


# INDITEX

STATEMENT OF  
NON-FINANCIAL  
INFORMATION  
2022

A woman with dark hair tied back, wearing a dark blazer, is seen from the side, examining a garment on a metal clothing rack. The rack is filled with various items of clothing, including what appears to be a long dress or skirt. The background is a plain, light-colored wall. The overall scene is set in a retail environment, likely a clothing store.



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# Message from the Chairperson

GRI 2-22; 3-3

Inditex's true strength, which enables us to tackle any challenge, no matter how difficult is, the thousands of people who make up the Group. It is their talent, creativity, enthusiasm, and hard work that make Inditex better and better. Performance in 2022, the year in which I had the honour of becoming the Group's non-executive chairperson, was a good example of that strength. Thanks to the magic that exists at this company, the magic our talented and devoted teams put into everything they do, we performed very well despite an uncertain and complex backdrop.

A refusal to settle, a passion for things well done and tirelessly striving to do things better are the characteristics that define us. This magic permeates our stores, our brands' sales and design teams, our logistics facilities, our production centres and our corporate departments. It explains our achievements and guarantees that what comes next will likewise astonish.

Our model pivots around design and product, the quality of our customer relations and our responsibility to our surroundings. By always working as a team, combining humility with ambition, we are forging a company that never loses its essence despite evolving constantly. We don't want to be fast; we want to be agile and flexible. We don't want to be big, we want to be relevant. We want to be agents of change and aspire to lead our industry's transformation. We want to have a positive impact in everything we do.

The confidence placed in our brands and products by our store and online customers all over the world drives us. The achievements and milestones obtained through the Group in a year as challenging as 2022 encourage us to go on working with the same enthusiasm, ambition and determination as always. Fashion is our passion and our contribution is to constantly provide more creativity and quality along with the greatest responsibility.

*Marta Ortega Pérez.*



# CEO's statement

GRI 2-22; 3-3

During the past year, my first full year with the privilege of serving as Inditex's CEO and also the year in which we welcomed Marta Ortega Pérez as our non-executive chairperson, our Group delivered outstanding results from all perspectives. Our teams, coupled with our strong corporate culture, once again demonstrated their ability to tackle any challenge, no matter the complexity, as they have been doing throughout Inditex's journey: from its origins as a small clothing maker to become one of the most important players in global fashion retail today.

### Excellent business performance

During the reporting period, between 1 February 2022 and 31 January 2023, we delivered on all of the commitments we had made to our stakeholders, as detailed throughout the various chapters of this Annual Report, and our Group performed extremely well. Group revenue increased by 18% year-on-year, underpinned by growth in sales in all geographies with a strong correlation between the increase in traffic to our physical stores and online, where our business reached new records.

Sales growth was accompanied by strong profitability: our gross margin reached record levels and stringent control saw operating expenses up three percentage points lower than our topline growth. As a result, net profit came in 27% above that of 2021 and our net cash topped the €10,000 million mark for the first time.

### Hard-working and committed team

None of those figures would be possible without the talent and creativity of our designers, the excellent work done by our commercial professionals, logistics and corporate departments at each of our brands, and the commitment of our store teams, made up of more than 140,000 people whose dedication takes our customers' shopping experience to the next level.

Every team member plays an active role in Inditex's strategy and that of its brands, Zara and Zara Home, Massimo Dutti, Pull&Bear, Bershka, Stradivarius and Oysho. They all share our passion for fashion, our determination to offer quality, on-trend products, as well as our tireless efforts to improve the customer



experience in our physical stores and online, and the conviction with which we are progressing on the delivery of our sustainability commitments. Identifying and nurturing talent is another of the strategic cornerstones of the Inditex model.

### **Pioneering sector transformation**

We are aware of our duty and ability to lead the transformation of our sector towards a more sustainable and circular pathway. We believe that innovation, strongly embedded into Inditex's culture, is a key component of that transformation. And we believe that working in collaboration is the best strategy. We set multiple transformational initiatives in motion in 2022 and worked intensively on others that will materialise in the near future. Our hard work in recent years has helped us to achieve some of our targets ahead of schedule and make substantial progress in our energy and water efficiency, improving our supply chain processes, markedly increasing the use of preferred fibres and extending our products' life cycle, to name a few.

We reiterated and reinforced our commitment to the United Nations Guiding Principles on Business and Human Rights and to the Global Compact and its principles, and the Sustainable Development Goals. In keeping with our transparency pledge, over the coming pages we seek to provide a detailed account of the progress we have made in all of these areas, ensuring the integrity of the data reported and upholding, in our concluding sections, the principles of the Integrated Reporting framework.

### **Commitment to each other and our communities**

Ultimately, our top priority is people: those who make up our Group and those who we interact with, such as our customers and suppliers, and those who are part of the communities where we do business. With all of our relationships and especially with our own teams, we promote the values of diversity and inclusion, which is promoted at all levels, and we support and develop employment opportunities for the most vulnerable. Our community investment increased in 2022: we earmarked over €89.7 million to community projects that benefitted more than 3 million people.

I want to take this opportunity to express the pain we've been feeling for Ukraine since February 2022 and the terrible consequences the war is having on its citizens and those who have had to leave the country. And in 2023, our thoughts are also with the victims of the earthquake in Turkey and their families, sadly including colleagues at Inditex. We intend to continue to support the communities where we can be of use, mainly in partnership with the organisations with which we have built long-standing, stable relations.

In this respect, at Inditex we want to have a positive impact across our activities including on the environment and our communities; on people within and beyond the Group; and on our value chain, including our suppliers and business partners. We want to do this in collaboration with our partners while leveraging our ability to lead. And always ensuring we operate with humility and prudence, but with extraordinary ambition and embracing the fashion industry's transformational power.



**Óscar García Maceiras**  
CEO





## 3. Get to know Inditex

3.1. Global footprint and key data / 3.2. 2022 milestones / 3.3. Inditex in figures, key indicators / 3.4. Recognitions / 3.5. Retail formats

The Inditex Group is a family of several brands: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home. All of them share the same objective: to offer our customers across more than 200 markets an inspiring, quality and responsibly produced fashion proposal.

# 3.1 Global footprint and key data in 2022



## key indicators

213  
markets

32,569 M€  
net sales

7,479 M€  
total tax  
contribution

4,130 M€  
profit

10,070 M€  
net financial  
position

2,895 M€  
dividends



## a unique team

164,997  
employees

182  
nationalities

## commitments

100%  
of electrical  
energy from  
renewable  
sources



75%  
women

29.6  
average age

## community investment

+3M  
beneficiaries

+87.9M€  
investment



## supply chain

8,271  
factories

1,576,549  
workers benefited  
by Workers at the  
Centre

1,729  
suppliers



## 3.2. 2022 milestones

### FEBRUARY

**Inditex included in the Carbon Clean 200™ and recognised in the S&P Global Sustainability Yearbook.** Our Group is awarded bronze class in the latest edition of the Report, which assesses companies' sustainability performance.

### MARCH

#### **Bershka's Custom Lab**

The brand unveils CUSTOM LAB, an innovative proposal for garment customisation that joins the Denim Lab initiative for customising denim garments with different patterns and prints. Thus, Bershka continues to offer its customers creative and customisation options.

### APRIL

#### **Marta Ortega, Chairperson of Inditex**

"I start this new chapter with a deep sense of responsibility and a great deal of pride in doing so as part of an amazing team of people, who are the heart and key to the success of this company." Marta Ortega wrote in a letter to Inditex employees on the day of her appointment.

### MAY

#### **Launch of Massimo Dutti Studio**

Massimo Dutti Studio is synonymous with the history of the brand and sums up its multiple facets: timeless femininity and a spirit of innovation. The collection is a tribute to today's woman, with her own distinct identity.

### JUNE

#### **Zara Home with Vicent Van Duysen**

The brand embarks on a new chapter in partnership with the Belgian architect and designer. The result is a line based on mutual respect between the brand and the creative. The collection, which will be updated with new designs twice a year, débuts with a selection of living room pieces.

### JULY

#### **Investment in CIRC**

Inditex makes a venture investment in CIRC, an innovative start-up that promotes a disruptive recycling technology with the aim of generating new sustainable fibres for use in the textile industry. This investment comes in addition to the three-year commitment to purchase 30% of the production volume of Infinna™, a fibre created entirely from textile waste, for more than 100 million euros.

### AUGUST

#### **Zara and Renewcell**

As Zara continues its journey towards circularity, it launches a capsule collection in collaboration with the Swedish start-up Renewcell, whose technology transforms pre- and post-consumer textile waste, such as used jeans, into cellulose pulp.

### SEPTEMBER

#### **Oysho Training launch**

The brand launches a new, free fitness, yoga and running workout app with workouts for all levels. With more than 300 workout sessions to suit every ability, Oysho Training aims to offer a broad range of quality workouts led by international trainers.

### OCTOBER

#### **Strengthening our commitment to IndustriALL**

Inditex and IndustriALL further cement their commitment by signing a new Action Protocol on the 15th anniversary of their Global Framework Agreement. This agreement underpins our commitment to promoting mature labour relations that safeguard employee well-being.

### NOVEMBER

#### **Zara Pre-Owned**

In the UK, Zara launches Pre-Owned, a ground-breaking integrated platform for customers to make more sustainable choices regarding their used clothing and thereby contribute to cutting waste and raw material consumption. The platform will offer repair services sales between individuals and garment donation services.

### DECEMBER

#### **Agreement with WWF**

Inditex will earmark more than 10 million euros to WWF environmental projects by 2025. The two organisations have signed a three-year agreement to foster environmental projects focusing on ecosystem conservation. The agreement envisages a contribution of at least three million euros a year, which Inditex has ramped up to 4.2 million euros for 2022.

### JANUARY

#### **Constitution of ARTE and the Association for Textile Waste Management**

The Group, alongside other brands—together representing one-third of the textile sector in Spain—set up the Spanish Textile Retail Association (*Asociación Retail Textil España*, ARTE) to represent the sector at the national level and voice the industry's opinions. Moreover, in conjunction with other brands of its sector, the Group set up the Association for Textile and Footwear Waste Management (*Asociación para la Gestión del Residuo Textil*), with the aim of managing textile and footwear waste generated in the Spanish market by means of a Collective Extended Producer Responsibility scheme (EPR).

## 3.3. Inditex in figures, key indicators

### 3.3.1. Economic indicators, evolution over the last five years<sup>1</sup>

GRI 2-4; 201-1

	2022	2021	2020	2019	2018
<b>Turnover (millions of euros)</b>					
Net sales	32,569	27,716	20,402	28,286	26,145
Online sales <sup>1</sup>	22.4%	25.5%	32%	14%	12%
<b>Sales by concept (millions of euros)</b>					
Zara (Zara + Zara Home) <sup>2</sup>	23,761	19,586	14,129	19,564	18,021
Pull&Bear	2,152	1,876	1,425	1,970	1,862
Massimo Dutti (Massimo Dutti + Uterqüe) <sup>3</sup>	1,593	1,653	1,271	2,015	1,903
Bershka	2,384	2,177	1,772	2,384	2,240
Stradivarius	2,056	1,824	1,283	1,750	1,534
Oysho	623	600	522	604	585
<b>Sales by geographic area (percentage)</b>					
Spain	14.4%	14.4%	14.6%	15.7%	16.2%
Europe (ex-Spain)	47.5%	48.4%	48.7%	46.0%	45.1%
Americas	20.0%	17.5%	13.5%	15.8%	15.5%
Asia and rest of the world	18.1%	19.7%	23.2%	22.5%	23.2%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>Financial structure (millions of euros)</b>					
Equity attributable to the parent company	17,008	15,733	14,520	14,913	14,653
Net financial position	10,070	9,359	7,560	8,060	6,705
<b>Profits and cash flow (millions of euros)</b>					
EBITDA	8,649	7,183	4,552	7,598	5,457
EBIT	5,520	4,282	1,507	4,772	4,357
Net profit	4,147	3,250	1,104	3,647	3,448
Net profit attributable to the parent company	4,130	3,243	1,106	3,639	3,444
Cash flow	7,343	6,530	3,864	6,695	4,378
<b>Financial and management ratios</b>					
ROE (Return On Equity)	25%	21%	8%	25%	24%
ROCE (Return On Capital Employed)	33%	28%	10%	32%	31%

1. Percentage of online sales over total sales.

2. Sales at Zara Home in all financial years are reported consolidated with those of Zara.

3. Sales at Uterqüe in all financial years are reported consolidated with those of Massimo Dutti.

	2022	2021	2020	2019	2018
<b>Commercial presence</b>					
Number of markets	213	215	216	202	202
Number of stores	5,815	6,477	6,829	7,469	7,490
Average store area (in m <sup>2</sup> )	769	732	707	681	662
Total retail area (in m <sup>2</sup> )	4,473,358	4,742,157	4,826,566	5,086,732	4,962,081
<b>Headquarters effect</b>					
Invoicing to suppliers in Spain (millions of euros)	6,072	5,376	4,221	5,140	5,248
Number of suppliers in Spain <sup>1</sup>	6,750	6,620	6,384	7,098	7,220

1. Suppliers of both textiles and general services in Spain.

<sup>1</sup> The calculation methodology for the various APMs is explained in [Note 2 of the Consolidated Annual Accounts](#) for 2022.

**Tax contribution (millions of euros)**

	2022	2021	2020	2019	2018
<b>Total contribution – Inditex</b>	<b>7,479</b>	<b>6,093</b>	<b>4,689</b>	<b>6,749</b>	<b>6,166</b>
Own taxes	3,200	2,423	1,916	3,040	2,764
Taxes collected	4,279	3,670	2,773	3,709	3,402
<b>Total contribution – Spain</b>	<b>1,809</b>	<b>1,501</b>	<b>1,201</b>	<b>1,874</b>	<b>1,692</b>
Own taxes	949	780	620	1,049	928
Taxes collected	860	721	581	825	764
<b>Total contribution – Europe (ex-Spain)</b>	<b>3,962</b>	<b>3,217</b>	<b>2,562</b>	<b>3,398</b>	<b>3,168</b>
Own taxes	1,131	794	691	1,023	988
Taxes collected	2,831	2,423	1,871	2,375	2,180
<b>Total contribution – America</b>	<b>1,252</b>	<b>910</b>	<b>534</b>	<b>943</b>	<b>760</b>
Own taxes	852	592	357	623	489
Taxes collected	400	318	177	320	271
<b>Total contribution – Asia and rest of the world</b>	<b>456</b>	<b>465</b>	<b>392</b>	<b>534</b>	<b>546</b>
Own taxes	268	257	248	345	359
Taxes collected	188	208	144	189	187

**Share performance**

	2022	2021	2020	2019	2018
<b>Dividend</b>	1.20	0.93	0.70	0.35	0.88

**Dividend**

Inditex dividend policy combines a 60% ordinary payout and bonus dividends. A dividend of €0.93 per share against 2021 results and unrestricted reserves was paid in May and November 2022, made up of two equal payments in the same amount of €0.465 per share.

In 2023, the Board of Directors will propose to shareholders at the Annual General Meeting to pay shares with a right to dividend, a dividend of €1.20 per share, being comprised of €0.796 per share ordinary dividend and €0.404 per share bonus dividend against 2022 results and unrestricted services. Such dividend will be paid on 2 May and 2 November 2023 in two equal payments in the same gross amount of €0.60 per share.

### 3.3.2. Environmental and social indicators, evolution over the last five years<sup>2</sup>

GRI 2-4; 2-7; 203-1; 3-3; 301-1; 301-2; 301-3; 302-1; 302-2; 302-3; 302-4; 302-5; 306-1; 308-1; 414-1; 414-2; AF2; AF8; AF21

	2022	2021	2020	2019	2018
<b>Indicators of our products</b>					
Articles placed on the market (in tonnes)	621,244	565,027	450,146	545,036	528,797
Join Life articles placed on the market (% of the total)	61%	47%	38%	19%	9%
Cotton from preferred sources: organic, BC and recycled (in tonnes)	234,260	166,195	73,874	38,676	18,851
Polyester from preferred sources (in tonnes)	52,618	26,728	9,594	5,332	1,881
Linen from preferred sources (in tonnes)	7,483	4,201	1,245	1,813	266
Viscose and other man-made cellulosic fibres from preferred sources (in tonnes)	36,268	29,053	8,379	6,692	3,178
Garments collected through the garment collection programme (in tonnes) <sup>1</sup>	17,015	16,072	13,043	15,321	14,825
Materials recovered for its reuse (in tonnes)	19,022	19,048	16,871	21,298	19,247
Degree of compliance with CtW and StW standards	98.4%	98.5%	98.3%	97.4%	97.4%
Picking programme: Inspections	51,288	49,999	42,856	56,352	63,420
Picking programme: Garment analyses	721,980	792,582	744,404	899,046	933,980
<b>Indicators of supply chain management and Workers at the Centre</b>					
Product suppliers with purchases in the year <sup>2,3</sup>	1,729	1,790	1,805	1,985	1,866
Factories declared by suppliers <sup>4</sup>	8,271	8,756	8,543	8,155	7,235
Rejected suppliers	47	25	44	56	50
Audits of suppliers and manufacturers <sup>5</sup>	22,948	17,477	11,997	12,215	12,064
Number of Workers at the Centre projects implemented <sup>6</sup>	47	46	38	45	34
Number of workers benefited from the activities developed under Workers at the Centre	1,576,549	1,366,420	1,224,557	1,472,719	994,154
Suppliers and factories reached by the activities developed under Workers at the Centre	1,770	1,153	1,374	1,597	594
<b>Indicators of decarbonization</b>					
Global energy consumption (GJ)	6,101,340	6,322,357	4,574,536	6,814,610	7,088,858
Relative energy consumption (MJ/m <sup>2</sup> )	821	809	593	855	943
Group electrical energy needs covered by renewable energy (in %)	100%	91%	81%	63%	45%
Market-based scope 1+2 emissions (t CO <sub>2</sub> eq)	11,232	62,345	110,535	309,785	438,620
Kg CO <sub>2</sub> eq per m <sup>2</sup> (market-based scope 1+2)	2	8	14	39	58
<b>Total number of persons in the Sustainability team</b>					
External	5,069	4,267	5,422	6,204	4,774
Internal	268	255	215	200	151
<b>Corporate community investment indicators</b>					
Corporate community investment (in euros)	87,870,420	63,500,135	71,803,602	49,231,909	46,218,895
Number of direct beneficiaries	3,352,138	2,217,342	3,313,581	2,441,300	2,425,639
Total number of organisations supported	469	427	439	421	413
Number of projects implemented	725	725	703	670	622
Number of garments donated	7,894,590	5,899,270	4,114,490	3,164,084	3,225,462
Number of hours spent by employees on social initiatives during working hours	313,778	206,087	178,035	122,284	118,077

<sup>2</sup> ESG (environmental, social and governance) objectives, and in particular sustainability, are a cornerstone of the Company's strategy. Against this backdrop, commitments and objectives have not been affected by the current situation of Russia and Ukraine, and progress continued to be made as planned during the year. Where any specific ESG indicator has been affected as a result of the economic circumstances of this year, its performance is detailed separately in the relevant section of this Report.

	2022	2021	2020	2019	2018
<b>Indicators of our people</b>					
Percentage of women/men	75% / 25%	76% / 24%	76% / 24%	76% / 24%	75% / 25%
Number of nationalities	182	177	171	172	154
Average employee age	29.6	29.3	30.1	28.9	28.7
Number of employees	164,997	165,042	144,116	176,611	174,386
<b>Type of contract <sup>7</sup></b>					
- Permanent	82%	81%	87%	77%	73%
- Temporary	18%	19%	13%	23%	27%
<b>Type of working hours <sup>7,8</sup></b>					
- Full-time	41%	44%	50%	47%	51%
- Part-time	59%	56%	50%	53%	49%
<b>Employees by activity</b>					
- Store	86%	86%	86%	87%	87%
- Logistics	7%	6%	6%	6%	5%
- Manufacturing	1%	1%	1%	1%	1%
- Central services	7%	7%	7%	6%	7%

1. The figures for 2018 have been updated as compared with the Annual Report, to include data that were not available at that time.

2. Since 2019, the scope of the information reported has been broadened to include suppliers and manufacturers of non-textile articles. Consequently, the information for FY 2018 is not comparable.

3. Suppliers of fashion articles with a production of over 20,000 units/year in the 2022 spring/summer and autumn/winter campaigns. Suppliers producing less than 20,000 units account for 0.22% of overall production.

4. Factories declared by the suppliers in the manufacturer's management system for 2022 orders.

5. Includes audits performed with Inditex own audit methodology. In 2022, 2021 and 2020, traceability, pre-assessment, environmental preliminary assessment (only in 2022), social, special and environmental audits are included. In previous years, environmental audits are not included since the changes to the Green to Wear standard do not allow their comparison.

6. Main programmes carried out in the field

7. Data on type of working hours and type of contract available in 2022 for 100% of the workforce (98.2% in 2021, 95.4% in 2020 and 94.7% in 2019).

8. The figures for the proportion of full-time and part-time employees reported in 2020 have been corrected with respect to those published in the Annual Report for that year.



## 3.4. Recognitions

GRI 3-3

Our relationship with trade unions, NGOs, governments and other civil organisations is fluid, continuous and key to implementing our sustainable business model. Their recognition over the course of 2022 for our work on various environmental and social aspects is an incentive to continue to make progress.



In its 2022 edition, the Ethical Fashion Report published by Baptist World Aid Australia awarded Inditex 60 points out of 100, ranking it among the top 20 global companies for its sustainability practices throughout the supply chain, with a strong focus on human and labour rights. The organisation, which has changed its scoring methodology and scope of analysis this year, examined a total of 120 global companies encompassing 581 brands.



For the fourth consecutive year, the Bloomberg Gender Equality Index (GEI) recognises Inditex's commitment in January 2023. This index assesses companies' commitment to gender equality on the basis of five pillars: female leadership and talent pipeline, equal pay and gender pay parity, inclusive culture, anti-sexual harassment policies, and pro-woman brand. This index features more than 400 companies from 50 different sectors and more than 40 countries around the world.



In 2022, CDP upgraded Inditex rating, distinguishing its efforts to fight climate change, as well as the quality of the information it publishes and its performance on this front, with an A rating.



Inditex, included in the DJSI World and in the DJSI Europe, in 2022 scores 73 points out of 100 in the S&P Global Corporate Sustainability Assessment. This performance earned Inditex a score in the 99th percentile in the retail sector. With regard to the environment, Inditex was awarded a score of 87 out of 100 and placed in the 100th percentile in the retail sector among all the companies evaluated.

### FINANCIAL TIMES

For the third time, in 2022 the Financial Times Diversity Leaders ranking included Inditex in its list of European companies seeking to achieve full inclusion at the workplace.

The British financial daily newspaper has also included the Group in its Europe's Climate Leaders 2022, which highlights companies that have concentrated their efforts on reducing greenhouse gas emissions.

### Forbes

The Forbes Global 2000 list once again includes Inditex among the global companies selected on the basis of four indicators: sales, profits, assets and market value.



### FTSE4Good

For the fourth consecutive year, Inditex received a score of 4.7 out of 5 in the FTSE4Good sustainability index. This stock index ranks the global companies with the strongest sustainability commitment, and examines their social, environmental, and corporate governance practices.



In 2022, World Benchmarking Alliance (WBA) presented its new Nature Benchmark, which assesses about 400 companies' efforts to protect the environment and biodiversity. Inditex ranks 11th among the companies analysed. Nature Benchmark notes that Inditex "demonstrates clear leadership [...] across several nature-related topics" and, in particular, it highlights the company's performance "in the social inclusion and community impact area, where its commitment to respect the right to water and sanitation of communities where its suppliers are located stands out".



In 2022, and for the twelfth consecutive year, Inditex topped the Merco Talento Responsibility and Corporate Governance ranking which best attract and retain personal talent. This organisation also ranks Inditex second place in its Merco Empresas ranking, which assesses the companies with the best corporate reputation.



***Most Attractive Employers***

For the eighth year running, Universum has included Inditex among the best companies in which to develop professionally. In this latest edition, university students chose Inditex in various categories: Business and Commerce; Humanities, Art and Education; and Law.

## 3.5. Retail formats

GRI 2-6

### Zara



*“Working with Zara has been an eye-opening experience for me. It’s been great to go through the archive and revisit the things that we loved. It is also incredible to see them through Zara’s design team’s fresh eyes. They are such a professional team excited about each piece and making sure the essence of the original ones are maintained.”* That was how US designer Narciso Rodríguez summed up his collaboration with Zara: a total of 25 garments and accessories taken from his archive and reinterpreted by the design teams in the **Narciso Rodríguez x Zara** collection, which has become one of the season’s highlights.

This collaborative side has also surfaced in initiatives such as The Song of the Earth jewellery and accessories collection, in partnership with French designer **Elie Top**; the denim capsule with **The Good American** for the US market; the **Studio Nicholson + Zara Man** collection, featuring deconstructed menswear classics in collaboration with the independent UK firm; or **Into the Night**, a collection of timeless garments for special occasions inspired by Parisian nightlife, featuring the iconic Kate Moss, photographed by David Sims.

In its journey towards circularity, and with the aim of extending the useful lives of fabrics, garments and collections, several notable initiatives implement new textile fibres such as the recycled Infinna™, the result of a collaboration between Inditex and **Infinite Fiber**, or the capsule with Swedish start-up **Renewcell**, whose technology transforms pre- and post-consumer textile waste, like used jeans, into cellulose pulp. Moreover, in the UK, the **Zara Pre-Owned** platform was launched, aimed at helping customers to lengthen the useful lives of their garments through repairs, sales among individual customers of their Zara garments from any season, and donations.

This year, Zara also unveiled its new global store image, with spaces focusing on the latest commercial and technological developments from the integrated store and online platform. Flagship locations such as Madrid’s Plaza de España, or London’s Battersea, among others, are some of the emblematic openings deploying this new concept.

23,761  
million euros in net sales

130.8  
million followers in social media

4,147  
million visits to the website

## Pull&Bear



Music, sports and digital innovation have been the focuses of Pull&Bear's activity in 2022. In this regard, the incursion into the virtual reality of the **metaverse** is among this year's main developments. In developing this universe, the brand has devised a configurator for users to customise their own avatar and dress it with Pull&Bear clothing and has staged events such as the **first Nicki Nicole concert** on Roblox. The concert featured the artist's avatar dressed in garments from Pull&Bear SS22.

Digital innovation also led to functionalities like the **virtual fitting room** for sneakers, an augmented reality tool enabling people using the app to try on the latest trends in sports footwear. Sport also has a prominent place in the brand's collections, which include notable collaborations with iconic brands like **Spalding** and **Penn Sport**.

Through its involvement in **Primavera Sound** Los Angeles, the brand has further cemented its collaboration with one of the foremost music festivals on the international scene. And, on social media, the **#pullandbearcommunity** enjoyed *On the record*, video capsules featuring musical content to promote upcoming artists. Music is also present in the denim collections which revive the aesthetic of 1980s and 90s music bands.

2,152

million euros in net sales

23.5

million followers in social media

469

million visits to the website

## Massimo Dutti



Sophistication and the championing of modernity and legacy have defined Massimo Dutti's activity this year. The brand unveiled **Studio**, a collection of garments for special occasions in vibrant colours that pay tribute to today's woman.

Through **Masterpieces**, the brand re-releases and reinterprets its most iconic creations: a selection of pieces that have become style icons or must haves. The black dress with cut-outs and the slip dress with lingerie details for women, or the sweaters, trench coats and tailoring for men are some of the designs that capture the essence of luxury and underpin the brand.

The permanent quest for **excellence in our customer service** was also evidenced by the design and implementation of the retail spaces, with a new **interior design concept** that affords maximum visibility to the product, and with services that allow customers to interact with the physical store from their mobile phone, such as Pay&Go – to make payments from any area of the store without passing the till, Shop&Go – to send in-store purchases anywhere in the country with the same flexibility as online, or the range of services offered by Store Mode.

1,593

million euros in net sales

15.6

million followers in social media

251

million visits to the website

## Bershka



Bershka's first foothold in the metaverse in the year, with the virtual showroom **Digital Destinations**—enabling users to explore the brand's special collections in an immersive way—was followed by an event with DJ Steve Aoki and Amnesia Ibiza, broadcast in the virtual world and featuring its own capsule collection inspired by the world of clubbing, **Bershka x Amnesia**.

The brand's digital commitment has been manifest too, in the phygital (physical + digital) and **Smiley x Bershka** collections, also available on the Dressx digital fashion platform, and **Lil' Kreetz**, which includes clothes, footwear, accessories, dolls, augmented reality and even a video game.

The brand has resumed garment customisation through collaborations with graphic artists in its **Custom Lab**, notably including motifs inspired by Carolina Lindberg's graffiti, the designs of the illustrator Benedikt Luft and a capsule to customise denim garments. The customisation lab featured at the MIRA Festival, thereby underscoring Bershka's commitment to digital art.

# 2,384

million euros in net sales

# 31.3

million followers in social media

# 477

million visits to the website

## Stradivarius



The collections linked to popular TV series like **Bridgerton** and **House of the Dragon** featured prominently in an exercise implemented for the first time by Stradivarius when it revamped its visual identity: its logo, a treble clef, now in a more contemporary and refined style and using a special font that represents the brand's renewed femininity.

With the slogan '**Digital Fashion: wear the future now**', Stradivarius also made its first foray into the new business lines linked to the digital world. It offers an immersive experience through the purchase of **digital garments**, that can be added to images for sharing online and that will be presented in capsule collections or drops.

The augmented reality of **Virtual Shoes Try On**, a fitting tool enabling users to try on the latest footwear creations from the app, is another of the new functionalities for users to interact with the digital world.

# 2,056

million euros in net sales

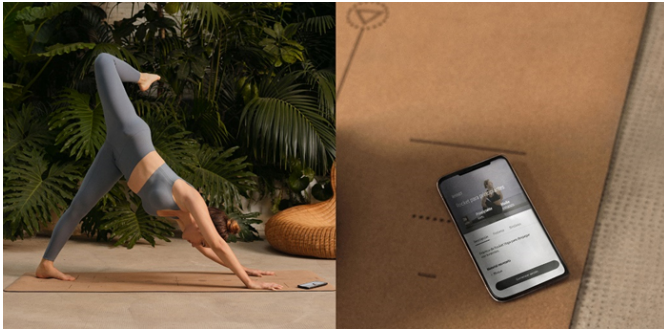
# 19.7

million followers in social media

# 441

million visits to the website

## Oysho



Sports and the most innovative technical fabrics have been the main focus of Oysho this year. The brand presented a collection of **ultralight, high-performing technical jackets**, made with water repellent, breathable and wind-resistant fabrics and designed for any outdoor activity.

The brand also ventured into the digital world with **Oysho Training**, a new, free fitness, yoga and running workout application with sessions for every level. The aim is to offer the brand's sports community high-quality content under the guidance of international trainers. Furthermore, the app features **Mia the virtual trainer**, a 3D avatar that uses augmented reality (AR) to help hone users' technique as they perform the exercises.

The involvement in community races like *the Women's Race*, the Formentera Half Marathon or the sponsorship of the San Silvestre Vallecana in Madrid are still among the brand's hallmarks.

623  
million euros in net sales

11.2  
million followers in social media

93  
million visits to the website

## Zara Home<sup>3</sup>



Collaborations with icons of architecture and design such as Vicent Van Duysen and Saint-Lazare have been at the forefront in a year in which Zara Home continues to expand and consolidate its collections and product categories.

The partnership with the Belgian architect resulted in **Zara Home + by Vincent Van Duysen**, a line that emerged from the mutual respect between the brand and the creative. The first collection in this line comprised living room furniture and items, made from carefully chosen wood and exuding simplicity and versatility. In conjunction with the **Saint-Lazare** design studio, a desk collection was presented, inspired by old bookshops, with stationery products and decorative objects such as notebooks, pencils, file boxes, calendars and posters.

In the field of social and environmental sustainability, the brand has joined the **for&from** initiative, with the opening of its first store in Madrid. It also debuted in the Sustainability Innovation Hub, in a collaboration with **Plastics for Change**, an organisation that recovers plastics from the Indian coastline to repurpose them, with which the brand has developed a 100% recycled polyester rug.

14.1  
million followers in social media

163  
million visits to the website

<sup>3</sup> Sales at Zara Home are reported consolidated with those of Zara.



## 4. Our strategy

Business model and strategy / 4.1. Sustainability, one of our pillars / 4.2. Stakeholder engagement

Our unique business model has enabled us, in just a few decades, to turn a small sewing workshop in A Coruña into one of the most relevant actors in fashion retail worldwide. For this, the Group relies on four solid pillars: a unique fashion proposal, a differential shopping experience, an extraordinary team and the implementation of responsible practices at every stage of our activity.



# Business model and strategy

GRI 2-1; 2-6; 2-23; 3-3

The Inditex Group is a family of several commercial brands: Zara, Pull&Bear, Massimo Dutti, Bershka, Stradivarius, Oysho and Zara Home. All of them share the same objective: to offer our customers across more than 200 markets an inspiring, quality and responsibly produced fashion proposal.

Our fashion distribution and sales activity is carried out through an international group of companies, the Inditex Group, whose parent company is Industria de Diseño Textil, S.A., (Inditex S.A.), which is listed on all four Spanish stock exchanges. Details of the corporate structure at 31 January 2023 are provided in Annex I of the Consolidated Annual Accounts of the Inditex Group.

① Detailed information on the markets in which Inditex operates can be found in the [Consolidated Directors' Report](#)

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

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

At Inditex, moreover, we constantly strive to give our customers access to that excellent fashion proposal through an **increasingly engaging shopping experience**, whether in our more than 5,800 stores or through the online channels of the Group's seven brands. We pride ourselves on having unique retail spaces in prime locations in the heart of the world's major cities and equipped with cutting-edge energy efficiency systems. Our commercial concept is based on spacious stores fitted with the most innovative technological tools to offer the customer a unique and integrated experience with online platforms. The unique inventory system that allows a streamlined response to the market is only possible thanks to the excellent work of our teams and the continuous improvement of our logistics systems.

The key factor that explains the performance of our business model is the **extraordinary team** that makes it all possible. Inditex is made up of more than 160,000 passionate and curious people who are driven by the desire to excel and grow every day, regardless of their specific location or professional task. Nurturing our talent, through continuous training and growth opportunities, is an obsession for us. We see our company as having a character of its own, in which attributes such as humility, ambition, high levels of individual responsibility, a sense of belonging and teamwork are not platitudes, but tangible realities that permeate everything we do and underpin the commitment of all our employees.

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

At Inditex we firmly believe in our capacity to act as an agent of change within the fashion industry and we are making notable efforts to reduce the environmental impact of our activity, as part of a circularity strategy that applies to all our processes. Our sustainability action plan is enabling us to achieve more ambitious targets each year, such as the use of 100% renewable electric power in our operations and the increasing use of preferred fibres and materials in line with our sustainability objectives, to reach our goal of net zero emissions by 2040.

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

Our business model encompasses four main phases: design; manufacture and supply; logistics and distribution; and, lastly, our stores and online sales channels.

### **/ Design**

We have a team of more than 700 designers that contribute exceptional talent, unfettered creativity and in-depth knowledge of the customers they create for. Their visionary and highly-skilled work is based on analysing sales, receiving daily feedback from our stores and sales teams, and on their innate capacity to interpret trends. Always impeccably well informed, they are able to intuit, and even to anticipate, our customers' needs all over the world.

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

### **/ Manufacturing and procurement**

Our origins as a sewing workshop make us especially appreciative of the role our non-exclusive suppliers and manufacturers play in creating high quality products and in our value proposition. Our supply chain is organised by means of twelve clusters, and their socially and environmentally responsible management is the cornerstone of our approach to procurement and manufacturing. Accordingly, we ensure that our suppliers' and manufacturer's workers have decent conditions and we further minimise our environmental impact.

We prioritise flexibility, which is why a remarkable portion of our end-product manufacturers are located in areas close to our headquarters in Spain. This proximity, together with short production runs, gives us flexibility and control over the process, which means we can adapt our commercial offering to changing trends as they arise.

### **/ Logistics and distribution**

Our logistical flexibility to adapt to commercial decisions has been a key factor in our expansion across more than 200 markets.

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

### **/ Stores/online**

All our stores, whether physical or online, are merged into a single sales platform. We take extreme care of all points of contact between our brands and customers: cutting-edge designs, sophisticated spaces and innovative technology geared to offering the best possible experience. That's why we never stop looking for ways to improve our stores—located in the world's most exclusive and technologically advanced shopping areas—while revolutionising e-commerce with high-end fashion editorials that deliver the originality and inspiration our customers want.

Managing risk is inherent to our business model and directly responds to the precautionary principle throughout our value chain, a responsibility of each and every member of Inditex. We have systematic processes for identifying, assessing, recording and monitoring risks to ensure they are managed in the best possible way. The Integrated Risk Management and Control System emanates from the Board of Directors and is articulated in the form of several regulations aimed at managing the various scenarios.

More information in section [6.3. Responsible risk management](#) of this Report.

## Transversal and collaborative innovation

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

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

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

Inditex's capacity for innovation and transformation is evidenced by the numerous projects that the Group has underway. All these initiatives permeate every area and level of the Company and every stage of our value chain (design, manufacturing, transport, logistics, distribution, sales, product use, circularity and end-of-life), and will be detailed over the course of this report. Some examples are Zara's launch of Pre-Owned, a platform that helps our customers to extend the useful life of our products; the deployment of Store Mode in five of the Group's brands, the availability of virtual shoe fitting in the Pull&Bear and Stradivarius apps; or the launch of a detergent, The Laundry by Zara Home, —developed in collaboration with BASF— that reduces the release of microfibres when garments are washed.



## Business model

Inditex's business model aims to satisfy our customers' expectation by offering inspiring, high quality and responsibly produced fashion.

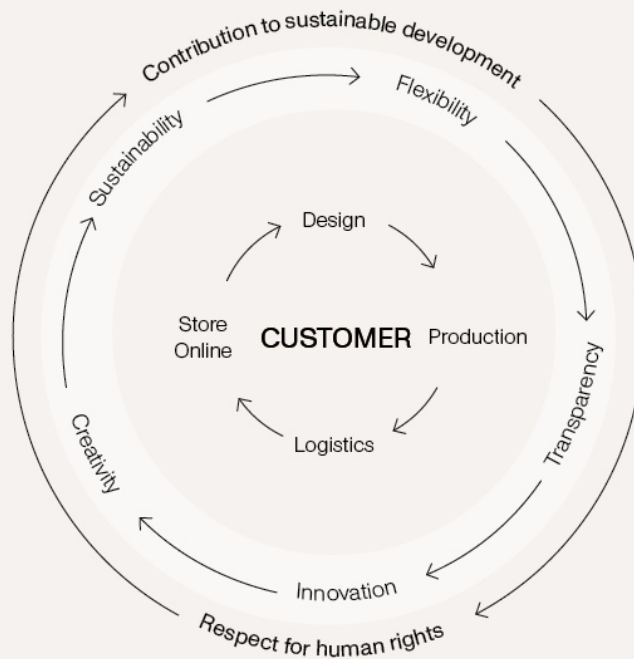
Our strategy is based on four pillars: unique fashion proposals, an enhanced customer experience, the

commitment of our people and sustainability applied to all the stages of our value chain..

With them, through transparency and constant dialogue with our stakeholders, we work to promote human rights, the Sustainable Development Goals and, in particular, to create environmental and social value in our environment.

### Stakeholder groups

Employees	Customers	Suppliers	Community	Environment	Shareholders
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### Pillars on which our strategy is established

Fashion	Customer experience	People	Sustainability
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### Action principles

- / Code of Conduct and Responsible Practices
- / Code of Conduct for Manufacturers and Suppliers
- / Policy on Human Rights
- / Diversity and Inclusion Policy
- / Community Investment Policy

- / Procurement Policy
- / Tax Strategy Policy
- / Sustainability Policy
- / Compliance Policy
- / Criminal Risk Prevention Policy
- / Occupational Health and Safety Policy
- / Integrity Policies

- / Information Security Policy
- / Due Dilligence Policy
- / Compliance Policy Regarding Data Protection and Privacy
- / Global Sexual Harassment and Sex or Gender Identity-Based Harassment at the Workplace Prevention Policy

## 4.1. Sustainability, one of our pillars

GRI 2-6; 2-12; 2-16; 2-24; 2-28; 2-29; 3-1; 3-3; 201-2; 201-3

The commitment to sustainability permeates the entire Company: from the governing bodies, articulated through a strong sustainability governance structure, to the entire workforce, including offices, logistics hubs and stores. This has enabled us to progress towards our specific goals to generate value.

We rely on four key elements to implement our sustainability strategy: culture, collaboration, transparency and innovation.

### Sustainability culture

Sustainability is ingrained in all our processes and decisions throughout our value chain. From product design to store management, it is a shared principle. To ensure it permeates all our people, regardless of their position and function, we carry out various actions aimed at creating a culture of sustainability throughout the Company.

For example, new recruits at offices receive training in which sustainability is prominent. After an initial overview, depending on their post, they receive more thorough training in the various Group's programmes.

This training is especially important for our buying and product teams, since their actions and decisions have a direct impact on the sustainability of our products and supply chain. That is why, since 2021, we have a specific training programme: The Sustainable Fashion School, co-created alongside the University of Leeds.

Our in-store staff have become the best ambassadors of our sustainability culture and the Changemakers initiative is a clear example of the importance we place on this. Changemakers ensure that sustainability reaches every corner of the Group and also compile suggestions and concerns about sustainability from our teams and customers.

More information in section [5.1.2 Talent management](#) of this Report.

In 2022, more than 13,000 employees were trained in sustainability.

### Collaboration

In keeping with our aim of driving transformation in the textile industry, we take a holistic approach to sustainability, which includes both its integration throughout our entire value chain and collaboration with each and every one of the related actors. Hence, we take an open approach in which collaboration is a pillar of transformation. Examples of this are our engagement with entities such as the United Nations Global Compact, the International Labour Organization, UNI Global Union, IndustriALL

Global Union, The Fashion Pact, Ellen MacArthur Foundation and Zero Discharge of Hazardous Chemicals, among others.

More information in the [4.2. Stakeholder engagement](#) section of this Report

### Transparency

In line with our commitment to transparency, we share information with our stakeholders concerning our sustainability strategy, the programmes on which it is structured, our goals and the progress achieved, among other matters.

Among the foremost examples of our transparency is our annual accountability through this Integrated Directors' Report, as well as the information we regularly publish on our website. We also share a range of detailed and specific information with our various stakeholders, such as shareholders, suppliers, customers or the different organisations with which we collaborate.

### Innovation

Inditex is unwaveringly committed to innovation in all its areas, including sustainability.

We believe that in order to drive the industry's transformation, it is not enough to apply the current paradigms, but rather an innovative approach is necessary, one that strives for new solutions. In this context, the Sustainability Innovation Hub, the platform we use to find the best materials, approaches and processes, is an invaluable ally.

### Roadmap and commitments

Inditex has a Sustainability Roadmap that is structured around two main pillars: a commitment to the circular economy and decarbonisation – in line with the objectives of the Paris Agreement, and a commitment to the Sustainable Development Goals, to which we add the promotion of and respect for human rights.

## Our sustainability roadmap

### 2022

/ 100% of electricity consumption from renewable sources in all our own facilities (headquarters, logistics centres, factories and stores).

/ More than 50% of articles featuring the Join Life label.

### 2023

/ 100% of cotton from preferred sources.

/ 100% of man-made cellulosic fibres from preferred sources.

/ **Zero Waste** from our own facilities: headquarters, logistics centres, factories and stores.

/ 100% elimination of single use plastics for customers.

/ 100% collection of all packaging materials for recycling or reuse in the supply chain (Green to Pack).

### 2025

/ 100% of polyester from preferred sources.

/ 100% of linen from preferred sources.

/ 25% reduction of water consumption in the supply chain.

### 2040

/ Net zero emissions.

## Sustainability governance

The commitment to sustainability extends to all levels of the Company, starting with the governing bodies - most notably the Sustainability Committee - and permeating the entire organisation, based on a solid system of governance. Moreover, the Group has a Social Advisory Board, an external body that advises us on sustainability issues.

[More information in section 6.1. Good governance, corporate ethical culture and solid compliance architecture](#) of this Report.

This governance system is based on a number of policies and strategies that guide our activities and our decision making, and that lay the groundwork to ensure that sustainability is integrated at every stage of our value chain. These include, in particular, our Sustainability Policy, which comprises the principles adopted by the Group in relations with our stakeholders, encouraging integrating sustainability practices into the business model with the premise that all its activities will be

conducted in a manner that respects people, the wider community and the environment, based upon our commitment to human rights and sustainable development.

## Policies that guarantee integration of sustainability in the operations and decision making at the Inditex Group

### / Sustainability Policy\*

/ Policy on Human Rights

/ Diversity and Inclusion Policy

/ Compliance Policy

/ Integrity Policies

/ Forest Product Policy

/ Code of Conduct and Responsible Practices

/ Code of Conduct for Manufacturers and Suppliers

/ Product health and safety standards

/ Green to Wear environmental standard (GtW)

/ Strategy on social management of the supply chain: Workers at the Centre 2019-2022

/ Global Water Management Strategy, Global Energy Strategy, and Biodiversity Strategy

\* Approved by the Board of Directors on 9 December 2015, amended on 14 December 2020 and updated on 3 November 2022. Includes:

/ Principles that govern sustainability in the Group.

/ It includes the integration of sustainability into the business model and the cornerstones upon which the organisation's value creation is established.

/ Principles governing stakeholder engagement and the identification of key stakeholders.

/ Principles upon which the communication of sustainability practices is established, strengthening the ongoing dialogue and transparency as a cornerstone for stakeholder engagement.

The commitment to sustainability by the governing bodies and the entire Company is crystallised in the definition of ambitious goals and specific targets, linking the variable remuneration of different areas within the Group to sustainability objectives.

Specifically, up to 15% of the CEO's variable remuneration is linked to compliance with sustainability policies. In addition, 25% of the 2021-2024 long-term incentive scheme for members of the management team and other key employees is based on the achievement of sustainability metrics. The variable remuneration of all office employees also factors in sustainability metrics.

## Contribution to sustainable development

When the 2030 Agenda for Sustainable Development was approved in 2015, at Inditex we aligned our sustainability strategy with its 17 Sustainable Development Goals (SDGs) and 169 targets, mindful that only by achieving all of them will be possible to eradicate poverty in all its forms, reduce inequalities

and stop climate change. This alignment has given us a holistic view of our impacts and the opportunities for promoting sustainable development and collaboration in the communities in which we operate.

In this regard, this report includes detailed information on our contribution to the SDGs, indicating at the beginning of each chapter those goals on which the actions outlined in them have an impact, as well as a quantitative summary of the main indicators that show our contribution in accordance with the

guide entitled *Business Reporting on the SDGs: An Analysis of Goals and Targets*.

① More information in section [7.1.6 Inditex's contribution to the SDGs. Main indicators](#), of this Report.



## Inditex's contribution to the SDGs. Key milestones in 2022



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

Our commitment to promoting workplace safety, health and well-being is at the heart of Inditex's activities. This is enshrined in our Health and Safety Policy, updated in 2022. We extend this commitment to all workers in our supply chain. Consequently, we have implemented numerous projects in this sphere as part of our Workers at the Centre 2019-2022 strategy. Notable in this regard is our work throughout this year to study, in collaboration with other stakeholders, the feasibility of expanding the International Accord for Health and Safety in the Textile and Garment Industry to Pakistan. We have also contributed to improving the health and well-being of more than one million vulnerable people worldwide through our partnerships with Médecins Sans Frontières, Medicus Mundi and Every Mother Counts.

**5** GENDER EQUALITY  
**SDG 5**  
GENDER EQUALITY

Gender equality and women empowerment are a part of the essence of our Group. That is why we promote inclusive working environments that are free of any kind of discrimination. Accordingly, in 2022, the Global Sexual Harassment and Sex or Gender Identity-Based Harassment at the Workplace Prevention Policy was approved. In addition, we have exceeded our target for women's representation on the Board of Directors, reaching 45.45% in 2022. Our commitment to gender equality also extends to our supply chain, with numerous initiatives deployed as part of our Workers at the Centre 2019-2022 strategy. Also notable are our partnerships with organisations such as Every Mother Counts, Water.org and Entreculturas as part of our Corporate Community Investment programme.

**8** DECENT WORK AND ECONOMIC GROWTH  
**SDG 8**  
DECENT WORK AND ECONOMIC GROWTH

At Inditex we prioritise nurturing stimulating, stable and safe working environments, in which equal opportunities and professional development are a reality for all, from our own people to workers in the supply chain. Thus, in 2022 we culminated our Workers at the Centre 2019-2022 strategy, which over the past four years has benefited 2.5 million workers through its multiple projects and initiatives, developed in partnership with multiple local and international organisations. Furthermore, we continue to promote the employment of people in or at risk of social inclusion through initiatives such as for&from, Salta and the employment programme with Caritas.

**12** RESPONSIBLE CONSUMPTION AND PRODUCTION  
**SDG 12**  
RESPONSIBLE PRODUCTION AND CONSUMPTION

Sustainability, as a cornerstone of our business model, implies promoting responsible consumption and production practices. In 2022, we signed a three-year commitment with Infinited Fiber Company, for more than 100 million euros, to purchase 30% of the future production volume of Infinna, a textile fibre produced entirely from discarded garments and part of our open innovation platform Sustainability Innovation Hub. This year we also continued to ramp up our consumption of preferred raw materials, reaching 60% of total raw materials consumed. In addition, this year we have allocated 22.5 million euros to projects that have had this SDG as their main objective, highlighting the renewal of our collaboration with Caritas to strengthen the Moda Re-initiative for the collection and reuse of clothing.





**SDG 13**  
CLIMATE ACTION

At Inditex we are committed to fighting against climate change. With this in mind, in 2022 we signed up to the new targets set by the United Nations Fashion Industry Charter for Climate Action. This framework encompasses commitments in areas such as emissions and raw materials.

This year we also fulfilled our commitment to renewable energy, with 100% of the electricity consumed in our facilities coming from renewable sources.

In addition, mindful of the importance of working with our suppliers in this matter, in 2022 we rolled out the environmental improvement plan to promote improvements in production processes and facilities for a better use of resources, reducing their water and energy consumption.



**SDG 17**  
PARTNERSHIPS FOR THE GOALS

Partnerships are key to achieving the Sustainable Development Goals and moving towards the sustainable transformation of our sector. We therefore continue to focus on collaboration, developing projects and initiatives in conjunction with numerous local and international organisations, trade unions, governments and academic institutions, among others. Particularly significant are our partnerships with the International Labour Organization, IndustriALL Global Union, UNI Global Union, ACT (Action, Collaboration, Transformation), Fashion Pact, and Cáritas, among others.

**Other notable contributions**



In 2022 we have taken part in various initiatives whose primary or secondary objective is to contribute to ending poverty. We have implemented these projects in collaboration with various non-profit organisations such as Entreculturas (Colombia, Ecuador, Venezuela, Brazil, Lebanon and Mexico), UNHCR (Ukraine) and Fundatia Hope and Homes for Children (Romania), among others.



As part of our community investment programme, we have worked throughout the year with organisations such as La Mie de Pain (France), FESBAL (Spain) o Fe y Alegría (Paraguay) on various initiatives aimed at eradicating hunger.



At Inditex we believe it is essential to promote our employees' professional development through training and internal promotions. Evidence of this is that 59% of the Group's vacancies were covered in-house in 2022. In addition, we have continued to be engaged in projects to promote access to primary and secondary education with the NGO Entreculturas, as well as university education in partnership with the universities of Tsinghua, Dhaka or A Coruña, among others.



In 2022, we made further headway on our commitment to reducing water consumption in our supply chain by 25% in 2025. We have also joined forces with the organisation Water.org to launch a new programme, Water and Climate Fund, which aims to develop projects to improve water and sanitation infrastructure, boosting efficiency and savings, and enhancing local communities' access to water.



This year we achieved our target of 100% renewably sourced electricity consumption at our facilities. We continue working on the promotion of renewable energies through projects that generate additionality to the grid, such as the VPPA (Virtual Purchase Power Agreement) signed this year and Outer Port Wind Facility in A Coruña, which is scheduled to enter into service in 2025.



Innovation is a key part of our business model and it is essential to achieving lasting industry transformation in spheres such as sustainability. We have therefore continued to promote the Sustainability Innovation Hub, collaborating with various start-ups in the search for new solutions, materials and manufacturing processes.



Within the framework of our Corporate Community Investment programme, this year we carried out numerous projects aimed primarily at reducing inequalities, most notably partnerships with organisations such as UNHCR, Red Cross, Entreculturas and Cáritas. In 2022, our investment in these initiatives amounted to 17.8 million euros.



In 2022, we worked on projects with various organisations focused on helping to achieve this goal, such as Spain's Reina Sofia National Museum of Art and Galician Symphony Orchestra or Portugal's Fundação de Serralves.



In 2022 we subscribed to the Arctic Corporate Shipping Pledge, promoted by Ocean Conservancy, that pushes for a commitment to avoid shipping routes through the Arctic due to the potential impact on the ecosystem. This year, we also began marketing a detergent that helps to reduce microfibre shedding from garments during washing, thus preventing their discharge into water systems.



In 2022, we teamed up with various organisations to develop a project to promote regenerative practices in India. As part of this objective, we also signed an agreement with WWF to carry out projects to restore forests and other ecosystems that serve as habitats for endangered species.



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

### 4.1.1.Human Rights

GRI 2-6; 2-24; 2-25; 2-29; 3-1; 3-3; AF1; AF5; AF7

① More information in the Human Rights Report, which is available on the Inditex corporate website.

Inditex has inseparably linked its journey to the promotion of and respect for human rights and, to this end, we have a human rights strategy aligned with the United Nations Guiding Principles on Business and Human Rights. The strategy extends to all Group operations and structures our commitment and alignment with best practices throughout the value chain.

Our human rights strategy is structured on the following three pillars:

#### Inditex's human rights strategy

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

##### Policy on Human Rights

Approved by the Board of Directors in 2016. It applies to the entire Group.

##### Due Diligence

- / Identifying potential impacts arising from operations and relationships.
- / Prioritising impacts.
- / Integration of the results in processes.

##### Grievance mechanisms

Underpin the identification of potential impacts and help strengthen aspects of the due diligence process.

#### Policy on Human Rights.

Inditex advocates **respect for human rights in all its operations**, a principle that is ingrained in its business strategy and fully integrated throughout the corporate model.

A clear example of this is the Policy on Human Rights, approved by the Board of Directors in 2016, which represents the first pillar of our strategy. This Policy is binding upon the entire Group and its employees and extends to any person having dealings with the Company. It is based on the Universal Declaration of Human Rights, and on the main conventions of the International Labour Organization and the Guiding Principles on Business and Human Rights, among others, and embodies Inditex's commitment to the values that these frameworks represent.

For prioritisation purposes, the Policy also identifies the rights

most directly connected with the business model.

#### Policy on human rights

##### Respect for all universally recognised human rights

Prioritisation of rights most closely related to the business model:

##### Non-labour human rights

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

##### Labour human rights

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

For comprehensive integration of respect for human rights throughout the Company, we consider that **collaboration and communication are key**. Every department implements its own specific actions in this regard, bonded together by the corporate human rights strategy. This integration permeates the entire Company.

The Board of Directors is the body responsible for approving the policy on human rights. The Board has a Sustainability Committee, an informative and consultative body, responsible for promoting the commitment to human rights, among other matters. The Board also has an Audit and Compliance Committee responsible for monitoring and assessing financial and non-financial risks, including human rights-related risks.

The Group also has a Social Advisory Board, a collegiate body integrated by external independent experts, which advises on human rights, among other issues linked to sustainability.

More information in section [6.1.1. Good Corporate Governance](#), of this Report.

## Due diligence in human rights

Our approach is based on developing **due diligence processes** to detect the potential impacts of our activities on human rights. By means of continuous interaction with our stakeholders and sustainability teams on the ground, these processes are kept permanently up to date. The due diligence processes that are part of the human rights strategy involve two main focus areas:

**/ Supply Chain.** Considering our business model, our supply chain is one of the priority areas of our overall value chain, in which we place a special focus on the promotion of and respect for workers' human rights. Based on the due diligence process accompanied by the organisation Shift, we drew up

our strategy **Workers at the Centre 2019-2022**, focused on the socially sustainable management of the supply chain. The due diligence process identified the seven priority impact areas into which the strategy is structured: worker participation; living wages; gender, diversity and inclusion; occupational health and safety; protection of migrants and refugees; social protection; and protection of labour rights in the production of raw materials.

More information in section [5.6.2 Workers at the Centre](#) of this Report.

**/ Value chain.** In keeping with the Guiding Principles, we extend the human rights strategy throughout the entire value chain. The design of these due diligence processes involves the different areas of the Company, such as Human Resources and Risk Management, and it is constantly reviewed and updated. At the same time, we carry out a range of activities to identify potential impacts, prevent them and mitigate them by means of integrating responsible practices into our activities in order to uphold human rights.

## Key elements for due diligence

### Communication and cooperation with stakeholders

Cooperation and collaboration are essential components of the due diligence process. Thus, there is no overstating the key importance of the relationships we forge with international organisations and NGOs, among other experts in the field and who support us in developing specific projects, training and creating and implementing our strategies. A clear example of this is our partnership with Shift, a leading centre and promoter of the Guiding Principles on Business and Human Rights. This organisation also coordinates and organises the Business Learning Program, a space in which to share practices and learning in connection with fostering human rights at companies in various sectors, in which Inditex also takes part. We also highlight our partnerships with the International Labour Organization, the UNI Global Union, IndustriALL Global Union and the UN Global Compact.

### Awareness and training

Awareness is the cornerstone for a human rights culture to flourish throughout the organisation. This culture is communicated both internally to the Company's employees, and externally to suppliers, manufacturers and other stakeholders. Particularly in the supply chain, training is complemented by our work on responsible purchasing practices, with the aim of aligning commercial teams with our commitment to sustainability and human rights.

For example, in 2022, under the umbrella of the Sustainable Fashion School, the commercial and design teams have received training that includes specific topics on human rights and their potential impacts related to the business model.

Our aim is to integrate responsible and ethical practices into everything we do, both internally and in our relations with third parties, for the promotion of and respect for human rights of all our employees and anyone we come into contact with in the course of our business.

### Grievance mechanisms

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

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

① More information in section [6.1.3. Compliance and criminal risk prevention systems](#) of this Report.

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

① More information in the *Workers at the Centre Report*, which is available on the Inditex corporate website.



## 4.2. Stakeholder engagement

GRI 2-29; 3-1; 3-3

### How and with whom we collaborate

Our stakeholders are those entities or groups that are related to Inditex, both throughout our value chain and in the communities in which we carry out our activity and which, at the same time, have the capacity to influence our Company with their decisions and opinions. In this regard, we identify and group our stakeholders according to their link to our business model. Thus, our main stakeholders are: customers, employees, suppliers, shareholders, the community as a whole and the environment (represented by various environmental organisations).

The principles on which our relationship with stakeholders is based are enshrined in our Sustainability Policy. The first of these is **transparency**, which helps us to establish a bond of trust with them. The second is **continuous dialogue**, which allows us to respond to their demands and needs, as well as to join forces to achieve common and shared objectives, such as circularity, preserving the planet and its resources, or promoting human and labour rights.

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

### Defining the stakeholder engagement strategy

#### Identification

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

#### Prioritisation

Classification and determination of priority stakeholders based on our business model and value chain.

#### Definition of the strategy

A specific strategy is defined for each group of stakeholders, defining objectives, commitments and dialogue tools.

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Common elements of all the strategies:  
**Permanent dialogue and transparency**



## Inditex's main stakeholders and engagement and dialogue tools

### Inditex's main stakeholders

### Examples of stakeholders

#### Employees

Any person who works at Inditex.



/ Store employees  
/ Office employees  
/ Logistics centres employees  
/ Union representatives

#### Customers

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



/ Physical store customer  
/ Online store customer  
/ Potential customer

#### Suppliers

Companies that are part of Inditex supply chain and their respective employees.



/ Direct suppliers  
/ Manufacturers  
/ Workers  
/ Trade union organisations  
/ International organisations

#### Community

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



/ NGOs  
/ Governments and public authorities  
/ Academic institutions  
/ Civil society  
/ Media

#### Environment

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



/ Environmental protection organisations  
/ Governments and public authorities

#### Shareholders

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



/ Institutional investors  
/ Individual investors

■ Constant dialogue ■ Biannual ■ Annual ■ On demand

### Relationship and dialogue tools

### Our commitments

Common	Specific
 <p>Sustainability Committee</p>	<ul style="list-style-type: none"> <li>■ Ethics Committee</li> <li>■ Agreement with UNI Global Union</li> <li>■ Internal training and promotion</li> <li>■ Internal communication</li> <li>■ Volunteer programmes</li> <li>■ Departments of Information Security and Data Protection and Privacy</li> </ul>
 <p>Materiality Analysis</p>	<ul style="list-style-type: none"> <li>■ Teams specialising in customer service</li> <li>■ Physical and online stores</li> <li>■ Social media</li> <li>■ Departments of Information Security and Data Protection and Privacy</li> </ul>
 <p>Social Advisory Board</p>	<ul style="list-style-type: none"> <li>■ Supplier clusters</li> <li>■ Ethics Committee</li> <li>■ Sales and sustainability teams</li> <li>■ Framework Agreement with IndustriALL</li> <li>■ Global Union Department of Information Security and Data Protection and Privacy</li> </ul>
 <p>Strategic partnerships</p>	<ul style="list-style-type: none"> <li>■ Social Advisory Board</li> <li>■ Commitments to NGOs</li> <li>■ Sponsorships and Patronage Committee</li> </ul>
 <p>Corporate Website</p>	<ul style="list-style-type: none"> <li>■ Social Advisory Board</li> <li>■ Commitments to NGOs</li> <li>■ Sustainability teams</li> </ul>
 <p>Integrated report</p>	<ul style="list-style-type: none"> <li>■ Annual General Meeting</li> <li>■ Sustainability indices</li> <li>■ Investor relations</li> </ul>

Common	Specific
	<p>/ Respect for Human and Labour Rights</p>
	<p>/ Fair and decent treatment</p>
	<p>/ Respect for privacy and personal data protection</p>
	<p>/ Commitment to information security</p>
	<p>/ Clear and transparent communication</p>
	<p>/ Integration throughout the business model</p>
	<p>/ Responsible design and manufacturing</p>
	<p>/ Respect for privacy and personal data protection</p>
	<p>/ Commitment to information security</p>
	<p>/ Promotion and protection of core human and labour rights and international standards</p>
	<p>/ Promotion of sustainable production environments</p>
	<p>/ Respect for privacy and personal data protection in the provision of services</p>
	<p>/ Contribution to social and economic development</p>
	<p>/ Commitment to improving global welfare</p>
	<p>/ Respect for the environment</p>
	<p>/ Conservation of biodiversity</p>
	<p>/ Sustainable management of resources</p>
	<p>/ Stopping climate change</p>
	<p>/ Social interest and interest common to all shareholders</p>
	<p>/ Fostering informed engagement</p>

### Outstanding relationship and dialogue tools

We have had a Sustainability Committee since 2019. It is a delegated committee of the Board of Directors, whose responsibilities include the supervision of our stakeholders' engagement in the sustainability field.

On the other hand, since 2002 we have had a Social Advisory Board which acts as an advisory body on sustainability matters, and comprises independent external members, whose responsibilities include arranging and institutionalising dialogue with key stakeholders in civil society.

More information in section [6.1.1. Good Corporate Governance](#) of this Report.

Furthermore, we have established various strategic partnerships for collaboration with stakeholders to contribute to sustainable development throughout our value chain and in the communities where we operate.

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

Note that the Group conducts an annual materiality analysis in order to identify and respond to those issues that are most relevant to our stakeholders. The findings of this analysis are a very valuable source of information, as they enable us not only to discover their needs and expectations, but at the same time serve as a guide to define our priorities as we progress in the creation of economic, social and environmental value.

More information in section [4.2.2 Materiality analysis](#) of this Report.

### 4.2.1. Partnerships

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

At Inditex we consider it essential to establish close and multi-directional partnerships with various organisations and institutions. In our view, only by joining forces with key players can we advance in the sustainable transformation of our sector in particular, and of society and the planet in general

Consequently, we maintain partnerships with governments, trade unions, academic institutions, local and international organisations and representatives of civil society, among others, to progress in sustainable development. Accordingly, we maximise our contribution to the SDGs and foster economic, social and environmental value creation.

In the last year, in addition to maintaining the strong partnerships of previous years, we have established new ones such as with Ocean Conservancy, Disability:IN and WWF, to name but a few.

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





## Partnerships

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



Protecting the **environment** and fighting against **climate change**



Transversal partnerships with **social, environmental and governance** impact



## 4.2.2. Materiality analysis

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

In 2022, for the twelfth consecutive year, we performed a materiality analysis to understand the needs and expectations of our stakeholders. This exercise enables us to identify and prioritise the issues that are most relevant, both to internal stakeholders, i.e., our employees, and external stakeholders, i.e., international bodies, trade unions, NGOs, universities, local communities and suppliers, among others.

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

In 2022, we updated the methodology used to conduct our materiality analysis, which has a dual focus: **impact materiality**, which analyses the organisation's potential impacts on the economy, environment, and people, and **financial materiality**, which analyses how these same issues impact the Organisation. Thus, we conducted a dual materiality exercise.

To determine impact materiality, we follow the recommendations outlined by the Global Reporting Initiative in its GRI 3: Material Topics 2021 standard, which updates the methodology previously recommended in the GRI 101: Foundation 2016 standard, focusing the analysis on the significance of the Company's actual and potential impacts on the economy, the environment and people, including on human rights. According to this methodology, the materiality of impacts is determined by assessing the following parameters:

/ **Scale:** how grave or beneficial the impact is or would be.

/ **Scope:** how widespread the impact is, for example, the number of individuals affected or the extent of damage.

/ **Irremediable character:** when the impact is negative, how hard it is to counteract or make good the resulting harm.

/ **Likelihood:** for a potential impact, the chance of the impact happening. In determining this, short, medium, and long-term perspectives are taken into consideration.

In addition to this exercise, we conduct an assessment of the financial materiality of each impact in order to maintain a **dual perspective of materiality** in our analysis, in line with best practices in this area. To determine financial materiality, we survey our employees (internal stakeholders) to determine the financial scale of the impacts identified for Inditex, based on the effect they may have on future cash generation or on the Company's value in the short or medium term.

The result of this exercise is a materiality matrix where, based on the importance of its impact on the environment (x-axis - impact materiality) and its relevance for the development of the Company's business model (y-axis - financial materiality), 18 topics are shown, two fewer than last year. Both impact materiality and financial materiality are rated on a scale of zero to four points.

The decrease in the number of topics is due to the change in methodology compared to 2021, as by starting the analysis from a more granular impact perspective, impacts related to the two topics not included in this year's matrix - customer orientation and diversity, equality and inclusion - have been grouped into other topics. In particular, impacts such as pay inequality, diverse workforce and inclusive work culture, or those related to harassment and discrimination are key impacts that are now part of the quality of employment and human rights topics. In other words, these impacts continue to be material, but they have been included in other material topics.

① More information in section [7.2.3. Balance of material topics](#) of this Report.

## Process to develop Inditex's materiality matrix

### Identifying the potential and actual impacts

that Inditex has on the economy, the environment and people, including on human rights, taking as a reference:

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

### Importance of the impacts

obtained by calculating the variables:

#### Scale

Evaluated by surveying:

- / internal stakeholders
- / external stakeholders\*

#### Scope, Irremediable Character and Likelihood

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

### Financial materiality

#### Impact on the Company's cash generation and value creation

Evaluated through surveys to employees.

### Prioritising impacts

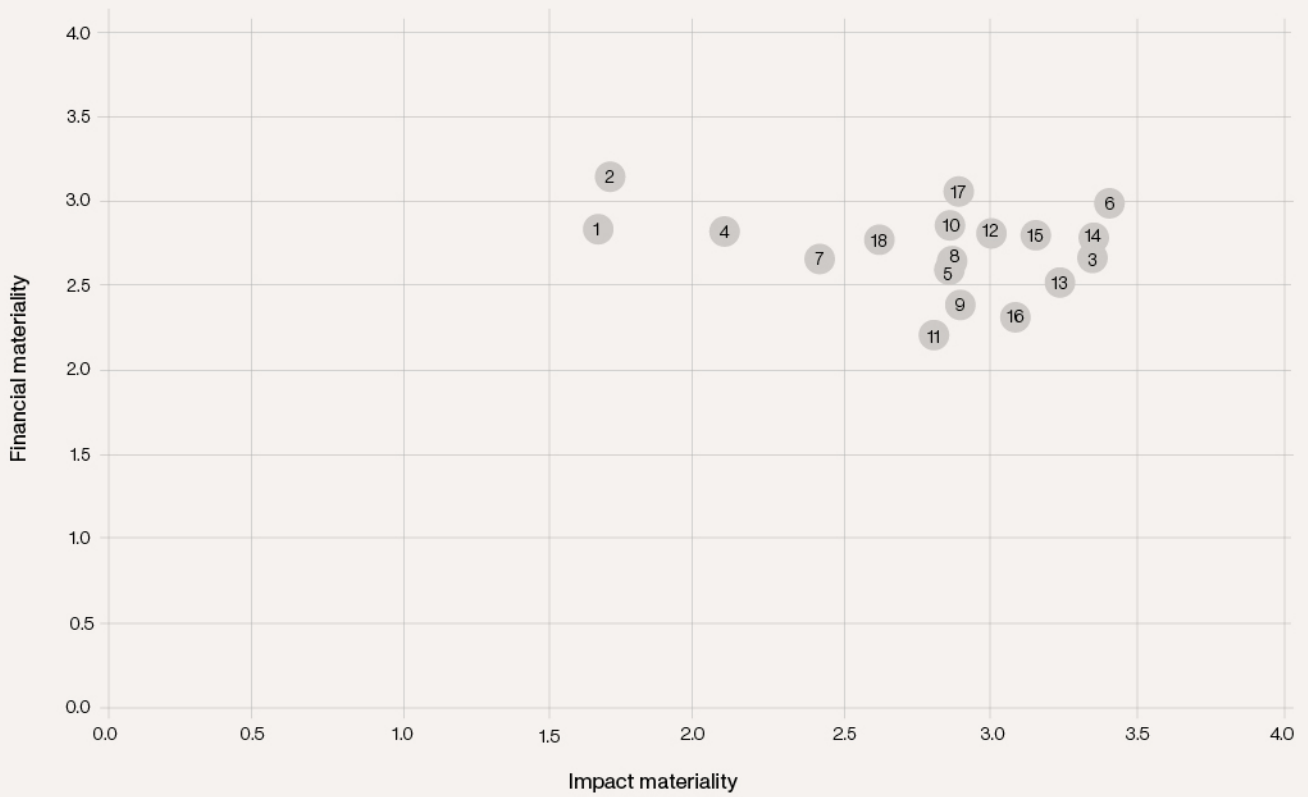
based on their significance.

Grouping the identified impacts into 18 material topics.

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

\*In 2022, representatives from more than 80 organisations of different kinds took part. The participant organisations include, among others: The Inditex Social Advisory Board, Accelerating Circularity, *Asociación Española de Contabilidad y Administración de Empresas* (AECA), AFIRM Group, Caritas, Better Work, Centre for Business and Public Sector Ethics of Cambridge, Red Cross, Ethical Trading Initiative, Fashion for Good, Entreculturas, *Fundación SERES*, *Red Española del Pacto Mundial de Naciones Unidas* (United Nations Global Compact), Greenpeace, Humane Society of the United States (HSUS), IndustriALL Global Union, *Médicins Sans Frontières* (MSF), *Medicus Mundi*, Organic Cotton Accelerator (OCA), University of Cambridge, University of A Coruña, and University of Santiago de Compostela.

## Double materiality matrix



## Material topics

- |   |                                  |   |
|---|----------------------------------|---|
| 1 Ethical behaviour and governance          | 7 Value creation                 | 13 Socially-sustainable production environments |
| 2 Risk management and control systems       | 8 Innovation                     | 14 Climate change                               |
| 3 Stakeholder engagement                    | 9 Quality of employment          | 15 Environmental footprint minimisation         |
| 4 Responsible communication                 | 10 Human Rights                  | 16 Protection of natural resources              |
| 5 Value chain transparency and traceability | 11 Safe and healthy environments | 17 Product sustainability                       |
| 6 Responsible purchasing practices          | 12 Talent management             | 18 Circularity                                  |



## 5. Committed to

5.1. Our people / 5.2. Our customers / 5.3. Our products /  
5.4. Our shareholders / 5.5. Environment / 5.6. Suppliers /  
5.7. Communities

Inditex is a company committed to its stakeholders: its people, customers, shareholders, products and surrounding environment, from suppliers to the communities where we operate.

## 5.1. Our people

GRI 2-7; 3-3; 404-2

**Related material topics: Stakeholder engagement; Quality of employment; Human rights; Safe and healthy environments; Talent management.**



A career at Inditex is more than a job: it is a lifestyle packed with goals, opportunities and continuous inspiration.

Our purpose is to make a positive impact on the lives of millions of people, starting with those that make up our team, which comprises 182 nationalities. We want Inditex to be the ideal place for passionate, curious, entrepreneurial, motivated and responsible people; a place for them to continue to grow as part of a creative and innovative team.

To achieve this, our entire people strategy is grounded on four cornerstones: promoting our **values** and our **culture**, characterised by **diversity, inclusion** and **equal** opportunities; maximising our commitment to **talent**, always providing opportunities for learning and professional growth; guaranteeing **high quality**, stimulating and stable jobs; and protecting the **safety, health and well-being** of our teams.

### 5.1.1. Diversity, inclusion, equality and work-life balance

GRI 2-7; 3-3; 401-3; 404-2; 405-1; 405-2; AF23; AF27; AF32

#### 5.1.1.1. About us

At the end of 2022, our Group comprised a team of **164,997 people, located in 60 different markets and representing a total of 182 nationalities** (165,042 people, 60 markets and 177 nationalities in 2021; 144,116 people, 60 markets and 171 nationalities in 2020; 176,611 people, 60 markets and 172 nationalities in 2019; 174,386 people, 60 markets and 154 nationalities in 2018).

The Inditex Group can be described with four features:

- / Generational and gender diversity
- / International presence
- / Horizontal organisation
- / A customer-centric approach

**Generational and gender diversity**, along with **the empowerment of women**, are hallmarks of who we are in the Inditex Group. At the end of 2022, **75% of our workforce are women**, while 25% are men (76% and 24% in 2021, 2020 and 2019, and 75% and 25% in 2018, respectively). Moreover, our teams **comprise employees of different generations**, the youngest groups being the largest, as evidenced by the average age of our workforce, which is 29.6 years old (29.3 years old in 2021, 30.1 years old in 2020, 28.9 years old in 2019 and 28.7 years old in 2018).

With employees in over 60 markets, Inditex's **international presence** is another of our greatest strengths. On the one hand, it enriches our team management by allowing us to apply global policies while at the same time addressing the different local realities; and on the other hand, multiculturalism makes us a more creative company, geared to understand the market's complexities. Spain, with 46,154 employees, accounts for 28% of the total workforce.

Thirdly, our **horizontal organisation** favours open and continuous communication throughout the workforce, as well as collaborative work. This permanent dialogue enables us to better understand our business and identify opportunities for improvement in all areas and at every level. In addition, our approach to job classifications is broad, with store employees having a special relevance in all of them.

Lastly, our **customers are at the heart** of our business model. Accordingly, our stores, where 86% of our people work, play a paramount role in the Company. In recent years our online teams have also grown strongly. The rest of the Group's areas of activity (factories, logistics and central services) provide services to the integrated store and online platform of all seven of our brands, which make up a seamless network of over 5,800 stores.

## Our people in 2022

# 164,997

people

### Distribution by activity

	2022		2021		2020		2019		2018	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
Store	143,365	86	143,592	86	123,660	86	154,465	87	152,057	87
Central services	11,374	7	11,283	7	10,844	7	11,386	6	11,547	7
Logistics	9,670	6	9,439	6	8,862	6	9,932	6	9,929	5
Factories	588	1	728	1	750	1	828	1	853	1
<b>Total</b>	<b>164,997</b>	<b>100</b>	<b>165,042</b>	<b>100</b>	<b>144,116</b>	<b>100</b>	<b>176,611</b>	<b>100</b>	<b>174,386</b>	<b>100</b>

### Distribution by age

	2022		2021		2020		2019		2018	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
<30	94,666	57	95,752	58	77,597	54	107,042	61	107,639	62
30-40	44,644	27	46,115	28	45,792	32	49,336	28	48,709	28
>40	25,686	16	23,175	14	20,727	14	20,233	11	18,038	10
<b>Total</b>	<b>164,997</b>	<b>100</b>	<b>165,042</b>	<b>100</b>	<b>144,116</b>	<b>100</b>	<b>176,611</b>	<b>100</b>	<b>174,386</b>	<b>100</b>

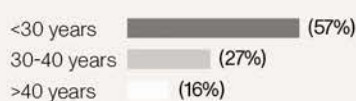
### Distribution by geography

	2022		2021		2020		2019		2018	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
Americas	20,909	13	19,888	12	16,788	12	19,749	11	20,785	12
Asia and rest of the world	14,457	9	16,460	10	17,215	12	23,541	13	23,452	13
Spain	46,154	28	46,075	28	40,279	28	48,687	28	47,930	28
Europe (ex-Spain)	83,476	51	82,619	50	69,834	48	84,634	48	82,219	47
<b>Total</b>	<b>164,997</b>	<b>100</b>	<b>165,042</b>	<b>100</b>	<b>144,116</b>	<b>100</b>	<b>176,611</b>	<b>100</b>	<b>174,386</b>	<b>100</b>

### Distribution by gender

	2022		2021		2020		2019		2018	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
Women	123,201	75	124,993	76	109,323	76	133,465	76	131,385	75
Men	41,796	25	40,049	24	34,793	24	43,146	24	43,001	25
<b>Total</b>	<b>164,997</b>	<b>100</b>	<b>165,042</b>	<b>100</b>	<b>144,116</b>	<b>100</b>	<b>176,611</b>	<b>100</b>	<b>174,386</b>	<b>100</b>

#### Age



#### Markets



#### Gender





## Distribution by job classification\*

	2022		2021		2020		2019		2018	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
Management	10,692	6	11,890	7	12,591	9	10,473	6	7,601	4
Supervisor	14,754	9	15,367	9	16,480	11	19,779	11	20,350	12
Specialist	139,551	85	137,785	83	115,045	80	146,359	83	146,435	84
<b>Total</b>	<b>164,997</b>	<b>100</b>	<b>165,042</b>	<b>100</b>	<b>144,116</b>	<b>100</b>	<b>176,611</b>	<b>100</b>	<b>174,386</b>	<b>100</b>

\*The description of the functions of the three job classification groups is:

**Management:** employees in management positions with responsibility for interdisciplinary working groups related to the areas of design, manufacturing, distribution, logistics, stores, technology, sustainability and other general services. This category includes store managers.

**Supervisor:** employees who are part of interdepartmental and transversal working groups for design, logistics and stores, as well as sustainability, technology and other general services.

**Specialist:** employees with an impact through individual contribution related to one of the Group's activities in the areas of design, manufacturing, distribution, logistics, stores, sustainability, technology and other general services.

## Distribution by market

Europe (ex-Spain)	2022	2021	2020	2019	2018	Asia and rest of the world	2022	2021	2020	2019	2018
Albania	332	249	221	243	263	Australia	1,863	1,763	1,501	1,636	1,504
Austria	1,320	1,334	1,253	1,455	1,477	Bangladesh	75	71	62	59	57
Belgium	2,977	2,929	2,562	2,945	2,818	Cambodia	3	4	4	6	4
Belarus	370	350	278	290	298	India	1,543	1,300	1,173	1,294	1,227
Bosnia-Herzegovina	420	369	314	424	360	Japan	2,780	3,247	3,488	4,314	3,979
Bulgaria	750	663	600	716	733	Kazakhstan	1,189	989	746	779	723
Croatia	1,125	1,041	923	1,160	1,078	Morocco	40	38	34	26	16
Czech Republic	676	605	505	700	643	New Zealand	106	112	119	115	99
Denmark	296	309	292	329	335	Pakistan	9	3	2	2	2
Finland	203	240	249	260	269	Singapore	4	4	4	4	4
France	11,302	10,315	8,729	10,030	9,414	South Africa	496	490	524	633	548
Germany	4,951	4,684	4,753	5,531	5,874	South Korea	1,529	1,438	1,269	1,673	1,514
Greece	3,930	4,004	3,639	4,278	4,014	Vietnam	14	14	15	15	13
Hungary	1,214	1,116	818	1,126	1,067	Mainland China	3,771	5,838	7,113	11,169	11,680
Italy	9,971	8,794	6,890	8,626	8,600	Taiwan, China	450	447	498	626	649
Ireland	1,027	958	743	854	882	Hong Kong SAR	532	627	558	1,020	1,252
Kosovo	291	245	215	211	157	Macao SAR	53	75	105	170	181
Luxembourg	335	325	300	318	179	<b>Total</b>	<b>14,457</b>	<b>16,460</b>	<b>17,215</b>	<b>23,541</b>	<b>23,452</b>
Monaco	41	39	39	39	36	<b>Spain</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Montenegro	155	143	99	128	123	Spain	46,154	46,075	40,279	48,687	47,930
Netherlands	2,947	2,701	2,536	3,018	2,856	<b>Americas</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
North Macedonia	315	289	132	154	155	Argentina	718	795	848	872	885
Norway	364	392	363	386	383	Brazil	2,697	2,219	2,418	2,849	2,810
Poland	4,623	4,239	4,040	4,679	4,617	Canada	3,025	2,564	2,077	2,595	2,466
Portugal	7,016	6,572	5,050	7,247	7,001	Chile	955	1,018	726	871	878
Romania	2,879	2,532	2,238	3,027	2,864	United States	6,374	6,897	5,080	6,310	6,267
Russia	5,303	10,148	9,119	10,696	10,365	Mexico	6,825	6,081	5,334	5,897	7,137
Serbia	971	894	656	736	742	Uruguay	314	314	305	355	342
Slovakia	469	443	305	359	302	<b>Total</b>	<b>20,909</b>	<b>19,888</b>	<b>16,788</b>	<b>19,749</b>	<b>20,785</b>
Slovenia	218	235	235	276	267						
Sweden	716	754	736	844	833						
Switzerland	1,470	1,479	1,478	1,564	1,506						
Türkiye	6,622	5,258	3,956	5,166	4,896						
United Kingdom	6,751	6,547	4,398	5,429	5,486						
Ukraine	1,127	1,424	1,170	1,390	1,326						
<b>Total</b>	<b>83,476</b>	<b>82,619</b>	<b>69,834</b>	<b>84,634</b>	<b>82,219</b>						



### 5.1.1.2. Our commitment to diversity and inclusion

At Inditex **we design opportunities for everyone**. Our teams are composed of people of different sex, gender identity and expression, sexual orientation, race, ethnicity, age, education, socio-economic status, disability or religion, among other characteristics.

We know that having diverse teams supported by an inclusive corporate culture that fosters equality of opportunities and applies a zero tolerance approach to discrimination makes us a more competitive, creative and innovative company. A company with more tools to understand the broad diversity of the market and to be able to anticipate all its fashion needs.

At Inditex we are committed to building diverse teams of people that drive our business performance and pave the way for us to achieve our corporate objectives. All this is grounded on values such as **inclusion, equality and respect**, which are the foundations for each person to be able to freely develop all their potential and achieve their professional goals.

The Group nurtures this **inclusive culture** and keeps it updated through the following commitments:

- / Guaranteeing balanced diversity of profiles for all job descriptions and at all levels by attracting and retaining talented professionals.
- / Always ensuring equality of opportunities for our people regardless of their sex, gender identity, race, ethnicity, origin or different abilities, among other characteristics.
- / Fostering collaboration and respectful communication between people and promoting respect for human rights, both inside and outside the Company.
- / Developing procedures and implementing appropriate initiatives and training programmes to achieve these goals.

In keeping with this corporate culture, in December 2020 the Board of Directors agreed to the update of **Inditex Diversity and Inclusion Policy**, previously approved in 2017. This Policy is derived from the Company's Code of Conduct and Responsible Practices, whose basic tenets are, among others, **respect,**

**acceptance and equality**, and it is also consistent with the Group's Compliance and Human Rights policies. One of the main aims of this Policy is to ensure that there is no discrimination of any kind, particularly on grounds of gender, in any position and in particular when appointing members of the Board or Senior Management.

Hence, the Diversity and Inclusion Policy **guides all our areas of action**, in particular with respect to people management: recruitment and selection, remuneration and benefits, promotion, training and professional development. Likewise, the policy also directly impacts areas linked to our relations with people in our business model: customer services, marketing and communication, procurement, etc. In summary, this Policy applies to anyone associated with the Group, whether they are employees, customers or third parties such as contractors, suppliers, professionals involved in recruitment processes or people working in the supply chain.

At the same time, Inditex's staff are responsible for promoting **diverse and inclusive workplaces** that ensure equal opportunities and foster collaboration and respectful communication between people, both inside and outside the Company. All the Group's areas, departments and subsidiaries are responsible for the proper implementation and application of these mandates on diversity and inclusion.

Within the Human Resources Team, the Department of Diversity, Equality and Inclusion ensures compliance with the Diversity and Inclusion Policy, and fosters training initiatives and programmes in this regard within the Group. Inditex also has an Ethics Committee and an Ethics Line to ensure compliance with this Policy, which receives and addresses all the comments, doubts or complaints made in good faith regarding the interpretation, application or enforcement of the Policy.

More information in section [6.1.3. Compliance and criminal risk prevention system](#) of this Report.

Two e-mail inboxes have been set up: one for queries regarding the interpretation of our Policy ([d&i@inditex.com](mailto:d&i@inditex.com)) and another to report complaints concerning its interpretation, application or compliance ([canaletico@inditex.com](mailto:canaletico@inditex.com)); there is also access to the people from Human Resources and the Diversity Champion in our markets and concepts.

### 5.1.1.3. Global initiatives to promote diversity and inclusion

As a **markedly international company**, we devised the diversity and inclusion (D&I) project from a global perspective, and implemented it across all our markets, which are a source of diversity and multiculturalism. And our people are at the heart of this project, transmitting our culture of inclusion and respect.

Accordingly, since 2018 we have appointed **Diversity Champions** among our staff in the various subsidiaries. Their mission is to act as diversity and inclusion coordinators in their countries and workplaces to ensure that our Diversity and Inclusion Policy is implemented, as well as to contribute ideas and projects that feed into our strategy. At present, more than 50 Champions carry out that role, since in 2022 Champions have now been designated at the headquarters of all the commercial brands. Within the framework of Champions in Europe, meetings were held in Paris, Sarajevo and Budapest in 2022 with the aim of advancing D&I commitments and projects and actively contributing to fulfilment of our cornerstones.

Also in Europe, 12 of our subsidiaries (France, Germany, Croatia, Romania, Slovenia, Italy, the Netherlands, Sweden, Greece, Portugal, Poland and Bulgaria) and our Brussels office have signed up to the **Diversity Charter** in their respective markets. This Charter, a European Commission initiative to foster diversity management and inclusion in all organisations, enables our local teams to exchange best practices and to interact with other companies and charitable entities in this regard.

Moreover, in the United States, in 2019 we signed up to the **Open to All** campaign, an initiative encompassing more than 200 companies and charitable entities whose aim is to promote the idea that everyone must be welcome in public retail spaces, regardless of their race, ethnicity, nationality, gender, sexual orientation, gender identity and expression gender identity and expression, migratory status, religion or disability, among others.

We work on the following **four global priorities**, as well as establishing local initiatives in our various subsidiaries:

- / Gender equality
- / Disability inclusion
- / LGBT+ inclusion
- / Socio-ethnic inclusion

In recognition of our work on diversity, in 2022 Inditex featured for the fourth consecutive year in the Financial Times **Diversity Leaders** Index, which includes the 850 leading companies in the field of diversity and inclusion in 16 countries, chosen from over 15,000 companies across Europe.

At the country level, it is worth highlighting that in 2022 Inditex ranked in the Top 10 among more than 230 leading companies in the first edition of the **Excellence in Diversity & Inclusion Awards** in China.

① More information in section [3.4. Recognitions](#) of this Report.

#### 5.1.1.3.1. Gender equality

Gender equality is at our core. We nurture **diverse and inclusive working environments** in which **all our workforce can develop their professional potential**. And, in particular, in which women, who account for **75%** of that workforce, feel supported in their professional development, free of any discrimination that may deprive them of enjoying the same opportunities as men.

To guarantee equality, we promote the transversality of our training and development tools (TraIn, Leap&Co or Talks), as well as the transparency of our internal promotion tool (InTalent), which enable us to ensure availability and objectivity in the Company's promotion processes.

In terms of awareness, in March, various dissemination campaigns were again held on the occasion of **International Women's Day**, in which the core message was that of empowerment, especially in those sectors where women have historically been under-represented.

Cultivating **women's talent** has enabled us to make solid progress in regard to their leadership within the Group: in 2022, **80% of the Company's management positions were filled by women** (81% in 2021 and 2020, and 79% in 2019). Furthermore, in the last few years the **representation of women on the Board of Directors** has also improved notably, achieving 45.45% in 2022 (+23 percentage points since 2016). Accordingly, we have achieved our target of 40% female representation on the Board by 2022, thus complying with the recommendations of the Spanish Good Governance Code.

① More information in section [6.1.1. Good Corporate Governance](#) of this Report.

The distribution of employees by gender and job classification in 2022 is as follows:

### Distribution by gender and job classification

	2022				Total
	Women		Men		
Management	8,553	80%	2,139	20%	10,692
Supervisor	10,364	70%	4,390	30%	14,754
Specialist	104,284	75%	35,267	25%	139,551
<b>Total</b>	<b>123,201</b>	<b>75%</b>	<b>41,796</b>	<b>25%</b>	<b>164,997</b>

To achieve our equality goals, at Inditex we guarantee fair access to opportunities for development at work, we promote continuous training and we strive to create safe spaces in which there is no harassment or violence against women, while also promoting wage parity.

In Spain, the **equality plans** at Inditex's different companies include measures that affect different areas of labour relations, such as selection, recruitment, promotion, training, occupational health, remuneration and work-life balance. This work is further underpinned by the committees that monitor these plans, which meet regularly to verify their compliance and effectiveness. There are also action protocols designed to prevent sexual and/or gender-based harassment.

In 2022, progress was made through social dialogue in the unification of the existing equality plans, with the negotiation of a **single Group equality plan** for store and office staff of all the brands in Spain, as well as that of Inditex, S.A. The agreement is expected to be signed in the first half of 2023. This Group plan coexists with the equality plans already in place at all our logistics centres and factories.

As a company that **rejects any kind of discrimination**, at Inditex we strive to prevent sexual harassment, abuse and sexual violence at the workplace by means of internal policies that prevent these behaviours. The **Global Sexual Harassment and Sex or Gender Identity-Based Harassment at the Workplace Prevention Policy**, approved in March 2022, improves the information and training in this area for the entire workforce. Prevention, care and support and response to victims are the main axes of this Policy.

This Global Policy also takes into account the recent approval of International Labour Organization (ILO) Violence and Harassment Convention – C190, ratified by Spain in May 2022 and entering into effect in 2023, and ILO Violence and Harassment Recommendation – R206 (June 2019). The Inditex Group establishes in this Global Policy the general principles that serve as a framework of reference for the various policies in this connection that may be approved locally in the markets where we operate.

In 2023, the Company will continue to further its commitment to protecting people in the workplace by expanding the scope of the Global Sexual Harassment and Sex or Gender Identity-Based Harassment at the Workplace Prevention Policy. Accordingly, without altering its content, the new Policy will cover any other situation of harassment at work, in any of its manifestations or types. In this regard, implementation of the Policy will be adapted to the legislation of countries where there is already a local internal policy on these matters, or where measures of this kind will foreseeably be approved.

To raise awareness and disseminate the content of this Global Policy among the workforce, adequate training will be provided, tailored to the specific characteristics of each market. As key players in detecting and knowing of especially sensitive situations, human resources and structure management teams will receive specific training.

Likewise, we highlight our commitment to stop gender violence through various campaigns to disseminate information that we conduct every 25 November, the International Day for the Elimination of Violence Against Women. In this connection, in 2013 we signed an agreement with the then Ministry for Health, Social Services and Equality of Spain to raise awareness and promote the integration of victims into the workplace. This agreement remains in force today. Within the framework of this agreement, all the human resources teams in Spain constitute an **internal Punto Violeta**<sup>4</sup>, receiving specific training from the Red Cross on how to tackle gender-based violence.

Furthermore, Salta, the project to promote the integration of vulnerable young people into the workplace, has also generated employment opportunities for the victims of gender violence. This project has been rolled out in Spain, France, Italy, Greece, Germany, UK, Poland, Portugal, Mexico, Brazil, USA, South Korea, Türkiye, India, Kazakhstan and Romania.

① More information in section [5.7. Communities](#) of this Report.

With regard to other equality-related labour measures, in 2022, a job assessment and a salary audit of the workforce were performed by external suppliers, and a remuneration register was set up to guarantee the principle of **pay transparency** and equal pay for work of equal value. This remuneration register showed that there is no gender-based pay discrimination in jobs of equal value.

<sup>4</sup> "Purple Dot", an initiative to create a network where people suffering or witnessing gender-violence situations can reach out for help, as well as to accompany and care for victims.

Likewise, in 2022 we have also continued to implement work plans and monitoring and assessment systems to foster gender equality and women empowerment in our workplaces. And we have continued to pursue our **GEEIS (Gender Equality European and International Standard)** certification strategy across our various subsidiaries. The GEEIS recognises those companies and workplaces that are actively engaged in building a fairer society, based on equality between men and women and on diversity and inclusion as the pivotal values of their policies.

In 2022, both the Group at the global corporate level and our Belgian subsidiary renewed their GEEIS certification for another four years, and obtained the GEEIS-DIVERSITY label for the first time, audited by Bureau Veritas. Likewise, the Nordic hub (Norway, Denmark and Finland) have obtained GEEIS certification, joining Sweden, which obtained it in 2020. They join Germany, Bulgaria, Ukraine and Russia, which received certification in 2021, and France and Italy, certified in 2020 and passing their intermediate assessment this year. This certification plan, which will continue to advance in the next few years, is enabling us to consistently and continuously deploy our gender equality policies in our various markets.

Moreover, since 2019 we have had a guide to inclusive language to help our teams communicate more equally in the workplace.

We also foster equality, diversity and inclusion among the workers in our supply chain. For the latter purpose, we have a Gender, Diversity and Inclusion strategy, within the framework of which a number of actions are carried out aimed at the workers from our suppliers and manufacturers.

① More information in section [5.6.2. Workers at the Centre](#) of this Report.

In recognition of these efforts to implement initiatives that foster gender equality globally, in January 2023, Inditex was included for the fourth year running in **Bloomberg's Gender-Equality Index**, which features the companies that are most committed in this respect. Similarly, the **Equileap** ranking, an analysis of nearly 4,000 companies based on 19 gender equality criteria, highlights Inditex in its 2022 report as the only Spanish company that carries out gender audits.

① More information in section [3.4. Recognitions](#) of this Report.

## Women in Tech: science and technology from an inclusive perspective

Women in Tech was established in 2020 as an internal initiative aimed at boosting the presence of women in technology to foster the values of diversity and inclusion and generate an impact on the Organisation and on society as a whole. To achieve this aim, this initiative is grounded on two pillars: the need to influence society, supporting actions that encourage girls to take an interest in science and technology; and the impact on women in the world of technology through actions that empower them.

Over this period, we have held several sessions and masterclasses to encourage talented women to pursue careers in Science, Technology, Engineering and Mathematics, and to increase the presence of women performing digital and technological duties. Against this backdrop, various initiatives have been introduced in connection with dissemination: talks with leading women in technology, as well as training and awareness-raising projects in schools and universities, and we have held information activities to celebrate the International Day of Women and Girls in Science.

We have also actively collaborated with organisations working to train and empower girls in the technological area. One of the latest initiatives has been our collaboration with Power to Code, ambassadors of Technovation in Madrid. Technovation is a global charitable organisation based in the United States, creators of the Technovation Girls programme, which, every year, at an event called Technovation Challenge, invites teams of girls aged 8 to 18 from all over the world to learn and develop skills for tackling real-world problems using technology. With the support of mentors, companies and volunteering parents, girls work together in teams to develop applications or artificial intelligence models that address those problems. In 2022, our teams took part in these challenges and one of the teams supported by Inditex was chosen as the European winner for the best application.

Moreover, in order to boost the professional careers of women in our teams, we have developed an internal women's leadership programme to inspire them and provide them with the necessary tools to take on positions of responsibility in the Company. We are also committed to a talent pool that promotes fairness and diversity within the technology team. In this year's Junior programmes, more than 80% of the recruits were female.

#### 5.1.1.3.2. Inclusion of people with disabilities

At Inditex, we aim to help overcome the barriers faced by people with disabilities. Not only through fashion, seen as a tool for personal expression and well-being, but also by fostering a culture that is open to everyone.

Inditex's disability inclusion strategy is based on three priority areas:

/ Employability, direct recruitment and professional development.

/ Disability awareness and training for our people.

/ Accessible workspaces, inclusive shopping experience and cross-cutting projects.

#### **Employability, direct recruitment and professional development**

The Inditex Group is also fully committed to the inclusion of people with disabilities in the labour market. At the end of 2022, in Inditex we directly employed 1,698 people with disabilities (1,443 in 2021, 1,325 in 2020, 1,568 in 2019 and 1,498 in 2018). Moreover, in Spain, alternative measures (e.g. collaboration with special employment centres, donations and sponsorships to conduct employment insertion activities for people with disabilities) are no longer used, culminating the process of prioritising direct hiring as an integration measure. In the past, alternative measures were equivalent to 64 workers in 2021 (69 in 2020, 180 in 2019, and 186 in 2018).

There are different regulatory frameworks in the various markets where we operate, so regulations are not always comparable to the ones in force in Spain, whether due to the absence of minimum recruitment quotas or out of respect for the privacy of

individuals, with the right of citizens not to disclose their disability prevailing. As a result, in some cases we have no measured data available.

With the aim of increasing direct hires, in January 2023, Inditex announced that **it will double the number of people with disabilities in our workforce across all our markets over the next two years**; this will mean hiring an additional 1,500 people with some type of disability. Our aim is to foster the inclusion of these professionals in our network of stores, logistics centres, warehouses and offices worldwide. Inditex always aims to exceed the quotas for people with disabilities established by law in the various markets where it operates. Furthermore, where no specific regulations exist, the Group has set a target of reaching at least 2% of employees with disabilities.

This new commitment was announced by Inditex's CEO in a meeting with the Director-General of the **International Labour Organization (ILO)**, Gilbert F. Houngbo. The announcement was made after the Company joined the **ILO Global Business and Disability Network**, a global network of companies and organisations that seeks to promote the workplace inclusion of people with disabilities.

Inditex joins in the ILO's effort to contribute to an inclusive work environment, where people with disabilities have the same opportunities to access and progress in their careers, helping companies to recognise their economic and social value, boosting the inclusion of people with disabilities in the workplace, promoting accessibility in the workplace and encouraging inclusion in every aspect of working life.



## INCLUYE Programme

Created in 2021 to incorporate people with intellectual disabilities into our logistics teams in Spain, the INCLUYE programme is one of the main initiatives in the sphere of socio-occupational integration of people with disabilities. This initiative already had its parallel in stores, with projects such as Pull&Bear's FRIDA, and in other countries, with the Eu Includo project in Portugal or the Incluir project in Brazil.

In 2022, all Inditex's direct employability projects worldwide were grouped together and consolidated under the umbrella of the INCLUYE programme, which has thus broadened to ensure the sustainable and lasting inclusion of people with disabilities. Based on supported employment methodology, the programme involves:

- / Collaboration with local organisations that work to achieve the occupational integration of people with disabilities;
- / Adaptation of the position where necessary;
- / Creation of easy-to-read on-boarding and training materials;
- / Internal training for human resources teams and line managers;
- / Existence of the role of tutor—both internal and at the local entity—as a key factor for successful employability.

In Spain, this development has been possible thanks to the partnership with Plena Inclusión, a federation of entities working towards the inclusion of people with intellectual disabilities, supporting the in-store programmes of Pull&Bear, Stradivarius, Zara and Oysho, and incorporating a total of 148 people since 2019. Furthermore, the programme continued at our logistics centres, also collaborating with local organisations such as Prodis and COGAMI, recruiting 12 people with intellectual disabilities for Zara's logistics platforms in Zaragoza and Meco (Madrid) and for the TEMPE platform (Alicante), resulting from our partnership with APSA, in addition to those who already joined in the 2021 edition. At our Inditex head offices in Arteixo (A Coruña) a total of 27 people with intellectual, physical or sensory disabilities have been recruited.

Moreover, one of our most important occupational integration projects is **for&from**, a network of social franchises from our different brands, managed by charitable entities and staffed by people with various types of disabilities, offering fashion from previous seasons at competitive prices. Created with the aim of providing equal opportunities in access to employment, this initiative currently has 15 stores that have created more than 200 jobs. All profits generated by these stores are reinvested in social projects run by the partner organisations. In 2022 Zara Home opened its first for&from store in San Sebastián de los Reyes (Madrid).

### Disability awareness and training

Creating an inclusive culture focused on integrating people with disabilities is key. For the third consecutive year, in November and December 2022 we held the **Impact Week**, focusing on disability inclusion, with the involvement of the vast majority of our subsidiaries, head offices and logistics centres. The aim of this initiative is to raise awareness and mobilise our workforce to continue to promote projects that foster the full inclusion of people with disabilities, be they employees, customers or candidates. By working with local entities in the various markets, as well as through training, workshops, round table discussions and other activities, this year's Impact Week focused on areas such as accessibility, 'customer' experience and 'employee' experience for people with disabilities, thereby helping to break down barriers and foster equal opportunities. In total, more than 20,000 people worldwide have taken part in one or more of the multiple local initiatives or have used the interactive global app created for this inclusive project.

Furthermore, in order to advance in this strategy of awareness-raising and collaborative work, the Group opts to maintain stable and lasting relationships with local entities in the various markets where it operates:

/ In 2022, we joined Disability:IN, the largest US organisation for the inclusion of people with disabilities in the workplace, which provides both employment opportunities for people with disabilities and resources to promote awareness and training in teams.

/ In the UK, we continue to work with the Business Disability Forum, a non-profit organisation focused on transforming the lives of people with disabilities, working together with them, along with business leaders and public institutions, to understand how to improve their life chances and experiences in employment, the economy and broader society.

/ In Belgium and the Netherlands, where there are no legal quotas in place, we have launched initiatives aimed at recruiting people with disabilities in partnership with companies specialising in inclusion and with local public entities, as well as, at training customer service teams to better cater for people with disabilities.

/ And Denmark and Sweden have followed this same path, in 2022 entering a partnership with two organisations for the recruitment of people with disabilities, which has already started to yield results.

In addition, in countries with recruitment quota regulations in place, we continue to work towards achieving recruitment targets, improving the working conditions of people with disabilities and training their teams. This is the case in Germany, where we collaborate closely with the Federal Employment Agency; France, with the Accord Handicap company agreement on disability; Italy, which has implemented the ALL IN project for the occupational integration of people with intellectual disabilities in Milan and Verona; Portugal, with its Eu Includo project; Japan, which holds regular meetings with partner associations and staff with disabilities to review their conditions; or Romania, which every year strives to improve the internal training of its teams and the recruitment of this group, with the support of both non-governmental organisations and the Department for Social Assistance.

### **Accessibility and inclusive shopping experience and cross-cutting projects**

One of our priorities is to comply with the principles of universal accessibility, especially in respect of any members of our staff and customers who may have any kind of disability.

Thus, we strive to ensure that all our workplaces meet the functional and dimensional requirements that allow an independent use by people with disabilities or people with impaired mobility. We also consider it a duty to make technical adaptations to workplaces that require specific modifications in terms of mobility or other types of sensory, visual or hearing disabilities.

Furthermore, it is also important for Inditex to provide equal opportunities for access to our websites and apps to people with different disabilities, to offer inclusive shopping experiences. Based on the principles of dignity, accessibility and independence, both our jobs portal—Inditex Careers, which has WCAG International Web Accessibility Certification, with AA level conformance—and the websites and applications of our commercial brands allow access to the whole range of content through functionalities adapted for people with various kinds of disability. Our aim in the online environment is to always provide accessible services to the broadest possible audience and to ensure that any person with any kind of disability may access our content.

In addition, as one of the main pillars of Inditex's Diversity and Inclusion strategy, inclusion of people with disabilities is also a feature of the Group's cross-disciplinary projects. One such example is the project for innovation in recycled threads carried out by Stradivarius. It prioritised, in addition to technical considerations and collaborative learning with local spinning mills, collaboration with social entities in the same area that work to foster the employability of people with disabilities to carry out part of the process, such as AMPANS (Santpedor) or Fundació Integra (Olot)

#### **5.1.1.3.3. Inclusion of the LGBT+ community**

Mindful of the fact that the greater diversity there is in society and in businesses, the more creative, productive and innovative they are, at Inditex we are unwaveringly committed to the inclusion of the LGBT+ community in the workplace.

Accordingly, we have adhered to some of the main initiatives in that sphere, including:

/ Since 2016 we have been a member of **Open for Business**, a coalition of leading global companies that advocate for the rights and inclusion of the LGBT+ community. From this forum, we work to prove that the more inclusive societies are, the more businesses thrive, and that companies that promote LGBT+ inclusion are more dynamic, productive and ground-breaking.

/ In 2018 we signed up to the **UN Standards of Conduct for Business: Tackling Discrimination against LGBTI People** based on the UN Guiding Principles on Business and Human Rights, and including contributions from hundreds of companies from a range of sectors.

/ In Spain, in 2018 we joined **REDI, Red Empresarial de Diversidad e Inclusión LGBT+**, an association that works to foster safe working environments that are respectful of everyone, regardless of their gender identity, gender expression or sexual orientation.

Furthermore, once again this year, between May and August 2022 several Inditex subsidiaries in Europe and North America implemented a variety of LGBT+ inclusion initiatives. They coincided with the various celebrations around International LGBT+ Pride Day, which in the wake of the pandemic have returned to some of the world's major cities. Some of our people in Belgium, the Netherlands and the UK took an active part in the marches in Brussels, Amsterdam and Manchester, while masterclasses, talks and 'good morning meetings' were held to reflect on the importance of allies in creating more inclusive work environments. Also, in France the Challenge Arc-en-ciel (Rainbow Challenge) was launched, under the slogan "Inconditionnellement nous" (unconditionally us), encouraging people to give visibility to the corporate **Love&Pride** project.

Furthermore, in the United States in 2022 we held two editions of the IN Pride project to help transgender and non-binary people access employment, focused on creating job opportunities at our stores in conjunction with two New York organisations: The Door and The Ali Forney Center. In addition, the 2022 edition of the Salta project in logistics centres in Spain has incorporated the IN Pride philosophy as a first step to growing this project.

Zara USA was also recognised as one of the 'Best Place to Work for LGBTQ+ Equality' in the **Human Rights Campaign Foundation** Corporate Equality Index 2022, which selects the companies with the best practices in LGBT+ inclusion. It obtained the top score (100 points out of 100) for supporting and empowering this community and promoting inclusive working environments for everyone.



#### 5.1.1.3.4. Socio-ethnic inclusion

In the field of socio-ethnic inclusion, the Inditex Group's efforts are led by our **Salta** programme, focusing on the occupational inclusion of vulnerable groups. *Salta* is aimed at generating employment opportunities in our stores, logistics centres and factories for persons or groups in special circumstances that make their employability more complex. In *Salta* we work with various NGOs that support us in the process of selection, training and follow-up of the participants.

Launched in 2008 in France, *Salta* has evolved its format for the training and integration of people in vulnerable circumstances in our teams. In 2022, *Salta* has reached India, Romania and Kazakhstan, with editions of the programme in New Delhi, Bucharest and Almaty, respectively. Of the countries already participating, the programme has reached Bari (in the Puglia region of Italy) and the Spanish islands of Lanzarote and Mallorca for the first time.

With the deployment of *Salta* in India, Romania and Kazakhstan during this year, the programme is now present in 16 markets (France, Spain, Italy, Portugal, Poland, Brazil, the United States, the United Kingdom, Germany, Mexico, Greece, South Korea, Türkiye, Romania, India and Kazakhstan). Thanks to this programme, since 2008, more than 1,600 people have joined our store teams, logistics platforms and factories. Women victims of gender-based violence and refugees are two of the most supported groups.

Notably, members of the Inditex workforce actively participate in *Salta*, acting as mentors for people joining us, and devoting their time to training and accompanying them. Since 2008, more than 3,600 colleagues have taken part in this project as trainers or tutors. Accordingly, this social commitment initiative has gained traction as an important means to strengthen the links and engagement with the people who are part of the Group.

In recognition of its work, in 2022 *Salta* was awarded the Trophée GEEIS SDG for the second time, for its contribution to gender equality through employment opportunities, consistent with the United Nations Sustainable Development Goals. The programme also received a special mention from the jury "for continuing to move forward with this project in consolidated markets (France celebrated its 30<sup>th</sup> edition in 2022) and in new markets, with a social and sustainable approach to inclusion".

#### Against any kind of racism and discrimination

As a group comprising people of 182 nationalities, **diversity, equality and respect for human rights** are an essential component of Inditex. Our determination to promote these values is not just a simple statement. Rather, our Diversity and Inclusion Policy specifically enshrines our zero-tolerance as a company to any kind of discrimination.

We believe in providing safe spaces, free of any expression of racism or discrimination, for our employees and customers alike. We also advocate always listening to the opinions of both these groups and implementing educational programmes so as to create, year by year, a **more diverse and equal company**.

Through awareness and training plans on diversity, fairness and inclusion, we offer country-specific training programmes, opening people's minds to the impact of unconscious bias in managing people and underscoring the need to combat all forms of discrimination and racism.

① More information in section [5.1.2. Talent management](#) of this Report.

Internationally, since 2018, Inditex has been among the companies that collaborate with ENAR, a European organisation based in Brussels that fights all forms of racism and discrimination. It is worth noting that, within the framework of this collaboration, in 2022 Inditex hosted the 14<sup>th</sup> edition of the **Equal@Work Platform** meeting at its Brussels headquarters, with the attendance of companies, social agents, NGOs, public authorities and academics committed to diversity and inclusion, to debate the role of companies in the commitment to build bridges that overcome racism in society and in the labour market. Furthermore, Inditex's community of Diversity Champions in Europe, in recognition of their collaborative work to free workplaces of discrimination and racism, in 2021 was awarded the **Holistic Diversity Management certificate** by the **ENAR Foundation**, a first for a European company.

In a similar way, in the United States, we have been collaborating with the Open to All campaign since 2019. In 2022, we broadened our commitment to this initiative by signing, alongside other international retailers, the **Mitigate Racial Bias in Retail Charter**. This charter advocates implementing solutions to eliminate racial bias in shopping experiences, jointly developing diversity and inclusion training materials, and sharing best practices among retailers to have a collective impact on our sector.

Also in the United States, in 2022 we once again provided financial support to the NAACP Legal Defense & Educational Fund, an organisation that actively fights racism, discrimination and injustice, particularly within African-American communities.

In connection with raising awareness against discrimination and racism, in 2022 the American subsidiary invited local artist Kamille Ejerta to create a mural at the corporate office in New York reflecting our commitment to diversity, inclusion and respect. The mural is called Our Community. Our Future and has been replicated on a smaller scale in all our US stores.

Finally, it is worth mentioning that in most markets, and particularly in Europe, privacy and data protection regulations do not allow companies to collect information based on ethnic or racial criteria. Nevertheless, there are markets such as the United States and South Africa, where the legislation on equality and non-discrimination focuses on knowing the **ethnic and racial diversity** of people with the aim of ensuring equal opportunities and rights.

United States	2022
Ethnic or racial group <sup>1</sup>	%
Hispanic or Latino	48.2%
Black or African American	20.8%
White	14.1%
Asian	8.7%
Two or More Races	5.0%
American Indian/Alaska Native	0.4%
Native Hawaiian/Pacific Islander	0.1%
Not Specified	2.7%
<b>Total</b>	<b>100.0%</b>

South Africa	2022
Ethnic or racial group <sup>1</sup>	%
Black South Africans	87.9%
Coloured South Africans	7.2%
Indian / Asian South Africans	1.7%
White South Africans	1.1%
Foreign Nationals	2.1%
<b>Total</b>	<b>100.0%</b>

1. The official nomenclature of the racial and ethnic groups recognised in these countries has been maintained in their original language.

#### 5.1.1.4. Work-life balance

At Inditex we want to guarantee the well-being of our workforce. Consequently, the Company promotes measures that seek to facilitate work-life balance, advocating especially for **co-responsibility**. We consider the latter to be both a right and a duty, as we aim to reflect in our equality plans. Furthermore, our equality plans contain other balance measures such as the possibility of splitting up leave periods for hospital stays or care of relatives up to second degree of kinship, flexible working hours for adaptation periods at nursery or infant schools, or the extension of leave with job guarantee for personal matters, studies, international adoption or care of dependent family members.

In this context, in Spain in 2022 diagnostic analyses were presented to properly monitor both data and the implementation of measures under the equality plans. In the logistics companies where it is in force, negotiations have commenced to renew the equality plans: this is the case of Plataforma Cabanillas and Pull&Bear Logística where the negotiation of the second equality plan has been completed.

In addition, in the first half of 2023, the Group's Equality Plan is expected to be signed. This plan encompasses all the store concepts, their design companies and central services, as well as Inditex, S.A. and includes a series of social improvements for store staff in Spain, such as birth and/or adoption benefits, nursery and university expenses, school supplies, and benefits for disabled dependents, among other measures.

Internationally, at Inditex Group we strive to improve the rights guaranteed by the local legislation of each country through work-life balance policies, prioritising those markets in which the legislation is not especially protective.

/ In the United States, for example, in 2019 we implemented a paid parental leave policy for all our people who meet minimum requirements, so that they can devote time to the care of a new-born or newly adopted or fostered child. The subsidiary also provides care services for adults and children in care centres and at home, through an external company that is available to all staff. It also covers educational programmes, tutoring and exam preparation at subsidised rates.

/ We promote measures to broaden the rights enshrined in local legislations or that help improve work-life balance by means of flexible working hours, efficient organisation of teams, extending leave for caring for children and/or dependants and even financial assistance to help cover the cost of childcare or other care. Markets where such measures are applied include the United Kingdom, Italy, Germany, France and Argentina, among others. In addition, office staff in many of our subsidiaries have flexible entry and exit times.

/ An increasing number of markets are opting to improve conditions for their staff by extending health coverage, either as a social benefit paid for by the subsidiary itself or by negotiating more favourable health insurance conditions. In addition to Spain, through its flexible remuneration plan, markets such as Canada, Mexico, Greece, Romania and Mainland China already offer this type of benefit.

As in previous years, in 2022 100% of our employees in Spain (46,154 people, 33,749 women and 12,404 men) were entitled to parental leave in connection with birth or placement for adoption or foster care. 2,107 people took leave for birth, adoption or foster care placement (1,527 women and 580 men), almost all of whom returned to work: 2,072 people (1,505 women and 567 men). In addition, 14% of the employees in Spain enjoy a reduction in working hours for childcare (17% of employees in 2021, 18% in 2020, 16% in 2019 and 16% in 2018).

Below is a breakdown of maternity and paternity leave in Spain and the rest of the world:

Parental leave - Spain	2022	2021	2020	2019	2018
<b>Total figures for parental leave</b>	<b>2,107</b>	<b>2,164</b>	<b>2,204</b>	<b>2,353</b>	<b>2,166</b>
Women	1,527	1,640	1,726	1,902	1,770
Men	580	524	478	451	396
<b>Return to work rate</b>	<b>98%</b>	<b>99%</b>	<b>100%</b>	<b>99%</b>	<b>99%</b>
Women	99%	99%	100%	100%	100%
Men	98%	99%	99%	95%	99%
<b>People who continued working at the Group 12 months after returning from leave</b>	<b>1,963</b>	<b>1,927</b>	<b>2,287</b>	<b>2,034</b>	<b>2,240</b>
Women	1,451	1,459	1,842	1,640	1,881
Men	512	468	445	394	359
<b>Overall retention rate</b>	<b>91%</b>	<b>87%</b>	<b>97%</b>	<b>94%</b>	<b>86%</b>
Women	88%	85%	97%	93%	90%
Men	98%	98%	99%	97%	87%

Parental leave - World (ex-Spain)	2022
<b>Total figures for parental leave</b>	<b>8,039</b>
Women	7,623
Men	416
<b>Return to work rate</b>	<b>92%</b>
Women	92%
Men	98%

#### 5.1.1.4.1. Work disconnection policies

The Inditex Group is also committed to promoting an internal policy that guarantees the **right to digital disconnection in the workplace**, pursuant to Spain's Data Protection Act (Organic Law 3/2018, of 5 December, on the Protection of Personal Data and Guarantee of Digital Rights). Thus, staff are encouraged to adopt habits such as resting between working days and during holidays and promoting direct interaction with their colleagues.

Notwithstanding the commitment acquired at the corporate level, negotiations with workers' representatives have also resulted in other measures on this front, included in the latest equality plans of the various brands, which will be transferred to the Group's new Equality Plan, applicable in Spain.

Internationally, France, a pioneer in this area, has included the right to disconnect as a measure to improve work-life balance in the company agreement on quality of life at work (Article 6), after encouraging it for years. Thus, all our people are advised to limit messages and phone calls outside working hours and they are reminded that they are not obliged to such communications outside those hours. Furthermore, department heads and store managers are aware of this system and the company undertakes to remind them of this right periodically.

Conversely, in markets where there is no legislation entitling employees to digital disconnection, such as the United Kingdom, the Group's brands have rolled out an initiative aimed at preventing employees from receiving communications from the Company on their days off and eliminating instant messaging applications as a work tool.

In Nordic countries supervisors and store managers have been issued with guidelines for leaving their work equipment in stores, so that they cannot make use of it during their time off.

In general, both the IT and human resources teams at our subsidiaries are working to promote and implement healthy work habits, regardless of whether there is legislation in place, either through information, training and awareness, or by adopting specific measures applied to our corporate systems, such as e-mail.



## 5.1.2. Talent management

GRI 3-3; 404-1; 404-2; AF5

At Inditex, we constantly strive to place **the best talent at the service of our customers and to ensure our growth as a company**. Our aim is to **build teams of creative and passionate people** capable of creating responsible fashion. To achieve this, from the talent management standpoint we focus on:

- / **Attracting top talent**, those best suited to achieve our objectives.
- / Providing our people with **opportunities for professional development** and growth through internal promotion and mobility.
- / Providing our staff with **continuous learning** through training, awareness and communication.
- / Creating a safe, enriching and motivating working environment with attractive conditions that enable us **to retain talented professionals, develop all their potential and strengthen their commitment**.

### 5.1.2.1. Talent attraction

Communicating our value proposition as an employer across the Group's brands and work areas and communicating with our candidates is key to attracting the best talent. More than two million people follow our employer brand, **Inditex Careers**, on social media, and more than 35 million have viewed our online recruitment drives.

Furthermore, Inditex Careers has cemented its position as our main source of selection, with more than 8.8 million visits from more than 200 markets in 2022. In January 2020, this portal was awarded WCAG Web Accessibility International Certification, with conformance level AA.

In 2022 we continued to pursue our commitment to a digital, engaging, flexible and sustainable recruitment process. The candidate experience is at the heart of everything we do and, in this regard, this year we have developed several differentiating actions to attract **talent** for our **stores**: we created our first digital employee, Kaia, for the Zara store opening in Battersea (London); we designed an exclusive digital recruitment experience to select the team for the largest Zara store in the world, which opened its doors in April 2022 in Plaza de España (Madrid); and we involved the stores in the selection process through actions such as the National Hiring Days, which we held in 10 markets in 2022.

Our relationships with the top universities and schools remain vital to reach talent in all creative, management and technological areas.

In our programme targeting **creative talent** we seek people for our product teams, with expertise in design, trends, graphic design, styling, art direction, photography and editing. We have combined a digital approach through different channels such as social media and the universities themselves, with in-person sessions and attendance at the top fashion shows.

**Zara Business Graduates** is our junior talent programme aimed at final year students, through which we seek management profiles to join our teams in different positions, such as buyers, controllers, product managers, marketing, finance and sustainability. After an online campaign and a digital event, participants introduce themselves through a video and take on an analytical challenge, with the pre-selected candidates participating in an assessment day and the final candidates coming to visit our headquarters.

In **technology**, we work with universities to remain in proximity to junior talent at every stage of their career:

- / Through the **Zara Boost** programme, we connect with students who are reaching the end of their studies and wish to access the labour market, using in-person workshops and online challenges, and contributing to the development and training of students through their studies by means of mentoring programmes. In 2022, we launched our **Tech Summer Camp**, to discover and foster talent in STEM subjects from the second year of studies onwards through a programme of summer scholarships. And, at the same time, we continued to conduct the **Stay in Contact** webinars, led by our technology team, in which we discuss our technical challenges and how we integrate technology into our business.
- / Furthermore, we have just started a collaboration with **Stanford University's ICME** (Institute for Computational & Mathematical Engineering), enabling us to be in contact with one of the world's foremost spaces for technological talent.

In recognition of our endeavours as an employer brand, **for the 12th consecutive year Merco Talento** ranked Inditex at the top of its survey analysing the 100 best companies to work for. Also in Spain, for the 8th year running, Universum has included Inditex among the best companies in which to develop professionally. In this latest edition, university students chose Inditex in various categories: Business and Commerce; Humanities, Art and Education; and Law. Zara also featured for the second time in **Universum's World's Most Attractive Employers** ranking in the Business category; this index analyses the companies that students consider to be the most appealing in terms of attracting talent in the 10 foremost international markets.

### 5.1.2.2. Developing talent

Developing talent is part of our DNA. At Inditex we are committed to providing **opportunities for development, internal promotion and mobility** to enable our people to grow and at the same time help us to continue evolving as a company.

In 2022 **59% of the Group's vacancies were filled internally** (50% in 2021 and 46% in 2020), which means that **more than 11,000 people were promoted** over the course of the year (around 7,500 in 2021 and 2,000 in 2020). By gender, 75% of the promotions were for women and 25% for men, figures that are consistent with the gender distribution of our workforce. This commitment to generating opportunities for internal development results, in our office teams, in more than 490 promotions and more than 740 changes of functions, department, retail concept or market.

Our marketplace of internal opportunities, **InTalent**, plays a pivotal role in fostering the internal promotion of our personnel. InTalent gives an overview of the opportunities for development in the Company, while at the same time helping our talent teams to identify people interested in growing professionally. In 2022, more than 6,000 career growth opportunities were posted, and we renewed this platform with two clear goals: the Group's commitment to the transparency and democratisation of internal growth opportunities; and the unification and globalisation of the platform. Through InTalent, all our people from any market, area or brand can view all the global opportunities available to them grouped together in one place, and can apply for those they wish, including: vacancies, temporary support in other areas or markets, and LEAP&Co development opportunities.



Furthermore, our talent identification and development application for our store teams, **LEAP&Co**, on the one hand provides transparency to access training opportunities that can lead to internal promotion, and on the other affords managers and area support teams the autonomy to manage the development plans of the people in their area, organise their network of specialist trainers by area and monitor new recruits and trainees online and in real time, adapting to the pace of the store at all times. This platform operates at Zara stores in 42 markets across Europe, America and Asia, and at Zara Home in 12 markets. More than 59,000 employees are currently registered in the application, where this year nearly than 970,000 training hours were held.

Similarly, throughout 2022 we have made significant progress in rolling out initiatives whereby our store managers have periodic and individual conversations with each member of their team on their development. Known as **Talks** in several of our brands, these conversations are a vehicle for exchanging feedback, encouraging both parties to express their opinions, ideas and concerns regarding professional development in a constructive way. At present, Bershka, Pull&Bear, Stradivarius, Massimo Dutti and Zara Home have implemented development conversations in many of their markets.

### 5.1.2.3. Training

Training is another fundamental driver of professional growth among our staff.

Our model is based on internal training and is mostly practical, which determines that teams' training is fundamentally on-the-job. Furthermore, we have a network of in-house trainers who guide new recruits in all aspects to guarantee their successful on-boarding.

After launching our training platform globally at the end of 2021, 2022 was the year in which TraIn positioned itself as the place where all the Group's training actions take place, including those that are carried out digitally and to support the registration of those that take place in person. Not only has this served to accompany our people in their development through training itineraries tailored to their jobs, onboarding plans, etc., but it has also been a space in which to discover training not strictly related to the specific job in hand. This helps our teams to continue learning and expanding their horizons. Fashion, Sustainability, Customer Experience, Skills, Creativity, or Digital are some of the subjects most demanded by our people when it comes to training, and all of them have a place in TraIn. Furthermore, we have continued to collaborate with top-notch educational institutions in the creation of content, such as IE Business School, the University of Leeds and Condé Nast College, among others.

From 1 February 2022 to 31 January 2023, more than 2.6 million training hours were imparted to more than 1.3 million participants (more than 2.3 million hours and more than 551,000 participants in 2021; more than 1 million hours and more than 370,000 participants in 2020; more than 3 million hours and 360,000 participants in 2019; and more than 2.7 million hours and 146,000 participants in 2018).

Details of the training indicators are as follows:

### Distribution by job classification<sup>1</sup>:

<b>Job classification</b>				
<b>2022</b>				
	<b>Training Hours</b>	<b>Participants</b>	<b>Average staff</b>	<b>Hours per person</b>
Management	247,412	148,520	10,692	23.1
Supervisor	201,995	132,837	14,754	13.7
Specialist	2,200,172	1,054,414	139,551	15.8
<b>Total</b>	<b>2,649,580</b>	<b>1,335,771</b>	<b>164,997</b>	<b>16.1</b>
<b>2021</b>				
	<b>Training Hours</b>	<b>Participants</b>	<b>Average staff</b>	<b>Hours per person</b>
Management	159,783	62,816	11,890	13.4
Supervisor	196,199	58,174	15,367	12.8
Specialist	1,986,390	430,890	137,785	14.4
<b>Total</b>	<b>2,342,373</b>	<b>551,880</b>	<b>165,042</b>	<b>14.2</b>
<b>2020</b>				
	<b>Training Hours</b>	<b>Participants</b>	<b>Average staff</b>	<b>Hours per person</b>
Management	126,121	46,054	12,591	10.0
Supervisor	126,282	49,892	16,480	7.7
Specialist	748,448	275,659	115,045	6.5
<b>Total</b>	<b>1,000,851</b>	<b>371,605</b>	<b>144,116</b>	<b>6.9</b>
<b>2019</b>				
	<b>Training Hours</b>	<b>Participants</b>	<b>Average staff</b>	<b>Hours per person</b>
Management	170,913	26,647	10,473	16.3
Supervisor	260,524	39,447	19,779	13.2
Specialist	2,657,853	295,156	146,359	18.2
<b>Total</b>	<b>3,089,290</b>	<b>361,250</b>	<b>176,611</b>	<b>17.5</b>
<b>2018</b>				
	<b>Training Hours</b>	<b>Participants</b>	<b>Average staff</b>	<b>Hours per person</b>
Management	98,282	9,044	7,601	12.9
Supervisor	253,276	19,124	20,350	12.4
Specialist	2,400,265	118,278	146,435	16.4
<b>Total</b>	<b>2,751,823</b>	<b>146,446</b>	<b>174,386</b>	<b>15.8</b>

1. The description of the functions of the three job classification groups:

- Management: employees in managerial positions with responsibility for interdisciplinary working groups related to the areas of design, manufacturing, distribution, logistics, stores, technology, sustainability and other general services. This category includes store managers.
- Supervisor: employees who are part of interdepartmental and transversal working groups for design, logistics and stores, as well as sustainability, technology and other general services.
- Specialist: employees with an impact through individual contribution related to one of the Group's activities in the areas of design, manufacturing, distribution, logistics, stores, sustainability, technology and other general services.

Distribution by gender<sup>1</sup>:

Gender					
2022					
	Unique people trained	Training Hours	Participants	Average staff	Hours per person
Men	47,459	690,124	326,690	41,796	16.5
Women	139,858	1,959,456	1,009,081	123,201	15.9
<b>Total</b>	<b>187,317</b>	<b>2,649,580</b>	<b>1,335,771</b>	<b>164,997</b>	<b>16.1</b>
2021					
	Unique people trained	Training Hours	Participants	Average staff	Hours per person
Men	32,373	610,137	123,766	40,049	15.2
Women	97,698	1,732,236	428,114	124,993	13.9
<b>Total</b>	<b>130,071</b>	<b>2,342,373</b>	<b>551,880</b>	<b>165,042</b>	<b>14.2</b>
2020					
		Training Hours	Participants	Average staff	Hours per person
Men		259,185	89,809	34,793	7.4
Women		741,666	281,796	109,323	6.8
<b>Total</b>		<b>1,000,851</b>	<b>371,605</b>	<b>144,116</b>	<b>6.9</b>
2019					
		Training Hours	Participants	Average staff	Hours per person
Men		717,280	82,930	43,146	16.6
Women		2,372,010	278,320	133,465	17.8
<b>Total</b>		<b>3,089,290</b>	<b>361,250</b>	<b>176,611</b>	<b>17.5</b>

1. A person can attend more than one training course. In the indicator "unique people trained", those people who have attended more than one course are counted only once. With regard to this indicator, the only available breakdown is by gender.

## Distribution by geographic area:

Geographic area	2022				2021			
	Training hours	Participants	Average staff	Hours per person	Training hours	Participants	Average staff	Hours per person
Spain	491,421	326,414	46,154	10.6	316,712	110,930	46,075	6.9
Europe (ex-Spain)	1,444,644	655,476	83,476	17.3	1,213,307	345,372	82,619	14.7
Americas	329,191	213,470	20,909	15.7	348,139	71,624	19,888	17.5
Asia & Rest of the world	384,323	140,411	14,457	26.6	464,215	23,954	16,460	28.2
<b>Total</b>	<b>2,649,580</b>	<b>1,335,771</b>	<b>164,997</b>	<b>16.1</b>	<b>2,342,373</b>	<b>551,880</b>	<b>165,042</b>	<b>14.2</b>
Geographic area	2020				2019			
	Training hours	Participants	Average staff	Hours per person	Training hours	Participants	Average staff	Hours per person
Spain	218,789	113,150	40,279	5.4	351,421	117,637	48,687	7.2
Europe (ex-Spain)	565,654	156,289	69,834	8.1	2,085,281	163,656	84,634	24.6
Americas	61,725	60,877	16,788	3.7	45,684	48,929	19,749	2.3
Asia & Rest of the world	154,683	41,289	17,215	9.0	606,904	31,028	23,541	25.8
<b>Total</b>	<b>1,000,851</b>	<b>371,605</b>	<b>144,116</b>	<b>6.9</b>	<b>3,089,290</b>	<b>361,250</b>	<b>176,611</b>	<b>17.5</b>

**Distribution by content:**

Contents	2022		2021		2020		2019	
	Training Hours	Participants	Training Hours	Participants	Training Hours	Participants	Training Hours	Participants
Corporate	1,208,769	682,883	675,216	241,322	252,570	168,746	1,358,388	131,289
Customers	64,871	110,008	74,634	39,021	35,241	25,420	106,818	102,982
Fashion and Product	119,360	203,527	49,768	62,975	124,328	88,236		
Languages	43,266	24,161	73,666	18,737	52,617	2,433	52,033	2,536
Processes, Techniques and Tools	962,047	223,823	1,313,940	155,757	488,963	55,992	475,668	60,701
Skills	251,267	91,369	155,150	34,068	47,132	30,778	1,096,383	63,742
<b>Total</b>	<b>2,649,580</b>	<b>1,335,771</b>	<b>2,342,373</b>	<b>551,880</b>	<b>1,000,851</b>	<b>371,605</b>	<b>3,089,290</b>	<b>361,250</b>

**Main training initiatives in 2022****Corporate training on our culture and values**

/ **Compliance:** at Inditex we share a solid commitment to a corporate ethical and compliance culture, grounded on principles of integrity, honesty, transparency and responsibility. Compliance encompasses strict adherence to the external and internal applicable regulations, and how each employee applies them to our daily activities. Consequently, we continue to promote training in this area and in 2022 we launched a global compliance course, mandatory for certain of the Group's employees, via our learning platform TraIn.

More information in section [6.1.3. Compliance and criminal risk prevention system](#) of this Report.

/ **Diversity and Inclusion.** Training our teams in diversity and inclusion is essential to create an inclusive culture and make spaces free of any kind of discrimination. In 2022, more than 41,000 people worldwide accessed training through one or more of the courses provided in connection with diversity and inclusion, which involved almost 20,000 training hours in this field. In 2022, our training included various in-person, e-learning and online courses, notably including "Diversity, Inclusion and Belonging", "The Right Leader @ Inditex is inclusive", "Unconscious Bias" and "D&I Matching HR", among others.

In 2022, we developed a long-term, global training plan with the aim of raising awareness among our entire workforce. Since 2023, this training is conducted through the **D&I Channel** within our corporate e-learning tool **TraIn**, and it is structured in various levels: from basic level for all employees, available for the vast majority of markets this year, to more advanced levels focused on raising awareness among different positions and functions within the Company. This channel's pilot was launched in December 2022 and has been tested internally by more than 1,500 Changemakers and D&I Champions.

**Language training: Busuu** is an app for mobile devices that offers employees the opportunity to learn up to 14 languages, having added Korean this year. We offer everyone access to its premium version, which includes the option to obtain official certificates (more than 2,000 this year), with English and Spanish the most widely studied languages. Overall, in 2022 our staff devoted more than 23,000 hours to improving their language skills using Busuu.

**In-store training**

/ **Zara Campus** is a project designed to respond to the need for training and development among new promotions and people in management positions in stores. This training is conducted in our Campus stores, which are Zara stores used as a practical scenario for training our managers in three areas (management, sales and operations). We also provide training aimed at the development of certain groups, such as the Zara Masters (tutors for the on-boarding training of our new recruits) and leadership training for managers.

/ **Customer experience:** To share our new Zara customer-centric commercial approach, we have designed a project that supports our best ambassadors: our store people. The aim is to hone their skills to increase the satisfaction of customers visiting our stores. Store managers are leading this change, backed by improved tools for understanding customer perceptions. Customer Experience has been implemented at 273 ZARA stores in 33 markets.

/ **Stradivarius itineraries:** TraIn has made it possible to digitalise, facilitate access and clearly organise our team training, creating training itineraries for the various functions in stores. The creation of the content map, following the Leap&Co system, allows us to connect the processes and not lose sight of the necessary multi-functionality in our teams. The itineraries are currently implemented in Spain, Italy, Türkiye, Greece, Portugal, UK and Ireland, and the intention is to implement them in 100% of markets with own stores by 2023. More than 5,000 people participated in this training paths, and a total of over 207,000 training hours were completed.



**/ ZARA Camp** is a digital training program about Zara and its business model, where the employees themselves provide information about the area/department in which they work and their main functions and responsibilities. The project consists of 30 modules made up of videos, manuals, glossaries and tests.

This training is available to all Zara employees worldwide and the programme is customised according to each person's area of activity (office, store or logistics).

## #BoostYourPower

As part of our commitment to a holistic and systemic approach, we see sustainability as being organically integrated into all areas of our Company.

This is how we came up with **#BoostYourPower**, an initiative to train and inspire our teams, generating new spaces for change. Since 2021 we have focused on two key areas due to their impact: buying teams, with their purchasing offices, due to their involvement in the creation of our products; and our store staff, as our direct contact with customers. Two initiatives emerged from this vision: **The Sustainable Fashion School and Changemakers**.

**The Sustainable Fashion School** consists of a space for knowledge and inspiration where our buying and design teams are backed by a very solid foundation of technical knowledge and access to the latest innovations in sustainability. In 2022, within the framework of this project, we provided more than 57,000 training hours for product teams across all the Group's brands.

Firstly, in January 2022 we launched our first Foundations of Textile Manufacturing Master's programme. As a result of our partnership with the University of Leeds, this master's programme was devised to cover all the technical knowledge relating to a garment's life cycle, with the aim of continuing to foster improvements in the sustainability of our processes. More than 950 people from Zara's design, buying, fabrics and quality control teams take part in this first edition, in which 8 modules have been taught and the first stage with certification completed ("From Fibres to Yarn "). A total of 460 people have now received their first SFS certificate.

And in May 2022 the second edition was launched, this time targeting all product teams from the rest of the Group's brands. More than 780 people are also taking part in the training itinerary previously commenced by their colleagues from Zara, with a total of more than 1,700 people having enrolled in the programme. A total of 220 employees from the remaining concepts have now completed the first stage of the programme.

In addition, during the year 2023 we will complete the entire training programme and commence editions for new recruits.

Furthermore, **Changemakers** is the community leading this cultural transformation from the heart of our business, our stores. In order to provide the necessary space for reflection and change, we prioritise inspiration and training for our teams. Planet, People and Community are the three pillars on which knowledge about Sustainability and Diversity & Inclusion rests.

These agents of change join the project on a voluntary basis, leading the dialogue with other Company areas from their stores. Their aim is to pass on what they have learned to their teams and at the same time take on board the feedback, suggestions and concerns of their colleagues and our customers. These proposals are then translated into projects that have a real impact.

At the end of 2022, this project has been implemented at all the stores in all 51 markets in which Zara is present. In addition, we have triggered its roll-out in 5 markets and 56 stores of the rest of the Group's brands. As a result, Inditex currently has more than 1,800 Changemakers. In 2023 we will expand the Changemaker community to all the Group brands' remaining stores and markets.

### 5.1.2.4. Connection and engagement with our people

The fourth objective of our talent management strategy is to provide safe, enriching and motivating work environments that help us retain talent, connect with our people and boost their commitment to the Group. As for connecting with our teams, our internal communication channel **INET** plays a vital role.

Present in app and online format in all the markets where we have employees, INET enables us to digitalise both communication with our people and many of the tasks that our employees carry out daily. In addition, as is the case with our commercial apps, we are continuously adding new features to this platform to keep us permanently connected. In 2022, INET recorded more than 25 million accesses (more than 21 million in 2021 and more than 19 million in 2020).

Furthermore, in 2021 we started to launch various **specific communication channels** for some of our brands. Every morning, they provide us with the opportunity to bring omnichannel to the 'good morning meetings' in all our markets, sharing with our people information about products, processes, people, news, trends and inspiration. These channels also enable us to receive first-hand feedback, suggestions and comments from our teams, establishing a direct connection between our store and structural teams. Specifically, Zara uses Dear Team, Zara Home has #tengoalgoquecontarte, Massimo Dutti uses Journal, and in 2022 we have launched STRADIPEOPLE for Stradivarius.

In addition, in 2022 we have also made progress in deploying **InStories**, our internal social media platform, which has been rolled out in Australia, New Zealand, Chile, Argentina, Uruguay, the United States, Ireland, India, Romania and Bulgaria. Consequently, InStories is now available in 23 markets (including Italy, Portugal, Greece, Türkiye, Poland, South Korea, Japan, Mexico, Russia, Belarus, Brazil, the United Kingdom and the Netherlands). As of the end of 2022, the InStories community has shared more than 350,000 contents since its creation.

Finally, in order to keep tabs on our stores and ascertain our people's perception of what it is like to work with us, we developed "**Your opinion matters to us**", a completely anonymous survey that we send to store employees when they leave Inditex. Launched in 2016 and available in all our markets with own stores, it allows us to obtain their feedback on various aspects of their day-to-day life, such as the relationship with their colleagues or managers, the training they receive, their salary or how well their working hours suits their availability. In addition, the question "Would you recommend Inditex as a place to work?" is used to measure levels of engagement. In 2022, this question obtained an average of 70% positive responses, obtaining 91% positive responses in Spain.



### 5.1.3. Employment

GRI 2-4; 2-7; 3-3; 405-1; AF22

The creation of **stimulating, stable and safe working environments**, in which equal opportunities and professional development are a reality, is a priority for Inditex.

As a Group with employees in 60 labour markets and very diverse realities, we work to adapt our responses to local needs so that all our people, wherever they are, can enjoy working in the highest quality environments possible.

With regard to 2022, the first quarter was shaped by the halt in all our commercial activity in Russia and Ukraine. Throughout the year, the Group's priority and efforts have focused on providing the necessary support to the workforces in both countries. For the people employed in Ukraine, two actions were

taken: firstly, in the financial sphere, we maintained full payment of salaries; and secondly, we adopted the necessary measures to support staff in any way necessary, from help with visa procedures and travel arrangements to psychological support, among other measures. With regard to the situation of our staff in Russia, their salaries have continued to be paid in accordance with local legislation.

#### 5.1.3.1. Distribution of the workforce by contract type

In 2022, 82% of our people were on a permanent contract (compared with 81% in 2021, 87% in 2020, 77% in 2019 and 73% in 2018).

The tables below show the different types of contract by gender, age and job classification:

### Employee distribution by contract type, gender, age and job classification<sup>1</sup>

	2022				2021				2020				2019			
	Permanent		Temporary		Permanent		Temporary		Permanent		Temporary		Permanent		Temporary	
	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%	Number of employees	%
<b>Distribution by gender</b>																
Women	99,963	81%	23,240	19%	100,925	81%	24,235	19%	93,748	87%	14,543	13%	100,968	76%	31,606	24%
Men	34,881	83%	6,913	17%	32,904	83%	6,978	17%	31,690	88%	4,135	12%	34,219	78%	9,818	22%
<b>Total</b>	<b>134,843</b>	<b>82%</b>	<b>30,153</b>	<b>18%</b>	<b>133,829</b>	<b>81%</b>	<b>31,213</b>	<b>19%</b>	<b>125,438</b>	<b>87%</b>	<b>18,678</b>	<b>13%</b>	<b>135,187</b>	<b>77%</b>	<b>41,424</b>	<b>23%</b>
<b>Distribution by age</b>																
<30 years old	69,358	73%	25,305	27%	64,824	71%	26,252	29%	64,716	81%	15,034	19%	70,658	68%	33,387	32%
30-40 years old	40,878	92%	3,770	8%	45,593	92%	4,066	8%	41,677	93%	3,031	7%	44,874	87%	6,711	13%
> 40 years old	24,607	96%	1,078	4%	23,412	96%	895	4%	19,045	97%	613	3%	19,655	94%	1,326	6%
<b>Total</b>	<b>134,843</b>	<b>82%</b>	<b>30,153</b>	<b>18%</b>	<b>133,829</b>	<b>81%</b>	<b>31,213</b>	<b>19%</b>	<b>125,438</b>	<b>87%</b>	<b>18,678</b>	<b>13%</b>	<b>135,187</b>	<b>77%</b>	<b>41,424</b>	<b>23%</b>
<b>Distribution by job classification<sup>2</sup></b>																
Management	10,418	97%	276	3%	12,837	97%	438	3%	11,451	96%	539	4%	9,268	89%	1,146	11%
Supervisor	14,315	97%	444	3%	16,681	96%	657	4%	15,596	95%	811	5%	19,209	92%	1,657	8%
Specialist	110,111	79%	29,434	21%	104,312	78%	30,118	22%	98,391	85%	17,328	15%	106,710	73%	38,622	27%
<b>Total</b>	<b>134,843</b>	<b>82%</b>	<b>30,153</b>	<b>18%</b>	<b>133,829</b>	<b>81%</b>	<b>31,213</b>	<b>19%</b>	<b>125,438</b>	<b>87%</b>	<b>18,678</b>	<b>13%</b>	<b>135,187</b>	<b>77%</b>	<b>41,424</b>	<b>23%</b>

1. Data on type of contract and hours available in 2022 for 100% of the workforce (98.2% in 2021, 95.4% in 2020 and 94.7% in 2019). To calculate the number of contracts by type of contract, broken down by gender, age and professional classification, the corresponding percentages are applied to the total workforce.

2. The description of the functions of the three job classification groups is:

- Management: employees in managerial positions with responsibility for interdisciplinary working groups related to the areas of design, manufacturing, distribution, logistics, stores, technology, sustainability and other general services. This category includes store managers.
- Supervisor: employees who are part of interdepartmental and transversal working groups for design, logistics and stores, as well as sustainability, technology and other general services.
- Specialist: employees with an impact through individual contribution related to one of the Group's activities in the areas of design, manufacturing, distribution, logistics, stores, sustainability, technology and other general services.

#### 5.1.3.2. Distribution of the workforce by type of working hours

In terms of working hours, in 2022, 59% of Inditex's workforce was part-time and 41% full-time (56% part-time and 44% full-time in 2021, 50% part-time and 50% full-time in 2020; 53% part-time and 47% full-time in 2019; and 49% part-time and 51% full-time in 2018).

This ratio of part-time to full-time workers is typical of the retail sector, where part-time reinforcement teams are typically required at certain times of the season: for example, our stores and logistics centres are typically reinforced during the busiest times, such as the sales season or Black Friday. In addition, we often employ people who combine this activity with other activities, mainly their studies.



A meaningful indicator when it comes to explaining the quality of employment is the **FTE** (Full-Time Equivalent), which in 2022 tells us that the workforce resulting from all full-time hours represented 77%<sup>5</sup> of total jobs (78% in 2021<sup>6</sup>, 79% in 2020 and 79% in 2019).

Below is a breakdown of part-time employees by gender, age and job classification:

### Distribution of part-time employees by gender, age and job classification<sup>1</sup>

	2022				2021				2020				2019			
	Part-time Number of employees	%	Full-time Number of employees	%	Part-time Number of employees	%	Full-time Number of employees	%	Part-time Number of employees	%	Full-time Number of employees	%	Part-time Number of employees	%	Full-time Number of employees	%
<b>Distribution by gender</b>																
Women	76,348	62%	46,854	38%	72,992	58%	52,168	42%	56,640	52%	51,651	48%	70,308	55%	59,442	46%
Men	21,498	51%	20,297	49%	19,026	48%	20,856	52%	15,861	44%	19,964	56%	23,601	47%	23,261	50%
<b>Total</b>	<b>97,845</b>	<b>59%</b>	<b>67,151</b>	<b>41%</b>	<b>92,018</b>	<b>56%</b>	<b>73,024</b>	<b>44%</b>	<b>72,501</b>	<b>50%</b>	<b>71,615</b>	<b>50%</b>	<b>93,909</b>	<b>53%</b>	<b>82,702</b>	<b>47%</b>
<b>Distribution by age</b>																
<30 years old	70,718	75%	23,927	25%	65,213	72%	25,862	28%	49,137	62%	30,595	38%	66,978	64%	37,054	36%
30-40 years old	18,483	41%	26,178	59%	19,375	39%	30,284	61%	17,576	39%	27,143	61%	20,854	40%	30,746	60%
> 40 years old	8,644	34%	17,047	66%	7,430	31%	16,878	69%	5,788	29%	13,878	71%	6,077	29%	14,902	71%
<b>Total</b>	<b>97,845</b>	<b>59%</b>	<b>67,151</b>	<b>41%</b>	<b>92,018</b>	<b>56%</b>	<b>73,024</b>	<b>44%</b>	<b>72,501</b>	<b>50%</b>	<b>71,615</b>	<b>50%</b>	<b>93,909</b>	<b>53%</b>	<b>82,702</b>	<b>47%</b>
<b>Distribution by job classification<sup>2</sup></b>																
Management	433	4%	10,263	96%	493	4%	12,782	96%	428	4%	11,629	96%	273	3%	10,142	97%
Supervisor	1,433	10%	13,328	90%	1,873	11%	15,465	89%	1,545	9%	14,827	91%	1,804	9%	19,060	91%
Specialist	95,980	69%	43,561	31%	89,652	67%	44,778	33%	70,528	61%	45,159	39%	91,832	63%	53,500	37%
<b>Total</b>	<b>97,845</b>	<b>59%</b>	<b>67,151</b>	<b>41%</b>	<b>92,018</b>	<b>56%</b>	<b>73,024</b>	<b>44%</b>	<b>72,501</b>	<b>50%</b>	<b>71,615</b>	<b>50%</b>	<b>93,909</b>	<b>53%</b>	<b>82,702</b>	<b>47%</b>

1. Data on type of contract and hours available in 2022 for 100% of the workforce (98.2% in 2021, 95.4% in 2020 and 94.7% in 2019). To calculate the number of contracts by type of working day, broken down by gender, age and professional classification, the corresponding percentages are applied to the total workforce.

2. The description of the functions of the three job classification groups is:

- Management: employees in managerial positions with responsibility for interdisciplinary working groups related to the areas of design, manufacturing, distribution, logistics, stores, technology, sustainability and other general services. This category includes store managers.
- Supervisor: employees who are part of interdepartmental and transversal working groups for design, logistics and stores, as well as sustainability, technology and other general services.
- Specialist: employees with an impact through individual contribution related to one of the Group's activities in the areas of design, manufacturing, distribution, logistics, stores, sustainability, technology and other general services.

#### 5.1.3.3. Leavers

The workforce in Spain at the end of 2022 totalled 46,154 people, of whom 73% were women and 27% were men.

In 2022, there were 710 dismissals in Spain for various reasons (741 in 2021, 968 in 2020, 978 in 2019 and 954 in 2018). Breaking down these data by gender, the distribution is similar to that of the workforce, as the number of women dismissed was 504, i.e.

71%, compared to 206 men, i.e. 29% (537 women, compared to 204 men in 2021; 770 women, compared to 198 men in 2020; 746 women, compared to 232 men in 2019; and 721 women, compared to 233 men in 2018).

<sup>5</sup> FTE employment data available in 2022 for 99% of the workforce (91% of the workforce and not available for Belgium, US and Türkiye in 2021).

<sup>6</sup> The FTE employment data reported in the Statement of Non-Financial Information 2021 have been corrected. The correct figures are 78% for 2021, 79% for 2020 and, 79% for 2019.

With regard to dismissals by job classification and age in Spain, 80% were concentrated in specialist positions, according to the classification previously provided (76%, 71%, 71% and 75% in 2021, 2020, 2019 and 2018, respectively), for store and corporate headquarters, own factories and logistics centres alike. 11% of the dismissals were in supervisor positions, and the remaining 9% in management positions. Regarding dismissals by age in Spain, 44% (43%, 51%, 56% and 52% in 2021, 2020, 2019 and 2018, respectively) affected staff aged 30 to 40 years, the age group which accounts for the 34% of staff in Spain. This proportion is consistent with the distribution of the workforce in our country, where the Company's corporate services are based. 31% of the dismissals were in the over 40 age bracket (representing 35% of our workforce), and the remaining 24% in the under 30 age bracket (representing 31% of our workforce in Spain).

In terms of worldwide dismissals, with a headcount of 164,997 people in 2022 (165,042 people in 2021, 144,116 people in 2020, 176,611 people in 2019 and 174,386 people in 2018), there were 5,694 dismissals in the year 2022 (4,892, 5,870, 6,428 and 8,661 dismissals in 2021, 2020, 2019 and 2018, respectively). Of the total number of dismissals, the number of women who terminated their relationship with the Group for this reason was 3,976, 70%, compared to 1,718 men, 30% (3,441 women and 1,451 men in 2021; 4,332 women and 1,538 men in 2020; 4,344 women and 2,084 men in 2019; and 6,134 women and 2,527 men in 2018), again consistent with the gender distribution of the overall workforce. As for dismissals by job classification, 88% were concentrated in specialist positions (83%, 81%, 87% and 89% in 2021, 2020, 2019 and 2018, respectively), 7% in supervisor positions, and the remaining 5% in management positions, which is also consistent with our workforce distribution. By age, 68% of the dismissals corresponded to people under 30 years of age (60%, 61%, 68% and 75% in 2021, 2020, 2019 and 2018, respectively), the age bracket which accounts for 57% of the Group's employees (58%, 54%, 61% and 62% in 2021, 2020, 2019 and 2018, respectively). 24% of the dismissals were in the 30-40 year age group (which accounts for 27% of our workforce), and the remaining 8% in the over 40 age group (which accounts for 16% of our people).

#### 5.1.4. Labour Relations

GRI 2-30; 3-3; AF7; AF26; AF29

At Inditex, we are strongly committed to **respecting our employees' labour rights** worldwide and, in particular, their **right to participation**, as a key element for the sustainable development of the business model.

This commitment is enshrined in Inditex's Code of Conduct and Responsible Practices, applicable to all Group employees, and which addresses **respect for trade union relations and rights** in Chapter 3 on General Principles. The Code states that "Inditex employees have the recognised right to associate or organise themselves or to bargain collectively". Additionally, pursuant to section 4.2 of the Code: "Inditex makes its own, as part of its internal regulations, the contents of any national and international agreements and conventions to which it has adhered, and undertakes to promote and enforce them".

In this regard, in 2009 we signed a Global Agreement for implementation of fundamental labour rights and decent work, with UNI Global Union (UNI). UNI is a network of trade unions in the trade and retail sector, which encompasses more than 900 trade unions worldwide and represents more than 20 million workers. 100% of the Inditex Group employees are covered by the Global Agreement signed with UNI.

This Agreement between UNI and Inditex includes specific provisions regarding a number of issues governed pursuant to the principles established by the International Labour Organization (ILO):

/ Among other rights, special mention is made therein to the enforcement of ILO Conventions 87 and 98 on ensuring **freedom of association and the right to collective bargaining**. In this regard, the Agreement states that 'Inditex recognises the right of trade unions to represent the workers and to regulate through collective bargaining the terms and conditions of their employment'.

/ **The freedom to join any trade unions and non-discrimination** on account of membership to a trade union as part of labour relations is also ensured. Additionally, pursuant to ILO Conventions 100 and 111 and based upon non-discrimination on employment, equal opportunities and equal treatment for all people and non-discrimination in terms of remuneration for equal jobs are upheld. Inditex is committed to complying with applicable national laws and/or conventions, in furtherance of ILO Conventions 1 and 47 and of ILO Recommendation 116 concerning the working week and hours of work.

As for the objective scope of application of the Agreement with UNI, in addition to the reference to the protection and promotion of fundamental rights, the Group is committed to meeting the requirements laid down in national laws and in national collective bargaining agreements regarding working hours, protection of a safe, healthy and sustainable working environment, and promotion of best practices for occupational health and safety with the appropriate equipment and training. The Agreement between Inditex and UNI covers minimum rights for the staff of the various companies within the Group, given that in any event, such provisions, whether statutory, contractual or included in a collective bargaining agreement which confers higher rights, will always be respected.

Further to the above referred Agreement between Inditex and UNI, United Food and Commercial Workers International Union ("UFCW"), a US trade union and member of UNI, was interested in reaching a specific agreement with the Company for the stores in the USA covering the terms of the above referred 2009 Agreement. In response to this demand, an agreement was signed in 2015 with UNI, UFCW, Inditex and Zara USA, which led to the approval of a collective agreement that currently extends to 25 stores in the states of New York, New Jersey, Connecticut and Massachusetts (24 stores in 2021 and 21 stores in 2020).

Likewise, in 2019, the Inditex Group formally established the Company's European Works Council (EWC), devised as a body for assurance and effectiveness of information and consultation of employees on transnational issues. The EWC played a crucial role on two particularly sensitive occasions; on the one hand, as a natural liaison for the Company in all matters related to the situation arising from the global health emergency, and on the other, through its role as guarantor of the Group's digital transformation process which, in the case of Spain, was enshrined in the Digital Transformation Plan Agreement, on the working conditions of the staff of the absorbed stores. This agreement was signed by Inditex's retail concepts in Spain and the Federation of Services of the trade union *Comisiones Obreras* and the Federation of Services, Mobility and Consumer Affairs of the trade union UGT, and was in force until 31 January 2023.

The EWC met twice in 2022. The first, extraordinary plenary meeting was held on 16 March, following the Russian invasion of Ukraine and at the request of the EWC to ascertain first-hand how this situation was affecting the workforces in both countries and what impact it would have on Inditex as a whole. Subsequently, in September, the ordinary plenary meeting took place in Arteixo, with the participation of the eight member countries, whose representatives were once again able to meet the Company in person. Over the course of the three-day meeting, both members and alternates received training in the content of the new proposed European Directive on companies' due diligence, they resumed the working group on gender equality and they were informed by Inditex of the financial results, as well as regarding other matters on the agenda.

The progress reflects the health of social dialogue at the local level at Inditex subsidiaries, with training provided to human resources teams and store managers concerning trade union rights and cooperation with our workforce's legal representatives. The works councils and management of our subsidiaries meet periodically to inform, consult and listen to the union representatives and reach agreements to improve people's working conditions and quality of life. Markets such as France, Italy, Germany, Austria, Belgium, Luxembourg, Norway, Sweden, Finland, Denmark, Chile and Argentina represent tradition in labour relations, while other countries like Poland are exploring new ways to manage their workforce on a day-to-day basis, with a new means of employee representation. Even in markets where there is no trade union culture, there are formulae that aim to achieve the same goal, namely people's engagement in their working environment. Such is the case in South Korea, where there is a collegiate body of three members who represent the rest of the employees in regular monitoring meetings and in the agreements reached with the Company regarding working conditions.

There are other examples of employee engagement at the Group, such as in the Netherlands or the UK and Ireland, where wellness committees have been set up in which several members of staff meet regularly to discuss health and wellness issues and ensure that appropriate strategies and measures are addressed.



Overall, the measures implemented this year in terms of social relations mean that, globally, the percentage of employees covered by local collective bargaining agreements remains at 61% (60% in 2021 and 2020, 56% in 2019 and 70% in 2018) while, in Europe, the percentage is close to 70%, as in 2018, 2019, 2020 and 2021. In Spain, 100% of the Group's workforce is covered by collective bargaining agreements.

At the end of 2022, union negotiations began in Spain between Inditex and the leading national trade unions. The negotiations culminated in the signing of the State Collective Agreement between the Inditex Group's Retail Concepts in Spain, the Federation of Services of CC.OO. and the Federation of Services, Mobility and Consumer Affairs of UGT, for the Improvement and Standardisation of the Remuneration and Social Conditions of the Group's Employees. This agreement, whose economic measures are retroactive to 1 January 2023, guarantees, among other improvements, a fixed annual income at the Company based on workers' experience and responsibility, conducive to standardising working conditions for all store staff in Spain.

#### **Work organisation**

The Inditex Group Code of Conduct and Responsible Practices assumes as part of its internal regulation the content of applicable legislation and agreements and conventions, national and international, of which the Company is a party, and commits itself to comply with them.

Regarding organisation of work, the Code specifically regulates respect for the time limits set by the applicable laws in each country in terms of weekly working hours and overtime.

This commitment to compliance with working hours is addressed in the Global Agreement with UNI, which includes a section on the guidelines provided in ILO Conventions 1 and 47 regarding eight-hour days and 40-hour weeks, respectively, and in Recommendation 116 regarding reduction of normal working hours established as a minimum standard for each country.

In practice, laws and collective bargaining agreements applicable to Inditex establish maximum annual working hours for employees, based upon which work schedules are agreed. Inditex has in place a working time control system, in accordance with the applicable legislation in each market.

### 5.1.5. Remuneration policy

GRI 2-19; 2-20; 2-21; 3-3; 405-2; AF7

The team at the Inditex Group are remunerated in accordance with their **professional worth, experience, dedication and responsibility**. Our remuneration policy guarantees **non-discrimination** by reason of gender, age, culture, religion, ethnicity or any other circumstance.

As a Group with a presence in 60 labour markets, our remuneration policy seeks to adapt, at all times, to the circumstances of each of them, always within the Group's culture and values and respecting the identity of each of the brands. Accordingly, we strive to ensure that the remuneration standard is adapted to the local reality of each market, establishing remuneration according to the reference practices of each of these markets in local currency.

Inditex's remuneration comprises a **fixed component and a variable component**.

Fixed remuneration is determined by experience, personal contribution to the work and responsibility within the organisation. Variable remuneration depends fully on predefined, quantifiable and measurable indicators, all linked to the Company's results. Based on this criterion, variable remuneration does not depend on a discretionary assessment of a person's individual performance, but is based solely on objective parameters. The purpose is to guarantee non-discrimination. In this regard, **variable remuneration is one of the key components of Inditex's remuneration policy and applies to employees in all areas of the Company's activity**.

In stores, our most widely used variable remuneration system is that of the monthly sales commission scheme. This is a way to reward the engagement of store employees in key issues as sales results, feedback on products and store coordination and organisation. In addition, over the last few years, we have started implementing a new system of in-store variable remuneration with a special focus on transparency and simplicity, orienting our people towards sales, guaranteeing pay equity, and taking into account the changing environment.

Similarly, true to our values of transparency and results orientation, in 2020 we aligned the Group's sustainability objectives with those of the office staff in terms of remuneration. Accordingly, **compliance with sustainability goals is a component of our office employees' variable remuneration**. This underpins our commitment to our people in this regard, highlighting the fact that our variables are fully linked to business results.

### Gender pay gap

At Inditex we are committed to equal pay and, in this regard, the pay gap is the **indicator that most transparently** conveys the difference in salaries between women and men.

The gender pay gap is calculated based upon the median salary in each market (considering total salary: fixed plus variable, consisting of commission and bonus), weighted according to each area of activity of the Group (store, central services, logistics and factories). This median is in turn weighted according to each market's weighting over the aggregate number of Inditex employees. As a result, a global reliable indicator of pay gap between male and female workers in the Group is obtained.

The outcome of the analysis carried out in 2022<sup>7</sup> **shows wage parity between men and women in Inditex**. In total salary, women have been paid 0.4% more than men. If we break down the gap by professional classification, in 2022 it was 1% for specialists (representing 85% of our people), -3% for supervisors (representing 9% of our people) and -8% for management positions (representing 6% of our people). The global gender pay gap has suffered a slight variation with respect to previous years (in 2021, women were paid 0.3% more than men; in 2020, men were paid 0.4% more than women; in 2019, women were paid 0.2% more than men; and in 2018, women were paid 0.8% more), which is explained by staff turnover during the period.

<sup>7</sup> The gender pay gap analysis and the global average remuneration for fiscal year 2022 does not include Russia and Ukraine (markets that represent 3.9% of the workforce).

Gender pay gap	2022	2021	2020	2019	2018
<b>Total</b>	<b>0.4%</b>	<b>0.3%</b>	<b>-0.4%</b>	<b>0.2%</b>	<b>0.8%</b>

The pay gap by geographic area is detailed below<sup>8</sup>:

Gender pay gap	2022	2021	2020	2019	2018
Spain	-1.1%	-0.8%	-0.8%	0.5%	1.0%
Europe excluding Spain	1.1%	0.4%	-0.7%	-0.6%	0.2%
Americas	0.5%	1.7%	2.6%	3.6%	0.3%
Asia and rest of the world	1.6%	1.8%	-1.1%	-0.1%	0.0%
<b>Total</b>	<b>0.4%</b>	<b>0.3%</b>	<b>-0.4%</b>	<b>0.2%</b>	<b>0.8%</b>



Regarding this figure, it should be noted that the number of employees in Spain, our home market, only represents 28% of the total, and a significant portion, 72%, of the remaining staff are based in markets where wages translated into euros result in lower average remuneration (28% and 72% of the workforce in 2021, 2020, 2019 and 2018).

By gender, the average remuneration of women in 2022 amounted to an annual gross figure of 25,387 euros, and that of men came to 28,827 euros (women: 22,770 euros in 2021, 22,749 euros in 2020, 21,142 euros in 2019 and 19,935 euros in 2018; men: 26,502 euros in 2021, 27,657 euros in 2020, 24,897 euros in 2019 and 23,556 euros in 2018). These two figures are not representative in terms of equal pay: the pay gap between men and women is due to a higher presence of women in a significant number of markets where average remuneration is lower on account of the exchange rate effect.

At Inditex, we calculate the pay gap by market (weighted with the weight each of them represents), allowing for the isolation of the impact of the different local currencies, fluctuations in the exchange rate and the geographic distribution of the workforce.

Based on these premises, the average remuneration by age and by job classification is provided below:

### Global average remuneration

Average remuneration is defined as the average wages in the Group (considering the total salary: fixed plus variable, consisting of commission and bonus), translated into euros, using the average exchange rate in 2022<sup>9</sup>. Based on this calculation, global average remuneration in this period at Inditex amounted to 26,294 euros gross annually (23,701, 23,959, 22,073 and 20,996 euros in 2021, 2020, 2019 and 2018, respectively).

<sup>8</sup> The geographic areas included in the breakdown correspond to the areas where Inditex has significant operations.

<sup>9</sup> The gender pay gap analysis and the global average remuneration for fiscal year 2022 does not include Russia and Ukraine (markets that represent 3.9% of the workforce).



Aggregate remuneration in €	2022	2021	2020	2019	2018
<b>Job classification<sup>1</sup></b>					
Management	66,446	52,744	50,050	51,327	47,804
Supervisor	39,470	33,840	32,859	31,002	27,963
Specialist	22,964	20,875	20,751	19,260	18,480
<b>Age</b>					
<30 years old	19,597	17,054	16,598	16,444	15,350
30-40 years old	30,541	28,689	28,214	27,433	26,320
> 40 years old	44,044	42,130	43,648	42,297	41,062

1. The description of the functions of the three job classification groups is:

- Management: employees in managerial positions with responsibility for interdisciplinary working groups related to the areas of design, manufacturing, distribution, logistics, stores, technology, sustainability and other general services. This category includes store managers.
- Supervisor: employees who are part of interdepartmental and transversal working groups for design, logistics and stores, as well as sustainability, technology and other general services.
- Specialist: employees with an impact through individual contribution related to one of the Group's activities in the areas of design, manufacturing, distribution, logistics, stores, sustainability, technology and other general services.

## 5.1.6. Our people's health, safety and well-being

GRI 403-1; 403-2; 403-3; 403-4; 403-5; 403-6; 403-7; 403-8; 403-9; 403-10; 413-1; AF24; AF31

Guaranteeing and promoting our employees' health and safety is paramount for the Inditex Group. Accordingly, we implement **international best practices** in this area, complying with the most stringent standards, and we train and inform our staff on these matters, always looking for areas of improvement.

In 2022, we have updated our **Occupational Health and Safety Policy**, the latest version of which was approved by the Board of Directors in their meeting of 13 December 2022. This latest version of the Policy reinforces the positive impact of the Group's short- and medium-term initiatives for workers, customers, suppliers and other stakeholders, and enshrines Inditex's commitment to promoting safety, health and well-being in the workplace, recognising them as a cornerstone of its activities.

Thus, the Policy aims to ensure the continuous improvement of occupational health, safety and well-being, and considers this to be a common goal that extends to all levels of the Group.

### 5.1.6.1. Health and safety protection

Since 2014, the Inditex Group has included in its goals the implementation of **the ISO 45001:2018 management system**, which is an internationally recognised technical specification aimed at controlling risks and improving occupational health and safety performance. It is considered the highest standard in this field.

The retail and design activities in India and Switzerland were certified during 2022, bringing the total number of markets in which they are certified to 27. Furthermore, the manufacturing and logistics companies in Spain have been maintained and audited under ISO 45001 standards, and the management of this activity in the Mexico distribution centre has been certified. Furthermore, the certification of the Cajamar distribution centre in Brazil has been maintained. During 2022, the Management System has been audited in 212 workplaces.

77%<sup>10</sup> of the Company's own employees who work in Inditex Group's activities, companies and markets—over 122,000 people—do so in areas where the highest standard in the occupational health, safety and well-being management system is implemented, in keeping with the maximum requirements of the ISO 45001 standard and in a process of continuous improvement.

With regard to the execution of refurbishment and construction works of stores and singular buildings in Europe within the Inditex Group, carried out by the company GOA INVEST, S.A., in 2022 it continues to be certified to ISO 45001 standard.

### Worker health and safety training

Continuous health and safety training is a key activity both for companies, as it helps to reduce accidents, and for workers, for whom it is way to learn about their working environment, the risks to which they may be exposed and how to prevent them.

Occupational health and safety competencies and qualifications form a body of specialised knowledge. There are as many types of training programmes as there are tasks or jobs, and different objectives are set, ranging from training required for a management position to training that aims to equip workers with the knowledge they need to work safely.

<sup>10</sup> Does not include Russia and Ukraine workforce.

Workers trained/Market	2022	2021
Spain	18,601	14,706
Germany	1,592	434
Argentina	17	781
Australia	457	404
Austria	601	579
Belarus	340	386
Belgium	794	1,309
Bosnia Herzegovina	210	0
Brazil	411	671
Bulgaria	303	590
Canada	1,248	1,702
Chile	141	201
Mainland China	1,607	5,782
Croatia	634	1,030
Denmark	20	0
Slovakia	250	436
Slovenia	143	0
United States	2,520	2,687
Finland	143	0
France	3,169	2,870
Greece	1,715	1,244
Hungary	886	0
India	399	63
Ireland	487	432
Italy	5,832	3,494
Kazakhstan	1,180	970
Luxembourg	22	181
Mexico	2,947	1,398
Montenegro	177	0
Norway	53	6
New Zeland	38	0
Poland	4,591	4,182
Portugal	1,916	1,888
United Kingdom	3,907	4,568
Czech Republic	320	479
Republic of North Macedonia	142	0
Romania	3,164	2,567
Russia	0	1,573
Serbia	915	910
South Africa	0	42
Sweden	5	0
Switzerland	1,065	0
Türkiye	3,359	2,338
Ukraine	0	1,314
Uruguay	103	322

### 5.1.6.2. Promoting well-being

#### Inditex, Healthy Organisation

Our commitment to **promoting and protecting our people's safety, health and well-being** was recognised again this year in the form of the **Healthy Company certification**, a distinction that identifies cross-cutting management of the health, safety and well-being of individuals based on physical and psycho-social aspects, resources allocated to the health of the workers, and the participation of the Company and its workers in the community. This certification follows the World Health Organization model and is audited every two years.

Specifically, in 2022, the Group's companies in Spain, Italy, the United Kingdom and Ireland, Japan, Portugal, Greece, Argentina, Mexico, Uruguay, Germany, Poland, Türkiye and Chile have maintained Healthy Company certification and, in addition, the markets of Mainland China, Belgium, Luxembourg, Canada, Bulgaria, Croatia and Romania have been certified. In addition, the goal for 2023 is to obtain certification for the Group's companies in Serbia.

#### Well-being Committees

In 2022, we also made headway in setting up new Well-Being Committees in India, Canada, Belgium, Luxembourg, Romania and Japan (making a total of 13 markets); meanwhile, in Spain, these Committees have been set up at Zara Home, Pull&Bear and Zara. These are cross-cutting bodies for the promotion and coordination of a range of initiatives and actions aimed at promoting people's well-being, in such varied aspects as diversity, equality, health, inclusion, work-life balance, mental and psycho-social health, working hours, food, ergonomics, work spaces, sports activities, employee mobility, events and social actions (participating in world days and employee engagement in the community).



### Promoting health

Inditex also runs the **InHealth** portal, which focuses on promoting health and healthy habits among the Group's employees, through news, actions or challenges adapted to their working environment, to raise awareness on the importance of maintaining a balance between body, mind and emotions. This portal is currently accessible in 25 markets, following the launch over the course of 2022 in Croatia, the Netherlands, Japan and Chile. Moreover, in 2023 it is scheduled to be rolled out in Slovenia, Montenegro, South Africa, Brazil, the Czech Republic and Slovakia. InHealth now covers 72% of the Group's employees.

### Health services

In keeping with our commitment to our workers' healthcare, at all our logistics and manufacturing centres there is a **medical service** available to them. These medical services offer periodic check-ups and other ancillary health control tests for workers, as well as flu vaccination drives, among other functions. In addition, all our head offices, distribution centres and factories in Spain are equipped with breastfeeding rooms.



Likewise, in the markets where we operate we are developing health services initiatives as part of the objectives of the Healthy Organisation certification, including: the psychological support line in Mainland China, South Africa and Portugal, additional health insurance in Slovakia, Greece, Türkiye, India, Romania or Canada and initiatives in other markets related to physiotherapy services, additional eye tests with subsidies for glasses purchases and more frequent medical check-ups or additional types of tests than legally established in the local legislation.

### Prevention of musculoskeletal injuries

Another of our health and safety objectives is the prevention of musculoskeletal injuries. In this regard, at Inditex we **continually assess** the ergonomic conditions associated with physical strain in tasks carried out at work centres, both by our teams and by third parties who perform their activities there. Through this assessment, based on an entirely preventive approach, we identify tasks that involve manually handling loads, awkward postures and repetitive movements in order to plan preventive actions on ergonomic conditions, aimed at protecting workers' health. Based on this knowledge, we provide initial training on musculoskeletal injuries to all workers at our logistics centres and stores.

In 2022, more than 7,000 employees took part in initiatives such as 'Lighten the Load', a Back School and Pain Free Movement Workshop. The 'Let's Move' Posture Coach continued to operate, as did the Prevent and Recover Plans. They include yoga, pilates and swimming pool training at various partner centres, with specific exercises or tips on 'Caring for your Back' in the store environment.

### 5.1.6.3. Health and safety indicators

In 2022, we have continued to compile information on accidents in our own logistics, store, office, manufacturing and construction activities. We are implementing preventive measures in regard to the investigated and assessed risks such as overexertion, slips and falls on the same level, as well as tripping and sudden movements, which we have identified as the most representative incidents.

When analysing health and safety indicators, we consider an occupational accident to be any bodily injury to a worker during or as a consequence of the work performed as an employee, while an occupational disease is a disease whose onset is a result of the work performed as an employee in the activities and specified in the professional illnesses chart of the activity, according to local legislation. Such disease must be a result of the action of elements or substances indicated in said chart for each occupational disease.

Furthermore, in 2022 there have been no fatalities resulting from an occupational injury or accident in any of our markets.

## Other accident rates<sup>1</sup>

Spain	Incident rate <sup>3</sup>					Frequency rate <sup>4</sup>					Severity rate <sup>5</sup>				
	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018
	<b>Own stores</b>														
Women	17.99	15.20	14.08	19.28	18.00	14.81	12.79	14.81	10.71	14.70	0.38	0.28	1.08	0.19	0.41
Men	14.38	15.10	12.17	13.31	20.70	10.74	11.26	12.88	7.39	14.60	0.24	0.20	1.60	0.15	0.25
<b>Logistics centres</b>															
Women	96.27	85.40	68.99	100.45	107.80	71.28	63.83	72.38	55.80	70.90	2.43	2.03	1.24	1.58	1.96
Men	96.36	107.80	81.95	107.94	126.50	68.08	74.66	76.80	59.97	78.80	2.63	2.25	1.18	1.53	1.65
<b>Own factories</b>															
Women	5.03	19.20	8.40	58.12	73.80	2.61	10.55	6.93	32.29	53.60	0.09	0.44	1.14	0.99	1.82
Men	26.81	53.70	0.00	64.91	167.70	9.93	21.07	0.00	36.06	102.00	0.52	0.67	0.00	1.88	3.00
<b>Central services</b>															
Women	3.95	1.80	2.68	3.51	3.20	1.97	0.88	1.77	1.95	1.80	0.06	0.01	0.38	0.03	0.05
Men	2.82	3.30	2.50	2.48	2.20	1.40	1.63	1.40	1.38	1.20	0.09	0.04	0.47	0.00	0.07

Europe <sup>6</sup>	Incident rate <sup>3</sup>					Frequency rate <sup>4</sup>					Severity rate <sup>5</sup>				
	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018
	Women	16.55	14.83	13.06	20.80	19.30	14.40	12.80	14.76	17.50	16.90	0.24	NA	NA	NA
Men	13.95	15.37	15.31	17.30	17.00	10.40	11.64	17.29	13.50	14.70	0.22	NA	NA	NA	NA

Asia and rest of the world <sup>7</sup>	Incident rate <sup>3</sup>					Frequency rate <sup>4</sup>				
	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018
	Women	5.02	5.28	4.50	3.50	6.70	3.80	3.80	3.73	2.60
Men	2.84	4.53	4.00	2.80	3.50	1.83	3.03	3.26	2.00	2.80

Americas <sup>8</sup>	Incident rate <sup>3</sup>					Frequency rate <sup>4</sup>					Severity rate <sup>5</sup>				
	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2018
	Women	13.02	13.04	40.86	17.90	12.00	10.82	9.43	45.84	13.00	9.10	0.32	NA	NA	NA
Men	8.69	11.58	31.20	15.40	11.40	6.69	7.85	34.20	10.70	8.50	0.30	NA	NA	NA	NA

Accidents with more than 180 days of absence								
Gender	Spain				Europe		Americas	Asia and rest
	Warehouse	Manufacture	Office	Store	Accidents		Accidents	Accidents
Men		7	0	1	0	12	3	0
Women		2	0	0	6	42	6	1

## Occupational diseases

Spain												
	Logistics centres				Own stores				Own factories			
	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019
Women	13	2	4	10	0	0	1	1	0	7	2	9
Men	11	5	10	9	0	0	0	0	0	2	0	0
Rest (Europe, America and Asia and rest of the world)												
	Europe				Asia and rest of the world				Americas			
	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019	2022	2021 <sup>2</sup>	2020 <sup>2</sup>	2019
Women	21	23	21	NA	2	0	0	NA	3	0	23	NA
Men	3	13	3	NA	0	0	0	NA	1	0	11	NA

1. Accident data are shown as ratios only, as these are a reliable representation of the Company's health and safety performance.

2. In the process of implementation of Systems to report data on severity rates in Europe, America, Asia and the rest of the world. Data included in 2022 represent the following markets, Europe: Bulgaria, Croatia, Greece, Italy, Portugal, Romania; America: Argentina, Chile, Mexico, Uruguay.

3. Incident rate with leave = (No. accidents with leave \*1,000) / Average no. workers.

4. Frequency rate = (No. accidents with leave \*1,000,000) / No. hours worked.

5. Severity rate = (Days of leave \*1,000) / No. hours worked.

6. Albania, Germany, Austria, Belgium, Belarus, Bosnia Herzegovina, Bulgaria, Croatia, Denmark, Slovakia, Slovenia, Finland, France, Greece, Hungary, Ireland, Italy, Luxembourg, Montenegro, Norway, the Netherlands, Poland, Portugal, the United Kingdom, Czech Republic, Republic of North Macedonia, Romania, Russia, Serbia, Sweden, Switzerland and Türkiye.

7. Australia, New Zealand, India, South Korea, Japan, Mainland China, Kazakhstan, Hong Kong, Taiwan and South Africa.

8. Argentina, Brazil, Canada, Chile, United States, Mexico and Uruguay.

In fiscal year 2022, the total number of hours of absenteeism due to common illness, corresponding to 97.4%<sup>11</sup> of the Group's employees (including all logistics and store employees in the world and office employees in Spain), amounted to 13,067,037 hours (11,028,054 hours in 2021, corresponding to 95.4% of employees; 10,761,725 hours in 2020, corresponding to 96% of employees; 10,275,537 hours in 2019, corresponding to 92% of employees; and 9,107,205 hours in 2018, corresponding to 83% of employees).

The total number of hours worked in 2022, corresponding to 92.8% of the Group's employees (including all logistics and store employees worldwide), amounted to 177,342,180 hours (92.7% of employees and 169,194,610 hours in 2021 and 92% of employees and 132,302,227 hours in 2020).

### Non-employee worker accidents<sup>12,13</sup>

At Inditex we look after the health and safety not only of our people, but also of non-employee workers. In this connection, there were seven accidents involving non-employee workers in Spain, while there were no accidents in the markets of Germany, Bulgaria and Mainland China in 2022.

### Emergency management

So as to **actively manage at all times the risks** that may arise in any workplace, and in keeping with our philosophy of following the precautionary principle, we have designed, prepared and implemented **Emergency and Evacuation Plans and Self-Protection Plans** that establish the organisational and functional criteria in the different facilities. The objective is to prevent, control and provide an adequate response, from the outset, to potential emergency situations that may cause harm to people and/or their property.

Through these Plans, we comply with the regulatory requirements applicable to occupational risk prevention and occupational health and safety, as well as with the internal requirements established by the Group for the workplaces.

In short, these Emergency and Evacuation Plans and Self-Protection Plans include the necessary steps for prevention and control, as well as protection measures and other actions to be taken in the event of emergencies.

In the last two years, the following actions were taken:

<sup>11</sup> There is no available information for the remaining 2.6%.

<sup>12</sup> The Group is working to improve its reporting systems in the commitment to continue making headway in reporting accidents of non-employee workers in new markets in future reporting periods, including those where there is legal obligation of reporting this information by the supplier.

<sup>13</sup> In the year 2022, the criteria for reporting non-employee worker accidents was updated in accordance with the requirements set out in this regard in content GRI 2-8. The information available in the Group's systems for previous years does not permit historical data to be recalculated, and it is therefore not included.

Brand	2022			2021		
	Self- Protection Plan	Emergency and Evacuation Plan	Emergency and Evacuation Plan	Self- Protection Plan	Emergency and Evacuation Plan	Emergency and Evacuation Plan
		New	Updated		New	Updated
Bershka	1	6	0	9	6	14
Massimo Dutti	3	9	5	12	3	1
Oysho	0	9	18	2	5	24
Pull&Bear	8	20	6	6	3	31
Stradivarius	5	22	11	5	16	17
Uterqüe	0	0	0	1	0	0
Zara	12	25	57	27	17	36
Zara Home	2	13	6	4	5	7
<b>Total</b>	<b>31</b>	<b>104</b>	<b>103</b>	<b>66</b>	<b>55</b>	<b>130</b>

Brand	2020			2019		
	Self- Protection Plan	Emergency and Evacuation Plan	Emergency and Evacuation Plan	Self- Protection Plan	Emergency and Evacuation Plan	Emergency and Evacuation Plan
		New	Updated		New	Updated
Bershka	0	14	10	0	10	8
Massimo Dutti	0	4	7	0	13	8
Oysho	0	1	12	0	12	0
Pull&Bear	0	7	46	0	18	26
Stradivarius	0	21	11	0	21	2
Uterqüe	0	1	2	0	1	3
Zara	2	22	83	1	29	28
Zara Home	0	1	7	0	4	0
<b>Total</b>	<b>2</b>	<b>71</b>	<b>178</b>	<b>1</b>	<b>108</b>	<b>75</b>

<b>Emergency, Self-Protection and Evacuation Plans</b>					
<b>Market</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Spain	238	251	251	184	322
Albania	2	0	41	33	38
Germany	108	14	122	138	0
Argentina	12	12	11	11	11
Australia and New Zealand	18	1	19	2	0
Austria	1	0	25	23	24
Belarus	0	0	0	0	25
Belgium	3	3	0	3	0
Bosnia Herzegovina	0	0	4	16	13
Brazil	50	3	7	2	0
Bulgaria	5	0	35	40	39
Canada	0	0	0	0	43
Chile	14	1	1	0	13
Mainland China	5	9	167	164	0
South Korea	0	0	40	46	1
Croatia	40	1	3	10	43
Denmark	0	0	0	0	17
Slovakia	0	7	16	16	16
Slovenia	0	2	16	5	40
United States	2	12	16	0	2
Finland	0	0	0	0	8
France	12	15	378	300	0
Greece	0	158	164	166	165
Hungary	17	0	39	39	39
India	4	0	0	0	0
Ireland	0	0	20	0	13
Italy	271	476	70	285	287
Japan	6	1	4	3	3
Kazakhstan	0	0	2	36	80
Luxembourg	0	0	0	12	0
North Macedonia	0	7	0	5	5
Mexico	395	399	315	116	38
Montenegro	0	0	0	2	0
Norway	0	0	0	1	8
The Netherlands	3	5	0	0	0
Poland	44	230	245	248	238
Portugal	6	5	18	0	0
United Kingdom	0	27	14	0	49
Czech Republic	0	0	22	0	24
Romania	3	3	143	0	10
Russia	0	110	124	0	123
Serbia	21	0	23	0	26
South Africa	1	0	0	0	9
Sweden	0	0	2	0	0
Switzerland	20	0	40	0	0
Türkiye	84	7	229	0	15
Ukraine	0	45	0	0	0
Uruguay	4	4	4	0	4

Other emergency management activities are summarised in the tables below:

## 2022

Work centre	Description
Indipunt	Emergency and evacuation plan
Tempe	Evacuation drill Elche
Tempe	Evacuation drill Culleredo
Inditex	Emergency and evacuation plan (construction)
Pull & Bear España S.A.	Emergency and evacuation plan
Tempe	Fire safety training
Meco Platform	Platform evacuation drill
Zara Home Logistics	Platform evacuation drill

## 2021

Work centre	Description
Stradivarius Headquarters	Platform evacuation drill
Meco Platform	Practical Fire Prevention Training at the Meco Logistics Platform
Cabanillas Platform	Practical Fire Prevention Training at the Cabanillas Platform
Plataforma Europa, S.A.	Plataforma Europa, S.A.
Zara Home Logistics	Evacuation drill

## 2020

Work centre	Description
Industria de Diseño Textil, S.A.	Theoretical evacuation drill at the Laracha logistics centre
Factories	Theoretical evacuation drill
Bershka Indipunt Pull&Bear logistics MECO logistics platform Tordera offices (all brands) Oysho logistics	Event Report - New SS20 Collection
Indipunt	Theoretical evacuation drill
Pull&Bear logistics	Updating of Self-Protection Plan and Drill
MECO logistics platform	Updating of Self-Protection Plan
Tordera offices (all brands)	Report on process drill
Oysho logistics	Report on process drill

## 2019

Work centre	Description
Pull&Bear logistics	EEP (construction works) Provisional Canteen Narón
TEMPE, S.A.	Classroom course on First Intervention Teams
Pull&Bear	Event (Fundación El Instante)
Industria de Diseño Textil, S.A.	EEP and Implementation Talent Centre Inditex Barcelona
Industria de Diseño Textil, S.A.	EEP and Implementation Talent Centre Inditex Madrid
Plataforma Europa	Platform Evacuation Drill
MECO platform	Platform Evacuation Drill

### 5.1.6.4. Covid-19 care

At Inditex, we endeavour to **ensure the health and safety of our people**, especially in these circumstances.

Over the course of 2022, due to the unfolding developments regarding the pandemic in the markets where the Group operates, protective measures were scaled down in accordance with local legislation and the health authorities' guidelines in

each individual market.

The necessary protocols and controls remain in place in the event of any increase in cases that may affect the health and safety of employees and other stakeholders and require further action.



## 5.2. Our customers

Related material topics: Responsible communication; Innovation.



### 5.2.1. A model by and for the customer

GRI 416-1; 416-2; 417-1

**Listening to the customer, attending to and understanding** their demands for quality fashion with a responsible approach and **offering a response adapted to their needs** at the right time and place have always been the cornerstones of the Inditex model.

Based on these premises—*listening, identifying and making available*—along with the accurate and integrated functioning of all stages of the value chain—stores, design, manufacturing and logistics—we are able to deliver the best shopping experience for customers before, during and after a sale takes place.

With this in mind, our store and online teams work with designers and product teams to understand customer needs and identify trends. At the same time, the image and coordination teams maximise the scope of our collections, designing the best creative productions and the most diverse styling, in collaboration with photographers, audiovisual producers, stylists and models.



When it comes to creative productions, we are aware of the renown and impact of our products. Consequently, we work on the premise that the images of the models and the campaigns that feature them should convey a positive, multicultural and diverse image, while presenting their characteristics and qualities in the most detailed and accurate way.

In parallel, our brands' architectural studios define and create the store concept, and subsequently develop and adapt it to the specific characteristics of each building and retail premises. The aim is to achieve unique, pleasing and accessible sales spaces, where technological innovations allow customers to interact with the brand at any time and from any device.

The most paradigmatic example is Zara's latest store image, with boutique spaces allocated to specific collections such as Lingerie, Beauty or Athleticz, and technological improvements in the customer experience such as Pay&Go, the smart parcel terminal for online orders or Store Mode, useful tools for online browsing through the store of your choice, checking the available inventory, paying without passing checkout or online purchase and pick up in two hours.

In this connection, the possibilities offered by Inditex's integrated store and online platform allow brands to increase the availability of items and fosters a more direct relationship with our customers, who can access our fashion proposals whenever, wherever and however they choose.

We strive to create unique, pleasing and accessible sales spaces, where technological innovations allow customers to interact with the brand at any time and from any device.

Precisely, one of the main ways for us to establish a relationship with our customers are our brands' websites, our online product showcases. In 2022, our websites received **more than 6,000 million visits**<sup>14</sup>, equating to more than 16 million daily visitors to the Group's online stores.

<sup>14</sup> The reported figures for website visits are from Google Analytics and do not include visits from users who have rejected cookies.

These figures underscore the importance of listening to our customers and of identifying and meeting their needs in the most appropriate way, in a context of permanent transformation and change in consumer habits.

In any event, and beyond the sale transaction and what surrounds it, our commitment to customers also means anticipating their demands on matters such as diversity, sustainability and transparency. In response to these needs, our brand websites include content on our progress in environmental and social sustainability.

Likewise, projects such as Changemakers or our for&from store network, managed by people with disabilities, enable us to make headway in our strategy of achieving a positive impact, engaging our people and customers as we do so.

📄 More information in section [5.1 Our people](#) of this Report.

## 5.2.2. Response to our customers in 2022

GRI 417-1

The shopping experience at Inditex is not confined solely to the sale itself. Consequently, and thanks to the multiple options available, we aim to maintain a fluid, close and trust-based relationship with our customers.

To address the challenges of serving customers in more than 200 markets around the world, we train our teams in product knowledge, product sustainability features, store processes, customer orientation and respect for diversity and inclusion.

In order to be as close as possible to our customers, our brands' worldwide customer service teams are available in the languages of the markets in which we have a retail presence: Spanish, Galician, Catalan, Basque, English, French, Portuguese, Russian, traditional Chinese, simplified Chinese, Italian, Polish, Ukrainian, Romanian, Greek, Turkish, German, Czech, Slovak, Croatian, Slovenian, Dutch, Hungarian, Danish, Swedish, Norwegian, Finnish, Indonesian, Arabic, Korean, Malay, Vietnamese, Japanese, Hindi, Bulgarian and Hebrew.

Inditex is also working to guarantee accessibility to its facilities, both stores and online sales websites. In this regard, the Group stores meet architectural accessibility standards to enable people with disabilities to access and move around the stores, as well as ensuring a satisfactory shopping experience for the customer.

Accessibility to all corporate websites, which comply with the Accessibility Guidelines or General Accessible Design Principles established by Web Accessibility Initiative (WAI) Working Group, a part of the World Wide Web Consortium (W3C), is also important. In 2022 and thanks to the digital accessibility project with EqualWeb, the Group began to use accessibility menus in its websites.

These menus, visible from the home pages of each website, provide a variety of voice, browsing, colour and content adjustments to ensure an inclusive and barrier-free browsing experience for users and customers.



### 5.2.3. Customer service channels: contacts and service level

GRI 403-7; 416-1; 416-2; 417-1

In 2022, the customer service areas of the Group's brands fielded a total of 39,768,580 customer contacts (calls, e-mails, Whatsapp conversations and messages via social media profiles), concerning questions on products, the purchasing process, shipments, possible incidents or current issues affecting the retail concepts, among other matters.

Notably in regard to this figure, the progression of online sales in recent years constitutes the bulk of contacts, mainly relating to inquiries about orders, such as their status or delivery lead times. Service level (meaning the percentage of contacts resolved over the total and weighted in accordance with the contacts of each brand) was 98%.



#### Response to our customers

	2022			2021			2020			2019			2018		
	No. of contacts	Service Level	No. of services fulfilled	No. of contacts	Service Level	No. of services fulfilled	No. of contacts	Service Level	No. of services fulfilled	No. of contacts	Service Level	No. of services fulfilled	No. of contacts	Service Level	No. of services fulfilled
<b>ZARA</b>	26,762,779	98%	26,106,297	37,188,449	98%	36,433,559	40,009,841	92%	36,848,936	21,559,476	97%	20,912,691	19,320,000	96%	18,547,200
<b>ZARA HOME</b>	2,210,179	98%	2,172,645	2,544,199	97%	2,477,226	2,856,719	98%	2,800,376	1,368,310	93%	1,278,275	905,907	92%	833,434
<b>PULL&amp;BEAR</b>	2,009,604	98%	1,960,396	3,079,063	96%	2,956,030	3,724,755	72%	2,666,292	1,820,713	86%	1,565,813	3,033,792	94%	2,851,764
<b>Massimo Dutti</b> <sup>1</sup>	3,085,342	99%	3,049,565	2,595,172	98%	2,548,597	2,902,437	93%	2,707,888	2,010,181	93%	1,869,468	1,366,782	89%	1,216,436
<b>Bershka</b>	2,577,340	98%	2,520,885	2,656,660	98%	2,601,334	2,551,062	84%	2,150,189	1,161,875	92%	1,068,925	1,874,696	85%	1,593,492
<b>STRADIVARIUS</b>	2,280,492	97%	2,223,326	2,266,446	98%	2,214,808	2,241,811	83%	1,860,808	1,212,346	71%	860,766	1,511,405	97%	1,466,063
<b>OYSHO</b>	842,844	99%	833,635	1,062,508	99%	1,046,787	1,393,302	93%	1,299,341	889,846	99%	881,214	922,297	80%	737,838
<b>TOTAL</b>	<b>39,768,580</b>	<b>98%</b>	<b>38,866,749</b>	<b>51,609,795</b>	<b>98%</b>	<b>50,491,331</b>	<b>55,809,878</b>	<b>90%</b>	<b>50,439,474</b>	<b>30,100,931</b>	<b>95%</b>	<b>28,514,056</b>	<b>29,032,743</b>	<b>94%</b>	<b>27,337,240</b>








1. Figures for Massimo Dutti include Uterqüe's data until its integration was completed in FY 2022.

#### 5.2.3.1. Followers in social media

Social media are now another of our customer relationship channels, and have become increasingly important both as an initial communication point and as a complement to the usual channels. In 2022, Inditex's retail concepts had more than 246 million followers in the various social media platforms (225 million in 2021, 199 million in 2020, 175 million in 2019 and 143 million in 2018).

In 2022, the Instagram and Facebook accounts of each brand, with more than 101 million and 66 million users, respectively (more than 88 million and 67 million in 2021; more than 80 million and 65 million in 2020; more than 61 million and 70 million in 2019; and 60 million and 55 million in 2018, respectively) are the social media accounts with the highest number of followers.

The count of brands' followers includes the profiles on the leading social media platforms, both in specific markets (for example, Weitao in China) and those platforms that have evolved and are now increasingly important (for example, TikTok, where the brands had a cumulative total of more than 8.6 million followers in 2022, of which more than five million belong to Zara).

								Other	Total
<b>ZARA</b>	59,431,116	30,890,402	3,164,911	1,598,111	23,470,000	1,475,120	6,294,627	4,467,311	130,791,598
<b>ZARA HOME</b>	7,667,158	2,936,015	125,775	268,845	2,467,110	87,215	303,000	237,414	14,092,532
<b>PULL&amp;BEAR</b>	7,717,533	7,534,666	222,771	197,549	6,534,828	366,721	436,843	488,741	23,499,652
<b>Massimo Dutti</b> 1	4,579,375	4,807,829	438,447	193,768	4,675,479	80,833	348,763	520,267	15,644,761
<b>Bershka</b>	10,700,000	10,000,000	327,021	414,200	7,915,434	447,000	801,700	695,460	31,300,815
<b>STRADIVARIUS</b>	8,070,000	6,200,000	105,526	131,600	4,307,325	248,000	430,000	174,732	19,667,183
<b>OYSHO</b>	3,151,989	3,476,929	187,523	63,605	3,754,010	111,089	31,423	399,492	11,176,060
<b>Total</b>	<b>101,317,171</b>	<b>65,845,841</b>	<b>4,571,974</b>	<b>2,867,678</b>	<b>53,124,186</b>	<b>2,815,978</b>	<b>8,646,356</b>	<b>6,983,417</b>	<b>246,172,601</b>

1. Figures for Massimo Dutti include Uterqüe’s social media followers until its integration was completed in FY 2022.

### 5.2.3.2. Type of cases handled: pre-purchase, post-purchase, customer service and complaints mechanisms

As part of the various ways of relating and interacting with our customers, our teams deal with a range of issues linked to the purchase of our products before, during and after that transaction takes place. During this process, each concept classifies autonomously the reasons for customer contact, which can be grouped in four broad groups of queries: pre-purchase (issues prior to the purchase), post-purchase (related to an order or purchase at the store), customer service (regarding contact channels, web and app) and complaints and claims.

In this sense, in 2022 our brands handled 29.3 millions of cases through Customer Services in all the markets where we have a commercial presence.

This data also includes the complaint forms and claims processed in Spain through the official consumer complaint and response mechanisms. In 2022 a total of 6,289 cases were handled (5,288, 4,814, 6,436 and 6,586 claims handled in Spain in 2021, 2020, 2019 and 2018, respectively). Of these, Inditex responded to 3,283 complaint forms and 949 claim procedures, including mainly inspection requests and summons (3,263 complaint forms and 460 claim procedures in 2021).

Types of cases handled in 2022	
Pre-purchase (product availability, special collections, personalization, purchase process, checkout and sustainability, among others)	22.7%
Post-purchase (order status, shipments, delivery times, changes and returns, gift card, among others)	72.3%
Customer service (customer account, web/app, channels, social networks, among others)	4.8%
Complaints (includes any customer feedback, as well as formal complaints)	0.2%

### 5.2.3.3. Health and safety claims

The health and safety of our products is paramount to Inditex. Accordingly, we have standards, training plans and prevention and control programmes devised to ensure that our products comply with the strictest requirements and guidelines in all the markets where we operate.

Our product health and safety teams are fully coordinated with customer service teams, store staff and any other area of the Company where information about incidents and/or complaints may be received. At the same time, any notification from our customers, from community organisations or supervisory bodies is forwarded to our technical experts for evaluation and follow-up. If there are signs that a product may be unsafe for consumers, it is withdrawn from the market, customers are notified through the relevant channels and all units sold are recalled, according to our internal procedure.

Two<sup>15</sup> products were recalled in 2022 for health and safety reasons. When this happens, we also launch a programme to identify the root cause of the incident and prevent it from recurring. In the four previous years there were also a total of two product recalls.

[More information in section 5.3.3. Health and safety of products](#) of this Report.

<sup>15</sup> During 2022 there have been no breaches of regulations or voluntary codes related to the health and safety of our product that give rise to fines or sanctions.

## 5.3. Our products

**Related material topics: Stakeholder engagement; Innovation; Environmental footprint minimisation; Protection of natural resources; Product sustainability; Circularity.**



### 5.3.1. A firm commitment to innovation and circularity

GRI 3-3; 301-1; 301-2; 301-3; 304-2; 306-1; 306-2; 306-3; 306-4; 306-5; 308-2

At Inditex we are aware that progressing towards **a circular economy model, innovating in new materials, production processes or the use and end of life of our products** is key to tackling the effects of climate change and the scarcity of natural resources. We work with universities, startups, other companies in our sector or in other industries, or community organisations —among many other actors—to develop a wide range of projects and initiatives that allow us to continue to reduce the impact of our products on the environment.

Our vision of circularity encompasses our entire business model: from design and the various production processes to managing our stores, logistics and offices. The aim is to be more resilient and efficient in the long term, working to turn waste into a new resource. Circularity also poses an excellent opportunity, not only for Inditex but for the industry as a whole.

Supporting basic, pre-competitive research focused on the quest for new knowledge about the impact of our activity and new materials and processes is one of the main goals of our operations. To this end, we work with prestigious academic institutions, such as the Massachusetts Institute of Technology (MIT), to develop new projects linked to R&D in the textile industry, and with multi-sector organisations such as Fashion for Good.

We are also mindful of the urgency of translating these new projects into material realities for our industry, in the form of new alternatives to the fibres or processes traditionally used by the textile sector, which can have an onerous impact on nature.

We work with the European Commission's Product Environmental Footprint (PEF) programme to develop a common methodology to gauge the environmental impacts of the textile and footwear industries, based on a Life Cycle Assessment (LCA) approach. The aim is to develop a scalable framework that allows the comparison of different products in the same category. In 2022, we took part in a pilot study of the impacts of two of our products in order to assess the results of the proposed methodology.

#### Sustainability Innovation Hub

Our Sustainability Innovation Hub was launched to provide the industry with new materials, manufacturing processes and initiatives to improve circularity, use and end of life.

This platform seeks to identify the latest solutions that other companies or startups are developing, to work with them to adapt them to the needs of our industry and to facilitate their scalability. In 2022, we teamed up with more than 200 startups and took part in more than 30 pilot tests.

As a result, we have launched a number of collections with various startups like Nextevo and Renewcell in a process of continuous collaboration. We have, as a result, signed our first forward purchase commitment with Infinited Fiber for more than 100 million euros<sup>16</sup>.

We have also made our first equity investments in startups. The investment in CIRC<sup>17</sup> stands out. It promotes a disruptive recycling technology which will solve one of the challenges facing the textile industry: the recycling of textile products

<sup>16</sup> The amount of the fibre purchase will be included in the consolidated annual accounts as part of the product cost on the date the purchase is made.

<sup>17</sup> The investment in CIRC is shown under the heading Financial Investments, in the Consolidated Balance Sheet ([Note 18 to the Consolidated Annual Accounts](#)).

composed of blends of different materials, such as polyester and cotton.

### Initiatives to progress towards a circular model

Textile recycling is an industry-wide challenge. At present, both the available technologies and the existing capacities for collection and sorting of textile waste do not allow much of this waste to be recovered and repurposed. Moreover, achieving equivalent quality between recycled and original fabric is an added difficulty facing the industry. Consequently, at Inditex we support various projects—both on our own and with other organisations—to advance towards a circular model for our industry.

Teams from various areas of our Company are working on new forms of textile recycling and further developing existing systems. In this regard, we work with Cáritas Spain and with recyclers and shredders in a mechanical recycling project that has allowed us to launch collections with up to 100% recycled content, 30% of the total including post-consumer waste. This is the case of Stradivarius, which has carried out a project in conjunction with three direct suppliers to give a new lease of life to products from past seasons that could not be reused, in keeping with the principle of waste hierarchy (prevent, reuse and recycle), to achieve 100%-recycled denim.

We collaborate with the Ellen MacArthur Foundation, Circular Fashion Partnership, Global Fashion Agenda and Fashion for Good, among others, on issues as diverse as design focused on recyclability, the study of the infrastructure needed to process the waste generated or new forms of textile recycling.

During the year, we have made significant progress through the following initiatives:

**/ Accelerating Circularity:** this project—involving brands and organisations such as Textile Exchange, Euratex, Wrap, Circle Economy, Fashion for Good, ReFashion and the Apparel Impact Institute—aims to design new models and systems to make existing fabrics into new fibres and materials. Over the course of the year, we joined forces with them in a pilot project to drive new methods of chemical and mechanical recycling of cotton fabrics.

**/ ReHubs:** we participated in this Euratex initiative to develop a proposal to create recycling centres in Europe for the purpose of collecting, processing and recovering textile waste. This year, the ReHubs initiative presented the main findings of its first technical study (called ReHubs Techno Economic Master Study or TES), highlighting the potential of the textile recycling industry in Europe, which could generate between 5.5 and 7 billion euros per year and around 15,000 new jobs by 2030.

**/ SCRAP:** in 2022, together with other brands, we co-founded the Association for the Management of Textile Waste with the aim of creating a Collective Extended Producer Responsibility Scheme (SCRAP, Spanish acronym) for textile and footwear waste in Spain. This organisation will enable compliance with Extended Producer Responsibility, arising from the process of transposing Directive 2008/98/EC on waste into Spanish law through Law 7/2022, of 8 April, on waste and contaminated soils for a circular economy.

We maintain industrial partnerships with more than 20 companies across diverse sectors to develop new disruptive solutions from the ground up. In these cases, we are involved not only in the implementation of these solutions, but also in their exploration, research, development and pilot testing phases.

/ Pursuing these lines of collaboration, Inditex has stable relationships with the leaders of various industries to facilitate the acceleration and transfer of new solutions in raw materials, production processes and phases of use, allowing us to respond to the systemic transformation we want for our industry.

/ A good example of this work is our collaboration with BASF, under the framework of a pioneering research partnership in the textile industry launched in 2019. One of the first fruits of this partnership was the commercial development of recycled polyamide (CCycled and BMB Ultramid®). These new materials allow us to convert used tyres—which cannot be reused in their own industry—and agricultural waste, respectively, into a new textile resource. Oysho has used CCycled Ultramid® in certain articles in 2022 and Zara foreseen to introduce BMB Ultramid® foreseeably throughout 2023.

### A model tailored to demand

Our aim is to create value by designing top quality fashion products that are accessible to all and that will stay with our customers for a long time. As we journey towards a circular and efficient model, at Inditex we are convinced that we must maximise the life of every garment we sell and of the materials used in their production. To achieve this, it is important to understand our customers' needs and to take action at every stage of the textile process.

Our product teams work to accurately anticipate the purchasing requirements of our customers. This implies a low inventory commitment at the beginning of each season that allows us to respond to the demand we receive as the season progresses.

For an agile and efficient response, a significant portion of our garments are manufactured in close proximity to our headquarters (in markets such as Spain, Portugal, Morocco and Türkiye). Stocks in our stores and online platforms are also integrated, so that customers can access all our products in our store network or online (maximising the opportunity to sell each item).

Thanks to this unique business model, which is distinguished by its flexibility and innovation, we are able to carefully manage clothing inventories to avoid surpluses. In 2021<sup>18</sup>, our surpluses were below 0.5% of all the items sold, and the majority of them were donated to local and national social organizations, with UNHCR, Red Cross and *Cáritas* among the main beneficiaries.

We also have for&from stores that operate as Inditex franchises and are managed by non-profit organisations (*Fundació El Molí d'en Puigvert*, Galician Confederation of People with Disabilities (COGAMI), Moltacte non-profit cooperative, Association of People with Mental Disabilities of Alicante (APSA), *Fundación Prodis and Fondazione Cometa*) focused on supporting people with disabilities (providing stable employment for people with physical, intellectual and mental disabilities). All proceeds are invested entirely in the projects of these community organisations.

More information in section [5.7. Communities](#) of this Report.

### 5.3.2. Design and selection of raw materials

GRI 3-3; 301-1; 301-2; 304-2; 306-1; 417-1; AF18; AF19; AF20

Our designers and sales teams are trained in sustainability criteria, with the aim of advancing in the design of articles that will last our customers for a long time and can be recycled at the end of their life cycle.

In 2022, we joined the Ellen MacArthur Foundation's Jeans Redesign project with a commitment to put on sale 730,000 garments designed for greater durability, containing recycled materials and conceived to facilitate their subsequent recycling, so that their materials can be reintroduced into the textile process.

Thus, Zara, Bershka, Massimo Dutti, Pull&Bear and Stradivarius have a constant collection of denim garments made in keeping with the principles of the circular economy, avoiding elements that hinder their recycling at the end of their useful life and replacing these with better alternatives.

#### Careful selection of fibres

We pay special attention to the raw materials we use in our products because of their relationship with biodiversity, water consumption or greenhouse gas emissions, among other considerations.



Thanks to the efforts made in this area, in 2022, 'preferred'<sup>19</sup> raw fibre and materials, according to the classification established by the sector's benchmark organisations such as Textile Exchange, now account for 60% of the total used, a 42% increase on the previous year.

This result is closely linked to the promotion of the Join Life label, which Inditex has been using since 2015 as a tool to raise awareness among our customers and our staff about the use of raw materials and processes that have a lower impact on the environment as compared to the most widely used practices in the industry.

In 2022, 61% of our products complied with the Join Life standard, amply exceeding our commitment that 50% of our collection should be Join Life compliant this year. We have therefore reached a point in the development of our strategy where it is no longer necessary to differentiate the products in our collections with this label.

<sup>18</sup> Surplus data is reported for 2021 as the 2022 winter campaign is still available in stores at the time of writing this Report, and therefore the surplus inventory has not been entirely managed.

<sup>19</sup> Textile Exchange defines a preferred material as "a raw fiber or material that delivers ongoing beneficial outcomes and impacts for climate, nature, and people through a holistic approach to transforming raw fiber and material production systems". The full list can be found at [www.textileexchange.org](http://www.textileexchange.org)

To further advance our goals, our sales teams will continue to apply stringent product sustainability criteria and targets as a tool to extend best practices—both in raw materials and processes—to all our collections, and we will continue to use Join Life as an internal standard.

In order to contribute to the body of knowledge on impacts, we also collaborate with sustainability experts such as Quantis to achieve a sound, science-based approach to analysing different raw materials and production processes. Specifically, we work with Quantis to conduct specific Life Cycle Assessments (LCAs) for the various raw materials we use, as well as for the production processes involved in the manufacture of our garments. This information will allow us to continue to evolve our

sustainability strategy.

The Group has also undertaken exacting commitments on the use of raw materials for the next few years. In 2023, 100% of the cotton and man-made cellulosic fibres used in our products will come from preferred sources<sup>20</sup>. By 2025, 100% of polyester and linen will also be from preferred sources.

Below we outline our consumption of raw materials according to their origin, in two main categories: fibres and non-fibres. The fibres category is, in turn, divided into three groups: natural<sup>21</sup>, synthetic<sup>22</sup> and man-made fibres<sup>23</sup>.

Raw materials	2022	2021	2020	2019	2018
Fibres	88%	88%	88%	89%	88%
Natural	50%	55%	52%	50%	49%
Synthetic	40%	36%	38%	38%	39%
Man-made	10%	9%	10%	12%	12%
Non-fibres	12%	12%	12%	11%	12%

The breakdown of the main raw materials used in our products<sup>24</sup> in the last year is as follows:

Raw material	Tonnes	% of total tonnes of raw material
Cotton	254,133	41 %
Man-made cellulosic fibres	54,983	9 %
Polyester	170,318	27 %
Linen	10,074	2 %
Other raw materials	131,737	21 %
Total	621,244	100 %

<sup>20</sup> We have aligned the terminology used in our objectives with that currently being used by benchmark industry organisations such as Textile Exchange. The meaning and ambition of our goals remains unchanged.

<sup>21</sup> Natural fibres are filaments obtained from natural sources that can be threaded to obtain strands, threads or twine.

<sup>22</sup> Synthetic fibres are made of polymers that are not naturally produced, but fully created in a chemical plant or a laboratory, almost always using petroleum or natural gas by-products.

<sup>23</sup> Man-made fibres are made using a natural component as a raw material that undergoes a number of processes in a chemical plant or a laboratory.

<sup>24</sup> The figure includes the raw material used in the final product; it does not include any wastage that may have occurred during the production process.



During the year, we continued to make headway on our commitments. In the 2022 winter season, the degree of achievement of our public targets for the use of preferred raw materials in our products is as follows<sup>25</sup>:

Commitment	Source	% of total tonnes of this raw material	Type of fibre	%
100% preferred cotton in 2023	Preferred	92.18%	Organic cotton (OCS/GOTS)	4.24 %
			Cotton in conversion/transition (OCS/GOTS)	1.43 %
			BC cotton <sup>1</sup> (BC)	80.88 %
			Recycled cotton (RCS/GRS)	5.63 %
	Conventional	7.82%	Conventional	7.82 %
100% preferred man-made cellulosic fibres by 2023, supporting the Changing Markets Commitment	Preferred	65.96%	Recycled (RCS/GRS)	0.12 %
			Other third-party standards (Canopy, Changing Markets <sup>2</sup> or FSC)	65.82 %
	Preferred (Canopy only) <sup>3</sup>	30.08%	Preferred	30.08 %
	Conventional	3.96%	Conventional	3.96 %
100% preferred polyester in 2025	Preferred	30.89%	Recycled polyester (RCS/GRS/Repreve)	30.89 %
	Conventional	69.11%	Polyester – innovative fibres	0.01 %
100% preferred linen in 2025	Preferred	74.29%	Conventional	69.11 %
			European linen (European Flax certificate)	74.21 %
			Organic linen (OCS/GOTS)	0.03 %
	Conventional	25.71%	Recycled linen (RCS/GRS)	0.05 %
			Conventional	25.71 %

1 BC cotton is not physically traceable to the final product, as it uses a mass balance system. The percentage of use has been estimated on the basis of the information available in Inditex's systems.

2 Man-made cellulosic fibres that meet the requirements specified in the document Supply chain / Man-made cellulosic fibres, available on Inditex's corporate website.

3 Cellulosic fibres from suppliers classified as "green shirts" with a score of 25 or above in the Hot Button Report compiled by CanopyStyle, a Canopy Planet initiative.

## Cotton

Cotton is one of the most commonly used fibres in the textile industry and the raw material most used by the Inditex Group. In line with our pledge to protect natural resources and biodiversity, at Inditex we are committed to:

**/ Organic cotton.** No genetically modified seeds or synthetic fertilisers are used to grow this fibre. At Inditex we use organic cotton certified by the Organic Content Standard (OCS) and the Global Organic Textile Standard (GOTS).

Despite the high demand for this raw material, according to the latest data from Textile Exchange, only around 1% of the cotton produced in the world is organic. That is why Inditex is a founding member of the Organic Cotton Accelerator (OCA), a multi-sector initiative that supports organic cotton farmers and provides them with training and accompaniment from cotton growing to marketing.

In addition, at Inditex we support 'in conversion' cotton, supporting farmers and agricultural groups as they transition to organic crops.

**/ Better Cotton** is an organisation encompassing farmers, ginners, spinners, suppliers, manufacturers, brands, retailers, civil society organisations, donors and governments to train farming communities in better cotton growing practices.

Today, nearly one-fifth of the world's cotton is produced under the Better Cotton Standard, and 2.3 million cotton farmers have been trained in sustainable farming practices and are licensed to grow Better Cotton.

**/ Recycled cotton.** It is produced from cotton production cutting scraps or post-consumer waste. This waste undergoes a recycling process to turn it into a new cotton fibre.

In 2022, 92% of the cotton used in our products was preferred cotton according to the definition of renowned organizations such as Textile Exchange, which considers a preferred raw fibre or material to be one "that delivers ongoing beneficial outcomes and impacts for climate, nature and people through a holistic approach to transforming raw fiber and material production systems".

<sup>25</sup> The Group does not have all the information at this level of detail for previous years due to changes in our corporate systems.

## Promoting R&D+i in the Andalusian countryside (Spain)

In 2022, the Group signed an agreement with IFAPA and *Espalgodón* to promote research, training and technological development activities in cotton growing in Andalusia. This four-year collaboration aims to advance environmental best practices and to improve the productivity of these crops. In fact, as a result of this agreement, a first trial of organic cotton has been conducted on two farms in the province of Seville to study its viability and yield as compared to conventional cotton.

As part of this collaboration, pilot projects will also be developed on key issues for the sector, such as growing this fibre in areas where water is scarce, and the quality analysis of the raw material. It also includes tests of the different varieties of cotton or of the machinery used for harvesting. The aim is to scale up these findings to the sector as a whole.

## We collaborate in boosting regenerative cotton growing in India

We collaborate with Action Social Advancement (ASA), along with Laudes Foundation, IDH The Sustainable Trade Initiative, WWF India and others, to promote regenerative agriculture, including cotton growing, ecosystem restoration and community well-being in a 300,000 hectare area in the Indian states of Madhya Pradesh and Odisha, where cotton is the main crop.

The initiative aims to improve soil quality and biodiversity, optimise water management and reduce greenhouse gas emissions. In addition, the project has an important community component, as regenerative cotton growing will improve the incomes of more than 75,000 farming families and their communities.

## Preferred man-made fibres

At Inditex we are committed to the protection of primary or endangered forests, fighting deforestation and preventing the degradation of ecosystems. This translates into specific endeavours regarding the consumption of raw materials. Our suppliers are firmly committed to work with manufacturers of cellulosic fibres (viscose, modal, lyocell and acetate) classified as "green shirts" with a score of 25 or above in the *Hot Button Report* by CanopyStyle, an initiative led by the non-profit organisation Canopy Planet.

From 2023 onwards, the Group will only use cellulosic fibres from manufacturers who are committed to the *Roadmap towards responsible viscose & modal fibre manufacturing*, promoted by the Changing Markets Foundation.

In 2022, 66% of man-made cellulosic fibres used in our products met both those requirements.

## Goals by 2025: linen and polyester

By 2025, we will only use polyester and linen from preferred sources<sup>26</sup>. In 2022, 31% and 74% of the polyester and linen respectively used in our products already met that requirement.

## Recycled materials

Thanks to Inditex's unwavering commitment to using recycled materials, this year we made available to our customers 78,675 tonnes of these materials, a 90% increase with respect to 2021. In this regard, through our Sustainability Innovation Hub, we are researching alternative and innovative materials based on second- and third-generation waste that ensure the specific technical and durability requirements of certain products are fulfilled. We have also signed up to the 2025 Recycled Polyester Challenge, a joint initiative of the Textile Exchange and the UN Fashion Industry Charter for Climate Action, which aims to accelerate the use of recycled polyester and help reduce the sector's greenhouse gas emissions.

## 5.3.3. Health and safety of products

GRI 2-28; 413-2; 416-1; 416-2; AF5

Ensuring that the articles we offer to our customers are safe and healthy is paramount for us. To achieve this, we have specific product standards, that are of general application and mandatory for all the products we sell<sup>27</sup>. These standards aim to go a step further than what is required by international legislation for different types of articles, from design to manufacturing processes.

We currently have seven standards, each with a different scope:

<sup>26</sup> We have aligned the terminology used in our objectives with that currently being used by benchmark industry organisations such as Textile Exchange. The meaning and ambition of our goals remains unchanged.

<sup>27</sup> Articles that are outside the scope of Inditex's health and safety standards are subject to minimum requirement reports specifically compiled in accordance with the statutory requirements which apply to the type of product and the markets where they are sold.

## Product health and safety standards

	Scope
<b>Safe to Wear</b>	Garments, accessories and footwear
<b>PTR</b>	Garments, accessories, footwear and home textile
<b>Clear to Wear</b>	Garments, fabrics, accessories, footwear and home textile
<b>i+Cosmetics</b>	Cosmetics
<b>i+FCM</b>	Products in contact with food
<b>i+Home</b>	Ambiance products for the home Decorative candles and their accessories
<b>i+Child Care Furniture</b>	Children's furniture and child care articles

In 2022, we published a new edition of our Clear to Wear (CtW) standard, which covers restricted chemicals present in finished products, to include regulatory developments and make further progress in our process of alignment with AFIRM's RSL. We have also published a new edition of our Physical Testing Requirements, which regulate the physical-chemical parameters linked to textile quality testing.

To ensure compliance with all our standards, we work with technology companies, research centres and laboratories of international reference to verify that they are being properly applied by using our own innovative programmes that include analysing the articles and auditing the factories involved in their production.

Before starting production, we seek to ensure compliance with our sustainability standards in the design stages, raw materials selection, and processes required to manufacture our products. Accordingly, we strengthen compliance with our Safe to Wear standard by providing our suppliers with detailed manufacturing guidelines, which include measurement tables with requirements for the position of appliqués and cords, maximum lengths of free ends, and other measurements.

In order to guarantee the exhaustive inspection of the product and prevent potential non-conformities with our product health and safety standards, and to enhance the textile quality in

product durability terms, we have a network of internal control laboratories that perform testing according to the most stringent international standards. In 2022, we added a seventh lab, located in Narón, to provide service to Pull&Bear.

We highlight our **Picking** programme, which identifies non-conformities in final articles by collecting samples at supplier sites for subsequent testing in external laboratories. To achieve this, qualified technical experts carry out a risk assessment of all our articles, and we request analyses for those that pose a risk. In 2022, 51,288 Picking inspections have been carried out, with 721,980 analyses and tests performed.

Confidence in the performance of analyses and results is vital for proper decision making and this is underpinned by the external laboratory approval programme called **APPLABs**. In total, 56 on-site audits of external laboratories were conducted, in addition to 35 comparison exercises, which involved analysing 5,951 samples (38 and 20 audits in 2021 and 2020, 35 and 32 comparison exercises in 2021 and 2020, and 6,653 and 6,915 samples in 2021 and 2020, respectively).

As a complement to the Picking inspections, since 2017 we have been implementing **Minilabs**, a portable lab initiative to perform, any time and anywhere in suppliers' facilities, up to six screening tests for substances and parameters regulated in the Clear to Wear standard and Physical Testing Requirements. In 2022, we performed 3,743 Picking inspections using Minilabs, carrying out 33,029 analyses and screening tests.

In order to achieve a continuous improvement in the supply chain, our **Root Cause Analysis** (RCA) enables us to carry out technical audits in those punctual cases where a non-compliance is detected in a Picking inspection. Those audits are carried out by experts in order to identify to identify the source of non-compliances in wet process facilities (dyeing, washing, tannery, printing) and propose a specific corrective action plan to avoid such incidents from being repeated in future productions.

In 2022, 17 RCA audits were conducted. The results showed that in 29% of the cases the supplier, in their manufacturing, had used chemical products not permitted by The List, by Inditex and/or had not applied adequate controls to these products prior to manufacturing. The cross-contamination between different productions that did not follow adequate manufacturing conditions caused the remaining 12% of detected non-conformities. Absence of required technical documentation during manufacturing and inadequate manufacturing procedure accounted for 30% of non-conformities. Lastly, in the remaining 29% of the audits, the results were inconclusive.

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

### Collaborations

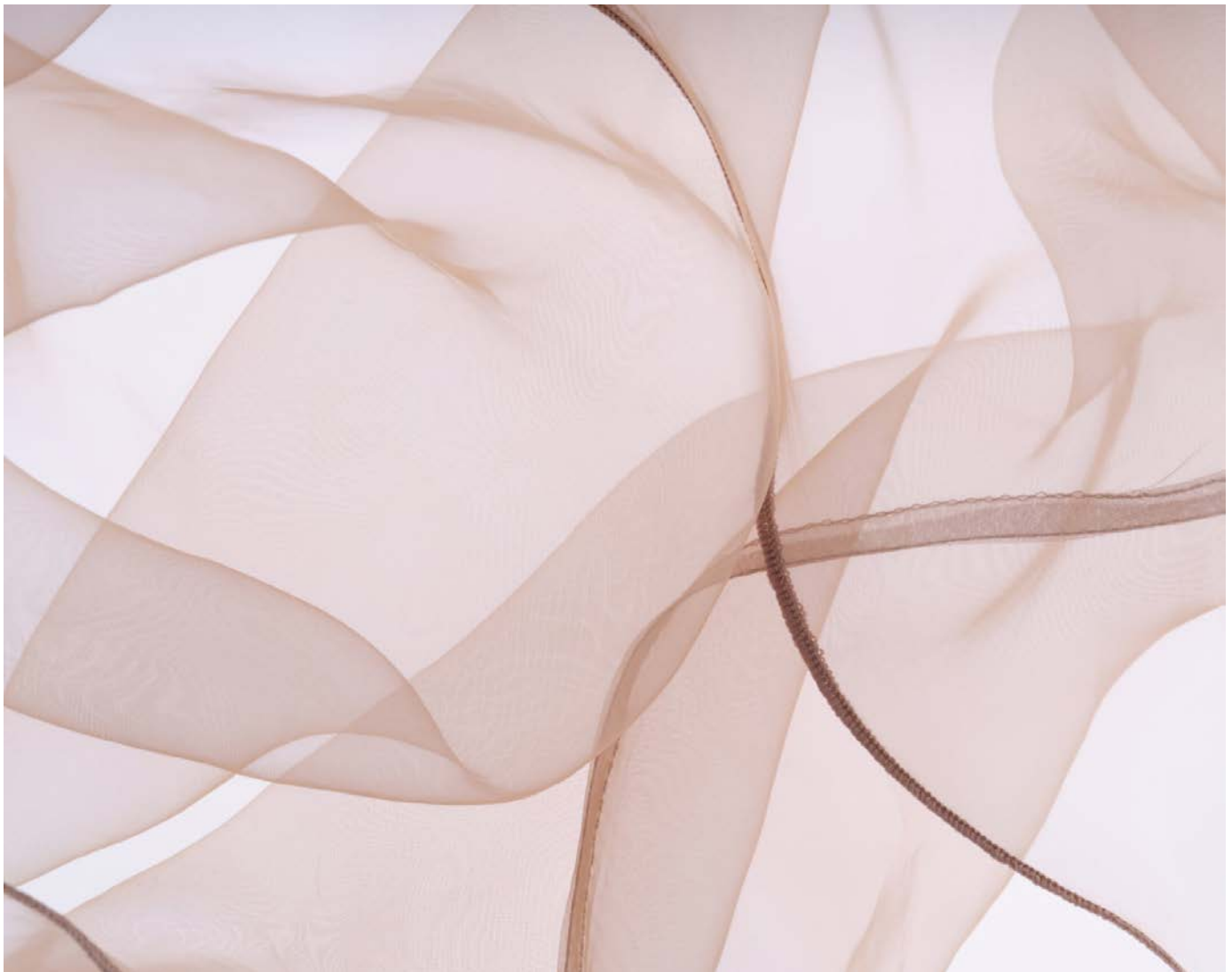
Our goal is to advance, with our suppliers and the rest of our industry, in adopting best practices, including the choice of safe chemicals and wastewater management. Sharing our know-how and aligning requirements across the industry is vital to ensure compliance with our standards and to improve facilities in line with Greenpeace's Clean Factory Approach. Likewise, we are also involved in initiatives such as Zero Discharge of Hazardous Chemicals (ZDHC), of which we are Board members, or AFIRM Group. We also collaborate with a number of prestigious technological centres and universities.

In this regard, it is worth noting that the Group has made available to the entire industry, via the ZDHC platform, The List,

by Inditex programme, a procedure for the classification of chemical products and commitments to improvement by the chemical industry that guarantee enhancements in both the production processes and the health and safety of the finished garments. Furthermore we have adopted ZDHC MRSL, which specifies which chemical substances are subject to specific restrictions or whose use is prohibited.

We also design guides for best manufacturing practices and we regularly train the suppliers across our supply chain—especially in wet processes—to advance in the proper selection, purchase, handling, storage and use of this type of chemical products.

① More information in section [7.1.2. Health and safety indicators of our products](#) of this Report.



### 5.3.4. Use and end of life

GRI 301-3; 416-1; 416-2; AF18; AF19; AF20

We want our products to last our customers a long time. Accordingly, we are continuously developing new projects and services to offer them fresh options and alternatives in their relationship with us.

#### Commitment to extending the lifetime of our garments

One of the main examples this year has been the launch of Zara's Pre-Owned platform. This new space, for the moment only available in the United Kingdom, aims to offer a range of solutions to help prolong the lifetime of Zara garments through repairs, secondhand sales and donations. Through 2023, we will extend this platform to new markets, beginning with France and Germany.

**Repair service:** the repair service, available at all stores and now also online, is devised to help lengthen the life of Zara garments.

**Platform for customer-to-customer sale:** a space in which customers can sell and buy the brand's products from any season to and from each other. The platform, developed for a streamlined experience, includes original photos and information of the products and images of its provided by the seller.

**Donations:** customers in the United Kingdom can donate garments by requesting their collection from their home. This service, which complements our in-store Clothing Collection Programme containers, guarantees that all the products collected are donated to the local NGOs we work with.

#### Clothing Collection Programme

Our Clothing Collection Programme enables our customers to donate those products they no longer use to more than 90 local community organisations in the various markets where we are present, either through the containers located in our stores or by means of Zara.com's home collection services in Spain, the United Kingdom, New York, Paris and various Chinese cities.

In Switzerland and Hungary—markets in which we have not yet established an agreement with non-profit entities—we work with third parties specialising in textile recycling. Moreover, in Spain we also work with Cáritas to facilitate the collection of garments by means of containers located in the streets of a number of cities through this programme.

These organisations receive the donated garments and footwear directly from our facilities. The articles are conveyed to classification plants, where they are processed in keeping with the principle of waste hierarchy. The garments are donated to

people who need them or resold to finance these organisations' community projects. Those products that cannot be reused are transformed into new textile fibres (upcycling), or are made into new materials for industrial use (downcycling).

In 2022, 17,015 tonnes of garments and footwear were collected through this programme. All our collaborators participate in a process of accountability in relation to the purpose of the donated articles, which in 2022 yielded the following result:

- / More than 63% of all garments were reused, either via donations to people who need them or by reselling to finance community projects.
- / The remaining 37% which, due to their characteristics or condition, could not be reused, was sent to recycling projects (most of them for downcycling) or, as a last resort, was used in energy recovery.

## First detergent designed to reduce microfibre shedding

Microfibre shedding during washing has a significant impact on water quality. Consequently, at Inditex we are engaged in various projects to minimise the impact of our industry.

This year, Zara Home launched the first laundry detergent designed to reduce microfibre shedding in washing; it is available both in the brand's stores and online.

This innovative solution, jointly developed by Inditex and BASF, Home Care and I&I Solutions, can reduce microfibre shedding by up to 80%, depending on type of fabric and washing conditions. These results have been tested in various independent research centres.

The detergent formulation, which contains high-efficiency ingredients, has been tested in various laboratories on different types of fabrics and in varying washing conditions. The results show that the detergent is especially suited to low-temperature washing, which brings additional benefits: users can reduce their energy consumption by lowering the wash temperature from 40°C to 20°C, while colours stay bright for longer, extending the garment's life.

One of the hallmarks of this project is that the formulation can be adapted to extend the use of this technology among other detergent manufacturers, thus boosting this solution's positive impact.

### Eliminating single use plastic from our packaging

Our commitment to continuing to reduce the impact of our products also includes all those elements that accompany our garments, such as containers and packaging. Accordingly, we have set ourselves the goal of completely eliminating single-use plastic to our customers by 2023.

As an intermediate measure, in 2020 we eliminated plastic from the packaging we deliver to our customers in stores and in online orders. In addition, in 2021 we began charging for our recycled paper bags in stores, with the aim of raising awareness among our customers about the importance of using reusable alternatives, while offering, among others, solutions from post-consumer textile recycling. At the end of 2022, we had implemented this initiative in 59 markets worldwide.

📄 More information on the environmental projects our customers are financing in section [5.7.4. Key programmes](#) of this Report.

In 2022, we mapped all packaging reaching stores to track plastic items accompanying our products and used in stores, eliminating or replacing the vast majority of these items. In addition, we continue to work to replace residual packaging and to reinforce the necessary control mechanisms to avoid single-use plastics from source, and to prevent their arrival in our warehouses and stores.

We are also involved in the (RE)SET project by The Fashion Pact, aimed at developing solutions using alternative and recycled materials to eliminate all single-use plastics throughout the textile industry's value chain.

Notably, in 2021 we subscribed a new commitment with the Ellen MacArthur Foundation (EMF) to reduce a 50% our plastic footprint by 2025 with respect to 2019. This goal underpins the reuse, elimination and recycling efforts being undertaken across the Company's multiple teams.

### Green to Pack

Our Green to Pack programme aims to introduce as many recycled materials as possible into packaging, extend its useful life and facilitate its subsequent recycling, while at the same time optimising the transport of our products.

For example, in 2022, the Green to Pack boxes used to ship and distribute our products contained more than 75% of post-consumer recycled cardboard.



## 5.4. Our shareholders

Related material topics: Stakeholder engagement; Responsible communication.



### 5.4.1. Ownership structure and shareholder remuneration

GRI 2-1; 201-4

We implement a policy of transparent and fluid communication with all shareholders. We offer an attractive, predictable and sustainable dividend, while generating the funds for reinvestment in business growth. Our best practices keep us at the top of selective and benchmark indices from both the financial and sustainability best practices standpoints.

The approximate overview of the ownership structure<sup>28</sup> of Inditex is as follows:

Inditex shareholders 31/01/2023	Shares	%
Pontegadea Inversiones, S.L.	1,558,637,990	50.01%
Partler Participaciones, S.L.U.	289,362,325	9.284%
Rosp Corunna Participaciones Empresariales, S.L.	157,474,030	5.053%
Institutional	1,052,236,288	33.7618%
Retailer	54,008,853	1.7329%
Treasury shares	4,932,514	0.158%
<b>Total</b>	<b>3,116,652,000</b>	<b>100%</b>

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

Inditex dividend policy combines a 60% ordinary payout and bonus dividends. A dividend of €0.93 per share against 2021 results and unrestricted reserves was paid in May and November 2022, made up of two equal payments in the same amount of €0.465 per share.

In 2023, the Board of Directors will propose to shareholders at the Annual General Meeting to pay shares with a right to dividend, a dividend of €1.20 per share, being comprised of €0.796 per share ordinary dividend and €0.404 per share bonus dividend against 2022 results and unrestricted services. Such dividend will be paid on 2 May and 2 November 2023 in two equal payments in the same gross amount of €0.60 per share.

### 5.4.2. Investor relations

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

Inditex guarantees the market (shareholders and potential shareholders in particular) equal access to information through all its channels. The Inditex website plays a very important role in implementing this transparent communication policy and in guaranteeing access to information. For the sake of transparency, a comprehensive list of the entities and analysts who compile research on Inditex is also published on the corporate website ([www.inditex.com](http://www.inditex.com)).

<sup>28</sup> Shares in the Company are represented through book entries. The record of these book entries is kept by *Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores (Iberclear)*. Inditex has contracted with Iberclear the service for daily communication of ownership (Shareholder Registry Book - LRA).



### Individual Shareholders' Department

In 2022, the Individual Shareholders' Department fielded 800 requests of various kinds from individual shareholders. Any individual investor can contact the Individual Shareholders' Department for detailed information on business development and future strategy. Using this channel, individual shareholders can request any information that they consider relevant on Inditex's performance.

The Individual Shareholders' Department takes on particular significance when the Annual General Meeting, which traditionally takes place at the Arteixo (A Coruña) headquarters in mid-July, is called and held.

Likewise, the department is tasked with sending out accurate information and documentation to provide shareholders with adequate knowledge of the meeting called and the proposed content thereof, as well as to facilitate their participation in the decision-making process of the Group's highest governing body.

### Investor Relations Department

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

Material information concerning the business performance is provided on Inditex's corporate website and distributed to a database of investors and analysts containing more than 1,100 entries.

The Investor Relations staff hold quarterly, open-access conference calls to complement this information. Moreover, presentations are made to analysts and investors over the course of the year in the world's leading financial capitals.

### 5.4.3. Indices

In keeping with the mandate of its shareholders, Inditex is listed in benchmark indices, from the perspective of both its financial performance and best practices in sustainability matters.

#### Euro STOXX 50/IBEX 35

Inditex has been listed on the European benchmark index Euro STOXX 50 since 2011 and on Spain's selective IBEX 35 index since 2001.

#### FTSE4Good

The FTSE4Good sustainability index, which has included Inditex in its index since October 2002, awarded it in 2022 a score of 4.7 out of 5. This sustainability stock index includes the worldwide companies with the strongest commitment in this sphere, taking into account their environmental, social and corporate governance practices.

#### Dow Jones Sustainability Index (DJSI)

Inditex is included in the DJSI World and DJSI Europe indices. Since 1999, the Dow Jones Sustainability Index has been analysing the performance in terms of sustainability of listed companies from a total of 61 sectors.

In 2022, Inditex scored 73/100 in S&P's Global Corporate Sustainability Assessment (score date: 8 December 2022). With regard to the environment, Inditex was awarded a score of 87/100, i.e., in the highest percentile (100%).



## 5.5. Environment

GRI 2-23; AF5

**Related material topics: Stakeholder engagement; Innovation; Climate change; Environmental footprint minimisation; Protection of natural resources.**



Our sustainability strategy encompasses numerous initiatives aimed at preserving the planet, reducing pressure on natural resources and contributing to the fight against climate change. In 2022, we achieved our goal of 100% renewable electricity in our facilities<sup>29</sup>. In this regard, we also highlight the VPPA (Virtual Power Purchase Agreement) signed for the supply of 100% renewable electric power which promotes additionality<sup>30</sup>, by generating new renewable energy capacity in Spain.

We also work with our suppliers and other organisations in the industry to foster the implementation of specific improvement plans in our supply chain. In 2022, we launched a first pilot of our Collaboration Programme for Environmental Improvement aimed at transforming the supply chain and reducing its environmental impact, with a particular emphasis on water, polluting discharges, management of chemical products and energy, involving 208 key facilities. These plans enable us to optimise the use of fresh water and energy, which in turn reduces the associated emissions. This year, we have reduced the relative water consumption (l/kg) in our supply chain by 17% with respect to 2020.

Furthermore, we are mindful of the particular relevance of protecting biodiversity, not only because of our specific business, but also because it is an essential element for the conservation and well-being of society and the planet. We contribute to protecting and caring for biodiversity through a number of initiatives, such as our involvement in the LEAF Coalition, a project on regenerative agriculture and the restoration of ecosystems in India, or our work with World Wide Fund for Nature (WWF) and Canopy.

Our Sustainability Policy<sup>31</sup> establishes the principles of environmental action, applicable across all business areas and throughout the value chain. It establishes as a fundamental principle the preservation of the environment through the implementation of continuous improvement actions in aspects such as emissions to air, consumption of resources, use of chemicals and waste management.

Notable among these are the consideration of environmental variables in the planning and development of our activities and

those of our partners and suppliers; the promotion of environmental awareness; and compliance with applicable environmental legislation (as well as other obligations that may be established).

These principles of action are embodied in our three environmental strategies—Energy, Water and Biodiversity—as well as in the commitments we have acquired with respect to forest products, as set out in our Forest Product Policy.

### Environmental Strategies

#### Global Energy Strategy

Guidelines for promoting sustainable energy practices.

#### Global Water Management Strategy

Guidelines and actions for promoting sustainable water management.

#### Biodiversity Strategy

Guidelines and actions for promoting the protection, conservation and development of biodiversity throughout the Inditex value chain.

<sup>29</sup> This includes all our own facilities (headquarters, logistics centres, factories and stores), with the exception of international offices.

<sup>30</sup> Additionality is a feature of power purchase mechanisms whereby the construction of new renewable energy generation infrastructure that would otherwise not be guaranteed to be developed is promoted.

<sup>31</sup> Our Sustainability Policy replaces the previous Environmental Sustainability Policy, the amendment of which was approved by the Board of Directors on 14 December 2020.

## Forest Product Policy

Guide for the selection and use of raw materials sourced from forests aimed at ensuring that they come from sustainably managed forests and with the commitment to protect primary and endangered forests.

The current challenges call for swift and coordinated action by all. In this regard, Inditex works closely with organisations such as the MIT through the Climate and Sustainability Consortium, The Fashion Pact, the UN Fashion Industry Charter for Climate Action, Textile Exchange and Zero Discharge of Hazardous Chemicals (ZDHC), among others.

① More information in section [4.2.1. Partnerships](#) of this Report.

A fundamental aspect when implementing our strategies and achieving our environmental sustainability goals is to spread the sustainability culture to all our teams. In 2022, we continued to provide training and raise awareness among our staff. Overall, more than 13,000 employees received environmental sustainability training in 2022.



### 5.5.1. Our approach to energy management and emissions reduction

GRI 2-23; 3-3; 302-1; 302-2; 302-3; 302-4; 302-5; 304-2; 305-1; 305-2; 305-3; 305-4; 305-5; 305-6; 308-2; AF5; AF21

At Inditex we understand the need to make an unprecedented global effort to reduce greenhouse gas (GHG) emissions and mitigate the consequences of global warming and climate change as much as possible. We are therefore constantly seeking solutions that allow us to evolve our processes and implement best practices so as to ease the pressure on resources.

It is worth noting that, in 2022, 100% of the electricity consumed in our own facilities (headquarters, logistics centres, factories and stores) came from renewable sources.

#### Progress and current situation

In the last few years, we have developed a number of initiatives that have enabled us to advance on our path towards a low-carbon economy and to reduce greenhouse gas emissions throughout our value chain.

#### Scope 1, 2 and 3 GHG emissions (tnCO<sub>2</sub>eq)<sup>1</sup>

GHG emissions	2022	2021	2020	2019	2018	2022-2018 change
Scope 1	11,232	14,575	11,859	15,804	19,172	-41%
Scope 2 market-based	0	47,770	98,676	293,981	419,448	-100%
Scope 2 location-based	451,430	541,492	363,717	589,547	651,266	-31%
Scope 3	17,223,485	17,097,801	13,341,462	17,988,897	18,325,553	-6%
Kg CO <sub>2</sub> eq per m <sup>2</sup> (market-based scope 1+2)	2	8	14	39	58	-97%
g CO <sub>2</sub> eq per € (market-based scope 1+2)	0	2	5	11	17	-98%
g CO <sub>2</sub> eq per € (market-based scope 1+2+3)	531	619	659	647	718	-26%

1. For more information on this methodology, see section 7.1.3. *Environmental impact management indicators* of this Report. Our decarbonisation targets and progress towards them have not been significantly affected by the current situation of Russia and Ukraine.

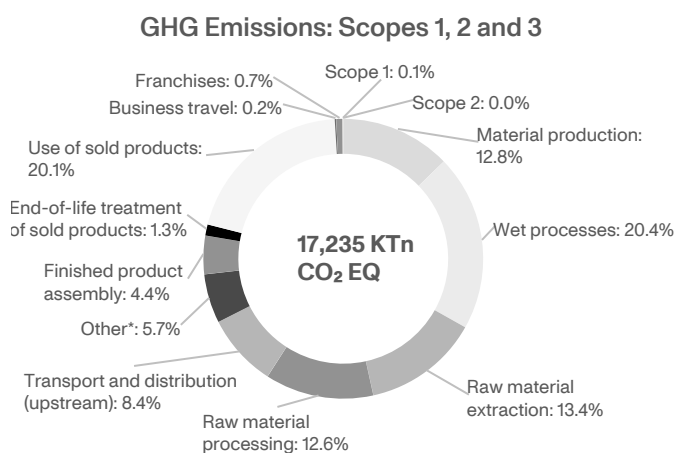
**Scope 1 emissions:** direct emissions related to sources under the direct control of the Inditex Group (combustion in boilers, own vehicles, etc.).

**Scope 2 emissions:** indirect emissions related to the generation of electricity acquired and consumed.

**Scope 3 emissions:** include other indirect emissions linked to the supply chain of goods and services produced, distributed and marketed outside the Organisation. For greater transparency, the "purchased goods and services" category, according to the GHG Protocol, is subdivided into the following categories: raw material extraction, raw material processing, material production, wet processes and final product assembly.

Scope 3 also includes emissions linked to the transportation of the products we market. In 2022, the emissions associated with upstream inbound transport and upstream outbound transport were equivalent to an energy consumption of 1,791,523 MWh and 4,031,013 MWh, respectively (3,357,983 MWh and 3,953,264 MWh in 2021; 2,802,639 MWh and 3,218,377 MWh in 2020; and 3,431,069 MWh and 4,306,576 MWh in 2019). Electricity consumption in franchised stores amounted to 262,397 MWh and business travel consumption was 130,381 MWh (242,439 MWh and 63,839 MWh in 2021; 150,114 MWh and 18,488 MWh in 2020; and 226,520 MWh and 218,274 MWh in

2019, respectively).



\* The "Other" category includes GHG emissions associated with the categories of capital goods, employee commuting, fuel and energy related activities, and waste generated in own operations.

### Ambition and goals

Our Roadmap includes numerous targets to achieve headway in fighting climate change and preserving the planet. In the long term, the Group aims to achieve net zero carbon emissions by 2040. To do so, we are focusing our efforts on reducing emissions, following SBTi guidelines and our commitment to the Fashion Industry Charter for Climate Action, in alignment with the Paris Agreement goal on limiting global warming to 1.5°C.

In the medium term, we have set science-based decarbonisation targets (SBTs), approved by the Science-Based Targets initiative (SBTi). These targets aim to reduce our scope 1 and 2 emissions by 90% by 2030 compared to 2018, and to reduce our scope 3 emissions (in the supply chain category) by 20% over the same period.

In 2022 our scope 3 emissions, and in particular those associated with the supply chain category, have remained broadly stable compared to 2018. We are aware that there is still some way to go in this area and have therefore increased our efforts in this category in 2022. Of particular note is the launch of our Collaborative Programme for Environmental Improvement of the supply chain, which has a specific focus on reducing energy consumption and associated emissions, as well as the

use of renewable energy.

We want to be an active part of the change, mindful as we are of the complexity of the challenges, such as the inherent difficulty of the lack of availability of renewable energies in the markets in which our value chain is deployed, the opportunities and the increased scientific knowledge available. That is why we regularly review our models and targets to ensure that they are consistent with our own ambition, our stakeholders' expectations and the latest scientific evidence.

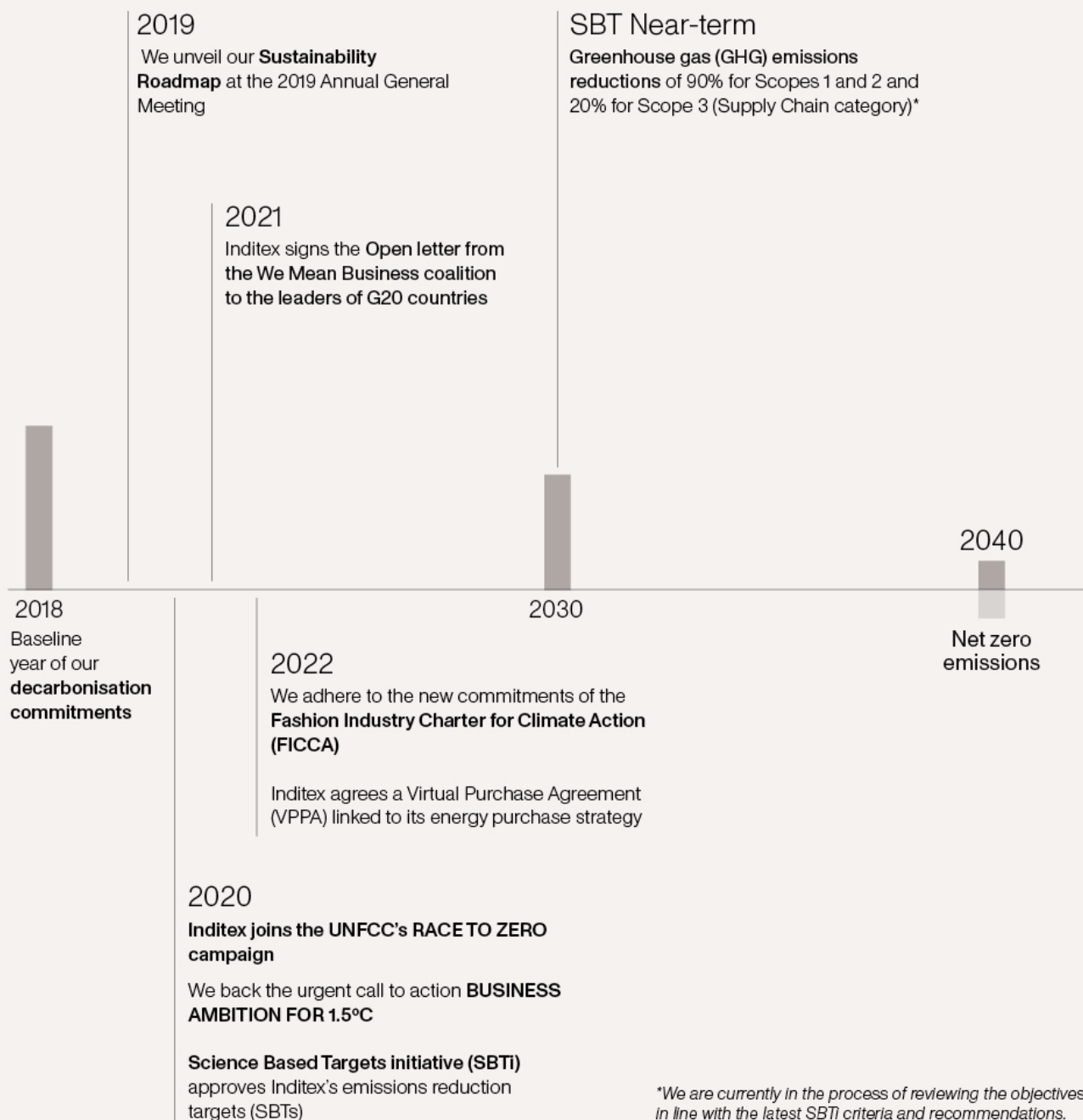
Although at the time of their approval our SBTs were classified as "ambitious" by SBTi, the available scientific evidence has evolved and the level of ambition and demands of all stakeholders has increased, and with it also our own. Consequently, we are currently in the process of updating our medium-term commitments to align the reduction percentages with the updated SBTi criteria, and thus move further towards the 1.5°C reduction target across all three scopes. We will present the results of this process over the course of 2023.

In this regard, in 2023 we will publish our decarbonisation plan, including the action lines, intermediate targets and resources needed to reach our goal of net zero emissions by 2040.

In 2022, we signed up to the new targets set by the United Nations Fashion Industry Charter for Climate Action, which include, among others, the following:

- / To support the goals of the Paris Agreement in limiting global temperature rise to well below 1.5°C; to commit to SBTi approved GHG emission reductions in scope 1, 2 and 3 in line with the latest SBTi criteria and recommendations; and to undertake to achieve net zero emissions by 2050 at the latest;
- / 100% of priority materials must be preferred and low-climate-impact by 2030. This includes materials that are closed-loop recycled, deforestation- and conversion-free at source, that come from regenerative practices and to which the relevant verification and impact measurement mechanisms have been applied;
- / To eliminate the use of coal in our own operations and in suppliers' facilities (tier 1 and 2) by 2030, avoiding the installation of new coal-fired equipment from 2023 onwards.

## Our pathway to net zero emissions



In addition, we continue to work on the integration of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). We analyse future climate scenarios and the associated risks and opportunities to pursue a decarbonisation strategy that is in line with science, resilient and competitive in the short, medium and long term.

More information in section [6.3.4. Climate change: risks and opportunities](#) of this Report.

## Our actions

The impact of greenhouse gas emissions (GHG) is closely linked to the methods of energy generation and consumption in our own operations and in the value chain, to the materials we use in our products and to their end of life. Our approach to reducing these emissions is based on three key lines of action:

/ Monitoring consumption and associated emissions: gauging our impact more accurately and reliably gives us a better understanding of our current situation and how the measures we implement perform.

/ Lower-impact consumption alternatives: with a focus on energy procurement, but also on the materials and designs of our products and facilities.

/ Efficiency and optimisation initiatives: by using less energy-intensive equipment and techniques, and replacing process with others that have a lower impact.

### 5.5.1.1. Monitoring consumption and associated emissions

Inditex's Global Energy Strategy constitutes one of the main pillars of our commitment to decarbonisation. Its purpose is to promote the rational and efficient use of energy throughout the value chain. At the same time, we propose to reduce greenhouse gas emissions and help mitigate their effects.

The Group's global energy consumption at our corporate headquarters, own factories, logistics centres and own stores amounted to 1,694,817 MWh<sup>32</sup> in 2022, of which 1,636,795 MWh came from renewable sources. This implies a 13% reduction in relative energy consumption per square metre with respect to 2018, evidencing the energy efficiency efforts implemented by the Group.

### Global energy consumption:<sup>1</sup>

Year	Global energy consumption (MWh)	Relative energy consumption (kWh/m <sup>2</sup> )	Relative energy consumption (Wh/€)
2018	1,969,127	262	75
2019	1,892,947	237	67
2020	1,270,704	165	62
2021	1,756,210	225	63
2022	1,694,817	228	52

1. This indicator records all the energy consumed at our Group's own factories, stores, own logistics centres and by our own vehicles.

<sup>32</sup> The electricity consumption in stores has been calculated on the basis of actual billing data. For those stores or periods for which we do not have information available, it has been estimated considering average consumption. This indicator records all the energy consumed at our Group's own factories, stores, own logistics centres and by our own vehicles.

### Global energy consumption by type (MWh):

Year	Electricity	Natural Gas	Other fuels
2018	1,865,074	103,724	329
2019	1,807,556	84,627	764
2020	1,206,543	63,905	256
2021	1,678,957	72,050	5,203
2022	1,636,795	49,269	8,753

### Electricity consumption in corporate headquarters, logistics centres and own factories:

Financial year	Total electricity consumption (MWh)	Relative electricity consumption (kWh/m <sup>2</sup> )	Relative electricity consumption (Wh/€)
2018	159,434	50	6
2019	175,308	49	6
2020	163,897	46	8
2021	175,217	48	6
2022	176,432	48	5

### Electricity consumption at our stores:

Financial year	Global electricity consumption in stores (MWh)	Relative electricity consumption in stores (kWh/m <sup>2</sup> )	Relative electricity consumption in stores (Wh/€)
2018	1,705,639	394	65
2019	1,632,248	371	58
2020	1,042,646	252	51
2021	1,503,739	363	54
2022	1,460,363	389	45

### Environmental Management System

Efficiency is a priority at all the Group's facilities. Our Environmental Management System (EMS) is a core pillar of our commitment to using renewable energy and circular management models. Certified to ISO 14001 international standard, the EMS is **implemented in 100% of the Group's corporate headquarters, own logistics centres and own factories**. Inditex has a team of 26 people to prevent environmental risks linked to these facilities, and to monitor and assess the proper implementation of the EMS.

In 2022, 2021, 2020, 2019 and 2018, no significant penalties or fines were imposed for breaches of current environmental regulations. Moreover, the Group does not have facilities in protected areas.

### Risk Management and Control Policy

Inditex's Risk Management and Control Policy, which has been in force since 2015 and was last modified in 2020, affects the entire Group and forms the foundation of an Integrated Risk Management System (IRMS). It establishes the basic principles, key factors and general framework for action to manage and control risks affecting the Group, including climate risks.

More information in section [6.3.4. Climate change: risks and opportunities](#) of this Report.

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

### 5.5.1.2. Lower-impact energy consumption alternatives

The generation and acquisition of energy from renewable sources is a core pillar of the architecture of our business model. Consequently, in 2022 we have reached our target in the established time frame, using **electricity from renewable sources** in all our own facilities.

Within the framework of our commitment, among other measures we have invested in generating renewable energy at our own operating centres. We use our own solar thermal, solar photovoltaic and wind energy, as well as facilities to harness geothermal energy.

In 2022, 100% of the electricity consumed at our facilities came from renewable sources (1,636,795 MWh), excluding self-generated electricity. This milestone means total savings of 451,430 tonnes of greenhouse gas emissions, 95% more than in 2018 (1,593,547 MWh consumed and 493,723 tonnes of GHG emissions avoided in 2021; 978,266 MWh and 265,041 tonnes in 2020; 1,144,020 MWh and 295,566 tonnes in 2019; and 837,626 MWh and 231,818 tonnes in 2018, respectively).

### Percentage of electricity coming from renewable sources:<sup>1</sup>

Year	% of electricity coming from renewable sources
2018	45%
2019	63%
2020	81%
2021	91%
2022	100%

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

#### a) Self-consumption

Self-consumption means generating energy at our own facilities or at nearby and associated infrastructure for our own consumption and it is the most direct way to contribute new renewable energy generation infrastructure. The roll-out of photovoltaic and wind power generation facilities for self-consumption is included in Inditex's renewable energy adoption strategy for the next few years, as unequivocal evidence of our commitment to reducing greenhouse gas emissions.

At year-end, we had several active photovoltaic generation plants and a wind turbine generator which generated 7,756 MWh of electricity (5,920, 1,373, 811 and 575 MWh in 2021, 2020, 2019 and 2018, respectively), i.e. 31% more than in 2021, and with the following installed capacities: 3 MW in Lelystad, 1 MW in the employee car park at our Arteixo Central Services facilities, 850 kW of wind power at Arteixo Central Services and 100 kW in the Arteixo Technology Building, 200 kW in the headquarters of Zara.com and Zara Man, 30 kW in the Tempe 1 centre, 200 kW in the Tempe 3 centre, 200 kW in the Tempe 3S centre and 100 kW in A Laracha fabric warehouse.

We also have a co-generation plant, which enables the simultaneous production of heat and energy using natural gas. In 2022, this plant generated 2,061 MWh of electricity and 1,976 MWh of thermal energy (8,852 MWh of electricity and 10,051 MWh of thermal energy in 2021; 4,334 MWh of electricity and 6,679 MWh of thermal energy in 2020; 7,785 MWh of electricity and 11,002 MWh of thermal energy in 2019; and 17,317 MWh of electricity and 16,634 MWh of thermal energy in 2018). In addition, 362 MWh of thermal energy was generated by geothermal facilities and solar panels during the year (653 MWh, 633 MWh, 577 MWh and 329 MWh in 2021, 2020, 2019 and 2018, respectively).

A notable future project is the **Outer Port Wind Facility in A Coruña** with an estimated investment of 34 million euros<sup>33</sup>, scheduled to enter into service in 2025. In 2021, we commenced the necessary procedures to start the authorisation process for the collective self-consumption facility in the Outer Port of A Coruña. The goal is to be able to generate on-site the renewable energy necessary to cover the annual electricity required by our headquarters in Arteixo, as well as to supply clean electricity to the port's own infrastructures. In 2022, we continued to move forward in the administrative procedures with all the official bodies involved and we are fully immersed in the project's engineering definition and development phase.

This project developed in collaboration with the Port Authority of A Coruña is a pioneering initiative that allows us to increase the amount of self-generated renewable energy, while at the same time positively impacting the environment around our headquarters and setting an example of public-private partnership initiatives aimed at reducing GHG emissions. The construction of the wind facility in the Outer Port of A Coruña involves installing 3 wind turbines, each with a capacity of 5.5-6 MW.

#### b) VPPA


A PPA (Power Purchase Agreement) is a long-term agreement between consumers and energy producers that allows the latter to secure the revenue necessary for the viability and access to financing for building new renewable generation infrastructure, even in the absence of incentives for renewable generation or investment subsidies. Through these commitments we contribute additional renewable energy to the grid by enabling new and dedicated renewable energy generation projects to be carried out in a stable, long-term manner.

<sup>33</sup> The planned investment corresponding to this project, which has not yet started, is included in the expected investment execution referred to in the section ["Information on the foreseeable development of the group"](#) of the Consolidated Directors' Report.

The projects we have selected belong to Energias de Portugal Renováveis (EDPR) and are located in Spain. These projects are in the development phase, pending final approval, and will come on stream in 2025 under the Virtual Purchase Power Agreement (VPPA) modality, provided they receive the administrative green light.

In VPPAs there is no direct supply of electricity from the developers to end consumers. The power generated is instead fed into the electricity grid. Decoupling production and consumption provides flexibility and better suits our consumption pattern in various geographies, helping to achieve our sustainability goals.

Accordingly, in 2022 we signed a VPPA, and we continue to work on negotiating new contracts that promote additionality by generating new renewable energy capacity.

 More information in [Note 26 Financial risk management policy and financial instruments](#) to the Consolidated Annual Accounts.

### c) Energy Attribute Certificates

Where the scope for implementing other types of mechanisms is limited, we use options such as green tariffs and energy attribute certificates (instruments that certify the renewable origin of a certain amount of electricity generated, and that can be purchased on the market to prove that an electricity supply is from a clean source).

More than 90% of the energy allocation certificates we have used in 2022 comply with the requirements established by reference organisations, such as CDP, for this type of mechanism. In this sense, renewable energy is generated in the electricity market in which it is consumed, except in those exceptional cases in which its purchase is not viable.

#### 5.5.1.3. Efficiency and optimisation initiatives

##### a) Efficiency in corporate headquarters, own logistics centres and own factories

At Inditex we have a culture of environmental efficiency; in other words, we apply processes that enable us **to control the consumption of resources** and take measures to reduce that consumption so as to mitigate the impact thereof. To ensure this is properly developed in our facilities, we make the necessary investments in all our headquarters and platforms in compliance with our Instruction for Proper Environmental Management, and we promote best practices in the day-to-day work of our employees.

The construction design of our headquarters is based on **bioclimatic criteria**. As part of our strong commitment to sustainability, we also strive to ensure that our facilities meet the highest standards of **sustainable construction**. Consequently, since 2009 we have certified our most emblematic spaces in accordance with the most prestigious standards in sustainable construction, such as the LEED certifications developed by the US Green Building Council<sup>34</sup>.

This is the case of the LEED Platinum certification obtained in March 2022 for the new Zara.com building. Located at our Arteixo headquarters, this 67,000 m<sup>2</sup> facility boasts the latest advances in technology and sustainability.

### LEED Certification in distribution centres and facilities

<div style="text-align: center;">  <p><b>LEED Gold</b> 10 Certified</p> </div> <ul style="list-style-type: none"> <li>/ New headquarters of the Inditex Group's Central Services in Arteixo</li> <li>/ Zara Logistics Offices</li> <li>/ Zara Logistics Canteen</li> <li>/ Pull&amp;Bear Headquarters</li> <li>/ Cabanillas Logistics Platform</li> <li>/ Massimo Dutti Headquarters</li> <li>/ Massimo Dutti Logistics Centre</li> <li>/ Oysho Headquarters</li> <li>/ Stradivarius Headquarters</li> <li>/ Logistics connection hub at Lelystad</li> </ul>	<div style="text-align: center;">  <p><b>LEED Platinum</b> 2 Certified</p> </div> <ul style="list-style-type: none"> <li>/ Inditex Data Processing Centre in Arteixo</li> <li>/ Zara.com studios in Arteixo</li> </ul>
<div style="text-align: center;">  <p><b>LEED Silver</b> 1 Certified</p> </div> <ul style="list-style-type: none"> <li>Fabrics warehouse in A Laracha</li> </ul>	<div style="text-align: center;">  <p><b>LEED CI Certified</b> 1 Certified</p> </div> <ul style="list-style-type: none"> <li>Inditex Group's Central Services facilities in Arteixo (phases I, II, III)</li> </ul>

We also strive to ensure efficient and sustainable energy management. In 2022, our headquarters in Arteixo and the Inditex Data Processing Centre, located in A Laracha (A Coruña) were certified to the ISO 50001 international standard.

##### b) Efficiency and sustainability in our stores

Energy efficiency and the application of best practices in the area of environmental sustainability is a priority for Inditex in both the design and the day-to-day running of its stores. To achieve this goal, we execute a number of projects to help make our stores spaces in which sustainability is **fully integrated**, from the facilities themselves to the products and the interaction with our customers.

In this regard we are constantly reviewing our standards to guarantee that they are in line with cutting-edge practices and implementing new programmes to advance on the path of continuous improvement and sustainability in our stores.

<sup>34</sup> All the certifications are currently valid.



Further evidence of our commitment to sustainable construction is the certification of our stores in accordance with prestigious international standards such as LEED and BREEAM<sup>35</sup>. We currently have 8 LEED Platinum certifications, 25 LEED Gold certifications and 1 BREEAM certification.

Another significant step is the connection of our own stores with the central platform Inergy, which supervises and optimises energy consumption, boosts efficiency and reduces the environmental impact. At the end of 2022, 79% of our own stores were connected to the platform.

The energy efficiency policy is not limited to physical stores alone, but extends equally to the digital universe. The website of Zara, our most emblematic brand, is hosted at our own data centres and on external servers, which help us to streamline and store information. The electricity consumed by Zara.com's servers and offices comes from renewable sources.

In addition, the servers are equipped with technologies that help optimise energy consumption by using processors and power supplies that adapt to the servers' demands in real time.

### c) Supply Chain

#### Collaboration Programme for Environmental Improvement


We work with our suppliers to implement measures to improve production processes and facilities in order to make better use of available resources. In 2022, we launched an Environmental Improvement Plan focused on reducing water and energy consumption and managing chemicals and discharges. This Program has been launched as a pilot with a selected group of key suppliers.

The facilities' energy management goals are as follows:

/ To increase the purchase and/or generation of electricity coming from 100% renewable sources.

/ To reduce thermal energy consumption in relation to stationary thermal sources.

This programme's methodology consists of the facility's drawing up an action plan. This plan is then verified by a third party and a baseline or starting point of energy consumption is established prior to the plan's implementation. Consumption is then monitored on a quarterly basis against this baseline.

 More information in section [5.5.2.2. Initiatives in supply chain](#) of this Report.

#### Other supply chain actions

As well as developing the collaborative programme for environmental improvement, our efforts are with respect to the supply chain focus on the following aspects:

##### / Reducing energy consumption

In order to reduce energy consumption, we provide our suppliers with information on the best available techniques for the various manufacturing processes by means of an online knowledge transfer platform developed by Inditex, which is publicly available to the entire industry.

Furthermore, we use this same channel to make available to them the knowledge acquired through our collaboration with third parties on potential innovative solutions. For example, new dyeing and washing methods that reduce water consumption, lower the temperature required during the process and cut energy consumption, thus decreasing the associated emissions. One such collaboration is with BASF, to implement and optimise the first industrial cold washing system, *SOKALAN HP 56 A*, which can meaningfully reduce water and energy consumption in exhaust dyeing systems.

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

##### / Replacing fossil fuels

Some production processes require the use of energy sources to reach sufficient temperatures and generate steam. We encourage our suppliers to use alternative fuels such as responsibly sourced biomass, backed by certification, or fuels made from agricultural waste, or the electrification of equipment when possible.

**Our goal is to eliminate the use of coal in our supply chain by 2030**, and to avoid installing new coal-fired equipment from 2023.

##### / Use of renewable energies

We promote the use of renewable energy in our supply chain. To this end, we share with suppliers in our main manufacturing clusters information on availability, regulations, procedures and indicative prices for the implementation of an array of renewable energy procurement solutions.

#### d) Efficiency in transport and distribution

In order to improve the impact of our distribution and logistics operations and reduce associated emissions, we have established several lines of action in connection with transport activities:

##### / Fleet improvements

We work with our suppliers to analyse and promote alternatives to conventional means of transport. Thus, the use of electric vehicles is gaining particular importance for Inditex and we have a major electrification programme for our last mile deliveries in China, allowing us to reduce GHG emissions and air pollution in cities. Specifically, this project has been rolled out across 42 cities, allowing us to save 217.18 tonnes of CO<sub>2</sub> equivalent as compared to conventional fuel vehicles previously used, thereby reducing GHG emissions by 53%. The emission reduction

<sup>35</sup> All the certifications are currently valid.

capacity of electric vehicles is related to their energy consumption per unit kilometre, and is further boosted by reducing the total distance covered. In Spain, we have also electrified last mile deliveries at several Madrid stores.

#### **/ Review of transport traffic and routes**

We strive to find the best way to shorten the distances travelled in the supply and distribution processes of our goods. Similarly, we seek transport alternatives, including creating and using intermodal routes that allow us to establish new connections with low-impact transport such as the train.

#### **/ Transport optimisation**

We develop protocols that optimise, review and adjust loading proposals across all modes of transport and we work with our logistics service suppliers to ensure that the measures analysed are implemented by means of continuous communication of operational and occupancy data. Likewise, we actively search for units and vehicles that allow us to make better use of the capacity in accordance with the cargo being shipped, such as High Capacity Vehicles or special sized maritime containers.

#### **/ Employee commuting**

We also promote alternatives for employee commuting. We have more than 421 charging stations for electric vehicles in all the Group's central services to facilitate the use of such vehicles by employees. More than 397,000 kWh<sup>36</sup> were supplied from these stations (more than 197,000 kWh in 2021, more than 71,000 kWh in 2020 and more than 47,000 kWh in 2019), helping to avoid emissions associated with using fossil fuels. We also have Weshare, a proprietary application for carpooling to and from the workplace. In Spain, our office employees are provided with a shuttle bus service to get to work.

## **Atmospheric emissions and noise pollution**

Atmospheric emissions from combustion equipment (heating boilers and steam boilers) are subject to regular checks and verifications by authorised control bodies to ensure that our logistics centres where this equipment is located comply with the applicable legislation. Thus, we ensure that our atmospheric emissions are within the legal limits for the parameters required in each case (for example, CO, NO<sub>x</sub>, SO<sub>2</sub> and opacity).

Furthermore, to mitigate noise pollution, our Unloading Equipment Protocol aims to reduce noise from the distribution and supply of our products during night-time hours, when the permitted noise levels are more restrictive.

### **5.5.2. Our approach to water management**

GRI 2-28; 3-3; 303-1; 303-2; 303-3; 303-4; 303-5

Water is a vital resource for the development of communities and ecosystems. Accordingly, water management at Inditex is grounded on the principles of the CEO Water Mandate, a UN Global Compact endeavour that encompasses environmental and social aspects. Our approach places a premium on reducing water consumption in our operations and supply chain. This, in addition to preserving water as a natural resource, contributes to reducing greenhouse gas emissions, as less energy is needed to heat water in those production processes that require it.

Our roadmap for sustainable and rational water usage throughout our value chain is defined by our Global Water Management Strategy. As we implement it, we develop a variety of individual initiatives and collaborate with various stakeholders to reduce our environmental impact and protect marine and freshwater habitats, always seeking the most sustainable and efficient processes and technologies. Notably, this strategy is currently in the process of being updated, with the aim of starting to implement the new version in 2023.

#### **5.5.2.1. Initiatives in own operations**

Water consumption at Inditex facilities is mainly for cleaning and sanitary purposes, and its discharge into municipal wastewater systems is guaranteed. In industrial settings, water is mainly used for steam generation and recirculation systems in closed-cycle industrial refrigeration, which allows us to estimate that the water discharged is equal to the water consumed. Wastewater in all facilities is discharged to the appropriate wastewater systems. At Inditex, water consumption does not affect protected habitats.

<sup>36</sup> Electrical consumption by electrical vehicle charging points in Group central services facilities, own logistics centres and own factories.

In 2022, our own facilities (headquarters, factories, logistics centres and stores) consumed a total of 1,780,190 cubic metres of water. The consumption at our centres is calculated through direct meter readings and bill charges from public water utilities companies.<sup>37</sup>

### Water consumption

Financial year	Water consumption (m <sup>3</sup> )	Relative water consumption (litres/m <sup>2</sup> )	Relative water consumption (ml/€)
2018	2,145,804	285	82
2019	2,068,661	260	73
2020	1,663,039	216	82
2021	1,886,900	241	68
2022	1,780,190	240	55

Some of the initiatives carried out include reusing 100% of the water for garden irrigation and flush toilets at our Indipunt facility in Narón (A Coruña), using **storm tanks** that in 2022 enabled us to collect 25,080 m<sup>3</sup> of water (10,439 m<sup>3</sup> in 2021) from the roofs of our centres in Cerdanyola, Arteixo and Lelystad to be used for irrigation, or replacing all taps and flushers at our distribution centres in Spain with others that reduce both the flow rate and operating time, resulting in savings of up to 55% of the water used.

#### 5.5.2.2. Initiatives in supply chain

Our supply chain is key to our policy of responsible water use management, as it includes the two areas where the highest water consumption occurs in the production of goods. On the one hand, it covers the cultivation and production of raw materials such as cotton and, on the other, the wet processes (dyeing, washing and printing, among others) needed to make the items we sell. Consequently, taking 2020 as a baseline, the Group has established the goal of reducing **water consumption throughout the supply chain by 25%** in 2025. In 2022, we have reduced relative consumption by 17%, compared to 93<sup>38</sup> litres per kilogram of garment consumed in 2020.

Financial year	Relative water consumption (litres/kg garment)
2020	93
2021	88
2022	77

To achieve this goal, throughout 2022 we have worked on different initiatives such as:

- / Increasing the number of facilities that meet the requirements of our Care for Water programme and those that are evolving towards excellence.
- / Updating the requirements of our Care for Water programme in order to raise its standards and promote further savings in water consumption.
- / Developing, together with the facilities, action plans focused on optimising water consumption and improving and reducing wastewater.

/ Developing a knowledge transfer platform with best available techniques relating to water and wastewater for our supply chain facilities.

/ Establishing a network of collaborating facilities for implementing measures and/or technologies linked to reducing water consumption stemming from the Group's R&D work.

① More information in section [5.3. Our products](#) of this Report.

#### a) Care for Water

Our Care for Water programme, framed within the Green to Wear standard, distinguishes those facilities with proper water management under two categories: good and excellent. The programme promotes the use of measures, chemicals and technologies to reduce water consumption by boosting water efficiency, the optimisation of production processes and the investment in technology.

① More information in section [5.6.1. Sustainable management of the supply chain](#) of this Report.

The Care for Water programme provides "good" and "excellent" benchmark values for each type of wet process depending on the substrate (yarn, fabric, garment) and textile fibres used. These values are obtained from theoretical consumption estimates for each production process, to which variables such as machine cleanliness, among others, are added.

In 2022, we also reviewed this programme with the aim of raising its standards and promoting further water savings. The new benchmarks have been piloted at various facilities in different countries.

<sup>37</sup> The consumption by own stores has been calculated based on the net expenditure per store. The specific average price of 20 markets has been used. For all other markets, we have used the average of m<sup>3</sup>/m<sup>2</sup> per concept.

<sup>38</sup> The water consumption in the supply chain is calculated from the consumption data obtained in the environmental audits, for the cases in which the information is not available, it has been estimated considering the consumption averages.

### **b) Care for Water Improvement Programme**

Launched in 2021, this programme specifically aims to help those facilities that have already been assessed within the Care for Water programme as having 'good' water management to improve to our highest Care for Water rating of 'excellent'. This target must be achieved within a maximum of 12 months. For this purpose, facilities must draw up an action plan that includes the measures to be implemented, their implementation date and their associated reductions in water consumption. The measures fall into four different types of initiative:

- / Investment in new technology.
- / Optimisation of the manufacturing process.
- / Re-use or recycling of wastewater that can be repurposed in manufacturing processes or in ancillary tasks such as cleaning machinery.
- / Zero Liquid Discharge or the installation of closed water loops in which there is virtually no consumption of water from the outside.

Facilities have 30 days to devise this action plan, during which they have the support and advice of external partner companies.

The quarterly progress of the action plan is verified by a third party who will determine whether the facility has achieved the water consumption reduction target within the established time frame. This year we have worked together with more than 242 facilities within the framework of this programme, providing them support, guidance and advice.

### **c) Collaboration programme for environmental improvement**

Over the course of 2022, an action plan was launched to reduce the environmental impact of the Group's key suppliers' facilities, with a focus on water (as a complement to those facilities that are not under the scope of the Care for Water improvement programme), discharges, management of chemicals and energy. This This Program has been launched as a pilot with a selected group of key suppliers.

The objectives to be achieved by the facilities with regard to the first three areas are:

- / Reduction of water consumption to the Care for Water programme's 'excellent' level.
- / Quality of wastewater discharges in line with the basic level of the discharge standard developed by ZDHC.
- / Use of 100% ZDHC level 3 certified chemicals.

The methodology of this action plan is similar to that of the Care for Water Improvement Programme in terms of quarterly monitoring and the development of an action plan by the facility and its quarterly monitoring. This plan is then verified by a third party and a baseline or starting point of the facility's water consumption and other parameters of interest is established and monitored.

### **d) Knowledge transfer platform**

Developed during 2022, this platform focuses on providing information to wet process facilities involved in devising action

plans and, on their own initiative, to those interested in improving both their water consumption and wastewater treatment.

With regard to consumption, once the production process or processes of interest to the facility have been selected, the tool supplies different measures ranging from potential optimisations of the production process to the use of certain chemicals, as well as different options for re-using or recycling water. Each of these measures is accompanied by information of interest for the facility, such as the investment needed, the estimated impact on consumption, potential constraints or difficulties of implementation, among others. Similarly, the platform also provides information on the best available technologies to carry out the process more efficiently. In this case, the information provided by the platform includes the main benefits of the new technology compared to conventional technology, the savings associated with its use, potential limitations, as well as some of its manufacturers.

For wastewater treatment, the platform provides information on various remedial measures for the chosen discharge parameters, as well as the cost associated with the implementation of such measures and the technologies required.

### **e) Network of collaborating facilities in the implementation of own R&D**

Over the course of 2022, the Group has actively collaborated with different facilities to introduce innovative water saving measures and technologies in the sector. The creation of this network responds to several key objectives:

- / To demonstrate that new measures or technologies work outside the lab and on an industrial scale.
- / To assist these facilities in reducing water consumption.
- / To develop case studies that show the performance and water savings associated with new measures or technologies in a way that facilitates their implementation at other facilities.

#### **5.5.2.3. Collaborations with external initiatives**

Inditex works with the Chinese Institute of Public and Environmental Affairs (IPE) on the continuous improvement of environmental management in our supply chain in this market. This entity provides information through its environmental platform, both from governmental sources and from the factories themselves and the brands that work with them. In addition to the environmental performance of the textile factories, IPE monitors upstream suppliers (raw materials and chemicals) as well as the wastewater treatment plants and the results of the wastewater analysis. The IPE has recognised Inditex's efforts to improve the environmental performance of its supply chain, which is why the Group is ranked second in the textile sector and globally in the index that it publishes annually.

Over the course of 2022, we began collaborating with the World Wide Fund for Nature (WWF) to update our water management strategy and to combine our efforts with those of other companies and organisations in order to continue generating positive impacts.

In line with our commitment to Changing Markets for the procurement of responsibly produced viscose and modal fibres, manufacturers of these fibres, among others, are required to implement chemical management systems as well as water treatment systems with the ultimate goal of having "Zero liquid discharge" facilities. Similarly, compliance with various best manufacturing practices is verified through audits.

Finally, over the course of 2022, we have adopted the ZDHC's Manufacturing Restricted Substances List (MRSL), which regulates the quality of discharges, thus taking a further step towards convergence in the sector, facilitating compliance with manufacturing requirements for chemical suppliers as well as the facilities that use them. We have also integrated our The List by Inditex programme into the ZDHC Foundation's chemical control strategy. Hence, the entire industry will be able to benefit from key information to determine whether a chemical product complies with both the ZDHC's MRSL discharge parameters and the legal requirements applicable to the textile or leather item marketed.

④ More information in the document *Innovation, collaboration and continuous improvement for chemical safety* available on Inditex's corporate website.

### 5.5.3. Our approach to biodiversity

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

The **protection of biodiversity** is a key element of Inditex's sustainability strategy, both because of its importance for a thriving and resilient society, and because of the impact of our activity and its reliance on the ecosystemic services<sup>39</sup> that biodiversity supports.

Thus, a significant portion of our raw materials (cotton, other cellulosic fibres and materials, leather, etc.) depend on a functional soil, the availability of water for irrigation or the services of pollinators, factors which in turn rely on a diversity of ecosystems, species and genetic resources that guarantee their continuity and resilience.

In response to these concerns, Inditex published its Biodiversity Strategy in 2013, based on the principles of the United Nations Convention on Biological Diversity and establishing the commitment to moving towards a responsible use of resources at every stage of our value chain. In 2022, we commenced a process to update and strengthen this strategy, referencing the commitments of the latest UN Convention on Biological Diversity (COP15) and the resulting Post-2020 Global Biodiversity Framework. This strategy also seeks to build on flagship initiatives such as the Science-based Targets for Nature (SBTN) or the Taskforce for Nature-related Financial Disclosure (TNFD), with the aim of continuing to inhabit a space of common understanding and collaboration around these matters.

In keeping with these initiatives, we have classified our actions below according to the AR<sup>3</sup>T framework proposed by the SBTN, which includes the following dimensions: Avoid, Reduce, Restore, Regenerate and Transform. This framework is especially significant due to this last dimension, as it focuses on the "transformation" of the systems in which companies are immersed, where coordinated and collective action between different agents is particularly important.

#### 5.5.3.1. Avoid

The first step towards protecting biodiversity and ecosystems is to **prevent impacts from occurring**. This is especially important when impacts occur in ecosystems of high biodiversity value, such as primary forests and the habitats of endangered species.

In this way, and acknowledging the pivotal role of forests as a refuge for biodiversity, a key element in the water cycle and a sink for greenhouse gases, our **Forest Product Policy** establishes that all forest-based materials we use must come from sustainable forestry operations, with the aim of avoiding the use of wood or pulp from primary and endangered forests.

This policy outlines how our wooden furniture and paper products, the bags we deliver to our customers, the product labels and the office paper we consume must be certified under FSC or PEFC forest management standards. It also establishes that we only use suppliers of regenerated cellulosic fibres designated as 'green shirts' in the Hot Button Report by Canopy, an international organisation with which we have been cooperating since 2014 whose mission is to protect primary and endangered forests. This Policy is also currently under review with a view to expanding its scope to include other materials linked to deforestation risk, such as leather.

We also seek to avoid impacting species in their natural habitat, establishing in our Sustainability Policy that, in the case of using products of animal origin, these must always come from animals raised on farms for meat and under no circumstances from animals slaughtered exclusively to market their skins, shells, antlers, bones, feathers or down, among others.

<sup>39</sup> Ecosystemic services are the benefits that people derive from ecosystems, according to The Corporate Ecosystem Services Review: Guidelines for Identifying Business Risks and Opportunities Arising from Ecosystem Change (2012), World Resources Institute.

## The Group's Animal Welfare Policy states that:

- / Animal products must come from animals that have been treated ethically and responsibly, based on the internationally accepted "Five Freedoms" for animal welfare.
- / Animal products from slaughtered animals must come from species reared in farms to obtain meat.
- / We will never use products from animals slaughtered exclusively for their skin, shell, horn, bone, feather or down.
- / We will never sell cosmetic products that have been tested on animals at any stage of production.

### 5.5.3.2. Reduce

The next step is to reduce the potential negative impacts from the development of our activity. Thus, Inditex prioritises materials and production processes that reduce the potential negative impacts traditionally associated with them. Some notable actions in this regard are:

- / We continue our journey towards decarbonising our activities and thus also responding to the negative effects of climate change on ecosystems and biodiversity.

① More information in section [5.5.1. Our approach to decarbonisation and energy management](#) of this Report

- / We are committed to reducing water consumption in our supply chain by 25% in 2025 and we continue to make progress in mitigating wastewater impacts through our commitment to the ZDHC initiative, thereby easing pressures on this vital life element.

① More information in section [5.5.2. Our approach to water management](#) of this Report

- / We aim to reduce land use and the consequent risk of ecosystem conversion through our commitment to recycled materials and circularity in the textile sector, which means that the inputs needed to make garments come from garment recovery or the use of by-products or waste from other industries, reducing the need for virgin fibres and the end-of-life impacts of our garments.

① More information in section [5.3. Our products](#) of this Report.

- / We aim to reduce pollution from pesticides and fertilisers in water and ecosystems by fostering the use of organic, or in conversion, raw materials in our products.

① More information in section [5.3.2. Design and selection of materials](#) of this Report

### 5.5.3.3. Restore and Regenerate

We want to contribute to the conservation and restoration of ecosystems, seeking to improve their current status. These actions focus on regeneration and restoration activities:

#### a) Regenerate

At Inditex we are working to promote regenerative practices that allow us to reconcile the productive operation of land with concerns about the loss of nutrients, the supply and quality of water due to its contamination, the loss of biodiversity or the need to address the climate emergency, improving the soil's capacity to absorb carbon.

We have started to develop measures of this kind through our investment in a project to promote regenerative practices in India in conjunction with Action Social Advancement (ASA), Laudes Foundation, IDH The Sustainable Trade Initiative and WWF India. This project aims to promote these practices in an area of 300,000 hectares in the states of Madhya Pradesh and Odisha (India).

#### b) Restore

Restoration actions are those aimed at returning a degraded natural area to its original state (or as close to it as possible). To help us in this connection, in 2022 we signed an agreement with WWF to carry out ecosystem restoration projects globally.

The first projects in the framework of this collaboration with WWF focus on the restoration of forests, such as those of Datça-Bozburun in Türkiye and the Holm oak forest of the Cratere degli Astroni Reserve in Italy, which were affected by forest fires; and the conservation of the Dadia forest in Greece, a key site for the continent's birds of prey.

Beyond forests, and in recognition of the key importance of other types of ecosystems, the proceeds will also be used to restore river basins and freshwater ecosystems. The projects identified so far are located in North Africa—the Sebu basin in Morocco or the Guerbes-Sanhadja plains in Tunisia and Algeria—and in the Mekong Delta in Vietnam, affected by intensive rice cultivation, the degradation of which causes a significant loss of biodiversity and endangers the well-being and livelihoods of local communities.

Restoration and protection actions will also be undertaken in ecosystems that provide habitat for endangered wildlife, such as the Gran Chaco tropical forest and Pantanal wetlands, which span territories between Argentina, Brazil, Bolivia and Paraguay, in Mexico, where WWF teams work with local organisations to conserve Monarch butterfly and jaguar habitats, and in the Taihang-Yan Mountains and the Amur-Heilong region of northern and north-eastern China, inhabited by the leopard and by the Amur tiger respectively.

Inditex also followed with profound concern the devastating wildfires in the summer of 2022 and is in the process of defining an intervention plan in Galicia, one of Spain's regions most blighted by fire. This work is in addition to its ongoing efforts to promote sustainable forestry models that increase incentives towards better forest management, a line of action that began in 2018 with the Pico Sacro demonstration forest project. This line was reinforced in 2022 with the extension to other demonstration forests in areas of Galicia, in collaboration with the Galician Forestry Association, and in Portugal with Forestis, and together with WWF in Castilla-La Mancha to promote sustainable forest management in a territory that accounts for 13% of the forest mass in Spain.

#### 5.5.3.4. Transform

Our actions to help transform the sector include:

- / Inditex joined the call within the "Business for Nature" initiative to require countries to introduce regulations that make estimating and reporting large companies' and financial institutions' impacts on nature mandatory as part of the new Post-2020 Global Biodiversity Framework.
- / In 2022, we signed up to the Arctic Corporate Shipping Pledge, an Ocean Conservancy initiative that encourages major logistics operators and global brands to undertake to avoid shipping routes through the Arctic, encouraging the application of the precautionary principle because of the potential impact on this unique ecosystem.
- / In addition to our efforts to protect forests, in 2021 we joined the LEAF Coalition, a public-private initiative coordinated by Emergent that seeks to transfer economic incentives to tropical and subtropical countries to curb deforestation in their territories, and thereby to avoid the resulting GHG emissions and with them the loss of biodiversity. In 2022 we confirmed the beneficiary countries—Costa Rica, Ecuador and Nepal in our case—opting for a contribution aimed exclusively at recognising these countries' efforts to avoid deforestation in their territories, and their progress towards climate mitigation, as they have proven that the actions they have implemented have worked.

/ We remain committed to joint action in the textile sector through our involvement in The Fashion Pact, a sector-wide initiative in which the protection of biodiversity, is one of the main axes, along with climate action and the prevention of microplastic ocean pollution.

#### 5.5.4. Our approach to waste

GRI 3-3; 304-2; 306-1; 306-2; 306-3; 306-4; 306-5

Day to day, we pay special attention to the materials we generate in carrying out our activity. Accordingly, we run a number of projects to facilitate the recovery, reuse and subsequent recycling of these materials, turning them into resources that can continue to be used and maximising their value.

##### Zero Waste Programme

Within the framework of our Zero Waste programme, we have a multidisciplinary team focused on addressing the proper management of the materials we use in our facilities: containers, packaging and other items. Our commitment is that, by 2023 the waste generated at our corporate headquarters, logistics centres, own factories and own stores is properly collected and managed so as to be available resources for a new use by means of reusing or recycling.

Not only does this challenge involve properly sorting the various materials for treatment and subsequent recycling, but also presents an opportunity to rethink our processes so that we avoid generating waste in the first place and instead maximise the use of those resources in our design, logistics, store and end-of-life operations.

① More information about our programmes on the removal of unnecessary materials, packaging and our Green to Pack programme in section [5.3.4. Use and end of life of products](#) of this Report.

Our stores have a waste management system in place and the vast majority already meet our internal Zero Waste criteria. We continue to work to achieve our 2023 target.

##### Generation of waste

Waste generation at our facilities (headquarters, logistics centres and factories) is presented below<sup>40</sup>:

<sup>40</sup> This data does not include waste generated in our own stores as this information is not available at the required level of detail in the Company's systems. We have several projects underway to report this information in future years.

Type of waste	2022 (KG)	2022 (%)	2021 (KG)	2021 (%)	2020 (KG)	2020 (%)	2019 (KG)	2019 (%)
Cardboard and paper	13,713,321	66%	13,248,191	65%	10,974,962	59%	14,662,698	63%
Wood	2,773,840	13%	2,982,115	15%	3,438,309	19%	3,769,554	16%
Other non-hazardous waste	2,951,460	14%	2,891,811	14%	2,771,796	15%	3,182,099	14%
Plastic	680,725	3%	831,837	4%	863,627	5%	892,516	4%
Textile waste	245,018	1%	252,831	1%	302,785	2%	498,217	2%
Metal	232,293	1%	159,204	1%	67,747	0%	267,715	1%
Hazardous waste	35,623	0%	31,428	0%	58,813	0%	78,479	0%
<b>Total</b>	<b>20,632,280</b>	<b>100%</b>	<b>20,397,417</b>	<b>100%</b>	<b>18,478,038</b>	<b>100%</b>	<b>23,351,279</b>	<b>100%</b>

### The destination of this waste was as follows, according to its treatment<sup>1</sup>

Non-hazardous waste destination	2022 (KG)	2022 (%)	2021 (KG)	2021 (%)
<b>Diverted from disposal</b>	<b>18,811,731</b>	<b>91%</b>	<b>18,691,531</b>	<b>92%</b>
Recycling	18,607,803	90%	18,256,653	90%
Preparation for reuse	203,928	1%	434,878	2%
<b>Directed to disposal</b>	<b>1,784,926</b>	<b>9%</b>	<b>1,674,458</b>	<b>8%</b>
Landfilling	1,600,519	8%	1,343,862	6%
Incineration (with energy recovery)	184,407	1%	330,596	2%
<b>Total</b>	<b>20,596,657</b>	<b>100%</b>	<b>20,365,989</b>	<b>100%</b>

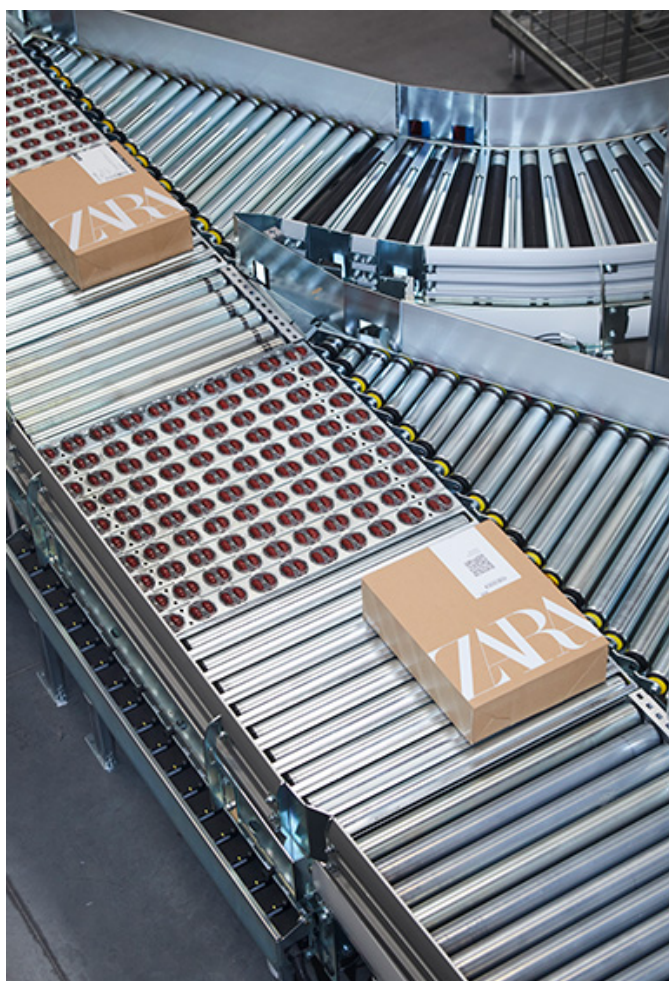
1. With the update of GRI 306: Waste 2020 standard, the requirements on the detailed reporting of what happens to waste have changed with respect to the previous requirements set out in the 2016 edition of GRI 306. Due to the change, historical data are only available with the level of detail previously required.

Non-hazardous waste destination	2020 (KG)	2020 (%)	2019 (KG)	2019 (%)
Recycling	16,582,699	90%	20,903,595	90%
Energy recovery	238,426	1%	321,323	1%
Landfill	1,598,100	9%	2,047,882	9%
<b>Total</b>	<b>18,419,226</b>	<b>100%</b>	<b>23,272,800</b>	<b>100%</b>

Hazardous waste destination	2022 (KG)	2022 (%)	2021 (KG)	2021 (%)
<b>Diverted from disposal</b>	<b>26,141</b>	<b>73%</b>	<b>25,229</b>	<b>80%</b>
Recycling	24,531	69%	25,229	80%
Preparation for reuse	1,610	5%	0	0%
<b>Directed to disposal</b>	<b>9,482</b>	<b>27%</b>	<b>6,199</b>	<b>20%</b>
Landfilling	7,610	21%	4,864	16%
Other disposal operations	1,807	5%	400	1%
Incineration (with energy recovery)	0	0%	935	3%
Incineration (without energy recovery)	65	0%	0	0%
<b>Total</b>	<b>35,623</b>	<b>100%</b>	<b>31,428</b>	<b>100%</b>

Hazardous waste destination	2020 (KG)	2020 (%)	2019 (KG)	2019 (%)
Recycling	48,547	82%	71,613	91%
Energy recovery	976	2%	1,329	2%
Landfill	9,290	16%	5,538	7%
<b>Total</b>	<b>58,813</b>	<b>100%</b>	<b>78,479</b>	<b>100%</b>





Furthermore, the packing materials that accompany our products (bags, labels and protective items) are managed by the Integrated Packaging Management Systems available in the markets where we operate. Our brands collaborate with these managers in the collection and management of this packing. Our Green to Pack programme aims to optimise the use of these elements, to extend their useful life and enhance their recyclability.

📄 More information in section [5.3.4. Use and end of life](#) of this Report.

The waste reduction programmes also cover the canteen service at our headquarters. We promote the use of cups, glasses and glass bottles that avoid the use of single-use plastics, as well as various actions against wasting food and to encourage the proper separation of food waste.

## 5.6. Suppliers

GRI 2-6; 3-3

**Related material topics: Stakeholder engagement; Value chain transparency and traceability; Responsible purchasing practices; Innovation; Human rights; Socially-sustainable production environments; Environmental footprint minimisation.**



### 5.6.1. Supply chain management

GRI 2-4; 2-6; 2-24; 3-3; 303-2; 305-6; 308-1; 308-2; 407-1; 408-1; 409-1; 413-2; 414-1; 414-2; AF3; AF6; AF8; AF9; AF10; AF11; AF12; AF13; AF14; AF15; AF16; AF17; AF18; AF19; AF20; AF24

An agile and flexible supply chain, which allows us to respond to our customers' demands and meet the highest social and environmental standards, is one of the key aspects of our business model. In 2022, we worked with a total of 1,729 direct suppliers<sup>41</sup> located in 50 markets who, in turn, used 8,271 factories<sup>42</sup> to make our products, employing more than three million people (1,790 suppliers, 44 markets and 8,756 factories in 2021; 1,805 suppliers, 50 markets and 8,543 factories in 2020; and 1,985 suppliers, 51 markets and 8,155 factories in 2019)<sup>43</sup>.

One of the hallmarks of our model is proximity manufacturing, which allows us to be more agile in our response to the market. In 2022, 49% of the factories that made our garments<sup>44</sup> were located in countries such as Spain, Portugal, Morocco or Türkiye.

### The supply chain at Inditex in 2022

#### Suppliers with purchase in 2022

##### European Union

332 suppliers  
1,591 factories

##### Europe outside the EU

230 suppliers  
1,736 factories

##### Americas

11 suppliers  
39 factories

##### Asia

955 suppliers  
4,458 factories

##### Africa

201 suppliers  
447 factories

#### Factories declared by suppliers in 2022

##### 3,200

Spinning, weaving, and other raw material processes

##### 106

Cutting

##### 4,023

Sewing

##### 165

Dyeing and washing

##### 200

Printing

##### 263

Finishing

##### 314

Non-textile products

<sup>41</sup> Suppliers of fashion articles with a production of over 20,000 units/year in the 2022 spring/summer and autumn/winter campaigns. Suppliers with lower productions account for 0.22% of total production.

<sup>42</sup> Factories declared by the suppliers in the manufacturer's management system for 2022 orders.

<sup>43</sup> The data published in 2018 are not comparable with those in 2021, 2020 and 2019 due to the extended scope in the 2019 report on the number of suppliers and manufacturers.

<sup>44</sup> It includes cutting, sewing, dyeing and washing, printing and finishes factories.

The supply chain at Inditex in 2022				
	Suppliers with purchase in 2022	New suppliers in 2022	Unused suppliers in 2022	Suppliers with purchase in 2021
Africa	201	30	23	194
Americas	11	0	1	12
Asia	955	156	179	978
Europe outside the EU	230	39	32	223
European Union	332	37	88	383
<b>Total</b>	<b>1,729</b>	<b>262</b>	<b>323</b>	<b>1,790</b>

We see the relationship with our suppliers as a process of continuous support and accompaniment. In this regard, our supplier clusters are a key tool for developing our sustainability strategy, as they act as spaces for dialogue and cooperation with the main industry players, such as trade unions, employers associations, administrations and NGOs, among others. We have twelve clusters in Spain, Portugal, Morocco, Türkiye, Brazil, Argentina, India, Pakistan, Bangladesh, China, Cambodia and Vietnam, manufacturing areas where 98% of our production was concentrated in 2022.

In keeping with this commitment to stakeholder engagement, we share the complete and updated list of our manufacturers and their compliance with our policies with the international trade union federation IndustriALL Global Union, as part of our Global Framework Agreement. In addition, we provide IndustriALL and its local affiliates with access to all the factories in our supply chain.

We also provide relevant information from our supply chain to organisations such as the International Labour Organization (ILO) in countries where we participate in the Better Work programme, ZDHC or IPE China with whom we share environmental information, as well as NGOs, investors and indices.

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

It is also important to underscore our commitment to maintaining a constant flow of communication with our customers on any issues related to our garments. In this regard, in 2022 we responded to 1,309 requests for information related to the manufacture of our products, our sustainability policies or the raw materials used.

#### 5.6.1.1. Main standards, policies and principles on which our supply chain management is based

The main framework governing the relationship with all our suppliers is our **Code of Conduct for Manufacturers and Suppliers** (approved in 2001, updated most recently in 2014 and available on our corporate website). This document establishes the mandatory standards in matters of labour rights, product health and safety and environmental aspects.

To ensure that it is always fully aligned with best practices, Inditex has envisioned the Code of Conduct as a dynamic document subject to periodic review to ensure that its validity remains. Its conceptual framework is based on Organisation for Economic Cooperation and Development (OECD) principles, the Ethical Trading Initiative Base Code, the United Nations Global Compact principles and, among others, the following International Labour Organization (ILO) conventions: 1, 14, 26, 29, 79, 87, 98, 100, 105, 111, 131, 135, 138, 142, 155, 164 and 182.

Furthermore, in order to reduce the environmental impact of our supply chain, at Inditex we have our own Green to Wear standard, which is mainly applicable to factories that carry out wet processes. The application of this standard is also aimed at improving items' health and safety aspects, while promoting best practices. To achieve this, Green to Wear **includes aspects such as sustainable and efficient management of raw materials, water, technology and processes, chemicals, waste and wastewater.**

Any manufacturer or supplier wishing to form part of the Inditex supply chain must comply with the Code of Conduct for Manufacturers and Suppliers (hereinafter CCMS or Code of Conduct), with the Green to Wear standard, if applicable, and with our traceability requirements. Non-compliance, which is verified through frequent and periodic audits, may result in the termination of the business relationship.

For our part, we are committed to implementing responsible purchasing practices, which guide the way our buyers and product teams interact and negotiate with suppliers. These practices cover strategic planning, sourcing, development, purchasing and the underlying values and principles that affect workers, thus facilitating living wages and better working conditions as well as sustainable development in the garment, textile and footwear sector. In this regard, our participation in the ACT (Action, Collaboration, Transformation) initiative is crucial.

① More information in section [5.6.2. Workers at the Centre](#) of this Report.

### 5.6.1.2. Traceability of the supply chain

At Inditex, we see traceability as **our ability to identify and trace the history, application, location and distribution of products, parts and materials**, in keeping with Recommendation No. 46 of the **United Nations Economic Commission for Europe<sup>45</sup>**.

Accordingly, we have traceability management and assessment programmes.

We are also working on deepening the traceability of raw materials, as achieving full traceability of our entire supply chain - including this phase - is one of the challenges facing our industry.

In 2022, we went a step further in the responsible management of our entire supply chain by introducing new traceability provisions, increasing the level of detail of the minimum requirements for our suppliers, already included in the Code of Conduct. Thus, these provisions state that our suppliers must:

- / Know their supply chain and work exclusively with manufacturers and intermediaries previously assessed and authorised by Inditex and which comply with all our Sustainability standards.
- / Notify of all the facilities and intermediaries involved in each of the productive processes, from fibre or yarn to the finished garment for each order, including both their own facilities and those contracted by themselves or by third parties. In 2022, we furthered our knowledge of their origin by working together with our suppliers.
- / Provide proof of the use of preferred raw materials<sup>46</sup> by means of documentation certifying their origin, including facility certification as required.

To ensure the understanding and proper application of these new requirements, over the past year we have conducted face-to-face training for more than 1,300 suppliers in 35 countries.

We strive to make it easier for suppliers to apply our requirements. For this reason, in 2022 we have continued to roll out our i-Trust management system, to help suppliers reflect the reality of their supply chain in a flexible, user-friendly and simple way.

#### Assessment systems

At Inditex we verify compliance with our traceability requirements by means of various control mechanisms.

Specifically, **designation control checks** are used to verify that suppliers have declared their supply chain by the established deadline, while the **raw materials certificates are reviewed** in order to verify them.

These control systems are accompanied by **traceability audits** which verify the information provided by our suppliers in the traceability management system, confirming on site that the Group's production does in fact take place in duly declared and authorised factories. Verification is performed by unannounced visits to the factory's facilities, to check the production

processes it can perform, the production in progress and the ones completed. The findings from the visit are compared with the information entered in the traceability tool, to prove both the processes and the units completed by the factory. Since September 2022, all audits are conducted through the In.Trace application, which gives auditors access to all the information linked to productions.

In 2022, **10,796 traceability audits** were conducted, revealing a total of 629 non-compliances.

	Traceability audits				
	2022	2021	2020	2019	2018
Africa	5,400	2,128	139	184	554
Americas	154	181	28	299	561
Asia	2,872	2,031	642	484	481
Europe outside the EU	1,283	1,111	385	258	733
European Union	1,087	668	148	171	217
<b>Total</b>	<b>10,796</b>	<b>6,119</b>	<b>1,342</b>	<b>1,396</b>	<b>2,546</b>

Based on the results obtained through this assessment system, we classify our suppliers into three categories on the basis of their non-compliance with traceability requirements and their recurrence of non-compliance:

		Suppliers in 2022
Approved	The supplier controls the traceability of its production and can therefore continue to form part of the Inditex supply chain.	975
Under monitoring	The level of compliance with traceability requirements is not adequate for Inditex and in order to continue working together the supplier must adhere to an improvement programme and successfully pass it.	403
Not approved	The supplier does not control the traceability of its productions and, therefore, is not suitable to work with Inditex, so it is blocked and cannot be used for our productions.	7

### 5.6.1.3. Monitoring, assessment and continuous improvement

Our long-standing relationship with our suppliers is based on a process of accompaniment, assessment and improvement that begins even before they work with us. In total, 12,152 supplier and manufacturer audits were carried out during the year, following which, where non-compliances were detected, Corrective Action Plans were developed. To carry out this verification, in addition to our own teams, we work with a total of 990 external auditors<sup>47</sup>, of whom 679 were trained this year.

<sup>45</sup> Recommendation No. 46 of the United Nations Economic Commission for Europe: Enhancing traceability and transparency of sustainable value chains in the garment and footwear sector.

<sup>46</sup> It includes preferred raw materials according to the classification established by benchmark organisations such as Textile Exchange.

<sup>47</sup> Includes auditors that conducted social, environmental, pre-assessment, environmental pre-assessment, traceability, and special audits in 2022. The auditors are specialised in accordance with the scope of the audit.

### Pre-Assessment

So as to ensure that only those that meet our social and environmental standards belong to our supply chain, we carry out an initial verification of compliance with our requirements by all new suppliers and manufacturers, through pre-assessment audits before they even commence their business relationship with us. In this pre-assessment process, we check that they adhere to our Code of Conduct and only those that are ranked as approved may receive orders from Inditex.

It should be noted that all suppliers, in order to be part of our supply chain, must first accept all the IMRs (Inditex Minimum Requirements) that apply to them. The IMRs are made up of a series of documents (such as the Code of Conduct for Manufacturers and Suppliers, the Policy on Human Rights or the Traceability Requirements for Suppliers and Manufacturers) where the social, environmental and product health and safety standards, among others, with which our suppliers and manufacturers must comply, are set out.

In 2022, 2,075 **pre-assessment audits** were carried out (2,397, 3,062, 2,789 and 2,177; in 2021, 2020, 2019 and 2018, respectively). Of these, 2,040 were performed by external auditors.

Pre-assessment audits in 2022		
	Pre-assessment audits	Approved %
Africa	97	86%
Americas	16	88%
Asia	1,438	73%
Europe outside the EU	245	66%
European Union	279	82%
<b>Total</b>	<b>2,075</b>	<b>74%</b>

### Environmental pre-assessment

In October 2022, we launched an environmental pre-assessment. This is a remote assessment carried out by external auditors, which is performed on the new facilities in our supply chain that are subject to the Green to Wear standard once they have passed the pre-assessment and prior to the environmental audits, in order to ensure that they meet our requirements. Since its launch until the end of the reporting period, 56 such evaluations have been carried out.

As a result of the audit, the facilities are classified as being approved or not approved. Those classified as not approved are blocked, so they may not receive orders from Inditex.

### Social audits

Once a factory passes the pre-assessment, **social audits are conducted periodically and regularly** at each supplier and factory in our supply chain to verify compliance with the Code of Conduct.

In 2022, a total of 5,955 social audits<sup>48</sup> were performed on factories in our supply chain in line with Inditex's own methodology. These audits can be carried out by internal or external auditors, but are always unannounced and include a site visit to assess aspects such as wage rates, working hours, health and safety conditions, among other requirements pertaining to the Code of Conduct.

Social audits	2022	2021	2020	2019	2018
Africa	390	244	197	406	380
Americas	35	63	14	19	55
Asia	3,058	3,139	3,259	3,020	2,473
Europe outside the EU	1,177	1,326	1,074	1,660	1,241
European Union	1,295	1,068	1,145	1,306	1,210
<b>Total</b>	<b>5,955</b>	<b>5,840</b>	<b>5,689</b>	<b>6,411</b>	<b>5,359</b>

In addition to our own methodology, verifications are also carried out following the methodology of the Social & Labour Convergence Program (SLCP) initiative, of which Inditex has been a member since its inception. This initiative aims to iron out audit fatigue in global supply chains by replacing the need for brand-specific audits, with the ultimate goal of improving conditions for workers. The process consists of a self-assessment performed by the factory itself, which is verified by a third party authorised by SLCP. This verification is then shared among the various stakeholders.

In 2022, 1,400 assessments to factories of our supply chain were performed in **China, Bangladesh, Türkiye, Pakistan, Vietnam and India** following SLCP methodology. Thanks to the efforts internally devoted on the technological sphere, which allow us an integration of our systems and the SLCP Gateway, 882 have been successfully integrated at Inditex systems and therefore substitute the audits performed with our own methodology. Therefore, in addition to those carried out using our own methodology, a total of 6,837 social audits were conducted at factories in our supply chain.

Furthermore, this year social audits were also performed, in accordance with our own methodology, at more than 70 external logistics centres with which we work.

**Based on the social audits, suppliers and manufacturers are rated** in accordance with their degree of compliance with the Code of Conduct. In 2022, the active suppliers were classified as follows:

<sup>48</sup> A company may receive more than one social audit during a fiscal year. Each audit carried out is considered when accounting for audits.

Classification	2022		2021		2020		2019		2018	
	Number of suppliers <sup>1</sup>	Percentage	Number of suppliers	Percentage	Number of suppliers	Percentage	Number of suppliers	Percentage	Number of suppliers	Percentage
A	650	38%	653	37%	575	32%	784	40%	661	35%
B	1,018	59%	1,077	60%	1,152	64%	1,051	53%	1,045	56%
C	10	1%	18	1%	27	2%	44	2%	80	4%
Subject to CAP	30	2%	23	1%	24	1%	38	2%	47	3%
PR	21	1%	19	1%	27	1%	68	3%	33	2%
<b>Total</b>	<b>1,729</b>	<b>100%</b>	<b>1,790</b>	<b>100%</b>	<b>1,805</b>	<b>100%</b>	<b>1,985</b>	<b>100%</b>	<b>1,866</b>	<b>100%</b>

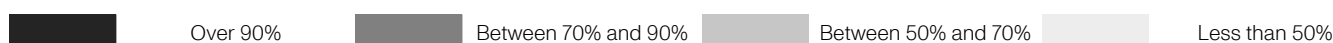
1. It includes suppliers with more than 20,000 purchase units in the 2022 spring/summer and autumn/winter campaign. Suppliers with purchase of less than 20,000 units represent 0.22%.

Social classification	Audit results
A	Complies with the CCMS
B	Does not comply with some non-relevant aspect of the CCMS
C	Does not comply with some sensitive, but inconclusive aspect of the CCMS
Subject to CAP	Breaches of the CCMS triggering the immediate implementation of a corrective action plan
PR	Undergoing an auditing process

Percentage of compliance with the Code of Conduct in the active factories<sup>49</sup> of suppliers with purchases in 2022:

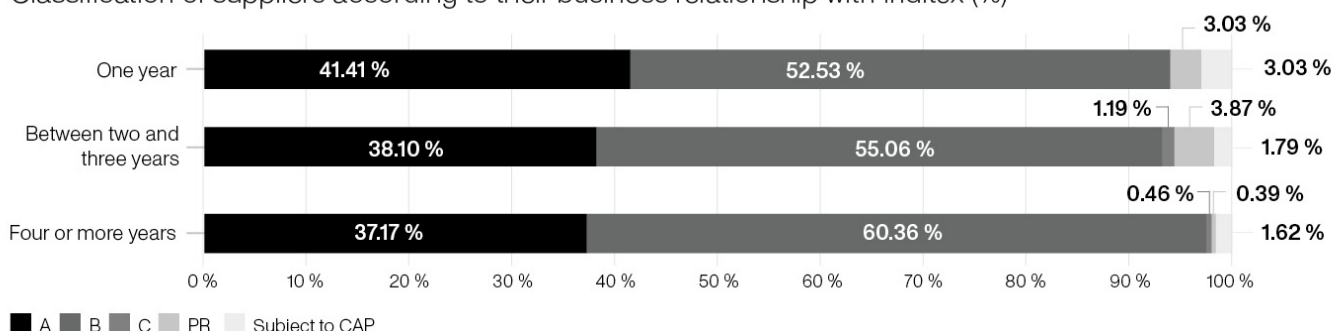
	Africa	Americas	Asia	Europe outside the EU	European Union
No forced labour	█	█	█	█	█
No work by youths or child labour <sup>1</sup>	█	█	█	█	█
No discrimination	█	█	█	█	█
Respect for freedom of association and collective bargaining	█	█	█	█	█
No harsh or inhumane treatment	█	█	█	█	█
Hygiene at work	█	█	█	█	█
Wage compliance	█	█	█	█	█
Working hours	█	█	█	█	█
Environmental awareness	█	█	█	█	█
Regular work	█	█	█	█	█
Implementation of the Code <sup>2</sup>	█	█	█	█	█

1. Includes the lack of suitable systems for verifying the age of workers.  
 2. Includes the lack of suitable systems for registering and communicating with workers.



Our ongoing work with suppliers is evidenced by the way their classification improves the longer their commercial relationship with Inditex.

Classification of suppliers according to their business relationship with Inditex (%)



<sup>49</sup> Factories blocked in 2022 not included.

### Environmental audits

Compliance with our Green to Wear standard, which applies to facilities that mainly carry out wet processes, is regularly verified through environmental audits. This kind of audit is **performed by independent external auditors** during pre-announced visits which include a review of the documentation, and unannounced analyses of wastewater, where applicable. We share the results of these water analyses with the rest of our industry as part of our collaboration with ZDHC.

In 2022, 2,065 environmental audits were carried out<sup>50</sup>.

	2022	2021	2020
Africa	75	67	26
Americas	6	4	1
Asia	1,225	936	670
Europe outside the EU	442	441	237
European Union	317	265	189
<b>Total</b>	<b>2,065</b>	<b>1,713</b>	<b>1,123</b>

In 2022, 78% of suppliers who are within the scope of the Green to Wear standard were classified as A or B, the highest scores as per Inditex's proprietary methodology.

### Special audits

To assess compliance with specific aspects, we carry out special audits, which can be performed by external or internal auditors. 1,045 special audits were performed in 2022.

Special audits	2022	2021	2020	2019	2018
Africa	117	91	36	57	130
Americas	41	5	2	112	132
Asia	795	1,066	673	1,117	1,398
Europe outside the EU	51	233	43	236	201
European Union	41	13	27	97	121
<b>Total</b>	<b>1,045</b>	<b>1,408</b>	<b>781</b>	<b>1,619</b>	<b>1,982</b>

In this category, structural technical assessments are performed of the facilities, the workers' labour conditions are verified solely from a health and safety perspective, or follow-up visits are made to monitor Corrective Action Plans that are developed when a breach of our codes and/or standards is detected.

Specifically, in 2022, 424 of these visits were thematically focused on monitoring compliance with the Code of Conduct, 540 on the implementation of Workers at the Centre programmes and 81 on verification of the application of the Inditex audit methodology.

### Continuous improvement

At Inditex, we believe in continuous improvement as a key to advancing towards our goals and strategies. Sustainable management of the supply chain is also consistent with this philosophy. One of Inditex's main tools for this purpose is the **Corrective Action Plan (CAP)**, in which our teams support and collaborate with suppliers to correct and prevent non-compliances. These plans can be devised by Inditex teams alone or in collaboration with other NGOs. In the most sensitive cases—classified as being 'subject to CAP'—the plan lasts approximately six months

**/ Social CAPs:** in 2022, 487 Corrective Action Plans were conducted. 292 of these plans were carried out in factories with a 'Subject to CAP' rating, and 195 in factories with other ratings (570 plans in 2021: 294 were carried out in factories with a 'Subject to CAP' rating, and 276 in factories with other ratings and 715 plans in 2020: 303 of these plans were carried out in factories with a 'Subject to CAP' rating, and 412 in factories with other ratings)<sup>51</sup>.

**/ Environmental CAPs:** in 2022, 547 Corrective Action Plans were conducted. 122 of these plans were carried out in factories with a 'Subject to CAP' rating, and 425 in factories with other ratings (583 plans in 2021: 171 were carried out in factories with a 'Subject to CAP' rating, and 412 in factories with other ratings and 490 plans in 2020: 132 of these plans were carried out in factories with a 'Subject to CAP' rating, and 358 in factories with other ratings)<sup>52</sup>.

At Inditex we believe that responsible purchasing management implies accompanying our suppliers in improving their social and environmental performance. However, our commitment to compliance with our standards entails a zero tolerance policy with those who do not show a willingness to improve, so that if, once the plan has been completed, the verification audit still reveals serious non-compliance, the factory or supplier will be blocked and will not be able to continue working for Inditex.

In 2022, 41 suppliers were ruled out for non-compliances linked to our Code of Conduct or other sustainability requirements, both social and environmental (16, 23, 25 and 26 in 2021, 2020, 2019 and 2018, respectively).

<sup>50</sup> The number of environmental audits conducted in 2019 and 2018 is not included, since due to the update of the Green to Wear 2.0 standard in 2020 and the consolidation of the previous Green to Wear and Ready to Manufacture standards therein, the number of audits reported in previous years is not comparable.

<sup>51</sup> In 2019 and 2018, only Corrective Action Plans of a social nature implemented in factories or suppliers Subject to CAP were reported (400 and 417 in 2019 and 2018, respectively).

<sup>52</sup> 136 and 135 total Corrective Action Plans in 2019 and 2018, respectively.

	Suppliers with purchase in 2022 <sup>1</sup>	Rejected due to a breach of the Code of Conduct	Rejected for commercial reasons	Active suppliers at 31/01/2023
Africa	201	2	4	195
Americas	11	0	0	11
Asia	955	13	2	940
Europe outside the EU	230	22	0	208
European Union	332	4	0	328
<b>Total</b>	<b>1,729</b>	<b>41</b>	<b>6</b>	<b>1,682</b>

1. Suppliers of fashion items with a production of over 20,000 units in the 2022 spring/summer and autumn/winter campaigns. Suppliers with lower productions account for 0.22% of total production.

The Corrective Action Plans are complemented by different plans and projects for improvement and support to suppliers and manufacturers, such as the programmes developed within the framework of our Worker in the Centre strategy. In addition, in 2022 we have launched a Collaboration Environmental Improvement and Supply Chain Transformation Programme, with a special focus on water, waste, chemical management and energy, involving 208 facilities.

① More information in sections [5.5.1 Our approach to energy management and emissions reduction](#) and [5.5.2 Our approach to water management](#) of this Report.

① More information in the document *Supply chain: management to transform the sector*, available on Inditex's corporate website.

## Innovation in production processes

At Inditex we are committed to transforming our industry, including using production processes with a lower impact on water and energy consumption. In this regard, we work with different organisations and companies from various sectors to develop innovative solutions that reduce impacts.

One of the year's highlights has been the joint development with the CHT Group of PIGMENTURA by CHT, an innovative dyeing solution that reduces water consumption by up to 96%.

This novel development is the initial result of the research partnership with CHT initiated in 2020. It is based on a pigment dye, which does not require washing and drying processes, reducing the water and energy needed to heat these processes. This can save up to 60% of energy compared to other, continuous dyeing technologies.

This new dyeing method is easy to implement due to its high reliability, as it significantly reduces the time and complexity of the process. Moreover, it can be implemented in all existing continuous dyeing installations without the need for investment and can even be applied to complex fibre blends, including recycled fabrics whose dyeing process tends to be more complex.

At the same time, we also work with BASF to implement and optimise the first industrial cold washing system, SOKALAN HP 56 A, which can meaningfully reduce water and energy consumption in "exhaust" dyeing systems.



## 5.6.2. Workers at the Centre

GRI 3-3; 413-1; 407-1; 403-6; 403-7; 403-8; AF1; AF2; AF3; AF24; AF27

📄 More information in the report *Workers at the Centre*, available on Inditex's corporate website.

Inditex has sound policies, tools and practices for sustainable supply chain management. Their implementation over the years has allowed us to identify workers' needs in the various geographical areas where we make our products and to develop a strategy that puts the "Worker at the Centre". The strategy is based on the respect and promotion of human rights and on the creation of social value in the community and industry.

📄 More information in section [5.6.1. Management of the supply chain](#) of this Report.

We work closely with stakeholders to address the shared challenges throughout the supply chain and we stand close to workers to understand their needs and provide them with the necessary tools for their empowerment, participation and well-being.

The strategy emerged from the ongoing analysis and assessment of our supply chain, and following a human rights due diligence process developed in partnership with Shift, a leader in the implementation of the UN Guiding Principles on Business and Human Rights.

It comprises seven **Priority Impact Areas** identified through a due diligence process. These areas are: Worker Participation; Living Wages; Gender, Diversity and Inclusion; Occupational Health and Safety; Protection of Migrants and Refugees; Social Protection; and Protection of Labour Rights in the Production of

Raw Materials.

During the implementation of the strategy for each of the Priority Impact Areas, we have sought to deepen the impacts, understand the context and weave a network of partnerships, projects and interventions aimed at promoting systemic changes in the industry and across communities.

### To achieve our purpose

#### **We identify, assess and improve the working conditions of our entire supply chain**

- / We cover 100% of the supply chain.
- / Suppliers subject to compliance with the Code of Conduct for Manufacturers and Suppliers and with our standards.
- / We have tools for assessment and continuous improvement.

#### **We are a catalyst of change in the industry by promoting sustainability**

- / Responding to workers' needs.
- / Tools for empowerment, engagement and well-being.
- / Partnerships with stakeholders.
- / More prosperous communities.
- / More sustainable industry in the long term.

## Workers at the Centre

The Workers at the Centre 2019-2022 strategy is based on **respect for the Human Rights** of the workers in our supply chain.

### Priority Impact Areas



#### Worker Participation

Developing and improving social dialogue to achieve mature industrial relations and to champion worker satisfaction.



#### Living wages

Facilitating that workers in the supply chain earn a living wage.



#### Gender, diversity and inclusion

Promoting that all the women in the supply chain benefit from the best conditions and opportunities, while fostering equality in a cross-cutting manner, and creating a diverse, safe and inclusive work environment.



#### Occupational health and safety

Guaranteeing that workers in the supply chain are protected against risks to their occupational health, safety, and well-being.



#### Protection of migrants and refugees

Ensuring that the rights of refugees and migrants are upheld and that a decent workplace is provided in factories, supporting cohesion.



#### Social protection

Enabling the well-being of happy and healthy workers in the supply chain.



#### Protection of labour rights in the production of raw materials

Promoting the human and labour rights of the workers in the supply chain of raw materials through proactive actions in terms of the workplace, the community, and industry.

### Three elements



#### / The worker

The workers in the supply chain **are placed in the centre as the main beneficiaries** of the strategies and programmes based on their empowerment and participation.



#### / The dimensions

##### Workplace

We ensure that all the facilities in the supply chain meet the standards that guarantee respect for human and labour rights.

##### Well-being

Our goal is the development of the workers and their communities, in order to bring about a transformative social change.

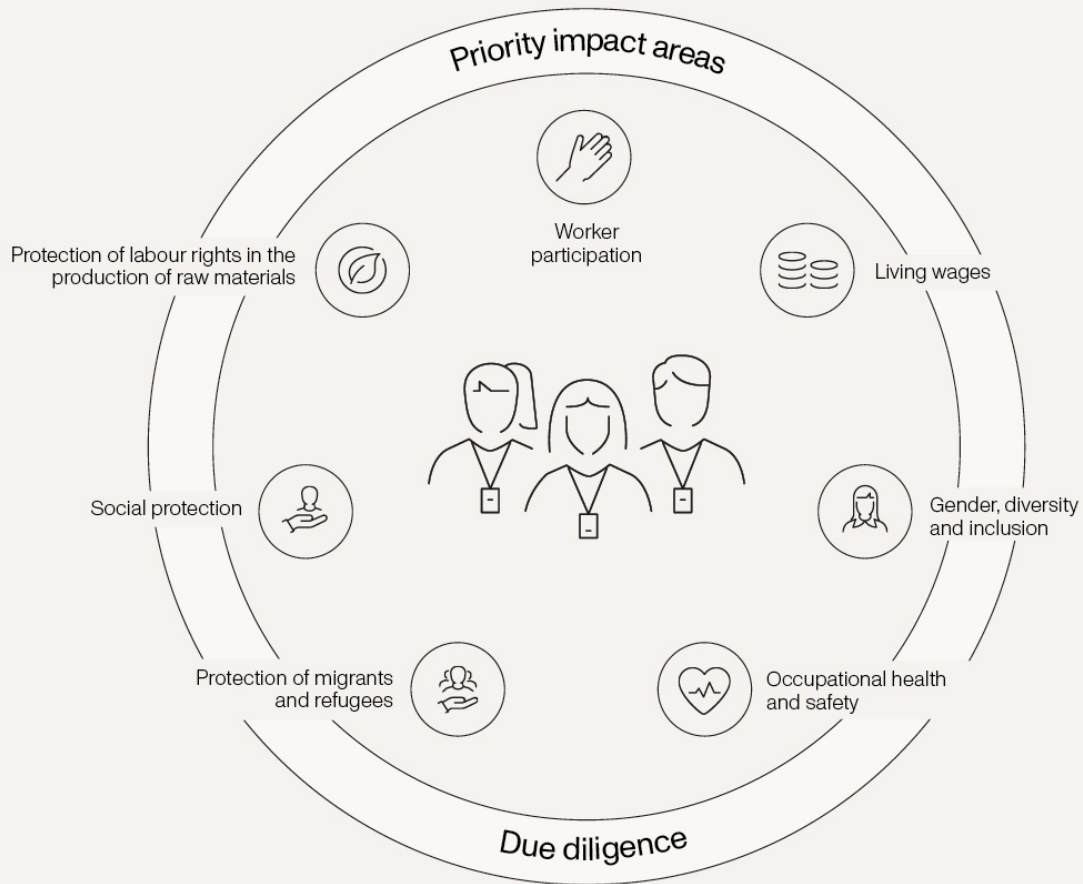
##### Industry

We firmly believe that the solution to many of the challenges in the sector lies in joint commitment and collaboration of all the players in the industry.



#### / Due diligence

This is an ongoing process, based on the **United Nations Guiding Principles on Business and Human Rights**, which has enabled us to identify seven priority impact areas (PIAs) in which we have established strategic action lines.



1,576,549

**Workers**  
benefited by the strategy  
“Workers at the Centre” in 2022

1,770

**Suppliers and factories**  
reached by the strategy  
“Workers at the Centre” in 2022

47

**Projects**  
developed by the “Workers at  
the Centre” strategy in factories  
and/or communities in 2022

100%

**Suppliers**  
covered by the strategy

36

**Organisations**  
we collaborate with

2022 was the year of completion of the current cycle of the Workers at the Centre strategy. Over the last four years, we have worked in the development of tools, projects and partnerships to promote decent work and sustainable productive environments.

Since its initial implementation in 2019, its programmes and projects reached a total of 3,298 suppliers and manufacturers, benefiting 2,515,491 workers. In particular, in 2022 47 projects were carried out at 1,770 suppliers and manufacturers.

In 2023 we will launch our new strategy Workers at the Centre 2023-2025 under which framework we will continue working on the respect and promotion of human rights, broadening the ambition with the final aim of transforming workers' lives and the industry as a whole.

### Key characteristics of the *Workers at the Centre* strategy

#### From compliance to commitment

In the journey towards socially sustainable supply chain management, embedded in our human rights strategy, we have gradually incorporated new elements over the years to strengthen the protection of supply chain workers' rights, evolving from a compliance-based model to the current strategy, which folds in the vision of transformation and impact.

#### Culture of collaboration

The challenges posed by a global supply chain are shared, so collaboration is required to have a leveraging and lasting impact. In particular, our sustainability goals for the supply chain are shared by suppliers, manufacturers, companies and brands, and other stakeholders such as NGOs, trade unions and local and international organisations.



Accordingly, at Inditex, we are firmly committed to collaboration, weaving networks of trust with our partners. We have teams in the main production markets, in direct contact with suppliers, workers, trade unions, NGOs, local and national authorities, international organisations and academic institutions, among

others. This way of working at the local level is what we call '**clusters**'. In 2022, Inditex had 12 clusters in Spain, Portugal, Morocco, Türkiye, India, Bangladesh, Pakistan, Vietnam, China, Cambodia, Argentina and Brazil.

Furthermore, at Inditex we take an open and collaborative approach with a range of bodies and we actively participate in the industry's global initiatives as the driving force for transformation, always with the aim of that the sector adopts sustainable practices on a widespread manner.

One of our most significant relationships is with the international trade union federation IndustriALL, with which Inditex signed a Global Framework Agreement in 2007 that has been periodically renewed since then. This agreement, which has commemorated its 15th anniversary this year, is one of our most valuable tools for promoting worker participation, the respect for freedom of association and collective bargaining.

We also work with international organisations such as the International Labour Organization (ILO) through public-private partnerships, the Better Work initiative, the United Nations Global Compact and the Ethical Trading Initiative.

Lastly, we highlight the importance of our collaboration with **other brands** through various initiatives, such as ACT (Action, Collaboration, Transformation), which works to achieve living wages in the supply chain through responsible purchasing practices and collective bargaining.

#### Integration in the business model

At Inditex, we see sustainability as a **way of acting**, and as such it permeates the entire business model and each of the areas that develop it.

In particular, the involvement of the buying teams is essential. Among others, we have developed management systems that allow all our buying teams to know the performance of each supplier, encouraging **responsible purchasing practices** that allow them to make sustainability-focused business decisions.

#### Supporting our suppliers

Raising awareness and training of our suppliers enables us to address supply chain challenges as a shared responsibility. Our buying and sustainability teams have a very close relationship with suppliers. A prime example is the continuous and specialised training on issues such as gender equality, freedom of association, living wages or health and safety. In 2022, we provided training programmes to 1,042 suppliers.

Worker participation

## Worker participation

### Goal

Developing and improving social dialogue to achieve mature industrial relations and champion worker satisfaction.

### Strategy

/ Promoting the Global Framework Agreement with IndustriALL Global Union

/ Raising awareness on social dialogue and worker participation

/ Guaranteeing effective worker representation mechanisms

#### Related SDGs



#### Related human rights

/ Freedom of association

/ Collective bargaining

#### Alliances and partnerships

/ ACT (Action, Collaboration, Transformation)

/ BetterWork

/ Ethical Trading Initiative

/ IndustriALL Global Union

/ University of Oxford

/ University of Toronto

### 2022 Key indicators

/ 334,684 benefited workers

/ 175 suppliers and factories involved

/ Bangladesh, Cambodia, Egypt, Indonesia, Morocco, Pakistan, Tunisia, Türkiye and Vietnam

Workers' satisfaction through their continuous empowerment, the encouragement of mature industrial relations and, therefore, the promotion of social dialogue, and the protection of the rights of freedom of association and collective bargaining throughout the Inditex manufacturing chain are the central axes on which our worker participation strategy hinges.

#### a) Promoting the Global Framework Agreement with IndustriALL Global Union

The Global Framework Agreement is the main tool for implementing our worker participation strategy. Since its signing in 2007, its development has revolved around respect for the rights of freedom of association and collective bargaining in our manufacturing chain, but also the empowerment of workers through various training activities and the transparent relationship between the two organisations, harnessing tools such as the Global Union Committee.

#### Projects implemented in 2022

/ Collaboration on the ground with IndustriALL and its local affiliates (in Bangladesh, Morocco, Tunisia and Türkiye)

#### b) Raising awareness on social dialogue and worker participation

Social dialogue is grounded on the ability of employers and workers to engage in a process of communication and interaction on any aspect that may be considered important. Thus, we encourage employee participation so as to understand their needs, preferences and expectations.

#### Projects implemented in 2022

/ Workers' preferences (Morocco)

#### c) Guaranteeing effective worker representation mechanisms

The effective promotion of social dialogue in our supply chain is based on the premise of ensuring effective representation mechanisms at both sector and work centre level. In this regard, we are actively engaged in initiatives such as ACT (Action, Collaboration, Transformation), the International Labour Organization (ILO) through its Better Work programme and the Ethical Trading Initiative (ETI).

### Projects implemented in 2022

- / Better Work programme (Bangladesh, Cambodia, Egypt, Indonesia, Pakistan and Vietnam)
- / Social Dialogue and Gender Sensitive Workplace Programme (Bangladesh)

## 15th anniversary of the Global Framework Agreement with IndustriALL

The commemoration of the 15th anniversary of the Framework Agreement with IndustriALL Global Union marks an important milestone in the history of Inditex, with the commitment of both organisations to create a ground-breaking framework of collaboration that establishes respect for the rights of freedom of association and collective bargaining, and training of workers, their legitimate representatives and suppliers as the central core from which to develop an array of activities focused on the continuous improvement of working conditions in the Inditex production chain.

Since signing the Global Framework Agreement in 2007 and renewing it, first in 2014 and then 2019, we have been able to cement a set of principles based on transparency and worker empowerment, further strengthening the role played by IndustriALL Global Union affiliates in the various supplier markets. In this connection, a new protocol was signed on this 15th anniversary that fosters social dialogue by establishing new mechanisms that strengthen the role of local trade unions and advance towards a better understanding of supply chain workers' needs. A new procedure for access to work centres has also been devised, which aims to further the knowledge and monitoring of working conditions in the factories of the Inditex supply chain.



## Living Wages

### Living wages

#### Goal

Facilitating the workers in the Inditex supply chain earn a living wage.

#### Strategy

- / Promoting collective bargaining.
- / Responsible purchasing practices.
- / Improving the production organisation systems and methods.
- / Improving management systems and wage digitalisation.

#### Related SDGs



#### Related human rights

- / Fair and favourable working conditions
- / Non-discrimination
- / Adequate standard of living
- / Education
- / Health
- / Life
- / Collective bargaining
- / Property

#### Alliances and partnerships

- / ACT (Action, Collaboration, Transformation)
- / Better than Cash Alliance
- / BSR (Business for Social Responsibility)
- / East China University of Political Science and Law (ECUPL)
- / IndustriALL Global Union
- / International Labour Organization
- / Universidade do Minho

#### 2022 Key indicators

- / 98,903 benefited workers
- / 105 suppliers and factories involved
- / Bangladesh, China, Cambodia, Egypt, India, Pakistan, Portugal, Türkiye and Vietnam.

Our definition of living wages is fully aligned with that of the ACT initiative: 'A living wage is the minimum income necessary for a worker to meet the basic needs of himself/herself and his/her family, including some discretionary income. This should be earned during legal working hour limits (i.e. without overtime)'.

#### a) Promoting collective bargaining

Our strategy is based on the principle that living wages and, in general, decent working conditions are those that result from collective bargaining and collective agreements between employers and workers through their freely chosen representatives. This approach is also that of the ACT initiative, which provides a framework for all stakeholders to work towards securing collective bargaining agreements at industry level. This vision is further strengthened through our Global Framework Agreement with IndustriALL Global Union, which is one of the most effective instruments to implement our living wage strategy.

#### Projects implemented in 2022

- / Collaboration with ACT (Bangladesh, Cambodia and Türkiye)

#### b) Responsible purchasing practices

Responsible purchasing practices can help create an environment that is conducive to improving working conditions, wages and benefits for workers in the supply chain. Mindful of this, as ACT members since 2018 we have signed up to five commitments in relation to purchasing practices. To implement these commitments and help our buyer teams make responsible purchasing decisions, we train them to adopt best practices and we develop and provide them with management systems to measure the sustainability performance of each supplier and factory.

#### c) Enhancing the production organisation systems and methods

Honing skills and boosting productivity play a relevant role in improving workers' wages and benefits. Factories with better productivity are more flexible, not only to share the additional benefits with workers, but also to remain competitive in the industry and thus keep workers in their jobs, a crucial consideration from a living wage perspective.

**Projects implemented in 2022**

- / LEAN project (Bangladesh, China and Portugal)
- / SCORE programme (China)

**d) Improving management systems and wage digitalisation**

We conduct a process of monitoring and strengthening the wage management systems in the Inditex supply chain. This process includes promoting workers' access to digital payments and services and training them in the use of available technologies and services.

**Projects implemented in 2022**

- / Wage digitalisation capacity building (Vietnam)
- / HERfinance – digital payments (Cambodia, China, Egypt, India and Vietnam)
- / Wage analysis (Bangladesh, China, India and Pakistan)

Gender, diversity and inclusion

**Gender, diversity and inclusion**

**Goal**

Promoting that all the women in the supply chain benefit from the best conditions and opportunities, while fostering equality in a cross-cutting manner, and creating a diverse, safe and inclusive work environment.

**Strategy**

- / Health: Facilitating healthcare services, chiefly in maternity and reproductive health.
- / Protection: Promoting zero tolerance policies and practices of prevention and management of workplace harassment.
- / Empowerment: Involving female workers in programmes related to finance, leadership, and empowerment.

**Related SDGs**

**Related human rights**

**Alliances and partnerships**



- / Fair and favourable working conditions
- / Non-discrimination
- / Adequate standard of living
- / Education
- / Health
- / Life
- / Not being subject to degrading treatment
- / Not having to endure harassment
- / Equal pay
- / Freedom of movement
- / Freedom and security of the person
- / Engagement in public life
- / Rights of employees with disabilities
- / Reproductive rights

- / Anne Çocuk Egitim Vakfi (ACEV)
- / Associação Plano i
- / BSR (Business for Social Responsibility)
- / Casal dels infants
- / International Center for Research on Women (ICRW)
- / Medicus Mundi Sur
- / St Johns Medical College

**2022 Key indicators**

- / 189,958 benefited workers
- / 86 suppliers and factories involved
- / Bangladesh, India, Morocco, Pakistan, Portugal, Sri Lanka, Türkiye and Vietnam



By means of this strategy, we have developed a gender-sensitive framework which is embodied in partnerships, actions and projects to promote gender equality. We also develop work areas for the inclusion of other groups, such as the LGBT+ community.

**a) Health: facilitating healthcare services, chiefly in maternity and reproductive health**

At Inditex we advocate improved access to health care for women, as well as family planning and maternal health. By maintaining an active presence across our supply chain, we have successfully brought these measures to a large number of women who would otherwise have had difficulties accessing products and services.

**Projects implemented in 2022**

/ Medicus Mundi Health (Morocco)  
/ Sakhi Health (India)  
/ Sakhi Menstrual Rights (India and Sri Lanka)  
/ HERhealth (Vietnam)

**b) Protection: Promoting zero tolerance policies and practices for the prevention and management of workplace harassment**

Preventing and managing harassment, abuse and violence when it does occur, and implementing zero tolerance policies towards these conducts, is a part of the human rights strategy we advocate at Inditex. In this regard, in addition to being alert to any such practices in our regular audits and visits to factories in the supply chain, we also use various activities, projects and training to foster the development and implementation of zero tolerance policies on workplace and sexual harassment, as well as prevention practices.

**Projects implemented in 2022**

/ Medicus Mundi Protection (Morocco)  
/ HERrespect (Bangladesh)  
/ LGBTI+ Awareness (Portugal)

**c) Empowerment: involving female workers in programmes related to finance, leadership, and empowerment**

Although women are a key part of supply chains, they are still under-represented in highly-skilled or supervisory posts. Hence, we aim to provide access to the necessary tools to enable women to actively engage in the workplace, involving them in financial, leadership and empowerment programmes.

**Projects implemented in 2022**

/ Together Strong (Türkiye)  
/ HERessentials (Pakistan)  
/ Self-Diagnosis Tool (Global)  
/ Work-life balance for working mothers (Morocco)



**Occupational Health and Safety**


## Occupational health and safety

**Goal**

Guaranteeing that workers in the supply chain are protected against risks to their occupational health, safety, and well-being.

**Strategy**

- / Monitoring compliance with the Code of Conduct and applicable legislation.
- / Emergency preparedness and response.
- / Effective worker participation in occupational health and safety issues.
- / Implementing occupational health and safety management systems.

Related SDGs	Related human rights	Alliances and partnerships
	<ul style="list-style-type: none"> <li>/ Fair and favourable working conditions</li> <li>/ Education</li> <li>/ Health</li> <li>/ Life</li> <li>/ Freedom of association</li> </ul>	<ul style="list-style-type: none"> <li>/ AKUT</li> <li>/ International Accord For Health And Safety In The Textile And Garment Industry</li> <li>/ RMG Sustainability Council (RSC)</li> <li>/ Medicus Mundi Sur</li> <li>/ St. Johns Medical College</li> </ul>

**2022 Key indicators**

- / 683,532 benefited workers
- / 579 suppliers and factories involved
- / Bangladesh, China, India, Italy, Morocco, Pakistan, Türkiye and Vietnam

Protecting people through a firm commitment to safer and healthier working environments is essential to achieving decent and sustainable working conditions.

**a) Monitoring compliance with the Code of Conduct and applicable legislation**

Within this strategic line, we carry out projects and initiatives aimed at reinforcing the assessment, support and improvement of compliance with our Code of Conduct for Manufacturers and Suppliers and with applicable legislation. Furthermore, we refer to publications such as the ILO Code of Practice on Safety and Health in Textiles, Clothing, Leather and Footwear Industries, which serve as a guide to address the important issues and risks in this industry.

**Projects implemented in 2022**

- / Structural assessment, fire prevention and electrical safety (Bangladesh, Türkiye, India, Italy and China)
- / Monitoring compliance of Accord/RSC corrective action plans (Bangladesh)
- / Boiler safety (Morocco)
- / Occupational health and safety improvement plan (Global)

**b) Emergency preparedness and response**

We work with our suppliers to develop their emergency prevention, planning and response capabilities. Training for workers and, in particular, for those responsible for health and safety; assessment of manufacturers' and suppliers' facilities; and improvement plans to reduce the risk of accidents or emergencies are among the initiatives carried out in this regard.

**Projects implemented in 2022**

- / Structural, fire prevention and electrical safety using advanced diagnostics (India and Pakistan)
- / Training programme for emergency preparedness (Türkiye)
- / Training, assessment and improved response to emergency, electrical and fire risks (Pakistan)

**c) Effective worker participation in occupational health and safety issues**

Workers have a key role to play in improving health and safety in the workplace. Their effective involvement, through health and safety committees and other potential avenues, improves risk identification and assessment, risk monitoring and internal organisation, among other factors. This strategic line endeavours to ensure that both workers and their representatives are consulted, informed and trained in health and safety matters in all aspects relevant to their work.

**Projects implemented in 2022**

/ Support for Health and Safety Committees (Morocco)

/ Development and participation in the improvement of physical and mental health (Vietnam)

**d) Implementing occupational health and safety management systems**

In this strategic area, we carry out projects aimed at reinforcing the commitment of our suppliers and manufacturers to

occupational health and safety and at equipping their organisational structure to establish management systems targeting continuous improvement.

**Projects implemented in 2022**

/ WISH: Workplace Improvement for Safety and Health (China)

/ HOPE: Health – Opportunity to Protect and Engage (India)

**Expansion of the International Accord to include Pakistan**

One of the main new developments in the International Accord for Health and Safety in the Textile and Garment Industry, signed in 2021, was the commitment to expand to other markets the lessons learned and achievements from prior agreements in the Bangladeshi textile industry. Over the course of 2022, Inditex has worked with the International Accord Secretariat, other signatory brands and with IndustriALL Global Union and UNI Global Union on feasibility studies with a view to expanding this agreement to other countries.

The Pakistan Accord began in January 2023, with a three-year implementation period to be phased in, with the support of government agencies and close collaboration between industry associations, trade unions and brands. As part of the implementation, work will be carried out to set up a national governing body for the accord. The accord will cover more than 500 factories in the provinces of Sindh and Punjab, where most of Pakistan's annual garment and textile exports are manufactured.



**Protection of migrants and refugees**




## Protection of migrants and refugees

**Goal**

Ensuring that the rights of refugees and migrants are upheld and that a decent workplace is provided in factories, supporting cohesion.

**Strategy**

- / Remediation plans for refugees and migrants.
- / Fair employment and recruitment practices for migrants and refugees.
- / Reinforcing social and workplace cohesion.

Related SDGs	Related human rights	Alliances and partnerships
  	<ul style="list-style-type: none"> <li>/ Non-discrimination</li> <li>/ Education</li> <li>/ Life</li> <li>/ Freedom of movement</li> <li>/ Freedom of association</li> <li>/ Ban on forced labour</li> <li>/ Freedom of thought, conscience and religion</li> <li>/ Privacy</li> <li>/ Protection against violence</li> <li>/ Medical Care</li> <li>/ Freedom of opinion and expression</li> <li>/ Property</li> </ul>	<ul style="list-style-type: none"> <li>/ Association for Solidarity with Asylum Seekers and Migrants (ASAM)</li> <li>/ International Labour Organization (ILO)</li> <li>/ Pratham</li> <li>/ Refugee Support Centre (MUDEM)</li> <li>/ Social Awareness and Voluntary Education (SAVE)</li> <li>/ United Work</li> </ul>

**2022 Key indicators**

- / 22,983 benefited workers
- / 81 suppliers and factories involved
- / India and Türkiye

Inditex provides special protection to all migrants, especially to refugees in Türkiye due to their extreme vulnerability as a result of the Syrian conflict, but also in countries such as India and China, where there is a high percentage of internal migration and workers face challenges such as lack of coverage by social protection systems or family disconnection. Against this backdrop, we aim to ensure that these people’s rights are respected and that factories provide a decent workplace, supporting social cohesion.

**a) Remediation plans for refugees and migrants**

Wherever our assessments reveal the presence of migrant or refugee workers in any of the production facilities we work with, we examine the circumstances case by case to effectively evaluate their working and living conditions. With their needs in mind, we implement remediation plans in tandem with expert organisations, so as to support them and their families. These plans are especially important in Türkiye, where we have been working with the local organisation MUDEM to implement them since 2016.

**Projects implemented in 2022**

- / Remediation plans (Türkiye)
- / Sankalp (India)

**b) Fair employment and recruitment practices for migrants and refugees**

Establishing effective management systems to ensure that all workers, including migrants and refugees, are recruited fairly and benefit from decent working conditions is important to ensure the professional and personal well-being of migrants and refugees.

**Projects implemented in 2022**

- / Worker Support Centre (Türkiye)
- / Sowbhagyam (India)

### c) Reinforcing social and workplace cohesion

We work on projects and partnerships that focus on building factory management's capacity to maintain harmonious relations; strengthen communication and interaction between refugees, migrants and host communities; and contribute positively to well-being. Thus, we aim to achieve greater social cohesion in the workplace and, as an indirect result, to extend this to local communities.

#### Projects implemented in 2022

- / Training project for migrant workers (Türkiye)
- / Workplace adaptation programme (Türkiye)
- / Towards an inclusive workplace for refugees (Türkiye)

### Social Protection

## Social Protection

#### Goal

Enabling the well-being of workers in the supply chain.

#### Strategy

- / Access to social protection and social benefits.
- / Alleviating poverty and preventing school drop-out.
- / Personal health and well-being.
- / Facilitating access to adequate nutrition and drinking water.

#### Related SDGs



#### Related human rights

- / Adequate standard of living
- / Education
- / Health
- / Social protection

#### Alliances and partnerships

- / Alive & Thrive
- / Covid-19 Action in the Global Garment Industry
- / Network of Organizations Working for People with Disabilities Pakistan (NOWPDP)
- / International Labour Organization
- / Swasti

#### 2022 Key indicators

- / 17,919 benefited workers
- / 15 suppliers and factories involved
- / Cambodia, China, India, Pakistan and Vietnam

Over the years, Inditex has actively advocated social protection as a means of improving the well-being of workers in our supply chain, taking part in initiatives and implementing projects in our main manufacturing markets in keeping with the local context.

#### a) Access to social protection and social benefits

We are engaged in ensuring access to adequate and sufficient social security coverage in the supply chain, regularly assessing the compliance levels of factories and suppliers and, where necessary, implementing and monitoring corrective action plans.

We also took part in the Covid-19: Action in the Global Garment Industry initiative, which emerged in 2020 as a joint response to the effects of Covid-19, and which calls "to work together to establish sustainable systems of social protection for a more just and resilient garment industry".

### Projects implemented in 2022

- / Review of the compliance programme to improve management systems in the area of social protection (Global)
- / Involvement in Covid-19: Action in the Global Garment Industry (Global)
- / PARVAAZ. Managing disability in the workplace (Pakistan)

### b) Alleviating poverty and preventing school drop-out

The impact of this line of action extends to the families and communities of supply chain workers. For example, we have child labour remediation plans, but also important proactive endeavours to prevent school drop-out and raise awareness of children's rights. We also provide skills and tools to support communication between parents and children and, consequently, to improve families' well-being.

### Projects implemented in 2022

- / Prevention of school dropout (Global)
- / Ending long-distance parenting for working parents (China)

### c) Personal health and well-being

This specific, strategic line of work aims to promote well-being projects in which we team up with partners such as Swasti to create projects to benefit supply chain workers and the

community. Collaboration with the occupational health and safety priority impact area allows for a more thorough design and implementation through a comprehensive approach to health.

### Projects implemented in 2022

- / Happiness for all (India)

### d) Facilitating access to adequate nutrition and drinking water

Access to safe drinking water and adequate nutrition are basic needs for workers, and are even more salient for certain vulnerable groups. Through our collaboration with Alive & Thrive, we advocate for maternity protection and access to infant nutrition in countries such as Cambodia and Vietnam, following a set of approaches that include adopting policies to protect breastfeeding rights, creating a safe and hygienic space for breastfeeding, and nurturing a favourable environment based on knowledge and awareness among workers and management.

### Projects implemented in 2022

- / Mothers at the workplace – Breastfeeding-friendly workplaces (Vietnam and Cambodia)



## Protection of labour rights in the production of raw materials

### Protection of labour rights in the production of raw materials

#### Goal

Strengthening human and labour rights of the workers in the supply chain of raw materials through proactive actions in terms of the workplace, the community, and industry.

#### Strategy

- / Promoting the well-being of workers in the supply chain of raw materials.
- / Increasing the responsibility on sustainability of all the players in the supply chain.
- / Establishing best practices and recommendations for the raw material supply chain.

#### Related SDGs



#### Related human rights

- / Fair and favourable working conditions
- / Adequate standard of living
- / Freedom of movement
- / Freedom of association
- / Healthy environment
- / Ban on forced labour
- / Collective rights of communities
- / Freedom of thought, conscience and religion
- / Privacy
- / Protection against violence
- / Health care
- / Freedom of opinion and expression
- / Property

#### Alliances and partnerships

- / Better Cotton
- / Organic Cotton Accelerator (OCA)
- / International Labour Organization
- / Responsible Sourcing Network (RSN)

#### 2022 Key indicators

India, Mali and Pakistan

Raw materials play an important role as they are the basis of any product marketed by Inditex. Bearing in mind the complexities of this stage of the supply chain, we take a holistic approach so as to, not only identify the needs of workers associated with this part of our supply chain through the relevant due diligence, but also ensure that their fundamental rights are strengthened and respected through commitments and partnerships.

#### a) Promoting the well-being of workers in the supply chain of raw materials

Our work on developing the public-private partnership agreement signed in 2017 with the International Labour Organization (ILO) aims to promote fundamental principles and rights in the cotton supply chain in India, Pakistan and Mali. The project has created an ecosystem within the cotton producing industry, using unique social dialogue structures and processes to uphold fundamental labour rights.

#### Projects implemented in 2022

- / Public-private partnership with the ILO (India, Pakistan, Mali)

#### b) Raising the responsibility on sustainability of all the players in the supply chain

Awareness among all stakeholders is essential to strengthen the respect and protection of human rights in the cotton industry. This can be achieved through social dialogue, collective action for the defence and commitment to fundamental labour principles and rights at the industry level. One example of collaboration is with Responsible Sourcing Network on the YESS (Yarn Ethically & Sustainably Sourced) project, which harnesses the OECD's due diligence approach to risk identification.

#### Projects implemented in 2022

- / Yarn Ethically & Sustainably Sourced (Global)

**c) Creating best practices and recommendations for the raw material supply chain**

We collaborate in global initiatives to identify impacts and best practices in connection with raw materials, with a systemic vision, encompassing social and environmental aspects. In this sense, we collaborate with organizations such as Organic Cotton Accelerator (OCA) or Better Cotton.

In the past years, several reports have been published condemning social practices and breaches in some regions of Asia where Inditex does not operate. At Inditex, we seriously analyse any information related to abusive or inappropriate practices at any link in the textile sector supply chain, and we put the necessary mechanisms to prevent or remedy them into practice.

In 2022, based on our due diligence processes and in collaboration with various organisations, we continued to work to ensure the absence of forced labour – on which we have a zero-tolerance approach – as well as to ensure compliance with international standards and our Code of Conduct for Manufacturers and Suppliers also in the raw materials supply chain. Inditex has developed and applies strict policies and actions with the ultimate goal of fostering respect for the human rights of all workers in our supply chain.

Our audit programme, together with the projects and programmes of the Workers at the Centre 2019-2022 social strategy, and our close and permanent partnership with certain stakeholders, such as the Ethical Trading Initiative and the ILO, strengthen our commitment to the prevention of forced labour. In this regard, we remain committed to the process of involvement and dialogue with relevant stakeholders (both local and international) in order to identify opportunities to prevent negative impacts on workers' lives.

**Projects implemented in 2022**

- / *Organic Cotton Accelerator* (India, Pakistan)
- / *Better Cotton* (Global)





## 5.7. Communities

GRI 2-28; 3-3; 413-1; 413-2; AF33; AF34

**Related material topics: Stakeholder engagement; Value creation**



① More information in the *Community Investment Report*, available on Inditex's corporate website.

At Inditex we see community investment as an opportunity to contribute to develop society and care for the planet, placing a special focus on the geographical areas where we carry out our activity. With this in mind, we undertake these investments through partnerships in initiatives which prioritize long-term strategic projects, subject to an exhaustive monitoring and accountability process, as opposed to making sporadic contributions to social or environmental causes.

In 2022, we updated our Community Investment Policy, available on our website, to align it with best practices and recommendations on the topic. This new policy, which replaces the previous one from 2014, was approved on 13 December 2022 and develops the content on community investment set out in the Code of Conduct and Responsible Practices, the Sustainability Policy and the Policy on Human Rights.

One of the reasons for updating our Community Investment Policy is to align the initiatives we undertake with our corporate strategy, the Paris Agreement on climate change and the Sustainable Development Goals set out in the United Nations 2030 Agenda, which represent the driving force behind our community investment programme.

These commitments are embodied in specific projects in which we invest both monetary and in-kind resources, as well as our employees' time, and which, as specified in the policy itself, focus on:

- / Education:** initiatives that seek to ensure the right to quality education at every stage of life and generate decent work opportunities, from a standpoint of equality and inclusion.
- / Emergency relief:** humanitarian actions to protect the lives, health and well-being of forced migrants and refugees and other vulnerable groups facing emergency situations triggered, among others, by natural catastrophes, wars or similar situations.



**/ Environment:** activities that foster the preservation and resilience of natural ecosystems, as the cornerstone of community health and for other living beings, by means of conservation and restoration actions, encouragement of regenerative practices, circular economy commitments and the efficient use of resources, from a "climate justice" and "intergenerational justice" standpoint.

Gender equality, as well as being a fundamental human right, is a main building block for creating a peaceful, prosperous and sustainable world. Consequently, as well as being an objective, the **gender perspective** is a priority that cuts through every aspect of our community investment strategy. As part of this cross-cutting intervention, we take a comprehensive approach to the activities aimed at advancing respect for diversity and the struggle for equality between men and women in every aspect of their lives (economic, social, cultural, workplace, political, and so on), framed by a holistic approach that tackles the root issues and helps mitigate their current consequences.

Furthermore, the initiatives that we promote must be **voluntary; non-profit and focused on a social and/or environmental benefit**; and they must be open to all possible beneficiaries, without prior classification that discriminates against them or favours them because of their belonging to or having a relationship with Inditex.

We also believe it is essential to rigorously measure the outputs and impacts of the initiatives that make up our community investment programme. To do this, we use, among others, the Business for Societal Impact (B4SI) measurement methodology, based on carefully allocating contributions in the community, measuring outputs and evaluating the impact of the various components of the project, in order to assess both the benefit and the programme as a whole.



In total, this year we have launched 725 social and environmental initiatives that have directly benefited more than 3.3 million people. Our annual community investment exceeded 87 million euros<sup>53</sup> and has focused on those sustainable development goals most closely related to our activity. Among them, we highlight the following projects in 2022:

/ Launch of an emergency relief programme, as a consequence of the armed conflict in Ukraine, articulated through support for the United Nations' "Ukraine Flash Appeal" and "Regional Refugee Response Plan" initiatives, involving the supply of clothing and shelter through UNHCR and the job creation within the Inditex workforce in Europe.

/ Establishment of a strategic partnership with the World Wide Fund for Nature (WWF) to restore endangered ecosystems in Europe, Asia, Africa and Latin America. Under this new partnership, nine projects have been launched, focusing on forest conservation, the restoration of river catchment areas and the protection of endangered species and their ecosystems.

/ Support for Water.org's Water & Climate Fund for the development of projects to improve water and sanitation infrastructure with the aim of achieving greater efficiency and savings, while also improving local communities' access to water, in countries such as Bangladesh, India and the Philippines.

/ Collaboration with Action for Social Advancement (ASA), along with the Laudes Foundation, IDH - The Sustainable Trade Initiative and WWF India, to promote regenerative agriculture, ecosystem restoration and community well-being in a 300,000 hectare area in the Indian states of Madhya Pradesh and Odisha.

/ Strengthening collaboration in emergency relief, starting with support for the Emergency Unit of Médecins Sans Frontières and its programmes to assist refugees and migrants in Bangladesh and Mexico.

/ Promoting development cooperation, through the launch of the programme "Generating opportunities: education and inclusion for a sustainable world", in collaboration with Fundación Entreculturas. The projects under this new three-year programme, with activities spanning 12 countries, focus on bridging the educational and digital divide, nurturing decent and sustainable livelihoods and protecting victims of forced migration.

/ Strengthening social action in Spain, based on collaboration with Caritas to promote its clothing collection and reuse programme (Moda Re-) and to continue developing employability, training and inclusion projects for people in vulnerable situations.

/ Inauguration of the first Zara Home store belonging to the for&from programme, Inditex's social initiative for the integration of people with disabilities. The store, which offers items from Zara Home collections from previous seasons at reduced prices, is managed by Fundación Prodis, a non-profit organisation whose aim is to provide the support needed by people with disabilities to improve their quality of life.

/ Fostering research talent in the university environment, with the launch of the second edition of the InTalent Programme, allowing the University of A Coruña (UDC) to recruit excellent researchers.

/ Renewal of the three-year agreement with the Comillas Pontifical University for the Inditex Chair of Refugees and Forced Migrants, with the aim of promoting the study and academic research on the reality facing people who are forced to flee their homes.

/ Increasing contributions in kind of articles from our collections for social causes; especially through our partnership with UNHCR.

## Our target 2022-2025

In 2021 we exceeded our target of helping 6 million people between 2019 and 2022. That is why, in 2022, we made a new pledge, raising our level of ambition. We undertake to help 10 million people through our community investment programme between 2022 and 2025.<sup>54</sup>

<sup>53</sup> Inditex's community investment is recorded under [Operating expenses in the Consolidated Income Statement](#).

<sup>54</sup> Data calculated according to the B4SI methodology from the calculation of the direct beneficiaries of the different annual initiatives for the period 2022-2025

## Corporate Community Investment 2022\*

### Impacts / What changes?

#### Impact on people (depth)\*\*\*

- 12% connection
- 77% improvement
- 11% transformation

#### Impact on people (type)\*\*\*

- 20% behaviour or attitude change
- 1% skills or personal effectiveness
- 87% quality-of-life or well-being

#### Impact on community organizations\*\*\*\*

- 94% improved or new services
- 96% improved management processes
- 88% taken on more staff or volunteers
- 97% increased their profile

#### Impact on employee participants\*\*\*\*\*

- 99% improved personal skills
- 98% improved personal well-being
- 99% changed their behaviour towards the Company



(\*) Data calculated in accordance with B4SI methodology based on voluntary expenditure by Inditex on Corporate Community Investment projects during the FY2022. The average exchange rate of FY2022 was used to convert contributions into euros. (\*\*) Additional resources contributed to a community organisation or activity that come from sources other than the Company -employees, suppliers and customers, among others-. (\*\*\*) Impact assessment carried out on 3,283,404 direct beneficiaries (\*\*\*\*) Impact assessment carried out on 255 community organisations supported by Inditex, on 69 long-term strategic projects. (\*\*\*\*\* ) Impact assessment carried out on 181 employees volunteering in 16 countries.

**Inputs / What's contributed?**

**€87.9 M**  
**Invested**  
 in Corporate Community  
 Investment (CCI) projects

**7.9 M**  
**Garments**  
 donated

**314 k**  
**Hours devoted**  
 by employees to CCI activities during  
 working hours

**Outputs / What happens?**

**3.3 M**  
**Direct**  
 beneficiaries

**469**  
**Community**  
**organizations**  
 supported

**725**  
**Initiatives**  
 implemented

**75 M€**  
**Leverage\*\***



## 2022 Corporate Community Investment

### Increase in investment

#### Collaboration beyond cash contributions



34%

increase garments donated to social causes compared to 2021



52%

increase time contributions by employees compared to 2021

We have boosted in-kind contributions, exceeding 7.9 million items donated in 2022, as well as time contributions from employees during working hours, which have exceeded 300 thousand annual hours for the first time.

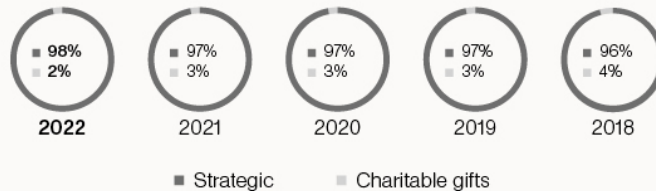
38%

increase in Corporate Community Investment (CCI) compared to 2021

We have significantly ramped up our Corporate Community Investment (CCI), reaching 87,9 million euros.

### Maximising the effectiveness of contributions

#### Focus on strategic community projects



For yet another year, we have focused investment in proactive strategic projects (community investment and commercial initiatives in the community), as opposed to charitable gifts in response to short-ter or one-off events

98%

contributions driven by strategic investment

By adopting a strategic approach, we maximise the effectiveness and impact of our social programmes

### Aligned with SDGs and company's business drivers

#### We focus our investment to increase impact

##### SDGs

88% of CCI is focused in social initiatives with SDGs 3, 4, 5, 8, 10, 12 and 13 as their main objective.

##### Issue addressed

76% of CCI aimed at strengthening the priority issues defined in the Community Investment Policy - education, environment and emergency relief.

88%

of CCI focused in 7 SDGs

76%

of CCI focused in 3 priority issues

## Increasing scope

### Increase in the number of direct beneficiaries



**51%**  
People



**10%**  
Community organizations

In addition to the increase on people benefited, the number of impacted organizations supported through community investment projects has reached 469 entities, 10% more than past year

# 51%

### Increase in the number of people benefited

In 2022, our Community investment programme has benefited a 51% more than past year.

## Increasing leverage

### Maximising effectiveness in unlocking additional resources for community



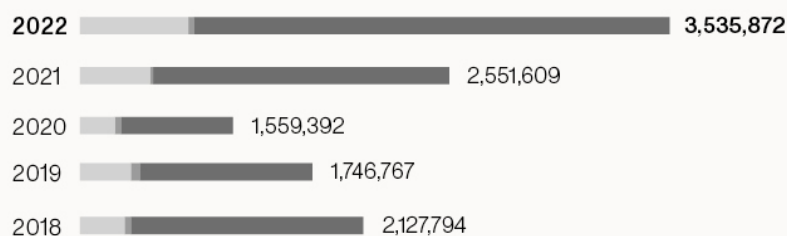
In 2022, the additional resources leveraged by our community activities as a result of the contributions made from sources other than the Company—employees, customers, suppliers, etc.—amounted to 75 million euros, which represents a 34% increase on the previous year.

# 34%

### Increase in additional funds raised or contributions leveraged from other sources

## Making greater impact

### Maximizing impact on people



- Behaviour or attitude change
- Skills or personal effectiveness
- Quality-of-life or well-being

3,535,872 positive changes experienced by beneficiaries, who have gained in quality of life, skills development and improved attitude, compared to 2,551,609 in the previous year.

# 39%

### Increase in the number of positive impacts on direct beneficiaries

### 5.7.1. Inputs

GRI 413-1; 413-2; AF33; AF34

In 2022, the Inditex Group invested 87.9 million euros in the community, in various categories:

**/ Cash contributions:** the aggregate monetary amount invested by Inditex in the development of social and environmental programmes.

**/ Time contributions:** the proportional cost of employees' paid time spent on activities of a social or environmental nature during working hours.

**/ In-kind contributions:** donations of products, mainly garments, to non-profit organizations.

**/ Management costs:** estimated expenses incurred for the general management of social programmes.

In 2022, in keeping with the strategy defined in our Community Investment Policy, we have significantly increased in-kind contributions. We have also notably strengthened the time contributions by employees during their working hours.

In total, **we have donated 7.9 million units and our employees have devoted 313,778 hours from their working schedule to social and environmental initiatives.** General management costs have increased in proportion to the total investment, compared to the previous year.

Likewise, we at Inditex report our voluntary contributions to the community, according to the following classification:

**/ Charitable gifts,** one-off institutional donations to the general goals of community organisations.

**/ Community investment,** meaning the Group's long-term commitment to collaborating with the community to support specific social and environmental activities.

**/ Commercial initiatives** in the community, with the support for programmes of social interest directly related to the Company's ordinary activity.

In 2022, contributions considered as strategic in accordance with our Community Investment Policy (community investment and commercial initiatives in the community) accounted for 98% of the overall investment. This enables us to maximise the efficacy and broaden the impact of the projects in which we take part.

In terms of the priority issues addressed as defined in the new Community Investment Policy, 76% of the investment has been allocated to projects related to education, emergency relief and the environment.

With regard to geographical scope, at Inditex we prioritise regular contributions in those geographical areas where we carry out our activity, especially in the so-called Inditex clusters (defined and listed in section 5.6. Suppliers, of this Report). Likewise, the scope of action of the Group's brands and subsidiaries on social and environmental issues is confined to their local and national territory, respectively, implementing proximity projects that maximise the positive impact within their sphere of influence.

Distribution of Corporate Community Investment in 2022	
<b>By issue addressed</b>	
Emergency relief	37%
Environment	23%
Education	16%
Other (social welfare, health, economic development, art and culture)	24%
<b>By geographic area</b>	
Europe ex-Spain	26%
Spain	33%
Americas	16%
Asia and rest of the world	25%
<b>By SDG</b>	
SDG 3. Good health and well-being	9%
SDG 4. Quality education	8%
SDG 5. Gender equality	6%
SDG 8. Decent work and economic growth	9%
SDG 10. Reduced inequality	21%
SDG 12. Responsible consumption and production	26%
SDG 13 Climate action	8%
Others	12%

We have identified the primary SDG (and secondary, where applicable) related to the initiatives that Inditex has implemented in 2022. These data give us an overview of our contribution to the United Nations Sustainable Development Goals. As a result, and consistent with our activity, we have materially contributed to SDGs 5, 8, 12 and 13. Additionally, we have significantly contributed to SDGs 3, 4 and 10. Specifically, we have allocated 87% of our Corporate Community Investment to initiatives that had one of these SDGs as their main objectives.



Corporate Community Investment evolution for 2022-2018 (€M)					
	2022	2021	2020	2019	2018
Total investment in Corporate Community Investment	87.9	63.5	71.8	49.2	46.2
<b>By form of contribution (management costs included)</b>					
Cash	46.3	31.8	50.2	33.2	30.1
Time	9.4	6.2	5.3	3.7	3.5
In-kind	30.3	24.2	15.0	11.7	11.9
Management costs	1.9	1.3	1.2	0.6	0.6
<b>By category (management costs excluded)</b>					
Charitable gifts <sup>1</sup>	1.8	1.7	1.9	1.6	1.8
Community investment <sup>2</sup>	58.7	45.7	55.2	36.7	36.2
Commercial initiatives in the community <sup>3</sup>	25.5	14.8	13.5	10.3	7.6

1. One-off institutional donations to the general goals of charities

2. Long-term strategic commitment to support specific social activities.

3. Initiatives of social interest directly related to the Company's commercial activity.



## 5.7.2. Outputs

GRI 413-1; 413-2; AF33; AF34

In 2022, we launched 725 **social and environmental initiatives**. These initiatives have directly benefited more than **3.3 million people**. Based on their circumstances, these direct beneficiaries can be distributed as follows:

Distribution of the people benefited by community projects in 2022 on the basis of their situation	
<b>96%</b>	
Living in developing countries	15%
Low income	24%
Refugees	53%
In situation of vulnerability	3%
Immigrants	1%
<b>4%</b>	
Other profiles <sup>1</sup>	

<sup>1</sup> 'Other profiles' refers to people with a disability, the victims of a catastrophe or natural disaster, people who are unemployed or who belong to ethnic minorities, among others.

As for the **number of organisations** supported by Inditex in 2022, we have made contributions to a total of 469 such entities. The number of benefiting community organisations were 427, 439, 421 and 413 in 2021, 2020, 2019 and 2018, respectively.

① More information in section [5.7.4. Key programmes](#) of this Report.

In terms of **leverage**, the additional resources raised by our community investment programme in 2022, as a result of the inputs from third parties (employees, customers, etc.) amounted to 75.3 million euros. Most of the leverage generated is from initiatives run by Water.org—resulting from the additional capital released by microfinance institutions, Moda Re—through the collection of garments, and from the donations made by our employees through payroll giving schemes.



### 5.7.3. Impact

GRI 413-1; 413-2; AF33; AF34

#### a) Community

##### Impact on people

In order to gauge the effectiveness of the initiatives we support as part of our community investment strategy, we recurrently measure the impact of our Community Investment Program. In 2022 we assessed the impact generated on 3,283,404 direct beneficiaries of the programmes (2,184,117, 3,272,473, 2,406,380 and 2,401,131 direct beneficiaries in 2021, 2020, 2019 and 2018 respectively). We analysed the initiatives both from a perspective of both depth and type of impact.

In terms of **depth**, the effects on the beneficiaries of the initiatives in which we are involved may be broken down into three categories:

**/ Connection**, which represents the number of people reached by an activity who have reported some limited change as a result of a programme.

**/ Improvement**, meaning the number of people who have reported some substantial improvement in their lives as a result of the project.

**/ Transformation**, meaning the number of people who have reported a fundamental change in their circumstances as a result of the improvements made.

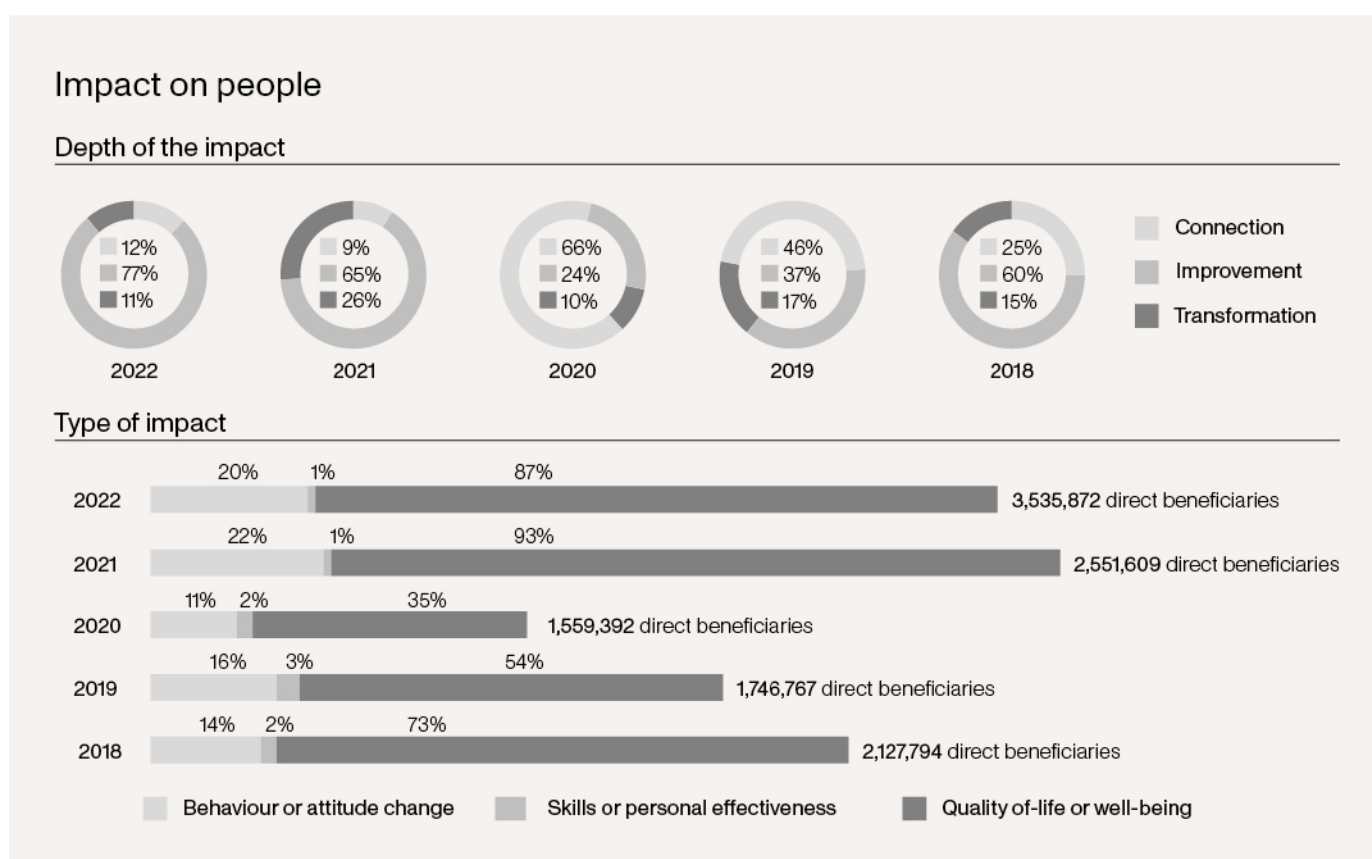
With regard to the **type of impact**, we classify the changes in beneficiaries in the following three categories.

**/ Behaviour or attitude change**, when the activity has helped generate behavioural changes that improve people's lives. It can also mean that the programme has changed negative attitudes or prejudices and enabled people to make better decisions.

**/ Skills or personal effectiveness**, meaning that the activity has helped to develop new abilities or improve existing abilities, enabling them to develop academically, socially or physically.

**/ Quality of life or well-being**, meaning that the activity has helped people to be healthier or happier, since they have improved their physical, emotional or social well-being.

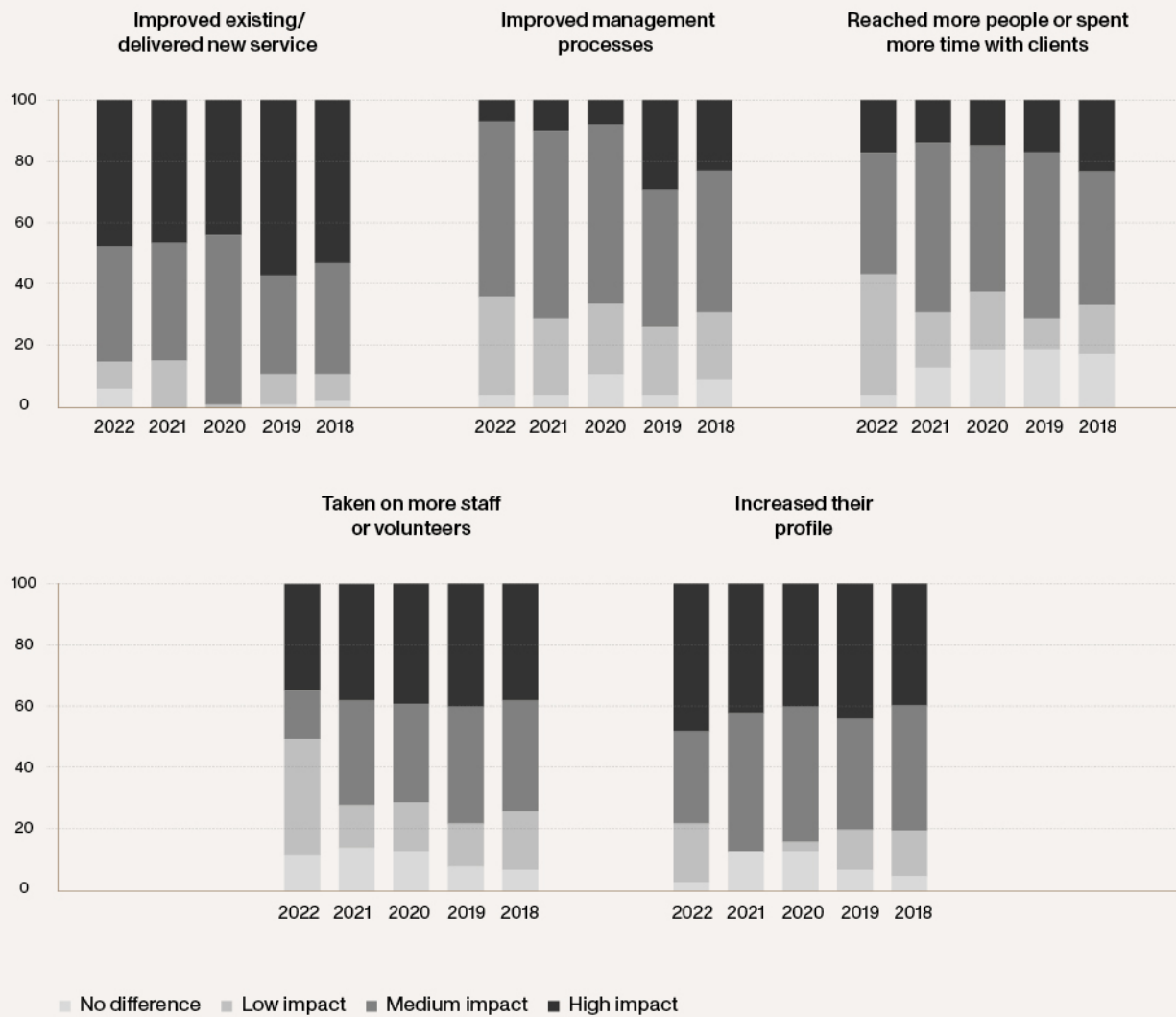
In certain cases, the same beneficiary may have experienced several types of impact; however, in the case of the depth of impact, the figures counted at each level are mutually exclusive.



**Impact on community organisations**

In addition to the analysis of the impact on the beneficiaries of the community investment projects, we also assess the effects on the beneficiary organisations as a consequence of the projects developed. In 2022, the analysis focused on 255 non-profit organisations supported by Inditex in 69 long-term strategic projects (230, 241, 207 and 237 organisations and 71, 75, 72 and 81 projects in 2021, 2020, 2019 and 2018, respectively).

**Impact on community organisations**

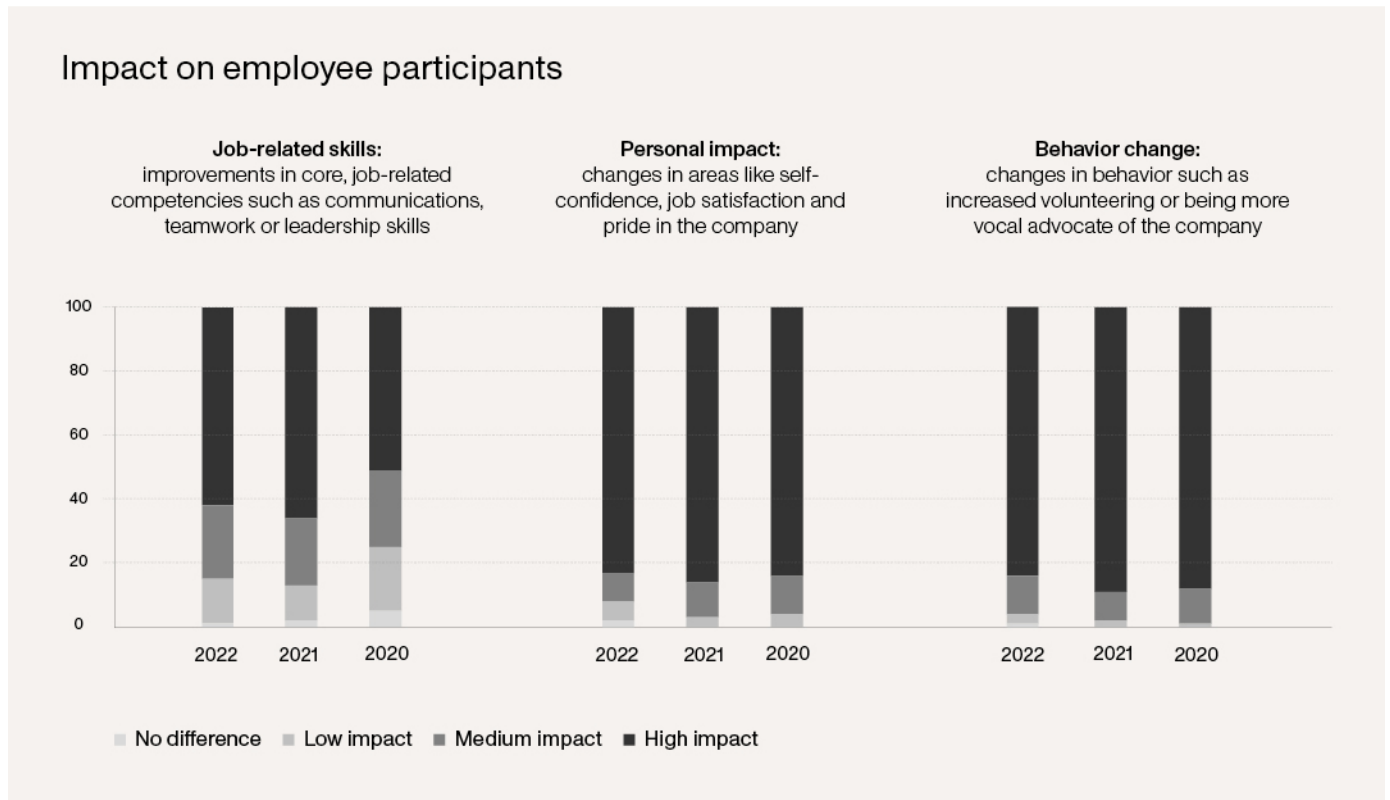


**b) Business impacts**

In addition to assessing the impact on the community, both on individuals and community organisations, we analyse the return on the investment in community programmes for our Company, both from the perspective of participating employees and the Company itself.

**Impact on employee participants**

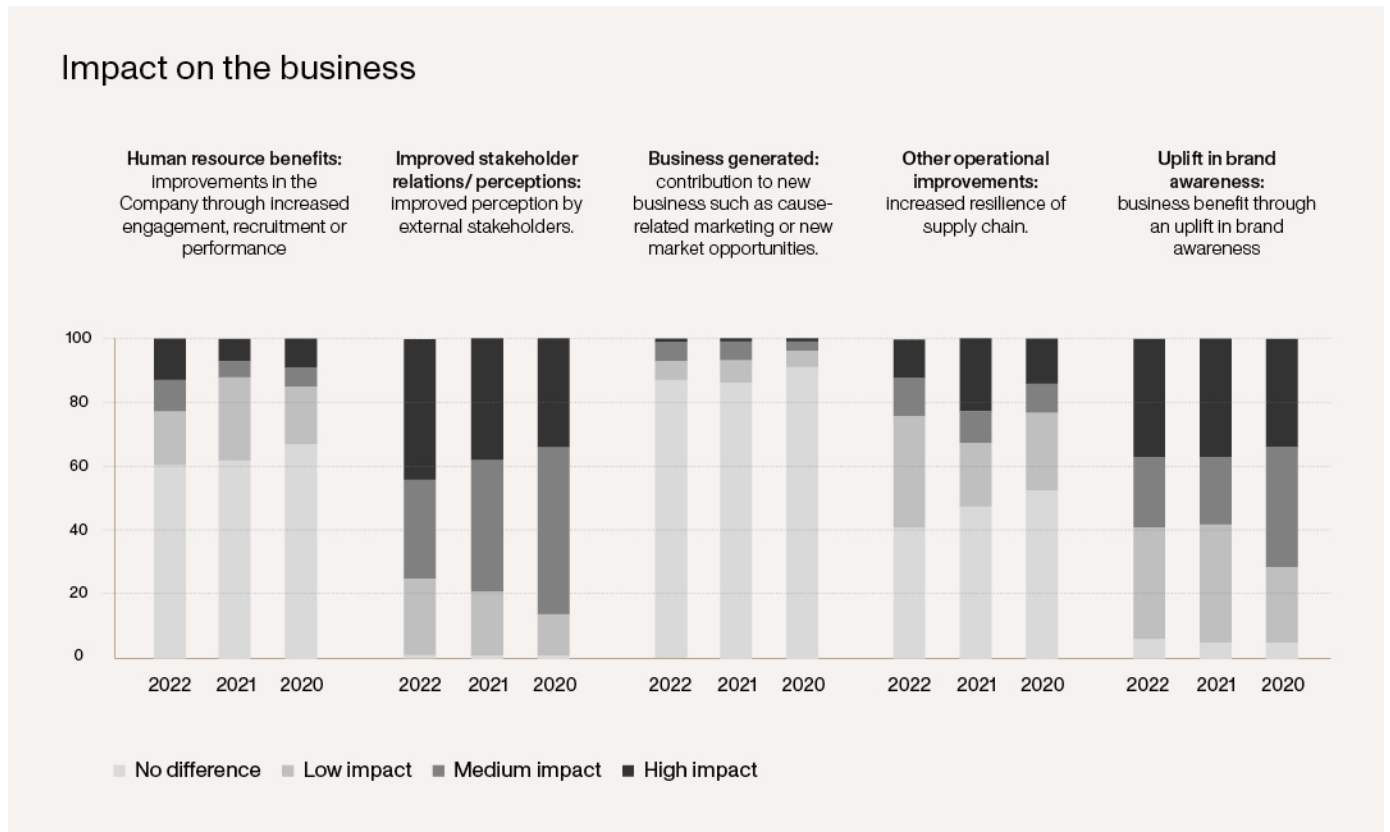
The impact on the employees who take part in the various projects in which we are involved relates to the change experienced once the initiative has been carried out. The assessment uses surveys to ask 15 questions grouped into three key indicators: skills development, personal well-being and positive change in the perception of the company. In 2022, 181 volunteers in 16 countries were surveyed (100 and 75 volunteers and 9 and 7 countries in 2021 and 2020, respectively).



**Impact on the business**

In addition to the impact on the participating employees, we evaluate the impact that Inditex's involvement in the projects has on the Company itself. In 2022, an assessment was carried out on 725 initiatives implemented in the year (725 and 703 in 2021 and 2020, respectively).

The impact on the Company is assessed in five areas: human resource benefits, improved stakeholder relations and perceptions, business generated, other operational improvements and increased brand recognition.



## 5.7.4. Key programmes

GRI 203-2; 413-2; AF33; AF34

### Education

#### EPGO (Educating People, Generating Opportunities)

EPGO is a cooperation programme in collaboration with Entreculturas aimed at offering education and professional training to persons at risk of exclusion. In 2022, the programme has directly benefited more than 66,415 people, in particular vulnerable girls and women, in Argentina, Brazil, Bolivia, Ecuador, Spain, Lebanon, Mexico, Paraguay, Peru, South Africa, Uruguay and Venezuela.

In November, we renewed our partnership with Entreculturas, beginning with the launch of the three-year programme **“Generating opportunities: education and inclusion for a sustainable world”**, to which Inditex has contributed 10 million euros. The projects under the framework of this new programme, with activities spanning 12 countries, focus on bridging the education and digital divide, nurturing decent and sustainable livelihoods and protecting victims of forced migration. Since 2001, Inditex’s social investment in Entreculturas’ educational and community development projects has exceeded 60 million euros and has directly benefited 1.4 million people.

#### Inditex Chair of Refugees and Forced Migrants in the Comillas Pontifical University

This chair was created in 2016 to further academic research into migration, improve aid to migrants and refugees on the ground and raise social awareness. It also conducts projects for the integration of refugees in European cities.

In 2022, **we renewed our collaboration with the Comillas Pontifical University for the period 2023-2025**, with the aim of continuing to promote doctoral scholarships for researchers to study the reality of the processes of incorporation, welcoming and, in particular, social integration of refugees in Spain and Europe. The Chair also offers students of the official Cooperation and Migration programmes at Comillas Pontifical University professional internships at national and international organisations working directly with refugees.

#### TEMPE-APSA Chair of Disability and Employability at Miguel Hernández University in Elche

We helped to create this chair in 2015 to nurture multi-disciplinary research and training in the field of disabilities. Legal experts, economists and psychologists study the most suitable formulae for increasing the employability of people with disabilities. Furthermore, the Diploma in Auxiliary Shop Tasks strengthens the skills and competencies of people with disabilities to access the labour market.

#### Inditex Chair of Spanish Language and Culture at the University of Dhaka (Bangladesh)

With the collaboration of the universities of Santiago de Compostela and A Coruña, this Chair has been promoting Spanish language and culture and fostering academic exchange between Spain and Bangladesh since 2011. High-performing Bangladeshi students have the opportunity to take part in intensive Spanish courses in Spain. At the same time, cultural activities open to Bangladeshi University students are carried out to promote Spanish culture in Dhaka.

#### Collaboration programme with Tsinghua University

In 2019, Tsinghua University and Inditex set up the Sustainable Development Fund, aimed at supporting this Chinese institution in its efforts to promote research, dissemination and social support for Sustainable Development Practices.

The collaboration programme also involves research trips to A Coruña (Spain) for the university’s students to broaden their knowledge and experience in fashion, logistics, environmental protection and sustainable development through Inditex and other companies. The collaboration also envisages the professional development of academic staff and the promotion of cultural activities in the Tsinghua campus.

#### Collaboration programme with the Massachusetts Institute of Technology (MIT)

The collaboration with MIT in education and research is structured around various action areas: creating Inditex chairs in areas such as operational research and sustainability; research and enhancement of knowledge in matters such as artificial intelligence, machine learning or data science; an Inditex scholarship for MIT students; and the development of research lines in areas such as textile recycling or the creation of new fibres using sustainable technologies.

#### Collaboration programme with the University of A Coruña (UDC)

The following projects are executed under this programme: Inditex-UDC Sustainability Chair to promote a space for community reflection, academic training and applied research on sustainability and social innovation; InTalent Programme that enables scientists with extensive international experience to conduct their innovation programmes at UDC’s research centres; and grants to fund pre-doctoral research residencies in universities and research centres abroad, enabling them to complete their PhDs.

In 2022, we reinforced the activities for fostering research talent in the university environment, with the launch of the second edition of the InTalent Programme, allowing the University of A Coruña (UDC) to recruit excellent researchers, with a contribution of 1.5 million euros from Inditex.



#### Employment and Training Programme in Spain

Inditex has been supporting the Caritas Employment Programme since 2011, whose aim is to promote access to decent employment for persons in a situation of vulnerability. This initiative, to which we have contributed 16.5 million euros since the collaboration began, is structured around various lines of action: promotion of social economy enterprises; support for self-employment; and the improvement of professional training. Thanks to this programme, extended in January 2023 with a contribution of 5 million euros for the next three years, 8,570 people in or at risk of exclusion have improved their employability and 2,958 people have found a job.

#### for&from

for&from is a social/workplace integration programme for people with disabilities that is based on launching retail establishments under the image of the Inditex's different brands. These stores are managed by non-profit organisations and staffed by people with disabilities. Inditex makes an initial outlay to build the store and, from then on, the community organisations manage a self-sustaining model through the sale of products from previous seasons. The proceeds go entirely to the managing organisations to fund projects that help people with disabilities. The programme currently has 15 stores, including the opening in 2022 of the first Zara Home for&from store in Madrid, which have generated job opportunities for more than 700 people, and 7.5 million euros in profits for the managing organisations.

#### Salta

Salta is an Inditex programme aimed at incorporating people in situations or at risk of social exclusion into the labour market through training and job opportunities. The aim is to integrate vulnerable persons in the teams of our stores, factories or logistics centres. More than 1,600 people have been trained and joined Inditex through Salta. The programme currently operates in 16 markets: Germany, Brazil, South Korea, Spain, the United States, France, Greece, India, Italy, Kazakhstan, Mexico, Poland, Portugal, the United Kingdom, Romania and Türkiye.

#### Emergency relief

##### Ukraine Emergency Programme

In response to the war in Ukraine, Inditex launched an **emergency relief programme** to support the most vulnerable people in the conflict zone and those who have been forced to flee Ukraine. The following initiatives stem from this programme:

- / **Monetary contribution:** a donation of 3 million euros to UNHCR to help supply essential items to Ukraine and neighbouring countries.
- / **Medical aid:** deployment of the Emergency Unit of Médecins Sans Frontières, financed on a regular basis by Inditex, in Ukraine and Slovakia to assist the wounded.
- / **In-kind contribution:** donation of 313 thousand articles from our collections for their distribution among displaced persons inside Ukraine and refugees in neighbouring countries.
- / **Job creation:** more than 500 jobs created by Inditex for Ukrainian refugees across 22 European markets.



### MSF Programme

MSF and Inditex have been working together since 2008 in developing numerous medical-humanitarian response projects in various parts of the world. As a result of this cooperation, to which Inditex has channelled 35 million euros over this period, six million people threatened by armed conflict, epidemics, diseases or natural disasters have received medical care.

### Supporting the MSF Emergency Unit

In 2011 we began collaborating with Médecins Sans Frontières (MSF) with the aim of guaranteeing an immediate response to medical-humanitarian crises anywhere in the world. Since then we have helped provide assistance to more than four million vulnerable people without access to medical care in around 70 countries. In 2022, we funded the Barcelona-based Emergency Unit structure, which has been deployed in Ukraine and Mozambique, among other countries, as well as part of the regional emergency teams based in the Democratic Republic of Congo and the Central African Republic.



### Access to healthcare for the Rohingya community in Bangladesh

In response to the medical and humanitarian needs of the Rohingya community in Bangladesh, Inditex has been supporting Médecins Sans Frontières' projects there since 2017. Hundreds of thousands of people have been helped through this cooperation, in particular women and children under five. In particular, thanks to the support in 2022, MSF teams have carried out, among other activities, outpatient clinics (paediatrics, gynaecology, obstetrics, sexual violence, mental health), paediatric emergencies, paediatric hospitalisation, nutrition and paediatric intensive care. In addition, basic medical care has been provided to pregnant women and children aged under 15 years.

### Access to healthcare for the migrant population crossing Mexico

Inditex supports MSF in humanitarian relief projects to assist people from Central America attempting to cross Mexico to gain entry into the United States. Specifically, in 2022 and thanks to Inditex's support, Médecins Sans Frontières is present in several hostels and stopover points for migrants along the way, offering basic medical and psychological care. Furthermore, MSF has mobile clinics that go to the areas most frequented by migrants where, in addition to medical and psychological care, they also distribute hygiene products, water and blankets. The organisation also has a Comprehensive Care Centre in Mexico City where specialised medical care is offered to migrants and refugees.

### UNHCR Programme

For the third year running, Inditex and UNHCR, the United Nations High Commissioner for Refugees, implemented their ambitious programme of gifts in kind to help clothe refugees and internally displaced people. Through this initiative, which is rolled out in conjunction with various suppliers, Inditex supports UNHCR in its task of sheltering refugees who have been forced to abandon their homes and all their possessions, and helping to restore their dignity. In 2022 more than 2 million articles from our collections were donated to UNHCR to help refugees in Uganda and South Sudan, among other countries. Humanitarian emergency assistance was also provided in response to the war in Ukraine.



#### Assistance to displaced people in South America

Since 2009 we have been working with Entreculturas on a programme to tackle the situation of people forced to flee in Colombia and on its borders (Panama, Ecuador and Venezuela), due to the armed conflict which over this period has caused the exodus of millions of Colombians from the region. For this purpose we established a partnership with the Jesuit Refugee Service Latin America and the Caribbean (JRS LAC), which has helped 100,000 refugees or displaced persons, especially children, adolescents and young people at risk of being linked to, used or forcibly recruited, as well as refugees and displaced persons with disabilities, ethnic minorities, black and indigenous communities and women-headed households with children. In 2021, in light of the humanitarian crisis stemming from the situation in Venezuela, Inditex decided to support another three-year programme to assist displaced persons that will be carried out in Venezuela, Colombia, Ecuador and Brazil.

#### A Flote

*Fundación Emalcsa*, A Coruña City Council and Inditex have been working together since 2017 in the A Flote social integration and social benefits programme in the catchment area of Inditex's main headquarters. In 2022, 344 emergency social benefits were handled, 315 requested by women and 29 by men. These emergency benefits were used mainly for help with housing, school meals and help sheltering Ukrainian refugees. In addition, a welcome service for Ukrainian refugees (translation, counselling, employment support, etc.) was set up, helping dozens of families.

#### Every Mother Counts Programme

This programme supplies prenatal and maternity care to pregnant women in Bangladesh and the United States. The support of Inditex has enabled Every Mother Counts to partner with the HOPE Foundation for Women and Children in the south-eastern Bangladeshi district of Cox's Bazar. In the United States, it has also provided access to prenatal and post-partum care for thousands of low-income women at risk of social exclusion and their babies.

### Medicus Mundi Programme

Medicus Mundi and Inditex have been working together in Morocco since 2015 to improve the well-being of garment workers in the Tangier-Fes-Guercif-Taza and Casablanca-Settat regions. In 2022, our partnership with Medicus Mundi was strengthened when we signed a new three-year agreement, endowed by Inditex with 1.2 million euros. This intervention continues work in areas such as occupational risk prevention and adds the implementation of protocols against sexual and moral harassment at the workplace. It also focuses on improving the health and social context of the sector, through activities for the socio-occupational integration of vulnerable groups, support for the local public healthcare system and the promotion of sexual and reproductive health. The programme plans to expand its activities into neighbouring countries like Tunisia.

### Environment

#### Moda Re-

Moda Re- is a programme run by Cáritas and promoted by Inditex dedicated to collecting used textiles in order to recover and reuse them through a sustainable business model based on the circular economy. Its purpose is to generate employment for vulnerable people through the collection, recycling, and reuse of used garments. Thanks to Inditex's support for this

initiative, some 2.3 million articles have been donated to vulnerable people; 2,628 sensor-equipped clothing collection containers of used garments have been installed and more than 93,000 tonnes of clothing collected; and 84 second-hand clothing stores have been opened or refurbished. The programme currently generates more than 1,200 jobs, 512 of them are insertion employments. Likewise, the initiative has become a benchmark in the process of dignifying the free delivery of clothes to those most in need, based on donations made through the 129 solidarity stores that currently make up the Moda Re- network. In January 2023, Inditex renewed its support for this programme on the basis of a contribution of 3.5 million euros in the 2023-2025 period.

#### Water.org programme

We have been working with Water.org since 2015 to improve access to drinking water and sanitation for vulnerable families through microloans in countries such as Bangladesh, Cambodia and India. The idea is to provide people on low incomes with access to affordable loans to cover their water and sanitation requirements. In 2022, starting with Inditex's philanthropic contribution, local financial institutions released an additional 62 million euros, enabling 197 thousand loans to be granted. Consequently, more than 750 thousand people have improved their access to water and sanitation in 2022.



## #BRINGYOUROWN BAG (#TRAETUBOLSA)

Using reusable bags reduces waste and minimises the consumption of raw materials, water and energy. To encourage their reuse, Inditex brands began charging for paper bags and envelopes in their stores in 2021, reaching 59 markets with this initiative in 2022. Inditex does not obtain any profit from this measure. The equivalent full amount are invested in environmental and social initiatives.

By teaming up with various non-profit organisations, we promote projects that foster the protection and restoration of ecosystems, help to prevent their degradation, enhance knowledge and understanding about them and advance the use of regenerative production techniques. These are the first projects under this initiative, to which new programmes will be added going forward.

### WWF Programme

In December, Inditex and WWF signed a collaboration agreement for the next three years focused on nature restoration, as well as working together on transformative projects. This partnership began with a total of nine WWF projects in North Africa, Europe, Asia and Latin America focusing on the restoration and conservation of forests and river catchment areas and the protection of endangered species and their ecosystems.

The Group will allocate part of the proceeds from charging for paper bags and envelopes, a practice it began in 2021 to encourage people to use reusable alternatives, to these projects. Inditex will make a minimum annual contribution of 3 million euros to WWF, with 4.2 million euros allocated for 2022, bringing its total input through 2025 to over 10 million euros.

### ASA Programme

We collaborate with Action for Social Advancement (ASA), along with the Laudes Foundation, IDH The Sustainable Trade Initiative and WWF India, to promote regenerative agriculture, ecosystem restoration and community well-being in a 300,000 hectare area in the Indian states of Madhya Pradesh and Odisha. The initiative, endowed by Inditex with 3.5 million euros, aims to improve soil quality and biodiversity, optimise water management and reduce greenhouse gas emissions.

### Water & Climate Fund by Water.org

In Bangladesh, India and the Philippines, it is estimated that more than 30% of the water supplied through the public sanitation network is wasted because of the condition of the pipes. Not only is this a drain on resources, but it also constrains local communities' access to water. Consequently, in March we signed a new agreement with Water.org to support its Water & Climate Fund, a global fund that aims to develop projects to improve water and sanitation infrastructure. Through this fund, endowed by Inditex with 5 million euros, Water.org seeks to achieve greater efficiency and savings, while also improving local communities' access to water.

### Sustainable Forestry and Demonstration Forests

Forestis, the Galician Forestry Association, and Inditex launched this project in 2022 to develop forestry interventions in Galicia (Spain) and Portugal, which will apply forestry management practices that increase resilience and improve the sustainability of ecosystems. This approach seeks to make forest's biological greenhouse gas sink function compatible with the use of quality forestry products and people's enjoyment of forests. The programme, endowed by Inditex with 2 million euros, also covers research activities aimed at exploring the feasibility of outreach initiatives in the field of forest and environmental resource sustainability.

### Other issues addressed

In addition to the programmes described above, in 2022 we allocated 24% of our corporate community investment to initiatives linked to social welfare, economic development, health, art and culture. Likewise, in 2022 we have continued to support research institutions such as Fundación Pro CNIC, Real Instituto Elcano and Fundación Carolina, among others. Inditex's links to art and culture are embodied by collaborations with institutions such as the Royal Spanish Academy, Reina Sofía National Museum of Art and the Royal Theatre opera house, among others.

Likewise, Inditex makes one-off contributions at corporate level and from the Group brands and subsidiaries to help further the general aims of non-profit organisations. We earmarked 1.75 million euros in 2022 for charitable gifts in connection with requests from non-profit organisations, which were distributed among more than 150 entities.



## 6. How we do things

6.1. Good governance, corporate ethical culture and solid Compliance architecture / 6.2. Tax responsibility and transparency / 6.3. Responsible risk management

The way we conduct ourselves is based on a corporate ethical culture, which we convey to our internal and external stakeholders alike, and which is based on an internal regulatory and responsible risk management system that fosters the development of an ethical, efficient and competitive business model.

# 6.1. Good governance, corporate ethical culture and solid Compliance architecture

**Related material topics: Ethical behaviour and governance; Stakeholder engagement.**



## 6.1.1. Good corporate governance

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

Inditex relies on a Corporate Governance System comprising a series of rules, procedures and mechanisms to guarantee that the directors and the management team, who are responsible for the governance of the Company, carry out their duties in a **diligent, ethical and transparent** manner, are accountable for their activity—which is subject to verification and control, both internal and external—at the same time that the balance of powers and the respect for and equality of all our shareholders, especially minority ones, is ensured.

The Board of Directors of Inditex ensures **that the Company fulfils its social and ethical duties**, and its duty to act in good faith in dealings with employees and third parties, that no person or small group of persons holds decision-making power within the Company that is not subject to checks and balances, and that no shareholder receives privileged treatment over the others.

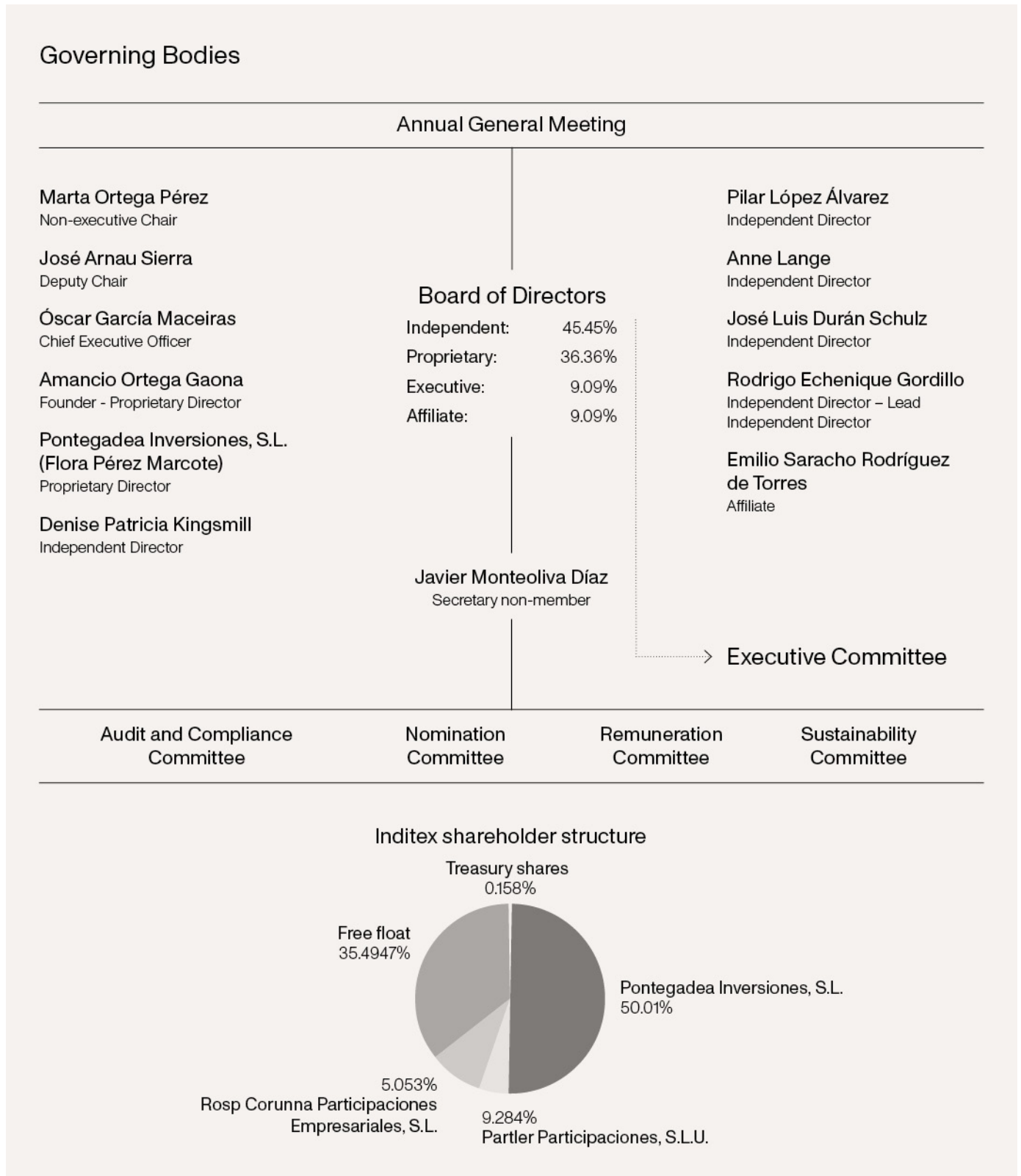
The Board performs its duties in accordance with the corporate interest, understood as the **viability and long-term maximisation of the value of the Company in the common interest of all our shareholders**, without overlooking other legitimate interests, public or private, that converge in the course of our business activity, especially those of our stakeholders: our employees, customers, and suppliers, and the civil society at large.

Consequently, the goal of maximising the Company’s value may only be seen as the continuous creation of value for each of our main stakeholders.

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

Inditex’s Corporate Governance System is fully compliant with the regulatory requirements set forth in the applicable legislation, and the recommendations outlined in the Good Governance Code (‘GGC’) of the Spanish National Securities Market Commission (‘CNMV’).

6.1.1.1. Organisation and operation of governing bodies



Inditex's 2022 Annual General Meeting (AGM) was held in hybrid format, with in person and remote attendance and participation. The appointments of Marta Ortega Pérez as Chair and Óscar

García Maceiras as CEO were ratified at the AGM. In addition, E&Y was appointed as the new statutory auditor. The new corporate governance structure with the roles of Chair and CEO



being separate, and with a single executive director, is thus implemented, in line with the recommendations of institutional investors and proxy advisers in Europe.

Detailed information on the Annual General Meeting and on the regulation, organisational and operational rules, composition, mission and competences and the main activities or action lines of the Board of Directors and the Audit and Compliance, Nomination, Remuneration and Sustainability Committees for 2022, is provided in the 2022 Annual Corporate Governance Report (ACGR). This report was approved by the Board of Directors at its meeting of 14 March 2023 and is available on our corporate website (in the *Investors* section, under *Corporate Governance > Reports & Regulations* sub-section) and on CNMV's website.

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

### Management Committee

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

The members of the Management Committee as of 31 January 2023 were as follows:

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

### 6.1.1.2. Main lines of action by Inditex governing bodies in 2022:

/ The agenda of business to be transacted by Inditex governing bodies continues to be shaped by sustainability:

- Monitoring of the sustainability objectives for the 2020-2025 period.
- Review by the Board of Directors of the Sustainability Strategy.
- Approval of the new 'Workers at the Centre' strategy'.
- Review of investment projects in innovation and sustainability.
- Analysis of the financial impact and risk of climate change.

/ The Board's agenda was also marked by:

- The business situation, given the economic and social circumstances resulting from the Russia-Ukraine conflict.
- Implementation, at the various levels of the Organisation, of the changes to the corporate structure, which has resulted in:
  - (i) The formalisation of the relevant changes to the governing bodies and the Management Committee.
  - (ii) The amendment to internal regulations and to a number of corporate policies to bring them into line with the new organisational structure.

In this regard, mention should be made of the amendment to the Directors' Remuneration Policy for financial years 2021, 2022 and 2023, with a view to:

- Establishing **fixed remuneration** for the position of (non-executive) **Chair** of the Board of Directors, to this date a non-paid position.
- Adjustment of **the maximum amount of remuneration** that the Company may pay annually to **all the directors in their status as such**.
- Establishing the **total remuneration package for the new CEO** for the performance of his duties and responsibilities as chief executive in the new corporate governance structure, including the terms of his contract.

/ In addition, the Board Skills Matrix was approved.

### 6.1.1.3. Diversity on our governing bodies

Inditex has a Diversity and Inclusion (D&I) Policy, approved by the Board of Directors in December 2017, and partially amended in December 2020. This policy establishes the framework that promotes the values of diversity, multiculturalism, acceptance and integration in all the Group's entities and is driven by the most senior levels of the Company.

More information in section [5.1.1. Diversity, inclusion, equality and work-life balance](#) of this Report.

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

This policy sets forth the criteria for the selection of directors to guide the activities of the relevant governing bodies.

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

In 2022, this Committee compiled a **Board Skills Matrix**, as a tool with which to review the criteria needed to ensure an appropriate and diverse Board membership and selection of prospective candidates.

With regard to gender diversity, the Committee has consistently strived to achieve the highest levels of female representation. In 2019 the 30% target established in the Diversity of Board of Directors Membership and Director Selection Policy in force at the time and recommended by the Good Governance Code for Listed Companies had already been exceeded. In 2022, with five women on the Board, the **new target set in 2020 of 40% female directors out of the total board seats has been exceeded.**

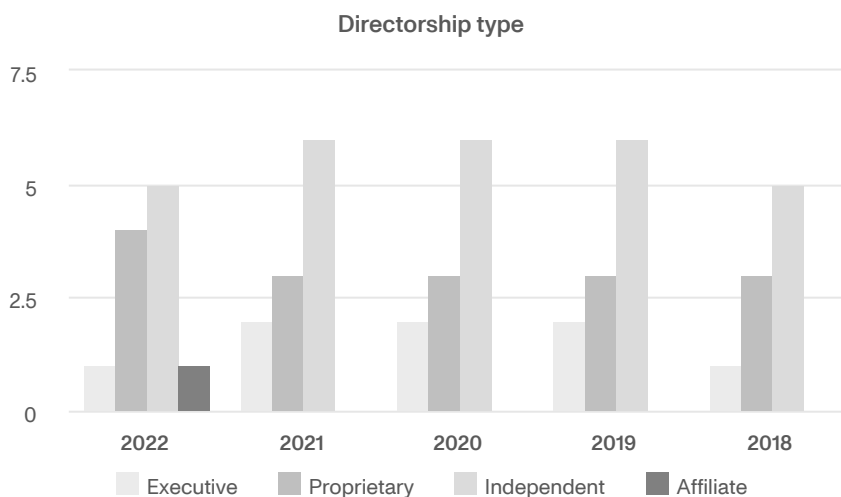
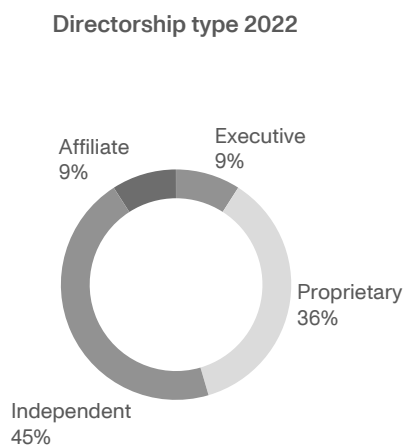
This also exceeds the target, to be achieved by June 2026, that 33% of non-executive directors or 40% of all directors, irrespective of whether or not they are executive directors, should be of the under-represented gender, as stipulated in the

**Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures.**

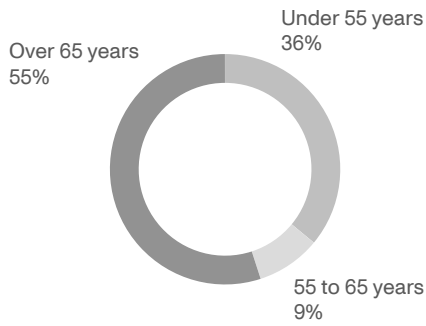
Governing Bodies	% women				
	2022	2021	2020	2019	2018
Board of Directors	45.45%	36.36%	36.36%	36.36%	33.33%
Audit and Compliance Committee	42.86%	42.86%	42.86%	36.36%	33.33%
Nomination Committee	40.00%	40.00%	40.00%	40.00%	33.33%
Remuneration Committee	20.00%	20.00%	20.00%	20.00%	33.33%
Sustainability Committee	60.00%	60.00%	60.00%	60.00%	NA

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

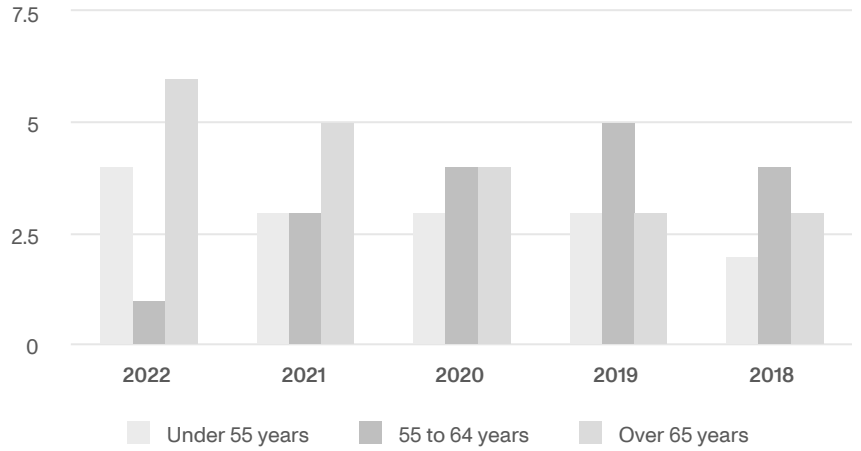
**Main indicators of diversity within Inditex's Board of Directors for the last five years (2018, 2019, 2020, 2021 y 2022)**



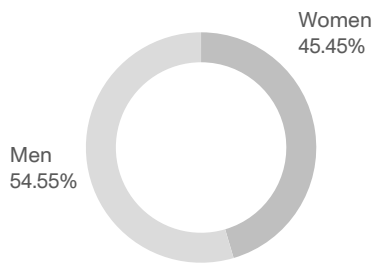
Age 2022



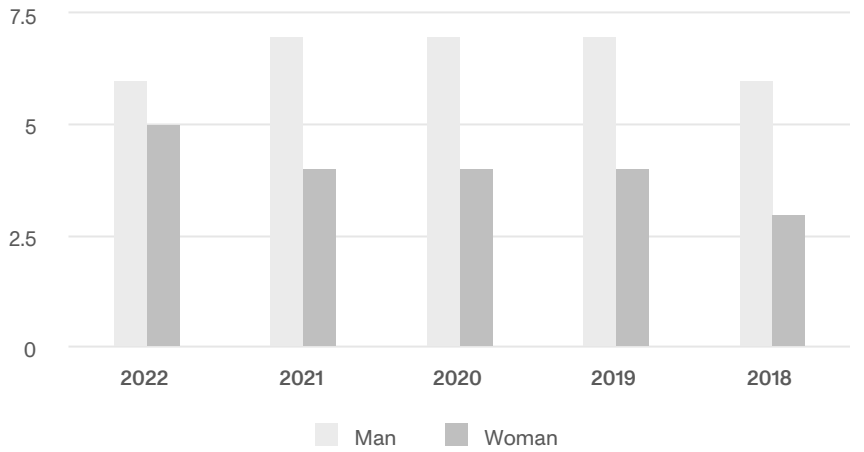
Age



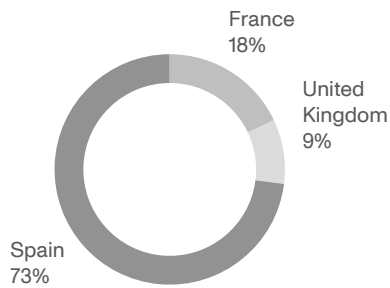
Gender 2022



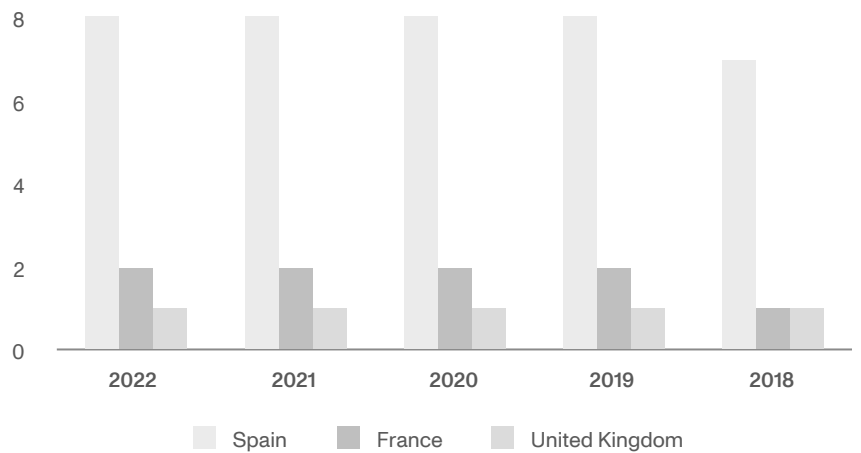
Gender

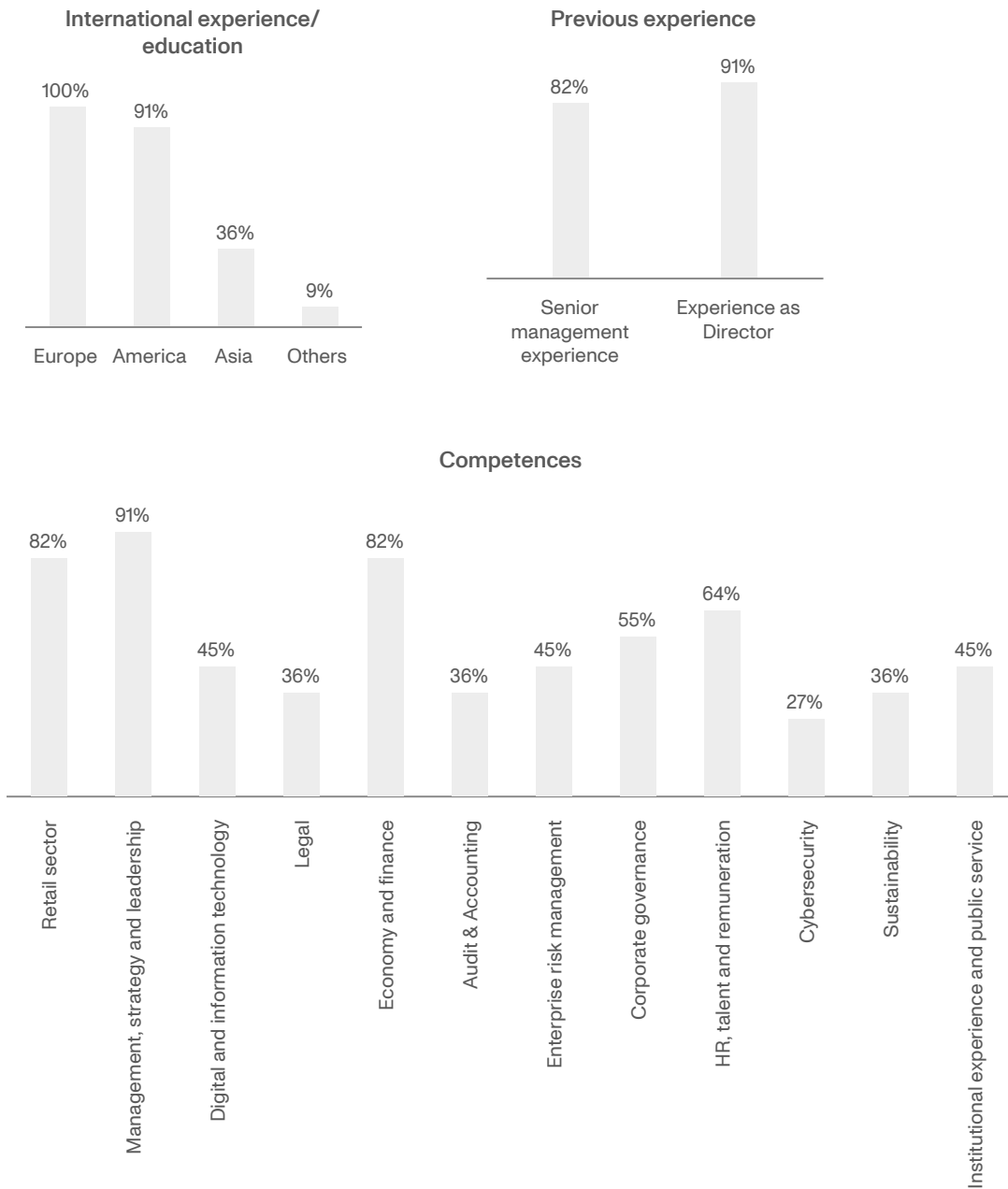


Geographical Area 2022



Geographical Area





Diversity on the governing bodies ensures there are multiple perspectives, helping risks and opportunities identification and, consequently, the achievement of corporate objectives.

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

#### 6.1.1.4. Other indicators of Inditex Corporate Governance System

Item	2022	2021	2020	2019	2018
AGM attendance	88%	89%	89% <sup>1</sup>	88% <sup>2</sup>	88% <sup>3</sup>
Number of directors	11	11	11	11	9
Executive Directors	1	2	2	2	1
Independent Directors	5	6	6	6	5
Proprietary Directors	4	3	3	3	3
Affiliated Directors	1	-	-	-	-
Lead Independent Director	YES	YES	YES	YES	YES
Board meetings	10	7	7	5	5
Attendance %	98%	100%	100%	100%	100%
Meetings of the Audit and Compliance Committee	6	5	5	5	5
Attendance %	100%	100%	100%	100%	100%
Meetings of the Nomination Committee	5	4	4	5	5
Attendance %	100%	100%	100%	100%	100%
Meetings of the Remuneration Committee	5	3	4	5	3
Attendance %	100%	67%	100%	100%	100%
Meetings of the Sustainability Committee	6	4	3	0	0
Attendance %	100%	100%	100%	0%	0%

1. Of which 24.37% is free float.

2. Of which 23.28% is free float.

3. Of which 28.95% is free float.

#### 6.1.1.5. Remuneration of Directors and Senior Managers

Detailed information on **the Directors' Remuneration Policy** in force for 2021, 2022 and 2023, its principles, foundations and elements, as well as its application in 2022, are set out in the 2022 Annual Report on Remuneration of Directors, approved by the Board of Directors at its meeting of 14 March 2023. This report is available on our corporate website (in the Investors section, under Corporate Governance > Reports & Regulations sub-section) and on CNMV's website.

More information in the [Annual Report on Remuneration \(ARR\)](#) included herein.

#### Total remuneration of the Board of Directors in 2022 (in thousands of euros)

	2022	2021	2020	2019	2018
Total Remuneration of the Board of Directors	38,698	21,232	10,935	9,458	11,419

More information in section [C.1.13 Annual Corporate Governance Report](#) and in the [Annual Remuneration Report](#) included herein.

No gender-specific information is included regarding directors' average remuneration as there is no gender pay gap in Inditex's governing bodies. The remuneration of directors in their capacity as such consists of a fixed annual remuneration for each of them for their membership on the Board and its various committees and an additional remuneration for discharging the offices of Chair and Deputy Chair of the Board and for chairing the different committees. At present, both the Board of Directors

and two of Inditex's committees are chaired by women. Only the CEO receives a remuneration package (including fixed and variable components) for the performance of his executive duties, and the items and amounts of the CEO's remuneration are therefore not comparable to that of the other directors.

#### Average remuneration of Senior Management in 2022 (in thousands of euros)

The annual average remuneration earned by the 22 Senior Managers as of 31 January 2023 is as follows:

	2022	2021	2020	2019	2018
Average remuneration of Senior Management	4,044	3,294	1,324	1,434	1,944

More information in section [C.1.13 Annual Corporate Governance Report](#) of this Report.

	2022	2021	2020	2019	2018
Men	4,149	3,455	1,427	1,556	2,008
Women	3,753	2,801	993	1,033	1,726

**6.1.1.6. Vision and challenges: towards sustainable governance**

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

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

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

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

Sustainability Governance



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

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

The **Sustainability Committee**, as an informative and advisory Board committee, is responsible for monitoring our social and environmental sustainability strategy and practices, as well as fostering a commitment to the Sustainable Development Goals.

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

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

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

The members of the Sustainability Committee, including its Chair, also serve on the Audit and Compliance Committee. The overlapping presence of directors on both committees and the report that the Chair of the Sustainability Committee submits to the Board of Directors regarding the main issues discussed at their respective meetings ensure that the most relevant social and environmental sustainability issues are taken into consideration in the deliberations of the Audit and Compliance Committee, allowing for a better identification of the risks and opportunities associated with these matters.

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

In 2022 the Board of Directors assessed the Group's new Sustainability Strategy, presented by the Sustainability Department. This sustainability vision and strategy was already defined in the Group's **Sustainability Policy**, initially approved by the Board of Directors at its meeting on 14 December 2020. In addition, as part of the process of defining the climate change strategy in 2022, the Audit and Compliance Committee has analysed the scenarios and risks arising from climate change.

**Establishing appropriate mechanisms to reflect the expectations of our stakeholders**

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

In particular, it is tasked with overseeing and evaluating, both the strategy of communication and relations with the various stakeholders, as well as the procedures and channels of communication in place at Inditex to guarantee proper and seamless communication with them.

Furthermore, Inditex has a **Social Advisory Board**. It is the Company's permanent external body which acts in an advisory and consultative capacity in matters of social and environmental sustainability. It is made up of persons external and independent of the Group. It arranges and institutionalises dialogue with those spokespersons considered key in the civil society in which we carry out our business model and plays, in addition, an important role in determining the materiality matrix, in which it participates in collaboration with our stakeholders.

**The existence of robust sustainability monitoring mechanisms**

In addition, the **Sustainability Committee** is further tasked with overseeing and verifying the process of preparing regulated and non-regulated non-financial information. This procedure is carried out in coordination with the **Audit and Compliance Committee**, which is responsible for the ultimate supervision and evaluation of the preparation process and the integrity of the non-financial information included in the directors' report, ensuring compliance with all legal requirements, and also dealing with the process of independent verification of this information. Such coordinated action ensures a global view of the effective implementation of policies relative to their respective areas of competence, as well as enhancing the quality of non-financial information made available to the market.

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

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

The annual variable remuneration of the Chief Executive Officer for 2022 is linked to, among other criteria, progress in the implementation of Inditex's global sustainability strategy. This progress will be measured according to the indicators updated at the 2022 Annual General Meeting, with a maximum weight of up to 15% of the total annual variable remuneration. The goals are as follows:



Weight	Goal	Measurement criteria
15%	Progress in the implementation of Inditex's global sustainability strategy, measured according to the following indicators:	<ul style="list-style-type: none"> <li>(i) Increase in the number of sustainable items, measured by the following parameters:                             <ul style="list-style-type: none"> <li>(a) More sustainable raw materials: cotton, linen, polyester and cellulosic fibres.</li> <li>(b) Garments under the Join Life sustainability label.</li> </ul> </li> <li>(ii) Number of audits and control of discharges from dyeing facilities (wet processes) within the framework of the Zero Discharge of Hazardous Chemicals Commitment;</li> <li>(iii) Percentage reduction of waste generated internally at Inditex facilities (headquarters, logistics centres and own stores) (Zero Waste);</li> <li>(iv) Percentage of all packaging materials collected for recycling or reuse in the supply chain (Green to Pack);</li> <li>(v) Percentage of renewable energy consumption in Inditex's main facilities (headquarters, logistics centres and own stores);</li> <li>(vi) Degree of progress in rolling out the new Reusable shopping bag project;</li> <li>(vii) Degree of progress in the elimination of single use plastic for customers; and</li> <li>(viii) Innovation projects related to textile recyclability.</li> </ul>

On the other hand, pursuant to the Remuneration Policy, the weight of sustainability metrics to which multi-year remuneration is tied may reach up to 25%. The metrics to which current long-term incentive plans are tied are shown below:

Weight	Goal	Measurement criteria
Between 10 % and 25 % <sup>1</sup>	Sustainability index (composed of 4 indicators)	<ul style="list-style-type: none"> <li>(i) Sustainable product, measured as the percentage of sustainable garments.</li> <li>(ii) Waste management, measured as the percentage of Inditex facilities (headquarters, factories, logistics centres and stores) that have a waste management system to properly collect and manage such waste so as to be available resources for a new use by means of reusing or recycling.</li> <li>(iii) Decarbonisation, measured as the reduction in the volume of Greenhouse Gas emissions in own operations (scope 1 and 2).</li> <li>(iv) Social, measured as the percentage of suppliers of Inditex products ranked A or B in the social score index.</li> </ul>

1. Bearing in mind that two different long-term incentive plans were in force throughout 2022, in which the weight of the sustainability index varied from 10% to 25%.

As a result, in 2022, the weight of sustainability objectives on aggregate variable remuneration has been approximately 20%.

Details of the objectives, the measurement criteria and the performance scales for each of the sustainability objectives tied to the Chief Executive Officer's variable remuneration are provided in the 2022 Annual Report on Remuneration of Directors. It was approved by the Board of Directors on 14 March 2023 and is available on the corporate website (in the Investors section, under Corporate Governance > Reports & Regulations sub-section) and on CNMV's website.

More information in the [Annual Remuneration Report](#) included herein.

The link between sustainability objectives and the remuneration system also applies to the Group's Senior Managers.

## 6.1.2. Internal corporate ethical culture

GRI 2-9; 2-24; 205-1; 407-1; 3-3; AF1; AF7

Inditex's Compliance System is based on the implementation of our corporate ethical culture as an objective shared by all those who make up the Company, because it is not only a matter of what we want to achieve, but of *how* we want to achieve it.



One of the goals of such System is to establish a regulatory compliance framework in keeping with the applicable legislation and regulations, so as to prevent and, where appropriate, limit any kind of legal liability for the Company. As for the *how*, Inditex's Compliance System is aimed at evidencing our **unwavering commitment** to conveying our corporate ethical culture to all our stakeholders, promoting respect for fundamental human and labour rights. Compliance is a consequence of this commitment, enshrined in the Compliance System explained in this chapter.

Evidence of this is the existence of an approved and published internal regulatory system reflecting our ethical culture. The **Code of Conduct and Responsible Practices** is the top-level regulation for Group employees, and the **Code of Conduct for Manufacturers and Suppliers** provides the benchmark regulation for Inditex suppliers and the entire supply chain.

### Code of Conduct and Responsible Practices

The Code of Conduct and Responsible Practices (the '**Code of Conduct**') establishes Inditex's ethical commitments and sets out the behaviour expected of its employees. Its goal is to secure a professional, ethical and responsible commitment from Inditex and all its employees, in the course of their activities anywhere in the world, as a core element of its business culture underpinning the training and personal and professional well-being of its employees.

To this end, it defines the principles and values that must govern the relationships between the Group and our main stakeholders: employees, customers, shareholders, business partners, suppliers and those communities in which we implement our business model.

**The United States, Puerto Rico and Canada** have their own code of conduct, adapted to the applicable regulations and best practices in those countries, and inspired by and fully aligned with the Code of Conduct.

- ☑ All Inditex operations will be carried out in an ethical and responsible way.
- ☑ Compliance with the legislation in force in each country is a necessary prerequisite for the Code of Conduct.
- ☑ The behaviour of the employees of Inditex must conform to the spirit and the letter of the Code of Conduct.
- ☑ All persons, natural and legal, with any direct or indirect labour, economic, social and/or industrial relations with Inditex, will receive fair and dignified treatment.
- ☑ All activities of the Inditex Group will be conducted in the most environmentally-friendly way possible, fostering the conservation of biodiversity and the sustainable management of natural resources.

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.

In keeping with best practices, the process involves the collaboration of various areas of the Company, as well as external advisers and Inditex's Social Advisory Board, as the main liaison with the Group's various stakeholders.

### Code of Conduct for Manufacturers and Suppliers

This Code defines **minimum standards of ethical and responsible behaviour** that must be observed by all the **manufacturers and suppliers** of the Group across the supply chain, in accordance with Inditex Group's corporate culture, firmly grounded on respect for human rights and sustainability.

It applies to all manufacturers and suppliers involved in the raw material procurement, purchasing, manufacturing and finishing processes of products that are marketed by the Group, and it promotes and is based on the general principles that define the ethical behaviour of Inditex described above. Compliance with all the standards provided in the Code of Conduct for Manufacturers and Suppliers is a pre-requisite for a supplier or manufacturer to form part of Inditex's supply chain.

① More information in section [5.6. Suppliers](#) of this Report.

### 6.1.3. Compliance and criminal risk prevention systems

GRI 2-9; 2-12; 2-15; 2-18; 2-24; 2-26; 205-2; 205-3; 3-3; AF4

#### Strategy and governance

Inditex's Compliance System involves the entire company and its employees. In other words, it is transversal, meaning that it is a corporate function encompassing all our commercial formats.

The Compliance function manages the Group's global compliance system and liaises with all the Company areas and departments with compliance responsibilities.

The **Ethics Committee** and the **General Counsel's Office – Compliance Office** make up the so-called **Compliance function**. The General Counsel's Office – Compliance Office is tasked with managing the Compliance System of Inditex and its Group in general, and, in particular, the Model of Criminal Risk Prevention. The Ethics Committee is the internal body in charge of overseeing compliance with the Codes of Conduct, the Model of Criminal Risk Prevention and all other corruption prevention models, and monitoring the effectiveness of the controls.

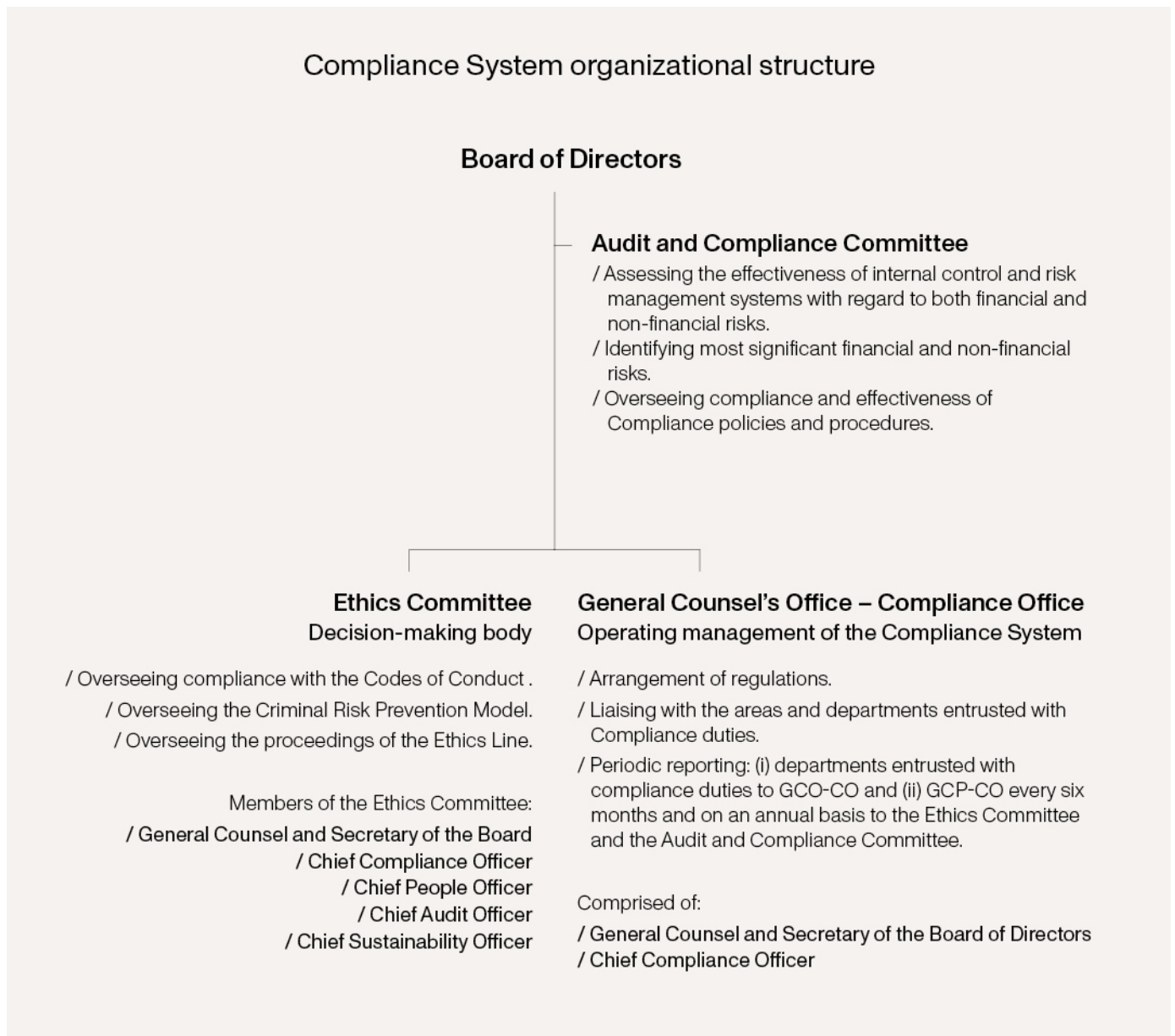
The independence of the Compliance function from Senior Managers is guaranteed by the direct dialogue between the Compliance Office and the Board of Directors, through the Audit and Compliance Committee, ensuring that the ultimate control of the Compliance System efficiency is exclusively incumbent on the Board.

For its part, the **Ethics Committee** submits, at least every six months, a **report to the Audit and Compliance Committee** to review its activities and the enforcement of the Code of Conduct and Responsible Practices, as well as the results of the supervision of the Model of Criminal Risk Prevention.

The Chief Compliance Officer reports to the Audit and Compliance Committee which, in turn, keeps the Board of Directors apprised on a quarterly basis and whenever the Board so requests, on the operation of the key elements of the Compliance System and on how the Company manages compliance risks. The Audit and Compliance Committee may submit proposals for adopting measures to improve the effectiveness of the Compliance System.

In this regard, in 2022, the methodology of the Compliance function's reporting system was revised, focusing on identifying the most significant potential compliance risks, by means of new severity criteria, and gathering more comprehensive information on the action plans devised to avoid and mitigate these risks.

Thus, the management and oversight of the Compliance System and, in particular, the Criminal Risk Prevention Model, is entrusted to the following bodies:



This Compliance System is based on a **structure of core (high-level) standards**, approved by the Board of Directors that apply globally, and a series of organisational documents.

Moreover, the Inditex Group's Compliance System is specifically regulated through the following standards:

- / The Group's **Codes of Conduct** (detailed in the above section).
- / The **Compliance Policy**: which sets out the commitments that all our employees must undertake, regardless of their location and position.

- / The **Compliance Management Procedure**, which develops the contents of the Policy and sets out the organisational measures to prevent, detect and manage Non-Compliance Risks, reinforcing a culture of ethical compliance.

- / Anti-corruption regulations: our **Integrity Policies**.

Inditex has a set of internal rules, approved by the Board of Directors, which enshrines our firm commitment against any form of corruption, fraud, money laundering or illegal financing.

In particular, in order to ensure that the activities performed by Inditex, as well as the work carried out by all our employees and the third parties with which we are engaged in business relations, comply with the **provisions of the anti-bribery and anti-corruption regulations** in place in Spain and in the rest of

the markets in which the Group is present. The Integrity Policies are linked to the ethical values of our Group and consist of:

**/ The Policy on Donations and Sponsorships.**

**/ The Policy on Gifts and Business Courtesies.**

**/ The Policy on Dealings with Public Officials.**

**/ The Conflicts of Interest Policy.** It establishes the principles and criteria to be taken into consideration to prevent, detect, report and manage any conflicts of interest that might arise in the performance of the professional activities of Inditex employees, and which could compromise the objectivity or professionalism required in the performance of their duties.

**/ The Anti-Money Laundering and Terrorist Financing Policy.** It defines the due diligence processes implemented within the Company, taking into account the different types of business activities we conduct, namely:

- The process to limit cash payments in stores, whereby certain mechanisms are developed to monitor payments in cash by customers in stores; and
- The identification and review of potential risks from our business partners, suppliers and other third parties, in accordance with due diligence measures outlined in our internal regulations, shown below.

**/ The Due Diligence Policy:** Inditex is firmly committed to controlling and preventing compliance risks at the third parties with which it deals. For this purpose, a third-party control system has been implemented, which is described in the Due Diligence Policy and its implementing regulations. The aforementioned Policy includes the principles and action criteria that aim to align Inditex's relationships with our business partners, suppliers and large customers:

- the processes described in the international standard ISO 37001 on Anti-Bribery Management Systems in organisations;
- anti-corruption regulations; and
- applicable anti-money laundering regulations.

It also aims to ensure compliance with trade sanctions and restrictions adopted and implemented in, at least, the European Union, the United States, the United Kingdom and the United Nations.

## Key Internal Regulations

### Core regulations

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#### 2012

- / Code of Conduct and Responsible Practices
- / Code of Conduct for Manufacturers and Suppliers

#### 2016

- / Zero Standard
- / Compliance Policy

### Integrity and Transparency

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#### 2016-2017

- / Policy on Gifts and Business Courtesies
- / Policy on Dealings with Public Officials
- / Policy on Donations and Sponsorships

#### 2018-2020

- / Anti-Money Laundering and Terrorist Financing Policy

### Ethics Line

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#### 2012-2019

- / Ethics Line Procedure (approved in 2012 and reviewed in 2019)
- / Regulations of the Ethics Committee (approved in 2012 and amended in 2022)

### Criminal Risk Prevention Model

As part of its Compliance System, Inditex also relies on an **organisational and management model for crime prevention** or the Model of Criminal Risk Prevention, aimed at preventing **and managing the risks** related to the potential commission of offences under Spain's Criminal Code, in particular corruption, fraud and bribery. This Model, which is constantly evolving and adapting, comprises the following documents:

## Model of Criminal Risk Prevention

### Policy on Criminal Risk Prevention

Which associates commitments to an ethical behaviour undertaken under the Code of Conduct and Responsible Practices with such offences whose perpetration the Policy intends to prevent.

It expressly forbids offering, granting, soliciting or accepting, directly or indirectly, gifts or handouts, favours or compensation in cash or in kind, irrespective of their nature, to or from any authorities or public officials and includes specific guidelines to deal with public officials.

### Criminal Risk Prevention Procedure

Which establishes, among other things, the roles and responsibilities of the areas tasked with controlling and verifying the Model, as well as reporting on it, and the functions of the Ethics Committee regarding criminal risk prevention, as well as the Company's organisational measures on the matter.

### Risk and Control Matrix

- / Lists the criminal risks;
- / Details risk events applicable to Inditex's operations;
- / Establishes the controls in place to prevent risk events from occurring;
- / Designates the area that owns the controls and reports the evidence of their implementation;
- / Allocates the frequency with which they must be reported.

The Model of Criminal Risk Prevention, approved by the Board of Directors in 2016 and reviewed periodically, **is subject to a continuous assessment and improvement process** to adapt it to the growth of the Group and to statutory requirements, recommendations and best practices applicable in the field at any given time, thus ensuring its effectiveness.

In 2022 the Risks and Controls Matrix was fully updated. This update consisted of analysing and reviewing potential criminal risks inherent in the Group's activities, in accordance with new legislation and the Group's processes and controls. As a result of this review, the risks and controls contained in the Matrix have been updated, focusing on those key controls that prevent or mitigate the risks identified.

Likewise, in order to reduce criminal risks inherent in the business carried out by Inditex, and in particular the offences of public corruption and/or corruption in business identified in the Matrix, the controls in place have been monitored based upon risk prioritisation as determined in the risk map (the 'Map').

Main corruption risks identified in the Criminal Risk Map:

	2022
Corruption risks	Corruption in business
	Corruption in international transactions - Bribery
	Influence peddling - Bribery

### Towards a Global Compliance model

In 2022, the review and transformation of the Model of Criminal Risk Prevention and the local Compliance models into a Global Compliance Model has commenced, with the aim of integrating the existing risk and control matrices into a corporate Matrix.

This new global and integrated Compliance Model will be based on statutory requirements and international best practices and, where necessary, adapted to local regulations.

In 2022, we have continued implementing **local compliance models**, in keeping with the regulatory requirements in each jurisdiction where we operate.

### Due diligence

Inditex has a solid control system defined in its **Due Diligence Policy** and the implementing regulations thereof.

The due diligence process regulated by the aforementioned Policy consists of the **identification and analysis of all the suppliers, business partners and third parties** with which Inditex has commercial relations, as well as, in certain cases, their main shareholders, directors and beneficial owners. This process identifies potential risks related to corruption, fraud, tax evasion, money laundering, international trade sanctions and/or any other reputational or similar risks that may pertain to these third parties. The identified risks will lead to the implementation of an action plan coordinated by the Compliance function, which may range from remedial measures to the termination of the business relationship with the third party in question. The Policy and its implementing regulations describe the responsibilities of the areas involved in the various procedural review flows, as well as in the design, execution and monitoring of any action plans established.

The due diligence process, for which the Compliance function is responsible, is separate from but aligned with any other analysis of a social, environmental, operational, financial, commercial or any other nature which the Group may be engaged in with suppliers and other third parties.

📌 More information in the section [5.6 Suppliers](#) of this Report.

This due diligence process is developed and implemented based on a number of principles:

- / It sets forth the obligation to submit all **business partners, large customers, suppliers and third parties** with whom Inditex engages in business relations to this due diligence process.
- / It is a **necessary prerequisite** in order to commence business relations with third parties.
- / It prohibits any **business dealings** with third parties for whom **compliance risks have been detected**, when no action plan to mitigate or remedy such risks is under way.
- / It shall be carried out in accordance with the **principles of reasonableness and proportionality**, by applying different levels of analysis based on criteria such as business turnover, industry or market risk or other factors.

This process is carried out over two phases:

- 1) At the outset of the commercial relationship with Inditex: all suppliers and other third parties that enter into commercial and/or professional relations with the Group are subject to the scheduled due diligence process. This is increasingly demanding in accordance with certain factors, including: (i) the third party's total estimated business with Inditex; (ii) the market in which the third party is based and carries out its main business; (iii) the sector to which it belongs; and (iv) its degree of interrelation with the authorities and public officials.
- 2) Over the course of the commercial relationship with Inditex: in addition, all existing suppliers are periodically assessed, submitting them to the flow that may be applicable to them, in accordance with Inditex's due diligence regulations.

Inditex has also implemented the **Procedure for Limiting Trade Relations with Suppliers**, approved in 2017, which establishes restrictions on hiring suppliers, only allowing those based in markets authorised by the Group to be hired (i.e., those who meet legal and business operation criteria); and on making and receiving payments only to and from those suppliers which, having met the foregoing requirement, have a bank account opened in such markets.

Furthermore, Inditex guarantees that, via the implementation of the Inditex Minimum Requirements (IMRs), all the product suppliers with whom it works agree to comply with certain social, environmental and product health and safety standards, among others.

#### **Grievance Mechanisms: the Ethics Line**

The **Ethics Line** is a strictly confidential channel through which all Group employees, manufacturers, suppliers or third parties with direct dealings or legitimate commercial or professional interest may, regardless of their hierarchical level and geographic or functional location, and even anonymously:

#### **Raise questions and/or doubts**

on the **construction or enforcement** of the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers, and of any **other internal conduct regulations** that fall within the purview of the Ethics Committee.

#### **Report breaches**

by employees, manufacturers or third parties engaged in an employment, business or direct professional relationship with Inditex, of the **Codes of Conduct** and **other internal conduct regulations** that fall within the purview of the Ethics Committee affecting Inditex they may be aware of

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Any **corruption, fraud and bribery-related breach and/or irregularity** may also be reported.

The **Ethics Committee** is the internal body in charge of overseeing the proceedings of **the Ethics Line** and compliance with its procedure, pursuing any investigations that may be necessary. This internal body operates in accordance with the provisions of the **Regulations of the Ethics Committee**, which was updated in 2022 for the purposes, inter alia, of strengthening supervisory and management functions with respect to the Ethics Line, including certain changes to its operating procedures and conferring on the Committee, where necessary pursuant to applicable regulations, the power to set up local counterpart committees. The operation of the Ethics Line is set out in the **Ethics Line Procedure**.

This Procedure, which was amended by the Board of Directors in December 2019, is aligned with the principles of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law and, in particular, with the regulatory requirements regarding the **protection of personal data** and the **rights of users of whistleblowing mechanisms**, as well as with international best practices in the field of human rights. In this regard, in 2022 subsequent transpositions of the Directive into national Law have been monitored and analysed to ensure that the Ethics Line is compliant with the applicable requirements. This Procedure offers the following **guarantees and protection measures** to the parties involved in the process:

- / Utmost **confidentiality**.
- / **Presumption of innocence** and preservation of the **right to honour of the accused**.
- / **Non-retaliation**.
- / **Appropriate use of personal data** processed.
- / The parties' **right to be heard**.

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All the information regarding the Ethics Committee and the Ethics Line is available on our **intranet** and on our **corporate website** ([www.inditex.com](http://www.inditex.com)), under the Ethical Commitment tab, which provides direct access to this channel.

### How the Ethics Line works

The decisions of the Ethics Committee, as a collegiate and independent body, are **binding** upon the Inditex Group and, as the case may be, on the persons to whom they are addressed.

## How the Ethics Line works

### 1. Concerns

The party concerned reports an incident.  
[canaletico@inditex.com](mailto:canaletico@inditex.com) / [ethicsline@inditex.com](mailto:ethicsline@inditex.com) / postal mail.

### 2. Management

The Ethics Committee acknowledges receipt and decides whether to accept or disregard the concern.

### 3. Investigation

The Ethics Committee launches an investigation, in collaboration, where applicable, with other areas.

### 4. Measures

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After hearing the party concerned, the Ethics Committee will resolve:

- / To close proceedings where no breach exists; or
- / The existence of an infraction, deciding on its severity and the advisability of adopting disciplinary measures and/ or complementary actions.

In the event of breach and, unless the Ethics Committee decides to directly exercise this power, the measures will be determined by the competent department or area based on the severity of the infraction and other circumstances. Such measures may consist of:

- / Immediate correction of the breach and adoption of measures to remedy and prevent future breaches;
- / Disciplinary measures (from a simple warning or admonishment, to dismissal).

### Local Ethics Lines

In addition to the Ethics Line, Inditex has local Ethics Lines in the United States, Puerto Rico and Canada, as well as in Croatia and Sweden (the latter since 15 July 2022), in order to comply with the requirements and/or best practices applicable in those markets.

In keeping with local best practices, the management of the **Ethics Line for Canada, the United States and Puerto Rico** has been entrusted to an external supplier. It can be accessed by telephone and via the website and is available 24/7.



Breakdown of concerns by topic<sup>55</sup>

2022	2021
209 HR, Diversity and Workplace Respect	159 HR, Diversity and Workplace Respect
90 deal with potential situations of harassment, discrimination and/ or violation of fundamental rights	54 deal with potential situations of harassment, discrimination and/ or violation of fundamental rights
119 are about disagreement with working conditions, the grounds for dismissal or staff selection processes	105 are about disagreement with working conditions, the grounds for dismissal or staff selection processes
73 Business Integrity*	72 Business Integrity*
6 Environment, Health and Safety	3 Environment, Health and Safety
0 Misuse, Misappropriation of Corporate Assets	7 Misuse, Misappropriation of Corporate Assets
0 Accounting, Auditing and Financial Reporting	0 Accounting, Auditing and Financial Reporting
24 Others	16 Others
80 Cases beyond the authority of the Committee	132 Cases beyond the authority of the Committee
392 Total number of concerns received	389 Total number of concerns received

\* Includes cases related to potential behaviors of taking advantage of the position in Inditex to obtain business opportunities for one's own benefit or other benefits, conflicts of interest and/or fraud or breach of procedures.

<sup>55</sup> In accordance with the Navex classification.

In 2022, the Ethics Committee processed a total of 312<sup>56</sup> cases (257, 315, 310 and 302 cases in 2021, 2020, 2019 and 2018, respectively).

	2022	2021
Concerns received	392	389
Concerns processed	312	257
Concerns classified as beyond the scope of its authority	80	132
(i) Disciplinary measures or termination of employment due to confirmed cases of corruption	3	2
(ii) Total number of confirmed cases where contracts with business partners have been terminated or not renewed due to corruption-related offences	0	0
Confirmed cases of discrimination	1 <sup>1</sup>	0
Disciplinary measures or termination of employment due to confirmed cases of discrimination	1	0
Confirmed cases of harassment	1	0
Disciplinary measures or termination of employment due to confirmed cases of harassment	1	0

1. In two (2) of the cases processed by the Ethics Committee over the course of 2022 in relation to discrimination and harassment, the existence of inappropriate conduct was confirmed, although in neither cases evidence of discriminatory behaviour and/or harassment was found; the appropriate measures were taken, which in both cases resulted in the termination of the employees concerned.

In any event, of the cases currently being examined concerning potential cases of mobbing, sexual harassment, discrimination or other potential violations of human rights, 15 of them relate to situations potentially experienced by employees of suppliers of goods and service providers. With regard to the confirmed cases of corruption, no relevant aspects affecting the Company have been observed in any of them.

During 2022, 2021, 2020, 2019 and 2018, the Group has not been aware, either through its Ethics Committee or through other means, of any court proceedings for corruption or bribery that affect the Company.

In 2022, no significant (firm) legal actions have been registered in the Inditex Group, either through the Ethics Line or through other available channels, in connection with unfair competition and monopolistic and anti-trust practices.

In 2022, the Ethics Line processed a total of 149 cases (77, 74 and 76 in 2021, 2020 and 2019, respectively), 135 concerning the United States, and 14 concerning Canada (72, 59 and 64 concerning the United States, and 5, 15 and 12 concerning Canada in 2021, 2020 and 2019, respectively).

No potential breaches were reported through the Croatian and Swedish Ethics Lines in the reporting period.

## Training, communication and awareness-raising

### Internal and external communication and dissemination

Educating our employees and suppliers is key to building and growing our Compliance System. We trust them fully to uphold the **values, principles and ethical standards of conduct** that make up our corporate ethical culture.

At Inditex we promote **the communication and dissemination of internal regulations** linked to the Group's Compliance System and we facilitate the knowledge and disclosure of the rules of conduct adopted to all the parties affected by them, keeping them informed about the way in which Inditex pursues its compliance objectives. Likewise, in order to ensure our **formal commitment** at the highest level, to ethical and responsible behaviour, **the Compliance function**, which is managed by the **General Counsel's Office – Compliance Office**, is responsible for:

- **Adequately informing** and updating the members of the **Board of Directors of Inditex**, by means of quarterly follow-up reports, in relation to (i) the work carried out by the Compliance function, (ii) specific projects underway, (iii) the activities and results of the supervision of the Model of Criminal Risk Prevention of the Group, and (iv) the status of the cases processed by the Ethics Committee. Moreover, prior to the meetings of the Board of Directors, the General Counsel's Office provides the members of the Board with those internal regulations that have been amended or drawn up during the quarter.
- **Promptly communicating the compliance regulations** to all the **officers and other supervisors of the Group's areas and activities**, reminding them of their duty to disclose the content of the regulations to all staff under their respective areas of responsibility.

During fiscal year 2022, the Board of Directors has approved the Global Sexual Harassment and Sex or Gender Identity-Based Harassment at the Workplace Prevention Policy and has reviewed and/or updated the Policy on statutory auditor contracting for the provision of non-audit services, the Indirect Procurement Policy, the Sustainability Policy, the Occupational Health and Safety Policy, the Community Investment Policy and the Internal Regulation of Conduct in the Securities Markets (IRC). In addition, 4 procedures and 9 terms of reference of committees statutes of internal functions have been approved and/or revised.

In particular, with regard to anti-corruption, the General Counsel's Office has communicated and published the following internal regulations:

#### (a) Donations and Sponsorship Management

**Procedure:** the General Counsel's Office has approved a new Procedure governing the process of managing, approving and documenting the Group's Corporate Community Investment initiatives (e.g. donations), as well as patronage and sponsorships. Its purpose is to ensure that all initiatives are commensurate with the Group's ethical principles and values and, in particular, to prevent and avoid any corrupt practices.

<sup>56</sup> The total number of cases handled by the Ethics Committee does not include such cases that were not admitted on account of being beyond the scope of its authority. Considering all such cases, the total number of cases seen amounts to 392.

**(b) Indirect Procurement Policy:** in September 2022, the Board of Directors approved the new Group Indirect Procurement Policy, which replaces and supersedes the one approved in 2015. The Policy establishes a global framework for procurement management, aligned with the Group's strategic objectives, as well as for mitigating the Company's risks. The Policy follows the general principles of transparency, coordination, segregation of duties, flexibility and simplification.

The policies, procedures and instructions that make up the Compliance System of the Group are available to all employees on the corporate intranet (INET) and can be accessed from any device. Furthermore, the main compliance regulations, publicly available to all our stakeholders can be found in the 'Ethical Commitment' tab on Inditex corporate website.

In addition, every year the Ethics Committee sends out an e-mail to all employees with an Inditex Group corporate e-mail address to remind them of the provisions of the Code of Conduct and of the **Policy on Gifts and Business Courtesies**, regarding the acceptance and receipt of gifts from suppliers, along with a standard letter form to be sent to the Group's suppliers reminding them of such prohibitions.

Listed below are the persons to whom the above Anti-Corruption Policies and Procedures were communicated in 2022, by professional category and region:

<b>Procedure for donations and sponsorships management</b>	
<b>Job classification</b>	<b>No. of people</b>
Management	230
Supervisors	35
Specialist	85
<b>Total</b>	<b>350</b>
<b>Region<sup>1</sup></b>	<b>No. of people</b>
America	27
Asia and rest of the world	45
Spain	171
Europe (ex- Spain)	107
<b>Total</b>	<b>350</b>
<b>Indirect Procurement Policy</b>	
<b>Governance body</b>	<b>No. of people</b>
Board of Directors	11
<b>Job classification</b>	<b>No. of people</b>
Management	648
Supervisors	1,658
Specialist	1,015
<b>Total</b>	<b>3,321</b>
<b>Region<sup>1</sup></b>	<b>No. of people</b>
America	233
Asia and rest of the world	369
Spain	1,881
Europe (ex- Spain)	838
<b>Total</b>	<b>3,321</b>
<b>Gifts reminder</b>	
<b>Job classification</b>	<b>No. of people</b>
Management	1,137
Supervisors	10,188
Specialist	3,319
<b>Total</b>	<b>14,644</b>
<b>Region<sup>1</sup></b>	<b>No. of people</b>
America	685
Asia and rest of the world	1,012
Spain	10,122
Europe (ex- Spain)	2,825
<b>Total</b>	<b>14,644</b>

1. Without Russia and Ukraine: due to the situation during the 2022 fiscal year in both markets, they have not been taken into account for the purposes of calculating the data.

Lastly, all of the Group's product suppliers can use the supplier extranet to consult the IMRs applicable to them. Notable among all these regulations are the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers, which set out the anti-corruption obligations binding upon all suppliers.

### Training actions

The promotion of the corporate ethical culture and the Compliance System of the Inditex Group is based on the implementation of training actions adapted to the risk profile of the different groups of employees that form part of Inditex. In this regard, in 2022, the Criminal Compliance Training Plan, that meets training requirements in the area of criminal risk prevention, was reshaped, resulting in a holistic Compliance Training Plan (the **Training Plan**), which includes training and awareness-raising measures aimed at covering the priority Compliance risks to which the Group is potentially exposed. The Training Plan, addressed to both Group employees and third parties (e.g. suppliers), primarily covers the following topics:

- / Code of Conduct and Responsible Practices
- / Code of Conduct for Manufacturers and Suppliers
- / Ethics Line
- / Anti-corruption and integrity (Integrity Policies and Conflict of Interest Policy)
- / Criminal risk prevention
- / Due diligence
- / Prevention of market abuse and protection of inside and/or confidential information

The Training Plan also covers the role of the Compliance function in the coordination and management of the so-called Compliance Training Framework Plan, launched in 2022. This Plan aims to organize, under a single umbrella, all training provided by the main corporate areas exposed to compliance risks. The goal is to ensure a homogeneous and robust oversight of training to mitigate priority compliance risks and contribute to building a corporate ethical culture.

### Employee compliance training

Within the framework of the Compliance Training Plan, in 2022, specific training (either in person or online) was provided to groups who, on account of their position and responsibilities or because of the type of activity they carry out, are exposed to a **greater risk of compliance breaches** and, in particular, to **crimes related to corruption in business**.

In 2022, a new compliance training course was created in "TraIn", the corporate e-learning platform, which has a specific area dedicated to "Culture and values".

Listed below are the persons who received anti-corruption training (either in person or online) in 2022, by professional category and region:

### Priority group

Professional category	No. of unique people trained	% (of the annual average staff in 2022)
Management	4,373	70.63
Supervisors	2,882	72.18
Specialist	12,317	69.26
<b>Total</b>	<b>19,525</b>	<b>69.82</b>
<b>Region<sup>1</sup></b>		
America	1,044	87.19
Asia and rest of the world	1,253	74.02
Spain	7,513	75.43
Europe (ex- Spain)	9,717	64.28
<b>Total</b>	<b>19,525</b>	<b>69.82</b>

1. Excluding Russia and Ukraine: due to the situation in both these markets in 2022, they were not included for the purpose of calculating the figure, as no communication and dissemination measures have been carried out in connection with this training.

Likewise, at the end of 2022, a Compliance e-learning training course has been made available to more than 3,700 ITX Trading suppliers in 50 markets, which will allow to convey the principles and behaviour guidelines we expect from the main product suppliers within the framework of our commercial or professional relations with them.

## 6.2. Tax responsibility and transparency

GRI 3-3; 201-2; 201-4; 207-1; 207-2; 207-3; 207-4

**Related material topics: Value creation.**



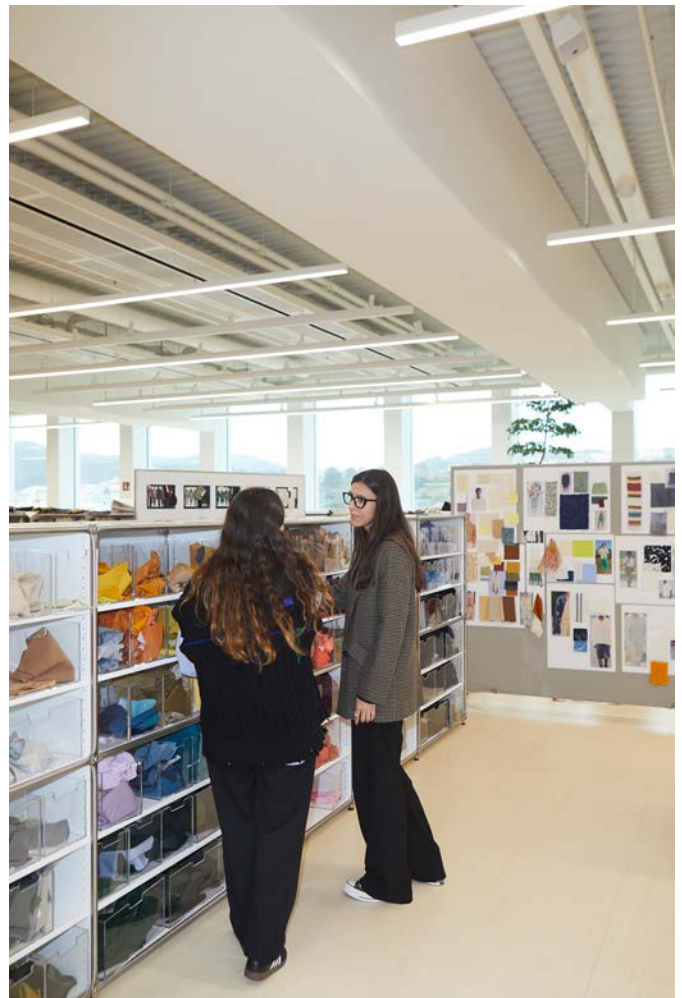
For Inditex, **strict compliance with our tax obligations in all the markets where we operate** is a fundamental principle of our tax policy. We see the application of good tax practices as an extension of our commitment to sustainability and corporate social responsibility.

It is also consistent with our **philosophy of value creation** and our determination to bring about **positive social transformation** wherever we are present, as the payment of taxes, by companies and individuals, enables the economic and social development of a community. Moreover, it fosters the construction and consolidation of infrastructures and public services that benefit the well-being of citizens and society in general.

**Inditex's Tax Policy**, approved by the Board of Directors in 2015, establishes that, in its tax practices, Inditex shall apply the fiscal legislation of the markets where it is present and, preferably, the interpretative criteria established by the authorities or courts of those markets. Due to the heterogeneity of this regulatory framework, Inditex approaches its tax management by taking the standards of best practice in each territory as a reference.

The Inditex Group is based upon a vertical organisation which takes part in all stages of the value chain of the textile industry (design, production, procurement, distribution and sale). Since all such activities are carried out in different territories, the part of profit created in the value chain attributed to each one needs to be determined. Profit attribution is done pursuant to the arm's length principle, in accordance with local regulations and OECD Transfer Pricing Guidelines.

The principles of **collaboration, mutual trust and good faith** govern Inditex's relationship with the tax authorities. Furthermore, we are part of *Foro de Grandes Empresas* ("Large Companies Forum") in Spain, whose primary objective is to promote greater collaboration among large companies and the State Taxation Administration. We also comply with the Code of Good Tax Practices promoted in the Forum, and have followed its recommendations and subsequent developments. Specifically, it is important to note that the Group has presented the Tax Transparency Report in accordance with the recommendation contained in section 2.4 of the Code.



Below is a breakdown of profit before taxes by market for 2022  
(millions of euros)<sup>57</sup>

Markets	2022	2021	2020	2019	2018
<b>Americas</b>	<b>1,141</b>	<b>645</b>	<b>(129)</b>	<b>359</b>	<b>294</b>
Brazil	122	61	(30)	63	74
Canada	91	33	(9)	27	17
United States	424	253	(48)	84	50
Mexico	376	213	(43)	146	116
Other	128	85	1	39	37
<b>Asia &amp; Rest of the world</b>	<b>376</b>	<b>393</b>	<b>60</b>	<b>657</b>	<b>561</b>
Australia	33	14	(2)	13	11
China	105	198	1	375	364
South Korea	50	34	6	57	24
Japan	11	44	17	83	56
Kazakhstan	48	23	14	22	15
Other	129	80	24	107	91
<b>Spain</b>	<b>1,422</b>	<b>1,083</b>	<b>640</b>	<b>1,805</b>	<b>1,650</b>
Spain	1,422	1,083	640	1,805	1,650
<b>Europe</b>	<b>1,919</b>	<b>1,785</b>	<b>388</b>	<b>1,720</b>	<b>1,417</b>
Germany	64	44	1	51	14
Belgium	34	36	(2)	26	83
France	145	127	28	101	139
Greece	27	30	15	41	31
The Netherlands	586	202	9	328	274
Hungary	7	7	(2)	11	12
Italy	127	121	(48)	93	83
Poland	9	25	3	44	38
Portugal	47	62	(1)	77	63
United Kingdom	154	98	30	78	34
Romania	75	66	31	67	67
Switzerland	493	409	145	307	257
Other	151	558	179	497	322
<b>Profit/(loss) before taxes</b>	<b>4,858</b>	<b>3,906</b>	<b>959</b>	<b>4,541</b>	<b>3,922</b>
Consolidation	500	293	442	140	506
<b>Consolidated profit/(loss) before taxes</b>	<b>5,358</b>	<b>4,199</b>	<b>1,401</b>	<b>4,681</b>	<b>4,428</b>

<sup>57</sup> Profit before tax results from the application of the International Financial Reporting Standards (IFRS), including the application of the accounting standard for leases IFRS 16 and excludes the result of the dividend distribution of other subsidiaries of the Group, capital gains from the sale of intra-group holdings, as well as provisions for portfolio impairments in Group subsidiaries. Profit before tax is conditioned by the 'headquarters effect' and compliance with international regulations on transfer pricing (OECD Guidelines) whereby the result derived from design, supply, logistics and distribution functions is allocated to certain markets and, therefore, does not represent the Group's profitability in each market.

In 2022, the effective overall income tax rate was 22,6%, and the accrued income tax expense (in million euros) was as follows:

Markets	2022	2021	2020	2019	2018
<b>Americas</b>	<b>326</b>	<b>164</b>	<b>38</b>	<b>120</b>	<b>93</b>
Brazil	51	17	0	14	18
Canada	22	2	6	6	5
United States	99	64	6	41	20
Mexico	113	49	15	42	38
Other	41	32	11	17	12
<b>Asia &amp; Rest of the world</b>	<b>58</b>	<b>59</b>	<b>62</b>	<b>123</b>	<b>119</b>
Australia	11	1	4	4	3
China	(6)	20	20	56	71
South Korea	15	10	7	14	6
Japan	4	10	19	28	21
Kazakhstan	10	4	5	5	4
Other	24	14	7	16	14
<b>Spain</b>	<b>267</b>	<b>195</b>	<b>103</b>	<b>372</b>	<b>360</b>
Spain	267	195	103	372	360
<b>Europe</b>	<b>479</b>	<b>383</b>	<b>222</b>	<b>392</b>	<b>383</b>
Germany	18	7	(6)	12	5
Belgium	5	7	(1)	6	24
France	42	27	15	30	52
Greece	5	7	1	10	12
The Netherlands	190	106	84	127	101
Hungary	1	1	1	1	1
Italy	20	3	6	21	25
Poland	3	10	18	14	12
Portugal	12	14	5	16	14
United Kingdom	22	18	8	15	7
Romania	10	7	1	9	10
Switzerland	92	79	48	58	60
Other	59	98	42	73	60
	<b>1,130</b>	<b>800</b>	<b>425</b>	<b>1,007</b>	<b>955</b>
Consolidation	95	80	42	116	110
<b>Income tax<sup>1</sup></b>	<b>1,225</b>	<b>880</b>	<b>467</b>	<b>1,123</b>	<b>1,065</b>

1. 2022 income tax corresponds to the obligation to pay corporate income tax, or any other, similar tax, paid in the current year, or to be paid in the following year, linked to pre-tax profit by market, in accordance with the provisions of the Information Guide on Non-Financial Information and Diversity published by the Spanish Accounting and Auditing Institute. This year, the payment obligation may be conditioned in some markets by the tax effect associated with tax losses generated in previous years.

The relation between profit/(loss) before tax and corporate income tax in each market is obtained by applying the prevailing tax rate to the taxable income. This, in turn, is the result of performing certain permanent or temporary adjustments to the accounting profit/(loss) before tax.

These adjustments relate mainly to avoiding double taxation on income, to non-deductible expenses and to differences in the criteria for temporary allocation of income and expenditure between tax and accounting legislation (depreciation, impairment, etc.).

The Group is committed to not using structures of a shady nature for tax purposes, putting shell companies located in territories considered as tax havens or uncooperative territories by the Spanish tax authorities. In this regard, the incorporation of companies located in territories considered as tax havens is limited to situations where it is absolutely indispensable for the development of the Group's own commercial activities, as is the case with the companies which operate the stores located in Macao SAR and Monaco.

	Sale of goods and services (thousands of euros)	Number of stores
Macao SAR	5,097	2
Monaco	7,538	1
<b>Total</b>	<b>12,635</b>	<b>3</b>

This year, taking into account all the markets in which it operates, the group has received 10 million euros (31 million in the previous year) in public subsidies, mainly from China.

Likewise, section [6.1.3. Compliance and criminal risk prevention system](#) of this Report, sets out the measures that Inditex has adopted within the framework of stopping money laundering and the financing of terrorism.

Direct tax		Taxes collected	
Income tax	1,185	Income tax	156
Property tax	102	Property tax	10
Personal tax	781	Personal tax	811
Tax on products and services	1,119	Tax on products and services	3,301
Environmental tax	13	Environmental tax	1
<b>Total</b>	<b>3,200</b>	<b>Total</b>	<b>4,279</b>
<b>Total tax contribution</b>		<b>7,479</b>	

With respect to the tax contribution by markets, as Inditex's home market, Spain is home to the main product activities and resulting business. For this reason, and because it represents 14.4% of global sales, it is the Group's largest direct tax contribution market. In 2022, 1,809 million euros in tax were paid in Spain, i.e., 24% of the overall total.

In the financial year 2022, and in compliance with our tax obligations, Inditex's total tax contribution amounted to 7,479 million euros, of which 3,200 million euros were direct taxes paid and 4,279 million euros were taxes collected on behalf of third parties in the territories and markets where the Company operates. In order to standardise the tax disclosures and denominations of these territories, PwC's Total Tax Contribution methodology is used. In it, taxes are divided into five categories:

**/ Income tax.** This includes tax payable on profits earned by companies (such as corporate income tax or business tax), as well as taxes collected and some withholdings on payments to third parties.

**/ Property tax.** Tax payable on the ownership, sale, transfer or occupation of property.

**/ Personal tax.** Tax related to employment, paid and collected. This includes employees' personal income tax withholdings or social security contributions payable by the employee or the Company.

**/ Tax on products and services.** Indirect taxes on the production and consumption of goods and services, such as VAT or customs duties, among others.

**/ Environmental tax.** Duties relating to the supply, use or consumption of products and services that, in one way or another, affect the environment.



Tax contribution

€7,479 M  
total tax contribution

€3,200 M  
direct taxes

€4,279 M  
taxes collected

€1,809 M  
Spain

€3,962 M  
Europe  
(does not include Spain)

€1,252M  
Americas

€456M  
Asia & rest  
of the world

2022 Taxes	Dir*	Coll**	2022 Taxes	Dir*	Coll**	2022 Taxes	Dir*	Coll**	2022 Taxes	Dir*	Coll**
<b>Total</b>	<b>949</b>	<b>860</b>	Germany	50	296	Brazil	146	82	Australia	11	26
			Belgium	14	120	Canada	54	52	China	42	64
			France	152	465	United States	304	163	South Korea	36	15
			Greece	22	140	Mexico	268	79	Japan	40	41
			Netherlands	205	131	Other	80	24	Kazakhstan	32	7
			Hungary	2	45	<b>Total</b>	<b>852</b>	<b>400</b>	Other	107	35
			Italy	67	450				<b>Total</b>	<b>268</b>	<b>188</b>
			Poland	13	116						
			Portugal	52	225						
			United Kingdom	144	255						
			Romania	12	89						
			Switzerland	110	21						
			Other	288	478						
			<b>Total</b>	<b>1,131</b>	<b>2,831</b>						

\* Direct taxes  
\*\* Taxes collected

Markets	Own taxes paid in the years 2022-2018 (in million euros)					Taxes collected in 2022-2018 (in million euros)				
	2022	2021	2020	2019	2018	2022	2021	2020	2019	2018
<b>Americas</b>	<b>852</b>	<b>592</b>	<b>357</b>	<b>623</b>	<b>489</b>	<b>400</b>	<b>318</b>	<b>177</b>	<b>320</b>	<b>271</b>
Brazil	146	90	53	108	100	82	47	34	84	79
Canada	54	50	41	53	43	52	36	23	35	33
United States	304	259	129	213	151	163	166	88	129	107
Mexico	268	141	101	194	136	79	48	22	52	35
Other	80	52	33	55	59	24	21	10	20	17
<b>Asia &amp; Rest of the world</b>	<b>268</b>	<b>257</b>	<b>248</b>	<b>345</b>	<b>359</b>	<b>188</b>	<b>208</b>	<b>144</b>	<b>189</b>	<b>187</b>
Australia	11	15	11	12	10	26	19	17	25	21
China	42	66	79	138	173	64	108	59	96	109
South Korea	36	32	31	32	27	15	12	10	12	12
Japan	40	51	59	66	64	41	40	40	34	28
Kazakhstan	32	19	12	14	14	7	4	3	4	3
Other	107	74	56	83	71	35	25	15	18	14
<b>Spain</b>	<b>949</b>	<b>780</b>	<b>620</b>	<b>1,049</b>	<b>928</b>	<b>860</b>	<b>721</b>	<b>581</b>	<b>825</b>	<b>764</b>
Spain	949	780	620	1,049	928	860	721	581	825	764
<b>Europe</b>	<b>1,131</b>	<b>794</b>	<b>691</b>	<b>1,023</b>	<b>988</b>	<b>2,831</b>	<b>2,423</b>	<b>1,871</b>	<b>2,375</b>	<b>2,180</b>
Germany	50	26	18	32	33	296	252	189	228	201
Belgium	14	9	7	18	35	120	101	107	99	97
France	152	84	117	190	229	465	360	300	347	324
Greece	22	16	12	31	23	140	107	80	135	124
The Netherlands	205	85	117	166	108	131	113	97	85	86
Hungary	2	3	4	4	4	45	29	23	35	31
Italy	67	37	44	75	82	450	385	246	384	356
Poland	13	17	24	22	11	116	85	82	111	98
Portugal	52	14	20	29	46	225	165	151	203	191
United Kingdom	144	120	16	65	72	255	173	91	132	129
Romania	12	6	2	10	13	89	73	56	78	73
Switzerland	110	62	66	94	70	21	19	15	17	15
Other	288	315	244	287	262	478	561	434	521	455
<b>Own taxes</b>	<b>3,200</b>	<b>2,423</b>	<b>1,916</b>	<b>3,040</b>	<b>2,764</b>	<b>4,279</b>	<b>3,670</b>	<b>2,773</b>	<b>3,709</b>	<b>3,402</b>

## 6.3. Responsible risk management

Related material topics: Risk management and control systems; Climate change.



### 6.3.1. Risk management and control framework

GRI 3-3

#### 6.3.1.1. Integrated Risk Management System

Inditex's **Integrated Risk Management System (IRMS)** establishes the Group's risk management and control framework. The IRMS, based on the COSO Enterprise Risk Management<sup>58</sup> (ERM) framework, encompasses our entire Group, both at the corporate level and in the various business units and subsidiaries, regardless of their geographic location. It is incorporated in our strategic planning process, in the definition of business objectives, as well as in the Group's day-to-day operations. The IRMS entails both financial and non-financial risks (including tax, operational, technological, cybersecurity, legal/regulatory, social, environmental, climate change, political, reputational, corruption-related and other risks). We define a risk to be any potential event, regardless of its nature, that may have a negative impact on the achievement of the business objectives.

The **Risk Management and Control Policy** establishes the basic principles, risk factors and the general action guidelines for managing and controlling the risks that affect our Group. The determination of this Policy is a non-delegable power of the Board of Directors. It is the responsibility of this body and the Group's Senior Management to promote it, although its implementation is the responsibility of each and every individual forming part of Inditex. Its application may be extended, in whole or in part, to any individual and/or legal person linked to the Group. The purpose of the Policy is to provide reasonable assurance in regard to the achievement of the objectives set by the Group in response to the various challenges it faces, providing all stakeholders with an adequate level of assurance to ensure the protection of the value generated.

The IRMS is based on this Policy and is developed and supplemented by internal regulations of different levels that govern the management of different risks and apply to different units or areas of the Group. This system coexists with other functions tasked with monitoring specific risk areas. Other relevant risk management policies and regulations are detailed below. Our IRMS is based on the 'COSO ERM' methodological framework and the relevant ISO standards, adapted to our own needs and specific characteristics. Furthermore, specific evaluation and quantification methodologies are used to tackle specific risks, in particular those relating to the climate.

#### 6.3.1.2. Bodies responsible for preparing and implementing the Risk Management System

The IRMS ensures adequate segregation of duties between the various elements of which it is comprised, i.e., between the areas or business units that assume and manage the risks, and those responsible for coordination, control and supervision. Responsibilities between the units and bodies involved are based on a **three-lines-of-defence model**. The responsibilities of the areas and bodies involved in the IRMS are specified below:

<sup>58</sup> Marco COSO ERM, Enterprise Risk Management - Integrating with Strategy and Performance, published on September 2017 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

## Risk management

### Board of Directors

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

### Audit and Compliance Committee

#### Supervision

of risk control and management, verifying their proper functioning on the basis of the policy approved by the Board.

#### Assessment

of the effectiveness of financial and non-financial risk internal control and management systems, as well as the measures envisaged to mitigate the impact of the risks identified.

#### Identification and re-assessment,

at least annually, of the main financial and non-financial risks and their tolerance levels.

#### Risk Map

identifying the main risks by category and an assessment thereof as a function of their potential impact, probability and the Group's preparedness for tackling them.

### Senior Management

#### Awareness and dissemination

of the importance of the Integrated Risk Management System and its value for all the Group's stakeholders.

#### Definition and validation

of roles, attributions and responsibilities the framework of Integrated Risk Management System.

#### Approval of action plans

and work plans derived from the risk management process itself, and activity monitoring.

#### Setting the level of risk

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

### Three lines of defence

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#### 1. Business units *(continuous reporting)*

Reporting of the risks to which the Group is exposed in its respective responsibility areas, including those related to climate.

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

Responsible for coordinating and updating the Integrated Risk Management System to maintain maximum quality levels.

#### 3. Internal Audit *(quarterly reporting)*

Independently and objectively supervises the Integrated Risk Management System.

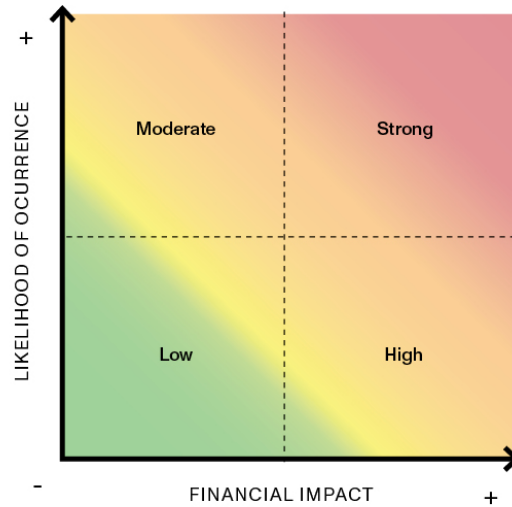
### 6.3.1.3. Risk identification, assessment and prioritisation

Uniform, standardised and systematic risk identification, assessment and prioritisation processes are in place, based on the concepts of risk appetite, risk tolerance and target risk. The risk factors to which the Group is subject are classified into six categories, which are subdivided into lower hierarchical classifications according to their causality: financial, geopolitical, technological, environmental, social and governance risks.

The risk identification process aims to pinpoint, recognise and describe the risks that may prevent the organisation from achieving its objectives. In the identification process, every effort is made to have the best information available, taking as a foundation the knowledge and experience of the areas directly responsible for risk management, complemented, where appropriate, by relevant external sources. Emerging risks are also considered, i.e., those risks that are new, in the process of transformation, or are a novel combination of risks, whose impact, probability of occurrence and cost are not yet well understood. In any event, the scope of geographic dimension of the risks is taken into account, especially of those that are specific to certain geographies and those linked to climate.

Risk criteria must be set by Senior Management, in keeping with the Group's objectives and interests, as well as those of our various stakeholders, and are updated periodically. Risks are assessed in terms of residual risk, i.e., the risk remaining after appropriate measures are taken.

The assessment considers three magnitudes for each of the risks: impact, likelihood of occurrence and level of preparedness. The Risk Management department periodically (at least annually) asks the various management units to assess and review the different risks and the mitigation measures in place and planned, by means of a system of interviews and questionnaires. A risk register is kept, represented in a risk map, weighing risks according to their overall impact (strong, high, moderate and minor risks). The map is periodically reported to the Board of Directors and contains the critical risks, meaning those which, if they were to materialise, could compromise the achievement of our strategic objectives.



To assess climate change-related risks, we also used methods for the financial assessment of (acute and chronic) physical and transitional risks in the short, medium and long term based on **scenario methodology**.

More information in section [6.3.4. Climate change: risks and opportunities](#) of this Report.

The scenario methodology is also used to assess risks in categories not related to climate change. To analyse each scenario increasing levels of severity are factored in, so as to simulate its likelihood of occurrence, its timing, its recovery curve and its aggregate and separate impact. The purpose is to calculate 'Earning Value at Risk' over a time frame of five years discounted to obtain its present value. This enables the Group to assess risks in intrinsic and residual terms, after taking into account risk mitigation and transfer measures. This method is part of the process of evolution and development of the IRMS.

## Risk management and control framework

### Impact

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

### Likelihood

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

### Preparation

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

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



### 6.3.2 Risk map

GRI 3-3; 201-2; 308-2

The risk map represents the inventory of critical risks for the Group. There are also maps for specific risk categories that offer greater granularity.


#### Critical risk map



	# Risks	Strong	High	Moderate	Minor
Social	4	25%	50%	25%	0%
Financial	8	50%	0%	50%	0%
Geopolitical	3	33%	33%	33%	0%
Governance	7	57%	14%	14%	14%
Environmental	4	50%	0%	25%	25%
Technology	5	20%	60%	20%	0%
<b>Total</b>	<b>31</b>	<b>39%</b>	<b>26%</b>	<b>28%</b>	<b>7%</b>

There follows a description of the main risk factors, and their main mitigation measures and the trend with respect to the previous year.

#### SOCIAL RISKS

Risks arising from socio-economic trends, including evolving societal preferences, social norms and demographics, as well as the prevalence of diseases and the development of public healthcare systems.

Main risks	Description and impact	Main mitigations	Risk trend
<b>Human capital</b>	<p>Risks relating to <b>talent and people management</b> pertain to the necessity to adapt our organisational culture to the needs of staff in a new and complex environment, where the sustainability of human capital becomes more relevant and which aims to ensure the quality of employment, health and well-being of staff, work-life balance, diversity, and other factors.</p> <p>Today's labour market is becoming increasingly demanding in terms of corporate social responsibility, which determines a company's appeal as a preferred employment destination. Accordingly, the content and impact of human capital risks are evaluated every year.</p> <p>Furthermore, we are more exposed to the potential risk resulting from the shutdown of critical operational processes (logistics activity, transport, administrative services, among others) as a result of <b>labour disputes</b>, strike action, riots or protests that curb or disrupt corporate productivity.</p>	<ul style="list-style-type: none"> <li>/ Knowledge transfer and the involvement of all our people in our culture and way of operating</li> <li>/ Team development, growth opportunities for top talent and retention of key employees through career development, training and compensation policies.</li> <li>/ Recruitment of new staff to ensure a continuous inflow of talent</li> <li>/ Measures to develop the Diversity and Inclusion Policy</li> <li>/ Development of equality plans, establishing measures to promote the commitment to and effective application of equality between men and women, preventing discrimination in the workplace, guaranteeing a healthy working environment and helping to maintain a work-life balance.</li> <li>/ Implementation of community programmes and projects</li> </ul> <p>① More information in section <a href="#">5.1. Our people</a> of this Report.</p>	

<p><b>Infectious and contagious diseases</b></p>	<p>This category includes the risks posed by infectious and contagious diseases. It corresponds to the potential disruption caused by a local, regional or global pandemic as a result of infectious diseases against which there is little or no pre-existing immunity in the human population. As covid-19 has taught us, the impacts of a pandemic can be multiple, unpredictable and of varying intensity, both in time and scope. They can become systemic because of how their consequences manifest.</p>	<ul style="list-style-type: none"> <li>/ Establishment of an information system to ensure better knowledge of the guidelines issued by public authorities and bodies</li> <li>/ Mechanisms aimed at ensuring the continuity of our operations</li> <li>/ Flexibility of the business model and strengthening of the online channel</li> <li>① With regard to the impact and the mitigation measures, see section <a href="#">6.3.3 Risks that have materialised</a> during the year analysed in this Report.</li> <li>/ Maintenance and updating of measures established by the health authorities: creating emergency management committees, compiling data on the epidemiological situation, regular information to employees, installing protective screens in workplaces, adapting capacity, etc.</li> <li>① Regarding the management of the impact on people, see section <a href="#">5.1.6 Our people's health, safety and well-being</a> of this Report.</li> </ul>	
<p><b>Brand perception</b></p>	<p>Risks which have a direct influence on the perception of stakeholders (customers, employees, shareholders and suppliers) and society in general regarding our Group.</p>	<ul style="list-style-type: none"> <li>/ Monitoring of the Group's image in all areas, carried out by various departments, including Communications and Institutional Relations</li> <li>/ Establishment of the necessary procedures and protocols by the Communications and Institutional Relations, and Sustainability departments</li> <li>/ Management of the relationship with the regulatory bodies by the General Counsel's Office – Office of the Chief Compliance Officer. Investor and Analyst Relations Management by the Capital Markets Department</li> <li>/ Code of Conduct and Responsible Practices</li> <li>/ Code of Conduct for Manufacturers and Suppliers</li> <li>/ Social Media Policy</li> <li>① More information in section <a href="#">5.4 Our shareholders</a> and <a href="#">6.1 Good governance, corporate ethics culture and solid compliance architecture</a> of this Report.</li> </ul>	



**FINANCIAL RISKS**



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

Main risks	Description and impact	Main mitigations	Risk trend
Competition	<p>The <b>competitive environment</b> may result in risks from difficulties in adapting to the environment or market in which we operate, as regards both the procurement processes and the product retailing and sale activities. These risks are inherent to the fashion retailing business and consist of our Group's potential inability to continue operating and react to changes in the target market or to adapt to new situations in its supply or distribution countries. These risks derive from the possible difficulties involved in recognising and taking on board the ongoing changes in fashion trends, and in manufacturing, supplying and putting up for sale new articles that meet customer expectations.</p>	<ul style="list-style-type: none"> <li>/ Business model through management that seeks to improve the efficiency and effectiveness of markets, business lines and stores, rationalising and diversifying the sales network</li> <li>/ Internationalisation policy</li> <li>/ The Group's multi-brand format based on omni-channelling, through the full integration of channels and new technologies as alternatives for communication and sales</li> <li>/ Feasibility analysis of each new market, business line or store, plus subsequent follow-up</li> </ul> <p>① More information in sections <a href="#">3. Get to know Inditex</a> and <a href="#">4. Our strategy</a> of this Report.</p>	➔
	<p>Competition may also surface in the infringement of <b>industrial and intellectual property</b></p>	<ul style="list-style-type: none"> <li>/ Code of Conduct and Responsible Practices</li> <li>/ Existence of an Industrial Property (IP) Department to supervise the use of industrial and intellectual property rights and protect the Group's IP assets, as well as of specialist staff integrated in the commercial areas.</li> <li>/ Industrial and intellectual property training</li> <li>/ Industrial and Intellectual Property Product Control Policy</li> </ul>	➔
Counterparty	<p>The Group is exposed to <b>counterparty risk</b> from our suppliers of goods and services, especially those that are more strategic for the continuity of our operations, as well as from our customers and business partners, which could impact the normal performance of some of our operations. The Group is also exposed to the risk that financial counterparties fail to comply with their obligations in relation to investing our liquidity, credit policies or other funding and guarantee vehicles, as well as the derivative instruments arranged to hedge financial risks.</p>	<ul style="list-style-type: none"> <li>/ Analysis and monitoring of the financial solvency of the most important third parties for the Group, including legal, technological, operational, reputational and regulatory compliance aspects, among others</li> <li>/ The Group's Financial Investment Policy, whose aim is to ensure the safety, integrity and liquidity of the Company's financial assets</li> <li>/ Financial Risk Management Policy, which determines the caps on counterparty exposure</li> <li>/ Flexibility and diversification of the value chain ensure the resilience and continuity of our operations in the event of potential disruptions owing to the behaviour of third parties</li> </ul> <p>① More information in section <a href="#">5.6.1. Supply chain management</a> of this Report.</p>	➔

<p><b>Market crisis</b></p>	<p>The euro is the Group's functional currency. Our international transactions require the use of numerous currencies, giving rise to foreign <b>currency exchange risk</b>. Currency exposure manifests itself in terms of net investment, translation and transaction risks. We have investments overseas whose assets are exposed to the <b>foreign currency exchange risk</b>. Given that we consolidate the annual accounts of our companies in euros, we are exposed to foreign exchange translation risk resulting from all our entities located outside the Eurozone.</p> <p>We are also exposed to the risk arising from the volatility in currencies other than the euro of payment and collection flows in relation to the acquisition and provision of goods and services in both Group and non-Group transactions.</p>	<p>/ Financial Risk Management Policy</p> <p>① More information in note <a href="#">26. Financial instruments and risk management policy</a> of the Consolidated Annual Accounts</p>	
	<p>Supply and distribution shipping is critical to our business. There is a risk of <b>paralysis</b> or <b>delay in the movement</b> and customs clearance of <b>goods</b> as a result of changes in the political/social situation and stability in countries where goods are produced and sold, regulatory changes, trade frictions—whether tariff or non-tariff related, and saturation of logistics infrastructures, among others.</p>	<p>/ In-house teams specialised in market customs regulations, which are in permanent contact with customs agencies</p> <p>/ Diversification of shipping points and establishment of alternative routes.</p> <p>/ Continuous tracking of the product until it arrives at the store</p> <p>/ Monitoring of relevant regulations and regulatory changes</p>	
<p><b>Economic outlook</b></p>	<p>Our activity is subject to the risk of a potential downturn in sales as a result of <b>economic contraction</b> or other macroeconomic headwinds generated by external factors.</p>	<p>/ Flexible business model based on multi-brand omnichannelling.</p> <p>/ Territorial diversification by means of an internationalisation strategy</p> <p>① More information in sections <a href="#">3. Get to know Inditex</a> and <a href="#">4. Our strategy</a> of this Report.</p>	
<p><b>Economic variables</b></p>	<p>The Group is exposed to the risk of inflation affecting costs linked to the acquisition of the goods and services necessary to conduct our business. Notable is the impact of the increase in the price of the multiple raw materials, (textile and non-textile) consumed directly and indirectly in the Group's operations, and in the procurement of goods, primarily of our products and services, in particular in connection with the transportation of supplies and distribution.</p> <p>① More information in note <a href="#">26. Financial instruments and risk management policy</a> of the Consolidated Annual Accounts and in section <a href="#">5.3.2. Design and selection of materials</a> of this Report.</p>	<p>/ Flexibility of the manufacturing and procurement model, allowing production to be adapted to market demand and to possible changes in the supply market environment.</p> <p>/ Permanent contact with stores and online teams by our team of designers, through the Product Management department, helping them to learn about customer preferences.</p> <p>/ Selective price adjustments to safeguard our margins.</p> <p>/ Vertical integration of operations makes it possible to shorten production and delivery lead times and to reduce inventory volumes, while keeping sufficient manoeuvring room to introduce new products over the course of the season.</p> <p>/ Monitoring of raw material markets and strategic promotion of circularity and recycling of raw materials</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	

GEOPOLITICAL RISKS			
Geopolitical risks arise from a deterioration in the political situation, a society's crime levels, changes in the ideology, leadership and regulation of its authorities, politically motivated conflicts at home or in nation states that threaten operations or expected prospects.			
Main risks	Description and impact	Main mitigations	Risk trend
Business environment and political violence	<p>Potential instability in the territories where our <b>supply chain</b> is located, as well as where products are marketed, poses a significant risk. <b>Socio-political instability</b> arising from social uprisings or other causes of political violence, as well as their potential spread to other countries, may affect our ability to operate in affected territories, with the ensuing impact on value chains, sales and expansion, or damage to our facilities.</p> <p>These circumstances may result in <b>frictions</b> that <b>hinder the normal movement of goods</b> due to political instability, infrastructure saturation, or constraints, especially on key routes, which generate bottlenecks due to supply-demand imbalances that limit access to transport and/or erode business margins.</p>	<ul style="list-style-type: none"> <li>/ Value chain with multiple geographic origins which provides the necessary flexibility and adaptation to demand, ensuring alternatives should it become necessary to switch between different manufacturing markets in case of severe, continuous disruptions.</li> <li>/ Diversification of points of sale.</li> <li>/ Monitoring of country risk and proximity to the local market.</li> <li>/ Continued tracking of the unfolding conflict and its complex repercussions closely, putting in place plans to mitigate its impact, especially in relation to its workforce in the affected markets.</li> </ul> <p>① More information in sections <a href="#">3. Get to know Inditex</a>, <a href="#">4. Our strategy</a> and <a href="#">5.6.1. Supply chain management</a> of this Report.</p>	↑
	Government business policies and regulatory framework	<p>As a result of our extensive direct and indirect geographic presence, we are exposed to a wide range and variety of legislation in the countries where we operate. Regulatory changes, which are increasingly frequent and more intense, especially in our sector, as well as the possibility that local authorities might adopt differing or even divergent interpretations from one jurisdiction to the next, expose the Group to potential negative effects of a financial, compliance and/or reputational nature.</p> <p>This includes risks relating to labour, commercial and consumer law, industrial and intellectual property law and personal data protection and privacy regulations, with a particular emphasis on tax and customs regulations, as well as risks pertaining to other legislation.</p> <p>Expectations of significant regulatory or policy changes that may create uncertainty for the normal conduct of the business model and require an effort in financial and operational planning to ensure proper adaptation.</p>	<ul style="list-style-type: none"> <li>/ Systematic tracking of the impacts and risks of the emerging regulations that affect the business model and the proposal of operable solutions.</li> <li>/ A business model based on a firm commitment to good governance, transparency and respect, aimed at promoting social and environmental sustainability, and conveying a corporate ethical culture in the performance of all our activities.</li> <li>/ Continuous compliance training.</li> <li>/ The existence of an independent body that supervises compliance with the internal standards of conduct (Ethics Committee) and a mechanism to report irregularities and non-compliances (Ethics Line).</li> <li>/ Implementation of the model for the organisation, prevention, detection, control and management of legal and reputational risks, deriving from potential breaches.</li> <li>/ Policy on Donations and Sponsorships, Policy on Gifts and Business Courtesies, Policy on Dealings with Public Servants.</li> <li>/ Tax Policy</li> <li>/ Anti-Money Laundering and Terrorist Financing Policy</li> <li>/ Continuous assessment of the corporate governance system in order to verify its degree of compliance with and adaptation to new legislation, recommendations, standards and best practices in this respect, and to systematically reinforce good corporate governance practices.</li> </ul> <p>① More information in sections <a href="#">6.2. Tax responsibility and transparency</a> and <a href="#">6.1 Good governance, corporate ethical culture and solid compliance architecture</a> of this Report</p>

GOVERNANCE RISK			
Governance risk includes non-compliance by the Company and, in particular, by its Board of Directors and Senior Management, with the law in a formal and/or material sense, with good governance recommendations, with best practices, and with the commitments that we voluntarily undertake. It also includes risks arising from the tactical and strategic decisions of the Group's management that may result in the non-achievement of business, functional area or Group objectives, as well as risks of corruption or damage to the Company's reputation.			
Main risks	Description and impact	Main mitigations	Risk trend
Business model implementation	Risks related to potential <b>weaknesses in the commercial offer</b> as a result of not anticipating trends, not being able to react and respond to changes in market trends, not providing sufficient supply to stores or not being able to continue to stand out from our competitors.	<ul style="list-style-type: none"> <li>/ Agility and flexibility of the business model</li> <li>/ Qualified teams geared towards identifying the product wanted by the market and ensuring adequate supply management</li> <li>/ Availability of reliable data, with the necessary frequency and level of detail, providing information on how well supply matches demand in the market.</li> <li>/ Linking up with customers through social media and having different touch points to ascertain customers' tastes and expectations (stores, online sales).</li> <li>/ Proximity supply allowing for swift response to customer demand</li> </ul>	↑
	Risk of <b>concentration of logistics operations activity</b> (procurement, storage and distribution) in a limited number of distribution centres, whether our own or operated by third parties, located across Spain.	<ul style="list-style-type: none"> <li>/ Logistics Connection Hub in the Netherlands.</li> <li>/ Use of smaller logistics centres located in other countries and with third party logistics operators which carry out variable scale distribution operations.</li> <li>/ Implementation of our WMS (Warehouse Management System) in all external logistics operators to ensure full operability and compatibility with our systems.</li> <li>/ Our RFID and SINT (integrated stock) programmes have been implemented in all retail concepts.</li> </ul>	↑
Non-compliance	<p>The Group is exposed to the risk of <b>non-compliance</b> with its Human Rights Policy and other standards we have established in this regard. In particular, breaches of our Code of Conduct for Manufacturers and Suppliers, defined as the <b>minimum standards of ethical and responsible behaviour</b> to be observed by the <b>manufacturers and suppliers</b> of the products we market.</p> <p>Furthermore, the requisite ESG (environmental, social and governance) performance in the fashion industry is increasing and is based on <b>transparency and traceability</b>.</p>	<ul style="list-style-type: none"> <li>/ Mandatory compliance with the Code of Conduct for Manufacturers and Suppliers by all those who wish to become part of the Group's supply chain.</li> <li>/ Programme for Compliance with the Code of Conduct for Manufacturers and Suppliers by means of different types of audits of the facilities required for production.</li> <li>/ The Ethics Line and Ethics Committee (also responsible for the application and interpretation of the Code of Conduct for Manufacturers and Suppliers).</li> <li>/ Traceability strategy based on a management system whereby each supplier is required to know and share its supply chain data and report the facilities involved in the productions, and an audit process that confirms that production does in fact take place in declared and authorised factories.</li> </ul>	↑
		<p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	
		<p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	
		<p>① More information in sections <a href="#">5.6 Suppliers</a> and <a href="#">6.1. Good governance, corporate ethical culture and solid compliance architecture</a> of this Report and section <a href="#">F.1.2</a> of the Annual Corporate Governance Report.</p>	

<p><b>Data protection and privacy</b></p>	<p>Our Group faces the risk of <b>failing to comply with the law</b> in a formal or material sense, or with good governance recommendations, best practices or voluntary commitments.</p> <p>This includes risks relating to tax, customs, anti-bribery and corruption, labour law, commerce and consumption-related regulations, industrial and intellectual property regulations, data protection and privacy and risks relating to other types of legislation, in particular criminal regulatory risks, as well as other regulatory compliance risks.</p>	<ul style="list-style-type: none"> <li>/ The Company's Compliance System</li> <li>/ Criminal Risk Prevention Model, comprising the Criminal Risk Prevention Policy, the Criminal Risk Prevention Procedure and the Scoping Matrix of Criminal Risks and Controls.</li> <li>/ The main policies approved within the framework of the Criminal Risk Prevention Model are as follows: Policy on Donations and Sponsorships, Policy on Gifts and Business Courtesies, Policy on Dealings with Public Servants, Conflicts of Interest Policy, Anti-Money Laundering and Terrorist Financing Policy, Due Diligence Policy and the Procedure for Limiting Trade Relations with Suppliers in Restricted or Unauthorised Markets.</li> <li>/ Ethics Line and Ethics Committee</li> <li>① More information in section <a href="#">6.1.3. Compliance and criminal risk prevention systems</a> of this Report.</li> <li>/ Data protection and privacy compliance model, the basic rule of which is the Personal Data Protection and Privacy Compliance Policy.</li> <li>① More information in section <a href="#">6.3.5.2. Personal data protection and privacy</a> of this Report.</li> <li>/ Annual assessment of the corporate governance system in order to verify its degree of compliance with and adaptation to new legislation, recommendations, standards and best practices in this respect, and to systematically reinforce good corporate governance practices</li> <li>/ Periodic supervision by the Audit and Compliance Committee of the existence of possible conflicts of interest or transactions with/among related parties, contrary to the interests of the Company and/or its stakeholders.</li> </ul>	
<p><b>Products and services</b></p>	<p>We are exposed to risks relating to the <b>quality, composition</b> and other aspects linked to the <b>health and safety of our products</b>.</p>	<ul style="list-style-type: none"> <li>/ Checking and verifying product health and safety standards and detailed manufacturing guidelines through the Clear to Wear: Product Health Policy and Safe to Wear: Product Safety Policy.</li> <li>① More information in sections <a href="#">5.3.3. Health and safety of products</a> and <a href="#">5.6 Suppliers</a> of this Report</li> </ul>	

ENVIRONMENTAL RISKS			
Risks associated with natural disasters, climate change and the interactions resulting from human exploitation of the environment.			
Main risks	Description and impact	Main mitigations	Risk trend
Climate change	Our performance is exposed to the potential impacts of climate change in its various manifestations of physical risk, whether chronic or acute, as well as the risks resulting from the transition to a low-carbon economy. With regard to physical risks, seven climate phenomena are taken into consideration: heatwave, freeze, river flooding, coastal flooding, temperature windstorm and tropical storms and water stress in the catchment areas in which our own or third-party facilities are located.	<ul style="list-style-type: none"> <li>/ Decarbonisation is one of the main axes of our Sustainability Roadmap, in line with the goals of the Paris Agreement. We have set very ambitious decarbonisation targets for our business and for our industry as a whole.</li> <li>/ Section 6.3.4. Climate change: risks and opportunities focuses on this risk within the framework of the Task Force on Climate-related Financial Disclosures (TCFD), which the Group joined in June 2020.</li> <li>① More information in sections <a href="#">5.5.1. Our approach to energy management and emissions reduction</a> and <a href="#">6.3.4. Climate change: risks and opportunities</a> of this Report.</li> </ul>	↑
Environmental degradation and Scarcity of natural resources	There is a risk of producing adverse effects in the environment through the release of undesirable or hazardous substances (whether biological or chemical) throughout our value chain. There is also a risk that our activities could translate into negative externalities such as the loss of biodiversity, deforestation, soil degradation, scarcity of raw materials, especially those that meet our sustainability requirements, among others. A sufficient and reliable supply of preferred raw materials must be guaranteed to meet the our sustainability commitments.	<ul style="list-style-type: none"> <li>/ The Sustainability Policy sets out, among others, the environmental commitments, which are applied transversally across all its business areas and throughout the supply chain.</li> <li>/ Environmental strategies: Biodiversity Strategy, Global Water Management Strategy and Global Energy Strategy</li> <li>/ Forest Product Policy</li> <li>/ Commitment to clean energy and the implementation of circular management models in our headquarters, logistics centres, factories and stores (clothes collection project).</li> <li>/ Zero Waste Programme, initiative to implement a waste management system that allows waste generated at our own facilities to become an available resource for a new use through their reuse or recycling</li> <li>/ Packaging quality standards to introduce recycled materials in packaging, extend its life and facilitate its recycling (Green to Pack Programme)</li> <li>/ Research and development of new, more sustainable raw materials and fibres through the use of new technologies via the corporate platform Sustainability Innovation Hub</li> <li>/ Collaboration projects with third parties in the field of circularity and innovation (MIT Spain, Ellen MacArthur Foundation, Global Fashion Agenda, Euratex, and so on).</li> <li>/ Application of the Green to Wear standard in the supply chain</li> <li>① More information in sections <a href="#">5.5.1. Our approach to energy management and emissions reduction</a> and <a href="#">6.3.4. Climate change: risks and opportunities</a> of this Report.</li> </ul>	→
Extreme weather events	As a result of natural disasters such as floods, fires, earthquakes, etc., key business operations and shipping processes could be halted. Events such as these could potentially affect our Group's critical infrastructure.	<p>Management of these risks, including mitigation measures and resilience plans, has been discussed in the section on <b>industrial accident</b> risks.</p> <p>Section 6.3.4. Climate change: risks and opportunities includes a sub-section concerning the physical climate impact on the Group's value chain.</p>	→



**TECHNOLOGY RISKS**

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

Main risks	Description and impact	Main mitigations	Risk trend
<b>Critical infrastructure</b>	We are more exposed to the risk arising from various contingencies (incidents, sabotage or accidents) that lead to a halt or operational inefficiency of IT services or processes needed to perform the business activity.	<ul style="list-style-type: none"> <li>/ Ensuring the availability of the systems by deploying technical contingency plans which, together with associated technical recovery procedures and their relevant recovery testing would reduce the consequences of an incident, breakdown or stoppage.</li> <li>/ Main data centre certified to TIER IV standard, guaranteeing maximum reliability and high availability.</li> <li>/ Availability of certified data centres guaranteeing high availability as well as synchronous data storage in redundant locations or duplication of equipment and lines.</li> <li>/ Information Security Procedure Incident Response Plan, which includes the management of incidents affecting personal data from the standpoint of compliance with personal data protection and privacy regulations.</li> </ul> <p>① More information in section <a href="#">6.3.5 Information security and privacy</a> of this Report</p>	➔
<b>Cybersecurity</b>	<p>This refers to exposures that could compromise the continuity of operations and/or the confidentiality, integrity and/or availability of our information, regardless of whether it is located in our own systems or those of third parties; and third parties' information located in our systems.</p> <p>We are aware that technological risks evolve exponentially, unpredictably and, in some cases, in a very sophisticated way. Thus, although Information Security is a priority, there is the possibility of an undetectable attack which might affect operations or information managed by us.</p>	<ul style="list-style-type: none"> <li>/ Existence of an Information Security Officer, reporting directly to the Chief Executive Officer.</li> <li>/ Availability of a reference framework (Information Security Policy) aimed at ensuring the confidentiality, integrity and availability of information.</li> <li>/ Permanent control of the Information Security management system to ensure confidentiality and integrity of information and uninterrupted operations through the Information Security department and with the support of the Information Security Committee.</li> <li>/ Continuous review mechanisms, by the Information Security department, evaluated through internal and external audits, for the prevention, detection and response to cyberattacks</li> <li>/ Updating the inventory and information technology and security risk map to establish the necessary mitigation measures and ensure continuous improvement by the responsible areas</li> <li>/ Development of a strategic plan with international experts in order to maintain and improve the maturity of the Information Security programme</li> <li>/ Insurance policies to cover loss of profit, expenses arising from the attack and the Company's civil liability for damage caused to third parties</li> <li>/ Compliance with the requirements of the Payment Card Industry Data Security Standard (PCI- DSS) and obtaining the ISO/IEC 27001 certification for Information Security.</li> <li>/ Certifications required within international regulatory frameworks, such as the K-ISMS<sup>1</sup> in South Korea and the MLPS<sup>2</sup> in China.</li> <li>/ Awareness and skill-building through employee cybersecurity training.</li> <li>/ Information Security Procedure Incident Response Plan, which includes the management of incidents affecting personal data from the standpoint of compliance with personal data protection and privacy regulations.</li> </ul> <p>① More information in section <a href="#">6.3.5 Information security and privacy</a> of this Report</p>	➔

1. K-ISMS is South Korea's information security management system. This standard is managed by the Korean Internet and Security Agency ("KISA"). It was prepared to evaluate whether enterprises and organisations operate and manage their information security system consistently and securely such that they protect key information assets from various threats.

2. MLPS is the multi-layer protection scheme. It is a regulatory classification scheme intended to protect the security of information systems located in China. China's Cybersecurity Law requires the network and system components to be protected against disruptions, damage, unauthorised access using a graded scale to prevent data leakage, manipulation and espionage

<p><b>Industrial accident</b></p>	<p>We are exposed to the risk arising from the interruption of operations associated with the possible occurrence of extraordinary events beyond our Group's control (fires, transport or key supplier strikes, interruptions in energy and fuel supplies, etc.), which could have a significant effect on the normal functioning of our operations. The main operational risks are concentrated at logistics centres and at third party operators transporting goods.</p>	<ul style="list-style-type: none"> <li>/ Actions to reduce exposure to this type of risks, maintaining high levels of prevention and protection at all the distribution centres. Existence of insurance policies that cover both property damage and loss of profit resulting from the incident.</li> <li>/ Optimisation of the scale and use of all logistics centres according to the volume of each retail concept and the specific needs of the geographic area they serve.</li> <li>/ Configuration of the various logistics centres to allow them to take over storage and delivery capacity from other centres in the event of a contingency caused by accidents or stoppages in distribution activities.</li> <li>/ Logistics Expansion Plan, which assesses the need and envisages new investments if necessary. Phasing-in of Radio Frequency Identification (RFID) technology in the value chain and development of new mobile robotics technologies.</li> <li>/ The search for, validation and control of external logistics operators, at different strategic points, with full integration into the Company's logistics capacity.</li> <li>/ Diversification of shipping suppliers.</li> </ul> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	
<p><b>Disruptive technology</b></p>	<p>We are aware that <b>technological innovations and evolutions</b> in a broad sense, both in customer interaction through the development of a satisfactory omni-channel experience, as well as the improvement of all operating and business processes, are indispensable to ensure fulfilment of our strategic objectives.</p>	<ul style="list-style-type: none"> <li>/ The digital transformation and the drive for digitalisation as a key transformation tool are evident throughout all our Group's operational and business processes. Digitalisation allows a more agile, efficient and accurate management of our operations, from logistics through to in-store transactions. It also fosters sales growth by integrating channels. It ensures immediate availability and accessibility of business data, obtained thanks to our full integration, so as to continue to speed up decision-making processes, manage inventory more efficiently and improve the standard of customer services.</li> <li>/ Digitalisation is key to the development of our sustainability strategy as, among other things, it makes it possible to manage supply chain traceability, allowing us to compile sustainability information.</li> <li>/ With regard to people management, our digital tilt has enabled us to continue improving our operations, from the initial recruitment to the contract stage. Digitalisation is critical when it comes to the communication and training of our teams all over the world.</li> </ul> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	



**Disruptive technology**

The governance, **availability, quality and value of the information generated** in the course of our activities is increasingly becoming a competitive advantage and is essential for normal business operations. The information is varied: transactional and operational, financial and accounting, management and budgeting and control. We ensure the protection of information, regardless of how it is communicated, shared, projected or stored. This protection affects both the information inside the Group and the information shared with third parties.

- / Periodic review of the management information distributed to the various managers, and investment, among other areas, in information transmission systems, data analysis and intelligence for decision-making and process optimisation, business monitoring and budgeting.
- / Various Group departments, particularly the Management Planning and Control and the Administration departments, which report to the Financial Division, are directly responsible for producing and supervising the quality of this information. The Information Security department is responsible for ensuring that this information is accessible and/or modified only by those authorised to do so, entering parameters into the systems to guarantee the reliability, confidentiality, integrity and availability of critical information.
- / Information Security Procedure Incident Response Plan, which includes the management of incidents involving personal data from the standpoint of compliance with personal data protection and privacy regulations.
- ① More information in section [6.3.5. Information security and privacy](#) of this Report
- / Establishment of an Internal Risk Management and Control System over Financial Reporting (ICFR), with the aim of continuously monitoring and assessing the main associated risks in order to reasonably ensure the reliability of the Group's public financial information.
- ① More information in the Report on [Internal Control on Financial Reporting \(ICFR\) systems](#)
- / Ensuring the reliability of the non-financial information supplied to the market through an internal control on non-financial reporting (ICNFR) system.
- / The Consolidated Annual Accounts and those of all the relevant companies, as well as the Statement on Non-Financial Information, which forms part of the Directors' Report, are reviewed by the external auditors. For the most significant companies, the external auditors are asked to make recommendations on internal controls.
- ① More information in the [Independent Verification Report](#) included in this Report.



### 6.3.3. Risks that materialised over the course of the year

#### GRI 3-3

The covid-19 pandemic affected the evolution of the year less intensely, because the situation was normalizing in most of the markets. However, some geographies still suffered continuous or sporadic mobility restrictions of varying intensity that have occasionally affected both the Group's stores and the value chain, both owned and operated by third parties. Our response to the pandemic has had the primary objective of ensuring the health and well-being of our employees, customers and all the people who, directly or indirectly, provide services or provide goods necessary for the operation of the business, undertaking the measures of prevention and, where appropriate, timely mitigations, at all times, in addition to guaranteeing the normal functioning of our operations. The **integrated sales model** has allowed us to continue meeting the demand of our customers in all markets, even at times with stricter mobility restriction measures. Sales in the online channel have continued to develop strongly and have made it possible to complement and offset the impact of the impediments to the physical distribution channel. If the pandemic has occasionally caused disruptions to our value chain, the flexibility and diversification of our supply model has made it possible to mitigate its impact, taking

advantage of the agility of our business model to meet demand through the most efficient combination of origins of merchandise of proximity and long cycle. The transport market has tended to gradually normalize during the year, although it has not yet returned, both in prices and availability, to the conditions prior to the pandemic. The restrictions on commercial traffic and the increase in the prices of fossil fuels, mainly the result of geopolitical tensions, have continued to add complexity to an already very difficult environment. The Group has sought versatile and reasonable transport alternatives, adapted to unexpected circumstances, ensuring the availability of the necessary capacity to guarantee the flexibility of our business model.

The uncertain and challenging macroeconomic and geopolitical environment were hallmarks of the year. The conflict in Ukraine forced the suspension of the Group's operations in Ukraine and the Russian Federation. Operations in Ukraine remain temporarily suspended. The Group continues to analyse developments in the conflict and its complex implications on an ongoing basis and to put plans in place to mitigate its impact.

More information at [Note 33](#) of the Consolidated Annual Accounts.

During the year many markets continued to experience accused inflationary processes. The inflationary spiral has affected many of the costs of goods and services that make up our value chain. In particular, commodity markets, especially energy and certain textile fibres, experienced a generalised uptick in the year. Energy costs, both in the sales markets and in supplying countries linked to the transformation processes in our value chain, have risen sharply. Although price levels have tended to moderate as the year has progressed, we are still far from pre-pandemic levels. Especially, in these exacting circumstances, spending has been systematically and rigorously controlled. In addition, in anticipation of potential supply chain stress, and harnessing the flexibility of our business model, the Group has brought inventory inflows forward. Although the Group's commercial and operational performance has been very positive, it should be noted that the economic outlook in many of the markets where we operate is challenging. This is a result of multiple factors (fragile economies still in the process of recovering from the crisis caused by the various waves of Covid-19, inflationary trends, the end of monetary stimulus packages, the beginning of fiscal consolidation, high levels of public debt, etc.).

The economic and geopolitical environment has generated instability and volatility in financial markets. Foreign currency exchange risk has been particularly concentrated in the US dollar and the Turkish lira. During 2022, the movements of non-euro currencies had a negative impact on the Company's sales growth and a slightly positive impact on the cost of sales. Foreign exchange rate risk continued to be pro-actively managed in accordance with Group guidelines based on centralising management, optimising foreign exchange exposures, maximising the benefit of diversifying the risk portfolio and monitoring risk continuously.

Although the Group has a **strong cash position**, measures have been taken to guarantee and safeguard the Company's liquidity. The Group also has external sources of financing through credit facilities, mostly committed, totalling 8,083 million euros.

① More information at [Note 21](#) of the Consolidated Annual Accounts.

At the time of drafting this document, Türkiye and Syria are under the effects of the catastrophic earthquakes that have been occurring since February 6, 2023. Inditex's priority has been to join the humanitarian emergency through its contribution that allows it to collaborate to cover the basic needs of people affected by earthquakes. Türkiye plays a central role in the Group's value chain. Despite the fact that a significant part of the factories of the Turkish cluster are concentrated in the area affected by the earthquakes, the impact on the Group's global supply chain is not material. Our operations in the affected area tend to normalize.



### 6.3.4. Climate change: risks and opportunities

GRI 201-2

Assessing and managing climate change-related risks and opportunities is a key component of our progress towards decarbonisation. Assessing potential climate-related impacts, in their various manifestations, is a very important factor in the Group's strategic decision-making. The current climate situation requires collaboration and joint action, so we are in favour of disclosing our key climate risks and opportunities through this Report.

Our climate-related management and disclosure framework is based on the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We also closely adhere to the recommendations and standards that international accounting standard bodies are developing in connection with the transparency of the climate risks.

#### TCFD framework:

##### Physical risks

###### Acute

Caused by natural events, including more severe extreme weather events, like cyclones, hurricanes and floods.

###### Chronic

Long-term changes in weather patterns that may cause an increase in sea level or chronic heat waves.

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

- / Changes in the availability of water resources.
- / Vulnerability in respect of other specific resources or raw materials on which Inditex depends, such as cotton, viscose, etc.
- / Potential disruption in shipping routes.
- / Employee health and safety.

##### Transition risks

###### Market

###### Technology

###### Policy and legal

###### Reputation

The Company's actions on the four TCFD pillars of **governance, strategy, risk management, and metrics and targets** is presented below.

#### Climate governance

The Group's sustainability strategy and its policy on climate change is approved at the highest level by the Board of Directors of Inditex. The Sustainability Roadmap includes a series of milestones and targets for advancing towards a low-carbon economy, the proper implementation of which is a shared responsibility involving all levels of the Company.

The Board of Directors reviews, on a quarterly basis, the fulfilment of the objectives included in the Strategic Plan, analysing, among others, the indicators related to sustainability and climate change, which are integrated in our business model and in our decision-making processes.

Climate governance at Inditex follows the same processes and is carried out through the same bodies as are the rest of sustainability-related matters.

① More information on the organisational structure of sustainability and climate change governance, the associated responsibilities and the monitoring and oversight processes in section [6.1.1. Good Corporate Governance](#) of this Report.



## Strategy

### Our approach to decarbonisation

At Inditex we are determined to be **agents of change** so as to drive the transformation of the textile sector towards a more resilient and low-emission economy. The Group's Sustainability Roadmap contains our decarbonisation targets, including achieving net zero emissions by 2040 and science-based reduction targets to 2030, which are currently under review to ensure they are aligned with the latest scientific evidence.

① More information in sections [5.5. Environment](#) and [5.3. Our products](#) of this Report.

We believe it is necessary to adopt a **holistic approach** involving the analysis of future climate scenarios and the identification of associated risks and opportunities in order to guarantee a resilient long-, medium- and short-term strategy. Building on the work carried out in previous years, the Inditex Group joins forces with Resilience, which harnesses the methodology developed by its academic partner, the University of Cambridge/Centre for Risk Studies to design a climate risk assessment model under different scenarios.

Due to the large scale and long-term challenge posed by climate change, in addition to the Group's planning and business cycles, these risks and opportunities were assessed in the short (0-5 years), medium (5-10 years) and long (more than 10 years) term.

### Analysis of the scenarios

The scenario analysis methodology provides us with a better understanding of the potential impacts of climate change on our Company, and is therefore a valuable tool for strategic planning, risk management and assessing our resilience. In 2022, we continued to work with the University of Cambridge to advance different aspects of resilience in our value chain. For example, by analysing certain transition risks in greater depth, considering a wider scope of exposure for our value chain or starting to include in the analysis the mitigation measures proposed through our sustainability strategies.

Emissions pathways have been updated in line with the latest ones published in the Sixth Assessment Report from the Intergovernmental Panel on Climate Change (IPCC) in 2022. The models of this Sixth Report tend to show significantly greater climate sensitivity than those of the Fifth Assessment Report, as well as an increase in the range of scenarios and experiments considered.

In 2022 Resilience updated several of the physical and transition risk models to incorporate new and updated data sources, reflecting the latest science and changes in external climate-related trends, and providing more detailed knowledge. These updates, combined with updated proprietary financial and business data, provide a revised view of physical and transition risks. The updates to the Resilience model include:

/ Physical risks: update of the basis for physical climate risk models from Phase 5 to Phase 6 of the Coupled Model Intercomparison Project (CMIP5 to CMIP6). These are the latest generation of climate models and are consistent with the results of the latest IPCC Sixth Assessment Report. Additional emission pathways have been modelled to assess the sensitivity of physical risks to different levels of global temperature increases.

/ Physical risk - Raw material supply: the model has been honed to factor in crop growing seasons and the number of raw materials analysed has been increased.

/ Transition - Regulatory risk: updating global carbon price data to reflect current policies. Improving the methodology used to forecast future carbon prices and updating data from various bodies, such as the Network for Greening the Financial System (NGFS).

/ Transition - Liability risk: update of the likelihood and costs associated with climate-related litigation, classified by emission pathway and industry.

Five emissions pathways were used to assess the potential impacts on the Group of physical and transition risks. Each pathway has its own socio-economic narrative based on assumptions in respect of regulatory changes, energy outlooks and technological advances on the basis of existing data, and a probability of occurrence. For example, emissions pathways are aligned with the Shared Socio-economic Pathways of the Intergovernmental Panel on Climate Change (IPCC's SSPs). The **five emissions pathways** used are described below in more detail:

## Analysed Scenarios

### Effect on GHG emissions

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

In the short term, the most significant impacts relating to climate change stem from **transition risks**. Consequently, in the next five years transition risk is likely to evolve swiftly as a result of regulatory changes, energy supply and demand, legal processes, etc. Transition risks vary widely depending on the emissions pathway. The most ambitious scenarios in terms of emissions reductions result in potentially higher risks.

In the short term (five years), **physical risk** deriving from climate change does not significantly vary across the five emissions pathways and, as a result, its impact is broadly equal in all of them. Since over longer time frames there is more uncertainty with regard to the behaviour of climate change over physical risk, there is a greater divergence between the various pathways, and the probability of the materialisation of these risks increases. These findings evidence the importance of establishing measures in our Sustainability Roadmap in the short, medium and long term.

#### Method of analysing financial impacts

To quantify the potential impacts of these scenarios, a financial representation (or digital twin) of the Group was created. The **digital twin** is a representation of the Group's business, including its financial statements, key facilities, its value chain, including raw materials (both natural and man-made), a breakdown of the business by market and the greenhouse gas (GHG) emissions. The model captures the geographic presence of our value chain (sources of raw materials, factories, distribution centres, transport hubs, etc.), our commercial presence and our carbon footprint in respect of scopes 1, 2 and 3. The model allows a short-term quantification, over a five-year time frame, and also provides a 20-year outlook.

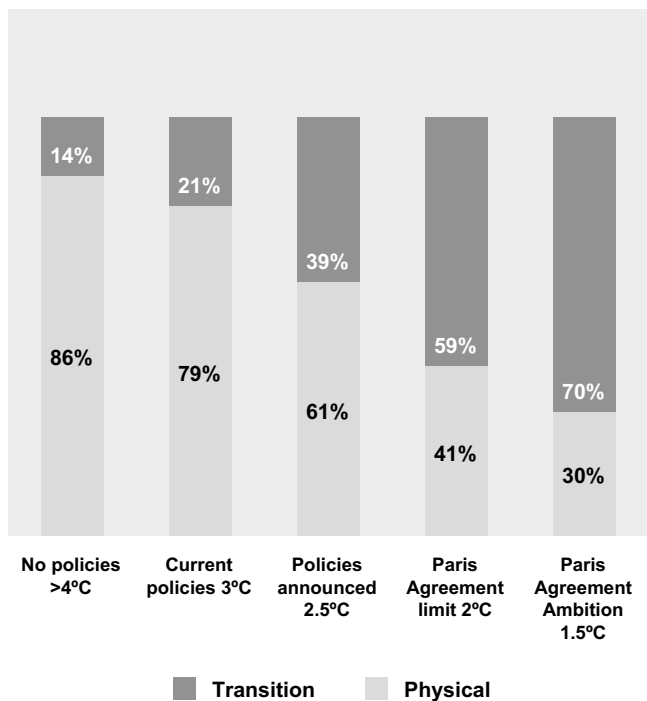
The results show the potential losses in future 'at risk' cash flows. Earning Value at Risk, discounted to obtain its present value, makes it possible to quantify the total financial impact of each scenario. The impacts are assessed from the standpoint of the physical and transition risks facing the Group. Each risk is modelled independently, assuming there are no interdependencies or trade-offs between them.

#### Earning Value at Risk

The Group's estimated global earning value at risk for the next five years that results from the risks linked to climate was modelled assuming no mitigation actions are undertaken. However, work is ongoing to identify and quantify the mitigation measures of our sustainability strategy so as to be able to gauge the residual risk. In the 'Current policies' emissions pathway, aggregate risk from climate change, in both its manifestations, is considered strong in the Group's critical risk map based on its impact and probability of occurrence. The 'Current policies' scenario is the second least severe in terms of transition risk.

① More information in sections [6.3.1. Risk management and control framework](#) and [6.3.2. Risk map](#) of this Report.

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



There follows a description of the various dimensions of risk under the different greenhouse gas emissions pathways and their relative impact:

**Physical Risks**

Physical risks resulting from climate change can be owing to

extreme weather events (acute risks) or gradual changes in longer-term weather patterns (chronic risks). The analysis of physical risks was conducted for a total of more than 15,000 geolocalised facilities, belonging to both the Group and third parties, throughout our value chain of different types (factories, logistics centres, offices, airports, ports, logistics hubs, stores, etc.). Each type of asset has recovery curves assigned to it, depending on the severity of the scenarios, their vulnerability and resilience to each climate phenomenon. Seven climate phenomena are considered: heatwave, freeze, water stress,, river flooding, coastal flooding, 'extratropical' storm and tropical storm. Flash flooding was not considered this time as a result of the IPCC Assessment Report update, but will be included again in future analyses. The choice of these physical phenomena is based on Cambridge University's relevance criteria for our business.

Each threat is evaluated using a base-case scenario (2000) and a change forecast. The base-case scenario is compiled using the historical meteorological series of the last 40 years, while the forecasts are based on a risk estimate through 2030, 2040 and 2050. In order to weigh the financial impacts of extreme weather events caused by climate change, the changing probability and severity of each event is used to quantify the increase or reduction of the physical impacts expected at facility level. The base-case scenario also makes it possible to assess existing risks, especially water stress in the catchment areas where the Group's own or third-party facilities are located, particularly in Spain, where the Group's main assets are concentrated<sup>59</sup>.





<sup>59</sup> More information in CDP Water 2022.

The effect of physical risks is assessed for **four types of key risk**:

Dimension	Description and impact	Main mitigations	Risk trend
Physical Acute	<p><b>/ Operations at key facilities:</b> extreme weather conditions can disrupt production and activities, as well as increasing the costs of operations and processes in key facilities.</p> <p>Impact on earnings: estimated total loss of profit attributed to the risk of market disruption.</p> <p><b>/ Damage to physical assets:</b> in addition to the aforementioned disruptions, the assets themselves may be damaged, and the costs of operations and processes may increase.</p> <p>Earnings impact: the disruption of production capacities generates loss of earnings depending on the products and services at each facility. Damage to assets may result in the loss and/or deterioration of facilities and/or stock.</p>	<p>/ Most of the facilities are related to the supply chain and our commercial network so there are technical contingency systems in place that would mitigate the consequences of a disruption or shutdown.</p> <p>/ Continuous review systems, along with the insurance policies, would cover loss of profit and resulting expenses.</p> <p>/ In the specific case of logistics centres, they have been configured so as to be able to take on storage and distribution capacity for other centres in the event of a contingency caused by extreme weather events.</p> <p>① More information in chapter <a href="#">6.3 Responsible risk management</a> of this Report.</p>	↑
Physical Acute and Chronic	<p><b>/ Disruption of earnings:</b> extreme weather events affect consumers' purchasing patterns so that consumers may alter their behaviour because of the weather.</p> <p>Impact on earnings: extreme weather events can impact short-term normal earnings flows. Sales may be affected by changes to demand if consumers change their behaviour due to the weather, reduced retail traffic or if the value chain experiences local disruptions.</p>	<p>/ All areas of the Group are geared towards satisfying customer needs and guaranteeing the best shopping experience, which is why our activity begins by actively listening to our customers and identifying their demands and expectations.</p> <p>/ Flexible, integrated and innovative business model that affords a competitive advantage when it comes to analysis and response in the short, medium and long terms.</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	↑
Physical Chronic	<p><b>/ Raw materials supply:</b> agricultural products and water supply are affected by extreme weather phenomena and chronic climate changes, which may render certain crops non-viable or reduce their yield.</p> <p>Revenue impact: companies with agricultural supply chains are vulnerable to rising costs and the unavailability of raw materials due to extreme weather events and chronic climate changes, leading to disruptions in the production chain and potential losses as supply shortfalls cannot be replenished. Raw materials that cannot be replaced pose the greatest risk (e.g. cotton). Cotton, linen, wool, cowhide and cellulosic fibres have been analysed.</p>	<p>/ The Group's collaboration with other organisations and institutions to increase the range of materials with better environmental performance, which make more efficient use of natural resources with recycled content.</p> <p>/ We have exacting commitments for the use of materials of preferred origin in the short term (cotton and man-made cellulosic fibres of preferred origin by 2023, and polyester and linen of preferred origin by 2025).</p> <p>/ The Group's efforts and work to foster the development of technologies to improve the sustainability of the raw materials and their subsequent recycling.</p>	↑

### Transition Risks

Transition risks are financial and reputational risks associated with the nature, speed and trend of changes in policies, legal frameworks, technologies and markets as society transitions to a low-carbon economy. Transition risks vary broadly depending on the level of ambition expressed in the various greenhouse gas emissions pathways and transversally affect all business areas. Five dimensions of transition risks were assessed in accordance with the five GHG emissions pathways in the short, medium and long terms:

Dimension	Description and impact	Main mitigations	Risk trend <sup>1</sup>
Transition Regulatory	<p><b>/ Carbon pricing:</b> carbon pricing policies vary in each of the jurisdictions. They are a pivotal mechanisms for incentivising decarbonisation. Organisations pay a price for emissions throughout their value chain so that the cost of negative externalities is passed on to those responsible for them.</p> <p><b>/ Carbon markets:</b> the development of emissions markets, still largely voluntary, is experiencing an increase in demand and in the prices of carbon emissions allowances to reach credible reductions.</p> <p>Earnings and costs impact: the Group's total emissions footprint in each of the jurisdictions is subject to their carbon pricing. The financial impact stems from the increase in production and distribution costs, and the cost of raw material procurements, in terms of the increase per unit of product.</p>	<p>/ Ambitious Group Sustainability Roadmap that reflects Inditex's firm commitment to progressing towards a low-carbon economy model. The goal of net zero greenhouse gas emissions by 2040, science-based decarbonisation targets (SBTs) by 2030, and the commitment to using 100% renewable electricity at our own facilities, achieved in 2022.</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>	
Transition Legal liability	<p><b>/ Lawsuits from emissions and climate damage:</b> a generalisation of lawsuits against companies for their liability in emissions and the damaging economic and environmental consequences thereof.</p> <p>Cost impact: the intensity of lawsuits related to GHG emissions and climate change that the Group may experience will vary depending on the different emissions pathways. Their probability of occurrence and potential impact will also vary depending on the associated costs (settlement, legal damages, legal costs, etc.).</p>	<p>/ Inditex's Sustainability Policy establishes that all the Group's activities will be conducted in the most environmentally-friendly way possible, fostering the conservation of biodiversity and the sustainable management of natural resources.</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p> <p>/ Solid Compliance System in place and a robust corporate governance system that ensures compliance with regulations, guidelines and best practices in this connection.</p> <p>① More information in sections <a href="#">6.1 Good governance, corporate ethics, culture and solid compliance architecture</a> of this Report and <a href="#">E.1.2</a> of the Annual Corporate Governance Report.</p>	



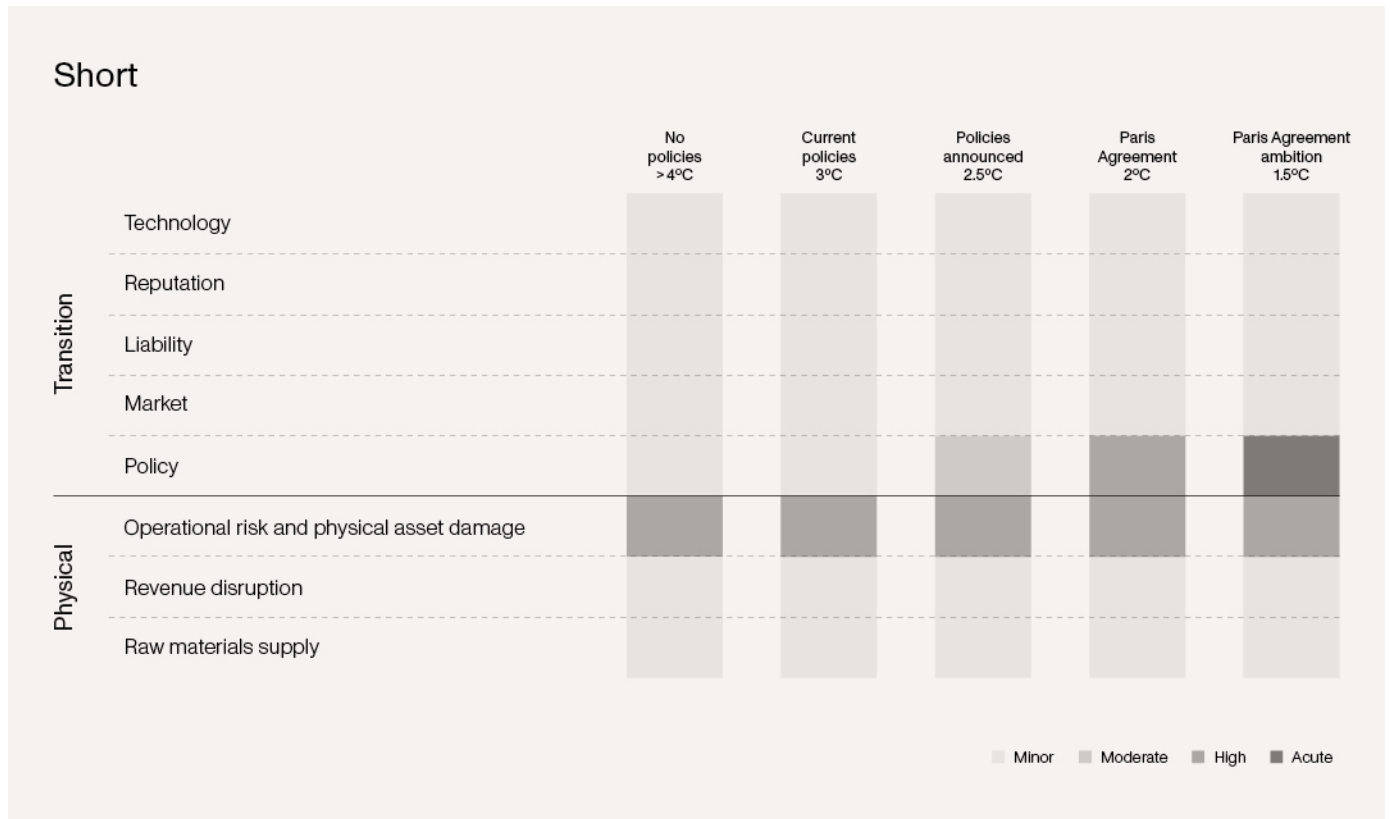
Dimension	Description and impact	Main mitigations	Risk trend <sup>1</sup>
Transition Technological	<p><b>/ Disruptive technological innovation:</b> the pace of adoption of low-carbon technologies, and the resulting 'green premium', may affect the competitiveness of companies as a consequence of the impact in terms of operating expenses and the value of the assets. Investments must seek a balance between innovation and profitability.</p> <p>Impact on cost: the model explores the cost for the Group of investing in these technologies and seeking efficiencies in our operating and distribution assets.</p>	<p>/ Innovation is an inherent and transversal value throughout the Inditex business model, which is why we collaborate with our suppliers and other organisations to find innovative solutions that may be applied throughout the value chain and life cycle of our products. Inditex's Sustainability Innovation Hub is clear evidence that it is seeking to foster the circular economy, contribute to decarbonisation and maximise environmentally-friendly development. Another example is our involvement in projects such as CIRC or the collaboration with Infinited Fiber Company.</p> <p>① More information in section <a href="#">5.3.1 A firm commitment to innovation and circularity</a> of this Report.</p>	↑
Transition Market	<p><b>/ Consumers preference for sustainability:</b> consumers tend to prefer alternative products and services that produce lower emissions. Competitors may emerge who propose innovations that transform demand, jeopardising the market share and cost of capital of established players.</p> <p>Earnings and costs impact: the demand impacts are expressed as the loss of earnings and/or failure to comply with growth targets. Investor sentiment translates into an increase in the cost of capital and in the cost of financing. The various emissions pathways will determine the scale of these impacts.</p>	<p>/ The Group's commitment to customers also implies anticipating their demands in matters such as diversity, sustainability or transparency, issues in which the aim is to involve them in the efforts and progress made.</p>	↓
Transition Reputation	<p><b>/ Climate activism and stigmatisation by consumers:</b> a negative change in public opinion towards companies with carbon-intensive activities. Consumer demand is affected by climate activism, which also affects investor confidence and access to capital.</p>	<p>/ Inditex's Sustainability Roadmap includes ambitious targets and actions aimed at achieving the long-term goal as a lever of transformation. The Group collaborates with all the actors in the value chain and with stakeholders to tackle global challenges from a holistic standpoint.</p>	↑

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

The tables below show the evaluation of the climate change risk dimensions as per the five greenhouse gas emissions pathways for the Inditex Group.

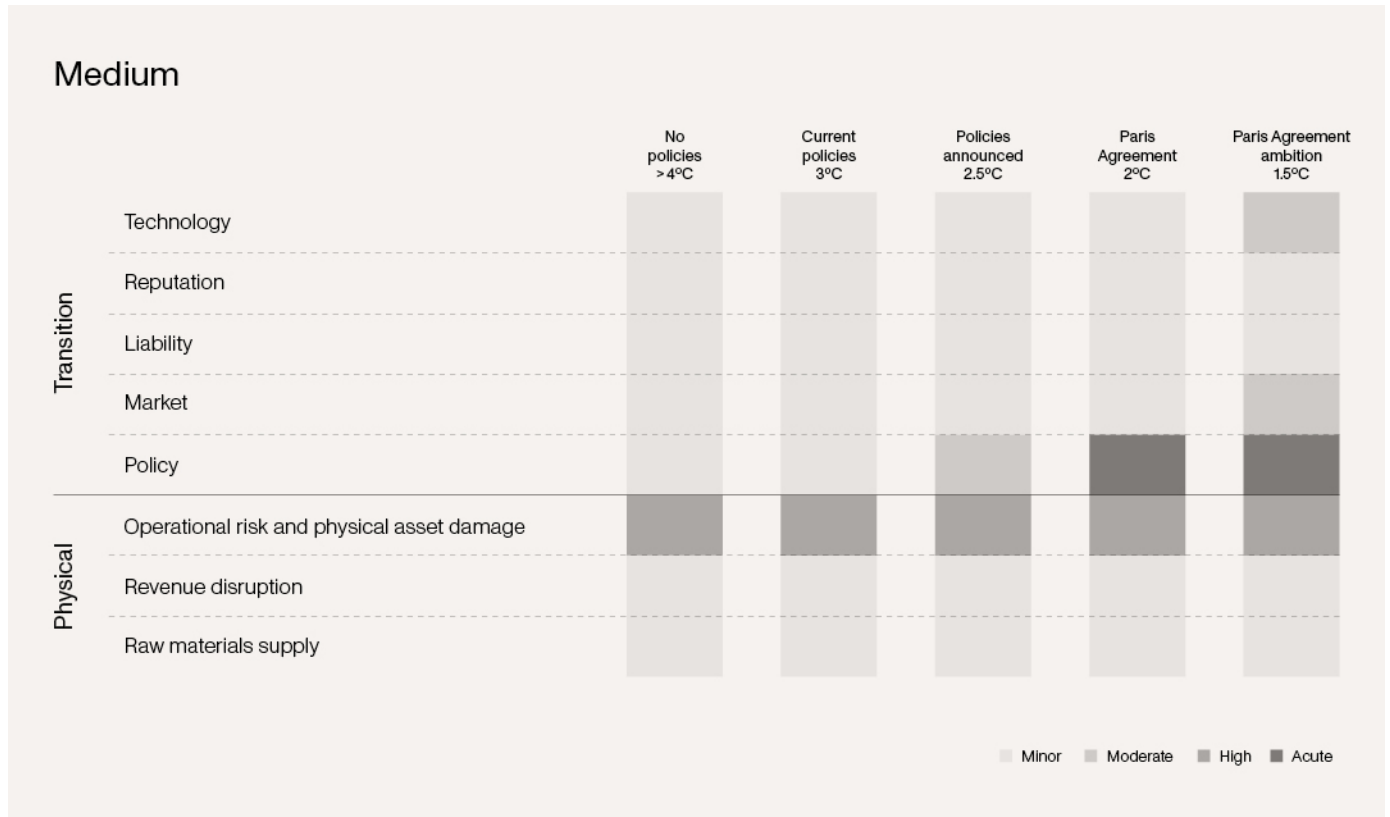
Medium- and long-term risks are estimated by translating the five-year cash flow estimates from the short term to the two corresponding future dates. The aim is to gauge how our business model would perform under climate conditions projected by different emissions pathways. This makes it possible to distinguish the impact of climate change.

In the short term (0-5 years):

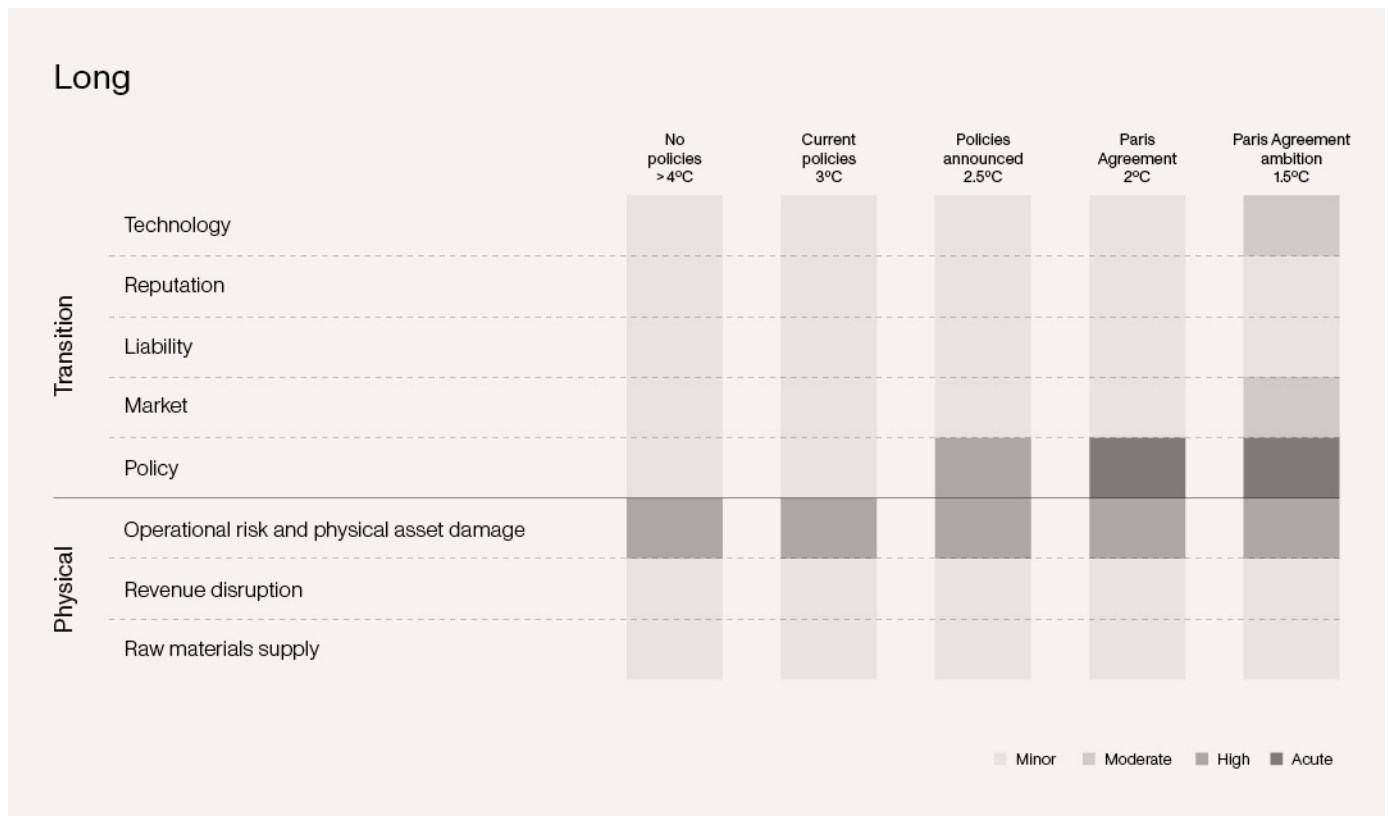


The estimated financial impact of physical risk is relatively limited for the next five years, although higher than reported in the previous year. There is an increase in the frequency and severity of physical risks as a result of the step-up from CMIP5 to CMIP6. The probability that acute events could cause significant losses ('catastrophic physical tail risks') remains low. The most vivid manifestations of physical risks resulting from climate change will, in principle, take longer to emerge. In the short term, around 70% of physical risk, in its various manifestations, comes from our own operations. The remaining risk originates from third-party operations.

In the medium term (5-10 years):



In the long term (more than 10 years):



**Opportunities arising from climate change<sup>60</sup>**

The sustainability culture that permeates every area of the Group enables us to advance towards a three-pronged objective: minimising potential environmental and social impacts in our value chain, mitigating our exposure to potential climate change risks, and in addition, being able to identify and leverage the opportunities associated with a low-carbon economy.

Our hope is that these benefits and opportunities will benefit not only our Company and our business model, but also the entire industry and society at large.

Opportunity	Description of the opportunity
<b>Integrated business model</b>	<p>All our formats continue to introduce cutting-edge technology into their integrated stores and online platform, creating an efficient, sustainable and integrated economic model. We generate opportunities for improvement for our entire ecosystem while minimising resource consumption.</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>
<b>Continuous strategic transformation</b>	<p>Our integrated business model gives us an overview of our customers and their demands at all times. Our strategy harnesses this advantage to evolve our model towards economic, sustainable and inclusive improvements. The starting point is to try to maintain the level of commercial success achieved to date, building on the opportunities afforded by digitalisation and our sustainability ambitions.</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>
<b>Innovation</b>	<p>The complexity of the global challenges we face and the path towards a positive impact require an increasingly prominent presence of innovation, science and technology in our actions. For example, through our collaborative platform Sustainability Innovation Hub, we work with numerous startups like Nextevo and Renewcell, and we have signed our first purchase commitment with Infinited Fiber for more than 100 million euros. In 2022, Inditex was recognised by Boston Consulting Group as one of the world's 50 most innovative companies.</p> <p>① More information in section <a href="#">5.3.1. A firm commitment to innovation and circularity</a> of this Report.</p>
<b>Customer orientation</b>	<p>We have a process of interaction with our customers as the main tool to identify the latest trends and create the products they want (clothing, footwear, accessories and household items), maintaining our high standards through a combination of design, quality and sustainability, at affordable prices. This constant connection has also enabled us to pinpoint new needs that we have gradually incorporated in the form of new services, technologies or channels.</p> <p>① More information in chapter <a href="#">5.2. Our customers</a> of this Report.</p>
<b>Transformation of the sector</b>	<p>We have developed a unique business model the hallmarks of which are flexibility and efficiency, ceaseless innovation, the creativity of our staff and our focus on sustainability in every process involved. This is the starting point from which we work to effect, through determination and collaboration, the transformation of the sector, generating a positive impact on society, the industry and our environment.</p> <p>① More information in section <a href="#">4. Our strategy</a> of this Report.</p>
<b>New business models</b>	<p>As part of our commitment to using resources more efficiently, we are working on new solutions that allow our customers to request a repair, or to sell or donate the Zara garments they have at home. In 2022, we launched the new Zara Pre-Owned platform to help our customers extend the useful life of their garments and further our commitment to circularity.</p> <p>① More information in section <a href="#">5.3. Our products</a> of this Report.</p>
<b>Collaboration</b>	<p>To address the paradigm shift needed to face the challenges posed by the fight against climate change, circularity or the sustainable development of communities, we have to join forces with all the actors involved. Hence, we take an open approach in which collaboration is a pillar of transformation. Examples of this are our engagement with entities such as the United Nations Global Compact, The Fashion Pact, Ellen MacArthur Foundation or Zero Discharge of Hazardous Chemicals, among others.</p> <p>① More information in section <a href="#">4.2. Stakeholder engagement</a> of this Report.</p>

<sup>60</sup> More information in our answer to CDP Climate Change questionnaires available at [www.cdp.net](http://www.cdp.net).

Opportunity	Description of the opportunity
<b>Efficient consumption of natural resources</b>	<p>As part of our commitment to sustainable development, at Inditex we are strongly committed to circularity, an economic, management and production model that enables growth while conserving natural resources and advancing in the decarbonisation of the value chain. For us, circularity represents a differential model for production and consumption that spans every stage of a product from design to end of life, promotes the recycling and reuse of articles to extend their life cycle and thus minimises the use of natural resources, energy consumption and waste generation.</p> <p style="text-align: right;">① More information in section <a href="#">5.3. Our products</a> of this Report.</p>
<b>Energy efficiency</b>	<p>Energy efficiency is a priority in both our designs and our day-to-day operations. In this regard we are constantly reviewing our standards to guarantee that they are in line with cutting-edge practices and implementing new programmes to advance on the path of continuous improvement and sustainability in our operations. We work closely with our suppliers and other organisations to promote the rational and efficient use of energy throughout the value chain.</p> <p style="text-align: right;">① More information in section <a href="#">5.5.1. Our approach to energy management and emissions reduction</a> of this Report.</p>
<b>Generation of renewable energies</b>	<p>The generation and acquisition of energy from renewable sources is a core pillar of the architecture of our business model. To achieve this, we invest in generating renewable energy at our own operating centres. We use our own solar thermal, solar photovoltaic and wind energy, as well as facilities to harness geothermal energy, thereby avoiding dependence on third parties and introducing concepts such as additionality in respect of new power generation infrastructure in the grid.</p> <p style="text-align: right;">① More information in section <a href="#">5.5.1. Our approach to energy management and emissions reduction</a> of this Report.</p>
<b>Sustainable building</b>	<p>We make the necessary investments in all our headquarters, platforms and stores to control the consumption of resources, to reduce it and to mitigate its impact. For example, when building our headquarters, they are designed in accordance with bioclimatic criteria, encouraging the installation of photovoltaic panels, harnessing rain water for non-drinking uses and ensuring that lighting systems are self-regulating in accordance with external light conditions.</p> <p style="text-align: right;">① More information in section <a href="#">5.5 Environment</a>, of this Report.</p>



## Risk management

Inditex has an Integrated Risk Management System (IRMS) which covers the entire Group and which is described in section 6.3.1 Risk management and control framework. Risks arising from climate change are managed in the same way as the rest of risks to which the Group is exposed, taking into consideration its characteristics for the purpose of assessing and quantifying these risks.

① More information in section [6.3.1. Risk management and control framework](#) of this Report..

## Metrics and targets

Protecting the environment and reducing our impact on it are core pillars of our business strategy. We are actively committed to this, taking action to help our planet to remain below the global warming limit established in the Paris Agreement.

### Targets

We have emissions reduction targets approved by the Science Based Target Initiative (SBTi) to reduce scope 1 and 2 GHG emissions by 90% in 2018-2030, and by 20% in the cases of GHG emissions resulting from the acquisition of our goods and services for the same period. These objectives are an initial milestone in Inditex's ambitious emissions reduction strategy, whose purpose is to achieve net zero emissions by 2040.

In section 5.5.1. *Our approach to energy management and emissions reduction* provides information on the Group's targets, the programmes in place to advance them and historical metrics related to our progress, including total energy consumption, renewable electricity used, scope 1, 2 and 3 emissions, etc.

① More information in section [5.5.1. Our approach to decarbonisation and energy management](#) of this Report.

## Mechanisms to incentivise decarbonisation

### Variable remuneration

In accordance with our values of transparency, results-orientation and commitment to sustainability, we link our people's variable remuneration to the Company's goals and the sustainability objectives for all employees. The Chief Executive Officer and Senior Management have specific incentives associated with emission reductions.

① More information in section [6.1.1 Good corporate governance](#) of this Report.

# Climate change risk assessment

## Physical risks



Heatwave



Freeze



Water stress

### Physical asset damage

repair and replacement costs of damage to property, plant, equipment and inventory from extreme weather events.

### Key facility operations risks

disruption to output of production and activities from extreme weather events.



Flooding, river and coastal



Tropical windstorm



Temperature windstorm

### Raw materials supply

agricultural production and water supply are affected by extreme weather events and chronic climate changes.

### Revenue disruption

extreme weather events affect the purchasing patterns of consumers.

## Transition risks

### Policy dimension

**/ Carbon pricing:** carbon pricing policies vary across jurisdictions in order to incentivise decarbonisation. Organisations pay a price for emissions throughout their entire value chain.  
**/ Carbon markets:** the development of emissions markets, still largely voluntary, is experiencing an increase in terms of demand.

### Technology dimension

**/ The pace of adoption of low-carbon technologies with the resulting 'green premium',** may affect the competitiveness of companies as a result of their impact in terms of operating costs and asset value. Investments should seek a balance between innovation and profitability.

### Reputation dimension

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

### Market dimension

**/ Preference for sustainability among consumers:** consumers preferences are trending towards alternative products and services of a sustainable nature. Competitors may emerge, coming up with innovations that transform demand and threaten to capture market share from established firms.

### Legal dimension

**/ Climate damage and emissions claims:** widespread lawsuits against companies for their responsibility for GHG emissions and the resulting economic and environmental damages.

## Summary of climate change risk

TCFD Framework	Dimensions	Upstream raw materials supply	Supply chain and operations	Final stages of the value chain	Group financial risks
Physical risks	Acute risks: extreme weather events	Disruptions in the supply of raw materials in the short term	Business interruption and damage to physical assets	Short-term market demand disruption	
	Chronic: gradual changes in climate patterns	Feasibility of raw materials supply in some geographies	Water stress and heat waves threatens value chain in certain geographies	Dependence on demand for certain products in certain geographies	
Transition risks	Policy: carbon pricing	Increased cost of upstream emissions in the value chain	Increased in the cost of fossil fuel-based activities	Elasticity of demand to cost pass through	
	Technology: innovation in low-carbon technologies	Cost of upstream decarbonization in the value chain	Devaluation of carbon-intensive physical assets	Innovative competitors challenge market share	
	Market: preference for sustainability among consumers			Consumer preferences shifting towards sustainable alternatives	
	Reputation: climate activism and stigmatisation			Consumer perception of the Group and its brands	Investor sentiment towards Inditex's climate strategy
	Market: investor sentiment				Market shock resulting from desinvestment in carbon-intensive sectors
	Liability: climate litigation				Demands related to the contribution to climate change

### 6.3.5. Information security and privacy

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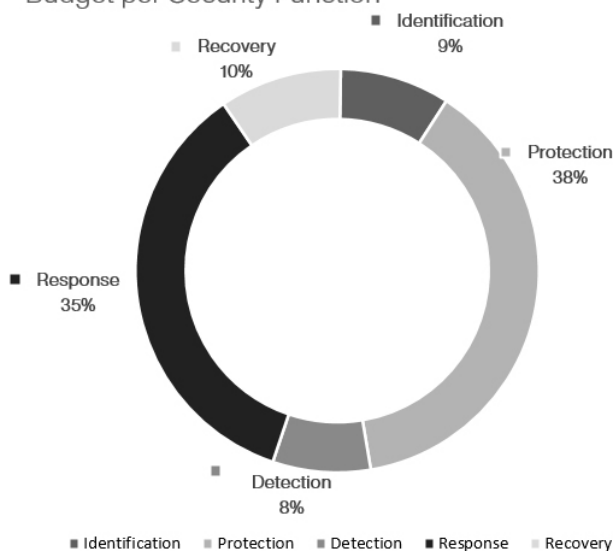
#### 6.3.5.1. Information security

The transformation process being experienced by the sector as a result of the development of online sales and their integration with the physical sphere is changing the way companies develop and deliver their products and services to customers.

In the field of information technology, Information Security is continuously evolving and organisations must involve their Management and invest proportionately so as to define and implement an effective strategy to ensure that the risks associated with technological development have the least impact on their operations. Accordingly, we aim to protect the interests of the Company's key stakeholders (customers, shareholders, employees, investors, suppliers, partners, etc.) and guarantee the visibility and involvement of managers in overseeing technology risks and cybersecurity matters.

Against this backdrop, mindful of the importance of continuously improving the Company's Information Security management model, we have ramped up our investment in security by 8% with respect to the previous year, giving a cumulative increase of 56% in the last three years. This, together with the commitment, support and leadership of the Organisation's Senior Management, makes it possible for us to continue developing initiatives that provide us with technologies and solutions to meet our global strategic objectives, complying with the principles and guidelines established both generally and in the Information Security Policy published on the Company's website. Below is a breakdown of the Company's annual Information Security budget across the five basic cybersecurity functions.

Budget per Security Function



We assign the highest priority to guaranteeing the confidentiality and integrity of information and ensuring the availability of all processes that support sales and distribution channels. The Information Security Department is the area responsible for ensuring this, and the Information Security Committee, made up of members of Senior Management, is the body that supervises

implementation of best practices in security management, compliance with applicable regulations and effective and consistent application of ethical values throughout the Company, as set forth in the Information Security Committee Regulations.

Evidencing this commitment, and as a result of a project to advise on compliance with cybersecurity and privacy regulations at an international level, the Statute of the Chief Information Security Officer was approved in 2022. Its purpose is to define the framework of action and competencies of the Information Security function, regulating both its place in the Organisation and the levels of organisational autonomy and independence (reporting to the Chief Executive Officer), internal and external responsibilities and reporting lines. In this connection, the Information Security strategy and risks must be reported at least half yearly to the Board of Directors through the Audit and Compliance Committee. Moreover, within the framework of the aforementioned advisory project, we carried out an analysis of the impact of the new Directive (EU) 2022/2555 Network and Information Security (NIS2), which aims to improve the security of networks and information systems in European territory.

Furthermore, in 2022 we also implemented various actions and initiatives based on the Company's needs, targets and challenges as identified in the "Next Generation Cybersecurity" strategic plan. This plan, which was developed in 2021 with the help of international experts in various fields, is aimed at maintaining, improving and evolving the maturity of the Group's Information Security programme. As a result, in coordination with the Personal Data Protection and Privacy area and other relevant areas, we have made progress in several initiatives to boost the protection of our Group's information, the main areas of focus being the prevention of leaks and theft of sensitive information, as well as the availability of critical services. This is further supported by the existence of the Cyber Risk insurance programme, which provides various coverages and services, including own damage (including loss of profit), liabilities and regulatory procedures, as well as crisis management services.

As a result of the increase in cyberattacks on companies worldwide, with no material financial or reputational impact on the Company as of the date of this report, the working groups set up have maintained and further developed their activity. These groups, under the supervision of the Information Security Committee, have been tasked with continuing to design and implement new initiatives, and overseeing those already in place, focusing on the management of vulnerabilities and higher-risk assets with the new tools acquired. In addition, as a consequence of conflict between countries, monitoring tasks have been ramped up, as has the management of the risks associated with this context. For this purpose, the Information Security Department has a specialised Cyber Intelligence team whose main function is the early detection of the potential risks and threats we face by means of continuous monitoring of the digital environment.



In 2022, our global incident response team registered as a member of CSIRT.es (Platform of Spanish Cybersecurity and Incident Management Teams), which aims to exchange information on cybersecurity incidents and improve collaboration and coordination in order to respond quickly in any situation that may affect large companies. In 2022, our Security Operations Centre (SOC), whose purpose is the detection, analysis, reporting and remediation of potential security incidents that may affect the Organisation, registered a total of 98 events of interest, the most relevant of which we have reported to the Information Security Committee. None of these events had a material impact on our operations or financial statements.

We also promote security by partnering with public and private organisations, such as the NGO CyberPeace Institute that helps vulnerable communities protect themselves and recover from cyberattacks, or with specialised cybersecurity forums such as the Spanish National Cybersecurity Institute (INCIBE) and the Centre for Industrial Cybersecurity (CCI).

Meanwhile, we have implemented improvements in perimeter security measures in order to optimise the protection of sales and distribution channels, reinforced vulnerability detection at our perimeter and increased the number of external researchers participating in our private vulnerability detection programme. Moreover, exercises continue to be carried out by independent external personnel consisting of simulating attacks targeting the Company in order to try to identify our weaknesses with the aim of improving the Organisation's security status.

In addition to the aforementioned activities, we have worked on automation processes, focusing especially on the optimisation and standardisation of various tasks carried out by the Information Security Department, achieving positive results this year by giving more capabilities to the teams. Furthermore, in the area of corporate identity and access management, we have addressed several initiatives in connection with improving oversight and internal processes with respect to identity management and the granting of permissions, as well as monitoring the management of privileged identities.

With regard to the availability of critical services, we have carried out various exercises to assess and ensure the recovery of critical systems in different scenarios so as to gauge and reduce the risks associated with the continuity of our systems and applications. The infrastructure supporting these services is Tier IV certified, a standard distinguishing data centres that offer the highest level of performance and reliability, guaranteeing a high degree of availability of our systems.

An initiative was also launched to improve the visibility of the security level of our relevant partners, reinforcing the existing control programmes, with the aim of reducing the risk of cybersecurity threats that might affect them. We also continue to pay attention to security in the supply chain, with the Information Security Department having a team dedicated to carrying out audits and implementing stringent controls to verify the level of security and guarantees in the service provided by our suppliers.

We have conducted various external assessments, both mandatory and voluntary, concerning our security model, showing that Inditex's Information Security is consistent with

best practices and standards in cybersecurity at both the local and international levels. As a result, we have successfully renewed all major Information Security certifications:

- / Payment Card Industry-Data Security Standard (PCI-DSS) on the protection of our customers' payment card data.
- / ISO/IEC 27001, which evaluates Inditex's Information Security Management System, ensuring the confidentiality, integrity and availability of the Company's information and of the systems and applications that support the sales channels.
- / Korean Information Security Management System (K-ISMS), which evidences our adherence to legal cybersecurity requirements in South Korea.
- / Multi-Layer Protection Scheme (MLPS), which regulates cybersecurity issues in China.

We have also carried out numerous internal audits and reviews, both by third parties and by our Internal Audit Department and the Oversight Area within the Information Security Department, which ensures compliance and proper application of the policies and procedures defined by the department. These reviews notably include the cybersecurity maturity audit carried out by a specialised service provider with the aim of assessing the Inditex Group's level of Information Security and comparing it with other entities subject to exacting standards, such as companies in the Banking sector.

With regard to data protection, we are currently engaged in an initiative to activate our Company's sensitive data protection capabilities. Complementary to this initiative, we have also implemented a range of drives for our employees, collaborators and members of the Board of Directors, aimed at assessing and enhancing their level of security awareness and expertise, by means of the Cybersecurity Culture Plan and the training programme. The latter comprises specific actions aimed at the different groups of users according to their profile and role within the Organisation, covering both general aspects of information security and internal policies. We also expanded the scope of the awareness campaigns, covering 7,743 users and achieving better results than in the previous period.

Finally, user protection has been enhanced through the evolution of privileged identity shielding capabilities and the new email protection solution.

### 6.3.5.2. Personal Data Protection and Privacy

Throughout 2022, we have worked in alignment with the Company's strategy and objectives, advocating the value of respect for privacy and ensuring an appropriate level of compliance with data protection and privacy regulations.

In this regard, in order to guarantee the data protection of the groups whose personal data we process (customers, employees, candidates, etc.), at Inditex we conduct an analysis of all the trends with an impact on privacy across the retail sector, as well as the obligations entailed by the new regulations and the interpretations of the supervisory authorities, judges and courts. This guarantees compliance with the principles deriving from the data protection and privacy regulations, and in particular, those of transparency and the management of the rights of interested parties.

During the year we worked on a number of cross-cutting projects that have enabled us to advance in the implementation of our privacy programme. They include the following:

- / Project to improve the conservation and deletion of personal data of the main groups (customers, employees and candidates) stored in the Company's main systems.
- / Project to improve the automation of the management of personal data protection rights.
- / Management of third-party risks, with work on the implementation and improvement of the supplier approval procedure in collaboration with other Company departments, to guarantee that the suppliers who may process personal data for which Inditex is responsible have, from the standpoint of their organisational structure, a commitment to compliance in matters of data protection and privacy.

More specifically, in relation to **customers**, the Personal Data Protection and Privacy Department has worked hand in hand with the business teams, supporting them as needed. Thus, we have analysed and reviewed numerous projects aimed at improving the shopping experience, promoting sustainability (such as the Zara Pre-Owned project) or fostering the practice of sport (such as Oysho Training), among others, to ensure that these projects build in privacy from the design stage, in accordance with the corporate procedure.

Projects have also been rolled out to implement in our online

platform the requirements pursuant to new privacy regulations affecting the Asian and American markets.

With regard to our **employees, we foster a culture of privacy** in our Company through, among other actions, a course on data protection and privacy in TraIn (the corporate eLearning tool). This course is aimed at all employees of the Company at a global level, and is mandatory for those employees who work in departments that, due to their functions, process the personal data of different stakeholders. In seven months, we have managed to get 78% of the employees required to take this course to complete it.

Meanwhile, the management of third-party risks has evolved over 2022, with work on the implementation and improvement of the **supplier approval procedure**. Among other matters, this is to guarantee that the suppliers who may process personal data for which Inditex is responsible have, from the point of view of their organisational structure, a commitment to compliance in matters of data protection and privacy.

Lastly, we maintain the structure of our **Compliance model in connection with data protection and privacy**, based on:

- / Boosting the role of our corporate Data Protection and Privacy Department as a control area (second line of defence).
- / Continuous improvement of the privacy programme.
- / Monitoring by the Group's Data Protection Officer (DPO).
- / Periodic reporting: at least once a year to the Board of Directors through the Audit and Compliance Committee and to the Company's Management through our participation in the Information Security Committee.



# 7. Reporting principles and indicators

7.1. Additional indicators / 7.2. Reporting principles

At Inditex we have a robust reporting structure with a special focus on indicators and metrics which provide information to interested parties transparently on diverse aspects of our Company.

# 7.1. Additional indicators

## 7.1.1. Management of the supply chain indicators

GRI 3-3; 308-1; 414-1; 414-2; AF7; AF8; AF16; AF17

### a) Supplier clusters<sup>61</sup>

	<b>2022</b>
<b>Spain</b>	
Number of suppliers with purchases in the year	153
Number of sewing factories associated with suppliers with purchases	92
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	301
Workforce of manufacturers working for Inditex in Spain	18,661
<b>Portugal</b>	
Number of suppliers with purchases in the year	119
Number of sewing factories associated with suppliers with purchases	403
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	344
Workforce of manufacturers working for Inditex in Portugal	43,254
<b>Morocco</b>	
Number of suppliers with purchases in the year	183
Number of sewing factories associated with suppliers with purchases	348
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	37
Workforce of manufacturers working for Inditex in Morocco	94,247
<b>Türkiye</b>	
Number of suppliers with purchases in the year	201
Number of sewing factories associated with suppliers with purchases	907
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	802
Workforce of manufacturers working for Inditex in Türkiye	379,362
<b>India</b>	
Number of suppliers with purchases in the year	101
Number of sewing factories associated with suppliers with purchases	132
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	273
Workforce of manufacturers working for Inditex in India	425,077
<b>Bangladesh</b>	
Number of suppliers with purchases in the year	137
Number of sewing factories associated with suppliers with purchases	261
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	191
Workforce of manufacturers working for Inditex in Bangladesh	929,404
<b>Vietnam</b>	
Number of suppliers with purchases in the year	10
Number of sewing factories associated with suppliers with purchases	98
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	53
Workforce of manufacturers working for Inditex in Vietnam	111,337
<b>Cambodia</b>	
Number of suppliers with purchases in the year	2
Number of sewing factories associated with suppliers with purchases	95
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	19
Workforce of manufacturers working for Inditex in Cambodia	77,850
<b>China</b>	
Number of suppliers with purchases in the year	404
Number of sewing factories associated with suppliers with purchases	1,404

<sup>61</sup> Includes information of the main country of each of the clusters.

Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	1,572
Workforce of manufacturers working for Inditex in China	584,601
<b>Pakistan</b>	
Number of suppliers with purchases in the year	59
Number of sewing factories associated with suppliers with purchases	83
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	91
Workforce of manufacturers working for Inditex in Pakistan	451,909
<b>Argentina<sup>2</sup></b>	
Number of suppliers with purchases in the year	12
Number of sewing factories associated with suppliers with purchases	15
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	57
Workforce of manufacturers working for Inditex in Argentina	8,133
<b>Brazil<sup>2</sup></b>	
Number of suppliers with purchases in the year	1
Number of sewing factories associated with suppliers with purchases	1
Number of factories for other processes associated with suppliers with purchases <sup>1</sup>	6
Workforce of manufacturers working for Inditex in Brazil	5,736

1. Includes raw materials processing, cutting, dyeing and washing, finishing non-textile product processes. For factories performing more than one process, their main process was considered.

2. Includes all suppliers and factories active in the region so as to make the data representative.

## b) Supply chain assessment<sup>62</sup>

### Audits by region in 2022

Geographic area	Traceability	Pre-assessment	Environmental preliminary assessment	Social	Environmental	Special	Total
Africa	5,400	97	3	390	75	117	6,082
Americas	154	16	2	35	6	41	254
Asia	2,872	1,438	34	3,058	1,225	795	9,422
Europe outside the EU	1,283	245	7	1,177	442	51	3,205
European Union	1,087	279	10	1,295	317	41	3,029
<b>Total</b>	<b>10,796</b>	<b>2,075</b>	<b>56</b>	<b>5,955</b>	<b>2,065</b>	<b>1,045</b>	<b>21,992</b>

### Internal and external audits in 2022

	Traceability	Pre-assessment	Environmental preliminary assessment	Social	Environmental	Special	Total
Internal	283	35	0	305	41	908	1,572
External	10,513	2,040	56	5,650	2,024	137	20,420
<b>Total</b>	<b>10,796</b>	<b>2,075</b>	<b>56</b>	<b>5,955</b>	<b>2,065</b>	<b>1,045</b>	<b>21,992</b>

### Social ranking and volume of suppliers with purchase<sup>1</sup>

	2022			2021			2020			2019			2018		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	650	38%	37%	653	37%	35%	575	32%	32%	784	40%	41%	661	35%	37%
B	1,018	59%	61%	1,077	60%	63%	1,152	64%	66%	1,051	53%	56%	1,045	56%	59%
C	10	1%	0%	18	1%	2%	27	2%	1%	44	2%	1%	80	4%	2%
Subject to CAP	30	2%	1%	23	1%	0%	24	1%	1%	38	2%	1%	47	3%	1%
PR	21	1%	0%	19	1%	0%	27	1%	0%	68	3%	1%	33	2%	1%
<b>Total</b>	<b>1,729</b>	<b>100%</b>	<b>100%</b>	<b>1,790</b>	<b>100%</b>	<b>100%</b>	<b>1,805</b>	<b>100%</b>	<b>100%</b>	<b>1,985</b>	<b>100%</b>	<b>100%</b>	<b>1,866</b>	<b>100%</b>	<b>100%</b>

1. Supplier A: Complies with the Code of Conduct. Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct. Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct. CAP Supplier: Supplier in Corrective Action Plan. Supplier PR: Undergoing an auditing process.

<sup>62</sup> The audits carried out using Inditex's own methodology are included.

Social ranking and purchase volume of suppliers by region <sup>1</sup>

Africa	2022			2021			2020			2019			2018		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	144	72%	68%	149	77%	80%	96	62%	66%	97	60%	64%	67	46%	52%
B	44	22%	25%	36	19%	17%	41	26%	24%	44	27%	24%	59	40%	37%
C	1	0%	0%	0	0%	0%	4	3%	2%	7	5%	6%	13	9%	9%
Subject to CAP	4	2%	2%	1	0%	0%	5	3%	2%	11	7%	5%	5	3%	2%
PR	8	4%	4%	8	4%	3%	10	6%	6%	2	1%	1%	1	2%	0%
<b>Total</b>	<b>201</b>	<b>100%</b>	<b>100%</b>	<b>194</b>	<b>100%</b>	<b>100%</b>	<b>156</b>	<b>100%</b>	<b>100%</b>	<b>161</b>	<b>100%</b>	<b>100%</b>	<b>145</b>	<b>100%</b>	<b>100%</b>

Americas	2022			2021			2020			2019			2018		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	9	82%	95%	10	83%	90%	2	22%	19%	8	47%	16%	13	59%	30%
B	2	18%	5%	2	17%	10%	7	78%	81%	9	53%	84%	8	36%	70%
C	0	0%	0%	0	0%	0%	0	0%	0%	0	0%	0%	1	5%	0%
Subject to CAP	0	0%	0%	0	0%	0%	0	0%	0%	0	0%	0%	0	0%	0%
PR	0	0%	0%	0	0%	0%	0	0%	0%	0	0%	0%	0	0%	0%
<b>Total</b>	<b>11</b>	<b>100%</b>	<b>100%</b>	<b>12</b>	<b>100%</b>	<b>100%</b>	<b>9</b>	<b>100%</b>	<b>100%</b>	<b>17</b>	<b>100%</b>	<b>100%</b>	<b>22</b>	<b>100%</b>	<b>100%</b>

Asia	2022			2021			2020			2019			2018		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	267	28%	32%	217	22%	26%	194	20%	26%	354	32%	37%	273	26%	30%
B	675	71%	67%	730	75%	72%	780	79%	74%	700	63%	62%	695	67%	66%
C	5	1%	0%	17	2%	2%	14	1%	0%	21	2%	1%	42	4%	3%
Subject to CAP	6	1%	0%	11	1%	0%	1	0%	0%	11	1%	0%	16	2%	1%
PR	2	0%	0%	3	0%	0%	2	0%	0%	21	2%	0%	14	1%	0%
<b>Total</b>	<b>955</b>	<b>100%</b>	<b>100%</b>	<b>978</b>	<b>100%</b>	<b>100%</b>	<b>991</b>	<b>100%</b>	<b>100%</b>	<b>1,107</b>	<b>100%</b>	<b>100%</b>	<b>1,040</b>	<b>100%</b>	<b>100%</b>

Europe outside the EU	2022			2021			2020			2019			2018		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	47	20%	23%	53	24%	26%	50	21%	29%	58	27%	37%	76	38%	51%
B	160	70%	71%	160	72%	69%	170	70%	66%	131	61%	58%	89	45%	41%
C	4	2%	0%	1	0%	3%	8	3%	2%	10	5%	3%	14	7%	3%
Subject to CAP	18	8%	5%	8	4%	1%	11	5%	3%	12	5%	1%	18	9%	4%
PR	1	0%	0%	1	0%	1%	3	1%	0%	4	2%	1%	3	1%	1%
<b>Total</b>	<b>230</b>	<b>100%</b>	<b>100%</b>	<b>223</b>	<b>100%</b>	<b>100%</b>	<b>242</b>	<b>100%</b>	<b>100%</b>	<b>215</b>	<b>100%</b>	<b>100%</b>	<b>200</b>	<b>100%</b>	<b>100%</b>

European Union	2022			2021			2020			2019			2018		
	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production	No. of suppliers	% of suppliers	% of production
A	183	55%	57%	224	58%	55%	233	57%	44%	267	55%	50%	232	51%	41%
B	137	41%	42%	149	39%	45%	154	38%	56%	167	35%	49%	194	42%	58%
C	0	0%	0%	0	0%	0%	1	0%	0%	6	1%	0%	10	2%	0%
Subject to CAP	2	1%	0%	3	1%	0%	7	2%	0%	4	1%	0%	8	2%	0%
PR	10	3%	1%	7	2%	0%	12	3%	0%	41	8%	1%	15	3%	1%
<b>Total</b>	<b>332</b>	<b>100%</b>	<b>100%</b>	<b>383</b>	<b>100%</b>	<b>100%</b>	<b>407</b>	<b>100%</b>	<b>100%</b>	<b>485</b>	<b>100%</b>	<b>100%</b>	<b>459</b>	<b>100%</b>	<b>100%</b>

1. Supplier A: Complies with the Code of Conduct. Supplier B: Does not comply with some non-relevant aspect of the Code of Conduct. Supplier C: Does not comply with some sensitive, but not conclusive, aspect of the Code of Conduct. CAP Supplier: Supplier in Corrective Action Plan. Supplier PR: Undergoing an auditing process.

### c) Continuous improvement of the supply chain

#### Corrective Action Plans in the social area in 2022 at factories incurring in sensitive breaches of the Code of Conduct

Geographic area	Factories that have begun an improvement process	Factories that have improved their compliance	Factories in the process of improving	% CAPs completed successfully
Africa	20	0	16	0%
Americas	2	1	0	50%
Asia	219	47	136	57%
Europe outside the EU	211	47	103	44%
European Union	35	7	13	32%
<b>Total</b>	<b>487</b>	<b>102</b>	<b>268</b>	<b>47%</b>

#### Corrective Action Plans in the environmental area in 2022 in factories incurring in sensitive breaches of the Green to Wear standard

Geographic area	Factories that have begun an improvement process	Factories that have improved their compliance	Factories in the process of improving	% CAPs completed successfully
Africa	22	3	18	75%
Americas	2	0	2	0%
Asia	291	75	170	62%
Europe outside the EU	136	38	70	58%
European Union	96	4	80	25%
<b>Total</b>	<b>547</b>	<b>120</b>	<b>340</b>	<b>58%</b>



## 7.1.2. Health and safety of our products indicators

GRI 3-3; 416-1; 416-2

### Results of the *Picking* programme

The Picking programme enables us to verify that our products comply with the Group's Clear to Wear (CtW) and Safe to Wear (StW) health and safety standards. In 2022, initial compliance with our standards reached 98.4%. In cases of initial non-compliance (1.6%), we apply re-operation protocols that allow these products to be properly corrected, eliminating the presence of restricted substances and improving parameters such as colour fastness to achieve compliance.

#### Degree of initial compliance

	2022	2021	2020	2019	2018
CtW – Chemical substances	99.2%	99.3%	99.3%	98.9%	99.1%
PTR	99.4%	99.5%	99.3%	98.8%	98.6%
<b>CtW<sup>1</sup></b>	<b>98.7%</b>	<b>98.8%</b>	<b>98.6%</b>	<b>97.8%</b>	<b>97.7%</b>
StW – Parameters	99.9%	99.9%	99.9%	99.8%	99.8%
StW – Design	99.8%	99.8%	99.8%	99.7%	99.8%
<b>StW</b>	<b>99.7%</b>	<b>99.7%</b>	<b>99.7%</b>	<b>99.6%</b>	<b>99.6%</b>
<b>CtW + StW</b>	<b>98.4%</b>	<b>98.5%</b>	<b>98.3%</b>	<b>97.4%</b>	<b>97.4%</b>

1. For the purpose of comparison with previous reports, in the wake of the publication in 2021 of the Physical Testing Requirements (PTR) standard, the CtW category takes into consideration compliance in both chemicals included in CtW and parameters included in PTR (previously listed under the heading CtW – Parameters).

#### Degree of initial compliance by geographic area

<b>Africa</b>	2022	2021	2020	2019	2018
CtW	99.2%	99.1%	99.2%	98.4%	97.7%
StW	99.0%	99.3%	99.2%	98.8%	99.4%
CtW+StW	98.3%	98.4%	98.4%	97.2%	97.1%

<b>Americas</b>	2022	2021	2020	2019	2018
CtW	98.4%	100.0%	86.3%	100.0%	96.1%
StW	100.0%	100.0%	100.0%	100.0%	100.0%
CtW+StW	98.4%	100.0%	86.3%	100.0%	96.1%

<b>Asia</b>	2022	2021	2020	2019	2018
CtW	98.4%	98.6%	98.4%	97.5%	97.5%
StW	99.8%	99.8%	99.8%	99.7%	99.8%
CtW+StW	98.3%	98.4%	98.2%	97.3%	97.3%

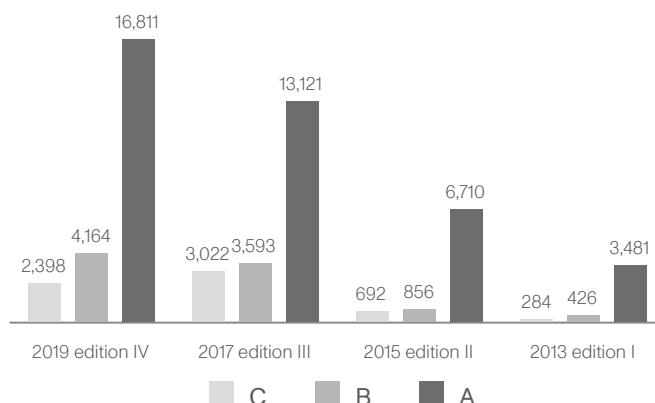
<b>European Union</b>	2022	2021	2020	2019	2018
CtW	99.7%	99.4%	99.1%	98.8%	98.3%
StW	99.7%	99.7%	99.5%	99.4%	99.5%
CtW+StW	99.3%	99.0%	98.7%	98.2%	97.8%

<b>Europe outside the EU</b>	2022	2021	2020	2019	2018
CtW	99.3%	99.4%	99.5%	95.8%	99.6%
StW	99.7%	99.6%	99.8%	100.0%	100.0%
CtW+StW	98.9%	99.0%	99.3%	95.8%	99.6%

### The List, by Inditex programme

The List, by Inditex contains a register of commercially available chemical products used in the manufacturing processes of textile and leather goods. In 2019 we published findings from the 4<sup>th</sup> edition of the programme, including a total of 83,257 analyses, which allowed the classification of 27,756 chemical products (although the final published 4<sup>th</sup> edition includes 23,373 chemical products). It is important to point out that, due to the departure of two participants from the project, the published 4<sup>th</sup> edition presents less chemicals than those actually analysed and classified in the programme.

	1st edition	2nd edition	3rd edition	4th edition
Manufacturers	10	15	22	24
No. of manufacturer requests	10	5	78	98
(acceptance %)	(100)%	(100)%	(13)%	(4)%
No. of chemical products classified	4,191	8,258	19,736	23,373
No. of analyses	1,774	8,289	34,605	83,257



Chemical products "A": Their use is permitted in Inditex production with no further analysis by the institutions that use them.

Chemical products "B": Their use in the Inditex supply chain is subject to further analyses during production, as indicated in the Green to Wear standard.

Chemical products "C": The use of these chemicals is prohibited in Inditex production.

### 7.1.3. Environmental impact management indicators

GRI 3-3; 305-1; 305-2; 305-3; 305-4; 305-5

Section 5.5. Environment outlines a set of quantitative environmental indicators along with their performance in 2022 and developments over recent years. These quantitative indicators give us a picture of the progress made thanks to the management of natural and energy resources in the year.

#### a) Scope of the indicators

The environmental indicator system includes data obtained between 1 February 2022 and 31 January 2023. The data are shown in absolute and relative terms. The latter is calculated latter based on the surface square metres of our facilities and based on the level on net sales, so as to represent the efficiency reached after the Company's activities and the continuous improvement resulting from their management. The scope of the indicators includes the Inditex Group's own facilities, specifically:

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

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

/ All the Group's logistics centres.

/ All the Group's own stores.

International offices are not included in the scope. Indicators where the scope differs are shown alongside the data in question.

#### b) Calculation of relative indicators

Relative indicators are calculated using the following formula:

/ Ratio per square metre (m<sup>2</sup>) = (absolute figure for the year/total surface area in m<sup>2</sup>)

/ Ratio by net sales = (absolute value for the year/sales (€))<sup>63</sup>

#### c) Greenhouse gas emissions

The Inditex Group's greenhouse gas (GHG) emissions are calculated and reported following the international guidelines of the Intergovernmental Panel on Climate Change, IPCC (Guidelines for National Greenhouse Gas Inventories, 2006) and the World Resources Institute (GHG Protocol, 2015). The GHG emissions scopes reported are accounted for in accordance with the Company's financial limit. GHG emissions include gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>, and NF<sub>3</sub>) and are expressed in units of CO<sub>2</sub> equivalent (CO<sub>2</sub>eq). Specifically, scope 3 emissions are broken down according to the GHG Protocol categories. For greater transparency, the "Purchased goods and services" category (according to the GHG Protocol) is subdivided into the following categories: raw material extraction, raw material processing, material production, wet processes and final product assembly.

Below is a brief overview of the calculation methodology used for each category of Inditex Group GHG emissions

<sup>63</sup> Includes sales in our own stores and franchises.

Scope	Description	Methodology	Emission factors
Scope 1	Direct emissions related to sources under the direct control of the Inditex Group (combustion in boilers, own vehicles, etc.).	Scope 1 emissions are calculated based on the consumption of the various fuel types and their corresponding emission factors. The emissions associated with occasional leaks (or punctual leaks) of HFC and PFC gases from air conditioning equipment are not included.	DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 2	These are indirect emissions related to the generation of electricity acquired and consumed by the Inditex Group.	Scope 2 emissions are calculated based on the consumption of electricity in each market and their corresponding emission factors. The emissions associated with the electricity acquired in international offices are not included.	Location-based method: / IEA (2022), Emission Factors Market-based method: / Contractual instruments for renewable energy: (PPA, EACs, etc.)
Scope 3 - Category 1: Purchased goods and services	All upstream (cradle-to-gate) emissions generated in Inditex's supply chain from the manufacture of products made available to customers.	Extraction of raw materials: emissions are calculated based on the tonnes of the various raw materials consumed and the corresponding emission factors.  Spinning and weaving: emissions are calculated based on the energy consumption and the corresponding emission factors. Energy consumption is estimated on the basis of raw materials consumption ratios.  Wet processes and cutting and sewing: Emissions are calculated on the basis of the Scope 3 evaluator, Greenhouse Gas Protocol and Quantis calculator.	Higg Materials Sustainability Index (MSI), 2021  IEA (2022), Emission Factors DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 3 - Category 2: Capital goods	Emissions generated as a result of the extraction, production and transportation of capital goods purchased and/or acquired by the Company	Emissions are calculated using the Scope 3 evaluator, Greenhouse Gas Protocol and Quantis	Scope 3 evaluator, Greenhouse Gas Protocol and Quantis
Scope 3 - Category 3: Activities linked to fuel and energy	Emissions generated in the process of extraction, refining, production and transportation of energy and fuels purchased and acquired by the Company.	Emissions are calculated based on the global energy consumption and the corresponding emission factors.	DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 3 - Category 4: Upstream transport and distribution	Emissions linked to the upstream transportation and distribution services acquired by the Company.	Their calculation takes into account the tonnes transported and kilometres travelled by each means of transport, along with the relevant emission factors.	GLEC, Global Logistic Emissions Council Framework for Logistics Emissions Accounting and Reporting, v.2.0.
Scope 3 - Category 5: Waste generated in operations	Emissions from the final disposal and treatment of waste generated in Inditex's headquarters, own logistics centres and own factories. Information on waste generated in own stores is not available at the required level of itemisation.	Their calculation takes into account the tonnes of each type of waste generated and the final treatment of each, along with the corresponding emission factors.	DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 3 - Category 6: Business trips	Emissions from the transportation of employees for business-related activities in vehicles operated by third parties.	Their calculation takes into account the origin, destination, means of transport used by Spanish agents and the corresponding emission factors. It is extrapolated to the rest of the subsidiaries on the basis of travel expenditure in Spain.	DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 3 - Category 7: Emissions from employee commuting	Emissions generated as employees commute between home and work.	Their calculation involves estimating average distances covered by means of transport and commuting patterns based on bibliographic research.	DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 3 - Category 8: Upstream leased assets	Emissions associated with third-party assets leased by Inditex.	Not applicable	
Scope 3 - Category 9: Downstream transport and distribution	Emissions from the downstream transportation and distribution of sold products.	Not reported. Inditex is working on improving the internal corporate systems to provide this information with the degree of detail required.	
Scope 3 - Category 10: Processing of sold products	Emissions from the subsequent transformation of sold products.	Not applicable	

<b>Scope</b>	<b>Description</b>	<b>Methodology</b>	<b>Emission factors</b>
Scope 3 - Category 11: Use of sold products	Estimated emissions from the use of products sold by Inditex.	Their calculation takes into account the energy consumed during the use phase based on bibliographic research.	IEA (2022), Emission Factors. Higg Product Module methodology, June 2021.
Scope 3 - Category 12: End of life treatment of sold products	Emissions from the final disposal of products sold by the Company.	Their calculation takes into account the number of units sold and the final destination based on bibliographic research (20% reuse and 80% landfill).	DEFRA (Department for Environment Food & Rural Affairs), v.3.0, 2022.
Scope 3 - Category 13: Downstream leased assets	Emissions from Inditex-owned assets leased to third parties.	Not applicable.	
Scope 3 - Category 14: Franchised	Emissions from franchisees during the operation of franchises.	The electricity consumption of franchises has been estimated from the average consumption of own stores. This consumption is multiplied by the corresponding emission factor.	IEA (2022), Emission Factors
Scope 3 - Category 15: Investments	Emissions from Inditex investment activities	This category includes equity and debt investments. Project finance and investment management and customer service do not apply.	Scope 3 evaluator, Greenhouse Gas Protocol and Quantis

#### **d) Conversion factors used for the calculation**

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

/ Diesel density = 0.8446 kg/litre, DEFRA (Department for Environment Food & Rural Affairs, v.3.0, 2022)

/ 1 toe = 41.868 GJ.

/ 1 GJ = 277.778 kWh.

## 7.1.4. Corporate community investment indicators

GRI 3-3; 201-1; 203-1

	2022	2021	2020	2019	2018	2022-2018 change
Corporate Community Investment	87,870,420	63,500,135	71,803,602	49,231,909	46,218,895	90%

Form of contribution (in euros)	2022	% 2022	2021	% 2021	2020	% 2020	2019	% 2019	2018	% 2018	2022-2018 change
Cash	46,280,569	53%	31,865,805	50%	50,247,787	70%	33,248,048	68%	30,109,825	65%	54%
Time	9,413,346	11%	6,182,600	10%	5,341,060	7%	3,668,531	7%	3,542,309	8%	166%
In-kind	30,266,626	34%	24,171,628	38%	15,046,374	21%	11,684,094	24%	11,935,563	26%	154%
Management costs	1,909,879	2%	1,280,102	2%	1,168,380	2%	631,236	1%	631,198	1%	203%
<b>Total</b>	<b>87,870,420</b>	<b>100%</b>	<b>63,500,135</b>	<b>100%</b>	<b>71,803,602</b>	<b>100%</b>	<b>49,231,909</b>	<b>100%</b>	<b>46,218,895</b>	<b>100%</b>	<b>90%</b>

Category (in euros)	2022	% 2022	2021	% 2021	2020	% 2020	2019	% 2019	2018	% 2018	2022-2018 change
Charitable gifts	1,753,555	2%	1,700,733	3%	1,915,938	3%	1,633,093	3%	1,801,149	4%	-3%
Community investment	58,720,596	68%	45,748,133	73%	55,242,082	78%	36,668,336	75%	36,179,975	79%	62%
Commercial initiatives in the community	25,486,390	30%	14,771,167	24%	13,477,202	19%	10,299,244	21%	7,606,572	17%	235%
<b>Total</b>	<b>85,960,541</b>	<b>100%</b>	<b>62,220,033</b>	<b>100%</b>	<b>70,635,222</b>	<b>100%</b>	<b>48,600,673</b>	<b>100%</b>	<b>45,587,697</b>	<b>100%</b>	<b>89%</b>

Issue addressed (in euros)	2022	% 2022	2021	% 2021	2020	% 2020	2019	% 2019	2018	% 2018	2022-2018 change
Education	14,094,888	16%	7,278,201	12%	7,518,126	11%	8,501,897	17%	7,468,318	16%	89%
Health	6,564,862	8%	3,261,939	5%	24,198,243	34%	2,798,355	6%	3,861,618	8%	70%
Economic development	3,992,003	5%	3,293,301	5%	1,220,854	2%	1,304,020	3%	1,610,820	4%	148%
Environment	19,385,452	23%	5,594,131	9%	4,680,860	7%	5,446,742	11%	3,586,327	8%	441%
Arts and culture	891,955	1%	1,079,312	2%	988,654	1%	1,221,122	3%	870,924	2%	2%
Social welfare	9,191,329	11%	19,019,444	31%	21,506,246	30%	19,646,921	40%	19,098,184	42%	-52%
Emergency relief	31,840,052	37%	22,693,705	36%	10,522,239	15%	9,681,616	20%	9,044,621	20%	252%
Others	0	0%	0	0%	0	0%	0	0%	46,883	0%	0%
<b>Total</b>	<b>85,960,541</b>	<b>100%</b>	<b>62,220,033</b>	<b>100%</b>	<b>70,635,222</b>	<b>100%</b>	<b>48,600,673</b>	<b>100%</b>	<b>45,587,697</b>	<b>100%</b>	<b>89%</b>

Location of the activity (in euros)	2022	% 2022	2021	% 2021	2020	% 2020	2019	% 2019	2018	% 2018	2022-2018 change
Spain	28,355,155	33%	21,203,015	34%	41,228,603	58%	17,529,175	36%	20,297,453	45%	40%
Europe ex-Spain	22,569,569	26%	8,752,685	14%	7,316,927	10%	7,464,704	15%	5,643,921	12%	300%
Americas	13,774,978	16%	10,608,807	17%	10,357,432	15%	13,328,564	27%	10,208,058	22%	35%
Asia and rest of the world	21,260,838	25%	21,655,526	35%	11,732,259	17%	10,278,231	21%	9,438,265	21%	125%
<b>Total</b>	<b>85,960,541</b>	<b>100%</b>	<b>62,220,033</b>	<b>100%</b>	<b>70,635,222</b>	<b>100%</b>	<b>48,600,673</b>	<b>100%</b>	<b>45,587,697</b>	<b>100%</b>	<b>89%</b>

SDG (in euros)	2022	% 2022	2021	% 2021	2020	% 2020	2019	% 2019	2018	% 2018	Total 2022 - 2018
1. No poverty	3,750,457	4.4%	1,796,811	2.9%	199,709	0.3%	52,547	0.1%	161,176	0.4%	5,960,700
2. Zero hunger	99,188	0.1%	509,079	0.8%	171,091	0.2%	399,582	0.8%	163,364	0.4%	1,342,304
3. Good health and well-being	7,670,746	8.9%	9,223,912	14.8%	28,371,255	40.2%	7,375,925	15.2%	7,260,232	15.9%	59,902,070
4. Quality education	7,182,324	8.4%	3,810,370	6.1%	4,958,119	7.0%	5,405,862	11.1%	5,824,809	12.8%	27,181,484
5. Gender equality	5,122,683	6.0%	2,980,153	4.8%	3,422,346	4.8%	2,581,715	5.3%	1,687,518	3.7%	15,794,415
6. Clean water and sanitation	2,597,186	3.0%	1,032,230	1.7%	1,396,363	2.0%	952,531	2.0%	785,861	1.7%	6,764,171
7. Affordable and clean energy	2,500	0.0%	464,644	0.7%	30,684	0.0%	20,000	0.0%	20,000	0.0%	537,828
8. Decent work and economic growth	7,931,367	9.2%	5,869,853	9.4%	7,259,969	10.3%	7,859,961	16.2%	8,334,396	18.3%	37,255,546
9. Industry, innovation and infrastructure	2,501,301	2.9%	844,244	1.4%	397,752	0.6%	1,884,953	3.9%	446,410	1.0%	6,074,660
10. Reduced inequality	17,760,641	20.7%	19,973,638	32.1%	12,901,353	18.3%	9,870,828	20.3%	9,294,145	20.4%	69,800,605
11. Sustainable cities and communities	722,389	0.8%	842,896	1.4%	793,168	1.1%	1,243,389	2.6%	1,206,475	2.6%	4,808,317
12. Responsible consumption and production	22,531,480	26.2%	12,863,973	20.7%	9,729,241	13.8%	8,818,385	18.1%	7,745,279	17.0%	61,688,358
13. Climate action	7,089,561	8.3%	519,761	0.8%	115,627	0.2%	88,294	0.2%	89,427	0.2%	7,902,670
14. Life below water	250,180	0.3%	204,690	0.3%	160,416	0.2%	270,429	0.6%	378,437	0.8%	1,264,152
15. Life on land	131,635	0.2%	824,001	1.3%	250,000	0.4%	289,465	0.6%	379,806	0.8%	1,874,907
16. Peace, justice and strong institutions	155,344	0.2%	89,652	0.1%	346,048	0.5%	621,561	1.3%	608,050	1.3%	1,820,655
17. Partnerships for the goals	461,558	0.5%	370,126	0.6%	132,080	0.2%	865,247	1.8%	1,202,312	2.6%	3,031,323
<b>Total</b>	<b>85,960,541</b>	<b>100.0%</b>	<b>62,220,033</b>	<b>100%</b>	<b>70,635,222</b>	<b>100%</b>	<b>48,600,673</b>	<b>100%</b>	<b>45,587,697</b>	<b>100%</b>	<b>313,004,166</b>

% management costs excluded

Output indicators	2022	2021	2020	2019	2018	2022-2018 change
Number of hours spent by employees on social initiatives during working hours	313,778	206,087	178,035	122,284	118,077	166%
Number of social initiatives implemented	725	725	703	670	622	17%
Number of garments donated to social causes	7,894,590	5,899,270	4,114,490	3,164,804	3,225,462	145%
Number of direct beneficiaries	3,352,138	2,217,342	3,313,581	2,441,300	2,425,639	38%
Number of community organisations supported	469	427	439	421	413	14%

	2022	2021	2020	2019	2018	Total 2022-2018
Number of children with access to education	20,230	19,556	31,054	43,443	48,794	163,077
Number of people receiving professional training	16,143	14,546	14,399	26,763	32,514	104,365
Number of migrants, refugees and displaced persons served	1,861,489	188,054	172,160	405,335	952,935	3,579,973
Number of people receiving medical care	1,037,184	1,348,727	732,601	930,223	1,078,634	5,127,369
Number of employments created through community investment projects	6,234	5,391	5,524	11,288	16,437	44,874
Number of people accessing water and sanitation	753,616	583,426	359,675	361,978	553,653	2,612,348

	2022	2021	2020	2019	2018	Total 2022 - 2018
<b>Leverage (in euros)</b>	<b>75,306,852</b>	<b>56,044,311</b>	<b>38,525,899</b>	<b>79,291,268</b>	<b>49,827,907</b>	<b>298,996,237</b>

Impact indicators	2022	2021	2020	2019	2018	2022-2018 change
Number of direct beneficiaries where results were measured	3,283,404	2,184,117	3,272,473	2,406,380	2,401,131	37%

Depth of impact (number of beneficiaries that...)	2022	2021	2020	2019	2018	2022-2018 change
Made a connection as a result of the initiative	403,097	203,349	2,147,665	1,108,752	599,741	-33%
Made an improvement as a result of the initiative	2,529,808	1,412,624	791,219	890,818	1,450,128	74%
Made a transformation as a result of the initiative	350,499	568,144	333,589	406,810	351,262	0%

Type of impact (number of beneficiaries that...)	2022	2021	2020	2019	2018	2022-2018 change
Experienced a direct positive change in their behaviour or attitude	653,145	478,076	351,101	374,548	324,788	101%
Developed new skills or an increase in their personal well-being	30,606	31,725	50,079	71,321	59,921	-49%
Experienced a positive impact on their quality of life	2,852,121	2,041,808	1,158,212	1,300,898	1,743,085	64%

Social cash flow	2022	2021	2020	2019	2018
Cash received from the sale of products and services	32,569	27,716	20,402	28,286	26,145
Flow received from financial investments	105	4	6	31	29
Cash received for sales of assets	0	0	36	40	159
Total value added flow	32,674	27,721	20,444	28,357	26,333

Distribution of value added flow	2022	2021	2020	2019	2018
Remuneration to employees for their services	4,753	4,179	3,376	4,430	4,136
Tax on profits paid	1,176	734	452	1,207	1,070
Return of financial debt	17	-22	-17	-49	73
Dividends paid to shareholders	2,914	2,192	1,090	2,741	2,335
Corporate Community Investment	88	64	72	49	46
Cash retained for future growth	705	1,790	-398	1,284	510
Payments made outside the Group for the purchase of goods, raw materials and services	21,666	17,729	15,204	17,669	16,586
Payments made for investment in new productive assets	1,355	1,055	665	1,026	1,577
<b>Total distribution of value added flow</b>	<b>32,674</b>	<b>27,721</b>	<b>20,444</b>	<b>28,357</b>	<b>26,333</b>

## 7.1.5. European taxonomy of sustainable activities

### 1. Regulatory context

The Inditex Group is subject to Regulation (EU) 2020/852 on EU Taxonomy (hereinafter "Taxonomy")<sup>64</sup>, which stipulates a series of obligations with regard to the disclosure of information relating to "environmentally sustainable" activities. In the 2021 financial year, it was mandatory to report the proportion of taxonomy-eligible economic activities<sup>65</sup> through the key performance indicators for turnover, investments in fixed assets (CapEx) and operating expenditure (OpEx) for the two environmental objectives currently included in the regulation: climate change mitigation and climate change adaptation<sup>66</sup>. For 2022, it is also mandatory to report alignment<sup>67</sup> for those same objectives, in addition to certain complementary qualitative information<sup>68</sup>.

The Taxonomy is a regulation that is still under development, which creates a context of regulatory uncertainty. This leads companies to make decisions based on their own interpretation and to perform continuous analyses in order to ensure that the information provided properly complies with the requirements established, in view of the information being made available.

While on the date this Report was drawn up, the Inditex Group's main activity—the distribution and sale of fashion items—is not yet contemplated in the current regulatory framework, it does apply to other activities linked to the Group's business model.

### 2. Scope and assessment of Inditex's activities

The scope of the information on Taxonomy includes all the companies over which the Inditex Group has control or joint control (listed in Annex I of the Consolidated Annual Accounts). Within this perimeter, the Group has conducted an analysis of its accounting information in order to determine which activities are associated with those described in the Taxonomy<sup>69</sup>, identifying those that are eligible within the framework of the mitigation objective<sup>70</sup>. This analysis is grounded upon the current level of understanding of the descriptions and technical screening criteria included in the Taxonomy, which, as we discuss below, in some cases has implied updating the assessment and calculation criteria applied in 2021.

There follows a presentation of the foremost findings of this analysis in relation with the three key indicators (Turnover, CapEx and OpEx)<sup>71</sup>.

**Turnover:** Inditex is mainly dedicated to the distribution and sale of fashion items, and this activity is its main source of revenue. Since this activity is not currently included in the Taxonomy, **no turnover items have been identified that could be considered eligible.**

**CapEx:** A core portion of the Group's CapEx corresponds to investments undertaken in relation with store refurbishments and openings.

However, in most cases these actions are related to the design and conditioning of commercial spaces, mostly rented premises, in which, only exceptionally, actions are carried out on the building envelope or insulation (which is what has the ability to influence its energy efficiency). This means that only in these exceptional cases will the Group's activities be considered eligible in accordance with the description of **activity 7.2** (renovation of existing buildings) and **7.3** (installation, maintenance and repair of energy efficiency equipment) for being able to improve energy efficiency of the buildings in which it carries out its activity.

Another significant part of CapEx refers to the construction and refurbishment of the Group's corporate headquarters and logistics centers. In this case, in addition to the taxonomic activities mentioned in the previous section, **activity 7.7** (acquisition and ownership of buildings) is also taken into account. The criteria applied is the same as for store investments, considering eligible actions with the capacity to influence the energy efficiency of the buildings under analysis.

Additionally, the rights of use of commercial spaces (ie, the rental of stores) are part of the CapEx according to the definition of the Taxonomy. Following a criteria consistent with the above, it will only be considered eligible under the description of activity **7.7** (acquisition and ownership of buildings) when the rental corresponds to a building and not only limited to an interior space, since it does not have the capacity to influence the building energy efficiency.

This understanding of activities 7.2, 7.3 and 7.7 is the main reason for the adjustment in the results reported this year in terms of CapEx compared to those reported for the year 2021.

<sup>64</sup> The EU Taxonomy is structured around the Regulation (EU) 2020/852, and is supported by two delegated acts: Delegated Regulation (EU) 2021/2139 (the Climate Delegated Act), which specifies the technical screening criteria to determine taxonomy-aligned activities; and the Delegated Regulation (EU) 2021/2178 (Disclosures Delegated Act), which specifies the content, methodology and presentation of information to be disclosed by companies with regard to sustainable economic activities.

<sup>65</sup> Taxonomy-eligible economic activity means an economic activity that is described in the delegated acts, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts.

<sup>66</sup> The remaining objectives are: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

<sup>67</sup> Taxonomy-aligned economic activity means an economic activity that complies with the technical screening criteria laid down in the delegated acts.

<sup>68</sup> The Disclosures Delegated Act requires certain qualitative information to be specified in detail concerning accounting policies, the assessment of compliance with the Regulation, in addition to contextual information thereon.

<sup>69</sup> Annexes I and II to the Delegated Regulation (EU) 2021/2139

<sup>70</sup> Unlike what was reported in the 2021 financial year—when eligible activities were identified for both the mitigation and adaptation objectives—the current understanding of the technical screening criteria included in the Taxonomy indicates that the activities identified are only eligible for the objective of climate change mitigation.

<sup>71</sup> The composition and calculation of these indicators is explained below.



Moreover, the Inditex Group undertakes other investments linked, among others, with the development of IT solutions and data processing, and the implementation and operation of systems that supervise and optimise energy consumption to boost efficiency, which might be considered to be eligible within the framework of activities 8.1. (data processing, hosting and related activities) and 7.5. (installation, maintenance and repair of instruments and devices used to measure, regulate and control energy efficiency in buildings), respectively. However, these activities represent an insignificant proportion of approximately 0% of the Group's CapEx in fiscal year 2022.

**OpEx:** In keeping with the definition of this indicator provided in Taxonomy, the percentage of eligible OpEx of the Inditex Group for 2022 has been considered to be approximately 0%.

### 3. Assessment of compliance with the technical criteria

In accordance with the analysis carried out, the Group considers the following activities to be eligible in 2022 in respect of CapEx:

Taxonomy Activity	Description of the activity	Inditex Group activities
7.2 Renovation of existing buildings	Construction and civil engineering works or preparation of such works	Renovation of store buildings, headquarters and logistics centers when there is the possibility of acting on the building envelope.
7.3. Installation, maintenance and repair of energy efficiency equipment	Individual renovation measures consisting of the installation, maintenance and repair of energy efficiency equipment	Installation, maintenance and repair of energy efficiency equipment at stores, headquarters and logistics centres.
7.7. Acquisition and ownership of buildings -	Buying real estate and exercising ownership of that real estate	Ownership of headquarters and logistics centers as long as there is the possibility of influencing the energy efficiency of the buildings under analysis.

#### Compliance with the technical criteria of substantial contribution to climate change mitigation

Activities linked to the renovation of buildings in which the action involves the intervention of at least 25% of the building envelope are considered aligned activities. In 2022, only one intervention of this nature has been found.

#### Compliance with the technical criteria of not causing significant harm (DNSH)

**Adaptation to climate change:** The Inditex Group has analyzed the potential impacts related to climate change risks, both physical and transition, using five emission trajectories aligned with the socioeconomic forecasts of the Intergovernmental Panel on Climate Change (IPCC's Shared Socioeconomic Pathways - SSPs), and considering short (0-5 years), medium (5-10 years) and long-term (more than 10 years) time horizons. In the case of physical risks, the Group has considered eight sources of risk that are relevant to the Group's business.

After identifying and evaluating the potential impacts derived from the sources of climate risk (among the most relevant are those associated with the interruption of operations at key facilities, damage to physical assets or disruptions in the supply of raw materials), The Inditex Group has defined adaptation measures with the aim of reducing exposure to risks, thus adapting to the consequences of climate change. For more information on climate risk assessment, see section [6.3.4. Climate change: risks and opportunities](#).

#### Sustainable use and protection of water and marine resources:

The building identified as aligned has been completely renovated, including sanitary facilities such as taps, sinks and toilets that meet the minimum requirements in relation to the maximum flow of water and water discharge established by the Taxonomy.

**Transition towards a circular economy:** The identified actions comply with the requirements included in the Taxonomy in this context, including the requirement that at least 70% of the non-hazardous construction and demolition waste generated on site is recovered.

**Pollution prevention and control:** The construction components and materials used in the intervention identified as aligned, conform to the requirements contained in the Taxonomy in this context, including those related to the presence of chemical products or other polluting materials.

### **Compliance with the minimum social safeguards**

To consider any economic activity as aligned, it must be carried out in accordance with OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The Inditex Group applies an approach based on the development of due diligence processes in its operations and business decisions, which makes it possible to identify, prevent, mitigate and remedy, if necessary, the impacts on the economy, the environment and people, (including those related to human rights). In this sense, the Group has a Human Rights strategy aligned with the United Nations Guiding Principles on Business and Human Rights, which is based on three pillars for the integration of the promotion and respect for human rights throughout the company, value chain: the Group's Human Rights Policy, due diligence and grievance mechanisms. Likewise, there are also policies and procedures regarding competition, anti-corruption, responsible business, conflicts of interest, and fiscal responsibility. It is worth noting the Code of Conduct and Responsible Practices, whose objective is to ensure a professional, ethical and responsible commitment of the Inditex Group and of all those who are part of it, in the development of their activities, as a basic element of the business culture.

### **4. Process of calculating the key performance indicators and associated results**

The process of calculating the key performance indicators (Turnover, CapEx and OpEx) of eligibility and alignment involves analysing the Group's consolidated information, excluding intercompany transactions and avoiding double-counting through the processing of accounting information, bearing in mind the adjustments made in the consolidation process, using a single source of information to avoid considering the same item twice, and checking the traceability and accuracy of the information. The Group's Annual Accounts are used to analyse the turnover and OpEx key performance indicators.

The turnover, CapEx and OpEx key performance indicators represent the proportion of the Group's turnover, investments in fixed assets and operating expenditure, respectively, that adheres to, whether in the form of eligibility or alignment, the requirements outlined in the Taxonomy. To construct the numerators of the three key performance indicators, the corresponding items identified as eligible or aligned as per the Taxonomy are considered. With regard to the denominators:

**/ Turnover:** The denominator includes the ordinary revenue in the year. Revenue from Group companies, subsidies or donations, among others, are not taken into account.

**/ CapEx:** The denominator includes additions to fixed assets, including those derived from business combinations and rights of use. Therefore, the Inditex Group considers all additions to property, plant and equipment, intangible assets and rights of use in accordance with IFRS 16..

**/ OpEx:** The denominator includes the expenses associated with research and development, building renovation measures, short-term leases and maintenance or repairs that ensure the proper functioning of the assets.

The results obtained for each of these key performance indicators are shown below, alongside the respective conclusions.

## Results

### Turnover

In keeping with the previous sections, no items of turnover have been identified that could be considered eligible as per the current Taxonomy framework. This means that the eligible Turnover results are approximately 0%. Consequently, this indicator has not experienced any changes with regard to the previous financial year, when the reported eligible turnover was 0.01%.

### CapEx

The Inditex Group considers to be eligible those actions where there is potential to influence the energy efficiency of the buildings under analysis. As previously stated, this implied updating the criterion used to calculate this indicator in 2021 which led to approximately 95% of the CapEx that was considered to be eligible in 2021 not being considered eligible under this criterion.

Thus, the eligibility value for 2022 (0.65%) would be comparable to 0.4% for the 2021 financial year<sup>72</sup>.

Likewise, in line with what was explained above, a 0.3% of eligible and aligned CapEx is recorded in 2022. This CapEx is from the reform of a store in which the building envelope is acted on, optimizing the energy efficiency of the same.

### OpEx

In line with the previously exposed above, the OpEx calculation criterion has been updated for this year, with the result that 100% of the OpEx that was considered eligible in 2021 is not eligible with the greater understanding of the taxonomic activities. Consequently, eligible OpEx is observed to be approximately 0% of the Inditex Group's total OpEx in 2022. This figure would be comparable to 0.0% for the 2021 financial year<sup>73</sup>. Therefore, this key performance indicator has not experienced any changes with regard to the previous financial year.

<sup>72</sup> Figure for the restated eligible CapEx in accordance with the changes made to the calculation methodology and applied in 2022. The value reported in the 2021 financial year was 84.39%.

<sup>73</sup> Figure for the restated eligible OpEx in accordance with the changes made to the calculation methodology applied in 2022. The value reported in the 2021 financial year was 46.65%.

## Turnover

Economic activities	Code(s)	Absolute turnover M€	Proportion of turnover %	Substantial contribution criteria							DNSH Criteria (Does Not Significantly Harm)							Minimum safeguards	Taxonomy-aligned proportion of turnover, year N <sup>2</sup>	Taxonomy-aligned proportion of turnover, year N-1 <sup>2</sup>	Category ("enabling activity")	Category ("transitional activity")
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Yes/No	Yes/No					
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																						
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																						
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%															0%	NA <sup>1</sup>			
<b>A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																						
Turnover of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																			
<b>Total (A.1 + A.2)</b>		<b>0</b>	<b>0%</b>																<b>0%</b>	<b>NA<sup>1</sup></b>		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																						
Turnover of Taxonomy-non-eligible activities (B)		32,569	100%																			
<b>Total (A + B)</b>		<b>32,569</b>	<b>100%</b>																			

1. The report of alignment report is mandatory in 2022 for the first time, so no information is provided for 2021.

2. Values in this column represent the percentage of aligned activities over the total for each indicator (A+B).

## CapEx

Economic activities	Code(s)	Absolute CAPEX 2022	Proportion of CAPEX	Substantial contribution criteria							DNSH Criteria (Does Not Significantly Harm)							Minimum safeguards	Taxonomy-aligned proportion of CAPEX, year N <sup>2</sup>	Taxonomy-aligned proportion of CAPEX, year N-1 <sup>2</sup>	Category ("enabling activity")	Category ("transitional activity")
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems							
		ME	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	F	T		
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																						
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																						
Renovation of existing buildings	7.2	9.84	0.30%	100%	0%	NA	NA	NA	NA	Y	Y	Y	Y	Y	NA	Y	0.30%	NA <sup>1</sup>		T		
CAPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		9.84	0.30%														0.30%	NA <sup>1</sup>				
<b>A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																						
Installation, maintenance and repair of energy efficiency equipment	7.3	3.83	0.12%																			
Acquisition and ownership of buildings	7.7	7.52	0.23%																			
CAPEX of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		11.35	0.35%																			
<b>Total (A.1 + A.2)</b>		<b>21.18</b>	<b>0.65%</b>														0.30%	NA <sup>1</sup>				
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																						
CAPEX of Taxonomy-non-eligible activities (B)		3,257.44	99.35%																			
<b>Total (A + B)</b>		<b>3,278.62</b>	<b>100.0%</b>																			

1. The report of alignment report is mandatory in 2022 for the first time, so no information is provided for 2021.

2. Values in this column represent the percentage of aligned activities over the total for each indicator (A+B).

## OpEx









Economic activities	Code(s)	Absolute OPEX M€	Proportion of OPEX %	Substantial contribution criteria							DNSH Criteria (Does Not Significantly Harm)							Minimum safeguards	Taxonomy-aligned proportion of OPEX, year N <sup>2</sup>	Taxonomy-aligned proportion of OPEX, year N-1 <sup>2</sup>	Category ("enabling activity")	Category ("transitional activity")
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Yes/No	Yes/No					
<b>A. TAXONOMY ELIGIBLE ACTIVITIES</b>																						
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>																						
OPEX of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%															0%	NA <sup>1</sup>			
<b>A.2 Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																						
OPEX of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%																			
<b>Total (A.1 + A.2)</b>		<b>0</b>	<b>0%</b>																<b>0%</b>	<b>NA1</b>		
<b>B. TAXONOMY NON-ELIGIBLE ACTIVITIES</b>																						
OPEX of Taxonomy-non-eligible activities (B)		1,270.58	100%																			
<b>Total (A + B)</b>		<b>1,270.58</b>	<b>100%</b>																			

1. The report of alignment report is mandatory in 2022 for the first time, so no information is provided for 2021.


2. Values in this column represent the percentage of aligned activities over the total for each indicator (A+B).



### 7.1.6. Inditex's contribution to the SDGs. Key indicators

SDGS	Targets	Section	Main indicator or related content (2016 GRI version if not stated otherwise)
	1.2	Communities	GRI 203-2
	<hr/>		
	2.1	Communities	GRI 203-2
	2.4	Communities	GRI 203-2
	3.4	Our people	GRI 403-2 (2018)
	3.4	Suppliers	Supply chain workers benefiting from health and safety programmes
	3.8	Communities	GRI 203-2
	3.9	Our products	Chemical substances included in the Manufacturing Restricted Substances List (MRSL)
	3.9	Environment	GRI 305-1; GRI 305-2; GRI 305-3
	4.4 and 4.5	Our people	GRI 404-1
	4.4 and 4.5	Communities	GRI 203-2
<hr/>			
	5.1	Our people	GRI 405-1; GRI 401-3; GRI 405-2
	5.1	Suppliers	Supply chain workers benefiting from gender, diversity and inclusion programmes GRI 406-1
	5.1	Communities	GRI 203-2
	5.1	Good governance, corporate ethics culture and solid compliance architecture	GRI 405-1
	5.2	Suppliers	GRI 414-2
	5.5	Good governance, corporate ethics culture and solid compliance architecture	GRI 2-9 (2021)
	<hr/>		
	6.4	Suppliers	Number of environmental audits carried out and the resulting Corrective Action Plans
	6.4	Environment	GRI 303-3 (2018)
	6.4	Communities	GRI 203-2
	<hr/>		
	7.2	Environment	GRI 302-1
	7.2	Communities	GRI 203-2
	7.3	Environment	GRI 302-4



	8.5	Our people	GRI 2-7 (2021); GRI 405-2
	8.5	Suppliers	Workers involved in the Workers at the Centre 2019-2022 programmes
	8.5	Communities	GRI 203-2
	8.5	Good governance, corporate ethics culture and solid compliance architecture	Policies formalizing Inditex's commitment to decent work
	8.6	Our people	GRI 401-1
	8.6	Communities	GRI 203-2
	8.7	Suppliers	GRI 408-1; GRI 409-1
	8.8	Our people	GRI 2-30 (2021)
	8.8	Suppliers	Actions taken for the protection of workers in the supply chain within the framework Workers at the Centre 2019-2022 GRI 407-1
	8.8	Communities	GRI 203-2
	9.2	Tax responsibility and transparency	GRI 201-1
	9.4	Our products	Initiatives developed by the Sustainability Innovation Hub
	9.4	Environment	LEED and BREEAM certifications in own distribution centres, headquarters and stores
	9.4	Communities	GRI 203-1
	9.5	Responsible risk management	Technology-related information security initiatives
	10.2	Communities	GRI 203-2
	10.3	Our people	GRI 405-2
	10.7	Suppliers	Workers benefiting from protection of migrants and refugees programmes
	11.1	Communities	GRI 203-1
	12.2	Our products	GRI 301-1; GRI 301-2
	12.2	Environment	GRI 302-2
	12.2	Suppliers	Identification of suppliers and manufacturers
	12.2	Communities	GRI 203-2
	12.4	Our products	GRI 301-2
	12.4	Environment	GRI 306-1 (2020)
	12.5	Environment	GRI 306-3 (2020); GRI 306-4 (2020)
	12.8	Our customers	Number of enquiries received by the various customer service channels
	13.1	Environment	GRI 305-5; GRI 302-1
	13.1	Suppliers	GRI 308-1
	13.1	Communities	GRI 203-2
	13.1	Responsible risk management	GRI 201-2
	14.1	Our products	Actions within the framework of the commitment to Zero Discharge of Hazardous Chemicals
	14.3	Environment	GRI 305-1
	14.3	Communities	GRI 203-2

	15.1	Our products	Projects with recycled raw materials with less impacts
	15.1	Environment	GRI 304-2
	15.2	Communities	GRI 203-2
	16.3	Communities	GRI 203-2
	16.3	Good governance, corporate ethics culture and solid compliance architecture	Grievance mechanisms
	16.5	Good governance, corporate ethics culture and solid compliance architecture	GRI 205-1
	16.7	Our shareholders	Requests attended by the Individual Shareholders' Department
	16.7	Good governance, corporate ethics culture and solid compliance architecture	GRI 2-10 (2021)
	17.3	Communities	GRI 203-2
	17.16	Our people	Cooperation relationship with international entities
	17.16	Our products	Cooperation relationship with international entities
	17.16	Environment	Cooperation relationship with international entities
	17.16	Suppliers	Cooperation relationship with international entities
	17.16	Communities	GRI 203-2
	17.16	Good governance, corporate ethics culture and solid compliance architecture	Cooperation relationship with international entities
	17.17	Suppliers	Public-private partnerships
17.17	Communities	GRI 203-2	

KEY:

Indicators selected by Inditex based on the guidelines in: Business Reporting on the SDGs: An Analysis of Goals and Targets.

Indicators established by Inditex that correspond to disclosures present in the GRI standards.

Internal indicators established by Inditex.

## 7.2. Reporting principles

### 7.2.1. How we report

#### GRI 2-5

This **2022 Integrated Management Report** shows the information concerning Inditex's performance in the 2022 financial year (from 1 February 2022 to 31 January 2023). In it, we aim to provide all our stakeholders with truthful, relevant and accurate information on our accountability for the year 2022, as well as showcasing our objectives, progress and initiatives in the year.

The information included in this Report is both financial and non-financial. It therefore includes the Group's Consolidated Annual Accounts, followed by the Integrated Management Report, also comprising this Statement on Non-Financial Information (SNFI).

The Statement on Non-Financial Information has been prepared by the Board of Directors of Inditex, following a favourable report from the Audit and Compliance Committee and the Sustainability Committee, both responsible for supervising the information included therein. The SNFI has also been favourably evaluated by the Inditex Social Advisory Board (the Group's advisory and consultative body in matters of sustainability and made up of external and independent people). Subsequently, it will be submitted to the Group's Annual General Meeting for examination and, where appropriate, approval, as a separate item on the agenda.

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

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

Said Act 11/2018 establishes that certain undertakings, including Inditex, are obliged to prepare a Statement on Non-Financial Information' which must be included in the Directors' Report or in a separate report corresponding to the same financial year. The SNFI must include, among other matters, the necessary information to understand the performance, results and situation of the Group and the impact of its activities in respect of environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as matters regarding the workforce. It must also include, if applicable, such

measures taken by the company to promote equal treatment and equal opportunities between women and men, non-discrimination and inclusion of people with disabilities and universal accessibility.

Moreover, Article 8 of the EU Taxonomy Regulation (Regulation (EU) 2020/852) establishes that certain undertakings, including Inditex, are obliged to provide information on how and to what extent the undertaking's activities are associated with economic activities that qualify as environmentally sustainable, and the proportion of their turnover, investments in fixed assets and operating expenditure associated with these environmentally sustainable activities. This year, as part of the Regulation, the Group will report information not only on eligibility but also on alignment.

The scope of the reported information includes all the companies over which Inditex has control or joint control (listed in Annex I of the Consolidated Annual Accounts, in which any variations in comparison with those of 2021 are specified). Relevant information is also provided on the Company's supply chain, made up of independent suppliers and manufacturers not owned by the Inditex Group.

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

- / The principles of the International Integrated Reporting Framework.
- / GRI Universal Standards 2021.
- / The principles of the United Nations Global Compact.
- / AA1000 APS (2018) ACCOUNTABILITY Standard Principles.
- / Principles of the Sustainability Accounting Standards Board (SASB) framework.
- / Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).
- / Guide entitled Business Reporting on the SDGs: An Analysis of Goals and Targets, compiled by the Action Platform for Reporting on the Sustainable Development Goals.
- / Recommendations of the European Securities and Markets Authority (ESMA): European common enforcement priorities for annual financial reports.
- / Recommendations included in the European Commission Communication 2017/C215/01 – Guidelines on non-financial reporting, and in EU Supplement 2019/C209/01 on reporting climate-related information.

### Voluntary reporting frameworks, principles and standards

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

The principles under which this Integrated Report has been prepared include the use of the Global Reporting Initiative (GRI) Standards or GRI Standards, in their most up-to-date version: **GRI Universal Standards 2021**. This international framework is cited in article 49.6.e) of the Commercial Code introduced by the aforementioned Act 11/2018.

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



In determining the contents to be included in the Statement on Non-Financial Information, and how to report on them, the Company has followed the indications provided in GRI 1: Foundation 2021, which establishes the following key concepts:

Impact	Material topics
Inditex addresses the effect that it has or may potentially have, as a consequence of its activities and/or business relations, on the economy, the environment and people (including the impact on human rights).	Inditex's reporting covers those issues and indicators that reflect the Organisation's most significant social, environmental and economic impacts or those that substantively influence the valuations and decisions of its stakeholders.
Due Diligence	Stakeholder groups
Inditex applies to its operations and business decisions an approach based on the development of due diligence processes, which enables the Group to identify, prevent, mitigate and justify the way in which we manage the impacts on the economy, the environment and people (including those that affect human rights).	Inditex identifies its stakeholders and systematically engages with them so as to respond to their expectations and interests.

In application of the materiality topics, this Report addresses the issues which reflect Inditex's impact on the economy, environment and people (including impact on human rights) and which may substantially affect the assessments and decision-making of its stakeholders. These issues are identified and assessed by means of a materiality exercise involving the main stakeholder groups. We also apply a dual materiality approach, including an assessment of how these issues may impact our Company.

More information in section [4.2.2. Materiality analysis](#) of this Report.

To facilitate navigation and as a reference for readers, we include a GRI Content Index in this Report.

Accordingly, Inditex has prepared the report in accordance with the GRI Standards for the period from 1 February 2022 to 31 January 2023.

We also adhere to the **principles of the United Nations Global Compact**, of which we have been members since 2001. Thus, this Report also serves as a Communication on Progress, with the GRI Content Index showing the different parts of the document that are related to each of the Global Compact Principles.



Furthermore, we have also used the **Sustainability Accounting Standard Board (SASB)** reporting framework as a reference in preparing this Report, although this year it is a part of the International Financial Reporting Standards Foundation (IFRS Foundation) and it is supervised by the International Sustainability Standards Board (ISSB). Specifically, the guidelines of the Apparel, Accessories and Footwear sector standard have been followed and an SASB reference table listing the disclosures and metrics pertaining to this standard has been included.

More information in section [7.2.5. SASB reference table](#) of this Report.

For the third consecutive year, we report detailed information on climate change risks and opportunities, as recommended by the Task Force on Climate Related Financial Disclosures (TCFD). Details of this information are available in this Report under a specific chapter, the structure of which corresponds to the four blocks described by TCFD: Governance, Strategy, Risk Management, Metrics and Goals.

① More information in section [6.3.4. Climate change: risks and opportunities](#) of this Report.

In addition, for the sixth consecutive year we have used the guide entitled **Business Reporting on the SDGs: An Analysis of Goals and Targets**, developed by the Action Platform for Reporting on the Sustainable Development Goals, organised jointly by the United Nations Global Compact and the Global Reporting Initiative (GRI), to which Inditex has belonged since its inception and which came to an end in 2020. Accordingly, accurate information is provided on our contribution to the United Nations Sustainable Development Goals (SDGs). This year, and since 2021, Inditex has been part of the Business Leadership Forum organised by GRI to catalyse the power of corporate reporting on the SDGs in order to drive action towards achieving these goals.

① More information in section [7.1.6. Inditex's contribution to the SDGs. Key indicators](#), of this Report.

Lastly, as an important aspect in the preparation of integrated reports, we have considered the recommendations of the **European Securities and Markets Authority (ESMA), published in its report European common enforcement priorities for 2022 annual financial reports**. This year they have referred mainly to the dissemination of climate information, EU Taxonomy and aspects relating to the scope and quality of the information reported. Information on the above is provided throughout this Integrated Report. Moreover, It has also been prepared with reference to the Recommendations included in the European Commission Communication 2017/C215/01 – Guidelines on non-financial reporting, and in EU Supplement 2019/C209/01 on reporting climate-related information.

#### Non-Financial information control system

In order to ensure that the information included in the SNFI is truthful and accurate, and that it meets our stakeholders' expectations also with regard to their reliability and robustness, at Inditex we have implemented an Internal Control System of Non-Financial Reporting (ICNFR). The objective of this system is to provide reasonable assurance on the reliability of the information included in our SNFI. Therefore, the ICNFR mainly comprises the control activities on the information gathering processes and the activities of supervision of the main indicators included in the SNFI (the scope of which is defined annually taking into account qualitative and quantitative criteria, as well as the results of the materiality analysis).

The Group's ICNFR has been developed in line with the international reference standard on internal control COSO (Committee of Sponsoring of the Treadway Commission). It was implemented for the first time within the framework of the preparation of the SNFI 2020 and in an exercise of continuous improvement it has been enriched and provided with more exhaustive controls year after year, a process that will continue to be developed in future years.

#### External assurance

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

The outcome of the verification corroborates that the declared GRI Standards application option is appropriate.

## 7.2.2. Balance of material topics

GRI 2-4; 3-2; 3-3

Material topic	GRI standards	Content	Coverage <sup>1</sup>	Involvement <sup>2</sup>
1. Ethical behaviour and governance	GRI 3: Material topics 2021 GRI 205: Anti-corruption 2016 GRI 206: Anti-competitive behaviour 2016 GRI 405: Diversity and Equal Opportunity 2016 GRI 415: Public Policy 2016	3-3 205-1 to 205-3 206-1 405-1 415-1		
2. Risk management and control systems	GRI 3: Material topics 2021 GRI 418: Customer privacy 2016	3-3 418-1		
3. Stakeholder engagement	GRI 3: Material topics 2021	3-3		
4. Responsible communication	GRI 3: Material topics 2021 GRI 417: Marketing and labelling 2016	3-3 417-1 to 417-3		
5. Value chain transparency and traceability	GRI 3: Material topics 2021	3-3		
6. Responsible purchasing practices	GRI 3: Material topics 2021	3-3		
7. Value creation	GRI 3: Material topics 2021 GRI 201: Economic performance 2016 GRI 203: Indirect economic impacts 2016 GRI 207: Tax 2019 GRI 413: Local communities 2016	3-3 201-1 to 201-4 203-1 to 203-2 207-1 to 207-4 413-1 to 413-2		
8. Innovation	GRI 3: Material topics 2021	3-3		
9. Quality of employment	GRI 3: Material topics 2021 GRI 401: Employment 2016 GRI 402: Labour/Management relations 2016 GRI 403: Occupational health and safety 2018 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016 GRI 407: Freedom of association and collective bargaining 2016	3-3 401-1 to 401-3 402-1 403-1 to 403-10 405-1 to 405-2 406-1 407-1		
10. Human Rights	GRI 3: Material topics 2021 GRI 405: Diversity and Equal Opportunity 2016 GRI 406: Non-discrimination 2016 GRI 408: Child labour 2016 GRI 409: Forced or compulsory labour 2016 GRI 414: Supplier social assessment 2016	3-3 405-1 to 405-2 406-1 408-1 409-1 414-1 to 414-2		
11. Safe and healthy environments	GRI 3: Material topics 2021 GRI 403: Occupational health and safety 2018	3-3 403-1 to 403-10		
12. Talent management	GRI 3: Material topics 2021 GRI 401: Employment 2016 GRI 404: Training and education 2016	3-3 401-1 to 401-3 404-1 to 404-3		

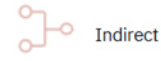
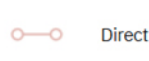
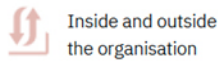
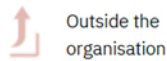
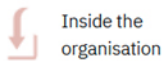
Material topic	GRI standards	Content	Coverage <sup>1</sup>	Involvement <sup>2</sup>
13. Socially sustainable production environments	GRI 3: Material topics 2021 GRI 407: Freedom of association and collective bargaining 2016 GRI 408: Child labour 2016 GRI 409: Forced or compulsory labour 2016 GRI 414: Supplier social assessment 2016	3-3 407-1 408-1 409-1 414-1 to 414-2		
14. Climate change	GRI 3: Material topics 2021 GRI 302: Energy 2016 GRI 305: Emissions 2016	3-3 302-1 to 302-5 305-1 to 305-7		
15. Environmental footprint minimisation	GRI 3: Material topics 2021 GRI 303: Water and effluents 2018 GRI 306: Waste 2020 GRI 308: Supplier environmental assessment 2016	3-3 303-1 to 303-5 306-1 to 306-5 308-1 to 308-2		
16. Protection of natural resources	GRI 3: Material topics 2021 GRI 304: Biodiversity 2016	3-3 304-1 to 304-4		
17. Product sustainability	GRI 3: Material topics 2021 GRI 301: Materials 2016 GRI 416: Customer health and safety 2016	3-3 301-1 to 301-3 416-1 to 416-2		
18. Circularity	GRI 3: Material topics 2021 GRI 301: Materials 2016 GRI 306: Waste 2020	3-3 301-1 to 301-3 306-1 to 306-5		

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

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

Direct: The organisation is directly linked to the impact.

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



## 7.2.3. Index of the contents required by Act 11/2018

Index of the contents required by Act 11/2018<sup>74</sup>

Information requested by Act 11/2018	Materiality	SNFI page where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
<b>General information</b>			
A brief description of the business model that includes its business environment, its organisation and structure	Material	<a href="#">113-114</a> , <a href="#">119-122</a> , <a href="#">125-128</a>	GRI 2-6 (2021)
Markets in which it operates	Material	<a href="#">111</a> , <a href="#">125-128</a>	GRI 2-1 (2021) GRI 2-6 (2021)
Organisation's objectives and strategies	Material	<a href="#">105</a> , <a href="#">107-108</a> , <a href="#">125-130</a> , <a href="#">132-133</a> , <a href="#">186</a> , <a href="#">221-224</a> , <a href="#">266-269</a>	GRI 2-22 (2021)
Main factors and trends that may affect its future development	Material	<a href="#">105</a> , <a href="#">107-108</a> , <a href="#">125-131</a> , <a href="#">173-174</a> , <a href="#">180</a> , <a href="#">291-292</a>	GRI 3-3 (2021) GRI 2-22 (2021)
Reporting framework used	Material	<a href="#">343-345</a>	GRI 1 (2021)
Materiality principle	Material	<a href="#">142-144</a>	GRI 3-1 (2021) GRI 3-2 (2021)
<b>Environmental issues</b>			
<b>Management approach:</b> description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	<a href="#">125-133</a> , <a href="#">185-190</a> , <a href="#">193-194</a> , <a href="#">197</a> , <a href="#">210</a>	GRI 3-3 (2021)
<b>Detailed general information</b>			
Detailed information on the current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety	Material	<a href="#">201-203</a> , <a href="#">206</a> , <a href="#">209</a>	GRI 3-3 (2021)
Environmental assessment or certification procedures	Material	<a href="#">187-189</a> , <a href="#">201-206</a>	GRI 3-3 (2021)
Resources dedicated to the prevention of environmental risks	Material	<a href="#">204-206</a>	GRI 3-3 (2021)
Application of the principle of precaution	Material	<a href="#">197-203</a> , <a href="#">210</a>	GRI 2-23 (2021) and GRI 3-3 (2021), with regard to the application of the principle of precaution
Amount of provisions and guarantees for environmental risks	Material	<a href="#">197-203</a> , <a href="#">210</a>	GRI 3-3 (2021)
<b>Pollution</b>			
Measures to prevent, mitigate or repair emissions which severely affect the environment; taking into account any form of atmospheric pollution specific to an activity	Material	<a href="#">197-200</a> , <a href="#">204-206</a>	GRI 3-3 (2021) GRI 305-7
Including noise and light pollution	Non-material	<a href="#">142-144</a>	Not applicable
<b>Circular economy and waste prevention and management</b>			
Prevention, recycling and reuse measures, and other forms of recovery and disposal of waste	Material	<a href="#">125</a> , <a href="#">186</a> , <a href="#">193-194</a> , <a href="#">202-203</a>	GRI 3-3 (2021) GRI 301-3 with regard to recovered packaging products for reuse and recycling GRI 306-1 to 306-2 (2020) GRI 306-3 with regard to waste generated at the headquarters, logistics centres and own factories GRI 306-4 to 306-5 (2020)
Actions to fight against food waste	Non-material	<a href="#">142-144</a>	Not applicable

<sup>74</sup> In addition to the selected GRI Standards disclosures, disclosures linked to the Draft of the Apparel and Footwear sectoral supplement of the Global Reporting Initiative's G4 Guide (AF) are also indicated in the index.



Information requested by Act 11/2018	Materiality	SNFI page where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
<b>Sustainable use of resources</b>			
Water consumption and water supply according to local limitations	Material	<a href="#">207</a>	GRI 303-1 to 303-3 (2018) GRI 303-5 (2018) with regard to total water consumption from own sources
Consumption of raw materials and measures taken to improve the efficiency of their use	Material	<a href="#">187-193</a>	GRI 301-1 to 301-3 AF18, AF20
Direct and indirect energy consumption	Material	<a href="#">202-203</a>	GRI 302-1 GRI 302-3
Measures taken to improve energy efficiency	Material	<a href="#">129</a> , <a href="#">131-133</a> , <a href="#">201-206</a>	GRI 3-3 (2021) GRI 201-2
Use of renewable energies	Material	<a href="#">129</a> , <a href="#">199</a> , <a href="#">203-206</a>	GRI 302-1 AF21
<b>Climate change</b>			
Greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces	Material	<a href="#">199</a> , <a href="#">202</a> , <a href="#">326-328</a>	GRI 305-1 GRI 305-2 GRI 305-3 GRI 305-4
Measures taken to adapt to the consequences of climate change	Material	<a href="#">131-133</a> , <a href="#">197-206</a> , <a href="#">267-269</a>	GRI 3-3 (2021) GRI 201-2
Voluntary reduction targets set for the medium and long term to reduce greenhouse gas emissions and the means implemented for this purpose	Material	<a href="#">200-206</a> , <a href="#">326-328</a>	GRI 3-3 (2021) GRI 305-5
<b>Biodiversity protection</b>			
Measures taken to preserve or restore biodiversity	Material	<a href="#">192</a> , <a href="#">197-198</a> , <a href="#">209-211</a>	GRI 3-3 (2021) GRI 304-3 with regard to measures taken to preserve biodiversity
Impacts caused by the activities or operations in protected areas	Material	<a href="#">194</a> , <a href="#">202</a> , <a href="#">209-211</a>	GRI 3-3 (2021) GRI 304-1 GRI 304-2
<b>Social issues concerning staff</b>			
<b>Management approach:</b> description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	<a href="#">147-180</a>	GRI 3-3 (2021)
<b>Employment</b>			
Total number and distribution of employees by country, gender, age and occupational classification	Material	<a href="#">147-152</a>	GRI 2-7 (2021), regarding employees by labor contract and type, by gender GRI 405-1
Total number and distribution of employment contract modalities and annual average of permanent contracts, temporary contracts and part-time contracts by gender, age and occupational classification	Material	<a href="#">167-168</a> , <a href="#">262-264</a>	GRI 2-7 (2021), regarding employees by labor contract and type, by gender
Number of dismissals by gender, age and occupational classification	Material	<a href="#">168</a>	GRI 3-3 (2021) GRI 401-1
Average salaries and their evolution broken down by gender, age and occupational classification or equal value	Material	<a href="#">172-173</a> , <a href="#">265</a>	GRI 3-3 (2021)
Wage gap, equal or average remuneration of jobs in society	Material	<a href="#">171-172</a>	GRI 3-3 (2021) GRI 405-2 with regard to the remuneration of women compared to men by gender, age and occupational classification
Average remuneration of directors and officers, including variable remuneration, allowances, indemnities, payment to long-term savings pension schemes and any other payment broken down by gender	Material	<a href="#">265</a>	GRI 3-3 (2021)
Implementation of policies to disconnect from work	Material	<a href="#">159</a>	GRI 3-3 (2021)
Number of employees with disabilities	Material	<a href="#">154</a>	GRI 3-3 (2021) GRI 405-1

Information requested by Act 11/2018	Materiality	SNFI page where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
<b>Organisation of work</b>			
Organisation of working hours	Material	<a href="#">169-171</a>	GRI 3-3 (2021)
Number of hours of absenteeism	Material	<a href="#">177</a>	GRI 3-3 (2021) GRI 403-9 with regard to absenteeism hours
Measures designed to facilitate the enjoyment of amicable settlement and to promote the corresponding exercise of these by both parents	Material	<a href="#">158-159</a>	GRI 3-3 (2021) GRI 401-3 with regard to information relating to Inditex Spain
<b>Health and safety</b>			
Occupational health and safety conditions	Material	<a href="#">173-175</a> , <a href="#">177-180</a> , <a href="#">230-231</a>	GRI 3-3 (2021) GRI 403-1 to 403-8 (2018)
Work-related accidents, in particular their frequency and severity, as well as occupational diseases; broken down by gender	Material	<a href="#">175-177</a>	GRI 403-9 (2018) with regard to occupational accident injuries GRI 403-10 (2018) with regard to work-related ill health
<b>Labour Relations</b>			
Organisation of social dialogue including procedures for informing, consulting and negotiating with staff	Material	<a href="#">169-171</a>	GRI 3-3 (2021)
Mechanisms and procedures the company has to promote the involvement of workers in the management of the company, in terms of information, consultation and participation	Material	<a href="#">170-171</a>	GRI 3-3 (2021)
Percentage of employees covered by a collective bargaining agreement by country	Material	<a href="#">169</a>	GRI 2-30 (2021)
Assessment of collective bargaining agreements, particularly in the field of health and safety at work	Material	<a href="#">169-171</a>	GRI 3-3 (2021) GRI 403-4 (2018)
<b>Training</b>			
Policies implemented in the field of training	Material	<a href="#">160-161</a>	GRI 404-2
Total number of training hours by occupational category	Material	<a href="#">162</a>	GRI 3-3 (2021) GRI 404-1
<b>Universal accessibility</b>			
Universal accessibility for people with disabilities	Material	<a href="#">154-156</a>	GRI 3-3 (2021)
<b>Equality</b>			
Measures taken to promote equal treatment and equal opportunities between women and men	Material	<a href="#">150-153</a> , <a href="#">228-229</a>	GRI 3-3 (2021)
Equality plans, measures taken to promote employment, protocols against sexual and gender-based harassment	Material	<a href="#">150-158</a>	GRI 3-3 (2021)
Policy against all types of discrimination and, where applicable, diversity management	Material	<a href="#">150-158</a>	GRI 3-3 (2021)
<b>Respect for human rights</b>			
<b>Management approach:</b> description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	<a href="#">134-142</a> , <a href="#">221-236</a> , <a href="#">274-280</a>	GRI 3-3 (2021)
<b>Application of due diligence procedures</b>			
Application of due diligence procedures in the field of human rights and prevention of the risks of human rights violations and, where applicable, measures to mitigate, manage and repair potential abuses committed	Material	<a href="#">134-142</a> , <a href="#">222-224</a> , <a href="#">230-231</a> , <a href="#">235-236</a>	GRI 2-23 (2021) GRI 2-24 (2021) GRI 2-26 (2021) AF16
Allegations of cases of human rights violations	Material	<a href="#">364</a>	GRI 3-3 (2021) GRI 406-1 AF12, AF13, AF14, AF16

Information requested by Act 11/2018	Materiality	SNFI page where response is given	Reporting criteria: GRI (2016 version unless otherwise indicated)
Measures implemented to promote and comply with the provisions of the ILO fundamental conventions relating to respect for freedom of association and the right to collective bargaining; eliminating discrimination in employment and occupation; the elimination of forced or compulsory labour; the effective abolition of child labour	Material	<a href="#">135-142</a> , <a href="#">169-171</a> , <a href="#">224-229</a> , <a href="#">232-236</a> , <a href="#">270</a> , <a href="#">362</a> , <a href="#">364</a>	GRI 3-3 (2021) GRI 407-1 GRI 408-1 GRI 409-1
<b>Fight against corruption and bribery</b>			
<b>Management approach:</b> description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	<a href="#">270-280</a>	GRI 3-3 (2021)
Measures adopted to prevent corruption and bribery	Material	<a href="#">270-280</a>	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021) GRI 2-26 (2021) GRI 205-1 to 205-3
Measures to combat money laundering	Material	<a href="#">270-280</a>	GRI 3-3 (2021) GRI 2-23 (2021) GRI 2-24 (2021) GRI 2-26 (2021) GRI 205-1 to 205-3
Contributions to foundations and non-profit entities	Material	<a href="#">140-142</a> , <a href="#">240-245</a> , <a href="#">359</a>	GRI 2-28 (2021) GRI 201-1 with regard to community investment GRI 415-1
<b>Information on the company</b>			
<b>Management approach:</b> description and results of policies relating to these issues, as well as the main risks related to these issues related to the group's activities	Material	<a href="#">125-129</a> , <a href="#">130</a> , <a href="#">140</a> , <a href="#">182-184</a> , <a href="#">216-219</a> , <a href="#">221-256</a>	GRI 3-3 (2021)
<b>Company commitments to sustainable development</b>			
The impact of the company's activity on employment and local development	Material	<a href="#">237-256</a>	GRI 3-3 (2021) GRI 203-2
The impact of the company's activity on local populations and on the territory	Material	<a href="#">221-256</a>	GRI 3-3 (2021) GRI 413-1 GRI 413-2
Relations maintained with local community actors and the modalities of dialogue with them	Material	<a href="#">137-141</a> , <a href="#">221-256</a>	GRI 2-29 (2021) GRI 413-1
Partnership or sponsorship actions	Material	<a href="#">140-141</a> , <a href="#">221-256</a> , <a href="#">329-331</a>	GRI 3-3 (2021) GRI 201-1 with regard to community investment
<b>Subcontracting and suppliers</b>			
Inclusion of social, gender equality and environmental matters in the procurement policy	Material	<a href="#">135</a> , <a href="#">215-220</a> , <a href="#">227</a>	GRI 3-3 (2021) GRI 308-1 GRI 414-1 AF6, AF7
Consideration of its social and environmental responsibility in relations with suppliers and subcontractors	Material	<a href="#">187-189</a> , <a href="#">215-220</a> , <a href="#">233</a>	GRI 2-6 (2021) GRI 308-1 GRI 414-1
Monitoring and audit systems and their results	Material	<a href="#">217-220</a> , <a href="#">321-324</a>	GRI 2-6 (2021) GRI 308-2 GRI 414-2 AF2, AF3, AF8, AF12, AF13, AF14, AF16
<b>Consumers</b>			
Measures for consumer health and safety	Material	<a href="#">184</a> , <a href="#">190-192</a>	GRI 3-3 (2021) GRI 416-1
Claims systems, complaints received and their resolution	Material	<a href="#">183-184</a>	GRI 3-3 (2021) GRI 418-1
<b>Tax information</b>			
The benefits obtained country by country	Material	<a href="#">282</a>	GRI 3-3 (2021) GRI 207-4 (2019)
Tax on profits paid	Material	<a href="#">283-286</a>	GRI 3-3 (2021) GRI 207-4 (2019)

<b>Information requested by Act 11/2018</b>	<b>Materiality</b>	<b>SNFI page where response is given</b>	<b>Reporting criteria: GRI (2016 version unless otherwise indicated)</b>
Public subsidies received	Material	<a href="#">284</a>	GRI 201-4
<b>Regulation EU (2020/852) - Taxonomy</b>			
Requirements of the Regulation	Material	<a href="#">332-338</a>	Inditex's own methodology developed based on the article 8 of the European Taxonomy

## 7.2.4. SASB reference table

Topic	Accounting Metric	Code	Disclosure
Management of Chemicals in Products	Discussion of processes to maintain compliance with restricted substances regulations	CG-AA-250a.1	Pages <a href="#">187-192</a> , <a href="#">214</a> , <a href="#">219</a> , <a href="#">224</a> , <a href="#">325-326</a>
	Discussion of processes to assess and manage risks and/or hazards associated with chemicals in products	CG-AA-250a.2	Pages <a href="#">187-192</a> , <a href="#">214</a> , <a href="#">219</a> , <a href="#">224</a> , <a href="#">325-326</a>
Environmental Impacts in the Supply Chain	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 in compliance with wastewater discharge permits and/or contractual agreement	CG-AA-430a.1	<p>In 2022, 99% of the suppliers and 97% of the factories under the scope of our Green to Wear environmental standard had authorization for all their hydric resources; 99% of suppliers and 98% of the factories had wastewater discharge permits and in 95% of suppliers and 92% of factories the direct or indirect discharge complies with the legal limits or the limits agreed with the External Effluent Treatment Plant.</p> <p>On the other hand, 75% of the suppliers and 82% of the factories under the scope of our Green to Wear environmental standard, meet the Foundational level of ZDHC in its direct discharges. Also, in line with our commitment to ZDHC, 84% of suppliers and 67% of factories comply with ZDHC limits applicable to the substances included in ZDHC Wastewater Guidelines v.1.1 in its direct and indirect discharges. As a consequence of the environmental audits, Corrective Action Plans are carried out in those cases in which it is necessary. During these plans, Inditex teams support suppliers and/or factories to correct the non-compliances detected, in accordance with the Company's philosophy of continuous improvement of the supply chain.</p>
	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 that have completed the Sustainable Apparel Coalition's Higg Facility Environmental Module (Higg FEM) assessment or an equivalent environmental data assessment	CG-AA-430a.2	<p>All of our suppliers and manufacturers are audited against our Code of Conduct for Manufacturers and Suppliers, which includes a section on environmental compliance.</p> <p>Specifically, 94% of the suppliers and 88% of the factories active in 2022 which carried out any wet process, and that therefore are under the scope of our Green to Wear standard, have been environmentally audited. These facilities process a large majority of the products that include any of these wet processes.</p> <p>More information on pages <a href="#">115-116</a>, <a href="#">215</a>, <a href="#">220-224</a>, <a href="#">322-324</a></p>

Topic	Accounting Metric	Code	Disclosure
Labor Conditions in the Supply Chain	Percentage of (1) tier 1 supplier facilities and (2) supplier facilities beyond tier 1 that have been audited to a labor code of conduct, (3) percentage of total audits conducted by a third-party auditor	CG-AA-430b.1	<p>All our suppliers and manufacturers are audited against our Code of Conduct for Manufacturers and Suppliers. This verification is carried out initially through a pre-assessment audit - carried out to all companies before they can become part of our supply chain - and subsequently periodically through social audits. Specifically, 65% of the suppliers and 56% of the factories active in the year 2022 were audited either through a pre-assessment or social audit during this same period.</p> <p>To contextualise this data, it is necessary to take into account that the periodicity of the social audits varies depending on the ranking obtained in the previous audit. In this sense, the interval between audits of suppliers or manufacturers with A or B rankings will be longer than in those with a C or D ranking. In fiscal year 2022, 96% of suppliers were ranked A or B.</p> <p>In 2022, 2,075 pre-assessment audits were carried out (98% carried out by external auditors), and 5,955 social audits (95% carried out by external auditors). Regardless of whether the audits are performed by internal or external auditors, the methodology used is Inditex's own audit methodology.</p> <p>More information on pages <a href="#">115-116</a>, <a href="#">215</a>, <a href="#">220-224</a>, <a href="#">322-324</a></p>
	Priority non-conformance rate and associated corrective action rate for suppliers' labor code of conduct audits	CG-AA-430b.2	Pages <a href="#">215-218</a> , <a href="#">322-324</a>
	Description of the greatest (1) labor and (2) environmental, health, and safety risks in the supply chain	CG-AA-430b.3	Pages <a href="#">222-236</a> , <a href="#">291-298</a>
Raw Materials Sourcing	(1) List of priority raw materials; for each priority raw material: (2) environmental and/or social factor(s) most likely to threaten sourcing, (3) discussion on business risks and/or opportunities associated with environmental and/or social factors, and (4) management strategy for addressing business risks and opportunities	CG-AA-440a.3	Pages <a href="#">187-191</a> , <a href="#">206-209</a> , <a href="#">210</a> , <a href="#">215-216</a> , <a href="#">232-236</a> , <a href="#">291</a> , <a href="#">298</a> , <a href="#">305-309</a>
	(1) Amount of priority raw materials purchased, by material, and (2) amount of each priority raw material that is certified to a third-party environmental and/or social standard, by standard	CG-AA-440a.4	Pages <a href="#">187-189</a> , <a href="#">215-216</a>
Activity Metrics	Number of (1) tier 1 suppliers and (2) suppliers beyond tier 1	CG-AA-000.A	<p>In 2022, Inditex's supply chain comprised 1,729 suppliers - equivalent to tier 1 and defined as direct suppliers with which Inditex maintains a commercial relationship - which, in turn, used 8,271 factories for the Group's productions - equivalent to suppliers beyond tier 1.</p> <p>Fashion item suppliers with production of over 20,000 units in the spring/summer and autumn/winter 2022 campaigns are included. Suppliers with lower productions account for 0.22% of total production. Factories declared by suppliers in the product traceability systems for the orders of the spring/summer and autumn/winter 2022 campaigns are included.</p>

## 7.2.5. GRI Content Index

<b>Statement of use</b>	INDITEX has reported in accordance with the GRI Standards for the period 01/02/2022 to 31/01/2023
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standards</b>	Not applicable

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>General Disclosures</b>					
<b>GRI 2: General Disclosures 2021</b>					
<b>The Organization and its reporting practices</b>					
	2-1 Organizational details	<a href="#">125</a> , <a href="#">195</a>			
		<p>Industria de Diseño Textil, S.A.</p> <p>For further information about the nature and legal form of the Company, refer to the 2022 Annual Corporate Governance Report available at the corporate web page of Inditex, Compliance section, Good Corporate Governance heading.</p> <p>As for the location of the Company's headquarters, it is as follows: Avenida de la Diputación s/n Edificio Inditex, Arteixo, A Coruña, Spain.</p> <p>Information about the location of the operations is available at the Appendix I of the Annual Accounts: "Composition of the Inditex Group" available at the corporate web page of Inditex, Investors section, Financial Information heading.</p>			
	2-2 Entities included in the organization's sustainability reporting		For further information about the entities included in the consolidated financial statements, refer to the Appendix I of the Annual Accounts: available at the corporate web page of Inditex, Investors section, Financial Information heading.		
	2-3 Reporting period, frequency and contact point		<p>The Annual Report provides an account of Inditex Group's economic, social and environmental performance during financial year 2022, which runs from 1 February 2022 to 31 January 2023. It is a report which is published annually, and its date of publication for this fiscal year is 15/03/2023.</p> <p>Contact Details Shareholders Office accionistas@inditex.com Tel.: +34 901 33 02 12 Fax: +34 981 18 53 65</p> <p>Investors Relations ir@inditex.com Tel.: +34 981 18 53 64 Fax: +34 981 18 53 65</p> <p>Communication and Corporate Affairs press@inditex.com Tel.: +34 981 18 54 00</p> <p>Inditex S.A. Edificio Inditex Avda. de la Diputación, s/n 15143 Arteixo, A Coruña, Spain +34 981 18 54 00 www.inditex.com</p>		

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
2-4	Restatements of information	<a href="#">113</a> , <a href="#">115-116</a> , <a href="#">142-144</a> , <a href="#">167-168</a> , <a href="#">214</a> , <a href="#">346-347</a>	In respect of information presented for a different time horizon or covering a different entity than in previous reporting periods, the nuances of such changes are disclosed alongside the indicator in question.		
2-5	External assurance	<a href="#">97-100</a> , <a href="#">345</a>			
<b>Activities and workers</b>					
2-6	Activities, value chain and other business relationships	<a href="#">119-122</a> , <a href="#">125-128</a> , <a href="#">135-141</a> , <a href="#">214-215</a>		√ Pg. <a href="#">97-100</a>	
2-7	Employees	<a href="#">115-116</a> , <a href="#">147-152</a> , <a href="#">167-169</a>	<p>The employee breakdown by type of contract permanent/temporary) by region is: the Americas, 94% permanent (6% temporary); Spain, 87% permanent (13% temporary); Europe excl. Spain, 78% permanent (22% temporary); and Asia and rest of the world 66% permanent (34% temporary).</p> <p>The employee breakdown by type of working day (full/part-time) by gender is: for women, 38% full-time (62% part-time), and for men, 49% full-time (51% part-time). By region is: the Americas, 28% full-time (72% part-time); Spain, 52% full-time (48% part-time); Europe excl. Spain, 35% full-time (65% part-time); and Asia and rest of the world, 61% full-time (39% part-time).</p> <p>The employees with no guaranteed hours represent the 1.2% of the total workforce (1.2% women, 1% men), and the 2% of the part-time employees (1.9% women, 2% men). This group is concentrated in markets in Asia and rest of the world.</p>	√ Pg. <a href="#">97-100</a>	Principle 6
2-8	Workers who are not employees		Information on non-employee workers controlled by the Group is not available in the Company's systems with the required breakdown. Inditex is working on improving its systems to report this information.		
<b>Governance</b>					
2-9	Governance structure and composition	<a href="#">259-268</a> , <a href="#">270-272</a>	For further information about the Company's governance structure and practices, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
2-10	Nomination and selection of the highest governance body	<a href="#">260-261</a>	For further information about the Company's governance structure and practices, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
2-11	Chair of the highest governance body	<a href="#">260</a>	For further information about the Company's governance structure and practices, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		



GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	2-12 Role of the highest governance body in overseeing the management of impacts	<a href="#">137-138, 143, 259-261, 266-268, 271-280</a>	For further information about the Company's governance structure and practices, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-13 Delegation of responsibility for managing impacts	<a href="#">259-268</a>	For further information about the Company's governance structure and practices, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-14 Role of the highest governance body in sustainability reporting	The Board of Directors is the body responsible for reviewing and authorising the issuance of the Integrated Directors' Report which includes the Statement on Non-Financial Information.			
	2-15 Conflicts of interest	<a href="#">271-273</a>	For further information about the related-party transactions and conflicts of interest, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-16 Communication of critical concerns	<a href="#">137-140, 266-268</a>	For further information, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-17 Collective knowledge of the highest governance body	<a href="#">261-266</a>	For further information about the Company's governance structure and practices, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-18 Evaluation of the performance of the highest governance body	<a href="#">268-269, 271-273</a>	For further information about the evaluation of the highest governance body's performance, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-19 Remuneration policies	<a href="#">171, 265-269</a>	For further information, refer to the Annual Report on Remuneration of Directors for 2022 and the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-20 Process to determine remuneration	<a href="#">171, 265-269</a>	For further information, refer to the Annual Report on Remuneration of Directors for 2022 and the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
	2-21 Annual total compensation ratio	<a href="#">171, 265-269</a>	For further information, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>Strategy, policies and practices</b>					
2-22	Statement on sustainable development strategy	<a href="#">105, 107-108</a>			
2-23	Policy commitments	<a href="#">140-141, 197-202, 210, 259, 261</a>	Code of Conduct and Responsible Practices available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		Principle 10
2-24	Embedding policy commitments	<a href="#">130, 134-135, 215-220, 259, 266-268, 270-279</a>			Principle 10
2-25	Processes to remediate negative impacts	<a href="#">134-136</a>			Principle 10
2-26	Mechanisms for seeking advice and raising concerns	<a href="#">271-279</a>			Principle 10
2-27	Compliance with laws and regulations		The Inditex Group did not receive any significant fines or non-monetary sanctions for non-compliance with laws or regulations applicable to it through any of the channels available to that end in 2022.		
2-28	Membership associations	<a href="#">129, 140-141, 192, 208, 237-239</a>			
<b>Stakeholder engagement</b>					
2-29	Approach to stakeholder engagement	<a href="#">137-144</a>			
2-30	Collective bargaining agreements	<a href="#">169-171</a>			Principle 3
<b>Material topics</b>					
3-1	Process to determine material topics	<a href="#">137-144</a>			
3-2	List of material topics	<a href="#">142-144, 346-347</a>			
<b>1. Ethical behaviour and governance</b>					
<b>GRI 3: Material topics 2021</b>					
3-3	Management of material topics	<a href="#">105-108, 125-139, 142-144, 147-149, 259-261, 268-273, 346-347</a>		√ Pg. <a href="#">97-100</a>	
			For further information, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		
<b>GRI 205: Anti-corruption 2016</b>					
205-1	Operations assessed for risks related to corruption	<a href="#">270</a>	The Code of Conduct and Responsible Practices addresses the prevention of corruption in all its manifestations. That Code is applicable to 100% of the Group's business units and is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		Principle 10
205-2	Communication and training about anti-corruption policies and procedures	<a href="#">271-280</a>		√ Pg. <a href="#">97-100</a>	Principle 10
205-3	Confirmed incidents of corruption and actions taken	<a href="#">277-278</a>		√ Pg. <a href="#">97-100</a>	Principle 10

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>GRI 206: Anti-competitive behavior 2016</b>					
	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">278</a>			
<b>GRI 415: Public policy 2016</b>					
	415-1 Political contributions	Inditex's Code of Conduct and Responsible Practices expressly stipulates that all dealings between Inditex and governments, authorities, institutions and political parties must be framed by the principles of lawfulness and neutrality. Any contributions made by the Company, whether in cash or in-kind, to political parties, institutions or public authorities must be made in accordance with prevailing legislation. So as to guarantee transparency in this respect they must be preceded by a report from the legal advisory department certifying their absolute lawfulness.			Principle 10
<b>Other disclosures: Grievance procedures</b>					
	AF4 Policy and procedures for receiving, investigating, and responding to grievances and complaints	<a href="#">271-280</a>			
<b>2. Risk management and control systems</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">287-302</a> , <a href="#">346-347</a>			
<b>GRI 418: Customer privacy 2016</b>					
	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>In 2022 there have been 8 cases where data protection authorities have contacted the company requesting information. Of these, only two cases remain open at year-end (one of them is a pending case from 2018 due to the processing times of the local authority). Throughout this financial year, no resolution has been determined that implies economic or other sanctions.</p> <p>In addition, there have been two cases affecting the security of personal data that the Company has deemed necessary to notify the data protection authorities. In both cases, the authorities have determined that the information provided is sufficient and they have been closed without any further action on their part.</p> <p>Moreover, the Inditex Group did not receive any significant fines concerning breaches of customer privacy or losses of customer data through any of the channels available to that end in 2022.</p>		√ Pg. <a href="#">97-100</a>	
<b>3. Stakeholder engagement</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">346-347</a>			
<b>4. Responsible communication</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">117-118</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">291-301</a> , <a href="#">346-347</a>	For further information, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>GRI 417: Marketing and labeling 2016</b>					
	417-1 Requirements for product and service information and labeling	<a href="#">181-184</a> , <a href="#">187</a> , <a href="#">316-318</a>	The Group's product health and safety standards are compulsory across the entire production chain (100%).		
	417-2 Incidents of non-compliance concerning product and service information and labeling		The Inditex Group did not record any significant incidences of noncompliance with regulations and voluntary codes concerning product information and labelling through any of the channels available to that end in 2022.		
	417-3 Incidents of non-compliance concerning marketing communications		The Inditex Group did not record any significant incidents of non compliance concerning marketing communications through any of the channels available to that end in 2022.		
<b>5. Value chain transparency and traceability</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">214-215</a> , <a href="#">322-324</a>			
<b>6. Responsible purchasing practices</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">115-116</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">187-190</a> , <a href="#">219</a> , <a href="#">227</a> , <a href="#">346-347</a>			
<b>Other disclosures: capacity building</b>					
	AF5 Strategy and scope of efforts to strengthen capacity of management, workers and other staff to improve in social and environmental performance	<a href="#">135</a> , <a href="#">160-165</a> , <a href="#">190-192</a> , <a href="#">197-199</a>			
<b>Other disclosures: Business integration</b>					
	AF6 Policies for supplier selection, management, and termination	<a href="#">214-220</a>	Inditex's Code of Conduct for Manufacturers and Suppliers stipulates the standards and requirements to which suppliers looking to form part of Inditex's supply chain are bound. It is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.	√ Pg. <a href="#">97-100</a>	
	AF17 Actions to identify and mitigate business practices that affect code compliance	<a href="#">217</a> , <a href="#">219-220</a> , <a href="#">326-328</a>			
<b>Other disclosures: Employment</b>					
	AF24 Policy on the use and selection of labour brokers, including adherence to relevant ILO Conventions	<a href="#">169-171</a> , <a href="#">215</a> , <a href="#">223-224</a> , <a href="#">235-236</a>	Inditex analyses and controls compliance with its Sustainability Strategy by its suppliers by means of a specific Code of Conduct for Manufacturers and Suppliers compliance programme.		
<b>7. Value creation</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">147-149</a> , <a href="#">281-286</a> , <a href="#">346-347</a>			
<b>GRI 201: Economic performance 2016</b>					
	201-1 Direct economic value generated and distributed	<a href="#">113</a> , <a href="#">331</a>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	201-2 Financial implications and other risks and opportunities due to climate change	<a href="#">129-133</a> , <a href="#">285</a> , <a href="#">298</a> , <a href="#">303</a>			
	201-3 Defined benefit plan obligations and other retirement plans	<a href="#">130</a> , <a href="#">259</a>			
	201-4 Financial assistance received from government	<a href="#">195</a> , <a href="#">284</a>		√ Pg. <a href="#">97-100</a>	
<b>GRI 203: Indirect economic impacts 2016</b>					
	203-1 Infrastructure investments and services supported	<a href="#">115-116</a> , <a href="#">329-331</a>			
	203-2 Significant indirect economic impacts	<a href="#">251-256</a>			
<b>GRI 207: Tax 2019</b>					
	207-1 Approach to tax	<a href="#">281-286</a>	Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		
	207-2 Tax governance, control, and risk management	<a href="#">281-286</a>	Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		
	207-3 Stakeholder engagement and management of concerns related to tax	<a href="#">281-286</a>	Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		
	207-4 Country-by-country reporting	<a href="#">281-286</a>	Inditex's Tax Policy is available at the corporate web page of Inditex, Group section, Ethical Commitment heading.		
<b>GRI 413: Local communities 2016</b>					
	413-1 Operations with local community engagement, impact assessments, and development programs	<a href="#">173-174</a> , <a href="#">177-180</a> , <a href="#">221-224</a> , <a href="#">237-256</a>			Principle 1
	413-2 Operations with significant actual and potential negative impacts on local communities	<a href="#">190-192</a> , <a href="#">215</a> , <a href="#">237-256</a>			Principles 1 and 2
<b>Other disclosures: Community investment</b>					
	AF33 Priorities in community investment strategy	<a href="#">237-256</a>			
	AF34 Amount of investment in worker communities broken down by location	<a href="#">237-256</a>			
<b>8. Innovation</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">185-187</a> , <a href="#">346-347</a>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>9. Quality of employment</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">147-173</a> , <a href="#">221-229</a> , <a href="#">261-265</a> , <a href="#">346-347</a>			
<b>GRI 401: Employment 2016</b>					
	401-1 New employee hires and employee turnover	<p>Voluntary turnover at the Inditex Group was 51% (52% in women and 49% in men). By age category, turnover was 76% among the under 30s, 23% among those aged between 30 and 40; and 11% for those over the age of 40.</p> <p>Turnover varied considerably by region, reaching 91% in Asia, followed by the Americas with a 84%, 53% in Europe (excluding Spain); and 21% in Spain.</p> <p>Non voluntary turnover was 55% (55% in women and 55% in men). By age category, turnover was 82% among the under 30s, 25% among those aged between 30 and 40; and 16% for those over the age of 40.</p> <p>Turnover varied considerably by region, reaching 91% in Spain, followed by Europe (excluding Spain) with a 45%, 40% in the Americas, and 21% in Asia.</p> <p>During 2022, 4,800 people have joined Inditex (excluding the Russia effect), of which 44% are women and 56% are men. 58% of the hires are under the age of 30, and 34% are over 40. Most of them took place in Europe (excluding Spain), with 84%; followed by the Americas, with 15% and Spain with 1% of the new employees.</p>		√ Pg. <a href="#">97-100</a>	Principle 6
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	The Group provides the same benefits to temporary and part-time workers as it does to full-time workers.			
	401-3 Parental leave	<a href="#">158</a>	Information relating to all the markets of the Group.	√ Pg. <a href="#">97-100</a>	Principle 6
<b>GRI 402: Labor/Management relations 2016</b>					
	402-1 Minimum notice periods regarding operational changes	The collective bargaining agreements in force do not include a minimum notice period for officially communicating significant operational changes at Inditex. However, whenever a significant development takes place, it is notified with the advance notice stipulated in prevailing legislation (article 41 of the Spanish Workers' Statute).			Principle 3
<b>GRI 407: Freedom of association and collective bargaining 2016</b>					
	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	<p>Inditex's Code of Code of Conduct and Responsible Practices specifically addresses the right to freedom of association and collective bargaining. That Code applies to all of the Group's operations.</p> <p>The Code of Conduct for Manufacturers and Suppliers, which applies to all of the Group's suppliers, also enshrines this right. The programme for supervising compliance with Inditex's Code of Conduct for Manufacturers and Suppliers assesses compliance with workers' right to freedom of association.</p>			Principle 3
<b>Other disclosures: Employment</b>					
	AF22 Policy and practices regarding the use of employees with non- permanent and non- full-time	<a href="#">167-168</a>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	AF23 Policy regarding the use of home working	<a href="#">158-159</a>			
<b>Other disclosures: Labour/Management relations</b>					
	AF29 Percentage of workplaces where there is one or more independent trade union(s)	<a href="#">169-171</a> 47.2% of Inditex's workplaces have trade union representation.			
	AF30 Percentage of workplaces where, in the absence of a trade union, there are worker-management committees, broken down by country	The Group does not participate in worker-management committees in the absence of a trade union.			
<b>Other disclosures: Wages and hours</b>					
	AF25 Policy and practices on wage deductions that are not mandated by law	Inditex does not apply wage deductions that are not mandated by law.			
	AF26 Policy on working hours, including definition of overtime, and actions to prevent excessive and forced overtime	<a href="#">169-171</a> According to the Group's Code of Conduct and Responsible Practices, weekly working hours and overtime cannot exceed the limits stipulated in each country's labour legislation. Overtime is in all instances voluntary and remunerated as set down in applicable legislation.  Elsewhere, the Inditex Group's Human Rights Policy sets down its zero tolerance stance towards forced or compulsory labour, as defined in ILO Convention 29. All of the foregoing applies to its own employees and its supply chain workers and any other natural and/or legal person related with Inditex. Moreover, the Code of Conduct sets down how the Group upholds and fosters compliance with human and labour rights, expressly committing to apply applicable regulations and best practices in the areas of employment terms and occupational health and safety, forbidding all forms of violence, harassment and abuse in the workplace.			
<b>Other disclosures: Quality of employment</b>					
	AF27 Policy and actions to protect the pregnancy and maternity rights of women workers	<a href="#">158-159</a> , <a href="#">228-229</a>			
<b>10. Human rights</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">221-224</a> , <a href="#">346-347</a>			
<b>GRI 405: Diversity and equal opportunity 2016</b>					
	405-1 Diversity of governance bodies and employees	<a href="#">147-149</a> , <a href="#">151</a> , <a href="#">167-168</a> , <a href="#">261-264</a> For further information about diversity on the Board of Directors, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		√ Pg. <a href="#">97-100</a>	Principle 6

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
405-2	Ratio of basic salary and remuneration of women to men	<a href="#">147-149</a> , <a href="#">171-173</a> , <a href="#">265</a> At Inditex there is wage parity between men and women: in 2022, in total salary, women have been paid 0.4% more than men. Should there be any situation where this is not met, specific action plans would be established for each situation: specific and more focused pay equity analysis, communication and awareness-raising plans aimed at those responsible for the corresponding market/brand, provision of an additional budget to make the necessary pay adjustments, etc.		√ Pg. <a href="#">97-100</a>	Principle 6
<b>GRI 406: Non-discrimination 2016</b>					
406-1	Incidents of discrimination and corrective actions taken	<a href="#">277-278</a>		√ Pg. <a href="#">97-100</a>	
<b>GRI 408: Child labor 2016</b>					
408-1	Operations and suppliers at significant risk for incidents of child labor	<a href="#">217-218</a> The programme for supervising compliance with Inditex's Code of Conduct for Manufacturers and Suppliers, which applies to all of the Group's operations and suppliers, assesses the level of compliance with prohibition of child labour, as stated in said Code.			Principle 5
<b>GRI 409: Forced or compulsory labor 2016</b>					
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	<a href="#">217-218</a> The programme for supervising compliance with Inditex's Code of Conduct for Manufacturers and Suppliers, which applies to all of the Group's operations and suppliers, assesses the level of compliance with prohibition of forced labour, as stated in said Code.			Principle 4
<b>Other disclosures: Human rights</b>					
AF32	Actions to address gender discrimination and to provide opportunities for the advancement of women workers	<a href="#">150-153</a>			
<b>Other disclosures: Code of conduct</b>					
AF1	Code of conduct content and coverage	<a href="#">135</a> , <a href="#">223-224</a> , <a href="#">270</a> For further information, refer to the Code of Conduct and Responsible Practices and the Code of Conduct for Manufacturers and Suppliers, both available at the corporate web page of Inditex, Sustainability section, Reporting heading.			
AF7	Number and location of workplaces covered by code of conduct	<a href="#">135</a> , <a href="#">169</a> , <a href="#">270</a> , <a href="#">323</a> The Code of Conduct for Manufacturers and Suppliers applies to 100% of Inditex's suppliers and manufacturers. For further information about supply chain identification, refer to the corporate web page of Inditex, Sustainability section, Reporting heading.		√ Pg. <a href="#">97-100</a>	
<b>11. Safe and healthy environments</b>					
<b>GRI 3: Material topics 2021</b>					
3-3	Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">173-180</a> , <a href="#">346-347</a>			
<b>GRI 403: Occupational health and safety 2018</b>					
403-1	Occupational health and safety management system	<a href="#">173</a>			



GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	403-2 Hazard identification, risk assessment, and incident investigation	<a href="#">173-180</a>			
	403-3 Occupational health services	<a href="#">174-175</a>			
	403-4 Worker participation, consultation, and communication on occupational health and safety	<a href="#">173-180</a> The committees in place represent all workers to the same degree (management and employees) and all agreements are endorsed by management. All of the committees reach agreements related with worker health and safety. During the reporting period, Inditex had agreements in effect with unions at the local and international levels which address aspects such as personal protection gear, regular inspections, skills training and education and grievance mechanisms, among others.			
	403-5 Worker training on occupational health and safety	<a href="#">173-174</a>			
	403-6 Promotion of worker health	<a href="#">173-175</a> , <a href="#">230-231</a>			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	<a href="#">173-180</a> , <a href="#">184</a> , <a href="#">230-231</a>			
	403-8 Workers covered by an occupational health and safety management system	<a href="#">173</a> , <a href="#">230-231</a>			
	403-9 Work-related injuries	<a href="#">173-180</a>	Information on the severity rate of workers not employed in workplaces controlled by the Group is not available in the Company's systems with the level of detail required. Inditex is working to upgrade its systems with a view to reporting that information.	√ Pg. <a href="#">97-100</a>	
	403-10 Work-related ill health	<a href="#">173-180</a>	Information about workers not employed in the workplaces controlled by the Group is not available in the Company's systems with the level of detail required. Inditex is working to upgrade its systems with a view to reporting that information.	√ Pg. <a href="#">97-100</a>	
<b>Other disclosures: Occupational health and safety</b>					
	AF31 Initiatives and programs to respond to, reduce, and prevent the occurrence of musculoskeletal disorders	<a href="#">175</a>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>12. Talent management</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">148-149</a> , <a href="#">160-165</a> , <a href="#">346-347</a>			
<b>GRI 404: Training and education 2016</b>					
	404-1 Average hours of training per year per employee	<a href="#">160-164</a>		√ Pg. <a href="#">97-100</a>	Principle 6
	404-2 Programs for upgrading employee skills and transition assistance programs	<a href="#">147</a> , <a href="#">150-158</a> , <a href="#">160-162</a> , <a href="#">164-165</a>	93% of Group employees are under the age of 45, such that the Group does not face the prospect of having to deploy programmes for upgrading employee skills or transition assistance programmes in the near future.		
	404-3 Percentage of employees receiving regular performance and career development reviews		All of our people's performance is evaluated at least once a year and each brand conducts that process in keeping with its management model. Performance dialogue with store staff is continuous and centres around each person's contribution to store-specific objectives with a focus on career development, in line with one of our hallmark characteristics: internal promotion. In the case of office staff, target delivery and performance are reviewed with each person at least once a year, and objectives are set for the following year. Employee engagement includes dialogue aimed at fostering career development and getting feedback about employee concerns. Variable remuneration is fully tied to the Company's results and each person's contribution to their delivery. For further information about the annual performance review programme, refer to the 2022 Annual Corporate Governance Report, available at the corporate web page of Inditex, Investors section, Corporate Governance heading.		Principle 6
<b>13. Socially sustainable production environments</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">217-220</a> , <a href="#">321-324</a> , <a href="#">346-347</a>			
<b>GRI 414: Supplier social assessment 2016</b>					
	414-1 New suppliers that were screened using social criteria	<a href="#">115-116</a> , <a href="#">217-218</a> , <a href="#">321-323</a>		√ Pg. <a href="#">97-100</a>	Principle 2
	414-2 Negative social impacts in the supply chain and actions taken	<a href="#">115</a> , <a href="#">217-220</a> , <a href="#">322-324</a>			Principle 2
<b>Other disclosures: Audit process</b>					
	AF2 Parties and personnel engaged in code of conduct compliance function	<a href="#">115</a> , <a href="#">221-224</a> , <a href="#">230</a> , <a href="#">235-236</a>			
	AF3 Compliance audit process	<a href="#">216-220</a> , <a href="#">235-236</a>			

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	AF8 Number of audits conducted and percentage of workplaces audited	<a href="#">115-116</a> , <a href="#">216-220</a> , <a href="#">322-323</a>		√ Pg. <a href="#">97-100</a>	
<b>Other disclosures: Non-compliance findings</b>					
	AF9 Incidents of non-compliance with legal requirements or collective bargaining agreements on wages	<a href="#">218</a>			
	AF10 Incidents of non-compliance with overtime standards	<a href="#">218</a>			
	AF11 Incidents of non-compliance with standards on pregnancy and maternity rights	<a href="#">218</a>			
	AF12 Incidents of the use of child labour	<a href="#">218</a>		√ Pg. <a href="#">97-100</a>	
	AF13 Incidents of non-compliance with standards on gender discrimination	<a href="#">218</a>		√ Pg. <a href="#">97-100</a>	
	AF14 Incidents of non-compliance with code of conduct	<a href="#">218</a>		√ Pg. <a href="#">97-100</a>	
	AF15 Analysis of data from code compliance audits	<a href="#">218</a>			
<b>Other disclosures: Remediation</b>					
	AF16 Remediation practices to address non-compliance findings	<a href="#">216-218</a> , <a href="#">321-324</a>		√ Pg. <a href="#">97-100</a>	
<b>14. Climate change</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">199</a> , <a href="#">201-206</a> , <a href="#">346-347</a>	Inditex has a dedicated Energy Strategy and is working to minimise its impact on climate change all along its value chain. To that end we are streamlining our logistics processes, promoting energy efficiency in our facilities and making progress on our commitment to using renewable sources of energy. Further information about Inditex Global Energy Strategy is available at the corporate web page of Inditex, Sustainability section, Reporting heading.		
<b>GRI 302: Energy 2016</b>					
	302-1 Energy consumption within the organization	<a href="#">115</a> , <a href="#">202-206</a>		√ Pg. <a href="#">97-100</a>	Principle 7 and 8
	302-2 Energy consumption outside of the organization	<a href="#">115</a> , <a href="#">202-206</a>		√ Pg. <a href="#">97-100</a>	Principle 8
	302-3 Energy intensity	<a href="#">115</a> , <a href="#">202-206</a>			Principle 8
	302-4 Reduction of energy consumption	<a href="#">115</a> , <a href="#">202-206</a>		√ Pg. <a href="#">97-100</a>	Principle 8 and 9
	302-5 Reductions in energy requirements of products and services	<a href="#">115</a> , <a href="#">202-206</a>			Principle 8 and 9

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>GRI 305: Emissions 2016</b>					
	305-1 Direct (Scope 1) GHG emissions	<a href="#">199, 326-328</a>		✓ Pg. <a href="#">97-100</a>	Principle 7 and 8
	305-2 Energy indirect (Scope 2) GHG emissions	<a href="#">115, 299, 326-328</a>		✓ Pg. <a href="#">97-100</a>	Principle 7 and 8
	305-3 Other indirect (Scope 3) GHG emissions	<a href="#">115, 299, 326-328</a>		✓ Pg. <a href="#">97-100</a>	Principle 7 and 8
	305-4 GHG emissions intensity	<a href="#">115, 299, 326-328</a>			Principle 8
	305-5 Reduction of GHG emissions	<a href="#">115, 299, 326-328</a>		✓ Pg. <a href="#">97-100</a>	Principle 8 and 9
	305-6 Emissions of ozone-depleting substances (ODS)	<a href="#">204-206, 215</a>			Principle 7 and 8
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	We have plans in place to replace air conditioning units in stores with more efficient Class A units which enable us to avoid the emission of ozone-depleting substances. In addition, though the different measures implemented in our own stores, such as the renovation of climate control systems for example, the energy performance and efficiency is boosted. These actions to foster energy efficiency, coupled with the materialisation of our commitment to renewable energy, are key in our commitment to reducing the GHG emissions associated with our business activities.	Not applicable. We do not disclose information about other air emissions as they are considered non-material due to the characteristics of the devices and the equipment review frequency stipulated in prevailing legislation (controls are not necessary). The emission of particles deriving from transportation is generated by outsourced carriers so that this indicator is not applicable to the Group. Nevertheless, Inditex fosters enhanced emissions management and control in its value chain through the tool that enables calculation of emissions in accordance with the GHG Protocol, coupled with the definition of action plans.		Principle 7 and 8
<b>Other disclosures: Energy</b>					
	AF21 Amount of energy consumed and percentage of the energy that is from renewable sources	<a href="#">115, 202-204</a>		✓ Pg. <a href="#">97-100</a>	

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>15. Environmental footprint minimisation</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">206-209</a> , <a href="#">211-213</a> , <a href="#">215</a> , <a href="#">346-347</a>			
		The Global Water Management Strategy (available at the corporate web page of Inditex, Sustainability section, Reporting heading) contains a roadmap for achieving the sustainable and rational management of water and enhanced conservation of the environmental quality of freshwater and marine ecosystems. Inditex's detox commitment will similarly contribute to the sustainable use of water.			
<b>GRI 303: Water and effluents 2018</b>					
	303-1 Interactions with water as a shared resource	<a href="#">206-209</a>			Principle 7 and 8
	303-2 Management of water discharge related impacts	<a href="#">206-208</a> , <a href="#">215</a> , <a href="#">219-220</a>			Principle 8
		The water supplied to all workplaces, whether for processing or consumption, is withdrawn from authorised public supply networks, so that Inditex does not have any impact on protected habitats. Moreover, all of its water supply comes from areas experiencing low or no water stress.			
	303-3 Water withdrawal	<a href="#">206-208</a>			Principle 8
	303-4 Water discharge	<a href="#">206-208</a>			
		Further information about water discharges, available at the corporate web page of Inditex, Sustainability section, Reporting heading.			
	303-5 Water consumption	<a href="#">206-208</a>	The disclosure of water consumption in areas experiencing water stress is not applicable as Inditex's business is to distribute fashion garments (clothing, footwear and accessories) and home textile products, which it procures as finished products from its suppliers. In short, water consumption is not material on account of its business model and all of its water supply is sourced from areas that present low or no water stress. As for its suppliers, the Company has a number of policies and assessment and improvement programmes (e.g., Code of Conduct for Manufacturers and Suppliers, Green to Wear, etc.) designed to drive environmental sustainability across its supply chain.	√ Pg. <a href="#">97-100</a>	
		Inditex discloses information about water consumption at all of its offices, own factories, own logistics centres and all its own stores worldwide. The water supplied to all workplaces, whether for processing or consumption, is withdrawn from authorised public supply networks. Moreover, all of its water supply comes from areas experiencing low or no water stress.			
<b>GRI 306: Waste 2020</b>					
	306-1 Waste generation and significant waste-related impacts	<a href="#">115</a> , <a href="#">185-190</a> , <a href="#">211-213</a>			Principle 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	306-2 Management of significant waste-related impacts	<a href="#">185-187</a> , <a href="#">211-213</a>			Principle 8
	306-3 Waste generated	<a href="#">185-187</a> , <a href="#">211-213</a> None of the waste generated is disposed of by deep well injection or stored on site.	The Company's systems are not currently capable of producing disclosures about the waste generated in its proprietary stores with the level of detail required. Inditex has a number of projects underway with the aim of being able to comply with this disclosure requirement in future years.	✓ Pg. <a href="#">97-100</a>	Principle 8
	306-4 Waste diverted from disposal	<a href="#">185-187</a> , <a href="#">211-213</a>	The Company's systems are not currently capable of producing disclosures about the waste diverted from disposal in its proprietary stores with the level of detail required. Inditex has a number of projects underway with the aim of being able to comply with this disclosure requirement in future years.	✓ Pg. <a href="#">97-100</a>	Principle 8
	306-5 Waste directed to disposal	<a href="#">185-187</a> , <a href="#">211-213</a>	The Company's systems are not currently capable of producing disclosures about the waste directed to disposal in its proprietary stores with the level of detail required. Inditex has a number of projects underway with the aim of being able to comply with this disclosure requirement in future years.	✓ Pg. <a href="#">97-100</a>	Principle 8
<b>GRI 308: Supplier environmental assessment 2016</b>					
	308-1 New suppliers that were screened using environmental criteria	<a href="#">115</a> , <a href="#">219-220</a> , <a href="#">321-324</a>		✓ Pg. <a href="#">97-100</a>	Principle 8
	308-2 Negative environmental impacts in the supply chain and actions taken	<a href="#">185</a> , <a href="#">205</a> , <a href="#">215-217</a> , <a href="#">219-220</a> , <a href="#">298</a>		✓ Pg. <a href="#">97-100</a>	Principle 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
<b>16. Protection of natural resources</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">187-190</a> , <a href="#">209-211</a> , <a href="#">346-347</a>	<p>In the Code of Conduct and Responsible Practices, Inditex pledges to minimise the environmental impact of its products in respect of their entire life cycle.</p> <p>Inditex's Biodiversity Policy (available at the corporate web page of Inditex, Sustainability section, Reporting heading) sets down its biodiversity protection and conservation targets, which it defined following the principles established in the United Nations Convention on Biological Diversity and acknowledging the work of the International Union for Conservation of Nature (IUCN). To guarantee application of this strategy, these principles are layered into the master plans of each of the key areas comprising the business model.</p> <p>The Inditex Group applies responsible production standards in relation to the use of products of animal origin. Inditex has a dedicated animal welfare policy, included in the Sustainability Policy, and a Biodiversity Strategy, which establish management criteria throughout the value chain, both documents available at the corporate web page of Inditex, Sustainability section, Reporting heading.</p>		
<b>GRI 304: Biodiversity 2016</b>					
	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas		Not applicable. The sites owned by Inditex are neither adjacent to nor located within protected areas or areas of high biodiversity value, so that its activities do not have a significant impact in biodiversity.		Principle 8
	304-2 Significant impacts of activities, products and services on biodiversity	<a href="#">185</a> , <a href="#">187-190</a> , <a href="#">199</a> , <a href="#">207</a> , <a href="#">209-213</a>			Principle 8
	304-3 Habitats protected or restored	Inditex is committed to protecting and nurturing biodiversity by means of responsible and sustainable management of natural resources. For further information, refer to the Group's Biodiversity Strategy and Forest Product Policy, available at the corporate web page of Inditex, Sustainability section, Reporting heading.	Not applicable. Inditex's business is to distribute fashion garments (clothing, footwear and accessories) and home textiles, which it procures as finished products from its suppliers; as a result there are no habitats protected or restored as a result of its business activities.		Principle 8

GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Inditex is committed to protecting and nurturing biodiversity by means of responsible and sustainable management of natural resources. For further information, refer to the Group's Biodiversity Strategy and Forest Product Policy, available at the corporate web page of Inditex, Sustainability section, Reporting heading.	Not applicable. Inditex's business is to distribute fashion garments (clothing, footwear and accessories) and home textiles, which it procures as finished products from its suppliers; as a result, the organisation's operations have no direct impact on any habitats. As for its suppliers, the Company has a number of programmes (e.g., The List by Inditex, Green to Wear, etc.) designed to drive environmental sustainability across its supply chain.		Principle 8
<b>17. Product sustainability</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">187-194</a> , <a href="#">187</a> , <a href="#">326</a> , <a href="#">346-347</a>			
<b>GRI 301: Materials 2016</b>					
	301-1 Materials used by weight or volume	<a href="#">115</a> , <a href="#">186</a> , <a href="#">187-190</a>		✓ Pg. <a href="#">97-100</a>	Principle 7
	301-2 Recycled input materials used	<a href="#">115</a> , <a href="#">186</a> , <a href="#">187</a>		✓ Pg. <a href="#">97-100</a>	Principle 8
	301-3 Reclaimed products and their packaging materials	<a href="#">115</a> , <a href="#">186</a> , <a href="#">193</a>		✓ Pg. <a href="#">97-100</a>	Principle 8
<b>GRI 416: Customer health and safety 2016</b>					
	416-1 Assessment of the health and safety impacts of product and service categories	<a href="#">181-182</a> , <a href="#">184</a> , <a href="#">190-194</a> , <a href="#">325-326</a>		✓ Pg. <a href="#">97-100</a>	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	<a href="#">181-182</a> , <a href="#">184</a> , <a href="#">190-194</a> , <a href="#">325-326</a>		✓ Pg. <a href="#">97-100</a>	
<b>Other disclosures: Materials</b>					
	AF18 Programmes to replace organic-based adhesives and primers with water-based adhesives and primers	<a href="#">187-190</a> , <a href="#">194</a> , <a href="#">215-216</a>			
	AF19 Practices to source safer alternative substances to those on the restricted substances list, including description of associated management systems	<a href="#">187-190</a> , <a href="#">194</a> , <a href="#">215-216</a>			



GRI Standard	Disclosure	Page number(s) and/or direct answer	Omissions	External Assurance	Global Compact principle
	AF20 List of environmentally preferable materials used in apparel and footwear products	<a href="#">187-190</a> , <a href="#">194</a> , <a href="#">215-216</a>			
<b>18. Circularity</b>					
<b>GRI 3: Material topics 2021</b>					
	3-3 Management of material topics	<a href="#">105-108</a> , <a href="#">125-139</a> , <a href="#">142-144</a> , <a href="#">185-187</a> , <a href="#">298</a> , <a href="#">346-347</a>			