders, and enforcement of the Policy on Disclosure of Economic-Financial, non-Financial and Corporate information; and (ii) to oversee –in coordination with the Audit and Compliance Committee– the process for preparing and releasing regulated and non-regulated non-financial information, as well as the integrity and clarity thereof, with regard to the issues that fall under its purview.
- Other powers entrusted to the Sustainability Committee: (i) to report on the appointment and removal of the members of the Social Advisory Board of the Company, before the report issued by the Nomination Committee, assessing the suitability, competences, knowledge, experience and other occupations of the prospective candidates; (ii) to assess the draft bills and the amendments of national as well as foreign or international regulations on sustainable development, corporate social responsibility and related issues, and their potential impact on the Group's activity, and; (iii) to issue reports on the internal regulations of the Company on matters that fall within its purview.

**c) Organizational and operational rules.**

The Sustainability Committee shall meet at least 3 times a year and each time that its Chair calls it. The Chair must call the Sustainability Committee whenever the board of or its Chairman request the issue of a report or the approval of motions within the scope of its powers and, at any rate, whenever it is useful for the successful performance of its functions.

Ordinary meetings shall be called by fax, telegram or e-mail and the meeting notice shall be signed by the Chair or the Secretary.

A quorum for committee meetings shall be declared when at least half plus one of its members, present or represented, are in attendance. The committee may also pass resolutions in writing, without holding a meeting, pursuant to statutory provisions.

The Chair may call extraordinary meetings when in their view circumstances warrant it. Likewise, the Chair may arrange working meetings to prepare committee meetings on specific topics aside from formal ones.

Committee meetings may be held via videoconference or conference call, or any other equivalent system enabling the recognition and identification of attendees, allowing them to communicate, speak and cast votes, all in real time.

For the purposes of making the appropriate arrangements that ensure the achievement of the objectives effectively sought, the committee shall prepare and report to the board of directors, an annual working plan which shall include, at least, the specific objectives for the financial year and an annual schedule of ordinary meetings.

As provided in the Board of Directors' Regulations, the committee may rely on external advisors to carry out its duties in an effective manner.

#### **d) Proceedings of the Sustainability Committee in 2022:**

The most relevant proceedings of the Sustainability Committee in 2022 have revolved around the following areas:

##### **1. With regard to overseeing the process to prepare and release regulated and non-regulated non-financial information**

As part of its oversight duties regarding the process to prepare and release regulated non-financial information, the Sustainability Committee gave a favourable report in the meeting held on 14 March 2022 to the Statement on Non-Financial Information (SNFI) as regards the issues that fall under its purview. The SNFI was approved by the board of directors in the meeting held on the following day.

On the other hand, the committee acknowledged at its meeting held on 12 December 2022 the presentation given by the Sustainability Department on (i) the current environment in terms of sustainability reporting standards and (ii) the new methodology used and the outcome of the materiality analysis from a dual perspective carried out in 2022 which will serve to determine the contents to be included in the Statement on Non-financial Information for 2022.

##### **2. With regard to monitoring the social and environmental sustainability strategy and practices**

The Sustainability Department reported to the committee the most relevant sustainability milestones for each quarter (in the meetings held on 14 March, 6 June, 12 September and 12 December 2022). At those same meetings, the committee acknowledged the follow-up on the progress of the objectives of the Strategic Sustainability Plan.

Meanwhile, in its meeting dated 14 March 2022, the Sustainability Committee: (i) acknowledged the 2021 Annual Report on the Activities of the Sustainability Department and (ii) approved the annual work plan and the budget of the department for 2022. On 12 September, the committee acknowledged a number of updates in the structure of the Department.

The committee acknowledged in the meetings held on 6 June, 12 September and 12 December the strategy, main action lines and goals in terms of traceability, community investment and social management of the supply chain, respectively.

The committee also acknowledged in the meetings held on 6

June and 12 September a number of initiatives implemented by the Sustainability Department within the scope of its authority, in particular those relating to innovation and investment in the field.

#### **3. With regard to Human Rights**

In the meeting held on 6 June 2022, the committee resolved to give a favourable report to the Inditex Group Modern Slavery, Human Trafficking and Transparency in Supply Chain Statement for FY2021 and submit it to the board of directors, pursuant to the provisions of section 2021 of the UK Modern Slavery Act, the California Transparency in Supply Chain Act and section 14 of the Australian Modern Slavery Act.

#### **4. With regard to monitoring of applicable regulations**

In the meeting held on 6 June 2022, the committee acknowledged the presentation given by the Sustainability Department on the current EU regulatory environment in the field of Sustainability.

#### **5. With regard to the monitoring of the supply chain**

In the meeting held on 12 May 2022, the committee gave a favourable report to the proposal for the amendment to its terms of reference and raise it to the board of directors, to reflect the clear separation between the duties assigned to the Chair and those assigned to the CEO.

Likewise, in the meetings held on 3 November and 12 December 2022, it gave a favourable report to the following before raising them to the board: (i) the proposal on the update of the Sustainability Policy and (ii) the approval of a new Community Investment Policy, respectively. Said Policies were approved by the Board of Directors on 13 December 2022.

Last, the committee gave a favourable report to the following, before raising it to the Remuneration Committee: (i) in the meeting held on 14 March 2022, the level of global achievement of the targets of the sustainability metric tied to the first cycle (2019-2022) of the 2019-2023 LTIP and; (ii) in the meeting held on 12 December 2022, the proposal on the new metrics of the sustainability indicator tied to the second cycle (2022-2025) of the 2021-2025 LTIP. The Remuneration Committee had given a favourable report to the proposal on the new metrics at the meeting held on that same day. The board of directors approved such proposal which was included as Appendix III to the 2021-2025 Plan Regulations.

## 6. Schedule of dates and business to be transacted

The Sustainability Committee approved in the meeting held on 12 December 2022 the schedule of dates and agenda of business to be conducted by the Committee in 2023.

## 7. Report on its proceedings and evaluation report

The committee issued the annual report on its proceedings in the meeting held on 6 June 2022 (available on the corporate website) and the report on the evaluation of its proceedings on 12 December 2022.

### C.2.2. Complete the following table with information regarding the number of female directors who were members of Board committees at the close of the past four years:

	Number of female directors				
	2022	2021	2020	2019	2018
	Number %		Number %	Number %	Number %
Executive Committee	25 %	13 %	13 %	13 %	14 %
Audit and Compliance Committee	43 %	43 %	43 %	43 %	33 %
Nomination Committee	40 %	40 %	40 %	40 %	33 %
Remuneration Committee	20 %	20 %	20 %	20 %	33 %
Sustainability Committee	60 %	60 %	60 %	60 %	— %

### C.2.3. Indicate, where applicable, the existence of any regulations governing Board committees, where these regulations are to be found, and any amendments made to them during the year. Also indicate whether any annual reports on the activities of each committee have been voluntarily prepared.

The terms of reference of the Audit and Compliance, Nomination, Remuneration and Sustainability Committees can be found on Inditex's corporate website (Section "Investors", sub section "Corporate Governance" - "Reports & Regulations").

Additionally, information on board committees is also included in the Board of Directors' Regulations and in the Articles of Association. The full text of the Board of Directors' Regulations is available on both the corporate website (Section "Investors", subsection "Corporate Governance" - "Reports & Regulations"), and on CNMV's website ([www.cnmv.es](http://www.cnmv.es)).

Each of the Audit and Compliance, Nomination, Remuneration and Sustainability Committees draw up every year a report on their proceedings. Such reports are available on the corporate website (Section "Investors", sub section "Corporate Governance" - "Reports & Regulations").

The latest amendment to the terms of reference of board committees was approved by the board of directors in the meeting held on 12 May 2022, as hereunder set forth.

## D. Related party and intra-group transaction

Related party transactions carried out in 2022 are addressed below in accordance with the definitions, criteria and groupings provided in section 540 LSC, as amended by Act 31/2014, and chapter VI LSC, as amended by Act 5/2021.

D.1. Explain, where appropriate, the procedure and competent bodies relating to the approval of transactions with related and intra-group parties, indicating the criteria and general internal rules of the entity that regulate the abstention obligations of the affected director or shareholders. Detail the internal information and periodic control procedures established by the company in relation to those related-party transactions whose approval has been delegated by the board of directors..

Pursuant to the provisions of section 5.3(b)(vii) of the Board of Directors' Regulations, the Audit and Compliance Committee shall report on the transactions of the Company or any company of its Group with directors, significant shareholders (i.e. shareholders owning at least 10% of the voting rights or any shareholder represented on the Board of Directors or who has proposed the election of any board member), or with any other person qualifying as related party in accordance with the definition provided in IAS 24 of Commission Regulation (EC) 1126/2008 of 3 November adopting certain international accounting standards, and with their respective Related Persons, as mentioned in Section 40 of the Board of Directors' Regulations.

Said related party transactions shall be approved by the board of directors, following a favourable report of the Audit and Compliance Committee, except for those that shall be approved at the Annual General Meeting, on account of their value or special nature.

Any transaction with a director for a value in excess of ten (10%) of the corporate assets shall be approved by the General Meeting of Shareholders.

The board of directors shall not approve related party transactions without a prior report from the Audit and Compliance Committee assessing whether it is fair and reasonable.

In this regard, section 13 (c) of the Audit and Compliance Committee's Regulations provides that it is incumbent on this Committee to advise the board of directors on any transaction that the Company or the companies comprising its corporate Group intend to carry out with directors, significant shareholders or shareholders who hold a significant stake or who have proposed the appointment of any director of the Company, or with their respective related persons, from an arm's length perspective.

In the event of transactions with significant shareholders, the Audit and Compliance Committee shall also examine them from the standpoint of an equal treatment of all shareholders.

The Company shall report on any transactions carried out with its directors, significant shareholders and Related Persons in the half-yearly public periodic information and in the Annual Corporate Governance Report, within the scope provided by statute in each case.

Likewise, the Company shall include in the notes to the annual accounts information on the transactions carried out by the Company or any companies within the Inditex Group with directors or with those acting on their behalf, whenever they do not fall within the scope of the ordinary course of business of the Company or are not carried out on an arm's length basis.

Pursuant to section 40.5 of the Board of Directors' Regulations, which has also been amended to be brought into line with the terms of the new section 529duovicies(4) LSC introduced by Act 5/2021, the board of directors has delegated to the Market Transparency Committee the approval of the following transactions.:

- (a) Transactions between companies of the Inditex Group made in the ordinary course of business of the companies and on an arm's-length basis; and
- (b) Transactions that cumulatively meet the following 3 requirements:
  - they are carried out pursuant to standard agreements and applied en masse to a large number of client
  - they are carried out at prices or rates generally set by the provider of the good or service in question; and
  - their value does not exceed of 0.5% of the company's net turnover.

Such transactions are subject to the Internal Procedure for Periodic Reporting and Control on Related Party Transactions, which is part of the internal regulations of the company in the field of corporate governance and seeks to govern the procedure for periodic control and reporting applicable to related party transactions whose approval has been delegated to the Market Transparency Committee. It ultimately seeks to ensure that these transactions are equitable and transparent and that applicable statutory requirements are met.



The board's approval shall not be required for any transactions that must be carried out on grounds of urgency provided that this is duly supported. However, these transactions shall be subsequently confirmed by the board of directors.

D.2. Give individual details of operations that are significant due to their amount or of importance due to their subject matter carried out between the company or its subsidiaries and shareholders holding 10% or more of the voting rights or who are represented on the board of directors of the company, indicating which one has been the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate whether the proposed resolution has been approved by the board without a vote against by the majority of the independents:

No significant transactions have been carried out in 2022 between the Company or any company within the Inditex Group and its controlling shareholder Pontegadea Inversiones, S.L., or with Partler Participaciones, S.L.U. (or Partler 2006, S.L.) and with any persons and companies related thereto, the details of which must be separately reported.

For Inditex, significant transactions due to their amount are those in the amount determined by auditors with regard to the financial information materiality, and transactions relevant due to their subject matter are those outside the ordinary course of business considering the Group's main business activities.

D.3. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with the administrators or managers of the company, including those operations carried out with entities that the administrator or manager controls or controls jointly, indicating the competent body for its approval and if any affected shareholder or director has abstained. In the event that the board of directors has responsibility, indicate whether the proposed resolution has been approved by the board without a vote against by the majority of the independents:

No new relevant transactions have been carried out in 2022 between the Company or entities of its group and the directors and officers of the Company.

The definition of significant or relevant transactions is provided in section D.2 above..

Name (person or company) of directors or officers	Name (person or company) of the related party	Relationship	Type of transaction	Amount (thousand euros)
-				

With regard to the remuneration received by directors and officers, reference is made to the provisions of sections C.1.13 and C.1.14 above.

D.4. Report individually on intra-group transactions that are significant due to their amount or relevant due to their subject matter that have been undertaken by the company with its parent company or with other entities belonging to the parent's group, including subsidiaries of the listed company, except where no other related party of the listed company has interests in these subsidiaries or that they are fully owned, directly or indirectly, by the listed company.

No transactions as described in this section have been carried out in 2022.

Transactions undertaken by Inditex with its subsidiaries are part of their ordinary course of business as regards their purpose and terms. They have been fully eliminated on consolidation and therefore, they are not broken down in this section.

**In any case, report any intragroup transaction conducted with entities established in countries or territories considered as tax havens**

Company name of the entity within the group	Brief description of the transaction	Amount (thousand euros)
Joint Control Companies (1)	Purchase of goods	-1,024,810
100% Subsidiaries (2)	Sale of goods and provision of services to stores	12,635

(1) Transactions between Inditex or any company of the Inditex Group with Tempe and/or its subsidiaries are made in their ordinary course of business as regards their purpose and terms. Being jointly controlled entities, they are consolidated using the equity method.

(2) The above mentioned transactions are exclusively within the ordinary course of business of the Group through its stores, not being due to tax reasons, and are made on arm's length basis. As at 31 January 2022, transaction of the Group with Group companies residing in countries or territories considered tax havens under Spanish laws, correspond to sales through three stores of the Group located in Macau and in Monaco.

D.5. Give individual details of the operations that are significant due to their amount or relevant due to their subject matter carried out by the company or its subsidiaries with other related parties pursuant to the international accounting standards adopted by the EU, which have not been reported in previous sections

Company name of the related party	Brief description of the transaction and other information necessary for its evaluation	Amount (thousand euros)
		—

No other significant transactions have been carried out in 2022 with other related parties..

D.6. Give details of the mechanisms in place to detect, determine and resolve potential conflicts of interest between the company and/or its group and its directors, senior management, significant shareholders or other associated parties..

Section 34 of the Board of Directors' Regulations addresses potential situations of conflict of interest for board members:

*"1. It shall be understood that a conflict-of-interest situation exists where there is a direct or indirect conflict between the interest of the Company and the personal interest of a director. It is considered that directors have a personal interest when the matter affects them or any of their Related Persons.*

*For the purposes of these Regulations, Related Persons are understood as being the following:*

- (a) The spouse of the director or any other person deemed to be equivalent to a spouse;*
- (b) the ancestors, descendants and siblings of the director or of the spouse (or any other person deemed to be equivalent to a spouse) of the director;;*
- (c) the spouse (or any other person deemed to be equivalent to a spouse) of the ancestors, descendants and siblings of a director;*

- (d) *Those companies or entities where directors would hold, directly or indirectly, even via a nominee a significant shareholding giving them a significant influence or, if they hold in them or in their parent companies an office in their governing body or act a senior manager thereof. For this purpose, any shareholding equal to or in excess of 10% of the share capital of the company or of its voting rights or based upon which a representation on the governing body of the company has been secured de facto or de jure, shall be deemed to give significant influence..*
- (e) *Shareholders represented by a director on the Board of Directors.*

With regard to directors who are legal entities, Related Persons are understood as being the following:

- (a) *Those partners who are included with regard to the Director legal entity, in any of the situations provided in Section 42 of the Code of Commerce;*
- (b) *The representative, who is a natural person, the director de jure or de facto, the liquidators and the attorneys-in fact with general powers of the director, who is a legal entity;*
- (c) *Those companies that are part of the same corporate group, as defined in Section 42 of the Code of Commerce, and their shareholders; and*
- (d) *Those persons who are understood, with regard to the director who is a legal entity, as being related persons in accordance with the provisions of the paragraph above regarding directors who are natural persons.*

The following rules shall apply to the conflict-of-interest situations:

- (a) *Prevention: directors must take all necessary measures to prevent, as far as possible, becoming involved in any situations in which their interests may, either on their behalf, or on behalf of third parties, be in conflict with the interest of the company and with their duties towards the company.*
- (b) *Information: without prejudice to their obligation of active prevention, directors must inform the Board of Directors, through the Chairman or the Secretary thereof, of any conflict-of-interest situation in which they are involved.*
- (c) *Abstention: directors must abstain from attending and taking part in the discussions and voting of those matters regarding which they are in a conflict-of-interest situation, with the exceptions provided in the applicable laws. Likewise, with regard to proprietary directors, they shall abstain from taking in the voting of those matters that might entail a conflict of interest between those shareholders that had proposed their appointment and the Company, with the exceptions provided for in the applicable regulations.*
- (d) *Transparency: the Company must disclose in the notes to the annual accounts any conflict-of-interest situation in which a director is, that the Company is aware of by virtue of the information of same by the affected person, or by any other means."*

In addition, sections 33 and 35 to 37 of the Board of Directors' Regulations address the following situations that can give rise to conflicts of interest: (i) the rendering of professional services in competing companies (section 33); (ii) the use of corporate assets (section 35); (iii) the use of non-public Company information for private ends (section 36), and (iv) taking advantage of business opportunities of the Company (section 37).

Moreover, section 39 of the Board of Directors' Regulations provides that directors must inform: (i) the Company of the shares of its share capital that he/she directly or indirectly holds. Likewise, they must inform about those other shares that are held, directly or indirectly, by their closest relatives, all in accordance with the provisions of the Internal Regulations of Conduct in the Securities Markets; (ii) the Company of any conflict-of-interest situation, either direct or indirect, in which either themselves or their Related Parties may be involved with respect to the interest of the Company; and (iii) the Nomination Committee of all the positions they hold and the activities they carry out in other companies or entities and, in general, about any fact or situation that may be relevant to the performance of their duties as director of the Company (in this regard, without prejudice to the obligation of tendering their resignation to the board of directors, provided in Section 25 of the Board of Directors' Regulations—which addresses the resignation, removal and dismissal of directors—, directors shall inform the board of any other change to their professional situation and of any circumstance that might damage the name and reputation of the Company or jeopardise its interests); and (iv) of any legal, administrative proceedings or other proceedings whatsoever brought against them that might, given their relevance or description, seriously affect the reputation of the Company. Namely, directors shall inform the Company via the Chairman of the board of directors, of any criminal charges brought against them as well as how the legal proceedings subsequently unfold. The Board of Directors shall examine the case, as soon as possible, and shall take, subsequent to a report from the Nomination Committee, based upon the interests of the company, any measures it may deem appropriate, such as the opening of an internal investigation, calling on a director to resign or proposing his/her dismissal.

In this case, the Company shall report the measures taken in the Annual Corporate Governance Report, unless there are special circumstances that justify otherwise, which must be recorded in the minutes.

Additionally, section 1 of the Board of Directors' Regulations provides that the rules of conduct therein established for directors shall apply, to the extent that they are compatible with their specific nature, to the senior managers of the company who are not directors. More particularly and with the due nuances, the following sections shall apply to senior managers: section 32 (duty of confidentiality), 34 (conflicts of interest), in connection with the duty of informing the Company, 35 (use of corporate assets), 36 (non-public information), 37 (business opportunities), and 38 (prohibition to make undue influence of the office).

With regard to significant shareholders, section 40 of the Board of Directors' Regulations provides that:

*"1. The Board of Directors reserves the right to be apprised of any transaction between the Company or any of its subsidiaries with directors, with shareholders owning 10% or more of the voting rights or represented on the Board of Directors, or with any other person qualifying as related party in accordance with the definition provided in International Accounting Standards.*

*2. The approval of a related party transaction must be subject to the preliminary report of the Audit and Compliance Committee. In its report, the committee shall consider whether the transaction is fair and reasonable from the standpoint of the Company and, if appropriate, of any shareholder other than the related party, in accordance with the requirements set forth for each case in the applicable regulations. Affected directors will not take part in the preparation of the report.*

*3. Where duly supported reasons for urgency exist, related party transactions may be approved, if appropriate, by delegated bodies or individuals. In this case, they must be ratified at the first board meeting held following their conduct.*

*4. The Company shall inform of the transactions conducted with directors, significant shareholders and Related Persons in the half-yearly public periodic information and in the Annual Corporate Governance Report, within the scope of applicable regulations. Likewise, the Company shall include on the notes to the annual accounts information on the transactions carried out by the company or any companies within the Inditex Group with directors and with those acting on their behalf, whenever they are alien to the ordinary course of business of the Company or are not carried out on an arm's length basis.*

*Related parties' transactions whose value is in excess of 5% of the equity value or 2.5% of the annual turnover must be published on the Company's website no later than the date they are carried out, together with the report issued by the Audit and Compliance Committee. Likewise, they should be disclosed to the National Securities Market Commission to be publicly released.*

*5. The Board of Directors may delegate the approval of the following related-party transactions in the following cases:*

- (i) Transactions that cumulatively meet the following 3 requirements:*
  - (a) they are carried out pursuant to standard agreements and applied en masse to a large number of clients;*
  - (b) they are carried out at prices or rates generally set by the provider of the good or service in question; and*
  - (c) their value does not exceed of 0.5% of the company's net turnover.*
- (ii) Transactions among companies of the same group carried out within the ordinary course of company business and on an arm's length basis. Said transactions will be subject to the internal information and monitoring procedure overseen by the Audit and Compliance Committee.*

*6. The authorisation shall be granted by the General Meeting of Shareholders when it refers to any transaction with a director for a value that is in excess of 10% of the corporate asset."*

As stated in section D.1 above, the Audit and Compliance Committee is responsible for reporting on the transactions that involve–or are likely to involve–any conflict of interest, and the Nomination Committee is responsible for reporting on the authorisation or release by the Board of Directors of the obligations stemming from the duty of loyalty of directors, where said responsibility is not incumbent upon the General Meeting of Shareholders.

Although the system above described exclusively applies to directors and other individuals within the Company considered as senior managers, the Company has in place a number of mechanisms to detect, determine and solve potential conflicts of interest that may arise regarding officers and other Group employees.

Thus, section 4.8 of the Code of Conduct and Responsible Practices provides that: *"INDITEX's employees shall avoid any situation that might entail any conflict between their personal interests and those of the company. They shall also refrain from representing the company and from taking part or having a say in any decision making wherein they may have, either directly or indirectly, either themselves or through any related party thereto, any personal interest. They may not avail themselves of their position in the company to obtain any economic or personal benefit, or any business opportunity for them.*

*No INDITEX employee may render services as a consultant, director, officer, employee or advisor to any of INDITEX's competitors, except for services that may be rendered at the request of INDITEX or with the authorisation of the Ethics Committee.*

*INDITEX respects the private life of its employees and therefore the private sphere of their decisions. Within the framework of this policy of respect, employees are urged to report to the Ethics Committee any personal conflicts of interest or any conflicts of interest involving their relatives, that might jeopardise the necessary objectivity or professionalism of their duties within Inditex, so that, in the respect of the confidentiality and privacy of individuals, the relevant measures might be taken for the mutual benefit of the company and of the affected individuals.*

*Namely, the cases below shall be considered as potential situations of conflict of interest and, they shall be reported to the Ethics Committee:*

- The conduct by any employee or by any person related to him/her, either directly or indirectly, by themselves or through any company or institution, of any business that is the same, similar or supplementary to the business conducted by INDITEX.*
- The conduct by any employee or by any person related to him/her, either directly or indirectly, by themselves or through any company or institution, of any business that involves an exchange of goods and/or services, regardless of the remuneration system agreed."*

On the other hand, the Board of Directors approved on 16 July 2019 the Conflicts of Interest Policy, following a favourable report of the Audit and Compliance Committee.

Said Policy seeks to supplement and implement the provisions of the Code of Conduct on conflicts of interest, defining the appropriate measures aimed at preventing, detecting, disclosing and managing any conflicts of interest that may affect employees in the performance of their job.

In this regard, section 4 of the Policy defines conflict of interest as “any situation where an employee’s personal interest (direct conflict of interest) or the interest of any related party thereto (indirect conflict of interest) contradicts (actual conflict of interest) or may contradict (potential conflict of interest) the Company’s interest, jeopardising the requisite objectivity or professionalism of said employee in the workplace.”

Likewise, section 5 provides the obligation for employees to avoid where possible, being in any situations that may entail a direct or indirect, actual or potential conflict of interest.

Moreover, employees are bound to forthwith disclose to the Ethics Committee any apparent or real conflict-of-interest situation that may arise, as well as any concerns they may have about whether a specific situation qualifies as conflict of interest. The Ethics Committee shall be responsible for addressing the conflicts of interest situations that may arise between the Company and its employees.

D.7. Indicate whether the company is controlled by another entity within the meaning of section 42 of the Commercial Code, whether listed or not, and whether it has, directly or through any of its subsidiaries, business relationships with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them.

Yes x No

Pontegadea Inversiones, S.L. owns 1,558,637,990 shares of the Company, which represents a 50.1% stake in its share capital. Transactions that are significant, either on account of the amount involved or of their nature, entered into between the company and the different entities within the Inditex Group and Pontegadea Inversiones, S.L. and its related entities, are covered in section D.2 above. However, no new significant transaction has been entered into in financial year 2022.

Mandatory full information on related party transactions pursuant to the yardsticks and the disaggregation level envisaged in applicable regulations is provided in the Notes to the annual accounts for FY2022. Included therein is the information about the related party transactions carried out between the Company or any entity of the Inditex Group and its controlling shareholder, Pontegadea Inversiones, S.L. and/or any company of its Group, as well as with Partler Participaciones, S.L.U. and/or any company of its Group (since Mr Amancio Ortega Gaona is the indirect owner of a 59.294% stake in Inditex’s share capital and therefore its controlling shareholder via Pontegadea Inversiones, S.L. and Partler Participaciones, S.L.U.).

The object of Pontegadea Inversiones, S.L. is that of holding stakes in trading companies and the purchase and disposal of stock, transferable securities and real estate.

**Indicate whether the respective areas of activity and any business relationship between the listed company or its subsidiaries, and the parent company or its subsidiaries have been defined publicly and precisely:**

Yes x No

**Report the respective areas of activity and any business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries and identify where these aspects have been publicly reported.**

Transactions that are significant, either on account of the amount involved or of their nature, entered into between the company and the different entities within the Inditex Group and Pontegadea Inversiones, S.L. and its related entities, are covered in section D.2 above.

Pursuant to section 40.4 of the Board of Directors’ Regulations, the Company reports on the transactions carried out with its significant shareholders and their related parties in the periodic half-yearly information.

Additionally, pursuant to Recommendation 6 GGC, the report on related party transactions issued by the Audit and Compliance Committee is made available to the shareholders on the corporate website well in advance of the Annual General Meeting.

**Identify the mechanisms in place to resolve potential conflicts of interest between the parent of the listed company and the other group companies:**

**Mechanisms for resolving possible conflicts of interest**

Section 40 of the Board of Directors’ Regulations governs the procedure to approve transactions between the Company and its shareholders as well as the rules on the reporting thereof. It is fully transcribed in section D.6 above. In short: this type of transactions must be approved by the board of directors, following a report of the Audit and Compliance Committee, except for (i) transactions within the ordinary course of company business and of a habitual or recurrent nature. In this case, a general approval of the line of transactions will suffice; (ii) transactions that do not require the approval of the board of directors for meeting simultaneously a number of conditions; and (iii) any transaction with a director for a value that is in excess of 10% of the corporate assets.

These latter must be approved by the General Meeting of Shareholders. Likewise, as stated in section D.1 above, the Audit and Compliance Committee is tasked with reporting on transactions that entail or that might entail conflicts of interest situations.

## E. Enterprise Risk Management system

The information on the Enterprise Risk Management System is provided in section.5.10 – “Responsible risk management” of the Statement on Non-Financial Information (SNFI), which is part of the Integrated Directors’ Report of the Inditex Group..

## F. Describe the mechanisms forming your company's Internal Control over Financial Reporting System (ICFR)

### F.1. The entity's control environment

#### Give information on the key features of at least:

#### F.1.1 The bodies and/or functions that are responsible for: (i) the existence and maintenance of an adequate and effective ICFR; (ii) its implementation; and (iii) its supervision.

##### Board of Directors

Except for any matters exclusively within the purview of the shareholders at the General Meeting of Shareholders, the board of directors is the supreme decision-making, supervisory and monitoring body of the Group, being ultimately responsible for the existence and update of an appropriate and effective ICFR, as provided in the Policy on Internal Control System over Financial Reporting (the "ICFR Policy"), approved by the board of directors.

The board of directors is entrusted with the duties of leadership, management and representation of the Group, delegating as a general rule the management of the day-to-day business of the Company to the executive bodies and the management team and focusing on the general supervisory function, which includes guiding the policy of the Group, monitoring management activity, evaluating officers' performance, making the most relevant decisions for the Group and liaising with the shareholders.

##### Audit and Compliance Committee

Pursuant to the provisions of the Articles of Association, the Board of Director's Regulations and the Audit and Compliance Committee's Regulations, and as part of its financial and monitoring duties, the committee shall oversee the process for preparing and releasing the regulated financial information, as well as the effectiveness of the Internal Control over Financial Reporting System, as provided in the ICFR Policy.

In this regard, the Committee carries out the following duties, without limitation:

- To oversee the effectiveness of the internal control system of the Group, the internal audit, and the risk management systems, including tax risks, as well as reviewing with the statutory auditor the significant weaknesses of the internal control system revealed, as the case may be, during the audit.
- With regard to the powers relating to the process of preparing the regulated financial information
  - To oversee and evaluate on an ongoing basis the process of preparation and presentation as well as the clarity and integrity of the financial information and the directors' report relating to the Company and its Group, ensuring that the half-yearly financial reports and the quarterly management statements are drafted in accordance with the same accounting standards as the annual financial reports and to oversee the review of the interim financial statements requested from the statutory auditor, with the scope and frequency that may be defined, as the case may be.
  - To review compliance with statutory requirements, the appropriate delimitation of the consolidation perimeter and the correct application of the generally accepted accounting principles and international financial reporting standards as may be applicable.
  - To keep a fluent communication with the Company's Management to understand its decisions regarding the application of the most significant criteria; with the Internal Audit Function to be apprised of the findings of the reviews carried out; and with the external auditor or verifier, to obtain their opinion regarding financial information.
  - To be familiar with, understand, oversee and evaluate the effectiveness of the internal control over financial and non-financial reporting system and receive information on a regular basis from the supervisor thereof.
  - To submit recommendations or proposals to the board of directors for the purposes of safeguarding the integrity of the financial information;
  - To assess and advise the board of directors on any significant changes in accounting standards and on the significant risks on the balance sheet and off-balance sheet;
- With regard to enterprise risk management:
  - To oversee the enterprise risk management function and establish that it operates pursuant to the provisions of the policy approved by the Board.
  - To receive, on a regular basis, reports from the Management or from the supervising areas, on the proceedings of risk management systems established, as well as on the results of the tests carried out by internal auditors relating to the same, and on any significant internal control weakness detected by the external auditors..

- To evaluate the effectiveness of internal control and management systems relating to financial risks, as well as of the measures established to mitigate the impact of identified risks.
- To promote a corporate culture within the Company wherein risk assessment is a factor upon decision-making, at all levels of the Company and its Group.
- To identify and re-assess, at least on an annual basis, the most significant financial risks and the level of risk tolerance.
- To identify and understand emerging risks as well as their alert mechanisms, and regularly evaluate their effectiveness.
- To ensure that risks are kept and managed within the levels of risk tolerance set by the board of directors.
- To ensure that the internal control policies and systems established by the company are effectively applied in practice.
- To meet with the heads of business units at least once a year, and whenever the committee deems it appropriate, for the purposes of briefing the committee on business trends and risks associated with the respective areas under their remit.
- To submit recommendations or motions to the board of directors and the relevant deadline for follow-up..

Most members of the Audit and Compliance Committee are non-executive independent directors. The committee meets on a quarterly basis and whenever it is called by its Chair. In 2022, the Audit and Compliance Committee has met 7 times.

### Financial Department

The Financial Department is responsible for the design, roll-out and implementation of the ICFR system, keeping the system updated, monitoring its design and proceedings to ensure that it is effective and appropriate, communicating and training the parties involved and keeping a periodic report.

The Financial Department drafts and circulates the policies, guidelines and procedures, associated with financial reporting and ensures the appropriate enforcement thereof within the Group.

### Internal Audit

The Internal Audit function supports the board of directors, through the Audit and Compliance Committee, with regard to the oversight duty relating to risk exposure, ensuring that appropriate and effective controls are set as an answer to risks in the field of governance, operations and information systems, regarding, inter alia, reliability and integrity of financial information and in particular, the Internal Control over Financial Reporting System (ICFR). To achieve this, Internal Audit carries out specific periodic ICFR audits, requests action plans to correct or reduce any weaknesses revealed and follows up on the implementation of the proposed recommendations.

The Internal Audit Charter, approved by the board of directors, covers the mission, authority and responsibilities of the Internal Audit function pursuant to both domestic and international regulations and standards for the professional practice of internal auditing.

Likewise, Internal Audit has been awarded the certificate of compliance with the *"International Standards for the Professional Practice of Internal Auditing"* by the Instituto de Auditores Internos, a member of the IIA (Institute of Internal Auditors).

### F.1.2. Indicate whether the following exist, especially in relation to the drawing up of financial information:

Departments and/or mechanisms in charge of: (i) the design and review of the organisational structure; (ii) clear definition of lines of responsibility and authority with an appropriate distribution of tasks and functions; and (iii) ensuring that adequate procedures exist for their proper dissemination within the entity.

The board of directors is responsible for the design and review of the organisational structure and the lines of responsibility within the Group. The departments charged with drawing up the financial information are found within said structure.

Senior Managers and the Human Resources Department (HR Department) define the duties and responsibilities of each area.

The Group has clearly defined lines of authority and responsibility regarding the process to draw up financial information. The main responsibility regarding financial reporting lies with the Financial Department.

The structure, size and definition of duties and tasks of each position within the financial area are defined by the Financial Department and disclosed by the Human Resources Department.

With regard to ICFR, a specific management area was set up within the Financial Department, to which it reports, (the "ICFR Area").

The Group relies on financial organisational structures that meet local requirements in each country where it operates, with a Chief Financial Officer at the helm who is charged, inter alia, with complying with the procedures set out within the ICFR System.

- **Code of conduct, the body approving this, degree of dissemination and instruction, principles and values covered (stating whether there is specific mention of record keeping and preparation of financial information), body charged with analysing breaches and proposing corrective actions and sanctions.**

The board of directors approved in the meeting held on 17 July 2012, following a favourable report of the Audit and Compliance Committee, the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers of the Inditex Group.



Likewise, on 19 September 2017, following a favourable report of the Audit and Compliance Committee the Board of Directors approved the Inditex Group's "Integrity Policies".

The main internal conduct regulations of the Group are provided in::

- The Code of Conduct and Responsible Practices
- The Code of Conduct for Manufacturers and Suppliers
- The Compliance Policy.
- The Integrity Policies, which are: (i) the Policy on Gifts and Business Courtesies; (ii) the Policy on Donations and Sponsorships, and; (iii) the Policy on Dealings with Public Officials.
- The Conflicts of Interest Policy
- The Internal Regulations of Conduct in the Securities Markets (IRC)

### Code of Conduct and Responsible Practices

The Code of Conduct and Responsible Practices provides the lines of action that must be followed by Group employees when doing their jobs. In 2022, a process of review and update of the Code of Conduct has been launched, that seeks to bring its contents, structure and approach into line with the new regulatory realities and challenges, the commitments undertaken by the Company—especially in the area of sustainability—and the Company's digital transformation

Its goal consists of exacting an ethical and responsible professional conduct from Inditex and its entire workforce in the conduct of business anywhere in the world, as a gist of its corporate culture built up on training and personal and professional career development for its employees. For these purposes, the principles and values that shall govern relations between the Group and its stakeholders (employees, customers, shareholders, business partners, suppliers and the societies where its business model is implemented) are defined therein.

The Code of Conduct and Responsible Practices is based upon a number of overarching principles. (i) the Inditex Group shall carry out all its transactions under an ethical and responsible perspective; (ii) all persons, whether natural or legal, who maintain, directly or indirectly, any kind of professional, economic, social or industrial relationships with the Inditex Group shall be treated in a fair and honourable manner and; (iii) all the activities of Inditex shall be carried out in the manner that most respects the environment, promoting biodiversity preservation and sustainable management of natural resources.

One of the standards of conduct covered in the Code of Conduct and Responsible Practices is the "Obligation to Record Transactions", addressed in section 4.13 thereof, according to which:

*"Any and all transactions carried out by the Company that may have an economic impact shall be clearly and accurately shown on the appropriate records of accounts, as a true representation of the transactions carried out, and they shall be made available to the internal and external auditors."*

*Inditex's employees shall enter the financial information on the company's systems in a full, clear and accurate manner, so that they would show, as at the relevant date, their rights and obligations in accordance with the applicable regulations. Additionally, the accuracy and integrity of the financial information that, under the prevailing regulations in force shall be disclosed to the market shall be ensured.*

*Inditex undertakes to implement and maintain an appropriate internal control system on financial reporting, ensuring the regular supervision of the effectiveness of this system.*

*Accounting records shall be at all times made available to the internal and external auditors. For this purpose, Inditex undertakes to provide its employees with the necessary training for them to understand and comply with the commitments undertaken by the company regarding the internal control on financial information."*

### Policy on Criminal Risk Prevention.

The Policy on Criminal Risk Prevention relates engagements of ethical behaviour undertaken pursuant to the Code of Conduct and Responsible Practices with the offences that it intends to prevent.

Similarly to the provisions of the Code of Conduct and Responsible Practices, section 2.9 of the Policy reads as follows: *"(...) any transaction of economic weight carried out by the Company shall be clearly and accurately recorded in appropriate accounting records that show the true and fair image of the transactions carried out. Said records must be made available to internal and external auditors.*

*Inditex's employees shall enter the full financial information into the Company's systems clearly and accurately so that they show, as of the relevant date, its rights and obligations in accordance with the applicable regulations. Likewise, they shall ensure that the financial information that must be disclosed to the market under the prevailing regulations in force, is accurate and full.*

*Inditex is committed to implementing and keeping an appropriate internal control system in respect of financial reporting, ensuring that the effectiveness of this information is regularly monitored. For this purpose, required training will be offered so that employees may be apprised of and understand the company's commitments in the field of internal control on financial information."*

The Policy, together with the Criminal Risk Prevention Procedure and the Criminal Risk and Control Matrix, comprise the Model of Criminal Risk Prevention of the Inditex Group. The Ethics Committee is the governing body responsible for overseeing compliance with said Model and the effective and appropriate implementation of the controls therein set.

## IRC

Compliance with the IRC is mandatory for all the persons included in its scope of application and any noncompliance may be reported in a confidential manner to the Ethics Committee, pursuant to the provisions of the Ethics Line Procedure.

In this regard, noncompliance with the IRC may give rise to the relevant disciplinary sanctions, as the case may be, to civil, criminal and/or administrative liability, and to the obligation to compensate any damages incurred, where appropriate.

Last, there is a Market Transparency Committee (formerly, the "Compliance Supervisory Board") which reports directly to the Audit and Compliance Committee, composed of:

- The CEO
- The General Counsel and Secretary of the Board
- The Chief Financial Office
- The Capital Markets Director, and
- The Chief People Officer.

The Committee is mainly responsible for developing procedures and implementing regulations to enforce the IRC. The General Counsel's Office, led by the General Counsel and the Board of Directors is accountable to the Market Transparency Committee. The General Counsel's Office is tasked, inter alia, with enforcing the conduct regulations of securities markets and the rules and procedures of the IRC on directors, officers, employees and any other person to which the IRC applies.

The IRC sets out the principles and criteria to ensure (i) that the information released to the market and to CNMV is reliable, clear, quantified and complete, avoiding subjective evaluations that lead or may lead to confusion or deception, as well as (ii) the appropriate use and dissemination of inside information and other relevant information of the Company.

The proceedings of the companies that are part of the Group and of all the individuals with access to information that may be deemed to be inside information and/or other relevant information, and namely financial information, shall comply with the following principles, without limitation: regulatory compliance, transparency, collaboration, information, confidentiality and neutrality. Both the Market Transparency Committee and the General Counsel's Office ensure that the above referred principles are observed.

With regard to the IRC, the General Counsel's Office keeps a General Documentary Register of Affected Persons. The General Counsel's Office informs Affected Persons that they have been included in such Register and that they are subject to the provisions of the IRC and reports any breaches and penalties which may result, as the case may be, from an inappropriate use of inside information.

Compliance with the Codes of Conduct of the Inditex Group and, in general, with its internal regulations of conduct is ensured through the Ethics Committee, composed of:

- The General Counsel and Secretary of the Board, who chairs it.

- The Chief Compliance Officer, in her capacity of Deputy Chair.
- The Chief Sustainability Officer
- The Chief People Officer
- The Chief Audit Officer, in an advisory capacity

The Committee of Ethics may act of its own motion or at the behest of any employee, manufacturer or supplier of Inditex, or any third party involved in a direct relation and with a lawful business or professional interest, further to a report made in good faith.

The Committee of Ethics reports to the board of directors through the Audit and Compliance Committee and has the following basic responsibilities:

- To oversee compliance with the Code and the internal circulation thereof to the Group's s personnel.
- To receive any manner of written instruments with regard to the enforcement of the Code and to send them, where appropriate, to the relevant body or department which may be responsible for processing and issuing a resolution regarding such instrument.
- To oversee the Ethics Line and compliance with the Ethics Line Procedure..
- To monitor and oversee proceedings and their settlement.
- To resolve any questions that may arise regarding the enforcement of the Code..
- To propose to the board of directors, following a report of the Audit and Compliance Committee, any explanation or implementation rule that the enforcement of the Code may require, and at least, an annual report to review its enforcement.
- To promote training plans for employees on internal conduct regulations and the proceedings of the ethics line.

In the performance of its duties, the Ethics Committee shall ensure:

- The confidentiality of all information and background details and of the action taken unless the disclosure of information is required by law or by a court order.

To ensure that the Ethics Line is effective, and that the privacy of the parties concerned is protected, the Ethics Committee may handle ex-officio anonymous concerns..

- The thorough review of any information or document that triggered its action.
- The commencement of proceedings that adjust to the circumstances of the case, where it shall always act with independence, fully respecting the right of the parties to be heard, to honour and to the presumption of innocence
- Prohibition of retaliation and indemnity of anyone who reports through the Ethics Line in good faith.

After the due investigation of the case, the Ethics Committee resolves to either close it or that an actual breach exists. In the event of a breach, the Committee will decide on its severity and the advisability of taking action, but the specific preventive, corrective and/or disciplinary measures will be determined by the competent department or area which will report them to the Ethics Committee.

Decisions of the Ethics Committee are binding for the Inditex Group and its employees.

The Ethics Committee submits a report to the Audit and Compliance Committee at least every six months, reviewing its proceedings and the enforcement of the Code of Conduct and Responsible Practices.

Additionally, the Audit and Compliance Committee apprises the board of directors, on an annual basis as well as whenever this latter so requires, of the enforcement of the Code of Conduct and Responsible Practices and the additional documents which comprise the Model of Compliance with internal regulations, from time to time in force.

With regard to the dissemination of the above-mentioned conduct regulations, the Group Human Resources Department is responsible for distributing a copy of the Code of Conduct and Responsible Practices to all new employees when they join the organisation.

Likewise, conduct regulations, as amended, are available on the corporate website under the Compliance tab, and on INET. They are subject to the appropriate measures regarding disclosure, distribution, training and awareness-raising, so that they may be understood and implemented within the whole organisation.

- **Whistleblowing channel allowing notifications to the audit committee of irregularities of a financial and accounting nature, in addition to potential breaches of the code of conduct and unlawful activities undertaken in the organisation, indicating whether this channel is confidential and whether anonymous notifications can be made, protecting the rights of the whistleblower and the person reported.**

An Ethics Line is available to all employees of the Group, manufacturers, suppliers or third parties with a direct relation and a lawful business or professional interest, regardless of their tier or geographic or functional location, so that they may report, even anonymously and within the remit of the Ethics Committee, any breach of the Group's internal conduct regulations by employees, manufacturers, suppliers or third parties engaged in an employment, business or direct professional relations with the Group, which affect Inditex or its Group.

Therefore, any breach and/or any manner of malpractice, including those of a financial and accounting nature, may be reported.

The Ethics Committee is responsible for overseeing the Ethics Line and compliance with the Ethics Line Procedure.

The proceedings of the Ethics Line are described in the Ethics Line Procedure approved by the board of directors on 17 July 2012 and amended on 10 December 2019. The Ethics Line Procedure clarifies and reinforces guarantees and protective measures for all parties in the process: (i) maximum confidentiality; (ii) non-retaliation; (iii) presumption of innocence and respect for the right to honour of reported parties; (iv) the right of the parties to be heard, and; (v) appropriate use of personal data processed.

Full information on the Ethics Committee and the Ethics Line is available on the intranet and on the corporate website where a direct link to such Line is available.

Reports of noncompliance and/or queries regarding the construction or enforcement of internal conduct regulations may be sent to the Company either (i) by post - to the attention of the Ethics Committee to the following postal address: Avenida de la Diputación, Edificio INDITEX, 15143 Arteixo, A Coruña (Spain) – or (ii) by email - (ethicsline@inditex.com).

- **Training and periodic refresher programmes for personnel involved in the preparation and revision of financial information, as well as in the assessment of the ICFR system, covering at least accounting standards, auditing, internal control and risk management.**

The Group's Training and Career Development Area, reporting to the HR Department, is charged with preparing, together with each of the areas reporting to the Financial Department, training and refresher courses addressed to staff responsible for drawing up and overseeing the financial information of each company within the Group. Said schemes include, both general courses, focusing on business expertise and knowledge of the different interrelated departments that make up the company, and specific schemes aimed at training and refreshing employees in respect of regulatory developments on financial reporting and oversight of financial information.

#### General Induction

Aimed at gaining internal knowledge of each business unit, as well as of each department and the respective activities, functions and duties within the business. Under this scheme, employees begin by working at the stores, getting directly acquainted with the whole process of running a store and they continue at different headquarters

#### Specific training

Group employees responsible for the processes associated with the preparation of financial information regularly take training and refresher courses that seek to acquaint them with local and international regulations on financial reporting, as well as with existing regulations and best practices in the area of internal control. An e-learning platform (TraIn) is available to employees, to train them on issues regarding financial reporting or information security, among others.

Within the financial environment, training and refresher schemes are arranged by the Human Resources Department liaising with each of the areas of the Financial Department.

Training courses are provided on an annual basis for all new heads of financial areas in each country, in order to get them acquainted with the Inditex Group's management model, as well as with the internal control system over financial reporting implemented by the Group. Specific training on the system is run to every employee who starts to play a role associated with ICFR (control owner, process owner, etc.).

Additionally, courses are taught by internal staff on the operation of financial software tools used to draw up financial information.

Among the specialised training run to employees of the different units and areas of the Financial Department, training is imparted every year on risk management, the update on international accounting standards (IFRS), local accounting standards and tax regulations. In addition, specific training is imparted on ICFR and on financial hedging.

## F.2. Assessment of risks in financial reporting

**Report on at least the following:**

### F.2.1. The main characteristics of the risk identification process, including risks of error and fraud, as regards:

- **Whether the process exists and is documented.**

The risk identification process has been documented in the Procedure for Enterprise Risk Management regarding Financial Reporting. This Procedure seeks to describe the mechanisms for identifying and assessing, on an annual basis, the risks that might lead to material errors in financial reporting

- **Whether the process covers all the objectives of financial reporting, (existence and occurrence; completeness; valuation; presentation; disclosure and comparability; and rights and obligations), whether it is updated and if so how often.**

The above-mentioned risks management process consists of five stages:

- Gathering financial information.
- Identifying the operating processes with an impact on financial information.
- Assessment of risks by the reporting unit of financial statements.
- Prioritising the accounts' criticality.
- Checking risks versus operating processes.

As a result of this process, a scoping matrix of risks regarding financial information (ICFR Scoping Matrix) is updated on an annual basis. This Scoping Matrix is used to identify the material headings of the financial statements, assertions or goals of financial information with respect to which any risks may exist, and the prioritisation of operational processes that have an impact on financial information.

Assessment covers all the goals of financial information: (i) existence and occurrence; (ii) integrity; (iii) assessment; (iv) release and breakdown; and (v) rights and obligations.

Following the identification of potential risks, they are assessed on an annual basis based upon the management's information and understanding of the business and upon materiality criteria.

Assessment criteria are established (i) from a quantitative perspective in accordance with parameters such as turnover, size of assets and pre-tax profit; and, (ii) from a qualitative perspective in accordance with different issues such as transactions standardising and processes automation, composition of accounting headings, changes versus the previous year, complexity of accounting, likelihood of fraud or error or degree of use of estimates in book recording.

- **The existence of a process for identifying the scope of consolidation, taking into account, among other factors, the possible existence of complex corporate structures or special purpose vehicles.**

The Group relies on a Corporate Master of Companies wherein all the companies that are part of the Inditex Group are included. Said Master is at the basis of the consolidation perimeter and is managed and updated in accordance with the Procedure for Incorporating and Financing of Companies.

The Master covers, on the one hand, general corporate information, such as company name, accounting closing date and currency, and on the other, legal details such as the date of incorporation, share capital, list of shareholders, equity interest, and other relevant information. The Legal Department is responsible for updating the Master as regards legal information.

The External Reporting area, which reports to the Planning and Management Control Department, reviews and updates, on a monthly basis, the number of companies that make up the Consolidation Perimeter, as well as the consolidation methods that apply to each of the companies included in the above-mentioned perimeter.

- **Whether the process takes into account the effects of other types of risk (financial, geopolitical, technological, environmental, social and governance) to the extent that they affect the financial statements.**

In addition to the above-mentioned quantitative and qualitative factors, the main risks identified through the Risks Map of the Inditex Group are considered in the process for the assessment of financial information risks.

Potential risks identified through the ICFR Scoping Matrix are taken into account upon preparing the Risks Map of the Group, which is updated on an annual basis by the Enterprise Risks Management Department (reporting to the Financial Department) with the assistance of all areas of the Organisation involved in the process. The Group may thus consider the impact that the remaining risks classified in the following groups: financial, geopolitical, technological, environmental, social and governance risks, may have on financial statements.

- **The governing body within the company that oversees the process..**

The whole process is overseen and approved on an annual basis by the Audit and Compliance Committee.

### F.3. Control activities

**Report on whether the company has at least the following, describing their main characteristics:**

**F.3.1. Review and authorisation procedures for financial information and a description of the ICFR, to be disclosed to the securities markets, indicating those responsible, as well as documentation describing the flow of activity and controls (including those relating to the risk of fraud) of the various types of transactions that may materially affect the financial statements, including accounting closing procedures and the specific review of significant judgements, estimates, valuations and projections.**

Pursuant to the Board of Directors' Regulations, the Audit and Compliance Committee is responsible, inter alia, for reviewing the annual accounts and the periodic information that the board of directors must submit to the markets and their supervisory bodies, verifying at all times compliance with statutory requirements and the appropriate use of generally accepted accounting principles upon drawing up such information.

Likewise, pursuant to the above-mentioned Regulations the Audit and Compliance Committee shall meet on a quarterly basis to review the periodic financial information to be submitted to the Stock Exchanges authorities and the information that the board of directors must approve and release as its annual public documentation.

Furthermore, the ICFR Area monitors that the ICFR is effective and appraises the Financial Department and, where appropriate, the Audit and Compliance Committee, of the findings of this monitoring.

The Group relies on mechanisms to review financial information. Each of the organisational structures is responsible for reviewing the financial information reported. Analytical reviews of the financial information reported by said structures are carried out at corporate level. Prior to stating the annual accounts and approving the half-yearly financial statements, the Financial Department and the external auditor meet, for the purposes of reviewing and assessing the financial information.

The Audit and Compliance Committee submits this information to the board of directors, which is ultimately responsible for approving it before releasing it to the market.

The Group keeps its main business processes with ICFR scope duly documented. Each process is structured into a number of sub-processes, with their relevant flowcharts, including the proceedings that play a direct or indirect role on financial reporting.

These processes describe the controls that make it possible to respond appropriately to risks associated with the achieving the objectives related to the reliability and integrity of the financial information, identifying any risks that may result in accounting fraud, so as to prevent, detect, reduce and correct the risk of any potential error way in advance. Each ICFR process has its scoping matrix of risks and controls associated, and they are separated between processes carried out at local level and at corporate level for the entire Group. Design of flowcharts, description of the different processes and sub-processes and identification of risks and controls is carried out with a process modelling software application.

This software application allows keeping the entire documentation relating to the Group's ICFR processes within a single environment, which results in streamlined processes, as flowcharts, narratives and scoping matrices of risk and control are integrated.

The ICFR monitoring model is implemented based upon a tool to manage and oversee internal control systems. In such tool, each control is assigned to an owner who carries them out with the defined frequency.

Each process is assigned to a process owner who assesses on a quarterly basis the effectiveness of controls and defines and updates the ICFR processes for which they are responsible.

The ICFR Area monitors on a quarterly basis the assessments made by processes owners about the effectiveness of controls. It also coordinates and encourages the periodic review of processes and controls design.

In addition, the ICFR Area is subject every year to an internal certification process whereby financial officers of the markets within the scope of ICFR monitoring, process owners and corporate directors of areas who take part in the process of preparation and monitoring of financial information certify that they have implemented the controls for which they are responsible.

With regard to closing, consolidation and reporting processes, the Financial Department issues the instructions together with the calendar and contents of the financial information to be reported by each of the local financial structures to draw up the consolidated financial statements.

Risks are identified in the ICFR's risk and controls matrix of the closing process, which includes controls relating to relevant opinions, estimates, assessments and projections.

### **F.3.2. Internal IT control policies and procedures (access security, control of changes, system operation, operational continuity and segregation of duties, among others) that support significant processes within the company relating to the preparation and publication of financial information.**

The internal control framework of the Group's information systems seeks to set up controls over the main business processes, which are closely related to Information Technologies ("IT").

Based upon the link between business processes and associated systems, basic risks are reviewed, enabling the company to prioritise and focus on the IT environments that are deemed to be especially relevant.

Within the ICFR IT controls defined by the Group, a number of general controls on applications are identified, including the following domains:

- Secure access to both applications and data.
- The application of logic and physical security measures
- Control and monitoring on changes in applications and their data.
- Environment segregation.
- Appropriate operation of applications.
- Availability of data and continuity of applications.

It bears mention that design of such controls is reviewed on an annual basis for the purposes of implementing such changes, if necessary, which ensure that associated risks are appropriately mitigated. Following such review, new controls have been included in 2022 aimed at shoring up controls on privileged access to platforms within the scope.

The implementation of ITGCs on the applications identified within the ICFR scope is monitored on an annual basis. As a general rule, the yardstick to identify applications within such scope is that they play a significant role in the preparation and monitoring of financial information.

The findings of such monitoring are reported to the Financial Department through the annual report assessing ICFR controls.

It bears mention that, in the process to design and implement applications and products, the Group has defined a methodological framework with different requirements aimed at ensuring that the solution implemented actually meets both the functions demanded by users and the security standards set out.

Likewise, the Group relies on contingency mechanisms and procedures, which have been defined to ensure recovery of information systems in case of lack of availability.

In 2022, the Information Security Committee met on a quarterly basis. Said Committee is charged with ensuring the effective and consistent enforcement of best practices regarding information security management across the organisation, reducing risks affecting security to the minimum, taking into account the company's business.

The members of such Committee as at 31 January 2023 are:

- The COO & Head of Digital and Sustainable Transformation
- The General Counsel and Secretary of the Board
- The Chief Digital Officer.
- The Chief Information Security Officer (CISO).
- The Chief Financial Officer
- The Chief Audit Officer (CAO).
- The Chief Compliance Officer.

The CEO, Mr Óscar García Maceiras, attended the last committee meeting held on 5 December 2022. The CEO will chair the Information Security Committee as of 1 February 2023.

The Information Security Policy sets forth the principles and guidelines whereby Inditex will protect its information, pursuant to applicable regulations and its ethical values defined in the Code of Conduct and Responsible Practices as well as the provisions of the Regulations of the Information Security Committee and of any other applicable internal regulations.

The overarching principles that inform the Policy are:

- (i) classification of information, in accordance with its value, relevance and criticality for the business;
- (ii) limited use of information systems to lawful and exclusively professional purposes;
- (iii) segregation of duties to avoid risks;
- (iv) setting retention periods by information category, where necessary or convenient;
- (v) setting monitoring procedures to control how information is made available to third parties;
- (vi) security in Information Systems;
- (vii) setting a process for continuity management to ensure recovery of critical Information for the Group in the event of disaster; and
- (viii) alignment of Information Systems and communications of the Group with the requirements of applicable laws and regulations..

The Information Security Department performs its monitoring duties in an independent manner and is responsible for implementing the Policy and monitoring compliance therewith, and with all requirements arising from applicable laws, regulations and best practices in the field of Information Security. In the framework of the Information Security Policy, the CISO's Charter has been approved in the year, which seeks to define the framework for action, the competences and the internal and external responsibilities of the Information Security function.

**F.3.3. Internal control policies and procedures for overseeing the management of activities subcontracted to third parties, as well as of those aspects of assessment, calculation or valuation entrusted to independent experts, which may materially affect financial statements.**

Included in the ICFR processes are controls on calculations made by third parties and on the criteria used for the purposes of mitigating the risks that might impact financial information.

Outsourced services are commissioned by the supervisors of the relevant areas, ensuring the technical and legal qualifications, capacity and independence of the experts hired.

## F.4. Information and communication

**Report on whether the company has at least the following, describing their main characteristics::**

**F.4.1. A specifically assigned function for defining and updating accounting policies (accounting policy area or department) and addressing concerns or conflicts arising from their interpretation, maintaining a free flow of information to those responsible for operations in the organisation, as well as an up-to-date accounting policy manual distributed to the business units through which the company operates..**

Within the Planning and Management Control Department, the External Reporting area is responsible for drawing up, disclosing, implementing and updating the Group's Manual on Accounting Policies. With regard to the Group's accounting policies, this area is responsible for, inter alia:

- Defining the accounting treatment of the transactions that make up the business of the Group.
- Defining and updating the accounting practices of the Group.
- Addressing concerns and conflicts arising from the construction of accounting standards.
- Standardising the accounting practices of the Group.

The Manual covers the different transactions inherent in the Groups' business and their accounting treatment in accordance with the benchmark accounting framework of the Inditex Group.

The Manual is regularly updated. As part of these updating procedure, the External Reporting area includes all accounting changes identified that were advanced to those in charge of drawing up the financial statements.

The Manual is available on the Company's INET.

**F.4.2. Mechanisms for capturing and preparing financial information in standardised formats for application and use by all units of the entity or group, and support its main financial statements and notes, as well as disclosures concerning ICFR.**

The process of consolidating and preparing financial statements is centralised and is incumbent on the External Reporting area, which reports to the Planning and Management Control Department.

Drawing up the consolidated financial information begins with the addition of individual financial statements of each company included in the consolidation perimeter, to be subsequently consolidated based upon the accounting regulations of the Group.

Financial information reported to CNMV is prepared based upon consolidated financial statements gathered through the above-mentioned tool, and upon certain supplementary information reported by the markets, required to prepare the annual/half-yearly report. Contemporaneously, certain specific controls are exerted to confirm integrity of said information.

The board of directors approved on 14 December 2020 the Policy on Disclosure of Economic-Financial, Non-Financial and Corporate Information that seeks to establish a framework for action and define the overarching principles that will govern disclosure by the Company of economic-financial, non-financial and corporate information via regulated and non-regulated channels.

Under said Policy, the board of directors, as the highest supervisory body responsible for overseeing economic-financial, non-financial and corporate information, shall ensure the broadest circulation and the highest quality of the information provided to the stakeholders, in accordance with a set of principles that include transparency, objectivity, accuracy, immediacy and symmetry in disclosure of information.

## F.5. Supervision of the system's operation

**Give information on the key features of at least:**

**F.5.1. The activities of the audit committee in overseeing ICFR as well as whether there is an internal audit function one of the responsibilities of which is to provide support to the committee in its task of supervising the internal control system, including ICFR. Additionally, describe the scope of ICFR assessment made during the year and the procedure through which the person responsible for performing the assessment communicates its results, whether the company has an action plan detailing possible corrective measures, and whether their impact on financial reporting has been considered.**

With regard to the evaluation of ICFR and the procedure set to disclose its results, the ICFR area monitors on a quarterly basis, via the owners of processes with an impact on financial information, the implementation of controls, requesting and reviewing a sample of evidence from the owners of each control.

As a result of such monitoring, improvement areas are identified and they are assigned an action plan to remedy them. Follow up ensues to ensure they have been complied with.

Likewise, the ICFR area issues on a quarterly basis a report with the findings of each control, the main action lines followed in the quarter and the incidences identified. Such reports are submitted to the Financial Department, the heads of financial departments and the Internal Audit Department.

In 2022 and specifically regarding ICFR oversight activities, the Audit and Compliance Committee has carried out the following proceedings, without limitation:

- It has reviewed the consolidated annual accounts of the Group and the periodic quarterly and half-yearly financial information that the Board of Directors has to provide to the markets and its supervisory bodies, overseeing compliance with statutory requirements and the appropriate application of the generally accepted accounting principles upon drafting this information.
- As part of its supervision duties regarding the Internal Audit function, it has approved its annual activities report, as well as its budget and the annual internal audit plan that includes specific audits on ICFR processes, pursuant to a pluri-annual plan set.
- It has reviewed the annual audit plan of external auditors that includes the audit objectives based upon the evaluation of risks of financial information and the main areas of interest or significant transactions subject to review in the year.
- It has reviewed with the external auditor and with Internal Audit the internal control weaknesses revealed, where appropriate, in the course of the different audit and review assignments. Meanwhile, both external auditors and Internal Audit have regularly advised the Audit and Compliance Committee on the degree of enforcement of recommendations resulting from these assignments.
- It has met regularly with other corporate departments of the Inditex Group for the purposes of overseeing the effectiveness of internal control systems of the Group, including ICFR, verifying their suitability and integrity and the degree of implementation of action plans to meet audit recommendations.

Internal Audit is a corporate function directly linked to the board of directors, which ensures full independence in the performance of its activities. Internal Audit functionally reports to the Audit and Compliance Committee.

The area is centrally managed from headquarters and has representatives in the geographic areas where the presence of the Inditex Group so requires. Additionally, it is divided into specialised areas, which allows for gaining a deep understanding of risks and processes.

Internal Audit's budget is approved on an annual basis by the Audit and Compliance Committee, which provides for the human and material assets, both internal and external of the Internal Audit Department.

The mission of the Internal Audit function consists, inter alia, of assessing risk exposure and the suitability and effectiveness of controls in respect of risks identified and namely, those related to reliability and integrity of financial and operational information.

Based upon the ICFR Scoping Matrix, Internal Audit drafts a pluri-annual plan for the regular review of ICFR of the Group, which is submitted to the Audit and Compliance Committee for approval every year.



This pluri-annual plan entails conducting ICFR reviews of the significant processes and elements of the Group's financial statements. Review priorities are set based upon the risks identified. This plan is implemented through annual planning that determines the scope of the annual ICFR reviews. The suitability of this plan is reviewed every year, further to the update of the process to identify and assess financial information risks. Additionally, annual planning include compliance with the provisions of current internal corporate policies, including the ICFR Policy.

Namely, the following issues are subject to review: the design and effective operation of key transactional controls and general controls on the main software tools involved in financial reporting, as well as the review of the general control environment.

To carry out its activities, Internal Audit uses different audit techniques, mainly interviews, analytical reviews, specific control tests, reviewing both the appropriateness of design and the effective operation thereof, review of the effectiveness of software tools and material tests.

Results of the assignments, together with the corrective measures recommended, where appropriate, are reported to the Financial Department and the Audit and Compliance Committee. Internal Audit follows up on the implementation of these measures, which is then reported to the Audit and Compliance Committee.

**F.5.2. Whether there is a discussion procedure whereby the auditor (as defined in the Spanish Technical Audit Standards), the internal auditor and other experts can report to senior management and the audit committee or directors of the company any significant weaknesses in internal control identified during the review of the annual financial statements or any others they have been assigned. Additionally, state whether an action plan is available for correcting or mitigating any weaknesses detected.**

Internal Audit regularly discloses to the Financial Department and the Audit and Compliance Committee the internal control weaknesses identified in the reviews carried out, as well as the follow-up on the action plans set out to settle or reduce them.

In turn, external auditors meet regularly with the Financial Department and Internal Audit, both to gather information and to disclose any potential control weaknesses that may have been revealed, where appropriate, in the course of their work.

In its meetings, the Audit and Compliance Committee considers the potential weaknesses in control that might have an impact on financial statements, requesting, where appropriate, from the affected areas, the necessary information to assess any effects on the financial statements.

Section 45.5 of the Board of Directors' Regulations provides that: *"The Board of Directors shall ensure that the annual accounts are drawn up in accordance with accounting standards, endeavouring to draft them in such a manner that they do not give rise to qualifications on the part of the auditor. However, in the exceptional circumstances where the auditor expresses a qualified opinion and the Board of Directors considers that it must stick to its position, it shall publicly explain the contents and scope of the discrepancy. The foregoing without prejudice to the information that the Chair of the Audit and Compliance Committee would make available to the shareholders at the General Meeting of Shareholder"*

To meet the provisions of section 45.5 above-mentioned, any discussions or differing views that may exist are advanced in the meetings of the Audit and Compliance Committee with external auditors. In turn, external auditors report, where appropriate, on the main internal control issues that need to be improved that have been identified as a result of their work. Additionally, Management reports on the degree of implementation of the relevant action plans set in train to correct or reduce the issues identified.

Meanwhile, the Audit and Compliance Committee meets with the statutory auditors of the individual and consolidated annual accounts for the purposes of reviewing on the one hand the Group's annual account, and on the other, certain periodic financial information that the board of directors must provide to the market and its supervisory bodies, overseeing compliance with statutory requirements and the appropriate enforcement of generally accepted accounting principles upon preparing such information.

Moreover, the Committee regularly receives from the statutory auditor information on the audit plan and the results of its implementation, follows up on the recommendations proposed by the statutory auditor and may request its collaboration whenever this is deemed necessary.

In 2022 members of the Internal Audit function were in attendance at 5 of the 6 meetings held by the Audit and Compliance Committee and external auditors were in attendance at 4 of them.

F.6. Other relevant information

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## F.7. External auditor's report

### **Report:**

**F.7.1. Whether the ICFR information sent to the markets has been subjected to review by the external auditor, in which case the entity should include the corresponding report as an attachment. If not, reasons why should be given.**

The information on ICFR included in this section F of the Annual Corporate Governance Report for 2022 and prepared by the Group's Management is reviewed by the external auditors.

## G. Degree of compliance with corporate governance recommendations

Specify the company's degree of compliance with recommendations of the Good Governance Code for listed companies.

In the event that a recommendation is not followed or only partially followed, a detailed explanation of the reasons must be included so that shareholders, investors and the market in general have enough information to assess the company's conduct. General explanations are not acceptable.

1. That the articles of association of listed companies should not limit the maximum number of votes that may be cast by one shareholder or contain other restrictions that hinder the takeover of control of the company through the acquisition of its shares on the market..

Complies x Explain

2. That when the listed company is controlled by another entity within the meaning of section 42 of the Commercial Code, whether listed or not, and has, directly or through its subsidiaries, business relations with said entity or any of its subsidiaries (other than the listed company) or carries out activities related to those of any of them it should make accurate public disclosures on:

- The respective areas of activity and possible business relationships between the listed company or its subsidiaries and the parent company or its subsidiaries..
- The mechanisms in place to resolve any conflicts of interest that may arise.

Complies x Complies partially Explain

3. That, during the Annual General Meeting, as a complement to the distribution of the written annual corporate governance report, the chairman of the Board of Directors should inform shareholders orally, in sufficient detail, of the most significant aspects of the company's corporate governance, and in particular:

- Changes that have occurred since the last Annual General Meeting.
- Specific reasons why the company has not followed one or more of the recommendations of the Code of Corporate Governance and the alternative rules applied, if any

Complies x Complies partially Explain

4. That the company should define and promote a policy on communication and contact with shareholders and institutional investors, within the framework of their involvement in the company, and with proxy advisors that complies in all aspects with rules against market abuse and gives equal treatment to shareholders who are in the same position. And that the company should publish this policy on its website, including information on how it has been put into practice and identifying the contact persons or those responsible for implementing it. And that, without prejudice to the legal obligations regarding dissemination of inside information and other types of regulated information, the company should also have a general policy regarding the communication of economic-financial, non-financial and corporate information through any channels that as it may consider appropriate (media, social media or other channels) that helps maximise the dissemination and quality of information available to the market, investors and other stakeholders..

Complies x Complies partially Explain

5. That the Board of Directors should not submit to the General Meeting of Shareholders any proposal for delegation of powers allowing the issue of shares or convertible securities with the exclusion of pre-emptive rights in an amount exceeding 20% of the capital at the time of delegation.

And that whenever the Board of Directors approves any issue of shares or convertible securities with the exclusion of pre-emptive rights, the company should immediately publish the reports mentioned by company law on its website.

Complies x Complies partially Explain

6. That listed companies that prepare the reports listed below, whether under a legal obligation or voluntarily, should publish them on their website well in advance of the Annual General Meeting, even if their publication is not mandatory:

- Report on auditor independence..
- Reports on the proceedings of the audit and nomination and remuneration committees
- Report by the audit committee on related party transactions.

Complies x Complies partially Explain

7. That the company should broadcast its Annual General Meeting live on its website

And that the company should have mechanisms in place allowing to grant proxy and to cast votes by means of data transmission and even, in the case of large-caps and to the extent that it is proportionate, attendance and active participation in the General Meeting to be conducted by said remote means

Complies x Explain

8. That the audit committee should ensure that the financial statements submitted to the General Meeting of Shareholders are prepared in accordance with accounting regulations. And that in cases in which the auditor has included a qualification or reservation in its audit report, the chairman of the audit committee should clearly explain to the general meeting the opinion of the audit committee on its content and scope, making a summary of this opinion available to shareholders at the time when the meeting is called, alongside the other Board proposals and reports.

Complies x Complies partially Explain

9. That the company should permanently publish on its website the requirements and procedures for certification of share ownership, the right of attendance at the General Meeting of Shareholders, and the exercise of the right to vote or to issue a proxy.

And that these requirements and procedures promote attendance and the exercise of shareholder rights in a non-discriminatory manner..

Complies x Complies partially Explain

10. That when a duly authenticated shareholder has exercised his or her right to supplement the agenda or submit new proposals for resolutions in advance of the General Meeting of Shareholders, the company should:

- immediately distribute the supplementary items and new proposals for resolutions.
- publish the standard form of attendance card or the form to vote by proxy or cast absentee voting with the necessary changes so that the new agenda items and alternative proposals may be voted on in the same terms as those proposed by the Board of Directors.
- put all these items or alternative proposals to the vote applying the same voting rules as for those submitted by the board of directors, with particular regard to presumptions or deductions about the direction of votes.
- after the General Meeting of Shareholders, disclose the breakdown of votes on said supplementary items or alternative proposals.

Complies x Complies partially Explain Not applicable

11. That if the company intends to pay premiums for attending the General Meeting of Shareholders, it should establish in advance a general policy on said premiums and this policy should be stable..

Complies Complies partially Explain Not applicable x

12. That the board of directors should perform its functions with a unity of purpose and independence of criterion, treating all similarly situated shareholders equally and being guided by the best interests of the company, which is understood to mean the pursuit of a profitable and sustainable business in the long term, promoting its continuity and maximising the economic value of the business..

And that in pursuit of the company's interest, in addition to complying with applicable law and rules and conducting itself on the basis of good faith, ethics and a respect for commonly accepted best practices, it should seek to reconcile its own company interests, when appropriate, with the interests of its employees, suppliers, customers and other stakeholders that may be affected, as well as the impact of its corporate activities on the communities in which it operates and on the environment..

Complies x Complies partially Explain

13. That the Board of Directors should be of an appropriate size to perform its duties effectively and in a collegial manner, which makes it advisable for it to have between five and fifteen members..

Complies x Explain

14. That the Board of Directors should approve a policy aimed at encouraging an appropriate composition of the Board and that::

- Is specific and ascertainable;
- Ensures that motions for appointment or re-election are based upon a prior analysis of the needs of the board of directors; and
- Favours diversity of knowledge, experience, age and gender. For these purposes, it is considered that the measures that encourage the company to have a significant number of female senior executives favour gender diversity.

That the result of the prior analysis of the competences required by the board of directors are written up in the explanatory report from the nomination committee published upon calling the Annual General Meeting to which the ratification, appointment or re-election of each director is submitted.

The nomination committee shall verify annually compliance with this policy and explain its findings in the annual corporate governance report.

Complies x Complies partially Explain

15. That proprietary and independent directors should constitute a substantial majority of the board of directors and that the number of executive directors be kept to a minimum, taking into account the complexity of the corporate group and the ownership interest of executive directors.

And that the number of female directors should represent at least 40% of the members of the Board of Directors before the end of 2022 and thereafter, and not less than 30% prior to that date.

Complies x    Complies partially    Explain

16. That the number of proprietary directors out of all non-executive directors should not be greater than the proportion of the company's share capital represented by those directors and the rest of the capital.

This yardstick may be relaxed:

- In large-cap companies where very few shareholdings are legally considered significant.
- In the case of companies where a plurality of shareholders is represented on the board of directors without ties among them.

Complies x    Explain

17. That the number of independent directors should represent at least half of the total number of directors.

That, however, when the company does not have a high level of market capitalisation or in the event that it is a large-cap company with one shareholder or a group of shareholders acting in concert who together control more than 30% of the company's share capital, the number of independent directors should represent at least one third of the total number of directors.

Complies x    Explain

18. That companies should publish the following information on its directors on their website, and keep it regularly updated:

- Professional experience and biography.
- Any other boards to which the directors belong, regardless of whether or not the companies are listed, as well as any other remunerated activities engaged in, regardless of type.
- Directorship type, indicating, in the case of individuals who represent significant shareholders, the shareholder that they represent or to which they are connected.
- Date of their first appointment as a director of the company's board of directors, and any subsequent re-elections.
- Company shares and share options that they own.

Complies x    Complies partially    Explain

19. That the annual corporate governance report, following verification by the nomination committee, should explain the reasons for the appointment of any proprietary directors on the proposal of shareholders whose holding is less than 3%. It should also explain, where applicable, any rejection of a formal request for a board position from shareholders whose equity stake is equal to or greater than that of others applying successfully for a proprietary directorship.

Complies    Complies partially    Explain    Not applicable x

20. That proprietary directors representing significant shareholders should resign from the board when the shareholder they represent disposes of its entire shareholding. They should also resign, in a proportional fashion, in the event that said shareholder reduces its stake to a level that requires a decrease in the number of proprietary directors.

Complies x    Complies partially    Explain    Not applicable

21. That the board of directors should not propose the removal of any independent director before the completion of the director's term provided for in the articles of association unless the Board of Directors finds just cause and a prior report has been prepared by the nomination committee. Specifically, just cause is considered to exist if the director takes on new duties or commits to new obligations that would interfere with his or her ability to dedicate the time necessary for attention to the duties inherent to his or her position as a director, are in breach of their fiduciary duty, or is affected by any of the circumstances that would cause the loss of independent status in accordance with applicable law.

The removal of independent directors may also be proposed as a result of a public takeover bid, merger or other similar corporate transaction entailing a change in the shareholder structure of the company, provided that these changes in the structure of the Board are the result of application of the proportionate representation criterion provided in Recommendation 16.

Complies x    Explain

22. That companies should establish rules requiring that directors inform the Board of Directors and, where appropriate, resign from their posts, when circumstances arise that affect them, whether or not related to their actions in the company itself, and that may harm the company's standing and reputation, and in particular requiring them to inform the board of any criminal charges brought against them as well as of how the legal proceedings subsequently unfold..

And that, if the board is informed or becomes aware in any other manner of any of the circumstances mentioned above, it must examine the case as quickly as possible and, depending on the specific circumstances, decide, based on a report from the nomination and remuneration committee, whether or not any measure must be adopted, such as the opening of an internal investigation, asking the director to resign or proposing that he or she be dismissed. And that these events must be reported in the annual corporate governance report, unless there are any special reasons not to do so, which must also be noted in the minutes. This without prejudice to the information that the company must disclose, if appropriate, at the time when the corresponding measures are implemented..

Complies x      Complies partially      Explain

23. That all directors clearly express their opposition when they consider any proposal submitted to the board of directors to be against the company's interests. This particularly applies to independent directors and directors who are unaffected by a potential conflict of interest if the decision could be detrimental to any shareholders not represented on the board of directors.

Furthermore, when the board of directors makes significant or repeated decisions about which the director has serious reservations, the director should draw the appropriate conclusions and, in the event the director decides to resign, explain the reasons for this decision in the letter mentioned in the next recommendation..

This recommendation also applies to the secretary of the Board of Directors, even if he or she is not a director

Complies x      Complies partially      Explain

24. That whenever, due to resignation or resolution of the General Meeting of Shareholders, a director leaves before the completion of his or her term of office, the director should explain the reasons for this decision, or in the case of non-executive directors, their opinion of the reasons for the general meeting resolution, in a letter addressed to all members of the board of directors.

And that, without prejudice to all this being reported in the annual corporate governance report, as far as it is relevant to investors, the company should publish an announcement of the departure as rapidly as possible, with sufficient reference to the reasons or circumstances provided by the direct.

Complies x      Complies partially      Explain

25. That the nomination committee should make sure that non-executive directors have sufficient time available in order to properly perform their duties.

And that the Board regulations establish the maximum number of company boards on which directors may sit.

Complies x      Complies partially      Explain

26. That the board of directors meet frequently enough to be able to effectively perform its duties, and at least eight times per year, following a schedule of dates and agendas established at the beginning of the year and allowing each director individually to propose other items that do not originally appear on the agenda.

Complies x      Complies partially      Explain

27. That director absences occur only when absolutely necessary and be quantified in the annual corporate governance report. And when absences do occur, that the director appoint a proxy with instructions.

Complies x      Complies partially      Explain

28. That when directors or the secretary express concern regarding a proposal or, in the case of directors, regarding the direction in which the company is headed and said concerns are not resolved by the board of directors, these concerns should be included in the minutes at the request of the director expressing them.

Complies x      Complies partially      Explain      Not applicable

29. That the company should establish adequate means for directors to obtain appropriate advice in order to properly fulfil their duties including, should circumstances warrant, external advice at the company's expense.

Complies x      Complies partially      Explain

30. That, without regard to the knowledge necessary for directors to complete their duties, companies make refresher courses available to them when circumstances make this advisable

Complies x      Complies partially      Explain

31. That the agenda for meetings should clearly indicate those matters on which the board of directors is to make a decision or adopt a resolution so that the directors may study or gather all relevant information ahead of time.

When, under exceptional circumstances, the chairman wishes to bring urgent matters for decision or resolution before the board of directors that do not appear on the agenda, the prior express agreement of a majority of the directors shall be required, and said consent shall be duly recorded in the minutes.

Complies x      Complies partially      Explain

32. That directors be periodically informed of changes in shareholding and of the opinions of significant shareholders, investors and rating agencies of the company and its group.

Complies x      Complies partially      Explain

33. That the chairman, as the person responsible for the efficient workings of the board of directors, in addition to carrying out the duties assigned by law and the articles of association, should prepare and submit to the board of directors a schedule of dates and matters to be considered; organise and coordinate the periodic evaluation of the board as well as, where applicable, the chief executive of the company, should be responsible for leading the board and the effectiveness of its work; ensuring that sufficient time is devoted to considering strategic issues, and approve and supervise refresher courses for each director when circumstances make this advisable.

Complies x    Complies partially    Explain

34. That when there is a lead independent director, the articles of association or Board regulations should confer upon him or her the following powers in addition to those conferred by law: to chair the board of directors in the absence of the chairman and deputy chairmen, should there be any; to reflect the concerns of non-executive directors; to liaise with investors and shareholders in order to understand their points of view and respond to their concerns, in particular as those concerns relate to corporate governance of the company; and to coordinate a succession plan for the chairman.

Complies x    Complies partially    Explain    Not applicable

35. That the secretary of the board of directors should pay special attention to ensure that the activities and decisions of the board of directors take into account the recommendations regarding good governance contained in the Good Governance Code as may be applicable to the company.

Complies x    Explain

36. That the board of directors meets in plenary session once a year and adopt, where appropriate, an action plan to correct any deficiencies detected in the following:

- Quality and efficiency of the proceedings of the board.
- Proceedings and composition of its committees.
- Diversity of board membership and competences.
- Performance of the chairman of the board of directors and of the chief executive officer of the company.
- Performance and input of each director, paying special attention to those in charge of the various board committees.

In order to perform its evaluation of the various committees, the Board of Directors shall take a report from the committees themselves as a starting point and for the evaluation of the Board, a report from the nomination committee..

Every three years, the Board of Directors will turn for its evaluation to an external advisor, whose independence shall be verified by the nomination committee.

Business relationships between the external adviser or any member of the adviser's group and the company or any company within its group must be specified in the annual corporate governance report.

The process and the areas evaluated must be described in the annual corporate governance report.

Complies x    Complies partially    Explain

37. That if there is an executive committee, it must contain at least two non-executive directors, at least one of whom must be independent, and its secretary must be the secretary of the Board

Complies x    Complies partially    Explain    Not applicable

38. That the board of directors must always be aware of the matters discussed and decisions taken by the executive committee and that all members of the board of directors receive a copy of the minutes of meetings of the executive committee..

Complies x    Complies partially    Explain    Not applicable

39. That all members of the audit committee, in particular its chairman, be appointed in consideration of their knowledge and experience in accountancy, audit and risk management issues, both financial and non-financial..

Complies x    Complies partially    Explain    Not applicable

40. That under the supervision of the audit committee, there should be a unit in charge of the internal audit function, which ensures that information and internal control systems operate correctly, and which reports to the non-executive chairman of the board or of the audit committee.

Complies x    Complies partially    Explain    Not applicable

41. That the person in charge of the unit performing the internal audit function should present an annual work plan to the audit committee, for approval by that committee or by the board, reporting directly on its execution, including any incidents or limitations of scope, the results and monitoring of its recommendations, and present an activity report at the end of each year.

Complies x    Complies partially    Explain    Not applicable

42. That in addition to the provisions of applicable law, the audit committee should be responsible for the following:

1) With regard to information systems and internal control:

- a) Overseeing and evaluating the process of preparation and the completeness of financial and non-financial information, as well as the control and management systems for financial and non-financial risk relating to the company and, where applicable, the group - including operational, technological, legal, social, environmental, political and reputational risk, or risk related to corruption- reviewing compliance with regulatory requirements, the appropriate delimitation of the scope of consolidation and the correct

application of accounting criteria.

- b) Ensuring the independence of the unit charged with the internal audit function; proposing the selection, appointment and dismissal of the head of internal audit; proposing the budget for this service; approving or proposing its orientation and annual work plans for approval by the Board, making sure that its activity is focused primarily on material risks (including reputational risk); receiving periodic information on its activities; and verifying that senior management takes into account the conclusions and recommendations of its reports
- c) Establishing and overseeing a mechanism that allows employees and other persons related to the company, such as directors, shareholders, suppliers, contractors or subcontractors, to report any potentially serious irregularities, especially those of a financial or accounting nature, that they observe in the company or its group. This mechanism must guarantee confidentiality and in any case provide for cases in which the communications can be made anonymously, respecting the rights of the whistleblower and the person reported.
- d) Generally ensuring that internal control policies and systems are effectively applied in practice

2) With regard to the external auditor:

- a) In the event that the external auditor resigns, examining the circumstances leading to their resignation.
- b) Ensuring that the remuneration paid to the external auditor for its work does not compromise the quality of the work or the auditor's independence..
- c) Making sure that the company informs the CNMV of the change of auditor, along with a statement on any differences that arose with the outgoing auditor and, where applicable, the contents thereof.
- d) Ensuring that the external auditor holds an annual meeting with the Board of Directors in plenary session in order to make a report regarding the tasks performed and the development of the company's accounting situation and risks..
- e) Ensuring that the company and the external auditor comply with applicable rules regarding the provision of services other than auditing, limits on the concentration of the auditor's business, and, in general, all other rules regarding auditors' independence.

Complies x    Complies partially    Explain

43. That the audit committee be able to require the presence of any employee or manager of the company, even stipulating that he or she appear without the presence of any other member of management..

Complies x    Complies partially    Explain

44. That the audit committee be kept abreast of any corporate and structural changes planned by the company in order to perform an analysis and draw up a prior report to the Board of Directors on the economic conditions and accounting implications and, in particular, any exchange ratio involved.

Complies x    Complies partially    Explain    Not applicable

45. That the risk management and control policy identify or determine, as a minimum:

- a) The various types of financial and non-financial risks (including operational, technological, legal, social, environmental, political and reputational risks and risks relating to corruption) that the company faces, including among the financial or economic risks contingent liabilities and other off-balance sheet risks.
- b) An enterprise risk management model based on different levels, which will include a specialised risk committee when sector regulations so require, or the company considers it to be appropriate..
- c) The level of risk that the company considers to be acceptable.
- d) Measures in place to mitigate the impact of the risks identified in the event that they should materialise.
- e) Internal control and information systems to be used in order to control and manage the aforementioned risks, including contingent liabilities or off-balance sheet risks.

Complies x    Complies partially    Explain

46. That under the direct supervision of the audit committee or, where applicable, of a specialised committee of the Board of Directors, an internal risk control and management function should exist, performed by an internal unit or department of the company that is expressly charged with the following responsibilities:

- a) Ensuring the proper functioning of the enterprise risk management systems and, in particular, that they adequately identify, manage and quantify all material risks affecting the company.
- b) Actively participating in drawing up the risk strategy and in important decisions regarding risk management.
- c) Ensuring that the enterprise risk management systems adequately mitigate risks as defined by the policy set forth by the Board of Directors.

Complies x    Complies partially    Explain



**47. That in designating the members of the nomination and remuneration committee—or of the nomination committee and the remuneration committee if they are separate—efforts are made to ensure that they have the knowledge, skills and experience appropriate to the functions that they are called upon to perform and that the majority of said members are independent directors.**

Complies x      Complies partially      Explain

**48. That large-cap companies have separate nomination and remuneration committees.**

Complies x      Complies partially      Explain

**49. That the nomination committee consult with the chairman of the Board of Directors and the chief executive of the company, especially in relation to matters concerning executive directors.**

**And that any director be able to ask the nomination committee to consider potential candidates that he or she considers suitable to fill a vacancy on the board of directors**

Complies x      Complies partially      Explain

**50. That the remuneration committee operates independently and that, in addition to the functions it has been assigned by statute, it should be responsible for the following:**

- a) Proposing to the board of directors the basic terms and conditions of employment for senior management.
- b) Verifying compliance with the company's remuneration policy.
- c) Periodically reviewing the remuneration policy applied to directors and senior managers, including share-based remuneration systems and their application, as well as ensuring that their individual remuneration is proportional to that received by the company's other directors and senior managers.
- d) Making sure that potential conflicts of interest do not undermine the independence of external advice given to the committee.
- e) Verifying the information on remuneration of directors and senior managers contained in the various corporate documents, including the annual report on director remuneration.

Complies x      Complies partially      Explain

**51. That the remuneration committee should consult with the chairman and the chief executive of the company, especially on matters relating to executive directors and senior management.**

Complies x      Complies partially      Explain

**52. That the rules on membership and proceedings of the supervision and control committees should appear in the regulations of the Board of Directors and that they should be consistent with those applying to legally mandatory committees in accordance with the foregoing recommendations, including:**

- a) That they be composed exclusively of non-executive directors, with a majority of independent directors
- b) That their chairpersons be independent directors.
- c) That the board of directors appoints members of these committees taking into account their knowledge, skills and experience and the duties of each committee; discuss their proposals and reports; and require them to render account of their activities and of the work performed in the first plenary session of the Board of Directors held after each committee meeting.
- d) That the committees be allowed to avail themselves of outside advice when they consider it necessary to perform their duties.
- e) That their meetings be recorded and their minutes be made available to all directors.

Complies x      Complies partially      Explain      Not applicable

**53. That verification of compliance with the company's policies and rules on environmental, social and corporate governance matters, and with the internal codes of conduct be assigned to one or divided among more than one committee of the Board of Directors, which may be the audit committee, the nomination committee, a specialised committee on sustainability or corporate social responsibility or any other specialised committee that the Board of Directors, in the exercise of its powers of self-organisation, may have decided to create. And that this committee be composed exclusively of non-executive directors, with a majority of these being independent directors, and that the minimum functions indicated in the next recommendation be specifically assigned to it.**

Complies x      Complies partially      Explain

**54. The minimum functions mentioned in the foregoing recommendation are the following:**

- a) Monitoring compliance with the company's internal codes of conduct and corporate governance rules, also ensuring that the corporate culture is aligned with its purpose and values.
- b) Monitoring the application of the general policy on disclosure of economic and financial information, non-financial and corporate information and communication with shareholders and investors, proxy advisors and other stakeholders. The manner in which the entity communicates and handles relations with small and medium-sized shareholders must also be monitored.

- c) The periodic evaluation and review of the company's corporate governance system, and environmental and social policy, with a view to ensuring that they fulfil their purposes of promoting the interests of society and take account, as appropriate, of the legitimate interests of other stakeholders
- d) Oversee the company's environmental and social practices to ensure that they are in alignment with the established strategy and policy.
- e) Oversee and evaluate the company's interaction with its different stakeholders..

Complies x    Complies partially    Explain

55. That environmental and social sustainability policies identify and include at least the following:

- a) The principles, commitments, objectives and strategy relating to shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights, and the prevention of corruption and other unlawful conduct.
- b) Means or systems for monitoring compliance with these policies, their associated risks, and management.
- c) Mechanisms for supervising non-financial risk, including that relating to ethical aspects and aspects of business conduct.
- d) Channels of communication, participation and dialogue with stakeholders..
- e) Responsible communication practices that impede the manipulation of data and protect integrity and honour.

Complies x    Complies partially    Explain

56. That director remuneration be sufficient in order to attract and retain directors who meet the desired professional profile and to adequately compensate them for the dedication, qualifications and responsibility demanded of their posts, while not being so excessive as to compromise the independent judgement of non-executive directors

Complies x    Explain

57. That only executive directors should receive variable remuneration linked to corporate results and personal performance, as well as remuneration in the form of shares, options or rights to shares or instruments referenced to the share price and long-term savings plans, such as pension plans, retirement schemes or other provident schemes.

Consideration may be given to delivering shares to non-executive directors as remuneration providing this is conditional upon their holding them until they cease to be directors. The foregoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition.

Complies x    Complies partially    Explain

58. That as regards variable remuneration, remuneration policies should incorporate the necessary limits and technical safeguards to ensure that this remuneration is in line with the professional performance of its beneficiaries and not based solely on general developments in the markets or in the sector in which the company operates, or other similar circumstances.

And, in particular, that variable remuneration components:

- a) Are linked to pre-determined and measurable performance criteria and that said criteria take into account the risk incurred to achieve a given result.
- b) Promote the sustainability of the company and include non-financial criteria that are geared towards creating long term value, such as compliance with the company's rules and internal operating procedures and with its risk management and control policies.
- c) Are based on balancing the attainment of short-, medium- and long-term objectives, so as to allow remuneration of continuous performance over a period long enough to be able to assess its contribution to the sustainable creation of value, in such a way that the elements used to measure performance are not associated only with one-off, occasional or extraordinary events.

Complies x    Complies partially    Explain    Not applicable

59. That the payment of variable remuneration components be subject to sufficient verification that previously established performance or other conditions have effectively been met. Entities must include in their annual report on director remuneration the criteria for the time required and methods used for this verification depending on the nature and characteristics of each variable component.

That, additionally, companies consider the inclusion of a reduction ('malus') clause for the deferral of the payment of a portion of variable remuneration components that would imply their total or partial loss if an event were to occur prior to the payment date that would make this advisable.

Complies x    Complies partially    Explain    Not applicable

60. That remuneration related to company results should take into account any reservations that might appear in the external auditor's report and that would diminish said results.

Complies x    Complies partially    Explain    Not applicable

61. That a material portion of executive directors' variable remuneration be linked to the delivery of shares or financial instruments referenced to the share price.

Complies x    Complies partially    Explain    Not applicable

**62. That once shares or options or financial instruments have been allocated under remuneration schemes, executive directors be prohibited from transferring ownership or exercising options or rights until a term of at least three years has elapsed.**

An exception is made in cases where the director has, at the time of the transfer or exercise of options or rights, a net economic exposure to changes in the share price for a market value equivalent to at least twice the amount of his or her fixed annual remuneration through the ownership of shares, options or other financial instruments.

The forgoing shall not apply to shares that the director may need to sell in order to meet the costs related to their acquisition or, following a favourable assessment by the nomination and remuneration committee, to deal with any extraordinary situations that may arise and so require.

Complies x   Complies partially   Explain   Not applicable

**63. That contractual arrangements should include a clause allowing the company to demand reimbursement of the variable remuneration components in the event that payment was not in accordance with the performance conditions or when payment was made based on data subsequently shown to have been inaccurate.**

Complies x   Complies partially   Explain   Not applicable

**64. That payments for contract termination should not exceed an amount equivalent to two years of total annual remuneration and should not be paid until the company has been able to verify that the director has fulfilled all previously established criteria or conditions for payment.**

For the purposes of this recommendation, payments for contractual termination will be considered to include any payments the accrual of which or the obligation to pay that arises as a consequence of or on the occasion of the termination of the contractual relationship between the director and the company, including amounts not previously vested of long-term savings schemes and amounts paid by virtue of post-contractual non-competition agreements

Complies x   Complies partially   Explain   Not applicable

# Further information of interest

**1. If there is any significant aspect regarding corporate governance in the company or other companies in the group that has not been included in other sections of this report, but that must be included in order to provide a more comprehensive and reasoned picture of the structure and governance practices in the company or its group, describe them briefly below.**

**2. This section may also be used to provide any other information, explanation or clarification relating to previous sections of the report, so long as it is relevant and not repetitive.**

**Specifically, indicate whether the company is subject to any corporate governance legislation other than that of Spain and, if so, include any information required under this legislation that differs from the data required in this report.**

**3. The company may also indicate whether it has voluntarily subscribed to other ethical or best practice codes, whether international, sector-based, or other. In this case, name the code in question and the date on which the company subscribed to it. Specific mention must be made as to whether the compan**

The codes and global commitments undertaken voluntarily by INDITEX include:

- *UNI GLOBAL UNION* ([www.uniglobalunion.org](http://www.uniglobalunion.org)). It encourages respect and promotion of fundamental rights and decent work within the retail and distribution network. Date of endorsement: 2 October 2009.
- *The United Nations Global Compact* ([www.globalcompact.org](http://www.globalcompact.org)). A United Nations initiative that encourages social dialogue between companies and the civil society. Date of endorsement: 31 October 2001.
- *Ethical Trading Initiative (ETI)* ([www.ethicaltrade.org](http://www.ethicaltrade.org)). A dialogue platform to improve working conditions of workers across the supply chains. It is an alliance of companies, international trade unions, and non-governmental organisations. Date of endorsement: 17 October 2005.
- *Global Framework Agreement with IndustriALL Global Union* (formerly, ITGLWF) ([www.industriall-union.org](http://www.industriall-union.org)). To promote fundamental human and social rights within Inditex's supply chain, including the definition of mechanisms of joint action within the supply chain to implement the Code of Conduct for Manufacturers and Suppliers. Date of endorsement: 4 October 2007. Inditex and IndustriALL executed on 4 May 2012 the "Protocol to define the involvement of trade unions in the reinforcement of the International Framework Agreement within Inditex's supply chain." On 8 July 2014, the Framework Agreement was renewed by both parties at ILO headquarters in Geneva, Switzerland. A new Agreement was executed on 25 April 2016 between Inditex and IndustriALL, that introduces the concept of "union experts" to enforce the Global Framework Agreement. The Global Framework Agreement was renewed on 13 November 2019. At this new stage, both parties have agreed to set up a Global Union Committee on which worker representatives from each of the Inditex Group's key areas of production will sit.
- *Zero Discharge of Hazardous Chemicals (ZDHC)*: Multi-stakeholder organisation comprising brands and representatives of the supply chains of the textile and footwear industry committed to the elimination of certain chemicals in the textile and footwear product manufacturing process. Date of execution: 27 November 2012.
- The ILO's *Better Work Programme* ([www.betterwork.org](http://www.betterwork.org)). Platform to improve compliance with labour regulations and competitiveness of global supply chains. Date of endorsement: October 2007. In the course of this partnership, Inditex and Better Work executed on 9 October 2013 a specific partnership agreement whereby Inditex became a direct buyer partner of the Better Work programme.
- *CEO Water Mandate* ([www.ceowatermandate.org](http://www.ceowatermandate.org)). A United Nations initiative to support companies in the development, implementation and disclosure of their water-related strategies and policies. Date of endorsement: 30 June 2011
- *Sustainable Apparel Coalition* ([www.apparelcoalition.org](http://www.apparelcoalition.org)). An initiative of the textile sector to set in train a joint sustainable index to assess the environmental performance of retail brands, suppliers and products. Date of endorsement: 20 October 2011.
- *Textile Exchange* ([www.textileexchange.org](http://www.textileexchange.org)): we are members of Textile Exchange, a global non-profit organisation with the mission of inspiring and equipping people to accelerate the adoption of preferred materials through clear and actionable guidance.
- *Better Cotton Initiative* ([www.bettercotton.org](http://www.bettercotton.org)). An initiative that develops and promotes best practices in the traditional growing of cotton to benefit the farmers and the environment, and to ensure the future of the sector. Date of endorsement: 1 July 2011
- *Code of Good Tax Practices*. It encourages a mutually cooperative relationship between the Tax Administration Authority of Spain and the companies. Date of endorsement: 21 September 201
- *Cooperation Agreement between the Ministry of Health and Consumption and the fashion sector in Spain*. It promotes the defence and encouragement of the rights of Spanish customers in the world of fashion, namely as regards creating and encouraging a healthy-looking appearance.
- *Cotton Campaign*: this is an initiative led by companies and organisations of the third sector to improve working conditions and defend Human Rights in the production and supply of cotton. Date of endorsement: 26 October 2012.

- International Accord (<https://internationalaccord.org/>). Agreement signed in 2021 by brands and international trade unions, witnessed by non-governmental organisations to honour the commitment to continue and expand the efforts towards a safe and healthy textile industry, based on the principles first upheld in Bangladesh in 2013. Inditex is a founding member and serves on its Steering Committee. The International Accord recognises the RMG Sustainability Council (RSC) as an independent organisation that continues the efforts in Bangladesh. Date of execution: 1 September 2021
- *Fur Free Alliance* ([www.infurinformation.com](http://www.infurinformation.com)). Inditex is a member of the Fur Free Retailer Program of the Fur Free Alliance. The Fur Free Alliance is an international coalition of animal protection organisations working to bring an end to the exploitation and killing of animals for their fur. Date of endorsement: 1 January 2014.
- *ACT (Action Collaboration Transformation)*: an initiative of international brands & retailers, manufacturers, and trade unions to address the issue of living wages in the textile and garment supply chain. In development thereof, a Memorandum of Understanding was subscribed by ACT's brands and IndustriALL Global Union to establish within the supply chains the principles of freedom of association, collective bargaining and living wages. Date of execution: 13 March 2015.
- *Canopy*: As founders of the Canopy Style initiative we collaborate with the Canopy organisation to protect primary high conservation-value (HCV) forests, and are particularly committed to ensuring that no cellulose originating in such forests will be used in man-made fibres (viscose, modal, Lyocell).
- *CEOE (Spain's Employers' Association)*: We cooperate actively with CEOE, the main spokesperson between companies in Spain and the Government and international institutions. Inditex is part of a number of work groups linked to different sustainability and circularity related issues.
- *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 18 years we have cooperated to tackle emergency situations in countries such as 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 or our used garments collection programme.
- *Organic Cotton Accelerator (OCA Foundation)*. One of the founding partners of OCA Foundation in 2016 and member of the Investment Committee, being actively committed to contributing to develop a responsible and healthy market of organic cotton for all parties involved.
- International Labour Organization (ILO): Execution of a global Public-Private Partnership aimed at promoting respect for the fundamental principles and rights at work in the cotton sector. Date of execution: 11 May 2017. Inditex has also joined ILO's Global Business and Disability Network that aims at creating an inclusive work culture respectful of disability worldwide. They encourage employment policies and practices inclusive of disabled people across every environment and help raise awareness among businesses for disability inclusion to be a pillar of their social commitment. Date of execution: 25 January 2023
- *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. Inditex joined this coalition in 2016.
- *Open to All*: Inditex is a supporter of Open to All and one of the brands that signed in 2022 the "Mitigate Racial Bias in Retail Charter", a campaign led by retailers in the US to combat racial discrimination and make everyone visiting our stores feel welcome irrespective of their race, ethnicity, origin, gender, sexual orientation, gender identity and expression, religion or disability.
- *Fashion Industry Charter for Climate Change*. The Fashion Industry Charter was subscribed with the UN Climate Change Office. Aligned with the goals of the Paris Agreement, the Charter has set an initial target of 30% GHG emission reduction by 2030. Date of execution: 28 November 2018.
- *Better Than Cash Alliance*. Based in the UN, this is an alliance of governments, companies and large international organisations that seek to globally promote the transition to a digital economy. Inditex is focused on achieving digitalisation and financial education across its supply chain. Inditex became a member in November 2018.
- *Sustainable Fibre Alliance (SFA)*: Non-profit international organisation that works with the extended cashmere supply chain, from herders to retailers. Its goal is to promote a global sustainability standard for cashmere production in order to preserve and restore grasslands, ensure animal welfare and secure livelihoods. Year of endorsement: 2019.
- *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.
- *The Fashion Pact* (<https://thefashionpact.org/>): Global coalition of companies in the fashion industry committed to key specific common goals to meet the challenges that the industry faces to stop climate change, preserve the oceans and restore biodiversity. Date of endorsement: 23 August 2019.

- *Global Fashion Agenda (GFA)* (<https://globalfashionagenda.com/>): The Company continues to strive to improve and sustain the circularity commitments made to the GFA and achieved in 2020, known as GFA 2020 Commitments. Our stores continue offering the used garments collection programme, we continue training our design teams in circularity and we have stepped up our activity to scale up textile to textile recycling. Inditex has been a signatory since 11 May 2017. 11 May 2017.
- *Accelerating Circularity*: A collaborative project of the garment industry that brings together the efforts of various operators from areas ranging from waste collection, recycling, fibre production or 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. We also belong to the initiative's Brand & Retailer Working Group in the US
- *ASA. Action for Social Advancement*: Since 2022, we have been collaborating with Action for Social Advancement (ASA), along with Laudes Foundation, IDH The Sustainable Trade Initiative and WWF India, to promote regenerative agriculture, ecosystem restoration and community well-being in a 300,000 hectares area in the Indian states of Madhya Pradesh and Odisha. The initiative seeks to improve soil quality and biodiversity, optimise water management and reduce greenhouse gas emissions.
- *United Nations High Commissioner for Refugees (UNHCR)*: Inditex and UNHCR have been working together since 2020 with the common goal of protecting the rights and well-being 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.
- *Arborus*: Inditex collaborates since 2018 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.
- *Arctic Corporate Shipping Pledge*: An Ocean Conservancy initiative that seeks that consumer goods companies and shipping logistics operators avoid the Arctic Trans-shipment Routes to protect the region's communities, marine life and ecosystems. Inditex joined this organisation in 2021.
- *Istanbul Textile and Apparel Exporter Association (ITKIB)*: In Türkiye, 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.
- *Asociación Española para la Calidad (AEC)* (Spanish Association for Quality): We are a member of the *Asociación Española para la Calidad* as we sit on the Fashion Industries committee. A large number of Spanish companies from the fashion industry sit on this committee that aims at driving competitiveness within the industry through quality and sustainability.
- *Asociación Nacional de Perfumería y Cosmética (Stanpa)* (National Perfumery and Cosmetics Association): We are a member of the *Asociación Nacional de Perfumería y Cosmética*, that represents and promotes a competitive, dynamic, innovating and sustainable industry, committed to ensuring people's care and well-being. Date of endorsement: 10 November 2021
- *AFIRM GROUP*: working forum of leading brands in the fashion, footwear and sport goods sector who share the common goal of reducing the use and impact of harmful substances across the textile and leather supply chain.
- *Partnership for Sustainable Economic Recovery*: initiative promoted in 2020 by Ecodes and the Spanish Green Growth Group, among others, to advocate for economically and socially effective stimulus policies and in turn to ensure they are aligned with sustainability and biodiversity policies.
- *Business for Social Responsibility (BSR)*: Global non-profit organisation that works with a network of more than 200 members to build a fair and sustainable world. Inditex has been a member of BSR since 2019 and takes part in several of BSR's initiatives, such as the HER Project to promote women's empowerment or projects on the social impact of the transition into a circular economy.
- *UN Business Ambition for 1.5°C*: Inditex joined in 2020 this urgent call for action from UN Global Compact, for a global coalition of business and industry leaders to commit their companies to set science-based emission reduction targets.
- *Race to Zero*: a campaign under the umbrella of the United Nations Framework Convention on Climate Change (UNFCCC) aimed at driving the change to a decarbonised economy. Inditex has been involved in the Race to Zero initiative since it was launched on 05/06/2020.
- *Business for Nature*: Business for Nature is a global coalition that brings together forward-thinking companies and conservation organisations aimed at demonstrating and amplifying a credible business voice on nature calling for governments to adopt policies to reverse nature loss in this decade. Inditex has signed up its Call to Action. Date: 27 September 2021
- *Business for Societal Impact (B4SI)*: 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.
- *The Fashion Industry Charter for Climate Action (UNFCCC)*: Inditex is a signatory of the Charter with the UN Climate Change Office, aligned with the goals set in the Paris Agreement, to be climate-neutral by 2050 (net-zero GHG emissions). The Fashion Industry Charter was launched in December 2018 at the COP24 summit in Katowice, Poland.

- *Covid-19: Action in the global garment industry:* this initiative aims to catalyse action from across the global garment industry to support manufacturers to survive the economic disruption caused by the COVID-19 pandemic and to protect garment workers' income, health and employment. This call to action has been coordinated in 2020 by the International Organisation of Employers (IOE), the International Trade Union Confederation (ITUC) and IndustriALL Global Union together with international brands, with the technical support of the International Labour Organization (ILO). Inditex is a member of the international working group convened by ILO to implement it.
- *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.
- *Disability:IN:* With a network of over 400 corporations Disability:IN is a non-profit organisation that works to expand opportunities for people with disabilities across enterprises and for people with disabilities to participate fully and meaningfully in an inclusive global economy. Based in the US, Disability:IN also promotes accessible innovation for all and the creation of inclusive work environments. Inditex has been a corporate partner of the organisation since 2022.
- *REDI (Business Network for LGTB+ 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, since 2018. REDI aims to nurture an inclusive and respectful environment in organisations that appreciate talent, regardless of sexual identity, gender expression and sexual orientation.
- *Foro Social de la Moda [Fashion Industry Social Forum]:* This forum was founded in 2018 as a joint initiative involving organisations in the third sector, local unions affiliated with IndustriALL Global Union (CCOO and UGT) and various Spanish textile brands including Inditex. It provides a forum for dialogue on global supply chains between various stakeholders.
- *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.
- *Fashion for Good:* global initiative for accelerating innovation 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 its characteristics and composition. The goal is to gauge textile waste sorting capacities in Europe. Inditex began collaborating with this organisation in 2021.
- *Four Paws:* We have had a public positioning against mulesing since 2022, in an initiative led by global animal welfare organisation Four Paws that seeks to stop this practice from the wool industry. This initiative is currently supported by over 50 brands worldwide.
- *Massachusetts Institute of Technology (MIT):* Inditex has partnered with the Massachusetts Institute of Technology (MIT) in the MIT-MISTI (International Science and Technology Initiatives) initiative to research the development of recycling processes and the creation of textile fibre processes through new clean methods, or from waste, or 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.
- *MIT Climate and Sustainability Consortium (MCSC):* Inditex is part of the group of founding companies of the MIT Climate and Sustainability Consortium (MCS), created in 2021 with the aim of accelerating the development of large-scale solutions to combat climate change. The initiative brings together leading multinationals from various industries to work with the Massachusetts Institute of Technology (MIT) to share processes and strategies for environmental innovation.
- *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.
- *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.
- *Shift:* non-profit organisation specialising in Human Rights led by Professor John Ruggie, the author of the UN Guiding Principles on Business and Human Rights. Inditex has been a participant of Shift's Business Learning Program since 2018. This leading program in Human Rights involves companies of all sectors willing to work towards implementing the Guiding Principles.

- *RMG Sustainability Council (RSC)*: The RMG Sustainability Council (RSC) is the Bangladeshi organisation that continues the inspection and remediation efforts in production facilities to ensure building security, taking over from Accord in 2020. The same number of representatives from each of its three constituents: textile industry brands, trade union federations and employers' associations in the country sit on its board of directors. Inditex works actively with its suppliers and manufactures in the programmes above and is a member of its board of directors.
- *Plena Inclusión (Full Inclusion)*: association that works in Spain advocating for the rights of people with intellectual or development disabilities and their families. Supporting and actively searching for job opportunities, they help people with disabilities develop a life quality project and feel that they are fully included in the society and at the workplace. Inditex began collaborating with this organisation in 2019.
- *Smart Freight Centre*: Inditex has joined in 2020 this global non-profit organisation dedicated to sustainable freight. Its vision is achieving an efficient and zero-emissions global logistics sector, contributing to the Paris Agreement targets and the Sustainable Development Goals. To achieve this, it brings together the global logistics community through its Global Logistics Emissions Council (GLEC). The Clean Cargo initiative joined the Smart Freight Centre family in 2022. Inditex adhered to Clean Cargo Group in 2020. 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).
- *Social & Labor Convergence Program (SLCP)*: this initiative provides tools to gather accurate data on working conditions across global supply chains facilitating data exchanges and minimising the need for individual social audits. Inditex has been a member of SLCP since its inception and has played an active role in reinforcing the programme in terms of management and contents. Inditex sits on the SLCP Council representing the interests of the adhering brands and providing a strategic oversight of the programme.
- *Policy Hub-Circularity for Apparel and Footwear*: Inditex actively collaborates with *Policy Hub-Circularity for Apparel and Footwear*, an organisation that brings the textile industry and its stakeholders together to speed up the sector's transformation to a circular model. Inditex has been collaborating with the Policy Hub since its inception in 2018 as member of the SAC organisation work group.
- *UN Uniting Business and Governments to Recover Better*: Inditex signed in 2020, together with some other 150 companies in the Science Based Targets initiative, this joint statement urging governments across the world to align their COVID-19 economic aid and recovery efforts with the latest climate science.
- *Alianza país por la pobreza infantil cero* [Country Alliance for Zero Child Poverty]. This initiative was launched by the High Commissioner against Child Poverty of the Government of Spain. It seeks to encourage participation and joint alliances from social players to work together towards a common goal: a country where all kids and teens have the same opportunities irrespective of their birth conditions. Inditex has been a member of the Alliance since January 2021.
- *Cargo Owners for Zero Emissions Vessels (COZEV)* (<https://www.cozev.org/>): This initiative is led by Aspen Institute as part of its Shipping Decarbonization Initiative (SDI) programme to accelerate the transition towards zero emissions vessels and to set a commitment to use only zero-carbon ocean shipping by 2040. Date of endorsement: 19 October 2021.
- *Cáritas*: We have been working with this non-profit organisation 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.
- *Ellen MacArthur Foundation*: Within the framework of our collaboration with the Ellen MacArthur Foundation, we have signed a 2025 commitment to the *New Plastics Economy* launched by the Ellen MacArthur Foundation and the UN Environment Programme that targets a circular economy for plastic. Under such commitment, every plastic that we use in our activity should be reused or recycled so that they can be reintroduced into the circuit, at the same time that unnecessary plastic in packaging is reduced and the percentage of recycled plastic in such packaging is increased. We are also endorsing its Jeans Redesign project undertaking to put on sale garments designed focusing on recycling and durability. Date of endorsement: 12 September 2021.
- *Entreculturas*: We have been collaborating with the Jesuit-sponsored NGO since 2001 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.
- *EuroCommerce*: Since 16 March 2005, we are actively involved with EuroCommerce, the largest representative body of the retail industry in Europe, with over 6 million retail and wholesale companies from various sectors. We are also members of its environmental committee and founding members of its representative body, TEFRIG, made up of companies from the textile industry.



- *European Network Against Racism (ENAR)*: Like the ENAR Foundation (“European Network Against Racism”, which advocates racial equality), Inditex envisions a society where there is full equality, solidarity and well-being for all and where discrimination against people based on their skin colour, religion, culture, nationality or origin is not tolerated. In 2021, the ENAR Foundation granted the Holistic Diversity Management Certificate to the Inditex network of Champions of Diversity in Europe, developed in conjunction with experts in D&I management.
- *Every Mother Counts*: A charitable organisation dedicated to helping women receive quality healthcare 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.
- *Global Reporting Initiative (GRI)*: GRI is an international non-profit organisation that provides companies and organisations with universal sustainability reporting standards. Inditex has been following the criteria and guidelines of this international reporting framework since 2007. Inditex is also a member of the GRI Community, a community of companies from different sectors that collaborate, demonstrate leadership in reporting and share knowledge and best practices.
- *IFRS Sustainability Alliance*: Inditex is a member of the IFRS Sustainability Alliance that combines the SASB Alliance and <IR> Business Network. This alliance seeks to provide a global framework of reference for sustainability reporting standards to achieve a consistent and comprehensive corporate reporting system. Inditex has been a member of the organisation from inception, and as a member of the <IR> Business Network, has been guided by its principles since the initiative was launched. It took part in the first pilot carried out by IIRC in 2011.
- *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 working together to prepare a map to monitor the performance of textile companies in China.
- *LEAF Coalition* (<https://leafcoalition.org/>). Voluntary global coalition that brings together the private sector and governments to focus on the protection of tropical forests to halt deforestation and support sustainable development in the countries where they are found. Inditex became a participant in November 2021.
- *Leather Working Group (LWG)*: Inditex is a member of the *Leather Working Group (LWG)*, an international non-profit organisation from the leather industry. LWG’s mission is to guarantee the responsible supply of leather to the industry and consumers and is committed to driving best practices and a positive social and environmental change to ensure a responsible leather production. The LWG standard includes environmental best practices for the industry and it promotes continuous improvement.
- *London Benchmarking Group Spain (LBG)*: A methodology that measures business social impact. Inditex is a member of LBG Spain, currently composed of 20 companies.
- *The Ali Forney Center*: The Ali Forney Center (AFC), based in New York City, is the largest LGBT community centre helping LGBTQ+ homeless youth in the United States. It provides them with stable housing as well as support and integrated services linked to healthcare, education and safety. Its mission is to empower them with the tools needed to live independently. Inditex has been a corporate partner of the organisation since 2022.
- *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 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.
- *Universidade da Coruña (UDC)*: As part of our strategic alliance with Universidade da Coruña (UDC), we have launched a number 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.
- *Universidade de Santiago de Compostela (USC)*: In the framework of our community investment, we have been working together with the University of Santiago de Compostela since 2010 to develop the Inditex Chair of Spanish Language and Culture in Bangladesh.
- *Universidad Miguel Hernández (UMH)*: We collaborate with UMH to develop the TEMPE-APSA Disability and Employability Chair as part of our community investment initiatives.
- *Universidad Pontificia de Comillas*: We collaborate with this University to run the Inditex Chair of Refugees and Forced Migrants within the scope of our community investment.
- *Universitat de Lleida. A3 Leather Innovation Center* in Igualada: Our collaboration with A3 Center revolves around the development of the best leather tanning and finishing technologies, as well as sensitive and versatile methods to analyse key substances such as formaldehyde and chromium (IV).
- *Universidad Politècnica de Catalunya (UPC)*: Inditex has joined forces with the Universitat Politècnica de Catalunya to research microplastics present in marine ecosystems as a result of laundry wastewater. The project aims at minimising detachment of such particles (< 5 mm) from garments, to prevent their ending up into the sea.
- *University of Cambridge*: We have joined forces with the Centre for Risk Studies at the University of Cambridge to enhance our climate risk assessment model and explore the resilience of our value chain under different scenarios and greenhouse gas emissions pathways. Date of execution: 2 March 2020.

- *University of Dhaka*: We have been working together with the University of Dhaka since 2010 to develop 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, student mobility grants programme and the hosting of especially significant artistic events.
- *University of Oxford*: Inditex has worked since 2019 with researchers from the University of Oxford to support innovation in improving well-being and empowerment of workers across the fashion supply chain. This collaboration has materialised in a project that seeks to understand the needs and preferences of workers in Morocco.
- *Water.org*: We have been working with global non-profit organisation Water.org since 2015 to improve access to drinking water and sanitation for vulnerable families in Bangladesh, Cambodia and India. Through our strategic alliance with Water.org, over three million people have improved their access to drinking water and sanitation through microloans. . Additionally, in 2022 we have launched a new programme named Water and Climate Fund to carry out projects to improve water and sanitation infrastructure in Bangladesh, India, Indonesia and the Philippines. The goal is to boost efficiency and savings, in addition to helping local communities gain access to such resource.
- *World Wildlife Fund (WWF)*: In 2022, we entered a global partnership with WWF to carry out projects aimed at nature restoration and ecosystem conservation. In addition to funding projects, the agreement also includes the joint work of both organisations in transformation projects in the textile industry aimed at conservation and creating a positive impact on large ecosystems.

**This Annual Corporate Governance Report was approved by the Board of Directors of the company in the meeting held on 14 March 2023.**

**Indicate whether any director voted against or abstained from approving this report.**

Yes      No x

Name or company name of the member of the Board of Directors who has not voted for the approval of this report	Reasons (against, abstention, non attendance))	Explain the reasons